



Staff Report

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Report To:	General Government Committee		
Date of Meeting:	March 21, 2022	Report Number:	FSD-015-22
Submitted By:	Trevor Pinn, Director of Finance/Treasurer		
Reviewed By:	Mary-Anne Dempster, CAO	Resolution#:	GG-171-22
File Number:		By-law Number:	
Report Subject:	2021 Building Permit Fees Annual Report		

Recommendation:

1. That Report FSD-015-22 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. Funds were included in the 2022 Budget to complete the update study to the permit fees.
- 1.4. In 2021, building permits issued generated total building permit revenue of \$3,038,510 (2019 - \$2,496,222) creating a surplus of \$711,595 (2019 –\$224,225) 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 \$711,595 was transferred to the Building Division Reserve Fund leaving the surplus/deficit for December 31, 2021, as nil. As of December 31, 2021, the reserve fund had approximately \$2.8 million. These funds are restricted to building inspection related uses.
- 1.6. For the 2021 year, the Planning and Development Services Department advised Council through the annual building permit activity report ([PSD-012-22](#)) that the building permits issued in 2021 (1,103) were lower than 2020 (1,352).

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 - 2021 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, 2021**

	2021 Actual
Building Permit Fees Revenue	\$ 3,038,510
Transfer from Reserve Fund	-
Total Revenue	<u>\$ 3,038,510</u>
Direct costs (Note 1)	
Payroll	\$ 1,763,432
Office Space	90,197
Other Operating and Capital Costs	193,939
Subtotal Direct Costs	<u>\$ 2,047,569</u>
Transfer to Reserve Fund	711,595
Overhead Costs (Note 2)	279,346
Total	<u>\$ 3,038,510</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.