

#### **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.

#### <u>Purpose</u>

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 <b>Note A</b>
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 <a href="mailto:pushing-reporting/">pushing-reporting/</a>

#### **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

	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
Plus:					
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 <sup>1</sup>	-	-	-	-	-
Sub-Total	66,839	120,423	26,928	13,714	227,904
Less:					
Amount Transferred to Capital (or Other) Funds <sup>2</sup>	-	290,380	2,562	57,020	349,962
Amount Transferred to Operating (or Other) Funds <sup>2</sup>	-	-	-	-	-
Amounts Refunded	-	-	-	-	-
Amounts Loaned to Other D.C. Service Category for Interim Financing	-	-	-	-	-
Credits <sup>3</sup>	-	-	-	-	-
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

<sup>&</sup>lt;sup>1</sup> Source of funds used to repay the D.C. Restricted Reserve

<sup>&</sup>lt;sup>2</sup> See Schedule B for details

<sup>&</sup>lt;sup>3</sup> See Schedule C for details

Amount Transferred to Capital (or Other) Funds - Capital Transactions

Amount management to cupital (or other) runus cu		D.C. Recoverable Cost Share				Non-D.C. Recoverable Cost Share					
		D.C. Forecast Period			Post D.C. Forecast Period						
		D.C. Dantsidand	D.C. Dalla	Grants, Subsidies Other	Post-Period	Grants, Subsidies Other	Other Discretionary	Tax Supported	Rate Supported		Grants, Subsidies Other
Caribal Found Townsontions	C C't-  Ct	D.C. Restricted	D.C. Debt	Contributions	Benefit/ Capacity	Other Contributions	Reserves/Restricte	Operating Fund Contributions	Operating Fund Contributions	Dalet Flancisco	Contributions
Capital Fund Transactions	<b>Gross Capital Cost</b>	Reserve Draw	Financing	Contributions	Interim Financing	Contributions	d Reserves Draws	Contributions	Contributions	Debt Financing	Contributions
Fire Protection Services	ćo	ćo	ćo	ćo	ćo	ćo	. ćo	ćo	ćo	ćo	ćo
None Subtotal Fire Protection Services	\$0 \$0	\$0 <b>\$0</b>	\$0 <b>\$0</b>					\$0 <b>\$0</b>	\$0 <b>\$0</b>	\$0 <b>\$0</b>	
Subtotal Fire Protection Services	30	30	ŞU	<b>3</b> 0	ŞŪ	ŞŪ	ŞU	ŞU	30	ŞŪ	30
Roads and Related Services Concession 7 Paving - Asset No. 114	\$914,816	\$124,415	\$0	\$0	\$0	\$0	\$203,739	\$0	\$0	\$0	\$586,662
Gilmour Culvert - Asset No. 2009	\$495,673	\$67,411	\$0 \$0					\$0 \$0	\$0 \$0	\$0 \$0	
Roadside Mower for Grader 502 - Asset No. 8006	\$93,558	\$93,558	\$0 \$0					\$0 \$0	\$0 \$0	\$0 \$0	
Leslie Road West - Watson Road South to Bridge 5					•	•		•		•	
(Mountsberg) - Asset No. 22	\$32,805	\$4,461	\$0			\$0		\$0	\$0	\$0	
Little's Bridge - Asset No. 1003	\$3,926	\$534	\$0			\$0		\$0	\$0	\$0	
Subtotal Roads and Related Services	\$1,540,777	\$290,380	\$0	\$0	\$0	\$0	\$663,735	\$0	\$0	\$0	\$586,662
Parks and Recreation Services											
Puslinch Community Centre Park Renovation and Upgrade Playground area at Boreham Park (also known as	\$83,370	\$1,782	\$0	\$0	\$0	\$0	\$20,453	\$0	\$0	\$0	\$61,135
Arkell Park) - Asset No. 3075	\$3,986	\$780	\$0	\$0	\$0	\$0	\$3,206	\$0	\$0	\$0	\$0
Subtotal Parks and Recreation Services	\$87,356	\$2,562	\$0					\$0	\$0	\$0	
Administration - Studies  Roads Management Plan including Condition Index Updates and Traffic Count Study Development Charges By-law Amendment and Parkland Dedication By-law Amendment Subtotal Administration - Studies	\$123,413 \$10,039 \$10,039	\$50,000 \$7,020 <b>\$7,020</b>	\$0 \$0 <b>\$0</b>	\$0		•	\$0	\$0 \$3,019 <b>\$3,019</b>	\$0 \$0 \$0	\$0 \$0 <b>\$0</b>	\$0
Jubiotal Administration - Studies	310,033	\$7,020	Ç0	,JU	30	30	70	33,013	70	30	70
Total	\$1,761,584	\$349,962	\$0	\$0	\$0	\$0	\$710,807	\$3,019	\$0	\$0	\$697,797

Amount Transferred to Operating (or Other) Funds - Operating Transactions

		D.C. Restricted	Reserve Draw	Po	st D.C. Forecast Peri	od	Non-D.C. Recoverable Cost Share			
	Annual Debt									
	Repayment									
Operating Fund Transactions	Amount	Principal	Interest	Principal	Interest	Source	Principal	Interest	Source	
Fire Protection Services										
None	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Subtotal Fire Protection Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Roads and Related Services										
None	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Subtotal Roads and Related Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Parks and Recreation Services										
None	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Subtotal Parks and Recreation Services	\$0	\$0		\$0		\$0	\$0	\$0	\$0	
Administration - Studies										
None	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Subtotal Administration - Studies	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

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

Credit Holder Applicable D.C. **Restricted Reserve**  **Credit Balance** 

January 1, 2022

**Additional Credits** Outstanding as of Granted During Year **Credits Used by Holder During Year** 

**Credit Balance** Outstanding as of December 31, 2022

N/A - the Township has not issued any Development Charge Credits during the period or in previous periods.