



Mike Mayes, Director
Financial Services/Treasurer

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May 14, 2014

CORPORATE SERVICES INFORMATION REPORT - FINANCE 2014-14

TO: Mayor Tony Van Bynen and Members of Council
SUBJECT: Building Permit Fees
ORIGIN: Financial Analyst

In accordance with the Procedure Bylaw, any member of Council may request an Information Report to be placed on an upcoming Committee of the Whole agenda for discussion.

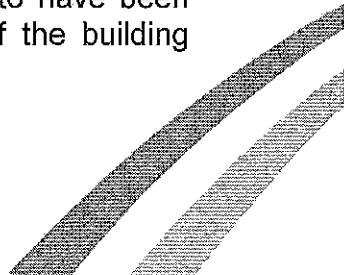
COMMENTS

In 2005, By-law 2005-76 was adopted, establishing a Building By-law for the issuance of permits and related matters, including a fee schedule as amended for all applicable building permit fees in Newmarket.

As per the Building Code Act, 1992, a municipality is required to prepare a report regarding building permit fees collected and the costs of administering and enforcing this Act every 12 months; and, the municipality shall make its report available to the public. The purpose of this report is to meet the statutory requirement. The report will be posted on the Town's website in May.

Revenues that exceeded expenditures (net revenues) in the amount of \$1,651,279 were transferred to the Reserve for Building Permits, to offset future costs or revenue slowdowns. There has been no increase in building permit fees since 2010. As at the end of December 31, 2013, the Reserve for Building Permits had a balance of \$5,488,245.

Of the total building permit fees of \$3,467,688 collected in 2013, \$669,285 has been deferred to 2014 (2012 deferral was \$1,148,760). It is our accounting policy, in agreement with our auditors, that building permit fees are not deemed to have been "earned" until 90 days after the collection of the fees with issuance of the building



permit. This is the average time for the building department to perform the majority of its duties and for the refund period to expire.

Attached is the Statement to illustrate building permit fees and costs associated with delivering the services for the year 2013.

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

This report links to Newmarket’s key strategic direction in being Well Managed through fiscal responsibility.

CONSULTATION

Consultation has taken place with Planning and Building Services and staff will be further reviewing the reserve and submitting a report to Council with staff recommendations in the future.

HUMAN RESOURCES CONSIDERATIONS

None applicable to this report.

BUDGET IMPACT

The Reserve for Building Permit Fees, which is at a comfortable level, is taken into consideration when reviewing future building permit fees.

CONTACT

For more information on this report, please contact Leighton Taylor at 905-953-5300, ext. 2121 or ltaylor@newmarket.ca



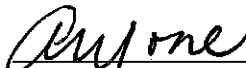
Leighton Taylor, CGA
Financial Analyst



Dawn Schellenberg, CPA, CA
Manager, Finance & Accounting



Mike Mayes, CGA
Director, Financial Services/Treasurer



Anita Moore, AMCT
Commissioner, Corporate Services

THE CORPORATION OF THE TOWN OF NEWMARKET
Annual Report on Building Permit Fees
 December 31, 2013

The Town of Newmarket is a municipality in the Province of Ontario, Canada. The municipality is required to prepare an annual report, which includes the total fees collected in the previous 12 month period:

	<u>2013</u>	<u>2012</u>
Fees collected in current year	\$ 2,988,213	\$ 2,674,428
Fees collected in current year and not earned	(669,285)	(1,148,760)
Fees collected in prior year and earned in current year	1,148,760	1,513,457
Transfer from reserves	-	-
Total Revenues	\$ 3,467,688	\$ 3,039,125

Direct and indirect costs of delivering services are as follows:

	<u>2013</u>	<u>2012</u>
Direct costs	\$ 1,294,927	\$ 1,216,639
Indirect costs	521,483	469,952
Capital costs	-	-
Transfer to reserves	-	-
Total Expenditures	\$ 1,816,409	\$ 1,686,591

The continuity of the Reserve for Building Permits is as follows:

	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$ 3,836,967	\$ 2,484,433
Plus: Transfer from operating fund	1,651,279	1,352,534
Transfer from other fund	-	-
Less: Transfer to operating fund	-	-
Transfer to capital fund	-	-
Balance, end of year	\$ 5,488,245	\$ 3,836,967