

DATE: July 24, 2017

REPORT NO: PD-094-17

SUBJECT: **Information Report –
Building Department Annual Budget Report 2016**

CONTACT: Brian Treble, Director of Planning and Building
Jeff Menard, Chief Building Official

OVERVIEW:

- **The purpose of this report is to provide Planning/Building/ Environmental Committee (the Committee) and Council with information regarding revenues and expenses associated with administering and enforcing the Building Code Act during 2016.**
- **This report is required annually as outlined in Section 7(4) of the Building Code Act.**
- **This report will also be posted on the Township website to ensure compliance with the public requirements of Section 7(4).**

RECOMMENDATION:

1. That, report PD-094-17, regarding the “Building Department Annual Budget Report 2016”, dated July 24, 2017 be RECEIVED for information.

ALIGNMENT TO STRATEGIC PLAN:

- **Value**
Provide and sustain a high quality of life for its residents by ensuring compliance with various acts and regulations.
- **Objective**
Improve customer service experience for citizens, business and new residents and evaluate service levels in Township Departments on a regular basis. By tracking the type and number of building permits per year it highlights activities of staff and can identify if the Township is meeting mandated timelines and operating within budget.

BACKGROUND:

In accordance with Section 7(4) of the *Building Code Act*, the Building Department is required to report annually on the direct and indirect costs of operating the Building Department. This has historically been published with each year’s Township Budget

document. Most municipalities however, prepare statements in a form such as the Table found as Schedule 1 to the report and then the annual report is posted on the municipal website. West Lincoln has been posting the report on the Township website for the last six years.

CURRENT SITUATION:

Section 7(4) of the Building Code Act states that every twelve months each municipality shall prepare a report that contains such information as may be prescribed, about any fees authorized under the Act and any costs that are incurred by the municipality to administer and enforce the Act in its area of jurisdiction.

The Building Department Annual Budget Report consists of three components: total fees collected costs both direct and indirect and finally the balance of the building reserve fund.

Total Fees Collected: This refers to revenues generated from building permit fees. This does not include revenues generated from other sources such as fines or fees or revenues from other municipal services.

Direct and Indirect Costs: The second component of the annual report sets out the direct and indirect costs of administration and enforcement of the Building Code Act. Direct costs are the costs of the building department itself, while indirect costs are for services provided to the building department by other departments within the municipality.

Reserve Funds: The final component of the report includes information on the reserve fund. Reserves are created when the total fees received exceed the total direct and indirect costs. Reserve funds are intended to be set aside to offset costs in years where building fee revenues are less than the cost of delivering the Building Department service.

For Council's information, there was a surplus in revenue of \$91,580.00 in 2016. As directed by legislation, a deficit cannot be carried forward to the next year; only a surplus can be carried forward. Therefore, the surplus has been transferred to the Building Department reserve account. The size of the surplus is down dramatically from that of 2015 due to the impact that the 44 wind turbines had on the annual Building Department revenues in 2015.

This report is prepared to satisfy the requirements of Section 7(4) of the Building Code Act, and is provided to Committee and Council for their information.

“The Township of West Lincoln will be a community that values our heritage, preserves our environmental and natural resources, fosters entrepreneurial spirit and provides excellent quality of life”

FINANCIAL IMPLICATIONS:

The Building Department is self-sustaining and there is no impact to the Township's main operation budget.

DEPARTMENTAL COMMENTS:

In 2016 Township Building staff processed 422 building permits as compared to 409 total permits for 2015.

CONCLUSION:

Staff presents this report to Committee and Council in order to fulfil the obligation in accordance with Section 7(4) of the Building Code Act.

This report will be placed on the Township website in order to inform the public as required by the Act.

ATTACHMENT:

1. Schedule A – 2016 Building Department Annual Budget Report as of December 31, 2016.

Prepared by:



Brian Treble, RPP, MCIP
Director of Planning and Building



Jeff Menard
Chief Building Official



Carolyn Langley
Acting CAO

TOWNSHIP OF WEST LINCOLN
BUILDING PERMIT FEE ANNUAL REPORT
FOR THE 12 MONTHS ENDING DECEMBER 31st

	Actual 2016
TOTAL FEES	\$ 472,604.00
DIRECT COSTS	
Staffing Costs	\$ 190,983.00
Office Expenses	\$ 84,998.00
Capital Expenditures	\$ 14,343.00
TOTAL DIRECT COSTS	\$ 290,324.00
INDIRECT COSTS	\$ 90,700.00
TOTAL DIRECT & INDIRECT COSTS	\$ 381,024.00
REVENUE OVER (BELOW) COSTS	\$ 91,580.00
 STATEMENT OF RESERVES	
Opening Balance, January 1	\$ 962,759.00
Transfer to (from) Reserves	\$ 91,580.00
Interest Earned on the Reserve	\$ 7,966.00
Closing Balance, December 31	\$ 1,062,305.00

Basis: Section 7(4) of the Building Code Act requires an annual report be prepared setting out the total fees collected , the direct and indirect costs related to administration and enforcement; and the statement of reserve funds for the building department.