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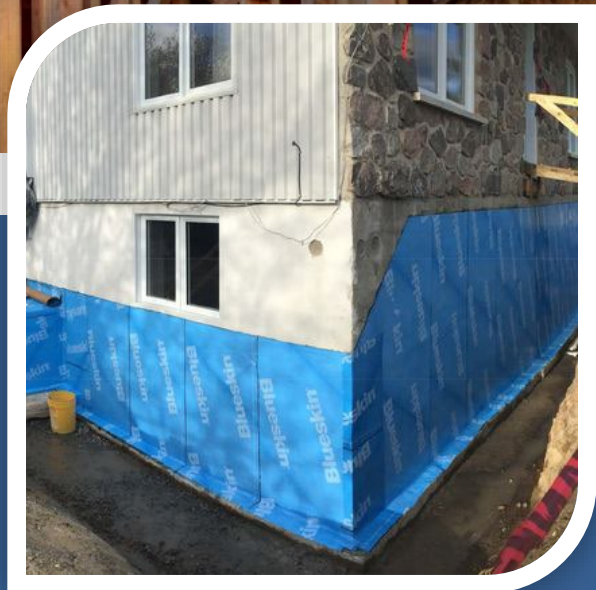
Agenda

Public Meeting of Council

Building Permit Fees Review Study

Chair: Mayor Gervais
Tuesday, September 2, 2025
Council Chambers
After Planning Public Meeting

1. **Call to Order**
2. **Approval of Agenda**
3. **Disclosure of Pecuniary Interest & General Nature Thereof**
4. **New Business**
 - a. Building Permit Fees Review Study PowerPoint Presentation
5. **Adjournment**



Building Permit Fees Review 2025

City of Pembroke

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1 Introduction

Study Overview

- The City of Pembroke Building Department is responsible for the review and approval of new buildings, additions, renovating or altering existing buildings, plumbing, septic systems, and temporary structures building plans to ensure compliance with the *Ontario Building Code (OBC)*.
- The main purpose of the *Building Code* is to protect public health, safety and general welfare as it relates to the construction and occupancy of buildings and structures.
- The *Ontario Building Code Act* allows municipalities to recover the cost of this service through the establishment of building permit fees based on the anticipated reasonable cost of the municipality to administer and enforce the building code during construction.
- Leading practice research in Ontario suggests that municipalities should undertake a comprehensive review of building permit fees every four to five years to help ensure that the building permit fees keep pace with the cost of providing this service.
- Since the last comprehensive review of building permit user fees, there have been new legislative and regulatory requirements and significant increases in construction activity. These changes have resulted in increased costs as a result in the number and complexity of building permit applications.

Review Process

The fee review process included the following tasks:

- Review of legislative requirements;
- Review of construction activity and revenue trends;
- Process mapping and time estimates;
- Revenue validation of proposed fees against projected expenditures; and
- Benchmarking of fees with other municipalities.

Guiding Principles

Based on the requirements of the *Act*, the following Guiding Principles were established to calculate the building permit fees and fee structure:

- ✓ Building permit fees are fair and equitable;
- ✓ A rational basis to determine fees and the fee structure if possible.
- ✓ Fees are set to recover the anticipated full cost of service; and
- ✓ Fees are compliant with all relevant legislative and regulatory requirements.

Legislative Review

- The authority to charge for building permits is contained in Section 7 of the *OBC Act*. This Section of the Act permits a Council of a municipality to pass a by-law to establish building permit fees.
- This section of the Act also outlines three elements that municipalities must adhere in the establishment of building permit fees. The elements are ***fairness and equity, accountability, and transparency.***

Fairness and Equity
<ul style="list-style-type: none">• Section 7(2) of the Act states that the amount of the fees must not exceed the anticipated reasonable costs of the municipality to administer and enforce the Act.• Municipalities are expected to calculate both the direct costs required to operate the building plans examination and inspection service and indirect costs related to all other municipal departments who provide support services to the building department.• Building permit fees can also include a component designated for a reserve fund.
Accountability
<ul style="list-style-type: none">• Section 7(4) of the Act requires that the municipality shall prepare a report every 12 months that contains such information as may be prescribed about any fees authorized, the costs to administer and enforce the Act and the balance of the Building Permit Reserve Fund. The annual report must be available to the public.
Transparency
<ul style="list-style-type: none">• Where there is a proposed change to existing building permit fees or where new fees are proposed, section 7(6) of the Act requires that public notice be given at least 21 days prior to the proposed public meeting to be held.

The regulations require the Building Department staff to issue permits within mandated time frames, perform mandated inspections and be certified to provincial standards.

Building Department Services and Other Support Services

The City's Building Department provides a very important service to the public by ensuring that buildings meet the requirements of the *Ontario Building Code*. Safe buildings are paramount and due diligence exercised in enforcing the *Code* helps to protect the municipality from exposure to liability. More importantly, they provide assurance to homeowners and businesses that construction meets safe construction standards and that matters of energy efficiency, structural integrity, weather resistance, fire safety etc. have been met.

In the City of Pembroke, the building inspection function is carried out by staff in the Building Department. This consists of the following staff classifications:

- Chief Building Official
- By-law Enforcement Officer (time shared between By-law Enforcement and Building)
- Planning Technician (time shared between Planning and Building Departments)

The role of the Chief Building Official (CBO) is set out in the *Building Code Act* (Section 1.1 (6))

It is the role of a Chief Building Official,

- a) to establish operational policies for the enforcement of this Act and the building code within the applicable jurisdiction;
- b) to co-ordinate and oversee the enforcement of this Act and the building code within the applicable jurisdiction;
- c) to exercise powers and perform the other duties assigned to him or her under this Act and the building code; and
- d) to exercise powers and perform duties in accordance with the standards established by the applicable code of conduct

The *Act* invests the CBO with the exclusive responsibility and sole discretion to issue or refuse a building permit. While a municipal council is required to appoint a CBO, the Council does not have the legislative authority to direct or interfere with the legislated responsibilities of the CBO to issue or refuse to issue a permit or an Order

related to enforcement of the *Ontario Building Code*. The independence of the role of a CBO is unique in municipal government, but is intended to ensure that the administration and enforcement of the *Building Code Act* and *Ontario Building Code* is carried out with due diligence, with consistency and with a high degree of technical and professional competence. The significance of the CBO's role is reinforced by the rigorous training and certification program administered by the provincial Ministry of Municipal Affairs and Housing. Properly qualified staff is essential to ensuring safe construction and safe buildings throughout the City. The CBO reports to the Director of Planning, Building and By-law Enforcement. Consequently, the continued financial support of Council in ensuring that the CBO and other staff have access to ongoing training and professional development is vital to a high quality of building construction in Pembroke.

Building Permit Process

The following outlines the typical process of submitting an application and obtaining a building permit in the City of Pembroke. Applicants who may be unfamiliar with the process are encouraged to pre-consult with Building Department staff prior to completing an application. The objective is to streamline and make the process more user-friendly to the applicant and to expedite and improve the efficiency with which an application is processed.

The Building Department issues an application package primarily digitally using Cloudpermit, or physically as a handout which is designed to assist a potential applicant with understanding not only the process but what information may be required to filing an application (i.e. building drawings, approvals from other agencies, fees and charges).

The building permit process is governed by the *Building Code Act*; for example:

permits must be issued within a prescribed timeline (i.e. a permit for a single detached dwelling must be issued within 10 business days of the receipt of a complete application). Timelines also apply to the inspection process. The City's Building Department consistently meets the timeline requirements.

Phase 1 - Application Submission

Steps in Phase 1:

- The application is typically submitted either online using Cloudpermit, or directly to the Planning Technician, for them to upload on applicant's behalf.
- Application form is reviewed for completeness (i.e. owner and designer information, location, property assessment roll number, purpose, details of the building plans, site plan, etc.)
- Building drawings checked to ensure they coincide with application

Figure 1 – Illustrates the building inspection sequence:



form.

- Applicant is advised of the steps in the review process.
- A building file is established in Cloudpermit to electronically record permits and inspection tracking.
- CBO will start the review process. External approvals may be required; however the building permit is not issued until all applicable approvals are in place.

Phase 2 - Application Review

Steps in Phase 2:

- Building Department undertakes a detailed review of the building drawings (plan review)
- Notations are made, and if necessary forwarded to the applicant for revision and re-submission. Review comments are typically sent to the contractor/owner.
- Once the plan review is completed, the permit fee is calculated by the CBO and development charges are included, where applicable.

Permits must be issued within a prescribed timeline (i.e. a permit for a single detached dwelling must be issued within 10 business days of the receipt of a complete application). Timelines also apply to the inspection process.

Phase 3 - Permit Issuance

Steps in Phase 3:

- Planning Technician prepares the permit, and CBO is notified over Cloudpermit regarding any questions with applicant.
- Applicant is advised when the permit is ready electronically over Cloudpermit.
- Applicant pays all applicable fees (i.e. Building Permit fee, Development Charges, plumbing permit fees, etc.) to the Treasury Department, which is then reflected in Cloudpermit with a corresponding Receipt number for reference of payment.
- Applicant is advised of the requirements for inspections.

The process is more protracted for non-residential permits given the increased complexity. The plan review process, for example, can take a few days to several weeks depending on the complexity of the project. The City relies on the designs and submission of reports from an architect/engineer where required by the *Building Code Act*.

Phase 4 – Inspections

Steps in Phase 4:

- Inspections can be requested and booked over Cloudpermit by applicants. Inspections are requested by either phone, email, or directly over Cloudpermit's direct messaging feature.
- Inspections are conducted on a 'first-come', 'first-serve' basis. The number of inspections required for a new single detached dwelling typically includes 8-10 inspections (depending on the number of call backs) for all building systems.

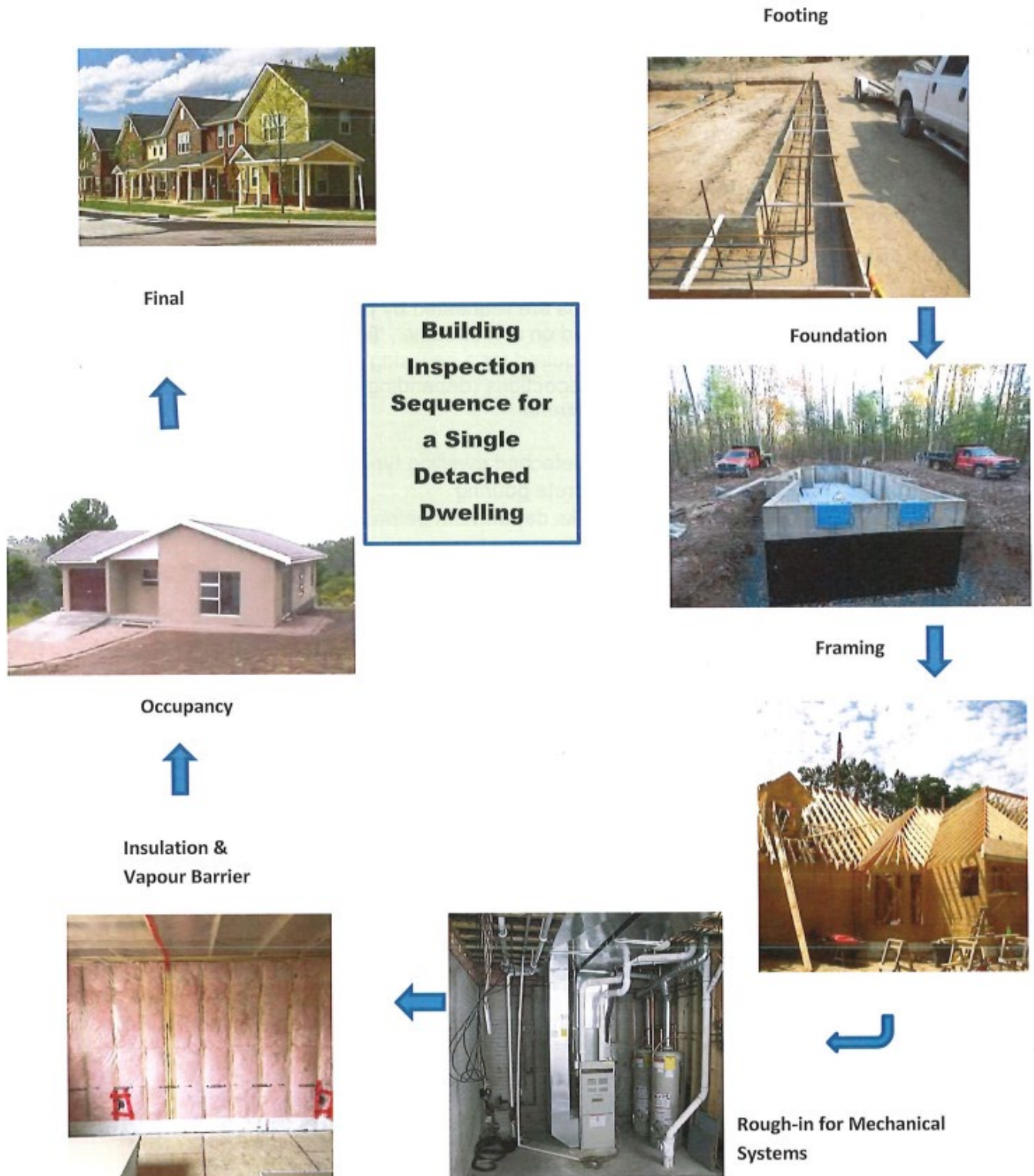
The Building Code Act requires the owner of a permit to notify the Building Department of readiness to inspect various stages of construction. The Building Department is required to carry out an inspection within 2 days of receipt of most notices; however, the inspection is often conducted the next day.

Inspections for a typical single detached dwelling typically include:

- Footings prior to concrete pouring
- Site servicing (by Operations Department before or after footings poured)
- Foundation/pre-backfill
- Framing
- Insulation and air barrier/HVAC/mechanical rough-in
- Exterior cladding
- Occupancy
- Final
- Call-back inspections (1) (or more depending on the builder)

Post-inspection:

- Applicants are informed of inspection updates (eg, pass or fail) over Cloudpermit. Further inspections may be required where a particular stage of construction has not been completed or where construction must be brought into compliance with the Ontario Building Code.
- Inspection reports are prepared for each inspection that has been conducted over Cloudpermit.
- A copy of the inspection report is uploaded to Cloudpermit for the applicant to see.
- File is closed once a final inspection is conducted and the inspector signs off on the construction project on Cloudpermit.



For complex buildings such as an apartment building or a commercial or industrial building, the number of inspections is dependent on the size and complexity of the building. The Building Department carries out inspections and considers required engineering compliance reports to address major components of construction. Plans examination and inspection services include attention to many systems including structural, occupant safety, fire safety and barrier-free requirements. Several systems such as structural, mechanical and fire safety systems are also reviewed and tested by owner-hired professionals. The CBO receives reports from those professionals which, along with the inspector's observations, form a part of the permit and the basis for eventual occupancy approval.

Enforcement

Enforcement is an integral component to the building inspection process since the intent of the Building Department is to achieve compliance with the Ontario Building Code. The philosophy of the Building Department is to achieve compliance through voluntary enforcement, or in other words, to work with the applicant and contractors to make changes or address deficiencies through on-site inspections and notations on the inspection reports. The voluntary compliance, as the first line of enforcement, is highly effective and helps to maintain a constructive working relationship with applicants and the building industry.

Letters are issued where construction is occurring without a building permit or where previous instructions to correct deficiencies requested by Building Department staff have not been carried out voluntarily. Orders have been issued for unsafe buildings. Where Orders are not complied with, the last resort in enforcement is legal action using the *Provincial Offences Act* process.

The CBO has a good working relationship with contractors in the construction industry and his network of contacts among local builders.

Support Services

Support services or related services to the Building Department are provided by Council which include the CAO, Clerk, Planning, Treasury, Human Resources, Fire, Operations and IT departments. Council is responsible for establishing policies and adopting by-laws. The CAO oversees the management of staff and policy formulation process while the Clerk prepares by-laws and Council agendas and is the custodian of municipal records. The Treasury Department is responsible for the posting of fees, ledger, budget, payroll and audit functions. Other support services include IT/systems support, HR for personnel matters, Fire for fire related building construction and access, and Operations Department for site servicing.

2 Construction Activity and Reserve Analysis

Historical Construction and Revenue Trends

- Prior to undertaking a review of the building permit fees, it is necessary to gain an understanding of the trends in terms of total construction activity, type of construction activity and associated permit fee revenues and expenditures.
- Trends in construction activity and associated permit fee revenues are important to understand as these trends have an impact on the financial position of the Building Department.
- **Table 1** below reflects the construction value by type of application for the 5-year period from 2021 to presently in 2025.

Construction Value by Type of Application (2021-2025)

Table 1
City of Pembroke
Building Permit Statistics Review (2021-present)

	2021	2022	2023	2024	2025*
New Residential Units Created	47	110	31	47	36
Residential Construction Value	\$8,830,000	\$11,476,500	\$11,027,431	\$8,086,370	\$8,469,043
Commercial Construction Value	\$1,794,250	\$2,764,406	\$3,095,813	\$3,879,701	\$6,469,680
Institutional Construction Value	\$4,003,187	\$23,566,387	\$26,160,000	\$1,264,000	\$443,756
Industrial Construction Value	\$59,406	\$75,000	\$1,327,000	\$9,842	\$0
Total Construction Value	\$14,627,437	\$37,807,293	\$40,283,244	\$13,230,071	\$15,382,479
Development Charge Total	\$126,443	\$106,661	\$71,145	\$85,715	\$58,179
Total Permits	132	103	126	137	106*

*as of Aug. 26, 2025

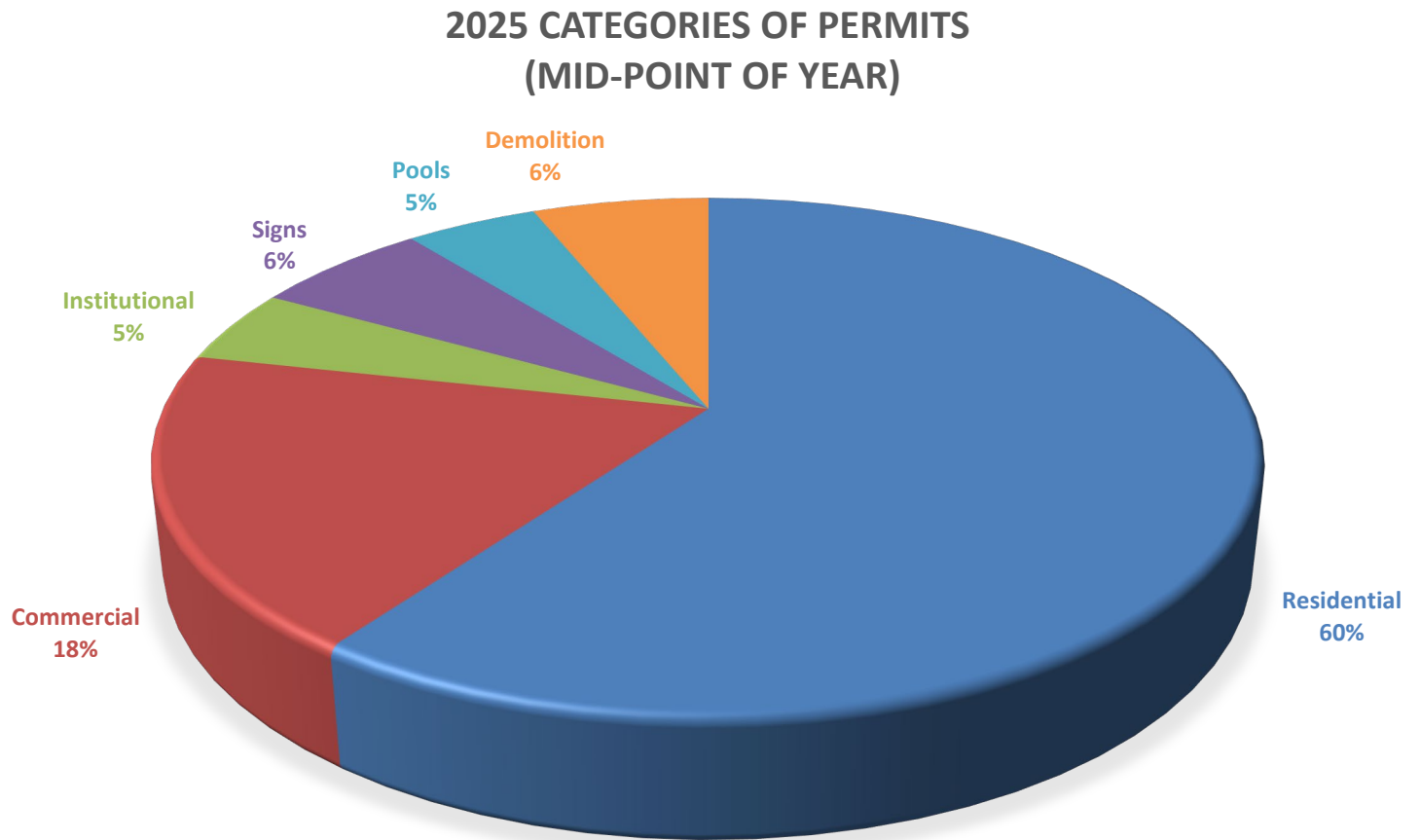
- The value of total construction activity has fluctuated due to larger institutional projects, such as Marianhill in 2022-2023. At current projections, 2025 is set to surpass 2024 residential permit construction value, while already surpassing the previous year's commercial permit construction value.
- **Table 2** and **Figure 2** illustrates the tracking of the 2025 building permits below reflects the construction value by type of application for the 5-year period from 2021 to presently in 2025.

The next table is the detailed 2025 Building Department activity report.

2025 BUILDING PERMITS TRACKING (as of June 11)

File Number	Address	General Zone	Sub-type	Sub-type	Units Added	Fee Total	Building Permit Fee	Dev. Charge	Sewer Levy	Est. Cost of Cons.	Est. Area of Cons. (m2)
2025-001	1621 Morris Street	Residential	Alteration	Repair of garage (vehicle collision)		\$187.95	\$187.95		\$	\$	2,600.00
2025-002	263 Trafalgar Road	Commercial	Repair	Basement Renovation (ADDITION OF ONE UNIT)	1	\$939.75	\$939.75		\$	\$	75,000.00
2025-003	542 Irving Street	Residential	Alteration	Children's Indoor Playground (West End Mall)		\$418.57	\$418.57		\$	\$	102,193
2025-004	1200 Pembroke Street West	Commercial	Alteration	Reinforce structural beam of 972 & 974 Bross Street		\$1,694.51	\$1,694.51		\$	\$	180,000.00
2025-005	972 & 974 Bross Street (200 Reynolds Avenue)	Residential	Repair	Carport construction over existing driveway		\$375.90	\$375.90		\$	\$	3,000.00
2025-006	635 Centre Street	Residential	Addition	Garage addition		\$232.96	\$232.96		\$	\$	34,839
2025-007	472 Eggarville Road	Residential	Alteration	Garage addition		\$1,002.42	\$1,002.42		\$	\$	75,000.00
2024-141	668 Mary Street	Residential	Alteration	Renos to accommodate two separate dwelling units	1	\$676.50	\$676.50		\$	\$	50,000.00
2025-008	9 Bennett Street	Residential	New	12 new residential units added in courtyard	12	\$54,175.32	\$28,303.32	\$25,872.00	\$	\$	1,800,000.00
2025-009	404 Doran Street	Residential	Alteration	Structural beam installation (to reinforce)		\$358.16	\$358.16		\$	\$	5,000.00
2025-010	24 Riverside Drive	Residential	Alteration	Interior rebuild after fire damage. (Unit part of St. Joseph NPH)		\$1,754.08	\$1,754.08		\$	\$	136,600.00
2025-011	581 Hillside Avenue	Residential	Alteration	Int. renovations (ie. wds, drywall, plumbing) post fire damage		\$2,349.00	\$2,349.00		\$	\$	245,000.00
2025-012	21 Pembroke Street West	Commercial	Sign	SIGN: 18' x 18' clear light box with "PFRM Lagree" on front/back		\$50.00	\$50.00		\$	\$	300.00
2025-013	638 Pembroke Street East (Hillside Inn)	Commercial	New	New shed build - to empty area on property		\$187.95	\$187.95		\$	\$	3,000.00
2025-014	318 Patricia Avenue	Residential	Addition	New attached deck/sunroom		\$263.25	\$263.25		\$	\$	95,000.00
2025-015	380 Thompson Street	Residential	Pool	Above ground pool		\$187.95	\$187.95		\$	\$	14,600.00
2025-016	1127 Pembroke Street West	Commercial	Alteration	Cardewwood Suites: revision to permit 2021-44, now Group C Hotel		\$25,968.88	\$25,968.88		\$	\$	3,000,000.00
2025-017	1100 Pembroke Street East (PFI Doctors)	Commercial	Alteration	New Tenant - PFI Doctors - interior alterations (Pembroke Mall)		\$4,180.60	\$4,180.60		\$	\$	1,200,000.00
2025-020	150 Maple Avenue	Residential	Alteration	Walk in basement for bathroom, furnace, plumbing, electrical / 2nd bathroom		\$263.25	\$263.25		\$	\$	40,000.00
2025-021	580 Alfred Street	Residential	Alteration	Create full bath from half. Put 2 bedrooms in basement. 1 bedroom on main floor	1	\$187.95	\$187.95		\$	\$	20,000.00
2025-022	50 Alexander Street (Marina - Silver Run Treaty)	Commercial	New	Ice cream stand - demolish existing temp. structure, install pre-fab shed building		\$372.40	\$372.40		\$	\$	26,000.00
2025-023	399 Patricia Avenue (401 Patricia Ave currently)	Residential	New	New Build - New Residential Dwelling	1	\$8,517.60	\$1,279.43	\$4,008.00	\$	\$	400,000.00
2025-024	393 Patricia Avenue	Residential	New	New Build - New Residential Dwelling		\$8,705.55	\$2,867.38	\$4,008.00	\$	\$	400,000.00
2025-025	921 Cedar Lane	Residential	Alteration	Roof Truss Repair		\$839.51	\$839.51		\$	\$	28,000.00
2025-026	Reynolds Park (City Owned)	Institutional	New	Baseball Storage Unit (City property)		\$0.00	\$0.00		\$	\$	1,000.00
2025-027	1100 Pembroke Street East (Pembroke Mall)	Commercial	Demolition/Alteration	Demolition of existing benches, creation of new walk, patching of existing		\$1,466.90	\$1,466.90		\$	\$	50,000.00
2025-028	142 Mercille Street	Residential	Addition	Carport in main driveway		\$187.95	\$187.95		\$	\$	9,000.00
2025-029	1200 Pembroke Street East (PFI Doctors)	Commercial	Alteration	Landscaping for Tenant Shop - PFI Doctors (Pembroke Mall)		\$3,838.62	\$3,838.62		\$	\$	100,000.00
2025-030	339 Christie Street (Abos 337 Christie Street)	Residential	Alteration	Build second pool on existing flat roof (rear of building)		\$830.03	\$830.03		\$	\$	3,000.00
2025-031	1036 Pembroke Street East (Donna's Shawarma)	Commercial	Sign	New Restaurant Sign (Donna's Shawarma)		\$950.00	\$950.00		\$	\$	377.71
2025-032	1036 Pembroke Street East (Donna's Shawarma)	Commercial	Alteration	Restaurant interior renovation less than 30 seats (Donna's Shawarma)		\$1,206.68	\$1,206.68		\$	\$	176,000.00
2025-033	456 Labella Street	Residential	Alteration	Int. renovations (relocate kitchen to back of house, remodel main floor washroom)		\$375.90	\$375.90		\$	\$	10,000.00
2025-034	320 Cecilia Street	Residential	Addition	Mudroom addition to house		\$187.95	\$187.95		\$	\$	5,000.00
2025-035	1 Pembroke Street East (City Hall)	Institutional	Alteration	Replace main sewer line at City Hall		\$0.00	\$0.00		\$	\$	20,000.00
2025-036	382 Christie Street	Residential	Demolition	Demolition of pool and fill in with dirt (and dispose of wood patio)		\$187.95	\$187.95		\$	\$	2,000.00
2025-037	428 Boundary Road East	Residential	Pool	In ground pool and fence		\$187.95	\$187.95		\$	\$	62,000.00
2025-038	11 Eddy Crescent (Lot 7)	Residential	New	New Single Detached Dwelling	1	\$8,117.32	\$4,109.32	\$4,008.00	\$	\$	35,000.00
2025-039	81 Hunter Street	Residential	Alteration	Duplex - interior alterations (Single Detached Dwelling - was delayed) Adding 1 unit.	1	\$187.95	\$187.95		\$	\$	10,000.00
2025-040	1030 Leif Street (Units 1110-1124)	Residential	Repair	Replace damaged insulation in attic/rear wall (and improved vapour barrier)		\$3,510.00	\$3,510.00		\$	\$	25,000.00
2025-041	335 First Avenue North	Residential	Alteration	Waterproofing foundation, new weeping system, clean sand fill, grading		\$1,248.75	\$1,248.75		\$	\$	22,200.00
2025-042	131 Morris Street	Residential	Alteration	New window well, liner, and window.		\$187.95	\$187.95		\$	\$	6,000.00
2025-043	1200 Pembroke Street West (Indoor Golf Simulator)	Commercial	Alteration	Indoor golf simulator (West End Mall)		\$4,536.00	\$4,536.00		\$	\$	184,000.00
2025-044	265 William Street	Residential	Repair	Porch repair and replace (century home)		\$187.95	\$187.95		\$	\$	11,500.00
2025-045	519 Maple Avenue	Residential	Alteration	Floating deck near house in backyard, 12x16 garbo also put in backyard		\$375.90	\$375.90		\$	\$	8,500.00
2025-046	456 Boundary Road East	Residential	Repair	Foundation repair		\$187.95	\$187.95		\$	\$	10,000.00
2025-047	1200 Pembroke Street West (Mail Playground)	Commercial	Alteration	Plumbing fit up for Indoor Playground and Arcade		\$355.35	\$355.35		\$	\$	800,000.00
2025-048	771 Eddy Crescent (Lot 29)	Residential	New	New Single Detached Dwelling	1	\$8,117.32	\$4,109.32	\$4,008.00	\$	\$	500,000.00
2025-049	42 Renfrew Street (The Grid)	Institutional	Alteration	Laundry Room Fit-up (The Grid)		\$53.69	\$53.69		\$	\$	5,000.00
2025-050	163 Pembroke Street West	Commercial	Alteration	Batchelor Apartment renovation (1 UNIT added to Basement)	1	\$618.97	\$618.97		\$	\$	30,000.00
2025-051	172 Dunlop Street	Residential	Repair	Retail Store fitting (from closed licensed bar)		\$1,943.78	\$1,943.78		\$	\$	95,000.00
2025-052	108 Shea Avenue	Residential	Alteration	Fire damage repair		\$965.25	\$965.25		\$	\$	6,000.00
2025-053	478 Moffat Street	Residential	Alteration	Demo deck, replace with sunroom		\$375.90	\$375.90		\$	\$	35,000.00
2025-054	284 Glenview Avenue	Residential	Pool	Fire Separation between units (as per (BO) direction - on the spot with Reid Gordin)		\$187.95	\$187.95		\$	\$	1,500.00
2025-055	461 Eggarville Road	Residential	Addition	Above ground pool and deck		\$375.90	\$375.90		\$	\$	15,000.00
2025-056	251 Rosewood Avenue	Residential	Alteration	Sunroom addition (12' x 12')		\$276.75	\$276.75		\$	\$	18,000.00
2025-057	219 Reynolds Avenue	Residential	New	Enlarge opening of interior bearing wall and use LVL beam		\$3,459.75	\$3,459.75		\$	\$	5,000.00
2025-058	1200 Pembroke Street West (Unit #193 - Ace Golf)	Commercial	Alteration	New Single Detached Dwelling (with second suite in basement as per Owen)	2	\$7,467.75	\$3,459.75	\$4,008.00	\$	\$	250,000.00
2025-059	460 Wilbert Street	Residential	Demolition	Interior fit-out for new business (Ace Golf - indoor screen golf range)		\$4,722.08	\$4,722.08		\$	\$	250,000.00
2025-060	440 Maple Avenue	Residential	Demolition	Demolition of existing deck and replace boards		\$187.95	\$187.95		\$	\$	3,500.00
2025-061	435 Cecilia Street (Lacford)	Institutional	Alteration	Demolition of existing accessory structure (garage)		\$187.95	\$187.95		\$	\$	10,000.00
2025-062	1100 Pembroke Street East	Commercial	Sign	Reinforcement of existing podium telecommunications tower (and structural reinforcement)		\$968.54	\$968.54		\$	\$	95,000.00
2025-063	362 Christie Street	Residential	Alteration	Install 2 new fascia signs (PFI Doctors - Unit 313)		\$0.00	\$0.00		\$	\$	19,000.00
2025-064	621 Dal Martin Drive (Norlock Group)	Industrial	Sign	New closed roof installation (Paul busted them)		\$406.31	\$406.31		\$	\$	6,000.00
2025-065	105 Shea Avenue	Residential	Alteration	Backyard balcony (12' x 12', 6' in height)		\$0.00	\$0.00		\$	\$	11,500.00
2025-066	567 Dalton Street	Institutional	Alteration	Church renovation (new entryways, new space for children/journeys)		\$187.95	\$187.95		\$	\$	4,000.00
2025-067	351 Mary Street	Residential	Repair	Rebuild garage (after fire)		\$117.73	\$117.73		\$	\$	3,800.00
2025-068						\$236.50	\$236.50		\$	\$	147,000.00
TOTAL					23	\$119,069.94	\$45,912.00	\$5,260.34		\$11,182,605.00	

Figure 2



Building Reserve Fund Analysis

- The Pembroke Building Department is similar, to most Ontario municipalities and operates as an “Enterprise Model,” meaning that all costs associated with the enforcement of the Ontario *Building Code Act* are recovered from building permit fees. There should be no tax levy impact to taxpayers.
- Optimally, under an Enterprise Model, revenues and expenditures are matched on an annual basis, however construction activity is highly cyclical and building operations do not have sufficient elasticity to adjust operating expenditures to quickly align with the fluctuations in building activity.
- To spread the impact of market fluctuations across an economic cycle and fund one-time capital expenditures, the *Building Code Act* allows municipalities to establish a Building Reserve Fund.
- The Building Reserve Fund can only be used for costs associated with the enforcement of the *Building Code*. Sufficient funds in the Reserve provides the Municipality with the flexibility needed to manage construction downturns, staffing levels and changes in legislation and the funding of periodic capital expenditures.

Direct Costs

Direct Costs are the costs associated with the front line delivery of the Building Department services to the public. Functions such as receiving the building permit application, plan review, field inspections, enforcement and administration are included in these deliverable services. The cost for the delivery of these services is set out in **Table 3** for 2025. Direct costs refer to the employee costs (salaries, wages, and benefits), materials and supplies, services and rents that are typically consumed directly by involved departments. Direct Costs in Table 3 includes salaries and benefits of \$210,475 and administration or overhead costs of \$70,960 for a total of \$281,435.

Identify the Full Cost of Service

*The table below provides a summary of the Building Department's 2025 budgeted direct costs of the service.

Table 3 - 2025 Building Department Direct Operating Expenditures

Protective Inspection	2025 Budget
Salaries & Benefits	\$210,475
Contracts	\$14,500
Lease/Rental	\$13,280
Intra Municipal Purchases	\$19,222
Materials & Supplies	\$17,658
Membership	\$1,300
Staff Education/Training	\$5,000
Total Expenses	\$281,435

- **Salaries and benefits** – these include salaries, wages and benefits related to the staff directly involved in the inspection and plans examination process.
- **Intra Municipal Purchases** – these include administrative and management costs that generally do not directly perform the actual inspection or plans examination process such as expenses related to Corporate Departments (Finance, IT and Accommodations).
- **Other** – The remaining costs include contracts, materials and supplies, lease/rental, memberships and staff training.

Indirect Costs

An Activity Based Costing (A.B.C.) methodology review includes not only the direct cost of providing service activities but also the indirect support costs required to provide services to the public. Direct costs are costs that are incurred by other municipal functions or departments in the municipality which support the Building Department. These include costs of Council, the CAO, Clerk, Finance, IT services and Operations Department.

This information is structured to distinguish between the salary and benefit costs derived from the time allocated by various municipal staff and the costs of overhead. These costs are then added together to derive the total Indirect Costs for the support services provided to the Building Department.

The costs reflect the salary and overhead for all staff which provide support services to the Building Department. Salary costs are computed on the basis of 2025 rates to which additional payroll costs were added to reflect statutory and municipal benefits (ie. CPP, EI, WSIS, health benefits, OMERS, etc.) The rates were calculated on a cost per hour basis. The overhead costs were also calculated on an estimated hourly basis, by dividing the total eligible overhead costs by the estimated number of regular hours worked by staff and Council respectively attributable to the delivery of Building Department related services. The Indirect costs or salary, benefits and overhead were calculated as \$46,826 for 2025.

The next table (**Table 4**) provides a summary of the Indirect Costs associated with the City of Pembroke's Building Department.

Table 4 - 2025 Building Department Indirect Operating Expenditures

Protective Inspection	2025 Budget
Salaries & Benefits (based on review and administration time of 1%-3% of Support Staff i.e. Operations, Fire, IT, Treasury, CAO, etc.).	\$39,229
Administration Costs (Costs of Overhead)	\$7,597
Total Expenses	\$46,826

Direct & Indirect Costs

The combined Direct and Indirect costs of administration and enforcement have been calculated in Tables 3 and 4. The Direct Costs are \$281,435 and the Indirect Costs were calculated as \$46,826

The total combined estimated Direct and Indirect Costs per the requirements of Section 7 of the Building Code Act are calculated as \$328,261 (ie $\$281,435 + \$46,826 = \$328,261$). These costs are considered to be the recoverable costs in establishing the building permit fee level.

Building Code Act Reserve Fund

Although the *Building Code Act* does not prescribe a specific methodology for determining an appropriate reserve fund, municipalities have developed building permit reserve funds with the aim of providing service stabilization.

The City of Pembroke has a reserve fund for the Building Department of \$8,492 as of December 31, 2024. It is recommended that 5% be added to the building permit fees so that amount is then transferred to the City's Building reserve. This calculation adds 5% to the cost of the permit and is designed to offset the fluctuation in permit fee revenues in less active years. The addition of a 5% reserve fund levy would increase the cost of a building permit for a 2,000 square foot single detached dwelling by \$148.00. Based on the building department revenues generated in 2024, an additional \$7,995 could have been generated for the building reserve fund.

Without such a reserve fund, reduced permit volumes during a downturn could result in severe budgetary pressures. This target has been established by examining the decrease in building permit activity in comparison with long-range averages to inform the reserve funds that would be required to fund and maintain service capacity over that period. This reserve can only be used for building inspection related costs.

3 Comparison of Peer Municipalities

The City's ranking in comparison to other neighbouring and similar sized municipalities in Ontario has been assessed for common permit types under the current fee schedule - shown in Table 5.

Table 5 Comparative Building Department Fees

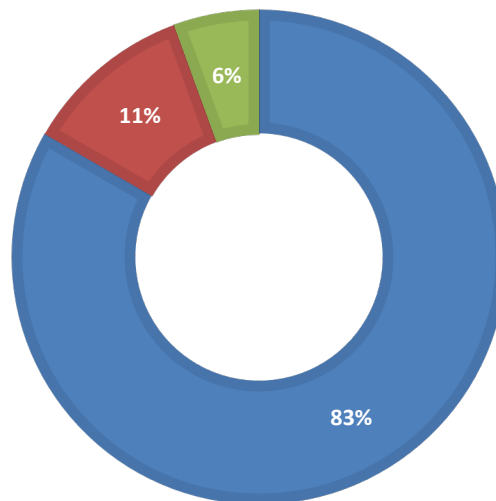
	Renfrew	Petawawa	Brockville	Pembroke	Arnprior	W.W. Region	LV	B.V. Twp.	Strathroy
Population	8,190	14,382	22,293	16,571	11,305	7,225	9,450	3,898	16,056
Building Staff	2	2	3	1.25	2	1	2	1	3
By-law #	84-2021	1410/21	093-2024	2018-001	7462-24	04-04-154	2023-04-027	2023-049	81-23
Secondary Suites Unit Registration	/	\$171	/	/	/	/	/	/	/
Refundable Building Deposits	No	No	No	No	No	\$300 (less than \$1,000 permit) \$1,500 (greater than \$1000 permit)	No	No	No
Assembly Occupancies - Group A	\$1.80/ft ²	\$1.48/ft ²	\$1.42/ft ²	\$1.26/ft ²	\$0.95/ft ²	\$0.95/ft ²	\$0.78/ft ²	\$0.75/ft ²	\$0.71/ft ²
Institutional Occupancies - Group B	\$1.80/ft ²	\$1.57/ft ²	\$1.42/ft ²	\$1.26/ft ²	\$0.75/ft ²	\$0.95/ft ²	\$0.78/ft ²	\$0.75/ft ²	\$0.71/ft ²
Residential - Group C (Single, Semi, Row, Duplex)	\$3,060 (flat - new builds)	\$1.44/ft ²	\$0.83/ft ²	\$1.33/ft ²	\$0.95/ft ²	\$0.70/ft ²	\$0.48/ft ²	\$0.75/ft ²	\$0.80/ft ²
Business & Personal Services Occupancies - Group D	\$9 per \$1000 Const. Value	\$1.57/ft ²	\$1.17/ft ²	\$1.26/ft ²	\$0.75/ft ²	\$0.95/ft ²	\$0.78/ft ²	\$0.75/ft ²	\$0.71/ft ²
Mercantile Occupancies - Group E	\$9 per \$1000 Const. Value	\$1.57/ft ²	\$0.87/ft ²	\$1.26/ft ²	\$0.75/ft ²	\$0.95/ft ²	\$0.78/ft ²	\$0.75/ft ²	\$0.71/ft ²
Industrial Occupancies - Group F	\$9 per \$1000 Const. Value	\$1.57/ft ²	\$0.52/ft ²	\$1.26/ft ²	\$0.75/ft ²	\$0.95/ft ²	\$0.78/ft ²	\$0.75/ft ²	\$0.71/ft ²
Accessory Structures (Garage, Carport, Shed, Deck)	\$0.52/ft ² (\$187.95 min)	\$0.73/ft ²	\$0.45/ft ² (\$212 min)	\$0.63/ft ² (\$187.95 min)	\$0.42/ft ²	\$0.75/ft ² (\$200 base)	\$0.24/ft ² (\$130 min)	\$0.50/ft ² (\$200 min)	\$320.70 + \$0.80/ft ²
Minor Alterations (Interior Renovations)	\$9 per \$1000 Const. Value	\$0.59/ft ²	/	\$0.51/ft ²	\$0.95/ft ²	\$0.95/ft ²	/	\$0.75/ft ²	\$0.73/ft ²
Demolition	\$9 per \$1000 Const. Value	\$214 (flat)	\$240	\$187.95	\$100 (flat)	\$200 (flat)	\$130 (min)	\$200 (flat)	\$330.70 (flat)
Pools	\$9 per \$1000 Const. Value	\$126 (flat)	\$199 (flat)	\$187.95 (flat)	\$100 (flat)	\$200 (flat)	\$130 (min)	\$200 (flat)	\$320.70 (flat)
Penalty (No Permit)	/	\$427	50% of permit	x2 permit fee	/	/	x2 permit fee	/	35% of permit
Sewage System	/	\$499	\$770	\$626.50	\$500	\$200	\$429	\$500	\$551.07
Solar Panels	/	/	\$320	/	/	/	/	/	/

- The City of Pembroke is situated approximately midway between the other municipalities survey in relation to building department fees.
- Of note: staffing levels of the Building Department in Pembroke is 1.25 individuals (1 Chief Building Official and one part-time inspector, who is a full-time By-Law Enforcement Officer) compared to other municipalities such as Petawawa, and Arnprior who have 2 full-time staff for similarly comparative workload and population.
- The City's current fees would be insufficient to fund the full cost of service or make contributions to the reserve fund for service sustainability. It should be noted that detailed discussions were held with staff with respect to the ability of the current staff compliment to be able to process the increased permit volumes. It was determined that due in part to the technology improvements that have been made staff have sufficient capacity to accommodate the increased permit volumes.
- Department staff were asked to review the time they commit to each building permit, and the approximate percentage of time committed to each permit from submission of permit application to completion is illustrated in **Figure 3**:

Figure 3

AVG. DEPT. STAFF TIME COMMITTED TO EACH PERMIT

■ Building (CBO/Inspector) ■ Planning (Planner) ■ Admin (Planning Tech.)



Building Permit Fee Calculation

The steps to determine a proposed building permit fee structure included the following activities:

- **Identify the full cost of service (Direct and Indirect Costs)**
- **Process mapping and time estimates**
- **Calculate full burden hourly rates for each staff member**
- **Develop financial model to calculate fees**
- **Validate revenue**

Table 6 illustrates the cost recovery assessment of the current building permit fees and the building permits issued in 2024. This table indicates whether the City's Building Department received a surplus or deficit for each building category. Most categories are in a deficit position meaning the Department is not capturing enough revenue for full cost recovery.

Cost Recovery Assessment of Current Building Permit Fees 2024

Table 6

Costing Category Group	Direct Costs per permit	Indirect Costs per permit	Total Costs per permit	Annual Revenue	Cost Recovery Rate	Surplus/ (Deficit)
Residential (24 permits)	\$2,771.76	\$211.91	\$2,983.67	\$59,299.87	82.8%	(\$12,308.23)
Residential Alterations, Finishing Basements and ARUs (35 permits)	\$2696.64	\$211.91	\$2,908.55	12,077.93	11.9%	(\$89,737.01)
Residential Decks, Porches, Accessory Buildings and Garages (38 permits)	\$2,321.04	\$105.96	\$2,427.00	\$7,034.66	7.6%	(\$85,191.34)
Non-Residential New Construction or Addition (5 permits)	\$4,649.76	\$211.91	\$4,861.67	\$26,382.47	108%	\$2,074.12 Surplus
Non-Residential Interior Finishing, Renovations and Accessory Buildings (17 permits)	\$2,696.64	\$174.19	\$2,870.83	\$41,625.84	85.3%	(\$7,178.27)

City of Pembroke - Building Permit Fees

Demolitions (18 permits)	\$1,374.16	\$132.04	\$1,506.20	\$15, 783	58.2%	(\$11,328.66)
Building Department Fixed Staffing Costs	\$184,820	\$60,505	\$245,325	N/A	0%	(\$85,413)

You will note from this Table that the existing fee structure for the City of Pembroke's Building Department does not achieve full cost recovery for the services rendered. Also, the present Building Department reserve of just over \$8,000 does not provide adequate protection in lean building years.

The Act permits all costs associated with the enforcement of the Ontario Building Code Act are recovered from building permit fees. There should be no tax levy impact to taxpayers. In this case there is an impact to the taxpayer as the City's current building permit fees do not generate revenue sufficient to sustain the operational costs of the department.

Further the Act allows municipalities to establish a Building Reserve Fund to provide the city with flexibility needed to manage downturns in the construction industry. It is recommended that an additional 5% be added to each permit fee and this 5% is added to the City's existing Building Department Reserve Fund.

4 Building Permit Fees

Table 7 illustrates the existing building permit fee for each construction category in the City's Building Department Fee by-law along with maximum proposed fees and recommended fees as well as showing what the proposed 5% reserve fee would be, if implemented.

2025 Building Department Fees
(Amended from By-law 2018-01 Schedule "A")

Category	Fee Description	Current Fees	Maximum Proposed Fees	Recommended Fee	Reserve Fee – 5% with Recommended Fee
New Construction					
A.1.	Assembly Occupancies - Group A	\$1.26/ft ² of building floor area plus an administrative fee of \$50.00.	Remains same due to surplus; however, can be increased since not reaching maximum amounts of other classes	\$1.48/ft ²	\$370 for a 5,000 square foot restaurant
A.2.	Institutional Occupancies - Group B	\$1.26/ft ² of building floor area plus an administrative fee of \$50.00.	Remains the same due to surplus; however, can be increased since not reaching maximum amounts of other classes	\$1.48/ft ²	\$740 for a 10,000 square foot hotel.
A.3.a.	Single Family, Semi - detached, duplex	\$1.33/ft ² of building floor area. Minimum fee of \$1,879.43.	\$2.18/ft ²	\$1.48/ft ² Min. fee of \$2,100	\$148 for a 2,000/sq. ft. single detached dwelling
A.3.b.	Multiple	\$1.33/ft ² of building floor area. Minimum fee of \$1,879.43.	\$2.18/ft ²	\$1.48/sq. ft. Min. fee of \$2,100	\$148 for a 2,000 sq. foot apartment building
A.3.c.	Mobile Home	\$1.33/ft ² of building floor area. Minimum fee of \$1,879.43.	\$2.18/ft ²	\$1.48/sq. ft. Min. fee of \$2,100	\$74 for a 1,000 sq. foot mobile home
A.3.d.	Residential Additions and Major Alterations	\$0.89/ft ² of building floor area plus an administrative fee of \$50.00.	\$2.36/ft ²	\$1.48/sq. ft. Min. fee of \$2,100	\$222 for a 3,000 square foot addition
A.4.	Business & Personal	\$1.26/ft ² of building floor	Remains the	\$1.48/sq. ft.	\$296 for a

City of Pembroke - Building Permit Fees

	Services Occupancies - Group D	area plus an administrative fee of \$50.00.	same due to surplus; however, can be increased since not reaching maximum amounts of other classes		4,000 sq. ft. doctor's office
A.5.	Mercantile Occupancies - Group E	\$1.26/ft ² of building floor area plus an administrative fee of \$50.00.	Remains the same due to surplus; however, can be increased since not reaching maximum amounts of other classes	\$1.48/sq. ft.	\$1,480 for a 20,000 square foot department store
A.6.	Industrial Occupancies - Group F	\$1.26/ft ² of building floor area plus an administrative fee of \$50.00.	Remains the same due to surplus; however, can be increased since not reaching maximum amounts of other classes	\$1.48/sq. ft.	\$3,700 for 50,000 square foot processing plant
A.7.a.	Tents	\$187.95	\$360	\$250	\$12.50
A.8.a.	Accessory Buildings (Garage, carport, deck, porch, patio, sunroom, shed, boathouse, other accessory building)	\$0.64/ft ² of building or structure area. Minimum fee of \$187.95 each.	\$1.23/ft ² of building or structure area. Minimum fee of \$250	\$0.75 sq. ft. with minimum fee of \$250	\$12.50 with minimum fee of \$250
A.8.b.	Swimming Pools (above-ground pool and fence)	\$187.95	\$360	\$250	\$12.50
Alterations & Repairs					
B.1.a.	Assembly Occupancies - Group A	\$1.07/ft ² of building floor area plus an administrative fee of \$50.00.	\$1.24/ft ²	\$1.17/sq. ft.	\$234 for a 4,000 sq. ft. non-residential building
B.1.b.	Institutional Occupancies - Group B	\$1.07/ft ² of building floor area plus an administrative fee of \$50.00.	\$1.24/sq. ft.	\$1.17/ft ²	\$117 for a 2,000 sq. ft. non-residential building
B.1.c.	Residential Occupancies - Group C - alterations,	\$0.64/ft ² of building or structure area. Minimum fee of \$187.95 each.	\$7.74/sq. ft.	\$1.00/sq. ft. Minimum fee of \$250	\$25 for a 500 square foot deck

City of Pembroke - Building Permit Fees

	renovations, repairs, retrofitting, addition				
B.1.d.	Industrial Occupancies - Group F	\$1.07/ft ² of building floor area plus an administrative fee of \$50.00.	\$1.24/ sq. ft.	\$1.17/ft ²	\$234 for a 4,000 sq. ft. non-residential building
B.1.e.	Minor Alterations - Groups A, B, D, E & F	\$0.51/ft ² of building floor area plus an administrative fee of \$50.00.	\$1.24 sq. ft.	\$0.95/ft ²	\$248 for a 4,000 sq. ft. non-residential building
B.1.f.	Alterations & Repairs to existing buildings or building systems not provided for above	\$12.53 for each \$1,000.00 of construction value or part thereof as determined by the Chief Building Official in addition to an administrative fee of \$50.00 each.	\$12.53 for each \$1,000.00 of construction value or part thereof as determined by the Chief Building Official	\$12.53 for each \$1,000.00 of construction value or part thereof as determined by the Chief Building Official	
B.2.	Fireplace, woodstove, insert, chimney. Solid fuel appliance, stand alone plumbing, HVAC or mechanical, banking machine	\$62.67	\$360	\$250	\$12.50
B.3.	Construction of barrier free facility	nil	Nil	nil	nil
B.4.	Sewage Disposal System	\$626.50	\$700	\$700	\$35
B.5.	Basic Plumbing Fee	\$62.67	Remove - falls under Alterations and Repairs		nil
Demolition					
C.1.	1. Part 9 (Residential)	\$187.95 for the first 1,000 ft ² and \$0.20 for every additional ft ² to a maximum of \$626.50.	\$770.00	\$300	\$15
C.2.	2. Other (non-residential)	\$626.50	\$1,227.71	\$700	\$35
Miscellaneous					
D.1.	Partial Occupancy	\$187.95	\$225	\$200	\$10
D.2.	Change of Use	\$187.95	\$225	\$200	\$10
D.3.a.	a. Transfer Permit	\$187.95	\$225	\$200	\$10
D.3.b.	b. Deferral of Permit	\$187.95	\$225	\$200	\$10
D.4.	Move a building	\$187.95	\$225	\$200	\$10
D.5.	Conditional Permit, Temporary Permit	\$187.95	\$225	\$200	\$10
D.6.	Conditional Permit Agreement	\$187.95	\$225	\$200	\$10
D.7.	Occupancy Permit	\$187.95	\$225	\$200	\$10

City of Pembroke - Building Permit Fees

	(residential)				
D.8.	Occupancy Permit (non- residential)	\$187.95	\$225	\$200	\$10
D.9.	Foundation only	15% of applicable class above	15% of applicable class above	15% of applicable class above	5% of building permit fee
D.10.	Alternative Solution Review	\$626.50	\$700.00	\$700	\$35.00
D.11.	Major Revision to Building Drawings	10% of original permit fee	10% of the original permit fee	10% of the original permit	5% of the building permit fee
D.12.	Secondary Residential Unit Create	N/A (suggest similar to Brampton)	\$200	\$200	\$10
D.13.	Refundable Building Deposit Fee	N/A (suggest similar to Whitewater Region where the full amount of the deposit be refunded if the project is completed within 2 years of the date the permit was issued. After that period, and without any further notice, the entire original deposit is retained for administrative purposes.)	City can charge any fee it feels appropriate	\$150	N/A
D.14.	Solar Panels	N/A (charge a fee for solar panels to be installed on property)	\$320	\$320	\$16
Administrative					
E.1.	Occupant Load Inspection and Report	\$187.95	\$225	\$200	\$10
E.2.	Re-inspect, defective and incomplete work	\$56.40/hour	\$75.12/hour	\$75.12/hour	\$3.76/hour
E.3.	After Hours Inspection	\$56.40/hour, minimum 2 hours	\$75.12/hour, Minimum 2 hours	\$75.12/hour, minimum 2 hours	\$3.76/hour
E.4.	Inspection for Unit Removal	\$93.97 flat fee	\$150	\$150	\$7.50
E.5.	Compliance and other reports (fire, occupant load, LCBO, zoning, reports to other agencies, solicitors and real estate firms, file retrieval or research)	\$125.29 base fee + \$56.40/hour for reports or actions exceeding 3 hours in preparation	\$150 base fee plus \$75.12/hour for reports or actions exceeding three hours in preparation	\$150 base fee plus \$75.12/hour for reports or actions exceeding three hours in preparation	\$7.50 + \$3.76/hour

5 Summary and Recommendations

Summary

- The *Ontario Building Code Act* is the provincial regulation that sets the uniform and minimum standards required to be adhered to in the construction of buildings and structures.
- The main purpose of the building code is to protect public health, safety and general welfare as it relates to the construction and occupancy of building and structures.
- Municipalities are permitted to recover the cost of building services through building permit fees. By increasing the fees and the reserve fund will allow the building department to be more sustainable and not provide an additional financial burden to annual City budget.
- The recommended building permit fees will be competitive with municipalities with similar activity levels.
- It is also recommended that annual inflationary increases be applied to all building permit fees to ensure that they keep pace with expenditure increases.
- Based on projected activity levels, the projected fees will provide for full cost recovery of the anticipated expenditures, however as mentioned earlier, they are not sufficient to meet the minimum reserve policy requirement.

Recommendations

- That Council adjust the building permit fees as presented. This is an attempt to receive more revenue to get closer to achieve full cost recovery and be less of a burden to the taxpayers of the City of Pembroke. By increasing the fee to the recommended amount, based on 2024 permits, this could generate an additional \$45,113.64 in permit revenue.

- That Council continues to adjust the fees annually based on the Statistics Canada Consumer Price Index (CPI %).
- That the City adopt a policy to set their Building Code Act Reserve Fund for service stabilization by adding 5% to the cost of a building permit. Based on the building department revenues generated in 2024, an additional \$7,995 could have been generated for the building reserve fund.
- Utilize a fee for creation of Secondary Residential Units (similar to what Brampton enforces with a \$200 registration fee).
- Utilize Refundable Building Deposit Fees (similar to what Whitewater Region uses) to encourage applicants to finish their permit process in an expedited fashion (and if not completed by a certain timeline, those funds go to the Building Reserve Fund).
- Create a building permit fee for the installation of solar panels.

End of Report.