



THE CORPORATION OF THE TOWNSHIP OF KING
REPORT TO COMMITTEE OF THE WHOLE

Monday, July 10, 2017

Finance Department

Report #: FR-2017-10

RE : 2016 Statement of Development Charge Reserve Funds

1. **RECOMMENDATIONS:**

The Finance Department respectfully submits the following recommendations:

- a) That Finance Report FR-2017-10 be received for information purposes;
- b) In accordance with Section 43 (2.1) of the Development Charges Act, 1997, that the 2016 Statement of Development Charge Reserve Funds be made publicly available, and posted to the Township of King's website, and available in printed copy, should a resident inquire; and
- c) In accordance with Section 43 (3) of the Development Charges Act, 1997, that the 2016 Statement of Development Charge Reserve Funds be sent to the Minister of Municipal Affairs and Housing.

2. **PURPOSE:**

The purpose of this report is to provide Council with a status report on the Township's Development Charge Reserve Funds as of December 31, 2016.

In addition, the Development Charges Act, 1997 requires that an annual statement be prepared for Council prior to submitting to the Ministry of Municipal Affairs and Housing (Schedules A & B).

3. **BACKGROUND:**

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. The fees are collected at the time of building permit issuance. The growth-related spending authority is approved annually as part of the Township's capital budgeting process with only those capital projects included in the current Development Charge background study being eligible for development charge funding.

Section 43(1) of the Development Charges Act, 1997 requires the Treasurer to provide Council with an annual financial statement relating to Development Charge By-laws and Reserve Funds. Although the audited 2016 Financial Statements report the Reserve Funds, the Act requires the report to be in a specific format, and that the statement be made publicly available and submitted to the Minister of Municipal Affairs and Housing. The attached statement (Schedules A & B) satisfies these requirements.

4. **ANALYSIS:**

The statement (Schedules A & B) provides a summary of the financial activity of the various Development Charge Reserve Funds for the year ending December 31, 2016.

Development Charge proceeds consist of contributions collected from developers and interest earned on these proceeds are shown separately. Transfers to capital projects are made in accordance with Township By-Law #2015-100 on the basis of details contained within the Township's 2014 Development Charge Background Study, as amended by Addendum No. 1 dated August 25, 2015. Regulations stipulate that for obligatory funds, which include development charges, revenue is only recognized as expenditures are incurred. Annual adjustments are made to the capital projects to reflect the funding portion to be transferred, which is based on actual expenditures. The closing reserve fund balances represent the development charge revenue available to fund future growth-related capital works.

Schedule B updates the status of Development Charge credits for the year ended December 31, 2016.

5. **FINANCIAL IMPLICATIONS:**

During 2016, Development Charge (DC) collections totalled \$7,829,337, interest earned was \$159,097 and capital expenditures having a DC funding component totalled \$7,735,507.

With an opening balance (ALL DC categories) of \$24.7M, a net increase during 2016 of \$253K, including interest earned @ \$159K, total development charge related funds of \$25.0M are available to support future growth related costs as set forth in the Township's Development Charge Background Study dated September 22, 2014, as amended by Addendum No. 1 dated August 25, 2015.

6. **SUSTAINABILITY PLAN LINKAGE:**

King Township's Integrated Community Sustainability Plan was formally adopted by Council on April 2, 2012. The Sustainability Plan is the Township's overarching guiding document and is based upon common values, priorities, and aspirations of the community.

Finance staff will utilize the Plan to ensure financial sustainability is a key consideration in decision making about the future of the Township.

This report links to the theme "Annual Budget & Business Plan" and more specifically the goal of "maintaining a fiscally responsible budget that strengthens our reserves and respects the priorities of the community and meets long term financial sustainability goals".

7. **ATTACHMENTS:**

Schedule 'A' - 2016 Annual Statement of Development Charge Reserve Funds

Schedule 'B' - 2016 Annual Statement of Discounted Services Reserve Fund Transfers

Schedule 'C' - 2016 Listing of Credits under DCA, 1997, s. 38 by holder

Prepared & Submitted by:



Allan Evelyn, MFAc, CPA, CGA
Director of Finance & Treasurer

TOWNSHIP OF KING
STATEMENT OF DEVELOPMENT CHARGE RESERVE FUNDS
 ANNUAL STATEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2016

Schedule "A" to FR-2017-10

	Corporate Services ADMIN	Fire Service	Parks - Outdoor	Recreation - Indoor	Library Service	Roads & Related	Water	King City Sewer	Nobleton Sewer	Water & Wastewater Studies	Parking	Fund Total
Opening Balance at January 1, 2016	348,247	1,109,861	1,393,922	5,814,077	2,397,472	7,785,577	601,019	3,449,399	1,764,190	32,687	1,508	24,697,959
Development Charge Proceeds, net of Developer DC Credits Used	224,747	260,419	1,065,323	1,312,121	369,077	3,068,763	578,527	812,196	-	134,135	4,029	7,829,337
Interest Earned	2,766	5,388	7,005	39,997	15,788	48,945	3,399	24,281	10,913	594	21	159,097
Transfers to Capital Fund	(28,852)	(449,227)	(1,423,612)	103,198	(111,796)	(4,309,361)	(1,442,585)	-	-	-	-	(7,662,235)
Transfers to Operating Fund (Tax or Rate)	(14,073)	-	-	-	-	(59,199)	-	-	-	-	-	(73,272)
Closing Balance at December 31, 2016	532,835	928,441	1,042,638	7,268,393	2,670,641	6,634,725	(259,640)	4,286,876	1,776,103	167,416	6,558	24,950,886

TOWNSHIP OF KING
STATEMENT OF DEVELOPMENT CHARGE RESERVE FUNDS
ANNUAL STATEMENT OF DISCOUNTED SERVICES RESERVE FUND TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2016

Schedule "B" to FR-2017-10

Project Description	Sources of Funding						
	Reserve Funds		Operating Fund	Reserves	Grants / Donations	Debt	Total
	Development charges	Other					
Fleet:							
Fire - Public Education Trailer	83,063						83,063
Fire - Public Educator Vehicle	13,114			13,115			26,229
Fire - Tanker	323,389						323,389
Fire - Training Vehicle	16,000			29,686			45,686
PRC - Snowblower with Blade	15,065			1,674			16,739
Road - Tandem Axle Diesel Dump Truck	260,489						260,489
Infrastructure - Fire:							
Tablets for Public Educator/ Fire Inspectors	1,018						1,018
Washing Machine for Protective Turnout Gear	12,643						12,643
Infrastructure - Roads:							
15th Sideroad - 10th Concession to Hwy 27	49,024			12,256			61,280
15th Sideroad - 8th Concession to Hwy 27	21,966			21,966			43,932
17th Sideroad - Keele to Jane	13,326			3,332			16,658
19th Sideroad - Hwy 27 to Rebellion Way	41,257			41,256			82,513
Church Street	3,624,286			304,529	608,395		4,537,210
Culvert 219: 19th Sideroad West of 27	4,636			4,636			9,272
King Road - Keele to King Blvd.	18,524			12,350			30,874
Proctor Road	34,102			3,789			37,891
Road Improvements (KC - Burns, Findlay, Dennis, Waikington Way and Langdon)	192,500			866,805			1,059,305
Schomberg Arena & Works Yard Renovation	34,184	61,531					95,715
Township Sidewalk Repair	59,199						59,199
Infrastructure - Parks:							
Genview Park	3,766			3,208			6,974
King Dufferin North Neighbourhood Park	56,872	842		6,319			64,033
King Dufferin South Phase II	194,220	14,197		67,380			275,797
King Valley/ Station Neighbourhood Park	37,397	4,155					41,552
Memorial Park Restoration	107,280			203,079			310,359
Metrus Park	721,924	139,091			25,440		886,455
Nobleton Pool Retrofit and Upgrade	(103,198)	178,018		74,074			148,894
Osin Park Bridge	48,311			5,124	6,000		59,435
Osmington Park	253,596			28,177			281,773
Trail Development	247	211					458
Infrastructure - Water & Wastewater:							
Watermain - Highway 27	1,442,585			160,287			1,602,872
Operating Activities:							
DC Background Studies	2,874		319				3,193
Fire Master Plan	11,199		13,687				24,886
King City Feasibility Study	13,500		7,500		16,500		37,500
Schomberg Feasibility Studies	3,590				4,450		8,040
Service Delivery Assessment	11,763				14,377		26,140
King City Library Expansion	36,126		26,593				62,719
Library Collection	75,669			8,408			84,077
Total for the Year	\$ 7,735,507	\$ 398,045	\$ 48,099	\$ 1,871,450	\$ 675,162	\$ -	\$ 10,728,263

TOWNSHIP OF KING
STATEMENT OF DEVELOPMENT CHARGE RESERVE FUNDS
 LISTING OF CREDITS UNDER DCA, 1997, s.38 BY HOLDER
 FOR THE YEAR ENDED DECEMBER 31, 2016

Schedule "C" to FR-2017-10

Credit Holder	Applicable DC Reserve Fund	Credit Balance Beginning of Year	Additional Credits Granted During Year	Credits Used by Holder During Year	Credit Balance End of Year
1808629 Ontario Limited (Fandor - Nobleton)	Parks - Outdoor	25,315			25,315
2149629 Ontario Inc. (Kingview - King City)	King City Sewer	3,100,850			3,100,850
DiPoce	Roads & Related	80,855			80,855
Hamley's Developments Inc.	Parks - Outdoor	-			-
Hickory Hills Investments Inc.	Roads & Related	137,000			137,000
King City East Group (*)	King City Sewer	441,780			441,780
King Dufferin Developments CR Inc.	Roads & Related	27,000			27,000
King North Developments CR Inc.	Roads & Related	-			-
King Station Inc.	Parks - Outdoor	30,000			30,000
2015 DC Background Study Updates (*)					
Hamley's Developments Inc. (Nobleton)	Parks - Outdoor	25,315			25,315
Hamley's Developments Inc. (Nobleton)	Parks - Outdoor	60,315			60,315
King Station - pedestrian bridge	Parks - Outdoor	30,000			30,000
Fandor, concurrent works (Nobleton)	Roads & Related	29,560			29,560
Concurrent works, north limit to Proctor (Schomberg)	Roads & Related	88,400		88,400	-
King North Developments CR Inc. (King City)	Roads & Related	43,105			43,105
King North Developments CR Inc. (King City)	Roads & Related	27,000			27,000
King North Developments CR Inc. (King City)	Roads & Related	-			-
Fandor (Nobleton) concurrent works	Roads & Related Wastewater - Nobleton	88,986			88,986
	Total	\$ 4,235,481	\$ -	\$ 88,400	\$ 4,147,081