



STAFF REPORT ACTION REQUIRED

Sign By-Law Enforcement Resources

Date:	February 10, 2015
To:	Budget Committee
From:	Chief Building Official and Executive Director, Toronto Building, and Deputy City Manager & Chief Financial Officer
Wards:	All
Reference Number:	P:\2015\Internal Services\Fp\Bc15001Fp

SUMMARY

This report recommends reinstating two Sign Examiner-Inspector positions that were eliminated as part of the 2012 Operating Budget process. The positions would be dedicated to the proactive enforcement of Chapter 694 of the City of Toronto Municipal Code (the "Sign By-Law").

At the inception of the Sign By-Law Unit in 2010, a total of four positions were dedicated to proactive enforcement. In the 2011 Operating Budget process, one position was eliminated. As part of the Core Service Review and 2012 Operating Budget process, two additional positions were eliminated. The remaining position was reassigned to the collection and administration of the Third Party Sign Tax ("TPST").

The Chief Building Official and Executive Director, Toronto Building is seeking to reinstate two positions in order to implement the enforcement strategy described in PG1.2 *Enforcement Strategy for Chapter 694 of the Municipal Code* presented at the Planning and Growth Management Committee meeting of January 8, 2015, for proactive inspections of all illegal signs in specific areas of the City.

The positions will be funded through the new enforcement strategy, subject to City Council approval, which will include the issuance of Certificates of Offence under the *Provincial Offences Act* ("Part 1 Tickets"). Revenue from tickets issued, subject to the volume of enforcement action taken and payment of fines, will offset the cost of the two positions recommended in this report, resulting in a net zero impact on the City's 2015 Recommended Operating Budget.

RECOMMENDATIONS

The Chief Building Official and Executive Director, Toronto Building and the Deputy City Manager & Chief Financial Officer recommend that:

1. Subject to City Council's approval of PG 1.2 "Enforcement Strategy for Chapter 694 of the Municipal Code", City Council approve the amendment to the 2015 Recommended Operating Budget to include an increase in funding of \$0.083 million gross, \$0 net, for two inspector positions dedicated to proactive enforcement of the Sign By-Law. The amendment will be reflected in the following Programs:
 - a. Toronto Building's 2015 Recommended Operating Budget increase by \$0.083 million gross and net in Building Compliance service, and the addition of 2.0 positions; and
 - b. Court Services' 2015 Recommended Operating Budget increase by \$0.083 million in fine revenue, resulting in a net reduction of \$0.083 million in Court Case Management service.

Implementation Points

If approved, the Chief Building Official and Executive Director, Toronto Building, will commence the recruitment process. The hiring process and necessary training is expected to be completed by July 1, 2015.

Should City Council approve the new minimum fine, staff will submit the fine application for approval to the Senior Regional Justice of the Ontario Court of Justice, which should be granted by the effective implementation date.

Financial Impact

Toronto Building was requested to report back to the Planning and Growth Management Committee on February 24, 2015 on whether adequate resources have been budgeted in 2015 to enforce the City's Sign By-Laws.

The 2015 Recommended Operating Budget does not include an increase in Toronto Building positions to carry out proactive enforcement or revenues associated with issuing Part 1 Tickets in Court Services.

Subject to City Council's approval of the Part 1 Tickets, it is recommended that the City's 2015 Recommended Operating Budget be amended to include additional funding of \$0.083 million gross, \$0 net, to enforce the City's Sign By-Laws.

The total operating impact of the proposed service enhancement to the City is \$0.166 million gross, \$0 net. The enhancement will be implemented effective July 1, 2015. Therefore, the City's 2015 operating impact is \$0.083 million gross and \$0 net, and the

2016 annualized impact will be an incremental increase of \$0.083 million gross and \$0 net.

Toronto Building will incur the operating cost of the two positions of \$0.083 million in 2015. The 2016 annualized impact is an additional \$0.083 million gross and net.

Court Services will collect the revenues from the Part 1 Tickets issued by the two Sign Examiner-Inspectors funded in Toronto Building, resulting in additional revenues in 2015 of \$0.083 million, and a net reduction of \$0.083 million. The 2016 annualized impact for Court Services is \$0 gross and (\$0.083) million net.

Table 1
City Impact of Sign By-Law Enforcement Resources
(\$000s)

(\$000s)	Full Year Total City Impact			Positions	Net Incremental Impact			
	Gross Expenditures	Revenue	Net Expenditures		2015 ⁽¹⁾		2016	
					Gross	Net	Gross	Net
Toronto Building	165.7		165.7	2.0	82.9	82.9	82.8	82.8
Court Services		165.7	(165.7)			(82.9)		(82.8)
Net City Impact	165.7	165.7	0.0	2.0	82.9	0.0	82.8	0.0

⁽¹⁾ Effective July 1, 2015

The Deputy City Manager & Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

A number of Councillors have requested an increase in Sign By-Law enforcement in their Ward.

At the January 8, 2015 meeting of the Planning and Growth Management Committee, the Committee recommended the following:

1. The Chief Building Official and Executive Director, Toronto Building to use all available measures to enforce the City Sign By-Law in the "North York Study Area" and report to the Planning and Growth Management Committee meeting on April 13, 2015.
2. The Chief Building Official and Executive Director, Toronto Building to report back to the Planning and Growth Management Committee on February 24, 2015 on whether adequate resources have been budgeted in 2015 to enforce the City's sign by-laws.

The Chief Building Official and Executive Director, Toronto Building, has determined that additional staff resources are required in order to provide the level of enforcement being requested. As a result, it is appropriate to report to the Budget Committee during the 2015 Operating Budget process, as opposed to the Planning and Growth Management Committee.

ISSUE BACKGROUND

In December 2009, City Council approved the creation of the Sign Unit to administer and enforce the provisions of the Sign By-Law and to collect and administer the TPST. Of the original staff complement of 19, five positions were dedicated to inspections and enforcement and four positions to proactive enforcement.

Through the 2011 Operating Budget process, Toronto Building re-evaluated the Sign Unit budget and staffing requirements and reduced the proactive enforcement capacity by one position.

As part of the 2012 Operating Budget process and Core Service Review, KPMG categorized some inspections as a "legislated" service. For others, they recommended that the City consider "reducing or eliminating proactive inspection for illegal signs and investigation of sign complaints".

With the approval of the 2012 Operating Budget, the capacity for proactive enforcement of the Sign By-Law was eliminated with the deletion of two positions. One position originally allocated to proactive enforcement was retained to support collection and administration of the TPST.

Current Staffing and Service Levels

The Sign By-Law Unit staff complement is currently 16 positions. The unit reviews in excess of 1,750 sign and building permit applications each year. In addition, the unit processes 50 Preliminary Project Review applications and 340 variance and amendment applications annually. As well, 2,400 inspections are conducted and the unit responds to approximately 330 complaints each year.

The current staffing allows for the review and inspection of permits within the Program time-frames. The staff levels also allow for a timely response to the typical complaint volume, and the maintenance of the third party sign inventory for the collection and administration of the TPST.

Current Enforcement Issues

Business signs (First Party Signs) represent the vast majority of signs throughout the City whereas advertising signs (Third Party Signs) are limited primarily to Commercial and Employment areas. Staff estimate that there are approximately 148,000 signs across the City. Of those, approximately 3 percent are advertising signs and 97 percent are business signs.

The majority of advertising signs have been investigated and have been determined to be compliant or are in some stage of the enforcement process. Staff estimate that as many as 50 percent of business signs are illegal. This equates to an estimated 74,000 illegal signs.

In response to the perceived increase in illegal signs on businesses, staff reported to the Planning and Growth Management Committee in January 2015 on an enforcement strategy to address the illegal signs. The strategy includes:

- Developing a communication strategy to engage local businesses, Business Improvement Areas, ratepayer groups and other associations to educate sign and business owners on the requirements of the Sign By-Law;
- Expanding the enforcement tools available for Sign Unit staff by introducing the use of Part 1 Tickets under the *Provincial Offences Act*; and
- Recommending that City Council ask the Province to eliminate or modify Subsection 110(1) of the *City of Toronto Act, 2006* to allow the City to pass by-laws that could be applied to existing signs.

Once implemented, the enforcement strategy implementation of each of these initiatives, either independently or together, is expected to contribute to the ability of the Sign Unit to enforce the Sign By-Law.

COMMENTS

There are a number of factors which appear to be contributing to the increase in illegal business signs in the City. In recent years, a business owner can design a sign and have it printed locally. As well, electronic signs are more readily available and the costs have significantly decreased; business owners can now easily purchase an electronic sign and program it themselves. Many other municipalities are exploring the best way to respond to this increase in the number of illegal signs.

Toronto Building is requesting two new staff positions to be dedicated to proactive enforcement of the Sign By-law in response to the recommendations of Planning and Growth Management Committee. In conjunction with the elements of the enforcement strategy described above, it is felt that two additional staff will be sufficient to facilitate an enforcement response with the capacity of proactively investigating approximately 900 signs in a targeted area each year.

The new enforcement positions funded in Toronto Building will issue Part 1 Tickets, and Court Services will collect the revenues. The impact of the addition of the two new positions on the City's overall 2015 Recommended Operating Budget will be net zero.

This report has been reviewed by Toronto Building, Court Services, Legal Services' Prosecutions Unit, and the Financial Planning Division.

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