

Report To: Committee of the Whole

Meeting Date: March 20, 2023

Subject: 2022 Development Charge Reserve Fund Statements

Recommendation(s)

1. That report FIN-23-17, 2022 Development Charge Reserve Fund Statements, dated March 20, 2023 be received for information; and
2. That the Treasurer's Annual Statement of Development Charges Reserve Funds for 2022 be made publicly available on the Town's website and upon request.

Purpose

The purpose of this report is to provide Council with the Treasurer's Annual Statements of Development Charge Reserve Funds, as required under the Development Charges Act.

Background

Development charges (DCs) are levied by the Town on new residential and non-residential construction to offset the growth-related capital infrastructure needs.

As outlined in the Development Charges Act (the Act), the Treasurer shall provide an annual statement to Council containing information for the prior calendar year. The information to be included in this statement is set out in section 43 of the Act and includes the following:

- A statement of opening and closing balances of all DCs reserve funds and the transactions relating to each of these funds;
- The transactions shall identify all the capital costs funded by the reserve fund and the amounts funded from other sources outside of the DCs;
- A statement of compliance with s. 59.1 (1) that no charges have been imposed, directly or indirectly, related to development or a requirement to construct a service related to development, except as permitted by this Act; and
- Council shall ensure that the statement is made available to the public.

Analysis

The Annual Treasurer’s Statement of DC Reserve Funds can be found in **Appendix A**. In summary, the 2022 activity is as follows:

Opening Balance	\$7,115,892
Additions:	
DC Collections	2,452,045
Interest Income Earned	211,509
Less:	
Operating Transfer to Fund Debt	(83,600)
Capital Project Funding	(345,192)
Operating Project Funding	(243,163)
Net Change	1,991,599
Closing Balance	<u>\$9,107,491</u>

Amounts transferred for operating or tangible capital asset acquisition purposes are summarized in **Appendix B**. It details the transactions by reserve fund for each project that required growth related funding from DCs in 2022.

Figure 1 below shows the trend in DC collections and expenditures over the past six years.

Figure 1: 2017-2022 DC Collections and Expenditures

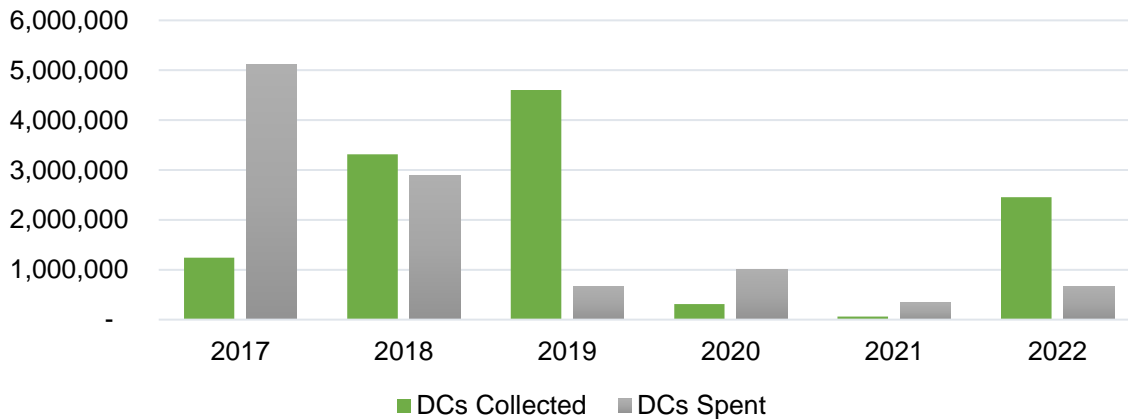


Table 1 below shows the amount of DCs collected by unit type. Revenues collected from DCs are not consistent year over year as they are related to timing of approvals for development activity, which can span multiple years particularly when considering multiple unit developments.

Table 1: DCs Collected by Unit Type

Unit Type	Units	DCs Collected
<i>Single / semi-detached</i>	63	\$1,210,373
<i>Non-residential (sq.ft.)</i>	193,386	\$1,241,669
		\$2,452,042

Strategic Priorities

3 - Accountability and Transparency

Goal #3 - Build trust and confidence in the Town's operations and services and establish a strong reputation for the corporation.

Financial Impact

The Town's Development Charges Background Study was completed in 2020 and the new rates took effect with the passing of the municipal-wide DC By-law 2021-44, as amended, which passed in March 2021, and which will remain in affect for five (5) years.

DCs are an important component of the Town's long-term financial plan. As outlined in the Development Charges Act, the funds collected through DCs may only be used to finance growth related projects identified in the Development Charges Background Study.

Conclusion

That Council receive this report for information and that it be posted to the Town's website.

Respectfully prepared by,

Cameron Hart
Cameron Hart
Senior Financial Analyst

Respectfully submitted by,



Beth Brens
Director of Finance/Treasurer

Respectfully approved by,



Sarah Kim
Acting Chief Administrative Officer

Attachments

- **Appendix A** – Annual Treasurer’s Statement of DC Reserve Funds
- **Appendix B** – Amounts Transferred for Operating and Tangible Capital Assets

FIN-23-17
2022 Development Charge Reserve Fund Statement
Appendix A

ANNUAL TREASURER'S STATEMENT OF DC RESERVE FUNDS
FOR THE YEAR ENDING DECEMBER 31, 2022

	Services Related to a Highway and Related Infrastructure	Fire Protection Services	Storm Drainage & Control Services	Wastewater Services	Water Services	Growth Studies	Public Works	Community Services	Parking Services*	Library Services	Total
Opening balance, January 1, 2022	\$ 2,437,049	\$ 639,689	\$ 3,859	\$ 585,121	\$ 401,247	\$ 454,274	\$ 743	\$ 1,346,548	\$ 101,666	\$ 1,145,696	\$ 7,115,892
Plus: Development Charges Collected											
Urban Residential	228,592	69,720	27,420	88,570	34,380	111,780	12,660	466,440	2,450	116,100	1,158,112
Rural Residential	13,328	3,486	-	-	-	5,589	633	23,322	98	5,805	52,261
Urban Industrial	1,484	426	-	-	-	697	90	452	13	116	3,278
Urban Non-Industrial	471,128	142,300	73,073	55,766	67,304	219,219	24,999	144,223	3,846	36,536	1,238,394
	714,532	215,932	100,493	144,336	101,684	337,285	38,382	634,437	6,407	158,557	2,452,045
Plus: Interest Income	71,660	17,908	1,023	16,825	11,663	15,094	386	41,985	2,778	32,187	211,509
Less: Capital Debt Payments - Fire Station 2	-	(83,600)	-	-	-	-	-	-	-	-	(83,600)
Less: Amounts Transferred to Fund Capital projects											
Marlow Ave Road Reconstruction	(1,658)	-	-	-	-	-	-	-	-	-	(1,658)
Central Ave Road Reconstruction	(5,390)	-	-	-	-	-	-	-	-	-	(5,390)
Park Rd North Road Reconstruction	(1,244)	-	-	-	-	-	-	-	-	-	(1,244)
Concord PI Road Reconstruction	(45,500)	-	-	-	-	-	-	-	-	-	(45,500)
Casablanca Blvd - Phase 2 & 3 - Storm Sewer	-	-	(8,393)	-	-	-	-	-	-	-	(8,393)
Sidewalk - N Service Rd (LJM Phase 2)	(14,000)	-	-	-	-	-	-	-	-	-	(14,000)
Peach King Centre - Renovation And Expansion	-	-	-	-	-	-	-	(20,461)	-	-	(20,461)
Pickleball Courts Installation	-	-	-	-	-	-	-	(160,679)	-	-	(160,679)
Library Collection Expansion	-	-	-	-	-	-	-	-	-	(87,867)	(87,867)
	(67,792)	-	(8,393)	-	-	-	-	(181,140)	-	(87,867)	(345,192)
Less: Amount Transferred to Fund Operating Projects											
Fire Master Plan And Financial Review	-	(16,854)	-	-	-	-	-	-	-	-	(16,854)
Development Charges Study Update (2020)	-	-	-	-	-	(10,418)	-	-	-	-	(10,418)
Sewer I & I Reduction Study - Drainage Area 5 & 7	-	-	-	(94,995)	-	-	-	-	-	-	(94,995)
Recreation Trails Master Plan	-	-	-	-	-	-	-	(22,992)	-	-	(22,992)
Grimsby Secondary School Conceptual Plan	-	-	-	-	-	(4,891)	-	-	-	-	(4,891)
Main Street East - Heritage Conservation District Study	-	-	-	-	-	(93,013)	-	-	-	-	(93,013)
	-	(16,854)	-	(94,995)	-	(108,322)	-	(22,992)	-	-	(243,163)
Closing balance, December 31, 2022	\$ 3,155,449	\$ 773,075	\$ 96,982	\$ 651,287	\$ 514,594	\$ 698,331	\$ 39,511	\$ 1,818,838	\$ 110,851	\$ 1,248,573	\$ 9,107,491

Please note that these amounts are unaudited and may be subject to change.

*Effective September 19, 2022 parking fees are no longer eligible for inclusion in the development charges as per Bill 197.

FIN-23-17
2022 Development Charge Reserve Fund Statement
Appendix B

AMOUNTS TRANSFERRED FOR OPERATING AND TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDING DECEMBER 31, 2022

Type	Gross Cost	DC Reserve Fund	DC Debt Financing	Other Reserves	Operating Contributions	Grants and External	Total Funding
Services Related to a Highway and Related Infrastructure							
Marlow Ave Road Reconstruction	Capital	\$ 2,211	\$ 1,658	\$ -	\$ 553	\$ -	\$ 2,211
Central Ave Road Reconstruction	Capital	7,186	5,390	-	1,796	-	7,186
Park Rd North Road Reconstruction	Capital	1,658	1,244	-	414	-	1,658
Concord Pl Road Reconstruction	Capital	45,500	45,500	-	-	-	45,500
Sidewalk - N Service Rd (LJM Phase 2)	Capital	14,000	14,000	-	-	-	14,000
		70,555	67,792	-	2,763	-	70,555
Fire Protection Services							
Fire Master Plan And Financial Review	Operating	22,473	16,854	-	5,619	-	22,473
		22,473	16,854	-	5,619	-	22,473
Storm Drainage & Control Services							
Casablanca Blvd - Phase 2 & 3 - Storm Sewer	Capital	9,224	8,393	-	-	831	9,224
		9,224	8,393	-	-	831	9,224
Wastewater Services							
Sewer I & I Reduction Study - Drainage Area 5 & 7	Operating	189,990	94,995	-	-	94,995	189,990
		189,990	94,995	-	-	94,995	189,990
Growth Studies							
Development Charges Study Update (2020)	Operating	10,418	10,418	-	-	-	10,418
Grimsby Secondary School Conceptual Plan	Operating	5,434	4,891	-	543	-	5,434
Main Street East - Heritage Conservation District Study	Operating	103,348	93,013	-	10,335	-	103,348
		119,200	108,322	-	10,878	-	119,200
Community Services							
Peach King Centre - Renovation And Expansion	Capital	83,642	20,461	-	2,724	60,457	83,642
Pickleball Courts Installation	Capital	189,034	160,679	-	28,355	-	189,034
Recreation Trails Master Plan	Operating	30,656	22,992	-	7,664	-	30,656
		303,332	204,132	-	38,743	60,457	303,332
Library Services							
Library Collection Expansion	Capital	87,867	87,867	-	-	-	87,867
		87,867	87,867	-	-	-	87,867
Total Operating Projects		362,319	243,163	-	24,161	94,995	362,319
Total Capital Projects		440,322	345,192	-	33,842	61,288	440,322
Total		\$ 802,641	\$ 588,355	\$ -	\$ 58,003	\$ 156,283	\$ 802,641

Please note that these amounts are unaudited and may be subject to change.