

## For Information Only

### Development Charges - Treasurer's Annual Statement

Presented To: Finance and Administration Committee

Presented: Tuesday, Apr 15, 2014

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### Recommendation

For information only.

### Background

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.

Development charges are collected by municipalities to recover a portion of the growth-related costs associated with the capital infrastructure needed to service new development. Development charges in the City are established through By-Law 2009-200F (effective July 9, 2009) and are payable on the date the building permit is issued and is based on the development charges schedule in force on that date.

Schedule A provides a summary of the development charges collected during 2013 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 2013. 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 2009-200F is detailed below:

#### Signed By

**Report Prepared By**

Apryl Lukezic  
Co-ordinator of Budgets  
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**Division Review**

Ed Stankiewicz  
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**Recommended by the Department**

Lorella Hayes  
Chief Financial Officer/City Treasurer  
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**Recommended by the C.A.O.**

Doug Nadorozny  
Chief Administrative Officer  
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|                                     |                    |
|-------------------------------------|--------------------|
| January 1, 2013 – opening balance   | \$ 538,633         |
| Development Charges received        | 5,517,219          |
| Interest earned                     | 60,776             |
| Transfers to capital projects       | <u>(5,389,371)</u> |
| December 31, 2013 – closing balance | <u>\$ 727,257</u>  |

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

|  |                   |
|--|-------------------|
| General services                       | \$ 727,257        |
| Engineered services                    | <u>0</u>          |
| Total Development Charge reserve funds | <u>\$ 727,257</u> |

Funds remaining in the Development Charges Reserve Funds are considered to be committed for projects as identified in the 2009 Development Charges Background Study.

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.

**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.

A copy of this statement shall be forwarded to the Ministry of Municipal Affairs and Housing. This is also a requirement under the Act.

**Development Charges Obligatory Reserve Funds  
Annual Continuity Statement by Service Category  
For the Year Ended December 31, 2013**

|   | Balance at<br>January 1,<br>2013 | Development<br>charges<br>collected<br><i>(note 1)</i> | Interest           | Subtotal              | Transfers to<br>capital | Balance at<br>December 31,<br>2013 |
|---|----------------------------------|--|--------------------|-----------------------|-------------------------|------------------------------------|
| <b>General Services</b>   |                                  |  |                    |                       |                         |                                    |
| General Government  | \$ -                             | \$ (19,453)  | \$ (183)           | \$ (19,636)           | \$ 19,636               | \$ -                               |
| Library (Buildings)   | -                                | (143,433)  | (372)              | (143,805)             | 143,805                 | -                                  |
| Fire (Buildings and Equipment)                                  | (459,423)                        | (148,671)  | (12,084)           | (620,178)             | -                       | (620,178)                          |
| Police (Buildings and Equipment)                                | -                                | (159,931)  | (1,492)            | (161,423)             | 161,423                 | -                                  |
| Parks and recreation (Facilities & Parkland Development)        | -                                | (850,719)  | (7,043)            | (857,762)             | 857,762                 | -                                  |
| Public Works (Equipment)  | -                                | (110,657)  | (1,033)            | (111,690)             | 111,690                 | -                                  |
| Ambulance (Buildings)   | (79,210)                         | (25,782)   | (2,087)            | (107,079)             | -                       | (107,079)                          |
| Transit (Buildings)   | -                                | (127,225)  | (445)              | (127,670)             | 127,670                 | -                                  |
| Emergency Preparedness (Buildings and Equipment)                | -                                | (66,600)   | (621)              | (67,221)              | 67,221                  | -                                  |
| <b>Total General Services</b>                                   | <b>\$ (538,633)</b>              | <b>\$ (1,652,471)</b>                                  | <b>\$ (25,360)</b> | <b>\$ (2,216,464)</b> | <b>\$ 1,489,207</b>     | <b>\$ (727,257)</b>                |
| <b>Engineered Services</b>                                      |                                  |  |                    |                       |                         |                                    |
| Roads and related   | \$ -                             | \$ (3,450,334)   | \$ (31,364)        | \$ (3,481,698)        | \$ 3,481,698            | \$ -                               |
| Water   | -                                | (191,220)  | (1,890)            | (193,110)             | 193,110                 | -                                  |
| Waste Water   | -                                | (138,822)  | (1,376)            | (140,198)             | 140,198                 | -                                  |
| Drains  | -                                | (84,372)   | (786)              | (85,158)              | 85,158                  | -                                  |
| <b>Total Engineered Services</b>                                | <b>\$ -</b>                      | <b>\$ (3,864,748)</b>                                  | <b>\$ (35,416)</b> | <b>\$ (3,900,164)</b> | <b>\$ 3,900,164</b>     | <b>\$ -</b>                        |
| <b>Totals (January 1, 2013 to December 31, 2013)</b>            | <b>\$ (538,633)</b>              | <b>\$ (5,517,219)</b>                                  | <b>\$ (60,776)</b> | <b>\$ (6,116,628)</b> | <b>\$ 5,389,371</b>     | <b>\$ (727,257)</b>                |
| Comparative Balances from January 1, 2012 to December 31, 2012: | <b>\$ (496,564)</b>              | <b>\$ (4,689,117)</b>                                  | <b>\$ (40,598)</b> | <b>\$ (5,226,279)</b> | <b>\$ 4,687,646</b>     | <b>\$ (538,633)</b>                |

**Note 1** The development charges collected as per by-law 2009-200F during the 12 months ended December 31, 2013, net of refunds.

| Annual Capital Fund Transfers by Project for Growth Related Projects Identified in 2009 Development Charge Background Study |                           |  |   |   |                               |                          |                                 |                                    |
|---|---------------------------|--|---|---|-------------------------------|--------------------------|---------------------------------|------------------------------------|
| For the Year Ended December 31, 2013  |                           |  |   |   |                               |                          |                                 |                                    |
| Project Description   | Cost to December 31, 2013 | Amount funded by development charges collected during 2013 | Amount funded by development charges collected from August 2009 to date | Municipal Contribution to be repaid by development charges collected in the future (Note 1) | Provincial and Federal Grants | Contribution from others | Municipal Contribution (Note 2) | Total Funding to December 31, 2013 |
| <b>General Services</b>   |                           |  |   |   |                               |                          |                                 |                                    |
| <b>General Government</b>   |                           |  |   |   |                               |                          |                                 |                                    |
| Zoning By-Law Update  | 147,340                   | 547  | 59,043  |   |                               |                          | 88,297                          | 147,340                            |
| Official Plan update  | 153,850                   | 11,512   | 11,512  | 13,320  |                               |                          | 129,018                         | 153,850                            |
| Development Charges Study   | 9,455                     | 7,578  | 7,578   | 932   |                               |                          | 946                             | 9,455                              |
| <b>Library (Buildings)</b>  |                           |  |   |   |                               |                          |                                 |                                    |
| Azilda Library Branch Expansion   | 558,222                   | -  | 134,703   | 272,241   |                               |                          | 151,278                         | 558,222                            |
| Archive Project   | 584,187                   | -  | 72,780  | 153,917   |                               | 110,000                  | 247,490                         | 584,187                            |
| South Branch Library  | 5,705,332                 | 143,805  | 340,377   | 2,915,993   | 26,561                        | 112,327                  | 2,310,074                       | 5,705,332                          |
| <b>Police (Buildings and Equipment)</b>   |                           |  |   |   |                               |                          |                                 |                                    |
| Carport   | 321,552                   | -  | 228,861   | -   |                               |                          | 92,691                          | 321,552                            |
| Outfitting 4 Police Officers  | 26,013                    | -  | 19,457  | -   |                               |                          | 6,556                           | 26,013                             |
| Communication Infrastructure  | 9,605,207                 | 150,071  | 381,458   | 301,830   |                               |                          | 8,921,919                       | 9,605,207                          |
| Headquarters, Lobby Expansion   | 12,748                    | 11,352   | 11,352  | -   |                               |                          | 1,396                           | 12,748                             |
| <b>Parks and recreation (Facilities &amp; Parkland Development)</b>   |                           |  |   |   |                               |                          |                                 |                                    |
| Lively Ski Hill - Water Line Upgrades   | 65,275                    | -  | 30,055  | 28,693  |                               |                          | 6,528                           | 65,275                             |
| New Accessibility Features  | 458,999                   | 52,025   | 161,383   | 74,005  | 194,267                       | 3,190                    | 26,154                          | 458,999                            |
| Howard Armstrong - New Soccer Fields  | 586,813                   | -  | 160,291   | 367,841   |                               |                          | 58,681                          | 586,813                            |
| Three Outdoor Rink Development  | 116,571                   | -  | 93,427  | 11,487  |                               |                          | 11,657                          | 116,571                            |
| Accessible Playgrounds  | 125,000                   | -  | 100,183   | 12,317  |                               |                          | 12,500                          | 125,000                            |
| Northern Sports Centre  | 1,103,550                 |  |   | 10,945  |                               | 1,081,439                | 11,166                          | 1,103,550                          |
| Splash Pads   | 456,891                   | 366,178  | 366,178   | 45,024  |                               |                          | 45,689                          | 456,891                            |
| Let Them Be Kids  | 122,875                   | 30,054   | 48,087  | 11,246  |                               | 56,950                   | 6,593                           | 122,875                            |
| Soccer Field Development  | 762,584                   | 40,164   | 101,863   | 323,463   |                               | 290,000                  | 47,258                          | 762,584                            |
| Countryside Pad 2   | 10,325,857                | 369,340  | 2,145,753   | 5,952,402   |                               | 11,200                   | 2,216,502                       | 10,325,857                         |
| Land Appraisals   | 194                       | -  | 155   | 20  |                               |                          | 19                              | 194                                |
| Chelmsford Passive Park   | 55,041                    | -  | 40,073  | 9,464   |                               |                          | 5,504                           | 55,041                             |
| <b>Public Works (Equipment)</b>   |                           |  |   |   |                               |                          |                                 |                                    |
| Fuel System   | 931,389                   | 27,439   | 360,656   | (0)   |                               |                          | 570,733                         | 931,389                            |
| Valve Operator  | 139,643                   | 84,250   | 84,250  | (0)   |                               |                          | 55,393                          | 139,643                            |
| <b>Transit</b>  |                           |  |   |   |                               |                          |                                 |                                    |
| Transit Garage  | 9,331,582                 | 127,670  | 512,806   | 2,370,710   | 1,171,090                     |                          | 5,276,976                       | 9,331,582                          |
| <b>Emergency Preparedness (Buildings and Equipment)</b>   |                           |  |   |   |                               |                          |                                 |                                    |
| CLELC Roadway Access  | 332,313                   | 9,527  | 144,427   | (0)   |                               |                          | 187,886                         | 332,313                            |
| CLELC Phase II  | 2,284,795                 | 57,695   | 120,738   | 1,007,330   | 1,000,000                     |                          | 156,728                         | 2,284,795                          |
| Mobile Command Unit   | 354,042                   |  |   | 318,638   |                               |                          | 35,404                          | 354,042                            |
| <b>Total General Services</b>   | <b>44,677,321</b>         | <b>1,489,207</b>   | <b>5,737,446</b>  | <b>14,201,815</b>   | <b>2,391,918</b>              | <b>1,665,106</b>         | <b>20,681,036</b>               | <b>44,677,321</b>                  |

| Annual Capital Fund Transfers by Project for Growth Related Projects Identified in 2009 Development Charge Background Study  |                           |  |   |   |                               |                          |                                 |                                    |
|--|---------------------------|--|---|---|-------------------------------|--------------------------|---------------------------------|------------------------------------|
| For the Year Ended December 31, 2013   |                           |  |   |   |                               |                          |                                 |                                    |
| Project Description  | Cost to December 31, 2013 | Amount funded by development charges collected during 2013 | Amount funded by development charges collected from August 2009 to date | Municipal Contribution to be repaid by development charges collected in the future (Note 1) | Provincial and Federal Grants | Contribution from others | Municipal Contribution (Note 2) | Total Funding to December 31, 2013 |
| <b>Engineered Services</b>   |                           |  |   |   |                               |                          |                                 |                                    |
| <b>Roads and related</b>   |                           |  |   |   |                               |                          |                                 |                                    |
| MR80 Valleyview to Second Ave  | 4,653,329                 | -  | 908,253   | (0)   | 1,900,000                     |                          | 1,845,076                       | 4,653,329                          |
| Kingsway Widening  | 12,585,398                | -  | 4,174,771   | 0   | 5,000,000                     | 128,000                  | 3,282,627                       | 12,585,398                         |
| Kingsway Land Acquisition  | 1,897,411                 | 367,114  | 367,114   | 1,530,297   |                               |                          | -                               | 1,897,411                          |
| MR80 Valleyview to Donaldson   | 10,745,020                | -  | 1,467,924   | 3,708,309   | 3,350,401                     |                          | 2,218,386                       | 10,745,020                         |
| Main Street Val Caron  | 6,060,523                 |  | 1,157,910   | -   | 1,889,513                     |                          | 3,013,100                       | 6,060,523                          |
| Consultants  | 66,008                    |  | 45,216  | -   |                               |                          | 20,792                          | 66,008                             |
| Property Acquisition   | 313,192                   |  | 120,853   | 192,339   |                               |                          | -                               | 313,192                            |
| Maley Drive  | 4,589,087                 | 215,547  | 815,547   | 2,763,941   |                               |                          | 1,009,599                       | 4,589,087                          |
| Garson-Coniston Road Widening (Ph 1 & 2)   | 5,560,904                 | 554,526  | 1,249,863   | (0)   | 239,054                       | 7,851                    | 4,064,136                       | 5,560,904                          |
| Long Lake Rd at MTO Bypass   | 2,066,520                 |  | 690,034   | -   | 710,000                       |                          | 666,486                         | 2,066,520                          |
| New Streetlights   | 25,000                    |  | 17,126  | 7,874   |                               |                          | -                               | 25,000                             |
| New Streetlights   | 54,039                    |  | 17,125  | 36,914  |                               |                          | -                               | 54,039                             |
| barrydowne extension - route planning study  | 108,185                   | 74,108   | 74,108  | 34,077  |                               |                          | -                               | 108,185                            |
| New Signals: Regent & Mallards Landing   | 141,481                   | (27,376)   | -   | -   | 141,481                       |                          | -                               | 141,481                            |
| consulting services - future projects  | 300,000                   | 102,751  | 102,751   | 47,249  |                               |                          | 150,000                         | 300,000                            |
| design, engineering, property acquisition  | 110,000                   | 37,676   | 37,676  | 17,324  |                               |                          | 55,000                          | 110,000                            |
| Property acquisition   | 552,107                   | 378,197  | 378,197   | 173,910   |                               |                          | -                               | 552,107                            |
| Lasalle Notre Dame intersection: engineering / property acquisition / utilities  | 2,273,907                 | 1,027,509  | 1,027,509   | 1,246,398   |                               |                          | -                               | 2,273,907                          |
| new streetlights   | 31,169                    | 17,125   | 17,125  | 14,044  |                               |                          | -                               | 31,169                             |
| consulting services - future projects  | 128,463                   | 34,251   | 34,251  | 29,981  |                               |                          | 64,232                          | 128,463                            |
| Property acquisition   | 65,755                    | 45,042   | 45,042  | 20,713  |                               |                          | -                               | 65,755                             |
| Lasalle Notre Dame intersection improvements   | 6,203,228                 | 141,473  | 141,473   | 1,399,677   |                               | 38,630                   | 4,623,449                       | 6,203,228                          |
| Regent : Caswell to Bouchard - add turning lane  | 3,376,932                 | 513,755  | 513,755   | 439,625   | 199,000                       |                          | 2,224,552                       | 3,376,932                          |
| <b>Water</b>   |                           |  |   |   |                               |                          |                                 |                                    |
| MR80 Watermain Upgrade   | 629,443                   | -  | 190,136   | (0)   |                               |                          | 439,307                         | 629,443                            |
| Long Lake Road at MTO Bypass   | 1,927,538                 |  | 394,905   | -   |                               |                          | 1,532,633                       | 1,927,538                          |
| Wanapitei Alternate Trunk  | 240,390                   | 10,703   | 10,703  | 10,932  |                               |                          | 218,755                         | 240,390                            |
| Niemi Rd   | 374,419                   | 13,337   | 13,337  | -   |                               |                          | 361,082                         | 374,419                            |
| Regent: Bouchard to Caswell  | 1,757,009                 | 137,789  | 141,051   | -   |                               |                          | 1,615,958                       | 1,757,009                          |
| Kelly Lake Watermain Oversizing  | 218,934                   | 4,566  | 9,748   | -   |                               |                          | 209,186                         | 218,934                            |
| Water visionary plan   | 50,000                    | 6,679  | 6,679   | -   |                               |                          | 43,321                          | 50,000                             |
| Infrastructure master plan water   | 150,000                   | 20,036   | 20,036  | -   |                               |                          | 129,964                         | 150,000                            |
| New Valley Wells   | 7,195,171                 | -  | -   | 3,445,579   |                               |                          | 3,749,593                       | 7,195,171                          |
| <b>Waste Water</b>   |                           |  |   |   |                               |                          |                                 |                                    |
| Infrastructure master plan ww  | 188,216                   | 25,141   | 25,141  | -   |                               |                          | 163,075                         | 188,216                            |
| Azilda WWTP Upgrade (including Assessment & Rerating Azilda & Chelmsford)  | 484,685                   | 23,266   | 128,155   | -   |                               |                          | 356,530                         | 484,685                            |
| Sudbury WWTP Upgrade   | 15,509,807                | 91,791   | 380,908   | 5,489,213   |                               |                          | 9,639,686                       | 15,509,807                         |
| Lively / Walden Environmental Assessment   | 355,348                   | -  | 26,715  | 108,317   |                               |                          | 220,316                         | 355,348                            |
| <b>Drains</b>  |                           |  |   |   |                               |                          |                                 |                                    |
| Tributary 8A   | 1,266,901                 | -  | 44,526  | 147,199   | 500,000                       |                          | 575,176                         | 1,266,901                          |
| Tributary 9  | 1,279,478                 | -  | 139,142   | -   | 850,000                       |                          | 290,336                         | 1,279,478                          |
| Minnow Lake stormwater treatment station   | 3,084                     |  |   | 3,084   |                               |                          | -                               | 3,084                              |
| East Branch junction creek stormwater study  | 41,010                    |  |   | 41,010  |                               |                          | -                               | 41,010                             |
| Lake Nepawhin Stormwater   | 4,815,498                 | 85,158   | 155,139   | 1,048,736   |                               |                          | 3,611,624                       | 4,815,498                          |
| <b>Total Engineered Services</b>   | <b>98,394,590</b>         | <b>3,900,164</b>   | <b>15,089,944</b>   | <b>21,956,740</b>   | <b>14,779,449</b>             | <b>174,481</b>           | <b>46,393,976</b>               | <b>98,394,590</b>                  |
| <b>Total</b>   | <b>143,071,911</b>        | <b>5,389,371</b>   | <b>20,827,390</b>   | <b>36,158,555</b>   | <b>17,171,367</b>             | <b>1,839,587</b>         | <b>67,075,012</b>               | <b>143,071,911</b>                 |
| 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 2014 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.  |                           |  |   |   |                               |                          |                                 |                                    |