

Dunlap Lake Property Owners Association

Summary of Proposal for a Special Assessment and Increase in Annual Assessment

- Dunlap Lake was last dredged in 1993
- A \$4.5 million dredging plan has been developed but votes to approve funding in 2016 and 2017 received only 61% approval. Two-thirds was needed. Under both, property owners would pay based on assessed value. Homeowners expressed concern regarding the project cost; distribution of cost among property owners; and how future major projects would be financed.
- Late last year the Board conducted a survey of the membership regarding the dredge plan. The survey revealed:
 - 74% believe action is necessary to maintain and improve the lake.
 - No special assessment structure has the support of 67%.
 - The assessed value basis received the highest support at 48%.
 - Increasing annual assessments ranked second with 29% support.
 - 26% do not believe the condition of the lake has value to them.
- Based on the survey results, the Board has drafted a proposal to try to reach a compromise between those who believe the costs should be apportioned based on assessed value and those who believe all should pay the same. The proposal was also crafted to provide on-going resources to fund future major projects. The Board is proposing a special assessment to finance a \$1.75 million loan and increasing annual assessments from \$500/year to \$1,000 per year.
 - Special assessments to repay the \$1.75 million loan would be based on equalized assessed value as determined by the Madison County Assessor.
 - The estimated rate is .0065 x EAV based on a 15 year loan at 5% interest.
 - The \$1.75 million loan would be used to:
 - Pay off the mortgage on 840 East Lake.
 - Build a dewatering facility at 840 East Lake including installation of piping to carry dredged materials into the facility and water back to the lake.
 - Dredge the silt trap basin at the south end of the lake
 - Begin dredging the south end of the lake
 - The increase in annual assessments (\$500) would be placed in a Major Projects Reserve Fund. It would be used to:
 - Conduct additional dredging on a pay-as-you-go basis. It is projected that dredging would occur every three to four years as sufficient funds are accumulated.
 - Maintain the south end silt trap basin
 - Expand the spillway on the dam as required by the IDNR
 - Move the gate up on the drainage silo to safeguard against accidentally draining the lake
- Input from residents at the neighborhood meetings will help shape the plan and will be used to formulate the ballot question that will be put out for a vote later this spring. That ballot will require the approval of two-thirds of those voting for passage.