

PHEASANT LAKE TOWNHOME ASSOCIATION
SPECIAL HOME OWNER MEETING
NOVEMBER 9, 2015

SPECIAL HOME OWNER MEETING

I. Special meeting called to order – 7:00 PM

Board Members Present:

President: Judy Glazewski
Vice President: Tom Krippel
Treasurer: Beth Murphy
Secretary: Jerry Spehar
Director: Len Wiencek
EPI Representative: Scott Adler, Area Manager

II. Approval of minutes of the 10/12/2015 Meeting minutes.

1. Judy **motioned** to approve the minutes. Jerry **seconded** the motion. The motion was **unanimously** approved.

III. The board President will explain the reason for the Special Meeting.

1. Judy stated the reason for this meeting was to bring up the issue of soffit/fascia that was brought up last year, during the roofing project, and was put to the owners, for a vote. Because it was an improvement it required owner approval. That vote failed. Because the roofing project is completed and under budget, the board decided to bring this issue up again for a 2016 project. This, again, will require a home owners' vote. Beth will explain the financial aspect of the issue.

IV. Treasurer Beth reported on the siding project. The content of her report is included in the file attached to these minutes (see page 3 below). Owners asked questions about the project, and Beth and Judy responded. Most of the questions were asking about information already included in Beth's presentation. However, one of the issues raised was the color of the siding, which hasn't been determined yet. Another question was why the 2 different versions of the 2016 budget had different amounts for the driveway reserves; the owner believed that the amounts should be the same for the driveway reserve contribution regardless of whether the siding project was done. Beth stated that if the siding project was not done, more reserves would be available for the driveways, thus not requiring as large a contribution to the reserves for driveways. The owner did not understand Beth's response and asked for clarification, and Beth repeated the same answer. Only questions related to the siding project were being addressed at this special meeting.

V. Owners vote on the siding of the soffit/fascia association 2016 project.

NOTE: 61 YES votes are needed for approval. There are 35 units represented on the sign-in sheet. There are 82 of 92 unit owners present, in person, or represented by proxy, at this meeting.

Homeowners Present: Diane Connelly, Ron Sokolowski, Pat Petrie, Darlene Boerst, Steve & Julie Eppolito, Judy Glazewski, Tom Krippel, Jerry Spehar, Rite Davis, Mike Bates, Larry & Patricia Race, Bill & Nancy Trzaskus, Daniel Neubauer, Darlene Tomkins, Len Wiencek, Robert Giltmier, Carlos Udarbe, Robert Van Valkenburg, David & Debra Groah, Barb Schere, Jennifer E, Stoner, Ray & Kathy Greenhill, Majd Rimmawi, Beth Murphy, Mike &

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Roberta Concannon, J. D. & Emily Burch, Joseph Beissel, Julie Carbajal, George Machay, Anita Rogich, Kathy Cozzi, Sherleen Karchut, John Sokol, Barry Barnett, Ron Dickover.

Present but not signed-in: William & April Dziallo

Vote started **07:25** PM

Vote Results: 79 YES, 3 NO. The project was approved.

VI. **Adjourn Special Meeting.**

1. Beth **motioned** to adjourn the special meeting. Len **seconded** the motion. The motion was **unanimously** approved

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Treasurer's Special Report Attachment (Reference Item IV Above)
November 9, 2015
Pheasant Lake Townhome Association
Special Owner Meeting – Vote on Project to Side Soffit and Fascia Boards

FACTS Reported by Beth Murphy:

- **September 2014 Annual Owners' Meeting:**
 - Presented siding of soffit and fascia boards as part of 2015 roofing project
 - Due to estimated range of costs for wooden roof deck replacements, expected that all reserves (roof and non-roof) would be needed to pay for roofing project
 - Thus, if done in 2015, expected options for covering cost of siding of soffit & fascia boards:
 - Increase assessments in 2015 by \$127 per month
 - Get association loan in 2015 to be paid by assessments collected starting in 2016
 - Estimate of cost savings from siding of soffit and fascia boards reported to unit owners:

	<u>Total Annual Estimated Cost Savings</u>	<u>Cost Savings Per Owner Per Month</u>
Average wood repair costs no longer incurred <i>per year</i>	\$ 4,000	\$ 3.62
Average painting cost savings <i>per year:</i> \$29,421 savings on 3-year contract (per painting contractor) divided by 3 years	\$ 9,807	\$ 8.88
<u>Estimated Cost Savings per year by siding soffit & fascia boards (NO COST INCREASES ASSUMED)</u>	\$13,807	\$12.50

11/6/15 Wood Repairs Supporting Calculations:

	ACTUAL Wood Repair Costs		Average ACTUAL Wood Repair Costs
Year	<u>Incurring</u>		<u>Repair Costs</u>
2009	\$7,310.00		
2010	\$4,600.00		
2011	\$4,200.00		
2012	\$9,550.00		
2013	\$5,300.00		
2014	\$2,640.00		
Sum 2009 - 2014	\$33,600.00	Divided by 6 years =	\$5,600.00
2015	\$4,287.51		
Sum 2009 - 2015	\$37,887.51	Divided by 7 years =	\$5,412.50

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Thus, \$4,000 estimated annual wood repairs is LESS THAN the average ACTUAL wood repairs for the past 6 or 7 years that range between \$5,412.50 and \$5,600.00.

- Cost of doing siding is recovered by cost savings in about 10 years:

<u>Lang Bid for Siding Soffit & Fascia Boards</u>	=	<u>\$139,860</u>	=	10.13 years
Estimated Cost Savings Per Year		\$13,807		
- Owners did not approve siding of soffit and fascia boards
- **June 2015 – Board receives first draft of Waldman Engineering Reserve Study**
- **July 2015 Board Meeting**
 - Treasurer provides her review/critique of Waldman Engineering Reserve Study
 - Board discusses and agrees on revisions needed to be done by Waldman
 - Roofing contractor confirms bid for siding of soffit & fascia boards in 2016 will not change
- **August 2015 Board Meeting**
 - Revised Waldman Reserve Study provided to board in advance of board meeting
 - Treasurer replicates reserve study and then separates out the cost of the required versus discretionary items for board discussion
 - Board discusses and votes on discretionary items – votes on whether cost is to be included in costs to be reserved and paid by Association OR the cost is to be borne by individual unit owners (concrete and water/sewer main)
 - Treasurer agrees to replicate reserve study again and separate out the items whose cost will be borne by individual owners versus those where reserves need to be collected from owners and costs paid out by association reserves
- **September 2015 Annual Meeting**
 - Treasurer reported Roofing Project – Financial status
 - The September 2014 estimated contract extras (primarily replacing plywood) were between \$32,250 and \$104,400.
 - The 2015 actual roofing deck plywood replacement costs were \$8,640. Thus, the actual costs were \$95,760 UNDER the high end of the estimate.
 - Treasurer replicated & reported results of Waldman Engineering reserve study
 - Included cost of capital maintenance items required per declaration
 - Included cost of capital maintenance items considered discretionary per declaration and their costs would be paid out of Association reserves collected from all owners, per Board of Directors' vote at August 2015 board meeting
 - Excluded cost of capital maintenance items to be borne by individual owners, per Board of Directors' vote at August 2015 board meeting
 - Using numbers provided by the Waldman Engineering reserve study, Treasurer reported that there would need to be a regular assessment increase of \$81 (or possibly higher) per month in order fund the costs of

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- capital maintenance items in reserves (both those required by the declaration and those voted by Board of Directors).
- Thus, the roof assessment would go away in 2016, but there would be an estimated assessment increase of \$81 per month if the Waldman study numbers were adopted.
 - Owners did not like the fact that they were already going to be funding the next roof replacement and thought that collection of reserves for the next roof replacement should be deferred.
 - Others suggested that cosmetic garage door painting and lake dredging costs should be kept at zero since those costs had not been incurred to date.
 - **October 2015 Special Owners Meeting** (less than 61 owners present in person or via proxy)
 - Treasurer replicated the reserve study again, but made these revisions:
 - Removed roof replacement costs
 - Removed cosmetic garage door painting costs
 - Removed lake dredging costs
 - At 4:30 pm on day of October 12, 2015 board meeting, EPI sent Treasurer the bid that she had EPI request for replacing one third of the driveways in 2016; that bid showed that the cost in the Waldman Engineering study for 2016 was overstated by \$45,000.
 - Treasurer revised reserve study again just hours before the meeting to reflect \$45,000 decrease in driveway costs for 2016, 2017, and 2018
 - Treasurer drafted proposed 2016 operating budget for board discussion
 - Treasurer reported:

2016 Assessment
Per Month*

If siding of soffit and fascia boards **IS done** \$170

If the siding of the soffit and fascia boards **IS NOT done** \$180

*Treasurer was assuming that the board would be agreeing with her draft budget to be discussed after the special meeting.