



# Town of Erin

## Corporate Report

**Department:** Corporate Services

**Business Unit:** Finance

**Presented/  
Prepared By:** Oliver Gob, Director of Finance & Treasurer

**Report Number:**  
F2022-11

**Meeting Date:**  
5/26/2022

### Subject

**2021 Development Charges – Statement of Treasurer**

### Recommendation

**Be it resolved that** Council hereby receive report number F2022-11 “2021 Development Charges – Statement of Treasurer” for information.

### Background

Pursuant to Section 43 of the Development Charges Act, 1997 (DCA) every municipal Treasurer is required to give Council an annual financial statement relating to the Town’s Development Charge By-law and Reserve Funds.

The DCA requires collection of development charges (and associated interest) to have separate reserve funds. Section 33 through 36 of the DCA provides the following regarding reserve fund establishment and use:

Categories of service, as per the Town’s By-law 20-40, for which development charges are imposed include the following:

- a) Transportation Services
- b) Fire Protection Services
- c) Parks and Recreation Services
- d) Administration (Studies)
- e) Water Supply Services
- f) Wastewater Services

The municipality will establish a reserve fund for each development charge collected. Money may be borrowed from the fund but must be paid back with interest (O.Reg. 82/98, s. 11(1) defines the Bank of Canada rate either on the day the bylaw comes into force or, if specified in the by-law, the first business day of each quarter). DC reserve funds may not be consolidated with other municipal reserve funds for investment purposes and may only be as an interim financial source for capital undertakings for which development charges may be spent (s. 37)

## **Discussion**

### **2021 Development Charges – Statement of Treasurer**

The information that is included in the Treasurer’s Statement is prescribed by s.43 (2) and O. Reg. 82/98. In the Appendices of this Council Report, Appendix A “Development Charges Reserve Fund – Treasurer’s Statement 2021”, shows the revenues and disbursements and the year-end fund balances broken into service components for 2021. In 2021, approximately \$796k was collected for development charges which was 32% higher than the \$599k collected in 2020. 2021 interest earned on the reserve funds amounted to \$12.3k compared to \$10.7k in 2020. The DCA requires municipalities to spend DC funds on “growth related capital projects”. The Development Charges Reserve Fund total balance increased by \$4,573 whereby collections and interest earned were slightly higher than the amounts transferred to the Capital Fund.

### **2021 Cash in Lieu of Parkland – Statement of Treasurer**

With the proclamation of the *Smart Growth for Our Communities Act (Bill 73)*, a Treasurer’s Statement is required annually funds collected for Cash in Lieu of Parkland under Section 42 of the Planning Act. As per Section 42 of the Planning Act, a municipality may require, as condition of development, that land be conveyed to the Town for park and other public recreational purposes. Also, Council may require a payment in lieu of these funds for the acquisition of land to be used for park or other recreational purposes including the erection, improvement or repair of buildings and the acquisition of machinery for park or other public recreational purposes. In Appendix B, the Treasurer’s Statement outlining the reserve fund activity for 2021. During the year, the Town collected \$112.5k up from \$82.5k collected in 2020 and earned \$10.3k interest. There was approximately \$62k transfer to the Capital Fund for the Erin Rotary River Walk Trail.

## **Strategic Pillar**

Investment in Community Assets

## **Financial Impact**

There is no financial impact associated with the recommendation of this report.

## **Conclusion**

That Council receive the report F2022-11 “*2021 Development Charges – Statement of Treasurer*” for information.

## **Attachments**

Appendix A – Development Charges Reserve Fund – Treasurer’s Statement 2021

Appendix B – Cash in Lieu of Parkland Reserve Fund – Treasurer’s Statement 2021

Oliver Gob

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Nathan Hyde

Chief Administrative Officer