

ORDINANCE

Ordinance Adopting the Fee Schedule for the Department of Planning and Development (10)

WHEREAS, McHenry County has promulgated ordinances, rules, and regulations to govern building construction, safety, zoning, stormwater management, and the subdivision of land; and

WHEREAS, the Unified Development Ordinance, Stormwater Management Ordinance, and building codes adopted by McHenry County require that the Department of Planning and Development to accept applications, conduct reviews, issue permits, conduct inspections, and conduct hearings; and

WHEREAS, the current fee schedule for the Department of Planning and Development for services related to accepting applications, conducting reviews, issuing permits, conducting inspections, and conducting hearings was adopted by the County Board on April 18, 2023; and

WHEREAS, the Department of Planning and Development has identified the need to revise the fee schedule to address outdated personnel costs and current processes; and

WHEREAS, the Planning, Environmental, and Development Committee has reviewed and recommends approval of the revised fee schedule.

NOW, THEREFORE BE IT ORDAINED, by this County Board of McHenry County, Illinois, that it hereby adopts the attached fee schedule for the Department of Planning and Development with an effective date of July 1, 2026; and

BE IT FURTHER ORDAINED, by this County Board of McHenry, Illinois, that the previously adopted ordinance establishing the fee schedule for the Department of Planning and Development, Ordinance O-202304-10-021, is repealed effective July 1, 2026; and

BE IT FURTHER ORDAINED, that the County Clerk is hereby authorized to distribute an electronic copy of this Ordinance to the Director of Planning and Development, the Chief Financial Officer, and the County Administrator

DATED at Woodstock, Illinois, this 16th day of June, A.D., 2026.

Michael Buehler, Chairman
McHenry County Board

ATTEST:

Joseph J. Tirio, County Clerk

ORDINANCE

SUBJECT: Ordinance Adopting the Fee Schedule for the Department of Planning and Development (10)

Board / Committee Action Requested:

To approve the attached ordinance adopting the fee schedule for the Department of Planning and Development.

Background and Discussion:

During the 2025 budget cycle the Department's Fee Ordinance was recognized to be in need of an update to close the gap between the Department's expenses and revenues. On a 5-year average, Department revenue is \$817,991.79 and grows at 9.19% per year. Expenditures are \$1,511,292.33 growing at 4.59%. While these growth trends are healthy, the gap between revenues and expenditures can be reduced. Currently 45.87% or \$693,300.53 of the Department's code administration and enforcement operation is subsidized by the General Fund.

The current Fee Ordinance was established in 2015 with updates in 2018 and 2023 to address trends or priorities associated with permit administration. The model is centered on flat reasonable fees that applicants, consultants, and staff can easily forecast. This remains advantageous to the Department and the applicants. However, the personnel costs that formulate the core service fees are 10 years old, the time assigned to each process and phase were based on paper review processes, and hard costs necessary to provide services were excluded. This comprehensive revision updates each of the items above, proposes fees for services currently provided by the Department that merit fees, adds process steps that will improve efficiencies for all, and attempts to ensure permit fees are not a deterrent for obtaining permits.

This update required tracking and averaging the time required to complete each step of a permit, petition, plan review, inspection, public hearing, etc. and establish the cost to the Department to provide that service. Each task was assigned monetary value based on the staff associated with each step. In the current ordinance, staff values were from 2015. In this update, an aggregate grade for all staff was assigned in anticipation of two years of salary adjustments.

In addition to personnel costs, the fee ordinance captures fees for software required to provide each service; SmartGov, \$30/permit, and Bluebeam, \$12/permit. These are derived from the

cost of the software compared to the 5-year average number of permits administered by the Department.

This draft better recognizes the barrier imposed by excessive fees on small scale permits; Decks, Pools, Accessory Structures, Minor Service Upgrades, and Residential classified permit types. These smaller permits are supplemented by larger scale permits like those for new construction, Telecommunication, or Solar Energy Production.

While each section of the Fee Schedule was amended, the greatest amount of catchup was realized withing the Planning Fees. Here the hours were underestimated and hard costs such as those for the Zoning Board of Appeals (\$920/meeting) and the McHenry County Hearing Officer (\$100/meeting) were not included.

In addition to adjusting the administration time, staff is recommending adjustments to the application types to streamline the process and obtain clearer information. Those include:

- Removal of the escalator fees associated with Conditional Use Permits, Map Amendments, and Motel Inspections.
- Addition of a Pre-Application Meeting for Conditional Use Permits.

From the inception of this revision staff targeted a 30% recoup (3% per year over 10 years). Utilizing historical permit and revenue data, it is estimated that the draft fee ordinance may generate a 35-40% increase in revenue in year one. This increase assumes similar permit activity and scale to FY2025. Staff further proposes that the Fee Ordinance be reviewed every 2 to 3 years to ensure alignment of the fees with staff costs and procedural improvements.

Impact on Human Resources:

None, existing staff will apply the fee schedule.

Impact on Budget (Revenue; Expenses, Fringe Benefits):

The Fee Schedule update was initiated to improve the Department's revenue. The personnel costs have not been updated since the Fee Ordinance was updated in 2015. Further, the procedural changes associated with the conversion from paper to digital processing have not been incorporated.

The models suggest a 29.37% reduction in the amount the Department is subsidized by the County General Fund. Permit activity influences this estimate.

Impact on Capital Expenditures:

None.

Impact on Physical Space:

None.

Impact on Other County Departments or Outside Agencies:

None.

Conformity to Board Ordinances, Policies and Strategic Plan:

The ordinance conforms with Board Ordinances, Policies, and Strategic Plan. Specifically Goals 2 & 7 in Leadership & Governance