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SWOT Analysis

Key Strengths

- ◆ Excellent management and personnel procedures within the Department
- ◆ Experienced and dedicated staff
- ◆ Strong leadership from community members in the TEDC
- ◆ Ability to accommodate a broad range of key special projects within the department
- ◆ Strong relationships have been established within the business community, the building industry and the legal community
- ◆ Good customer services and rapid application turn-around times
- ◆ Strong support for economic development from all parts of the Department

Key Weakness

- ◆ An outdated zoning by-law
 - ◆ Poor communication between TEDC and Council
 - ◆ Lack of clarity in reporting responsibility of the Manager of Economic Development
 - ◆ Physical separation between Economic Development staff and their direct report (Director of Community Services)
 - ◆ Lack of cross-training within the Planning Division
 - ◆ Significant lack of cost recovery from fees for development and building approval costs, resulting in an undue and increasing burden on taxpayers and uneven year to year budget results
 - ◆ No reserve to smooth building permit activity changes
 - ◆ A lack of meaningful performance measures, particularly in the field of economic development
 - ◆ Lack of enforcement protocols
 - ◆ No tracking system
-

SWOT Analysis

Key Opportunities

- ◆ Pending retirements provide opportunity for staff recruitment, reorganization and workload review
- ◆ Fee justification studies required by the Building Code Act provide opportunities for multi-year smoothing of building costs and revenues and higher cost recovery
- ◆ The 5 year review of the Economic Development strategic plan provides the opportunity for renewal of common vision, stronger working relationships and improved reporting to Council by the TEDC
- ◆ Re-instatement of intermediate planner position provides opportunity not only for succession planning but also for reviewing responsibility for Committee of Adjustment responsibilities
- ◆ Single property database with the new GIS system
- ◆ Acquisition of new technology

Key Threats

- ◆ Declining tax base causes the lack of cost recovery from non-tax sources to be substantial
 - ◆ The status of Economic Development as a completely non-mandatory City service causes to be questioned unless they are properly measured and reported
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Executive Summary Community Development

The Community Development Department (CDD) is comprised of 3 divisions. These include:

1. Planning
2. Building
3. Economic Development

Planning

The Planning section of the Community Development Department has responsibility for community planning documents, development approval processes, and a variety of special projects, as well as general inquiries and customer service.

As part of the review process, a number of municipalities were contacted to examine practices, staffing as well as fees. Included in the analysis were:

- ◆ Sudbury
- ◆ SS Marie
- ◆ North Bay
- ◆ Cornwall
- ◆ Owen Sound
- ◆ Sarnia

Timmins' staffing levels are in the mid-range compared with other municipalities. A new intermediate planner was added to assist with the Official Plan, Zoning by-law, special projects and be of assistance in succession planning. Upon completion of the Official Plan review and development of a new zoning by-law, it is recommended that the staffing levels be reviewed.

The City of Timmins has a relatively low level of cost recovery for its Planning activities in comparison to other municipalities surveyed. The establishment of fees in Timmins tend to be historical in nature and do not reflect the true cost of providing the services. Many of the Planning fees have not changed in a number of years. It is therefore recommended that the Planning Department review its user fee policies, particularly given the increase in operating costs and establish a philosophy upon which fees will be set. As a guide, it is recommended that the City establish a threshold upon which to recover the cost of services provided to avoid increasing the burden on the taxpayer.

Transferring Committee of Adjustment responsibility to Planning would keep all the application-related information in one place, eliminate duplicate files, save space, and facilitate the digitization of property information into the GIS. This will also facilitate consistent planning advice to potential applicants. Transferring to planning would save staff-time as now staff in two departments talk to the applicants, learn about the application, write reports to the Committee, attend meetings, file material, etc. The City would operate more efficiently if responsibility for the administration and support of the C of A were transferred to Planning. This is consistent with the practice in most other municipalities.

At present, the performance measures reported by staff in regard to Planning appear to be:

- ◆ Volume of applications of each type
- ◆ Balance in the Land sales/acquisition account
- ◆ Planning project completion status

However the most commonly discussed measure is one that is not directly measured... **average turn-around time for applications.** It is recommended that the Community Development Department monitor and report annually on the average turn-around time for the most common types of applications.

Timmins has shown excellent leadership in providing customer service training for its staff, in providing high levels of service and in establishing good relationships with the building and legal community. To continue to build on the good customer service currently provided, it is recommended that the Planning Division proceed with its current plan to automate the processing of Planning applications.

While the City is not alone in doing so, the City has been slow to implement a fully functioning GIS system. This system is in the final stages of implementation and will offer improvements in staff efficiencies and customer services.

Building

The areas of responsibility pertain largely to the administration of the Ontario Building Code and associated municipal by-laws and provincial guidelines for physical development within the City and the administration of the Property Standards By-law.

Staffing levels in the City of Timmins are high compared to other slow growth municipalities in terms of staff per \$1 million of construction value but comparable in terms of number of applications per staff processed.

The average construction value per permit in Timmins is lower than the other municipalities surveyed. This is due, in part, to the current need for permits for minor changes such as windows, siding and doors, which the majority of the other municipalities no longer require. If some of the permits for minor works such as decks, windows, doors and siding were eliminated, staffing is considered high.

Bill 124 will require a fee justification study and an annual report on costs. Recovering the full cost of service is permissible under the provisions of the Bill.

While the City's fees are above average in comparison to other municipalities, the revenues generated are recovering a lower percentage of the total cost of operations in each of the past 4 years, requiring a greater subsidy from the tax base. This indicates that there is a need to review expenditures as well as revenues.

Based on the analysis undertaken, the Department should be able to reduce staff by one position without causing any reduction in service levels. It is recommended that staffing levels be rationalized prior to establishing new fees which will be required by July 2005 in accordance with the provisions of Bill 124 with an aim to reducing the existing staffing complement by one position, in conjunction with the elimination of the requirement for permits for minor projects such as siding, windows, decks and doors for residential properties.

In calculating its building permit fees, the City should use a 5-year rolling average of building permit activity as a basis for construction activity. This will avoid any skewing factors caused by a particularly big project or a slow year.

The City should establish a reserve within its building budget in order to use revenues in high-permit years to offset costs in low-permit years.

Bill 124 requires that each plans examiner and inspector obtain a license from the Ministry of Municipal Affairs and Housing by July of 2005, in order to undertake (or continue to undertake) duties in respect of various building types such as:

- ◆ Part 9 (low-rise residential)
- ◆ Part 3 (commercial/industrial/ institutional), or plumbing

The Timmins staff has a solid background of training, but in most cases more coursework and exams will be required before being licensed for the full range of current duties.

At present, the Building staff contains only one member licensed to perform plans examination and inspection on Part 3 buildings. It is recommended that all inspectors should be trained and licensed, as soon as possible, to undertake commercial/industrial/institutional plans examination and inspection (Part 3 of Code).

The delegation of permit-issuing authority to all inspectors will facilitate immediate over-the-counter service, will prevent the potential for delay if one or two people are not available for work, and will facilitate increased learning among staff and succession planning. It is recommended that authority be delegated to every member of staff to approve permits for part 9 buildings upon the completion of appropriate training.

The City has taken the steps to be able to issue Part 1 POA tickets. The ticket system is now used more as a threat than in reality. To encourage compliance, it is recommended that the City develop an internal protocol for issuing tickets. The ticket system should be used more readily as a deterrent.

The City is on the verge of having a GIS system that will be able to generate permit information based on a property identifier or on a map of the properties in the city. It is recommended that the drawings continue to be required in digital format to be input into the GIS to improve access by all departments, increase efficiencies and assist the municipality in emergency situations.

The building permit indicates to the applicant that a final inspection is required, although the City does not prevent occupancy of a dwelling before the final inspection, nor require an occupancy permit. It is recommended that the City institute an automated reminder system that a final inspection is required and charge an additional fee to do final inspections if more than a year has passed after the previous inspection and also implement an occupancy permit which would require that no occupancy take place until a final inspection has been completed.

The Department has undertaken a praiseworthy effort to keep the building industry informed of the Province's Bill 124 and the important changes it will bring about. The Department should maintain this relationship with local builders as Bill 124 comes into effect and as the recommendations in this review are implemented. It is recommended that the Department establish formal turn-around policies for various types of construction and monitor and report to Council on the average turn-around time to issue building permits.

Economic Development

In 1992, the City of Timmins created a separate corporation with which to undertake certain aspects of the City's efforts to encourage job creation in Timmins. The Timmins Economic Development Corporation (TEDC) has a broad mandate, although as a practical matter it has to identify priority areas for action and fill gaps which are not able to be filled by the City's other economic development participants.

The TEDC has now applied for Northern Ontario Heritage Fund assistance for a 5-year review of the Community Economic Development Plan. It is recommended that as the TEDC embarks on this initiatives it is recommended that the Strategic Plan include the following components;

- ◆ vision statement
- ◆ identification of actions for the strategic priorities for growth
- ◆ identification of strategic affiliates and partnerships
- ◆ development of a marketing plan
- ◆ incorporate the targets, performance measures, time frame and resources required for each initiative and the method by which performance and success will be monitored

This will allow Council and the community to clearly identify the progress made on each initiative and provide a mechanism to track performance.

Many Economic development organizations also prepare a “state of the local economy” statement, which reports annually on a meaningful set of key indicators of community economic health (such as job creation, unemployment, average household income, building permit activity), and may compare year-over-year performance and compare with other municipalities.

Council should request that the TEDC, annually bring forward a brief but meaningful report of this nature. It is recommended that the City continue to support economic development initiatives through the Economic Development Corporation subject to a increased reporting requirements and performance measurements.

The TEDC is a separate organization approved by Council, which operates under its own constitution. City staff have been assigned to assist the TEDC in realizing its mandate, goals and objectives and to assist with the administration and management of the Board's office. The Manager of Economic Development reports administratively to the Director of Community Development. There are current problems with the existing provision of service. The physical separation of the Director in City Hall from the Economic development section breeds a sense that the latter are removed from the former. There is no past practice or likelihood that the Director will assign a staff member other than those in the Economic Development section to assist the TEDC. Conversely, the Economic Development section staff (other than the Small Business Centre consultant) do not have responsibilities other than to assist the TEDC to fulfill its mandate and to implement projects selected by the TEDC. The TEDC Board has not apparently always been able to refrain from becoming involved in personnel issues related to the Economic Development section staff. The Economic Development section Manager and staff are not always able to refrain from enmeshing the TEDC Board in administrative and personnel matters which is ultimately the responsibility of the Director.

While Economic Development is provided by a separate Corporation, staffing is still provided by the City. Given the significant benefits of operating as a Corporation, including the involvement of the private sector and increased flexibility to respond to market conditions, it is recommended that the Corporation be maintained with a few key changes to address some of the existing deficiencies in terms of staff reporting relationships and performance measurement and reporting to Council, the largest supporter of the Corporation. The current reporting structure is confusing. It is recommended that the staffing of the Economic Development Corporation be provided directly through the Corporation, not the City of Timmins.

Council has delegated to the TEDC the responsibility to select and implement some of the community's efforts to attract jobs to Timmins. Delegation requires accountability... what is being done, why, and is the community receiving the intended results. Therefore, it is recommended that increased reporting requirements be established from the TEDC to City Council. Those departments which now provide services to the TEDC should identify a chargeback revenue from the TEDC budget, equal to the value of their costs related to TEDC. This represents a more business-like method of accounting for the TED Corporation.

Summary of Recommendations

Planning

That upon completion of the Official Plan review and development of a new zoning by-law, the staffing levels be reviewed.

That the Planning Department review its user fee policies, particularly given the increase in operating costs and establish a philosophy upon which fees will be set. As a guide, it is recommended that the City establish a threshold upon which to recover the cost of services provided to avoid increasing the burden on the taxpayer.

That the City increase its fee for Compliance Letters (Lawyer's Letters) to \$70

That the City institute a "major re-zoning" and "minor re-zoning" distinction in its fee schedule, to incorporate the full cost of processing applications.

That the City introduce graduated Site Plan approval/agreements fees, based on the complexity of the project.

That the City institute a Subdivision Draft Approval Application fee which is partially graduated to the number of lots being created, and recover some of its post-draft-approval staff-time costs via the subdivision agreement.

That the Zoning By-law provisions be made as flexible and simple as possible within the context of Provincial policy and the Official plan.

That wherever possible, general City-initiated amendments for greater simplification and flexibility should be introduced immediately, without waiting for the OP Review to be in effect.

That the zoning by-law be comprehensively revised simultaneously with the comprehensive revision of the Official Plan now underway.

That responsibility for the support and administration of the Committee of Adjustment be transferred from the Clerk's department to the Planning Section.

That cost-recovery: increases in both the minor variance fee and the consent fee (for new lots) be implemented to achieve 100% cost recovery based on the activity of the previous 5 years and that these fees be updated on an annual basis.

That the Community Development Department monitor and report annually on the average turn-around time for the most common types of applications.

That the Department measure and report on cost-recovery for each fee.

That the Planning Division proceed with its current plan to automate the processing of Planning applications.

Building

That Council establish an objective that building permit fees be set at a level which will fully recover the costs of both the Building department as well as the staff costs in Planning, Fire, Engineering and legal that are consumed by the building permit review and building inspection costs.

That staffing levels be rationalized prior to establishing new fees which will be required by July 2005 in accordance with the provisions of Bill 124 with an aim to reducing the existing staffing complement by one position, in conjunction with the elimination of the requirement for permits for minor projects such as siding, windows, decks and doors for residential properties.

In calculating its building permit fees, the City should use a 5-year rolling average of building permit activity as a basis for construction activity. This will avoid any skewing factors caused by a particularly big project or a slow year.

That the City establish a reserve within its building budget in order to use revenues in high-permit years to offset costs in low-permit years and that any surplus funds in 2004 be transferred to this reserve.

That the City set aside sufficient funds and training time in the Building budget in 2005 to meet the staff licensing requirements of Bill 124.

That all inspectors should be trained and licensed, as soon as possible, to undertake commercial/industrial/institutional plans examination and inspection (Part 3 of the Code).

That the Building staff be cross-trained to interpret the zoning by-law, at least in respect of simple buildings.

That authority be delegated to every member of staff to approve permits for part 9 buildings upon the completion of appropriate training.

That the City discontinue the need for permits and inspections for the replacement of siding, doors, decks or windows for residential properties.

That the City use Provincial Offences Act Part 1 tickets more liberally as a deterrent to building without a permit or ignoring an order to comply.

That the Building staff should begin as soon as possible issuing permits and calculating permit fees via computer.

That the City institute an automated reminder system that a final inspection is required and charge an additional fee to do final inspections if more than a year after the previous inspection.

That the City implement an occupancy permit which would require that no occupancy take place until a final inspection has been completed.

That the Department continue and intensify its education efforts and information sharing with the building industry in the city.

That the Department should establish formal turn-around policies for various types of construction and monitor and report to Council on the average turn-around time to issue building permits.

That the City institute a means to obtain a qualitative measure of building customer satisfaction as well as constructive customer feedback.

Economic Development

That the Strategic Plan that will be updated in 2005 include the following components;

- ◆ ***vision statement***
- ◆ ***identification of actions for the strategic priorities for growth***
- ◆ ***identification of strategic affiliates and partnerships***
- ◆ ***development of a marketing plan***
- ◆ ***incorporate the targets, performance measures, time frame and resources required for each initiative and the method by which performance and success will be monitored***

That the City continue to support economic development initiatives through the Economic Development Corporation subject to a increased reporting requirements and performance measurements.

That the staffing of the Economic Development Corporation be provided directly through the TEDC.

That all service requirements of the TEDC such as Finance, IT, Human Resources etc. be provided by TEDC. The City could continue to provide these services on a fee for service basis.

That the TEDC be required to provide regular and comprehensive reporting to Council on a quarterly basis, which would include information on expenditures by project, status updates on projects and action plans and the community outcomes which had been achieved.

That the TEDC budget be stated in full-cost accounting terms, which includes the value of the services received from the City.

That performance measures be adopted by the TEDC as part of the memorandum of understanding with the City, its main funding source, to show progress toward action plans, programs and initiatives and links to the activities/inputs of the department. This will allow Council and the community to clearly identify the progress made on each initiative and provide a mechanism to track performance.

That the TEDC produce a detailed annual report on the progress made, including timeframes, results and update the economic overview and provide statistical information on the City and Ontario using the defined performance measurements as well as a future work plan to Council in December of each year.

That the City direct the TEDC to present an annual “state of the Timmins economy” fact statement to Council and to the public.

That the TEDC provide sufficient detail on a 3 year business plan to rationalize the funding required from the City.

Review Process

Consultation With Staff

A meeting was held with the Director of Community Development and staff within the department to discuss:

- ◆ Policies, procedures and practices
- ◆ Compliance with legislation/regulations
- ◆ Management of the department and divisions
- ◆ Staffing needs, roles and responsibilities
- ◆ Organizational structure
- ◆ Performance management
- ◆ Major projects and priorities
- ◆ Current and Capital Budgets

Review of Key Documents

Key documents were reviewed including:

- ◆ 2004 Operating Budget
- ◆ FIRs
- ◆ 2004 User Fees
- ◆ Fee comparisons
- ◆ Official Plan
- ◆ Community Economic Development Strategic Plan
- ◆ Timmins Economic Dev. Corp. Project Evaluation Sheets
- ◆ Council Orientation Presentations
- ◆ TEDC Memorandum of Understanding

The review of the Community Development Department focused on answering the following questions:

- ◆ What are the current programs and services?
- ◆ Why was the program/service introduced?
- ◆ What are the objectives of the program/functional area?
- ◆ Does the program/service support the municipality's priorities?
- ◆ Are the objectives currently being met?
- ◆ What are the future challenges?
- ◆ Is this a core vs. non-core process and service?
- ◆ What are the annual resources/costs?
- ◆ What are the staffing resources deployed?
- ◆ How is performance currently measured/tracked?
- ◆ Are the service levels and standards defined? What are they?
- ◆ Are there opportunities to re-align priorities?
- ◆ How is technology used to meet the demand for services?
- ◆ What are the policies and practices?
- ◆ Are there alternate service delivery options?
- ◆ Are there discretionary elements?

In doing so, observations/recommendations have been made in the following areas:

- ◆ Operational and administrative systems
- ◆ Policies, procedures, practices
- ◆ Program effectiveness
- ◆ Organizational structure
- ◆ Compliance with legislation
- ◆ Employee work assignment
- ◆ Administrative, financial, human resource management
- ◆ Information systems and use of technology

Community Services includes 3 divisions; Planning, Building and Economic Development

The Department is the focus for all property related activities and information for the Corporation

Mandate of the Community Services Department

The following provides a high level overview of the mandate of Community Services Department as identified in the Council Orientation package:

The Community Development Department (CDD) is comprised of 3 divisions. There include:

1. Planning
2. Building
3. Economic Development

The department is also responsible for a variety of related projects (GIS development, enhanced 911, property inventories).

The Director of Community Development, is responsible for the overall management, supervision and coordination of the Planning, Building and Economic Development Divisions of the City, including staff direction, project management, budget/purchasing approvals and conflict resolution.

In addition to these three divisions, the Director of the CDD is also Chair of the City staff's Community Development Committee. This Committee is responsible for dealing with all matters pertaining to community development including the sale and acquisition of property, reviewing development proposals, investment/economic development proposals and opportunities, community partnership development, project coordination, etc.

The Director represents the City on key local, regional and provincial boards:

- ◆ Board Member of the Venture Centre
- ◆ District Rep for the Ontario Planners' Institute
- ◆ Regional GIS Steering Committee Chair

Community Development Customers

The following chart reflects some of the internal and external customers that Community Development staff must work with on an ongoing basis:

	Council	Management	Staff
Internal Customers	Planning policy advisors	Chair the staff committee development applications	GIS development
	Economic information and development projects		Property sales and acquisitions
	Execution of Council planning and economic development directives		
	Citizens	Business Community	Provincial & Federal Govts
External Customers	Provide planning and land information	Small business advice	Regulating the Ontario Building Code, the Planning Act and various Economic Development programs and initiatives
	Processing of building requests	Economic development information	
	Public Consultation and Input	Support and education for building industry	
		Partnerships with TEDC	
		Lawyers and realtors	

It is budgeted that Community Development functions cost approximately \$1.2 million in 2004

Analysis

Operating Budget

Salaries, wages and benefits account for in excess of 80% of the gross operating expenditures for Planning and Building.

Activity	2003 Planning Budget	2003 Building Budget	2003 Economic Development Budget	2003 Community Development
Expenditures	\$ 427,700	\$ 383,300	\$ 729,056	1,540,056
Revenues	\$ 46,900	\$ 375,000	\$ 302,183	724,083
Net Operating Budget	\$ (380,800)	\$ (8,300)	\$ (426,873)	(815,973)

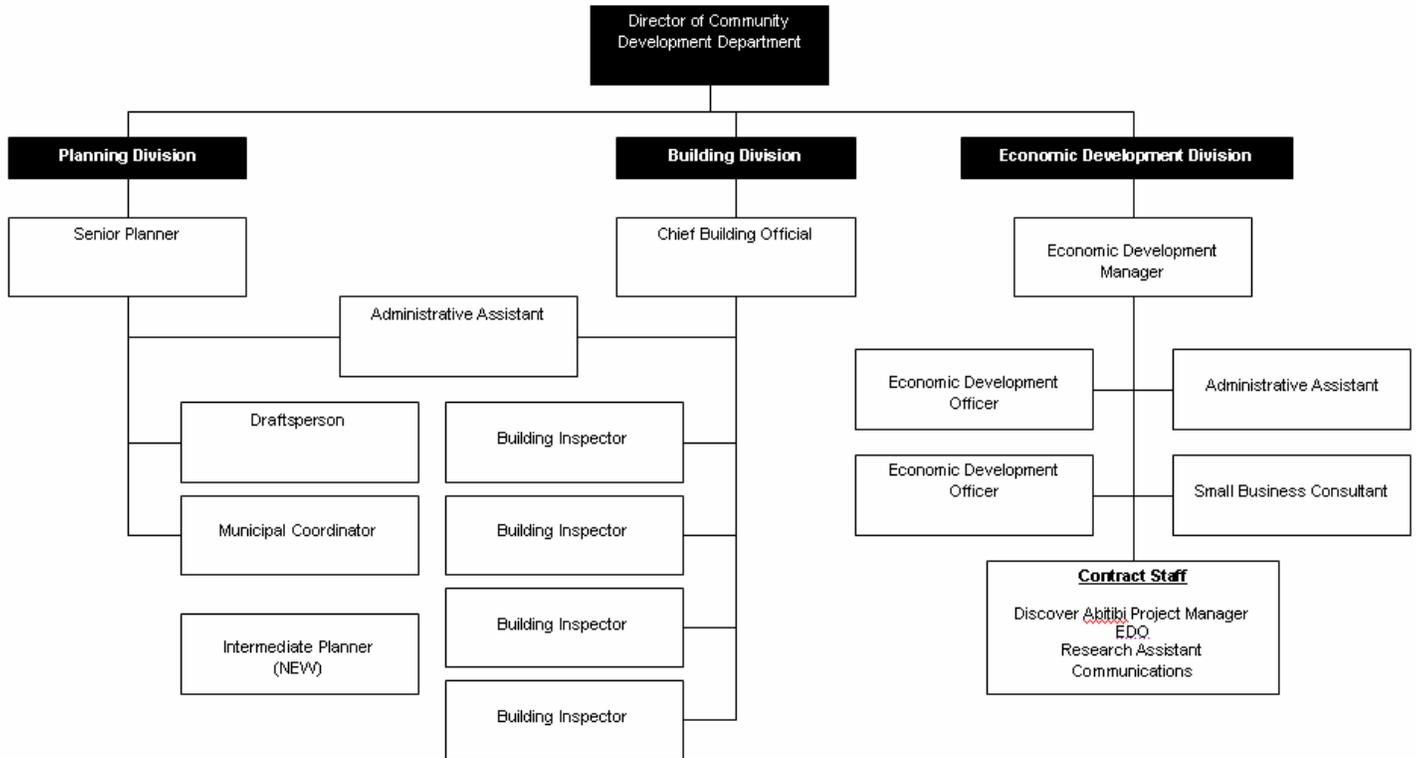
Activity	2004 Planning Budget	2004 Building Budget	2004 Economic Development Budget	2004 Community Development
Expenditures	\$ 546,700	\$ 409,500	\$ 774,500	1,730,700
Revenues	\$ 35,200	\$ 253,000	\$ 208,700	496,900
Net Operating Budget	\$ (511,500)	\$ (156,500)	\$ (565,800)	(1,233,800)
Revenues as a % of Expenditures	6%	62%	27%	29%
% change Net Operating Budget 03 -04	34%	1786%	33%	51%

The net operating budget has increased 51% over the past two years. Increases were experienced in each of the divisions. Details on the driving factors will be addressed in each of the divisions, later in the report. There is a reduction in the revenue projections of the Planning and Building functions between 2003 and 2004 and an increase in expenditures for these programs.

Each of the activities result in a cost to the taxpayer.

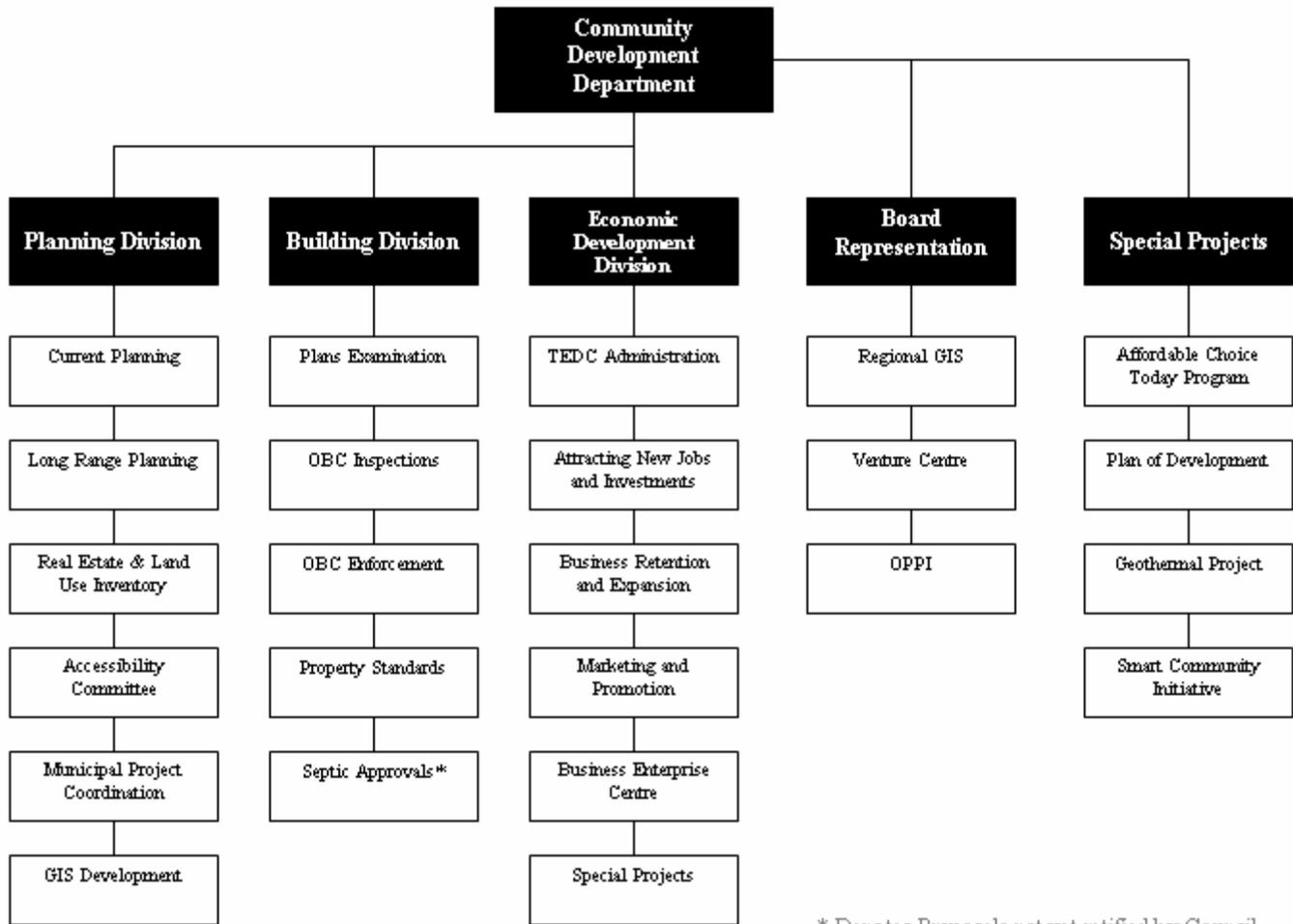
Staffing

In total, there were 15 Full-time staff and 2 contract positions in the beginning of 2004. This includes the following:



In 2004, a new position was approved in the Planning Division; an intermediate planner.

The following chart reflects areas of responsibility within each division as well as the special projects and board representations.



* Denotes Proposals not yet ratified by Council

Planning plays a key role for the municipality both in terms of operations, managing the Official Plan and Zoning By-laws, in long term planning and in the completion of numerous special projects

PLANNING

Roles and Responsibilities

The Planning section of the Community Development Department has responsibility for community planning documents, development approval processes, and a variety of special projects, as well as general inquiries and customer service.

The major areas of responsibility include:

Current Planning – Current Planning pertains to the day-to-day activities associated with any Planning Department in the province as required under the Ontario Planning Act. These activities include dealing with public inquiries, completing property information requests and zoning confirmations, reviewing building permits, processing official plan amendments, rezoning requests, subdivision/condominium applications, site plan control applications, commenting on minor variance and consent proposals. Other responsibilities include preparing various development agreements relating to subdivisions and site plans and making representation at Ontario Municipal Board (OMB) hearings.

Long Range Planning – Long Range Planning relates to projects that help to guide growth and development of the municipality over the longer terms (10 to 15 years). Examples of long range planning projects include updating the Official Plan (OP) Program for the City of Timmins, conducting a Plan of Development Study, developing a Downtown Community Improvement Plan, and reviewing the City's Development Charges By-law.

Municipal Real Estate & Land Inventory – The Department is responsible for managing the acquisition of land required for municipal purposes as well as the disposal of land that is no longer required for municipal purposes. Planning is also responsible for managing a database of the City's Land Use Inventory. The program of identifying and marketing surplus city land has created a positive reserve balance in the order of \$350,000.

The Department is responsible for administering the Ontarian's with Disabilities Act, managing municipal projects involving government funding and leading the GIS initiative

The Plan of Development Study is underway

Municipal Accessibility Committee – The Planning Department is responsible for administering the Ontarian's with Disabilities Act, 2001, which involves managing a Municipal Accessibility Advisory Committee whose legislative mandate is to advise on the preparation, maintenance and updating of an annual accessibility plan for the City. The Committee also advises Council on all matters pertaining to accessibility in the community.

Municipal Project and Communications Coordination - The Planning Department is responsible for assisting with the overall management of municipal projects that involve government funding and funding from other non-traditional sources. This area involves assisting directly with the writing and submission of funding proposals, assisting with the organization of funding announcements and media releases, ensuring that agreement commitments with funding agencies are met, and providing any necessary project support to municipal departments and funding agencies. The Department is also responsible for managing, maintaining and updating a master database of the status of all municipal projects involving funding applications.

Municipal Digital Mapping & GIS Program Development – The Department is responsible for the development and ongoing maintenance of the first comprehensive electronic parcel and road map of the City of Timmins as well as the development of the City's first ever Geographic Information System (GIS) program. The GIS will enable all municipal departments to access information about specific properties and to query this property information at the touch of a button. Notable operational efficiencies, information sharing, as well as more expedient and better decision-making are anticipated benefits from this program.

Special projects, particularly those that relate to land or to economic development (other than the specialized marketing and research projects undertaken by the TEDC) are a primary and valuable feature of the Community Development Department.

These include:

Plan of Development Study – identifies preferred locations for future development, engineering and servicing requirements, costs, funding options and phasing of development.

Official Plan Review Project – involves producing a brand new Official Plan document to guide future development and redevelopment within our municipality.

The Department is responsible for a number of special projects...it would be beneficial for Council to understand the timing associated with each of these projects

Community Improvement Plan – involves examining policies and programs aimed at encouraging increased investment and reinvestment in identified areas of the municipality (e.g., downtown core).

Geothermal Project – involves using subsurface water associated with abandoned mine workings to reduce the heating and cooling costs of nearby buildings.

Digital Mapping and GIS Program – involves producing the City's first parcel and roadway map in electronic format and bringing all key property based information into digital format so that it can be displayed on the map and queried for more efficient and better decision-making across all Departments.

Smart Community Initiative Project – involves the establishment of a fibre optic network to all key City facilities and other public sector sites to reduce operational costs and provide an improved level of service.

Municipal Land Inventory Project – involves an analysis of all City owned properties using the GIS platform to determine what lands the City should retain and what lands the City should dispose of.

Accessibility Plan Development – involves establishing and implementing an annual accessibility plan aimed at identifying how the City will eliminate barriers to municipal services, facilities and programs for persons with disabilities.

Municipal Forest Management Project – involves the review of all City owned property to determine the value of timber resources and to implement a forest plan that would generate revenues for the City and promote managed tree cutting and economic development opportunities for businesses in our community.

Development Charges Review Project – involves the review of our current development charges program to determine what fees would be justified to be collected from various classes of development to support future growth related projects to be undertaken by the City.

Automated Planning Application Program – involves the implementation of an automated process to deal with Planning Applications, requests and the collection of fees.

Enhanced 9-1-1 program – involves a program of street naming and municipal addressing throughout the municipality, for the purpose of map identification of emergency service calls.

In 2004, there are 3 staff equivalents dedicated to the provision of Planning services, with a shared administrative assistant, a portion of the Director's time allocated to Planning as well as shared responsibilities for the Municipal Co-ordinator

This is estimated to be equivalent to 3.5 to 4 FTE (full-time equivalents, including the new Intermediate Planner position)

A new position was added in 2004 to free up some time for the Senior Planner to devote to Official Plan review and for succession planning...this position is actually a reinstatement of a position that was previously vacant

Planning—Staffing

The Director of Community Development, is responsible for the overall management, supervision and coordination of the Planning, Building and Economic Development Divisions of the City, including staff direction, project management, budget/purchasing approvals and conflict resolution.

The Director is also Chair of the City staff's Community Development Committee. This Committee is responsible for dealing with all matters pertaining to community development including the sale and acquisition of property, the reviewing development proposals, investment/economic development proposals and opportunities, community partnership development, project coordination, etc.

The Director plays a lead role a number of key strategic projects, which are discussed later in this report. These include the Geothermal Project, Plan of Development Project, Official Plan Project, Community Improvement Project, Smart Community Initiative, Public Education and Relations Program and the Digital Mapping and GIS Program.

In addition to the Director, the Planning Division includes:

- ◆ Senior Planner
- ◆ Draftsperson
- ◆ (Shared) Municipal Co-ordinator
- ◆ (NEW) Intermediate Planner
- ◆ (Shared) Administrative Assistant

The Senior Planner position, reporting to the Director, is the chief planner for planning applications, including Official plan amendments, zoning amendments, zoning interpretation for building permits and lawyers letters and other inquiries, site plans and agreements, subdivision approvals and agreements, comments on minor variance and consent applications to the committee of adjustment, coordination with other agencies on site-specific issues, etc. Reporting to the Senior Planner are one intermediate planner (recently filled position), one draftsperson/planning technician, and one municipal coordinator. An administrative assistant position is shared among the sections of the Department. While the municipal coordinator position, created in 2003, works to obtain grants and assists with the management of planning projects, it is essentially a corporate resource both for Community Development and for the CAO.

Staffing levels appear to be reasonable within the City of Timmins in comparison to other like municipalities surveyed and also based on the extent of internal services provided

Staffing Levels—Benchmarking

As part of the review process, a number of municipalities were contacted to examine practices, staffing as well as fees. Included in the analysis were:

- ◆ Sudbury
- ◆ SS Marie
- ◆ North Bay
- ◆ Cornwall
- ◆ Owen Sound
- ◆ Sarnia

As shown earlier, while there are 5 persons involved in Planning activities, there is the equivalent of approximately 3.5 to 4 FTE's (shared Admin. Assistant, Municipal Co-ordinator and Director). A calculation was made of the # of staff to the population, which is one way to measure staffing levels. As shown below, Timmins' staffing levels are in the mid-range compared with other municipalities.

North Bay	1: 10,000
Sudbury	1: 10,000
Owen Sound	1: 10,000
Timmins	1: 11,000
Cornwall	1: 12,000
Sarnia	1: 13,000
S.S. Marie	1: 13,000 (including C of A secretary in Building)

This comparison should not be used as a firm measure, since departments in other cities vary considerably in matters such as the Department's level of GIS and technical sophistication, extent to which long-range planning and special projects are done internally, planners' responsibility for economic projects, the role of an administrative assistant, and the administrative responsibilities of the Planning Director. The Timmins staff does most special projects internally, for example, and the Director (as is also true in places like Owen Sound and Cornwall) spends little time on current planning applications. Other external factors such as the degree of planning and development activity influences staffing requirements. As such, the municipal comparators selected also have relatively low/no growth. This provides a better basis of comparison.

General Observations—Staffing

- ◆ The current organizational structure and reporting relationships are clear
- ◆ There is some degree of back-up available within the department, however, each position performs a distinct function
- ◆ There is a need to focus on ensuring knowledge transfer, paying particular attention to the need for succession planning
- ◆ Management procedures are quite sophisticated and effective

Planning Budget

The main factors associated with the increase in the Planning Budget are associated with the increase in staffing, noted previously, increases in meeting expenses (\$27,000) and one time costs associated with hiring a consultant. This was offset in part, by a one-time transfer from reserves of \$10,000. The new position will assist with the Official Plan, Zoning by-law, special projects and be of assistance in succession planning. Revenues are projected to decrease between 2003 and 2004 by \$10,000.

There is a need to review fees on an annual basis to ensure that as expenditures increase, fees also reflect the City's public policy objectives to recover costs from applicants on a consistent basis.

Activity		2003
		Planning Budget
Expenditures		\$ 427,700
Revenues		\$ 46,900
Net Operating Budget		\$ (380,800)

Activity		2004
		Planning Budget
Expenditures		\$ 546,700
Revenues		\$ 35,200
Net Operating Budget		\$ (511,500)
Revenues as a % of Expenditures		6%
% change Net Operating Budget 03 -04		34%

Recommendations

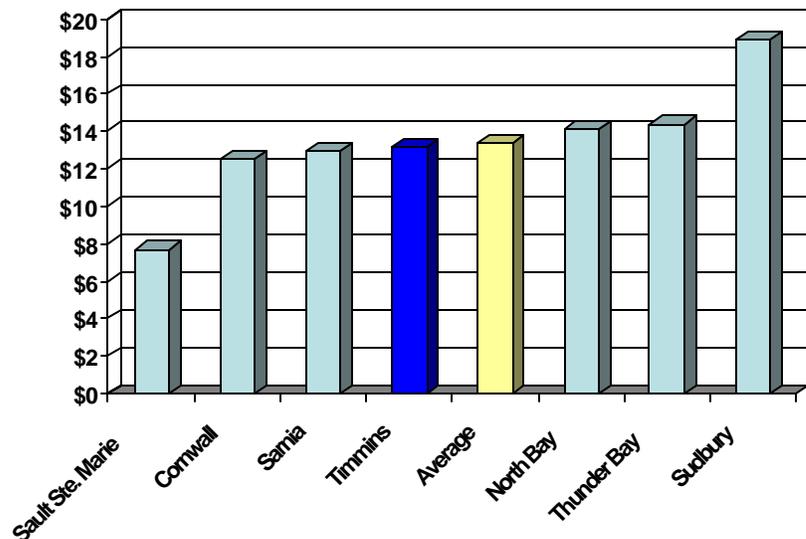
That upon completion of the Official Plan review and development of a new zoning by-law, the staffing levels be reviewed.

Municipality	Planning and Zoning Net Expenditures Per Capita
Peel Region	\$ 3
Leamington	\$ 3
Niagara Region	\$ 4
Halton Region	\$ 4
York Region	\$ 6
Sarnia	\$ 6
Waterloo Region	\$ 6
Welland	\$ 7
Whitby	\$ 7
Durham Region	\$ 8
Stratford	\$ 8
St. Catharines	\$ 8
St. Thomas	\$ 8
Guelph	\$ 8
Toronto	\$ 9
Barrie	\$ 10
Chatham-Kent	\$ 10
Timmins	\$ 10
Kawartha Lakes	\$ 11
Midland	\$ 11
Mississauga	\$ 11
Kingston	\$ 11
Ottawa	\$ 11
Cornwall	\$ 12
North Bay	\$ 12
Penetanguishene	\$ 12
London	\$ 12
Halton Hills	\$ 12
Brantford	\$ 12
Thunder Bay	\$ 13
Markham	\$ 13
Niagara Falls	\$ 13
Orillia	\$ 13
Thorold	\$ 14
Oakville	\$ 14
Fort Erie	\$ 15
Pelham	\$ 15
Burlington	\$ 15
Wainfleet	\$ 16
Sudbury	\$ 17
Wasaga Beach	\$ 18
West Lincoln	\$ 20
Georgina	\$ 20
Oshawa	\$ 20
Whitchurch-Stouffville	\$ 20
Kitchener	\$ 21
Pickering	\$ 21
Collingwood	\$ 21
Cambridge	\$ 23
Hamilton	\$ 24
East Gwillimbury	\$ 24
Vaughan	\$ 25
King	\$ 26
Milton	\$ 29
Niagara-on-the-Lake	\$ 31
Clarington	\$ 31
Tav	\$ 32
Peterborough	\$ 33
Tiny	\$ 36
Brampton	\$ 50
Average	\$ 16

The following table summarizes the 2003 actual net planning and zoning expenditures per capita. As shown in the table, the net expenditure per capita in Timmins is below the survey average. However, the focus should be on other slow growth municipalities (highlighted).

Timmins is low also compared with other low/no growth municipalities such as North Bay, Thunder Bay, Sudbury. This information was calculated using the 2003 FIRs. Caution must be exercised in the analysis in that the cost of Committee of Adjustment is not included in the City of Timmin's Planning and Zoning as these services are provided through Clerks. However, the addition of Committee of Adjustment would not change the relative position to any extent.

The graph below reflects the gross expenditures in planning on a per capita basis. As shown below, the City of Timmins' expenditures on a per capita basis in 2003 is average compared with other municipalities surveyed.



Municipality	2002	2003
	Planning/Zoning Revenues as a % of Expenditures	Planning/Zoning Revenues as a % of Expenditures
West Lincoln	0.3%	1.9%
East Gwillimbury	33.7%	3.1%
Cornwall	7.6%	4.8%
Oshawa	4.4%	6.1%
Clarington	N/A	7.2%
Barrie	7.4%	7.3%
Waterloo Region	9.0%	7.3%
Niagara Region	10.0%	7.5%
Timmins	11.8%	8.3%
Peterborough	N/A	9.1%
Pickering	10.5%	9.6%
Brantford	11.4%	9.7%
Brampton	8.4%	10.2%
Thorold	14.5%	10.4%
Tay	4.2%	10.5%
Sudbury	12.0%	10.8%
Wainfleet	14.1%	11.1%
Penetanguishene	16.3%	11.4%
Thunder Bay	N/A	11.7%
Midland	10.9%	11.8%
Georgina	13.8%	12.5%
St. Thomas	N/A	12.6%
St. Catharines	13.2%	12.9%
North Bay	19.7%	13.3%
Cambridge	12.5%	13.5%
King	11.3%	13.7%
Niagara Falls	13.8%	13.7%
London	14.6%	14.3%
Port Colborne	15.1%	14.3%
Kitchener	11.2%	14.9%
Collingwood	11.3%	15.3%
Burlington	12.1%	16.3%
Orangeville	22.0%	18.2%
Welland	15.1%	18.4%
Mississauga	22.7%	18.4%
Chatham-Kent	36.6%	18.9%
Newmarket	N/A	19.9%
Niagara-on-the-Lake	22.8%	20.5%
Halton Region	24.0%	20.8%
Tiny	33.1%	20.8%
Hamilton	18.1%	20.9%
Orillia	17.6%	21.0%
Toronto	25.1%	23.5%
Kingston	5.1%	23.9%
Fort Erie	42.2%	26.9%
Stratford	N/A	28.9%
Cobourg	N/A	29.0%
Kawartha Lakes	N/A	29.1%
Vaughan	17.2%	31.5%
Halton Hills	20.2%	31.6%
Oakville	34.4%	32.1%
Pelham	32.3%	32.6%
Whitby	34.5%	34.7%
Guelph	29.8%	36.8%
Milton	39.7%	41.7%
Markham	N/A	41.9%
Sarnia	36.8%	52.4%
Leamington	N/A	56.8%
Wasaga Beach	60.6%	57.0%
Whitchurch-Stouffville	33.4%	61.8%
Ottawa	75.3%	70.3%
Average	20.3%	20.9%

User Fees and Cost Recoveries

The City of Timmins has a relatively low level of cost recovery for its Planning activities in comparison to other municipalities surveyed.

The establishment of fees in Timmins tend to be historical in nature and do not reflect the true cost of providing the services. Many of the Planning fees have not changed in a number of years.

The table to the left provides a high level benchmark of the extent to which the cost of Planning services are recovered from user fees. As shown, the cost recovery in Timmins' is amongst the lowest in the survey. Other low growth municipalities such as North Bay and Sarnia have a higher degree of cost recovery than the City of Timmins. As will be shown in this section of the report, the City of Cornwall with very low planning fees has a lower level of cost recovery than the City of Timmins.

This table was calculated using the 2002 and 2003 FIRs (Financial Information Returns) and provides a starting point upon which to understand the revenues associated with planning services.

Typically, faster growth municipalities have a higher level of cost recovery.

Fee Comparisons

Application fees	Timmins	Sudbury	SS Marie	North Bay	Sarnia	Owen Sound	Cornwall
Consent new lot	\$450	\$740 (incl. consent certificate)	\$300 (+\$50/lot deed certificate fee)	\$600	\$432	\$750 +\$250 for second and subsequent lots	\$250
Consent technical	\$400				\$324		
Minor variance	\$350	\$525	\$200 (sfd) 300 (other zones)	\$550	\$324	\$500	\$225
Rezoning (ZBA)	\$800	\$1,865 major \$1,175 minor \$835 technical	\$600	\$1,050 (\$1,500 for fast-track process)	\$1,300	\$1,000	\$700
OPA	\$1,000	\$1,850	\$600	\$1,550	\$1,622		\$1,000
Rezoning and OPA	\$1,700	\$2,830 major \$2,495 minor	\$1,000	\$1,550	\$1,622		\$1,500
Site Plan Control	\$400	\$605	\$250		\$400 (value<\$50,000) \$800 (value \$50,000-\$500,000) \$1,000 (value >\$500,000)	Tiered based on number of units and type of building. Range from \$300-\$850	\$300
Site Plan Amendment	\$150	\$240	\$250			Range \$100-\$400 depending on type of building	\$250
Subdivision draft approval	\$1,500	\$1,605 + \$57/lot (first 50 lots) \$30/lot (>50 lots)	\$750	\$1,550 + \$15/unit	\$3,150	Greater of \$1,200 or \$60 for each of 1 st 10 lots or building blocks in approved stage plus \$20/lot or building in approved stage thereafter	
Subdivision admin fee	\$ 250 amendment fee	\$124/lot			Disbursements + Hourly fee for staff time		
Lawyers letter	\$50		\$25 (sfd) 50 (other zones)	\$50	\$73	\$50 + \$50 to confirm bldg location survey	\$50 + \$50 to confirm bldg location survey
Road Closure				\$600	\$685		
Condo Conversion					\$500		
Sign By-law Amendment				\$100	\$206		

Timmins fees tend to be lower than other comparable municipalities..... the City does not use graduated fees for any of its planning services to recognize the different level of effort required for major and minor projects

Fee Analysis

The following summarizes some observations of planning fees in Timmins compared to the other municipalities surveyed:

- ◆ Consent fees are in the mid range
- ◆ Minor variance fees are amongst the lowest in the survey
- ◆ Rezoning are amongst the lowest in the survey
- ◆ OPA fees are amongst the lowest in the survey
- ◆ Rezoning and OPA are in the mid range
- ◆ Some municipalities use tiered/graduated fees
- ◆ Site plan amendment fees are low compared to the survey
- ◆ Subdivision draft approval low—some have tiered fees
- ◆ Lawyers letter at low end
- ◆ Some additional fees charged by some other municipalities

Sarnia provides in its site plan agreements and subdivision agreements for a measure of cost recovery of its planning staff-time costs, on a hourly-rate basis, for work involved in negotiating and administering the agreement. Sudbury, Sarnia, Owen Sound and other municipalities have provisions in their agreements that allow for cost-recovery of engineering staff time for work involved in engineering plans review and inspection. North Bay has a higher rezoning fee for applications if the applicant requests a “rush” process. Several municipalities charge a combined fee for OP amendment and rezoning which is a discount from the combination of the two applications, and Sarnia charges one rezoning rate, whether an OP amendment is required or not. Owen Sound charges a basic fee for a consent application, but also an additional fee for the second and each additional lot that is created by the same application.

Without a policy objective, it is difficult to establish processing fees

There is justification to increase planning fees to recover an increased percentage of the cost of operations

Establishing Cost Recovery Targets

Timmins' unstated approach has been to keep its fees relatively unobtrusive. The result has been to place a higher burden on the property taxpayers at large than is the case for some of the other slow-growth/no-growth municipalities.

The commonly made argument is that lower fees encourage development and encourage people to make applications rather than proceed illegally. The counter-argument is the City's property tax base is struggling, that it is being increasingly called upon to cover rising costs in areas (such as Police, Golden Manor, Road Repair) where no non-tax sources are available, and that planning applications create a valuable individual benefit for the applicant.

Without some policy objective from Council, the staff have no guideline with which to approach the annual budget for development processing costs. The costs to be recovered include staff-time spent on processing both statutory applications and non-statutory services such as lawyers letters, negotiating and monitoring planning agreements, circulating and responding to inquiries on applications.

It is recommended that the City establish a percentage for cost recovery for application fees. For example, a policy to recover 60% of the related direct costs may include:

- ◆ all of the salary and benefit costs of the Senior Planner, Intermediate planner, and planning technician, (except to the extent that they are spending time on a general project such as the zoning bylaw review), including any mileage, training and disbursements.
- ◆ all of the costs of mailing and/or advertising notice of applications and of decisions
- ◆ all of the Committee of Adjustment remuneration and expenses and staff time associated with the functioning of the Committee
- ◆ legal costs associated with processing of applications and approvals
- ◆ a pro-rated portion of the IT, insurance, telephone and other operating expenses of the Department

While administrative overhead can be included in the calculation of fees, a conservative approach has been undertaken for illustrative purposes

This is conservative for the following reasons:

- ◆ Not to include Director, Admin Assistant or Municipal Co-ordinator salaries and benefits, nor a corresponding percentage of the office expenses required by these positions.
- ◆ Estimated that 20% of the senior planner's and other staff time (an estimated 20%) is spent on projects such as the municipal land sales program, rather than development approvals and inquiries

Recommendations

That the Planning Department review its user fee policies, particularly given the increase in operating costs and establish a philosophy upon which fees will be set. As a guide, it is recommended that the City establish a threshold upon which to recover the cost of services provided to avoid increasing the burden on the taxpayer.

***The fee for
Lawyers' Letters
are not regulated
by legislation***

***The City's fee is
low compared to
other
municipalities***

Increase Compliance Letter Fee (Lawyers Letter)

Compliance letters (generally requested by lawyers at the time that a property is being sold or mortgaged) are not regulated by legislation . At the same time, the market is being affected by the recent introduction of title insurance available to a purchaser for \$150. In some municipalities, this has reduced compliance letter volumes by 40%, this is approximately the reduction experienced in revenues between 2003 and 2004. The City of Timmins offers an exceptional level of service offered and is "deluxe" by the standards of other municipalities. Letters indicate zoning detail, non-conforming use status, review of building location survey, what minor variance is required if any, application history, status of apartment if any. Owen Sound and Cornwall are charging \$100 for this level of service and Sarnia charges \$73.

The fee is now \$50 and generated \$17,000/year in 2003. Approximately 340 compliance letters were issued. The requests take up an estimated one hour per day of senior planner time (approximate annual cost of \$12,000 - \$14,000 per year). The service pays for itself, even if some administrative assistant time, disbursements (mailing, etc.), and overheads (supervision, office, insurance, payroll, etc.) is added.

However, Planning departments invest a large proportion of their staff time (often estimated at 25%) in answering miscellaneous inquiries from real estate agents, lawyers and members of the public, for which no cost-recovery is possible. Compliance letters are in a sense the "end of the line" of these inquiries and the chance to recoup some of the costs.

Therefore, assuming the current high level of customer service is maintained, the fee should be increased to \$70 per request. An increase to \$70 would recover an additional \$10,000 per year. This is still competitive as it is less than the \$150 title insurance fee, and less than the similar fees in North Bay, Cornwall, and Sarnia. Given the strong existing relationships, the market will very likely sustain an increase.

Recommendations

That the City increase its fee for Compliance Letters (Lawyer's Letters) to \$70

Graduated fee structures are common in other municipalities to differentiate the extent of work required for major and minor re-zonings

Establish Graduated/Tiered Fees

Re-zoning

Several other municipalities have developed a tiered or graduated fee structure to recognize the different level of effort associated with major and minor re-zoning. There is an opportunity for the City of Timmins to recover additional costs associated with major rezoning applications.

The direct cost to the City of someone's re-zoning application include:

- ◆ Senior planner time to discuss the need for and nature of the application with the applicant, to review the application, to prepare the notice, to discuss it with any agencies or neighbours, to prepare the planning report, to be available for questions at Council, to prepare the notice of passage, and to answer any further questions (and in rare cases, prepare the submission to the Ontario Municipal Board)
- ◆ Planning technician time to prepare the circulation to properties within 120 metres, to prepare a map of the property location, and to prepare mapping for the planning report
- ◆ Admin Assistant time to submit the notice to the papers or mail them and to mail them to agencies, to type and copy notices and reports
- ◆ Director time to review the report and forward it to the Council agenda
- ◆ Mailing and newspaper advertising cost for the notices
- ◆ Potential long-distance telephone charges, site visit mileage, etc.

The recent average has been 9 applications per year, half of which, on average, are to permit commercial, industrial, institutional and higher-density residential uses, while half permit more straightforward lower-density residential.

A conservative estimate of the senior planner time required by these re-zonings is 20 working days, about 9% of all working days in the year, or about \$8500 (including annual salary, pension, benefits costs). The average annual cost for advertising of notices alone is \$3,000-\$4,000. In addition, the Director is involved in public meetings and the final report.

The current practice is to charge all re-zoning applications at the same rate, but the work involved in processing these applications varies significantly

The revenue to the City is \$7,200 (9 x \$800). The average annual cost of the Senior planner time alone exceeds the average annual re-zoning revenue, before any provision for other staff-time and disbursements is made. A total average annual direct cost to process re-zonings is conservatively estimated to be over \$15,000 (a conservative estimate of about \$1,700 per application).

Note that this does not in any way approximate a true “business-like” costing of the City’s costs. Such an accounting would have to include an appropriate portion of additional costs such as:

- ◆ Office expenses (paper, heat, light, computers, telephone charges, etc.)
- ◆ Staff-time provided by other departments involved
- ◆ Services provided by other department to support Planning (payroll, insurance, information technology, purchasing, Council agenda and minutes, etc.)
- ◆ New initiatives which facilitate the rezoning process, such as GIS system

Unlike a business, which must base its pricing on its true costs, these recommendations are discussing only the partial, “direct” costs, in the belief that to recover the true costs would be too much of a departure from past practice in the City.

This cost is not evenly distributed. For example, the senior planner time for the non-residential half of the applications is estimated to be a minimum 3 days (always assuming that there is no OMB appeal, and leaving aside the separate site plan agreement process). This is a minimum cost of \$1,300 per application for this work alone, as a result of the fact that these applications tend to generate more discussion with agencies and neighbours, more complex bylaws and reports to be written, and more discussion with the applicant or its agent. These applications also consume more time for the Director and other staff. A minimum cost per application is therefore conservatively estimated to be in the vicinity of \$2,500.

Other Municipal Experiences

The City of Greater Sudbury has addressed this issue by means of a major rezoning/minor rezoning fee distinction. In practice, low-density residential (other than new subdivisions) are minor and most commercial/industrial/institutional/higher-density residential is major. This simply reflects the fact that the “major” type are more work and generate more cost. In Sudbury’s case (without a concurrent Official Plan amendment) the fee is \$1,865 for “major”, \$1,175 for minor, and \$835 for a rezoning from R1 to R2. or removal of a holding zone.

It is not anticipated that there would be any impact on the number of applications should fees be increased to recover a larger portion of the true costs

It is not realistic to say that a higher re-zoning fee for “major” uses will discourage development. The viability of a subdivision, a mine, a high school, a department store, or a muffler shop will be determined quite independently of whether the rezoning fee is \$800 or \$2,500.

Furthermore, these are real costs being spent by the City on each application. The only question is whether the taxpayers of Timmins can afford to pay for most of it or the applicant/direct beneficiary should pay for most of it.

This recommendation would generate an additional \$ 7,600 in non-tax revenue in an average year.

Recommendations

That the City institute a “major re-zoning” and “minor re-zoning” distinction in its fee schedule, to incorporate the full cost of processing applications.

Site Plan Approval/Agreements

Non-residential and multi-residential developments require site plan approval and, in most cases, a site plan agreement with the City. These approvals govern matters such as entrances and roadside treatments, fencing and visual separations, placement of the buildings on the lot, parking, waste disposal, signage, temporary construction uses, etc. Timmins has had an average of 4 site plan applications per year over the past 4 years.

Timmins charges a fee of \$400 per application (\$150 to amend an existing plan or agreement pertaining to the lot). This compares with \$605 in Sudbury. Sarnia charges a graduated fee based on the value of the proposed site plan elements (\$400 for under \$50,000, \$800 for \$50,000-\$500,000, \$1,000 for over \$500,000.

Timmins does not provide in its agreements for the recovery of Planning Department staff-time required to prepare agreements or for the recovery of Engineering Department staff-time needed to review engineering drawing and inspect the as-built conditions.

There is justification to develop a graduated fee structure for site plan approvals and agreements

The preparation of site plan agreements are inevitably complex and more complex as the projects are more complex. More reworking of municipal property (curbs, boulevards, turn-lanes, plantings) are required as projects increase in scope. As was discussed with regard to major re-zonings, there is no reason to think that a fee closer to cost-recovery would discourage development.

Therefore, a graduated fee schedule similar to that of Sarnia is recommended.

Recommendations

That the City introduce graduated Site Plan approval/agreements fees, based on the complexity of the project.

Subdivision Draft Approval Application

The City's fee for a subdivision approval is \$1,500. This includes draft plan review, public notice process, review of comments from public, departments and external agencies, determining conditions and drafting/discussion the report to Council, negotiating and drafting the subdivision agreement (including legal input) and coordinating it with engineering and other departments, review of engineering plans via-a-vis the draft approval, final approval and clearance of conditions, civic numbering, street-naming, etc.

Currently, the City recovers no planning costs via the subdivision agreement, although it does charge a \$250 fee for amendments to the draft approval or the agreement.

No additional fee (other than the \$250 for the amended agreement) is charged for approval of phases (i.e. when a draft approval is given for a blanket draft plan but a separate subdivision agreement, engineering, detailed design and clearance-of-conditions process is undertaken for each of several phases within the total plan).

***The current
subdivision fees
are low***

Engineering staff-time costs for the review of engineering plans and the inspection of as-built services/streetscape is charged back to the subdivider, by means of a clause in the subdivision agreement.

A conservative estimate indicates that a single-phase subdivision plan would entail a minimum of 20 working days of planner time (approx. \$8,500). Full costs of processing (excluding the costs recovered by Engineering as outlined above) undoubtedly are at least in the \$ 15,000 -\$20,000 range. Plans which are registered in phases cost the City more. Similarly plans with more lots and/or plans located in more difficult-to-develop areas will cost the City more to resolve public and agency concerns and determine servicing/drainage capacity, etc.

The irony is that a consent application costs \$450 per lot, although even this may not recover the City's processing costs. If 50 lots were created by a subdivision plan, the revenue would be \$30 per lot (even a small 20-lot subdivision would generate revenue of only \$75 per lot).

Other Municipal Experiences

Some other municipalities have useful examples. Sarnia charges an application fee of \$3,150 for the draft plan processing, and then recovers its costs of developing the agreement and final approval by means of a per-hour staff-time recovery fee which is provided for in the agreement.

***Some other
municipalities use
a graduated fee
structure for
subdivisions***

Sudbury charges a basic application fee of \$1,605, with an additional amount per lot (reduced after 50 lots). A 50-lot subdivision would therefore recover \$4,455 of the City's costs. Sudbury also recovers its post draft approval costs (planning, engineering, and financial staff time as well as disbursements) by means of a fee of \$124 per lot, provided for in the subdivision agreement. A 50-lot subdivision would therefore enable the City to recover \$6,200 of its post-draft approval costs.

Most municipalities are now trying to steer small infill subdivisions, where already provided for in the Official plan, toward the relatively less onerous consent process through the Committee of Adjustment. Typically such "infill consents" could have as many as 10 lots. Since it would typically be less expensive for Timmins to process such subdivisions by consent, the total cost to the applicant for 10 such lots should be no higher by consent than by subdivision.

Therefore a Timmins subdivision application fee is recommended of \$2,500 plus \$50 per lot for the first 10 lots (which would recoup a total of \$3,000 for a 10-lot subdivision), and \$ 35 per lot for lots over 10 (which would recoup \$4,250 for a 50-lot subdivision).

In addition, the City should adopt a clause in its subdivision agreement whereby the subdivider agrees to reimburse the City on a per hour of post-draft-approval planner staff-time, as well as engineering staff-time and out-of-pocket costs for legal services.

(Note: consent application fees will be discussed below under the Committee of Adjustment recommendations)

Since the number of subdivisions has been limited in recent years, the revenue increase may not be significant in the current market. There are no reasonable grounds for concern that these fees would discourage the creation of new lots:

- ◆ Maximum Planning cost-recovery for a 50-lot subdivision would be \$9250, a mere \$185 per lot
- ◆ The taxpayers' costs engendered by the application would still far exceed the amount being recovered from the subdivider
- ◆ The market determines whether housing is needed and whether its development is profitable. No subdivision will take place if the subdivider does not anticipate a profit margin far above \$185 per lot. Conversely, the amount that the taxpayers are now failing to recover has not created subdivisions for which there is no market.

Recommendations:

That the City institute a Subdivision Draft Approval Application fee which is partially graduated to the number of lots being created, and recover some of its post-draft-approval staff-time costs via the subdivision agreement.

Official Plan and Zoning By-law

The Official Plan is now almost 30 years old and is being reviewed by the Director and Senior Planner, with the intent that a new Plan, or significant revision of relevant sections, will be put into place in 2005. Nonetheless, amendments are rare, averaging about 1 per year. An up-to-date consolidation of the Plan is available.

The Division is updating the OP and Zoning By-law on a timely basis

The zoning by-law is of similar vintage, with over 400 amendments, but like the Official Plan, an up-to-date consolidation is available. After every amendment, the zoning maps are updated and made available for sale to the public (real estate agents). The text of the bylaw is updated and consolidated at least once per year. The Director and Senior Planner are collecting ideas at the present time for a review of the zoning by-law, the major thrust of which will be to add flexibility to the permitted uses wherever appropriate and make the bylaw more simple to administer. This zoning by-law review is slated by staff for completion in 2006 or 2007. As result, one of the objectives of the current OP review is to “pave the way” for added flexibility and simplification of the zoning by-law.

Relatively low activity in OP and zoning by-law amendments

During the past 4 years, an average of 9 zoning amendments annually are processed. (1999 was an anomalous year with 19 amendments). Approximately half are to permit residential uses and half are for commercial/industrial/institutional. As well, during the past 4 years, the number of minor variances from the zoning by-law received by the Committee of Adjustment has been about 46 (again 1999 was an anomalous year with 62).

For commercial/industrial/institutional development as well as new multi-residential, the City requires a site plan and a site plan agreement. These have averaged 3 per year over the past 3 years. 2000 saw 8 such applications, as a result of the high level of rezoning activity in the previous year.

It should be noted here that the OP review and the subsequent OP review are being done “in-house”. The intermediate planner position has been reinstated and very recently filled. The intent is that this position will learn and assume many of the day-to-day development approval activities now done by the Senior Planner, so that the long experience of that incumbent can be dedicated to a greater extent to accelerating the OP Review, the zoning review, and the surplus land sales program, as well as potentially at some point assuming the management of other planning-related projects.

The trend across Ontario is to simplify zoning by-laws

Other Municipal Experiences—Zoning by-law

All of the survey municipalities are in some sense adapting their zoning by-laws to simplify planning administration and allow greater flexibility of uses, in a bid not only to reduce the demands on staff time, but also to facilitate development, while also facilitating local objectives like affordable housing.

A longer list of zoning by-law reforms from other municipalities has been provided to staff. Among the most common:

- ◆ Allowing a broad range of housing density, up to triplexes, within one basic residential zone in older sections of the city
- ◆ Allowing granny flats and accessory apartments within most residential zones
- ◆ Reducing the number of existing zones
- ◆ Allowing a range of mixed commercial and residential uses within one zone, particularly in older sections of the city.
- ◆ Recognizing existing uses, lot sizes, and building locations (at least for residential uses) in order to minimize the need for minor variances and building permit delays
- ◆ Removing overly detailed zoning provisions
- ◆ Removing the need for rezoning to build on newly-created lots in rural areas.
- ◆ Reducing the variety of parking requirements

Analysis

Timmins' zoning by-law is now over 25 years old. It was written at a time when Timmins was more prosperous and when planning thinking was inclined toward more refinement of zones and more separation of land use types...generally toward more complexity and less flexibility.

There are advantages to land owners if the City were to simplify its zoning by-law and increase flexibility

A simplified zoning by-laws allows more efficient use of staff time and faster customer service

The City does not have a free hand in this regard, the by-law must conform to the Official Plan and to Provincial planning policies. Nonetheless, several municipalities are working toward a radical simplification of their by-law provisions, both for the benefit of the landowners and the efficiency of the City. Both SS Marie and Sarnia have recently provided excellent examples of this trend.

Objectives for landowners

- ◆ Reduce the frequency with which they face the time and expense of a rezoning or minor variance application
- ◆ Increase flexibility to start home businesses and gain income (unless it would prevent neighbours from enjoying their property)
- ◆ Increase flexibility to add units to an existing building, both to gain income and to add affordable housing (unless it would prevent neighbours from enjoying their property)
- ◆ Help to revitalize core areas
- ◆ Increase the ability of lawyers and members of the public to read the bylaw confidently and know where they stand
- ◆ Facilitate the City's plans to enable members of the public to get reliable zoning information on their property via the City's website and GIS system

Objectives for the City

The Planning staff have already given thought to ways that the bylaw can be made as simple and as flexible as possible. In addition, a number of measures undertaken by other municipalities have been shared with staff.

- ◆ Reduce the staff-time costs associated with avoidable rezoning or minor variance applications
- ◆ Reduce the number of avoidable inquiries, by means of enabling the public to get reliable zoning information via the website
- ◆ Facilitate the ability of non-planning staff to be cross-trained and do reliable interpretation of the by-law (such as the building counter) for better one-stop shopping and reduced need to circulate applications
- ◆ Make it easier for new staff to learn the bylaw and get up to speed.

It is anticipated that there will be increased customer service by updating the zoning by-law

The payoff from simplifying zoning provisions is important. Removing irritants for the public will improve the ability of residents to start businesses or create housing, and will improve the customer-service image of the City and, very important, save some staff-time which can be used for the many more important projects which are on the Planning plate, such as the Official Plan review, enhanced 9-1-1, surplus land sales, industrial park development, and the rapid expansion of web-available GIS information.

Beginning immediately, Planning should begin introducing such general amendments to Council on a regular basis.

There are limitations to what can be done this way:

- ◆ The current 1977 Official Plan may not permit some revisions to the bylaw, which would otherwise be desirable
- ◆ Scarcely-available staff-time is required to write up, advertise and explain even a straightforward general amendment
- ◆ While it is unlikely, the Ministry of Municipal Affairs and Housing may balk at some changes unless an OP review is complete.

Nonetheless, with Council's support, the advantages to the public and the City suggest that whatever can be done quickly should be done quickly.

The current approach of the Planning staff is to await the adoption and coming into effect of the new Official Plan (optimistically expected in Fall 2005) before launching into the full overdue rewrite of the zoning bylaw. The staff plans to undertake both projects themselves, both as a cost measure and quite properly recognizing that they know the City, the Plan, and the bylaw intimately and know what needs to be done. Therefore, while the nature of the bylaw revisions will to a large extent follow suit from the nature of the Plan revisions, managing staff time within the context of their other work requires a "rationing of effort". Furthermore, if a section of the revised Plan is appealed to the OMB or deferred, then the accompanying section of the bylaw might have to be rewritten, if it had already been prepared.

However, rewriting the by-law to maximize its simplicity and flexibility should not wait. Its pay-offs are too great.

Relying entirely on internal staff for the Official Plan and zoning by-law may postpone the benefits of a more flexible by-law for several years

The likelihood that O.P. appeals will require bylaw sections to be substantially rewritten seems small. Furthermore, having proposed zoning available to illustrate how an issue could be handled will often speed up the resolution of any issues with the Ministry or with landowners

Finding the staff time is an unavoidable issue. Therefore, in order to speed up the new zoning by-law, the City may want to review its existing staff resources to ensure that adequate internal resources are available. Should there be insufficient resources, there may be a need to include funds in the 2005 capital budget for temporary or consulting help, to work under the direction of the senior planner to help get this job done. The payback will be in the form of a quicker route to improved customer service, reduced costs for the public, fewer delays for new development, and more time available from the existing staff for special projects and the pursuit of Council priorities.

Recommendations

That the Zoning By-law provisions be made as flexible and simple as possible within the context of Provincial policy and the Official Plan

That wherever possible, general City-initiated amendments for greater simplification and flexibility should be introduced immediately, without waiting for the OP Review to be in effect.

That the zoning by-law be comprehensively revised simultaneously with the comprehensive revision of the Official Plan now underway.

The majority of the other municipality's surveyed provide Committee of Adjustment services through the Planning Department...the City of Timmins provides these services through the Clerks' Department

Committee of Adjustment (C of A)

The Timmins Committee of Adjustment is a statutory quasi-judicial body, consisting of 7 citizens appointed by Council. It hears and adjudicates applications both for minor variances from the zoning bylaw as well for consent to create new properties or change property boundaries. The administrative support for the Committee is provided by the Clerk's Department, primarily through the Assistant Clerk. Planning comments on individual applications are provided by the Planning section.

In all cases except Timmins and SS Marie, the responsibility for the administration of the Committee of Adjustment and the processing of minor variances and consents rests with the Planning Department. A person-year or partial person-year of staff time is charged to the C of A budget, generally a specific designated member of the staff (such as the zoning administrator position in North Bay). In SS Marie, the responsibility is with Building, which is separated from Planning, and one staff person is essentially dedicated to the C of A.

The advantages of Planning Department responsibility for the C of A cited by the survey respondents included:

- ◆ Consistent planning advice to applicants or potential applicants from a single person and/or department; on-the-spot indication to the applicant as to how an application might fare (vis-à-vis the Official Plan for example)
- ◆ Close contact with the building counter which is where most applications originate, and one-stop shopping for the customers who end up needing to make a variance application
- ◆ Comfort level for planning departments to encourage the routine use of the more expeditious consent process for the creation of new lots, while in keeping with the official plan
- ◆ Removes unnecessary steps of communicating with another department
- ◆ Keeps all the application-related information in one place and eliminates duplicate files

There are arguments for and against having Planning administer and process Committee of Adjustment applications

There are some arguments which would support the status quo:

- ◆ As a quasi-judicial board, the Committee should maintain independence and make its own decisions.
- ◆ The Clerk's Department is responsible for the Board and Committee advertising and appointment procedures at the beginning of a Council term,
- ◆ If Planning were supporting the functions of the Committee, it might be reluctant to appeal C of A decisions
- ◆ Given the substantial number of applications, inquiries and circulation procedures take 'secretarial' time which now require about 25% of a person-year in Clerk's. A similar amount of time would have to be available in the Planning section in order to free up this time in Clerk's. Similarly, a change would require a transition period in which Clerk's would need to train someone in Planning

On the other hand, based partly on the experience in other municipalities, there are good reasons to support the transfer of this responsibility to Planning.

- ◆ Planning can provide consistent planning advice to potential applicants through a single person and/or department; as well as an on-the-spot indication to the applicant as to how an application might fare vis-à-vis the Official Plan
- ◆ Planning offers close contact with the building counter which is where most applications originate, and one-stop shopping for the customers who end up needing a variance. Indeed with cross-training, the building counter staff may in the future be able to identify the variance needed and take the application.
- ◆ Planning must have C of A files for the purpose of compliance letters, building applications, GIS development, etc. Similarly, Clerks has the formal C of A files. Transferring C of A responsibility to Planning would keep all the application-related information in one place, eliminate duplicate files, save space, and facilitate the digitization of property information into the GIS.

On balance, it would be more efficient to transfer responsibility for C of A to Planning

- ◆ Transferring to planning would save staff-time. Now staff in two departments talk to the applicants, learn about the application, write reports to the Committee, attend meetings, file material, etc. Transferring to Planning would not require that 25% of a person-year of work be transferred, because some work would be eliminated (for example saving even 5% of an administrative assistant time from the total City equation would make time available to do something more valuable than duplicating what someone else is doing).
- ◆ Planning should be very reluctant to appeal C of A decisions anyway. By definition, the decisions are minor and the process is intended to be a “jury-of-their peers” safety valve for the public. If a poor land-use trend appears over a number of years, Planning would bring it to Council’s attention to tighten up policy. Other municipalities report virtually no examples of having appealed C of A decisions. In fact, they suggest that Planning is more comfortable using the time-saving consent process for small infill subdivisions.

On balance it is clear that the City would operate more efficiently if responsibility for the administration and support of the C of A were transferred to Planning.

Transitional timing and staff resources need to be addressed however. Fortunately, Planning has just filled the intermediate planner position, with the specific intent that learning the zoning bylaw would be an immediate priority and taking over C of A planning comments from the senior planner should soon follow. The staff-time would seem to be available in Planning once the “learning curve” has been mastered.

Recommendations

That responsibility for the support and administration of the Committee of Adjustment be transferred from the Clerk’s department to the Planning Section

Cost Recovery—Committee of Adjustment

Committee of Adjustment revenues are derived from minor variance (\$350) and consent (\$400 or \$450, depending on type of application) application fees. The Planning Act governs the level of application fees to the extent that the City must be able to demonstrate that its average costs per application of each type are at least as high as the fee charged.

The Committee of Adjustment budget expenditures showed \$6,900 in 2003, although it should be noted that no staff time in either the Clerk's Department or the Community Services Department was included. A more accurate restatement of the cost of administering the Committee and processing minor variances and consents is presented in the table below. As shown in the table, approximately \$17,000 was funded from the tax base in 2003.

Year	1999	2000	2001	2002	2003	5 Year Average
Minor variance # applications	62	51	43	49	41	49
MV revenue	\$ 21,700	\$ 17,850	\$ 13,850	\$ 15,000	\$ 14,000	\$ 16,480
Consent # applications	49	32	18	33	26	32
Consent revenue	\$22,050	\$13,150	\$7,400	\$12,400	\$11,000	\$ 13,200
Total expenditures as per budget activity centre	\$15,300	\$8,600	\$11,500	\$16,000	\$6,900	\$ 11,660
Total expenditures incl. staff time	\$46,500	\$40,600	\$44,500	\$50,000	\$42,000	\$ 44,720
Total revenue	\$43,750	\$31,000	\$21,250	\$27,400	\$25,000	\$ 29,680
Estimated Net Position	\$ (2,750)	\$ (9,600)	\$ (23,250)	\$ (22,600)	\$ (17,000)	\$ (15,040)
Staff time = 15% of person-year in Planning, 25% of a person-year in Clerk's						
Assumed proportion of full compensation cost (salary + benefits+ supervision pro-rated) per position = \$15,000 Planning, \$20,000 Clerk's						

Timmins' Committee of Adjustment application fees are low compared to the survey municipalities

The minor variance and consent fees should be adjusted

Over the past 5 years, the C of A has averaged revenue of approximately \$29,700/year. There are, on average 49 minor variance applications, generating approximately \$17,000/year (the fee is \$350 per application). There are on average 32 consent applications/year, generating \$13,200/year (the fee is \$450 per new lot and \$400 for a technical severance).

Using a conservative estimate of staff-time costs (both Clerks and Planning) over the past 5 years, the average cost per year has been \$44,700 /year, a 66% recovery.

The City of Timmins' minor variance fee (\$350) is lower than the average of the other municipalities surveyed (\$400). North Bay, Owen Sound and Sudbury all have fees \$500 or greater.

As previously indicated, the cost of creating 10 infill lots by consent should not exceed that of creating them by subdivision and vice versa. Therefore, a basic consent fee should be established for the first lot (which will continue to be the majority of the applications) and an additional fee for each additional lot should be initiated to put a 10 lot infill subdivision on par with the subdivision process.

At this point, no cost-recovery for consent agreements is being recommended, assuming that very few applications will need an agreement or that the agreements will be short and straightforward.

Recommendations

That cost-recovery: increases in both the minor variance fee and the consent fee (for new lots) be implemented to achieve 100% cost recovery based on the activity of the previous 5 years and that these fees be updated on an annual basis.

The City should track turn-around times for applications

Performance Measures

Current Practice

At present, the measures reported by staff in regard to Planning appear to be:

- ◆ Volume of applications of each type
- ◆ Balance in the Land sales/acquisition account
- ◆ Planning project completion status

The Clerk's Department provides additional C of A information regarding:

- ◆ # of applications of each type granted, denied or deferred
- ◆ Expenditures and revenues budget to actual status

However the most commonly discussed measure is one that is not directly measured... **average turn-around time for applications.** Anecdotally, Timmins exceeds the turn-around time targets set by the Ministry. Slow service does not appear to be either the reality or the perception. This is also true for other "no-growth or slow-growth" municipalities, and this high level of service represents one of the advantages of doing business in these communities

Other Municipal Experiences

Sudbury and Cornwall have established target turn-around times for each type application and report to Council annually on their performance. This information is generated through the CityView software (although at one time it was done manually). Owen Sound is in the process of developing this capability using the AMANDA software. All municipalities report to Council on the number of applications, although none submit predicted numbers of applications with their budget documents.

Timmins is not yet in a position to measure application turn-around times by means of electronic software. Until that time, a random sample of applications would give a good indication of service quality.

Recommendations

That the Community Development Department monitor and report annually on the average turn-around time for the most common types of applications.

Using a 5-year rolling average, the City should monitor whether it is meeting its target for recovering planning approval costs

Report on Success in Attaining Cost Recovery Targets

Elsewhere, we have recommended that the City establish targets for recovery of direct planning costs, other than special projects and planning administration. This measure should be reported for the Department as a whole, including the Committee of Adjustment. However, there is considerable fluctuation in the number of applications of each type from year to year. Therefore, the Department should monitor not only each year's cost-recovery percentage, but also the cost-recovery on a 5-year rolling average. If the level of cost-recovery is failing to meet the target over a 5-year period, a further adjustment of fees should be undertaken.

Recommendations

That the Department measure and report on cost-recovery for each fee.

Planning is providing good service to its customers

Customer Service Initiatives

Timmins has shown excellent leadership in providing customer service training for its staff, in providing high levels of service and in establishing good relationships with the building and legal community. The City's website provides an extensive amount of information to the public on the various planning application processes. Applications can be printed off the website. The Division has identified as a future project the implementation of an automated process to deal with Planning Applications, requests and collection fees. The Department has a Community Development Committee that meets once a week, with all relevant internal departments.

Other Municipal Practices

- ◆ Like Timmins, several municipalities have arranged specific customer service training for their planning and other staff (in most cases Superhost training)
- ◆ Owen Sound has an employee values program (called "RIDE") which emphasizes respect for the public among other values.
- ◆ North Bay has telephone response protocols in place (same day if possible, no later than 24 hours).
- ◆ Sudbury has an active developers Liaison Committee, containing local builders, developers and related professions, as well as City staff, which meets 6 times per year. It established the City's targets for application turn-around times, on which the staff report annually.
- ◆ North Bay has a similar committee which meets at least once per year, and SS Marie has a similar arrangement.
- ◆ Sault Ste Marie has DART committee of all relevant internal departments, which meets with an applicant before any rezoning, O.P., or subdivision application is submitted, to set out the issues and the information the City will need. This prevents irritating after-the-fact requests to the applicant for additional information. Other cities have something similar
- ◆ Sudbury's website (www.planningsudbury.com) provides an extensive service to the public. Other municipalities are making efforts to serve web-savvy customers, although less advanced than

Recommendations

That the Planning Division proceed with its current plan to automate the processing of Planning applications.

***Additional efforts
will be required to
accelerate the GIS
implementation***

Use of Information Technology

While the City is not alone in doing so, the City has been slow to implement a fully functioning GIS system. This system is in the final stages of implementation and will offer improvements in staff efficiencies and customer services.

Other Municipal Practices

- ◆ Sudbury has placed all of its planning application forms, its OP and zoning bylaws, GIS information, laymen's guides, and its planning agendas and reports on its website.
- ◆ Owen Sound and Sudbury have applicant guides to OP, rezoning, minor variance, consent, subdivision, and site plan processes on the website
- ◆ Cornwall has entered into its CityView property database a summary of all Committee of Adjustment decisions since 1965, which considerably speeds up zoning clearance for building permit applications and lawyers letters
- ◆ North Bay and Sudbury email Planning Committee agendas and reports to Committee members and agencies. Sudbury has this information posted on the website for the public, as well as digital air photos of the subject lands for all applications
- ◆ While Sudbury and SS Marie are considerably further advanced than most municipalities in the development of their GIS systems and the ability of the public to obtain geographic information from the web, most of the municipalities are like Timmins using GIS to circulate notice of planning applications but otherwise just in the process of developing their GIS applications.

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

Roles and Responsibilities

The areas of responsibility pertain largely to the administration of the Ontario Building Code and associated municipal by-laws and provincial guidelines for physical development within the City and the administration of the Property Standards By-law. The purpose of these provincial and municipal pieces of legislation are to ensure that development occurs in a manner that will safeguard the health and safety of inhabitants of these developments.

Ontario Building Code Administration - The Building Division is responsible for ensuring that all applicable development in the City occurs in accordance with the Ontario Building Code and the City's Building By-law. Permits are required for all new construction (with some restrictions like small sheds, residential roof shingling, minor renovations, etc.) relating to residential, commercial, industrial and institutional uses in addition to related construction works like plumbing. Permits are also required for demolition work.

i) Plans Examination - Staff are responsible for receiving and processing building permit applications. An important aspect of this processing component is plans examination, which is done to ensure that the various aspects of construction shown in the plans meet the requirements of the OBC and associated guidelines.

ii) Site Inspections – Once the building plans are reviewed and approved, a permit is issued and construction is permitted to commence. The Department is then responsible for conducting routine detailed site inspections of approved developments to ensure that construction is occurring in compliance with the approved plans.

iii) Enforcement - In cases where non-compliance issues are found during the construction phases, corrective action needs to be taken. This is typically achieved through issuing various orders that authorize the halting of construction and/or require other corrective action to take place. In extreme cases, where the applicant does not follow, or refuses to follow OBC requirements the applicant is subject to prosecution through the court system.

In total, there are 5 dedicated resources in Building with a shared administrative assistant...this does not include the Director of the Department

iv) Property Standards By-law Administration – The Building Department is also responsible for administering the City’s Property Standards By-law. The purpose of this by-law is to ensure that properties and associated structures are maintained in a manner that safeguards the health and safety of local residents.

Building—Staffing

The Building Division is staffed by 5.5 employees who are responsible for 3 key functional areas as described above.

Chief Building Official - is responsible for the day-to-day management and supervision of the Building Division. The CBO reports directly to the Director of Community Development.

Building Inspectors/Plans Examiners/Property Standards Officers - there are 4 Building Inspectors/Plans Examiners/Property Standards Officers. They are responsible for examining detailed building plans, conducting on-site inspections and enforcing the requirements of the Ontario Building Code. They are also responsible for administering and enforcing the City’s Property Standards By-law. Each of the officers has slightly different focuses:

- ◆ 1 officer focuses on Plans Examination
- ◆ 2 officers are responsible for dealing with residential and small permits
- ◆ 1 officer spends the bulk of their time on non-residential permits

Administrative Assistant - provides key front line administrative support for the Building Division, as well as the Planning division

Staffing Levels—Benchmarking

Benchmarking staffing levels is rather difficult in Building, similar to that of Planning in that staffing levels depend largely on the level of activity of the department which may vary from year to year and there is a minimum level of staff required regardless of the volume of activity to meet minimum standards.

The approach, again, similar to that of the Planning review is to focus on municipalities with relatively low/no growth. Information on number of staff, population, number of building permits issued and construction value was collected and analyzed to provide a general understanding of the relative staffing levels.

	Total # of Permits	Total Value of Construction	Staff	2003 Estimated Population	Staff per \$1,000,000 of construction value	# of application per staff	Avg construction value per permit	Avg Construction Value Per Capita	Land Area
Timmins	629	\$ 18,053,574	5.5	43,742	0.305	114	\$ 28,702	413	2,962
Cornwall	604	\$ 21,285,590	5.5	47,221	0.258	110	\$ 35,241	451	62
Owen Sound	265	\$ 10,437,751	2.5	25,000	0.240	106	\$ 39,388	418	24
North Bay	762	\$ 33,324,307	7	54,378	0.210	109	\$ 43,733	613	315
SS. Marie	854	\$ 47,988,168	8	70,000	0.167	107	\$ 56,192	686	224
Sudbury	1655	\$ 105,044,338	17	160,113	0.162	97	\$ 63,471	656	3,354
Sarnia	609	\$ 58,031,000	5	73,930	0.086	122	\$ 95,289	785	165

A number of factors impact staffing levels as will be discussed in more detail later in the report

Staffing levels in the City of Timmins are high compared to other slow growth municipalities in terms of staff per \$1 million of construction value but comparable in terms of number of applications per staff processed.

The average construction value per permit in Timmins is lower than the other municipalities surveyed. This is due, in part, to the current need for permits for minor changes such as windows, siding and doors, which the majority of the other municipalities no longer require. These types of projects require significantly less staff time and inspections. Therefore, the number of permits is somewhat overstated in Timmins. For example, the Chief Building Official estimates that the number of permits issued annually for these minor changes is approximately 300-400. Therefore, if the number of building permits were restated, excluding a conservative estimate of 200 of these permits, the staffing levels appear somewhat higher compared with other municipalities surveyed as shown below. Having said this however, the City of Timmins covers a very large land area, requiring significant travel time. Also, this does not consider level of service provided across the survey.

	Total # of Permits	# of application per staff
Timmins	629	114
Cornwall	604	110
Owen Sound	265	106
North Bay	762	109
SS. Marie	854	107
Sudbury	1655	97
Sarnia	609	122
Timmins	429	78

Timmins - 200

This analysis provides a general indication of the appropriateness of staffing levels as differences in a number of areas may impact the need for staff including:

- ◆ Composition of permits issued—minor renovations, residential versus, non-residential
- ◆ Other activities provided—e.g. property standards, by-law enforcement etc.
- ◆ # of inspections required by type of permit
- ◆ Geographic size of the municipality

The following table summarizes the existing activity within the City of Timmins in 2003.

	New	Additions	Total # of permits	Construction Value New	Construction Value Additions	Total Construction Value	Avg Construction Value New	Avg Construction Value Additions
Residential/Cottages	29	461	490	\$ 5,944,200	\$ 4,230,660	\$ 10,174,860	\$ 204,972	\$ 9,177
Commercial	4	92	96	\$ 1,245,000	\$ 2,861,362	\$ 4,106,362	\$ 311,250	\$ 31,102
Institutional	3	17	20	\$ 1,876,400	\$ 1,660,516	\$ 3,536,916	\$ 625,467	\$ 97,677
Industrial	3	7	10	\$ 1,997,600	\$ 365,000	\$ 2,362,600	\$ 665,867	\$ 52,143
Mobile Homes	0	13	13	\$ -	\$ 106,000	\$ 106,000	\$ -	\$ 8,154
Total	39	590	629	\$ 11,063,200	\$ 9,223,538	\$ 20,286,738	\$ 283,672	\$ 15,633
% of Total	6%	94%		55%	45%			

The majority of the permits issued are for additions or minor items such as windows, doors and sidings

In total, there were 629 building permits issued in 2003, 94% of which were for additions and minor structural changes such as windows, doors and sidings. These types of permits require less inspection time than new building permits. The average construction value for new construction of residential units in 2003 was approximately \$204,000 compared with the average residential construction value of \$9,000 for additions. Of the new permits issued, 75% are for residential construction.

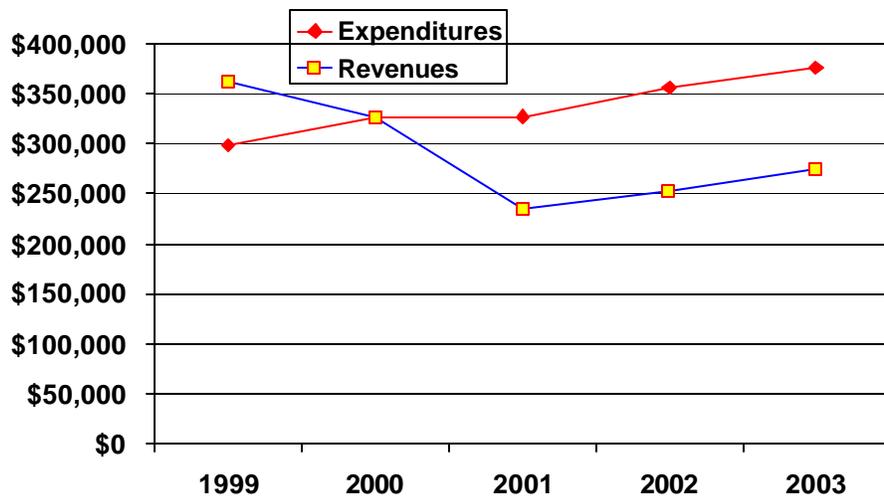
Building Budget and Actual Expenditures

As shown below, the expenditures have increased fairly consistently on an annual basis, while the revenues are trending downward. This results in a net increase in the contribution by the general tax base on an annual basis. For example, in 1999, there was a net revenue for the building programs of \$65,000, compared to a net cost to the taxpayers of \$101,000 in 2003.

Activity	1999	2000	2001	2002	2003	4	2004	% change 99
	Building Actual	Year Average	Building Budget	03				
Expenditures	\$ 298,000	\$ 326,000	\$ 327,000	\$ 356,000	\$ 376,000	336,600	409,500	26%
Revenues	\$ 363,000	\$ 326,000	\$ 235,000	\$ 252,000	\$ 275,000	290,200	253,000	-24%
Net Operating Budget	\$ 65,000	\$ -	\$ (92,000)	\$ (104,000)	\$(101,000)	(46,400)	\$ (156,500)	-255%
% Cost Recovery	122%	100%	72%	71%	73%	88%	62%	-40%

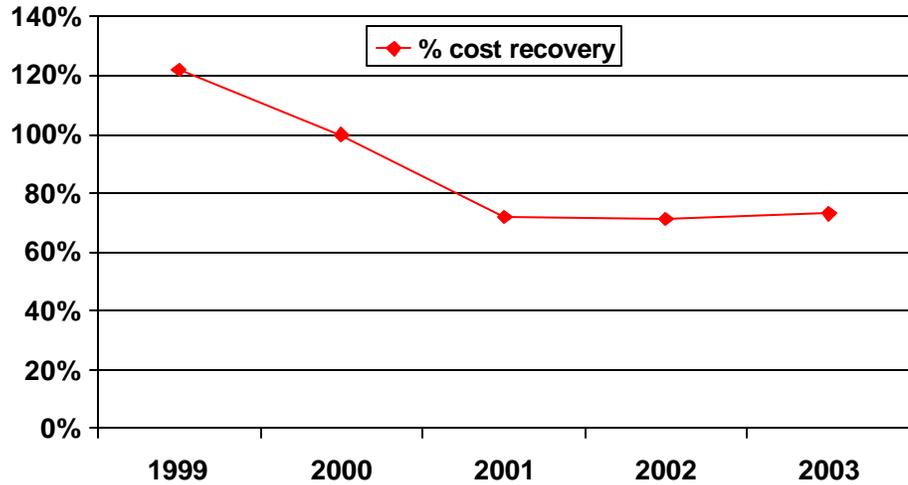
The cost recovery over the past 4 years has decreased by 40%. This is driven by an increase in expenditures during this time of 26% and a decrease in revenues of 24%. Should this situation not be addressed, this negative trend will continue to increase the taxpayer requirement. As will be shown later in the report, the fees have been adjusted on a regular basis, therefore, the reduction in revenues appears to be driven by decreases in activity. Based on our understanding, the activity in 2004, however, due to several large projects will exceed the projected revenues for 2004.

Expenditures are trending upward at the same time that revenues are trending downward



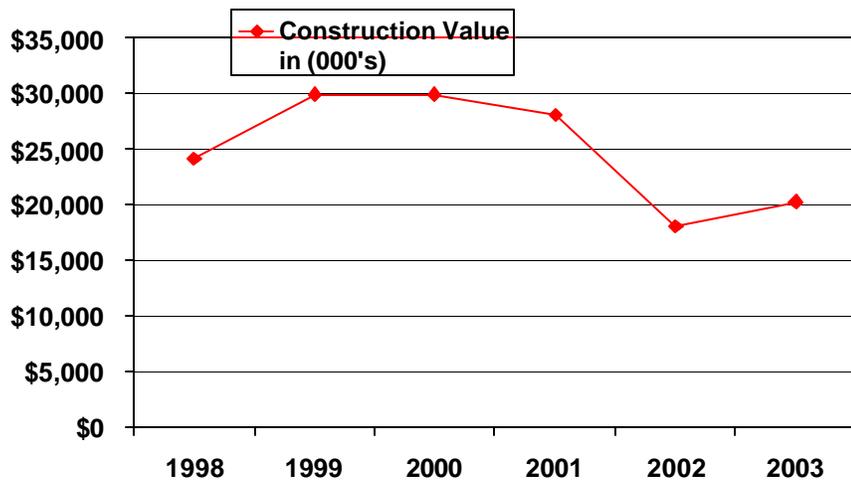
Cost recovery has declined over the past few years despite increases in fees...however, based on 2004 projections, several large projects will increase cost recovery beyond what is budgeted for 2004

The following chart reflects the percentage of costs that are recovered from building permit fees. As shown below, there is a significant trend downward. For example, in 1999, the City recovered 122% of the costs of building activity compared with only 73% in 2003.



Building Permit Activity

As shown below, the building permit activity is trending downward. This graph shows the total construction value associated with building permits.



2003 Building Permit Value Per Capita	
Building Permits	
Chatham-Kent	\$ 446
Cornwall	\$ 451
Timmins	\$ 464
Port Colborne	\$ 612
North Bay	\$ 614
Sudbury	\$ 656
Midland	\$ 664
St. Catharines	\$ 677
Thorold	\$ 704
Sarnia	\$ 785
Thunder Bay	\$ 884
Georgina	\$ 1,036
Kawartha Lakes	\$ 1,036
Brantford	\$ 1,129
Cobourg	\$ 1,165
St Thomas	\$ 1,176
Tay	\$ 1,194
Peterborough	\$ 1,195
Welland	\$ 1,258
Hamilton	\$ 1,286
Pickering	\$ 1,318
Wainfleet	\$ 1,320
Fort Erie	\$ 1,323
Leamington	\$ 1,349
Stratford	\$ 1,375
Penetanguishene	\$ 1,414
Pelham	\$ 1,417
Norfolk	\$ 1,550
Halton Hills	\$ 1,570
Kitchener	\$ 1,570
Toronto	\$ 1,627
London	\$ 1,631
Windsor	\$ 1,636
Orangeville	\$ 1,655
Niagara Falls	\$ 1,749
West Lincoln	\$ 1,827
Kingston	\$ 1,878
Ottawa	\$ 1,913
Lincoln	\$ 1,972
Mississauga	\$ 2,192
Collingwood	\$ 2,194
Clarington	\$ 2,249
Newmarket	\$ 2,263
Caledon	\$ 2,278
Grimsby	\$ 2,296
Guelph	\$ 2,361
Tiny	\$ 2,392
Cambridge	\$ 2,399
East Gwillimbury	\$ 2,568
Whitchurch-Stouffville	\$ 2,575
Burlington	\$ 2,610
Wasaga Beach	\$ 2,667
Richmond Hill	\$ 2,708
Oshawa	\$ 2,871
Markham	\$ 2,907
Waterloo	\$ 3,125
Orillia	\$ 3,241
Barrie	\$ 3,338
King	\$ 3,532
Oakville	\$ 3,818
Niagara-on-the-Lake	\$ 3,937
Aurora	\$ 4,252
Brampton	\$ 4,765
Vaughan	\$ 4,767
Whitby	\$ 6,326
Milton	\$ 11,219
Average	\$ 2,112
Median	\$ 1,646
Maximum	\$ 11,219
Minimum	\$ 446

Another measure used to assess building permit activity is to compare the total building permit construction value on a per capita basis. As shown in the table to the left, Timmins is amongst the lowest activity in the survey. This is consistent with activity over the past 5 years.

As expected, there is similar activity in other slow growth municipalities such as North Bay, Sudbury, Cornwall, Sarnia and Thunder Bay (Source: 2003 FIRs).

Municipality	Residential	Retail / sq ft (finished)	Industrial / sq ft (finished)	Residential \$ per sq ft	Residential 1800 sq ft property - \$126,000 value
Toronto	\$12.60 /m2	\$14.10 /m2	\$10.20 /m2	\$ 1.17	\$ 2,108
Windsor	\$.95 sq ft + \$400	\$1.40 / sq ft	\$.90 / sq ft	\$ 1.17	\$ 2,110
Markham	\$10.55 /m2	\$11.00 /m2	\$9.00 /m2	\$ 0.98	\$ 1,765
Milton	\$.96 / sq ft	\$.87 / sq ft	\$.59 / sq ft	\$ 0.96	\$ 1,728
Mississauga	\$.96 / sq ft	\$.79 / sq ft	\$.70 / sq ft	\$ 0.96	\$ 1,728
Aurora	\$10 m2	\$5 m2	\$5 m2	\$ 0.93	\$ 1,673
Caledon	\$9.90 /m2	\$8.00 /m2	\$4.65 /m2	\$ 0.92	\$ 1,656
Vaughan	\$9.75 /m ²	\$9.25 /m ²	\$7.65 / m ²	\$ 0.91	\$ 1,631
Richmond Hill	\$9.50 /m ²	\$10 /m ²	\$8.10 /m ²	\$ 0.88	\$ 1,589
Ottawa	\$12.50/\$1000	\$12.50/\$1000	\$12.50/\$1000	\$ 0.88	\$ 1,575
Penetanguishene	\$.86 /sq ft	\$.50 /sq ft	\$.44 /sq ft	\$ 0.86	\$ 1,548
Brampton	\$9.10 m ²	\$9.25 m ²	\$6.00 m ²	\$ 0.86	\$ 1,547
Guelph	\$.86/sq ft	\$.83/ sq ft	\$.656 / Sq ft	\$ 0.86	\$ 1,544
Cambridge	\$.84 /sq ft	\$.84 /sq ft	\$.66 /sq ft	\$ 0.84	\$ 1,512
Kingston	\$12/\$1,000	\$12/\$1,000	\$12/\$1,000	\$ 0.84	\$ 1,512
Kitchener	\$.82 / sq ft	\$.97 / sq ft	\$.56 / sq ft	\$ 0.82	\$ 1,476
Burlington	up to 300 m ² \$8.66 /m ² , then \$11.17 /m ²	\$9.16 /m ²	up to 4650 m ² \$6.78, then \$4.64 /m ²	\$ 0.80	\$ 1,449
St. Catharines	\$.80 / sq ft	\$.80 / sq ft first 10000 sq ft, \$.75 sq ft 10001-50000, then \$.70 50000, then \$.70	\$.65 / sq ft first 10000 sq ft, \$.60 sq ft 10001-50000, then \$.55 / sq ft > 50000 sq ft	\$ 0.80	\$ 1,440
Timmins	\$50 + \$11/\$1000	\$50 + \$11/\$1000	\$50 + \$11/\$1000	\$ 0.80	\$ 1,436
Waterloo	\$.80 / sq ft	\$.95 / sq ft	\$.55 / sq ft	\$ 0.80	\$ 1,440
Hamilton	\$.89 /m ²			\$ 0.80	\$ 1,437
Niagara Falls	\$.858 / m ² up to 3,000 sq ft, \$10.15 over 3,000 sq ft.	\$10.49 / m ²	\$5.11 / m ²	\$ 0.80	\$ 1,435
Pickering	\$.80 / m ²	\$7.00 /m ²	\$5.50 /m ²	\$ 0.79	\$ 1,422
Whitby	\$.80 /m ²	\$10.01 /m ²	\$8.18 /m ²	\$ 0.79	\$ 1,422
Norfolk	\$45 1st \$3,000 + \$11 per \$1,000	\$45 1st \$3,000 + \$11 per \$1,000	\$45 1st \$3,000 + \$11 per \$1,000	\$ 0.78	\$ 1,398
Brantford	\$11/\$1000	\$11/\$1000	\$11/\$1000	\$ 0.77	\$ 1,386
Leamington	\$.75 sq ft	\$7 /\$1000 value	\$7 /\$1000 value	\$ 0.75	\$ 1,350
Lincoln	\$.75 / sq ft	\$.65 / sq ft	\$.50 / sq ft	\$ 0.75	\$ 1,350
Sudbury	\$10.70/\$1000	\$10.70/\$1000	\$10.70/\$1000	\$ 0.75	\$ 1,348
Fort Erie	\$.73 / sq ft	\$.73 / sq ft	\$.64 sq ft	\$ 0.73	\$ 1,314
Barrie	\$7.85 m2	\$6.30 /m2	\$4.20 /m2	\$ 0.73	\$ 1,313
Oakville	\$7.80 /m ²	\$10.83	depends on size	\$ 0.72	\$ 1,305
Oshawa	\$7.75 /m2	\$8.97 /m2	\$7.53 /m ² for < 125000 m ² finished, then \$3.76 /m ²	\$ 0.72	\$ 1,296
Halton Hills	\$.71 /sq ft	\$.71 /sq ft	\$.71 /sq ft	\$ 0.71	\$ 1,278
Welland	\$7.53 /m ²	\$7.53 /m ²	\$4.95 /m ²	\$ 0.70	\$ 1,260
Whitchurch-Stouffville	\$.68 / sq ft	\$.68 / sq ft	\$.57 / sq ft	\$ 0.68	\$ 1,224
Pelham	\$7.03 /m ²	\$6.92 /m ²	\$4.59 /m ²	\$ 0.65	\$ 1,176
East Gwillimbury	\$.65 /sq ft	\$.48 /sq ft	\$.42 /sq ft	\$ 0.65	\$ 1,170
Newmarket	\$.65 / sq ft + \$51.50	\$.39 / sq ft +	\$.40 / sq ft + \$51.50	\$ 0.65	\$ 1,222
Cornwall	\$0-\$1000 = \$25, \$1000-\$1M = \$25 + \$9/\$1000 over \$1000, \$1M-\$5M=\$9000 + \$5/\$1000 over \$1M, > \$5M = \$29000 +	\$0-\$1000 = \$25, \$1000-\$1M = \$25 + \$9/\$1000 over \$1000, \$1M-\$5M=\$9000 + \$5/\$1000 over \$1M, > \$5M =	\$0-\$1000 = \$25, \$1000-\$1M = \$25 + \$9/\$1000 over \$1000, \$1M-\$5M=\$9000 + \$5/\$1000 over \$1M, > \$5M = \$29000 +	\$ 0.64	\$ 1,150
Wainfleet	\$.64 / sq ft	\$.64 / sq ft	\$.42 / sq ft	\$ 0.64	\$ 1,152
Grimsby	\$.63 sq ft	\$.61 sq ft	\$.61 sq ft	\$ 0.63	\$ 1,134
Niagara-on-the-Lake	\$.63 / sq ft	\$.66 / sq ft	\$.42 / sq ft	\$ 0.63	\$ 1,134
Orangeville	\$9/\$1000	\$9/\$1000	\$9/\$1000	\$ 0.63	\$ 1,134
Peterborough	\$9/\$1000, min \$50	\$9/\$1000, min \$50	\$9/\$1000, min \$50	\$ 0.63	\$ 1,134
Thunder Bay	\$9 /\$1000 value	\$9 /\$1000 value	\$9 /\$1000 value	\$ 0.63	\$ 1,134
West Lincoln	\$.62 / sq ft	\$.61 / sq ft	\$.41 / sq ft	\$ 0.62	\$ 1,116
Kawartha Lakes	\$6.50 / m2	\$6.50 / m2	\$5.00 / m2	\$ 0.60	\$ 1,087
Clarington	\$6.46 /m2	\$6.35 /m2	\$6.89 /m2	\$ 0.60	\$ 1,081
Chatham-Kent	\$8.50/\$1000 min \$100 or	\$8.50/\$1000 min \$100 or	\$8.50/\$1000 min \$100 or	\$ 0.60	\$ 1,071
Cobourg	\$8.50/\$1000	\$8.50/\$1000	\$8.50/\$1000	\$ 0.60	\$ 1,071
Georgina	\$.60 / sq ft	\$.40 /sq ft	\$.40 /sq ft	\$ 0.60	\$ 1,080
Tiny	\$80 first \$1000, \$8/\$1000 after	\$80 first \$1000, \$8/\$1000 after	\$80 first \$1000, \$8/\$1000 after	\$ 0.60	\$ 1,080
Stratford	\$.59 / sq ft	\$.56 / sq ft	\$.49 / sq ft	\$ 0.59	\$ 1,062
North Bay	\$50 first \$1000, \$8 for each additional	\$50 first \$1000, \$8 for each	\$50 first \$1000, \$8 for each additional	\$ 0.58	\$ 1,050
London	\$ 6.10 /m ²	\$6.70 /m ²	\$4.80 /m2	\$ 0.57	\$ 1,020
Midland	\$8/\$1000	\$8/\$1000	\$8/\$1000	\$ 0.56	\$ 1,008
Orillia	\$8/\$1000	\$8/\$1000	\$8/\$1000	\$ 0.56	\$ 1,008
Collingwood	\$.55 /sq ft	\$.50 /sq ft	\$.45 /sq ft	\$ 0.55	\$ 990
Thorold	\$.53 / sq ft	\$.51 / sq ft	\$.31 / sq ft	\$ 0.53	\$ 954
King	\$.50 / sq ft	\$.50 / sq ft	\$.50 / sq ft	\$ 0.50	\$ 900
Port Colborne	\$25 + \$7/\$1000	\$25 + \$7/\$1000	\$25 + \$7/\$1000	\$ 0.50	\$ 907
St Thomas	\$25 1st \$1,000 + \$7 each additional	\$25 1st \$1,000 + \$7 each	\$25 1st \$1,000 + \$7 each additional	\$ 0.50	\$ 900
Tay	\$7 / \$1,000	\$7 / \$1,000	\$7 / \$1,000	\$ 0.49	\$ 882
Sarnia	\$54 + \$6.10/\$1000	\$54 +	\$54 + \$6.10/\$1000	\$ 0.46	\$ 823
Wasaga Beach	\$20 first \$1,000, \$6 each \$1,000 value	\$20 first \$1,000, \$6 each \$1,000	\$20 first \$1,000, \$6 each \$1,000 value	\$ 0.43	\$ 770
Average				\$ 0.72	\$ 1,294
Median				\$ 0.60	\$ 1,080
Maximum				\$ 1.17	\$ 2,110
Minimum				\$ 0.43	\$ 770

Comparison of Building Permit Fees

The following table provides a summary of the fee schedule for 66 municipalities included in the BMA study for 2004. The table is sorted from highest to lowest in terms of Residential cost per square foot.

General Observations

- ♦ Fees in the majority of the municipalities vary by type of development, typically with industrial properties paying a lower fee on a per m² basis
- ♦ Timmins charges the same fee per sq.ft. regardless of the type of construction. This is consistent with the practice in a number of other low growth municipalities including Sudbury, Cornwall, Thunder Bay, Chatham-Kent and Sarnia
- ♦ The building permit per square foot in Timmins is \$0.80 compared with a survey average of \$0.72.

Municipality	2003 \$ Permit for Residential 1800 sq ft property - \$126,000 value	2004 \$ Permit for Residential 1800 sq ft property - \$126,000 value	Building Permits Per Capita 2003
Wasaga Beach	\$ 770	\$ 770	\$ 2,667
Sarnia	\$ 796	\$ 823	\$ 785
Tay	\$ 992	\$ 882	\$ 1,194
King	\$ 900	\$ 900	\$ 3,532
St Thomas	N/A	\$ 900	\$ 1,176
Port Colborne	\$ 907	\$ 907	\$ 612
Thorold	\$ 954	\$ 954	\$ 704
Collingwood	\$ 900	\$ 990	\$ 2,194
Midland	\$ 1,008	\$ 1,008	\$ 664
Orillia	\$ 1,008	\$ 1,008	\$ 3,241
London	\$ 1,020	\$ 1,020	\$ 1,631
North Bay	\$ 1,050	\$ 1,050	\$ 614
Stratford	\$ 1,026	\$ 1,062	\$ 1,375
Chatham-Kent	\$ 1,071	\$ 1,071	\$ 446
Cobourg	\$ 1,071	\$ 1,071	\$ 1,165
Georgina	\$ 1,080	\$ 1,080	\$ 1,036
Tiny	\$ 1,080	\$ 1,080	\$ 2,392
Clarington	N/A	\$ 1,081	\$ 2,249
Kawartha Lakes	N/A	\$ 1,087	\$ 1,036
West Lincoln	\$ 1,116	\$ 1,116	\$ 1,827
Grimsby	N/A	\$ 1,134	\$ 2,296
Niagara-on-the-Lake	\$ 1,098	\$ 1,134	\$ 3,937
Orangeville	\$ 1,134	\$ 1,134	\$ 1,655
Peterborough	\$ 1,134	\$ 1,134	\$ 1,195
Thunder Bay		\$ 1,134	\$ 884
Cornwall	\$ 1,150	\$ 1,150	\$ 451
Wainfleet	\$ 1,116	\$ 1,152	\$ 1,320
East Gwillimbury	\$ 1,152	\$ 1,170	\$ 2,568
Pelham	\$ 1,106	\$ 1,176	\$ 1,417
Newmarket	\$ 1,184	\$ 1,222	\$ 2,263
Whitchurch-Stouffville	\$ 1,188	\$ 1,224	\$ 2,575
Welland	\$ 1,260	\$ 1,260	\$ 1,258
Halton Hills	\$ 1,278	\$ 1,278	\$ 1,570
Oshawa	\$ 1,194	\$ 1,296	\$ 2,871
Oakville	\$ 1,305	\$ 1,305	\$ 3,818
Barrie	\$ 1,171	\$ 1,313	\$ 3,338
Fort Erie	\$ 1,260	\$ 1,314	\$ 1,323
Sudbury	\$ 1,348	\$ 1,348	\$ 656
Leamington	N/A	\$ 1,350	\$ 1,349
Lincoln	\$ 900	\$ 1,350	\$ 1,972
Brantford	\$ 1,386	\$ 1,386	\$ 1,129
Norfolk	\$ 1,386	\$ 1,398	\$ 1,550
Pickering	\$ 1,171	\$ 1,422	\$ 1,318
Whitby	\$ 1,422	\$ 1,422	\$ 6,326
Niagara Falls	\$ 1,676	\$ 1,435	\$ 1,749
Timmins	\$ 1,386	\$ 1,436	\$ 464
Hamilton	\$ 1,437	\$ 1,437	\$ 1,286
St. Catharines	\$ 1,206	\$ 1,440	\$ 677
Waterloo	\$ 1,890	\$ 1,440	\$ 3,125
Burlington	\$ 1,492	\$ 1,449	\$ 2,610
Kitchener	\$ 1,440	\$ 1,476	\$ 1,570
Cambridge	N/A	\$ 1,512	\$ 2,399
Kingston	\$ 1,512	\$ 1,512	\$ 1,878
Guelph	\$ 1,463	\$ 1,544	\$ 2,361
Brampton	\$ 1,547	\$ 1,547	\$ 4,765
Penetanguishene	\$ 945	\$ 1,548	\$ 1,414
Ottawa	\$ 1,386	\$ 1,575	\$ 1,913
Richmond Hill	\$ 1,673	\$ 1,589	\$ 2,708
Vaughan	\$ 1,547	\$ 1,631	\$ 4,767
Caledon	N/A	\$ 1,656	\$ 2,278
Aurora	N/A	\$ 1,673	\$ 4,252
Milton	\$ 1,710	\$ 1,728	\$ 11,219
Mississauga	\$ 1,728	\$ 1,728	\$ 2,192
Markham	N/A	\$ 1,765	\$ 2,907
Toronto	N/A	\$ 2,108	\$ 1,627
Windsor	\$ 2,120	\$ 2,110	\$ 1,636
Average	\$ 1,241	\$ 1,294	\$ 2,112

Comparison of Building Permit Fees

The following table calculates the cost of building a residential home with 1,800 sq.ft. at a construction cost of \$126,000 in 2003, 2004 and also show the level of building permit activity in 2003.

As shown in the following table, the fees in Timmins are above average and are also the highest in terms of low growth municipalities (highlighted). While the fees are high, the activity is relatively low in Timmins.



There is a need to reduce the reliance on the tax base to subsidize building activities

Building Permit Fees Analysis

Bill 124 will require a fee justification study and an annual report on costs. Recovering the full cost of service is permissible under the provisions of the Bill.

The current fees are insufficient to recover the cost of the Building Departments activities. The average shortfall for Building Department activities alone in 2002 and 2003 were \$100,000 annually. Currently, the City does not include in its calculations the cost of services provided by other divisions and departments. For example, the permit process involves Planning staff and often other departments such as Fire and Engineering. Legal costs may be involved in enforcement situations. The direct building budget expenditure in 2003 is \$376,000. Beyond doubt, a further \$50,000 in staff costs (i.e. 15% of the building budget) is consumed in other department budgets by the building permit and inspection process. For example, it is estimated that a minimum of 20% of the senior planner's time, is used to review zoning status of permit applications.

As shown previously in the report, while the City's fees are above average in comparison to other municipalities, the revenues generated are recovering a lower percentage of the total cost of operations in each of the past 4 years, requiring a greater subsidy from the tax base. This indicates that there is a need to review expenditures as well as revenues.

As stated previously in the report, the staffing levels moving forward, if some of the permits for minor works such as decks, windows, doors and siding were eliminated, staffing is considered high.

Prior to setting new fees, it is recommended that staffing levels be reviewed to ensure that the existing levels continue to be required. Ultimately, a move to 100% cost recovery will result in additional focus on the activities and costs of the Building Department and therefore the Department must make sure that it is operating as efficiently as possible. Based on the analysis undertaken, the Department should be able to reduce staff by one position without causing any reduction in service levels.

Expenditures and staffing levels must be rationalized prior to increasing fees to ensure that the current staffing levels are required

Some may oppose a fee increase. However, the costs of the building and related departments are real costs, which must be paid by the taxpayer if not paid by the owner. Building permits and inspection confer a tangible benefit on the owner and/or builder. The process regulates safer buildings and more reliable contractor trades. Ultimately, since the building permit and inspection costs is a mandatory function of municipalities, the costs are real and unavoidable, and the choice facing Council is whether the taxpayers or the owners will pay the difference between what must be spent and what is now being collected in permit fees.

The argument that an increase will encourage building without a permit does not hold true as there are significant penalties for doing so. Building permit costs are relatively low in comparison to the overall cost of construction. For example, building permit fees are equivalent to \$0.80 per sq.ft compared with construction costs, excluding land, of \$100-\$110 per sq.ft. As such, it is unlikely that a move to full cost recovery would deter development. The decision to build will almost certainly be made on grounds other than the permit fee.

In setting fees consideration should be given to the fluctuations in expenditures and building activity over a period of time. Building costs rise over time but are relatively stable. It is very important to note however, that much of the work on any given permit is done in a different year than the permit was approved. The building inspections (the staff-time cost of which is recovered in the fee) may be completed a year or even two years after the fee was paid. Similarly, legal costs may be incurred a year or two after the fee was paid if a building matter goes to court.

Revenues fluctuate to a greater degree than expenditures as they naturally fluctuate depending on the economic environment in any given year. For example, in 1999, Timmins took in \$363,000 in building revenues, whereas in 2001 revenues were \$235,000 and in 2003 \$275,000. For this reason, using a 5-year average on revenues and permit activity is important in order both to smooth out the economic cycles and to reflect the fact that the City's work extends beyond the year in which the permit fee was paid.

Over the past 3 years, a full cost recovery of Building costs alone would have required an increase in fees of, on average, of \$100,000 in revenues which is equivalent to a 25% increase in the existing fees. This however would bring the City of Timmins' fees amongst the highest in a survey of 66 municipalities.

A reserve should be established to transfer surplus revenues in any given year that could be used to offset future shortfalls

Even in a city of Timmins' size, a potential drop in building revenues of \$100,000 less than the revenue target causes a significant budget problem since it is extremely difficult for expenditures (which are 80% staff expenditures) to fluctuate in lock-step. Therefore, in 2004 (which is shaping up to be a very high-permit year), the City should establish a reserve into which any excess revenue of the building budget will be placed. The funds thus set aside would be used to offset costs in a low-permit year.

Other Municipal Experiences

A number of municipalities have moved to a full cost recovery approach to building permit fees.

Recommendations

That Council establish an objective that building permit fees be set at a level which will fully recover the costs of both the Building department as well as the staff costs in Planning, Fire, Engineering and legal that are consumed by the building permit review and building inspection costs.

That staffing levels be rationalized prior to establishing new fees which will be required by July 2005 in accordance with the provisions of Bill 124 with an aim to reducing the existing staffing complement by one position, in conjunction with the elimination of the requirement for permits for minor projects such as siding, windows, decks and doors for residential properties.

In calculating its building permit fees, the City should use a 5-year rolling average of building permit activity as a basis for construction activity. This will avoid any skewing factors caused by a particularly big project or a slow year.

That the City establish a reserve within its building budget in order to use revenues in high-permit years to offset costs in low-permit years and that any surplus funds in 2004 be transferred to this reserve.

Bill 124 is being phased in two steps... the final phase will impact municipalities in July 2005

Mandatory inspections at key stages of construction will be required

New Legislation Impacting the Department

On September 1, 2003 certain provisions of the *Building Code Statute Law Amendment Act, 2002* (Bill 124) came into force, while most other provisions will come into force on July 1, 2005. In moving forward with Bill 124, the Province is responding to long-standing concerns from various groups including builders, municipalities, building inspectors and citizens. The purpose of the legislation is to streamline the building regulatory system, increase the safety and quality of building construction in Ontario, enhance accountability, and create a more transparent and innovation-friendly regulatory environment for the construction industry.

The two year implementation period was provided to allow time for municipalities to meet the new requirements. For example, it will allow until July 2005 for municipal plans examiners and inspectors, designers, and persons engaged by Registered Code Agencies (RCAs), to comply with qualification requirements. By July 2005, designers and RCAs must become registered and insured.

Key provisions in Bill 124 and the regulation include:

Public Safety:

- ◆ Mandatory provincial Building Code knowledge requirements will apply to building officials, persons employed or engaged by private inspection agencies (RCAs) and to persons responsible for design activities.
- ◆ Mandatory inspections at key stages of construction as specified in the Building Code must be conducted within two working days of notification of readiness for inspection.

The new provisions are aimed at increasing flexibility through the use of RCAs

Streamlining:

- ◆ Specific time limits on building permit decisions, ranging from 10 days for houses to 30 days for complex buildings.
- ◆ A common, province-wide application form for permits to construct or demolish buildings.
- ◆ Provisions which provide municipalities increased flexibility through the use of RCAs. In addition to in-house enforcement or joint enforcement arranged by two or more municipal councils, municipalities are provided with additional Building Code enforcement options:
 - ◆ Appointing an RCA to undertake functions related to plans review and/or building inspections; and
 - ◆ Allowing permit applicants for house construction to directly appoint RCAs to undertake plans review and inspections.
- ◆ Provisions that support design innovations and new building products include rulings by the Minister of Municipal Affairs and Housing approving alternative materials, systems and building designs. The legislation also gives the Minister the ability to issue binding interpretations of the Building Code.

***Provincial exams
will be required***

Accountability:

- ◆ Provisions describing the roles of key parties in the building construction process including: designers; builders; persons, (eg. property owners), who cause a building to be constructed; manufacturers, suppliers and retailers of products intended to be used in buildings covered by the Building Code; RCAs; chief building officials; and inspectors.
- ◆ Mandatory professional indemnity insurance coverage for persons engaged in the business of providing design services to the public, and for RCAs.
- ◆ Qualifications and insurance requirements for designers and RCAs to be enforced through a provincial registration system with annual renewal.
- ◆ RCAs must register annually with the government, have qualified staff who have passed provincial Building Code exams, prepare and adhere to a “quality management plan”, comply with conflict of interest provisions, and have on staff an architect or engineer where the RCA reviews or inspects buildings that need to be designed by an architect or professional engineer.
- ◆ Mandatory reporting by municipalities on building permit fees will enhance transparency and ensure that building permit fees do not exceed enforcement costs. In addition, municipalities must provide annual building permit fee reports and hold mandatory public meetings before building permit fees are changed.

***Additional training
is required to meet
Bill 124
requirements***

Increased Training Requirements

Bill 124 requires that each plans examiner and inspector obtain a license from the Ministry of Municipal Affairs and Housing by July of 2005, in order to undertake (or continue to undertake) duties in respect of various building types such as:

- ◆ Part 9 (low-rise residential)
- ◆ Part 3 (commercial/industrial/ institutional), or plumbing

In 2004, for instance, 17 separate courses are being offered. Approximately 100 days of training, as well as successful completion of the exams, would be required for an inspector to obtain the full range of licensing. In some cases, depending on the depth and currency of an inspector's background, "grand-fathering" can be granted, or a "challenge exam" can be taken without further coursework.

The Timmins staff has a solid background of training, but in most cases more coursework and exams will be required before being licensed for the full range of current duties.

The next several months will require careful scheduling and adequate funds to ensure that each inspector, including the CBO, is licensed appropriately by July 2005.

Recommendations

That the City set aside sufficient funds and training time in the Building budget in 2005 to meet the staff licensing requirements of Bill 124.

There is a need to provide additional training to ensure that there is sufficient back-up resources available

Cross-Training Building Staff

At present, the Building staff contains only one member licensed to perform plans examination and inspection on Part 3 buildings. The CBO also performs this function when necessary, but is as yet not licensed. The CBO is likely within a few years of retirement, so that succession planning becomes an issue.

The Department should set a training and licensing objective, to be fulfilled over the next 3 years, to cross-train and multi-license its staff, so that more than one member is capable of doing Part 3 buildings. By July 2005, the CBO or at least one other member of staff must be so licensed.

The primary objective is to ensure that, in the event that the one Part-3-licensed member is absent, work can go on uninterrupted. Similarly, if that member is engulfed in plans review and inspection of a major project, another member of staff will be able to take on another Part 3 application so that there is no delay. There may be some minor travel time savings if the inspector who is now assigned to residential buildings in half the City is also able to inspect a Part 3 building during the same trip.

Other Municipal Experiences

The City of North Bay is moving toward cross training all staff for Part 3 and Part 9 plans examination and inspection to increase flexibility and meet the legislative requirements.

Recommendations

That all inspectors should be trained and licensed, as soon as possible, to undertake commercial/industrial/institutional plans examination and inspection (Part 3 of the Code)

Additional training is required to create efficiencies in the processes for simple over the counter permits

Cross-Training Building Staff

The Building staff should be congratulated for the fact that simple buildings such decks, detached garages and sheds are issued permits “over the counter,” while-you-wait”.

This excellent level of service, however, depends on an on-demand interpretation of the zoning by-law as to the location on the lot where the proposed building is located, the permitted size, etc. At present, therefore, the over-the-counter service requires that the senior planner (or Director) as well as the plans examiner (or CBO) be available at all times.

For simple permits, it should not be necessary for two people to be on-call. Nor should there be a potential for delay if there is not a planner available. It will be more efficient for the building staff to be able to determine not only Code compliance but also zoning compliance, in order to maintain or improve the high level of service. This is now in practice in S.S. Marie.

In order to facilitate this cross-training, the current review of the comprehensive zoning bylaw should have a primary objective of simplifying it so that it can be reliably learned by new users. Similarly, the new bylaw should recognize existing uses, existing lots and existing building locations so that minimum time is needed to confirm or deny non-conforming status.

Recommendations

That the Building staff be cross-trained to interpret the zoning by-law, at least in respect of simple buildings

Delegating authority for immediate over-the-counter service will increase customer service

Delegated Authority

As in the North Bay Building department, the delegation of permit-issuing authority to all inspectors will facilitate immediate over-the-counter service, will prevent the potential for delay if one or two people are not available for work, and will facilitate increased learning among staff and succession planning.

For the same reasons, the building staff should consider a work schedule which gives the building inspectors some training and experience in the field inspections, and allows the field inspectors to fill in occasionally on the counter.

Recommendations

That authority be delegated to every member of staff to approve permits for part 9 buildings upon the completion of appropriate training.

Workload Management

At present, the City requires a permit for new siding, windows, decks and doors. In each case, in addition to the permit processing time, typically one inspection is done. The CBO estimates that these constitute about 300-400 permits per year on average, consume a significant portion of the equivalent of one person year of staff time, and bring in about \$40,000 per year in revenue

These permits are generally not mandatory. Nor do they significantly affect health and safety, since they are replacements of what is already in place. While they are “easy money” in the sense that the workload generated is minimal compared to the processing and inspection requirements for other permits, they take time away from the public safety priority of the department and are likely seen as “useless red tape” by the public. The City of S.S. Marie and Owen Sound have eliminated these permits, unless a structural change is being made.

In 2003, the City stopped requiring permits for shingling, which similarly were not mandatory. While this has decreased permit numbers by about 300 per year, it has enabled the Department to find more time for major buildings and training, both of which have been critical in 2004.

Discontinuing the permit requirement would therefore improve both public relations and the availability of staff time for higher-priority purposes. Any loss of revenue will be made up by the previously recommended fee increases, the difference being that the fee increase will be used to fund mandatory services directly related to public safety, and improve service to the public.

Recommendations

That the City discontinue the need for permits and inspections for the replacement of siding, doors, decks or windows for residential properties.

Tickets can be issued under Part one of the POA...this can be an effective deterrent

POA Part One—Short Form Wording

The City has instituted a number of effective measures in the enforcement of the Building Code. For example, it has taken the steps to be able to issue Part 1 POA tickets, it has proven itself willing to go to Court and win when faced with a builder who proceeds without a permit or ignores an order, and it has doubled the permit fees when someone has started without the permit, in recognition of the additional work that this imposes on the department before a permit can be issued.

As the City eliminates its non-mandatory permits (shingling, siding, replacement windows, etc.), it is focussing on its statutory mandate for public safety, and it becomes even more important that it continue to ensure compliance by builders. Therefore, these steps should remain in place.

Going to Court under Part 3 of the POA can get large fines and is an appropriate way for the City to proceed against recalcitrant repeat offenders. However, this procedure takes up significant staff time, and is only used when other measures fail.

The ticket system is now used more as a threat than in reality. However, everyone realizes that a permit is needed before construction, even if the neighbour has managed to “get away with it”. Furthermore the City advertises widely and regularly in the paper and in lumber stores as to when permits are needed. To encourage compliance, it is recommended that the City develop an internal protocol for issuing tickets. The ticket system should be used more readily as a deterrent and Court proceedings under Part 3 should be a last resort.

Recommendations

That the City use Provincial Offences Act Part 1 tickets more liberally as a deterrent to building without a permit or ignoring an order to comply.

Technology will improve overall tracking of activity in the Building Department

For health and safety reasons and to recover costs of services, the City should consider implementing a fee for final inspections that are not initiated by the homeowner within one year of occupying the premises

Effective Use of Technology

The City is on the verge of having a GIS system that will be able to generate permit information based on a property identifier or on a map of the properties in the city. The longer the department waits to begin using computers for permit applications and permit forms, the more work it will take later to convert the paper files.

Experiences in Other Municipalities

The City of Sudbury uses IBM notebooks in the field to call up permits and enter data. In addition, software is available to convert handwriting to digital text. The City staff also take photos for their records of work undertaken. Timmins should investigate the hand-held computer system used by the inspectors in Sudbury.

Recommendations

That the Building staff should begin as soon as possible issuing permits and calculating permit fees via computer.

That drawings be required in digital format to be input into the GIS to improve access by all departments, increase efficiencies and assist the municipality in emergency situations.

Additional Cost Recovery Opportunities

The building permit indicates to the applicant that a final inspection is required, although the City does not prevent occupancy of a dwelling before the final inspection, nor require an occupancy permit.

In practice, many dwellings are occupied before construction is finished. The City attempts to send a further notice to the applicant within one year that a final inspection is required, although due to the lack of an automated reminder system, notices are not always sent in a timely fashion. If a letter has gone out, an additional \$200 inspection fee is charged. Generally, a final inspection is requested when the owner wants to sell the dwelling, as part of the lawyer's due diligence. No additional fee is charged for this service.

Belated final inspections pose several problems:

- ◆ After a significant period of occupancy , the construction may have been altered by the occupant, so that the builder may no longer be held responsible
- ◆ The inspector has to reopen and become reacquainted with the file
- ◆ The City may have to issue an order to comply, in order to have access to the dwelling if the owner is not willing
- ◆ A request at time of sale is accompanied by an unnecessary sense of urgency, resulting in considerable extra work and the potential to have to delay other work unfairly.

Therefore, in order to manage this matter, the City should:

- ◆ Automatically send out a final inspection reminder notice 9 months after the previous inspection.
- ◆ Apply the fee in every case where a final inspection is done after one year
- ◆ Place a warning to this effect on the permit form and give notice to builders, lawyers and real estate professionals in the city
- ◆ Implementat an occupancy permit which would require that no occupancy take place before an inspection has confirmed that the major structural, plumbing and other elements have been properly constructed.

Recommendations

That the City institute an automated reminder system that a final inspection is required and charge an additional fee to do final inspections if more than a year after the previous inspection.

That the City implement an occupancy permit which would require that no occupancy take place until a final inspection has been completed.

The Department should continue to work closely with the development community

Customer Service

The Department has undertaken a praiseworthy effort to keep the building industry informed of the Province's Bill 124 and the important changes it will bring about. It has sponsored Code seminars to which local builders are invited, and built a stronger relationship with the Construction Association. These efforts are expected to make the work of the department easier by improving the knowledge of local builders, obtaining important feedback, and increasing the likelihood of compliance and mutual respect.

The Department should maintain this relationship with local builders as Bill 124 comes into effect and as the recommendations in this Review are implemented.

Recommendations

That the Department continue and intensify its education efforts and information sharing with the building industry in the city

Performance Measures

The fundamental performance measure in which the public is interested is how long it takes to get a permit and how long it takes to get an inspection. Bill 124 introduces provincial minimum standards in turnaround times. Timmins (like most slow-growth municipalities) easily beats these minimum standards and works to the much higher local expectations.

The building permit system, after tax collection, tends to be one of the most common points of contact between the public and the City administration. Moreover, it tends to be a “flashpoint” for the public, since people’s housing, investment, and livelihood may be involved, and since, like taxation, it is a mandatory regulation which the City is obligated to perform.

Like the City’s efforts to educate and share information with builders, a sincere effort to obtain a measure of customer satisfaction and obtain constructive feedback will minimize conflict and improve service, in a situation where, admittedly, some measure of dissatisfaction is inevitable.

A periodic random sample survey of applicants may be the most constructive method, particularly if the quality of the feedback can be elevated by means of a telephone survey. Once every 3 years should be sufficient. At the same time, ongoing means to get customer feedback, such as a feedback box and focus groups of builders and related trades would ensure that the Department is able to make ongoing improvements whenever constructive ideas are found.

Some municipalities have formalized their customer service policies

Other Municipal Experiences

The City of North Bay track turn-around times and also volume of applications and financial results. Sarnia has established a 2 day maximum on residential permits for turn-around and 5 days for commercial construction.

The City of Greater Sudbury has in place both turn-around time targets that were locally generated, as well as a framework for measuring turn-around times and a practice of reporting annually to Council. A copy of these reports has been provided to staff for information. It is recommended that Timmins adopt the Sudbury measurement format and performance targets, and begin to report to Council in 2005. While Sudbury is able to generate this information electronically as an average for all permits, Timmins should begin by using a random sample review of its manual files (perhaps taking a random 10% of the files to begin with).

Recommendations

That the Department should establish formal turn-around policies for various types of construction and monitor and report to Council on the average turn-around time to issue building permits.

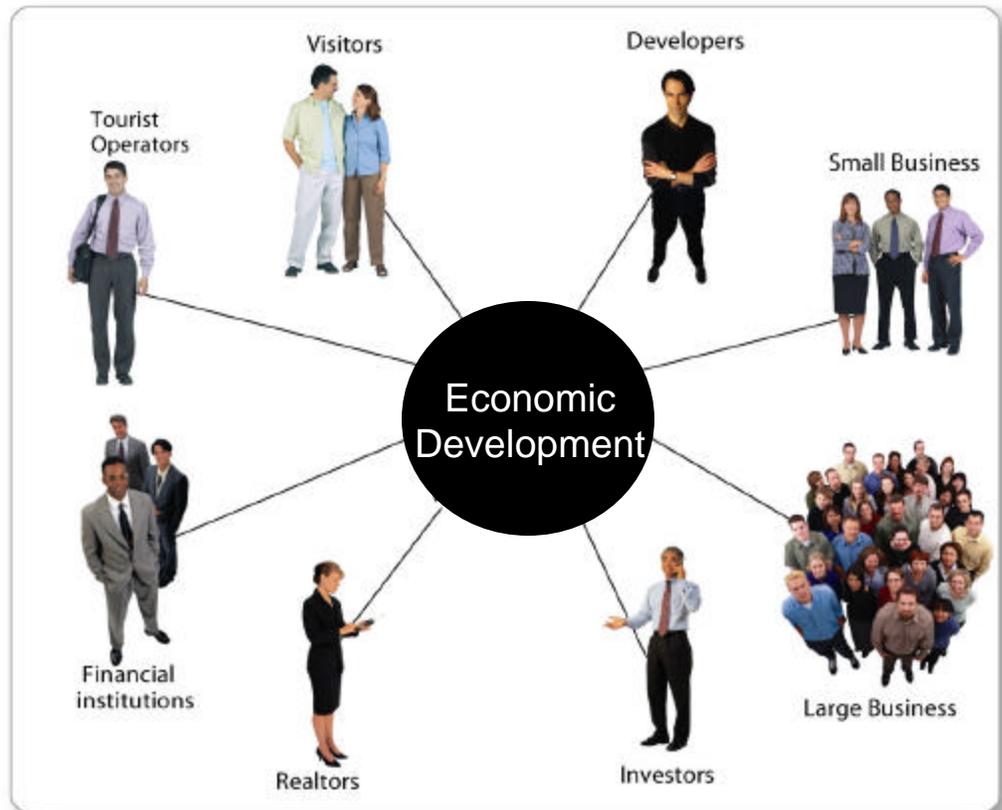
That the City institute a means to obtain a qualitative measure of building customer satisfaction as well as constructive customer feedback.

ECONOMIC DEVELOPMENT

Roles and Responsibilities

Economic Development plays a key role in interacting with the community. This includes all sectors of business and industry.

Economic Development plays a central role in working with the business community as well as visitors and potential investors



There are several key players in the provision of Economic Development services in the City of Timmins

A separate corporation was established in 1992 to provide Economic Development services

It is important to recognize that Timmins has several key players in pursuing the City's highest priority; to stimulate new jobs and income in the community. The City's tourism operations are an important element of any economic development strategy. The use of the City's recreation facilities for tournaments and conventions plays a role. The Director of Community Development and the Municipal Projects Coordinator are both fundamentally involved in economic development by obtaining grants for municipal projects, by managing the City's land supply, including industrial land, by undertaking special projects (such as Geothermal). The Planning section is directly involved in economic development by its Official plan and zoning review and by its Downtown Improvement plan project. The Community Development Department's efforts to create a Geographic Information System with on-line property information for potential investors are essential in the modern business development climate. Public Works ensures that transportation and servicing is available for land as needed for industry.

In 1992, the City of Timmins created a separate corporation with which to undertake certain aspects of the City's efforts to encourage job creation in Timmins. The Timmins Economic Development Corporation (TEDC) has a broad mandate, although as a practical matter it has to identify priority areas for action and fill gaps which are not able to be filled by the City's other economic development participants.

Roles of TEDC

Attraction of Jobs and Investment – One of the fundamental objectives of the Economic Development Division is to attract new businesses, new investment and new jobs to our community with particular emphasis on diversifying our economy. The most recent success would be Teletech, a Customer Interaction Centre.

Business Retention and Expansion- The Economic Development Division also devotes a considerable amount of effort in terms of encouraging and facilitating the retention and expansion of existing businesses. The TEDC participated in the recent Business Retention and Expansion Project in partnership with provincial and local community agencies to complete an extensive survey of existing businesses. The survey results revealed some very useful information in terms of what Timmins can do as a community to improve upon the business climate.

***TEDC is also
responsible for the
Business
Enterprise Centre***

Marketing & Promotion – This Division is responsible for gathering and maintaining a host of statistics on the community and preparing economic reports, community profiles and associated marketing materials to promote Timmins to outside businesses and investors.

Special Projects – The Economic Development Division often engages in the development of key projects that are identified and supported by the TEDC Board.

A Small Business Consultant is responsible for the Business Enterprise Centre operation, which provides support for business start-ups, and on-going assistance to small and medium sized enterprises, by:

- ◆ Easy access to business consulting services and information covering topics such as marketing, management, and financing
- ◆ Workshops and seminars covering business needs such as e-commerce, taxation and market research
- ◆ Review and assistance with business plan development
- ◆ Guidance on licensing, permits, registration, and regulations
- ◆ Access to a walk-in resource library
- ◆ Information on patents, copyrights and trademarks
- ◆ Information on federal and provincial business assistance programs
- ◆ An Ontario Business Connects workstation where people can Register a company for a Provincial business license, Apply for a Retail Sales Tax Vendor Permit, Register for the Employer Health Tax and the Health Tax for the Self-Employed, or register for Workplace Safety and Insurance

TEDC Projects

Current Projects

Discover Abitibi Project – a \$12 million regional partnership project (municipal, federal, provincial and private investors) that involves using the latest technology to identify areas of high mineral potential to encourage increased exploration and mine development in and around the community.

Data Storage & Mining Project – involves researching potential data storage and mining firms to determine their interest in establishing a facility in Timmins that offers a very safe and stable environment from potential terrorism acts.

Marketing Project – involves developing high quality general and tailored marketing material to promote the community to new businesses.

ONE U Project – a regional project that examines the feasibility of establishing a non-traditional university presence (through the use of technology) in Northeastern Ontario.

Biotechnology Initiative – a pan-northern initiative that involves examining the potential of developing a biotechnology cluster (using natural substances to produce alternative products - e.g., using agricultural crops to create bio-diesel fuels, medicines, natural alternatives, etc.).

Investor Immigrant Project – involves developing a strategy to encourage investor immigrants to locate in the North as opposed to major Canadian cities.

Cold Weather Testing Project – involves promoting the community to companies that are interested in testing their products in extreme cold weather and also to conduct durability testing.

Naturalia Conference – involves a major event to be held in November 2004 that will draw in 250 provincial, national and international delegates.

Forensic Laboratory Project – involves examining the possibility of attracting forensic laboratories to Timmins to help relieve the workload on existing facilities across the province.

Regional Innovation Strategy – a project that looks at the potential of developing key knowledge clusters based on the strengths of the region.

Future Projects

Secondary Manufacturing Feasibility Project – involves taking a proactive role in initiating studies to identify the feasibility of various value-added manufacturing opportunities in Timmins (i.e., agricultural, mining and forestry) and promoting the findings of these studies to potential investors.

Government Office Location/ Relocation – involves monitoring provincial and federal programs and attracting any new proposed government offices or proposed relocated offices to Timmins to help stabilize our economy.

TEDC is planning to undertake an update to its existing Strategic Plan

Community Economic Development Strategic Plan

The projects, roles and responsibilities emerged from a Community Economic Development Strategic Plan completed in the 1999-2000 period, with the assistance of KPMG and the involvement of the public, a wide variety of community organizations, provincial Ministries, and local businesses. The City, the TEDC, the Chamber of Commerce, Northern College, and a number of ad hoc groups have pursued projects identified through that process.

The TEDC has now applied for Northern Ontario Heritage Fund assistance for a 5-year review of that Community Economic Development Plan. The review will involve updating the Strategic Plan to identify the merits of previously-identified potential projects and to identify any new projects that should be undertaken to promote economic development opportunities in Timmins.

Like the original 1999 process, the review would be led by a Steering Committee containing membership from a variety of local organizations, potentially co-chaired by the Mayor and TEDC President, with logistical support provided by the TEDC. It is anticipated that each of the economic sectors identified in the earlier plan (mining, forestry, education, tourism, seniors, etc.) will have a sub-committee which would lead a specific focus group process, evaluate the economic development ideas obtained, recommend the highest priority projects to the Steering Committee, and encourage members of the community to participate in implementation.

It is important to note that the TEDC will act as the grant applicant and secretariat for this process, but that the participation in the review, the selection of projects and the implementation over the next 5-year period will be shared among all players in the community. The TEDC will presumably undertake those projects, particularly of an economic research and sector-targeted marketing nature, for which it is well-suited and experienced. In effect, the TEDC may be seen as the City's instrument to fill in the economic development gaps where no other agency is able to do so. City Departments and Council will inevitably continue to play critical roles, not only in funding the TEDC but also in areas such as property acquisition and development, land-use planning documents, geographic information, tourism and infrastructure.

The strategic plan that is being updated should include a detailed action plan with performance measures

A comprehensive municipal Economic Development Strategy will typically have a number of components as illustrated below:



As a municipal function, it is important to develop an economic strategy, which is endorsed by the City and the community. The strategy must reflect clear priorities for economic development in terms of what the City does, what it expects others to do and the end results to be achieved by the overall strategy. It should address key priority areas for the City's economic development initiatives. It should also include an action plan to describe the steps involved, staff resources, responsibilities, timing, costs to implement and performance measures to evaluate the success of the Office in achieving the economic strategy.

Recommendations

That the Strategic Plan that will be updated in 2005 include the following components;

- ◆ ***vision statement***
- ◆ ***identification of actions for the strategic priorities for growth***
- ◆ ***identification of strategic affiliates and partnerships***
- ◆ ***development of a marketing plan***
- ◆ ***incorporate the targets, performance measures, time frame and resources required for each initiative and the method by which performance and success will be monitored***

While there is a separate Corporation, the staff are City employees and report administratively through the Department of Community Services

In addition to the Director of Community Development, there are 5 full time positions dedicated to Economic Development as well as 2 contract positions

Staffing & Governance Structure

The TEDC is a separate organization approved by Council, which operates under its own constitution (i.e., a by-law that defines governance). The Board is comprised of 18 members, with representation from City Council and administration as well as key community sectors.

City staff have been assigned to assist the TEDC in realizing its mandate, goals and objectives and to assist with the administration and management of the Board's office at 54 Spruce Street South. The Director of Community Development and, reporting to the Director, the Manager of Economic Development, are responsible for the overall management of staff and budget administration, while the Board is responsible for project development and project related matters.

The TEDC is mandated to work with local businesses and with companies from outside the community to generate economic growth and prosperity within the City of Timmins and to promote the city as an ideal location for business development, as well as an excellent place to live. The TEDC acts as a liaison between the public and private sector for business development activity and as advisors in economic development strategic planning.

The Manager of Economic Development reports administratively to the Director of Community Development. The Manager provides the day-to-day administration, management and supervision of the staff allocated to the Economic Development Division, while being responsible to the Board for progress on its project priorities.

Staffing Directly Involved in the Day-to-Day Operations:

- ◆ Manager
- ◆ Two Economic Development Officers
- ◆ Administrative Assistant
- ◆ Small Business Consultant

In addition, there are 2 contract positions;

- ◆ Discover Abitibi Project Manager
- ◆ Data Mining Intern

There is a cross section of governance and staffing models used across the municipalities surveyed

Other Municipal Experiences

Models of economic development governance and staffing vary considerably. Like Timmins, Sudbury has an Economic Development Corporation which is at semi-arm's-length from Council but primarily funded by the City. The staff are City staff, reporting to CAO and Council through the General Manager of Planning and Economic Development Services. The EDC does not hold property and acts primarily in an advisory and community leadership capacity.

By contrast, Sault Ste Marie has an Economic Development Corporation which similarly is funded by the City and contains representation from Council, but is a separate operating entity. Its staff are not hired by or paid by the City, not on the City pay grid, and do not report administratively to the City staff or Council. The Corporation maintains its own books and contracts for its own services (although it does have access to some City resources such as legal or Information Technology, in some cases with a chargeback from the City). The Sault Ste Marie EDC has acquired industrial property in a limited number of cases.

For several years, North Bay focussed its economic development efforts through a commission, which did not own property, and to which relevant City staff were seconded. As such it was similar to the Sudbury arrangement. Since 2003, the City's economic development manager and staff have been assigned directly to the Mayor's office.

Owen Sound has an economic development advisory committee, appointed by Council, containing some Council representation but primarily business representatives from the City and surrounding area. The economic development officer is a member of the Community Services Department, which also includes planning, building, tourism, heritage and recreation functions.

Cornwall administers its economic development as a direct City function through a Recreation and Economic Development Department. The Director reports directly to CAO and Council.

Sarnia has an advisory committee structure similar to Owen Sound, but the staff are a stand-alone department within the City administration (director and secretary). In addition to having an in-house staff, the majority of the Economic Development efforts are focused at the County level, in which the City contributes funds and has a seat on the Board. The City of Sarnia plays a support role, while the Economic Development Partnership plays a lead role in Economic Development. Support roles include ensuring that the City expedites approval processes, develops policies to encourage development, provides a solid capital infrastructure and augments marketing efforts of the County. The Office of Economic Development is funded by the County of Lambton and operates as the operating arm of the Economic Development Partnership. A Management Board is in place that is comprised of membership from the Council of Economic Renewal. A Strategic Plan for economic development of the County has been established by the Council for Economic Renewal.

The following table summarizes the results of the benchmarking.

Municipality	Governance	Staffing	Staff Levels	Total Expenditures	City's Contribution	Inclusion of Tourism?	Comments
Timmins	Corporation	City	5 FTE, 2 contract, Director	\$ 774,500	\$ 560,000	No	Does not include Tourism
Cornwall	City	City	4 FTE	\$ 767,000	\$ 600,000	No	Through Recreation and Ec. Dev. Department., includes self help centre Cornwall Seaway Tourism is a separate corp.
North Bay	Commission	City	5 FTE, plus 1 intern		\$ 300,000	No	Also operate a small business enterprise centre. City also contributes to a Regional Ec. Dev. Initiative
Thunder Bay	City	City	13 FTE	\$ 1,700,000	\$ 1,300,000	Yes	Tourism brought in Ec. Dev. - this includes the enterprise centre
SS. Marie	Corporation	Corporation	14 FTE		\$ 900,000	Yes	Includes Tourism and full support services IT, Finance etc.
Sarnia	City	City	2 FTE + Lambton County		\$ 191,000	No	Main Ec. Dev. services are provided through Regional Corporation
Owen Sound	Advisory Committee (Council & Private Sector)	City	75% of director, 50% admin. asst and enterprise centre		\$ 113,000	No	Operated through Community Services - planning, building, tourism, heritage and recreation
Sudbury	Corporation	City	21 FTE's, includes Ec.Dev., Tourism, Bus. Centre, Special Projects			Yes	Staffing through Economic Development and Planning, Includes Tourism Functions

The cost to taxpayers for Economic Development exceeded \$550,000 in 2004...an increase of almost \$140,000

Budget

The following table provides a summary of the 2003 and 2004 operating budgets for the TEDC. The City provided \$427,000 in 2003 (59% of the total) and \$566,000 in 2004 (73% of the total). Approximately 57% of the total expenditures are associated with staffing the organization. The budget for Economic Development has increased 33%, largely as a result of a decrease in revenues. These costs do not include support services from the Director of Community Development, Finance, HR, IT and other administrative support services.

Activity	2003	2004	\$ Difference	% Difference
	Economic Development Budget	Economic Development Budget		
Expenditures	\$ 729,056	774,500	\$ 45,444	6%
Revenues	\$ 302,183	208,700	\$ (93,483)	-31%
Net Operating Budget	\$ (426,873)	\$ (565,800)	\$ (138,927)	33%

The revenues supporting the Economic Development Division are leveraged through various provincial and federal government programs. In the 2004 budget for example, the department was expecting less one-time grant funding than in 2003. These budget figures above do not include the \$12 million multi-year "Discover Abitibi" geoscience program, which maintains separate accounts, although it is headquartered in the TEDC premises.

There are risks of course, in trying to compare Timmins level of economic development funding to that of other municipalities. Obtaining apples-to-apples comparisons is difficult (is a grant to the Chamber included, does it include special projects, does it include all overheads, etc.). Furthermore, the fundamental question about economic development funding is whether funding should be higher if the obstacles are higher (for example, should Timmins spend more than North Bay, which is closer to Toronto, or S.S. Marie, which is on the US border?).

In all cases, the economic development infrastructure of staff and office space and general City promotion expenses are funded by the City, as in Timmins. Special projects and advertising may attract specific private contributions, but not the basic service.

Having said this however, the contributions made by the City appear to be high, considering that this does not include Tourism activities.

Increased accountability to the City is needed given the significant taxpayer funds provided to operate the TEDC

General Operating Practices

One of the traditional concerns about semi-arms-length boards operating with public funds is that they may not operate with the same level of financial transparency and policy guidance that well-managed municipalities take for granted. Policies about tendering and quotations are an example where small business practice does not traditionally have to meet the expectations that usually accompany the use of public funds. Transparent and objective hiring policies are also typical of organizations which depend on public funds.

As long as the TEDC is overwhelmingly using City subsidies for its operations, the City will be expected by the public to ensure that the TEDC's financial and hiring practices are of the same high standard expected of the City administration itself.

If the City is no longer staffing the TEDC, it may be the case that the TEDC budget is no longer presented to Council as part of the City's Community Development budget, nor that the books of the TEDC are consolidated with the City's. Potentially, the TEDC may decide no longer to use the City Treasury department for payroll and accounting services. For example, this level of separation is true of the Sault Ste Marie EDC.

It is essential however that the City's policies continue to apply and that the auditor ensure that this is being done. If the TEDC chooses not to take advantage of a City tender for, say, paper or IT equipment, the TEDC must nonetheless follow the City policy when purchasing its own supplies and services, so that the TEDC practices will always be able to stand up to public scrutiny.

The current approach to provide service through City staff, reporting through Community Services

Governance, Funding and Staffing

The present arrangement whereby the Director of Community Development has the City's Economic Development Manager and staff reporting to him, similar to the Sudbury arrangement, is intended to ensure that the City's commitment to economic development is focussed through a single department and that the City's efforts are co-ordinated in order to have maximum effect. In effect, that position is the focal point for implementation, not only for Council's direct economic development efforts but also for those of city-funded bodies such as the TEDC.

In addition, the intent is to ensure that, via the Director link, the TEDC has the benefit of the City's processes for financial accountability and public sector personnel practices, as well as minimizing the need for Economic Development staff to be diverted into administrative and personnel matters.

For this system to work, several conditions are required:

- ◆ The Director must have effective management authority for the City staff assigned to Economic Development (including the ability to change that staff, adjust projects and job duties, ensure their fair and proper placement in the City's pay equity grid, evaluate performance, assign other staff to projects, and account to Council for the value achieved by the staff)
- ◆ The Economic Development Manager and staff must acknowledge the Director as the one to whom they report in all administrative respects and who is responsible for the evaluation of the performance
- ◆ The Director must be seen to, and be able to, perform the essential duties of the CEO of the TEDC
- ◆ The TEDC must be clear about its role in terms of economic development strategy development, project selection, and monitoring/reporting on the progress and successful fulfillment of its mandate, while acknowledging that it has no direct responsibility for staff

There are problems with the existing reporting relationships that cause confusion within the City

These conditions do not appear to exist:

- ◆ The physical separation of the Director in City Hall from the Economic development section in the Train Station breeds a sense that the latter are removed from the former
- ◆ There is no past practice or likelihood that the Director will assign a staff member other than those in the Economic Development section to assist the TEDC
- ◆ Conversely, the Economic Development section staff (other than the Small Business Centre consultant) do not have responsibilities other than to assist the TEDC to fulfill its mandate and to implement projects selected by the TEDC
- ◆ The TEDC Board has not apparently always been able to refrain from becoming involved in personnel issues related to the Economic Development section staff
- ◆ The Economic Development section Manager and staff are not always able to refrain from enmeshing the TEDC Board in administrative and personnel matters which is ultimately the responsibility of the Director

The result is a confusing situation which serves all parties less well than it should:

- ◆ The Economic Development section Manager is in practice seen as the CEO of the TEDC
- ◆ The Director faces second-guessing on personnel and administrative matters from a body (the TEDC Board) which is not responsible for these matters
- ◆ The Manager's relationship with the Board appears to invite Board members to become involved in staff issues
- ◆ The Economic Development staff's semi-arm's length relationship with other City staff may encourage them to see themselves to "be above" the City's normal accountability practices such as purchasing and HR policies

The preferred governance and staffing model depends in large part on the commitment of the business community

This situation existed in 2001 when an operations review of the TEDC was done. As a result, in 2003, a brief Memorandum of Understanding between the TEDC and the City was signed, outlining very clearly the roles and responsibilities of the TEDC, the Director and the Manager. Unfortunately, this has not resolved the problem. During this 2004 operations review, it appears that the potential for confusion persists. As a result, it may be time to consider another alternative approach to governance and staffing.

Governance and Staffing Model Options

There are essentially three models that are typically employed by municipalities:

1. Operate as a City Department
2. Establishing an Advisory Committee
3. Establishing a Corporation

The preferred governance structure depends in large part on the business community, the municipal staff, the volunteer sector and the economic climate. Municipalities need to continually review their governance structures and work to ensure that they meet the needs and expectations of all involved. In addition, there is a need to ensure that there are sufficient controls and accountabilities in place when the municipality is the major contributor.

An analysis of the current governance models of economic development services suggests that it is an appropriate time to review how best to organize and deliver these functions.

There is growing recognition that regardless of structure, there is a need to form a strong alliance among the key groups involved in economic development.

The majority of the municipalities surveyed across Ontario are moving toward increased private sector involvement

Option 1 Operate as a City Department

The following tables identify the strengths/opportunities and weaknesses and risks associated with operating as a department.

City Economic Development Department	
Strengths/Opportunities	Weaknesses/Risks
Demonstrates municipal commitment	Potential to lack private sector commitment or involvement
Can achieve economies of scale and synergies with other departments	Could lack profile if other municipal issues dominate the agenda – this is particularly the case when there is no dedicated reporting body
Is highly accountable to the municipality	Subject to political interference and changing priorities
Easily recognizable to the public	Potential to become bureaucratic
	Without private sector involvement, reduced credibility and objectivity with the business community (existing and new business)
	More limited resources and knowledge base without formal business sector involvement

Option 2—Economic Development Advisory Committee

The following tables identify the strengths/opportunities and weaknesses and risks associated with operating as an advisory committee.

Economic Development Advisory Committee	
Strengths/Opportunities	Weaknesses/Risks
Increased accountability to the private sector	Risk of conflict between role of Council and role of committee
Opportunity to receive strategic direction from knowledgeable business leaders	Potential for increased bureaucracy
Improved performance measurement	Potential to be seen as representing vested interests
More focused approach to key strategic economic issues	
Increased clarity of role of economic development	
Increased credibility with private sector commitment	
Increased network to potential investment	

Option 3—Operate Through A Corporation

The following tables identify the strengths/opportunities and weaknesses and risks associated with operating as an separate corporation.

Economic Development Corporation	
Strengths/Opportunities	Weaknesses/Risks
Strong support by the private sector – ability to leverage private sector knowledge and financial resources	Requires significant investment of time and resources on the part of the private sector
Decreased bureaucracy – able to respond more effectively to private sector requests	Runs the risk of not being accountable
Flexibility to develop strategies and funding mechanisms not always possible in the public sector	Not always able to integrate with municipal support services, so can result in duplication
More focused approach to key strategic economic issues	Potential to be seen as representing vested interests
Increased clarity of role of economic development	
Leadership and expertise available across all sectors of business, education and industry	
Increased credibility with private sector commitment	
Increased network to potential investment	

While there is a separate Economic Development Corporation within Timmins, staffing is still provided by the City....also there are some concerns regarding performance measurement that will be addressed later in the report

<p><i>Clearly Defined Accountability</i></p> <p><i>Private Sector Involvement</i></p> <p><i>Streamlined Processes</i></p> <p><i>Credibility</i></p> <p><i>Fair Representation</i></p> <p><i>Mitigate Conflict Of Interest/ Interference</i></p> <p><i>Sustainability</i></p> <p><i>Good Value For Money (ROI)</i></p>	<p><u>Evaluation</u> To determine the most appropriate structure to provide economic development services in the City of Timmins, a number of issues were considered including:</p> <p>The governance model must have clear accountability for the functions provided and monies expended. This will require clearly defined roles and responsibilities, the development of an updated strategic plan with performance measurements, specific actions and target time frames.</p> <p>The private sector business interests must demonstrate support for the organization. This is particularly critical for a Corporation to succeed.</p> <p>The governance model must be efficient and not duplicate the efforts of others in the municipality. In addition to avoiding duplication, well co-ordinated efforts with other service providers are required.</p> <p>The governance model must be visible and convey an image of importance both within and outside of the municipality. As such, it must be deemed to be credible with the business community.</p> <p>The governance model must demonstrate an ability to represent and understand the interests of the City and the business community. The preferred organization structure must be able to interact with and ideally represent all of the community's interests in a meaningful way.</p> <p>The governance model must be structured to minimize the potential for conflicts of interest and political interference.</p> <p>The governance model established must have a reasonably good chance of being sustainable over time. To be successful in economic development requires stability. Therefore, strong support from the Council, staff and the business community increases the likelihood of success.</p> <p>There should be a return on investment and value for money that can be monitored on an ongoing basis. This requires a clear strategic plan with an identification of the costs of service and the measurable expected return.</p>
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**Municipal
Commitment**

The municipality sets the tone for being positive and supportive of economic development. This support can be as basic as having access to key decision-makers and clearly articulated policies for the attraction, development and retention of economic development initiatives.

The evaluation of the organizational options using these criteria is shown below. A grading between 1 and 3 has been used, with 3 being the highest chance of success and 1 being the lowest. While the evaluation is somewhat subjective, it provides an overall guide to evaluate the success and deficiencies under each option. A similar approach has been undertaken in other municipalities to assist the municipality in evaluating the options.

Evaluation Criteria	Department	Corporation	Advisory Committee	Notes
Accountability	2	3	3	Notes - City has many priorities, which can reduce accountability
Private Sector Commitment	1	3	2	Notes - Private Sector commitment is increased when there is a formal role for them to play
Streamlined Processes	3	2	1	Notes - Advisory Committee adds an additional layer into the process
Credibility	1	3	2	Notes - Typically increased private sector involvement increases the credibility, particularly when they are also responsible for staffing
Representative	1	3	3	
Conflicts of Interest/Political Interference	2	2	2	Notes - While City has less conflict of interest there is increased political interference
Sustainability	3	2	2	Notes - maintaining a City department has the highest degree of sustainability
Value for Money	2	3	3	Notes - Value for money tends to be higher when there is a focused body overseeing the operations
Municipal Commitment	3	3	3	Notes - under any structure, the municipality determines their commitment and level of funding
Total Score	18	24	21	

As shown above, using the criteria established for evaluating various governance models, the Corporation ranks highest followed by the Advisory Committee.

***Recommend
maintaining the
Corporation with
some
modifications***

There is a growing trend toward forming Economic Development Corporations across Ontario. In recent years, a number of municipalities have established arms-length economic development corporations.

The primary reason is usually securing private sector commitment and tapping into private sector connections. Some municipalities have established arms-length organizations to separate the business of economic development from the political process.

While Economic Development is provided by a separate Corporation, staffing is still provided by the City. To some extent, the operations of the Economic Development Corporation is a combination of a Corporation and an Advisory Committee due to the extent of municipal funding and the staffing practices.

Given the significant benefits of operating as a Corporation, including the involvement of the private sector and increased flexibility to respond to market conditions, it is recommended that the Corporation be maintained with a few key changes to address some of the existing deficiencies in terms of staff reporting relationships and performance measurement and reporting to Council, the largest supporter of the Corporation.

The current reporting structure is confusing. As identified earlier in the report, there are current problems that must be addressed moving forward. A structure similar to Sault Saint Marie is recommended, whereby the staff report to and are accountable to the Corporation. While this is not the current policy, this is effectively the current practice in the City of Timmins.

Recommendations

That the City continue to support economic development initiatives through the Economic Development Corporation subject to increased reporting requirements and performance measurements.

That the staffing of the Economic Development Corporation be provided directly through the TEDC.

That all service requirements of the TEDC such as Finance, IT, Human Resources etc. be provided by TEDC. The City could continue to provide these services on a fee for service basis.

There is insufficient formal reporting requirements for the Corporation to provide sufficient accountability to the City

Increased Reporting Requirements

As the elected representatives in a city where creating jobs is clearly the public's highest priority, Council cannot delegate its mandate for economic development. Nor can Council escape its responsibility to the public for now in excess of \$550,000 of the taxpayers' money is used.

It has become apparent that the TEDC has not been reporting regularly to Council or living up to the existing memorandum of understanding with Council. The TEDC briefings to Council have not been regular or comprehensive. Similarly, the Council representatives on the TEDC have not been able to keep Council up to date or ask the tough budget questions. The TEDC has not adopted a communication's plan to educate the public about the TEDC role and activities. The Director's reports to Council about the TEDC projects and progress have been discontinued by Council. All of these were required by the 2003 memorandum of understanding. Proper accountability has not been maintained.

Quite appropriately, Council has delegated to the TEDC the responsibility to select and implement some of the City's efforts to attract jobs to Timmins. Delegation requires accountability... what is being done, why, and is the community receiving the intended results.

Similarly, delegation requires coordination, since Council must be satisfied that all parties are working together for best results, that each is doing what it does best, and that there is no duplication.

The TEDC is an effective instrument for the City to undertake its economic development initiatives:

- ◆ It harnesses the expertise and experience of the City's business and civic leaders
- ◆ It enables some activities to be managed with a substantial degree of day-to-day independence
- ◆ It provides a focus and an advocacy group within the City to lobby for job-creation efforts and business promotion
- ◆ It monitors, on Council's behalf, the achievement of the community economic development strategic plan objectives
- ◆ It enables discussions with new business prospects to take place on a confidential basis

There is a need to fully reflect the cost of Economic Development services

The TEDC must be very cognizant that it is accountable to Council and that Council as a whole has a responsibility to be regularly informed of the TEDC's progress and to evaluate the TEDC's performance. If the current lack of accountability continues, Council should be prepared to withdraw funding from the TEDC.

Recommendations

That the TEDC be required to provide regular and comprehensive reporting to Council on a quarterly basis, which would include information on expenditures by project, status updates on projects and action plans and the community outcomes which had been achieved.

Full Cost Accounting

As currently stated in the TEDC budget, the City's contribution is understated, since other City departments provide services such as payroll, purchasing, accounting, information technology. The Director also provides services which are similarly not shown in the TEDC budget.

These are real costs which would be redirected to other City activities if the City were less committed to economic development. Including them in the TEDC budget thus presents a truer picture to the taxpayers.

If the TEDC, as a more arm's length body, were to choose to find these services elsewhere in the community, they would become a new cost item for the TEDC. Therefore, those departments which now provide services to the TEDC should identify a chargeback revenue from the TEDC budget, equal to the value of their costs related to TEDC. This represents a more business-like method of accounting for the TED Corporation. It will also better reflect the impact on the City departments if the TEDC were to seek another provider.

Recommendations

That the TEDC budget be stated in full-cost accounting terms, which includes the value of the services received from the City.

There are various types of performance measurements used

Appropriate Performance Measurements

Economic Development staff in every municipality are faced with a measurement conundrum: do they report on the state of the community's economy at large (average household incomes, unemployment rates, job losses, etc.) and if so, is there an unintended implication that the economic development organization should in some way be measured by the rises or declines in these measures?

On the other hand, many municipal economic development organizations report on the status of their projects (i.e. on the activities undertaken) but leave unanswered the question of whether the activity did the community any good.

Some of the existing practices include:

Sudbury:

- ◆ project and activity progress reports
- ◆ volume of inquiries

Cornwall

- ◆ annual state of the economy report
- ◆ volume of inquiries
- ◆ anecdotal report on inquiries being turned into leads

Owen Sound

- ◆ annual report on community economic health indicators
- ◆ project progress reports

S.S. Marie

- ◆ measures outcomes as # new jobs created, amount of new assessment built, based on 4 levels of EDC involvement (from providing information to partnering in an industrial site)
- ◆ measures activity, both reactive (calls received, website hits) and targeted (marketing packages sent, cold-calls made)
- ◆ sets business plan targets at beginning of year both for outcomes (jobs), as well as activity targets
- ◆ also monitors and reports annually on state of local economy (jobs lost/jobs gained, business starts/closings) through business directory preparation process
- ◆ commissions a periodic independent audit of ED program and strategies to verify value of activity and responsibility claimed for outcomes

***Additional focus on
outputs and
outcomes are
needed***

The most basic level of reporting is financial; how and on what the budget was spent. A report would simply summarize the staffing, advertising and other expenses that were purchased, the activities that the staff undertook, and the budget-to-actual financial status. This form focuses on inputs (what was spent). To this basic level, economic development agencies often add their success at attracting senior government funding for their projects and marketing campaigns.

A more sophisticated level of reporting focuses on **outputs and outcomes**, what might be called a work progress report. Typically this involves progress reporting on projects that were generated by the economic development agency or Department (how it was done, how close it is to completion, how it was funded, what feedback has been received). At the same time, it reports on the volume of activity in response to inquiries and customers (number of inquiries received, number of packages sent out, number of city tours given, etc.).

The Economic Development Manager does an excellent job of reporting at this level to the TEDC Board. As noted elsewhere, the TEDC projects are carefully selected and well-managed. In addition to the work of City staff, Tourism Timmins and external agencies, the TEDC projects show Timmins' ability and commitment to taking action and having an influence on its own future.

The communication between TEDC and Council however has not been consistent. Council needs to get a routine and detailed annual report on work progress so that it can understand and explain to taxpayers the economic development service that they have purchased. In addition, this information needs to be available when Council is considering its annual budget. Therefore, a December timing is recommended.

Performance measures should reflect the strategic plan, be outcome-oriented and allow staff to measure their individual contributions

Best Practices in Performance Measurement

Performance measures should be adopted to show progress toward action plans, programs and initiatives and should be linked to the activities/inputs of the Corporation.

While it is somewhat more difficult to develop a comprehensive inventory of performance measures for the Economic Development Department, services provided should be evaluated in the following context:

Are the inputs and resources used to provide the service resulting in desirable outcomes - efficiency (Have the inputs or resources used been compared to the outputs or outcomes achieved?)

Are the services, activities and efforts effective at achieving the desired outcome (eg. Has attendance at trade shows resulted in leads and ultimately increases in business attraction?)

Are the services provided to the community in a satisfactory manner? (eg. Has the public/customer satisfaction been measured on an ongoing basis? What is the customer's perspective on the services we deliver?)

Are the services provided adding value to the community? (Do the results align with the strategic marketing plan?)

Most business attraction programs consist of several components that, when operated in tandem, are designed to provide a community with exposure to as many relocations or new business developments as possible. These components usually consist of an overall marketing campaign which includes a mix of advertising, public relations and networking; targeted marketing efforts directed toward specific business sectors, clusters or geographic target areas; and, marketing support efforts which include the development and maintenance of marketing materials and management of the prospect through sales effort.

Economic development organizations employ a variety of methods to evaluate and monitor their business attraction programs.

<p><i>Number of Businesses</i></p> <p><i>Number of Jobs</i></p> <p><i>Investment in the Community</i></p> <p><i>Number of Presentations</i></p> <p><i>Number of Leads</i></p> <p><i>Number of Qualified Prospects</i></p> <p><i>Success File/ Investment Highlights</i></p> <p><i>Surveys</i></p>	<p>Measures identified in other Economic Development documents include the following:</p> <p>When evaluating their performance, some economic development organizations count the total number of businesses in their areas, while others count the total number of new businesses in a given period. Some have an organized system to determine which businesses they contributed to bringing to the community. Economic development organizations also compare the type of jobs attracted to the type of jobs the community wants to ensure overall economic goals are met.</p> <p>Many economic development groups also track the number of jobs to evaluate their performance. Most of these organizations track new jobs or jobs created.</p> <p>Some organizations use dollars invested in the community to evaluate their performance.</p> <p>Many business attraction programs use company-specific presentations or marketing materials to sell their areas to prospective companies.</p> <p>The number of leads may be considered more relevant than the number of presentations, which helps account for staff time but does not measure the effectiveness of outreach efforts. The number of leads focuses on firms that have a real interest in locating in an area and is a better indicator of a successful promotion program.</p> <p>Taking the number of leads a step further, the number of qualified prospects generally includes businesses that fair well with the community's attraction strategy.</p> <p>A number of communities produce a publication to articulate success stories on a project-by-project basis.</p> <p>The most direct method of evaluating performance is to ask the customer through a survey. To be effective these surveys should go beyond measuring overall customer satisfaction. The objective should be to determine specifically which services customers use, if they are happy or unhappy with them and why.</p>
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***Macro-Economic
Issues***

The mandate is to strengthen the business environment so as to improve the economic well-being of all the community. Therefore, there is a need to track macro-economic indicators such as employment levels, housing starts, dollars spent on general assistance, etc. Having said that, economic development organizations, in any community, have very little control over such indicators. Nonetheless, keeping track and maintaining statistical information on macro-economic indicators in the community gives a goal to strive toward.

***Unemployment
Levels***

Unemployment levels are not the best indicators of economic well-being because a number of factors influence this indicator. For example, if a large number of people are leaving the community the employment level will decrease but the economic well being will not have been improved. However, it is useful to benchmark unemployment levels against the provincial average and, first, track increases and decreases in both figures and, second, determine what factors are contributing to fluctuations in the local economy and attempt to positively influence those factors.

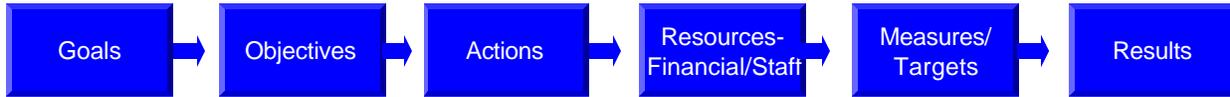
***Labour Force
Activity***

Labour force activity is an indicator of the current labour pool. A community labour force is dependent on a number of factors. Inbound investors look to labour force activity to determine the potential size of the labour pool for their operational requirements.

Other macro-economic indicators that are used include:

- Population levels
- Employment levels
- Construction activity
- Bankruptcies
- Taxable assessment

It is recommended that the Strategic Plan that is being developed incorporate **outcome-oriented** measures to track the efforts, activities, changes in strategic direction as well as performance against measurable targets. This may be best accomplished by developing a chart that would include the following items.



Adding actions and targets to the strategic plan will help identify the progress made on each initiative

This will allow Council and the community to clearly identify the progress made on each initiative and provide a mechanism to track performance.

Many Economic development organizations also prepare a “state of the local economy” statement, which reports annually on a meaningful set of key indicators of community economic health (such as job creation, unemployment, average household income, building permit activity), and may compare year-over-year performance and compare with other municipalities.

This is a valuable service, which has been performed by the TEDC in the past, but like everything else, takes time. Council should request that the TEDC, annually bring forward a brief but meaningful report of this nature. In determining the content of this report, the memorandum of understanding should articulate what indicators are available and meaningful. Information of this sort is very useful for the TEDC’s and the City’s promotional efforts, for approaches to provincial and federal agencies, and for Council in setting funding priorities.

Recommendations

That performance measures be adopted by the TEDC as part of the memorandum of understanding with the City, its main funding source, to show progress toward action plans, programs and initiatives and links to the activities/inputs of the department. This will allow Council and the community to clearly identify the progress made on each initiative and provide a mechanism to track performance.

That the TEDC produce a detailed annual report on the progress made, including timeframes, results and update the economic overview and provide statistical information on the City and Ontario using the defined performance measurements as well as a future work plan to Council in December of each year.

That the City direct the TEDC to present an annual “state of the Timmins economy” fact statement to Council and to the public.

Relative to its size and portfolio, the City's funding of TEDC is generous

Funding the TEDC

It is not clear that the TEDC will create more jobs with \$566,000 than with the \$427,000 that it had in 2003. Relative to its size, the current level of City funding to the TEDC is generous, particularly considering that this does not include the cost of the other city services that the City provides and which do not yet appear in the TEDC budget. In addition, this does not include tourism functions.

In fact, one concern has been heard that the TEDC may be trying to take on too much, and that more money means less need to focus attention on the potentially most fruitful projects.

There is nothing wrong with Council providing heavy support to the TEDC as one significant demonstration of its commitment to job creation and to its faith in the future of Timmins. However, until a good system of measuring job creation and other outcomes of TEDC activity is in place, it is impossible for Council to know what it is expecting for the extra money. Furthermore, until the TEDC adopts the habit of reporting regularly to Council, Council will not know what the TEDC's plans are or what it is delivering.

In 2005, Council and the TEDC will be involved in the review of the Timmins Community Economic Development Strategic Plan. Working together through that Steering Committee, Council and the TEDC should produce a specific 3-year business plan for the TEDC, including:

- ◆ What projects have the best opportunity to create jobs
- ◆ What measurement of TEDC outcomes will be used
- ◆ What outcome targets (particularly new jobs) are expected to result from the business plan
- ◆ What resources will be needed to implement the business plan
- ◆ How the money can most effectively be spent (for example, North Bay has re-evaluated the payback from attending most trade-shows)

Recommendations

That the TEDC provide sufficient detail on a 3 year business plan to rationalize the funding required from the City.