

## **CITY OF VAUGHAN**

### **EXTRACT FROM COUNCIL MEETING MINUTES OF MAY 27, 2020**

Item 12, Report No. 20, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on May 27, 2020.

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#### **12. BUILDING PERMIT FEES ANNUAL FINANCIAL REPORT 2019**

**The Committee of the Whole recommends approval of the recommendation contained in the following report of the Acting Deputy City Manager, Planning and Growth Management, dated, May 20, 2020:**

##### **Recommendation**

1. THAT the Building Permit Fees Annual Financial Report for 2019 be received for information.

## Committee of the Whole (2) Report

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**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

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**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

**City of Vaughan**  
**Ontario Building Code Act**  
**Building Standards Service Continuity Reserve**  
**2019 Annual Actual Report - Unaudited**  
**(For the Period January 1, 2019 to December 31, 2019)**

**ONTARIO BUILDING CODE - REVENUES**

Total Fees Collected	\$ (11,650,665)
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**ONTARIO BUILDING CODE - EXPENSES**

Direct Costs		\$ 8,069,793
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Indirect Costs		\$ 3,954,089
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TOTAL DIRECT & INDIRECT COST	\$ 12,023,882
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CONTRIBUTION TO/(FROM) BUILDING STANDARDS CONTINUITY RESERVE	\$ (373,217)
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NET BALANCE	<div style="border-top: 1px solid black; border-bottom: 3px double black; padding: 2px 0;">\$ -</div>
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**BUILDING STANDARDS SERVICE CONTINUITY RESERVE**

Opening Balance		\$ 12,847,968
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Transfer to / (Withdrawal from) Reserve:		\$ (373,216)
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Transfer to / (Withdrawal from) Reserve - Capital		\$ (502,764)
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Interest Earned		\$ 261,474
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<b><u>CLOSING BALANCE RESERVE</u></b>	<div style="border-top: 1px solid black; border-bottom: 3px double black; padding: 2px 0;">\$ 12,233,461</div>
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