



**Mike Mayes, Director
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May 8, 2014

CORPORATE SERVICES REPORT - FINANCIAL SERVICES-2014-15

TO: Mayor Tony Van Bynen and Members of Council
Committee of the Whole

SUBJECT: Development Charges

ORIGIN: Financial Analyst

RECOMMENDATION

THAT Corporate Services Report - Financial Services – 2014-15 dated May 8, 2014 regarding 2013 Development Charges be received for information purposes.

COMMENTS

PURPOSE

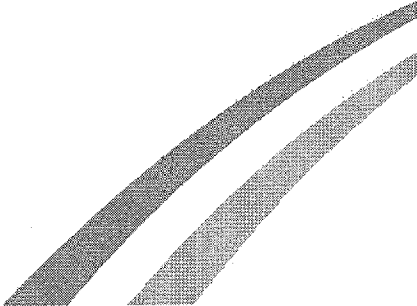
The purpose of this report is to meet the statutory requirement and report on the 2013 transactions of the development charge reserve funds.

BUDGET IMPACT

The development charges are based on Council-approved growth-related capital programs over a 10-year period. As such, higher collections in 2013 improve cash flow but do not directly benefit the capital budget.

SUMMARY

Development charge collections and interest, totaled \$5,984,683 in 2013, an increase of more than 80% of the projected funding. The projected funding was based on the average of the previous four years actual development charge collections. Capital funding was 19% less than the projected amount of \$2,312,995.



BACKGROUND

In 2009, By-law 2009-73 was enacted for Town-wide development charges, and by-laws 2009-65 & 2009-72 were enacted for specific area development charges in Newmarket.

A financial statement regarding development charges and related reserve funds is required every year, under section 43 of the Development Charges Act, 1997.

The total development charges collected in 2013 amounted to \$5,643,880, due to higher than anticipated development activity. \$340,803 was earned in interest. Combined revenues were 83% higher than projected. Funding of capital projects was 19% lower than the projected amount of \$2,312,995, with the remainder included in capital carryovers (see Corporate Services Report – Financial Services 2014-18). All capital projects and expenditures funded by development charges were included in the Council-approved 2009 Development Charges Background Study.

Attached is the Statement of Development Charge Reserve Fund Transactions for the year 2013. The Statement will be posted on the Town's website for public information purposes. A copy of the Statement will be forwarded to the Minister of Municipal Affairs and Housing within 60 days after Council receives the Statement, as per section 43 of the Development Charges Act, 1997.

As part of the Capital Financing Sustainability Strategy, Hemson Consulting Ltd. is doing the 2014 DC Background Study. The goal is to have a new DC bylaw passed before the current DC bylaw expires at the end of August.

BUDGET IMPACT

The development charges are based on the anticipated growth-related capital programs over a 10-year period. As such, higher development charges collected and interest earned in 2013, improve cashflow but do not directly benefit the capital budget. They will be applied in the future to projects that are included in the Council-approved growth-related capital program.

CONTACT

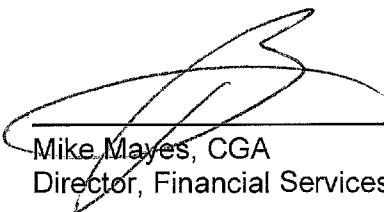
For more information on this report, please contact Leighton Taylor at 905-953-5300, ext.2121 or ltaylor@newmarket.ca



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TOWN OF NEWMARKET
Development Charge Reserve Funds Transactions
For the Year Ended December 31, 2013

Development charges are levies against new developments. These charges aim to fund growth-related capital facilities and infrastructure. Development charges help protect existing taxpayers by having growth pay for growth.

Area	Balance January 1, 2013	Collections	Interest Revenue/(Expense)	(Expenditures)	Balance December 31, 2013
1. General Government	\$ 341,523	\$ 143,657	\$ 6,945	\$ (150,031) a	\$ 342,094
2. Library	1,442,448	526,023	28,839	(117,118) b	1,880,192
3. Fire	143,304	182,717	4,227	(14,010) c	316,238
4. Recreation Facilities	5,147,891	2,387,548	103,464	(937,140) d	6,701,763
5. Outdoor Recreation	4,900,337	1,974,158	103,642	(288,432) e	6,689,705
6. Yards & Fleet	270,280	196,756	6,643	-	473,679
7. Town-Wide Engineering	3,746,821	71,823	62,106	(362,635) f	3,518,115
8. Parking	512,943	161,197	10,393	-	684,533
9. Area Specific DCs	856,361	-	14,543	-	870,904
Total	\$ 17,361,908	\$ 5,643,879	\$ 340,802	\$ (1,869,366)	\$ 21,477,223

Notes:

- The General Government reserve fund includes services for Growth Studies.
- The Library fund account includes services for Library buildings, Library Land, Library materials and Library furniture and fixtures.
- The Fire reserve account includes services for Fire buildings, Land for Fire, Fire Vehicles, and Firefighter equipment.
- The Recreation Facilities reserve fund includes services for Major Facilities, Land for Major Facilities, and Recreation Facilities Equipment.
- The Outdoor Recreation reserve fund includes services for Parkland Development, Park Trails, Play Fields and Play Equipment, and Parks Maintenance Equipment.
- The Yards and Fleet reserve fund includes Buildings, Land, and Operations Fleet and Maintenance Equipment.
- The Town-Wide Engineering reserve fund includes services for Roads, Signalization, Sidewalks, Sanitary Sewers and Storm Water Management.
- The Parking reserve fund includes municipal parking facilities.
- Area Specific DC funds include services for Rotundo, Rawluk Farm, Block 9, Walker Farm and Goldstein/Trinison Development Areas.
- General Government expenditures were used for the Capital Financing Sustainability Strategy, DC study, and the Yonge/Davis secondary plan.
- Library expenditures were used to purchase library materials, public counters, and furniture.
- The expenditures for Fire were used to purchase fire fighting equipment.
- Recreation Facilities expenditures were used to service debt financing for the Magna Centre and the Youth Centre.
- Outdoor Recreation expenditures were incurred for the Recreation Master Plan, Rogers Spray Pad and Northwest Quadrant trail projects.
- Town-Wide Engineering expenditures were used for the Timothy Street road reconstruction, signalization at Gorham & Harry Walker Parkway, new pump for the Bayview Avenue Pumping Station and a Stormwater Management Pond project.