

2024 Budget Notes

Toronto Building

While we aim to provide fully accessible content, there is no text alternative available for some of the content within these pages. If you require alternate formats or need assistance understanding our charts, graphs, or any other content, please contact us at FPD@toronto.ca.

Description

We enforce provincial and municipal building regulations and bylaws, where our primary responsibilities are established through the Building Code Act, such as reviewing and issuing building permits and conducting mandatory inspections of construction to make sure work is in compliance with the Building Code and building permits.

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.

In 2023, Toronto Building expects to issue approximately 40,000 building permits, with an estimated construction value of more than \$13 billion, complete 160,000 building inspections, and conduct over 2,600 annual building investigations.

Why We Do It

Buildings in Toronto are constructed to be safe, accessible, and sustainable for all, through compliance with the Ontario Building Code.

The City of Toronto aims to deliver these outcomes equitably, efficiently and with excellent customer service to help improve the lives of Torontonians and work to earn their trust and confidence.

Toronto Building:

Kamal Gogna

Acting Chief Building Official and Executive Director

Tel: (416) 392-7523

Email: Kamal.Gogna@toronto.ca

Corporate:

Cindy Williamson

Manager, Financial Planning

Tel: (416) 397-4531

Email: Cindy.Williamson@toronto.ca

What Service We Provide

Building Permission & Information

Who We Serve: Agent, Applicant, Architect / Firm, Builder and Organization, Business, Complainant, Consultant, Contravener, Designer Firm/Professional, Developer, Engineer, Lawyer, Licensee, Mayor & City Council, Operator, Owner's Agent, Police, Property Owner, Ratepayers, Sign Owner, Staff - City Divisions, Surveyor, Tenant.

What We Deliver: Preliminary Plan Review, Building Permit Issuance, Building Record Information Provision.

How Much Resources (2024 gross operating budget): \$43.2 million

Building Compliance

Who We Serve: Building User or Occupant, Property Owner, Agent, Contractor, Design Professional, Sign Owner, Developer, City Divisions, Council/Mayor.

What We Deliver: Building Inspection, Building Enforcement.

How Much Resources (2024 gross operating budget): \$39.4 million

Budget at a Glance

2024 OPERATING BUDGET

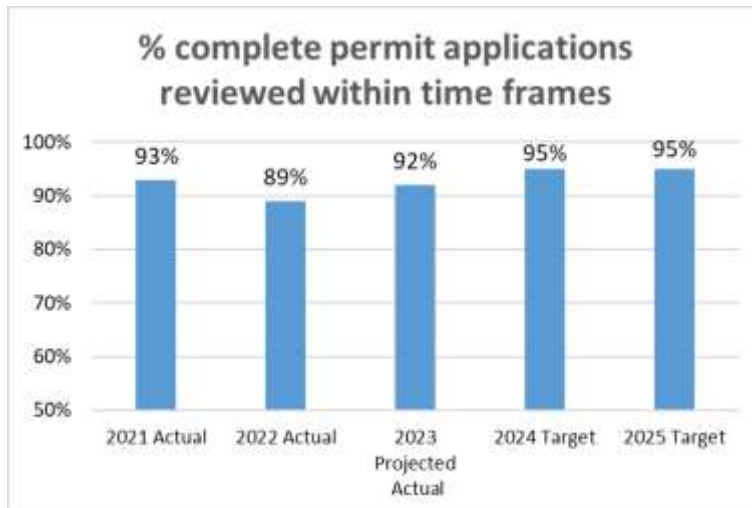
<u>\$Million</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Revenues	\$98.8	\$99.3	\$99.9
Gross Expenditures	\$82.7	\$84.8	\$87.0
Net Expenditures	(\$16.1)	(\$14.5)	(\$12.9)
Approved Positions	572.0	596.0	596.0

2024 - 2033 10-YEAR CAPITAL PLAN

<u>\$Million</u>	<u>2024</u>	<u>2025-2033</u>	<u>Total</u>
------------------	-------------	------------------	--------------

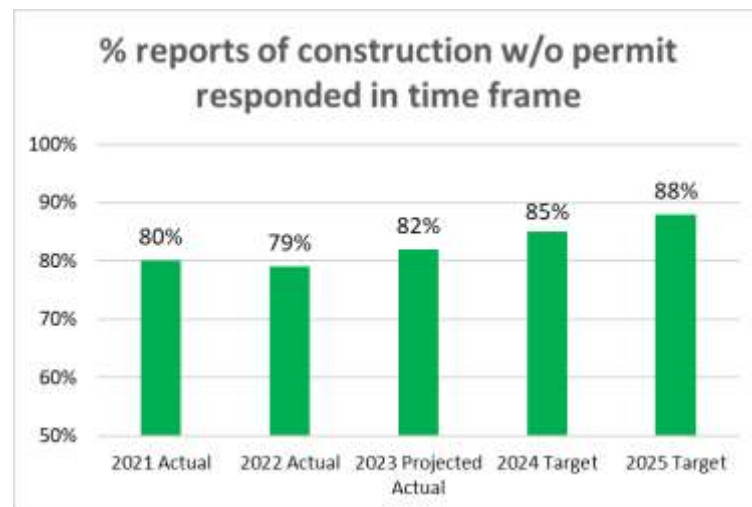
This program does not have a capital budget.

How Well We Are Doing – Behind the Numbers



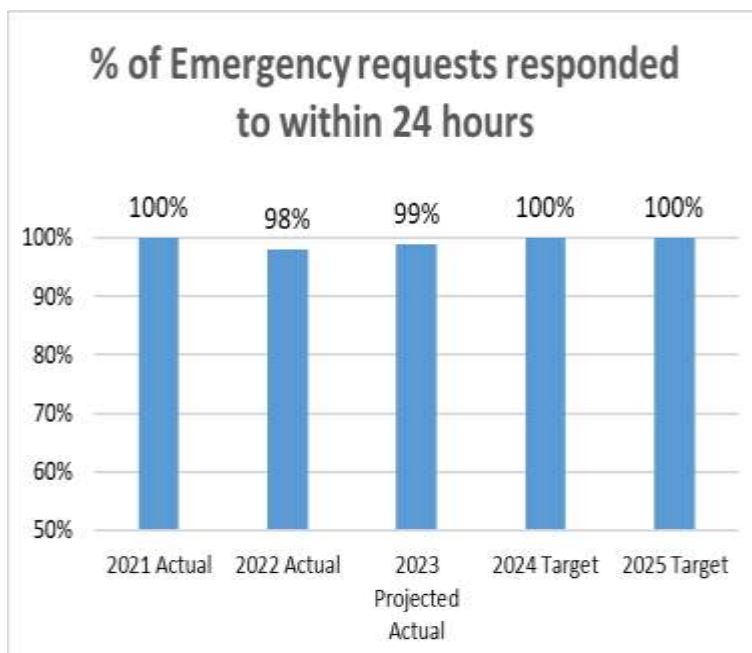
Toronto Building has faced challenges in meeting its target mostly attributed to:

- **Increasing application volumes and application complexity.** The complexity of buildings and building sites has also been increasing, compounding the workload impacts of high application volumes.
- **Staff Turnover and Hiring** – Continued implementation of new positions and hiring strategies, however turnover and vacancy rates in core areas remain relatively high through transitional period.
- **Program Review** – Implementation of recommendations including additional staff resources and new service delivery model expected to yield improvements in meeting service demands.



Investments in Inspection Services, including the Residential Infill Construction Strategy and Dedicated Enforcement Team have resulted in a more consistent and improved response to complaints of work being done without a permit. Additional improvements could be realized through:

- **Exploration and adoption of innovative approaches to inspections** to increase capacity to focus on more value-added work.
- **Enhancement of business intelligence capabilities** to improve ability to respond to problems sites and recurring issues and enhanced coordination with partner divisions.



Through the implementation of the Dedicated Enforcement Team (2015), the Division has improved its ability to respond to emergency complaints and take immediate action where appropriate. The additional resources have directly contributed to increasing response times from 81% in 2015 to 100% in 2021. The division further aims to address the following to maintain 100% targeted response time:

- **Modernizing technology systems** – Response times and performance can be maintained and improved further by modernizing core technology platforms and reducing the administrative workload to free up additional inspector capacity.
- **Staff Turnover and Hiring** – Staff turnover and challenges filling vacant inspector positions continues to impact response times in all service areas.
- **Program Review** – Implementation of recommendations including additional staff resources and new service delivery model expected to yield improvements in meeting service demands.

How Well We Are Doing

Service	Service Measure	2021 Actual	2022 Actual	2023 Target	2023 Projection	Status	2024 Target	2025 Target
Outcome Measures								
Building Permission & Information	% complete permit applications reviewed within legislated time frames (10 days - 30 days)	93%	89%	95%	92%	●	95%	95%
Building Permission & Information	# building permits issued	40,226	39,986	45,000	40,000	●	42,000	42,000
Building Compliance	% reports of construction w/o permit responded to within 2 days	80%	79%	85%	82%	●	85%	88%
Building Compliance	# reports of construction w/o permit responded	3,762	2,937	3,300	3,000	●	3,300	3,300
Building Compliance	% of Emergency requests responded to within 24 hours	100%	98%	100%	99%	●	100%	100%
Building Compliance	# of Emergency requests responded to	72	53	75	65	●	75	75

2023 Projection to 2023 Target Comparison

- 80% and above (MET TARGET)
- 70 - 79% (LOW RISK)
- 69% and Under (REQUIRES ATTENTION)

Service	Service Measure	2021 Actual	2022 Actual	2023 Target	2023 Projection	Status	2024 Target	2025 Target
Service Level Measures								
Building Permission & Information	% sign applications reviewed within 10 days	88%	83%	94%	87%	●	95%	95%
Building Permission & Information	# sign applications reviewed	1,841	1,595	1,500	1,600	●	1,500	1,500
Building Permission & Information	% preliminary zoning reviews completed within service standard (10 days to 30 days)	73%	64%	80%	68%	●	80%	85%
Building Permission & Information	# preliminary zoning reviews completed	4,558	4,973	4,000	4,800	●	4,500	4,500
Building Compliance	% building inspections conducted within 2 days	90%	90%	94%	91%	●	94%	95%
Building Compliance	# building inspections conducted	158,254	153,778	160,000	155,000	●	160,000	160,000

2023 Projection to 2023 Target Comparison

● 80% and above (MET TARGET) ● 70 - 79% (LOW RISK) ● 69% and Under (REQUIRES ATTENTION)

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

- Continued implementation of a new client-centric operating model with launch of new Express Services and City-wide Priorities service streams, as well as piloting an Express Services online intake portal.
- Advanced on divisional recruitment and retention initiatives through implementation of the Council approved new wage structure for hard-to-fill technical positions.
- Participated in the development of Building Code changes introduced under the Province's Housing Supply Action Plan (e.g., early occupancy of super-tall buildings) and brought forward recommendations to City Council for action to support the City's housing objectives.
- Worked with divisional partners to facilitate building approvals in support of the City's affordable housing initiatives and transit priorities.

Key Challenges and Risks

- **Organizational Transformation** – finalize phase-in of new organizational structure and program review recommendations to realize the vision of modernized building regulatory model and practices for the Division.
- **Service Delivery** – the ability to drive service quality, efficiency, innovation, and meet service levels in the context of current economic conditions and building industry dynamics.
- **Technology** – accelerate the adoption of modern client-centric technology to enable and support modernized building regulatory model and practices, and client expectations.
- **Training and Development** – maintaining and enhancing a progressive and continuous learning environment for staff training and development.
- **Fiscal Responsibility** – investment in resources required to support business transformation and the Division's new service delivery model.

Priority Actions

- **Organizational Transformation** – the Division will continue aggressive recruitment and retention approaches to fill vacant positions to improve its ability to meet service levels. The Division will also assess staff resource requirements on an ongoing basis as the new organizational structure is implemented and may add further positions within approved funding through in-year adjustment(s), on an as-needed basis.
- **Service Delivery** – drive service quality, efficiency, and innovation to meet service demands.
- **Technology** – advance replacement of aging and out-of-date systems.
- **Training and Development** – invest in a knowledgeable and engaged workforce by advancing succession planning and enhancing employee training and development programs.
- **Fiscal Responsibility** – refresh and update full cost-recovery model based on program recommendations, and actively monitor and assess the development and construction market.

CITY STAFF PREPARED BUDGET

The City Manager and Chief Financial Officer and Treasurer have prepared the following budget:

1. The 2024 Operating Budget for Toronto Building of \$82.676 million gross, \$98.823 million revenue and (\$16.147) million net revenue for the following services:

Service:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
Building Permission & Information	43,224.4	53,063.8	(9,839.4)
Building Compliance	39,451.7	45,759.2	(6,307.5)
Total Program Budget	82,676.1	98,823.0	(16,146.9)

- The 2024 staff complement for Toronto Building of 572.0 operating positions.

2024 OPERATING BUDGET

2024 OPERATING BUDGET OVERVIEW

Table 1: 2024 Operating Budget by Service

(In \$000s)	2022 Actual	2023 Budget	2023 Projection*	2023 Budget excl COVID	2024 Base Budget	2024 New / Enhanced	2024 Budget	Change v. 2023 Budget excl COVID	
By Service	\$	\$	\$	\$	\$	\$	\$	\$	%
Revenues									
Building Permission & Information	50,984.2	52,489.4	52,057.2	52,489.4	53,063.8		53,063.8	574.4	1.1%
Building Compliance	41,328.1	45,251.9	42,911.8	45,251.9	45,759.2		45,759.2	507.3	1.1%
Total Revenues	92,312.3	97,741.3	94,968.9	97,741.3	98,823.0		98,823.0	1,081.7	1.1%
Expenditures									
Building Permission & Information	26,920.4	40,957.8	33,338.9	40,957.8	43,224.4		43,224.4	2,266.6	5.5%
Building Compliance	23,192.9	40,636.6	29,328.8	40,636.6	39,451.7		39,451.7	(1,184.9)	(2.9%)
Total Gross Expenditures	50,113.3	81,594.4	62,667.7	81,594.4	82,676.1		82,676.1	1,081.7	1.3%
Net Expenditures	(42,199.0)	(16,146.9)	(32,301.2)	(16,146.9)	(16,146.9)		(16,146.9)	0.0	(0.0%)
Approved Positions**	534.0	572.0	N/A	572.0	572.0	0.0	572.0	0.0	(0.0%)

*2023 Projection based on 9 Month

**YoY comparison based on approved positions

KEY DRIVERS

Total 2024 Budget expenditures of \$82.676 million gross reflecting an increase of \$1.082 million in spending above 2023 budget, predominantly arising from:

- Inflationary increases to salaries and benefits for existing positions.

EQUITY IMPACTS OF BUDGET CHANGES

The Toronto Building budget proposal overall equity impact is low positive. Toronto Building 2024 Operating Budget maintains funding for outreach and communications to Immigrants, persons with disabilities, seniors, Indigenous Peoples, Black and other equity-deserving groups and vulnerable populations. The Division will continue to provide information in multiple languages and formats, more support and clarity for constructing new housing, including affordable housing for low-income individuals, undertaking renovations to improve accessibility, and access to safe, healthy and adequate homes.

The Division is preparing a Toronto Building-specific Equity, Diversity, and Inclusion Action Plan, which includes a specific focus on Confronting Anti-Black Racism to identify and remove systemic barriers to policies, services and practices through the Equity Lens tools. This supports the City of Toronto's Corporate Strategic Plans priority of a "Well run City," Toronto at Your Service: The City's integrated customer service initiative and HousingTO 2020-2030 Action Plan.

2024 OPERATING BUDGET KEY COST DRIVERS

The 2024 Net Operating Budget for Toronto Building of (\$16.147) million in net revenue has no net change compared to the 2023 Net Budget. Table 2 below summarizes the key cost drivers for the 2024 Budget.

Table 2: 2024 Key Cost Drivers

(In \$000s)	2024				2025 Annualized impact (Net)
	Revenues	Gross	Net	Positions**	
2023 Budget	97,741.3	81,594.4	(16,146.9)	572.0	N/A
2023 Projection*	94,968.9	62,667.7	(32,301.2)	N/A	N/A
Key Cost Drivers:					
Prior Year Impacts					
Annualized impacts of 2023 approved positions		2,479.5	2,479.5		
2023 Employee Retention and Attraction program	(3,758.6)	(3,758.6)			
Salary & Benefits					
COLA, Progression pay, and Benefits	71.2	3,586.0	3,514.8		479.8
Other Changes					
Insurance Contribution Adjustment		79.8	79.8		
Toronto Building Fiscal Strategy	4,769.1		(4,769.1)		
Revenue increases to maintain full cost recovery					(479.8)
Sub-Total - Key Cost Drivers	1,081.7	2,386.7	1,305.0		
Affordability Measures:					
Line by Line Reviews		(1,305.0)	(1,305.0)		
Sub-Total - Affordability Measures		(1,305.0)	(1,305.0)		
Total 2024 Budget	98,823.0	82,676.1	(16,146.9)	572.0	
Change from 2023 Budget (\$)	1,081.7	1,081.7	0.0	0.0	N/A
Change from 2023 Budget (%)	1.1%	1.3%	0.0%	0.0%	N/A

*Based on 9 Month Variance

**YoY comparison based on approved positions

Prior Year Impacts:

- Includes annualized impacts of new 2023 approved positions. These include twenty-five (25) positions for Toronto Building client-centric organizational transformation, nine (9) positions for “*The More Home for Everyone Act*” related to Bill 109, and four (4) positions for Metrolinx transit expansion projects.
- Toronto Building is actively collaborating with People and Equity partners to prioritize aggressive recruitment and retention approaches to fill vacant positions to support service delivery and the City's economic restart and recovery. This also includes the reversal of 2022 retro adjustment, done as part of 2023 employee Retention and Attraction program ([2023.EX6.2](#)).

Salaries & Benefits:

- Includes inflationary increases to existing salaries & benefits. Additional support for Waterfront East Light Rail Transit project with net zero impact.

Other Changes:

- Includes sustainable draws from reserves for recoveries of salaries and benefits costs for existing reserve-funded positions as part of the Toronto Building Fiscal Strategy, and increased insurance contribution and base budget changes for future year funding requirements and obligations.

Affordability Measures:

Table 3: Offsets and Efficiencies

(In \$000s)									
Recommendation	Savings Type	Equity Impact	2024				2025 (Incremental)		
			Revenue	Gross	Net	Positions	Gross	Net	Positions
Line by Line Reviews	Line By Line	None		(1,305.0)	(1,305.0)				
Total Affordability Measures				(1,305.0)	(1,305.0)	-			-

- A reduction in base budget expenditure requirements (includes items such as furnishings, training, renovations etc.) to reflect actual experience.

2025 & 2026 OUTLOOKS

Table 5: 2025 and 2026 Outlooks

(In \$000s)	2024 Budget	2025 Incremental Outlook	2026 Incremental Outlook
Revenues			
Revenue Changes		479.8	608.3
Total Revenues	98,823.0	479.8	608.3
Gross Expenditures			
Salaries & Benefits		479.8	608.3
CC2.1 - Multi-Tenant Housing		1,598.8	1,686.2
Total Gross Expenditures	82,676.1	2,078.6	2,294.5
Net Expenditures	(16,146.9)	1,598.8	1,686.2
Approved Positions	572.0	24.0	0.0

Key Outlook Drivers

The 2025 Outlook with total gross expenditures of \$84.755 million reflects an anticipated \$2.079 million or 2.51% increase in gross expenditures above the 2024 Operating Budget. The 2026 Outlooks expects a further increase of \$2.295 million or 2.71% above 2025 gross expenditures.

These changes arise from the following:

- Inflationary increases in salaries and benefits.
- Support to the Multi-Tenant Housing ([2023.CC2.1](#)) project which includes 24 new positions added in 2025.

These increases are partially offset by:

- Increases to building permit revenues to maintain full cost recovery.

APPENDICES

Appendix 1

2024 Operating Budget by Category

Category (In \$000s)	2021 Actual	2022 Actual	2023 Budget	2023 Projection*	2024 Budget	2024 Change from 2023 Budget		2024 Change from 2023 Projection	
	\$	\$	\$	\$	\$	\$	%	\$	%
User Fees & Donations	102,988.5	85,105.2	65,358.5	76,194.6	65,358.5			(10,836.0)	(14.2%)
Transfers From Capital			156.1		227.2	71.2	45.6%	227.2	
Contribution From Reserves/Reserve Funds	6,009.8	6,750.2	28,494.2	18,223.1	29,504.7	1,010.5	3.5%	11,281.7	61.9%
Sundry and Other Revenues	535.3	456.9	3,732.5	551.3	3,732.5			3,181.2	577.0%
Total Revenues	109,533.5	92,312.3	97,741.3	94,968.9	98,823.0	1,081.7	1.1%	3,854.0	4.1%
Salaries and Benefits	46,006.6	47,369.1	75,096.2	59,421.4	77,403.1	2,306.9	3.1%	17,981.8	30.3%
Materials & Supplies	98.3	82.3	128.1	74.0	128.1			54.1	73.1%
Equipment	156.7	242.8	1,946.4	507.7	1,496.4	(450.0)	(23.1%)	988.6	194.7%
Service and Rent	767.4	853.7	2,878.1	1,119.0	2,002.1	(876.0)	(30.4%)	883.1	78.9%
Contribution To Reserves/Reserve Funds	1,686.4	740.2	1,029.8	1,029.8	980.6	(49.2)	(4.8%)	(49.2)	(4.8%)
Other Expenditures	854.2	658.1	515.8	515.8	665.8	150.0	29.1%	150.0	29.1%
Inter-Divisional Charges	81.0	167.1							
Total Gross Expenditures	49,650.6	50,113.3	81,594.4	62,667.7	82,676.1	1,081.7	1.3%	20,008.4	31.9%
Net Expenditures	(59,882.9)	(42,199.0)	(16,146.9)	(32,301.2)	(16,146.9)	0.0	(0.0%)	16,154.4	(50.0%)

*Projection based on 9 Month Variance

Appendix 2

Summary of 2024 Service Changes

N/A

Appendix 3

Summary of 2024 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 4

Summary of 2024 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 5

2024 Capital Budget; 2025 - 2033 Capital Plan Including Carry Forward Funding

N/A

Appendix 5a

2024 Cash Flow and Future Year Commitments Including Carry Forward Funding

N/A

Appendix 5b

2025 - 2033 Capital Plan

N/A

Appendix 6

Reporting on Major Capital Projects: Status Update

N/A

Appendix 7

Capacity to Spend Review

N/A

Appendix 8

Summary of Capital Needs Constraints

N/A

Appendix 9

Capital Program Provincial/Federal Funding Streams by Project

N/A

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds

2024 Operating Budget

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2024	2025	2026
		\$	\$	\$
Beginning Balance		225,612.5	195,495.3	165,152.2
Building Code Act Service Improvement RF	XR1305			
<i>Withdrawals (-)</i>		(28,810.7)	(28,810.7)	(28,810.7)
<i>Contributions (+)</i>		-	-	-
<i>Interest Income</i>		1,573.3	1,347.4	1,119.8
Total Reserve / Reserve Fund Draws / Contributions		198,375.0	168,032.0	137,461.3
Other Program / Agency Net Withdrawals & Contributions		(2,879.8)	(2,879.8)	(2,879.8)
Balance at Year-End		195,495.3	165,152.2	134,581.5

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2024	2025	2026
		\$	\$	\$
Beginning Balance		48,280.6	32,147.6	16,131.2
Insurance Reserve Fund	XR1010			
<i>Withdrawals (-)</i>		-	-	-
<i>Contributions (+)</i>		890.6	890.6	890.6
<i>Interest Income</i>		300.5	180.4	-
Total Reserve / Reserve Fund Draws / Contributions		49,471.6	33,218.6	17,021.8
Other Program / Agency Net Withdrawals & Contributions		(17,324.0)	(17,087.4)	(17,428.2)
Balance at Year-End		32,147.6	16,131.2	(406.4)

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2024	2025	2026
		\$	\$	\$
Beginning Balance		1,137.3	1,227.3	990.7
Vehicle Reserve - Toronto Building	XQ1301			
<i>Withdrawals (-)</i>		-	(326.6)	(254.2)
<i>Contributions (+)</i>		90.0	90.0	90.0
<i>Interest Income</i>		-	-	-
Total Reserve / Reserve Fund Draws / Contributions		1,227.3	990.7	826.5
Other Program / Agency Net Withdrawals & Contributions				
Balance at Year-End		1,227.3	990.7	826.5

Appendix 10 (continued)

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2024	2025	2026
		\$	\$	\$
Beginning Balance		73,857.6	41,750.8	9,493.5
Development Application Review	XR1307			
<i>Withdrawals (-) Bill 109</i>		(694.0)	(694.0)	(694.0)
<i>Contributions (+)</i>		-	-	-
<i>Interest Income</i>		432.0	191.4	-
Total Reserve / Reserve Fund Draws / Contributions		73,595.6	41,248.2	8,799.5
Other Program / Agency Net Withdrawals & Contributions		(31,844.7)	(31,754.7)	(31,246.4)
Balance at Year-End		41,750.8	9,493.5	(22,446.8)

(*) City Planning is undertaking a follow-on development application fee review and will report back to Council with recommendations by the fourth quarter of 2024. Once approved by Council, this will move eligible costs funded by this reserve fund to user fees. The table above reflects the current funding sources pending the Council approval.

Appendix 11

Glossary

Approved Position: Permanent or temporary positions that support the delivery of City services and service levels as approved by Council.

Actuals: An actual financial amount paid (or received) for the delivery of City services (these exclude any commitments to be paid in the future).

Capacity to Spend: Ability to spend money along with the capacity to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

Capital Budget: A Capital Budget is the City's plan to acquire / build assets or extend the useful life of existing assets; an example of a capital expenditure is the construction of a new community centre.

Capital Needs Constraints: The capital needs that cannot be accommodated within the capital plan that the Division or Agency have the capacity to deliver.

Complement: Positions that support the delivery of City services and service levels as approved by Council.

Efficiencies: Reductions in the cost of delivering a service without a reduction in service level.

New / Enhanced Service Priorities: New and enhanced service changes resulting in an increase in service levels from what was previously approved by Council.

Operating Budget: An Operating Budget is the City's annual plan to provide services to the residents of Toronto; the budget includes all revenues and expenses needed to provided services; an example of an operating cost would be the cost to run the TTC subways.

Operating Impact of Completed Capital Projects: The additional expense (or savings) and positions needed to operate or maintain a new asset; an example would be the additional expense and staff needed to operate a recently completed community centre.

Rate Supported Budget: Budget fully funded by user fees such as Solid Waste, Toronto Water and Toronto Parking Authority

State of Good Repair (SOGR): The cost of maintaining assets to ensure they are able to support the delivery of City services and meet service outcomes.

Tax Supported Budget: Budget funded by property taxes.

User Fees: Program generated fee and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).