

## Report FR-CW-13-17

**To:** Warden Barfoot and Members of Grey County Council  
**From:** Kevin Wepler, Director of Finance  
**Meeting Date:** May 25, 2017  
**Subject:** **2016 Development Charges Reserve Fund Statement**  
**Status:** Recommendation adopted by Committee as presented per Resolution CW-95-17 May 25, 2017; Endorsed by County Council June 29, 2017 per Resolution CC27-17

### Recommendation

1. That Report FR-CW-13-17 regarding the 2016 Development Charges Reserve Fund Statement be received; and
2. That Council accepts the Treasurer's declaration that the County is in compliance with the reporting requirements of the *Development Charges Act, 1997* and any additional reporting requirements identified by the *Smart Growth for our Communities Act, 2015 (Bill 73)*; and
3. That Report FR-CW-13-17 and related attachments be made available on the County's website or upon request.

### Background

The *Development Charges Act, 1997 (DCA)* requires development charge collections (and associated interest) to be placed in separate reserve funds. Section 33 through 36 of the Act provide the following regarding reserve fund establishment and use:

- a municipality shall establish a reserve fund for each service to which the DC by-law relates; s.7(1), however, allows services to be grouped into categories or services for reserve fund (and credit) purposes, although only 100% eligible and 90% eligible services may be combined (minimum of two reserve funds);
- the municipality shall pay each development charge it collects into a reserve fund or funds to which the charge relates;
- the money in a reserve fund shall be spent only for the "capital costs" determined through the legislated calculation process (as per s.5(1) 2-8);
- money may be borrowed from the fund but must be paid back with interest (O.Reg. 82/98, s.11(1) defines this as Bank of Canada rate either on the day the by-law comes into force or, if specified in the by-law, the first business day of each quarter);

- **DC reserve funds may not be consolidated with other municipal reserve funds for investment purposes and may only be as an interim financing source for capital undertakings for which development charges may be spent (s.37).**

**Annually, the Treasurer of the municipality is required to provide Council with a financial statement related to the DC by-law(s) and reserve funds. This statement must be made available to the public and may be requested to be forwarded to the Minister of Municipal Affairs and Housing. The DCA does not prescribe how the statement is to be made available to the public. Staff is recommending that a resolution of Council make the statement available on the County's website.**

**Subsection 43(2) and O.Reg. 82/98 prescribes the information that must be included in the Treasurer's statement, as follows:**

- **opening balance;**
- **closing balance;**
- **description of each service and/or service category for which the reserve fund was established (including a list of services within a service category);**
- **transactions for the year (e.g. collections, draws) including each assets capital costs to be funded from the DC reserve fund and the manner for funding the capital costs not funded under the DC by-law (i.e. non-DC recoverable cost share and post-period DC recoverable cost share);**
- **for projects financed by development charges, the amount spent on the project from the DC reserve fund and the amount and source of any other monies spent of the project;**
- **for credits granted under s.14 of the old DCA, a schedule identifying the value of credits recognized by the municipality, the service to which it applies and the source of funding used to finance the credit; and**
- **a statement as to compliance with s.s. 59(1) of the DCA, whereby the 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 the DC or another Act.**

## **Development Charges Revenue and Expenditures 2012-2017**

Staff has also provided information on development charges revenue and expenditures for the past five years.

The attached worksheet titled **Development Charges Revenue and Expenditures 2012 – 2016**, is a worksheet summarizing the development charges revenue (receipts) that has been collected by each of the local municipalities over the previous five years.

Also included on this worksheet is a summary of the development charges funded expenditures, which have been summarized by year, service and project

## **Financial/Staffing/Legal/Information Technology Considerations**

The 2016 Development Charges Reserve Fund Statement presented in this report satisfies the County's new reporting requirements under the *Development Charges Act, 1997* and O.Reg 89/98.

To ensure that the public is aware of the transactions affecting the development charges reserve funds during 2016, this report and the applicable schedules will be posted on the County's website.

There are no financial, staffing, legal, or information technology considerations related to the recommendation in this report.

## **Link to Strategic Goals/Priorities**

A legislated requirement of the Treasurer is to provide Council with an annual report on the status of the County's Development Charges Reserve Fund.

Communication is a key value to the County's Strategic Plan. This report provides information to Council and ratepayers in regards to the County's 2016 Development Charges Reserve Fund and the stewardship of these funds.

# **Attachments and Background Information**

[Attachment to FR-CW-13-17 Development Charges Reserve Fund Statement](#)

[Attachment to FR-CW-13-17 Development Charges Reserve Fund - Amounts Transferred](#)

[Attachment to FR-CW-13-17 Development Charges Revenue and Expenditures 2012-2016](#)

**Respectfully submitted by,**

**Kevin Wepler  
Director of Finance**