

## STATEMENT OF REVENUE AND EXPENSES AND ACCUMULATED NET REVENUE

In accordance with By-law 01-2006 and with article 1.9.1.1. of Division C of the Ontario Building Code; this report is to indicate the previous year's direct and indirect costs of administering the Ontario Building Code. The report shows the total permit fees collected and provides a breakdown into the following types:

|  | <i>Actual cost for the<br/>year 2011</i> | <i>Actual cost for the<br/>year 2012</i> | <i>Estimate for the<br/>current year 2013</i> |
|--|--|--|---|
| <b><u>Income</u></b>   |  |  |   |
| - Residential  | 51,290.50                                | 32,448.97                                | 42,000.00                                     |
| - Non- Residential   | 6,733.00                                 | 21,979.00                                | 24,000.00                                     |
| - Agricultural   | 6,595.00                                 | 7,128.50                                 | 7,000.00                                      |
| - Administrative & Bylaw   | 64,960.00                                | 49,475.00                                | 55,000.00                                     |
| - Transfer from Reserve  | 43,050.00                                | 60,950.00                                | 60,000.00                                     |
| <b>Total</b>   | <b>\$ 172,628.50</b>                     | <b>\$ 171,981.47</b>                     | <b>\$ 188,000.00</b>                          |
| <b><u>Expenditure</u></b>  |  |  |   |
| <b><i>Direct Costs</i></b>   |  |  |   |
| (Salaries, Benefits, Holidays, Inspection and Review Services, Vehicle and Fuel, Repairs Refunds of fees collected)  | \$ 153,322.59                            | \$ 152,965.99                            | \$ 180,000.00                                 |
| <b><i>Indirect Costs</i></b>   |  |  |   |
| (Insurance Premiums, Office Supplies, Forms, Legal Fees, Training & Professional Development Office Equipment and Repairs, General Administration Costs (Heat, Hydro, etc.) approx. 6% of overall, Capital Expenditures Bank Fees) | \$ 10,989.31                             | \$ 9,359.79                              | \$12,000.00                                   |
| <b><i>Transfer to Reserves</i></b>   |  |  |   |
| (Liability for unearned fees, permits spanning multiple years for construction, capital needs)   | \$ 69,175.00                             | \$ 70,107.00                             | \$ 70,000.00                                  |
| <b>Total Expenditures</b>  | <b>\$ 233,486.90</b>                     | <b>\$ 232,432.78</b>                     | <b>\$ 262,000.00</b>                          |
| <b>Excess Cost over Fees</b>   | <b>(\$ 60,858.40)</b>                    | <b>(\$60,451.31)</b>                     | <b>(\$ 74,000.00)</b>                         |
| <b>Current Reserves</b>  | <b>\$ 182,087.91</b>                     | <b>Current Known Liabilities</b>         | <b>\$ 132,500.00</b>                          |

### Comparison against dollars received:

Although we had a 9% reduction in the number of permits and almost a 50% reduction in housing starts compared to last year; the value of construction increased by more than 10%. The increase in permit fees and the increase in values contributed to maintaining similar revenues and expenses to the previous year and maintaining a 74% "recovery rate" similar to previous years. By "recovery rate" I am referring to the funds necessary to run the Building Department recovered through permit fees as opposed to general taxation. A 74% "recovery rate" is common for Building Departments of our size and serving a similar demographic and growth rate.

### Comments and any recommendations from the Chief Building Official:

The Building Department will need to be modified to accommodate expected projects and growth forecasted by our planning department and economic development. Attrition is our worst enemy at the moment and replacing our current capabilities will have a negative impact on expenses and our recovery rate. I recommend another rate increase for Building Permits ( specifically to the multi-residential and commercial permits ) to be implemented in 2014 to minimize impact on general taxation.

Gregory Trizisky CBCO  
 Chief Building Official  
 Township of North Dundas