



THE CORPORATION OF THE TOWNSHIP OF KING
REPORT TO COMMITTEE OF THE WHOLE (REVISED)

Monday, October 19, 2020

Finance Department

Report #: FR-2020-11

RE : 2019 Statement of Development Charge Reserve Funds and Cash in Lieu of Parkland Reserve Funds as of December 31, 2019

1. RECOMMENDATIONS:

The Finance Department respectfully submits the following recommendations:

- a) That Finance Report FR-2020-11 be received for information purposes; and
- b) That the 2019 Statement of Development Charge Reserve Funds be made publicly available as required by Section 43(2.1) of the *Development Charges Act, 1997* by means of posting on the Township of King's website, and available in printed copy upon request to the Township; and
- c) That the Statement of the Cash in Lieu of Parkland Reserve Funds be made publicly available as per the Subsection 42 of the *Planning Act, 2015*.
- d) That staff provide the 2019 Statement of Development Charge Reserve Funds to the Minister of Municipal Affairs and Housing as required by Section 43(3) of the *Development Charges Act, 1997*.

2. PURPOSE:

The purpose of this report is to provide Council with a financial statement relating to the Township's Development Charge By-laws and Reserve Funds as at December 31, 2019, and to satisfy reporting requirements as prescribed in the *Development Charges Act, 1997*. A financial statement related to Cash in Lieu of Parkland as pursuant to subsection 42 of the *Planning Act, 2015*.

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 based on those capital projects that are eligible for development charge funding pursuant to the *Development Charges Act, 1997*.

The audited 2019 Financial Statements include information regarding the Township's Development Charge Reserve Funds.

Section 43(1) of the *Development Charges Act, 1997* prescribes that the Treasurer shall provide Council with an annual financial statement relating to Development Charge By-laws and Reserve Funds, as follows:

A statement must include, for the preceding year,

- (a) A statement of the opening and closing balances of the reserve funds and of the transactions relating to the funds
- (b) Statements identifying,
 - i. All assets whose capital costs were funded under a development charge by-law during the year,
 - ii. For each asset mentioned in subclause (i), the manner in which any capital cost not funded under the by-law was or will be funded;
- (c) A statement as to compliance with the Development Charges Act regarding no additional levies as per subsection 59.1 (1)

Council shall ensure that the statement is available to the public.

The Treasurer shall give a copy of the statement to the Minister of Municipal Affairs and Housing on request.

Cash in lieu of parkland is collected in accordance with the Planning Act and the Township by-law 2016-10. Funds received are deposited to the segregated reserve fund for parkland purposes and interest applied in accordance with township policy and procedures. Eligible disbursements from the fund are in accordance with the provisions of legislation, township policy and approved budgets.

Pursuant to Subsection 42 of the *Planning Act*, 2015, the Treasurer shall present a statement relating to Cash in Lieu of Parkland. The Treasurer's statement must include, for the preceding year,

- (a) Statement of the opening and closing balances of the special account and of the transactions relating to the account.
- (b) Statements identifying,
 - (i) Any land or machinery acquired during the year with funds from the special account,
 - (ii) Any building erected, improved or repaired during the year with funds from the special account,
 - (iii) Details of the amounts spent, and
 - (iv) For each asset mentioned in subclauses (i) and (ii), the manner in which any capital cost not funded from the special account was or will be funded; and
- (c) Any other information that is prescribed. 2015, c. 26, s 28 (11).

4. **ANALYSIS:**

Schedule A to this report entitled "Annual Statement of Development Charge Reserve Funds" provides a summary of the opening and closing balances of each Development Charge Reserve Fund the year ended December 31, 2019. The schedule also shows any encumbrances or commitments to be funded.

Schedule B to this report entitled "Annual Statement of Reserve Fund Transfers" details each capital acquisition/project that was funded by a development charge during 2019, including all sources of funding applied to those acquisitions/projects during the year.

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 C to this report entitled “Listing of credits under DCA, 1997, s.38 by Holder” provides the updated status of development charge credits for the year ended December 31, 2019. Development charge credits are provided where the Township agrees to allow a developer to construct works that relate to services described within the development charge by-law. During 2019, there were \$43,105 credits granted as per Schedule C.

Schedule D to this report entitled “Statement of Cash in Lieu of Parkland Reserve Fund” provides a summary of the opening and closing balances of each the Cash in Lieu of Parkland Reserve Fund for the year ended December 31, 2019.

5. FINANCIAL IMPLICATIONS:

During 2019, development charge collections totalled almost \$5.8 million and interest earnings on the development charge reserve funds totalled \$350 thousand. Development charge funding allocations to capital acquisitions and projects in 2019 totalled almost \$4.1 million. As indicated in the table below, total development charge reserve funds balances increased to \$16.1 million to support 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.

Continuity of Development Charge Reserve Funds

Opening balances	\$14,529,286
Development charge collections	5,815,479
Development charge credits	(43,105)
Interest earnings	350,593
Funding allocated to capital and operating	<u>(\$4,554,944)</u>
Closing balances	<u>\$16,097,308</u>

During 2019, Parkland Fees collected totalled almost \$5.3 million and interest earnings on the Cash in Lieu of Parkland Reserve Fund totalled \$66 thousand. The amount of Cash in Lieu funding allocations to capital acquisitions and projects in 2019 totalled almost \$5.5 million. As indicated in the table below, total amount of Cash in Lieu of Parkland Reserve Funds shows a deficit of \$18,454.

Cash in Lieu of Parkland Reserve Funds

Opening balances	\$5,335,806
Parkland Fees collected	80,228
Interest earnings	65,614
Funding allocated to capital	<u>(\$5,500,102)</u>
Closing balances	<u>(\$18,454)</u>

6. INTEGRATED COMMUNITY AND SUSTAINABILITY & OFFICIAL PLAN LINKAGE

The ISCP and Official plan are the Township’s overarching guiding documents based on common values, priorities and long term vision for King. King Township’s Integrated Community Sustainability Plan (ICSP) was formally adopted by Council on April 2, 2012. King Township’s Our King: Official Plan was formally adopted by Council on September 23rd, 2019, which embodies and focuses on the sustainability pillars identified in the ICSP.

This report links to the theme Financial Sustainability and more specifically the goal of being cost effective and financially prudent with the Township’s financial resources.

7. ATTACHMENTS:

Schedule ‘A’ - 2019 Annual Statement of Development Charge Reserve Funds

Schedule ‘B’ - 2019 Annual Statement of Reserve Fund Transfers

Schedule ‘C’ - 2019 Listing of Credits under DCA, 1997, s. 38 by holder

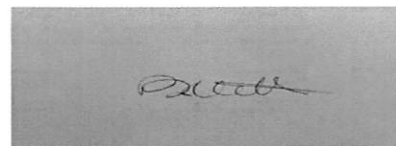
Schedule ‘D’ – Statement of Cash in Lieu of Parkland Reserve Fund

Submitted by:

Dan Elliott

Dan Elliott, CPA, CA
Interim Manager of Revenue

Approved by:



Peggy Tollett, CPA, CGA
Director of Finance & Treasurer

TOWNSHIP OF KING
ANNUAL DEVELOPMENT CHARGE RESERVE FUND STATEMENT
 For the Year 2019

Schedule "A" to FR-2020-11

	Admin	Fire Service	Parks - Outdoor	Recreation - Indoor	Library Service	Roads & Related	Water	King City Sewer	Nobleton Sewer	Water & Wastewater Studies	Parking	Total
Opening Balance - January 1, 2019	\$ 488,074	\$ 988,577	\$ 186,678	\$ 5,421,328	\$ 892,564	\$ 4,328,060	\$ 35,099	\$ 1,355,051	\$ 762,635	\$ 55,141	\$ 6,077	\$ 14,529,286
Revenue												
Development Charge	\$ 139,227	\$ 184,856	\$ 642,608	\$ 1,458,564	\$ 242,911	\$ 1,437,626	\$ 655,802	\$ 977,566	\$ 10,371	\$ 64,387	\$ 1,560	\$ 5,815,478
Interest Earned	\$ 10,819	\$ 24,994	\$ 831	\$ 124,886	\$ 10,273	\$ 124,128	\$ 1,966	\$ 32,286	\$ 18,860	\$ 1,388	\$ 154	\$ 350,593
Total Revenues	\$ 150,046	\$ 209,850	\$ 643,439	\$ 1,583,450	\$ 253,184	\$ 1,561,754	\$ 657,768	\$ 1,009,852	\$ 29,231	\$ 65,774	\$ 1,714	\$ 6,166,071
Expenditures												
Development Charge Credits Used By Holder	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (43,105)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (43,105)
Transfers to Capital	\$ -	\$ -	\$ (512,766)	\$ (1,179,582)	\$ (1,250,505)	\$ (632,615)	\$ (40,000)	\$ (304,000)	\$ -	\$ -	\$ -	\$ (4,119,468)
Transfers to Operating	\$ (355,976)	\$ -	\$ -	\$ -	\$ (65,788)	\$ -	\$ -	\$ -	\$ -	\$ (13,713)	\$ -	\$ (435,478)
Total Expenditures	\$ (355,976)	\$ -	\$ (512,766)	\$ (1,179,582)	\$ (1,316,293)	\$ (675,720)	\$ (40,000)	\$ (304,000)	\$ -	\$ (13,713)	\$ -	\$ (4,598,049)
Closing Balance - December 31, 2019	\$ 282,144	\$ 1,188,427	\$ 317,351	\$ 5,825,207	\$ (170,545)	\$ 5,014,094	\$ 652,867	\$ 2,060,903	\$ 791,867	\$ 107,202	\$ 7,791	\$ 16,097,307
Encumbrance	\$ 152,059	\$ -	\$ 217,720	\$ 2,521,506	\$ 2,625,290	\$ 1,114,050	\$ -	\$ -	\$ -	\$ 27,044	\$ -	\$ 6,657,669
Closing Balance Net of Encumbrance - December 31, 2019	\$ 140,086	\$ 1,188,427	\$ 99,631	\$ 3,303,701	\$ (2,795,835)	\$ 3,900,045	\$ 652,867	\$ 2,060,903	\$ 791,867	\$ 80,158	\$ 7,791	\$ 9,439,639

Note 1: Development Charge Reserve Balance is reduced by \$6,630,624.00 to reflect Encumbrances for approved Capital Projects not completed yet.
 Note 2: See Schedule B for details

TOWNSHIP OF KING
ANNUAL STATEMENT OF RESERVE FUND TRANSFERS
For the Year 2019

Project Description	Funding				Encumbrance			
	DC	Operating Fund	Others	Debt Financing	Total	DC	Non-DC	Total
15th Sdrd, Hwy 27 to 8th Con (incl. culverts 303, 304)	\$ 84,536	\$ 9,393	\$ -	\$ -	\$ 93,929	\$ 327,639	\$ 143,389	\$ 471,028
10th Conc. King Rd. to 15th Sdrd.	\$ 6,589	\$ 6,589	\$ -	\$ -	\$ 13,178	\$ 313,411	\$ 73,411	\$ 386,821
19th Sideroad - Hwy 27 to Rebellion Way	\$ 13,971	\$ 13,971	\$ -	\$ -	\$ 27,942	\$ -	\$ -	\$ -
15th Sdrd, 10th Conc. To Hwy. 27	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 320,000	\$ 80,000	\$ 400,000
Main Street Typology (incl. Henry Gate, Parkview and Greenside)	\$ 722,452	\$ -	\$ 436,193	\$ -	\$ 1,158,645	\$ -	\$ -	\$ -
Keele St. King Rd. To Station Rd.	\$ 5,087	\$ 119	\$ -	\$ -	\$ 5,186	\$ -	\$ -	\$ -
Roads Total	\$ 832,615	\$ 30,072	\$ 436,193	\$ -	\$ 1,298,880	\$ 961,050	\$ 296,800	\$ 1,257,849
Centennial Park Building	\$ 3,028	\$ -	\$ -	\$ -	\$ 3,028	\$ -	\$ -	\$ -
Cold Creek Building Expansion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 738,943	\$ 282,105	\$ 1,021,048
Nobleton Arena Building Expansion	\$ 63,297	\$ 18,280	\$ -	\$ -	\$ 81,577	\$ 131,103	\$ 3,144	\$ 134,248
Nobleton Tennis Clubhouse	\$ 916	\$ -	\$ 102	\$ -	\$ 1,018	\$ 179,084	\$ 19,898	\$ 198,982
KTMC - 2585 King Road	\$ 263,557	\$ 157,739	\$ 1,761	\$ 4,771	\$ 427,828	\$ -	\$ -	\$ -
Township Wide Recreation Complex	\$ 777,625	\$ 48,774	\$ 37,629	\$ -	\$ 864,027	\$ 1,472,375	\$ 201,226	\$ 1,673,602
Nobleton Sports Park Phase Two	\$ 162,290	\$ -	\$ 12,500	\$ -	\$ 174,790	\$ -	\$ -	\$ -
Trail Development/ Linkages	\$ 10,882	\$ 22,778	\$ -	\$ -	\$ 33,459	\$ -	\$ -	\$ -
Dog Leash Free Park	\$ 176	\$ 1,783	\$ -	\$ -	\$ 1,959	\$ 2,018	\$ 20,404	\$ 22,422
Geniview Park PPB	\$ 6,320	\$ 5,384	\$ -	\$ -	\$ 11,703	\$ -	\$ -	\$ -
Maldenstone Neighbourhood Park Phase 1	\$ 325,724	\$ -	\$ 143,091	\$ -	\$ 468,815	\$ 52,276	\$ 42,000	\$ 94,276
Fox Trail Park (Replacement)	\$ 2,078	\$ 231	\$ -	\$ -	\$ 2,309	\$ 159,922	\$ 17,769	\$ 177,691
Trail Development - N1 Cold Creek to Bolton	\$ 5,495	\$ 611	\$ -	\$ -	\$ 6,106	\$ 3,505	\$ 389	\$ 3,894
Parks and Recreation Total	\$ 1,621,187	\$ 255,578	\$ 195,083	\$ 4,771	\$ 2,076,620	\$ 2,739,226	\$ 586,936	\$ 3,325,162
KC Library & Senior Expansion	\$ 1,321,666	\$ 585	\$ 1,500,000	\$ 3,000,000	\$ 5,822,250	\$ 2,566,528	\$ -	\$ 2,566,528
Library Collection	\$ 65,788	\$ -	\$ 7,310	\$ -	\$ 73,098	\$ 58,762	\$ 5,145	\$ 63,907
Library Total	\$ 1,387,454	\$ 585	\$ 1,507,310	\$ 3,000,000	\$ 5,895,348	\$ 2,625,290	\$ 5,145	\$ 2,630,435
King City Sanitary Sewer_ Kinghorn Road and Jane Street	\$ 304,000	\$ -	\$ -	\$ -	\$ 304,000	\$ -	\$ -	\$ -
Remote Meter Reading System	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -	\$ -	\$ -
Water & Wastewater Total	\$ 344,000	\$ -	\$ -	\$ -	\$ 344,000	\$ -	\$ -	\$ -
NEW 550 4x4 Roll Off w/ Refuse Body	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 153,000	\$ 17,000	\$ 170,000
Fleet and Equipment Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 153,000	\$ 17,000	\$ 170,000
King Official plan	\$ 113,774	\$ -	\$ -	\$ -	\$ 113,774	\$ -	\$ -	\$ -
Zoning By-Law	\$ 80,503	\$ -	\$ -	\$ -	\$ 80,503	\$ -	\$ -	\$ -
Design Guidelines (Commertical Cores & Employment)	\$ 18,569	\$ -	\$ -	\$ -	\$ 18,569	\$ -	\$ -	\$ -
Stormwater master plan	\$ 87,759	\$ -	\$ -	\$ -	\$ 87,759	\$ 96,934	\$ 10,771	\$ 107,705
Transportation Master Plan	\$ 45,756	\$ -	\$ -	\$ -	\$ 45,756	\$ -	\$ -	\$ -
DC background studies	\$ 7,875	\$ -	\$ -	\$ -	\$ 7,875	\$ 55,125	\$ 5,512	\$ 60,637
KTPL Strategic Plan	\$ 1,740	\$ -	\$ -	\$ -	\$ 1,740	\$ -	\$ -	\$ -
Water & Wastewater Master Plan	\$ 13,713	\$ -	\$ -	\$ -	\$ 13,713	\$ 27,044	\$ 3,005	\$ 30,049
Studies Total	\$ 369,689	\$ -	\$ -	\$ -	\$ 369,689	\$ 179,103	\$ 19,288	\$ 198,391
Total Projects Payments	\$ 4,554,945	\$ 286,235	\$ 2,138,586	\$ 3,004,771	\$ 9,984,537	\$ 6,657,669	\$ 925,169	\$ 7,582,838

Schedule "C" to FR-2020-11

TOWNSHIP OF KING
ANNUAL DEVELOPMENT CHARGE RESERVE FUND STATEMENT
LISTING OF CREDITS UNDER DCA, 1997, s.38 BY HOLDER
 For the Year 2019

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
Hickory Hills Investments Inc.	Roads & Related	\$ 137,000	\$ -	\$ -	\$ 137,000
King Dufferin Developments CR Inc.	Roads & Related	\$ 27,000	\$ -	\$ -	\$ 27,000
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
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
Fandor (Nobleton) concurrent works	Roads & Related Wastewater - Nobleton	\$ 88,986	\$ -	\$ -	\$ 88,986
Total		\$ 3,705,301	\$ -	\$ 43,105	\$ 3,662,196

Schedule "D" to FR-2020-11

TOWNSHIP OF KING
ANNUAL STATEMENT OF CASH IN LIEU OF PARKLAND RESERVE FUND
 For the Year 2019

	Cash in Lieu of Parkland Reserve Fund
Opening Balance at January 1, 2019	\$ 5,335,806
Contributions	\$ 80,228
Interest Earned	\$ 65,614
Transfers to Capital Building Structure Nobleton Tennis Clubhouse	(102)
Land Nobleton Junior Public School - Acquisition	(5,500,000)
Machinery & Equipment	
Transfers to Operating	\$ -
Closing Balance at December 31, 2019	\$ (18,454)