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TO:	CHAIR AND MEMBERS PLANNING AND ENVIRONMENT COMMITTEE MEETING ON JULY 16, 2012
FROM:	G. KOTSIFAS, P. ENG. DIRECTOR, DEVELOPMENT AND COMPLIANCE AND CHIEF BUILDING OFFICIAL
SUBJECT:	BUILDING BY-LAW AMENDMENT – PUBLIC PARTICIPATION MEETING

RECOMMENDATION

That, on the recommendation of the Director, Development and Compliance and Chief Building Official, this report which includes a draft by-law **BE RECEIVED** for information purposes; and that Administration **BE REQUESTED** to report back with any proposed changes to the draft by-law in response to comments received at the July 16, 2012 public meeting.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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- May 30, 2005 - Status report to the Planning Committee on Bill 124, Building permit fee increase, and introduction of amended Building By-law B-5.
- March 26, 2012 – Annual Report on Building Permit Fees.

BACKGROUND

The Ontario Building Code is comprised of a set of regulations pursuant to the *Building Code Act, 1992 (Act), as amended*. The purpose of the Building Code is to protect the public health and safety of occupants, and the public in general, with respect to the construction and occupancy of buildings and structures. In accordance with the *Act*, the council of each municipality is responsible for its enforcement and for the appointment of a Chief Building Official and such inspectors as are necessary, in the areas in which the municipality has jurisdiction.

The *Act* also requires that the Chief Building Official submit to municipal council an annual report outlining the total fees collected, both direct and indirect costs associated with respect to the administration and enforcement of the *Act*, and the status of the Building Division's reserve. The 2011 annual report was presented to the Planning and Environment Committee on March 26, 2012.

A discussion of permit fees, revenues, and costs follows in subsequent sections of this report. The Building Code addresses changes in permit fees (see Appendix 'A') and requires that a principal authority (municipality) shall give notice of any proposed changes and hold a public meeting concerning said changes. At least one public meeting, prior to amending permit fee rates, is required.

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BUILDING PERMITS RESERVE (BPR)

As previously mentioned, the annual report, among other things, is to address the status of the Building Permits Reserve. The purpose of this reserve is to account for both capital expenditures and to cover any deficits incurred during economic downturns where building permit activity is at a decline. It is also in place to account for the time lag between when revenues are collected (at time of application) and costs are incurred for plan review and inspections until projects are completed (which may be years after permit issuance).

In previous years, building revenue surplus was used as a general revenue source corporate-wide. However, under current legislation any revenues collected above the cost of providing the service, must be transferred to a reserve and be only used for administering and enforcing the Act.

There is no upset limit on these reserves, in some municipalities their reserves exceed 150% of their annual costs. In London, the fund amount has been established, in consultation with industry stakeholders, to be between 30% and 50% of the Building Division’s operating costs. Should the BPR fall below 30%, it has been agreed that there would be a need for building permit fee review.

For the past three years, a strategic decision was made to NOT draw from the Building Permits Reserve even though operating costs exceeded revenues. These shortfalls were partially offset or “subsidized” by a surplus in the overall property tax supported budget. For 2009, 2010, and 2011, the subsidization was \$394,302, \$523,393, and \$59,548 respectively, noting that in 2009 a draw of \$931,827 was taken from the Building Permits Reserve because the shortfall that year was \$1,326,129. If a surplus in the overall property tax supported budget was not available in 2009 to 2011 and draws from the Building Permits Reserve had been required, the balance in the reserve at the end of 2011 would be only \$393,145 or 8% of 2011 operating costs.

Notwithstanding the subsidization efforts, at 2011 year end the Building Permits Reserve was 29% of the Building Division’s 2011 operating costs (see Appendix “B” for details) and thus a review of the permit fee rates continues to be warranted.

To ensure that permit fee revenues do not fall short of the annual costs, it is recommended that a proposed permit fee rate increase of approximately 20% on average would have to be applied on permit applications received on or after November 01, 2012. It should be noted that the last increase in permit fees occurred in 2005 and they were raised 20% as well at that time.

BUILDING DIVISION COSTS

The previously mentioned shortfall of the Reserve, establishes a need for either a review of the Building Division’s revenue generation and/or cost containment practices. The sources of revenue have been addressed further in this report through the proposed permit fee changes. Guidelines as to how costs are to be established to determine permit fees are provided in Appendix ‘C’.

The Building Division operating costs are primarily associated with employee salaries. With respect to permit application reviews the Division employs 12 full time plans examiners and 15 full time building inspectors, of these inspection staff, 5 are plumbing inspectors. The remaining staff complement consists of administration, building support clerks and customer service representatives. A historical perspective of the total number of building permits issued vs. the number of plans review staff is shown on the charts provided in Appendix ‘D’.

Under current legislation, building permit applications must be reviewed within provincially legislated prescribed time frames. After establishing whether a permit application is complete, the Chief Building Official is given a prescribed number of business days to either issue a building permit or provide reasons as to why the issuance of a permit has been refused. Staff levels must be available to ensure the above-mentioned time requirements are met.

Table 1 provides a breakdown of the number of business days within which a complete building permit application must be processed, based on building/structure type.

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TABLE 1

Building Type Examples	Days* to Issue permit
<ul style="list-style-type: none"> a) A detached house, semi-detached house, townhouse, or row house where no dwelling unit is located above another dwelling unit. b) A detached structure (i.e. garage, shed, carport, deck e.t.c.) that serves a building described in Clause (a) and does not exceed 55 m² in building area. c) A tent in excess of 60 m² in area. d) "Designated Structures" such as: Retaining walls, Communication towers, Pedestrian bridge appurtenant to a building, Crane runways, Exterior storage tanks, Dish antennae or solar collectors, Outdoor pools, Public pools, Public spas 	10 days
<p>Part 9 Buildings (Small Buildings)</p> <ul style="list-style-type: none"> a) Office, Residential, Mercantile, Low or Medium Hazard Industrial Where the building area is greater than 10 m² but not greater than 600 m² in building area, and 3 storeys or less in building height. b) Farm buildings equal to or less than 600 m² in building area. 	15 days
<p>Part 3 Buildings (Large Buildings)</p> <ul style="list-style-type: none"> a) Assembly, Office, Residential, Mercantile, Institutional, High Hazard Industrial Where the building is greater than 600 m² in building area, and more than 3 storeys in building height. b) Farm buildings exceeding 600 m² in building area 	20 days
<ul style="list-style-type: none"> a) Hospitals, Emergency treatment facilities and Blood banks, b) Telephone Exchanges, c) Power generating stations and Electrical substations, d) Control centres for land transportation, e) Public water treatment and storage facilities, f) Water and sewage pumping stations, g) Emergency response facilities, h) Fire, rescue and police stations, i) Storage facilities for vehicles or boats used for fire, rescue and police purposes, and j) Communications' facilities, including radio and television stations. 	30 days

*Denotes business days or days when the Building Division is operating under regular office hours

Building Division plans review and building inspection staff levels have remained at the same levels as those in 2000.

Charts provided in Appendix 'D' depict the total number of permits issued versus the number of plans review staff, and the total construction value of permits issued versus the number of plans review staff respectively. In reviewing the charts, it should be noted that throughout the time

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period shown, a significant number of changes have taken place with respect to Code requirements. Some of these have resulted in an increase to the amount of time required for the review of permit applications. For example, the current (2006) Code allows homeowners to prepare their own drawings so long as the proposed work relates to a building they occupy or plan to occupy. This alone has resulted in additional time allocated by staff to conduct plan reviews as the quality of the plans is often not equivalent to that of those prepared by qualified designers.

While the total number of building permits issued in 2011 was below the ten-year average, the total construction value however exceeded \$1 billion. Continuing Code changes have resulted in more complex reviews which require more time, however, the level of staffing has remained constant since 2000. Also, during the significant increase in construction activity from 2004-2007, no additional staff was hired and a substantial amount of overtime was accumulated.

Some of the Code changes have also resulted in a need to allocate funds for additional staff training because the Code now requires a high level of mandated qualifications for staff. Along with Code changes, innovations in building designs are also a contributing factor to staff's training needs. A summary of the most significant Code changes that have come into effect over the last five (5) years is provided in Appendix 'E'.

As a point of reference, the current edition of the Building Code contains over 700 changes from its predecessor edition. It should be noted that while additional items will be required to be reviewed by staff, there is no increase in the number of prescribed days within which the reviews are expected to be conducted. The next edition of the Building Code is scheduled to be released sometime in 2013. Currently, there are approximately 115 proposed changes to the next edition. Some of these will pertain to:

- new Building Code objectives
- Building Code/Electrical Safety Code harmonization
- energy conservation (Green Energy Act)
- water conservation (greywater systems)
- environmental protection, including on-site sewage systems
- radon protection in buildings
- mid-rise wood frame construction
- maintaining currency of Building Code knowledge

Also, additional Code changes are expected as a result of the *Accessibility for Ontarians with Disabilities Act*, (AODA) which became law on June 13, 2005. The purpose of the AODA is to benefit all Ontarians by developing, implementing and enforcing accessibility standards. The goal is to achieve accessibility for Ontarians with disabilities with respect to goods, services, facilities, accommodation, employment, buildings, structures and premises by January 1, 2025.

In addition to the above, within the next review cycle (5 years), costs are expected to increase to accommodate new hardware required for the expansion of our e-permit service. London was the first Canadian municipality to implement a full service electronic application submission and permit issuance program. The current service is limited to permits pertaining to single detached, semi-detached, and row townhouse dwelling unit buildings with plans for further review to facilitate an expansion to allow e-permits to be issued for Industrial, Commercial, and Institutional buildings as well as apartment buildings.

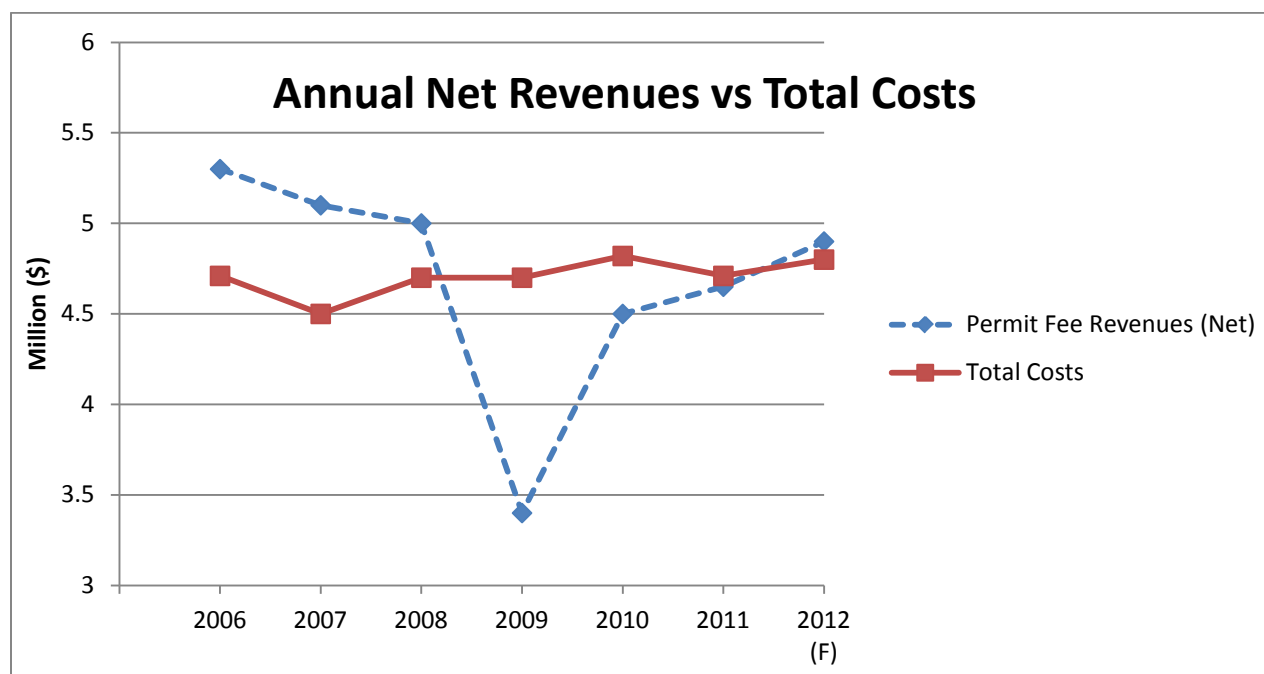
However, staffing costs discussed above, comprise a portion of the total operating costs. The Building Division incurs additional indirect costs associated with external resources such as support from Legal, CAO's office, Fire Prevention Office, TSD, Human Resources and office space leasing. A detailed breakdown of operating costs has been provided in Appendix 'B'.

The Building Division is cognizant of the fact that opportunities should be sought to minimize costs where possible. Recently, administrative changes have been implemented as a result of cost savings initiatives. For example, Building Division staff no longer use 'NCR' application checklist forms (duplicate form types) and instead resort to photocopying these forms for permit

applicants. Increased use of electronic documentation has been in place for the last two years reducing mailing costs. Staff continue to develop and implement ideas that result in further cost savings on an ongoing basis, particularly through process improvements (e.g. concurrent reviews) and technology (e.g. e-permitting).

Continuous cost savings are also achieved through vacancy management. Temporary vacancies, where feasible, have not been filled. This however imposes additional workload to the existing staff resulting in reduction to service levels. The industry had expressed concern in the past with respect to service delivery reductions in these situations.

A comparison of operating costs and permit fee revenues for the past six years is provided in the chart below. Any revenue shortfalls were accommodated through tax based subsidy from corporate surplus. The permit fee increase is expected to minimize the gap between revenues and costs thus avoiding the need for any further subsidies.



HOW WELL ARE WE DOING? – PERFORMANCE MEASURES / STAFFING LEVELS

To determine whether the staffing levels are adequate to meet the provincially prescribed mandatory timeframes with respect to permit issuance, the Building Division has established a report capable of producing results based on the percentage of complete permit applications processed within the aforementioned timeframes. The results pertaining to permit application processing activity from 2007-2011 are provided in Appendix 'F'.

A review of the results clearly demonstrates that the legislated timeframe targets to review and issue building permits have not been met. The current staffing levels are at marginal levels. This has also been expressed to us by members of the local homebuilding industry.

The Building Division works closely with one of its key stakeholders, the London Home Builders' Association, to continuously seek methods that would result in both an improvement to the quality of permit application submissions as well as faster permit processing times.

Building Division staff, in some cases, accepts and reviews applications that are not considered complete due to their non-conformance with applicable laws as a customer service initiative to industry stakeholders. Examples of applicable law include compliance with the Site Plan By-law requirements, conditions of Minor Variances, requirements of the Ministry of Transportation,

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Upper Thames River Conservation Authority regulations, etc. It should be noted that while the applications are able of being reviewed, the permits are not issued unless applicable law has been satisfied. The conditional permit process, resulting in the issuance of conditional permits at the discretion of the Chief Building Official, is also in place to allow for development to proceed in those cases where adherence to applicable law requirements is imminent.

To ensure compliance with the Province's prescribed time-frames, the current plans review staffing levels must, at a minimum, be maintained. Although the performance levels are not meeting the prescribed timeframes, at this time we are not proposing additional staff hiring.

In addition to the above, the Code mandates not only time periods for the review and issuance of building permits but the number of required building inspections as well. The Building Code requires that inspections be conducted no later than 48 hours commencing the day after the inspection request was made. For example, there are a total of 14 mandatory building inspections required for the construction of a new single detached dwelling unit. Legislation places the onus on the permit holder to ensure inspection requests are made. Currently, there are 5,768 outstanding ('stale') building permits pertaining to single detached dwelling units that require inspections in order that they be 'signed-off'. There are increased challenges with respect to these specific permits, such as:

- access to the dwellings is rather challenging and inconvenient, particularly when one could be dealing with a second and in some cases the third owner of the dwelling.
- allocating additional inspector work hours; possibly a need for overtime to be paid out.
- a consideration of eliminating some of these outstanding inspections through risk assessment policies. This could however expose the Corporation to undue liability.

Based on annual inspection data, as provided in Table 2, (Appendix 'G'), in 2011 the average number of inspections conducted per inspector per day was 9. A comparison with the previous year indicates that the number of inspections per inspector (9.4 inspections) is at similar levels. It should be noted however that during the years where the number of inspections per day was higher, this was accommodated by overtime hours worked to ensure the inspections were conducted within the provincially prescribed timeframes.

Inspections have become increasingly complex with the recent Code changes. An example of this is the recent change (effective January 1, 2012) related to energy efficiency design for all residential buildings intended to be continuously occupied over the winter season. These changes have now resulted in building inspectors verifying actual installation labels (make, model, efficiency rating) for items such as windows, furnaces, hot water heaters, and heat recovery ventilators. Effective July 1, 2012, additional reviews and inspections will be required for glass in guards for industrial, commercial, institutional and large residential buildings.

Aside from the information above, maintaining current staffing levels is also critical considering the Canada Mortgage and Housing Corporation's Housing Market Outlook for 2012-13. For 2012, the total housing starts (1700 units) for London are expected to be at similar levels for 2011 and expected to increase in 2013 to 2050 units.

BUILDING DIVISION REVENUES

The primary source of revenue for the Building Division arises from the permit fees charged to review permit applications, issue building permits, inspect construction related to the permits issued and in general for the administration and enforcement of the *Building Code Act*.

The *Building Code Act* requires that the permit fees established:

- reflect the benefit of service to the user;
- be determined on the basis of offsetting the operating cost of the service;
- not be designed to create profit; and
- not act as a deterrent to use.

It should be noted that in London, building permit fees have remained unchanged for the past seven (7) years. Also, permit fees are not indexed to account for cost of living increases,

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whereas, this is the case for other municipalities such as Burlington and Brampton. Instead, the majority of fees are solely based on a service index that is applied on a per floor area basis (per m²). This is in contrast with other municipalities such as Ottawa, Chatham-Kent, Norfolk County, Kingston, and Thunder Bay, where the permit fees are assessed on a project's construction value instead. The average amount charged for building permits in these municipalities is \$11.50 per \$1,000 of the project's construction value.

In London, had the basis for permit fee collection (revenues) remained based on a project's construction value, there would not have been a shortfall in the BPR. This is particularly evident for 2011 where an all-time record construction value of \$1.08 billion was recorded for all permits issued. London's fee rate was, in 1999, based on \$11.00 per \$1,000 of construction value, today it is significantly less in comparison.

A permit fee survey was conducted comparing London to 40 other municipalities in the Large Municipalities Chief Building Officials (LMCBO) jurisdiction. The results are provided in Appendix 'H'. A review of our current permit fee rates clearly shows the rates for London well below the average levels and in some instances (i.e. rate for single detached dwellings) are the lowest amongst all 40 municipalities.

Even with the suggested changes in permit fees, London's rates are anywhere from 9.26% to 32.19% below average in comparison.

Arguments have also been brought forth with respect to permit fee comparisons with surrounding (smaller) municipalities. If such a comparison were to be made, one would find that London's permit fees are indeed greater, however, the standards of living and the municipal services provided are significantly different. Furthermore, the permit fee comparison with LMCBO municipalities, as conducted, is consistent with the approach other London municipal departments follow for comparators in their service areas.

Consultations on the proposed fee changes have taken place with one of our primary stakeholders, the London Homebuilders' Association (LHBA) who have expressed support regarding the permit fee adjustments. It should be noted that during past consultations the LHBA has recommended that given the cyclical nature of construction, calculations for permit fee adjustments should be based on a multi-year approach, (e.g. every 5 years). The proposed fee changes are in line with this recommendation.

SUMMARY

A review of the total 2011 net revenues generated, the operating costs incurred and the current status of the BPR has resulted in the need for permit fee increases. It is proposed that the permit fee rates be increased by 20% on average. A 20% permit fee rate increase was implemented during the last change (2005) as well.

NEW PERMIT FEE CATEGORIES

A list of new fee categories has been established to reflect changes in legislation. Some of these changes have been listed in Appendix 'I'. Other municipalities in Ontario have also established these fees.

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(i) Review of Alternative Solutions

The objective based format of the 2006 Building Code provides for additional flexibility in terms of how conformity with the Code may be established but a process must be followed in order to ensure that the required objectives and functional statements identified in the Building Code can be achieved.

The Building Division has developed its own ‘alternative solutions’ form to assist staff in a proper evaluation of construction equivalents and acceptable alternatives. A submission for the review of an alternative solution may be either made as part of a permit application package or during the plans’ review process when a deficiency has been identified and a need to achieve Code compliance arises. The evaluation, as a minimum, includes the review of experimental data, Building Materials Evaluation Committee (BMEC) rulings, testing reports prepared by accredited laboratories, Professional Engineers’ reports, and/or possible consultation with testing agencies.

There can be considerable amount of time spent to review these and therefore an appropriate fee must be attached to the submission. The suggested fee to review an Alternative Solution submission is \$300 per application. Alternative Solution evaluations are conducted on a per-building permit application basis and are not transferable. In 2011 approximately 10 alternative solutions were submitted and reviewed by staff and the amount of time (per submission) required to review these varied from 1 to 6 hours.

The Table below depicts Alternative Solution fees for a selected number of municipalities.

Municipality	Alternative Solution Review Fee
Ajax	\$100/hr (\$400 min.)
Aurora	\$1,000
Barrie	\$215/hr
Halton Hills	\$550
Hamilton	\$455
London	\$300 flat fee (proposed)
Mississauga	\$500
Norfolk County	\$150
Oshawa	\$112/hr
Pickering	\$100/hr (\$400 min.)
St. Catharines	\$400
Toronto (City of)	\$2,000
Welland	\$263

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(ii) Occupancy Permits

Effective January 1, 2012, a change to the Ontario Building Code came into effect with respect to the occupancy of new single detached, semi-detached and row townhouse dwelling units. As a result of this change occupancy permits must be issued by the authority having jurisdiction. The Building Division has collaborated with our Technology Services Division to implement this new requirement. It was decided that no additional fee would be imposed for the original occupancy permit. However, a fee of \$100 per additional permit copy would be applicable to cover administrative expenses.

As a point of clarification, it should be noted that an occupancy permit does not certify or warrant the work or workmanship of a builder. It is in place to confirm that the minimum Code requirements for occupancy, based on the inspections undertaken at the completion of key stages of construction, have been met.

(iii) Review of Proprietary Products- Letter of conformance

Although the Ontario Building Code, in its prescriptive format, allows for the use of innovative and proprietary products, it is limited in the design information available to assist building officials in determining conformance with its provisions. There are instances where manufacturers request confirmation letters addressing conformance of their products with the Code requirements. These requests are not all necessarily associated with a building permit application. Currently the Building Division does not charge a fee for the review of products and/or building systems to confirm whether compliance with the Code is achieved. The costs incurred by staff are not recoverable through the building permit fee as the reviews are conducted independently from a building permit application. Thus, the current practice is to have these costs recovered internally with no direct benefit to our stakeholders. Manufacturers and sales staff of these products gain direct benefit at no cost. Consistent with the practices of other municipalities, a fee has been proposed for the review and issuance of a compliance letter. A flat fee of \$200 is proposed for London. In other municipalities, they charge from \$112 (Oshawa) to \$204 (Brampton) for similar reviews and for the issuance of compliance letters.

(iii) Review of Geothermal systems and solar panel installations on buildings

The current Building By-law does not address permit fees for geothermal heating systems and solar panel installations. As a result of the province's Feed In Tariff (FIT) program, permit application submissions commenced in early 2011 for these items and thus there was a need to include a permit fee category in the amended By-law. Permit applications have been received for both microFIT projects (less than 10kW) such as solar photovoltaic panel installations on small residential buildings, as well as larger scale solar panel installations on commercial and industrial buildings. Both work types require design and certification by a professional engineer. The proposed fees are provided in Schedule 'A' of the amended Building By-law.

CONCLUSION

The proposed amendments to the Building By-law provide further clarity in a few key areas with respect to its administration. New fee categories have been implemented to align with both Building Code (e.g. alternative solutions) and supplementary (e.g. solar panels) provincial legislation. A consolidation of the various fee types that previously existed is also being proposed.

A permit fee increase of 20% on average has been proposed as fees have not been increased since 2005. It is proposed that the new permit fee rates will apply to building permit applications submitted on or after November 01, 2012 to provide the industry with suitable time to prepare.

The additional fees will assist by increasing revenues and mitigating impact on the building permits reserve.

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The proposed By-law amendments were prepared with the assistance of Ms. Janice Page, Solicitor II with the City's Legal Department.

PREPARED BY:	RECOMMENDED AND SUBMITTED BY:
P. KOKKOROS, P. ENG. MANAGER, BUILDING PERMITS & DEPUTY CHIEF BUILDING OFFICIAL	G. KOTSIFAS, P. ENG. DIRECTOR, DEVELOPMENT AND COMPLIANCE AND CHIEF BUILDING OFFICIAL

June 28, 2012

PK/pk

Y:/shared/building/Rep&Recs/2012/Building By-law Amendment

cc. London Home Builders' Association
London Development Institute
London District Construction Association
Janice Page, Solicitor II

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APPENDIX A

BUILDING CODE REQUIREMENTS REGARDING CHANGES IN PERMIT FEES

Subsection 1.9.1.2 - Division C of the Ontario Building Code states:

(1) Before passing a by-law, regulation or resolution under clause 7(1)(c) of the Act to introduce or change a fee imposed for applications for a permit or for the issuance of a permit, a principal authority shall:

(a) hold at least one public meeting at which any person who attends has an opportunity to make representations with respect to the matter,

(b) ensure that a minimum of 21 days notice of the public meeting is given in accordance with Clause (c), including giving 21 days' notice to every person and organization with such notice and has provided an address for the notice,

(c) ensure that the notice under Clause (b),

(i) sets out the intention of the principal authority to pass the bylaw, regulation or resolution under section 7 of the Act and whether the by-law regulation would impose any fee that was not in effect on the day the notice is given or would change any fee that was in force on the day the notice is given,

(ii) is sent by regular mail to the last address provided by the person or organization that requested the notice in accordance with Clause (b), and

(iii) sets out the information described in Clause (d) or states that the information will be made available at no cost to any member of the public upon request, and

(d) make the following information available to the public:

(i) an estimate of the costs of administering and enforcing the Act by the principal authority,

(ii) the amount of the fee or of the change to the existing fee, and

(iii) the rationale for imposing or changing the fee.

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**APPENDIX B
Building Division Stabilization Reserve status (2011)**

	(\$)	Person Years
<u>DIRECT COSTS</u>		
Administration	246,669	2
Permit Issuance	1,149,113	14
Inspection	1,386,256	18
Operational Support	468,193	10
Zoning Review and Property Standards	279,853	4
Operating Expenses (supplies, equipment, etc.)	216,856	
TOTAL DIRECT COSTS:	3,746,940	48
<u>INDIRECT COSTS</u>		
Corporate Management and Support	549,186	
Risk Management	91,661	
Life Safety and Grading Review	127,629	
Office Space	198,000	
TOTAL INDIRECT COSTS:	966,477	
TOTAL COSTS:	4,713,417	
Deferred Revenues from 2010	666,234	
Building Permit Fees received in 2011	4,676,954	
Deferred Revenues to 2012 (permits not issued in 2011)	-689,319	
TOTAL REVENUE:	4,653,869	
Total Revenue	4,653,869	
Total Costs	4,713,417	
CONTRIBUTION TO RESERVE (withdrawal if negative)	-59,548	
2011 Reserve Opening Balance	1,370,888	
Year End Contribution or Withdrawal	-59,548	
2011 RESERVE BALANCE:	1,311,340	
REVISED 2011 RESERVE BALANCE		
Reserve Opening Balance.....	1,370,888	
Year End Contribution or Withdrawal.....	-59,548	
Subsidy from Corporate Surplus.....	59,548	
REVISED 2011 RESERVE BALANCE:	1,370,888	

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APPENDIX C

Guidelines for Calculating Costs to Determine Building Permit Fees

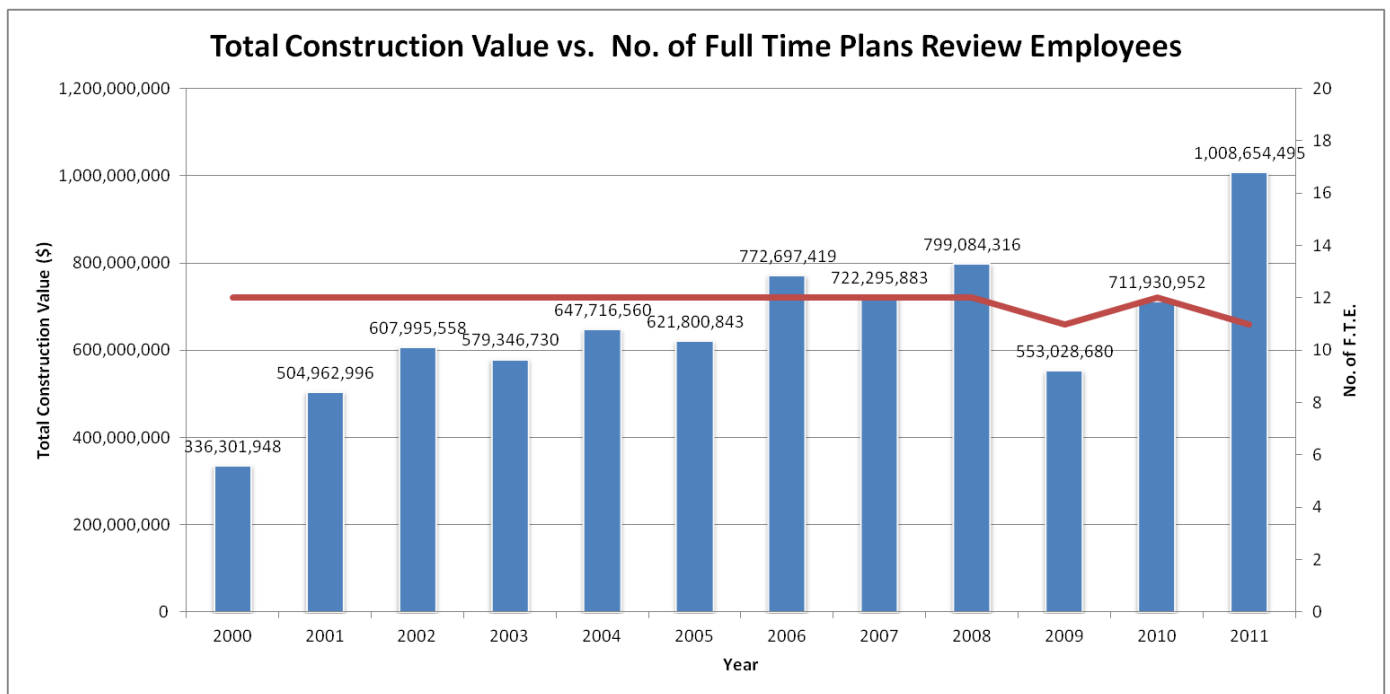
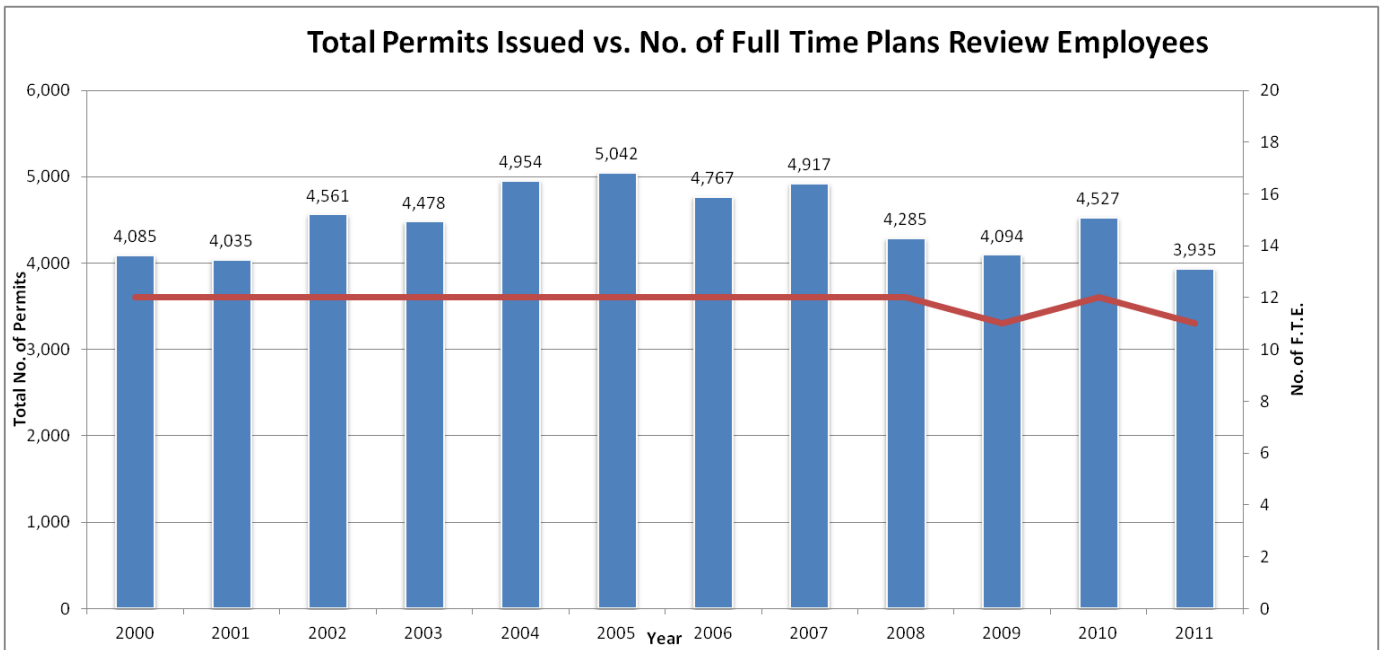
Pursuant to the Building Code Act and Regulation 350/06, the following costs shall be included in determining the annual total costs of enforcing the Building Code Act and regulations (Building Code) in the City of London. The reference to staff throughout refers to the staff described in paragraph 1 below.

1. Salaries and employee benefits for building code officials and clerical personnel assigned to the enforcing the Building Code Act and regulations including the receiving, processing, (including checking for applicable law compliance) issuing and filing of all applications, permits and related documents and specifications. This would also include the apportioned salaries and benefits of those individuals who are periodically involved in the enforcement of the BCA and regulations (not their primary job function) such as Fire Prevention Inspectors and Property Standards Inspectors.
2. Cost of vehicles used by the staff. Payments for this purpose may be in the form of mileage reimbursement paid to employees for use of their own motor vehicles, including authorized travel to conferences and out of town meetings.
3. Direct costs in support of the staff, such as computers (including software and related licenses) equipment, supplies, furniture, office equipment maintenance, standardized forms, printing, and safety equipment that are supplied directly to the staff for their sole use.
4. Professional expenses of staff that are directly related to the enforcement of the regulations, including publications, and membership dues if a requirement of their job.
5. Subscriptions, license fees, training, and authorized travel to conferences, meetings and seminars.
6. Fees for services performed under contract by Registered Code Agencies.
7. Fees for legal and other consulting services required in connection with enforcement, application and plan review or litigation.
8. Subject to the limitations set forth below, indirect, overhead, and other expenses of the municipality in support of the staff, including:
 - a) Administration, including human resources, payroll and benefits personnel, and general training services provided to the staff in common with all other municipal offices;
 - b) Services shared jointly with other municipal offices, such as telephone, reproduction, or centralized computer services;
 - c) Insurance fees except for group insurance premiums included under employee fringe benefits;
 - d) General building maintenance expenses;
 - e) Finance, including bookkeeping, purchasing, and auditing costs;
 - f) Office space expenses, including rent or interest and debt service on municipal capital facilities.

The above costs do not include any municipal costs which are recoverable through other legislation, i.e. for development applications under the Planning Act.

Indirect and overhead expenses charged to the staff compared to the total costs shall not exceed the ratio of the municipal indirect and overhead expenses to the entire municipal budget.

APPENDIX D



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APPENDIX E

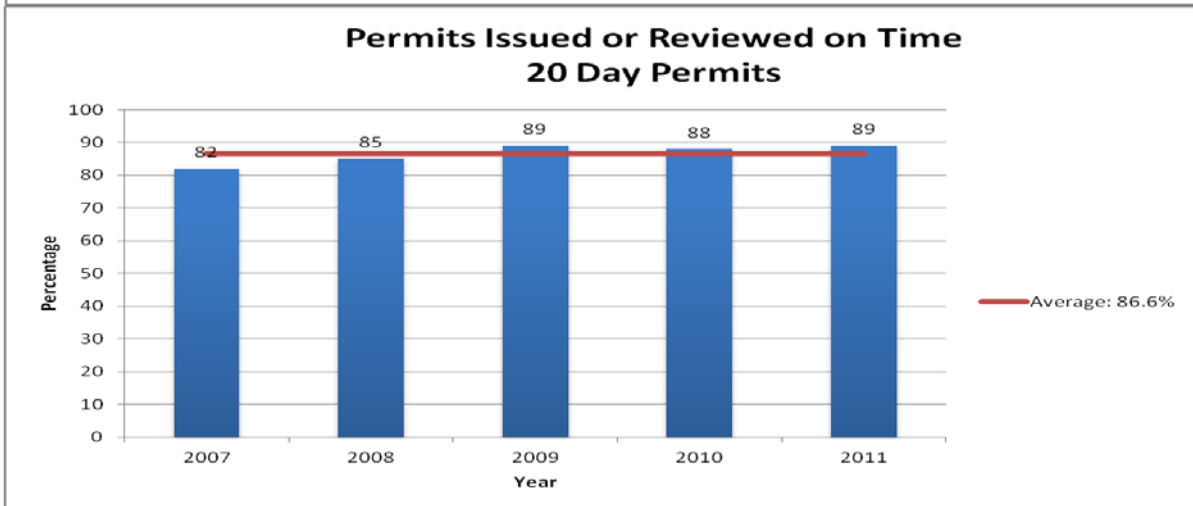
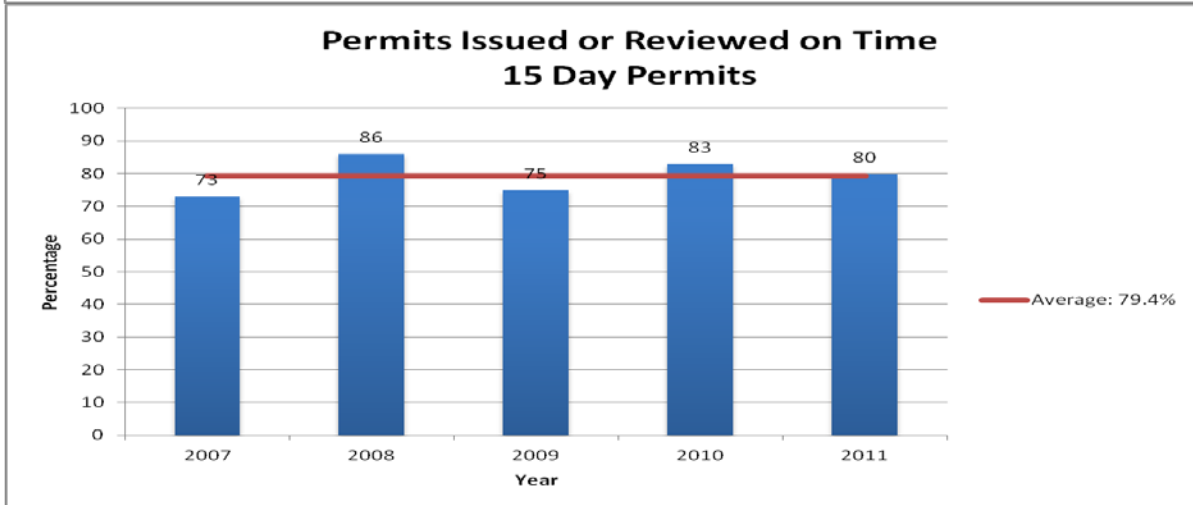
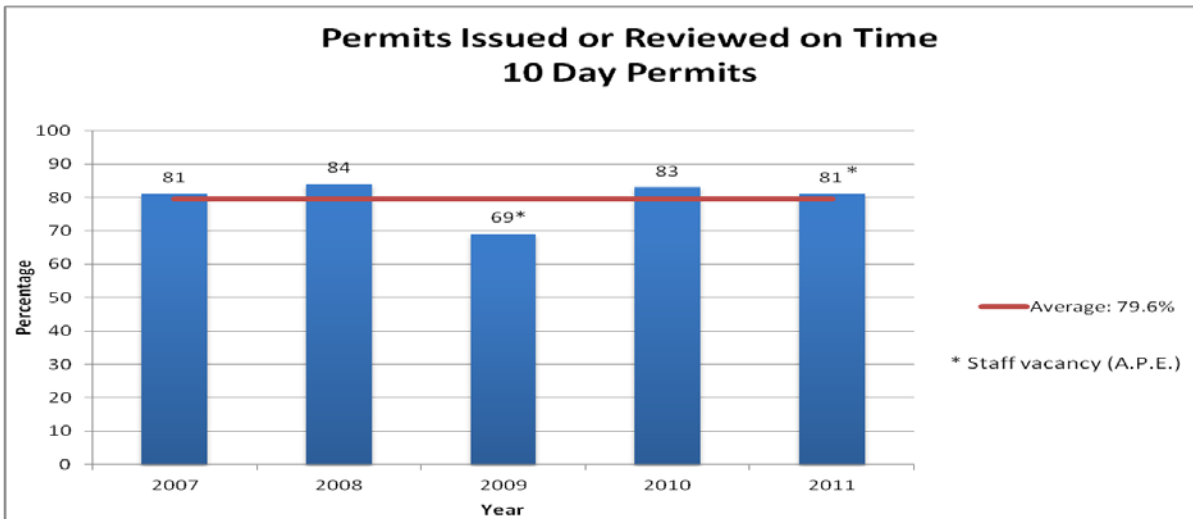
Changes to the Building Code Act, 1992 & the Ontario Building Code in effect as of July 1, 2005

- Mandatory use of provincial building permit application form
- A new list of “applicable law” that has to be met prior to permit issuance
- New rules regarding building permit fees
- Prescribed timeframes for the review of building permit applications
- Requirement for annual reporting by municipality with respect to building permit fees
- Mandatory notices and inspections at key stages of construction
- Roles defined in the Act for different building practitioners, including owners, builders, designers, and manufacturers.
- New measures to support innovations to materials and systems
- A code of conduct for building officials
- Mandatory qualifications for building officials
- Several (approx. 700) technical and editorial changes

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APPENDIX F



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APPENDIX G

2011 Building Inspection Data

No. of building inspectors:	10
No. of plumbing inspectors:	5
No. of building inspections [*] :	18,885
No. of plumbing inspections:	9,303
No. of liquor license inspections:	34
No. of Orders to Comply issued:	89
Compliance with legislated timeframes to inspect within 48 hrs from receipt of inspection request:	99.5%
* inspections associated with complaints:	320

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APPENDIX H Comparison of Municipal Building Permit Fees

Municipality	Population	Min. Fee (\$)	2011 Fee (\$ /m ²)								
			Single Dwelling	Townhouse	School	Church	Nursing Home	Theatre	One Storey Plaza (shell)	Multi Storey Office (shell)	Industrial W/house
AJAX	109,600	80.00	9.00	9.00	16.00	16.00	17.60	16.00	10.80	12.60	6.60
AURORA	56,000	75.00	11.00	11.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
BARRIE	140,000	130.00	10.75	10.75	16.50	16.50	21.50	16.50	9.80	11.85	8.25
BRAMPTON	523,911	200.00	10.50	10.50	15.00	15.00	19.00	15.00	11.00	11.00	8.13
BRANTFORD	90,192	70.00	9.90	9.90	14.64	14.64	18.84	14.64	9.36	13.35	7.00
BURLINGTON	175,800	190.00	11.22	11.22	18.82	18.82	21.38	18.82	11.10	13.80	7.66
CALEDON	58,000	102.50	10.20	10.20	14.30	14.30	17.00	14.30	8.25	9.80	6.13
CAMBRIDGE	131,000	76.00	13.46	13.46	25.19	25.19	26.80	25.19	11.95	18.19	9.36
CHATHAM-KENT	103,671	70.00	\$ 10.50 / \$1,000 c.v.								
CLARINGTON	85,000	81.00	10.62	10.62	19.45	19.45	21.22	19.45	10.43	12.91	8.14
GUELPH	123,000	80.00	11.63	11.63	21.74	21.74	23.57	21.74	10.23	15.61	8.07
HALTON HILLS	59,000	190.00	14.87	14.87	17.76	17.76	19.30	18.82	10.36	13.86	7.95
HAMILTON	528,502	204.00	12.84	12.84	19.08	19.08	22.76	19.08	13.82	14.15	8.40
KAWARTHA LAKES	74,565	75.50	10.31	10.31	20.42	18.26	20.42	18.26	12.70	15.09	7.56
KINGSTON	123,363	45.00	\$12.00 / \$1,000 c.v.								
KITCHENER	233,900	108.00	12.70	12.70	25.19	25.19	26.91	25.19	11.95	18.08	8.61
LONDON (current)	366,151	90.00	7.30	6.20	12.20	12.20	16.80	12.20	5.80	9.20	5.80
MARKHAM	315,588	100.00	11.80	13.92	15.61	15.61	16.91	15.61	8.48	10.07	8.55
MILTON	90,000	105.00	9.83	9.83	12.22	12.22	15.12	12.22	7.30	10.08	5.57
MISSISSAUGA	738,000	120.00	12.23	11.05	14.55	14.55	17.25	14.55	8.75	10.98	6.60
NEWMARKET	86,000	150.59	14.50	14.50	8.88	8.88	8.88	8.88	8.88	8.66	8.66
NIAGARA FALLS	82,184	150.00	10.13	9.62	15.57	15.57	15.57	15.57	12.67	15.57	6.17
NORFOLK COUNTY	63,175	75.00	\$13.00 / \$1,000 c.v.								
OAKVILLE	183,700	200.00	13.49	13.49	23.20	17.62	17.62	28.57	13.16	15.73	9.17
OSHAWA	152,000	109.00	10.60	10.60	18.04	18.04	19.45	17.51	12.25	13.39	10.27
OTTAWA	928,000	80.00	\$12.00 / \$1,000 c.v.								
PETERBOROUGH	80,000	150.00	13.02	13.02	14.21	14.21	14.21	14.21	10.66	10.66	10.66
PICKERING	93,429	100.00	10.00	10.00	12.40	12.40	14.45	12.40	8.25	10.30	6.20
RICHMOND HILL	189,600	100.00	9.50	10.55	15.00	15.00	16.00	15.00	8.00	11.60	8.10
SARNIA	72,366	60.00	8.26	8.26	14.79	14.79	14.79	13.52	8.26	8.26	8.26
SAULT STE MARIE	76,000	50.00	11.45	10.30	16.50	16.50	16.50	16.50	9.30	9.30	6.70
ST. CATHARINES	131,989	100.00	10.65	10.65	17.22	17.22	19.26	17.22	12.05	15.07	8.83
SUDBURY	157,857	108.00	12.11	12.11	12.92	14.53	13.45	13.46	9.15	n/a	8.61
THUNDER BAY	110,000	50.00	\$10.00 / \$1,000 c.v.								
TORONTO	2,698,400	100.52	15.08	15.08	25.13	25.13	26.75	25.13	12.80	15.80	10.98
VAUGHAN	3,000,000	50.00	9.75	9.00	13.25	13.25	15.50	13.25	7.00	8.75	5.40
WATERLOO	120,800	50.00	8.61	8.61	17.22	18.30	18.30	17.22	10.23	14.53	5.92
WELLAND	50,500	95.00	\$10.29	8.47	13.57	13.57	15.94	13.57	8.23	8.23	6.67
WHITBY	125,900	50.00	8.50	6.78	14.10	14.10	15.18	14.10	7.54	9.37	5.33
WINDSOR	217,187	125.00	10.22	10.22	14.53	14.53	15.60	14.53	14.00	15.06	9.68
AVERAGE		103.63	\$11.06	\$10.91	\$16.32	\$16.18	\$17.88	\$16.41	\$10.01	\$12.26	\$7.71
LONDON (Proposed Rates)		\$110.00	\$8.80	\$7.40	\$14.60	\$14.60	\$20.20	\$14.60	\$7.00	\$11.00	\$7.00
Deviation from Avg. (%)		6.15%	-20.45%	-32.19%	-10.54%	-9.74%	12.97%	-11.01%	-30.10%	-10.29%	-9.26%

Agenda Item # Page #

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APPENDIX I

Recent Changes to the Building Code Act & the Ontario Building Code

as of January 01, 2011:

- Revised building permit application form (new section H)
- Mandatory building permit activity reporting to TARION
- Mandatory 2-day timeframe to determine completeness of applications

as of January 01, 2012:

- New energy efficiency requirements
- Implementation of occupancy permits for selected residential buildings

as of July 01, 2012:

- New requirements for glass in guards (new SB-13)