


INFORMATION REPORT

TO:	Chair and Members Planning Committee
COMMITTEE DATE:	March 23, 2021
SUBJECT/REPORT NO:	Annual Report on Building Permit Fees (PED21051) (City Wide)
WARD(S) AFFECTED:	City Wide
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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

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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.

- (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 2020 totalled \$13,333,965.

Costs Incurred

The net operational costs, both indirect and direct, incurred during 2020 were \$12,839,355.38 as shown in the table below.

**Building Division
Statement of Activities
For 12-Month Period Ending December 31, 2020**

Category	2020 Actual
Building Revenues:	
Permit Fees	\$13,333,965
BCA Fines	\$ 141,396
Less Expenses:	
Direct Cost	\$ 11,667,319
Indirect cost	\$ 1,172,036
Transfer to Building Permit Fee Reserve	\$636,005

*Note: Figures rounded to nearest dollar

2020 Unallocated Reserve Balance	\$20,588,355
Building Permit Fee Reserve Cap	\$25,678,710

Building Permit Fee Reserve

The Building Permit Fee Reserve provides a source of funding to offset extraordinary and unforeseen expenditures; for one-time costs, for permit fee revenue shortfalls, for various contingent and potential future liabilities and to ensure that in years of declined building activity, the required *Building Code Act* required services can continue to be provided without affecting the municipality's finances or staffing.

Money in the reserve fund can only be used for costs of delivering services related to the administration and enforcement of the *Building Code Act*. The reserve fund is, therefore, not accessible for council to use to fund or subsidize other municipal activities.

At the end of 2020, 100% cost-recovery of services for building permit issuance, administration and enforcement of the *Building Code Act* netted a transfer of \$636,005 into the reserve. Additional 2020 transactions in the reserve resulted in a net gain of \$1,194,914 which included an accrued interest of \$558,909. \$4.1 million has been allocated for the Digitization of Microfiche Records multi-year project.

The Building Permit Fee Reserve contained \$24,688,355 with an unallocated balance of \$20,588,355 at the end of 2020.

As per the Building Permit Fee Reserve Policy (Policy No: Obligatory – 104050) the objective of the Building Permit Fee Reserve is an amount of approximately two times the annual operational expenses to a maximum of \$25,678,710 (based on 2020 revenues) to ensure a stable resource for future years.

APPENDICES AND SCHEDULES ATTACHED

Not applicable