

NOTES FROM ROAD COMMISSION OAKLAND COUNTY (RCOC) & BLOOMFIELD TOWNSHIP ROAD REVIEW MEETING

Q1. How is the road estimate prepared? What is included?

RCOC response:

Measure the roads, driveways, look at where the mailboxes are located, sump pump leads, sprinkler heads, rocks, trees, other obstructions.

Locate culverts, measure size, physically check the condition. Cross culverts under the road will be replaced. They will get end sections cut at an angle to allow for better water flow.

Culverts under a driveway will not be addressed by this project.

RCOC maintain a database of standard work elements for road construction. They determine what work elements correspond to the job, enter quantities for each work item to determine the overall estimate.

The database is a live rolling average of top 3 bidders received for work to determine a cost used for future estimates. It is not necessarily the highest or the lowest bidders.

Soil bores of the road have yet to be done.

Q2. How are the project bid?

RCOC Response:

Maintain a list of qualified companies – based on quality of past work and if they have the right type of resources & equipment to complete the work.

A specification book is included with the project, open for public bidding. Tuesday mornings at 11am are the meetings where bids are reviewed. Open to public to attend.

They will take the lowest qualified bidder to perform the work. Usually get between 6-7 bids.

Once the bid is accepted, the bidder is locked into that price, even if they incur more costs, unless there are some extenuating circumstances.

Q3. Tell us more about the bid process?

RCOC Response:

Required a bond up front from the bidder to perform the work. Work time frame is included in the contract. Some account for rain days, soft site that results in no work (more damage can be done)

Q4. What about access for homeowners during the construction?

RCOC Response:

Access will remain at all times, however, there will be times where it will be inconvenient. For example, if an asphalt truck is pouring in front of a driveway, it will take longer for someone to get out.

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Q5. How is work determined for the contractor – where to start?

RCOC Response:

Preconstruction meeting held with RCOC to determine how to do the work. Generally, work will start at the back of the subdivision and work forward to limit the heavy equipment on newly paved surfaces.

Q6. How thick will the new roads be?

RCOC Response:

There will be 2 layers of polymeric asphalt – base layer approx. 2-3” and then a top layer approx. 1-2”. The total thickness will be 4 inches of new asphalt.

There will also be a crown in the road, approx. 3%, so it is higher in the middle, sloping towards lawns to allow for proper drainage.

Current asphalt will be pulverized to use as 6” aggregate for drainage on the road.

Q7. Why about lawns?

RCOC Response:

Currently the grass in Stillmeadow sits higher than the roads which is not good for drainage.

About 2 feet on either side of the road, 6” deep, will be excavated to allow for drainage. Some of the pulverized asphalt mentioned above will be used under this section for drainage. Three (3) inches of top soil and sod will be placed in this area after the roads are completed. This will result in the grass being below the road surface to allow proper drainage.

Sprinkler heads in this area will be removed and then reinstalled once the project is complete. They will be inspected to make sure they work.

Mailboxes will be moved as required and then reinstalled to meet US Postal Service code (height and set back)

Q8. What about driveways? How are they impacted?

RCOC Response:

Driveways as cut back 3-5 feet to allow for bending to the road surface. If someone has concrete, then concrete will be replaced. If someone has brick pavers, they will be removed and replaced once the road surfacing is completed.

A homeowner can advise the RCOC project manager about concerns and they will work as best they can to accommodate.

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Q9. What is someone has placed stones along the road as a pull out for parking or has bushes along the edge of the road?

RCOC Response:

Technically, stones along the roadside is not permitted. If a homeowner wants to retain them, they will need to remove them before the project begins, otherwise they will be removed to provide access for drainage and not replace.

In addition, if there are shrubs or other plantings that are within 2 feet either side of the edge of the road, they will need to be moved in advance by the homeowner if they want to keep them.

RCOC does not police if someone were to put this back after resurfacing is completed.

Q10. What about a warranty on the roads?

Township response:

There is a construction bond with the contractor while the work is being performed. Once the job is complete, the contractor is release. There is no warranty from the Township.

To date, the Township has used road maintenance money to perform annual inspections and crack fill for recently completed road projects to keep them in good condition.

The RCOC has road inspectors that will verify that the work has been completed per their specifications. A contractor will not be paid until all work is completed satisfactorily.

Note: This is not a guarantee, especially with the possibility of budget cuts upcoming as related to the No Vote on the SAD. This is still an open question.

Q11. Is money ever returned to homeowners at the end of a project?

Township response:

The Township issues bonds to fund the project. They use the money to pay the RCOC, who in turn pays the contractor. The contractor is only paid for the work they perform. A 10% contingency is added to the project. Per State of Michigan requirements, the Township must keep in reserve 5% of the balance for a set period of time. It is possible that the assessment can be amended downward, with money being returned to the homeowner of record at that time.

There are still some questions on this topic that we need to get a better understanding about possible money returned.

Q12. What is the difference in financing the project between RCOC and Township?

RCOC Response:

Bonds are issued for 10 years, based on total frontage. Use a simple 6% interest.

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Township Response:

Bonds are issued for 15 years, based on per lot, based on 2018 bond prices, 4% bond rate, add 1% to that to cover risk – looking at approximately 5%

Q13. How are homeowners notified of the project estimate?

Township Response:

A formal petition to proceed is prepared which details the total cost estimate for the project. This include the estimate plus finance costs (about 3.5%) and 10% contingency. With the petition is a list of all persons that are included in the SAD. At least 51% of all person's listed must approve the petition to move to the next step.

Once the petition is returned to the Township, all signatures will be verified. Death certificates and divorce documents will be reviewed to verify the signatures are valid.

How an association elects to distribute and inform the affected residents varies.

Q14. What happens if there are not enough approval signatures to proceed?

Township Response:

The estimate is retained by the RCOC for potential future use. If at a later time passage of the SAD is attempted, the estimate will be updated with current costs and the process will begin again.

Q15. What is the timeline for proceeding if the petition is approved?

Township Response:

Once the petition is received, it takes about 2 weeks to certify the signatures. Require 51.1% of homes & total frontage to proceed.

Once all signatures are certified and the criteria is met, the petition will be presented to the Board of Trustees at a meeting, 1st available board meeting. This is not for the public. Current meeting schedule is 2nd and 4th weeks of each month.

The board accepts the petition and then a Hearing of Necessity is schedule. It must be 1 month after the petition is presented to the board. People affected will be notified by mail of the meeting and the SAD discussion.

At this meeting, the Township Board will determine if the project is necessary and then vote to proceed. Public comment will be allowed at this meeting.

The RCOC will bid the project and finalize plans. This process will take 3-4 months.

Once the bids are received, a second public hearing will be held to establish the assessment. The contract is approved and the project can begin.

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It is approximately 6 months from the time the petition is submitted to start of the project based on the above steps.

Q16. Can a signature on a petition be rescinded?

Township response:

Once the petition is submitted to the Township, signatures cannot be rescinded.

Q17. How is the assessment paid once it is levied?

Township response:

The initial assessment will be on July 1. Remaining payments (1/15th of the total assessment plus interest on the outstanding balance) are due with winter taxes every year until paid. The full amount can be paid in full at any time or spread out over the 15 years. There will be a separate line item on the tax bill to indicate the SAD, 1/15th of the cost + interest per year. An amortization schedule will be provided, similar to a mortgage.

If property owners choose to finance the assessment with the Township, the interest rate they pay is 1% above the bond rate. The Township sells bonds to fund the road SAD projects. They will not have the interest rate on the bonds until they are sold, which is after the project is authorized to proceed. In the past, the bond rate varied between 3% - 4% so the interest rate that property owners pay is 4% - 5%. This is explained in the petition language.

Q18. Can the SAD be transferred with the sale of a home?

Township Response:

SAD can be negotiated with the buyer of a home to determine if they accept the cost.

Approximately 30% of new buyers have accepted the SAD costs.

Many people pay the SAD in full.

Homeowners can consider a home equity loan to cover the SAD since it may be offered at a lower interest rate.

Q19. What is a homeowner does not response to any requests – email, phone, door and therefore does not review the petition and the possible SAD?

Township response:

When a homeowner does not respond, it is considered a NO vote. Attempts to contact the homeowner should be noted.

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Q20. Can the SAD be paid for with a credit card?

Township response:

The short answer is yes. However, there will be a processing fee charged by the Township. If the payment is over \$1,000 they charge 2.75% processing fee since they can't cover what the credit card company charges. They have a scale for lesser amounts, i.e. \$0-49.99 charge is \$2.50, etc.

A Home Equity Line of Credit could also be an option for homeowners to obtain a lower interest rate.