



Town of Erin

Corporate Report

Department: Corporate Services

Business Unit: Finance

Presented/

Prepared By: Wendy Parr, Director of Finance & Treasurer

Report Number:
F2024-14

Meeting Date:
5/23/2024

Subject

2023 Development Charges – Statement of Treasurer

Recommendation

Be it resolved that Council hereby receives report number F2024-14 “2023 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 has established 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 used as an interim financial source for capital undertakings for which development charges may be spent (s. 37).

Discussion

2023 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 report, Appendix A “Development Charges Reserve Fund – Treasurer’s Statement 2023”, shows the revenues and disbursements and the year-end fund balances broken into service components for 2023.

In 2024, approximately \$303k was collected for development charges which was 68% lower than the \$950k collected in 2022. 2023 interest earned on the reserve funds amounted to \$112.2k compared to \$36.9k in 2022. The DCA requires municipalities to spend DC funds on “growth related capital projects”. The Development Charges Reserve Fund total balance decreased by \$4.4k whereby collections and interest earned were slightly lower than the amounts transferred to the Capital Fund.

2023 Cash in Lieu of Parkland – Statement of Treasurer

With the proclamation of the *Smart Growth for Our Communities Act, 2015* (Bill 73), a Treasurer’s Statement is required annually respecting funds collected for Cash in Lieu of Parkland under Section 42 of the *Planning Act, 1990*. As per Section 42 of the Act, a municipality may require, as a 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 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 2023. During the year, the Town collected \$98.7k down from \$157.5k collected in 2022 and earned \$91.7k interest compared to \$29.8k in 2022. There was approximately \$40.6k transferred 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 receives the report F2024-14 “2023 Development Charges – Statement of Treasurer” for information.

Attachments

Appendix A – Development Charges Reserve Fund – Treasurer’s Statement 2023
Appendix B – Cash in lieu of Parkland Reserve Fund – Treasurer’s Statement 2023

Wendy Parr

Director of Finance & Treasurer

Rob Adams

Chief Administrative Officer