
MANAGEMENT REPORT

Date: June 16, 2026
To: Finance and Labour Relations Sub-committee
From: Connor Occleston, Acting Chief Building Official
Report Number: FIN26-004
Attachments: None

Title: 2024 and 2025 Building Permit Activity Report

Objective: To provide information to Council regarding building permit fees collected and operational costs associated with the operation of the City's Building Division in accordance with subsection 7(4) of the *Building Code Act, 1992*.

Background: The *Building Code Act, 1992* (the "Act") establishes that Council is responsible for the enforcement of the Act and for appointing such staff as are necessary to carry out the administration and enforcement of building permit services. To offset the costs incurred in delivering these services, the Act authorizes municipalities to charge building permit fees as part of the permit process.

In accordance with subsection 7(4) of the Act, the City's Chief Building Official is required to report annually on building permit fee revenue collected and the Division's direct and indirect operating costs related to administering and enforcing the Act within the municipality's jurisdiction. Direct costs include salaries, wages, benefits, legal expenses, and consultant costs. Indirect costs include interdepartmental charges such as rent, information technology services, fleet, insurance, and other administrative costs.

In addition, revenue in excess of annual operating costs is transferred to the Building Permit Reserve Fund to support cost recovery in years where economic slowdown results in reduced permit revenue or where expenses unexpectedly exceed revenues. The target balance for this reserve is one year of operating costs, including both direct and indirect costs, in accordance with City of Stratford policy and industry practice.

The projected Building Permit Reserve Fund balance as of December 31, 2025 was \$830,045.65.

Analysis: The tables below set out the unaudited building permit revenue collected for the 2024 and 2025 fiscal years and the associated operating costs for each year.

2024

Total Building Permit Revenue received in 2024		\$1,367,007.26
Total Direct Costs	\$878,871.39	
Total Indirect Costs	\$99,661.31	
Total Direct & Indirect Costs		(\$978,532.70)
Net Permit Revenues		\$388,474.56

2025

Total Building Permit Revenue received in 2025		\$1,354,164.02
Total Direct Costs	\$909,180.82	
Total Indirect Costs	\$153,046.28	
Total Direct & Indirect Costs		(\$1,062,227.10)
Net Permit Revenues		\$291,936.92

Building Permit Reserve Fund

Building Permit reserve fund audited as of December 31, 2023.	\$125,261.00
Building Permit reserve fund audited as of December 31, 2024.	\$513,863.00
Building Permit Reserve fund projected at December 31, 2025.	\$830,045.65

Note: The Building Permit Reserve Fund balances include annual surplus contributions, as well as applicable interest earnings and any year-end financial adjustments. As a result, the reserve fund balances do not reconcile directly to the annual permit revenue surplus figures shown above.

Direct and indirect operating costs increased from \$978,532.70 in 2024 to \$1,062,227.10 in 2025, representing an increase of 8.5%. This increase is due to the creation of the Deputy Chief Building Official position that was filled in August 2024. The increase in staffing complement also resulted in a reduction in consultant service costs.

Overall, building permit revenues exceeded annual operating costs in both 2024 and 2025, allowing for contributions to build the Building Permit Reserve Fund. The reserve balance remains below the City's target of one year of operating costs but continues to progress toward that objective and provide a cushion if required. Maintaining this reserve is important to support the long-term sustainability of the Building Division and to reduce reliance on the municipal tax base during periods of lower construction activity.

Financial Implications:

Financial impact to current year operating budget:

There is no financial impact to the current year net operating budget or tax levy as this report is for information and compliance. The division is funded from user fees and any variations to fee revenues or expenses are transferred to or from the reserve fund to ensure no impact to the City's overall surplus or deficit.

Financial impact on future year operating budget:

There are no anticipated impacts on future year operating budgets or tax levies.

Alignment with Strategic Priorities:

Build Housing Stability

This report aligns with this priority as it adheres to and reports on the City's legislative requirements and statutory responsibilities under the *Building Code Act, 1992*.

Alignment with One Planet Principles:

Equity and Local Economy

Creating safe, equitable places to live and work which support local prosperity and international fair trade.

Culture and Community

Nurturing local identity and heritage, empowering communities and promoting a culture of sustainable living.

Land and Nature

Protecting and restoring land for the benefit of people and wildlife.

Staff Recommendation: THAT the report titled, "2024 and 2025 Building Permit Activity Report" (FIN26-004), be received for information;

AND THAT staff be authorized to post a copy of the report on the City's website to satisfy subsection 7(5) of the Building Code Act, making the report available to the public.

Prepared by:

Connor Occleston, Acting Chief Building Official

Recommended by: Adam Betteridge, MPA, MCIP, RPP, Director of Building and Planning Services
André Morin, CPA, Chief Administrative Officer