



Staff Report T2023-18

Committee 2023-09-11

Council 2023-09-25

Amendments

Submitted To: Committee of the Whole | Council
Submitted By: Monica Quinlan, Treasurer
Prepared By: Lara Janzen, Finance Operations Analyst
Subject: 2022 Statement of Development Charge and Cash-in-Lieu of Parkland Reserve Funds

Recommendation

THAT Staff Report T2023-18, 2022 Statement of Development Charge and Cash-in-Lieu of Parkland Reserve Funds, be received for information.

Amendments

The chart on Page 4 of this report which details the Parkland Reserve for 2022 was amended as the Sub-total was incorrect (it was previously \$729,222 and should have been \$642,329).

1. Executive Summary

This report provides a year end summary of development charge activity and reserve balances, as required under the Development Charges Act, 1997 and a summary of Cash-in-Lieu of Parkland activity and reserve balance as required under the Planning Act.

2. Analysis

Background

This report is being submitted as a requirement of the Development Charges Act, 1997 (DCA) and the Planning Act (PA) as amended through Bill 73. Section 43 of the DCA requires the Treasurer of a municipality to provide a financial statement to Council relating to development charge by-laws and reserve funds established under section 33

of the DCA. Similarly, section 37 and section 42 of the PA requires the Treasurer to provide a financial statement relating to the special accounts for density bonus and cash-in-lieu of parkland monies. These statements must be made available to the public and on request, to the Minister of Municipal Affairs and Housing.

Pursuant to the DCA, the Town has adopted the following development charge by-laws that govern the current development charge collections in the Town:

- By-law 2019-054 being a by-law to establish development charges for the Corporation of the Town of Collingwood effective September 19, 2019; and,
- By-law 2017-080 being a by-law to establish area-specific development charges for Black Ash Creek (BAC) Watershed Works in the Corporation of the Town of Collingwood effective October 30, 2017.

The Town has adopted By-law 04-63 in regard to cash-in-lieu of parkland and, as yet, has not established a density bonus by-law.

Development Charge by-laws have a 5-year life span and, if not updated prior to the fifth anniversary of enactment, will expire. Note that the Town is currently embarking on the update of the 2019 Development Charge Background Study, with the expectation that the new by-law will be in place for the September 2024.

Development charge (DC) revenues collected in accordance with the Town's DC By-laws are deposited in the DC reserve funds and subsequently applied to eligible growth-related costs once those costs have been incurred.

Cash-in-lieu of parkland revenues are collected in accordance with the PA and are deposited into a special "Parkland Levy" reserve fund until such time as they are used for the acquisition of land to be used for park or other public recreational purposes, including the erection, improvement or repair of buildings and the acquisition of machinery for park or other public recreational purposes.

This report provides both summary level transaction information by reserve and detailed funding information by project as required under the DCA and PA.

As at December 31st, 2022 the development charge reserve fund balances total \$44,274,393.

The following table summarizes current year activity and provides 2021 figures for comparison:

Development Charge Reserve Funds	2022	2021
Balance, beginning of year	\$ 42,796,400	\$ 33,272,992
Add:		
Development charges collected	\$ 6,104,503	\$ 12,848,060
Interest income	\$ 599,059	\$ 272,773
Subtotal	\$ 49,459,962	\$ 46,393,825
Deduct:		
Purchase of Developer Credits	\$0	\$0
Net transfer to Operating Funds	(\$ 218,486)	(\$ 275,232)
Net transfer to Capital Funds	(\$ 4,967,082)	(\$ 3,322,193)
Balance, end of year	\$ 44,274,394	\$ 42,796,400

The 2023 budget committed \$19.8 Million of this balance.

As at December 31st, 2022 the Cash-in-lieu of Parkland (Parkland Levy) reserve fund balance was \$ 642,329.

The following table summarizes current year activity and provides 2021 figures for comparison:

Parkland Levy Reserve Fund	2022	2021
Balance, beginning of year	\$ 420,463	\$ 381,997
Add:		
Cash-in-lieu of parkland collected	\$ 216,374	\$ 36,000
Interest income	\$ 5,493	\$ 2,466
Subtotal	\$ 642,329	\$ 420,463
Deduct:		
Net transfer to Capital Funds	\$0	\$0
Balance, end of year	\$ 642,329	\$ 420,463

Appendix A is a description of each of the DC reserve funds established by the Town.

Appendix B provides the breakdown of the reserve fund activity for Development Charges and Cash-in-lieu of Parkland for the fiscal year ending on December 31st, 2022.

Appendix C identifies the capital projects to which the \$ 5,185,568 of DC funds were allocated to in 2022. DC's are transferred to capital projects at the end of each year. The schedule also discloses the non-DC funding associated with these capital projects, as required under the DCA and PA. Appendix C also illustrates the operating costs to which \$218,486 of funding was transferred in 2022. The operating costs largely represent repayment of principal and interest on debt issued to fund capital projects or for Growth-related studies.

Appendix D provides details on the activity and balance of credits issued to developers.

Appendix E provides details on the transfer to capital from the Parkland Levy reserve fund. The schedule also discloses the Parkland Levy funding associated with these capital projects, as required under the DCA and PA.

Financial Impacts

The Annual Treasurer's Statement is required by the Development Charges Act, 1997 and the Planning Act. This report and its accompanying appendices have been prepared for Council's information and to fulfill the legislative and regulatory reporting requirements of the Annual Treasurer's Statement. This statement will be made available to the public on the Town's website following Council's approval of the recommendation. There is no financial impact to this report.

3. Input from Other Sources

This report was reviewed by Department Heads on September 5th, 2023.

4. Applicable Policy or Legislation

Development Charges Act, 1997

Planning Act

Smart Growth for Our Communities Act, 2015

O. Reg. 82/98

5. Considerations

- Community Based Strategic Plan: Consistent with CBSP
- Services adjusted if any
- Climate Change / Sustainability: [Choose an item.](#)
- Communication / Engagement: [Choose an item.](#)
- Accessibility / Equity, Diversity, Inclusion: [Choose an item.](#)
- Registered Lobbyist(s) relating to content: [\[add content and meeting dates\]](#)

Next steps and future action required following endorsement: No action required.

6. Appendices and Other Resources

Appendix A	DC Reserve Funds Description
Appendix B	Annual Treasurer's Statement of Development Charges and Cash-in-Lieu of Parkland Reserve Funds
Appendix C	Capital and Operating Transactions
Appendix D	DC Credit Continuity Schedule
Appendix E	Parkland Levy Transactions

7. Approval

Prepared By:

Lara Janzen, Finance Operations Analyst

Reviewed By:

Monica Quinlan, Treasurer

CAO Comments:

Endorsed on Sept. 6, 2023 to proceed to COW

Appendix A

Development Charge Reserve Funds

Pursuant to the Development Charges Act, 1997 S.O. 1997 c.27, as amended, monies collected under the act shall be placed into a separate reserve account for the purpose of funding growth-related net capital costs for which the development charge was imposed under the Development Charges By-laws 2019-054 and 2017-080.

Reserve funds were established for the following purpose:

Roads & Related	Funds are collected for construction of the transportation infrastructure as it relate to growth as well as capital costs related to building and fleet components of Public Works.
Water	Funds are collected for the construction of water distribution and treatment infrastructure as it relates to growth.
Wastewater	Funds are collected for the construction of water distribution and treatment infrastructure as it relates to growth.
Storm Water Management (BAC)	Funds collected for this service are area specific and relate to Black Ash Creek channelization debt reduction.
Fire Protection	This fund is used for growth-related projects supporting the fire service including fire facilities, vehicles and equipment.
Police Protection	This fund is used for growth-related projects supporting the police service including fire facilities, vehicles and equipment.
Growth-related Studies	Funds collected are used for growth-related studies such as DC Background Studies, PRC Master Plans etc.
Transit	Funds collected for this service are used to finance the cost of growth-related transit services including facilities, vehicles and bus stops.
Municipal Parking	Funds collected for this service are to be used for the design and construction of additional parking spaces.
Indoor Recreation	The fund is used to finance the cost of growth-related investment in recreation facility infrastructure.

Outdoor Recreation	Funds collected for this service are to be used for growth-related investment in parkland and park development projects.
Library	Funds collected for this service are to be used for growth-related investment in Library facilities and collection materials.