

Development Charges – Treasurer’s Annual Statement

Presented To:	Finance and Administration Committee
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Type:	Correspondence for Information Only
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Report Summary

This report provides information regarding Development Charges including a financial statement for development charges collected during 2020 along with reserve fund transactions and balances.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

This report refers to operational matters and has no direct connection to the Community Energy & Emissions Plan.

Financial Implications

There are no financial implication associated with this report.

Background

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 2020 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 2020. 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, 2020 – opening balance	\$ 2,097,307
Development Charges received	2,714,996
Interest earned	58,095
Transfers to capital projects	(2,664,930)
December 31, 2020 – closing balance	<u>\$ 2,205,468</u>

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

General services	\$ 2,205,468
Engineered services	0
Total Development Charge reserve funds	<u>\$ 2,205,468</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.

As required by the Development Charges Act, the Municipality must state compliance with subsection 59.1 within the Treasurer's Annual Statement. The City is in compliance with this requirement, which states: "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

In summation, the Municipality collected \$2.7 million of Development Charges and funded \$2.7 million of growth related projects leaving an ending balance of \$2.2 million in obligatory reserve funds.

The Municipality continues to remain in compliance with reporting requirements of the Development Charges Act. 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, 2020

	Balance at January 1, 2020	Development Charges Collected	Interest	Less: Transfers to Capital	Less: Transfers to Operating	Balance at December 31, 2020	
General Services							
General Government	\$ 0	\$ 35,719	\$ 225	\$ 35,945	\$ -	\$ 0	
Library (Buildings)	0	68,379	429	68,809	-	0	
Fire (Buildings and Equipment)	1,262,031	6,893	24,785	(12,427)	-	1,306,136	Note 1
Police (Buildings and Equipment)	343,066	55,456	7,075	40,024	-	365,573	
Public Safety	0	18,554	116	18,670	-	0	
Parks and Recreation (Facilities & Parkland Development)	0	248,619	1,560	230,662	-	19,518	
Public Works (Equipment)	50,033	-	981	-	-	51,014	
Ambulance (Buildings)	311,681	18,456	6,227	-	-	336,365	
Transit (Buildings)	130,496	93,226	3,142	-	100,000	126,863	
Emergency Preparedness (Buildings and Equipment)	0	60,522	380	60,902	-	0	
Total General Services	\$ 2,097,307	\$ 605,825	\$ 44,922	\$ 442,585	\$ 100,000	\$ 2,205,468	
Engineered Services							
Roads and related	\$ 0	\$ 1,255,742	\$ 7,846	\$ 1,263,587	\$ -	\$ 0	
Water	0	122,487	749	123,237	-	0	
Waste Water	0	586,629	3,674	590,303	-	0	
Drains	0	144,313	905	145,218	-	0	
Total Engineered Services	\$ 0	\$ 2,109,171	\$ 13,173	\$ 2,122,345	\$ -	\$ 0	
Total - January 1, 2020 to December 31, 2020	\$ 2,097,307	\$ 2,714,996	\$ 58,095	\$ 2,564,930	\$ 100,000	\$ 2,205,468	
Comparative Balances - January 1, 2019 to December 31, 2019	\$ 2,059,100	\$ 2,828,298	\$ 82,518	\$ 2,772,609	\$ 100,000	\$ 2,097,307	

Note 1 In 2019, there was an amount overtransferred to capital from the Development Charges Reserve Fund - Fire, and has been returned to this reserve fund in 2020.

Appendix B							
Annual Development Charges Transfers by Project for Growth Related Projects Identified in 2019 Development Charges Background Study							
For the Year Ended December 31, 2020							
Project Description	Cost to December 31, 2020	Net Growth Related Share (Development Charges)					Total Funding to December 31, 2020
		Amount Funded by Development Charges Collected During 2020	Amount Funded by Development Charges Collected up to December 2019	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	298,418	35,945	80,159	18,184		164,130	298,418
Development Charges Study	93,066		47,971	35,788		9,307	93,066
Population Project Forecast	35,879		10,000	22,291		3,588	35,879
Subtotal	427,362	35,945	138,131	76,263	-	177,024	427,362
Library (Buildings)							
South Branch Library Expansion	5,713,696	68,809	974,912	2,217,543	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	264,446			104,721		159,725	264,446
Circulation Materials	4,658,879			75,474		4,583,406	4,658,879
Electronic Materials	99,887			1,618		98,269	99,887
Subtotal	10,787,534	68,809	974,912	2,419,403	138,888	7,185,522	10,787,534
Fire (Buildings and Equipment)							
Training Vehicles	57,472	(14,591)	72,063	0		(0)	57,472
Two Generators	152,904	1,103	2,261	0		149,540	152,904
Records Management System	166,655	106	3,561	(0)		162,989	166,655
Prevention Inspection Scheduling System	43,897	(0)	966	0		42,931	43,897
Mobile for Public Safety	104,779	956	1,349	-		102,474	104,779
Mobile Responder (Cellular Dispatch)	8,609	0	189	0		8,420	8,609
Subtotal	534,316	(12,427)	80,389	0	-	466,353	534,316
Police (Buildings and Equipment)							
Equipment for 4 new officers	19,210	-	19,210	0		-	19,210
Equipment for 2 new officers	40,024	40,024		-			40,024
	59,234	40,024	19,210	0	-	-	59,234
Public Safety							
Communications Infrastructure	12,582,035	17,471	544,139	543,413	304,000	11,173,012	12,582,035
Next Generation 911	109,026	1,199	-	1,199		106,627	109,026
	12,691,061	18,670	544,139	544,613	304,000	11,279,639	12,691,061
Parks and Recreation (Facilities & Parkland Development)							
Gerry McCrory Countryside Sports Complex - 2nd Ice Pad	10,375,315	115,000	2,835,753	6,376,951	11,200	1,036,411	10,375,315
James Jerome Sports Complex Renewal Program	3,584,492	115,662	175,640	-	2,505,598	787,592	3,584,492
Subtotal	13,959,807	230,662	3,011,393	6,376,951	2,516,798	1,824,003	13,959,807
Transit							
Transit Garage	18,098,787	100,000	1,241,607	2,721,810	8,648,980	5,386,390	18,098,787
	18,098,787	100,000	1,241,607	2,721,810	8,648,980	5,386,390	18,098,787
EMS							
Equipment for two FTE's-ACP and PCP	4,766	-	4,290	(0)		477	4,766
	4,766	-	4,290	(0)	-	477	4,766
Emergency Preparedness (Buildings and Equipment)							
CLELC Phase II	2,284,795	60,902	487,478	607,936	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	60,902	487,478	926,573	1,000,000	163,883	2,638,837
Total General Services	59,201,704	542,585	6,501,548	13,065,613	12,608,666	26,483,291	59,201,704

Project Description	Cost to December 31, 2020	Amount Funded by Development Charges Collected During 2020	Amount Funded by Development Charges Collected up to December 2019	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, 2020
Engineered Services							
Roads and related							
Property Acquisition (2014 and after)	2,209,047		1,104,523	0		1,104,523	2,209,047
Lasalle Notre Dame Intersection Improvements	8,051,462		1,342,151	661,057	38,630	6,009,624	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	1,005,406	4,170,827	(0)	3,350,401	2,218,386	10,745,020
Maley Drive	83,135,871		815,547	17,415,017	46,674,743	18,230,564	83,135,871
MR 15 MR80 Intersection Improvements	2,859,068		223,741	474,974	64,210	2,096,144	2,859,068
Barry Downe Road from Westmount Road to Kingsway	710,809			41,344		669,465	710,809
MR35 from Notre Dame West to Hwy 144	19,010,897			971,535	2,307,746	15,731,616	19,010,897
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	258,181	245,240	2,784,428	1,485,838	2,191,900	6,965,587
Second Avenue (Sudbury) Donna Drive to Kenwood Drive	6,206,581			4,237,517	152,986	1,816,078	6,206,581
Crean Hill Road from MR4 to Victoria Mine	10,984,641			566,009	8,154,597	2,264,035	10,984,641
Moonlight Ave from Kingsway to Bancroft Drive	2,956,304			171,952		2,784,351	2,956,304
Kingsway Realignment	3,628,991			229,582		3,399,410	3,628,991
Silver Hills Drive	914,274		914,274	(0)		-	914,274
Montrose Avenue	1,211,553		602,000	5,339	301,000	303,214	1,211,553
Elgin Greenway from Nelson St to Cedar Street	165,520			9,627		155,893	165,520
Active Transportation	3,645,734			142,497	648,854	2,854,383	3,645,734
Subtotal	185,311,758	1,263,587	11,315,548	28,645,342	80,026,488	64,060,792	185,311,758
Water							
New Valley Wells	7,195,171	87,345	584,829	2,925,788		3,597,209	7,195,171
Wanapitei Alternate Trunk - Preliminary Design Geotechnical Study	104,031	3,980	-	1,391		98,660	104,031
Regent Street - Bouchard to Walford and Bouchard - Regent to Southview	2,234,533	-	55,694	59,671		2,119,168	2,234,533
MR 35	978,609	21,511	-	28,012		929,086	978,609
Second Avenue Sudbury	721,757	-	16,186	21,077		684,494	721,757
Lorne Street	2,473,439	-	55,467	72,232		2,345,740	2,473,439
Maley Drive (Barrydowne to Railway Tracks)	2,510,796	4,059	52,246	73,323		2,381,168	2,510,796
Lorne Street (Kelly Lake Rd to Elm)	282,836	6,343	-	8,260		268,233	282,836
Subtotal	16,501,171	123,237	764,422	3,189,753	-	12,423,759	16,501,171
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	1,525,775	24,091	232,237	323,466		945,980	1,525,775
WWTP Upgrades for Azilda	2,824,152	-	60,072	2,503		2,761,577	2,824,152
Sudbury WWTP Phase I	10,184,732	443,480	2,785,897	946,364		6,008,991	10,184,732
Sudbury WWTP Phase II	16,643,201	122,731	-	6,700,981		9,819,488	16,643,201
Jacob St Sewer (Lively Phase 1)	2,853,863			1,084,468		1,769,395	2,853,863
Gatchell Outfall Sewer	2,557,413			132,034		2,425,378	2,557,413
Algonquin Forcemain	1,278,964			227,348	824,269	227,348	1,278,964
Laurier Lift Station	1,537,791			34,073		1,503,717	1,537,791
Subtotal	109,455,325	590,303	3,078,206	17,651,568	12,299,915	75,835,332	109,455,325
Drains							
Minnow Lake Stormwater Treatment Station	3,666,102			231,930		3,434,171	3,666,102
Green Ave Stormwater Pond and Channel	46,512	9,444		13,812		23,256	46,512
Countryside Stormwater Pond and Channel	3,793,098			2,581,367	22,822	1,188,909	3,793,098
Lavalee Drain F	12,361			6,181		6,181	12,361
Rockwood Storm Sewer	805,408	135,774	137,813	330,469		201,351	805,408
Subtotal	8,323,480	145,218	137,813	3,163,759	22,822	4,853,868	8,323,480
Total Engineered Services	319,591,733	2,122,345	15,295,990	52,650,422	92,349,226	157,173,751	319,591,733
Total	378,793,437	2,664,930	21,797,538	65,716,035	104,957,892	183,657,042	378,793,437
Note - The projects identified above are for projects with development charges collected and transferred during 2020 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, 2020**

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.

DC Credit Holders	Service Area - Project	Opening Balance, January 1, 2020	Credits Granted	Credits Used / Transferred	Closing Balance, December 31, 2020
1721169 Ontario Inc.	Roads - Silver Hills Drive	772,703	-	-	772,703
		772,703	-	-	772,703