

Brian O'Connor

From: Brian O'Connor
Sent: Thursday, July 19, 2018 6:51 AM
To: Dan Rogers
Cc: 'Robert Grum'; Karl Snoblin; John Kelly
Subject: Comments re the Libertyville/Lake Forest's Services proposal

Importance: High

Good Morning, Dan!

Would you please forward the following comments to Bob Kiely about the revised proposal? I cannot find Bob Kiely's email.

As a preliminary matter, the comments relate to the revised proposal. Questions and matters of District policy are more properly the Board of Trustees. For example, how much is too much or acceptable for the District to pay for contracted services.

Observations related to Village of Libertyville/City of Lake Forest Revised Services Proposal (Proposal)

District Board concerns identified at public meetings were (1) cost, (2) response and (3) sustainability.

Cost.

- The District Board's fiduciary responsibility to residents is to provide the best quality service at the most economical cost.
- The FY18/19 budget allocates the following funds for services:

Corporate	\$322,600
Ambulance	\$276,150
Tort Liability	\$ 51,000
Social Security	\$ 12,000
Medicare	<u>\$ 2,700</u>
Total	\$664,450
- The proposal suggests factors (geographic size, population, EAV) as metrics to determine cost allocations. Absent from consideration is response data. The District's geography and population presumably results in fewer calls, perhaps in proportion to the select metrics. To ignore call data, at least as a factor, seems imprudent. For example, if Libertyville has 1,000 total calls in a fiscal year, and Lake Forest has 1,000 calls in the same fiscal year, but the District has 200 call in the same fiscal year, the comparison suggests the District's contribution for services not exceed 10% of the cost for services (with some minor allowance for administrative overhead).
- Costs need to consider potential reimbursement available to service providers. Ambulance treatment and transport billing is considered. Permitted charges for technical/special rescue and hazardous materials responses are not addressed, nor is reimbursement of code enforcement fees.
- But, the Proposal's cost is less than the District's cost.

Response.

- All responses assume staffed and equipped stations. Removal of any one or more stations dramatically impacts response to the general region (the District, Libertyville, Lake Forest, Lake Bluff, etc.).
- Optimal response to the District is provided by combined effort from Rockland FPD's and Libertyville FPD's Station 3. The next closest response would be Rockland FPD's station augmented by either Lake Bluff FD's or perhaps North Chicago FD's Station 3. See the response time study summaries included in my original memorandum of May 14.
- The Proposal is silent on a commitment for enhanced staffing and response from Libertyville FPD's Station 3.

Sustainability.

- *Road Construction – the Proposed IDOT US41/IL176 Reconstruction.* Currently the project is not included in IDOT’s 2019-2014 projects for Lake County. However, if and when the project comes to fruition, Rockland FPD’s Station will be made unusable due to loss of road access. If this were to occur, optimum coverage for the District is offered by some combination of Libertyville FPD’s Station 3, Lake Bluff FD’s Station and/or North Chicago FD’s Station 3.
- *Funding.* The status quo is sustainable at this time with inherent District funds.
Projected FY18/19 Revenue \$951,994
FY18/19 Budget \$664,450
Fund balance currently used for maintenance/replacement of District real and personal property.
- *PTELL.* Property tax revenue comprises largest portion of District revenue. Limitation by PTELL poses great impact. CPI for TY 2017 and 2018 at 2/1% provides partial offset for rising District costs and charges. The Proposal’s stated annual increase of 3.0% exceeds the recent PTELL increases, and greatly exceeds PTELL increase of prior two years.

Other Proposal concerns.

- The Proposal’s services start date of August 1, 2018, is not realistically practical.
- The Proposal’s term needs to be sufficiently long to enable long-term asset and personnel planning, but sufficiently short and/or flexible to address changing local and global factors.
- Proposal’s term should run with fiscal year: District’s, Libertyville’s and Lake Forrest’s are all May 01 through following April 30. This facilitates fiscal management and planning as well as budgeting,
- Termination/Opt-out period needs to enable adequate notice for long-term planning, Proposal’s current 2-year notice works, but recommend not less than 1 year.

Brian

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