

## Committee of the Whole (1) Report

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**DATE:** Wednesday, April 7, 2021

**WARD(S):** ALL

**TITLE:** BUILDING PERMIT FEES ANNUAL FINANCIAL REPORT 2020

**FROM:**

Jim Harnum, City Manager

**ACTION:** FOR INFORMATION

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**Purpose**

The purpose of this report is to provide Council with the Building Permit Fees Annual Financial Report for 2020, as required by the Building Code.

**Report Highlights**

- Building permit revenues collected in 2020 were \$16,263,357
- Direct and Indirect costs in 2020 were \$12,323,674

**Recommendations**

1. THAT the Building Permit Fees Annual Financial Report for 2020 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 2020 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 \$16,263,357 for building permit fees collected in 2020 and a combined total of direct and indirect costs of \$12,323,674. A revenue surplus of \$3,939,683 was transferred to the Building Standards Service Continuity Reserve. The 2020 closing balance in the Building Standards Service Continuity Reserve is \$16,133,448.

### **Broader Regional Impacts/Considerations**

Not applicable.

### **Conclusion**

The Building Permit Fees Annual Financial Report shows a total revenue of \$16,263,357 for building permit fees collected in 2020 and a combined total of direct and indirect costs of \$12,323,674. A revenue surplus of \$3,939,683 was transferred to

the Building Standards Service Continuity Reserve. The 2020 closing balance in the Building Standards Service Continuity Reserve is \$16,133,448.

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

### **Attachments**

1. 2020 Building Permit Fees Annual Financial Report

### **Prepared by**

Ben Pucci, Director of Building Standards

### **Approved by**

A stylized handwritten signature in black ink, appearing to read 'BP' with a flourish.

Ben Pucci, Director of Building Standards

### **Reviewed by**

A handwritten signature in black ink, appearing to read 'Jim Harnum'.

Jim Harnum, City Manager