2013

ANNUAL REPORT

BUILDING PERMIT FEES

March 31, 2014

INTRODUCTION:

The following is the Annual Report of the Building Department on Permit Fees for the Year 2013. The report is filed pursuant to the requirements of Section 7(4) of the Building Code Act , S.O. 1992, c23 and Division C, Sentence 1.9.1.1(1) of the Building Code Regulations.

A magazine article published by the Ontario Building Officials Association, aptly describing the municipality's statutory responsibilities with respect to annual permit fees reports, is attached as part of the report. The article was authored by Mr. Glenn Tunnock, principal of Tunnock Consulting Ltd. Mr. Tunnock's firm prepared the "Corporation of the City of Elliot Lake Permit Fee Report" in 2006 that recommended the current permit fee structure.

In summary, the 2013 revenue collected through the permit fees did not exceed the municipality's costs for administration of the Building Code statutory responsibilities.

Respectfully submitted

Bruce Ewald, CBCO
Chief Building Official

The Corporation of the
City of Elliot Lake

2013 ANNUAL REPORT–BUILDING PERMIT FEES

Total Fees (Revenues) collected for the period, January1, 2013 to December 31, 2013 under By-Law No. 06-95 of the City of Elliot Lake $102,712.82

Costs of Delivering Services:
Indirect Costs:
Indirect Costs are deemed to include the costs for support and overhead services to the Building Department of the City of Elliot Lake and are as follows:

Total Administrative Costs . . . . $ 23,718.02

Total Enforcement Costs . $ 0

Sub-Total – Indirect Costs $23,718.02

Direct Costs:
Direct Costs are deemed to include the costs of the Building Department of the City of Elliot Lake for the processing of building permit applications, the review of building plans conducting inspections and building related enforcement duties.

Total Administrative Costs . . . . $ 26,378.54

Total Enforcement Costs $148,354.83

Sub-Total – (55%)Direct Costs + (100% Training) $174,733.37

Grand Total Indirect and Direct Costs $198,451.39

Revenues over costs as of December 31, 2013 . . . . $ NIL

Statement of Reserves:
Building & By-law Enforcement Division Reserve Fund
(to December 31, 2013) $232,182.32

Dated this 18th day of March, 2014.

Dawn Halcrow, Director of Finance
Corporation of the City of Elliot Lake

TABLE 3 - 2013 BUILDING COSTS - CITY OF ELLIOT LAKE

Administration Costs	2012 Actuals	2013 Actuals
Operating		
Salaries and Benefits		
- Full Time Salaries	$192,120.10	$193,336.93
- Full Time Benefits*	$60,294.03	$62,334.11
- Part-time Wages	$10,284.78	$9,974.90
- Part-time Benefits*		
Subtotal Salaries and Benefits(Enforcement)	$262,698.91	$265,645.94
Office and Overhead		
- Utilities: heat, hydro, water, cable(see Lease value)		
- Uniforms/Work Clothing/Safety	$0.00	$0.00
- Office Supplies: Equipment, Stationary	$1,517.14	$4,265.28
- Furniture		
- Computer Software/Hardware	$1,110.00	$0.00
- Equipment Maintenance Agreements		
- Subscriptions, Publications	$73.90	$114.00
- Telephone, Courier, Postage, Photocopying	$3,899.58	$4,551.93
- Advertising	$256.44	$0.00
- Insurance (9.06% of entire building)	$281.31	$670.06
- Travel and Mileage	$0.00	$23.73
Training, Education, Conferences, Examinations		$618.10
Memberships and Professional Fees, Certification	$1,374.91	$1,577.72
Building Costs		
- Rent or Lease		
- Maintenance and Cleaning (9.06% of entire bldg)	$4,294.97	$4,634.77
Vehicle maintenance, Insurance, gas etc.	$7,736.18	$7,775.91
Consulting Fees, professional fees, contracted services	$0.00	$0.00
Other Costs		
- Pay Equity Adjustment		
- Topped-up Benefits (maternity leave)		
- Vested Sick Leave		
Subtotal Administration Costs	$20,544.43	$24,231.50
Capital		
- Vehicles**	$0.00	$10,000.00
- Buildings (lease value 2009-moved into new larger space)	$16,650.00	$16,650.00
Subtotal Capital Costs	$16,650.00	$26,650.00
GRAND TOTAL ADMINISTRATION COSTS	$37,194.43	$50,881.50
Legal Fees***	$0.00	$0.00
GRAND TOTAL ADMIN. & ENFORCEMENT COSTS	$299,893.34	$316,527.44
Less Revenues (gov't grants, searches)	$2,934.65	$2,920.52
Net Total-Admin. & Enforcement costs	$302,827.99	$319,447.96
Building Code Training-Examinations etc.	$3,120.57	$2,249.56

*** Benefits Include: Employer CPP, Employer EI, WSIB, OMERS, Health and Insurance Benefits**
**** Vehicles: Vehicles/fleet replacement costs (i.e. capital cost amortized over life of vehicle)**
***** Legal Fees: Retainer**

Table 2 -Other Municipal Services & Departments -2013 Time Allocation -Salary Costs
The City of Elliot Lake

Council or Staff Position	# of Employees in Position	% of Total Time Spent on Plan Review, Inspection, Permit Processing, and/or Administration, etc	Indirect Costs - Salary and Benefits	Net Operating Costs per Department (Expenses-Revenue)	Indirect Costs Overhead[2]	Total Indirect Costs - Administration
A	B	C	G	H	I	J
			E X F = G		C X H = I	G + I = J
Council Members	7	0.50%		$151,608	$758	$758.04
Department						
CAO						
Admin Clerk						
Clerk's Department						
Clerk	1	5.00%	$6,441.83	$8,117	$284	$6,725.92
Admin Asst.	1	2.00%	$0.00			$0.00
Finance Department						
Finance Officer (Treasurer)	1	1.28%	$1,741.71	$33,072.98	529.17	$2,270.88
Deputy Treasurer	1	1.28%	$0.00			$0.00
Financial Analyst	1	1.28%	$1,279.20			
Cashier Receptionist	1	1.28%	$795.97			$795.97
Payroll Clerk	1	4.16%	$2,749.16			$2,749.16
Accounts Payable Clerk	1	0.65%	$408.14			$408.14
Accounting Clerk	1	1.28%	$958.46			$958.46
IT Department						
IT Manager	1	1.28%	$1,371.80	$111,795.82	$1,430.99	$2,802.79
Technical Support	1	1.28%	$978.93			$978.93
Human Resources Department						
HR Officer	1	2.00%	$2,143.44	$85,276	$1,705.52	$3,848.96
Clerk	1	2.00%	$1,420.77			$1,420.77
Health & Safety Assistant	1	2.00%	$0.00			$0.00
Total Indirect Costs - Administration			**$20,289.41**		**$4,707.81**	**$23,718.02**
Other Departments						
Legal						
Total Indirect Costs- Enforcement						
[1]Adjusted to include benefits						
Grand Total Indirect Costs						

Glen Tunnock

Bill 124 imposes a number of new obligations on Ontario's municipalities starting July 2005. One of those is the preparation of an annual report on building permit fee activity. The Act specifies that the content of the report must include several components:

1. Set out the Total Fees collected in previous 12 month period (ending no more than 3 months before release date of report)
2. Outline the indirect and direct costs of delivering services related to administration and enforcement i.e. plan review, inspection, overhead costs
3. Report on any Reserve Fund established for administration and enforcement

Total Fees: This refers to revenues generated from building permit fees. As such it only includes fees collected under a municipality's building by-law as adopted under Section 7 of the Building Code Act. This does not include revenues generated from fines under the Provincial Offences Act or fees collected by other agencies who may have been delegated responsibilities under the Act but whose budgets are separate and distinct from the Municipality. This would include a County who conducts plumbing inspections or a Health Unit who enforces Part 8 (sewage systems). It does not include fees or revenues for other municipal services that some building officials collect when they wear other hats, such as statements (letters) for zoning/subdivision compliance, animal control, drainage facilities or by-law enforcement (fines).

The total fees (revenues) collected must then be compared with the costs of delivering building services.

Indirect and Direct Costs: The second component of the Annual Report must set out, as a minimum, the indirect and the direct costs of administration and enforcement of the building service. Indirect costs are for services provided to the building department of building services by other departments or functions within the municipality. On the administration side these would typically include as Council (policy and by-law adoption), the clerk, finance, human resources, IT, planning etc., while on the enforcement side they would include legal services. Direct Costs are the costs of the building department itself, divided into administration (overhead) and enforcement or the front-line costs of filing applications, plan review, inspection and compliance.

The legislation requires that as a minimum that four items or costs be shown in the Annual Report including the administration and enforcement costs for each of the indirect and direct costs, respectively. This does not prevent a municipality from providing a greater level of detail for any of these items.

Reserve Fund: The final component is to report on a reserve fund. Reserves are essentially created when the total fees or revenues received exceed the combined totals of indirect and direct costs. Reserve funds are intended to be set aside by municipalities to offset costs in lean years where building fee revenues are less than the costs of delivering the building service. The concept of reserves is to distinguish revenues in the municipality's financial statements that are to be set aside for the building department rather than returned to general revenues to support non-related municipal expenditures. The legislation does not stipulate a limit to the size of the reserve fund nor a time period within which it must be expended. Where unusually large surpluses accumulate over a period of several years, this may signal the need to review building permit fees and/or the level of service to assess whether there is a need to adjust such fees.

Bill 124 specifies a reporting period for the Annual Report. This means that the first report must be prepared within 3 months after the first complete year after promulgation, (July 1, 2005) or, in essence, by the end of September 2006. Since this does not coincide with the municipal financial year, a more practical solution would be to produce an Annual Report in the first quarter of 2006. This would cover the total fees collected under Bill 124 for last _ of 2005. Thereafter municipalities could prepare the Annual Report to coincide with the municipal financial year and release the report within the 1st quarter of every year commencing 2007.

Aside from the mandated components of the Annual Report, municipalities may choose to supplement the report with other information, such as the number and types of permits issued, changes to fees or other information about the building department. This might include any study or building permit fee review designed to substantiate any change in fees or new fees.

The basic format of the Annual Report may appear as follows:

Corporation of the Municipality of Anywhere

BUILDING PERMIT FEE ANNUAL REPORT – 200_
This report is issued pursuant to the requirements of Section 7(4) of the *Building Code Act*, as amended. This report sets out the Total Fees collected, a summary of the Indirect and Direct costs of administration and enforcement and the statement of reserve funds for building services.

TOTAL FEES:
Total Fees collected for the period January 1, 200_ to December 31, 200_ under Bylaw No. ____, of the Municipality of Anywhere $ __________

Costs of Delivering Services:

INDIRECT COSTS
Indirect Costs are deemed to include the costs for support and overhead services to the Building Department of the Municipality of Anywhere as follows:

Total Administration Costs $__________

Total Enforcement Costs $__________

Sub-Total - Indirect Costs $__________
DIRECT COSTS:
Direct Costs are deemed to include the costs of the Building Department of the Municipality of Anywhere for the processing of building permit applications, the review of building plans conducting inspections and building-related enforcement duties.

Total Administration Costs $__________

Total Enforcement Costs $__________

Sub-Total - Direct Costs $__________

Grand Total Indirect and Direct Costs
$__________

Revenues over costs as of December 31, 200_
$__________

STATEMENT OF RESERVES:

Building Department Reserve Fund (to December 31, 200_) $__________

Dated this ___ day of __________________________, 200_

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Treasurer
Municipality of Anywhere

Attachments:

ZONEQUEST welcomes any comments or suggestions you may have. Please contact:

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