



**Municipality of Port Hope**  
 56 Queen Street  
 Port Hope, ON  
 L1A 3Z9

REPORT TO: Finance Committee

FROM: Amanda Aasen, Financial Planning Coordinator  
 Mark Perkin, Chief Building Official

SUBJECT: 2019 Building Permit Fees Annual Report

DATE: August 4, 2020

**RECOMMENDATION:**

That the 2019 Building Permit Fees Annual Report be received for information purposes and further;

That a copy be made available to the public on the Municipal website.

**BACKGROUND:**

Section 7(4) of the Building Code Act, 1992, S.O. requires municipalities to prepare an annual report that records the amount of building permit fees collected and the costs incurred during the process. Ontario Regulation 350/06: Building Code, section 1.9.1.1 identifies specific requirements to be included in the annual report.

Below is a summary of the revenue and expenses incurred in 2019, including comparative years:

**Municipality of Port Hope  
 Building Permit Fees Annual Report  
 for the year ended December 31, 2019**

	2013	2014	2015	2016	2017	2018	2019
<b>Total Revenue</b>	<b>(591,883)</b>	<b>(383,568)</b>	<b>(545,038)</b>	<b>(527,886)</b>	<b>(234,012)</b>	<b>(324,052)</b>	<b>(389,621)</b>
Direct Costs	382,711	401,644	418,598	391,515	392,669	387,195	391,304
Indirect Costs	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>382,711</b>	<b>401,644</b>	<b>418,598</b>	<b>391,515</b>	<b>392,669</b>	<b>387,195</b>	<b>391,304</b>
<b>Transfer to/(from) Reserve Fund</b>	<b>209,172</b>	<b>(18,076)</b>	<b>126,440</b>	<b>136,371</b>	<b>(158,657)</b>	<b>(63,143)</b>	<b>(1,683)</b>
<b>Annual (Surplus) / Deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**RESOURCE IMPLICATIONS:**

The Building Code Act allows municipalities to set permit fees to cover the cost of administering and enforcing the Building Code Act. A Reserve Fund was established in 2013 to provide for revenue stabilization, as building permit activity can be cyclical. This reserve can be used to offset periods of low building and construction activity.

In 2019, the Building Permit Revenue was approximately \$182,000 lower than budgeted, which resulted in a net deficit of the Building Inspection division in the amount of \$1,683. The deficit was funded by the Building Inspection Reserve Fund. The annual budget is determined based upon a combination of previous building permit activity, as well as current development applications. Projected development can be delayed for several reasons, such as extensive community consultations on sensitive environmental issues.

The balance as of December 31, 2019 is \$199,546. Below is a summary of the Reserve Fund since inception:

**Municipality of Port Hope  
Building Inspection Reserve Fund  
for the year ended December 31, 2019**

	2013	2014	2015	2016	2017	2018	2019
<b>Opening Balance, Jan 1</b>	-	209,172	191,096	317,536	455,293	256,092	195,797
<b>Plus:</b>							
Transfer from Operating	209,172	-	126,440	136,371	-	-	-
Interest Earned	-	-	-	1,386	10,811	2,848	5,432
<b>Subtotal</b>	<b>209,172</b>	<b>-</b>	<b>126,440</b>	<b>137,757</b>	<b>10,811</b>	<b>2,848</b>	<b>5,432</b>
<b>Less:</b>							
Transfer to Operating	-	18,076	-	-	158,657	63,143	1,683
Capital Purchases	-	-	-	-	51,355	-	-
<b>Subtotal</b>	<b>-</b>	<b>18,076</b>	<b>-</b>	<b>-</b>	<b>210,012</b>	<b>63,143</b>	<b>1,683</b>
<b>Closing Balance, Dec 31</b>	<b>209,172</b>	<b>191,096</b>	<b>317,536</b>	<b>455,293</b>	<b>256,092</b>	<b>195,797</b>	<b>199,546</b>

**CONCLUSION:**

The annual report of the Building Permit Fees presented to Committee satisfies requirements as specified in the Building Code Act.

Respectfully submitted,

Amanda Aasen  
Financial Planning Coordinator

Mark Perkin  
Chief Building Official