



MANAGEMENT REPORT

Date: January 27, 2025
To: Mayor and Council
From: Connor Occleston, Deputy Chief Building Official
Report Number: COU25-008
Attachments: Draft Schedule "A" to By-law 112-2005,
December 16, 2024 Public Meeting Minutes

Title: Proposed Amendment to Building By-law 112-2005

Objective: To amend Building By-law 112-2005, as amended, (Being a by-law respecting permits for construction, demolition and change of use and respecting inspections and the charging of permit fees to update all permit fees) with an effective date for new fees of February 1, 2025.

Background: In accordance with clause 7(1)(c) of the Ontario Building Code Act S.O. 1992, c23 as amended, and hereinafter referred to as the "Building Code Act" or simply "BCA", Council is to pass a by-law requiring the payment of fees and prescribing the amounts of such fees. The City has By-law 112-2005 established and amends it as deemed necessary. The last fee update amendment to Building By-law 112-2005 was in 2023.

The City recently held a Public Meeting on December 16, 2024; the minutes from the Public Meeting are attached. The proposed Building By-law fees as noted in Schedule 'A' of Building By-law 112-2005 is also provided.

The Building Code Act requires that municipalities recover the reasonable costs of enforcing and administering the Ontario Building Code through the charging of fees. Both direct and indirect costs are eligible. Included in this, is any capital requirements for fleet, as an example.

To manage fluctuations in building activity and investment in capital, the BCA allows for reserve funds. Municipalities in Ontario are required to provide building services (permit review, inspections, etc.) on a "full cost recovery" basis and ensure that it be funded by user fees. This includes ensuring a sufficient reserve available to respond to cyclical operational impacts. If there is a surplus in fees after all operating costs are covered, the municipality maintains the excess in a reserve fund to that end.

Analysis: In general, all operating costs, including staffing related costs, have gone up since the last fee review. The proposed fee structure would see an increase in permit fees of 5%. To illustrate, a single detached dwelling from \$1.40 per square foot to \$1.47 per square foot. The building permit for a 1,500 square foot bungalow with an unfinished basement and an attached garage would be an additional \$105 in permit fees (from \$2,100 to \$2,205).

Staff are recommending the fee structure to recover the increasing operational costs and to rebuild the depleted reserve fund to a point expected to meet the target of 100% of one year of annual operating costs ("full cost recovery").

Clarifications are proposed in Schedule "A" for permit classification, including the distinction between detached additional residential units and units located within the primary dwelling unit. Additionally, minimum permit fees were added as the previous cost per square foot was not resulting in cost recovery.

Financial Implications:

Financial impact to current year operating budget:

Given the Building Division is based on a "full cost recovery" model, approval of the recommendation as outlined in this report will have no impact on the 2025 or future year tax levy. Increases to actual revenues may result and from this, increased transfers to the Building Reserve Fund.

Financial impact on future year operating budget:

Future operating budgeted revenues are intended to fund any future operating budgeted expenditures with no impact on the net taxation levy.

Link to Asset Management Plan: Any capital requirements for asset investment or renewal is funded from reserve funds and the fee structure needs to reflect these requirements.

Alignment with Strategic Priorities:

Intentionally Change to Support the Future

The proposed update to our permit fees will help ensure compliance with the Building Code Act in terms of a cost recovery structure and building reserves for future asset acquisition and renewal and operational requirements.

Alignment with One Planet Principles:

Not applicable: This is an administrative fee schedule update.

Staff Recommendation: THAT the report titled, "Proposed Amendment to Building By-law 112-2005" (COU25-008), be received;

AND THAT Council approve the amendment to By-law 112-2005, as amended, regarding the proposed increases to building permit fees as set out in Schedule "A", effective February 1, 2025.

Prepared by: Connor Ocleston, Deputy Chief Building Official
Recommended by: Adam Betteridge, Director of Building and Planning Services
Joan Thomson, Chief Administrative Officer