

Attorney Explains Service Charge in Sewer Loan Report

The following report, continued from last week's issue of The Review, was written by Village Attorney David R. Maloney and read at a recent meeting of the village board:

Service Charge. The village proposed in its application to the PWA to raise by a sewer service charge approximately thirteen thousand and nine hundred and ninety dollars, per year, to pay the interest and maturing bonds for this improvement. This amount of money would be raised by a service charge equal approximately to the present annual water charge per user. The PWA, however, insists that the village also provide for the maintenance, supervision and repair of the sewer to be paid out of this service charge. It, therefore, has requested that the village should increase its service charge to approximately seventeen thousand eight hundred and ninety dollars, per year as a guarantee toward the payment of interest and principal and cost of maintenance and supervision.

I, on the other hand, have proposed to the village that it should, from the standpoint of economy and fairness to the users of the sewer, cause to be levied a special tax for sewer maintenance of one and one-half (1 1/2) mills on assessed value of all property, of valuation, in the village, which would raise approximately four thousand and two hundred dollars, per year. This would leave, therefore, a net charge for sewer service other than the special tax, etc., of approximately thirteen thousand eight hundred and ninety dollars, per year for one thousand users or the equivalent of the number. It would then be within the discretion of the village board whether it desired to submit to the election a plan of levying additional sewer maintenance tax of one and one-half (1 1/2) mills, thereby avoid the additional service charge.

Interest Bonds. The interest to be charged on these bonds is four (4) per cent, or approximately six thousand three hundred and thirty-two dollars, per year, on the net cost to the village of Barrington of this improvement. It is proposed that for the first four (4) years, no principal payments be made. That after the fifth (5th) year, payments shall be made ranging from approximately nine thousand and two hundred (\$9,200.00) dollars, per year, to ten thousand two hundred (\$10,200.00) dollars, per year, until the balance of twenty-nine (29) years, and the balance remaining payable on the fortieth (40th) year. The total cost of the plan is eight thousand eight hundred and forty (\$8,800.00) dollars. It is obvious that each year the interest increases the fifth (5th) year, the interest payable is less and that by the tenth (10th) year, the interest is so small that a very substantial surplus would exist in this fund. The sewer revenue act does not contemplate an excess fund, but provides that only a reasonable reserve shall be maintained. Therefore, after a period which we estimate to be approximately the tenth (10th) year, a substantial reduction should be made, and again another substantial reduction should be made, not later than the twentieth (20th) year, with a possible reduction about the fiftieth (50th) year. We estimate for the last five (5) years, at least, the service rate with the surplus created should not exceed a sum equal to approximately five thousand (\$5,000.00) dollars per year. If you are to consider the cost of retiring the bonds only, the entire average cost to any user, would be approximately (\$9.00) dollars, per year for the period of thirty (30) years on the basis of one thousand users. Increase in service charge above seventeen dollars (\$17.00) dollars, is not conceivable, because it was not necessary under this plan.

Under the sewer revenue act, and also under the requirements of the PWA, none of these bonds are callable. That is, if the village at any time, should accumulate a substantial sum of money, it could not compel the holders of these bonds to surrender bonds which had not yet matured. The village can, however, provide such maturities as it sees fit. However, we have felt that financing on the basis of thirty (30) years, with bonds maturing thirty-five (35) years (\$3500.00) dollars, the fourth (4th) year and increasing from then on, was the method most satisfactory to the village. These bonds, when delivered, to the PWA are supposed to be negotiable securities and are accepted by the government only with legal opinion as to validity and as proof of their financial soundness. It is because of the desire of the government to have bonds of the ability of the village to pay these bonds and interest by a service charge.

We should not at this time compare the maintenance charge with the cost of this improvement because regardless of what method our village adopts to finance the

cost of constructing the sewer system which has been estimated to be between three and thirty-five hundred (\$3500) dollars, per year, after the completion of the improvement.

The influencing consideration in favor of a PWA loan with sewer revenue bonds, is that this is at present, the only available method of financing this improvement; also the fact that an improvement will provide much local employment at an early date and the village will receive the benefit of a forty-eight thousand (\$48,000) dollar grant and reduced bill based on a cash payment by the PWA.

Respectfully submitted, D. R. MALONEY, Village Attorney.

A second report on the proposed sewer improvement, a continuation of the first report, follows: Monday, Feb. 25, 1935. President and Board of Trustees of the Village of Barrington, Illinois: Gentlemen:

I am therefore reported to you: board on the necessity of the sewer improvement and the proposed method of financing, important to the taxpayers of Barrington is what is the best method of financing and economical to the residents of Barrington.

In the recent report of the Barrington civic advisory committee, there appears statements to the effect that in 1932, the engineer advised the committee that the proposed improvement to cost the village of Barrington two thousand (\$2,000) dollars, could be installed at one dollar per front foot, or two hundred (\$200) dollars, per front foot. The committee, because of this estimate, felt that the proposed financing might be the less expensive to the residents of Barrington than the proposed plan. It is important that the residents of the village of Barrington have a complete understanding of this matter.

Special Assessment Financing. Impractical and Prohibitive. Without going into detail as to the improvement proposed in 1931 or 1932, by Ed Hancock, it should be stated that there was at that time a reasonable possibility of obtaining a market for the special assessment bonds. I think it cannot now be successfully denied that for a long time and will not be for the future, there is no market for Barrington special assessment bonds. This, in part, is due to the condition of the market for Barrington special assessment bonds. Therefore, financing an improvement within a reasonable time is impractical. Not only is this true, but the cost of such financing is prohibitive. Even in the time of prosperity, a contractor when faced with the condition of the market for Barrington special assessment bonds, would have to increase the price of the improvement. It is apparent that under the present conditions, the loss which a contractor must figure on special assessment bonds, would be so great that it would be unprofitable to finance the improvement. However, from my knowledge of the village and my recollection of this matter, it is my opinion that in 1931-1932 an assessment of in excess of one dollar and fifty cents (\$1.50), per front foot would have to be levied on every foot of property within the village limits to pay for the proposed improvement regardless whether the property had present need for the sewer or not. This cost of the sewer would be levied upon much property which cannot now absorb that cost.

My recollection is that under the Hancock plan of 1931 a portion of this cost was to be borne by the outlying area, but a large portion of the cost was to be borne by the built-up area, and that the rate of cost in the built-up area would exceed two (\$2) dollars per foot. In any event, the cost of the sewer would be prohibitive because it was too costly and because it was felt that the outlying property was not in need of the proposed improvement. The present proposed improvement is less costly and the rate of cost is at present enjoying sewer service. It also makes use of the old sewer in places where it is available.

In order to select the method of financing, we will have to consider the question with reference to the present proposed improvement as the present proposed improvement is more economical and at the same time provides the village with adequate service.

Cost Under Revenue Bond Plan. We will first consider financing by a public works administration loan with sewer revenue bonds. Total cost of the improvement as estimated by engineers is two hundred and six thousand (\$206,000) dollars. The village is to contribute a grant of forty-eight thousand (\$48,000) dollars, from the government. The remainder of the village, therefore, will be charged, only one hundred fifty-eight thousand (\$158,000) dollars. The interest rate is four (4) per cent on this amount. The charge proposed to be made for the service is approximately the same as the

annual water charge per user, or to be exact, about two and two-thirds (2 2/3) times the fall and winter period cost. This charge equals about thirteen (\$13) dollars, on the basis of one thousand (1000) users. There will be the equivalent of approximately one thousand (\$1000) users of the sewer in the village of Barrington. Under the method we propose for the retirement of bonds over a period of thirty (30) years beginning with the fifth (5th) year after the issuance of the bonds, the average cost per year to the users would be approximately nine (\$9) dollars. This average is arrived at by averaging over a period of thirty (30) years the total amount to be paid by an equivalent of one thousand (1000) users to retire the bonds and interest. This average rate of nine (\$9) dollars, per user, for the purpose of this comparison is based on an average lot of approximately one (1) acre, per user. Adequate provision is made for the collection of the sewer in the village of Barrington, and the village should have to pay more because of details of the village sewer system than the duty in making collections as provided by the act.

Severance (\$17) Dollars. In the recent letter received from the PWA, the village was asked to pay a rate of seven (\$7) dollars, per user for one thousand (1000) users. This increase of slightly less than four (\$4) dollars, per user, is proposed to be paid by the village, in order to provide for the maintenance and repair of the plant and sewer system and to provide a guarantee fund for such maintenance. This cost we estimate to be approximately three thousand (\$3000) dollars, to thirty-six hundred (\$3600) dollars, per year.

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Fox River Grove

Held First Red Cross Meeting. The first regular meeting of the Fox River Grove chapter of the Red Cross was held at the home of Mrs. George Maschek, chairman. Mrs. Maschek was appointed chairman. Other officers appointed were: Assistant chairman, Mrs. V. Fremt; secretary, Mrs. R. MacMaster; assistant secretary, Mrs. E. LeGros; chairman of the committee for by-laws, Mrs. R. W. Dvornak. Fifty members comprise the local unit.

Miss McGraw Married. A beautiful wedding was solemnized Saturday afternoon at 4 o'clock at St. Patrick's church at Cary when Miss Marie McGraw became the bride of Gilbert Willey of Brooklyn, N. Y.

Elect Officers. Officers elected for the Merry-makers club are: President, Ray Havlic; vice president, Orville Ford; secretary, Beatrice Simult; treasurer, Virginia Havlic.

The Procenium players are preparing a special program. Mrs. F. Franck has rejoined them. Mrs. E. D. Black and Mrs. William Cherny were in Chicago over the week-end and visited the Charles King family at Ravenswood.

The Jolly Neighbors society contributed \$5 to the firemen's fund.

Joseph Pokorny and Mr. and Mrs. Van Dearia left Sunday morning to attend the Mardi Gras at New Orleans. They expect to be away the balance of the week. Mrs. Thomas Smith and son Anthony of Berwyn spent the week-end at Fox River Grove. Mr. and Mrs. George Attey attended the funeral of a friend Harold Franzen at Bensenville last week.

Pokorny Saturday night. Dinner was served to the many relatives and friends from Chicago, New York, Elgin, Crystal Lake, Cary and Fox River Grove. Mr. Willey was born and grew to young manhood at Fox River Grove where she was educated in the public schools and became well known here.

The couple has taken an apartment in Chicago where Mr. Willey is employed as a shoe cutter for a shoe manufacturing concern.

Plan Joint P.T.A. Meeting. Members of the Parent-Teacher association of McHenry and Lake counties will gather at the village hall Friday, March 8 to conduct a school of instruction. Speakers from the district and state organization will discuss "Home and Foreign Problems," "Child and Labor Legislation," "Study Groups" and many other subjects relative to this work. Visitors have been invited from the village open to the public without charge. The forenoon session will start at 10 a. m. Refreshments will be served at noon. The afternoon session will start at 2 p. m. Refreshments will be served at 4 p. m. The school will be held at the P.T.A. It was decided to donate \$5 to the firemen's fund. A report was also read that \$10 worth of books had been purchased for the school library.

Firemen Adopt Plan. The Greater city department has adopted a plan it feels will be feasible in handling fire outside the corporation limits. Several departments in the neighborhood are to call and when the work was done the fee was not paid. The department wants to protect the worth of books had been purchased for the school library. Now all property owners have been asked to have a rider attached to their insurance policy, costing \$1.50 a year. The insurance company has agreed to pay the \$50 fee to the department in case of a fire. All persons complying are listed with the department and will be served. Without the assurance of payment the department cannot respond.

Holds Pleasure Meeting. Every three months the Caska Beach club holds a pleasure meeting for its members only. A meeting was held Saturday night at Cerone's hall and each member brought refreshments. Music, dancing and a general good time was reported.

The bride was dressed in white satin and carried calls lilies; she was given away by her father; William McGraw.

The bride was attended by Lucille Zubeck of Crystal Lake as maid of honor, a cousin of the bride, and by Albert Popping of Crystal Lake as best man. Miss Zubeck was attired in pale pink and carried a colonial bouquet. The men wore tuxedos. Ter. F. Kidory officiated and St. Mark's choir sang. Mrs. Clara Van Dearia of Elgin, a cousin of the bride sang "I Love You Truly" by Carrie Jacobs.

The wedding party proceeded up the spacious middle aisle. The church was filled to capacity with guests. A reception was held at the home of the bride's uncle Joseph

at New Orleans. They expect to be away the balance of the week. Mrs. Fred Wickersheim in Palatine Sunday.

Mr. and Mrs. William Wickersheim and family visited with Mr. and Mrs. Fred Wickersheim in Palatine Sunday.

Mr. and Mrs. William Nickoley of Libertyville visited with George Meyer Sunday.

Mrs. Emil Pfeke is visiting her sister Mrs. Sofia Schultz in Des Plaines.

Mrs. Charles Rudinski and family visited in Huntley at Elmer Rudinski's home Sunday.

Mrs. and Mrs. Lee Smith called on Mr. and Mrs. Leo Reval in Libertyville Friday evening.

The freshman class of Elia high school has elected officers. Anness Brader was elected president; Arthur Leuthesser, vice president; Bernice Pepper, secretary; and Walter Gerbert, treasurer.

Barrington Hills. Barrington Hills is becoming more and more deserted as Lent approaches. The H. Sullivan Harris being in Florida has meant that their children and families would also go. Mr. and Mrs. Harold Byron Smith, their son Byron, and Mr. and Mrs. Donald Bateman left some time ago to spend a week or ten days with them.

Mrs. Potter L. Smith left early this week to visit Mrs. Frank Hecht, Jr. in Washington, D. C. and from there she expects to go to Cleveland to visit several of her many friends there.

Mrs. John Macanley and Mrs. Harry S. Clark are motoring to Florida the latter part of the week. Mrs. Clark is going to visit her mother Mrs. John W. Douglas in Fort Lauderdale.

Mrs. John Roberts is in New York visiting her sister Mrs. Freeman and expects to stay until Mr. Roberts returns from Nassau the first of April. Mr. Roberts sailed March 2 for a southern cruise.

Mrs. and Mrs. Ernest L. Hughes left last week and motored to New York where they will visit a week or ten days. Their daughter Koan is visiting her sister Mrs. Lawrence Bateman until their return.

Mrs. William Pretzel and Miss Margaret Flink attended the March meeting of the Country Club Garden Study class at the home of Mrs. J. Saracino in Cuba township Friday afternoon.

Mrs. and Mrs. Max Robl, Mrs. and Mrs. J. Ferris, Charles Ladd and Mrs. and Mrs. J. Smith and daughter Shirley of Joliet visited Sunday with Mr. and Mrs. H. Schaefer.

Mr. and Mrs. Canby expect to be joined in New York by Mrs. C. H. Canby, Sr. who has been visiting in the east since early last fall. Mrs. Canby will sail on the Roma with her son and daughter-in-law.

Another party given for Mrs. Canby before her departure for Italy was Mrs. Jevrae Haugan's luncheon last Friday. It was also a farewell party for herself as she and Mr. Haugan are leaving Barrington the end of this month to live in Glencoe.

Mrs. Robert Buckley gave a luncheon Wednesday for Mrs. Helen Kowling before her departure for the home of Mrs. Louis Hansen Wednesday afternoon.

Mr. and Mrs. Olive Taylor spent the week-end in Barrington with Mr. and Mrs. Samuel Ross. Mrs. Ross gave a dinner party Saturday for the Taylors to give their many friends in Barrington a chance to see them. Mr. and Mrs. Robert McCoy who lately moved to Evanston were among those who attended.

A few intimate friends of Mr. and Mrs. Jevrae Haugan will get together tomorrow night at the home of Mrs. Robert Buckley and give them a buffet supper.

Raid eagles have been known to retreat the attack of the King bird.

Mrs. Robert Hilton is expected to return home the end of the week from Phoenix, Ariz. where she has been vacationing for the past 10 days. Mr. Hilton spent several days with her before going on to California. Mrs. Hilton's mother Mrs. Thomas Vennum of Minneapolis has been visiting her two grandchildren Joan and Barbara during the absence of their mother.

Wallace Beery in "Mighty Barnum" Is Coming Sunday

"Forsaking All Others" Opens at Oakwood Wednesday for Three-Day Showing

P. T. Barnum, self-styled "Prince of Humbugs," comes back to a hearty life Sunday for a three-day performance at the Oakwood theatre, in the person of Wallace Beery, who plays the matchless showman in "The Mighty Barnum."

The picture follows the three-day showing of "The Lives of a Bengal Lancer," opening tonight. This spectacular picture with its breath-taking action is presented as a benefit by the Royal Arch Masons, Palatine chapter.

The famous "General Tom Thumb," the world's smallest man, the world's greatest showman exhibited in his century ago come to life again in "The Mighty Barnum."

Our Gang comedy and news complete the program. The much talked-about elimination of the Tallulah, Bankhead stage hit, "Forsaking All Others," with the breath-taking combination of Joan Crawford, Clark Gable and Robert Montgomery in one picture is the special film attraction.

With a star in each corner of the romantic triangle, the plot is based largely on situations arising from the competitive tactics of the two men who are trying to win the love of the same girl. A brilliant cast was garnered to support the stellar trio. Little Burke plays a sissy-biddy society matron. Charles Butterworth is seen as Fable's right-hand man who always says the wrong thing at the right time. Frances Drake, the former London night club star, plays the part of a woman who tries to break up the Crawford-Montgomery romance. Others in important roles include Rosalind Russell, Tom Ricketts, Arthur Treacher and Greta Meyer.

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Cuba Township

May Organize P.T.A. Mollery County and the west part of Lake county will hold a school of instruction at the village hall in Fox River Grove, March 8. The session starts at 10 a. m. and the discussion will be held around the organization of P.T.A.

The Certified Contractor. We will gladly submit free sketches and estimates on any job you may be contemplating and we will also put you in contact with a contractor of CERTIFIED ABILITY. All this is part of our obligation and service to you as your community leader. Those who see us better still—drop in to see us today.

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