

## 11. Permit Fees

*Assertion: In 2005 when a fee study was done, Maximus did a time and motion study of all services, crossed to salaries and allocated costs for the city manager, city clerk, city attorney, HR, etc. This was calculated into the fee using the ICC table. The interfund service fee includes costs for overhead for the CM, CA, City Clerk and HR as well as other items. According to the City, those "overhead costs" are then charged to Enterprise funds (including the Building Fee fund). In 2021 the building department's portion of the interfund was 1.3 Mil, it is now up to 3.3 Mil. We were also told that 7 funds used to share these costs, but when the City eliminated Sun Splash and the Golf Course, they re-distributed these costs amongst the 5 remaining funds, without calculating the actual costs related to enforcing the building code per State Statute. We have been told to look at the City's Annual Budget documents for the complete breakdown - Pages 434-441.*

[https://www.capecoral.gov/department/financial\\_services/office\\_of\\_management\\_and\\_budget.php](https://www.capecoral.gov/department/financial_services/office_of_management_and_budget.php)

The Fee Study referred to above did, in fact, create a permit fee structure based on both direct and indirect costs to provide building services at that point in time. Because the City's Cost Allocation Plan (CAP) uses actual costs for each year rather than the historical estimates in the 2009 study, the interfund service fees will reflect the Building Fund's **current, proportionate share** of those central services, not the dollar amounts embedded in the original fee calculation from 16 years ago. The fee study established the methodology and cost components; the annual CAP applies that methodology to up-to-date actual costs so that charges remain aligned with the true cost of providing permit and building services over time.

This assertion demonstrates a lack of understanding of how a Cost Allocation Plan is developed and how it is applied across funds. It is indisputable that 2009 cost levels are obsolete. While costs have escalated significantly in the intervening years, it appears the CCCIA expects that all fees and expenses be maintained at the 2009 benchmark. If that is their position, one might ask whether they still charge their customers 2009 prices and pay their providers 2009 rates.