

Clause 8 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 20, 2017.

8

2016 Development Charge Reserve Fund Statement

Committee of the Whole recommends adoption of the following recommendation contained in the report dated March 28, 2017 from the Commissioner of Finance:

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

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Report March 28, 2017 from the Commissioner of Finance now follows:

1. Recommendations

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*.

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

## 2016 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

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

As of December 31, 2016, the development charge reserve balance was \$265.7 million

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

**Table 1**  
**York Region 2016 Development Charge**  
**Reserve Balance as at December 31, 2016**

Service	\$ Millions
Regional Roads	285.8
Water Supply	(29.7)
Wastewater	(123.8)
General Services	133.4
<b>Total</b>	<b>265.7</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* 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 2016 capital project expenditures and development charge funds transferred to each project.
- Schedule 3 details Regional roads-related development charge expenditures for 2016.
- Schedule 4 details water supply-related development charge expenditures for 2016.
- Schedule 5 details wastewater servicing-related development charge expenditures for 2016.

The Treasurer's Reserve Fund Statement is in compliance with the Development Charges Act

As of December 31, 2016, this reserve fund statement is in compliance with the *Development Charges Act, 1997, as amended*. The Region has not imposed any voluntary payments or required construction of a service not authorized under the Act.

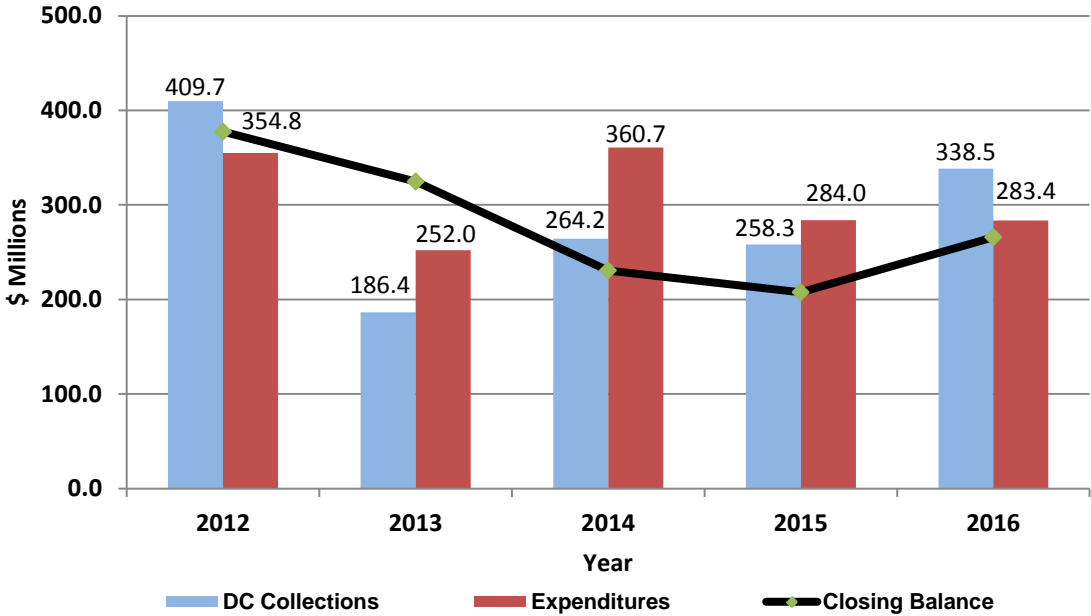
5. Financial Considerations

Development charge collections exceeded expenditures by \$55.1M and the forecast by \$36.9M in 2016

Development charge collections in 2016 were \$338.5M, which was \$55.1M more than expenditures and \$36.9M more than the 2016 forecast of \$301.6M. Development charge funded capital expenditures in 2016 totalled \$283.4M, of which \$234.8M (83 per cent) was needed for debenture repayments.

Chart 1 compares development charge collections and expenditures during the past five years. For three of the five years, York Region drew more from the development charge reserves than it collected, leaving a balance of \$265.7M in the reserves on December 31, 2016.

**Chart 1**  
**York Region 2012 - 2016 Development Charge**  
**Collections and Expenditures Comparison (in \$M)**



Development charge reserve fund balances must be carefully managed

The Region has a policy of maintaining a balance in the development charge reserves that is at least equal to the cost of annual debt servicing. Currently, development-charge related principal and interest payments are approximately

## 2016 Development Charge Reserve Fund Statement

\$230M per year. After drawing for capital expenditure, the balances in the development charge reserves declined between 2012 and 2015. The balance recovered as a result of strong collections in 2016. Any DC reserve balances above the amounts needed for debt servicing can be allocated to growth projects, thereby reducing the need for development charge funded debt.

### 6. Local Municipal Impact

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

### 7. Conclusion

The 2016 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, Controllership Office, at 1-877-464-9675 extension 71601.

The Senior Management Group has reviewed this report.

March 28, 2017

Attachments (1)

7476252

Accessible formats or communication supports are available upon request

**Regional Municipality of York  
Development Charge Reserve Fund Statement  
January 1, 2016 to December 31, 2016**

	Regional Roads	Water Supply	Wastewater Servicing	General Services <sup>1</sup>	2016 Total
Opening Balance @ January 1, 2016	\$238,691,472	(\$28,035,487)	(\$123,290,382)	\$120,341,240	\$207,706,843
Development Charges Collected (Gross) <sup>2</sup>	107,995,780	82,162,741	144,234,422	29,665,589	364,058,532
Development Charge Credits Issued <sup>3</sup>			(25,510,846)		(25,510,846)
Development Charges Collected (Net)	\$107,995,780	\$82,162,741	\$118,723,576	\$29,665,589	\$338,547,686
Interest <sup>4</sup>	3,192,889	(347,376)	(1,509,097)	1,548,646	2,885,062
Revenue Sub -Total	\$111,188,669	\$81,815,365	\$117,214,479	\$31,214,235	\$341,432,748
Expenditures	\$64,105,187	\$83,485,884	\$117,752,549	\$18,092,263	\$283,435,883
Closing Balance @ December 31, 2016	\$285,774,954	(\$29,706,006)	(\$123,828,452)	\$133,463,212	\$265,703,708

**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, 2016 to December 31, 2016**

	<b>Opening Balance January 1, 2016</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, 2016</b>
Growth Studies	\$10,178,323	\$209,212	\$209,212	\$121,226	\$330,438	\$421,021	\$10,087,740
Police	12,940,295	4,605,944	4,605,944	156,470	4,762,414	4,650,511	13,052,198
Paramedic Services	3,469,281	763,820	763,820	43,143	806,963	1,320,334	2,955,910
Public Health	7,172,096	591,093	591,093	90,976	682,069	(350,000) <sup>1</sup>	8,204,165
Long Term Care	18,348,979	130,513	130,513	219,157	349,670		18,698,649
Social Housing	3,894,438	2,605,797	2,605,797	59,371	2,665,168	34,834	6,524,772
Public Works	14,159,993	2,049,282	2,049,282	178,742	2,228,024	251,720	16,136,297
Subway	4,765,836	9,272,966	9,272,966	159,412	9,432,378	(7,125,213) <sup>1</sup>	21,323,427
Transit Infrastructure	44,735,473	7,040,553	7,040,553	500,206	7,540,759	16,291,654	35,984,578
GO Transit	676,526	2,396,409	2,396,409	19,943	2,416,352	2,597,402	495,476
<b>2016 Total</b>	<b>\$120,341,240</b>	<b>\$29,665,589</b>	<b>\$29,665,589</b>	<b>\$1,548,646</b>	<b>\$31,214,235</b>	<b>\$18,092,263</b>	<b>\$133,463,212</b>

**NOTES :**

1. Negative amounts in Expenditures represent adjustments from a prior period.



**Regional Municipality of York  
Development Charge Credits Issued  
January 1, 2016 to December 31, 2016**

Municipality	Subdivision	Developer	Hard Services			
			Regional Roads	Water Supply	Wastewater Servicing	Total
Town of East Gwillimbury	19T-08E05	Wycliffe Thornridge Sharon Limited			\$2,269,022	\$2,269,022
Town of East Gwillimbury	19T-08E01	Elderbank Investments Incorporated			1,556,056	1,556,056
Town of East Gwillimbury	19T-08E04 (Phase 1)	Sharonvit Estates Incorporated			2,878,610	2,878,610
Town of East Gwillimbury	19T-08E02 (Phase 1)	Yorkwood Homes (Sharon) Limited			2,777,012	2,777,012
Town of East Gwillimbury	19T-07E02 (Phase 1)	Sundial Homes (Sharon) Limited			3,720,073	3,720,073
Town of East Gwillimbury	19T-08E03 (Phase 1)	West Sharon Holdings Incorporated			3,246,499	3,246,499
Town of East Gwillimbury	19T-09E02	Minto Communities Incorporated			3,446,085	3,446,085
Town of East Gwillimbury	19T-08E01 (Phase 2)	Elderbank Investments Incorporated			2,293,836	2,293,836
Town of East Gwillimbury	19T-95088 (Phase 1)	Winged Foot Development Incorporated			3,323,653	3,323,653
<b>Total Development Charge Credits Issued <sup>1</sup></b>					<b>\$25,510,846</b>	<b>\$25,510,846</b>

**NOTE :**

1. To register for a plan of subdivision, developers are required to pay development charges for hard services (i.e., regional roads, water supply and wastewater servicing). Development charge credits issued are direct reductions against these applicable hard services. The remaining development charges are collected at the building permit stage. Net development charge collections consist of gross collections less credits. Net collections are used to calculate the Annual Repayment Limit.



**Regional Municipality of York Development Charge Reserve  
Capital Program Expenditures  
January 1, 2016 to December 31, 2016**

Service Category	Project Number	Project Description	Development Charge Reserve Funding	Associated Project Funding			2016 Total Project Funding
				Tax Levy Funding	User Rate Funding	Other Project Funding <sup>1</sup>	
Growth Studies	11071	Long Range Strategic Planning Study	\$421,021			\$290	\$421,311
Police	26160	Debenture Payments <sup>2</sup>	3,989,605	1,000		12,741,333	16,731,938
	16540	Allocation of Financing Costs for 2015 and 2016	48,369				48,369
	29017	Specialized Equipment	494,789				494,789
	29026	Squad Car Dashboard Video	103,748				103,748
	29042	Radio System	14,000	406,507			420,507
			4,650,511	407,507		12,741,333	17,799,351
Paramedic Services	54190	Debenture Payments <sup>2</sup>	191,917			37,312,747	37,504,664
	16540	Allocation of Financing Costs for 2016	6,420				6,420
	54301	Fleet	560,897	14,750			575,647
	54580	South Woodbridge Station	36,143	1,492		1,244,000	1,281,635
	54420	Holland Landing Station	336,602	274,195			610,797
	54510	Maple Station	66,279	(66,279) <sup>3</sup>			-
	54638	EMS Land Acquisition	13,871	(2,531) <sup>3</sup>			11,340
	54650	South Markham Station	108,205	(34,423) <sup>3</sup>			73,782
			1,320,334	187,204		38,556,747	40,064,285
Public Health	14070	9060 Jane Street	(350,000) <sup>4</sup>			16,052	(333,948)
Social Housing	67675	Richmond Hill Hub	34,834			1,061,710	1,096,544
Public Works	99900	Fleet	251,720	12,322			264,042
Subway	16540	Allocation of Financing Costs for 2015 and 2016	101,847				101,847
	90996	Spadina Subway Extension	(7,227,060) <sup>4</sup>	(5,830,000) <sup>3</sup>		63,104,037	50,046,977
			(7,125,213)	(5,830,000)		63,104,037	50,148,824
Transit Infrastructure	90000/38001	Debenture Payments <sup>2</sup>	12,087,471			61,127,427	73,214,898
	81582	Transit Garage North	75,068			461,130	536,198
	81583	Transit Garage South East	11,041	43,891			54,932
	81585	Rapid Transit Bus Garage	3,991			103,861	107,852
	82150	Bus Loops & Stops Expansion	92,402			1,323,997	1,416,399
	84599	Conventional Bus Expansion	1,060,350			15,507,619	16,567,969
	84799	VIVA Bus Expansion	1,476,158			250,343	1,726,501
	90992	Facilities and Terminals	1,374,566			2,934,433	4,308,999
	90999	Bus Rapid Transit and Light Rail Transit Studies	110,607	28,494			139,101
			16,291,654	72,385		81,708,810	98,072,849
GO Transit	15800	GO Transit (Metrolinx)	2,597,402				2,597,402
Regional Roads		See Schedule 3 for Details	64,105,187	18,738,506		81,649,693	164,493,386
Water Supply		See Schedule 4 for Details	83,485,884			2,896,688	86,382,572
Wastewater Servicing		See Schedule 5 for Details	117,752,549			4,978,336	122,730,885
<b>Total Capital Programs</b>			<b>\$283,435,883</b>	<b>\$13,587,924</b>		<b>\$286,713,696</b>	<b>\$583,737,503</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 amounts in Tax Levy Funding represent adjustments from a prior period.
4. Negative amounts in Development Charge Funding represent adjustments from a prior period.

**Regional Municipality of York Development Charge Reserves  
Regional Roads Capital Program Expenditures  
January 1, 2016 to December 31, 2016**

Project Number	Project Description	Development Charge Reserve Funding	Tax Levy Funding	Other Project Funding <sup>1</sup>	2016 Total Project Funding
39950	Miscellaneous Capital Improvements <sup>2</sup>	\$4,161,015	\$382,139	\$8,388	\$4,551,542
98180	Highway 7 - Town Centre Boulevard to Sciberras Road	3,618,187	1,229,327	20,487,494	25,335,008
96020	Bathurst Street - Green Lane West to Yonge Street	3,038,560	543,485	4,856,000	8,438,045
39970	Miscellaneous Development Charge Credit Payments to Developers <sup>3</sup>	2,895,950	(374,107) <sup>4</sup>	144,493	2,666,336
81974	Mid Block Crossing - Highway 404 North of Elgin Mills Road	1,991,935	212,688		2,204,623
39990	Miscellaneous Signal Electric Improvements	1,694,512	188,280		1,882,792
39910	Miscellaneous Design & Survey for Future Projects	1,509,075	167,675		1,676,750
80660	9th Line - North of Major Mackenzie Drive to Stouffville Main Street	995,249	122,703	33,021	1,150,973
97100	St John's Side Road - Bayview Avenue to Woodbine Avenue	816,630	526,952	7,606,797	8,950,379
80104	Keele Street and Lloydtown Aurora Road	789,443	376,568	2,607,000	3,773,011
82680	Mid Block Crossing - Highway 404 North of Highway 7	767,807	457,980	10,574,124	11,799,911
97000	Bayview Avenue - Highway 407 to 16th Avenue	760,310	80,885		841,195
72600	Tree Planting on Region Right of Ways	724,157	769,039		1,493,196
80670	Bayview Avenue - 19th Avenue to Stouffville Road	720,387	1,211,929	6,443,467	8,375,783
39930	Bridge and Culvert Rehabilitation	680,999	1,462,297	906,000	3,049,296
39980	Various Road Improvements	679,073	2,251,464	828,000	3,758,537
98340	19th Avenue - Yonge Street to Bayview Avenue	647,830	347,024	2,573,000	3,567,854
39999	Viva Network 2017 Traffic Engineering and Intelligent Transportation Systems	618,031	61,817		679,848
99891	Intelligent Transportation Systems Infra Rapid Ways	612,361	68,040		680,401
85600	16th Avenue - Yonge Street To Bayview Avenue	599,307	66,002		665,309
85660	Major Mackenzie Drive - Pine Valley Drive to Weston Road	596,004	873,426	8,865,000	10,334,430
99890	Intelligent Traffic System	586,221	65,136		651,357
84940	Pedestrian Cycling Program	510,605	56,734	60,000	627,339
83910	Roads Asset Management <sup>5</sup>	359,054	839,424	38,898	1,237,376
80120	2nd Concession - Doane Road to Queensville Sideroad	352,461	1,667,021		2,019,482
80430	Regional Streetscaping	347,352	86,838		434,190
83480	Transportation Master Plan Update	343,061	38,118		381,179
91000	Debenture Payments	25,779,876		6,517	25,786,393
16540	Allocation of Financing Costs for 2015 and 2016	568,102			568,102
	Various Programs <sup>6</sup>	6,341,633	4,959,622	15,611,494	26,912,749
<b>Total Regional Roads Capital Programs</b>		<b>\$64,105,187</b>	<b>\$18,738,506</b>	<b>\$81,649,693</b>	<b>\$164,493,386</b>

**NOTES :**

1. Other project funding consists of proceeds from debenture issues, third party recoveries, capital reserves, provincial/federal grants, fees and charges.
2. Miscellaneous Capital Improvements consists of funding for intersection improvement projects undertaken by the Region such as traffic signal installations, street lighting installations and minor geometric improvements.
3. Miscellaneous Development Charge Credit Payments to Developers consists of the payout of the development charge credit for work undertaken by developers such as intersection improvements.
4. Negative amount in Tax Levy Funding represents adjustments from a prior period.
5. Roads Asset Management uses technology and equipment to assess and improve the regional road network.
6. Consists of 103 minor road projects using development charge reserve funding.



**Regional Municipality of York Development Charge Reserves  
Water Supply Capital Program Expenditures  
January 1, 2016 to December 31, 2016**

Project Number	Project Description	Development Charge Reserve Funding	User Rate Funding	Other Project Funding <sup>1</sup>	2016 Total Project Funding
72390	Water for Tomorrow Program	\$1,021,636			\$1,021,636
72500	Georgina Water Services - Georgina Water Treatment Plant	309,000		\$1,471,000	1,780,000
73170	King City - Additional Water Supply Watermain	261,000		1,396,000	1,657,000
78270	Ballantrae Water Servicing	259,672			259,672
73300	Water Master Plan Update	180,243			180,243
75690	South Maple Pumping Station Upgrade	73,512			73,512
70120	Orchard Heights Pumping Station Upgrade	70,676			70,676
75700	Richmond Hill Langstaff Water Servicing	54,067			54,067
73160	Nobleton - Additional Water Supply and Watermain	47,877		9,661	57,538
79670	Water System Capacity Assessment	32,551			32,551
72520	Pressure District # 6 Nashville Road Watermain	28,988			28,988
77300	Peel Feedermain	21,633			21,633
75600	Green Lane and Leslie Street - Newmarket Central Watermain	20,201			20,201
73140	Nobleton Elevated Tank and Watermain to Township	18,691			18,691
72440	Aurora Newmarket Water Study	6,422			6,422
71260	Decommission Sharon Elevated Tank	5,635			5,635
73890	Source Water Protection	3,577			3,577
75450	Glenway Reservoir Expansion	3,576			3,576
75730	Aurora Newmarket Water System Upgrades	2,834			2,834
76120	Pressure District 7 - Elgin Mills and Bayview Watermain	2,175			2,175
72490	East Gwillimbury Water Meter Chambers	1,858			1,858
73210	King City Elevated Tank and Watermain to Township	301			301
75620	Richmond Hill Pugsley Pumping Station Optimization	(59,575) <sup>2</sup>			(59,575)
71180	Queensville Elevated Tank Number 1	(126,213) <sup>2</sup>			(126,213)
76300	North Richmond Hill Elevated Tank No. 2	(205,491) <sup>2</sup>			(205,491)
46950	Debenture Payments	81,156,319		20,027	81,176,346
16540	Allocation of Financing Costs for 2015 and 2016	294,719			294,719
<b>Total Water Supply Capital Programs</b>		<b>\$83,485,884</b>		<b>\$2,896,688</b>	<b>\$86,382,572</b>

**NOTES :**

1. Other project funding consists of proceeds from debenture issues, third party recoveries, capital reserves, provincial/federal grants, fees and charges.
2. Negative amounts in Development Charge Funding represent adjustments from a prior period.

**Regional Municipality of York Development Charge Reserves  
Wastewater Servicing Capital Program Expenditures  
January 1, 2016 to December 31, 2016**

Project Number	Project Description	Development Charge Reserve Funding	User Rate Funding	Other Project Funding <sup>1</sup>	2016 Total Project Funding
72580	Inflow and Infiltration Reduction Implementation	\$2,437,268			\$2,437,268
74020	16th Avenue - 9th Line to Stone Mason Wastewater Servicing	1,193,193			1,193,193
73050	Nobleton Sewage Study Environmental Assessment	979,031		(\$816,076) <sup>2</sup>	162,955
75330	Green Lane Sewer Diversion	422,911			422,911
72360	Duffin Creek Water Pollution Control Plant Outfall	267,000		2,586,058	2,853,058
75650	Richmond Hill LangStaff Road Wastewater Servicing -	148,000		546,000	694,000
79100	York Durham Sewage System Wastewater Master Plan Update	113,326			113,326
75310	East Vaughan Wastewater Servicing	104,000		591,000	695,000
75640	Wastewater System Capacity Monitor Studies	76,974		10,000	86,974
77470	Kleinburg Water Pollution Control Plant Expansion	37,101			37,101
73720	York Durham Sewage System Duffin Creek Water Pollution Control Plant Expansion	18,000		2,047,770	2,065,770
75360	Newmarket Diversion Sewer	3,436			3,436
75760	North Don Relief Sewer	398			398
73050	Nobleton Benefitting Area Payment	14,885			14,885
90000	Sewer Systems - Nobleton Study	38,766			38,766
44950	Debenture Payments	111,626,677		13,584	111,640,261
16540	Allocation of Financing Costs for 2015 and 2016	271,583			271,583
<b>Total Wastewater Servicing Capital Programs</b>		<b>\$117,752,549</b>		<b>\$4,978,336</b>	<b>\$122,730,885</b>

**NOTES :**

1. Other project funding consists of proceeds from debenture issues, third party recoveries, capital reserves, provincial/federal grants, fees and charges.
2. Negative amount in Other Project Funding represents adjustments from a prior period.