



**REPORT**  
GROWTH AND SUSTAINABILITY  
COMMITTEE

**DATE:** March 3, 2025

**REPORT NO:** BLDG-03-2025

**SUBJECT:** **Information Report – Building Department Annual Budget Report 2023**

**CONTACT:** Ben Agro, CBO  
Gerrit Boerema, Director of Growth and Sustainability

**OVERVIEW:**

- The purpose of this report is to provide Planning / Building / Environmental Committee (the Committee) and Council with information regarding revenues and expenses associated with administering and enforcing the Building Code Act during 2023.
- This report is required annually as outlined in Section 7(4) of the Building Code Act.
- This report will also be posted on the Township website to ensure compliance with the public requirements of Section 7(4).

**RECOMMENDATION:**

1. That, Information Report BLDG-03-2025, titled “2023 Building Department Annual Budget Report”, dated March 3, 2025 be received for information.

**ALIGNMENT TO STRATEGIC PLAN:**

- **Build** a safe, connected, caring and active community.

## **BACKGROUND:**

In accordance with Section 7(4) of the *Building Code Act*, the Building Department is required to report annually on the direct and indirect costs of operating the Building Department. This has historically been published with each year's Township Budget document. Most municipalities however, prepare statements in a form such as the Table found as Schedule A to the report and then the annual report is posted on the municipal website.

In 2023 Township Building staff processed 192 building permits as compared to 210 total permits for 2022.

## **CURRENT SITUATION:**

Section 7(4) of the Building Code Act states that every twelve months each municipality shall prepare a report that contains such information as may be prescribed, about any fees authorized under the Act and any costs that are incurred by the municipality to administer and enforce the Act in its area of jurisdiction.

The Building Division Annual Budget Report consists of three components: total fees collected, costs both direct and indirect and finally the balance of the building reserve fund.

**Total Fees Collected:** This refers to revenues generated from building permit fees. This does not include revenues generated from other sources such as fines or fees or revenues from other municipal services.

**Direct and Indirect Costs:** The second component of the annual report sets out the direct and indirect costs of administration and enforcement of the Building Code Act. Direct costs are the costs of the building department itself, while indirect costs are for services provided to the building department by other departments within the municipality.

**Reserve Funds:** The final component of the report includes information on the reserve fund. Reserves are created when the total fees received exceed the total direct and indirect costs. Reserve funds are intended to be set aside to offset costs in years where building fee revenues are less than the cost of delivering the Building Department service.

For Council's information, there was a deficit in revenue of \$218,757 in 2023. As directed by legislation, a deficit cannot be carried forward to the next year; only a surplus can be carried forward. Therefore, a corresponding amount was drawn from the reserve account to balance the Building Department budget for 2023. Increases to building permit fees occurred January 1<sup>st</sup>, 2023 and again on January 1<sup>st</sup>, 2024 through the implementation of the Township's Rates and Fees Comprehensive Booklet, which should ultimately help to offset the deficit from 2023. Another deficit is projected in 2024 due to the timing of subdivision approvals and delays in new housing starts.

This report is prepared to satisfy the requirements of Section 7(4) of the Building Code

Act, and is provided to Committee and Council for their information.

**FINANCIAL IMPLICATIONS:**

The Building Department is intended to be self-sustaining and not have an impact to the Township's main operating budget and levy, however, due to a reduction in permit activity, Building revenues have been decreasing. A Building User Fee Review is currently underway to review the Building Permit fees and ensure that the fees are appropriately covering the underlying costs of performing the associated services of the Building Department. This fee review is expected to be completed later this year.

**INTER-DEPARTMENTAL COMMENTS:**

This report was reviewed by the CAO and Director of Corporate Services/CFO. Schedule A was provided by the Finance Department.

**CONCLUSION:**

Staff presents this report to Committee and Council in order to fulfil the obligation in accordance with Section 7(4) of the Building Code Act. This report will be placed on the Township website in order to inform the public as required by the Act.

**ATTACHMENTS:**

1. Schedule A – 2023 Building Department Annual Budget Report as of December 31, 2023

**Prepared & Submitted by:**

**Approved by:**

**Ben Agro,  
CBO**

**Gerrit Boerema  
Director of Planning & Building**

**Truper McBride  
CAO**