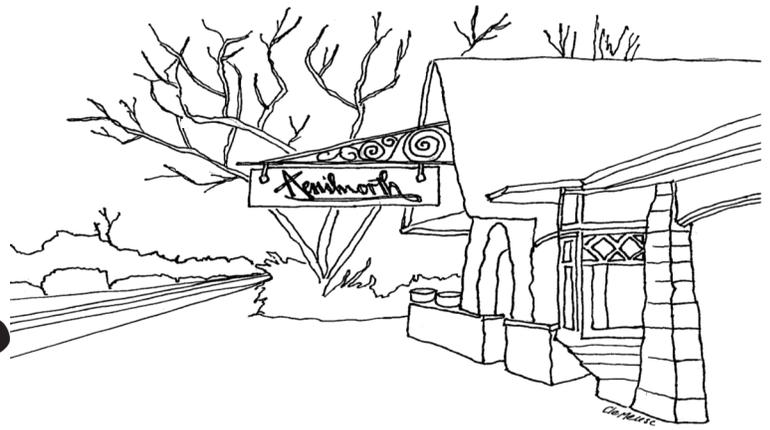


Village of

Kenilworth



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Village President
Fred G. Steingraber

Village President's Message—Vol. X

January 2011

Dear Fellow Residents,

As I announced in the recent newsletter, the Village is engaged in a phase of work on some more complex, time-consuming initiatives which offer the potential for greater opportunity, but also risk. One of these initiatives is what we are referring to as the *Long Range Public Safety Plan*.



Fred G. Steingraber
Village President

Community after community across the State of Illinois, as well as across the United States, have been facing up to how they can provide fewer services at lower costs. Police and Fire Departments everywhere constitute the largest annual operating cost and the largest component of pension costs. As a result, this has been a major area for thoughtful study and consideration of change.

Historically, there has been no single service in Kenilworth which has been rated higher in importance, nor higher in quality of service provided, than the Kenilworth Police Department. The most recent survey confirming this high rating was conducted in the summer of 2008. That study (Revenue Expenditure Special Committee Study) confirmed the department was carrying out 31 self-contained services and 9 outsourced services. These services are largely the same today and include the obviously important core services, such as:

- 24 hour patrol service
- Criminal investigations
- Emergency Dispatch/ Records Management
- Traffic safety
- Parking control

In addition, there is a list of 26 non-core services provided which residents have valued as well, including:

- Crime prevention e-mails
- House key file
- Station tours/open house
- Fingerprinting for professional licensing
- Youth services
- Child Safety Seat Inspections

- Calls for assistance, including alarms, animals, domestic troubles, lost property, suspicious persons, reporting hazardous conditions, vacant home watches, neighborhood disputes, etc.
- Resident and scouting use of firing range
- Bicycle registration
- Gun Safety Lock Program
- Code enforcement
- Construction site safety

Kenilworth has a 24/7 police service like many communities. However, unlike many other communities, Kenilworth's Police Department is not a union environment. It is thought by maintaining its own independent police department, the Village of Kenilworth has enjoyed a greater level of safety, security, and service, as well as lower legal and personnel expenses than our larger neighboring communities. The chart below, taken from the 2008 Revenue Expenditure Special Committee Study and other Village research, illustrates this finding:

Factors	Kenilworth	Wilmette	Winnetka
Police Officers per	4.39	1.63	2.25
Coverage (sq. miles) per	0.60	1.35	1.95
Police Officer coverage per	9.15	4.15	3.60
1,000 residents per Police Officer on-duty	1,252	3,456	3,104
Calls for service per	563	236	270
Part I offenses per	2	6	3
Traffic stops per	134	56	79
Total auto accidents per	5	15	10

The table above reveals that Kenilworth residents enjoy:

- A higher ratio of police officers per resident
- A more concentrated area of patrol coverage per square mile
- A higher concentration of police officers per square mile of coverage area
- A lower number of residents per officer on patrol
- A higher number of calls for service per employee
- A lower number of serious crimes per employee
- A high level of traffic enforcement activity per police officer
- A lower number of traffic crashes per employee

Finally, in looking at the operating costs, including pension costs but excluding capital outlays for providing the above services, the Police Department costs are 45.3% of the total Village budgeted operating costs. The Police Department operating expenses are equal to 80% of the property tax revenue the Village receives. By comparison to the below mentioned communities, Kenilworth has a higher Police cost per household:

- Kenilworth—\$1,961
- Winnetka—\$1,581
- Wilmette—\$837

This, of course, is a function of Kenilworth's much smaller population, more intensive security coverage, and a broader range of higher service.

As a result of this analysis, we have undertaken an extensive review of the Police Department over the past year and a half, looking at a wide array of options to determine the possibilities for improved efficiencies and costs, while maintaining a level of service and security Village residents expect. Some of the key areas included in this review are as follows:

- Shared service/shared governance models
- Outsourcing models
- Eliminating selective, non-safety services
- Compensation
- Pensions

The following constitutes our preliminary conclusions on opportunities for improvement, the recommendations that follow, and observations about why we have decided not to pursue some areas at this time.

Opportunities

The high priority opportunities currently under study and at varying degrees of work-in-progress include:

1. A consolidated shared service emergency dispatch operation with neighboring communities who are equally interested in high standards of public safety, while achieving greater fiscal efficiencies through economies of scale. This offers:
 - Potential for technology investment infrastructure savings across multiple communities — scale
 - Potential for staffing level savings — scale
 - Potential for adding additional communities for incremental savings — scalability
 - Potential for gaining confidence in Kenilworth's ability to function effectively in a shared governance model
2. Post-consolidation of shared dispatch services, the front desk would be staffed with a records clerk during business hours only. After hours, when public access to the Police Station is closed, there would be a limited area in the Village Hall lobby entry for access to a self-serve kiosk and emergency phone. The kiosk would allow residents the ability to access Village and Police information, request non-emergency services, assist in the processing of other functions, such as paying fines, getting directions, Freedom of Information requests, providing access to the Village Municipal Code, etc. A phone will be available to directly connect residents to the Dispatch Center for assistance.
3. A post-dispatch consolidation opportunity exists to reduce two full time Police Officer positions through attrition (one position currently remains unfilled pending the outcome of the dispatch study and a future retirement is anticipated).
4. A further opportunity exists to create some part-time Police Officer positions, that in conjunction with a reorganization, would supplement the department's law enforcement and operational needs (investigation, special duties, training, leave time, etc.) with more flexibility at a lower cost.

Recommendations/Actions

At this point in time, we are proceeding as follows:

1. Completing the dispatch consolidation study currently underway with the Villages of Winnetka and Northfield and finalizing an intergovernmental agreement (FY 2011) that supports a successful implementation, while providing a service model that meets the Village's security needs and service expectations. Full implementation of a Stage I shared service model would be completed in FY 2012. The Villages are in the process of selecting a recognized consulting firm to assist the three communities to take advantage of professional expertise and experience of other entities who have gone through the same processes.
2. Researching the necessary requirements to implement the use of part-time Police Officers to compliment full time Police Officers, including qualifications, training and costs (FY 2010-2011).
3. Recruiting or hiring selected part-time Police Officers (FY 2011-2012).

4. Post-implementation of the shared dispatch service model described above for three communities; consideration should be given to adding further communities.
5. Be open to other opportunities for further cooperation, consolidation, and shared services in other public safety areas through public and private partnerships.
6. Continue to survey residents regarding the quality of public safety services provided and their costs.
7. Regularly review the need and opportunity for adjusting fees, fines, and permits which involve the use of the Police Department personnel and consider selected opportunities for police fundraising.

Ideas Not Being Pursued

A number of additional areas were explored to determine if they presented an opportunity at this time for economic benefit without compromising the expected service quality. Some of the key areas explored are described below:

Outsourcing Models

Obviously, we have looked carefully at the staffing level of our Police Department. Reviews consistently show our approved staffing level is at the bare minimum for a 24/7 operation. Due to a retirement, an injury, and holidays, we are currently below minimum, which is compensated for by other officers putting in overtime.

We looked at both partial and full outsourcing possibilities. A partial outsourcing service could involve a third shift during the overnight hours for patrol and/or emergency response coverage. Preliminary estimates indicated that a partial outsourcing would not yield a viable cost-savings option.

The prospect of a full departmental outsourcing of the Police Department, which is rated the most important service to the Village, raised questions of complexity, risk, service, and even cost.

First, we have now been involved for 18 months in a serious study to work out a joint governance shared service dispatch model. We definitely need to prove that this will work before we consider a bigger leap. In addition, a full outsourcing of the Police Department would very likely result in dropping some, if not a number, of the non-core services (26) we currently provide to residents. The study of a full outsourcing of the Police Department suggests in the best case, savings might range between 1% and 3% of the Village portion of the property tax bill if Kenilworth Police Department coverage per household were at the level of Winnetka or Wilmette respectively. In addition, the existing non-union Kenilworth Police personnel would likely transition to a union environment if they become part of either Wilmette or Winnetka.

Finally, while outsourcing may have cost benefits at the start, history has demonstrated that this can change quickly as can the quality of the service outsourced. In short, one's control over both the cost and quality is significantly less in an outsourcing arrangement.

Eliminating Selective Services

Considerable review and discussion was undertaken about a whole range of possible cuts in 25 services being pursued by Police departments across the nation. A number of these services are not currently offered by the Kenilworth Police. One item, which we have addressed, is the elimination of a 24/7 reception service as part of the post-dispatch plan and operate with a kiosk. There are additional items we are still researching, which may present some limited benefit.

Compensation

We have undertaken two separate, independent compensation studies for municipal and Police Department analyses. The results show that Kenilworth continues to be in line with comparable community profiles. Moreover, the same wage freeze conditions were applied to the Police Department that were put in place for Village municipal employees last year.

Pensions

A review of the pension plan was conducted. As you are well aware, this is a major problem area for the State of Illinois, many other states and most cities as well. The Kenilworth Police Department Plan is a defined benefit program offering retirement, disability, and survivorship benefits as defined in Article 3 of the Illinois Pension Code. The funding sources for the plan come from the employer, employee, income and capital gains of the fund. In terms of annual contributions in the current fiscal year, employees are budgeted to contribute nearly 10% of their wages (Approx. \$82,000) toward the Police Pension, and the Village contributes \$350,000. The actual Village contribution is a function of an annual actuarial valuation. Shortfalls in funding levels (such as in 2008 due to the market decline) have to be made up totally by employers. These funds are taken right off the top of any property tax revenue the Village receives. All full time sworn Police Officers are eligible plan participants, part-time Police Officers, clerks, and civilian employees are excluded by law.

Any Police and Fire pension reform in Illinois is totally under the authority of the State legislature. There has been a statewide effort to make changes for a number of years which only recently passed in late 2010. While the reform results in favorable cost adjustments due to changes in the years of service, normal retirement age, years of vesting, cost of living adjustments, and surviving spouse benefits, they will only affect new employees, not current employees or pensioners. Therefore, any financial benefit is well into the future. The investment authority of the Village's pension fund resides in the Kenilworth Police Pension Board and is limited to those items authorized in the Illinois Pension Code. According to current Illinois law, all pension obligations accrued for current employees continue to be a liability of the Village Police Pension Fund

Conclusion

As I hope you have noted, we are undertaking every effort to identify meaningful opportunities for cost avoidance, cost savings, and productivity improvement while not compromising on meeting the high standards of public safety and security you expect and should have. As you can well imagine, many of the issues discussed in this newsletter can easily stir emotions and sensitivities in ways that are not productive.

We recognize that we have a challenging responsibility to strive to serve the interests of all constituencies constructively (residents, Village staff, and our Police Department). The type of work being done here to address the issues in question naturally must involve transparency, the full engagement and support of our Police Department and Village Manager. I am pleased to tell you that we have experienced, open dialogue and a most constructive engagement from the Police Department leadership and our Village Manager.

With that said, I turn to you, our residents, for whom this work and these plans going forward are intended to ably serve.

Sincerely yours,



Fred G. Steingraber



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**Village President' Message:
Report on Long Range Public Safety Plan**

Upcoming Meetings

February 3, 2011 – 7:00 p.m. – Public Works Committee

February 7, 2011 – 7:00 p.m. – Plan Commission (Public Hearing Draft Sign Code)

February 9, 2011—7:30 p.m.—Architectural Review Commission

February 15, 2011—7:30 p.m.—Building Review Commission

February 22, 2011 – 7:30 p.m. – Village Board

**For more information, see the Village's website,
www.villageofkenilworth.org**