

## Staff Report

---

**Report To:** Council

**Report From:** Karl Schipprack, Director of Community and Development Services/CBO

**Meeting Date:** April 1, 2025

**Subject:** Proposed Building Permit Fee Increase

---

### Recommendations:

THAT in consideration of staff report 'Proposed Building Permit Fee Increase', Council directs staff to bring forward a bylaw to amend the building permit fees as proposed, effective June 1, 2025.

### Highlights:

- Prior to amending building fees, a public meeting must be held in accordance with the *Building Code Act*.
- Building permit fees were last increased in 2016.
- The building department is funded through building permit fees.

### Previous Report/Authority:

None.

### Analysis:

Building fees were last increased in 2016. As per the *Building Code Act*, building fees are required to be structured on a cost-recovery basis. In any given year, the revenues may be in surplus or in shortage, but required adjustments are made on an annual basis to realize a balance through making transfers to/from the building reserves. Fees were not required to increase because of reserves and above-average permit revenue in 2021 and 2024.

Expected return to average permit fees and increased expenses require fees to be increased. Increased expenses include wages, increased software costs (\$100/permit), additional training required for new building codes, legal fees and inflation. Decreased

permit fees and increased expenses have reduced the reserves to below recommended levels.

Chart below includes revenue, expenses and reserve budget from 2020-2024.

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024*</u>
Revenues	(\$435,115.01)	(\$600,227.12)	(\$439,157.75)	(\$381,061.00)	(\$694,540.40)
Expenses	\$341,356.27	\$456,132.97	\$546,800.52	\$604,668.86	\$684,240.74
(Surplus) or Deficit	(\$93,758.74)	(\$144,094.15)	\$107,642.77	\$223,607.86	(\$10,299.66)
Reserves	(\$411,092.52)	(\$555,186.67)	(\$447,543.90)	(\$223,936.04)	(\$234,235.70)

\* Estimated surplus as 2024 year-end audit not complete.

Proposed building permit fee increases are included in the chart below.

A full comparison of West Grey building permit fees to 13 surrounding municipalities was completed and attached. A comparison of an average new house building permit fee was completed for a 1500sf house with full basement and a 500sf garage and 500sf deck. Plumbing fees were included, assuming 20 fixture units, in the total cost. Fees required for the construction of a new home but are outside the building were not included (water/sewer connections, water meters, septic, entrance, civic address and development charges). Currently West Grey has the lowest permit costs. The new fees would place West Grey third lowest out of 14 municipalities compared.

Building permit fees for an average new house.		
	West Grey - Current	\$2,000.00
1.	Chatsworth	\$2,400.00
2.	Grey Highlands	\$2,730.00
3.	West Grey - Proposed	\$3,000.00
4.	Southgate	\$3,200.00
5.	Kincardine	\$3,202.00
6.	Saugeen Shores	\$3,205.00

Service or Activity	Existing Fee	Proposed Fee	Notes
Summary of recommended fee changes			
<b>Building Services</b>			
Compliance letter	\$100.00	\$150.00	
Minimum permit fee	\$150.00	\$250.00	
Conditional permit	\$ 50.00	\$500.00	Includes cost to have agreement registered on title.
Change of use permit	\$150.00	\$250.00	
Administrative fee – building without a permit	Two times the permit fee. Min \$500.00.	50% of the permit fee. Min \$250.	This fee can only be cost recovery to provide enforcement and prosecution.
Non-refundable application fee (to be deducted from the building permit fee if issued.)	\$150.00	\$250.00	New description.
Demolition permit	\$150.00	\$250.00	
Residential – New (all floors including basement)	\$0.50/sf	\$0.75/sf	
Residential – Additions (all floors including basement)	\$0.50/sf	\$0.75/sf	
Residential – Renovations	\$10/\$1000	12/\$1000	Fee per \$1000 of construction value
7.	Brockton		\$3,300.00

Decks	\$0.50/sf	\$0.75/sf	
Swimming Pool/Enclosure Area	\$150.00	\$250.00	
Solid fuel Fireplace/Heating Plant	\$150.00	\$250.00	
Accessory Building	\$0.40/sf	\$0.50/sf	
Agricultural (includes manure tanks, silos and granaries)	\$0.25/sf	\$0.35/sf for the first 10,000sf and \$0.15/sf for the remainder	
Industrial/Commercial/Institutional (including roof mounted solar projects)	10/\$1000 of construction value	12/\$1000 of construction value	
Tent (over 645 Sq. Ft./60m2)	\$75.00	\$150.00	
<b>Sewage</b>			
Private Sewage Disposal Systems – Class 2	\$250.00	\$600.00	Class 2 is the same amount of work for plans review and inspections as a class 4.
Private Sewage Disposal Systems – Class 4	\$500.00	\$600.00	Separated class 4 and 5 to more accurately represent the work required.
Private Sewage Disposal Systems – Class 5	\$500.00	\$400.00	
Septic Review	\$150.00	\$150.00/system	Add per system to the unit column.

Septic Review (multiples)	\$150.00	\$150.00	Delete this row.
Septic Compliance Letter	\$100.00	\$150.00	
Decommissioning of Septic Systems	\$150.00	\$250.00	

  

8.	Meaford	\$3,410.00
9.	North Wellington	\$3,750.00
10.	Georgian Bluffs	\$4,475.00
11.	Town of The Blue Mountains	\$4,575.00
12.	South Bruce Peninsula	\$5,000.00
13.	Owen Sound	\$5,496.26
14.	Hanover	\$7,010.00

**Financial Implications:**

Increase in permit fees will offset the increased expenses, and the resulting surpluses would increase the building reserve balance.

**Climate and Environmental Implications:**

None.

**Communication Plan:**

Notice of public meeting was posted on the West Grey website. This report is being communicated through the posting of Council agendas on the West Grey website.

**Consultation:**

Kerri Mighton, Director of Finance/Treasurer

**Attachments:**

Comparison of Municipal Building Permit Fees.

**Recommended by:**

Karl Schipprack, Director of Community and Development Services/CBO

**Submission approved by:**

Michele Harris, Chief Administrative Officer

For more information on this report, please contact Karl Schipprack, Director of Community and Development Services/CBO at [cbo@westgrey.com](mailto:cbo@westgrey.com) or 519-369-2200 ext. 234.