



TOWNSHIP OF NORTH HURON

REPORT

Item No.

REPORT TO: Reeve Vincent and Members of Council
PREPARED BY: Kirk Livingston
DATE: 06/03/2017
SUBJECT: Building Department Proposed Fee Schedule
ATTACHMENTS: Building Department Fee Schedule

RECOMMENDATION:

THAT the Council of the Township of North Huron hereby accepts the Building Department Proposed Fee Schedule for information purposes;

AND FURTHER THAT the Council of the Township of North Huron hereby authorize the Clerk to post a Notice of Public Meeting in accordance with Section 7 (6) of the Ontario Building Code Act to review and consider proposed changes to Schedule A of By-Law No. 19-2015 being they By-Law respecting Construction, Demolition, and Change of Use Permits and Inspections.

EXECUTIVE SUMMARY

A complete review of the fees and charges relating to the Building Department within Huron County and our neighbouring municipalities in Bruce County and Wellington County has been completed and in total a comparison between 13 municipalities was compiled. The list has been condensed down to 7.

DISCUSSION

With numerous legislative and economic changes having taken place within the industry, an extensive review of the existing fee structure is justified, as permit revenue has fallen behind current operating costs of enforcing the Building Code Act. The main goal of the permit fee review is to evaluate each permit type and apply a fair and equitable fee based on the cost to administer and enforce the Ontario Building Code.

The Building Department calculated the average size of the most popular types of projects issued in 2016, and determined average time spent reviewing an application and related documents, issuing the Building Permit, completing mandatory and additional inspections, conducting administration, as well as answering general inquiries on each type. The goal of this review is to maintain fair cost recovery for most permit types so that no projects subsidize others.

This review enables the Building Department to operate in a manner to reduce tax subsidization of the Department by general tax levy to enforce the Building Code Act and the Ontario Building Code. A Building Department can only collect fees reasonable to this enforcement so revenue only reflects the cost of providing the service. The Act does allow for reserves to even out peaks and valleys in revenue generated from one construction season to the next. The reserve can only be used for OBC related enforcement, and it is recommended the total reserve amount not exceed between 100-200% of Direct and Indirect costs incurred by the Department in cases of economic downturn (with no tax support).

The Building Department is responsible for ensuring municipal obligations are met regarding a number of factors in construction, including: structural safety; building efficiency, life safety, public health, fire protection, accessibility, and the timely, efficient and consistent manner of service for the benefit of all members of the community.

Since 2006, legislated requirements of the Department increased such as required training, inspections, service level and overall work load. Changes include a new Building Code in 2006 with 2500 +/- changes, and now with the 2012 OBC, a 35-40% energy efficiency increase in many structures with added mandatory inspections, and +/- 800 amendments to the new Ontario Building Code, we will see a newer code in 2017 which will require more additional training. This added cost to operate the Department such as increased staff time and training.

The Building Department scope addresses other mandated responsibilities and obligations, such as Zoning, Source Water Protection, Property Standards and By-Law Enforcement. The costs of this added workload cannot be recovered from Building Permit Fees, although in many cases they form part of the rationale for issuing a Permit.

FINANCIAL IMPACT

The financial impact that North Huron would receive would be in a gain in revenue with the increased fees in 2017. These increases would hopefully narrow the gap between deficit and surplus, thus attempting to become cost recovery within the Building Department. If 2017 was very similar in permit numbers and type as experienced in 2016, there would be an increase of approximately \$15,000.00.

FUTURE CONSIDERATIONS

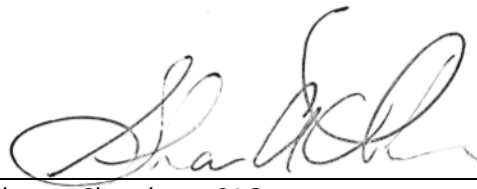
Once 2017 is complete, a full review of the fees and charges will be completed again to analyze whether the fees need to be increased again within the Building Department and advise Council of any future cost recovery measures.

RELATIONSHIP TO STRATEGIC PLAN

Goal 3 the Township is healthy and safe. Goal 4 the administration is fiscally responsible and strives for operational excellence.



Kirk Livingston, Chief Building Official



Sharon Chambers, CAO