



THE CORPORATION OF THE TOWNSHIP OF KING

REPORT TO COMMITTEE OF THE WHOLE

Monday, September 12, 2016

Finance Department

Report #: FR-2016-11

RE : 2015 Statement of Development Charge Reserve Funds

1. **RECOMMENDATIONS:**

The Finance Department respectfully submits the following recommendations:

- a) That Finance Report FR-2016-11 be received for information purposes;
- b) In accordance with Section 43 (2.1) of the Development Charges Act, 1997, that the 2015 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 2015 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, 2015.

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 2015 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, 2015.

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, 2015.

5. **FINANCIAL IMPLICATIONS:**

During 2015, Development Charge (DC) collections totaled \$3,180,604 and capital expenditures having a DC funding component totaled \$3,736,837.

With an opening balance (ALL DC categories) of \$25.1M, net expenditure during 2015 of \$418K and interest earned @ \$138K, total development charge related funds have decreased to \$24.7M to support future growth related costs as set forth in the Township's Development Charge Background Study dated September 22, 2014 and 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' - 2015 Annual Statement of Development Charge Reserve Funds

Schedule 'B' - 2015 Annual Statement of Discounted Services Reserve Fund Transfers

Schedule 'C' - 2015 Listing of Credits under DCA, 1997, s. 38 by holder

Prepared & Submitted by:



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TOWNSHIP OF KING
STATEMENT OF DEVELOPMENT CHARGE RESERVE FUNDS
 ANNUAL STATEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2015

Schedule "A" to FR-2016-11

	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, 2015	250,449	1,142,721	2,682,663	4,462,479	2,032,019	8,344,209	1,062,977	3,425,016	1,753,868	(40,307)	-	25,116,094
Development Charge Proceeds, net of Developer DC Credits Used	189,435	296,283	857,363	1,324,665	401,607	6,192	23,884	5,771	797	73,101	1,508	3,180,804
Interest Earned	1,491	6,852	13,836	26,933	11,817	43,744	5,593	18,612	9,525	(107)	2	138,098
Transfers to Capital Fund	-	(335,795)	(2,159,940)	-	-	(608,568)	(491,435)	-	-	-	-	(3,595,738)
Transfers to Operating Fund (Tax or Rate)	(93,128)	-	-	-	(47,971)	-	-	-	-	-	-	(141,099)
Closing Balance at December 31, 2015	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

TOWNSHIP OF KING

Schedule "B" to FR-2016-11

STATEMENT OF DEVELOPMENT CHARGE RESERVE FUNDS
ANNUAL STATEMENT OF DISCOUNTED SERVICES RESERVE FUND TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2015

Project Description	Sources of Funding						
	Reserve Funds		Operating Fund	Reserves	Grants / Donations	Debt	Total
	Development charges	Other					
Fleet:							
Fire Tanker	323,389						323,389
Street Sweeper	250,969						250,969
Parks - 3/4 Ton Pick Up (DC#16)	33,186			3,687			36,873
Parks - 7 Foot mower	19,681			2,187			21,868
Infrastructure - Fire:							
Tablets for Public Educator/ Fire Inspectors	12,406						12,406
Infrastructure - Roads:							
11th Conc - Hwy 9 to 19th Sideroad	307				34		341
Culvert 219	158,225			77,990	80,234		316,449
Sidewalk Improvements/ Enhancements (Keele Street, south of King Road)	109,841		26,771	35,500	10,956		183,068
15th Sideroad - 8th Con to Hwy 27	31,338			31,338			62,676
19th Sideroad - Hwy 27 to Rebellion Way	5,022			5,022			10,044
Transportation Master Plan	15,227						15,227
King City Urbanization/ Sidewalk Study/ Streetscaping	1,587			14,282			15,869
Nobleton Urbanization/ Sidewalk Study/ Streetscaping	2,038			18,340			20,378
Infrastructure - Parks:							
Splash Pad - Schomberg & Laurier Park	42,374	930		3,778			47,082
Nobleton Pool Retrofit and Upgrade	135,013	85,013			50,000		270,026
Metrus Community Park	1,390,016			318,594			1,708,610
Cold Creek Site Improvement - expansion of ropes course & rock wall	58,195	15,835					74,030
King Dufferin North Neighbourhood Park	260,648			28,961			289,609
King Valley/ Station Neighbourhood Park	272,504			30,278			302,782
Osin Park Bridge	1,189			132			1,321
Infrastructure - Water & Wastewater:							
Nobleton watermain	491,435						491,435
Operating Activities:							
Planning Studies	57,931						57,931
Fire Master Plan	721						721
Trail Master Plan	5,017						5,017
DC Background Study	10,607						10,607
Schomberg Library expansion (Library)	5,821						5,821
Self checkout device (Library)	10,438						10,438
Collection (Library)	31,712		56,426				88,138
Total for the Year	\$ 3,736,837	\$ 101,778	\$ 83,197	\$ 570,089	\$ 141,224	\$ -	\$ 4,633,125

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, 2015

Schedule "C" to FR-2016-11

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	387,347		387,347	-
Fandor (Nobleton) concurrent works	Roads & Related Wastewater - Nobleton	88,986			88,986
	Total	\$ 4,622,828	\$ -	\$ 387,347	\$ 4,235,481