



## Toronto Building

### What We Do

We enforce provincial and municipal building regulations and bylaws, where our primary responsibilities are established through the *Building Code Act*, as follows:

- Reviewing and issuing building permits
- Conducting mandatory inspections of construction to make sure work is in compliance with the Building Code and building permits
- Setting fees for building permits
- Investigating and enforcing compliance through inspections and, if necessary, issuing orders.

In addition to the roles and responsibilities prescribed by the *Building Code Act*, the Program administers and enforces the City of Toronto Sign Bylaw and other applicable law. Applicable law is a term used to describe all of the regulations and municipal bylaws, which a project must comply with in order for a permit to be issued.

### Why We Do It

Our mission is to deliver the highest quality public service that secures compliance with building regulations and bylaws, while working cooperatively with the public and building industry to create a safe, healthy, sustainable, and accessible built environment.

#### Our Experience & Success

- Developed and implemented requirements for public notices on residential infill construction sites, to improve communication with the public about demolition and construction activity in existing neighbourhoods
- Established the Chief Building Official's Renovator Roundtable, to facilitate productive and collaborative dialogue between Toronto Building, the development industry and other City divisions.
- Advanced further stages of Division's Digital First Service Strategy including:
  - Digitized of over 500,000 building records
  - Implemented enhancements to online permit status search and developed online payments functionality.

#### Key Challenges

- Investing in a knowledgeable and engaged workforce
- Advancing strategic initiatives and fiscal responsibility
- Driving service quality, efficiency, and innovation to respond to high levels of permit activity, increasing complexity, and regulatory changes
- Pursuing a seamless customer service experience
- Undertake a comprehensive program and organizational review to seek options for a refreshed client-centric operating model and practices for the Division.
- Implement enhancements to interdivisional complaint monitoring and management in support of the Residential Infill Strategy.

#### Priority Actions

- Continue to advance on divisional hiring strategy and succession planning and developing enhanced staff training and development programs for all service areas
- Implement quality assurance pilot project in Inspection Services and explore new collaboration platforms and tools for staff
- \$1.6M in funding is included within the 2019 Staff Recommended Budget to support the program and organizational review.
- Continue working towards developing a CRM solution to enable an enhanced, customer-focused complaint tracking process.

## Budget At A Glance

STAFF RECOMMENDED OPERATING BUDGET			
\$Million	2019	2020	2021
Gross Expenditures	\$59.8	\$59.3	\$58.7
Revenues	\$75.7	\$70.0	\$69.4
Net Expenditures	(\$15.9)	(\$10.7)	(\$10.7)
Approved Positions	472	472	472

## Our Key Service Levels



Review complete building permit applications, within legislated time frames **95%** of the time



Review incomplete building permit applications, within established service standards **75%** of the time



Conduct mandatory (non-emergency) building inspections within legislated time frames **94%** of the time



Review sign permit applications within legislated time frame **94%** of the time



Respond to building permit related complaints within legislated time frame **90%** of the time

Source of Image: [www.icons8.com](http://www.icons8.com)

## Key Service Deliverable

- Maintain and improve the rate of processing applications and responding to inspection requests
- Monitor and respond to the high level of development and construction activity across the City
- Advance on Residential Infill Strategy including enhancing interdivisional coordination of complaints
- Implement measures to further reduce existing inventory of dormant permits
- Support the delivery of the City's transit expansion projects
- Continue the Chief Building Official's Renovator Roundtable to facilitate productive and collaborative dialogue with the development industry and other City divisions

## Who We Serve

### Building Permission & Information

- Agent
- Applicant
- Architect / Firm
- Builder and Organization
- Building User Or Occupant
- Business
- Complainant
- Consultant
- Contractor
- Contravener
- Designer Firm / Professional
- Developer
- Engineer
- Lawyers
- Licensee

- Mayor & City Council
- Operator
- Owner's Agent
- Police
- Property Owner
- Ratepayers
- Sign Owner
- Staff - City Divisions
- Surveyor
- Tenant

#### Beneficiaries

- Adjacent Property Owners
- Residents

### Building Compliance

- Design Professional
- Developer
- Property Owner / Occupant
- Sign Owner
- City Staff

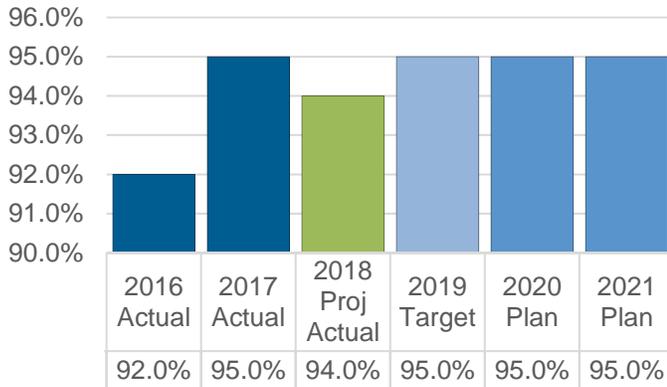
#### Beneficiaries

- Adjacent Property Owners
- Council / Mayor
- Residents

## How Well We Are Doing

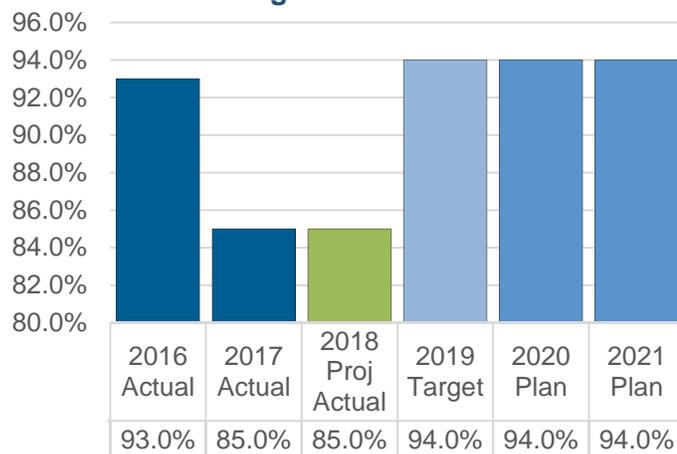
### Performance Measures

#### % complete building permit applications reviewed within time frames



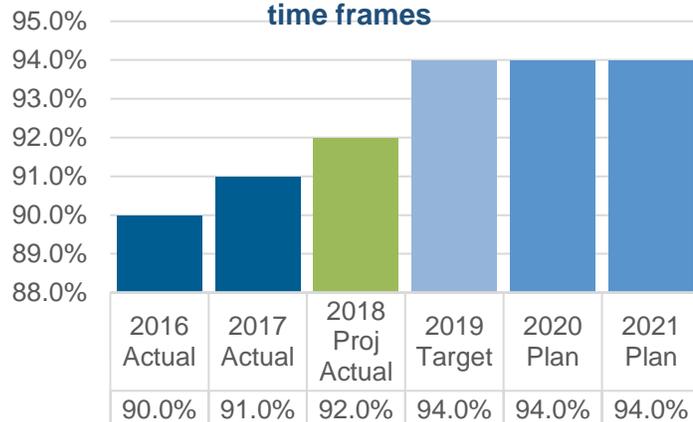
- This measure indicates the percentage of complete building permit applications, for all types of buildings, which are reviewed for compliance with the Building Code and all applicable law within legislated time frames.
- Time frames vary according to the complexity of the application and type of building.
- Despite sustained high levels of permit activity, it is anticipated that the time frame to review complete applications for all types of buildings will be achieved 95% of the time in 2019.

#### % sign permit applications reviewed within legislated time frame



- This measure indicates the of sign permit applications reviewed within the legislated time
- Toronto Building aims to review sign permit applications within 10 days.
- The number of sign permit applications fluctuates with market dynamics. Toronto Building anticipates maintaining the target of 94% in 2019 and future years.

#### % building inspections conducted within time frames



- This measure indicates the percentage of requested mandatory inspections that are completed within 2 business days of receiving the request for inspection.
- It is a requirement of the Ontario Building Code that an inspection be conducted within the prescribed time frames.
- It is projected in 2019 that the Program will achieve a service level of 94%.

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## RECOMMENDATIONS

### 2019 STAFF RECOMMENDED OPERATING BUDGET

### 2019 - 2028 STAFF RECOMMENDED CAPITAL BUDGET & PLAN

## ISSUES FOR DISCUSSION

## APPENDICES

1. 2019 Organization Chart
2. 2019 Operating Budget by Service
3. 2019 Service Levels
4. Summary of 2019 Recommended Service Changes
5. Summary of 2019 Recommended New & Enhanced Service Priorities
6. 2019 User Fee Rate Changes
7. 2019 Capital Budget; 2020 - 2028 Capital Plan
8. 2019 Cash Flow & Future Year Commitments
9. 2019 Capital Budget with Financing Detail
10. Reserve and Reserve Fund Review



## RECOMMENDATIONS

## RECOMMENDATIONS

The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2019 Operating Budget for Toronto Building of \$59.801 million gross, and (\$15.894.2) million net for the following services:

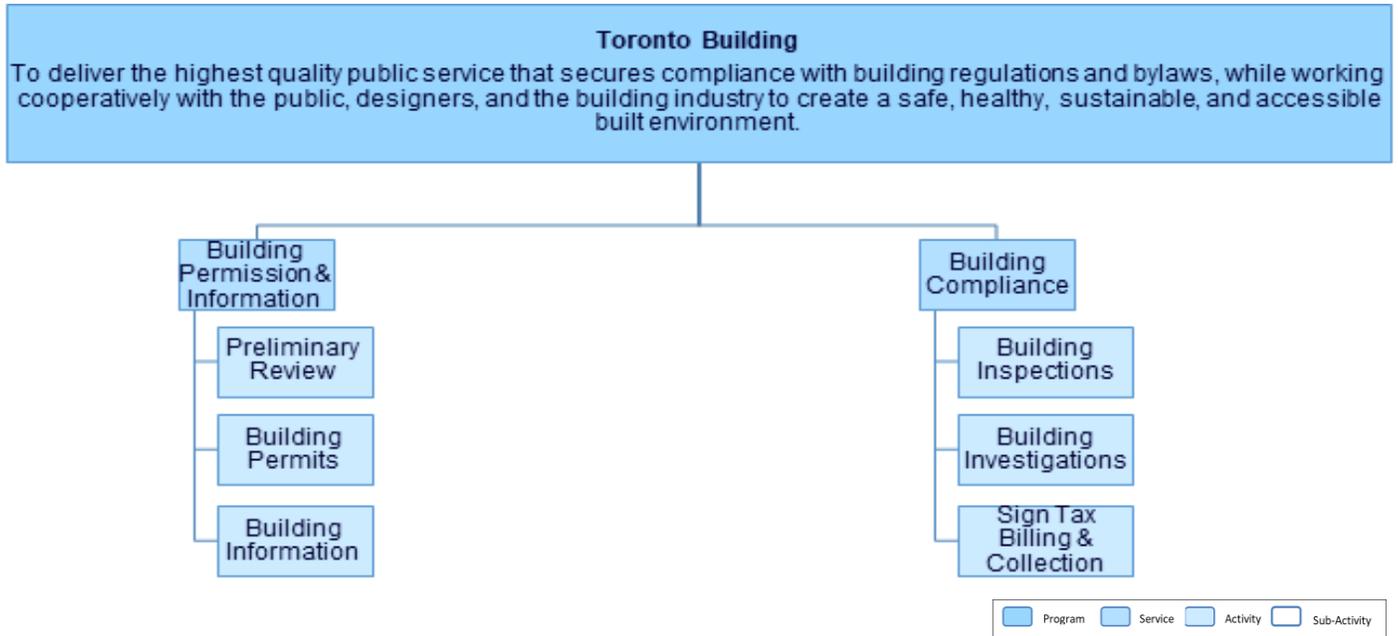
Service:	Gross (\$000s)	Net (\$000s)
Building Compliance	27,598.8	(7,264.0)
Building Permission & Information	32,202.2	(8,630.2)
<b>Total Program Budget</b>	<b>59,801.1</b>	<b>(15,894.2)</b>

2. City Council approve the 2019 service levels for Toronto Building as outlined in Appendix 3 of this report and associated staff complement of 472 positions, all of which are operating service delivery positions.



# 2019 STAFF RECOMMENDED OPERATING BUDGET

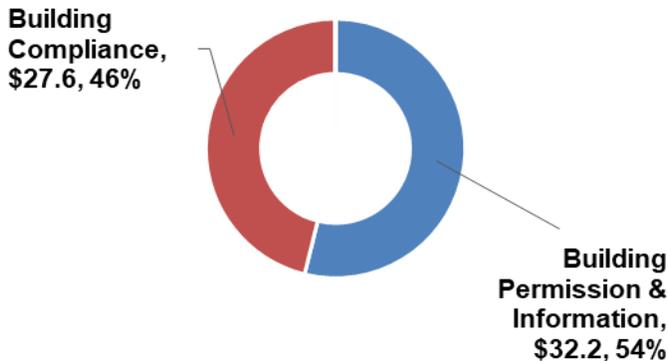
**PROGRAM MAP**



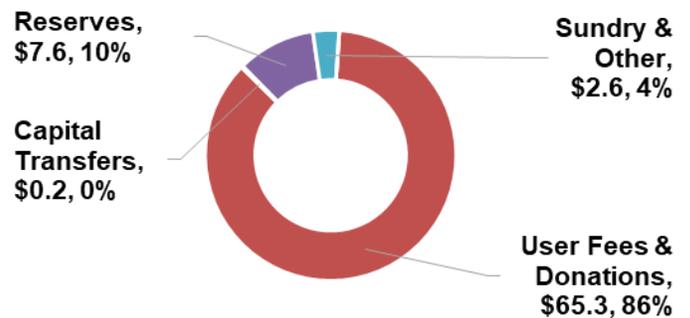
**2019 OPERATING BUDGET HIGHLIGHTS**

**2019 Staff Recommended Operating Budget \$59.8M**

**By Service**



**By Funding Source**



- **48.6%** Budget reduction over the 2018 Approved Net Operating Budget to maintain existing service levels and meet additional service demands. Attributed to one time Toronto Building indexed adjustment for Indirect cost.
- **\$0.203M** Service efficiency savings related to development of a Customer Relationship Management solution.
- **\$1.930M Gross \$0M Net.** New/enhanced funding to review and access the organizational structure, service areas, service levels, service delivery models, and the full costing model.
- **2020/2021** Increases primarily for known inflationary adjustments for salaries and benefits.

## 2019 OPERATING BUDGET OVERVIEW

**Table 1: 2019 Staff Recommended Operating Budget and Plan by Service**

(In \$000s)	2018		2019			Changes		Incremental Change	
	Budget	Projected Actual*	Base	New / Enhanced	Total Staff Recommended Budget			2020 Plan	2021 Plan
By Service	\$		\$	\$	\$	\$	%	\$	\$
<b>Building Permission &amp; Information</b>									
Gross Expenditures	31,194.2	27,857.1	31,177.2	1,025.0	32,202.3	1,008.0	3.2%	(173.9)	(143.4)
Revenue	36,875.2	49,829.5	39,807.4	1,025.0	40,832.4	3,957.2	10.7%	(2,603.2)	(54.5)
<b>Net Expenditures</b>	<b>(5,681.0)</b>	<b>(21,972.4)</b>	<b>(8,630.2)</b>	<b>(0.0)</b>	<b>(8,630.2)</b>	<b>(2,949.2)</b>	<b>51.9%</b>	<b>2,429.3</b>	<b>(88.8)</b>
<b>Building Compliance</b>									
Gross Expenditures	25,919.5	25,678.3	26,693.5	905.3	27,598.9	1,679.3	6.5%	(366.4)	(459.0)
Revenue	30,932.7	40,170.5	33,957.6	905.3	34,862.9	3,930.2	12.7%	(3,137.2)	(547.8)
<b>Net Expenditures</b>	<b>(5,013.2)</b>	<b>(14,492.1)</b>	<b>(7,264.0)</b>	<b>0.0</b>	<b>(7,264.0)</b>	<b>(2,250.8)</b>	<b>44.9%</b>	<b>2,770.7</b>	<b>88.8</b>
<b>Total</b>									
Gross Expenditures	57,113.7	53,535.4	57,870.8	1,930.3	59,801.1	2,687.4	4.7%	(540.4)	(602.3)
Revenue	67,807.9	90,000.0	73,765.0	1,930.3	75,695.3	7,887.4	11.6%	(5,740.4)	(602.3)
<b>Total Net Expenditures</b>	<b>(10,694.2)</b>	<b>(36,464.6)</b>	<b>(15,894.2)</b>		<b>(15,894.2)</b>	<b>(5,200.0)</b>	<b>48.6%</b>	<b>5,200.0</b>	<b>(0.0)</b>
<b>Approved Positions</b>	<b>468.0</b>	<b>0.0</b>	<b>468.0</b>	<b>4.0</b>	<b>472.0</b>	<b>4.0</b>	<b>0.9%</b>	<b>(0.0)</b>	<b>0.0</b>

\* Year-End Projection Based on Q3 2018 Variance Report

### Base Changes

(\$5.200M Net)

- Salary & Benefits, IDC/IDR pressures are offset by:
  - a) Savings to achieve target through Toronto Buildings fiscal Strategy by reducing Budgeted contributions to the Building Code Service Improvement reserve.
  - b) Efficiency savings through the implementation of the Customer Relationship Management (CRM) solution.
- A base budget change of \$5.2m for one-time indexed inflation adjustment for indirect support costs.

### New/Enhanced Service Priorities

(\$1.930M Gross / \$0 Net)

- Toronto Building review, a comprehensive Program Review to assess and analyze the organizational structure, service areas, service levels, service delivery models.
- Additional Capacity for Modernization & Continuous Improvement to support the proposed Program Review and service plan objectives.
- Issues Management & Administrative Support for Chief Building Official's Office.

## EQUITY IMPACTS

**No significant equity impacts:** The changes in Toronto Building's 2019 Staff Recommended Operating Budget do not have any significant equity impacts.

## 2019 Staff Recommended Operating Budget Changes by Service

The 2019 Recommended Operating Budget is \$59.801 million in gross expenditures and \$75.695 in revenue resulting in a total net revenue of \$15.894 million reflecting a \$5.200 million increase for 2019. This is mainly the result of a one-time CPI adjustment funded from one-time draw from the Building Reserve Fund. Table 2 below summarizes the key cost drivers to maintain current service levels, recommended service changes that achieve the budget target as well as recommended new and enhanced service priorities to meet outcomes.

**Table 2: 2019 Staff Recommended Operating Budget Changes by Service**

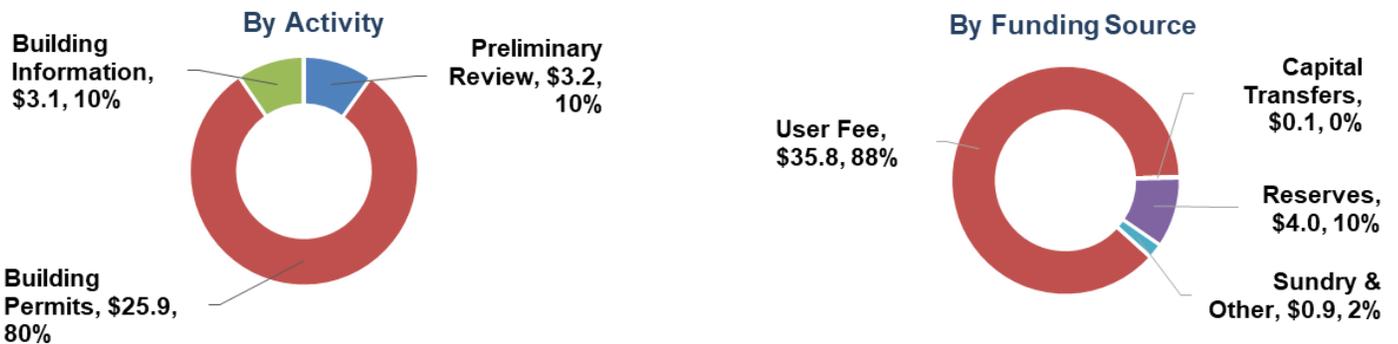
(In \$000s)	Services		Total	
	Building Permission & Information	Building Compliance	\$	Positions
	\$	\$	\$	
<b>2018 Council Approved Operating Budget (Net)</b>	<b>(5,681.0)</b>	<b>(5,013.2)</b>	<b>(10,694.2)</b>	<b>468.0</b>
<b>Base Expenditure Changes</b>				
<b>Prior Year Impacts</b>				
Reverse Non-Union COLA	(89.8)	(28.0)	(117.8)	
<b>Salaries and Benefits</b>				
COLA	272.1	220.9	492.9	
Progression Pay	187.6	71.2	258.8	
Salary and Step Adjustments	(278.3)	(111.0)	(389.3)	
Benefits Adjustments	1.4	25.3	26.7	
Toronto Building Addtl Salary and Benefit - for Technical Internships	142.3	202.7	345.0	
Gapping Adjustment to maintain 2018 rate	(18.9)	(37.9)	(56.8)	
<b>Other Base Expenditure Changes</b>				
IDC/IDR Changes	127.4	149.7	277.0	
One time Indexed Inflation for Indirect Costs to correspond with increased demand	(2,761.2)	(2,438.8)	(5,200.0)	
<b>Sub-Total Base Expenditure Changes</b>	<b>(2,417.6)</b>	<b>(1,945.9)</b>	<b>(4,363.4)</b>	
<b>Service Changes</b>				
Base Savings to Achieve Target	(176.0)	(457.6)	(633.6)	
Service Efficiencies	(355.6)	152.7	(203.0)	
<b>Sub-Total Service Changes<sup>1</sup></b>	<b>(531.6)</b>	<b>(305.0)</b>	<b>(836.6)</b>	
<b>Total Base Changes</b>	<b>(2,949.2)</b>	<b>(2,250.8)</b>	<b>(5,200.0)</b>	
<b>New &amp; Enhanced Services</b>				
Additional Capacity for Modernization & Continuous Improvement (\$0.174M Gross)	0.0	0.0	0.0	2.0
Toronto Building Program Review (\$1.588M Gross)	0.0	0.0	0.0	
Issue Management & Administrative Support for CBO's Office (\$0.168M Gross)	0.0	0.0	0.0	2.0
<b>Sub-Total New &amp; Enhanced Services<sup>1</sup></b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>4.0</b>
<b>Total 2019 Staff Recommended Operating Budget (Net)</b>	<b>(8,630.2)</b>	<b>(7,264.0)</b>	<b>(15,894.2)</b>	<b>472.0</b>

**Note:**

- For additional information, refer to [Appendix 4](#) (page 26) for a more detailed listing and descriptions of the 2019 Staff Recommended Service Changes and [Appendix 5](#) (page 27) for the 2019 Staff Recommended New and Enhanced Service Priorities, respectively.

**Building Permission & Information** Reviews building permits and other applications including Sign By-law variances and amendments, also providing support for permit applicants, permits for demolition, construction and renovation of buildings, and installation of signs to ensure they are safe, healthy, structurally sufficient, accessible and environmentally sustainable.

**2019 Staff Recommended Operating Budget (\$8.6M)**



Refer to [Appendix 2](#) (page 23) for the 2019 Staff Recommended Operating Budget by Service.

**Key Service Levels**

**65%** preliminary project application reviewed within service standard

**60%** zoning certificate reviewed within service standard

**95%** Construction Permit Review (includes demolition) for complete applications within service standard

**95%** business License Zoning reviewed within service standard

Refer to [Appendix 3](#) (page 24) for a complete list of the 2019 Staff Recommended Service Levels for this Service.

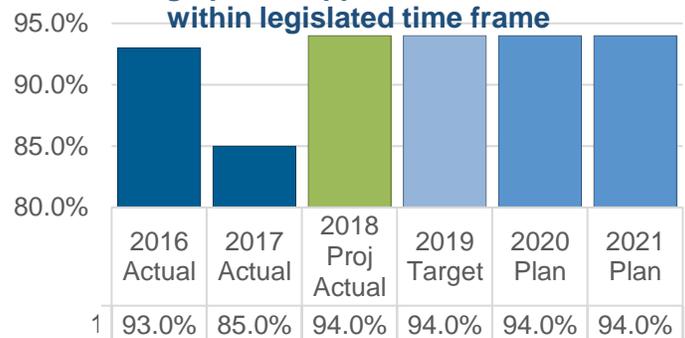
**Service Performance Measures**

**% complete building permit applications reviewed within time frames**



- This measure indicates the percentage of complete building applications, for all types of buildings, which are reviewed for compliance with the Building Code and all applicable law within legislated time frames.
- Time frames vary according to the complexity of the application and type of building.

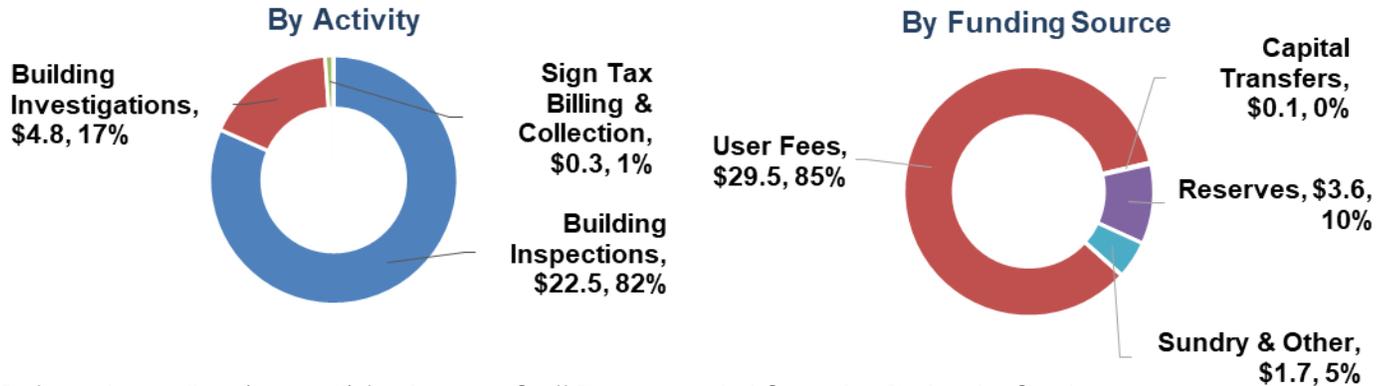
**% sign permit applications reviewed within legislated time frame**



- This measure indicates the percentage of sign permit applications reviewed within the legislated time frames.
- Toronto Building aims to review sign permits within 10 days.
- The number of sign permit applications fluctuate with market dynamics. Toronto Building anticipates maintaining the target of 94% in 2019 and future years.

**Building Compliance** conducts provincially-required inspections for building construction, confirm compliance with approved permits, confirm zoning compliance and identify other required approvals.

**2019 Staff Recommended Operating Budget (\$7.3M)**



Refer to [Appendix 2](#) (page 23) for the 2019 Staff Recommended Operating Budget by Service.

**Key Service Levels**



Refer to [Appendix 3](#) (page 24) for a complete list of the 2019 Staff Recommended Service Levels for this Service.

**Service Performance Measures**

**% mandatory sign inspections conducted within time frames**



- This measure indicates the percentage of requested mandatory sign inspections that are completed within 2 business days of receiving the request for inspection.
- It is projected in 2019 that the Program will achieve a service level of 95%.

**% reports of construction w/o permit responded in time frame**



- This measure indicates the percentage of reports of construction within a permit (non-emergency) responded to within 2 business days of receiving the request for inspection
- Under the Building Code Act, no person is permitted to construct, demolish or alter a building without first obtaining a building permit.

## 2018 OPERATING PERFORMANCE

### 2018 Service Performance

#### Key Service Accomplishments:

- Developed and implemented requirements for public notices on residential infill construction sites, to improve communication with the public about demolition and construction activity in existing neighbourhoods
- Advanced Divisional Hiring Strategy including, implementing a dedicated Human Resources Consultant and a new internship program, with positive gains realized and vacancy level trending downwards closer to gapping target
- Advanced further stages of Program's Digital First Service Strategy:
  - Enhanced Complaint Management Process CRM - project planning and requirements gathering underway
  - Implemented enhancement to online permit status search and developed online payments functionality for implementation in early 2019.
  - Digitization of building records – over 825,000 images digitized, 56% of all records requests now fulfilled electronically
- Established the Chief Building Official's Renovator Roundtable, to facilitate productive and collaborative dialogue between Toronto Building, the development industry and other City divisions.
- Negotiated a Memorandum of Understanding between 311 and Toronto Building in support of enhancing the customer service experience for clients.

### Status Update on 2018 Council Approved New & Enhanced Services

During the 2018 Budget process, City Council approved new and enhanced services totaling \$0.460 million gross and \$0.000 million net included for Toronto Building. The implementation status is detailed below:

- Dedicated Human Resources Consultant position was filled in May 2018 to assist with advancing on the Division's Staffing Action Plan. Positive results are being realized, with the Program's vacancy level trending downwards and closer to the established gapping rate.
- In support of the Division's strategy for the recruitment of hard-to-fill technical positions, a new Internship Program with \$0.345 million funding was developed and implemented in August 2018 with the hiring of six interns as part of the first cohort. All six interns met the expectations of the initial four-month Program and their temporary assignments were extended into a second phase of the Program.

## 2018 Financial Performance

Table 3: Budget vs. Actual by Category of Expenditures and Revenues

Category (In \$000s)	2017 Actual	2018 Budget	2018 Projected Actual *	2019 Total Staff Recommended Budget	2019 Change from 2018 Approved Budget	
	\$	\$	\$	\$	\$	%
Salaries and Benefits	45,117.5	50,031.7	46,453.4	52,420.7	2,389.0	4.8%
Materials & Supplies	88.5	124.5	124.5	130.5	6.0	4.8%
Equipment	123.5	386.5	386.5	301.8	(84.8)	(21.9%)
Service and Rent	965.9	1,685.0	1,685.0	2,588.3	903.3	53.6%
Contribution To Capital						
Contribution To Reserves/Reserve Funds	3,968.8	2,777.5	2,777.5	1,949.3	(828.2)	(29.8%)
Other Expenditures	568.8	490.8	490.8	515.8	25.0	5.1%
Inter-Divisional Charges	1,063.0	1,617.7	1,617.7	1,894.7	277.0	17.1%
<b>Total Gross Expenditures</b>	<b>51,895.9</b>	<b>57,113.7</b>	<b>53,535.4</b>	<b>59,801.1</b>	<b>2,687.4</b>	<b>4.7%</b>
Inter-Divisional Recoveries	795.8	1,153.7	1,153.7	1,153.7		
Provincial Subsidies						
Federal Subsidies						
Other Subsidies						
User Fees & Donations	4,059.2	2,850.1	2,850.1	2,850.1		
Licences & Permits Revenue	84,875.6	62,486.2	84,678.2	62,486.2		
Transfers From Capital	56.4			154.1	154.1	
Contribution From Reserves/Reserve Funds	68.3	509.8	509.8	7,640.1	7,130.3	1398.7%
Sundry and Other Revenues	322.5	808.2	808.2	1,411.1	602.9	74.6%
<b>Total Revenues</b>	<b>90,177.7</b>	<b>67,807.9</b>	<b>90,000.0</b>	<b>75,695.3</b>	<b>7,887.4</b>	<b>11.6%</b>
<b>Total Net Expenditures</b>	<b>(38,281.8)</b>	<b>(10,694.2)</b>	<b>(36,464.6)</b>	<b>(15,894.2)</b>	<b>(5,200.0)</b>	<b>48.6%</b>
<b>Approved Positions</b>		<b>468.0</b>	<b>445.0</b>	<b>472.0</b>	<b>4.0</b>	<b>0.9%</b>

\* Year-End Projection Based on Q3 2018 Variance Report

Toronto Building is projected to be under spent by \$25.770 million at year-end, primarily due to exceeding the 2018 revenue target by \$22.840 million attributed to greater volumes of building permit applications than planned.

Toronto Building actively monitors its spending against the Council Approved Operating Budget. Any year end surplus or deficit will be contributed to or from the Building Code Act Service Improvement Reserve Fund. The fund is to create and maintain systems and processes enabling service delivery timelines and reporting requirements of the Province's Bill 124, Building Code Statute Law Amendment Act, and 2002 Legislation to be met.

For additional information regarding the 2018 Q3 operating variances and year-end projections, please refer to the attached link for the report entitled "Operating Variance Report for the Nine-Month Period Ended September 30, 2018", to be considered by City Council at its meeting on December 13, 2018.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.CC1.7>



## ISSUES FOR DISCUSSION

## ISSUES IMPACTING THE 2019 BUDGET

### 2019 Budget Overview

#### Operating:

- In addition to the record growth in permit volumes, the design and construction of buildings has become increasingly complex due to innovation in building technologies and regulatory changes implemented to address climate change, energy efficiency and environmental sustainability. In this context, Toronto Building is, facing increased demands for transformation and modernization. To address these challenges, the Division will be undertaking a comprehensive program review to assess and analyze the organizational structure, service areas, service levels and service delivery models to determine the efficiency and effectiveness in meeting the Division's short-term and long-term program objectives, establish best practices in meeting legislative requirements, and delivering on the Division's mission and vision.
- Toronto Building's revenues collected from Building Permit Fees are determined by the requirements stipulated by Section 7 of the Building Code Act (BCA). The Division is legislated to operate on a cost recovery basis. To ensure that the Division is well positioned for long-term fiscal sustainability, the Program Review will also include a detailed examination the Division's full costing model focused on reviewing the direct and indirect costs, revenues, and reserve fund components that should be captured and included to meet the Building Code Act requirements for the Annual Report on Fees, and to establish best practices, including recommendations for an appropriate target level of reserve funding as a percentage of total costs.

#### Building Permit Revenue Forecasting

- Building revenues and reserves, as well as market/industry indicators are actively monitored throughout the year. Current and historical trends are used to establish revenue projections in conjunction with data received from Statistics Canada, development and construction industry related-conferences, financial data subscriptions and market reports, and other City Divisions and Agencies. Toronto Building also tracks large multi-year projects under construction and proposed future development projects.
- Building Applications fees can be difficult to forecast mainly due to the fact the revenue is deferred and determining when to recognize the revenue is difficult without knowledge of key milestone dates through the planning processes associated with certain projects. Knowledge of the key milestone dates of projects will help enhance the accuracy of the building permit revenue forecast. Toronto Building will continue to work with other City Division partners on additional collaboration and exploration of opportunities for enhanced data analytics which could be incorporated into the revenue forecasting.

#### Toronto Building Fiscal Strategy

- As a result of the sustained high and record volumes of permit activity since 2010, the Program has averaged and contributed annual surpluses of approximately \$9.6 million to the Reserve Fund. These surpluses have allowed the Division to reach the 100% of direct and indirect costs target sooner than originally planned. To ensure that the Reserve Fund balance is maintained and managed at a reasonable level, while still providing for long-term fiscal sustainability and investments in service improvements, the Division proposes to reduce the current annual base budget reserve contributions by \$633.6 thousand in 2019. Taking into consideration the proposed base budget change and other base budget reallocations, the annual base reserve contribution for 2019 is \$0.4 million.
- Section 7 of the Building Code Act (BCA) stipulates that the total amount of authorized fees collected must not exceed the anticipated reasonable costs to administer and enforce this Act; and requires the establishment of an obligatory reserve to manage fluctuations in volumes of permit activity and allow for investments in service delivery improvements to meet legislative requirements of the Act regarding the collection of permit fees and expenditures and related reporting requirements.
- The targeted level of sustainability was set at a reserve balance equal to 100% of direct and indirect gross expenditures which was expected to be reached by around 2022. The current balance of approximately \$110.693 million is at 162% of the targeted balance. The Division regularly reviews the fiscal strategy and reserve fund balance including both short-term and long-term commitments against the reserve for service improvements.

- Toronto Building is in the process of undertaking a comprehensive full cost model review including jurisdictional scan. At the same time, the Division also actively monitors the development market to assess and prepare for changing market conditions that may require access to stabilization funds from the reserve.

### **Indirect Costs Indexed**

- The indirect support costs related to Building Code activities delivered by Toronto Building represents the share of costs of the City's Programs that can reasonably be attributed as overhead support of building permit services.
- The indirect support costs (contributed annually into the City's general revenue stream) have not been indexed for inflation nor adjusted to correspond with increased demand. Toronto Building will make a one-time adjustment \$5.200 million payment in 2019. Upon the completion of the full cost model review, the indirect support costs will be revisited.

**OTHER ISSUES IMPACTING THE 2019 BUDGET****Modernization, Transformation and Innovation Initiatives****Toronto Building Program Review (Modernization)**

- Toronto Building is committed to providing services efficiently, continuous improvement and organizational excellence, improving service levels, advancing progress towards meeting its 2017 – 2021 Service Plan objectives, and implementation of our digital first Electronic Service Delivery program. Toronto Building will be proposing undertaking a comprehensive program review in 2019. The review will include an assessment and analysis of the organizational structure, service areas, service levels, and service delivery models to determine the most efficient and effective way in meeting the Division's short-term and long-term program objectives and delivering on its mission and vision.
- Impact on Productivity:
  - Improved employee engagement, staff retention and ability to meet succession planning objectives
  - Increased responsiveness, pro-activeness, and flexibility
  - Improved employee engagement, staff retention and ability to meet succession planning objective
- Value Added:
  - Determine the appropriate organizational structure aligned for the future
  - Customer service excellence and improved client satisfaction
  - Options for alternative service delivery models and/or service levels

Upon the completion of the Program Review Toronto Building will provide recommendations regarding organizational structures, service areas, full cost model, service levels and the appropriate reserve levels all of which will be referred to the budget process for consideration.

**Toronto Building CRM solution for Enhance Complaint Management Process (Transformation)**

In 2019, planning and development will continue on implementing a CRM solution to enable an enhanced, customer-focused complaint tracking process in Toronto Building. The solution will improve the Division's ability to respond to over 7,200 customer complaints annually, improve interdivisional complaint tracking as directed by City Council through the Residential Infill Construction Strategy, and to integrate with complaint management functions of the Enterprise CRM project.

**Efficiency:**

- Cost avoidance related to the recent decommissioning of the Interactive Voice Recognition (IVR) solution in 2018. Implementation of harmonized call management services, in combination with recently implemented Web Applications for inspection services to manage inspection requests, has allowed Toronto Building to retire the IVR platform, rather than plan for its sustainment.

**Productivity:**

- Reduced management staff time and resources dedicated to managing complaint activity, coordination, and follow-up of requests made through multiple channels and repeated requests which have already been responded to, enabling them to focus on core business activities associated with addressing record levels of permit activity.

**Value Added:**

The project will modernize service delivery for clients and residents by providing an enhanced complaint management process and support improved data-driven decision making. By applying a case-management approach to complaints, clients and residents will benefit from service better tailored to meet their needs and improved response times which is intended to lead to higher customer satisfaction.

## Electronic Service Delivery (ESD - Transformation)

The ESD Program is a multi-year business transformation initiative launched in 2009 that aims to modernize business processes and service delivery by offering routine Toronto Building services to the general public through new and enhanced electronic service channels.

In recent years, several key projects have been delivered to facilitate the introduction of online service delivery channels and transformation from paper-based to electronic processes including:

- Electronic permit application submission
- Electronic review, mark-up and issuance of permits
- Electronic circulation of permit documents
- Digitization of building permit records
- Online e-Service web applications

Toronto Building's vision is to continue to modernize service delivery by developing additional electronic-based service enhancements, including additional online self-service capabilities.

Efficiency:

Implementation of the ESD Program and other service efficiency measures have resulted in the Division being able to do more with less, while improving performance levels and overall client satisfaction. Toronto Building has absorbed a significant increase in the volume of work, with minimal increases to staffing levels.

The implementation of electronic service processes has also improved turn-around times for processing requests for records, and has also reduced storage costs and the risk of damage, deterioration and loss of critical documents.

Value Added:

For residents and businesses, the Electronic Service Delivery initiative enhancements has resulted in savings in time and money by eliminating the need for applicants to make in-person trips to service counters, and has led to increases in client satisfaction.

## Strategy to Minimize the Negative Impacts of Residential Infill Construction (Strategies)

Residential infill development is an important process which allows the built environment of the City's existing neighbourhoods to continually evolve. However, the demolition and construction process has the potential to create negative impacts which extend beyond the construction site and into the neighbourhood.

In 2016 City Council adopted, an interdivisional *Strategy to Minimize the Negative Impacts of Residential Infill Construction*. The Toronto Building- led Strategy was developed to address nuisance issues associated with residential infill construction city-wide, with a focus on the following three strategic areas:

1. Improving the City's complaint management strategy
2. Encouraging good construction practices
3. Improving communication to residents

Through inter-divisional cooperation, the implementation of strategic actions are aimed at preventing problems from occurring on residential infill construction sites, as well as creating an effective and streamlined enforcement system to respond to issues when they do occur. Some of the key achievements realized so far include:

- Implementation of new staff resources dedicated to monitoring issues and co-ordinate the inter-divisional response to problem residential infill sites
- Establishment of an Inter-divisional Working Group to foster collaboration, coordination, and integration of complaint management processes
- Implementation of an introductory building inspection specific to residential construction
- Improved communication to residents through the development of the Good Neighbour Guide
- Launching a Residential Infill website
- Enhanced online permit application and inspection status search capabilities
- Establishment of a targeted Inter-divisional Inspection and Enforcement Program
- Enhanced zoning-specific training program for Building Inspectors to better identify and address zoning issues
- Introduction of a new requirement for an “as-built” survey to be submitted prior to the construction of the first floor walls of new houses
- Implementation of the new *Infill Construction, Public Notice Bylaw* (Municipal Code Chapter 519) to provide the public with a gateway to pertinent information concerning the City’s approvals and enforcement activities

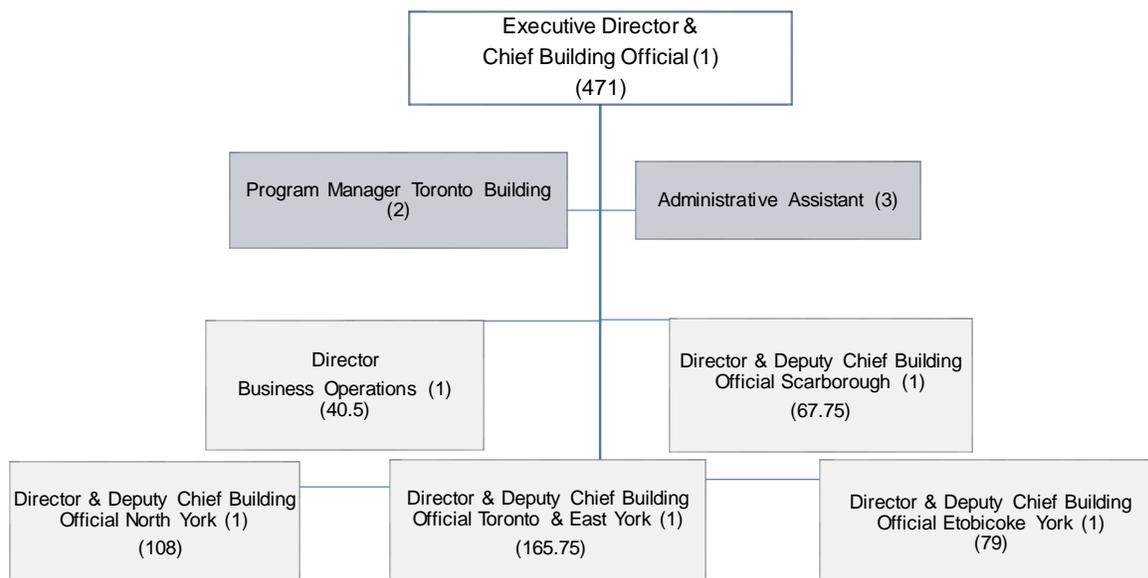
In 2019, Toronto Building will provide City Council with an update on the implementation of the Strategy, along with continued analysis and recommendations on how to more effectively prevent problems on residential infill sites and continue to improve the response from all divisions when they occur.



## APPENDICES

## Appendix 1

### 2019 Organization Chart



The 2019 total staff complement includes the Fire Chief / General Manager and staff for a total of 3,194.3 positions, comprising xxx capital positions and xxx operating positions as summarized in the table below.

### 2019 Total Complement

	Category	Senior Management	Management with Direct Reports	Management without Direct Reports/Exempt Professional & Clerical	Union	Total
Operating	Permanent	1.0	37.0	45.0	382.0	465.0
	Temporary		-	2.0	5.0	7.0
	<b>Total Operating</b>	1.0	37.0	47.0	387.0	472.0
Capital	Permanent			-	-	-
	Temporary			-	-	-
	<b>Total Capital</b>	-	-	-	-	-
<b>Grand Total</b>		<b>1.0</b>	<b>37.0</b>	<b>47.0</b>	<b>387.0</b>	<b>472.0</b>

## Appendix 2

## 2019 Operating Budget by Service

## Building Permission &amp; Information

(In \$000s)	2018	2019			Changes		Incremental Change	
	Approved Budget	Base	New / Enhanced	Total Staff Recommended Budget			2020 Plan	2021 Plan
By Service	\$	\$	\$	\$	\$	%	\$	\$
<b>Preliminary Review</b>								
Gross Expenditures	3,129.3	3,069.2	117.8	3,186.9	57.6	1.8%	(36.5)	(26.2)
Revenue	5,548.8	5,885.7	117.8	6,003.4	454.6	8.2%	(407.4)	(49.6)
<b>Net Expenditures</b>	<b>(2,419.5)</b>	<b>(2,816.5)</b>	<b>(0.0)</b>	<b>(2,816.5)</b>	<b>(397.0)</b>	<b>16.4%</b>	<b>370.9</b>	<b>23.4</b>
<b>Building Permits</b>								
Gross Expenditures	25,017.9	25,164.9	760.6	25,925.4	907.6	3.6%	(77.8)	(77.9)
Revenue	24,151.1	26,326.8	760.6	27,087.3	2,936.2	12.2%	(1,688.2)	56.8
<b>Net Expenditures</b>	<b>866.8</b>	<b>(1,161.9)</b>	<b>0.0</b>	<b>(1,161.9)</b>	<b>(2,028.7)</b>	<b>(234.1%)</b>	<b>1,610.4</b>	<b>(134.6)</b>
<b>Building Information</b>								
Gross Expenditures	3,047.1	2,943.2	146.7	3,089.9	42.8	1.4%	(59.6)	(39.3)
Revenue	7,175.3	7,595.0	146.7	7,741.7	566.4	7.9%	(507.6)	(61.7)
<b>Net Expenditures</b>	<b>(4,128.2)</b>	<b>(4,651.8)</b>	<b>(0.0)</b>	<b>(4,651.8)</b>	<b>(523.5)</b>	<b>12.7%</b>	<b>448.0</b>	<b>22.4</b>
<b>Total</b>								
Gross Expenditures	31,194.2	31,177.2	1,025.0	32,202.3	1,008.0	3.2%	(173.9)	(143.4)
Revenue	36,875.2	39,807.4	1,025.0	40,832.4	3,957.2	10.7%	(2,603.2)	(54.5)
<b>Total Net Expenditures</b>	<b>(5,681.0)</b>	<b>(8,630.2)</b>	<b>(0.0)</b>	<b>(8,630.2)</b>	<b>(2,949.2)</b>	<b>51.9%</b>	<b>2,429.3</b>	<b>(88.8)</b>
<b>Approved Positions</b>	<b>260.0</b>	<b>259.5</b>	<b>2.1</b>	<b>261.6</b>	<b>1.6</b>	<b>0.6%</b>	<b>(0.0)</b>	<b>0.0</b>

\* Year-End Projection Based on Q3 2018 Variance Report

## Building Compliance

(In \$000s)	2018	2019			Changes		Incremental Change	
	Approved Budget	Base	New / Enhanced	Total Staff Recommended Budget			2020 Plan	2021 Plan
By Service	\$	\$	\$	\$	\$	%	\$	\$
<b>Building Inspections</b>								
Gross Expenditures	21,454.8	21,991.7	540.5	22,532.2	1,077.4	5.0%	(159.4)	(300.8)
Revenue	25,127.3	27,029.6	540.5	27,570.1	2,442.8	9.7%	(1,865.5)	(225.7)
<b>Net Expenditures</b>	<b>(3,672.5)</b>	<b>(5,037.9)</b>	<b>0.0</b>	<b>(5,037.9)</b>	<b>(1,365.4)</b>	<b>37.2%</b>	<b>1,706.1</b>	<b>(75.1)</b>
<b>Building Investigations</b>								
Gross Expenditures	4,227.3	4,450.3	306.9	4,757.2	529.8	12.5%	(169.6)	(135.9)
Revenue	5,071.9	6,010.8	306.9	6,317.7	1,245.8	24.6%	(1,061.1)	(128.9)
<b>Net Expenditures</b>	<b>(844.5)</b>	<b>(1,560.5)</b>	<b>0.0</b>	<b>(1,560.5)</b>	<b>(716.0)</b>	<b>84.8%</b>	<b>891.5</b>	<b>(7.0)</b>
<b>Sign Tax Billing &amp; Collection</b>								
Gross Expenditures	237.4	251.6	57.9	309.5	72.1	30.4%	(37.5)	(22.3)
Revenue	733.6	917.2	57.9	975.1	241.5	32.9%	(210.6)	(193.3)
<b>Net Expenditures</b>	<b>(496.2)</b>	<b>(665.6)</b>	<b>0.0</b>	<b>(665.6)</b>	<b>(169.4)</b>	<b>34.1%</b>	<b>173.1</b>	<b>171.0</b>
<b>Total</b>								
Gross Expenditures	25,919.5	26,693.5	905.3	27,598.9	1,679.3	6.5%	(366.4)	(459.0)
Revenue	30,932.7	33,957.6	905.3	34,862.9	3,930.2	12.7%	(3,137.2)	(547.8)
<b>Total Net Expenditures</b>	<b>(5,013.2)</b>	<b>(7,264.0)</b>	<b>0.0</b>	<b>(7,264.0)</b>	<b>(2,250.8)</b>	<b>44.9%</b>	<b>2,770.7</b>	<b>88.8</b>
<b>Approved Positions</b>	<b>208.0</b>	<b>208.5</b>	<b>1.9</b>	<b>210.4</b>	<b>2.4</b>	<b>1.1%</b>	<b>(0.0)</b>	<b>0.0</b>

\* Year-End Projection Based on Q3 2018 Variance Report

### Appendix 3

## 2019 Service Levels Building Permission & Information

The 2019 Service Levels have not been adjusted from the approved 2018 Service Levels.

Activity Type	Type	Sub-Type	Service Level Descripton	Standard	Status	2015	2016	2017	2018	2019	
Preliminary Review	Preliminary Project Review	House	% reviewed within 10 days	10 Days	Approved (all building types)	65%	65%	65%	65%	65%	
		Small Building	% reviewed within 15 days	15 Days							
		Large Building	% reviewed within 20 days	20 Days	Actual (all building types)	57%	65%	58%			
		Complex Building	% reviewed within 30 days	30 Days							
	Zoning Certificate Review	House	% of Zoning Certificates reviewed within 10 days	10 Days	Approved (all building types)	55%	55%	58%	55%	60%	
		Small Building	% of Zoning Certificates reviewed within 15 days	15 Days							
		Large Building	% of Zoning Certificates reviewed within 20 days	20 Days	Actual (all building types)	54%	53%	66%			
		Complex Building	% of Zoning Certificates reviewed within 30 days	30 Days							
Building Permits	Construction Permit Review (includes demolition) Complete Applications	House	% of complete applications reviewed within 10 days	10 Days	Approved (all building types)	95%	95%	95%	95%	95%	
		Small Building	% of complete applications reviewed within 15 days	15 Days							
		Large Building	% of complete applications reviewed within 20 days	20 Days	Actual (all building types)	94%	92%	95%			
		Complex Building	% of complete applications reviewed within 30 days	30 Days							
	Construction Permit Review (includes demolition) Incomplete Applications	House	% of complete applications reviewed within 10 days	10 Days	Approved (all building types)	75%	75%	75%	75%	75%	
		Small Building	% of complete applications reviewed within 15 days	15 Days							
		Large Building	% of complete applications reviewed within 20 days	20 Days	Actual (all building types)	71%	76%	75%			
		Complex Building	% of complete applications reviewed within 30 days	30 Days							
	Sign Permit Review	Sign Permit Review	% of sign applications reviewed within 10 days	10 Days	Approved	80%	94%	94%	94%	94%	
			Actual			84%	93%	85%			
		Sign Variances & By-law Amendments - drafting reports for approval/refusal of sign variances and By-law amendments			TBD	Approved	Under Development				
					TBD	Actual	Under Development				
	Building Permit Review - FASTRACK Program	Complete Application	% of complete applications reviewed within 5 days	5 days	Approved	95%	95%	95%	95%	95%	
			Actual			98%	99%	99%			
		Incomplete Application	% of complete applications reviewed within 5 days	5 days	Approved	95%	95%	95%	95%	95%	
			Actual			92%	95%	96%			
Business License Zoning Review			% of Business License reviews completed within 20 days	20 Days	Approved	85%	85%	95%	95%	95%	
					Actual	91%	94%	98%			
Building Information	Compliance Letter Issuance	% of compliance letters issued within 5 days	5 days	Approved	98%	98%	98%	98%	99%		
		Actual			98%	99%	100%				
	Freedom of Information Request Routine Disclosure	% routine disclosure of building record requests processed within 30 days	30 Days	Approved	90%	90%	90%	95%	95%		
		Actual			90%	96%	98%				
	Review Liquor License Application	% Liquor license application reviews completed within 10 days	10 Days	Approved	95%	95%	95%	95%	95%		
		Actual			87%	97%	65%				

## 2019 Service Levels- Continued

## Building Compliance

Activity Type	Type	Sub-Type		Standard	Status	Service Levels				
						2015	2016	2017	2018	2019
Building Inspections	Construction (Mandatory inspections for building permits, includes demolition)		% of building inspections conducted within 48 hours	48 Hours	Approved	94%	94%	94%	94%	94%
					Actual	91%	90%	91%		
	Sign (mandatory inspections for Sign Permits)		% of building inspections conducted within 48 hours	48 Hours	Approved	95%	95%	95%	95%	95%
					Actual	98%	98%	97%		
	Sign Investigation Request		% of sign requests responded to within 2 days	2 Days	Approved	95%	95%	95%	95%	95%
					Actual	98%	97%	95%		
Building Investigations	Emergency/ Unsafe		% of emergency/unsafe orders issued within 1 day	1 Day	Approved	95%	95%	95%	95%	95%
					Actual	76%	89%	86%		
	Response to Construction without a Permit	Non-Emergency	% of reports of construction without permits responded to within 2 days	2 Days	Approved	80%	80%	80%	80%	80%
					Actual	72%	76%	72%		
	Response to Building Permit Related Service Request (Complaint)		% of building permit complaints responded to within 5 days	5 Days	Approved	90%	90%	90%	90%	90%
					Actual	80%	88%	89%		
Sign Tax Billing & Collection	Billing, Collection and Administration of the Third Party Sign Tax (TPST)			TBD	Approved	Under Development				
				TBD	Actual	Under Development				

## Appendix 4

### Summary of 2019 Service Changes

Description (\$000s)	Service Changes				Total Service Changes			Incremental Change			
	Building Permission & Information		Building Compliance		\$	\$	#	2020 Plan		2021 Plan	
	Gross	Net	Gross	Net	Gross	Net	Pos.	Net	Pos.	Net	Pos.
<b>Base Changes:</b>											
<b>Base Expenditure Changes</b>											
Toronto Building Fiscal Strategy	(176.0)	(176.0)	(457.6)	(457.6)	(633.6)	(633.6)					
<b>Base Revenue Changes</b>											
Toronto Building Permit Fee Inflation Increase								(948.4)		(379.0)	
<b>Sub-Total</b>	(176.0)	(176.0)	(457.6)	(457.6)	(633.6)	(633.6)		(948.4)		(379.0)	
<b>Service Efficiencies</b>											
Toronto Building Efficiency Savings	(355.6)	(355.6)	152.7	152.7	(203.0)	(203.0)		(9.5)		0.2	
<b>Sub-Total</b>	(355.6)	(355.6)	152.7	152.7	(203.0)	(203.0)		(9.5)		0.2	
<b>Total 2019 Service Changes</b>	(531.6)	(531.6)	(305.0)	(305.0)	(836.6)	(836.6)		(957.9)		(378.8)	

## 2019 Operating Budget - Staff Recommended Service Changes Summary by Service (\$000's)

Form ID		Infrastructure and Development Services  Program - Toronto Building	Adjustments				2020 Plan Net Change	2021 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
			58,073.8	73,765.0	(15,691.2)	468.00	5,209.5	(0.2)

17959 Toronto Building Efficiency Savings

51 No Impact

**Description:**

It is proposed that the base gross budget be reduced by \$203K mainly related to discontinuation of current IVR system.

**Service Level Impact:**

Toronto Building does not currently have a process to track all complaints received by the division. In relation to construction activity only the number of investigations performed and the findings of those inspections are recorded. The records of these investigations, including documentary evidence, related Orders/Violations, and Building Permit Inspection activity are tracked in managed in approximately 7200 individual IBMS records annually, but the number of subsequent related complaints is not recorded. The current complaint process does not allow for a case management approach to be applied to Construction Complaint tracking, as each record is associated only with an inspector's on site investigation. The current approach to managing complaints between Toronto Building and other Divisions in support of the Residential Infill Strategy requires significant staff and management time to track, refer, and resolve across Divisions, while using only existing IBMS processes, a shared email box and manual processes. The effort required to monitor the 9800 annual interdivisional service requests and monitoring of over 1600 residential Infill sites impacts the ability for Building staff to apply the proactive measures which are intended to reduce the negative impact of construction activity. The future state includes a solution that will integrate with IBMS to enable the Division to record and manage client complaints regarding Toronto Building services as well as construction activity, applying a case management approach to complaints with through the use of a proposed CRM solution. The additional data stored in the CRM system will allow Toronto Building to better determine aspects of existing service delivery which require escalation, result in subsequent repeated complaints or in customer frustration. These additional metrics are critical to measuring the effectiveness of the Residential Infill Strategy and targeting the proactive measures described in the Strategy. This information can also be used to reduce Customer pain points in existing processes, improve staff responses to complaints, better align staff resources, and better educate customers about how Toronto Building services are delivered. The solution will also be integrated with other Divisions and 311 to enable collaboration and promote consistency between Divisions by providing Toronto Building and other Divisions a common view into issues relating to construction activity.

**Equity Statement:**

the proposal does not have an impact on equity

**Service: Building Compliance**

Total Staff Recommended Changes:	152.7	0.0	152.7	0.00	(9.5)	0.2
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**Service: Building Permission & Information**

Total Staff Recommended Changes:	(355.6)	0.0	(355.6)	0.00	0.0	0.0
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**2019 Operating Budget - Staff Recommended Service Changes  
Summary by Service (\$000's)**

Form ID		Infrastructure and Development Services  Program - Toronto Building	Adjustments				2020 Plan Net Change	2021 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
<b>Staff Recommended Service Changes:</b>			(203.0)	0.0	(203.0)	0.00	(9.5)	0.2
<b>Summary:</b>								
<b>Staff Recommended Service Changes:</b>			(203.0)	0.0	(203.0)	0.00	(9.5)	0.2
<b>Staff Recommended Base Budget:</b>			57,870.8	73,765.0	(15,894.2)	468.00	5,200.0	(0.0)

## Appendix 5

### Summary of 2019 New / Enhanced Service Priorities

New / Enhanced Service Description (in \$000s)	New and Enhanced Services Priorities				Total			Incremental Change			
	Building Permission & Information		Building Compliance		\$	\$	Position	2020 Plan		2021 Plan	
	Gross	Net	Gross	Net	Gross	Net	#	Net	Pos.	Net	Pos.
<b>Enhanced Service Priorities</b>											
<b>Council Directed:</b>											
Additional Capacity for Modernization & Continuous Improve	92.5	(0.0)	81.7	0.0	174.3		2.0		(0.0)	0.0	(2.0)
Toronto Building Program Review	843.3	(0.0)	744.8	0.0	1,588.1	(0.0)		0.0			
<b>Sub-Total Council Directed</b>	<b>935.8</b>	<b>(0.0)</b>	<b>826.6</b>	<b>0.0</b>	<b>1,762.4</b>	<b>(0.0)</b>	<b>2.0</b>	<b>0.0</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(2.0)</b>
<b>Referred to Budget Process:</b>											
Issue Management & Administrative Support for CBO's Office	89.2	(0.0)	78.8	0.0	167.9		2.0	(0.0)	(0.0)	0.0	(2.0)
<b>Sub-Total Referred to Budget Process</b>	<b>89.2</b>	<b>(0.0)</b>	<b>78.8</b>	<b>0.0</b>	<b>167.9</b>		<b>2.0</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(2.0)</b>
<b>Total Enhanced Services</b>	<b>1,025.0</b>	<b>(0.0)</b>	<b>905.3</b>	<b>0.0</b>	<b>1,930.3</b>	<b>(0.0)</b>	<b>4.0</b>	<b>0.0</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(4.0)</b>
<b>New Service Priorities</b>											
<b>Total 2019 New / Enhanced Services</b>	<b>1,025.0</b>	<b>(0.0)</b>	<b>905.3</b>	<b>0.0</b>	<b>1,930.3</b>	<b>(0.0)</b>	<b>4.0</b>	<b>0.0</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(4.0)</b>

## 2019 Operating Budget - Staff Recommended New and Enhanced Services Summary by Service (\$000's)

Form ID		Infrastructure and Development Services  Program - Toronto Building	Adjustments				2020 Plan Net Change	2021 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
17913		Additional Capacity for Modernization & Continuous Improve						
72	No Impact	<b>Description:</b>						

To support the proposed Program Review and to effectively lead, manage, and coordinate the large number of other in-flight and planned continuous improvement, Service Plan, and organizational excellence initiatives, the Division requires one (1) senior business analyst position and one (1) business analyst position.

**Service Level Impact:**

The Division is in the midst of a multi-year modernization and business transformation journey focused on advancing on a large number of initiatives associated with meeting the goals of our 2017 – 2021 Service Plan. In 2017, Toronto Building proudly launched its first five-year Service Plan. The Service Plan was developed through several consultations and operational reviews that helped identify areas for enhancement or improvement. Our Toronto Building 2017 - 2021 Service Plan sets the direction of the Division’s work and a roadmap for what we aim to accomplish within this five- year period. The Plan also identified four priorities, listed below, and set out an action plan to advance these priorities:

- Investing in a knowledgeable and engaged workforce
- Advancing strategic initiatives and fiscal responsibility
- Driving service quality, efficiency and innovation, and experience
- Pursuing a seamless customer service

Each year our annual Work Plans (one for each functional area) are developed and shaped around these priorities, typically resulting in a large number of projects and initiatives, over 35 initiatives/projects on average per year for 2017 and 2018, focused on advancing towards and realizing our Service Plan objectives. All actions identified in the Service Plan for 2017 and 2018 have either been completed, are well underway, or are in the planning stages. Currently, the Division does not have sufficient capacity to effectively advance business analytics capabilities and support enhanced data-driven decision making required in delivering on the proposed portfolio of priorities and objectives identified in this business case. With the approval of this business case, the Division would have the critical capacity required to support and manage the proposed Program Review, the workload associated with the assessment and implementation of the resulting recommendations, and other division-wide modernization and transformation initiatives. In addition, with the increased business analyst resources, the Division will be better positioned to effectively advance our business analytics capabilities and support enhanced data-driven decision making required to successfully delivering on the over 35 in-flight and planned continuous improvement projects, and the proposed portfolio of priorities and objectives identified, for 2019 and beyond, in this business case.

**Equity Statement:**

the proposal does not have an impact on equity

**Service: Building Compliance**

Total Staff Recommended Changes:	81.7	81.7	0.0	0.94	0.0	(0.0)
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**Service: Building Permission & Information**

Total Staff Recommended Changes:	92.5	92.5	(0.0)	1.06	0.0	0.0
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**Category:**

## 2019 Operating Budget - Staff Recommended New and Enhanced Services Summary by Service (\$000's)

Form ID		Infrastructure and Development Services  Program - Toronto Building	Adjustments				2020 Plan Net Change	2021 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
<b>Staff Recommended New/Enhanced Services:</b>			174.3	174.3	0.0	2.00	0.0	0.0

18268	Toronto Building Program Review
72	No Impact

**Description:**

As described in the section above, a comprehensive Program Review undertaken by an external consulting firm is proposed to assess and analyze the organizational structure, service areas, service levels, service delivery models, and the full costing model, to determine the efficiency and effectiveness in meeting the Division's short-term and long-term program objectives, establish best practices in meeting legislative requirements, and delivering on our mission and vision. It is estimated that funding in the amount of \$0.650 million gross, \$0.0 net, funded by a draw from the Building Code Service Improvement Reserve, would be required to meet our consulting needs for the proposed review. As an interim measure, while the Division works through the Program Review, to manage workload pressures and challenges in meeting service demands in the context of projected sustained high levels of development and construction activity, and as a contingency to mitigate the prolonged reliance on large amounts of overtime, as described in the previous section, the Division is proposing the addition of a pool of up to ten (10) temporary front-line plan review staff resources (Building Code Examiners and/or Zoning Examiners). This pool of temporary staff resources (up to 10 at any given time) would be available to the Division to provide critical assistance to managing workload pressures in our Zoning Review Programs including PPR and Zoning Certificate, as well as with the Building Code review of submissions for Complete and Incomplete streams of permit applications. To support this, funding in the amount of \$0.938 million gross, \$0 net, funded by a draw from the Building Code Service Improvement Reserve, is required.

**Category:**

- 71 - Operating Impact of New Capital Projects
- 72 - Enhanced Services-Service Expansion
- 74 - New Services
- 75 - New

**2019 Operating Budget - Staff Recommended New and Enhanced Services  
Summary by Service (\$000's)**

Form ID		Infrastructure and Development Services	Adjustments				2020 Plan Net Change	2021 Plan Net Change
Category	Equity Impact		Program - Toronto Building	Gross Expenditure	Revenue	Net		

**Service Level Impact:**

Toronto Building has undertaken significant efforts to achieve efficiencies with positive results. However, the Division's challenges cannot be overcome solely through the approaches taken thus far. Despite these efforts, there is still much more work to be done. We also need to evaluate whether Toronto Building has the most effective model for service delivery and that the organizational structure is appropriately aligned to deliver on our mission and vision. The Division's current structure has not changed since it was established following amalgamation. Toronto Building is organized in four (4) operational districts (Toronto & East York, Etobicoke York, North York and Scarborough District) with two (2) centralized services; the Sign Unit (established in 2010) and the Dedicated Enforcement Unit (established in 2015). The Division was part of the corporate core service review in 2010 has undertaken focused reviews of our Plan Review and Inspection functions, in 2014 and 2015 respectively. Consideration of the organization structure was undertaken in 2006 with assistance of an internal management consultant, but was largely focused on managing volumes in a single district (Toronto East York). This was also undertaken immediately following the implementation of significant provincial regulatory changes to how municipalities administer the enforcement of the Ontario Building Code. At this time, given our mission and vision, 2017 – 2021 Service Plan objectives, challenges managing high volumes of activity, changes in divisional leadership, and the need to align with the City's public service priorities, the Division has a good opportunity to build on the previous work by taking a comprehensive and in-depth holistic examination to determine what the most appropriate organizational structure and service model is for Toronto Building to realize our goals for 2019 and beyond. Toronto Building's revenues collected from Building Permit Fees are determined by the requirements stipulated by Section 7 of the Building Code Act (BCA). The Division is legislated to operate on a cost recovery basis. There is no reliance on property tax funding. Given the financial framework and requirement to maintain 100% cost-recovery, the Division developed and adopted the current full costing model in 2005 and established an obligatory dedicated reserve fund. The reserve fund target balance was set at 100% of direct and indirect annual operating cost with annual base budget contributions set at approximately \$2.0 million. The funds allocated to the reserve are protected for the maintenance of systems and processes which enable legislated service delivery timelines and reporting requirements to be met, including stabilization and investment in service improvements (as per the BCA). The Division is facing challenges in meeting service demands and prescribed service levels (legislated and program mandated) in the context of a 45% increase in number of building permit applications since 2010. Over the same time period, our staff complement, excluding additions for new programs and services, has only grown by net 3.5 positions or 0.83%. Instead continuous improvement and service efficiency programs, including the implementation of the Electronic Service Delivery Program have resulted in the Division being able to do more with less, while improving performance levels and client satisfaction. However, at the same time, the Division has maintained a high level of reliance on overtime, and has been exceeding the annual budgeted amount for overtime by almost 90% on average, in an effort to keep pace with service demands. This prolonged dependency on large amounts of overtime to address sustained high workload volumes is unsustainable for a variety of reasons including, work quality, staff wellness, employee engagement, and overall morale. With the approval of this business case, the Division will be in a better position to mitigate the pressures and challenges associated with the record high levels of building permit activity, while we go through the Program Review to determine the way forward to meet the objectives as described in this business case.

**Equity Statement:**

the proposal does not have an impact on equity

**Service:** Building Compliance

**Category:**

- 71 - Operating Impact of New Capital Projects
- 72 - Enhanced Services-Service Expansion
- 74 - New Services
- 75 - New

## 2019 Operating Budget - Staff Recommended New and Enhanced Services Summary by Service (\$000's)

Form ID		Infrastructure and Development Services  Program - Toronto Building	Adjustments				2020 Plan Net Change	2021 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
		Total Staff Recommended Changes:	744.8	744.8	0.0	0.00	(0.0)	0.0
		<b>Service:</b> Building Permission & Information						
		Total Staff Recommended Changes:	843.3	843.3	(0.0)	0.00	0.0	0.0
		<b>Staff Recommended New/Enhanced Services:</b>	<b>1,588.1</b>	<b>1,588.1</b>	<b>0.0</b>	<b>0.00</b>	<b>0.0</b>	<b>0.0</b>

18269	Issue Management & Administrative Support for CBO's Office
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72	No Impact
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**Description:**

It is proposed that one (1) Program Manager, Customer Service and Issues Management, and one (1) Administrative Assistant 2 position be added to provide for the effective management of issues and administration of the CBO's office. To support this, funding in the amount of \$0.168 million gross, \$0 net, funded by a draw from the Building Code Service Improvement Reserve, is required.

**Service Level Impact:**

**Equity Statement:**

the proposal does not have an impact on equity

**Service:** Building Compliance

Total Staff Recommended Changes:	78.8	78.8	0.0	0.94	(0.0)	0.0
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**Service:** Building Permission & Information

Total Staff Recommended Changes:	89.2	89.2	(0.0)	1.06	0.0	0.0
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<b>Staff Recommended New/Enhanced Services:</b>	<b>167.9</b>	<b>167.9</b>	<b>0.0</b>	<b>2.00</b>	<b>0.0</b>	<b>0.0</b>
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**Summary:**

<b>Staff Recommended New / Enhanced Services:</b>	<b>1,930.3</b>	<b>1,930.3</b>	<b>0.0</b>	<b>4.00</b>	<b>0.0</b>	<b>0.0</b>
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**Category:**

## Appendix 10

**Inflows and Outflows to/from Reserves and Reserve Funds**  
**2019 Operating Budget**

**Program Specific Reserve / Reserve Funds**

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2018 *	Withdrawals (-) / Contributions (+)		
			2019	2020	2021
		\$	\$	\$	\$
<b>Beginning Balance</b>		110,693.7	110,693.7	101,216.9	98,692.6
Building Code Act Service Improvement	XR1305				
<i>Withdrawals (-)</i>			(10,430.3)	(3,430.4)	(3,312.9)
<i>Contributions (+)</i>			953.5	906.1	893.5
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		110,693.7	101,216.9	98,692.6	96,273.2
<b>Balance at Year-End</b>		110,693.7	101,216.9	98,692.6	96,273.2

\* Based on 9-month 2018 Reserve Fund Variance Report

**Corporate Specific Reserve and Reserve Funds**

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2018 *	Withdrawals (-) / Contributions (+)		
			2019	2020	2021
		\$	\$	\$	\$
<b>Beginning Balance</b>		31,921.8	31,921.8	33,397.3	34,872.8
Insurance Reserve Fund	XR1010				
<i>Withdrawals (-)</i>					
<i>Contributions (+)</i>			1,475.5	1,475.5	1,475.5
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		31,921.8	33,397.3	34,872.8	36,348.3
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>					
<b>Balance at Year-End</b>		31,921.8	33,397.3	34,872.8	36,348.3

\* Based on 9-month 2018 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2018 *	Withdrawals (-) / Contributions (+)		
			2019	2020	2021
		\$	\$	\$	\$
<b>Beginning Balance</b>		584.4	584.4	658.2	731.9
Vehicle Reserve- Toronto Building	XQ1301				
<i>Withdrawals (-)</i>					
<i>Contributions (+)</i>			73.8	73.8	73.8
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		584.4	658.2	731.9	805.7
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>					
<b>Balance at Year-End</b>		584.4	658.2	731.9	805.7

\* Based on 9-month 2018 Reserve Fund Variance Report