

PHEASANT RUN ROAD MAINTENANCE ASSOCIATION, INC.
BOARD OF DIRECTORS
MEETING SUMMARY
January 26, 2009
5:30 p.m.

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, January 26, 2009.

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

Members Absent: None

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

I. Ann Conklin called the meeting to order at 5:34 p.m.

II. Percentage Allocations Discussion

Ms. Conklin stated a lot of good issues have come out in the last couple of years and now that the lawsuit is behind us we can move forward.

Ms. Gitre stated Fairway Pines is not filing a motion. Ms. Gitre stated the calculations will be made and a check sent to PRRMA. Ms. Conklin stated Fairway Pines has 21 days from January 7, 2009 to pay the money they are in arrears.

Ms. Conklin stated Canton Township made a commitment to take a look at some things. There are things from Fairway Pines original proposal; such as the cap and a couple of other things that need our attention. The main thing is to discuss the percentages. Ms. Conklin stated Mr. Casari and she did their homework. Ms. Conklin stated something has come to light from their research and they have a solution.

Mr. Casari stated these percentages include the road right of way, easement and percentages of the total in each subdivision and Canton. Mr. Casari stated he will include a little history. Canton shows 369,000 square feet which represents 12.1 %. Mr. Casari stated one of the issues he notices as he was computing the quantities from Mr. Zilincik's report, as he wheeled off a lot of the areas, including Summit Parkway he was coming up with substantially more square footage. Mr. Casari stated he used aerial views and tried to compute the area of each subdivision to see if the total areas were all off on square footage. Mr. Casari stated he was coming up with numbers fairly close for Fairway Pines and Fairways. Initially, he was a little off with Pheasant View, and about 100,000 square feet off with Canton. Mr. Casari stated he

went on CivicSite and he came up with 478,000 square feet for Canton Township. Mr. Casari stated as he looked at it in depth, the 369,000 square feet was the length of Summit Parkway minus St. Joes and the Links. Somewhere along the line, there was a movement of Canton's square footage and the Links and St. Joe's footage which is about 1,600 feet times 45 feet, and St. Joes which is about 900 feet times 45 feet and took that square footage out of Canton's total. Mr. Casari stated when he measured St. Joes, the Links and the remainder of Summit Parkway he started coming up with the right numbers. Mr. Casari stated the corrected percentages are what he believes to be correct. Canton, under the current plan is both sides of the Summit all the way up to the entrance to Pheasant View and from that point to Glengarry half goes to Pheasant View and half goes to Canton. The total should be 478,084 square feet or about 15.13%. Ms. Conklin stated which means Canton has underpaid from the get go and Canton wants to make ourselves whole, and come up with a payment plan she and has a couple of suggestions. Ms. Conklin stated over the course since 1999, Canton underpaid approximately \$3,000 per year, over 8 years; it is \$25,000 to \$35,000. Ms. Conklin stated these are very rough numbers, and she will have to go back and calculate the numbers to be correct.

Mr. Casari stated the theory behind the Links and St. Joe's money coming to Canton originally was when those projects came through they were taking some of Canton's frontage, and Canton put some of the burden on them with a separate agreement between Canton Township and those parcels, not that they would be in addition to anything. The theory behind the entrance to Pheasant View to Glengarry being half and half, it was an area it would serve Pheasant View and they should take half. Ms. Conklin stated the percentages got adjusted and it was before Ms. Conklin's and Mr. Casari's time involved with PRRMA. Ms. Conklin stated even though there is an underpayment of \$25,000-\$35,000 the total dollars that Canton Township did give this past year for the Links and St. Joes does cut into that underpayment somewhat. Ms. Conklin stated they also discovered that Canton Township should have never paid the whole amount for the operating and reserve. Ms. Conklin stated if we continue this agreement it should be only for the reserve. Ms. Conklin stated that is \$3,500 of the \$14,000. Ms. Conklin stated Canton Township is willing to do this for as long as it takes for Canton Township to be equal and we have a proposal.

Mr. Waldbauer stated by using the tools that Canton has and the background information he is assuming you were accurate for length and width. Mr. Casari stated yes, the width is 90 feet for the boulevards and 50 for normal streets. Mr. Casari stated the length from Canton Center to the entrance to Pheasant View is length times 90 feet plus the length from Pheasant View entrance to Glengarry length times 45 feet added together should have been Canton Township total square footage for the Summit. Mr. Casari stated that is the 478,084 square feet. Mr. Casari stated the total square footage that PRRMA is responsible for was the areas used in the calculation to come up with what percentage each subdivision and Canton Township would pay.

The following is the corrected percentages:

Canton	478,084	15.13%
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Fairway Pines	1,014,350	32.11%
Fairways	967,900	30.64%
Pheasant View	698,600	22.12%

Mr. Waldbauer stated the numbers are not necessarily roadway. Mr. Casari stated it includes grass, sidewalks, pavement and curb.

Mr. Kljun stated how does that relate to Policy #2. Ms. Conklin stated Policy #2 is incorrect and has to be amended.

Ms. Conklin stated if you look at the percentages a couple of subs may have overpaid and there may potentially be a credit, refund or from this point forward pay as indicated. Ms. Conklin stated it is not a significant amount of overpayment. Ms. Conklin stated she and Mr. Casari met and discussed this issue and they will have to go to the Township Board if there are any changes. There has been some preliminary discussion and advised that it is time to revisit. Ms. Conklin stated she and Mr. Casari are recommending the following corrected percentages as if Canton were to take 100% of Summit Parkway up to Glengarry and the golf course side of Glengarry out to Beck Road:

Pheasant View	629,300	19.92%
Fairways	916,825	29.02%
Fairway Pines	1,014,350	32.11%
Canton Township	598,459	18.94%

Ms. Conklin stated that in 2010 or 2011 after repayment from Canton Township whatever is owed, Canton Township will then retain the Links and St. Joes.

Mr. Porter inquired if Pinewood Subdivision would be included. Ms. Conklin stated she does not believe they can include them. Mr. Casari stated Pinewood came along after everything was ratified. Mr. Casari stated Pinewood may have given the easement to Canton as part of the bargain for their subdivision street coming out onto Summit Parkway. Mr. Casari stated the only way to include Pinewood is if they all agreed, which is probably not going to happen.

Ms. Conklin stated she is confident that she will have the Board of Trustee's support on this recommendation.

Mr. Casari stated Spaulding and DeDecker stated that the residential traffic that these roads are experiencing isn't going to cause the deterioration of the roads; it will be the heavier trucks and we won't experience much of that now. Mr. Porter inquired why did Southwick fail since it is residential traffic.

Mr. Porter stated this is great percentages based upon square footage. Mr. Porter stated we have fewer residents per square foot than the other subdivisions; therefore we have less traffic per square foot. Mr. Porter stated therefore our roads should fail

slower than the other subdivisions. Mr. Casari stated drainage and original base comes into play also. Ms. Conklin stated Summit Parkway's asphalt is significantly thicker. Mr. Casari stated the northbound lane of Summit Parkway is a thicker cross-section.

Mr. Porter stated Pheasant View has 162 homes. Mr. Stephens stated Fairways has 263 homes. Mr. Porter stated he doesn't know if it would be better to breakdown per homeowner. Mr. Porter stated in 20 years the owners of each home regardless of what subdivision, put in what was needed for the roads for their subdivision. Mr. Porter stated there is a balancing act currently that Pheasant View has been paying in a lot and not getting a lot in return, where other subdivisions have. Mr. Porter stated we will get a return but there comes a point in time where that should all level out and that is what we are trying to achieve. Mr. Casari stated Pheasant View has large lots and you will pay more because you have more roadway per lot. Mr. Porter stated wear and tear will be less his Pheasant View compared to the other subdivisions. Ms. Gitre stated her street gets no traffic and she is still paying the same as others in her subdivision that gets more traffic. Mr. Stephens stated Mr. Casari made a point that the traffic is not the primary wearing mechanism; it is more the structure and drainage. Mr. Stephens stated as he looks around Fairways he cannot see any linkage between traffic and deterioration of the roads. Mr. Porter stated in his subdivision they did see a correlation that Southwick did deteriorate due to traffic. Ms. Conklin stated was that traffic or drainage, or base. Mr. Porter stated he would be willing to guess that there is more traffic on Southwick than any road in any other subdivision.

Mr. Porter stated he feels this recommendation for percentages is as good as any. Mr. Kljun inquired if the objective is for all homeowners to pay only for their roadway. Ms. Gitre stated her HOA brings this question to us and feels the lawsuit didn't settle that. Ms. Gitre stated her HOA feels that they shouldn't be paying any percentage for anyone else's roads and only for the repairs that are done on their roads. Ms. Conklin stated we have been asked to look at the original document and everyone wants fairness. Ms. Conklin stated the square footage seems like a logical easy map. Ms. Conklin stated she feels the lawsuit did settle the concept of the roadway manager. Ms. Conklin stated we are all in this together and the roads will be taken care of. Mr. Porter stated he feels this is a good starting point to figure out each subdivision portion and reassess every 10 years. Ms. Conklin stated maybe that could be added to Policy #2 that the percentages be looked at every "X" number of years to make sure everything is fair. Mr. Porter stated at agreed upon time periods we could examine what has been contributed and what has been done and an analysis on what needs to be spent over a certain time period. Mr. Stephens stated if you are going to do that it is just putting off the day when everyone will pay for their own roads.

Ms. Conklin stated another issue is those who think Canton Township is demanding that all their roads are at a 10 and everyone else's is at a 6 on the PASER scale. As a Board if we decide we want our roads to be maintained at a 6 or 7 this will bring continuity.

Mr. Stephens stated this proposal for percentages is sensible and easy. Mr. Stephens stated a traffic study would be expensive and very hard to do. Mr. Porter stated he feels a traffic study will not give much actual data.

Ms. Gitre inquired about the golf cart paths. Ms. Conklin stated they will be removed and replaced with asphalt and does not think Canton Township should assume responsibility for them as they will be just like part of the roads. Mr. Kljun inquired if Ms. Gitre was referring to the cart paths that cross the medians. There are three (3) locations. Ms. Conklin stated Canton Township will pay for that. Ms. Conklin stated there will be line crossings painted white.

Mr. Waldbauer calculated square footage as Mr. Porter suggested. The average square footage per subdivision is 3,488. Calculation for each subdivision per homeowner Pheasant View would be 396 square foot over the average per lot, Fairways is under the average by 2 square feet and Fairway Pines is under by 205 square feet. Mr. Kljun stated the problem is you expose yourself to the homeowner who just sold his property and moved and wonders where his rebate is. Mr. Kljun stated this technique with the square footage eliminates all the movement of people and the square footage is the same. Mr. Porter stated that is in the value of your home when you sell it. Mr. Stephens stated the objective is we want this to be fair and equitable to a point and as a group we need to explain this to the homeowners. Ms. Conklin stated the original concept was that this is going to be a community and the roads are going to be maintained at a certain level and we are buying into that philosophy. Ms. Conklin stated the judge did tell everyone that the documents were correct. Ms. Conklin stated the recommendation is that Canton Township will be whole for the 15.13% for the duration of the contract but will not be retro to the 18.94% and will begin with the newest assessment. Ms. Conklin stated it is approximately an increase for Canton of \$4,000 annually beginning in 2010. Ms. Conklin stated for the corrected percentages we will have to go back and calculate what Canton should have paid at the 15.13% and how much Canton has paid for the reserve and what the deficit is. Ms. Conklin stated we will subtract what Canton has paid in this past year for St. Joes and the Links. Mr. Kljun stated he will do those calculations. Mr. Casari stated he will verify the square footage based on the historical data that he has. Mr. Casari stated he will get this information for Mr. Kljun to do the calculations.

Ms. Conklin stated this is changing Policy #2 and we would need a motion understanding the motion would contain the corrected and recommended percentages. Motion by Mr. Stephens to change Policy #2 to reflect the recommended percentage changes and for Canton Township to be responsible for all of Summit Parkway and part of Glengarry for the 2009/2010 PRRMA budget. No support for this motion. Motion failed.

Ms. Gitre stated she would like to take this information back to her HOA before finalized. Mr. Stephens stated he would like to postpone the vote. Ms. Gitre stated she would like to move forward with this, but after all PRRMA Board members have

had a chance to discuss with perspective HOA. Ms. Conklin stated she will email the recommended percentage changes slide to each Board member. Mr. Kljun suggested a formal change to Policy #2 where each Board members signs to be official. Ms. Conklin stated yes, that will have to be done.

Ms. Conklin stated the Spaulding DeDecker proposal has responded to the questions that the Board had. Ms. Conklin stated she emailed those answers to each Board member. Mr. Stephens stated he likes the Spaulding DeDecker approach. Mr. Stephens stated the reserve study is very subjective with no data to support the reserve study. Mr. Stephens stated the Spaulding DeDecker proposal analyses the road in a scientific way and continually reassesses the condition of the roads. Mr. Stephens stated if we choose Spaulding DeDecker we never have to do another reserve study and base our future projections on the model. Mr. Stephens stated this gives PRRMA a better tool for projecting what our outlay will be. Ms. Conklin stated she totally agrees with Mr. Stephens. Mr. Kljun stated he agrees and feels the last reserve study done was somewhat reactionary in the sense of escalating cost with oil prices. Mr. Stephens stated the other thing he likes about the model is that it brings in the realm of affordability. Mr. Stephens stated if we follow the last reserve study we know we run out of money and have to do special assessments. Mr. Stephens stated with this model we have the ability to indicate how much money we can afford to spend. Mr. Stephens stated we might see a dip for a while with the model and feels this is a much more useful tool. Mr. Stephens stated he wants to make sure Spaulding DeDecker would come in each year and spend time with us. Mr. Casari stated he likes the fact that they do the analysis and do a PASER rating of the roads, create the model, and two (2) years later they come back and do the PASER rating again and compare to the model and close the gap. Mr. Casari stated you are marrying up the financial aspect with the actual condition of the roads and what it will cost the residents. Ms. Conklin stated she would like to piggyback that with a standard that all PRRMA Board members agree with. Ms. Gitre stated even though our implementation of PASER rating helps us, she thinks the model encourages us to be at the same level and have the discussion each year and keep it more objective. Mr. Kljun stated this model unlike the reserve study will pay attention on a yearly basis.

Mr. Casari stated there is a PASER rating seminar for all to attend and it is free.

Ms. Conklin stated the payback for this model will be less than three (3) years. Ms. Conklin stated to build the model the cost is \$24,500. Mr. Casari stated their rates are less than what he is typically used to seeing. Mr. Waldbauer stated Mannik & Smith's is significantly higher. Mr. Casari stated we will also have someone who is responsible for the entire project. Mr. Stephens stated it will give PRRMA more confidence in completing the financial planning. Mr. Kljun inquired if the Spaulding DeDecker proposal includes curb and gutter management. Mr. Casari stated the PASER method only looks at the pavement surface. However, as part of their services we can ask Spaulding DeDecker to include it in their inspection process. Mr. Kljun stated at this time we still have areas that need repair.

Mr. Stephens stated it sounds like all Board members are in favor of this model. Mr. Stephens inquired if we want to have a special agenda topic to address the questions as to what is included in this proposal. Ms. Conklin stated she will add this to the next agenda. Ms. Conklin stated she will inform Spaulding DeDecker that PRRMA wants to move forward, but want to see the final contract first including specific detail.

Mr. Porter inquired if this fee will come out of operating or reserve. Ms. Conklin stated it will be up to the Board. Mr. Kljun stated it doesn't matter whether it comes out of reserve or operating; the money in the high performance checking account (interest bearing) is all of our money and withdraw as needed to cover our expenses. Ms. Conklin stated it is no longer the reserve fund; it is the Roadway Repair Fund.

Ms. Conklin stated the next meeting is February 9, 2009. Ms. Gitre stated she will be out of town and needs to do a conference call for the meeting.

Ms. Conklin stated she does not want to take the percentage change for Canton Township to the Board until it is discussed and approved by the three (3) subdivisions. Board members indicated they could email the recommended percentage changes to their perspective HOA Board for approval. Ms. Conklin stated she will include this on the next agenda.

Mr. Porter stated he has looked at the Spaulding DeDecker proposal and does not see anything about concrete work. Mr. Stephens stated we do not want Spaulding DeDecker to include curb and gutter in the model just to include in their inspections. Ms. Conklin stated PRRMA will do our own sidewalks. Mr. Casari stated it would not surprise him if the curbing will be included as it influences the condition of the pavement. Mr. Stephens stated each member needs to read the proposal thoroughly before the next meeting and see if there is anything missing. Ms. Conklin stated she is going to ask them to submit a new proposal that is very detailed.

Mr. Stephens inquired what is the cost for Spaulding DeDecker to come back every two (2) or three (3) years to do an assessment. Ms. Conklin stated it is minimal but will ask for their fees.

Mr. Porter stated the proposal indicates it includes paved streets with sidewalks and golf cart crossing where applicable. Mr. Casari stated Spaulding DeDecker may be looking at the ADA compliancy of the sidewalks. Mr. Casari stated if there is something wrong with the sidewalk and you repair it, it is mandatory to bring it up to ADA compliancy at that point. Mr. Casari stated if a complaint is filed you must repair in a reasonable time frame.

Mr. Stephens inquired if everyone received the sidewalk proposal. Mr. Stephens requested any comments be forwarded via email.

VI. Adjournment

Motion by Waldbauer, supported by Gitre to adjourn at 6:58 p.m. Motion carried unanimously.