

DATE: July 18, 2022

REPORT NO: PD-69-2022

SUBJECT: **Building Department Annual Budget Report 2021**

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 2021.
- 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-69-2022, regarding the “Building Department Annual Budget Report 2021”, dated July 18, 2022 be RECEIVED for information.

ALIGNMENT TO STRATEGIC PLAN:

Theme #6

- **Efficient, Fiscally Responsible Operations** – The Township of West Lincoln is a lean organization that uses sustainable, innovative approaches and partnerships to streamline processes, deliver services and manage infrastructure assets.

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 Attachment 1 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 \$468,872.00 in 2021. 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 2021. Increases to building permit fees occurred May 1st, 2022 through report PD-28-22, which should ultimately help to offset the deficit from 2021. Another deficit is projected in 2022 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 and there is no impact to the Township's main operation budget.

INTER-DEPARTMENTAL COMMENTS:

In 2021 Township Building staff processed 293 building permits as compared to 303 total permits for 2020.

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 Township website in order to inform the public as required by the *Act*.

ATTACHMENTS:

1. Attachment No. 1 – 2021 Building Department Annual Budget Report as of December 31, 2021.

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 2021
TOTAL FEES	\$323,367
DIRECT COSTS	
Staffing Costs	\$244,668
Office Expenses	\$88,503
Capital Expenditures	\$281,668
TOTAL DIRECT COSTS	\$614,839
INDIRECT COSTS	\$177,400
TOTAL DIRECT & INDIRECT COSTS	\$792,239
REVENUE (BELOW)OVER COSTS	-\$468,872

STATEMENT OF RESERVES

Opening Balance, January 1	\$833,793
Transfer to (from) Reserves	-\$468,872
Interest Earned on the Reserve	\$4,196
Closing Balance, December 31	\$369,117

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.