



Corporation of the Township of Brock

Staff Report to the Members of Council

From: Trena DeBruijn
Position: Director of Finance/Treasurer
Title / Subject: 2025 Annual Report on Building Fees and Costs
Date of Meeting: April 13, 2026
Report No: # 2026-FI-006

1.0 Issue / Origin

The purpose of this report is to provide Council with a summary of the Building Permit Revenue and Expenses for the period from January 1, 2025 to December 31, 2025.

2.0 Background

Section 7(2) of the Ontario Building Code Act, SO 1992 C23, as amended, prescribes that the total amount of fees authorized for the application and issuance of building permits must not exceed the anticipated reasonable cost of the municipality to administer and enforce the Act in its area of jurisdiction.

Section 7(4) of the Ontario Building Code Act, SO 1992 C23, as amended, prescribes that a *municipality is required to prepare a report every twelve (12) months that contains information about fees prescribed for the application and issuance of permits, for maintenance inspections and orders and cost of the municipality to administer and enforce the Act in its area of jurisdiction.*

Section 7(5) of the Ontario Building Code Act, SO 1992 C23, as amended, prescribes that the annual report is to be made available to the public.

3.0 Reserve Fund – General

A municipality is permitted to have a reserve fund which is available to manage the risks involved in the operation of a Building Division. Construction downturns, capital purchases, litigation, staffing levels and changes in legislation are examples of factors which may place stress on the annual budget. It is for these types of unexpected expenses that the Reserve Fund is established.

The Building Reserve Fund is considered to be an obligatory reserve fund. An Obligatory Reserve Fund is described as follows:

“Obligatory Reserve Fund” means a reserve fund created whenever a statute or legislation requires that funds received be segregated from the general funds of the Township through financial agreement or legislative direction. Obligatory reserve funds are created solely for the purpose prescribed for them”.

The Building Reserve Fund is funded from annual building code revenue surplus and can only be used for building code related purposes. The uses of the reserve are limited to:

- Offset unfavourable revenue variances due to severe economic conditions;
- Subsidize any negative year-end position; and
- Upon authorization of the Treasurer, the funds may also be used to fund or phase-in large building code budget items (i.e. studies, fee initiatives, capital projects, etc.)

The building department has incurred deficits the past several years and as a result, the balance in the building reserve is negligible and estimated to be approximately \$1,373 at year-end December 31, 2025.

4.0 Related Policies / Procedures

	2025	2024	2023	2022
Total Fees Collected	\$210,523	\$210,245	\$131,827	\$282,127
Less:				
Indirect Costs	\$26,209	\$28,871	\$10,692	\$16,146
Direct Costs	\$366,890	\$349,676	\$355,085	\$338,421
Total Costs	\$393,099	\$378,547	\$365,777	\$354,567
Net Surplus (Deficit)	(\$182,576)	(\$168,302)	(\$233,950)	(\$72,440)

Note: Indirect Costs do not include the contribution to capital reserve of \$5,000.

5.0 Financial / Budget Assessment

As outlined above, the Building Department experienced a deficit of approximately \$182,576 at 2025 year-end.

At year-end 2025, the estimated balance in the building fees reserve fund is \$1,373.

Utilizing the remaining fund balance of \$1,373 will leave a deficit of \$181,203, to be recovered from future building permit revenue. The deficit in 2025 will be funded the overall year-end corporate surplus.

5.1 Asset Management

N/A

6.0 Climate Change Impacts

N/A

7.0 Communications

This report is being placed on an open meeting, public Council agenda.

8.0 Conclusion

It is recommended that Council and staff continue to keep a close eye on the building department revenue and expenses in 2026 as further budget adjustments may be required in future years.

9.0 Recommendation

Be It Resolved That Report # 2026-FI-006, titled “2025 Annual Report on Building Fees and Costs”, be received for information; and

That Council direct staff to use the remaining balance in the Building Reserve of approximately \$1,373 to be utilized towards covering a portion of the 2025 year-end deficit.