



Town of Newmarket
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2018 Building Permit Fees Information Report

Report Number: 2019-16

Department(s): Financial Services

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Date: April 4, 2019

In accordance with the Procedure By-law, any member of Council may make a request to the Town Clerk that this Report be placed on an upcoming Committee of the Whole agenda for discussion.

Purpose

The purpose of this report is to provide information illustrating the building permit fees and costs associated with delivering the services for the year 2018.

Background

In 2016, By-law 2015-58 was enacted for Building Permit fees. This fee schedule remained unchanged in 2017 and 2018.

As per the Building Code Act, 1992, a municipality is required to prepare a report regarding building permit fees collected and the costs of administering and enforcing this Act every 12 months; and, the municipality shall make its report available to the public. The purpose of this report is to meet the statutory requirement.

Discussion

In 2017, Building Permit Fees were changed from a Reserve to an Obligatory Reserve Fund; therefore, an annual reserve fund interest allocation has been added.

The total revenue earned in 2018 was \$2,291,008. \$1,086,843 was from fees collected in the year, while \$1,204,165 was collected in prior years and recognized in 2018. Expenditures exceeded revenues by \$130,913, attributed to the capital cost for the Cityview software replacement. This cost was funded by the Reserve Fund for Building Permits. The interest allocation for 2018 was \$59,435. As at the end of December 31, 2018, the Reserve Fund for Building Permits had a balance of \$5,728,041 including interest allocation.

Attached is the Statement to illustrate building permit fees and costs associated with delivering the services for the year 2018.

Conclusion

The report will be posted on the Town's website.

Business Plan and Strategic Plan Linkages

This report links to Newmarket's key strategic direction in being Well Managed through fiscal responsibility.

Consultation

Consultation has taken place with Building Services.

Human Resource Considerations

Not applicable to this report.

Budget Impact

There were no increases to fees in 2018. The 2017 ratio to annual cost of 324% was taken into consideration when reviewing the building permit fees for 2018.

The Reserve Fund for Building Permit Fees is at 237% of total annual costs at 2018 year-end. This ratio to the annual Building budget is over the target of 200%.

It is anticipated that 2019 draws from the reserve fund will be at the same level as 2018.

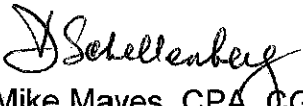
Attachments


Annual Report on Building Permit Fees

Contact

For more information on this report, contact Mike Mayes at 905-953-5300, ext. 2102 or via e-mail at mmayes@newmarket.ca

Approval

for 
Mike Mayes, CPA, CGA, DPA
Director, Financial Services/Treasurer


Esther Armchuk, LL.B
Commissioner, Corporate Services

THE CORPORATION OF THE TOWN OF NEWMARKET

Annual Report on Building Permit Fees

December 31, 2018

The Town of Newmarket is a municipality in the Province of Ontario, Canada. The municipality is required to prepare an annual report, which includes the total fees collected in the previous 12 month period:

	<u>2018</u>	<u>2017</u>
Fees collected in current year	\$ 2,291,008	\$ 2,872,514
Fees collected in prior year and earned in current year *	-	385,848
Total Ontario Building Code Revenues	\$ 2,291,008	\$ 3,258,362

Direct and indirect costs of delivering services are as follows:

	<u>2018</u>	<u>2017</u>
Direct costs	\$ 1,824,545	\$ 1,692,788
Indirect costs	466,463	466,976
Capital costs	130,913	1,828
Total Ontario Building Code Expenditures	\$ 2,421,921	\$ 2,161,592
Net Surplus/(Deficit)	\$ (130,913)	\$ 1,096,770

The continuity of the Reserve Fund for Building Permits is as follows:

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 7,003,684	\$ 5,770,435
Plus: Interest Earned*	59,435	136,479
Plus /(Less): Transfer (to) / from operating fund	(1,204,165)	1,098,598
Less: Transfer to capital fund	(130,913)	(1,828)
Balance, end of year	\$ 5,728,041	\$ 7,003,684

*Note: In 2017, surplus Building Permit Fees are now reported as an obligatory reserve fund which means they will prospectively earn interest revenue and there will no longer be a distinction between when the fees are collected during the year.