

For Information Only

Development Charges - Treasurer's Annual Statement

Presented To: Finance and Administration Committee

Presented: Tuesday, Jul 11, 2017

Report Date Tuesday, Jun 20, 2017

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

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Executive Director of Finance, Assets and Fleet
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Recommended by the Department

Kevin Fowke
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Ed Archer
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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	<u>0</u>
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							
Project Description	Cost to December 31, 2016	Net Growth Related Share (Development Charges)				Municipal Contribution (Benefit to Existing / 10% Statutory Deduction) (Note 2)	Total Funding 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		
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
Archives 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	3,086,758	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 Balfour, 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	762,584	-	101,863	-	290,000	370,721	762,584
Rotary/Adanac Park/LELC	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 Loughheed Park	107,302	18,351	-	78,221	-	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
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
Cemeterly							
Columbiana Niche Walls (Civic, Valley East and St. Joseph Cemeteries)	195,342	3,603	1,924	263	-	189,552	195,342
Columbiana Niche Walls (Lasalle Cemetery)	54,007	-	-	1,601	-	52,406	54,007
Columbiana 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	156,729	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

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
Engineered Services							
Roads and related							
Property Acquisition (before 2014)	2,828,465	-	1,895,072	933,393	-	-	2,828,465
Property Acquisition (2014 and after)	1,888,427	-	405,298	1,483,129	-	-	1,888,427
Lasalle Notre Dame Intersection Improvements	8,051,462	-	1,342,151	661,059	38,630	6,009,621	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	-	2,795,995	2,380,238	3,350,401	2,218,386	10,745,020
Maley Drive	7,523,183	-	815,547	3,911,858	1,462,407	1,333,371	7,523,183
New Streetlights (2009)	25,000	-	25,000	-	-	-	25,000
Barry Downe Extension - Route Planning Study	108,185	-	108,185	-	-	-	108,185
New Streetlights (2010)	77,921	-	77,921	-	-	-	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	-	-	0	31,169
Consulting Services - Future Projects (2011)	128,463	-	64,232	-	-	64,232	128,463
MR 15 MR80 Intersection Improvements	2,839,131	223,741	-	469,989	64,210	2,081,191	2,839,131
Regent Street from Bouchard to Caswell	3,376,932	-	953,380	-	199,000	2,224,552	3,376,932
New Streetlights (2012)	49,043	-	49,043	-	-	0	49,043
MR4 from Highway 17 to C. Johnson Road	19,636,493	373,727	-	184,075	16,847,483	2,231,208	19,636,493
Bancroft Drive from Levesque Street to Moonlight Avenue	1,902,968	415,065	-	204,435	354,220	929,249	1,902,968
New Signals - Kelly Lake Road at Copper Street	161,644	161,644	-	-	-	0	161,644
Lasalle Barry Downe Intersection Improvements	374,027	374,027	-	-	-	0	374,027
Four Laning 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
New Signals - Regent at Mallards Landing	176,298	85,340	-	90,958	-	0	176,298
New Sidewalks on Falconbridge Hwy	277,477	-	92,511	-	184,966	-	277,477
New Traffic Signals - Third Avenue and Kingsway	122,493	121,519	974	-	-	0	122,493
Elgin Street Greenway - design	192,540	-	-	51,016	65,000	76,524	192,540
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	413,751	-	-	206,875	-	206,876	413,751
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 Pedestrian Crossing	266,311	-	-	134,556	-	131,755	266,311
Second Avenue (Sudbury) Donna Drive to Kenwood Drive	288,879	-	-	202,215	-	86,664	288,879
Crean Hill Road from MR4 to Victoria Mine	6,938,986	-	-	329,987	5,289,053	1,319,946	6,938,986
Moonlight Ave from Kingsway to Bancroft Drive	2,325,958	-	-	930,383	-	1,395,575	2,325,958
MR35 from Notre Dame West to Hwy 144	90,524	-	-	-	90,524	0	90,524
Kingsway Realignment	1,159,437	-	-	405,803	-	753,634	1,159,437
Traffic System Improvements 2015	13,046	-	-	13,046	-	-	13,046
New Streetlights 2013	55,306	-	-	55,306	-	(0)	55,306
New Streetlights 2014	56,514	-	-	56,514	-	-	56,514
New Streetlights 2015	37,523	-	-	37,523	-	-	37,523
New Streetlights 2016	28,611	-	-	28,611	-	-	28,611
Subtotal	88,766,158	1,927,793	10,384,996	17,042,969	35,379,257	24,031,144	88,766,158
Water							
Infrastructure Master Plan	512,555	7,678	23,442	-	-	481,435	512,555
New Valley Wells	7,195,171	60,970	265,767	3,118,842	-	3,749,592	7,195,171
Moonlight Avenue - Bancroft Drive to Kingsway	1,577,270	90,340	-	44,496	-	1,442,434	1,577,270
Wanapitei Alternate Trunk - Preliminary Design	240,390	-	17,782	6,782	-	215,826	240,390
Regent Street - Bouchard to Walford and Bouchard - Regent to Southview	2,152,803	-	123,304	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	25,828	24,156	24,619	-	798,089	872,692
System Improvements - Development Related	579,505	-	-	579,505	-	-	579,505
Subtotal	14,039,744	184,816	506,535	3,860,630	-	9,487,763	14,039,744
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	646,895	106,604	37,658	101,559	-	401,075	646,895
WWTP Upgrades for Azilda/Chelmsford Areas	710,974	11,757	20,261	18,051	-	660,905	710,974
Belanger Lift Station Design - Chelmsford	11,490	-	1,155	569	-	9,766	11,490
System Improvements - Development Related	838,821	300,412	261,598	276,811	-	(0)	838,821
Infrastructure Master Plan	512,555	6,598	32,451	-	-	473,506	512,555
Sudbury WWTP	26,323,565	100,874	1,149,289	9,044,118	-	16,029,284	26,323,565
Lively / Walden Environmental Assessment	510,949	36,753	104,620	52,787	-	316,789	510,949
Subtotal	99,456,833	562,997	1,607,032	17,673,526	11,475,646	68,137,632	99,456,833
Drains							
Tributary 8A	1,266,901	-	143,150	48,578	500,000	575,176	1,266,901
Lake Nepawin Stormwater Treatment Station	4,819,250	145,011	202,567	857,235	-	3,614,437	4,819,250
Minnow Lake Stormwater Treatment Station	100,139	-	-	10,014	-	90,125	100,139
Lake Ramsey West Watershed Storm Water Management	77,362	-	-	309	74,268	2,785	77,362
Capreol Storm Drainage Improvements - Phase 1	9,556	-	-	956	-	8,600	9,556
Upper Whitson River Flood Control	1,344	-	-	134	-	1,210	1,344
Miscellaneous Storm Sewer Improvements	6,429	-	-	643	-	5,786	6,429
Miscellaneous Consulting Fees	195,148	-	-	19,515	-	175,633	195,148
Still Lake Storm Water Management Improvement	1,307	-	-	131	-	1,176	1,307
Jacobsen - Cavrzan Storm Sewer	986	-	-	98	-	887	986
Sub-watershed Planning	212,712	-	-	9,920	199,486	3,306	212,712
Mountain Street Storm Outlet	1,079,857	-	-	205,985	-	873,871	1,079,857
Rockwood Storm Sewer	895,184	-	-	80,518	-	724,666	895,184
Subtotal	8,576,174	145,011	345,717	1,234,036	773,754	6,077,657	8,576,174
Total Engineered Services	210,838,909	2,820,616	12,844,280	39,811,161	47,628,657	107,734,195	210,838,909
Total	277,401,547	3,699,691	19,738,308	53,693,748	65,234,222	135,035,578	277,401,547

Note - The projects identified above are for projects with development charges collected and transferred during 2016 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 2017 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.