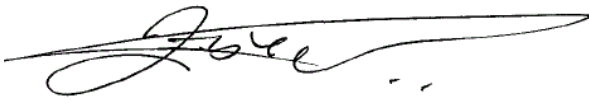




**CITY OF HAMILTON**  
**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
**Building Division**

<b>TO:</b>	Chair and Members Planning Committee
<b>COMMITTEE DATE:</b>	December 7, 2021
<b>SUBJECT/REPORT NO:</b>	Increase to Building Permit Fees (PED21222) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Jorge M. Caetano (905) 546-2424 Ext. 3931
<b>SUBMITTED BY:</b>	Ed VanderWindt Director, Building and Chief Building Official Planning and Economic Development Department
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That the By-law, attached as Appendix “A” to Report PED21222, 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;
- (b) That the fees prescribed in the By-law, attached as Appendix “A” to Report PED21222, be included in the User Fees and Charges By-law, replacing the fees listed under the heading “Classes of Permits and Fees under the Hamilton Building By-law”.

**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 2022. Based on projected expenses, the Building Division is proposing an increase of 2.5% 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.

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.

Finance, Administration and Revenue Generation 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 2021 and 2022.

**TABLE 1**

<b>Building Division Statement of Expenses for the Building Enterprise Model (Budget)</b>		
	<b>2021 Budget</b>	<b>2022 Draft Budget</b>
Expenses		
Direct Costs	\$12,155,141	\$12,458,529
Indirect Costs	<u>\$ 1,789,433</u>	<u>\$ 1,830,179</u>
<b>Total Expenses</b>	<b><u>\$13,944,574</u></b>	<b><u>\$14,288,708</u></b>

Based on budget figures, the Building Division's expenditures for 2022 are expected to increase to \$14.29 M from the 2021 Budget expenditures of \$13.94 M. This increase is mainly due to inflationary/cost of living increases from labour and administrative costs including pension and other employee benefits which our Division will incur in 2022. Based on the figures noted in Table 1, the Division's projected increase in expenses from 2021 to 2022 is 2.5%. Accordingly, to meet this expected increase, the Building Division is proposing to increase permit fees by 2.5% (see Appendix "B"). This will ensure that fees cover the expected cost increases associated with budgetary increases in the cost of operations incurred in 2022.

Please note that, in order to simplify fees, the proposed 2.5% 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". The proposed 2022 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 2021 rates and do not reflect any proposed fee increase for 2022. All of our current 2021 permit fees are below the 2021 average of the six municipalities surveyed.

Increasing the permit fees to cover the reasonable and necessary costs associated with the expected rise in expenses from 2021 to 2022 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 PED21222 - Proposed Building By-law Amendment

Appendix “B” to Report PED21222 – Existing and Proposed Fees for 2022

Appendix “C” to Report PED21222 – Permit Fee Comparison

JMC:ll