

How much will the addition of the 60 acre parcel cost me?

by Doug Moe, KPOA Treasurer

1 Given KEI's Financial Incentive Package, there will be NO INCREMENTAL COST to current KPOA property owners.

2 And, here's why...

3 The major components of the 2019 assessment for a residence are:

Road Maintenance	\$	508
Security		494
Garbage		131
Admin.		108
Total	\$	<u>1,240</u>

4 The KPOA board believes there will be no increase in Admin costs due to the addition.

If and when any lots are platted and begin paying assessments they will share in this cost, reducing costs for everyone else.

Impact on you, none now and favorable later but small.

5 Garbage is billed to KPOA based on the number of occupied residences.

If and when a residence is occupied in the new territory their assessment will cover their share of garbage expense.

Impact on you, none ever.

6 The KPOA board believes there will no need for increased security staff or hours.

We will not have to spend more on the gatehouse or it's grounds

If and when any lots are platted and begin paying assessments they will share in this cost, reducing costs for everyone else.

Impact on you, none now and favorable later but small.

There will be one additional gate to maintain. This should be similar in cost to the Argyle gate which is budgeted for \$2,000 per year.

7 The plan includes 1 mile of new road. KPOA will be liable to maintain it once it's completed and accepted by KPOA. Maybe some time next year or the year after.

Until new lots are platted and assessed the existing property owners will bear this entire cost.

If and when 39 new lots are added, we will have added about 5% to our road inventory and about 5% to our assessable lots.

At that point the annual assessments from the new lots will cover the annual costs of the new road.

8 So what's the bottom line?

Based on what we spend for our current 20.2 miles of road, the new costs for approx. one mile of road [actual length to be determined] will be:

Annual addition to the Repaving Reserve	\$6,750
Right of Way Maintenance, Mowing, Leaf Removal and Storm Expense	4,700
Plus the cost of an additional gate to maintain	2,000
Total annual expense for additional mile of road	<u>\$ 13,450</u>

9 KEI Financial Commitment Package: 15x the current annual lot assessment

15 x \$930 would provide sufficient income to offset total annual expense \$ 13,950

10 **Net Cost of Annexation to Current Property Owners = ZERO**

PLUS: \$30,000 paid by KEI to be held in a Reserve Account for any unanticipated expenses.