

Development Charges – Treasurer’s Annual Statement as of December 31, 2023

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 2023 along with reserve fund transactions and balances.

Relationship to the Strategic Plan, Health Impact Assessment and Climate Action Plans

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

Financial Implications

There are no financial implications associated with this report.

Background

This report provides a financial statement relating to development charges collected during 2023 including reserve fund transactions and balances.

What are Development Charges

In accordance with the Development Charges Act (DCA), the City of Greater Sudbury collects a development charge (DC) at the building permit stage to recover for growth related capital needs. Development charges are charges imposed by municipalities on developers/landowners of new development, re-development and expansions for residential and non-residential buildings, to pay for increased capital costs related to growth. Development charges provide municipalities with a tool to help fund the infrastructure needed to serve new growth. They help finance the growth-related capital costs of providing important services like roads, water and wastewater services, police, fire and transit.

Overview - How Development Charges Are Recorded

Development charges collected are included in an obligatory reserve fund by each service area as outlined in
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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 years when certain types of buildings are first occupied, as well as exemptions from the DC Act and DC By-Law 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 2023 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 2023. 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 2019-100 is detailed below:

January 1, 2023 – opening balance	\$ 2,623,446
Development Charges received	3,641,739
Interest earned	231,004
Transfers to capital projects	<u>(3,646,529)</u>
December 31, 2023 – closing balance	<u>\$ 2,849,660</u>

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

General services	\$ 2,849,660
Engineered services	<u>0</u>
Total Development Charge reserve funds	<u>\$ 2,849,660</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, and the 2024 Development Charges Background Study. In addition, these funds have been reflected in the 2024 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.

Council has received the 2024 Development Charges Background Study with the calculated rates as

prepared by Hemson Consulting Ltd. Council has approved resolutions for changes from these calculated rates and the Development Charges By-law is expected to be signed at City Council meeting on June 11th. This by-law will set out the DC rates starting from July 1, 2024.

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, 2023

	Balance at January 1, 2023	Development Charges Collected	Interest	Less: Transfers to Capital	Less: Transfers to Operating	Balance at December 31, 2023
General Services						
General Government	56,104	49,168	1,780	107,053		0
Library (Buildings)	-	88,480	2,186	90,667		-
Fire (Buildings and Equipment)	1,380,522	10,846	72,057	-		1,463,426
Police (Buildings and Equipment)	556,719	76,621	30,732	-		664,071
Public Safety	-	25,777	594	26,371		-
Parks and Recreation (Facilities & Parkland Development)	-	322,006	4,290	326,295		0
Ambulance (Buildings)	409,263	25,777	21,881	-		456,921
Transit (Buildings)	220,839	129,909	14,494	-	100,000	265,241
Emergency Preparedness (Buildings and Equipment)	-	83,578	1,937	85,515		-
Total General Services	2,623,447	812,163	149,951	635,901	100,000	2,849,660
Engineered Services						
Roads and related	-	1,677,117	53,715	1,730,832	-	(0)
Water	-	168,893	3,987	172,880	-	(0)
Waste Water	-	783,580	18,715	802,295	-	-
Drains	-	199,985	4,636	204,621	-	-
Total Engineered Services	-	2,829,576	81,053	2,910,628	-	(0)
Total - January 1, 2023 to December 31, 2023	2,623,447	3,641,739	231,004	3,546,529	100,000	2,849,660
Comparative Balances - January 1, 2022 to December 31, 2022	2,346,045	4,251,374	111,042	3,985,015	100,000	2,623,446

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, 2023							
Project Description	Cost to December 31, 2023	Net Growth Related Share (Development Charges)					Total Funding to December 31, 2023
		Amount Funded by Development Charges Collected During 2023	Amount Funded by Development Charges Collected up to December 2022	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	302,286	1,740.97	134,287.93	-		166,258	302,286
2019 Development Charges Study	93,066		83,759.21	0		9,306	93,066
2024 Development Charges Study	40,978	36,879.99		-		4,098	40,978
2019 Population Project Forecast	35,879	19,738.27	12,552.70	-		3,588	35,879
2024 Population Project Forecast	55,490	30,180.36		19,761		5,549	55,490
Land and Planning Software	935,021	18,513.41		-		916,507	935,021
Subtotal	1,462,719	107,053.00	230,599.84	19,761	-	1,105,306	1,462,719
Library (Buildings)							
South Branch Library Expansion	5,713,696	90,666.53	1,253,980.00	1,916,617	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	5,790,905			93,813		5,697,092	5,790,905
Electronic Materials	515,509			8,351		507,158	515,509
Subtotal	12,335,181	90,666.53	1,253,980.00	2,143,549	138,888	8,708,097	12,335,181
Fire (Buildings and Equipment)							
Training Vehicles	57,472		57,471.56	0		(0)	57,472
Two Generators	155,194		3,413.97	0		151,779	155,194
Records Management System	166,655		3,666.78	(0)		162,989	166,655
Prevention Inspection Scheduling System	43,897		965.73	-		42,931	43,897
Mobile for Public Safety	146,582		3,224.80	0		143,357	146,582
Mobile Responder (Cellular Dispatch)	20,588		452.95	(0)		20,136	20,588
Subtotal	590,387	-	69,195.79	0	-	521,191	590,387
Police (Buildings and Equipment)							
Equipment for 4 new officers	19,210		19,210.00	0		-	19,210
Equipment for 2 new officers	40,024		40,024.14	-		-	40,024
	59,234	-	59,234.14	0	-	-	59,234
Public Safety							
Communications Infrastructure	12,582,035	26,371.26	620,807.73	457,844	304,000	11,173,012	12,582,035
Next Generation 911	109,026		1,199.28	1,199		106,627	109,026
	12,691,061	26,371.26	622,007.01	459,043	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	326,295.17	3,733,544.86	5,267,864	11,200	1,036,411	10,375,315
James Jerome Sports Complex Renewal Program	3,584,492		291,301.94	-	2,505,598	787,592	3,584,492
Subtotal	13,959,807	326,295.17	4,024,846.80	5,267,864	2,516,798	1,824,003	13,959,807
Transit							
Transit Garage	18,098,787	100,000.00	1,541,606.78	2,421,810	8,648,980	5,386,390	18,098,787
PTIF Phase 2 Growth Projects	1,066,084	-	6,666.37	-	899,095	160,323	1,066,084
	19,164,871	100,000.00	1,548,273.15	2,421,810	9,548,075	5,546,712	19,164,871
EMS							
Equipment for two FTE's-ACP and PCP	4,766	-	4,290.00	(0)		477	4,766
	4,766	-	4,290.00	(0)	-	477	4,766
Emergency Preparedness (Buildings and Equipment)							
CLELC Phase II	2,284,795	85,515.05	739,754.47	331,046	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	85,515.05	739,754.47	649,684	1,000,000	163,883	2,638,837
Total General Services	62,906,864	735,901.01	8,552,181.20	10,961,712	13,507,761	29,149,309	62,906,864

Project Description	Cost to December 31, 2023	Amount Funded by Development Charges Collected During 2023	Amount Funded by Development Charges Collected up to December 2022	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, 2023
Engineered Services							
Roads and related							
Property Acquisition (2014 and after)	2,209,047		1,104,523.27	0		1,104,523	2,209,047
Lasalle Notre Dame Intersection Improvements	8,051,462	546,155.56	1,342,151.00	114,901	38,630	6,009,624	8,051,462
Lasalle Notre Dame Intersection - Engineering / Property Acquisition / Utilities	2,273,907	-	2,273,907.00	-		-	2,273,907
MR80 - Valleyview to Donaldson	10,745,020		5,176,233.30	-	3,350,401	2,218,386	10,745,020
Maley Drive	83,715,696		815,547.00	16,735,973	53,800,000	12,364,176	83,715,696
MR 15 MR80 Intersection Improvements	2,859,068	474,973.56	223,741.00	-	64,210	2,096,144	2,859,068
Barry Downe Road from Westmount Road to Kingsway	5,079,753			300,859	22,020	4,756,873	5,079,753
MR35 from Notre Dame West to Hwy 144	29,946,093			1,631,871	2,307,746	26,006,476	29,946,093
MR4 from Highway 17 to C. Johnson Road	19,636,493	-	557,801.98	(0)	16,847,483	2,231,208	19,636,493
Four Laning MR 80 - Frost to Glenn	6,965,587	709,988.07	2,577,861.33	-	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	11,048,757	(284.55)	578,831.87	(0)	8,154,597	2,315,612	11,048,757
Moonlight Ave from Kingsway to Bancroft Drive	2,956,304		171,952.44	-		2,784,351	2,956,304
Kingsway Realignment	3,845,085	-	243,252.41	3,556		3,598,278	3,845,085
Silver Hills Drive	914,274	(0.29)	914,274.00	(0)		0	914,274
Montrose Avenue	1,211,553		602,000.00	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	4,717,325			215,654	1,202,196	3,299,476	4,717,325
Subtotal	202,547,524	1,730,832.35	16,582,076.60	23,255,298	87,727,107	73,252,210	202,547,524
Water							
New Valley Wells	7,195,923	50,837.39	875,931.87	2,671,192		3,597,962	7,195,923
Wanapitei Alternate Trunk - Preliminary Design Geotechnical Study	397,079	3,735.65	16,764.56	-		376,579	397,079
Regent Street - Bouchard to Walford and Bouchard - Regent to Southview	2,234,533		115,365.00	(0)		2,119,168	2,234,533
Update to W/WW Master Plans/General Studies	896,304	21,760.25	-	-		874,544	896,304
MR 35	1,160,747	-	58,739.72	-		1,102,007	1,160,747
Second Avenue Sudbury	721,757		37,262.80	-		684,494	721,757
Lorne Street	2,473,439		127,698.63	-		2,345,740	2,473,439
Maley Drive (Barrydowne to Railway Tracks)	2,756,785	86,022.84	56,304.92	-		2,614,458	2,756,785
Lorne Street (Kelly Lake Rd to Elm)	326,694	10,524.04	6,342.56	-		309,828	326,694
Subtotal	18,163,262	172,880.17	1,294,410.06	2,671,192	-	14,024,779	18,163,262
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	2,840,088	-	665,327.52	413,906		1,760,855	2,840,088
WWTP Upgrades for Azilda	3,191,152	-	68,468.75	2,239		3,120,444	3,191,152
Update to W/WW Master Plans/General Studies	190,231	4,732.26	-	-		185,498	190,231
Sudbury WWTP Phase I	10,184,732	-	4,175,740.12	-		6,008,992	10,184,732
Sudbury WWTP Phase II	16,643,201	797,091.27	122,731.32	5,903,890		9,819,488	16,643,201
Sudbury WWTP Phase III	1,337,321			294,211		1,043,110	1,337,321
Jacob St Sewer (Lively Phase 1)	3,923,409	-	36,966.94	1,453,929		2,432,514	3,923,409
Gatchell Outfall Sewer	2,847,743	3,537.53	143,485.97	-		2,700,719	2,847,743
Lively Phase 2 - Upgrade Sanitary Sewer Pipes	4,663,261			1,772,039		2,891,222	4,663,261
Ramsey Lift Station	100,931			50,466		50,466	100,931
Algonquin Forcemain	1,287,781	-	165,280.20	-	957,220	165,280	1,287,781
Laurier Lift Station	1,537,791	(3,066.44)	37,139.78	-		1,503,717	1,537,791
Subtotal	118,797,074	802,294.62	5,415,140.60	18,091,009	12,432,866	82,055,764	118,797,074
Drains							
Minnow Lake Stormwater Treatment Station	3,666,102	139,897.76	92,032.39	-		3,434,171	3,666,102
Green Ave Stormwater Pond and Channel	127,006	32,847.56	30,655.21	-		63,503	127,006
Countryside Stormwater Pond and Channel	3,935,828	31,875.99	-	2,631,139	385,142	887,671	3,935,828
Lavalee Drain F	26,069	-	13,034.72	-		13,035	26,069
Rockwood Storm Sewer	805,408	-	604,056.42	-		201,351	805,408
Subtotal	8,560,412	204,621.31	739,778.74	2,631,139	385,142	4,599,731	8,560,412
Total Engineered Services	348,068,272	2,910,628.45	24,031,406.00	46,648,639	100,545,115	173,932,484	348,068,272
Total	410,975,136	3,646,529.46	32,583,587.20	57,610,350	114,052,876	203,081,793	410,975,136

Note - The projects identified above are for projects with development charges collected and transferred during 2023 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, 2023

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, 2023	Credits Granted	Credits Used / Transferred	Closing Balance, December 31, 2023
1721169 Ontario Inc.	Roads - Silver Hills Drive	772,703	-	-	772,703
		772,703	-	-	772,703