

For Information Only

Development Charges - Treasurer's Annual Statement

Presented To: Finance and Administration Committee

Presented: Tuesday, Jun 04, 2019

Report Date Tuesday, May 21, 2019

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 2018 along with reserve fund transactions and balances.

Financial Implications

This report has no financial implications.

Signed By

Report Prepared By

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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 2018 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.

Currently, DC's are not shown as a funding source in the annual Capital Budget as the funding amount is unknown until collected at the building stage which is based on the development activity which varies year to year, as well as exemptions from the DC Act and DC 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 2018 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 2018. The City prefunds the growth related portion of capital projects until development charges are collected in future years.

A summary of the Development Charges activities and obligatory reserve funds relating to by-law 2014-151 is detailed below:

January 1, 2018 – opening balance	\$ 1,774,222
Development Charges received	4,487,181
Interest earned	84,103
Transfers to capital projects	(4,286,407)
December 31, 2018 – closing balance	<u>\$ 2,059,100</u>

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

General services	\$ 2,059,100
Engineered services	<u>0</u>
Total Development Charge reserve funds	<u>\$ 2,059,100</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. In addition, these funds have been reflected in the 2019 Development Charges Background Study under the column of “Available DC Reserves” which decreases DC eligible costs to be collected in the future as this amount has already been collected for projects not yet started (ie. new buildings for Fire Services, Paramedic Services and Police Services). 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 shares as it relates to the calculation of the DC rates within the DC background study, which is completed every 5 years.

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 three applications have been received and approved (none in 2018) for a total of five residential properties. In addition, Council approved the deferral for St. Vincent de Paul until the building is sold or transferred. As part of the 2019 Development Charges Background Study and By-Law, staff recommended that this program be discontinued. Council's decision on this item was not available at time of writing this report.

Conclusion

Pursuant to Section 43 of the Development Charges Act, the Treasurer shall furnish to Council a financial statement (Schedule A, B and C) relating to the Development Charges By-Law and reserve funds.

Appendices

Appendix A – Development Charges Obligatory Reserve Funds

Appendix B – Annual Development Charges Transfers by Project

Appendix C – Development Charges – Credits Outstanding

Appendix A
Development Charges Obligatory Reserve Funds
Annual Continuity Statement by Service Category
For the Year Ended December 31, 2018

	Balance at January 1, 2018	Development Charges Collected	Interest	Subtotal	Transfers to Capital	Transfers to Operating	Balance at December 31, 2018
General Services							
General Government	\$ 31,150	\$ 28,306	\$ 1,000	\$ 60,456	\$ 48,688	\$ -	\$ 11,767
Library (Buildings)	0	152,641	1,338	153,979	153,979	-	0
Fire (Buildings and Equipment)	1,136,891	111,487	28,704	1,277,082	-	-	1,277,082
Police (Buildings and Equipment)	240,035	57,910	6,399	304,345	-	-	304,345
Public Safety	0	23,330	231	23,561	23,561	-	0
Parks and Recreation (Facilities & Parkland Development)	0	501,564	3,433	504,997	504,997	-	0
Cemetery	-	2,640	23	2,663	2,663	-	0
Public Works (Equipment)	47,586	-	1,155	48,741	-	-	48,741
Ambulance (Buildings)	247,970	33,651	6,353	287,975	-	-	287,975
Transit (Buildings)	70,589	156,173	2,427	229,190	-	100,000	129,190
Emergency Preparedness (Buildings and Equipment)	0	62,857	623	63,480	63,480	-	0
Total General Services	\$ 1,774,222	\$ 1,130,560	\$ 51,687	\$ 2,956,469	\$ 797,369	\$ 100,000	\$ 2,059,100
Engineered Services							
Roads and related	\$ 0	\$ 2,313,250	\$ 22,400	\$ 2,335,650	\$ 2,335,650	\$ -	\$ 0
Water	0	238,411	2,285	240,696	240,696	-	0
Waste Water	0	626,380	5,954	632,334	632,334	-	0
Drains	0	178,579	1,778	180,357	180,357	-	0
Total Engineered Services	\$ 0	\$ 3,356,621	\$ 32,416	\$ 3,389,037	\$ 3,389,037	\$ -	\$ 0
Total - January 1, 2018 to December 31, 2018	\$ 1,774,222	\$ 4,487,181	\$ 84,103	\$ 6,345,507	\$ 4,186,407	\$ 100,000	\$ 2,059,100
Comparative Balances - January 1, 2017 to December 31, 2017	\$ 1,551,261	\$ 3,855,590	\$ 56,531	\$ 5,463,382	\$ 3,589,159	\$ 100,000	\$ 1,774,222

Appendix B							
Annual Development Charges Transfers by Project for Growth Related Projects Identified in 2014 Development Charges Background Study							
For the Year Ended December 31, 2018							
Project Description	Cost to December 31, 2018	Net Growth Related Share (Development Charges)					Total Funding to December 31, 2018
		Amount Funded by Development Charges Collected During 2018	Amount Funded by Development Charges Collected up to December 2017	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)	
General Services							
General Government							
Official Plan Update	154,600	717	47,061			106,822	154,600
Development Charges Study 2013-2014	44,851		40,366			4,485	44,851
Development Charges Study 2018-2019	53,302	47,971				5,330	53,302
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	597,306	48,688	97,237	-	185,325	266,056	597,306
Library (Buildings)							
South Branch Library Expansion	5,713,686	110,000	780,377	2,370,886	138,888	2,313,535	5,713,686
Azilda Library Branch Expansion	558,222	43,979	250,052	112,912		151,278	558,222
Archive Project	538,971		72,780	153,918	64,784	247,489	538,971
Mackenzie Library Study	50,625			45,563		5,062	50,625
Circulation Materials	3,438,327			211,823		3,226,504	3,438,327
Subtotal	10,299,831	153,979	1,103,209	2,895,102	203,672	5,943,868	10,299,831
Public Safety							
Communications Infrastructure	12,582,035	23,561	502,530	359,694	304,000	11,392,251	12,582,035
Parks and Recreation (Facilities & Parkland Development)							
Gerry McCrory Countryside Sports Complex - 2nd Ice Pad	10,375,315	115,000	2,605,753	5,416,232	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	4,325,686		259,875		3,800,686	265,125	4,325,686
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: Rotary/Adanac Park/LELC	762,584	111,437	101,863	212,025	290,000	47,258	762,584
Chelmsford Passive Park	55,041		49,537			5,504	55,041
Adanac Building (Portable to Permanent)	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		142,073			15,786	157,859
Adanac BMX Track	91,849	79,302	3,362			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	54,127		48,715			5,413	54,127
Marguerite / Gerry Loughheed Park	107,302		96,572			10,730	107,302
Bell Park (relating to the purchase of 322 McNaughton Terrace)	62,313		56,082			6,231	62,313
Rick MacDonald Complex Seniors Park	85,716		77,144			8,572	85,716
Minnow Lake Off Leash Dog Park	125,524			110,586	2,650	12,287	125,524
Bell Park Expansion-St Joseph's Parking Lot Redevelopment	1,346,022			1,211,420		134,602	1,346,022
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	787,592	3,584,492
Rotary/Adanac Park Ski Lift Replacement	1,941,642			873,739		1,067,903	1,941,642
Bell Park Development (new accessible washroom)	212,781	95,751				117,030	212,781
Subtotal	26,192,829	504,997	5,189,013	8,115,303	7,338,725	5,044,791	26,192,829
Cemetery							
Columbaria Niche Walls (Civic, Valley East and St. Joseph Cemeteries)	289,787		6,548	2,041		281,198	289,787
Columbaria Niche Walls (Lasalle Cemetery)	54,825	153	409	1,063		53,200	54,825
Columbaria Niche Walls (St John's & Capreol Cemeteries)	84,694	2,510				82,184	84,694
Civic Cemetery - Columbarium	95,902		2,843			93,059	95,902
Subtotal	525,209	2,663	9,800	3,105	-	509,641	525,209
Transit							
Transit Garage	18,098,787	100,000	1,041,607	2,388,855	8,659,707	5,908,618	18,098,787
HandiTransit - Additional Buses	85,000					85,000	85,000
Subtotal	18,183,787	100,000	1,041,607	2,388,855	8,659,707	5,993,618	18,183,787
Emergency Preparedness (Buildings and Equipment)							
CLELC Emergency Roadway Access	332,313		144,427			187,886	332,313
CLELC Phase II	2,284,795	63,480	369,196	695,391	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	63,480	513,623	1,014,029	1,000,000	380,018	2,971,150
Total General Services	71,267,147	897,369	8,457,018	14,776,088	17,691,429	29,445,243	71,267,147

Project Description	Cost to December 31, 2018	Municipal Contribution to be Repaid by Development Charges Collected in the Future (Note 1)					Total Funding to December 31, 2018
		Amount Funded by Development Charges Collected During 2018	Amount Funded by Development Charges Collected up to December 2017	Grants / Subsidies / Other	Municipal Contribution (Benefit to Existing / 10% Statutory Deduction)		
Engineered Services							
Roads and related							
Property Acquisition (before 2014)	2,828,465	933,393	1,895,072			2,828,465	
Property Acquisition (2014 and after)	2,020,475	443,192	906,511	670,772		2,020,475	
Lasalle Notre Dame Intersection Improvements	8,051,462		1,342,151	661,059	38,630	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	10,745,020	
Maley Drive	53,487,518		815,547	15,992,083	31,939,275	53,487,518	
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			300,000	
Design, Engineering, Property Acquisition	110,000		55,000			110,000	
New Streetlights (2011)	31,169		31,169			31,169	
Consulting Services - Future Projects (2011)	128,463		64,232			128,463	
MR 15 MR80 Intersection Improvements	2,859,068		223,741	474,974	64,210	2,859,068	
Barry Downe Road from Westmount Road to Kingsway	167,580			95,521		167,580	
Regent Street from Bouchard to Caswell	3,496,932	36,000	953,380		199,000	3,496,932	
New Streetlights (2012)	49,043		49,043			49,043	
MR4 from Highway 17 to C. Johnson Road	19,636,493		373,727	184,075	16,847,483	19,636,493	
Bancroft Drive from Levesque Street to Moonlight Avenue	1,902,968		415,065	204,435	354,220	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 Laning MR 80 - Frost to Glenn	6,965,587			3,287,849	1,485,838	6,965,587	
New Signals - MR24 at Sixth Ave	172,731		172,731			172,731	
New Signals - Regent at Mallards Landing	176,298	90,958	85,340			176,298	
New Sidewalks on Falconbridge Hwy	277,477		92,511		184,966	277,477	
New Traffic Signals - Third Avenue and Kingsway	122,493		122,493			122,493	
Elgin Street Greenway - design	210,592	53,373		4,864	65,000	210,592	
MR8 from Highway 144 to Bridge	1,765,373	10,395			1,713,400	1,765,373	
Radar Road from Hydro Road to 4 km East	2,379,942	28,385			2,238,017	2,379,942	
Regent Street from Ida to Loachs Road	2,078,872	16,553			1,996,108	2,078,872	
Champlain Street from Notre Dame to St. Agnes	408,748	81,750				408,748	
Official Plan Review - Transportation Study Update	450,115	225,057				450,115	
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				266,311	
Second Avenue (Sudbury) Donna Drive to Kenwood Drive	6,193,305			4,335,314		6,193,305	
Crean Hill Road from MR4 to Victoria Mine	10,761,236			692,956	7,296,457	10,761,236	
Moonlight Ave from Kingsway to Bancroft Drive	2,626,304			1,050,521		2,626,304	
MR35 from Notre Dame West to Hwy 144	1,201,621			29,186	1,055,691	1,201,621	
Kingsway Realignment	2,613,663			914,782		2,613,663	
Silver Hills Drive	914,274		914,274			914,274	
Montrose Avenue	1,210,790		602,000			1,210,790	
Traffic System Improvements 2015	13,046	8,741		4,305		13,046	
Traffic System Improvements 2017	240,668	157,949		82,719		240,668	
New Streetlights 2013	55,306	18,670		36,636		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	
New Streetlights 2017	35,795			35,795		35,795	
New Streetlights 2018	37,963			37,963		37,963	
Elgin Greenway from Nelson St to Cedar Street	765,415			306,166		765,415	
Active Transportation	271,172			271,172		271,172	
Subtotal	151,292,894	2,335,650	14,330,275	32,626,421	68,828,695	151,292,894	
Water							
Infrastructure Master Plan	654,498		35,992	1,938	29,781	654,498	
New Valley Wells	7,195,171		506,041	2,939,538		7,195,171	
Moonlight Avenue - Bancroft Drive to Kingsway	1,595,350		91,258	45,123		1,595,350	
Wanapitei Alternate Trunk - Preliminary Design Geotechnical Study	240,390		17,782	6,782		240,390	
Regent Street - Bouchard to Walford and Bouchard - Regent to Southview	2,234,533	1,087	126,899	63,037		2,234,533	
Kelly Lake Road - WWTP to Copper Street	909,358		52,084	25,654		909,358	
Robinson Drive - Southview Drive to Kelly Lake Road	872,692		49,984	24,619		872,692	
System Improvements - Development Related	581,340	239,609		341,730		581,340	
Subtotal	14,283,331	240,696	880,040	3,448,421	29,781	14,283,331	

Project Description	Cost to December 31, 2018	Amount Funded by Development Charges Collected During 2018	Amount Funded by Development Charges Collected up to December 2017	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)	Total Funding to December 31, 2018
Waste Water							
BioSolids Management Facility	70,049,434			8,200,330	11,475,646	50,373,458	70,049,434
Walden WWTP Expansion - Design/Admin/Construction	1,316,574		211,464	288,834		816,276	1,316,574
WWTP Upgrades for Azilda/Chelmsford Areas	4,573,034		124,852	197,200		4,250,982	4,573,034
Belanger Lift Station Design - Chelmsford	11,490		1,155	569		9,766	11,490
System Improvements - Development Related	916,778		614,241	302,537			916,778
Infrastructure Master Plan	654,498		45,162	2,432	29,781	577,123	654,498
Sudbury WWTP	27,015,535	570,871	1,639,234	8,354,782		16,450,647	27,015,535
Lively / Walden Environmental Assessment	667,609	61,463	164,607	27,621		413,918	667,609
Subtotal	105,204,952	632,334	2,800,716	17,374,305	11,505,427	72,892,170	105,204,952
Drains							
Tributary 8A	1,266,901		143,150	48,576	500,000	575,176	1,266,901
Lake Nepawhin Stormwater Treatment Station	4,819,610		515,959	688,943		3,614,708	4,819,610
Minnow Lake Stormwater Treatment Station	3,658,904			365,890		3,293,014	3,658,904
Lake Ramsey West Watershed Storm Water Management	325,503			1,302	312,483	11,718	325,503
Capreol Storm Drainage Improvements - Phase 1	9,633			963		8,669	9,633
Upper Whitson River Flood Control	35,651			3,565		32,086	35,651
Miscellaneous Storm Sewer Improvements	181,380			18,138		163,242	181,380
Miscellaneous Consulting Fees	515,230			47,128	43,947	424,155	515,230
Still Lake Storm Water Management Improvement	2,334			233	-	2,100	2,334
Jacobsen - Cavrzan Storm Sewer	1,084			108	-	976	1,084
Sub-watershed Planning	1,724,108			64,294	1,638,383	21,431	1,724,108
Mountain Street Storm Outlet	2,025,102	180,357		377,379	46,734	1,420,632	2,025,102
Rockwood Storm Sewer	805,408			80,541		724,867	805,408
Subtotal	15,370,847	180,357	659,109	1,697,062	2,541,547	10,292,773	15,370,847
Total Engineered Services	286,152,025	3,389,037	18,670,140	55,146,208	82,905,450	126,041,189	286,152,025
Total	357,419,172	4,286,407	27,127,158	69,922,296	100,596,879	155,486,432	357,419,172

Note - The projects identified above are for projects with development charges collected and transferred during 2018 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. After July 1, 2019, future collections would be based on the growth-related capital projects in the 2019 DC background study.

**Appendix C - Development Charges - Credits Outstanding
For the Year Ended December 31, 2018**

The credits outstanding are in accordance with Section 38 of the Development Charges Act, 1997. The projects noted below are growth related projects within the 2014 Development Charges Background Study that were constructed by the DC Credit Holders below. These growth related projects are partially funded by development charges as noted on Schedule B and DC Credits (DC Credit at time of building permit issuance or cash payments based on negotiated agreement) are provided to the DC Credit Holders as form of payment for the constructed projects.

DC Credit Holders	Service Area - Project	Opening Balance, January 1, 2018	Credits Granted	Credits Used / Transferred	Closing Balance, December 31, 2018
1721169 Ontario Inc.	Roads - Silver Hills Drive	914,273	-	(141,570)	772,703
Dalron Construction	Roads - Montrose Avenue	602,000	-	(602,000)	-
		1,516,273	-	(743,570)	772,703