



**DATE:** April 11, 2018

**REPORT NO. CS2018-030**

**TO:** Chair and Members of the Finance Committee

**FROM:** Joelle Daniels  
Director of Finance

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## **1.0 TYPE OF REPORT**

**CONSENT ITEM [ ]**  
**ITEM FOR CONSIDERATION [ X ]**

## **2.0 TOPIC**

**2017 Development Charges Reserve Fund Continuity Report [Financial Impact – None] (CS2018-030)**

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## **3.0 RECOMMENDATION**

- A. THAT the 2017 Development Charges Reserve Fund Continuity Report No. CS2018-030 BE RECEIVED; and
- B. THAT the Treasurer's declaration that the City is in compliance with section 59.1(1) of the Development Charges Act, 1997 BE RECEIVED; and
- C. THAT Report No. CS2018-030 and related attachments BE POSTED on the City's website.

## **4.0 PURPOSE**

The purpose of this report is to provide Council with a statement on the continuity of the development charges reserve funds for the year ended December 31, 2017.

## **5.0 BACKGROUND**

Pursuant to Article 9 of By-law 38-2014, as amended, the Treasurer for the City of Brantford shall annually present a financial statement to City Council regarding

the development charges reserve funds. The purpose of the Treasurer's statement is to document transactions relating to the reserve funds, opening and closing balances, and services for which the funds are established and interest earnings.

For each project financed, in whole or in part, by development charge funds, the Treasurer's statement shall indicate the amount drawn from the development charge reserve funds and the amount and source of any other money spent on the project.

On December 3, 2015, following considerable consultation on Bill 73, the province passed the *Smart Growth for Our Communities Act, 2015*. This Act reformed both the *Development Charges Act, 1997 (DCA)* and the *Planning Act*. The changes resulted in additional reporting requirements including releasing of the report to the public, inclusion of a statement that the City is in compliance with Section 59.1(1) of the Act (which prohibits municipalities from imposing additional payments on developers), and granting investigative powers to the Ministry of Municipal Affairs and Housing to investigate whether a municipality is in compliance.

## **6.0 CORPORATE POLICY CONTEXT**

General Policy 10.2.3 in the City's Strategic Financial Plan states that staff will monitor the Ministry of Municipal Affairs and Housing, the Public Sector Accounting Board (PSAB) and other legislative/association websites and literature to ensure that the City is aware of changes affecting financial reporting and, where necessary, will amend accounting procedures or develop policies for consideration by Finance Committee in order to comply with the most current reporting requirements. The Treasurer's annual reporting on the development charges reserve funds ensures that the City is in compliance with the current requirements of the *Development Charges Act, 1997* and City of Brantford's current Development Charges By-law 38-2014, enacted under that legislation.

## **7.0 INPUT FROM OTHER SOURCES**

The content of the Deferral Agreements Schedule was reviewed with the General Manager, Community Development and their staff.

## **8.0 ANALYSIS**

The following information must be provided as part of the annual reporting for the preceding year:

- statement of the opening and closing balances of the reserve funds and of the transactions relating to the funds;
- statement identifying,
  - all assets whose capital costs were funded under a development charge by-law during the year,
  - for each asset mentioned above, the manner in which any capital cost not funded under the DC by-law was or will be funded;
- a statement as to compliance with subsection 59.1 (1); and
- any other information that is prescribed

Additionally, Council shall ensure that the statement is made available to the public, and the treasurer shall give a copy to the Minister of Municipal Affairs and Housing on request.

The following chart summarizes 2017 Development Charges activity:

Beginning DC Reserve Fund Balance (All services)	\$ 32,080,492
DC's Collected in 2017	\$ 7,316,568
Interest Earned	\$ 837,908
DC's Utilized in 2017	\$(13,812,132)
Ending DC Reserve Fund Balance (All services)	\$ 26,422,836

The following information to support the annual reporting requirement is attached to this report:

1. Statement of Development Charges Reserve Funds – Appendix A
2. Transfer to Capital – Appendix B
3. Development Charges Deferral Agreements – Appendix C

The treasurer confirms that the 2017 Development Charges reporting for the City of Brantford is in compliance with Section 59.1(1) of the Development Charges Act, 1997.

## 9.0 FINANCIAL IMPLICATIONS

When applicable, development charges are collected at the time of building permit issuance and are to be used to offset the growth related component of eligible capital works. Although this report details the receipt, retention and application of those funds for capital purposes during the year, there is no financial impact to receiving this report. The amount of development charges

collected can vary widely from year to year based on fluctuations in building activity (i.e. number and size of non-residential developments or changes in the type and/or number of housing units).

## 10.0 CONCLUSION

Report No. CS2018-030 is presented to Finance Committee and Council in accordance with the current requirements under the *Development Charges Act, 1997* and O.Reg. 89/98. To ensure that the public is aware of the transactions affecting the development charges reserve funds during 2017, this report and the attached schedules will be posted on the City website.



Joelle Daniels  
Director of Finance



Catherine Brubacher  
General Manager of Corporate Services,  
City Treasurer

### Attachments:

- Statement of Development Charges Reserve Funds
- Transfers to Capital, Revenue and Reserve Funds
- Development Charges Deferral Agreements

In adopting this report, is a by-law or agreement required? If so, it should be referenced in the recommendation section.

By-law required

☐ yes

☒ no

Agreement(s) or other documents to be signed by Mayor and/or City Clerk

☐ yes

☒ no

Is the necessary by-law or agreement being sent concurrently to Council?

☐ yes

☒ no

**CITY OF BRANTFORD**  
**STATEMENT OF DEVELOPMENT CHARGES RESERVE FUNDS**  
**AS AT DECEMBER 31, 2017**

Appendix A

	<u>Fire</u>	<u>Police</u>	<u>Capital Growth Studies</u>	<u>Transportation</u>	<u>Sanitary Sewers</u>	<u>Municipal Parking</u>	<u>Land Ambulance</u>
Balance - beginning of year	447,419	534,322	126,589	14,482,546	2,873,916	986,113	31,642

Revenues

Development Charges Act	92,977	193,835	38,598	3,879,634	389,758	212,633	5,640
Interest Income (1.98%)	15,573	12,499	2,889	382,134	88,591	21,631	682
Transfer from Capital Fund	0	0	0	0	548,351	0	0
Transfer from Reserves	0	0	0	0	0	0	0
<b>Total Revenues</b>	<b>108,550</b>	<b>206,334</b>	<b>41,487</b>	<b>4,261,768</b>	<b>1,026,700</b>	<b>234,264</b>	<b>6,322</b>

Expenses

Transfers to Capital/Revenue Fund  
 Transfer to Reserves  
 Refund of Development Charges

	0	0	0	6,689,715	583,765	0	37,964
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
<b>Total Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,689,715</b>	<b>583,765</b>	<b>0</b>	<b>37,964</b>
Balance - end of year	555,969	740,656	168,076	12,054,599	3,316,851	1,220,377	0

	<u>Parks and Recreation Facilities</u>	<u>Transit</u>	<u>Library</u>	<u>Water</u>	<u>Public Works</u>	<u>City-Wide Stormwater</u>	<u>Intensification Stormwater</u>	<u>Development Charge Totals</u>
Balance - beginning of year	7,523,836	524,447	1,712,686	1,761,661	565,392	233,960	275,963	32,080,492

Revenues

Development Charges Act	1,179,379	175,186	182,314	748,661	75,497	132,194	10,262	7,316,568
Interest Income (1.98%)	170,474	12,115	35,716	72,358	11,387	6,293	5,566	837,908
Transfer from Capital Fund	0	0	0	370,918	6,931	0	0	926,200
Transfer from Reserves	0	0	0	0	0	0	0	0
<b>Total Revenues</b>	<b>1,349,853</b>	<b>187,301</b>	<b>218,030</b>	<b>1,191,937</b>	<b>93,815</b>	<b>138,487</b>	<b>15,828</b>	<b>9,080,676</b>

Expenses

Transfers to Capital/Revenue Fund  
 Transfer to Reserves  
 Refund of Development Charges

	6,955,787	63,454	0	344,647	63,000	0	0	14,738,332
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
<b>Total Expenses</b>	<b>6,955,787</b>	<b>63,454</b>	<b>0</b>	<b>344,647</b>	<b>63,000</b>	<b>0</b>	<b>0</b>	<b>14,738,332</b>
Balance - end of year	1,917,902	648,294	1,930,716	2,608,951	596,207	372,447	291,791	26,422,836

CITY OF BRANTFORD  
YEAR END 2017  
TRANSFERS TO CAPITAL / REVENUE FUNDS

Project	Total Project Cost	Development Charges \$'s	Allocated But Not Expended	Other Reserve Funds	Capital Fund	Operating Fund	Other Funding	Non DC Funding Source(s)
<b>2014</b>								
Colborne/Dalhousie/Brant/Comm	329,000	246,642	245,055	82,358				Roads & Related Reserve Fund
	329,000	246,642	245,055	82,358	0	0	0	
<b>2015</b>								
Off Road Active Transportation	311,000	155,500	155,500	155,500				Capital Funding Envelope
On Road Active Transportation	355,000	177,500	177,500	177,500				Capital Funding Envelope
Sewers- Fen Ridge Court Easement	420,178	420,178	0	0				
Water Distribution- Fen Ridge Court Easement	233,377	233,377	0	0				
Stormwater Flow Monitoring Program	250,000	58,832	22,220	181,168				Roads & Related Reserve Fund and Capital Funding Envelope
	1,569,555	1,055,387	355,220	514,168	0	0	0	
<b>2016</b>								
Vet Mem Pkwy (Mt Pleasant to Erie)	1,150,000	1,069,500	990,067	80,500				BSAR Final MTO Payout Reserve Fund
Vet Mem Pkwy Extension	1,150,000	1,150,000	1,110,093					
Greenwich Sewer Upgrade	6,000,000	1,216,000	732,179	4,784,000				Water & Related and Wastewater & Related Reserve Funds
Fire Station #2 Relocation	2,950,000	309,000	276,171	2,641,000				Capital Funding Envelope and Casino Legacy Fund
Charing Cross Street Extension	50,000	50,000	47,861					
Oak Park Road Extension (Hardy Rd S)	150,000	150,000	145,869					
Transportation Model Update	70,000	70,000	48,156					
West Brant Water Storage Facility	10,000,000	1,128,979	1,128,979	8,871,021				Water & Related Reserve Fund
	21,520,000	5,143,479	4,479,375	16,376,521	0	0	0	
<b>2017</b>								
(A) Update Projects in Progress								
-Southwest Sports Complex								
Previously Approved	931,483	828,983	375,079	102,500				South Side of Shellard Lane Reserve Fund
Additional Approval In 2017	10,500,000	6,718,450	6,718,450	3,781,550				South Side of Shellard Lane Reserve Fund
-Shellard Lane - Colborne to West City Limit			0					
Previously Approved	500,000	500,000	78,794	135,457				Federal Gas Tax Reserve Fund
Additional Approval In 2017	500,457	365,000						
(B) New Projects in 2017								
-Two New Vehicles - Sod Inspectors	62,299	56,069	0	6,230				Roads & Related Reserve Fund
-Master Servicing Plan	420,000	420,000	390,889					
-Specialized Transit Fleet Expansion	89,218	44,609	44,609					44,609 Provincial Grant
-150 Oakhill Drive Purchase	406,515	406,515	0					
-New Park Development	200,000	180,000	180,000	20,000				Cash in Lieu of Parkland Reserve Fund
-Earl Haig Facility Improvements	500,000	57,337	56,641					Debtenture
-Off Road Active Transportation	311,000	155,500	155,500	155,500				Transportation Capital Funding Envelope
-Oak Park/403 Interchange	6,042,720	5,395,200	5,371,769					647,520 Sale of Property
-Sanitary Manhole Diversion	38,000	19,000	19,000	19,000				Wastewater & Related Reserve Fund
-New Transit Bus Shelters	20,500	18,450	18,450	2,050				Transit Capital Funding Envelope
-On Road Active Transportation	355,000	177,500	177,416	177,500				Federal Gas Tax Reserve Fund
-Transportation Master Plan	190,000	190,000	184,889					
-Water Distribution System Intensification	269,294	134,647	134,647	134,647				Water & Related Reserve Fund
-Empey Sanitary Pumping Station	500,000	193,000	188,469	307,000				Wastewater & Related Reserve Fund
-Sanitary Collection System Intensification	323,530	161,765	161,765	161,765				Wastewater & Related Reserve Fund
- To Operating re funding New Ambulance	37,964	37,964	0					
	22,197,980	16,059,989	14,256,167	5,003,199	0	0	1,134,792	
	45,616,535	22,505,497	19,335,817	21,976,246	0	0	1,134,792	

CITY OF BRANTFORD  
DEVELOPMENT CHARGES DEFERRAL AGREEMENTS  
AS AT DECEMBER 31, 2017

Party to Agreement	Property	Date of Agreement	Amount of Deferral	Details
Group Home for Deaf/Blind Persons (Brantford) Inc	170 Henry Street	Sept. 13, 1999	\$11,979.00	Due at such time that a group residence ceases to be registered on the property or the property is sold to a party that will not continue the group residence use. Payable without interest
Nova Vita Women's Shelter Incorporated	59-65 North Park Street	Sept. 25, 2006	\$14,434.00	Due and payable in full on the due date which is the earlier of the following: (a) The date on which the registry maintained by the City pursuant to Zoning By-law 160-90 no longer reveals that a crisis residence exists on the lands; or, b) The date on which the lands cease to be used for the purpose of a crisis residence. The deferred development charges shall not bear interest until the due date, but shall bear interest at the rate payable in respect of unpaid municipal taxes after the due date until the date of payment. For purposes of the foregoing, the deferred development charges payable at such future date will be the greater of the following: (a) The sum of \$14,434 which was the amount payable under the City's current Development Charges By-law; or (b) That sum which would be payable under the Development Charges rates then in effect.



CITY OF BRANTFORD  
DEVELOPMENT CHARGES DEFERRAL AGREEMENTS  
AS AT DECEMBER 31, 2017

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Party to Agreement	Property	Date of Agreement	Amount of Deferral	Details
2113626 Ontario Inc. (Bawa Hotels Canada)	20 Fen Ridge Court	August 8, 2008	\$349,286.41	<p>The City refunded the developer \$349,286.41, representing the development charges that had previously been paid in respect of the commercial building at 20 Fen Ridge Court and agreed to a retroactive deferral of such development charges to a due date which was to be the earlier of the following:</p> <ul style="list-style-type: none"> <li>(a) The date on which partial or complete occupancy has occurred; or,</li> <li>(b) The date on which a partial or complete occupancy certificate is issued in accordance with the provisions of the Ontario Building Code for the commercial building.</li> </ul> <p>The deferred development charges were to be due and payable in full on the due date. The developer, however, requested additional time to repay the indebtedness to the City and the City entered into an amending agreement dated May 10, 2011 setting out a repayment schedule with annual repayments, without interest, through to July 1, 2023. The agreement also sets out remedies for the City in the event of late payments or non-payments by the developer.</p> <p>To date, the annual payments have been received from the developer in accordance with the repayment schedule in the amending agreement.</p>
Woodview Children's Centre	643 Park Road North	Nov. 14, 2012	\$19,050.61	<p>The City agreed to refund the development charges that had been paid for the expansion of the children's health care facility at 643 Park Road North and to defer such development charges until a due date which shall be the earlier of the following:</p> <ul style="list-style-type: none"> <li>(a) the date on which zoning is changed to allow additional uses; or,</li> <li>(b) the date on which the lands cease to be used for the purposes of a children's health centre.</li> </ul> <p>The deferred development charges shall begin to bear interest on the due date. Interest shall be calculated at the rate payable in respect of unpaid municipal taxes. For purposes of the foregoing, the deferred development charges payable at such future date will be the greater of the following:</p> <ul style="list-style-type: none"> <li>(a) the sum of \$19,050.61 which is the amount payable under the City's current Development Charges By-law; or,</li> <li>(b) that sum which would be payable under the Development Charge rates then in effect.</li> </ul> <p>(NOTE: Although the agreement was executed in 2012, the registration on title and the actual refund of the development charges did not occur until January, 2013.)</p>



CITY OF BRANTFORD  
DEVELOPMENT CHARGES DEFERRAL AGREEMENTS  
AS AT DECEMBER 31, 2017

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Party to Agreement	Property	Date of Agreement	Amount of Deferral	Details
St. Joseph's Health System	99 Wayne Gretzky Parkway	June 17, 2013	\$136,969.00	<p>Due and payable on the date which is the earlier of the following:</p> <ul style="list-style-type: none"> <li>(i) the date on which the zoning by-law is changed to allow additional uses, or</li> <li>(ii) the date on which the hospice building ceases to be used for the purpose of an end of life hospice.</li> </ul> <p>The deferred development charges shall not bear interest until the due date, but shall bear interest at the rate payable for unpaid municipal taxes from the due date until the date of full payment.</p> <p>For purposes of the foregoing, the deferred development charges payable at such future date will be the greater of the following:</p> <ul style="list-style-type: none"> <li>(a) the sum of \$136,969.00 which is the amount payable under the City's current Development Charges By-law; or</li> <li>(b) that sum which would be payable under the Development Charge rates then in effect.</li> </ul>