



Staff Report

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Report To: General Government Committee

Date of Meeting: April 8, 2024 **Report Number:** FSD-012-24

Submitted By: Trevor Pinn, Deputy CAO/Treasurer, Finance and Technology Mary-

Reviewed By: Anne Dempster, CAO **Resolution #:**GG-055-24

Authored by: Michelle Pick, Accounting Services Manager, Deputy Treasurer

File Number: **By-law #:**

Report Subject: 2023 Annual Building Permit Fees Report

Recommendation:

1. That Report FSD-012-24 be received for information.

Report Overview

This report is prepared as required by the *Building Code Act* reporting requirements for Building Permit Fees. There was no 2023 adjustment required to the building fees beyond the normal increase approved through By-law [2017-086](#).

In 2024, the Building Permit Fee Study was updated, and Bylaw 2017-086 was repealed and replaced with By-law [2024-006](#).

1. Background

- 1.1 Under the *Building Code Act, 1992* and the passing of subsequent amendments and Ontario Regulation 350/06, municipalities are required to prepare an annual report that records the amount of building permit fees collected and the costs incurred during the process.
- 1.2 In accordance with the *Building Code Act, 1992* as amended, staff have prepared this report to Council with the required content on an informational basis and this report and the related attachment will be posted on the Municipality's website.
- 1.3 A [Building Permit Fee Update Study](#) was completed in September 2017 by Hemson Consulting Ltd. The reviews are to be completed every five (5) years to ensure that the building permit fees are in line with the cost of building inspections and that all appropriate direct and indirect costs are being allocated.
- 1.4 An updated [Building Permit Fee Update Study](#) was completed in 2024, with an effective date of March 1, 2024.
- 1.5 In 2023, building permits issued generated total building permit revenue of \$2,149,337 (2022 - \$1,967,075), with total direct and overhead costs of \$3,485,770 (2022 - \$2,282,081), creating a deficit of \$1,336,433 (2022 – deficit of \$315,006) after reducing the total revenue by the direct and indirect expenses as outlined on Attachment 1.
- 1.6 As the building permit funds are to be segregated from the general funds of the Municipality, the deficit of \$1,336,433 was transferred from the Building Division Reserve Fund leaving the surplus/deficit for December 31, 2023, as nil. As of December 31, 2023, the reserve fund had approximately \$0.4 million. These funds are restricted to building permit services related uses.

2. Financial Considerations

Not Applicable.

3. Strategic Plan

Though not directly related to the specific priorities or actions set out in the Clarington Strategic Plan 2024-27, the recommendations in Report FSD-012-24 contribute more broadly to the following expected results: Finances and operations are efficiently and responsibly managed.

4. Concurrence

This report has been reviewed by the Deputy CAO of Planning and Infrastructure Services who concurs with the recommendation.

5. Conclusion

It is respectfully recommended that Council receive this report.

Staff Contact: Michelle Pick, Accounting Services Manager / Deputy Treasurer, 905-623-3379 ext. 2605 or mpick@clarington.net.

Attachments:

Attachment 1 – 2023 Annual Building Permit Fees Report

Interested Parties:

There are no interested parties to be notified of Council's decision.

**Municipality of Clarington
Building Permit Fee Report
December 31, 2023**

| | 2023 Actual |
|--|----------------------------|
| Building Permit Fees Revenue | \$ 2,149,337 |
| Transfer from Reserve Fund | <u>1,336,433</u> |
| Total Revenue | <u>\$ 3,485,770</u> |
| | |
| Direct costs (Note 1) | |
| Payroll | 2,863,801 |
| Office Space | 101,000 |
| Other Operating and Capital Costs | <u>163,293</u> |
| Subtotal Direct Costs | \$ 3,128,094 |
| Overhead Costs (Note 2) | <u>357,676</u> |
| Total Costs | <u>\$ 3,485,770</u> |
| Revenue (Under) / Over Expenditures | - |

Note 1 - Direct costs are deemed to include the costs of the Building Division for the processing of building permit applications, the review of building plans, conducting inspections and building-related enforcement duties. Direct costs also include costs from Public Works, Legislative Services, Fire and Emergency Services and Planning and Infrastructure Services which can be directly attributed to the building permit function.

Note 2 - Overhead or Indirect costs are deemed to include the costs for support and overhead services to the Building Division.