

River Glen HOA Road Committee

Report and Recommendations

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Presentation

- History
- Attorney Findings
- Road Repair
 - Current Road Status
 - Cost & Options
 - Conclusion - recommendation
- Proposed Assessment
- Next Steps

Note: Attachments will be available on the River Glen HOA Website
<http://www.riverglenberthoud.org/pages>

History

- Larimer County Accepts Roads for Maintenance (3 JAN 1979)
 - Resolution of County Commissioners (attachment 1)
- Larimer County Road & Bridge Department documents road acceptance with limits
 - Limits scope of maintenance to chip seal ~ 7 years (1980s)
 - Larimer County Road & Bridge document found in River Glen HOA files (attachment 2)
 - Document buried in HOA files until recently
- Limitation of maintenance documented in Resolution (12 Aug 1994 attachment 3)
 - County will contribute 15% of cost of new overlay (i.e. asphalt top coat)
- River Glen HOA and Larimer County Road & Bridge correspondence about maintenance (1997) (attachment 4)
- Larimer County Road & Bridge performs chip seal in River Glen subdivision (2007)

History (cont.)

- Meeting with Commissioner Donnelly 2015
 - No follow up by county or HOA
- River Glen HOA asks HOA attorney (Altitude) to investigate road status (2020)
 - Letter sent to Larimer County Road & Bridge (2020) (attachment 5)
- Larimer County Road & Bridge responds by letter (Nov 2020) (attachment 6)
 - No further maintenance will be performed until the subdivision repaves the roadways
- River Glen HOA Road Committee formed to sort out road maintenance (July 2021)
- Road Committee submits budget request/assessment for \$10,000 for FY 2022 for potential legal fees and repairs
- Road Committee performs a survey of damaged road surface in River Glen Subdivision (DEC 2021/JAN 2022)
 - Approximately 6000 square feet of road surface need excavation and repair (more about this later) (attachments 7,8,9)
 - All roads need asphalt topcoat (1.89 miles x 30')

History (cont.)

- Road Committee obtains bids for repair of approximately 6000 sq ft of road (attachments 10, 11, 12, 13)
 - Range \$25K to \$43K depending on depth of asphalt
 - Patchwork approach
 - Cost is tied to oil prices - likely higher now
- Road Committee contacts Commissioner Shadduck-McNally (March 2022)
 - Declines to meet with committee - defers to Road & Bridge department
- Road Committee contacts Larimer County Road & Bridge and sets meeting for July 2022
 - Road Committee submits questions (recorded in 7 JUL 2022) (attachment 14)
- Road Committee request \$10,000.00 funding for repairs and legal fees at Annual Meeting
 - Road Committee proposes having a Ft. Collins based attorney review legal status of County Maintenance Agreement
 - Board approves

History (cont.)

- Road Committee retains Jeffrey Cullers of Herms & Cullers LLC
 - Road Committee prepares and sends background material to attorney
- Road Committee meets with Jeffrey Cullers 5 December 2022
 - Conclusion: no legal standing to compel county to perform repairs and overlay with asphalt (more later)
- Road Committee schedules and meets with Larimer County Road & Bridge and Engineering to discuss options to pay for repairs (9 March 2023) (attachment 15)
- Road Committee recommends HOA meeting to report findings and discuss options (March 2023)

Attorney Findings - Road Maintenance

- Jeffrey Cullers reviewed the county agreement and previous correspondence with Larimer County regarding responsibility for road maintenance
- We spent about \$1,000 to have a thorough review of our case
- Conclusions:
 - Larimer County has been consistent with all rural subdivisions like River Glen and limited maintenance to chip/seal
 - Most other subdivisions have chosen to establish a PID to fund asphalt overlay and extensive repairs
 - Larimer County has been consistent in the message that a PID is needed (since the 1980's)
 - **There is no current legal basis to challenge Larimer County in court**
 - There may have been a basis but should have been addressed in the 1980's when Larimer County established the policy (lack of timeliness to pursue in court)

Road Repair Costs & Options

Current Road Status

- 1.89 miles of road need to be resurfaced with asphalt
- Silt accumulation at road edges should be removed for drainage
- Weed/grass need to be killed to prevent further damage and before paving
- Numerous areas have failed throughout the subdivision, most notably on Riverview Drive
- Riverview Drive should have long contiguous section(s) replaced (not piecemeal patch/repair)
- Avoid weekly filling of roadside ditches with overflow irrigation

Road Repair Costs & Options

Option 1: Self Pay 100% via HOA

- The HOA may assess via BOD approval annually (not a member vote)
- HOA controls pace of repairs
- Larimer County will contribute 15% for asphalt overlay (but not road repair) AFTER work complete
- Minor work could start in 2023 with funds currently assessed and major work could begin in 2024 with bigger assessment
- HOA would be responsible for managing contractors and all work
- Must meet Larimer County guidance for repair before contributing 15% of asphalt overlay cost
- Collection could be challenging from some members

Road Repair Costs & Options

Option 2: Form a PID for 100% of all work

- Larimer County would manage completely
- Timeline can be stretched out over several years
- Can't begin any work until PID approved (next election NOV 2024)
 - Work unlikely to begin until 2025
- Roads may further deteriorate over the next two years, adding to cost
- Larimer County will contribute 15% of asphalt overlay at time of installation

Road Repair Costs & Options

Option 3: HOA funds urgent maintenance, PID for asphalt overlay and additional repairs

- The HOA could fund the following:
 - Patching critical areas (except large section of Riverview DR)
 - Weed control
 - Silt removal at edge of roadway
- PID could fund:
 - Repair of Riverview Drive and end of Wagon Wheel
 - Asphalt overlay (1.89 miles)
- Allows critical preventive repair to begin this year
- PID can perform work over several years (no single year balloon payment)

Road Repair Costs & Options

Option 4: Form a LID to fund work

- Basically a bond issue instead of a permanent PID structure
- Costs a lot more (interest payments and must estimate total cost of all work)
- Can't begin until passed at election
- Not recommended by Road Committee

Road Repair Costs & Options

How a PID would work

- Gets voted on by residents next election cycle
- A permanent mechanism to both fund current needed repair and future work
 - Annual cost will be high until asphalt overlay work is complete
 - Cost will go down after near term repair/asphalt overlay
 - Funds are set aside for future work (prevents the surprise we now have)
- We can work with the county so that work is staged over several years
 - To lower the cost for the first few years

Road Repair Costs & Options

Estimated Costs

- The important word here is “ESTIMATED”
 - Asphalt costs are sensitive to oil cost
- Asphalt overlay could cost \$853,000.00
- Repairs could cost \$100,000.00
- County Estimate next slide
- Reminder: County will contribute 15% for asphalt overlay

Road Repair Costs & Options

Estimated Costs - County Estimates (July 2022)

👉 *This is an old estimate not updated to reflect additional areas that need patching*

Patching

658 SY/\$360.00 per Ton

4" Patch 147 ton = \$53,114.00

6" Patch 221 ton = \$79,671.00

Overlay

2" overlay per mile cost \$ 266,738.00

2" overlay for Sub 1.89 mile \$ 504,134.00

4" overlay per mile \$ 453,615.00

4" overlay for Sub 1.89 mile \$ 857,332.00

Road Repair Costs & Options

What we don't know right now

- We don't have current cost estimates for repairs - we will get them ASAP
- We don't know exactly how many years the major repair and asphalt overlay can be extended if we choose a PID as part of funding. This will be coordinated with Larimer County. We will get an answer before we request the PID. Extending over several years will reduce the cost for any one year.

Road Repair Costs & Options

Setting Expectations

- This is going to be expensive for each property owner
- Total cost could be as much as \$850,000.00 (THIS IS AN ESTIMATE)
- HOA has funds for some repairs for summer 2023 and should establish funding for 2024.
- Expect EACH PROPERTY to pay between \$8000.00 and \$10,000.00 divided over several years (THIS IS AN ESTIMATE)

Road Repair Costs & Options

Conclusion and Summary

- Recommend Option 3 from above (HOA funds + PID funding)
- Recommend HOA funds urgent repairs 2023 and 2024
 - Will need a special assessment to build funds for remainder of 2023
- Recommend PID for more costly asphalt overlay (whole neighborhood) and repair of Riverview Dr
- Road Committee will get updated estimates for urgent repairs based on meeting with Larimer County Road & Bridge staff

Proposed Assessment

- Some repairs should be performed to prevent further road failure
- Propose that \$25,000.00 be allocated for use summer of 2023 to perform repair work from existing HOA funds
- Propose Special Assessment for remaining quarters of FY 2023 to accrue funding of \$25,000.00 for 2024 and repay any funds borrowed from other reserves used in 2023
- Increase Funding in 2024 as part of 2024 Annual Budget

Next Steps - May to August 2023

- Fund and perform repairs in 2023 & 2024
- Special Assessment meetings/vote ASAP
- Prepare briefing to HOA for Public Improvement District (PID)
 - County can attend to answer questions
 - Collect signatures to request PID
- Formal Request for PID