



Town of Whitby Policy

Policy Title:	Building Permit Reserve Fund
Policy Number:	F 310
Reference:	Ontario Building Code – Bill 124 and Council Resolution #295-18
Date Approved:	September 17, 2018
Date Revised:	Not Applicable
Approval:	Council
Point of Contact:	Financial Services Department

Policy Statement

The Town maintains a Building Permit Reserve Fund to accumulate building code enforcement related surpluses to fund and manage building code service delivery responsibilities.

Purpose

The Building Code Act requires that fees collected are to be used to administer and enforce the Act. Surpluses cannot be used to fund other Town expenditures not related to the enforcement and administration of the building code, and similarly deficits should be funded from a reserve fund and not other Town revenues. As such the Building Permit Reserve Fund was established. This policy establishes the purpose of this obligatory reserve fund, its use, funding sources and target balance.

Scope

This policy applies to the Town's delivery of building code administration and enforcement services.

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1 Definitions

- 1.1** Direct costs are the actual annual operating costs of the resources related to the processing of building and related permit applications, the review of buildings, plans, conducting inspections and building related enforcement activities that are recorded within this operating unit.
- 1.2** Indirect costs include support and overhead directly related to the building permit process incurred in other departments as identified in the most recent building code act service delivery user fee study and subsequently adjusted for the Town's inflationary experience and reflected in the annual operating budget.
- 1.3** Surplus means at fiscal year end, the excess of building code revenues that exists over the direct and indirect building code costs.

2 Responsibilities

- 2.1** Council to:
 - Approve the use of the Building Permit Reserve Fund
 - Approve a loan from other Town sources of funding when the Building Permit Reserve Fund has an insufficient balance
- 2.2** Treasurer to:
 - Prepare an annual report outlining, as per the Ontario Building Code Act, the fees, direct and indirect costs of delivering services related to the administration and enforcement of the Building Code Act and the balance of the Building Permit Reserve Fund.
 - Periodically undertake building code act service delivery user fee studies to assess building permit fees and adequacy/target balance of the building permit reserve fund.

3 Protocol

- 3.1** Utilization of Funds
 - Municipalities are required to segregate fees generated through building code permits and restrict them for building code related purposes. Based on this, uses of the reserve fund are limited to:
 - Offset unfavourable revenue variances
 - Subsidize any negative year-end position

- Fund building code service delivery related capital budget projects, such as studies, technology, fleet and equipment etc.
- Repayment of any loans from other Town sources of funding

3.2 Funding Sources

- From annual building code revenue surplus.

3.3 Target Balance

- A maximum of 2.07 times the annual total building code costs (i.e. direct, indirect and capital costs).

This Policy is hereby approved by Council Resolution #295-18 on this 17th day of September, 2018.