

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 24, 2015

Item 11, Report No. 7, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on March 24, 2015.

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**ANNUAL FINANCIAL REPORT
ONTARIO BUILDING CODE ACT
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 March 9, 2015:

Recommendation

The Commissioner of Planning and the Director of Building Standards, in consultation with the Financial Planning & Analytics Department, recommend:

1. That the Building Standards Department Annual Financial 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 and Building Code. 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

As part of the amendments to the Ontario Building Code Act and Building Code (Bill 124), the City shall 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 2014 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 Watson & Associates Activity Based Costing Methodology For User Fees Report, and the establishment of the Building Standards Service Continuity Reserve Fund.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 24, 2015

Item 11, Finance Report No. 7 – Page 2

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 2014 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 2015 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. Current forecasts, while having a minimal impact on present reserves, will continue to bring the reserves in line with Watson & Associates reserve projections.

Staff reviewed the Building Standards permit fees at the beginning of 2015 and Council approved the revised By-law 232-2005 in February. The review also ensured the reserve balance is in line with Watson & Associates reserve continuity projection 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 and the necessary resources have been allocated and approved.

Regional Implications

None

Conclusion

This report should be received for information.

Attachments

Attachment 1 – A copy of the 2014 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.)

FINANCE, ADMINISTRATION AND AUDIT COMMITTEE MARCH 9, 2015

**ANNUAL FINANCIAL REPORT
ONTARIO BUILDING CODE ACT
BUILDING STANDARDS DEPARTMENT**

Recommendation

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Respectfully submitted,

JOHN MACKENZIE
Commissioner of Planning

LEO GRELLETTE
Director of Building Standards

City of Vaughan
Ontario Building Code Act
Building Standards Service Continuity Reserve
2014 Annual Actual Report - Unaudited
(For the Period January 1, 2014 to December 31, 2014)

ONTARIO BUILDING CODE - REVENUES

Total Fees Collected	\$	(6,800,358)
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ONTARIO BUILDING CODE - EXPENSES

Direct Costs	\$	5,088,387
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Indirect Costs	\$	2,974,611
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TOTAL DIRECT & INDIRECT COST	\$	8,062,998
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CONTRIBUTION TO/(FROM) BUILDING STANDARDS CONTINUITY RESERVE	\$	(1,262,640)
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NET BALANCE	\$	-
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BUILDING STANDARDS SERVICE CONTINUITY RESERVE

Opening Balance	\$	16,377,100
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Transfer to / (Withdrawal from) Reserve:	\$	(1,262,640)
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Estimated Interest	\$	199,425
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<u>CLOSING BALANCE RESERVE</u>	\$	<u>15,313,885</u>
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