



REPORT FIN-2023-015

TO: Mayor and Members of Council

PREPARED BY: Mirela Oltean, Deputy Treasurer

PRESENTED BY: Mary Hasan, Director of Finance/Treasurer

MEETING DATE: May 3, 2023

SUBJECT: 2022 Development Charges
File No. F21 DEV

RECOMMENDATIONS

THAT Report FIN-2023-015 entitled 2022 Development Charges be received; and

THAT Council accepts the Treasurer's declaration that the Township is in compliance with section 59.1(1) of the Development Charges Act, 1997.

Purpose

The purpose of this report is to provide Council with information on the Township's Development Charges and related transactions as of December 31, 2022.

Background

Pursuant to Section 43(2) of the Development Charges Act (DCA), the Treasurer for the Township shall present a financial statement to Council regarding the development charge restricted reserves. The Treasurer's statement is to outline the following:

- Statements of the opening and closing balances of the reserve funds and of transactions relating to the funds;
- Statements identifying,
 - i. All assets whose capital costs were funded under a development charge by-law during the year,
 - ii. For each asset mentioned in (i) above, the manner in which any capital cost not funded under the by-law was or will be funded;

- A statement as to compliance with subsection 59.1 (1); and
- Any other information that is prescribed

Section 59.1 (1) of the DCA specifically prohibits municipalities from imposing additional payments on developers or requiring construction of a service unless specifically authorized under the DCA or another Act. The importance that the province places on this section is reinforced by (a) requiring that the Treasurer’s report include a statement confirming that the municipality is in compliance with Section 59.1(1) and (b) granting extensive investigative powers to the Ministry of Municipal Affairs and Housing to investigate whether a municipality is in compliance.

The Township does not require any “voluntary” payments from developers and the Treasurer confirms that, for 2022 development charges reporting, the Township is in compliance with Section 59.1 (1) of the DCA.

Financial Implications

- The total balance of Development Charges as of December 31, 2022 is \$1,515,070
- Development Charges decreased by \$122,057 from 2021.

Beginning Balance in 2022:		\$1,637,127
DC Revenue in 2022:	\$190,402	
Interest earned:	\$37,502	
Transfers to capital:	\$(349,962)	
Net 2022 Decrease:		\$(122,057)
Ending Balance in 2022:		\$1,515,070

The development charge contributions received in 2022 are lower than 2021 and prior years (with the exception of 2018) as further outlined below. The Township received contributions of \$190K in 2022 compared to \$318K in 2021. The decrease in 2022 development charge contributions is attributed to a slow down in residential growth on vacant land. The number of single detached dwellings that account for the majority of development charges collected by the Township decreased to 31 units in 2022 from 56 units in 2021.

Historical Development Charge Contributions:

Year	Development Charges Contribution
2022	\$190K
2021	\$318K
2020	\$754K Note A
2019	\$256K
2018	\$188K

Note A - The development charges collected in 2020 were higher due to \$544K (72%) collected in 2020 from a developer that entered into a development charges credit agreement with the Township in 2012. The amount of development charges collected in 2020 excluding the amounts collected on the development charges credit agreement amounted to \$210K.

The Annual Treasurer's Statement of Development Charges is listed in Schedule A. Details of Development Charge amounts transferred to Capital, Operating, or Other Funds are listed in Schedule B. Schedule C summarizes the statement of credit holder transactions in 2022 and notes that there were no credit holder transactions during the period or in previous periods.

Applicable Legislation and Requirements

Development Charges Act, 1997
Ontario Regulation 82/98

Engagement Opportunities

In the past, a municipality was required to file the Treasurer's report with the Minister within 60 days of the presentation of the report to Council. In accordance with Section 43 of the DCA, this requirement has been removed and replaced by a requirement that Council shall ensure that the statement is available to the public and that the Treasurer shall give a copy of the statement to the Ministry of Municipal Affairs and Housing upon request.

Therefore, Report FIN-2023-015 and its related attachments will be posted on the Township Financial Reporting Page at puslinch.ca/government/financial-reporting/

Attachments

Schedule A –Annual Treasurer's Statement of Development Charges as at December 31, 2022

Schedule B – Amounts Transferred to Capital, Operating or Other Funds for the 12 months ended December 31, 2022

Schedule C – Statement of Credit Holder Transactions for the 12 months ended December 31, 2022

Respectfully submitted:

Mary Hasan
Director of Finance/Treasurer

**Annual Treasurer's Statement of Development Charges
As at December 31, 2022**

Schedule A

	Fire Protection Services	Roads and Related	Parks and Recreation	Administration - Studies	Total
Opening Balance- January 1, 2022	658,495	791,910	94,193	92,529	1,637,127
<u>Plus:</u>					
Development Charge Collections	50,375	103,602	24,397	12,028	190,402
Accrued Interest	16,464	16,821	2,531	1,686	37,502
Repayment of Monies Borrowed from Fund and Associated Interest ¹	-	-	-	-	-
Sub-Total	66,839	120,423	26,928	13,714	227,904
<u>Less:</u>					
Amount Transferred to Capital (or Other) Funds ²	-	290,380	2,562	57,020	349,962
Amount Transferred to Operating (or Other) Funds ²	-	-	-	-	-
Amounts Refunded	-	-	-	-	-
Amounts Loaned to Other D.C. Service Category for Interim Financing Credits ³	-	-	-	-	-
Sub-Total	-	290,380	2,562	57,020	349,962
Closing Balance - December 31, 2022	725,334	621,953	118,560	49,222	1,515,070

¹ Source of funds used to repay the D.C. Restricted Reserve

² See Schedule B for details

³ See Schedule C for details

**Statement of Credit Holder Transactions
For the 12 Months Ended December 31, 2022**

Schedule C

Credit Holder	Applicable D.C. Restricted Reserve	Credit Balance Outstanding as of January 1, 2022	Additional Credits Granted During Year	Credits Used by Holder During Year	Credit Balance Outstanding as of December 31, 2022
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N/A - the Township has not issued any Development Charge Credits during the period or in previous periods.
