



## Finance Department Report

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**Report To:** General Government Committee

**Date of Meeting:** April 15, 2019

**Report Number:** FND-008-19      **Resolution:** GG-218-19

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

**Report Subject:** 2018 Building Permit Fee Report

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### Recommendations:

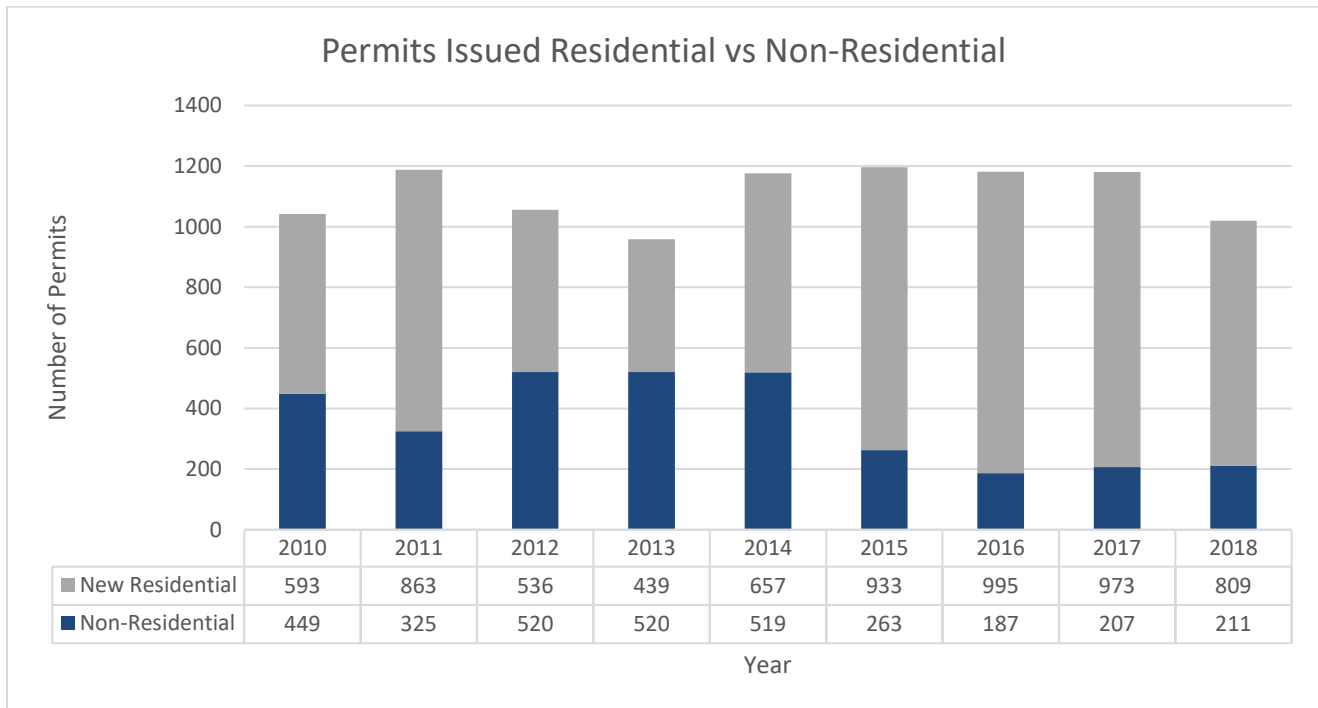
1. That Report FND-008-19 be received for information.

## 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, 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 In 2018, the new residential building permits issued increased over the prior year providing a total building permit revenue of \$3,242,224 (2017 - \$2,602,919) creating a surplus of \$991,603 (2017 - \$432,226) after reducing the total revenue by the direct and indirect expenses as outlined on Attachment 1.
- 1.4 As the building permit surplus funds are to be segregated from the general funds of the Municipality, the surplus of \$991,603 was transferred to the Building Division reserve fund leaving the surplus/deficit for December 31, 2018 as nil.
- 1.5 For the 2018 year, the Engineering Department advised Council through the annual building permit activity report ([EGD-004-19](#)) that the building permits issued in 2018 were trending higher than 2017.
- 1.6 The total number of all types of building permits issued in 2018 was 1,349 compared to 1,185 in 2017 which translates into 13.8% increase in 2018.
- 1.7 The total number of new residential building permits issued in 2018 was 1,138 compared to 977 in 2016 which translates into 16.5% increase in 2018.
- 1.8 The below graph illustrates the number of permits for all types and new residential for the last 9 years. The 2011 figure is unusually high due to the effect of the building code change effective January 1, 2012.



## 2. Concurrence

This report has been reviewed by the Director of Engineering Services who concurs with the recommendations.

## 3. Conclusion

- 3.1 Attachment "1" is a summary of the 2018 building permit fees revenue and related expenditures with the expenses broken down into direct and indirect costs along with the balance of the building division reserve fund.
- 3.2 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.
- 3.3 It is not necessary to adjust the building fees at this time.

Submitted by:   
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Director of Finance/Treasurer

Reviewed by:   
Andrew C. Allison, B. Comm, LL.B  
CAO

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Attachment 1 – 2018 Annual Building Permit fee report

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

## 2018 Annual Building Permit Fee Report

### Revenues

Total revenues are those recognized revenues from the issuance of building permits under By-law 2017-086.

### Expenses

#### Direct Costs

Direct costs include the costs of the Building Division of the Engineering 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 the Engineering Department, Legal Services, Fire Services and Planning Services which can be directly attributed to the building permit function.

#### Indirect Costs

Indirect costs include the costs for support and overhead services to the Building Division.

	<b>2018 Actual (Unaudited)</b>
<b>Total Revenue</b>	\$3,242,224
<b>Total Direct Costs</b>	1,945,219
<b>Total Indirect Costs</b>	305,403
<b>Transfer to Reserve Fund</b>	991,603
<b>Revenue (Under) / Over Expenditures</b>	\$Nil
<b>Balance in Reserve Fund at December 31, 2018</b>	\$3,585,778