

BMA

Management Consulting Inc.

Building
and Planning

High Level Review



City of Stratford

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Executive Summary

The Building Division has experienced significant pressures impacting staffing and the delivery of service, largely driven by legislation and staff vacancies. Legislation has increased the workloads of plans examiners and inspectors and the City is currently struggling to keep up with these mandated inspection and review requirements due to the vacancy of a senior inspector.

The Building Division is working towards a full cost recovery model, whereby the taxpayer subsidy will be eliminated over time. A full cost recovery model is consistent with best practices.

To assist in increasing transparency, it is recommended that the City establish a separate budget for all costs that will be directly recovered from building permit fees and will include cost allocations or chargebacks for all indirect costs.

Based on the level of activity in the City, an analysis of the current staffing levels suggests that the City is appropriately staffed in terms of the number of inspectors and plans examination functions given that the Chief Building Official does not undertake inspections. Stratford is one of the few municipalities of its size where the CBO does not carry out inspections. Consideration should be given to eliminating the specialist position of plumbing inspector and converting this position to a generalist in order to increase flexibility.

The Building Division is employing a number of best practices with respect to customer service and the dissemination of information. This includes a customer satisfaction survey, downloadable application forms and some guidance with respect to completing applications.

While it is recognized that complaints related to health and safety that pose an immediate danger to the public are responded to as a first priority, there are no defined response time standards for other action requests and staff prioritize their own schedule. There is no Council approved priority system in the City of Stratford. Because of this, the City runs the risk of inconsistent response times relating to similar types of complaints, unrealistic public expectations and where too much of the By-law Enforcement Officer's time is being committed to responding to non-emergency calls with limited time available for proactive enforcement initiatives.

Establishing priorities helps foster effective and efficient enforcement of by-laws. Further, a priority response system helps to clarify to the public the expectations for resolving complaints and improves transparency.

Staffing levels for planning are low compared to other municipalities. As well, the net cost of Planning and Zoning in Stratford is the lowest in the survey. Stratford's revenue recovery for planning services is also high, which contributes to lower than average costs. The establishment of planning fees in Stratford have been recently updated and annually indexed for inflation.

The City's approach to facilities maintenance is decentralized in that a number of departments are responsible for the maintenance of facilities. Generally, municipalities contract out a number of facility maintenance and cleaning activities which is generally done to reduce the cost of service. Opportunities may exist to reduce the cost, over time, through attrition and the consolidation of facility operations. There are potential savings associated with the provision of facilities maintenance services and capital program management in terms of:

- Bulk purchases across the corporation for cleaning supplies—this is currently fractured and handled by each service provider
- Deploying trades corporately
- Rationalizing capital spending corporately to ensure projects are undertaken in the most cost effective manner
- Consolidating reserves for facilities

Currently, the City appears to be under funding the ongoing maintenance requirements of its administrative facilities and there is currently no/limited transfer to capital reserves for the ongoing replacement/refurbishment of these facilities. Instead, each department is allocated a set amount of capital to undertake capital projects, but this is not rationalized or prioritized at a corporate level. Flexibility would be improved if one reserve was established, at a minimum, for each facility, or all tax supported facility reserves were consolidated.

SWOT Analysis

Key Strengths

- Experienced staff
- Adherence to legislative and regulatory practices
- Clearly defined business plan developed by Building Division which has established policies and practices in accordance with legislative and regulatory changes
- Customer service oriented practices in place
- Moving toward best practices in terms of full cost recovery from building permit fees
- Good level of cost recovery in planning

Key Weaknesses

- Inability of CBO to undertake inspections reduces the efficiency of the operations
- Lack of clearly defined priority based enforcement system
- Decentralized facilities management not efficient

Key Opportunities

- Review current enforcement strategies to improve effectiveness of efforts
- Cost saving opportunities by changing current facilities management practices
- Opportunities to eliminate taxpayer subsidy by moving to full cost recovery building permit fees

Key Threats

- Long term vacancy in Building placed strain on existing work force
 - Under funded maintenance of administrative facilities
-

Review Process

A meeting was held with the representatives of the Planning and Building Department to discuss:

- Policies, procedures and practices
- Compliance with legislation/regulations
- Staffing, roles and responsibilities
- Organizational structure
- Performance management
- Customer service
- Major projects and priorities
- Budgets

Key documents were reviewed including:

- 2008 Operating Budget
- FIRs
- 2008 User Fees
- Fee comparisons
- 2008 Building Business Plan

The review of the Planning and Building Department focused on answering the following questions:

- What are the current programs and services?
- What are the future challenges?
- What are the annual resources/costs?
- Are there opportunities to re-align priorities?
- How is technology used to meet the demand for services?
- Are there alternate service delivery options?
- Are there discretionary elements?

Mandate of the Planning and Building Department

This Department is responsible for the planning and building functions in the City.

The **Building** function is responsible for public health and safety as it relates to buildings and building construction. Staff implement the Building Code, issue building, plumbing, demolition and sign permits, undertake by-law enforcement including property standards and zoning by-law enforcement.

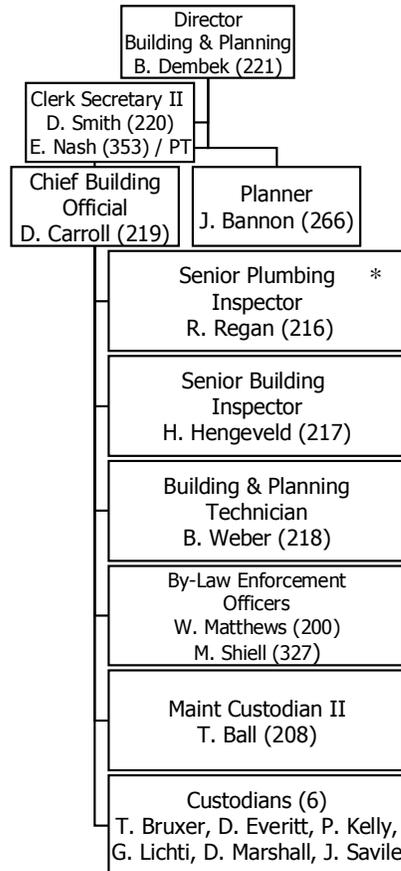
Specifically, the **Planning** function is responsible for; developing policy governing the physical growth of Stratford. This includes developing and administering the Official Plan and zoning by-law. This function also processes and evaluates:

- official plan amendments,
- zoning by-law amendments,
- plans of subdivisions and condominiums,
- consent and minor variance applications through the Committee of Adjustment,

Staff also provides resources to the heritage committees (Heritage Stratford and the Heritage Conservation District).

This section also is responsible for the management of **building maintenance** of a number of the City's buildings including the identification of building needs and the provision of construction supervision.

Staffing and Organization Structure



* This position will become a generalist building inspector upon retirement of the incumbent.

Planning and Building includes 16.5 FTE as follows:

- Director of Building and Planning with 1.5 FTE clerical staff to support the operations
- Building—which includes a CBO, 2 Inspectors, a technician
- Planning—one dedicated position—planner
- Facilities management—maintenance custodian and 6 custodians
- 2 By-Law Enforcement Officers

Building is responsible for the administration of the Ontario Building Code and associated municipal by-laws and guidelines...the department is also responsible for the administration of property standards

Building Division Service Overview

The Province of Ontario is responsible for the development of cost-effective building regulations, the Ontario Building Code Act and Ontario Building Code. Each municipality is then responsible for the enforcement of the Act and Code in the areas that fall within its jurisdiction.

The Building Code is in place to protect the health, safety and welfare of the public and building occupants.

The code protects the public's health, safety and welfare by reducing potential hazards to building occupants. This includes protection from tragedy due to fire, structural collapse and general deterioration of the structures that surround us, such as our homes, schools, stores and manufacturing facilities.

The code keeps construction costs down by providing regularity in the construction industry, permitting builders and material manufacturers to do business on a larger scale than if construction was unregulated. Larger scale allows for cost savings, which are ultimately passed on to the consumer.

The code provides consistent standards in construction that are applied to the quality and durability of construction and construction materials.

The code contributes to the well being of a community by providing the preservation of life and safety, as well as the maintenance of property values over time.

It is important to note that the purpose of the building code is to protect the health, safety and welfare of the public and building occupants and the City is responsible for the enforcement of the code. Landlords, business owners and residents have a substantial investment that can be seriously jeopardized through code violations. Therefore, the ultimate "customer" being served is the homeowner/occupant of the property that assumes that the occupied property has been duly inspected and that every effort has been made to ensure that the property meets the code requirements.

Fees must not exceed the anticipated reasonable cost of administering and enforcing the Act

Direct, indirect, reserve and capital costs associated with building permit activity can be included in establishing the fees

Legislation/Regulatory Requirements

Bill 124, the *Building Code Statute Amendment Act*, 2002 was given Royal assent on June 27, 2002 and subsequently amended the *Building Code Act*, 1992 as it relates to imposing fees. The changes provided within the Act, are a result of the report of the Building Regulatory Reform Advisory Group (BRRAG), which provided recommendations to address issues of public safety, streamlining and accountability. While portions of the amendments came into force on September 1, 2003, the amendments relating to fees came into force on July 1, 2005. As such, municipalities across Ontario have been reviewing and updating their fees to ensure compliance with the Act over the past several years.

The *Building Code Act* allows fees to include direct costs, capital-related costs, indirect support function costs that are directly related to the service provided and general overhead indirect costs related to the service provided, as well as provisions for future anticipated costs.

When surpluses are realized within the *Building Code Act*, these funds must be transferred into a reserve fund to be utilized for the purpose of administration and enforcement of the *Building Code Act*.

Building Division Business Plan

The Building Division provides inspection, plan and information examination, consulting, permit issuance, licence issuance, complaint investigation, unsafe and emergency investigations, and inquiry services.

In the City's Business Plan for 2008, the goals of the Building Division are as follows:

- *To operate in a manner which will no longer require the subsidization of the department by the general tax levy.*
- *To improve the consistency, efficiency and effectiveness of our services.*

The City prepared a detailed business plan in 2008 which clearly identified the challenges that the Department has faced and will continue to be confronted with as a result of specific staff vacancies and changes in legislative/regulatory frameworks.

Legislative changes have an impact on the number of inspections required and the level of effort to effectively enforce the building code standards

As identified in the City's Business Plan, there are a number of service drivers associated with the changes in the new Building Code Act, the Building Code Amendment, the Ontarians with Disabilities Act and the new performance based Building Code which, includes but is not limited to, the following:

- Qualification required for building inspectors, minimum knowledge requirements
- Code of Conduct for building officials
- Ability for municipalities to utilize private inspection,
- Mandatory inspections, increased number of mandatory inspections
- Mandatory turnover times for permit issuance, increased number of building systems to be reviewed
- Permit fees tied to "cost of doing business" which has been defined in legislation.
- Building Department review of submissions for permits to ensure compliance with City of Stratford Accessibility Guidelines.
- New building code requirements have been added for energy efficiency
- Additional requirements for barrier free
- New structural requirements regarding earthquake design
- New requirements for insulated concrete form wall systems
- New requirements for firewall design
- New requirements for rack and shelf storage systems
- New requirements which will allow the use of green technologies

Based on feedback from staff, these new requirements had a significant impact on the number of inspections required. For example, the increase in plans examination time for review of a large building has doubled and plans examination time on small buildings has increased by approximately 20% after implementation of new legislation.

One of the challenges the Department has faced is related to a prolonged illness of the Plumbing inspector. As such, the City, for a long period of time, has operated without this position and has expressed concern about the challenges of keeping up with the workload.

Staff indicated in the 2008 business plan that they do not anticipate a problem **at full staff levels** with regard to residential housing and residential accessory buildings at current workload levels.

Staffing—Building

Building services are currently supported by the following positions:

- Director of Building and Planning (shared responsibilities)
- Chief Building Official
- Senior Plumbing Inspector (temporarily vacant)
- Senior Building Inspector
- Building and Planning Technician
- 1.5 Clerk Secretary (share responsibilities)
- 2 Part-time Student Permit Clerks

Some general observations of the current staffing levels and deployment include:

- Based on feedback from staff, in general a minimum of 2 hours of an inspector's time is spent completing administrative duties which reduces the amount of time available to conduct inspections
- The use of a specialist position (Plumbing Inspector) in a relatively small organization reduces flexibility. This is scheduled to be changed upon retirement of the incumbent.

As part of the review process, efforts were made to determine the appropriateness of the current staffing levels. To this end, the analysis included analyzing staffing levels against other municipalities, recognizing that a number of factors impact staffing levels and the gathering of statistical information that is available.

Benchmarking is difficult in the building area as there are many factors that impact staffing requirements and the ultimate cost of the service

It is very difficult to benchmark staff levels in relation to other municipalities as there are many factors impacting the delivery of service including but not limited to:

- Service levels and service standards – timeliness of responses, number of mandatory versus discretionary inspections, policies and practices;
- Demand for service and the service mix composition – for example, municipalities may have the same level of construction activity measured as \$'s of construction but very different mix of construction activity (new residential construction versus complex ICI projects, etc.);
- Land area served – large land area results in higher travel time and less productive hours;
- Degree of infilling versus new subdivisions – a subdivision with similar/same type of houses constructed would likely take less time than the same number of infill houses;
- Additional responsibilities – e.g. site plan enforcement, grading inspections, etc.;
- Use of generalists versus specialists; and
- Use of technology

Benchmarking—Building

The following benchmarking information is presented to highlight areas where further investigation may be warranted. Further detailed analysis is required to clearly determine the appropriateness of the existing staffing levels.

Municipality	2007 Population	Land Area	Inspection Staff and CBO
Belleville	49,063	247	6
Brockville	22,402	21	3
Cobourg	18,690	22	3
Fort Erie	30,313	166	3
Leamington	29,655	262	4
Orangeville	27,146	16	4
Owen Sound	21,753	24	2
Tillsonburg	15,204	22	3
Average	26,778	98	4
Stratford	31,054	25	3.9

This table includes only the inspector positions as well as the CBO

The table above simply reflects staff providing inspection services and the CBO for various municipalities against population and land area. In Stratford, this included the CBO, Senior Plumbing Inspector, Senior Inspector and 0.9 of the Building and Planning Technician.

This does not reflect the level of activity within each municipality but provides a starting point upon which further benchmarking was undertaken on the next page. The practice in a number of other municipalities is for the Chief Building Official to undertake inspections, which is not the practice in Stratford, due to the collective agreement.

The following table provides a high level overview of activity levels over the past four years.

Municipality	Inspection Staff and CBO	Construction Activity 2004 (000's)	Construction Activity 2005 (000's)	Construction Activity 2006 (000's)	Construction Activity 2007 (000's)	2006 Construction Activity Per FTE Inspector	2007 Construction Activity Per FTE Inspector	4 Year Construction Activity Per FTE Inspector
Belleville	6	59,510	67,642	87,517	129,505	14,586	21,584	\$ 14,341
Brockville	3	30,649	44,941	51,142	28,312	17,047	9,437	\$ 12,920
Cobourg	3	27,253	34,322	41,814	47,019	13,938	15,673	\$ 12,534
Fort Erie	3	39,397	57,146	38,670	49,686	12,890	16,562	\$ 15,408
Leamington	4	71,594	67,717	46,475	61,822	11,619	15,456	\$ 15,476
Orangeville	4	45,099	42,473	32,910	32,053	8,228	8,013	\$ 9,533
Owen Sound	2	26,830	24,390	33,770	26,033	16,885	13,017	\$ 13,878
Tillsonburg	3	39,064	26,906	19,724	23,556	6,575	7,852	\$ 9,104
Average	4	42,425	45,692	44,003	49,748	12,721	13,449	\$ 12,899
Stratford	3.9	28,594	47,846	34,512	124,051	8,849	31,808	\$ 15,064

Benchmarking indicates that staffing levels are low to average in Stratford

One way in which staffing levels are compared is to calculate the construction activity per FTE. However, one large project in any year can have a significant impact on the results. For example, in 2006, the average construction activity per FTE inspector was low. In 2007, Stratford's construction activity per FTE inspector was the highest in the survey. A better approach is to take an average over several years. As shown above, using a four year average, Stratford's inspectors are handling a higher level of construction than the other municipalities surveyed.

Budget Analysis—Building

The vast majority of municipalities surveyed operate their Building Departments as an Enterprise Model which means that building permit fees are established to recover 100% of the costs of operations and there is no taxpayer subsidy.

In accordance with the legislation, this can include recovery of both direct (e.g. staff salaries, benefits) and indirect costs (e.g. accommodation, internal chargebacks and management associated with the building operations). This is not the practice in the City of Stratford. As such, the general taxpayer is currently subsidizing building operations. Most municipalities adopt the approach that growth should pay for itself.

Stratford is somewhat unique in that the full cost of building operations is not being recovered from building permit fees

Transparency in the budget will assist in fully understanding the cost of service and taxpayer subsidy

According to a report prepared by staff in 2008, the taxpayer subsidy is in excess of \$100,000, however, this will be reduced with the recently approved fee increases.

While economic development arguments can be made to support lower permit fees, from a practical perspective, building permit fees account for such a small portion of the overall cost of construction that it has not proven to be a location sensitive decision factor. As such, the City's move towards full cost recovery is in keeping with best practices, particularly in light of future budgetary challenges.

The current budget practice is to combine the building and by-law enforcement activities. These budgets should be separated and chargeback/cost allocations should also be included in the building division to reflect the full cost of service. This would clearly show the extent of taxpayer subsidy and, in surplus years, clearly determine the amount to be transferred to the stabilization reserve.

Building Permit Fees

In 2008, the City approved an amendment to the fees to phase-in increases in building permit fees as follows:

- 5% on July 7, 2008
- 5% on January 1, 2009
- 5% on July 7, 2009 and
- 5% on January 1, 2010

Further, a recommendation was approved to institute a graduated industrial fee cap effective immediately upon passage of the by-law amendment, a 10 % fee increase effective July 7, 2008 followed by a further 10% increase January 1, 2009.

Benchmarking of Fees—Building

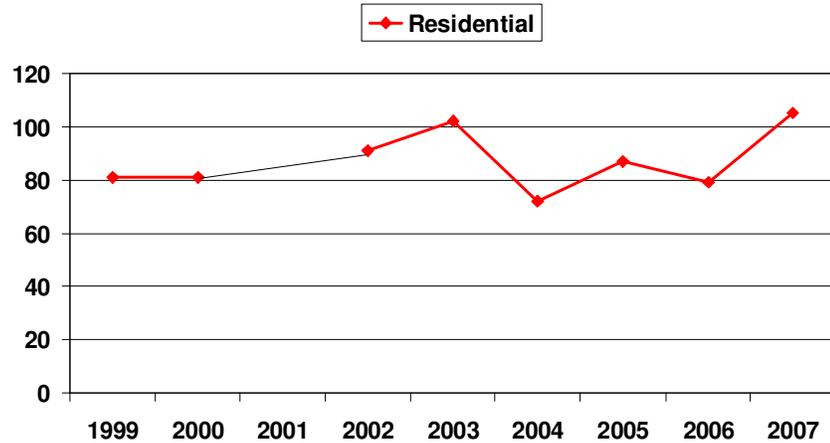
(2008 fees)

While fees should be based on full cost recovery and activity based costing principles, not benchmarking, the comparison below provides an understanding of costs in Stratford. As shown below, the fee in Stratford is slightly above average even though it is not fully cost recovered. It should be noted that a number of municipalities are in the process of updating their fees.

Municipality	Residential \$ per sq ft
Brockville	\$ 0.51
St Thomas	\$ 0.54
Collingwood	\$ 0.58
Muskoka	\$ 0.60
Wasaga Beach	\$ 0.60
King	\$ 0.64
Grimsby	\$ 0.67
London	\$ 0.68
Woolwich	\$ 0.68
Peterborough	\$ 0.69
West Lincoln	\$ 0.70
Whitchurch-Stouffville	\$ 0.70
Innisfil	\$ 0.70
Cornwall	\$ 0.70
Uxbridge	\$ 0.71
Oakville	\$ 0.72
Belleville	\$ 0.75
Sault Ste. Marie	\$ 0.75
Thunder Bay	\$ 0.75
Leamington	\$ 0.75
Sudbury	\$ 0.77
Tillsonburg	\$ 0.77
Ajax	\$ 0.79
Whitby	\$ 0.79
Welland	\$ 0.79
Prince Edward County	\$ 0.80
Port Colborne	\$ 0.80
Amherstburg	\$ 0.80
Waterloo	\$ 0.80
Wellesley	\$ 0.80
North Dumfries	\$ 0.81
Brantford	\$ 0.83
Guelph	\$ 0.83
Norfolk	\$ 0.83
Middlesex	\$ 0.83
Pickering	\$ 0.84
Quinte West	\$ 0.84
Clarington	\$ 0.85
Timmins	\$ 0.85
Fort Erie	\$ 0.87

Municipality	Residential \$ per sq ft
Markham	\$ 0.87
Richmond Hill	\$ 0.88
Burlington	\$ 0.89
Pelham	\$ 0.89
Niagara Falls	\$ 0.89
Kingston	\$ 0.90
St. Catharines	\$ 0.90
Tecumseh	\$ 0.90
Oshawa	\$ 0.90
Vaughan	\$ 0.91
Milton	\$ 0.91
Stratford	\$ 0.91
Barrie	\$ 0.93
Kawartha Lakes	\$ 0.94
Caledon	\$ 0.95
Windsor	\$ 0.95
Mississauga	\$ 0.96
Brampton	\$ 0.98
Hamilton	\$ 0.98
Ottawa	\$ 0.99
Thorold	\$ 1.00
Chatham-Kent	\$ 1.00
Wilmot	\$ 1.00
Aurora	\$ 1.02
Bradford West Gwillimbury	\$ 1.03
Georgina	\$ 1.05
Wainfleet	\$ 1.06
Cambridge	\$ 1.07
Kitchener	\$ 1.07
Orangeville	\$ 1.09
Lincoln	\$ 1.16
Halton Hills	\$ 1.16
Cobourg	\$ 1.20
Niagara-on-the-Lake	\$ 1.22
East Gwillimbury	\$ 1.24
North Bay	\$ 1.24
Toronto	\$ 1.30
Newmarket	\$ 1.33
Average	\$ 0.86
Median	\$ 0.85

Given that Residential construction generates over 55% of the total construction cost, even small reductions in activity can have an impact on the Department's ability to balance the budget. The following graph reflects the number of new building permits issued on an annual basis in the Residential class.



Source: City of Stratford—2001 statistics not available

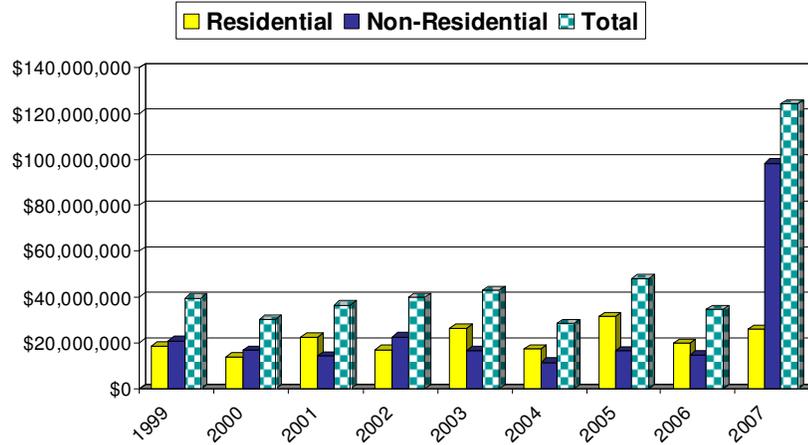
The Province recognizes the need for reserve funds to ensure that municipalities are able to fulfill their legislative mandate, despite a downturn in construction activity, and to cover long term capital investments and special costs/liabilities.

Given that municipal operations do not have sufficient elasticity to adjust operating expenditures to immediately coincide with the fluctuations in building activity, a best practice of municipalities is to establish a Building Rate Stabilization Reserve to address fluctuations and to smooth the building permit fees over time.

Generally, the approach used by municipalities is to review the long range historical activity and projections to determine the appropriate amount of revenue stabilization reserves required. It is appropriate to observe several building cycles to determine what would be needed to withstand a future downturn in the economy. The reserve fund should be able to manage the risk associated with an economic downturn that may occur at some unspecified point in the future.

Construction Activity and the Need for Reserves

Construction activity is generally cyclical in nature which makes it difficult to balance the budget on an annual basis



Total Construction Value	1999	2000	2001	2002	2003	2004	2005	2006	2007
Residential	18,589,950	13,659,000	22,365,350	16,985,585	26,253,914	17,204,054	31,470,311	19,794,589	25,776,331
Non-Residential	20,977,360	16,675,700	14,142,625	22,606,808	16,562,117	11,390,116	16,373,964	14,717,213	98,275,464
Total	39,567,310	30,334,700	36,507,975	39,592,393	42,816,031	28,594,170	47,844,275	34,511,802	124,051,795

Building activity is generally cyclical in nature which has a direct impact on the revenues generated and, to a lesser extent, the cost of operations. For example:

- A few large projects can result in a surplus in revenues, as has been seen in 2007 in the City of Stratford
- An unanticipated economic slowdown can result in an operating deficit
- A number of the City's costs of operations are fixed or are difficult to readily adjust to changes in the levels of construction activity (e.g. accommodation, staffing levels, salaries/benefits)

The City has followed best practices in establishing a reserve for building operations to provide revenue stability

A reserve was established in Stratford in 2007 where the surplus revenues were generated largely through the non-residential increase in activity. Based on the City's analysis, it was estimated that there is a need for a reserve equivalent to **50%** of the annual operating budget.

In terms of benchmarking reserve targets, the City's 50% is considerably lower than the majority of the municipalities surveyed as follows:

- Brampton 150%, slow down starting
- Brantford 150%, slow down starting
- Barrie 200%
- Centre Wellington 100%
- Cambridge no ceiling, slow down starting
- Guelph 125% of direct costs
- Hamilton 150%
- Kitchener 150%
- Kingston 300%
- Mississauga no ceiling
- Markham 150%
- Milton 150%
- Oshawa 200%
- Toronto 100%
- Vaughan 150%
- Wilmot 100%
- Woolwich 100%
- Wellesley 100%

*The Department
should continue to
work closely with
the development
community*

Customer Service

Today the customer, more than ever before, dictates the business relationship. To be successful, organizational leaders must design customer interaction processes that deliver seamless, customer focused services and be able to measure customer satisfaction. This is particularly important in the Building Division where all services are directed externally towards the customer.

One of the ways to gauge the Department's success is to be able to measure customer satisfaction. Measuring customer satisfaction and setting appropriate targets is somewhat more complex in the Building Division (as opposed to an area where the service is discretionary) because it must balance the need for quality and customer responsive service with its legislative/regulatory roles.

In order to ensure that customers are satisfied with the services provided and to receive input, best practices include formally gathering information to measure the effectiveness and efficiency of the service.

The Department does, in fact, have a survey available online and in person to gauge customer satisfaction. This is an approach that, while considered a best practice, is seldom used by other Ontario building departments. Of 16 municipalities surveyed, only two other municipalities have implemented this approach.

Currently, the survey can be printed online but not completed online which would improve the level of responses. This is something that should be investigated with the co-operation of the IT Department but is not considered a high priority given the limited responses received to date.

If sufficient responses are received, the Department should summarize these and make this available to Council.

The City's website includes the ability to download application forms and receive general information about how to complete the forms

Website Communications and Online Services

The Internet can serve as an invaluable communication and education tool. The ability to disseminate information about City services is an important component of managing and communicating building related information.

By effectively disseminating information, an organization can reach members of its target audience and have a greater impact on building compliance and reduced customer service time requirements.

The City's website includes all building permit application forms as well as a number of helpful information tools available to the applicant in completing the form. While the site provides the basic information, applicants would also benefit from the inclusion of the following online information:

- Builder permit review processes
- Fee schedule
- Online inspection check list
- Questions and answers
- Link to the By-law
- Service standards
- Bulletins
- Sites of Interest
- Builder Tips – a wide range of topics
- Building activity

The City also uses the AMANDA system to track activity and inspections and this provides the City with a tracking tool to monitor turn around times. Based on research undertaken, there are a number of services that could be considered for online services. These include:

- email/online applications
- online tracking of applications
- online scheduling of inspections

The City may wish to consider additional online tracking services

A number of municipalities have made significant progress in providing access to information relating to the status of active building permit applications online. Through this tool, an applicant can use a search feature to follow the progress of a permit through the review and/or inspection stage. Examples include the City of Toronto, the City of London, the City of Burlington and the City of Mississauga. While not an immediate priority, this is something that the City should consider in the future.

Recommendation—Communications and Online Services

That the Building Division review the content of information currently available on the website, identify opportunities for improvements based on best practices.

Information Sessions/Workshops

A number of other municipalities surveyed provide a significant amount of information online, including bulletins, new information, guides, etc. In some municipalities, there is a sign-up email list which automatically sends any new documentation directly to the stakeholders.

In addition, some municipalities also provide workshop sessions for the industry. For example, the City of Kitchener provides regular sessions to the industry to provide updates and overviews of changes. This provides an excellent opportunity for the industry to understand the City operations; changes that are made in work processes and to ask questions directly of staff.

The City of Markham also provides free orientation sessions to the industry. These sessions are targeted to builders that are new to Markham's building inspection program or for builders with new staff, especially site Supervisors.

Regular information sessions assist in keeping the industry and residents informed of changes in the legislation and education on when permits are required

Generalist by-law enforcement officers are used in the City of Stratford...this is a standard practice for comparable sized municipalities

By-law Enforcement

There are currently two by-law enforcement officers that are responsible for enforcing property standards, zoning, the sign by-law, as well as a number of other by-laws (excluding business licensing and animal control).

The City of Stratford, due to the size of the municipality, provides all by-law enforcement services through a generalist approach whereby staff need to be familiar with and trained to enforce all related by-laws for which the Department is responsible. By-law Enforcement protects the health, safety and property of the City of Stratford's residents through a series of complex and varied services including regulation, licensing, investigation and inspection and enforcement and prosecution under numerous by-laws and Acts.

The effectiveness of by-law enforcement has a direct impact on the quality of life within the City. There is an expectation that, if the City has passed a by-law, appropriate by-law enforcement will be undertaken or the by-law may be ineffective in managing standards established by Council.

To this end, the by-law enforcement officers proactively enforce by-laws where public safety is at risk. Other by-laws and by-law infractions are investigated on a reactive or complaints basis, due to staffing resources. This is a common approach undertaken by the majority of municipalities surveyed.

While it is recognized that complaints related to health and safety that pose an immediate danger to the public are responded to as a first priority, there are no defined response time standards for other action requests and staff must prioritize their own schedule. There is no Council approved priority system in the City of Stratford. This runs the risk of inconsistent response times to similar types of complaints, unrealistic public expectations and too much of the By-law Enforcement Officer's time being committed to responding to non-emergency calls with limited time available for proactive enforcement initiatives.

A priority based response system may assist in clarifying priorities for by-law enforcement

Establishing priorities helps to foster effective and efficient enforcement of by-laws. Further, a priority response system helps to clarify to the public the expectations for resolving complaints and improves transparency.

With the introduction of licensing B&Bs, the Department's workload has increased significantly. Fines, penalties and enforcement processes should be reviewed to ensure the effectiveness of the enforcement activities.

Recommendations— By-law Enforcement

That the By-law Enforcement Division establish a priority response system with proposed targeted response times associated with each by-law and infraction based on health, safety, environmental consequences.

That once completed, the Department should review this with Council in order to confirm the appropriateness of the priority response system and target response times.

That enforcement processes, fines and penalties for non-compliance be reviewed to ensure that they are effective.

Planning Overview

In addition to the Director, the Planning and Building Department includes one dedicated Planning resource.

The Planner position, reporting to the Director, is responsible for reviewing planning applications, including site plans, subdivisions, minor variances, consent application to the Committee of Adjustment, Official plan amendments, zoning amendments, zoning interpretation for building permits, lawyers letters and other inquiries, and coordination with other agencies on site-specific issues. An administrative assistant position is shared amongst the sections of the Department.

Benchmarking—Planning Staff

As part of the review process, a number of municipalities were contacted to examine practices, staffing and fees.

As shown in the table, the staffing levels in Stratford are well below the survey average

Municipalities	Full-Time Funded Positions	Part-Time Funded Positions	Seasonal Employees	Population	Staff Per Population
Belleville	19			48,821	2,570
Brockville	4			21,957	5,489
Cornwall	19	1	5	45,965	1,839
Fort Erie	11			29,925	2,720
Halton Hills	11	1		55,289	4,808
Leamington	3			28,833	9,611
Sarnia	16		1	71,419	4,201
Average	12	1	3		4,463
Stratford	2			30,461	15,231

This comparison should not be used as a firm measure, since departments in other municipalities vary considerably in matters such as the Department’s level of GIS and technical sophistication, the extent to which long-range planning and special projects are done internally, planners’ responsibility for economic development projects, the role of clerical staff, and the administrative responsibilities of the Planning Director. However, the benchmarking above clearly indicates lower than average staffing levels in Stratford.

(FIR 2007)

Benchmarking—Planning and Zoning Net Expenditures

The following provides the net expenditures per capita across a large survey of municipalities. As shown below, the net cost of Planning and Zoning in Stratford is the lowest in the survey.

Municipality	Net Expenditures Planning and Zoning Per Capita
Stratford	\$ 1
Sarnia	\$ 2
Grimsby	\$ 3
Sault Ste. Marie	\$ 4
Markham	\$ 5
Leamington	\$ 7
Owen Sound	\$ 7
Orangeville	\$ 8
St. Thomas	\$ 8
Whitby	\$ 8
Belleville	\$ 8
Kawartha Lakes	\$ 8
Kingston	\$ 9
Chatham-Kent	\$ 9
Hamilton	\$ 9
Guelph	\$ 10
Mississauga	\$ 10
Wellesley	\$ 10
Milton	\$ 10
Bradford West Gwillimbury	\$ 10
Barrie	\$ 11
Toronto	\$ 11
Thunder Bay	\$ 11
Cornwall	\$ 12
Welland	\$ 12
Cobourg	\$ 12
Amherstburg	\$ 13
Newmarket	\$ 13
Port Colborne	\$ 13
Pelham	\$ 13
London	\$ 13
Timmins	\$ 15
Halton Hills	\$ 16

Fort Erie	\$ 16
Woolwich	\$ 16
Middlesex Centre	\$ 16
Brantford	\$ 16
Niagara Falls	\$ 16
Sudbury	\$ 17
Wasaga Beach	\$ 18
Burlington	\$ 18
Cambridge	\$ 19
Aurora	\$ 20
St. Catharines	\$ 20
Oakville	\$ 20
North Bay	\$ 20
Oshawa	\$ 20
Tillsonburg	\$ 20
Kitchener	\$ 20
Georgina	\$ 21
Thorold	\$ 21
Pickering	\$ 22
Central Elgin	\$ 22
Windsor	\$ 22
Ottawa	\$ 22
Lincoln	\$ 23
King	\$ 23
Huntsville	\$ 23
Parry Sound	\$ 24
Ajax	\$ 25
Whitchurch-Stouffville	\$ 25
Waterloo	\$ 26
Clarington	\$ 26
Peterborough	\$ 31
Brockville	\$ 34
Niagara-on-the-Lake	\$ 38
Brampton	\$ 41
Vaughan	\$ 45
East Gwillimbury	\$ 47
Bracebridge	\$ 63
Caledon	\$ 68
Gravenhurst	\$ 90
Average	\$ 19

Benchmarking—Planning and Zoning Cost Recovery

As shown below, Stratford’s revenue recovery for planning services is also high, which contributes to lower than average costs.

Municipality	2006 Revenues as % Expenditures
Central Elgin	0%
North Bay	0%
Sault Ste. Marie	0%
Bracebridge	0%
East Gwillimbury	5%
Cornwall	6%
Timmins	7%
Waterloo	7%
Brockville	7%
Barrie	7%
Windsor	8%
St. Catharines	8%
Oshawa	8%
Niagara Falls	10%
Clarington	10%
Thunder Bay	12%
Pickering	13%
Peterborough	13%
Welland	13%
Caledon	14%
Georgina	14%
Sudbury	15%
Woolwich	15%
London	16%
Port Colborne	16%
Tillsonburg	17%
Cobourg	19%
Thorold	19%
Kitchener	20%
Cambridge	20%
Parry Sound	21%
Pelham	23%
Ottawa	24%
Niagara-on-the-Lake	25%
Fort Erie	25%
Leamington	26%

Lincoln	26%
Ajax	27%
Halton Hills	28%
Aurora	28%
Amherstburg	29%
Brampton	30%
Mississauga	31%
Wellesley	31%
King	32%
Huntsville	33%
Belleville	33%
Orangeville	34%
Kawartha Lakes	35%
Guelph	35%
Middlesex Centre	35%
Burlington	35%
Chatham-Kent	36%
Kingston	37%
Toronto	38%
Newmarket	40%
Vaughan	42%
Whitby	44%
St. Thomas	46%
Oakville	46%
Owen Sound	46%
Hamilton	49%
Bradford West Gwillimbury	51%
Brantford	59%
Whitchurch-Stouffville	59%
Wasaga Beach	67%
Milton	73%
Stratford	77%
Markham	77%
Sarnia	78%
Grimsby	80%
Wilmot	143%
Average	30%

Planning Fee Comparison

As shown below, the fees in Stratford are comparable to other municipalities surveyed.

Application Fees	Halton Hills	Leamington	Sarnia	Belleville	Brockville	Cornwall	Fort Erie	Average	Stratford
Amendment Zoning By-law	\$ 10,300	\$ 1,560	\$ 2,983	\$ 1,750	\$ 1,950	\$800	\$ 3,500	\$ 3,263	\$ 2,244
Amendment Official Plan	\$ 10,300	\$ 1,560	\$ 3,361	\$ 2,250	\$ 1,950	\$1,200	\$ 4,500	\$ 3,589	\$ 4,080
Minor variance	\$ 927	\$ 282	\$ 458	\$ 550	\$ 580	270	\$ 600	\$ 524	\$ 765
Site plan approval	\$ 7,210	\$ 550	< \$50,000 \$805, \$50,000 - \$500,000 \$1,580, > \$500,000 \$2,346	\$200 + \$125 for each 200 m2 or part thereof of gross floor area, max. \$2,850	\$ 735	\$ 350	\$ 3,000	\$ 2,369	\$ 2,142
Major amendment site plan	\$ 2,575	\$ 250	\$ 2,346	\$ 350	\$ 210	\$ 300	\$ 1,000	\$ 1,004	\$ 1,020
Minor amendment site plan	\$ 772	\$ 250	\$ 805	\$ 175	\$ 100	\$ 300	\$ 1,000	\$ 486	\$ 765
Plan subdivision up to 50 development lots/blocks/units		\$ 1,600		\$1,000 + \$85/lot	\$2,785 + \$50/lot	\$240 + \$30/hectare	\$ 10,800	\$ 6,200	\$ 7,649
Plan subdivision more than 50 development lots/blocks/units		\$ 1,600		\$1,000 + \$85/lot	\$2,785 + \$50/lot	\$240 + \$30/hectare	\$ 10,800	\$ 6,200	\$ 9,179
Revisions draft conditions					315		\$ 1,890	\$ 1,103	\$ 1,020
Plan of condominium	\$15,450 (minor \$11,845)		\$ 1,772	\$1,000 + \$85 per unit	\$2,785	\$ 240	\$ 11,000	\$ 3,949	up to 50 units \$4,207, more than 50 units \$6,247

The establishment of planning fees in Stratford have been recently updated and annually indexed for inflation.

The City's approach to facilities maintenance is decentralized and may provide opportunities for efficiencies

Administrative Facilities Maintenance

As will be discussed in other sections of the reports prepared as part of the high level review, the City's approach to facilities maintenance is decentralized in that a number of departments are responsible for the maintenance of facilities. For example, facilities maintenance is also provided by the following Departments:

- Community Services
- Library
- Public Housing
- Public Works and Engineering

While service is decentralized across the Corporation, the Planning and Building Department co-ordinates the selection of trades every three years for all Departments to utilize.

The Planning and Building Department is responsible for maintaining a number of administrative facilities including:

- City Hall
- 82 Erie Street
- Justice Building
- 154 Downie
- 39 George
- Anne Hathaway Day Care
- 47 Downie
- 246 Railway
- 73 Albert

The maintenance of these facilities is provided through six custodians and a maintenance custodian and some contracted services. Staff generally undertake minor repairs and utilize trades to complete major maintenance requirements and capital improvements.

Operating Budget—Facilities Managed by Planning & Building

As shown in the following table, the 2008 budgeted net cost of service for the facilities managed by Planning and Facilities is \$408,600.

Net Expenditures	FINAL 2007 Budget	FINAL 2008 Budget	PROJECTED 2009 Budget	2010 Budget	2011 Budget
CITY HALL	\$ 246,118	\$ 237,114	\$ 245,435	\$ 254,065	\$ 259,394
REGISTRY OFFICE RENTAL	\$ (24,852)	\$ (25,597)	\$ (26,365)	\$ (27,155)	\$ (27,155)
82 ERIE ST.	\$ 43,508	\$ 45,538	\$ 46,690	\$ 47,918	\$ 49,399
JUSTICE BUILDING	\$ 66,303	\$ 67,816	\$ 66,297	\$ 68,620	\$ 70,331
154 DOWNIE ST.	\$ 17,349	\$ 17,870	\$ 18,406	\$ 18,969	\$ 18,969
39 GEORGE ST.	\$ -	\$ -	\$ -	\$ -	\$ -
ANNE HATHAWAY DAY CARE	\$ 4,140	\$ 4,264	\$ 4,392	\$ 4,524	\$ 4,659
47 DOWNIE ST.	\$ 41,187	\$ 42,444	\$ 43,971	\$ 45,560	\$ 45,923
246 RAILWAY AVE.	\$ 1,270	\$ 1,306	\$ 1,345	\$ 1,386	\$ 1,427
73 ALBERT ST.		\$ 17,845	\$ 18,367	\$ 18,904	\$ 19,458
Total	\$ 395,023	\$ 408,600	\$ 418,538	\$ 432,790	\$ 442,406

The following table summarizes the objects of expenditures and revenue.

	% of 2008 Budget	FINAL 2007 Budget	FINAL 2008 Budget	PROJECTED 2009 Budget	2010 Budget	2011 Budget	% change 2007-2008
Expenditures							
Salaries, Wages, Benefits	50%	\$ 403,612	\$ 421,873	\$ 434,650	\$ 447,696	\$ 450,960	4.5%
Utilities	23%	\$ 191,329	\$ 197,743	\$ 205,576	\$ 213,596	\$ 213,795	3.4%
Materials	4%	\$ 35,453	\$ 36,366	\$ 38,316	\$ 39,293	\$ 39,661	2.6%
Services - Other	22%	\$ 182,529	\$ 188,150	\$ 193,921	\$ 199,740	\$ 205,525	3.1%
Equipment Purchases	1%	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	0.0%
Other Miscellaneous	0%	\$ 1,533	\$ 1,576	\$ 1,616	\$ 1,657	\$ 1,657	2.8%
Total Expenditures	100%	\$ 820,956	\$ 852,208	\$ 880,579	\$ 908,482	\$ 918,098	3.8%
Revenues							
Fees and Charges	6%	\$ (24,952)	\$ (25,697)	\$ (26,465)	\$ (27,155)	\$ (27,155)	3.0%
Rental and Leases	45%	\$ (190,750)	\$ (199,938)	\$ (209,584)	\$ (215,662)	\$ (215,662)	4.8%
Interfunctional Transfers	47%	\$ (202,282)	\$ (209,652)	\$ (217,291)	\$ (223,809)	\$ (223,809)	3.6%
Transfers from Reserves	2%	\$ (8,049)	\$ (8,421)	\$ (8,801)	\$ (9,066)	\$ (9,066)	4.6%
Total Revenues	100%	\$ (426,033)	\$ (443,708)	\$ (462,141)	\$ (475,692)	\$ (475,692)	4.1%

Reserve and capital priority setting needs to be rationalized

To improve flexibility, facility reserves should be consolidated

As shown on the previous page, the major item of expenditure is related to salaries, wages and benefits, which comprises 50% of the budgeted expenditures. Utilities are the second largest object of expenditure. It should be noted that there is currently no transfer to capital reserve for the ongoing replacement/refurbishment of these facilities. Instead, each department is allocated a set amount of capital to undertake capital projects, but this is not rationalized or prioritized at a corporate level.

The City's current approach is to establish a number of specialized reserves for a facility. For example, the Justice Building alone has five reserves for various replacement projects as does City Hall.

Flexibility would be improved if one reserve was established for each facility, at minimum, or to consolidate all tax supported facility reserves. This would allow the City to use these based on corporate decision-making. The following table summarizes the 2007 year end balance for the reserves that support facilities managed by Planning and Building:

	2007 Y/E Balance
City Hall Brickwork	\$ 11,705
Council Chambers Reno	\$ 45,213
City Hall Reception	\$ 1,960
City Hall Life Safety	\$ 3,185
City Hall Front Steps	\$ 20,000
Justice Bldg Roof/Ent	\$ 108,021
Justice Building Upgrades	\$ 105,780
Justice Building	\$ 168,680
Justice Building HVAC Upgrades	\$ 54,100
Justice Building Courtroom	\$ 7,932
82 Erie St.	\$ 15,000
Facility Reserves	\$ 541,576

Currently, the City appears to be under funding the ongoing maintenance requirements of its administrative facilities

As shown in the following table, the replacement cost for the key facilities maintained by Planning and Building is \$20 million. A best practice for facility rehabilitation and renewal is to initiate a program of contributing annually to reserves. Industry standards suggest that 1.5%-3.0% of the annual replacement value of a facility, based on insurance coverage rates, ensures that necessary funds are available, on an ongoing basis, to keep facilities operating efficiently. This would be equivalent to spending or setting aside approximately \$300,000-\$600,000 annually to maintain the existing facilities.

Building	Replacement Cost
City Hall	\$ 10,898,500
Tourism Office	\$ 860,300
Justice Building	\$ 4,716,200
Engineering / Housing Office	\$ 3,584,600
Total Replacement Cost	
Total Replacement Cost	\$ 20,059,600
1.5% of Replacement Cost	\$ 300,894
3% of Replacement Cost	\$ 601,788

In 2008, capital spending for this portfolio included \$230,000 (excluding the Master Plan).

The current practice across the City is to allocate a set amount of money available by Department/facility which does not facilitate good decision making nor does it support a cost effective delivery of service. As an example, the City is replacing the sprinkler system in City Hall, one floor at a time when, in fact, economies of scale would be achieved by replacing the entire sprinkler system at one time.

Generally, municipalities contract out a number of facility maintenance and cleaning activities which are generally done to reduce the cost of service. Opportunities may exist to reduce costs, over time, through attrition and the consolidation of facility operations.

There are potential savings associated with the provision of facilities maintenance services and capital program management in terms of:

- Bulk purchases across the corporation for cleaning supplies—this is currently fractured and handled by each service provider
- Deploying trades corporately
- Tendering for vehicles corporately
- Contracting all cleaning services
- Rationalizing capital spending corporately to ensure projects are undertaken in the most cost effective manner
- Consolidating reserves for facilities

Recommendations—Planning & Building Facilities

That the individual building replacement reserves be consolidated into one building maintenance reserve to provide the necessary flexibility to allocate funds to the various buildings, on a corporate priority basis.

That a capital financing plan be prepared for the replacement/refurbishment of Planning and Building facilities.

That consideration be given to consolidating facilities management across the Corporation.

That the City explore opportunities to reduce custodial/maintenance staffing costs through attrition and the consolidation of all facility operations.