

Road Paving¹ 11 May

Brian Bickel from Foothills Clusters

There have been a number of comments/questions regarding the roads and how we are going to be able to fund the process. At the April board of directors meeting I presented a plan that would provide enough funding to repave the streets and provide for adequate maintenance going forward.

In a nutshell I recommended two things: amend the Articles of Incorporation to increase the amount of indebtedness the board can incur, preferably to \$350K; and increase the annual assessment to \$305 per year. These both require significant involvement and effort from the membership (property owners). In order to amend the Articles of Incorporation it requires the approval of 75% (226) of the property owners. This can be done by petition and there is no time limit to get this done.

To increase the amount of the annual assessment by more than 5% requires a meeting "attended" by a quorum of 60% (221) of the property owners, with a 2/3's majority of the quorum voting in favor. The easiest way to get this done is by absentee ballot, which counts toward the quorum, and does not require attendance at a meeting, however a meeting does have to take place and there must be a defined time for the ballots to be received. The key to success is to get at least 60% of the members to send in a ballot with at least 2/3's in favor.

Everything that follows is subject to change depending on timelines and actual bids received. The latest cost estimate (Bates Paving) to redo the roads (pulverize existing asphalt to create a paving sub-base, and apply 2" asphalt) is \$735K. This does not include engineering, permits, testing, survey monuments adjustment, etc. The HOA has enough cash to contribute \$400K and would have to borrow the other \$350K. Latest discussions with financial institutions are that this can be done at 6% for a five-year term, which would give us an annual debt service of \$85-90K. Raising the assessment to \$305/year would allow us to service the debt and maintain enough funds for normal operations with a small reserve.

I believe this is very doable. It is going to take work. These are my thoughts and ideas only and do not necessarily represent the position of the board. If anyone has any other suggestions, I would like to sit down and discuss them. Think about it, this is affordable and relatively painless!

Brian Bickel

¹ Taken from Brian Bickel's May 11, 2015 post on NextDoor.