

Local government consolidation

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ON TO 2050 encourages local partnerships and consolidation

- Provide analysis and recommendations for local governments considering consolidation
- Provide funding to local governments for service sharing and consolidation feasibility studies
- Consider implementing a local government data-sharing program
- Coordinate with municipalities and special districts to identify opportunities and assess the potential benefits of consolidated services



What are some initial factors to consider before pursuing local government consolidation?

- Local desire
- Existing partnerships
- Complementary services (for overlapping districts)
- Similar tax base and services (for adjacent districts)
- Limited potential for growth (for adjacent districts)

Counties are already partnering with other local governments

- **Lake County** works with multiple municipalities to deliver code enforcement and development review
- **McHenry County** and its local governments have engaged CMAP on a local technical assistance project on partnerships
- **And much more**



In 2013, DuPage County was given the ability to pursue consolidation of certain local government units

- Applies to local governments where the county board chair appoints a majority of the unit's governing board
- DuPage County has facilitated many reforms, such as the following dissolutions:
 - Century Hill Street Lighting District with services to be provided by DuPage County
 - Fair and Exposition Authority
 - Fairview Fire Protection District and formation of Downers Grove SSA
 - Highland Hills Sanitary District - *expected
 - North Westmont Fire Protection District and formation of Westmont SSA - *expected

The Local Government Reduction and Efficiency Act now provides all counties with additional local government consolidation authorities



- Voters may petition to put the question of dissolution to referendum

What does 55 ILCS 5/5-44 allow the trustee-in-dissolution to do?

- Present a plan for consolidation to the county board
 - County services
 - Intergovernmental Agreement
 - Special Service Areas
- Levy and rebate taxes
- Enter into intergovernmental agreements
- Sell property
- Does not allow reduced services or tax levy for fire protection

Other states provide funding for service sharing and consolidation studies

- New York
 - \$4 million annual grant for feasibility/planning studies and implementation activities.
 - Provided \$9.7 million in tax credits last year to facilitate village dissolutions.
- Pennsylvania
 - Awarded \$466,000 last year in Municipal Assistance Program funds for planning and implementation activities
 - Includes shared or consolidated services, community planning, and shared personnel costs.
- Michigan
 - Awarded \$3.7 million last year for grant program incentivizing consolidations, mergers, and shared services.
 - Eligible expenses include feasibility studies (up to 25%), as well as legal fees, voting costs, office supplies, infrastructure, equipment and other approved expenditures (up to 100%).
- Ohio
 - Provided financial assistance for planning and implementation of efficiency project such as consolidation, efficiency training, and equipment purchasing.
 - Last two rounds in 2016 - awarded 32 grants and 6 loans totaling more \$3 million.

How should the region proceed with encouraging partnerships and consolidation?

- County efforts to encourage and provide assistance to local governments that want to pursue consolidation
- County use of statutory authority to consolidate local governments
- State program to provide funding or assistance to local governments that want to pursue consolidation

Thank you.

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