



Staff Report

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Report To:	General Government Committee		
Date of Meeting:	May 11, 2020	Report Number:	FND-013-20
Submitted By:	Trevor Pinn, Director of Finance/Treasurer		
Reviewed By:	Andrew C. Allison, CAO	Resolution#:	GG-105-20
File Number:		By-law Number:	
Report Subject:	2019 Building Permit Fees Annual Report		

Recommendation:

1. That Report FND-013-20 be received for information.

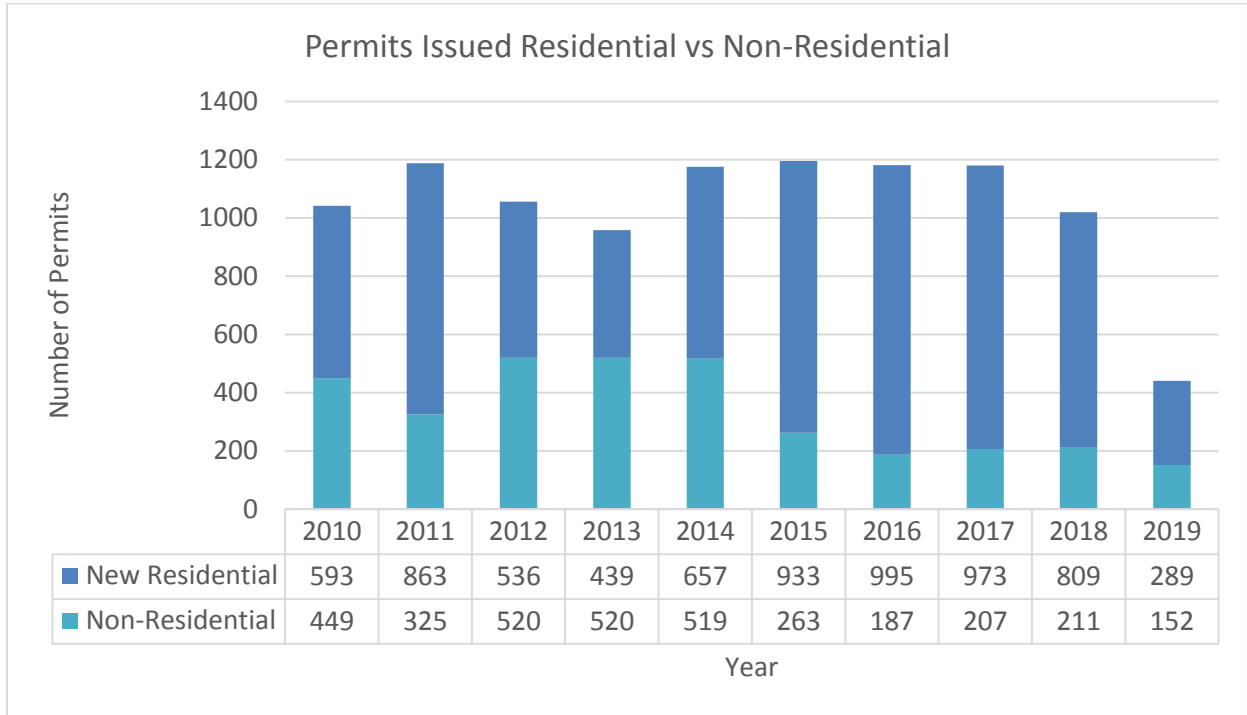
Report Overview

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. 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 2019, the new residential building permits issued decreased from the prior year providing a total building permit revenue of \$2,794,711 (2018 - \$3,242,224) creating a deficit of \$78,697 (2018 – surplus of \$991,603) 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 deficit of \$78,697 was transferred from the Building Division Reserve Fund leaving the surplus/deficit for December 31, 2019 as nil. At December 31, 2019 the reserve fund had approximately \$2.7 million. These funds are restricted to building inspection related uses.
- 1.6. For the 2019 year, the Engineering Department advised Council through the annual building permit activity report ([EGD-004-19](#)) that the building permits issued in 2019 were drastically lower than 2018.
- 1.7. The total number of all types of building permits issued in 2019 was 687 compared to 1,350 in 2018 which translates into a 50.8% decrease in 2019.
- 1.8. The total number of new residential building permits issued in 2019 was 535 compared to 1,139 in 2018 which translates into 53.0% decrease in 2019.

1.9. The below graph illustrates the number of permits for all types and new residential for the last 10 years. The 2011 figure is unusually higher than 2010 to 2014 due to the effect of the building code change effective January 1, 2012.



2. Concurrence

This report has been reviewed by the Acting Director of Engineer who concurs with the recommendations.

3. Conclusion

It is respectfully recommended that Council receive this report.

Staff Contact: Paul Creamer, Deputy Treasurer, 905-623-3379 ext. 2604 or pcreamer@clarington.net.

Attachments:

Attachment 1 - 2019 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, 2019**

		2019 Actual
Building Permit Fees Revenue	\$	2,194,711
Transfer from Reserve Fund		78,697
Total Revenue	<u>\$</u>	<u>2,273,408</u>
Direct costs (Note 1)		
Payroll	\$	1,633,759
Office Space		67,495
Other Operating and Capital Costs		300,847
Subtotal Direct Costs	<u>\$</u>	<u>2,002,101</u>
Transfer to Reserve Fund		-
Overhead Costs (Note 2)		271,308
Total	<u>\$</u>	<u>2,273,408</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 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.

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