

DATE: July 23, 2018

REPORT NO: PD-118-18

SUBJECT: Information Report –
Building Department Annual Budget Report 2017

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 2017.
- 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-118-17, regarding the “Building Department Annual Budget Report 2017”, dated July 23, 2018 be RECEIVED for information.

ALIGNMENT TO STRATEGIC PLAN:

- **Value**
Provide and sustain a high quality of life for our 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, the Building Department experienced an annual surplus of \$88,751.00 in 2017. 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 contribution to the reserve is similar to that of last years, \$91,580.00 which is significant since there were no active subdivisions being developed in 2017 meaning that the volume of permits was primarily due to industrial and agricultural development as well as rural residential construction.

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 2017 Township Building staff processed 402 building permits as compared to 422 total permits for 2016.

Further, the financial detail as outlined in this report have been provided by the Treasury Department.

CONCLUSION:

Staff presents this report to Committee and Council in order to fulfil an 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:

Schedule A – 2017 Building Department Annual Budget Report as of December 31, 2017.

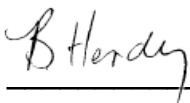
Prepared by:



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Jeff Menard, CBCO, A.Sc. T., B. Tech
Chief Building Official



Beverly Hendry
Chief Administrative Officer

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

	Actual 2017
TOTAL FEES	\$ 487,350
DIRECT COSTS	
Staffing Costs	\$ 193,351
Office Expenses	\$ 57,844
Capital Expenditures	\$ 55,604
TOTAL DIRECT COSTS	\$ 306,799
INDIRECT COSTS	\$ 91,800
TOTAL DIRECT & INDIRECT COSTS	\$ 398,599
REVENUE OVER (BELOW) COSTS	\$ 88,751

STATEMENT OF RESERVES

Opening Balance, January 1	\$ 1,062,305
Transfer to (from) Reserves	\$88,751.00
Interest Earned on the Reserve	\$10,207.00
Closing Balance, December 31	\$ 1,161,263

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.