



Town of East Gwillimbury

DEVELOPMENT SERVICES REPORT BB2022-01

To: Council

Date: May 17, 2022

Subject: 2021 Building Activity, Year End Summary

Origin: Development Services, Building Standards Branch

RECOMMENDATIONS

1. **THAT** Development Services, Building Standards Branch, Report BB2022-01 dated May 17, 2022, regarding the “2021 Building Activity, Year End Summary” be received; and
2. **THAT** a copy of this report be placed on the Town website for public information.

PURPOSE

This report has been prepared as a requirement of Section 7(4) of the Building Code Act, S.O 1992, c.23, as amended, and for the purposes of public information and accountability. The report provides information relating to 2021 Building Standards Branch activity.

BACKGROUND

The Building Code Act requires that the Building Branch prepare a year-end report on activity of the previous 12-month period in relation to the following:

- (a) Total fees collected in the previous 12 month period;
- (b) The direct and indirect costs of delivering services related to the administration and enforcement of the Act;
- (c) The breakdown of direct and indirect costs into the following categories:
 - direct costs of administration and enforcement of the Act, including the review of applications for permits and inspection of buildings; and
 - indirect costs of administration and enforcement of the Act, including support and overhead costs; and
- (d) The amount of the Building Branch reserve fund at the end of the 12-month period (referred to in Appendix 1).

Revenue

In 2021, the Building Standards Branch started the year with \$11,786,525.60 in the reserve and received \$6,486,860 in revenue during the year. These revenues covered all of the operating costs of the Branch. Following direct and indirect expenses of \$1,648,658 and \$954,024 respectively, there was a \$3,884,178 contribution to the Building Standards Branch reserve fund and the final balance at the end of 2021 was \$15,816,195.

Appendix 1 details revenues, expenses, reserve contributions and the continuity reserve balance as of December 31, 2021.

Building Branch Functions

The Building Code Act provides the authority for the Province of Ontario to set regulations for new construction activity and renovations respecting safety of buildings with reference to public health, fire protection, accessibility, and on-site sewage systems.

This legislation requires Building Officials to provide plans examination and inspection services to the public for various construction activities.

Staff deals with daily enquiries via the telephone, e-mail, counter, etc. The queries relate to building construction, unsafe conditions, fire restoration, plumbing systems, mechanical systems, fire alarm systems, fire sprinkler systems, on-site sewage systems, land transactions, development charges, community capital contribution charges, letters of credit, zoning by-laws, Lake Simcoe and Region Conservation Authority regulations and mapping, public health issues, Statistics Canada, source water protection plans, and other related matters.

The bulk of staff's time is spent dealing with construction enquiries, building permit application administration, plans examination and building inspections. Typically, processing an application for a single detached dwelling takes 1 to 2 hours of administration time, 3 to 4 hours of plans examination time and many hours of inspection time.

Sub-functions of the Branch include: responding to letters from lawyers desirous of information on properties that are about to change ownership or be refinanced, providing monthly statistical reports to Statistics Canada, the Region of York, Municipal Property Assessment Corporation, Tarion, etc., providing input into activities of other components of the Corporation around Official Plans and re-zoning applications, minor variance applications, site plan agreement applications, accessory apartment applications, renovations to existing municipal structures, providing staff support to the Accessibility Advisory Committee, investigations related to public health matters, buildings damaged due to fire, Development Review Committee, etc.

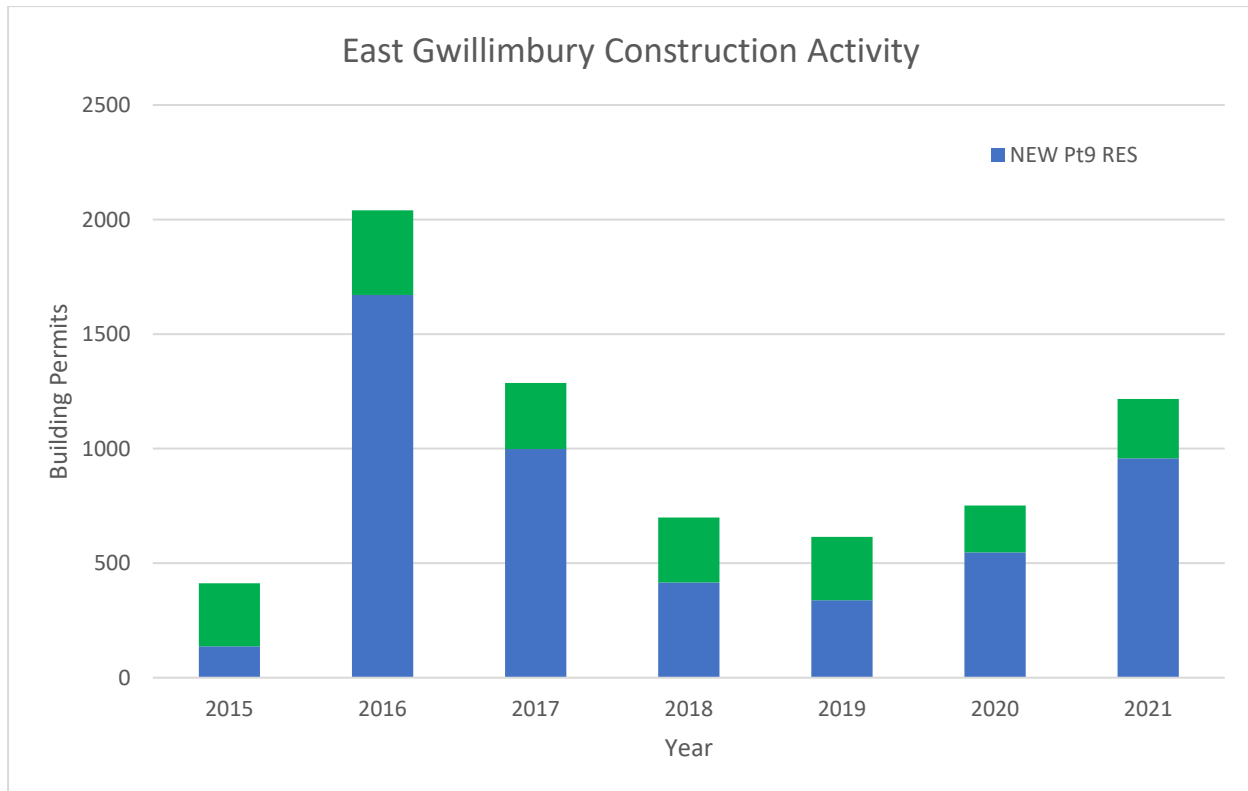
All of these mandated and non-mandated activities persist without regard for the economy, staff availability, vacation, or weather, and are managed by staff in a timely and professional manner. The department continues to manage its resources so as to ensure residents of East Gwillimbury have homes, businesses and public buildings that are safe, healthy and accessible.

In 2021, staff issued approximately 1,217 building permits with a total construction value of \$357 million. Of the 1,217 permits, 3.8% were non-residential. In addition, staff completed 11,345 inspections in 2021. Staff also issued a total of 393 occupancy permits, with a total of 369 occupancy permits for new residential units in 2020. The occupancy permits reflect late 2020 construction activity as well as outstanding final inspections on occupancies that were not yet final.

Over the past year the Building Standards Branch has been involved in the implementation of the capital project that would allow the Branch to update the electronic building permit administration software and allow for electronic mark-up of building permit drawings. Staff have almost completed validation of the new software and is expected to be launched in the coming months.

IMPACTS OF UPPER YORK SEWAGE SOLUTION (UYSS) DELAYS

East Gwillimbury has been distinguished as the fastest growing municipality in Canada from 2016 to 2021 for municipalities having populations greater than 5,000. The largest contribution to this population growth resulted from the permitting of over 2,600 building permits in 2016 and 2017 (it is fair to assume that building permit activity in 2021 did not significantly contribute to these numbers due to the delays between permit issuance and occupancy). From 2019 to 2021, East Gwillimbury experienced a steady and consistent increase in the number of building permits issued (Figure 1).



The current anticipated timeframe for the Upper York Sewage Solution (UYSS) is approximately a minimum of 7 years of construction until project completion. As such, after the approximate 3.5 years of allocation is exhausted, without an interim sewage servicing solution to bridge the gap, the likely result will be a range of 3 to 5 years of limited construction in East Gwillimbury. The building reserve has a healthy balance of \$15,816,195 and the Building Standards Branch will be able to continue to operate during these years of low activity but, will likely have to draw significantly on the building reserve during this time. It is estimated that the draw on the reserve would be up to \$2 million per year.

NEED FOR PUBLIC CONSULTATION

There is no requirement for public notice associated with the recommendations of this report. All agendas, reports and minutes are made available to the public through posting on the Town's website.

The Regulations require public notification to persons or organizations that have requested such information. To date, the Building Branch has not received any such requests.

A copy of the report should be placed on the Development Services portion of the Town web page for transparency and ease of public access.

FINANCIAL IMPLICATIONS

The financial information used to calculate revenues/expenses is based on unaudited numbers and is subject to change following the review of the corporate financial statements by our external auditors. Should there be a material difference upon completion of the auditors’ review; a revised report may be provided. The financial content of this report has been prepared by Finance department staff.

ALIGNMENT TO STRATEGIC PLAN

The recommendations of this report align with the following Strategic Priority:



Culture of
Municipal
Excellence

Ensure strong fiscal responsibility and program delivery

CONCLUSION

By way of this report the Town of East Gwillimbury continues to fulfil its obligations under the Building Code Act in providing this summary on Building Code enforcement and administration, direct and indirect costs, along with revenues derived from permit activities, and by making the report available to the members of the public for review upon request.

APPENDICES

Appendix 1 – Building Code Enforcement Reserve Continuity

Prepared by:
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Reviewed and Recommended by:
<i>Original signed by</i>
Lawrence Kuk, MCIP, RPP Acting General Manager, Development Services

Approved for Submission by:
<i>Original signed by</i>
Thomas R. Webster Chief Administrative Officer

APPENDIX 1 – Building Code Enforcement Reserve Continuity

Building Department Financial Summary of Operations Unaudited for the year ended December 31, 2021

Revenue			
	Total Fees Collected		\$ (6,486,860)
Expenditures			
	Direct - Operating		\$ 1,534,158
	Direct - Capital Project		\$ 114,500
	Indirect*		<u>\$ 954,024</u>
	Contribution to/ (from) reserves		\$ 3,884,178
	Net Balance		<u>\$ -</u>

* - Note: Includes \$290,249 contribution used to fund inspections performed by Emergency Services pertaining to permits issued by the Building Department

Building Code Enforcement Reserve			
	Opening balance at January 1, 2021		\$ 11,786,526
	Interest earned		\$ 145,491
	Transfer to/ (from) reserve		<u>\$ 3,884,178</u>
	Closing balance at December 31, 2021		<u>\$ 15,816,195</u>