



2024

# Capital Reserve WAIVER BALLOT

*Pheasant Run Association*

200 East Lake Dr

LaGrange, OH 44050

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[www.pralagrangoehio.org](http://www.pralagrangoehio.org)

Ohio law requires all associations to budget reserves “adequate to repair and replace major capital items in the normal course of operations, without the necessity of special assessments....unless the reserve requirement is waived annually by a 50% plus one majority.” As a result, all associations, including ours, are required to make a choice to either 1) adopt a budget that provides sufficient funding of reserves through increases in monthly fees to avoid special assessments, or 2) **obtain a majority vote of the ownership waiving the reserve funding requirement for the coming year.**

Based on a 2022 Reserve Study and the Finance Committees research, it is estimated we would need \$191,700.00 to be fully funded. If our association is to be fully funded, it would cost approximately \$29.70 per lot per month in 2024.

Please fill out the information below on this 2024 Ballot and return to the office by **10-30-23**. If the Board does not receive a majority vote **against** fully funding, we must fully fund the Capital Reserves Fund of \$29.70 beginning January 2024 in accordance with state law.

Owner Name: \_\_\_\_\_

Address/Lot #'s \_\_\_\_\_

Address/Lot #'s \_\_\_\_\_

The Board is asking you to vote if you wish to waive or achieve the full funding of the capital reserve requirement of the Ohio Revised Code for 2024.

The undersigned Owner of the Home/Lot identified above hereby votes:

\_\_\_\_\_ **FOR** fully funding reserves. By voting **for full funding**, this means a **monthly** capital reserve contribution of approximately \$29.70 will begin January 2024.

\_\_\_\_\_ **AGAINST** fully funding reserves. By voting **against full funding**, this means the Board has the ability to charge a lower monthly amount. However, if there is a major repair/ replacement needed, a special assessment could be charged to pay for it because there may not be enough money in the fund.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**\*\*Choosing NOT to vote has the same effect as voting FOR fully funding reserves and paying \$29.70 per lot per month in 2024.**

# Why do we need to pay for a Capital Reserve Fund????

To protect homeowners who are members of an association like Pheasant Run, Ohio law requires our Board to plan and budget for the costs to repair and/or replace the property items which PRA owns, such as roads, buildings, and equipment, to name a few. To comply, the Board hired Reserve Advisors, Inc. to conduct a reserve study, which consisted of 2 parts. First, a physical analysis of all the components of PRA, considering their condition, estimated useful life, and replacement cost, was performed. Then a financial analysis was completed. Both were then used to establish a funding plan that would provide enough money for the repair/replacement of our property. The plan looks at a 30-year time span for developing the projected costs. The report itself is very extensive, with over 60 pages of data and conclusions.

Our monthly capital contributions, which are currently \$29.70 per lot per month, have helped to build our reserve fund, which is currently at approximately \$191,700.00. According to the 2022 Reserve Study, this amount should not change until 2026! The Board is planning on keeping our capital contributions at \$29.70 until 2026 as well. This amount is in addition to the regular monthly dues, water and trash.

However, there is a provision in the law that allows for PRA members to **waive** the **full funding** of the reserves. This can only be done by a majority vote of all members. The waiver is effective for one year, which means members will have to vote each year to waive the full funding requirement.

**If full funding of the reserves is waived**, this means the Board has the ability to charge a lower monthly amount. However, if there is a major repair/replacement needed, a special assessment could be charged to pay for it because there may not be enough money in the fund.

On the back of this, please fill out the waiver ballot. Ballots will also be available at the PRA office and on our website. We strongly encourage everyone to register if you have not already done so and vote.

Your vote matters! If you **do not** want to pay the full amount required by law in 2017, you **must** vote **AGAINST fully funding reserves**. **Choosing NOT to vote has the same effect as voting FOR fully funding reserves and paying \$29.70 per lot per month in 2024.**

The full Reserve Study report is available for review at the office, we can also email you a copy or you can view it on our website at [www.pralagrangeohio.org](http://www.pralagrangeohio.org).

Respectfully, Finance Committee and Board