

**STAFF REPORT: Financial and Information Services**



**REPORT TO:** Finance and Administration Committee  
**MEETING DATE:** March 16, 2010  
**REPORT NO.:** FIS.10.17  
**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.10.17 “Annual Report – Building Fees” being a report of the Town of The Blue Mountains’ 2008 and 2009 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 1<sup>st</sup>, 2009 to December 31<sup>st</sup>, 2009. 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**

As noted in Staff Report SRB.10.06, considered by this Committee on February 16, 2010, the Ontario Building Code Program revenue for the Town over a 10 year period of 2000 - 2009 exceeded the direct program expenditures and transfers to capital by \$906,342.

Direct program expenditures have decreased from a high of \$595,458 in 2007 to a projected \$432,558 in 2010 (decrease of approximately 27%). However, Inter-

functional Transfers have increased from \$87,629 in 2006 (14.2% of total expenditures) to a projected \$118,175 in 2009 (19.7% of total expenditures).

As is noted above, direct program expenditures have decreased considerably since 2007. This has been done without impacting service levels. The short term business plan for the Program includes maintaining existing service levels, and thereby mitigating the inherent risk associated with operating a Building Code Program, finding other sources of revenue (such as on-site sewage inspections) and pressure on the reserves of the municipality but, as evidenced by the 2000 – 2009 expenditure/revenue analysis, it is sustainable in the long run.

## **F. Attached**

1. Building Fees 2008/2009 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 1<sup>st</sup>, 2009 to December 31<sup>st</sup>, 2009

**Building Application, Permits and Inspections**

	Direct Costs 2008	Indirect Costs 2008	Unaudited	
			Direct Costs 2009	Indirect Costs 2009
Building Permit Revenue	380,268.77		285,654.04	
Other Revenue	12,529.53	200.00	22,043.81	0.00
Revenue Total	392,798.30	200.00	307,697.85	-
Salaries/ Wages/ Benefits	420,797.93		361,567.47	
Professional/ Legal Fess	5,700.81		1,761.42	
Insurance	60,088.25		65,319.53	
Training	13,479.86		17,545.05	
Office/ Vehicle	30,111.11		21,898.84	
Other Operational costs	4,776.56		9,974.15	
Overhead Costs	127,907.33	29,053.00	96,622.00	21,553.00
Transfer to Reserves/Reserve Funds	-426.60		12,500.00	
Capital Costs	15,501.84		12,288.05	
Expenditure Total	677,937.09	29,053.00	599,476.51	21,553.00
Total	313,991.79		313,331.66	
Revenues	392,998.30		307,697.85	
Expenditures	706,990.09		621,029.51	
Total	313,991.79		313,331.66	
	313,991.79	Deficit	313,331.66	Deficit
Statement of Reserve Funds - Balance Fwd	17,277.81		12,500.00	
Accumulated Surplus/Deficit	-313,991.79		17,277.81	
Reserves & Reserve Funds Funding			-627,323.45	
Reserve Fund Balance	-296,713.98	Deficit	-597,545.64	Deficit