

For Information Only

Development Charges - Treasurer's Annual Statement

Presented To: Finance and
Administration
Committee

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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 2016 along with reserve fund transactions and balances. It also provides an update on the residential development charges deferral program.

Financial Implications

This report has no financial implications.

Signed By

Report Prepared By

Apryl Lukezic
Co-ordinator of Budgets
Digitally Signed Jun 20, 17

Division Review

Ed Stankiewicz
Executive Director of Finance, Assets
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Digitally Signed Jun 20, 17

Recommended by the Department

Kevin Fowke
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Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
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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 2016 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.

DC's are not shown as a funding source in the annual Capital Budget as the funding amount is unknown until collected as dependent on the development activity which varies year to year, as well as exemptions from the DC Act and 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 2016 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 2016. The City prefunds the growth related portion of capital projects until development charges are collected in future years. Therefore, the funding of the growth related portion of capital projects resulted in unspent dollars in the capital cost centres which was transferred to the respective capital financing reserve fund for the affected departments.

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

January 1, 2016 – opening balance	\$ 1,320,730
Development Charges received	3,879,116
Interest earned	51,106
Transfers to capital projects	(3,699,691)
December 31, 2016 – closing balance	<u>\$ 1,551,261</u>

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

General services	\$ 1,551,261
Engineered services	0
Total Development Charge reserve funds	<u>\$ 1,551,261</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. 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 shared, etc relating to the DC background study.

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 two applications have been received and approved for a total of four residential properties. In addition, Council approved the deferral for St.Vincent de Paul until the building is sold or transferred. During June 2017 to the date of this report, there has been another two applications received for a total of five residential unit properties.

Conclusion

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

Schedule A
Development Charges Obligatory Reserve Funds
Annual Continuity Statement by Service Category
For the Year Ended December 31, 2016

	Balance at January 1, 2016	Development Charges Collected	Interest	Subtotal	Transfers to Capital	Balance at December 31, 2016
General Services						
General Government	\$ -	\$ (23,521)	\$ (180)	\$ (23,701)	\$ 16,948	(6,752)
Library (Buildings)	-	(159,139)	(105)	(159,244)	159,244	-
Fire (Buildings and Equipment)	(910,511)	(91,555)	(18,150)	(1,020,217)	-	(1,020,217)
Police (Buildings and Equipment)	(175,184)	(50,381)	(3,719)	(229,284)	-	(229,284)
Public Safety	-	(19,209)	(149)	(19,358)	19,358	-
Parks and Recreation (Facilities & Parkland Development)	-	(522,956)	(2,659)	(525,615)	525,615	-
Cemetery	-	(4,979)	(15)	(4,994)	4,994	-
Public Works (Equipment)	(53,467)	-	(1,026)	(54,493)	-	(54,493)
Ambulance (Buildings)	(181,568)	(27,618)	(3,693)	(212,878)	-	(212,878)
Transit (Buildings)	-	(127,607)	(29)	(127,637)	100,000	(27,637)
Emergency Preparedness (Buildings and Equipment)	-	(52,522)	(394)	(52,916)	52,916	-
Total General Services	\$ (1,320,730)	\$ (1,079,487)	\$ (30,119)	\$ (2,430,336)	\$ 879,075	(1,551,261)
Engineered Services						
Roads and related	\$ -	\$ (1,913,348)	\$ (14,444)	\$ (1,927,793)	\$ 1,927,793	-
Water	-	(183,496)	(1,319)	(184,816)	184,816	-
Waste Water	-	(558,878)	(4,119)	(562,997)	562,997	-
Drains	-	(143,907)	(1,104)	(145,010.72)	145,011	-
Total Engineered Services	\$ -	\$ (2,799,630)	\$ (20,987)	\$ (2,820,616)	\$ 2,820,616	-
Total (January 1, 2016 to December 31, 2016)	\$ (1,320,730)	\$ (3,879,116)	\$ (51,106)	\$ (5,250,952)	\$ 3,699,691	(1,551,261)
Comparative Balances - January 1, 2015 to December 31, 2015:	\$ (1,153,261)	\$ (4,863,075)	\$ (63,262)	\$ (6,079,597)	\$ 4,758,868	\$ (1,320,730)

Schedule B							
Annual Capital Fund Transfers by Project for Growth Related Projects Identified in 2014 Development Charges Background Study							
For the Year Ended December 31, 2016							
		Net Growth Related Share (Development Charges)					
Project Description	Cost to December 31, 2016	Amount Funded by Development Charges Collected During 2016	Amount Funded by Development Charges Collected up to December 2015	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) (Note 2)	Total Funding to December 31, 2016
General Services							
General Government							
Official Plan Update	144,709	(302)	45,023	-	-	99,987	144,709
Development Charges Study	44,851	7,440	32,926	-	-	4,485	44,851
Downtown Master Plan	270,942	5,275	-	-	185,325	80,342	270,942
Housing Background Study	73,612	4,535	-	-	-	69,077	73,612
Subtotal	534,113	16,948	77,949	-	185,325	253,891	534,113
Library (Buildings)							
South Branch Library Expansion	5,713,686	110,000	560,377	2,590,880	138,888	2,313,541	5,713,686
Azilda Library Branch Expansion	558,222	49,244	195,101	162,599	-	151,278	558,222
Archive Project	584,187	-	72,780	159,372	110,000	242,035	584,187
Mackenzie Library Study	50,625	-	-	45,563	-	5,062	50,625
Circulation Materials	2,083,247	-	-	128,342	-	1,954,905	2,083,247
Subtotal	8,989,967	159,244	828,258	3,086,756	248,888	4,666,821	8,989,967
Public Safety							
Communications Infrastructure	12,582,035	19,358	422,478	443,949	304,000	11,392,250	12,582,035
Parks and Recreation (Facilities & Parkland Development)							
Gerry McCrory Countryside Sports Complex - 2nd Ice Pad	10,375,315	115,000	2,375,753	5,646,232	11,200	2,227,130	10,375,315
Upgrade water lines - Lively Ski Hill	65,275	-	58,748	-	-	6,528	65,275
New Accessible Playstructures (HARC, JJSC, Ridgecrest)	583,998	-	347,888	-	197,457	38,653	583,998
Howard Armstrong - 3 New Soccer Fields	586,813	-	528,132	-	-	58,681	586,813
Three Outdoor Rink Development	116,571	-	104,914	-	-	11,657	116,571
Northern Water Sports Centre	4,194,606	136,125	123,750	-	3,669,606	265,125	4,194,606
Splash Parks (Rayside Ballour, Walden and Valley East)	456,891	-	411,202	-	-	45,689	456,891
Rick McDonald Sports Complex Enhancements	124,487	-	60,783	-	56,950	6,754	124,487
New Mini Soccer Field Development: Rotary/Adanac Park/LELC	762,584	-	101,863	-	290,000	370,721	762,584
Chelmsford Passive Park	55,041	-	49,537	-	-	5,504	55,041
Rotary / Adanac Park BMX Track	598,335	-	8,042	-	470,684	119,609	598,335
Outdoor Rink - Azilda	67,084	-	60,376	-	-	6,708	67,084
Westmount Splash Park	157,859	56,863	85,210	-	-	15,786	157,859
Adanac BMX Track	91,849	-	-	82,664	-	9,185	91,849
Moonlight Beach Volleyball Court	61,165	55,049	-	-	-	6,117	61,165
Adanac Ski Hill Garage Expansion	128,950	112,905	-	-	3,500	12,545	128,950
Ash Street - Water Tank Site Park Development	34,805	31,324	-	-	-	3,481	34,805
Marguerite / Gerry Loughed Park	107,302	18,351	-	78,221	-	10,730	107,302
Bell Park (relating to the purchase of 322 McNaughton Terraces)	62,314	-	-	56,082	-	6,232	62,314
Rick MacDonald Complex Seniors Park	85,716	-	-	77,144	-	8,572	85,716
Minnow Lake Off Leash Dog Park	77,636	-	-	67,488	2,650	7,498	77,636
Bell Park Expansion-St Joseph's Parking Lot Redevelopment	251,398	-	-	226,258	-	25,140	251,398
Hanmer Skateboard Park	115,008	-	-	103,507	-	11,501	115,008
James Jerome Sports Complex Renewal Program	3,584,492	-	-	291,301	2,505,598	787,593	3,584,492
Bell Park Development (new accessible washroom)	212,781	-	-	95,751	-	117,030	212,781
Subtotal	22,958,275	525,615	4,316,198	6,724,648	7,207,645	4,184,169	22,958,275
Cemetery							
Columbaria Niche Walls (Civic, Valley East and St. Joseph Cemeteries)	195,342	3,603	1,924	263	-	189,552	195,342
Columbaria Niche Walls (Lasalle Cemetery)	54,007	-	-	1,601	-	52,406	54,007
Columbaria Niche Walls (St John's & Capreol Cemeteries)	83,059	-	-	2,462	-	80,597	83,059
Civic Cemetery - Columbarium	95,902	1,391	1,452	-	-	93,059	95,902
Subtotal	428,311	4,994	3,376	4,326	-	415,615	428,311
Transit							
Transit Garage	18,098,787	100,000	841,607	2,488,855	8,659,707	6,008,618	18,098,787
Emergency Preparedness (Buildings and Equipment)							
CLELC Emergency Roadway Access	332,313	-	144,427	-	-	187,886	332,313
CLELC Phase II	2,284,795	52,916	259,736	815,415	1,000,000	156,728	2,284,795
Garage for Mobile Command Unit	354,042	-	-	318,638	-	35,404	354,042
Subtotal	2,971,150	52,916	404,163	1,134,053	1,000,000	380,018	2,971,150
Total General Services	66,562,638	879,075	6,894,028	13,882,587	17,605,565	27,301,383	66,562,638

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