
Subject: 2016 Annual Building and Statistics Report **Report No.:** CGP-008-2017
Agenda Date: April 18, 2017

Attachments

- Appendix 01:** 2016 Annual Report – Building Permit Fees
- Appendix 02:** Building Permit Statistics Report 2012 to 2016
- Appendix 03:** Building Code Act Prescribed Report Content

Recommendations

It is recommended:

1. That Council of the City of Temiskaming Shores acknowledges receipt of Administrative Report No. CGP-008-2017, more specifically Appendix 01 – 2016 Annual Report – Building Permit Fees; Appendix 02 – Building Permit Statistics Report 2012-2016 for information purposes; and
2. That Council directs staff to post the 2016 Annual Report - Building Permit Fees on the City's website, and to make the report available to persons or organizations in accordance with the Ontario Building Code.

Background

Section 7(1) of the Building Code Act (BCA) authorizes the Council of a municipality to pass by-laws to prescribe classes of permits, provide for applications for permits and require applications to be accompanied by such plans, specifications, documents and other information as is prescribed, and require the payment of fees on applications for the issuance of permits, and prescribe the amounts of the fees.

Section 7(2) of the BCA prescribes that the total amount of fees authorized in such by-law must not exceed the anticipated costs to the City to administer and enforce the BCA.

Section 7(4) of the BCA further requires that every 12 months, the City shall prepare a report that contains such information as may be prescribed, about the fees authorized in the by-law, and the costs of the City to administer and enforce the BCA. Appendix 03 to this report lists the information which is prescribed in the Ontario Building Code (OBC) to be included in the annual report. Section 7(4) also requires that the Annual Building Report be made available to the public.

The Annual Report – Building Permit Fees provides information to Council and the public regarding the revenues received from Building Permit Fees and the direct and indirect costs for administering and enforcing the Building Code Act.

Analysis

The following table is a summary of the figures included in the 2016 Annual Report – Building Permit Fees which is attached as Appendix 01:

Revenues Collected =	\$168,360.84
Direct Costs =	(\$190,585.13)
Indirect Costs =	(\$50,420.35)
Shortfall =	(\$72,644.64)

Permit Fees are collected under the authority of the Building By-law 2013-052 and include fees for construction, demolition, change of use permits, the total Building permit fees collected in 2016 was **\$153,807.25**. The City also had opportunity to contract our building department services to the Temiskaming Municipal Building Association and these service fees totaled **\$16,206.75**. **Revenues collected in 2016 total \$ 168,360.84**

Direct Costs are costs for the operation of the Building Department with respect to the processing of permit applications, the review of building plans, conducting inspections and enforcement duties under the authority of the BCA/OBC. The figure provided includes a percentage of wages and benefits for the Director, CBO, Building Inspector, Planner and the Administrative Assistant; as well as, costs of providing training for staff to meet the qualification requirements prescribed by the BCA. **The total direct costs are \$190,585.13.**

Indirect Costs are the Building Department's share of overhead such as: office supplies, postage and courier service, telephone, IT support, CGIS service contract, payroll services, and office expenses. Indirect costs also include the Building Department's share of capital asset costs of vehicles and their operation expenses. **The total indirect costs are \$50,420.35.**

Cost Stabilization Reserve Fund - As revenue does not exceed operating costs a Cost Stabilization Reserve Fund has not been established and therefore that figure is \$0.00.

Council Summary Report

The Council Summary Report 2012-2016 provides information regarding building trends in the City over a five (5) year period; and it compares the Building Permit fees charged by the City, the number of permits issued and construction cost associated with the development.

Financial / Staffing Implications

This item has been approved in the current budget: Yes No N/A

This item is within the approved budget amount: Yes No N/A

Staffing implications related to this matter are limited to normal administrative functions and duties.

Alternatives

No alternatives were considered.

Submission

Prepared by:

Reviewed and approved by:

Reviewed and submitted for
Council's consideration by:

"Original signed by"

"Original signed by"

"Original signed by"

Clayton Seymour
Chief Building Official

Kelly Conlin
Director of Corporate Services

Christopher W. Oslund
City Manager

Corporation of the City of Temiskaming Shores

Annual Report – Building Permit Fees

Total Permit Fees (Revenues) collected for the period January 1, 2016 to December 31, 2016 under By-law No 2013-052 of the City of Temiskaming Shores.

Total Permit Fees = **\$ 153,807.25**

Direct Costs are deemed to include costs related to wages, benefits and the training of staff of the Building Department for processing of building permit applications, the review of building plans, conducting inspections and building related enforcement duties for the period January 1, 2016 to December 31, 2016.

Direct Costs = **\$ 190,585.13**

Indirect Costs are deemed to include the costs of overhead and support services related to the operation of the Building Department and include costs of office space and fleet as well as their depreciation for the period January 1, 2016 to December 31, 2016.

Indirect Costs = **\$ 50,420.35**

Cost Stabilization Reserve Fund includes all revenues exceeding costs from previous years which are held in reserve to offset costs in future years.

Cost Stabilization Reserve Fund = **\$ 0.00**

Note: As the Total Permit Fees for the period January 1, 2016 to December 31, 2016 do not exceed the Direct and Indirect Costs for the same time period, no funds are transferred to the Cost Stabilization Fund for 2016.

Building Permit Statistics Report
 2012 to 2016

YEAR		2016		2015		2014		2013		2012	
		# of permits issued	Value of construction	# of permits issued	Value of construction	# of permits issued	Value of construction	# of permits issued	Value of construction	# of permits issued	Value of construction
Commercial & Institutional	New Starts	3	\$ 2,306,750	0	\$ -	1	\$ 5,000	5	\$ 3,075,000	1	\$ 300,000
	Renovations	23	\$ 5,972,633	20	\$ 3,528,800	37	\$ 2,112,000	27	\$ 2,963,000	66	\$ 3,785,000
Industrial	New Starts	5	\$ 363,341	2	\$ 480,000	0	\$ -	9	\$ 4,099,000	0	\$ -
	Renovations	4	\$ 135,000	9	\$ 495,000	7	\$ 220,000	10	\$ 1,934,000	8	\$ 222,000
Multi-Unit Residential	New Starts	1	\$ 4,800,000	0	\$ -	1	\$ 3,000,000	0	\$ -	1	\$ 400,000
	Renovations	4	\$ 116,300	6	\$ 96,300	10	\$ 270,000	6	\$ 252,000	15	\$ 1,921,000
Single Residential	New Starts	10	\$ 2,960,000	10	\$ 2,170,800	5	\$ 1,070,000	16	\$ 4,414,000	13	\$ 3,706,000
	Renovations	95	\$ 1,595,300	118	\$ 1,530,402	133	\$ 1,636,000	100	\$ 1,403,000	108	\$ 939,000
Total Value of Construction		145	\$ 18,249,324	165	\$ 8,301,302	194	\$ 8,315,000	173	\$ 18,141,000	212	\$ 11,275,000
Total Permit Fees		145	\$ 153,807	165	\$ 71,423	194	\$ 83,000	173	\$ 145,000	212	\$ 89,000

BCA/OBC Prescribed Report Content

Building Code Act, 1992
ONTARIO REGULATION 350/06
BUILDING CODE
Division C Part 2

1.9.1.1. Annual Report

- (1) *The report referred to in subsection 7 (4) of the Act shall contain the following information in respect of fees authorized under clause 7 (1) (c) of the Act:*
 - (a) *total fees collected in the 12-month period ending no earlier than three months before the release of the report,*
 - (b) *the direct and indirect costs of delivering services related to the administration and enforcement of the Act in the area of jurisdiction of the principal authority in the 12-month period referred to in Clause (a),*
 - (c) *a break-down of the costs described in Clause (b) into at least the following categories:*
 - (i) *direct costs of administration and enforcement of the Act, including the review of applications for permits and inspection of buildings, and*
 - (ii) *indirect costs of administration and enforcement of the Act, including support and overhead costs, and*
 - (d) *if a reserve fund has been established for any purpose relating to the administration or enforcement of the Act, the amount of the fund at the end of the 12-month period referred to in Clause (a).*
- (2) *The principal authority shall give notice of the preparation of a report under subsection 7 (4) of the Act to every person and organization that has requested that the principal authority provide the person or organization with such notice and has provided an address for the notice.*

Of special note: As revenues cannot be forecasted with any certainty, and often vary substantially from year to year, the BCA/OBC does allow municipalities to establish a cost stabilization reserve fund in which permit fees in excess of operating costs must be held. Those reserve funds may then only be used to offset costs of BCA/OBC administration / enforcement in future years. Should revenues continue to exceed costs, it is the intent being that the permit fee structure would then be revised accordingly.

As permit fees have yet to exceed operating costs, it has not been necessary to establish such a reserve fund in Temiskaming Shores.