

**Building Permit Fees
2009 Annual Report**

Date:	March 31, 2010
To:	Planning and Growth Management Committee
From:	Chief Building Official and Executive Director, Toronto Building
Wards:	All Wards
Reference Number:	P:\2010\Cluster B\BLD\CBO Office\PG10004

SUMMARY

The attachment to this report contains the “Building Permit Fees 2009 Annual Report” for the 12-month period ending December 31, 2009.

Under the Building Code Statute Law Amendment Act, the City is required to report on the 2009 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 2009 budget.

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 2007 Annual Report” was received for information without amendment by the Planning and Growth Management Committee at its meeting on Thursday, April 10, 2008. The “Building Permit Fees 2008 Annual Report” was received for information without amendment by the Planning and Growth Management Committee at its meeting on Tuesday, April 14, 2009.

(<http://www.toronto.ca/legdocs/mmis/2008/pg/bgrd/backgroundfile-11804.pdf>)

(<http://www.toronto.ca/legdocs/mmis/2009/pg/bgrd/backgroundfile-19912.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 2009 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.

The report demonstrates that the fees collected in relation to building permit applications do not exceed the anticipated reasonable costs of administering and enforcing the Building Code Act.

The attached “Building Permit Fees 2009 Annual Report” includes information on the contribution and balance of the “Building Code Act Service Improvements Reserve” established under the authority of the Act. The report indicates a draw against the dedicated reserve of \$272,026. During the 12-month period ending in December 2009, interest on the dedicated reserve was realized in the amount of \$53,217, leaving a balance of \$10,674,838.

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

V. Ann Borooah
Chief Building Official &
Executive Director

ATTACHMENT

Appendix: Building Permit Fees 2009 Annual Report

ATTACHMENT
Building Permit Fees
2009 Annual Report



Toronto Building
Building Permit Fees 2009 Annual Report³
For the 12-Month Period Ending December 31, 2009

	2009 Actual¹
REVENUE	
Building Permit Fees	41,132,973
Total Revenue	41,132,973
EXPENDITURES	
Direct Costs	36,893,261
Indirect Costs	6,694,720
Total Expenditures	43,587,980
EXPENDITURES IN EXCESS OF REVENUE	2,455,007
CONTRIBUTION TO / (FROM) RESERVE^{1, 2, 4}	(1,300,000)
Revenue Shortfall ⁶	1,155,007
RESERVE BREAKDOWN	
Opening Balance	10,893,647
Interest	53,217
Contribution ⁵	(272,026)
Closing Balance	10,674,838

1. Based on preliminary unaudited figures for 2009
2. "Building Code Act Service Improvement Reserve" (Toronto Municipal Code Chapter 227, Schedule No. 14)
3. Report prepared in accordance to practices established in the Building Code Act.
4. As recommended in "2009 Preliminary Year End Operating Variance Report". (subject to Council approval)
5. Does not include recommended 2009 Year End draw of \$1.3 million.
6. Represents one-time extraordinary loss in net revenue resulting from Labour Disruption