

Committee of the Whole (2) Report

DATE: Wednesday, May 20, 2020

WARD(S): ALL

TITLE: BUILDING PERMIT FEES ANNUAL FINANCIAL REPORT 2019

FROM:

Bill Kiru, Acting Deputy City Manager, Planning and Growth Management

ACTION: FOR INFORMATION

Purpose

To provide Council with the Building Permit Fees Annual Financial Report for 2019, as required by the Building Code.

Report Highlights

- Building permit revenues collected in 2019 were \$11,650,665
- Direct and Indirect costs in 2019 were \$12,023,882

Recommendations

1. THAT the Building Permit Fees Annual Financial Report for 2019 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 Service Continuity Reserve as established by Council.

To comply with the Building Code, the Building Permit Fees Annual Financial Report has been prepared for 2019 and is based on unaudited information.

Previous Reports/Authority

Not applicable.

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 and Associates Activity Based Costing Methodology for User Fees Report, and the establishment of the Building Standards Service Continuity Reserve.

The Building Standards Service 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.

In order to develop a sustainable financial model for the BSD, a comprehensive building permit fee study was carried out by Watson and Associates 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 benchmarked Vaughan's building permit fees with other comparable GTA municipalities to maintain market competitiveness.

Financial Impact

The Building Permit Fees Annual Financial Report shows a total revenue of \$11,650,665 for building permit fees collected in 2019 and a combined total of direct and indirect costs of \$12,023,882. Due to the shortfall, the BSD was required to draw \$373,217 from the Building Standards Service Continuity Reserve to fund the net shortfall between revenues and full costs. The 2019 closing balance in the Building Standards Service Continuity Reserve is \$12,233,461.

Broader Regional Impacts/Considerations

Not applicable.

Conclusion

The Building Permit Fees Annual Financial Report shows a total revenue of \$11,650,665 for building permit fees collected in 2019 and a combined total of direct and indirect costs of \$12,023,882. A draw of \$373,217 from the Building Standards Service Continuity Reserve funded the net shortfall between revenues and full costs.

The 2019 closing balance in the Building Standards Service Continuity Reserve is \$12,233,461.

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

Attachments

1. 2019 Building Permit Fees Annual Financial Report

Prepared by

Ben Pucci, Director of Building Standards