



## **REPORT FIN-2024-013**

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TO: Mayor and Members of Council

PREPARED BY: Mary Hasan, Director of Finance/Treasurer

PRESENTED BY: Mary Hasan, Director of Finance/Treasurer

MEETING DATE: May 22, 2024

SUBJECT: 2023 Development Charges and Cash in Lieu of Parkland  
File No. F21 DEV

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### **RECOMMENDATIONS**

**THAT Report FIN-2024-013 entitled 2023 Development Charges and Cash in Lieu of Parkland be received.**

#### **Purpose**

The purpose of this report is to provide Council with information on the Township's Development Charges (DC's), Cash in Lieu of Parkland (CILP) and related transactions as of December 31, 2023.

#### **Background**

In accordance with the Development Charges Act (DCA) and the Planning Act, the Treasurer is required to provide Council with an annual financial statement on DC's and CILP.

#### **DC's**

The following extracted paragraphs of Section 12(2) of Ontario Regulation 82/98 prescribes the information that must be included in the Treasurer's statement. The information is in addition to the opening and closing balance for the previous year and the transactions relating to that year as required by subsection 43(2) of the DCA.

- 1.) A description of the service for which the fund was established. If the fund was established for a service category, the services in the category.*

- 2.) *For the credits in relation to the service or service category for which the fund was established,*
  - i. *The amount outstanding at the beginning of the previous year, given in the year, used in the year, and outstanding at the end of the year,*
  - ii. *The amount outstanding at the beginning of the previous year and outstanding at the end of the year, broken down by individual credit holder.*
- 3.) *The amount of any money borrowed from the fund by the municipality during the previous year and the purpose for which it was borrowed.*
- 4.) *The amount of interest accrued during the previous year on money borrowed from the fund by the municipality.*
- 5.) *The amount and source of any money used by the municipality to repay, in the previous year, money borrowed from the fund or interest on such money.*
- 6.) *A schedule that identifies credits recognized under section 17 and, for each credit recognized, sets out the value of the credit, the service against which the credit is applied and the source of funds used to finance the credit.*

The following under Section 12 (3) of Ontario Regulation 82/98 is also prescribed as information to be included in the Treasurer's Statement under section 43 of the DCA:

- 1.) *For each project that is financed, in whole or in part, by development charges,*
  - i. *The amount of money from each reserve fund established under section 33 of the Act that is spent on the project, and*
  - ii. *The amount and source of any other money that is spent on the project.*
- 2.) *For each service for which a development charge is collected during the year,*
  - i. *whether, as of the end of the year, the municipality expects to incur the amount of capital costs that were estimated, in the relevant development charge background study, to be incurred during the term of the applicable development charge by-law, and*
  - ii. *if the answer to subparagraph i is no, the amount the municipality now expects to incur and a statement as to why this amount is expected.*
- 3.) *For any service for which a development charge was collected during the year but in respect of which no money from a reserve fund was spent during the year, a statement as to why there was no spending during the year.*

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 2023 DC’s reporting, the Township is in compliance with Section 59.1(1) of the DCA, whereby charges are not directly or indirectly imposed on development nor has a requirement to construct a service related to development been imposed, except as permitted by the DCA or another Act.

Section 35 (2) of the DCA outlines that beginning in 2023 and in each calendar year thereafter, a municipality shall spend or allocate at least 60 per cent of the monies that are in a reserve fund for services related to a highway as defined in subsection 1 (1) of the Municipal Act, 2001. For the Township, this requirement relates to the Roads and Related Services DC’s.

- Schedule A provides a summary of the DC’s including the opening and closing balances as well as a summary of financial transactions that occurred during the year.
- Schedule B provides a list of current growth-related capital projects that have required funding from DC’s.
- Schedule C summarizes the statement of credit holder transactions in 2023 and notes that there were no credit holder transactions during the period or in previous periods. Section 38 of the DCA provides information regarding credits. If a municipality agrees to allow a person to perform work that relates to a service to which a DC by-law relates, the municipality shall give the person a credit towards the DC in accordance with the agreement. The amount of the credit is the reasonable cost of doing the work as agreed by the municipality and the person who is to be given the credit. Township staff are not aware of any such agreements that the Township has entered into in the past.
- Schedule D provides the estimated capital expenditures outlined in the 2019 DC Background Study (i.e. 2019 to 2028) as required under Section 12 (3) of Ontario Regulation 82/98 as noted above. The Township expects to incur a total of \$20.7 million in growth-related capital expenditures during this period. This is higher than the \$15.1 million anticipated in the 2019 DC Background Study, as the Township continues to closely monitor and adjust the capital cost estimates of capital projects based on new information available to staff as part of the annual budget process.
- Schedule E summarizes the Statement of DC Restricted Reserve Balance Allocations for Roads and Related Services.
- Schedule F summarizes the Description of the Service (or Class of Service) for which each DC Restricted Reserve was Established in accordance with the Township’s DC By-law No. 2019-044.

**CILP**

The following paragraphs of Section 7(1) of Ontario Regulation 509/20 prescribes the information that must be provided to the public through annual financial statements as required under Section 42 (17) of the Planning Act.

- 1.) *Statements of the opening and closing balances of the special account and of the transactions relating to the account.*
- 2.) *In respect of the special account referred to in subsection 42 (15) of the Act, statements identifying,*
  - i. *land and machinery acquired during the year with funds from the special account,*
  - ii. *buildings erected, improved or repaired during the year with funds from the special account,*
  - iii. *details of the amounts spent, and*
  - iv. *for each asset mentioned in subparagraphs i and ii, the manner in which any capital cost not funded from the special account was or will be funded.*
- 3.) *The amount of money borrowed from the special account and the purpose for which it was borrowed.*
- 4.) *The amount of interest accrued on any money borrowed from the special account.*

Section 42 (16.1) of the Planning Act outlines that beginning in 2023 and in each calendar year thereafter, a municipality shall spend or allocate at least 60 per cent of the monies that are in the special account at the beginning of the year.

- Schedule G provides a summary of the CILP restricted reserve including the opening and closing balances as well as a summary of financial transactions that occurred during the year.
- Schedule H summarizes the Statement of CILP Restricted Reserve Balance Allocations.

**Financial Implications**

The DC and CILP contributions received in 2023 are higher than 2022 and prior years as further outlined below.

<b>Year</b>	<b>CILP</b>	<b>DC's</b>	<b>Comments</b>
2023	\$1.1M	\$1.6M	The increase relates to \$1M of CILP and \$1.6M of DC's collected from two non-residential developments. The number of single detached dwellings amounted to 6 units in 2023.
2022	\$256K	\$190K	The number of single detached dwellings amounted to 31 units in 2022.
2021	\$304K	\$318K	The number of single detached dwellings amounted to 56 units in 2021.
2020	\$203K	\$754K	The increase relates to \$544K collected from a developer that entered into a DC agreement with the Township in 2012.
2019	\$190K	\$256K	

**Applicable Legislation and Requirements**

Development Charges Act, 1997  
 Ontario Regulation 82/98  
 Planning Act R.S.O 1990  
 Ontario Regulation 509/20

**Engagement Opportunities**

In accordance with Section 43 of the DCA, the Treasurer's statement must be made available to the public and a copy of the statement must be given to the Ministry of Municipal Affairs and Housing upon request.

Therefore, Report FIN-2024-013 and its related attachments will be posted on the Township Financial Reporting Page at [puslinch.ca/government/financial-reporting/](https://puslinch.ca/government/financial-reporting/)

**Attachments**

Schedule A –Annual Treasurer's Statement of DC's as at December 31, 2023

Schedule B – Amounts Transferred to Capital, Operating or Other Funds for the 12 months ended December 31, 2023

Schedule C – Statement of Credit Holder Transactions for the 12 months ended December 31, 2023

Schedule D – Estimated Capital Expenditures as of December 31, 2023

Schedule E - Statement of DC Restricted Reserve Balance Allocations for Roads and Related Services

Schedule F - Description of the Service (or Class of Service) for which each DC Restricted Reserve was Established

Schedule G - Annual Treasurer's Statement of CILP as at December 31, 2023

Schedule H - Statement of CILP Restricted Reserve Balance Allocations

**Respectfully submitted:**

**Mary Hasan**  
**Director of Finance/Treasurer**

**Annual Treasurer's Statement of DC's  
As at December 31, 2023**

**Schedule A**

	<b>Fire Protection Services</b>	<b>Roads and Related Services</b>	<b>Parks and Recreation Services</b>	<b>Administration - Studies</b>	<b>Total</b>
<b>Opening Balance- January 1, 2023</b>	\$ 725,334	\$ 621,953	\$ 118,560	\$ 49,222	\$ 1,515,069
<u>Plus:</u>					
DC Collections	\$ 471,326	\$ 974,997	\$ 40,483	\$ 109,607	\$ 1,596,413
Accrued Interest	\$ 52,681	\$ 52,384	\$ 3,584	\$ 5,581	\$ 114,230
Transfer from Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Repayment of Monies Borrowed from Fund and Associated Interest <sup>1</sup>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub-Total</b>	\$ 524,007	\$ 1,027,381	\$ 44,067	\$ 115,188	\$ 1,710,643
<u>Less:</u>					
Amount Transferred to Capital Funds <sup>2</sup>	\$ -	\$ 307,771	\$ 146,852	\$ 4,457	\$ 459,080
Amount Transferred to Operating Funds <sup>2</sup>	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts Refunded	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts Loaned to Other DC Service Category for Interim Financing Credits <sup>3</sup>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub-Total</b>	\$ -	\$ 307,771	\$ 146,852	\$ 4,457	\$ 459,080
<b>Closing Balance - December 31, 2023</b>	\$ 1,249,341	\$ 1,341,563	\$ 15,776	\$ 159,952	\$ 2,766,633
Less: Commitments Outstanding Against the DC Restricted Reserve	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Adjusted Closing Balance - December 31, 2023</b>	\$ 1,249,341	\$ 1,341,563	\$ 15,776	\$ 159,952	\$ 2,766,633

<sup>1</sup> Source of funds used to repay the DC Restricted Reserve

<sup>2</sup> See Schedule B for details

<sup>3</sup> See Schedule C for details





**Statement of Credit Holder Transactions  
For the 12 Months Ended December 31, 2023**

**Schedule C**

<b>Credit Holder</b>	<b>Applicable DC Restricted Reserve</b>	<b>Credit Balance Outstanding Beginning of Year January 1, 2023</b>	<b>Additional Credits Granted During Year</b>	<b>Credits Used by Holder During Year</b>	<b>Credit Balance Outstanding End of Year December 31, 2023</b>
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<b>N/A - the Township has not issued any DC Credits during the period or in previous periods.</b>
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Estimated Capital Expenditures as of December 31, 2023

Schedule D

Service:	Estimated Capital Expenditures Outlined in the 2019 DC Background Study (2019 to 2028)	Estimated Capital Expenditures as of December 31, 2023 (2019 to 2028)	Comments
Fire Protection Services	\$1,268,542	\$13,670	The growth related capital costs anticipated to expand fire protection services have been budgeted over the ten year forecast, however there were no specific growth related projects anticipated for 2023.
Roads and Related Services	\$11,131,239	\$17,191,259	The increase in estimated capital expenditures relates to the increased capital cost estimates as outlined in the 2023 Roads Management Plan which will be reflected in the 2024 DC Background Study.
Parks and Recreation Services	\$2,468,156	\$2,780,924	The increase in estimated capital expenditures relates to the increased capital cost estimates as outlined in recent tender results for the various parks projects which were completed from 2019 to 2023.
Administration - Studies	\$274,500	\$709,281	The increase in estimated capital expenditures relates to the additional studies required which will be reflected in the 2024 DC Background Study should Bill 185 pass to enable administration-studies to be an eligible service for collecting DC's.
<b>Total</b>	<b>\$ 15,142,437</b>	<b>\$ 20,695,134</b>	

**Statement of DC Restricted Reserve Balance Allocations for Roads and Related Services**

**Schedule E**

<b>Service:</b>	<b>Roads and Related Services</b>	<b>Comments</b>
<b>Balance in Restricted Reserve at Beginning of Year: January 1, 2023</b>	\$ 621,953	
<b>60% of Balance to be Allocated or Spent (at a minimum):</b>	\$ 373,172	The Township has allocated/budgeted \$2.6M (see table below) which is greater than the 60% minimum balance allocation requirement.

**Projects to Which Funds Have Been Allocated**

<b>Project Description</b>	<b>Allocated/Budgeted</b>	<b>Actual Roads and Related Services DC's Spent in 2023</b>
Roszell Road - Forestell Road to Townline Road	\$ 74,942	\$ 63,166
Maltby Road East - Victoria Road South to Watson Road South	\$ 72,514	\$ 55,888
Concession 7- Concession 2A to Mason Road	\$ 44,127	\$ 46,721
Leslie Road West - Watson Road South to Puslinch Flamborough Townline	\$ 113,450	\$ 118,499
Little's Bridge	\$23,140	\$ 23,497
Other Allocated/Budgeted Projects in the 2024 Capital Budget and Forecast	\$2,308,328	\$ -
<b>Total</b>	<b>\$ 2,636,501</b>	<b>\$ 307,771</b>

**Description of the Service (or Class of Service) for which each DC Restricted Reserve was Established****Schedule F**

<b>Service/Class of Service</b>	<b>Description</b>
Fire Protection Services	The fund is used for growth-related projects supporting fire protection services, including facilities, vehicles, equipment, and gear.
Roads and Related Services	The fund is used for growth-related projects for roads, bridges, culverts, active transportation, facilities, vehicles, equipment, streetlights, sidewalks, and other related road infrastructure.
Parks and Recreation Services	The fund is used for growth-related projects related to parkland development, parkland amenities, recreational trails, parkland buildings, recreation facilities, and parks & recreation vehicles and equipment.
Administration - Studies	The fund is used for growth-related to growth-related studies.

**Annual Treasurer's Statement of CILP**

Schedule G

**As at December 31, 2023**

**Opening Balance- January 1, 2023**

**\$ 1,121,367**

Plus:

CILP Collections \$ 1,100,120

Accrued Interest \$ 61,927

**Sub-Total** **\$ 1,162,047**

	<b>CILP</b>	<b>Discretionary Reserve Funding</b>	<b>DC's</b>	<b>Grants</b>	<b>Gross Capital Cost</b>
<u>Less: CILP Funds Utilized</u>					
Optimist Recreation Centre - Convert Lighting to LED	\$ 8,964	\$ 15,000	\$ -	\$ -	<b>\$23,964</b>
Optimist Recreation Centre - Pickleball Line Painting and Floor Refinishing	\$ 10,481	\$ -	\$ -	\$ -	<b>\$10,481</b>
Puslinch Community Centre - Convert Lighting to LED	\$ 4,943	\$ 10,000	\$ -	\$ -	<b>\$14,943</b>
Puslinch Community Centre - Replacement of Ceiling Components	\$ 318	\$ -	\$ -	\$ -	<b>\$318</b>
Puslinch Community Centre - Replacement of Sanitary Pumps and Control System	\$ 4,855	\$ -	\$ -	\$ -	<b>\$4,855</b>
Puslinch Community Centre Park - Back Soccer Fields Construction	\$ 59,550	\$ -	\$ -	\$ -	<b>\$59,550</b>
Puslinch Community Centre Park - Renovation and Upgrade	\$ 658,210	\$ -	\$ 99,322	\$ 1,403,270	<b>\$2,160,802</b>
Old Morriston Park - Replace Lights and Upgrade Washrooms	\$ 91,420	\$ -	\$ -	\$ 122,236	<b>\$213,655</b>
Old Morriston Park - Replacement of 2 Sets of Bleachers	\$ 14,797	\$ -	\$ -	\$ -	<b>\$14,797</b>
Boreham Park (also known as Arkell Park) - Playground area	\$ 141,429	\$ -	\$ 47,530	\$ 170,000	<b>\$358,959</b>
Puslinch Lake - Pedestrian Access and Signage	\$ 2,288	\$ -	\$ -	\$ -	<b>\$2,288</b>
Pickup truck - 1/2 ton - Crew Cab	\$ 55,894	\$ -	\$ -	\$ -	<b>\$55,894</b>
Kubota Lawn Tractor	\$ 21,471	\$ -	\$ -	\$ -	<b>\$21,471</b>
Landscape Trailer	\$ 8,931	\$ -	\$ -	\$ -	<b>\$8,931</b>
<b>Sub-Total</b>	<u><b>\$ 1,083,553</b></u>	<u><b>\$ 25,000</b></u>	<u><b>\$ 146,852</b></u>	<u><b>\$ 1,695,506</b></u>	<u><b>\$ 2,950,910</b></u>

**Closing Balance - December 31, 2023**

**\$ 1,199,861**

**Statement of CILP Restricted Reserve Balance Allocations**

**Schedule H**

	<b>CILP</b>	<b>Comments</b>
<b>Balance in Restricted Reserve at Beginning of Year: January 1, 2023</b>	\$ 1,121,367	
<b>60% of Balance to be Allocated or Spent (at a minimum):</b>	\$ 672,820	The Township has spent \$1.1M and allocated/budgeted \$2.3M (see table below) which is greater than the 60% minimum balance allocation requirement.

<b>Project Description</b>	<b>Allocated/Budgeted</b>	<b>Actual CILP Spent in 2023</b>
<b>Projects to Which Funds Have Been Allocated</b>		\$ 672,820
Optimist Recreation Centre - Convert Lighting to LED	\$ 8,701	\$ 8,964
Optimist Recreation Centre - Pickleball Line Painting and Floor Refinishing	\$ 6,934	\$ 10,481
Puslinch Community Centre - Convert Lighting to LED	\$ 4,767	\$ 4,943
Puslinch Community Centre - Replacement of Ceiling Components	\$ 35,000	\$ 318
Puslinch Community Centre - Replacement of Sanitary Pumps and Control System	\$ -	\$ 4,855
Puslinch Community Centre Park - Back Soccer Fields	\$ 61,475	\$ 59,550
Puslinch Community Centre Park - Renovation and Upgrade	\$ 799,179	\$ 658,210
Old Morriston Park - Replace Lights and Upgrade Washrooms	\$ 66,048	\$ 91,420
Old Morriston Park - Replacement of 2 Sets of Bleachers	\$ 15,000	\$ 14,797
Boreham Park (also known as Arkell Park) - Playground area	\$ 138,515	\$ 141,429
Puslinch Lake - Pedestrian Access and Signage	\$ 10,000	\$ 2,288
Pickup truck - 1/2 ton - Crew Cab	\$ 55,000	\$ 55,894
Kubota Lawn Tractor	\$ 23,843	\$ 21,471
Landscape Trailer	\$ 8,000	\$ 8,931
Other Allocated/Budgeted Projects in the 2024 Capital Budget and Forecast	\$ 1,079,352	\$ -
<b>Total</b>	<b>\$ 2,311,814</b>	<b>\$ 1,083,553</b>