



Hamilton

# INFORMATION REPORT

<b>TO:</b>	Chair and Members Planning Committee
<b>COMMITTEE DATE:</b>	March 20, 2018
<b>SUBJECT/REPORT NO:</b>	Annual Report on Building Permit Fees (PED18062) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Dio Ortiz (905) 546-2424 Ext. 4650
<b>SUBMITTED BY:</b>	Ed VanderWindt Director, Building and Chief Building Official Planning and Economic Development Department
<b>SIGNATURE:</b>	

**Council Direction:** Not Applicable

## Information:

The *Building Code Act* (BCA) and the regulations made thereunder (the Ontario Building Code) require that a report be prepared annually on fees collected and costs incurred. Specifically, Article 1.9.1.1 of the regulations state:

- “(1) The report referred to in subsection 7(4) of the Act shall contain the following information in respect to fees authorized under clause 7(1)(c) of the Act:
- (a) total fees collected in the 12 month period ending no earlier than three months before the release of the report;
  - (b) the direct and indirect costs of delivering services related to the administration and enforcement of the Act in the area of jurisdiction of the principal authority in the 12 month period referred to in Clause (a);
  - (c) a break down in the costs described in Clause (b) into at least the following categories:

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*OUR Vision: To be the best place to raise a child and age successfully.*

*OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.*

*OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.*

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- (i) direct costs of administration and enforcement of the Act, including the review of applications for permits and inspection of *buildings*, and
  - (ii) indirect costs of administration and enforcement of the Act, including support and overhead costs, and
  - (d) if a reserve fund has been established for any purpose relating to the administration or enforcement of the Act, the amount of the fund at the end of the 12 month period referred to in Clause (a).
- (2) The *principal authority* shall give notice of the preparation of a report under subsection 7(4) of the Act to every person and organization that has requested that the *principal authority* provide the person or organization with such notice and has provided an address for the notice.”

**Revenue Collected**

Building Permit Fees collected during 2017 totalled \$12,550,569.

**Costs Incurred**

The net operational costs, both indirect and direct, incurred during 2017 were \$11,234,966 as shown in the table below.

**Building Division  
Statement of Activities  
For 12 Month Period Ending December 31, 2017**

<b>Category</b>	<b>2017 Actual</b>
Building Revenues:	
Permit Fees	\$12,550,569
Administrative Fees	\$1,746
BCA Fines	\$201,106
Less Expenses:	
Direct Cost	\$10,535,612
Indirect cost	\$699,354
Transfer to Building Permit Revenue Stabilization Reserve	\$1,518,455

\*Note: Figures rounded to nearest dollar

**2017 Net Reserve Balance**

**\$15,313,528**

**Building Permit Revenue Stabilization Reserve**

At the beginning of 2017 the starting balance of the Building Permit Revenue Stabilization Reserve amounted to \$17,670,656. 100% cost-recovery of services for building permit issuance, administration and enforcement of the *Building Code Act* netted a transfer of \$1,518,455 into the reserve at the end of 2017. Transactions in the reserve throughout 2017 resulted in a net gain of \$1,755,772 which included an accrued interest of \$399,369. Additionally, the Building Division commenced and allocated funds to a multi-year project in the amount of \$4,112,900 for the Digitization of Microfiche Records. The Building Permit Revenue Stabilization Reserve contained \$19,426,428 with a net balance of \$15,313,528 at the end of 2017.

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