



PROVINCIALY LEGISLATED ANNUAL REPORT ON BUILDING PERMIT FEES - 2016

It is required that a municipality publish an Annual Report on fees, as per Section 7(4) of the Ontario Building Code Act (OBCA), this to illustrate that building permit fees collected do not exceed the anticipated reasonable expenditures to administer and enforce the Ontario Building Code (Section 7(2) of the OBCA). Notwithstanding this parameter, Ontario specifically authorizes a municipality to maintain a (Stabilization) Reserve Fund, funded by fees of measured excess to the fee/expenditure balance.

2016 Report on Building Permit Fees, Operating Expenditures/Stabilization Reserve Fund Balance

REVENUE FROM BUILDING PERMIT FEES	\$834,390
<i>(per OBCA Section 7(2))</i>	
MINUS:	
- DIRECT COSTS to administer and enforce	978,414
- INDIRECT COSTS for support and overhead	230,633
- TRANSFER to Permit Stabilization Reserve Fund	0
NET COST FOR BUILDING INSPECTION ENFORCEMENT IN 2016	<u>(\$ 374,657)</u>
	<i>Operating Deficit</i>
PERMIT STABILIZATION RESERVE FUND	
<i>(per 2006 OBC Regulations, Division C, Part 1, Section 1.9.11 (1)(d))</i>	
	\$125,000
- OPENING 2016 BALANCE JANUARY 2016 ADJUSTED	
- ADD: 2016 TRANSFER FROM FEES	0
- INTEREST EARNED ON FUND	1,190
ENDING BALANCE DECEMBER 31, 2016	<u>\$ 126,190</u>

This Fund balance represents 10% of 2016 operating expenditures. Best practice is to maintain 2 to 3 years of annual operating expenditures.

The Table establishes Cornwall's compliance with provincial legislation – permit fee revenue does not exceed expenditures.

NOTES TO REPORT ON FEES

- a) "Building Permit" fees include plumbing permit and private sewage system fees.
- b) The OBCA legislates building related Regulations. Building permit fees are intended to fund the direct costs of Regulation administration and enforcement; also indirect costs for staff training, office accommodation, information technology, insurance, legal services and prosecutions.

Additionally, fees fund the Stabilization Reserve Fund (SRF), a fund that manages the risks involved in a construction downturn. The Fund is also available to fund one-time Capital requirements, avoiding associated fee fluctuations (increases). By-Law Services are not provincially mandated (Property Standards, etc.) and thus exempt from SRF Funding.