



**Estates of Northpark
Homeowners
Association, Inc.**

P.O. Box 1651
Mandeville, LA 70470
Telephone: (985) 624-2900

Email: info@renmgt.com
Website: www.estatesofnorthpark.com

August 29, 2016

Re: Roads Project Status Report

Dear Residents:

Below is a status report on the roads project:

Current State of Our Streets: In 2015, the Board met with asphalt contractors who indicated that, with continued maintenance, our streets would last another eight to ten years and would have to be resurfaced in the 2023 to 2025 timeframe. Our HOA engineering study indicates this could cost in the range of \$550,000.

Approval of the Long Term Roads Project: At the 2015 Annual Owners Meeting, the residents approved a dues increase from \$702 to \$900 with the \$198 increase being designated specifically for the resurfacing of our streets by the year 2025. These funds were to be set up in a separate account. This funding proposal was designed to keep the HOA from incurring serious long term debt or exposing current or future residents to a hefty one-time assessment.

Roads Committee: In order to provide continuity for this project, the Board, in February of this year, established a permanent Roads Committee. This committee will do the research and work needed to oversee the project and make periodic recommendations to the Board. The initial committee members are Lee Mathes, Bob Skillern (current Board members) and Bill Boren (resident). In the coming months, the Board will add two additional members. The Board is hoping to find volunteer residents with construction or engineering backgrounds – if you are interested, contact any Board member or Renaissance Property Management.

Current Funding: In August, the Board authorized the transfer of \$75,000 to First NBC Bank. \$59,000 (Restricted Roads Dues) was set up in a 5 year FDIC insured CD. The other \$16,000 (HOA Reserve funds) was put in a Money Market account. The Board will have the flexibility to use the Money Market funds for emergencies or, if not needed, apply these funds to the Roads Project when the time comes to resurface the streets.

2021 is Now the Projected Date to Complete the Project: The committee completed a funds flow analysis and, when comparing the cost of borrowing money versus the cost of maintaining the streets, it makes sense to do the resurfacing in the year 2021 (four years earlier than originally anticipated). This comparison is based on current conditions and will have to be recalculated every year.

Forecast Timeline for the Project:

2016 to 2019: Collect and invest Roads funds, continue yearly maintenance and do preliminary planning.

2020: In addition to the above, start the final planning stages and, if possible, initiate the bid process.

2021: Determine the final financing vehicle for any needed funds, select the contractor (we may also need a project manager) and, hopefully, complete the project.

Summary: A project is in place to resurface our streets without incurring substantial debt or causing a major financial burden to our residents, a permanent Committee has been established to guide the project, restricted road funds are set up in separate accounts and current forecasts indicate we could have new streets by 2021.

Many other subdivisions have “kicked this can down the road” and the Board commends our residents for having the vision to tackle this difficult task in a timely and responsible manner.

Sincerely,

The Estates of Northpark Board of Directors