



CLEARVIEW

REPORT TO COUNCIL

Report Number: FIN-030-2017
Department: Finance
Meeting Date: 2017-07-31
Subject: 2016 Development Charge Statement

RECOMMENDATION:

Be It Resolved, that Council of Township of Clearview hereby:

- 1) Receives the 2016 Development Charge Statement including the "Treasurer's Statement, 2016 Development Charges" for information.
- 2) Direct the Treasurer to forward a copy of the "Treasurer's Statement, 2016 Development Charges" to the Minister of Municipal Affairs and Housing.

BACKGROUND:

Section 43 of the "Development Charges Act, 1997", as amended, requires the Treasurer of a municipality each year to give the council a financial statement relating to development charge bylaws and reserve funds established under Section 33, being the separate reserve funds for each service to which the development charge relates.

Further, the treasurer shall give a copy of the statement to the Minister of Municipal Affairs and Housing within 60 days after giving the statement to Council.

The most recent contact for the Ministry is:

Tristin McCredie,
Municipal Advisor,
Municipal Affairs and Housing,
2nd Floor, 777 Bay Street,
Toronto, ON M5G 2E5.

COMMENTS AND ANALYSIS:

The collection of development charges supports the funding of municipal infrastructure and capital projects.

Reserve funds are consolidated for banking purposes. Generally, development charges are not collected until after waterworks and sanitary sewage works capital costs have been incurred.

Large amounts of Stayner Sewer DCs including the pre-payments made in 2012 and 2014 were spent in 2014 and 2015 and some in 2016 to assist in the construction of the Stayner-Wasaga Beach Sanitary Sewer Connection Project. The project also has a grant component to assist with the costs. The projects associated with the pre-payments are; KRESI works, STP Pumping Station, Forcemain to KRESI, Mowat Extension, Emerald Extension and Industrial Servicing.

A substantial portion of the development charges were directed towards debt repayment and sanitary sewage works in 2016. Some of the Stayner Sewer prepaid DC credits were transferred from one owner to a new owner.

CLEARVIEW STRATEGIC PLAN:

5.1 Undertake regular evaluations and performance measurement of delivery of municipal services.

5.5 Undertake regular communications to describe the activities undertaken by Clearview.

COMMUNICATION PLAN:

Post on website.

Place in Public Finance binder on display in Administration Centre.

FINANCIAL IMPACT:

Development charges fund a portion of growth-related capital costs.

The balances of the reserve funds and collections of development charges are taken into account in the preparation of the budget and long term financial plan.

REPORT SCHEDULES:

- 1) Treasurer's Statement including Schedules

PREPARED BY:

Edward Henley, CPA, CMA, CRM
Director of Finance / Treasurer

REVIEWED BY:

Treasurer's Statement, 2016

Financial Statement relating to Development Charges By-laws and Reserve Funds

Governing Act: Section 43 of the "Development Charges Act, 1997", as amended
Paragraphs 12 and 13 of "Ontario Regulation 82/98", as amended

Governing By-laws: By-law # 14-58 replaces 09-50 effective July 14, 2014

Background

Section 43 of the "Development Charges Act, 1997", as amended, requires the Treasurer of a municipality each year to give the Council a financial statement relating to development charge bylaws and reserve funds established under Section 33, being the separate reserve funds for each service to which the development charge relates. Further, the Treasurer shall give a copy of the statement to the Minister of Municipal Affairs and Housing within 60 days after giving the statement to Council.

Reserve funds established under the old Act for eligible services under the new Act are deemed to be reserve funds under the new Act, that is, they continue to be considered as development charges reserve funds. These reserve funds were previously consolidated with reserve funds under the new Act. Reserve funds established under the old Act for ineligible services under the new Act are deemed to be general capital reserve funds. Both types of reserve funds may previously have been included in the Treasurer's Statement in order to provide for a transition from the old Act to the new Act. In addition, the Recreational Land and Federal Gas Tax Reserve Funds, being legislative reserve funds, and Parking, Creemore Sewer Project, and Carruthers Memorial Reserve Funds have been included in the Treasurer's Statement.

By-law #14-58 came into effect on July 14, 2014 and incorporated By-law #14-40. There were no amendments in 2016.

Information

This Report and attached Schedules form the statement providing required information as outlined in "Ontario Regulation 82/98", as amended.

The opening and closing balances of the reserve funds and the transactions relating to the funds are provided in the attached Schedules. The total opening balance of the development charges reserve funds at the beginning of 2016 was a negative balance of (\$3,003,575). The balance of the "old" development charges of the Township were consolidated with other reserve funds or transferred to the Capital Fund in previous years.

Development charges collected, and prepayments recognized amounted to \$515,366. Non-cash DC credits of \$0 were granted. \$13,639.15 of the Stayner Sewer DCs representing 5 SDUs collected were forwarded to Wasaga Beach with respect to the \$2,727.83 per SDU capacity DCs.

Interest earned by the development charges reserve funds amounted to a net charge of (\$37,109) due to the overall net negative DC balance. The projects financed, in whole or in part, by development charges are also provided on the attached Schedules.

Development charges spent represented \$197,338 which included a credit due to a refund from Wasaga Beach in Stayner Sewer DCs (\$93,144) Capital Fund + \$292,032 Revenue Fund) in financing for the projects.

The net closing balance of the development charges reserve funds at the ending of 2016 was (\$3,762,705). The overall net closing balance of all reserve funds was (\$1551,011).

This information is noted in Schedule A.

The specific detailed requirements of the Regulation are addressed under the following headings:

- 1) Description of Services and Categories of Services
- 2) Credits
- 3) Money Borrowed
- 4) Interest Accrued
- 5) Sources of Repayment
- 6) Old Credits

1. Description of Services and Categories of Services

Non-Discounted Services

Fire Protection Services:

Fire protection, rescue, and emergency services, including land, buildings, equipment, and fleet (vehicles, rolling stock)

Polices Services:

Police services including community policing space, land, buildings, and equipment (excluding fleet, vehicles, rolling stock)

Roads and Related Services:

Roads (highways) services including roads, storm water drainage related to roads, bridges, culverts, sidewalks, streetlights, traffic signals, land, buildings (depots and domes), equipment and fleet (vehicles, rolling stock)

Wastewater Facilities and Collection Systems:

Wastewater services including sanitary sewage systems, wastewater collection and treatment services for specific service areas, pipes, structures, land, buildings, and equipment

Water Facilities and Distribution Systems:

Water services including waterworks systems, water supply, distribution, and treatment services for specific service areas, pipes, structures, land, buildings, and equipment

Discounted Services

Administration Services (Growth-Related Studies):

Growth-related and general government studies including development charges background studies

Municipal Parking Spaces:

Municipal parking lots including land

Recreation Services:

Parks and recreation services including parkland development, trails, outdoor recreational facilities, indoor recreational facilities, land, buildings, equipment, and fleet (vehicles, rolling stock)

Library Services:

Library services including land, buildings, equipment, and collection materials for circulation, reference, and information purposes

2. Credits

Section 38(1) of the “Act” provides that “If a municipality agrees to allow a person to perform work that relates to a service to which a development charge by-law relates, the municipality shall give the person a credit towards the development charge in accordance with the agreement.”

There were:

- \$0 in credits and \$6,175,651.83 in prepayments outstanding at the beginning of the year, and
- \$0 in credits and \$0 in prepayments were granted/received in the year, and
- \$0 in credits and \$0 in prepayments were used in the year, and
- \$0 in credits and \$6,175,651.83 in prepayments were outstanding at the ending of the year.
- All of the credits owned by “Alyange Holdings Inc. and John Foster” were transferred to “1063105 Ontario Limited”.

The credits and prepayments are detailed in Schedule C.

3. Money Borrowed

Money was available to be borrowed from consolidated reserve funds, being all legislative and discretionary reserve funds, by the municipality during the year to provide short term financing for operations and capital projects. The amounts borrowed were dependent upon the cash flow of the Revenue Fund and Capital Fund during the year. No amounts were borrowed from the reserve funds during the year. \$4,412,685, including interest, was borrowed within the reserve funds during the year for eligible projects.

Transfers for any due to or due from amounts were completed in 2016.

4. Interest Accrued

Interest of \$0 was accrued on money borrowed from the consolidated reserve fund by the municipality during the year. Interest of \$41,968 was accrued on money borrowed within the reserve funds during the year. Reserve funds are consolidated with interest allocated based on respective balances. The amounts of interest accrued are based on the amounts due to and from the funds and prevailing interest rates. The effective annualized interest rate was 0.95% as at December 31, 2016.

5. Sources of Repayment

Taxation, user rates, reserves, reserve funds, and other sources are available by the municipality to repay money borrowed from consolidated reserve funds and interest on such money. The amounts of repayments are dependent upon the cash flow of the Revenue Fund, Capital Fund, and reserve funds during the year. No amounts were repaid to the reserve funds during the year.

The collection of future development charges is required to repay the \$4,412,685 in borrowings within the reserve funds..

6. Old Credits

There were no credits recognized under Section 14 of the old Act. No applications for the recognition of credits under the old Act were received under the transitional provisions of the new Act.

Respectfully submitted by,

Edward Henley, CPA, CMA, CRM
Director of Finance / Treasurer

Clearview
PO Box 200
217 Gideon Street
Stayner, ON, L0M 1S0

Township of Clearview

Financial Statement relating to Development Charge By-laws and Reserve Funds (prepared pursuant to Section 43 of the Development Charges Act, 1997 and Ontario Regulation 82/98)

For the Year Ended December 31, 2016

Reserve Fund Descriptions and Categories of Service	Opening Balances	Revenues					Subtotal	Expenditures					Subtotal	Closing Balances
		DCs	Parkland Cash in Lieu	Other	Interest	Adjustments		Capital Fund	Revenue Fund	Other	Interest	Adjustments		
Development Charges														
Non Discounted Services														
Fire	\$ (188,029)	\$ 15,136		\$ (2,155)	\$ -	\$ 12,981	\$ -	\$ (74,124)	\$ -	\$ -	\$ -	\$ -	\$ (74,124)	\$ (249,172)
Police	\$ (36,630)	\$ 4,974		\$ (418)	\$ -	\$ 4,556	\$ -	\$ (15,584)	\$ -	\$ -	\$ -	\$ -	\$ (15,584)	\$ (47,658)
Roads and Related	\$ 224,292	\$ 151,161		\$ 2,867	\$ -	\$ 154,028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 378,320
Wastewater														
Stayner	\$ (3,003,575)	\$ 9,720		\$ (28,534)	\$ -	\$ (18,815)	\$ 93,144	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,144	\$ (2,929,245)
Creemore	\$ 23,883	\$ 9,810		\$ 28	\$ -	\$ 9,838	\$ -	\$ (44,280)	\$ -	\$ -	\$ -	\$ -	\$ (44,280)	\$ (10,559)
New Lowell	\$ (8,485)	\$ -		\$ (81)	\$ -	\$ (81)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,566)
Nottawa	\$ (8,485)	\$ -		\$ (81)	\$ -	\$ (81)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,566)
Water														
Stayner	\$ (1,049,565)	\$ 52,578		\$ (10,716)	\$ -	\$ 41,862	\$ -	\$ (128,598)	\$ -	\$ -	\$ -	\$ -	\$ (128,598)	\$ (1,136,301)
Creemore	\$ 75,867	\$ 11,383		\$ 736	\$ -	\$ 12,118	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,985
New Lowell	\$ 7,322	\$ 9,190		\$ 88	\$ -	\$ 9,278	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,600
Nottawa	\$ (2,054)	\$ -		\$ (20)	\$ -	\$ (20)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,074)
Discounted Services														
Administration (Studies)	\$ (7,736)	\$ 17,523		\$ 12	\$ -	\$ 17,535	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,799
Municipal Parking Spaces	\$ 11,424	\$ 2,353		\$ 119	\$ -	\$ 2,471	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,896
Recreation	\$ 111,942	\$ 30,245		\$ 1,192	\$ -	\$ 31,437	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,379
Library	\$ (16,867)	\$ 24,414		\$ (145)	\$ -	\$ 24,269	\$ -	\$ (27,946)	\$ -	\$ -	\$ -	\$ -	\$ (27,946)	\$ (20,544)
Subtotal DCs	\$ (3,866,695)	\$ 338,486	\$ -	\$ (37,109)	\$ -	\$ 301,378	\$ 93,144	\$ (290,532)	\$ -	\$ -	\$ -	\$ -	\$ (197,388)	\$ (3,762,705)
Other Reserve Funds														
Recreational Land (Parkland)	\$ 135,938		\$ 63,090	\$ 1,319	\$ -	\$ 64,409	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,347
Parking	\$ 10,819		\$ -	\$ 103	\$ -	\$ 103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,922
Creemore Sewer Project	\$ (1)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1)
Carruthers Memorial Park	\$ 139,488		\$ -	\$ 1,320	\$ -	\$ 1,320	\$ -	\$ (1,500)	\$ -	\$ -	\$ -	\$ -	\$ (1,500)	\$ 139,307
Federal Gas Tax	\$ 1,822,277		\$ 506,283	\$ 18,344	\$ -	\$ 524,627	\$ (485,785)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (485,785)	\$ 1,861,119
Total Reserve Funds	\$ (1,758,174)	\$ 338,486	\$ 63,090	\$ 506,283	\$ (16,024)	\$ 891,836	\$ (392,641)	\$ (292,032)	\$ -	\$ -	\$ -	\$ -	\$ (684,673)	\$ (1,551,011)
Supplementary Information														
Residential Unit Counts	Year	Stayner	Creemore	New Lowell	Nottawa	Rural	Total							
	2005	47	1	0	0	49	97							
	2006	45	1	0	0	26	72							
	2007	36	1	0	0	23	60							
	2008	25	0	0	0	15	40							
	2009	6	0	0	0	11	17							
	2010	5	1	0	0	28	34							
	2011	17	1	0	0	17	35							
	2012	4	2	0	0	10	16							
	2013	3	1	0	0	14	18							
	2014	21	3	0	0	12	36							
	2015	1	1	0	0	23	25							
	2016	5	2	1	1	24	33							

Operating Fund Transactions	Annual Debt Repayment Amount	DC Recoverable Cost Share					Non-DC Recoverable Cost Share		
		DC Reserve Fund Draw		Post DC By-law Period			Principal	Interest	Source
		Principal	Interest	Principal	Interest	Source			
DISCOUNTED SERVICES									
Administration									
	0								
	0								
	0								
Sub-total Administration	0	0	0	0	0	0	0	0	0
Parking									
	0								
	0								
	0								
Sub-total Parking	0	0	0	0	0	0	0	0	0
Recreation									
	0								
	0								
	0								
Sub-total Recreation	0	0	0	0	0	0	0	0	0
Library									
New Lowell Library	25,730	13,515	3,645				6,757	1,813	Taxation
Perry/Gideon Lands	15,862	5,784	5,002				2,721	2,355	Taxation
	0								
Sub-total Library	41,592	19,299	8,647	0	0	0	9,478	4,168	0
SUB-TOTAL OPERATING DCs	672,319	128,665	161,867	0	0	0	255,612	126,175	0

Capital/Operating Transactions	Gross Capital Cost	Parkland	Other Reserve Funds	Reserves	Revenue Fund Taxation	Revenue Fund User Rates	Federal / Provincial Grants	Other Grants	Development Charges	Other Contributions	Proceeds of Debt
NON-DC RESERVE FUNDS											
Recreation Land (Parkland)											
	0										
	0										
	0										
Sub-total Parkland	0	0	0	0	0	0	0	0	0	0	0
Parking											
	0										
	0										
	0										
Sub-total Parking	0	0	0	0	0	0	0	0	0	0	0
Creemore Sewer Project											
	0										
	0										
	0										
Sub-total Creemore Sewer	0	0	0	0	0	0	0	0	0	0	0
Carruthers Memorial											
Operational Costs	1,500		1,500								
	0										
	0										
Sub-total Carruthers	1,500	0	1,500	0	0	0	0	0	0	0	0
Federal Gas Tax											
Repave Sunnidale TL	180,879			92,153			88,726				
Centre Street Paving	498,036						200,000			298,036	
Nottawa High Lift Pumps	30,279						30,279				
Caroline St. Watermain	329,963					163,183	166,780				
Sub-total Federal Gas Tax	1,039,158	0	0	92,153	0	163,183	485,785	0	0	298,036	0
TOTAL of CAPITAL	947,513										

Legend: ST - Stayner, CR - Creemore, NT - Nottawa, NL - New Lowell

Schedule C

Township of Clearview

Credits Outstanding under Section 38 of the Development Charges Act, 1997 (prepared pursuant to Section 43 of the Development Charges Act, 1997 and Ontario Regulation 82/98)
For the Year Ended December 31, 2016

Reserve Fund Descriptions and Categories of Services	Opening Balances	Credits Granted			Credits Transferred	Credits Used	Closing Balances
Roads and Related	\$ -						\$ -
Wastewater							
Stayner	\$ -						\$ -
Creemore	\$ -						\$ -
New Lowell	\$ -						\$ -
Nottawa	\$ -						\$ -
Water							
Stayner	\$ -						\$ -
Creemore	\$ -						\$ -
New Lowell	\$ -						\$ -
Nottawa	\$ -						\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Individual Credit Holders

Supplementary Information

Prepayments Outstanding under Section 27 of the Development Charges Act, 1997 (prepared pursuant to Section 43 of the Development Charges Act, 1997 and Ontario Regulation 82/98)
For the Year Ended December 31, 2016

Reserve Fund Descriptions and Categories of Services	Opening Balances	Prepayments Purchased	Prepayment Converted	Prepayment Credits Issued	Prepayments Transferred	Prepayments Used	Closing Balances
Roads and Related	\$ -						\$ -
Wastewater							
Stayner - Collection and Capacity	\$ 217,193.14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 217,193.14
Stayner - Collection only	\$ 5,958,458.69	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,958,458.69
Creemore	\$ -						\$ -
New Lowell	\$ -						\$ -
Nottawa	\$ -						\$ -
Water							
Stayner	\$ -						\$ -
Creemore	\$ -						\$ -
New Lowell	\$ -						\$ -
Nottawa	\$ -						\$ -
Total	\$ 6,175,651.83	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,175,651.83

Schedule C

Township of Clearview

Credits Outstanding under Section 38 of the Development Charges Act, 1997 (prepared pursuant to Section 43 of the Development Charges Act, 1997 and Ontario Regulation 82/98)

For the Year Ended December 31, 2016

Individual Prepayment Holders Stayner Wastewater - Collection Only In Dollars (1 SDE unit = \$2,189)	Opening Balances	Prepayments Purchased	Prepayment Converted	Prepayment Credits Issued	Prepayments Transferred	Prepayments Used	Closing Balances
TSI Grandtag A2A CP Inc.	\$ 656,700.16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 656,700.16
TSI BP International Canada Inc.	\$ 1,506,032.38	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,506,032.38
TSI BP II International Canada Inc.	\$ 564,762.15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 564,762.15
The Estates of Clearview Inc.	\$ 1,659,262.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,659,262.00
863195 Ontario Ltd.	\$ 1,221,462.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,221,462.00
F.P.L.M.E.T. Group Incorporated	\$ 350,240.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350,240.00
	\$ 5,958,458.69	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,958,458.69

Individual Prepayment Holders Stayner Wastewater - Collection Only In Units (1 SDE unit = \$2,189)	Opening Balances	Prepayments Purchased	Prepayment Converted	Prepayment Credits Issued	Prepayments Transferred	Prepayments Used	Closing Balances
TSI Grandtag A2A CP Inc.	300.00	-	-	-	-	-	300.00
TSI BP International Canada Inc.	688.00	-	-	-	-	-	688.00
TSI BP II International Canada Inc.	258.00	-	-	-	-	-	258.00
The Estates of Clearview Inc.	758.00	-	-	-	-	-	758.00
863195 Ontario Ltd.	558.00	-	-	-	-	-	558.00
F.P.L.M.E.T. Group Incorporated	160.00	-	-	-	-	-	160.00
	2,722.00	-	-	-	-	-	2,722.00

Some numbers do not add to 1.00 due to rounding.