

**ORDINANCE NO. 1542-24**

**AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF LAKE ALFRED, FLORIDA; AMENDING CHAPTER 14 ARTICLE IV OF THE CODE OF ORDINANCES, CITY OF LAKE ALFRED, FLORIDA, RELATING TO BUILDING CONSTRUCTION PERMITTING AND BUILDING PERMITTING AND INSPECTION SERVICING FEE SCHEDULES; PROVIDING FOR FUTURE AMENDMENTS TO BUILDING PERMITTING SERVICING FEE SCHEDULES; MAKING LEGISLATIVE FINDINGS; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES AND RESOLUTIONS; PROVIDING FOR SEVERABILITY; PROVIDING FOR THE ADMINISTRATIVE CORRECTION OF SCRIVENER’S ERRORS; PROVIDING FOR CODIFICATION; PROVIDING BUSINESS IMPACT ESTIMATE; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City of Lake Alfred (the “City”) is a Florida municipal corporation vested with home rule authority pursuant to the Municipal Home Rule Powers Act (F.S. Chapter 166) and Article VIII, §2 of the Florida Constitution; and

**WHEREAS**, pursuant to Section 2(b), Article VIII of the Florida Constitution and Chapter 166, Florida Statutes, the City is vested with governmental, corporate and proprietary powers to enable it to conduct municipal government, perform municipal functions and render municipal services, including the general exercise of any power for municipal purposes; and

**WHEREAS**, The *Code of Ordinances, City of Lake Alfred, Florida* (the “Code”) is hereby amended as shown in **Exhibit "A"**, which is attached hereto and made a part hereof (deleted provisions are shown in strikethrough format, and new provisions are shown in underlined format); and

**WHEREAS**, Raftelis Financial Consultants, Inc. (“Raftelis”) has, on behalf of the City of Lake Alfred, Florida, performed a comprehensive study of the City of Lake Alfred Building Permit Fees entitled “City of Lake Alfred Building Fees Study” and dated October 26, 2023 (the “Study”), a copy of which is attached hereto and incorporated herein as **Composite Exhibit “B”** to this Ordinance, which has provided a thorough fiscal analysis of the City’s capital requirements, expenditure requirements, actual revenues generated, and expected revenues generated from building permitting and inspection services fees within the corporate limits of the City of Lake Alfred, Florida; and

**WHEREAS**, the City Commission of the City of Lake Alfred (the “City Commission”) authorized Raftelis Financial Consultants, Inc. to prepare the Study in order to update and provide the most recent and localized data in order to ensure that all building permit and inspection services fees authorized, established, and collected by the City are consistent and in accordance with Section(s) 166.222 and 553.80, Florida Statutes (2023), and applicable Florida law; and

**WHEREAS**, the City Commission of the City of Lake Alfred has received, reviewed and hereby adopts the Study and associated Code which is attached hereto as **Composite Exhibit “B”** and incorporated herein by reference; and

**WHEREAS**, City of Lake Alfred City Charter Section 2.09(d), as amended by *City of Lake*

*Alfred Ordinance No. 1450-20*, provides that any service or user charges for municipal services may be adopted by ordinance or resolution; and

**WHEREAS**, City of Lake Alfred City Charter Section 2.09(e), as amended by *City of Lake Alfred Ordinance No. 1450-20*, provides that the City Commission must adopt an ordinance to amend or repeal any ordinance previously adopted and may adopt an ordinance or resolution to amend or repeal any resolution previously adopted; and

**WHEREAS**, *City of Lake Alfred Ordinance No. 818-97* provided for the establishment of building construction permitting for the City and related services fees charged by the City which were later amended by *City of Lake Alfred Ordinance No. 1271-10*; and

**WHEREAS**, on July 28, 2014, the City Commission approved and enacted *City of Lake Alfred Ordinance No. 1333-14* which adopted, by reference, the most current version of the Florida Building Code to be enforced as the Building Code of and/or for the City of Lake Alfred, Florida; and

**WHEREAS**, effective July 1, 2019, HB 447 amended Section 553.80 of the Florida Statutes to provide a schedule of reasonable fees for carrying out the local government's responsibilities in enforcing the Florida Building Code; and

**WHEREAS**, on May 16, 2022, pursuant to Section 553.80 of the Florida Statutes, as amended by HB 447, and applicable Florida law, the City Commission approved *City of Lake Alfred Resolution No. 07-22* (the "Resolution") establishing the City of Lake Alfred Building Permit Fee Reduction Fund; and

**WHEREAS**, a copy of the Resolution is attached hereto as **Exhibit "C"** and made a part hereof by reference; and

**WHEREAS**, pursuant to the Study (see **Composite Exhibit "B"**) and recommendation(s) set forth therein, the City Commission intends to reevaluate the building permitting and inspection servicing fees, which are the subject of this Ordinance, after FY 2025 in order reassess fund balances and, if necessary, adopt any necessary amendment(s) to its fee schedule(s) by resolution in order to ensure compliance with applicable Florida law; and

**WHEREAS**, pursuant to Section 166.222, Florida Statutes (2024), and applicable Florida law, the City is authorized to adopt a schedule of reasonable inspection fees in order to defer the cost(s) of inspection and enforcement of its building code; and

**WHEREAS**, pursuant to Section(s) 166.222 and 553.80, Florida Statutes (2023), the schedule of building permitting and inspection servicing fees collected by the City shall be used solely for carrying out its responsibilities in *enforcing the Florida Building Code*; and

**WHEREAS**, in providing a schedule of reasonable fees, Section 553.80(7) of the Florida Statutes provides that the total estimated revenue(s) derived from said fees, and the fines and investment earnings related to same, may not exceed the total estimated cost(s) of inspection and enforcement of the Florida Building Code; and

**WHEREAS**, the City, in implementing recognized management, accounting, and oversight practices, identified that the Code of Ordinances, as related to the City's schedule of inspection servicing fees, referenced a building valuation model which was no longer applicable to the

enforcement of the Florida Building Code; and

**WHEREAS**, pursuant to Section 553.80(7)(b), Florida Statutes (2023), after December 31, 2020, the governing body of a local government that provides a schedule of fees shall update its *building permit and inspection utilization report* before making any adjustments to its building permit fee schedule(s); and

**WHEREAS**, pursuant to Section(s) 166.222(2) and 553.80(7)(b), Florida Statutes (2023), the City updated and posted its *building permit and inspection utilization report* for Fiscal Year 2022-2023 (FY 2022-2023); and

**WHEREAS**, a copy of the City of Lake Alfred *building permit and inspection utilization report* for FY 2022-2023 is attached hereto as **Exhibit “D”** and made a part hereof by reference; and

**WHEREAS**, on July 1, 2023, Senate Bill 250, as codified under *Chapter 2023-304, Laws of Florida* (hereinafter referred to as “SB 250”), went into effect, amending Section 553.80(8), Fla. Stat. (2023), prohibiting local governments located within areas designated in the Federal Emergency Management Agency (FEMA) disaster declarations for Hurricane Ian and/or Hurricane Nicole from increasing building inspection fees, as authorized by Section(s) 125.56(2) or 166.222 of the Florida Statutes, before October 1, 2024; and

**WHEREAS**, the City of Lake Alfred, Florida, or parts thereof were identified as being located within the areas designated in the FEMA disaster declarations for Hurricane Ian and/or Hurricane Nicole; and

**WHEREAS**, on October 1, 2023, Senate Bill 170, as codified under *Chapter 2023-309, Laws of Florida* (hereinafter referred to as “SB 170”), went into effect, amending Section 166.041, Fla. Stat. (2023), requiring a local government to prepare or cause to be prepared a *business impact estimate* before the enactment of certain ordinances; and

**WHEREAS**, on October 1, 2024, Senate Bill 1628, as codified under *Chapter 2024-145, Laws of Florida* (hereinafter referred to as “SB 1628”), went into effect, further amending Section 166.041, Fla. Stat. (2023), by creating express exclusion(s) for *development* orders and *development permits*, as defined by Section 163.3164, Florida Statutes (2023), and removing certain ordinances enacted pursuant to *Part II of Chapter 163, Florida Statutes*, from the enumerated list of exclusions related to the *business impact estimate* requirement; and

**WHEREAS**, the City Commission finds that, in order to ensure compliance with SB 250, this Ordinance will be effective on October 1, 2024, or any time thereafter determined necessary to satisfy the requirements of SB 250; and

**WHEREAS**, the City Commission finds that all public hearing and notice requirements imposed by general law, if any, for the consideration and adoption of this Ordinance have been met; and

**WHEREAS**, on August 5, 2024, the City determined that, in order to enforce its adopted Building Code and protect the health, safety, and general welfare of the residents of the City of Lake Alfred, it is necessary to amend the Code to provide an up-to-date building valuation data chart and schedule of reasonable fees for the inspection and enforcement of the Florida Building Code; and

**WHEREAS**, the City Commission of the City of Lake Alfred, Florida, finds that the approval and enactment of this Ordinance in order to adopt the amended City of Lake Alfred Building Inspection Servicing Fee Schedule(s) and provide for future amendment(s) to be made by resolution is intended and necessary to protect and preserve the present advantages that exist within the corporate limits of the City of Lake Alfred, Florida; is necessary for consistency and compliance with applicable Florida law; is consistent with the public interest; and this Ordinance is intended to promote, protect, and improve the public health, safety, and general welfare of the citizens and residents of the City of Lake Alfred, Florida.

**NOW, THEREFORE BE IT ORDAINED** by the City Commission of the City of Lake Alfred, Florida that this Ordinance is hereby passed for the protection and welfare of the citizens of Lake Alfred, and that:

**Section 1. Incorporation of Recitals.** The above-referenced factual recitals (WHEREAS clauses) and referenced exhibits are incorporated herein as true and correct statements that form a factual and material basis for the adoption of this Ordinance, and the City Commission of the City of Lake Alfred, Florida, hereby adopts the above-referenced factual recitals as the legislative findings supporting the adoption of this Ordinance.

**Section 2. Amendment.** The *Code of Ordinances, City of Lake Alfred, Florida* (the "Code") is hereby amended as shown in **Exhibit "A"**, which is attached hereto and made a part hereof (deleted provisions are shown in strikethrough format, and new provisions are shown in underlined format).

**Section 3. Conflicts.** All ordinances and resolutions or parts of ordinances and resolutions in conflict or inconsistent with this Ordinance are hereby repealed to the extent necessary to give this Ordinance full force and effect.

**Section 4. Severability.** The provisions of this Ordinance are severable. If any section, subsection, sentence, clause, phrase of this Ordinance, or the application thereof shall be held invalid, unenforceable, or unconstitutional by any court, administrative agency, or other body with appropriate jurisdiction, the remaining section, subsection, sentences, clauses, or phrases under application shall not be affected thereby. The City Commission of the City of Lake Alfred hereby declares that it would have passed this Ordinance, and each section, subsection, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, and phrases be declared invalid, unenforceable, or unconstitutional, or unenforceable. If any word, sentence, clause, phrase, or provision of this Ordinance for any reason is declared by any court of competent jurisdiction to be invalid, unenforceable, or unconstitutional, then all remaining provisions and portions of this Ordinance shall remain in full force and effect. If any section, subsection, sentence, clause or phrase of this Ordinance is, for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The City of Lake Alfred, Florida, by and through its City Commission, hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional.

**Section 5. Administrative Correction of Scrivener's Errors.** It is the intention of the City Commission that sections of this Ordinance may be renumbered or re-lettered and the word "ordinance" may be changed to, "section", or such other appropriate word or phrase in order to accomplish such intentions; and regardless of whether such inclusion in the Code of Ordinances

of the City of Lake Alfred is accomplished, sections of this Ordinance may be re-numbered or re-lettered and the correction of typographical and/or scrivener's errors which do not affect the intent may be authorized by the City Manager or designee, without need of public hearing, by filing a corrected or re-codified copy of same with the City Clerk.

**Section 6. Codification.** It is the intention of the Lake Alfred City Commission that the substantive provisions of this Ordinance incorporated herein shall become and be made a part of the Code of Ordinances of the City of Lake Alfred, Florida.

**Section 7. Business Impact Estimate.** On October 1, 2023, Senate Bill 170 ("SB 170"), *Chapter 2023-309, Laws of Florida*, was enacted amending Section 166.041, Florida Statutes, requiring a local government to prepare a *business impact estimate* before the enactment of an ordinance. Section 166.041(4)(c)1, as amended, provided that municipal ordinances enacted to implement Part II of Chapter 163, Florida Statutes, were not subject to the *business impact estimate* requirement, amongst others. Thereafter, on October 1, 2024, Senate Bill 1628 ("SB 1628"), as codified under *Chapter 2024-145, Laws of Florida*, went into effect and further amended Section 166.041, Fla. Stat. (2023), by creating express exclusion(s) for *development orders* and *development permits*, as defined by Section 163.3164, Florida Statutes (2023), and removing certain ordinances enacted pursuant to *Part II of Chapter 163, Florida Statutes*, from the enumerated list of exclusions related to the *business impact estimate* requirement.

In this instance, pursuant to the prohibition(s) set forth in Senate Bill 250, as codified under *Chapter 2023-304, Laws of Florida*, the effective date of this Ordinance shall be October 1, 2024; and, in accordance with exclusion(s) set forth by both SB 170 and SB 1628, this Ordinance is required for compliance with state law or regulation; relating to the adoption of budgets and/or budget amendments which includes, but may not be limited to, revenue sources to necessary to fund the budget; relating to procurement specifically for the *enforcement of the Florida Building Code*; and this Ordinance is enacted and necessary to implement the issuance of *development permits* (as defined by §163.3164(16), Florida Statutes). As such, pursuant to applicable Florida law, this Ordinance is exempt and does not require a business impact estimate.

**Section 8: Effective Date.** This Ordinance shall become effective immediately upon adoption after second reading/public hearing; however, the fee schedules (see Exhibit "A") authorized herein shall be effective in accordance with Senate Bill 250, as codified under *Chapter 2023-304, Laws of Florida*, on October 1, 2024, or such later date as necessitated by applicable Florida law.

**INTRODUCED AND PASSED** on the first reading of the City of Lake Alfred City Commission held this 23rd day of July, 2024.

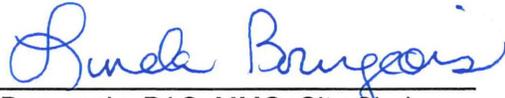
**ADOPTED AND ENACTED** on second reading/public hearing at the meeting of the City of Lake Alfred City Commission held this 5<sup>th</sup> day of August 2024.



CITY OF LAKE ALFRED, FLORIDA

By:   
Mae C. Fuller, Mayor

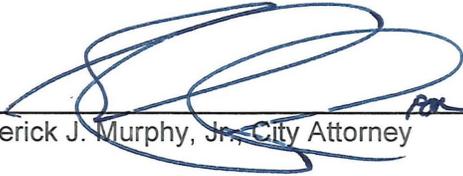
ATTEST:



Linda Bourgeois, BAS, MMC, City Clerk



Approved as to form:



Frederick J. Murphy, Jr., City Attorney

**Ordinance No. 1542-24**  
**Exhibit “A”**

That Chapter 14, Article IV of the Code of Ordinances of the City of Lake Alfred, Florida shall be amended to read as follows (provisions being deleted are shown as ~~strikethrough~~ and provisions being added are shown as underlined):

**Chapter 14 – BUILDINGS AND BUILDING REGULATIONS.**  
**ARTICLE IV. – FEES.**

**Sec. 14-71. Schedule of permit fees.**

- (a) Subject to the Florida Building Code, the schedule of fees set forth herein shall be consistently applied to all construction activity and enforcing of the Florida Building Code within the municipal boundaries of the City of Lake Alfred, Florida, and regulated by the Lake Alfred City Charter, Code of Ordinances of the City of Lake Alfred, and the Unified Land Development Code of the City of Lake Alfred. ~~As used herein, the phrase "enforcing the Florida Building Code" shall have the same meaning prescribed by F.S. § 553.80(7)(a), (July 1, 2014).~~

As used in this Article, the phrase “enforcing the Florida Building Code” includes the direct costs and reasonable indirect costs associated with review of building plans, building inspections, reinspections, 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. §553.80(7)(a)1, Fla. Stat. (2024).

- (b) In providing the schedule of fees set forth herein, it is the city's intent that said fees, and any fines or investment earnings related to said fees, shall be used solely for carrying out the city's responsibilities in enforcing the Florida Building Code. It is also the city's intent to provide a reasonable fee, for which the total estimated annual revenue derived from said fees, and the fines and investment earnings related to said fees, will not exceed the total estimated annual costs of allowable activities. ~~Notwithstanding the city's intent, in the event the schedule of fees set forth herein results in annual revenues exceeding annual costs, any unexpected balances shall be carried forward to future years for allowable activities. In the event the total annual revenue derived from the schedule of reasonable fees established herein and, if applicable, any fine(s) or investment earnings related to said schedule of fees exceeds the total annual costs arising out of enforcing the Florida Building Code, any such unexpended balance(s) shall be carried forward in accordance with the provision(s) of City of Lake Alfred Resolution No. 07-22, as may be amended from time to time, and Florida law.~~
- (c) *Building permit fees:*

<b><u>City of Lake Alfred Calculated Building Permit Fee(s)</u></b>
---

**Ordinance No. 1542-24**  
**Exhibit “A”**

<u>Fee Type</u>	<u>Fee Component</u>	<u>Fee (Square Feet)</u>	<u>Fee (Job Basis)</u>	<u>Minimum</u>
<u>Single Family Townhomes Duplex</u>	<u>Administration</u>	<u>\$0.08</u>	<u>N/A</u>	<u>\$87.00</u>
	<u>Plans Review</u>	<u>\$0.12</u>	<u>N/A</u>	<u>\$135.00</u>
	<u>Inspection</u>	<u>\$0.55</u>	<u>N/A</u>	<u>\$520.00</u>
<u>Assembly</u>	<u>Administration</u>	<u>\$0.02</u>	<u>N/A</u>	<u>\$750.00</u>
	<u>Plans Review</u>	<u>\$0.06</u>	<u>N/A</u>	<u>\$2,000.00</u>
	<u>Inspection</u>	<u>\$0.18</u>	<u>N/A</u>	<u>\$5,750.00</u>
<u>Mercantile</u>	<u>Administration</u>	<u>\$0.07</u>	<u>N/A</u>	<u>\$560.00</u>
	<u>Plans Review</u>	<u>\$0.09</u>	<u>N/A</u>	<u>\$800.00</u>
	<u>Inspection</u>	<u>\$0.59</u>	<u>N/A</u>	<u>\$5,680.00</u>
<u>Business</u>	<u>Administration</u>	<u>\$0.05</u>	<u>N/A</u>	<u>\$600.00</u>
	<u>Plans Review</u>	<u>\$0.05</u>	<u>N/A</u>	<u>\$750.00</u>
	<u>Inspection</u>	<u>\$0.28</u>	<u>N/A</u>	<u>\$5,400.00</u>
<u>Storage</u>	<u>Administration</u>	<u>\$0.02</u>	<u>N/A</u>	<u>\$750.00</u>
	<u>Plans Review</u>	<u>\$0.03</u>	<u>N/A</u>	<u>\$1,250.00</u>
	<u>Inspection</u>	<u>\$0.17</u>	<u>N/A</u>	<u>\$5,500.00</u>
<u>Residential Additions, Renovations, other larger projects</u>	<u>Administration</u>	<u>\$0.15</u>	<u>N/A</u>	<u>\$63.00</u>
	<u>Plans Review</u>	<u>\$0.36</u>	<u>N/A</u>	<u>\$137.00</u>
	<u>Inspection</u>	<u>\$0.85</u>	<u>N/A</u>	<u>\$340.00</u>
<u>Commercial Additions, Renovations, other larger projects</u>	<u>Administration</u>	<u>\$0.08</u>	<u>N/A</u>	<u>\$40.00</u>
	<u>Plans Review</u>	<u>\$0.20</u>	<u>N/A</u>	<u>\$105.00</u>
	<u>Inspection</u>	<u>\$1.15</u>	<u>N/A</u>	<u>\$580.00</u>
<u>Electrical</u>	<u>Administration</u>	<u>\$0.04</u>	<u>N/A</u>	<u>\$30.00</u>
	<u>Plans Review</u>	<u>\$0.04</u>	<u>N/A</u>	<u>\$37.50</u>
	<u>Inspection</u>	<u>\$0.07</u>	<u>N/A</u>	<u>\$87.00</u>
<u>Driveway</u>	<u>Administration</u>	<u>N/A</u>	<u>\$56.95</u>	<u>N/A</u>
	<u>Plans Review</u>	<u>N/A</u>	<u>\$189.81</u>	<u>N/A</u>
	<u>Inspection</u>	<u>N/A</u>	<u>\$94.91</u>	<u>N/A</u>
<u>Wall (per linear foot)</u>	<u>Administration</u>	<u>\$0.38</u>	<u>N/A</u>	<u>\$57.00</u>
	<u>Plans Review</u>	<u>\$1.25</u>	<u>N/A</u>	<u>\$190.50</u>
	<u>Inspection</u>	<u>\$0.63</u>	<u>N/A</u>	<u>\$96.00</u>
<u>Fences (per linear foot)</u>	<u>Administration</u>	<u>\$0.17</u>	<u>N/A</u>	<u>\$25.00</u>
	<u>Plans Review</u>	<u>\$0.55</u>	<u>N/A</u>	<u>\$83.00</u>
	<u>Inspection</u>	<u>\$0.28</u>	<u>N/A</u>	<u>\$42.00</u>
<u>Sheds (up to 20' x 20') / AC Units / Water Heaters</u>	<u>Administration</u>	<u>N/A</u>	<u>\$27.00</u>	<u>N/A</u>
	<u>Plans Review</u>	<u>N/A</u>	<u>\$92.00</u>	<u>N/A</u>
	<u>Inspection</u>	<u>N/A</u>	<u>\$46.00</u>	<u>N/A</u>
<u>Utilities Gas (Includes Propane)</u>	<u>Administration</u>	<u>N/A</u>	<u>\$56.95</u>	<u>N/A</u>
	<u>Plans Review</u>	<u>N/A</u>	<u>\$189.81</u>	<u>N/A</u>
	<u>Inspection</u>	<u>N/A</u>	<u>\$132.87</u>	<u>N/A</u>
<u>General</u>	<u>Administration</u>	<u>N/A</u>	<u>\$56.95</u>	<u>N/A</u>
	<u>Plans Review</u>	<u>N/A</u>	<u>\$189.81</u>	<u>N/A</u>
	<u>Inspection</u>	<u>N/A</u>	<u>\$94.91</u>	<u>N/A</u>

**Ordinance No. 1542-24**  
**Exhibit “A”**

<u>Mechanical</u>	<u>Administration</u>	<u>\$0.02</u>	<u>N/A</u>	<u>\$23.00</u>
	<u>Plans Review</u>	<u>\$0.05</u>	<u>N/A</u>	<u>\$38.00</u>
	<u>Inspection</u>	<u>\$0.05</u>	<u>N/A</u>	<u>\$53.00</u>
<u>Plumbing</u>	<u>Administration</u>	<u>\$0.02</u>	<u>N/A</u>	<u>\$38.00</u>
	<u>Plans Review</u>	<u>\$0.05</u>	<u>N/A</u>	<u>\$75.00</u>
	<u>Inspection</u>	<u>\$0.05</u>	<u>N/A</u>	<u>\$90.00</u>
<u>Pools</u>	<u>Administration</u>	<u>N/A</u>	<u>\$56.95</u>	<u>N/A</u>
	<u>Plans Review</u>	<u>N/A</u>	<u>\$189.81</u>	<u>N/A</u>
	<u>Inspection</u>	<u>N/A</u>	<u>\$132.87</u>	<u>N/A</u>
<u>Re-Roofing</u>	<u>Administration</u>	<u>\$0.02</u>	<u>N/A</u>	<u>\$29.00</u>
	<u>Plans Review</u>	<u>\$0.04</u>	<u>N/A</u>	<u>\$38.00</u>
	<u>Inspection</u>	<u>\$0.05</u>	<u>N/A</u>	<u>\$48.00</u>
<u>Sign</u>	<u>Administration</u>	<u>N/A</u>	<u>\$56.95</u>	<u>N/A</u>
	<u>Plans Review</u>	<u>N/A</u>	<u>\$151.85</u>	<u>N/A</u>
	<u>Inspection</u>	<u>N/A</u>	<u>\$94.91</u>	<u>N/A</u>
<u>Demolition</u>	<u>Administration</u>	<u>N/A</u>	<u>\$56.95</u>	<u>N/A</u>
	<u>Plans Review</u>	<u>N/A</u>	<u>\$94.91</u>	<u>N/A</u>
	<u>Inspection</u>	<u>N/A</u>	<u>\$113.89</u>	<u>N/A</u>
<u>Mobile/Modular Home Set-up</u>	<u>Administration</u>	<u>N/A</u>	<u>\$56.95</u>	<u>N/A</u>
	<u>Plans Review</u>	<u>N/A</u>	<u>\$132.87</u>	<u>N/A</u>
	<u>Inspection</u>	<u>N/A</u>	<u>\$151.85</u>	<u>N/A</u>
<u>Cell Tower Modification(s)<sup>1</sup></u>	<u>Administration</u>	<u>N/A</u>	<u>\$56.95</u>	<u>N/A</u>
	<u>Plans Review</u>	<u>N/A</u>	<u>\$132.87</u>	<u>N/A</u>
	<u>Inspection</u>	<u>N/A</u>	<u>\$303.70</u>	<u>N/A</u>
<u>Fire Protection (Only Commercial &amp; Multi-Family)</u>	<u>Administration</u>	<u>\$0.07</u>	<u>N/A</u>	<u>\$40.00</u>
	<u>Plans Review</u>	<u>\$0.15</u>	<u>N/A</u>	<u>\$90.00</u>
	<u>Inspection</u>	<u>\$0.25</u>	<u>N/A</u>	<u>\$135.00</u>
<u>Commercial Remodel (Minor)</u>	<u>Administration</u>	<u>\$0.07</u>	<u>N/A</u>	<u>\$40.00</u>
	<u>Plans Review</u>	<u>\$0.20</u>	<u>N/A</u>	<u>\$105.00</u>
	<u>Inspection</u>	<u>\$0.80</u>	<u>N/A</u>	<u>\$400.00</u>

(1) ~~New construction. \$75.00 per square foot, or valuation method per permitting fee schedule in subsection 14-71(c)(2) of this Code, whichever is greater.~~

~~(2) Modifications, alterations, repairs, etc. As per permitting fee schedule listed below:~~

<b>Total Job Valuation</b>	<b>Permit Fee</b>
\$1,000.00 and less	\$30.39
\$1,001.00 to \$50,000.00	\$30.39 for the first \$1,000.00 plus \$8.52 for each additional \$1,000.00 or fraction thereof, up to and including \$50,000.00.

<sup>1</sup> In addition, any other costs related to the use, sale, or lease of City property shall be recoverable in accordance with applicable code provisions and/or Florida law.

**Ordinance No. 1542-24**  
**Exhibit “A”**

\$50,001.00 to \$100,000.00	\$447.31 for the first \$50,000.00 plus \$7.30 for each additional \$1,000.00 or fraction thereof, to and including \$100,000.00.
\$100,001.00 to \$500,000.00	\$751.19 for the first \$100,000.00 plus \$6.09 for each additional \$1,000.00 or fraction thereof, to and including \$500,000.00.
\$500,001.00 and above	\$3,182.20 for the first \$500,000.00 plus \$4.86 for each additional \$1,000.00 or fraction thereof.

~~(d) — Electrical, mechanical, plumbing and gas permit fees:~~

~~(1) New construction (in association with a building permit) and mobile home setup permits: \$91.16 each~~

~~(2) Modifications, alterations, repairs, etc.: As per permitting fee schedule listed in subsection 14-71(c)(2) of this chapter.~~

~~(e) — Demolition permit fee: \$91.16 each~~

~~(f) — Administration fee (applies to all permitting): \$24.31~~

~~(g) — Education permit fee (applies to all permitting): \$5.79 per permit~~

~~(h) — Archival fee (applies to all permitting): \$5.79 per permit~~

~~(i) — Plans review fee (nonrefundable):~~

~~(1) Residential: (single family residence) 50% of permit fee~~

~~(2) Commercial: (multifamily, commercial, industrial) 50% of permit fee~~

~~(3) Commercial fire plan review: 25% of permit fee~~

**Sec. 14-72. Penalties and fees for re-inspections, resubmittals, duplicates, changes and renewals.**

(a) Working without a permit penalty: In the event work is performed without a permit, the City of Lake Alfred may seek any remedies available at law and/or in equity which includes, but shall not be limited to, requiring the property owner to pay a fine equal to double the total building permit fee and/or seeking administrative remedies provided for in Ch. 162, Florida Statutes. Subject to applicable Florida law, no remedy herein conferred upon the City of Lake Alfred is intended to be exclusive of any other remedy. Double the total building permit fee or \$91.16, whichever is greater.

**Ordinance No. 1542-24**  
**Exhibit “A”**

- (b) Re-inspection fee: Subject to §553.80(2)(c), Florida Statutes (2024), if the City of Lake Alfred's Building Official and/or his/her designee finds it necessary, in order to enforce compliance with the Florida Building Code, to conduct any inspection after an initial inspection and one subsequent reinspection of any project or activity for the same code violation specifically and continuously noted in each rejection, including, but not limited to, egress, fire protection, structural stability, energy, accessibility, lighting, ventilation, electrical, mechanical, plumbing, and gas systems, or other requirements identified by rule of the Florida Building Commission adopted pursuant to chapter 120, the City of Lake Alfred shall impose a fee of four times the amount of the fee imposed for the initial inspection or first reinspection, whichever is greater, for each such subsequent reinspection.

~~For every inspection requested that is not ready by time requested or fails inspection: \$30.39 per occurrence.~~

~~Subject to F.S. § 553.80(2)(c), (2015), if the City of Lake Alfred's Building Official and/or his designee finds it necessary, in order to enforce compliance with the Florida Building Code, to conduct any inspection after an initial inspection and one subsequent re-inspection of any project or activity for the same code violation specifically and continuously noted in each rejection, including, but not limited to, egress, fire protection, structural stability, energy, accessibility, lighting, ventilation, electrical, mechanical, plumbing and gas systems, or other requirements identified by rule of the Florida Building Commission adopted pursuant to F.S. ch. 120, the City of Lake Alfred shall impose a fee of four times the amount of the fee imposed for the initial inspection or first re-inspection, whichever is greater, for each such subsequent reinspection.~~

- (c) Resubmittal fee: Subject to F.S. § 553.80(2)(b), (2015), Subject to §553.80(2)(b), Florida Statutes (2024), if the City of Lake Alfred's Building Official and/or his/her designee finds it necessary, in order to enforce compliance with the Florida Building Code, to reject design documents required by the code three or more times for failure to correct a code violation specifically and continuously noted in each rejection, including, but not limited to, egress, fire protection, structural stability, energy, accessibility, lighting, ventilation, electrical, mechanical, plumbing and gas systems, or other requirements identified by rule of the Florida Building Commission adopted pursuant to F.S. ch. 120, the City of Lake Alfred shall impose, each time after the third such review the plans are rejected for that code violation, a fee of four times the amount of the proportion of the permit fee attributed to plans review.

~~For every additional submission of plans after initial review: 50% of total plan review fee.~~

- (d) Duplicates: Standard copies of any permit documentation shall be charged according to the city's public records schedule.
- (e) Following the issuance of a building permit by the City of Lake, the issued building permit shall not be changed, renewed, or modified. Any change, renewal, or

**Ordinance No. 1542-24**  
**Exhibit “A”**

modification of a building permit shall require an application for and the issuance of a new and mutually exclusive building permit by the City of Lake Alfred.

- (f) ~~Changes: For changes to permit after issuances, including changing contractors, revising work description, etc.: \$24.31~~
- (g) ~~Renewal: For every permit requested to be renewed for an additional 180 days, pursuant to the Florida Building Code: 50% of total building permit fee.~~

**Sec. 14-73. Reserved. Amendment to Fee Schedule.**

All City of Lake Alfred Calculated Building Permit Fees for development which include, but shall not be limited to, the fee schedule(s) set forth in Sec. 14-71 of the Code of Ordinances, City of Lake Alfred, Florida, shall be in force and effect and may be hereafter amended from time to time by either Resolution or Ordinance.

**Sec. 14-74. Automatic increase of fees. Reserved.**

~~In order to maintain the department level of service and as authorized by Florida law, all permit fees set forth above shall be automatically increased by five percent every two years beginning October 1, 2016. A current schedule of permit fees set forth in this article shall be on file with the city clerk's office.~~

**Sec. 14-75. Lien searches and other related lien reports.**

- (a) This section establishes a minimum \$25.00 fee for lien searches and other related lien reports and a fee schedule as follows:
  - Same day of request \$40.00
  - Within one working day of request \$30.00
  - Within three working days of request \$25.00
- (b) The provisions of this section shall allow for the established fees set forth above to be applicable upon written request of lien searches or reports received by the City of Lake Alfred.
- (c) A lien search certificate is herein defined as a document issued by the City of Lake Alfred which sets forth any and all liens against a particular piece of property as disclosed by a search of the city lien docket and the amount of said liens.

**Secs. 14-76—14-110. Reserved.**

**Exhibit "B"**  
**Ord. 1542-24**

**CITY OF LAKE ALFRED**

# **Building Fees Study**

**FINAL REPORT / October 26, 2023**

October 26, 2023

Ryan Leavengood  
City Manager  
City of Lake Alfred  
155 E. Pomelo St.  
Lake Alfred, FL 33850

**Subject: Building Fee Study**

Dear Mr. Leavengood:

Raftelis has completed our building fee study report. This report provides the analysis, findings, conclusions and recommendation of the study together with discussions, tables, and exhibits supporting and documenting the study process and the significant changes identified for how the fees are designed. Professional care was used in identifying and utilizing data, assumptions and estimates such that the fee structure represents the cost to the City of Lake Alfred (City) for enforcing the Florida Building Code.

Thank you for the opportunity to assist the City of Lake Alfred with this study, and the time you and your staff made available to assemble data and discuss the study elements.

Very truly yours,

**Raftelis**



**Joe Williams**  
*Senior Manager*



**Diana Ling**  
*Senior Consultant*

# Contents

<b>Background .....</b>	<b>1</b>
<b>Revenue Requirements .....</b>	<b>6</b>
<b>Revenue Sufficiency Evaluation .....</b>	<b>9</b>
<b>Private Provider Credits.....</b>	<b>11</b>
<b>Senate Bill 250 .....</b>	<b>13</b>
<b>Rate Design and Recommended Fees .....</b>	<b>14</b>

# Tables

Table 1: Summary of Existing Permit Fees ..... 2

Table 2: Summary of Historical Permit Activity FY 2017 – FY 2022 ..... 4

Table 3: Historical Building Department Operating Costs..... 5

Table 4: Operating Expense Forecast..... 7

Table 5: Capital Reserve Account FY 2023..... 8

Table 6: Operating Forecast ..... 9

Table 7: Operating Reserve Balance Forecast..... 10

Table 8: Private Provider Credit Calculations ..... 12

Table 9: Calculated Building Permit Fees ..... 15

Table 10: Typical New Residential Permit Fees for a 2,500 Square Foot Home ..... 17

# Figures

Figure 1: Historical Revenues, Expenditures, and Fund Balance Accumulation ..... 4

# Exhibits

- Exhibit 1: Building Department Projected Budget
- Exhibit 2: Capital Improvement Plan
- Exhibit 3: Operating Forecast
- Exhibit 4: Fund Balance Forecast

THIS PAGE INTENTIONALLY LEFT BLANK

# Background

The City of Lake Alfred (City) has established building fees to recover the costs of enforcing the Florida Building Code pursuant to Florida Statutes. The existing fees were amended in 2008 by Ordinance 1363-16 and have been indexed bi-annually by 5% beginning October 1, 2016. The City has engaged Raftelis to review the existing building fees and recommend a new fee structure 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 to the general public 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 identified as the Community Development fund which houses the Code Enforcement, Planning, Zoning and Building departments. This study strictly focuses on the Building Department (Department) which provides the services related to enforcing the Florida Building Code. Building Inspection fees must be established to meet 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, reinspections, 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 fees should be designed to only recover the Department's cost of service including any capital replacement needs 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 fees as well as a five-year forecast of the revenues and expenditures for the Department to help guide fee levels in the future.

# Historical Fees and Permit Activity

The City's Building Department Permit Fees were last adjusted on October 1, 2020. The amended fee structure was established by Ordinance 1363-16, with a 5% increase to permit fees every two years beginning October 1, 2016. The following is a summary of the fees including plan review and permit fees for new or re-development within the City along with fees for other related services associated with enforcing the Florida Building Code:

**Table 1: Summary of Existing Permit Fees**

Permit Type	Fees 10/1/2020
Building Permit Fee - Based on Total Valuation of Job	
\$0 - \$1,000 BASE	\$35.18
\$1,001 - \$50,000 BASE	\$35.18
Ea. Add'l \$1,000	\$11.42
\$50,001 - \$100,000 BASE	\$517.81
Ea. Add'l \$1,000	\$8.44
\$100,001 - \$500,000 BASE	\$869.59
Ea. Add'l \$1,000	\$7.04
\$500,001 and above BASE	\$3,683.79
Ea. Add'l \$1,000	\$5.63
Electrical (New Construction)	\$105.53
Mechanical (New Construction)	\$105.53
Plumbing (New Construction)	\$105.53
Gas (New Construction)	\$105.53
Demolition	\$105.53
Fence (only \$3,000 or less)	\$49.25
Lakefront Clearing	\$105.53
Moving Building/Structures	\$140.71
Tent	\$105.53
Mobile Home Set-up	\$316.60
Sign (Temporary)	\$70.36
Sewer Tap Inspection	\$35.18
Temporary Pole	\$70.36
Change of Occupancy - Business Tax Receipts	\$49.25
Administration	\$28.14
Reinspection	\$35.18
Working without permit	\$0.00
First Offense	\$105.53

<b>Permit Type</b>	<b>Fees 10/1/2020</b>
Add'l Offense - Double Permit Fee and	\$105.53
Driveway (Residential)	\$67.00
Driveway (Commercial)	\$134.01
Right-of-way (Residential)	\$67.00
Right-of-way (Commercial)	\$134.01
Education	\$6.70
Archive	\$6.70
Excavations	\$402.03
Excavations - Plan Review	\$134.01
Moving structures over City ROW	\$201.01
Moving structures over City ROW - Plan Review	\$67.00
Plan Review	50% of permit fee
Commercial Fire Plan Review	25% of permit fee
Duplicate Permit Cards	\$14.07
Duplicate Re-stamp of plans	
First requests	\$14.07
Subsequent requests	\$21.11
Permit Transfers	\$42.21
Re-inspection	\$35.18
Plan Resubmittals	
Resident First Request	\$21.11
Resident Subsequent Requests	\$42.21
Commercial Anytime (max. \$525)	\$28.14

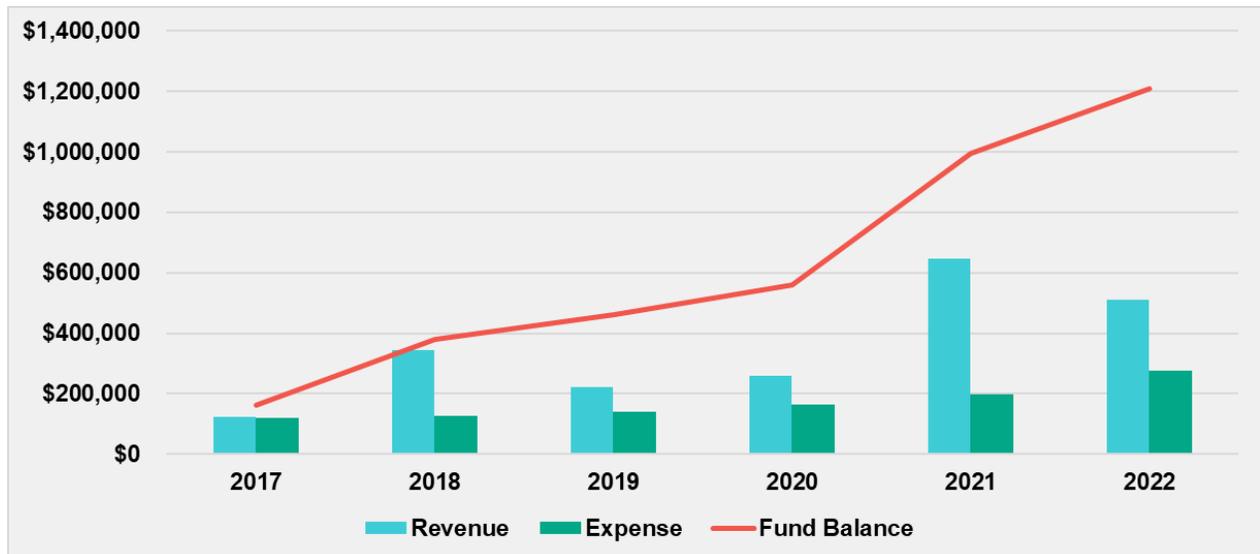
Construction activity and the number of permits submitted to the Department have steadily increased over the last 5 years. The City tracks the number of permits and inspections performed each year and has seen the number of permits issued increase from 362 in Fiscal Year (“FY”) 2017 to more than 650 in FY 2022. Additionally, the annual revenue generated by the building permit fees increased on average annually by 33% while operating expenses have increased by 18% on average annually. This resulted in the increase and accumulation of the building fund balance. The table and chart below provide illustrations of historical trends in the building department:

**Table 2: Summary of Historical Permit Activity FY 2017 – FY 2022**

Fiscal Year	Permits Issued	Inspections Completed
2022	652	3,435
2021	598	1,659
2020	407	1,004
2019	439	1,996
2018	617	1,845
2017	362	1,843

Note: Amounts obtained from FY 2022 Annual Financial Report.

**Figure 1: Historical Revenues, Expenditures, and Fund Balance Accumulation**



As illustrated on the figure above, the fund balance accumulation started to increase sharply in FY 2018 corresponding with the increased permit and construction activity reported. The accumulated balance through the end of FY 2022 is approximately \$1.2 million. The trends seen in FY 2022 above are materializing again so far through the end of FY 2023. It should be noted that the City purchased a new building for the building department staff to largely occupy. This building will be funded through use of building fee reserves and other available City funds and will result in the building fund spending down most of the accumulated balances.

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. The previous four fiscal years and the average are provided on the table below:

**Table 3: Historical Building Department Operating Costs**

<b>Fiscal Year</b>	<b>Operating Costs</b>
2022 [1]	\$275,580
2021 [1]	\$197,650
2020	\$165,212
2019	\$139,125
<b>4-year Average</b>	<b>\$194,300</b>

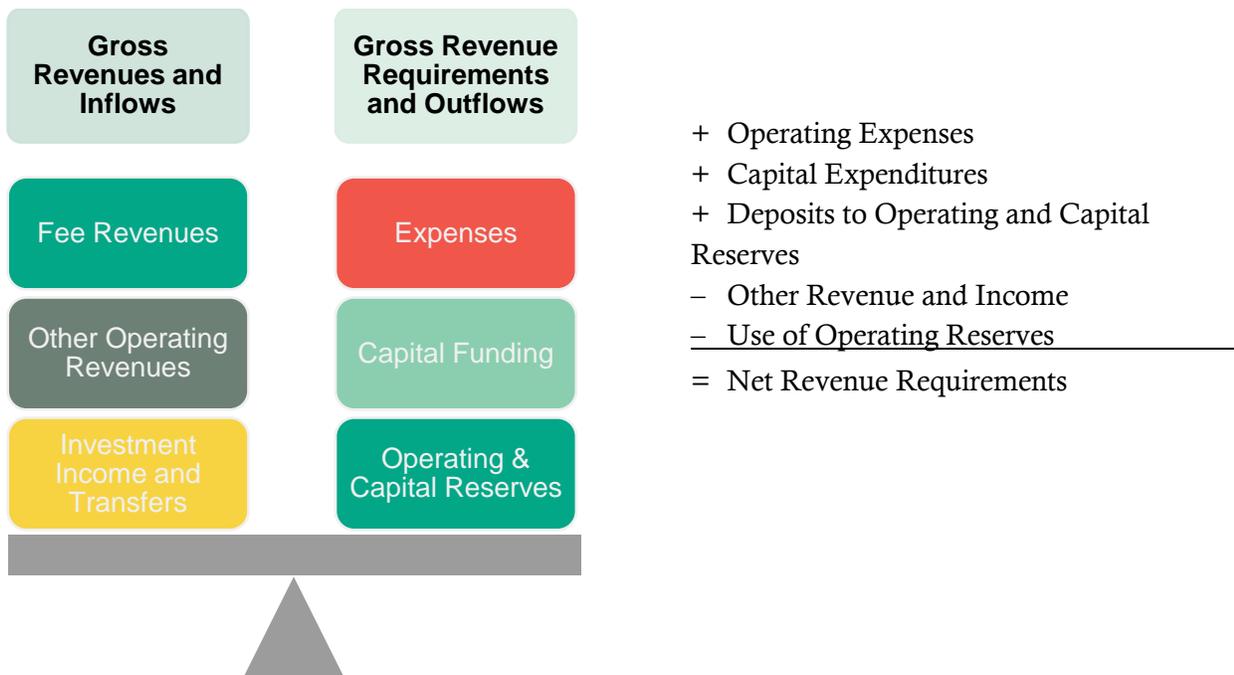
[1] Estimated: based on Community Development Department Actuals allocated to the Building Department.

As can be seen above the operating costs have been generally increasing since FY 2019. With additional regulations and requirements passed by the Florida Legislature in recent years, including 2022, along with a strong uptick in growth and permit activity it is anticipated that the cost to operating the Department will continue to increase in future years with increased staffing needs being the primary driver. Increases to the operating costs over time will subsequently increase the four-year average allowed for a reserve fund.

*(Remainder of Page Intentionally Left Blank)*

# 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:



The revenue requirements are based on the adopted budget for Fiscal Years 2023 and 2024, with added provisions of setting aside funds for future capital replacement including vehicles used by the Department. FY 2023 serves as the test year for the revenue requirements, which are then forecast for future years based on inflationary factors. As previously mentioned, the Community Development 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. The expenses of this fund were then allocated, per staff’s input, to represent only the Building Department’s expenses which support the development of the fees. The City’s indirect cost allocation methodology was relied on as budgeted to provide funding for other City departments such as City Administration, Fire, and Finance that provide support to the Department. The forecast of operating expenses is summarized on the table below and shown in greater detail in Exhibit 1.

*(Remainder of Page Intentionally Left Blank)*

**Table 4: Operating Expense Forecast**

<b>Fiscal Year</b>	<b>Total Operating Expenses</b>
2023	\$434,440
2024	\$521,937
2025	\$601,987
2026	\$620,280
2027	\$639,247

In addition to the annual operating expenses, the revenue requirements include annual funding for capital expenditures identified to support the Department. Currently, the primary capital items maintained by the department are two vehicles, and computers with a range of seven years and to five years of depreciable life, respectively. Based on the date each asset was placed in service, the Department should have set aside \$29,404 for accumulation of the depreciation/ replacement of these assets. It is recommended that the Department set aside this funding by the end of the 2023 calendar year. Additionally, to account for the replacement of vehicles and other assets in the future, based on replacement of these assets at their respective depreciable life intervals, it is recommended that the City deposit approximately \$7,800 each year. As new or replacement assets are made, the annual deposit to the Capital Reserve Account would be adjusted to account for the new asset based on: i) the average depreciable life of the asset; and ii) the estimated replacement value for asset when it is scheduled next for replacement. The Department has planned the purchase of updated permit software which would have an initial cost of approximately \$120,000 in FY 2023 and a maintenance cost of approximately \$16,000 per year, for FY 2024 to 2026, as shown in Exhibit 2. In addition, the City is planning to add additional office space to the building department, which would entail a new, separate building. This project is anticipated to cost an estimated \$1.6 million for the acquisition of the building in Fiscal Year 2023 and approximately \$1.2 million for additional remodeling and upgrading costs in Fiscal Year 2024 and 2025. The Building Department is anticipated to fund 80% of the mentioned project, with the remaining amount being allocated to other General Fund departments. These two major capital investment projects will exhaust the existing reserves associated with the Department. In the development of the operating reserve balance as required by Florida Statutes, the funding of the capital reserve 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. It is recommended that the City transfer \$29,404 from the operating reserve to the new capital reserve, within the Department's tracking of funds. 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.

In addition, the City Commission approved and put into effect Resolution 07-22 Permit Fee Reduction Fund on May 16, 2022. Exhibit A from Resolution 07-22 is included as Exhibit 5. This establishes a policy to help cover deficits in the permit fee fund balance in years of slow development activity and prevent steep volatility in permit fee adjustments during years of high activity. This policy only applies to excess permit fee revenues that are not designated for capital projects. The below formula will determine, based on the respective year's budget and excess funds, the reduction to the permit fees for the following year.

**Percent Discount/ Reduction to Fees=**

$$\text{Average Operating Budget for Last 4 Fiscal Years} \div \text{Excess Funds} \div 10$$

The table below illustrates the balances for each fund as of the end of FY 2023:

**Table 5: Capital Reserve Account FY 2023**

Description	Operating Reserves	Capital Reserves	Permit Fee Reduction Fund
Estimated Cash Balance 9/30/2022	\$1,208,373	\$0	\$0
Transfers In	(660,178) [1]	29,404	353,895
Transfers Out	(353,895) [2]	0	0
Estimated Cash Balance 9/30/2022	\$194,300	\$29,404	\$353,895
Operating Reserve Target [3]	\$194,300		

[1] Excess Revenue after Transfer to Capital Reserves and Use of Funds for Capital Improvements

[2] Determined based on Permit Fee Reduction Fund Resolution 07-22

[3] Historical four-year average (FY 2019 – FY 2022) operating expenses for the Department, as provided in Florida Statutes, Chapter 553.80(7)(a).

By the end of FY 2023, the City has accumulated a balance in the Department that does not exceed the newly imposed 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...”. With current building fee policies and planned capital expenditures in place, and expected large increases in construction activity, especially on residential homes, it is recommended that the City decrease the overall revenue amounts for the Building Department. Anticipated trends and the resulting fund balances over time will be discussed further in the Revenue Sufficiency section of this report.

*(Remainder of Page Intentionally Left Blank)*

# Revenue Sufficiency Evaluation

As presented in Figure 1, Raftelis reviewed the permit and Building department activity over the past 5 years from FY 2017 through FY 2022. Additionally, year to date financials as of August 2023 has been provided by the City and used to estimate the financial results of FY 2023. In recent years, construction activity has been accelerated compared to FY 2018 and earlier, resulting in increased revenue collections. Estimated FY 2023 revenue is anticipated to be 160% higher than FY 2022, with an estimated annualized revenue of approximately \$1.3 million. The City's planned capital improvement projects in the next three years will significantly decrease the fund balance, however the steep increase in revenues in FY 2023 and expected continued high levels of building activity, an accumulated fund balance is estimated. In order to maintain a fund balance below the operating reserves threshold, a 30% decrease in revenues by FY 2025 is required. The reflected decrease in revenues as shown below can be achieved through the implementation of the new rate structure, as further discussed in the next section. The resulting operating forecast is summarized on Table 6 below and provided in detail on Exhibit 3.

**Table 6: Operating Forecast**

Description	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Permit Fee Revenue	\$1,322,033	\$1,322,000	\$925,400	\$925,400	\$925,400
Total Expenses/ Transfers	\$505,844	\$544,731	\$625,386	\$644,301	\$647,085
<b>Revenue Surplus/(Deficit)</b>	<b>\$816,156</b>	<b>\$380,669</b>	<b>\$300,014</b>	<b>\$281,099</b>	<b>\$278,315</b>

Forecasted revenues in the near term are expected to exceed expenses, generating excess funds which will be necessary to cover capital improvement projects for the next three years. Reduced revenues in FY 2024 and beyond are targeted to generate a surplus to not exceed the operating reserves threshold as dictated by State Statutes. The estimated future permit activity is based on the FY 2023 budget and is expected to increase in the next 5 years based on planned development activity. This will be further analyzed in the Rate Design section. Based on the current operating forecast, the following table and Exhibit 4, presents the anticipated ending operating reserve balance each year:

*(Remainder of Page Intentionally Left Blank)*

**Table 7: Operating Reserve Balance Forecast**

<b>Description</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
Beginning Balance	\$1,208,373	\$194,300	\$268,100	\$308,878	\$458,500
Rate Revenue Surplus/ (Deficiency)	816,156	380,669	300,014	281,099	278,315
Capital Expenditures	(1,476,334)	(80,000)	(840,000)	0	0
Transfer (to)/from Rate Stabilization	(353,895)	(226,869)	580,764	(131,476)	(192,115)
Ending Balance	\$194,300	\$268,100	\$308,878	\$458,500	\$544,700
Target Balance [1]	\$194,300	\$268,100	\$357,300	\$458,500	\$544,700

[1] Based on the average operating expenses for the prior four-year period.

It is recommended that the Building department reevaluate fees after FY 2025, once the true costs of the large capital improvements are realized in order to reassess the fund balance and the progress towards maintaining the operating reserve target.

# Private Provider Credits

As provided by Chapter 553, Section 791 of the Florida Statutes the City must allow an applicant to use a private provider to provide plan review and/or building code inspection services required for the permitting process and shall make payment directly to the private provider for the provision of such services. The fee owner may elect to use a private provider to provide plans review or required building inspections, or both. However, if the fee owner or the fee owner's contractor uses a private provider to provide plans review, the local building official, in his or her discretion and pursuant to duly adopted policies of the local enforcement agency, may require the fee owner or the fee owner's contractor to use a private provider to also provide required building inspections. These private providers are required to have an active registration with the City.

If an applicant uses a private provider for the complete plan review and/or inspection services (a single-trade inspection on a project that requires multi-trade inspections will not fully qualify), there should be a credit provided since the responsibility for the appropriate plan review and inspection services has now shifted to the private provider. However, there are still services that are provided by the City which include, but are not limited to, the following:

1. Receipt of the plans and review for completeness which includes application notification, Department and City coordination, input in the Department's data base and job tracking software / system and other related administrative services. Review licenses of private provider and affidavits and documents acknowledging use of private provider by an applicant.
2. Performance of Engineering Review for stormwater drainage and control, including field inspections and review of compliance with Flood Plain Management requirements (flood zone review and coordination). This would also include general review of set-backs, surface area ratios, heights, densities, accessories to home or building and other related conditions.
3. Coordination with applicant regarding calculation of total fees charged for service and calculation of plan review and inspection fees, including private provider credit. Meetings / coordination with applicants for collection of fees, execution of all permits and documents with applicant and other related applicant services.
4. Validation of every permit inspection that it was performed satisfactorily which has resulted in increased documentation validation (e.g., must have notice of commencement, certificate of compliance, etc. which in many instances may be incomplete), notice of final applicant, issue Certificate of Occupancy.
5. Must develop complete data records and prepare electronic files of all documents with City being responsible for storage and maintenance of all records after project completion.
6. The incurrence of overhead and administrative costs associated with the operation of the Building Department and providing plan review and inspector staff as a back-up to the extent that an applicant changes it request to use or does not employ a private provider (referred to as a state of readiness to the extent the private providers are not employed).

In order to estimate the private provider credits, a time analysis was performed to determine the relative effort provided by City staff in cases where full services were required versus when a private provider was utilized. Since each situation is unique, reasonable averages and assumptions were made to formulate a consistent percentage reduction to be applied when private providers are used. This analysis is summarized below for a typical residential and commercial plan review and inspection project. As one would expect, this analysis is for a typical development project and the actual time spent by Department staff may vary due to a variety of reasons, including completeness of the plan review documentation and interaction with the private provider, complexity of the construction project and the ability of the private provider to conduct all of the necessary inspection services, and other factors. These cost differences could be significant. Based on the cost and time analysis developed from data provided by and discussions with staff, as provided on Table 8.

**Table 8: Private Provider Credit Calculations**

Description	Allocation of Time for Service Lake Alfred-Only [1]	Allocation of Time for Service Assuming Private Provider [1]	Recommended Percent Reduction to Private Provider
<b>Typical New Residential</b>			
Administrative Activities	140	140	0%
Plan Review Activities	75	10	(86%)
Inspection Activities	512	30	(94%)
<b>Typical Commercial</b>			
Administrative Activities	275	275	0%
Plan Review Activities	300	10	(96%)
Inspection Activities	1,195	300	(75%)

[1] Allocation of time expressed in minutes.

As shown on the table above, it is recommended that if a private provider is used for residential plan review a 86% reduction and/ or inspection services there is a 94% reduction in the fees for those components of the total building permit fees. This reduction is consistent with the time allocation to allow for provisions made by F.S. 553.791(9). *“The local building official may visit the building site as often as necessary to verify that the private provider is performing all required inspections. A deficiency notice must be posted by the private provider, the duly authorized representative of the private provider, or the building department whenever a noncomplying item related to the building code or the permitted documents is found.”* In addition, all of the administrative activities are still required by the City’s operating process and should be paid by the permittee. On the commercial/non-residential side, the same 96% discount will be given to plan review activities to account for the Building Official verification time, and a 75% discount will be given to inspection related services since the fire department provides inspection services that cannot currently be replaced by a private provider. As illustrated in Table 9, for administrative ease and transparency each fee has been separated into the respective components of administrative, plan review and inspection.

*(Remainder of Page Intentionally Left Blank)*

# Senate Bill 250

During the course of the study, Florida Senate passed Bill 250 to address the impacts of Hurricanes Ian and Nicole on Florida. The bill makes various changes within Florida Statutes regarding state and local government preparation and response to natural emergencies. Among others, the Bill amends S. 553.80, F.S.; “*prohibiting certain local governments from raising building inspection fees during a certain timeframe*”. Lake Alfred was a municipality within the disaster declaration of the hurricane and therefore effective January 1, 2023 (retroactively), it cannot increase its building fees until October 1, 2024.

# Rate Design and Recommended Fees

As demonstrated in this report, with implemented policies and expected increased capital spending the City's forecasted permit fee revenues is predicted to cover annual expenditures while targeting the accumulation of the operating fund, to comply with levels set by F.S. Chapter 553.80. Furthermore, Raftelis was tasked with designing a new rate structure that would align permit fees more closely to the cost of providing the services by establishing a per square footage basis for certain permits. Currently, the building permit fees are applied based on the construction value of the property, with varying thresholds, see Table 1 above.

Through interviews with staff members, Raftelis assigned each fee a level of effort, in dollars, derived from the average amount of time it takes to complete a task and the average salaries, benefits, travel time, and an allocation of the total costs of operating the department. These allocations were assigned based on the necessary procedures completed by each applicable employee, including but not limited to Permit Technicians, Building Official, Inspector, Planner, and the Fire Marshall to comply with the Florida Building Code requirements for the specific permit type. The forecasted FY 2023 cost of operating the Building department was then incorporated in order to account for additional costs.

Based on historical statistical data from January 1, 2018 through April 30, 2022, along with the significant amount of potential development in the City over the next five to ten year period, Raftelis forecasted the number of occurrences on average, per year for each permit. In further discussions with staff and review of the planned housing developments within the City in the next 3 years, the forecasted number of permits for new residential is predicted to be approximately 350 homes, as compared to the historical average of 71. This forecast of 350 homes encompasses the following categories: single family homes, townhomes, and duplexes. Under the existing fees, new residential permit typically encompassed the building permit, plan review, mechanical, electrical, and plumbing with other added fees such as state surcharges, education fees, and others. To improve administrative efficiency and to reflect the typical internal process, the proposed structure will only include fees for administrative, plan review and inspections.

Upon further conversations with staff, it was concluded that commercial building inspection times vary widely, depending on the classification/ occupancy group of the building due to added complexities resulting in longer procedural processes. Using the International Code Council's Building Valuation Data Guide, and both historical and forecasted commercial development within the City, new commercial permits are proposed to be categorized into the following: 1) assembly (i.e. theaters, restaurants, community halls) 2) mercantile (i.e. grocery store, clothing store), 3) business (i.e. barber shop, nail salon), and storage (i.e. warehouse). These categories can potentially vary significantly in size and establishing fees separately will ensure a more equitable and fair representation for the cost of service. These fees and others can be found in the table below.

*(Remainder of Page Intentionally Left Blank)*

Table 9: Calculated Building Permit Fees

Fee Type	Fee Component	Fee per Square Feet	Fee per Job	Minimum
Single Family, Townhomes, Duplex	Admin	\$0.08	N/A	\$87.00
	Plan Review	\$0.12	N/A	\$135.00
	Inspection	\$0.55	N/A	\$520.00
Assembly	Admin	\$0.02	N/A	\$750.00
	Plan Review	\$0.06	N/A	\$2,000.00
	Inspection	\$0.18	N/A	\$5,750.00
Mercantile	Admin	\$0.07	N/A	\$560.00
	Plan Review	\$0.09	N/A	\$800.00
	Inspection	\$0.59	N/A	\$5,680.00
Business	Admin	\$0.05	N/A	\$600.00
	Plan Review	\$0.05	N/A	\$750.00
	Inspection	\$0.28	N/A	\$5,400.00
Storage	Admin	\$0.02	N/A	\$750.00
	Plan Review	\$0.03	N/A	\$1,250.00
	Inspection	\$0.17	N/A	\$5,500.00
Residential Additions, Renovations, other larger projects	Admin	\$0.15	N/A	\$63.00
	Plan Review	\$0.36	N/A	\$137.00
	Inspection	\$0.85	N/A	\$340.00
Commercial Additions, Renovations, other larger projects (exc. remodels)	Admin	\$0.08	N/A	\$40.00
	Plan Review	\$0.20	N/A	\$105.00
	Inspection	\$1.15	N/A	\$580.00
Commercial Interior Remodels	Admin	\$0.07	N/A	\$40.00
	Plan Review	\$0.20	N/A	\$105.00
	Inspection	\$0.80	N/A	\$400.00
Electrical	Admin	\$0.04	N/A	\$30.00
	Plan Review	\$0.04	N/A	\$37.50
	Inspection	\$0.07	N/A	\$87.00
Driveway	Admin	N/A	\$56.95	N/A
	Plan Review	N/A	\$189.81	N/A
	Inspection	N/A	\$94.91	N/A
Walls (per linear foot)	Admin	\$0.38	N/A	\$57.00
	Plan Review	\$1.25	N/A	\$190.50
	Inspection	\$0.63	N/A	\$96.00
Fences (per linear foot)	Admin	\$0.17	N/A	\$25.00
	Plan Review	\$0.55	N/A	\$83.00
	Inspection	\$0.28	N/A	\$42.00
Sheds (up to 20ft x 20ft) / AC Units / Water Heaters	Admin	N/A	\$27.00	N/A
	Plan Review	N/A	\$92.00	N/A
	Inspection	N/A	\$46.00	N/A
Utilities and Gas (Including Propane)	Admin	N/A	\$56.95	N/A
	Plan Review	N/A	\$189.81	N/A
	Inspection	N/A	\$132.87	N/A
General	Admin	N/A	\$56.95	N/A
	Plan Review	N/A	\$189.81	N/A
	Inspection	N/A	\$94.91	N/A
Mechanical	Admin	\$0.02	N/A	\$23.00
	Plan Review	\$0.05	N/A	\$38.00
	Inspection	\$0.05	N/A	\$53.00
Plumbing	Admin	\$0.02	N/A	\$38.00
	Plan Review	\$0.05	N/A	\$75.00
	Inspection	\$0.05	N/A	\$90.00

Fee Type	Fee Component	Fee per Square Feet	Fee per Job	Minimum
Pools	Admin	N/A	\$56.95	N/A
	Plan Review	N/A	\$189.81	N/A
	Inspection	N/A	\$132.87	N/A
Re-Roofing	Admin	\$0.02	N/A	\$29.00
	Plan Review	\$0.04	N/A	\$38.00
	Inspection	\$0.05	N/A	\$48.00
Sign	Admin	N/A	\$56.95	N/A
	Plan Review	N/A	\$151.85	N/A
	Inspection	N/A	\$94.91	N/A
Demolition	Admin	N/A	\$56.95	N/A
	Plan Review	N/A	\$94.91	N/A
	Inspection	N/A	\$113.89	N/A
Mobile/ Modular Home Set-up	Admin	N/A	\$56.95	N/A
	Plan Review	N/A	\$132.87	N/A
	Inspection	N/A	\$151.85	N/A
Cell Tower Modifications	Admin	N/A	\$56.95	N/A
	Plan Review	N/A	\$132.87	N/A
	Inspection	N/A	\$303.70	N/A
Fire Protection (Commercial and Multi Family Only)	Admin	\$0.07	N/A	\$40.00
	Plan Review	\$0.15	N/A	\$90.00
	Inspection	\$0.25	N/A	\$135.00

A few notes regarding the fees on the table above include:

1. The fees for new developments include the cost of electrical, mechanical, plumbing, and gas. The City's current fee structure charges these separately, but they have been calculated to be included in the new fee structure.
2. The fees for electrical, mechanical, plumbing, and gas will be charged to redevelopment, additions, or other types of improvements, where necessary, outside of the development of a brand-new unit.
3. Many of the fees are designed to be based on the square footage of the building, which is the area under roof that accounts for additional square footage from multiple story units, garages, porches, and other areas under roof.

Due to the continued uncertainty with respect to many factors, as identified below, it is recommended that the City review and update the building fund forecast each year for the next several years to ensure the accumulated funds are being addressed appropriately:

- ongoing economic factors may affect the long-term development/ growth within the City such as:
  - increased housing prices,
  - longer lead times on materials, and
  - rising interest rates,
- natural variations in annual revenue levels, as they are one hundred percent (100%) variable and dependent on construction activity,
- a significant expected increase in development activity in the City, and
- a complete overhaul of how the building fees are applied to development.

To demonstrate how the new proposed fees will impact typical new single-family developments, Table 10 is provided and shows a comparison between the existing and proposed fees for a 2,500 square foot home with an approximately building value of \$230,000.

**Table 10: Typical New Residential Permit Fees for a 2,500 Square Foot Home**

Description of Fees	Existing	Proposed
Administrative	\$28.14	\$200.00
Plan Review	892.10	300.00
Inspection	1,784.20	1,397.00
Electrical	105.53	N/A
Plumbing	105.53	N/A
Mechanical	105.53	N/A
<b>Total</b>	<b>\$3,021.03</b>	<b>\$1,897.00</b>

It is important to note that because most single-family homes have differing square footage to valuation relationships, a 30% decrease is estimated for an average home and may differ for among individual permits. However, a decrease is estimated for most of the new residential fees. Similarly, new commercial fees are estimated to decrease on average, given that projects fall within the average valuation per square foot as seen within historical and projected statistics.

As mentioned, overall revenues were targeted to decrease and therefore the majority of the fees are estimated to be lower within the new fees structure as compared to the existing fees. However, in order to ensure compliance with SB250, it is recommended that the City implement the new fee structure to effective on October 1, 2024, aligning with the sunset of SB250.

**City of Lake Alfred**  
**2023 Building Fee Study**  
**Exhibit 1: Building Department Projected Budget**

Description	Escalation Factor	Projected Fiscal Year Septmeber 30,				
		2023	2024	2025	2026	2027
Salary & Wages	Labor	\$137,380	\$152,375	\$157,708	\$163,228	\$168,941
Part Time Wages	Labor	0	0	0	0	0
Overtime Pay	Labor	1,500	2,250	2,329	2,411	2,495
Additional Personel	Labor	0	31,200	97,000	100,300	103,800
FICA Expense	Insurance	10,580	11,657	12,240	12,852	13,495
Retirement	Inflation	8,890	22,856	23,382	23,943	24,518
Life & Health Insurance	Insurance	19,100	24,129	25,336	26,603	27,933
Workers Comp Insurance	Insurance	1,730	1,820	1,911	2,007	2,107
Professional Services	Labor	6,250	7,500	7,763	8,035	8,316
Reimbursable Prof. Services	Inflation	0	0	0	0	0
Building Official	Inflation	100,000	110,000	112,530	115,231	117,997
Employee Exams	Inflation	250	250	256	262	268
Special Magistrate	Inflation	0	0	0	0	0
Training & Travel	Inflation	2,500	2,500	2,558	2,619	2,682
Communications	Inflation	1,750	1,750	1,790	1,833	1,877
Electric	Inflation	6,000	6,000	6,138	6,285	6,436
Property & Liability	Inflation	810	1,000	1,023	1,048	1,073
R & M Services	Inflation	250	250	256	262	268
R & M-Auto	Inflation	250	250	256	262	268
R & M- Copier	Inflation	3,000	3,000	3,069	3,143	3,218
Code Enf. Abatement	Inflation	0	0	0	0	0
R & M Software	Inflation	2,000	2,000	2,046	2,095	2,145
Office Supplies	Inflation	1,000	1,000	1,023	1,048	1,073
Operating Supplies	Inflation	1,500	1,500	1,535	1,572	1,610
Fuel	Inflation	750	750	767	785	804
Sub. & Membership	Inflation	750	750	767	785	804
<b>Budget Total</b>		<b>\$306,240</b>	<b>\$384,788</b>	<b>\$461,683</b>	<b>\$476,609</b>	<b>\$492,128</b>
Overhead Allocations	Inflation	128,200	137,149	140,304	143,671	147,119
<b>Grand Total</b>		<b>\$434,440</b>	<b>\$521,937</b>	<b>\$601,987</b>	<b>\$620,280</b>	<b>\$639,247</b>

**City of Lake Alfred**  
**2023 Building Fee Study**  
**Exhibit 2: Capital Improvement Plan**

Description	Funding Source	2023	2024	2025	2026	2027
Permit Software	Reserves	\$120,000	\$0	\$0	\$0	\$0
City Hall Conference Room	Reserves	1,356,334	80,000	840,000	0	0
Vehicles	Permit Fees	42,000	0	0	0	0
Permit Software Maintenance	Permit Fees	0	15,621	16,011	16,412	0
<b>Total</b>		<b>\$1,518,334</b>	<b>\$95,621</b>	<b>\$856,011</b>	<b>\$16,412</b>	<b>\$0</b>

**City of Lake Alfred**  
**2023 Building Fee Study**  
**Exhibit 3: Operating Forecast**

Description	Projected Fiscal Year Septmeber 30,				
	2023	2024	2025	2026	2027
Operating Expenses	\$434,440	\$521,937	\$601,987	\$620,280	\$639,247
Other Operating Requirements					
Transfer to Capital Replacement Fund	29,404	7,173	7,388	7,610	7,838
Used for Capital Improvements	42,000	15,621	16,011	16,412	0
Total Other Operating Requirements	\$71,404	\$22,794	\$23,399	\$24,021	\$7,838
Net Revenue Requirements	\$505,844	\$544,731	\$625,386	\$644,301	\$647,085
Revenues from Existing Permit Fees	\$1,322,033	\$1,322,000	\$925,400	\$925,400	\$925,400
Rate Adjustment	0.0%	-30.0%	0.0%	0.0%	0.0%
Adjusted Revenues from Permit Fees	\$1,322,000	\$925,400	\$925,400	\$925,400	\$925,400
Rate Revenue Surplus / (Deficiency)	\$816,156	\$380,669	\$300,014	\$281,099	\$278,315

**City of Lake Alfred**  
**2023 Building Fee Study**  
**Exhibit 4: Fund Balance Forecast**

Projected Fiscal Year September 30,

	2023	2024	2025	2026	2027
<b>Operating Reserve Fund</b>					
Beginning Balance [1]	\$1,208,373	\$194,300	\$268,100	\$308,878	\$458,500
Operating Surplus/(Deficit)	816,156	380,669	300,014	281,099	278,315
Transfer for Capital	(1,476,334)	(80,000)	(840,000)	0	0
Transfer (to)/from Permit Fee Reduction Fund	(353,895)	(226,869)	580,764	(131,476)	(192,115)
Ending Balance	\$194,300	\$268,100	\$308,878	\$458,500	\$544,700
Target Balance (4-Year Average O&M) [2]	\$194,300	\$268,100	\$357,300	\$458,500	\$544,700
<b>Capital Reserve Fund</b>					
Beginning Balance	\$0	\$29,404	\$29,589	\$36,977	\$44,587
Transfer In	29,404	7,173	7,388	7,610	7,838
Use of Funds	0	(6,988)	0	0	0
Ending Balance	\$29,404	\$29,589	\$36,977	\$44,587	\$52,425
<b>Permit Fee Reduction Fund</b>					
Beginning Balance	\$0	\$353,895	\$580,764	\$0	\$131,476
Transfer In	353,895	226,869	0	131,476	192,115
Use of Funds [3]	0	0	(580,764)	0	0
Ending Balance	\$353,895	\$580,764	\$0	\$131,476	\$323,591

Footnotes:

[1] From ACFR for September 30, 2021.

[2] Historic Average O&M:

2022	\$275,580
2021	\$197,350
2020	\$165,212
2019	\$139,125
Average	\$194,300 <- For Building Department Only

[3] Use of Permit Fee Reduction Fund:

Description	2023	2024	2025	2026	2027
Permit Fee Reduction Fund - beginning balance		\$353,895	\$580,764	\$0	\$131,476
Less: O&M Budget		(521,937)	(601,987)	(620,280)	(639,247)
Less: Other Revenue Requirements		(102,794)	(23,399)	(24,021)	(7,838)
Balance Available for Fee Offset		(\$270,836)	(\$44,622)	(\$644,301)	(\$515,609)
Annual Fee Offset		(\$27,000)	(\$4,000)	(\$64,000)	(\$52,000)
Projected Annual Revenue		1,322,000	925,400	925,400	925,400
Fee (Reduction)/Increase		2.0%	0.0%	7.0%	6.0%

**Resolution 07-22  
Exhibit "A"**

**CITY OF LAKE ALFRED  
BUILDING PERMIT FEE REDUCTION FUND  
POLICY**

**I. *Definitions:***

*Excess Funds* means the collected Building Permit Fee amount(s) that are in excess of the maximum allowable *Operating Fund* amount that are held in the building permit fee reserve account that may be utilized to reduce permit fees; or to pay for the construction of a building or structure that houses a local government's *Building Code Enforcement Agency* within four (4) years of being designated for such purpose.

*Operating Fund* means the amount of collected building permit fee(s) that is equal to or less than the average operating budget, which excludes any amount(s) held in the building permit fee reserve account, for the enforcement of the Florida Building Code and Fire Prevention and Life Safety Code for the previous four (4) years that may be carried forward.

*Department* means the division of the City of Lake Alfred dedicated to the enforcement of the Florida Building Code and Fire Prevention and Life Safety Code.

*Building Code Enforcement Agency* means the operations, facilities, and personnel and portions thereof attributable to the enforcement by the City of Lake Alfred of the Florida Building Code and Fire Prevention and Life Safety Code.

*Building Permit Fee Reduction Fund* means the portion of *Excess Funds*, if any, that are not allocated to pay for the construction of a building or structure that houses the *City's Building Code Enforcement Agency* within four (4) years of being designated for such purpose that may be utilized for the reduction of permit fees.

**II. *Building Permit Fee Reduction Fund:***

In furtherance of the delegated authority set forth by Section 553.80 of the Florida Statutes and applicable Florida law, the City hereby establishes a Building Permit Fee Reduction Fund. Excess Funds as defined herein will be held in the Building Permit Fee Reduction Fund established herein and may be used to reduce Building Permit fees.

Excess Funds that are held in the Building Permit Fee Reduction Fund may be reduced as follows:

Excess Funds divided by the average operating budget (as defined by Section 553.80, Florida Statutes (2021), divided by ten (10) will equal the annual reduction, if any, to the established City Building Permit Fee rates.

For example, if the average operating budget of the Department is \$200,000 (and the City maintains an operating balance to carry forward of \$200,000) and the City collects \$500,000 in Building Permit Fee revenue for that fiscal year, then the Excess Funds would be equal to \$300,000.

**Resolution 07-22**

**Exhibit "A"**

$\$300,000 / \$200,000 = 150\% / 10 = 15\%$  reduction to the established City of Lake Alfred Building Permit Fee rate(s).

A recalculation and reapportionment will be made every year to the average operating budget, the amount of Excess Funds, the Operating Fund, the amounts dedicated to pay for the construction of a building for the department, and the Building Permit Fee Reduction Fund and included in the Building Permit and Inspection Utilization Report.

The Building Permit and Inspection Utilization Report with the recalculated and reapportioned amounts shall be posted on the City's website by December 31<sup>st</sup> and be based upon the most recently completed financial audit. The calculated Building Permit Fee reduction percentage, if any, shall apply to permits paid for and/or issued in the following calendar year.

RESOLUTION 07-22

**A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF LAKE ALFRED, FLORIDA; PROVIDING FOR THE INCORPORATION OF RECITALS; MAKING FINDINGS; AND APPROVING THE ESTABLISHMENT OF THE BUILDING PERMIT FEE REDUCTION FUND; AND ADOPTING POLICIES AND PROCEDURES RELATED TO THE IMPLEMENTATION OF THE BUILDING PERMIT FEE REDUCTION FUND ESTABLISHED HEREIN; AND AUTHORIZING THE CITY MANAGER TO TAKE ALL ACTIONS NECESSARY TO EFFECTUATE THE INTENT OF THIS RESOLUTION; PROVIDING FOR THE ADMINISTRATIVE CORRECTION OF SCRIVENERS ERRORS; PROVIDING FOR THE REPEAL OF ALL RESOLUTIONS IN CONFLICT HERewith; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City Commission of the City of Lake Alfred desires to establish a Building Permit Fee Reduction Fund in order to designate certain "excess" building permit fee revenue(s) to be utilized for reducing any excess building permit fee revenues; and

**WHEREAS**, prior to July 1, 2019, Section 553.80 of the Florida Statutes authorized local governments to collect building permit fees and, at the discretion of the governing body, either refund the excess amounts collected or allocate the excess amounts collected to legislatively authorized future activities; and

**WHEREAS**, effective July 1, 2019, HB 447 amended Section 553.80 of the Florida Statutes; and

**WHEREAS**, Section 553.80 of the Florida Statutes, as amended, requires local governments to provide a schedule of reasonable fees for carrying out the local government's responsibilities in enforcing the Florida Building Code; and

**WHEREAS**, Chapter 633 of the Florida Statutes sets forth the Florida Fire Prevention Code and the Life Safety Code which the City deems a part of the Building Code enforcement activities conducted by the City; and

**WHEREAS**, pursuant to Section 553.80 of the Florida Statutes, as amended, a local government is prohibited from carrying forward an amount of funds generated by Building Code enforcement activities that exceeds the four-year rolling average of its operating budget for Building Code enforcement; and

**WHEREAS**, Section 553.80 of the Florida Statutes, as amended, defines "*operating budget*" and expressly states that the term . . . "*does not include reserve amounts*"; and

**WHEREAS**, pursuant to Section 553.80 of the Florida Statutes, as amended, a local government must use any excess funds that it is prohibited from carrying forward to reduce fees, or to pay for the construction of a building or structure that houses a local government's building code enforcement agency or the training programs for building officials, inspectors, or plans examiners associated with the enforcement of the Florida Building Code and Florida Fire Prevention Code and Life Safety Code; and

**WHEREAS**, Section 553.80 of the Florida Statutes, as amended, requires that any excess funds used to construct an authorized building or structure must be designated for such purpose by the local government and may not be carried forward for more than four (4) consecutive years; and

**WHEREAS**, pursuant to Section 553.80 of the Florida Statutes and applicable Florida law, in collecting building permit fees and allocating revenues from the collection of building permit fees, the City of Lake Alfred uses recognized management, accounting, and oversight practices; and

**WHEREAS**, pursuant to Section 553.80 of the Florida Statutes and applicable Florida law, the City Commission of the City of Lake Alfred authorizes and directs that any building permit fees collected in excess of the amount(s) which it may carry forward be allocated to the designated building permit fee reserve account maintained by the City; and

**WHEREAS**, the City Commission hereby establishes the City of Lake Alfred Building Permit Fee Reduction Fund; and

**WHEREAS**, in the best interests and to promote the health, safety and general welfare of the citizens, residents, and businesses of the City of Lake Alfred, Florida, the City Commission of the City of Lake Alfred hereby authorizes and approves the Building Permit Fee Reduction Fund Policy attached hereto as Exhibit "A" and authorizes and directs the City Manager or his/her designee to take all necessary actions in order to implement same.

**NOW THEREFORE, BE IT RESOLVED** by the City Commission of the City of Lake Alfred, Florida:

**Section 1. Incorporation of Recitals.** The above recitals are hereby incorporated herein and serve as a factual and material basis for the passage of this Resolution.

**Section 2. Adoption.** The City Commission of the City of Lake Alfred, Florida does hereby establish a Building Permit Fee Reduction Fund. Further the City Commission also adopts and approves the City of Lake Alfred Building Permit Fee Reduction Fund Policy which is attached hereto as Exhibit "A" and incorporated herein by reference.

**Section 3. Authorization.** The City Manager or his/her designee is hereby authorized and directed to take all actions necessary to effectuate the intent of this Resolution and to implement the City of Lake Alfred Building Permit Fee Reduction Fund Policy attached hereto and established herein, which includes but is not limited to any actions relating to the adoption of this Resolution, in accordance with this Resolution and applicable Florida law.

**Section 4. Administrative Correction of Scrivener's Errors.** Any provision in this Resolution may be renumbered or re-lettered and the correction of typographical and/or scrivener's errors which do not affect the intent may be authorized by the City Manager or his/her designee, without need of consideration by the City Commission, by filing a corrected or recodified copy of same with the City Clerk.

**Section 5. Conflicts.** All Resolutions in conflict with this Resolution are repealed to the extent necessary to give this Resolution full force and effect.

**Section 6. Severability.** If any section, subsection, sentence, clause, phrase of this Resolution, or the application thereof shall be held invalid by any court, administrative agency, or other body with appropriate jurisdiction, the remaining section, subsection, sentences, clauses, or phrases under application shall not be affected thereby. The City of Lake Alfred, City Commission hereby declares that it would have passed this Resolution, and each section, subsection, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional.

**Section 7. Effective Date.** This Resolution shall take effect immediately upon passage.

**INTRODUCED AND PASSED** by the City Commission of the City of Lake Alfred, Florida, in a regular session, this 16<sup>th</sup> day of May 2022.

CITY OF LAKE ALFRED, FLORIDA  
CITY COMMISSION

  
\_\_\_\_\_  
Jack C. Dearmin, Mayor

ATTEST:

  
\_\_\_\_\_  
Linda Bourgeois, BAS, MMC, City Clerk

Approved as to form:

  
\_\_\_\_\_  
Frederick J. Murphy, Jr., City Attorney

**Resolution 07-22**

**Exhibit "A"**

**CITY OF LAKE ALFRED  
BUILDING PERMIT FEE REDUCTION FUND  
POLICY**

**I. Definitions:**

*Excess Funds* means the collected Building Permit Fee amount(s) that are in excess of the maximum allowable *Operating Fund* amount that are held in the building permit fee reserve account that may be utilized to reduce permit fees; or to pay for the construction of a building or structure that houses a local government's *Building Code Enforcement Agency* within four (4) years of being designated for such purpose.

*Operating Fund* means the amount of collected building permit fee(s) that is equal to or less than the average operating budget, which excludes any amount(s) held in the building permit fee reserve account, for the enforcement of the Florida Building Code and Fire Prevention and Life Safety Code for the previous four (4) years that may be carried forward.

*Department* means the division of the City of Lake Alfred dedicated to the enforcement of the Florida Building Code and Fire Prevention and Life Safety Code.

*Building Code Enforcement Agency* means the operations, facilities, and personnel and portions thereof attributable to the enforcement by the City of Lake Alfred of the Florida Building Code and Fire Prevention and Life Safety Code.

*Building Permit Fee Reduction Fund* means the portion of *Excess Funds*, if any, that are not allocated to pay for the construction of a building or structure that houses the *City's Building Code Enforcement Agency* within four (4) years of being designated for such purpose that may be utilized for the reduction of permit fees.

**II. Building Permit Fee Reduction Fund:**

In furtherance of the delegated authority set forth by Section 553.80 of the Florida Statutes and applicable Florida law, the City hereby establishes a Building Permit Fee Reduction Fund. Excess Funds as defined herein will be held in the Building Permit Fee Reduction Fund established herein and may be used to reduce Building Permit fees.

Excess Funds that are held in the Building Permit Fee Reduction Fund may be reduced as follows:

Excess Funds divided by the average operating budget (as defined by Section 553.80, Florida Statutes (2021), divided by ten (10) will equal the annual reduction, if any, to the established City Building Permit Fee rates.

For example, if the average operating budget of the Department is \$200,000 (and the City maintains an operating balance to carry forward of \$200,000) and the City collects \$500,000 in Building Permit Fee revenue for that fiscal year, then the Excess Funds would be equal to \$300,000.

**Resolution 07-22**

**Exhibit "A"**

$\$300,000 / \$200,000 = 150\% / 10 = 15\%$  reduction to the established City of Lake Alfred Building Permit Fee rate(s).

A recalculation and reapportionment will be made every year to the average operating budget, the amount of Excess Funds, the Operating Fund, the amounts dedicated to pay for the construction of a building for the department, and the Building Permit Fee Reduction Fund and included in the Building Permit and Inspection Utilization Report.

The Building Permit and Inspection Utilization Report with the recalculated and reapportioned amounts shall be posted on the City's website by December 31<sup>st</sup> and be based upon the most recently completed financial audit. The calculated Building Permit Fee reduction percentage, if any, shall apply to permits paid for and/or issued in the following calendar year.

City of Lake Alfred  
120 E. Pomelo Street  
Lake Alfred, FL 33850



Phone: (863) 291-5748

[www.mylakealfred.com](http://www.mylakealfred.com)

**Community Development**

Building | Code Enforcement | Planning | Zoning

**Building Permit and Inspection Utilization Report**

Fiscal Year 2022/2023 – October 1, 2022, thru September 30, 2023

Florida Statute 553.80 requires, by December 31 each year, the governing body of a local government that provides a schedule of building permit fees shall create a building permit and inspection utilization report and post the report on its website.

1. *Direct and indirect costs incurred by Lake Alfred to enforce the Florida Building Code, including costs related to:*

a. Personnel services costs, including salary and related employee benefits costs incurred by the local government to enforce the Florida Building Code	\$178,356
b. Operating expenditures and expenses	\$127,057

2. *Permit and inspection utilization information, including:*

a. Number of building permit applications submitted	1,138
b. Number of building permits issued or approved	1,082
c. Number of building inspections and re-inspections requested	5,700
d. Number of building inspections and re-inspections conducted	5,702
e. Number of building inspection conducted by private provider	105
f. Number of audits conducted by a local government of private provider inspections	0
g. Number of personnel dedicated by the local government to enforce the Florida Building Code, issue building permits and conduct inspections	6
h. Other permissible activities for enforcing the Florida Building Code	0

3. *Revenue information, including:*

a. Revenue derived from fees	\$1,511,112
b. Revenue derived from fines (reinspection fees)	\$420
c. When applicable, investment earnings from the local government's investment of revenue derived from fees and fines	Part of 3a
d. Balances carried forward by the local government	\$690,510
e. Balances refunded by the local government	0
f. Revenue derived from other sources, including local government general revenue	0