



Date: February 1, 2024

To: Mayor Sherry Senis and Council Members

From: Robert Kelly, Manager of Building and Planning

Subject: Building Permit Fee Update Report

Status: For Direction

Recommendation

That the report prepared by the Manager of Building and Planning pertaining to Building Permit Fees be received for information; and

That Council endorse the proposed Building Permit Fee rates as detailed in this report for the purposes of the required public consultation; and

That staff be directed to advertise the proposed change in fees as prescribed by the Building Code Act and Regulations and that the requisite public meeting be held on February 27th, 2024.

Information

A comprehensive service review of the building and planning department was conducted by Performance Concepts Consulting (PCC) in 2020. Pursuant to a recommendation in the PCC report, the Township adopted a new fee structure in 2022 that was based upon a standardized cost per area (square metre/square foot) of construction rather than upon construction value. This approach was considered to be a best practice approach across Ontario by PCC.

A report was presented to Council in October of 2021 providing recommendations for the new fee schedule based upon an analysis of the number and types of building permits issued over the previous three-year period (2018-2020). The intention of analysis was to establish a new fee schedule that would continue to provide sufficient revenue to offset the cost of delivering this service while ensuring revenue neutrality as legislated under the Building Code Act section 7.(1)(c) and 7.(2).

Given the significant change in fee methodology, it was recommended the department revenues be monitored to ensure the new fee schedule is sufficient to offset the costs of delivery of this service. This analysis has now been completed and is attached to this report – 2024 Building Permit Fee Review.

As noted in the review the impact of the new fee methodology coincided with economic conditions which have slowed construction activity significantly. The Township has had to draw significantly from its Building Inspection Contingency Reserve in order to

balance the building permitting/enforcement component of the budget in 2022 and 2023 and is expected to be required to do so again in 2024.

The Review concludes that an increase in fees is necessary in order to ensure the permit revenue covers the costs of delivering the services and the maintenance of a reasonable contingency reserve to deal with times of slower than normal activity and potential legal fees. The proposed new fee schedule forms part of the Review document and is attached hereto.

Endorsement of the proposed fee schedule is recommended for the purposes of moving forward with the public meeting, as required by Section 7(6) of the Building Code Act, to be held February 27th, 2024. The public meeting will provide an opportunity for public and industry input on the proposed fee changes, which are intended to be implemented on March 1, 2024.

Financial Impact

The permit fees increases are intended to establish a new fee schedule that would provide sufficient revenue to offset the cost of delivering the building services while ensuring revenue neutrality as legislated under the Building Code Act section 7.(1)(c) and 7.(2).

Strategic Plan Reference

Achieve excellence in governance and service delivery.

Environmental Impact

No specific impact related to this recommendation.

Attachments

- Proposed Building Fee Schedule Summary
- 2024 Building Permit Fee Rationale

Robert Kelly

Prepared By: Robert Kelly, Manager of Building and Planning

Janice Lavalley

Reviewed By: Janice Lavalley, CAO