

**VILLAGE OF HINSDALE  
VILLAGE BOARD OF TRUSTEES  
SPECIAL COMMITTEE OF THE WHOLE  
AGENDA  
Monday, October 19, 2015  
7:00 P.M.  
MEMORIAL HALL – MEMORIAL BUILDING  
*(Tentative and Subject to Change)***

- 1. CALL TO ORDER – Trustee Hughes/Chair**
- 2. ROLL CALL**
- 3. DISCUSSION ITEMS**
  - a) Liquor Code Revision
  - b) Review of Village Fees
  - c) Review of Capital Improvement item - Parking Bollards as it relates to traffic safety in CBD
  - d) Update on implementation of CMAP parking recommendations
- 4. ADJOURNMENT**

The Village of Hinsdale is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of the meeting or the facilities, are requested to contact Darrell Langlois, ADA Coordinator, at 630-789-7014 **or by TDD at 630-789-7022** promptly to allow the Village of Hinsdale to make reasonable accommodations for those persons. **Website <http://villageofhinsdale.org>**



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**To:** President Cauley and Village Board of Trustees

**From:** Emily Wagner, Administration Manager

**CC:** Kathleen Gargano, Village Manager

**Date:** October 19, 2015

**Subject:** Revised Liquor Code and Fees

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Attached please find several documents for your review. The first **attachment (1)** is a survey that demonstrates how other communities administer their liquor license programs. The second **attachment (2)** is a proposed liquor license classification list that staff has assembled to show the proposed liquor classes and fees. **Attachment 3** contains information regarding the details of each proposed liquor class and fee. Finally, **attachment 4** demonstrates the revenue impact to the Village after adjusting the licensing and application fees.

### **Purpose**

There are several reasons why the Village is seeking to update its liquor code. First, the current code contains licenses that have been created for individual applicants on a case-by-case basis. This has resulted in a code that is somewhat choppy and difficult to administer. The goal of a revised code is to ensure that current and future applicants have an appropriate category and that staff is not bringing forth numerous new liquor classifications to the Village Board each time a new business need arises. Another goal with a unified liquor code is to attract new businesses with a simplified application process.

Next, is for the ease of administration. The application and licensing fee structure should be revised to make the process easier to understand. Currently, there is a first-time application fee and a renewal application fee. There is also a fee for the actual license the first time it is obtained, and a different fee for subsequent annual licenses. This structure can be confusing. Finally, we are seeking to make this ordinance easier to enforce by our public safety staff. With fewer classes and a revised ordinance, law enforcement officials will be better able to enforce the regulations.

### **Revised Liquor Classes**

Staff had numerous discussions about the most appropriate way to create and structure liquor license classes. Some communities create classes by building square footage, others group together similar business types. However, as we continued to discuss this matter, staff concluded that the most important factor is how the product is distributed and sold. For instance, you will see that the proposed classes are structured by how the product is sold. For instance, the “packaged liquor” category is for any store that sells liquor, beer and wine in its original packaging. This class would include the Whole Foods, Walgreens and gas stations. While they are different types of retail uses, they all sell packaged liquor, beer and wine the same way.



That being said, the following six classes are presented for the Village Board's review. Some classes contain "a la carte" options in order to best meet the needs of the business community. This allows each business/restaurant to select only what they need. The **attached chart (3)** compares all of the classes in further detail.

Under the existing liquor code, the Village has 19 classes. Going forward, the Village is proposing six consolidated classes.

Other significant changes to note:

- Elimination of Supermarket, Drugstore, Convenience Store (with or without gasoline), Limited Service Restaurant, Cooking Class, New Year's Eve (NYE) and Corkage classes; Supermarket, Drugstore and Convenience Store (with or without gasoline) are combined into a Package Sales class
- Wine Boutiques and Gourmet Food is combined into one class, Gourmet Food/Wine Boutique
- Hair Salon will now fall under the Concierge Services class
- NYE class is eliminated; allow all restaurants to serve until 2:00 a.m. on NYE
- Corkage (properly packaging an open wine bottle to take home) is eliminated; restaurants can do this regardless of our code as long as they follow the regulations of the state law (SB0946)
- Cooking Class is eliminated; would fall under a Special Event class
- Caterer's Class is eliminated; the Village did not previously charge a fee as this profession is regulated by the state of Illinois
- The various Event Classes are consolidated into two proposed classes; the first is an Annual Event Class for continuous events like the Thursday night concert series; the second is a Special Event Class for one-time events, such as a business grand opening
- The previous category of Gourmet Food/Wine Boutique has also collapsed under Packaged Sales

Below is a list of the proposed classes, including how our existing businesses would be categorized.

## A. [Packaged Sales](#)

Packaged sales are for those businesses that are selling beer/wine/liquor in pre-packaged containers that have come from the manufacturer not for consumption onsite.

### Proposed Classes:

A1. Beer/Wine

A2. Liquor/Beer/Wine

- Existing classes:

- A1: Supermarket (Whole Foods)
- A5: Drugstore (Walgreen's)
- A6: Convenience store with gasoline (Shell and BP)
- A7: Convenience store without gasoline (Hinsdale Food Mart)
- A2: Gourmet food (Burhop's)
- A3: Wine boutique (n/a)



- A4: Wine boutique/premium hard liquor (Hinsdale Wine Shop, The Village Cellar)

### B. Restaurant

A restaurant is a place that has a license from the applicable County Health Department to prepare and serve food. Restaurants are opening and pouring beer/wine/liquor, and allow for onsite consumption so the fees are higher in this category. Please note that if a restaurant loses its restaurant license from the Health Department, the Village retains the right to revoke its liquor license.

#### Proposed Classes:

- B1. Beer/Wine
- B2. Liquor/Beer/Wine
- B3. BYOB
- B4. Package Sales

- Existing classes:

- B: Full service restaurant (Cine, Fox's, Hua-Ting, Il Poggiolo, Jade Dragon, Nabuki, Baldinelli, Vistro, Wild Ginger)
- C: Limited service restaurant (Belluomini's, Giulano's)
- F: New Year's Eve (all restaurants with a B license have the ability to serve liquor until 2:00 a.m. on New Year's Eve)
- G: Corkage (n/a)

### C. Concierge Services

This is for businesses that wish to serve complimentary beer/wine to customers, such as the Trunk Club clothier, or for retailers that offer beer/wine consumption onsite for a fee, such as the Ten Friends hair salon. This category is different from special events because the distribution is continuous and not limited to a set number of events each year.

- Existing classes:

- A8: Hair Salon (Ten Friends)
- A9: Concierge Services (Trunk Club)

### D. Annual Special Event

This license is for vendors who have **multiple events each year**, such as the Chamber of Commerce Uniquely Thursday concert series. This is for packaged liquor that is opened and consumed onsite.

- i. Existing classes:

- D: Annual – Not-For-Profit (Chamber of Commerce Public Library, Community House)
- E: Annual – For-Profit (n/a)

### E. Special Event License

This is for a **one-time** request to serve packaged liquor and consumed onsite. An example is a store hosting a grand opening celebration.

- i. Existing classes:

- D: Special Event (n/a)
- E: Special Event (n/a)



- E: Cooking Class (n/a)

Please note that the Village was listing Caterer's License as a category but we were not charging for this license. Because this is a profession that is regulated by the state of Illinois, we are eliminating it from our list of classes.

### **Fees & Revenue Impact**

As part of this process, staff also recommends adjusting the application fees and licensing fees:

#### *Application Fee*

Recommendation: Increase the application fee to \$500 from \$250 for the first-time applicant; reduce renewal fee from \$250 to \$0. See the **attached chart (4)** for revenue impact. The overall increase to each license class will offset the reduction in renewal application fees.

Other communities we surveyed only charge an application fee for the applicant's first license. Since most of the staff work is conducted during the initial application, it is recommended to follow River Forest's model of \$500 for the initial application with \$0 for the renewals. Thereafter, applicants do not have to pay an application fee.

#### *Licensing Fee*

Recommendation: Utilize one license fee for first-time applicants and renewal applicants. Recommended fees for each category are enclosed in the **attached charts (2 & 3)**. Other communities we surveyed also utilize one fee for first-time and renewal applicants. The license holds the same importance every year, so therefore the fee should also be the same every year.

Liquor License Community Survey						
Liquor Classes & Details	Western Springs	Barrington	Wilmette	Wheaton	River Forest	Hinsdale
	Application fee listed first, annual license is second	Initial App Fee 500 - renewal 100 - late fee is 500		500 application fee	500 initial app fee; no renewal app fees	250 application fee; first number listed is initial license; second is renewal license
Dining/Restaurant/Bar	A: Full service dinner; no bar without food; wait staff; complete meals at least 60% of gross income; food supplements alcohol; no alcohol in pitchers; no packaged sales; no pool tables; Bassett training (1000/2000)	3: Sale of liquor by a restaurant facility for consumption on premises (1750)	A: Sale of liquor in a restaurant without a bar, and sale of liquor is incidental to food (2000)	A: Retail sale in restaurants on premises only; complete meal service; capacity more than 25 patrons; no bars (2000)	1: Sale of all liquor in restaurants - consumption on premises only (2000)	B: Full service restaurant: Retail sale of liquor at a restaurant; incidental to meal (4000;2000)
	B: Adjunct to food service; full service restaurant with bar; can order solely alcohol at bar; meals are 60% of gross income; no pitchers of alcohol; no package sales; Bassett training (1000/2000)	6: Sale of beer and wine by a restaurant for consumption on premises (1500)	A1: Duplicates A, adds the retail sale of wine in original packaging (2100)	B: Sale of only beer and wine in restaurants; no bars; patron capacity over 25 (1000)	2: Sale of beer and wine in restaurants - consumption on premises only (1000)	C: Limited service restaurant (except 5425 South Madison Street): Retail sale of beer/wine at a limited service restaurant or a full service restaurant; only sold with food purchase (3000;1500)
	C: Full service beer and wine only; meals should be 60% of gross income; no bar; no beer/wine pitchers; no package sales; no pool tables; Bassett training (1000/1000)	12: Sale of liquor for consumption on premises; also permits sale of liquor for consumption off premises (2250)	B: Duplicates A, except for sale of beer/wine only (1000)	I: Sale of liquor on restaurant premises; food prep as primary purpose; dining capacity of 125+; lounge restrictions included (2500)	4B: Restaurant package sales of liquor for consumption not on premises: liquor only sold in conjunction with fresh made food; no package breakdown; beer and wine in containers of between 12-50 ounces; other liquor in containers between 12-26 ounces; sampling is prohibited (4000)	C: <del>5425 Madison Street: Retail sale of liquor as a combination alcoholic beverage place or a full service restaurant; 2am on Friday/Saturday</del>
	D: Limited service beer/wine; no bar - restaurant only; no pitchers; no package sales; no pool tables; Bassett training (1000/1000)	1: Sale of liquor for consumption on premises where it is sold (2000)	B1: Duplicates B, adds the retail sale of wine in original packaging (1100)			

<b>Liquor Classes &amp; Details</b>	<b>Western Springs</b>	<b>Barrington</b>	<b>Wilmette</b>	<b>Wheaton</b>	<b>River Forest</b>	<b><u>Hinsdale</u></b>
			C: Duplicates <b>Class A</b> , adds a <b>bar</b> not longer than 15', no more than 8 seats; no separate room (2500)			
			C-B: Duplicates <b>Class B</b> , adds a <b>bar</b> not longer than 15', no more than 8 seats; no separate room (1500)			
			C-1 C-B-1: <b>duplicates Class C and Class C-B Licenses</b> , respectively, and adds the retail sale of wine only in its original package or packages for consumption off the premises (2500)			
			J: <b>Duplicates Class A</b> , adds <b>alcoholic beverages at a bar</b> where sale is incidental to a meal; number of seats at the bar shall not exceed 15% of the number of seats at tables where meals are served (3000)			
			M and M1: <b>Duplicate Class A</b> , adds that patrons can be served liquor in a bar area with meals; minimum 2500 sq. ft.; bar not to exceed 15% of total restaurant; only allowed in certain zoning districts (5000-5100)			
<b>Grocery/ Supermarket</b>	E: <b>Supermarket</b> ; retail package sales only; at least 25k feet; liquor display restrictions; flask sale prohibited; Bassett training; tasting restrictions (1000/3000)	2A: <b>Liquor sales for consumption off premises at a package store</b> ; engages in substantial retail sales of other goods besides alcohol (2250)	H: <b>Sale of beer and wine in original packaging for consumption off premises</b> where sold in retail food, stores and shops; not to exceed 10% of retail display (1500)	E: <b>Retail sale of liquor in original package in a supermarket</b> at least 50k sq. ft. (3000)	4: <b>Sale of package alcohol liquor for consumption not on premises</b> : grocery, supermarket, drugstores, if drugstore is operated in conjunction with a supermarket; specific sampling restrictions (4000)	A4: <b>Premium Higher Alcohol Content Spirit</b> : allows A3 license holders to sell premium spirits (2400;1800)

<b>Liquor Classes &amp; Details</b>	<b>Western Springs</b>	<b>Barrington</b>	<b>Wilmette</b>	<b>Wheaton</b>	<b>River Forest</b>	<b><u>Hinsdale</u></b>
		<p>13: <b>Sale and serving of beer/wine for consumption on premises within a grocery store</b> with cheese, deli and gourmet food products; retail sale of wine/beer in original packages for consumption off premises; tasting restrictions included (2500)</p>		<p>E Café License: <b>Limited tastings offered on premises of a supermarket (3000)</b></p>		<p>A1: <b>Supermarket:</b> beer and wine in original package; limited wine tasting (3000;2000)</p>
<p><b>Pharmacy/ Convenience Store</b></p>			<p>I: <b>Sale of liquor in original packages for consumption off premises</b> in retail food, retail pharmacies/convenience stores; not to exceed 10% of retail display (3000)</p>	<p>D: <b>Retail sale of liquor in original package not for consumption on premises</b> limited to retail devoted to sale of drugs/sundries (drugstores) (2500)</p>	<p>4A: <b>Sale of package beer and wine for consumption not on premises:</b> grocery, supermarket, drugstores, if drugstore is operated in conjunction with a supermarket: single containers not less than 12 ounces; no breakdown of packaging; sampling restrictions (4000)</p>	<p>A5: <b>Drugstore:</b> sale of beer and wine in original package (2000;1500)</p>

<b>Liquor Classes &amp; Details</b>	<b>Western Springs</b>	<b>Barrington</b>	<b>Wilmette</b>	<b>Wheaton</b>	<b>River Forest</b>	<b><u>Hinsdale</u></b>
						<p>A6: <b>Convenience store with gasoline</b>: Retail sales of beer and wine in original package; at least 2k sq. ft. (2000;1500)</p>
						<p>A7: <b>Convenience store without gasoline</b> : Retail sales of beer and wine in original package; at least 2k sq. ft. (2000;1500)</p>
<p><b>Premium Spirits/ Boutique</b></p>	<p>G: <b>Fine wine and premium beer</b>; tasting restrictions; container/package specs; no bar unless a Class B is also held; no tobacco or lottery sales; Bassett training (1000/1000)</p>		<p>L: Boutique wine shop - <b>sale of bottled wine off premises</b>; limited onsite tasting; L can include premium and imported beers (1500)</p>			<p>A2: <b>Gourmet food store license</b> - retail sale and limited tasting of wines only (1000;750)</p>
			<p>N: <b>Wine only plus gourmet desserts (500)</b></p>			<p>A3: <b>Wine boutique</b>: Sale and limited tasting of wine and premium beers (2000;1500)</p>

<b>Liquor Classes &amp; Details</b>	<b>Western Springs</b>	<b>Barrington</b>	<b>Wilmette</b>	<b>Wheaton</b>	<b>River Forest</b>	<b><u>Hinsdale</u></b>
			K: <b>Specialty beer/wine</b> (demo or cooking class with no more than 40 people incidental to meal); packaged beer and wine for sale off premises (500)			
<b>Outdoor Cafes/Dining</b>	H: <b>Outdoor liquor café</b> ; only granted if you hold another Village liquor license; no package sales; no pitchers; no pool tables; Bassett training (500/150)	7: <b>Sale of liquor by a restaurant for consumption outside of enclosed building (no separate fee)</b>	O: <b>Beer and wine only by a café</b> incidental to live music (1500)			
<b>Events</b>	I: <b>Non-profit special events</b> - beer, wine and spirits - for fraternal, political, civic, religious, etc. organization; no package sales; no pitchers; Bassett training; in effect for a maximum of 4 consecutive days (400/100)	5: <b>Temporary license not to exceed 5 days</b> for a non-profit, charitable, civic, religious etc. group (25 per day)	E: <b>Sale of liquor by civic, fraternal, service, charitable or non-profit organizations</b> ; valid up to 72 hours (25)	F: <b>Sale of liquor at a special event sponsored</b> by non-profit whose principal place of business is in the City; hold up to 12, one-day events; max of 5 consecutive days (50 per day)	5: <b>Temporary special event</b> for liquor: non-profit organization special event (100 per event)	D: <b>Annual event for non-profit and civic organizations</b> : liquor for sale at events; consumption at event only (500:500)
	J: <b>Village special events</b> on Village property - beer and wine only; sponsored by Village or non-profit organization; no package sales; no pitchers; in effect for a maximum of 4 consecutive days (400/100)	10: Sale of liquor for consumption as an <b>incidental part of food service as part of a specific event</b> that will not exceed 5 days (125-225 depending on # of events)		P: <b>Sale of wine only in original package at seasonal markets</b> , samples allowed (50 per month)		D: <b>Special event for non-profit and civic organizations</b> : liquor for sale at events; consumption at event only (75;0)
	L: <b>Wine/beer tastings and wine/beer package sales only</b> ; available only to current liquor license holders; at community events/festivals by the Village or non-profit organizations; Bassett training (25 per event, no app fee)					E: <b>Service of alcoholic liquor without consideration by a retail, service, or other business establishment</b> (750;750) Non

Liquor Classes & Details	Western Springs	Barrington	Wilmette	Wheaton	River Forest	<u>Hinsdale</u>
						E: Service of alcoholic liquor without consideration by a retail, service, or other business establishment; cooking class tasting license (350;350)
BYOB/Cork	K: <b>BYOB - corkage license</b> for beer and wine only; no sales or packaged sales allowed; Bassett training (250/200)	11: <b>Consumption of table wine</b> not purchased on the premises (125)			6: <b>Restaurant BOYB beer and wine:</b> sale of beer/wine/liquor beverages and packages is prohibited (1000)	G: <b>Corkage (BYOB)</b> (300;300)
Culinary	F: <b>Culinary</b> - beer and wine only - no bar; served adjunct to classes; no pitchers; no package sales; no bar; Bassett training (1000/500)					
Theater	M: <b>Theater</b> - beer and wine only; may include patio or lawn; no pitchers; no package sales; Bassett training (250/100)		T: <b>Beer and wine service in a theater (1500)</b>	L: Sale of liquor in movie theaters; seating capacity of 500+ (2500)		
Catering	N: <b>Caterer's license</b> - caterer requires a caterer's liquor license in order to sell, offer and provide liquor; package sales allowed with a Class G; no pitchers; Bassett training (200/100)	9: <b>Sale of liquor off premises by a caterer</b> and limited to guests at catered functions (100)		G: Sale of liquor in connection with an off-site catering business within the City (600)		Hinsdale does not require caterers to hold a Village license nor do we charge any fees; Village stipulates that caterer must have a valid catering liquor license
				N: Sale of liquor to caterer contracted by a residential complex (1000)		

<b>Liquor Classes &amp; Details</b>	<b>Western Springs</b>	<b>Barrington</b>	<b>Wilmette</b>	<b>Wheaton</b>	<b>River Forest</b>	<b><u>Hinsdale</u></b>
<b>Hotel</b>			P: <b>Beer and wine service in hotels (500)</b>	C: <b>Sale of liquor on premises only</b> ; restaurants of 70 seats or more with a complete meal; guestrooms 100+ and restaurant with 125+ seats may have a lounge (3500)	3: <b>Sale of liquor in hotels - consumption on premises only (4000)</b>	
				K: <b>Sale of liquor at inns (1500)</b>		
<b>Other</b>		4: <b>Sale of liquor by a club (500)</b>	F: <b>Liquor sale at Park District golf club (1000)</b>	J-1, J-2: <b>Sale of liquor in banquet facilities (3000/2000)</b>		F: <b>New Years Eve</b> : Class B holders, class D holders can extend hours until 2am (300;300)
		8: <b>Package sales of beer and wine by mail order (2000)</b>	B2: <b>Sale of beer and wine at a bowling alley (1000)</b>	H: <b>Sale of liquor in bowling alleys (3000)</b>		
			D: <b>Sale of liquor by clubs (1500)</b>	M: <b>Sale of beer, ale or wine in gift boxes or baskets (1500)</b>		
				O: <b>Manufacture of beer, and sale, consumption and storage of beer on premises (500)</b>		
				Q: <b>Sale of liquor at department stores (3000)</b>		
				R: <b>Sale of beer and wine only at salon/spa business (750)</b>		

<i>Liquor Classes &amp; Details</i>	<b>Western Springs</b>	<b>Barrington</b>	<b>Wilmette</b>	<b>Wheaton</b>	<b>River Forest</b>	<b><u>Hinsdale</u></b>
<b>Package Store</b>		2: Liquor sales for consumption off premises sold in a <b>package store (2500)</b>	G: Sale of liquor in original packaging for consumption off premises where sold in <b>package stores (3000)</b>			
		2A: Liquor sales for consumption off premises at a <b>package store</b> ; engages in substantial retail sales of other goods besides alcohol (2250)				
<i>File Location: Board Laptop/Desktop</i>		14: <b>Sale of beer/wine in original packages</b> for consumption off premises (525)				

License Category	Current Annual License Fee	Proposed Annual License Fee for First-Time and Renewal Applicants (same cost)
<b>A. Packaged Sales</b> <ul style="list-style-type: none"> <li>• BP Amoco (A1)</li> <li>• Shell Food Mart (A1)</li> <li>• Walgreen's (A1)</li> <li>• Hinsdale Food Mart (A1)</li> <li>• Burhop's (A1)</li> <li>• Whole Foods (A2)</li> <li>• Hinsdale Wine Shop (A2)</li> <li>• The Village Cellar (A2)</li> </ul>	First Time License: \$3000 Renewal License: \$2000	A1. Beer/Wine: \$2500 A2. Liquor/Beer/Wine: \$3000
<b>B. Restaurant</b> <ul style="list-style-type: none"> <li>• Giulano's Pizza (B1)</li> <li>• Baldinelli Pizza (B2)</li> <li>• Cine (B2)</li> <li>• Fox's (B2)</li> <li>• Fuller's (B2)</li> </ul>	<ul style="list-style-type: none"> <li>• Hua-Ting (B2)</li> <li>• Il Poggiolo (B2)</li> <li>• Jade Dragon (B2)</li> <li>• Nabuki (B2)</li> <li>• Vistro (B2)</li> <li>• Wild Ginger (B2)</li> </ul> First Time License: \$4000 Renewal License: \$2200	B1. Beer/Wine: \$2000 B2. Liquor/Beer/Wine: \$3000 B3. BYOB: \$1000 B4. Packaged Sales: Add \$500 to above categories (No restaurants currently with packaged license – preparing for a business with this need, such as a Cooper's Hawk)
<b>C. Concierge Services</b> <ul style="list-style-type: none"> <li>• Trunk Club</li> <li>• 10 Friends</li> </ul>	First Time License: \$1750 Renewal License: \$1000	\$2000
<b>D. Annual Event</b> <ul style="list-style-type: none"> <li>• Chamber of Commerce</li> <li>• Hinsdale Public Library</li> <li>• The Community House</li> </ul>	First Time License: \$500 Renewal License: \$500	\$750
<b>E. Special Event (one-time)</b>	\$75	\$100

## Revised Liquor Classes & Fees

Proposed Classes	Retail Display Area	Hours of Sale	Packaging	Other Notes	Application Fees	Current Fees	Proposed Class Fees
<b>A - Packaged Sales</b>					\$500 for first-time applicants; \$0 for subsequent applications		
A1 - Beer/Wine	No larger than 5% of the total retail display area and shelves.	M-S: 7am-10pm; Sun: 10am-8pm	Must be at least 12 oz.	A single container of beer/wine that is sold must not be available for retail sale other than in a single container		(Supermarket): First: 3000/Renewal: 2000	2500
A2 - Alcohol	No larger than 5% of the total retail display area and shelves.	M-S: 7am-10pm; Sun: 10am-8pm	Not less than 18 oz. or .532 liters			3000	
<b>B - Restaurant</b>				If restaurant loses health dept. license, Village to revoke liquor license; all Restaurant license holders can serve liquor til 2am on NYE; alcoholic liquor consumption must be discontinued 30 mins. after service has ended		First: 4000/ Renewal: 2200	
B1 - Beer/Wine	Seating for at least 30 people	F-Sat: 11am-12pm; 11am-10:30pm Sun Thurs	On premises only				2000
B2 - Alcohol	Seating for at least 30 people	F-Sat: 11am-12pm; 11am-10:30pm Sun Thurs	On premises only				3000
B3 - BYOB	Seating for at least 30 people	F-Sat: 11am-12pm; 11am-10:30pm Sun Thurs	On premises only				1000
B4 - Packaged		M-S: 7am-10pm; Sun: 10am-8pm				Add 500 to total fee	
<b>C - Concierge Services</b>	Not to exceed 30 customer seats	M-Sat: 11am-10pm; Sunday: 11am-8pm	Sales by the glass or complimentary	Not to exceed 10% of sales; no tobacco sales		1750	2000
<b>D - Annual License</b>	Sales in tents only; consumption may take place on property	11am-11pm	Original packages	Propose up to 12 events in one year		First: 500/ Renewal: 500	750
<b>E - Special Event License</b>	For specific events annually	11am-11pm	Original packages	Propose up to 12 events in one year		75	100

**VILLAGE OF HINSDALE  
ACTUAL REVENUE  
CALENDAR YEAR 2015**

**VILLAGE OF HINSDALE  
PROJECTED REVENUES  
CALENDAR YEAR 2016**

CLASS	BUSINESS	LICENSE FEE	PROCESSING FEE
A1	Whole Foods Markets	\$2,000	\$250
A2	K-W Hinsdale, Inc. Burhops	\$750	\$250
A4	Hinsdale Wine Shop	\$1,800	\$250
A4	The Village Cellar	\$1,800	\$250
A5	Walgreens	\$1,500	\$250
A6	Parent Petroleum-Amoco	\$1,500	\$250
A6	Shell Food Mart	\$1,500	\$250
A7	Hinsdale Food Mart	\$1,500	\$250
A8	10 Friends	\$1,500	\$250
B	Il Poggiolo	\$2,000	\$250
B	Baldinelli's	\$2,000	\$250
B	Hua Ting Restaurant	\$2,000	\$250
B	Nabuki	\$2,000	\$250
B	Jade Dragon, Inc.	\$2,000	\$250
B	Fuller House	\$2,000	\$250
B	Fox's on York	\$2,000	\$250
B	Cine Restaurante	\$2,000	\$250
B	Vistro	\$2,000	\$250
B	Wild Ginger	\$2,000	\$250
C	Belluomini's	\$1,500	\$250
C	Giuliano's Pizza, Inc.	\$1,500	\$250
D-ANNUAL	Hinsdale Public Library	\$500	\$250
D-ANNUAL	The Community House	\$500	\$250
D-ANNUAL	Hinsdale Chamber of Commerce	\$500	\$250
		\$38,350	\$6,000
	Total Revenue		\$44,350

NEW CLASS	BUSINESS	LICENSE FEE
A2	Whole Foods Markets	\$3,000
A1	K-W Hinsdale, Inc. Burhops	\$2,500
A2	Hinsdale Wine Shop	\$3,000
A2	The Village Cellar	\$3,000
A1	Walgreens	\$2,500
A1	Parent Petroleum-Amoco	\$2,500
A1	Shell Food Mart	\$2,500
A1	Hinsdale Food Mart	\$2,500
C	10 Friends	\$2,000
B2	Il Poggiolo	\$3,000
B2	Baldinelli's	\$3,000
B2	Hua Ting Restaurant	\$3,000
B2	Nabuki	\$3,000
B2	Jade Dragon, Inc.	\$3,000
B2	Fuller House	\$3,000
B2	Fox's on York	\$3,000
B2	Cine Restaurante	\$3,000
B2	Vistro	\$3,000
B2	Wild Ginger	\$3,000
B1	Giuliano's Pizza, Inc.	\$2,000
D	Hinsdale Public Library	\$750
D	The Community House	\$750
D	Hinsdale Chamber of Commerce	\$750
	Total Revenue	\$57,750

Class D Special Event

2015-26	Luxe Organix, LLC	\$75
2015-25	St Isaac Jogues Catholic Church	\$75
2015-28	Trunk Club, Inc.	\$75
2015-27	Trunk Club, Inc.	\$75
		\$300



**To:** Kathleen Gargano, Village Manager

**From:** Darrell Langlois, Assistant Village Manager/Finance Director

**Date:** September 29, 2015

**Subject:** Ambulance Fees

**Current Ambulance Billing Rates and Methodology**

At the present time the Village bills all users of ambulance service that involves transportation to a hospital. Ambulance fees are billed in three escalating service tiers depending on services rendered- Basic Life Support (BLS), Advanced Life Support-level 1 (ALS-1, which is most common), and Advanced Life Support-2 (ALS-2, which is very rare and involves the use of three drugs at minimum). In addition to these three tiers, the Village bills a lower amount to those users who are provided Advanced Life Support Services (ALS) but refuse transport to a local hospital. In addition to the level of service tiers, the Village also has differing resident and non-resident rates. In most cases the Village also bills for mileage in addition to the “bundled” ambulance user fee.

It is important to note the role that Medicare plays in regards to ambulance billing and the impact it has on revenue. On an annual basis, the Center for Medicare and Medicaid Services (CMS) establishes an allowed ambulance fee schedule for those patients covered by Medicare and Medicaid. What this means is that for Medicare and Medicaid patients, the Village is only allowed to collect based on the rates established by CMS and is not allowed to balance bill patients for any remainder (other than deductibles and co-pays).

The following table illustrates the current billing structure:

	<u>Resident</u>	<u>Non-Resident</u>	<u>Medicare</u>
BLS	\$550.00	\$ 800.00	\$376.13
ALS-1	\$650.00	\$1,000.00	\$446.66
ALS-2	\$800.00	\$1,200.00	\$646.48
ALS Refusal	\$450.00	\$ 650.00	
Mileage rate	\$10/mile	\$25/mile	\$7.27

Ambulance fees were last adjusted in early 2010 as part of implementing the shared services arrangement with Clarendon Hills. As part of this agreement, we agreed to standardize ambulance billing rates and methodologies between the two villages. The eventual rates were arrived at based on a number of factors including prior rates from each village, market based fee surveys, an estimation of usual and customary charges from the insurance marketplace, and giving an



appropriate discount for residents since they already pay property taxes and other fees that are utilized to fund ambulance services.

### **Ambulance Fee Review**

Since ambulance fees were last adjusted in 2010, it is appropriate to undertake a review of the current billing rates. Table 1, which is attached, provides a market based survey based on 24 other area fire departments. As you can see, our present rates are about average, except for the ALS-1 rate for residents, which are about \$110 below average. As previously mentioned, the Village does not have control in establishing rates for Medicare and Medicaid. After carving these out, this means that for 2014 the Village billed below average 26.4% of the time as there were 89 resident ALS-1 ambulance transports out of 337 total ambulance transports.

Table 2 shows ambulance transport data for calendar year 2014. After taking out the Medicare/Medicaid transports, you will see that 265 transports out 337 remaining transports were covered by insurance, or 78.6%. This percentage is even higher for residents as 82.5% were covered by insurance. While not shown on the table, it should be noted that for 2014 the Village collected approximately 85% of what was billed after adjusting for Medicare/Medicaid write-downs. This is considered an excellent collection percentage for this type of billing.

Although there is no legal limit on what the Village can charge for ambulance fees, a major consideration is to not exceed what insurance companies consider “usual and customary” so that our rates do not seem excessive. Unfortunately, usual and customary charges for ambulance billing are not widely published. I reviewed a number of explanation of benefits (EOBs) for insurance payments made on Hinsdale ambulance transports and did not note a single adjustment by an insurance company for our fees being over usual and customary, including our higher non-resident rates. I also reviewed a number of EOBs for agencies that bill at rates significantly higher than Hinsdale, and again there were almost no reductions for being over usual and customary.

Hinsdale, like almost every other fire department, charges residents a significantly lower rate for ambulance fees than non-residents. The reasons for this are obvious – residents already pay property taxes and other taxes that help fund ambulance service.

After reviewing billing and insurance payment records, it is readily apparent that having significantly lower resident rates only benefits residents 6% of the time since 94% of resident ambulance bills were covered by Medicare, Medicaid or private insurance. This means that having significantly lower resident rates predominantly benefits insurance companies, other than the impact on deductibles and co-pays, which are usually negligible. In 2014, only 26 out of 379 resident ambulance bills were paid for solely by resident individuals. In the 123 cases of resident



bills paid for by insurance, this results in not billing several hundred dollars in each case that would normally be paid for by insurance.

As previously mentioned, ambulance fees were last adjusted in 2010. It is important to note the change in CPI-U has increased 10.5% since March 2010. None of this increase has been passed on to ambulance users.

**Staff Recommendation**

There is no exact science in setting ambulance fee rates. Considering all of the factors noted above, staff recommends the following adjustments:

- Increase the non-resident ambulance fee rate for each category by \$100 to roughly account for the 10.5% change in CPI since 2010. Based on the survey data, the non-resident rates would be above average but not excessive when compared with other fire departments. We also believe the new rates will not be considered over “usual and customary” that is considered by insurance companies.
- Reduce the resident discount from the \$200 to \$400 that exists today to a flat \$100. This will still result in a nominal resident discount but more importantly will significantly increase the revenue we receive from insurance companies.
- Maintain the current resident/non-resident mileage rates.
- Allow staff the ability to consider adjusting individual ambulance bills in hardship cases, cases without insurance or high deductibles, and other unique situations, especially for those involving residents. At the present time we almost never adjust an ambulance bill, no matter what the circumstance. We believe that it would be much better financially to address these types issues with residents on a case by case basis instead of providing large discounts to all residents that really only results in a benefit to insurance companies.

The following table shows the current and proposed fee schedule:

	<u>Resident</u>		<u>Non-Resident</u>	
	<u>Current</u>	<u>Proposed</u>	<u>Current</u>	<u>Proposed</u>
BLS	\$550.00	\$ 800.00	\$ 800.00	\$ 900.00
ALS-1	\$650.00	\$1,000.00	\$1,000.00	\$1,100.00
ALS-2	\$800.00	\$1,200.00	\$1,200.00	\$1,300.00
ALS Refusal	\$450.00	\$ 650.00	\$ 650.00	\$ 750.00
Mileage rate	\$10/mile	\$10/mile	\$25/mile	\$25/mile



Based on 2014 data, if the above fee schedule were adopted this would result in additional billing of approximately \$65,000, with the amount collected likely in the \$50,000 to \$55,000 range. The proposed increase in fees would not have any impact on Medicare or Medicaid transports as CMS dictates how much we can bill for these patients.

Finally, as noted previously, under terms of our intergovernmental agreement with Clarendon Hills it is desirable that Clarendon Hills also agrees to whatever fees schedule we propose to implement so that we are billing the same rates.

**Table 2**  
**Village of Hinsdale**  
**Calendar Year 2014 Ambulance Transports**

	<b>BLS</b>	<b>ALS 1</b>	<b>ALS 2</b>	<b>Total</b>
<b>Resident :</b>				
Medicare	55	157	2	214
Medicaid	7	9	0	16
Insurance	47	74	2	123
Bill Patient	11	15	0	26
<b>Total</b>	<b>120</b>	<b>255</b>	<b>4</b>	<b>379</b>
<b>Non-Resident :</b>				
Medicare	28	92	2	122
Medicaid	13	11	0	24
Insurance	53	87	2	142
Bill Patient	18	27	1	46
<b>Total</b>	<b>112</b>	<b>217</b>	<b>5</b>	<b>334</b>
<b>Combined</b>				
Medicare	83	249	4	336
Medicaid	20	20	0	40
Insurance	100	161	4	265
Bill Patient	29	42	1	72
<b>Total</b>	<b>232</b>	<b>472</b>	<b>9</b>	<b>713</b>
<b>% of Total</b>	<b>32.54%</b>	<b>66.20%</b>	<b>1.26%</b>	<b>100.00%</b>



## Village of Hinsdale

## Memorandum

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**To:** Kathleen Gargano, Village Manager  
**From:** Darrell Langlois, Assistant Village Manager/Finance Director  
**Date:** September 29, 2015  
**Subject:** **Vehicle License Fees**

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Title 6, Chapter 1 of the Village Code requires most vehicles, trucks, and motorcycles that are registered to a Hinsdale address to have a Village vehicle license. There are several different fee categories associated with this Chapter. A current listing of the various license classifications and average annual volumes are as follows:

<u>Category</u>	<u>Current Fee</u>	<u>Annual Average #</u>	<u>Amount</u>
Motor Vehicle	\$30	8,153	\$ 243,720.00
Motorcycle	\$15	73	\$ 1,087.50
Truck-Under 8,000 pounds	\$45	186	\$ 8,847.50
Truck-Over 8,000 pounds	\$60	16	\$ 930.00
Senior Citizen*	50% of fee	1,308	\$ 19,736.25
Charitable	\$10	30	\$ 295.00
Partial Resident	\$10	95	\$ 950.00
Total		<u>9,859</u>	<u>\$ 275,566.25</u>

\* Each Senior Citizen is entitled to one vehicle license at 50% of the applicable rate

Rates for the various vehicle license categories were last adjusted in 2006. As nine years have now passed, it is appropriate to review the current rates charged for vehicle licenses.

Attached is survey data for vehicle license using data from many suburban communities. As you can see, there are 21 communities on the survey that do not require a local vehicle license. In nearly every case the communities that do not require a vehicle license are those that are large and have home-rule authority. These communities have significantly more revenue setting authority, such as the ability to impose real estate transfer taxes, home rule sales taxes, hotel taxes, and most importantly are not subject to property tax caps. As vehicles licenses tend to not be very popular, these communities generally choose other areas to raise revenue, most likely property taxes.



The survey data includes 19 communities that do in fact require a local vehicle license. You will note that 11 of the 19 communities have a base vehicle license fee that is more than the \$30 fee charged to Hinsdale residents. The average rate of the 19 communities presented is \$34.25.

Another factor to consider is the change in CPI since rates were last adjusted in 2006. The cumulative change in CPI-U from June 2006 until June 2015 is 14.4%. Applying this increase to the current base vehicle fee rate of \$30.00 would yield \$34.32.

Based on the change in CPI it appears as though at least a \$5 increase in the base vehicle license rate would be warranted. However, when looking at the survey data, it appears that an increase of \$10 to the a new amount of \$40 might be reasonable. At this level, there would still be five communities that equal or exceed \$40, and it is only slightly above six other communities who are at \$35/\$36 per license. It is estimated that a \$10 increase would generate approximately \$90,000 of additional revenue annually. A recommended fee schedule for motor vehicles at \$40 and increases in other categories is as follows:

<u>Category</u>	<u>Current Fee</u>	<u>Proposed Fee</u>
Motor Vehicle	\$30	\$40
Motorcycle	\$15	\$20
Truck-Under 8,000 pounds	\$45	\$55
Truck-Over 8,000 pounds	\$60	\$70
Senior Citizen*	50% of fee	50% of fee
Charitable	\$10	\$15
Partial Resident	\$10	\$15

**Enforcement and Collections**

After May 15, the Police Department actively enforces vehicle sticker compliance in the Central Business District and in public parking lots. Otherwise, the Village utilizes voluntary compliance with regard to vehicle licenses.

**Vehicle License Survey**

<u>Municipality</u>	<u>Passenger Car (Rate)</u>	<u>Trucks (Rate)</u>	<u>Livery (Rate)</u>	<u>RVs (Rate)</u>	<u>Buses (Rate)</u>	<u>Motorcycles (Rate)</u>
Addison	\$ 25.00	B - \$44; D - \$65; F-\$90; H-\$109; All others-\$131 B= \$49, CB= \$5, D= \$79, F=\$97, H= \$118, J= \$138, K= \$138, L= \$164, M= \$0, MC= \$20, ML= \$5, MT= \$135, N= \$172, OP= \$30, P= \$180, PS= \$30, Q= \$187, R= \$194, S= \$202, SC= \$1, T= 210, TR= \$2, V= \$217, X=	\$ 25.00	\$ 31.00		\$ 14.00
Bensenville	\$ 30.00	\$226, Z= \$233		\$ 30.00		\$ 20.00
Carol Stream	\$ 15.00	B Plate = \$20, D Plate = \$34, F Plate = \$56, G-Z Plate = \$79			\$ 10.00	\$ 9.00
Clarendon Hills	\$ 40.00	\$50				\$ 30.00
Elmhurst	\$ 36.00	B Plate = \$36, D Plate = \$90, F Plate = \$126, G-Z Plate = \$180		\$ 48.00		\$ 18.00
Glen Ellyn	\$ 25.00	B plate - \$25; D plate - \$35; F plate - \$55; H plate - \$60; J,K plate - \$70; L, N, P, Q plate - \$75; R, S, T plate - \$80; V, X, Z plate - \$100		\$ 18.00		\$ 12.00
Glendale Heights	\$ 15.00			\$ 18.00		\$ 12.00
Hinsdale	\$ 30.00	\$45 under 8,000 pounds, \$60 over 8,000 pounds	\$ 25.00	\$ 60.00		\$ 15.00
LaGrange	\$ 30.00	\$50 - 110		\$ 40.00	\$ 70.00	\$ 20.00
LaGrange Park	\$ 35.00					
North Riverside	\$ 35.00		\$ 40.00			\$ 15.00
Oak Park	\$ 50.00	B - \$56; D - \$79; F - \$99; H - \$119; J - \$133; K - \$143; L - \$171		\$ 45.00	\$ 36.00	\$ 16.00
River Forest	\$ 45.00	\$50 less than 5,000 pounds, \$70 more than 5,000 pounds		\$ 50.00		\$ 25.00
Riverside	\$ 90.00		\$ 100.00			
Roselle	\$ 35.00	\$35 - 180		\$ 30.00		\$ 22.00
Wayne	\$ 50.00		\$ 100.00	\$ 100.00	\$ 100.00	\$ 25.00
Westchester	\$ 35.00	A - \$55; B - \$60, C - \$70		\$ 35.00		\$ 32.00
Western Springs	\$ 35.00		\$ 50.00	\$ 40.00		\$ 35.00
Winfield	\$ 14.00	\$30-\$139				\$ 15.00
Wood Dale	\$ 15.00					\$ 86.00

**The Following do NOT charge for Vehicle Stickers**

- Aurora
- Bartlett
- Bloomington
- Bolingbrook
- Burr Ridge
- Downers Grove
- Hanover Park
- Itasca
- Lisle
- Lombard
- Naperville
- Oak Brook
- Oakbrook Terrace
- Schaumburg
- Villa Park
- Warrenville
- West Chicago
- Westmont
- Wheaton
- Willowbrook
- Woodridge



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**To:** President Cauley and Village Board of Trustees  
**From:** Emily Wagner, Administration Manager  
**CC:** Kathleen Gargano, Village Manager  
**Date:** October 19, 2015  
**Subject:** Business License & Registration (Section 3 of Village Code)

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Attached please find the results of a business license and registration community survey. Communities were selected that staff believes have a similar business community and demographic profile. The goal from this review is to implement any improvements in advance of sending out business license packets effective January 1, 2016, through December 31, 2016.

For the purposes of this memo, licensing refers to the process when the Village collects a fee and information from businesses that are not registered by the state of Illinois (e.g. retailers, restaurants). Registration refers to the process when the Village collects a fee and information for businesses that are registered by the state of Illinois (e.g. dentists, doctors, veterinarians).

The overall purpose of licensing and registering businesses in the Village is to use this as an enforcement tool if a business is not compliant with Village rules/regulations.

There are several items which we are asking the Village Board to consider:

**1. Licensing & registration of home-based businesses**

*Recommendation: Do not license nor register home-based businesses*

Presently, our Village code is silent on whether we license or register home-based businesses with the exception of home-based daycare operators, which our code says we do not license, only register. However, in the absence of clear language, the past practice has been to license or register home-based businesses. Going forward, this language needs to be clarified in order to properly explain that we do not license nor register home-based businesses.

The attached survey demonstrates that only Clarendon Hills licenses home-based businesses. Western Springs requires registration only. The remaining communities do not license nor register home-based businesses. Since these home-based uses are secondary to the primary use of the structure, most communities do not find it necessary to regulate these businesses. Plus, it is difficult to enforce this license/registration and identify a home-based business.

**2. Licensing of religious institutions**

*Recommendation: Licensing religious institutions and churches free of charge*



Presently, our Village Code is silent on whether we license or register religious institutions. However, past Village practice includes licensing of religious institutions. The other communities we surveyed did not require religious institutions to license or register for a business license. For record-keeping purposes, we would recommend licensing religious institutions free of charge.

### **3. Types of business license classifications/fees**

*Recommendation: Increase licensing/registration fee from \$75 to \$100; implement a late fee of \$25*

According to the survey, some communities charge a different fee for different types of businesses, whereas others utilize a flat fee. The Village of Hinsdale currently utilizes a flat fee of \$75 for each business. With regard to ease of administration for the Village and the applicant, it is recommended that we continue with one flat fee. The last time the Village updated the fee section of our Code was in 2005. Since over 10 years have elapsed, it is appropriate to examine this fee and determine an increase. One recommendation is to increase the fee to \$100 to align with the change in CPI since 2005.

An issue that the Village had this year with our business registration program is a lack of compliance. Staff estimates that there are about 100 businesses for which we have contacted initially at the start of the calendar year, but have not complied with our code. There are likely other businesses that are operating for which we do not have a license.

One recommendation to seek greater compliance is to charge a late fee to incentivize people to pay on time. This late fee, recommended at \$25, would cover the work required by staff to follow up with businesses. With regard to timeline, the Village sends out business license registration information at the end of the calendar year. A recommendation would be to impose a late fee on businesses that are not registered by the last business day of the month of February in the following calendar year. That provides the business owner with several months to comply. Notifications will be sent to those business owners prior to adding the late fee.

The current code also includes a penalty for not paying a business license that ranges between \$50-\$750 per day for those who do not comply with this ordinance. Typically, this section of the ordinance has not been enforced. Should the Village decide to implement penalty enforcement, the topic of staff time and responsibility should be determined.

### **4. Application Revisions**

Currently, the Village's application fee does not ask the applicant to specify whether it is a home-based business. Our goal is to revise this application for CY 2016 in order to streamline operations and ease of use for the applicant.

**Business License Community Survey**

Last updated 6/12/2015  
9/20/2015

Community	License Required of Home Occupations?	Fee	Registration Required?	Business License Classes	Specific Classes	Fee	Home Rule vs Non Home Rule
<b>Hinsdale</b>	Yes/No (footnote explains which businesses don't require a license)	n/a	Yes	Provides list of those who are exempt from licenses	Includes all businesses except those listed in footnote	\$75 for all businesses	N HR
<b>Burr Ridge</b>	No	n/a	No	Just requires a CO	n/a	CO is \$50	N HR
<b>Clarendon Hills</b>	Yes	\$26.40/year	Yes	Basic business + specialty classes			N HR
					Basic business (under 1k sq ft)	\$53.80	
					Basic business (1k-5k sq ft)	\$75.10	
					Basic business (over 5k sq ft)	\$118.80	
					Hotels/motels	\$123.80 plus \$22.30 per room per year	
					Building contractors	\$53.80	
					Landscaping/snow removal	\$53.80	
<b>Glencoe</b>	No	n/a	No	Basic business + specialty classes			N HR
					Advertising	\$30	
					Bakery	\$45	
					Barber/Beauty Salon	\$30	
					Drain Layer	\$30	
					Dry Cleaners	\$60	
					Dry Cleaning Outlet	\$25	
					Electrical Contractor	\$30	
					Florist	\$40	
					<b>General Business/ Retail</b>	\$30	
					Grocery Store	\$60	
					Ice Cream Shop	\$45	
					Milk Dealer	\$40	
					Restaurant (sit down)	\$90	
					Restaurant (carry out)	\$80	
					Scavenger	\$250	
					Service Station	\$125	
					Tobacco	\$25	
<b>Highland Park</b>	No	n/a	No	Basic business + specialty classes	Includes all except home based businesses	\$35 for annual business license - \$150 for letter of intent to occupy	HR
					Restaurant License	\$100-\$200	
					Food Service License	\$100	
					Tobacco License	\$500	

Community	License Required of Home Occupations?	Fee	Registration Required?	Business License Classes	Specific Classes	Fee	Home Rule vs Non Home Rule
Oak Brook	No	n/a	No	Business licenses are not required or issued by the Village	n/a	n/a	N HR
Western Springs	Permit required	no	Yes - Form to be completed	All businesses in same category	One specialty license	\$75 for all businesses	N HR
					Tobacco	\$125	
Wilmette	No	n/a	No	Business licenses based on square footage + specialty classes	Specialty licenses are an additional fee	Fees are based on square footage: \$80-\$235	HR
					Food Handler 1	\$435	
					Food Handler 2	\$305	
					Food Handler 3	\$175	
					24-hour License	\$50	
					Gasoline Station	\$50	
					Tobacco License	\$50	
Winnetka	No - a certificate of occupancy handled through Zoning Administrator	n/a	Just the CO	The Village does not require a business license filing	Specialty licenses are an additional fee		HR
					Food dealer	\$25	
					Restaurant	\$35-\$75	
					Service Station	\$50	
					Secondhand Dealer	\$25	
					Going out of business sale	\$5	

**DATE:** October 12, 2015

**TO:** President Cauley and Board of Trustees

**FROM:** Robert McGinnis, MCP, Director of Community Development/Building Commissioner

**RE:** **Permit and Related Building Fees and General Contractor Licensing**

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### **Permit and Related Building Fees**

In May of this year the Board of Trustees amended section 9-1-4 (Permit fees) of the Municipal Code. A copy of the Ordinance is attached. Prior to adjusting fees earlier this year, the last time a review of fees was undertaken was before the recession in 2007.

The building related fee changes included the creation of a tree plan review fee, an increase in the demolition and building permit fee, and a 2% increase in a certain number of other fees related to the issuance of a permit. The 2% increase was established as that is the cost that personnel expense is expected to grow due to the across the board increase applied to the Village's pay plan that is passed along to the employees processing the permit applications and the accompanying inspections etc.

In an effort to evaluate the fees of Hinsdale against other communities, staff applied the permit fee structure of the each of the twelve surrounding and "like" communities; to a typical new single family Hinsdale home and those results are presented. As evidenced in the attached spreadsheet, there is little consistency as to how permit fees are assessed.

Rather than applying a metric of another community, it seems most appropriate to tie the permit related fees to the cost of providing the service. In an effort to recover the personnel costs associated with processing permits and providing the inspection and oversight, staff is recommending that moving forward that the permit fees be adjusted in line with the annual salary increases provided to employees as was the case in 2015. The amount of the increase would be presented to the Village Board for approval as part of the Budget development process. A similar approach is already in place as the Village currently charges a flat 2% cost of construction; as construction costs go up, so does the permit fee. Utilizing this approach allows for the permit costs to increase incrementally and keep pace with the labor costs, rather than having large increases later to serve to catch up.

If the Trustees concur with this recommendation, staff will bring a draft ordinance back for consideration next month.

### **General Contractor Licensing**

Recently, there was an incident where a general contractor openly subverted the bulk zoning regulations related to floor area ratio (FAR). In response, the Village banned this particular contractor from working in the Village for a period of two years. As a result of the actions of this

contractor, the Board asked that staff review if there was a way to regulate the contractors that work in the Village. Licensing General Contractors would provide the Village a database of information that would include personal information, disposition with the secretary of state, certificates of insurance, and surety bonds. Most importantly, it provides the Village with an enforcement tool should the Village encounter another contractor that is either frequently in violation of the building and zoning regulations of the Village or deliberately subversive.

The attached spreadsheet of the twelve surrounding and “like” communities used to evaluate permit and building fees, shows that there are other communities that are presently licensing or registering general contractors and the fee each charges annually. As seen, 5 of 13, or just over a third of the communities in our control group currently license or register general contractors with an average annual fee of approximately \$80.00 per year.

Given the amount of staff time involved in implementing a licensing program, it would be advisable to consider an annual fee higher than the average charged by other communities in order to offset the potential for increased personnel costs involved in administering such a program. Assuming the program is limited to general contractors only (not subcontractors), staff estimates that between 150 and 200 licenses would be issued per year. This volume may require additional staff to process applications, issue the licenses and to monitor compliance in the field to help ensure that those requiring a license have one prior to beginning work.

Staff is recommending that the license fee be established at \$250. The license period would be from January 1 through December 31 of each year.

Should a general contractor fail to obtain a license they would be cited with an ordinance violation requiring a court appearance. A contractor found to knowingly and purposefully disregarding the Village’s zoning and building codes would risk having its license revoked.. Should the Board concur with staff’s recommendations; staff will work with the Village attorney to draft an ordinance for the full board’s consideration.

Cc: Kathleen A. Gargano, Village Manager

**New Single Family Home Example**

4,166 Square Feet      400 Amp Service w/ 84 Circuit 2 Furnaces & 2 A/C's  
 37,494 Cubic Feet      1.5" Water Tap w/ 1.5" Meter 28 Fixures & 74 Fixture Units  
 750,000 Construction Value Excluding Lanes

Permit Fees	Burr Ridge	Clarendon Hills	Elmhurst Home Rule	Glencoe	Highland Park Home Rule	Hinsdale	Lake Forest	Long Grove	Oakbrook	Western Springs	Willowbrook	Wilmette Home Rule	Winnetka Home Rule	Average
Admin Fee	0.00	110.00	0.00	0.00	0.00	80.00	0.00	200.00	90.00	100.00	0.00	0.00	0.00	
Third Party	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Plan Review	1,000.00	1,700.00	200.00	0.00	1,000.00	885.00	620.00	924.00	576.00	1,200.00	1,000.00	311.00	1,285.00	
Engineering	350.00	300.00	0.00	0.00	0.00	800.00	625.00	640.00	128.00	300.00	900.00	700.00	0.00	
Tree Plan	335.00	0.00	0.00	0.00	0.00	150.00	0.00	0.00	0.00	0.00	0.00	0.00	180.00	
Storm Water	540.00	500.00	0.00	0.00	525.00	600.00	0.00	1,600.00	1,750.00	0.00	0.00	0.00	0.00	
Demolition	150.00	2,400.00	1,782.00	2,256.00	10,750.00	7,150.00	12,250.00	675.00	1,169.00	1,000.00	1,250.00	2,256.00	16,070.00	4,550.62
Inspection Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,472.00	0.00	100.00	1,248.00	0.00	
Building	5,970.00	3,582.00	7,565.00	25,827.28	5,600.00	4,166.00	5,250.00	9,859.00	1,155.00	8,250.00	6,100.00	11,088.00	8,564.00	7,921.25
Elec Service	0.00	70.00	0.00	0.00	75.00	102.00	75.00	0.00	100.00	0.00	300.00	90.00	9,800.00	
Electric	0.00	1,425.00	0.00	0.00	117.00	1,387.00	375.00	0.00	80.00	0.00	1,000.00	476.00	483.00	
Plumbing	0.00	661.00	0.00	0.00	215.00	957.00	214.00	0.00	280.00	0.00	350.00	269.00	300.00	
HVAC	0.00	194.00	0.00	0.00	0.00	263.00	156.00	0.00	600.00	0.00	150.00	123.00	290.00	
ROW Opening	0.00	162.00	741.00	3,300.00	0.00	250.00	50.00	0.00	0.00	0.00	0.00	422.00	1,000.00	455.77
Water Tap	1,000.00	630.00	630.00	469.00	2,025.00	800.00	1,050.00	0.00	2,760.00	1,000.00	600.00	921.00	852.00	
Sewer Tap	1,500.00	0.00	503.00	0.00	525.00	0.00	50.00	0.00	0.00	1,000.00	0.00	0.00	150.00	
Water Meter	837.00	310.00	248.00	248.00	524.00	1,185.00	910.00	0.00	431.00	1,100.00	900.00	800.00	890.00	
Drive/Paving	0.00	211.00	88.00	0.00	75.00	40.80	50.00	0.00	0.00	0.00	75.00	0.00	75.00	
Accessory	0.00	0.00	124.00	0.00	0.00	102.00	0.00	0.00	64.00	0.00	0.00	0.00	0.00	
Grading	0.00	0.00	0.00	0.00	750.00	102.00	0.00	0.00	0.00	0.00	0.00	0.00	235.00	0.00
Misc. Fee	50.00	18.00	65.00	0.00	0.00	50.00	0.00	0.00	50.00	25.00	0.00	45.00	0.00	
Unmetered Wtr	0.00	0.00	0.00	0.00	0.00	300.00	0.00	0.00	300.00	0.00	200.00	0.00	125.00	
<b>TOTAL</b>	<b>11,732.00</b>	<b>12,273.00</b>	<b>11,946.00</b>	<b>32,120.28</b>	<b>22,181.00</b>	<b>19,369.80</b>	<b>21,675.00</b>	<b>13,898.00</b>	<b>11,005.00</b>	<b>13,975.00</b>	<b>12,925.00</b>	<b>18,984.00</b>	<b>40,064.00</b>	<b>18,626.78</b>

**New Single Family Home Example**

4,166 Square Feet                      400 Amp Service w/ 84 Circuit 2 Furnaces & 2 A/C's  
 37,494 Cubic Feet                      1.5" Water Tap w/ 1.5" Meter 28 Fixtures & 74 Fixture Units  
 750,000 Construction Value Excluding Lanes

Permit Fees	Burr Ridge	Clarendon Hills	Elmhurst Home Rule	Glencoe	Highland Park Home Rule	Hinsdale	Lake Forest	Long Grove	Oakbrook	Western Springs	Willowbrook	Wilmette Home Rule	Winnetka Home Rule	Average
Admin Fee	0.00	110.00	0.00	0.00	0.00	80.00	0.00	200.00	90.00	100.00	0.00	0.00	0.00	
Third Party	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Plan Review	1,000.00	1,700.00	200.00	0.00	1,000.00	885.00	620.00	924.00	576.00	1,200.00	1,000.00	311.00	1,285.00	
Engineering	350.00	300.00	0.00	0.00	0.00	800.00	625.00	640.00	128.00	300.00	900.00	700.00	0.00	
Tree Plan	335.00	0.00	0.00	0.00	0.00	150.00	0.00	0.00	0.00	0.00	0.00	0.00	180.00	
Storm Water	540.00	500.00	0.00	0.00	525.00	600.00	0.00	1,600.00	1,750.00	0.00	0.00	0.00	0.00	
Demolition	150.00	2,400.00	1,782.00	2,256.00	10,750.00	7,150.00	12,250.00	675.00	1,169.00	1,000.00	1,250.00	2,256.00	16,070.00	4,550.62
Inspection Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,472.00	0.00	100.00	1,248.00	0.00	
Building	5,970.00	3,582.00	7,565.00	25,827.28	5,600.00	4,166.00	5,250.00	9,859.00	1,155.00	8,250.00	6,100.00	11,088.00	8,564.00	7,921.25
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Electric	0.00	1,425.00	0.00	0.00	117.00	1,387.00	375.00	0.00	80.00	0.00	1,000.00	476.00	483.00	
Plumbing	0.00	661.00	0.00	0.00	215.00	957.00	214.00	0.00	280.00	0.00	350.00	269.00	300.00	
HVAC	0.00	194.00	0.00	0.00	0.00	263.00	156.00	0.00	600.00	0.00	150.00	123.00	290.00	
ROW Opening	0.00	162.00	741.00	3,300.00	0.00	250.00	50.00	0.00	0.00	0.00	0.00	422.00	1,000.00	455.77
Water Tap	1,000.00	630.00	630.00	489.00	2,025.00	800.00	1,050.00	0.00	2,760.00	1,000.00	600.00	921.00	852.00	
Sewer Tap	1,500.00	0.00	503.00	0.00	525.00	0.00	50.00	0.00	0.00	1,000.00	0.00	0.00	150.00	
Water Meter	837.00	310.00	248.00	248.00	524.00	1,185.00	910.00	0.00	431.00	1,100.00	900.00	800.00	890.00	
Drive/Paving	0.00	211.00	88.00	0.00	75.00	40.80	50.00	0.00	0.00	0.00	75.00	0.00	75.00	
Accessory	0.00	0.00	124.00	0.00	0.00	102.00	0.00	0.00	64.00	0.00	0.00	0.00	0.00	
Grading	0.00	0.00	0.00	0.00	750.00	102.00	0.00	0.00	0.00	0.00	0.00	235.00	0.00	
Misc. Fee	50.00	18.00	65.00	0.00	0.00	50.00	0.00	0.00	50.00	25.00	0.00	45.00	0.00	
Unmetered Wtr	0.00	0.00	0.00	0.00	0.00	300.00	0.00	0.00	300.00	0.00	200.00	0.00	125.00	
<b>TOTAL</b>	11,732.00	12,273.00	11,946.00	32,120.28	22,181.00	19,369.80	21,675.00	13,898.00	11,005.00	13,975.00	12,925.00	18,984.00	40,064.00	18,626.78
<b>GC License/fee</b>	none	53.80	100.00	none	100.00	none	none	none	none	75.00	none	75.00	none	80.76



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**To:** Kathleen A. Gargano, Village Manager  
**From:** Rick Ronovsky, Fire Chief  
**Date:** October 15, 2015  
**Subject:** Review of Fire Department Related Service Fees

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As a follow up to reviewing our ambulance fees, there are several additional fees associated with the Fire Department service delivery that should be reviewed.

**Vehicle Fire/Extrication/Helicopter Standby**

With the last review and fee adjustment in 2010, the Village implemented fees for a Fire Department response for vehicle fires and vehicle extrications. In addition, there was already an existing fee in place for a response to helicopter transports and landings.

The vehicle fire/vehicle extrication fee was established for **non-residents** only. The fee for helicopter transports and landings was primarily in place for when medical helicopters landed at either Hinsdale or RML Specialty (formerly Suburban) Hospitals. When helicopters were necessary for the hospitals, they landed on hospital property at a landing site that was not approved by the Federal Aviation Administration (FAA). The FAA required fire suppression and EMS standby at unapproved sites. The helicopter fee was sent to the hospital needing the medical helicopter and covered the response of the fire suppression crew and EMS crew (engine and ambulance).

For the year 2014, there was one (1) invoice issued for a vehicle extrication. For 2015, thus far there has been one (1) vehicle extrication and three (3) vehicle fire invoices issued. Since the helistop was constructed at Adventist Hinsdale Hospital, there has not been a helicopter landing in our Village that required a Fire Department response because the helistop is FAA approved.

While we have not needed to provide a helicopter standby in recent years, I still feel that this fee should remain. Even though the likelihood of a helicopter landing is remote, the possibility does exist because both hospitals continue to be very active.

I would like to propose that all three of the aforementioned service fees have the same rate. I would also recommend a nominal increase of \$50 to the existing \$400 rate to accommodate an increase in both personnel and vehicle operational costs.

Below is a comparison of our current and proposed fees.



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Service	Current Fee	Proposed Fee
Vehicle Fire	\$90 hr – engine \$30 hr per FF	\$450
Vehicle Extrication	\$400	\$450
Helicopter Standby	\$400	\$450

I would also recommend that we continue to consider residents of Hinsdale and Clarendon Hills as “residents”; therefore, this increase does not affect any resident of our Villages.

By using response figures from 2014 and 2015, we would have invoiced a total of \$2,250 for the five calls versus the \$1,430 we actually did, resulting in an increase of \$820.

**Fire Prevention Fees**

The last part of our fee review concerns Fire Prevention Fees. Contained in Title 9 of the Village Municipal Code are the Fire Prevention and Inspection Fees. Contained in Chapter 1 of Title 9 are several fire prevention related permit fees that are part of the plan review and administrative process. These fees are related to the plan reviews, installation, and inspection of fire suppression and fire alarm systems when buildings are being remodeled or constructed. While our Fire Prevention Bureau does the particular plan review or inspection during the construction, the fee is charged in the permit process.

Adjustment to these fees have already been included in the Building Fees discussion through the Community Development Department.

In Chapter 9 of Title 9 are fees related to conducting both annual fire inspections in the required occupancies in our Village. These fees were also adjusted in 2010, and are also included in the shared services agreement with Clarendon Hills.

After reviewing this fee structure with staff we feel that a nominal increase to the initial annual fire inspection fees would be appropriate considering our cost of personnel to conduct these inspections has increased. We did not feel an increase in the re-inspection fees is necessary as the purpose of a reinspection is to review violations that were found on the initial inspection and requires much less time to complete.



Current rates are as follows:

Occupancy		Up to 5000 sq ft	5001-10000 sq ft	Over 10000 sq ft
Business		\$100	\$150	\$200
Assembly		\$100	\$100	\$100
Institutional		\$100	\$200	\$350
Educational		\$100	\$200	\$200
Residential R1,R2,R3		\$100	\$200	\$350
2 <sup>nd</sup> Reinspection		\$75	\$75	\$75
3 <sup>rd</sup> Reinspection		\$100	\$100	\$100

The proposed Fire Inspection fees are as follows – the difference is shown in green:

Occupancy		Up to 5000 sq ft	5001-10000 sq ft	Over 10000 sq ft
Business		\$105 (+5)	\$155 (+5)	\$210 (+10)
Assembly		\$105 (+5)	\$105 (+5)	\$105 (+5)
Institutional		\$105 (+5)	\$210 (+10)	\$365 (+15)
Educational		\$105 (+5)	\$210 (+10)	\$210 (+10)
Residential R1,R2,R3		\$105 (+5)	\$210 (+10)	\$365 (+15)
2 <sup>nd</sup> Reinspection		\$75 (\$0)	\$75 (\$0)	\$75 (\$0)
3 <sup>rd</sup> Reinspection		\$100 (\$0)	\$100 (\$0)	\$100 (\$0)

The proposed fees calculate to a 5% increase but to avoid fractional amounts, the increase is at \$100 increments.

Annually, these Fire Prevention fees currently generate an estimated \$35,000. With this recommended increase, this would add an estimated \$1,750.