

PHEASANT RUN ROAD MAINTENANCE ASSOCIATION, INC.
BOARD OF DIRECTORS
MEETING SUMMARY
November 17, 2008
5:30 p.m.

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, November 17, 2008.

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

Members Absent: None

Others: Tim Kljun, Roadway Manager, Deborah Dooley, Canton Township, Dave Nagy, Pheasant View, Paul Porter, Pheasant View

Ann Conklin called the meeting to order at 5:37 p.m.

II. Approval of Meeting Minutes:

A. October 2, 2008 Minutes Tabled
Motion by Gitre, supported by Waldbauer to approve May, June, July and August 2008 PRRMA Board Minutes with Waldbauer's amendments. Motion carried unanimously.

Mr. Waldbauer stated he has done secretarial work for 25 years plus, and these minutes are outstanding.

III. Financial Activity Review:

A. Tim Kljun presented the financial reports as of October 31, 2008, consisting of:

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

Mr. Kljun stated after the financial reports were completed Mr. Kljun met with Ms. Gitre and there were some changes on the Income and Expense Statement. Mr. Kljun stated there was some confusion on current month and year to date terminology. Mr. Kljun stated the next time he publishes these for the month end of November he will make changes so everyone understands. When we are talking about year to date we understand what month we are talking about. Mr. Kljun stated the numbers are correct, it is just the terminology and the way it is presented.

Ms. Gitre inquired if the amount in the statement for back dues for Fairway Pines, does this include interest? Mr. Kljun stated the amount does not include interest.

Mr. Porter inquired if PRRMA ever collected from the insurance company for the tree that was knocked down in his subdivision. Mr. Kljun stated no, because the threshold limit we have is \$500 and the tree was less than \$500. Mr. Porter stated not from our insurance company, from the person that hit the tree. Mr. Kljun stated he will go back in the record and take a look. Ms. Conklin stated if not, we will ask to collect from the person who hit the tree. Mr. Porter stated the tree replacement was \$400.

IV. Unfinished Business

A. 2008 Road Repairs

Ms. Conklin stated that Mr. Zilincik resigned from Canton Township today. Mr. Zilincik will work through the end of the year. Mr. Zilincik will be the City Engineer for the City of Livonia.

Ms. Conklin stated the contractor is taking a long time to finish the road repairs. Ms. Conklin stated in her last conversation with Mr. Zilincik , he stated he thought the contractor was doing a good job. Mr. Casari stated it appears that the work that has not been done at this point, which has been marked "PT" that item was not actually bid, but we did get a price from Midwest. Mr. Zilincik thought the price was high. Mr. Casari stated this work can be carried over and possibly Public Works can do the work for PRRMA. Public Works can submit a quote. Mr. Casari stated Midwest would do the work for \$100-\$120 per structure; Public Works would probably be half that amount. Mr. Casari stated the Superintendent is off this week and he can talk to him when he returns, or this could wait till next year. It there are areas that absolutely need to be done this year, we could talk to Public Works.

Mr. Casari stated crack sealing has not been completed and now we are really fighting it, because it has gotten real cold. The issue is getting the crack routed out and getting it dried out. Midwest is still going to try to do it. Mr. Casari stated he doesn't believe they have done any yet. Mr. Casari stated there is 10,000 feet in the bid. Mr. Zilincik is suggesting Pheasant View and Fairway Pines are the ones who have the majority where the crack sealing would benefit them. Fairways have a lot of mill and resurface that has to be done next year. Mr. Casari stated it will be difficult now to get the crack dried out because of the temperature drop. Ms. Conklin inquired if it was crucial for this to get done before winter? Mr. Casari stated the biggest issue with it is the water getting in and freezing and separating it more.

Ms. Conklin inquired if PRRMA had any liquidated damages in the contract with Midwest. Mr. Casari stated that maybe something we want to have in future contracts. Mr. Stephens inquired what is the reason Midwest has for not having this done yet. Mr. Casari stated we don't deal with Midwest on a

day to day basis. Mr. Casari stated there is an inspector hired by PRRMA to deal with the contractor and test. Mr. Casari stated in his conversations with the contractor they were pulled off the job for a couple of days, and not sure how long. Mr. Casari stated in the work that the contractor completed, there are 5-7 areas that were patched and have to be removed and replaced as part of warranty work, where the job wasn't done well. Mr. Casari stated the restoration projects are not done and it is getting too late to do now. Mr. Casari stated sometimes you get a good contractor and they come in and blow the job out. This contractor is a little smaller perhaps, trying to two or three jobs at one time. Ms. Conklin stated she felt the larger contractors didn't do as good a job. Mr. Casari stated Canton had T & M out in Cherry Hill Village and they did a pretty good job, but there are several areas that they have to come back and mill and resurface that they just repaired. Mr. Casari stated it is hard to say why they have not completed the work. Mr. Nagy inquired if there are clean up provisions in the contract, that at the end of the job they are required to sweep the street or do some form of clean up. Ms. Conklin stated they are required to clean up their mess. Mr. Nagy stated for the longest time on his street it was like driving on a gravel road. Mr. Casari stated what they had planned to do is have Public Works sweep when the contractor was done. Mr. Casari stated you will get some loose stones. Mr. Casari stated typically you will want to hold some money back and do a final punch list walk and not release the money until those lists are completed. Ms. Conklin stated they cut the contractors first check today. Mr. Waldbauer stated he felt they did a good job, but as you drive on the road it is pulling some of the aggregate out of the patches, creating more and more debris. Mr. Porter stated there were several areas around the corner that were not filled for a week and a half and if you drove through it, you were tracking it elsewhere. Mr. Casari stated when he met with Dave he felt he was a no nonsense, business orientated guy. Mr. Casari stated he feels what we are dealing with is they have our job and possibly a couple of other jobs and the goal is keeping everyone happy, skipping from one job to another. Mr. Porter stated he is concerned with where they have done their patch jobs and the new asphalt is together and as they get hot and cold the joint will open up and we need to get them sealed. Mr. Casari stated that will need to be cracked sealed where they mill it out. Mr. Casari stated that is areas where a crack will eventually occur and then you crack seal it. Mr. Porter stated he has seen in other locations where they seal right after they patch. Mr. Waldbauer stated where they make the saw cuts; the seal goes as much as a foot beyond the actual patch. Ms. Conklin stated she feels they need to push them for the crack sealing. Mr. Nagy inquired if the road is not dry enough the tar will not stick. Mr. Casari stated it is an emulsification that they use, it is a water base in most cases, if it is too moist it will not tack properly. Ms. Conklin stated someone said they have to heat it to 300 degrees. Mr. Casari stated when they rout it out they have to make sure it is dry all the way down which is done by heating it.

Mr. Waldbauer stated he had seventeen items on his punch list that needed to be looked at and Mr. Zilincik looked at them. Mr. Waldbauer stated Mannik and Smith were contacted and they will come out and look at them also. Mr. Waldbauer stated some will have to be done, and those will be done in April. Mr. Waldbauer stated the payment for 2007 road work was made in May of 2008.

Ms. Conklin stated the crack sealing is what concerns her. Mr. Stephens stated when he checked there were still some patches that needed to be done. Mr. Waldbauer stated his question is do we need to start this process a month sooner next year.

Mr. Kljun stated he and two representatives from Mannik and Smith toured on the 13th of November. All of the locations brought up were specifically noted and they are putting together a punch list with photographs which will be the support documents and will make sure everything is taken care of.

Mr. Kljun stated Midwest has submitted invoices totaling \$115,908.90 which is approximately 64% of the total bid. Mr. Kljun stated he wrote to Mr. Zilincik asking his recommendation on holding back money. Mr. Kljun stated Mr. Zilincik stated hold back 5%. Mr. Kljun stated the total contract exclusive of crack sealing was \$173,600 plus crack sealing at \$7,500. Mr. Kljun stated there were two field orders given, one for \$6,441 and one for \$3,619 concerning issues in Pheasant View and they were added to the original contract. Mr. Kljun stated the check that has been written and signed is for \$110,113.45. Ms. Conklin stated we will communicate to Midwest that we really need to push to get as much of that done this year as possible. Mr. Kljun stated he will speak with Dave McIntyre and he will ask him what his schedule is. Mr. Casari stated short of bad weather, they should be out there working.

Mr. Porter stated when it rained the other day on Stonebridge, beside a joint and the old street where they came together there was a puddle. Mr. Casari stated he would think the joint is good now because there is tack coat on it. What will happen is because of the two different pavements it will expand and contract differently.

Ms. Conklin stated where the sidewalks were identified as trip hazards, we need to do everything in our power to do some cold patching as soon as possible. Ms. Conklin stated we will work internally to get those cold patching areas done. Ms. Conklin stated we will address the sidewalks in January so it gets done in April.

Ms. Conklin stated when she spoke with Mr. Zilincik he stated he thought the contractor did a good job for low bid work on the street repairs. Mr. Casari stated he is not sure it would have been any better had it been a higher bid.

Mr. Stephens stated the work Midwest has done is not anything he expected to be done. Mr. Stephens stated some work done on Eastborn he felt could have been done next year and on Glengarry there are some significant potholes and expected those to be done this year. Mr. Stephens stated he feels there maybe a disconnect between the inspection he did with Mr. Zilincik and the final product. Ms. Conklin stated she agrees with Mr. Stephens. Ms. Conklin stated we should take a look at Glengarry, west of Summit Parkway, and if it needs to be done it should be done. Mr. Stephens stated you can see down to the base layer and it could do tire damage. Mr. Casari stated that maybe something that did not get picked up. Mr. Stephens stated it was not marked. Ms. Conklin stated that is an area we are trying to encourage people to use.

B. Tree Trimming

Ms. Conklin stated some tree trimming was done by the contractor and some by the neighbors. Mr. Kljun stated we had a proposal from Davey Tree Service at \$145 per hour to trim selected trees and the Board identified six locations at the last meeting. Mr. Kljun stated Davey Tree Service provided the repair in those areas by trimming the trees as much as possible to make the stop signs visible. Mr. Kljun stated this service is professional, done by arborists that know how to trim the trees and successfully trimmed at the six locations. Mr. Kljun stated in his opinion the stop signs will be visible if we continue with the tree trimming. Ms. Conklin stated we should plan on having the remaining trees trimmed in the spring. Mr. Kljun stated he is making a recommendation to the Board that the 38 remaining trees are dormant for the winter and would be prudent to proceed now to trim. The cost for the six trees was under \$500 and has been paid. Ms. Conklin stated she would think the trees would need to be in bloom. Mr. Porter stated it looks pretty obvious what branches need to be pruned. Ms. Conklin stated we need to be proactive and not upset the neighbors by taking so long. Mr. Kljun stated he can get a recommendation from Davey Tree Service as to when it can be done. Ms. Conklin stated she would ask Davey Tree Service what their recommendation is. Mr. Porter stated typically you want to make your cut when the tree is active so it will start healing over, if you cut in the winter you have an access for insects to penetrate.

Ms. Conklin stated sidewalk clearance needs to be 7 feet from the bottom of the stop sign. Mr. Kljun stated the direction to the contractor was to trim sufficiently so the stop sign is visible from the driving lane 80 feet away. Ms. Conklin stated clearance also needs to be 7 feet from the sidewalk up. Ms. Conklin stated we have gotten complaints about that also. Mr. Stephens stated he believes that is the homeowners' responsibility. Mr. Porter stated his HOA put directions to trim trees in their dues invoice, copied out of the Canton website. Ms. Conklin stated it sounds like that is the homeowners' responsibility. Mr. Waldbauer inquired if the exception would be the boulevards and that would be the HOA responsibility. Mr. Stephens stated he would like that to be part of the inspections when the roads are done the trees

will be done also. Mr. Stephens and Ms. Conklin stated they would like the trees to be trimmed in the spring.

C. Insurance Updates

Mr. Porter stated he just received their insurance policy renewal and they are paying for sign coverage. Mr. Porter stated this would be duplication as PRRMA pays for the signs, so his HOA will see about having that removed from their insurance. Mr. Porter stated it also has “terrorism” coverage. Ms. Conklin stated all policies have that now.

Mr. Kljun stated he does not have any information on workman’s compensation for any of the subdivisions. Mr. Kljun stated the only coverage he has information on is PRRMA’s coverage for contractors. Mr. Kljun inquired if PRRMA is exposed if there is a workman compensation claim in a subdivision. Do the subdivisions contractors have workman compensation? Mr. Stephens stated we check that every time any work is done in his subdivision. Mr. Porter stated his HOA is fully covered and has received a full rebate back. Mr. Porter stated his HOA does not have PRRMA co-named. Ms. Conklin stated we were going to do that. Mr. Casari stated he does not believe you have to do that for workman’s compensation. Mr. Casari stated if PRRMA is doing what they are supposed to and the subdivisions are also everyone is covered sufficiently. Mr. Nagy stated this was just a check to see if there was any duplication of premiums being paid.

D. Policy #2

Ms. Conklin stated this is the administrative fees and we have discussed amending Policy #2 regarding the administrative fees that they should be divided differently and wait until after the lawsuit. Ms. Conklin stated the administrative fees such as legal fees, accounting, fees and permits and management be split 25% and not the roadway percentages. Ms. Conklin stated when we make these changes we need to make sure the Board signs them.

Ms. Conklin stated Mr. Casari and she are doing work on the percentages and will probably have some information at the next meeting. Ms. Gitre stated in our operating expenses there are fees for Mr. Kljun, paperwork, etc. and why are we splitting percentages on our roadways when they are the same expenses for everyone.

Mr. Kljun stated to expound on Ms. Gitre’s explanation the administrative elements of engineering, professional services engineering, income taxes and insurance comprise those elements that are directly related to roadway sizes. Mr. Kljun stated those portions would remain at the same percentages as roadways. Mr. Kljun stated the elements such as legal fees, accounting and audit, fees and permits, management fees, office supplies, postage and fax,

copying and printing, professional services administration and miscellaneous comprise the section which would be shared 25% each.

Ms. Gitre inquired what is the total budget and what will be the budget for shared administrative fees. Mr. Kljun stated the administrative budget for 2007/2008 indicated the total budget was \$26,297 and broken down on a 25% portion which would be about \$6,574 for each subdivision. Mr. Kljun stated the cost to what they would have paid under the old program indicated Canton would pay \$3,392 more, Fairway Pines would pay \$2,169 less, Fairways would pay \$1,775 less and Pheasant View would pay \$552 more. Ms. Conklin inquired what the rest of the operating budget would be. Mr. Waldbauer stated \$60,003 from the 2007/2008 budget. Mr. Kljun stated the total budget for 2008/2009 for administrative fees is \$30,787 and the maintenance and repair budget would be \$34,100 which would remain unchanged under the current percentages. Ms. Conklin stated Canton would have no problem with the change in the administrative budget changes. Motion by Waldbauer to keep the Policy #2 as it is. Mr. Waldbauer stated Pheasant View is tight on money as it is and this would add unnecessary confusion as to what percentage pays for what. No support, motion dies for lack of support. Motion by Gitre that we accept the 25% across the board for the administrative fees not related to roadways. No support. Motion dies for lack of support. Ms. Conklin stated Policy #2 will stay as is.

E. Sidewalk Responsibility

Motion by Waldbauer, supported by Gitre to remove Sidewalk Responsibility from the table for discussion. Motion carried unanimously.

Ms. Conklin stated this item goes back many, many meetings where Mr. Gamache stated the responsibility of the sidewalks should be transferred to the homeowners rather than PRRMA. Mr. Stephens stated the Board did talk about setting our own standards for sidewalk repairs. Mr. Stephens stated he took pictures and he plans on using the Canton standards for a benchmark for safety related issues. Mr. Stephens stated he will put it all in a document. Ms. Conklin stated PRRMA will work on our own standards and at that time decide who is responsible, which will be PRRMA. At this time we are or transfer that to the homeowner. Mr. Stephens stated in his subdivision they are very much in favor of PRRMA taking the responsibility of sidewalks. Mr. Stephens stated his HOA has trouble getting homeowners to maintain repairs and they see a large advantage for going out to bid and getting all work to be done and getting a low price. Mr. Waldbauer stated he would echo that and indicated there would be uniformity throughout all of the subdivisions. Mr. Casari stated the uniformity is the key and he agrees.

Mr. Waldbauer stated most of the residents he has spoken with want to do mud jacking. Mr. Casari stated Canton has not had good success with mud jacking and it is almost as expensive as replacing a slab. Mr. Stephens stated

he got a quote for his subdivision including mud jacking and he stated overall they may have saved \$200. Mr. Nagy stated if there were some coordination with homeowners that they could contact the cement contractors to offer some level of price structure that would behoove the homeowner to have their driveway repaired at the homeowner's expense. Ms. Conklin stated she believes that Canton does that. Mr. Casari stated Canton does not prohibit that. Mr. Casari stated we could not prohibit the contractor from accepting additional work from the homeowner, but the sidewalks get top priority. Ms. Gitre inquired if we have to set this up with the contractor in advance. Ms. Conklin stated yes, that would be part of the bid document.

Mr. Waldbauer stated down the road we will have a lot of the sidewalks heaved and broken from the tree roots. Mr. Casari inquired if he is seeing tree root problems already. Mr. Waldbauer stated no, not as of yet. Mr. Casari stated he feels the trees that were planted are the deep rooted trees and shouldn't be a big problem. Mr. Porter stated he had Ash trees and they were replaced. Ms. Conklin stated if they went with the tree replacement program then those would be the deep rooted trees.

Mr. Waldbauer stated in 1982 his subdivision worked with a nursery to replace all the dead trees and put in over 80 Green Mountain Maples. Mr. Waldbauer stated the most recent ash trees were replaced with some type of pear tree.

Ms. Conklin stated we will wait for Mr. Stephens to come up with an inspection program that we can adhere to.

Ms. Gitre stated she has had homeowners ask the question and she has indicated PRRMA is responsible for the trees. Ms. Gitre stated she has had a new board member voted in and she may have to come back with her Board's decision.

Mr. Casari stated it may be best to consider hiring a consultant to handle the sidewalk program as they carry insurance. Mr. Casari stated when Canton first started their sidewalk program they hired Wade Trim. Typically they will handle putting the bid specs together, they do inspections and PRRMA can review. The contractor will put an inspector out during the course of the work. Mr. Porter inquired why PRRMA doesn't get the same sidewalk program that other subdivision do. Mr. Casari stated PRRMA has private roads, that is the difference. Mr. Casari stated the State of Michigan Supreme Court held that townships were responsible for sidewalks and public road right of way. Mr. Casari stated Canton Township is not responsible for private roads. Mr. Casari stated PRRMA received the service from Canton Township this year with Mr. Zilincik marking the sidewalks. Mr. Casari stated the best thing to do would probably hire an outside contractor to do all the measurements and they also have the insurance. Mr. Stephens stated at

the next meeting he will have a draft of a sidewalk program for the Board to review. During the winter the Board can go out and get bids and decide whether we have the money or not. Mr. Casari stated the Township will not be doing the sidewalk program for PRRMA because of the responsibility issue and they are private roads.

Mr. Nagy stated he feels it would be best to get the liability out of the homeowners associations and let the professionals do the assessment, that way there is no liability or exposure on the Roadway Manager or the HOA. Mr. Stephens stated he feels there is a lot of merit in that suggestion, he would just like to see the cost first. Mr. Casari stated PRRMA can get a large part of the work done and let the contractor say yea or nay. Mr. Waldbauer inquired who actually would be marking the sidewalks. Ms. Conklin stated PRRMA would do a large part of the marking man hours and let the contractor bless it or make further recommendations. Mr. Casari stated how ever PRRMA does it you must make it clear who is responsible. Mr. Stephens stated he can make his marks on the sidewalks, as well as Canton Township and then the contractor and have a discussion on the three interpretations. Mr. Nagy stated the contractor will charge to do the markings.

Mr. Waldbauer inquired if there is anything in the current sidewalk program that the Township is using regarding sidewalks that hold water. Mr. Casari stated yes, there is criteria regarding ponding. Mr. Porter stated there are several homes within his subdivision that have manhole covers in the middle of their driveways that are septic sewer drains that are sinking, cracking and deteriorating. Mr. Casari stated if they are sanitary sewer manholes or water main structures they are Canton's responsibility to maintain the cement around it. Mr. Casari stated the storm sewer that is in the road right of way is PRRMA's responsibility. Mr. Casari stated the storm sewers in the yards are the homeowner's responsibility. Ms. Conklin stated each one has to be looked at individually.

Mr. Casari stated one of the most common problems that Canton sees with driveways where they settle and break has to do with a storm manhole or storm catch basin structure being in the curb line near the driveway approach or driveway itself and have the garage downspout directed somewhere near the edge of that driveway as it goes up to the house. What happens is the water flows down between the dirt and the edge of the concrete and underneath the concrete and it washes the material into the brickwork (seams). Mr. Stephens inquired if someone does have a problem with sanitary sewer in their driveway they should contact Canton Township. Mr. Casari stated yes, contact Canton at 734-394-5150 and someone will come out and take a look at it.

Mr. Nagy inquired if Canton Township is responsible for the sidewalks on Cherry Hill. Mr. Casari stated Canton Township is not legally responsible for

gaps in the sidewalks. Mr. Casari stated where there are sidewalks, Canton is legally responsible to make sure they are safe, and where there are no sidewalks we are not legally responsible to place them. Mr. Casari stated the Township Board created a committee to identify gaps in sidewalks within the community and designated they should be prioritized and filled in over a period of time and \$50,000 is budgeted per year to repair gaps. Mr. Casari stated there is a "gap study" that the Township has been working off of for about 10 years. Mr. Casari stated in some cases the Township does not own the right of way, and there maybe not any room to put the sidewalk in the existing right of way. Therefore the Township would have to purchase property and build sidewalks. Mr. Casari stated therefore the Township goes to areas they can do based on the priority that was established by the Gap Committee.

Mr. Casari inquired if Mr. Nagy was talking about west of Kirkway. Mr. Nagy stated no, actually this is a whole other issue. Mr. Porter stated between this subdivision and his subdivision there are no sidewalks. Mr. Casari stated there are no sidewalks on the east side of Beck due to the golf course and the Township didn't want someone getting hit by a golf ball walking along the sidewalks. Mr. Porter stated there is an issue of children having to walk to school and having to cross Beck since there is no sidewalk. Ms. Conklin stated there is suppose to be a light at Beck and Crowndale at some point to remedy this.

F. Further Discussion on Fairway Pines Proposal

Motion by Waldbauer, supported by Gitre to remove from the table for discussion. Motion carried unanimously. Ms. Gitre requested we wait one more meeting to prioritize with the Fairway Pines Board. Ms. Conklin stated she would like Ms. Gitre to come back to the PRRMA Board and give a recommendation. Ms. Conklin stated this agenda item will be added to the January 2009 meeting.

Motion by Waldbauer, supported by Casari to remove from the table the approval of the minutes of the last meeting. Motion carried unanimously.

G. Administrative Charges

Discussed in IV. Unfinished Business, D. Policy #2.

V. New Business

A. Rename association to Pheasant Run Road Repair Association

Mr. Stephens stated he was looking to take the word "Reserve" out of the budget. Mr. Stephens stated PRRMA exist to repair the roads. Mr. Stephens stated it is all road repair money, some will be spent this year and some may not be spent for 5 or 6 years.

Mr. Stephens stated “reserve” means a couple of things. Mr. Stephens stated it refers to a study conducted by a company that provides a piece of data that we can use in our budgeting process. There is also the sum of money that PRRMA collects from the homeowners that PRRMA spends on fixing the roads. Mr. Stephens stated in his mind those two things are very different but have the same name. Mr. Stephens stated it would make the account easier to understand. PRRMA has money for road repairs and PRRMA will spend it on whatever the Board decides. Ms. Conklin stated that makes total sense to her. Mr. Kljun inquired what Mr. Stephens would like the name to be. Mr. Stephens stated the reserve study designated the time “reserve” money would be spent on that particular repair. Mr. Stephens stated it is too complicated to pay for items either out of the budget or out of the reserve. Mr. Stephens stated we have one pile of money for fixing the roads.

Ms. Conklin stated sometimes the confusion is when a bid is submitted for roads this year, identified in the reserve for these repairs, however we don't take the money out of the reserve to put into the operating budget and we need to do that. Ms. Conklin stated it doesn't matter except when we up the dues to cover that bid. Ms. Conklin stated the “reserve” or whatever we are going to call it, was established to fund those repairs. Ms. Conklin stated she feels we should indicate annual allocation from future road repair funds and that would take care of the particular road repairs for that year. Mr. Nagy inquired if there will still be a distinction between the monies, maintenance and repair. Mr. Stephens stated he does not see a distinction between maintenance and repairs. Ms. Conklin stated the difference between maintenance and repairs is \$20,000 per year is put in the operating budget. Ms. Gitre stated the other percentage for administrative expenses that are roadway specific and non-roadway specific. Ms. Conklin stated it is \$20,000 for actual road repair. Mr. Stephens stated we do all the maintenance and repairs at one time. Mr. Nagy inquired if this will make it difficult to assess homeowners for their annual dues. Mr. Stephens stated he does not believe it will because we have a budget sheet listing the amount we need to gather from all PRRMA members per year. When the money comes in from the HOA we don't need to divide it up any longer, with the \$20,000 and reserve, etc. Mr. Stephens stated he is suggesting that any money to repair the roads comes out of the piece of the budget entitled “road repairs”. Mr. Nagy inquired how the investment amounts would be allocated with all the CD's. Mr. Kljun stated he has been putting all the money in interest bearing accounts. Mr. Kljun stated when PRRMA withdraws money to pay for various items, PRRMA withdraws money and charges each association based on their percentage. Mr. Kljun stated the ratios are always the same. Mr. Kljun stated for example: we have budgeted \$20,000 for roadway repair, but we spend \$25,000, therefore we go into the reserve and remove \$5,000 and divided according to each subdivisions percentage. Mr. Stephens stated he is proposing that all the road repairs come out of a single line entry. Ms. Conklin inquired if we could use a two line entry. One could be 2009 Road Repairs and the other could be

Future Road Repairs so that we allocate what we would be spending for the year.

Ms. Gitre stated from a budgeting perspective, 2009/2010 budget for roads will be a certain amount which will help us with the model. This will be how much we will spend this year, and what does this do to all the other money to determine how much we need to charge the HOA. Mr. Stephens stated then maybe it is much simpler than he was proposing. Mr. Stephens stated where we have the \$20,000 number is meaningless, that number becomes what we are planning to use for the calendar year. Mr. Stephens stated his proposal will change to remove the word "reserve" to "future" road repair. Ms. Gitre stated we need to make that budget number meaningful every year. Mr. Kljun stated the advantage is we will not see any change in the way the money is allocated to each HOA. When PRRMA does roadway repairs out of the current budget it still gets allocated to the appropriate association so we can maintain consistency.

B. Pavement Management System Discussion

Mr. Casari stated several months ago the Township was contacted by an engineering firm; Spaulding DeDecker. Mr. Casari stated Spaulding DeDecker asked if they could do a presentation on pavement management system to Canton. Mr. Casari stated as the presentation began he thought of PRRMA and how this might be useful. Mr. Casari stated Spaulding DeDecker has asked if they can come in and do a presentation to PRRMA at the next meeting.

Mr. Casari stated the Pavement Management System uses the PASER Rating System. Mr. Casari stated if PRRMA indicated they wanted to spend \$100,000 per year for the next 10 years on pavement maintenance, the custom made system (for roads that PRRMA own) model would be developed by Spaulding DeDecker. This would also tell PRRMA what condition the roads would be in 10 years, road by road. Mr. Casari stated or if you wanted all the roads within PRRMA rated at a 7 on the PASER scale or better, Spaulding DeDecker would tell you how much you would have to spend per year for the next 10 years.

Mr. Stephens inquired if this model is something we use on an annual basis or does Spaulding DeDecker or on an annual basis. Mr. Casari stated Spaulding DeDecker would build the initial model, each year Spaulding DeDecker would update the model for PRRMA and offer the desired results. Mr. Casari stated the update costs every year would be nominal, probably \$1,000 per year. Mr. Casari stated Spaulding DeDecker stated the model might possibly cost \$20,000-\$25,000 to prepare. Mr. Casari stated this system is a good way for PRRMA to management the pavement. Mr. Kljun inquired if this will replace the use of the reserve study. Mr. Casari stated he believes this system will far exceed the reserve study capabilities. Mr. Kljun stated that might

work for the here and now, but what about long term projections. Mr. Casari stated PRRMA decides what our planning frame is and that is how they build the model. Ms. Conklin stated it sounds like a lot up front, but will minimize some of the engineering and outsourcing fees that we have been paying. Mr. Casari stated it will pull Canton Engineering right out of the mix. Mr. Casari stated Canton Township never intended doing a lot of the work we have done for PRRMA over the last two years. Now that Mr. Zilincik is gone it would be a lot more for us to handle.

Ms. Gitre inquired how much was paid for the reserve study. Mr. Kljun stated \$3,200 was paid for the reserve study. Mr. Kljun stated maybe we need them both, the reserve study and the pavement management system. Ms. Gitre stated she wouldn't discount the information PRRMA has already received. Ms. Conklin stated she would not object to listening to their presentation. Mr. Casari stated with training PRRMA could be rating and supplying the information to Spaulding DeDecker. Mr. Stephens stated he thinks it would be helpful to send Spaulding DeDecker a copy of the reserve study and are there any pieces of the reserve study they won't cover. Mr. Casari stated he understood that Spaulding DeDecker can build a model around any information you give them. Mr. Casari stated they have a standard set of conditions that they look at such as drainage, soil, pavement cross section, structural analysis, etc. Mr. Porter inquired if they do core samples. Mr. Casari stated yes, they do core samples.

Ms. Conklin inquired if Monday, December 15, 2008 at 5:00 p.m. for the presentation is acceptable for everyone. Everyone agreed this date was acceptable.

C. Special Meeting for discussion on percentage Allocation

Ms. Conklin stated Mr. Casari and she are doing some work on this discussion to present data to the Board. Mr. Nagy inquired if this data will only include roadway or will it include maintenance cost on the berm on Summit Parkway. Ms. Conklin stated it will just include the roadway area. Ms. Conklin stated Canton already pays for the landscaping.

Ms. Conklin inquired if the February meeting be dedicated to discussion on the percentage allocation. Everyone was ok with that. Mr. Stephens inquired if we want to have two meetings for the month of January and February. Ms. Conklin stated we will have the meetings in January on the 12th and 26th at 5:30 p.m. for discussion on the percentages. Ms. Conklin stated February 9, 2009 at 5:30 p.m. will be the February meeting.

D. Manual of Procedure for Operations of PRRMA

Ms. Conklin stated we want to be proactive and operate professionally. Ms. Conklin stated we need to eliminate any doubt or questions anyone may have about PRRMA operations. Ms. Conklin stated she sent an email to the

attorney and asked if he had any alarms about any issues with PRRMA. Ms. Conklin stated he indicated he did not have any issues. Ms. Conklin stated PRRMA does not have it formally written that we will follow Robert's Rules of Order. Ms. Conklin stated it is incumbent on all Board members to review the Manual and Procedures and proactively discuss. Mr. Casari stated conduct at meetings needs to be discussed and formalized.

Mr. Porter stated he would like the PRRMA minutes and financial information published on a PRRMA website. This would clarify any questions for some people in the associations. Ms. Gitre stated her association asked about that at her annual meeting also. Ms. Gitre stated she was going to try and get them out on her association's website if nothing else. Ms. Conklin stated PRRMA has never had a website. Mr. Waldbauer stated they put the minutes on his association's website. Mr. Porter stated the financial information is not posted. Mr. Nagy stated he puts financials on their website. Mr. Waldbauer stated people have to have the initiative to turn on their computers and look for the information they are requesting. Mr. Waldbauer stated on his association's website it indicates what PRRMA is and PRRMA's responsibilities and financials are there. Mr. Porter stated we could send associations an email that there is an update on the individual websites for their viewing. Mr. Kljun stated maybe PRRMA could set up a website for all the information being discussed.

Ms. Conklin stated she is under the understanding that PRRMA's responsibility is to the members of PRRMA and it is those members responsibility to get this information back to the HOA. Ms. Conklin stated we have to be careful not to infringe on that. Ms. Gitre stated she agrees with that. Mr. Nagy inquired if Ms. Gitre needs someone to set up a website. Ms. Gitre stated Fairway Pines has a website, but no one to maintain it.

Ms. Conklin stated she feels that all Board members are doing the best they can. Ms. Conklin stated it maybe beneficial to take a look and see where the Board can do a better job in certain areas. Ms. Conklin stated she would like all the PRRMA Board members to take a look at the Manual of Procedures for Operation of PRRMA and get back to her for suggestions by the end of the year.

Mr. Stephens inquired about landscaping on Glengarry which did not look as good as the islands on Summit Parkway. Ms. Conklin stated Summit Parkway is maintained by Canton Township. Ms. Gitre stated she had complaints this year for Fairway Pines section. Mr. Casari stated Canton Township maybe watering more. Ms. Gitre stated Fairway Pines did cut back watering significantly due to cost. Ms. Conklin stated Summit Parkway watering comes from the pond. Mr. Stephens inquired if there is a way Fairways could access the pond also. Mr. Casari stated he does not know how the zone is designed. Mr. Casari stated you would have to find a place where the main

feed is and tie onto and add more zones. Ms. Conklin will look into this and have them contact Mr. Stephens. Ms. Conklin stated it will probably be Paul Robinson, golf course irrigation person. Mr. Stephens stated he knows that the island in his association does not look as good this year because water is one of their biggest expenses and have had many complaints. Mr. Stephens stated he knows the golf course had wells for irrigation. Ms. Gitre stated Fairway Pines has 4 meters and they would have to dig 4 wells, the cost over time would eventually pay for itself, but it is very expensive initially. Ms. Conklin stated the Township pays a lot of money for water. The Splash Pad water runs off into the pond, so some of water is from that. Mr. Casari stated the way the pond system works, the one in front of the Summit and on the other side of the road, they feed from the irrigation system in the pond in front of the Summit. There is a large storm sewer pipe that takes all the drainage from the golf course area and the Summit and takes to another pond that is built by the Rouge River and connects. The connection to the Rouge River is laid level so water can go in or out, depending on what is higher the river or the pond, and Canton Township pumps from there all the way back to the pond in front of the Summit and Canton irrigates out of that. Mr. Casari stated there is a very large quantity of water that Canton is able to use. Mr. Casari stated with the other ponds they are just ponds that are dug with a water supply in them. Mr. Casari stated without having some kind of well to refurbish, if we start irrigating out of them, those ponds will be drawn down. Mr. Casari stated to irrigate with a well, you really need to have a pond that the well pumps into and then you pump out of the pond. Most wells will not provide enough capacity for your needs.

Mr. Kljun stated in Fairway Pines there is the retention pond. Mr. Kljun stated all of the storm sewers feed into that retention pond. Mr. Kljun stated it might be appropriate to do a study. Mr. Casari stated you would still need to feed that pond with a well. If there was no rain for two weeks you would drain that pond to the bottom.

Mr. Stephens stated the junipers that were planted on Glengarry are dead. Mr. Stephens inquired if those junipers were Fairways responsibility. Ms. Conklin stated yes, those junipers are Fairways responsibility.

Mr. Stephens inquired why Canton contracts with Oakley to do landscaping on Summit Parkway. Why not have the people from the golf course do the landscaping? Ms. Conklin stated they do not have the time or resources.

Ms. Gitre stated her HOA just had their meeting and did their dues. Ms. Gitre stated they have a significant bad debt expense that they will have to start writing off due to foreclosures. It will be approximately \$40 per homeowner that homeowners are paying to cover the homeowners that haven't paid. Ms. Gitre stated 19 homeowners didn't pay on top of the bad debt. Ms. Gitre stated approximately 5 houses are in foreclosure. Mr. Porter stated in

Pheasant View they have 4 no pays and 2 of those for 2 or more years. Mr. Porter and Ms. Gitre stated they feel it will get worse with no pays. Mr. Nagy inquired if liens have been filed on those properties. Ms. Gitre stated yes, liens have been filed. Ms. Gitre stated on one of the foreclosures they were able to get money from the date it foreclosed to the date that it sold. Ms. Gitre stated that home had been in the arrears from the year before. Mr. Kljun stated if there is a foreclosure and the bank takes it over, the bank is still responsible. Mr. Kljun stated if it goes to a sheriff sale, subordinate liens are eliminated. Ms. Gitre stated one question that came up in her HOA meeting was about special tax assessment zones to collect back dues. Ms. Conklin stated PRRMA could do that if we have to and have the right to. Mr. Nagy stated he would like to suggest as the late dues escalate PRRMA change the rules of collection, have two or three payments towards the annual dues. Mr. Nagy stated we may get better collection results. Ms. Gitre stated Fairway Pines would have to change their policies. Mr. Porter stated they could stretch out the dues, but this would mean a lot more work for the treasurer of each association.

Mr. Stephens stated they threatened small claims court and the homeowner did pay. Mr. Nagy suggested that homeowners could put dues on their credit card, which would incur an additional cost. Mr. Nagy stated in his business, it cost them 3% to use credit cards. Ms. Conklin stated Canton bills the 3% into the cost of doing business. Ms. Gitre stated she will do more research on special assessments.

Ms. Gitre inquired if PRRMA ever discussed the HOA being a gated community. Mr. Casari stated the covenants and restrictions indicate the roads are open to the public. Ms. Conklin stated she thinks this has been researched and Mr. Casari is correct. Mr. Casari stated public safety would have an issue with that because they cannot get in for emergencies. Mr. Porter stated gated communities have a specific lock that all public safety can get into.

Mr. Porter inquired if the assessments for the 4th quarter had been sent out yet. Mr. Kljun stated he will send them out right away.

VI. Other Business

A. Litigation Update

Ms. Conklin stated Fairway Pines has 21 days to appeal according to the law. Ms. Conklin stated our attorney has filed for the judgment. Ms. Conklin stated the amount of statutory interest is mandated by law and will not be the 5% that was requested. Mr. Porter inquired about attorney fees. Ms. Conklin stated that would have to be a separate lawsuit. Mr. Nagy stated the judge didn't deem it because it was not a frivolous lawsuit, otherwise we would have been able to recover attorney fees. Mr. Nagy stated Fairway Pines has 21 days to pay the judgment. Ms. Conklin stated it is not recommended PRRMA go after legal fees. Ms. Conklin stated Dick Lewiston was a very

effective witness. Ms. Conklin stated Lee Schofield, attorney, did a great job and did most of the fact finding. Ms. Conklin stated after the filing of the judgment we will get invoiced for the final legal fees.

VI. Adjournment

Motion by Gitre, supported by Casari to adjourn at 8:07 p.m. Motion carried unanimously.