

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 11, 2018

Item 3, Report No. 4, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on April 11, 2018.

3 BUILDING PERMIT FEES ANNUAL FINANCIAL REPORT 2017

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Deputy City Manager, Planning and Growth Management, dated April 3, 2018:

Purpose

The report provides the Building Permit Fees Annual Financial Report for 2017 as required by the Building Code.

Recommendations

1. That the Building Permit Fees Annual Financial Report for 2017 be received, for information.

Report Highlights

- 2017 Annual Report (attached)

Background

The Building Code, requires that a financial report be prepared annually to 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 Standards Service Continuity Reserve established by Council

To comply with the Building Code, the Building Permit Fees Annual Financial Report has been prepared for 2017, and is based on unaudited information.

Previous Reports/Authority

None.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 11, 2018

Item 3, FAA Report No. 4 – Page 2

Analysis and Options

This report has been prepared in coordination with Financial Planning and Development 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.

The Building Standards Service Continuity Reserve was established to smooth out the fluctuations in permit revenues resulting from changes or variations in construction activity. The stabilization of permit revenues allows the Building Standards Department (BSD) to meet its legislated requirements; ensuring continuity of service delivery without impacting the general tax base.

In order to develop a sustainable financial model for the BSD, a comprehensive building permit fee study was carried out by Watson and Associates in 2017 to ensure fees achieve full cost recovery of direct and indirect costs associated with the delivery of building permits and inspection services. The study benchmarked Vaughan's building permit fees with other comparable GTA municipalities. The result of this study including staff recommendations will be brought forward to the Finance, Administration and Audit Committee in Q2 2018.

Financial Impact

The Building Permit Fees Annual Financial Report shows a total of \$11,546,358 for building fees collected in 2017 and a combined total of direct and indirect costs of \$11,992,873. A draw of \$446,515 from the Building Standards Service Continuity Reserve funded the net shortfall between revenues and full costs. The 2017 closing balance in the Building Standards Service Continuity Reserve is \$16,184,208.

Broader Regional Impacts/Considerations

Not applicable.

Conclusion

The Building Permit Fees Annual Financial Report shows a total of \$11,546,358 for building fees collected and a combined total of direct and indirect costs of \$11,992,873 with a closing balance of \$16,184,208 in the Building Standards Service Continuity Reserve.

For more information, please contact: Ben Pucci, Interim Director of Building Standards Department.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 11, 2018

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Attachments

1. 2017 Annual Report

Prepared by

Nadim Khan, Manager of Policy and Regulatory Services ext. 8232

(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.)

Item:



Finance, Administration and Audit Committee Report

DATE: Tuesday, April 03, 2018

WARD(S): ALL

TITLE: Building Permit Fees Annual Financial Report 2017

FROM:

Jason Schmidt-Shoukri, Deputy City Manager, Planning and Growth Management

ACTION: FOR INFORMATION

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City of Vaughan
Ontario Building Code Act
Building Standards Service Continuity Reserve
2017 Annual Actual Report - Unaudited
(For the Period January 1, 2017 to December 31, 2017)

ONTARIO BUILDING CODE - REVENUES

Total Fees Collected	\$ (11,546,358)
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ONTARIO BUILDING CODE - EXPENSES

Direct Costs	\$	8,455,635
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Indirect Costs	\$	3,537,238
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TOTAL DIRECT & INDIRECT COST	\$ 11,992,873
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CONTRIBUTION TO/(FROM) BUILDING STANDARDS CONTINUITY RESERVE	\$ (446,515)
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NET BALANCE	\$ -
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BUILDING STANDARDS SERVICE CONTINUITY RESERVE

Opening Balance	\$	16,541,843
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Transfer to / (Withdrawal from) Reserve:	\$	(446,515)
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Transfer to / (Withdrawal from) Reserve - Capital	\$	(33,670)
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Estimated Interest	\$	122,550
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<u>CLOSING BALANCE RESERVE</u>	\$ 16,184,208
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