

PHEASANT RUN ROAD MAINTENANCE ASSOCIATION, INC.
BOARD OF DIRECTORS
MEETING SUMMARY
November 14, 2016
5:45 p.m.

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 14, 2016.

Members Present: Debbie Bilbrey-Honsowetz, Canton Township Omar Alomary, Pheasant View, Tom Gamache, Fairway Pines, Bill Serchak, Canton Township

Members Absent: Ranson Smith, Fairways

Others: Tim Kljun, Roadway Manager, Deborah Dooley, Secretary, Greg Hohenberger

I. Call to Order

Mrs. Bilbrey-Honsowetz called the meeting to order at 5:48 pm.

- a. Approval of Agenda
Motion by Alomary, supported by Serchak to adopt the agenda as presented.
Motion carried by all members present.
- b. Approval of Minutes
 1. October 5, 2016
Motion by Alomary, supported by Bilbrey-Honsowetz to adopt the minutes as presented. Motion carried by all members present.

II. Financial Activity Review

a. Current Reports

Mr. Kljun stated the financial documents were sent to the members electronically. Mr. Gamache stated from the documents presented he inquired how does he tell the homeowners how their money was spent on Fairway Pines. Mr. Kljun stated each HOA has a specific account number representative of each HOA. He stated he will publish an account number for each HOA. He stated Fairway Pines is account number 74160. Mr. Kljun stated administrative fees are shared based on the percentage for that HOA. He stated when an invoice comes in, he breaks this down according to the percentage allocated for each HOA. Mr. Gamache stated in the case of Deborah Dooley's invoice, all HOA's are allocated the same cost for her services in record keeping, is that correct. Mr. Kljun stated he understands Mr. Gamache's concerns, however this administrative fees has always been based on the percentage fees agreed upon by the Board. Mr. Kljun stated Fairway Pines is charged 32%, Fairways 18.34%, Canton 28.4% and Pheasant View 28.2%. Mr. Alomary inquired what exactly is Fairway Pines looking for. Mr. Gamache stated there has been an issue with some of Fairway Pines Board

members that administrative fees are equal to all HOA's. Mr. Kljun stated he has explained how this process has been done and it is up to the Board to decide if any changes need to be made. Mr. Serchak stated the percentages was based on the network of roadway. He inquired if Fairway Pines Board members are aware of this. Mr. Gamache stated yes, they are aware. He stated that like in the case of Pheasant View being billed for a portion of roadway that Canton owned and was only changed back to Canton upon it being brought up. Mr. Serchak stated there were discrepancies in the past and does not see that the percentages as of today are incorrect. Mr. Alomary stated all benefit from Mr. Kljun's and Ms. Dooley's administrative fees, but do we want to begin picking and choosing or do we want to apply equal administrative fees. He stated he is open to discussion on this topic. He stated he believes there will be limited items to pick and choose from. Mr. Gamache stated Mr. Kljun could develop another account number to encompass all administrative fees for equal amounts charged. Mr. Alomary stated the bulk of fees are roadway and this needs to remain charged as percentages. He stated this proposal can be discussed at the next meeting.

Mr. Kljun stated the reserve projection through the end of 2016 will be \$555,410. Mr. Kljun stated the invoices are prepared with a due date of six weeks after they are received. Mr. Gamache inquired that the invoices show that all HOA's are due 11-30-2016 but Canton is 11-22-2016. Mrs. Bilbrey-Honsowetz stated that is for a different item, Canton is billed once a year for dues and pay in January. Mr. Kljun stated the invoice due from Canton on 11-22-2016 was work completed on the monument areas along Glengarry and Beck Road entrance, which was outside of the scope of PRRMA. Mr. Kljun stated this invoice was on the statement because Canton was just invoiced for the \$4,850.

Mr. Gamache inquired on the \$404,000 that was budgeted for 2016, however only \$114,000 was spent and how will PRRMA prevent that from happening in 2017. Mr. Serchak stated that happened from not doing the concrete work in 2016, however it will be done in 2017. Mr. Gamache inquired if PRRMA will have a calendar for keeping up with time frames for work to be accomplished by a certain date to keep on track. Mr. Serchak stated the first 10 years no projects were done but funds accumulated. He stated 8-10 years ago PRRMA began projects every year. He stated this year concrete replacement was scheduled, however PRRMA could not secure a contractor. He stated this item will be done in 2017 along with asphalt work. Mr. Gamache stated how will PRRMA keep on track with this project. Mrs. Bilbrey-Honsowetz stated the engineer will assist PRRMA on this aspect of the project. Mr. Serchak stated the project for 2017 will work as previous projects, the contractor will have certain limitations such as Liberty Fest and when school is in session. He stated in the past PRRMA has not had a contractor not complete a project on time. Mr. Gamache stated he would like to establish a schedule and at meetings discuss where the contractor is on that project. Mr. Gamache stated for instance crack sealing needs to be done completed by July or August and cannot go past September. Mrs. Bilbrey-Honsowetz stated PRRMA can request a progress report from Spalding

DeDecker. Mr. Kljun stated the review of the 2017 Budget will include timing for capital projects, Mr. Gamache's questions will be answered at that time.

b. Cash Flow Analysis

III. Other Business

a. 2017 Budget

Mr. Kljun distributed the 2017 proposed budget. He stated the proposed budget reflects the expected expenses for 2017.

- The projected level of General Expenses has been increased by an amount of \$3,543 as a result of expected additional costs for accounting/audit, engineering and professional services. Projected income taxes have been reduced by an expected \$2,500.
- The miscellaneous maintenance expenses have been increased by an amount of \$1,000 in the line item Electrical Maintenance/Repair due to the expected electrical maintenance of entryway lighting.

Mr. Alomary inquired if PRRMA pays income taxes. Mr. Kljun stated PRRMA is exempt from income taxes. He stated PRRMA has paid income tax in the past, however the interest from PRRMA monies is so low, PRRMA is now exempt.

Budget Option 1

- Contributions to the road repair reserve have been reduced by an amount of \$4,543, as compared to 2016 CY, in order to maintain the member contributions identical to that of the 2016 CY. No increase to HOA's.
- Projected capital spending is targeted at \$510,880.

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|---|-----------|
| Projected roadway repair | \$200,000 |
| Winter road repair contingency | \$ 10,000 |
| Projected road repair engineering | \$ 16,800 |
| Proposed monument repair at Glengarry/Canton Center entrance | \$ 5,000 |
| Summit Parkway and HOA's tree Replacement | \$ 30,000 |
| Projected sidewalk repair | \$ 89,000 |
| Curb and gutter replacement | \$132,000 |
| Curb, gutter and sidewalk engineering | \$ 27,250 |

Mr. Kljun stated there are projected 2016 Reserve Maintenance Expenses projected but as yet uncompleted. Uncompleted project funding will be rolled into 2017.

Mr. Gamache stated work such as the Fairway Pines Guard House repairs not be done in the winter months. Mr. Kljun stated this work will be up to the contractor, Dan's Custom Brick Work. He stated if this work is not

completed in 2016 it will be rolled over to 2017. Mr. Gamache stated his concern is if the concrete is poured and there is a freeze overnight it could be damaged.

- The December 2017 road repair reserve is projected at \$289,087.
- Member contributions are identical to the 2016 CY.

Budget Option 2

- Contributions to the road repair reserve have been reduced by an amount of \$33,690 in order to reduce the member contributions by 10% compared to that of the 2016 CY.
- Projected capital spending is targeted at \$510,880, unchanged from Option 1.
- The December 2017 road repair reserve is projected at \$259,939.
- Member contributions have been reduced by an amount of 10% compared to the 2016 CY.

| <u>Reserve Funding as of December</u> | | <u>Value of Capital Projects</u> |
|---------------------------------------|-----------|----------------------------------|
| 2014 CY | \$354,593 | \$102,173 |
| 2015 CY | \$391,650 | \$321,635 |
| 2016 CY | \$555,410 | \$115,604 |
| 2017 CY Option 1 | \$289,087 | \$510,880 |
| 2017 CY Option 2 | \$259,939 | \$510,880 |

Mr. Kljun stated he contacted the auditor and asked what would be a reasonable amount of reserve. He stated the auditor stated a reasonable reserve would be \$220,000 - \$320,000. Mr. Alomary stated there is a \$30,000 difference in Option 1 vs. Option 2. He stated would it be beneficial to pass that on to the HOA's or leave as is to maintain the optimal reserve. Mr. Gamache stated he speaks for Fairway Pines and they have no problem keeping the dues at the same level.

Motion by Alomary, supported by Serchak to approve Option 1 for the 2017 Budget.
 Motion carried by all members present.

b. Member Response to Dues Question

This question was requested by Mr. Alomary and it was addressed.

c. Monument Repair

Mr. Kljun stated the contractor will perform work in the following areas:
 Fairways, Pheasant View, and Canton (Glengarry/Beck Road entrance).
 The contractor proposes to enhance lettering, clean and seal.

d. Tree Replacement Program

Mr. Kljun stated the contractor, Davey Tree Service, has completed all the work on Glengarry and Summit Parkway. He stated the other work by Oakley Lawn Service has also been completed.

Mrs. Bilbrey-Honsowetz stated this agenda item is completed and can be removed from the agenda.

e. Next Meeting Date

Tuesday, December 13, 2016 at **5:15 pm**. Please note the time change for this meeting.

IV. Adjournment

Motion by Gamache, supported by Serchak to adjourn at 6:48 pm. Motion carried by all members present.