



Staff Report

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Report To:	General Government Committee		
Date of Meeting:	May 31, 2021	Report Number:	FSD-030-21
Submitted By:	Trevor Pinn, Director of Finance/Treasurer		
Reviewed By:	Andrew C. Allison, CAO	Resolution#:	GG-383-21
File Number:		By-law Number:	
Report Subject:	2020 Building Permit Fees Annual Report		

Recommendation:

1. That Report FSD-030-21 be received for information.

Report Overview

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

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 Attachment “A” 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. This was an update to the 2011 study also completed by Hemson. The reviews are 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. In 2020, building permits issued generated total building permit revenue of \$2,496,222 (2019 - \$2,194,711) creating a surplus of \$224,225 (2019 – deficit of \$78,697) after reducing the total revenue by the direct and indirect expenses as outlined on Attachment 1.
- 1.5. As the building permit funds are to be segregated from the general funds of the Municipality, the surplus of \$224,225 was transferred to the Building Division Reserve Fund leaving the surplus/deficit for December 31, 2020 as nil. At December 31, 2020 the reserve fund had approximately \$2.9 million. These funds are restricted to building inspection related uses.
- 1.6. For the 2020 year, the Planning and Development Services Department advised Council through the annual building permit activity report ([PSD-016-21](#)) that the building permits issued in 2020 (1,350) were significantly higher than 2019 (687).

2. Concurrence

This report has been reviewed by the Planning and Development Services Director who concurs with the recommendations.

3. 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 - 2020 Annual Building Permit Fee Report

Interested Parties:

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

**Municipality of Clarington
Building Permit Fee Report
December 31, 2020**

	2020 Actual
Building Permit Fees Revenue	\$ 2,496,222
Transfer from Reserve Fund	-
Total Revenue	<u>\$ 2,496,222</u>
Direct costs (Note 1)	
Payroll	\$ 1,624,566
Office Space	93,257
Other Operating and Capital Costs	160,104
Subtotal Direct Costs	<u>\$ 1,877,927</u>
Transfer to Reserve Fund	224,225
Overhead Costs (Note 2)	394,070
Total	<u>\$ 2,496,222</u>
Revenue (Under) / Over Expenditures	<u><u>\$ -</u></u>

Note 1 - Direct costs are deemed to include the costs of the Building Division of the Planning and Development Services department 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 Development 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.