

DATE: September 11, 2023
REPORT NO: PD-44-2023
SUBJECT: **Information Report – 2022 Building Department Annual Budget Report**
CONTACT: Brian Treble, Director of Planning & Building

OVERVIEW:

- The purpose of this report is to provide Planning/Building/Environmental Committee (the Committee) and Council with information regarding revenues and expenses associated with administering and enforcing the Building Code Act during 2022.
- This report is required annually as outlined in Section 7(4) of the Building Code Act.
- This report will also be posted on the Township website to ensure compliance with the public requirements of Section 7(4).

RECOMMENDATION:

1. That, Information Report PD-44-2023, regarding the “2022 Building Department Annual Budget Report”, dated September 11th, 2023 be received for information.

ALIGNMENT TO STRATEGIC PLAN:

Strategic Strategy #1

- **Build** – a safe, connected, caring and active community.

BACKGROUND:

In accordance with Section 7(4) of the *Building Code Act*, the Building Department is required to report annually on the direct and indirect costs of operating the Building Department. This has historically been published with each year’s Township Budget document. Most municipalities however, prepare statements in a form such as the Table found as Schedule A to the report and then the annual report is posted on the municipal website. West Lincoln has been posting the report on the Township website for many years.

CURRENT SITUATION:

Section 7(4) of the *Building Code Act* states that every twelve months each municipality shall prepare a report that contains such information as may be prescribed, about any fees authorized under the Act and any costs that are incurred by the municipality to administer and enforce the Act in its area of jurisdiction.

The Building Department Annual Budget Report consists of three components: total fees collected, costs both direct and indirect and finally the balance of the building reserve fund.

Total Fees Collected: This refers to revenues generated from building permit fees. This does not include revenues generated from other sources such as fines or fees or revenues from other municipal services.

Direct and Indirect Costs: The second component of the annual report sets out the direct and indirect costs of administration and enforcement of the Building Code Act. Direct costs are the costs of the building department itself, while indirect costs are for services provided to the building department by other departments within the municipality.

Reserve Funds: The final component of the report includes information on the reserve fund. Reserves are created when the total fees received exceed the total direct and indirect costs. Reserve funds are intended to be set aside to offset costs in years where building fee revenues are less than the cost of delivering the Building Department service.

For Council's information, there was a deficit in revenue of \$250,425 in 2022. As directed by legislation, a deficit cannot be carried forward to the next year; only a surplus can be carried forward. Therefore, a corresponding amount was drawn from the reserve account to balance the Building Department budget for 2022. Increases to building permit fees occurred May 1st, 2022 through report PD-28-2022 and again on January 1st, 2023 through the implementation of the Township's Rates and Fees Comprehensive Booklet, which should ultimately help to offset the deficit from 2022. Another deficit is projected in 2023 due to the timing of subdivision approvals and delays in new housing starts.

This report is prepared to satisfy the requirements of Section 7(4) of the *Building Code Act*, and is provided to Committee and Council for their information.

FINANCIAL IMPLICATIONS:

The Building Department is self-sustaining overall and there is no long-term impact to the Township's main operation budget.

INTER-DEPARTMENTAL COMMENTS:

In 2022 Township Building staff processed 210 building permits as compared to 293 total permits for 2021.

CONCLUSION:

Staff presents this report to Committee and Council in order to fulfil the obligation in accordance with Section 7(4) of the *Building Code Act*.

This report will be placed on the Townships website in order to inform the public as required by the Act.

ATTACHMENTS:

1. Schedule A – 2022 Building Department Annual Budget Report as of December 31, 2022.

Prepared & Submitted by:



Brian Treble
Director of Planning & Building

Approved by:



Bev Hendry
CAO

TOWNSHIP OF WEST LINCOLN
BUILDING PERMIT FEE ANNUAL REPORT
FOR THE 12 MONTHS ENDING DECEMBER 31st

	Actual 2022
TOTAL FEES	\$267,176
DIRECT COSTS	
Staffing Costs	\$251,341
Office Expenses	\$85,360
Capital Expenditures	\$0
TOTAL DIRECT COSTS	\$336,701
INDIRECT COSTS	\$180,900
TOTAL DIRECT & INDIRECT COSTS	\$517,601
REVENUE (BELOW) OVER COSTS	-\$250,425
 STATEMENT OF RESERVES	
Opening Balance, January 1	\$369,117
Transfer to (from) Reserves	-\$250,425
Interest Earned on the Reserve	\$4,905
Closing Balance, December 31	\$123,597

Basis: Section 7(4) of the Building Code Act requires an annual report be prepared setting out the total fees collected, the direct and indirect costs related to administration and enforcement, and the statement of reserve funds for the building department.