




Hamilton

INFORMATION REPORT

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| TO: | Mayor and Members Committee of the Whole |
| COMMITTEE DATE: | April 15, 2020 |
| SUBJECT/REPORT NO: | Annual Report on Building Permit Fees (PED20065) (City Wide) |
| WARD(S) AFFECTED: | City Wide |
| PREPARED BY: | Dio Ortiz (905) 546-2424 Ext. 4650 |
| SUBMITTED BY: | Ed VanderWindt Director, Building and Chief Building Official Planning and Economic Development Department |
| SIGNATURE: |  |

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:

- (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 2019 totalled \$14,346,177.

Costs Incurred

The net operational costs, both indirect and direct, incurred during 2019 were \$14,600,619 as shown in the table below.

Building Services Division
Statement of Activities
For 12 Month Period Ending December 31, 2019

| Category | 2019 Actual |
|--|--------------------|
| Building Revenues: | |
| Permit Fees | \$14,346,177 |
| BCA Fines | \$ 254,442 |
| Less Expenses: | |
| Direct Cost | \$ 11,369,198 |
| Indirect cost | \$ 3,231,421 |
| Transfer to Building Revenue Stabilization Reserve | \$2,228,190 |

**Note: Figures rounded to nearest dollar*

2019 Unallocated Reserve Balance

\$19,355,041

Building Permit Revenue Stabilization

The starting balance for the Building Permit Stabilization reserve was \$20,699,920. 100% cost-recovery of services for building permit issuance, administration and enforcement of the *Building Code Act* netted a transfer of \$2,228,190 into the reserve. Additional 2019 transactions in the reserve resulted in a net gain of \$2,755,121 which included an accrued interest of \$526,931. \$4.1 million has been allocated for the Digitization of Microfiche Records multi-year project. The Building Permit Revenue Stabilization reserve contained \$23,455,041 with an unallocated balance of \$19,355,041 at the end of 2019.

APPENDICES AND SCHEDULES ATTACHED

Not applicable