

**VILLAGE OF JOHNSBURG
DECEMBER 22, 2015 SPECIAL MEETING OF THE
PRESIDENT AND BOARD OF TRUSTEES**

President Hettermann called the meeting to order at 7:01 p.m. in the Village Hall.

Attendees

Trustee John Huemann
Trustee Kevin McEvoy
Trustee Mary Lou Hutchinson (absent)
Trustee Tom Curry
Trustee Greg Klemstein
Trustee Kyle Frost
Village Attorney Michael Smoron
Special Projects Coordinator Rick Quinn
Village Engineer Tim Hartnett
Police Chief Keith VonAllmen

AUDIENCE PARTICIPATION – Richard Anderson, Pamela Miskoci, Ed Haag, Donald Ankele, Paula Ankele and Steve Poltera signed in to speak from the floor regarding the proposed Special Service Area #32 for Sunnyside Beach Avenue. President Hettermann explained that a public hearing on the matter will be held later in the meeting at which time they will be called upon to address the board.

OMNIBUS AGENDA Trustee Huemann moved to approve the Omnibus Agenda. Trustee Frost seconded the motion. All Trustees present voted aye on the roll. Motion carried.

- Move to approve the minutes of the December 1, 2015, Regular Meeting of the President and Board of Trustees
- Move to approve an Intergovernmental Agreement for McHenry County Gang Task Force

- **Disbursements**

• General Fund	\$358,863.05
• MFT	
• Waterworks & Sewage Fund	16,515.72
• Debt Service	<u>975.00</u>
• Total All Funds	\$376,353.77

ORDINANCE AMENDMENT – CHAPTER 9 - Trustee Huemann moved to approve Ordinance 15-16-24 amending Chapter 9, Liquor Control and Liquor Licensing of the Johnsburg Municipal Code. Trustee McEvoy seconded the motion. President Hettermann explained that the amendment increases the number of Class A Liquor Licenses from 4 to 5 to accommodate the request by Graham Enterprises. All Trustees present voted aye on the roll. Motion carried.

PUBLIC HEARING – PROPOSED SSA #32, SUNNYSIDE BEACH DRIVE - Attorney Smoron opened up the public hearing at 7:05 p.m. for the proposed SSA #32 to fund a sewer collection system on a portion of Sunnyside Beach Drive. He explained the purpose of the hearing and opened up the hearing for public input.

Richard Anderson of 2013 Sunnyside Beach Drive stated that originally the project was going to be \$21,000 per household and now he received a letter indicating it would cost him \$2,038 annually which is double of what was originally disclosed. He added that the petitions were signed based upon the original number. Mr. Anderson stated that the Village was looking for 70 percent support which included

properties on Church Street and Fairview and they are no longer in it and now the Village is only seeking a simple majority. The petition he has seen includes only fifteen signatures out of 34 properties and therefore he questions how the matter is moving forward. Attorney Smoron explained that the project is only being proposed at this time and the Board is seeking the public's input. Mr. Smoron stated that at the closing of the hearing, a 60 day object period will begin. Mr. Anderson questioned why you need a petition to stop the project when you should need one to move forward with it. Attorney Smoron explained that State statute requires an objection petition from owners and electors who do not want an SSA established. He further explained that the purpose of the hearing is to answer questions and obtain feedback from the stakeholders as to the establishment of the SSA. President Hettermann stated that this is not a Village driven project. He explained that several residents from the neighborhood approached the Village because they were in need of a wastewater treatment alternative. At that time, the Village requested a petition signed by residents of the neighborhood who support the project so that the Village can get a sense of the neighborhood's position on the proposal. Village Engineer Tim Hartnett stated that residents from the neighborhood approached the Village several years ago and several meetings have been held regarding the proposed project. Several residents in attendance stated that they never received notice of any previous meetings until they received the public hearing notice.

Mr. Hartnett explained how the costs were determined and pointed out that the project continues to rise annually. Susan Raven of 2019 Sunnyside Beach Drive stated that she never received any letters until the public notice was received. She questioned if anyone else received the previous letters. Several residents in attendance stated that they received previous letters. Mr. Anderson stated that he never received previous letters. Ms. Peters stated that Mr. Anderson had received a letter the previous year as he called her in response to the letter. She explained that previous meeting notices were sent to the same addresses as the public hearing notices were sent. In addition to the letter sent in 2014, a letter also went out in September of 2015 prior to the public notice. Mr. Anderson and Ms. Raven maintained that they did not receive the other correspondence. Attorney Smoron stated that this is the only public hearing that has been held on the matter. Previous meetings were informational meetings held with the neighborhood to provide information. Those meetings were informal and not part of the SSA process. Trustee Klemstein attended at this time.

Mr. Hartnett explained that the previous meetings were held to provide information and resulted in the Village requesting a petition reflecting who supports the project. He further explained that the petitions are voluntary petitions to show the Village the amount of support there is for the project before the Village spends dollars by pursuing the legal process required of the SSA.

Mr. Anderson stated that the legal notice indicates that it will cost \$55,000 per household. Another resident in attendance stated that it was his understanding from the informational meetings that other areas were included to help keep the cost down. Now that they are not a part of the proposed SSA, he asked what the project will cost and who else is paying for the project. Mr. Hartnett explained that the residents on Fairview Avenue and Church Street did not obtain enough support to move forward with the project however the residents on Sunnyside Beach Drive expressed that they need the sewer system and therefore the Village Board agreed to front some of the cost to keep the project affordable for residents on Sunnyside Beach if the majority of them still want to proceed. Ms. Peters explained that the costs being fronted by the Village will be recouped from residents on Fairview Avenue and Church Street. Mr. Quinn explained that if any septic failures occur along the sewer pipe extended on Fairview Avenue and a portion of Church Street, the health department will require the hookup of those properties to the Village's sewer system. Mr. Hartnett stated that any property within 300 feet will be required to hookup to the system.

A resident questioned the cost of the Village's permit. Mr. Hartnett explained that there is no permit fee from the Village. He reviewed the infrastructure proposed which includes E-1 units for each property.

He explained that the proposed SSA includes the cost of the infrastructure that will be constructed as well as the fair share cost of the sewer plant. Property owners will need to arrange for the pipe connecting their home to the Village's system.

A resident questioned if the project includes a water system. Mr. Hartnett stated that it does not. He explained that a water system would only add more cost to the project and is not needed. The resident stated that typically sewer costs are determined by water usage. Mr. Hartnett explained that the monthly cost for operations, maintenance and replacement is billed as a flat rate. He also stated that the E-1 units are included as part of the project and are the maintenance responsibility of the Village.

Pamela Miskoci of 2011 Sunnyside Beach Drive sought confirmation that properties along the sewer line will be required to hook up to the system should their septic fail. Mr. Hartnett confirmed that properties within 300 feet will be required to connect by the health department. Ms. Miskoci noted that there are empty lots not included within the proposed SSA boundary and one vacant lot that is included. She questioned if vacant lots were required to connect. Ms. Peters explained that all improved lots would be required to connect however some people have a vacant lot on which they have no plans to improve and therefore do not need sewer for the property. She added that the owners of the vacant lots who chose not to connect have been notified that connection at a later date will be far more costly.

Ms. Miskoci questioned if properties without Sunnyside Beach addresses were included. Ms. Peters explained that all improved properties adjacent to the sewer pipe were included. Ms. Miskoci stated that usage will vary greatly based on the number of people in a household so why is the system not being metered. Mr. Hartnett stated that it will vary but the \$32 per month flat rate is fair and to add meters will only increase the overall project cost.

Al Robel of 2027 Sunnyside Beach stated that after the 15 inch main was extended, a stub was included for his property. He questioned if he still must pay the full amount. Mr. Hartnett stated that yes he will pay the same as everyone else. He explained that the amount has already been reduced by the grant. The grant was spread across all of the users that will benefit from the 15 inch main.

Mr. Anderson stated that the cost will be \$55,000 per household. Ms. Peters clarified that the public notice includes worst case scenarios. It provides for a maximum interest rate of 7.5% and a term of up to 25 years. She stated that current rates are far less than 7.5% and the Village would not enter into financing at that high of an interest rate. She explained that the project is estimated to be approximately \$21,000 and current terms are more likely around 4.5%. Attorney Smoron explained that the Village's hands are tied as it relates to the format of the notice. Additionally, the Village must put some numbers in the notice. Mr. Hartnett explained that if low numbers are included in the notice and the quotes come in even slightly higher than those included in the notice, the project cannot proceed even if the residents wish to. President Hettermann stated if quotes come back high, the Village will not proceed.

Emit Roberts asked if the connection fee is included. Mr. Hartnett explained that the \$1,200 connection fee is included. He further explained that the decommissioning of the septic and connection of the home to the pipe at the road is not included. Mr. Roberts questioned if there are grants or low interest loans available. Mr. Hartnett explained that grant money has already reduced the cost of the project and the low interest loans through the state are costly to pursue and require a long lead time.

A resident who owns a vacant parcel on Sunnyside Beach Drive questioned who needs to sign an objection petition. President Hettermann explained that the petition that was submitted in support of the project is a non-binding petition. Attorney Smoron stated that a majority of both the registered voters (as of the date of the hearing) and owners of record must sign an objection petition. He further explained how owners of record are determined and how there can be more than one owner of record for a property.

He stated that the total number of signatures is calculated based upon the total possible registered voters and owners of record from the area.

Jeff Simpson of 1909 Sunnyside Beach stated that at the informational meeting it was stated that the County can place a restriction on how a property can be listed. Mr. Hartnett confirmed that the County can place a deed restriction on a property limiting the number of bedrooms the property could be listed to include because of septic limitations.

Glen Jenkins of 3504 Fairview Avenue stated that he was originally included in SSA 23. He added that it was his understanding that SSA 23 is dead but he is now in another SSA. Ms. Peters confirmed that his property is included in the proposed SSA #32.

Steve Poltera of 3500 Fairview Avenue requested clarification regarding the signatures that could be included for a property. Mr. Smoron clarified that each registered voter and all owners of record can sign the objection petition.

Donald Ankele of 2011 Sunnyside Beach Drive stated that he is a weekender and therefore he is not a registered voter at the address. He asked if it was a local law or state law that governs the SSA. Attorney Smoron explained that it is State statute 35 ILCS 200/27-5.

A resident questioned how information could be obtained regarding the owners of record and registered voters. Attorney Smoron stated that the information can be obtained from the County Clerk's office. The resident questioned who determines how many signatures have been submitted. Attorney Smoron explained that Ms. Peters made the determination regarding the previous objection petition. He emphasized that it is not an either/or situation, it is a question of both the number of owners of record and registered voters.

A resident questioned the length of the financing being pursued and if partial payment could be paid up front. Ms. Peters stated that the anticipated term would be 20 years. She explained that in order to avoid paying any interest, you would need to pay the entire amount up front. She added that there will be an opportunity each year to pay the balance off however it is typically not advantageous to do so until the bonds become callable because once the project is financed, interest will be added.

Mr. Robel questioned when the cost would have to be paid up front for those that wish to do so. Ms. Peters explained that they would have to be paid before the Village bonds the projects. She added that provided that an objection petition is not submitted, the Village would move swiftly to bond the project at the end of the objection period and therefore it would have to be paid early in the spring.

Mr. Poltera questioned who is responsible for preparing the objection petition. Mr. Smoron explained that someone wishing to circulate the objection petition would prepare it and submit it to the Village within the 60 days objection period. Mr. Poltera questioned if each person could submit a separate paper objecting to the project or one petition must be submitted with all objectors' names on it. Mr. Smoron stated that it could be filed individually or jointly. Mr. Poltera questioned who determines the number of owners of record and electors in the SSA area. Mr. Smoron explained that whoever circulates the objection petition can obtain the information from the County's records. Mr. Poltera stated that if you have a functioning septic and you spend \$21,000 to connect to the sewers plus \$2,000 for the physical connection, you will have tossed away \$23,000. He stated that he is a real estate broker and although you may see an increase in property values for properties on sewer, it will not be equal to \$23,000. Mr. Hartnett stated that he recently saw bids for septic replacements for properties in the area which were in excess of \$30,000 which limits the property to 2-3 bedrooms and will require the constant running of an aerator. A resident questioned how much it would cost to pump every month. Mr. Hartnett stated around

\$180 per month and explained that if you are pumping your septic each month, the health department will require you to take other action because the septic is not functioning.

A resident questioned how they will know if a valid objection petition has been submitted. Ms. Peters stated that the board will have to act on a ratification ordinance and prior to doing so they will need to know if a valid objection petition has been filed therefore the matter would come up before the board at a future board meeting after the close of the objection period. The 60 day objection period would expire around February 21st therefore the board would likely revisit the matter at their first meeting in March. She encouraged the residents to monitor the Village's website or contact the village hall regarding upcoming meeting agendas.

Ron Freund of 1909 Sunnyside Beach Drive stated that he has been at the informational meetings and Mr. Hartnett has been consistent with regards to the cost of septic replacement and the increasing cost of the sewers each year.

A resident expressed concern that it is difficult to make a decision when costs vary so much. He questioned why the cost cannot be narrowed down. President Hettermann stated that the Village has committed to costs not exceeding \$21,000 if paid up front but until the bids come back, we don't know what the final cost will be. If the bids come back high, the project won't move forward. A resident in attendance pointed out that a resident can pursue their own financing if they wish to and cannot pay the cost up front without financing.

Mr. Quinn emphasized that the SSA is only a financing tool for those people who wish to finance the project through their tax bill. He emphasized that the Village is not trying to impose the project on the residents and if there is a majority of the residents object to the project it will not proceed. He encouraged residents to contact the Village if they have more questions or need additional information.

A consensus was reached by all board members determining not to take any action to stop the proposed SSA from proceeding, to remove any parcel from the SSA, or to take any action to terminate the proposed issuance of bonds or the levy and to close the public hearing and begin the 60 objection period. The hearing closed at 8:54 p.m.

ADJOURNMENT – Trustee McEvoy moved to adjourn the meeting. Trustee Huemann seconded the motion. All Trustees present voted aye. Motion carried at 8:55 p.m.

Respectfully Submitted

Claudett E. Peters
Village Administrator