



City of North Bay Report to Council

Report No: CORP 2021 - 24

Date: April 30, 2021

Originator: Shannon Saucier

Business Unit: Corporate Services

Department: Financial Services Department

Subject: 2020 Treasurer's Statement on Development Charges

Closed Session: yes ☐ no ☒

Recommendation

That the 2020 Treasurer's Statement on Development Charges be received by Council for information purposes and that a copy be submitted to the Minister of Municipal Affairs and Housing upon request.

Background

Section 43 (1) of the *Development Charges Act, 1997, S.O. 1997, c. 27, (the Act)*, 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.

Section 43 (2) of the Act requires the statement to include the opening and closing balances of the reserve funds and the transactions relating to the funds; all assets whose capital costs were funded under a development charge by-law during the year and the manner in which any capital cost not funded under the by-law was or will be funded; and a statement as to the compliance with subsection 59.1 (1) of the Act. The Treasurer's Statement is to be made available to the public.

Section 43 (3) of the Act stipulates that the Treasurer shall provide a copy of the statement to the Minister of Municipal Affairs and Housing on request.

Financial/Legal Implications

This information is being presented to Council to comply with the reporting requirements stipulated in Section 43(1) of the Development Charges Act.

Corporate Strategic Plan

☐ Natural North and Near

☐ Economic Prosperity

☒ Affordable Balanced Growth

☐ Spirited Safe Community

☐ Responsible and Responsive Government

Specific Objectives

Consider all aspects of decisions to fund new infrastructure

Options/Analysis

Development Charges are fees collected by municipalities to assist in financing the growth-related capital costs of providing services such as roads, water and wastewater services, police, fire and transit. Development Charges are determined in accordance with the City's Development Charges By-Law No. 2019-72 as amended (formerly By-law 2014-128) and fees collected are deposited into the appropriate reserve funds based on service category.

The following summarizes the combined activity that occurred in the Development Charges reserve funds during the 2020 fiscal year:

Balance Beginning of the Year	\$3,835,603.19
Add: Development Charges Collected in 2020	62,968.68
Add: Interest Earned in 2020	45,583.94
Less: Development Charges Transferred to Fund Growth Related Capital Projects in 2020	(438,555.97)
Closing Balance End of Year	\$3,505,599.84*
<i>*A total of \$2,969,843.99 has been committed for capital projects</i>	

Development Charges are allocated to growth related capital projects as part of the City's capital budgeting process. A total of \$1,411,600.00 of the Development Charges reserve balance has been earmarked to finance growth related capital projects in the 2021 Capital Budget and Capital Forecast for 2022 to 2030. These projects were identified based on the July 25, 2019 Background Study completed by Hemson Consulting Ltd. There is also an additional \$1,558,243.99 in Development Charges earmarked for pre-2021 capital projects. Development Charges remain in the reserve funds until eligible expenditures have been incurred at which time the funds are transferred from the reserve funds to the growth related capital projects.

Section 59.1 (1) of the Act stipulates that "a Municipality shall not impose, directly or indirectly, a charge related to a development or a requirement to construct a service related to development, except as permitted by this Act or another Act." The City was compliant with this requirement during the reporting period.

In accordance with Section 43 of the Act, Schedule A provides a summary of the financial activity in the Development Charge reserve funds by service category for the year ended December 31, 2020. Schedule B provides a detailed breakdown of the sources of funding for each capital project that was funded in part by Development Charges in 2020.

Recommendation

That the 2020 Treasurer's Statement on Development Charges be received by Council for information purposes and that a copy be submitted to the Minister of Municipal Affairs and Housing upon request.

Respectfully submitted,

Shannon Saucier, CPA, CA
Director of Financial Services

We concur with this report and recommendations.

Margaret Karpenko, CPA, CMA
Chief Financial Officer/Treasurer

David Euler
Chief Administrative Officer

Personnel designated for continuance: Director of Financial Services

Attachments: Schedule A - Summary of Financial Activity for the Year Ended December 31, 2020
Schedule B - Capital Projects Funded by Development Charges