

PHEASANT RUN ROAD MAINTENANCE ASSOCIATION, INC.
BOARD OF DIRECTORS
MEETING SUMMARY
February 25, 2008

I. 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, February 25, 2008.

Members Present: Ann Conklin, Canton Township, , Craig Stephens, Fairways, Tim Kljun, Roadway Manager, Laura Gitre, Fairway Pines, Tom Casari, Canton Township, Mark Waldbauer, Pheasant View

Others: Val Krimmer, Fairways, Deborah Dooley, Canton Township, Paul Porter, Pheasant View

Ann Conklin called the meeting to order at 5:48 p.m.

II. Approval of Meeting Minutes:

Motion by Waldbauer, supported by Casari to approve the January 10, 2008 minutes as amended. Motion carried unanimously.

III. Financial Activity Review:

Tim Kljun presented the financial reports as of January 2008, consisting of:

- Balance Sheet
- Reserve Account (Asset) Activity
- State of Income and Expense Aged Receivable
- Aged Payables
- Narrative for January 2008
- Updated Maintenance and Repair Detail (accumulative totals)

Mr. Kljun distributed the balance sheet showing current division, and income and expense. Mr. Kljun stated PRRMA made \$18,354.00 in interest last year, 2007 and our target was \$15,880.00. Mr. Kljun stated PRRMA's administrative expenses were \$1,800 under budget. PRRMA's Canton expense was over budget because of concrete and asphalt. Fairways maintenance was \$9,000 under budget, Fairway Pines was \$23,000 under budget, and Pheasant View was \$26,000 under budget. Mr. Kljun also presented the current amount in the reserve accounts. Mr. Kljun stated everyone should have received January 2008 financial statements which indicates the income and expense for the new fiscal year, August 2007 through current date.

Ms. Conklin stated she sent everyone the minutes from July 25, 2007 and on page 5 at the bottom there was a motion by Nagy, supported by 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. Ms. Conklin stated the Board never

revisited the budget so the reserve payments will increase, they were scheduled to be \$110,000; however based on this motion they were actually \$158,182. Ms. Conklin stated the Board needs to reconfirm that is what the Board wants to do, or we need to adjust the assessments down to reflect the \$110,000. Ms. Conklin stated we accepted the \$158,182 before we knew what the bids were for the road repairs and it was a guesstimate at the time. Ms. Conklin stated she feels the Board should go back to the \$110,000 because that is what the reserve is because we don't base the funds on the bills we get every year. Mr. Waldbauer inquired if the \$110,000 is sufficient. Ms. Conklin stated some will say yes, some will say no. Ms. Conklin stated Mr. Stephens has a presentation this evening that may answer that question. Mr. Stephens stated he cannot answer that until the Board decides how much they are going to need over the coming years. Ms. Conklin stated we won't know that until the May invoice and then it could be reduced. Mr. Stephens stated it will only be an estimate. Mr. Stephens stated we have several sources of information to draw from to estimate the amount needed for the reserve. Mr. Stephens stated we have the two reserve studies, actual money we have spent, which is the only number that is truly accurate. Mr. Kljun stated we spent \$103,000 out of the reserve last year, which about \$98,000 was T & M. Ms. Conklin stated that was below the \$158,000 that we made a motion for last August.

Mr. Kljun stated he update both reserve studies to reflect the spending from last year. Mr. Kljun stated in the case of the original reserve study, it appears that in the subsequent years going out to 2012 that we will require a continuous increase of about 11 to 12 percent to make ourselves whole at the end of that time. Mr. Kljun stated if we use the reserve study that was done in August, we have adequate funds; however the reserve study that was done in August of the year before the reserve study only indicates that we will spend only \$3,000 out of the reserve study this year and that is not correct, it is underfunded. The reserve study from August 2006 indicated that in 2008 the reserve study would only need to be refreshed, and that is not true. Mr. Casari inquired if that was indicative if we did all of the repairs that were indicated to be done in 2006 and 2007. Mr. Kljun stated no, since the original reserve study we have been reducing the amount of money we have been putting in the reserve causing us to fall back from the target. Ms. Conklin stated we have been reducing that amount because of the pending litigation. Ms. Conklin stated in time we either will cease to exist or that money will be coming in to the reserve. Mr. Kljun stated he is not reflecting that. Mr. Kljun stated if you look at the reserve study, and compare it today to what it was when first published we about \$100,000 behind. Mr. Stephens stated the decision was made long before the litigation came about to not fund the reserve to the letter. Ms. Conklin stated if Fairway Pines were whole we would be on target. Mr. Kljun stated we would be about that number but not quite. Ms. Conklin stated she would like to see these figures, because that is not what Mr. Kljun showed her before. Mr. Kljun stated he believes we are talking two different things. Mr. Kljun stated we are talking the cash flow analysis for this year in which we have yet to get to and talking about the status of the reserve study historically, up to this year. Mr. Kljun stated he can prepare that for the board for the next meeting. Mr. Kljun stated in order for PRRMA to meet the proposed obligation using the original reserve study, which has currently been updated, it appears as though we are going to have to continue to increase about 11 to 12 percent per year in contributions from HOA.

Ms. Conklin stated the \$110,000 to \$158,000 is about a 40 to 45 percent increase in a year, and she does not think that reflects PRRMA status at this time. Mr. Kljun stated he is not rendering a judgment, he is trying to indicate to the Board current status. Ms. Conklin stated with everything going on at this time, we should be going at status quo, and reflecting the guidelines that we have and to increase 40 percent in one year is not right.

Mr. Stephens stated he disagrees, he thinks to put litigation on one side we have a responsibility to figure out how much money we will need to spend. Ms. Conklin stated we don't know how much we need and a 40 percent increase is too high. Mr. Stephens inquired based on what data. Ms. Conklin stated reality at this time. Mr. Stephens stated based on the data from last year and the year before, indicated we spent more money than the reserve study predicted. Mr. Stephens stated our option, as a Board, was to spend that money anyway, that will have an affect of drawing down the reserve whether we put money in or not, that can be our decision. Mr. Stephens stated we are currently projecting our expenditures for road repairs based on a reserve study and data shows we are not spending money at that rate, we are spending money at a faster rate.

Mr. Kljun stated if you look at the current reserve study, which is the oldest, in 2008 it is projecting a \$114,000 to be spent out of the reserve for roadway issues. Mr. Kljun stated compare that to the new reserve study, that is only expecting to spend \$3,000, it is a tremendous difference. Mr. Kljun and Mr. Casari stated it appears the original reserve study is more accurate, based on what data we have.

Mr. Kljun stated if we look at current accounts receivable, \$76,032.66 as of February 25, 2008, is 100% towards Fairway Pines. Mr. Kljun stated if we collected everything owed from Fairway Pines today, we would still be behind in our reserve as a comparison to the original reserve study. Mr. Stephens stated one of the reasons the second reserve study line is higher than the first reserve study is it takes into account that the original reserve study indicated that so much money would be collected per year and we did not collect that much money per year, so the second reserve study plays catch up.

Mr. Kljun stated if we are looking at the new reserve study, it indicated in 2008 we have to collect \$239,000. Mr. Kljun stated the old reserve study indicates our reserve funding needs to be about \$112,000. Mr. Kljun stated the updated reserve study is asking for even more money collected. Ms. Conklin stated we need to have a motion to change the amount collected for the reserve and she is not hearing anyone changing what we are doing at this time. Ms. Conklin stated the minutes should reflect we had discussion and the majority did not what to make any changes. Ms. Gitre stated she will get in trouble for not debating that, but she would like to understand the numbers before we do anything. Ms. Gitre stated we have already collected $\frac{3}{4}$'s of the money, and would like to spend some time understanding the numbers before we make any changes from the \$158,000. Ms. Conklin stated she will keep adding this item to the agenda.

b. CD Investments

Mr. Kljun distributed the current cash availability analysis thru August 2, 2008.

Mr. Kljun stated PRRMA has cash accounts at Community Bank of Dearborn, Community Bank of Dearborn: High Performance Checking and Accounts Receivable (money Fairway Pines owes PRRMA), Association Dues: Fairway Pines (Operations Money for 2 quarter, 3rd and 4th expected), Pheasant View: \$25,000 (Paid ½ today and other half paid at next billing), Money Market Reserves: Ann Arbor Commerce Bank and University Bank, Maturing CD's: March, May and June (approximately \$100,000). Mr. Kljun stated the available cash is \$374,000. Mr. Kljun stated under the Community Bank of Dearborn: High Performance Checking there is a \$25,000 limit and cannot go below that amount and reflected in the \$374,000. Mr. Kljun stated the anticipated cost through August \$59,956 (reflects what PRRMA owes T & M), leaving \$314,000 that we could invest in long term investments. Mr. Kljun stated we could and should take some money out of Community Bank of Dearborn: High Performance Checking, which is way over what is protected. The money market reserves can be taken and put in long term investments.

Mr. Kljun stated the next page shows what monies will come to PRRMA from the Associations. Mr. Kljun stated the St. Joseph Mercy and Links of Pheasant Run have both contributed and that money has been put into PRRMA's accounts. Mr. Kljun stated the total money put in was somewhat over \$9,000. Fairways contributed \$17,000 in February and Pheasant View contributed \$12,514. Cash availability refers to cash accounts and Mr. Kljun has tried to project out the maturing CD's and the money we will receive from those. Mr. Kljun stated in January when a CD matured \$42,656 was rolled over. In February, \$30,153.47 was rolled over in an account.

Mr. Kljun stated the administrative expenses, Canton expenses (maintenance of Summit Parkway, Landscape), the maintenance expenses for all the associations and Roadway expenses, totaling \$59,656 (projection) between now and into August. Mr. Kljun stated we will spend \$974 (possibly under funded due to legal expense). Mr. Kljun stated the running total of 2008 investments that we can make, up to \$252,000. If no action is taken in March there will be \$127,000 additional. Mr. Kljun stated as we make investments that number will drop.

Mr. Kljun stated now is the time for us to look at the money market accounts and get into fixed accounts.

Ms. Krimmer inquired if St. Joes and the Links are being billed quarterly. Mr. Kljun stated no they pay annually. Ms. Conklin stated as a compromise, the money collected from St. Joes and the Links was given to PRRMA due to the issues brought up by Fairway Pines. Mr. Kljun stated that amount will change when PRRMA determines the amount established for the reserve. Ms. Conklin stated it may change if all of Summit Parkway changes. Mr. Casari stated St. Joes money cannot increase, it is fixed.

Mr. Kljun distributed the schedule of all of PRRMA's CD's. Mr. Kljun stated we have CD's maturing in March and May and we need to decide what to do with those. Mr. Stephens stated we shouldn't have that much cash floating around in the checking accounts. Mr. Stephens suggested we shift a substantial amount of the \$200,000 into

CD's. Ms. Gitre stated we need to make sure we leave enough money out to pay T & M, but you could still do a 6 month CD. Ms. Conklin stated we weren't sure how much money we were going to need last year, so that is why there is so much in the money market account. Mr. Stephens stated it looks like we could put \$230,000 into a 6 month CD and would all mature about the time we need to pay T & M. Ms. Gitre stated she would probably put \$100,000 in a longer term with a higher interest rate. Ms. Conklin inquired if we want to roll over the others maturing soon. Mr. Kljun stated he will make it a point that PRRMA has sufficient funds available and continue to update the cash flow analysis at each meeting.

Mr. Stephens stated the best guidance we could give Mr. Kljun is to decide how much we need to set aside for road repairs and have him use that to guide future investments. Mr. Casari stated we won't be able to do a good evaluation of that until the weather improves. Mr. Casari stated it has been a tough year on roads. Ms. Conklin stated we spent \$110,000 last year on road repair. Mr. Kljun stated he believes 2006 was approximately \$130,000, 2007 was \$103,000, 2008 we are projecting \$114,000. Mr. Kljun stated if the Board has no objections he will take the \$114,000 and invest for 6 months and put the rest in a CD for a year. Ms. Conklin stated she feels we should take \$120,000 and invest for 6 months and take the rest for a 12-18 month CD or whatever gives the best interest rate. Ms. Gitre stated she agrees. Mr. Kljun stated the Feds see they need to stimulate the economy, however they need to be careful they don't get inflationary conditions.

Mr. Waldbauer inquired if Mr. Kljun would take the \$120,000 and place in three separate CD's. Mr. Kljun stated yes, we could do that. Mr. Kljun stated the place he is targeting is Countrywide Bank in Northville. They have the best interest rate at 4.7%.

Motion by Waldbauer, supported by Casari for Mr. Kljun to invest money in CD's.
Motion carried unanimously.

IV. Unfinished Business

A. Reserve Funding Discussions – Craig Stephens

Motion by Waldbauer, supported by Casari to remove the Reserve Funding discussions from the table. Motion carried unanimously.

Mr. Stephens presented a presentation for money coming in and money going out. Mr. Stephens stated PRRMA has a number of tools that allow us to manage our money: we have a spending plan, fees we charge our homeowners and the possibility of a contingency fund, set up to help us out in times of need.

Mr. Stephens stated if we run into difficulty and can't meet what we want to pay out, then we have three options:

- Defer expenses
- make special assessments on our homeowners
- borrow money.

Mr. Stephens stated there are three things we need to do for the budget plan:

We need an agreement on how much we are going to spend (and the most difficult).

Funding (how we are going to get the money)

Look at projected spending (can accurately project those due to past expenses), Road maintenance cannot yet accurately be predicted. Roads too new to have accurate history. Mr. Stephens stated we are just beginning to see significant annual maintenance. Mr. Stephens stated the other problem is what we have out there now, the winter weather conditions have a significant influence on the following years road repairs. Mr. Stephens stated what the Board needs to do is develop a model of expected road repairs from all the available data sources. Mr. Stephens stated the reserve studies; are two sources of data. Ms. Conklin stated we say specifically in the minutes that both reserve studies are a guide, we are not following them to the letter. Mr. Stephens stated we have engineer's reports for a couple of years. Mr. Stephens stated one thing we have that is absolutely accurate is the actual spending history over 5 years, or maybe longer. We are consistently over or under estimating our road repairs and make adjustments accordingly. Mr. Stephens stated history will be our most valuable planning tool.

Mr. Stephens stated we should be skeptical of any prediction that says there will be a big change in the amount of road repairs between one year and another year. Mr. Stephens stated if you look at the reserve studies (personal opinion) you have one year with a very large peak and very difficult for us to plan for.

Mr. Stephens stated he will send out the presentation to all Board members.

Mr. Stephens stated our projected expenses have a huge impact on our homeowners with dues increasing.

Mr. Waldbauer inquired if dues from homeowners, are part of the contribution to PRRMA. Ms. Conklin stated yes, homeowners dues are \$400 and a portion of that comes back to PRRMA. Mr. Kljun stated in 2008 the projection for total funding required: Fairways \$121.00 per household, Fairway Pines \$108.00, and for Pheasant View \$142.00 for the reserve and that is based on the 1999 projection.

Mr. Stephens stated the original reserve study was largely viewed as "saving for retirement". Mr. Stephens stated in time all the roads will need repairs and we need to save up for that date and that led us to long term investments. Ms. Conklin stated in the past we brought in investment counselors to see if that is what we should be doing. Mr. Stephens stated if the roads all decay at the same rate, they will need major work at the same time. Mr. Stephens stated looking at what we are doing each year is clearly not the case, we are spending significant amounts of money every single year on our roads. Mr.

Stephens stated if roads decay randomly then cash flow is more important than investments.

Mr. Stephens stated by carefully planning our future expenses we have the ability to make gradual changes to homeowner contributions, and that contributes to financial stability.

Mr. Stephens stated we need to spend more time figuring out how much money we will need in the future. Mr. Stephens stated we never agreed to a single year model or a 10 year model.

Mr. Stephens stated Mr. Kljun has a very extensive Excel spreadsheet that predicts our financial health. Mr. Stephens stated he wanted his spreadsheet to reflect how much PRRMA would be charging homeowners each year. Mr. Stephens stated he wanted to experiment with different numbers on his spreadsheet.

Mr. Stephens presented his spreadsheet and explained the numbers he used.

Mr. Stephens stated he tried to insulate the homeowner's dues and never increase more than 10% and we never had to borrow money.

Mr. Kljun stated the numbers you have used are from the August 2006 Reserve Study. Mr. Stephens stated yes. Ms. Gitre inquired if Mr. Stephens's presentation did not include the additional income from interest. Ms. Gitre stated the beginning balance from Mr. Stephens's presentation would increase by \$10,000 to \$20,000 that we are getting in interest income, which would reduce the overall requirement from HOA. Mr. Stephens stated that is a good point, he did not include any interest. Ms. Conklin stated the Links or Pheasant Run was not included.

Mr. Kljun stated the reserve study that he has used and continues to use doesn't look at what each individual association charges for their normal maintenance activities.

Mr. Stephens stated his presentation was never intended to be used as the budget. Ms. Conklin stated it is to be used only as a guide. Mr. Stephens stated this presentation does not take into account everything. Mr. Stephens stated what it does do is illustrate some of the issues the Board needs to wrestle with. Mr. Stephens stated we need to figure out what the right number is and we can decide what number is needed and project out for future years.

Ms. Conklin stated we did vote on the 10 year rolling plan and that is as far as we got.

Mr. Kljun stated if you look at the original reserve study from 1999 total costs projected thru 2019, \$3,438,000 approximately. Mr. Kljun stated for the 2006 reserve study total costs projected thru 2035, \$13,535,000, the time frames are different. Mr. Stephens stated the difference between the 2006 reserve study - 2007-2017 and 1999 reserve study for 2007-2017 is \$2 million to \$3.5 million. Mr. Stephens stated there is a big difference between the studies and we need to go through them and determine what is a reasonable amount. Mr. Stephens stated Mr. Casari and Mr. Zilincik would have input into this decision. Ms. Conklin stated we will revisit this every year and adjust the amount annually. Mr. Stephens stated he does not feel it is necessary to have a cap on the reserve fund, because if there was excess money in the reserve fund, his suggestion would be that his association stop paying dues for a few years until it came down. Ms. Conklin stated the one year that we didn't raise dues, was because we were where we were suppose to be and we chose not to raise dues.

Mr. Stephens stated if we had a plan it would become obvious to us if we were accumulating too much money or not enough. Mr. Stephens stated we should have a contingency fund and should decide on what the amount is.

Mr. Stephens stated he does not believe we have all the data we need. Mr. Stephens stated we should go back over the history of PRRMA and how much we spent on repairing roads each year, what did the original reserve study indicate, what did the most recent reserve study indicate and then debate what number do we want each year, such as an average, or what Mr. Casari has been estimating. Mr. Stephens stated we should agree as a Board and revisit year after year. Ms. Conklin inquired if Mr. Kljun could put together a spreadsheet, using actual expenses and the two reserve studies. Mr. Kljun stated he believes he may already have that information. Ms. Conklin inquired if it is compared to the reserve study; Mr. Kljun stated no it does not. Mr. Kljun stated currently we have spent almost \$600,000 on all repairs not all reserve repairs. Mr. Kljun stated he will work on this. Mr. Kljun stated all repairs are covered in the reserve study.

Ms. Conklin stated on the next agenda we will have discussion on what our funding plan will be. Ms. Conklin stated for that meeting Mr. Kljun will prepare an overview of the annual expenses from day one and compare it to both reserve studies. Ms. Conklin stated we will get up to date engineering information. Mr. Stephens stated it would be better to get that information ahead of time, so at the meeting we will be able to discuss it. Mr. Casari stated Mr. Zilincik will get with Mr. Kljun and relay the engineers information.

Mr. Casari stated asphalt roads have a 15-20 life. Mr. Casari stated the maintenance we have been doing has been good maintenance and will help prolong the life. There will come a point in time when you will see a machine

come and rip pavement and curb out down to the subgrade and replace storm sewers and rebuilding base because you can only do so many repairs, and when repairs start to cost more per mile than replacing, you do the asset management review. Mr. Casari stated the roads will be 11 to 14 years old this year. Mr. Stephens inquired if the reserve studies account for age. Mr. Kljun stated they do account for age and they shift the time frames based on when the roads were installed. Mr. Casari stated weather is a big factor.

Ms. Conklin stated Mr. Kljun will have for the next meeting a line that indicates actual repairs from conception through today and projection for what repairs out to the future and compare those figures to the 1999 and 2006 reserve studies. Ms. Conklin stated at this time we need to just include roadways. Mr. Stephens stated roads are the thing that concern us the most and is our biggest outlay every year, electrical is small in comparison.

Mr. Kljun stated the next time he will reflect the numbers from the beginning so we can get a full picture. Mr. Casari stated earlier on there were less repairs. Mr. Casari stated 7 years into the life of the roads is when you really need to start paying attention. Mr. Porter inquired if the homeowners that have been here for 10 years got a free ride. Ms. Conklin stated no they have been paying. Mr. Kljun stated over the time period we have spent about \$600,000. Mr. Kljun stated 80% of that has been road repairs.

Mr. Casari stated Sheldon Center Road is 20 years old, it is a County Class B road, and has very little maintenance from Wayne County. Mr. Casari stated they have done the crack sealing, and pot hole repairs, but not many areas where they have cut out and no overlay done. Mr. Casari stated this year there is a project to reconstruct to 5 lanes, happening late this year. Mr. Casari stated that is a good example of a 20 year old asphalt pavement, probably to a little higher standard than the association's roads, but carries a lot more traffic than the associations, with minimal maintenance.

B. Insurance Bids

Ms. Conklin stated we did not get any additional insurance bids. Ms. Conklin stated Mr. Casari and herself met with one of the potential bidders Craig Manser and he indicated PRRMA is getting a great deal with what we have right now and no one can touch what we are getting. Mr. Kljun stated at the last Board meeting Mr. Nagy stated we might call Dearborn Insurance, he called and they gave him the same information, would not participate when they heard we were with Auto Owners. Ms. Conklin stated the one thing Mr. Manser strongly recommended we do is workman's comp insurance. Ms. Conklin stated we get refunded if there are no accidents and we need to have it. Ms. Conklin stated it is about \$500 per year. Mr. Kljun stated it is \$750 to get started and they rebate \$500 if we have no employees. Mr. Porter stated keep good records of any subcontractors and make sure they have insurance. Ms. Gitre stated she thought we had that and at the previous meetings we

talked about having this insurance and have an audit and get their money back. Mr. Kljun stated he said we talked about adding it and including it in the bid. Ms. Conklin stated now we need to give the authorization to Garwood Buda, Auto Owners to go ahead and maintain our policy and add workman's comp.

Ms. Conklin stated they are recommending we have a bond with whoever we have a independent contract with in the amount of \$100,000 and the cost is \$500 annually. Mr. Kljun stated it is renewed annually and protects the Board against a loss by the independent contractor. Mr. Stephens inquired if Mr. Kljun is on business for PRRMA and has an accident with his vehicle who is responsible. Ms. Conklin stated Mr. Kljun's auto insurance is responsible. Mr. Kljun stated if he were in an accident on PRRMA business and the other driver sued, PRRMA is covered by non-owned automobile. Ms. Conklin stated Mr. Kljun does not need additional liability insurance according to Mr. Manser.

Mr. Porter stated one of the issues discussed at previous meetings is that we would look at the associations insurance and see if there were duplications. Ms. Conklin stated we will do that once we secure this policy.

Motion by Stephens, supported by Gitre to maintain insurance with Garwood Buda, add the \$100,000 bond and add workman's comp. Motion carried unanimously.

Mr. Stephens stated he believes that once we get a copy of the policy we can make copies and give to individual HOA and they can make sure there is no overlaps. Ms. Conklin stated we can get the individual policies and give to Garwood Buda and have them review for any duplications. Mr. Kljun stated that was the recommended procedure, have the individual associations insurance agents contact Garwood Buda for duplications. Mr. Kljun stated he will call Garwood Buda tomorrow and tell them to add the bond and workman's comp.

C. Landscaping Repairs

Ms. Conklin stated it will happen in the Spring.

D. Contract for Roadway Manager Independent Contractor

Ms. Conklin stated she did email everyone with a management contract for Mr. Kljun. Some members indicated they had not read the contracts. Ms. Conklin stated the members can read the contract and let her know what they think. Ms. Conklin stated there are two options: Option A. base rate with being paid an hourly rate for additional services. Option B. all inclusive rate with an hourly rate for some additional services if necessary. Both are less money than we anticipate then what we paid this year because Mr. Kljun no longer takes the minutes. Ms. Conklin stated the attorney, insurance

company, Mr. Kljun, Ms. Conklin and Mr. Casari have reviewed the contract and they are all on the same page and are looking for input and direction from the Board.

Motion by Waldbauer, supported by Gitre to table this item until the next board meeting. Motion carried unanimously.

E. Stop Sign Options

Ms. Conklin stated lots of stop signs are disappearing. Mr. Kljun stated he did a study of all the stop signs that PRRMA installed and there is a tremendous amount of stop signs being damaged in Fairway Pines. Mr. Kljun stated he sent Ms. Conklin an email recently that 5 vandalized signs appeared on his property. Overhill and Stonebridge Way street name damaged, Trune and Pinehurst street sign knocked down, Pinehurst and Highland also knocked down. Mr. Kljun stated these signs may have been struck by vehicles. Mr. Kljun stated these three need to be repaired by Tool Sport and Sign because they all require engraving, they have the drawings and are the only ones that can repair them. Mornington and Sandlewood has been damaged also. Mr. Kljun asked the vendors both Tool Sport and Signs and Fastsigns, both vendors indicated they cannot do it, they have no experience. Mr. Kljun stated Tool Sport and Sign came back and indicated they can do it, and the cost is \$1,565 per sign, and they want to do all signs. Mr. Kljun stated there are more than 200 signs in the three subdivisions and this project would exceed a \$¼ million. Mr. Kljun stated the copper sleeves are at the base to prevent the weed whip from tearing up the base. Mr. Kljun stated the quote in the past to rebuild and replace the sign at Mornington and Sandlewood in a traditional fashion was \$1,485.

Ms. Conklin inquired if the price was to do the entire signage all at once. Mr. Kljun stated yes. Ms. Conklin stated if we can do them as needed it does make sense.

Mr. Stephens stated he would like them to provide a sketch. Ms. Conklin stated and to quote a price on individual signs as needed. Mr. Stephens stated this sounds like exactly what we want; a concrete footing, galvanized steel sleeves, and slide the newly formed post into the galvanized steel sleeve. Ms. Conklin stated and a price to do one at a time. Ms. Krimmer inquired what if a new post is required. Mr. Kljun stated that would be an additional cost. Ms. Gitre stated she feels the HOA should have a discussion with membership on the cost of replacing street signs. Mr. Kljun stated there are many signs with the bottom toe plate that is gone and that is not included and will be an additional cost.

Mr. Porter inquired going through all of this is to what benefit for PRRMA. Mr. Stephens stated we have had problems with the post rotting in the ground, so the theory is if we get the post away from the clay and put in concrete they

will last longer. Mr. Porter stated he would have the hole in the concrete and put the post down in it. Mr. Waldbauer stated the hole would hold water. Mr. Kljun stated the concrete will break upon freezing. Mr. Waldbauer stated he does not know how high the copper post will have to be to have any stability to slide a sign that size over it. Mr. Waldbauer stated do we then become liable for damage to a vehicle that drives over the sign. Mr. Waldbauer stated most of the signs in his subdivision are taken down by school buses and moving vans. Ms. Conklin stated that is why we are going to get more information and make no decisions at this time. Mr. Kljun stated we have many more vendors to get information from, if the sign is totally destroyed we only have one vendor, Tools Sport and Signs because they have the drawings. Mr. Stephens inquired if they made the post out of trex. Mr. Kljun stated he spoke to them about using trex and it is 20% plastic and 80% wood and we would have the same conditions. Mr. Casari stated there is a 4x4 post made of PVC hard plastic and it is at least ¼ inch thick. Mr. Kljun stated the problem with decking material it is exposed to the air and moisture and dries out and when it is in the ground there is always moisture. Mr. Kljun stated he will ask Tool Sport and Sign to respond to this idea.

F. Sidewalk Responsibility
TABLED

G. Further Discussion on Fairway Pines Proposal
TABLED

V. New Business

A. 2008 Road Repairs

Ms. Conklin stated under the 2008 Road Repairs we need to be prepared in April or May to walk the area. Mr. Waldbauer stated he has some pot holes in his neighborhood. Ms. Conklin stated email the locations. Ms. Conklin stated DPW is going out and repairing them and PRRMA is billed an hourly rate plus benefits. Mr. Casari stated if PRRMA would like he can have DPW take a drive and let PRRMA know how much it will cost. Ms. Conklin can email everyone the cost and if approved, DPW can go ahead and fill the pot holes.

B. Shrub Responsibility

Mr. Kljun stated the standard of responsibility is the maintenance of landscape areas within the right of way and it discusses the issue of tree and shrubbery replacement. It fundamentally says the roadway manager may elect to delegate the responsibility listed to be performed by the individual subdivisions, therefore the individual subdivision is responsible for the maintenance. Modification of landscape areas within the right of way contained in the subdivision other than maintenance of the currently in place landscaping should be approved by the roadway manager. Mr. Kljun stated the implication is that if the roadway manager approves, the roadway manager pays for it. Mr. Kljun stated we can make clarifications. Mr. Porter and Ms.

Conklin stated they do not believe it says that. Mr. Conklin stated she believe the intent is that the flowers throughout the common areas and monuments are the responsibility of the HOA. Ms. Conklin stated we plant as PRRMA; shrubs, the routine maintenance of the shrubs is paid for by the HOA normal operating budget. Ms. Conklin stated if they need to be replaced; PRRMA would have to approve the replacement of them and would fund the expense. Ms. Conklin stated she believes that is what PRRMA has been operating under. Mr. Porter stated he has a problem with that, because if a HOA does not maintain their sprinkling system and doesn't water the shrubs or trees and they die, then PRRMA pays to replace those. Mr. Porter stated all of the landscaping areas are mature and if properly maintained there should be no need for replacement. Mr. Porter stated if they die it would be for the lack of maintenance, trimming, insecticides, etc. Mr. Kljun stated in the case of Glengarry Blvd. that was the Boards decision to remove items to improve sight visibility and replaced and paid for. Mr. Porter inquired who did that benefit. Ms. Conklin stated anyone that drove down Glengarry Blvd. Mr. Casari stated there is an issue of liability. Mr. Stephens stated he thinks Mr. Porter's point is valid that once the vegetation has been planted and established and with regular care and maintenance, that could be the responsibility of the HOA. Mr. Stephens stated if in the future all the trees die, PRRMA might take that on, as a whole, to replace. Mr. Stephens stated Mr. Porter's point is reasonable. Ms. Gitre stated she also agrees. Ms. Conklin inquired if Mr. Kljun will draft this. Mr. Casari stated these are an amenity in the right of way controlled by PRRMA.

Mr. Waldbauer stated behind the monument in his subdivision they have 12-15 sizable evergreens, the concept of his HOA is to clean that area and make more visual appealing. Mr. Waldbauer stated the thought was to trim the bottom branches off about 5 feet up and bring in bark to mulch. Mr. Waldbauer inquired if that was maintenance or modification. The Board agreed it would be maintenance. Mr. Waldbauer stated the only trees that have been removed were due to vehicles and has never been replanted on Crowndale and Windridge Blvd. Mr. Kljun stated PRRMA will go out and get a quote for tree replacement. Ms. Conklin stated the Tree Fund for Canton might be a fund we can tap and she will speak with Mr. Goulet.

Ms. Conklin stated Mr. Kljun will clean this up and bring back to the Board for additional clarification. Mr. Kljun stated he will email to everyone.

VI. Other Business

A. Update on Pending Litigation

Ms. Conklin stated the witness list everyone got a copy of and everyone is on the witness list, the current Board, Tim Kljun, Dave Nagy, Tom Yack, Bryan Amann, Dick Lewiston and Jeff Goulet. Ms. Conklin stated the attorney has been very reasonable on his fees and charges. Mediation is at the end of February.

The next PRRMA meeting will be held on Monday, March 31, 2008 at 5:30 p.m.

VII. Adjournment

Motion by Casari, supported by Gitre to adjourn at 8:00 p.m. Motion carried unanimously.