

For Information Only

Development Charges - Treasurer's Annual Statement

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Resolution

For Information Only

BACKGROUND

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

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

Signed By

Report Prepared By

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Digitally Signed May 17, 16

Recommended by the Department

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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 2015 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 2015. 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, 2015 – opening balance	\$1,153,260
Development Charges received	4,863,075
Interest earned	63,262
Transfers to capital projects	<u>(4,758,868)</u>
December 31, 2015 – closing balance	\$1,320,729

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

General services	\$1,320,729
Engineered services	<u>0</u>
Total Development Charge reserve funds	\$1,320,729

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 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, etc relating to the DC background study.

Update on Deferrals of Residential 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.

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, 2015

	Balance at January 1, 2014	Development Charges Collected	Interest	Subtotal	Transfers to Capital	Balance at December 31, 2015
General Services						
General Government	\$ (836)	\$ (32,477)	\$ (248)	\$ (33,561)	\$ 33,561	-
Library (Buildings)	(4,552)	(139,125)	(726)	(144,403)	144,403	-
Fire (Buildings and Equipment)	(769,342)	(123,115)	(18,054)	(910,511)	-	(910,511)
Police (Buildings and Equipment)	(109,133)	(58,183)	(7,868)	(175,184)	-	(175,184)
Public Safety	-	(26,702)	(189)	(26,891)	26,891	-
Parks and Recreation (Facilities & Parkland Development)	-	(454,891)	(2,033)	(456,924)	456,924	-
Cemetery	-	(1,915)	(14)	(1,929)	1,929	-
Public Works (Equipment)	(52,298)	-	(1,168)	(53,466)	-	(53,466)
Ambulance (Buildings)	(141,000)	(37,156)	(3,412)	(181,568)	-	(181,568)
Transit (Buildings)	(76,099)	(175,038)	(2,935)	(254,072)	254,072	-
Emergency Preparedness (Buildings and Equipment)	-	(70,091)	(495)	(70,586)	70,586	-
Total General Services	\$ (1,153,260)	\$ (1,118,693)	\$ (37,142)	\$ (2,309,095)	\$ 988,366	(1,320,729)
Engineered Services						
Roads and related	\$ -	\$ (2,511,366)	\$ (17,384)	\$ (2,528,750)	\$ 2,528,750	-
Water	-	(266,746)	(1,945)	(268,691)	268,691	-
Waste Water	-	(765,808)	(5,382)	(771,190)	771,190	-
Drains	-	(200,462)	(1,409)	(201,871.00)	201,871	-
Total Engineered Services	\$ -	\$ (3,744,382)	\$ (26,120)	\$ (3,770,502)	\$ 3,770,502	-
Total (January 1, 2015 to December 31, 2015)	\$ (1,153,260)	\$ (4,863,075)	\$ (63,262)	\$ (6,079,597)	\$ 4,758,868	(1,320,729)
Comparative Balances - January 1, 2014 to December 31, 2014:	\$ (727,257)	\$ (4,739,867)	\$ (55,496)	\$ (5,522,620)	\$ 4,369,360	\$ (1,153,260)

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, 2015							
Project Description	Cost to December 31, 2015	Net Growth Related Share (Development Charges)			Grants / Subsidies / Other	Municipal Contribution (Benefit to Existing / 10% Statutory Deduction) (Note 2)	Total Funding to December 31, 2015
		Amount Funded by Development Charges Collected During 2015	Amount Funded by Development Charges Collected up to December 2014	Municipal Contribution to be Repaid by Development Charges Collected in the Future (Note 1)			
General Services							
General Government							
Official Plan Update	191,172	33,561	11,512	14,058	-	132,041	191,172
Development Charges Study	44,851	-	32,926	7,440	-	4,485	44,851
Downtown Master Plan	270,942	-	-	5,274	185,325	80,343	270,942
Housing Background Study	73,612	-	-	4,535	-	69,077	73,612
Subtotal	580,577	33,561	44,438	31,307	185,325	285,946	580,577
Library (Buildings)							
South Branch Library Expansion	5,713,686	110,000	450,377	2,700,880	138,888	2,313,541	5,713,686
Azilida Library Branch Expansion	558,222	34,403	161,125	211,416	-	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	1,405,705	-	-	86,601	-	1,319,104	1,405,705
Subtotal	8,312,425	144,403	684,282	3,203,832	248,888	4,031,020	8,312,425
Public Safety							
Communications Infrastructure	12,578,217	26,891	395,629	462,989	304,000	11,388,708	12,578,217
Parks and Recreation (Facilities & Parkland Development)							
Gerry McCrory Countryside Sports Complex - 2nd Ice Pad	10,375,315	115,000	2,260,753	5,761,232	11,200	2,227,130	10,375,315
Upgrade water lines - Lively Ski Hill	65,275	-	58,748	-	-	6,527	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	3,902,038	119,708	4,042	136,125	3,377,038	265,125	3,902,038
Splash Parks (Rayside Balfour, Walden and Valley East)	456,891	45,024	366,178	-	-	45,689	456,891
Rick McDonald Sports Complex Enhancements	124,487	12,696	48,087	-	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	9,464	40,073	-	-	5,504	55,041
Rotary / Adanac Park BMX Track	598,335	8,042	-	-	470,684	119,609	598,335
Outdoor Rink - Azilida	67,084	60,376	-	-	-	6,708	67,084
Westmount Splash Park	157,859	86,614	-	55,459	-	15,786	157,859
Adanac BMX Track	91,849	-	-	82,664	-	9,185	91,849
Moonlight Beach Volleyball Court	61,165	-	-	55,049	-	6,116	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 Loughheed Park	107,302	-	-	96,572	-	10,730	107,302
Bell Park (relating to the purchase of 322 McNaughton Terrace)	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
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	22,414,309	456,924	3,860,678	7,022,603	6,915,077	4,159,027	22,414,309
Cemetery							
Columbaria Niche Walls (Civic, Valley East and St. Joseph Cemeteries)	149,866	1,929	-	2,513	-	145,424	149,866
Columbaria Niche Walls (Lasalle Cemetery)	7,730	-	-	229	-	7,501	7,730
Civic Cemetery - Columbarium	95,902	-	1,452	1,391	-	93,059	95,902
Subtotal	253,498	1,929	1,452	4,133	-	245,984	253,498
Transit							
Transit Garage	18,098,787	254,072	587,806	2,588,855	8,659,707	6,008,347	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	70,586	189,262	868,219	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	70,586	333,689	1,186,857	1,000,000	380,018	2,971,150
Total General Services	65,208,963	988,366	5,907,974	14,500,576	17,312,997	26,499,050	65,208,963

Project Description	Cost to December 31, 2015	Amount Funded by Development Charges Collected During 2015	Amount Funded by Development Charges Collected up to December 2014	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, 2015
Engineered Services							
Roads and related							
Property Acquisition (before 2014)	2,828,465	-	1,895,072	933,394	-	(1)	2,828,465
Property Acquisition (2014 and after)	1,508,855	-	405,298	1,103,557	-	-	1,508,855
Lasalle Notre Dame Intersection Improvements	8,051,462	1,200,678	141,473	661,059	38,630	6,009,622	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	1,328,072	1,467,924	2,380,238	3,350,401	2,218,385	10,745,020
Maley Drive	5,065,767	-	815,547	3,135,751	-	1,114,469	5,065,767
New Streetlights (2009)	25,001	-	25,001	-	-	-	25,001
Barry Downe Extension - Route Planning Study	108,185	-	108,185	-	-	-	108,185
New Streetlights (2010)	77,921	-	77,922.00	-	-	(1)	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	-	-	64,231	128,463
MR 15 MR80 Intersection Improvements	2,758,476	-	-	673,566	64,210	2,020,700	2,758,476
Regent Street from Bouchard to Caswell	3,376,932	-	953,380	-	199,000	2,224,552	3,376,932
New Streetlights (2012)	54,428	-	49,043	-	5,385	-	54,428
MR4 from Highway 17 to C. Johnson Road	19,333,459	-	-	551,227	16,577,324	2,204,908	19,333,459
Bancroft Drive from Levesque Street to Moonlight Avenue	1,902,968	-	-	619,500	354,220	929,248	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 Lining 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	-	-	176,298	-	-	176,298
New Sidewalks on Falconbridge Hwy	277,477	-	92,511	-	184,966	-	277,477
New Traffic Signals - Third Avenue and Kingsway	122,493	-	974	121,519	-	-	122,493
Elgin Street Greenway - design	184,851	-	-	47,940	65,000	71,911	184,851
MR8 from Highway 144 to Bridge	1,765,373	-	-	10,395	1,713,400	41,578	1,765,373
Radar Road from Hydro Road to 4 km East	2,379,942	-	-	28,385	2,238,017	113,540	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	350,258	-	-	175,129	-	175,129	350,258
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	266,311	-	-	134,556	-	131,755	266,311
Second Avenue (Sudbury) Donna Drive to Kenwood Drive	174,740	-	-	122,318	-	52,422	174,740
Clean Hill Road from MR4 to Victoria Mine	4,135,193	-	-	194,012	3,165,131	776,050	4,135,193
Moonlight Ave from Kingsway to Bancroft Drive	683,429	-	-	273,371	-	410,058	683,429
Traffic System Improvements 2015	13,046	-	-	13,046	-	-	13,046
New Streetlights 2013	64,601	-	-	55,306	-	9,295	64,601
New Streetlights 2014	56,250	-	-	56,514	-	(264)	56,250
New Streetlights 2015	37,523	-	-	37,523	-	-	37,523
Subtotal	79,649,684	2,528,750	7,856,249	16,451,611	31,432,245	21,380,829	79,649,684
Water							
Infrastructure Master Plan	425,955	3,406	20,036	2,420	-	400,993	425,955
New Valley Wells	7,195,171	266,254	-	3,179,325	-	3,749,592	7,195,171
Moonlight Avenue - Bancroft Drive to Kingsway	808,478	-	-	69,114	-	739,364	808,478
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	2,152,803	(969)	124,273	60,732	-	1,968,767	2,152,803
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	-	24,156	50,448	-	798,088	872,692
System Improvements - Development Related	579,505	-	-	579,505	-	-	579,505
Subtotal	13,184,352	268,691	238,331	3,973,980	-	8,703,350	13,184,352
Waste Water							
BioSolids Management Facility	69,901,584	-	-	8,179,631	11,475,646	50,246,307	69,901,584
Walden WWTP Expansion - Design/Admin/Construction	594,171	39,222	-	188,127	-	366,822	594,171
WWTP Upgrades for Azilda/Chelmsford Areas	449,904	20,261	-	11,423	-	418,220	449,904
Belanger Lift Station Design - Chelmsford	11,490	1,155	-	569	-	9,766	11,490
System Improvements - Development Related	838,821	261,598	-	577,223	-	-	838,821
Infrastructure Master Plan	425,955	7,310	25,141	-	-	393,504	425,955
Sudbury WWTP	26,323,565	441,644	707,646	9,144,992	-	16,029,283	26,323,565
Lively / Walden Environmental Assessment	422,905	-	104,620	56,084	-	262,201	422,905
Subtotal	98,968,395	771,190	837,407	18,158,049	11,475,646	67,726,103	98,968,395
Drains							
Tributary BA	1,266,901	44,526	98,624	48,576	500,000	575,175	1,266,901
Lake Nepawhin Stormwater Treatment Station	4,819,250	157,345	45,531	1,002,245	-	3,614,129	4,819,250
Minnow Lake Stormwater Treatment Station	5,805	-	-	581	-	5,224	5,805
Capreol Storm Drainage Improvements - Phase 1	8,667	-	-	867	-	7,800	8,667
Miscellaneous Storm Sewer Improvements	5,399	-	-	540	-	4,859	5,399
Miscellaneous Consulting Fees	181,718	-	-	18,172	-	163,546	181,718
Still Lake Storm Water Management Improvement	101	-	-	10	-	91	101
Jacobsen - Cavran Storm Sewer	408	-	-	41	-	367	408
Sub-watershed Planning	4,914	-	-	3,686	-	1,228	4,914
Mountain Street Storm Outlet	451,033	-	-	86,036	-	364,997	451,033
Rockwood Storm Sewer	805,145	-	-	80,514	-	724,631	805,145
Subtotal	7,549,341	201,871	144,155	1,241,268	500,000	5,462,047	7,549,341
Total Engineered Services	199,351,772	3,770,502	9,076,142	39,824,908	43,407,891	103,272,329	199,351,772
Total	264,560,735	4,758,868	14,984,116	54,325,484	60,720,888	129,771,379	264,560,735

Note - The projects identified above are for projects with development charges collected and transferred during 2015 and/or earlier years.

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 (will be collected from 2016 to 2023 and post 2023).

Note 2 - Total Municipal Contribution includes lost revenue of approximately \$11 million as the result of the phase in of the calculated DC rates in the 2009 DC Background Study.