

PHEASANT RUN ROAD MAINTENANCE ASSOCIATION, INC.
BOARD OF DIRECTORS
MEETING SUMMARY
February 21, 2007

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 February 21, 2007.

Members Present: Ann Conklin, Canton Township, Dave Nagy, Pheasant View, Craig Stevens, Fairways, Ron Powell, Fairway Pines, Tom Casari, Canton Township

Excused:

Others: Tim Kljun, Roadway Manager

Ann Conklin called the meeting to order at 5:35 p.m.

Approval of Meeting Minutes

A motion was made by Craig Stephens and seconded by Tom Casari to approve the meeting minutes of December 13, 2006. The motion was unanimously approved without discussion or clarification.

A motion was made by Dave Nagy and seconded by Craig Stephens to approve the meeting minutes of January 24, 2007. The motion was unanimously approved without discussion or clarification.

Recognition of Efforts

Ann Conklin thanked Craig Stephens for the efforts made to prepare and present his program entitled ***PRRMA Budget Planning*** made at the January 24, 2007 regularly scheduled meeting of the board. The remainder of the board joined with their "well done".

Financial Activity Review

Tim Kljun presented the financial reports as of January 31, 2007, consisting of:

- Balance Sheet
- Reserve Account (Asset) Activity
- Statement of Income and Expense
- Aged Receivables
- Aged Payables
- Narrative for December 2006 and January 2007

No questions or clarifications were requested.

PRRMA 2007 Budget Review

During opening remarks of the 2007 budget review, Ron Powell questioned whether the interest received from the reserve investments be used to pay annual operating expenses. The board consensus was not to use the interest to pay the annual operating expenses but to continue reinvesting it into reserves.

Ron Powell also suggested that PRRMA change the budget immediately in preparation to alter the fiscal year beginning August 1, 2007. The consensus of the board was to continue with the approved 2007 budget until the fiscal year changed. A new budget would be prepared at that time.

Tim Kljun requested the board identify its philosophical concept for the of method of recovery of overspending. The board decided to delay discussion of this subject until a later time.

Tim Kljun made a presentation to the board entitled ***Budget Element Description*** which identifies the elements of the current budget format. This element description will continue to be the basis of future budgets.

The following handouts were given to each board member:

- Approved 2007 Budget
- Comparison of budget vs. actual spending for fiscal years 2004 through 2006 in comparison to the 2007 budget.

The board directed that the approved 2007 budget would stand as written.

Traffic Study Proposals

Tim Kljun updated the board that the revised traffic study proposals were due on Monday, February 26, 2007. One bid from Dietrich Bailey and Associates had been received. The remaining bids from Tetra Tech and OHM were due. The board directed that if three (3) bids were not received, further action to get additional bids was not necessary. The following proposals were discussed:

- Recover the cost of this unbudgeted item in the following year.
- Reduce reserve repairs by an equal cost amount.
- Add an element in the Reserve Study for Engineering.

A motion was made by Dave Nagy and seconded by Ron Powell to conduct the traffic study and award the contract to the low bidder. The motion was unanimously passed by the board.

A motion was made by Ron Powell and seconded by Dave Nagy to remove the cost of the traffic study from projected repairs in the reserve study and transfer to common repairs in the 2007 budget. The motion defeated.

The board directed Tim Kljun to investigate whether engineering costs were contained in the cost of the repair project or identified separately.

A motion was made by Ron Powell and seconded by Craig Stephens to increase the Engineering line item in the approved 2007 budget by \$5,500. The motion was defeated.

A motion was made by Dave Nagy and seconded by Ron Powell to reduce reserve repair projections by \$5,500 and transfer a like amount to general expense to cover the cost of the traffic study. The motion was carried. The board recognized the concern raised by Craig Stephens not to allocate projected reserve funds to non-reserve activities.

Reserve Fund Funding Discussion

The board discussed the following issues relative to reserve funding:

Adequacy of the reserve study funding levels.

Experience acquired by the reserve activity should aid in developing a funding model.

Recognition of the fact that actual performance overrides reserve study projections.

Necessity of identifying the maximum amount of assessment which could be charged to each homeowner.

Standard of Responsibility Discussion

Tim Kljun presented the approved copy of the STANDARD OF RESPONSIBILITY, Check Table of Agreement. The board directed that clarification be prepared to identify Landscape Maintenance and Repair within the right-of-way. Tim Kljun will provide proposals for the next meeting.

Fiscal Year Change

The board confirmed its desire to change the fiscal year to August 1 to July 31, beginning August 1 2007.

Stop Sign Status

Ann Conklin confirmed to the board that the Canton Township Police would not issue citations for violation of stop signs within the subdivisions due to the fact that the stop signs do not comply with the M.M.U.T.C.D. The Canton Township Police stated that their citations would not stand up in court on appeal.

The board reiterated that the purpose of the installation of the low mount stop sign, at selected locations, was to increase the level of safety for the drivers and subdivision members regardless of whether Canton Township can gain revenue from issuing citations.

The meeting was adjourned at 8:15 p.m. The next meeting is scheduled for March 21, 2007 at 5:30 p.m. at the Leisure Services conference room.

Respectfully submitted,

Tim Kljun for Ann Conklin