



Town of Arnprior Staff Report

Subject: Annual Statement of Development Charges - 2024

Report Number: 25-05-26-04

Report Author and Position Title: Jennifer Morawiec, General Manager,
Client Services / Treasurer

Department: Client Services

Meeting Date: May 26, 2025

Recommendations:

That Council receive report number 25-05-26-04 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, parks, recreation, and fire, as well as water and wastewater. 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 for the January to December 31, 2024 timeframe was established through the 2023 Development Charge Background Study update with a new Development Charge By-Law adopted by Council on March 13, 2023.

Section 43 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); interest earned 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).

Amendments to O. Reg 82/98 under Bill 109 in 2022 now require the following additional information must be provided for each D.C. service being collected for during the year: a) whether, as of the end of the year, the municipality expects to incur the amount of capital costs that were estimated, in the relevant development charge background study, to be incurred during the term of the applicable development charge by-law; b) if the answer to a) is no, the amount the municipality now expects to incur and a statement as to why this amount is expected; and c) if no money was spent from the reserve fund during the year, a statement as to why there was no spending during the year.

Discussion:

Annual Financial Summary:

The following table highlights a summary of the development charge reserve fund for the period January 1 to December 31, 2024, and includes DC funds collected, DC receivables, interest earned and disbursements. The DC receivable amount is reflective of DC amounts owing to the municipality from instalment payments for eligible developments under the DCA. A further breakdown of development charges by service category is included in Appendix A: Annual Statement of Development Charges Reserve Fund.

2024 Development Charges Summary		
Opening Balance, January 1, 2024	\$	6,710,409
Development Charges Collected		1,162,408
Development Charges Receivable		-
Investment and Interest Income		213,362
Total		8,086,179
Disbursements		(3,228,614)
Year End Return to Source		(6,598)
Closing Balance, December 31, 2024	\$	<u>4,850,967</u>

Development Charge Financed Projects:

Disbursements for development charge funded projects included but not limited to: \$770,169 for water/wastewater plant expansion financing, \$75,656 for Quint financing, \$1,039,808 for McNab St sidewalk construction, \$231,066 for MacDonald St reconstruction and \$777,000 for various park development. A detailed listing of all development charge disbursements by project is included in Appendix B: Development Charge Project Activity Report.

Gross Capital Cost Expectations:

As per O. Reg 82/98, as of the end of the year, a municipality must indicate if they expect to incur the amount of capital costs that were estimated, in the relevant development charge background study, during the term of the applicable development charge by-law. The current development charges by-law was adopted in 2023 along with an updated background study in 2024 to add growth studies, and includes new estimated capital costs for a ten-year period with \$48.5M in planned expenditures and \$27.7M recoverable from development charges (Appendix C).

The Town still expects to incur these capital costs, and they are included in the Town's Long Range Capital Forecast for planning purposes.

Options:

N/A

Policy Considerations:

Development Charges Act: A significant number of amendments have been made by the Province to the Development Charges Act including changes under Bill 108, 138, 197, 213 and 109. A summary of these changes are included in the [2023 Development Charges Background Study](#) and have been included in the 2023 Development Charges By-law which came into effect on March 13, 2023.

The Province recently announced Bill 17, *Protect Ontario by Building Faster and Smarter Act, 2025* which proposes amendments to various Acts including the Development Charges Act. A summary letter from Watson & Associates Economists Ltd. is attached which outlines the proposed amendments and the potential impacts on municipalities.

Financial Considerations:

Requirement to Allocate Funds: Annually, beginning in 2023, municipalities will be required to spend or allocate at least 60% of the monies in a reserve fund at the beginning of the year for water, wastewater, and services related to a highway. Other services may be prescribed by regulation. As growth-related projects are included in the Town's Long Range Capital Forecast, over 88% of the monies in the reserve funds

are allocated to specific projects with a small portion, 12% for provisional items, not yet assigned.

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: 2024 Annual Statement of Development Charges Reserve Fund

Appendix B: 2024 Development Charge Project Activity Report

Appendix C: Estimated Gross Capital Costs (2023-2032)

Watson & Associates Economists Ltd – Assessment of Bill 17 dated 15 May 2025

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: Kaila Zamojski

Town of Arnprior
Appendix A: Treasurer's Statement - Development Charge Reserve Funds
For the period January 1, 2024 to December 31, 2024

	Services to which the Development Charge Relates								
	Services Related to a Highway	Public Works	Water	Wastewater	Fire	Parks and Recreation	Library Facility / Materials	Growth Studies ²	Total
Opening Balance, January 1, 2024	\$ (526,592)	\$ 191,138	\$ 2,516,839	\$ 4,711,728	\$ (62,429)	\$ (201,183)	\$ 80,908	\$ -	\$ 6,710,409
Revenues									
Development Charge Collections	213,911	37,430	504,988	300,002	11,576	68,736	9,727	16,039	1,162,409
Development Charge Receivable	-	-	-	-	-	-	-	-	-
Accrued Interest	39,263	6,870	92,691	55,066	2,125	12,617	1,785	2,944	213,361
Sub-Total	\$ 253,174	\$ 44,300	\$ 597,679	\$ 355,068	\$ 13,701	\$ 81,353	\$ 11,512	\$ 18,983	\$ 1,375,770
Expenditures									
Amount Transferred to Capital (or Other) Funds ¹	1,039,808	-	659,735	627,096	93,156	807,819	1,000	-	3,228,614
Prior Commitments (Return to Source)	17,108	-	-	-	-	(10,510)	-	-	6,598
Sub-Total	\$ 1,056,916	\$ -	\$ 659,735	\$ 627,096	\$ 93,156	\$ 797,309	\$ 1,000	\$ -	\$ 3,235,212
Closing Balance, December 31, 2024	\$ (1,330,334)	\$ 235,438	\$ 2,454,783	\$ 4,439,700	\$ (141,884)	\$ (917,139)	\$ 91,420	\$ 18,983	\$ 4,850,967

¹ See Appendix B for details

² DC By-Law amended in 2024 to reflect legislative change to allow funding of growth studies.

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.

Town of Arnprior
Appendix B: 2024 Development Charge Project Activity Report
Amount Transferred to Capital (or Other) Funds
For the period January 1 to December 31, 2024

Service Category	Project Description	D.C. Reserve Fund Draw	Other Reserve / Reserve Fund Draws	Grants / Other Contributions	Total
Services Related to a Highway	Victoria St Design	\$ 23,575	\$ 91,425	\$ -	\$ 115,000
Services Related to a Highway	Sidewalks - McNab Street Construction	1,039,808	115,534	-	1,155,342
Services Related to a Highway	MacDonald St Reconstruction	231,066	2,871,739	1,097,195	4,200,000
Water Services	River Crossing Construction	262,021	604,707	483,272	1,350,000
Water Services	Past Plant Expansion - Loan	374,139	225,592	-	599,731
Wastewater Services	Past Plant Expansion - Loan	396,030	181,971	-	578,001
Fire	Quint Apparatus Loan	75,656	75,656	-	151,312
Fire	Personal Protective Equipment	17,500	-	-	17,500
Parks and Recreation	Fairview Park - Construction	630,000	-	-	630,000
Parks and Recreation	Marshall's Bay Meadows - Phase I Park	112,200	-	-	112,200
Parks and Recreation	CN Trail Park Rehabilitation	34,800	85,200	-	120,000
Parks and Recreation	Waterfront Revitalization - RSP Design	30,819	174,639	-	205,458
Library	Library Materials	1,000	-	-	1,000
TOTAL		\$ 3,228,614	\$ 4,426,463	\$ 1,580,467	\$ 9,235,544

Town of Arnprior
Appendix C: Estimated Gross Capital Costs
For the period covered by the By-Law 2023-2032

For the period 2023-2032	Services to which the Development Charge Relates								
	Services Related to a Highway	Public Works	Water	Wastewater	Protection	Parks and Recreation	Library	Growth Studies	Total
<u>Background Study (Table 6-5)</u>									
Funding Source - DC Recoverable	4,913,537	1,294,000	10,804,734	7,067,196	354,300	2,148,400	367,500	765,732	27,715,399
Tax Base or Other Non-DC Source	3,276,448	1,405,000	6,285,318	483,801	651,700	8,023,000	322,500	354,950	20,802,717
Gross Capital Cost Estimates (2023-2032)	\$ 8,189,985	\$ 2,699,000	\$17,090,052	\$ 7,550,997	\$ 1,006,000	\$10,171,400	\$ 690,000	\$ 1,120,682	\$48,518,116
<u>Incurred Capital</u>									
Funding Source - DC Recoverable	1,433,161	-	1,033,874	1,023,126	168,812	1,121,587	-	-	4,780,560
Tax Base or Other Non-DC Source	6,223,800	-	1,539,163	363,942	151,312	1,996,442	-	-	10,274,659
Gross Capital Cost Incurred (2023-2032)	\$ 7,656,961	\$ -	\$ 2,573,037	\$ 1,387,068	\$ 320,124	\$ 3,118,029	\$ -	\$ -	\$15,055,219
<u>Assigned to Capital or LRCF</u>									
Allocated to Activity / Project	76%	100%	92%	87%	73%	98%	68%	100%	88%
Unallocated / Provisional	24%	0%	8%	13%	27%	2%	32%	0%	12%