



Town of
East Gwillimbury

DEVELOPMENT SERVICES REPORT B2014-02

To: Committee of the Whole of Council

Date: March 17, 2014

Subject: **2013 Building Standards Branch Year End**

Origin: Development Services,
Building Approvals and Inspections Branch
Director of Building Standards/Chief Building Official

RECOMMENDATIONS

1. **THAT** Development Services, Building Standards Branch Report B2014-02 dated March 17, 2014, regarding the required Ministry of Municipal Affairs and Housing Annual Report on Building Fees and 2013 Building Branch activity be received.
2. **THAT** a copy of this report be placed on the Town website for public information.

PURPOSE

This report is prepared as a requirement of section 7(4) of the Building Code Act, S.O 1992, c.23, as amended, for the purposes of information and public accountability. Additionally, this report advises Council of 2013 Building Branch activity.

BACKGROUND

As required by the Building Code Act, within three months of commencing a new fiscal year, the Building Branch shall report activity of the previous 12-month period as identified through the following requirements:

- (a) total fees collected in the previous 12 month period;
- (b) the direct and indirect costs of delivering services related to the administration and enforcement of the Act;
- (c) the breakdown of direct and indirect costs into the following categories:
 1. direct costs of administration and enforcement of the Act, including the review of applications for permits and inspection of buildings;
 2. indirect costs of administration and enforcement of the Act, including support and overhead costs.

(d) the amount of the Building Branch reserve fund at the end of the 12-month period referred to in clause (a).

Revenue

In 2013, the Building Branch reviewed \$705,413 worth of Building Permits; down from \$877,458 in 2012.

The table below illustrates the breakdown of revenue sources as a result of construction permit type.

	Septic	Plumbing	HVAC	Bldg	Total
January	\$75.00	\$1,574.50	\$309.60	\$5,075.58	\$7,034.68
February	\$272.73	\$1,068.10	\$1,702.80	\$19,174.57	\$ 22,218.20
March	\$3,744.79	\$5,534.40	\$2,167.20	\$27,350.01	\$38,796.40
April	\$6,599.50	\$7,782.10	\$4,589.20	\$67,111.44	\$86,082.24
May	\$1,970.88	\$9,139.20	\$5,727.60	\$112,447.28	\$129,284.96
June	\$300.00	\$8,816.28	\$1,393.20	\$74,360.06	\$84,869.54
July	\$6,483.00	\$8,874.05	\$2,631.60	\$30,794.04	\$48,782.69
August	\$5,254.03	\$1,424.10	\$1,548.20	\$18,206.66	\$26,432.99
September	\$4,222.30	\$3,038.30	\$3,270.20	\$48,050.47	\$58,581.27
October	\$2,480.84	\$2,828.80	\$1,534.72	\$41,049.89	\$47,894.25
November	\$3,125.73	\$2,439.30	\$1,957.60	\$23,231.09	\$30,753.72
December	\$0.00	\$ 26,037.04	\$3,715.20	\$94,930.64	\$124,682.88
Total	\$34,528.80	\$78,556.17	\$30,547.12	\$561,781.73	\$705,413.82

Table 1. Revenue by Permit Type

Direct Costs

The direct costs associated with Building Branch operations totaled \$633,319 during 2013. These costs cover matters, such as:

- Salaries
- Benefits
- Other direct costs

Indirect Costs

The sum of indirect costs during 2013 amounted to \$361,200. These types of costs are considered allocated corporate costs and consist of items, such as:

- Human Resource services
- Payroll Services
- Information Technology support
- Office accommodation
- Planning and Legal Cost Allocation

Reserve Fund

A reserve fund has been established and may be utilized to cover Building Branch expenses that are not completely covered by revenue during periods of development/construction transitions. For this purpose the Building Branch recommends carrying a reserve fund equal to the direct and indirect costs of a one year period. This reserve fund model has become the standard of building departments within York Region.

A reserve fund draw of \$319,552 was made in 2013. This draw leaves a negative reserve fund balance on January 1, 2014 of \$25,272. A draw from the reserve fund was identified in the 2013 Business Plan and Budget. Reserve Fund contributions are expected to significantly increase commencing in 2014 as development activity unfolds.

Construction Activity

Construction activity may be reviewed in a number of ways, including: number of permit submissions, number of permits issued, revenue received, construction value, etc. Table 2 summarizes activity based on: permit submissions, permits issued, new residential permits, Industrial, Commercial, and Institutional (ICI) construction, revenue, and construction value (as provided by the applicant).

The total number of residential permits was less in 2013, but the total square footage of non-residential activity increased over the previous year. Non-residential activity included two new elementary schools commercial buildings at the Fieldgate site, and some tenant changes in the Costco commercial area.

Permit Submissions Received			
2010	2011	2012	2013
377	473	297	233

Various Permits Issued			
2010	2011	2012	2013
*769	*894	*619	*439

New Residential			
2010	2011	2012	2013
167	181	101	55

New ICI sq. footage (approx)			
2010	2011	2012	2013
110,000	215,000	127,658	179,000

Revenue Received			
2010	2011	2012	2013
\$1,055,000	\$1,236,637	877,458	\$705,413

Construction Value			
2010	2011	2012	2013
\$70 million	\$68 million	\$71 million	\$60 million

Table 2. Summary

* A single permit submission may have up to four various types of permits issued, they include: building, plumbing, on-site sewage systems and HVAC.

The following two Tables provides a breakdown on the number of permits issued by permit type and month.

	Septic	Plumbing	HVAC	Building	Demolition	Tent	Total
January	1	3	2	7	0	0	13
February	1	2	2	14	1	0	20
March	2	9	8	14	3	0	36
April	6	15	14	29	3	0	67
May	3	18	17	19	2	1	60
June	4	3	3	16	0	2	28
July	10	10	7	15	3	0	45
August	3	4	6	15	2	0	30
September	6	8	11	19	2	0	46
October	3	5	4	18	1	0	31
November	2	9	7	8	1	0	27
December	1	9	9	7	1	0	27
Total	42	95	90	181	19	3	430

Table 3. Permits Issued by Type and Month

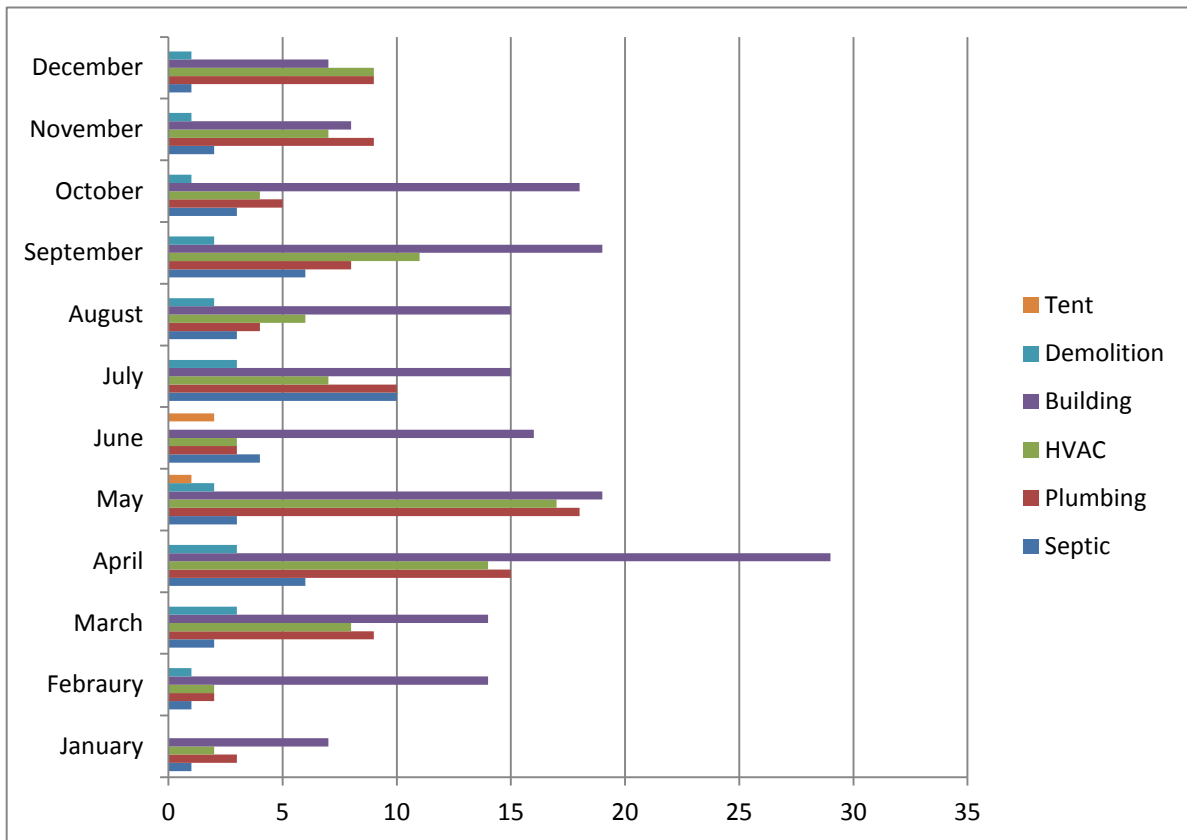
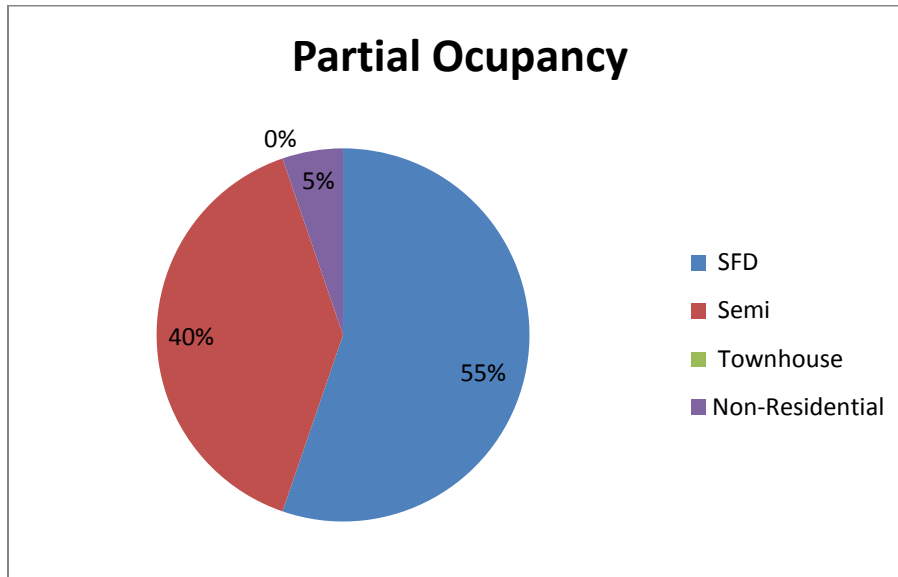


Table 4. Permits Issued by Type and Month

In addition, the following graphs illustrate the number of dwellings that were granted Partial Occupancy Clearance and Total Occupancy Clearance in 2013. The total number of dwellings granted Partial Occupancy clearance is greater than the number of new dwelling permits issued. Likewise, the total number of dwellings granted Total Occupancy Clearance is greater than the number of new permits issued for dwellings. This is due to the number of permits that were issued in 2012 having construction carry over into 2013 and a program of following up on clearing outstanding permits from prior years.

	SFD	Semi	Townhouse	Non-Residential
Partial	21	15	0	2



	SFD	Semi	Townhouse	Non-Residential
Total	117	0	11	74

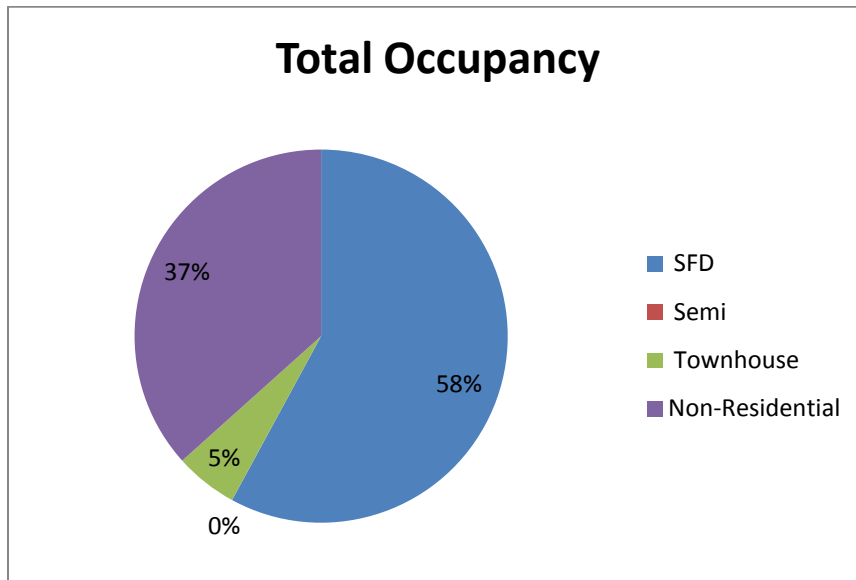


Table 5. Occupancy Statistics

Each year the Building Branch responds to requests from lawyers seeking information related to properties that are being sold or refinanced. Prior to the early 2000's the Branch responded to requests in the hundreds. The introduction of Title Insurance reduced the number of requests. Other than a slight increase in 2012, the receipt of compliance letters continues to decline.

Year	2013	2012	2011	2010	2009
Compliance Letter	27	64	32	38	37

Table 6. Compliance Letters

Building Branch Functions

The Building Code Act provides the authority for the Province of Ontario to set regulations for new construction activity and renovations respecting safety of buildings with reference to public health, fire protection, accessibility and on-site sewage systems. This legislation requires Building Officials to provide plan examination and inspections services to the public for various construction activities.

Staff deals with daily enquiries via the telephone, e-mail, counter, etc. The queries relate to building construction, unsafe conditions, fire restoration, plumbing systems, mechanical systems, fire alarm systems, fire sprinkler systems, on-site sewage systems, land transactions, development charges, community capital contribution charges, letters of credit, zoning by-laws, Lake Simcoe and Region Conservation Authority regulations and mapping, public health issues, Statistics Canada, source water protection plans, and other related matters. For 2013, the Permit Coordinator responded to the following number of enquiries:

- 440 phone enquiries
- 110 counter enquiries, and
- 220 permit submissions

In addition to the direct contacts of the Permit Coordinator, all other Branch staff members responded to the same type enquiries, although not formally tracked.

The bulk of staff's time is spent dealing with construction enquiries, application administration, plan examination and building inspections. Typically, processing an application for a single family dwelling takes 1 to 2 hours of administration time, 3 to 4 hours of plans examination time and many hours of inspection time; all as a result of the mandated seventeen types of inspections required during the course of construction. As well, the applicant often contacts the Building Standards Branch seeking guidance between inspections. The Building Permit fees collected are designed to cover the direct and indirect cost of this service.

The responsibility to notify the Municipality of required inspections and occupancy rests with the permit holder. The Building Branch recognizes that the permit holders need occasional reminders of this legislated obligation. As such, the first quarter of each year staff spends time reviewing permitted projects that have not called for inspections in the recent past to ensure construction is continuing in accordance with the permit application or to determine if a permit can be finalized and closed.

Throughout the course of the entire year Inspectors are observant of construction taking place without the benefit of a required building permit. This investigation consumes time and effort to bring the situation into conformity with the Building Code Act, whether voluntarily or through litigation. Each year there are as many as 30 projects that are discovered under construction without permits. Of these, perhaps six a year proceed to litigation. To compensate the Town for the extra administrative cost of enforcement, in these situations, building fees are doubled.

Sub-functions of the Branch include: responding to letters from lawyers desirous of information on properties that are about to change ownership or be refinanced, providing

monthly statistical reports to Statistics Canada, the Region of York, MPAC, Tarion, etc., providing input into activities of other components of the Corporation around Official Plans and re-zoning applications, minor variance applications, site plan agreement applications, accessory apartment applications, renovations to existing municipal structures, providing staff support to the Accessibility Advisory Committee, investigations related to public health matters, buildings damaged due to fire, Development Review Committee, etc. In 2014 a large project the Branch is undertaking deals with the conversion of hardcopy files to electronic files. This will enable the easy retrieval of documents while freeing up valuable floor space for other uses.

All of these mandated and non-mandated activities persist without regard for the economy, staff availability, vacation or weather, and are managed by Staff in a timely and professional manner. These services are provided for residents of East Gwillimbury to ensure they have homes, businesses and public buildings that are safe, healthy and accessible.

NEED FOR PUBLIC CONSULTATION

At this time there is not a need for the Municipality to provide a formal notice to the public regarding the contents of this report. The Regulations require public notification to persons or organizations that have requested such information. To date the Building Branch has not received any such requests. Regardless, a copy of the report may be placed on the Development Services portion of the Town web page for transparency and ease of public access.

FINANCIAL IMPLICATIONS

The financial information used to calculate revenues/expenses is based on unaudited numbers and is subject to change following the review of the corporate financial statements by our external auditors. Should there be a material difference upon completion of the auditors review; a revised report may be provided.

The financial content of this report has been reviewed by Corporate and Financial services staff.

ALIGNMENT TO STRATEGIC PLAN

The presentation of this information is not only in compliance with provincial legislation, it also respects the East Gwillimbury Strategic Plan, Strategic objectives of:

Programs and Services – Provide Programs and Services For A Safe, Accessible And Liveable Community, Invest in programs to promote community wide safety.

Municipal Government – *Continue to Enhance A Transparent And Accountable Municipal Government Focused On Excellence,*

CONCLUSION

By way of this report the Town of East Gwillimbury has fulfilled its obligations under the Building Code Act by providing this summary on Building Code enforcement and administration, direct and indirect costs, along with revenues derived from permit activities, and by making the report available to the members of the public for review upon request.

At the conclusion of each year staff will continue to report this summary information to Council and the public, making the enforcement and administration process of the Building Code Act and Regulations completely transparent.

Prepared by,

Reviewed and Recommended by,

Original Signed By

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Original Signed By

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Original Signed By

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