

Clause 7 in Report No. 8 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on April 23, 2015.

7

2014 Development Charge Reserve Fund Statement

Committee of the Whole recommends adoption of the following recommendations contained in the report dated April 1, 2015 from the Commissioner of Finance:

1. Recommendation

It is recommended that:

1. The Regional Clerk forward this report to the Minister of Municipal Affairs and Housing, local municipalities, and the Building Industry and Land Development Association (BILD), 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 that create the need for capital works. The majority of 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

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

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, 2014, the development charge reserve balance was \$230.6 million

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

Table 1
York Region 2014 Development Charge Reserve Balance as at December 31, 2014

Service	\$ Millions
Regional Roads	210.6
Water Supply	(0.3)
Wastewater	(103.9)
General Services	124.2
Total	230.6

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*, 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 2014 capital project expenditures and development charge funds transferred to each project.
- Schedule 3 details Regional roads-related development charge expenditures for 2014.
- Schedule 4 details water supply-related development charge expenditures for 2014.
- Schedule 5 details wastewater servicing-related development charge expenditures for 2014.

Link to Key Council-approved Plans

This report is consistent with the 2011 to 2015 Strategic Plan objectives to expand the Region's strategic financial management capability and practice sound fiscal management.

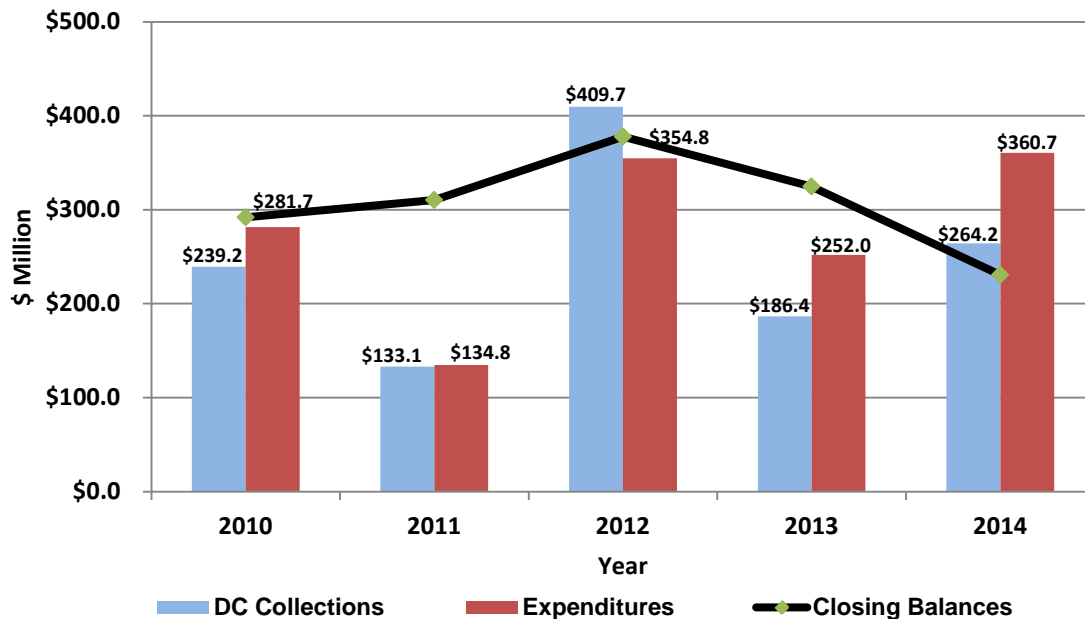
5. Financial Implications

Expenditures exceeded development charge collections by \$96.5M in 2014

Development charge funded capital expenditures in 2014 totalled \$360.7M, of which \$227.1M (63 per cent) was debenture repayments. Development charge collections in 2014 were \$264.2M, which amounted to \$96.5M less than expenditures and \$291.3M less than the 2012 DC Background Study forecast.

Chart 1 on the next page 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 \$230.6M in the reserves as at December 31, 2014.

Chart 1
York Region 2010 - 2014 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 2014 Development Charge Reserve Fund Statement presented in this report satisfies the Region’s reporting obligations pursuant to the Development Charges Act, 1997.

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

The Senior Management Group has reviewed this report.

2014 Development Charge Reserve Fund Statement

April 1, 2015

Attachments (1)

YORK-#6033914

Accessible formats or communication supports are available upon request

**Regional Municipality of York
Development Charge Reserve Fund Statement
January 1, 2014 to December 31, 2014**

	Regional Roads	Water Supply	Wastewater Servicing	General Services ¹	2014 Total
Opening Balance @ January 1, 2014	\$ 225,911,762.33	\$ 30,852,718.90	(\$92,566,143.45)	\$ 160,363,590.26	\$ 324,561,928.04
Development Charges Collected (Gross) ²	\$82,650,160.12	\$60,558,496.03	\$103,394,346.78	\$20,463,589.04	\$267,066,591.97
Development Charge Credits Issued ³			(\$2,869,526.00)		(\$2,869,526.00)
Development Charges Collected (Net)	\$82,650,160.12	\$60,558,496.03	\$100,524,820.78	\$20,463,589.04	\$264,197,065.97
2014 Total Interest Accrual ⁴	\$2,156,459.98	(\$289,461.65)	(\$1,607,805.19)	\$2,238,423.87	\$2,497,617.01
Revenue Sub -Total	\$84,806,620.10	\$60,269,034.38	\$98,917,015.59	\$22,702,012.91	\$266,694,682.98
Expenditures	\$100,168,805.97	\$91,446,287.71	\$110,216,854.71	\$58,822,826.11	\$360,654,774.50
Closing Balance @ December 31, 2014	\$210,549,576.46	(\$324,534.43)	(\$103,865,982.57)	\$124,242,777.06	\$230,601,836.52

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, 2014 to December 31, 2014**

	Opening Balance January 1, 2014	Development Charges Collected (Gross)	Development Charges Collected (Net)	Interest Accrual	Revenue Sub-Total	Expenditures	Closing Balance December 31, 2014
Growth Studies	\$9,746,362.45	\$150,023.61	\$150,023.61	\$140,164.13	\$290,187.74	\$25,000.00	\$10,011,550.19
Police	\$15,245,128.06	\$3,016,905.30	\$3,016,905.30	\$211,286.25	\$3,228,191.55	\$5,016,254.85	\$13,457,064.76
EMS	\$4,418,783.13	\$487,194.79	\$487,194.79	\$65,494.33	\$552,689.12	\$1,493,616.67	\$3,477,855.58
Public Health	\$8,625,867.64	\$385,368.37	\$385,368.37	\$121,843.52	\$507,211.89	\$2,375,000.00	\$6,758,079.53
Long Term Care	\$17,596,338.31	\$143,599.06	\$143,599.06	\$252,166.60	\$395,765.66	\$70,301.27	\$17,921,802.70
Social Housing	\$1,369,711.73	\$1,593,440.54	\$1,593,440.54	\$25,899.49	\$1,619,340.03	\$1,178,795.00	\$1,810,256.76
Public Works	\$10,738,308.33	\$1,329,826.89	\$1,329,826.89	\$162,036.15	\$1,491,863.04	\$0.00	\$12,230,171.37
Subway	\$11,772,673.32	\$6,975,061.04	\$6,975,061.04	\$206,039.50	\$7,181,100.54	\$17,057,617.22	\$1,896,156.64
Transit Infrastructure	\$75,923,428.87	\$4,819,974.94	\$4,819,974.94	\$1,026,735.34	\$5,846,710.28	\$26,218,132.44	\$55,552,006.71
GO Transit	\$4,926,988.42	\$1,562,194.50	\$1,562,194.50	\$26,758.56	\$1,588,953.06	\$5,388,108.66	\$1,127,832.82
2014 Total	\$160,363,590.26	\$20,463,589.04	\$20,463,589.04	\$2,238,423.87	\$22,702,012.91	\$58,822,826.11	\$124,242,777.06

Schedule 1(A)

**Regional Municipality of York
Development Charge Credits Issued
January 1, 2014 to December 31, 2014**

Municipality	Subdivision	Developer	Development Charge Credits*			
			Regional Roads	Water Supply	Wastewater Servicing	Total
Town of Georgina	19T-95085 (Phase 2)	Lakeside Development (Sutton) Inc.			\$2,869,526.00	\$2,869,526.00
Total Development Charge Credits Issued			\$0.00	\$0.00	\$2,869,526.00	\$2,869,526.00

NOTE: * Development charge credits were direct reductions to the developer's DC payable to the Region and were tracked separately.

**Regional Municipality of York Development Charge Reserve
Capital Program Transfer Addendum
January 1, 2014 to December 31, 2014**

Service Category	Project Number	Project Description	Development Charge Funding (\$)	Associated Project Funding		2014 Total Project Funding (\$)
				Tax Levy Funding (\$)	Other Project Funding (\$) ¹	
Growth Studies	11055	Development Charge Cost Structure Study	25,000.00	0.00	4,731.32	29,731.32
Police	26160	Debenture Payments ²	4,184,313.60		14,226,491.60	18,410,805.20
	29017	Specialized Equipment Purchasing	584,941.25	127,685.30		712,626.55
	29038	Facilities - Central Service Building	41,000.00			41,000.00
	29042	Radio System	206,000.00	4,870,000.00		5,076,000.00
			5,016,254.85	4,997,685.30	14,226,491.60	24,240,431.75
EMS	54190	Debenture Payments ²	208,162.57		1,671.40	209,833.97
	54301	New Vehicles	273,178.10	48,207.90		321,386.00
	54638	Land Acquisition - Growth	991,337.00	168,121.00		1,159,458.00
	54650	South Markham Station	20,939.00	3,551.00		24,490.00
			1,493,616.67	219,879.90	1,671.40	1,715,167.97
Public Health	14722	Vaughan Service Centre - Community & Health	2,375,000.00	47,688,114.97	9,194.30	50,072,309.27
Long Term Care	55190	Debenture Payments ²	70,301.27	0.00	161,250.00	231,551.27
Social Housing	67921	Lakeside Residences Keswick	1,178,795.00	4,762,060.00	12,478,261.47	18,419,116.47
Public Works			0.00	0.00	0.00	0.00
Subway	16540	Interest Earned on Debt not Used	(104,887.78)			(104,887.78)
	90996	Spadina Yonge Subway Ext. - Subway Portion	17,162,505.00	1,945,426.78	38,963,075.23	58,071,007.01
			17,057,617.22	1,945,426.78	38,963,075.23	57,966,119.23
Transit Infrastructure	12000/38001	Debenture Payments ²	7,696,024.77	1,779,846.90	54,602,606.48	64,078,478.15
	81582	Transit Vehicle Garage - North	431,901.11	10,821,512.05	2,581,594.78	13,835,007.94
	82150	Bus Loops & Stops Expansion	121,217.77		1,272,089.92	1,393,307.69
	84513	Conventional Bus Expansion	1,174,681.76		17,179,720.73	18,354,402.49
	90992	Rapid Transit Facilities & Terminals	12,942,000.00	50,000.00	18,198,468.94	31,190,468.94
	90996	Spadina Yonge Subway Ext. - Busway Portion	3,342,422.03	378,874.61	7,588,113.80	11,309,410.44
	90999	RapidCo Capacity Upgrades	509,885.00		82,366.80	592,251.80
			26,218,132.44	13,030,233.56	101,504,961.45	140,753,327.45
GO Transit	15800	GO Transit (Metrolinx)	5,388,108.66	0.00	0.00	5,388,108.66
Regional Roads		See Schedule 3 for Details	100,168,805.97	26,400,992.86	39,251,488.00	165,821,286.83
Water Supply		See Schedule 4 for Details	91,446,287.71	0.00	2,171,350.00	93,617,637.71
Wastewater Servicing		See Schedule 5 for Details	110,216,854.71	0.00	642,000.00	110,858,854.71
Total Capital Programs			\$360,654,774.50	\$99,044,393.37	\$209,414,474.77	\$669,113,642.64

NOTES :

1. Other 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.

**Regional Municipality of York Development Charge Reserves
Regional Roads Capital Program Transfer Addendum
January 1, 2014 to December 31, 2014**

Project Number	Project Description	Development Charge Funding (\$)	Tax Levy Funding (\$)	Other Project Funding (\$) *	2014 Total Project Funding (\$)
85620	2nd Concession - Green Lane to Doane Road	12,832,037.51	1,583,815.45	1,510,000.00	15,925,852.96
99530	Bloomington Road - Yonge Street to Bathurst Street	7,274,957.61	808,328.62		8,083,286.23
98670	Warden Avenue - 16th Avenue to Major Mackenzie Drive	6,435,188.57	502,576.51	3,797,000.00	10,734,765.08
80660	9th Line - North of Major Mackenzie Drive to Stouffville Main Street	6,131,315.92	801,772.18	4,062,000.00	10,995,088.10
85790	Southeast Patrol Area Works Yard	6,013,642.38	8,053,338.99	9,734,000.00	23,800,981.37
97100	St. John's Sideroad - Bayview Avenue to Woodbine Avenue	4,607,693.07	513,715.12	26,800.00	5,148,208.19
39970	Development Charge Credit payments to Developers	2,961,574.09	146,182.54	39,241.00	3,146,997.63
80610	Bathurst Street - King Road to Wellington Street	2,732,686.07	303,631.78		3,036,317.85
85780	9th Line and Stouffville Road - Jog Elimination	2,659,160.30	309,164.00	824,000.00	3,792,324.30
85660	Major Mackenzie Drive - Pine Valley Drive to Weston Road	2,379,269.74	367,322.87	757,000.00	3,503,592.61
39950	Miscellaneous Capital Improvements	2,335,652.29	259,516.92		2,595,169.21
85690	Stouffville Road - Warden Avenue to Kennedy Road	2,322,577.89	(8,561.65)	138,000.00	2,452,016.24
86730	Highway 404 Interchange at Doane Road	1,799,207.57	354,676.06		2,153,883.63
98180	Highway 7 - Town Centre Boulevard to Sciberras Road	1,397,024.65	217,760.95		1,614,785.60
82680	Mid Block Crossing - Highway 404 North of Highway 7	1,384,792.54	227,576.86	1,689,000.00	3,301,369.40
84044	Construction of Roads Related Capital Works within VivaNext Corridors	1,242,847.82	455,094.20	2,853,000.00	4,550,942.02
81320	Major Mackenzie Drive - Highway 27 to Pine Valley Drive	1,178,320.02	130,924.45		1,309,244.47
39910	Miscellaneous Design & Survey for Future Projects	1,167,879.23	131,834.78		1,299,714.01
83870	9th Line and Elgin Mills Road	1,133,093.69	270,522.59		1,403,616.28
84180	Leslie Street - Wellington Street to St. John's Sideroad	1,019,550.05	129,232.04	357,000.00	1,505,782.09
81390	Bathurst Street - North of Highway 7 to Rutherford Road	934,867.93	159,254.87	2,671,000.00	3,765,122.80
96020	Bathurst Street - Green Lane West to Yonge Street	880,547.39	443,519.20	6,589,000.00	7,913,066.59
80200	Udora Bridge Reconstruction	828,660.39	1,933,540.91		2,762,201.30
39999	Viva Network Traffic Engineering and Intelligent Transportation Systems	803,710.04	89,301.12		893,011.16
99890	Intelligent Traffic System	800,269.37	88,918.82	244.27	889,432.46
80680	Bayview Avenue - Elgin Mills Road to 19th Avenue	800,227.70	108,366.47	292,895.57	1,201,489.74
	Debenture Payments	18,309,624.55			18,309,624.55
	Various Programs (102)	7,802,427.59	8,019,666.21	3,911,307.16	19,733,400.96
Total Regional Roads Capital Programs		\$100,168,805.97	\$26,400,992.86	\$39,251,488.00	\$165,821,286.83

NOTE : * Other funding consists of proceeds from debenture issues, third party recoveries, capital reserves, Provincial/Federal grants, fees and charges.

**Regional Municipality of York Development Charge Reserves
Water Supply Capital Program Transfer Addendum
January 1, 2014 to December 31, 2014**

Project Number	Project Description	Development Charge Funding (\$)	Other Project Funding (\$)*	2014 Total Project Funding (\$)
72390	Water for Tomorrow Program	1,034,495.33	49,350.00	1,083,845.33
73300	Master Plan Update	782,005.55		782,005.55
72500	Georgina Water Treatment Plant	276,724.36		276,724.36
73170	King City - Additional Water Supply Watermain	248,634.65		248,634.65
75530	North-East Vaughan Water Servicing	226,327.12		226,327.12
75700	Richmond Hill Langstaff Gateway Provincial Urban Growth and Regional Centre	215,000.00		215,000.00
70050	Wellington Leslie Street Watermain	140,479.20		140,479.20
76120	Pressure District #7 - Elgin Mills Road - Enford Drive to Bayview Avenue	119,000.00	2,122,000.00	2,241,000.00
74220	Markham Pumping Station	118,175.14		118,175.14
72440	Aurora Newmarket Water Study	38,766.91		38,766.91
75460	Yonge Street Watermain - Gladman Avenue to Green Lane	30,379.22		30,379.22
71260	Sharon Elevated Tank	26,442.99		26,442.99
73210	King City Elevated Tank and Watermain	24,912.82		24,912.82
79670	Water System Capacity Assessment	17,352.14		17,352.14
73140	Nobleton Elevated Tank and Watermain	16,509.02		16,509.02
78180	Ballantrae Production Well #3	15,591.96		15,591.96
75420	Pressure District #7- Maple Pumping Station Upgrade Flowmeter	1,053.93		1,053.93
	Debenture Payments	88,114,437.37		88,114,437.37
Total Water Supply Capital Programs		\$91,446,287.71	\$2,171,350.00	\$93,617,637.71

NOTE : * Other funding consists of proceeds from debenture issues, third party recoveries, capital reserves, Provincial/Federal grants, fees and charges.

**Regional Municipality of York Development Charge Reserves
Wastewater Servicing Capital Program Transfer Addendum
January 1, 2014 to December 31, 2014**

Project Number	Project Description	Development Charge Funding (\$)	Other Project Funding (\$)*	2014 Total Project Funding (\$)
79100	York-Durham Sewage System Master Plan Update	638,636.88		638,636.88
77470	Kleinburg Water Pollution Control Plant Expansion	337,000.00		337,000.00
75300	West Vaughan Wastewater Servicing	217,000.00		217,000.00
75650	Wastewater Servicing Richmond Hill & Langstaff	206,000.00		206,000.00
75810	Humber Pumping Station - Electrical Upgrade	98,000.00	402,000.00	500,000.00
75640	Wastewater System Capacity Monitor Studies	87,888.13		87,888.13
75310	East Vaughan Wastewater Servicing	72,520.08	240,000.00	312,520.08
75360	Upper York York-Durham Sewage System Improvements	19,745.68		19,745.68
77090	York-Durham Sewage System Langstaff Trunk	18,329.66		18,329.66
	Debenture Payments	108,521,734.28		108,521,734.28
Total Wastewater Servicing Capital Programs		\$110,216,854.71	\$642,000.00	\$110,858,854.71

NOTE : * Other funding consists of proceeds from debenture issues, third party recoveries, capital reserves, Provincial/Federal grants, fees and charges.