

North End Townhome Special Assessment Meeting

Tuesday October 3, 2023, 6 PM

Louisville Library, 951 Spruce Street, 1st Floor Meeting Room

- I. Call to Order / Proof of Notice**
 - A. Meeting Called to Order at 6:02pm
 - B. Special Assessment emailed blasted to Owners & notices physically mailed via USPS Tuesday 9.19.2023, 2 weeks before vote (per our governing documents)

- II. Establish Quorum (20% of members entitled to cast)**

47 homes in HOA, 20% = 10 members (9.4 rounded up)
20 members attended or proxies received – **QUORUM ESTABLISHED**

- III. Special Assessment Letter Review**

Letter read aloud by Board President (exhibit attached)

- IV. Questions, Answers**
 - A. No questions posed by members directly related to Special Assessment Letter or vote
 - B. Lisa Ritchie asked about timing related to scope of 2270/2260 Building repair & landscaping/grading of soil
 - C. Kathleen C spoke to safety concerns of ongoing porch replacement at 2255 B (cost covered under Special Assessment) – in particular, large construction dumpster in front of resident's home blocking Hecla drivers' view at BVSD school bus stop/crosswalk
 - a. Sandy Neville (HOA President) acknowledged resident's concern (school district employee) and stated the Board would look into safety options until construction is complete.

- V. Qualified members vote on Proposed Special Assessment of \$189,000**
 - A. Verbal vote required
 - B. Dan Anderson, HOA Manager, Metro Property Management, roll-called attending members (& gathered proxies) by address & name
 - C. 20 votes cast, 100% approval – **SPECIAL ASSESSMENT PASSED**

- a. Total Assessment amount divided by sq ft % (same method used for HOA dues) & presented in Special Assessment Letter
- b. Member Assessment due June 30, 2024

VI. Adjourn

Next Board Meeting Date, Time, and Format TBD

Submitted by: Keenan Haga

SPECIAL ASSESSMENT

Approximately 3+ years ago, the HOA became aware of a problem with a concrete porch on a duplex built in 2009 on the west side of Hecla Drive. The concrete porch was pulling away from the building causing the porch to crack and sink. What we initially thought would be a simple fix turned out to be a costly fix due to a significant soil issue requiring expert evaluation.

We hired an engineering firm, Knott Labs, to diagnose the problem and recommend a solution. They determined it was a "hot soil" issue where soil expands and shrinks with moisture in the soil, causing stress on a foundation. Soils with a large amount of clay content, like we have in Colorado, are especially affected. In addition, poor soil preparation and compaction by the contractor can also cause these issues and the engineers suspect this may have contributed to the situation.

In the meantime, another porch on a duplex on the west side of Hecla showed sinking and pulling away from the building structure because of the "hot soil" issue.

The engineers concluded that replacement of the porches, with installation of helical piers to stabilize them, would be the best solution and correct the situation. Bids for this project (2 porches) were received and the total cost of the chosen bid was **\$111,000**. This is a costly repair and one in which we cannot fund out of the annual budget. Work has begun on this project and is coming in under budget so far.

In addition, a similar shifting soil situation has occurred with the front patios at 2270 and to a lesser extent, 2260. The 2270 porches are concrete slab on grade with no evidence of foundation support. Outdoor fireplaces on the porches are connected to the privacy walls between the units for support. As the soil beneath the patios shifted, the patios sank along with the fireplaces placing torque on the attached privacy walls. In addition to the pulling apart of the privacy walls, the walls have deteriorated due to prolonged exposure to moisture.

Once again, the engineers were consulted. Two options were presented to address the sinking soil issue. The most cost-effective option, option 1 involves disconnecting the privacy walls from the fireplaces, stabilizing and repairing the privacy walls using a steel frame system, removing the heavy fireplaces and capping gas lines, re-grading the soil away from the patio, and removing existing patio plants/trees and installing drought resistant landscaping to reduce the amount of irrigation to a minimum.

The board presented this option to the owners who were present at the August 3rd board meeting. Unit owners in one affected townhome opposed the removal of their fireplace. As such, the board has reconsidered removing all the fireplaces and owners wanting to keep their fireplaces may do so.

A monitoring plan for each unit would be implemented to determine if differential movement has stabilized or is ongoing over time. We would be able to compare movement of the patios

with and without fireplaces. Should movement of the patios be ongoing, a more complex solution would need to be sought. In addition, gas lines in units retaining their fireplaces will be monitored annually for safety.

The more costly, option 2, involves installing costly helical piers to stabilize the patios which could double or triple the cost of option 1.

Those fireplaces in the 2260 unit not supported by the building structure and with no significant sinking of the concrete slab, will stay in place. It should be noted that two unit owners in 2260 previously had their fireplaces removed.

Once again, this is a costly repair and one in which the HOA cannot fund out of the annual budget. Cost estimates to date **average \$100,000**. In addition to rebuilding privacy walls, removing fireplaces and repairing the concrete underneath this includes:

1. Capping gas lines in units where the fireplaces are removed (\$1130),
2. Hot Soil Monitoring by our engineering firm for one year (\$4500) although this may be ongoing,
3. Grading and landscaping which includes installing sidewalk trench drains to drain water away from the units and patios (\$28,000),
4. Engineering costs for all projects over the past 2 years (\$18,015.85),
5. Estimated legal fees (\$4000).

Lastly, there are concrete and asphalt repairs on the east and west sides of Hecla that have been deferred over time due to the high cost of repair. These include asphalt patching and crack sealing plus seal coating, asphalt removal and replacement where patching will not hold, and concrete removal and replacement of damaged drain pan in Block 9 (east side of Hecla). Cost of these repairs is estimated at **\$25,000**.

The Board feels the replacements/repairs can no longer be deferred and should be completed as soon as possible. Delaying the projects could lead to increased repair costs and further deterioration of the alleyways.

The total cost of all the projects is approximately **\$236,000**. The HOA presently has \$147,000 in Reserves. Reserves are funds set aside for unexpected expenses, like the ones discussed. Our HOA puts approximately 10% of the monthly HOA fees into Reserves each month.

Initially, the board approved taking \$111,000 out of Reserves to fund the projects, leaving approximately \$36,000 in the Reserve account. The remainder of the repairs, \$125,000 would need to be covered under a Special Assessment.

At the Special Assessment informational meeting held on August 24, 2023, several homeowners voiced their concern with spending the reserves down so low, leaving the HOA unable to fund an emergency expense. The board discussed these concerns and made the decision to increase the Special Assessment by an additional \$64,000 to leave the Reserves at

\$100,000 The revised Special Assessment is \$189,000. The Special Assessment will be divided between the owners of the 47 units using the same formula for the monthly HOA (based on square footage). PLEASE SEE THE ATTACHED SPECIAL ASSESSMENT AMOUNT FOR EACH UNIT.

Payments will be due by June 30, 2024. Owners may make monthly installments, until June 30th, to spread out the cost. If the Special Assessment is not paid in full by June 30, 2024, owners will be subject to interest and late fees.

For the Special Assessment to be implemented, 67% of homeowners present at a special meeting or by proxy vote must approve it. This in-person meeting will be held on Tuesday, October 3, 2023, at 6:00 pm in the first floor conference room at the library. Should the Special Assessment fail, the costs could be rolled into the 2024 annual budget. Adding the repair costs to the annual budget will necessitate a significant increase in monthly HOA dues going forward.

We want to assure homeowners that the Board decision to bring forward a Special Assessment was a very difficult one and one we spent a considerable amount of time investigating. We are aware this assessment is a considerable amount of money for each homeowner. We understand some homeowners are more affected by the repairs/replacements than others. While the "hot soil" issue is most problematic on the west side of Hecla Drive, the older part of our HOA, that doesn't mean it won't become an issue on the east side sometime in the future. The value of one home in our HOA, affects the value of all our homes. Thank you for your consideration of this proposal.

ACCOUNT NO	PROPERTY ADDRESS	LOT/UNIT	RATIO	ASSMT DESC.	ASSMT AMT
2110A	2110 HECLA DRIVE # A		0.020974198	ASSESSMENT	\$3,964.12
2110B	2110 HECLA DRIVE # B		0.020926312	ASSESSMENT	\$3,955.07
2110C	2110 HECLA DRIVE # C		0.021022085	ASSESSMENT	\$3,973.17
2110D	2110 HECLA DRIVE # D		0.020820962	ASSESSMENT	\$3,935.16
2128A	2128 HECLA DRIVE # A		0.019844082	ASSESSMENT	\$3,750.53
2128B	2128 HECLA DRIVE # B		0.021012507	ASSESSMENT	\$3,971.36
2128C	2128 HECLA DRIVE # C		0.021031662	ASSESSMENT	\$3,974.98
2128D	2128 HECLA DRIVE # D		0.021022085	ASSESSMENT	\$3,973.17
2128E	2128 HECLA DRIVE # E		0.021002930	ASSESSMENT	\$3,969.55
2128F	2128 HECLA DRIVE # F		0.020945467	ASSESSMENT	\$3,958.69
2146A	2146 HECLA DRIVE # A		0.021443484	ASSESSMENT	\$4,052.82
2146B	2146 HECLA DRIVE # B		0.020830539	ASSESSMENT	\$3,936.97
2164A	2164 HECLA DRIVE # A		0.014040262	ASSESSMENT	\$2,653.61
2164B	2164 HECLA DRIVE # B		0.014040262	ASSESSMENT	\$2,653.61
2164C	2164 HECLA DRIVE # C		0.014040262	ASSESSMENT	\$2,653.61
2164D	2164 HECLA DRIVE # D		0.014040262	ASSESSMENT	\$2,653.61
2164E	2164 HECLA DRIVE # E		0.014040262	ASSESSMENT	\$2,653.61
2164F	2164 HECLA DRIVE # F		0.014040262	ASSESSMENT	\$2,653.61
2172A	2172 HECLA DRIVE # A		0.024153849	ASSESSMENT	\$4,565.08
2172B	2172 HECLA DRIVE # B		0.024393280	ASSESSMENT	\$4,610.33
2180A	2180 HECLA DRIVE # A		0.024096385	ASSESSMENT	\$4,554.22
2180B	2180 HECLA DRIVE # B		0.024402857	ASSESSMENT	\$4,612.14
2190A	2190 HECLA DRIVE # A		0.024527362	ASSESSMENT	\$4,635.67
2190B	2190 HECLA DRIVE # B		0.024833834	ASSESSMENT	\$4,693.59
2226A	2226 HECLA DRIVE # A		0.020897580	ASSESSMENT	\$3,949.64
2226B	2226 HECLA DRIVE # B		0.021002930	ASSESSMENT	\$3,969.55
2226C	2226 HECLA DRIVE # C		0.020955044	ASSESSMENT	\$3,960.50
2226D	2226 HECLA DRIVE # D		0.020926312	ASSESSMENT	\$3,955.07
2235A	2235 HECLA DRIVE # A		0.024805102	ASSESSMENT	\$4,688.16
2235B	2235 HECLA DRIVE # B		0.024776370	ASSESSMENT	\$4,682.73
2245A	2245 HECLA DRIVE # A		0.024766793	ASSESSMENT	\$4,680.92
2245B	2245 HECLA DRIVE # B		0.024738061	ASSESSMENT	\$4,675.49
2250A	2250 HECLA DRIVE # A		0.024498630	ASSESSMENT	\$4,630.24
2250B	2250 HECLA DRIVE # B		0.024814680	ASSESSMENT	\$4,689.97
2255A	2255 HECLA DRIVE # A		0.024795525	ASSESSMENT	\$4,686.35
2255B	2255 HECLA DRIVE # B		0.024738061	ASSESSMENT	\$4,675.49
2260A	2260 GOLDEN EAGLE WAY # A		0.021500948	ASSESSMENT	\$4,063.68
2260B	2260 GOLDEN EAGLE WAY # B		0.021539257	ASSESSMENT	\$4,070.92
2260C	2260 GOLDEN EAGLE WAY # C		0.021539257	ASSESSMENT	\$4,070.92
2260D	2260 GOLDEN EAGLE WAY # D		0.021577566	ASSESSMENT	\$4,078.16
2260E	2260 GOLDEN EAGLE WAY # E		0.021548834	ASSESSMENT	\$4,072.73
2270A	2270 GOLDEN EAGLE WAY # A		0.021548834	ASSESSMENT	\$4,072.73
2270B	2270 GOLDEN EAGLE WAY # B		0.021567988	ASSESSMENT	\$4,076.35
2270C	2270 GOLDEN EAGLE WAY # C		0.021606298	ASSESSMENT	\$4,083.59
2270D	2270 GOLDEN EAGLE WAY # D		0.021596720	ASSESSMENT	\$4,081.78
2270E	2270 GOLDEN EAGLE WAY # E		0.021539257	ASSESSMENT	\$4,070.92
2270F	2270 GOLDEN EAGLE WAY # F		0.021194475	ASSESSMENT	\$4,005.76

\$189,000.00

Total Properties Listed: 47

\$189,000.00