

# Highway commissioners feel economic pinch

## Falling tax base + rising prices = squeeze

**I**N RURAL HUNTSVILLE TOWNSHIP (Schuyler County), Highway Commissioner Danny Hanning calls the current funding situation “very bleak”, beginning two to three years ago.

“I rejected any oil purchases this year, because the money isn’t there. I can’t build any new oil roads,” said Hanning. “Of the 56 miles of road I have, only eight are oil and chip, the rest are gravel so I’ll spread some gravel and try to make do. Prices are out of control..oil prices have tripled, rock has doubled, fuel has tripled and our revenues are flat, and even dropping off a little.”



**HUNTSVILLE TOWNSHIP**  
Highway Commissioner Danny Hanning

control..oil prices have tripled, rock has doubled, fuel has tripled and our revenues are flat, and even dropping off a little.”

Hanning said when fuel usage dropped in 2008 as gas prices soared, his township’s Motor Fuel Tax dollars also dropped.

“Mine went down \$5,000-\$7,000 when people quit driving as much. We’re at our maximum tax rate now, and my equipment is all 20 years old.”

TOI Executive Director Bryan Smith said, “We are working with a coalition of local government groups, talking to Rep. John Bradley who has introduced House Bill 1 that amends the Motor Fuel Tax Law. HB 1 provides that beginning July 1, an additional surcharge of 8 cents per gallon would be added.

“If there is an increase in Motor Fuel Tax, this is the vehicle that would be used. I strongly feel Rep. Bradley understands that local governments have to be included on any formula change.”

Hanning, a one-man highway department, works with neighbor Camden Township Highway Commissioner Jack Kelly to save manpower and money, and had just finished putting in three culverts with Kelly’s help.

“Our roads are going to start deteriorating, but I don’t get many complaints. When I started 20 years

ago, I had five or six miles of dirt road. If you make people aware of the situation, they’re understanding,” he said. “If the state was in a different financial position, we could ask them for help but they’re in worse shape than we are.”

Hanning makes sure his legislators know the township situation; he talked with Rep. Jil Tracy last month when he visited the Capitol for Local Government Week, asking about an increase in aid to needy townships.

## Between rock, rock salt and a hard place ...

Spilling salt brings more than just bad luck today; it’s too expensive to waste.

With townships experiencing salt prices that have tripled in some areas and unavailability, state agencies are clamoring to make sure 2009 isn’t a repeat of the 2008 salt crisis.

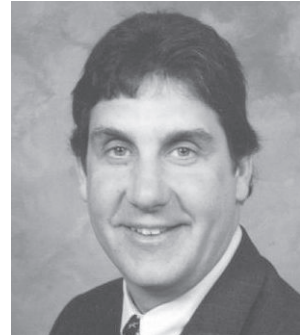
Because the state’s Central Management Services got no salt bids for Lake and McHenry counties, road districts in those areas had to buy salt on the secondary market, said Algonquin Township Highway Commissioner Bob Miller, instead of through CMS, paying \$155/ton and in some cases, more than \$200/ton for road salt.

“We were told there was some sort of breakdown in CMS; we would have hoped they’d have bid salt quicker so we may end up going out to bid it ourselves for next year,” Miller said.

To combat that, CMS has alerted townships and other local governments that bid requests for rock salt had to be in by March 16.

“We had \$75-\$80,000 budgeted for salt and spent \$300,000 plus,” said Miller. “Having to pay \$150 a ton for salt killed us.”

Miller met with State Sen. Pam Althoff in February, when he also testified before a Senate committee.



**ALGONQUIN TOWNSHIP**  
Highway Commissioner Bob Miller

“She’s really run with it and researched it ... we call it the ‘perfect storm’ of a horrible winter with too much use and too much demand, the state of Illinois waiting longer than they should have to bid on salt, and there wasn’t enough salt to go around. They just couldn’t get it out of the ground fast enough.”

Now it’s spring, but because Algonquin Township’s budget went for salt, Miller said road projects have not been planned.

“We’ve been getting a lot of calls with pavement failures because we had a horrible winter, people wanting to know when we’re going to fix their roads, so we tell them because of the salt dilemma, we don’t know.”

Coupled with rising asphalt prices, Miller said road districts are in a very precarious situation.

“We were hoping to get some of the stimulus money, but we were told that counties and townships shouldn’t hold their breath. Townships get a small share of Motor Fuel Tax money compared to municipalities,” he said. “It costs \$90,000 a mile to pave a 1.5 inch surface, and for our 60 miles of road, we get \$60,000.”

Joe Jedlovec, Winfield Township Highway Commissioner (DuPage County) with 43 miles of road, has started mixing sand and sugar beet juice to apply to icy roads to save money. He says it works great except on really cold days. And sugar is less corrosive on cars and roads than salt.



**WINFIELD TOWNSHIP**  
Highway Commissioner  
Joe Jedlovec, Jr.

“I probably saved \$10,000 this year by using this. I went through all my budget for salt and I had \$85,000 budgeted. Motor Fuel Tax money would help, but we want to repave our roads with that.”

The beet juice is delivered in 250-gallon containers, he said, and doesn’t freeze. Asphalt prices have jumped from \$70/ton to

\$700/ton, he said, so he uses a contractor’s supply mix that runs \$100/ton.

Jedlovec has reduced his workforce from six to four, and said he’ll have to keep cutting back if funding doesn’t match increased prices.

“I’ve tried to get referendums passed twice but they get shot down. The only place we can get money is through Motor Fuel Tax or the taxpayers. We do a lot with nothing. We’ve got good equipment and a good group of guys.”

Don Kopsell, highway commissioner of McHenry

County’s Nunda Township, bought salt from Canada for \$163/ton, but is hoping next winter’s supply will improve. Besides the township’s 100 miles of road, another 20 miles are maintained through contracts with villages of Prairie Grove and Holiday Hills.

“We were left out of the bid process so we’re working with Sen. Althoff to try to get some relief. We mixed one bucket of salt with two buckets of birds eye gravel. Our foreman Cory Scott came up with a formula of geomelt, salt brine and chloride to add to the pile on top of the salt and birds eye and it worked real well. Now we’re starting the cleanup on our intersections because that birds eye is still there, not a hazard but it looks bad. We’re proud of our roads.”

When Newman Township (Douglas Co.) Highway Commissioner Olen Kibler took office Jan. 1, 1980, rock sold for \$5.40/ton; now it’s \$11/ton. Oil was 75 cents/gallon; now it’s \$2 plus a gallon, he said.

“I’m getting less property tax money now. In the ‘80s, we could oil the whole township for \$80,000; now it would take \$400,000 to do it. I think the gas tax increase is a good idea, but average person paying taxes probably doesn’t.”

Salt has jumped from \$45/ton in 2007, to \$130/ton now, he said.

Kibler predicts that some township roads may go back to gravel surfaces, because township funds won’t stretch far enough to keep them oiled and chipped.

“Our budget stays the same, but we keep getting

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less money and prices keep going up.

“We’re lucky. We’ve got good roads so I don’t hear many complaints,” he said of his township’s 63 miles of roads.

**The high cost of good roads ...**

	2008	2009
Rock	\$5.40/ton	\$11/ton
Oil	75 cents/gal.	\$2 plus/gal

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**Motor Fuel Tax Distribution legislation**

SB 1491 and HB 476, sponsored by Sen. Lou Viv-erito and Rep. David Winters, is strongly supported by the Township Officials of Illinois. It would provide for a proportional allotment of motor fuel tax receipts to **all** townships, rather than to just those townships that levy at .08%.

Under current law, motor fuel tax (MFT) receipts

are distributed to each county for distribution to the township road districts in that county. Each county’s share of MFT dollars is based on its percentage of total road miles in the state. Once the county has received its share, it then allocates the MFT funds to its township road districts on a similar proportionate basis, but only those road districts with a property tax rate of .08%.

This legislation provides that if a township road district levies a tax for road purposes at less than .08%, then it would get a proportional share of MFT funds based on its actual rate compared to .08%. Therefore, if a road district’s levy was .04%, it would get half of a full share of MFT funds.

The need for this legislation arose many years ago with the enactment of tax caps. Several road districts were levying at less than .08% because they didn’t have a need for more. However, since the inception of tax caps, costs of road maintenance have risen dramatically and some road districts are unable to raise their levy and, therefore, are unable to qualify for MFT funds.

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# News from the County Associations

**Hancock County**

The Hancock County Association of Township Officials met at Carthage Feb. 19.

TOI Legislative Consultant Tim Bramlet gave an overview of the changes taking place in Gov. Pat Quinn’s office and new leadership in the Illinois Senate.

Bramlet said that Quinn is inheriting severe budget problems ... at least a \$9 billion deficit for the coming year. Minor changes won’t solve the problems, he said, and the new Governor and the legislature may be

considering an income tax increase.

Bramlet talked about the need for a capital bill and said legislation had been introduced to increase the state’s gasoline tax by 8 cents a gallon. TOI is working to make sure townships get their fair share of any new road construction money, he added.

Townships might have a chance to gain additional money from the recently passed federal stimulus bill, Bramlet said. He also reviewed the TOI legislative agenda for 2009.

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## *No more canvassing ...*

The days of the canvassing board are gone.

Public Act 94-647, effective Jan. 1, 2006, provides that the election authority now canvasses township election results. Under the new law, the election authority (either a county clerk or board of election commissioners) of the county in which your main office is located is responsible for canvassing results.

Illinois municipalities, school districts and community colleges used canvassing boards until 2006 to review the certificates of results and ensure they were

authentic.

With the advent of modern technology, election results are now quickly available and can be communicated instantly as machines tabulate the ballots.

It is no longer necessary for a local government board to take any official action on the election canvass. However, it is recommended that the canvass be summarized and read at a meeting so results will be recorded in the meeting minutes.