



Town of Arnprior Staff Report

Subject: Annual Statement of Development Charges - 2021

Report Number: 22-04-11-05

Report Author and Position Title: J. Morawiec, GM Client Services / Treasurer

Department: Client Services

Meeting Date: April 11, 2021

Recommendations:

That Council receive report number 22-04-11-05 as information; and

That this Annual Statement of Development Charges be made available to the public on the Town of Arnprior website or upon request.

Background:

Development charges (DCs) are fees collected from new development at the time a building permit is issued. Municipalities use these charges to help pay for the cost of infrastructure required as a result of new development, such as roads, transit, parks, community centres, as well as fire and police facilities. Most municipalities in Ontario use development charges to ensure that the cost of providing infrastructure to service new development is not borne by existing residents and businesses in the form of higher property taxes.

The development charge by-laws and associated development charge rates in place were established through the 2017 Development Charge Background Study update with a new Development Charge By-Law adopted by Council on March 12, 2018. The Development Charge By-Law was further updated in 2019 to include an additional exemption relating to not-for-profit long-term care homes.

Section 43 (2) of the Development Charges Act, S.O. 1997, requires the Treasurer of a municipality to each year provide council a financial statement relating to development charge by-laws and reserve funds established under Section 33. This statement must be made available to the public and may be requested to be forwarded to the Minister of Municipal Affairs and Housing.

O. Reg. 82/98 prescribes the detailed information that must be included in the annual Treasurer's statement, including but not limited to: opening and closing balances; a description of each service and/or service category for which the reserve fund was established (Appendix A); and transactions for the year (collections, draws) including each assets capital costs to be funded from the D.C. reserve fund and the manner for funding the capital costs not funded under the D.C. by-law (Appendix B).

Discussion:

Annual Financial Summary:

The following table highlights a summary of the development charge reserve fund for the period January 1 to December 31, 2021 and includes funds collected, interest earned and disbursements. A further breakdown of development charges by service category is included in Appendix A: Annual Statement of Development Charges Reserve Fund.

2021 Development Charges Summary	
Opening Balance, January 1, 2021	\$ 2,071,765
Development Charges Collected	4,643,485
Investment and Interest Income	<u>20,777</u>
Total	6,736,026
Disbursements	(1,539,036)
Year End Return to Source	<u>35,919</u>
Closing Balance, December 31, 2021	<u><u>\$ 5,232,909</u></u>

Development Charge Financed Projects:

Disbursements for development charge funded projects included but not limited to: \$249,825 for Downtown Revitalization loan payments, \$770,169 for water/wastewater plant expansion financing, \$75,656 for Quint financing, \$137,731 for NSC parking lot paving, and \$150,000 for the water/wastewater master plan. A detailed listing of development charge activity by project is included in Appendix B: Development Charge Project Activity Report.

Options:

N/A

Policy Considerations:

Amendments to the Development Charges Act:

Following Bill 138 receiving royal assent on December 10th, Sections 8(1), 9, 12, and 13(6) of Schedule 3 of Bill 108 the More Homes, More Choice Act, 2019 were proclaimed and came into force on January 1, 2020. Schedule 3 of Bill 108 covered a number of changes to the Development Charges Act (DCA) including but not limited to the ability for interest payable on development charges owing from a rate freeze or instalment payments.

The balance of the amendments to the Development Charges Act & Planning Act of Bill 108 and Bill 197 (COVID 19 Economic Recovery Act, 2020) were proclaimed on September 18, 2020 which triggers the two year transition period to the new regimes. Bill 197 rolls back some amendments first proposed by Bill 108, does not permit the charging of a DC for the acquisition of lands for parks and expands the list of services for what a DC can be imposed from the list furnished in Bill 108.

In 2022, an update to the Town's Development Charge By-law is being conducted and will formally include the changes under Bill 108 along with further changes to the DCA that came into force under Bill 197, the COVID 19 Economic Recovery Act, 2020.

Financial Considerations:

Compliance Statement: The Town of Arnprior is compliant with Section 59.1(1) of the Development Charges Act, whereby charges are not directly or indirectly imposed on development nor has a requirement to construct a service related to development been imposed, except as permitted by the Development Charges Act or another Act.

Meeting Dates:

N/A

Consultation:

N/A

Documents:

Appendix A: 2021 Annual Statement of Development Charges Reserve Fund
Appendix B: 2021 Development Charge Project Activity Report

Signatures

Reviewed by Department Head: Jennifer Morawiec

Reviewed by General Manager, Client Services/Treasurer: Jennifer Morawiec

CAO Concurrence: Robin Paquette

Workflow Certified by Town Clerk: Maureen Spratt

Appendix A: Town of Arnprior - Annual Treasurer's Statement of Reserve Funds

Town of Arnprior

Annual Treasurer's Statement of Reserve Funds

Description	Services to which the Development Charge Relates							Total
	Non-Discounted Services				Discounted Services			
	Services Related to a Highway	Water	Wastewater	Protection ²	General Government	Parks and Recreation ³	Library	
Opening Balance, January 1, 2021	-1,206,045	439,374	2,659,481	43,253	-207,167	146,160	196,710	2,071,765
Plus:								
Development Charge Collections	995,113	1,489,868	1,872,915	69,507	163,326	42,132	10,623	4,643,484
Accrued Interest	4,453	6,666	8,380	311	731	188	48	20,777
Repayment of Monies Borrowed from Fund and Associated Interest								
Sub-Total	999,566	1,496,534	1,881,295	69,818	164,057	42,320	10,671	4,664,261
Less:								
Amount Transferred to Capital (or Other) Funds ¹	312,325	374,139	396,030	75,656	206,986	167,400	6,500	1,539,036
Amounts Refunded	-786				-10,863	-24,269		-35,919
Amounts Loaned to Other D.C. Service Category for Interim Financing								
Sub-Total	311,539	374,139	396,030	75,656	196,123	143,131	6,500	1,503,117
Closing Balance, December 31, 2021	-518,018	1,561,769	4,144,746	37,415	-239,232	45,349	200,881	5,232,909

¹ See Appendix B for details

² Service category includes: Police Services and Fire Services

³ Service category includes: Indoor Recreation Services and Parkland Development Services

The Municipality is compliant with s.s. 59.1 (1) of the *Development Charges Act*, whereby charges are not directly or indirectly imposed on development nor has a requirement to construct a service related to development been imposed, except as permitted by the *Development Charges Act* or another Act.

Appendix B: 2021 Development Charge Project Activity Report
Amount Transferred to Capital (or Other) Funds - Capital Fund Transactions

Capital Fund Transactions	DC Recoverable Cost Share	Non-D.C. Recoverable Cost Share		Gross Capital Cost (2021)
	D.C. Reserve Fund Draw	Other Reserve/Reserve Fund Draws	Grants, Subsidies Other Contributions	
General Government				
Growth Management Study	\$ 56,986.00	\$ -	\$ -	\$ 56,986.00
Water/Wastewater Master Plan	\$ 150,000.00	\$ 50,000.00	\$ -	\$ 200,000.00
Sub-Total - General Government	\$ 206,986.00	\$ 50,000.00	\$ -	\$ 256,986.00
Library				
Provision for Library Materials	\$ 6,500.00	\$ -	\$ -	\$ 6,500.00
Sub-Total - Library	\$ 6,500.00	\$ -	\$ -	\$ 6,500.00
Fire Vehicles / Equipment				
Quint Apparatus Loan	\$ 75,656.00	\$ 75,656.00	\$ -	\$ 151,312.00
Sub-Total - Fire Vehicles / Equipment	\$ 75,656.00	\$ 75,656.00	\$ -	\$ 151,312.00
Services Related to a Highway				
Rolling Road Rehabilitation	\$ 25,000.00	\$ 225,000.00	\$ -	\$ 250,000.00
Downtown Revitalization Loan	\$ 249,825.00	\$ 582,926.00		\$ 832,751.00
Daniel Street Signalization Design	\$ 37,500.00	\$ 37,500.00		\$ 75,000.00
Sub-Total - Services Related to Highway	\$ 312,325.00	\$ 845,426.00	\$ -	\$ 1,157,751.00
Water				
Past Plant Expansion - Loan	\$ 374,139.00	\$ -	\$ -	\$ 374,139.00
Sub-Total - Water	\$ 374,139.00	\$ -	\$ -	\$ 374,139.00
Wastewater				
Past Plant Expansion - Loan	\$ 396,030.00	\$ -	\$ -	\$ 396,030.00
Sub-Total - Wastewater	\$ 396,030.00	\$ -	\$ -	\$ 396,030.00
Parks and Recreation				
Pave NSC Parking Lot	\$ 162,000.00	\$ 24,500.00	\$ -	\$ 186,500.00
Community Hall Divider	\$ 5,400.00	\$ 14,600.00		\$ 20,000.00
Sub-Total - Parks and Recreation	\$ 167,400.00	\$ 39,100.00	\$ -	\$ 206,500.00
TOTAL	\$ 1,539,036.00	\$ 1,010,182.00	\$ -	\$ 2,549,218.00