

STAFF REPORT: Financial & Information Services



REPORT TO: Finance & Administration Committee
MEETING DATE: March 15, 2011
REPORT NO.: FIS.11.08
SUBJECT: Annual Report - Building Fees
PREPARED BY: Greg Miller, Manager of Building & By-Law/CBO and Elizabeth Thompson, Manager of Accounting & Budgets / Deputy Treasurer

A. Recommendations

THAT Council receive Staff Report FIS.11.08 “Annual Report – Building Fees” being a report of the Town of The Blue Mountains’ 2009 and 2010 direct and indirect costs of delivering services related to the administration and enforcement of the *Building Code Act*.

B. Background

In 2006, the *Building Code Act* was amended so as to require municipalities to ensure building fees did not exceed the anticipated reasonable costs to administer and enforce the Act (Section 7(2) of the *Building Code Act*).

In accordance with Section 7(4) of the *Building Code Act*, the Town completed the required Annual Report of Fees for the period of January 1st, 2010 to December 31st, 2010. The attached Annual Report reflects a breakdown of administrative and enforcement costs into “Direct and Indirect Costs” and identifies the total fees collected for the period and the balance of the established reserve fund at the end of the period.

C. The Blue Mountains’ Strategic Plan

“Providing a strong, well managed municipal government.”

D. Environmental Impacts

N/A

E. Budget Impact

During 2009, a short term business model was instituted to mitigate the challenges faced by the slowdown in permit revenues and the continued costs of maintaining existing service levels. The current service levels related to our risk management practices must be maintained to ensure liability to the Town is minimized regarding the Building Code Program. This short term business model included decreasing staffing assigned to the Program and increasing permit fees. The practices of the 2009

business model are apparent with the revenues for 2010 increasing and the expenses for 2010 decreasing. The Building Services Division will continue to seek efficiencies in its operations, including expanding upon electronic services available to the public, and corporately, we will continue to review the “overhead” costs assigned to the Division, currently at 16.74% of Total Expenditures, to ensure that this assignment is fair to the users of the Program.

F. Attached

1. Building Fees 2009/2010 Annual Report

Respectfully submitted,

Elizabeth Thompson
Manager of Accounting & Budgets /
Deputy Treasurer

Greg Miller
Manager of Building & By-Law/CBO

Town of The Blue Mountains
Annual Report on Fees
Pursuant to Section 7(4) of the Building Code Act

Reporting Period

January 1st, 2010 to December 31st, 2010

Building Application, Permits and Inspections

			Unaudited	
	Direct Costs 2009	Indirect Costs 2009	Direct Costs 2010	Indirect Costs 2010
Building Permit Revenue	285,793.19		432,164.00	
Other Revenue	22,043.81	0.00	22,745.00	0.00
Revenue Total	<u>307,837.00</u>	<u>0.00</u>	<u>454,909.00</u>	<u>0.00</u>
Salaries / Wages / Benefits	362,044.25		311,781.47	
Professional / Legal Fess	1,739.61		4,710.02	
Insurance	65,319.53		75,778.24	
Training	18,468.05		11,448.05	
Office / Vehicle	21,898.84		16,288.33	
Other Operational costs	12,040.37		10,048.04	
Overhead Costs	89,334.30	21,553.00	72,391.12	17,220.43
Transfer to Reserves/Reserve Funds	20,000.00		0.00	
Capital Costs	20,915.05		15,788.05	
Expenditure Total	<u>611,760.00</u>	<u>21,553.00</u>	<u>518,233.32</u>	<u>17,220.43</u>
Revenues	307,837.00		454,909.00	
Expenditures	<u>633,313.00</u>		<u>535,453.75</u>	
Total	-325,476.00		-80,544.75	
	<u>325,476.00</u>	Deficit	<u>80,544.75</u>	Deficit
Statement of Reserve Funds –				
Balance Fwd	29,777.81		29,777.81	
Accumulated Surplus/Deficit	-639,469.00		-720,013.75	
Reserves & Reserve Funds Funding				
Reserve Fund Balance	<u>-609,691.19</u>	Deficit	<u>-690,235.94</u>	Deficit