

## **PRESIDENT'S LETTER**

The need for lake restoration is ongoing, the McHenry County Board, the Village of Wonder Lake Board of Trustees and your MPOA representatives have collectively presented to the community for consideration, a feasible method for funding the project. It is proposed that the project be funded through Village of Wonder Lake Special Service Area (SSA) Taxing District No. 9.

The proposed SSA boundary includes all properties with deeded and/or geographic access to our lake. The assessment against each property will enable us to pay off bonds with a not-to-exceed total amount of \$5,930,780 over a 20 year period. The money generated through these bonds will enable us to meet agency criteria and fund the removal of 1 million cubic yards of sediment from critical areas of our lake.

The dewatering site that will be engineered to handle the dredged sediment is located along East Wonder Lake Road, south of the Oakwood Shores and east of the Wonderview subdivisions. Recognizing the value of a restored Wonder Lake, the owners of the Thatcher Meadows proposed development have offered to make this site available at no cost to the project for a period of 10 years. This offer by the developer was done without their requesting, or receiving, lake rights. The value of this time-sensitive donation of land use by that developer saves MPOA property owners more than \$1 million in additional costs to the project.

The site will be engineered and constructed to meet both the U.S. Army Corps of Engineers and Illinois Environmental Protection Agency criteria. The consultant for the project will be out of the Springfield, IL office of HDR, Inc. <http://hdrinc.com>

Details related to individual cost for the planned lake restoration, assistance for those that need help with the cost, our consultants response to claims of contaminated sediment, the projected benefit to all property owners, the benefit of lake restoration to the entire Nippersink Creek watershed and your MPOA Lake Maintenance Commission member's effort to assist the community in making an informed decision on this community issue are found on succeeding pages.

We have also included a procedure that is available should you decide to have your signature removed from a petition to stop the SSA that you may have signed.

2008 was an extremely busy time for your MPOA representatives. The Annual Report to the Membership will follow in our next newsletter.

We hope that you have had an enjoyable Holiday Season and are looking forward to the New Year.

Signature

## **SSA PAYMENTS**

The MPOA has been exploring various means of how the lake restoration SSA obligation on each SSA property could be paid off. It was originally hoped that a one-time, upfront SSA payment could be made by a willing landowner, meaning that their total SSA obligation would be fulfilled with that payment.

However, after extensive research and discussions with attorneys and experts in the sale of SSA backed bonds, it was concluded that a one-time, upfront SSA payment could not be done.

This is because of the way the cost of the lake restoration project is being allocated amongst the SSA properties.

In an effort to more equitably distribute the cost of the lake restoration to all of the affected landowners, the SSA contribution is based on the equalized assessed value (EAV) of each property in the SSA. This approach recognizes that, generally speaking, the closer to the lake a property is, the higher the assessed value of the property. By basing the SSA cost on the EAV, those who live on or close to the lake will incur a proportionally higher SSA cost, while those farther from the lake, or in less expensive homes, will pay a proportionally lower SSA cost.

Unfortunately, this variation in SSA costs between different properties in the SSA prevents allowing a one-time, upfront SSA payment. As a result, all SSA properties will be assessed over the 20 year timeframe.

In the event an SSA property is sold during this 20 year timeframe, the SSA tax would be passed on to the new owner in the same manner as other taxes that appear on real estate tax bills.

### **What will the SSA cost me?**

The cost of the Special Service Area # 9 (SSA) to each property owner is initially based upon the "Fair Cash Value" (FCV) of the property, as determined by your Township Assessor, and presented on your McHenry County Property Tax Bill. The Equalized Assessed Valuation (EAV) of the property is then calculated to be one-third of the FCV of the property.

The value of any applicable property tax exemptions, such as the Annual Homestead Exemption, Senior Freeze Abatement, or Elderly Homestead Exemption are then deducted from the EAV to determine the Net Taxable Amount (NTA). The NTA is the dollar amount used to calculate your annual property tax liability. The NTA will also be used to determine the annual cost of the SSA, which will appear on your property tax bill as a line item.

For the 20 year timeframe of the SSA, the FCV, and in turn the EAV and NTA, will be subject to periodic revision by the Township Assessor, meaning that the annual SSA cost to each landowner may vary somewhat from year-to-year. This is consistent with the way the amount due annually to any other governmental entity applying a tax levy is determined.

The simplest way to calculate your approximate cost of the proposed SSA is to review your most current McHenry County property tax bill for any properties you own located within the proposed SSA. If you don't have your tax bill handy, you can obtain a copy from the website of the McHenry County Treasurer, starting at step 1, below

If you have your tax bill(s) available, you can skip to step 6 below:

- 1) Go to the website of the McHenry County Treasurer:  
<http://mchenrycotaxweb.org/cgi-bin/taxbill.pl>
- 2) The following screen will appear:



#### **Step 1: Select a Search Method**

What would you like to search by?

- Parcel Number  Owner Name  Property Address

**3) Select which information you wish to provide.**

#### **Step 2: Enter Search Information**

Parcel Number

(enter with or without dashes. i.e., 01-01-100-001 or 0101100001)

Search

Clear Form

**4) Enter that information into the box, and hit the "search" button at the lower left of the screen.**

5) Your Tax Bill will appear on the screen, such as shown below:

FROM THE OFFICE OF: REAL ESTATE TAX BILL		ASSESSED TO:	
WILLIAM W. Le FEW McHENRY COUNTY TREASURER		1ST INSTALLMENT COUPON PAYMENT	
MAKE CHECKS PAYABLE TO: McHENRY COUNTY COLLECTOR		PIN:	
<b>**DUPLICATE**</b>		1ST INSTALLMENT FOR 2006	
		DUE BY 06/12/07	
		\$1,783.35	
		INTEREST	
		COSTS	
		TOTAL PAID	
<b>1-2006</b>			
PAID BY: CHECK _____ CASH _____ MAIL _____			
FROM THE OFFICE OF: REAL ESTATE TAX BILL		ASSESSED TO:	
WILLIAM W. Le FEW McHENRY COUNTY TREASURER		2ND INSTALLMENT COUPON PAYMENT	
MAKE CHECKS PAYABLE TO: McHENRY COUNTY COLLECTOR		PIN:	
<b>**DUPLICATE**</b>		2ND INSTALLMENT FOR 2006	
		DUE BY 9/12/2007	
		\$1,783.35	
		INTEREST	
		COSTS	
		TOTAL PAID	
<b>2-2006</b>			
PAID BY: CHECK _____ CASH _____ MAIL _____			

  

Taxing Body	Rate	Percent	Tax This Year	Tax Last Year
McHENRY COUNTY	0.6143	9.92	\$319.24	\$246.39
McHENRY COUNTY PENSION	0.0917	1.33	\$47.50	\$0.00
McHENRY CO CONSV	0.1425	2.07	\$73.82	\$50.44
McHENRY CC	0.2708	3.93	\$140.28	\$98.92
McHENRY CC PENSION	0.0033	0.05	\$1.71	\$0.00
SCHOOL DIST 36	3.2870	47.74	\$1,702.76	\$1,191.91
SCHOOL DIST 36 PENSION	0.0197	0.29	\$10.21	\$0.00
SCHOOL DIST 156	1.5729	22.84	\$814.81	\$561.52
SCHOOL DIST 156 PENSION	0.0258	0.37	\$13.36	\$0.00
WONDER LAKE FIRE	0.3008	4.37	\$165.82	\$107.25
McHENRY LIBRARY	0.2195	3.19	\$113.71	\$77.42
McHENRY TOWNSHIP	0.1196	1.74	\$61.96	\$42.72
McHENRY TWP RD & BR	0.2172	3.15	\$112.52	\$77.59

  

**6) The Net Taxable Amount (NTA) is the figure used to calculate the amount of your SSA obligation. In this case, the NTA is \$ 51,803.**

  

** PLEASE NOTE **		
You May be eligible for the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act. Applications are available from the Illinois Department of Revenue. McHENRY COUNTY 2006 REAL ESTATE TAX BILL		
LEGAL DESCRIPTION:		
ASSESSED TO:		
If paid after due date, pay amount below which includes 1.5% per month penalty:		
FIRST INSTALLMENT		SECOND INSTALLMENT
PIN:		
Township	Tax Code	Property Class
MC	09003	0040
Sub Lot	Acres	
1st Install	\$1,783.35	2nd Install
		\$1,783.35
Interest		Interest
Costs		Costs
Total Paid		Total Paid
Paid on		Paid on
Totals		6.8851
		\$3,566.70
		\$2,444.16

  

Fair Cash Value	180,909
SA Value	55,615
SA Multiplier	1.0843 X
SA Equalized Value	60,303 =
Brd. of Review Value	60,303
Brd. of Review Multiplier	1.0000 X
Brd. of Review EO Value	60,303 =
State Multiplier	1.0000 X
State Equalized Value	60,303 =
Farmland and Bldgs. Value	0
Total Amt. Prior to Exemptions	60,303 =
Home Improv/Vet Exemptions	0
Annual Homestead Exemptions	5,000
Sr. Freeze Abated Amount	0
Elderly Homestead Exemption	3,500
Net Taxable Amount	51,803 =
Local Tax Rate	6.8851 X
Total Current Year Tax Due	\$3,566.70 =

Note: The document will be in a PDF format, which can be opened with Adobe Reader, found on most computers, or the software is available for free from the following site.



<http://www.adobe.com/products/acrobat/readstep2.html>

7) IMPORTANT: For the purposes of this example, the 2007 Equalized Assessed Value of all properties in the SSA was used to determine the SSA Rate presented in item 8. Similarly, an annual SSA bond interest rate of 10% was assumed to determine the SSA Rate shown in Item 8. The actual interest rate will be determined when the bonds are sold. The annual SSA Rate will not be determined until the EAV used for each years property tax levy is established by the Township and County.

8) As the SSA obligation will be paid off over a 20 year period, the estimated annual SSA cost is determined by multiplying the NTA by the 0.003178 Annual SSA Rate to determine the approximate annual cost of your annual SSA payment:

Net Taxable Amount (NTA)	>>	\$ 51,803
X SSA Rate (0.003178)	>>	X 0.003178
Estimated Annual SSA Payment	>>	\$ 164.62

**This translates into: \$ 13.75 / month, or \$ 3.17 / week, or \$ 0.45 / day.**

9) The estimated total SSA out-of-pocket expense to this landowner, based upon 20 annual SSA payments of roughly \$ 165 would be \$ 3,300. Again, this total expense could be reduced if the SSA bonds can be sold for less than the 10% interest assumed for these calculations.

- 10) To minimize the financial cost of the SSA to seniors or those on fixed incomes whose Wonder Lake home is their principal residence, rebates of a portion of the SSA cost will be provided. This rebate program will be operated by an outside agency or group that routinely deals with senior / low income programs. If a SSA landowner qualifies as "low income" based upon the US Department of Housing & Urban Development (HUD) table shown below, they would receive a 40% rebate of their SSA cost. If a SSA landowner qualifies as "very low income" based upon the HUD table, they would receive a 60% rebate of their SSA cost. The landowner's income each year will determine their potential eligibility for the 40% or 60% rebates.
- 11) If this landowner qualified as "low income" based upon the HUD table, and their Wonder Lake home is their principal residence, they would be eligible each year for a 40% rebate of their \$ 165 annual payment. This would result in an amount of \$ 66 being refunded annually to that landowner, making their net annual SSA cost \$ 99. **This translates into: \$ 8.25 / month, or \$ 1.90 / week, or \$ 0.27 / day.**
- 12) If that landowner qualified as "very low income" based upon the HUD table, and their Wonder Lake home is their principal residence, they would be eligible each year for a 60% rebate of their \$ 165 annual payment. This would result in an amount of \$ 99 being refunded annually, making their net annual SSA cost \$ 66.

**This translates into: \$ 5.50 / month, or \$ 1.26 / week, or \$ 0.18 / day.**

### SSA Rebate Relief Program

Household income level limits, updated annually by the U.S. Department of Housing & Urban Development (HUD), will be some of the financial information evaluated in determining if an SSA participant is eligible for SSA rebate relief.

If a particular SSA household has annual income below the levels HUD establishes each year, that household may be eligible for a 40% or 60% rebate of their SSA cost over the 20 year SSA term.

The SSA rebate relief program will be handled by a qualified outside entity (not the MPOA or the Village of Wonder Lake)

- \* that is familiar with these types of assistance programs,
- \* that can ensure compliance with any applicable governmental rules / regulations, and
- \* that will ensure the privacy and confidentiality of those seeking assistance.

HUD FY 2008 STATE INCOME LIMITS	POTENTIAL SSA REBATE PERCENTAGE	HOUSEHOLD INCOME LIMITS							
		1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
ILLINOIS									
LOW INCOME	40%	\$37,300	\$42,650	\$47,950	\$53,300	\$57,550	\$61,850	\$66,100	\$70,350
VERY LOW INCOME	60%	\$23,300	\$26,650	\$29,950	\$33,300	\$35,950	\$38,650	\$41,300	\$43,950

Source:

U.S. Department of Housing and Urban Development  
451 7th Street S.W., Washington, DC 20410  
Telephone: (202) 708-1112 TTY: (202) 708-1455

[http://www.huduser.org/intercept.asp?loc=/datasets/il/i108/FY08\\_StateIncomeLimits.pdf](http://www.huduser.org/intercept.asp?loc=/datasets/il/i108/FY08_StateIncomeLimits.pdf)

### SSA PETITION PROCESS

The final hearing for Special Service Area (SSA) #9 was held on December 17, 2008 by the Village of Wonder Lake. Once an SSA hearing has been held, the local government sponsor must wait at least 60 days following the last hearing before implementing the SSA ordinance. During that time, opponents of the SSA are allowed to submit petitions in opposition to the creation of the SSA. If an opposing petition is submitted to the Village Clerk within the 60 days AND carries the signatures of at least 51 % of the registered voters residing in the proposed SSA area AND at least 51 % of the property owners of record in the area, the SSA is defeated and can NOT be resubmitted for two years.

For SSA # 9, the 60 day waiting period ends on February 17, 2009. By that date, all opposition petitions must be presented to the Village Clerk. The validity of the submitted petitions will then be determined by the Village of Wonder Lake legal counsel.

As with any large scale project, the potential exists that SSA participants who have chosen to sign an opposition petition may not have been fully informed of all the facts, or were in fact given misleading information to encourage them to sign a petition to oppose the SSA.

Anticipating this possibility, a mechanism under the SSA legislation was developed to allow a person to officially withdraw their signature from an SSA opposition petition, should they choose to do so.

A petition signer can write a simple withdrawal letter indicating that:

- they had signed a petition opposing Special Service Area # 9
- they have now changed their mind, and
- they wish to have their signature withdrawn/removed from the opposition petition.

No specific reason is required when requesting to have a signature withdrawn from an opposition petition.

A person requesting withdrawal of their signature from an opposition petition needs to sign two copies of the letter.

One copy of the withdrawal letter must be addressed and mailed to the person who circulated the petition, if the identity / address of that person is known, prior to February 17, 2009. **The second copy must be mailed or delivered to the Village of Wonder Lake prior to February 17, 2009.** The letter should be addressed as follows:

Village Clerk,  
Village of Wonder Lake  
4444 Thompson Road  
Wonder Lake, IL 60097

The MPOA staff is available to answer questions and facilitate the signature withdrawal process.

#### **LAKE MANAGER'S REPORT**

Recently, a number of highly inaccurate statements have been circulating through the community regarding the lake restoration and the SSA. The MPOA has consistently been trying to present factual information, and will continue to do so. The following is an effort to correct some of the misinformation.

Without question, the current economic climate is an issue. However, no one could have realistically forecast the current situation when this SSA process began over two years ago. Similarly, no one can realistically forecast where the economy will be two years from now or over the next 20 years. Therefore, we have to keep moving forward.

The proposed one-time Wonder Lake SSA will be capped at a not-to-exceed amount of \$ 5,930,780. By law, this amount cannot be exceeded. The payments for the SSA will be spread out over a 20-year period, and will be included on your property tax bills, which are payable twice each year. The SSA amount fully covers the entire project cost for the roughly one million cubic yards of sediment to be removed. It does not rely on revenue from any potential re-sale of the dewatered sediment.

A local resident presented a packet of information at the December 17<sup>th</sup> SSA hearing alleging that the sediment dredged from Wonder Lake would be classified as waste, rather than as a highly fertile soil which could be re-used as topsoil. The only Wonder Lake specific information contained in that entire packet was an e-mail from the Community Relations office of the Illinois Environmental Protection Agency (IEPA), that indicated that based upon the information previously provided by that resident, “Without knowing further details about this project, and if the data provided is representative of the levels of contaminants found throughout these sediments, our technical people believe this dredge materials should be managed as waste, and therefore would not be suitable as a beneficial use material”. Subsequent review of the information contained in that e-mail by the MPOA lake restoration consultant and the IEPA regulatory permitting staff indicated that the information provided to the IEPA by that resident was not representative of the comprehensive sediment sampling that has been undertaken by the MPOA over the last decade, or with how sediment samples are evaluated. While additional testing and verification will be required to obtain the regulatory permits needed to dredge, the IEPA indicated that, based upon the information the MPOA lake restoration consultant has provided to date, no permitting problems would be anticipated.

The lake restoration efforts have been thoroughly researched and evaluated over the last decade or more. The thought that delaying the lake restoration project will somehow make it more affordable in the future unfortunately ignores economic reality.

As an example, in 1998, the cost to dredge 2.5 million cubic yards of accumulated sediment from Wonder Lake was projected at \$ 6.8 million. This roughly equated to a cost of \$ 2.72 per cubic yard of sediment.

In 2008, the cost to dredge 1 million cubic yards of sediment has been established at \$ 5.9 million, which equals a cost of \$ 5.90 per cubic yard of sediment.

Simply stated, the cost of dredging has increased 216% in just 10 years. To expect the costs to hold, or even decrease, while the dredging efforts are delayed, is wishful thinking. Large tracts of local land available for sediment storage / drying are rapidly disappearing. Under the pending Thatcher Meadows Annexation Agreement with the Village, the developer has committed to making land available for sediment storage for 10 years, free of charge to the MPOA. That land will not be available in the future.

The cost of the SSA to each property owner will be decreased if the owner is eligible for any of the following property tax exemptions: Homestead Exemption; Elderly Homestead Exemption, or Senior Freeze Exemption. Assistance will be available for low income households who meet U.S. Department of Housing and Urban Development (HUD) guidelines. It was never proposed that this SSA assistance program use HUD or any other outside entity as a source of funding for this program.

Wonder Lake is a positive feature owned by everyone in the SSA, and like any asset, it needs to be maintained. There are some who are suggesting doing nothing, and letting the lake fill in. Wonder Lake is an 830 acre lake, impounded by a 22 foot dam that receives runoff from roughly 97 square miles of land. It is a regulated body of water under the scrutiny of various governmental agencies.

Eventually, in addition to severely depressing all property values in the Wonder Lake community, letting the sediment continue to build-up will adversely impact the flood storage capacity of the lake, and potentially threaten the integrity of the Wonder Lake dam. These are not events that will go un-noticed, or will avoid corrective action being mandated by governmental agencies. The costs of delaying maintenance only increases the eventual repair cost, or the cost to eventually remove the entire dam and all of the accumulated sediment. All of these costs will be borne by those who hold deeded lake rights to Wonder Lake.

#### **DECEMBER 17, 2008 and JANUARY 10, 2009**

In accordance with IL State Statutes, on December 17, 2008 the Village of Wonder Lake conducted a hearing on the proposed SSA at Greenwood School, Greenwood, IL. Presentations on Lake Restoration plans and cost to property owners were conducted by First Vice President Dennis Gallo and Lake Manager Randy Stowe. The presentations were followed by comments from attendees. The hearing ended at about 9:30 PM.

The MPOA Officers Delegates and Directors wish to thank the Village Board for accepting our application and following through with the required SSA process. The professionalism demonstrated by everyone involved in the hearing was greatly appreciated.

As a follow up to the Dec. 17 hearing members of the Lake Maintenance Commission conducted an informational meeting for members at the MPOA office. In spite of the weather, a considerable number of people attended during the 4 ½ hours that the office was opened for people seeking to make informed decisions on supporting the SSA.

We would like to thank The Wonder Lake Sportsman's Club for providing free grilled hot dogs for the attendees and Commission members Nancy Burke, Jane Musel, Jim Jensen, Ken Shaleen, Ken Such, Dennis Gallo, Dick Hilton, Dennis Palys from the WL Chamber of Commerce, Peter Berrini from HDR, Inc. and Lake Manager Randy Stowe. Your commitment to give of your time on Saturday helped to make this a successful event.

A special thanks goes to Tom Cooper for clearing the snow from the parking areas around the building so that access was both safe and convenient for attendees.