

## Building Standards Proposed Program Fee Changes – 2024/2025

### RECOMMENDATION

1. That the proposed Building Standards program fees for 2024 and 2025, as included in the 2024/2025 Preliminary Business Plan and Budget, be approved; and
2. That the City Solicitor be instructed to draft the appropriate amendments to Bylaw No. 9455, Building Bylaw, 2017; Bylaw No. 6583, The Plumbing Permits Bylaw, 1985; and Bylaw No. 7981, Swimming Pool Bylaw, 2000.

### ISSUE

Administration is proposing changes to fees for building, plumbing and swimming pool permit applications to meet cost recovery objectives and maintain current service levels.

### BACKGROUND

Building Standards is funded 100% through revenues generated from program and service fees. Building Standards is supported by the Building and Inspection Permit Stabilization Reserve (Stabilization Reserve), which was established to offset any deficits in the department's operations due to revenue shortfalls from declines in the number and/or type of building permits issued and unexpected program expenditures.

### DISCUSSION/ANALYSIS

An increase to fees is recommended to maintain service levels and account for general program expenditure increases, such as, but not limited to, salaries, fuel, banking fees and software licensing. The 2024 and 2025 proposed fee changes include the following:

- 1) Increase of 3% per year to Residential building permit;
- 2) One-time increase of 2% to commercial building permit fees;
- 3) Adjustment of the special inspection fee and swimming pool re-inspection fee to align with the re-inspection fee;
- 4) Adjustment of \$6.00 per fixture to the plumbing permit fee in 2024;
- 5) Increase of 3% to the cost-per-fixture and minimum plumbing permit fee in 2025; and
- 6) Increase of 3% per year to general program fees.

A complete list of proposed program fee changes for 2024 and 2025 and corresponding service levels are provided (see Table 1 and 2). A summary of annual revenues and expenses is also provided (see Table 3).

<b>Table 1</b>	2023 Approved (\$)	2024 Proposed (\$)	2025 Proposed (\$)
<b>Building Permit Fees</b>			
Residential (one- and two-unit dwellings, townhomes, and row houses)			
All floor areas, excluding basement development	1.06/ft2	1.09/ft2	1.13/ft2
Basement development or alterations of any floor area	0.36/ft2	0.38/ft2	0.39/ft2
Garage (attached or detached)	0.32/ft2	0.33/ft2	0.34/ft2
Deck	0.14/ft2	0.14/ft2	0.15/ft2
Roof over deck or carports	0.14/ft2	0.14/ft2	0.15/ft2
Apartments (Part 9 of the National Building Code)			
All floor levels, including basement	1.06/ft2	1.09/ft2	1.13/ft2
Alterations of any floor area	0.36/ft2	0.38/ft2	0.39/ft2
Addition of decks and balconies to existing construction	0.14/ft2	0.14/ft2	0.15/ft2
Garage/Accessory Building (attached or detached)	0.32/ft2	0.14/ft2	0.15/ft2
All Other Construction, not noted above			
Cost per \$1,000 of construction value	10.50	10.75	10.75
Construction and Design Plan Review Fee	455.00	469.00	483.00
Water and Sewer Plan Review Fee	671.00	691.00	712.00
<b>General Permit Fees</b>			
Minimum Permit Fee	162.00	167.00	172.00
Re-inspection Fee	162.00	167.00	172.00
Special Inspection Fee	100.00	167.00	172.00
Minimum Permit Reinstatement Fee	162.00	167.00	172.00
Permit Extension Fee	162.00	167.00	172.00
Interim Occupancy Permit Fee	866.00	892.00	919.00
Final Occupancy Permit Fee	411.00	423.00	436.00
<b>Plumbing Permit Fees</b>			
Minimum Permit Fee	120.00	120.00	124.00
Cost per Fixture	24.00	30.00	31.00
Partial Inspection Fee	78.00	80.00	83.00
Re-Inspection (call-back) Fee	104.00	107.00	110.00
Per Fixture Fee to adjust permit up*	21.89	30.00	31.00
Returned Item Fee*	20.00	20.00	20.00
*Bylaw No. 6583 Plumbing Permits Bylaw, 1985 is under review			
<b>Swimming Pool Permit Fees</b>			
Minimum Permit Fee	162.00	167.00	172.00
Re-Inspection Fee	162.00	167.00	172.00
Cost per \$1,000 of construction value	7.50	10.75	10.75

**Table 2**

	Service Level	
Building Permit Program	New Construction (\$)	Alterations (\$)
Single and semi-detached dwelling site	5 to 7 business days	5 business days
Alternative family care home	15 business days	8 business days
Group dwelling site – including site development approval	15 to 20 business days	5 to 8 business days
Group dwelling site – post site development approval	10 to 15 business days	5 to 8 business days
Apartment buildings	17 to 22 business days	5 to 8 business days
Commercial, industrial, and institutional	17 to 22 business days	5 to 8 business days
Major projects	25 to 30 business days	-
Demolitions	5 to 8 business days	-
Residential inspections	Next day	Next day
Commercial inspections	3-week cycle	3-week cycle
Plumbing Permit Program	New Construction	Alterations
Residential and commercial plumbing permit applications	Same day	Same day
Inspections	Next day	Next day

**Table 3**

	2019	2020	2021	2022	2023	2024	2025
	Actual (\$)	Actual (\$)	Actual (\$)	Actual (\$)	Budget (\$)	Budget (\$)	Budget (\$)
<b>REVENUES</b>							
Plumbing Permit Program	522,296	572,047	748,431	700,855	911,400	834,600	887,000
Building Permit Program	4,536,000	3,954,450	6,036,381	6,428,195	6,689,800	6,485,300	6,528,100
Other Revenue	110,014	103,239	115,037	98,981	86,200	95,300	95,300
<b>Total Revenue</b>	<b>5,168,310</b>	<b>4,629,736</b>	<b>6,899,848</b>	<b>7,228,032</b>	<b>7,687,400</b>	<b>7,415,200</b>	<b>7,510,400</b>
<b>EXPENSES</b>							
Plumbing Permit Program	688,971	705,321	717,836	811,678	792,300	839,400	857,700
Building Permit Program	5,380,722	5,345,797	5,914,801	6,088,992	6,449,000	6,706,100	6,854,800
<b>Total Program Expenses</b>	<b>6,069,693</b>	<b>6,051,118</b>	<b>6,632,637</b>	<b>6,900,669</b>	<b>7,241,300</b>	<b>7,545,500</b>	<b>7,711,900</b>

	2019	2020	2021	2022	2023	2024	2025
	Actual (\$)	Actual (\$)	Actual (\$)	Actual (\$)	Budget (\$)	Budget (\$)	Budget (\$)
Balance to/(from) transfer to Reserve Account	(901,383)	(1,421,382)	267,211	327,362	446,100	(130,300)	(201,500)
Year-end Reserve Balance (Deficit)	4,820,159	2,148,777	2,265,988	2,458,322	2,904,422	2,774,122	2,572,622

Stakeholder Engagement

Three information sessions with the development industry were provided. In attendance was the Saskatoon & Region Home Builders’ Association, Saskatoon Construction Association, The Greater Saskatoon Chamber of Commerce, Saskatoon Regional Economic Development Authority, Downtown Saskatoon, Riversdale Business Improvement District, Sutherland Business Improvement District, Broadway Business Improvement District, 33rd Street Business Improvement District, North Saskatoon Business Association, Tourism Saskatoon and Saskatchewan Realtors Association. The information sessions included conversations around proposed fee changes and consideration of changes to service levels.

Stakeholders from the construction industry place a high value on the level of services provided and prefer not to see a reduction in service levels. However, they also share concerns in the rising program costs and affordability of maintaining service levels associated with permit review targets.

Information was shared with the Mechanical Contractors Association of Saskatchewan. No feedback on proposed rate changes has been received at the time of writing this report.

**FINANCIAL IMPLICATIONS**

Based on the proposed fees and permit volume forecasts, a summary of the financial implications is provided below.

Building Permit Program	2024 Funding Gap (\$)	2025 Funding Gap (\$)
Building Permit Revenue Forecast prior to proposed increase	6,418,100	6,393,300
Operating Expense Budget Forecast	6,706,100	6,854,800
Funding Gap	(288,000)	(461,500)
Forecasted Revenue from Fee Increase	67,200	134,800
Other Revenue	95,300	95,300
<b>Total</b>	<b>(125,500)</b>	<b>(231,400)</b>

<b>Plumbing Permit Program</b>	<b>2024 Funding Gap (\$)</b>	<b>2025 Funding Gap (\$)</b>
Plumbing Permit Revenue Forecast, prior to proposed increase	720,200	737,200
Operating Expense Budget Forecast	839,400	857,100
Funding Gap	(119,200)	(119,900)
Forecasted Revenue from Fee Increase	114,400	149,800
Other Revenue	-	-
<b>Total</b>	<b>(4,800)</b>	<b>29,900</b>

The anticipated withdrawal from the Stabilization Reserve will be \$130,300 in 2024 and \$201,500 in 2025, resulting in a projected reserve balance of \$2,572,600 at the end of 2025.

The impacts of not changing fees while maintaining service levels will result in the program continuing to be subsidized by the Stabilization Reserve. If the proposed fees are not implemented, it is anticipated the Stabilization Reserve balance will decrease to \$1,915,800 by 2025.

**OTHER IMPLICATIONS**

Amendments to [Bylaw No. 9455, Building Bylaw, 2017](#); [Bylaw No. 6583, The Plumbing Permits Bylaw, 1985](#); and [Bylaw No. 7981, The Swimming Pool Bylaw, 2000](#), are required to support the implementation of the proposed fee changes.

Business Line: Urban Planning and Development

SP/2023/BS/Building Standards Program Fee Changes – Rates and Fees-2024/2025/gs