

## **Building Permit Fees 2007 Annual Report**

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| <b>Date:</b>             | March 24, 2008   |
| <b>To:</b>               | Planning and Growth Management Committee                         |
| <b>From:</b>             | Chief Building Official and Executive Director, Toronto Building |
| <b>Wards:</b>            | All Wards  |
| <b>Reference Number:</b> | P:\2008\Cluster B\BLD\CBO Office\PGM003                          |

### **SUMMARY**

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The “Building Permit Fees 2007 Annual Report” for the 12-month period ending December 31, 2007 is attached to this report.

Under the Building Code Statute Law Amendment Act, the City is required to report on the 2007 budget year outlining how new revenues collected have been used to cover the direct and indirect costs of administering and enforcing the Building Code Act and the Building Code.

#### **Financial Impact**

The recommendation will have no financial impact beyond what has already been approved in the 2007 budget.

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### **DECISION HISTORY**

City Council, at its meeting of April 16, 17 and 18, 2002, adopted the recommendations contained in the report dated March 1, 2002, “Bill 124-Building Code Statute Law Amendment Act” which outlined how Bill 124 would amend the Building Code Act to introduce a fee structure to require that permit fees only be collected to cover the anticipated costs associated with the administration and enforcement of the Act by the City. The report also outlined the requirements under the Bill for the preparation of annual reports detailing the enforcement costs and fees collected.

( <http://www.toronto.ca/legdocs/2002/agendas/council/cc020416/plt4rpt/cl011.pdf> )

City Council, at its meeting of June 27, 28 and 29, 2006, adopted the recommendations contained in the report dated May 17, 2006, "Implementation of Building Code Statute Law Amendment Act", which described the base analysis Toronto Building and Finance staff undertook in 2004 to relate the costs associated with delivering the services of Toronto Building with the revenues received over the same period. This analysis has been the basis of the Toronto Building budget since 2005.

( <http://www.toronto.ca/legdocs/2006/agendas/committees/plt/plt060601/it012.pdf> )

The Building Permit Fees 2006 Annual Report was received for information without amendment by the Planning and Growth Management Committee at its meeting on Thursday, May 3, 2007.

( <http://www.toronto.ca/legdocs/mmis/2007/pg/bgrd/backgroundfile-3305.pdf> )

## **ISSUE BACKGROUND**

The total amount of the fees authorized by Council under the authority of the Building Code Act must not exceed the anticipated reasonable costs of the City to administer and enforce the Act in the City of Toronto.

The Building Code Act requires that an annual report identify fees collected for both the direct and indirect costs of delivering services related to the administration and enforcement of the Act for the previous year. Direct costs include the review of applications for permits and inspections, indirect costs include support and overhead costs.

The costs must be broken down into the following categories:

### Direct Costs

- review of applications for permits
- inspection of buildings

### Indirect Costs

- support
- overhead

### Reserve Fund

- established for any purpose relating to the administration or enforcement of the Building Code Act
- must report the amount of the dedicated fund at the end of the 12 month period

## **COMMENTS**

The appendix contains the annual report for 2007 as required by the Building Code Act. It outlines those fees and costs that are directly and indirectly attributable to the costs and associated fees permitted under the Building Code Act. Indirect costs reflect standard

municipal practice under the Building Code Act and include corporate and governance costs.

Based on preliminary un-audited figures for 2007, the report demonstrates that the fees collected in relation to building permit applications are in line with the anticipated reasonable costs of administering and enforcing the Building Code Act, including an allocation to reserves.

Reserves are intended to offset any future fluctuations in revenue, as well as capital enhancements (e.g. for technology developed over a number of years). The \$8.5 million in the reserve account is modest relative to ongoing direct and indirect operating expenditures of \$50.6 million, where a reserve equivalent to annual operating costs is considered reasonable.

The Building Code Act requires that the City give notice of the preparation of an annual building permit fees report to every person and organization that has requested that the City provide the person or organization with such notice. As of the date of this report, the City has not received any requests for the report.

## **CONTACT**

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## **SIGNATURE**

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V. Ann Borooah  
Chief Building Official &  
Executive Director

## **ATTACHMENT**

Appendix: Building Permit Fees 2007 Annual Report

**ATTACHMENT**  
**Building Permit Fees**  
**2007 Annual Report**



**Toronto Building**  
**Building Permit Fees 2007 Annual Report<sup>3</sup>**  
**For the 12-Month Period Ending December 31, 2007**

|   | <b>2007 Actual<sup>1</sup></b> |
|---|--------------------------------|
| <b>REVENUE</b>                                      |                                |
| Building Permit Fees                                | 50,742,363                     |
| <b>Total Revenue</b>                                | <b>50,742,363</b>              |
| <b>EXPENDITURES</b>                                 |                                |
| Direct Costs  | 36,993,559                     |
| Indirect Costs                                      | 9,701,867                      |
| <b>Total Expenditures</b>                           | <b>46,695,427</b>              |
| <b>CONTRIBUTION TO / (FROM) RESERVE<sup>2</sup></b> | <b>3,929,839</b>               |
| <b>Total Expenditures / Reserve<sup>1,2</sup></b>   | <b>50,625,266</b>              |
| <b>RESERVE BREAKDOWN</b>                            |                                |
| Opening Balance                                     | 4,321,268                      |
| Interest  | 240,755                        |
| Contribution  | 3,929,839                      |
| <b>Closing Balance</b>                              | <b>8,491,862</b>               |

1. Based on preliminary un-audited figures for 2007  
2. "Building Code Act Service Improvement Reserve" (Toronto Municipal Code Chapter 227, Schedule No. 13)  
3. Report prepared in accordance to practices established for the Building Code Act.