



MEMORANDUM

City of Venice

Development Services Department

TO: Honorable Mayor and Council Members

THROUGH: Edward Lavalley, City Manager

FROM: Stephen Beckman, Building Director

DATE: March 14, 2022

COUNCIL APPROVAL: Yes

MEETING DATE: March 22, 2022

STRATEGIC PLAN GOAL: Ensure a Financially Sound City

SUBJECT: Resolution No. 2022-07 Reducing Valuation Based Building Permit Fees in Compliance with Section 553.80(7), Florida Statutes.

Background: State law was amended restricting the amount of funds that may be generated by building departments via Section 553.80(7) F.S. The restriction is the average of the last four years operating budgets. Resolution 2021-05, approved on 3/9/2021, imposed a temporary reduction of 20% on valuation-based building permit fees. The attached Resolution No. 2022-07 will increase the temporary reduction to thirty percent (30%), effective on applications submitted on or after March 23, 2022.

Background data and information:

- A. The fund balance at 2/28/22 was \$6.2M, of which \$138,591 was encumbered, leaving an unencumbered fund balance of \$6.0M.
- B. At 2/28/22, the rolling average of the prior four years' budgets (FY 2018-2021) was \$2.7M. The projected four-year rolling average of budgets FY2019-FY2022 is \$3.0M.
- C. With current fees, projections may result in the fund having an excess of \$3.0M by 9/30/22, thus the need to increase the temporary reduction from twenty percent to thirty percent.

The Building Department continues to work on a permanent revision to the valuation based building permit fees, but it's being impacted by discussions with Neal Communities over their 2020 building permit refund request. Increasing the temporary adjustment percentage allows the City to address the fund overage while those discussions continue.

Requested Action: Approval of Resolution No. 2022-07

If for an agenda item, this document and any associated backup created by City of Venice staff has been reviewed for ADA compliance: Yes

City Attorney Review/Approved:

Yes Risk Management Review:

N/A

Finance Department Review/Approved: Yes

Funds Availability (account number): [Click or tap here to enter text.](#)

ORIGINAL(S) ATTACHED: Resolution No. 2022-07

Cc: Kelly Fernandez, City Attorney; Linda Senne, Finance Director; James Clinch, Assistant City Manager