

Village of Riverwoods
Public Hearing
August 3, 2021
APPROVED

Present:

Michael Clayton
Liliya Dikin
Andrew Eastmond
Michael Haber
Henry Hollander
Rick Jamerson
Kris Ford, Mayor

Also Present:

Bruce Dayno, Police Chief
Patrick Glenn, Village Engineer
Bruce Huvad, Village Attorney
Russ Kraly, Director of Community Services

Call to Order: 7:30 pm

Business:

Public Hearing to consider establishing Special Service Area 35, the adoption of an annual levy and the issuance of bonds for providing special services

Mr. Huvad explained the purpose of the Public Hearing is to consider whether a Special Service Area should be formed. The process of forming an SSA is controlled by State law. The Village lays out the intent of the SSA and holds a Public Hearing to discuss what the SSA would do and answers questions. Residents in the SSA file a petition and if 51 percent of those residents are in favor of forming the SSA, the Village Board has the authority to pass an Ordinance to establish the SSA. This has been done as an accommodation to residents to help them solve the problem of how to take care of private streets. If the Ordinance passes, everyone in the SSA would have to pay for the street. Another advantage is the Village can borrow a substantial amount of money on a standard, fixed rate bond. SSAs can pay for an initial reconstruction of a road. The proposed Ordinance is to issue up to \$440,000 in bonds at a maximum of 5 percent per annum. The amount was determined by an estimate of probably cost, which includes legal, financing costs, construction and construction oversight. The bonds are issued on a fixed interest basis payable twice a year. The tax bill will show the amount own per property over the next ten years, with each property being responsible for 1/37 of the annual amount due. If the SSA is formed and the bonds are issued, specifications will be developed and bid out competitively. The SSA also has the right to request annual maintenance levies, which can be changed annually. This SSA has requested an annual levy that cannot exceed \$37,000 per year or up to \$1000 per house. Mr. Huvad noted they usually build an escalation into maintenance SSAs. The purpose of forming this SSA is to a perform a substantial road reconstruction and optionally maintenance.

Trustee Hollander noted the Village has a small fee for SSAs. Work done using SSA funds must be spent at prevailing wage. Mr. Huvard noted the Village does offer SSAs the option to piggyback on current Village projects to take advantage of economies of scale.

Bradford Block asked what the annual amount each homeowner would pay. Mr. Huvard explained the debt service of \$440,000 at 5 percent with a 10-year maturity would be \$44,000 per year plus interest. The numbers are not exact at this time. Mr. Block noted that amount would not provide for maintenance including snow removal. Mr. Huvard noted many SSAs do not use SSA funds for snow removal. Some SSAs have assessments on the side for snow removal. The SSA has to determine their own budget for snow removal or other maintenance. The Village does not find snow removal companies; rather, just handles the financial portion. Mayor Ford noted her SSA modifies their assessment annually. They hold an annual meeting to discuss the street issues and set their budget based on both history and proposed expenses. Mayor Ford indicated they have developed a reserve for the future. Mr. Block asked if the Village plow service could also plow their streets. Mr. Huvard explained at one point, Trustee Hollander tried to find a service that could be utilized by several SSAs. The Village's contractor uses a large machine. Mr. Block asked if streets in an SSA would have to meet more stringent standards. He questioned whether the street needs \$440,000 of work or if they could do something on a smaller scale. Village Engineer Patrick Glenn explained the association could contract for a thin overlay rather than a 3-inch mill and surface, but it would not last. He explained the estimate includes removing the top three inches of pavement as well as some pavement patching. To completely reconstruct the road would be very expensive. Mayor Ford suggested road specifics should be discussed by the group. Tonight, we are working toward the establishment of the SSA so there is a mechanism to pay for the roadwork you decide to complete.

Renee Wishner asked if a majority of homeowners is needed to form an SSA. Mr. Huvard explained the Village does not have a way to poll residents in advance, but a majority of the residents in the proposed SSA area have to be in favor of forming an SSA before the Board can move further.

Mr. Block asked about the process if a majority of the 37 residents decide to form an SSA. Trustee Jamerson explained once an SSA is formed, the SSA is not under any obligation to do anything. The Village Engineer would create the specifications and the project would go out for bid. Once the bids come in, the SSA can determine how they want to proceed. The Village Attorney would create the bond, taxes, etc., but the SSA would have options. Mr. Block asked why residents would not want to vote for an SSA. Trustee Hollander explained the SSA is a vehicle to have an opportunity to band together to spend money to repair or replace the road. It gives the opportunity to collect for the project through taxes rather than independently. Trustee Haber noted the Board is not suggesting it is an appropriate deduction on a tax bill.

Scott Solovy noted they have an association right now, but it does not have any legal binding authority to make someone pay for the road. Mr. Huvard explained that is common in the Village that the full assessment and lien rights are not stated in subdivision plat. He noted everyone in the subdivision would get the taxes on their tax bill. Mayor Ford noted before her

SSA, there were some homeowners that did not pay the assessments and were taken to court. Mr. Solovy asked if his entire sum could be paid upfront. Mr. Huvad explained there is no way to exclude certain properties from the taxes, even if they paid the fee upfront.

Ellen Katz noted some people do not make payments on time. The small price this will cost will save a lot of headaches. Streets that are not maintained can affect property values. Ms. Katz believes the streets should look well maintained.

Ms. Wishner asked about the cost of snow removal. The Trustees explained the residents of the proposed SSA have not determined whether snow removal would be part of the program. Ms. Wishner asked if she would have to go with the SSA for removal of snow from her driveway. Mayor Ford explained a driveway is private property and not part of an SSA.

Dan Prost is in charge of the association. He noted residents are concerned about the construction process, especially at the end of the street. Mr. Glenn explained the contract would require the contractor to make accommodations so vehicles have access to their driveways. They do everything possible to accommodate residents, emergency vehicles, school busses, etc. Mr. Prost does not know whether it would be beneficial to include a maintenance program because the maintenance is minimal at the beginning of the road life. Mr. Prost is happy to hold a meeting to discuss any questions.

Trustee Haber moved to adjourn the Public Hearing. Trustee Jamerson seconded the motion. The motion passed unanimously on a voice vote.

The meeting was adjourned at 8:26 pm.