



Sudbury East Building and By-law Services (SEBBS) Agenda Item Report

Shared Services in the Municipalities of French River, Killarney, Markstay-Warren and St.-Charles

Meeting: Regular Council Meeting
Date of Meeting: June 15, 2026
Submitted by: Andrea Tarini, Director of SEBBS / Chief Building Official
Subject: Transfer of Septic Authority to SEBBS Municipalities

OBJECTIVE

To report to Council on the operational and staffing implications arising from Ontario Building Code changes transferring septic system authority to SEBBS member municipalities from Public Health Sudbury and Districts.

BACKGROUND

Council passed a resolution in November 2024, requesting that the Province grant the Municipality authority to issue permits for septic systems.

The Ministry of Municipal Affairs and Housing (MMAH) informed the Sudbury East Building and By-law Services (SEBBS) member municipalities that effective November 1, 2026, authority under Part 8 of the Ontario Building Code will transfer to each Municipality and will be overseen by the Chief Building Official (CBO) of SEBBS. This change will allow SEBBS to oversee the entire building permit process and will result in increased responsibilities related to permit review, inspections, enforcement, records management, staff training, and will require updates to the Building By-law.

The transfer of authority requires that the following actions to be undertaken:

1. That the Municipalities enter into agreements with Public Health Sudbury & Districts (PHSD) outlining the requirements and responsibilities associated with the transfer of authority;
2. That staffing levels be adjusted to accommodate the increase in workload, including the appointment of a full-time Building Inspector;
3. That the Building By-law be updated to include provisions related to septic system applications and associated fees; and
4. That staff review and report on expenditures within the approved 2026 budget and prepare projections for the 2027 budget, including anticipated increases in both expenditures and revenues.

ANALYSIS

1) Agreement with PHSD

SEBBS staff have met with the Chief Building Official and staff of PHSD and have been working collaboratively on a transition plan related to records management, transfer of open permit files, and the distribution of permit fee revenue collected in 2026 for files that remain open following the transfer of septic approval authority.

The working agreement outlines the responsibilities of both parties during the transition process and confirms that liability associated with permits issued or inspected by PHSD prior to the transfer date will remain with PHSD. Staff will seek a legal opinion on the agreement to ensure a clear agreement between both parties.

Staff recommends that Council authorize staff to execute an agreement on behalf of the Municipality.

2) Staffing Levels: Succession Planning and Internal Training

PHSD has reported that the average number of permits received annually within the service area is 86 per year, with the majority of these permits relating to new septic system installations and renovations of existing systems.

Based on this information, SEBBS anticipates an approximate 35% increase in permit applications once septic permitting authority is transferred to the Municipalities.

In anticipation of this increased workload and following previous Ministry discussions regarding the future transfer of Part 8 responsibilities, the department began preparing through internal succession planning and staff development initiatives. The Senior MLEO Senior Municipal Law Enforcement Officer began training to become a Building Inspector. The intent was for the Senior MLEO to work alongside the existing part-time Building Inspector and Chief Building Official to support the department as permit volumes increased and to assist with ongoing efforts related to open permits, inspections, and enforcement matters.

To date, the Senior MLEO has completed the following training and experience:

- Legal Processes for Chief Building Officials and Designers;
- House 2024 – Part 9;
- Ongoing participation in building inspections and plans review with the CBO since April 2026.

Unexpectedly, SEBBS received the resignation of Building Inspector Bruno Roy in April 2026. This resignation created a vacancy within the Building Division and accelerated the need to appoint the Senior MLEO as a Building Inspector.

Benefits of the Proposed Appointment Strategy

The proposed appointment strategy provides several benefits, including:

- Maintaining continuity of service through internal succession planning and staff development;
- Retaining knowledge and operational experience within the department;
- Allowing for a smoother transition during a period of significant operational change; and
- Ensuring that staff training investments remain within the organization.

Additional Work to be Assigned to a Full-Time Building Inspector

A full-time Building Inspector will also allow the department to undertake additional proactive work, including:

- Reviewing and addressing long-standing open building permit files to reduce municipal liability exposure;
- Assisting with unsafe building investigations and enforcement matters in a proactive manner;
- Reviewing historical permit records to ensure taxable assessment information has been properly reported to MPAC; and
- Acting proactively on failing septic systems that are contributing to poor water quality in some areas.

Staffing Levels for 2026

While SEBBS is experiencing significant operational changes in 2026, including the resignation of the part-time Building Inspector and the assumption of authority for septic system permitting, staff are recommending a temporary redistribution of workloads for the remainder of 2026 in order to minimize financial impacts to the member municipalities.

Through internal restructuring, cross-training, prioritization of mandatory services, and temporary redistribution of duties, the department believes that core service levels can be maintained through the remainder of 2026 while preparing for the increased workload anticipated in 2027. The proposed 2026 staffing model relies heavily on staff assuming additional duties and responsibilities.

While these operational pressures can be absorbed temporarily, the reduced staffing model effectively defers staffing pressures rather than resolving them. Continuing this model long-term would create operational and organizational risks such as delayed issuance of permits, dissatisfied residents, employee burn out and increased incidents due to fatigue.

The following staffing changes and distribution of workload are recommended for the remainder of 2026:

A. Appointment of the Senior MLEO as Building Inspector

The employee would perform Building Inspector duties approximately 2–3 days per week while continuing to provide support to the By-law Division and further developing inspection and plans examination experience.

B. Junior MLEO to assume the Senior MLEO role

This adjustment would provide operational support to maintain enforcement service levels during the transition period.

C. By-law Manager Responsibilities will include:

- Increased field support for Enforcement Officers.
- Recruiting and training a new Junior By-law Enforcement Officer for early 2027;
- Applying for Northern Ontario Heritage Fund Corporation funding assistance related to the proposed new position.

D. Chief Building Official Responsibilities will include:

- Performing all plans examination and inspection duties;
- Providing direct mentorship and field training to the new Building Inspector;
- Coordinating all required Building Code training;
- Investigating e-permitting software options to improve administrative efficiencies while utilizing the Municipality’s existing mapping infrastructure and budget where possible.

E. Building and By-law Clerk Responsibilities will include:

- Assisting with development of new septic permit application review processes;
- Improving permit-related information available through the SEBBS website;
- Coordinating the transfer and organization of septic system records from PHSD.

Staffing Levels for 2027

Staffing requirements for 2027 will need to address the following operational pressures:

A. Building Division Pressures

- Septic permitting is expected to increase overall permit volumes by approximately 35%;
- The number of required inspections will increase;
- Additional administrative workload related to permit processing, compliance monitoring, and records management will be required.

B. By-law Division Pressures

- Complaint volumes continue to increase annually;
- Resident expectations related to enforcement response times and service delivery continue to grow.

In 2027, the Building Inspector employee will transition fully out of the By-law Division and become a full-time Building Inspector.

To maintain enforcement service levels within the By-law Division, a replacement Junior By-law Enforcement Officer will be hired.

Table 1 – Bylaw complaints per year

Year	French River	Killarney	St.-Charles	Markstay-Warren
2021	40	0	0	7
2022	54	0	13	NA
2023	92	5	34	NA
2024	106	12	49	51
2025	114	15	71	66

C. Permanent Staffing Changes

The staffing levels for 2027 and beyond will be increased by 0.5 FTE (full time equivalent) from the current 2026 staff level with the addition of a full time Building Inspector. Financial implications of these changes will be discussed in Section 4 of this report.

Table 2 – SEBBS staffing 2026 and 2027

Position	Current FTE	Summer 2026 FTE	2027 FTE
Director / CBO	1	1	1
Administration / Clerk	1	1	1
By-law Manager	0.5	0.5	0.5
By-law Enforcement Officer	2	1	2
Building Inspector	0.5	1	1
TOTAL	5	4.5	5.5

3) New Building By-law

The proposed draft Building By-law is attached to this report for Council’s review. The proposed new by-law will include the following additions and amendments from the existing 2018 By-law, which are highlighted within the draft document:

Language for Septic Applications

- New provisions outlining application requirements and administrative expectations for septic system permits;
- Language that refers to Mandatory inspection programs in case environmental protections are required;
- Addition of septic system application fees based on the fee structure currently utilized by PHSD.

Other amendments

Other amendments to the by-law are being proposed to improve administrative clarity, reduce the number of long-term inactive permit files, and clearly establish property owner responsibility for obtaining required inspections and final permit closure.

The proposed amendments include:

- Improved definitions section including the addition of a definition for “Dormant Permit”;
- Clarification of the responsibilities of applicants, permit holders, and property owners with respect to changes to plans, transfer of permits, revocation of permits and permit closure requirements;
- Clarity on expectations for demolition permits and surveys;
- Detailed descriptions of how inspection information can be submitted;
- Improvements to fees chart expanding descriptions of New Construction types to include building permit types by Group;
- Flat rates for permit types that require 2 inspections or less;
- Addition of fee types that were not described in the 2018 by-law;
- Improvements to descriptions of required information for Site Plans and Required Plans.

Explanation and justification for changes to Building Permit Application Fees:

The fee schedule can be found in the attached Draft Building By-law.

Calculation of Permit Fees

No changes are proposed to the general methodology used to calculate permit fees.

1.0 Building Classification Categories

Building categories have been updated to reflect the classifications established under the Ontario Building Code. The following occupancy groups have been added:

- Group A – Assembly Occupancies
- Group B – Care and Detention Occupancies
- Group D – Business and Personal Services Occupancies (Offices)
- Group E – Mercantile Occupancies
- Group F – Farm Buildings

These classifications apply primarily to commercial, industrial, and institutional buildings. Permit fees for these occupancy types will continue to be based on the cost of construction, which is a common approach used by municipal building departments throughout Ontario.

Group C – Residential Occupancies

Several amendments are proposed to improve clarity and simplify the application of permit fees for residential projects.

The following terminology changes are proposed:

- "Unfinished cottages and cabins" will be changed to "sleep cabins and hunt cabins" to better describe the intended use of these structures. No fee change is proposed.
- "Finished cottages and cabins" will be changed to "seasonal dwellings" for consistency with commonly used terminology. No fee change is proposed.

Several permit categories have also been revised to better reflect the level of plan review and inspection required. These changes generally result in modest fee reductions.

Proposed changes include:

- Introduction of a flat permit fee for swimming pools. Fees are currently based on the area of the pool. This change will reduce permit costs and simplify fee calculations.

Current fee - Area of the pool X \$15/ 100 x \$10 **Proposed fee - \$120**
Pool installations usually only require one inspection.

- Introduction of a flat permit fee for solar panel installations. Fees are currently based on construction value. This change will reduce permit costs and simplify administration.

Current fee - Cost of construction / 100 x \$10 **Proposed fee - \$120**

Solar panel installations usually only require one inspection.

- Introduction of a flat permit fee for weeping tile installations where no foundation work is proposed. Fees are currently based on construction value. This change will reduce permit costs.

Current fee - Cost of Construction / 100 x \$10 **Proposed fee - \$240**

Weeping tile installations usually only require two inspections.

- Introduction of a flat permit fee for siding replacement where no insulation work is proposed. Fees are currently based on construction value. This change will reduce permit costs.

Current fee - Cost of Construction / 100 x \$10 **Proposed fee - \$120**

Siding installations usually only require one inspection.

- Introduction of a flat permit fee for wood stove installations. This fee was previously set at \$100.

Current fee - \$100 **Proposed fee - \$50**

Wood stove installations require proof of a WETT certificate and do not require an inspection.

Part 7 – Sewage System Applications

It is recommended by staff at this time that council approve fees to match the fees currently being charged by PHSD for the 2027 building season. Reasons for this recommendation include:

- fees are in line with what is being charged in other nearby municipalities
- the increase in permit volumes, inspections, administrative processing, and technical review as a result of taking over the authority for septic permits must not become a burden to the tax base, but should be charged as a user fee

Other Structures

This section has been revised to include additional structure types that were not specifically identified within previous versions of the fee schedule. No fees existed for these structures in the current by-law.

2.0 Renovations

No changes are proposed to renovation permit fees.

3.0 Change of Use

Change of Use permits are proposed to have a minimum fee of \$400, or a fee based on cost of construction.

This represents a potential increase from the current fee structure of \$80 plus inspection costs and mileage.

This increase is being proposed because reviews for change of use require time for plan review and administrative processing but don't necessarily require travel to ensure that work complies with the Ontario Building Code.

A example of a change of use permit would be converting a house into a commercial space.

4.0 Demolition

No changes are proposed to standard demolition permit fees.

A new fee category has been added for demolition projects that require engineered plans, including buildings that are three or more stories in height. These projects involve additional review requirements and professional oversight.

5.0 Additional Charges

The following amendments are proposed:

- Increase the fee for additional site inspections from \$80 to \$120 to cover costs associated with travel to inspections. This fee is not mandatory and is only charged when the CBO or inspector feels that it is appropriate.
- Introduce a fee for the re-review of plans where revisions are submitted after the initial review. This fee is not mandatory and is only charged when the CBO or inspector feels that it is appropriate to charge.
- Introduce a \$120 fee for processing consent applications related to sewage system installations. The proposed consent application fee is lower than the fee previously charged by Public Health Sudbury & Districts, which was \$347.

6.0 Administration Fee

The current fee structure contains an \$80 administration fee for projects with a cost of construction of under \$5000 and a fee of \$120 for projects worth \$5000 or over.

Since the administrative work required to receive, process, issue, maintain, and close a permit file is generally similar regardless of the size or value of the project. Applying a consistent administration fee across all permit types better reflects the actual cost of delivering the service.

Estimated revenue generated from septic applications

If council agrees to keep the septic fees at the recommended amounts, then approximate revenues brought in through septic applications would be approximately \$113,200 per year

over all member municipalities based on an average of 80 new permits at \$1,377 and 6 permits for renovation at \$510.

Permit fees will be reviewed and reported at the end of 2027.

4) Financial Implications

While some temporary savings are anticipated in 2026 due to staffing transitions, the overall cost of operating the department is expected to increase over time as the Municipality assumes new septic system authority, increased permit volumes, additional inspection responsibilities, and expanded training obligations.

A. 2026 Transitional Financial Impacts

Staffing savings/ Overtime/ Training

The resignation of the part-time Building Inspector will create temporary salary savings in 2026. A portion of these savings will be reallocated toward:

- increased wages associated with transitioning to a full-time Building Inspector position;
- overtime costs required to maintain service levels during the transition period; and
- additional training required for staff to assume expanded septic system responsibilities.

Transitional Surplus

The current SEBBS budget was approved at \$633,587. With the reported proposed changes to the department staffing, a 2026 one-time transitional savings of approximately \$30,000 is anticipated from temporary staffing vacancies and timing differences in hiring new staff associated with implementation of the new service model.

Table 3 – Changes to 2026 approved budget creating forecasted budget

2026 Approved Budget	\$ 633,586
Building Inspector savings	(4,700)*
Vacant JBEO – July to December	(30,000)
Additional Building Inspector training	5,000
2026 Forecast Budget	\$ 603,886

*this savings is the remaining amount after taking into account the addition of the full-time building inspector, and accounts for possible overtime that may be incurred by remaining staff.

The projected 2026 savings are transitional in nature and are primarily related to temporary staffing vacancies and timing of implementation. These savings are not anticipated to continue into future budget years once the department reaches full operational staffing levels.

Reserve Discussion

In past years when there has been a surplus in the SEBBS budget, CAOs would decide on the best use of the surplus. Past decisions have been made to pay for vehicles that had been financed, money was put away in reserve for future vehicle purchases, or surpluses

were returned to municipalities to offset the cost of the next year's SEBBS cost. In this case, staff recommends that the savings be put in a reserve to cover the future cost of replacing new inspectors.

Due to the specialized nature of building and by-law enforcement positions, recruitment and onboarding costs can be significant and can occur unexpectedly during the fiscal year. Establishing a reserve would help stabilize future budgets and reduce the impact of staffing transitions on participating municipalities.

The cost of replacing a new by-law officer or building inspector (to train them to a level to be able to perform their jobs, for uniforms and technology (phone and computer) is approximately \$11,500 for a by-law enforcement officer and \$5,500 for a building inspector. Costs include required initial training and equipment. Staff suggests that if a reserve were created in the amount of \$18,000 with a cap in place, the budget would be protected from increases in years where new staffing is required, in some cases mid-year.

No decision is required at this time. This suggestion will be brought in front of the CAO's of all member municipalities at the beginning of 2027 budget review which begins in November of 2026 as per the SEBBS Shared Service Agreement.

B. 2027 Anticipated Budget implications

SEBBS is expected to experience increased operating costs beginning in 2027 as a result of expanded legislated responsibilities related to taking on septic approvals which include increased permit volumes and ongoing training and operating requirements. Although new septic permit revenues are expected to offset these costs (see calculations below), the expanded authority will require continued investment in staffing, equipment, technology, and regulatory compliance to maintain service levels.

Ongoing costs and revenues in 2027 will include:

- the hiring of a full-time inspector in place of the part-time inspector;
- new revenues coming from septic permits;
- Increase in travel/vehicle costs.

In addition to ongoing costs, the 2027 SEBBS budget will include one-time costs and revenues of:

- Cell phone, training and equipment purchase for a new Junior MLEO;
- A new tablet for the building inspector;
- Building Vehicle
- Potential grant funds from NOHFC for the employment of a new Junior By-law Enforcement Officer.

Projected 2027 budget

The 2027 anticipated increase in operational costs from 2026 forecasted budget is of \$ 107,500. The 2027 anticipated increase in issued permit revenues of \$113,200 is due to acquiring septic approvals.

While septic permit revenues are anticipated to offset a portion of the increased operational costs, the additional authority also creates corresponding expenses related to staffing

capacity, inspections, training, equipment, administration, and regulatory compliance. The new revenue stream is anticipated to support the expanded service delivery rather than generating unrestricted surplus revenue but can be reviewed after the 2027 building season.

Table 4 – Predicted budget impact from 2026 forecasted budget to 2027 budget.

	Impact from Septic System	Total Budget
2026 Approved Budget		\$ 633,586
General operating net increases*		4,400
Building Inspector from PT to FT	47,975	47,975
Training for staff	11,500	11,500
Equipment and software	9,200	9,200
Additional travel cost	16,585	16,585
2027 Estimated Budget	85,260	723,246
Additional revenue	(113,200)	
Potential net savings on 2027 budget	(27,940)	

Table 5 – Percentage of SEBBS budget paid by each member Municipality based on shared service agreement calculations and predicted revenue.

By Household Count (MPAC DATA) 4 municipalities	2026 Roll number count (beginning of the year)	% of rolls /Municipality 2026	Forecasted 2027 budget	Predicted Total Revenue*
French River	3,204	42.32%	\$306,117.32	\$206,520.33
Markstay-Warren	1,812	23.94%	\$173,122.53	\$82,101.01
Killarney	1,329	17.56%	\$126,975.63	\$83,277.06
St Charles	1,225	16.18%	\$117,039.24	\$76,621.60
Total	7,570	100.00%	\$723,254.71	\$448,520.00

*Predicted Total Revenue includes: building and septic application fees, Short Term Rental and Travel Trailer Licences and AMPs charges.

RECOMMENDATIONS:

- 1) That council directs staff to enter into an agreement with PHSD outlining the divestment of septic authority to the Municipality.

- 2) That Reiley Schause-Merrifield be appointed as Building Inspector for the Municipality effective July 1, 2026.
- 3) That Connor West be promoted to Senior By-law Enforcement Officer effective July 1, 2026.
- 4) That Council reviews and comments on the proposed Draft Building By-law. All comments are to be forwarded to the CBO and will be reported in July of 2026.
- 5) That Council review the 2026 Budget Forecast and 2027 Proposed Budget.

ATTACHMENTS:

- Draft Building By-law

Submitted by: Andrea Tarini, Director of SEBBS / Chief Building Official
Approved by: Marc Gagnon, Chief Administrative Officer