REPORT

TO: Karen Mills, Interim Chief Administrative Officer/Treasurer
FROM: Anna McCarthy
DATE: July 3, 2019
REPORT: FIN.19.07
SUBJECT: Development Charges Report/Treasurer’s Statement 2018

RECOMMENDATION:

BACKGROUND AND ANALYSIS:
The purpose of this report is to provide background information on the financial statement relating to Development Charges.

In accordance with Section 12 of O.Reg.82/98, of the Development Charges Act, 1997, the Treasurer of the Municipality shall provide to Council a financial statement relating to the reserve funds established under a by-law to collect development charges. The statement provided by the Treasurer is required to be made available to the public and to the Minister of Municipal Affairs and Housing on request.

In order to satisfy subsection 43(2.1) of the Development Charges Act, 1997, following adoption of the recommendation contained in this report, the Treasurer will make the report available to the public by posting it to the Municipal website. This report forms a part of the statement providing required information as outlined in Ontario Regulation 82/98.

This report is filed in conjunction with the Development Charges bylaws in effect for 2018, By-Law #2018-021 (effective February 11 2018) and By-Law #2013-11 (in effect until February 10 2018).

The opening and closing balances of the reserve funds and the transactions relating to the funds are provided on the attached schedule.

The total opening balance of the development charges reserve funds at the beginning of 2018 was $384,527. Development charges collected, credits granted, and prepayments
recognized in 2018 amounted to $136,429. Interest earned by the development charges reserve funds in 2018 amounted to $4,884.

In 2018, Development Charges funded the Development Charges Study, totaling $27,907, as outlined in the 2013 study and in the budget.

The total closing balance of the development charges reserve funds at the end of 2018 was $497,933. The attached schedule forms a part of the statement providing required information as outlined in Ontario Regulation 82/98.

The specific detailed requirements of the Regulation are addressed under the following headings:

**Description of the Service**—service for which the fund was established.

**Opening Balance**—balance of the reserve fund at the beginning of the year.

**Collections**—funds received from property owners/developers usually at the date that a building permit is issued.

**Accrued Interest**—interest earned on the fund balance.

**Repayment of Borrowed Funds, Including Interest**—receipt of principal and interest of funds previously loaned (n/a at this time).

**Transferred to Capital or Other Funds**—funds taken from the reserve funds to meet growth-related net capital costs for which the development charge was imposed.

**Amounts Refunded**—if the development charge is amended by Council, the Municipality shall immediately refund the difference (n/a at this time).

**Amounts Loaned to other Service Category**—the transfer of funds to finance another service i.e. water, sewer, etc. — to be repaid bearing interest (n/a at this time).

**Credits**—if a property owner/developer paid all or any portion of a charge relating to development prior to the development charge by-law coming into force, a credit is applied to offset the previous payment (n/a at this time).

**Amounts Borrowed from Fund for Other Municipal Purposes**—the transfer of funds to finance another municipal service (n/a at this time).

**Closing Balance**—balance of the reserve fund at the end of the year.

**Other Development Charge By-law Rules**

**Capital Project Funded from Reserve Fund**—the amount of money from each development charge reserve fund used to fund the project.
**Capital Project Costs Funded from Other Sources**— the amount and source of any other money used to fund the project.

**Development Charge Eligible Cost Analysis**

The nature of capital projects and timing identified when the by-law was passed reflected the intentions of the Council at that time. However, over time, municipal projects and Council priorities change and, accordingly, Council’s intentions may alter, and different capital projects (and timing) may be required to meet the need for services required by new growth. The development related capital requirements are established over a ten-year planning period. Bylaws passed under the *Development Charges Act* are required to be reviewed every five years.


Development Charges generated go toward growth-related costs associated with general government, roads and fleet, parks and recreation, and library services.

The Municipality’s schedule of Development Charges is summarized in the table found in the attachment.

Development Charges are indexed each year in accordance with the annual change in the Statistics Canada Construction Price Index.

**OPERATIONAL CONSIDERATIONS:**
As this report is being presented for information purposes only, no alternatives are presented.

**FINANCIAL IMPACT:**
Capital projects have been funded using development charges revenues based on actual expenditures in 2018 in accordance with projects identified in the Development Charges Background Study.

The Treasurer confirms that the Municipality is in compliance with subsection 59.1(1) of the *Development Charges Act, 1997*. There are no additional financial implications for the Corporation resulting from the report.

**FILE OR REFERENCE:**
*By-Law 2018-021 Establish Municipal-wide Development Charges*

**Approved By:** Karen Mills, Director of Finance/Treasurer/Interim CAO  
**Status:** Approved - 21 Jun 2019
## Municipality of Grey Highlands

Financial Statement Relating to Development Charge By-laws and Reserve Funds

For the Year Ended December 31, 2018

(prepared pursuant to Section 43 of the Development Charges Act, 1997 and Ontario Regulation 82/98)

<table>
<thead>
<tr>
<th>Name</th>
<th>Opening Fund Balance</th>
<th>Interest</th>
<th>Tsf from(to) Capital</th>
<th>DC Revenues</th>
<th>Closing Fund Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>DC Admin Studies</td>
<td>73,050</td>
<td>928</td>
<td>-</td>
<td>27,907</td>
<td>11,813</td>
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<tr>
<td>DC Fire</td>
<td>65,367</td>
<td>830</td>
<td>-</td>
<td>12,977</td>
<td>78,224</td>
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<tr>
<td>DC Waste Diversion</td>
<td></td>
<td></td>
<td>-</td>
<td>93</td>
<td>93</td>
</tr>
<tr>
<td>DC Roads + Fleet</td>
<td>143,048</td>
<td>1,817</td>
<td>-</td>
<td>38,771</td>
<td>183,819</td>
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<tr>
<td>DC Public Works</td>
<td></td>
<td></td>
<td>-</td>
<td>40,323</td>
<td>40,323</td>
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<tr>
<td>DC Parks and Rec</td>
<td>52,751</td>
<td>670</td>
<td>-</td>
<td>25,091</td>
<td>78,512</td>
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<tr>
<td>DC Libraries</td>
<td>50,311</td>
<td>639</td>
<td>-</td>
<td>8,261</td>
<td>59,211</td>
</tr>
<tr>
<td>Total Development Charges</td>
<td>384,527</td>
<td>4,884</td>
<td>-</td>
<td>27,907</td>
<td>136,429</td>
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</table>

### Projects funded by DCs

<table>
<thead>
<tr>
<th>Projects funded by DCs</th>
<th>Total Expenditures</th>
<th>Taxation</th>
<th>DCs</th>
<th>Debenture</th>
<th>Unfinanced</th>
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</thead>
<tbody>
<tr>
<td>Admin Studies</td>
<td></td>
<td></td>
<td>27,907</td>
<td>-</td>
<td></td>
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<tr>
<td>Development Charges Study</td>
<td></td>
<td></td>
<td>27,907</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total Capital</td>
<td>27,907</td>
<td></td>
<td>27,907</td>
<td>-</td>
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</table>