



Staff Report

Finance – Budgets & Accounting

Report To: COW_Finance_Admin_Fire_Community_Services
Meeting Date: April 29, 2024
Report Number: FAF.24.016
Title: 2023 Building Year-End Report
Prepared by: Heather McFarlane, Budget Analyst

A. Recommendations

THAT Council receive Staff Report FAF.24.016, entitled “2023 Building Year-End Report” for information purposes.

B. Overview

In accordance with Section 7.(4) of the Building Code Act (Act) the Town must prepare an annual report outlining the fees collected and the expenses incurred to administer and enforce the Building Code Act. The fees collected must not exceed the reasonable costs for the Town to administer and enforce the Act. This report outlines these fees and expenses for 2023.

C. Background

As per the Act, the statement must outline all fees collected in 2023 as well as the expenses incurred. Attachment 1 outlines these figures as well as provides 2022 comparable figures. In addition, any transfers to or from the Reserve Fund as well as the ending balance must be published.

D. Analysis

Revenues

The Building Division saw a slowdown in 2023 Revenues and Building Permit Activity as compared to 2022. The Building Division collected a total of \$856,520 (2022 - \$1,273,396) in Building Permit Revenue in 2023. This was a result of issuing 565 (2022 – 744) Building Permits, with a total estimated Construction Value of \$171,484,073 (2022 - \$228,741,488).

Expenses

The Building Division ended 2023 under-budget overall in Expenses, which was mainly due to staff vacancies. There were vacancies in 2023 causing Salaries and Benefits and related expenses, such as Administrative Expenses, Personnel, and Training and Travel to also be

under-budget. The Overhead Costs for the Building Division, such as costs for the Town Hall facility and the Town Hall Loan, were \$297,223 (2022 – \$254,603) in 2023. The Indirect Overhead Costs for the Building Division went down (\$16,058 in 2023 compared to \$53,222 in 2022) due to the Town Hall Loan being funded through reserves in 2023. The Overhead Costs are allocated as per POL.COR.15.03 Interfunctional Transfer Policy.

Overall, the Building Division ended 2023 with a deficit of \$512,678. This deficit was funded by the Building Division Rate Stabilization Reserve Fund.

Reserve Fund

The Building Division ended 2023 with a deficit of \$512,678 (2022 - \$53,134 deficit). Interest of \$74,271 (2022 - \$45,694) was earned on the reserve fund in 2023.

There was also \$58,196 (2022 - \$38,174) transferred out of this Reserve Fund in 2023 for Capital Expenses to pay for IT Replacement Hardware, AVL System, and the Organizational Structure and Fee Review. Funding Capital Expenses from the Reserve Fund ensure that fees can stay stable year over year, without incurring large fluctuations.

At December 31, 2023, the Building Department Rate Stabilization Reserve Fund had an unaudited balance of \$1,843,452.

The main purpose of this Reserve Fund, as per POL.COR.16.03 Building Division Rate Stabilization Reserve Fund Policy, is to fund the Building Division's expenses in years that end with a deficit. To ensure that there is enough money in this Reserve Fund, any funds from surplus years are transferred into this Reserve Fund.

The target for this reserve fund is 125% of annual building permit revenue generated, which equates to \$1,070,649.

E. Strategic Priorities

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

4. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

None.

G. Financial Impacts

As per the above sections and attachment 1 of this report.

H. In Consultation With

Tim Murawsky, Manager of Building Services & Chief Building Official

I. Public Engagement

The topic of this Staff Report has not been the subject of a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. However, any comments regarding this report should be submitted to Heather McFarlane, Budget Analyst at finance@thebluemountains.ca

J. Attached

1. 2023 Building Permit Report

Respectfully submitted,

Heather McFarlane
Budget Analyst

For more information, please contact:
Heather McFarlane, Budget Analyst
budgetteam@thebluemountains.ca
519-599-3131 extension 230

Report Approval Details

| | |
|----------------------|---|
| Document Title: | FAF.24.016 2023 Building Year-End Report.docx |
| Attachments: | - FAF.24.016 Attachment 1 - 2023 Building Permit Report.pdf |
| Final Approval Date: | Apr 9, 2024 |

This report and all of its attachments were approved and signed as outlined below:

Sam Dinsmore - Apr 9, 2024 - 9:09 AM