



Municipality of North Grenville

Building Permit Fee Review (2020)

Building Permit Fee Review

- Mandate:
- Review building permit fee schedule
- Review permit volumes (2014-2018)
- Update fees to reflect current costs using 2018 budget adjusted to 2020
- Recommend new fees to reflect scope of services offered using full cost-recovery financial model
- Update Building By-law



Legislative Framework

- 7(2) Total Fees must not exceed the anticipated reasonable costs to administer and enforce the Act
- 7(6) Public Notice and meeting required for a proposed change in fees



Building Permit Fees

GENERAL INTENT OF THE LEGISLATION*

- Ensure accountability and transparency in the calculation of fees
- Provide full cost-recovery approach designed to offset costs of operating a Building Department and related support services
- Require public disclosure for changes in fees or new fees

**(Building Code Act)*



Methodology

- Review Building Permit Activity (2014-2018)
- Review building inspection process
- Conduct time allocation assessment for Building Division and staff from other departments/divisions providing support services
- Calculate indirect and direct costs for affected departments (utilizing 2018 Municipal budget adjusted to 2020)
- Calculate building permit fees designed to recover costs
- Calculate adjustments including addition for funding Cost Stabilization Reserve Fund (Building Reserve Fund)



Building Permit Process

Phase 1 - Application Submission

Phase 2 - Application Review

Phase 3 - Permit Issuance

Phase 4 - Inspections



Final



Occupancy



Insulation & Vapour Barrier



Rough-in for Mechanical Systems



Framing



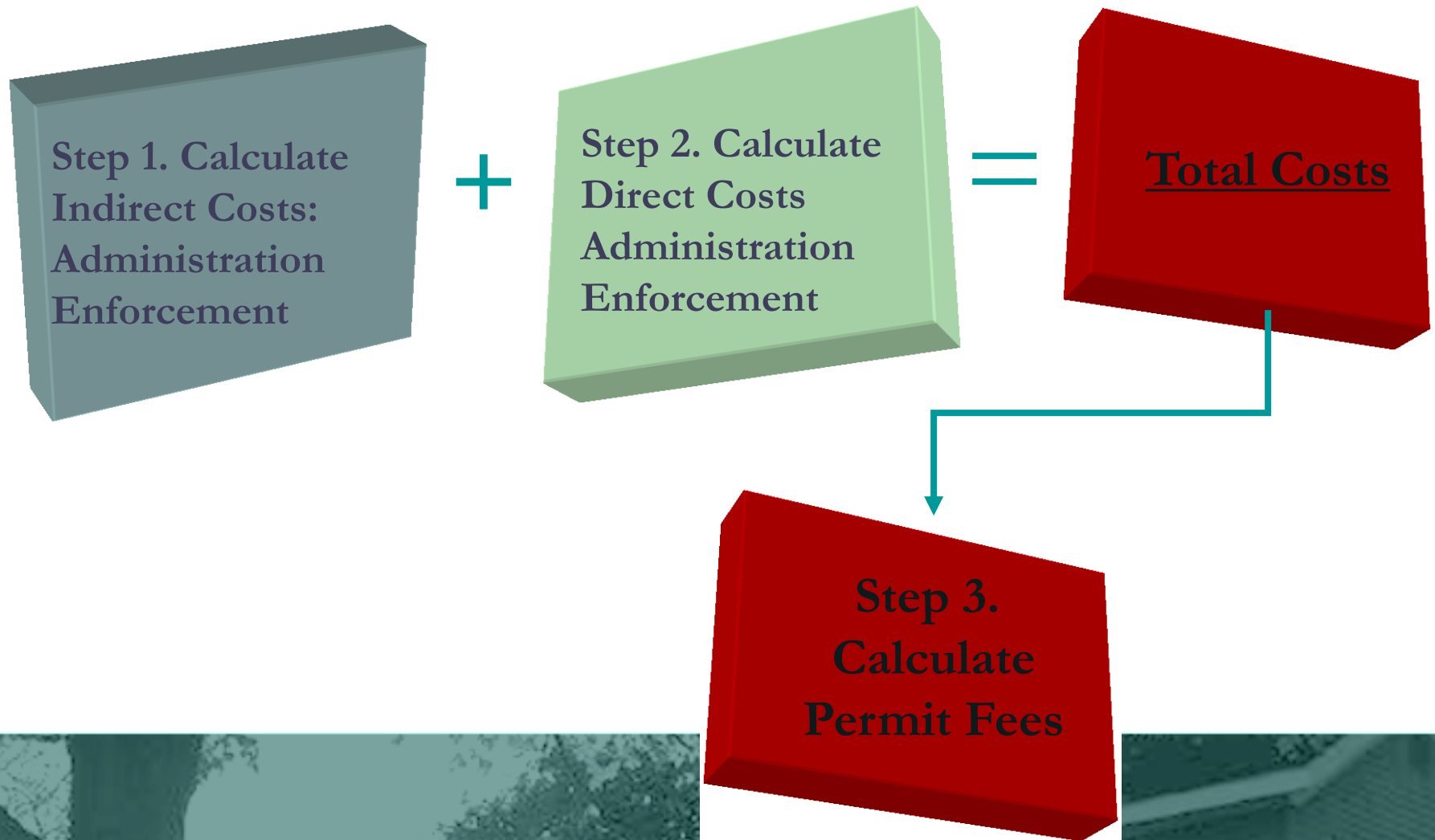
Foundation



Footing

Building Inspection Sequence for a Single Detached Dwelling

DESIGNING A FEE STRUCTURE



DESCRIPTION OF INDIRECT COSTS

- Operating and capital costs of all building permit-related services provided by other municipal departments to the Building Division.
- Includes everything that is part of the “cost of doing business” to support the building administration and enforcement function.





**Support
Services**

Sample Indirect Fee Cost Calculation

- Finance Officer: %tage of time spent on building-related duties x #hrs (year) x salary/benefits + overhead
- $0.7\% \times 1820 \text{ hrs (32.8 hrs)} \times S+B = \748.60
+ share of overhead costs of \$579.54



Total Indirect Costs

• Council	\$ 613.73
• CAO	\$ 1,794.92
• Clerk	\$ 616.89
• HR	\$ 1,682.54
• Finance	\$ 3,978.76
• Public Works	\$32,448.16
• Fire	\$ 649.92
• Legal	\$ 679.20
• 2020 CPI adjustment (5.0%)	<u>\$ 2,505.37</u>
• Total	\$ 44,969

Total Direct Costs

- Building Dept. S&B \$356,965.70
- Overhead \$ 76,992.00
- CPI Adjustment (5.9%) \$ 25,603.50
- **Total \$ 459,961**



Total Eligible Recoverable Costs

- Total Indirect Costs \$ 44,969
- Total Direct Costs \$459,562
- **Total Recoverable Costs \$ 504,531**



Building Permit Fee Calculations

- Classification of permit types and services
 - Occupancy Groups A, B, C, D, E, F
 - Change of Use, Demolition
 - Farms, solid fuel appliances
- Time allocation applied to all phases of building inspection process
- Time multiplied by hourly rate for S&B and Overhead for direct and indirect costs
- Per unit cost derived to determine proposed fee



Building Permit Fee Calculations

Step 1: Calculate Direct and Indirect Costs

Sample Calculation
for Single Detached
Dwelling



Staff Position	Single Detached Dwelling (hours)	Cost
CBO	0.75	\$44.82
Inspector	18	\$853.02
Administrator	2	\$66.78
Total # Hours	20.75	
Total Direct Costs – Salary/Benefits		\$964.61
Total Overhead		\$23928
Total Indirect Costs -Admin		129.39
Total Indirect Costs – Legal		\$3.60
Grand Total		\$1,336.88

Building Permit Fee Calculations

Step 2: Calculate adjustments



Table 5 - Proposed Building Permit Fee Schedule - North Grenville

	A	B	C	D	E	F	G	H
1	Class of Permit	Base Fee from Table 4	Adjustment for Cost Recovery	Add 10% for Reserve Fund to fees in Column C	Pro-rated costs for larger scale projects ²	Number of Permits from Table 4	Projected Revenue with 10% for Reserve Fund (= D x F)	Projected Revenue with adjustment for Cost Recovery (= C x F)
2	Group C, Low Density Residential	\$ 1,336.88	\$ 2,286.88	\$ 2,515.57	D + \$0.64/ft. ² for a floor area exceeding 1,500 ft. ²	113	\$ 284,762.85	\$ 258,875.32
3	Group C, Mobile Homes	\$ 695.63	\$ 1,045.63	\$ 1,150.19		0	\$ 230.04	\$ 209.13
4	Group C, Medium, High Density Residential	\$ 1,239.79	\$ 2,189.79	\$ 2,408.77		19	\$ 44,803.19	\$ 40,730.18
5	Group C, Major Alterations	\$ 1,044.05	\$ 1,044.05	\$ 1,148.46		8	\$ 8,728.30	\$ 7,934.81
6	Group C, Minor Alterations, garage, carport, shed	\$ 769.63	\$ 769.63	\$ 846.59		66	\$ 55,536.28	\$ 50,487.53
7	Group C, Deck	\$ 617.76	\$ 282.69	\$ 310.96		34	\$ 10,448.26	\$ 9,498.42
8	Pools	\$ 551.46	\$ 279.49	\$ 307.44		25	\$ 7,747.38	\$ 7,043.07
9	Group 'C' Residential Demolitions	\$ 518.28	\$ 277.87	\$ 305.66		6	\$ 1,956.23	\$ 1,778.39
10	Groups A, B, D, E, Commercial	\$ 2,844.87	\$ 4,844.87	\$ 5,329.36	D + \$0.57/ft. ² for a floor area exceeding 6,459 ft. ² /600 m ² with a cap of \$25,000	5	\$ 28,778.55	\$ 26,162.32
11	Group F, Industrial	\$ 2,447.73	\$ 4,447.73	\$ 4,892.50		3	\$ 13,699.01	\$ 12,453.64
12	Groups A, B, D, E & F Major Alterations	\$ 1,831.66	\$ 3,331.66	\$ 3,664.83		12	\$ 42,511.97	\$ 38,647.25

	A	B	C	D	E	F	G	H
1	Class of Permit	Base Fee from Table 4	Adjustment for Cost Recovery	Add 10% for Reserve Fund to fees in Column C	Pro-rated costs for larger scale projects ²	Number of Permits from Table 4	Projected Revenue with 10% for Reserve Fund (= D x F)	Projected Revenue with adjustment for Cost Recovery (= C x F)
13	Non-Residential Demolitions	\$ 721.84	\$ 1,121.84	\$ 1,234.02		2	\$ 2,221.24	\$ 2,019.31
14	Groups A, B, D, E & F Minor Alterations	\$ 1,087.42	\$ 1,487.42	\$ 1,636.16		7	\$ 12,107.59	\$ 11,006.90
15	Other Permits: Occupancy, Moving/Relocation of building, Renew Permit	\$ 534.76	\$ 278.55	\$ 306.41		2	\$ 551.53	\$ 501.39
16	Tents, Mobile Signs	\$ 534.76	\$ 278.55	\$ 306.41		6	\$ 1,838.44	\$ 1,671.31
17	Designated Structures	\$ 653.24	\$ 284.33	\$ 312.76		20	\$ 6,317.74	\$ 5,743.40
18	Solid Fuel Burning Appliances, plumbing	\$ 551.21	\$ 278.76	\$ 306.64		5	\$ 1,655.86	\$ 1,505.33
19	Change of Use	\$ 558.46	\$ 279.71	\$ 307.68		2	\$ 553.82	\$ 503.47
20	Sewer, Water, Plumbing	\$ 537.60	\$ 239.38	\$ 263.31		50	\$ 13,060.41	\$ 11,873.10
21	Total					384	\$ 537,508.71	\$ 488,644.28

Revenue Generation

- Eligible Recoverable Costs **\$ 504,531**
- Revenue without BRF **\$ 488,644**
- Revenue with 10% BRF **\$ 537,509**
- Revenue generation for BRF **\$ 48,865**



Recommendations

- That Council adopt a building permit fee regime that includes provision for revenues to be directed to the Building Reserve Fund
- That Council adopt the recommended fee structure set out in **Table 5**
- That Council provide for an annual adjustment in fees based on the Consumer Price Index (CPI) available through Statistics Canada
- That Council adopt a new Building By-law



Questions?

