



Municipality of South Bruce

Report Title: Building Permit Fee Report Year 2020 and 2021
Prepared By: Kendra Reinhart, Treasurer
Department: Finance
Date: September 27, 2022
Report Number: FIN #09-03-2022
Attachments:

Recommendation(s)

THAT the Municipality of South Bruce Council receives the report titled "Building Permit Fee Report", report number FIN #09-03-2022, for information.

THAT the Municipality of South Bruce Council further authorizes the Treasurer to transfer \$3,230.45 from the Protection/Inspection Reserve to the Building Stabilization Reserve.

Purpose of Report

The Building code Act provides municipalities with the authority to collect fees to recover the cost of administration and enforcement of the Ontario Building Code. The Act states under Section 7(2) that the fees must not exceed the anticipated reasonable costs to administer and enforce the Act. Therefore, any excess revenue must be transferred to the Building Stabilization Reserve Fund. The purpose of the Reserve Fund is to support the building department through to offset periods of low building and construction activity, make service enhancements and cover unexpected expenses.

Background and Analysis

The Municipality has established fees to provide for the building department to be self-supporting and should generally not affect the municipal budget. A Building Stabilization Reserve has been established by By-law #2018-32 to ensure the Municipality is able to fulfill its legislative mandate despite downturns in construction activity. The by-law provides that an annual surplus and/or deficit, in the Building Department will be transferred to the Building Stabilization Reserve as it may occur.

The Building Stabilization Reserve will be used to administer and enforce the Building Code Act and to fund expenditures related to the enforcement of the Building Code Act, to cover capital investments for the department and other costs associated with the building department such as departmental deficits, legal, and special costs involved in appeals and lawsuits. It can be used to offset lean years, implement service enhancements and cover unexpected expenses.

South Bruce has established a Reserve for Protection Services which includes transfers in and out for surplus and deficit activity for By-law Enforcement, Building Services, Policing, Animal Control and other protective inspection and control services.

The Building Permit Fee Annual Report consists of three components: Total Fees; Direct and Indirect Costs; and the Reserve Fund Balance.

- Total Fees refer to revenues generated from building permit and septic inspection fees.
- Direct and Indirect Costs: The second component of the annual report sets out the direct and indirects costs of administration and enforcement of building services. Direct costs are the costs incurred by the building department itself, while indirect costs include a % of costs for

administrative support and overhead costs. Indirect costs reflect a % of administration costs salaries and expense, total expenses and square footage of office space used.

- Reserve Fund: As of December 31, 2019 the Building Stabilization Reserve had a balance of \$41,801.

Building Department Statement of Activity for the years 2020 and 2021.

	Year 2020	Year 2021	Total for 2020 & 2021
Total Fees Collected	\$183,898.00	\$188,964.00	\$372,862.00
Less Expenses			
Direct Costs	\$167,615.47	\$142,284.00	\$309,899.47
Indirect Costs	\$31,933.51	\$27,795.58	\$59,729.09
2020/2021 Departmental Surplus	\$18,881.42	-\$15,650.98	\$ 3,230.45
Reserve Opening Balance			\$42,198.88
Reserve Balance Dec 31, 2021			\$45,429.33

Summary

The Building Department Surplus for the years 2020 and 2021 is \$3,230.45. The Balance of the Reserve after the Surplus transfer is \$45,429.33.

Impact and Considerations

Financial	As noted in the report
Staff/Policy	n/a
Safety/Accessibility	n/a

Link to Strategic Plan and Economic Development Strategic Objectives

Foundation Goals	Open Government Operational Efficiency
-------------------------	---

Respectfully Submitted by: Kendra Reinhart

Approved by: Leanne Martin, CAO/Clerk