

**Subject:** 2023 Year-end Building Department Report**Recommendation:**

**BE IT RESOLVED THAT Council receive Report #2024-0083 2023 Year-end Building Department Report, for information.**

**Background:**

Section 7(4) of the *Building Code Act* requires that an annual report be prepared regarding building permit fees collected. Specifically, Division C, Section 1.9.1.1. of the Regulations state that the report must contain:

- (a) total fees collected in the 12-month period,
- (b) direct and indirect costs of delivering services related to administration and enforcement of the Act, broken out by category, and
- (c) the amount of the reserve fund at the end of the 12-month period.

The attached 2023 Building Department revenue and expenditure statement details the 2023 year-end results. The report shows the gross revenues received and the direct and indirect costs associated with providing building department permit fee services.

**Analysis:**

In 2023, it was budgeted that the Building Department would end the year at a breakeven point, while transferring \$143,779 to the reserve. However, the department revenues were \$24,878 lower than projected for 2023 excluding reserve interest, and there were some unbudgeted expenditures, ultimately resulting in a deficit of \$13,403 being transferred from reserve.

Additions to the Building Department reserve include the interest of \$90,053. A reduction in the reserve resulted from a transfer to the Town for indirect administrative costs of \$176,216. Vehicle lease payments of \$8,616, which are a direct cost of the Building Department in 2023, were funded from the reserve as well. The reserve balance at December 31, 2023 is \$2,009,400.

Total direct costs were \$593,271 and total indirect costs were \$176,216.

These results are included in the Town's 2023 audited financial statements.

**Financial Considerations:**

The Building Department complies with the requirements of the *Ontario Building Code Act*, which encourages self-supporting fees, calculated at rates whereby the department is expected to be fully supported by development that occurs within the Town. The reserve balance cannot be used for general municipal purposes and is designed to be drawn down in years when activity is insufficient to support the department's operating costs.

**Alternatives Reviewed:**

Not applicable.

**Strategic Plan Relationship: Financial Sustainability**

By reviewing the 2023 Year-end Building Department Report, Council can remain informed about the results of operations and the financial sustainability of the department.

**Consultation:**

Not applicable.

**Other Pertinent Reports/Attachments:**

Appendix 1 – 2023 Building Department Year-end Financial Report

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