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# Municipality of Brockton Planning & Building Fees Review

OCTOBER 14, 2025

# Legislative Background

## ▶ Planning Fees

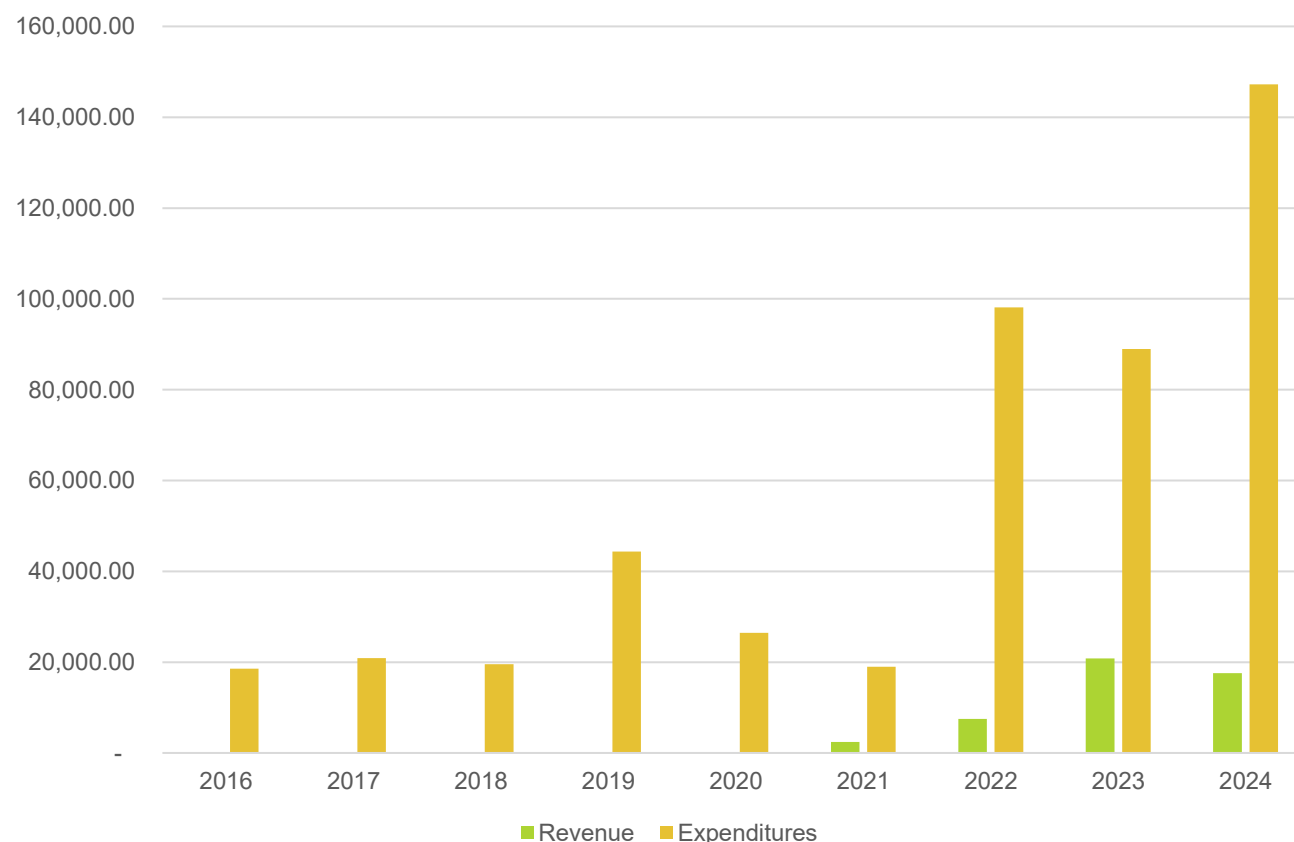
- ▶ Authority to charge fees for processing planning applications comes from Section 69 of the Planning Act.
- ▶ Act specifies that fees should be designed to recover anticipated costs to the municipality for each type of application in the fee schedule.
- ▶ Act does not prescribe or define what are considered recoverable costs.

## ▶ Building Permit Fees

- ▶ Authority to charge fees for activities associated with building permits comes from the Building Code Act (BCA) Section 7(1)(C)
- ▶ Fees related to the application and issuance of permits, maintenance inspections, providing documents and records, and enforcement of complaints are costs that can be recovered.
- ▶ BCA specifies fees should not exceed the anticipated reasonable cost to administer and enforce the BCA.
- ▶ Municipalities can establish a stabilization reserve fund to be utilized only for direct and indirect costs associated with providing building permit service and inspections. No limits or caps on the amount held in this reserve.
- ▶ When changing building permit fees, municipalities must host a public meeting and provide 21 days notice of the public meeting.

# Historic Planning Revenue vs. Expenses

- Revenue is sourced primarily from zoning compliance certificates and site plan fees.
  - Zoning compliance certificates = 47% of revenue with an average of 87 issued per year.
  - Average revenue per site plan = \$1,555.
- Fees for other planning applications (severances, minor variances, Plans of Subdivision/Condominium) administered and collected by Bruce County.
- On annual basis, average difference between expenses and revenue is \$50,000.
- Average cost recovery of expenses is 12%.



# Planning Reserve Fund

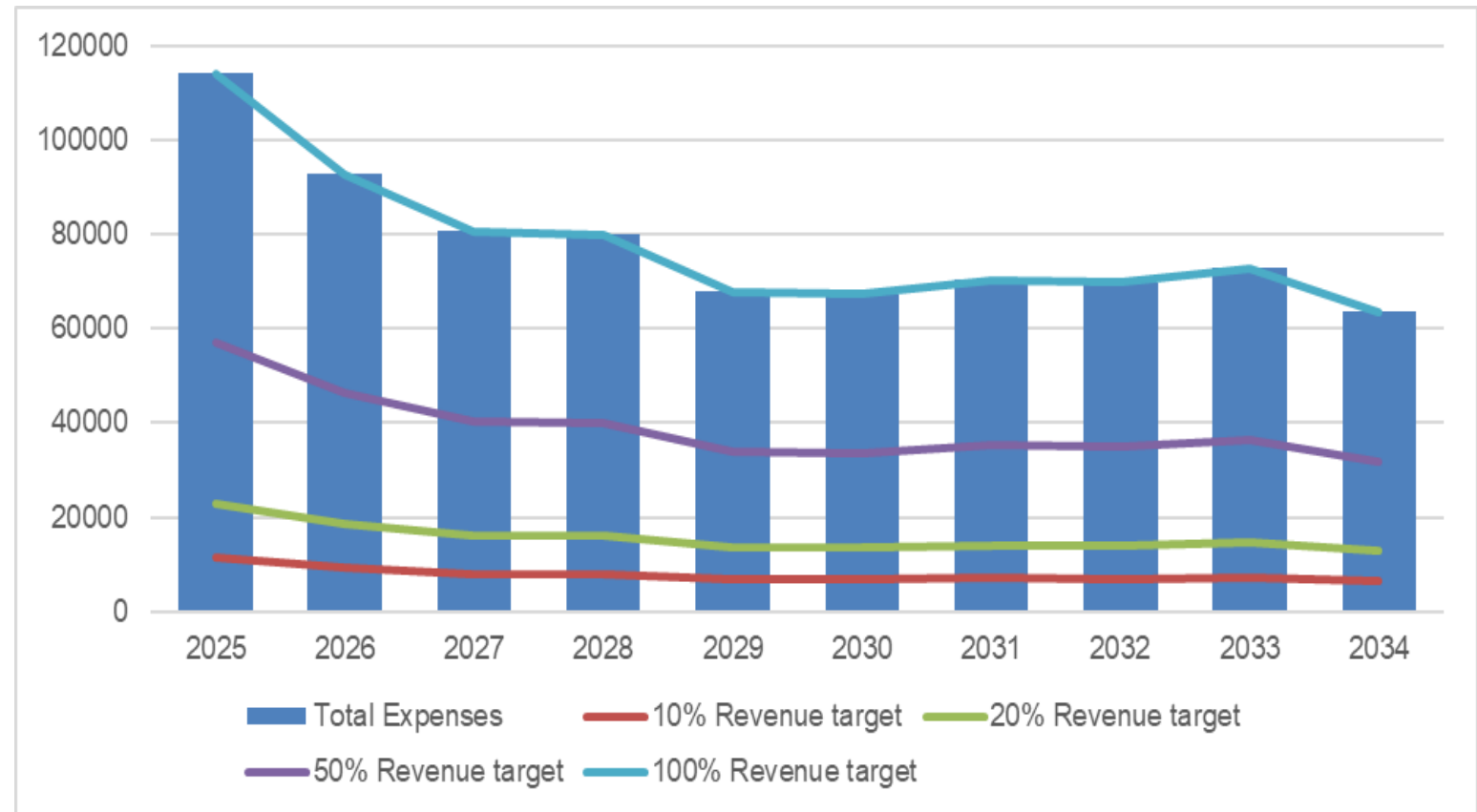
- ▶ Future reserve expenses include: update to the Zoning Bylaw and Official Plan (\$125,200) and 15% share in replacement of two vehicles.
- ▶ Assumed no transfers in except interest.
- ▶ At end of 2028, reserve expected to have approximately \$37,350.

| Year | Transfer Into Reserve (\$) | Transfer Out of Reserve (\$) | End of Year Balance (\$) |
|------|----------------------------|------------------------------|--------------------------|
| 2021 | 180.09                     | 61.69                        | 19,891.50                |
| 2022 | 25,385.92                  | 0.00                         | 45,277.42                |
| 2023 | 1,611.48                   | 0.00                         | 46,888.90                |
| 2024 | 63,018.18                  | 638.56                       | 109,268.52               |
| 2025 | 2,185.37                   | 32,591.50                    | 78,862.39                |
| 2026 | 1,577.25                   | 32,591.50                    | 47,848.14                |
| 2027 | 956.96                     | 6,150.00                     | 42,655.10                |
| 2028 | 853.10                     | 6,150.00                     | 37,358.20                |

# Methodology for Assessing Fees

- ▶ Forecasted required revenues based on forecasted expenditures and cost recovery targets of 10%, 20%, 50% and 100% of expenditures.
- ▶ Assumed expenditures to decrease as major planning projects (Official Plan and Zoning Bylaw reviews) are completed.
- ▶ Forecasted number of zoning compliance certificates and site plans based on current fee levels to achieve revenue targets.

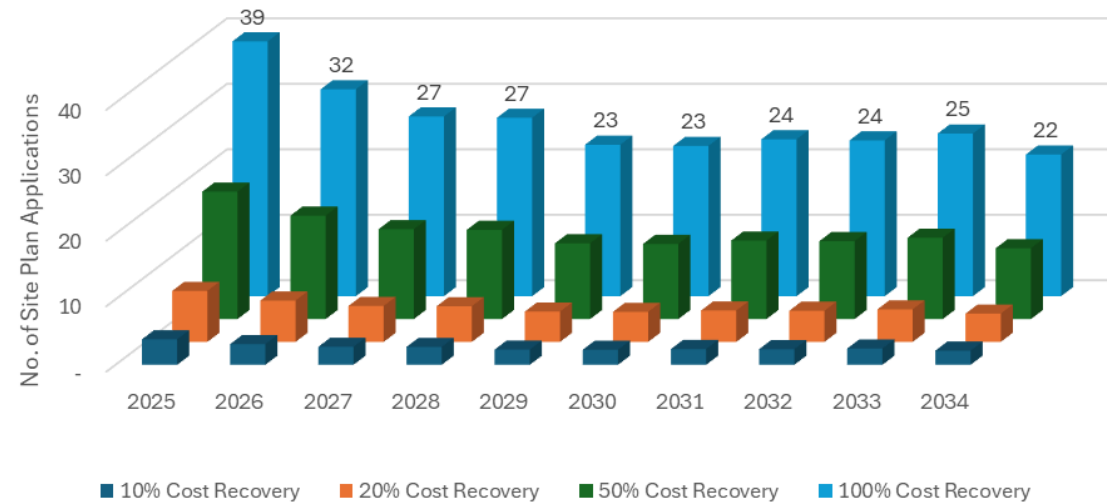
### Forecasted Expenses and Revenue Targets



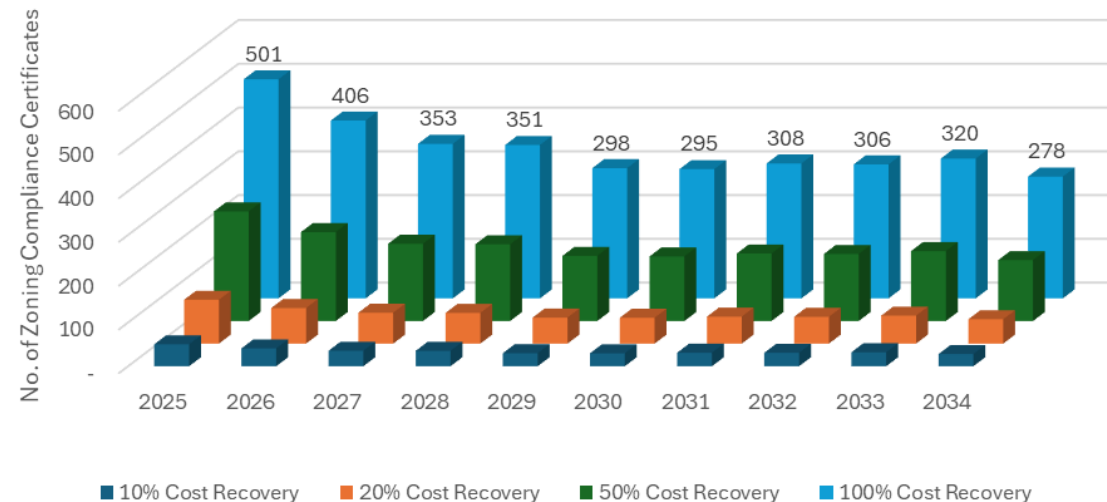
# Recovery under current fees

- ▶ Under lowest cost recovery scenario (10%), an annual average of 2-3 site plans is required with an average of 34 zoning certificates.
- ▶ To achieve 20% cost recovery, an annual average of 5 site plans and 68 zoning certificates are required.
- ▶ For 100% cost recovery, an annual average of 20-30 site plan is required with over 240 zoning certificates annually.
- ▶ **Unlikely to have enough site plans and certificates to achieve 50 or 100% cost recovery → recommend looking at increasing planning fees.**

Number of Site Plan Applications Required to Achieve Target Revenue



Number of Zoning Compliance Certificates Required to Achieve Target Revenue



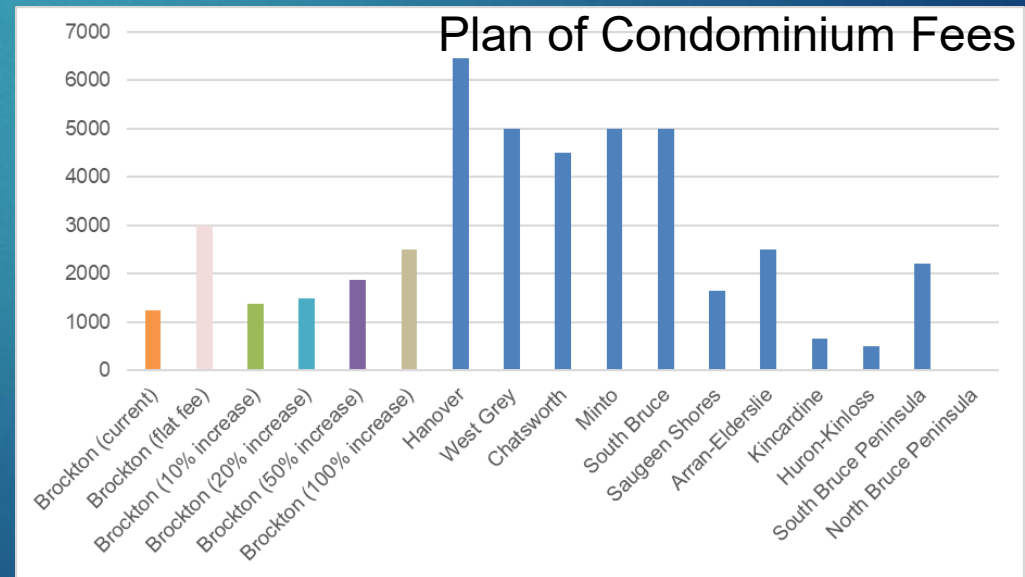
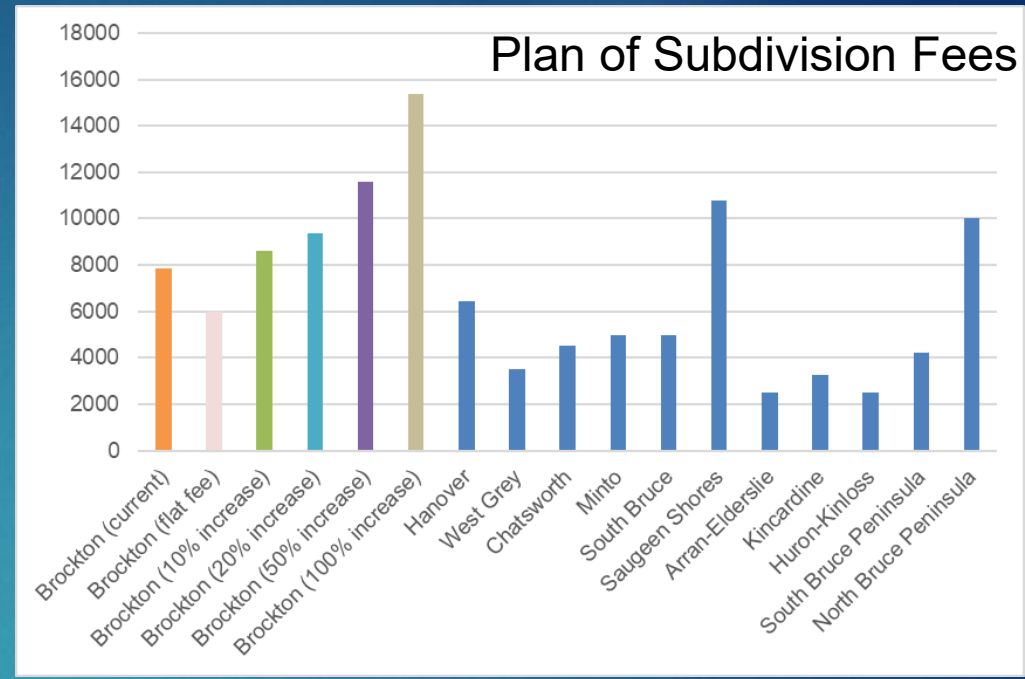
# Alternative Fee Structures

- ▶ Current cost recovery is approximately 12% and number of planning applications is not expected to significantly increase in the future, so to maintain or increase current cost recovery additional revenue through increased fees is required.
- ▶ Alternative fee structures for site plans, plans of subdivision/condominium were developed and evaluated against revenue targets.
  - ▶ Alternative fee structure also included examination of flat fee structure.
- ▶ Proposed alternative fees were also compared against other local fees to see where they fell within the regional marketplace.

# Alternative Fees

| Fee Schedule   | Current (2025)          | Flat Fee | Increase (Flat Fee)      | 10% Increase in Fees    | 20% Increase in Fees    | 50% Increase in Fees    | 100% Increase in Fees    |
|--|-------------------------|----------|--------------------------|-------------------------|-------------------------|-------------------------|--------------------------|
| <b>Certificate of Zoning Compliance</b>              | 107.25                  | 125      | 17%                      | 117.98                  | 128.70                  | 160.88                  | 321.76                   |
| <b>Site Plan Agreement Admin Fee</b>                 | 0.10/sqft + 114         | 2500     | change to flat rate      | 0.11/sqft + 125         | 0.13/sqft + 139         | 0.16/sqft + 171         | 0.22/sqft + 228          |
| <b>Site Plan Review Fee</b>                          | 500 + billed for actual | actual   | change in rate structure | 550 + billed for actual | 600 + billed for actual | 750 + billed for actual | 1000 + billed for actual |
| <b>Deeming Bylaw - Admin Fee</b>                     | 257                     | 500      | 95%                      | 500                     | 500                     | 500                     | 500                      |
| <b>Encroachment or Servicing Agreement Admin Fee</b> | 257                     | 500      | 95%                      | 500                     | 500                     | 500                     | 500                      |
| <b>Plan of Subdivision Admin Fee</b>                 | 150 per block/lot       | 5000     | change to flat rate      | 165 per block/lot       | 180 per block/lot       | 225 per block/lot       | 300 per block/lot        |
| <b>Draft Plan of Condo Admin Fee</b>                 | 50 per unit (min 500)   | 3,000    | change to flat rate      | 55 per unit (min 500)   | 60 per unit (min 500)   | 75 per unit (min 500)   | 100 per unit (min 500)   |
| <b>Removal of Holding Provision</b>                  | 155                     | 500      | 223%                     | 500                     | 500                     | 500                     | 500                      |
| <b>Consent/ Severance, Easements, Right of Ways</b>  | 125                     | 200      | 60%                      | 200                     | 200                     | 200                     | 200                      |
| <b>Estimated Cost Recovery Level</b>                 | 12%                     | 30%-40%  |                          | 10-20%                  | 20%-30%                 | 20%-30%                 | 30%-40%                  |

# Comparison of Fees



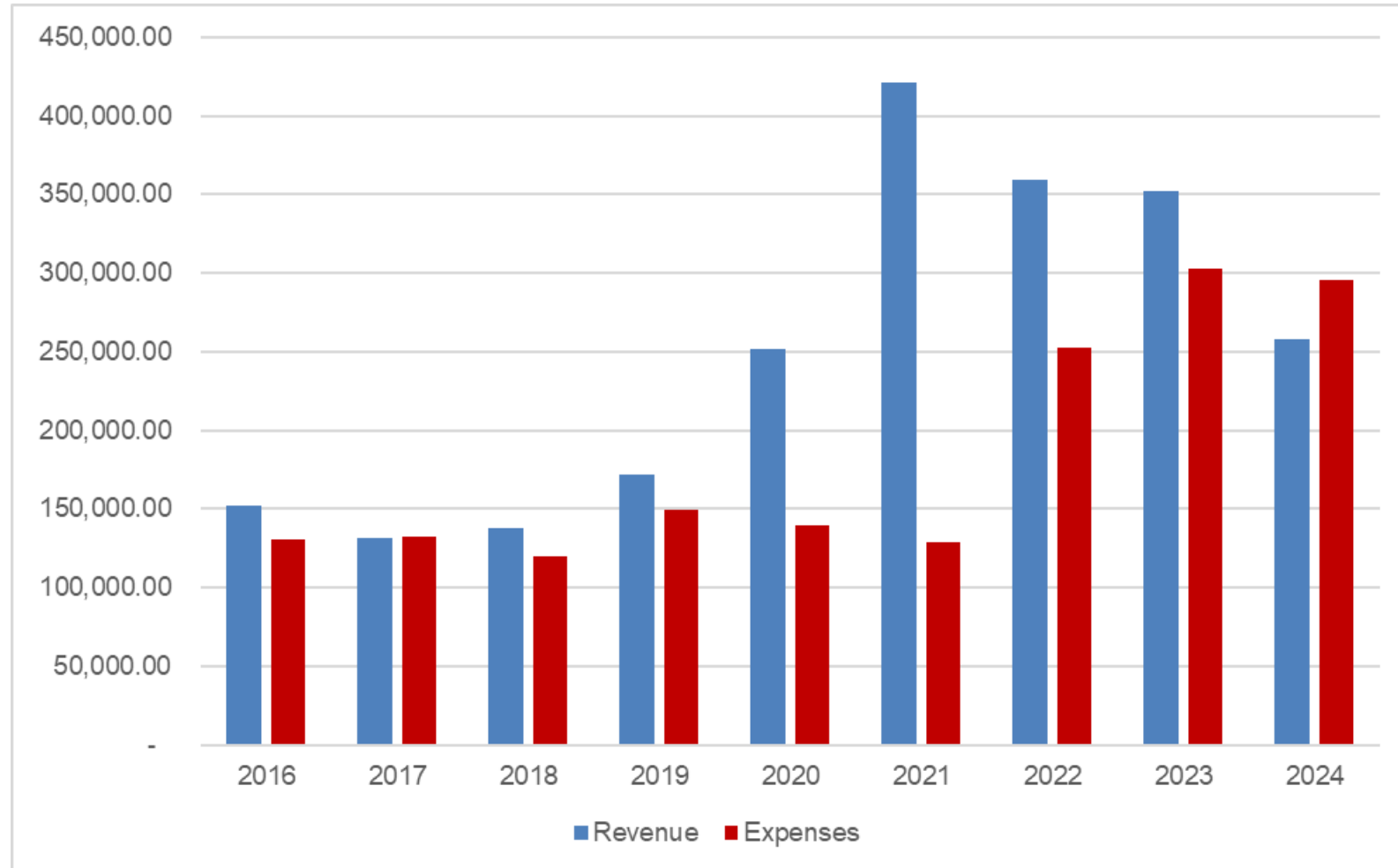
# Recommendations – Planning Fees

- ▶ Council consider increasing select planning fees to increase the level of cost recovery for planning applications.
- ▶ Staff consider tracking time spent on planning applications to allow future evaluations based on processing times and efforts
- ▶ Consider adding the following fees to the schedule:

| Fee Description  | Proposed Fee   |
|--|--|
| Development Agreement – Administration Fee   | \$1,000 per application                                  |
| Development Agreement – Review   | Actual costs invoiced                                    |
| Battery Energy Storage Systems - Administration (pre-consultation)   | \$1,000  |
| Battery Energy Storage Systems – Review of reports, review of municipal support resolution, community benefits review) | \$5,000 + actual costs for any legal/engineering review. |

# Building Permits Revenue vs. Expenses

- ▶ Cost recovery of expenses has varied between 87% and 326%.
- ▶ Average cost recovery 144% but has decreased in recent years.
- ▶ Number of permits and increase in wages/benefits are most significant factors impacting cost recovery.



# Stabilization Reserve

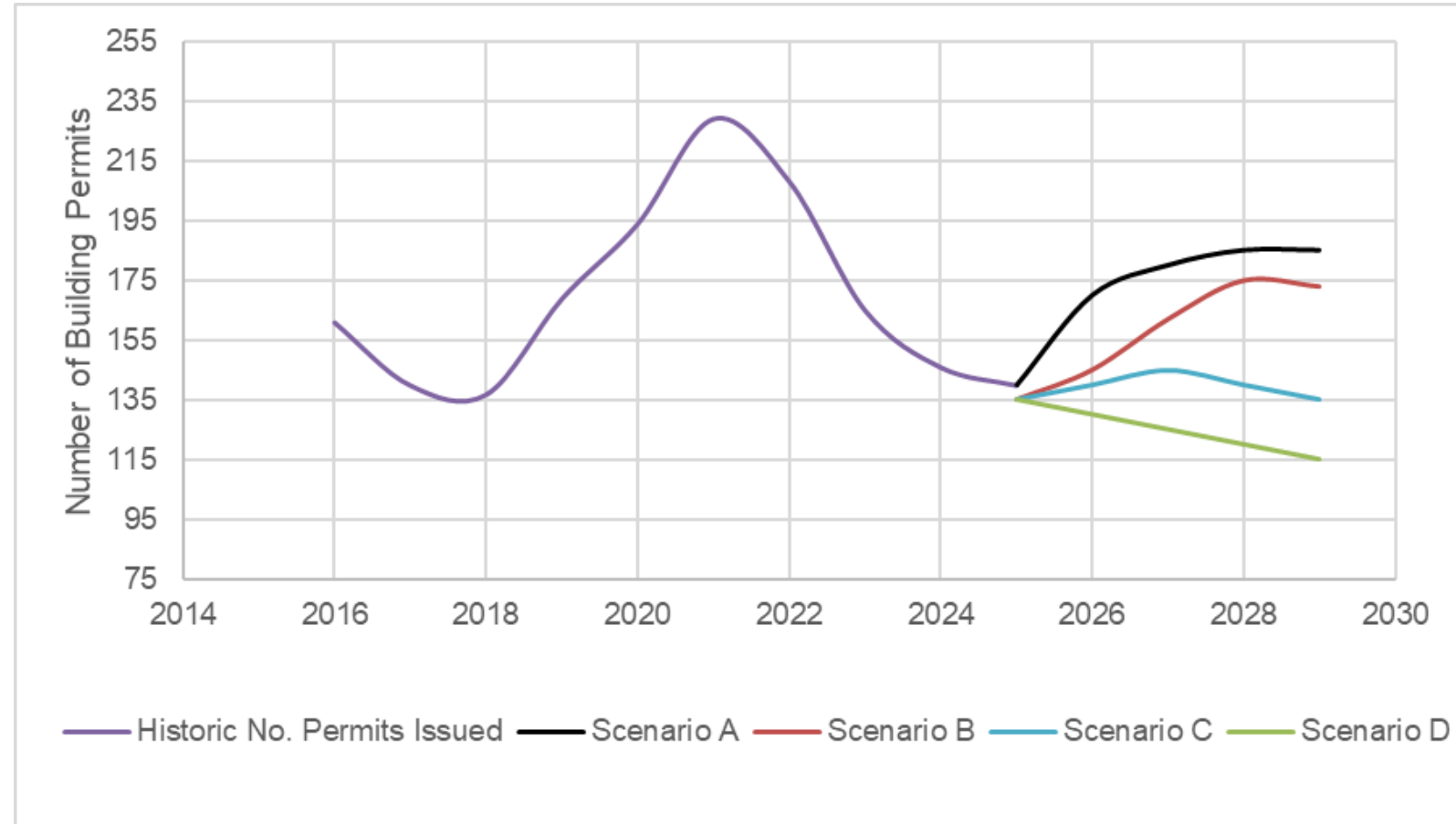
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| Year | Starting Balance | Transfers In  | Transfers Out | Interest     | End of Year Balance |
|------|------------------|---------------|---------------|--------------|---------------------|
| 2017 | \$ 55,529.98     | 0             | \$ 699.32     | \$ 275.35    | \$ 55,106.01        |
| 2018 | \$ 55,106.01     | \$ 17,633.59  | 0             | \$ 794.93    | \$ 73,534.53        |
| 2019 | \$ 73,534.53     | 0             | \$ 882.00     | \$ 2,187.43  | \$74,839.96         |
| 2020 | \$ 74,839.96     | \$ 141,577.27 | \$ 6,431.11   | \$ 784.18    | \$ 210,770.30       |
| 2021 | \$ 210,770.30    | \$ 292,334.21 | \$ 657.56     | \$ 1,919.59  | \$ 504,366.54       |
| 2022 | \$ 504,366.54    | \$ 117,744.36 | \$ 11,179.63  | \$ 9,785.44  | \$ 620,716.71       |
| 2023 | \$ 620,716.71    | \$ 78,880.02  | 0             | \$ 22,092.34 | \$ 721,689.07       |
| 2024 | \$ 721,689.07    | \$ 0          | \$ 97,100.43  | \$ 26,989.44 | \$ 651,578.07       |

Some municipalities aim for reserve targets of 1.5 to 1.8 times the average operating costs.

# Evaluation Methodology

- ▶ Modelled four future scenarios relating to the number of building permits issued.
  - ▶ A – short term average of 172 permits per year
  - ▶ B – average of 158 permits per year
  - ▶ C – average of 139 permits per year
  - ▶ D – average of 125 permits per year
- ▶ Forecasted against future expenses.
  - ▶ Software
  - ▶ 80% share in two replacement vehicles



# Model Results – Scenarios A & B

| Scenario   | Year                               | 2025       | 2026       | 2027       | 2028       | 2029       |
|------------|------------------------------------|------------|------------|------------|------------|------------|
| Scenario A | Expenditures                       | 299,553.09 | 303,506.39 | 338,718.98 | 343,591.77 | 315,725.64 |
| Scenario A | Revenue                            | 245,390.99 | 297,974.77 | 315,502.70 | 324,266.66 | 324,266.66 |
| Scenario A | Balance (Revenue - Expenditures)   | -54,162.10 | -5,531.61  | -23,216.28 | -19,325.10 | 8,541.02   |
| Scenario A | Interest                           | 22,805.23  | 21,707.742 | 22,273.91  | 22,240.92  | 22,342.98  |
| Scenario A | Transfer In                        | 0.00       | 0.00       | 0.00       | 0.00       | 8,541.02   |
| Scenario A | Transfer out                       | 54,162.10  | 5,531.61   | 23,216.28  | 19,325.10  | 0.00       |
| Scenario A | Reserve Fund Balance (End of Year) | 620,221.21 | 636,397.34 | 635,454.97 | 638,370.79 | 669,254.79 |

| Scenario   | Year                               | 2025       | 2026       | 2027       | 2028       | 2029       |
|------------|------------------------------------|------------|------------|------------|------------|------------|
| Scenario B | Expenditures                       | 299,553.09 | 303,506.39 | 338,718.98 | 343,591.77 | 315,725.64 |
| Scenario B | Revenue                            | 236,627.03 | 254,154.95 | 283,952.43 | 306,738.74 | 303,233.15 |
| Scenario B | Balance (Revenue - Expenditures)   | -62,926.06 | -49,351.43 | -54,766.55 | -36,853.03 | -12,492.49 |
| Scenario B | Interest                           | 22,805.23  | 21,401.00  | 20,422.74  | 19,220.71  | 18,603.57  |
| Scenario B | Transfer In                        | 0          | 0          | 0          | 0          | 0          |
| Scenario B | Transfer out                       | 62,926.06  | 49,351.43  | 54,766.55  | 36,853.03  | 12,492.49  |
| Scenario B | Reserve Fund Balance (End of Year) | 611,457.25 | 583,506.82 | 549,163.01 | 531,530.68 | 537,641.76 |

# Model Results – Scenarios C & D

| Scenario   | Year                               | 2025       | 2026       | 2027       | 2028       | 2029       |
|------------|------------------------------------|------------|------------|------------|------------|------------|
| Scenario C | Expenditures                       | 299,553.09 | 303,506.39 | 338,718.98 | 343,591.77 | 315,725.64 |
| Scenario C | Revenue                            | 236,627.03 | 245,390.99 | 254,154.95 | 245,390.99 | 236,627.03 |
| Scenario C | Balance (Revenue - Expenditures)   | -62,926.06 | -58,115.40 | -84,564.03 | -98,200.78 | -79,098.62 |
| Scenario C | Interest                           | 22,805.23  | 21,401.00  | 20,116.00  | 17,860.32  | 15,048.40  |
| Scenario C | Transfer In                        |            |            |            |            |            |
| Scenario C | Transfer out                       | 62,926.06  | 58,115.40  | 84,564.03  | 98,200.78  | 79,098.62  |
| Scenario C | Reserve Fund Balance (End of Year) | 611,457.25 | 574,742.85 | 510,294.83 | 429,954.37 | 365,904.15 |

| Scenario   | Year                               | 2025       | 2026       | 2027        | 2028        | 2029        |
|------------|------------------------------------|------------|------------|-------------|-------------|-------------|
| Scenario D | Expenditures                       | 299,553.09 | 303,506.39 | 338,718.98  | 343,591.77  | 315,725.64  |
| Scenario D | Revenue                            | 236,627.03 | 227,863.06 | 219,099.10  | 210,335.13  | 201,571.17  |
| Scenario D | Balance (Revenue - Expenditures)   | -62,926.06 | -75,643.32 | -119,619.88 | -133,256.63 | -114,154.47 |
| Scenario D | Interest                           | 22,805.23  | 21,401.00  | 19,502.52   | 15,998.41   | 11,894.38   |
| Scenario D | Transfer In                        |            |            |             |             |             |
| Scenario D | Transfer out                       | 62,926.06  | 75,643.32  | 119,619.88  | 133,256.63  | 114,154.47  |
| Scenario D | Reserve Fund Balance (End of Year) | 611,457.25 | 557,214.93 | 457,097.57  | 339,839.35  | 237,579.25  |

# Results

| <b>Scenario</b> | <b>Stabilization Fund Impact</b>   |
|-----------------|--|
| Scenario A      | Stabilization fund remains above 1.8x the average operating costs        |
| Scenario B      | Stabilization fund is between 1.5x and 1.8x the average operating costs  |
| Scenario C      | Stabilization fund falls below 1.5x the average operating costs in 2028. |
| Scenario D      | Stabilization fund falls below 1.5x the average operating costs in 2027. |

# Recommendations

- ▶ To maintain stabilization fund of 1.5 times the annual operating costs in event of declining building permit revenue, Council could consider a 10% increase in the per square foot rate for new residential, agricultural, industrial, institutional and commercial building permits.

| Fee Type   | Current Fee   | Proposed Fee   |
|--|---|--|
| Single and multi residential                             | \$100 plus \$0.80 per square foot – excluding unfinished basement | \$100 plus \$0.90 per square foot – excluding unfinished basement. |
| Farm buildings, housing livestock                        | \$100 plus \$0.30 per square foot                                 | \$100 plus \$0.33 per square foot.                                 |
| Farm buildings for purposes other than housing livestock | \$100 plus \$0.25 per square foot                                 | \$100 plus \$0.28 per square foot.                                 |
| Commercial/Industrial/Institutional                      | \$100 + \$0.90 per square foot                                    | \$100 + \$1.00 per square foot.                                    |

| Fee  | Cost Under Current Fee Structure | Cost Under Proposed Fee Structure | Difference |
|--|----------------------------------|-----------------------------------|------------|
| Single residential house (1,200 square feet)                                 | \$1,060                          | \$1,180                           | +\$120     |
| Farm buildings, housing livestock (7,200 square feet)                        | \$2,260                          | \$2,476                           | +\$216     |
| Farm buildings for purposes other than housing livestock (7,200 square feet) | \$1,900                          | \$2,116                           | +\$216     |
| Commercial/Industrial/Institutional (6,500 square feet)                      | \$5,950                          | \$6,600                           | +\$650     |

# Recommendations (continued)

- ▶ Add the following fees to the current fee structure

| Fee Description   | Potential Fee |
|---|---------------|
| Temporary structures (seasonal greenhouses on commercial properties, temporary living accommodations, etc.) | \$154.65      |
| Additional or miscellaneous inspections, including re-inspections   | \$150.00      |
| Septic review for change of use   | \$200.00      |
| Solar Panels – installed on a building, or to provide hot water, or primary or supplementary heating        | \$150.00      |

# Questions