

There seems to be a lot of questions and misunderstandings regarding the Special Assessment process, the petition drive and vote on general revenue bonds and the financial responsibility of the Township for the proposed sewer system. Following are some of the questions and concerns we have heard and the facts as we understand them.

#1 What are general revenue bonds and why was a petition circulated to vote on them?

Revenue bonds were one possible option of financing some of the cost of the sewer system. Even though bond council had discussed revenue bonds for partial funding of the project as far back as 2008, the sewer committee had always discussed and presented it as a Special Assessment District (SAD). At a special meeting in January of 2012, the Township's bond council again suggested that we might consider exploring financing a portion (25% to 30%) of the project with revenue bonds and the remainder with a Sewer Special Assessment District (SAD). At the February 20, 2012, meeting, we discussed the advantages and disadvantages of Revenue Bonds and to keep our options open, we voted to publish the notice to sell revenue bonds. This triggered the 45 day time frame for citizens to file a petition to request a vote on the Township's ability to sell revenue bonds. The petition as circulated read as follows: "an August 2012 election to allow Tuscarora Township voters the opportunity to *approve or disapprove the 2.5 million dollar revenue bond* proposed by the Tuscarora Township Board to partially fund the District 27 sewer project". This was the one and only thing on the petition. The petition was not a vote on whether to have sewers – it was a vote on whether to partially finance the project with revenue bonds.

#2 What is a SAD and why did the board proceed this way?

A SAD is a method of financing certain types of projects by the owners of the property within the district. This special assessment process has been used by the Township dozens of times over the last 30 plus years for a private bridge, a long expanse of private seawall to control erosion and paving numerous roads including the back streets in town a few years ago. The special assessment process is lengthy, complicated and requires a detailed set of steps to follow. For the current sewer system, a proposed district was formed and signatures representing approximately 67% of the land mass were presented to the Township Board requesting that we move forward. These petitions were presented to the board on November 7, 2011, by the Sewer Committee. Many have questioned why we use land mass to determine support. Simply stated, that is the law as spelled out in Public Act 188 of 1954 and is the only legal option we have. Over the last few months, the Board has held the required public hearings and voted, with the assistance of legal counsel, on resolutions spelled out in the statute culminating with the confirmation of the SAD roll on April 11, 2012.

- 2006 Sewer Feasibility Study
- 2006 – 2011 Numerous updates at regular meetings of the township board and DDA by the sewer committee
- November, 2011 Sewer Petitions received by township board
- December 6, 2011, Supervisor certifies petitions
- January 16, 2012 Meeting with bond attorneys, financial advisors and engineers
- February 9, 2012 Hearing of Necessity
- April 11, 2012 Public hearing to review special assessment Roll

It is important to note that throughout the entire process, only one property owner has withdrawn their petition and one additional property owner has signed one.

#3 Why would the Township Board decide the sewer issue and not let the voters decide?

Not only is there no legal way for the entire Township to vote on the proposed SAD for sewers, there is no logical reason for a so called popular vote. Ask yourself this question. Would you support the following scenario? The Township creates a SAD involving approximately 180 parcels who would have to pay for some kind of improvement, but instead of letting the people within the district sign a petition of support, the Board elects to have a township wide vote to decide the issue. This scenario would not only be unfair, but the legality would surely be challenged and rightly so. **The Township has no authority to hold an advisory vote on this issue.** Of all the SADs the Township has done, never has anyone outside the district been allowed to vote on one. Additionally, as far as we have been able to determine, never has the Township voted against proceeding with a legally allowed SAD when presented with the required number of signatures.

#4 How much will the proposed sewer cost the Township?

Under the special assessment process, all costs for building the sewer system and its operations and maintenance will be paid by the parcels within the SAD. Those obligations stay with the parcel whatever its ownership. All costs under revenue bonds would have been the obligation of the sewer district though the portion of the cost financed with revenue bonds could have been adjusted up or down between individual users as usage changed. According to Public Act 94 of 1933, Section 141.107 Subsection (3), ".....a public corporation (the Township) , by majority vote of the elected members of its governing body, **may** include as a part of the ordinance authorizing the issuance of the bonds pledge its full faith and credit for payment of the principal of and interest on the bonds....." "May" indicates that the bonds do not require a general obligation by the township. As stated several times before, the township as a whole is not liable for the debt, the property owners within the district are.

Possible exception: The Board may ask the engineering firm to request pricing on some options that are not required by the size of the current SAD but could be needed in the future and would be expensive to change. This could be upgrading the size of the main under I-75 or something similar. This type of upgrade cannot be charged to the SAD and would need to be paid for by another source.

Most of the information listed above is easily verified in Public Act 94 of 1933, Public Act 188 of 1954 and Township meeting records. We encourage you to do your own research if you have any doubts. As in most special assessment districts, we understand that not everyone in the district is in favor of the project. The Township Board has proceeded with the SAD for sewers step by step with the advice of legal counsel and did not vote to approve the confirmation of the roll until we received written legal opinions on our ability to proceed under Act #188 and our ability to defend the assessments at the Tax Tribunal should there be any challenges. The Tuscarora Township Board wishes to thank you for your interest and hopes this clarifies some of your concerns.