

PHEASANT RUN ROAD MAINTENANCE ASSOCIATION, INC.
BOARD OF DIRECTORS
MEETING SUMMARY
November 16, 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, November 16, 2009.

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

Members Absent: None

Others: Tim Kljun, Roadway Manager, Deborah Dooley, Canton Township

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

a. Approval of Meeting Minutes:

- i. September 28, 2009 Meeting Minutes
Motion by Casari, supported by Stephens to approve the minutes for September 28, 2009 as presented. Motion carried unanimously.

II. Financial Activity Review:

a. Current Report

Mr. Kljun stated he emailed all of the October, 2009 financials on the 6th of November. All of the invoices have been paid, including the payment to Nagle. Ms. Conklin stated there is one more major invoice expected from Nagle. Mr. Kljun stated currently we have approximately \$130,000 in money market accounts and \$145,000 in 4 CD's. Mr. Casari stated it looks like we only owe Nagle \$23,000. Mr. Kljun stated we have enough to pay that invoice. Ms. Conklin stated it will leave us with approximately \$250,000 for the end of 2009.

Mr. Waldbauer stated in the 2009/2010 fiscal year statement of Income and Expense Report under the Shrub and Bed Maintenance, there is an expense for all four entities and wonders what this expense is for. Mr. Kljun stated it is for the entire tree trimming at 27 intersections and prorated for each subdivision and Canton.

Mr. Waldbauer inquired about the aged receivables; a check that came in for \$18.00. Mr. Kljun stated the \$18.00 was from a check that came in and was under by \$18.00.

III. Unfinished Business

a. Road Repairs

- i. Project Update for 2009 Season

Mr. Casari stated he received an email from Rob Wilson from Nagle and he indicated they have completed with work as of Friday. Mr. Wilson stated he drove some of the roads and verified they were complete, but has not driven all the roads yet. If there any potholes, please let Ms. Conklin or Mr. Casari know.

Mr. Kljun inquired if line stripping of the cart paths and some of the cross walks were included in this quote. Ms. Conklin stated no, they were not included. Ms. Conklin stated we can ask for that to be done.

Mr. Casari stated there is an issue that he has not had a chance to look into as of yet. This regards the characteristic of a brick paver crossing and the PDD agreement. Mr. Goulet, Community Planner, brought a catalog into Mr. Casari that shows a hot applied pavement marking material that would mimic a brick paver crossing. Mr. Casari stated Mr. Goulet realized PRRMA removed a brick paver crossing and those are part of the PDD approval. Ms. Conklin stated PRRMA did discuss this and we made the repairs for the benefit of the neighborhoods and they are saying no, they do not want brick pavers. Mr. Casari stated there is good reasoning not to have brick pavers any longer. Mr. Casari stated we may just do nothing. Ms. Conklin stated we could tell Mr. Goulet the next cart crossing that we decide to rip out we are amenable to taking a look at this new product. Mr. Casari stated there needs to be something different to distinguish from the road. Mr. Casari stated he doesn't think anyone is going to request PRRMA to put the brick pavers back in, but there are some other less costly options out there or amending the PDD so they are not required to have brick pavers.

Mr. Stephens stated he thinks residents were generally disappointed to lose the brick paver golf cart crossings, but they accepted the rational.

Mr. Waldbauer stated personally he hated to see them go, but they were in disrepair and didn't look attractive. Ms. Conklin stated we do need to get some stripping done and asked Mr. Casari to check with Nagle. Mr. Casari stated he will check and see if weather permits this time of year, or if it should wait till spring. Mr. Casari stated a couple of white lines for a cross walk will be done, similar to those at any intersection. Mr. Stephens stated if we put white lines at golf cart crossings we have nothing at intersections. Mr. Kljun stated the original drawings that were prepared by Dietrich Bailey shows a cross hatching at golf cart crossings in yellow. Mr. Stephens stated he feels that would be best. Mr. Stephens stated we have people not stopping at cart crossings and the yellow will be a bit more obvious.

Mr. Stephens inquired if slurry seal was applied on Glengarry near Beck Road. Mr. Casari stated yes, it was done in the area immediately

west of Summit on two or three sections. Mr. Casari stated it is very rough textured. Ms. Conklin stated it was a test pattern.

Mr. Casari stated Spalding DeDecker thought maybe slurry seal could be used on Summit and Glengarry where there are no houses. Mr. Stephens inquired what road preparations are done before they apply the slurry seal. Mr. Casari stated they probably just blow off the dirt. The key is that it fills the entire crack area and allows for texture for a slower wearing process.

Ms. Conklin stated she and Mr. Casari were very well pleased with the quality of Nagle's work. Ms. Conklin stated they had issues with timing and signage. All Board members agreed. Mr. Stephens stated his issue was how long it took to get the potholes sealed. Mr. Casari stated we were fortunate to have extra money for potholes, which was \$3,000. Ms. Gitre stated the only issue her HOA had was that the crack seal was not done properly. Mr. Casari stated there are two types of crack seal, the route and fill and overband crack sealing. Mr. Casari stated if the crack is ¼ inch wide or less, they will use the overband; blow out the crack, dry and fill, leaving a wide 2 inch band of tar. Mr. Casari stated what they did was route and fill, where they come in and route the crack out and fill with filler which is better than the overband.

Mr. Stephens stated he will be interested to see how the slurry seal works over the winter. Mr. Stephens stated Fairways has quite a few areas that has extensive cracking but not worth ripping the road out yet. Mr. Stephens inquired what the cost difference between slurry seal and mill and resurface. Mr. Casari stated slurry seal is \$0.32 per square foot and mill and replace is \$1.20 per square foot. Mr. Casari stated with the slurry seal if you seal the cracks it will not allow any moisture in. Mr. Stephens stated we should choose very carefully next year because there are areas in his subdivision that if we don't do something to seal the cracks we will end up with a mill and resurface in the very near future.

Mr. Waldbauer inquired if there was an inspection report from Spalding DeDecker. Mr. Casari stated he will ask for a copy of the inspector report from Spalding DeDecker.

Mr. Casari stated the idea with the model is the model will tell you what is expected each year to achieve the PASER number indicated. After the first year you go back and re-inspect and adjust the model according to what is actually seen. The yearly fee is \$1,500. Once you see that your model is working correctly you could possibly go several years without checking. Mr. Casari stated Spalding DeDecker could put a package together for next year based on the model;

however it would be a good idea to have the inspection in May and compare to the model to see if it is working as anticipated.

b. Insurance Updates

Mr. Kljun stated PRRMA has recovered all the monies that it is going to recover from insurance. The last meeting the Board elected not to make a claim for one of the signs that was damaged because of a financial decision. PRRMA has collected an excess of \$4,500 this year and we have no open claims against the insurance company at this time.

c. Independent Review of Books

Ms. Conklin stated she did receive the evaluation from Bovitz. Ms. Conklin stated the good news is Bovitz indicated there is nothing wrong with our books. However, there are four situations noted and recommendations.

1. Reserve Fund – Under State Cooperative Association Law, a minimum reserve of 10% of the Association’s annual budget is required on a non-accumulative basis. This, the reserve would be \$22,824 (10% of \$228,240). Your savings accounts and certificates of deposit (totaling \$441,991) meets that minimum requirement.

2. Cash Receipts – We recommend that all cash receipts be deposited into the general checking account first, and then transferred as required to the reserve accounts. This will make it easier to trace payments received and reconcile cash to accrual basis.

3. Accrual Basis – We recommend the use of the accrual basis on monthly accounting and financial reporting.

4. Audit wordage – You should avoid the use of the work “audit” in bid proposals, notices to owners, or in your bylaw requirements. Audits normally are construed to be a certified outside audit, conducted only by Certified Public Accountants. A certified audit is well beyond the needs in scope and subsequent cost of most condominium associations.

Mr. Kljun stated cash basis (which we currently use) on monthly accounting and financial reporting is that we record cash input when it actually occurs as opposed to when it is invoiced. Mr. Kljun stated expenses are paid and recorded when they occur as opposed to when they are encumbered. Ms. Conklin stated the software Mr. Kljun presently uses has the capability to use the accrual basis. Mr. Conklin stated if this is the pleasure of the Board PRRMA will have to convert to the accrual basis.

Motion by Stephens, support by Gitre to convert from a cash system to an accrual system from August 1, 2009 carried forward. Motion carried unanimously.

Mr. Kljun stated the records that are currently in the cash system will stay and he will go back and enter the information to convert to an accrual system. Mr. Kljun stated he will go home and look at the software and see what is involved.

Mr. Stephens stated PRRMA uses the reserve term and it is really our road maintenance fund. Is Mr. Bovitz stating in the review that PRRMA always has to have a 10% of our assets in a reserve fund? Mr. Stephens stated his concern is that Bovitz is using this term for something other than road maintenance. Mr. Kljun stated as he understands this that in condominium associations it says that every year that you establish a budget for operations, you must designate a minimum of 10% of the operating budget to be applied to reserves on an annual basis. Ms. Conklin stated the reserves are used for road replacements.

Ms. Gitre inquired each year PRRMA cannot have a budget that would take us down to zero, we have to have at least 10% of whatever the budget was not allocated for road maintenance or operating maintenance. Mr. Kljun stated yes, you cannot take your bank balance to zero. Mr. Stephens inquired if we could ask Bovitz to clarify what is a reserve fund and what it can be used for, what are its implications and can we spend the reserve at any point during the year. Ms. Conklin stated based on her limited knowledge yes, we can spend it for exactly as we are doing; however she will have Bovitz clarify for us.

Mr. Waldbauer inquired on point #2 on cash receipts, does this mean there is no change as to the invoice as the way it comes to the subdivisions, it is a method of accounting at year end. Mr. Kljun stated each invoice contains two elements, one for reserves and one for operating expenses. Each invoice is identical and occurs four times per year with one exception Canton who pays once per year. Mr. Kljun stated in order to take advantage of money market accounts drawing interest; we opened another account at Fidelity Bank. Money that is received immediately is deposited into that account. The moment the money was deposited it is accruing interest. Mr. Kljun stated PRRMA has a checking account where we write checks against, and this checking account draws no interest and we keep a minimum amount in it. Mr. Kljun stated in the case of PRRMA it is identified as CBD High Performance Checking. From there Mr. Kljun distributes the money from the checking account and distributed to pay invoices. Ms. Conklin stated Bovitz is telling us to do it the other way around. Mr. Kljun stated Bovitz is telling us to receive all money in the checking account and write a check to be deposited into the high performance checking. Mr. Kljun stated he was by-passing a step, writing the second check.

d. Tree Trimming

Ms. Conklin stated it appears the tree trimming is complete. Ms. Conklin stated we did not communicate with the residents as well as we could have. We had three residents in Fairway Pines refused to have their trees trimmed. Mr. Kljun stated he inspected the trimming last week and the contractor confirmed to him that in every case he trimmed as much as possible without causing damage to the tree. The leaves are off the trees now, and hard to determine the condition of the visual impairment on the stop signs, but Mr. Kljun is absolutely certain there are some stop signs which remain obscured. Mr. Kljun stated he feels the Board should revisit the issue of the low

mounted stop signs. Currently there are approximately 10 of the small low-mounted stop signs which are missing and had been vandalized.

Ms. Conklin stated somewhere and she cannot remember exactly where, but they had the same issue where the trees were blocking the stop signs, and they installed another stop sign on the other side of the road. Mr. Waldbauer stated if we have trees on both sides of the road, it may not work. Mr. Casari stated it would work on one-way boulevards. Mr. Kljun stated the stop signs constructed by our current contractor are \$1,100 each. Mr. Stephens stated we should cut the trees down as opposed to installing new signs. Ms. Conklin stated there are a couple of areas that the trees could easily be cut down. Mr. Stephens stated if the trees are removed we need to discuss with homeowners first.

Mr. Stephens inquired if the three residents that refused to have their trees trimmed agree to get the work completed themselves to make sure the site lines are visible. Mr. Kljun stated he instructed the contractor to leave the site and record the address. Mr. Stephens stated he feels PRRMA should follow up with a letter to those homeowners, stating PRRMA had arranged to trim trees for the reasons stated and since you declined to have your tree trimmed, we would like you to undertake the responsibility of having the work completed to have the site line visible. Mr. Stephens stated he would like the homeowner to know this was done specifically to satisfy legal requirements. Ms. Conklin stated she will use Ms. Gitre as a contact person on the letter to the homeowners.

Mr. Waldbauer stated does that mean we only paid for 25 trees to be trimmed. Ms. Conklin stated our invoice should be a little less than quoted. Mr. Kljun stated the contract was for \$1,725 and that is what was paid. Ms. Conklin stated it should have been three trees less. Mr. Kljun stated he will investigate with the contractor. Ms. Conklin stated we should get some type of a credit.

Mr. Kljun stated our objective was to identify locations where trees obscured the view of the stop signs and reduce the risk of someone missing a stop sign and having an accident. Ms. Conklin stated yes and the height for bicyclist. Mr. Kljun stated has the police department issued a citation to anyone going through a stop sign in any of the subdivisions. No one has any knowledge that anyone in any of the subdivisions has been issued a citation. Mr. Kljun stated he has heard that the police department will not issue a citation if the sign does not comply with the Uniform Traffic Codes. Ms. Conklin stated the double stop sign does not comply with that code. Mr. Casari stated all signs have to comply with the Uniform Traffic Code in order for the police department to enforce. Ms. Conklin stated the reason being that these are private roads and all must comply.

Ms. Conklin will check with the police department to make sure all our signs are in compliance with the Uniform Traffic Codes.

e. Street Sweeping

Ms. Conklin stated she heard remarks from DPW that we did it late this year and the leaves clogged up the machine. Mr. Casari stated we need to zero in on dates. Mr. Casari stated December 1st would be good since the leaves would be taken care of by then. Mr. Casari stated we want to sweep after the contracting work is complete and either before or after the leaves. Mr. Stephens stated we need to contact the residents and let me know to not park on the streets and plan better next year.

Ms. Conklin stated the first sweep will be the first Monday in May and the first Monday of October provided all the work is complete and weather permitting.

Ms. Conklin stated these dates will be put on our calendar and operations plan.

f. Weed and Grass Removal from Cracks

Mr. Kljun stated this is completed and was only done one time this year. Mr. Kljun stated he recommends strongly we do it two times next year. Mr. Kljun stated he will check the calendar and email the two dates discussed last year. These dates were at the recommendation of Oakley to be most effective. Mr. Kljun stated he believes it was in the May and September. Ms. Conklin requested Mr. Kljun put these dates on the calendar for a reminder for weed control and street sweeping.

Mr. Casari stated he did a test case at Fairway Pines around one of the turn around, where there was a wide gap. This area was routed out and crack sealed between the curb and asphalt. Mr. Casari stated he would like to see how this process holds up over winter. This process cost approximately \$65.00.

Mr. Stephens stated there is one place in Fairways that there is grass growing in the middle of the street in the cracks. Mr. Stephens stated we may want to include in the weed and grass removal any weeds and grass in the asphalt also.

IV. New Business

a. Sign Replacement Plan

Mr. Kljun stated he spoke with Fast Signs, our current contractor on sign repair, for maintenance of the toe board base. The steps we have taken in the past are to install metal around the base to protect the toe board. The next alternative was to look at the composite material to replace the toe boards. It will be a little different configuration, but effective.

The pricing for any of the alternatives; current pine base, the metal base or the composite base is the same. It has to do with the amount of work involved in cutting and beveling and not material cost.

Fast Signs has indicated they would establish a plan to replace all of the bases on the signs at \$265.00 each sign. Currently, within the subdivisions, there are 208 signs, a total of \$55,120.00. Mr. Kljun stated he thinks we need to look for other bids.

Ms. Gitre stated she does not want all the signs replaced, only ones that need it. Ms. Conklin stated she has no interest in replacing all the signs and would only like to replace as needed. Mr. Stephens stated we have a program to replace the signs when we need to and can address at that time.

Mr. Casari stated in Cherry Hill Village they came up with a design for a new sign base. Mr. Casari stated they do a post hole dig, and put in composite post and charge \$300 but he is not sure the sign is included. Mr. Casari stated he will find out who the contractor is and we can get a quote from them.

Mr. Kljun stated on the signs where the toe plate is falling off, how do we want to handle those. Ms. Conklin stated until the sign itself needs to be replaced we can hold off on replacement.

Ms. Gitre stated there are some signs that look really bad, she will bring pictures to the next meeting. Ms. Conklin stated she would like the Board to take an inventory of their signs for the next meeting. Mr. Kljun stated he will continue to look for other contractors and obtain quotes.

V. Other Business

Mr. Waldbauer stated he was looking at the incorporation status in the subdivisions and PRRMA. It is his understanding that each of the three subdivisions and PRRMA are all individually incorporated and registered with the State of Michigan as non-profits. Mr. Waldbauer stated he checked them all and it looks like Fairway Pines is in the process of getting caught up and no documents have been sent to the State for the last three years, documents are there now, but pending. Mr. Waldbauer stated he believes Fairways in one year behind. PRRMA was done in September. Mr. Waldbauer stated it is nothing more than a listing of current board members and a \$20 fee.

Mr. Stephens stated his HOA had elections in Fairways and there is a complete new team; however he will still do the roads. Ms. Gitre stated Fairway Pine's election is December 9, 2009.

Mr. Stephens stated his HOA is very emotional about speeding with the subdivision. Mr. Stephens stated on his way here this evening someone overtook him going at least 50 miles per hour on Mornington. Mr. Stephens stated he pulled them over and it was a couple of kids, he called the police department. Mr. Stephens stated his HOA

would like him to investigate all possible options; speed bumps, extra signage, extra enforcement, and radar guns for subdivisions to slow drivers down before someone gets hurt. Public Safety came in and put the speed sign up and enforced at certain places but it has not been successful. Mr. Casari stated there is a Selective Enforcement Unit that will ticket everyone that goes over the speed limit. The problem is that a resident cannot observe a speeder and give this information to the police as they have to actually witness it. Mr. Stephens stated when he called the police they indicated they would send someone right away. Ms. Conklin stated they cannot ticket them but may give them a warning. Ms. Conklin stated she will call Selective Enforcement Unit for Fairways. Mr. Stephens stated Fairways HOA wants something more substantial. Mr. Casari stated he would recommend not doing speed bumps. The issue is that if someone does speed, and the speed bump causes an accident and hurts someone, the association and/or PRRMA will be liable. The studies show that more stop signs encourage speeding; the driver goes faster between signs. Mr. Casari stated Mornington is about ½ mile stretch of roadway. If there is not a midway stop sign on Mornington that might be a good possibility. If the police department does not have a problem with the location of the stop signs they will enforce all of them. Mr. Casari stated they are ticking drivers on the expressways using cameras. Mr. Kljun stated that could be something that could be reviewed.

Mr. Stephens stated his subdivision wants him to prepare a list of all possible options. Ms. Conklin stated she will start with Deputy Chief Kerr first thing tomorrow morning. Ms. Conklin stated that Saline parks a police car with a dummy in it. Mr. Stephens inquired if we can purchase extra flashing speed signs permanently installed. Mr. Casari stated those are approximately \$15,000 -\$20,000. Ms. Conklin stated she will see if Public Safety can attend Fairways HOA meeting and discuss the options.

Mr. Waldbauer stated Pheasant View just started a Neighborhood Watch in their subdivision. Ms. Conklin stated Public Safety can help with that. Mr. Kljun stated if the message is sent that if someone is caught speeding they will receive a ticket it may go a long way in slowing speeders.

The next meeting will be Monday, January 11, 2010 at 5:30 p.m.

VI. Adjournment

Motion by Waldbauer, supported by Casari to adjourn at 7:09 p.m. Motion carried unanimously.