



Town of Newmarket
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2022 Building Permit Fees Information Report

Report Number: Report Number to be Assigned by Legislative Services

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 2022.

Background

In 2016, By-law 2015-58 was enacted for Building Permit fees. In 2022, the Building Permit fees increased by an average of 1.0%.

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 2022 was \$31,717. The total revenue earned in 2022 was \$2,342,890. \$1,793,194 was from fees collected in the year, while \$549,696 was collected in prior years and recognized in 2022. Expenditures exceeded revenues by \$50,180, mainly attributed to the capital cost for Accela, the Cityview software replacement and the Land

Use and Building Tracking System. This cost was funded by the Reserve Fund for Building Permits. As at the end of December 31, 2022, the Reserve Fund for Building Permits had a balance of \$1,880,144 including interest allocation.

Attached is the Statement to illustrate building permit fees and costs associated with delivering the services for the year 2022.

Conclusion

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

Business Plan and Strategic Plan Linkages

This report links to Council's core value in achieving and maintaining the Town's 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 2022 fees were \$2,342,890. The 2021 ratio to annual cost of 104 % was taken into consideration when the building permit fees were reviewed for 2022.

The Reserve Fund for Building Permit Fees is at 79% of total annual costs at year-end. This ratio is below the target range of 100% to 200%. Any recommendations from the Development Approval Application Process (DAAP) on the fee structure will be considered as part of the 2024 budget process.

Fees were increased by 2.5% on January 1, 2023.

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, 2022

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>2022</u>	<u>2021</u>
Fees collected in current year	\$ 1,793,194	\$ 2,004,358
Fees collected in prior year and earned in current year *	549,696	287,797
Total Ontario Building Code Revenues	\$ 2,342,890	\$ 2,292,155

Direct and indirect costs of delivering services are as follows:

	<u>2022</u>	<u>2021</u>
Direct costs	\$ 1,739,280	\$ 1,666,349
Indirect costs	625,806	625,806
Capital costs	27,984	39,235
Total Ontario Building Code Expenditures	\$ 2,393,070	\$ 2,331,390
Net Surplus/(Deficit)	\$ (50,180)	\$ (39,235)

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

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 2,426,107	\$ 2,714,576
Plus: Interest Earned*	31,717	38,563
Plus/(Less): Transfer (to) / from operating fund	(549,696)	(287,797)
Less: Transfer to capital fund	(27,984)	(39,235)
Balance, end of year	\$ 1,880,144	\$ 2,426,107