

**PHEASANT RUN ROAD MAINTENANCE ASSOCIATION, INC.**  
**BOARD OF DIRECTORS**  
**MEETING SUMMARY**  
**FEBRUARY 24, 2014**  
**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, February 24, 2014.

**Members Present:** Debbie Bilbrey-Honsowetz, Canton Township, Val Krimmer, Fairways, Manoj Desai (arrived at 6:00 p.m.), Fairways, Bill Serchak, Canton Township, Mark Waldbauer, Pheasant View, Omar Alomary (arrived at 6:41 p.m.), Pheasant View, Larry Siedell, Fairway Pines

**Members Absent:** None

**Others:** Tim Kljun, Roadway Manager, Deborah Dooley, Secretary

**I. Call to Order**

Mrs. Bilbrey-Honsowetz called the meeting to order at 5:35 P.M.

- a. **Approval of Agenda**  
Motion by Siedell, supported by Krimmer to approve the agenda as amended adding II. Financial Activity Review c. Simulation update and d. Percentage Allocation. Motion carried unanimously.
  
- b. **Approval of Meeting Minutes:**  
January 14, 2014 Meeting Minutes  
Motion by Siedell, supported by Serchak to approve the January 14, 2014 minutes as presented with Mr. Waldbauer's corrections. Motion carried unanimously.

**II. Financial Activity Review**

- a. **Current Reports**  
Mr. Kljun stated the financials were sent to all Board members. There were no questions concerning the January 2014 Financials. Mr. Kljun stated the inventory status for signage was also included.
  
- b. **Cash Flow Analysis**  
The cash flow analysis for 2014 was also distributed to the Board members. There were no questions from Board members concerning this cash flow analysis.
  
- c. **Simulation**  
Mr. Waldbauer presented a simulation for a 10 year rolling plan. He stated this is considered a tool and was looked at three years ago. Craig Stephens from Fairways devised this projection simulation. This projection is set up to the PRRMA Fiscal Year from August 1st to July 31st. Mr. Waldbauer stated he entered numbers into the simulation from the Budget beginning August 1, 2013. Mr. Waldbauer stated the Homeowners Associations pay dues quarterly. He stated the HOA's fiscal year is different than PRRMA. Mr. Waldbauer stated the rate of

inflation he used for this projection was 2.5%. Mr. Waldbauer used all the current HOA's information in this simulation. Unpaid homeowner's dues are included in this simulation.

Mr. Waldbauer used different scenarios in the simulation to show where PRRMA and the HOA's would be with increases or no increases.

Mr. Manoj Desai arrived at the meeting. Mr. Desai will be replacing Mrs. Krimmer as the representative from Fairways.

Mr. Waldbauer stated he did not include sign replacements into this simulation. Mr. Serchak stated sign replacements are part of roadway maintenance and would be a part of the same budget.

Mr. Serchak stated the HOA's had road degradation for approximately 10 years. PRRMA has an intense 6 year period of bringing the roads up to a 64 PASER rating. He stated this year there may not be justification for major road projects. Mrs. Bilbrey-Honsowetz stated this winter weather may cause some major road work to be needed. It remains to be seen after the snow melts. Mr. Serchak stated there maybe one or two alternates that have not been completed from previous years.

Mr. Waldbauer stated he will send the simulation via email to all Board members. Mr. Waldbauer stated he thinks PRRMA should plug in real numbers and review in July. Mr. Siedell stated he would like historic data plugged into this simulation for review.

Mr. Desai inquired if this is a simulation for the budget. Mr. Waldbauer stated it is a projection tool for a 10 year period for any of the 4 entities that may have depleted cash. He stated PRRMA has always been cautious to not exceed more than the HOA's can pay.

Mr. Siedell inquired if there was a projection 6 years ago for this 10 year plan on the projected cost for each year. Mr. Waldbauer stated PRRMA asked Spalding DeDecker for a 10 year projection at that time. Spalding DeDecker's model indicated \$230,000 each year to maintain the roads at a PASER rating of 57. Mr. Kljun stated Spalding DeDecker has that model and based on their system it reflects the cost per year. Spalding DeDecker's original cost for maintaining a PASER rating of 57 was \$300,000-\$320,000 per year. Mr. Kljun stated their projection may have been a little high at that time. Mr. Serchak stated it was based on an assumption on a uniform deterioration of the roads over a period of time. He stated roads do not deteriorate in a uniform fashion. Mr. Serchak stated PRRMA has increased the life span of the PRRMA roads due to all the road work that has been completed so far.

Mr. Serchak stated PRRMA can ask Spalding DeDecker to review the roads for a smaller budget this year or even skip a year. Mrs. Bilbrey-Honsowetz stated Spalding DeDecker makes a recommendation for roads to repair. The cost to Spalding DeDecker each year is approximately \$20,000 for their assessment, bidding of the job, testing and inspections. Mr. Kljun stated it is a benefit for

PRRMA to go back to the same contractor each year due to set up cost that PRRMA does not have to incur with a new contractor. He stated the cost is reflective of the scope of work needed. Mrs. Billbrey-Honsowetz stated an assessment can be done in the spring to be consistent with the time done each year. Mr. Serchak stated Wayne County does an assessment every other year and MDOT does an assessment every 5 years. This is something to think about.

d. **Percentage Allocations**

Mr. Kljun stated the projection of a 10% Budget increase for the following:

Fairways	Annual Contribution	\$100,294
Fairway Pines	Annual Contribution	\$117,137
Pheasant View	Annual Contribution	\$ 65,177
Canton	Annual Contribution	\$102,787

5% Budget increase:

Fairways	Annual Contribution	\$ 95,735
Fairway Pines	Annual Contribution	\$111,812
Pheasant View	Annual Contribution	\$ 62,215
Canton	Annual Contribution	\$ 99,478

0% Budget Increase:

Fairways	Annual Contribution	\$ 91,176
Fairway Pines	Annual Contribution	\$106,488
Pheasant View	Annual Contribution	\$ 59,252
Canton	Annual Contribution	\$ 96,170

Mr. Kljun stated with a 10% increase the reserve would be \$145,951 at the end of the year 2014. He stated with a 5% increase the reserve would be \$139,000 and with a 0% increase the reserve would be \$133,000 at the end of the year. Mr. Kljun stated the roadway construction budget would be the same as previous years of \$230,000 with a total roadway cost of \$198,000. Mr. Kljun stated even with a zero percent increase PRRMA would never be in the negative and would always be able to pay the bills.

Mr. Kljun stated with a 10% increase each year the reserve balance has been as follows:

2011	Reserve Balance	\$ 75,328
2012	Reserve Balance	\$ 99,000
2013	Reserve Balance	\$144,000
2014	Projected Reserve Balance	\$145,000

Mr. Kljun stated the target reserve amount has been discussed at \$150,000. This was reduced to \$50,000. He stated he was not comfortable with \$50,000. Mr. Siedell stated he feels that \$100,000 is acceptable. Mr. Kljun stated PRRMA has depleted its reserve over the last few years. This has been a good decision as the investment on the reserve was less than 1%. Mr. Kljun stated PRRMA should only keep enough in the reserve in case of a catastrophic event.

Mrs. Bilbrey-Honsowetz stated in June this projection simulation can be run again with real numbers and develop the budget from these calculations.

Mr. Omar Alomary from Pheasant View arrived at 6:41 p.m. Mr. Waldbauer stated Mr. Alomary will replace him as PRRMA representative for Pheasant View.

Mrs. Bilbrey-Honsowetz stated she wished to thank Mrs. Krimmer and Mr. Waldbauer for their valuable service to PRRMA and welcomed the new members.

### **III. Unfinished Business**

#### **a. Replacement of Sign**

Mrs. Bilbrey-Honsowetz stated as a reminder each association is to give their top ten list of sign replacements to Mr. Kljun by the end of February. She requested each association to forward a copy of their list to her and Mr. Serchak.

Mr. Siedell stated Fairway Pines has a few signs that are missing, one a weight limit sign and speed limit sign on a curve. These signs are on the map and he is curious if those have to be replaced by ordinance. Mr. Kljun stated when Fairway Pines was built there was only Phase I. He stated at that time those weight limit signs were put in place so that construction trucks would be limited. Once construction was completed those signs were removed. There are weight limit signs at the entry ways. Mr. Siedell stated there is another speed limit sign missing.

Mr. Serchak inquired if Fairway Pines has a police agreement to enforce speed limits. Mr. Serchak stated these are private roads and the only way police can enforce on private roads is with an agreement between the organization and the police. Mr. Serchak stated he is currently working with police to find all the special agreements with private roads. He stated there has to be a Board of Trustees action with these agreements. Mr. Serchak stated he will look into these agreements and let PRRMA know their status. He will also find out if PRRMA can sign for the entire group.

Mr. Kljun stated two sign replacements are awaiting the thawing of the ground for installation: Pinehurst and Highlands and Inverness and Glengarry.

#### **b. Standard of Responsibility**

Mrs. Bilbrey-Honsowetz distributed the rough format to distinguish the scope of responsibility so that it is clearly documented. This will show scope of responsibility in writing and take formal action to adopt. She would like to get Board comments if this is the correct concept. This will clearly show PRRMA dictating authority to the HOA's. Mr. Siedell stated this is a great form with clear definition.

#### **c. PRRMA Scope of Work for Proposals Update**

Mrs. Bilbrey-Honsowetz stated at the last meeting it was discussed to leverage group purchasing power. Mr. Kljun has all the drawings for each subdivision. He will update and identify the areas and color code. He will then get with each roadway manager for clarification. After clarification he will go out for bid.

Mr. Kljun stated he wants to make sure the current contractors are included in this bid proposal list. Mrs. Bilbrey-Honsowetz stated this will let the Board know if there is a cost benefit and be able to get the service requested. Mrs. Krimmer stated concerns were expressed at her HOA meeting of the quality of work. Mr. Kljun stated amounts for things such as mulch can be adjusted. Mr. Siedell stated snow plowing might be a little more difficult since all three subs would have to be completed at once. Mr. Kljun stated originally snow plowing was done by one contractor, however it was difficult to be in all places at once. Everyone wanted to be first.

Mr. Waldbauer inquired who takes care of snow removal on Summit Parkway. Mrs. Bilbrey-Honsowetz stated Canton Township does the snow removal. She stated there is not enough staff or equipment to contract out.

**IV. Other Business**

a. **Next Meeting Date**

The next meeting will be Tuesday March 25, 2014 at 5:30 p.m.

**V. Adjournment**

Motion by Serchak supported by Siedell to adjourn at 7:22 p.m. Motion carried unanimously.