



Town of Newmarket
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2019 Building Permit Fees Information Report

Report Number: INFO-2020-22

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In accordance with the Procedure By-law, any member of Council may make a request to the Town Clerk that this Report be placed on an upcoming Committee of the Whole agenda for discussion.

Executive Summary

See below.

Purpose

The purpose of this report is to provide information illustrating the building permit fees and costs associated with delivering the services for the year 2019.

Background

In 2016, By-law 2015-58 was enacted for Building Permit fees. This fee schedule remained unchanged from 2017 to 2019.

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.

Discussion

In 2017, Building Permit Fees were changed from a Reserve to an Obligatory Reserve Fund; therefore, an annual reserve fund interest allocation has been added. The interest allocation for 2019 was \$179,909. The total revenue earned in 2019 was \$2,353,983.

2019 Building Permit Fees Information Report

\$9,24,990 was from fees collected in the year, while \$1,428,994 was collected in prior years and recognized in 2019. Expenditures exceeded revenues by \$327,193, attributed to the capital cost for the Cityview software replacement and the Land Use and Building Tracking System. This cost was funded by the Reserve Fund for Building Permits. As at the end of December 31, 2019, the Reserve Fund for Building Permits had a balance of \$4,492,031 including interest allocation.

Attached is the Statement to illustrate building permit fees and costs associated with delivering the services for the year 2019.

Conclusion

This report will be posted on the Town's website.

Business Plan and Strategic Plan Linkages

This report links to Council's Strategic Priority of Long-term financial sustainability by ensuring ongoing continuous improvement and a service level analysis for consideration.

Consultation

Consultation has taken place with Building Services staff.

Human Resource Considerations

Not applicable to this report.

Budget Impact

The 2019 fees were \$2,353,983. The 2018 ratio to annual cost of 237% was taken into consideration when the building permit fees were reviewed for 2019.

The Reserve Fund for Building Permit Fees is at 168% of total annual costs at 2019 year-end. This ratio is still within the target range of 100% to 200%, however an increase in fees is scheduled in 2020.

Attachments

Annual Report on Building Permit Fees

Contact

For more information on this report, contact Mike Mayes at 905-953-5300, ext. 2102 or via e-mail at mmayes@newmarket.ca

Approval

Mike Mayes, CPA, CGA, DPA
Director, Financial Services/Treasurer

Esther Armchuk, LL.B
Commissioner, Corporate Services

THE CORPORATION OF THE TOWN OF NEWMARKET

Annual Report on Building Permit Fees

December 31, 2019

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>2019</u>	<u>2018</u>
Fees collected in current year	\$ 2,353,983	\$ 2,291,008
Fees collected in prior year and earned in current year *	-	-
Total Ontario Building Code Revenues	\$ 2,353,983	\$ 2,291,008

Direct and indirect costs of delivering services are as follows:

	<u>2019</u>	<u>2018</u>
Direct costs	\$ 1,882,252	\$ 1,824,545
Indirect costs	471,731	466,463
Capital costs	327,193	130,913
Total Ontario Building Code Expenditures	\$ 2,681,176	\$ 2,421,921
Net Surplus/(Deficit)	\$ (327,193)	\$ (130,913)

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

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 5,728,041	\$ 7,003,684
Plus: Interest Earned*	179,909	59,435
Plus /(Less): Transfer (to) / from operating fund	(1,088,726)	(1,204,165)
Less: Transfer to capital fund	(327,193)	(130,913)
Balance, end of year	\$ 4,492,031	\$ 5,728,041