



April 15, 2026

Mr. Tim Stillings
Planning, Zoning, and Building Director
Village of Wellington
12300 Forest Hill Boulevard
Wellington, FL 33414

Subject: **Building Department Fee Evaluation**

Dear Mr. Stillings:

As requested by the Village of Wellington (the “Village”), Raftelis Financial Consultants, Inc. (“Raftelis”) has prepared the following agreement to provide rate and financial consulting services (the “Proposal”) on behalf of the Village. Specifically, we were requested to i) assist the Village in updating the cost allocation analysis and revenue sufficiency evaluation of the building permit fees (the “building permit fees”) by the Planning, Zoning, and Building Department (the “Department”) as it complies with provisions of Sections 166.222, 553.791, and 553.80, Florida Statutes; ii) the development of a cost recovery analysis and fee determination for the permit fees and miscellaneous / other inspection and service fees (the “permit fees”); and iii) the fees related to new construction activity for permits for the Engineering and Utility departments (collectively, the “Project”). With respect to the performance of the Project, Raftelis will rely on the Village staff and the Village’s consultants as may be necessary to assist in the identification of activities and cost to provide services by the Village associated with the evaluation of costs to be recovered from the application of Building Department fees to new construction.

Based on our understanding of the Project, Raftelis proposes the following:

Terms and Conditions

This Proposal is prepared in accordance with the terms and conditions of the Utility Rate and Financial Consulting Services Agreement – Contract No. 24-25-217 MK dated February 3, 2026 between the City of West Palm Beach and Raftelis Financial Consultants, Inc. (the “Piggyback Agreement”), which is attached to this Proposal for reference as Attachment D. The terms and conditions, including any provision for future adjustments, as contained in the Piggyback Agreement included in Attachment D shall be in effect during the term of any agreement executed between the parties based on the provisions of this Proposal.

Project Team and Billing Rates

With respect to the performance of the Project, Mr. Joe Williams will serve as the project manager and the primary contact between the Village and Raftelis. Raftelis may utilize other employees or associates during the course of the Project as needed. Please see Attachment A for a summary of the personnel by title and billing rates for Raftelis staff that may be utilized during this engagement which is made part of this Proposal.

Scope of Services

The scope of services to be performed by Raftelis is included in Attachment B, which is made a part of this Proposal.

Compensation and Billing

Based on the scope of services as summarized in Attachment B, we propose to establish a lump sum contract budget to perform the Project on behalf of the Village in the amount of \$70,000, which is summarized on Attachment C, which is made a part of this Proposal. This contract budget amount includes labor and other direct costs such as travel, telephone, delivery charges, and subconsulting expenses, if any. This cost estimate does not include any costs for the Project that may be attributable to the services to be provided by the Village's consulting engineers or any other consultants; it is not anticipated that any subconsultants will be required to assist Raftelis in the completion of the Project. To the extent that Raftelis determines that a portion of the Project would need to be performed by a subconsultant, Raftelis would notify the Village in writing for approval by the Village prior to the assignment of any Project responsibilities to such subconsultant by Raftelis.

To the extent that the utility consulting scope of services as summarized on Attachment B, including any additional services as may be requested by the Village, are performed by Raftelis but the total cost of such services, including the additional services, does not exceed the contract budget or cost recognized in this Agreement, no modification to the contract price to perform the additional services will be billed to the Village.

Project Schedule

Upon notification to proceed as provided to Raftelis by the Village, Raftelis plans to complete the Project and provide a draft letter report or discussion memorandum for consideration by the Village within one hundred fifty (150) days upon receipt of the notice to proceed. The completion of the analysis would be subject to the availability of information provided to Raftelis from the Village.

Disclosure

As a registered Municipal Advisor under the Dodd-Frank Act (the "Act"), Raftelis is required to inform our clients of any existing or potential conflicts of interest that may be relevant to any proposed scope of services that may include providing "advice" as that term is defined in the Dodd-Frank Act. As of the date of this engagement letter, no conflicts of interest are known to exist. Under the Act the definition of "advice" includes providing any opinion, information or assumptions related to the size, timing and terms of possible future debt issues or borrowing. The scope of services included in this Proposal does not include, to the best of our knowledge, providing "advice" as defined in the Act. By signing this engagement letter indicating its approval and acceptance of the proposed scope of work and fees, the Village is also explicitly acknowledging that Raftelis has provided the necessary disclosures addressing conflicts of interest and any limitations on the scope of Municipal Advisory services, if any, to be provided by Raftelis as part of this engagement.

If this Proposal is acceptable to the Village, please prepare the necessary contractual documents or agreement between our two parties that includes the terms of this proposal; the receipt of necessary contractual documents or a signed agreement will serve as our notice to proceed on the Project.

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We appreciate the opportunity to assist the Village on this Project and to continue providing financial consulting services to the Village; we look forward to working with both the Village and you in the near future.

Respectfully submitted,

RAFTELIS FINANCIAL CONSULTANTS, INC.

A handwritten signature in blue ink that reads "Joe Williams". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

Joe Williams
Vice President

ATTACHMENT A

RAFTELIS FINANCIAL CONSULTANTS, INC.

SCHEDULE OF DIRECT LABOR HOURLY RATES AND STANDARD COST RATES

DIRECT LABOR RATES [1]

<u>Project Team Title</u>	<u>Direct Labor Hourly Rates</u>
Executive Vice President/Senior Principal	\$410.00
Senior Vice President	\$400.00
Vice President	\$370.00
Senior Manager	\$330.00
Manager	\$290.00
Senior Consultant	\$255.00
Consultant	\$230.00
Associate	\$190.00
Analyst	\$160.00
Administration	\$100.00

STANDARD COST RATES [1]

<u>Expense Description</u>	<u>Standard Rates</u>
Mileage Allowance – Personal Car Use Only	IRS Mileage Rate
Reproduction (Black and White) (In-House)	\$0.05 per Page
Reproduction (Color) (In-House)	\$0.25 per Page
Reproduction (Contracted)	Actual Cost
Technology Charge	\$10.00 per Hour
Telephone Charges	Actual Cost
Delivery Charges	Actual Cost
Lodging / Other Travel Costs (Airfare, Car Rental, Parking, Taxi, etc.)	Actual Cost
Subconsulting Services	Actual Cost
Other Costs for Services Rendered	Actual Cost

[1] Direct labor rates and standard cost rates per the Piggyback Agreement.

ATTACHMENT B

RAFTELIS FINANCIAL CONSULTANTS, INC.

BUILDING DEPARTMENT FEE EVALUATION

SCOPE OF SERVICES

The scope of services to be performed by Raftelis shall include a review and update of the sufficiency of the building permit fees to fund the allocated cost of service and the determination of revised building permit fees to recover the cost of service (the “building fees”). In addition to the building fees, a review and update will be performed on the engineering fees and utility permitting process related fees. The following is a summary of the tasks to be performed that comprise the scope of services for each phase of the Project by specific phase.

Task 1 – Data Acquisition and Review: Raftelis will work with the Village to obtain financial information and reports and other data necessary to determine the allocated costs of providing building inspection and related services necessary for providing permitting and oversight services for new construction as provided by the Department (the “services”). Information to be requested from the Village and obtained during the staff interview process (serving as an update to information we may have received during the fee evaluations prepared during Fiscal Year 2023) may include, but not be limited to, the following:

- A. General Fund and Building Department financial and budget information, including any previous cost allocation analyses and supporting work papers;
- B. Detailed permit information, construction valuation costs for fee application, and other attributes associated with the derivation of revenues allocated to the Building Department, engineering fees, and utility permitting fees;
- C. Statistical information regarding the development of cost allocation factors including, but not limited to, square feet of office space allocable to each department, percent of time spent by employees in building / inspection function, etc.;
- D. Any debt or loan repayment expenditures associated with the financing of Village fixed assets (buildings, improvements, equipment, etc.); and
- E. Other information deemed necessary by Raftelis and the Village.

Raftelis will prepare an information request to obtain certain data, documents, and analyses to be compiled by the Village.

Task 2 – Department Staff Interviews for Cost Identification: As part of the data acquisition process, Raftelis will interview the Village staff to identify cost allocation parameters. Raftelis will identify key personnel to discuss the cost of providing the permit, inspection services, and development fees, including the nature of the services provided and any other supporting costs associated with the provision of such service (e.g., vehicle expense, payroll benefits, materials and supplies, contract services, etc.). These interviews will occur with each department as necessary and

will yield data that will serve as the basis for determination of certain rate levels. Web meetings will be used for this effort.

Task 3 – Building Fee Cost Analysis: Based on the information compiled by the Village and the results of the staff interview process, Raftelis will prepare a detailed cost allocation process to determine the estimated cost of providing building permits and construction inspections. The analysis will include the identification of costs that should be recognized in the cost analysis, the development of cost allocation factors for the assignment of certain costs and estimates of the cost of providing service. For the purposes of this analysis, the budgeted costs identified by the Village for the Fiscal Year ending September 30, 2026 (will include year-to-date expenditures and estimates to complete the Fiscal Year) will serve as the Test Year for the cost analysis. Upon completion of the cost allocation analysis, Raftelis will present the results to Village staff in a working group meeting. The presentation will focus on the cost identification and allocation process and will serve as a review meeting. Raftelis will update the analysis based on the results of the working group meeting. Raftelis will prepare presentation materials and other supporting documentation, or correspondence as considered necessary to present the analysis to the Village staff. This cost allocation effort will support the design of the updated rates, which will separate out the inspection fees from the overall building permit fee to meet the anticipated new Statute requirements resulting from House Bill 803.

Task 4 – Building Fee Revenue Sufficiency Analysis: Raftelis will evaluate the relationship between the expenditures associated with the Building Permit and Inspection Services and the revenues anticipated to be received from permits for construction in order to determine the nexus between the services provided and revenues to address the provisions of Sections 166.222 and 553.80, Florida Statutes. Based on the cost allocation evaluation and as part of the determination of the carry-forward reserve, Raftelis will determine the estimated allocated costs for the building fees for the actual costs that would be deemed as the "operating budget" as reported by the Village in its financial records for the last four (4) years ended September 30, 2025 to determine the carry-forward reserves balance that can be considered as the carry-forward amount. This amount will be compared to the current cash balances and considered in the determination of the revenue requirements to be recovered from building / permit fees.

Task 5 – Design Proposed Building Fees: Based on the cost allocation analysis, Raftelis will identify a plan for fee levels over the next five years, with modification to the building permit fee structure that is currently in effect based on meeting the new requirements identified in House Bill 803, which is anticipated to be signed by the Governor. The rates for inspection activities will be separated from the building permit fees, to establish the appropriate cost recover and prevent overcollection of revenues for these services. Raftelis will work with the Village to reconcile revenues and expenses for a period not to exceed three years and identify any excess funds that should be addressed pursuant to requirements of Florida Statutes. As part of the evaluation, Raftelis will also prepare an analysis of the credit to be provided by the Village if an applicant utilizes their own private contractor to perform a plan review and inspection services in lieu of the Village providing these services based on the provisions of Section 553.791, Florida Statutes.

Task 6 – Engineering and Utility Fees: Raftelis will engage with staff of the engineering and utility departments throughout the engagement to develop updated fees for each department, in consideration of House Bill 803 requirements. The Village desires to move away from inspection fees related to project valuation in these departments as well. The fee calculation process will follow similar steps beginning with cost allocation and staff interviews, followed by fee design. Pending availability of historical data, a revenue forecast will be prepared for each department to review how the new fee structure would have performed based on historical permit activity.

Task 7 – Report Preparation and Presentation: Raftelis will prepare a letter report documenting the assumptions and considerations used in estimating the costs of providing the services associated with the building inspection and permitting process utilized by the Village. The report will discuss the assumptions relied upon in the cost allocation process, the allocation factors / basis used, and the results of the cost allocation analysis. Raftelis will prepare a presentation to present the study results and recommendations to the Village Council. Raftelis has assumed the attendance of one (1) meeting for this task.

Raftelis will assist the Village with the review of any ordinances or resolutions to reflect changes in fee structure or level based on the analysis conducted in the previous tasks; the ultimate preparation of the ordinance or resolution will be the responsibility of the Village and their legal team.

Meetings: For the purposes of this scope of services and the cost estimate included herein, Raftelis has assumed the attendance of two (2) on-site meetings. It was assumed that the on-site meetings, including preparation and travel allowances would have a duration of eight (8) hours and the virtual meetings would have a duration of two (2) hours per meeting. A summary of the meetings is summarized below:

1. One (1) on-site meeting to present the initial assumptions and results of the 2026 building permitting and planning analysis and forecast to Village;
2. One (1) on-site meeting to present the results of the 2026 building permitting and planning analysis and proposed fees to the Village Council; and
3. Two (2) virtual meetings to discuss the cost allocation assumptions, results and findings as part of the cost allocation and revenue forecast analysis for the building permit fees.

List of Deliverables

The deliverables to be provided in this engagement include the following items:

- Initial Data Request;
- Proposed Rates;
- Report Documenting Analysis and Findings; and
- 2026 Presentation Document to present fees to the Village Council.

Additional Services

During the course of the engagement, the Village may request additional services from Raftelis. Although no additional services are anticipated at this time, Raftelis will perform such services only as mutually agreed between the Village and Raftelis in writing. Examples of consulting services that would be considered as an additional service include, but are not limited to, the following activities:

1. Attendance of meetings in addition to what is contemplated in the scope of services referenced above. For the purposes of this Agreement, it is estimated that the cost of each additional meeting would include 8 hours per meeting with attendance of two Raftelis personnel plus travel time and materials associated with attendance of such meetings.

2. Performance of additional financial and rate analyses and/or modification to the rate analysis after substantial completion of the cost allocation process, and presentation to staff as a result of Village Council directives and/or changes in assumptions and data requirements as subsequently provided by the Village (e.g., due to changes in information or in assumptions initially relied upon in the cost allocation process).
3. Attendance of meetings with affected customers or third parties and the preparation of testimony as a result of any third-party action relative to the cost allocation process.

ATTACHMENT C

Village of Wellington, Florida

Preliminary Job Cost Estimate for Building Department Fee Evaluation

Line No.	Activity	Task Reference	Vice President	Consultant	Associate	Administration	Totals
1	Project Billing Rates (\$/Hr.) [*]		\$370.00	\$230.00	\$190.00	\$100.00	
	Scope of Services						
2	Data Acquisition and Review	1	2	4	8	-	14
3	Department Staff Interviews for Cost Identification	2	8	8	8	-	24
4	Building Fee Cost Analysis	3	16	24	24	-	64
5	Building Fee Revenue Sufficiency Analysis	4	8	8	16	-	32
6	Design Proposed Building Fees	5	8	16	24	-	48
7	Engineering and Utility Fees	6	10	12	12	-	34
8	Report Preparation and Presentation	7	20	20	12	-	52
13	Project Management Allowance	All	4				4
14	Total Project Hours		76	92	104	-	272
15	Total Direct Labor Cost - All Tasks		\$ 28,120	\$ 21,160	\$ 19,760	\$ -	\$ 69,040
16	Average Hourly Billing Rate						\$253.82
	Allowance for Other Direct Costs						
17	Telephone Allowance						\$ -
18	Brightline Train and Uber Expense	2					800
19	Miscellaneous Expense Allowance (Delivery, Reproduction, etc.)						160
20	Total Allowance for Other Direct Costs						\$ 960
21	Total Estimated Project Cost						\$ 70,000

[*] Reflects hourly rates and personnel assumed for the preparation of the cost estimate; with the exception of the project manager, the employees and billing rates may change based on actual employee participation in the Project.