

PHEASANT RUN ROAD MAINTENANCE ASSOCIATION, INC.
BOARD OF DIRECTORS
MEETING SUMMARY
NOVEMBER 19, 2012
5:30 PM

A regular meeting of the Pheasant Run Road Maintenance Association, Inc., Board of Directors was held at the Administration Building, Leisure Services Conference Room on Monday, November 19, 2012.

Members Present: Debbie Bilbrey-Honsowetz, Canton Township, Val Krimmer, Fairways, Pete Sandys, Fairway Pines, Mark Waldbauer, Pheasant View, Bill Serchak, Canton Township

Members Absent: None

Others: Deborah Dooley, Canton Township, John Visos, President HOA Fairway Pines, Mirza Rabbaig, Treasurer HOA Fairway Pines

Others Absent: Tim Kljun, Roadway Manager

I. Call to Order

Mrs. Bilbrey-Honsowetz called the meeting to order at 5:31 P.M.

a. **Approval of Agenda**

Motion by Waldbauer, supported by Sandys to approve the agenda as presented. Motion carried unanimously.

b. **Approval of Meeting Minutes:**

i. October 8, 2012 Meeting Minutes

Motion by Waldbauer, supported by Serchak to approve the October 8, 2012 minutes as presented. Motion carried unanimously.

II. HOA Board Member Concerns

Mrs. Bilbrey-Honsowetz stated Mr. Kljun has been in the hospital and he has all the financial information. The PRRMA Board wants to hear the homeowner association's concerns and has removed any action items that were pertaining to the PRRMA budget. There will be another PRRMA meeting in December to take any formal action on the budget.

Mr. Visos inquired if all the subdivisions including Canton Township have all the same increase. Mr. Waldbauer stated yes, all 4 entities have a 10% increase for 2013. The increase is primarily based on the square footage of pavement in each subdivision as well as Canton. Mr. Visos stated Fairway Pines has an issue with the excessive increase in association dues.

PRRMA increase for Fairway Pines is 40% over last 5 years

PRRMA increase equates to \$96 per homeowner over last 5 years

PRRMA expenses are now 57% of Fairway Pines budget, and their entire dues increase for past 3 years goes to PRRMA.

PRRMA tracks but does not reduce amount of monies NOT collected by non-paying homeowners. Liens and lawyers have not been successful in collecting

these monies. Collection agency now has non-paying homeowners but no monies have been received.
PRRMA average increase of 8% over past 5 years is high, especially when economic conditions or inflation is considered.

Mr. Visos stated Fairway Pines has the following recommendations:

1. Suggest zero (0) percent increase for 2013. This yields a 5.4% increase per year in place of 8.0%, which is still a considerable increase.
2. Future PRRMA increases in-line with inflation and past increases considered.
3. Maximum 10% by-law should be adjusted for non-paying homeowners, which for Fairway Pines is 9.68%.

Mr. Sandys inquired prior to 2008, historically; there were no significant road repairs. Mr. Waldbauer stated PRRMA was collecting and investing into the reserve with very little work being performed. Prior to 2008 the roads did not require attention. In 2009, it was the decision of the Board to begin reducing the reserve fund and commence with regular road wearing surface maintenance.

Mr. Serchak stated in 2009 Spalding DeDecker was hired and set to the task of answering PRRMA's question, "How do we keep these roads at a specific level?" The level was set at the PASER rating of 62. The roads were 15 years old at that time. PRRMA maintains the roads and signage.

Mrs. Bilbrey-Honsowetz stated PRRMA was not able to maintain the roads in 2012 to that rating, as the money was not available. Mr. Serchak stated PRRMA wants to maintain these assets at a certain level and that is what is driving these costs. Mr. Visos stated a lot of the PRRMA costs are curbing.

Mr. Waldbauer stated it was noted on inception that there were no repairs needed for a given period. At some point repair work would need to be done with mill and replace. Eighteen years ago it was anticipated that it would cost a million dollars per mile to replace a road. The current thinking is to perform regular annual maintenance using a mill and replace process to delay the total rebuilding of the roadway, at great expense, until later. Mr. Serchak stated the County uses this concept of keeping the "good roads good". PRRMA is now bringing the roads up to the minimum PASER 62 level to delay full replacement.

Mr. Serchak stated PRRMA has had Spalding DeDecker for three years and they did the initial assessment. He stated it has been discussed to issue a new Request for Proposal. The assessments have already gone out to the homeowners' associations and Canton. Mr. Serchak stated whomever wins the proposal needs to be asked the question "Is PRRMA on the right track?", and "Is there a different method to reach the same goal?" Mr. Serchak stated he might suggest hiring an engineer and having them assess where PRRMA is today. Mr. Serchak stated it is well worth the money to pay a consultant to review the roads and handle the bidding each year.

Mrs. Bilbrey-Honsowetz stated she appreciates Fairway Pines Board members coming in this evening. This information will be relayed to Mr. Kljun for his input. Mrs. Bilbrey-Honsowetz presented the 2009-2012 PRRMA Income and Expenses to the Fairway Pines Board Members for their review.

Mr. Rabbaig inquired on what basis PRRMA came up with the 10% increase. Mr. Waldbauer stated that PRRMA made the decision to cap the amount of increase to ten-percent (10%) because that was the maximum we can increase each year without a vote of the membership. PRRMA stayed with the 10% because that is all the HOA could increase without a Special Assessment. Mrs. Krimmer stated that she was just reading the PRRMA Bylaws, and she was unable to locate any direct verbiage regarding the rate of annual increase. Mr. Waldbauer stated that this is correct. The ten-percent increase is specifically mentioned in the three HOA's Governing Documents. Mrs. Bilbrey-Honsowetz stated she will review the by-laws to have available the correct information.

Mr. Serchak stated that even though PRRMA spent almost \$200,000 on the construction contract in 2012, we left work on the table, causing us to drop the PASER level. This was due to lack of funds.

Mrs. Krimmer stated Fairways Subdivision did not increase their dues for 2013 because they had a large enough budget reserve. Mr. Waldbauer stated Pheasant View Subdivision froze their dues for three years; however may raise their dues this year.

Mr. Rabbaig stated he would like a breakdown of square yards of roads for each subdivision. Mr. Waldbauer stated Mr. Kljun will have that information. Mr. Rabbaig inquired if Fairway Pines has the option to opt out for a year. Mrs. Bilbrey-Honsowetz stated no, this would create a legal situation. Mr. Serchak stated PRRMA is a non-profit organization with a representative from each subdivision and the primary charge is maintaining the roads.

Mr. Rabbaig inquired what the average expenses are for the last 4 years for PRRMA. Mrs. Bilbrey-Honsowetz stated she has presented the 2009-2012 Income and Expense Statement to review. Mrs. Bilbrey-Honsowetz stated Mr. Kljun can give Mr. Rabbaig a call to answer any of the questions.

Mrs. Krimmer stated someone is going around selling sewer insurance. Mr. Serchak stated Canton does not endorse this insurance. This insurance is for any sewer and water lead issues from the curb to the home, also from the sidewalk to the house. This is the homeowner's responsibility.

Mr. Serchak left the meeting at 6:19 p.m.

Mrs. Bilbrey-Honsowetz stated we can email the draft RFP to the members to review before the next meeting.

III. Unfinished Business

a. Landscaping

Mrs. Krimmer inquired who maintains the islands. Mr. Waldbauer stated the Roadway Manager, PRRMA is responsible for all common beds. Mrs. Bilbrey-Honsowetz stated in the common areas, PRRMA replaces the trees and plantings as well as routine maintenance such as watering, weeding and mowing.

A responsibility matrix can be distributed to all members.

Mrs. Bilbrey-Honsowetz stated the landscaping cost and roadway project can be deferred to the next meeting in regards to the budget.

- b. Information on Website
Mr. Waldbauer stated there should be a menu option for year-end financial statements.

IV. Other Business:

- a. Next Meeting Date
December 10, 2012 at 5:30 p.m.
Discussion on HOA concerns
RFP Engineering Services
Landscaping

V. Adjournment

Motion by Waldbauer, supported by Krimmer to adjourn at 6:44 p.m. Motion carried unanimously.