




CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Building Division

TO:	Chair and Members Planning Committee
COMMITTEE DATE:	November 29, 2022
SUBJECT/REPORT NO:	Increase to Building Permit Fees (PED22206) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Jorge M. Caetano (905) 546-2424 Ext. 3931
SUBMITTED BY:	Alan Shaw Director, Building and Chief Building Official Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

That the By-law, attached as Appendix “A” to Report PED22206 to amend City of Hamilton By-law No. 15-058, the Building By-law, which has been prepared in a form satisfactory to the City Solicitor, be enacted.

EXECUTIVE SUMMARY

On May 18, 2010, (Report PED10050(a)), Council directed the Building Division to adjust permit fees in January of every year to reflect budgetary increases. This Report explains the rationale for increasing the permit fees to cover the reasonable and necessary cost increases associated with budgetary increases expected in 2023. Based on projected expenses, the Building Division is proposing an increase of 4.5% for all permit fees.

Alternatives for Consideration – See Page 3

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Approval of the revised Building Permit Fees will ensure that all direct and indirect costs associated with delivering services related to the administration and enforcement of the *Building Code Act, 1992* are fully recovered.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

Staffing: Not Applicable.

Legal: The recommendations have no legal implications.

HISTORICAL BACKGROUND

On May 18, 2010, (Report PED10050(a)), Council directed the Building Division to adjust permit fees in January of every year to reflect budgetary increases.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Ontario Building Code and *Building Code Act, 1992*.

RELEVANT CONSULTATION

Legal Services Division has been consulted.

Financial Planning, Administration and Policy Division has been consulted.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Table 1 below provides a summary of the budgeted expenses under the Building Enterprise Model associated with the administration and enforcement of the *Building Code Act, 1992* for 2022 and 2023.

TABLE 1

Building Division		
Statement of Expenses for the Building Enterprise Model		
(Budget)		
	2022 Budget	2023 Draft Budget
Expenses		
Direct Costs	\$12,536,049	\$12,712,611
Indirect Costs	<u>\$ 1,830,181</u>	<u>\$ 2,302,638</u>
Total Expenses	<u>\$14,366,230</u>	<u>\$15,015,249</u>

Based on budget figures, the Building Division's expenditures for 2023 are expected to increase to \$15.02 million from the 2022 budget expenditures of \$14.37 million. This increase is mainly due to increases from labour and administrative costs, including pension and other employee benefits, and increases in indirect costs which our Division will incur in 2023. Based on the figures noted in Table 1, the Division's projected increase in expenses from 2022 to 2023 is 4.5%. Accordingly, to meet this expected

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increase, the Building Division is proposing to increase permit fees by 4.5% (see Appendix “B” to Report PED22206). This will ensure that fees cover the expected cost increases associated with budgetary increases in the cost of operations incurred in 2023.

Please note that, in order to simplify fees, the proposed 4.5% permit fee increase shown on the attached Appendices have been rounded off to the nearest full cent for all fees under \$100 and to the nearest full dollar for all fees over \$100.

As additional information, staff undertook a survey of the current permit fees of six Ontario Municipalities for several different classifications of permits as shown in Appendix “C” to Report PED22206. The proposed 2023 permit fees for the City of Hamilton in these classifications, with the exception of Group B Institutional, are all below the average of the sampled Municipalities. For clarification, the permit fees provided for the six municipalities are based on their current 2022 rates and do not reflect any proposed fee increase for 2023. All of our current 2022 permit fees are below the 2022 average of the six municipalities surveyed.

Staff are also proposing several housekeeping amendments in order to clarify the intent of the By-law. Additionally, staff are proposing the following new fee categories to address an increase in these types of permit applications:

- A new fee for Balcony Guard Replacement.
- A new fee for Balcony Repairs.
- A new fee for Slab Reconstruction, this would apply to the reconstruction of concrete slabs in a building such as parking garages.

Increasing the permit fees to cover the reasonable and necessary costs associated with the expected rise in expenses from 2022 to 2023 will ensure these costs, associated with the administration and enforcement of the *Building Code Act, 1992*, are covered by the users of the system with no reliance placed on the general levy for its operation.

ALTERNATIVES FOR CONSIDERATION

The alternative would be to maintain the current fees, however, this could result in having to transfer additional funds from the Building Stabilization Fund which would go against the Building Division’s mandate of administering and enforcing the *Building Code Act, 1992* as a fully cost-recovered and self-funded program within the City. Maintaining the current fees would also go against Council’s direction given on May 18, 2010, (Report PED10050(a)) to the Building Division to adjust permit fees in January of every year to reflect budgetary increases in the cost of operations.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report 22206 – Proposed Building By-law Amendment

Appendix “B” to Report 22206 – Existing and Proposed Fees for 2023

Appendix “C” to Report 22206 – Permit Fee Comparison

JMC:II