

Report To: Committee of the Whole

Meeting Date: March 21, 2022

Subject: 2021 Annual Building Permit Fee Report

Recommendations

1. That Report FIN 22-07 2021 Annual Building Permit Fee Report dated March 21, 2022 be received; and
2. That the 2021 Annual Building Permit Fee Report be made publicly available on the Town’s website and upon request in accordance with the Building Code Act.

Purpose

This report provides information regarding the building permit fees collected and the costs associated with the administration and enforcement of the Building Code Act as at December 31, 2021.

Background

In accordance with Section 7(4) of the Building Code Act, each principal authority shall prepare a report every 12 months and shall contain, as per O.Reg. 332/12: Building Code; Section 1.9.1.1., the following:

- Total fees collected – under the authority of the Town’s Consolidated Fees & Charges By-law 18-20 as amended.
- Direct costs – related to the operations of the building department with respect to the processing of permit applications, plans review, inspection and enforcement duties.
- Indirect costs – includes the building departmental share of overhead cost allocations for IT support, insurance, and photocopier usage.
- Building Reserve Fund – the amount of the reserve fund at the end of the reporting period.

Analysis

The following is a summary of 2021 results. See Appendix A for details.

2021 Building Department Operating Results:
Revenues

Total fees collected	\$351,754	
Budgeted transfer from Reserve Fund	<u>248,930</u>	600,684

Expenses		
Direct costs	611,031	
Indirect costs	38,971	650,002
Surplus/(Deficit)		(49,318)
Yearend transfer from Reserve Fund		49,318
2021 Levy Impact		\$ -

Building Department Reserve Fund:

Balance as at January 1, 2021	\$2,603,410
Less: Budgeted transfer to operations	(248,930)
Add: Interest earned	31,480
Less: Yearend transfer to operations	(49,318)
Balance as at December 31, 2021	<u>\$2,336,642</u>

As revenues cannot be forecasted with certainty, and often vary from year to year, the Building Code Act and the Ontario Building Code allow municipalities to establish a reserve fund in which permit fees in excess of operating costs must be held. Those reserve funds may then be used to offset the building department shortfalls in future years when fees collected are not sufficient to fund the cost of doing business.

The fund is also used to support the replacement of the building department vehicles and equipment.

Strategic Priorities

3 - Accountability and Transparency

Goal #3 - Build trust and confidence in the Town's operations and services and establish a strong reputation for the corporation.

Financial Impact

Revenues collected from permit fees can fluctuate year over year as they are related to timing of development activity. The building department fees and charges are reviewed annually as part of the consolidated fee review process to ensure that the fees accurately reflect the cost of delivering the service. The Town recognizes that a comprehensive review of all users' fees is required and plans to undertake this in 2023.

Conclusion

The Town's building department's financial activity for 2021 is in compliance with the Building Code Act.

Respectfully prepared by,



Angela Cifani
Manager of Financial Planning and Reporting

Respectfully reviewed by,



Paul Nickerson
Chief Building Officer

Respectfully submitted by,



Melanie Steele
Interim Director of Finance/Treasurer

Approved by,



Harry Schlange
Chief Administrative Officer

Attachments

- Appendix A – 2021 Actual to Budget Variance Report



TOWN OF GRIMSBY 2021 ACTUAL TO BUDGET VARIANCE REPORT BUILDING DEPARTMENT

	2021 Budget	2021 Actual	Amount Under (Over) Budget	% Under (Over) Budget
039 - GENERAL REVENUE				
TRANSFERS FROM OWN FUNDS				
09365 - TRANSFER FROM DEFERRED REVENUE	248,930	248,930	-	-
USER FEES				
05410 - ADMINISTRATION FEES	7,500	24,422	(16,922)	(225.6)
08250 - SEWER/DRAIN PERMITS	12,000	8,479	3,521	29.3
08260 - SIGN PERMITS	8,000	7,530	470	5.9
OTHER REVENUES				
08220 - BUILDING PERMITS	575,000	290,542	284,458	49.5
08230 - PLUMBING PERMITS	40,000	17,375	22,625	56.6
08240 - OCCUPANCY PERMITS	10,000	3,406	6,594	65.9
TOTAL REVENUE	901,430	600,684	300,746	33.4
121 - GENERAL ADMIN				
SALARIES AND BENEFITS				
11100 - REGULAR SALARIES AND WAGES	551,360	403,277	148,083	26.9
11200 - REGULAR SAL & WAGES-OVERTIME	2,000	718	1,282	64.1
12100 - CASUAL&PART-TIME SAL&WAGES	55,750	41,122	14,628	26.2
16100 - EMPLOYEE BENEFITS	132,650	124,969	7,681	5.8
16910 - TUITIONS AND COURSES	5,000	1,546	3,454	69.1
16930 - CLOTHING ALLOWANCE	4,000	1,792	2,208	55.2
16950 - MEAL ALLOWANCES	-	71	(71)	(100.0)
17100 - CASUAL&PART-TIME BENEFITS	9,810	5,810	4,000	40.8
TRANSFERS TO OWN FUNDS				
57940 - TRANSFER TO RESERVES	15,000	15,000	-	-
MATERIALS				
23200 - OTHER VEHICLE EXPENDITURES	3,000	1,572	1,428	47.6
26100 - PRINTING STATIONERY, SUPPLIES	4,000	737	3,263	81.6
29990 - MISCELLANEOUS	500	35	465	93.0
31100 - TRAVEL	6,000	6,138	(138)	(2.3)
31200 - CONFERENCES/WORKSHOPS	8,000	-	8,000	100.0
31400 - MEMBERSHIPS AND SUBSCRIPTIONS	6,500	2,165	4,335	66.7
32100 - POSTAGE	1,000	1,055	(55)	(5.5)
32300 - COURIER SERVICES	300	36	264	87.9
32500 - ADVERTISING/PROMOTIONS	650	659	(9)	(1.4)
32600 - TELEPHONE	2,500	1,481	1,019	40.8
33600 - REGISTRY OFFICE FEES	500	-	500	100.0
51110 - OFFICE EQUIPMENT PURCHASES	9,000	2,848	6,152	68.4



TOWN OF GRIMSBY
2021 ACTUAL TO BUDGET VARIANCE REPORT
BUILDING DEPARTMENT

	2021 Budget	2021 Actual	Amount Under (Over) Budget	% Under (Over) Budget
CONTRACTED SERVICES				
33900 - PROFESSIONAL FEES	5,000	-	5,000	100.0
34200 - CONTRACTED SERVICES	40,000	-	40,000	100.0
RENTS AND FINANCIAL EXPENSES				
39100 - INSURANCE	11,080	11,141	(61)	(0.5)
INTERFUNCTIONAL EXPENSES				
71100 - PHOTOCOPYING CHARGES	2,000	2,000	-	-
71220 - IT ALLOCATION	25,830	25,830	-	-
TOTAL EXPENSES	901,430	650,002	251,428	27.9
SURPLUS / (DEFICIT)	-	(49,318)	49,318	-

Please note, these amounts are unaudited and may be subject to change