



# Case Study Overview & Best Practices Recommendations

Service Delivery Task Force  
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**Metropolitan Mayors Caucus  
Service Delivery Task Force  
Overview and Summary of Case Study Work  
Best Practices Recommendations  
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**Project Overview:**

As a part of the work of the Metropolitan Mayors Caucus Service Delivery Task Force, fifteen communities have elected to participate in a phase one compatibility case study segmented into five separate studies to identify opportunities to share services up to and including the opportunity for consolidated delivery of services. In all the Task Force was able to study eight fire departments, six police departments, and four community development departments. The objectives of the study project is to begin to turn the "flywheel" of change in cooperative service arrangements which can lead to cost savings from new service delivery strategies while not compromising service delivery systems. Illinois local government has come under greater scrutiny by the public and the Illinois General Assembly to become more efficient and with over 6900 units of local government within the State, units of government themselves have become a target for reduction in number without great regard to the efficiency in which the governmental units achieve. Sheer number of local units of government has become a target. In the spring of 2011 at least four bills have been introduced addressing the consolidation of governmental services. One would establish a Commission to study in part how the numbers of local government units can be reduced through dissolution or consolidation into a larger unit. The logic is that activities from governing Boards to purchasing can be handled more efficiently with fewer players in the governmental "game". While the outcomes of these legislative initiatives will likely not proceed in the short term, Mayors need to presume that pressures to consolidate will continue.

2011 has also seen an unprecedented string of taxes and fee increases imposed upon the citizens of Illinois, including authorizations of a 66% Income tax increase, a substantial increase in tolls to use the Illinois Tollway system, and a 25% increase in fares to ride METRA. These new authorizations combined with recently announced proposals to increase water rates within the metropolitan region, city parking fees, and various home rule sales tax initiatives, combined with difficult economic conditions throughout the nation places additional pressures on cities and villages to evaluate the cost structure of traditional services. We can expect our tax payers to demand reduction in our expense structures at a minimum. The Service Delivery Task Force project seeks solutions to these ever increasing challenges by identifying alternative approaches to delivering services through increased cooperation and collaboration.

**Identifying Our Legal Toolbox for Shared Services.**

When consolidation of services is mentioned, one quickly finds that there is not a roadmap or strategy in place to direct cities and villages on the best way to proceed. While many units of local government have stated methods to dissolve, mergers are left in large part to the creativity of the governments dealing with consolidation. There are however important powers which can be creatively used to allow interested jurisdictions on combining services. The first of course is the broad powers contained in the Illinois Constitution, Article VII section 10 on intergovernmental cooperation which states:

- (a) Units of local government and School Districts may contract or otherwise associate among themselves, with the State, with other States and their Units of local government and School Districts,

and with the United States to obtain, share services and to exercise, combine, or transfer any power or function, in any manner not prohibited by law or by ordinance. Units of local governments and School Districts may contract and otherwise associate with individuals, associations, and corporations in a manner not prohibited by law or by ordinance. Participating Units of local government may use their credit, revenues, and other resources to pay for costs and to service debt related to intergovernmental activities.

- (b) Officers and employees of units of local government and school districts may participate in intergovernmental activities authorized by their units of local government without relinquishing their offices or positions.
- (c) The State shall encourage intergovernmental cooperation and use its technical and financial resources to assist intergovernmental activities.

While this provision is well known to the Mayors and has been used extensively over the years, it is important as we think about consolidation of services to remind ourselves how strongly the Constitution supports areas of intergovernmental cooperation.

The other powers worth mentioning are The Intergovernmental Cooperation Act, 5 ILCS 220, which expresses grants of authority for cities and villages to cooperate, enter into contracts, and establishes personnel rules governing any cooperative initiative impacting personnel. We should also remind ourselves of the Governmental Joint Purchasing Act 30 ILCS 525/2 (a) Allowing for the joint procurement of property, supplies and services. With this mandate in place one would have expected clear sailing on any cooperative venture consistent with the provisions of these authorities. Yet there are three primary barriers which have inhibited the consolidation of departments, particularly in the public safety arena.

1. **Consolidation of Police and Fire Commission rights, duties and protections.** We have a long established tradition with Illinois Police and Fire services to select our career personnel following traditional civil service guidelines and protect our sworn personnel from any unfair partisan pressures and favoritism which could impact professional sworn services. As a result we have institutionalized at the local level a pattern of rights, duties and protections for which there are unclear opportunities to consolidate the protections that are enjoyed by sworn personnel and the public. Finding a shared staffing arrangement under current law currently requires accommodation of the powers and duties of Police and Fire Commissions.
2. **Separate local pension funds.** Seeking to identify an equitable and method of combining pension funds is a serious barrier to shared services. There is no effective vehicle to combine pension fund powers and combined with the likely variation of funding levels of separate pension funding a significant barrier to pension consolidation exists.
3. **Current labor agreements.** Adopted labor agreements generally have conditions contained which limit the municipality's opportunities to combine personnel beyond general mutual aid without negotiation. This creates a significant barrier to achieve cost savings as a result of consolidation as any proposal likely would become an element of bargaining.

Initiatives in concept have been discussed with members of the General Assembly including those of the Du Page Mayors and Managers Conference to address these knotty issues in an attempt to allow a more manageable option for department consolidation in the future. This is a complicated issue and one that

could be challenging to achieve. This direction of this report is to deal with the legal realities which exist and to rely on intergovernmental service sharing as a contact element under the Intergovernmental cooperation act and constitutional provisions.

The Metropolitan Mayors Caucus, mindful of the need for efficient operations, launched an overall study which culminated in a report to the Caucus in December 2009 identifying potential trends both large and small which can produce both efficiency and financial savings. The Caucus directed its Task Force to continue the Study by seeking willing participants to examine real time conditions to identify more specific recommendations which could prove helpful to all Caucus members. The Task Force directed that Public Safety be addressed first, not because the Task Force believed operations were inefficient but because the cost to local government generally was the highest portion of a municipalities operating budget. In fact cooperative services in both police and fire have a long list of accomplishments in resource sharing already producing savings. The goal of the compatibility study was to identify additional directions not present where the “next practices” can be launched to produce even more savings.

### **Summary of Observations and Findings Important to Other Caucus Members.**

In studying the five projects there are common themes which should help all communities considering some form of shared services which are summarized in the following observations.

1. **Implementations tools.** The Task Force recommends that we utilize the contracting tools provided within the Intergovernmental Cooperation Act and when possible combine with Home Rule powers to establish service contracting between municipalities which achieves cooperative service arrangements. In so doing local governments will need to accommodate and work around current legal restrictions in place. Each of the case studies has elements of contracting which achieve functional or full consolidation results.
2. **Service modeling.** In some of the case studies the service delivery is presented as a combined operations plan which holds the promise of cost reduction for force reduction, facilities reductions, and vehicle reductions. In some cases the logistics of implementation will be very difficult to fully achieve but the service model should be used as a planning target from which incremental changes and functional consolidation should spawn.
3. **Understanding the business service model.** A clear understanding of the departmental mission is needed in restructuring services. For instance, considerable resources continue to be committed to the firefighting capabilities of municipal fire departments yet only about 2% of actual deployments are involved in firefighting and responding to activated and generally false call alarms. While this should be viewed as a major achievement in comprehensive fire prevention and code management practices it needs to be taken into consideration in service delivery planning. The role of fire departments today are primarily medic and rescue oriented with emerging responsibilities in hazards and first responder planning unrelated to firefighting. Updating the strategic planning in all public safety areas should be a first step in seeking shared service cost reducing strategies.
4. **Service Design and metrics.** Response times play an important role in designing public safety response services, yet local governments have defaulted to operating standards established by outside parties including professional associations, hospital and trauma planners, and others not directly interested in paying for the services rendered. While highly credible and prudent in many

instances, municipalities must reposition service objectives with cost as well as service response objectives in mind as the latter often is a cost driver in municipal budgets. Police and fire command and leadership personnel themselves are important partners in defining standards sought in the context of national standards, and adapting those standards to local conditions.

5. **Fire District creation.** One clear method for service consolidation in the fire service is the creation of a referendum approved Fire District. While this can prove to be a clear option for combining services, Mayors need to consider the policy control shift and expansion of local governmental units that such a decision would have on the taxpayer. It will transfer responsibilities of fire service planning away from City but is a structure which is heavily property tax dependent for its operations.
6. **Developing accurate and common activity data bases.** One of the challenges of the case studies was putting into common form the description and time allocation of activities of police and fire departments. There are numerous options for cities to accurately account for their time activity which is an important precondition of understanding availability of any excess personnel. One good example of a deployed reporting system is operated by the Village of Grayslake which led to the creation of an intergovernmental police contract without the need to expand Grayslake personnel.
7. **Management commitment.** Without question centering the management team to the opportunities and advantages of shared services is a critical pre condition for success. This however poses a particular problem when department consolidation is being considered as they generally have a negative impact on the number of senior command staff personnel. For this reason timing of a consolidation and retirement attrition are important elements for a successful new service delivery implementation plan.
8. **Proceed with an escape plan.** Cities are more welcoming of change if they have a clearly defined escape plan in place to return to prior servicing in the event shared services encounter problems and issues. Two of the studies have that recommendation in place.
9. **Create a positive political climate.** Promoting a spirit of positive outcomes is a continuing challenge of any service sharing strategy. Often technically feasible service sharing opportunities are lost as a result of the underestimating of the need for a political champion for the consolidation.

#### **Observed Best Practices from Studied Departments.**

It is fair to say that the participating departments had a broad range of operating practices and cost structures in delivering their basic public safety services. Our participants were all concerned with their overall cost structure to deliver services and by their participation in the shared service studies were eager to identify methods to combine their operations to produce even greater savings and improve performance. In addition in the course of the project study, the Task Force monitored intergovernmental service sharing initiatives not associated with the MMC work but important to provide illustrations of programs, some successful, some not in their attempts to identify what could be described as “best practices” which should be considered. Here is a breakdown by functional area on what arrangements the study partners are currently participating which should be at least reviewed and considered for MMC members considering joint services arrangements.

**Fire Department initiatives:**

**Minimum Staffing:** The Alsip Fire Department operates as a career department and carries an ISO Class 3 designation but does so with a deployment of only eight personnel. All of the studied departments seek to deploy the NFPA fire ground staffing of 15 but in Alsip's case responding personnel are made up from out of Village automatic aid agreements with three communities for additional apparatus and personnel including command personnel, deployment from both stations on confirmed fire calls, coupled with the ability to implement a general call back driven in part from the close proximity of off duty personnel, and the use of senior command personnel assuming periodically duties of Battalion Chief duties. Alsip also benefits from the flexibility of all personnel carrying Paramedic certifications as medic calls make up about two thirds of all calls in this Village.

**Paid on Call and Combination Departments:** While not a service sharing strategy, two of the departments, including LaGrange Park, and Western Springs, maintain an active paid on call department which significantly lowers the cost of fire service. To meet the challenging medic demands contract medics are employed so as to function as combination departments from a personnel staffing perspective. Chicago Ridge also maintains a paid on call capability from a "volunteer station" and reliance on automatic aid agreements with its neighbors. The keys to sustaining a paid on call and combination department is the integration of the work pool into a training, development, and work assignments, coupled with an active recruitment program and competitive per call pay. Being a part of the fire service is an important ingredient in a successful paid on call department and loss of identify and assignment is a quick method to kill paid on call units.

**Apparatus assignments:** LaGrange and LaGrange Park through automatic aid agreements have been able to eliminate on aerial truck as a result of mutual cooperation agreements. Western Springs is giving serious consideration to participating as well as their apparatus reaches retirement age. Oak Lawn has captured savings through the retirement of its aerial truck and reinforcing its capabilities through automatic aid and specialized lower cost apparatus.

**Shared Emergency Dispatch Systems:** Shared dispatching services have been broadly received throughout the metropolitan area with several regional communications options available. For smaller departments, however, Communications personnel carry a job assignment well beyond dispatching and, while generally, dispatching alone when combined into a regional system can produce monetary savings, task analysis and multi task costs need to be considered in any consolidations. Four of the study partners are giving serious consideration to partnering either together or through a purchase of services arrangement from a service provider to lower the annual costs of stand along dispatching.

**Wireless alarm systems:** False calls make up a significant operating cost and risk exposure for the fire service. False calls can be 10-12 times the structural fire exposure occurring in a given year. Workable remedies which convert hard line systems to wireless systems have proven capabilities with demonstrated cost savings results. These systems can also be enhanced through communications systems direct connection to dispatch systems cutting out call central stations which must be manned, and designed, with distinctive sound and visual alarm classifications to increase overall alarm performance and lead to lower false calls on a consistent basis.

## Case Study Observations and Lessons Learned:

The Case studies conducted on behalf of the Task Force has revealed many observations on the issues which shared service initiatives will face. I have broken these down into Policy Considerations and Operational Considerations.

### Policy Considerations:

1. The driver for any successful shared service either functional or full consolidation must plan for an equitable balance of expected benefits, anticipated savings and costs. Every service sharing plan must have clearly articulated objectives and expectations which can be measured to demonstrate success once implemented.
2. The most likely vehicle for service sharing today in Illinois is an intergovernmental purchase of services contract between interested public agencies and allowing for the complexities of pension, police and fire commission rules and obligations, and labor agreements to remain based in each of the municipal jurisdictions.
3. Service sharing initiatives should be discussed openly in high level governmental forums to demonstrate the importance and priority of the issue. Two effective presentations were given to a joint Village Board workshop session specially scheduled to discuss service sharing and a mayors and Managers gathering followed by individual Village Board presentations in each participating community.
4. If service sharing results in an imbalance in service or responses, compensation should be considered to balance the benefits. Presently most mutual and automatic aid agreements are handled without charge and are restructured if imbalances occur. The nearest responding unit in the fire service would be one example where compensation may allow for the efficient use of staffing and apparatus.
5. The greater flexibility to permit utilization of outside personnel in department responses should be protected and preserved as a labor relations strategy.
6. If supervisory and command assignments are to be shared, extensive knowledge not only of management but codes discipline and operating practices skills will be needed in those designated for shared service supervision.
7. When evaluating field patrol deployments street number of personnel and not number of police districts in presentation.
8. Task identification, process time and output analysis measurement tools are necessary to measure available labor capacity for service sharing. Ongoing identification and measurement and reporting will be needed to sustain a shared service operating model.
9. Command personnel should look continually for opportunities to expand mutual aid and automatic aid partners.
10. Any organization recommendation for a shared service deployment must provide for reasonable and continuing local control and representation.
11. All shared service planning should start with a thirty thousand foot global plan bringing that plan into focus in 10% increments.
12. Wage and benefit disparity between potential shared services partners could have the effect of driving up costs rather than savings money as partners seek wage equity to the higher level.
13. Seek to build broad collateral trust at several levels within the organization, seek to extinguish negativism. Mayoral peer relationships are very important.
14. Shared service arrangements developed through purchase of service arrangements should carry a termination or escape clause in the event objectives are not met.

15. Development of common reporting, operating practices, and information managements will assist any service consolidation measurement.
16. Cost savings alone will not carry the day in consolidation. Loss of autonomy, and identification and accountability are major factors as well.
17. Community similarity and compatibility is important on developing a shared service discussion but will not close the shared services deal by itself.
18. Seek to achieve small victories and establish credible service proposals based on sound and achievable targets. Challenge department Directors to develop serious proposals on a continuing basis which can achieve financial sustainability and operational equality.
19. Service contracting options can be expedient but risky to the hosting community. Contract cancellation without long notice can cause financial hardship and force layoffs impacting overall morale.
20. Favorable public support can assist shared service efforts but negative support can kill initiatives. There is importance to manage the message and maintain an active medial program on any initiative.
21. Do not expect a public call for consolidation but welcome it in any form.
22. Decentralized personnel structures such as collective bargaining agreements, pension funds, and police and fire commission obligations represent major challenges to full consolidation models.

#### Operational Considerations:

1. Prepare for service sharing by aligning information management, fees, standards, and operating practices.
2. Director level intergovernmental meetings should be formed and serve as a discussion forum on defining shared service options.
3. Do not overlook the importance on maintaining community identity. Uniforms, vehicle markings, and naming all are important to a successful shared service program.
4. Full consolidation impacts can be expected to impact command positions more significantly than line positions. This creates a challenge in building support for shared service programs.
5. Functional consolidation such as combined dispatching and support services has the potential for greater success but any job loss option must address a "transitional" plan.
6. Organizational triggers such as retirements, new facility needs, major equipment needs should be seen as opportunities to create a shared service option as a part of any recommendation.
7. Joint service bidding for general and specialized services should become a part of staff recommendation package presentations.
8. High specialized skill personnel present a great opportunity for employee sharing with the expectation of cost reduction.
9. Training functions including in service labor "exchanges" done cooperatively can lead to lower cost and induce standardization of practices. Mid-level command personnel should be considered for this program.
10. A joint Administrative Adjudication program can bring economies and reduced costs to participating municipalities.
11. Shared costs for equipment and apparatus ownership, maintenance, staffing and replacement should be a part of all major acquisition considerations.
12. Studies should look first at the opportunities of "non-personnel" shared service savings.
13. When evaluating the characteristics of a shared service deployment measure against a single community of comparable size to the combined service communities.
14. Prepare hypothetical implementation service scenarios to initiate discussions between interested parties based upon the desired policy objectives.



15. Align information systems and reporting so that combined services can be adequately measured and reported for public viewing.
16. Audit all automatic aid agreement at least annually to confirm equality, Balance and mutual benefit.
17. Keep options for combined staffing available for all service sharing alternatives.
18. All support services should be eligible candidates for service sharing options.

### **Case Study Summary of Recommendations.**

The study project and partners include the following and summary of project findings:

1. **Southeast O'Hare Fire Study including the Village of Franklin Park and the Leyden Fire Protection District.** This study involved a single purpose government (Fire Protection District) and a general purpose government (Village). While the operating department had a strong peer relationship between the Chiefs, there was not a similar Mayor to Mayor peer relationship and while the study focused only on the fire service, the scope of the Village cost reducing strategy was broader than the Fire Protection District which really focused on their sole legal mission as fire, rescue, and emergency medic services. The study identified a redundancy in facilities and apparatus which I believe could be reduced through a joint planning and management of the combined service area. I also identified that the standards of cover related to fire deployments seemed to be more feasible if staffing resources were trained, housed, and deployed permanently on a combined basis. The recommended strategy was to create through Intergovernmental Agreement a fire service "amalgamation" and establish a central management and administration of the combined areas fire, rescue, and medic services for a trial year without eliminating any facilities or apparatus. The overall strategy was to establish, through central planning and management of the combined service area, budget economies while preserving the standards of cover. This planning strategy could reduce the need for at least one fire station and multiple apparatus. Because the "amalgamation" was a trial arrangement both departments would budget separately but would work toward the goal of producing a combined operating budget and service plan for 2012, at which time a more formal intergovernmental agreement could be established. At this stage in time the Village is more committed to change than is the Fire Protection District.
2. **Dundee Township Police Study including the Villages of East Dundee, Sleepy Hollow and West Dundee.** This project envisioned the use of a lead agency providing municipal policing services on a contract basis to the two study partners. Again using the framework of an intergovernmental police contract, the lead police agency would command all three police departments and over time, through retirements and attrition, the staffing of the combined policing team would be exclusively be under the employment of the lead agency. The recommendation produced savings for the two contracted communities and increased cash flow to the lead agency. The staffing reduction impact would be felt primarily within the command structure of the departments although two of the three police stations would be reduced in space and function to substation status. The vehicle inventory would also be reduced under the combined service operation. One of the study partners has shown reluctance to proceed based upon the future risk of higher costs from the lead Agency deployments. The remaining two partners have requested contract terms and revised costing for their consideration.

- 3. Southwest Suburban Fire Study including the Villages of Alsip, Chicago Ridge, and Oak Lawn.** There is both functional and long term service sharing opportunities for these three departments. While an overall consolidation strategy has been identified, its primary benefits would be realized in the incremental development of "funded" service sharing arrangements over a period of time. Contained in the study is a recommendation that the departments review when attrition occurs the potential of a shared Fire Chief between at least two of the partner departments. We put this option in play as a result of the retirement of one of the Chiefs during the study but the Village for the retiring Chief elected to install their own Chief at this point. We also have put forth the argument for the creation of a Fire District along with the possibility of mutual aid serving departments, whose service received and service returned is out of balance. Consideration of a fee for services charge to jurisdictions receiving more aid than they are able to provide should also be evaluated as the more developed departments "anchor" the core service responses for the smaller departments of automatic aid partners. It is also recommended that a joint "standards of cover" meeting structure be developed and launched between the participating Fire Chiefs to focus on nearest apparatus unit responding for efficiency purposes. Functionally it is recommended that one of the departments contracts for police and fire communications services.
- 4. West Suburban Police and Fire Study including the Villages of LaGrange, LaGrange Park, and Western Springs.** This study includes both police and fire services. While there is not a desire on the study partners to dive into a full consolidation model looking at ways to create money savings as a result of greater cooperation on a phased or tiered basis has been the objective of this study. Tier one strategy suggests the creation of a joint dispatching operation either through combining resources of the partners themselves or contracting with an established regional telecommunications provider. In addition, the recording of work activities and calls for law enforcement varies from community to community so the possibility for developing a common reporting of police activity would be helpful to the group. The fire departments for two of the Villages are volunteer and as such have an attractive cost structure. The one career department has developed automatic aid support to manage its costs as well, so that fire costs are lower than other comparable career departments. The Tier two strategies address apparatus sharing and facilities as an area where additional economies can be developed. On their own the departments have investigated shared service but shared procurement of large apparatus is still in the discussion stages. With three ladder trucks serving the Villages and all ageing, there is an opportunity for shared deployment to reduce that inventory by at least one front line vehicle and multiple reserves vehicles. Tier three initiatives would only launch after successes in one and two are achieved. Tier three will focus on shared patrol shift supervision between the parties and evaluation of reducing the current police districts or beats from seven to five, using Municipal overlapping districts. The study partners are presently evaluating an advanced tier one study.
- 5. North Shore Code Enforcement Study including the Villages of Glenview, Northfield, Wilmette, and Winnetka.** The intended outcomes for this project are clearly functional with no interest expressed in combining departments to lower staffing. That being said, there is interest in expanding, if possible, the successful Health Officer sharing program which three of the Villages currently have in place. This is a project whose work is in progress and will produce additional recommendation outcomes as the study comes to closure.