

# Lisle Township Highway Department

## Analysis of Projected Savings for Intergovernmental Agreement between City of Naperville and Naperville Township Road District

### INDEX

	<b>Page</b>
Memo Analysis of Projected \$800,000 Annual Savings	2-3
City of Naperville City Council Agenda February 2, 2016...Exhibit A	4-13
City of Naperville 10-Year Average City Costs..... Exhibit B	14
Naperville Township Audited Financial Statement .....Exhibit C	15-24
DuPage County Auditor Checkbook for Naperville Township.....Exhibit D	25-26
Snow Plowing Agreement 2015 – 2016 .....Exhibit E	27
Naperville Township Road District Miles - ..... Exhibit F	28
Purposed Intergovernmental Agreement between City of Naperville/Naperville Township .....Exhibit G	29-49
 Other Township Information	
DuPage County Road Districts Expense per Mile	51
City of Naperville Memorandum July 22, 2016 Road District Comparison	52-55

## Takeover of Naperville Highway by City of Naperville Analysis of Projected City of Naperville Cost Savings

“...The 10-year average of the proposal is \$1.07 million and compared to the FY15 Township actuals of \$1.86 million, a shared services agreement would save 43%, nearly \$800,000.

These figures are a comparison of the City’s 10-year cost average compared to the Naperville Township Road District’s FY2015 actual expenses.” (See Exhibit A Naperville Agenda Item) \$1,864,982 million highway actual compared to \$1,071 million (\$1,071,519) ten year average developed by the City savings of \$800. (See Exhibit B)

### Starting formula

$$\$1,864,982 - \$1,071,519 = \$793,463 \text{ say } \$800$$

Typographical error -Actual FY 15 Township expense equals \$1,816,653. (Exhibit C)

### Adjusted Formula

$$\$1,816,653 - \$1,071,519 = \$745,134$$

The \$1.86 highway actual expense includes \$250,000 for the North Aurora project. (See Exhibit C p-47 & 48) Naperville is not assuming Highway’s portion of the North Aurora project expense therefore the actual expense should be reduced by the \$250,000 as should the savings.

### Adjusted Formula

$$\$1,816,653 - \$250,000 = \$1,566,653 \quad \$1,566,653 - \$1,071,519 = \$495,134 \text{ savings}$$

Also included in the \$1.86 is the purchase of a Navistar truck for \$141,000. The projected City costs average these purchases over a 10 year period or \$28,000 per year (Exhibit B). To put the comparison on equal footing the \$1.86 should be further reduced by \$113,000 (\$141,000 - \$28,000)

### Adjusted Formula

$$\$1,566,653 - \$113,000 = \$1,453,653 \quad \$1,453,653 - \$1,071,519 = \$382,134 \text{ savings}$$

The Highway Department mows the DuPage County right of way and is compensated by the County. Income from County totals \$69,792. Labor expense is included in total township expense so the income should be used to offset. (Exhibit D)

### Adjusted Formula

$$\$1,453,653 - \$69,792 = \$1,383,861 \quad \$1,383,861 - \$1,071,519 = \$312,342 \text{ savings}$$

Under a 2015 Intergovernmental Agreement between the City and Road District the City plowed approximately 2 miles of Township roads, and the Road District plowed approximately 14 miles of City roads, at no expense to either party. The Township was basically plowing 12 miles of City road for free. The City's latest estimated cost to plow the Township's approximate 16 miles of roads under the proposed IGA is over \$185,000 per year. The estimated cost of plowing the 12 miles of City roads for free is \$138,750. (Exhibit E)

### Adjusted Formula

$\$1,383,861 - \$138,750 = \$1,245,111$

$\$1,245,111 - \$1,071,519 = \$173,592$  savings

The projected savings now is down to \$173,592 before any review of the City's cost estimates to do the work. I won't get into a review of Naperville cost estimates to do the work but I do have one more point.

Last point is the number of miles. The City's projection uses 16.02 centerline miles. The May 2016 Illinois MFT report lists 16.98 for Naperville Township and the average for fiscal year 2015 per the MFT reports were 21.18 miles. (Exhibit F) Some adjustment needs be made to Highways actual costs as the number of miles has decreased in excess of 32%. If you the increase City cost estimate by the 32% difference in mileage  $\$1,071,519 \times 1.32 = \$1,414,405$  the savings is eliminated. In fact the cost is now greater than the Highway Departments.

### Adjusted Formula

$\$1,245,111 - \$1,414,405 = \$169,294$  in additional expense

Before any adjustment for cuts in service

Further, the proposed IGA provides for any and or all Township Equipment be given to Naperville City at no charge. In effect Naperville Township Road District, which includes residents in Aurora, is subsidizing City of Naperville residents including those that live in Will County. (See Section 6.3 of proposed IGA Exhibit G) No value of the equipment is considered in valuing the agreement.



# Naperville

## CITY COUNCIL AGENDA ITEM

**SUBJECT:** Local Government Consolidation and Unfunded Mandates Task Force Report Evaluation

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**TYPE OF VOTE:** Simple Majority

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**ACTION REQUESTED:**

Receive the report and direct staff to pursue discussions with Naperville Township on a shared services agreement relating to Highway Services.

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**BOARD/COMMISSION REVIEW:**

N/A

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**COUNCIL ACTION PREVIOUSLY TAKEN:**

Date	Item No.	Action

**DEPARTMENT:** City Manager’s Office and Finance

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**SUBMITTED BY:** Doug Krieger, City Manager and Rachel Mayer, Finance Director

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**FISCAL IMPACT:**

The provision of these services for the Township would result in an increase in DPW expenditures, thereby increasing the City’s overall budget. Efforts such as this may appear contrary to the City’s Financial Principle #1, which reads “The City will pass a structurally balanced operating budget annually.” However, these additional expenditures will be offset by new revenues due to the payments from the Township to the City for the outlined services. Therefore there will be a net impact of \$0 on the City’s annual operating budget and there will be no adverse financial consequences to the City due to the proposed arrangement. Any budgetary changes necessary as a result of a shared services agreement will be brought back before City Council for approval. In addition, the proposed shared services agreement would save taxpayers on an annual basis. The 10-year average of the proposal is \$1.07 million and compared to the FY15 Township actuals of \$1.86 million, a shared services agreement would save 43%, nearly \$800,000.

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**BACKGROUND:**

In February 2015, Governor Bruce Rauner created the Task Force on Local Government Consolidation and Unfunded Mandates. The purpose of this bipartisan task force was to find efficiencies and ways to streamline local government functions to save taxpayer dollars. On January 4, 2016, the Task Force presented its final report “Delivering Efficient, Effective, and Streamlined Government to Illinois Taxpayers” to Governor Rauner, which includes 27 recommendations.

The Task Force found that Illinois residents pay some of the top local tax rates in the country due to the high number and many layers of Illinois’ local government entities – 6,963 units. The Task Force also found that unfunded mandates were “the other main driver of high property taxes,” noting that the unfunded mandates were primarily imposed by the State. The most costly unfunded mandates related to public pensions, collective bargaining and interest arbitration, worker’s compensation, health insurance and prevailing wage laws. The Task Force noted that unfunded mandates have added to the burden on local governments since 1992 and clearly outpaced inflation.

Below is a summary of the Task Force’s recommendations:

1. Enact a four year moratorium on creating new local governments, unless the new government is a result of consolidating two or more existing local governments.
2. Empower voters to consolidate or dissolve local governments via referendum.
3. Expand DuPage County’s pilot consolidation program to all 102 counties. This allows counties to dissolve or consolidate government units whose boards are appointed by the county.
4. Allow all townships to consolidate with coterminous municipalities via referendum.
5. Remove the limitation capping township size to 126 square miles. This would allow townships to consolidate with one another.
6. Allow counties to retain their existing form of government following a successful referendum to dissolve townships into the county.
7. Hold taxpayers harmless from township consolidation.
8. Allow counties with fewer than 15,000 parcels and \$1 billion in equalized assessed valuation to dissolve all of the elected township assessors and multi-township assessment districts into one, newly elected county assessor position and office – by majority vote of the county board or via citizen-led referendum.
9. Protect the Intergovernmental Cooperation Act.
10. Provide the Illinois State Board of Education flexibility to incentivize outcomes of school district consolidation.
11. Encourage state agencies to facilitate regional sharing of public equipment, facilities, training, resources and administrative functions.
12. Allow merger of general township road and bridge districts that maintain less than 25 miles of road.
13. Modernize newspaper public notice mandates.
14. Repeal or reform prevailing wage.
15. Provide third-party contracting mandate relief for school districts.

16. Implement physical education mandate relief for school districts.
17. Provide driver education mandate relief for school districts.
18. Make collective bargaining permissive, instead of mandatory.
19. Eliminate minimum manning from collective bargaining.
20. Use the federal definition for “catastrophic injury” under the Public Employee Safety Benefits Act.
21. Allow arbitrators to use existing financial parameters of local government as a primary consideration during interest arbitration.
22. Require an annual state review of unfunded mandates on local government.
23. Merge downstate and suburban public safety pension funds into a single pension investment authority, as amended.
24. Pass a constitutional amendment on unfunded state mandates.
25. Request the Governor to use his amendatory veto power to insert “if economically feasible” language into any language authorizing new unfunded mandates on local governments and school districts.
26. Create an “economic feasibility exemption” for units of local government, school districts, community colleges and institutions of higher learning.
27. Give control of employee retirement benefits packages back to local governments for new employees.

## **DISCUSSION**

The City of Naperville is dedicated to continually evaluating services and exploring future innovative approaches and cost-sharing opportunities for public benefit. Many of the Task Force report’s recommendations coincide with Naperville’s service philosophy, which is to not just to serve the community, but to serve the community *well*. Naperville has a strong history of intergovernmental collaboration and will continue to seek out opportunities to form more partnerships to save taxpayer dollars.

City staff has evaluated the Task Force report in its entirety and sees immediate opportunities to analyze and explore several of the recommendations. Overall, the City is supportive of the report and is looking closely at those recommendations that align with Naperville’s priorities for short-term implementation.

Staff has identified opportunities regarding township services and began an evaluation specific to township highway services. Naperville Township, which includes residents of DuPage County that live north of 87th Street and west of Washington Street, currently provides highway services for unincorporated portions of the township, including roadway maintenance, mosquito abatement, brush collection services, forestry services, snow plowing, leaf collection services, streetlight maintenance, stormwater management, street sweeping, mowing and herbicide services, sidewalk and curb replacement. Highway services was looked at because of the City’s capacity through the Department of Public Works to provide these same services to all locations within township boundaries at a potential cost-savings to taxpayers.

If the City of Naperville and the Naperville Township Highway Department entered into a shared services agreement, the City would become the service provider for all right-of-way improvements and maintenance in the township boundaries. This would include the direct

provision of services through City employees or contractors for areas located within Naperville's municipal boundaries. The City would also pursue intergovernmental agreements with neighboring communities to provide service for township parcels not within Naperville's municipal boundaries. The chart below shows the estimated right-of-way components that would require maintenance. The chart delineates between township components that are included in and excluded from the City's boundaries. Service would be provided to the following components of the right-of-way:

	Inside Naperville Boundaries	Outside Naperville Boundaries	Total
Homes	827	39	866
Stormwater Inlets	413	21	434
Linear Feet of Storm Conduit	45,000	2,300	47,300
Parkway Trees (Non-Ash)	2,000	N/A	2,000
Parkway Trees (Ash)	50	N/A	50
Streetlights	44	20	64
Linear Fee of Sidewalk	61,628	51,875	113,503
Linear Feet of Curbed Roadway	35,146	-	35,146
Linear Feet of Un-Curbed Roadway	34,339	15,145	49,484
Centerline Miles of Roadway	13.15	2.87	16.02
Lane Miles of Roadway	26.30	5.74	32.04
Miles of Curb	13.30	-	13.30
Square Yards of Roadway	208,726	46,004	254,730

### Current Budget

The township's fiscal year runs from April 1 through March 31 of each year and is approved by the township annually. The chart below shows the budget for the Naperville Township Highway Department and includes the actuals for FY14 and FY15, the FY16 budget, and the proposed FY17 budget. Annual spending and budget variances in the chart below are attributable to capital projects which vary due to roadway reconstruction and maintenance projects.

	FY14 Actual	FY15 Actual	FY16 Budget	FY17 Proposed
Personnel	522,921	469,037	702,000	624,000
Contractual Services	347,623	630,837	664,500	781,500
Commodities	118,095	129,783	175,100	171,600
Debt Service	-	-	-	-
Other Expenditures	73,161	70,712	71,500	70,500
Capital Outlay	271,579	564,613	925,000	1,000,000
Contingencies	-	-	50,405	45,905
<b>Expenses</b>	<b>1,333,379</b>	<b>1,864,982</b>	<b>2,588,505</b>	<b>2,693,505</b>

For the FY17 budget request, the Township projects spending \$105,712 per centerline mile for right-of-way maintenance and \$62,422 per centerline mile for capital. For comparison purposes, the City of Naperville Public Works Department projects spending \$58,200 per centerline mile for right-of-way maintenance and \$20,200 per centerline mile for capital. The City's approved CY2016 for Public Works is \$29.1 million (includes administration, operations, public buildings, and vehicle services) and the City's Maintenance Improvement Program (MIP) is budgeted at \$10.1 million for reconstruction, resurfacing, patching, micro-surfacing, and crackfill projects. Overall, the City contains 500 centerline miles.

### ***Service Provision***

Below are the services that are currently provided by Naperville Township Highway Department and the City of Naperville. The listing describes the current level of service being received by residents of the township, the proposed level of service if the City of Naperville were to assume responsibility of those services and the project cost implication of the service addition with the assumptions used for developing those cost projections. The City has included projected vehicle and equipment expenses, both annual maintenance and future capital requirements. Additionally, the City has provided cost estimates that would cover the administrative and facilities component required to take on the additional services provided to the township.

### **Winter Operations**

- Current Level of Service: Plowing and De-Icing Services. Currently, the township services the City's District 1B (W of Route 59)
- Proposed Level of Service: Continuation of existing service level by 2 City Operator(s) in District 1B; 8 hours to complete district in normal event
- **Non-Personnel Projected Cost: \$68,750 annually**
  - In-House Winter Operations*
  - Road Salt/Liquids - 750 tons of salt x \$65/ton = \$48,750 & \$5,000 for liquids
  - Fuel Expense – 7,500 gallons x \$2/gallon = \$15,000

### **Leaf Collection Services**

- Current Level of Service: 1 pass through each subdivision weekly (Generally 6 passes) with vacuums for collection
- Proposed Level of Service: 3 curbside passes and free bagged leaf collection
- **Projected Cost: \$45,902 annually**
- Curbside Collection: 32.04 lane mile x \$360/lane mile x 3 Passes = \$34,603
- Disposal Cost: 33 CY x 32.04 lane miles x \$3.85/CY = \$4,071
  - 49,372 CY (5-year collection avg.) divided by 1,500 total lane miles
- Bagged leaf collection: 145 CCY at \$49.85 CCY = \$7,228
- Current Contract rate for collection, disposal and bagged services

### **Brush Collection Services**

- Current Level of Service: 6 Pickups (1<sup>st</sup> week of month starting in May)
- Proposed Level of Service: 1 Pickup
- **Projected Cost: \$4,406 annually**
  - 16.02 centerline miles x \$275/centerline mile



- Current Contract rate per centerline mile

### **Mulch Delivery**

- Current Level of Service: Free Drop-Off of Mulch from Brush Collection
- Proposed Level of Service: Discontinuation of Service
- **Projected Cost: \$0 annually**

### **Street Sweeping Services**

- Current Level of Service: 6 Annual Sweeps
- Proposed Level of Service: 2 Annual Sweeps
- **Projected Cost: \$4,005 annually**
  - 16.02 centerline lane miles x \$125/sweep for 2 annual sweeps
  - Current contract rate for residential/collector is \$125/centerline mile

### **General Roadway Maintenance**

- Includes Traffic Operations; Asphalt Patching; Quick Response Team (QRT)
- **Projected Cost: \$32,841 annually**
  - Traffic Operations: Personnel; Pavement Marking, Signs, Work Zones
    - Citywide annual cost \$787,500 for 1,500 lane miles
      - \$525 x 32.04 Township lanes miles = \$16,821
  - QRT and Street Repair
    - Citywide annual cost \$750,000 for 1,500 lane miles
      - \$500 x 32.04 Township lane miles = \$16,020

### **Storm Sewer Maintenance**

- Current Level of Service: Inlets Cleaned Regularly
- Proposed Level of Service: Continuation of Services and televising/re-lining
- **Projected Cost: \$13,671 annually**
  - Citywide annual cost \$1,120,000 for 35,560 stormwater structures; 48,136 linear feet of storm sewer; and 26,877 linear feet of ditch line
    - \$31.50 per structure x 434 Township structures = \$13,671

### **Streetlight Maintenance**

- Current Level of Service: Maintenance of lighting fixtures through ComEd
- Proposed Level of Service: Seek to include Streetlights in City system and upgrade current HPS fixtures to LED fixtures
- **Projected Cost: \$15,360 – Year 1 (Upgrade) plus \$23,040 annually**
  - Construction Cost
    - 64 Streetlights x \$240 = \$15,360
      - \$145/local & connector + \$20/photocell + \$75/install
  - On-Going Maintenance/Energy Charge
    - \$30/month electricity per light = \$23,040

### **Mowing and Herbicide Services**

- Current Level of Service: Mow R.O.W. 4-5 times annually; 0 herbicide applications

- Proposed Level of Service: Weekly Mowing (24) and 2 herbicide applications
- **Projected Cost: \$6,440 annually**
  - Current contract rate for mowing and herbicide for similar sized sites
    - Naper/Plainfield (south of Oswego) - \$1,230
      - \$40 per mow = \$960 and \$135 per herbicide = \$270
    - 87<sup>th</sup> (Book to Naper/Plain) - \$1,530
      - \$50 per mow = \$1,200 and \$165 per herbicide = \$330
    - 83<sup>rd</sup> (59 to Book) - \$1,380
      - \$45 per mow = \$1,080 and \$150 per herbicide = \$300
    - Book (75<sup>th</sup> to 83<sup>RD</sup>) - \$2,300
      - \$75 per mow = \$1,800 and \$250 per herbicide = \$500

### **Mosquito Abatement**

- Current Level of Service: Briquette Drop in Stormwater Inlets & Catch Basins
- Proposed Level of Service: Continuation of Existing Services and add new trap(s)
- **Projected Cost: \$2,394 annually**
  - 434 Inlets x \$5 per briquette + 16 hours x \$14/hour

### **Forestry Services**

- Current Level of Service: Tree Trimming; Removal Planting; Stump-grinding
- Proposed Level of Service: Continuation of Service
- **Projected Cost: \$20,000 annually**
  - Current Contract Rate for Tree Trimming
  - 2,000 Parkway Trees; trim every 5-7 years; average cost of \$50 per tree

### **Emerald Ash Borer (EAB) Services**

- Current Level of Service: Annual EAB Treatment
- Proposed Level of Service: Merge into City's EAB treatment program
- **Projected Cost: \$2,400 Alternate Years for 6 years**
  - 50 Parkway Ash Trees – Average tree is 16 inches at \$3/per inch

### **Refuse Collection Services**

- Current Level of Service: Monthly fee for refuse and recycling service or Sticker program for refuse collection and landscape waste
- Proposed Level of Service: Merge to City's existing waste contracts
- **Projected Cost: \$0 annually**
  - Additional 827 homes – current contract expires in 2018
  - City refuse and recycling fee totals \$12.35/month per household
    - Current rate paid in township is \$21.05/month per household
      - Residents could save over \$100 annually
  - Offsetting revenue for refuse and recycling services

### **Maintenance Improvement Program (MIP) and Sidewalk Program**

- Current Level of Service: Re-Surface on a 10-15 year cycle

- Proposed Level of Service: Re-Surface on a 15-20 year cycle
- **Projected Cost: \$440,000 annually**
  - \$390,000 per year for pavement maintenance
  - \$10,000 per year for sidewalk repair
  - Add 10% for personnel expense. This expense would cover inspector, technician, customer service assistant, and engineering roles.

### ***Personnel***

Currently Naperville Township Highway Department has seven employees: the Township Highway Commissioner, one administrative assistant, one foreman and mechanic and four equipment operators. As part of the proposed sharing of services, the City would require the retention of two equipment operator positions. These operator positions are required to provide winter operation services in District 1B and will provide right-of-way maintenance services throughout the City for the remainder of the year. The cost estimates for the new personnel are conservative; all assumptions are based upon the highest potential cost factor for the City. The following assumptions were used.

1. Retention of two equipment operator positions. These positions are estimated at the high-end of the current wage scale.
2. Alignment of the equipment operator positions to an equivalent step in the City's bargaining agreement for equipment operators with Local 150. An employee with three years of service would be brought over at Step 3. However, the retained Township employees would be at the bottom of the seniority list.
3. Healthcare cost estimated at \$17,500 annually based upon average City expense.
4. Average of 450 overtime hours for operator based upon current Public Works' averages.
5. Inclusive of IMRF, Social Security and Medicare.

The Year 1 cost projection is estimated at \$240,000. A 2% annual adjustment is factored into the 10-year cost summary.

### ***Equipment and Facilities***

Currently, Naperville Township has an inventory of vehicles and equipment that are utilized for maintenance of township roadways. This inventory includes pick-up trucks, plow trucks and other specialized equipment. As part of any assumption of maintenance, the City would request the transfer of equipment to the City. This transfer of equipment would reduce the transition costs by utilizing existing equipment for its intended purposes with no additional taxpayer expense for new equipment.

The City's projects the need for a maximum of three new pieces of equipment or vehicles. The current assessment shows a need for an additional pick-up truck, an additional 1-ton dump truck and an additional tandem axle plow truck. Below are the estimated annual maintenance, parts, personnel, overhead, and fuel expenses required to operate and maintain these vehicles. In addition to the annual maintenance, the City would plan to replace each of these vehicles at some point during the next ten year period. The City would assess the current inventory and provide a more definitive replacement schedule; however, for estimation purposes, the vehicle replacements have been disbursed throughout the 10-year cost projection.

- Pick-Up Truck
  - Maintenance - \$500/month = **\$6,000 annually**
  - \$35,000 replacement
- 1-Ton Dump Truck
  - Maintenance - \$750/month = **\$9,000 annually**
  - \$70,000 replacement
- Tandem Axle Plow Truck
  - Maintenance - \$1,350/month = **\$16,200 annually**
  - \$175,000 replacement

The Naperville Township Highway Department currently operates out of a garage on North Aurora Road. Currently, the City does not foresee any uses for that facility as the Public Works Service Center is located within a reasonable distance.

**Overhead**

In addition to the costs above, the City has projected costs that would cover the administrative and facilities component required to take on the additional services provided to the township. This would include worker’s compensation, human resources support, financial services, utilities, facilities maintenance and other general administration. For ease of understanding and consistency, the metric utilized for developing the overhead cost is based upon the lane miles being supported. Therefore, the costs were developed as follows:

- Public Works Administrative Cost (CY16) = \$583,847 / 500 miles = \$1,168/mile
  - 16.02 centerline miles x \$1,168/mile = **\$18,711 annually**

Attached is a 10-Year cost summary that provides the on-going maintenance costs, one-time capital upgrade costs and recurring capital maintenance costs. These cost projections assume a 2% annual rate of inflation. The average annual expense over the 10-year period is **\$1,071,519.**

**Other Financial Considerations**

In addition to the estimated cost proposal laid out above, there are several other financial considerations that need to be further evaluated as part of any shared services agreement.

- **Revenues**

Below is listing of current revenues received by the Township Highway Department.

	<b>FY14 Actual</b>	<b>FY15 Actual</b>	<b>FY16 Budget</b>	<b>FY17 Proposed</b>
Court Fines	13,408	6,405	7,000	6,000
Interest Income	21,598	17,955	15,420	12,330
Miscellaneous	26,105	-	-	-
Miscellaneous Income	60,883	88,702	60,000	60,000
Property Tax	1,286,649	1,366,956	846,250	1,421,250
Rental Income	25,163	34,478	25,000	25,000
Replacement Tax	234,139	223,720	200,000	200,100
<b>Revenue</b>	<b>1,667,945</b>	<b>1,738,216</b>	<b>1,153,670</b>	<b>1,724,680</b>

- **Beginning Balances**
  - According to the audited financials for Naperville Township, as of March 31, 2015, the General Road Fund had a balance of \$3.7 million. How these funds would be utilized for any shared services program would need to be determined.
- **Long-Term Debt Obligations**
  - According to the audited financial for Naperville Township, as of March 31, 2015 the Naperville Township Road Department has no outstanding debt.
- **Other Contributions**
  - Currently a portion of the Naperville Township property tax levy associated with the Permanent Road Fund is allocated to the municipalities that comprise the Township. This past year, a portion of the property tax rate was disbursed by DuPage County to the following communities: Aurora (\$15,096), Warrenville (\$1,358), and Naperville (\$22,425). This number is calculated by taking  $\frac{1}{2}$  of the tax levy rate of the Permanent Road Fund and applying it to the Equalized Assessed Valuation (EAV) of the portion of the township that is in each municipality. As part of this shared services agreement, both parties need to recognize that each municipality should be made whole for these revenues.
    - For example, the rate for the Permanent Road Fund for Naperville Township in 2014 was .0022. The County takes  $\frac{1}{2}$  that rate (.0011) and applies it to the EAV of the property in the City (\$2,038,661,159) divides by 100 to get \$22,425.
  - Staff will need to further research and evaluate Motor Fuel Tax (MFT) disbursements from the State and the effect on this shared services agreement.
  - The City has received \$1,910,000 in contributions from the Naperville Township Highway Department for future City capital projects. This includes \$1.2 million for CIP Project SC033 – North Aurora Road Construction and \$710,000 for CIP Project BR005 – North Aurora Road Underpass.

Overall, a shared services agreement between the City of Naperville and the Naperville Township will have a positive effect on the tax bills of Naperville residents. The 10-year average of the proposal is \$1.07 million and compared to the FY15 Township actuals of \$1.86 million, a shared services agreement has the potential to save approximately 43%, nearly \$800,000.

**RECOMMENDATION:**

Receive the report and direct staff to pursue discussions with Naperville Township on a shared services agreement relating to Highway Services.

**ATTACHMENTS:**

1. 10-Year Cost Summary

Program	Year 1 Cost	Year 2 Cost	Year 3 Cost	Year 4 Cost	Year 5 Cost	Year 6 Cost	Year 7 Cost	Year 8 Cost	Year 9 Cost	Year 10 Cost	Total Cost
<b>MAINTENANCE PROGRAM</b>											
Personnel Expenses	240,000	244,800	249,696	254,690	259,784	264,979	270,279	275,685	281,198	286,822	2,627,933
Winter Operations (Non-Personnel)	68,750	70,125	71,528	72,958	74,417	75,906	77,424	78,972	80,552	82,163	752,793
Street Sweeping	4,005	4,085	4,167	4,250	4,335	4,422	4,510	4,600	4,692	4,786	43,854
General Roadway Services	32,841	33,498	34,168	34,851	35,548	36,259	36,984	37,724	38,478	39,248	359,600
Storm Sewer Maintenance	13,671	13,944	14,223	14,508	14,798	15,094	15,396	15,704	16,018	16,338	149,694
Streetlight Maintenance	38,400	23,040	23,501	23,971	24,450	24,939	25,438	25,947	26,466	26,995	263,147
Mosquito Abatement	2,394	2,442	2,491	2,541	2,591	2,643	2,696	2,750	2,805	2,861	26,214
Forestry Services	20,000	20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	23,902	218,994
EAB Treatment/Removal	2,400	-	2,400	-	2,400	-	-	-	-	-	7,200
Mowing and Herbicide	6,440	6,569	6,700	6,834	6,971	7,110	7,252	7,398	7,545	7,696	70,516
Leaf Collection Services	45,902	46,820	47,756	48,712	49,686	50,680	51,693	52,727	53,782	54,857	502,614
Brush Collection Services	4,406	4,494	4,584	4,676	4,769	4,865	4,962	5,061	5,162	5,266	48,244
Mulch Delivery	-	-	-	-	-	-	-	-	-	-	-
Refuse Collection Service	-	-	-	-	-	-	-	-	-	-	-
<b>Maintenance Subtotal</b>	<b>479,209</b>	<b>470,217</b>	<b>482,022</b>	<b>489,214</b>	<b>501,398</b>	<b>508,978</b>	<b>519,158</b>	<b>529,541</b>	<b>540,132</b>	<b>550,934</b>	<b>5,070,803</b>
<b>CAPITAL PROGRAM</b>											
MIP	429,000	437,580	446,332	455,258	464,363	473,651	483,124	492,786	502,642	512,695	4,697,430
Sidewalk Program	11,000	11,220	11,444	11,673	11,907	12,145	12,388	12,636	12,888	13,146	120,447
<b>Capital Subtotal</b>	<b>440,000</b>	<b>448,800</b>	<b>457,776</b>	<b>466,932</b>	<b>476,270</b>	<b>485,796</b>	<b>495,511</b>	<b>505,422</b>	<b>515,530</b>	<b>525,841</b>	<b>4,817,877</b>
<b>Overhead Expense</b>											
Vehicle Maintenance	31,200	31,824	32,460	33,110	33,772	34,447	35,136	35,839	36,556	37,287	341,631
Vehicle Replacement	-	70,000	-	-	-	175,000	-	-	-	35,000	280,000
Administrative Expense	18,711	19,085	19,467	19,856	20,253	20,658	21,072	21,493	21,923	22,361	204,880
<b>Overhead Subtotal</b>	<b>49,911</b>	<b>120,909</b>	<b>51,927</b>	<b>52,966</b>	<b>54,025</b>	<b>230,106</b>	<b>56,208</b>	<b>57,332</b>	<b>58,479</b>	<b>94,648</b>	<b>826,512</b>
<b>TOTAL</b>	<b>\$ 969,120</b>	<b>\$ 1,039,926</b>	<b>\$ 991,725</b>	<b>\$ 1,009,111</b>	<b>\$ 1,031,694</b>	<b>\$ 1,224,880</b>	<b>\$ 1,070,877</b>	<b>\$ 1,092,295</b>	<b>\$ 1,114,141</b>	<b>\$ 1,171,423</b>	<b>\$ 10,715,192</b>

\*Assumes 2% Annual inflation

**Average Annual Cost \$ 1,071,519**

**Vehicle Replacement \$280,000 / 10 = \$28,000.**

**NAPERVILLE TOWNSHIP**  
 Schedule of Assets, Liabilities and Fund Balances  
 Arising from Cash Transactions - By Department  
 General Road Fund  
 March 31, 2015

<b>Assets</b>	<u>Road and Bridge</u>	<u>Permanent Road</u>	<u>Equipment and Building</u>
Cash and Investments	\$ 2,194,430	\$ 1,298,719	\$ 134,223
Total Assets	<u>\$ 2,194,430</u>	<u>\$ 1,298,719</u>	<u>\$ 134,223</u>
<b>Liabilities and Fund Balances</b>			
Fund Balances			
Restricted	<u>\$ 2,194,430</u>	<u>\$ 1,298,719</u>	<u>\$ 134,223</u>
Total Liabilities and Fund Balances	<u>\$ 2,194,430</u>	<u>\$ 1,298,719</u>	<u>\$ 134,223</u>

---

<u>Illinois Municipal Retirement</u>	<u>Social Security</u>	<u>Audit</u>	<u>Liability Insurance</u>	<u>Total</u>
<u>\$ 23,329</u>	<u>\$ 42,985</u>	<u>\$ 5,152</u>	<u>\$ 45,092</u>	<u>\$ 3,743,930</u>
<u>\$ 23,329</u>	<u>\$ 42,985</u>	<u>\$ 5,152</u>	<u>\$ 45,092</u>	<u>\$ 3,743,930</u>

<u>\$ 23,329</u>	<u>\$ 42,985</u>	<u>\$ 5,152</u>	<u>\$ 45,092</u>	<u>\$ 3,743,930</u>
<u>\$ 23,329</u>	<u>\$ 42,985</u>	<u>\$ 5,152</u>	<u>\$ 45,092</u>	<u>\$ 3,743,930</u>



**NAPERVILLE TOWNSHIP**  
Schedule of Revenues Received, Expenditures Disbursed and  
Changes in Fund Balances - By Department  
General Road Fund  
Year Ended March 31, 2015

	<u>Road and Bridge</u>	<u>Permanent Road</u>	<u>Equipment and Building</u>
Revenues Received			
Property Taxes	\$ 162,339	\$ 800,771	\$ 178,347
Replacement Taxes	223,720	-	-
Interest	10,760	7,901	713
Miscellaneous	129,586	-	-
Total Revenues Received	<u>526,405</u>	<u>808,672</u>	<u>179,060</u>
Expenditures Disbursed			
Highways and Streets	<u>597,763</u>	<u>882,950</u>	<u>238,749</u>
Excess of Revenues Received Over (Under) Expenditures Disbursed	(71,358)	(74,278)	(59,689)
Other Financing Sources			
Sale of Equipment	<u>-</u>	<u>-</u>	<u>50,100</u>
Net Change in Fund Balance	(71,358)	(74,278)	(9,589)
Fund Balance, Beginning of Year	<u>2,265,788</u>	<u>1,372,997</u>	<u>143,812</u>
Fund Balance, End of Year	<u>\$ 2,194,430</u>	<u>\$ 1,298,719</u>	<u>\$ 134,223</u>

Illinois Municipal Retirement	Social Security	Audit	Liability Insurance	Total
\$ 47,315	\$ 32,757	\$ 7,278	\$ 18,216	\$ 1,247,023
-	-	-	-	223,720
210	250	20	206	20,060
-	-	-	-	129,586
<u>47,525</u>	<u>33,007</u>	<u>7,298</u>	<u>18,422</u>	<u>1,620,389</u>
<u>36,943</u>	<u>22,730</u>	<u>3,925</u>	<u>33,593</u>	<u>1,816,653</u>
10,582	10,277	3,373	(15,171)	(196,264)
-	-	-	-	50,100
10,582	10,277	3,373	(15,171)	(146,164)
12,747	32,708	1,779	60,263	3,890,094
<u>\$ 23,329</u>	<u>\$ 42,985</u>	<u>\$ 5,152</u>	<u>\$ 45,092</u>	<u>\$ 3,743,930</u>

**NAPERVILLE TOWNSHIP**

Detailed Schedule of Revenues Received - Budget and Actual - By Department

General Road Fund

Year Ended March 31, 2015, with Comparative Actual for 2014

	2015 Budget	2015 Actual	2014 Actual
Revenues Received			
Road and Bridge Department			
Property Taxes	\$ 293,000	\$ 162,339	\$ 312,148
Replacement Taxes	200,000	223,720	234,139
Interest	10,000	10,760	12,638
Miscellaneous	85,800	129,586	109,893
Total Road and Bridge Department	<u>588,800</u>	<u>526,405</u>	<u>668,818</u>
Permanent Road Department			
Property Taxes	830,000	800,771	743,843
Interest	4,000	7,901	8,495
Total Permanent Road Department	<u>834,000</u>	<u>808,672</u>	<u>752,338</u>
Equipment and Building Department			
Property Taxes	175,000	178,347	179,138
Interest	200	713	935
Total Equipment and Building Department	<u>175,200</u>	<u>179,060</u>	<u>180,073</u>
Illinois Municipal Retirement Department			
Property Taxes	45,000	47,315	29,592
Interest	100	210	158
Total Illinois Municipal Retirement Department	<u>45,100</u>	<u>47,525</u>	<u>29,750</u>
Social Security Department			
Property Taxes	30,000	32,757	14,648
Interest	200	250	227
Total Social Security Department	<u>\$ 30,200</u>	<u>\$ 33,007</u>	<u>\$ 14,875</u>

(Continued)

**NAPERVILLE TOWNSHIP**

Detailed Schedule of Revenues Received - Budget and Actual - By Department

General Road Fund

Year Ended March 31, 2015, with Comparative Actual for 2014

	<u>2015 Budget</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
Revenues Received (continued)			
Audit Department			
Property Taxes	\$ 5,000	\$ 7,278	\$ -
Interest	-	20	7
Total Audit Department	<u>5,000</u>	<u>7,298</u>	<u>7</u>
Liability Insurance Department			
Property Taxes	15,000	18,216	40,822
Interest	200	206	277
Total Liability Insurance Department	<u>15,200</u>	<u>18,422</u>	<u>41,099</u>
Total Revenues Received	<u>\$ 1,693,500</u>	<u>\$ 1,620,389</u>	<u>\$ 1,686,960</u>

(Concluded)

**NAPERVILLE TOWNSHIP**

Detailed Schedule of Expenditures Disbursed - Budget and Actual - By Department

General Road Fund

Year Ended March 31, 2015, with Comparative Actual for 2014

	2015 Budget	2015 Actual	2014 Actual
Expenditures Disbursed			
Road and Bridge Department			
Administration			
Personnel			
Salaries	\$ 65,000	\$ 61,823	\$ 56,980
	<u>65,000</u>	<u>61,823</u>	<u>56,980</u>
Contractual Services			
Legal Services	15,000	5,628	2,355
Postage	1,500	3,810	322
Telephone	6,000	7,220	5,101
Publishing	1,500	4,369	602
Printing	2,000	2,000	182
Travel	1,000	132	-
Training	2,500	2,015	1,924
Computer Program	3,000	4,812	2,597
	<u>32,500</u>	<u>29,986</u>	<u>13,083</u>
Commodities			
Office Supplies	1,500	545	317
Computer Supplies	3,000	4,541	920
	<u>4,500</u>	<u>5,086</u>	<u>1,237</u>
Other Expenses			
Municipal Replacement Taxes	55,000	55,082	54,508
Miscellaneous Expense	3,500	4,105	2,951
	<u>58,500</u>	<u>59,187</u>	<u>57,459</u>
Total Administration	<u>\$ 160,500</u>	<u>\$ 156,082</u>	<u>\$ 128,759</u>

(Continued)

**NAPERVILLE TOWNSHIP**

Detailed Schedule of Expenditures Disbursed - Budget and Actual - By Department

General Road Fund

Year Ended March 31, 2015, with Comparative Actual for 2014

	2015 Budget	2015 Actual	2014 Actual
Expenditures Disbursed (continued)			
Maintenance			
Personnel			
Salaries	\$ 105,000	\$ 102,781	\$ 106,060
Contractual Services			
Maintenance-Building	13,000	18,097	10,001
Maintenance-Equipment	20,000	17,534	15,122
Maintenance-Road	55,000	45,862	50,486
Maintenance-Tree Removal	2,000	2,000	-
Maintenance-Street Lights	10,000	7,828	8,269
Maintenance-Vehicles	-	570	-
Engineering Service	30,000	35,274	26,824
Utilities	11,000	9,713	10,794
Uniforms	2,500	361	1,625
	<u>143,500</u>	<u>137,239</u>	<u>123,121</u>
Commodities			
Supplies-Building	7,500	8,022	6,422
Supplies-Equipment	18,000	19,400	18,023
Supplies-Road	15,000	4,105	7,521
Supplies-Tree Replacement	20,000	8,100	15,190
Supplies-EAB Treatment	4,500	1,503	3,549
Operating Supplies	5,000	3,756	4,011
Small Tools	500	909	-
	<u>70,500</u>	<u>45,795</u>	<u>54,716</u>
Other Expenses			
Property	150,000	150,000	-
North Aurora	250,000	-	-
Miscellaneous Expense	6,500	5,866	6,418
	<u>406,500</u>	<u>155,866</u>	<u>6,418</u>
Total Maintenance	<u>725,500</u>	<u>441,681</u>	<u>290,315</u>
Contingencies	<u>44,300</u>	<u>-</u>	<u>-</u>
Total Road and Bridge Department	<u>\$ 930,300</u>	<u>\$ 597,763</u>	<u>\$ 419,074</u>

(Continued)

**NAPERVILLE TOWNSHIP**

Detailed Schedule of Expenditures Disbursed - Budget and Actual - By Department

General Road Fund

Year Ended March 31, 2015, with Comparative Actual for 2014

	2015 Budget	2015 Actual	2014 Actual
Expenditures Disbursed (continued)			
Permanent Road Department			
Personnel			
Salaries	\$ 300,000	\$ 185,943	\$ 202,428
Health Insurance	110,000	57,801	97,726
	<u>410,000</u>	<u>243,744</u>	<u>300,154</u>
Contractual Services			
Maintenance-Road	400,000	263,349	189,794
Engineering Service	40,000	38,421	31,510
Certification	3,000	2,875	-
	<u>443,000</u>	<u>304,645</u>	<u>221,304</u>
Commodities			
Operating Supplies	60,000	56,980	31,643
Fuel/Oil	35,000	21,922	30,498
	<u>95,000</u>	<u>78,902</u>	<u>62,141</u>
Other Expenses			
North Aurora	250,000	100,000	-
Paving	150,000	150,000	-
Longwood Drainage	-	-	114,768
Miscellaneous Expense	6,000	5,659	9,284
	<u>406,000</u>	<u>255,659</u>	<u>124,052</u>
Contingencies			
	<u>15,000</u>	<u>-</u>	<u>-</u>
Total Permanent Road Department	<u>\$ 1,369,000</u>	<u>\$ 882,950</u>	<u>\$ 707,651</u>

**NAPERVILLE TOWNSHIP**

Detailed Schedule of Expenditures Disbursed - Budget and Actual - By Department

General Road Fund

Year Ended March 31, 2015, with Comparative Actual for 2014

	2015 Budget	2015 Actual	2014 Actual
Expenditures Disbursed (continued)			
Equipment and Building Department			
Equipment & Building	\$ 40,000	\$ 29,152	\$ -
Equipment	50,000	65,561	92,860
Vehicle	120,000	120,000	87,989
Contractual Services	25,000	24,036	-
Total Equipment and Building Department	235,000	238,749	180,849
Illinois Municipal Retirement Department			
Retirement Contribution	50,000	36,943	48,947
Social Security Department			
Social Security and Medicare	30,000	22,730	26,915
Audit Department			
Audit Fees	3,750	3,925	7,620
Liability Insurance Department			
Personnel			
Unemployment Insurance	1,000	1,016	47
Worker's Compensation	1,000	-	-
	2,000	1,016	47
Contractual Services			
Liability Insurance	40,000	32,577	35,481
	40,000	32,577	35,481
Total Liability Insurance Department	42,000	33,593	35,528
Total Expenditures Disbursed	\$ 2,660,050	\$ 1,816,653	\$ 1,426,584

(Concluded)





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## Checkbook Online - County Expenditures May 2014 to Current

County Auditor Bob Grogan is pledged to provide the citizens and taxpayers of DuPage County with timely and pertinent information regarding the operations of DuPage County Government under the jurisdiction of the DuPage County Board and the eight County-wide Elected Officials. To that end, the Auditor has made the individual expenditures of County funds available for public viewing through an interactive, dynamic search function.

In May 2014, the County transitioned to a new Enterprise Resource Planning System (ERP). The expenditures that are currently included on this page include transactions beginning May 1, 2014.

Expenditure detail for fiscal years 2004 through April 30, 2014 can be viewed from the [Fiscal Years 2004-2014 Checkbook Online page](#).

Current data is through 10/31/2016.



**Office of the DuPage County Auditor - Bob Grogan, CPA, CFE**  
**Vendor Expenditure Report**  
**In Date Order**

**Fiscal Year: 2015**

**Vendor: NAPERVILLE TOWNSHIP RD. DIST.**

Vendor Name	Description	P.O.	Invoice Number	Amount	Department	Invoice Date
NAPERVILLE TOWNSHIP RD. DIST.	2015 MOWING	141	DTR0006-14-051815	\$11,632.00	DOT MAINTENANCE/OPS	5/18/2015
NAPERVILLE TOWNSHIP RD. DIST.	2015 MOWING	141	DTR0006-14-060815	\$11,632.00	DOT MAINTENANCE/OPS	6/8/2015
NAPERVILLE TOWNSHIP RD. DIST.	2015 MWNG DTR000614-071015	141	DTR000614-071015	\$11,632.00	DOT MAINTENANCE/OPS	7/10/2015
NAPERVILLE TOWNSHIP RD. DIST.	2015 MOWING	141	DTR000614-082815	\$11,632.00	DOT MAINTENANCE/OPS	8/28/2015
NAPERVILLE TOWNSHIP RD. DIST.	2015 MOWING	141	DTR000614-092215	\$11,632.00	DOT MAINTENANCE/OPS	9/22/2015
NAPERVILLE TOWNSHIP RD. DIST.	2015 MOWING	141	DTR000614-102615	\$11,632.00	DOT MAINTENANCE/OPS	10/26/2015
<b>TOTAL</b>				<b>\$69,792.00</b>		

***If you suspect waste, fraud or abuse, call the AUDIT HOTLINE - 630-75-AUDIT (630-752-8348)***

*The information presented in this report is unaudited. Refer to our website for notes on the report's scope, limitations, and exclusions.*



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# Snow Plowing Agreement 2015-2016

**(Naperville Township Highway Department**  
Stan Wojtasiak  
Highway Commissioner  
Office (630) 978-0380

**City of Naperville**  
**Department of Public Works**  
Christine Schwartzhoff  
Operations Team Leader  
Jack Mitz, Operations Supervisor  
Fred Girard, Operations Supervisor  
Office (630) 420-6095  
Fax (630) 420-4100

Date: October 29, 2015

Re: Snow Plowing Agreement between the City of Naperville and Naperville Township Highway Department


For clarification the City of Naperville will maintain 83<sup>rd</sup> Street from Route 59 to Book Road and Book Road from 83<sup>rd</sup> Street south to 87<sup>th</sup> Street.

The **City of Naperville** will plow and salt all or parts of the following streets, which fall under the jurisdiction of Naperville Township Highway Department:


- ✓ 80<sup>th</sup> Street – all inclusive
- ✓ Meadow Lark Lane – all inclusive
- ✓ 87<sup>th</sup> Street – between Book Road and Springbrook Drive
- ✓ Plainfield/Naperville Road from Oswego to West Street – all inclusive

**Naperville Township** will maintain:

All streets west of Rt. 59 from Ferry to the Burlington Northern tracks including the entrance to the Route 59 Train Station parking lot at Fairway Drive.

  
 \_\_\_\_\_  
 Stan Wojtasiak  
 Highway Commissioner, Naperville Township Highway Department

11/23/15  
 \_\_\_\_\_  
 Date

  
 \_\_\_\_\_  
 Christine Schwartzhoff  
 Operations Team Leader  
 City of Naperville, Department of Public Works

10/29/15  
 \_\_\_\_\_  
 Date

Naperville Township Road District  
Miles of Road State of Illinois Monthly Reports

<u>Year</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>March</u>	<u>Total</u>	<u>Ave.</u>
2014-2015	20.34	20.34	20.34	20.34	20.34	20.34	30.34	20.34	20.34	20.37	20.37	20.37	254.17	21.18

Source <http://www.idot.illinois.gov/transportation-system/local-transportation-partners/county-engineers-and-local-public-agencies/mft-distribution/>

**INTERGOVERNMENTAL AGREEMENT BETWEEN THE  
CITY OF NAPERVILLE, NAPERVILLE TOWNSHIP, AND  
THE NAPERVILLE TOWNSHIP ROAD DISTRICT  
FOR THE PROVISION OF CERTAIN SERVICES**

THIS INTERGOVERNMENTAL AGREEMENT ("Agreement") is entered into between the City of Naperville, ("City"), a municipal corporation and home rule unit of local government under the laws and Constitution of the State of Illinois, with offices at 400 South Eagle Street, Naperville, IL 60540, the Naperville Township Road District ("Township Road District"), a unit of local government of the State of Illinois, with offices at 31W331 North Aurora Road, Naperville, IL 60563, and Naperville Township ("Township"), a unit of local government of the State of Illinois, with offices at 139 Water Street, Naperville, IL 60540. The City, Township Road District, and Township are together referred to herein as the "Parties" and individually as "Party".

**RECITALS**

**WHEREAS**, the City, Township Road District, and Township are units of local government within the meaning of Illinois Intergovernmental Cooperation Act, 5 ILCS 220/1 *et seq.*; and

**WHEREAS**, Article VII, Section 10, of the 1970 Constitution of the State of Illinois encourages and provides for units of local government to contract and otherwise associate with each other to exercise, combine, or transfer any power or function; and

**WHEREAS**, the City, Township Road District, and Township have determined that it is cost efficient and effective for the City to perform certain services and operations currently provided by the Township Road District under the terms and conditions provided herein; and

**WHEREAS**, the City, Township Road District, and Township have determined that it is in their best interests and in the best interests of the citizens they serve to cooperate in the provision of services as set forth herein.

**NOW, THEREFORE**, in consideration of the premises and mutual covenants contained herein, the Parties agree that:

**1.0 RECITALS INCORPORATED.**

1.1 The foregoing Recitals are incorporated herein by reference as though fully set forth in this Section 1.1.

**2.0 DEFINITIONS.**

2.1 **Additional Services.** Additional Services are services which were not contemplated to be performed under this Agreement, but which the Highway Commissioner and the City Liaisons agree should be performed hereunder as set forth in Subsections 4.3 and 4.4.1 of this Agreement.

2.2 **Annual Service Plan.** Has the meaning set forth in Subsection 4.3 of this Agreement.

2.3 **Annual Cost of Services.** The amount of money owed to the City by the Township Road District pursuant to the Annual Service Plan described in Subsection 4.3 of this Agreement which amount may be subject to revision due to Additional Services, Modified Services, and/or annexation of Township Road District Property arising after formulation of the Annual Service Plan.

2.4 **Capital Services.** Those Services described in paragraph 12 of **Exhibit A-1**.

2.5 **City.** The City of Naperville.

2.6 **City Liaisons.** The Director of the Department of Public Works and the Director of TED (Transportation, Engineering, and Development Department), or their designees.

2.7 **Cost of Services.** The cost of Services provided under this Agreement as referenced in Subsection 5.1 and listed on **Exhibit A-2** of this Agreement as adjusted after the Initial Term of this Agreement pursuant to the provisions of Subsection 5.2 of this Agreement.

2.8 **Effective Date.** The date upon which this Agreement is last signed by the Parties hereto.

- 2.9 **Highway Commissioner.** The Naperville Township Highway Commissioner or his designee.
- 2.10 **Initial Term.** July 1, 2016 through March 31, 2021 as set forth in Subsection 3.1 of this Agreement.
- 2.11 **Maintenance/Operational Services.** Those Services described in paragraphs 1-11 of **Exhibit A-1**.
- 2.12 **Modified Services.** Modified Services are those Services listed on Exhibit A-1 as may be increased or reduced pursuant to the provisions of Subsections 4.3 and 4.4.2 of this Agreement.
- 2.13 **Quarters.** January 1-March 31; April 1-June 30; July 1-September 30, October 1 - December 31.
- 2.14 **Services.** Those Services referenced in Subsection 3.2 and described on **Exhibit A-1** of this Agreement to be provided by the City within the Service Area which include Maintenance/Operational Services and which may also include, at the discretion of the Township Highway Commissioner, Capital Services.
- 2.15 **Service Area.** Has the meaning set forth in Subsection 3.3 of this Agreement.
- 2.16 **Stub Year.** July 1, 2016 and through March 31, 2017 as described in Subsection 3.1 of this Agreement.
- 2.17 **Stub Year Service Plan.** Has the meaning set forth in Subsection 4.2 of this Agreement.
- 2.18 **Township.** Naperville Township.
- 2.19 **Township Fiscal Year.** April 1<sup>st</sup> through March 31<sup>st</sup> of each year.
- 2.20 **Township Road District.** The Naperville Township Road District.

### **3.0 SERVICES/SERVICE AREA.**

- 3.1 Initial Term. Services under this Agreement shall begin on July 1, 2016 and run through March 31, 2017 (“Stub Year”). Thereafter, unless terminated as provided



herein, Services shall continue to be provided from year to year based upon the Township Fiscal Year (April 1<sup>st</sup> through March 31<sup>st</sup> of each year). The Stub Year plus the following four (4) Township Fiscal Years (April 1, 2017 – March 31, 2021) shall constitute the Initial Term of this Agreement.

3.2 Services. The City shall perform the Services set forth in paragraphs 1-11 of **Exhibit A-1** within the Service Area. The Highway Commissioner shall elect whether Capital Services set forth in paragraph 12 of **Exhibit A-1** will be included in the Services performed by the City under this Agreement in the next Township Fiscal Year at the time that the Stub Year Service Plan and the Annual Service Plan referenced in Subsections 4.2 and 4.3 below are formulated.

3.2.1 Additional Services may be provided and paid for as provided in the Annual Service Plan as set forth in Subsection 4.3 below or after formulation of the Annual Service Plan as provided in Subsection 4.4.1 below.

3.2.2 Modified Services may be provided and paid for as provided in the Annual Service Plan as set forth in Subsection 4.3 below or after formulation of the Annual Service Plan as provided in Subsection 4.4.2 below.

3.3 Service Area. The Service Area for which Services will be provided under this Agreement includes that portion of Naperville Township for which such Services are provided by the Township Road District and not by the City as of the Effective Date of this Agreement. Said Service Area is depicted on **Exhibit B-1** and described on **Exhibit B-2**.

3.3.1 Change in Service Area upon Annexation. Upon annexation of property located within Naperville Township into the corporate boundaries of any municipality, the Service Area shall be reduced accordingly. The Highway Commissioner shall promptly give written notice to the City Liaisons of any annexation of Naperville Township property and the City shall cease provision of Services on behalf of the Township Road District to that

property. A reduction in the Cost of Services as a result of annexation is provided for in Subsection 5.3.3 below. The City shall prepare **Amended Exhibits B-1 and B-2** depicting and describing the revised Service Area. Said amended Exhibits shall be added as Amended Exhibits B-1 and B-2 to this Agreement, as needed, by the City Liaisons and the Highway Commissioner without any formal action required by any Party hereto.

3.4 Relationship. The Highway Commissioner shall not supervise, direct, or control the manner of performance of any Services provided hereunder. However, as provided in Section 4 below, the Highway Commissioner shall work with the City to create a Stub Year Plan for the Stub Year and an Annual Service Plan thereafter.

3.4.1 Whenever in this Agreement there is a provision that the City shall perform or provide Services, it is understood that the City retains the right, at its sole discretion, to contract with one or more individuals or entities to provide one or more of the Services and/or to provide said Services directly. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between the Township Road District and any employee or agent of the City.

#### **4.0 PERFORMANCE OF SERVICES - ANNUAL SERVICE PLAN.**

4.1 Performance of Services. The City shall perform the Maintenance/Operational Services described in paragraphs 1-11 of **Exhibit A-1** within the Service Area during the Initial Term and for each subsequent Township Fiscal Year during which this Agreement remains in effect. At the Highway Commissioner's election as provided herein, the City shall also perform one or more of the Capital Services described in paragraph 12 on **Exhibit A-1** for any Township Fiscal Year that such election is made. The City may also provide Additional Services and Modified Services within the Service Area as provided herein.

4.2 Stub Year Service Plan. Within thirty (30) days of this Agreement being fully executed the City Liaisons and the Highway Commissioner shall meet to agree

upon a Stub Year Service Plan. Except for the timeframe to meet to create a Stub Year Service Plan, the provisions of Subsections 4.3 through 4.5 below shall also apply to the Stub Year.

- 4.3 Annual Service Plan. In July of each year, the Highway Commissioner and the City Liaisons will meet to agree upon an Annual Service Plan which will identify for the next Township Fiscal Year: (1) whether the Highway Commissioner elects to have the City perform one or more of the Capital Services within some, or any part, of the Service Area in addition to the Maintenance/Operations Services required to be performed hereunder; (2) a list of the Services intended to be provided by the City in each Quarter; (3) a list of Additional Services and/or Modified Services, if any, to be performed as provided herein and the Quarter it is anticipated they will be performed; and (4) the Annual Cost of Services, including the cost of Additional Services or Modified Services, if any, that will be owed to the City by the Township Road District for the upcoming Township Fiscal Year (not including any Additional Services or Modified Services which are agreed upon after formulation of the Annual Service Plan).

If Additional Services or Modified Services are included in the Annual Service Plan, the following information shall also be included: (a) the exact nature of the Additional Services or Modified Services to be performed, (b) the projected timing for their delivery, and (c) the amount to be paid therefor.

- 4.3.1 For the Initial Term the Annual Cost of Services (except for Additional Services and/or Modified Services, if any) shall be calculated using the Cost of Services set forth on **Exhibit A-2**.
- 4.3.2 After expiration of the Initial Term (April 1, 2021) the costs on **Exhibit A-2** shall be adjusted pursuant to the provisions of Subsection 5.2 below.
- 4.3.3 If a Stub Year Service Plan or Annual Service Plan is not formulated as provided herein for any reason during the Initial Term of this Agreement, the City shall perform Maintenance/Operational Services within the Service Area on the same or a similar schedule as such Services are

provided to City residents. Payment for such Services shall be made as provided in Subsection 5.4 below.

If an Annual Service Plan is not formulated as provided herein for any reason after the Initial Term of this Agreement, the City shall have the options set forth in Subsection 5.5. below.

4.4 Revisions to the Annual Service Plan. In the event that either of the City Liaisons or the Highway Commissioner foresee that revisions to the Stub Year Service Plan and/or any Annual Service Plan are needed, they shall contact each other, discuss the Services and proposed revisions in question, and work together to accommodate the concern raised. However, in the event of unforeseen circumstances which affect any component of the Stub Year Service Plan and/or Annual Service Plan, or circumstances which affect the efficiency of the delivery of Services by the City, the City may provide the Services as it deems most efficient under those circumstances and shall promptly notify the Highway Commissioner and discuss the changes and the reasons therefor.

4.4.1 Additional Services after Formulation of an Annual Service Plan. In the event that after formulation of the Annual Service Plan, Additional Services are offered by the City or requested by the Highway Commissioner, and the City is willing and able to perform such services, the Highway Commissioner and one or both of the City Liaisons shall amend the Annual Service Plan to describe: (a) the exact nature of the Additional Services to be performed, (b) the projected timing for the provision of said Additional Services, and (c) the cost for the Additional Services.

Payment for Additional Services after formulation of the Annual Service Plan shall be made as provided in Subsection 5.3.1 below.

4.4.2 Modified Services after Formulation of an Annual Service Plan. In the event that after formulation of the Annual Service Plan it is determined that Modified Services are needed, the City Liaisons and the Highway

Commissioner shall meet to discuss such modifications and any resulting impact on the Annual Cost of Services.

Payment for Modified Services after formulation of the Annual Service Plan shall be made as provided in Subsection 5.3.2 below.

- 4.5 Ongoing Collaboration. One or both of the City Liaisons and the Highway Commissioner may choose to meet each Quarter, or as otherwise determined by them as needed, to review performance of Services and discuss any issues that may arise.

## 5.0 PAYMENT FOR SERVICES.

- 5.1 Cost of Services during the Initial Term. The City will perform the Maintenance/Operational Services and Capital Services<sup>1</sup> set forth on **Exhibit A-1** for the costs listed on **Exhibit A-2** for the Initial Term of this Agreement. Additional Services and/or Modified Services may also be provided and paid for as set forth herein.

- 5.2 Adjusted Cost of Services after the Initial Term. After the Initial Term of this Agreement, the cost of the Maintenance/Operational Services provided hereunder shall be adjusted by agreement of the City Liaisons and the Highway Commissioner for each Township Fiscal Year based upon the City's contractual rates and the anticipated costs of providing those Services within the Service Area. After the Initial Term, the cost of Capital Services shall also be adjusted by agreement of the City Liaisons and the Highway Commissioner for each Township Fiscal Year based upon the City's contractual rates plus a ten percent (10%) fee for programming, design, inspection, and administration costs.

5.2.1 Any adjustment to the Cost of Services after the Initial Term of this Agreement shall be agreed upon as part of the Annual Service Plan for each Township Year and reflected on an **Amended Exhibit A-2** which shall be attached to this Agreement each year in which adjustments are

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<sup>1</sup> If the Highway Commissioner elects to have the City perform Capital Services.

made (with the year of the amendment noted) without the need for formal action by any Party hereto.

5.2.2 Adjusted Costs of Services for each Township Fiscal Year after the Initial Term of this Agreement shall be discussed and agreed upon at the time the Highway Commissioner and City Liaisons meet to formulate the Annual Service Plan pursuant to Subsection 4.3 above.

5.3 Quarterly Payments. Subject to the provisions of Subsections 5.3.1, 5.3.2 and 5.3.3 below, the Highway Commissioner, on behalf of the Township Road District, will pay the City one quarter of the Annual Cost of Services set forth in the Annual Service Plan in equal installments in the first week of each Quarter (including any Additional Services or Modified Services included in the Annual Service Plan).

No invoice from the City shall be required (except when Additional Services are agreed upon after formulation of the Annual Service Plan as provided in Subsection 5.3.1 below, or if the City elects to provide Services as provided in Subsection 5.5(i) below).

5.3.1 If Additional Services are agreed upon after formulation of the Annual Service Plan as provided in Subsection 4.4.1 above, the City shall be paid for those Additional Services within fourteen (14) days of receipt by the Township Road District of an invoice from the City therefor.

5.3.2 If Modified Services are agreed upon after formulation of the Annual Service Plan provided in Subsection 4.4.2 above, the City Liaisons and the Highway Commissioner shall agree upon a revision to the Cost of Services reflected on an **Amended Exhibit A-2** and the Annual Service Plan and the Quarterly payments due in the remaining Township Fiscal Year shall be revised accordingly.

5.3.3 If annexation of Naperville Township property has reduced the Service Area and the Highway Commissioner has provided the City Liaisons with written notice as provided in Subsection 3.3.1 above, the City Liaisons and the Highway Commissioner shall agree upon a reduction of the Cost of

Services going forward which reduction shall be reflected on an **Amended Exhibit A-2**. Subsequent Quarterly payments due in the remaining Township Fiscal Year shall be revised accordingly.

5.4 Failure to Agree upon a Stub Year Service Plan or Annual Service Plan/Initial Term.

In the absence of an agreed upon Stub Year Service Plan or Annual Service Plan during the Initial Term, the City shall provide Services as provided in Subsection 4.3.3 and submit Quarterly invoices to the Highway Commissioner for such Services. The Highway Commissioner shall pay said invoices in full within fourteen (14) days of receipt thereof.

5.5 Failure to Agree upon an Annual Service Plan after the Initial Term.

In the absence of an agreed upon Annual Service Plan after the Initial Term of this Agreement which incorporates the adjusted Cost of Services pursuant to Subsection 5.2 above, the City may, at its option, either: (i) deliver Services in the manner described in Subsection 4.3.3 above and submit Quarterly invoices to the Highway Commissioner for payment for such Services as adjusted pursuant to the provisions of Subsection 5.2 above. The Highway Commissioner shall be required to pay said invoices in full within fourteen (14) days of receipt thereof; or (ii) terminate this Agreement as provided in Subsection 7.2.2 below.

5.6 Change in Annual Cost of Services which Exceed \$30,000. If proposed Additional Services and/or Modified Services cumulatively exceed a cost of thirty thousand dollars (\$30,000.00) in any Township Fiscal Year, an amendment of this Agreement shall be required.

**6.0 CONVEYANCE OF CERTAIN TOWNSHIP ROAD DISTRICT EQUIPMENT AND MACHINERY.**

6.1 **Identification of Township Road District Equipment and Machinery to be Conveyed.** Within twenty (20) days of the Effective Date of this Agreement, the City shall have an opportunity to inspect equipment and machinery owned by the Township Road District. After such inspection the Highway Commissioner and the

City Liaisons shall agree what machinery and/or equipment owned by the Township Road District should be conveyed to the City and the value thereof.

- 6.2 Conveyance of Township Road District Equipment and Machinery. Within thirty (30) days of the Effective Date of this Agreement, the Highway Commissioner shall convey, by Bill of Sale, the equipment and machinery identified as provided in Subsection 6.1 above. The Bill of Sale shall note the agreed upon value of each item conveyed and shall be attached to this Agreement as **Exhibit C** without the need for formal action by any Party hereto.
- 6.3 Consideration. Performance of the Services for the Cost of Services as set forth on **Exhibit A-2** (which costs shall not be adjusted during the Initial Term), and the provisions set forth in Subsection 7.2.4 below, shall constitute the consideration for transfer of the equipment and machinery described in this Section 6.

## 7.0 TERM/TERMINATION.

7.1 Term. This Agreement shall commence on the date last signed by the Parties hereto (“Effective Date”) and shall continue in effect during the Initial Term. Thereafter this Agreement shall automatically renew from Township Fiscal Year to Township Fiscal Year unless it is terminated as provided in Subsection 7.2 below.

### 7.2 Termination.

7.2.1 Termination by the Township Road District and the Township. The Township Road District and Township may jointly terminate this Agreement for any reason by giving the City a minimum of one hundred and twenty (120) days’ written notice, or upon sixty (60) days written notice to the City after the Initial Term if an agreed upon adjustment of the Cost of Services as provided for in Subsection 5.2 cannot be reached by the Highway Commissioner and the City Liaisons.



7.2.2 Termination by the City.

7.2.2.1 The City may not terminate this Agreement for the Initial Term of this Agreement unless the City is not paid for performance of Services (including Additional Services and/or Modified Services) as provided herein in which case the City may terminate this Agreement upon sixty (60) days' written notice.

7.2.2.2 After the Initial Term, the City may terminate this Agreement for any reason upon a minimum of one hundred and twenty (120) days' written notice to the Township Road District and the Township, or upon sixty (60) days written notice to the Township Road District and the Township if the City is not paid for performance of Services (including Additional Services and/or Modified Services) as provided herein, or if an agreed upon adjustment of the cost of Services as provided for in Subsection 5.2 cannot be reached by the Highway Commissioner and the City Liaisons.

7.2.3 Payment Obligation. Termination of this Agreement shall not relieve the Township Road District and/or the Township of payment of any amounts due to the City hereunder.

7.2.4 Equipment and Machinery. If this Agreement is terminated within fifteen (15) years of its Effective Date, the City shall return to the Township Road District any of the equipment and machinery which remains in its possession that was conveyed to it by the Bill of Sale/**Exhibit C** as provided in Section 6 above. If the City no longer has one or more of the items listed on said Bill of Sale, the City shall pay the Township Road District the equivalent value of those items as depreciated as of the time of termination. Such conveyance and/or payment shall be made by the City to the Township Road District within ninety (90) days of the termination of this Agreement.

7.2.5 Notice. Any notice of termination shall be given in accord with the provisions of Section 10 below.

## **8.0 DEFENSE AND INDEMNIFICATION.**

8.1 Defense, Indemnification, and Hold Harmless. Subject to prompt notice of the service of any suit or any claim, action, loss, or other damages provided by the Township Road District or the Township to the City Liaisons, the City shall defend, indemnify, and hold the Township Road District and the Township, and their respective elected officers, employees, and agents, harmless from claims of injuries, liabilities, causes of action, losses, and damages claimed by any person or entity alleged to have been caused by the negligent, willful or wanton, or intentional act or omission in the performance of Services hereunder on the part of the City or its contractors, subcontractors, engineers, consultants, employees, or agents unless such claims, liabilities, causes of action, losses, or damages were caused by the negligent, willful or wanton, or intentional conduct of Township Road District or Township employees, representatives, or contractors. Nothing contained herein shall be construed as a limitation or waiver of defenses available to the City and its agents, including, but not limited to the Illinois Local Government and Local Governmental Employees Tort Immunity Act.

## **9.0 TOWNSHIP ROAD DISTRICT BUDGET AND LEVY.**

9.1 Budget and Levy. The Township Road District and Township agree to take all steps and proceedings and perform all acts required by the statutes of the State of Illinois regarding the Township Road District budget and the Township levy therefor so that the City is timely paid as provided herein. Notwithstanding any other provision contained herein, in the event that the Township Road District budget and/or the levy by the Township therefor is insufficient to satisfy the payment obligations to the City hereunder, payment of any unpaid amounts due to the City in any Quarter shall be made by the Township to the City within the first week of such Quarter, and any unpaid amount due for Additional Services

shall be paid by the Township within fourteen (14) days of an invoice therefor from the City.

## **10.0 NOTICES.**

10.1 Notice. Whenever notice is required to be given pursuant to this Agreement, the same shall be in writing, and either personally delivered, sent by a nationally recognized overnight delivery service, postage prepaid, or sent via United States certified mail, return receipt requested, postage prepaid, and addressed to the Parties at their respective addresses as set forth below, or at such other addresses as any Party, by written notice in the manner specified above to the other Parties hereto, may designate from time to time. All notices shall be deemed to have been given upon receipt (or refusal of receipt) thereof.

Notwithstanding the foregoing, it is anticipated that the communications described in Section 4 above shall be given by email. and/or by any other mutually agreed upon manner.

### **FOR THE CITY**

Director, Department of Public Works  
180 Fort Hill Drive  
Naperville, IL 60540

and

Director, Transportation, Engineering, and Development Department  
400 South Eagle Street  
Naperville, IL 60540

### **FOR THE TOWNSHIP ROAD DISTRICT**

Naperville Township Highway Commissioner  
31 W331 North Aurora Road  
Naperville, IL 60563

### **FOR THE TOWNSHIP**

Township Supervisor  
139 Water Street  
Naperville, IL 60540

**11.0 GENERAL PROVISIONS.**

- 11.1 Choice of Law/Venue. This Agreement shall in all respects be subject to and construed in accordance with and governed by the laws of the State of Illinois. Venue for any action arising out of the terms or conditions of this Agreement shall be proper only in the Circuit Court for the Eighteenth Judicial Circuit, DuPage County, Illinois.
- 11.2 Binding Effect. This Agreement shall be binding upon the Parties hereto and their successors and assigns.
- 11.3 Amendment. Except as otherwise provided herein, this Agreement may be modified or amended only by a written amendment to this Agreement fully executed by the Parties hereto.
- 11.4 Ambiguity. This Agreement shall be construed without regard to any presumption or other rule requiring construction against the Party causing this Agreement to be drafted.
- 11.5 Days. Whenever the word “days” is used herein, it means calendar days.
- 11.6 No Waiver. No Party hereto shall be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the waiving Party and, then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event.
- 11.7 Severability. In the event any provision of this Agreement is held to be unenforceable or invalid for any reason, the enforceability thereof shall not affect the remainder of the Agreement. The remainder of this Agreement shall be construed as if not containing the particular provision and shall continue in full force, effect, and enforceability, in accordance with its terms.

- 11.8 Attorneys' Fees. In the event that any Party hereto seeks enforcement of any aspect of this Agreement by filing a complaint in court, the prevailing Party shall be entitled to full reimbursement for all attorneys' fees and costs therefor which shall be paid within thirty (30) days of receipt of an invoice therefor.
- 11.9 Survival. The following provisions of this Agreement shall survive its termination: Section 2, and each subsection thereof, Section 5, and each subsection thereof, Section 11, and each subsection thereof, and Subsections 4.3.1, 4.3.2, 4.3.3, 4.4, 4.4.1, 4.4.2, 7.2.3, 7.2.4, 8.1 and 9.1.
- 11.10 Exhibits. Each exhibit referenced herein shall be deemed to be incorporated in this Agreement and made part hereof in its entirety.
- 11.11 Authority. The undersigned warrant and represent that they are authorized to execute this Agreement.

EXHIBIT A-1 – Services [Maintenance/Operational and Capital]  
EXHIBIT A-2 – Cost of Services for the Initial Term of this Agreement

EXHIBIT B-1 – Depiction of Service Area as of the Effective Date  
EXHIBIT B-2 - Description of Service Area

EXHIBIT C - Bill of Sale

**THE PARTIES TO THIS AGREEMENT** by their signatures acknowledge that they have read and understand this Agreement and intend to be bound by its terms.

/Signatures on Following Pages/

**CITY OF NAPERVILLE**

---

Steve Chirico  
Mayor

**ATTEST**

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Pam LaFeber, Ph.D.  
City Clerk

DATE: \_\_\_\_\_

DRAFT

**NAPERVILLE TOWNSHIP ROAD DISTRICT**

\_\_\_\_\_  
Stan Wojtasiak  
Naperville Township Highway Commissioner

**ATTEST**

\_\_\_\_\_

DATE: \_\_\_\_\_

DRAFT

**NAPERVILLE TOWNSHIP**

\_\_\_\_\_  
Rachel Ossyra  
Naperville Township Supervisor

**ATTEST**

\_\_\_\_\_

DATE: \_\_\_\_\_

DRAFT



**EXHIBIT A-1**

**SERVICES**

- 1. Brush Collection Services**  
1 spring bulk curbside collection per year
- 2. EAB services**  
Treatment for estimated 50 parkway ash trees to be aligned with City's treatment program
- 3. Forestry Services (Non-EAB)**  
Tree Trimming; Removal Planting; Stump-grinding
- 4. General Roadway Maintenance**  
Includes Traffic Operations; Asphalt Patching; Quick Response Team (QRT)
- 5. Leaf Collection Services**  
3 curbside passes (weather dependent) per Calendar Year between October 15-November 30 and free bagged leaf collection
- 6. Mosquito Abatement**  
Briquette Drop in Stormwater Inlets & Catch Basins
- 7. Mowing and Herbicide Services**  
Weekly Mowing (24) and 2 herbicide applications
- 8. Storm Sewer Maintenance**  
Inlets cleaned regularly, televising, and re-lining
- 9. Street Sweeping Services**  
2 sweeps per Calendar Year
- 10. Streetlight Maintenance**  
Current Level of Service: Maintenance of lighting fixtures through ComEd  
Seek to include Streetlights in City system and upgrade current HPS fixtures to LED fixtures
- 11. Winter Operations**  
Continuation of existing service level by 2 City Operator(s) in District 1B; 8 hours to complete district in normal event
- 12(a) Capital Services – MIP**  
The Street Maintenance Improvement Program (MIP) consists of resurfacing, crackfilling, micro-surfacing and bituminous patching.
- 12(b) Capital Services - Sidewalk Program**  
Sidewalk repair and replacement, or rehabilitation such as mud-jacking or sidewalk shaving on a cost share basis with residents at 100% township costs.

**EXHIBIT A-2**

**COST OF SERVICES – INITIAL TERM**

		Stub Year Cost (9-Month)	Year 1 Cost	Year 2 Cost	Year 3 Cost	Year 4 Cost
<b>Maintenance/Operational Services</b>						
1.	Brush Collection Services	-0-	13,429	13,698	13,972	14,251
2.	EAB Treatment/Removal	-0-	-0-	1,750	-0-	1,750
3.	Forestry Services	39,769	54,086	55,167	56,271	57,396
4.	General Roadway Services	65,303	88,811	90,588	92,399	94,247
5.	Leaf Collection Services	132,311	134,957	137,656	140,409	143,218
6.	Mosquito Abatement	-0-	6,474	6,603	6,735	6,870
7.	Mowing and Herbicide	4,830	6,569	6,700	6,834	6,971
8.	Storm Sewer Maintenance	27,185	36,971	37,710	38,465	39,234
9.	Street Sweeping	2,002	4,085	4,167	4,250	4,335
10.	Streetlight Maintenance <sup>1</sup>	28,800	23,040	23,501	23,971	24,450
11.	Winter Operations	182,273	185,918	189,637	193,430	197,298
<b>Capital Services<sup>2</sup></b>						
12(a)	MIP	-0-	437,580	446,332	455,258	464,363
12(b)	Sidewalk Program	-0-	11,220	11,444	11,673	11,907
<b>ANNUAL TOTAL</b>		<b>\$ 482,473</b>	<b>\$ 1,003,141</b>	<b>\$ 1,024,953</b>	<b>\$ 1,043,668</b>	<b>\$ 1,066,291</b>

<sup>1</sup> The City will perform maintenance of streetlights in the Naperville Township right-of-way on the assumption that the streetlights are owned and maintained by the Township. If this is not the case, streetlight maintenance will be removed from the Annual Service Plan and costs will be adjusted.

<sup>2</sup> At the election of the Highway Commissioner per Subsection 4.1

DuPage County Road Districts  
Expense per Mile

<u>Township</u>	<u>Miles*</u>	<u>Per Mile Expense</u>	<u>Annual Road Expense</u>	<u>Source</u>
Addision	26.68	\$65,879	\$1,757,642	Expenses 5/31/2015 Audit
Bloomingtondale	46.43	\$61,817	\$2,870,178	Expenses 3/31/2016 Audit
Downers Grove	66.49	\$31,504	\$2,094,676	Expenses 2/29/2016 Audit
Lisle	47.49	\$55,643	\$2,642,495	Expenses 12/31/2015 Audit
Milton	80.13	\$28,068	\$2,249,074	Expenses 3/31/2016 Audit
Naperville	14.84	\$109,102	\$1,619,079	Expenses 3/31/2016 Audit
Wayne	31.81	\$46,792	\$1,488,214	Expenses 3/31/2015 Audit-includes\$100,862 in MFT expenses
Winfield	39.11	\$46,717	\$1,826,863	Expenses 3/31/2015 Audit
York	29.83	\$64,489	\$1,923,702	Expenses 3/31/2015 Audit does not include \$2,715,884 in capital acquisition or \$1,140,350 in debt & interest payment; includes depreciation of \$943,023
<b>Total</b>	<b>382.80</b>	<b>\$48,255</b>	<b>\$18,471,923</b>	

\*October 2016 MFT Report  
summarizes by E. Young LTHC

**CITY OF NAPERVILLE  
MEMORANDUM**

**DATE:** July 22, 2016

**TO:** Mayor and City Council

**FROM:** Doug Krieger, City Manager

**SUBJECT:** Township Road Districts Cost Comparison

**BACKGROUND:**

The City of Naperville's boundaries span six townships: Naperville, Lisle, Wheatland, Milton, DuPage and Winfield. Milton, Winfield and DuPage townships represent a very small portion of land area as well as population. Naperville, Lisle, and Wheatland are much larger and, in general, offer the same general services to a relatively similar population.

As a result of the City staff discussions with Naperville Township regarding roadway services, several individuals have inquired on similar cost comparisons with other townships.

**DISCUSSION:**

The first step in the City's analysis of the Naperville Township Road District was to delineate between operating and capital costs. With major one-time capital costs excluded, a more accurate comparison of service costs could be identified, as it is not unusual for capital costs to represent nearly one-half of a road district's total budget.

The second step was establishing a base-service level by which to determine pricing. As it stands now, the City used service levels provided to incorporated residents. Using this standard, staff built up the City's pricing based on the incremental expenses that would be incurred by the City. By utilizing this approach, the pricing was directly driven by the unit of service, the most significant being lane miles. Other pricing drivers included number of trees, linear feet of storm sewer and ditch, etc.

Once road district budgets were adjusted to exclude one-time capital items, and standardized service levels were established, it was easier to compare the City's incremental costs to the operating budgets for the road district. Much like the City, each township road district is a service organization. And, like most service organizations, the most significant component of overall operational costs is employee expenses.

The cost analysis for the City to provide roadway services to unincorporated Naperville Township residents is an estimated annual \$800,000 in savings.

**Other Townships**

To make a high-level comparison between the three major townships (Naperville, Wheatland and Lisle), staff compared the following cost drivers: lane miles serviced and number of road district employees. This high-level analysis does not make a distinction for differences in levels of service offered, such as mosquito abatement, emerald ash borer treatment, or mulch delivery, but it does provide an overview of general road district efficiency. The following table demonstrates the results:

<b>Government</b>	<b>Centerline Miles</b>	<b>Employees</b>	<b>Miles per Employee</b>
City of Naperville	500	54 (Ops Group)	9.26
Lisle Township	55.19	11.0	5.02
Wheatland Township	45.08	6.5	6.93
Naperville Township	16.02	7.0	2.29

Based on the above table, taking only number of employees and centerline miles into account, you can see that Lisle and Wheatland Township employees service more miles of roadway per employee than Naperville Township.

**Cost Comparison**

To develop pricing to provide roadway services to the townships, the City focused on incremental expenses that would be incurred. In many of these cases, the City utilized its contracted service rates. As these contracts are typically structured on a cost per mile basis or some other unit of measure, the more that is being serviced the higher the cost. In other words, if there are twice as many miles being serviced, we would expect that our cost, and thus our pricing, would be twice as high. Minor differences also exist in services provided between the three township road districts, and in those cases, we attempted to standardize the service levels.

**Cost Calculation**

The City utilized the same model for evaluating all three township road districts. Although total miles being serviced is the most important variable, minor differences also exist in services provided between the three township road districts, and in those cases, the City attempted to standardize the service levels.

Based on our analysis, the following table depicts the annual cost for the City of Naperville to service the three township road districts.

<b>Government</b>	<b>Annual Cost</b>
Lisle Township	\$3,324,339
Wheatland Township	\$2,554,749
Naperville Township	\$980,101

### **Township Road District Operating Costs**

City staff performed an in-depth calculation of costs for the Naperville Township Road District. This included reviewing proposed and final budgets, historical audited actual costs, and individual line items, to ensure an “apples to apples” comparison. This was particularly important given the fact that capital expenses typically represent a significant portion of total road district spend.

For Lisle and Wheatland townships, the City has not sat down with road commission staff to sort through expenses line-item by line-item, therefore we have relied on budget and audit information available on their respective websites. For a high-level evaluation of cost savings potential, staff believes this is satisfactory.

The following table depicts township road districts’ annual operating costs.

<b>Government</b>	<b>Annual Cost</b>	<b>Centerline Miles</b>	<b>Annual Cost per Mile</b>
Lisle Township	\$3,347,600	55.19	\$60,656
Wheatland Township	\$2,320,350	45.08	\$51,472
Naperville Township	\$1,864,929	16.02	\$116,413

Based on the cost comparisons above, there is a significant cost advantage for the City of Naperville to provide services to Naperville Township. For Wheatland and Lisle townships, no significant cost advantage exists. (Wheatland Township operating costs do not include leaf pick-up, whereas the City of Naperville’s does.)

### **Physical Location**

The location of physical resources (garage, trucks, etc) with respect to service area plays an important role in both cost of service, as well as quality of service (response time). Obviously, the closer the resources to the service area, the cheaper and more responsive an entity can be.

With respect to Naperville Township, their garage is located near the geographical center of the township boundaries. The City of Naperville Department of Public Works is also located within the Naperville Township boundaries, but several miles east of the township garage. The vast majority of roads serviced by Naperville Township are located in the eastern half of the township, closer to the City’s garage than it is to the township’s garage. This provides the City an advantage from both a cost and responsiveness standpoint.

The vast majority of Naperville Township Road District roadway also falls within our current snow plow mapping area. This allows the City to service these areas very efficiently. Wheatland and Lisle townships both have a significant amount of serviced roadway that falls outside the borders of the City, making it more expensive to service.

For both Wheatland as well as Lisle Townships, the garages are located within their respective township borders. This provides both townships with an advantage from both a cost and responsiveness standpoint.

**RECOMMENDATION:**

Based on a high level analysis of the Wheatland Township and Lisle Township Road Districts, I do not recommend further analysis or discussion with the two townships regarding shared services. Based on employees and annual cost per centerline mile, they both operate significantly more efficiently than Naperville Township. I would recommend that we proceed with providing shared services for the Naperville Township Road District. As future areas become incorporated within Wheatland and Lisle Townships, the City should re-evaluate and re-perform a cost comparison.