

ORDINANCE NO.: 2024-67

FIRST READING July 8, 2024

INTRODUCED BY: CHRIS BERGER

SECOND READING WAIVED

THIRD READING WAIVED

ORDINANCE APPROVING THE PROPOSAL AGREEMENT BETWEEN MILLERDODSON ASSOCIATES AND THE VILLAGE OF SOUTH RUSSELL IN AN AMOUNT NOT TO EXCEED A TOTAL OF \$13,500 FOR LEVEL 1 FULL REPLACEMENT RESERVE STUDY, AUTHORIZING THE MAYOR AND FISCAL OFFICER TO EXECUTE THE AGREEMENT ON BEHALF OF THE VILLAGE, AND DECLARING AN EMERGENCY.

WHEREAS, in an effort to plan accordingly, Council desires to conduct a reserve study of the Village’s tangible assets, including its buildings, to determine the current value of the assets, the costs to maintain the assets, and the costs to replace the assets in the future;

WHEREAS, MillerDodson Associates (“MillerDodson”) is in the business of performing reserve studies for communities and community associations and has provided Council with a Proposal Agreement to the Village for such reserve study (“Agreement”); and

WHEREAS, Council desires to enter into such Agreement with MillerDodson.

NOW, THEREFORE, BE IT ORDAINED by the Council of the Village of South Russell, Geauga County, Ohio that:

SECTION 1. The Agreement between the Village of South Russell and MillerDodson, attached hereto and incorporated herein by reference as **Attachment A**, obtaining MillerDodson to conduct a reserve study and provide a report of same in an amount not to exceed a total of \$13,500.00, is hereby approved.

SECTION 2. The Mayor and Fiscal Officer are hereby authorized to execute the Agreement on behalf of the Village and are authorized to take all necessary and other action in accordance with Agreement.

SECTION 3. It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees on or after December 2, 1975, that resulted in formal actions, were in meetings open to the public in compliance with all legal requirements, including Section 121.22, Ohio Revised Code.

SECTION 4. That this Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, property, health and safety of the inhabitants of the Village and for the further reason to begin the reserve study in the near future; wherefore,

provided it receives the affirmative vote of at least two-thirds (2/3) of all members elected to Council, this Ordinance shall be in full force and effect from and immediately upon its passage by this Council and approval by the Mayor.

William J. Koons
Mayor - President of Council

ATTEST:

Danielle Romanowski
Fiscal Officer

I certify that Ordinance No. 2024-67 was duly enacted on the 8TH day of JULY, 2024, by the Council of the Village of South Russell, and published in accordance with the Codified Ordinances of the Village.

Danielle Romanowski
Fiscal Officer

June 26, 2024

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- South Dakota
- Tennessee
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**PROPOSAL FOR
LEVEL 1 FULL REPLACEMENT RESERVE STUDY SERVICES
VILLAGE OF SOUTH RUSSELL
CHAGRIN FALLS, OHIO**



C/O: VILLAGE OF SOUTH RUSSELL

Danielle Romanowski

440.557.5533
fiscalofficer@southrussell.com

5205 Chillicothe Rd.
Chagrin Falls, OH 44022

CONSULTANT:

millerdodson
CAPITAL RESERVE CONSULTANTS

2661 Riva Road, Suite 1042
Annapolis, MD 21401
410.268.0479
800.850.2835

Questions? ... We encourage you to visit our [Video Library!](#)

Proposal for Village of South Russell, Chagrin Falls, OH



APRA



June 26, 2024

Danielle Romanowski
Village of South Russell
c/o: Village of South Russell
5205 Chillicothe Rd.
Chagrin Falls, OH 44022

fiscalofficer@southerussell.com

440.557.5533

RE: Village of South Russell
Level 1 Full Replacement Reserve Study with On-Site Condition Assessment

Dear Ms. Romanowski,

We understand and respect the important responsibility that each Member of the Finance Committee undertakes on behalf of their friends and neighbors in their Village organization. One of the most challenging aspects of this responsibility is the planning that is required for the prudent financial management of the facility's brick-and-mortar amenities and facilities. A Committee must balance the brick-and-mortar needs of the Village.

For over three decades, the professionals at MillerDodson Associates, Inc. have successfully assisted religious and educational organizations and their members in meeting the challenge of balancing financial interests. Our Reserve Study supports the Committee in this important goal by:

1. Ensuring that the funds are available to make timely replacements and, thus, maintain the aesthetic appeal of your Village.
2. Stabilizing annual budgets and preventing large increases when capital projects arise.
3. Providing a means for donors to fund mission-oriented goals while the brick-and-mortar needs are already funded through Reserves.

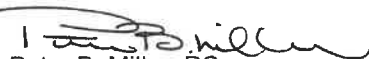
Each Reserve Study starts with a clearly worded "Executive Summary" which describes both the Current Reserve Fund Status and the Reserve Funding Plan. When needed, a "Strategic Funding Solution" can map out how best to get your reserves from their current status to where they are recommended to be. Here is a link to our [sample reports](#). See why our Clients have called this the "Gold Standard of Reserve Studies",

In addition, we offer ongoing support in the form of educational seminars for Boards of Trustees and Finance Committee Members and can provide Reserve Study presentations at meetings.

For over 30 years, MillerDodson has promoted the goal of "Financially Sustainable Facilities" and has supported Boards and their committee members in pursuing that goal. Please take a few moments to review the attached Proposal. Should you have any questions, or if we can be of further assistance, we trust that you will not hesitate to contact us. And thank you for the opportunity to submit this Proposal!

Respectfully Submitted,

MILLERDODSON ASSOCIATES



Peter B. Miller, RS

Principal

June 26, 2024

FACILITY DESCRIPTION: We understand that the Village of South Russell (hereafter referred to as Client or Property) is a Village located in Chagrin Falls, Ohio. The analysis is to cover all common- and limited-common elements of the Facility as detailed on the attached Facility Details page.

SCOPE OF WORK: MillerDodson Associates proposes to provide a Level 1 Full Replacement Reserve Study with On-Site Condition Assessment for the Village of South Russell. This Study will comply with the Community Associations Institute (CAI) National Reserve Study Standards. The Study will contain an inventory of all commonly-owned components applicable to reserves, along with an estimate of the Remaining Useful Life and current Estimated Replacement Cost for each. The Current Reserve Fund Status will be noted, and the Recommended Annual Replacement Reserve Funding level will be provided. All Reserve Studies are conducted under the supervision of and reviewed by a CAI-accredited Reserve Specialist.

Currently, we are anticipating that our local analyst Jared Bock will be conducting your study. Analyst credentials can be reviewed on [MillerDodson's website](#). Typically, MillerDodson Reserve Studies are completed in 30 to 60 days after receipt of a signed contract. MillerDodson's on-site Condition Assessment is limited to a visual evaluation as defined under the Inspection Methodology in this proposal.

At the time of our on-site Condition Assessment, we will need to have access to all common areas of the property, including secured areas, to determine the condition and configuration of the reservable components. Access equipment will not be provided. We understand that to-scale plans that accurately show the details of the property are not available. We will assume that any items with a replacement value of less than \$1,000 will be treated as a "Maintenance item", and therefore, will not be included in the reserve study. This proposal assumes that a single analysis will be required for this property.

FEES: The proposal fee quoted below includes an initial meeting at the time of condition assessment, all travel, and all direct expenses associated with the execution of the proposed Reserve Study. We consider this proposal as accepted upon receipt of an executed copy of this signature page along with the 35% retainer. **The 65% balance is due upon delivery of the Electronic Preliminary Report.** Accounts in arrears for more than 30 days shall accrue at 1.5% per month. Additionally, the Client will be responsible for all costs, including reasonable attorney fees, incurred in pursuing collection.

	Fee	35%	65%
Level 1 Full Replacement Reserve Study Update	\$13,500	\$4,725	\$8,775

Additional services such as follow-up meetings, Strategic Funding Solutions, and other related services will be performed only as requested by the Client and will be billed separately.

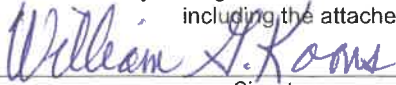
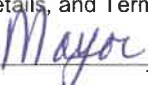
If you have any questions concerning this proposal, please do not hesitate to contact me.

Respectfully submitted,

MILLERDODSON ASSOCIATES



Peter B. Miller, RSP
Principal

PROPOSAL ACCEPTANCE		
By the signature below, this Proposal is accepted for Village of South Russell, including the attached Property Details, and Terms and Conditions		
 Signature	 Title	7-8-2024 Date

Please return a signed copy of this acceptance page and mail the retainer to the address above.

June 26, 2024

FACILITY DETAILS

MillerDodson has reviewed the provided Client materials and researched available satellite and other electronic media to gain an understanding of the Village of South Russell. Below is a listing of the components we understand to be the common and limited common elements maintained by the Facility.

Site Components: signage, parking areas, pavilion, vehicles, fencing, and garden walls.

Recreational Components: tot lot and community park.

Building Components:

- Two-story Administration Building, including roofing, siding and trim, doors, windows, community room, office, restrooms, storage rooms, split HVAC systems, all building piping, hot water heaters, and building electrical systems.
- Police Station, including roofing, siding and trim, doors, windows, garage doors, kitchen, office, bathrooms, storage rooms, split HVAC systems, all building piping, hot water heaters, building electrical systems, transformers, entry system, security system, fire alarm, fire sprinkler system, telephone system, network system, and vehicles.
- One-story Municipal Building, including roofing, siding and trim, doors, windows, garage doors, office, restrooms, storage rooms, split HVAC systems, all building piping, hot water heaters, building electrical systems, fire alarm, and telephone system.

The provided components listed above are representational and will be adjusted and modified to suit your facility.

If there are significant discrepancies in our understanding of the number and types of buildings or the common- and limited-common elements of the Facility, please let us know so we can modify this Proposal to reflect the anticipated hours needed to complete the proposed Reserve Study.

Please note that a Reserve Study is based upon a visual assessment of the condition of the common elements present on the site at the date and time of the on-site condition assessment. A Reserve Study does not constitute an in-depth structural evaluation of any buildings or facilities. The Client is strongly advised to retain the services of a Structural Engineer to periodically perform thorough structural evaluations as appropriate.

June 26, 2024

PROPOSAL TERMS AND CONDITIONS

GENERAL:

This proposal is valid for six months from the date noted above. After that time, please send us an email or call and we typically will extend the time.

Types of Studies:

Level 1 Reserve Study includes an on-site condition assessment and is typically the first Reserve Study performed for a community, as defined by the Community Association's Institute (CAI) National Standards.

Level 2 Update Reserve Study includes an on-site condition assessment, and typically follows a previous Level 1 or Level 2 Reserve Study every 3 to 5 years, as defined by the CAI National Standards. State law may require a Reserve Study for your facility at a different interval.

Level 3 Update Reserve Study does not include an on-site condition assessment. This type of Reserve Study is performed for 1 or 2 years following the Reserve Study with an on-site condition assessment, as noted above. Performed using remote correspondence, like emails and telephone conversations, a Level 3 Reserve Study is not a substitute for a Level 2 Update Reserve Study, as defined by the CAI National Standards.

Level 4 Preliminary Reserve Study from Plans. This type of study performed from plans and other conceptual documents is intended for Developer budgeting purposes only and is invalid after construction is complete. After construction, this type of study must be replaced by a complete Level 1 Full Replacement Reserve Study, as defined by the CAI National Standards.

STUDY METHODOLOGY

Report Production: The preliminary Reserve Study is typically completed within 30 working days of receiving a signed copy of this Proposal. This turnaround time varies based on several factors including availability of the site for the condition assessment, availability of documents for review, requirements for advanced travel arrangements, and current workload. More stringent time requirements will be accommodated where possible.

Client Review and Revisions: MillerDodson Associates has learned, based on years of experience, that the most successful Reserve Studies are those that are done in a closely interactive relationship with the Client and its management professional. A comprehensive on-site condition assessment will be conducted by an experienced Reserve Analyst, and the resulting data compiled and analyzed. At that time, the preliminary Reserve Study will be submitted to the Client for review and comment. Based on the Client's input, the Reserve Study will be revised, as appropriate, and the final report submitted. There are no additional costs for the first revision.

Final Report: It is MillerDodson Associates' desire to afford the Client adequate time to review and respond to the completed study. However, revision requests should be submitted in writing within 90 days of the date of the preliminary report. The Preliminary Report represents a valid opinion of our findings and recommendations, and it is deemed final if no changes or revisions are requested within 90 days of the date of the Preliminary Report. Additional revisions may be invoiced at our normal and hourly rate at our sole discretion.

Interest and Inflation Calculations: The Replacement Reserve Study we have proposed will include, at the discretion of the Client, factors for inflation and interest earned on the Reserve Balance using pre-agreed inflation and interest rates. We strongly recommend, however, that the Client update their Replacement Reserve Study regularly to account for actual increases in costs and actual interest earned on reserves.

June 26, 2024

Meetings: MillerDodson Associates and our staff make every effort to be available to meet with the Client to discuss the results of the Study and to answer any questions. We welcome these meetings as opportunities for the free and open exchange of information that is valuable to the accuracy of the report. Please note, however, that the cost of these meetings and additional services are not included in the Report fee. The initial meeting at the time of the on-site condition assessment is included in the Proposal cost.

Additional Services: MillerDodson has attempted to tailor our services to the needs of the Village. Additional services available to the Association at its request include the planning of Strategic Funding Solutions that increase the Reserve Funding incrementally and formal presentations to the Association membership. Additional services for conferences, board meetings, and other related services will be billed on an hourly basis. Travel time associated with additional services will be billed on an hourly basis portal to portal plus expenses.

Additional Testing or Specialty Inspections: During the course of the visual condition assessment, conditions may be observed that reasonably warrant additional investigation. This may entail detailed third-party inspections or testing of samples and systems. Any additional testing or inspection recommended during the course of our services will be undertaken only with the written approval of the client or their approved representative.

INSPECTION METHODOLOGY

Visual Condition Assessment: Our condition assessment of the common-area components will be visual in nature and conducted in accordance with the standard practices in the industry for a Reserve Study. The Client understands that our services are based on our observations of visible and apparent conditions at the time and date that the services are performed. MillerDodson Associates will not disassemble or test equipment, conduct engineering tests, make excavations, take core samples, or make openings in walls, ceilings, or floors, video or scope pipes or other spaces, or enter or access spaces that are inaccessible or potentially hazardous. Should the Client wish to have a thorough engineering inspection performed, MillerDodson Associates will be pleased to provide additional quotes or recommendations for such services.

Standards of Care: Although care will be taken in the performance of these services, MillerDodson Associates makes no representations regarding latent or concealed defects or conditions that may exist. Certain elements, such as underground piping, and concealed wiring are not accessible for visual inspection. Our report may be based on representative samples of like items and is not meant to imply that every component was evaluated, or every possible defect discovered.

Right of Entry to Site: The Client grants MillerDodson Associates the right of entry to the project sites by its employees, agents, and subcontractors, to perform the service, upon reasonable notice to the Client. The Client warrants and represents that it has the authority and permission of the owner and occupant of the property to grant right of entry to Miller+Dodson Associates.

Access to Site: The Client is responsible for arranging access for MillerDodson Associates employees, agents, and subcontractors, to all secured and unsecured spaces. Ladders, lifts, hoists, or other such devices as are necessary for access within the property, shall be readily available for use by Miller+Dodson Associates. If the necessary access is not provided or is denied at the time that the on-site condition assessment is first performed and Miller+Dodson's Reserve Analyst must make additional trips to the site, the cost of all additional travel and time on site made necessary by the initial lack of access will be billable at our prevailing hourly rates.

Notice to Residents: Unit interiors will not be included in this study (except as noted in this Proposal). However, it may still be advisable to notify the homeowners in advance of our presence on the site.

June 26, 2024

Force Majeure: Neither MillerDodson Associates nor the Client shall hold the other responsible for damages or delays in performance caused by events beyond the control of the other party and which could not have been reasonably anticipated and prevented. These events include but are not limited to, acts of governmental authority, acts of God, materially different site conditions, wars, riots, rebellions, sabotage, fires, explosions, accidents, floods, strikes, or other conceded acts of workers, lockouts, changes in laws, regulations, or ordinances. The party intending to invoke force majeure shall provide prompt notice to the other party.

Delays in Work: The client will be responsible for reimbursing MillerDodson Associates at the normal customary hourly rate for any on-site delays caused by the failure of the Client or their agents to provide access or right of entry as provided in this Agreement.

OTHER CONSIDERATIONS

Estimates of Remaining Functional Utility: The Client understands and agrees that, due to the nature of the projections and future events outside of our control, MillerDodson Associates cannot guarantee the Remaining Useful Life or Replacement Cost of individual components or systems included within this Reserve Study. Estimates of Remaining Useful Life are necessarily based on industry experience and statistical comparisons, and on the visually apparent conditions at the time and date that the on-site condition assessment is performed. Actual conditions may alter the Remaining Useful Life of any component. In particular, the previous use of a component, adequacy of previous, current, and future maintenance, quality of original manufacture and installation, or other unknown conditions make it impossible to predict precisely when each item will require replacement or major repair. Estimates of Remaining Useful Life are just that, estimates and they are to be used solely as parameters for funding and planning purposes.

Estimates of Probable Replacement Costs: The cost estimates included herein are strictly estimates. They are based on our best professional judgment and on recent experience of similar communities and work in the area in which this Reserve Study is conducted. It is the Client's responsibility to provide MillerDodson Associates with any information in its possession pertaining to the replacement costs for work recently proposed or completed.

Use of Information and Documents: MillerDodson has the right to assume, without independent verification, that all financial and other information provided by the Client or its Agent is accurate and complete. The Client is responsible for providing documents suitable for review including, but not limited to, site and construction plans, current or previous Reserve schedules, and financial data pertaining to the Reserves on hand and the Annual Replacement Reserves Funding level.

Confidentiality: MillerDodson Associates, Inc. agrees to treat all Client information contained in this report as confidential.

Proprietary Material: The Client agrees that the report provided by MillerDodson Associates is based upon proprietary software that produces specific graphs, tables, formatting, etc., and other certain intellectual property that is exclusive to MillerDodson Associates, Inc.

Ownership of the Data: The data that has been generated in the production of this Reserve Study and is contained in the Replacement Reserve Inventory section of the report is the property of the Client for their unrestricted use.

Intended Use of the Work: The Client agrees that this Reserve Study is intended to provide funding parameters for developing a Capital Reserve budget. Thorough engineering analysis and testing of the components included herein is outside the scope of this report. This report should not be construed to represent an appraisal for insurance purposes or property value or a replacement schedule or specification for bidding purposes.

June 26, 2024

SPECIFIC EXCLUSIONS

ACCESS: Unless defined in the Scope of Services above, this Proposal does not include equipment for access, such as ladders, man-lifts, or scaffolding. Nor does this Proposal include underwater or boat inspections, or inspection of confined spaces.

Hazardous Materials: Hazardous materials may be present in buildings including, but not limited to, molds, radon, urea formaldehyde foam, asbestos, volatile materials, and lead paint. We will not inspect or test for such materials unless otherwise requested and specifically included in the Scope of Services and covered by the agreed fee. The presence of these materials may affect the cost of future Capital Replacements. The Client agrees that it is the Client's responsibility to alert MillerDodson Associates to the presence of these materials.

Code Compliance Review: Unless defined in the Scope of Services, these services will not include the evaluation of the properties' compliance with Building Codes, Life Safety Codes, zoning requirements, or other sub-trade codes. These services will not include any evaluation of the properties for compliance with the Americans with Disabilities Act, the Federal Rehabilitation Act, or the Fair Housing Act.

Specialty Construction: Unless defined in the Scope of Service, our services do not include pest inspections or evaluation of underground fuel tanks, soil contamination, wells, water treatment systems, ponds, septic systems, state-of-the-art equipment (such as solar collectors), plants, foliage, trees, water or air quality, or other general environmental factors. It is preferable to have these components evaluated by specialists in these fields. However, we will incorporate the results of specialty inspections into the Study upon receipt of those inspection reports.

POST EVALUATION PROCEDURES

No Assignment: This is an agreement between MillerDodson Associates and the Client. The contents of the Reserve Study are not to be relied upon by any firm, person, or entity, other than the Client for any reason whatsoever, except for Level II Updates of the Reserve Study content that are procured by the Client.

Arbitration of Disputes: If any claim arises related to this contract or our services or Reserve Study, it shall be filed within a reasonable time after the discovery of the problem, and in no event later than one (1) year from the date that the services were performed. The parties will submit to mediation in Maryland before a mutually agreeable, formally trained mediator to resolve the claim. Should mediation fail to achieve complete resolution of all claims (evidenced by way of written release), then binding arbitration at MillerDodson's sole discretion before a formally trained arbitrator in Maryland may be implemented. If we choose to have, a dispute settled by arbitration, judgment upon any award rendered by an arbitrator may be entered in any court having authority thereof. In any arbitration or legal action in which the defending party is found without fault, the prevailing party is entitled to the costs of its reasonable attorney's fees and costs from the non-prevailing party.

Maryland Law: This agreement shall be governed and interpreted according to the law of the State of Maryland, regardless of where any arbitration proceedings or litigation may take place.

Limit of Liability: Our liability for any claims related to this Agreement or the services rendered will not exceed the amount of the fee paid for the service.

June 26, 2024

Fee Schedule for Meetings and Additional Consulting Services*:

	Hourly	Per Diem **
James W. Dodson, Principal	\$200	\$2,000
Peter B. Miller, Principal	\$200	\$2,000
Other Analysts	\$150	\$1,500
Strategic Funding Planning (quoted as "hourly not to exceed")	\$300	N/A
Clerical	\$75	N/A
Travel	\$75	N/A
Mileage	Prevailing IRS rates	
Litigation Preparation	\$200	N/A
Litigation Testimony	\$300	\$3,000

* Rates are subject to change without notice.

** Per diem rates apply to expert witness preparation and testimony.

END OF PROPOSAL, AND TERMS AND CONDITIONS