

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MAY 6, 2014

Item 3, Report No. 6, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on May 6, 2014.

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**ANNUAL FINANCIAL REPORT
BUILDING CODE ACT, 1992
BUILDING STANDARDS DEPARTMENT**

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Commissioner of Planning and the Director of Building Standards, dated April 28, 2014:

Recommendation

The Commissioner of Planning and the Director of Building Standards, in consultation with the Commissioner of Finance and City Treasurer, recommend:

1. That this Report be received for information.

Contribution to Sustainability

N/A

Economic Impact

None

Communications Plan

The Building Standards Department will make copies of the report available to the public and every person(s) and/or organization(s) that has requested a copy as required by the Building Code Act 1992. To date, staff have not received any requests for information.

Purpose

To provide Council information respecting the Building Standards Department Annual Financial Report.

Background - Analysis and Options

The Building Code Act 1992 requires the City to prepare an annual financial report and provide information on the following matters:

- i. Total Fees Collected (12 month period)
- ii. Direct Costs of Administering the Act (Plans Review and Inspections)
- iii. Indirect Costs (Support and Overhead Costs)
- iv. The account balance for the Building Permit Reserve Fund that has been established by Council

Attachment 1 is a copy of the Annual Report that has been prepared for 2013 and is based on unaudited information.

This report has been prepared in consultation with Finance Department Staff and is based on Council's previous approvals respecting the fee recovery targets, Activity Based Costing Methodology and the established Building Standards Service Continuity Reserve Fund Policy.

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The Building Standards Service Continuity Reserve was established to smooth out the fluctuations in permit revenues from ever changing construction activity. Since the creation of the reserve fund in 2006, consistent annual contributions have been made to the fund. Last year, as predicted in the 2013 Operating Budget, a withdrawal from the reserve fund was necessary to cover all direct and indirect costs resulting from the decrease in construction activity. The current 2014 Operating Budget also forecasts a withdrawal from the reserve fund. The Building Standards Service Continuity Reserve is designed and maintained to accommodate this fluctuation in construction activity.

Staff are currently reviewing service fees and areas where services are currently not fee related as part of bringing forward a revised building by-law. The current by-law requires adjustments to reflect actual costs. Two revisions have been introduced since the initial by-law 232-2005 (June 27, 2005). The review will also serve to ensure the reserve balance is in line with the reserve policy being a minimum of 1.5 times all operating costs.

Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the priorities previously set by Council specifically in ensuring financial sustainability and the necessary resources have been allocated.

Regional Implications

None

Conclusion

This report should be received for information.

Attachments

1. Building Standards 2013 Annual Report

Report prepared by:

Leo Grellette, Director of Building Standards Ext. 8218

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)