



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Administration, Finance and Human Resources Committee
From: Ken DeHart, County Treasurer
Date: Tuesday, April 19, 2022
Subject: **Development Charge Reserve Fund Statement as of December 31, 2021**

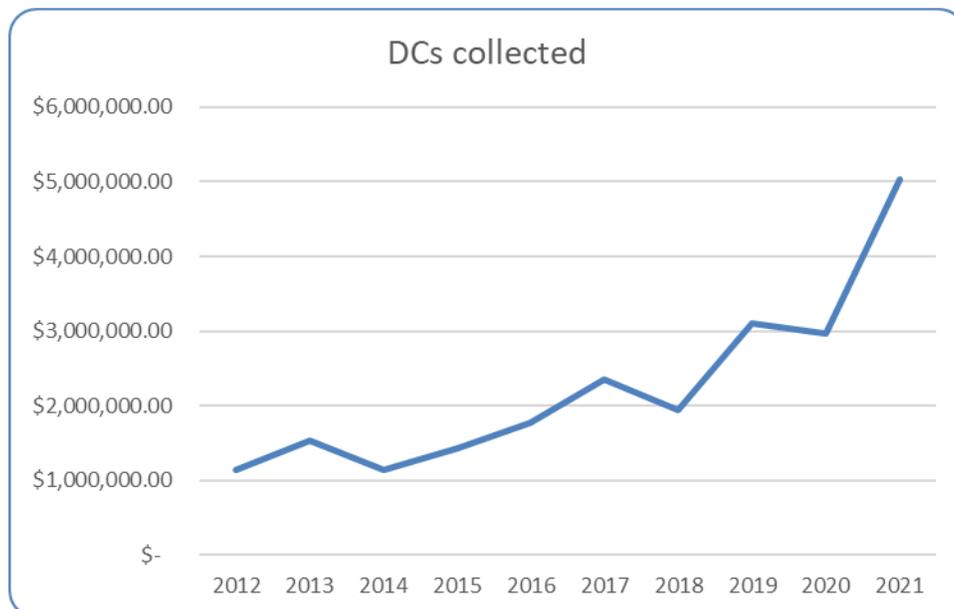
Background:

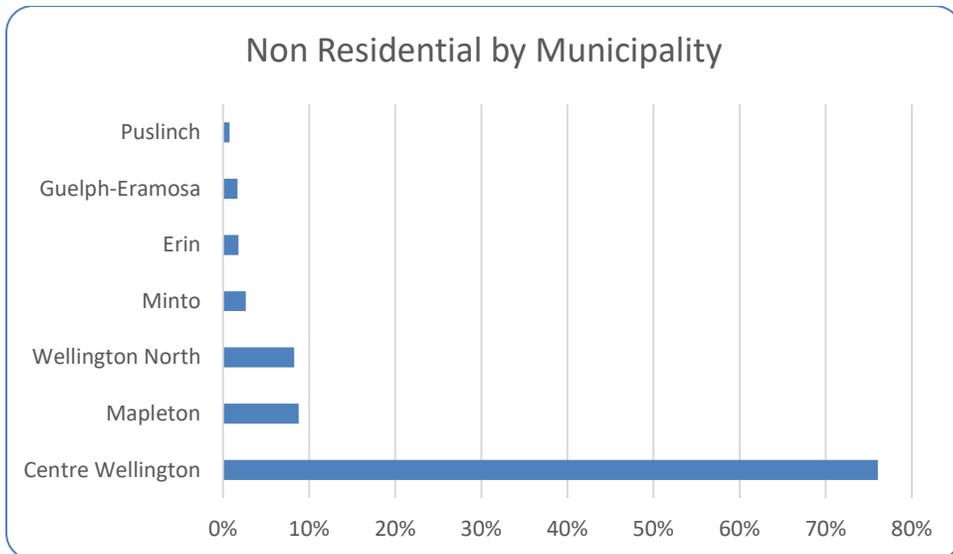
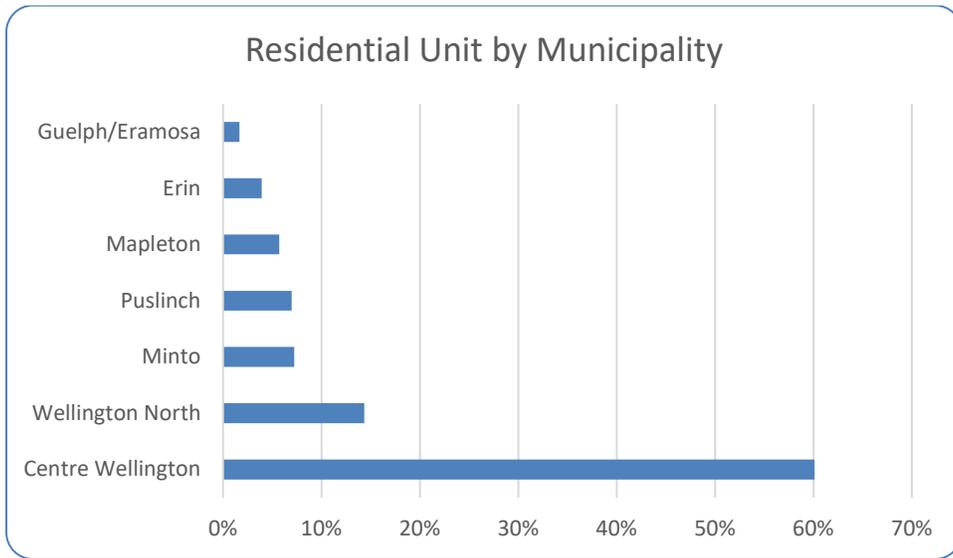
Section 43 of the *Development Charges Act, 1997* as amended by O.Reg. 428/15 through Bill 73, requires the Treasurer of a municipality to provide Council, the public and the Ministry of Municipal Affairs and Housing (as requested) with an annual financial statement relating to development charge (DC) by-laws and reserve funds. Attached are the County's DC financial statements as of December 31, 2021. The main statement is accompanied by additional schedules outlining the inter-fund loans, repayments of eligible unfunded amounts from the previous Development Charge Study and DC related capital projects.

DC Collections:

Development charges collected in accordance with the County's by-law 5523-17 and 5590-18 are deposited in the DC reserve funds as received and applied to eligible growth related costs once those costs have been incurred.

DC revenue collected in 2021 totaled \$5.03 million representing a 69% increase compared to 2020 collections. Centre Wellington growth accounts for 60% of residential and 76% of non-residential collections.





DC Expenditures:

The County transferred \$1,318,314 to support growth related capital in 2021. Project spending includes:

- \$128,000 from DC Library to increase collection materials at the County’s 14 branches
- \$349,644 in DC Admin funding contributed to: the Development Charge Study Update (\$11,716), the Official Plan Update (\$108,667) and the Transportation Master Plan (\$229,261)
- \$840,670 in DC Roads funding contributed to: the construction of Wellington Road 18 at 26 intersection (\$23,317), Erin Brucedale Shop (\$15,590), Intersection improvements at WR 124 at 32 (\$20,156), Arthur Shop (\$41,474), WR 18 Intersections (\$737,134) and WR 7 at the First Line (\$3,000)

DC Debt Repayments:

The Development Charge Act (DCA) permits the use of external debt to manage the cash flow of the DC reserve funds. In 2021, the DC reserves funded \$964,500 in debt repayments for the growth related portion of the following projects:

- Rockwood OPP Detachment construction
- Clifford Library construction
- Central Garage construction
- Drayton Garage construction
- Wellington Road 124 passing lane
- Wellington Road 124 Bridge B124135 widening
- Wellington Road 46, WR 34 to 401

Total DC debt outstanding at December 31, 2021 is \$10.2 million

DC Inter-fund Loans Repayments

To manage cash flow within the DC reserves and proceed with growth related projects as they are identified the County has set up internal loans from other DC reserve funds or other County reserves. Loan amounts, repayments and interest are calculated at December 31st of each year. Many of the County's DC reserve funds continue to have a \$0 balance at December 31, 2021 as all funds collected during the year repay these loans. Inter-fund loan details are provided in Schedule A of this report

Repayment of Eligible Amounts Previously Funded from Own

In accordance with the DC background study dated February 24, 2017, capital items have been included for the recovery of the prior study's unfunded growth projects. The County has set up additional loans for these projects. Repayments are made as funds are available. Loan details are provided in Schedule B of this report.

Upcoming Changes to County Development Charges

The current DC by-law remains in effect until June 1, 2022. Due to the recent changes to the Development Charge Act through the passing of Bill 108 and Bill 197, the Social Services category will no longer be a DC eligible service. The Social Services DC collections currently repay eligible amounts previously paid from the County Property reserve. The County will continue to collect for Social Services until the new by-law comes into effect in June, however, staff do not anticipate the collections will cover off the outstanding amounts found in Schedule B. Any outstanding balance in the DC Social Services Reserve at year-end 2022 will be written off and reported to council.

Recommendation:

That the attached Development Charge Reserve Fund statements for the period ending December 31, 2021 be approved, posted to the County website and shared with the Ministry of Municipal Affairs and Housing, if requested.

Respectfully submitted,



Ken DeHart, CPA, CGA
County Treasurer