

DATE: May 16, 2016
REPORT NO: RFI-T-14-16
SUBJECT: Development Charge Reserve Funds – Treasurer’s Annual Statement – 2015
CONTACT: Donna DeFilippis, Treasurer and Director of Finance

OVERVIEW:

- Schedule A summarizes the activity within the Township’s Development Fund Reserves for 2015.
- This reporting is a requirement of the Development Charge Act and will be posted on the Township’s website once received by Council.

RECOMMENDATION:

- (1) That, report RFD-T-14-16, regarding “Development Charge Reserve Funds – Treasurer’s Annual Statement – 2015”, dated May 16th, 2016 be received.

ALIGNMENT TO STRATEGIC PLAN:

Not applicable. This is a legislated requirement of the Treasurer.

BACKGROUND:

Section 43(2) of the *Development Charges Act* (DCA) prescribes the information that must be included in the Treasurer’s annual statement. The requirements are as follows:

- Opening balance
- Closing balance
- All transactions in the fund
- Identify all assets funded by Development Charges (DCs) and how the portions not funded by DCs were funded

CURRENT SITUATION:

Development charges are one-time fees collected on new residential and non-residential properties to finance a portion of the capital infrastructure requirements associated with growth. Amounts collected are held in the designated Development Charge Reserve Fund account and accumulate interest. The growth-related spending authority is approved annually as part of the Township’s budget process with capital projects included in the current background study being eligible for development charge funding.

The Township’s current Development Charge By-law 2014-61, which was passed on July 16, 2014, is effective for a five year period, expiring on July 19, 2019.

The statement (Schedule A) provides a summary of the financial activity of the various Development Charge Reserve Funds for the year ending December 31, 2015. Revenues consist of contributions collected at the time of building permit issuance, plus interest earned in the fiscal year. Transfers for funding are made in accordance with the Township's 2014 Background Study in support of the Development Charge By-law 2014-61. The closing balance as at December 31, 2015 is the cash balance in the Development Charge Reserve Account.

FINANCIAL IMPLICATIONS:

Development Charges (DCs) are fees collected which assist in financing a portion of capital requirements as they relate to growth. The Development Charge By-law sets the fees for collection at the building permit stage. These DC fees are collected and deposited into the separate Development Charge Reserve Funds in accordance with legislative requirements. Interest accrues on these funds and draws are made for eligible capital expenditures. DC's are a form of financing for capital as it relates to growth and such fees are governed under the *Development Charges Act*.

INTER-DEPARTMENTAL COMMENTS:

The CAO, Directors and Fire Chief, as well as the Treasurer, are involved in the work related to the Background Study. The senior department leaders provide detailed information on growth-related capital for the ten year period that the Background Study covers. As part of the annual budget process each year, the budgeted capital project submissions are reviewed with Department Heads to indicate which projects may be eligible for funding from the specific DC Reserves.

CONCLUSION:

It is recommended that the Development Charge Reserve Fund Activity Report for the year ended December 31, 2015 (Schedule A) be received and posted on the Township's website.

Prepared by:

Approved by:

Donna DeFilippis
Treasurer/Director of Finance

Chris Carter, CAO

“The Township of West Lincoln will be a community that values our heritage, preserves our environmental and natural resources, fosters entrepreneurial spirit and provides excellent quality of life.”