



# Staff Report

Finance and IT Services

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**Report To:** Committee of The Whole  
**Meeting Date:** April 8, 2019  
**Report Number:** FAF.19.042  
**Subject:** Building Department 2018 Year End  
**Prepared by:** Katherine Dabrowa, Budget Analyst

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## A. Recommendations

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THAT Council receive Staff Report FAF.19.042, entitled "Building Department 2018 Year End" for information purposes.

## B. Overview

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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. This report outlines these fees and expenses for 2018.

## C. Background

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As per the Act, the statement must outline all fees collected in 2018 as well as the expenses incurred. Attachment 1 outlines these figures as well as provides 2017 comparable figures. In addition, any transfers to or from the Reserve Fund as well as the ending balance must be published.

## D. Analysis

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### Revenues

The Building Division continued to see high Revenues and Building Permit Activity in 2018, although these Revenues were slightly lower than 2017. The Building Division collected a total of \$1,152,805 (2017 \$1,349,234) in Building Permit Revenue in 2018. This was a result of issuing 589 (2017 674) Building Permits, with a total estimated Construction Value of \$161,170,029 (2017 \$185,347,013).

### Expenses

The Building Division ended 2018 under-budget overall in Expenses, which was largely due to staff vacancies during the first half of 2018, causing Salaries and Benefits and related expenses,

such as Administrative Expenses, Personnel, Training and Travel, and Communications, to also be under-budget.

Overall, the Building Division ended 2018 with a surplus of \$350, 576. This surplus was transferred into the Building Division Rate Stabilization Reserve Fund.

### **Reserve Fund**

The Building Division ended 2018 with a surplus of \$350,576 (2017 \$675,709). An additional \$12,604 (2017 \$4,633) was earned in interest in 2018, resulting in a total of \$363,200 (2017 \$680,342) being transferred into this Reserve Fund in 2018.

There was also \$56,032 (2017 \$22,846) transferred out of this Reserve Fund in 2018 for Capital Expenses to pay for replacement vehicles. Funding Capital Expenses from the Reserve Fund ensures that fees can stay stable year over year, without incurring large fluctuations.

At December 31, 2018 the Building Department Rate Stabilization Reserve Fund had a balance of \$1,342,742.

The main purpose of this Reserve Fund, as per POL.COR.16.03 Building Division Rate Stabilization Reserve Fund Policy, is to fund the Building Division's expenses in years that end with a deficit. To ensure that there is enough money in this Reserve Fund, any funds from surplus years, such as 2017 and 2018, are transferred into this Reserve Fund.

The target for this reserve fund is 125% of annual building permit revenue generated, which equates to \$1,441,000.

## **E. The Blue Mountains' Strategic Plan**

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

## **F. Environmental Impacts**

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None.

## **G. Financial Impact**

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As per the above sections of this report.

## **H. In consultation with**

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Tim Murawsky, Chief Building Official

## **I. Public Engagement**

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The topic of this Staff Report has not been subject to a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. Comments regarding this report should be submitted to Katherine Dabrowa, Budget Analyst at [finance@thebluemountains.ca](mailto:finance@thebluemountains.ca).

## **J. Attached**

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1. 2018 Report on Building Permit Fees

Respectfully Submitted,

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Katherine Dabrowa  
Budget Analyst

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Ruth Prince  
Director of Finance and IT Services

For more information, please contact:  
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## 2018 Report on Building Permit Fees

Pursuant to Section 7(4) of the *Building Code Act*, for the year ended December 31, 2018

### Revenue

	2017 Direct Costs	2017 Indirect Costs	2018 Direct Costs	2018 Indirect Costs
Building Permit Revenue	\$ 1,349,234	\$ -	\$ 1,152,805	\$ -
Other Revenue	50,189	-	35,302	-
<b>Revenue Total</b>	<b>\$ 1,399,423</b>	<b>\$ -</b>	<b>\$ 1,188,106</b>	<b>\$ -</b>

### Expenditures

	2017 Direct Costs	2017 Indirect Costs	2018 Direct Costs	2018 Indirect Costs
Salaries/Wages/Benefits	\$ 512,177	\$ -	\$ 637,471	\$ -
Professional/Legal Fees	10,695	-	5,324	-
Insurance	5,633	-	3,153	-
Training	13,004	-	13,833	-
Vehicle	14,898	-	14,122	-
Other Operational Costs	17,408	-	16,104	-
Overhead Costs	94,231	55,668	80,095	65,428
Capital Costs	-	-	2,000	-
<b>Expenditures Total</b>	<b>\$ 668,046</b>	<b>\$ 55,668</b>	<b>\$ 772,102</b>	<b>\$ 65,428</b>

### Net Operating Results

	2017 Summary	2018 Summary
Revenues	\$ 1,399,423	\$ 1,188,106
Expenditures –Direct	668,046	772,102
Expenditures –Indirect	55,668	65,428
Operating (Surplus)/Deficit	(675,709)	(350,576)
Proceeds (From)/To Debt	-	-
<b>Net Operating Results</b>	<b>\$ -</b>	<b>\$ -</b>

### Statement of Building Reserve Fund

	2017 Reserve Fund	2018 Reserve Fund
Beginning Balance	\$ 378,078	\$ 1,035,574
Funds Transferred into Reserve	675,709	350,576
Interest Earned	4,633	12,624
Funds Transferred to Capital	22,846	56,032
<b>Reserve Fund Balance</b>	<b>\$ 1,035,574</b>	<b>\$ 1,342,742</b>

Indirect Overhead Costs include Inter-functional transfers for Town Hall related charges. Direct Overhead Costs include all other inter-functional transfers, such as IT, Human Resources, etc.