

PHEASANT RUN ROAD MAINTENANCE ASSOCIATION, INC.
BOARD OF DIRECTORS
MEETING SUMMARY
DECEMBER 5, 2011
5:30 PM

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, December 5, 2011.

Members Present: Debbie Bilbrey-Honsowetz, Canton Township, Bill Serchak, Canton Township, Craig Stephens, Fairways, Pete Sandys, Fairway Pines, Mark Waldbauer, Pheasant View

Members Absent: None

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

I. Call to Order

Ms. Bilbrey-Honsowetz called the meeting to order at 5:40 p.m.

a. **Approval of Meeting Minutes:**

- i. October 17, 2011 Meeting Minutes
Motion by Waldbauer, supported by Sandys to approve the October 17, 2011 minutes as presented. Motion carried unanimously.

II. Financial Activity Review:

- a. Current Reports for month ending November 30, 2011

Mr. Kljun stated all members were emailed a copy of the financial documents for November 2011. Mr. Kljun stated the reserve is beginning to improve at \$85,000.

Mr. Kljun stated there was one item that was missing on the narrative that he sent out. The dead tree at Crowndale Boulevard has been replaced.

Mr. Kljun stated at the last meeting it was discussed that PRRMA would accelerate payments and place the money in a 6-month CD. Assuming that the first two payments, 3rd and 4th quarter will be combined, and pay in January along with Canton's contribution. We could invest approximately \$106,000 into a 6-month CD at that time. The 6-month CD is paying .35% interest which would give us a benefit of \$185.00 in interest.

The cash flow projection for the end of December is \$70,000. For the calendar year 2012 our reserve will decrease to \$5,663.00 assuming that PRRMA will use \$236,800 for road repair.

Mr. Sandys stated his subdivision did a projection for January and it indicated that they would be 50 households short on dues. This year 13 homeowners were in default out of 307. Fairway Pines is taking these homeowners to small claims court for collection. Mr. Kljun stated the

initial outlay of funds would go out in August. We cannot delay past January 31st in order to put money into the 6-month CD and have the cash available to pay expenses. Mr. Sandys stated in Fairway Pines most of the money comes in the month of January. Mr. Waldbauer stated the majority of Pheasant View's money comes in January and February. Mr. Waldbauer stated it makes sense to combine the August and December payments and open the CD in November or December. Mr. Kljun stated we can open a 6-month CD when the money is available. Mr. Sandys inquired if there is a negative fee for cashing in the CD early. Mr. Kljun stated there could be depending on when you cash out the CD. The closer you get to maturity the less impact. The Board needs to give Mr. Kljun direction on how they would like him to invoice in January for Canton and February for the remaining subdivisions.

Mr. Waldbauer stated if the February and May invoices are combined it is likely that Pheasant View will default if those invoices were put together into one payment. August and November's payment would be easier for Pheasant View to accommodate.

Mr. Serchak stated we could direct Mr. Kljun on January 30th to invest what is available into a CD. The end of January will give you to the end of July to collect interest on the money available. Mr. Kljun stated he will invest in a CD the maximum amount available to mature the end of July.

Motion by Mr. Serchak and supported by Mr. Waldbauer to direct the financial manager to arrange for the purchase of a 6-month CD maturing before July 31st for the maximum amount of dues received by January 31st and allowing for anticipated expenses. Motion carried unanimously.

Mr. Kljun stated all subdivisions will be invoiced in February.

Mr. Kljun stated the current CD valued at \$37,000 matures in February 2012. Currently there is \$48,000 in PRRMA's money market. Canton's contributions will allow us to be in the range of \$90,000 along with the next contributions of dues in May 2012.

Mr. Waldbauer stated subdivisions are invoiced with a due date of January 1st and 90% collected by March. Mr. Waldbauer stated his subdivision dues are collected and placed in a checking account not collecting any interest. To combine PRRMA's first and second payments makes sense. Mr. Kljun stated the subdivisions have already made their first and second payments and the majority of that money is in the money market account. The Canton payment for January 2012 will be \$80,637. That money plus whatever additional money we have can be combined into the 6-month CD. Mr. Waldbauer stated the subdivisions have the money in August for the first and second payments. Once collected a CD could be purchased then. However, the Canton funds will not be available until January.

Mr. Stephens stated in September 2012, once the dues for the first and second quarter have been paid and once the expenses have been paid, we might want to look and see if there is enough in the account to purchase a CD at that time. This might be something we can do in the future.

b. Cash Flow Analysis

Discussed in II. Financial Activity Review, a.

c. 2011/2012 Budget Discussions

- i. Consideration of Combination of Dues Payments #1 and #2
Discussed in II. Financial Activity Review, a.

d. Canton Expenses

Ms. Bilbrey-Honsowetz stated there have been expenses incurred in the Parks Department that maybe related to PRRMA with management and maintenance of the irrigation system in some of the PRRMA areas. An estimate of \$2,000 is for irrigation. Snow plowing is another concern. Mr. Kljun stated Canton is responsible for snow plowing all of Summit Parkway and Glengarry, from the Summit Parkway intersection at Glengarry to Beck Road. Ms. Bilbrey-Honsowetz inquired how should the irrigation concern be treated? Mr. Kljun stated he tracks Canton expenses and any Canton expenses for December would be charged against Canton's contribution. Mr. Kljun stated in the past he has invoiced Canton separately to make PRRMA whole. Mr. Kljun stated he will come back to Canton and discuss where Canton is relative to their expenses vs. overages. Mr. Kljun stated we have a direct invoice for landscape maintenance. The sum total of Canton's expenses is included in their income and expense statement titled Canton maintenance. Mr. Kljun summarizes this data for a year to see how it affects Canton's contribution. This is also on the budget as well.

III. Unfinished Business:

a. Road Repairs

i. Planning for 2012

Mr. Serchak stated he and Ms. Bilbrey-Honsowetz met with Spalding DeDecker. The questions and their answers have been copied and distributed to the Board members. The analysis provided is sufficient and our questions were answered. Mr. Serchak stated Spalding DeDecker has structured their proposal for the pavement inventory, the preparation of the bids, and the management of the program, closely to what was done last year. The 2012 work plan cost is proposed at \$290,000: \$270,000 for pavement repairs and \$20,000 for sidewalks repairs. Mr. Serchak stated he does not have any issues with their recommended fixes. Spalding DeDecker's fee can be adjusted according to the project, which in his opinion is reasonable.

Mr. Serchak stated he recommends that PRRMA retain Spalding DeDecker for 2012 based on the proposal. They know the road system and have that advantage. Mr. Serchak stated he feels if PRRMA accepts their proposal, there should be a letter included that we accept their proposal. However we may not be spending the \$290,000. We may be spending less and PRRMA is aware what Spalding DeDecker's fee will be for a smaller project. Mr. Serchak stated PRRMA discussed that we may only be able to spend \$236,000 in 2012 for road repair. Mr. Serchak stated if we approve the proposed contract, he would ask Spalding DeDecker to reduce the \$290,000 in road repairs to whatever PRRMA feels is comfortable. Mr. Waldbauer stated he has always felt since PRRMA contracted with Spalding DeDecker, that they figured out what PRRMA's comfort zone was in dollars. Every year they come up with a proposal of necessary road repairs to meet that dollar amount as opposed to meeting a PASER rating. PRRMA may have misdirected them when we first contracted with them. Mr. Stephens stated that is not his recollection. Mr. Stephens stated it would be hard for PRRMA to maintain the peaks and valleys

of road repair from year to year. Spalding DeDecker stated they could average out the repairs to a design to maintain the standard that PRRMA desires. That is where the \$290,000 came into existence, and that was the plan. Ms. Bilbrey-Honsowetz stated if we reduce the amount proposed we would compromise our PASER rating for that year or for a certain period. Mr. Serchak stated that is assuming all roads are failing at the same rate, which is not happening. Mr. Serchak stated Spalding DeDecker does a lot of work that would be impractical for PRRMA to do. Spalding DeDecker's fee comes out to approximately 10% which is normal.

Mr. Sandys stated he has been an advocate of having Spalding DeDecker walk with the PRRMA managers explaining the road repairs proposed. This will enable him to explain to his Board why certain repairs are necessary. Mr. Serchak stated there is no reason why Spalding DeDecker cannot meet with the manager's onsite. Mr. Serchak stated he would be willing to state to Spalding DeDecker that if we accept this proposal as your costs, that during the pre-construction site cost which includes one visit per subdivision, 3-8 hour visits are already included in the cost.

Mr. Stephens stated he has not had the same issues as Mr. Sandys. He has not had any problems with where they have decided to do road repair or not. Mr. Sandys stated his is more questions than issues. Usually an explanation to the homeowner as to why their roads were not repaired is sufficient. Over the last 2 or 3 years so much work has been completed on the roads, you would be hard pressed to find a roadway in bad shape. Mr. Serchak stated he would be happy to meet with Spalding DeDecker also.

Mr. Kljun stated in the proposal Spalding DeDecker has allocated a cost to make a repair. The OCI (Overall Condition Index) that is listed is the current OCI for that section of road to be repaired. There are a number of zeros where no repair will be performed. It may be beneficial for the Board, based on the amount of money available for road repairs, to remove those where no work will be done, and rank the current OCI for all the items listed for repair. There are a number of roads listed that are below the PASER 57. Some of those appear to mean that no work will be done this season.

Mr. Serchak stated we could meet with Spalding DeDecker and inform them that we will reduce the amount of money we spend. It might be beneficial to do only a certain type of activity per year. Mr. Stephens stated we could inform Spalding DeDecker that this is a tough budget year and we would like an explanation how they came up with the \$290,000. Mr. Kljun stated it might be helpful to examine the repairs if they have used an Excel spreadsheet. This could be a tool for tough decisions.

Ms. Bilbrey-Honsowetz stated she would be interested in asking Spalding DeDecker where they might eliminate. Spalding DeDecker has rated the repairs according to priority ranking.

ii. Consideration of Contract with Spalding DeDecker

Motion by Stephens, supported by Sandys to engage in the 2012 service agreement with Spalding DeDecker, with the understanding that PRRMA has \$236,000 total to spend. This includes sidewalks and the management fee, and to ask Spalding DeDecker to return with a recommendation and rationale for reducing the fees from \$290,000 to \$236,000. Motion carried unanimously.

Mr. Stephens stated he would like to revisit the plan in a couple of years. Mr. Serchak stated that would be a good time to do another PASER rating.

iii. Paving Contractor

Mr. Serchak inquired if the Board would be willing to negotiate with Al's Asphalt if they are willing to hold their prices. Mr. Stephens stated PRRMA really has to get quotes, however he would like the quote to favor Al's Asphalt. He is happy with Al's quality of work. The agreement with Al's was for two years. Mr. Serchak stated he will bid the project. In the acceptance letter to Spalding DeDecker we can ask for the books on our previous projects. PRRMA can evaluate the bids when they come in. PRRMA will bid, evaluate and award the bid. Mr. Serchak stated he will inquire how much extra cost is involved if Spalding DeDecker does the bids. If the cost is outrageous, he will bid out the project. Construction will begin in July.

iv. Crack Sealing Photos

Ms. Bilbrey-Honsowetz stated when the photos of the road condition now and again in the spring are completed, send them to her and she will keep them in a file available for future use.

v. Communication Plan

This will be discussed in 2012.

vi. Driveway, Landscaped Property or Residence Responsibility Guidelines

Mr. Kljun distributed a copy of the existing procedures from 2005. If any modifications are needed, refer them to Mr. Kljun. Mr. Kljun stated the Board can read these procedures and any modifications can be discussed at the next meeting. Mr. Kljun stated this also references the maintenance for irrigation, storm sewer and drainage facilities. Mr. Serchak stated he and Mr. Kljun can edit this procedure and insert the documents from the master plan. Mr. Kljun stated he will send these documents electronically to members.

vii. Sidewalk Ponding Guidelines

Ms. Bilbrey-Honsowetz distributed the guidelines with a correction from Mr. Stephens. Mr. Stephens stated PRRMA assesses all their sidewalks every year. These guidelines are limited to sidewalks.

Mr. Stephens stated the second bullet point should read: "The ponding water is a depth of three-quarter (3/4) inch or more, and; and cannot be easily stepped over, and;" This information can be put on the website. All members agree with this change in the policy

b. Insurance Updates

Mr. Kljun stated in the past PRRMA has used electronic fund transfers for the two insurances, are tailored protection - liability, and the commercial umbrella for \$4 million. PRRMA's insurance is paid through the end of December 2011. Effective January 1, 2012 our insurance has given PRRMA a \$142.00 discount if we pay in full for the Tailored Protection \$1,791.00. Mr. Kljun has authorized this payment to be transferred in January 2012. The commercial umbrella will remain the same at \$190.25.

IV. Other Business

a. Next meeting

The next meeting will be Monday, February 13, 2012 at 5:30 p.m.

Mr. Kljun stated a temporary stop sign has been installed at Windbridge Way and Windbridge Court by an outside contractor.

Mr. Kljun stated we are waiting for the cast blades and they should be received within 3-4 weeks.

Ms. Bilbrey-Honsowetz stated in the Parks Maintenance Yard there are a number of old sign post that belong to PRRMA and they are rather deteriorated. These signs can be disposed of and are no longer needed.

V. Adjournment

Motion by Waldbauer, supported by Serchak to adjourn at 7:04 PM. Motion carried unanimously.