



# Staff Report

## Finance – Budgets & Accounting

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**Report To:** COW- Admin, Corp and Finance, SI, Comm. Services  
**Meeting Date:** May 26, 2025  
**Report Number:** CFS.25.012  
**Title:** 2024 Building Year-End Report  
**Prepared by:** Heather McFarlane, Budget Analyst

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### A. Recommendations

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THAT Council receive Staff Report CFS.25.012, entitled “2024 Building Year-End Report” for information purposes.

### B. Overview

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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 2024.

### C. Background

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As per the Act, the statement must outline all fees collected in 2024 as well as the expenses incurred. Attachment 1 outlines these figures as well as provides 2023 comparable figures. In addition, any transfers to or from the Reserve Fund as well as the ending balance must be published.

### D. Analysis

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#### Revenues

The Building Division saw another major slowdown in 2024 Revenues and Building Permit Activity as compared to 2023. The Building Division collected a total of \$477,935 (2023 - \$870,806) in Building Permit Revenue in 2024. This was a result of issuing 456 (2023 – 565) Building Permits, with a total estimated Construction Value of \$121,434,657 (2023 - \$171,484,073).

#### Expenses

The Building Division ended 2024 under-budget overall in Expenses. The main expense areas that ended the year under-budget were Salaries and Benefits, Administrative Expenses and

Training and Travel expenses. The Overhead Costs for the Building Division, such as costs for the Town Hall facility were \$286,708 (2023 – \$295,383) in 2024. The Overhead Costs are allocated as per POL.COR.15.03 Interfunctional Transfer Policy.

Overall, the Building Division ended 2024 with a deficit of (\$922,407). This deficit was funded by the Building Division Rate Stabilization Reserve Fund.

### **Reserve Fund**

The Building Division ended 2024 with a deficit of (\$922,407), (2023 – (\$496,551) deficit). Interest of \$58,762 (2023 - \$74,271) was earned on the reserve fund in 2024.

There was also \$40,469 (2023 - \$58,196) transferred out of this Reserve Fund in 2024 for Capital Expenses. Funding Capital Expenses from the Reserve Fund ensure that fees can stay stable year over year, without incurring large fluctuations.

At December 31, 2024, the Building Department Rate Stabilization Reserve Fund had an unaudited balance of \$955,465.

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 \$597,419 for 2025. The current reserve fund balance provides a healthy buffer; however, as we plan for 2026 and beyond, it will be important to monitor this balance closely to ensure ongoing stability in the event of continued permit declines.

## **E. Strategic Priorities**

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### **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**

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None.

## **G. Financial Impacts**

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

It is important to note that a sustained decrease in building permits has a direct impact on the Town's ability to realize supplementary taxation revenues and planned growth-related funding. Building activity drives assessment growth, which generates additional property tax revenue through supplementary assessments. When permit volumes decline, the addition of new taxable assessment to the municipal roll is delayed or reduced. This affects annual revenue projections and slows the municipality's ability to support infrastructure investment, deliver services to developing areas, and achieve long-term growth objectives. It is important to keep this in mind when evaluating future budget assumptions and growth forecasts.

While 2024 supplementary assessments net of write-offs was \$952,819 which were within budget and we are currently confident in achieving the 2025 target of \$750,000. However, the recent trend in building activity should be considered as part of the Town's longer-term financial planning, particularly for the 2026 budget and beyond.

## **H. In Consultation With**

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Tim Murawsky, Manager of Building Services & Chief Building Official

Michael Switzer, CPA CA, Deputy Treasurer / Manager of Budgets & Accounting

Monica Quinlan, CPA CMA, Director of Corporate & Financial Services

## **I. Public Engagement**

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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](mailto:finance@thebluemountains.ca)

## **J. Attached**

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1. 2024 Building Permit Report

Respectfully submitted,

Heather McFarlane  
Budget Analyst

For more information, please contact:  
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