



Staff Report

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Report To:	General Government Committee		
Date of Meeting:	April 17, 2023	Report Number:	FSD-014-23
Submitted By:	Trevor Pinn, Director of Finance/Treasurer		
Reviewed By:	Mary-Anne Dempster, CAO	Resolution#:	GG-090-23
File Number:		By-law Number:	
Report Subject:	2022 Building Permit Fees Annual Report		

Recommendation:

1. That Report FSD-014-23 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. 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. An update to this study has been scheduled for 2023.
- 1.4. In 2022, building permits issued generated total building permit revenue of \$1,967,075 (2021 - \$3,038,510), with total direct and overhead costs of \$2,282,081 (2021 - \$2,326,915), creating a deficit of \$315,006 (2021 – surplus of \$711,595) 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 \$315,006 was transferred from the Building Division Reserve Fund leaving the surplus/deficit for December 31, 2022, as nil. As of December 31, 2022, the reserve fund had approximately \$2.3 million. These funds are restricted to building permit services related uses.

2. Concurrence

This report has been reviewed by the Director of Planning and Infrastructure Services 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 - 2022 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, 2022**

	2022 Actual
Building Permit Fees Revenue	\$ 1,967,075
Transfer from Reserve Fund	315,006
Total Revenue	<u>\$ 2,282,081</u>
Direct costs (Note 1)	
Payroll	\$ 1,756,511
Office Space	94,093
Other Operating and Capital Costs	149,068
Subtotal Direct Costs	<u>\$ 1,999,672</u>
Transfer to Reserve Fund	-
Overhead Costs (Note 2)	282,409
Total	<u>\$ 2,282,081</u>
Revenue (Under) / Over Expenditures	<u>\$ -</u>

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 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.