



Town of Erin Corporate Report

Department: Corporate Services

Business Unit: Finance

Presented/

Prepared By: Wendy Parr, Director of Finance & Treasurer

Report Number:

F2025-08

Meeting Date:

4/10/2025

Subject

2024 Development Charges – Statement of the Treasurer

Recommendation

That Council hereby receives report number F2025-08 “2024 Development Charges – Statement of the Treasurer” for information.

Background

Pursuant to Section 43 of the Development Charges Act, 1997 (DCA) the Treasurer is required to provide Council with 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:

Development Charges (DCs) for all Categories of Service except wastewater were collected under By-law 19-32 and its amending by-laws until they were repealed and replaced by By-law 24-35 in July 2024. DCs for wastewater services continue to be collected under By-law 23-09. The Categories of Service 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 By-law comes into force or, if specified in the By-law, the first business day of each quarter). Development Charge 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

2024 Development Charges – Statement of the 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 2024", shows the revenues and disbursements and the year-end fund balances broken into service components.

In 2024, approximately \$21,936,000 was collected for development charges compared to \$303,000 collected in 2023. This increase was due to the new residential developments. 2024 interest earned on the reserve funds amounted to \$112,200.

The DCA requires municipalities to spend DC funds on "growth related capital projects". The Development Charges Reserve Fund total balance increased by \$20,580,000 with collections and interest earned higher than the amounts transferred to the Capital Fund.

2024 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 respecting 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 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 outlines the reserve fund activity for 2024. During the year, the Town collected \$67,500 down from \$98,700 collected in 2023 and earned \$112,800 interest compared to \$91,700 in 2023. There were no transfers to the Capital Fund in 2024.

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 F2025-08 "2024 Development Charges – Statement of the Treasurer" for information.

Attachments

Appendix A – Development Charges Reserve Fund – Treasurer's Statement 2024

Appendix B – Cash in lieu of Parkland Reserve Fund – Treasurer's Statement 2024

Wendy Parr

Director of Finance & Treasurer

Rob Adams

Chief Administrative Officer