

MUNICIPALITY OF NORTH GRENVILLE– BUILDING PERMIT FEE REVIEW



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MUNICIPALITY OF NORTH GRENVILLE BUILDING PERMIT FEE REPORT

1. Introduction

The Municipality of North Grenville (population 16,451¹) has undertaken to review its responsibilities under the *Building Code Act*. The purpose of this report is to fulfil the requirements of the *Building Code Act* and the related *Ontario Building Code* where a municipality is considering a change in fees or the introduction of new fees.

More specifically, the *Ontario Building Code* (Section 1.9.1.2 (1) (d)) requires a municipality to provide to the public the following information:

- an estimate of the costs of administering and enforcing the Act;
- the amount of the fee or of the change to the existing fee, and
- the rationale for imposing or changing the fee.

This report sets out the calculations of costs related to the administration and enforcement of the *Act* and the associated amounts for various fees required to recover those costs. The rationale for the proposed fees is based on full-cost recovery for the delivery of the building inspection service within the municipality.

2. Building Code Act

Section 7 of the *Building Code Act* permits a council of a municipality to pass a by-law, “*prescribing classes of permits...requiring the payment of fees on applications for and issuance of permits and prescribing the amounts thereof; (and) providing for refunds of fees under such circumstances as are prescribed*”.

Section 7(2) states that the “*The total amount of the fees authorized under clause (1) (c) must not exceed the anticipated reasonable costs of the principal authority to administer and enforce this Act in its area of jurisdiction*”. The legislation imposes a high level test (i.e. “anticipated reasonable cost”) without explicitly setting out the scope of those costs or what is reasonable. The *Act* does not indicate that the cost must be determined for each class or type of permit issued. Municipalities are expected to calculate both the **direct** and **indirect** costs of administration and enforcement of the *Act*. **Direct Costs** are the costs required to operate the Building Division in the delivery of the building inspection service while **Indirect Costs** are the building inspection-related costs of all other

¹ Statistics Canada, 2016 Census

municipal departments who provide support services to the Building Division.

Section 7(4) sets out the reporting requirements. An Annual Report on Fees and costs is required. Specifically, *“Every 12 months, each principal authority shall prepare a report that contains such information as may be prescribed about any fees authorized under clause (1) (c) and costs of the principal authority to administer and enforce this Act in its area of jurisdiction”*. Typically the report is prepared in the first quarter of the municipality’s fiscal year. Section 7(5) states that the report must be available to the public. A municipality may wish to make the report available by posting it on the website or by whatever is the required in-house municipal procedure. The Annual Report does not have to be sent to the Province.

Where there is a proposed change to existing building permit fees, or where new fees are proposed, Section 7(6) requires that Public Notice be given and a public meeting held. Individual notices of the meeting also have to be given to anyone who requested notice and provided an address by writing to the Clerk of the municipality. This includes any person and organization who filed a request within the previous five years. Notice of the public meeting must be sent by regular mail at least 21 days prior to the proposed meeting. A notice of the Public Meeting does not need to be advertised in the newspaper; however this does not supersede any requirements the Municipality may have for advertising meetings. Typically, a meeting to consider a change to building permit fees or to introduce new fees is incorporated into a regular meeting of Council.

The legislation enables municipalities to also establish a reserve fund, referred to as a Cost Stabilization Reserve Fund (CSRF). The Municipality of North Grenville established such a fund under the *Act* in 2006, called the Building Reserve Fund, and has used the funds from time-to-time to offset capital costs in the acquisition of municipal inspection vehicles, computer hardware and secondarily to stabilize operational costs.

The purpose of a CSRF, as implied by the name is to stabilize the costs of the building inspection service by recognizing that permit fee revenues fluctuate with the ebb and flow of construction activity. In some years, fee revenues may be less than the required costs to operate the Building Division, while in other years revenues may be greater. The reserve fund, which can only be used for building inspection-related costs, can be drawn down in leaner years in order to stabilize the Building Division budget. The funds can also be used for periodic capital expenditures such as the purchase of municipal inspection vehicles, computer hardware etc. The intent is to avoid undue fluctuations in the municipal tax levy where expenditures may be substantially greater than revenues. Where a Cost Stabilization Reserve Fund has been established, the amount of the fund must be reported in an annual report. There is no limit specified in the *Act* with respect to the size of the Reserve Fund. However, as indicated, the Reserve Fund may only be spent on Municipality of North Grenville direct and indirect building permit

and inspection-related services. The Municipality has used the funds from the CSRF in the last couple of years (2019-2020) to offset departmental expenditures since the revenues from building permit fees have not been sufficient to recover the full cost of the Building Division's operation. Exhausting the reserve fund will require the Municipality to depend on municipal property taxes to pay for the difference between the operational costs and building permit fee revenues. The impact is that taxpayers will effectively subsidize the building industry by funding the building inspection service. A full-cost fee recovery or "user-pay system", is preferable and the intent of this report is to provide for a full-cost recovery financial tool that the Municipality may use to sustain the operation of the Building Division without depending on municipal tax dollars.

3. Methodology

The steps in determining a proposed building permit fee structure were as follows:

- A. Building permit activity data was collected for the period 2013-2018 in order to determine the average level of permit activity in North Grenville (see **Table 1**).
- B. Information was collected from the 2018 municipal budget in order to calculate the most current **direct** and **indirect** costs related to building permit fees.
- C. Time allocation information was collected for municipal personnel who perform support services to the building service (indirect costs). This includes the CAO, Clerk, Finance, Fire and Engineering. This allocation focussed on the time spent over the course of a year on building-related duties as a percentage of the total work year. This in turn was multiplied by the salary and benefits (payroll burden) and overhead costs (calculated on an hourly basis) to determine the actual indirect costs for administration (see **Table 2**).
- D. The 2018 direct costs for Building Division administration and enforcement were calculated along with the overhead costs for the Division. Overhead costs typically include utilities, office supplies, training and certification, postage, mileage and clothing (see **Table 3**). The costs were modified to exclude the value of the time spent by department staff on other responsibilities (i.e. not related to the *Building Code*).
- E. Time allocation information was also collected on the average time spent by Building Division staff in the processing of various types (classes) of building permits including receiving the application, reviewing building plans, conducting field inspections, carrying out records management and

enforcement-related responsibilities under the *Building Code*. Financial data was used to determine the direct costs for enforcement and administration of the *Building Code Act* (see **Table 4**).

- F. Suggested building permit fees were then calculated on the basis of various classes of permits by summing the total **indirect** and **direct** costs, converting the costs to an hourly rate and applying the rate to the tasks or components of the building permit fee review process (see **Table 4**).
- G. Adjustments were made to provide for cross-subsidies between permit types and also for the establishment of a Cost Stabilization Reserve Fund by adding 10% to the cost of each class of permit (see **Table 5**).
- H. An adjustment was made to provide for large-scale building projects where the workload required to process a permit exceeds the average level of effort. For example, a single detached dwelling with a floor area of 1,500 ft.² will require additional time to review the building plans and conduct inspections; hence the cost of the additional time was calculated on a per square foot basis and would be added to the base permit fee (see **Table 5**).
- I. The original draft of this report was prepared in December 2018; however, building permit fees were not adjusted to ensure full cost-recovery with the passage of time since 2018. Since the cost calculations were dependent on the 2018 municipal budget, a further adjustment was required for 2019 and 2020. To offset the cost difference between 2018 and 2020 the “All-Items” component of the Statistics Canada Consumer Price Index was used. The CPI adjustment was 5.9% (January 2019-July 2020).

4. Building Division Services and Other Support Services

The Municipality’s Building Division provides a very important service to the public by ensuring that buildings meet the requirements of the *Ontario Building Code*. Safe buildings are paramount and due diligence exercised in enforcing the *Code* helps to protect the municipality from exposure to liability. More importantly, they provide assurance to homeowners and businesses that construction meets safe construction standards and that matters of energy efficiency, structural integrity, weather resistance, fire safety etc. have been met.

In the Municipality of North Grenville, the building inspection function is carried out by staff in the Building Division. This consists of the following staff classifications:

- Chief Building Official
- Deputy Chief Building Official

- 2 Building Inspectors
- A Planning and Building Clerk
- A part time Building inspector

The role of the Chief Building Official (CBO) is set out in the *Building Code Act* (Section 1.1 (6))

It is the role of a chief building official,

- a) to establish operational policies for the enforcement of this Act and the building code within the applicable jurisdiction;
- b) to co-ordinate and oversee the enforcement of this Act and the building code within the applicable jurisdiction;
- c) to exercise powers and perform the other duties assigned to him or her under this Act and the building code; and
- d) to exercise powers and perform duties in accordance with the standards established by the applicable code of conduct

The *Act* invests the CBO with the exclusive responsibility and sole discretion to issue or refuse a building permit. While a municipal council is required to appoint a CBO, the Council does not have the legislative authority to direct or interfere with the legislated responsibilities of the CBO to issue or refuse to issue a permit or an Order related to enforcement of the *Ontario Building Code*. The independence of the role of a CBO is unique in municipal government, but is intended to ensure that the administration and enforcement of the *Building Code Act* and *Ontario Building Code* is carried out with due diligence, with consistency and with a high degree of technical and professional competence. The significance of the CBO's role, and for that matter, all of the municipality's building officials is reinforced by the rigorous training and certification program administered by the provincial Ministry of Municipal Affairs and Housing. Properly qualified staff is essential to ensuring safe construction and safe buildings throughout the Municipality. Consequently, the continued financial support of Council in ensuring that the CBO and other staff have access to ongoing training and professional development is vital to a high quality of building construction in North Grenville.

The structure of the Division is intended to ensure that all parts of the *Building Code* are enforced by certified staff. All staff has Building Code Identification Numbers (BCIN) which in turn is related to their respective levels of certification.

The CBO has the following certification:

- CBO Legal Processes
- Part 9 The house building envelope
- Part 9 The house Health and Safety
- Part 9 building Structural Requirements
- Part 9 Building HVAC and Fire Protection

- Plumbing all Buildings
- Community Planning and Zoning Administration
- Part 8 On-Site Sewage Systems
- Small Buildings
- Part 3 Classification and Construction
- Part 3 Health and Safety

The Deputy CBO has the following certification

- Part 9 – The House- Building Envelope
- Building Structural
- Resource Conservation All Buildings
- Large Buildings
- Building Officials and the Law
- Part 9 – The house Health and Safety

The Building Inspectors (Officials) are certified with one or more of the following courses:

- Legal
- House
- Plumbing All Buildings
- Small Buildings
- Residential Plumbing
- Residential HVAC
- Building Official & The law
- Part 9 House Health & safety

The part-time Building Inspector has certification for all courses.

The CBO reports to the Director of Planning and Building (who was formerly the CBO). The CBO is responsible for departmental administration and enforcement of the Building Code in addition to responsibilities for insurance claims, litigation, a participant in the Development Review Team (DRT), emergency management and critical incident management, and civic addressing. The CBO spends an estimated 50% of staff time on *Building Code Act* responsibilities. The Building inspectors spend 100% of staff time on responsibilities under the BCA. All staff positions are full time and are paid on the basis of a 35 hour work week (1,820 hours per year). The Planning and Building Clerk spends 50% of staff time on BCA-related duties. This particular study, however, focuses only on the cost of the administration and enforcement of the *Ontario Building Code Act* and associated regulation, the *Building Code*.

Building Permit Process

The following outlines the typical process of submitting an application and obtaining a building permit in the Municipality of North Grenville. Applicants who may be unfamiliar with the process are encouraged to pre-consult with Building Division staff prior to completing an application. The objective is to streamline and make the process more user-friendly to the applicant and to expedite and improve the efficiency with which an application is processed.

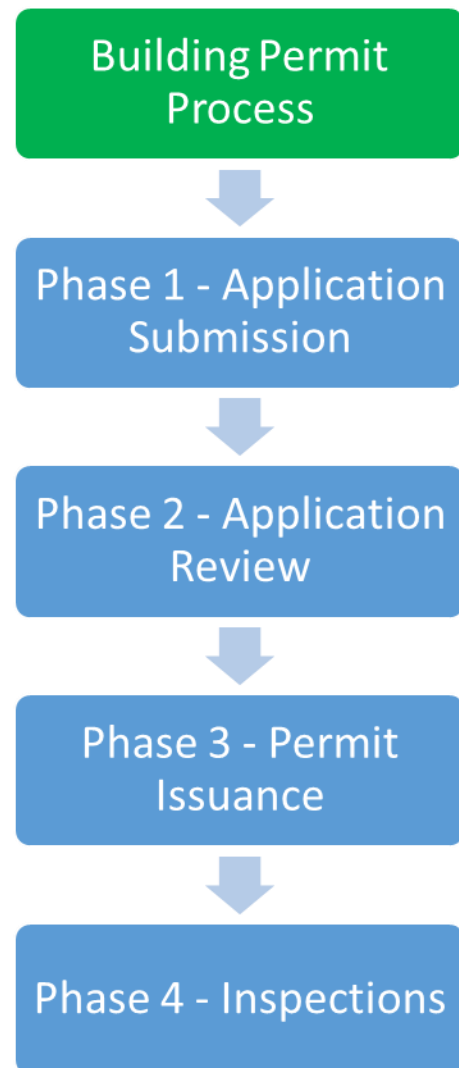
The Building Division issues handouts which are designed to assist a potential applicant with understanding not only the process but what information may be required in filing an application (i.e. building drawings, approvals from other agencies, fees and charges). Packages are available for both urban residential applications and rural applications. There is also a package for garage construction.

The building permit process is governed by the *Building Code Act*; for example permits must be issued within a prescribed timeline (i.e. a permit for a single detached dwelling must be issued within 10 business days of the receipt of a complete application). Timelines also apply to the inspection process. The Municipality meets the timeline requirements for complete applications; however, delays occur because applicants do not submit all of the required application information or completed building plans either of which will delay the start of the 10-day time clock.

Phase 1 - Application Submission

Steps in Phase 1:

- ❖ The application is typically submitted to the Planning and Building Clerk as the first point of contact although this may vary depending on who is available. Building Inspectors or the CBO provide the alternative contact
- ❖ Application form is reviewed for completeness using a checklist (i.e. owner and designer information, location, property assessment roll number, purpose, details of the building plans, applicable law etc.)
- ❖ Building drawings (2 sets required) checked to ensure they coincide with application form
- ❖ Applicant is advised of the steps in the review process
- ❖ The Planning and Building Clerk will then create a file and start the review



process although external approvals may not be in place; however the building permit not issued until all applicable approvals are in place.

- ❖ Vadim software is being implemented to provide for a tracking system
- ❖ Files stacked in order of receipt for distribution to Building Inspectors

Phase 2 - Application Review

Steps in Phase 2:

- ❖ Building Inspectors undertake a detailed review of the building drawings (plan review) using a checklist
- ❖ Distribution of files for review is dependent on the workload of individual Inspectors.
- ❖ Building plans are circulated to other departments when required (i.e. Engineering for sewer and water connections)
- ❖ Notations are made on the drawings, or the drawing is redlined, and if necessary and forwarded to the applicant for revision and re-submission, if necessary. A review stamp is used when the review is completed
- ❖ One copy is returned with notations to the applicant or owner
- ❖ Once the plan review is completed, the permit fee is calculated by the Building Inspector along with any other applicable charges such as development charges, water and sewer connections, road cuts etc.

Phase 3 - Permit Issuance

Steps in Phase 3:

- ❖ The Building Inspector prepares the permits, advises the applicant the permit is ready for pick-up and returns the file to the Planning and Building Clerk
- ❖ Applicant pays all applicable fees to the Finance Department Cashier
- ❖ Applicant is advised of the requirements for inspections.

The process is more protracted for non-residential permits given the increased complexity. The plan review process, for example, can take a few days to several weeks depending on the complexity of the project. The Municipality relies on the designs and submission of reports from an architect/engineer where required by the *Building Code Act*.

Phase 4 - Inspections

The *Building Code Act* requires the owner of a permit to notify the Building Division of readiness to inspect various stages of construction. The Building Division is required to carry out an inspection within 2 days of receipt of most notices

Steps in Phase 4:

- ❖ Inspection schedule is organized by the Planning and Building Clerk. Inspections are requested by email, or by alternatively by phone.
- ❖ Inspections are conducted in general on a 'first-come', 'first-served' basis. Inspectors use a colour coding system to indicate which inspections they will conduct using a shared digital calendar. The number of inspections required for a new single detached dwelling typically includes 8-10 inspections (depending on the number of call backs) for all building systems.

Inspections for a typical single detached dwelling typically include:

- Service Lateral (urban only)
 - Footing forms prior to pouring concrete
 - Backfill/foundation/drainage tiles
 - Framing and energy/windows/air barrier (SB-12), HVAC and, furnaces and hot water tanks
 - Underground plumbing
 - Rough-in plumbing
 - Insulation
 - Occupancy
 - Private wells (casing)
 - Solid fuel appliances usually trigger and additional inspection.
 - Call-back inspections (1) (or more depending on the builder)
- ❖ Call-back inspections may be required where a particular stage of construction has not been completed or where construction must be brought into compliance with the *Ontario Building Code*. Additional fees apply for multiple additional inspections
 - ❖ Inspection reports are prepared for each inspection that has been conducted. (manual)
 - ❖ A copy of the inspection report is made available to the applicant/contractor or home owner
 - ❖ Inspection reports are subsequently added to the building permit file: objective is to move to an electronic recording system
 - ❖ File is closed once a final inspection is conducted and the inspector signs off on the construction project.

For complex buildings such as an apartment building, institutional building (i.e. college, school) or a commercial or industrial building, the number of inspections is dependent on the size and complexity of the building. The Building Division carries out inspections and considers required engineering compliance reports to address major components of construction. Plans examination and inspection services include attention to many systems including structural, occupant safety, fire safety and barrier-free requirements. Several systems such as structural, mechanical and fire safety systems are also reviewed and tested by owner-hired

professionals and may include Municipality's Fire Department (Chief). The CBO receives reports from those professionals which, along with the inspector's observations, form a part of the permit and the basis for eventual occupancy approval.

Enforcement

Enforcement is an integral component to the building inspection process since the intent of the Building Division is to achieve compliance with the *Ontario Building Code*. The philosophy of the Building Division is to achieve compliance through voluntary enforcement, or in other words, to work with the applicant and contractors to make changes or address deficiencies through on-site inspections and notations on the inspection reports. The voluntary compliance as the first line of enforcement is highly effective and helps to maintain a constructive working relationship with applicants and the building industry.

On occasion Orders to Comply may be necessary and are issued by the CBO. Orders may be issued where construction is occurring without a building permit or where previous instructions to correct deficiencies requested by Building Division staff have not been carried out voluntarily. Where Orders are not complied with, the last resort in enforcement is legal action using the *Provincial Offences Act* process. All Building Officials in the Building Division have authority to issue Orders.

The Building Division has a good working relationship with contractors and his network of contacts among local builders.



**Building
Inspection
Sequence for
a Single
Detached
Dwelling**

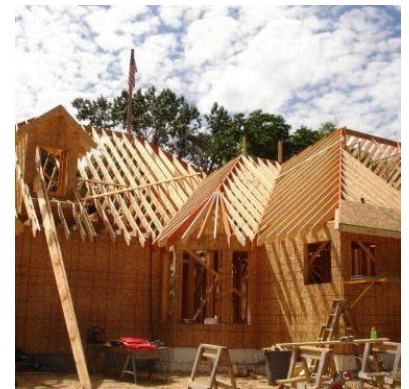
Footing



Foundation



Framing



**Rough-in for Mechanical
Systems**



Insulation



Final and Occupancy



Support Services

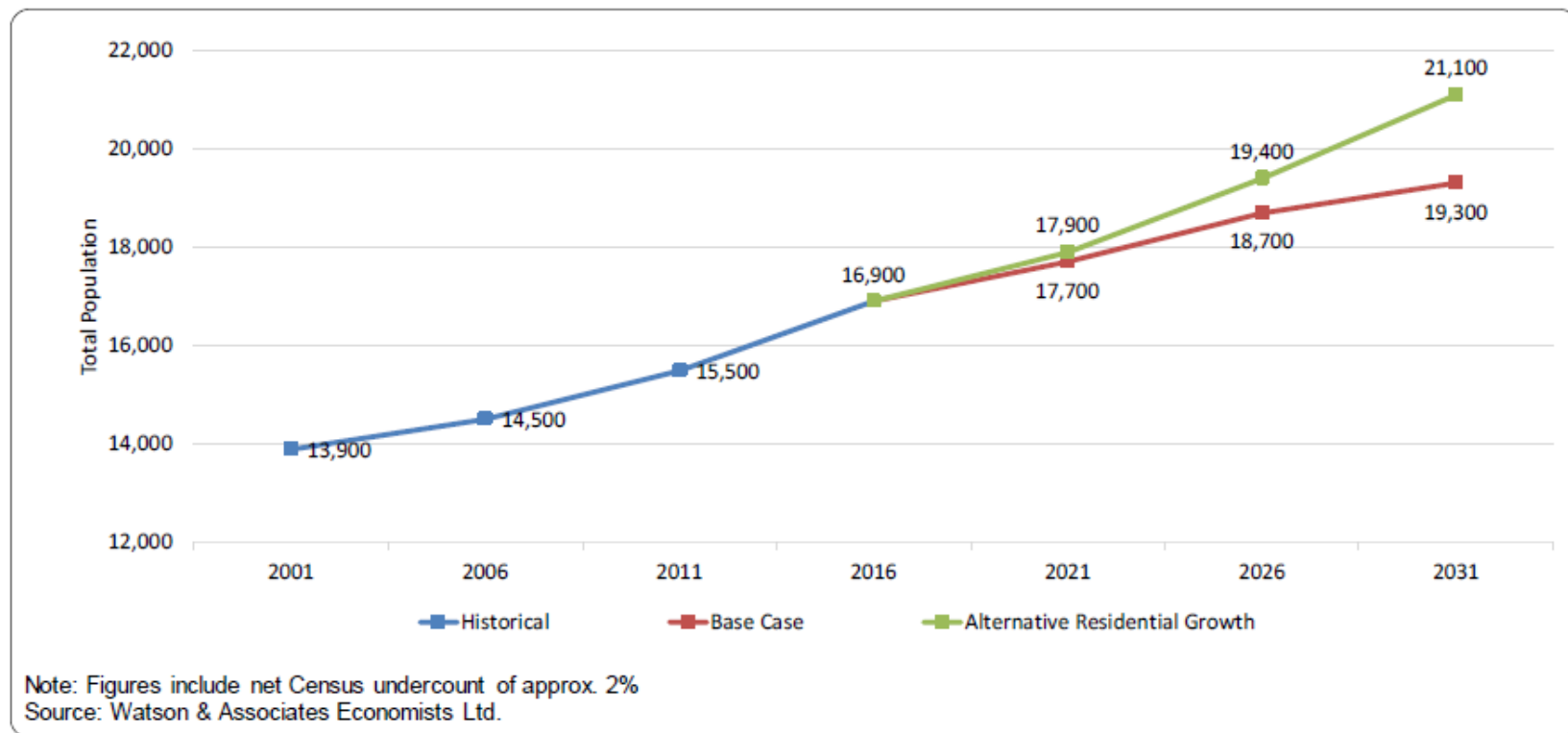
Support services or related services to the Building Division are provided by the CAO, Clerk, Finance, HR, Fire and Engineering departments. Council is responsible for establishing policies and adopting by-laws. The CAO oversees the management of staff and policy formulation process while the Clerk oversees records management. The Finance Officer is responsible for the posting of fees, ledger, budget, payroll and audit functions. Other support services include Engineering for site servicing, the Fire Department for fire safety matters and HR for personnel matters.

5. Building Permit Activity – Historical and Projected Growth

Table 1 sets out the building permit activity for the period 2014-2018. During this 5 year period, the number of residential permits for new housing starts averaged 132 per year with a range from 100 (2014) to 167 (2017). In the non-residential sector, permits for new ICI projects averaged 8.2 permits annually over the 5 year period (excluding alterations). The total average number of building permits issued between 2014 and 2018 was 342 (rounded) per year.

Table 1 - Building Permit Activity - North Grenville		2014	2015	2016	2017	2018	Avg. 2014- 2018
Major Permits							
Residential Permits (Group C)							
	Singles	59	60	116	130	146	102.2
	Semis	19	8	14	8	6	11.0
	Mobile Homes	0	0	0	0	1	0.2
Sub-Total - Low Density							
	Towns/Row	21	24	11	29	7	18.4
	Apts	1	0	0	0	0	0.2
	Major Alterations/Additions	3	9	10	9	7	7.6
Non-Residential Permits							
	Commercial (Groups B,D,E)	9	4	3	6	1	4.6
	Institutional (Group A)	0	0	2	2	0	0.8
	Industrial (Group F)	0	2	2	3	7	2.8
	Major Alterations/Additions (A-F)	19	7	6	16	10	11.6
	Non-residential demolitions	1	2	2	4	0	1.8
Sub - Total Major Permits		132.0	116.0	166.0	207.0	185.0	161.2
Minor Permits							
Residential Permits							
	Minor Additions/Alterations	57	32	41	31	31	38.4
	Garage/Carport/Storage Shed	38	25	21	25	27	27.2
	Deck	25	25	40	38	40	33.6
	Residential demolitions	6	8	3	7	8	6.4
	Pools - Inground/above ground	21	32	23	17	33	25.2
	Solid Fuel Appliances	13	3	3	1	7	5.4
Non-Residential Permits							
	Minor Additions/Alterations	0	3	8	16	10	7.4
	Tents, Mobile Signs	3	9	7	7	4	6.0
	Designated Structures	0	0	0	0	0	0.0
	Signs, Towers, Solar Panels, Tents	23	10	17	15	36	20.2
Sub-Total Minor Alterations		186.0	147.0	163.0	157.0	196.0	169.8
Other Permits							
	Change of Use	0	0	3	3	3	1.8
	Occupancy	0	0	0	0	0	0.0
	Moving/Relocation of Building	0	0	0	0	0	0.0
	Permit Renewal/Revisions	0	0	0	9	0	1.8
	Sewer/Water/Plumbing	55	50	51	48	17	44.2
Sub - Total Minor Permits		57.0	32.0	41.0	31.0	31.0	38.4
Total All Permits		337.0	271.0	343.0	372.0	387.0	342.0

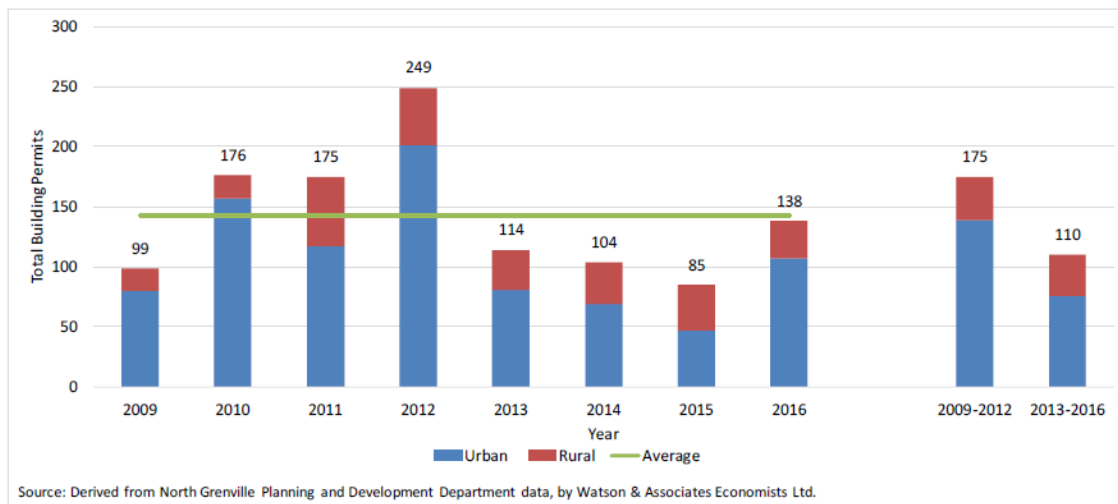
Figure E-1
Municipality of North Grenville
Comparison of Base Case and Alternative Population Forecast



The long-term (i.e. 2031) municipal-wide population and employment forecast for North Grenville has been developed in accordance with the 2014 Leeds, Grenville Official Plan Growth & Settlement Analysis. The analysis indicates a projected significant growth to 2031 of some 3,000 to 5,000 population dependent on the scenarios shown in Figure E-1 above. Population growth will trigger new commercial development in response to consumer (market) demands for retail and other services. Additional institutional growth may also be expected while industrial employment growth is more dependent on broader market conditions (i.e. competitiveness, transportation access, distance to employment markets etc.)²

North Grenville's housing base has grown by 745 housing units over the period 2011-2016, a faster rate than the County and the Province. Residential building permit activity (see Figure 2-3) averaged 143 units per year over the period 2009-2016 but slowed to 110 units per year over the latter period 2013-2016. Sixty-nine per cent (69%) of the housing starts was low density singles, 19% were medium density and 12% were high density.

Figure 2-3
Municipality of North Grenville
Residential Building Permits by Area, 2009 to 2016



² Watson & Associates, *Municipality of North Grenville, Long-term Population, Housing and Employment Forecast*, July 21, 2017

Employment growth (2006-2016) in the Municipality was estimated at just under 1,000 with most growth occurring in the commercial sector.

The Municipality's housing base is forecast to increase to approximately 7,740 households by 2031, an increase of 1,300 households over the forecast period representing an annual housing increase of 87 units.³ The majority of new housing growth is anticipated to be oriented towards low-density housing forms (i.e. single detached/semi-detached), comprising 57% of forecast housing growth over the period 2016-2031 period; however, the percentage of medium-density and high-density housing forms is forecast to gradually increase over the forecast period, largely driven by the aging of the population.

The urban settlement area of Kemptville has a residential land supply potential for 1,720 units including greenfield and infill units, a supply which can accommodate projected demand. An additional 420 units has been identified in the rural area.

The projections will have an impact on building permit activity.

The purpose of the building fee report is not to support or refute the population and growth projections for the Municipality based on the Watson & Associates Study; rather the intent is to recognize that there will be continued positive growth in both the residential and non-residential sectors; although it is notable that the number of new housing starts will ease to less than 90 units per year. Reduced residential growth will be partially offset by increased commercial development. That said, development activity should be monitored to ensure that the workload demands from inspection activity correlates with the Municipality's staffing levels in the Building Division.

6. Indirect Costs

Table 2, sets out the **Indirect Costs**, or the costs that are incurred by other municipal functions, departments in the municipality which support the Building Division. These include **Indirect Costs - Administration** which consists of the costs of Council, the CAO, Clerk's Department, Finance, Fire and Engineering.

Table 2 is structured to distinguish between the salary and benefits costs derived from the time allocated by various municipal staff, and the costs of overhead. These costs are then added together to derive the total **Indirect Costs** for the support services provided to the Building Division.

³ Ibid, p. 4-8

The costs reflect the salary and overhead for all staff which provide support services to the Building Division. Salary costs are computed on the basis of the 2018 salary rates to which additional payroll costs were added to reflect statutory and municipal benefits (i.e. CPP, EI, WSIB, health benefits, OMERS etc.). The statutory and non-statutory benefits amount to approximately 25% of salary costs. The rates were calculated on a cost per hour basis for salary and benefits. For example, the Director of Finance spends approximately 0.7% of staff time on support services or 12.74 hours annually. Support services would include preparation and administration of the Building Division budget as it relates to the overall budget, management of payroll and operational/capital costs and oversight of audit and financial transactions related to building permit fees. The number of hours spent by the Director of Finance was multiplied by the hourly salary/benefits rates to derive an annual cost of \$748.60 for this staff function. Similar calculations were undertaken for council, the CAO, Clerk and all other staff involved in providing support services to the Building Division. The Engineering co-ordinator has a significant time expenditure given responsibility for the review of water and sewer connections and site grading.

The overhead costs are set out in detail in Appendix B and were derived from the 2018 Municipal Budget. Typical costs include the day-to-day operational costs of operating a department including such items as office supplies, materials, computer services, postage and courier etc. along with costs essential to professional certification, education and training. The allocation of overhead costs to the Building Division were also calculated on an hourly basis by dividing the total costs by the number of hours worked by all staff in the department and then by multiplying the result by the number of hours worked by each staff member providing support services. The indirect costs also include a percentage of departmental legal costs. The **Indirect Costs** or salary, benefits and overhead were calculated as **\$42,463.96** for 2018. The CPI adjustment (2019-2020) is \$2,505.37 which results in revised **Indirect Costs** of **\$44,969.33**.

7. Direct Costs

Direct Costs are the costs associated with the front line delivery of the Building Division services to the public. Functions such as receiving building permit applications, plan review, field inspection, enforcement and administration are included in these deliverable services. The costs for the delivery of these services are set out in **Table 3**, for 2017 and 2018. The figures from the 2018 budget have been used for the purposes of calculating **Direct Costs** in **Tables 4**

& 5. These include salaries and benefits of \$356,965.70 and administration or overhead costs of \$76,992 for a total of **\$433,957.70** for 2018. The CPI adjustment (2019-2020) is **\$25,603.50** which results in revised **Direct Costs** of **\$459,961.20**.

Salary and benefits costs were based on the 2018 municipal budget. The salary/benefits costs were based on the staff time spent on the administration and enforcement of the *Ontario Building Code (BCA)*. As indicated earlier in this report, the Chief Building Official has other duties and responsibilities and as such only 50% of the CBO's time can be recovered through building permit fees. Other building officials (inspectors) in the department spend 100% of their time on BCA matters while the Planning and Building Clerk's time is divided with 80% directed to the BCA.

The overhead costs include all of the costs related to the normal day-to-day operation of the Building Division including materials, supplies, certification, education and training, vehicle operations etc. Legal costs are a component cost given the need to enforce the *Building Code*.

Table 2 - Other Municipal Services and Departments - Time Allocation - Salary Costs - North Grenville									
A	B	C	D	E	F	G	H	I	J
Council or Staff Position	# of Employees in Position	% of Total Time Spent on Support Services to Building Inspection Services	No. Regular Hours worked per year	No. Hours worked per year on Building Related Services	Hourly Rate or Total Salary and Benefits Costs (25%) \$	Total Indirect Costs - Salary and Benefits	Total Indirect Overhead Costs for Department or Function	Proportion of Indirect Overhead Costs Attributable to Building Inspection Services	Total Indirect Costs - Administration
				$C \times D$		$E \times F$			$G + I$
Council Members							\$20,229.00	\$505.73	\$505.73
Mayor	1	2.50%	72	1.80	\$27.23	\$49.01			\$49.01
Councillors	4	2.50%	72	1.80	\$32.68	\$58.82			\$58.82
CAO	1	0.50%	1820	9.10	\$111.53	\$1,014.92	\$234,000.00	\$780.00	\$1,794.92
Clerk	1	0.50%	1820	9.10	\$67.79	\$616.89			\$616.89
Finance Department							\$92,200.00	\$579.54	\$579.54
Director of Finance	1	0.70%	1820	12.74	\$58.76	\$748.60			\$748.60
Treasurer/Payroll	1	0.70%	1820	12.74	\$53.60	\$682.86			\$682.86
Tax Collector	1	0.20%	1820	3.64	\$40.58	\$147.71			\$147.71
Accounts Payable Clerk	1	0.70%	1820	12.74	\$39.39	\$501.83			\$501.83
Accounts Receivable	1	0.70%	1820	12.74	\$39.39	\$501.83			\$501.83
Reception	2	1.40%	1820	25.48	\$32.04	\$816.38			\$816.38
				80.08					
Human Resources									
Manager of HR/CAO Assistant	1	1.00%	1820	18.20	\$49.59	\$902.54	\$234,000.00	\$780.00	\$1,682.54
Fire							\$45,211.00	\$37.68	\$37.68
Chief	1	0.50%	1820	9.10	\$67.28	\$612.25			\$612.25
Public Works							\$49,183.00	\$8,105.36	\$8,105.36
Engineering Co-ordinator (Ryan)	1	32.96%	1820	599.87	\$40.58	\$24,342.81			\$24,342.81
Total Indirect Costs (2018)						\$30,996.46		\$10,788.30	\$41,784.76
CPI Adjustment (5.9%)									\$44,250.06
Legal							\$10,000.00	\$679.20	\$679.20
Total indirect Costs - Enforcement (2018)									\$679.20
CPI Adjustment (5.9%)									\$719.27
Grand Total Indirect Costs									\$44,969.33

Table 3 - Building Department Costs - North Grenville			
Administration Costs	2017 Budget	2018 Budget	2018 Recoverable
Salaries and Benefits			
- Full Time Salaries (CBO)	\$309,740	\$386,914	\$356,966
- Full Time Benefits (CBO)	\$90,678	\$118,346	
Employment Services Contract	\$17,300		
Consultants	\$16,513	\$15,000	\$15,000
Subtotal Salaries and Benefits	\$434,231	\$520,260	\$371,966
Office and Overhead			
- Utilities: heat, hydro, water, cable		\$10,902	\$10,902
- Uniforms/Work Clothing/Safety	\$572	\$624	\$624
- Office Supplies	\$3,169	\$2,123	\$2,123
- Equipment rental	\$1,429	\$1,574	\$1,574
- Meeting Expenses			
- Computer services (Vadim)		\$7,140	\$7,140
- Telephone, Courier, Postage	\$3,431	\$5,301	\$5,301
- Advertising	\$442	\$1,040	\$1,040
- Materials and Supplies	\$1,644	\$1,873	\$1,873
- Travel and Mileage	\$613	\$718	\$718
Training, Education, Conferences	\$8,515	\$8,843	\$8,843
Memberships and Professional Fees, Certification	\$1,776	\$2,438	\$2,438
Building Costs			\$0
- Rent		\$12,485	\$12,485
- Maintenance and Cleaning	\$39	\$339	\$339
Consulting Fees			\$0
Other Costs			\$0
- Vehicle maintenance	\$1,058	\$1,530	\$1,530
- Fuel for vehicle	\$2,297	\$3,000	\$3,000
- Insurance	\$8,568	\$8,739	\$8,739
- Insurance deductibles	\$4,720	\$5,202	\$5,202
Subtotal Overhead	\$38,273	\$73,871	\$73,871
Enforcement Costs			
Legal Fees	\$268	\$3,121	\$3,121
Sub-Total Overhead and Enforcement Costs	\$38,541	\$76,992	\$76,992
CPI Adjustment (5.9%)			\$81,835
Grand Total Administration and Enforcement Costs	\$472,772	\$597,252	\$459,961

8. Total Direct and Indirect Costs

The combined **Direct** and **Indirect** costs of **Administration** and **Enforcement** have been calculated in **Tables 2** and **3**. The **Direct Costs** are **\$433,957.70** and the **Indirect Costs** are **\$42,463.96** for a combined total of **\$476,422** (rounded), or **\$504,531** (rounded) with the CPI adjustment.

The total combined estimated **Direct** and **Indirect** costs per the requirements of Section 7 of the *Building Code Act* are calculated as **\$504,531**. These costs are

considered to be the recoverable costs in establishing the building permit fee regime for the Municipality of North Grenville. **The recoverable costs are intended to represent full cost recovery for the provision of this municipal service.**

9. Cost Stabilization Reserve Fund

The Municipality of North Grenville established a Cost Stabilization Reserve Fund (CSRF) and is referred to locally as the Building Reserve Fund. The fund provides a reserve from which funds could be withdrawn to offset the costs of the building inspection service in times of low building permit activity as well as to provide a source of capital for department needs such as the purchase of municipal Building Division vehicles. The fund balance at the time of this report was **\$278,427**. As indicated earlier in this report, municipalities are authorized to impose a surcharge on building permit fees as a means to build up the reserve. As noted in Section 2 of this report, this fund has been depleted by over \$200,000 in 2019-2020 given that building permit fee revenues have not offset the operational costs of the Building Division for the building inspection service.

Tunnock Consulting Ltd. has recommended a CSRF surcharge to many municipalities who have successfully used the fund to maintain a stable cost regime for the building inspection service. Our recommendation has varied from 10 to 26% of the cost of a building permit fee. For North Grenville, we would recommend 10%. The 10% surcharge will allow the revenues to increase the CSRF to help offset a projected decline in revenues in 2020 as the number of housing starts declines as projected in the Watson Report. The revenues in 2021, for example are more closely aligned with the projected 87 housing starts/annum couple with an increase in non-residential commercial development. The net effect may still be a decline in revenues. The municipality should continue to monitor revenues vs. expenditures to ensure that the CSRF is adequate and to avoid an unnecessary impact on property taxes which could be required to offset the cost impacts of a significant decline in building permit activity.

10. Calculation of Building Permit Fees

The total recoverable costs of **\$504,531** were utilized for the purposes of calculating building permit fees. Fee calculations were undertaken and

illustrated in **Tables 4 and 5**.

Table 4

The following provides a description of the components of **Table 4**:

- **Column B**: identifies the stages in the building permit process and associated Building Division staff (CBO, Building Officials and the Planning and Building Clerk) that provide building services.
- **Columns C, E** and every second column thereafter set out the Class of Permit as a heading and the hours or time allocation required to complete the stage or function identified in **Column C**. For example, the time for processing a permit for a single detached dwelling is 20.75 hours (Line 12) on average while the number of hours required to process a permit for a deck as shown in **Column M** is 5.5 hours (Line 12).
- **Columns D, F** and every second column thereafter shown the associated cost for the hours spent on processing a permit. The total **Direct** salary/benefits for processing a permit for a single detached dwelling are \$964.61 (Column D, Line 13). Further down the column, the **Overhead Costs** of the Building Division are added (Line 16) (i.e. \$239.28/permit). Further down the column again, the **Indirect Costs** (derived from **Table 2**) are added and are shown on Line 16 or \$122.18/permit while the associated legal costs are \$3.60/permit (Line 20). The total (base) costs for processing a permit for a single detached dwelling is \$1,336.88 (Column D, Line 21). The totals are given for each class of permit or other associated service in subsequent columns in **Table 4**.
- The total revenue from the base cost (excluding adjustments in **Table 5**) is shown in Line 23. For low density (single and semi-detached dwellings), the total is \$151,335.32.

Table 5 – Summary and Proposed Fee Regime

- **Column A**: sets out the various types of permits and services derived - from **Tables 1 & 4**.
- **Column B**: sets out the base level of fees derived from the calculations in **Table 4** (as described above).
- **Column C**: is an adjustment for cost recovery which has two effects: 1) the first effect is to reduce the permit fee value for specified types of permits (i.e. an accessory structure such as a garden shed, a deck, a

woodstove, standalone plumbing, etc.). The intent is to ensure that the cost of the permit will not deter applicants from obtaining such permits. A cross subsidy is applied to approximately 105 permits. The potential loss of revenues from reducing permit fees for the cross subsidy is significant (i.e. in excess of \$40,000. The transfer of the lost revenue to other (major) types of permits through the cross subsidy will raise a permit for a single detached dwelling by an estimated \$200) The more significant adjustment is to raise permit fees to ensure full cost recovery for the estimated **\$504,531**. The effect is to increase the cost of a permit for a single detached dwelling by an additional \$750.00. Adjustments have been made to major non-residential permits (Groups A, B, D, E and F by adding \$1,800 to the cost of the permit in addition to the \$200 for the cross subsidy.

- Column D:** sets out the calculation for the Cost Stabilization Reserve Fund. The calculation adds 10% to the cost of the permit and is designed to offset the fluctuation in permit fee revenues in less active years (see Section 9). For example, the Cost Stabilization Reserve Fund could be used to offset declines in fee revenues from a reduced level of permit activity and/or could be used for anticipated (new) operational or capital costs (i.e. replacement of computers, replacement of municipal vehicles used for building inspection etc.). The addition of a 10% reserve fund levy would increase the cost of a permit for a single detached dwelling by \$228.69. The Development Charges Study forecast a decline in the number of housing starts (see Section 5) reducing to an average of 87 units per year. However, recent trends arising from the Covid-19 pandemic suggest a preference for rural and small-town living given the live/work at home paradigm. The Municipality should carefully monitor growth trends to ensure that permit fee revenues are in line with expenditures.
- Column E:** is an adjustment for larger scale projects. Larger scale projects involve more time to conduct plan reviews and field inspections. The pro-rated levy is based on dividing the base fee in **Column C** by the number of hours required to process a building permit for an average sized home (i.e. 1,500 ft.²) For example, for a single detached dwelling, the pro-rated levy of \$0.64/ft.² is calculated as $\$1,336.88 / 20.75 \text{ hours} = \$0.64/\text{ft.}^2$. The calculated rate of \$0.64/ft.² represents the average level of effort required for providing the building inspection service for this class of permit.

Consequently, an application for a single detached dwelling with a floor area of 2,500 ft.² would cost \$4,728.54 or $(2,500 \text{ ft.}^2 - 1,500 \text{ ft.}^2 \times \$0.64 + \$2,515.57 = \$3,155.57)$. The pro-rated levy would apply to all residential housing types, and ICI permits only. A cap of \$25,000 is

recommended for ICI buildings.

- **Column F:** is the total average number of permits issued per year for various classes of permits as derived from **Tables 1 & Table 4**.
- **Column G:** is the calculation of the potential revenue the municipality would receive for permits based on the addition of 10% for the reserve fund calculated on a 5-year average for building permit activity or \$537,509. The revenue stream will result in the generation of an estimated \$48,865 in 2021 needed to fund the Cost Stabilization Reserve Fund (Building Reserve Fund) (see **Table 5** above).
- **Column H:** represents the potential revenue without the 10% reserve fund levy or \$488,644. The revenue stream will result in full-cost recovery for the **Direct Costs** and **Indirect Costs** required to deliver the building inspection service by the Municipality based on the five year average of building permit activity.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL	AM	AN		
	Table 4 - Time Allocation by Type of Permit - North Grenville																																									
1	Staff Position & Av. # hrs. spent per function (hours)	Group 'C' Residential singles, 2-unit, cottages, Row. (hours)	Cost	Group 'C' Mobile Homes (hours)	Cost	Group 'C' Residential Multiple - Towns/Row semi & tri plex (hours)	Cost	Group 'C': Residential Major alterations & additions (hours)	Cost	Group 'C' Other: Minor Alterations, Garage, Carport (hours)	Cost	Group 'C' Deck (hours)	Cost	Group 'C' Pools (hours)	Cost	Group 'C' Residential Demolitions (hours)	Cost	Groups 'A, B, D, E, Commercial retail, motels, institutional, recreational (hours)	Cost	Group 'F' Industrial (hours)	Cost	Groups 'A, B, D, E & F' Major alterations additions (hours)	Cost	Non-residential demolitions (hours)	Cost	Groups 'A, B, D, E & F' Minor alterations additions, including farm buildings (hours)	Cost	Other Permits: Occupancy, Moving/Relocation of building, Renew Permit, (hours)	Cost	Tents, Mobile Signs	Cost	Designated structures (Solar Panels, Retaining Walls, etc..)	Cost	Solid Fuel Burning Appliance Installation (Wood Stove), plumbing	Cost	Change of Use (no construction)	Cost	Sewer, Water, Plumbing	Cost			
2	1.Plan Review (CBO)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
3	2. Inspections	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4	3. Administration	0.25	14.94	0.25	14.94	0.25	14.94	0.25	14.94	0.00	0.00	0.00	0.00	0.08	4.78	0.08	4.78	0.25	14.94	0.25	14.94	0.25	14.94	0.08	4.78	0.25	14.94	0.08	4.78	0.08	4.78	0.08	4.78	0.08	4.78	0.08	4.78	0.08	4.78	0.08	4.78	0.08
5	4. Enforcement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
6	5. Conditional Permit	0.50	29.88		0.00	0.50	29.88		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
7	1.Plan Review (Building Inspector)	3.00	142.17	1.00	47.39	3.00	142.17	2.00	94.78	1.00	47.39	1.00	47.39	0.50	23.70	0.50	23.70	11.50	544.99	8.00	379.12	5.00	236.95	2.00	94.78	2.00	94.78	0.50	23.70	0.50	23.70	2.00	94.78	1.00	47.39	1.00	47.39	0.50	23.70	1.00	47.39	
8	2. Inspections	12.00	568.68	1.50	71.09	10.00	473.90	8.00	379.12	4.00	189.56	2.00	94.78	1.00	47.39	0.30	14.22	35.00	1658.65	30.00	1421.70	20.00	947.80	2.00	94.78	10.00	473.90	1.00	47.39	1.00	47.39	2.00	94.78	1.00	47.39	1.00	47.39	1.00	47.39	1.00	47.39	
9	3. Administration	2.00	94.78	2.00	94.78	2.00	94.78	1.50	71.09	1.50	71.09	1.00	47.39	1.00	47.39	1.00	47.39	3.00	142.17	3.00	142.17	3.00	142.17	1.50	71.09	1.00	47.39	1.00	47.39	1.00	47.39	1.00	47.39	1.00	47.39	1.00	47.39	1.00	47.39	1.00	47.39	
10	4. Enforcement	1.00	47.39	1.00	45.08	1.00	45.08	1.00	45.08	0.50	22.54	0.50	22.54	0.50	22.54	0.50	22.54	1.00	45.08	1.00	50.75	1.00	50.75	1.00	50.75	1.00	50.75	0.50	22.54	0.50	22.54	0.50	22.54	0.50	22.54	0.50	22.54	0.50	22.54	0.50	22.54	
11	Planning and Building Clerk	2.00	66.78	1.50	50.09	2.00	66.78	2.00	66.78	2.00	66.78	1.00	33.39	1.00	33.39	1.00	33.39	2.00	66.78	2.00	66.78	2.00	66.78	1.00	33.39	1.00	33.39	0.50	16.70	0.50	16.70	0.50	16.70	0.30	9.45	0.50	16.70	0.50	16.70	0.50	16.70	
12	Total # Hours	20.75		7.25		18.75		14.75		9.00		5.50		4.08		3.38		52.75		44.25		31.25		7.58		15.25		3.58		3.58		6.08		3.88	178.94	4.08	186.19	3.58				
13	Total - Direct Costs - Enforcement \$'s		964.61		323.36		867.52		671.78		397.36		245.49		179.19		146.01		2472.60		2075.46		1459.39		349.57		715.15		162.49		162.49		280.97		178.94		186.19		165.33			
14	Cost/Permit																																									
15	Total Direct Costs - Building Administration																																									
16	\$ 81,834.53		239.28		239.28		239.28		239.28		239.28		239.28		239.28		239.28		239.28		239.28		239.28		239.28		239.28		239.28		239.28		239.28		239.28		239.28		239.28		239.28	
17	Total - Indirect Costs - Administration																																									
18	\$ 44,250.06		129.39		129.39		129.39		129.39		129.39		129.39		129.39		129.39		129.39		129.39		129.39		129.39		129.39		129.39		129.39		129.39		129.39		129.39		129.39		129.39	
19	Total - Indirect Costs - Enforcement																																									
20	\$ 719.27		3.60		3.60		3.60		3.60		3.60		3.60		3.60		3.60		3.60		3.60		3.60		3.60		3.60		3.60		3.60		3.60		3.60		3.60		3.60		3.60	
21	Grand Total \$'s		1336.88		695.63		1239.79		1044.05		769.63		617.76		1239.79		551.46		518.28		2844.87		2447.73		1831.66		721.84		1087.42		534.76		534.76		653.24		551.21		558.46		537.60	
22	Avg# Permits		113.20		0.20		18.60		7.60		65.60		33.60		25.20		6.40		5.40		2.80		11.60		1.80		7.40		6.00		20.20		5.40		1.80		1.80		49.60			
23	Total Revenue \$'s		\$151,335.32	0.00	\$139.13		\$23,060.18		\$7,934.81		\$50,487.53		\$20,756.80		\$13,896.72		\$3,317.02		\$15,362.32		\$6,853.64		\$21,247.25		\$1,299.31		\$8,046.90		\$962.57		\$3,208.57		\$13,195.39		\$2,976.56		\$1,005.22		\$26,664.81			
24	Grand Total Revenue \$'s																																								\$356,387.72	

Table 5 - Proposed Building Permit Fee Schedule - North Grenville							
A	B	C	D	E	F	G	H
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)
Group C, Low Density	\$ 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
Group C, Mobile Homes	\$ 695.63	\$ 1,045.63	\$ 1,150.19		0	\$ 230.04	\$ 209.13
Group C, Medium, High Density Residential	\$ 1,239.79	\$ 2,189.79	\$ 2,408.77		19	\$ 44,803.19	\$ 40,730.18
Group C, Major Alterations	\$ 1,044.05	\$ 1,044.05	\$ 1,148.46		8	\$ 8,728.30	\$ 7,934.81
Group C, Minor Alterations, garage, carport, shed	\$ 769.63	\$ 769.63	\$ 846.59		66	\$ 55,536.28	\$ 50,487.53
Group C, Deck	\$ 617.76	\$ 282.69	\$ 310.96		34	\$ 10,448.26	\$ 9,498.42
Pools	\$ 551.46	\$ 279.49	\$ 307.44		25	\$ 7,747.38	\$ 7,043.07
Group 'C' Residential Demolitions	\$ 518.28	\$ 277.87	\$ 305.66		6	\$ 1,956.23	\$ 1,778.39
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
Group F, Industrial	\$ 2,447.73	\$ 4,447.73	\$ 4,892.50		3	\$ 13,699.01	\$ 12,453.64
Groups A, B, D, E & F Major Alterations	\$ 1,831.66	\$ 3,331.66	\$ 3,664.83		12	\$ 42,511.97	\$ 38,647.25
Non-Residential Demolitions	\$ 721.84	\$ 1,121.84	\$ 1,234.02		2	\$ 2,221.24	\$ 2,019.31
Groups A, B, D, E & F Minor Alterations	\$ 1,087.42	\$ 1,487.42	\$ 1,636.16		7	\$ 12,107.59	\$ 11,006.90
Other Permits: Occupancy, Moving/Relocation of building, Renew Permit	\$ 534.76	\$ 278.55	\$ 306.41		2	\$ 551.53	\$ 501.39
Tents, Mobile Signs	\$ 534.76	\$ 278.55	\$ 306.41		6	\$ 1,838.44	\$ 1,671.31
Designated Structures	\$ 653.24	\$ 284.33	\$ 312.76		20	\$ 6,317.74	\$ 5,743.40
Solid Fuel Burning Appliances, plumbing	\$ 551.21	\$ 278.76	\$ 306.64		5	\$ 1,655.86	\$ 1,505.33
Change of Use	\$ 558.46	\$ 279.71	\$ 307.68		2	\$ 553.82	\$ 503.47
Sewer, Water, Plumbing	\$ 537.60	\$ 239.38	\$ 263.31		50	\$ 13,060.41	\$ 11,873.10
Total					384	\$ 537,508.71	\$ 488,644.28

The Municipality of North Grenville has not adjusted Building Permit Fees for some time (2015) and as such, the adjustment is significant. Some municipalities are using the Consumer Price Index (CPI), (construction index), a Statistics Canada publication as the means to make the adjustment. This is a recommended option for the Municipality of North Grenville and would result in more regular adjustments that would be tailored to annual adjustments in the cost of living.

Fees which are not currently, but for which the Municipality could impose a fee for service include:

A. Description of Services Associated with Fee or Service Categories

Alternative Solution

Alternative solution means the review of a study or report which proposes a substitute construction method or materials for an acceptable solution as set out in Parts 3 to 12 of Division B of the *Building Code*;

B. Administration Fees

- a) Issuance of Order to Comply/Deficiency Report
- b) Occupant Load Inspection and report

11. Municipal Fee Comparisons

The Municipality is interested in a fee comparison with surrounding municipalities. The following Table sets out a fee comparison which was undertaken through on-line data available for each of the municipalities listed. Although Municipal Councils are often interested in the fees levied by other

municipalities, Council should be cautioned that the comparisons are seldom equivalent since the fees may not reflect the actual costs of providing the service (i.e. a different financial model was used), the calculations may be dated (note that some fees date to 2014), and the costs of salaries and benefits are invariably different.

Building Permit Fee Comparisons as updated 2019				
				DEC 9,19
Municipality	Single Detached	Deck (300 ft ²)	New Commercial	New Industrial
	Dwelling (1,500 ft ²)		(2,500 ft ²)	(6,456 ft ² /600 m ²)
Ottawa	\$ 1,260.00	\$ 262.00	\$ 3,125.00	\$ 4,520.00
Carleton Place	\$ 1,812.00	\$ 88.00	22% for first 500,000/1.11% thereafter of valuation	22% for first 500,000/1.11% thereafter of valuation
Perth (2018)	\$ 1,680.00	\$ 75.00	\$ 2,500.00	\$ 5,618.00
Russell (2014)	\$ 1,700.00	\$ 165.00	\$ 1,600.00	\$ 4,521.00
The Nation Municipality	\$ 1,589.00	\$ 165.00	\$ 1,650.00	\$ 2,870.00
Misissippi Mills	\$ 3,200.00	\$ 200.00	\$ 1,925.00	\$ 4,972.00
Clarence Rockland (2015)	\$ 1,479.00	\$ 153.00	\$ 4,590.00	\$ 6,631.00
Brockville (2019)	\$ 2,325.00	\$ 185.00	\$ 1,875.00	\$ 4,844.00
Arnprior (2018)	\$ 1,425.00	\$ 55.00	\$ 1,875.00	\$ 4,844.00
North Dundas (2016)	\$ 1,155.00	\$ 96.00	\$ 2,125.00	\$ 5,489.00
Average	\$ 1,762.50	\$ 144.40	\$ 2,362.78	\$ 4,923.22
North Grenville (proposed 2021)	\$ 2,515.57	\$ 310.00	\$ 5,329.36	\$ 4,892.50

12. Summary

The Building Division of the Municipality of North Grenville administers the legislated responsibilities required by the *Building Code Act* and the *Ontario Building Code*. The Building Division is supported by services provided by other municipal departments essential to day-to-day operations. This study was undertaken to determine **full-cost recovery for the costs** associated with the delivery of the Building Division's responsibilities and the associated costs of the support services provided to the Division.

The level of building permit activity continues to be strong and is expected to continue for the next several years albeit the number of new housing starts is projected to decline from approximately 132 starts per year to 87 starts per year. Conversely, commercial activity which lags will increase.

The costs for salaries, benefits and overhead for the Building Division were calculated based on the 2018 Municipal budget and were adjusted to 2020 based on the Consumer Price Index. Total costs for the administration and enforcement of the *Building Code Act* were determined to be **\$459,961** and this cost is considered to be recoverable through building permit fees.

The costs for salaries, benefits and overhead for the support services of other departments were calculated as **\$44,969**

The combined costs of **\$504,531** represent the total municipal administration and enforcement costs required to be calculated under Section 7(2) of the *Building Code Act* and recoverable through building permit fees

The study also determined that the municipality has a Cost Stabilization Reserve Fund (CRSF), locally referred to as a Building Reserve Fund. This fund has been tailored in this study to generate funds to offset operational and capital costs of

the building inspection and related support services. A surcharge of 10% is recommended to fund this reserve on an ongoing basis; however, the municipality should monitor expenditure and revenue levels.

The study also determined the actual cost for all of the steps required to process a building permit and provide other services based on staff time and the associated salary, benefits and overhead costs.

As a result of the study, an adjustment in the building permit fees as well as the introduction of some new fees is required to permit the Municipality of North Grenville to recover all of the costs associated with the delivery of the building inspection service and the related support services provided by other departments.

Table 5 sets out the recommended fees which may be incorporated into a draft new building by-law.

13. Recommendations

This building permit fee study has determined the total **Indirect Costs** and **Direct Costs** for **Administration** and **Enforcement** based on the criteria set out in Section 7 of the *Building Code Act*. Based on the findings of this study it is recommended:

- A. That Council adopt the recommended fee structure set out in **Table 5 preferably the fees which include the Cost Stabilization Reserve Fund surcharge.**
- B. That Council levy an annual adjustment in permit fees based on the Consumer Price Index (CPI) available through Statistics Canada.
- C. That Council convene a public meeting in compliance with the requirements of the *Building Code Act* for the purposes of considering changes to fees and the introduction of new fees.

Appendix 1 – Draft Building By-law

THE CORPORATION OF THE MUNICIPALITY OF NORTH GRENVILLE

BY-LAW NUMBER _____

Being a By-law to provide for
the administration and enforcement of the *Building Code Act*
and with respect to the establishment and requirement
of the payment of fees for information and services.

WHEREAS, Section 3.(1) of the *Building Code Act*, S.O. 1992, c.23, as amended, provides that the council of each municipality is responsible for the enforcement of the *Building Code Act*, 1992, as amended, in the municipality;

AND WHEREAS Section 7 of the *Building Code Act*, S.O. 1992, c.23, as amended, empowers council to pass By-laws respecting permits for construction, demolition, occupancy, change of use, on-site sewage system and conditional permits and respecting inspections and the charging of permit fees and other related matters;

AND WHEREAS Section 7 of the *Building Code Act*, S.O. 1992, c.23, as amended, empowers council to pass By-laws to establish an On-site Sewage system Maintenance Inspection Program and the charging of service fees for the recovery of costs associated with the administration of said program;

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE MUNICIPALITY OF NORTH GRENVILLE enacts as follows:

1. Citation

1.2. This By-law may be cited as the “*Building By-law*”.

1.2. All references made within this By-law shall be found within this By-law unless otherwise noted.

2. Definitions

2.2. Words shown in italicized script in this By-law shall have the meaning as follows:

- (a) Act means the *Building Code Act*, S.O. 1992, c. 23, as amended;
- (b) Alternative solution means a substitute for an acceptable solution as set out in Parts 3 to 12 of Division B of the *Building Code*;
- (c) Applicable law means the list of *applicable laws* as prescribed by the *Building Code*;
- (d) Applicant means the *owner* of a *building* or property who applies for a *permit* or any *authorized agent* to apply for a *permit* on the *owner's* behalf or any person or corporation empowered by statute to cause the construction or demolition of a *building or buildings* and anyone acting under the authority of that person or corporation;
- (e) Authorized agent means a person who has been authorized in writing to act on the *owner's* behalf for matters relating to an application for a *permit*;
- (f) As constructed plans means construction plans and specifications that show the *building* and the location of the *building* on the property as the *building* has been constructed;

- (g) Building means
- i. a structure occupying an area greater than ten square meters consisting of a wall, roof and floor or any of them or a structural system serving the function thereof including all plumbing, works, fixtures and service systems appurtenant thereto,
 - ii. a structure occupying an area of ten square meters or less that contains plumbing, including the plumbing appurtenant thereto,
 - iii. plumbing not located in a structure,
 - iv. a sewage system, or
 - v. structures designated in the building code.
- (h) Building Code means regulations made under Section 34 of the *Act* and any amendments thereto;
- (i) Chief Building Official means the person appointed by a By-law of the *Corporation* of the Municipality of North Grenville for the purpose of enforcement of the *Act* and whose roles are set out in the *Act*;
- (j) Construct means to do anything in the erection, installation, extension or material alteration or repair of a building and includes the installation of a building unit fabricated or moved from elsewhere and “construction” has a corresponding meaning.
- (k) Corporation means The *Corporation* of the Municipality of North Grenville;
- (l) Demolish means to do anything in the removal of a building or any material part thereof and “demolition” has a corresponding meaning.
- (m) Form means the applicable provincial or municipal prescribed document;
- (n) Inspector means a person appointed by By-law of the *Corporation* of the Municipality of North Grenville for the purpose of enforcement of the *Act* and who’s roles are set out in the *Act*;
- (o) Minor for the purposes of calculating building permit fees shall mean construction value of \$25,000 or less in 2020 dollars.
- (p) Major for the purposes of calculating building permit fees shall mean construction value of \$25,001 or more in 2020 dollars.
- (q) Owner means the registered *owner* of the land or property for which a *permit* application is submitted, a *permit* has been issued or that contains an on-site sewage system for the purposes of the *Maintenance Inspection Program* and includes the registered *owner*, a lessee and mortgagee in possession;
- (r) Permit means permission or authorization in writing by the *Chief Building Official* to perform *work* or to occupy a *building* or part thereof, as regulated by the *Act* and the *Building Code*;
- (s) Permit holder means the *owner* to whom the *permit* has been issued or, where the *permit* has been transferred, the transferee, and shall be the person who assumes the primary responsibility for compliance with the *Act* and the *Building Code*;

- (t) Registered Code Agency means a person that has the qualifications and meets the requirements described in subsection 15.11(4) of the *Act*;
- (u) Sign for the purpose of determining a building permit fee shall mean a sign designed to meet the requirements of the *Building Code*;
- (v) Work means the construction or demolition of a *building* or part thereof and includes a change of use as regulated by the *Building Code*.

2.3. Any words or phrases used in this By-law which are defined in the *Building Code* shall be deemed to have an equivalent meaning in the context in which they are used.

3. **Classes of *Permits***

3.2. The classes of *permits* with respect to construction, demolition, change of use and occupancy shall be as set out in Schedule 'B' and which are further described as follows:

- (a) Construction *Permit* is a *permit* required under Subsection 8. (1) of the *Act* for the construction of *buildings* and parts of *buildings*.
- (b) Demolition *Permit* is a *permit* required under Subsection 8. (1) of the *Act* for the removal of a *building*.
- (c) Conditional *Permit* is a *permit* authorized under Subsection 8. (3) of the *Act* for the construction of *buildings* or parts of *buildings* that may be issued at the sole discretion of the *Chief Building Official*.
- (d) Change of Use *Permit* is a *permit* required under Subsection 10. (1) of the *Act* where a change in use of a *building* or part of a *building* would result in an increase in hazard as determined under Division C, Article 1.3.1.4. of the *Building Code* where no construction is proposed.
- (e) Occupancy *Permit* is a *permit* required to occupy a *building* or part of a *building* in accordance with the requirements of Division C, Subsection 1.3.3. of the *Building Code*.

3. **Applications for *Permits***

3.1. To obtain a *permit*, the *owner* or an *authorized agent* shall submit the applicable prescribed *permit* application *form* to the *Chief Building Official*.

3.2. All *forms* prescribed by the *Building Code* and the *Chief Building Official* are available at the Province of Ontario, the office of the *Chief Building Official* or the *Corporation's* web site, as the case may be.

3.3. Where an application is made for a Construction *Permit* under Subsection 8.(1) of the *Act*, the application shall:

- (a) Include a completed *permit* application *form* as prescribed by the *Building Code*;
- (b) Be accompanied by the plans and specifications prescribed by this By-law and any associated information or approvals required to demonstrate compliance with any *applicable law*;
- (c) Identify and describe the *work* and use to be covered by the *permit* for which application is made;
- (d) Be accompanied by all fees that are set out in Schedule 'A';

- (e) State the names, addresses, telephone numbers, fax numbers and email addresses of the *owner, applicant*, architect, professional engineer, designer, contractor, installer or constructor, where applicable;
- (f) Be accompanied by a completed Commitment to General Reviews *form* as prescribed by the *Chief Building Official* when the Architects Act, as amended, and/or the Professional Engineers Act, as amended, requires the designer be an architect and/or a professional engineer;
- (g) Include completed *forms* as deemed required and prescribed by the *Chief Building Official*.

3.4. Where an application is made for a Demolition *Permit* under Subsection 8.(1) of the *Act*, the application shall:

- (a) Include a completed *permit* application *form* as prescribed by the *Building Code*;
- (b) Be accompanied by the plans and specifications prescribed by this By-law and any associated information or approvals required to demonstrate compliance with any *applicable law*;
- (c) Be accompanied by all fees that are set out in Schedule 'A' ;
- (d) State the names, addresses, telephone numbers, fax numbers and email addresses of the owner and of the Architect, professional engineer, designer, contractor or constructor, where applicable;
- (e) Be accompanied by a completed Commitment to General Reviews *form* as prescribed by the *Chief Building Official* when the *Building Code* requires a professional engineer to undertake the general review of the demolition; and
- (f) Be accompanied by proof satisfactory to the *Chief Building Official* that arrangements have been made with the proper authorities, where applicable, for the disconnection and capping of all water, sewer, gas, electric, telephone or other utilities and services on a *form* prescribed by the *Chief Building Official*.

3.5. Where application is accepted at the discretion of the *Chief Building Official* for a Conditional *Permit* under Subsection 8.(3) of the *Act*, the application shall:

- (a) Be preceded by an application for a Construction *Permit* set out in 3.3. and filed with the *Chief Building Official*;
- (b) Be accompanied by the plans and specifications prescribed by this By-law and any associated information or approvals required to demonstrate compliance with any *applicable law*;
- (c) Include a completed Conditional *Permit* application *form* as prescribed by the *Chief Building Official*;
- (d) State in writing to the *Chief Building Official* the reasons why the *applicant* believes that unreasonable delays in construction would occur if a conditional *permit* is not granted;
- (e) State the necessary approvals which must be obtained in respect of the proposed *building* and the date or time by which such approvals will be obtained;

- (f) Be accompanied by a Conditional *Permit* Agreement *form*, authorized by Clause 8.(3)(c) of the *Act*, which must be signed by the *owner* or an *authorized agent* who has the authority to bind the *owner*;
- (g) In the event that the conditions have not been satisfied beyond the date that is prescribed in a Conditional *Permit* Agreement, the agreement shall be considered as expired, all *work* shall stop and a request for an extension shall be made by the *permit holder*;
- (h) Be accompanied by a security deposit under the terms of the Conditional *Permit* Agreement; and
- (i) In addition to fees prescribed for the Construction *Permit* application, be accompanied by all Conditional *Permit* fees that are set out in Schedule 'A'.

3.6. Consideration of an application for Conditional *Permit* is at the sole discretion of the *Chief Building Official* and, if considered, shall not be construed to authorize construction beyond the scope for which conditional approval is given or that a Construction *Permit* will necessarily be issued.

3.7. Where application is made for a Change of Use *Permit* issued under Subsection 10.(1) of the *Act*, the application shall:

- (a) Include a completed *permit* application *form* as prescribed by the *Chief Building Official*;
- (b) Be accompanied by the plans and specifications prescribed by this By-law and any associated information or approvals required to demonstrate compliance with the *Building Code* and any *applicable law*;
- (c) Describe the *building* in which the occupancy is to be changed by a description that will readily identify and locate the *building*;
- (d) Identify and describe in detail the current and proposed occupancies of the building or part of a *building* for which the application is made;
- (e) Include plans and specifications which show the current and proposed occupancy of all parts of the *building* and which contain sufficient information to establish compliance with the requirements of the *Building Code*, including, but not limited to, floor plans, details of wall, ceiling and roof assemblies identifying required fire resistance ratings and load bearing capacities and details of the existing on-site sewage system, if any;
- (f) Be accompanied by a report from a qualified person as prescribed by the *Building Code* confirming that the change of use will not result in an increase in hazard;
- (g) Be accompanied by all fees that are set out in Schedule 'A'; and
- (h) State the name, address, telephone number, fax number and email address of the *owner*.

3.8. To obtain an Occupancy *Permit* as required by Division C, Subsection 1.3.3. of the *Building Code*, the *owner* or *authorized agent* shall:

- (a) Notify the *Chief Building Official* of the completion of construction required to *permit* the occupancy of a *building*;

- (b) Describe the part of the *building* for which occupancy is requested;
- (c) Submit plans showing portion(s) of the floor area(s) to be occupied complete with location(s) of temporary exits as applicable;
- (d) Submit all general review reports where the *Building Code* requires the construction to be reviewed by an *architect* and/or a professional engineer; and

3.9. A *building* shall not be occupied, permitted to be occupied or commissioned into service without the written authorization from the *inspector*.

4. Plans and Specifications - General

- 4.1. Sufficient information shall be submitted with each application for a *permit* to enable the *Chief Building Official* to determine whether or not the proposed construction, demolition or change of use will conform to the *Act*, the *Building Code*, this by-law and any other *applicable law*.
- 4.2. Each application for a Construction, Demolition or Change of Use *Permit* shall be accompanied by two (2) complete sets of the plans and specifications as set out in Schedule 'B' in order for an application to be deemed as complete.
- 4.3. Each application for a Conditional *Permit* shall be accompanied by two (2) additional sets of legible plans and specifications sufficient to describe the scope of *work* covered by the Conditional *Permit*.
- 4.4. Plans shall be drawn to a suitable and legible scale (minimum 1:75 or 3/16"=1'-0") on paper or other durable medium approved by the *Chief Building Official* and shall include information as set out in Schedule 'B' unless otherwise specified by the *Chief Building Official*.
- 4.5. At the discretion of the *Chief Building Official*, submission of digital drawings, designs and specifications may be considered where:
 - (a) The file is formatted to print on not greater than 11 inch x 17 inch size paper to retain the original scale of the document; and
 - (b) The format of the digital file is suitable to the *Corporation*.

5. Incomplete Application

- 5.1. Except as provided in Subsection 6.2 of this by-law, a *permit* application that does not meet all of the requirements of Section 3 of this By-law shall be denied without further review.
- 5.2. Where the *Chief Building Official* determines that a *permit* application is incomplete, the *Chief Building Official* may accept the application if the *applicant* acknowledges that the application is incomplete.
- 5.3. Where an *applicant* declares or acknowledges that a permit application is incomplete, the *Chief Building Official* shall not be bound by the timelines prescribed by the *Building Code* within which a *permit* must be issued or refused.
- 5.4. The *applicant* shall be notified in writing where a review by the *Chief Building Official* or *inspector* has determined information is missing or non-compliant with any provisions of the *Act*, *building code* or this By-law.
- 5.5. Where it is determined that the applicant has not made satisfactory progress to submit required information within 30 days of being notified by the *Chief Building Official* or *inspector*, written notice thereof shall be given to the *applicant*.

- 5.6. If an incomplete application is deemed to be abandoned as determined by the *Chief Building Official*, a new application must be submitted as set out in Section 3 for all proposed *work*.

6. Withdrawing a *Permit* Application

- 6.1. A *permit holder* may request, in writing, that an application for *permit* be withdrawn prior to issuance of a *permit*.
- 6.2. All plans, specifications and documents submitted in support of an application for *permit* shall remain the property of the *Corporation*.

7. Revocation of *Permit*

- 7.1. Prior to revoking a *permit* under Subsection 8.(10) of the *Act*, the *Chief Building Official* may serve a notice to the last known address to the *permit holder*, and, following a 30 day period from the date of service, may revoke the *permit* without further notice.
- 7.2. The *Chief Building Official* may consider a written request by the *permit holder* to defer revocation of a *permit* if the request:
- (a) Is received by the *Chief Building Official* prior to the end of the 30 day period described in Subsection 8.1; and
 - (b) States the reasons why the *permit* should not be revoked and the date by which meaningful and substantial *work* will resume.
- 7.3. The *Chief Building Official*, having regard to any material changes to the *Act*, *Building Code* or other *applicable law*, may allow a deferral of revocation of a *permit*.
- 7.4. Subject to Section 25 of the *Act*, the *Chief Building Official* is under no obligation to defer revocation of a *permit*.

8. Revisions

- 8.1. Where the design or scope of *work* authorized by an issued *permit* changes, the *owner* shall submit sufficiently detailed and revised plans and specifications, as set out in Section 4, that describe the proposed *work* prior to carrying out the proposed *work*.
- 8.2. Sufficient material changes to the design or scope of *work* may constitute the need for a new application for *permit* as determined by the *Chief Building Official*.
- 8.3. A revision to a *permit* application or an issued *permit* shall be accompanied by all fees as set out in Schedule 'A'.

9. Transfer of *Permit*

- 9.1. An issued *permit* may be transferred to a new *owner* by the *Chief Building Official* where the new *owner* provides:
- (a) A completed Transfer of *Permit form* prescribed by the *Chief Building Official*;
 - (b) A written statement agreeing to comply with all statutes, regulations, *applicable laws* and conditions of approval upon which the *permit* was issued;

- (c) A written statement from the designer authorizing the continued use of all drawings, specifications and documents associated with the issued *permit*;
- (d) A completed Commitment to General Reviews *form* as prescribed by the *Chief Building Official* when the *Building Code* requires the *work* be reviewed by an architect or a professional engineer; and
- (e) Payment of fees for transfer of *permit* as set out in Schedule 'A'.

10. As-Constructed Plans and Documents

10.1. On completion of the construction, the *Chief Building Official* may require:

- (a) A set of *as-constructed plans* be filed with the *Chief Building Official*, and/or
- (b) A plan of survey showing the location of the *building* or *buildings*.

10.2. As set out in Section 18 of the *Act*, an inspector may require information, including plans, specifications, reports or documents, from any person in order to confirm compliance with any *Building Code* and/or *applicable law* requirement.

11. Alternative Solutions

11.1. The *Chief Building Official* may authorize the use of an *alternative solution* where a designer provides, for each *alternative solution* that is proposed:

- (a) By submitting a completed *Alternative Solution Application form* as prescribed by the *Chief Building Official*;
- (b) Submitting description of the proposed material, system or *building* design for which authorization as an *alternative solution* is requested;
- (c) Submitting a description of the applicable objectives, functional statements and acceptable solutions as set out in the *Building Code*;
- (d) Providing supporting documentation, past performance or tests described in Division C, Section 2.1 of the *Building Code* or other evaluation demonstrating that the proposed material, system or *building* design will provide the level of performance required by Division A, Article 1.2.1.1. of the *Building Code*; and
- (e) By paying the prescribed fee as set out in Schedule 'A' and in addition, where required, paying the costs of a third party review.

11.2. Where an *alternative solution* has been authorized, the *Chief Building Official* may impose conditions and/or limitations.

11.3. *Alternative solutions* authorized by the *Chief Building Official* shall be applicable only to the location as described in the application and are not transferrable to any other *permit*.

12. Fees

12.1. Fees shall be determined by the *Chief Building Official* as set out in Schedule 'A' and are due and payable by the *applicant* commencing with a deposit upon submission of an application for a *permit* in addition to any development charges, levies and fees that are deemed to be *applicable law*. Any balance owing shall be paid prior to the issuance of a *permit*.

- 12.2. For classes of *permits* not described in Section 3 or where no fee exists in Schedule 'A', a reasonable fee shall be determined by the *Chief Building Official* by considering all administration, plan review and inspection costs.
- 12.3. Where fees are due as a result of revisions after a *permit* has been issued, no inspections associated with the said revisions shall be passed until:
- (a) The revisions are approved by the *Chief Building Official* or *inspector*, and
 - (b) Additional fees have been paid in full.
- 12.4. Where *work* occurs prior to the issuance of a *permit*, an additional surcharge equalling 100% of the *permit* fee described in this Section to a maximum of \$5,000, shall be payable by the *applicant*.
- 12.5. The *permit* fees as set out in Schedule 'A' presumes a single submission of complete plans and specifications and a single inspection of each prescribed stage of construction as set out in the *Building Code* and this By-law. Additional service fees as set out in Schedule 'A' shall be invoiced when additional resources to review additional drawings and/or to re-inspect *work* are consumed.

13. Refunds

- 13.1. In the case of a cancelled *permit* or withdrawn, inactive or abandoned *permit* application, the *Chief Building Official* shall determine the amount of paid fees as set out in Schedule 'A' that may be refunded to the *Applicant*, if any, as follows:
- (a) 90% if administrative functions only have been performed;
 - (b) 80% if administrative and zoning functions only have been performed;
 - (c) 60% if administrative, zoning and plans examination functions have been performed; and
 - (d) 50% if the permit has been issued.
- 13.2. Upon calculation of a refund determined in Subsection 13.1, the refund value shall be reduced by 5% for each field inspection that has been performed in relation to an application for *permit* or an issued *permit*.
- 13.3. The percentage of fee to be refunded as set out in Subsection 13.2 shall not include the additional surcharge calculated as a result of construction, demolition or change of use occurring prior to the issuance of a *permit*.
- 13.4. Any authorized refund shall be returned to the person identified on the receipt.
- 13.5. A deposit that has been paid for an application for Demolition *Permit* shall be refunded to the person identified on the receipt where inspections confirm the following within 6 months of issuance of the *permit*:
- (a) The demolition of the building is complete;
 - (b) All general review letters, where required, have been received by the *Chief Building Official*;
 - (c) All demolition material and debris has been removed from the property;
 - (d) Capped water and sewer services have been inspected and passed.
- 13.6. No refund shall be made where the paid *permit* fee is less than \$100.00.

14. Recovery of Fees

14.1. In addition to every other remedy available at law, fees that are due and unpaid may be added to the tax roll of the property of the *Owner*, and may be collected in like manner as municipal taxes.

15. Fee Adjustments

15.1. Immediately upon release of the Consumer Price Index by Statistics Canada, all services fees as set out in Schedule 'A' shall be adjusted by the Consumer Price Index and shall be;

- (a) Rounded to the nearest cent where the fee is based on an area or linear measurement calculation; and
- (b) Rounded to the nearest dollar for all other fees.

15.2. Adjusted fees shall be posted on the corporation's web site and available from the Building Division.

16. Notices and Inspections

16.1. The *permit holder* or an *authorized agent* shall notify the *Chief Building Official* of readiness to inspect the required stages of construction as prescribed by Division C, Sentence 1.3.5.1.(2) of the *Building Code*.

16.2. In addition to Subsection 18.1., the *permit holder* or an *authorized agent* shall notify the *Chief Building Official* of readiness to inspect the following stages of construction as prescribed by Division C, Sentence 1.3.5.2.(1) of the *Building Code*:

- (a) Commencement of construction of the *building*, more specifically
 - i. Footings, and
 - ii. Foundation
- (b) Substantial completion of structural framing for each storey, if the *building* is a type of *building* that is within the scope of parts of the *Building Code* other than Division B, Part 9;
- (c) Commencement of construction of;
 - (i) masonry fireplaces and masonry chimneys;
 - (ii) factory-built fireplaces and allied chimneys; or
 - (iii) stoves, ranges, space heaters and add-on furnaces using solid fuels and allied chimneys;
- (d) Substantial completion of heating, ventilating, air-conditioning and air-contaminant extraction equipment;
- (e) Substantial completion of exterior cladding;
- (f) Substantial completion of the pool deck and dressing rooms for a public pool or public spa and readiness for inspection of the emergency stop system for a public pool or public spa;
- (g) Completion and availability of drawings of the *building* as constructed; and

- (h) Completion of a *building* for which an occupancy *permit* is required under Division C, Article 1.3.3.4 of the *Building Code*.

16.3. The notice required in Subsections 16.1. and 16.2. shall be:

- (a) Emailed to www.northgrenville.ca;
- (b) By voice message to the Building Division's dedicated inspection request phone line as published on the Municipality's web site; or
- (c) In writing to the office of the *Chief Building Official*.

16.4. A notice pursuant to Subsections 16.1. to 16.3. is not effective until the notice is actually received by the *Chief Building Official* or designate.

16.5. Upon receipt of notice of readiness to inspect as set out in this Section, the *Chief Building Official* or an *inspector* shall undertake a site inspection:

- (a) No later than two (2) business days after receipt of the notice by the *Chief Building Official* or designate, or

16.6. The time period referred to in Subsection 16.5 shall begin on the business day following the day on which the notice is received.

16.7. The *permit holder* shall facilitate safe access for inspection of the *work*.

16.8. A copy of the actual plans issued in support of a *permit* shall be available to the inspector when requested.

16.9. Re-inspections of deficient or incomplete *work* for a third (3rd) inspection of the same required inspection shall be subject to an additional service fee as set out in Schedule 'A'.

17. Delegated Authority to *Chief Building Official*

17.1. The Council of the *Corporation* hereby delegates to the *Chief Building Official* the power to enter into agreements prescribed by the *Corporation* and described in clause 8.(3)(c) of the *Act* relating to the issuance of a Conditional *Permit*.

17.2. Where the *Corporation* enters into an agreement with a *Registered Code Agency*, the *Chief Building Official* is authorized to enter into a service agreement with a *Registered Code Agency* to perform one or more of the functions prescribed in Section 15.15 of the *Act* in respect of the construction or demolition of a *building* or class of *buildings*.

18. Fences at Construction and Demolition Sites

18.1. Where, in the opinion of the *Chief Building Official* or *inspector*, a construction or demolition site presents a hazard to the public, the *Chief Building Official* or *inspector* may require the *owner* to erect such fences as the *Chief Building Official* or *inspector* deems appropriate to the circumstances to prevent unauthorized entry to the site.

18.2. In considering the hazard presented by the construction or demolition site to be fenced, the *Chief Building Official* or *inspector* shall have regard for:

- (a) The proximity of the *building* site to other *buildings* that are occupied;
- (b) The proximity of the construction or demolition site to lands accessible to the public;

- (c) The hazards presented by the construction or demolition activities and materials;
- (d) The effectiveness of site fences; and
- (e) The duration of the hazard.

18.3. Every fence required under this By-law shall:

- (a) create a continuous barrier to sufficiently deter unauthorized entry to the construction or demolition site to the satisfaction of the *Chief Building Official* or *inspector*
- (b) be erected and maintained in a nominally vertical plane and maintained in good repair; and
- (c) be a minimum of 1.2 m in height and shall not exceed the maximum height as set out in the *Corporation's* Zoning By-law.

19. Offences and Penalties

19.1. Every person who contravenes any provision of this By-law is guilty of an offence and on conviction is liable to a fine as provided in Section 36 of the *Act*, 1992, S.O. 1992, c.23, as amended.

20. Validity

20.1. In the event that any provision of this By-law is declared by a court of competent jurisdiction to be invalid, the same shall not affect the validity of the remaining provisions of this By-law.

21. Interpretation and Implementation

21.1. Schedules A and B attached hereto shall form part of this By-law.

21.2. This By-law comes into force on the day of its enactment.

21.3. By-law 14-98 as amended, of the Corporation of the Municipality of North Grenville is hereby repealed.

22. Effective Date

22.1 This by-law shall come into force and take effect on January 1, 2021.

Passed in Open Council on _____, 2020

Mayor

Clerk

Schedule A – Permit and Miscellaneous Fees

Class of Permit		Building Permit Fee
A.	NEW CONSTRUCTION	
1	Assembly Occupancies Group A	$\$5,329.36 + \$0.57/\text{ft.}^2 > 6,459 \text{ ft.}^2$ to a maximum of \$25,000
2	Institutional Occupancies Group B	$\$5,329.36 + \$0.57/\text{ft.}^2 > 6,459 \text{ ft.}^2$ to a maximum of \$25,000
3	Residential Occupancies – Group C	
a.	Single House, Semi-detached, duplex	$\$2,515.57 + \$0.64/\text{ft.}^2 > 1,500 \text{ ft.}^2$
b.	Multiple Unit Dwelling	$\$2,515.57 + \$0.64/\text{ft.}^2 > 1,500 \text{ ft.}^2$
c.	Mobile Home	$\$1,150.19 + \$0.64/\text{ft.}^2 > 1,500 \text{ ft.}^2$
d.	Residential – Major Additions and Alterations	$\$1,148.46 + \$0.64/\text{ft.}^2 > 1,500 \text{ ft.}^2$
4	Business/Personal Services Occupancies – Group D	$\$5,329.36 + \$0.57/\text{ft.}^2 > 6,459 \text{ ft.}^2$ to a maximum of \$25,000
5	Mercantile Occupancies – Group E	$\$5,329.36 + \$0.57/\text{ft.}^2 > 6,459 \text{ ft.}^2$ to a maximum of \$25,000
6	Industrial Occupancies – Group F	$\$4,892.50 + \$0.57/\text{ft.}^2 > 6,459 \text{ ft.}^2$ to a maximum of \$25,000
7	Special Occupancies	
a.	Churches, Community Halls, Agricultural Buildings	$\$275 + \$0.64/\text{ft.}^2$
b.	Tents	$\$306 + \$0.64/\text{ft.}^2 > 2,922 \text{ ft.}^2$ to a maximum of \$550
8	Accessory Buildings/Structures	
a.	Detached garage, shed, boat house, other accessory building	$\$312 + \$0.64/\text{ft.}^2 > 300 \text{ ft.}^2$
b.	Swimming Pool – above ground	\$100 flat fee
c.	Swimming Pool – inground	\$307 flat fee
d.	Deck	\$310 flat fee

Class of Permit		Building Permit Fee
B.	ALTERATIONS AND REPAIRS	
1	Interior Major Alterations, Repairs, Tenant Improvements	
a.	Occupancies – Groups A, B, D, E, F	$\$3,664.83 + \$0.57/\text{ft.}^2 > 6,459 \text{ ft.}^2$ to a maximum of \$10,000
b.	Residential Occupancies – Group C – Minor Alterations, renovations, repairs, retrofitting	\$847 flat fee
c.	Minor Alterations – Groups A, B, D, E, F	$\$1,636.16 + \$0.57/\text{ft.}^2 > 6,459 \text{ ft.}^2$ to a maximum of \$10,000
d.	Alterations & Repairs to existing buildings or building systems not provided for above	\$10.00 for each \$1,000 of construction value or part thereof as determined by the Chief Building Official – minimum \$50.00
2	Fireplace, woodstove, inserts, chimney. Solid fuel appliance, standalone plumbing, HVAC, or mechanical, banking machine	\$306 flat fee
3	Construction to provide barrier-free facility	\$75 flat fee
4	Sewage Disposal System	Permits issued by Leeds, Grenville and Lanark District Health Unit
5	Basic Plumbing Fee	\$75 flat fee
6	Plumbing Fixtures	\$15/fixture
C.	DEMOLITION	
1	Part 9 – Residential	\$305 flat fee
2	Other – Non-residential	\$1,234 flat fee

Class of Permit		Building Permit Fee
D.	MISCELLANEOUS	
1	Partial Occupancy	\$300 flat fee
2	Change of Use	\$300 flat fee
3	Other Permits	
a.	Transfer Permit	\$300 flat fee
b.	Deferral of permit	\$300 flat fee
4	Conditional Permit – Temporary permit	\$300 flat fee
5	Conditional Permit – Agreement	\$300 flat fee
6	Demolition Permit Deposit	\$300
7	Foundation only	15% of applicable class of permit above
8	Alternative Solution Review	\$500 flat fee
9	Major Revisions to Building Drawings	10% of original Permit fee
E.	ADMINISTRATIVE	
1	Occupant Load Inspection and Report	\$150 flat fee
2	Re-inspect, defective and incomplete work, 3rd + additional inspections,	\$200 paid prior to scheduling inspection
3	Inspection for unit removal	\$75/unit
4	Compliance and other reports (fire, occupant load, LCBO, zoning, reports to other agencies, solicitors and real estate firms, file retrieval or research related to archived file)	\$100 base fee + \$45/hour for reports or actions exceeding three (3) hours in preparation
5	Scheduled inspection not ready for inspection upon attendance at site	\$100 paid prior to scheduling inspection

Schedule B – Plans, Documents and Specifications

Part 1

Class of Permit (from 2.1. of this By-law)	Type of Permit	Drawings and Supporting Documents (see Schedule B, Part 2)
Construction	New and Additions, all groups	a. Site plan b. Architectural c. Structural d. Mechanical/electrical e. On-site sewage system f. Supporting documents confirming compliance with <i>applicable law</i> and required approvals
	Interior Alterations and Renovations, all groups	a. Site plan b. Architectural c. Structural d. Mechanical/electrical e. On-site sewage system f. Supporting documents confirming compliance with <i>applicable law</i> and required approvals
	Designated Structures	a. Site plan b. Architectural c. Structural d. Mechanical/electrical e. Supporting documents confirming compliance with <i>applicable law</i> and required approvals
	Temporary Buildings	a. Site plan b. Architectural c. Structural d. Mechanical/electrical e. Supporting documents confirming compliance with <i>applicable law</i> and required approvals
Demolition	Part 9 Buildings	a. Site plan b. Supporting documents confirming compliance with <i>applicable law</i> and required approvals c. Conservation Authority Sign Off Sheet
	Part 3 Buildings	a. Site plan b. Structural c. Supporting documents confirming compliance with <i>applicable law</i> and required approvals
Conditional		a. Supporting documents confirming compliance with <i>applicable law</i> and required approvals
Change of Use		a. Architectural

Class of Permit (from 2.1. of this By-law)	Type of Permit	Drawings and Supporting Documents (see Schedule B, Part 2)
		b. Supporting documents confirming compliance with <i>applicable law</i> and required approvals
Occupancy		a. Supporting documents confirming compliance with <i>applicable law</i> and required approvals

Part 2

1. Site Plan

- a. Legal description, location and orientation of property lines, property dimensions, compass orientation, location and name(s) of all adjacent streets and roads and all rights-of-way and easements.
- b. Outline of all existing and proposed *buildings* and structures, *building* dimensions and their distance to property lines and other *buildings*.
- c. Dimensions and location of fire routes, fire department connections, parking and vehicle access.
- d. Dimensions and location of barrier-free parking, curb cuts, paths of travel to *building* and *building* access, retaining walls, swimming pools.
- e. All existing and proposed services for water, sewer, hydro and gas and septic systems.
- f. Top of foundation elevation and the underside of footing elevations for all *buildings*, and the proposed finished surface grade adjacent to *buildings* and existing and proposed grade elevations of all corners of [property and enough grade elevations to demonstrate drainage of the lot.
- g. Any additional drawings, information and specifications as determined by the *Chief Building Official*.
- h. The scale to which the plan is drawn.

2. Architectural

- a. Existing and proposed floor plans indicating room and space identification, fire separations, size and dimensions, structural framing of floors and locations of all openings.
- b. Roof plan showing structural framing, roof slope, drainage and roofing construction details.
- c. *Building* elevations showing grade height, floor and ceiling heights, overall *building* height from average grade, eave heights from average grade, exterior finish materials, window heights and sizes and spatial separation requirements and calculations.
- d. *Construction* details of walls, floors, ceilings, roofs, stairs, guards, fireplaces and other significant design details including heights, materials and specifications.
- e. Location and details of all barrier free facilities and paths of travel.
- f. *Building Code* and energy efficiency matrices.
- g. Any additional drawings, information and specifications as determined by the *Chief Building Official*.
- h. The scale to which the plan is drawn.

3. Structural

- a. Foundation plans, floor and roof framing plans, footing, column and beam schedules, structural details and material specifications.
- b. Design specifications, live and dead loading, wind and snow loading, earthquake loading, geotechnical report design basis.
- c. All reinforced concrete work and Insulated Concrete Form (ICF) including thickness and strength of concrete and size, spacing, minimum cover and type of reinforcing steel.
- d. Roof and floor truss drawings sealed by a professional engineer.
- e. Guard design, where applicable.
- f. Any additional drawings, information and specifications as determined by the *Chief Building Official*.
- g. The scale to which the plan is drawn.

4. Mechanical and Electrical

- a. Heating, ventilating and air conditioning designs and plans, equipment layout and schedules.
- b. Heat loss and gain calculations, ventilation design summary and the sizing of heating and cooling equipment, where applicable.
- c. Sprinkler and standpipe drawings including floor plans, riser diagrams and fire department connections.
- d. Piping and drainage plans of all above ground and underground plumbing systems including meter detail and elevation.
- e. Location and specification of lighting, emergency lighting, exit signs, emergency power and fire alarm and detection systems and carbon monoxide detection.
- f. Methods employed to maintain integrity of fire separations such as damper and fire stopping locations and specifications.
- g. Any additional drawings, information and specifications as determined by the *Chief Building Official*.
- h. The scale to which the plan is drawn, where applicable.

5. On-site Sewage System

- a. A current site evaluation report.
- b. Name, address, telephone, fax, email of the person who prepared the evaluation report.
- c. Name, address, telephone, fax, email, licence number and date of issuance of the on-site sewage system installer and the name of the qualified person supervising the work to be done under the permit.
- d. Depth to bedrock.
- e. Depth to zones of saturation.
- f. Soil properties, including soil permeability, and
- g. Soil conditions including potential for flooding
- h. A scaled site plan showing:
 - i. Legal description, lot size, property dimensions, rights-of-way, easements and municipal/utility corridors.
 - ii. Location and clearances of items listed in Column 1 of Tables 8.2.1.5., 8.2.1.6.A., 8.2.1.6.B., and 8.2.1.6.C. of Division C of the *Building Code*.
 - iii. Location of the proposed on-site sewage system on the property.
 - iv. Location of any unsuitable, disturbed or compacted areas.
 - v. Proposed access routes for maintenance.

- i. Any additional drawings, information and specifications as determined by the *Chief Building Official*.

6. Renovation

- a. Site plan.
- b. Architectural plan.
- c. Data matrix.
- d. Supportive documents for compliance and alternative methods.

7. Supporting Documents

The *applicant* shall submit the following supporting documents to confirm compliance with *applicable law* and other required approvals:

- a. A survey of the property prepared by an Ontario Land Surveyor or a professional engineer, when deemed required.
- b. Deed or proof of ownership (e.g. tax bill).
- c. The registered plan and lot numbers and the municipal address for the property as assigned by Building Division.
- d. Approval from the *Corporation's* Planning Division that the proposed use of the property complies with the municipal Zoning By-law.
- e. Site Plan approval from the *Corporation's* Public Works Department that:
 - i. the lot grading, road access/entrance requirements and fire break controls have been approved, when applicable;
 - ii. the requirements of a Subdivider's Agreement have been completed satisfactorily with respect to a building *permit*, when an application for *permit* relates to an undeveloped lot within a plan of subdivision; and
 - iii. a Development Agreement has been registered, when a property is regulated by site plan control.
- f. Approval from the Rideau Valley Conservation Authority where the proposed development of the property may affect the land as regulated within their jurisdiction.
- g. Approval from the Ministry of the Environment and Climate Change that the proposed development and use of land satisfies the Ministry's requirements, if applicable.
- h. Confirmation that all development charges, lot levies and other charges and fees required by any municipal by-law have been paid in full, where deemed applicable.
- i. Copy of Certificate of Approval for the installation of a sewage disposal system from the Leeds, Grenville and Lanark District Health Unit or permit for sewer and water connection from Public Works Department.
- j. Proof of licensing of well driller contractor, well technician and pump installer, where applicable.
- k. Signed copy of a well construction specification agreement or a site-specific hydrogeological report specifying the individual well construction details.
- l. An entrance approval from the relevant road authority.
- m. Any other approval required by applicable law, and/or By-law and agreement which is a prerequisite to the issuance of a building permit.

Note: The *Chief Building Official* may require more or less of any specified drawings or documents to suit the application being considered.

Appendix B – Forms

Forms to be used for the implementation of this By-law	
Form 1	Application to Permit Construction/Demolition (including erection, alteration, repair, extension, addition, installation and demolition)
Form 2	Application to Permit Change in Use
Form 3	Application for Pool Installation
Form 4	Application for Installation of Solid-Fuel Fired Appliance
Form 5	Application for Heat Pump System]
Form 6	Letter of Undertaking (from professional Architect or Engineer)
Form 7	General Review Commitment Certificate (from professional Architect or Engineer)
Form 8	Construction Permit (for erection, alteration, repair, extension, addition and installation)
Form 9	Conditional Building Permit
Form 10	Change in Use Permit
Form 11	Demolition Permit
Form 12	Temporary Building Permit
Form 13	Certificate of Licensing of Well Contractor, Well Technician and Pump Installer
Form 14	Agreement respecting Well Construction Specifications
Form 15	Construction Inspection Report
Form 16	Order to Comply with Act of Building Code
Form 17	Stop Work Order
Form 18	Order to Remedy unsafe Building
Form 19	Order Prohibiting Use or Occupancy of Unsafe Building
Form 20	Emergency Order
Form 21	Completion Certificate/Occupancy Permit

Appendix C – Overhead Costs

Overhead Costs - Municipality of North Grenville - 2018 Budget					
Item	Council	Administration	Treasury	Fire Dept.	Public Works
Office Supplies	\$ 500.00	\$ 13,000.00	\$ 4,000.00	\$ 1,561.00	\$ 3,060.00
Mileage	\$ 500.00	\$ 800.00	\$ 1,500.00		\$ 200.00
Memberships	\$ 4,800.00	\$ 2,500.00	\$ 3,500.00	\$ 1,623.00	\$ 2,500.00
Education/Training	\$ 7,000.00	\$ 12,000.00	\$ 7,500.00	\$ 13,260.00	\$ 13,000.00
Cell Phone	\$ 4,929.00	\$ 2,500.00	\$ 700.00	\$ 1,898.00	\$ 4,080.00
Expenses	\$ 2,500.00				
Health & Safety Committee		\$ 4,000.00			
Postage & Courier		\$ 20,000.00		\$ 240.00	\$ 200.00
Dues & Subscriptions		\$ 6,500.00			
Telephone		\$ 14,300.00		\$ 5,202.00	\$ 2,754.00
Internet		\$ 7,400.00			\$ 1,061.00
Materials & Supplies		\$ 3,000.00	\$ 500.00	\$ 7,553.00	\$ 3,662.00
Computer Expenses		\$ 148,000.00			\$ 10,269.00
Payroll Services			\$ 30,000.00		
Asset Management Software			\$ 6,000.00		
Audit Fees			\$ 23,500.00		
Service Contracts Vadim			\$ 15,000.00		
Uniforms				\$ 9,364.00	
Software Services				\$ 4,510.00	
Insurance					\$ 8,397.00
Total	\$ 20,229.00	\$ 234,000.00	\$ 92,200.00	\$ 45,211.00	\$ 49,183.00
Legal Costs		\$ 8,000.00			\$ 2,000.00