



ILPOA Road Committee 2023 Update and FAQs

Please Visit www.ILPOA.org/roads-initiative for more information on this project

Road Committee Purpose and Goals

Establishment of Road Committee comprised of a **diverse cross-section of Member Subject Matter Experts (SMEs)**

- Real Estate Management
- Program Management
- Civil Engineering
- Financial Management
- Communications

Purpose of committee is to find an **Optimal Financial solution** to upgrade and maintain the 15.5 Mile road infrastructure at Indian Hills

- **Jim Hill:** Due Diligence and project oversight
- **Daryl Vander Weerd:** Communications
- **Jim Burlison:** Funding Options
- **Tom Harman:** Contractor review, government liaison

The Road Committee was assembled in October 2022 with the goal of developing a comprehensive plan for the roads. There are five sub-committees: Ditches and Culverts, Road Repair, Water Company, Funding Strategy, and Communications.

Project Evaluation and Repair Options

Study Evaluation

- A study completed by BFA in 2016 indicated a projected cost estimate of \$1.7MM to \$2.2MM, utilizing an industry-standard road rating system.
- A supplemental Road Study and independent Ditch & Culvert Study were completed by Cochran Engineering in 2022, indicating continued road degradation and increased material costs. Combined cost projections were in the range of \$2.8MM to \$4.2MM.
- Our Road Committee reviewed the project in quarter-mile segments and identified concepts for high-density and low-density roads.
- **A preliminary scope of work for high-density and low-density roads has been developed. Ultimately, all roads will receive varying base-level treatments, with no less than 3 inches of compacted asphalt applied as a top-surface when completed. Subsequent to installation, which is anticipated to require 12 to 18 months to complete, a 5 to 7 year maintenance plan has been developed.**

Project Scope

Road committee has engaged with several contractors including NB West, Midwest Petroleum, Melrose Paving, Ford Asphalt and Midstate Paving, Inc.

Committee also engaged with MO S&T engineering department, Crawford County, and MO state legislators to determine if any grants or funds were available to our community. We are not eligible for any governmental assistance and interest from MO S&T was muted.

Rough order of magnitude pricing to replace all 15.5 miles of roads is estimated at \$3MM in 2023. Inflation, and further deterioration of the roads over the past 7 years has increased our estimated cost by ~\$1M or 10% each year. We can expect continued scope and material cost increases if we do not take action.



Financial Impact to Members

Committee Goal to present options to community that are affordable to majority of ILPOA Members

Our Operating Revenue, based on current Annual Dues of \$363 per primary lot owner, provides approximately \$50K for road maintenance, which does not meet our most basic needs.

Funding through current annual dues is not feasible due to limited revenue.

An assessment is required to properly repair and subsequently maintain 15.5 miles of roads.

Pricing Estimate from Contractors: \$3MM

Option 1: \$3,000 pay in full assessment per Member (see Member definition in FAQs)

Option 2: \$4,500 per Member paid over 7 years: \$650 annually or \$54 per month

- Allows ILPOA to borrow ~\$3M to complete all roads within 12-18 months
- Borrowing costs based on current interest rate expected to be ~\$1M over term of loan



FAQs

- **Ditches and Culverts:** A Ditch and Culvert Study was completed in 2022. Recommendation to repair roads first, and then evaluate areas where attention is needed to ensure stormwater flow. The study indicates the majority of association owned culverts are in good condition.
- **Water Company:** ILPOA has signed repair agreement with CSWR that ensures repairs will be completed according to agreed upon specifications. This agreement was signed in 2022.
- **Maintenance Plan** (post completion): We anticipate needing roughly \$100k per year in order to properly maintain new road surfaces. This is based on engineer's best estimate for chip/seal which should be completed every 5-7 years at a cost of \$400-\$500k for 15.5 miles of roads.
- **Property Sales:** If a member sells their property, they will be responsible for assigning remaining assessment obligation to buyer, or settling remaining assessment as part of their sales contract
- **Multiple Lot Ownership:** I own multiple lots. Will I have to pay multiple assessments? **NO** - If you own multiple lots that are titled the same way, you receive one (1) vote and will be responsible for one (1) assessment. **YES** - If you own multiple lots that are titled differently, similarly to having a vote for each property and being responsible for primary dues payments for each property, you will be responsible for paying an assessment on each.
- **Annual Assessment vs. other communities:** ILPOA annual dues are \$363 per year driving an operating budget of ~\$450k. Average annual dues including assessments in similar lake communities is more than \$800 per year (\$67 per month)
- **Communications and Meetings:** Road Committee is conducting a series of community and zoom meetings to provide additional information regarding the project. The schedule is available at www.ilpoa.org/roads
- **Assessment Payment:** Any member that does not pay the total assessment amount by the due date (s) will be placed as a member not in good standing per Article II, section 1 and will be subject to suit for owed assessment amounts and all accrued costs by ILPOA.
- **Collections:** 100% of this assessment will be restricted for use and designated only for roads
- **Voting:** ILPOA board and Road Committee are targeting a vote of members in early July 2023