

Clause 9 in Report No. 7 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on April 21, 2016.

9

## 2015 Development Charge Reserve Fund Statement

Committee of the Whole recommends adoption of the following recommendation contained in the report dated March 24, 2016 from the Commissioner of Finance and the Regional Solicitor:

1. The Regional Clerk forward this report to the local municipalities and the Building Industry and Land Development Association, York Region Chapter.
- 

Report dated March 24, 2016 from the Commissioner of Finance now follows:

### 1. Recommendation

It is recommended that:

1. The Regional Clerk forward this report to the local municipalities and the Building Industry and Land Development Association, York Region Chapter.

### 2. Purpose

This report provides a year end summary of development charge activity and reserve balances, as required under the *Development Charges Act, 1997, as amended*.

### 3. Background

Development charges are a key funding source for the Region's capital plan

Development charges are imposed by York Region to recover growth-related capital costs from residential and non-residential developments. The majority of

## 2015 Development Charge Reserve Fund Statement

York Region's capital expenditures are due to growth, so development charges are a major source of funding for the Region's capital plan.

Development charge reserve reporting is required by the Development Charges Act, 1997, as amended

The *Development Charges Act, 1997, as amended*, outlines specific reporting requirements for development charge reserves. Sections 33 and 43 of the *Development Charges Act, 1997, as amended*, require that:

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

This financial statement must identify all assets where capital costs were funded under a development charge 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 development charges and provide a detailed summary of activities for each development charge reserve for the year.

### 4. Analysis and Options

As of December 31, 2015, the development charge reserve balance was \$207.7 million

The development charge reserve balance by service category is shown in Table 1 below.

**Table 1**  
**York Region 2015 Development Charge**  
**Reserve Balance as at December 31, 2015**

Service	\$ Millions
Regional Roads	238.7
Water Supply	(28.0)
Wastewater	(123.3)
General Services	120.3
<b>Total</b>	<b>207.7</b>

Attached to this report are five schedules (see Attachment 1):

- Schedule 1 summarizes the development charge reserves established under the authority of the *Development Charges Act, 1997, as amended*, and the Development Charge Bylaw. Schedule 1 (A) provides a breakdown of the General Services column on Schedule 1. Schedule 1 (B) provides details of the development charge credits shown on Schedule 1.
- Schedule 2 details 2015 capital project expenditures and development charge funds transferred to each project.
- Schedule 3 details Regional roads-related development charge expenditures for 2015.
- Schedule 4 details water supply-related development charge expenditures for 2015.
- Schedule 5 details wastewater servicing-related development charge expenditures for 2015.

The Treasurer's Reserve Fund Statement is in compliance with the Development Charges Act, 1997, as amended

As of December 31, 2015, this statement is in compliance with the Development Charges Act, 1997, as amended. Any additional reporting requirements identified by the Smart Growth for our Communities Act, 2015 (Bill 73) will be incorporated in the 2016 statement.

[Link to Key Council-approved Plans](#)

This report is consistent with the 2015 to 2019 Strategic Plan's priority area of Good Government.

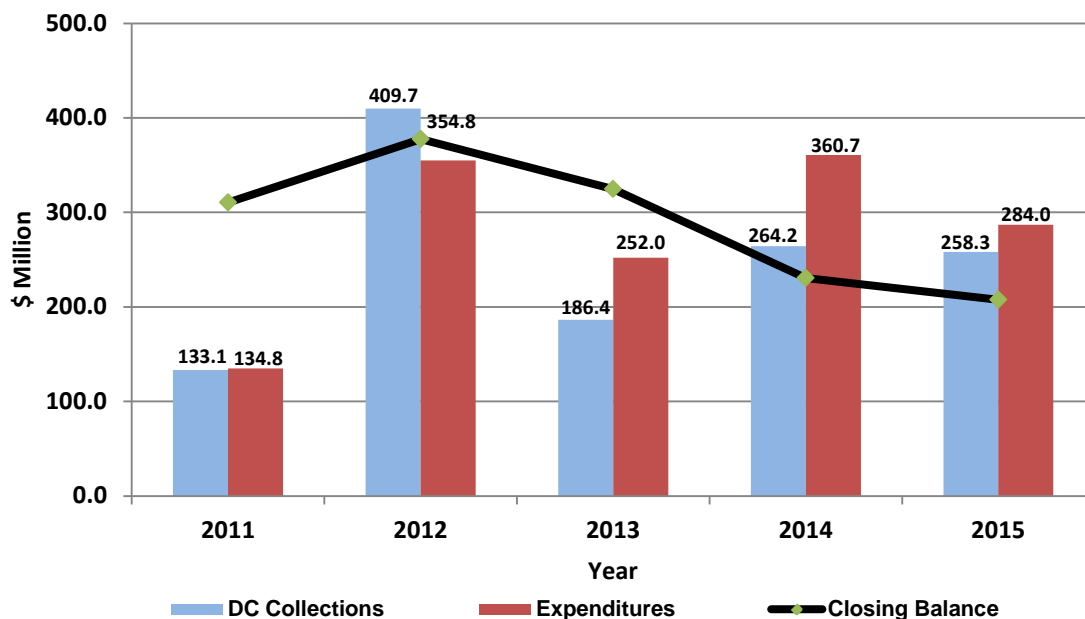
## 5. Financial Implications

Development charge expenditures exceeded collections by \$25.7M in 2015

Development charge funded capital expenditure in 2015 totalled \$284.0M, of which \$232.0M (82 per cent) was debenture repayments. Development charge collections in 2015 were \$258.3M, which was \$25.7M less than expenditures and \$37.7M less than the 2015 forecast.

Chart 1 details the comparison between development charge collections and expenditures during the past five years. For four of the five years, York Region drew more from the development charge reserves than it collected, leaving a balance of \$207.7M in the reserves on December 31, 2015.

**Chart 1**  
**York Region 2011 - 2015 Development Charge**  
**Collections and Expenditures Comparison (in \$M)**



## 6. Local Municipal Impact

Development charges are an important revenue source for constructing growth-related infrastructure, which benefits all municipalities in York Region.

## 7. Conclusion

The 2015 Development Charge Reserve Fund Statement presented in this report satisfies the Region's reporting obligations pursuant to the Development Charges Act, 1997, as amended.

For more information on this report, please contact Warren Marshall, Director, Controllershship Office, at Ext. 71601.

The Senior Management Group has reviewed this report.

March 24, 2016

Attachments (1)

6694858

Accessible formats or communication supports are available upon request

**Regional Municipality of York  
Development Charge Reserve Fund Statement  
January 1, 2015 to December 31, 2015**

	Regional Roads	Water Supply	Wastewater Servicing	General Services <sup>1</sup>	2015 Total
Opening Balance @ January 1, 2015	\$ 210,549,576.46	(\$324,534.43)	(\$103,865,982.57)	\$124,242,777.06	\$230,601,836.52
Development Charges Collected (Gross) <sup>2</sup>	\$75,416,121.00	\$60,508,467.18	\$105,623,390.45	\$25,454,278.28	\$267,002,256.91
Development Charge Credits Issued <sup>3</sup>	\$0.00	\$0.00	(\$8,728,192.33)	\$0.00	(\$8,728,192.33)
Development Charges Collected (Net)	<b>\$75,416,121.00</b>	<b>\$60,508,467.18</b>	<b>\$96,895,198.12</b>	<b>\$25,454,278.28</b>	<b>\$258,274,064.58</b>
Interest <sup>4</sup>	\$2,720,134.47	(\$114,931.76)	(\$1,338,070.14)	\$1,577,894.45	\$2,845,027.02
Revenue Sub -Total	<b>\$78,136,255.47</b>	<b>\$60,393,535.42</b>	<b>\$95,557,127.98</b>	<b>\$27,032,172.73</b>	<b>\$261,119,091.60</b>
Expenditures	<b>\$49,994,359.45</b>	<b>\$88,104,487.66</b>	<b>\$114,981,527.77</b>	<b>\$30,933,709.65</b>	<b>\$284,014,084.53</b>
Closing Balance @ December 31, 2015	<b>\$238,691,472.48</b>	<b>(\$28,035,486.67)</b>	<b>(\$123,290,382.36)</b>	<b>\$120,341,240.14</b>	<b>\$207,706,843.59</b>

**NOTES :**

1. See Schedule 1(A) for breakdown.
2. Adjusted to reflect gross DC collections before the deduction of DC credits.
3. See Schedule 1(B) for breakdown.
4. Interest earned or internal borrowing cost.

**Regional Municipality of York  
General Services Details  
Development Charge Reserve Fund Statement  
January 1, 2015 to December 31, 2015**

	<b>Opening Balance January 1, 2015</b>	<b>Development Charges Collected (Gross)</b>	<b>Development Charges Collected (Net)</b>	<b>Interest</b>	<b>Revenue Sub-Total</b>	<b>Expenditures</b>	<b>Closing Balance December 31, 2015</b>
Growth Studies	\$10,011,550.19	\$188,401.18	\$188,401.18	\$122,754.83	\$311,156.01	\$144,383.00	\$10,178,323.20
Police	\$13,457,064.76	\$4,018,192.54	\$4,018,192.54	\$170,596.32	\$4,188,788.86	\$4,705,558.68	\$12,940,294.94
EMS	\$3,477,855.58	\$649,137.43	\$649,137.43	\$44,978.01	\$694,115.44	\$702,689.88	\$3,469,281.14
Public Health	\$6,758,079.53	\$504,453.73	\$504,453.73	\$84,563.06	\$589,016.79	\$175,000.00	\$7,172,096.32
Long Term Care	\$17,921,802.70	\$206,522.21	\$206,522.21	\$220,654.28	\$427,176.49	\$0.00	\$18,348,979.19
Social Housing	\$1,810,256.76	\$2,050,978.82	\$2,050,978.82	\$33,202.56	\$2,084,181.38	\$0.00	\$3,894,438.14
Public Works	\$12,230,171.37	\$1,770,936.58	\$1,770,936.58	\$158,884.60	\$1,929,821.18	\$0.00	\$14,159,992.55
Subway	\$1,896,156.64	\$8,054,588.89	\$8,054,588.89	\$64,988.90	\$8,119,577.79	\$5,249,898.87	\$4,765,835.56
Transit Infrastructure	\$55,552,006.71	\$5,965,519.39	\$5,965,519.39	\$661,756.63	\$6,627,276.02	\$17,443,809.90	\$44,735,472.83
GO Transit	\$1,127,832.82	\$2,045,547.51	\$2,045,547.51	\$15,515.26	\$2,061,062.77	\$2,512,369.32	\$676,526.27
<b>2015 Total</b>	<b>\$124,242,777.06</b>	<b>\$25,454,278.28</b>	<b>\$25,454,278.28</b>	<b>\$1,577,894.45</b>	<b>\$27,032,172.73</b>	<b>\$30,933,709.65</b>	<b>\$120,341,240.14</b>

**Regional Municipality of York  
Development Charge Credits Issued  
January 1, 2015 to December 31, 2015**

Municipality	Subdivision	Developer	Hard Services			Total
			Regional Roads	Water Supply	Wastewater Servicing	
Town of Aurora	19T-06A01	Casing Developments Inc.			\$506,470.33	\$506,470.33
Town of East Gwillimbury	19T-03E01	Queensville Properties Inc	-	-	\$6,911,507.00	\$6,911,507.00
Town of Georgina	19T-95G82 & 19T-95G84 (Phase 2)	Christina Homes Ltd	-	-	\$1,310,215.00	\$1,310,215.00
<b>Total Development Charge Credits Issued <sup>1</sup></b>			<b>-</b>	<b>-</b>	<b>\$8,728,192.33</b>	<b>\$8,728,192.33</b>

**NOTE:** 1. In order to register for a plan of subdivision, developers are required to pay development charges for hard services (i.e. roads, water and wastewater services). Development charge credits issued are direct reductions against these applicable hard services.

The total development charge credits issued reduces the Gross development charges collected by the Region to calculate the Net

The remaining balance of development charges are collected at the building permit issuance stage.

development charge collections which are used to calculate the Annual Repayment Limit.



**Regional Municipality of York Development Charge Reserve  
Capital Program Expenditures  
January 1, 2015 to December 31, 2015**

Service Category	Project Number	Project Description	Development Charge Funding (\$)	Associated Project Funding		2015 Total Project Funding (\$)
				Tax Levy Funding (\$)	Other Project Funding (\$) <sup>1</sup>	
Growth Studies	11071	Long Range Strategic Planning Study	140,000.00			140,000.00
	68300	Economic Strategic Initiatives Study	4,383.00			4,383.00
			144,383.00	0.00	0.00	144,383.00
Police	26160	Debenture Payments <sup>2</sup>	3,184,500.00		13,539,261.73	16,723,761.73
	27200	2nd District Operations - Richmond Hill <sup>3</sup>	(261,235.88)		26.47	(261,209.41)
	27300	3rd District Renovations Sutton <sup>3</sup>	(91,361.38)			(91,361.38)
	28110	Communications Bureau - Radio Sstem Upgrades <sup>3</sup>	(39,546.16)			(39,546.16)
	28300	Information Technology - Mobile Data Terminal	492,305.76			492,305.76
	29017	Specialized Equipment Purchasing	500,000.00	32,886.95		532,886.95
	29026	Squad Car Dashboard Video	100,896.34			100,896.34
	29042	Radio System	820,000.00	5,627,000.00	81,376.23	6,528,376.23
			4,705,558.68	5,659,886.95	13,620,664.43	23,986,110.06
EMS	54190	Debenture Payments <sup>2</sup>	218,347.88		14,318.78	232,666.66
	54301	New Vehicles	414,342.00	42,000.00		456,342.00
	54580	South Woodbridge EMS Station	70,000.00	170,767.00	53,871.00	294,638.00
			702,689.88	212,767.00	68,189.78	983,646.66
Public Health	14070	9060 Jane Street - Monthly Property Services Allocatic	175,000.00	0.00	3,261.06	178,261.06
Subway	90996	Spadina Subway Extension	5,249,898.87	22,831,822.40	42,823,387.47	70,905,108.74
Transit Infrastructure	12000/38001	Debenture Payments <sup>2</sup>	9,083,737.04		57,405,619.88	66,489,356.92
	81582	Transit Garage North	50,984.15	313,188.34		364,172.49
	81583	Transit Garage South East	1,998.33	7,943.63		9,941.96
	81585	Rapid Transit Bus Garage	67,696.45	1,761,937.28		1,829,633.73
	82150	Bus Loops & Stops Expansion	186,874.89	1,961,112.36		2,147,987.25
	84599	Conventional Bus Expansion	171,862.66	2,513,491.45		2,685,354.11
	90992	Facilities and Terminals	7,703,565.86	5,334,309.23	50,139,572.60	63,177,447.69
	90993	Vehicles Funded	53,790.52	93,379.67	1,178,679.15	1,325,849.34
	90999	Bus Rapid Transit and Light Rail Transit Studies	123,300.00	13,700.00		137,000.00
				17,443,809.90	11,999,061.96	108,723,871.63
GO Transit	15800	GO Transit (Metrolinx)	2,512,369.32	0.00	0.00	2,512,369.32
Regional Roads		See Schedule 3 for Details	49,994,359.45	9,267,537.36	320,027.27	59,581,924.08
Water Supply		See Schedule 4 for Details	88,104,487.66		(8,710.36)	88,095,777.30
Wastewater Servicing		See Schedule 5 for Details	114,981,527.77	0.00	17,497,338.13	132,478,865.90
<b>Total Capital Programs</b>			<b>\$284,014,084.53</b>	<b>\$50,165,751.67</b>	<b>\$183,072,196.31</b>	<b>\$517,252,032.51</b>

**NOTES :**

1. Other project funding consists of proceeds from debenture issues, third party recoveries, capital reserves, Provincial/Federal grants, fees and charges.
2. Debenture Payments include both principal and interest.
3. Negative balance in Development Charge Funding represents the reduction of funding associated with adjustments made to the total cost of the capital project.

**Regional Municipality of York Development Charge Reserves  
Regional Roads Capital Program Expenditures  
January 1, 2015 to December 31, 2015**

Project Number	Project Description	Development Charge Funding (\$)	Tax Levy Funding (\$)	Other Project Funding (\$) <sup>1</sup>	2015 Total Project Funding (\$)
39970	Miscellaneous Credit Payments to Developers	6,500,000.00	374,107.00	111,837.00	6,985,944.00
81390	Bathurst Street - North of Highway 7 to Rutherford Road	3,552,738.00	529,748.64	1,215.00	4,083,701.64
39950	Miscellaneous Capital Improvements	1,800,000.00	280,196.02	30,186.01	2,110,382.03
80120	2nd Concession - Doane Road to Queensville Sideroad	1,494,887.00	1,104,000.00		2,598,887.00
39990	Miscellaneous Signal Improvements	1,079,033.00	119,893.02		1,198,926.02
86880	Pedestrian Cycling Municipal Partnership Program	1,039,493.00	115,499.00		1,154,992.00
39999	Viva Network 2017 Traffic Engineering & Intelligent Transportation Systems	882,000.00	104,852.88		986,852.88
72600	Tree Planting on Region Rights of Way	690,590.50	356,099.46		1,046,689.96
83480	Transportation Master Plan Update	639,318.00	71,035.16		710,353.16
39910	Miscellaneous Design & Survey for Future Projects	586,919.00	65,213.16		652,132.16
97010	Bloomington Road - Yonge Street to Bayview Avenue <sup>2</sup>	552,000.00	139,577.10	(1,244,233.26)	(552,656.16)
99890	Intelligent Traffic System	516,947.00	57,438.11		574,385.11
39930	Large Scale Bridge & Culvert Enhancement	482,000.00	2,713,663.70	5,820.84	3,201,484.54
99530	Bloomington Road - Yonge Street to Bathurst Street	429,879.00	47,512.50		477,391.50
80670	Bayview Avenue - 19th Avenue to Stouffville Road	423,000.00	128,470.84		551,470.84
81972	Stouffville Road - Bayview Avenue to Highway 404	396,000.00	52,931.86		448,931.86
80430	Regional Streetscaping	373,018.00	93,254.77		466,272.77
98690	Bayview Avenue - Stouffville Road to Bloomington Road	351,000.00	44,866.12		395,866.12
84860	Highway 9 at Bathurst Street Intersection	322,991.00	35,887.82		358,878.82
97000	Bayview Avenue Highway 407 to 16th Avenue	321,997.00	34,254.86		356,251.86
99891	Intelligent Transportation Systems Infra Rapid Ways	314,734.00	34,970.14		349,704.14
80116	Teston Road - Pine Valley Drive to Weston Road	306,599.00	34,066.69		340,665.69
83910	Roads Asset Management	282,309.00	660,002.78	31,248.65	973,560.43
82710	McNaughton Road at Major Mackenzie Drive Intersection	277,093.59			277,093.59
81030	Leslie Street at 19th Avenue Intersection	276,025.00	30,669.51		306,694.51
81964	Highway 27 Road Widening at Canadian Pacific Railway Bridge -Rutherford Road	248,968.00	27,663.25		276,631.25
	Debenture Payments	21,665,766.42			21,665,766.42
	Various Programs (47)	4,189,053.94	2,011,662.97	1,383,953.03	7,584,669.94
<b>Total Regional Roads Capital Programs</b>		<b>\$49,994,359.45</b>	<b>\$9,267,537.36</b>	<b>\$320,027.27</b>	<b>\$59,581,924.08</b>

**NOTE :** 1. Other project funding consists of proceeds from debenture issues, third party recoveries, capital reserves, Provincial/Federal grants, fees and charges.  
Negative balance in Other Project Funding represents a reversal of a recovery which was recorded incorrectly in this project in 2014.

2.

**Regional Municipality of York Development Charge Reserves  
Water Supply Capital Program Expenditures  
January 1, 2015 to December 31, 2015**

Project Number	Project Description	Development Charge Funding (\$)	Other Project Funding (\$) <sup>1</sup>	2015 Total Project Funding (\$)
72390	Water for Tomorrow Program <sup>2</sup>	1,405,915.01	(8,710.36)	1,397,204.65
73300	Water Master Plan Update	1,036,961.52		1,036,961.52
71260	Sharon Elevated Tank	180,191.19		180,191.19
79670	Water System Capacity Assessment	115,781.67		115,781.67
73780	Peel Water System Buy In Payments	112,027.73		112,027.73
72170	Georgina Water System - Keswick North Elevated Tank and Queensway North	73,164.13		73,164.13
74220	Markham Pumping Station	57,517.98		57,517.98
73140	Nobleton Elevated Tank and Watermain	38,480.56		38,480.56
78270	Ballantrae Water Servicing	12,474.61		12,474.61
73210	King City Elevated Tank and Watermain	1,301.49		1,301.49
75420	Pressure District #7- Maple Pumping Station Upgrade Flowmeter	271.92		271.92
73890	Source Water Protection <sup>3</sup>	(3,271.34)		(3,271.34)
	Mount Albert DC Credit	308,042.00		308,042.00
	Debenture Payments	84,765,629.19		84,765,629.19
<b>Total Water Supply Capital Programs</b>		<b>\$88,104,487.66</b>	<b>(8,710.36)</b>	<b>\$88,095,777.30</b>

**NOTE :** 1. Other project funding consists of proceeds from debenture issues, third party recoveries, capital reserves, Provincial/Federal grants, fees and charges.  
 Negative balance in Other Project Funding represent a refund of a Ministry of Environment grant.  
 Negative balance in Development Charge Funding represents errors in posting a U.S. payment, which is to be fixed in 2016.

2.

3.

**Regional Municipality of York Development Charge Reserves  
Wastewater Servicing Capital Program Expenditures  
January 1, 2015 to December 31, 2015**

<b>Project Number</b>	<b>Project Description</b>	<b>Development Charge Funding (\$)</b>	<b>Other Project Funding (\$)<sup>1</sup></b>	<b>2015 Total Project Funding (\$)</b>
79100	York-Durham Sewage System Master Plan Update	792,160.48		792,160.48
72240	Keswick Wastewater Pollution Control Plant Expansion	327,057.04		327,057.04
75640	Wastewater System Capacity Monitor Studies	271,288.86		271,288.86
73050	Nobleton Sewage Study Environmental Assessment	76,666.72	483,924.41	560,591.13
77100	York-Durham Sewage System Bathurst Collector	39,349.33	17,013,413.72	17,052,763.05
75360	Upper York York-Durham Sewage System Improvements	113.85		113.85
77470	Kleinburg Water Pollution Control Plant Expansion <sup>2</sup>	(494,077.88)		(494,077.88)
74020	16th Avenue - Ninth Line to Stone Mason Road <sup>3</sup>	(1,423,618.88)		(1,423,618.88)
	Nobleton Benefitting Area Payment	2,350,468.70		2,350,468.70
	Debenture Payments	113,042,119.55		113,042,119.55
<b>Total Wastewater Servicing Capital Programs</b>		<b>\$114,981,527.77</b>	<b>\$17,497,338.13</b>	<b>\$132,478,865.90</b>

**NOTE :** 1. Other project funding consists of proceeds from debenture issues, third party recoveries, capital reserves, Provincial/Federal grants, fees and charges.  
 Negative balance in Development Charge Funding represents a prior period adjustment.  
 Negative balance in Development Charge Funding represents the reduction of funding associated with adjustments made to the total cost of the

2.

3.

capital project.