



INFORMATION REPORT

Corporate Services Commission, Financial Services

395 Mulock Drive
P.O. Box 328
Newmarket, ON L3Y 4X7

www.newmarket.ca
mmayes@newmarket.ca
905.953-5300 ext. 2102

May 18, 2017

CORPORATE SERVICES INFORMATION REPORT – FINANCIAL SERVICES 2017-23

TO: Mayor Tony Van Bynen and Members of Council

SUBJECT: Building Permit Fees

ORIGIN: Director, Financial Services/Treasurer

In accordance with the Procedure By-law, any Member of Council may make a request to the Town Clerk that this Information Report be placed on an upcoming Committee of the Whole agenda for discussion.

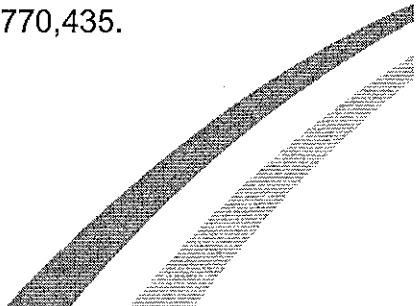
COMMENTS

In 2015, building permit fees were reviewed by BMA Consulting Inc. As a result, the building permit fees were revised (By-law 2015-58) and came into effect on January 1, 2016. This fee schedule remained unchanged for 2017.

As per the Building Code Act, 1992, a municipality is required to prepare a report regarding building permit fees collected and the costs of administering and enforcing this Act every 12 months; and, the municipality shall make its report available to the public. The purpose of this report is to meet the statutory requirement. The report will be posted on the Town's website in May.

The total building permit fees collected in 2016 were \$1,460,619, of which \$385,848 was deferred to 2017. The 2015 deferral was \$1,431,984 and was recognized as revenue in 2016. It is our accounting policy, in agreement with our auditors, that building permit fees are not deemed to have been "earned" until 90 days after the collection of the fees with issuance of the building permit. This is the average time for the building department to perform the majority of its duties and for the refund period to expire.

The operating results show that revenues exceeded expenditures in the amount of \$367,604. This was transferred to the Reserve for Building Permits. There was a capital cost of \$4,858 for Cityview upgrade. This cost was funded by the Reserve for Building Permits. As at the end of December 31, 2016, the Reserve for Building Permits had a balance of \$5,770,435.



Attached is the Statement to illustrate building permit fees and costs associated with delivering the services for the year 2016.

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

This report links to Newmarket's key strategic direction in being Well Managed through fiscal responsibility.

CONSULTATION

Consultation has taken place with Planning and Building Services.

HUMAN RESOURCE CONSIDERATIONS

Not applicable to this report.

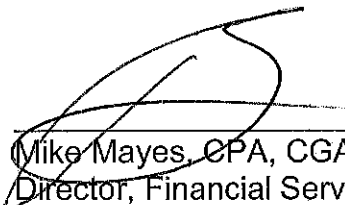
BUDGET IMPACT

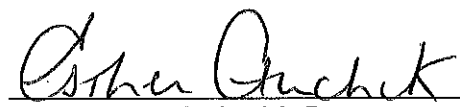
The Reserve for Building Permit Fees, which is at a comfortable level of 272% of total annual costs (2015 = 257%), was taken into consideration when reviewing the building permit fees for 2017. BMA Target is 150-200%.

Council approved a Development Application Approval Process (DAAP) Cost Recovery review as recommended by BMA Consulting Inc. in the Building Permit Fees Report.

CONTACT

For more information on this report, contact: Mike Mayes at 905-953-5300, ext. 2102 or via e-mail at mmayes@newmarket.ca


Mike Mayes, CPA, CGA, DPA
Director, Financial Services/Treasurer


Esther Armchuk, LL.B.
Commissioner, Corporate Services

MM/ne

Attachment(s): *these should be listed as below:*

- a) Annual Report on Building Permit Fees (1 pg.)

THE CORPORATION OF THE TOWN OF NEWMARKET

Annual Report on Building Permit Fees

December 31, 2016

The Town of Newmarket is a municipality in the Province of Ontario, Canada. The municipality is required to prepare an annual report, which includes the total fees collected in the previous 12 month period:

	2016	2015
Fees collected in current year	\$ 1,460,619	\$ 3,471,781
Fees collected in current year and not earned	(385,848)	(1,431,984)
Fees collected in prior year and earned in current year	1,431,984	117,523
Total Revenues	\$ 2,506,755	\$ 2,157,320

Direct and indirect costs of delivering services are as follows:

	2016	2015
Direct costs	\$ 1,655,475	\$ 1,607,666
Indirect costs	457,834	421,616
Capital costs	4,858	63,051
Total Expenditures	\$ 2,118,167	\$ 2,092,333
Net Surplus/(Deficit)	\$ 388,588	\$ 64,987

The continuity of the Reserve for Building Permits is as follows:

	2016	2015
Balance, beginning of year	\$ 5,381,847	\$ 5,316,860
Plus: Transfer from operating fund	393,446	128,038
Transfer from other fund	-	-
Less: Transfer to operating fund	-	-
Transfer to capital fund	(4,858)	(63,051)
Balance, end of year	\$ 5,770,435	\$ 5,381,847