

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 20, 2021

Item 9, Report No. 14, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on April 20, 2021.

9. BUILDING PERMIT FEES ANNUAL FINANCIAL REPORT 2020

The Committee of the Whole recommends approval of the recommendation contained in the following report of the City Manager, dated April 7, 2021:

Recommendations

THAT the Building Permit Fees Annual Financial Report for 2020 be received for information.

Committee of the Whole (1) Report

DATE: Wednesday, April 7, 2021

WARD(S): ALL

TITLE: BUILDING PERMIT FEES ANNUAL FINANCIAL REPORT 2020

FROM:

Jim Harnum, City Manager

ACTION: FOR INFORMATION

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

City of Vaughan
Ontario Building Code Act
Building Standards Service Continuity Reserve
2020 Annual Actual Report - Unaudited
(For the Period January 1, 2020 to December 31, 2020)

ONTARIO BUILDING CODE - REVENUES

Total Fees Collected	\$ (16,263,357)
----------------------	-----------------

ONTARIO BUILDING CODE - EXPENSES

Direct Costs		\$ 8,177,483
--------------	--	--------------

Indirect Costs		\$ 4,146,191
----------------	--	--------------

TOTAL DIRECT & INDIRECT COST	\$ 12,323,674
------------------------------	---------------

CONTRIBUTION TO/(FROM) BUILDING STANDARDS CONTINUITY RESERVE	\$ 3,939,683
--	--------------

NET BALANCE	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; padding: 2px 10px;">\$ -</div>
-------------	---

BUILDING STANDARDS SERVICE CONTINUITY RESERVE

Opening Balance		\$ 12,233,461
-----------------	--	---------------

Transfer to / (Withdrawal from) Reserve:		\$ 3,939,684
--	--	--------------

Transfer to / (Withdrawal from) Reserve - Capital		\$ (191,888)
---	--	--------------

Interest Earned		\$ 152,191
-----------------	--	------------

<u>CLOSING BALANCE RESERVE</u>	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; padding: 2px 10px;">\$ 16,133,448</div>
---------------------------------------	--