



Staff Report

Finance and IT Services

Report To: Committee of The Whole
Meeting Date: June 5, 2017
Report Number: FAF.17.44
Subject: Building Department 2016 Year End
Prepared by: Sam Dinsmore, Deputy Treasurer/Manager of Accounting and Budgets

A. Recommendations

THAT Council receive Staff Report FAF.17.44, entitled "Building Department 2016 Year End" for information purposes.

B. Overview

In accordance with Section 7.(4) of the *Building Code Act* (Act) the Town must prepare an annual report outlining the fees collected and the expenses incurred to administer and enforce the *Building Code Act*. The fees collected must not exceed the reasonable costs for the Town to administer and enforce the Act.

C. Background

As per the Act, the statement must outline all fees collected in 2016 as well as the expenses incurred. Attachment 1 outlines these figures as well as provides 2015 comparable figures. In addition, any transfers to or from the reserve fund as well the ending balance must be published.

D. Analysis

Revenues

The Building Division had another busy year in 2016 surpassing 2015 revenues by over \$230,000 in permit fees. The Building Division issued 563 permits in 2016 which included an additional 196 new dwellings in the Town. Overall the Town saw an estimated Construction Value of almost \$126M.

Expenses

Overall the Building Division ended 2016 at 91% of budgeted expenditures with the greatest savings being in Salaries and Benefits. Due to some staff shortages, which the Building Department is working on filling, cost savings were realized in the Salaries and Benefits expenses. Other minor variances were seen in 2016 such as an overage in Banking Fees, as

Building started accepting credits cards, and cost savings in Vehicle Expenses as limited vehicle repairs were needed.

Another positive from 2016 is that with back-to-back solid years, the Building Division was able to fully pay back the internal loan from the Town. In 2016 the final payment of \$10,086 was made.

Reserve Fund

The Building Division ended 2016 with a surplus of \$334,156. An additional \$405 was earned in interest giving a total transfer to the reserve fund of \$334,561. At December 31, 2016 the Building Department Rate Stabilization Reserve Fund had a balance of \$378,078.

As per policy POL.COR.16.03 this reserve fund's main function will be to fund years that result in a deficit, as years' with a surplus are transferred in. The target for this reserve fund is 125% of annual building permit revenue generated.

E. The Blue Mountains' Strategic Plan

Goal #4: Promote a Culture of Organizational and Operational Excellence
Objective #4: To Be a Financially Responsible Organization

F. Environmental Impacts

None.

G. Financial Impact

As per the above sections of this report.

H. In consultation with

Ruth Prince, Director of Finance & IT Services
Greg Miller, Chief Building Official/Manager of Building Services
Debbie Brown, Budget Analyst

I. Attached

1. 2016 Report on Building Permit Fees

Respectfully Submitted,

Sam Dinsmore
Deputy Treasurer/Manager of Accounting and Budgets

Ruth Prince
Director of Finance and IT Services

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**Town of The Blue Mountains
2016 Report on Building Permit Fees**

FAF.17.44
Attachment 1

Pursuant to Section 7(4) of the *Building Code Act*
For the year ended December 31, 2016

Revenue

	2015 Direct Costs	2015 Indirect Costs	2016 Direct Costs	2016 Indirect Costs
Building Permit Revenue	\$ 714,477		\$ 936,867	
Other Revenue	24,905		34,370	
Revenue Total	\$ 739,382		\$ 971,237	

Expenditures

	2015 Direct Costs	2015 Indirect Costs	2016 Direct Costs	2016 Indirect Costs
Salaries/Wages/Benefits	\$ 296,667		\$ 388,246	
Professional/Legal Fees	16,003		26,847	
Insurance	5,560		5,555	
Training	9,759		11,429	
Vehicle	18,762		12,181	
Other Operational Costs	9,389		27,266	
Overhead Costs	141,650	29,685	117,030	37,045
Capital Costs	14,118		1,396	
Expenditures Total	\$ 511,908	\$ 29,685	\$ 589,950	\$ 37,045

Net Operating Results

	2015 Summary	2016 Summary
Revenues	\$ 739,382	\$ 971,237
Expenditures –Direct	511,908	589,950
Expenditures –Indirect	29,658	37,045
Operating (Surplus)/Deficit	(197,789)	(344,242)
Proceeds (From)/To Debt	197,789	10,086
Net Operating Results	\$ -	\$ (334,156)

Statement of Building Reserve Fund

	2015 Reserve Fund	2016 Reserve Fund
Beginning Balance	\$ 29,778	\$ 43,517
Funds Transferred into Reserve	13,739	334,561
Funds Transferred out of Reserve	-	-
Reserve Fund Balance	\$ 43,517	\$ 378,078