

PHEASANT RUN ROAD MAINTENANCE ASSOCIATION, INC.
BOARD OF DIRECTORS
MEETING SUMMARY
July 27, 2009
5:30 p.m.

A regular meeting of the Pheasant Run Road Maintenance Association, Inc. Board of Directors was held at the Pheasant Run Golf Course Club House on Monday, July 27, 2009.

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

Members Absent: Tom Casari, Canton Township

Others: Tim Kljun, Roadway Manager, Deborah Dooley, Canton Township, Val Krimmer, Fairways

I. Ann Conklin called the meeting to order at 6:40 p.m.

a. Approval of Meeting Minutes:

- i. July 13, 2009
Motion by Gitre, supported by Waldbauer to table the minutes for July 13, 2009. Motion carried by all members present.

II. Financial Activity Review:

A. Current Report

Tim Kljun stated the total budget for 2008/2009 was published at \$96,000 and we actually spent \$321,000 and we are \$224,000 over budget. Mr. Kljun stated most of that were roadway repairs. Mr. Kljun stated our income was \$261,501 for the 12 month period of which we spent \$321,869. We overspent our income and reduced our reserve fund by approximately \$60,368.

Mr. Kljun stated he has opened additional money market accounts to make the money more available. As the remaining 5 CD's mature they will be rolled into the money market accounts. Ms. Conklin stated the overage was really a transfer from the reserve fund. Ms. Conklin stated we need to have a line item for reserve transfers so that we can show we are not arbitrarily transferring and that it is scheduled. Ms. Gitre stated we did budget for it, but we did not budget as income. Mr. Kljun stated he would suggest we budget it as roadway cost. That will raise our budget to \$320,000 for the new fiscal year.

III. Unfinished Business

a. Road Repairs

1. Project Update for 2009 Season
Ms. Conklin stated that she, Mr. Kljun, and Mr. Waldbauer met with Mark Balon (Spalding DeDecker) and Jake and Rob Wilson (Nagle Paving) and they are starting this week with repairs.

Mr. Kljun stated by Wednesday of this week they will have marked all of the locations for repair. Later in the week, Nagle will come in and begin saw cutting. Ms. Conklin stated the saw cutting the curb and gutters will create no disturbances to the homeowners and should take about one week. Ms. Conklin stated we informed Nagle we need to know their schedule to put on the website. This will be the most effective means of communication to the residents. Ms. Conklin stated from start to finish it will be approximately 6 weeks.

Mr. Waldbauer stated he met with Nagle in the field and they indicated the worst area in Pheasant View was the Crowndale Blvd. entry into the subdivision. They would also take a look at crack sealing and other work that needs to be done on the entry way. Spalding DeDecker indicated they were pleased Nagle received the bid as they are the best crack sealers.

Mr. Waldbauer stated it will take approximately 3 hours for residents to be able to drive on an area that has slurry seal applied, so approximately ½ day. Ms. Conklin stated that once the asphalt temperature is reduced it can be driven on almost immediately. Ms. Conklin stated the area under repair will be blocked off and there will never be a total closure. Ms. Conklin stated if any areas of concern are unmarked, please email Ms. Conklin. Ms. Conklin stated Mr. Balon stated next year we should start this process a couple of months earlier.

2. Supervision Request from Spalding DeDecker

Spalding DeDecker asked the Board to formally approve that they will be the site engineers. The proposal for them being the site engineers is \$10,700, which is less than Mannik & Smith. Ms. Gitre inquired if this was included in the budget. Ms. Conklin stated yes.

Motion by Gitre, supported by Waldbauer to approve the \$10,700 for Spalding DeDecker Engineering to be the site supervisors. Motion carried unanimously. Ms. Conklin stated Mr. Casari did vote by email in favor of this motion.

b. Sidewalk Repair

Mr. Kljun stated we have completely finished all of the sidewalk repairs that were identified for 2009. All of the invoices have been paid. There were two invoices sent; one to Fairways and one to Fairway Pines for their portion of the sidewalk.

Ms. Gitre inquired if the sidewalks that butt up against Canton Center and Cherry Hill and Beck Road do not belong to Fairway Pines. Ms. Conklin stated yes, they do not belong to Fairway Pines; however Fairway Pines is responsible for them, because they are in the County road right of way. Ms. Gitre inquired if the Township marks the sidewalks and sends the association a bill for repair. Ms. Conklin stated yes, that is correct. Ms. Conklin stated

unless it is one of the utilities that is causing the repair needed, then the Township is responsible. Ms. Gitre stated when PRRMA does their analysis they do not have to mark these County road right of way sidewalks. Ms. Conklin stated once it is identified as a hazard we have to repair. Ms. Gitre stated there are many sidewalks that need repair on Cherry Hill and we may want to identify them this year for repair since the association will be paying for them.

Mr. Kljun stated the sidewalk on Beck Road brought up by Mr. Waldbauer at the last meeting, it is his understanding that Pheasant View will pay for these repairs.

c. Insurance Updates

Ms. Conklin stated PRRMA has never checked with our insurance carrier to see if any of the legal fees will be paid for by our insurance. Mr. Kljun will check on this and report back.

Mr. Kljun stated we received a new document from our insurance underwriter concerning how we handle independent contractors. This is a form to fill out.

d. Independent Review of Books

Ms. Conklin stated she spoke with Mr. Bovitz and he stated it is not an unusual practice to have someone look at the financials outside the audit. Mr. Bovitz is reviewing financials and will make a recommendation within one month.

Mr. Waldbauer inquired how the seven additional golf holes came about west of Beck Road. Ms. Conklin stated those are on County roads and the developer may have not wanted to do those. Ms. Conklin stated they wanted asphalt roads, no curb and gutter and a rural atmosphere. Mr. Waldbauer inquired if the standards were upgraded for the extra 9 holes for that development. Ms. Conklin stated she would think it would be County standards. Mr. Waldbauer stated that he was told that Wayne County would not allow golf cart crossings on County roads. This issue came up at Pheasant View's annual meeting in June.

e. Status of Tree Trimming

This item is tabled. Mr. Kljun will prepare his information.

IV. New Business

a. 2009/2010 Budget

Ms. Conklin stated the 2009/2010 budget was emailed to all members.

Mr. Kljun stated the major changes for the 2009/2010 budget are:

Allocation for percentages has changed per Policy #2.

General expenses have been reduced by \$3,795 due to more accurate conditions.

Maintenance expenses have been reduced by \$20,000 to reflect a more accurate condition.

Canton Maintenance expenses have been reduced by \$9,828 to reflect Geronimo Landscaping quotation.

Total reserve assessment has increased by \$45,330; this value was chosen so the associations of Fairway Pines, Fairways, and Pheasant View would have their contribution for fiscal year 2009/2010 limited to no greater than 10% increase for FY 2008/2009.

Canton Township's contribution has increased to \$66,560, up 19.91% primarily due to allocation percentages.

Fairway Pine's contribution increased to \$71,867, up 9.99%.

Fairway's contribution decreased to \$61,531, down 1.38%.

Pheasant View's contribution decreased to \$39,989, down 11.14%.

Mr. Kljun stated we will be required to reduce our reserve funds to meet the requirements of roadway expenses. It is projected that roadway expenses will be \$320,000.

Ms. Gitre stated Fairway Pines is \$23,000 in debt this year. Ms. Gitre stated with incoming dues, we may be ok. Ms. Conklin stated we have 22 residents that have not paid dues and some from multiple years. Ms. Gitre stated some we are taking to court. Ms. Conklin stated what would happen if everyone paid \$10,000 less, what would that do to our reserve. Ms. Gitre stated is we could reduce it a little bit more it would help Fairway Pines. Ms. Gitre stated she anticipates next year they will also be short some amount as well. Mr. Waldbauer stated that PVHA had 8 that did not pay and we are now down to 6; 3 are from multiple years. Ms. Krimmer stated Fairways has 9 that have not paid for the current year, and that includes 4 that have 2 years not paid. Ms. Gitre stated Fairway Pines has 1 that has never paid in 10 years. Ms. Krimmer stated put liens on their homes. Ms. Conklin stated the incentive to pay is to have decent streets and landscape. Ms. Gitre stated Fairway Pines plans on doing a collection on anyone delinquent in dues and get at least 70%. Mr. Stephens stated they have done small claims court. Ms. Gitre stated they have not done that yet.

Mr. Stephens stated right now he would suggest not changing as there is no reason to change. Last year we took a vacation from the last year's payment and we can do that again if needed. Ms. Gitre stated she feels that is a good way to approach it, assess as planned and go in each quarter and if in trouble correct then. Mr. Stephens stated these next few years will be the most difficult. The less each HOA puts in the faster we deplete our reserve. We need time for our dues to catch up to a level where they can start paying for the whole of the roadway repair each year, hopefully before we run out of reserve. Ms. Conklin stated instead of indicating dues will go up 10% each year, the dues will be tied to the model. Mr. Stephens stated the numbers Mr. Kljun put in are tied to the model.

Ms. Conklin stated we need to put into the motion indicating, based on the budget that was developed per the Sim chart, with the understanding that we will monitor throughout the year and that necessary adjustments will be made accordingly, based on the dollars the HOA's has available. Mr. Kljun stated to assist the Board we will install the numbers under projected reserve repairs for each organization, which is the reserve assessment contribution. Each quarter the Board will have the opportunity to review and make any adjustments.

Ms. Conklin stated the budget needs to show the transfer of funds from the reserve. Ms. Conklin stated we are fully aware that we will need to tap the reserve to balance the budget and that needs to be shown.

Mr. Kljun stated the money that is currently in the reserve fund at the end of July was all put in based on old percentages. Until that total amount is exhausted we will continue to draw out at that old percentage. When the new budget begins, any contributions to the reserve will be added at the new percentages. Mr. Stephens stated it is not PRRMA withdrawing from the reserve; it is each individual HOA withdrawing. Mr. Kljun stated that will answer the question if any HOA wants to know exactly how much money did they contribute vs. how much repair was received. Mr. Stephens stated he believes this method would make it clean. It will indicate all the money that came in under these percentages and managed and all the money that came in under the new percentages and managed. Ms. Conklin stated it does not bind us to anything. Ms. Gitre stated how the money is pulled out of the reserve is irrelevant. Mr. Stephens stated he agrees.

Ms. Conklin stated the whole concept of the Roadway Manager is what needs to be done will get done and prioritized by the Board. This information maybe handy, but not necessary. Mr. Stephens stated he believes we need to show where the money is getting spent.

Ms. Conklin stated the budget needs to include all the operations, all of the reserve. Income needs to include all the contributions from the entities, plus the transfer from the reserve fund. Mr. Kljun stated he will readjust.

Mr. Stephens stated he expected to see a larger drop in Fairways payment than \$860. Mr. Kljun stated the overall cost went up even though the percentage went down. Mr. Kljun stated he will recheck the figures.

Mr. Waldbauer inquired if the money for sidewalk repair is included in this 2009/2010 budget. Mr. Kljun stated it is included in the asphalt, concrete maintenance.

Motion by Stephens, supported by Gitre to approve the 2009/2010 budget and review quarterly based on the affordability on each subdivision with money removed from the reserve fund. Motion carried by all members present.

Mr. Kljun will make the adjustment to the budget and get it out to members by the end of the week.

b. Request from Pheasant View

Ms. Conklin stated she received a call from Dave Nagy and he indicated Pheasant View may be involved in a huge law suit. There could be some financial constraints involved and he is wondering what considerations PRRMA may give to them. Mr. Waldbauer stated the majority of Pheasant View's dollars are spent with PRRMA. In the event they have unanticipated legal bills they would like to ask if the PRRMA Board would consider a payment plan that would allow them to pay the lawyer first and catch up with PRRMA secondly. Ms. Gitre stated the quarterly assessment may help and we can use the reserve at that time. Mr. Waldbauer stated in the worst case scenario, Pheasant View may ask to not make a quarterly payment as scheduled and the next two quarterly payments would be catch up. Mr. Waldbauer stated this may not need to happen. PVHA is just considering options in preparation of a shortfall. Ms. Conklin asked Mr. Waldbauer to inform Mr. Nagy that we did discuss and will review quarterly.

V. Other Business

1. Mr. Stephens stated Fairways would like to get the weeds and cracks sprayed. Mr. Kljun will contact Geronimo and get a quote.
2. Mr. Waldbauer inquired when street sweeping will be done. Ms. Conklin stated in the spring and again in October.
3. Mr. Kljun stated the request for service has been amended based on the Board's conversation and attached a form. Ms. Conklin will review and send out to members for input.
4. Ms. Gitre inquired what is the standard now for the baseboards of the signs. Mr. Kljun stated the standard for the signs is to rebuild. Mr. Kljun stated a concrete base is poured; a metal sleeve is attached and then slip the sign over the top. The sign is separated from the ground. Ms. Gitre inquired if we still use wood around the base. Mr. Kljun stated yes. Ms. Gitre stated Fairway Pines has lots of signs that are missing the baseboards only. Ms. Gitre asked if there was something PRRMA can do. Ms. Gitre stated they have put Trex around the bottom of mailboxes and that has held up great. Maybe Trex can be used to replace the baseboards on the signs. Ms. Conklin stated Trex is more expensive, but in the long run could be cheaper. Mr. Kljun stated he will get a request for quotation from Fast Signs on how much

to survey the entire subdivision and cost. Ms. Conklin stated she feels PRRMA cannot afford to do that now. It would be better to get Trex bottom as needed. Mr. Kljun stated he will get a quote for those as needed. Ms. Conklin stated we can get the cost and determine the ones that have priority. Or we can use the metal bands; however it does not prevent it from rotting. Mr. Kljun stated he will get a quote for both the Trex and metal band.

The next meeting will be Monday, September 28, 2009 at 5:30 p.m.

VI. Adjournment

Motion by Waldbauer, supported by Gitre to adjourn at 8:16 p.m. Motion carried unanimously.