
HALDIMAND COUNTY

Report BME-03-2021 Building, Planning and Road Fee Update - 2022

For Consideration by Council in Committee on December 7, 2021



OBJECTIVE:

To obtain Council approval to increase user fees related to Building Permit, Planning Application and Entrance and Road Damage permits for 2022.

RECOMMENDATIONS:

1. THAT Report BME-03-2021 Building, Planning and Road Fee Update - 2022 be received;
2. AND THAT the proposed User Fees and Service Charges included in this report, be approved, to be effective January 1st, 2022;
3. And that a by-law amending Schedules A, C, N, Q of the User Fees and Service Charges By-law, be presented for enactment.

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Respectfully submitted: Mike Evers, MCIP, RPP, BES, General Manager of Community & Development Services

Approved: Craig Manley, MCIP, RPP, Chief Administrative Officer

EXECUTIVE SUMMARY:

Haldimand County is about to launch “CityView Portal” as part of its ongoing software improvements. CityView Portal allows for online submission payments that are processed through Paymentus for various development related permits. These payments are subject to a 1.75% convenience fee which impacts on the revenues generated in various County divisions that will utilize the service. In order to maintain a full cost recovery for Building Services, Road Operations applications, and Planning and Development applications in accordance with approved policy, staff are recommending an across-the-board fee increase of 1.75% equal to the costs imposed by Paymentus for their services. This ensures that developers/applicants pay for their services and they are not subsidized by the general taxpayers.

BACKGROUND:

Report CAO-01-2017 Digital Innovations and Customer Service Enhancements identified a number of initiatives, including implementing the “CityView Portal” which was to facilitate the online Building Permit and Planning application submittal, payment and review process.

The initiative will also allow applicants to submit digital documents and will allow more comprehensive review, greater efficiencies, better tracking of applications and real time problem resolution.

Digital Innovations such as large monitors (32") to allow Building staff to view large electronic plans/drawings and electronic plans review (EPR) module (including Bluebeam Revu software) have already been implemented.

The focus of this report is the online payments component of this initiative and the fee charged by the provider (Paymentus) for this service. Staff are recommending that the fee (1.75% of the total application cost) be embedded in the application fees for Planning, Building and Roads to ensure that the County (effectively the taxpayer) is not absorbing that convenience fee and subsidizing developer costs.

ANALYSIS:

The Building & Municipal Enforcement Services and Planning and Development Divisions are moving to implement the online "CityView Portal" intake system for January 2022. Amongst a number of service enhancements identified, this implementation will represent the biggest step forward in moving from a paper based system to a digital system.

The launch of "CityView Portal" for customers means a change in the way we provide our service while streamlining the review process and improving communication. This shift to a digital application and permit system includes a mechanism for our Building and Planning customers to pay for their applications online with a credit card using service provider Paymentus. However, online submission payments processed through Paymentus are subject to a 1.75% convenience fee. Should Council support this staff proposal, the fee of 1.75% will be added to the application cost, thus absorbing the cost when payments are made by credit card. Not absorbing the credit card costs associated with the services of Paymentus of 1.75%, would represent a loss in Building permit revenue affecting the ability to recover the full cost of Building Code activities, as well as foregoing revenue associated with Planning applications and Road Operations applications (which are typically administered through Building in development processes).

Increasing the permit and application fees across the board by 1.75% would balance the recovery rate and mitigate any affects on the current balance in the Building Permit Cost Stabilization Reserve Fund. It would also ensure that the general taxpayer is not subsidizing developers as the 1.75% fee would otherwise, have to be absorbed by the County. It must be noted that the 2022 Building Permit fees were established in 2017 for a period of 5 years, and as such, any increases approved by Council would be added to the previously established 2022 fees.

A public meeting to present the proposed fees increase related to building permit fees was held on October 7, 2021. The Province's *Building Code* legislation requires this public process. Although the public meeting was advertised on the County website and developer notifications were provided, there were no representatives from the industry attending the meeting. Staff did reach out to one major stakeholder before the public meeting who seemed neutral on the proposal as no input regarding the fee increase was provided. Staff believe the magnitude of the increase for individual developers is negligible and is the likely reason for nil feedback.

Staff have prepared examples of the anticipated impact of the 1.75% fee increase for some typical Building, Planning and Roads Operations applications:

Building Permit applications:

2,500 sq./ft. Single Family House (232 sq. m.)

2021 - \$16.22/sq. m.	2022 - \$16.88/sq. m.	Difference - \$0.66/sq. m.
\$3,763.04	\$3,916.16	\$153.12

400 sq./ft. Accessory Structure - one car detached garage (37 sq. m.)

2021 - \$3.74/sq. m.	2022 - \$3.90/sq. m.	Difference - \$0.16/sq. m.
\$138.38	\$144.30	\$5.92

600 sq./ft. Farm Building (56 sq. m.)

2021 - \$2.15/sq. m.	2022 - \$2.24/sq. m.	Difference - \$0.09/sq. m.
\$120.40	\$125.44	\$5.04

Planning applications:

Application Type	2021 Fee	2022 Fee	Difference
Consent - Major (new lot creation)	\$3,293.00	\$3,350.62	\$57.62
Minor Variance - Standard	\$1,571.00	\$1,598.50	\$27.50
Zoning By-law Amendment - Regular	\$3,885.00	\$3,952.99	\$67.01
Site Plan Approval	\$7,689.00	\$7,823.55	\$134.55

Roads applications:

Application Type	2021 Fee	2022 Fee	Difference
Entrance Permit	\$182.00	\$185.19	\$3.19
Excavation Permit	\$234.00	\$238.10	\$4.10
Road Damage Fee	\$109.00	\$110.91	\$1.91

FINANCIAL/LEGAL IMPLICATIONS:

The *Building Code Act* provides for the ability to recover the full cost of building code activities through established fees. As outlined in our consultant's 2017 report, the various current building permit fees imposed by the County, varied significantly in terms of full cost recovery levels. The consultant's report evaluated the required fees to recover the full underlying costs to perform the identified services, however, unfortunately during that time, the online payment options were not available. The recommendation of including these online convenience fees effective January 1, 2022, will ensure full cost recovery and that tax payers are not subsidizing a service that is to be fully cost recovered via fees paid.

The *Planning Act*, R.S.O. 1990, c. P.13 allows for the Council of a municipality to establish fees for the processing of applications made regarding planning matters, which shall only be to cover the anticipated cost to the municipality for processing. Similar to Building, the current user fee schedules do not reflect the additional cost to the municipality to cover the additional processing fees applied through the Paymentus platform.

The table below outlines the corresponding revenues included in the approved 2021 Tax-Supported Operating Budget, the projected 2022 revenues, and the potential negative impacts of credit card charges, should applications remain at these levels, absent of fee increases:

Revenue Source	2021 Approved Tax-Supported Operating Budget	Projected 2022 Revenues – Proposed Fee Increases	Projected 2022 Credit Card Charges (1.75%)	2022 Revenues Less Credit Card Charges
Building Permits	\$1,600,000	\$1,620,600	\$28,360	\$1,592,240
Planning Fees	\$561,010	\$568,100	\$9,940	\$558,160
Road Permits	\$42,900	\$43,590	\$760	\$42,830
Finance Agreement Processing Fees	\$10,660	\$10,790	\$190	\$10,600
TOTAL:	\$2,214,570	\$2,243,080	\$39,250	\$2,203,830

Traditionally, the net tax levy has bore the burden of Paymentus charges, however, the projected \$39,250 increase in credit card charges will be recorded as expenses in the corresponding divisions for the 2022 Tax-Supported Operating Budget along with the recommended off-setting revenues.

STAKEHOLDER IMPACTS:

The recommended fees will ensure full cost recovery of Building Code activities and mitigate the need to rely on the Building Permit Cost Stabilization Reserve Fund to offset.

The fees increase will ensure that Planning and Roads Operations applications represent cost recovery and revenues are not impacted.

REPORT IMPACTS:

Agreement: No

By-law: Yes

Budget Amendment: Yes

Policy: No

ATTACHMENTS:

1. Schedule A - Citizen & Legislative Services Division.
2. Schedule C - Roads Operations.
3. Schedule N - Permits.
4. Schedule Q - Planning & Development.