



Subject: 2017 Development Charges Reserve Funds Statement
Prepared by: Dan Elliott, Director of Financial Services - Treasurer
Department: Financial Services
Date: April 17, 2018

In accordance with the Procedure By-law, any Member of Council may request that this Information Report be placed on an upcoming General Committee or Council meeting agenda for discussion.

Executive Summary

This report provides a year end summary of development charge (DC) activity and reserve balances, as required under the Development Charges Act, 1997, S.O. 1997, c.27 as amended (the "DC Act").

- Aurora held Development Charge Reserves totaling \$15.4 million
- Aurora collected \$5.39 million of Development Charges during 2017
- Developers have committed to construct \$8.98 million of DC credit eligible projects

Background

Development charges are imposed by the Town of Aurora to recover growth-related capital costs from residential and non-residential developments as determined under the Act. Development Charges collected are held in separate reserve funds until spent.

The DC Act outlines specific reporting requirements for DC reserves funds. Sections 33 and 43 of the DC Act, require that:

- A municipality that has passed a DC bylaw shall establish a separate reserve fund for each service to which the DC relates and fund only eligible capital costs.
- The Treasurer of the municipality shall provide Council a financial statement relating to the DC bylaws and reserve funds established.

This financial statement must identify all assets where capital costs were funded in whole or in part under a DC bylaw and the manner for which any capital cost not funded under the bylaw was or will be funded.

Municipalities are also required to identify all other sources of funding applied to each project funded with DC's and provide a detailed summary of activities for each DC reserve fund for the year.

Analysis

Aurora held Development Charges Reserves totaling \$15.4 million net.

As of December 31, 2017, the Town's DC reserve fund balance was \$15.4 million as shown under Part 1 of detailed Development Charges Reserve Fund Statement in Attachment #1. This amount includes \$3.1 million of DC funds committed to capital projects but which were unspent at year end. Part II of this noted statement details how DC reserve fund monies were spent for both operational and capital needs.

Aurora collected \$5.39 million of Development Charges during 2017.

The total Town DC's collected in 2017 amounted to \$5.39 million. DC reserve funds which are reported as being in an overdrawn balance have technically been financed internally by borrowing against other DC reserve funds or other Town reserve fund balances. Interest is charged for the borrowing in accordance with the DC Act. For clarity, the individual internal borrowing accounts are not shown in Part I of the attachment.

Developers committed to construct \$8.98 million of DC credit eligible projects.

Part III of the statement outlines the continuity of outstanding DC credits. DC credits arise from agreements with developers to construct DC eligible infrastructure on behalf of the Town. Such projects may include upsizing a sewer inside their subdivision, installing a pumping station, building a park or trail or eligible works outside of their subdivision lands. The Town normally pays the DC credit upon completion of the specific works, and documented acceptance by Town officials of the works. Some credits are only paid to the extent of specific DC collections from within the subject subdivision agreement, with further payments made periodically thereafter until cleared. At the end of 2017, the Town had a total of \$8.98 million of outstanding DC credits. For the most part, these credits are expected to be fully paid within 3 years.

Advisory Committee Review

Not applicable

Legal Considerations

This report fulfills the statutory reporting requirements of the Development Charges Act.

Financial Implications

As noted above, in an effort to maintain a consistent level of service to a growing community, the Town has proactively invested in growth infrastructure ahead of its Development Charge revenues. Consequently, it requires bridge funding which is subsequently paid back as development charge revenues catch up. Staff anticipate that all DC balances will reach a positive reserve amount within two years through the continuing collection of ongoing development charges.

Communications Considerations

This report will be posted to the Town's Budget and Financial Information web page on the website.

Link to Strategic Plan

Reporting on Development Charges Reserve Funds contribute to achieving the Strategic Plan guiding principle of "Leadership in Corporate Management" and improves transparency and accountability to the community.

Alternative(s) to the Recommendation

N/A – Informational report only.

Conclusions

The 2017 Development Charges Reserve Fund Statement presented in this report satisfies the Town's reporting obligation pursuant the Development Charges Act.

Attachments

Attachment #1 – Development Charges Reserve Fund Statement. Parts I, II and III

Previous Reports

Last annual report: General Committee May 16, 2017, Report No. CFS17-020

Pre-submission Review

Agenda Management Team review on March 28, 2018

Departmental Approval



Dan Elliott
Director - Treasurer
Financial Services

Approved for Agenda



Doug Nadorozny
Chief Administrative Officer

PART I

Attachment #1

**Town of Aurora
Development Charges Reserve Fund Statement
Year Ended December 31, 2017**

	GENERAL GOV'T	FIRE SERVICES	PKS DEV & FACILITIES	INDOOR REC	LIBRARY SERVICES	MUNICIPAL PARKING	ROADS & RELATED	WATER SYSTEM	SANITARY SEWER	TOTAL
Opening Balance January 1	(711,464.10)	503,756.36	(2,376,827.60)	3,713,757.92	3,797,311.02	327,933.10	7,539,501.00	1,212,552.68	1,825,641.42	15,832,161.80
Add: Development Charges Collected	195,405.00	206,356.18	1,065,860.44	1,765,297.17	367,326.37	5,329.46	1,359,962.51	209,718.49	210,433.83	5,385,689.45
Less: DC credits paid in year - Mattamy Ph 2 Parks - Mattamy Ph 4 Sanitary Sewers			(1,515,929.00)						(1,531,117.86)	(1,515,929.00) (1,531,117.86)
Add: Interest Earned (charged)	(15,803.00)	3,020.00	(93,980.00)	48,800.00	35,713.00	3,153.00	62,192.00	(208.00)	4,777.00	47,664.00
Less: Expenditures in Year (see Part II)	(130,000.00)	(390,850.00)	(1,015,293.92)	(320,543.36)	(369,500.00)	-	(2,325,230.00)	(1,444,300.00)	-	(5,995,717.28)
<i>Closing DC Balance</i>	(661,862.10)	322,282.54	(3,936,170.08)	5,207,311.73	3,830,850.39	336,415.56	6,636,425.51	(22,236.83)	509,734.39	12,222,751.11
Add: Unspent Committed Allocations to Capital	89,815.30	317,073.96	162,608.41	2,559.44	20,832.93	-	458,783.60	582,044.14	1,508,150.80	3,141,868.58
Revised Closing DC Balance per Financial Statem	(572,046.80)	639,356.50	(3,773,561.67)	5,209,871.17	3,851,683.32	336,415.56	7,095,209.11	559,807.31	2,017,885.19	15,364,619.69

PART II

**Town of Aurora
Development Charges Reserve Fund Statement
Year Ended December 31, 2017**

Expenditures from DC's

	GENERAL GOV'T	FIRE SERVICES	PKS DEV & FACILITIES	INDOOR REC	LIBRARY SERVICES	MUNICIPAL PARKING	ROADS & RELATED	WATER SYSTEM	SANITARY SEWER	TOTAL DC FUNDING	OTHER NON- DC FUNDING	TOTAL FUNDING
<i>Funding Transferred to Operating Budget for Specific Purposes:</i>												
- SARC Debenture Payment				(320,543.36)						(320,543.36)	N/A	(320,543.36)
- Planning & Development Salaries & Waqes (relat	(130,000.00)									(130,000.00)	N/A	(130,000.00)
- Repayment of internal APL Borrowing					(289,500.00)					(289,500.00)	N/A	(289,500.00)
- Landscape Architects (development related)			(136,156.00)							(136,156.00)	N/A	(136,156.00)
- IES Salaries & Wages (related to DC Capital projects)										-	N/A	-
Total Operating Budget Allocations	(130,000.00)	-	(136,156.00)	(320,543.36)	(289,500.00)	-	-	-	-	(876,199.36)	-	(876,199.36)
<i>Funding Transferred to Capital Projects:</i>												
21006 - Fire Station 4-5		(170,500.00)								(170,500.00)		(170,500.00)
21102 - Pumper for New Fire Station		(220,350.00)								(220,350.00)		(220,350.00)
34610 - Leslie Street Sidewalk/Trail/Illumination							(164,529.00)			(164,529.00)	(18,281.00)	(182,810.00)
34620 - Leslie Sidewalk Trail Wellington to State Farm							(325,422.00)			(325,422.00)	(36,158.00)	(361,580.00)
34629 - Mary, Industrial S & Wellington Rehabilitation							(435,000.00)			(435,000.00)	(151,000.00)	(586,000.00)
34635 - St Johns Sidewalk/Trail/Illumination							(1,270,200.00)			(1,270,200.00)	(141,100.00)	(1,411,300.00)
43048 - St Johns Sdrd Leslie Street to 2C								(1,444,300.00)		(1,444,300.00)		(1,444,300.00)
34408 - Forklift							(18,000.17)			(18,000.17)	(2,000.00)	(20,000.17)
34217 - Joint Operations Centre			(162,422.92)				(88,067.83)			(250,490.75)		(250,490.75)
34528 - Traffic Safety							(25,439.00)			(25,439.00)		(25,439.00)
31115 - IES Closed Projects Contingency							(116,850.00)			(116,850.00)	(4,920.00)	(121,770.00)
73169 - Wildlife Park Phase 1 to 3			(900,000.00)							(900,000.00)	(100,000.00)	(1,000,000.00)
73177 - Pedestrian Underpasses							(148,336.00)			(148,336.00)		(148,336.00)
73243 - Grade Separated Crossing Wellington E of John West Way							(54,000.00)			(54,000.00)		(54,000.00)
73134 - Parks/Trails Signage Strategy & Implementation			(86,715.00)							(86,715.00)	(9,635.00)	(96,350.00)
77001 - Collection Expansion					(80,000.00)					(80,000.00)	(10,000.00)	(90,000.00)
77021 - Growth Related Shelving										-		-
81009 - Official Plan Review										-		-
Capital Close Reports - funds returned to source			270,000.00				320,614.00			590,614.00		590,614.00
Total Capital Project Allocations	-	(390,850.00)	(879,137.92)	-	(80,000.00)	-	(2,325,230.00)	(1,444,300.00)	-	(5,119,517.92)	(473,094.00)	(5,592,611.92)
Total DC Investments	(130,000.00)	(390,850.00)	(1,015,293.92)	(320,543.36)	(369,500.00)	-	(2,325,230.00)	(1,444,300.00)	-	(5,995,717.28)	(473,094.00)	(6,468,811.28)

PART III

**Town of Aurora
Development Charges Reserve Fund Statement
Year Ended December 31, 2017**

Development Charge Credits Continuity

	DC Credit Purpose	Balance Opening	New Credits Agreed	Credits Paid/ Granted	Cr. Not Used	Ending Balance
2004 Whitwell/Certas (statefarm)	Sani Pump Station	886,655				886,655
2008 Ballymore Brentwood 2008	Sani Pump Station	115,887				115,887
2014 Mattamy 2C Phase 1	Watermain External Works Part I	849,964				849,964
	Sanitary External Works Part I	550,083				550,083
	Park construction	216,610				216,610
2012 Knights Creek/Treasure Hill	Trails works	172,395				172,395
2014 TACC 2C Phase 1	Parks and Trails construction	70,600				70,600
2014 Mattamy 2C Phase 2	Watermain External Works Part II	789,056				789,056
	Sanitary External Works Part II	957,266				957,266
	Parks and Trails	1,515,929		(1,515,929)		-
2014 Brookfield 2C Phase 1	Sanitary External works	518,000				518,000
	Trail design/construction	109,200				109,200
2015 TACC 2C Phase 2	Sanitary Oversize	128,598				128,598
	Parks construction	1,668,109				1,668,109
2015 Mattamy 2C Phase 3	Park construction	344,023				344,023
2015 St. John's Development 2C	Sanitary Oversize	31,162				31,162
	Parks Trails	271,722				271,722
	Hartwell Way Valley Crossing Trail Comp.	200,000				200,000
2015 Brookfield 2C Phase 2	Parks design/construction	507,511				507,511
2015 Shimvest 2C	Watermain	136,103				136,103
	Sewermain	245,467				245,467
	trail system	209,217				209,217
2016 Mattamy 2C Phase 4	sanitary sewer along Leslie St.	1,618,536		(1,531,118)	(87,418)	-
		12,112,094	-	(3,047,047)	(87,418)	8,977,629