



DEVELOPMENT SERVICES REPORT B2012-02

To: Committee of the Whole of Council

Date: March 12, 2011

Subject: **2011 Building Approvals and Inspections 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 B2012-02 dated March 12, 2012, regarding the required Ministry of Municipal Affairs and Housing Annual Report on Building Fees and 2011 Building Branch activity be received.

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 is to advise Council of the 2011 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 2011, the Building Branch issued \$1,236,637 worth of Building Permits; up from \$1,055,286 in 2010.

Direct Costs

The direct costs associated with Building Branch operations totaled \$591,319 during 2011. These costs cover matters, such as:

- Salaries
- Benefits
- Other direct costs

Indirect Costs

The sum of indirect costs during 2011 amounted to \$347,715. 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
- Legal Assistant 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 contribution of \$297,602 was made in 2011. This contribution created an opening reserve fund balance on January 1, 2012 of \$525,139. A contribution to the reserve fund was not identified in the 2011 Business Plan and Budget. Revenue in 2011 was higher than forecast as a result of increased construction of residential units and the construction of ICI development by Geo. Kelson Ltd. at 2 Bales Dr. W, and Metrus (Lazy-Boy Furniture) at 181 Green Lane East.

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. The following charts summarize 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).

Permit Submissions Received			
2008	2009	2010	2011
420	419	377	473

Various Permits Issued			
2008	2009	2010	2011
*807	*792	*769	*894

New Residential			
2008	2009	2010	2011
151	180	167	181

ICI sq. footage (approx)			
2008	2009	2010	2011
30,000	20,000	110,000	215,000

Revenue Received			
2008	2009	2010	2011
\$1,163,000	\$497,273	\$1,055,000	\$1,236,637

Construction Value			
2008	2009	2010	2011
\$ 36 million	\$40 million	\$70 million	\$68 million

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

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.

However, 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, 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 total cost of this service.

In addition to regular inspection activities, 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, Tarrion, 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, etc.

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

As a result of better than expected construction activity in 2011, a contribution of \$297,602 was made to the Building Code reserve fund.

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,



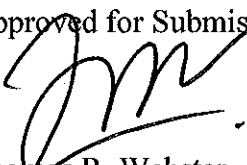
Tim Gibson
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Reviewed and Recommended by,



Valerie Shuttleworth, MCIP, RPP
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Approved for Submission,



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