

Report from: Financial Management Services, Corporate Asset Management

Report Date: March 3, 2021

Meeting Date: March 29, 2021

Report Number: FMS-036-2021

File: 60.2.13 & 10.57.99

Subject: 2020 Development Charges Treasurer's Statement

Strategic Pillar:

This report aligns with the following St. Catharines Strategic Plan pillars: Economic



Recommendation

That Report FMS-036-2021, regarding 2020 Development Charges Treasurer's Statement, be received for information purposes. FORTHWITH

Relationship to Strategic Plan

Development Charges reserves are restricted use funds that can only be used to fund growth related infrastructure in the categories and geographical areas in which they were collected. These funds provide a potential funding source for future capital projects.

Background

The *Development Charges Act, 1997* requires the Treasurer to provide Council a statement each year regarding the status and any activity of the Development Charge Reserve Fund.

In 2020 the City began undertaking a new Development Charges Background Study. Work on the study is well underway and the Development Studies Task Force has been formed to provide input on this study, as well as the Community Benefits Charge Strategy and Inclusionary Zoning Study. The Task Force may also choose to provide recommendations to Council regarding these studies. The new Development Charges Background Study will be made available to the public and put forward for Council's consideration later this year.

Report

Purpose of Development Charges

Development Charges are charges governed under the *Development Charges Act, 1997* and are collected from developers to pay for anticipated increased capital costs related to growth. A municipality can pass a by-law to impose development charges against land to pay for increased capital costs required because of increased need for services arising from the development of the area to which the by-law applies. The intent is that the end user of the new services pays for the capital cost.

Activity in the Development Charge Reserve Fund

Development Charges collected and any interest income generated are held and accounted for in a separate reserve fund. The interest income generated in the reserve fund assists in covering inflation in construction costs.

Effective June 21, 2009, Council enacted By-law 2009-157 which discontinued the collection of City Development Charges for West St. Catharines. By-law 2009-157 stated that all monies previously collected shall continue to be applied for the purposes for which they were collected.

The activity in the Development Charges Reserve Fund is listed in Schedule 1 of the attached Treasurer's Statement (Appendix 1). During 2021 there was a small transfer from the Reserve Fund to a Capital Project, to fund eligible expenditures.

For the first time in many years there were a number of capital projects included in the 2020 Capital Budget that are partially funded by Development Charges, and as a consequence Schedule 2 has been added in Appendix 1 to provide the information required to comply with the following section of the Act;

(3) The following is also prescribed as information to be included in the statement of the treasurer of a municipality under section 43 of the Act:

1. For each project that is financed, in whole or in part, by development charges
 - i. the amount of money from each reserve fund established under section 33 of the Act that is spent on the project, and,
 - ii. the amount and source of any other money that is spent on the project. (O Reg. 82/98, s. 12 (3)).

Financial Implications

There are no financial implications associated with this report.

Environmental Sustainability Implications

There are no environmental sustainability implications associated with this report.

Prepared and submitted by

Anne Tourigny, Corporate Asset Manager

Approved by

Kristine Douglas, Director, Financial Management Services / City Treasurer

Appendices

- Appendix 1 - 2020 Development Charges Reserve Funds Treasurer's Statement

City of St. Catharines 2020 Development Charges Reserve Funds

Treasurer's Statement

Schedule 1

Statement of Continuity	West Parks	West Roads	Total
Opening Balance January 1, 2020	\$1,572,793.75	\$2,417,409.44	\$3,990,203.19
Revenue			
Collections	-	-	-
Interest Earned	18,595.90	28,582.21	47,178.11
Expenditures			
Funding to Capital Projects (schedule 2)	-	1,789.77	1,789.77
Balance - December 31, 2020	\$1,591,389.65	\$2,444,201.88	\$4,035,591.53

Schedule 2

Capital Projects Funded With Development Charges 2020

	<u>Development Charges Transferred to Projects</u>			Expenditures to date	<u>Approved Budget by Funding Source</u>			
	Prior year	Current Year	Total		Development Charge Fund	Taxpayer Support	Debentures	Total
Roads & Sidewalk								
P19-065 Ridley Rd - Road	-	1,789.77	1,789.77	6,691.95	938,754	257,000	2,314,246	3,510,000
P19-065 Ridley Rd - Sidewalk	-	-	-	-	228,608	110,000	132,392	471,000
P20-065 New road from Ridley to Go Station	-	-	-	-	128,286	30,000	266,714	425,000
Total	-	\$1,789.77	\$1,789.77	\$6,691.95	\$1,295,648	\$397,000	\$2,713,352	\$4,406,000

Prescribed Information:

1. Description of the service for which each fund was established:

West Parks	The fund is used for the growth-related costs of the development of parkland in West St. Catharines.
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West Roads	The fund is used for growth-related share of costs associated with roads peripheral to subdivisions that are not the direct responsibility of the developer in West St. Catharines.
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2. For Credits (Ex. Pre-payments, front-ended projects) in relation to the service or category for which the fund was established:

No credits have been received, used or are outstanding for the previous year.

3. The amount of any money borrowed from the DC reserve during the previous year and the purpose for which it was borrowed:

No money was borrowed.

4. The amount of interest accrued during the previous year on money borrowed from the fund by the municipality:

No interest was accrued as no money was borrowed.

5. The amount and source of any money used by the municipality to repay, in the previous year, money borrowed from the fund, or interest on such money:

No source of money to repay as no money was borrowed.

6. A schedule that identifies credits recognized under section 17 and, for each credit organized, sets out the value of the credit, the service against which the credit is applied and the funds used to finance the credit:

No schedule as there are no credits to recognize per section 17.

7. Statement respecting additional levies under Section 59.1(1) & (2) of the *Development Charges Act, 1997*, as amended.

In accordance with Section 59.1(1) & (2), the City of St. Catharines has not imposed any additional payments nor required the construction of a service not authorized under the *Development Charges Act, 1997*, as amended.