**Intergovernmental Agreements**

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1. Advantages/ “Cost-Benefit” Analysis
   1. Fewer tax dollars
      1. PTELL Counties (Current CPI Level)
      2. Difficulty in rate increase/referenda passing
   2. Resource Sharing
      1. Staff
         1. Police
            1. Mutual Aid fosters greater efficiency
            2. Better coverage and broader attention to crime follow-up
            3. Greater availability of resources and opportunities & more technical assistance
            4. Flexibility to meet emergencies or special events such as community festivals & ability to request additional staff when necessary
            5. More information sharing, including best practices
            6. Cost savings, particularly through reduced capital investment
            7. Better traffic control
            8. Reduction of risk
            9. Ability to offer additional services to a community not feasible on one’s own
         2. Fire Protection
            1. Strong support in dealing with emergencies or large events
            2. Staffing and training benefits
            3. Mutual aid necessary for multiple calls or times when ambulances are already in service
            4. Better coordination of efforts
            5. Better response to major fires
            6. Cost savings
            7. Better safety overall
            8. Increased availability of inspectors, resulting in a larger available talented inspector pool
            9. Lowers worker cost structure & gives villages greater flexibility to structure service costs to meeting building activity demands
         3. Management/Administration
            1. Insurance cooperatives provide training and services to mitigate risk that are not provided by traditional insurance companies
            2. Cooperatives also respond to needs that private vendors would not fulfill
            3. Better information & best practice sharing
            4. Improved coordination with local taxing bodies so as to provide more comprehensive service
            5. Higher quality service and greater variety of options for the locality, its employees, and the community as a whole at a lower cost
            6. Ability to appoint extremely knowledgeable staff to run insurance pools
            7. Cost savings through economies of scale & from eliminating the need for each municipality to hire extra personnel to provide the services, thereby eliminating long term employee benefit costs
      2. Equipment
         1. Technology
            1. Greater stable of innovation and specialization
            2. Sharing part time employees allows for a higher caliber of part time employees
            3. Standardization & better strategic planning
            4. Intergovernmental cooperation & sharing of best practices
            5. Cost savings
            6. Pooled infrastructure & reduced capital expenses
            7. Better access to expert resources, particularly through the GIS Consortium
            8. Greater information sharing and access to uses for technological services (especially GIS) that multiple other communities have done
            9. Immediate access to data layers and a breadth of support through the GIS Consortium that can be unaffordable to provide in-house
      3. Services
         1. Sewage Treatment
            1. Ability to share a Class I Operator
            2. Better regulatory compliance
            3. Greater geographical choice: tying the service to where the topography of the land allows for sewer flow to follow gravity eliminates the need for expensive mechanical lifting stations
            4. Significant operating cost savings
         2. Public Works Operations
            1. Avoid redundant costs to taxpayers
            2. Greater capacity for equipment
            3. Additional support in emergencies, severe weather events, or when equipment is out of service
            4. Reduced capital infrastructure expenses
            5. Greater efficiency
            6. Reduced equipment maintenance
            7. Cost savings
            8. Increased idea, innovation, & best practice sharing
            9. Better maintenance
            10. Improved communication and coordination of efforts
         3. Drinking Water Treatment and Delivery
            1. Lower costs by outsourcing to another town through (1) eliminating capital infrastructure costs necessary for buying & maintaining facilities and (2) eliminating production and personnel costs
            2. Revenue from providing water to another municipality
            3. Connections for backup water supply allow for flexibility for both fire flow and water system maintenance
            4. Back-up capability in serious emergencies when a fire incident may drain the towers or when a water treatment plant or well malfunctions
            5. Improved quality of water & services
            6. Greater efficiency
            7. Better water source (ex. Lake Michigan instead of groundwater, also reducing groundwater depletion) that would be unavailable to municipalities too small to afford the costs
   3. Foster relationships
      1. County power over townships (60 ILCS 1/10)
      2. Future agreements
2. Participants
   1. County Governments (102 – 6th most in the nation)
   2. Municipalities (1,298 – the most in the nation)
   3. Libraries
   4. Schools
   5. Special District Governments (3,227 – most in the nation)
   6. Township Governments (1,431 – 3rd most in the nation)
   7. Road Districts
3. Applicable Law
   1. Illinois Constitution, Article VII, Section 10 (Intergovernmental Cooperation)
      1. Units of local government and school districts may contract or otherwise associate among themselves, … to exercise, combine, or transfer any power or function, in any manner not prohibited by law or by ordinance … Participating units of government may use their credit, revenues, and other resources to pay costs and to service debt related to intergovernmental activities.
   2. Intergovernmental Cooperation Act (5 ILCS 220/)
      1. Broad grants of authority - allow for agreement between public agencies to perform any governmental service or activity that they are authorized to conduct
         1. Power to enter into intergovernmental agreements endures unless it is withdrawn by statute or local ordinance
      2. Supplemental authority – must be included with other sources of power
      3. Sections
         1. Contracting
            1. Any powers or powers, privileges, functions, or authority exercised, or which may be exercised by a public agency of this State may be exercised, combined, transferred, and enjoyed jointly with any other public agency of this State … except where specifically and expressly prohibited by law
         2. Purchasing
            1. Any expenditure of funds by a public agency organized pursuant to an intergovernmental agreement in accordance with the provisions of this Act and consisting of 5 public agencies or less … shall be in accordance with any law or ordinance applicable to the public agency with the largest population which is a party to the agreement
         3. Provision of Personnel
            1. All personnel rules applicable to an employee of a public agency shall continue to apply to such employee if the employee is assigned to perform services for another public agency pursuant to an intergovernmental agreement
         4. Joint Self-Insurance
            1. An intergovernmental contract may, among other undertakings, authorize public agencies to jointly self-insure and authorize each public agency member of the contract to utilize its funds to pay to a joint insurance pool its costs and reserves to protect, wholly or partially, itself or any public agency member of the contract against liability or loss in the designated insurable area
         5. County Participation
            1. A county may participate in an intergovernmental agreement under this Act notwithstanding the absence of specific authority under State law to perform the action involved provided that the unit of local government contracting with the county has authority to perform the action
   3. Government Joint Purchasing Act (30 ILCS 525/)
      1. Under any *agreement* of governmental units that desire to make joint purchases, one of the governmental units shall conduct the *competitive selection process***.** Where the State is a party to the joint purchasing agreement, the Dept. of Central Management Services (CMS) shall conduct the letting of bids
      2. The credit or liability of each governmental unit shall remain separate and distinct. Disputes between bidders and governmental units shall be resolved between the immediate parties.
      3. Any governmental unit may, without violating any bidding requirement otherwise applicable to it, procure personal property, supplies, and services under any contract let by the State pursuant to lawful procurement procedures.
      4. The provisions under this Act ***do not*** apply to public utility services.
   4. Local Government Property Transfer Act (50 ILCS 605/)
      1. Purchasing
         1. Transferee municipality, shall by ordinance declare that it is necessary or convenient
         2. Transferor municipality shall have the power to transfer all of the right, title and interest held by it immediately prior to such transfer, in and to such real estate to the transferee municipality
         3. Upon such terms as may be agreed upon by the corporate authorities of both municipalities
      2. Leasing
         1. Any municipality may lease for any term not exceeding 50 years to any other municipality real property owned or held by the transferor municipality, or any part thereof or interest therein, upon such terms and conditions and for such uses as may be agreed upon by the corporate authorities of both the transferor and transferee municipalities
   5. Special Recreation Associations (70 ILCS 1205/8-10b)
      1. Any 2 or more park districts are authorized to take any action jointly relating to recreational programs for the handicapped
      2. Enter into agreements for the purpose of providing for the establishment, maintenance and management of joint recreational programs for the handicapped of all the participating districts and municipal areas
   6. Tort Immunity Act (745 ILCS 10/9-107)
      1. A local public entity may enter into intergovernmental contracts with a term of not to exceed 12 years for the provision of joint self-insurance
      2. Combine with authority under Intergovernmental Cooperation Act
   7. Public Funds Investment Act (30 ILCS 235/)
      1. Any public agency may invest any public funds in a Public Treasurers’ Investment Pool created under Section 17 of the State Treasurer Act
   8. Public Building Commission Act (50 ILCS 20; 70 ILCS 1205/8-12)
      1. PBC may be organized by the governing body of any municipality with 3,000 or more inhabitants
      2. Requires referendum approval
      3. A PBC may be created for the limited purposes of constructing, acquiring, enlarging, improving, repairing, or replacing a specific public improvement, building, or facility
      4. A PBC has authority to rent all or any part or parts of buildings, or other facilities to any municipal corporation with which the PBC has entered into an intergovernmental agreement or contract with under the Intergovernmental Cooperation Act
      5. Under the Park District Code, any lease may not exceed twenty (20) years
4. Practical Considerations
   1. Relevant Authority
   2. Contract Terms/Enforceability
      1. Subject matter
         1. Assets
         2. Entertainment – (e.g. cable consortia)
         3. Public Health Inspections
         4. Public Works Services/Operations
         5. Public Safety – fire/police protection
         6. Supplies and/or Services
         7. Management/Administrative Services
         8. Technology
      2. Circumvent voters
      3. Prevailing wage
      4. Duration of Contact
         1. Contracting parties choose the length of the term
            1. Specified end date
            2. Terminates upon the happening of a specified event
   3. Alternatives
      1. Joint Ordinances/Resolutions (fund transfers)
      2. Unilateral Actions (vacations, etc.)
      3. Cooperation (dilapidated properties)
5. Where to Cooperate?
   1. Counties
      1. Dilapidated Properties
         1. 60 ILCS 1/85-50(b) - The township board of each township may demolish, repair, or enclose or cause the demolition, repair, or enclosure of dangerous and unsafe buildings or uncompleted and abandoned buildings within the territory of the township and may remove or cause the removal of garbage, debris, and other hazardous, noxious, or unhealthy substances or materials from those buildings.
         2. 55 ILCS 5/5-1121 - The county board of each county may demolish, repair, or enclose or cause the demolition, repair, or enclosure of dangerous and unsafe buildings or uncompleted and abandoned buildings within the territory of the county, but outside the territory of any municipality, and may remove or cause the removal of garbage, debris, and other hazardous, noxious, or unhealthy substances or materials from those buildings.
            1. If a township within the county makes a formal request to the county board as provided in Section 85-50 of the Township Code1 that the county board commence specified proceedings under this Section with respect to property located within the township but outside the territory of any municipality, then, at the next regular county board meeting occurring at least 10 days after the formal request is made to the county board, the county board shall either commence the requested proceedings or decline to do so
      2. Lease of County Home or Hospital
         1. 60 ILCS 1/180-5 – Township may lease the home, infirmary, or hospital from the county in a manner and upon terms it deems best for the interest of the township. The township may thereafter operate, maintain, improve, or expand the institution for the care and treatment of infirm or chronically ill persons or persons afflicted with dangerously communicable diseases, including poliomyelitis.
   2. Municipalities
      1. Roads and Bridges
         1. Vacations, etc.
            1. 605 ILCS 5/6-312 (County Superintended as Reviewing Body) – Provides for the appeal process from commissioner’s final order regarding laying out, widening, alteration or vacation of any township or district road
            2. 605 ILCS 5/6-325 (Accepting Roadways) – Outlines the procedure of determining/accepting dedicated road and streets into the township or district road system.
         2. Motor Fuel Tax
            1. 35 ILCS 505/8 – Specifies the appropriate distribution for the proceeds gathered from the motor fuel tax
            2. 605 ILCS 5/6-701.1 – Outlines the procedure for the construction of township or district roads as well as the construction of grade separations and approaches.
      2. Township Code
         1. 60 ILCS 1/30-150 (Police Protection) - Allows the electors to authorize the township board to contract with one or more incorporated municipalities lying wholly or partly within the boundaries of the township, or with advice and consent of the sheriff in the county in which the request for contract services is made, based upon a determination of law enforcement needs of the area in which contract services are sought with the county within which the township is located to furnish police protection in the area of the township that is not within the incorporated area of any municipality having a regular police department.
         2. 60 ILCS 1/110-75 (Zoning) - In the exercise of powers conferred by this Article, the township board may cooperate with the county, with other townships, and with municipal or State authorities and may appoint any committee or committees it thinks proper to affect that cooperation.
   3. Townships and Road Districts
      1. Between Road Districts
         1. Lease/exchange of idle machinery (605 ILCS 5/6-201.10) – Grants authority to make agreements with the highway commissioner of any other road district or with the corporate authorities of any municipality located in the same county or in an adjoining county or with the county board of the county in which such road district is located or of any adjoining county, for the lease or exchange of idle machinery, equipment or tools belonging to the district, upon such terms and conditions as may be mutually agreed upon.
         2. District Line Agreements
            1. 605 ILCS 5/6-402 – Bridges or culverts on roads on district lines, except as provided in Section 5-503 of this Code, shall be constructed and repaired by such districts and the expense of such construction and repair shall be borne in proportion to the assessed value of the taxable property in the respective districts according to the last preceding equalized assessment thereof prior to such construction or repair; or the commissioners of such adjoining road districts may enter into joint contracts, which may provide for any just division of cost.
            2. 605 ILCS 5/6-408 - Contracts for constructing and repairing roads and bridges on road district lines shall be let by the highway commissioners of the 2 districts who shall meet and act together when taking action upon the letting of such contract for the construction or repair of such roads and bridges, or acceptance of the work.
      2. Between Townships and Road Districts
         1. Property Ownership
         2. Borrow from one another
            1. 60 ILCS 1/240-5 – The township board may borrow money (i) from any bank or financial institution if the money is to be repaid within 10 years from the time it is borrowed or (ii) with the approval of the highway commissioner, from a township road district fund, if the money is to be repaid within one year from the time it is borrowed.

“Financial institution” means any bank subject to the Illinois Banking Act,1 any savings and loan association subject to the Illinois Savings and Loan Act of 1985,2 and any federally chartered commercial bank or savings and loan association organized and operated in this State under the laws of the United States.

* + - * 1. 605 ILCS 5/6-107.1 - Road districts may borrow money from any bank or other financial institution or, in a township road district and with the approval of the town board of trustees, from the town fund, provided such money shall be repaid within 10 years from the time the money is borrowed.

“Financial institution” is defined the same as it is in 60 ILCS 1/240-5.

* 1. Townships
     1. Multi-township Assessment Districts
     2. Joint Township Cemeteries
  2. Road Districts
     1. State of IL
        1. Laying Out, Widening, Altering or Vacating Township and District Roads
           1. 605 ILCS 5/6-303 – Provides for the avenues for voters to file a petition with the highway commissioner for laying out, widening, altering or vacation of such roads. Also provides for procedure by which a certificate may be filed to achieve the same.

Where the laying out, widening, altering or vacating of a township or district road is required by the construction, operation, or maintenance of a State highway, the Department, in lieu of a petition may file a certificate, signed by the Secretary of the Department, or his duly authorized agent, setting forth the necessity for the laying out, widening, altering or vacating of such roads.

* + - 1. Interstate Commerce Commission/Railroads
    1. “Catch-All”
       1. 605 ILCS 5/9-101 – Provides that ***nothing*** in this Code shall prevent the execution of cooperative agreements among governmental agencies.
          1. Any municipality may negotiate an agreement with the Department whereby the municipality may use such funds as are available to it for that purpose for the construction or maintenance of a State highway within its boundaries or with the corporate authority of a county or road district for the construction or maintenance of a highway on the county highway system or township or district road system outside of its municipal boundaries.
  1. Others
     1. 60 ILCS 1/30-165 (Fire Protection) - With the approval of a majority of the voters in the unincorporated area of a township, the township board may declare the unincorporated area of the township a special fire district for tax purposes.
        1. Any territory within a special fire district that is annexed to a municipality that provides fire protection services within its corporate limits shall be automatically disconnected from the township fire protection taxing district.
     2. 60 ILCS 1/130 (Cemeteries) - Any 2 or more cities, villages, or townships may jointly unite in establishing and maintaining cemeteries within and without the corporate limits or territory of either or any of them, may acquire lands for those cemeteries in common by purchase, condemnation, or otherwise, may lay out lots of convenient size for families, and may sell lots for family burying ground or to individuals for burial purposes
     3. 60 ILCS 1/150-80 (Community Building Sale) – Outlines the proper procedure for the sale of a community building to a school district or municipality.

1. Drafting Agreement
   1. CONTACT YOUR ATTORNEY
   2. Terms (non-exhaustive list)
      1. Party(ies)
      2. Service(s)
      3. Time frame (could be limited by law)
      4. Administration
      5. Breaches/Default
   3. Elector Involvement – Citizen Initiation
      1. Illinois state law allows citizens to initiate a referendum to consolidate townships into the county structure – Illinois law does not provide for the consolidation of other types of local governments
         1. Ordinance and Timing Issues
            1. Signature from 10% of registered voters in every township that is to be merged
            2. 90 days to place a referendum on the ballot
            3. If every requirement is not met in every township in the county the measure can be thrown off the ballot in its entirety (extremely high threshold)
2. Agreement
   1. Clauses
      1. Powers authorizing the agreement
      2. Can attach authorizing ordinances
      3. Findings
   2. Terms
      1. Exact services provided
      2. Consideration provided for services
      3. Beginning and End dates
3. Additional Options
   1. Economic Development
   2. Ordinance Enforcement
   3. Joint Purchasing
4. Case Studies
   1. Park District of Highland Park and City of Highland Park
      1. Financed and Constructed Aquatic Park
      2. Financed and Constructed Recreation Center
      3. Financed and Constructed Golf Course amenities
      4. Exchange of real property to maximize efficiency of public holdings
      5. 99-Year lease for Golf Course
   2. DuPage County – DuPage County Act Initiative (Accountability/Consolidation/Transparency)
      1. Comprehensive county reform program designed to improve efficiency, reduce duplication and encourage resource-sharing across all county government departments and independently administered (county appointed) agencies
      2. County Board undertook a systematic examination of its appointed agencies that provide a wide array of important community services including, but not limited to, fire suppression, sanitary and water services, mosquito abatement, airport administration, housing assistance, election management and street lighting
         1. County partnered with a reputable, local accounting firm to highlight challenges while pinpointing areas for optimization and intergovernmental cooperation among regional service providers.
         2. A nine-month study was conducted, and the accounting firm worked with each agency to evaluate financial results and operations - evaluated existing business practices and identified alternative service options.
         3. County worked with the appointed bodies to explore functional consolidation where feasible in order to improve efficiency and reduce costs of essential services such as IT, human resources, procurement and financial applications
      3. Transparency portal was created on the DuPage County website to increase public access to important information for each agency
      4. Results/Outcomes
         1. County’s consolidation bill (Public Act 98- 0126) provided a mechanism for full-scale consolidation by county ordinance.
         2. This tool has allowed the County Board to expand its ACT Initiative, merging service functions and decreasing the overall number of governmental units when found to be in the *best interest of taxpayers*
         3. Most importantly, changed the conversation and culture of local governments in DuPage County. Before acting on something alone, agencies now stop to think…is another agency doing this that we could collaborate with to create efficiencies and savings?
   3. Beecher, Illinois
      1. In response to the desire to eliminate underground storage tanks, give organizations in Beecher entered into an intergovernmental agreement to purchase equipment for two shared above ground storage tanks and fuel dispensing equipment.
      2. Additionally, the organizations bid annually for gas at a fixed cost for a 12-month period (include the delivery of diesel and unleaded gas twice a week)
      3. Entities Involved – Village of Beecher, Beecher School District, Washington Township Highway Department, Beecher Fire District, and Washington Township Dial-A-Ride Bus Program
      4. Terms
         1. Governing board establish – each organization allotted one vote
         2. Above ground tanks were installed at the Washington Township Highway Department
         3. Village of Beecher would charge approximately $.06 per gallon in addition to the contract price to account for maintenance costs, administrative costs, and to account for shrinkage within the tanks.
         4. Request for Proposals (RFP) created each year to buy a fixed quantity of diesel and a fixed quantity of unleaded for a 12-month period.
         5. All organizations must agree to get gas through the contract, even if prices on the open market dip lower for a period of time.
         6. A fob system is in place to allow only authorized vehicles to dispense gas
      5. Results/Outcomes
         1. The fob system allows all organizations to track their gas usage, as well as miles per gallon for individual vehicles, and the data allows them to track trends in usage
         2. Fixed price for gas for 12 months, an expense that otherwise can have substantial fluctuations.
      6. Cost-Savings
         1. Prices for fuel have historically averaged $0.25 less than open market purchasing
         2. Estimated cost-savings have been at least $100,000 since 1998.
   4. Village of Wadsworth and Newport Township Services Agreement
      1. Executed an intergovernmental agreement to cover services including roadway maintenance and repair; right-of-way mowing, maintenance and repair; tree pruning and cutting; snow/ice removal and plowing; and salt purchase and storage.
         1. Executed a blanket agreement allowing each organization to provide services to the other ***as needed***.
         2. Specifically created to allow for flexibility in services provided, and was broad enough to accommodate last minute projects
      2. Entities Involved – Village of Wadsworth and Newport Township Highway Department
      3. Together, they searched for cost-saving opportunities by reviewing situations where they provided duplicate services to residents, where contracting government to government might save costs rather than contracting with private firms.
      4. Results/Outcomes
         1. Highway Department has not had to increase staff to accommodate the additional roads plowed in Wadsworth.
         2. The agreement has also allowed them to share other services when practical. When the Highway Department was spreading gravel on a two-mile road shared by both organizations, they laid gravel for the entire length, alleviating the need for Wadsworth to have staff and equipment go to the same site to provide identical services. This saved both staff time and transportation costs for Wadsworth
         3. The agreement allows them to share capital assets, avoiding duplication to serve the same taxpayers
5. Cost-Saving Examples
   1. DuPage County – formed agreements with various public entities, including municipalities, districts, and townships within the County’s boundaries.
      1. In three years, DuPage County increased accountability and transparency and demonstrates a projected $116 million in taxpayer savings through shared services, cooperative joint purchasing agreements, employee benefit reforms and modifications to procurement policies and practices
         1. Specific Examples
            1. Overhaul of employee benefits for county workers – $20 million in savings.
            2. Closure of the county’s youth home and partnering with Kane County to provide youth detention services – $6.9 million in savings
            3. Procurement reforms and enhanced shared services with the DuPage County election commission – $3 million in savings
            4. Reforms by the water commission to control labor costs, implement efficiencies and retire loans early – more than $10 million in savings
            5. Consolidation of the county’s 9-1-1 dispatch centers from 20 to 8 facilities (since 2008) – $4.5 million in savings.
            6. Elimination of 45 full-time county staff positions since 2011 and an overall reduction in the county’s annual budget of $33 million.
   2. Crete Township
      1. Village of Crete participated in joint dispatching with Beecher, Monee, Peotone, South Chicago Heights, Steger and University Park.
      2. Saves over $25,000 in capital investment by borrowing crack sealing equipment from the Village of Monee
      3. Saves approximately $250,000 per year over the last 16 years by joint dispatching
      4. Saved over $25,000 – borrowed crack sealing equipment from Monee instead of buying a unit
      5. Saves millions of dollars – uses Thorn Creek to process its sewage
   3. The Village of Woodridge
      1. Saves $2,200 a year on fuel delivery costs – purchases fuel through DuPage County
      2. Savings of approximately $2,500 – purchases squad cars through the Suburban Purchasing Cooperative instead of the State of Illinois Joint Purchasing Agreement
      3. Saves approximately $1.2 million per year – uses joint dispatching
      4. Saves approximately $5,600 a year for streetlight power and $12,000 a year for water/sewer power – bids with other localities through NIMEC
      5. Saved approximately $8,300 in asphalt patching through using Bolingbrook Public Works equipment and staff to assist with the repair (at no cost)
   4. Deerfield Townships
      1. Saved $4,275 for elevator inspections through the Lake County Health Inspections
      2. Saved $364,683 in GIS services through the GIS Consortium in 2014
   5. Village of Wadsworth and Newport Township
      1. For 2013-2014 a private contractor plowed 24.65 miles of Wadsworth roadways, at an average hourly cost of $151.17. The Highway Department plowed 7.25 miles of Wadsworth roadways at an average hourly cost of $77.82. Total cost-savings to Wadsworth for the 7.25 miles was $13,918.
      2. In 2014-2015, a private contractor plowed 23 miles of Wadsworth roadways at an average hourly cost of $147.39, and the Highway Department plowed 8.9 miles of Wadsworth roadways at an average hourly cost of $79.64. Total cost-savings for Wadsworth by using the Highway Department to plow the roads was $9,332.