



Town of Newmarket
395 Mulock Drive P.O. Box 328,
Newmarket, Ontario, L3Y 4X7

Email: info@newmarket.ca | Website: newmarket.ca | Phone: 905-895-5193

2020 Building Permit Fees Information Report to Council

Report Number: INFO-2021-09

Department(s): Financial Services

Author(s): Annie Agoncillo, Financial Analyst

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In accordance with the Procedure By-law, any member of Council may make a request to the Town Clerk that this Report be placed on an upcoming Committee of the Whole agenda for discussion.

Executive Summary

See below.

Purpose

The purpose of this report is to provide information illustrating the building permit fees and costs associated with delivering the services for the year 2020.

Background

In 2016, By-law 2015-58 was enacted for Building Permit fees. The fee schedule remained unchanged from 2017 to 2019. In 2020, the Building Permit fees increased by an average of 2.5%.

As per the Building Code Act, 1992, a municipality is required to prepare a report regarding building permit fees collected and the costs of administering and enforcing this Act every 12 months,; and, the municipality shall make its report available to the public. The purpose of this report is to meet the statutory requirement.

Discussion

In 2017, Building Permit Fees were changed from a Reserve to an Obligatory Reserve Fund. Therefore, an annual reserve fund interest allocation has been added. The interest allocation for 2020 was \$61,491.

The total revenue earned in 2020 was \$2,354,123. \$1,073,171 was from fees collected in the year, while \$1,280,952 was collected in prior years and recognized in 2020.

Expenditures exceeded revenues by \$224,848 attributed to the capital cost for the Cityview software replacement and the Lan Use and Building Tracking System. This cost was funded by the Reserve Fund for Building Permits. As at the end of December 2020, the Reserve Fund for Building Permits had a balance of \$2,714,576 including interest allocation.

Attached is the Statement to illustrate building permit fees and costs associated with delivering the services for the year 2020.

Conclusion

This report will be posted on the Town's website.

Business Plan and Strategic Plan Linkages

This report links to Council's Strategic Priority of Long-term financial sustainability by ensuring ongoing continuous improvement and a service level analysis for consideration.

Consultation

Consultation has taken place with Building Services staff.

Human Resource Considerations

Not applicable to this report.

Budget Impact

The 2020 fees were \$2,354,123. The 2019 ratio to annual cost of 155% was taken into consideration when the building permit fees were reviewed for 2020.

The Reserve Fund for Building Permit Fees is at 105% of total annual costs at year-end. This ratio is within the target range of 100% to 200%; no increase in fees is scheduled for 2021.

Attachments

Annual Report on Building Permit Fees

Contact

For more information on this report, contact Mike Mayes at 905-953-5300, ext. 2102 or via e-mail at mmayes@newmarket.ca

Approval

Mike Mayes, CPA, CGA, DPA
Director, Financial Services/Treasurer

Esther Armchuk, LL.B
Commissioner, Corporate Services

THE CORPORATION OF THE TOWN OF NEWMARKET

Annual Report on Building Permit Fees

December 31, 2020

The Town of Newmarket is a municipality in the Province of Ontario, Canada. The municipality is required to prepare an annual report, which includes the total fees collected in the previous 12 month period:

| | <u>2020</u> | <u>2019</u> |
|---|---------------------|---------------------|
| Fees collected in current year | \$ 1,073,171 | \$ 924,990 |
| Fees collected in prior year and earned in current year * | 1,280,952 | 1,428,994 |
| Total Ontario Building Code Revenues | \$ 2,354,123 | \$ 2,353,983 |

Direct and indirect costs of delivering services are as follows:

| | <u>2020</u> | <u>2019</u> |
|---|---------------------|---------------------|
| Direct costs | \$ 1,769,822 | \$ 1,861,899 |
| Indirect costs | 584,301 | 492,084 |
| Capital costs | 224,848 | 327,193 |
| Total Ontario Building Code Expenditures | \$ 2,578,971 | \$ 2,681,176 |
| Net Surplus/(Deficit) | \$ (224,848) | \$ (327,193) |

The continuity of the Reserve Fund for Building Permits is as follows:

| | <u>2020</u> | <u>2019</u> |
|---|---------------------|---------------------|
| Balance, beginning of year | \$ 4,158,885 | \$ 5,728,041 |
| Plus: Interest Earned* | 61,491 | 187,031 |
| Plus /(Less): Transfer (to) / from operating fund | (1,280,952) | (1,428,994) |
| Less: Transfer to capital fund | (224,848) | (327,193) |
| Balance, end of year | \$ 2,714,576 | \$ 4,158,885 |