

**PHEASANT RUN ROAD MAINTENANCE ASSOCIATION, INC.**  
**BOARD OF DIRECTORS**  
**MEETING SUMMARY**  
**July 25, 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 Wednesday, July 25, 2007.

**Members Present:** Ann Conklin, Canton Township, Dave Nagy, Pheasant View, Craig Stephens (arrived 5:50 p.m.), Fairways, Tim Kljun, Roadway Manager, Tom Gamache, Fairway Pines, Tom Casari, Canton Township

**Others:** Joe Maltese, Fairway Pines, Deborah Dooley, Canton Township

Ann Conklin called the meeting to order at 5:40 p.m.

**Approval of Meeting Minutes:**

Motion by Tom Gamache, supported by Dave Nagy to remove from the table and approve the minutes for May, 2007 with revisions. Motion carried unanimously.

Mr. Maltese stated he would like a copy of the current minutes sent to him monthly.

Motion by Nagy, supported by Casari to approve the June 20, 2007 minutes. Motion carried unanimously.

Mr. Gamache stated the intent for the minutes were correct; however there were some sentence structure that needed correcting. Mr. Gamache will email them to Ms. Conklin for corrections.

**Financial Activity Review:**

Tim Kljun presented the financial reports as of June 30, 2007, consisting of:

- Balance Sheet
- Reserve Account (Asset) Activity
- State of Income and Expense
- Aged Receivable
- Aged Payables
- Narrative for June 2007
- CD Performance Chart through the end of June, 2007

Mr. Kljun stated the he would like to bring the balance sheet to the Boards attention that the CBD checking account is low, and is done by design. Mr. Kljun has placed

everything into interest bearing accounts (CBD High Performance Checking) and will move back as needed.

Mr. Gamache inquired where is the repair to the Fairway Pines entrance monument shown on the balance sheet. Mr. Kljun stated the repair to the entrance monument will be shown on the income and expense statement and will be shown next month. Mr. Kljun stated the repair was \$2,000 and the insurance will return \$1,500 and \$500 will be the responsibility of PRRMA for the deductible.

Mr. Nagy inquired if PRRMA has all the certificate of insurances for the subdivisions on file. Ms. Conklin stated probably not and those will be needed.

Mr. Kljun stated contractors that PRRMA has used have supplied certificates of insurance. Mr. Nagy stated PRRMA should have certificates of insurance for each subdivision and check the limits on each policy that they are the correct limits and policies should be enforced.

Mr. Kljun stated there is one group policy from Auto Owners that is broken out into 4 different policies, PRRMA, and one to each subdivision for the personal liabilities of the Boards. Mr. Nagy stated his Board has its own insurance agent and pay insurance premiums, maintain workmen's comp, liability for officers and directors, and omissions. Mr. Nagy stated he is not sure if Auto Owners is the agent. Mr. Kljun stated when this Board began PRRMA's insurance was complete including each subdivision. Mr. Kljun stated when everyone broke out, Modern Insurance, the underwriter at that time, made one policy for each organization and one for PRRMA. Mr. Gamache inquired if the policy that Fairway Pines pays for is the only policy for liability. Mr. Kljun stated it is the only policy. Mr. Kljun stated he will call Auto Owners and get clarification. Ms. Conklin stated each HOA should submit a copy of their policy and those policies should be included in the handbooks. Mr. Nagy stated the CNR calls for \$1 million minimum in liability insurance. Mr. Maltese stated it is the responsibility of the HOA to manage these policies themselves and not PRRMA's responsibility. Mr. Nagy stated the HOA is still going to manage these policies; however it needs to be PRRMA that enforces the compliance. Mr. Maltese inquired if Canton is included in enforcement of compliance. Ms. Conklin stated yes. Ms. Conklin stated it is PRRMA's legal responsibility to check on the insurance for each HOA and Canton. Mr. Nagy stated he believes it is simply an oversight.

Mr. Gamache inquired to Mr. Nagy if his HOA still had an umbrella. Mr. Nagy stated they had cancelled the umbrella plan. Mr. Nagy stated his HOA is with the Dearborn agency and the agent stated since his HOA does not have a club house or swimming pool, tennis courts, the liability exposure is not there and the umbrella is not needed.

Mr. Gamache stated at the last meeting workmen's comp was discussed. It was mention that a rebate was given. Mr. Gamache stated the way his HOA policy is written it requires that contractors have workmen's comp; however his HOA does not

get a rebate. Mr. Gamache inquired if a contractor has to have workmen's comp or is this the way the policy should be written. Mr. Nagy stated in his business, every year, the workmen's comp policy is audited by the underwriter. Mr. Nagy stated he feels they billed in a percentage of premium to cover hiring a contractor that doesn't have adequate insurance. When they audit and you have certificates of insurance from contractors you have done business with and those contractors have workmen's comp insurance you will be refunded a portion of the premium paid. Mr. Gamache stated he checked with Cliff and he stated his HOA policy requires only dealing with people that carry workmen's comp. Mr. Nagy stated he would advise Mr. Gamache to check into this because it sounds like he has some exposure if a contractor is hired inadvertently who does not have workmen's comp or his policy has lapsed. Mr. Gamache inquired so to make sure his HOA is covered they would have to receive a current certificate of insurance from a contractor to make sure the HOA was covered. Mr. Nagy stated yes, and make sure your HOA is additional named insured on the contractor's policy. Mr. Nagy stated this is not an unusual request, it is part of business. Mr. Gamache inquired if each HOA has to be uniform since we are providing policies or is this adequate for the oversight responsibility. Ms. Conklin stated PRRMA needs to go back and look at the governing document and make sure each HOA and Canton has the proper limits. Ms. Conklin stated she will go through the governing documents and see how it addresses the insurance documents.

#### **IV. Unfinished Business**

##### **A. 2007/2008 Budget**

Ms. Conklin stated last meeting Mr. Kljun passed out forms and he also emailed those to everyone in an effort to assist in building the budget. Everyone was asked to bring back to the meetings for input. Mr. Gamache stated he handed them out, but nothing definitive back yet and when he does he will send to Mr. Kljun. Mr. Kljun passed out a draft budget. Ms. Conklin stated this is just a draft and this will enable the Board to start talking. Mr. Kljun stated this is the identical format that has been used in the past to develop the budget.

Mr. Kljun this draft form shows what the approved budget was for 2007. This draft shows the proposed budget for fiscal year 2007/2008 for the general expenses area. Mr. Kljun indicated that income taxes were shown at \$5,000 last year. This year the income taxes are projected at \$2,500. Mr. Kljun stated engineering had \$8,000 in anticipation of cost to conduct the Summit Parkway modification and this did not occur so there was no expenditure. Therefore, the proposed budget will be less for 2007/2008 (August 1, 2007-July 31, 2008). Mr. Kljun stated the other item that has changed is professional services. The line item professional services have been \$3,500 in the past. This \$3,500 has been rolled into other accounts. This will show us what additional services are required for PRRMA. Mr. Kljun stated based on PRRMA's current status he is expecting PRRMA is going to come in within the budget for general expenses.

Mr. Gamache inquired what the difference is between professional services and management fees. Mr. Kljun stated management fees are the cost for his services

(base price). Mr. Kljun stated professional services are for any additional services or consultants the Board chooses. Mr. Kljun stated the difference between engineering and professional services, example is last year PRRMA requested Canton Township to provide engineering services looking at the status of roadways goes under engineering services. Mr. Gamache stated he believes the more categories PRRMA has the better. Things get lost otherwise. Mr. Maltese requested an example for professional services for better understanding. Mr. Kljun stated the Fairway Pines monument repair was removed from line item professional services. Mr. Kljun stated the reserve study was also taken out of professional services. Mr. Maltese stated PRRMA paid much more than \$3,500 for the reserve study, this is just budget and does not apply to actual for the fiscal year. Mr. Kljun stated that is not actual. Mr. Kljun stated the handouts for the budget that are distributed on a monthly basis indicate a comparison to the budget. Mr. Maltese stated the actual numbers for Jan.-July 2007 will be handed out in August or September. Ms. Conklin stated they will be distributed in August. Mr. Kljun stated the income and expense statement shows the current condition of each line item (current and year to date) in the budget.

Mr. Kljun stated at the end of June 2007 we had \$7,483 for general expenses and the budget to date was \$21,000 and total budget was \$30,000 and we under run that currently by \$13,000.

Mr. Stephens inquired if legal fees should be increased in the budget. Mr. Kljun stated he does not know how much more should be put in. Mr. Kljun stated PRRMA has spent thus far \$205.00 on legal fees. Ms. Conklin stated another invoice for legal fees has been received for around \$200.00.

Mr. Nagy inquired if Fairway Pines is getting any closer to a resolution with the law suit. Mr. Gamache stated their attorney filed a response. Mr. Maltese stated it is best not to talk about this.

Ms. Conklin stated PRRMA agreed and committed to changing the budget to August 1, 2007 which she agrees with, however a funding model has not been chosen and we need a budget operating on August 1, 2007. Ms. Conklin inquired how PRRMA moves forward. Mr. Nagy stated raising the dues 10% is known and we can do that without going to the homeowners. Ms. Conklin stated the proposed budget model before us this evening does not reflect the 10% increase. Ms. Conklin stated what also needs to be reflected in this budget is the revenue collected from the Links and St. Joes will come back to PRRMA and will not be ducted from the Canton annual dues.

Mr. Stephens stated that the reserve study indicates PRRMA needs to do \$62,000 in road repairs this year. Mr. Stephens stated if PRRMA carries on like they did last year, PRRMA will spend substantially more than that figure. Mr. Stephens stated PRRMA Board needs to discuss whether \$62,000 is a good number. Whatever number PRRMA chooses that will drive how much is needed to collect from the homeowners. Mr. Kljun explained how he got the projected reserves and the

projected reserve investments. Mr. Kljun stated PRRMA is shifting the model 6 months out of phase with what all the other documents are indicating. Mr. Kljun stated he took the reserve study for this year (\$25,082) and prorated for the next 6 months and got \$62,000. Mr. Kljun stated if you look at the reserve study PRRMA has been using (not the new one) the repairs for 2008 are projected at \$114,000. Mr. Kljun stated that is how he came up with the \$62,000. Mr. Stephens stated the new reserve study indicates we only need \$25,000 for 2007 and \$3,000 for next year. Mr. Stephens stated neither seems creditable from the examination of the roads. Mr. Stephens stated quotes need to be obtained in order to make a fair judgment on the money needed for 2007/2008. Mr. Stephens stated \$110,000 seems more creditable than \$25,000. Ms. Conklin inquired if members can support this knowing that in a couple of months we can come back and make the needed modifications. Mr. Maltese stated all the numbers are about projections and modifications can be made to each line item as needed.

Mr. Kljun stated when he distributed the sheets for items projected to be completed; it was the beginning of the capital plan. As the sheets are completed a cost estimate for each item needs to be completed and a priority list included.

Mr. Stephens stated he recommends using what was spent last year on road repair. Ms. Conklin stated that Mr. Casari has information on road repair and maybe we should postpone this conversation until after his explanation and see if there is a number we can plug in.

Ms. Conklin stated for the 2007 road repairs she will email each of you criteria to use when evaluating and then prioritizing. Ms. Conklin stated no decision will be made until September. Everyone will come back with priorities based on the criteria that is established. Mr. Stephens stated he is somewhat agreeable; however states still have the budget to put numbers in. Mr. Stephens stated we have \$25,000 from last years reserve study, \$62,000 from the first reserve study and \$170,000 from what we spent last year and roughly \$270,000 which is ½ of what Mr. Casari's study is. Mr. Stephens stated in his best imagination he cannot imagine the two (2) reserve study numbers coming home based on looking at the roads. Mr. Stephens stated if we are going to set a budget it is going to be between \$170,000 and whatever budget we set. That will dictate how much we have to cut. Ms. Conklin inquired if we set the budget at \$270,000 are you saying we are automatically going to spend the \$270,000 after the criteria comes back. Mr. Stephens stated if the priority list indicated only certain items would be necessary to complete this year then we definitely would not spend all the money budgeted. Ms. Conklin stated we need to plug in a dollar amount, however we need to be flexible according to the priorities. Ms. Conklin stated the number plugged in the budget will potentially represent the 10% from the HOA and what falls short will come out of the reserve. Mr. Nagy made a motion, supported by Mr. Gamache to budget \$158,182 with a provision to revisit the projected reserve amount after priorities are set and intend to set that number in September. Motion carried unanimously. Mr. Kljun will invoice HOA in September.

## **B. Reserve Funding Options**

Mr. Stephens stated he would like to keep this on the agenda for September. Mr. Casari stated when PRRMA does the priorities on each subdivision if done during the week Mr. Zilincik can meet on site and walk it with members. Mr. Maltese stated he would like Fairway Pines contacted to meet with Mr. Zilincik.

Mr. Stephens stated Mornington Court has a lot of alligating on it and would like Mr. Zilincik to take a look at it. Mr. Kljun stated there is a hole with a protective barrel on it and he believes it is maybe a sewer leaking. Mr. Kljun stated the road is caved in all around the sewer and he would be willing to meet Mr. Zilincik on site to examine. PRRMA will pay Canton to repair the road around the storm sewer.

Mr. Stephens stated there is a similar hole on Central Park just before it bends to the right to take you into the farthest west part of Central Park. Mr. Casari stated it may be the Counties.

## **C. 2007 Road Repairs**

Mr. Casari passed out a cost estimate for the 2007 road repairs. Mr. Zilincik, Canton Township Engineer, has gone back and done a physical inspection of the site once again. The sheets Mr. Casari passed out show the three subdivisions and the roads that will need repair. Mr. Zilincik stated that with the types of repairs in all three subdivisions they are beyond the point of repairs and the indicated the majority of streets will need a mill and resurface. Pheasant View will include Crowndale and Southwyck. Fairway Pines will include pothole patching. Fairways at Pheasant Run will include quite a bit of mill and resurface. Mr. Zilincik came up with a cost estimate for a two-year program for 2007/2008 and 2008/2009. Mr. Zilincik included Summit Parkway holding off until 2008/2009 and apply a cold patch for this year. With the improvement scheduled for Canton Center it makes sense to wait until next year. Mr. Zilincik came up with an estimate of \$545,750 to make all of the repairs and improvements for the two-year plan. Ms. Conklin stated Summit Parkway's cost was \$150,000. Mr. Kljun stated the cash balance of PRRMA with the reserve is \$440,000. Mr. Casari stated a priority list could be made for this budget year. Mr. Casari stated this report is an extrapolation of the report from last year. Mr. Stephens stated the reserve study indicates the average cost for repairs per year is \$300,000.

Mr. Gamache inquired if this would be expected to continue or would there be a plateau after the spending hump. Mr. Gamache stated if this two-year plan buys us 4 or 5 years of heavy rigorous maintenance then it sounds good. If this is only going to buy us a year or two, then it is not a good plan. Mr. Casari stated Mr. Gamache's question is a good one. Mr. Casari stated this wraps everything up and puts the roads in pretty good shape with continued maintenance would level off for a period of time. Mr. Gamache stated he would not expect a specific date, and realizes a bad winter could change things. Ms. Conklin inquired if she was reading this right, PRRMA would be collecting \$200,000 from all participates over the next couple of years for the reserves specifically. Mr. Stephens stated the whole concept of reserves doesn't exist. Every time money is collected from homeowners, PRRMA is spending it. Mr.

Stephens stated in two years time PRRMA would have no reserve. Mr. Stephens stated that \$275,000 is not out of line with what was projected last year or the reserve study annually on an average. Ms. Conklin stated she would like to have a list of criteria for prioritizing the improvements. Mr. Casari stated he will email the members some information to work with. Mr. Nagy stated he would like to see Pheasant View completely done this year. Mr. Nagy stated he does not think it makes financial sense to break it up in Pheasant View for two years.

Mr. Stephens stated his recommendation for this year is to put into plan the \$275,000 and prioritize until \$275,000 is reached. Mr. Kljun inquired if the projected repairs are going to be changed to \$275,000 or in addition to what is already projected. Mr. Stephens stated he recommends changing it to \$275,000 total.

Mr. Kljun inquired if any money will be placed in reserve. Mr. Stephens indicated it would depend on the effect on the subdivisions. Mr. Kljun indicated \$275,000 in projected repairs, Fairway's contribution is \$111,000, Fairway Pine's contribution is \$106,000, Pheasant View's contribution is \$76,000, and Canton's contribution is \$45,914. Mr. Maltese stated those numbers can change because PRRMA can only collect 10% so the rest of the funds will have to come out of reserve money. Mr. Maltese stated he feels the Board is going too fast, we have this projection and it doesn't mean we are going to do it and it doesn't mean we are going to spend it. Mr. Maltese stated we need to setup a roadmap on priority repairs. Mr. Maltese stated Wayne County takes care of things by priority with the funds they have available. Ms. Conklin stated she doesn't believe anyone disagrees with Mr. Maltese that priorities need to be set. Mr. Nagy inquired if a mill and resurface produce the same longevity as a new road. Mr. Casari stated first some base repair will need to be done. Then 1 ½ inch of top will be removed and a new wearing course is applied. Mr. Casari stated it will give new life possibly 10 years to existing pavement; however not like a new replacement. Some maintenance after a couple of years will need to be done. 5-6 years out some pothole repair may need to be done.

Mr. Gamache stated he believes we all agree that we need to put on a more rigorous maintenance program and until very recently there wasn't a lot of maintenance done. Ms. Conklin stated she disagrees. Ms. Conklin stated the maintenance has been done as needed, however in the last three years that significant maintenance has been done. Mr. Stephens stated there has not had to be a lot of maintenance done in the past because the roads were new, but in the last three years there has been some deterioration. Mr. Gamache stated and we responded that we were going to a real rigorous maintenance program. Mr. Gamache stated if we project it on based on the way the roads have been maintained then we could with pretty good confidence believe that these roads could achieve the same lifespan they have up to now with this program. Mr. Gamache stated he would certainly not say we have not done any maintenance but not the sort of maintenance we should do once we get these roads repaired.

Mr. Nagy stated if the Board wants to see road where the planning was improper in a subdivision go to Springbrook Subdivision in Farmington Hills, 11 Mile and Middlebelt.

Ms. Conklin stated it is unfair to just plug numbers in this chart. It doesn't reflect any revenues or any future conversations we may have concerning Canton's contribution. Ms. Conklin stated that she agrees with Mr. Maltese's comment that the contributions from the subdivisions should not reflect any more than 10% which is legal and take additional through reserve or a formula change. Mr. Maltese stated he does not agree we can use the number until we agree with the rating system. Mr. Maltese stated and until we agree and approve of the priorities and skirt on other issues, that number may drop \$50,000. Mr. Maltese stated when you are resurfacing roads that are 12 years old we could say yes, it should be done, could be done, but can we do patch work and get 3 more years out of it and continue to build reserve fund and do preventative maintenance that we have all agreed to do. Mr. Maltese stated on the new reserve study it didn't call for any of this right now and we were relying heavily on the reserve study. Mr. Maltese stated it only showed us spending \$30,000 this year and showed us building and adding to the number Mr. Stephens talked about this evening. Mr. Maltese stated this is great and he likes having concrete number to look at but doesn't mean you have to spend it right now. Mr. Nagy inquired if Mr. Maltese wanted his roads to get as bad as Canton Center Road. Mr. Maltese stated he guarantees our roads will never look like Canton Center because we won't let that happen. Mr. Stephens stated if we don't make these repairs might we be taking the steps to let that happen. Mr. Maltese stated he doesn't think so. Ms. Conklin stated she doesn't think PRRMA is rushing into anything, we are just saying we need to set up a budget and prioritize.

Mr. Casari stated this has proven itself again and again with road agencies, a mill and resurface is not replacing the road, it is a considered a premium road maintenance. If you step down from that it is pot hole patching and crack sealing. Mr. Casari stated the road agencies take a look at the roads and prioritize. They used to repair all of the worst roads first. They have reevaluated and now only use 20% on the reconstruction and take the remaining 80% and do the high level maintenance. This may allow you 30-40 years before you have to do a reconstruct on that road. Mr. Nagy stated he believes that because on Southwyck they are starting to have to patch patches and feels that a mill and resurface provides a much longer life span. Mr. Maltese stated from a cost standpoint how much is it going to cost to do a mill and resurface compared to a patch that will last three years.

Mr. Kljun stated on previous meetings we agreed to look at potholes and begin patching. Mr. Kljun stated the principle was certain linear section of road were examined and determined if a patch was less costly than a mill and resurface. Mr. Kljun stated he believed that to be how the Board set the standard for repairing the roads. It was discussed that we would focus on pothole repairs. Now next year we do the same and end up doing twice as many repairs in the very same section. Mr. Kljun stated now the evaluation is if we are going to repair all of these roads filling

potholes that cost a certain number we evaluate and compare with mill and resurface cost. Mr. Casari stated how Mr. Kljun is explaining it is not how he meant it when he discussed it. Mr. Casari stated a need for some criteria so that when you looked at a section of road that needed some patching say in a thousand foot section, a certain percentage has been patched. Patching is where water can get in and the freeze and thaw process begins. This is what Mr. Zilincik has done. Mr. Casari stated beside the mill and resurface giving you the nice new surface to ride on it also caps everything and does not allow the moisture to get in.

Mr. Casari stated he is fairly confident that the numbers in the cost of mill and resurfacing are accurate. Mr. Casari stated he cut the numbers to the bone and still came up with \$48.81 per square yard and T & M (1 year old) is \$43.03 per square yard.

Mr. Stephens stated pictures of examples of cracks would be helpful to prioritize. Mr. Casari stated he would speak with Mr. Zilincik and get some information for members to assist in prioritization.

Mr. Casari stated Mr. Kljun gave him a quote from T & M from last year and compared to Canton, Canton is more expensive. Mr. Casari passed out sheets detailing the cost for Canton doing the patching. There are 8 locations which include large areas of patching; a total of 68 square feet. Canton is \$5.00 per square foot more than T & M. This is due to renting equipment that Canton does not have.

Mr. Kljun stated this is good target numbers to get quotes with. Mr. Casari stated Canton has made a commitment to do the 8 locations and rent the equipment for the cost of the materials, and rental equipment for two days. The roads that are slated for mill and resurface probably should not be patched.

Mr. Nagy inquired how PRRMA is going to spend the money in Fairway Pines. Mr. Maltese stated Fairway Pines contributed to the reserve that the money is being used to make the repairs. Mr. Stephens stated Fairway Pines probably could get by this year. Mr. Kljun stated Fairway Pines is in the arrears \$33,675.91 without the 5% interest. Mr. Gamache stated Fairway Pines has never said that it does not want to spend money on roads. Fairway Pines issues is contributing the amounts that are projected and the 10 year plan. Mr. Gamache stated if that is in fact monies that need to be spent in Fairway Pines we recognize a need to fund those repairs. Mr. Gamache stated this is this year's projection, money that we are going to spend right now or in the next year. Mr. Gamache stated whenever it gets spent and it is repairs we recognize that need to be done, we have said all along we will pay. Mr. Stephens stated Fairway Pines has no problem if we use the money to fix Fairway Pines, but what if all the money is used for Pheasant View. Mr. Gamache stated that is part of the problem. Mr. Gamache stated he is sure that Pheasant View would have difficulty if they had to assess their homeowners to pay for repairs in Fairway Pines. Mr. Stephens stated they already have, they did it last year and the year before that. Mr. Nagy stated if you look at the monies that Pheasant View has contributed in

comparison of the return we are way down. Mr. Maltese stated that is going to change. Mr. Nagy stated again Fairway Pines has not funded that reserve for others. Mr. Stephens stated while we still have money in the reserve we can spend and fix the roads but at some point we are going to run out of money in the reserve. Mr. Stephens stated he would not support Fairway Pines getting any repairs on them paying on just what repairs are done in their subdivision. Mr. Nagy stated the money in the reserve belongs to all three subdivisions and Fairway Pines is not entitled to a certain amount of the reserve money.

Mr. Casari stated the sign issue in Pheasant View limiting traffic was discussed and the County indicated a sign could be erected in the County Road right-of-way for east bound Central Park Blvd. as it hit Beck stating "Traffic Must Turn Left or Right" and/or "No Through Traffic". Wayne County will probably pay to put the sign up but it would get done quicker if PRRMA puts up the signs. Ms. Conklin inquired if the road can be painted also for right or left turn only. Mr. Casari stated he does not know if the County will allow the road to be painted. Mr. Casari stated putting the "No Through Traffic" sign on the other end of Southwyck would help. The County recognizes the same thing we have been told by Public Safety that it is an enforcement issue. Mr. Casari stated he will speak with Public Safety and see if they will warn people for one week. Mr. Casari stated right now a traffic light is warranted at that intersection. If the signage goes up and it significantly changes things the warrant may go away. Mr. Kljun suggested getting the traffic light to indicate you get green lights to turn left or right but never a green light to go straight. Mr. Casari stated the problem is you are coming from private to public roads. The only reason the County agreed to the signage is because it is a private road. Ms. Conklin would like Mr. Casari to explore that more.

#### **D. Further Discussion on Fairway Pines Proposal**

Ms. Conklin stated at the last meeting there was considerable discussion on the proposal and was asked to keep it on the agenda. Mr. Gamache stated the intent was to go through the proposal line by line and see who supports and who doesn't support. Mr. Gamache stated that Mr. Stephens asked him to take a look at that based on the reserve study that we discussed at the last meeting because he had projected some significant dollar amounts that each of the subdivisions would use at their discretion and also the unanticipated contingency fund. Mr. Gamache stated he can not figure out what to do with that based on these numbers we are just going to pay as we go. Mr. Gamache stated he still believes there still needs to be some unanticipated contingencies established, but cannot figure out how to do that. Mr. Gamache stated he will continue to figure out how to rationalize that. Ms. Conklin stated she will continue to put this item on the agenda. Mr. Gamache stated we have more pressing issues at this time.

#### **V. New Business**

##### **A. Sidewalk responsibility**

Mr. Gamache stated he has major concerns over PRRMA having essentially responsibility from property line to property line. This includes sidewalk, driveway

approach, snow removal and trees. Mr. Gamache stated his proposal is that PRRMA is responsible for curb to curb, and let the ordinances address the process that Canton has in place to address the sidewalks, the street trees and let this remain the responsibility of the homeowner and the driveway approaches are the homeowner's responsibility. Mr. Gamache stated if PRRMA takes on the responsibility of property line to property line it has the sidewalks, street trees, driveway approaches and snow removal. If a homeowner gets the word that the sidewalk is PRRMA's responsibility and wonders why isn't PRRMA removing the snow, then what. Mr. Gamache stated his HOA has been requested to take the snow off the sidewalks next to the berm along Cherry Hill and Canton Center. Ms. Conklin stated she believes this request originated from the school district and Canton enforced the ordinance. Mr. Casari stated the Canton Township Ordinance requires the property owner that abuts the sidewalk to remove the snow. Mr. Gamache stated his proposal is to begin an amendment (not sure who establishes wording) that the Roadway Reciprocal Agreement indicate that PRRMA retain ownership but responsibility for maintenance is only from curb to curb. Ms. Conklin inquired who will be responsible for the sidewalks. Mr. Gamache stated his proposal is that the homeowner would be responsible for the sidewalks. Mr. Kljun stated we wouldn't have to amend anything; we would just make it a policy. Mr. Gamache stated sidewalks would be replaced according to the Township's sidewalk replacement program.

Mr. Casari stated sidewalks in public road right of way brought about a Canton Township case which made it to the Supreme Court back in the 90's, the County has jurisdiction from property line to property line in the public road right of way and their Charter is for road purposes only, the Supreme Court held that the County was not responsible for the sidewalk; however the Township was. Because of that the Township started the Sidewalk Program. Attorneys advised the Township to have a maintenance program and some criteria to deal with this. If the Township is sued, there is a program in place and your exposure is limited. Mr. Casari stated in this case it is not a public road right of way and the Township's position is the sidewalk policy doesn't apply because it is all private property. Mr. Casari stated with the site condos the Township doesn't plan on doing anything there, the responsibility becomes that of the association or whoever has that properties responsibility. In this case, there is a document that indicates right of way to right of way, or property line to property line which puts the responsibility with PRRMA and the homeowner for anything that might happen to the sidewalks. Mr. Casari stated what typically has happened in the sidewalk cases dealing with public road right of way is a lawsuit arises to the County the Township and the homeowner. The County has a way out and the Township typically took the homeowner out of it and the Township dealt with the lawsuit. The document makes PRRMA responsible and they will probably try to bring the homeowner in also. Ms. Conklin stated what Mr. Casari is saying is that the sidewalks do not fall into the Gap program and there is nothing to say that PRRMA cannot come up with an amendment to make the homeowner responsible. Mr. Gamache stated we should try and parallel the wording that transferred the responsibility to the homeowner in the Gap Program. Mr. Casari stated he would consult an attorney. The problem now is that the homeowner is now responsible. If a

slip and fall happens in front of a homeowners home, they can sue that homeowner. The homeowners should understand first. This is like any case where a trip and fall happens on a public sidewalk in front of a home. Mr. Gamache stated in a non-private road situation wouldn't that be the same. Mr. Casari stated as it is right now, the County, and homeowner are out and the Township is responsible and their defense is the Gap program. Mr. Casari stated PRRMA could develop a sidewalk program that mirrors the Township's Gap program that may minimize the risk to PRRMA. Ms. Conklin stated even though PRRMA doesn't have the responsibility we would have the accountability to inspect for hazards. Ms. Conklin stated PRRMA could contract with Canton to extend to PRRMA roadways. Ms. Conklin stated she would research with attorney.

Mr. Kljun inquired how would a situation where a sidewalk is damaged in front of a home and the homeowner refuses to repair it. Mr. Gamache stated the same way the Township deals with it, special assessment. PRRMA would have to fix it and special assess the homeowner. Mr. Kljun stated that is what each HOA is suppose to do. HOA comes back to PRRMA, as has been done in the previous 10 years, listing repairs needed and PRRMA has gotten them to make repairs because they fall out of the classification that the Township establishes as the criteria. PRRMA has accepted this and the cost is negligible so we are not going to go back. Now looking at this program PRRMA will have to go back to every homeowner and take every step that has be absorbed before for the benefit of saving how much money? Mr. Gamache stated it is not just the sidewalks, what about driveway approaches, street trees. Mr. Gamache stated changing the sidewalk responsibility is the first step in minimizing PRRMA's exposure to any cost associated between the curb and the property right of way. Mr. Kljun stated the whole idea is not to shield PRRMA it is to help the homeowner. Mr. Gamache stated what if a homeowner states they do not what to be responsible for snow removal. Mr. Kljun inquired if anyone has come to Mr. Gamache and said that. Mr. Gamache stated no, but there is a potential for it. Mr. Kljun stated if that occurs then it is a dues issue. Mr. Kljun stated in the case of Fairview Pines each homeowner contributes \$1.00 a piece and they get all the sidewalks taken care of. Mr. Kljun stated now Mr. Gamache wants to change things where a homeowner may have to spend thousands of dollars to take care of his property. Mr. Gamache stated if you have 6 flags of sidewalk in front of your home that you have been driving heavy equipment on then why should each homeowner have to help fund this repair. Mr. Kljun stated negligence on the part of the homeowner does not eliminate him the cost. Ms. Conklin stated the question is warranted and questions that she will take to the attorney for clarification. Mr. Stephens stated it is a balance that PRRMA has to achieve, on the one hand homeowners are responsible for their homes or giving the homeowner control over their property. Motion by Mr. Gamache, supported by Mr. Nagy to contact the attorney to discuss option if PRRMA can give control of the sidewalks, street trees and driveway approach to the homeowner. Motion carried unanimously.

## **B. Application of Vegetation Killer**

Mr. Kljun stated last year at the Boards request quotes for vegetation killer for between the asphalt and the concrete curb and gutter were obtained. This has not been done this year, and the Board directed it could be done as many as three times. The price per application is \$1,200 for all the subdivisions including Summit Parkway and is budgeted for this year. Mr. Gamache inquired how effective was this vegetation killer. Ms. Conklin stated she used to receive complaints but did not receive any last year. Mr. Kljun stated for the elimination of vegetation this should have been started in April; however there is still two possibilities to apply. Mr. Kljun stated as it grows it damages the roads. Mr. Maltese inquired if weeds damage the roads. Mr. Casari stated yes, it damages the asphalt. Mr. Casari stated filling would help but you have two different mediums, concrete and asphalt and needs a thicker filling and it is a place that water gets into. Mr. Kljun stated he investigated sealing driveways with this material and it is very cost prohibitive. Mr. Kljun stated a driveway on Muirfield used this special sealant and it only lasted one year. Mr. Kljun stated the cost for just the driveway approach was \$100-\$150 per driveway. Mr. Kljun stated vegetation killer is the most cost effective. Mr. Maltese stated his landscaper is weedwacking the vegetation between the asphalt and concrete, but that does not help if it is damaging the roads. Mr. Maltese stated unless you can convince him that it is doing some serious damage to the roads he would not encourage PRRMA to spend the \$2,400. Ms. Conklin stated due to a lack of motion the vegetation killer will not be applied.

#### **IV. Other Business**

##### **A. Pending Litigation**

Ms. Conklin stated the attorney has indicated he has to file a response by Friday, other than that not much new.

Mr. Stephens stated the litigation is based on the right of PRRMA to collect a reserve. Mr. Stephens stated PRRMA is not going to have a reserve in a couple of years. Mr. Stephens stated is it worth the law suit. Mr. Maltese inquired if Mr. Stephens had seen the response from Fairway Pines. Ms. Conklin stated that she had emailed it to everyone. Mr. Maltese stated it is a little more than that. Mr. Gamache stated he has an answer and he knows what he would like to say; however he cannot respond at this time. Mr. Gamache stated in light of Mr. Stephens question it still needs to be resolved. Mr. Gamache stated he will inquire with his attorney in regards to a response and if permission is granted he will email to everyone. Mr. Gamache stated his response is pending after review with attorney. Mr. Maltese stated we had our opportunities to work it out, but it didn't get worked out so now it is where it is at.

Mr. Stephens stated the litigation is now much bigger and includes the three page proposal document from Fairway Pines. Mr. Gamache stated the litigation does not address the three page document, it specifically addresses Fairway Pines not paying into the reserve fund. Ms. Conklin stated it has expanded a little bit. Mr. Stephens stated he read the response from Fairway Pines and it is just as he expected, two lawyers writing letters to each other and takes money away from PRRMA. Ms. Conklin stated a comment was just made about issues that have not been address and

she agrees no decisions have been made; however these issues have been talked about. Examples are: looking at the 12% for the Township, Links of Pheasant Run. These issues have been addressed and we are slowing chipping away at it and are willing to talk about it. Mr. Gamache stated he agrees with that statement that we are chipping away at it. Ms. Conklin stated it is an inaccurate stated that the Board has not addressed the issues. Mr. Stephens stated the lawyers jobs are to find things to disagree with each other on and these documents will get bigger and bigger and charge more and more money, because that is what they do. Mr. Stephens stated he wants Fairway Pines to make sure they are getting their fundamental grievances worked out and they need to know what they are. Mr. Stephens stated we can quibble over this word and that word and the fact is we will not have a reserve fund in a couple of years and not have the ability to generate one ever again. Mr. Gamache stated he did not know if that is the case. Mr. Maltese stated he does not know how we can resolve it outside of litigation. Mr. Maltese stated he doesn't know what he can say or how he can represent his Board now, he would like to think we could, without speaking to his attorney he doesn't know what they can do right now. Mr. Stephens stated Fairway Pines could pay and drop the case. Mr. Gamache stated again the issue is the second part. Mr. Gamache stated he knows PRRMA has not adopted a specific plan. Mr. Gamache stated the 10 year plan we are talking about has some substantial dues requirements and that is the issue. Ms. Conklin stated as we have said all along it is a guide, not a plan, not a commitment. Mr. Stephens stated we have not created a plan so there is nothing to have litigation about. Ms. Conklin stated it was recommended by Ron that we have a 10 year rolling plan and we will have the discussions like earlier every year. Mr. Maltese stated he liked what we did earlier and he hadn't seen something to work with before. Ms. Conklin stated we have in the past, maybe Mr. Maltese didn't attend those meetings.

Mr. Stephens stated we have spent all of our time arguing over whether we have a reserve study or not or reserve fund or not instead of focusing on the roads. Mr. Stephens stated that is why we couldn't fix the budget today because we have wasted our time on something that is not going to have any material impact on how much money we will need from the homeowners or no material impact on how much our roads are going to need fixing. Mr. Maltese stated it should have been adopted if you believe that and let us pass that \$700,000 number that you believe will never exist anyway. Mr. Stephens stated if we pass that \$700,000 there is an implication we need to raise that \$700,000. Mr. Maltese stated it was a cap, just a number we through out there to say we are doing this and the money is not being spent and if the reserve study doesn't come to fruition. Ms. Conklin stated we have never gotten to that point. Mr. Maltese stated it was brought up by Ron a long time ago. Mr. Maltese stated a lot of things are discussed but not happening. Mr. Maltese stated just lately things are starting to happen. Mr. Nagy stated he disagrees with Mr. Maltese and stated we have been in a formulation stage for a long time trying to resolve issues. Mr. Maltese stated according to our Board what is left on the table is stuff that hasn't been able to get worked out and it's that important and that's why we are where we are today. Mr. Stephens stated not knowing what is left on the table unless it is whether it is legal for PRRMA to take in money from three (3) separate HOA into a central fund and

distribute where it is needed rather than who has paid what. Mr. Gamache stated no. Mr. Stephens stated he feels it is part of it. Mr. Stephens read the legal response from Fairway Pines and stated it says it is limited to collecting the reserve. Mr. Stephens stated again, we are not going to have a reserve. Mr. Gamache stated that is the way it is right now, however the counter claim indicates no time in the future. Mr. Gamache stated that is the issue.

Mr. Maltese stated he has heard Ms. Conklin state on several occasions that Canton is not trying to shirk its responsibilities and he feels it would be beneficial if the percentages would be revisited. Mr. Maltese stated he feels it would be helpful if Canton Township stepped up to the plate and makes a commitment. Ms. Conklin stated she takes offense to that statement and it has been stated that Canton Township will look at the percentages and the \$11,000 from St. Joes and the Links is going into the reserve fund. Ms. Conklin stated until the litigation is settled and we decide if we are going to exist as an organization she is not going to commit to anything.

Mr. Stephens stated if we are going to address the lawsuit we need to address the contents of the lawsuit not pull other issues in. Mr. Stephens stated the lawsuit is with the other two HOA. Mr. Gamache stated the lawsuit addresses just PRRMA's assumed authority. Ms. Conklin inquired why Canton Township should step up and take total responsibility for this if PRRMA ceases to exist. Mr. Gamache stated the areas in the three (3) page document identifies Summit Parkway and Glengarry west of Summit Parkway as community roads. Ms. Conklin stated she understands that you believe that but we have not had that discussion as a group. Ms. Conklin stated what she hears Mr. Maltese saying is if Canton Township takes responsibility for everything, everything will be alright. Mr. Gamache stated what Mr. Maltese stated was does Canton Township acknowledge that. Ms. Conklin stated yes, Canton Township realizes it needs to have more responsibility; however not total responsibility. Mr. Maltese apologized to Ms. Conklin for offending her. Mr. Maltese stated let's take it a step further this subject has been brought up at every meeting he has been to. If this is the case what can Canton Township put on the table that would specifically identify what more they think would be fair. Ms. Conklin stated clearly Canton Township has stepped up with the Links and St. Joes, but shy of saying Canton Township will take total responsibility for Summit Parkway, no Canton Township has not said that, but had some internal conversation.

Mr. Nagy stated back to the basic premise, if PRRMA does not have authority to collect a reserve or levy a reserve against subdivisions everything else is moot. Nothing is going to be accomplished until the authority of PRRMA is established in a court of law. Mr. Nagy stated the whole reason PRRMA exist is to levy the assessments and look over the roads. Mr. Gamache stated levy assessment and look over the roads he agrees with. Mr. Gamache stated that is the issue with the law suit is future years projections. Mr. Gamache stated if we had the information Mr. Casari had for even 2009 that is concrete definitive repairs that are projected and not things that were in the 10 year plan.

Mr. Stephens stated for this year we have real time data to work with however the reserve study has to use their crystal ball and experience. Mr. Stephens stated the reserve study underestimates the amount of money we will need for 2007/2008 by a substantial amount. Mr. Stephens stated we have three (3) pieces of data to go by the data from past money spent, the money spent last year and the reserve study. Mr. Stephens stated we could ignore the reserve study and keep dues just the way they are and be in a world of hurt. Mr. Stephens stated this has nothing to do with the reserve study it is about planning for the future. Mr. Stephens stated he ran across a letter from PRRMA from 1999 to homeowners, which stated the HOA needs to raise the dues every single year and none of the HOA's did it.

Ms. Conklin stated the discussion needs to be initiated on what percentage is fair for Canton Township. Mr. Gamache stated not 100% is fair, roadways that have been identified Canton Township takes 100% responsibility. Mr. Maltese stated defining those as public roadways. Ms. Conklin stated she is not prepared to take to the Board of Trustees until she hears from everyone what is fair.

Mr. Stephens stated he believes the road evaluation forms need to be completed and returned so data can be collated. Ms. Conklin stated the forms should be returned the Friday before the meeting.

Mr. Casari stated if anyone would like they can schedule a meeting with Mr. Zilincik during the week for about one hour and he can walk the areas with members. Ms. Conklin stated the forms should be returned by Friday, August 24, 2007.

Mr. Stephens stated if we decide \$250,000 is what we need to spend next year we cannot pay for all of that out of HOA dues for the year because some HOA will be overdrawn on their bank accounts. The only way to do that is to take money from the reserve which is what it is intended for. Mr. Stephens stated in three years we will not be able to do that. Mr. Stephens stated he feels Fairway Pines needs to take that back to their Board and think about it. Mr. Gamache stated if we do these repairs will our forward years repairs be significant. Mr. Gamache stated we may have an unknown cost if this rigorous maintenance program that we have been talking about.

Mr. Stephens stated we discussed having a joint meeting with all the HOA Boards. Mr. Stephens inquired if it is still agreeable with everyone. Mr. Nagy stated he is not prepared to set a date, however his Board is interested in the joint meeting. Mr. Stephens will present his power point presentation to the HOA when an agreeable date is set. Ms. Conklin stated she would like to make that decision after the August meeting. Mr. Stephens stated he spoke with his Board and is presenting the power point presentation tomorrow to the HOA. Mr. Nagy stated he would like to put it on the website for his HOA. Mr. Maltese inquired if Mr. Stephens did anything different in the presentation in preparation for the presentation to his HOA. Mr. Stephens stated he sent an email to homeowners indicating issues involving PRRMA that we think you need to know about, and what PRRMA is and does and here are two issues that we have, one is raising dues in the future, and litigation with Fairway Pines. Mr.

Stephens stated there was no follow up with anything written. Mr. Stephens stated not everyone has email, so we encouraged spreading the word to those who do not. Mr. Maltese indicated he would like to know how it works out and if you get more participation than in the past. Mr. Nagy inquired if Fairway Pines Board has informed all of the homeowners of the litigation. Mr. Maltese stated they are in the process of doing that now and there is a HOA meeting on August 15, 2007 to educate them on what PRRMA is and does. Mr. Gamache stated he believes they will be informing them that they own the roads.

**Other Business**

Ms. Conklin stated the agenda for August 29, 2007 will be:

Repairs for 2007

Budget for 2007/2008

Reserve Funding Options

Sidewalks

Fairway Pines Proposal

Insurance

Pending Litigation

Mr. Gamache and Mr. Maltese questioned some stop signs that were down. Ms. Conklin stated that she just received Mr. Maltese email today and Canton Township will be installing temporary signs until the permanent signs are ready.

The next PRRMA meeting will be Wednesday, August 29, 2007 at 5:30 p.m. in the Leisure Services Conference Room.

Motion by Nagy, supported by Stephens to adjourn at 8:40 p.m. Motion carried unanimously.