

Lower Fox River Partnering Initiative Shared Services Study

for the Village of Oswego, Village of Montgomery, and United City of Yorkville

October 2015



Acknowledgements

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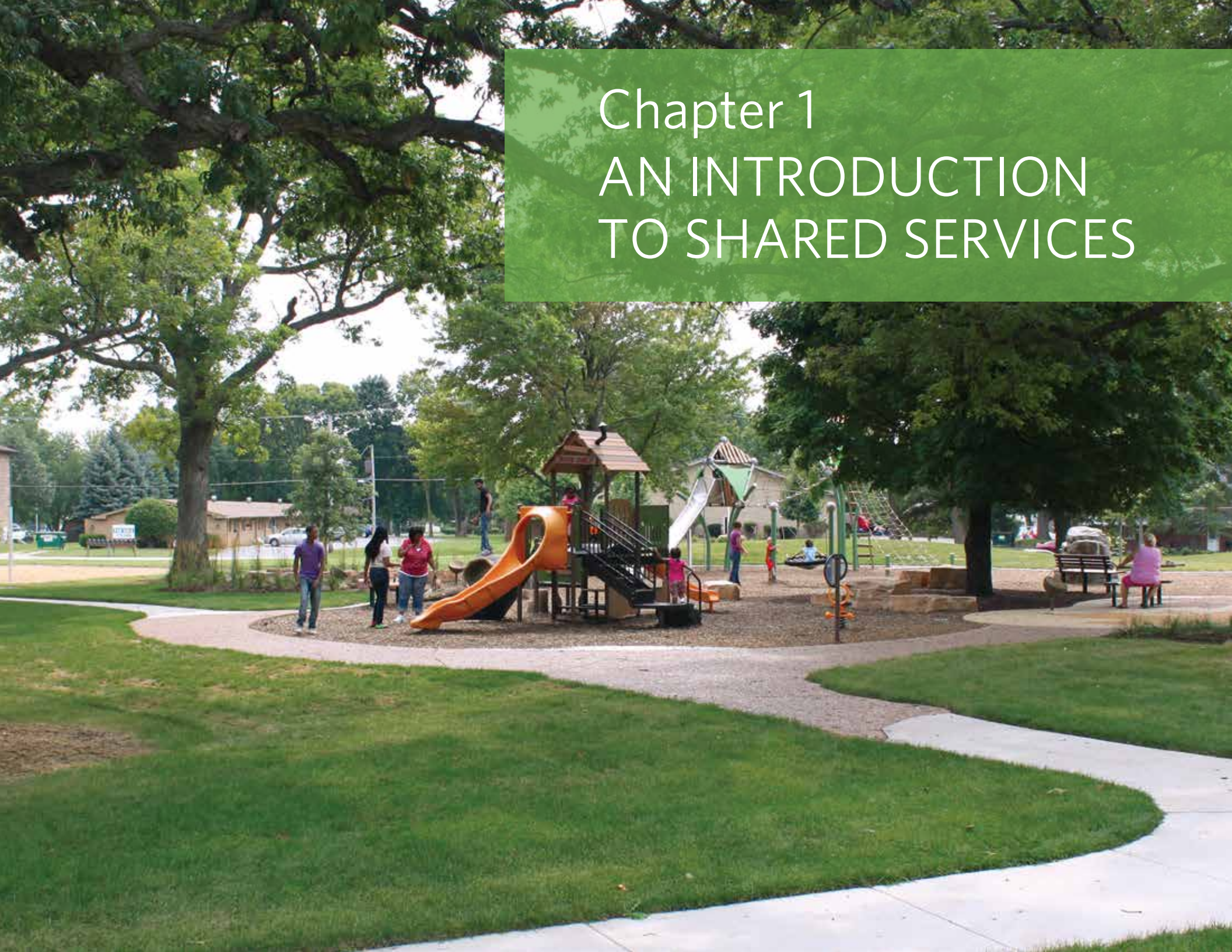


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Chapter 1

AN INTRODUCTION TO SHARED SERVICES



An Introduction to Shared Services

Local governments play an important role in maintaining the quality of life for communities. From cleaning out sewer pipes to repaving aging roads, they perform many critical functions. In order to ensure the delivery of high quality services to residents in the face of budget cuts and economic hardships, local governments are expanding opportunities for shared service delivery to improve the efficiency of government operations.

This multijurisdictional project provided technical assistance to the Village of Oswego, Village of Montgomery, and United City of Yorkville to identify opportunities for sharing municipal services. The Study includes a number of recommendations for shared service projects and has already led to the creation of the Lower Fox River Partnering Initiative that will oversee long-term cooperation among the communities. The Study is the result of collaboration between municipal staff from the communities and the Chicago Metropolitan Agency for Planning (CMAP). By exploring shared services, the three communities are providing strong leadership for improving efficiency of local governments across the region.

Purpose and Scope of the Study

This Study documents the communities' process of establishing the Lower Fox River Partnering Initiative and provides specific recommendations for the communities to implement shared services. The Study also synthesizes best practices for shared services based on the experiences of other municipal partnerships. The lessons learned from regional examples should not only inform the efforts of the three communities, but also provide guidance to other municipalities interested in shared services across the region.

This Study focuses on sharing opportunities between the three local governments only, rather than shared services between other levels of government, such as counties, and other taxing bodies, such as school districts or park districts.

This Study does not recommend any consolidation of any kind. The findings of the Study aim to increase the quality and efficiency of municipal service delivery, and are not intended to lead to municipal or departmental consolidation, staff layoffs, or reduced quality of service for the communities' residents.

Relationship with the GO TO 2040 Comprehensive Regional Plan

CMAP developed and now guides the implementation of GO TO 2040, metropolitan Chicago's comprehensive regional plan. To address anticipated population growth of more than 2 million new residents, GO TO 2040 establishes coordinated strategies that will help the region's 284 communities address transportation, housing, economic development, open space, the environment, and other quality of life issues. The GO TO 2040 plan strives to balance the need for local autonomy and regional cooperation. It provides principles that municipalities and counties can apply to decide how and where development should happen or which infrastructure investments to prioritize in their communities. The plan recommends supporting local planning through grant programs, infrastructure investments to implement plans, technical assistance, and collaboration between municipalities on shared priorities.

The Plan contains four themes and 12 major recommendation areas:

- Livable Communities
- Human Capital
- Efficient Governance
- Regional Mobility

Achieving regional goals for governance efficiency requires significant innovation and coordination at the local level. GO TO 2040 states that “one community, or even a single level of government, cannot solve our most pressing problems alone. Though northeastern Illinois is a large and diverse region, our communities are interdependent and our leaders will have to work across geographic borders to create sustainable prosperity.” Oswego, Montgomery, and Yorkville are addressing GO TO 2040's recommendations for increasing the efficiency of local governments by promoting strategic coordination to efficiently deliver high-quality services to residents.

What is a Shared Service?

Intergovernmental cooperation is not a new phenomenon, but it often occurs informally or on an ad hoc basis. This study provides a framework by which the three communities can formally share services on an ongoing basis.

Shared services can take many forms. Shared service initiatives can be distinguished by the scale of governments involved. Vertical service sharing is when a higher level of government provides a service to the units of government below it. Counties, for instance, may provide services for the municipalities within their boundaries. Horizontal service sharing—the main focus of this study—occurs across multiple entities at the same level of government.

There are multiple ways to structure shared services. Shared activities involve the mutual undertaking of municipal operations or functions. Examples of shared activities include use agreements to share equipment or staff and coordinated implementation of a program across multiple communities, such as a shared gang unit task force.

Joint procurement is when multiple municipalities develop and execute a single bid to a vendor to provide a service. When communities combine needs through joint bids, they may be able to achieve an economy of scale to purchase goods or services at a lower cost than if each of them were to bid separately. Vendors can include private companies and other local governments.

Shared service agreements can take the form of contracts, memoranda of understanding, intergovernmental agreements, policy documents, or even the formation of a new position or department. Some agreements require governing body resolutions to pass while others lend themselves to less formal documented agreements, or can be budgeted and implemented at the departmental level alongside other non-shared services.

Chapter 2

THE CASE FOR SHARED SERVICES



The Case for Shared Services

The motivation for municipalities to share services can come from a variety of driving forces. In many places, greater public demand for transparency in public spending and fiscal constraints have encouraged local governments to increase the efficiency of their operations. Some seek shared agreements to offset costs when assets are underutilized. Given fiscal uncertainties from the economic recession and statewide budget concerns, Oswego, Montgomery, and Yorkville are using this study to demonstrate commitment to efficient governance and to explore innovations in service delivery. The three communities are particularly well-suited to share services due to similarities in demographic make-up, growth patterns, and geographical characteristics. Their mutual identities as Lower Fox River communities provide a strong foundation for the Partnering Initiative.

Benefits of Shared Services

Maintaining high levels of service in the face of rising costs can be challenging. Shared services are attractive for local governments because they can have wide-ranging benefits, several of which are identified below.

- **Save and control costs.** Municipalities can potentially reduce costs of service delivery by achieving economies of scale when they share services.
- **Increase quality of service delivery.** Local governments may be able to carry out existing services at a higher level by sharing the costs and labor of service delivery.
- **Expand scope of service delivery.** When municipalities pool their resources, expertise, equipment, and capacities, they may also be able to provide more services than what they could do individually.
- **Increase efficiency.** Many communities share common corridors and infrastructure systems, but their municipal services end at political boundaries. Governments can increase the efficiency of these activities when they are carried out jointly across contiguous areas.
- **Formalize arrangements.** Individual municipal staff members may enjoy good relationships with their counterparts in adjacent municipalities. Many even have informal arrangements in place to share services. Formalized shared service initiatives allow municipalities to clearly define expectations, liability, financial responsibility, and intent of the partners, as well as provide clarity when staff changes occur. Shared service agreements provide written descriptions of how the service will be implemented in practice, as well as provisions for dispute resolution and out-clauses.¹
- **Improve public relations.** Taxpayers want to know that their tax dollars are being spent wisely and efficiently. Municipal leaders can demonstrate commitment to fiscal responsibility by implementing more efficient governance practices. Municipalities that share services cite strong public support for their initiatives.
- **Increase regional cooperation.** The process for sharing services requires significant collaboration among neighboring communities. Over time, municipalities can use shared services to build relationships and trust with their neighbors in other areas of governance and planning.

¹ Institute for Local Government. "The Importance of Written Agreements." <http://www.ca-ilg.org/post/importance-written-agreements>.

Commitment to Efficient Governance

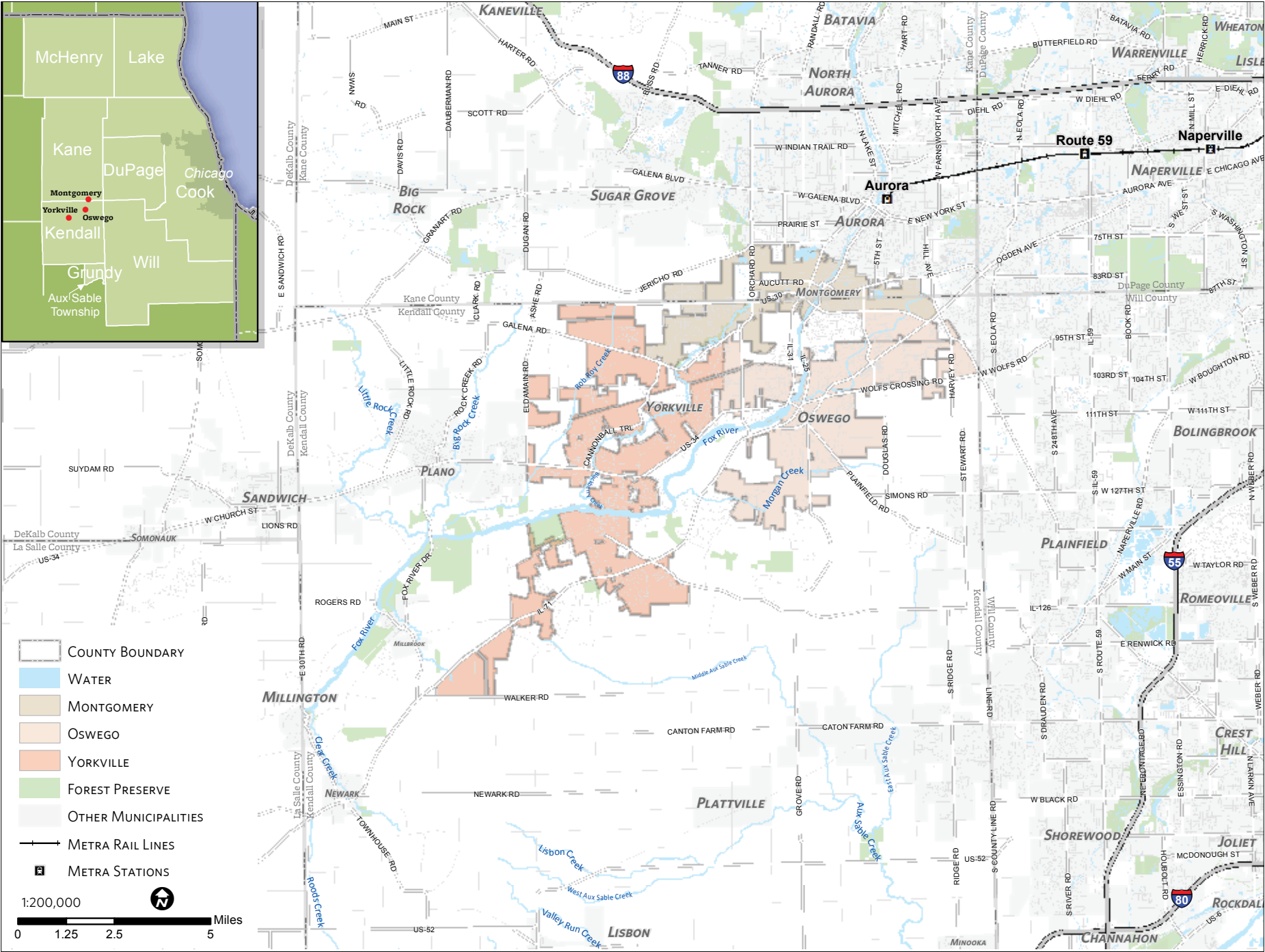
Oswego, Montgomery, and Yorkville have undertaken several relevant planning efforts in recent years that identify common goals relating to governance efficiency. The plans include many recommendations for improving municipal services and provide impetus for conducting this Shared Services Study.

- Oswego's [2012-2017 Strategic Plan](#), which guides Village operations, calls for efficient municipal governance and services as a primary goal. This goal includes eighteen objectives that from adopting fiscally responsible practices in municipal operations to encouraging innovation and cross-departmental collaboration. This strategy is particularly important for enabling staff to think in new ways about service delivery and cooperation.
- Montgomery's 2014 [Comprehensive Plan](#) calls for the establishment of a "Joint Services Council" of service provider representatives to improve cooperation and efficiency of service delivery.
- Yorkville's 2008 [Comprehensive Plan](#) vision statement aims to "creat[e] systems for routine collaboration among and between organizations that influence City goals." Furthermore, one of Yorkville's land use goals is to improve cooperation and coordination of planning documents between Yorkville and "other municipalities, counties, and regional planning bodies," setting the stage for collaboration on broader planning efforts in addition to day-to-day service delivery.

The municipalities also have a long history of working together. For example, they have boundary agreements in place that allow neighboring municipalities the right to review proposed developments within a quarter mile of municipal borders. As another example, the Villages of Oswego and Montgomery, along with the Oswegoland Park District, the Oswego Community School District #308, the Oswego Public Library District, and the Conservation Foundation, completed a [Green Community Vision Plan](#) to guide environmental activities in the area. The two-year process resulted in an environmental vision statement with seven priority goals, action steps, and timelines for achieving the shared vision. Since the plan's adoption, both municipalities have implemented several of its recommendations through environmental commissions and environmentally friendly development strategies.

More recently in 2013, Oswego and Montgomery attempted a joint waste hauling bid. Ultimately, the communities were not able to agree upon certain specifications, including the hauling schedule, and decided to pursue separate bids. The process of collectively building the Lower Fox River Partnering Initiative through this project allowed the communities to step back and establish a foundation for collaboration that can support future shared service efforts.

Figure 2.1. Regional location



Source: Chicago Metropolitan Agency for Planning, 2014.

Shared Regional Contexts

The shared characteristics of the three communities make them natural partners for shared services. Located about 50 miles west of Chicago along the Fox River, Oswego, Montgomery, and Yorkville have been shaped by similar geographic and historic contexts.

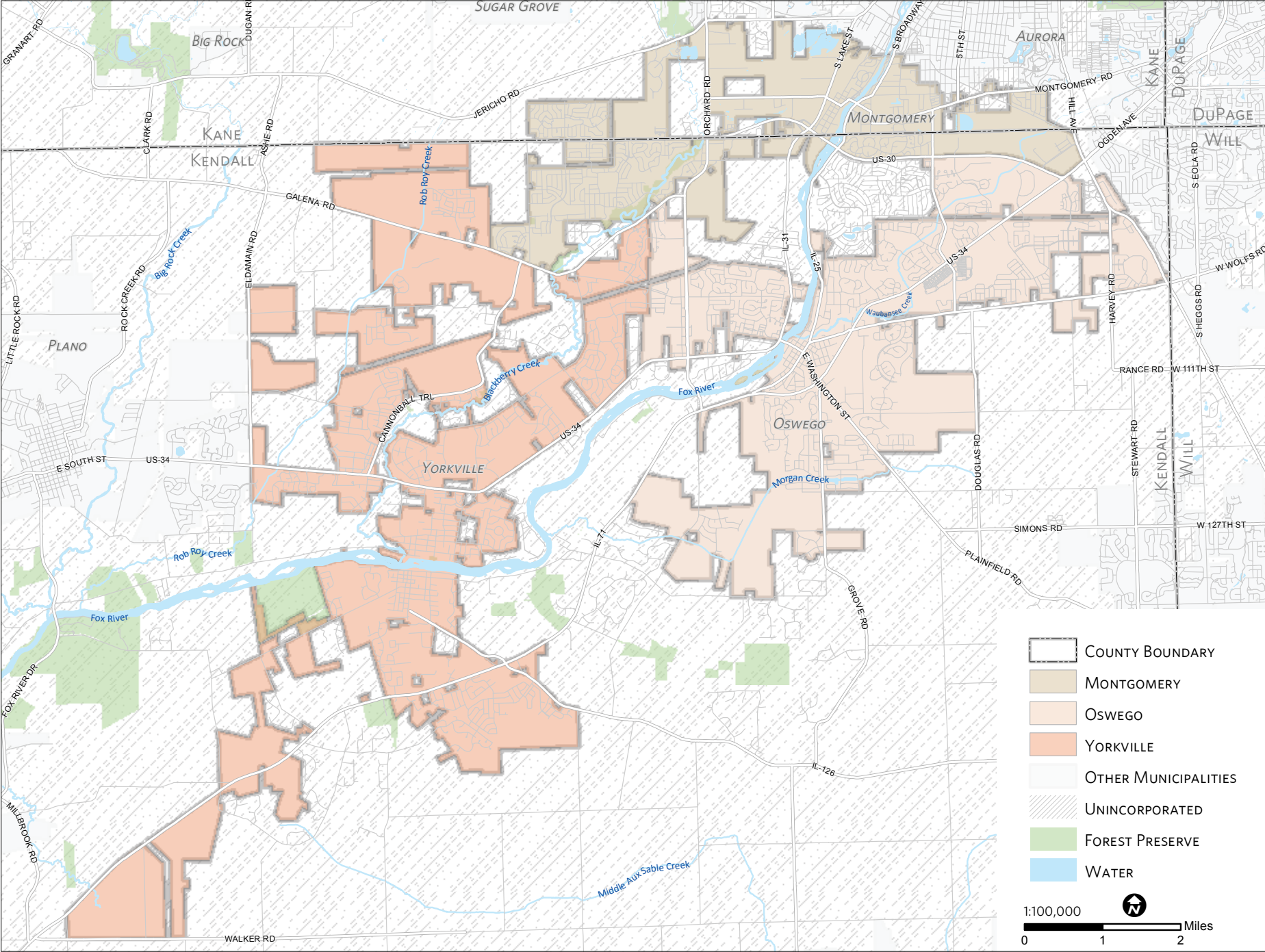
Oswego, Montgomery, and Yorkville were first settled in the early 1830s and incorporated in the mid-19th Century when the region's population expanded west to form what are now Kane and Kendall Counties. The history of these communities is closely tied to the development of regional rail and road networks along the Fox River. These expansions strengthened access for commuters between Aurora and the Oswego-Montgomery-Yorkville area, and created economic corridors that form the foundation of the region's commercial activities today.

Throughout the 20th Century, several companies, including Caterpillar, Dial, Western Electric, and Wrigley located facilities in the area. That commercial growth has contributed to rapid population growth and development. Montgomery now has a population of 18,440, representing a 230 percent increase from 2000. In the same timeframe, Yorkville grew by 170 percent to 16,920 residents. Oswego, the largest of the three communities with 30,355 residents, has grown by 130 percent in the last decade. While rates of population increase have slowed due to the national economic recession, the municipalities continue to grow today.

The communities now face the challenge of providing high quality services to their expanding residential populations. All of the municipalities strive to maintain tight-knit community identities while accommodating growth. The communities envision a future in which development does not outpace quality of service provision to their growing residential populations. Montgomery's Comprehensive Plan, for instance, articulates a vision of keeping a "warm, small-town atmosphere" as it develops through sustainable growth practices. Similarly, Oswego's Downtown Framework Plan vision statement expresses the desire to retain the historic charm of Main Street while also attracting new development to the neighborhood.

The rapid growth patterns of Oswego, Montgomery, and Yorkville have also led to irregular municipal boundaries. The communities' intertwined borders lend themselves to service coordination, especially for services that are determined by physical geography. For instance, the communities can gain efficiencies by collaborating on services like snow removal and mowing, rather than conducting services strictly within municipal borders. As suburban communities with significant potential for new development, Oswego, Montgomery, and Yorkville have an opportunity to coordinate municipal services and planning to ensure sustainable growth and development. With cooperation, the communities can better balance the demands of growth on their public infrastructure, water, land, and other shared resources.

Figure 2.2. Study area



Source: Chicago Metropolitan Agency for Planning, 2014.

EXISTING LAND USE (CMAP, 2010)

- SINGLE FAMILY RESIDENTIAL
- MULTI-FAMILY RESIDENTIAL
- COMMERCIAL
- URBAN MIX WITH RESIDENTIAL COMPONENT
- INDUSTRIAL
- INSTITUTIONAL
- OPEN SPACE
- AGRICULTURAL
- WATER
- TRANSPORTATION/UTILITIES/COMMUNICATION/OTHER
- UNDER CONSTRUCTION
- VACANT

COUNTY BOUNDARY
 MUNICIPAL BOARDS
 UNINCORPORATED

1:100,000

0 1 2 Miles

Source: Chicago Metropolitan Agency for Planning, 2014.

Table 2.1. Municipal operations

	Oswego	Montgomery	Yorkville
Staff size	112 full-time equivalent employees (FTE)	56 FTE	74 full-time; 86 part-time (FTE unknown)
2015 Budget	\$29,204,087 ²	\$24,319,752 ³	\$30,204,834 ⁴
Start of Fiscal Year	May 1	May 1	May 1
Home Rule	Yes	No	No
Population (2010)	30,355	18,438	16,921

Source: All sources from resources provided by the munis (ie, budget docs and financial reports) except population numbers, which is from 2010 census.

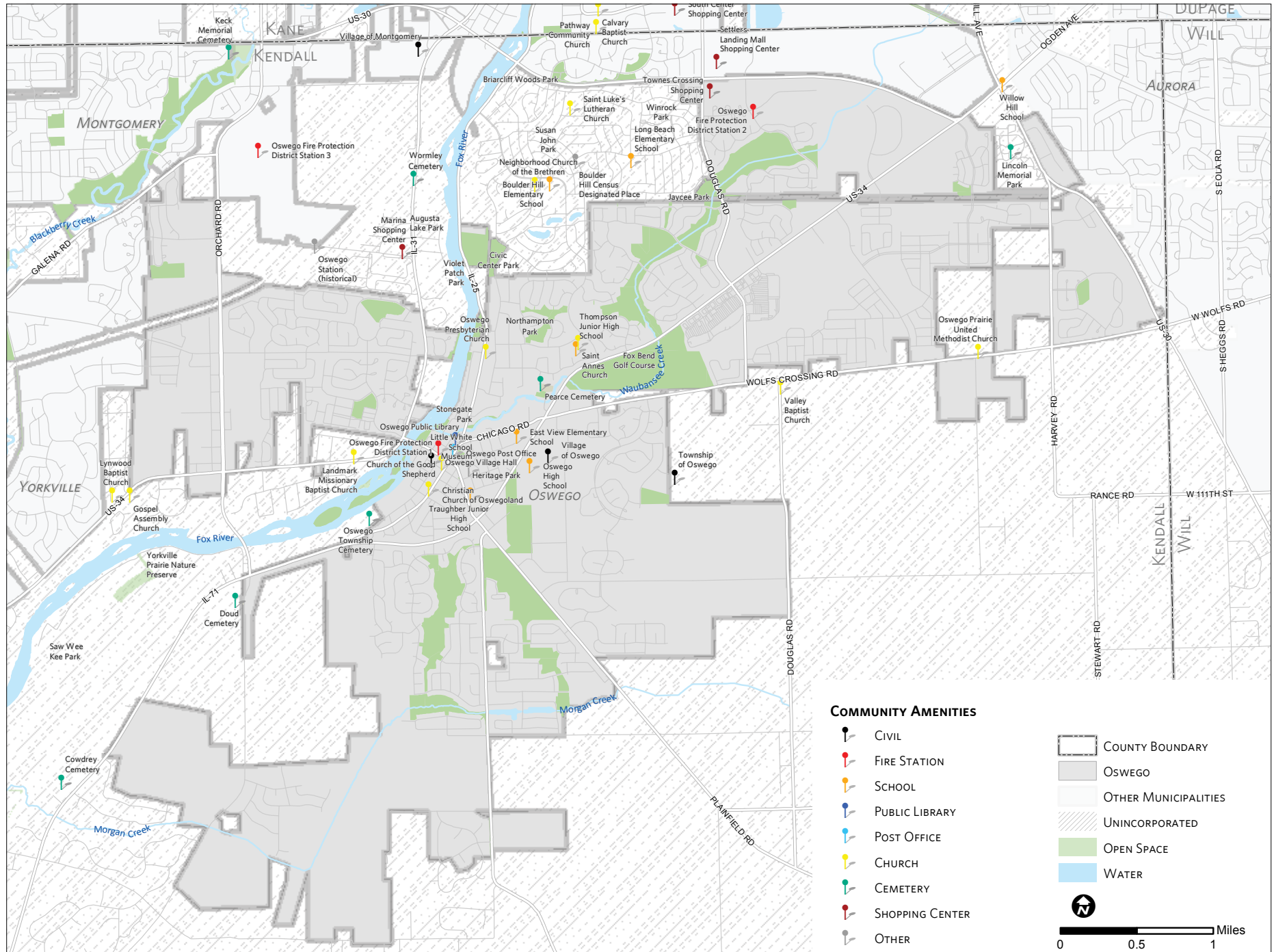
Operationally, the communities share the same fiscal year, which makes it easy to coordinate budgets for shared services. The communities do, however, vary in capacity and resources. Table 2.1 above summarizes several aspects of municipal operations for each of the communities. The difference in these budgets is due to variations in municipal operations. For example, the United City of Yorkville includes library and parks operations, while the Village of Montgomery includes special service areas. The staff and financial resources have implications on each community's goals for the services they are interested in sharing and the most effective ways to deliver those services.

² Village of Oswego 2014-2015 budget, available at: <http://www.oswegoil.org/pdf/FY15FINALBudgetupdated.pdf>.

³ Village of Montgomery 2014-2015 budget, available at: <https://ci.montgomery.il.us/DocumentCenter/View/1370>.

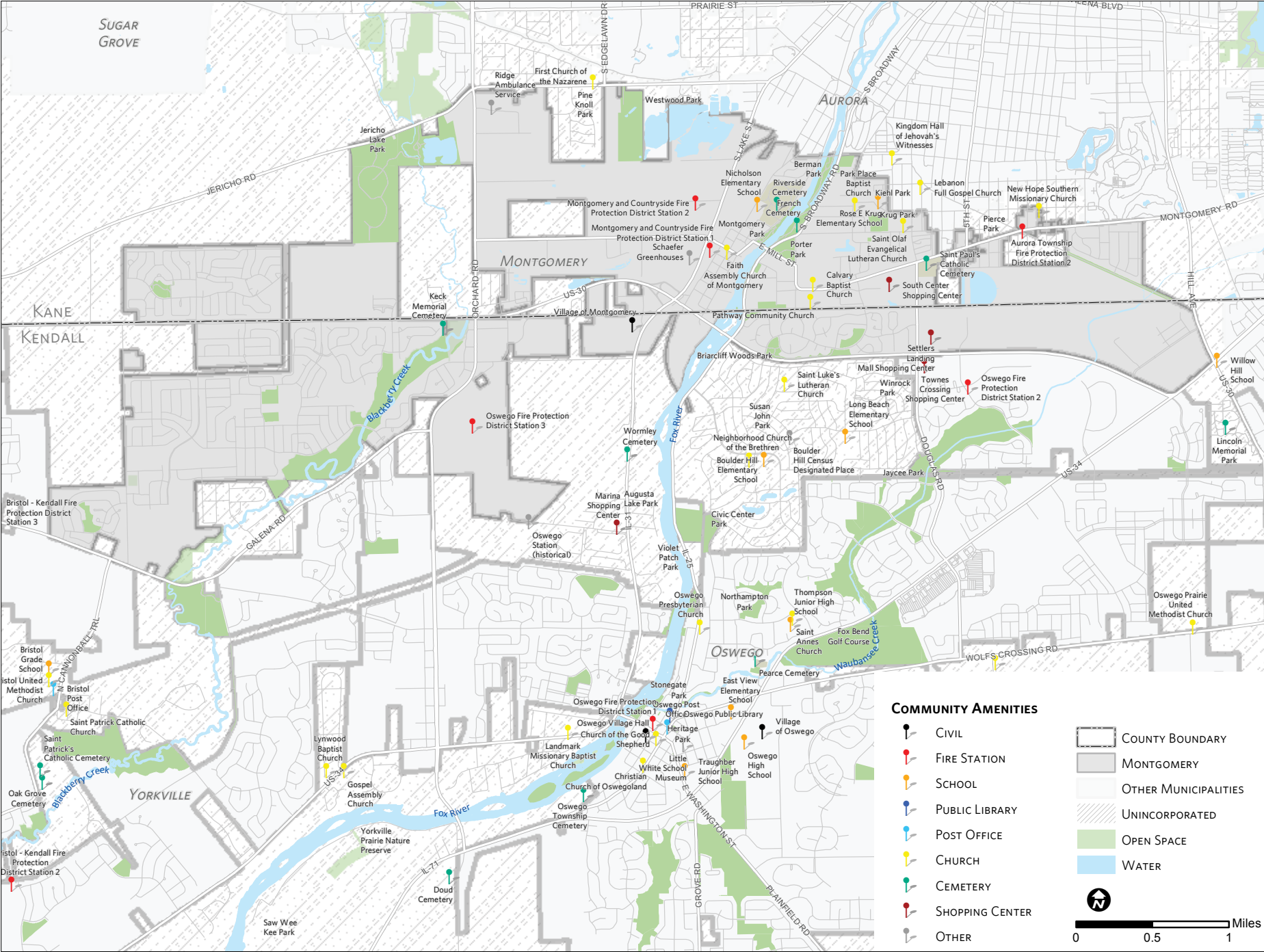
⁴ United City of Yorkville 2014-2015 budget, available at: <http://www.yorkville.il.us/documents/FY2015Budget.pdf>.

Figure 2.4. Oswego municipal facilities



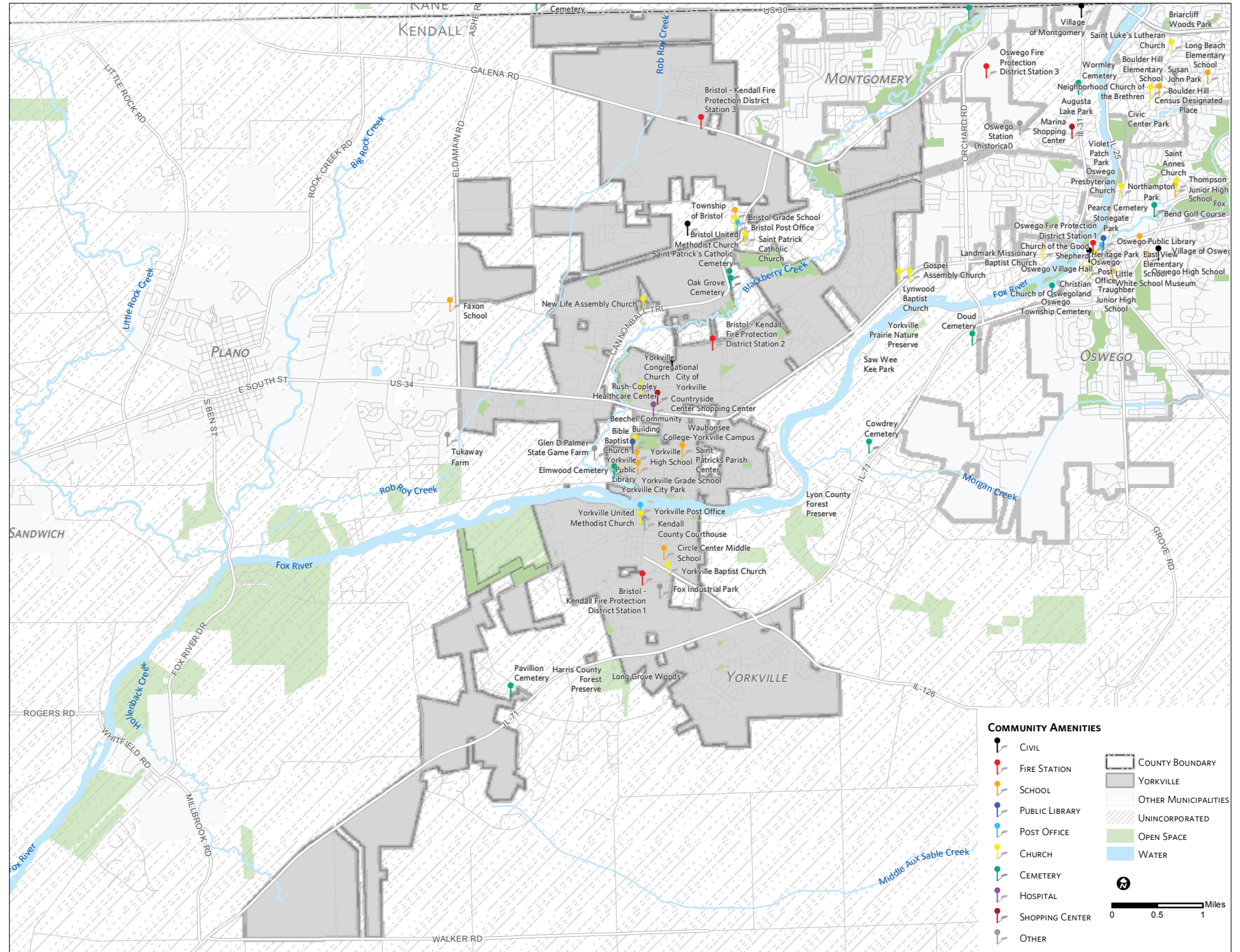
Source: Chicago Metropolitan Agency for Planning, 2014.

Figure 2.5. Montgomery municipal facilities



Source: Chicago Metropolitan Agency for Planning, 2014.

Figure 2.6. Yorkville municipal facilities



Source: Chicago Metropolitan Agency for Planning, 2014.

Chapter 3

PROCESS FOR DEVELOPING THE PARTNERING INITIATIVE



Process for Developing the Partnering Initiative

This chapter discusses the process used to develop the Partnering Initiative and summarizes the outcomes from each step. The process outlined below can be used as a template for future shared service projects with additional Oswego, Montgomery, or Yorkville staff or for other municipalities interested in joining the initiative. Project-specific outcomes are discussed in Chapter 4.

Guiding Principles

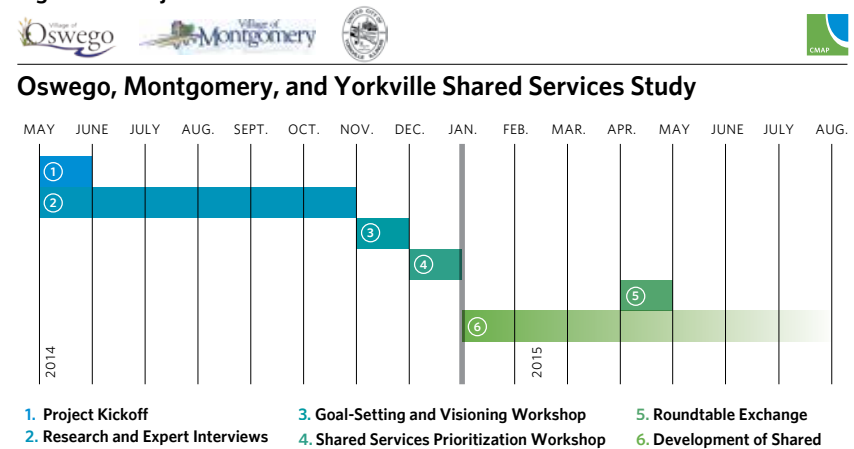
This Study entailed significant research on service delivery and sharing that informed the design of the process. This background research resulted in a process for initiating service sharing in the three communities. The following guiding principles were synthesized from the research:

1. **Be flexible.** The challenges of shared services vary from community to community. Efforts to share services require significant flexibility, especially in initial stages, to be able to accommodate a range of partner needs and address unexpected legal, logistical, and financial issues that arise.
2. **Establish ownership at all staff levels.** Strong leadership from municipal leaders was identified from the outset as a necessary ingredient for a sharing Partnering Initiative's success. In establishing the Partnering Initiative, the administrators set the direction for other staff by building a culture of collaboration. At the same time, the process for developing the Partnering Initiative allowed staff at other levels the autonomy to develop shared service opportunities that best fit departmental needs. The administrators' deference to staff experts on how to share services allowed them to brainstorm creative solutions that may not have arisen if they had been given prescriptive instructions from the top.
3. **Build upon incremental gains.** Past experiences emphasized the need for municipalities to proceed methodically by fostering relationships and trust, and by building upon small accomplishments. This Partnering Initiative starts with easily implementable activities before moving onto more complicated ones.
4. **Be transparent.** Shared services require trust among communities that may compete for economic development, funding, and other resources. In order for communities to develop good working relationships with their neighbors, they must create an environment of openness and transparency.

Process Overview

The Partnering Initiative was developed with guidance from other municipal leaders and technical advisors, as well as robust engagement with staff from the three communities. The process used to develop the Shared Services Study entailed conducting background research, seeking expert guidance, and hosting a series of municipal staff workshops that helped define the direction of the Partnering Initiative. Figure 3.1 provides a timeline for this project in 2014-15.

Figure 3.1. Project timeline



Source: Chicago Metropolitan Agency for Planning.

Advisory committee

The Study was led by an Advisory Group comprised of municipal administrators from each of the three communities:

Christina Burns,
Assistant Village Administrator, Village of Yorkville

Steve Jones,
Former Village Administrator, Village of Oswego

Bart Olson, City Administrator,
United City of Yorkville

Jeff Zoepfel,
Village Administrator, Village of Montgomery

This Advisory Group helped to develop the initial scope of the project, provided feedback on the process, and participated in working group discussions to brainstorm opportunities for shared services. This group continues to provide leadership over the ongoing Partnering Initiative in Oswego, Montgomery, and Yorkville.

Research and expert interviews

To better understand the local service context in this region, CMAP staff conducted background research on alternative service delivery practices and shared service initiatives.⁵ A literature review of scholarly articles, guidance documents, and case studies of previous shared services activities provided the foundation for how this study was carried out.

The literature review was supplemented by in-depth interviews with municipal managers, department heads, and non-profit organizations in this region that have initiated or participated in previous service sharing efforts. Interviewees included staff from the Villages of Burr Ridge, Buffalo Grove, Glen Ellyn, Glenview, Lincolnshire, and Lombard, as well as the DuPage Mayors and Managers Association, Metropolitan Mayors Caucus, and Metropolitan Planning Council. These interviews provided insight on the nuts and bolts of shared services, as well as lessons learned from past experiences.⁶

CMAP also contracted with HR Green, a firm that specializes in management and strategic planning for local governments. HR Green provided invaluable advice on the process, feedback on the Study, and assistance in carrying out staff workshops.

⁵ Resources included: Thurmaier, Kurt; Peters, Dawn; Rapp, Craig (Eds.), *A Handbook of Alternative Service Delivery for Local Government* (International City/Council Management Association, 2014). Office of the New York State Comptroller, Division of Local Government and School Accountability, *Shared Services in Local Government* (2009). Citizens' Efficiency Commission for Sangamon County, *Exceeding Expectations: A New Vision for Greater Local Government Efficiency and Effectiveness in Sangamon County* (2014). Institute for Local Government, "The Importance of Written Agreements," Available at: <http://www.ca-ilg.org/post/importance-written-agreements>.

⁶ Detailed case study write-ups of shared services initiatives can be found in Appendix B.

Oswego, Montgomery, and Yorkville staff

Because shared services require considerable coordination and buy-in at the staff level, a number of staff across several departments played a significant role shaping the Partnering Initiative at every step. In keeping with background research and the Study's guiding principles, four working groups were organized around common service-sharing topics, each comprised of staff from all three municipalities. The working group structure was intended to build ownership of service-sharing initiatives among departmental leadership, and to create a collaborative environment in which staff from all three communities could identify mutual challenges and opportunities that they could jointly address.

The initial working groups included department directors and deputy directors, but have been expanded as necessary depending upon the service sharing ideas that were discussed. Additionally, municipal administrators were included in the development of each working group, primarily in an advisory and managerial capacity. The working groups were composed of the following staff members from Oswego, Montgomery, and Yorkville:

Administration and Finance

Christina Burns, *Assistant Village Administrator, Village of Oswego*
Carrie Hansen, *Interim Village Administrator, Village of Oswego*
Mark Horton, *Finance Director, Village of Oswego*
Steve Jones, *Former Village Administrator, Village of Oswego*
Bart Olson, *City Administrator, United City of Yorkville*
Justin VanVooren, *Director of Finance, Village of Montgomery*
Jeff Zoephel, *Village Administrator, Village of Montgomery*

Community Development

Krysti Barksdale-Noble, *Community Development Director, United City of Yorkville*
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Armando Sanders, *Deputy Chief, Village of Montgomery*

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Mike Pubentz, *Director of Public Works, Village of Montgomery*
Mark Runyon, *Assistant Director of Public Works, Village of Oswego*
Jerry Weaver, *Utility Services Director, Village of Oswego*

Municipal workshops

The development of the Partnering Initiative consisted of a series of workshops and tasks that allowed municipal staff to identify the goals of service sharing, discussed potential challenges, and determined shared services to pursue.⁷

- **Goal-setting and visioning workshop.** The four working groups convened separately for the first time in late 2014. With facilitation from CMAP and HR Green, staff identified common goals for shared services and participated in a visioning exercise to brainstorm the types of shared service projects that could help meet those goals. Each working group then sorted their potential services for sharing by using two metrics: level and type of benefit and resource intensity. This prioritization exercise allowed each working group to identify a short list of services to explore further for potential sharing arrangements. The working groups designated staff to conduct further research to document how each municipality currently delivers services, identify steps needed to share the services, and anticipate potential challenges to sharing.

- **Prioritization workshop.** At the second set of workshops, staff leads presented findings on potential shared services. If sharing arrangements seemed feasible in the near-term, the working groups outlined next steps for moving forward. Outcomes of these discussions are described in Chapter 4.
- **Roundtable Exchange.** In April 2015, all four working groups met to share updates, questions, and feedback about their efforts to date, and to exchange ideas about how to move forward. Staff from the Village of Glenview led a group discussion of lessons learned from their shared service experiences through their Municipal Partnering Initiative (MPI) and provided advice to Oswego, Montgomery, and Yorkville staff on how to navigate challenges. The Roundtable Exchange was the first time that staff across all departments and municipalities convened. In addition to being a useful forum for multijurisdictional and multi-departmental exchange, the workshop also served as a relationship-building activity.

⁷ The worksheets used in these workshops are compiled in Appendix C.

Chapter 4

SHARED SERVICE INITIATIVE PROGRESS REPORT AND RECOMMENDATIONS



Shared Service Initiative Progress Report and Recommendations

Through the process described in Chapter 3, each working group has put significant work into implementing shared services. These efforts are ongoing. This chapter details the progress of the Lower Fox River Partnering Initiative to date. It describes the outcomes of the goal-setting and visioning workshops reviewed in the previous chapter. Each shared service activity is summarized and followed by recommendations for next steps to implement the shared service. Most of the shared services discussed in this chapter came out of the municipal workshops, but some additional recommendations are proposed for consideration.

These recommendations are categorized into either short-term activities (to be completed in the next year), mid-term activities (to be completed in the next 2-4 years), or long-term activities (to be completed after 5 years).

Overall Goals for Shared Services

Each working group discussed the motivations for sharing services. The table below shows the range of goals in order of frequency that they were identified across the working groups. The top three goals, expressed by all four groups, were cost savings and control, knowledge exchange across the communities, and more efficient service delivery.

The most common interests across all working groups related to improving the efficiency of internal operations: saving costs, sharing knowledge, reducing the administrative burden of service delivery, freeing up staff time, and limiting liability. The public works and community development departments both expressed limitations of being understaffed and were interested in using shared services to improve service delivery processes for staff.

Several other goals pertain to improving relations with residents by expanding and improving the quality of services and building public trust. Because the public works and public safety departments provide services that are highly visible to the public, such as crime response, neighborhood patrol, and infrastructure maintenance, these departments were most interested in the public benefits of shared services.

Three final goals focus on long-term overarching changes to local governance: creating a collaborative culture, reducing the volume of local governments, and preparing for future growth of the communities. By nature of their work, administrators and community development departments focus on long-term and strategic planning. These were the only departments to include such aspirations in their lists of goals.

After establishing these goals, each working group set about prioritizing the shared services that would best meet their stated goals. The following sections summarize each working group's ongoing discussion of priorities for shared services, and offers next steps for how each activity should be implemented.

Table 4.6. Goals for service sharing

Goals	Administration and Finance	Community Development	Public Safety	Public Works
Save/control costs	■	■	■	■
Exchange knowledge	■	■	■	■
Deliver services more efficiently	■	■	■	■
Build public trust/ Set consistent public expectations	■		■	■
Improve quality of services for residents		■	■	■
Save/free up staff time		■	■	■
Create collaborative culture	■			■
Reduce administrative burden/ Simplify bidding process	■			■
Joint purchasing and/or joint use of high-priced equipment	■			■
Institute formal agreements to limit liability			■	■
Expand services that the communities are able to provide		■		
Prepare for future community growth		■		
Reduce the number of local governments	■			

Source: Chicago Metropolitan Agency for Planning analysis.

Administration and Finance Prioritized Actions

| ⁸ Appendix B provides these case studies.

Administrators are responsible for guiding municipal growth and managing daily operations. They work closely with all departments and staff to maintain municipal budgets and services. This perspective puts Administrators in the best position to provide long-term cross-municipal oversight of the Lower Fox River Partnering Initiative.

Shared service initiatives require significant commitment and dedication from leaders at the top. As case studies⁸ from around the region show, shared service initiatives often experience setbacks. The unsuccessful Oswego-Montgomery joint waste-hauling bid is just one example where a few operational details can derail an entire sharing activity. Continued leadership from Administrators and elected officials can ensure the longevity of the initiative. Administrators should enable departmental staff to implement shared service projects by providing high-level support, such as liaising with municipal attorneys, budgeting, hiring new staff, strategic planning, and evaluating the Partnering Initiative's success.

Organize an annual Shared Services Strategic Planning Session

Short-term (annual ongoing)

The working groups are interested in sharing a wide array of services. Each of these will take staff time and resources to implement. As part of their role in overseeing the shared service initiative, administrators should organize an annual shared services strategic planning session for municipal staff to develop a roadmap for sharing services in the coming year. This meeting will provide opportunities for cross-jurisdictional coordination, as well as time to reflect on successes and challenges from the past year. In advance of the planning session, staff should fill out a short survey identifying the services they are interested in sharing. The in-person meeting should accomplish four objectives:

- Select the set of shared services to pursue in the next year.
- Identify point people to lead each shared service.
- Discuss potential challenges and next steps needed for a sharing agreement.
- Compile a shared services action plan that identifies sequence of actions needed to accomplish all of the shared service activities in the next year.

Ideally, the strategic planning session should occur early enough each fiscal year so that the staff has ample time to design sharing agreements well before the following year's budget is passed.

The strategic planning session can provide an opportunity for administrators to review the full slate of shared service projects with staff before individual items are submitted to respective Boards for approval. This review prevents individual departments from embarking on overlapping or incompatible shared services and ensures that a coordinating body is aware of the various shared activities occurring in the municipalities. With a more global view of municipal operations, Administrators may also be more attuned to overall political dynamics, budget constraints, and other considerations that may affect shared service delivery.

As part of the strategic planning process, the Administrators should establish a file-sharing platform so that staff from all three communities can access shared documents.

Next steps: Administrators should set a date for the strategic planning session in the late summer or early fall of 2015. In advance of this meeting, Administrators should survey staff to identify services to consider for the 2015-16 fiscal year. The interest gauged from this survey should inform the meeting's agenda and the relevant staff that should be involved. Administrators should also create a file-sharing platform to share information regarding the strategic planning session and subsequent projects that come out of it.

Develop contract templates for service agreements

Short-term

All of the workshop attendees expressed interest in joint bidding and equipment sharing. To respond to this request, CMAP prepared a memo reviewing the alignment of terms, conditions, and protections for shared contracts across each entity. This memo, included in full in Appendix A, has been submitted to the administrators, who can work with municipal attorneys to determine how or whether to address the identified contract discrepancies. This step was a precursor to initial sharing steps in other places. Table 4.7 summarizes the comparison of contract elements. Administrators can use the contract alignment memo as a starting point for undertaking any contract amendments. This effort should result in a standardized contract template for joint bidding, as well as a standardized use agreement for equipment sharing.

Next steps: The Finance Directors and Administrators should be accountable for working with municipal attorneys to standardize contract language that can be used in any multi-municipal sharing agreements. A potential Joint Purchasing Agent (discussed below) could be an appropriate person to coordinate the contract alignment process, but creating and staffing the position is not a necessary prerequisite to developing shared contract language. Communities may want to complete this task before a Joint Purchasing Agent is in place to enable other departments to pursue joint procurement opportunities sooner.

Once attorneys agree upon standardized contract terms, they will still need to approve individual joint contracts for specific shared services. Based on the experience of communities involved in the MPI (see Appendix B), the communities should establish a protocol wherein approval of a contract from one municipality's attorney is sufficient for joint bids to be approved for all municipalities. This reduces the labor and cost of having three individual attorneys review the same document each time a new joint bid arises.

For equipment sharing agreements, the use policy should cover legal and financial liability for repairing or replacing borrowed equipment that is damaged or destroyed. Because public safety and public works equipment is often required on short notice, all the working groups were interested in reducing the administrative red tape to be able to borrow equipment. Therefore, a general policy should serve as a one-time agreement, rather than requiring individual policies or use forms every time sharing occurs. Issues to cover in this agreement include requisition process, maintenance costs, repairs to damaged equipment, liability, and indemnification, among others. Departments should, however, specify terms of use for specialized equipment. The communities agreed that only expensive equipment should require intergovernmental agreements (IGAs). The threshold costs to trigger IGAs must be also determined.

Table 4.7. Summary and comparison of contract elements

	Oswego	Montgomery	Yorkville	Aligned?	Notes
Preamble	■	■	■	Yes	All use similar language.
Scope of Work	■	■	■	Yes	All attach the issued RFP and reference it as an Exhibit within the contract, stating that the contractor shall furnish services as set forth in the RFP and be compensated in accordance with the Exhibit.
Compensation	■	■	■	Yes	All refer to compensation as listed in RFP.
Contract Term	■	■	■	Yes	Oswego states the agreement begins on date signed by all parties, Montgomery & Yorkville refer to RFP- which lists specific dates.
Termination of Contract	■	■	■	No	Oswego & Montgomery reserve right to terminate 14 days after written notice, Yorkville after 7 days.
Status as Independent Contractor	■	■	■	Yes	All specify that the contractor shall not be considered employee of the municipality.
Bonding				Yes	None state any requirements for bonding of any type.
Signatures	■	■	■	Yes	All require three signatures (Municipal official, Clerk, Contractor).
Certifications of Compliance with State and Federal Statutes	■	■		No	Level of detail varies for each municipality, ranging from Montgomery's extensive listing to Yorkville's inclusion of zero specified certifications.
Indemnification	■	■		No	Yorkville's provision differs from Oswego and Montgomery.
Additional Services	■	■		No	Yorkville does not include language barring modifications without consent.
Notification	■	■		No	Yorkville does not include contact info for City and Contractor.
Non-Disclosure	■	■		No	Oswego & Montgomery include, but differ. Yorkville doesn't include.
Severability	■			No	Only Oswego addresses severability.
Workman's Comp Insurance	■	?	■	No	Required by Oswego and Yorkville, Montgomery unknown.
General Liability Insurance	■	?	■	No	Required by Oswego and Yorkville (differing amounts), Montgomery unknown.
Commercial Automobile Liability Insurance	■	?		No	Required by Oswego, not required by Yorkville, Montgomery unknown.
Umbrella or Excess Liability Insurance	■	?		No	Required by Oswego, not required by Yorkville, Montgomery unknown.

■ = Element is included in municipality's submitted contract
 ? = Unknown

Source: Chicago Metropolitan Agency for Planning analysis.

Hire a joint purchasing agent

Mid-term

All municipal departments make a variety of purchases on a regular basis. From software and daily use office supplies to police firearms and specialized maintenance equipment, the types of purchased products are similar across the three communities. Currently, procurement is done department by department within in each municipality, including for items as basic as paper, printer ink, and pens. The communities should hire a joint purchasing agent to streamline and coordinate procurement activities of Oswego, Montgomery, and Yorkville. This position can also function as an advisor regarding general efficiency measures, as well as other cost-saving procurement approaches beyond joint purchasing.

Joint purchasing came up in all four working groups, and a joint purchasing agent was suggested in two of the working groups (administration and public safety). The finance directors have taken on this activity, with Montgomery's Director of Finance as the lead.

Next steps: Due to significant demand and wide-reaching benefits for all departments, the Study recommends moving forward with this activity. The immediate next steps are for the finance directors to work through several logistical questions:

- Will the agent be officially staffed through one of the municipalities?
- Is there sufficient work for the agent to be a full-time staff person, or is a contract or part-time staff person more appropriate?
- How will the costs of employee salary and/or benefits be divided?
- How will the agent's time be divided?

Once a joint purchasing agent is in place, the department heads for each municipality should submit a list of order specifications for general office supplies. The agent will be responsible for selecting lowest cost supplies that fit the needs of each of the departments. Based on experiences in other communities, the Study recommends starting with simple purchases that do not vary much between communities. Services that can vary substantially in different communities, such as custodial services and facility repairs, should be pursued only after communities feel comfortable with the arrangement.

Share professional development training

Ongoing

Staff at all three communities routinely undergo professional development training that keeps them up-to-date on best practices on a variety of topics. The administrators were interested in shared training sessions as a non-resource intensive and low-benefit activity that could serve as an easy starting point for human resources service sharing.

Yorkville served as the lead to share this service and hosted an initial joint training on reasonable suspicion. The Administrators have been inviting their partners to upcoming trainings. The communities plan held another joint training on the Freedom of Information Act in Oswego.

Next steps: The Administrators found this service straightforward to share, requiring low staff capacity and no additional cost. Going forward, the Administrators should establish a list of mutual training needs and jointly plan trainings in the future rather than inform partners about independently scheduled trainings. Additional training ideas discussed at the workshops included harassment and management training. Space permitting, the hosts and locations of the training should rotate among the three communities. Yorkville should continue to facilitate updates and discussions about shared staff trainings, but Oswego and Montgomery should also contribute to training ideas and events.

Shared trainings should also be seen as opportunities to build better relationships among all levels of staff across the communities. They can allow staff not currently involved in shared service projects to meet their counterparts at other municipalities and open doors of communication for future cooperation.

Share IT services

Long-term

The communities expressed interest in expanding capacity for existing IT services. Both Montgomery and Yorkville have contracted part-time IT staff. Trouble-shooting and general assistance has been difficult with part-time arrangements: Montgomery's consultant is only on-site once a week and Yorkville's is only on-site one a month. Although Oswego has one full-time in-house IT consultant who handles various IT, Geographic Informations Systems (GIS,) and other software issues, the Village is interested in increasing its IT capacities. The working group discussed sharing IT infrastructure, such as servers or equipment, as well as IT staffing.

Oswego's Village Treasurer and Finance Director conducted further research to determine the viability of sharing IT services, but identified many potential challenges. Despite significant potential benefits for Montgomery and Yorkville, the working group felt that it would be difficult to ensure equal staffing among the three communities. They also anticipated difficulty for one staff person to work in three very different IT systems. Due to these complexities, the working group decided not to pursue any sharing arrangements at this time.

Next steps: The working group should pursue more straightforward sharing agreements in the early stages of the initiative, but continue to consider shared IT services and staffing in the future. MPI communities, for instance, have long been interested in sharing IT services, but found it difficult to accomplish in the first few years of the initiative. It was not until 2013 that 13 MPI communities commissioned a joint IT Shared Services Assessment, which provided them with information to proceed with an RFP for a shared vendor. If the working group decides to pursue shared IT services in the future, it should consider first completing a similar assessment of IT services across the communities before issuing an RFP. The Study notes, however, that IT sharing has become a very common outsourced service for municipalities. When the communities are ready to pursue this service, they should engage an IT provider to provide a comprehensive assessment of each of their IT needs.

Community Development

Prioritized Actions

Community development departments constantly negotiate tensions between tasks that require immediate attention, such as code enforcement and permitting, and long-term planning. Yorkville and Montgomery also have very small community development staffs with just a few full-time staff each. The Community Development Working Group focused on shared activities that would maximize limited resources for short-term to free up staff time for longer-term initiatives.

The recommendations in this section focus on how the working group can codify informal practices in place and institute sharing arrangements that can free up limited staff time. With expanded capacity, existing staff will be able to focus more on plan review, long-range planning, and other elements of municipal growth and development.

Execute building safety mutual aid agreement

Short-term

The communities have a number of formal and informal building services sharing practices in place. Yorkville, for instance, has a reciprocal agreement with Kendall County and another with Oswego to share building inspectors. The communities also informally share inspectors in times of need.

After discussing each community's building service needs, the working group agreed to pursue a building safety mutual aid agreement. This agreement permits reciprocal use of resources in emergency or unexpected situations that leave municipalities short-staffed. Although this sharing occurs on an informal and ad hoc basis already, the participants felt that codifying the practice into a joint agreement would clarify legal liability.

Next steps: Using the South Suburban Building Officials Association Building Safety Mutual Aid Agreement as a template, the working group should work with the building and zoning inspectors to modify the template for Oswego, Montgomery, and Yorkville. The staff should also seek approval of the municipal attorneys before finalizing the agreement, which will then need to be brought to the boards for approval.

Align building code update schedules

Short-term

Executing the mutual aid agreement is a simple and immediate next step. Once that is complete, the working group should explore additional shared building services to build off of this accomplishment. As a follow-up activity, the municipalities should align schedules for updating their building codes. Aligned building codes simplifies the permitting and plan review process for developers and make an area more attractive for developers.

The building codes in all of the communities generally follow the 2009 International Code Council standards. Each of the codes has been modified with local amendments, but the foundational requirements are the same.

Table 4.8 provides a comparison of building codes by municipality. Only two codes are divergent across the municipalities: Montgomery uses a more recent 2012 International Energy Conservation Code and a more outdated National Electric Code.

Next steps: Because this item was not discussed at length during the workshops, further consideration is needed. The municipalities do not have set schedules for updating the codes, but should come to consensus on a regular update schedule. If possible, the municipalities should also consider aligning local amendments to those codes to further simplify the regulations for developers.

Table 4.8. Building code comparison by municipality

Building Codes	Oswego	Montgomery	Yorkville
International Building Code	2009	2009	2009
International Energy Conservation Code	2009	2012	2009
International Mechanical Code	2009	2009	2009
International Property Maintenance Code	2009	2009	2009
International Residential Code	2009	2009	2009
National Electrical Code	2008	2005	2008
Plumbing Code	Illinois or 2009 International Plumbing Code (whichever is more stringent)	Illinois or 2009 International Plumbing Code (whichever is more stringent)	Illinois or 2009 International Plumbing Code (whichever is more stringent)
Accessibility Code	IL 1997	IL 1997	IL 1997
Schedule for Updating Codes	n/a	About every 3 years	n/a
Link to Municipal Codes	Oswego Code	Montgomery Code	Yorkville Code

Source: Chicago Metropolitan Agency for Planning analysis.

Streamline administration of code enforcement

Mid-term

Property maintenance and code enforcement require significant staff time and resources. Site inspections and managing paperwork can be costly and time-intensive activities for building and zoning staff. The three communities have a few similar development patterns that make shared code enforcement appealing. First, the rise of construction activity in the area is anticipated to increase the workload for community development staff. At the same time, the communities all have sizeable number of vacant lands, which account for 6-11% of land uses in the communities. In fact, vacant lands account for more land use than commercial properties in all three municipalities. Whether properties are vacant or about to be developed, they must be regulated through similar code enforcement strategies.

The municipalities felt that it was important to maintain control over their own inspectors due to potential differences in enforcement philosophies and were not interested in sharing inspection services. In order to increase the efficiencies without sharing inspectors, staff could share the administrative tasks associated with code enforcement. Shared tasks can include preparing documents to record liens, conducting title searches, or assisting with administrative adjudication or filing of judgment liens.

This arrangement allows each municipality to manage its own enforcement process, but significantly reduces administrative burdens on building and zoning staff. As a result, inspectors could spend more time on their primary duties of inspection. The efficiencies gained by this centralized process may also be helpful to handle fluctuations of code violations. Shared administration of code enforcement activities also leads to increased revenues and general improvements to homes across the area.

A similar effort is currently underway in south suburban Cook County, where four communities are piloting an Administrative Hub that streamlines code enforcement for residential properties. More details on their initiative are provided in Appendix B.

Next step: The working group has not yet discussed this activity, but it has significant potential to broaden collaboration to backroom functions that open up more opportunities for cost-savings and freed staff resources. If building and zoning staff decide to share administrative tasks of code enforcement, they should develop a step-by-step process that clarifies roles and operations, following the template of the south suburban effort. Metropolitan Mayors Caucus (MMC) is interested in expanding the Administrative Hub outside of south suburban Cook County, as geographic proximity is not necessary for this shared service. Staff should contact MMC to participate in the Administrative Hub rather than start their own if they are interested in pursuing this option further.

Explore grant notification services

Long-term

The Community Development working group was interested in shared grant writing support as a way to improve long-term capacity. Oswego has a half-time employee devoted to grant writing, whereas Montgomery and Yorkville rely upon individual departments to pursue grant opportunities pertaining to their own work.

The communities were initially interested in exploring the idea of hiring a shared grant writer. After further consideration, they determined that this might not reduce the burden of grant writing, which relies heavily on staff with on-the-ground expertise. Because grant opportunities can be sporadic and sometimes require staff to meet urgent deadlines with little turnaround time, they were also unsure whether a shared grant writer would have enough consistent work or expertise to complete specific grants.

Given these concerns, the working group opted to look into subscription services that would keep the communities up-to-date on new grant opportunities and deadlines. The working group could consider options like [Grant Finder](#) or [Granthelp.com](#), which provide federal, state, corporate, and foundation grants opportunity listings to municipalities. The working group expressed uncertainty about whether this service would provide new and useful information and have not moved forward with any decisions.

Next steps: Communities should consider an immediate step of providing grant writing professional development training to better equip staff to pursue and write grants when opportunities arise. These trainings can be open to all levels of staff and should be done under the purview of joint professional development training as described under the Administration and Finance section. The task of identifying a grant service provider should be considered low-priority. Any of the communities should bring promising alternatives to the group for consideration. The working group should reach out to other communities for service referrals or reviews when considering options.

Explore shared GIS Services

Long-term

The Community development departments' tight budgets and small staff limit their ability to do robust geospatial mapping, analysis, and data management. In Oswego, the in-house IT consultant is also responsible for GIS data management. Montgomery and Yorkville both have consultant engineers that do GIS work at an hourly rate, which can be prohibitively expensive for in-depth tasks. This arrangement incentivizes Montgomery and Yorkville to only use GIS if necessary, limiting their geospatial analytical abilities.

The working group looked at other GIS consortiums, such as the South Suburban Atlas GIS Consortium, as models for GIS sharing. The Yorkville Community Development Director organized presentations from two GIS contractors, MPG and Deuchler. These contractors provide resources for application development, cartographic mapping, data

Next steps: The biggest cost savings are expected from reductions in the cost of ArcGIS software, in addition to reductions in the cost of accessing GIS data. The communities should tabulate total costs of their current ArcGIS services to be able to assess relative benefits from each of the contractor pricing options.

The communities should also confirm interest in GIS sharing, as the interest from all three communities was unclear from prior discussions. Yorkville was most in-need of GIS services. While Montgomery also has GIS needs, it also relies upon Kendall County for much of its GIS data and may not benefit as much. While Oswego has a staff person partially dedicated to GIS, it was interested in strengthening GIS capacities in the case of staff shortages or emergencies. If any of the contractors is deemed suitable for a joint contract, the communities should move forward with drafting the contract.

Public Safety Prioritized Actions

Because crime and violence does not stop at municipal boundaries, maintaining public safety is an inherently collaborative task. The Public Safety Departments in Oswego, Montgomery, and Yorkville have a lot of existing partnerships that make them very receptive shared services. Oswego, Montgomery, and Yorkville participate in and financially contribute to Kendall County's multijurisdictional Special Response Team. Montgomery and Oswego have conducted some joint community policing events and seatbelt safety trainings. All three communities are members of the [Illinois Law Enforcement Alarm System \(ILEAS\)](#), a statewide mutual aid agreement that authorizes inter-jurisdictional public safety cooperation for terrorism and emergency response. Detectives from all three communities participate in the Lower Fox Valley Investigators Association. Membership in these organizations has afforded officers many opportunities to work closely with their counterparts in neighboring municipalities.

The Public Safety Working Group discussed a number of ways to share resources more efficiently through joint purchasing and equipment sharing, but was most interested in a larger initiative to form a new joint Gang Unit Task Force.

Establish an equipment sharing process

Short-term

Each department has specialized equipment such as speed trailers and crime scene lighting equipment that are costly and infrequently used. The public safety departments already informally share some equipment, but this practice has never been formalized. Yorkville has taken the lead in requesting and compiling a full list of specialized equipment that the departments would be willing to share.

Next steps: The list of shareable equipment should be saved through a file sharing platform for all of the communities to easily access. Once that is in place, the next step is to develop specific use policies for equipment lending. Yorkville should continue to coordinate this effort in line with any use agreement templates developed through the Administration and Finance Working Group. While the Study recommends that the administrators or joint purchasing agent coordinate general shared use agreements, public safety officers should stipulate any details specific to any police equipment. For instance, if any training is needed to operate specialized equipment, the communities should make necessary provisions for cross-training. As with other equipment sharing, IGAs should only be invoked for expensive equipment.

Execute a public safety mutual aid agreement

Short-term

ILEAS covers mutual aid during emergency or terrorist situations, but it is not an all-purpose mutual aid agreement. A broader mutual aid agreement would be helpful to reduce current difficulties of routine scheduling. It would also augment staffing during unanticipated circumstances, such as car crashes, that require more staff assistance and leave other areas of the community unpatrolled. Special events, such as 4th of July celebrations, also require additional public safety support and can leave a municipality short-staffed. The communities note that they already share public safety staff on an ad hoc basis, but signing a mutual aid agreement would clarify liabilities and procedures for staff sharing.

Next step: The public safety mutual aid agreement is recommended as a short-term sharing activity due to its ease of implementation. The working group should assign a staff lead for this task. The main issues to resolve include defining protocol for when staff can be shared, how liability will be handled, and how to conform to existing labor contracts. The point person should be in charge of drafting language based on existing templates and circulate the draft agreement to all of the municipalities for approval.

Pursue joint purchasing with other departments

Mid-term

The Public Safety departments have similar supply needs and were interested in joint procurement. Ammunition, road flares, evidence supplies, paper, toner, and office supplies were determined to be easiest to jointly purchase. They were also interested in potential joint leasing of copy machines. The working group also discussed IT services, noting that IT services were a growing proportion of their departments' budgets.

Next steps: The Public Safety Working Group should coordinate joint purchasing of general office supplies with other departments. This activity can be coordinated through the joint purchasing agent, if one is in place. With more participating departments, the municipalities can achieve even greater economies of scale. Oswego should continue to lead this effort by collecting a full list of product order specifications for each the Public Safety Departments of each community.

Due to reasons provided in the Administration Working Group section, it is not recommended that the working group pursue shared IT services at this time. Because IT services are critical for public safety operations, the group was already hesitant to take risks in sharing the service. If shared IT services are considered in the future, the Public Safety Departments should coordinate with the Administrators to participate in the IT service assessment of sharing IT services.

Share public safety training

Ongoing

All police officers are required to receiving many types of training. Due to budget cuts, training budgets in Oswego, Montgomery, and Yorkville have decreased by as much as 30-40 percent. Training sessions can be conducted jointly to reduce costs, as well as provide a shared training experience that can help officers work together in the field. In some cases, the municipalities may be able to pay for training for just one person, who can then serve as a trainer for the rest of the public safety staff in all three municipalities. The communities may also work through other regional resources for training, including the [International Association of Chiefs of Police](#), [Lexipol](#), [The Police Law Institute](#), [Commission on Accreditation for Law Enforcement Agencies](#), [Police One](#), [National Institute of Justice](#), [Public Agency Training Council](#), [Northeastern Illinois Public Safety Training Academy](#), and [Illinois Law Enforcement Training & Standards Board](#).

As a result of this discussion, the working group has already planned some joint training sessions. The Oswego Police Department and Fire Protection District jointly completed involuntary committal training in the spring of 2015. The police departments of Oswego, Montgomery, and Yorkville are jointly planning firearms training in September 2015.

Next steps: The communities should continue to look for new opportunities for joint training.

Establish a Gang Unit Task Force

Ongoing

Mitigating gang violence is a priority for the communities and should be addressed collectively. In response, the Public Safety Working Group established a multijurisdictional Gang Unit Task Force to coordinate proactive responses to gang violence and assist other agencies with gang investigations.

While most working groups were encouraged to pursue straightforward services to share, the staff expressed strong desire and commitment to creating the gang unit task force and predicted a high likelihood of success.

In May 2015, the group formally updated the Kendall County Sheriff Cooperative Police Assistance Team (CPAT) bylaws to launch the gang unit task force. The unit currently resides as an arm of the Illinois State Police Task Force and includes three full-time officers from Oswego, Yorkville, and the Kendall County Sheriff's Office that focus explicitly on gang-related issues. Although supportive of the idea, Montgomery opted out of the unit due to staffing constraints. The members of the Gang Unit Task Force are indemnified by the Illinois State Police and share a common uniform.

Next steps: The Public Safety Working Group should evaluate the progress of the Gang Unit Task Force after its first year. The participating jurisdictions should assess the unit's productivity level and financial sustainability, as well as outcomes of gang activity and violent crime. The evaluation process should be led by CPAT, which includes the Oswego, Montgomery, and Yorkville Police Chiefs. Results of this one-year evaluation should be included the overall annual shared service evaluation discussed in Chapter 6. If the Gang Unit Task Force is found to be effective, the group should also consider expansion of the task force to neighboring communities that face similar problems, such as the Village of Plano. Montgomery should consider committing staff at a later date if it is able to do so.



Hire a shared crime analyst

Mid-term

The municipalities keep independent crime records, but lack the resources to analyze this data internally, not to mention across jurisdictions. The communities are interested in jointly hiring a crime analyst. This new position would be in charge of collecting crime information from all three municipalities into a single database and analyzing the data to better understand crime patterns and recommend preventative measures.

Next steps: This activity was initially discussed as an independent shared service project, but should be integrated into the functions of the gang unit task force. There are no immediate next steps.

Public Works Prioritized Actions

Public works departments provide many critical services to maintain the condition of public infrastructure. Public services are often a resident's primary form of engagement with the municipality. Routine services, such as garbage hauling, road resurfacing, snow removal, and landscaping are very visible to the public and can inspire public outcry when performed poorly. In addition to all types of routine services, public works officials are responsible for immediate cleanup after unexpected storms, floods, and other weather events.

Being on the front lines of public-facing work can put strains on public works departments to maintain a consistent and high level of service regardless of budget sizes. Many communities have had to reduce the level of public works services due to budget cuts. The Public Works Working Group emphasized shared services as a way to increase both the quality and types of services provided in the municipalities.

Despite the immediacy of several public works activities, many public works services require significant advanced planning and budgeting. For example, salt procurement for any given winter occurs as much as two years in advance. One of the biggest challenges for this working group is the ability to prepare shared service agreements with enough advanced notice. The working group members voiced concern that if a joint effort was not successful, the time period for securing new vendors would be so tight that communities would be without essential services that year. The proposed process to conduct annual strategic planning sessions can alleviate some of these concerns and provide staff with ample time to develop sound sharing agreements.

The shape of municipal boundaries highly influences the delivery of public works services. Currently, the municipalities only provide mowing, street sweeping, snow removal, pipe maintenance, garbage hauling, and other services for areas within their borders. Yet, because roadways, pipes, rights of way, and other types of infrastructure do not end at municipal borders, service delivery can be rather inefficient. The working group was particularly interested delivering these services more efficiently. Given the locations of municipal boundaries, residents in the same neighborhood—or even on the same street—may reside in different jurisdictions and receive different levels of service. The working group was interested in using shared services as a way to set consistent community expectations about service delivery across municipal borders.

Most instances of shared services from case studies and prior local efforts have been public works activities. These prior experiences provide the communities with several examples of bid structures and challenges to draw from for all of the services discussed below.

Establish an equipment sharing process

Short-term

Like public safety departments, public works departments have many types of expensive specialized equipment. Sharing this equipment can save costs. Because a lot of public works tasks are seasonal, equipment sharing may not make sense for equipment that is frequently used or equipment that all municipalities need at the same time.

Next steps: The public works staff from each municipality should develop a list of equipment that they are willing to lend to neighboring communities. Meanwhile, the Administrators should develop a template use agreement for equipment sharing that all departments can customize, as described above. Public works staff should add any special terms of use to the template agreements for specialized equipment. As with other equipment sharing, IGAs should only be invoked for expensive equipment.

Undertake a joint mowing contract

Short-term

Several corridors traverse more than one municipality, but the communities are only in charge of maintaining the segments that lie within their municipal boundaries. The working group was interested in joint mowing along continuous corridors as a more efficient alternative. The working group was open to either sharing entire mowing contracts or exploring separate mowing contracts for shared corridors.

The communities decided to start with a joint mowing bid along Illinois Route 30, a shared border between Oswego and Montgomery. Oswego planned to add Montgomery to its existing mowing contract. The working group hoped that sharing services on specific corridors would help create standardized community expectations for service in contiguous neighborhoods. Yorkville opted out of this project because mowing is done by their Parks Department.

In order to formalize the sharing agreement, Montgomery reviewed Oswego's draft Request for Bids for Mowing and Landscape Maintenance of Village Properties with the intent on joining the contract for Route 30 or potentially the entire Village. Ultimately, however, Montgomery decided to pursue a separate contract. Although the service was relatively straightforward, the communities had a tight one-month turnaround time for reviewing and discussing the shared application.

Next steps: Oswego and Montgomery should attempt a joint mowing contract for the following fiscal year with more time to develop specifications that work with both communities. This would give Montgomery sufficient time to decide whether to renew their existing contract with Brickman for another year, and may provide Yorkville with some flexibility to determine whether they may have additional mowing needs that cannot be covered with existing capacity. The working group can also consider contracting with Yorkville's Parks Department to do limited shared mowing on roads that cut across the other two communities, such as Illinois Route 34 or smaller local roads.

Other services considered

Short- to mid-term

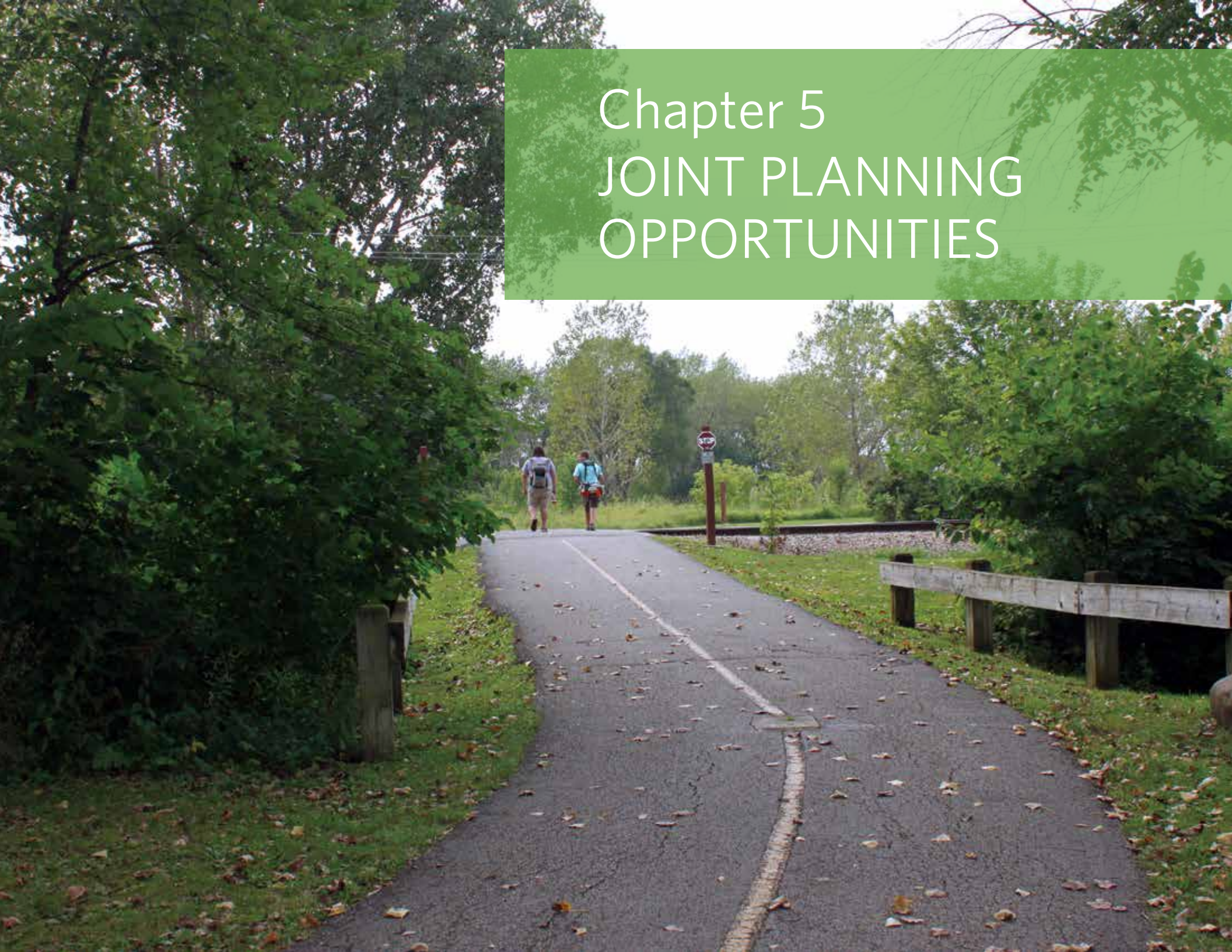
The group discussed several services in lesser detail, but was not immediately able to pursue them due to uncertainties in cost-effectiveness, budget, and operational alignment. The working group should first review MPI's shared service projects for additional ideas and bid templates. The group should then gauge interest those services through the strategic planning survey for the next fiscal year. Prior discussions about several common public works services are summarized below.

- **Crack sealing.** Crack sealing requires large specialized equipment that is costly to mobilize. The ability to consolidate movement of crack sealing supplies and equipment to the Lower Fox River area could reduce costs for each individual municipality.
- **Salt procurement.** Currently, the municipalities purchase salt through the State of Illinois procurement process, but are interested in exploring shared contracts. The State's request to bid is released in March or April for the following winter. Any potential shared salt contract should go out to bid with enough time to rely upon the State deadline as a back-up option.
- **Tree maintenance.** The working group identified tree maintenance (tree trimming, stump grinding, tree removal, and replacement tree purchasing) as having high sharing potential. Because these services can entail a great deal of variation across communities, the working group should clarify specific expectations early and allow sufficient time for developing shared bid specifications.
- **Street sweeping.** Oswego and Yorkville both have their own sweeper trucks and conduct this service in-house. Montgomery uses a street sweeping contract. In the past, Montgomery has used private vendors, but should consider contracting the service with Oswego or Yorkville—provided that either municipality can handle the additional work. Montgomery may choose to contract with Oswego or Yorkville for the entire Village, or focus on specific shared corridors that may not take significantly more time for Oswego or Yorkville to cover when they are doing their own street sweeping. One consideration for a joint street sweeping contract is the scheduling because it can take several weeks to sweep one municipality. Oswego takes three to four weeks to complete and it is done once a year in the spring. Yorkville takes two to three weeks to sweep and it is done three times in the spring, summer, and early winter. Montgomery takes about two weeks to sweep and it is done two times a year.
- **Pavement marking.** The communities identified several deterrents to jointly bidding on pavement marking contracts. First, Montgomery typically joins the Kane County striping bid. Even if Montgomery were to pursue a separate joint contract with Oswego and Yorkville, the combination of all three municipalities may not be large enough to get a reduction in price of pavement marking. One option may be to discuss with the Kane/Kendall Council of Mayors to see whether Kane and Kendall municipalities may be able to pursue a two-county joint bid.



Chapter 5

JOINT PLANNING OPPORTUNITIES



Joint Planning Opportunities

This study—and most shared service initiatives in this region—primarily addresses sharing opportunities for day-to-day municipal activities. The collaborative relationships that develop from sharing equipment, staff, or public works maintenance can also be used for broader planning efforts. The communities may be interested in aligning local plans, developing joint plans, or exploring joint capital investments. The inclusion of both shared service projects and joint planning efforts in the Partnering Initiative would place Oswego, Montgomery, and Yorkville as innovative leaders in regional cooperation. The ideas presented in this chapter were discussed at a brainstorming session at the April 2015 roundtable and are included here for future consideration. The communities may consider applying to CMAP's Local Technical Assistance program to carry out future multijurisdictional planning efforts.

Invest in New Technologies

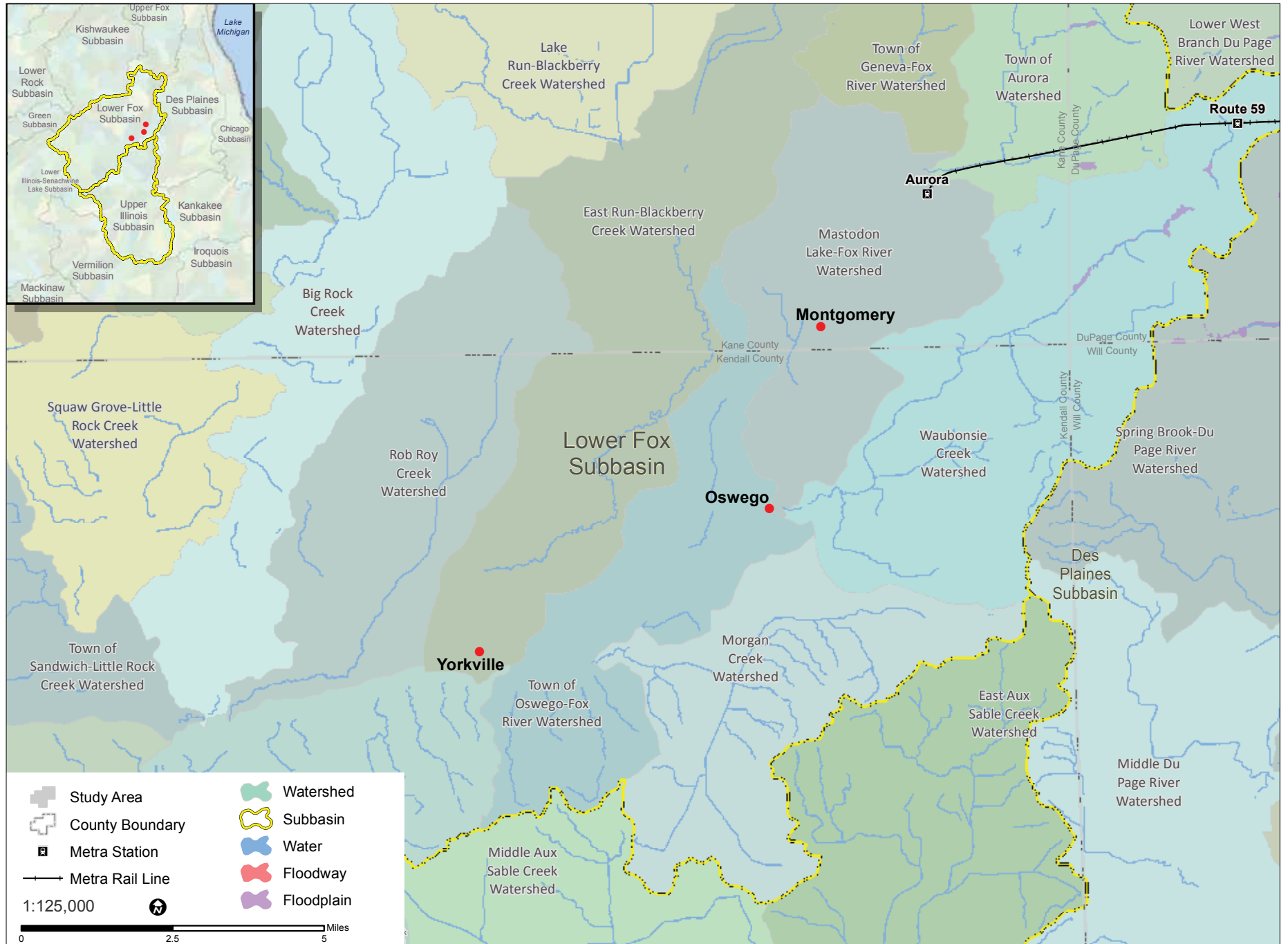
Many new technologies, such as smart meters, street and traffic LED lighting, and electric vehicles, offer long-term benefits, but require significant capital investments to deploy. The Lower Fox River Partnering Initiative can be a forum to discuss joint investments in more efficient or more sustainable technologies.

The communities are currently considering the construction of a joint compressed natural gas (CNG) fueling station as one such example. The fueling station would be centrally located and accessible to vehicles from all three municipal fleets. CNG has become more widely adopted by local governments as it is considered to be a cleaner, safer, and currently cheaper alternative to petroleum and diesel. The conversion can be costly, but joint investment in a shared CNG fueling station can reduce the upfront capital costs and help each community transition to CNG fleets. The communities should continue to explore other investments in smarter and more efficient public infrastructure.

Conduct Joint Water Supply and Wastewater Treatment Planning

Oswego, Montgomery, and Yorkville rely upon groundwater for their drinking water and together make up the largest sub-region of deep aquifer drawdown. Regional development pressures in these and other groundwater communities have resulted in larger withdrawals from the groundwater supply—and a larger portion of withdrawals from deep aquifers. The three communities have committed to a joint Alternative Water Source Study to explore the potential for a Fox River water treatment facility. This study is currently part of each community's budget for the 2015-16 fiscal year. Based upon the results of the Alternative Water Source Study, the communities may decide to share the cost of constructing the Fox River water treatment facility. The joint construction of the potential facility should be coordinated through the Partnering Initiative.

Figure 5.1. Watersheds



Source: Chicago Metropolitan Agency for Planning, 2014.

Jointly Implement Bicycle and Pedestrian Trail Network

The Lower Fox River is known for its recreational amenities that attract visitors from around the region each year. The communities participate in an annual Kayaks AMOY event that allows participants to celebrate the connections among Aurora, Montgomery, Oswego, and Yorkville along the Fox River. The event is widely considered successful at bringing attention this shared resource as a driver of tourism and economic development.

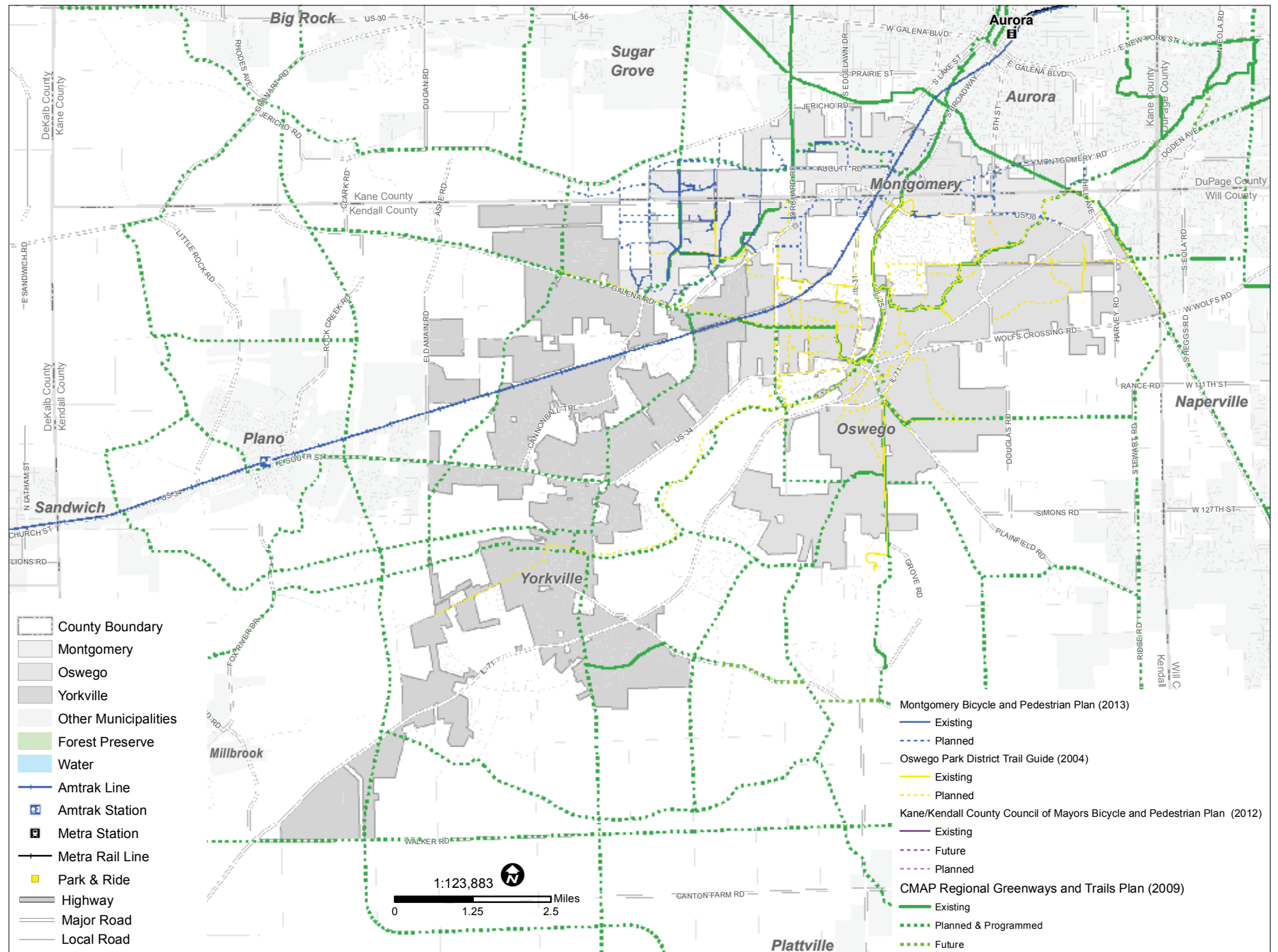
The communities should build upon this effort to expand the greenways and trails network in the Lower Fox River. The area has a number of overlapping bicycle and pedestrian plans, all of which propose numerous trails and routes: the Montgomery Bicycle and Pedestrian Plan (2013), Oswego Park District Trail Guide (2004), Kane/Kendall County Council of Mayors Bicycle and Pedestrian Plan (2012), and CMAP Regional Greenways and Trails Plan (2009).

The hierarchy of these plans can be confusing for implementation for local jurisdictions. To clarify implementation of these plans, the communities should consider joint applications for constructing bicycle facilities. With sufficient prioritization, the communities can apply for funding to construct these trails through the Transportation Alternatives Program (TAP), Congestion Mitigation and Air Quality (CMAQ) funding, or Surface Transportation Program (STP).

The communities should prioritize specific trail segments for implementation, focusing on shared connections identified in existing plans. Corridors of interest may include the extension of the regional Fox River Trail through Oswego and Yorkville and the connections of Galena Road, Blackberry Creek, and Mill Road through Yorkville and Montgomery to the Oswego Park-n-Ride parking lot.

Joint prioritization and implementation of regionally significant greenways and trails will better connect the Lower Fox River to other areas within the region. Oswego, Montgomery, and Yorkville build off of this framework to phase local bicycle and pedestrian networks so that their downtowns and residential neighborhoods are better connected to regional trails. The communities should be aware that all three of these programs require of Phase I engineering to be locally funded and completed.

Figure 5.2. Regional and local bikeways



Source: Chicago Metropolitan Agency for Planning, 2014.

Explore Leveraging Home Rule Authority for Joint Capital Projects

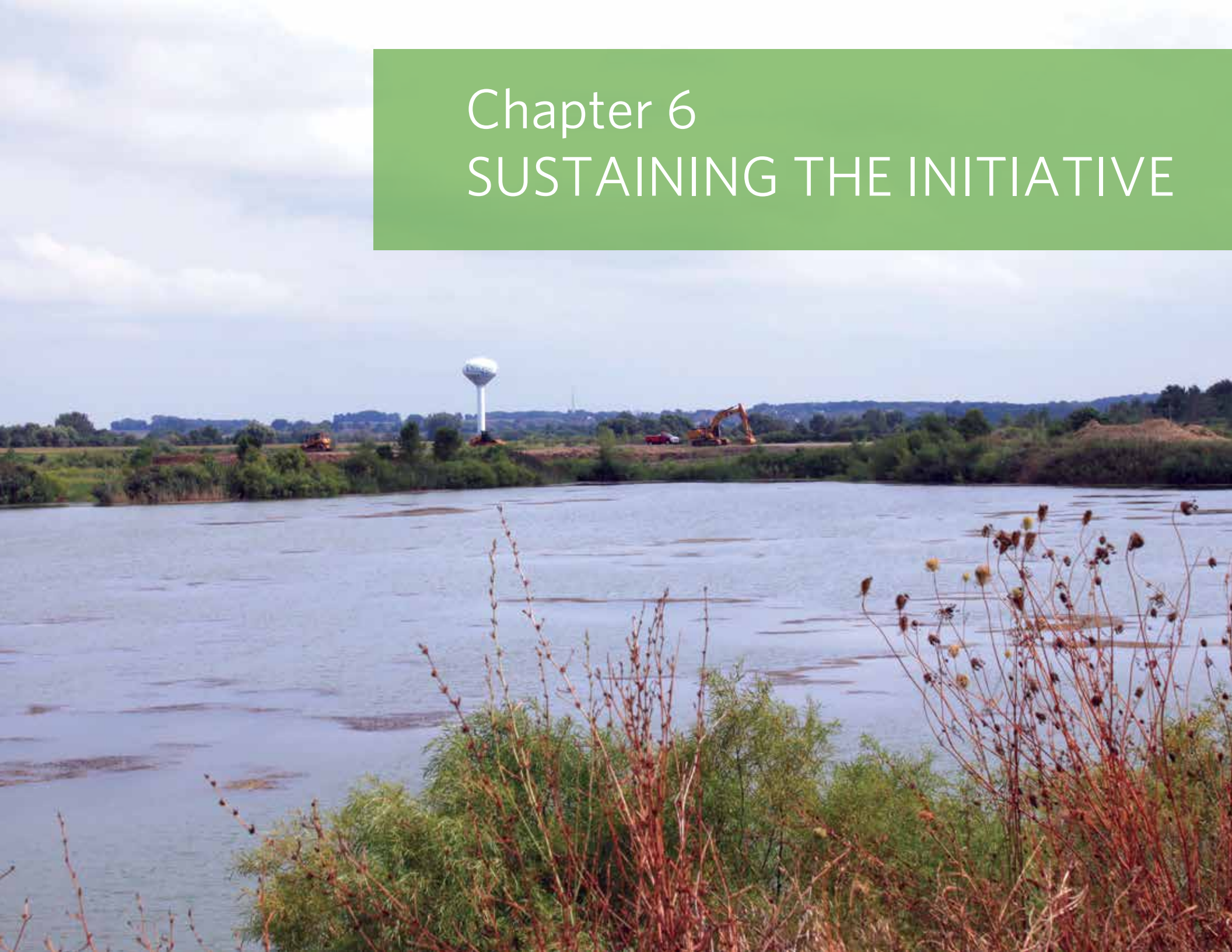
Oswego is a home rule⁹ community while Montgomery and Yorkville are both non-home rule communities. In addition to other authorities, home rule communities often have easier access to lower cost financing options (i.e. general obligation bonds vs revenue bonds) that may help drive down borrowing costs for major capital projects. If the communities are interested in pursuing future joint capital projects, the use of Oswego's home rule financing authorities to lower project financing costs could be an attractive option. If utilized, such an arrangement would require binding IGAs among the communities setting forth repayment assurances and commitments and other specific terms and conditions. However, under this arrangement, debt finance savings for major capital projects such as a joint water treatment facility on the Fox River could be significant.

⁹ Municipalities with populations greater than 25,000 are granted home rule status. Municipalities with populations less than 25,000 (such as Montgomery and Yorkville) can achieve home rule status by referendum approval in their respective community.



Chapter 6

SUSTAINING THE INITIATIVE



Sustaining the Initiative

Shared service initiatives take significant time, energy, and effort to establish—not to mention maintain. This chapter provides a number of lessons learned from the challenges and successes of shared service examples in this region, and recommends actions that can help sustain the Lower Fox River Partnering Initiative in the long run. This Study suggests ways to create opportunities for sharing knowledge and experiences across municipal staff and departments, evaluate the benefits of sharing, and build broad-based support from staff, elected officials, and constituents.

Evaluating the Initiative

Shared service delivery holds many promises for municipal budgets, operations, and cooperation. In order to assess whether shared service efforts are effective, communities need to evaluate their efforts. Municipal staff should evaluate both the outcomes and the process of the Partnering Initiative.

Evaluating the outcomes

Because shared services require a significant amount of work to get off the ground, documenting positive results justifies the Partnering Initiative to elected officials and other municipal staff. This aspect may be particularly useful to convince those who are skeptical or resistant to change. Evaluation reports can be used internally for strategic planning purposes, as well as externally for sharing efficient governance efforts with the public.

Outcome evaluation should document both monetary and non-monetary benefits through annual surveys. Staff should identify the following information:

- **Cost of services to each municipality before they began sharing services.** This information establishes a baseline to determine cost savings.
- **Cost of service to each municipality after service sharing to identify savings.** These responses can be used to calculate the individual cost-savings for each municipality, as well as the total cost-savings for the group.
- **Benefits of service sharing.** Communities can monitor both quantitative and qualitative benefits of service sharing. Quantitatively, communities can track performance data such as response times or resident complaints for various services. These metrics should be designed to appropriate measure service quality depending upon the specific shared service project. Qualitatively, when communities cannot demonstrate cost-savings, it is important to also note the extent of non-monetary benefits that may have resulted from shared service activities.

It is important to note that evaluation standards, including benefit-cost analyses, should be developed for each shared service project. Developing shared project-by-project evaluation metrics ahead of time can help ensure that communities use a standard methodology of comparing financial and other impacts of shared services.

These results should be documented in a centralized tracking document that can be shared with all involved municipalities. The partner communities should also survey neighboring municipalities that are not involved in the shared service initiative. Their results can also be used as control comparisons to account for exogenous variables, such as macroeconomic forces that affect the cost of services. This can also raise awareness about shared service opportunities with other nearby communities.

An example of the Municipal Partnering Initiative (MPI) cost tracking spreadsheet is shown on the next page.

Table 6.1. MPI cost tracking spreadsheet

Project	Number of Communities	Total Project Value	Savings
Crack-Sealing	15	\$555,000	\$40,000-50,000
Resurfacing (Lake Groups 1 & 2)	4	\$3,200,000	\$101,000-121,000
Resurfacing (Cook)	2	\$2,300,000	\$148,000-158,000
Concrete Flatwork (Groups 1-5)	15	\$890,000	\$57,000-77,000
Concrete Pavement (Groups 1 & 2)	4	\$537,000	\$15,000-19,000
Sewer Lining (Groups 1-4)	14	\$4,000,000	\$51,000-61,000
Sewer Televising	6	\$261,000	\$56,000-66,000
Contractor Assistance	9	\$126,000	\$23,000-31,000
Leak Detection	3	\$71,000	\$5,000-8,000
Hydrant Painting	6	\$74,000	\$20,000-30,000
Asphalt Patching	2	\$173,000	\$2,000-4,000
Cold Patch	8	\$138,000	X
Hauling & Delivery	5	\$500,000	\$2,000-4,000
Pavement Marking	4	\$167,000	X
Custodial Services	8	\$534,000	\$12,000-14,000
Street Sweeping	3	\$174,000	\$2,000-4,000
Generator Maintenance	7	\$96,000	\$18,000-24,000
Total Savings Realized			\$552,000-671,000

Source: Municipal Partnering Initiative (MPI) presentation, October 30, 2014.

The communities can also seek input from the public about shared service projects. Since municipal services ultimately serve a community's residents, it is important to gauge community responses to shared service projects. Staff may also want to seek public input before launching a shared service project to determine public support for a proposed shared service, and to ensure that the nature of service delivery meets public expectations.

Input can be garnered through various ways, including point of comment cards, focus groups, surveys made available through municipal facilities, newsletters, websites, or water bill inserts, and discussions at public meetings.

Evaluating the process

The evaluation should also help municipal staff improve their efforts in the future. As some examples show, shared services do not always result in expected benefits. Honest evaluation also establishes transparency and trust among municipal partners.

A process evaluation should focus on qualitative assessments, including what staff felt worked and didn't work. This can be conducted through a simple survey of all staff participants, as well as through an in-person debrief similar to the cross-departmental Roundtable Exchange.

The Partnering Initiative should also solicit ideas from vendors on how to improve the process. MPI participants, for instance, reached out to vendors after contracts were completed to understand vendor needs. These conversations led municipalities to streamline the invoicing process to make it easier for vendors to manage multi-municipal contracts in the future. The Lower Fox River lead contact for each shared service should be responsible for checking in with vendors—including, if appropriate, former vendors that did not bid on the shared contract—to improve the bid process.

Lastly, evaluations of shared services can also be extremely useful resources for other communities interested in undertaking their own shared service activities. The many MPI and Metropolitan Mayors Caucus (MMC) reports and presentations were essential training and communication tools for the Lower Fox River efforts, as well as other members of International City/County Management Association (ICMA.)

Evaluation schedule

The annual strategic planning sessions can serve as a forum for compiling and discussing the results of evaluations. The Administrators should be responsible for carrying out the evaluation and distilling findings from it.

Evaluations of process should be continual. Evaluation of outcomes (and of cost-savings in particular) is most critical early on when a shared service initiative is getting off the ground, but may become less needed and less applicable as initiatives mature. MPI participants note that because sharing services is built into their processes, they stopped evaluating cost-savings after the third year. Surveys of staff and vendors on the process should be a continual activity so that each new bid can learn from the last.

Lessons Learned

As Oswego, Montgomery, and Yorkville continue to develop the Lower Fox River Partnering Initiative, they should be sure to consider the lessons learned from initiatives undertaken by other communities. Some key lessons are included below that are drawn from three case studies, which include a total of over 30 examples of shared services involving over 45 communities. More detailed write-ups of these case studies are included in Appendix B.

- The **Municipal Partnering Initiative** was founded in 2010 and consists of about 30 participating communities in Cook and Lake Counties. Recognized by the ICMA as a national leader in innovative service delivery, MPI is the largest and most established shared service initiative in the region. MPI participants have seen a total estimated savings of over \$1.23 million since the initiative's inception. Although the size and scope of MPI is significantly larger than the Lower Fox River Partnering Initiative, the experiences of MPI participants offer many valuable insights for the three communities to draw upon. Its members provided guidance on the process for establishing the Lower Fox River Partnering Initiative, shared contract templates, and presented at a roundtable with the three partners.
- The **DuPage County Municipal Partnering Initiative** (DuPage MPI) is an offshoot of MPI that includes about 15 members. DuPage MPI was established in 2013 with significant technical assistance from MPI's founding members. The context for the creation of DuPage MPI is similar to that of the Lower Fox River Partnering Initiative, making it a useful example of the challenges of cultivating a new shared service initiative. DuPage MPI participants have had varied success with saving costs. In fact, some participating members have not found the initiative to lower service costs at all. These examples can give Oswego, Montgomery, and Yorkville a better understanding of how and when communities tend to benefit from sharing services.

- A handful of communities in **south suburban Cook County** are also working together to form an Administrative Hub for code enforcement. The Metropolitan Mayors Caucus, Metropolitan Planning Council, and South Suburban Mayors and Managers Association have been providing technical assistance on this effort. The Administrative Hub provides a useful case of shared services with a smaller group of partners.

As smaller communities, Oswego, Montgomery, and Yorkville are not likely to see the magnitude of cost-savings as some of the larger counterparts. Unique characteristics specific to the Lower Fox River context also differentiate them from the other efforts in the region. The following lessons can help the partners to anticipate and overcome common barriers to sharing, but additional challenges will likely emerge as the Initiative matures.

Lesson 1: Not all shared services reduce costs

The goals of sharing services identified by the working group are varied and not always mutually compatible. Although cost-savings was one of the highest priorities for all of the working groups, prior shared service efforts in the region illustrate that not all shared service projects reduce costs.

One of the main assumptions of sharing services is that the greater the demand, the lower the cost. Therefore, it is cheaper for communities to aggregate their needs rather than deliver the service individually. Empirical evidence suggests that this is only the case for elastic services whose prices fluctuate based on the size of demand.

Although this Study recognizes that many aspects of a bid contribute to the cost of service, there are several examples where joint bidding did not result in lower contract prices. Some communities found that a number of labor-based services, including tree trimming and stump removal, were actually more expensive when jointly bidding. This may be in part due to the fact that labor costs, which have regulated minimum wages and many associated overhead costs, are less likely to vary over larger quantities. This may also be because labor-based services can vary widely in how they are delivered. For instance, the standards for good trimming, cleaning, or repairing are not universal. These specification differences make it hard for vendors to perform a level of service that fulfills all of the partners' expectations at a lower cost for each community. This is not to say that labor-based services never yield cost savings (for instance, shared custodial services in MPI saved communities between \$12,000 and \$14,000), but such contracts are often more variable in specification and price.

Overall, municipalities reported more consistent savings for commodity-based services, but even these depend upon the commodity's pricing structure and the number of communities involved. For example, because cold mix is sold at a per-ton rate, the combined quantities for a few small communities may not be large enough to jump to the next price tier.

As MPI participants had more experience with different shared services, its members were able to figure out the appropriate pricing structures for different types of services—but it took some trial and error to do so. Some of their bids include as few as two communities and as many as eight. As pictured in the table below, most services are broken down into smaller bid groups to achieve an appropriate bid size for the type of service. While many more municipalities participate in MPI than the Lower Fox River Partnering Initiative, many of their actual bid sizes are comparable.

Table 6.2. MPI bid groups, 2013

Project	Number of Communities	Number of Bid Groups	Led By
Resurfacing	6	3	Lake Forest, Glenview & Lincolnshire
Concrete (Pavement)	4	2	Glenview & Highland Park
Concrete (Flatwork)	15	5	Glenview, Grayslake, Glencoe, Kenilworth & Highland Park
Sewer Lining	14	4	Northfield, Cary, Arlington Heights & Highland Park
Asphalt Patching	2	1	Lincolnshire

Source: Municipal Partnering Initiative (MPI) presentation, October 30, 2014.

As Oswego, Montgomery, and Yorkville work through the specifications of joint contracts, they should keep in mind pricing structures before going out to bid. This can be done by talk to vendors and neighboring municipalities to get a better sense of how pricing may work. For contracts that need a larger group to achieve cost savings, the communities can solicit participation of neighboring municipalities.

Although cost is important, the communities should also make sure to account for the Initiative's non-monetary benefits, which can be just as impactful to the productivity, efficiency, and quality of municipal operations.

Lesson 2: Sharing services requires significant upfront resources

Communities must make major changes to their existing procedures and specifications when sharing services with other partners. Resolving these differences can take a lot of upfront staff time to standardize processes, paperwork, and specifications. Oswego, Montgomery, and Yorkville should expect to devote significant time to getting the initiative off the ground. They should also expect setbacks and difficulties in the early stages of their partnership.

Other municipalities describe several examples of spending hours to come to consensus on service specifications and getting derailed over seemingly minor differences. For instance, the major hold-up on a fire hydrant painting contract was due to the preference of one paint brand to another.

Other challenges lie in how the contracts are structured. Staff reported heated debates about how to itemize costs. For example, some communities in DuPage MPI wanted a road surfacing bid that specified hourly rates for each laborer, equipment, and activity; some wanted a simpler contract that included only the total price for a crew; yet others wanted differentiated rates for weekends and holidays.

In most instances, resolving these differences has been the result of administrators instructing staff to keep discussing an issue until they came to consensus. Most communities do report significant value in going through the painful steps of hammering out the first round of shared services. Most municipalities interviewed reported that their staff was initially skeptical about shared services, but that the anxiety dissipated quickly. The upfront legwork to develop effective processes has resulted in smoother coordination in the long run. For instance, coordination has become for so many MPI participants that sharing services was no less complicated than individually providing them.

It is important to note that even once shared service agreements are already in place, joint bidding does not replace local project management. Municipal staff must still devote time to managing individual contracts.

One way to reduce the upfront resources needed to establish shared services is to work with a neutral third party facilitator to launch the initiative. MMC's facilitation of the shared Administrative Hub for the south suburban Cook County communities is an example of this approach. This approach can work for initial stages of a project, but requires long-term funding to be sustainable. For instance, MMC's involvement in the Administrative Hub is based upon a one-time grant. CMAP has served a similar role in establishing the Lower Fox River Partnering Initiative. This underscores the need for communities to take ownership of the effort once CMAP's technical assistance period ends.

Lesson 3: Joint bids can affect vendor options

Communities should be prepared to depart from vendors that they have historically used when pursuing joint bids. Some joint bids can be more attractive to vendors because they result in larger contracts in more municipalities. In other cases, however, vendors may be deterred from bidding on shared bids. First, joint bids are larger and can exclude smaller local companies that simply do not have the capacity to perform large contracts. Second, joint bids can be more complex than individual bids, as they may include different specifications for different communities. While varied specifications allow flexibility for municipal partners, it can be operationally or administratively burdensome for some vendors. A few joint bidding attempts from DuPage MPI communities received on a few bids, or in one case, no bids, for shared services. With few vendors to select from in those cases, the DuPage MPI members elected to bid individually to increase vendor options.

Shared services may also be in conflict with local purchasing policies. The City of Evanston, for example, was excited about shared services, but ultimately felt that it went against the city's buy local policy. This issue of local purchasing also came up in some of the working groups. Montgomery's police department, for instance, has longstanding relationships with Montgomery automobile repair shops and expressed a strong preference for using Montgomery-based companies. Each of the three communities should define their preferences for local vendors in advance. Sharing services may require a slightly broader definition of local to include the county or other sub-areas.

Lesson 4: Shared services can have varying degrees of impact

The benefit that a community receives from service sharing depends on many factors, including the community's previous cost and level of service delivery. Participants in both MPI and DuPage MPI observed that lower capacity communities tended to see greater payoffs of service sharing. Due to limited staff availability, financial resources, or technical expertise, these communities often provide a lower degree of service than high-capacity communities. In the early stages of both MPI efforts, higher-capacity communities were more likely to take the lead in developing sharing agreements. Lower capacity partners were still able to benefit from the shared services, but did not commit as much staff resources to developing the joint bids or sharing agreements. Members of both initiatives did, however, observe that participating in the initiatives built capacity of lower-capacity communities, who began to volunteer to lead projects in later stages.

Maintaining parity of service can also be challenging across communities. Certain services, such as snow removal, are time-sensitive. Instituting contracts that cover larger areas can mean that a vendor has to phase service delivery across all of the geographies. Multiple communities acknowledged that shared services have increased the time it takes to complete certain tasks. While no one reported backlash from residents as a result of this, Oswego, Montgomery, and Yorkville should be cognizant of how sharing agreements may affect residents. The Study recommends that the communities build a schedule into the contract upfront so that all parties, including the vendor, have a clear understanding of when delivery will occur in different neighborhoods.

Participants of other initiatives recommend being flexible when first entering shared service agreements to account for service delays or complications. In the event of these hindrances, shared service veterans generally report quick returns to smooth service delivery after the vendors and municipal partners become accustomed to the arrangement.

Lesson 5: Sharing services requires commitment

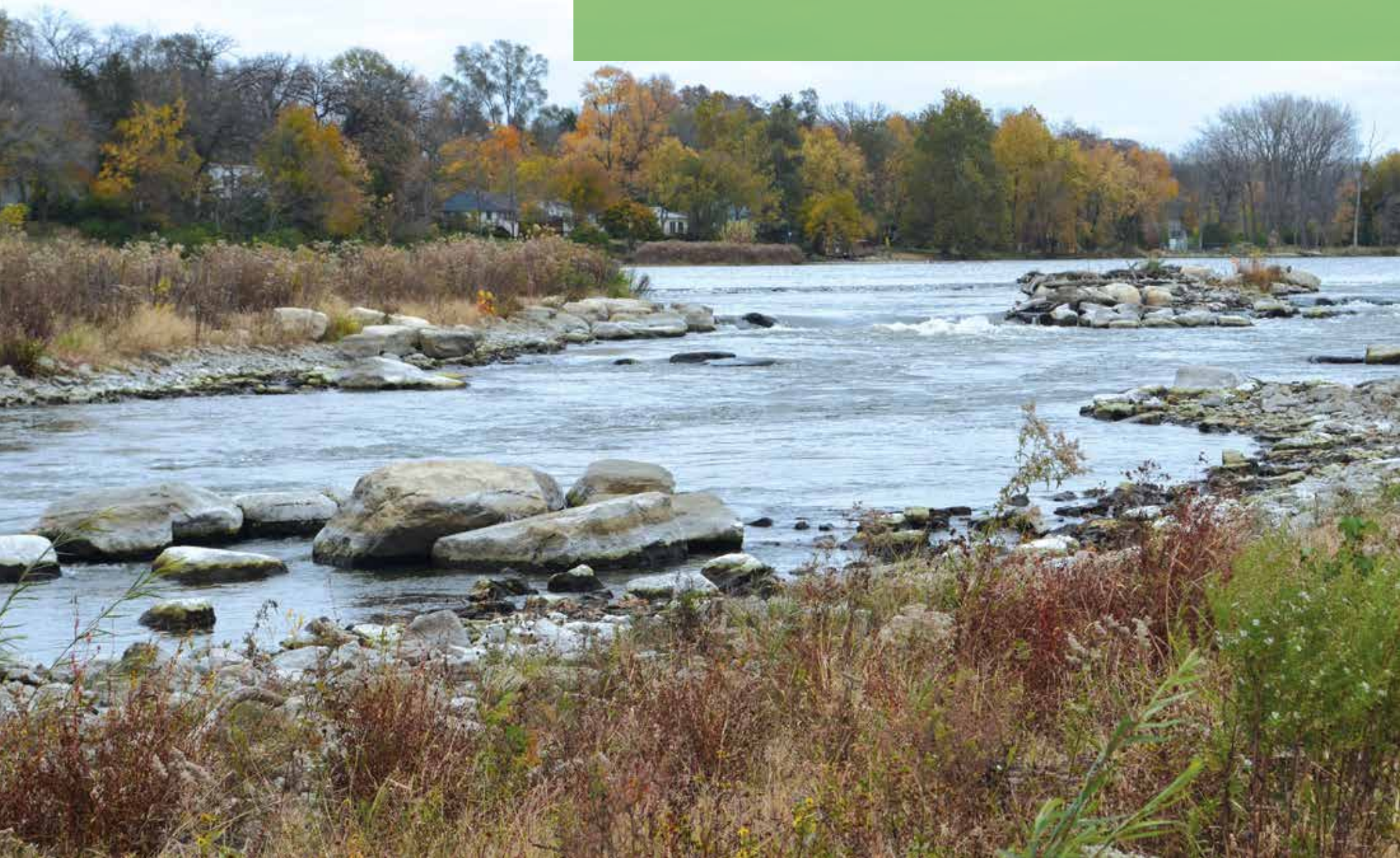
The many challenges identified in these examples underscore one key lesson: commitment to shared services is a key ingredient to success. Oswego, Montgomery, and Yorkville can foster commitment by identifying staff and elected official champions within each municipality that can support the initiative. Ultimately, the commitment level of the participants will be the primary driving force to keeping the Partnering Initiative running.

Many MPI participants experienced setbacks, but those cases have not derailed the initiatives because the processes that they created remained strong. Individual efforts that do not result in shared services due to logistics, bid responses, or other challenges should not be considered failures. Instead of viewing those efforts as failures, committed municipalities have learned from those experiences and changed practices in the future.



Chapter 7

NEXT STEPS



Next Steps

This chapter outlines possible next steps for Oswego, Montgomery, and Yorkville to continue the Lower Fox River Partnering Initiative. The table below lays out the new activities that the communities should complete in the next one to two years to implement the specific shared service projects outlined in this document.

The communities should not only complete the shared service projects described in this document, but continue to build support for the Partnering Initiative by documenting benefits of shared services and educating other staff, elected officials, and the public.

Engage Elected Officials

The process is best served if all parties acknowledge the need to review “political considerations” when vetting a shared service proposal. More often than not, the public views local governments working together as good thing. Local elected officials likewise see the value of intergovernmental cooperation as positive attribute indicative of good government. It is important to keep elected officials informed of program progress in initial stages and through the initiative’s lifespan to address any issues that arise. Strategies to engage elected officials can include holding educational discussions or yearly review sessions to ensure that political leaders understand the purpose of the Lower Fox River Partnering Initiative, have opportunities to provide guidance and feedback to staff, remain engaged throughout the process, and can be public champions of the resulting shared service projects.

Table 7.1. Implementation table

Working Group	Activity	Timeline
Administration and Finance	Send out survey of interest for shared services in advance of the Strategic Planning Session	Within 3 months
	Develop an education and outreach strategy to build support from elected officials and the public	3-12 months
	Hold the first annual Strategic Planning Session to map out Year 1 of the Partnering Initiative	6-12 months
	Develop contract templates for service agreements	6-12 months
	Evaluate the Initiative	12-18 months (to occur annually)
	Hire a Joint Purchasing Agent to coordinate joint purchasing	18-24 months
Community Development	Execute building safety mutual aid agreement	6-12 months
	Align building code update schedules	6-12 months
	Streamline administration of code enforcement	12-24 months
Public Safety	Establish an equipment sharing process	6-12 months
	Execute a public safety mutual aid agreement	12-24
Public Works	Establish an equipment sharing process	3-6 months
	Undertake a joint mowing contract	6-12 months
	Explore other joint public works contracts in the strategic planning session	3-6 months

Source: Chicago Metropolitan Agency for Planning analysis.

Align Shared Service Efforts with other Planning Priorities

This Study's review of previous planning documents established the foundation for intergovernmental collaboration. Now that the Lower Fox River Partnering Initiative is established, the communities should continue to promote shared service efforts in future planning documents, including comprehensive, strategic, and operational plans. Joint planning projects should also be included as part of the Partnering Initiative and integrated into any topically specific plans, such as water supply or bicycle plans.

The strategic integration of shared service projects across planning documents can help align activities across department and topic areas into a cohesive suite of strategies to achieve the communities' stated goals. Strategic and operational plans that are aimed at internal processes can delve deeper into recommendations for implementing specific shared service projects and reiterate the internal steps needed to keep the Partnering Initiative running. As the communities pursue future comprehensive, transportation, water supply, or other plans, they should continue to seek opportunities for additional collaboration.

Connect with Regional Partners

As the Partnering Initiative grows, it should connect with other groups working to improve local governance at different scales. First, the Lower Fox River Partnering Initiative can involve more communities as it becomes more established. As the group matures, it should continue informal exchanges with other groups such as MPI and DuPage MPI to identify new and improved means by which to address potential road blocks and share best practices.

In addition to these initiatives, the group should connect with Transform Illinois, a coalition for improve governance efficiency. Established in 2014, the coalition is led by DuPage County Chairman Dan Cronin, facilitated by the Metropolitan Planning Council, and made up of government officials, advocacy groups, research organizations, lawmakers, and CMAP. Transform Illinois is currently pursuing research and legislative analysis to support shared services, local government consolidation, and funding reform to incentivize efficiency. Participation in Transform Illinois can help Oswego, Montgomery, and Yorkville staff connect local efforts with regional and statewide policy agendas and learn about other strategies to improve governance efficiency. The Lower Fox River Partnering Initiative can be used as a case study for research on the effectiveness of shared services.

Appendix A: OSWEGO, MONTGOMERY, AND YORKVILLE CONTRACT ALIGNMENT ANALYSIS



Appendix A: Oswego, Montgomery, and Yorkville Contract Alignment Analysis

To: Village of Oswego (S. Jones and C. Burns), Village of Montgomery (J. Zoepfel), and United City of Yorkville (B. Olsen)

From: CMAP Staff

Re: Review of Service Contract Alignment

Date: March 18, 2015

Introduction

As the Village of Oswego, Village of Montgomery, and United City of Yorkville begin to pursue shared service agreements and joint procurements, attorneys and staff from all three communities must be comfortable with multiple-municipality procurement activities and vendor contracts. During shared service workshops, employees recommended that municipal administrators and attorneys provide template documents and operating procedure guidelines as a precursor to embarking upon shared agreements. This memo reviews the alignment of terms, conditions, and protections for shared contracts across each entity.

Example contracts were requested from each of the subject municipalities for a side-by-side comparison of the submitted documents. The analysis was supplemented by additional research on shared service contract best practices. The summary and recommendations below are presented to identify contract elements that require alignment in potential shared agreements. The municipalities may use the findings in this memo to develop a template shared service contract with standardized terms, conditions, and protections that can be modified by staff for various shared services. This memo is not a legal analysis, but a staff review that identifies areas of consideration for municipal attorneys. Municipal administrators and attorneys should determine how or whether to address the identified contract discrepancies.

Documents reviewed

- Village of Oswego: Contract with Client First Technology for consulting service to assess Village software
- Village of Montgomery: Agreement for Professional Services (Template Document)
- United City of Yorkville: Contract with Yorkville Mowing and Landscaping for landscaping services for 2 Special Service Areas

Comparison of contract elements

Overall, many of the core contract elements were found to be in alignment. Discrepancies are detailed below. Contract elements requiring special attention in drafting a shared service agreement are highlighted in the final section of this document. The Village of Oswego's contract was the longest document, containing 18 sections, versus Montgomery's 11 sections and Yorkville's five contract sections. Much of the content was similar, and addressed core contract elements with common language. A detailed review of the common elements and variations in content or structure are included in the sections below.

Table A.1. Summary and comparison of contract elements

	Oswego	Montgomery	Yorkville	Aligned?	Notes
Preamble	■	■	■	Yes	All use similar language.
Scope of Work	■	■	■	Yes	All attach the issued RFP and reference it as an Exhibit within the contract, stating that the contractor shall furnish services as set forth in the RFP and be compensated in accordance with the Exhibit.
Compensation	■	■	■	Yes	All refer to compensation as listed in RFP.
Contract Term	■	■	■	Yes	Oswego states the agreement begins on date signed by all parties, Montgomery & Yorkville refer to RFP- which lists specific dates.
Termination of Contract	■	■	■	No	Oswego & Montgomery reserve right to terminate 14 days after written notice, Yorkville after 7 days.
Status as Independent Contractor	■	■	■	Yes	All specify that the contractor shall not be considered employee of the municipality.
Bonding				Yes	None state any requirements for bonding of any type.
Signatures	■	■	■	Yes	All require three signatures (Municipal official, Clerk, Contractor).
Certifications of Compliance with State and Federal Statutes	■	■		No	Level of detail varies for each municipality, ranging from Montgomery's extensive listing to Yorkville's inclusion of zero specified certifications.
Indemnification	■	■		No	Yorkville's provision differs from Oswego and Montgomery.
Additional Services	■	■		No	Yorkville does not include language barring modifications w/o consent.
Notification	■	■		No	Yorkville does not include contact info for City and Contractor.
Non-Disclosure	■	■		No	Oswego & Montgomery include, but differ. Yorkville doesn't include.
Severability	■			No	Only Oswego addresses severability.
Workman's Comp Insurance	■	?	■	No	Required by Oswego and Yorkville, Montgomery unknown.
General Liability Insurance	■	?	■	No	Required by Oswego and Yorkville (differing amounts), Montgomery unknown.
Commercial Automobile Liability Insurance	■	?		No	Required by Oswego, not required by Yorkville, Montgomery unknown.
Umbrella or Excess Liability Insurance	■	?		No	Required by Oswego, Not Required by Yorkville, Montgomery unknown.

■ = Element is included in municipality's submitted contract
 ? = Unknown

Source: Chicago Metropolitan Agency for Planning analysis.

Contract elements

Several contract elements were identified as not in alignment (wholly or in part) among the three municipalities. The categories below (also summarized in Table A.1) identify differences that may require further attention by the municipalities during the process of drafting shared service contracts.

Certifications

Montgomery includes an extensive listing of 11 required certifications of compliance with state and federal statutes, as well as the contractor's Federal Tax Payer ID Number or SSN. Oswego lists two statutes for which the contractor shall certify compliance (Prevailing Wage Act, Illinois Human Rights Act) and a general requirement for compliance with laws, which states that "the Contractor shall comply with all applicable federal, state, and local laws, rules, and regulations, and all Village ordinances, rules and regulations now in force or hereafter enacted, in the provision of the goods and/or performance of the services required under this Agreement." Yorkville does not require any certifications of compliance requirements.

Indemnification

Oswego and Montgomery include clauses that the contractor shall indemnify and hold harmless the municipality. The Yorkville contract states that neither the contractor nor the City shall be held liable in damages caused beyond its control. The extent to which these clauses provide coverage should be reviewed by legal staff for assurance of alignment.

Insurance types required

Lack of alignment exists for the types of insurance required for contractors. Oswego requires four types of insurance: Workman's Compensation, General Liability, Commercial Automobile Liability, Umbrella or Excess Liability. Montgomery's insurance section is very brief and simply provides two checkboxes with the instruction that "the contractor agrees that it has either attached a copy of all required insurance certificates or that said insurance is not required due to the nature and extent of the types of services rendered hereunder." Yorkville requires two types of insurance, Workman's Compensation and Comprehensive Liability.

Insurance amount required

The dollar amount of General Liability insurance does not appear to be aligned. Oswego requires \$1,000,000.00 of Comprehensive General Liability insurance in the aggregate. Yorkville requires \$1,000,000.00 per occurrence of General Liability insurance, or \$2,000,000.00 in the aggregate. Montgomery's insurance requirements are not stated within the contract document.

Termination of contract

Oswego and Montgomery reserve the right to terminate the contract in part or whole, upon seven days of written notice. Yorkville may terminate after 14 days of written notice.

Additional terms or modifications

Oswego and Montgomery do not allow modifications without written agreement by all parties. Yorkville does not address this subject.

Non-disclosure

Oswego's contract contains a non-disclosure clause. Montgomery includes an "Ownership of Records and Documents" clause, which requires that all records developed in connection with the agreement shall remain the property of the Village, and that the contractor keep non-FOIA-able documents confidential. Yorkville does not include a non-disclosure provision.

Severability

Oswego includes a severability provision. Montgomery and Yorkville do not.

Other Items

- Oswego includes several additional sections unaddressed by the other partners: "Assignment; Successors and Assigns," "Recovery of Costs," "Waiver," and "Integrations."
- Yorkville includes a provision that the contractor shall meet with the City "as often as necessary to discuss any and all aspects of the contract."

Contract elements requiring further attention

Based on general research of shared service procurement processes and review of the submitted contract documents:

- **Bid Process Leadership.** Determination must be made to designate an involved municipality to lead the bidding process and serve as the main contact during procurement. Municipal leads may rotate for each project. Clarity of procedure and responsibility will be essential, for contractors and municipalities to ensure efficiency during the process of procurement and contract execution. The municipalities should develop language and practice that enable project leadership, while clarifying that all involved municipalities must review and approve the bid award, execute the agreement acceptance, and maintain individual authorities and responsibilities throughout contract term. Once the communities have established the process and designee, appropriate language should be included within contracts.
- **Consensus on Format for Expressing State and Federal Requirements.** The primary differences between contracts stem from the manner in which requirements to comply with state and federal statutes are stated. Montgomery, for instance, lists and describes 11 requirements for certification of statute compliance (including Anti-Bribery, Drug Free Workplace, and International Boycott), while Oswego listed only two and Yorkville did not list any. Involved municipalities, with counsel from their legal staff, should reach consensus on the essential requirements to include within their contracts to remain legally compliant and support the objectives of the requirements within a concise document. If the inclusion of explicit detail on certain requirements is not legally required, but is included to highlight and emphasize their importance and necessity for contractors, partner municipalities can discuss to reach consensus on what to include in any shared contracts.

- **Unique Statutory Requirements.** Any unique affidavits or other items required by local statute for individual municipalities should be identified and grouped within one section of the contract. Examples include requirements for references and criteria for disqualified persons or entities. Any unique requirements not expressly required by statute, but included as general practice by an involved municipality, should be examined for utility and included or excluded as applicable.
- **Provisions to Ensure Continued Protections.** As the number of partners increases, the involved municipalities should revisit contract language to ensure that previously assumed protections remain sufficient for contracts involving multiple municipalities (for example, security of proprietary data or confidential information). Future contract language reviews should also provide assurance that no municipality is responsible in any way for the payments of another municipality in any event of default.
- **Insurance.** Insurance requirements differ between Oswego and Yorkville, and Montgomery's insurance requirements are not listed in its contracts. The municipalities and their attorneys should decide how to align the types and amounts of insurance required. The municipalities should also determine whether certifications of insurance identify partner municipalities as additional insured entities.
- **Alignment of Deadlines and Procedural Dates.** Alignment of deadlines and actionable dates, whether required by statute or past practice, should be established. Yorkville's cancellation of contract after 14 days of written notice to contractor versus Oswego and Montgomery's seven-day requirement is one example of this misalignment.
- **Selection Criteria.** Preference for local vendors is common for single municipality contracts. This preference may be formally stated or informally practiced. A shared agreement will expand geographic boundaries and modify the relative localness of certain vendors. Municipalities should be aware that vendors that were previously deemed preferred due to their proximity may not necessarily continue this status without special attention to provide language enabling that status. For instance, a vendor located in Oswego would not necessarily be considered local to Yorkville, and vice versa. The municipalities should determine whether any local vendor preferences are generalized to the aggregate area of all partner municipalities, or whether an alternate system is adopted to preserve current vendor selection policies.
- **Indemnification.** The extent to which the existing indemnify and hold harmless clauses provide coverage should be reviewed by legal staff, and appropriate language selected to indemnify partner municipalities.
- **Surety.** All submitted contracts were aligned in their attention to requirements for security guarantees, as none required either a bid bond or a contract bond. This element should be considered aligned, but consensus on whether this practice will continue going forward should be confirmed.
- **Jurisdiction.** A common contract element is inclusion of the applicable jurisdiction and venue of law governing the contract (i.e., Montgomery's contract currently states the venue shall be Kane County). As potential municipal partners grow, the group should include appropriate language that is inclusive of all municipalities involved.

Appendix B: CASE STUDIES



Case Study 1: Municipal Partnering Initiative

Overview

The Municipal Partnering Initiative was established in 2010 in response to fiscal constraints resulting from the national economic downturn. The founding municipalities, including the Villages of Glenview and Buffalo Grove, developed the group as a new model of more efficient service delivery. MPI now comprises 35 municipalities in northern Cook, DuPage, Lake Counties: Arlington Heights, Bannockburn, Buffalo Grove, Cary, Evanston, Fox River Grove, Glencoe, Glenview, Glenview Park District, Gold, Grayslake, Gurnee, Highland Park, Kenilworth, Lake Bluff, Lake County, Lake Forest, Lake Villa, Lake Zurich, Libertyville, Lincolnshire, Lincolnwood, Lindenhurst, Morton Grove, Mundelein, North Chicago, Northbrook, Northfield, Niles, Park Ridge, Skokie, Vernon Hills, Wheeling, Wilmette, Winnetka, and Woodridge.

Initiating the program

The original group of 18 municipalities first identified about 40 routine services, such as road resurfacing and sewer lining, and then formed committees to evaluate and write bid specifications for each group. Four committees (Public Works, Utilities, Facilities, and Construction) assessed each community's existing programs and contract and, together, drafted a 30-page front-end document in standard contract language to cover all four committee groups. The groups pilot shared service was crack sealing (an existing purchasing cooperative recently discontinued the service). Four communities participated in the initial joint bid contract.

How it works

As a voluntary program, all communities regardless of past participation are invited to join in whatever MPI contracts meet their needs. Participation does not require formal membership, fees, or mandatory responsibilities. Municipalities can even sign on after bids are accepted, although up-front participation is encouraged to ensure MPI receives the best prices from contractors.

MPI committees annually compile a list of communities' desired shared services and commodities and divide the projects into bid groups based on budget and geography. To determine the best approach for each project, committee members evaluate existing specifications for each community and select the one that works best for the entire group.⁹ Each MPI contract emerges from this collaborative process on bid specifications.

The participating communities take turns coordinating the contracts. In the first year, Glenview took the lead on most projects. By 2014, the leadership was more distributed: nine communities managed 17 joint bids. Community leads are expected to:

- Coordinate with participating municipalities to determine interest and schedule meetings
- Gather information needed for bid specifications and scope
- Release and receive bids
- Distribute bid results and recommend award

⁹ http://www.pwmag.com/best-practices/illinois-municipal-partnering-initiative-mpi_o_3.aspx.

Once a contractor is selected for the group, each community is responsible for managing and paying for its own contract. The contract specifications are consistent, but each community can maintain some individual requirements.

Shared services

The early bids were considered low-hanging fruit, chosen to test the service sharing process and encourage growth in participation. In 2011, MPI's first full year, 20 communities participated in 11 joint bids for nine services. Now, the initiative offers 30 shared services that range from routine activities with little variation between communities, such as crack sealing, to complex construction projects with numerous line items, such as road resurfacing. MPI has even continued its growth and exploration to partner in other areas, including: IT shared services, inspectional services, electric vehicle charging stations, and fleet shared services.

A few examples are given below of specific bids completed in 2013, the number of bidders that the group received, and the awarded contractor for each service.

Completed bids, 2013

Project	Number of Communities	Bid Opening Date	Number of Bidders	Awarded Contractor
Street Sweeping	3	1/31/2013	4	Hoving Clean Sweep
Cold Patch	8	2/14/2013	1	Peter Baker Son & Co.
Crack Sealing	15	2/21/2013	3	Denlar
Sewer Cleaning	2	2/28/2013	2	Not Awarded
Leak Detection	7	2/28/2013	2	ADS Environmental
Generator Maintenance	8	3/28/2013	5	Patten Power
Utility Locating	5	5/28/2013	1	USIC
Cross Connection Devices (Municipal)	4	7/2/2013	5	American Backflow
Tree Maintenance	3	7/30/2013	2	Evaluating

Source: Materials provided by Municipal Partnering Initiative (MPI).

MPI growth of services, 2011-13

2011	2012	2013
Crack-Sealing	Crack-Sealing	Crack-Sealing
Resurfacing	Resurfacing	Resurfacing
Concrete	Concrete	Concrete
Sewer Lining	Sewer Lining	Sewer Lining
Leak Detection	Leak Detection	Leak Detection
Hydrant Painting	Hydrant Painting	Hydrant Painting
Water Meter Testing	Water Meter Testing	Water Meter Testing
Emergency Contractor Assistance	Emergency Contractor Assistance	Emergency Contractor Assistance
	Cold Patch	Cold Patch
	Hauling/Delivery	Hauling/Delivery
	Pavement Marking	Pavement Marking
	Janitorial Services	Janitorial Services
	Bridge Inspections	Bridge Inspections
	Asphalt Patching	Asphalt Patching
		Street Sweeping
		Sewer Cleaning
		Utility Locates
		Tree Maintenance
		Generator Maintenance
		Cross Connection Control

Source: Materials provided by Municipal Partnering Initiative (MPI).

Results

Cost savings

From 2011 to 2013, MPI estimates combined savings ranging from \$1.23 million to \$1.56 million. Municipalities realize additional efficiencies by merging engineer and attorney reviews and bid creation, advertising, and awarding. In addition to cost savings, MPI partners benefit from improved relations with their peers and counterparts in neighboring communities.

Increased collaboration offers MPI partners the opportunity to share best practices and learn from each other while researching and providing recommendations for efficient and cost-effective services. This type of expanded support network is critical as municipal roles become increasingly complex and staff members are required to wear many different hats. The savings for each completed project from 2011-2013 are detailed below.

Summary of completed projects, 2013

Project	Number of Communities	Total Project Value	Savings
Crack-Sealing	15	\$555,000	\$40,000-50,000
Resurfacing (Lake Groups 1 & 2)	4	\$3,200,000	\$101,000-121,000
Resurfacing (Cook)	2	\$2,300,000	\$148,000-158,000
Concrete Flatwork (Groups 1-5)	15	\$890,000	\$57,000-77,000
Concrete Pavement (Groups 1 & 2)	4	\$537,000	\$15,000-19,000
Sewer Lining (Groups 1-4)	14	\$4,000,000	\$51,000-61,000
Sewer Televising	6	\$261,000	\$56,000-66,000
Contractor Assistance	9	\$126,000	\$23,000-31,000
Leak Detection	3	\$71,000	\$5,000-8,000
Hydrant Painting	6	\$74,000	\$20,000-30,000
Asphalt Patching	2	\$173,000	\$2,000-4,000
Cold Patch	8	\$138,000	X
Hauling & Delivery	5	\$500,000	\$2,000-4,000
Pavement Marking	4	\$167,000	X
Custodial Services	8	\$534,000	\$12,000-14,000
Street Sweeping	3	\$174,000	\$2,000-4,000
Generator Maintenance	7	\$96,000	\$18,000-24,000
Total Savings Realized			\$552,000-671,000

Source: Municipal Partnering Initiative (MPI) presentation, October 30, 2014.

Summary of completed projects, 2012

Project	Number of Communities	Total Project Value	Savings
Crack-Sealing	14	\$557,000	\$54,000-64,000
Resurfacing (Lake)	4	\$3,290,000	\$24,000-34,000
Resurfacing (Cook)	4	\$3,670,000	\$64,000-74,000
Concrete (Groups 1 & 2)	11	\$1,490,000	X
Sewer Lining (Groups 1 & 2)	10	\$2,500,000	X
Sewer Televising	7	\$261,000	\$65,000-75,000
Contractor Assistance	9	\$126,000	\$23,000-31,000
Leak Detection	5	\$71,000	\$3,000-5,000
Hydrant Painting	6	\$74,000	\$20,000-30,000
Cold Patch	9	\$111,000	\$12,000-16,000
Hauling & Delivery	5	\$500,000	\$2,000-4,000
Pavement Marking	4	\$167,000	X
Custodial Services	8	\$534,000	\$12,000-14,000
Bridge/Retaining Wall	2	\$10,000	\$12,000-18,000
Total Savings Realized			\$291,000-365,000

Source: Municipal Partnering Initiative (MPI) presentation, October 30, 2014.

Summary of completed projects, 2012

Project	Number of Communities	Total Project Value	Savings
Crack-Sealing	12	\$421,000	\$50,000-70,000
Resurfacing (Lake)	3	\$2,990,000	\$100,000-120,000
Resurfacing (Cook)	2	\$2,840,000	\$80,000-100,000
Concrete	8	\$966,000	\$15,000-20,000
Sewer Lining (Group 1)	5	\$1,090,000	\$30,000-50,000
Sewer Lining (Group 2)	7	\$945,000	\$60,000-90,000
Sewer Televising	4	\$365,000	\$16,000-26,000
Leak Detection	5	\$71,000	\$3,000-5,000
Hydrant Painting	6	\$60,000	\$8,000-10,000
Water Meter Testing	3	\$20,000	\$500-1,500
Emergency Contractor Assistance	11	\$150,000	\$27,000-37,000
Cold Patch (2012 Project)	9	\$111,000	\$16,000
Total Savings Realized			\$405,500-545,500

Source: Municipal Partnering Initiative (MPI) presentation, October 30, 2014.

Time commitment and staff burden

As the initial champion of the program and primary lead agency, the Village of Glenview provided essential leadership early on that helped to reduce skepticism among staff regarding the MPI approach. Not all staff members were receptive to the changes. Getting the initiative off the ground required all partners to devote significant amounts of time to developing the program, communicating with lead agencies, and attending MPI meetings. The largest initial hurdle was generating bid specifications acceptable to all parties, but renewal contracts have required very little amendments in subsequent years.

After the heavy-lifting on bid documents in the first year, staff time was mainly spent managing their community's portion of the work. While MPI partners reported reduced administration time and effort in subsequent years, joint bidding was not a replacement for strong local project management.

Strategic project selection

Not every shared service project has worked for all communities. For ease of coordination and implementation, administrators increasingly base project selection on scale and geographic locations, as well as straightforwardness of contracts. As such, construction projects and commodities purchasing have emerged as the ideal types of projects for joint bids. The most challenging joint bid projects involved many line items, such as road resurfacing, and/or variable levels of expectation, like custodial services. The key has been to limit the contract price and base bid groups on size of contract and location.

Degrees of impact

Most MPI participants report their involvement to be valuable. In general, smaller communities benefitted the most from economies of scale. In many cases, the differences in savings between communities were as large as \$10,000 for a single shared service. For instance, the small Village of Lincolnshire (population 7,275) has reported significant savings across multiple shared services, including nearly a 40% cost reduction per square yard of asphalt patching. The much larger Village of Glenview (population 50,690) also reports cost savings through the initiative, but at lesser magnitudes.

Participants acknowledged that some degree of service is sacrificed by engaging in shared service work. Road resurfacing, for example, took much longer to do jointly, leaving some roads under construction for much longer periods of time. The group learned to build in specifications to address this in advance. This pre-emptive scheduling has reduced confusion within communities about service delivery and has informed the structure of the group bids from the onset.

Continual learning

One of the hallmarks of MPI's success has been the group's proactive approach to improving the initiative. Participant feedback and sustained communication among partners proved fundamental to improving the program. Participants regularly utilize a common Dropbox site for document repository and SurveyMonkey to collect and analyze data. Significant participant and vendor feedback have improved the process for all parties with each new bid.

Case Study 2: DuPage MPI

Overview

The DuPage County Municipal Partnering Initiative was established in 2013 and currently includes 12 municipalities. Its members were inspired by the successes of the MPI and became interested in forming a similar group for DuPage communities. Members include Bensenville, Burr Ridge, Clarendon Hills, Downers Grove, Downers Grove Sanitary District, East Chicago, Glen Ellyn, Lisle, Lombard, Roselle, Villa Park, West Chicago, and Woodridge.

Initiating the program

Representatives from DuPage have worked closely with the Village of Glenview to transfer the process and also attended an MPI manager's meeting to gain additional understanding of the process and discuss the potential of creating a DuPage regional group. The Village of Glenview not only walked them through the process of developing shared services, but also provided all of their existing bid documents for DuPage communities to modify and use.

Unlike the original MPI, which was led by village managers, the DuPage effort was driven by Public Works Directors from the Villages of Lombard, Downers Grove, and Woodridge. These Directors first convened representatives from nine communities to consider joint bidding. They examined each community's contracts for crack sealing, concrete flatwork, and leak detection to determine whether the specifications could be coordinated and whether quantities were sufficient to generate economies of scale.

How it works

The DuPage group follows the MPI approach, which provides for one lead agency to manage a particular bid process for any communities wishing to participate. Before deciding which contracts would be included in the process for 2014, the DuPage Mayors and Managers Conference (DMMC) distributes a survey to DuPage municipalities to gauge interest in jointly bidding contracts and serving as lead agency, and to compile budget estimates. Bid groups were then developed based on geographic proximity and contract values that seemed manageable and appropriate.

DuPage MPI publishes one advertisement for the group for each joint bid. Each community is eligible to award a contract, reject bids, or pick their contractor of choice. Like MPI, lead agencies are responsible for distributing contracts and getting all communities to sign off. They also coordinate bid openings, meetings, and documents, although each community prepares its own contract and is in charge of its own contract oversight.

Shared services

In 2014, the group's first full year, 12 communities participated in about a dozen joint bids:

- Cold mix
- Concrete
- Contractor assistance
- Crack sealing
- Hydrant painting
- Leak detection
- Landscaping
- Pavement marking
- Resurfacing
- Sewer lining
- Street sweeping
- Tree maintenance
- Truck hauling/delivery
- Water meter testing

The market of shared service opportunities expanded after the first year as sanitary and park districts, such as Glenbard Wastewater Authority, joined the DuPage MPI.



Results

Cost savings

DuPage MPI communities reported more moderate levels of cost savings than MPI communities. Smaller communities reported significant cost savings. Larger communities felt that the program helped control costs of inflation, but did not experience large cost-savings. In fact, some shared service projects cost some communities more than if they had pursued them independently. While some communities have decided to pursue some services independently, others have continued to share services together, as well as with other MPI members in Cook and Lake Counties.

While some DuPage participants have been critical of the monetary benefits of the program, others have focused on the value of its nonmonetary effects. The program prompted more interaction and coordination between municipalities and allowed opportunities for Public Works Directors to share best practices for bid specifications. The formation of the DuPage MPI has also led to the development of the DMMC's Public Works Directors Steering Committee, a recently established group which meets quarterly to discuss operational issues and share expertise related to regulatory policy issues.

Time commitment and staff burden

In the first year, larger communities took on the responsibility to resolve most of the contract nuances and create boilerplate specifications for joint bidding. Just as MPI participants acknowledged, carrying out those service sharing activities was often too much for one person or municipality to manage. The role of lead agency represented a substantial time commitment. Initially, the group was interested in having DMMC facilitate the initiative. Ultimately, DMMC chose not to take on that role. Finding lead agencies to coordinate specific shared service projects continues to be a challenge for some shared service projects.

Project selection and implementation

The DuPage MPI communities reported particular difficulty developing and carrying out joint contracts. For example, five communities discussed four different options for hydrant painting—a relatively straightforward service—and struggled to merge the variations. The group bidding process led to some disputes with contractors, requiring participating municipalities to reconvene several additional times. For instance, some contractors initially requested additional payments for mobilization to each town. In another case, a vendor did not want to uphold the agreed upon group rate for one of the smaller communities after a contract was awarded. So far, the communities have had mixed satisfaction working with vendors for joint bids.

Degrees of impact

As with MPI, small communities benefited the most from shared services. But even more significant than cost savings or cost containment, the initiative provided small municipalities the opportunity to provide services which were previously suspended or unavailable. For example, the Village of Burr Ridge did not receive any bids for crack sealing in 2013 and had to forgo that service. It has since been able to resume the activity by participating in a joint crack sealing bid through DuPage MPI.



Case Study 3: South Suburban Code Enforcement

Overview

The South Suburban Code Enforcement pilot program was launched in 2015 to improve property maintenance and residential code enforcement in Richton Park, Park Forest, Chicago Heights, and South Chicago Heights. These four municipalities formed a partnership to share the administrative aspect of code enforcement through a centralized Administrative Hub. This effort is a partnership between the communities and Metropolitan Mayors Caucus (MMC), the Metropolitan Planning Council (MPC), the South Suburban Mayors and Managers Association (SSMMA) and the South Suburban Land Bank and Development Authority (SSLBDA), Ancel Glink, WRB LLC, and DePaul University's Institute for Housing Studies.

This example is unique from the others profiled in this Study in two key ways. First, the shared service was formed to address a specific issue: reducing blight through shared code enforcement strategies. Second, idea for the initiative is facilitated and financially supported by third party partners rather than the communities. This pilot program is still in nascent stages, but provides an interesting example of programmatic cooperation outside of joint bidding. MMC is interested in expanding the Hub to municipalities outside of south suburban Cook County.

Initiating the program

In 2012, a third-party review of code enforcement practices among SSMMA communities revealed significant variation across standards and procedures. Recent personnel reductions placed severe constraints on field inspectors. The increase in vacant property and investor-owned rental property as the result of the foreclosure crisis put additional burden on municipalities' code enforcement departments. SSMMA also reported that the inconsistent standards and divergent procedures had led to frustration and uncertainty in development and property investment in vacant and under-managed properties. The South Suburban Code Enforcement pilot program was created in response to these concerns.

The inception of the pilot program involved several external organizations. MMC began working with its members to develop strategies to improve the capacity of municipal building departments to stabilize declining housing stocks. The project kickoff included a brainstorming session with the South Suburban Housing Collaborative members. Multiple communities expressed a desire to explore service sharing strategies amongst code enforcement departments as a way to increase staff capacity. MMC received a grant to work with the four participating communities. After exploring several options for sharing code enforcement activities, the group settled on the idea of a shared Administrative Hub to enforce property maintenance codes.

Research and recommendations from several groups have informed the development of the Administrative Hub. Partners have prepared several memos that established basic recommendations for coordinating code enforcement standards, outlined legal strategies for targeting blighted properties in non-home rule communities, and discussed the transfer of home rule powers through intergovernmental agreements.

How it works

The Administrative Hub is designed to streamline property maintenance and code enforcement activities by dedicating centralized staff to handle a high volume of property maintenance and code enforcement cases using standard forms, notices, and procedures. Through the initial research phase, the project team outlined five key functions that The Hub could focus on:

- Preparing documents to record liens
- Researching title issues and identify interested parties
- Preparing applications for “No Cash” Bids
- Preparing supporting documents for demolition and abandonment proceedings
- Assisting with administrative adjudication and filing of judgement liens

During the pilot period, the Hub is primarily focusing its initial efforts on support services for property maintenance liens and “fast track” remediation and demolition actions. Operations will begin once Building Department staff identifies a delinquent property and sends information on its condition to the Hub staff. Depending on whether the structure is vacant or occupied, the Hub will either reach out to the building department staff and discuss “fast track” remediation and demolition options or proceed without notice. The Hub will then send the required notice to all essential parties and identify a date after which the Building Department is authorized to take action. Next, the Building Department will submit a standard Completion Form with invoices for costs incurred. The Hub prepares and records liens for those costs and, if indicated on the Completion Form, the Hub will hold liens for up to one year before filing to combine all costs into a single lien. All recorded liens will be sent to the appropriate Building Department for local files.

Each task has a significant administrative component that is best carried out by staff experienced in title searches, document preparation, and other administrative tasks. The Hub will work with Building Department staff to prepare all necessary supporting documents for a wide range of liens and other enforcement actions. Ideally, the Hub will also streamline the process by preparing form documents, researching title information, and focusing the efforts of municipal building departments.

The Hub will be jointly managed by the SSMMA and SSLBDA for the duration of the pilot phase (four to six months). At the conclusion of the pilot, the Hub will be evaluated and considered for expansion to include other SSMMA and SSLBDA member communities, and possibly other communities from other areas of the region.

Expected results

First and foremost, the Administrative Hub is expected to mitigate property maintenance violations. The Hub’s specialized focus is expected to improve efficiencies of code enforcement and expand community capacities to identify and cite property code violations. For example, communities noted that searching for titles for vacant properties is one of the most challenging and time-consuming activities of code enforcement. The Hub staff can build institutional relationships with title companies that can allow them to efficiently prepare title reports to support code enforcements. The Hub will also prepare and enforce liens for abandoned properties and develop a list of recommended strategies that municipalities can take for property repair or demolition. Without the burden of paperwork, inspectors can focus on property inspections in the field. This approach not only coordinates approaches to code enforcement across the four communities, but also builds capacity for each of them to target blighted properties without having to individually rediscover options each time they need to take action on a problem property.

Appendix C: WORKSHOP MATERIALS



Goal-Setting and Visioning Workshop List of Services by Department

Administration, human resources, and finance department services

General Equipment	Human Resources
Printers and copiers	Payroll
Workstations	Employee benefits and administration
Custodial maintenance and supplies	Unemployment insurance
Office supplies	Staff recruitment
Software	Staff development and training
Building department database software	Occupational health and drug tests
ESRI ArcGIS	Wellness program
Water billing software	Helpdesk
Citizen engagement software	Community Relations
Building Security	Municipal website maintenance
Door system (door fob and keycard)	Newsletter (e-newsletter and print)
Honeywell climate system	Social media
Video surveillance	Press releases
Video surveillance	Special events (including farmers markets, concerts, 4th of July festivities, movies in the park, baseball leagues)
IT	Other Administration
Internet and wi-fi	Grant writing
Phone service (including land lines and cell phones)	Transit (Park and Ride and paratransit)
Servers	Legal services
Network wiring, operations, and administration	Meeting agendas and minutes
Firewall and antivirus	Record maintenance
System repair and set-up	FOIA processing
	Adjudication proceedings
	Voter registration
	Electric aggregation

Source: Chicago Metropolitan Agency for Planning analysis.

Community development services

Planning	Zoning Ordinances and Codes
Comprehensive, land use, sub-area, and long-range planning	Updating and reviewing codes and ordinances
Plan review	Zoning Board of Appeals
Citizen advisory committees	Inspection/Enforcement
Plan Commission	Building inspection
Licensing and Permitting	ADA compliance
Permit fee collection	Infrastructure inspection
Liquor	ICC certification and testing
Farmers	Plumbing inspection
Amusement devices	Elevator inspection
Video gaming terminal	Construction inspection
Solicitors	Economic Development
Itinerant merchants	Economic development data collection and analysis
Pawn brokers	Business attraction
Taxi cabs	Tourism
Raffles	Contacts with local developers, property owners, etc
Massage establishments	Assist with applications
Taxi cabs	Business grant and loan programs (such as façade improvement programs)
Raffles	Grant writing
Massage establishments	

Source: Chicago Metropolitan Agency for Planning analysis.

Public safety services

Core Police Functions	Equipment
Traffic patrol	Vehicle maintenance
Arrest and charge individuals suspected of committing crimes	Car washing/detailing cleaning services
Maintain jail and detention facility	Biohazard cleaning services
Conduct investigations	Weapon ammunition
Evidence and property control	Uniform purchases
Drug enforcement/narcotics	Cell blankets cleaning service
Emergency management and training	Office supplies
Personnel	Cleaning supplies and services
CALEA accreditation	Copiers
Training and certifications for staff	Ticket books
Firearms training	Shredding
Community Policing	Administrative
Juvenile services	Records maintenance
Junior Policy Academy	Verizon wireless
Student Police Academy	Comcast
Explorers	New World Systems
Neighborhood watch	Motorola
Crime prevention	Other
Police Commission	Adjudication
Citizen Police Academy	Special Response Team
Honor Guard and Pipes and Drums	Animal control
Police Cadets	Pest control
Community Service Officers	

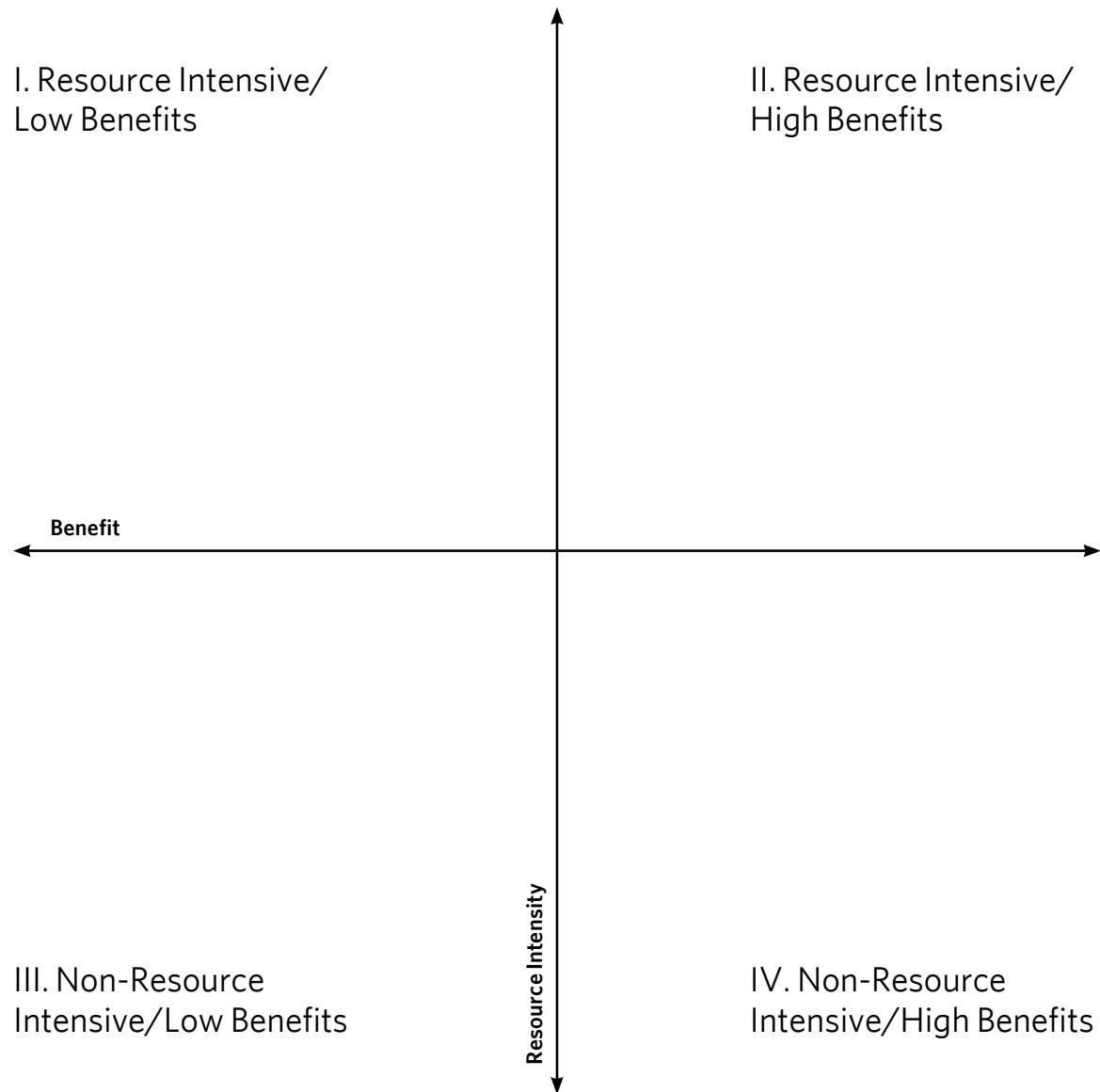
Source: Chicago Metropolitan Agency for Planning analysis.

Public works services

Street maintenance	Roadside maintenance
Crack sealing	Mowing
Pavement cleaning	Litter collection/graffiti removal
Pothole patching	Landscaping
Shoulder stone	Tree/storm damage removal
Seal coating	Street light maintenance (re-lamping, pole maintenance, fixture repair)
Asphalt overlays	Building Maintenance
Drainage Maintenance	Floor cleaning/vacuuming
Catch basin cleaning	Trash/recycling bin disposal
Ditch maintenance	Washroom cleaning
Inlet and manhole maintenance	Window washing
Pipe/basin cleaning/repair	Interior lighting
Emergency Response	Traffic Maintenance
Flood control and washout response	Sign system maintenance
Roadway incidents	Pavement striping
Disaster response	Traffic signal maintenance
Grounds Maintenance	Water
Mowing	Distribution
Tree trimming	Hydrant/valve/water main repair/replacement
Power blowing	Pump station maintenance
Landscaping (pruning, mulching)	SCADA
Edging	IEPA monthly reports
Turf aeration	Tank maintenance
Herbicides/fertilizers	Boil orders/public notifications
Leaf collection	Meter reading/testing
Fleet	Service line inspections
Scheduled service (oil change, lubrication)	Water testing
Repair	Wastewater
Routine cleaning	Lift station
Small engine (mowers, pumps)	Electrical maintenance
Fleet fuel	Pump/equipment repair
Specialty equipment	Sewer cleaning, repair, televising
Winter Maintenance	Inflow/infiltration (I/I) testing
Snow removal (plowing and applying salt)	Manhole repairs
Purchase of salt/sand/other deicers	

Source: Chicago Metropolitan Agency for Planning analysis.

Visioning Workshop Exercise



Prioritization Workshop

Shared service worksheet (insert name)

Existing Context			
	Oswego	Montgomery	Yorkville
Does community currently provide this service / program? (Y/N)			
Contract vs in-house			
Vendor			
Contract start date			
Schedule/frequency of service delivery			
Expertise or special equipment needed			
Software used/needed			
Other existing partnerships (county, state, other municipalities)			
Service Sharing			
What is needed to create a formalized agreement?	<i>For example, consider: What information will you need to gather to present to your Administrators/Board/Council? What actions, if any, will need to be taken by your municipality's Board/Council? Will you be asking for funding or staff time?</i>		
Potential benefits of sharing this service			
Potential challenges of sharing this service, including any challenges that may be unique to a particular community			

April Roundtable Exchange Group Discussion Worksheet

- 1. Since your working groups last met in December / January, what (if any) progress has been made on the short list of service sharing arrangements you selected to explore?*
- 2. What challenges have your working groups faced in getting shared services off the ground? What (if any) are the similar issues you've encountered across your working groups (for instance, lack of staff time, inconsistent contract language, Board approval / political impediments, etc.?)*
- 3. What will it take for your working groups to stay on their established paths (for instance, maybe you decided on quarterly meetings; maybe there are a handful of services you identified to take on at a later date when the timing is right)?*
- 4. Determine who will report back to the larger group about your discussion.*

Acronyms

CMAP	Chicago Metropolitan Agency for Planning	ILEAS	Illinois Law Enforcement Alarm System
CMAQ	Congestion Mitigation and Air Quality Program	LTA	Local Technical Assistance
CNG	Compressed Natural Gas	MMC	Metropolitan Mayors Caucus
CPAT	Cooperative Police Assistance Team	MPI	Municipal Partnering Initiative
DMMC	DuPage Mayors and Managers Conference	MPC	Metropolitan Planning Council
FOIA	Freedom of Information Act	SSBOA	South Suburban Building Officials Association
FTE	Full-Time Equivalent	SSLBDA	South Suburban Land Bank and Development Authority
GIS	Geographic Information Systems	SSMMA	South Suburban Mayors and Managers Association
ICMA	International City/County Management Association	STP	Surface Transportation Program
IGA	Intergovernmental Agreement	TAP	Transportation Alternatives Program

CMAA is the region's official comprehensive planning organization. Its GO TO 2040 planning campaign is helping the region's seven counties and 284 communities to implement strategies that address transportation, housing, economic development, open space, the environment, and other quality of life issues.

See www.cmap.illinois.gov for more information.



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