

## For Information Only

### Development Charges - Treasurer's Annual Statement

Presented To: Finance and Administration Committee

Presented: Tuesday, Aug 11, 2020

Report Date: Monday, Jul 27, 2020

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 2019 along with reserve fund transactions and balances.

#### Financial Implications

There are no financial implications associated with this report.

#### Signed By

##### Report Prepared By

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## Purpose

This report provides a financial statement relating to development charges collected during 2019 including reserve fund transactions and balances.

## 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 and in the 2019 DC background studies. 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 that varies year to year. As well, there are DC instalments where DC's will be collected over 5 or 20 years when certain types of buildings are first occupied, as well as exemptions from the DC Act and DC By-Law 2014-151 and 2019-100.

## 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 2019 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 2019. 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 and 2019-100 is detailed below:

January 1, 2019 – opening balance	\$ 2,059,100
Development Charges received	2,828,298
Interest earned	82,518
Transfers to capital projects	(2,872,609)
December 31, 2019 – closing balance	<u>\$ 2,097,307</u>

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

General services	\$ 2,097,307
Engineered services	<u>0</u>
Total Development Charge reserve funds	<u>\$ 2,097,307</u>

Funds remaining in the Development Charges Reserve Funds are considered to be committed for projects as identified in the 2019 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.

## 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, 2019

	Balance at January 1, 2019	Development Charges Collected	Interest	Subtotal	Transfers to Capital	Transfers to Operating	Balance at December 31, 2019
<b>General Services</b>							
General Government	\$ 11,767	\$ 30,028	\$ 586	\$ 42,381	\$ 42,381	\$ -	\$ 0
Library (Buildings)	0	83,563	972	84,535	84,535	-	0
Fire (Buildings and Equipment)	1,277,082	31,036	34,302	1,342,420	80,389	-	1,262,031
Police (Buildings and Equipment)	304,345	49,398	8,533	362,276	19,210	-	343,066
Public Safety	0	17,869	179	18,048	18,048	-	0
Parks and Recreation (Facilities & Parkland Development)	0	287,373	3,267	290,640	290,640	-	0
Cemetery	-	481	8	488	488	-	0
Public Works (Equipment)	48,741	-	1,291	50,033	-	-	50,033
Ambulance (Buildings)	287,975	20,149	7,847	315,971	4,290	-	311,681
Transit (Buildings)	129,190	98,192	3,114	230,496	-	100,000	130,496
Emergency Preparedness (Buildings and Equipment)	0	54,281	521	54,802	54,802	-	0
<b>Total General Services</b>	<b>\$ 2,059,100</b>	<b>\$ 672,370</b>	<b>\$ 60,620</b>	<b>\$ 2,792,090</b>	<b>\$ 594,784</b>	<b>\$ 100,000</b>	<b>\$ 2,097,307</b>
<b>Engineered Services</b>							
Roads and related	\$ 0	\$ 1,360,955	\$ 13,877	\$ 1,374,832	\$ 1,374,832	\$ -	\$ 0
Water	0	132,010	1,386	133,396	133,396	-	0
Waste Water	0	526,508	5,276	531,784	531,784	-	0
Drains	0	136,454	1,359	137,813	137,813	-	0
<b>Total Engineered Services</b>	<b>\$ 0</b>	<b>\$ 2,155,928</b>	<b>\$ 21,898</b>	<b>\$ 2,177,826</b>	<b>\$ 2,177,826</b>	<b>\$ -</b>	<b>\$ 0</b>
<b>Total - January 1, 2019 to December 31, 2019</b>	<b>\$ 2,059,100</b>	<b>\$ 2,828,298</b>	<b>\$ 82,518</b>	<b>\$ 4,969,916</b>	<b>\$ 2,772,609</b>	<b>\$ 100,000</b>	<b>\$ 2,097,307</b>
<b>Comparative Balances - January 1, 2018 to December 31, 2018</b>	<b>\$ 1,774,222</b>	<b>\$ 4,487,181</b>	<b>\$ 84,103</b>	<b>\$ 6,345,507</b>	<b>\$ 4,186,407</b>	<b>\$ 100,000</b>	<b>\$ 2,059,100</b>

Note 1 In 2019, overtransferred \$23,603 from Development Charges Reserve Fund - Fire, and will be returned to this reserve fund in 2020.

Appendix B							
Annual Development Charges Transfers by Project for Growth Related Projects Identified in 2019 Development Charges Backgro							
For the Year Ended December 31, 2019							
Project Description	Cost to December 31, 2019	Net Growth Related Share (Development Charges)					Total Funding to December 31, 2019
		Amount Funded by Development Charges Collected During 2019	Amount Funded by Development Charges Collected up to December 2018	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)	
<b>General Services</b>							
<b>General Government</b>							
Official Plan Update	265,912	32,381	47,778	39,501		146,252	265,912
Development Charges Study	93,066		47,971	35,788		9,306	93,066
Population Project Forecast	35,879	10,000		22,291		3,588	35,879
Subtotal	394,857	42,381	95,750	97,580	-	159,146	394,857
<b>Library (Buildings)</b>							
South Branch Library Expansion	5,713,696	84,535	890,377	2,286,351	138,888	2,313,545	5,713,696
Mackenzie Library Study	50,625			20,048		30,577	50,625
Main Library-Business Plan/Study/Consultant	260,375			103,109		157,267	260,375
Circulation Materials	4,144,144			67,135		4,077,009	4,144,144
Subtotal	10,168,841	84,535	890,377	2,476,643	138,888	6,578,398	10,168,841
<b>Fire (Buildings and Equipment)</b>							
Training Vehicles	48,460	72,063		(23,603)		-	48,460
Two Generators	102,786	2,261		-		100,525	102,786
Records Management System	161,847	3,561		-		158,286	161,847
Prevention Inspection Scheduling System	43,897	966		-		42,931	43,897
Mobile for Public Safety	61,332	1,349		-		59,983	61,332
Mobile Responder (Cellular Dispatch)	8,609	189		-		8,420	8,609
Subtotal	426,931	80,389	-	(23,603)	-	370,145	426,931
<b>Police (Buildings and Equipment)</b>							
Equipment for 4 new officers	19,210	19,210				0	19,210
	19,210	19,210	-	-	-	0	19,210
<b>Public Safety</b>							
Communications Infrastructure	12,582,035	18,048	526,091	560,884	304,000	11,173,013	12,582,035
Next Generation 911	109,026			2,399		106,627	109,026
	12,691,061	18,048	526,091	563,283	304,000	11,279,640	12,691,061
<b>Parks and Recreation (Facilities &amp; Parkland Development)</b>							
Gerry McCrory Countryside Sports Complex - 2nd Ice Pad	10,375,315	115,000	2,720,753	6,491,951	11,200	1,036,411	10,375,315
James Jerome Sports Complex Renewal Program	3,584,492	175,640		115,661	2,505,598	787,593	3,584,492
Subtotal	13,959,807	290,640	2,720,753	6,607,612	2,516,798	1,824,004	13,959,807
<b>Cemetery</b>							
Columbaria Niche Walls (Civic, Valley East and St. Joseph Cemeteries)	289,787	488	6,548			282,751	289,787
Columbaria Niche Walls (Lasalle Cemetery)	54,825		562			54,263	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	488	12,463	-	-	512,257	525,209
<b>Transit</b>							
Transit Garage	18,098,787	100,000	1,141,607	2,821,810	8,648,980	5,386,390	18,098,787
	18,098,787	100,000	1,141,607	2,821,810	8,648,980	5,386,390	18,098,787
<b>EMS</b>							
Equipment for two FTE's-ACP and PCP	4,766	4,290				476	4,766
	4,766	4,290	-	-	-	476	4,766
<b>Emergency Preparedness (Buildings and Equipment)</b>							
CLELC Phase II	2,284,795	54,802	432,676	668,838	1,000,000	128,479	2,284,795
Garage for Mobile Command Unit	354,042			318,638		35,404	354,042
Subtotal	2,638,837	54,802	432,676	987,476	1,000,000	163,883	2,638,837
<b>Total General Services</b>	<b>58,928,304</b>	<b>694,783</b>	<b>5,819,716</b>	<b>13,530,800</b>	<b>12,608,666</b>	<b>26,274,339</b>	<b>58,928,304</b>

Project Description	Cost to December 31, 2019	Amount Funded by Development Charges Collected During 2019	Amount Funded by Development Charges Collected up to December 2018	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, 2019
<b>Engineered Services</b>							
<b>Roads and related</b>							
Property Acquisition (2014 and after)	2,209,047		1,349,703	(245,239)		1,104,583	2,209,047
Lasalle Notre Dame Intersection Improvements	8,051,462		1,342,151	661,057	38,630	6,009,623	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	1,374,832	2,795,995	1,005,406	3,350,401	2,218,386	10,745,020
Maley Drive	75,888,603		815,547	13,791,382	46,674,743	14,606,931	75,888,603
MR 15 MR80 Intersection Improvements	2,859,068		223,741	474,973	64,210	2,096,144	2,859,068
Barry Downe Road from Westmount Road to Kingsway	299,734			17,433		282,301	299,734
MR35 from Notre Dame West to Hwy 144	12,529,123			594,524	2,307,746	9,626,853	12,529,123
MR4 from Highway 17 to C. Johnson Road	19,636,493		373,727	184,075	16,847,483	2,231,208	19,636,493
Four Laning MR 80 - Frost to Glenn	6,965,587			3,287,849	1,485,838	2,191,900	6,965,587
Second Avenue (Sudbury) Donna Drive to Kenwood Drive	6,200,652			4,233,365	152,986	1,814,301	6,200,652
Crean Hill Road from MR4 to Victoria Mine	10,968,806			562,841	8,154,597	2,251,368	10,968,806
Moonlight Ave from Kingsway to Bancroft Drive	2,956,304			171,952		2,784,352	2,956,304
Kingsway Realignment	3,457,499			218,732		3,238,767	3,457,499
Silver Hills Drive	914,274		914,274	-		(0)	914,274
Montrose Avenue	1,211,553		602,000	5,338	301,000	303,215	1,211,553
Elgin Greenway from Nelson St to Cedar Street	165,520			9,627		155,893	165,520
Active Transportation	1,585,056			54,453	648,854	881,749	1,585,056
Subtotal	168,917,708	1,374,832	9,940,656	25,778,157	80,026,488	51,797,574	168,917,708
<b>Water</b>							
New Valley Wells	7,195,171	6,498	578,332	3,013,132		3,597,210	7,195,171
Wanapitei Alternate Trunk - Preliminary Design Geotechnical Study	47,499			2,452		45,047	47,499
Regent Street - Bouchard to Walford and Bouchard - Regent to Southview	2,234,533		55,694	59,670		2,119,169	2,234,533
MR 35	40,998			2,075		38,923	40,998
Second Avenue Sudbury	721,757	16,186		21,077		684,494	721,757
Lorne Street	2,473,439	55,467		72,231		2,345,741	2,473,439
Maley Drive (Barrydowne to Railway Tracks)	2,329,777	55,246		68,036		2,206,495	2,329,777
Lorne Street (Kelly Lake Rd to Elm)	158,509			8,184		150,325	158,509
Subtotal	15,201,682	133,396	634,026	3,246,856	-	11,187,404	15,201,682
<b>Waste Water</b>							
BioSolids Management Facility	70,049,434			8,200,330	11,475,646	50,373,458	70,049,434
Walden WWTP Expansion - Design/Admin/Construction	1,382,375	20,773	211,464	293,065		857,073	1,382,375
WWTP Upgrades for Azilda	2,711,207	-	124,852	(64,780)		2,651,134	2,711,207
Sudbury WWTP Phase I	10,184,732	511,011	2,210,105	1,454,623		6,008,992	10,184,732
Sudbury WWTP Phase II	16,641,885			6,823,173		9,818,712	16,641,885
Jacob St Sewer (Lively Phase 1)	2,796,422			1,062,641		1,733,781	2,796,422
Gatchell Outfall Sewer	2,135,988			110,277		2,025,711	2,135,988
Algonquin Forcemain	1,277,708			226,719	824,269	226,720	1,277,708
Laurier Lift Station	1,537,791			34,074		1,503,717	1,537,791
Subtotal	108,717,541	531,784	2,546,422	18,140,122	12,299,915	75,199,297	108,717,541
<b>Drains</b>							
Minnow Lake Stormwater Treatment Station	3,666,102			231,930		3,434,171	3,666,102
Green Ave Stormwater Pond and Channel	46,512			23,256		23,256	46,512
Countryside Stormwater Pond and Channel	2,626,016			1,952,396	22,822	650,798	2,626,016
Rockwood Storm Sewer	805,408	137,813	-	466,243		201,352	805,408
Subtotal	7,144,038	137,813	-	2,673,825	22,822	4,309,577	7,144,038
<b>Total Engineered Services</b>	<b>299,980,968</b>	<b>2,177,825</b>	<b>13,121,105</b>	<b>49,838,961</b>	<b>92,349,226</b>	<b>142,493,852</b>	<b>299,980,968</b>
<b>Total</b>	<b>358,909,273</b>	<b>2,872,609</b>	<b>18,940,821</b>	<b>63,369,761</b>	<b>104,957,892</b>	<b>168,768,190</b>	<b>358,909,273</b>
Note - The projects identified above are for projects with development charges collected and transferred during 2019 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.							

**Appendix C - Development Charges - Credits Outstanding  
For the Year Ended December 31, 2019**

The credits outstanding are in accordance with Section 38 of the Development Charges Act, 1997. The project noted below is a growth related project within the 2019 Development Charges Background Study that was constructed by the DC Credit Holder below. This growth related project is 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) is provided to the DC Credit Holder as form of payment for the constructed project.

<b>DC Credit Holders</b>	<b>Service Area - Project</b>	<b>Opening Balance, January 1, 2019</b>	<b>Credits Granted</b>	<b>Credits Used / Transferred</b>	<b>Closing Balance, December 31, 2019</b>
1721169 Ontario Inc.	Roads - Silver Hills Drive	772,703	-	-	772,703
		772,703	-	-	772,703