Minutes
Village of Glen Ellyn
Special Village Board Workshop
Monday, July 22, 2024
6:00 PM
Glen Ellyn Civic Center, Room 301

A. Call to Order – 6:00 P.M.

B. Pledge of Allegiance

C. Roll Call

Upon roll call by Clerk Cosby, President Senak and Trustees Christiansen, Fasules, Kalinich, Gould, Simon, and Thompson answered "Present."

Also in attendance: Village Manager Franz, Assistant Village Manager/Community Development Director Rodman, Village Attorney Stephanides, Finance Director Brankin, and Management Analyst Irizarry.

D. Audience Participation

There was no off-agenda audience participation.

E. Building Permit Fees

1) Discussion of Proposed Building Permit Fee Structure (AVM/Community Development Director Rodman)

AVM/Community Development Director Rodman expressed her gratitude to everyone who spent hours working on this restructuring, especially Management Analyst Irizarry and Mike D'Onofrio, consultant with the Community Development department, adding that the restructuring project wouldn't be possible without the entire team. Both Management Analyst Irizarry and Consultant D'Onofrio were in attendance.

AVM/Community Development Director Rodman then gave a history of the current structure. She said that the new fees were updated in 2018. There was a discussion as to whether the fees had not been updated since then was because of a fee freeze or implementation logistics. She then talked about the challenges with the current structure, emphasizing that it is complex and hard for the public to understand. She said the driving force behind anticipated updates was the new software implementation that will simplify and align the process.

AVM/Community Development Director Rodman compared the Village's fee schedule to that of other communities. She then went into the fee restructuring objectives: to maximize the software benefits with minimal net effect.

AVM/Community Development Director Rodman reviewed the proposed fee schedule changes. President Senak asked what items had been removed. Management Analyst Irizarry replied.

Trustee Kalinich asked about the alterations/remodeling percentage of construction value. AVM/Community Development Director Rodman replied. Trustee Christiansen followed up by asking what happens if the construction value increases during the project. Discussion ensued on this item.

Trustee Thompson asked whether new commercial fees were less expensive than remodeling commercial fees. AVM/Community Development Director Rodman replied that under the current structure this could be true and provided an example. Discussion and explanation continued about new vs. remodeled buildings and how to encourage adaptive reuse. AVM/Community Development Director Rodman added that the new process aligns the fee cost for new and remodeled commercial properties.

Trustee Kalinich asked about the HPC's plan to have a permitting exception for residents who want to put on an addition to one of the designated historic properties. She said they had plans to do the same for commercial properties as well in the future.

AVM/Community Development Director Rodman said that the proposal should have minimum effect on revenue. The department wants to use the software to track all new permits with the current fees, as well as new fees, so they can see if the revenues are staying the same or if the fees need to be tweaked. This would happen for the next six months and would basically be a pilot program to test the structure.

Trustee Gould asked why there is such a concern about remaining revenue neutral and felt there should be an increase and it should be made effective immediately. AVM/Community Development Director Rodman replied to her concerns, saying if the Board want to move forward with a fee increase now, that could be done. She showed a chart comparing fees in neighboring communities. Discussion continued about the how and why the fees are set as they are.

Trustee Kalinich asked about how the fee comparison averages were calculated. AVM/Community Development Director Rodman replied with details of how the averages were reached. Discussion ensued.

Mr. Mike D'Onofrio commented that the philosophy of not using the fee schedule as a profit center is common. He then gave examples of how the different models create incentives for desired behavior.

The question was posed by President Senak, asking if the Board should see the fees as covering cost or rather considered a profit center, and if they could possibly be both. Village Manager Franz gave his thoughts on this question, with discussion continuing amongst the Board.

AVM/Community Development Director Rodman suggested that after the software has been in use for one year, there should be a review of the fees vs. staff time spent on the permitting process.

Trustee Simon was concerned that raising fees without the proper data available would not be a good course of action. AVM/Community Development Director Rodman replied that this was the reason that staff was not recommending a fee increase at this time. She went into more detail, showing an unrealized revenue graphic. Discussion ensued.

The discussion turned to whether the fees should be based on CPI in the future, going into the ramifications of the approach without knowing what the CPI is going to be, and what the timing would need to be for this approach.

Trustee Gould suggested that automatic increases were a lazy way of budgeting and that costs need to be looked at annually in order to make an intelligent decision. President Senak agreed with Trustee Gould, suggesting increasing fees a bit now and adjust later. Trustee Christiansen voiced her concern and perhaps a more consistent philosophy on raising fees was needed, so that residents can understand why fees are increased. Trustee Fasules suggested looking at best practices. Discussion continued about how fees should be increased.

Trustee Simon asked about when the new fee structure would be implemented. AVM/Community Development Director Rodman said the fees would be effective when the software goes live. She added that analysis would be done monthly at the end of that month so it would not be a "live" analysis.

Finance Director Brankin gave his thoughts of the revenue projections of $1.3 million. Mr. Mike D'Onofrio added that permit fees are an art not a science and explained what he meant by this comparison. He added that simple projects should have low fees, with higher fees for large projects.

President Senak asked the Board how they would like the fees to be addressed. AVM/Community Development Director Rodman reviewed how staff landed on the recommended 4%, saying it's up to the Board as to what the percentage should be.

Trustee Gould asked if there would be a meeting to discuss fee philosophy. The answer was yes.

AVM/Community Development Director Rodman wanted universal approval to move forward with the proposed structure. This approved was given by the Board.

Trustee Kalinich thought that staff should come back with recommended rate increases. President Senak wanted to know if the Board would endorse a 4% increase at this point, while the software is being developed and then implemented. The Board continued the discussion of whether a 4% increase should be applied at the time of software implementation, which would be in about six months. A majority of the Board endorsed an increase of 4% and also revisiting the fees once data is gathered from the new software. This will be presented for approval at a future Board meeting.

F. Adjourn – 7:02 P.M.

Mover: Trustee Thompson; Second: Trustee Kalinich. Unanimous vote to adjourn.