

## COUNCIL WORKSHOP ITEM

**ITEM:** Fee Waiver Policy  
**DATE:** January 28, 2002  
**PREPARED BY:** Daniel P. Blondin, Village Attorney  
**PURPOSE:** To Outline Information Obtained by the Village Related to Various Fee Waiver Policies of Surrounding Communities.

### DISCUSSION:

The purpose of this memorandum is to outline information obtained by the Village related to various fee waiver policies of surrounding communities. In addition, I will attempt to outline options that the Council may wish to consider in addressing this issue.

### BACKGROUND:

Section 1-29 of the Downers Grove Municipal Code permits the waiver of certain fees in certain situations. This section provides as follows:

#### ***1-29. Fee waivers.***

*Notwithstanding anything else to the contrary contained in the Municipal Code, or any other code or ordinance of the Village, certain fees which may be established by such codes and ordinances may be waived by the Manager or Council, subject to the following:*

- (a) These fees may be waived only for the benefit of governmental entities or not-for-profit charitable, religious, educational or public service organizations or institutions; and*
- (b) The Village Manager may, in his sole discretion, waive, in whole or in part, any such fee not in excess of one thousand dollars; and*
- (c) The Village Council may, in its sole discretion, waive, in whole or in part, any such fee of any amount.*

*Upon granting a fee waiver in compliance with this section, the Manager shall inform the Council in writing of his action.*

In addition, the Village Council has adopted a policy (Resolution 96-44) setting forth discretionary guidelines to guide the Village in reviewing and approving any fee waiver request. Recently, questions have arisen regarding waiver of fees for various governmental and charitable organizations. As a result, Don Rosenthal reviewed the fee waiver policies for a number of surrounding communities. A copy of his analysis is attached. As can be seen from this report, fee waiver policies from Carol Stream, Arlington Heights, Itasca, Lombard, Glendale Heights, Naperville, Westmont, Lisle, Darien, Oak Park and Woodridge were reviewed. All of these vary from one degree to another. None of the communities had a cap on the amount of the fees that could be waived, however the City of Darien does not waive any fees at all. In addition, most communities do not have a formal ordinance or policy guiding the fee waivers and apparently decide these on a case-by-case basis. Some communities seem to make a distinction between soft fees (internal administrative costs) and hard fees (outside consultants).

In considering changes to the existing fee waiver policy, the Village Council may wish to address the following:

1. Discretionary or Mandatory: Should the fee waivers be discretionary (case-by-case) or mandatory? In other words, should certain applicants in certain situations be “entitled” to a fee waiver. In those situations, it would not be a true fee waiver but would rather be an exemption from the fee requirement. Rather than bringing such non-discretionary fee waivers to the Village Council, it would be more appropriate to simply amend the existing ordinances to provide that no fees should be required from certain entities at certain times. It is not recommended that such an across the board non-discretionary fee exemption be provided. However, if such non-discretionary fee waiver is to be considered, it may be appropriate to set some limit upon the amount of fees which may be waived. In addition, it should be remembered that the Village could limit such non-discretionary fee waivers to certain costs, such as in-house administrative plan reviews, while retaining the requirement that the qualified applicants pay hard costs such as outside consultants. In such case, the terms “soft costs” and “hard costs” would need to be clearly defined.

2. Categories: Assuming that the Village will continue to maintain a discretionary fee waiver policy, the question arises whether the existing categories of fees to be waived is adequate or should be revised.

3. Eligibility: A third issue involves who is eligible for the fee waivers. Currently, our ordinance permits fee waivers for “governmental entities or not-for-profit charitable, religious, educational or public service organizations or institutions”. The Council could differentiate between these various entities. However, I have had no indication that this has been a problem in the past or that there is a desire to revise this listing.

4. Maximum Amount: Assuming that the type of fees and entities eligible will remain the same, the Council may wish to consider placing a cap upon the amount of fees which will be waived. This could be a cap on any individual fee or an aggregate cap on the entire fee waiver.

**ATTACHMENT:**

Fee Waiver Analysis

**RECOMMENDATION:**

The purpose of this memorandum was to summarize existing practices, describe what other communities are doing and provide options to the Village Council to consider in revising, if desired, the existing fee waiver policy. The current policy provides both discretionary waiver of fees and it is expected that such discretion will continue. It is requested that the Council discuss this matter and provide guidance to the staff regarding additional changes, if any, to the fee waiver policy.

Towns Surveyed	Does your town have a cap on how much funds will be waived on any one project	Does the town have a policy as to what funds are waived?	What does your town waive fees for, Not-for-profit, Municipal, Schools, Government (post office) and so on?
Carol Stream	NO	NO	Waive only Government on a case-by-case basis. Soft fees only. Must pay hard fees (Water Meters, Outside Consultants etc.) No involvement with Public Schools
Arlington Heights	NO	Ordinance for this	Waive fees for Village Projects. Soft fees are waived for churches but they need to pay hard fees (Water Meters, Outside Consultants etc.) No involvement with Public Schools.
Itasca	NO	There is an ordinance for this	Waive Soft fees for all the above. Fees the Village pays for are charged to the applicant. (Water Meters, outside inspections services (elevator) and so on.
Lombard	NO	NO	Only waive for other government agencies. All others pay. Public Schools not in their jurisdiction.
Glendale Heights	NO	NO	They do waive, however it's on a case-by-case basis. Either the Village Manager or the Board must approve each submittal.
Naperville	NO	There is an ordinance	Only Impact fee for churches
Westmont	NO	All waivers are by ordinance.	They waive soft fees for Schools, Churches, Government. Also the Main st. District Must pay hard fees. (Water Meters, Bonds ect.)
Lisle	NO	NO	Waive soft fees on a case-by-case basis, by the village Manager or the Board. Hard fees must be paid.
Darien	NO	NO	NO
Oak Park	NO	By ordinance	Waive fees for Village Projects. Soft fees are waived for churches but they need to pay hard fees (Water Meters, Outside Consultants etc.) No involvement with Public Schools.
Woodridge	NO	NO	Waive fees for Village Projects. Soft fees are waived for churches but they need to pay hard fees (Water Meters, Outside Consultants etc.) No involvement with Public Schools.

**RESOLUTION 96-44****A RESOLUTION ESTABLISHING AN AMENDED POLICY OF  
THE VILLAGE COUNCIL WITH REGARD TO FEE WAIVERS**

WHEREAS, the Council of the Village of Downers Grove has heretofore adopted an ordinance entitled "An Ordinance Amending Chapter 1 of the Downers Grove Municipal Code", being Ordinance Number 2048, commonly referred to as the "Fee Waiver Ordinance"; and

WHEREAS, the Village Council finds it necessary and desirable to establish certain policy guidelines regarding fees which may be waived; and

WHEREAS, the Village Council has previously adopted Resolution 93-1 establishing a policy related to fee waivers, and the Village Council has determined that it is necessary and desirable to amend this policy as provided herein.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

1. That it is the policy of the Village Council that fees related to the filing of a petition for a public hearing before any board or commission of the Village or before the Village Council, less the out of pocket expenses associated with public hearing notices, may be waived for the benefit of governmental entities or not-for-profit, charitable, religious, educational or public service organizations.
2. That with regard to fees related to license, permits or plan review for the benefit of governmental entities or not-for-profit, charitable, religious, educational or public service organizations, it is the policy of the Village Council that such fees not be waived; provided, however, that the Village Council, or the Village Manager for requests under \$1,000, may determine, in its/his discretion, to waive all or any portion of the following fees to the extent that they do not involve outside consultants or experts and in such circumstances as the Council may find such a fee waiver is warranted:
  - a. Building Permit fees as required by Section 7-11 of the Municipal Code
  - b. Plan Examination fees as required by Section 7-11.2 of the Municipal Code
  - c. Plumbing permit fees as required by Section 16-7 of the Municipal Code
  - d. Electrical permit fees as required by Section 10-21 of the Municipal Code

- e. Occupancy permit fees as required by Section 7-11.2.1
- f. Water Service Inspection fees as required by Section 25-40(a)(2)
- g. Basic Storm Water Management permit fees as required by Section 26-76(1-7) of the Municipal Code
- h. Storm Water Plan Review fees as required by Section 26-76(8) of the Municipal Code
- i. Public Right of Way Improvement permits as required by Section 19-28 of the Municipal Code

3. That with regard to charges related to proper completion of a project, capital expenses incurred by the Village, or expenses incurred for outside consultants or testing, it is the policy of the Village Council not to waive such fees. These fees include, but are not necessarily limited to, the following:

- a. Building Bonds as required by Section 7.11.1 of the Municipal Code.
- b. Public Right of Way Improvement bonds as required by Section 19-28 of the Municipal Code
- c. Water System Capacity Charge as required by Section 25-40(c)(1) of the Municipal Code
- d. Water Connection Fee as required by Section 25-40(e) of the Municipal Code
- e. Water Meter charge as required by Section 25-40(b) of the Municipal Code
- f. Any fee related to outside consultants or experts retained by or on behalf of the Village to review any plans or projects
- g. Out of pocket expenses associated with public hearing notices.

4. Waivers of any other fees not mentioned herein are governed by Section 1-29 of the Municipal Code, and are subject to the sole discretion of the Village Manager and Village Council.

5. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

6. That this Resolution shall be in full force and effect from and after its passage as provided by law.

  
 Mayor

Passed: July 8, 1996

Attest:   
 Village Clerk

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