

For Information Only

Development Charges - Treasurer's Annual Statement

Presented To: Finance and
Administration
Committee

Presented: Tuesday, Jun 04, 2019

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Type: Correspondence for
Information Only

Resolution

For Information Only

Relationship to the Strategic Plan / Health Impact Assessment

This report relates to operational matters.

Report Summary

This report provides detail relating to Development Charges including a financial statement for development charges collected during 2018 along with reserve fund transactions and balances.

Financial Implications

This report has no financial implications.

Signed By

Report Prepared By

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Development Charges Treasurer's Annual Statement

Purpose

This report provides detail for the following items relating to Development Charges (DC):

1. Provide a financial statement relating to development charges collected during 2018 including reserve fund transactions and balances.
2. Provide an update on the residential development charges deferral program as approved by Council in late 2015.

Overview - How Development Charges Are Recorded

Development charges collected are included in an obligatory reserve fund by each service area as outlined in the 2014 DC background study. At the end of each year, staff reviews the spending on growth related projects as identified in the background study and transfers the DC's collected that can be earned during the year. The funds are transferred to fund the respective growth related projects, which creates a project surplus and is transferred to the respective Capital Financing Reserve Fund. These reserve funds can then be used towards future capital projects.

Currently, DC's are not shown as a funding source in the annual Capital Budget as the funding amount is unknown until collected at the building stage which is based on the development activity which varies year to year, as well as exemptions from the DC Act and DC By-Law 2014-151.

1. Treasurer's Annual Statement

The Development Charges Act, section 43(1) states that "The treasurer of a municipality shall each year on or before such date as the council of the municipality may direct, give the Council a financial statement relating to development charge by-laws and reserve funds established under section 33." In addition, Paragraphs 12 and 13 of Ontario Regulation 82/98 indicate the information to be included in the report.

Schedule "A" provides a summary of the development charges collected during 2018 as per this By-Law including reserve fund transactions and balances. Schedule "B" provides a list of growth related capital projects that have received contributions from the development charges reserve funds in 2018. The City prefunds the growth related portion of capital projects until development charges are collected in future years.

A summary of the Development Charges activities and obligatory reserve funds relating to by-law 2014-151 is detailed below:

January 1, 2018 – opening balance	\$ 1,774,222
Development Charges received	4,487,181
Interest earned	84,103
Transfers to capital projects	(4,286,407)
December 31, 2018 – closing balance	<u>\$ 2,059,100</u>

The balance in the obligatory reserve funds is made up of the following major categories:

General services	\$ 2,059,100
Engineered services	<u>0</u>
Total Development Charge reserve funds	<u>\$ 2,059,100</u>

Funds remaining in the Development Charges Reserve Funds are considered to be committed for projects as identified in the 2014 Development Charges Background Study. In addition, these funds have been reflected in the 2019 Development Charges Background Study under the column of "Available DC Reserves" which decreases DC eligible costs to be collected in the future as this amount has already been collected for projects not yet started (ie. new buildings for Fire Services, Paramedic Services and Police Services). The funds will be transferred to the capital projects when growth related costs are incurred.

No amounts have been borrowed from the funds during the year or in any previous years. Therefore, no amounts have been repaid for any previous borrowings as there have been no previous borrowings.

Furthermore, the City is in compliance with respect to the following "A municipality shall not impose, directly or indirectly, a charge related to a development or a requirement to construct to service related to development, except as permitted by this Act or another Act." This statement prohibits municipalities from requesting "voluntary, but mandatory" payments for the 10% discount, ineligible services and post period shares as it relates to the calculation of the DC rates within the DC background study, which is completed every 5 years.

Update on Residential Deferred Development Charges Program

City Council approved a deferred development charges program for residential development in late 2015. Since its implementation, a total of three applications have been received and approved (none in 2018) for a total of five residential properties. In addition, Council approved the deferral for St. Vincent de Paul until the building is sold or transferred. As part of the 2019 Development Charges Background Study and By-Law, staff recommended that this program be discontinued. Council's decision on this item was not available at time of writing this report.

Conclusion

Pursuant to Section 43 of the Development Charges Act, the Treasurer shall furnish to Council a financial statement (Schedule A, B and C) relating to the Development Charges By-Law and reserve funds.

Appendices

Appendix A – Development Charges Obligatory Reserve Funds

Appendix B – Annual Development Charges Transfers by Project

Appendix C – Development Charges – Credits Outstanding

Appendix A
Development Charges Obligatory Reserve Funds
Annual Continuity Statement by Service Category
For the Year Ended December 31, 2018

	Balance at January 1, 2018	Development Charges Collected	Interest	Subtotal	Transfers to Capital	Transfers to Operating	Balance at December 31, 2018
General Services							
General Government	\$ 31,150	\$ 28,306	\$ 1,000	\$ 60,456	\$ 48,688	\$ -	\$ 11,767
Library (Buildings)	0	152,641	1,338	153,979	153,979	-	0
Fire (Buildings and Equipment)	1,136,891	111,487	28,704	1,277,082	-	-	1,277,082
Police (Buildings and Equipment)	240,035	57,910	6,399	304,345	-	-	304,345
Public Safety	0	23,330	231	23,561	23,561	-	0
Parks and Recreation (Facilities & Parkland Development)	0	501,564	3,433	504,997	504,997	-	0
Cemetery	-	2,640	23	2,663	2,663	-	0
Public Works (Equipment)	47,586	-	1,155	48,741	-	-	48,741
Ambulance (Buildings)	247,970	33,651	6,353	287,975	-	-	287,975
Transit (Buildings)	70,589	156,173	2,427	229,190	-	100,000	129,190
Emergency Preparedness (Buildings and Equipment)	0	62,857	623	63,480	63,480	-	0
Total General Services	\$ 1,774,222	\$ 1,130,560	\$ 51,687	\$ 2,956,469	\$ 797,369	\$ 100,000	\$ 2,059,100
Engineered Services							
Roads and related	\$ 0	\$ 2,313,250	\$ 22,400	\$ 2,335,650	\$ 2,335,650	\$ -	\$ 0
Water	0	238,411	2,285	240,696	240,696	-	0
Waste Water	0	626,380	5,954	632,334	632,334	-	0
Drains	0	178,579	1,778	180,357	180,357	-	0
Total Engineered Services	\$ 0	\$ 3,356,621	\$ 32,416	\$ 3,389,037	\$ 3,389,037	\$ -	\$ 0
Total - January 1, 2018 to December 31, 2018	\$ 1,774,222	\$ 4,487,181	\$ 84,103	\$ 6,345,507	\$ 4,186,407	\$ 100,000	\$ 2,059,100
Comparative Balances - January 1, 2017 to December 31, 2017	\$ 1,551,261	\$ 3,855,590	\$ 56,531	\$ 5,463,382	\$ 3,589,159	\$ 100,000	\$ 1,774,222

Appendix B							
Annual Development Charges Transfers by Project for Growth Related Projects Identified in 2014 Development Charges Background Study							
For the Year Ended December 31, 2018							
		Net Growth Related Share (Development Charges)					

Project Description	Cost to December 31, 2018	Amount Funded by Development Charges Collected During 2018	Amount Funded by Development Charges Collected up to December 2017	Municipal Contribution to be Repaid by Development Charges Collected in the Future (Note 1)	Grants / Subsidies / Other	Municipal Contribution (Benefit to Existing / 10% Statutory Deduction)	Total Funding to December 31, 2018
Engineered Services							
Roads and related							
Property Acquisition (before 2014)	2,828,465	933,393	1,895,072				2,828,465
Property Acquisition (2014 and after)	2,020,475	443,192	906,511	670,772			2,020,475
Lasalle Notre Dame Intersection Improvements	8,051,462		1,342,151	661,059	38,630	6,009,621	8,051,462
Lasalle Notre Dame Intersection - Engineering / Property Acquisition / Utilities	2,273,907		1,523,518	750,389			2,273,907
MR80 - Valleyview to Donaldson	10,745,020		2,795,995	2,380,238	3,350,401	2,218,386	10,745,020
Maley Drive	53,487,518		815,547	15,992,083	31,939,275	4,740,614	53,487,518
New Streetlights (2009)	25,000		25,000				25,000
Barry Downe Extension - Route Planning Study	108,185		108,185				108,185
New Streetlights (2010)	77,921		77,921				77,921
Consulting Services - Future Projects (2010)	300,000		150,000			150,000	300,000
Design, Engineering, Property Acquisition	110,000		55,000			55,000	110,000
New Streetlights (2011)	31,169		31,169				31,169
Consulting Services - Future Projects (2011)	128,463		64,232			64,232	128,463
MR 15 MR80 Intersection Improvements	2,859,068		223,741	474,974	64,210	2,096,143	2,859,068
Barry Downe Road from Westmount Road to Kingsway	167,580			95,521		72,059	167,580
Regent Street from Bouchard to Caswell	3,496,932	36,000	953,380		199,000	2,308,552	3,496,932
New Streetlights (2012)	49,043		49,043				49,043
MR4 from Highway 17 to C. Johnson Road	19,636,493		373,727	184,075	16,847,483	2,231,208	19,636,493
Bancroft Drive from Levesque Street to Moonlight Avenue	1,902,968		415,065	204,435	354,220	929,249	1,902,968
New Signals - Kelly Lake Road at Copper Street	161,644		161,644				161,644
Lasalle Barry Downe Intersection Improvements	374,027		374,027				374,027
Four Laning MR 80 - Frost to Glenn	6,965,587			3,287,849	1,485,838	2,191,900	6,965,587
New Signals - MR24 at Sixth Ave	172,731		172,731				172,731
New Signals - Regent at Mallards Landing	176,298	90,958	85,340				176,298
New Sidewalks on Falconbridge Hwy	277,477		92,511		184,966		277,477
New Traffic Signals - Third Avenue and Kingsway	122,493		122,493				122,493
Elgin Street Greenway - design	210,592	53,373		4,864	65,000	87,355	210,592
MR8 from Highway 144 to Bridge	1,765,373	10,395			1,713,400	41,579	1,765,373
Radar Road from Hydro Road to 4 km East	2,379,942	28,385			2,238,017	113,539	2,379,942
Regent Street from Ida to Loachs Road	2,078,872	16,553			1,996,108	66,211	2,078,872
Champlain Street from Notre Dame to St. Agnes	408,748	81,750				326,998	408,748
Official Plan Review - Transportation Study Update	450,115	225,057				225,057	450,115
Consulting Services - Future Projects	97,221	96,679				542	97,221
Maple Street Combined Sewer Separation	22,591					22,591	22,591
New Traffic Signals - St. Anne Road at Radisson Pedestrian Crossing	266,311	134,556				131,755	266,311
Second Avenue (Sudbury) Donna Drive to Kenwood Drive	6,193,305			4,335,314		1,857,992	6,193,305
Crean Hill Road from MR4 to Victoria Mine	10,761,236			692,956	7,296,457	2,771,823	10,761,236
Moonlight Ave from Kingsway to Bancroft Drive	2,626,304			1,050,521		1,575,782	2,626,304
MR35 from Notre Dame West to Hwy 144	1,201,621			29,186	1,055,691	116,744	1,201,621
Kingsway Realignment	2,613,663			914,782		1,698,881	2,613,663
Silver Hills Drive	914,274		914,274				914,274
Montrose Avenue	1,210,790		602,000			608,790	1,210,790
Traffic System Improvements 2015	13,046	8,741		4,305			13,046
Traffic System Improvements 2017	240,668	157,949		82,719			240,668
New Streetlights 2013	55,306	18,670		36,636			55,306
New Streetlights 2014	56,514			56,514			56,514
New Streetlights 2015	37,523			37,523			37,523
New Streetlights 2016	28,611			28,611			28,611
New Streetlights 2017	35,795			35,795			35,795
New Streetlights 2018	37,963			37,963			37,963
Elgin Greenway from Nelson St to Cedar Street	765,415			306,166		459,249	765,415
Active Transportation	271,172			271,172			271,172
Subtotal	151,292,894	2,335,650	14,330,275	32,626,421	68,828,695	33,171,852	151,292,894
Water							
Infrastructure Master Plan	654,498		35,992	1,938	29,781	586,787	654,498
New Valley Wells	7,195,171		506,041	2,939,538		3,749,592	7,195,171
Moonlight Avenue - Bancroft Drive to Kingsway	1,595,350		91,258	45,123		1,458,969	1,595,350
Wanapitei Alternate Trunk - Preliminary Design							
Geotechnical Study	240,390		17,782	6,782		215,826	240,390
Regent Street - Bouchard to Walford and Bouchard - Regent to Southview	2,234,533	1,087	126,899	63,037		2,043,510	2,234,533
Kelly Lake Road - WWTP to Copper Street	909,358		52,084	25,654		831,620	909,358
Robinson Drive - Southview Drive to Kelly Lake Road	872,692		49,984	24,619		798,088	872,692
System Improvements - Development Related	581,340	239,609		341,730			581,340
Subtotal	14,283,331	240,696	880,040	3,448,421	29,781	9,684,394	14,283,331

Note 1 - The amount to be repaid by development charges collected in the future may vary based upon limitations under DC Act, actual growth forecast, exemptions, final costs, growth related portion of these projects and timelines. After July 1, 2019, future collections would be based on the growth-related capital projects in the 2019 DC background study.

Appendix C - Development Charges - Credits Outstanding
For the Year Ended December 31, 2018

The credits outstanding are in accordance with Section 38 of the Development Charges Act, 1997. The projects noted below are growth related projects within the 2014 Development Charges Background Study that were constructed by the DC Credit Holders below. These growth related projects are partially funded by development charges as noted on Schedule B and DC Credits (DC Credit at time of building permit issuance or cash payments based on negotiated agreement) are provided to the DC Credit Holders as form of payment for the constructed projects.

DC Credit Holders	Service Area - Project	Opening Balance, January 1, 2018	Credits Granted	Credits Used / Transferred	Closing Balance, December 31, 2018
1721169 Ontario Inc.	Roads - Silver Hills Drive	914,273	-	(141,570)	772,703
Dalron Construction	Roads - Montrose Avenue	602,000	-	(602,000)	-
		1,516,273	-	(743,570)	772,703