

To: City Council

From: Stephanie Sinnott, Commissioner, Finance Services,  
Corporate and Finance Services Department

Item Number: INFO-26-65

Date: March 11, 2026

Subject: 2025 Annual Statement of Building Permit Revenues and  
Expenses

Ward: All Wards

File: 03-05

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## **1.0 Purpose**

Section 7(4) of the Building Code Act requires that “Every 12 months, each principal authority shall prepare a report...” of building permit fees and related costs.

The purpose of this report is to provide that information.

## **2.0 Input From Other Sources**

Chief Building Official

## **3.0 Analysis**

Section 7(4) of the Building Code Act, 1992, as amended, (the “Act”) requires that the Council of the municipality prepare a report every twelve months that contains such information as may be prescribed about any fees authorized under clause 1(c) of the Act, specifically fees on applications for and issuance of permits, as well as the municipality’s cost to administer and enforce the Act.

The annual public report is required to contain the total amount of building permit fees collected, the direct and indirect cost of delivering the services, and the balance in the Building Permit Reserve.

The City uses a financial model that identifies all direct and indirect costs of delivering the services related to the administration and enforcement of the Act.

The Act states that fees must not exceed the anticipated reasonable costs and excess revenue must be transferred to the Building Permit Reserve to support the building permit program during periods of decline. If building permit costs exceed revenue, a transfer from the Building Permit Reserve is required to cover this amount.

The following financial summary indicates that costs exceeded revenues by \$2,290,000, which has been transferred from the Building Permit Reserve.

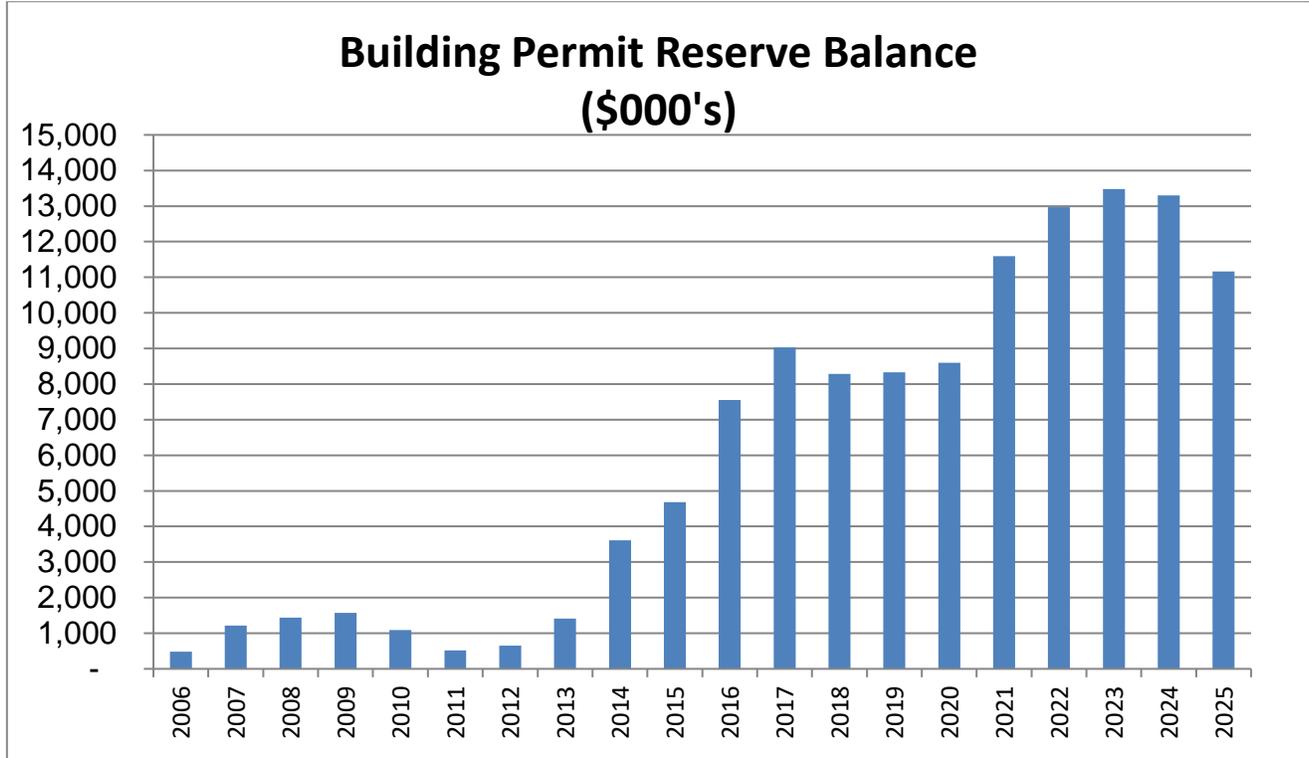
**Building Permit Statement of Revenue and Expense**  
**For the year ended December 31, 2025**

<b>Building Permit Revenues and Expenses</b>	<b>\$000's</b>
Direct Costs	\$4,325
Indirect Costs	<u>945</u>
<b>Total Building Permit Costs</b>	<b>5,270</b>
<b>Total Building Permit Revenues Collected</b>	<b><u>2,980</u></b>
<b>Excess Costs over Revenues to be transferred from Building Permit Reserve</b>	<b><u>\$(2,290)</u></b>

**Building Permit Reserve**

<b>Description</b>	<b>\$000's</b>
<b>Opening balance, January 1, 2025</b>	<b>\$13,298</b>
Interest Earned	268
Fund Project 2404 – Building Services Office Renovations	(114)
Fund Excess Building Permit Costs transferred to operating	<u>(2,290)</u>
<b>Closing balance, December 31, 2025</b>	<b><u>\$11,162</u></b>

The following graph illustrates the December 31<sup>st</sup> balance in the Building Permit Reserve since it was established in 2006.



As illustrated, the reserve fund balance declined in 2010 and 2011. In 2012 and 2013, the City examined and reduced its building permit issuance costs. These adjustments as well as higher building permit revenues resulted in a significant reserve balance increase between 2012 and 2017. In 2018, funds were drawn to cover operating costs. There have been regular contributions to the reserve since then, up until 2024 and 2025, where funds were drawn again to cover operating costs.

On January 30, 2023, council approved ED-23-11 amending the City’s Building By-Law 33-2003, removing the automatic 3% annual increase, providing the Chief Building Official with flexibility to consider maintaining current fees when appropriate.

Best practice indicates that the Building Permit Reserve should have a target balance of approximately two times the total costs of the building permit function. This will ensure that the building permit function is self-sustaining and will not require tax levy subsidization during periods of building permit decline. The reserve fund target should be approximately \$10.54 million. As at December 31, 2025, the closing balance in the Building Permit Reserve Fund is \$11.16 million. As is the current policy, any operating and capital expenditures funded from the Building Permit Reserve will be presented to Council for approval.

#### **4.0 Financial Implications**

There are no financial implications resulting from this report.

#### **5.0 Relationship to the Oshawa Strategic Plan**

This report responds to the Oshawa Strategic Plan Priority Area “Lead: Governance and Service Excellence” with the goal to provide transparent, efficient, and responsible fiscal stewardship and use of resources.



Stephanie Sinnott, Commissioner, Finance Services,  
Corporate and Finance Services Department