



MUNICIPALITY OF THAMES CENTRE

REPORT NO. F-008-24

TO: Mayor and Members of Council
FROM: Director of Financial Services/Treasurer
MEETING DATE: September 23, 2024
SUBJECT: **2023 Annual Development Charges Report**

RECOMMENDATION:

THAT Report No. F-008-24 **BE RECEIVED** for information;

AND THAT the 2023 Annual Development Charges Report be made available to the public on the Municipality of Thames Centre website to fulfill Council's obligation under Section 43 (2.1) of the *Development Charges Act, 1997*.

PURPOSE:

To present Council with the development charges (DC) activity for 2023.

BACKGROUND:

Annually, the Treasurer of the municipality is required to provide Council with a financial statement related to DC reserve funds. Section 12 of *Ontario Reg. 82/98* prescribes the information that must be included in the Treasurer Statement established under Section 43 of the *Development Charges Act, 1997*. This statement shall be made available to the public, by posting the statement on the website of the municipality.

The template used has been provided by our consultants, Watson & Associates Economists Ltd. and ensures that the Municipality is following the legislative requirements set out under Section 12 of *O. Reg 82/ 98* and Subsection 43 (2) of the *Development Charges Act, 1997*.

COMMENTS:

By-Law 17-2022 outlines development charges to be applied within the Municipality of Thames Centre. As building permits are issued, DC's become collectible. While DC's can also become collectible through agreement, essentially collecting future permit-driven DC's up-front, there are currently no agreements of this nature in place, as disclosed on Attachment 2 – Statement of Credit Holder Transactions.

DC balances can be in a deficit position (overdrawn) for a number of reasons including:

- a) Projects may be pushed back or brought forward and therefore may or may not match the estimated timelines expressed in the DC background study;
- b) Receipt obligations begin upon permit issuance, and are included in the background study based on growth projections which differ from actual activities;
- c) Projects may be completed prior to all DC receipts being collected;
- d) Actual project costs may differ from those estimated within the report;
- e) DC instalment payments on specific types of development can extend over a period of up to 21 years;
- f) Effective November 28, 2022, *Bill 23 - More Homes Built Faster Act, 2022*, established a five-year phase in of DC rate increases for DC By- Laws passed after January 1, 2022, beginning with a 20% reduction, with the reduction decreasing by 5% each year until year five when the full rate applies.

The 2023 continuity of DC service area balances is attached as Figure 1 — Annual Treasurer's Statement of Reserve Funds for By- Law 17- 2022 and Attachments 1-4, plus supporting notes.

The total DC fund balance at December 31, 2023 is \$3,977,933.25 (2022 - \$4,027,461.57).

FINANCIAL IMPLICATIONS:

There are no financial implications to receiving this report.

STRATEGIC PLAN LINK

Pillar: *Sustainability*

Goal: *Ensure that the Municipality maintains fiscal prudence, along with affordable and sustainable taxation levels*

CONSULTATION:

Watson & Associates Economists Ltd.

REFERENCES:

By-Law 17-2022: Establish Development Charges

ATTACHMENTS:

Figure 1 – Annual Treasurer's Statement of Development Charges Reserve Funds

Attachment 1 – Amount Transferred to Capital (or Other) Funds – Capital Fund Transactions



Attachment 2 – Statement of Credit Holder Transactions

Attachment 3 – Statement of Reserve Fund Balance Allocations

Attachment 4 – Description of the Service (or Class of Service) for which each Development Charge Reserve Fund was Established

Supporting Notes – Statements Related to Development Charge Reserve Funds

Prepared by: E. Schinbein, Director of Financial Services/Treasurer

Reviewed by: D. Barrick, Chief Administrative Officer