



## Development Services Staff Report

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Report Number: DS45-2023  
Report Title: Building Official Position  
Author: Nick Racanelli, Chief Building Official  
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Reviewed By: Deanne Friess, Director of Development Services  
Final Review: Senior Management Team

### Recommendation:

That the Council of the Township of Woolwich, considering Report DS45-2023 respecting Building Official Position, receive this report for information.

### Background:

In May 2022, Council approved the addition of two new Building Official positions to support the growing needs with increased development in the Township. Funding for these positions would be through the Building Division's Operating budget, which is supported by Building Permit Fee revenues and the Building Administration Reserve Fund, if need be. The Building Division began recruitment in 2022 and hired the first position later that year. With the slowing of development and lack of applicants the Chief Building Official chose to hold off on hiring of the second position until 2023. During budget deliberations Council requested that staff come back to Council before hiring the second Building Official position.

In the past 4 years the Municipality has seen steady numbers since 2019, with the number of permits per year between 600-700+. The same growth has been seen with the number of dwelling units created.

The financial climate in Ontario has changed since the beginning of 2023. August was the first month of noted decline in permit applications. This trend has continued with permit applications declining 15% from August to October as compared to 2022. Based on the anticipated permit numbers continuing to be lower into 2024 the Chief Building Official will be holding off on hiring the remaining vacant position until permit activity

increases. The postponement of the Building Official will be reconsidered Q2 or Q3 2024 with the reassessment of current and anticipated building activity.

## **Comments:**

### **Reasoning**

The development process takes years from initial review to building starting with planning review and a public application process, proceeding to design and review by development engineering, followed by construction and installation of infrastructure and then finally to building permit applications. The development process provides staff an estimate of what building permits will come forward over the next few years. Although the Township has a significant number of development applications currently going through the review process the resulting building permits are not expected until 2025 or later.

There are also factors which affect permit numbers within a specific year. In 2023 the factors that have impacted the permit numbers and resulted in a decline include:

Raise in interest rates from 1.5% to 5-7% since September 2022 and High house prices resulting in slower than anticipated sales in new subdivisions.

Other neighboring municipalities have been seeing the same decline in permit numbers.

<b>Municipality</b>	<b>2023 Change</b>
Centre-Wellington	22% reduction
Wilmot	43% reduction
Wellesley	15% reduction
North Dumfries	18% reduction

### **Current Staffing Levels**

The current staffing levels for the Building Section include the Chief Building Official, Deputy Chief Building Official, five Plan Examiner/Building Inspector and an Administrative Assistant.

### **Interdepartmental Impacts:**

There are no interdepartmental implications.

## **Financial Impacts:**

The Building Division is self funded with Building Permit Fees covering the costs to enforce the Building Code. Therefore, the funding for the division does not come from the tax base. Legislation allows municipalities to create a reserve fund to cover direct and indirect costs associated with enforcement of the Building code. This position would be funded through the building division budget when hired.

## **Strategic Plan Focus Area:**

The Strategic Plan policies aim to maintain a high standard of municipal service delivery and emphasize exceptional customer service. It is the opinion of the Chief Building Official that service delivery standards and good customer service will be able to be maintained with the current staff levels. The Building Division will continue to monitor permit levels to monitor the interconnection of service levels interconnected with staff levels.

## **Conclusion:**

The building section is under constant pressure from changing building codes, provincially mandated timelines and finding qualified staff to dealing with construction growth within the Municipality. As the market shifts, there is no way to predict what the next year will bring. Postponing the Hiring of 1 FTE ( Building Official) for 6-8 months is the best way to stay focused on maintaining services levels with existing staff, but also keeping within the budget without depleting the reserves. The Building Division will continue to monitor trends in a proactive nature to assess current and future needs.