

Committee of the Whole (2) Report

DATE: Tuesday, April 8, 2025

WARD(S): ALL

TITLE: BUILDING PERMIT FEES ANNUAL FINANCIAL REPORT FOR 2024

FROM:

Vince Musacchio, Interim Deputy City Manager, Planning, Growth Management and Housing Delivery

ACTION: FOR INFORMATION

Purpose

To provide Council with the Building Permit Fees Annual Financial Report for 2024, as required by the Building Code.

Report Highlights

- Building permit revenues collected in 2024 were \$16,191,762
- Direct and Indirect costs in 2024 were \$15,319,841
- An amount of \$871,921 was transferred to the Building Standards Continuity Reserve
- Closing balance in the Building Standards Continuity Reserve is \$26,618,042

Recommendations

1. THAT the Building Permit Fees Annual Financial Report for 2024 be received for information.

Background

The Building Code requires that a financial report be prepared annually to provide information on the following matters:

- i. Total Fees Collected (12-month period);

- ii. Direct Costs of delivering services (Review of permit applications and inspections of buildings);
- iii. Indirect Costs of delivering services (Support and Overhead Costs); and
- iv. The account balance for the Building Standards Continuity Reserve as established by Council.

To comply with the Building Code, the Building Permit Fees Annual Financial Report has been prepared for 2024 and is based on unaudited information.

Previous Reports/Authority

None.

Analysis and Options

This report has been prepared in coordination with Financial Planning and Development Finance Department staff. It is based on Council's previous approvals respecting the Watson & Associates Economists Ltd. Activity Based Costing Methodology for User Fees Report, and the establishment of the Building Standards Continuity Reserve.

The Building Standards Continuity Reserve was established to stabilize fluctuations in permit revenues resulting from changes or variations in construction activity. The stabilization of permit revenues allows the Building Standards Department (BSD) to meet its legislated requirements; thereby ensuring continuity of service delivery without impacting the general tax base.

To develop a sustainable financial model for the BSD, a comprehensive building permit fee study was carried out by Watson & Associates Economists Ltd. in 2017/2018 to ensure fees achieve full cost recovery of direct and indirect costs associated with the delivery of services in the BSD (building permits and inspection services). The study also benchmarked Vaughan's building permit fees with other comparable GTA municipalities to maintain market competitiveness.

In 2022 the City retained Watson & Associates Economists Ltd. to undertake a comprehensive review of the full costs of Development Planning, Development Engineering and Building Standards functions and to make fee structure recommendations to provide for reasonable full cost for the services. This study was completed in 2023 and presented to the April 18, 2023, Committee of the Whole (2) for consideration, and latter approved without amendment at the Council meeting of April 25, 2023. The Building Standards Department will monitor the effectiveness of the new cost model resulting from this study and will work with our partners in Development Finance if further changes are necessary in the future.

Financial Impact

The Building Permit Fees Annual Financial Report shows a total revenue of \$16,191,762 for building permit fees collected in 2024 and a combined total of direct

and indirect costs of \$15,319,841. An amount of \$871,921 was transferred to the Building Standards Continuity Reserve. The 2024 closing balance in the Building Standards Continuity Reserve is \$26,618,042.

Operational Impact

None.

Broader Regional Impacts/Considerations

None.

Conclusion

As required by legislation, this report provides the total fees collected by the BSD in 2024, total costs of delivering its service, and balance of the Building Standards Continuity Reserve.

For more information, please contact: Ben Pucci, Director of Building Standards, ext. 8872.

Attachments

1. 2024 Building Permit Fees Annual Financial Report.

Prepared by

Ben Pucci, Director of Building Standards, ext. 8872