



# Bruce County: Development Fees Review

## Interim Report Findings: Departmental Activity-Based Costing

October 2020

# Agenda

1. Mandate Summary
2. Methodology
3. Findings Summary:
  - Activity-Based Costing Findings
  - Comparator Municipalities
4. Next Steps and Path to Final Report

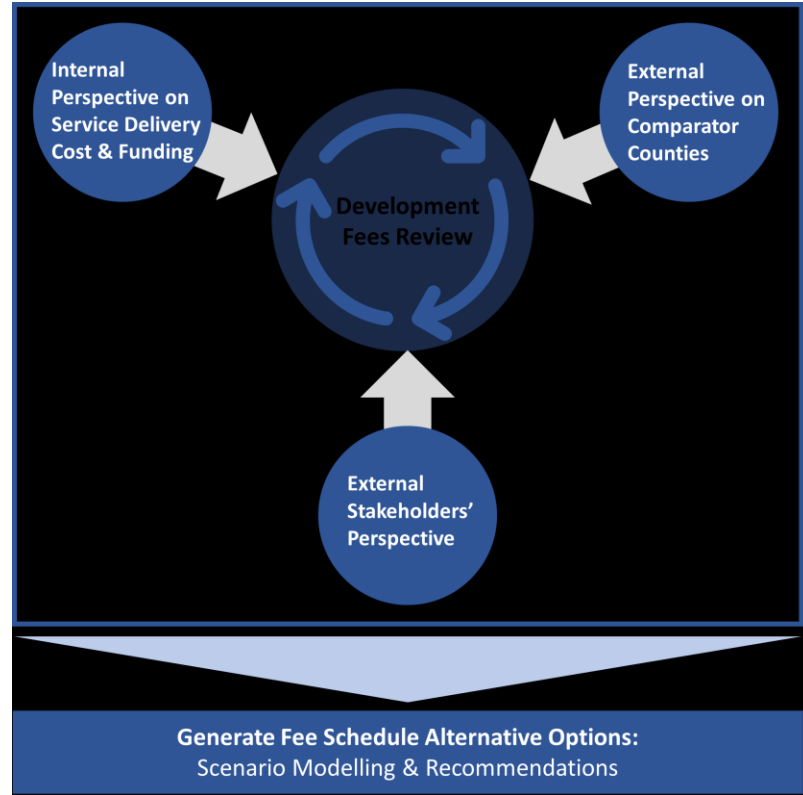
# Planning Fees Review Methodology

## Interim Report Objectives:

- to inform the first discussion of Bruce County's Planning and Development Committee, today, regarding the review of fees for development applications.
- to inform the Service Agreement discussion between the County and Local Municipalities.

## Final Report Objectives:

- External Stakeholder Input (eg. frequent developers in Bruce County)
- Fee Schedule Alternative Options
- Recommendations and Conclusions



# Internal Perspective on Cost of Service Delivery

# Segmentation of Activities

## Fee Related Activities

1. Variances
2. Consent
3. Zoning
4. Local OP
5. County OP
6. Subdivision & Condo
7. Condo Exemption
8. Appeals

- Workflow process steps for each service?
- Which staff are involved in each process step?
- How much time is spent on each process step?
- Volume of cases for each service?
- How is case load distributed between staff?

## Joint Applications (x9)

- What is the process step overlap when the workflows of the above services are combined?
- How do we avoid double-counting?

## Activities Without Fee

### Critical for Development Applications

Pre-consultations

General Inquiries

Administrative

Policy

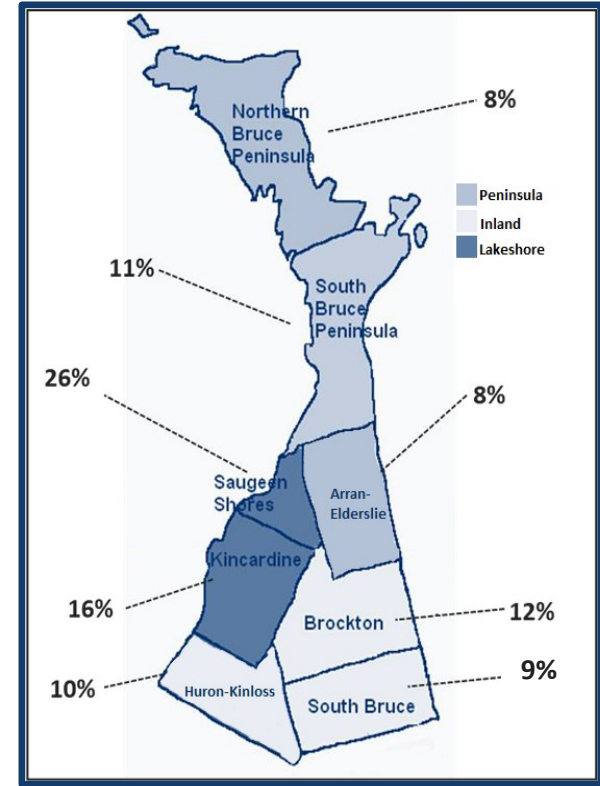
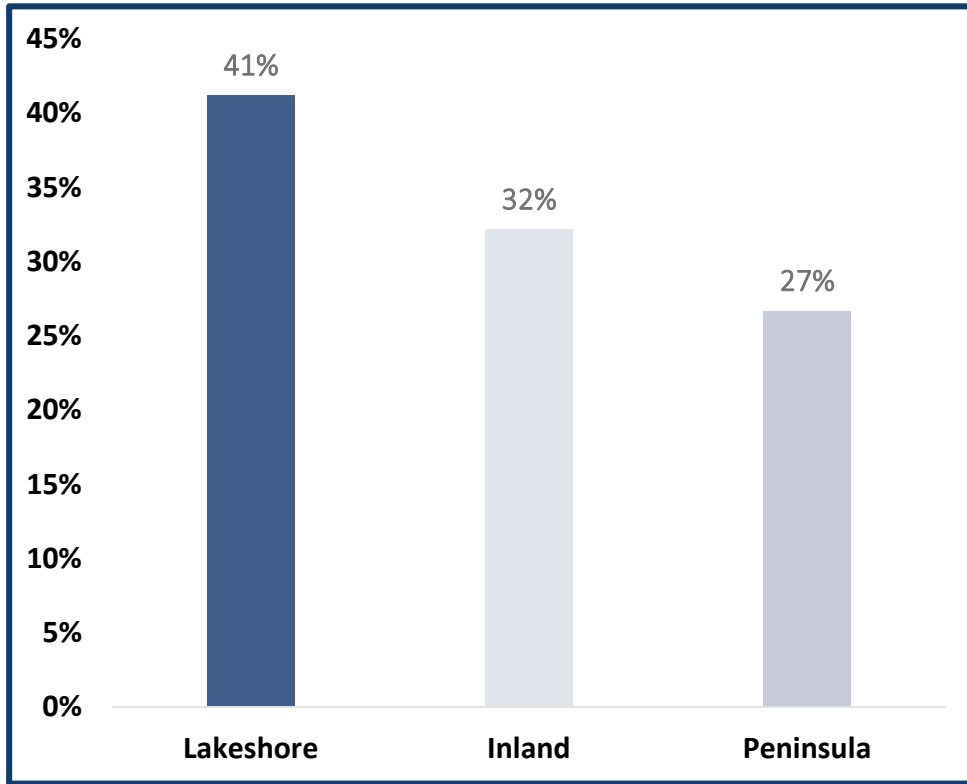
Municipal Projects

Relationship Management

Urgency of Expected Response

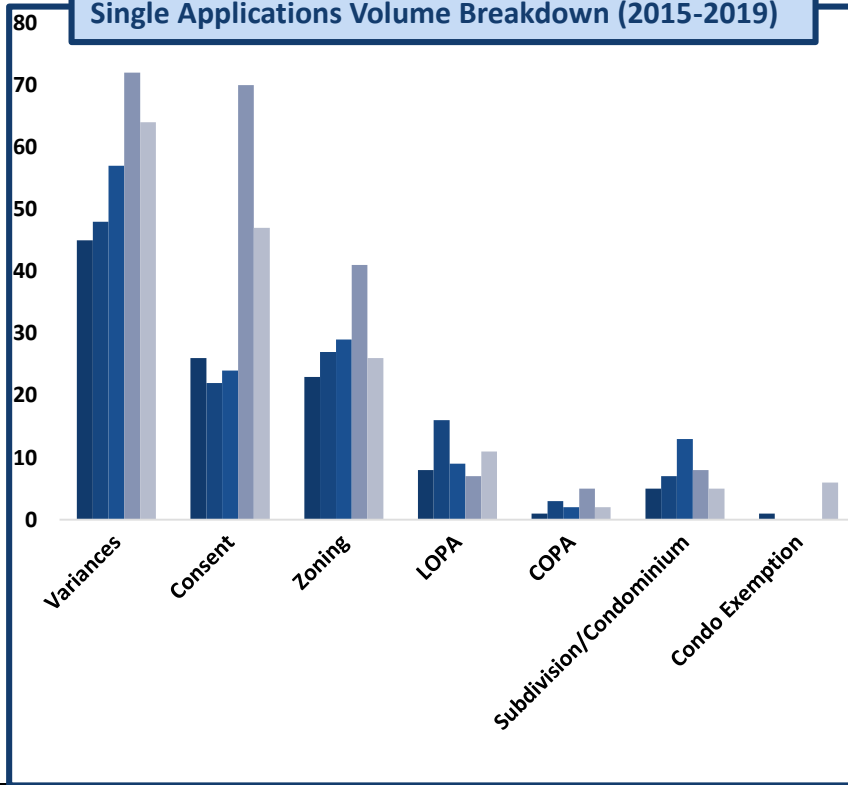
- What are the activities involved in each category?
- What percentage of each staff's time is meant to be spent on each category, at each staff level?

# Case Volume Breakdown: By Hub/Municipality

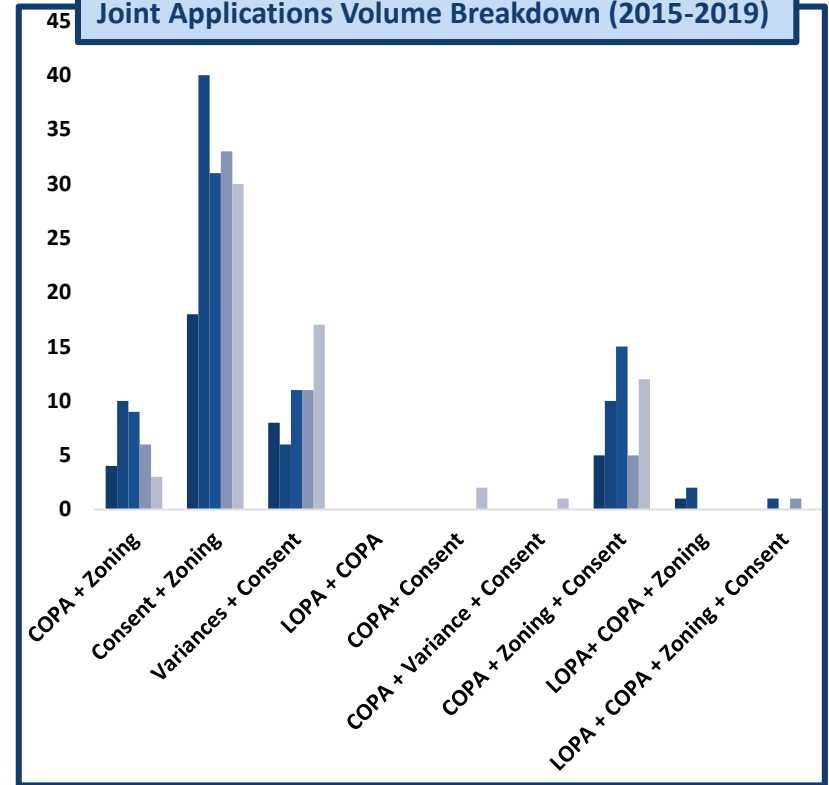


# Case Volume Breakdown: By Application Type

Single Applications Volume Breakdown (2015-2019)



Joint Applications Volume Breakdown (2015-2019)



## Activity-Based Cost Summary per Application Type

Single Applications	Activity-Based Cost
Variances	\$ 1,766
Consent	\$ 1,718
Zoning	\$ 2,262
LOPA	\$ 2,639
COPA	\$ 2,576
Subdivision/Condominium (average)	\$ 5,154
Condo Exemption	\$ 1,140
Appeals	\$ 4,315
Joint Applications	Activity-Based Cost
COPA + Zoning	\$ 3,816
Consent + Zoning	\$ 3,310
Variances + Consent	\$ 2,636
LOPA + COPA	\$ 4,877
COPA + Consent	\$ 3,641
COPA + Variance + Consent	\$ 4,445
COPA + Zoning + Consent	\$ 4,859
LOPA + COPA + Zoning	\$ 5,467
LOPA + COPA + Zoning + Consent	\$ 6,664



## Activity-Based Cost Recovery per Single Application Type

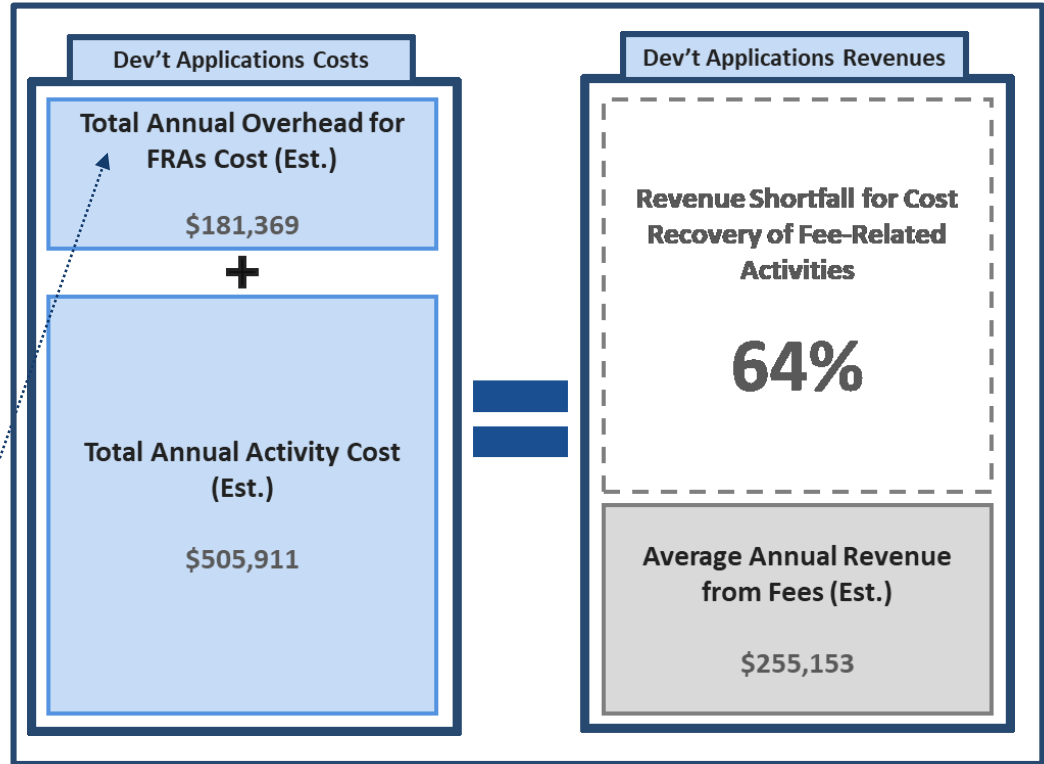
	A	B	C	D
	County Fee Collected	Actual Cost based Activity Costing	Shortfall in Fee Relative to Actual Cost	Activity Cost Recovery
<b>Variances</b>	\$ 620	\$ 1,766	-\$ 1,146	35%
<b>Consent</b>	\$ 960	\$ 1,718	-\$ 758	56%
<b>Zoning</b>	\$ 1,030	\$ 2,262	-\$ 1,232	46%
<b>LOPA</b>	\$ 850	\$ 2,639	-\$ 1,789	32%
<b>COPA</b>	\$ 1,270	\$ 2,576	-\$ 1,306	49%
<b>Subdivision/Condo</b>	\$ 5,120	\$ 5,154	-\$ 34	99%
<b>Condo Exemption</b>	\$ 1,270	\$ 1,140	\$ 130	111%

## Activity-Based Cost Recovery per Joint Application Type

	A	B	C	D
	County Fee Collected	Actual Cost based on Activity Costing	Shortfall in Fee Relative to Actual Cost	Activity Cost Recovery
<b>COPA + Zoning</b>	\$ 1,960	\$ 3,816	-\$ 1,856	51%
<b>Consent + Zoning</b>	\$ 1,990	\$ 3,310	-\$ 1,320	60%
<b>Variances + Consent</b>	\$ 1,580	\$ 2,636	-\$ 1,056	60%
<b>LOPA + COPA</b>	\$ 2,120	\$ 4,877	-\$ 2,757	43%
<b>COPA + Consent</b>	\$ 2,230	\$ 3,641	-\$ 1,411	61%
<b>COPA + Variance + Consent</b>	\$ 2,640	\$ 4,445	-\$ 1,805	59%
<b>COPA + Zoning + Consent</b>	\$ 2,920	\$ 4,859	-\$ 1,939	60%
<b>LOPA + COPA + Zoning</b>	\$ 2,810	\$ 5,467	-\$ 2,657	51%
<b>LOPA + COPA + Zoning + Consent</b>	\$ 3,770	\$ 6,664	-\$ 2,894	57%

# Cost Recovery with Overhead Attributed to Fee Related Activity

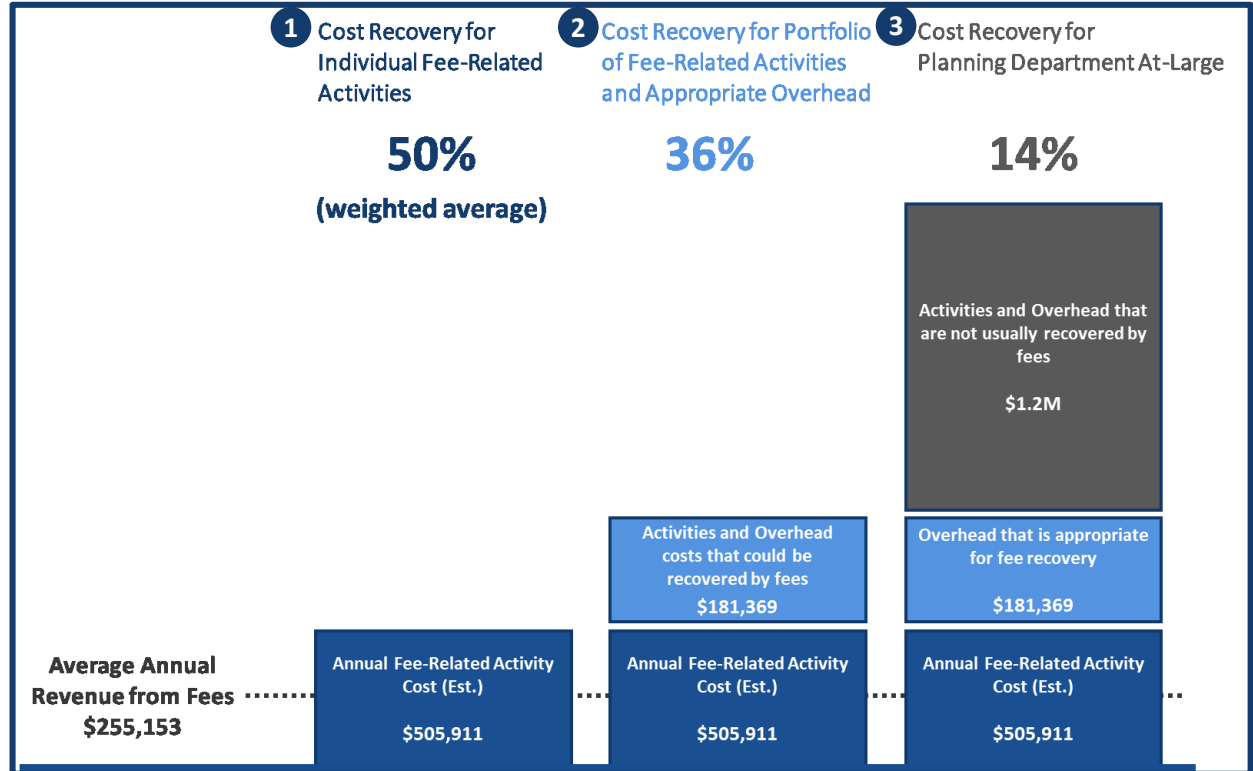
Overhead Category	2020 Dept Budget
GIS Staff (50%)	\$ 39,704
Administrative Support (10% of time allocated to FRAs)	\$ 5,364
ESRI (GIS)	\$ 63,000
Teranet (Parcel Data)	\$ 18,200
GeoCortex (Online GIS)	\$ 6,500
CityWorks (Application Processing)	\$ 21,060
Application and site visit related mileage	\$ 13,600
Postage for notices relating to development (90%)	\$ 13,942
<b>Total Overhead for Fee-Related Activities</b>	<b>\$ 181,369</b>



# Overall Summary of Cost Recovery Findings: Three Perspectives

In this section of our report, we examine cost recovery from three different perspectives:

- 1 The first model calculates fees with reference to only the direct Activity Costs directly attributable to providing the serve
- 2 The second model calculates fees by adding to this an appropriate attribution of departmental overhead to the direct costs.
- 3 The third model is a simple calculation of percentage recovery by taking total planning department costs and comparing it as a percentage of total revenue.



## Insight on Activities Without a Fee, Currently

- **Provincial regulation's timeline limitation crowds staff with development reviews:** The increased case volume of development applications that are bounded by the Province's regulatory timeline limitations set out, steer staff to prioritize workload of development applications processing review for both the County and particularly for Local Municipalities, over policy. The legislated timeframes for processing development applications for Local Municipalities create a constrain of staff workload flexibility.
- **Less resources for long-range policy review:** The aforementioned constraint has led to the additional time required for the Department to fulfil its policy mandates first for the development of the updated County Official Plan and then for the updates of Local Official Plans. The budget and staff utilization capacity constraint creates challenging conditions for staff to achieve their target non-fee-related activities, such as: affordable housing policies, municipal projects, continuous process improvement, community improvement plans and other factors that affect Bruce County's development market conditions structurally over the long run.

# External Perspective on Comparable Counties

## Comparator Counties

	Bruce County	Grey County	Huron County	Oxford County	Simcoe County	Wellington County
Population	66,491	93,830	59,297	110,862	305,516	90,932
Area (km2)	4,079	4,513	3,397	2,040	4,841	2,573
Average House Price (2019)	\$ 365,698	\$ 365,700	\$ 378,555	\$ 406,469	\$ 390,701*	\$ 543,974*
Annual App Volume	450+	55	235	450	~ 2,000	142
Average Overall Cost Recovery from Fees	14%	18%	17%	11%	4%	25%

# Fee Schedules Comparison Between Counties

<b>Variations</b>	Bruce County's is 59% lower than Huron County's for Variations. During our interview with Huron County, we heard that they're target activity cost recovery per service, on average, is 80%. This is in line with our finding of Bruce County's activity cost recovery for Variance being approximately 35%.
<b>Consent</b>	Bruce County's fee is 55% lower than the applicable comparable County average fee for Consents. For Part Lot Control, Bruce County's fees are flat, whereas the comparable Counties' are either variable or a combination of flat plus variable.
<b>Zoning By-law Amendment</b>	Bruce County's is 47% lower than Huron County's for Zoning.
<b>LOPA</b>	Bruce County's fee is 54% lower than the applicable comparable County average fee for Local Official Plan Amendments. Bruce County's is 47% lower than Huron County's for Zoning.
<b>COPA</b>	Bruce County's fee is 66% lower than the applicable comparable County average fee for County Official Plan Amendments. Grey County and Oxford County have their COPA fees in tiers, to reflect the differential staff activity intensity required.
<b>Subdivision/Condo</b>	Bruce County's starting fee for Subdivision/Condominium Draft Approvals is among the lowest. However, as the variable fee portion of it is added for incremental blocks/lots/units, it begins converging towards the average of its comparable Counties. In the case of Subdivision/Condominium fees, the scale of activity required for each application is variable – this is accounted for in most cases by the variable portion of the fee, in addition to the flat portion.
<b>Condo Exemption</b>	Bruce County's fee is 13% higher than the applicable comparable County average fee for Condominium Exemptions.
<b>Other</b>	Some of the comparable Counties have additional fees for Site Plan Review, Pre-consultations, and quarry/pit COPA.



# Summary of Findings and Next Steps

## Summary of Findings so Far

**Internal Perspective on Cost of Service Delivery:** Our study of the internal costs of the land use planning service delivery of Bruce County shows cost recovery from three different perspectives:

- 50% cost recovery from fees with reference to only the direct Activity Costs directly attributable to providing the serve.
- 36% cost recovery from fees, by adding an appropriate attribution of departmental overhead to the direct costs.
- 14% cost recovery from fees by taking into account the total planning land use division costs and comparing it as a percentage of total revenue.

**External Perspective on Comparable Counties:** Our research of comparable Counties shows that Bruce's development application fees are **below** the peer group's average – **in some cases the lowest**. Some of the comparable Counties have additional fees for segments of activities that are bundled in one fee for Bruce. In other cases, some comparable Counties charge a scaling fee for services that can require a wide range of activity by staff and charge a deposit for appeals or peer reviewed studies.

## Next Steps

1. In drafting the Final Report, we expect some minor iterations to the content of the Interim Report, based on and additional content and feedback from Bruce County's staff and Committee review. This will allow us to source feedback and inform the range of alternative fee schedule options that we explore in the second half of our Fees Review mandate for Bruce County, for presentation in the Final Report.
2. In addition, we will also be completing the section on External Stakeholder Input, where we will engage with developers in Bruce County to source their perspective on planning fees and the degree to which they affect their business decisions.
3. Finally, our fee schedule alternatives and recommendations for the Final Report we will also evaluate the local municipality fees that are charged in addition to the County's and the Conservation Authority's fees.



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