



Town of Newmarket
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2023 Building Permit Fees Information Report

Report Number: INFO-2024-18

Department(s): Financial Services

Author(s): Michael Longato, Financial Analyst

Date: September 10, 2024

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

Purpose

The purpose of this report is to provide information illustrating the building permit fees and costs associated with delivering the services for the year 2023.

Background

In 2016, By-law 2015-58 was enacted for Building Permit fees. In 2023, the Building Permit fees increased by an average of 2.5 %. The number of permits issued in 2023 was 410.

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.

Discussion

In 2017, Building Permit Fees were changed from a Reserve to an Obligatory Reserve Fund. Therefore, an annual reserve fund interest allocation has been added. The interest allocation for 2023 was \$44,114. The total revenue earned in 2023 was \$1,052,857. \$1,052,857 was from fees collected in the year 2023. As at the end of December 31, 2023, the Reserve Fund for Building Permits had a balance of \$330,845 including interest allocation.

Attached is the Statement to illustrate building permit fees and costs associated with delivering the services for the year 2023.

Conclusion

This report will be posted on the Town's website.

Business Plan and Strategic Plan Linkages

This report links to Council's core value in achieving and maintaining the Town's long-term financial sustainability by ensuring ongoing continuous improvement and a service level analysis for consideration.

Consultation

Consultation has taken place with Building Services staff.

Human Resource Considerations

Not applicable to this report.

Budget Impact

The 2023 fees were \$1,052,857. The Reserve Fund for Building Permit Fees is at 13% of total annual costs at year-end. This ratio is below the target range of 100% to 200%. Fees were increased by 2.5% on January 1, 2023. Fees were further increased in 2024 based on the Development Approval Application Process (DAAP) review. The reserve fund balance will improve with the increased fees and when the volume of development activity increases.

Attachments

Appendix A- Annual Report on Building Permit Fees

Approval

Andrea Tang, CPA, CA

Director, Financial Services/Treasurer

Esther Armchuk, LL.B

Commissioner, Corporate Services

Contact

For more information on this report, contact Andrea Tang at 905-953-5300, ext. 2104 or via e-mail at atang@newmarket.ca.

THE CORPORATION OF THE TOWN OF NEWMARKET

Annual Report on Building Permit Fees

December 31, 2023

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:

	<u>2023</u>	<u>2022</u>
Fees collected in current year	\$ 1,052,857	\$ 1,793,194
Total Ontario Building Code Revenues	\$ 1,052,857	\$ 1,793,194

Direct and indirect costs of delivering services are as follows:

	<u>2023</u>	<u>2022</u>
Direct costs	\$ 2,010,579	\$ 1,739,280
Indirect costs	625,293	603,610
Capital costs	-	27,984
Total Ontario Building Code Expenditures	\$ 2,635,872	\$ 2,370,874
Net Surplus/(Deficit)	\$ (1,583,015)	\$ (577,680)

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

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 1,880,144	\$ 2,426,107
Plus: Interest Earned*	44,114	31,717
Plus/(Less): Transfer (to) / from operating fund	(1,583,015)	(549,696)
Less: Transfer to capital fund	(10,399)	(27,984)
Balance, end of year	\$ 330,845	\$ 1,880,144