



**Mike Mayes, Director  
Financial Services/Treasurer**

TOWN OF NEWMARKET  
395 Mulock Drive  
P.O. Box 328  
Newmarket, ON L3Y 4X7

www.newmarket.ca  
mmayes@newmarket.ca  
905.953-5300 ext. 2102

May 17, 2016

## **CORPORATE SERVICES INFORMATION REPORT–FINANCIAL SERVICES 2016-18**

TO: Mayor Tony Van Bynen and Members of Council

SUBJECT: Building Permit Fees

ORIGIN: Senior Financial Analyst

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***In accordance with the Procedure Bylaw, any member of Council may request an Information Report to be placed on an upcoming Committee of the Whole agenda for discussion.***

### **COMMENTS**

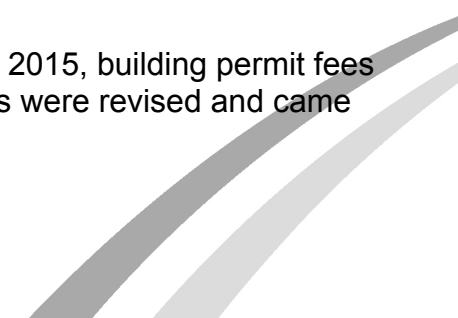
In 2005, By-law 2005-76 was adopted, establishing a Building By-law for the issuance of permits and related matters, including a fee schedule as amended for all applicable building permit fees in Newmarket.

As per the Building Code Act, 1992, a municipality is required to prepare a report regarding building permit fees collected and the costs of administering and enforcing this Act every 12 months; and, the municipality shall make its report available to the public. The purpose of this report is to meet the statutory requirement. The report will be posted on the Town's website in May.

The total building permit fees collected in 2015 were \$3,471,781, of which \$1,431,984 was deferred to 2016. The 2014 deferral was \$117,523 and was recognized as revenue in 2015. It is our accounting policy, in agreement with our auditors, that building permit fees are not deemed to have been "earned" until 90 days after the collection of the fees with issuance of the building permit. This is the average time for the building department to perform the majority of its duties and for the refund period to expire.

In operating, revenues exceeded expenditures in the amount of \$128,038. This was transferred to the Reserve for Building Permits. There was a capital cost of \$63,051 for Cityview upgrade. This cost was funded by the Reserve for Building Permits. As at the end of December 31, 2015, the Reserve for Building Permits had a balance of \$5,381,847.

There has been no change to the building permit fees for 2010 to 2015. In 2015, building permit fees were reviewed by BMA Consulting Inc. As a result, the building permit fees were revised and came into effect on January 1, 2016.

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Attached is the Statement to illustrate building permit fees and costs associated with delivering the services for the year 2015.

## **BUSINESS PLAN AND STRATEGIC PLAN LINKAGES**

This report links to Newmarket's key strategic direction in being Well Managed through fiscal responsibility.

## **CONSULTATION**

Consultation has taken place with Planning and Building Services.

## **HUMAN RESOURCES CONSIDERATIONS**

Not applicable to this report.

## **BUDGET IMPACT**

The Reserve for Building Permit Fees, which is at a comfortable level, was taken into consideration when reviewing the building permit fees in 2015.

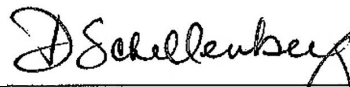
Council approved a Development Application Approval Process (DAAP) Cost Recovery review as recommended by BMA Consulting Inc. in the Building Permit Fees Report. The results of the DAAP review may have potential impact on the future budget of the areas that are involved in the DAAP process.

## **CONTACT**

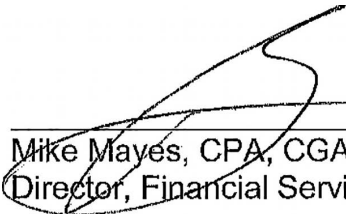
For more information on this report, please contact Frank Wu at 905-953-5300, ext. 2105 or [fwu@newmarket.ca](mailto:fwu@newmarket.ca)



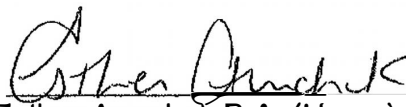
Frank Wu, MBA  
Senior Financial Analyst



Dawn Schellenberg, CPA, CA  
Manager, Finance & Accounting



Mike Mayes, CPA, CGA, DPA  
Director, Financial Services/Treasurer



Esther Armchuk B.A. (Hons.), LL.B., DPA  
Commissioner, Corporate Services

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Attachment: Annual Report on Building Permit Fees (1 pg.)

# THE CORPORATION OF THE TOWN OF NEWMARKET

## Annual Report on Building Permit Fees

December 31, 2015

The Town of Newmarket is a municipality in the Province of Ontario, Canada. The municipality is required to prepare an annual report, which includes the total fees collected in the previous 12 month period:

	<u>2015</u>	<u>2014</u>
Fees collected in current year	\$ 3,471,781	\$ 1,150,328
Fees collected in current year and not earned	(1,431,984)	(117,523)
Fees collected in prior year and earned in current year	117,523	669,285
<b>Total Revenues</b>	<b>\$ 2,157,320</b>	<b>\$ 1,702,090</b>

Direct and indirect costs of delivering services are as follows:

	<u>2015</u>	<u>2014</u>
Direct costs	\$ 1,607,666	\$ 1,451,860
Indirect costs	421,616	421,616
Capital costs	63,051	-
<b>Total Expenditures</b>	<b>\$ 2,092,333</b>	<b>\$ 1,873,476</b>
<b>Net Surplus/(Deficit)</b>	<b>\$ 64,987</b>	<b>\$ (171,386)</b>

The continuity of the Reserve for Building Permits is as follows:

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 5,316,860	\$ 5,488,246
Plus: Transfer from operating fund	128,038	-
Transfer from other fund		-
Less: Transfer to operating fund		(171,386)
Transfer to capital fund	(63,051)	-
<b>Balance, end of year</b>	<b>\$ 5,381,847</b>	<b>\$ 5,316,860</b>