



January 6, 2026

Mr. Steve Tobias
Chief Building Official
City of Delray Beach
100 N.W. First Avenue
Delray Beach, FL 33444

Subject: **Task Order to Provide Utility Rate and Management Consulting Services – Building Permit Fee Study**

Dear Mr. Tobias:

Raftelis Financial Consultants, Inc. (“Raftelis”) is pleased to submit this Task Order to provide professional utility rate and management consulting services to the City of Delray Beach, Florida (the “City” or “Client”). Based on our discussions with the City, the purpose of this proposal is to provide a Building Permit Fee Study based on the scope of services set forth herein. This Task Order is pursuant to the terms and conditions of the Martin County Utility Rate and Financial Consulting Contract No. RFP2021-3343, dated September 13, 2021 between Martin County and Raftelis (the “Piggyback Agreement”) that provides for ongoing utility rate and management consulting services. A copy of the Piggyback Agreement is attached as Attachment D.

We appreciate the opportunity to assist the City to address its rate and fee administrative needs. If this proposal is acceptable to the City, please acknowledge your acceptance below. The receipt of the executed Task Order and a Purchase Order will serve as our Notice to Proceed.

PROJECT TEAM AND BILLING RATES

With respect to the performance of this engagement, Mr. Joe Williams will be the Project Manager for the Building Permit Fee Study, and primary contact with the City. Other staff consultants, analysts and administrative personnel will be utilized during the engagement as needed. The services covered by this Task Order shall be billed based on the direct labor rates set out in Attachment A, which is made a 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 for this proposal as summarized herein in Attachment B and the direct hourly labor billing rates as identified on Attachment A, we propose to establish a lump sum contract budget to provide

consulting services associated with the performance of the Building Permit Fee Study of \$49,400. A detailed cost estimate in support of the contract budget is provided as Attachment C. Although delineated by task, the amount represents the total requested contract price for the Project and the actual quantities billed by Raftelis for each task and by project team member as identified in the requested contract price budget may vary from what is shown on Attachment C so long as the total amount billed does not exceed the total lump sum contract price for the Project.

This project budget amount includes the direct cost of personnel anticipated for the project as well as any other direct costs such as travel, telephone, and copying, printing and shipping charges. It is proposed that Raftelis will bill monthly for services relative to this engagement based on the percentage completion. No additional services above the cost estimate will be performed without the prior written authorization of the City.

FINANCIAL ADVISOR DISCLOSURE

As a registered Municipal Advisor under the Dodd-Frank 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 Dodd-Frank 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. This type of information may be integrated into the capital and financial planning components of a rate model update. This definition is applicable regardless of whether this information is developed and used solely for planning and decision-making purposes. For the services addressed in the scope of work identified for this engagement, any information that is developed by Raftelis that falls under this definition of municipal advice is not intended to represent a recommendation that the City should issue debt based on the terms and assumptions used to develop the financial evaluation, or that the City will, in fact, be able to issue debt under the exact terms and conditions assumed and used to develop the financial plan or forecast. The information developed as part of this rate model update, including any related municipal advice, is intended only to provide information useful in evaluating the potential impact on the utility and future rate adjustments of a potential course of action for the City. If the City decides at some future date to issue debt, then at that time the City will need to engage an independent, registered Financial Advisor to assist in evaluating the availability of different types of debt, and the specific terms and conditions for issuing debt, which will be affected by market conditions and the City’s credit rating at the time of issuance. At that time, as a registered Municipal Advisor, Raftelis can also provide additional assistance related to a specific bond or debt issue, such as preparing a bond feasibility report or financial forecast for inclusion in bond documents, without requiring additional oversight or supervision by the Financial Advisor.

By issuing a purchase order that includes the terms of this proposal, the City is indicating its approval and acceptance of the of the proposed scope of work and fees, the City is also explicitly acknowledging that Raftelis

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has provided the necessary disclosures addressing conflicts of interest and any limitations on the scope of Municipal Advisory services to be provided by Raftelis as part of this engagement.

The Municipal Securities Rulemaking Board (“MSRB”) provides significant protections for municipal entities and obligated persons that are clients of a municipal advisor. To understand the protections provided and how to file a complaint with an appropriate regulatory authority, visit the MSRB web site at www.msrb.org.

TERM OF TASK ORDER

The terms of this proposed Task Order and the associated direct hourly labor billing rates for Raftelis personnel shall be in effect and continue through the completion of the project or some other contract period as mutually agreed to between the City and Raftelis. It is anticipated that the project results will be submitted to the City within 180 days after being given authorization to proceed.

We appreciate the opportunity to submit this Task Order to provide rate consulting services to the City. If this Task Order is acceptable, please execute and return a copy to Raftelis.

Very truly yours,

Raftelis Financial Consultants, Inc.



Joe Williams
Vice President

ACCEPTED BY:

City of Delray Beach, Florida

Name

Title

Date

ATTACHMENT A

RAFTELIS FINANCIAL CONSULTANTS, INC.

SCHEDULE OF DIRECT LABOR HOURLY BILLING RATES AND STANDARD COST RATES

DIRECT LABOR HOURLY RATES

<u>Project Team Title</u>	<u>Direct Labor Hourly Rates</u>
Chief Executive Officer / Executive Vice President	\$250.00
Vice President / Principal Consultant	\$240.00
Senior Manager/Director of Data Services	\$230.00
Manager	\$220.00
Senior Consultant	\$210.00
Consultant	\$200.00
Senior Associate	\$180.00
Associate	\$150.00
Senior Rate Analyst	\$125.00
Rate Analyst	\$100.00
Analyst	\$ 80.00
Assistant Analyst	\$ 65.00
Creative Services	\$125.00
Clerical and Administration	\$ 70.00

STANDARD COST RATES

<u>Expense Description</u>	<u>Standard Rates</u>
Mileage Allowance – Personal Car Use Only	IRS Standard Mileage Rate
Reproduction (Black and White) (In-house)	\$0.05 per Page
Reproduction (Color) (In-house)	\$0.25 per Page
Reproduction (Contracted)	Actual Cost
Computer Time	\$0.00 per Hour
Telephone Charges	Actual Cost
Delivery Charges	Actual Cost
Lodging / Other Travel Costs	Actual Cost
Meals – per Employee	Not to Exceed per Raftelis Employee per County Reimbursement Policy
Subconsultant Services	Actual Cost
Other Costs for Services Rendered	Actual Cost

ATTACHMENT B

UTILITY RATE CONSULTING SERVICES

SCOPE OF SERVICES

I. SCOPE OF SERVICES

The Scope of Services to be performed by the personnel of Raftelis for the Building Permit Fee Study are summarized below by task:

A. Building Permit Fee Study

The scope of services to be performed by Raftelis shall include a review and update of the City's building permit fees to recover the cost of providing such services (the "building fees"). Specifically, we will assist the City in the performance of a cost-of-service analysis to update the City's building permit fees as set forth in the building code of the City (the "Building Permit Fees") charged to new construction and to review the overall cost recovery of such fees in compliance with provisions of Sections 166.222, 553.791 and 553.80, Florida Statutes. The following is a summary of the tasks to be performed that comprise the scope of services for the Building Permit Fee Study.

Task 1 – Data Acquisition and Review

Raftelis will work with the City 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 City. Information to be requested from the City and obtained during the staff interview process may include, but not be limited to, the following:

- A. General Fund and Departmental financial and budget information.
- B. Detailed building permit information, cost of fee application, and other attributes associated with the building permit and construction inspection process.
- C. Statistical information regarding the development of cost allocation factors including, but not limited to, square feet of office space allocable to the service, percent of time spent by employees in building / inspection function, charges for services provided by the City, etc.
- D. Ordinances and resolutions associated with the adoption and implementation of the current rates and fees for inspection and permitting services.
- E. A summary of personnel salaries and benefits by title, identification of the type and cost of vehicles used in providing building permit service, the number of computers, telecommunication devices, and other tools used in serving the City, all by cost center or department.
- F. Other information deemed necessary by Raftelis and the City.

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

Task 2 – Department Staff Interviews for Cost Identification

As part of the data acquisition process, Raftelis will interview the City staff to identify cost allocation parameters. Raftelis will identify key personnel to discuss the cost of providing the building 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.).

Task 3 – Building Fee Cost Analysis

Based on the information compiled by the City 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 City 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 City 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 City staff.

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 City 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. Raftelis will work with the City 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 City if an applicant utilizes their own private contractor to perform a plan review and inspection services in lieu of the City providing these services based on the provisions of Section 553.791, Florida Statutes.

Task 6 – Review of Ordinance/Resolution

Raftelis will assist the City 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 City and their legal team.

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 City. 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 City Commission. Raftelis has assumed the attendance of one (1) meeting for this task.

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 and two (2) web meetings. The meetings are summarized below:

1. One (1) web meeting to initiate the project and obtain information to develop the costs allocable to the Building Fees and to identify and discuss issues with City staff.
2. One (1) on-site meeting to interview staff and address questions issues relative to the cost-of-service analysis.
3. One (1) web meeting to present the results of the analysis of the fees for service to the City staff.
4. One (1) on-site meeting to present the results of the fee analysis and proposed fees to the City Commission.

LIST OF ANTICIPATED DELIVERABLES

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

- Initial Data Request;
- Proposed Rates;
- Report Documenting Analysis and Findings; and
- Presentation Document to present fees to the City Commission.

ADDITIONAL SERVICES

During the course of the engagement, the City 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 City and Raftelis in writing. Examples of consulting services that would be considered as additional services 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.
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 City Commission directives and/or changes in assumptions and data requirements as subsequently provided by the City (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.

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ATTACHMENT C

City of Delray Beach, Florida

Preliminary Job Cost Estimate for Building Permit Fees Evaluation

Line No.	Activity	Task Reference	Vice President	Senior Associate	Senior Rate Analyst	Clerical and Administration	Totals
1	Project Billing Rates (\$/Hr.) [*]		\$240.00	\$180.00	\$125.00	\$70.00	
	Scope of Services						
2	Data Acquisition and Review	1	6.0	8.0	0.0	0.0	14.0
3	Staff Interviews	2	20.0	20.0	0.0	0.0	40.0
4	Building Fee Cost Analysis	3	16.0	30.0	0.0	0.0	46.0
5	Building Fee Revenue Sufficiency Analysis - Reserve Analysis	4	14.0	28.0	0.0	0.0	42.0
6	Design Proposed Building Fees	5	10.0	16.0	0.0	0.0	26.0
7	Review of Resolution	6	2.0	4.0	0.0	0.0	6.0
8	Prepare Briefing Documents	7	12.0	16.0	0.0	0.0	28.0
9	Report Preparation	7	12.0	16.0	0.0	0.0	28.0
10	Project Management	All	8.0	0.0	0.0	0.0	8.0
11	Total Project Hours		100.0	138.0	0.0	0.0	238.0
12	Total Direct Labor Cost - All Tasks		\$24,000	\$24,840	\$0	\$0	\$48,840
13	Average Hourly Billing Rate						\$205.21
	Allowance for Other Direct Costs						
14	Miscellaneous (Phone\Postage\Reproduction\Other)						\$60
15	Travel Expenses						\$500
16	Total Allowance for Other Direct Costs						\$560
17	Total Project Cost (Rounded)						\$49,400

ATTACHMENT D
PIGGYBACK AGREEMENT

Martin County, Florida
Utility Rate & Financial Consulting Contract No. RFP2021-3343
dated September 13, 2021