



SUBJECT: 2016 Treasurer's statement for Development Charges, Park Dedication and Public Benefits reserve funds

TO: Committee of the Whole

FROM: Finance Department

Report Number: F-16-17

Wards Affected: All

File Numbers: 460-01

Date to Committee: May 1, 2017

Date to Council: May 15, 2017

Recommendation:

Receive and file finance department report F-16-17 providing the 2016 Treasurer's statement for Development Charges, Park Dedication and Public Benefits reserve funds.

Purpose:

In accordance with the Development Charges Act, 1997 (DCA) and the City's Development Charges By-law 46-2014 the Treasurer is required to provide council with an annual financial statement on the development charges reserve funds. Furthermore in accordance with recent amendments to the Planning Act, the Treasurer is also required to provide council with an annual financial statement on the City's Park Dedication and Public Benefits reserve funds.

Background and Discussion:

Bill 73 Smart Growth for our Communities Act, 2015

On December 3, 2015, the Province enacted Bill 73, the Smart Growth for Our Communities Act, 2015, which among other matters, made amendments to the financial reporting requirements in the DCA and Planning Act. The reporting requirements are found below in each section.

Development Charges Reserve Fund Statement

Section 12 of O.Reg. 82/98 prescribes the information that must be included in the Treasurer's statement. The information is in addition to the opening and closing balance for the previous year and the transactions relating to that year. For each reserve fund:

1. A description of the service for which the fund was established. If the fund was established for a service category, the service is the category.
2. For the credits in relation to the service or service category for which the fund was established,
 - i. the amount outstanding at the beginning of the previous year, given in the year, used in the year and outstanding at the end of the year,
 - ii. the amount outstanding at the beginning of the previous year and outstanding at the end of the year, broken down by individual credit holder.
3. The amount of any money borrowed from the fund by the municipality during the previous year and the purpose for which it was borrowed.
4. The amount of interest accrued during the previous year on money borrowed from the fund by the municipality.
5. The amount and source of any money used by the municipality to repay, in the previous year, money borrowed from the fund or interest on such money.
6. A schedule that identifies credits recognized under section 17 and, for each credit recognized, sets out the value of the credit, the service against which the credit is applied and the source of funds used to finance the credit. O. Reg. 82/98, s. 12 (2).

The following is also prescribed as information to be included in the statement of the treasurer:

1. For each project that is financed, in whole or in part, by development charges,
 - i. the amount of money from each reserve fund established under section 33 of the Act that is spent on the project, and
 - ii. the amount and source of any other money that is spent on the project. O. Reg. 82/98, s. 12 (3).

The treasurers' statement to be completed as part of the above requirements are included as Appendix A to this report.

On July 1, 2016, the Province enacted the remaining amendments to the *Planning Act* introduced by Bill 73, the Smart Growth for Our Communities Act, 2015, which among other matters, made amendments to financial reporting requirements. This report provides Council with the amendments pertaining to Section 42 and Section 37 of the Planning Act requiring the municipality to provide council with annual financial statements on the city's Cash in Lieu of Park Land, known as the Park Dedication

Reserve Fund, and increase in height and density, know as the Public Benefits Reserve Fund. The amendments and corresponding reporting requirements are found below under their respective sections.

Park Dedication Reserve Fund Statement

The following subsections were added under Section 42 of the Planning Act;

17. The treasurer of the municipality shall each year, on or before the date specified by the council, give the council a financial statement relating to the special account.
18. The statement shall include, for the preceding year,
 - a. statements of the opening and closing balances of the special account and of the transactions relating to the account;
 - b. statements identifying,
 - i. any land or machinery acquired during the year with funds from the special account,
 - ii. any building erected, improved or repaired during the year with funds from the special account,
 - iii. details of the amounts spent, and
 - iv. for each asset mentioned in subclauses (i) and (ii), the manner in which any capital cost not funded from the special account was or will be funded; and
 - c. any other information that is prescribed.
19. The treasurer shall give a copy of the statement to the Minister on request.
20. The council shall ensure that the statement is made available to the public.

The treasurer's statement is included as Appendix B to this report.

Public Benefits Reserve Fund Statement

The following subsections were added under Section 37 of the Planning Act;

5. All money received by the municipality under this section shall be paid into a special account and spent only for facilities, services and other matters specified in the by-law.
6. The money in the special account may be invested in securities in which the municipality is permitted to invest under the Municipal Act, 2001 and the earnings derived from the investment of the money shall be paid into the special account, and the auditor in the auditor's annual report shall report on the activities and status of the account.
7. The treasurer of the municipality shall each year, on or before the date specified by the council, give the council a financial statement relating to the special account.
8. The statement shall include, for the preceding year,

- a. statements of the opening and closing balances of the special account and of the transactions relating to the account;
 - b. statements identifying,
 - i. any facilities, services or other matters specified in the by-law for which funds from the special account have been spent during the year,
 - ii. details of the amounts spent, and
 - iii. for each facility, service or other matter mentioned in subclause (i), the manner in which any capital cost not funded from the special account was or will be funded; and
 - c. any other information that is prescribed.
9. The treasurer shall give a copy of the statement to the Minister on request.
10. The council shall ensure that the statement is made available to the public.

The treasurer's statement for the Public Benefits Reserve Fund is included as Appendix C to this report. For 2016 there were no transactions in the Public Benefits Reserve Fund.

Financial Matters:

The 2016 Development Charges Reserve Funds Statement is attached as Appendix A.

- Schedule 1 – Development Charges Reserve Funds statement
- Schedule 2 – Capital Fund Transfers
- Schedule 3 – Credits recognized under Section 17 of O.Reg 82/98

The 2016 Park Dedication reserve fund statement is attached as Appendix B.

- Schedule 1 – Park Dedication Reserve Fund statement
- Schedule 2 – Capital Fund Transfers

The 2016 Public Benefits reserve fund statement is attached as Appendix C.

- Schedule 1 – Public Benefits Reserve Fund Statement

Public Engagement Matters:

The 2016 Treasurer's statements included within this report are made available to the public on the city's website and upon request. Furthermore, the Development Charges Reserve Fund statement has also been distributed to the Development Charges Consultation Committee.

Conclusion:

The attached treasurer's statements are provided for information only.

Respectfully submitted,

Luke Zygalko

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Appendices:

- A. The 2016 Development Charges reserve fund statements.
 - Schedule 1 – Development Charges Reserve Funds statement
 - Schedule 2 – Capital Fund Transfers
 - Schedule 3 – Credits recognized under Section 17 of O.Reg 82/98
- B. The 2016 Park Dedication reserve fund statement
 - Schedule 1 – Park Dedication Reserve Fund statement
 - Schedule 2 – Capital Fund Transfers
- C. The 2016 Public Benefits reserve fund statement
 - Schedule 1 – Public Benefits Reserve Fund statement

Report Approval:

All reports are reviewed and/or approved by Department Director, Director of Finance and Director of Legal. Final approval is by the City Manager.