



Subject: 2018 Annual Building Permit Report

Department: Infrastructure Services

Division: Building Department

Report #: IS-BLDG-2019-003

Meeting Date: April 29, 2019

Orangeville Forward – Strategic Plan

Priority Area: Municipal Services

Objective: Effective and Efficient

Recommendations

For the information of Council.

Background

The purpose of this report is to inform Council of the Building Permit Fees collected for the year 2018, and the costs associated with the administration and enforcement of the Building Code Act in 2018.

In accordance with Section 7(4) of the Building Code Act (Act), the municipality is required to prepare an Annual Report, in order to enhance transparency and ensure that the Building Permit Fees do not exceed the anticipated reasonable delivery service expense.

Analysis

As a requirement of Article 1.9.1.1., Division C of the 2012 Ontario Building Code, the Annual Report must include the following:

- a) Total fees collected between January 1, 2018 and December 31, 2018,
- b) The direct and indirect expenses of delivering services related to the administration and enforcement of the Act within the Town of Orangeville,
- c) Itemization of the expenses into the following categories:

- Direct costs of administration and enforcement of the Act, including the review of applications for building permits and inspection of buildings;
- Indirect costs of administration and enforcement of the Act, including support and overhead expenses;

d) Reserve Fund, if surplus exists (Reserve Fund is required to address likely ranges in year-to-year volatility in service volumes).

Revenue

In 2018, Building Division issued 349 permits, of which 124 were building permits for new residential dwelling units, 75 were for Institutional, Commercial and Industrial buildings. 150 miscellaneous permits (which include pools, demolitions, septic systems, signs, tents, decks, designated structures, water, sewer connections, heating, plumbing and garages etc. Total revenue collected was **\$365,119.00**

Expenses

The total actual (direct and indirect) expenses for the Building Services Division for the year 2018 were **\$393,179.00**

The expenses, as provided below, represent the actual cost of operation for the Division in its entirety for the year 2018:

Direct Expenses:

Compensation: \$ 266,650.00

Other: \$ 76,529.00

Indirect Expenses:

Corporate Charges: \$ 50,000.00

Total Actual Building Services Expenses: \$ 393,179.00

As legislated by the Building Code Act, building permit revenue is only permitted to be used to fund the expenses associated with the issuance of building permits and performing the mandatory building inspections.

Building Permit Surplus: **-(\$ 28,060.00)**

2018 ending Building Permit stabilization Reserve Fund balance: **\$ 389,716.00**

The Building Code Act requires that the total amount of Building Permit fees equals the total costs for the municipality to administer and enforce the Building Code Act and Regulations.

The actual revenue that can be used to cover the 2018 year expenses fell short of the 2018 building permit related expenses. The 2018 building permit shortfall in the amount of **\$28,060.00** will be drawn from the Building Permit Reserve Fund.

The Treasury Department was consulted with respect to the preparation of this report.

The 2018 Building Revenue was lower than the two previous years being a surplus of \$11,736 in 2016 and \$161,140 in 2017. Permit fees are reviewed regularly and averaged over a five year term in order to achieve a 100% cost recovery model.

Financial Impact

There is no financial impact as a result of this report.

Respectfully submitted
Douglas G. Jones, M.E.Sc., P. Eng.
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Attachments:

1. None