

**Report To: Committee of the Whole**

**Meeting Date: March 20, 2023**

**Subject: 2022 Annual Building Permit Fee Report**

### **Recommendations**

1. That report FIN-23-11 2022 Annual Building Permit Fee Report dated March 20, 2023 be received; and
2. That the 2022 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 of December 31, 2022, as required under the Building Code Act.

### **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 – Including 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 2022 results. (See **Appendix A** for more details).

### 2022 Building Department Operating Results:

Revenues		
Total fees collected	829,938	
Transferred from Reserve Fund	195,610	1,025,548
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Expenses		
Direct costs	528,389	
Indirect costs	213,390	741,779
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Surplus/(Deficit)		283,769
Transfer to Reserve Fund		(283,769)
2022 Levy Impact		-
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### Statement of Building Department Reserve Fund:

Balance as at January 1, 2022	(2,336,642)
Less: Transfer to Operations	195,610
Interest earned	(61,886)
Transfer to Operating Fund	(283,769)
Balance as at December 31, 2022	<u>(2,486,687)</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 relate to timing of development activity in the Town. 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. Staff have included a comprehensive User Fees and Charges Review project in the 2023 budget for Council's consideration, to ensure fees collected are sufficient to cover the cost of services.

## Conclusion

The Town's building department's financial activity for 2022 is in compliance with the Building Code Act.

Respectfully prepared by,



Bryce Miller  
Accountant

Respectfully reviewed by,



Paul Nickerson  
Chief Building Official

Respectfully submitted by,



Beth Brens  
Director of Finance/Treasurer

Approved by,



Sarah Kim  
Acting Chief Administrative Officer

## Attachments

- **Appendix A – 2022 Actual to Budget Variance Report**



**TOWN OF GRIMSBY**  
**2022 ACTUAL TO BUDGET VARIANCE REPORT**  
**BUILDING DEPARTMENT**

	2022 Budget	2022 Actual	Amount Under (Over) Budget	% Under (Over) Budget
<b>261 - BUILDING</b>				
<b>039 - GENERAL REVENUE</b>				
TRANSFERS FROM OWN FUNDS				
09365 - TRANSFER FROM DEFERRED REVENUE	195,610	195,610	-	-
USER FEES				
05410 - ADMINISTRATION FEES	20,000	51,336	(31,336)	(156.7)
08250 - SEWER/DRAIN PERMITS	12,000	20,805	(8,805)	(73.4)
08260 - SIGN PERMITS	8,000	4,304	3,696	46.2
OTHER REVENUES				
08220 - BUILDING PERMITS	650,000	720,434	(70,434)	(10.8)
08230 - PLUMBING PERMITS	40,000	24,575	15,425	38.6
08240 - OCCUPANCY PERMITS	10,000	8,485	1,515	15.2
	935,610	1,025,548	(89,938)	(9.6)
<b>121 - GENERAL ADMIN</b>				
SALARIES AND BENEFITS				
11100 - REGULAR SALARIES AND WAGES	442,510	348,547	93,963	21.2
11200 - REGULAR SAL & WAGES-OVERTIME	2,000	1,249	751	37.5
12100 - CASUAL&PART-TIME SAL&WAGES	64,060	43,109	20,951	32.7
16100 - EMPLOYEE BENEFITS	119,500	93,480	26,020	21.8
16910 - TUITIONS AND COURSES	5,000	2,064	2,936	58.7
16930 - CLOTHING ALLOWANCE	4,000	4,255	(255)	(6.4)
16950 - MEAL ALLOWANCES	-	30	(30)	(100.0)
17100 - CASUAL&PART-TIME BENEFITS	11,200	8,635	2,565	22.9
MATERIALS				
23200 - OTHER VEHICLE EXPENDITURES	3,000	3,107	(107)	(3.6)
26100 - PRINTING STATIONERY, SUPPLIES	4,000	979	3,021	75.5
29930 - MEETING EXPENSES	-	223	(223)	(100.0)
29990 - MISCELLANEOUS	500	73	428	85.5
31100 - TRAVEL	6,000	205	5,795	96.6
31200 - CONFERENCES/WORKSHOPS	8,000	2,512	5,488	68.6
31400 - MEMBERSHIPS AND SUBSCRIPTIONS	2,500	2,768	(268)	(10.7)
32100 - POSTAGE	1,000	413	587	58.7
32300 - COURIER SERVICES	300	-	300	100.0
32500 - ADVERTISING/PROMOTIONS	650	-	650	100.0
32600 - TELEPHONE	2,500	1,834	666	26.6



## TOWN OF GRIMSBY 2022 ACTUAL TO BUDGET VARIANCE REPORT BUILDING DEPARTMENT

33600 - REGISTRY OFFICE FEES	500	30	470	93.9
34520 - FUEL - GASOLINE	-	4,353	(4,353)	(100.0)
51110 - OFFICE EQUIPMENT PURCHASES	5,000	124	4,876	97.5
CONTRACTED SERVICES				
33900 - PROFESSIONAL FEES	-	5,928	(5,928)	(100.0)
34200 - CONTRACTED SERVICES	40,000	4,469	35,531	88.8
INTERFUNCTIONAL EXPENSES				
71220 - IT ALLOCATION	119,920	119,920	-	-
71250 - ADMINISTRATION ALLOCATION	17,020	17,020	-	-
71260 - FINANCE ALLOCATION	26,890	26,890	-	-
71270 - HR ALLOCATION	24,240	24,240	-	-
71290 - LEGAL ALLOCATION	10,560	10,560	-	-
71300 - INSURANCE ALLOCATION	14,760	14,760	-	-
	<u>935,610</u>	<u>741,779</u>	<u>193,831</u>	<u>20.7</u>
<b>TOTAL EXPENSE</b>	<b>1,871,220</b>	<b>1,767,328</b>	<b>103,892</b>	<b>5.6</b>
<b>LEVY IMPACT</b>	<b>-</b>	<b>283,769</b>	<b>(283,769)</b>	<b>(100.0)</b>