

City of
SANIBEL

2024 Building Department Revenue
Sufficiency and Fee Review

Draft Report / November 25, 2024

November 25, 2024

Mr. Craig Molé
Building Official
City of Sanibel
800 Dunlop Road
Sanibel, FL 33957

Subject: 2024 Building Department Revenue Sufficiency and Fee Review

Dear Mr. Molé:

Raftelis Financial Consultants, Inc. (Raftelis) has completed our evaluation of the current Building Department Fees and have prepared this report in support of our evaluation for consideration by the City (report). This report presents the analysis, findings, conclusions, and recommendations of the study together with discussions, tables, and figures supporting and documenting the study process. Professional care was used in identifying and utilizing data, assumptions, and estimates such that the fee structure represents the estimated cost to the City of Sanibel for enforcing the Florida Building Code.

Thank you for the opportunity to assist the City of Sanibel with the review of its Building Department fees, and the time you and your staff made available to assemble data and discuss the study elements.

Very truly yours,
Raftelis Financial Consultants, Inc.

Robert Ori
Executive Vice President

Mark Tuma
Manager

TABLE OF CONTENTS

Background.....	1
Historical Fees and Permit Activity.....	2
Revenue Requirements.....	6
Revenue Sufficiency Evaluation	10
Proposed Building Fee Structure Modification.....	11
Recommended Building Permit Fees	14

List of Figures

Figure 1: Summary of Permit Building Services Fees	2
Figure 2: Summary of Historical Permit Activity FY 2022 – FY 2024	4
Figure 3: Historical Revenues, Expenditures, and Fund Balance Accumulation	5
Figure 4: Historical Building Department Operating Costs	6
Figure 5 – Revenue and Expenditures Illustration	7
Figure 6: Operating Expense.....	8
Figure 7: Capital Reserve Account –	9
Figure 8: Reserve Funds Beginning FY 2025.....	9
Figure 9: Operating Forecast – Based on Current Building Service Fees.....	10
Figure 10: Ending Operating Reserve Balance Forecast.....	10
Figure 11: Comparison of Target Reserve and Operating Reserve Balance –.....	11

List of Report Tables

Table 1: Development of Test Year Other Operating Revenues from Building Department Operations
Table 2: Summary of Historical and Projected Test Year Operating Expenses
Table 3: Fixed Asset Renewal and Replacement
Table 4: Projected Test Year Fund Balance and Investment Income Determination
Table 5: Determination of Target Revenue Requirements to be Recovered from Building Permit Fees
Table 6: Revenue Requirements, Permit Fee Level, and Fund Balance Forecast
Table 7: Building Permit Fee Benchmarking Comparison

Background

The City of Sanibel (City) has established building permitting and inspection fees to recover the costs of enforcing the Florida Building Code (Building Code) pursuant to Florida Statutes by the City's Building Department (Department). The Department's existing permitting, inspection, and review fees (building services fees) were implemented in 2018 by Ordinance No. 18-003 adopted by the City Council on April 3, 2018 (Rate Ordinance) and have been in effect for over six (6) years. Since the adoption of the building services fees, the cost to provide service has risen due primarily to the effects of inflation on the cost of services and goods associated with the providing the respective services (including the double-digit inflation rates occurring during the pandemic period). Recognizing the time since the last rate review and the need evaluate compliance with the Building Code, the City engaged Raftelis Financial Consultants, Inc. (Raftelis) to review the existing building services fees and recommend new fee levels based on the cost of providing service, recent development trends, and the City's overall policy objectives while remaining within Florida Statute requirements.

Fees for providing services established by a local government should be predicated on a cost-of-service basis. The City has established a Special Revenue Fund within the General Fund to provide services related to enforcing the Florida Building Code. By accounting for the Department's financial operations as a Special Revenue Fund, this allows the City with the ability to demonstrate that all revenue derived from providing Department services are used only for the specified purpose of enforcing the Building Code. Building services fees must satisfy the provisions of Section 553.80, Florida Statutes (F.S.), which reads in part "Such fees shall be used solely for carrying out the local government's responsibilities in enforcing the Florida Building Code." Also identified in Section 553.80 F.S. the phrase "enforcing the Florida Building Code" entails the following:

1. *As used in this subsection, the phrase "enforcing the Florida Building Code" includes the direct costs and reasonable indirect costs associated with review of building plans, building inspections, reinspection, and building permit processing; building code enforcement; and fire inspections associated with new construction. The phrase may also include training costs associated with the enforcement of the Florida Building Code and enforcement action pertaining to unlicensed contractor activity to the extent not funded by other user fees.*
2. *A local government must use any excess funds that it is prohibited from carrying forward to rebate and reduce fees.*
3. *The following activities may not be funded with fees adopted for enforcing the Florida Building Code:*
 - a. *Planning and zoning or other general government activities.*
 - b. *Inspections of public buildings for a reduced fee or no fee.*
 - c. *Public information requests, community functions, boards, and any program not directly related to enforcement of the Florida Building Code.*
 - d. *Enforcement and implementation of any other local ordinance, excluding validly adopted local amendments to the Florida Building Code and excluding any local ordinance directly related to enforcing the Florida Building Code as defined in subparagraph 1.*

4. *A local government shall use recognized management, accounting, and oversight practices to ensure that fees, fines, and investment earnings generated under this subsection are maintained and allocated or used solely for the purposes described in subparagraph 1.*

As such, the building services fees should be designed to only recover the Department's cost of service including any capital expenditures, such as buildings needed to house staff and equipment associated with site visits, as necessary. The building fees should not subsidize other municipal functions where the costs provided by such functions are not for the benefit of the Department.

Pursuant to our agreement with the City, we have reviewed and are recommending a new fee schedule for the City's building services fees.

Current Building Services Fees and Permit Activity

The following is a summary of the key building services fees, including plan review and permit fees for new or re-development within the City, along with Department fees charged for other related services associated with enforcing the Florida Building Code:

Figure 1: Summary of Permit Building Services Fees (Effective Since 2018)

Summary of Building Services Fees (Effective Since 2018) [1]		
Permit Type	Fee Description	Existing
New Construction	Minimum Fee	\$80.00
Single Family Residence, Duplex, and Remodel / Additions	Building Permit Fee	1% of the project valuation
	Per square foot of Gross Square Footage of the Structure (Cost Valuation)	\$2.75 (Habitable) & \$1.38 (Non-Habitable)
	Plan Review	10% (minimum of \$80)
New Construction Commercial and Remodel / Additions	Minimum Fee	\$80.00
	Building Permit Fee	1% of the project valuation
	Per square foot of Gross Square Footage of the Structure	\$0.00
	Plan Review	25% (minimum of \$80)
Electrical, Plumbing,	Permit Minimum	\$37.50
	Electrical Permit	1% of the project valuation

Summary of Building Services Fees (Effective Since 2018) [1]		
Permit Type	Fee Description	Existing
Mechanical, Gas	Mechanical Permit	\$53.25 for the first \$1,000 and \$13 for each additional \$1,000
	Plumbing Permit	\$5.35 for each fixture and house bib, \$13 for hook up to septic or sewer system, and \$2.20 for each water heater
	Gas Permit	1% of the value of the project
Detailed Building and “Specialty” Permit Fees Detailed Building and “Specialty” Permit Fees cont.	Boat Dock / Boat Dock	\$80.00
	Concrete Slab	\$80.00
	Demolition	\$53.25
	Fire Alarm System	\$80.00
	Fire Extinguishing System	\$80.00
	Kitchen Hood and Exhaust System for Commercial Application	1% of job cost
	Mobile Home	\$80.00
	Moving a Structure	\$107.00
	Screen Enclosure	\$80.00
	Sewer Connection Fee	\$50.50
	Shutters	\$80.00
	Solar Pool / Water Heater	\$80.00
	Swimming Pool, Spa, or Deck	\$80.00
Lawn Irrigation System	\$53.25	
Temporary Tent Installation	\$50.00	
Roofing Permit	Roofing Permit	1% of the value of the project (Minimum of \$80)
Other Permit Fees	Revision Fee	\$80.00
	Appeals	\$480.00
	Extension of Permits	10% of fee (Minimum of 53.25)
	Copies of Forms of Notice of Commencement	\$5.00
	Outside Technical Review	110% of Actual Expense to the City
	Notice of Commencement	\$5.00
	Temporary Certificate of Occupancy	\$500.00
[1] Amounts shown above have not reduced for the any hurricane relief discounts.		

The City tracks the number of permits and the value of new construction each year and has seen a fluctuation in the number of permits submitted to the Department over the past 3 years. The value of the average construction permit has increased from Fiscal Year 2022 through Fiscal Year 2024 at an average rate of 13% per year (which is generally consistent with the inflationary impacts being experienced by the City, the state and nationwide during this period). The table below provides a summary of the permit activity and estimated construction value over the past three fiscal years:

Figure 2: Summary of Historical Permit Activity FY 2022 – FY 2024

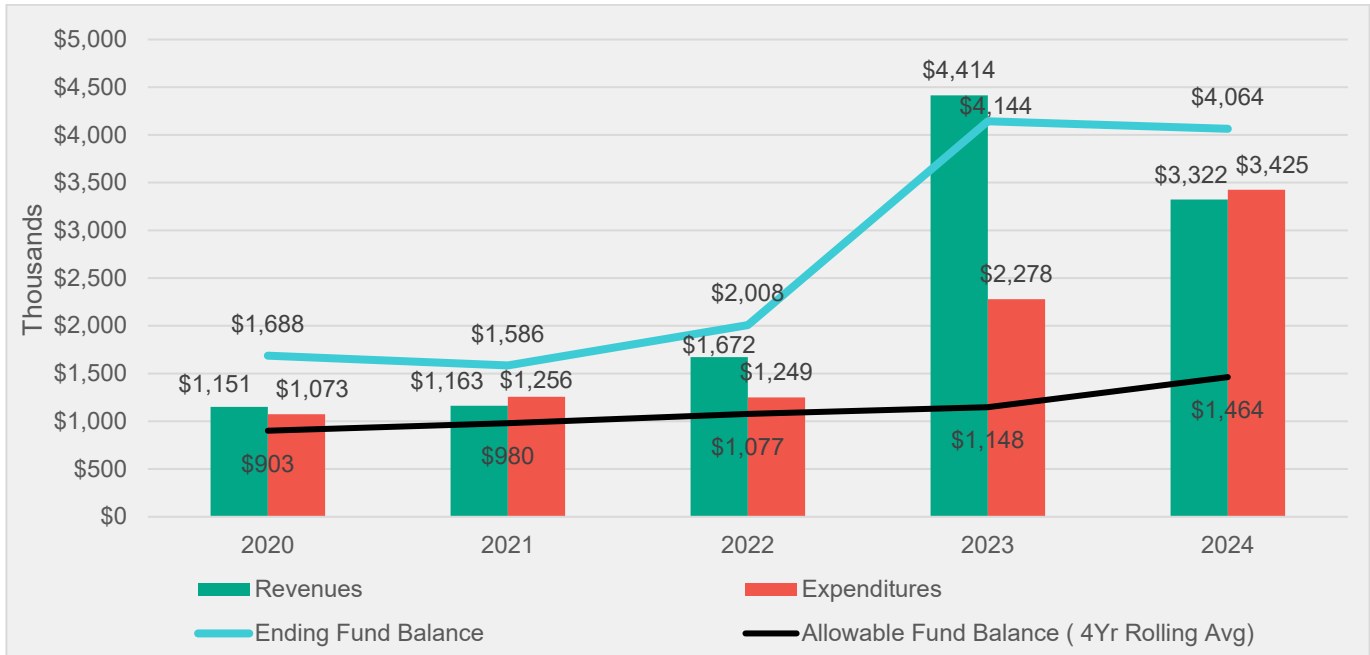
Fiscal Year	Permits Issued	Value of Construction (\$000s)	Average Construction Value of Permit
2022	2,632	\$1,650,351	\$627
2023	6,211	\$4,279,150	\$689
2024 [1]	3,800	\$3,029,897	\$797

[1] Amounts shown are estimated based on Year-to-date activity through September 30, 2024, from the City.

Figure 3 provides a summary for the last five (5) fiscal years the amount of revenues earned (reported) and expenditures incurred for the Building Department. Additionally, a presentation of the ending fund balance for the fund in relation to the estimated reserve requirement as delineated in the Florida Statutes is also provided for informational purposes on Figure 3.

(remainder of page left intentionally blank)

Figure 3: Historical Revenues, Expenditures, and Fund Balance Accumulation



As illustrated on the figure above, the fund balance accumulation has generally continued to increase throughout recent years due to the realized revenues being higher than expenditures being incurred by the Department. In Fiscal Year 2024, it is anticipated by the City that there may be slight decrease in fund balance due to rising operating expenditures (note that the Fiscal Year 2024 operating results are estimated and were based on 12 months of actual information made available to Raftelis during the time the analytical analyses were being performed). This reduced the fund balance by approximately \$80,000 dollars. The ending fund balance in Fiscal Year 2024 was estimated during the preparation of our analysis to be \$4.06 million which is approximately \$2.6 million over the current estimated allowable fund balance.

Pursuant to F.S. 553.80 “a local government may not carry forward an amount exceeding the average of its operating budget for enforcing the Florida Building Code for the previous 4 fiscal years.” The operating costs assigned to the Department include direct labor and expenses as well as expenses allocated from support departments such as IT, human resources, and finance. In the development of the target fund balance, we have recognized the actual reported operating expenses, exclusive of any capital expenditures funded from a dedicated capital account, as the operating costs that were incurred for the building services provided by the Department. Although the statute references the operating budget, this amount could be overstated for conservative budget practices and could potentially affect the target balance calculation. Additionally, any funds deposited into a restricted capital improvement or renewal and replacement fund are considered as being in addition to the operating reserve. The funds in a capital account must have a reasonable expectation of utilization (being spent) and must be based on the estimated cost of construction / asset purchase based on historical trends, recent bids for similar construction, and other reliable sources and due to the specific purpose requirements, such

funds are considered being in addition to the operating reserve balance. We are of the opinion that this is a more defensible basis for the City in its determination of the target fund balance to be reflected in the Department evaluation of revenues and rates. The previous four fiscal years of reported costs as contained in the City's financial records and the calculated average operating cost based on the last four years of costs are provided on the table below:

Figure 4: Historical Building Department Operating Costs

Historical Operating Cost Summary	
Fiscal Year	Operating Costs
2020	\$1,073,730
2021	\$1,255,730
2022	\$1,249,333
2023	\$2,278,000
4-year Average	\$1,464,135

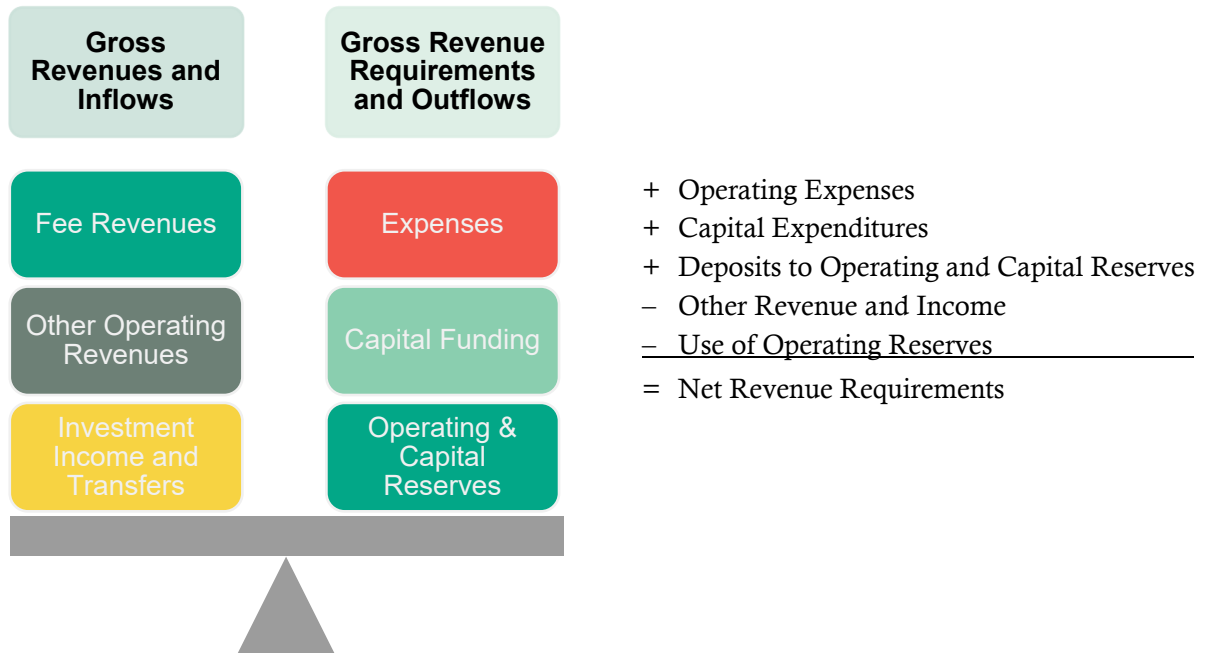
As can be seen above the operating costs have been generally increasing since Fiscal Year 2020. The Fiscal Year 2024 operating expenditures are \$3,452,211 which increases the four-year operating average to \$2,052,068 for Fiscal Year 2025. As can be seen, there is an inherent lag in the recognition of the target reserve balance since the calculation does not reflect the current cost of service, which may be a long-term issue in the future. With additional regulations and requirements passed by the Florida Legislature in recent years, it is anticipated that the cost to operating the Department will continue to increase in future years. Increases to the operating costs over time will subsequently increase the four-year average allowed for a reserve fund.

Revenue Requirements

The revenue requirements represent the total expenditures and funding needs including operating expenses, capital expenditures, and the ability to maintain operating, capital, and other reserves as may be necessary based on the strategic plans of the City and the provisions of the Florida Statutes.

The sum of these costs, after adjusting for other income and other operating revenues available, represents the “net revenue requirements” required to be funded from the building fees. The following is a depiction of the net revenue requirement derivation:

Figure 5 – Revenue and Expenditures Illustration



The revenue requirements are based on the historical actual operating expenditure trends, current budget projections, the identification of the capital assets allocable to the Department which includes cost, in-service date, and average service life, and the need to establish a capital re-investment plan (setting aside funds on an accrual basis primarily for future asset replacement, including vehicles used by the Department). Raftelis worked with City staff to make some adjustments to the to the Fiscal Year 2025 budget operating expenditures to be more representative when compared to historical actuals. The Fiscal Year 2025 projected operating results for the Department served as the “Test Year” for the determination of the net revenue requirements to be recovered from rates. The Test Year net revenue requirements were subsequently escalated for inflation and other factors in the determination of the financial forecast, which included the Fiscal Years 2026 through the Fiscal Year 2030 (including Fiscal Year 2025, the “Projection Period”). As previously mentioned, the Building Department costs are considered as a component of the City’s General Fund but are accounted for as a separate and self-sustaining “special revenue” fund that supports the development of the fees. The City’s indirect cost allocation methodology was relied on as budgeted to provide funding for a portion of other City departments such as Human Resources and Finance that provide support to the Department. The forecast of operating expenses is summarized on the table below and provided in detail on Table 2.

Figure 6: Operating Expense Forecast

Fiscal Year	Total Operating Expenses
2025	\$4,357,423
2026	\$4,503,449
2027	\$4,654,589
2028	\$4,811,029
2029	\$4,971,886
2030	\$5,138,388

In addition to the annual operating expenses, the revenue requirements include the annual funding for capital expenditures identified to support the Department. Currently, the primary capital items maintained by the Department are vehicles, computers, printers, radios, and furniture which have an average service life ranging from five to ten years. Based on the date each asset was placed in service and the estimated replacement value of the asset as of the assumed replacement date, the Department should set aside \$147,282 for accumulation of funds to replace these assets as illustrated on Table 3. This accumulation of funds is similar to the recognition of depreciation expense in the setting of rates for service but represents a cash-funding requirement for future asset replacement (deposits remain in the Department). Also, recognizing that several of the assets have been in service, there exists a need to segregate a portion of the Department beginning cash balance into the dedicated capital reserve account to establish a beginning balance and to maintain a projected linear funding requirement for future capital replacement. It is recommended that the Department establish a balance in the capital reserve account and begin to deposit funds annually beginning with the Test Year 2025. Additionally, to account for the replacement of vehicles and other assets in the future, based on replacement of these assets at their respective normal service life intervals, we have assumed and recommend that the City initiate and continue to deposit approximately \$18,000 annually during the Projection Period. As expenditures for new or replacement assets are made, the annual deposit to the capital reserve account should be adjusted to account for the new asset based on: i) the average service life of the asset; and ii) the estimated replacement value for asset when it is scheduled next for replacement. In the development of the operating reserve balance as required by Florida Statutes, the funding of the capital reserve account should not be included in the determination of the reserve fund target balance since it is for a specific purpose unrelated to the payment of ongoing annual operating expenses associated with providing services. The initial deposit amount for the accumulated asset replacement through the end of Fiscal Year 2024, the Fiscal Year 2025 deposit amount, and the anticipated uses of funds during Fiscal Year 2025 for asset replacements are illustrated on the table below:

**Figure 7: Capital Reserve Account –
Ending Balance Fiscal Year 2025**

Description	Amount [1]
Initial Deposit to Establish Fund	\$147,282
Fiscal Year 2025 Deposit from Revenues	18,014
Fiscal Year 2025 Expenditures	120,000
Ending Balance	\$45,296

[1] Amounts from Table 4 at the end of this report.

As shown above, it is recommended that the City transfer \$147,282 from the operating reserve to establish the new capital reserve and to internally restrict the funds solely for capital expenditures / new asset additions, within the Department’s tracking of funds available. This will reduce the amount of operating reserves available, which are limited by the Florida Statutes. The anticipated use of funds is related to replacement of assets pursuant to the depreciation period. The table below illustrates the balances for each fund as of the end of Fiscal Year 2024:

Figure 8: Reserve Funds Beginning FY 2025

Description	Operating Reserves	Capital Reserves
Estimated Cash Balance 9/30/2024	\$4,064,498	
Cash Restriction for Capital Reserves	(\$147,282)	\$147,282
Adjusted Estimated Cash Balance 9/30/2024	\$3,917,216	\$147,282
Less: Reported Liabilities	(42,250)	
Less: Operating Reserve Target [1]	(2,052,100)	
Excess Funds Available	\$1,822,866	

[1] Historical four-year average (FY 2021 – FY 2024) operating expenses for the Department, as provided in Florida Statutes, Chapter 553.80(7)(a). Amount from Table 2.

The City has accumulated a cash balance in the Department’s special revenue fund that exceeds the recently imposed fund balance limitations as in F.S. Chapter 553.80(7)(a). As dictated in F.S. Chapter 553.80(7)(a)(2) “A local government must use any excess funds that it is prohibited from carrying forward to rebate and reduce fees, or to pay for the construction of a building or structure that houses a local government’s building code enforcement agency...”. It is anticipated by the Department that the rates will result in projected significant shortfalls, resulting in the depletion of these excess funds over a two-year period. With increases impacting the Department, there is a need to adjust rates to help mitigate the annual revenue deficiencies or shortfalls. This adjustment, along with the resulting fund balances over time, will be explored in greater detail in the Revenue Sufficiency section of this report.

Revenue Sufficiency Evaluation

As presented on Figure 2, Raftelis reviewed the Permit and Building Department activity over the past 3 years from Fiscal Year 2022 through Fiscal Year 2024. In recent years, construction activity has been accelerated (due primarily to recent significant storm events affecting the infrastructure in the City), resulting in higher revenue collections when compared to earlier reported revenues. However, with the continued increase in inflation, operating expenses are estimated to increase during the Projection Period, on average annually by approximately 3.3% resulting in a net revenue surplus of \$120,560 by FY30. The financial forecast is shown on Table 2 at the end of this report summarized on Figure 9 below.

Figure 9: Operating Forecast – Based on Current Building Service Fees

Description	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Permit Fee Revenue	\$3,269,531	\$3,759,961	\$4,041,958	\$4,345,105	\$4,670,988	\$5,021,312
Net Revenue Requirements	\$4,104,087	\$4,254,313	\$4,410,353	\$4,570,493	\$4,733,649	\$4,900,752
Revenue Surplus/(Deficit) [1]	(\$834,555)	(\$494,352)	(\$368,395)	(\$225,388)	(\$62,661)	\$120,560

[1] Represents the addition to or use of Operating Reserves.

As shown above, forecasted revenues are expected to be below the total expenses and resulting in a use of reserve funds. The amount of reserve funds used increases each year as the operating expenses increase. Due to the increased operating expenditures, the City has sufficient funds in the operating reserves to cover the revenue deficiency through Fiscal Year 2029 without any rate adjustments. Currently, it is recommended that the City adjust rates to help offset the deficiencies shown below. The Fiscal Year 2025 recommendation is to target an increase of 35% in total building services fee revenues from the Fiscal Year 2025 budgeted amount. The City may need to make further revenue adjustments in the future if the operating expenditure continues to outpace revenues and the fund balance continues to decline.

Based on the current operating forecast, the following figure presents the anticipated ending operating reserve balance each year:

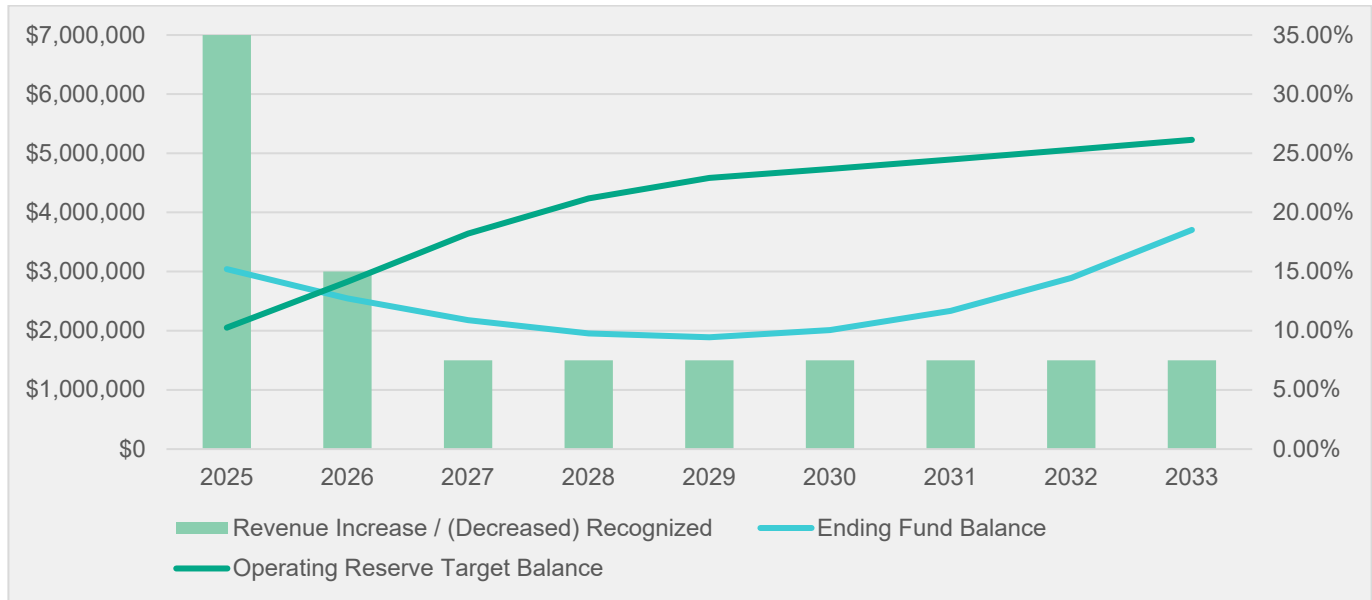
Figure 10: Ending Operating Reserve Balance Forecast

Description	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Beginning Balance	\$3,874,966	\$3,040,411	\$2,546,059	\$2,177,665	\$1,952,277	\$1,889,615
Additions to Balance	0	0	0	0	0	120,560
Reductions to Balance	(834,555)	(494,352)	(368,395)	(225,388)	(62,661)	0
Ending Balance	\$3,040,411	\$2,546,059	\$2,177,665	\$1,952,277	\$1,889,615	\$2,010,175
Target Balance [1]	\$2,052,100	\$2,827,500	\$3,641,000	\$4,235,200	\$4,581,600	\$4,735,200

[1] Target balance based on four-year historical average adjusted operating expenses.

The relationship anticipated increased revenues associated with the Fiscal Year 2025 building services fee increase with the estimated operating reserve balance is also summarized on Figure 11 below.

Figure 11: Comparison of Target Reserve and Operating Reserve Balance – for the Projection Period



As shown above, the operating reserve balance decreases each year of the Projection Period until the last year of the forecast. It is projected that the City may be under the target balance by Fiscal Year 2026 based on the assumptions recognized in the development of the financial forecast and continue to see a fund balance position being less than the allowed target balance throughout the end of the forecast period.

Proposed Building Fee Structure Modification

City staff requested that Raftelis analyze the possibility of condensing and simplifying the rate structure for key building permit fee services. Those key permit service fees include electrical, plumbing, mechanical, and gas building services activities. These permits are some of the most commonly incurred services (and the receipt of permit fees) by the City. The development of the proposed rates and fees was based on: i) an analysis of the anticipated Test Year 2025 building construction activity for the City and ii) a review and comparison of the fees charged by neighboring local governments. Raftelis reviewed four years of historical permit activity within the City to develop an average baseline activity level for each of the permits. City staff had identified structures within other municipalities that they felt would better fit the City’s fee schedule. The goal of the rate structure change was to

simplify and condense as well as be revenue neutral to customers. The current and proposed rates from the analysis are shown below.

Summary of Permit Fees			
Permit Type	Fee Description	Existing [1]	Proposed
New Construction Single Family Residence, Duplex, and Remodel / Additions	Minimum Fee	\$80.00	\$150.00
	Building Permit Fee	1% of the project valuation	N/A
	Per square foot of Gross Square Footage of the Structure	\$2.75 (Habitable) & \$1.38 (Non-Habitable)	\$1.75 (Total Square Feet)
	Plan Review	10% (minimum of \$80)	20% (minimum of \$100)
New Construction Commercial and Remodel / Additions	Minimum Fee	\$80.00	\$150.00
	Building Permit Fee	1% of the project valuation	N/A
	Per square foot of Gross Square Footage of the Structure	\$0.00	\$1.75 (Total Square Feet)
	Plan Review	25% (minimum of \$80)	30% (minimum of \$100)
Electrical, Plumbing, Mechanical, Gas	Permit Minimum	\$37.50	\$125.00
	Electrical Permit	1% of the project valuation	\$0.20 per square ft.
	Mechanical Permit	\$53.25 for the first \$1,000 and \$13 for each additional \$1,000	\$0.20 per square ft.
	Plumbing Permit	\$5.35 for each fixture and house bib, \$13 for hook up to septic or sewer system, and \$2.20 for each water heater	\$0.20 per square ft.
	Gas Permit	1% of the value of the project	\$0.20 per square ft.
Detailed Building and "Specialty" Permit Fees Detailed Building and "Specialty" Permit Fees	Boat Dock / Boat Dock	\$80.00	\$125 Plus any other Permits
	Concrete Slab	\$80.00	\$125.00
	Demolition	\$53.25	\$0.30 per sq. ft Minimum of \$125
	Fire Alarm System	\$80.00	\$0.30 per sq. ft Minimum of \$125
	Fire Extinguishing System	\$80.00	\$0.30 per sq. ft Minimum of \$125
	Kitchen Hood and Exhaust System for Commercial Application	1% of job cost	\$0.30 per sq. ft Minimum of \$125
	Mobile Home	\$80.00	\$0.30 per sq. ft Minimum of \$125
	Moving a Structure	\$107.00	\$185.00
	Screen Enclosure	\$80.00	\$185.00
Sewer Connection Fee	\$50.50	Included in Plumbing Permit	

Summary of Permit Fees			
Permit Type	Fee Description	Existing [1]	Proposed
	Shutters	\$80.00	\$125 Plus any other Permits
	Solar Pool / Water Heater	\$80.00	\$125.00
	Swimming Pool, Spa, or Deck	\$80.00	\$0.30 per sq. ft Minimum of \$125
	Lawn Irrigation System	\$53.25	\$125.00
	Temporary Tent Installation	\$50.00	\$50.00
Roofing Permit	Roofing Permit	1% of the value of the project (Minimum \$80.00)	Minimum of \$125.00
	Each Additional Square	\$0.00	\$8.00
Reinspection Fees	Inspection Fee	N/A	\$35.00
	Time Certain Inspection Fee	N/A	\$70.00
	Inspection After Hours (Per Hour) (Minimum 2 hrs.)	N/A	\$100.00
	Private Provider Audit Inspections	N/A	\$35.00
Other Permit Fees	Revision Fee	\$80.00	\$80.00
	Appeals	\$480.00	\$500.00
	Extension of Permits	10% of fee (Minimum of 53.25)	\$50.00
	Copies of Forms of Notice of Commencement	\$5.00	\$5.00
	Outside Technical Review	110% of Actual Expense to the City	110% of Actual Expense to the City
	Notice of Commencement	\$5.00	Eliminated
	Credit Card Processing Fee	N/A	5%
	Temporary Certificate of Occupancy	\$500.00	\$150.00
[1] Amounts shown above have not reduced for the any hurricane relief discounts.			

Rate Comparisons and Customer Impacts

In the development of rates to be charged for any type of service, it is useful to review the rates charged by neighboring jurisdictions for similar services in order to provide additional information to the City. A review of comparable rates is helpful to identify the competitiveness of the rates, and the type of rate structures employed by the other jurisdictions plus it was considered in the development of the proposed Building Department Fees for the City. This comparison can be found on Table 7 attached to this report. In the development of this comparison, no analysis was performed regarding the derivation of the fees charged, if the full cost for providing service are recovered through the application of these fees or funded from other revenues received by the General Fund, or when the fees were last adjusted. There are many factors that may affect the ultimate level of the rates or fees which may be charged by a particular jurisdiction. Some of these factors include:

1. Basis for cost and whether the cost determination reflects the recovery of full costs of the departments or divisions responsible for building plan review and inspection activities.
2. Recognition of indirect cost allocation to recover a portion of the jurisdiction's management and administration costs allocable to providing plan review and inspection activities.
3. The amount of building activity as well as the type of construction occurring in the jurisdiction.
4. The geographical size of the area subject to the enforcement of the Florida Building Code (may affect drive times and associated labor costs).
5. The effects on the development process due to severe weather events that could affect the number of permits being issued and the utilization of staff / contract labor to meet high service demand periods.
6. Recognition of any "policies" to encourage or discourage development activity within the jurisdiction (e.g., subsidizing building department / division with other general fund revenues for the possible purpose of promoting construction activity and tax base expansion in the jurisdiction).
7. The amount of time that may have elapsed since the last rate review, which could result in the fees not being able to recover the full cost of service because of changes in economic conditions.
8. Materiality of the fees and the associated revenues received by the jurisdiction on the overall services needed to be provided by the local government (i.e., the fees are not critical if entity is near a built-out situation).

Recommended Building Permit Fees

As documented in this report the City has accumulated a balance that exceeds the cash balance limitations set by F.S. Chapter 553.80. However, as previously mentioned the City is projected to have large deficiencies throughout the Projection Period due to rising inflationary costs and a conservative operating expense budget. To address this, it is recommended that the City adjust rates in Fiscal Year 2025 to help mitigate a portion of these projected annual shortfalls. Additionally, given the ongoing increase in expenses and the potential need for contractual labor within the Department, it is advisable for the City to review and update the Department fund balance forecast annually over the next several years. This will ensure that accumulated funds are appropriately managed, maintaining the Department's strong fiscal position.

It is recommended that the City should consider the adoption of the modified building fees shown below.

Summary of Permit Fees (Effective 2018)

Permit Type	Fee Description	Existing [1]	Proposed
New Construction Single Family Residence, Duplex, and Remodel / Additions	Minimum Fee	\$80.00	\$150.00
	Building Permit Fee	1% of the project valuation	N/A
	Per square foot of Gross Square Footage of the Structure	\$2.75 (Habitable) & \$1.38 (Non-Habitable)	\$1.75
	Plan Review	10% (minimum of \$80)	20% (minimum of \$100)
New Construction Commercial and Remodel / Additions	Minimum Fee	\$80.00	\$150.00
	Building Permit Fee	1% of the project valuation	N/A
	Per square foot of Gross Square Footage of the Structure	\$0.00	\$1.75
	Plan Review	25% (minimum of \$80)	30% (minimum of \$100)
Electrical, Plumbing, Mechanical, Gas	Permit Minimum	\$37.50	\$125.00
	Electrical Permit	1% of the project valuation	\$0.20 per square ft.
	Mechanical Permit	\$53.25 for the first \$1,000 and \$13 for each additional \$1,000	\$0.20 per square ft.
	Plumbing Permit	\$5.35 for each fixture and house bib, \$13 for hook up to septic or sewer system, and \$2.20 for each water heater	\$0.20 per square ft.
	Gas Permit	1% of the value of the project	\$0.20 per square ft.
Detailed Building and "Specialty" Permit Fees Detailed Building and "Specialty" Permit Fees	Boat Dock / Boat Dock	\$80.00	\$125 Plus any other Permits
	Concrete Slab	\$80.00	\$125.00
	Demolition	\$53.25	\$0.30 per sq. ft Minimum of \$125
	Fire Alarm System	\$80.00	\$0.30 per sq. ft Minimum of \$125
	Fire Extinguishing System	\$80.00	\$0.30 per sq. ft Minimum of \$125
	Kitchen Hood and Exhaust System for Commercial Application	1% of job cost	\$0.30 per sq. ft Minimum of \$125
	Mobile Home	\$80.00	\$0.30 per sq. ft Minimum of \$125
	Moving a Structure	\$107.00	\$185.00
	Screen Enclosure	\$80.00	\$185.00
	Sewer Connection Fee	\$50.50	Included in Plumbing Permit
	Shutters	\$80.00	\$125 Plus any other Permits
	Solar Pool / Water Heater	\$80.00	\$125.00
Swimming Pool, Spa, or Deck	\$80.00	\$0.30 per sq. ft Minimum of \$125	

Summary of Permit Fees (Effective 2018)

Permit Type	Fee Description	Existing [1]	Proposed
	Lawn Irrigation System	\$53.25	\$125.00
	Temporary Tent Installation	\$50.00	\$50.00
Roofing Permit	Roofing Permit	1% of the value of the project (Minimum \$80.00)	Minimum of \$125.00
	Each Additional Square	\$0.00	\$8.00
Reinspection Fees	Inspection Fee	N/A	\$35.00
	Time Certain Inspection Fee	N/A	\$70.00
	Inspection After Hours (Per Hour) (Minimum 2 hrs.)	N/A	\$100.00
	Private Provider Audit Inspections	N/A	\$35.00
Other Permit Fees	Revision Fee	\$80.00	\$80.00
	Appeals	\$480.00	\$500.00
	Extension of Permits	10% of fee (Minimum of 53.25)	\$50.00
	Copies of Forms of Notice of Commencement	\$5.00	\$5.00
	Outside Technical Review	110% of Actual Expense to the City	110% of Actual Expense to the City
	Notice of Commencement	\$5.00	Eliminated
	Credit Card Processing Fee	N/A	5%
	Temporary Certificate of Occupancy	\$500.00	\$150.00
[1] Amounts shown above have not reduced for the any hurricane relief discounts.			

(Remainder of page intentionally left blank)

Table 1
City of Sanibel, Florida
Building Department Fee Analysis

Development of Test Year Other Operating Revenues from Builders Services Operations

Line No.	Description	Fiscal Year Ended September 30,						2025 Budget	Adjustments	Adjusted 2025 Budget
		2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual			
								0.742969182	\$ 0.26	
1	Licenses & Permits	\$ 1,206,652	\$ 1,078,444	\$ 1,106,362	1,650,351	\$ 4,280,945	\$ 3,259,725	\$ 2,421,875	\$ 847,656	\$ 3,269,531
2	Charges for Services	14,115	12,608	11,146	12,076	32,640	22,167	19,500	-	19,500
3	Fines & Forfeitures	33,603	18,474	13,907	1,839	1,789	86	1,500	-	1,500
4	Miscellaneous	-	99	265	-	12,000	13,989	750	-	750
5	Investment Earnings	40,069	41,498	30,846	7,562	86,758	26,456	20,000	14,400	34,400
6	Credit Card Fees	-	-	-	-	-	-	-	215,000	215,000
7	Total Revenues	<u>\$ 1,294,439</u>	<u>\$ 1,151,123</u>	<u>\$ 1,162,526</u>	<u>\$ 1,671,828</u>	<u>\$ 4,414,132</u>	<u>\$ 3,322,422</u>	<u>\$ 2,463,625</u>	<u>\$ 1,077,056</u>	<u>\$ 3,540,681</u>

Table 2

City of Sanibel, Florida
Building Department Fee Analysis

Summary of Historical and Projected Test Year Operating Expenses

Line No.	Description	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual
Fund 169 - Building Department							
1	Salaries & Wages-Regular	\$ 368,722	\$ 439,766	\$ 440,150	\$ 361,126	\$ 576,841	\$ 727,028
2	Salaries & Wages-Part Time	188	-	294	-	5,819	29,408
3	Overtime	19,239	11,889	5,029	2,276	12,270	57,330
4	Special Pay	4,500	3,321	26,693	9,493	12,329	10,009
5	Payroll Taxes	29,945	34,972	34,616	27,397	45,838	62,058
6	401(a) Retirement	108,983	81,122	29,997	21,366	37,557	46,374
7	Legacy Retirement Pension	-	-	45,363	45,363	5,250	30,723
8	Cafeteria Benefits	78,734	100,158	100,499	59,698	91,128	154,036
9	Unemployment/Work Comp	2,261	3,587	5,065	5,681	7,135	9,868
10	Professional Services	96,471	146,435	55,358	287,165	424,461	709,120
11	Data Proc/Computer Serv	-	-	-	25,194	124,124	164,685
12	Engineering Services	-	-	-	-	74,480	-
13	Other Professional Serv	-	-	-	-	-	62,293
14	Other Contractual Services	51,626	17,997	108,368	8,193	11,265	197,697
15	Travel & Per Diem	14,610	12,804	6,314	5,548	8,864	15,725
16	Communications	7,155	6,972	4,992	4,594	10,589	26,892
17	Promotional Activites	816	-	-	-	-	-
18	Postage/Transportation	1,227	2,112	885	63	1,331	2,782
19	Rentals & Leases	2,442	765	2,875	1,846	18,359	2,987
20	Repair & Maintenance	-	7,078	8,216	1,770	95,827	30,343
21	Printing	134	409	408	49	1,864	376
22	Other Current Charges	219,394	199,338	370,818	-	-	24,990
23	Credit Card Fees	-	-	-	48,537	172,445	204,905
24	Indirect Cost Charges	-	-	-	317,138	413,918	665,091
25	Office Supplies	1,493	1,931	2,374	1,368	13,673	29,315
26	Operating Supplies	2,216	1,037	2,205	1,079	103,991	66,036
27	Gas, Oil & Lubricants	-	-	-	-	1,389	1,457
28	Books/Publications/Subsc	-	389	4,235	265	1,716	2,391
29	Training and Education	3,658	1,395	976	14,124	3,434	7,012
30	Furniture and Equipment	-	-	-	-	1,789	35,954
31	Motorized Vehicles	-	-	-	-	314	48,327
32	Total Operating Expenses	<u>\$ 1,013,814</u>	<u>\$ 1,073,477</u>	<u>\$ 1,255,730</u>	<u>\$ 1,249,333</u>	<u>\$ 2,278,000</u>	<u>\$ 3,425,211</u>

Table 2
City of Sanibel, Florida
Building Department Fee Analysis

Summary of Historical and Projected Test Year Operating Expenses

Line No.	Description	2025 Budget (Test Year)	Adjustments	2025	Escalation Reference	2026	2027	2028	2029
Fund 169 - Building Department									
1	Salaries & Wages-Regular	\$ 1,058,995	\$ -	\$ 1,058,995	Labor	\$ 1,096,060	\$ 1,134,422	\$ 1,174,127	\$ 1,215,221
2	Salaries & Wages-Part Time	269,144	-	269,144	Labor	278,564	288,314	298,405	308,849
3	Overtime	75,000	-	75,000	Labor	77,625	80,342	83,154	86,064
4	Special Pay	19,320	-	19,320	Labor	19,996	20,696	21,420	22,170
5	Payroll Taxes	104,412	-	104,412	Labor	108,066	111,849	115,763	119,815
6	401(a) Retirement	71,984	-	71,984	Benefits	75,583	79,362	83,330	87,497
7	Legacy Retirement Pension	40,093	-	40,093	Benefits	42,098	44,203	46,413	48,733
8	Cafeteria Benefits	264,003	-	264,003	Benefits	277,203	291,063	305,616	320,897
9	Unemployment/Work Comp	35,532	-	35,532	Labor	36,776	38,063	39,395	40,774
10	Professional Services	600,000	-	600,000	Labor	621,000	642,735	665,231	688,514
11	Data Proc/Computer Serv	396,735	-	396,735	Labor	410,621	424,992	439,867	455,263
12	Engineering Services	50,000	-	50,000	Labor	51,750	53,561	55,436	57,376
13	Other Professional Serv	125,000	-	125,000	Labor	129,375	133,903	138,590	143,440
14	Other Contractual Services	229,800	-	229,800	Labor	237,843	246,168	254,783	263,701
15	Travel & Per Diem	34,500	-	34,500	Inflation	35,294	36,105	36,936	37,748
16	Communications	51,262	-	51,262	Inflation	52,441	53,647	54,881	56,088
17	Promotional Activites	-	-	-	Inflation	-	-	-	-
18	Postage/Transportation	1,500	-	1,500	Inflation	1,535	1,570	1,606	1,641
19	Rentals & Leases	5,000	-	5,000	Inflation	5,115	5,233	5,353	5,471
20	Repair & Maintenance	50,975	-	50,975	Inflation	52,147	53,347	54,574	55,774
21	Printing	5,000	-	5,000	Inflation	5,115	5,233	5,353	5,471
22	Other Current Charges	20,000	-	20,000	Inflation	20,460	20,931	21,412	21,883
23	Credit Card Fees	500,000	(285,000)	215,000	Inflation	219,945	225,004	230,179	235,243
24	Indirect Cost Charges	563,918	-	563,918	Inflation	576,888	590,157	603,730	617,012
25	Office Supplies	25,000	-	25,000	Inflation	25,575	26,163	26,765	27,354
26	Operating Supplies	10,000	-	10,000	Inflation	10,230	10,465	10,706	10,942
27	Gas, Oil & Lubricants	50,000	(40,000)	10,000	Fuel	10,314	10,638	10,972	11,316
28	Books/Publications/Subsc	15,000	-	15,000	Inflation	15,345	15,698	16,059	16,412
29	Training and Education	85,250	(75,000)	10,250	Inflation	10,486	10,727	10,974	11,215
30	Furniture and Equipment	30,000	(30,000)	-	Eliminate	-	-	-	-
31	Motorized Vehicles	90,000	(90,000)	-	Eliminate	-	-	-	-
32	Total Operating Expenses	<u>\$ 4,877,423</u>	<u>\$ (520,000)</u>	<u>\$ 4,357,423</u>		<u>\$ 4,503,449</u>	<u>\$ 4,654,589</u>	<u>\$ 4,811,029</u>	<u>\$ 4,971,886</u>

Table 2
City of Sanibel, Florida
Building Department Fee Analysis

Summary of Historical and Projected Test Year Operating Expenses

Line No.	Description	2030	2031	2032	2033
Fund 169 - Building Department					
1	Salaries & Wages-Regular	\$ 1,257,754	\$ 1,301,775	\$ 1,347,337	\$ 1,394,494
2	Salaries & Wages-Part Time	319,659	330,847	342,426	354,411
3	Overtime	89,076	92,194	95,421	98,761
4	Special Pay	22,946	23,749	24,580	25,441
5	Payroll Taxes	124,009	128,349	132,841	137,491
6	401(a) Retirement	91,872	96,465	101,289	106,353
7	Legacy Retirement Pension	51,170	53,728	56,415	59,236
8	Cafeteria Benefits	336,942	353,789	371,479	390,053
9	Unemployment/Work Comp	42,201	43,678	45,207	46,789
10	Professional Services	712,612	737,553	763,368	790,085
11	Data Proc/Computer Serv	471,197	487,689	504,758	522,424
12	Engineering Services	59,384	61,463	63,614	65,840
13	Other Professional Serv	148,461	153,657	159,035	164,601
14	Other Contractual Services	272,930	282,483	292,370	302,603
15	Travel & Per Diem	38,579	39,427	40,295	41,181
16	Communications	57,322	58,583	59,872	61,190
17	Promotional Activites	-	-	-	-
18	Postage/Transportation	1,677	1,714	1,752	1,790
19	Rentals & Leases	5,591	5,714	5,840	5,968
20	Repair & Maintenance	57,001	58,255	59,537	60,847
21	Printing	5,591	5,714	5,840	5,968
22	Other Current Charges	22,364	22,856	23,359	23,873
23	Credit Card Fees	240,418	245,707	251,113	256,637
24	Indirect Cost Charges	630,586	644,459	658,637	673,128
25	Office Supplies	27,956	28,571	29,199	29,842
26	Operating Supplies	11,182	11,428	11,680	11,937
27	Gas, Oil & Lubricants	11,672	12,038	12,416	12,806
28	Books/Publications/Subsc	16,773	17,142	17,520	17,905
29	Training and Education	11,462	11,714	11,972	12,235
30	Furniture and Equipment	-	-	-	-
31	Motorized Vehicles	-	-	-	-
32	Total Operating Expenses	<u>\$ 5,138,388</u>	<u>\$ 5,310,745</u>	<u>\$ 5,489,171</u>	<u>\$ 5,673,889</u>

Table 3

City of Sanibel, Florida
Building Department Fee Analysis

Fixed Asset Renewal and Replacement

Line No.	Original Cost [1]	Adjustments	As Adjusted	Fiscal Year in Service [1]	Assumed Service Life Years [2]	Estimated Years In Service (1/2-yr Conv.)	Est. Future Replacement Value	Annual Asset Replacement Accrual	Estimated Asset Repl. Funds	2025 Annual Accrual
Cost Escalator for Replacement Value / Prior to Test Year							3.50%		2024	
Fixed Assets										
1	\$ 1,049	\$ -	\$ 1,049	2014	5	9.5	\$ 1,246	\$ 249	\$ 2,366	\$ -
2	5,209	-	5,209	2015	10	8.5	7,348	735	6,248	735
3	2,377	-	2,377	2020	10	3.5	3,352	335	1,173	335
4	2,866	-	2,866	2020	10	3.5	4,043	404	1,414	404
5	2,451	-	2,451	2021	10	2.5	3,457	346	865	346
6	2,606	-	2,606	2021	10	2.5	3,676	368	920	368
7	2,732	-	2,732	2021	10	2.5	3,854	385	963	385
8	1,299	-	1,299	2021	5	2.5	1,543	309	773	309
9	22,937	-	22,937	2023	10	0.5	32,354	3,235	1,618	3,235
10	23,250	-	23,250	2023	10	0.5	32,797	3,280	1,640	3,280
11	1,368	-	1,368	2018	15	5.5	2,292	153	842	153
12	68,144	-	68,144				95,962	9,799	18,819	9,550
Test Year Period Capital Expenditures										
13	\$ 30,000	\$ -	\$ 30,000	2025	10	0.5	\$ 42,318	\$ 4,232	\$ 2,116	\$ 2,116
14	90,000	-	90,000	2025	10	0.5	126,954	12,695	6,348	6,348
15	-	-	-	2024	7	0	-	-	-	-
16	120,000	-	120,000				169,272	16,927	8,464	8,464
17	\$ 188,144	\$ -	\$ 188,144				\$ 265,234	\$ 26,726	\$ 27,282	\$ 18,014

Table 4

City of Sanibel, Florida
 Building Department Fee Analysis

Projected Test Year Fund Balance and Investment Income Determination

Line No.	Description	Fiscal Year Ending September 30,	
		Historical FY 2024	2025
TEST YEAR ESTIMATED EOY FUND BALANCE SUMMARY:			
1	Operating Reserves	\$ 3,874,966	\$ 3,040,211
2	Capital Replacement Reserve	147,282	45,296
3	Total Projected Ending Balance	<u>\$ 4,022,248</u>	<u>\$ 3,085,507</u>
BY FUND CASH INFLOWS AND OUTFLOWS:			
Operating Reserves			
4	Beginning Balance		\$ 3,874,966
Transfers In:			
5	Operations - Programmed Transfers In		\$ -
6	Operations - Surplus / (Deficiency)		(869,155)
7	Programmed Rate Increase		-
8	Subtotal		<u>\$ (869,155)</u>
Transfers Out:			
9	Operations - Programmed Transfers Out		\$ -
10	Additional Deposits to Capital Reserve Account		-
11	Programmed Rate Decrease		-
12	Subtotal		<u>\$ -</u>
13	Interest Rate		1.00%
14	Interest Income		34,400
15	Ending Balance		<u>\$ 3,040,211</u>
16	Target Operating Reserve Balance		\$ 2,052,068
17	Amount Greater or (Lesser) than Reserve Balance		<u>\$ 988,143</u>
Capital Replacement Reserve			
18	Beginning Balance		\$ 147,282
Revenues / Transfers In:			
19	Transfers In From Operating Reserves		\$ -
20	Transfer In from Operations		18,014
21	Total Transfers In		<u>\$ 18,014</u>
Expenditures / Transfers Out			
22	Transfers Out Capital Expenditures		\$ 120,000
23	Interest Rate		1.00%
24	Interest Income		900
25	Income Restricted to Reserve	Yes	900
26	Ending Balance Capital Replacement Reserve		<u>\$ 45,296</u>
Total Test Year Interest Income			
27	Unrestricted and Allocated to Rate Development		\$ 34,400
28	Restricted and Not Allocated to Rate Development		900
29	Total Interest Income		<u>\$ 35,300</u>

Table 5

City of Sanibel, Florida
 Building Department Fee Analysis

Determination of Target Revenue Requirements to be Recovered from Builder Services Fees

Line No.	Description	2025
1	Total Operating Expenses [1]	\$ 4,357,423
	Other Revenue Requirements	
2	Programmed Transfer to Operating Reserve	\$ -
3	Transfer to Capital Replacement Reserve [2]	18,014
4	Capital Improvements Funded from Rates	-
5	Total Other Revenue Requirements	\$ 18,014
6	Gross Revenue Requirements	\$ 4,375,437
	Less Income and Funds from Other Sources:	
7	Other Operating Revenues [3]	236,750
8	Unrestricted Interest Income [3]	34,400
9	Subtotal Other Operating Revenues	\$ 271,150
10	Net Revenue Requirements	\$ 4,104,287
11	Rate Revenues From Proposed Building Permit Fees	3,269,531
12	Rate Revenue Surplus / (Deficiency) Before Use of Surplus Reserves	\$ (834,755)
	Available Fund Balance before Revenue Requirement Adjustment	
13	Total Estimated Beginning Cash Operating Reserves	\$ 3,874,966
14	Operating Reserve Target Balance	\$ 2,052,068
15	Amount Above Operating Reserve Target -Before Deficiency	\$ 1,822,898
16	Balanced Applied to Operating Reserves	Y \$ (834,755)
17	Total Estimated Ending Cash Operating Reserves	\$ 3,040,211
18	Amount Above Operating Reserve Target -After Deficiency	\$ 988,143

[1] Amounts shown derived from Table 2.

[2] Amounts shown derived from Table 3.

[3] Amounts shown includes investment income of available operating reserve fund balances and other miscellaneous income realized by the special revenue fund (e.g., credit card fees).

Table 6
City of Sanibel, Florida
Building Department Fee Analysis

Revenue Requirements, Permit Fee Level, and Fund Balance Forecast

Line No.	Description	2025	2026	2027	2028	2029	2030	2031	2032	2033
Operating Expenses										
1	Total Operating Expenses	\$ 4,357,423	\$ 4,503,449	\$ 4,654,589	\$ 4,811,029	\$ 4,971,886	\$ 5,138,388	\$ 5,310,745	\$ 5,489,171	\$ 5,673,889
2	Total Operating Expenses	\$ 4,357,423	\$ 4,503,449	\$ 4,654,589	\$ 4,811,029	\$ 4,971,886	\$ 5,138,388	\$ 5,310,745	\$ 5,489,171	\$ 5,673,889
Other Revenue Requirements										
3	Transfer to Operating Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Transfer to Capital Reserve	18,014	18,014	18,014	18,014	18,014	18,014	18,014	18,014	18,014
5	Capital Improvements Funded from Rates	0	0	0	0	0	0	0	0	0
6	Total Other Revenue Requirements	\$ 18,014	\$ 18,014	\$ 18,014	\$ 18,014	\$ 18,014	\$ 18,014	\$ 18,014	\$ 18,014	\$ 18,014
7	Gross Revenue Requirements	\$ 4,375,437	\$ 4,521,463	\$ 4,672,603	\$ 4,829,043	\$ 4,989,899	\$ 5,156,402	\$ 5,328,759	\$ 5,507,184	\$ 5,691,902
Less: Income and Funds from Other Sources										
8	Other Operating Revenue	\$ 236,750	\$ 236,750	\$ 236,750	\$ 236,750	\$ 236,750	\$ 236,750	\$ 236,750	\$ 236,750	\$ 236,750
9	Unrestricted Interest Income	34,400	30,400	25,500	21,800	19,500	18,900	20,100	23,400	28,900
10	Transfers from Operating Reserves	0	0	0	0	0	0	0	0	0
11	Subtotal Other Sources	\$ 271,150	\$ 267,150	\$ 262,250	\$ 258,550	\$ 256,250	\$ 255,650	\$ 256,850	\$ 260,150	\$ 265,650
12	Net Revenue Requirements	\$ 4,104,287	\$ 4,254,313	\$ 4,410,353	\$ 4,570,493	\$ 4,733,649	\$ 4,900,752	\$ 5,071,909	\$ 5,247,034	\$ 5,426,252
Revenues from Existing Building Permit Fees										
Miscellaneous Service (Specific) Fees										
13	Rate Revenues From Existing Building Permit Fees	2,421,875								
14	Plan Review and Permit (Inspection) Fees	\$ 2,421,875	\$ 3,269,531	\$ 3,759,961	\$ 4,041,958	\$ 4,345,105	\$ 4,670,988	\$ 5,021,312	\$ 5,397,910	\$ 5,802,753
15	Target Rate Revenue During Cash Repayment Period	\$ 2,421,875	\$ 3,269,531	\$ 3,759,961	\$ 4,041,958	\$ 4,345,105	\$ 4,670,988	\$ 5,021,312	\$ 5,397,910	\$ 5,802,753
16	Revenue Increase / (Decreased) Recognized	35.00%	15.00%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
17	Adjusted Rate Revenue During Cash Repayment Period	\$ 3,269,531	\$ 3,759,961	\$ 4,041,958	\$ 4,345,105	\$ 4,670,988	\$ 5,021,312	\$ 5,397,910	\$ 5,802,753	\$ 6,237,960
18	Rate Revenue Surplus / (Deficiency)	\$ (834,755)	\$ (494,352)	\$ (368,395)	\$ (225,388)	\$ (62,661)	\$ 120,560	\$ 326,001	\$ 555,719	\$ 811,707
Available Fund Balance before Revenue Requirement Adjustment										
19	Total Estimated Beginning Cash Operating Reserves	\$ 3,874,966	\$ 3,040,211	\$ 2,545,859	\$ 2,177,465	\$ 1,952,077	\$ 1,889,415	\$ 2,009,975	\$ 2,335,977	\$ 2,891,696
20	Operating Reserve Target Balance	2,052,100	2,827,500	3,641,000	4,235,200	4,581,600	4,735,200	4,894,000	5,058,000	5,227,500
21	Funds Available for Application Towards Rates	\$ 1,822,866	\$ 212,711	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	Beginning Fund Balance	\$ 3,874,966	\$ 3,040,211	\$ 2,545,859	\$ 2,177,465	\$ 1,952,077	\$ 1,889,415	\$ 2,009,975	\$ 2,335,977	\$ 2,891,696
23	Change in Fund Balance	(834,755)	(494,352)	(368,395)	(225,388)	(62,661)	120,560	326,001	555,719	811,707
24	Rate Adjustment to Maintain Target Fund Balance	0	0	0	0	0	0	0	0	0
25	Ending Fund Balance	\$ 3,040,211	\$ 2,545,859	\$ 2,177,465	\$ 1,952,077	\$ 1,889,415	\$ 2,009,975	\$ 2,335,977	\$ 2,891,696	\$ 3,703,403
26	Target Fund Balance	\$ 2,052,100	\$ 2,827,500	\$ 3,641,000	\$ 4,235,200	\$ 4,581,600	\$ 4,735,200	\$ 4,894,000	\$ 5,058,000	\$ 5,227,500
Ending Balance Equal to or Greater than Target Fund Balance										
Yes No No No No No No No No No										
27	Estimated Deposit to Meet Target Fund Balance Requirement	\$ -	\$ 281,641	\$ 1,463,535	\$ 2,283,123	\$ 2,692,185	\$ 2,725,225	\$ 2,558,023	\$ 2,166,304	\$ 1,524,097
28	Rate Increase to Maintain Fund Balance	0.00%	7.49%	36.21%	52.54%	57.64%	54.27%	47.39%	37.33%	24.43%
Operating Reserve Target Balance										
29	Current Year	\$ 4,357,423	\$ 4,503,449	\$ 4,654,589	\$ 4,811,029	\$ 4,971,886	\$ 5,138,388	\$ 5,310,745	\$ 5,489,171	\$ 5,673,889
30	Prior Year	\$ 3,425,211	\$ 4,357,423	\$ 4,503,449	\$ 4,654,589	\$ 4,811,029	\$ 4,971,886	\$ 5,138,388	\$ 5,310,745	\$ 5,489,171
31	2-Years Ago	\$ 2,278,000	\$ 3,425,211	\$ 4,357,423	\$ 4,503,449	\$ 4,654,589	\$ 4,811,029	\$ 4,971,886	\$ 5,138,388	\$ 5,310,745
32	3-Years Ago	\$ 1,249,333	\$ 2,278,000	\$ 3,425,211	\$ 4,357,423	\$ 4,503,449	\$ 4,654,589	\$ 4,811,029	\$ 4,971,886	\$ 5,138,388
33	4-Years Ago	\$ 1,255,730	\$ 1,249,333	\$ 2,278,000	\$ 3,425,211	\$ 4,357,423	\$ 4,503,449	\$ 4,654,589	\$ 4,811,029	\$ 4,971,886
34	4-Year Average (rounded)	\$ 2,052,100	\$ 2,827,500	\$ 3,641,000	\$ 4,235,200	\$ 4,581,600	\$ 4,735,200	\$ 4,894,000	\$ 5,058,000	\$ 5,227,500

Table 7

City of Sanibel, Florida
Building Department Fee Analysis

Building Permit Fee Benchmarking Comparison

City of Sanibel - Existing		City of Sanibel - Proposed		Charlotte County	
Description	Cost	Description	Cost	Description	Cost
Residential Single Family / Commercial		Residential Single Family		Residential Single Family	
Minimum Fee	\$80.00	Minimum Fee	\$150.00	One & Two Family, Commercial and Multifamily types less than \$50,000 in valuation:	\$90.00
Price per Sq. Ft. - Habitable Space	2.75 per Sq. Ft	Price per Sq. Ft.	\$1.75	One & Two Family types more than or equal to \$50,000 in valuation:	Valuation x 0.4%
Price per Sq. Ft. - Non-Habitable Space	\$1.38 per Sq. Ft				
		Commercial (Retail)		Commercial (Retail)	
		Minimum Fee	\$150.00	More than or equal to \$50,000 in valuation:	Valuation x 0.5%
		Price per Sq. Ft.	\$1.75		
Plan Review		Plan Review		Plan Review	
Residential	10% of permit fee with a minimum of \$80	Residential	20% of permit fee with a minimum of \$100	Residential	\$50.00
Commercial	25% of permit fee with a minimum of \$80	Commercial	30% of permit fee with a minimum of \$100	Commercial	\$65.00
Collier County		Lee County		City of Marco Island	
Description	Cost	Description	Cost	Description	Cost
Residential Single Family		Residential Single Family		Residential Single Family	
Rate per Sq. Ft	\$0.165	Rate per Sq. Ft	\$0.15 psf (minimum \$200)	Residential structure \$0.60 per square foot under roof	\$0.60
Minimum	\$150.00				
		Commercial (Retail)		Commercial (Retail)	
		Rate per Sq. Ft	\$0.10 psf (minimum \$200)	New commercial / multifamily structure \$0.60 per square foot under roof	\$0.60
Commercial (Retail)					
Rate per Sq. Ft	\$0.165				
Minimum	\$150.00	Plan Review		Plan Review	
		Residential	\$75.00	Residential	38% of Permit Fees
Plan Review		Commercial	\$0.10 psf (minimum \$150)	Commercial	38% of Permit Fees
Residential	\$0.055 per Sq. Ft (minimum of \$50)				
Commercial	\$0.055 per Sq. Ft (minimum of \$50)				
City of Fort Myers Beach		City of Cape Coral		City of Fort Myers	
Description	Cost	Description	Cost	Description	Cost
Residential Single Family		Residential Single Family		Residential Single Family	
1,500sqft	\$1,860.00	1,000 Sq. Ft	\$2,125.00	Base Charge	\$35.00
2,500sqft	\$2,580.00	Cost for Additional 100 Sq. Ft	\$4.50	Rate per thousand dollars of valuation	\$4.50
3,500sqft	\$3,300.00	2,000 Sq. Ft	\$2,170.00		
4,500sqft	\$4,020.00	Cost for Additional 100 Sq. Ft	\$18.02	Commercial (Retail)	
5,500sqft	\$4,740.00	2,500 Sq. Ft	\$2,260.10	Base Charge	\$60.00
6,500sqft	\$5,460.00	Cost for Additional 100 Sq. Ft	\$6.45	Rate per thousand dollars of valuation	\$4.50
		6,000 Sq. Ft	\$2,485.85		
Commercial (Retail)		Commercial (Retail)		Plan Review	
Cost per Sq. Ft	\$0.70	4,750 Sq. Ft	\$5,603.00	Residential	50% of the permit fee
		Cost for Additional 100 Sq. Ft	\$11.36	Commercial	50% of the permit fee
Plan Review		Plan Review			
Residential	Included in Fee Above	Residential	Included in fee above		
Commercial	35%	Commercial	Included in fee above		