





The Corporation of the Town of Parry Sound

## **Council Report and Recommendation**

### **Open Council Agenda May 20, 2025**

#### **Subject:**

Treasurer's Annual Statement of Development Charges

#### **TOMRMS File Number:**

F20 - Annual Reports (2024)

#### **Spokesperson(s) Name, Title, Department**

Stephanie Phillips, CPA, CMA, Director of Finance / Treasurer, Finance Department

#### **Purpose of Report:**

To report provides information regarding Development Charges including a statement of the development charges collected, reserve fund transactions, and balances.

#### **Resolution 2025**

That Council receives the Treasurer's Annual Statement of Development Charges as of December 31, 2024, attached as Schedule A.

#### **Relationship to Strategic Plan:**

Core Service?      Yes

New Service, Project or Program?      No

Identify the Relationship to Council's Strategic Plan:    Organizational Excellence - financial planning to strive towards sustainability for asset management.

## **Background:**

The Town of Parry Sound completed a Development Charges Background Study on December 23, 2022. On June 6, 2023, the Town of Parry Sound passed the following Development Charge By-laws:

- By-law 2023-7346 related to Ambulance Services;
- By-law 2023-7347 related to Fire Protection Services;
- By-law 2023-7348 related to Library Services;
- By-law 2023-7349 related to Parks and Recreation Services;
- By-law 2023-7350 related to Provincial Offences Act, including By-law Enforcement Services; and
- By-law 2023-7351 related to Services Related to a Highway.

These by-laws establish the charges applicable to residential and non-residential development in the Town and are applicable on all lands within the Town boundaries.

## **What are Development Charges?**

Development charges are collected at the building permit stage to recover for growth related capital needs associated with important services like ambulance, fire protection, roads, etc. The charges are born by the developers/landowners of new development, re-development and expansions as an additional revenue source as an alternative to property taxation.

**The Treasurer's Annual Statement**

Annually, the Treasurer of the municipality is required to provide Council with a financial statement related to the D.C. by-law(s) and reserve funds. This statement must be made available to the public and may be requested to be forwarded to the Minister of Municipal Affairs and Housing.

Subsection 43 (2) and O. Reg. 82/98 prescribe the information that must be included in the Treasurer's statement and the statement must be available to the public by posting the statement on the municipal website. The annual statements must continue to be available on the municipal website for the term of the by-laws.

The Development Charges Background Study provided schedules to report on noted as Figure D-1, D-2a, D-2b, and D-3. The D.C. Act, now also requires additional information to be included in the annual statements, related to the amount spent or allocated of the opening D.C. reserve fund balance for Services Related to a Highway, a description of what type of capital infrastructure each D.C. by-law is recovering for, and other statements to ensure compliance with the Act. In addition, starting in 2024 a minimum of 60% of the opening balance for the Services related to a highway development charge reserve fund must be spent or allocated to projects each year. Figure D-4 is recommended to cover for that requirement.

A summary of the Development Charges activities and obligatory reserve funds is provided below:

June 6, 2024 - opening balance	\$	0
Development Charges		-
Interest Earned		-
Transfers to capital projects		-
December 31, 2024 - closing balance	\$	0

Although the Town introduced development charges in June 2023 and no funds have been collected as of December 31, 2024, development is occurring. As noted above development charges are paid at building permit issuance. In 2024 building permits valued at \$84,577,525 were issued. The lack of the collection of development is not surprising as there are a number of exemptions in the development charges legislation.

The Development Charges By-laws under part 11. D) as required by legislation have a stipulation that " Where the development of land results from the approval of a Site Plan or Zoning By-law Amendment on or after January 1, 2020, and the building permit was issued within 2 years of the approval, the Development Charges shall be calculated based on the charges in effect on the date of the Site Plan or Zoning By-law Amendment application.

In addition, due to the amount of pre-consultation with the development industry within 2023 and the knowledge of upcoming development charges, some developments were able to submit Site Plan applications, zoning By-Law Amendment applications, or have building permits issued prior to the effective date of the charges.

Funds remaining in the Development Charges Reserve Funds would be considered to be committed for projects as identified in the Town's 2022 Development Charges Background Study. The funds will be transferred to the capital projects when growth related costs are incurred, and charges are collected.

No amounts have been borrowed from the funds during the year or in any previous years. Therefore, no amounts have been repaid for any previous borrowings as there have been no previous borrowings.



The Corporation of the Town of Parry Sound

**Figure D-1**

**Annual Treasurer's Statement of Development Charge Reserve Funds**

Description	Services Related to a Highway	Fire Protection Services	Parks and Recreation Services	Provincial Offences Act including By-law Enforcement Services	Ambulance Services	Library Services	Total
<b>Opening Balance, January 1, 2024</b>	\$0	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<u>Plus:</u>							
Development Charge Collections	0	0	0	0	0	0	0
Accrued Interest	0	0	0	0	0	0	0
Repayment of Monies Borrowed from Fund and Associated Interest <sup>1</sup>	0	0	0	0	0	0	0
<b>Sub-Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<u>Less:</u>							
Amount Transferred to Capital (or Other) Funds <sup>2</sup>	0	0	0	0	0	0	0
Amounts Refunded	0	0	0	0	0	0	0
Amounts Loaned to Other D.C. Service Category for Interim Financing	0	0	0	0	0	0	0
Credits <sup>3</sup>	0	0	0	0	0	0	0
<b>Sub-Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Closing Balance, December 31, 2024</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<sup>1</sup> Source of funds used to repay the D.C. reserve fund

<sup>2</sup> See Attachment 1 for details

<sup>3</sup> See Attachment 2 for details

The Municipality is compliant with s.s. 59.1 (1) of the *Development Charges Act*, whereby charges are not directly or indirectly imposed on development nor has a requirement to construct a service related to development been imposed, except as permitted by the *Development Charges Act* or another Act.



The Corporation of the Town of Parry Sound

**Figure D-2a**

**Amount Transferred to Capital (or Other) Funds - Capital Fund Transactions**

Not Applicable - Nothing transferred to capital transactions within 2024.

**Figure D-2b**

**Amount Transferred to Operating (or Other) Funds - Operating Fund Transactions**

Not Applicable - Nothing transferred to operating transactions within 2024.

**Figure D-3**

**Statement of Credit Holder Transactions**

Credit Holder	Applicable D.C. Reserve Fund	Credit Balance Outstanding Beginning of Year <u>2024</u>	Additional Credits Granted During Year	Credits Used by Holder During Year	Credit Balance Outstanding End of Year <u>2024</u>
No Credit Holders	N/A	\$0	\$0	\$0	\$0

**Figure D-4**

**Statement of Reserve Fund Balance Allocations**

Service	Services Related to a Highway			
Balance in Reserve Fund at Beginning of Year	\$0			
60% of Balance to be Allocated (at a minimum)				
Projects to Which Funds Will be Allocated				
Project Description	Project Number	Total Growth-related Capital Cost Remaining to be Funded.	Share of Growth-related Cost Allocated to Date	Share of Growth-related Cost Allocated-Current Year
<b>Total</b>		\$0	\$0	\$0



The Corporation of the Town of Parry Sound

### Description of the Services for which each Development Charge Reserve Fund was established

<b>Service/Class of Service</b>	<b>Description</b>
Services Related to a Highway	The fund is used for growth-related projects for roads, bridges, structures, active transportation, streetlights, sidewalks, and other related road infrastructure, including Public Works Facilities and Fleet
Fire Protection Services	The fund is used for growth-related projects supporting fire protection services, including facilities, vehicles, equipment, and gear
Parks and Recreation Services	The fund is used for growth-related projects related to parkland development, parkland amenities, recreational trails, parkland buildings, recreation facilities, and parks & recreation vehicles and equipment
Library Services	The fund is used for growth-related projects including library facilities, furniture, shelving, collection materials, vehicles, and other related library infrastructure
Provincial Offences Act Including By-Law Enforcement	The fund is used for growth-related projects including facilities, vehicles, and equipment
Ambulance	The fund is used for growth-related projects supporting ambulance services, including facilities, vehicles, equipment, and gear.



The Corporation of the Town of Parry Sound

**Compliance:**

- 1) The Town is in compliance with subsection 59(1) of the D.C. Act as the Town has not imposed, directly or indirectly, a charge related to a development, or required a developer to construct a service related to development, except as permitted by the D.C.A.
  
- 2) Statement related to the amount anticipated to be spent during the life of the development charge by-law for each service where DCs were collected during the year, whether the municipality expects to incur the amount of capital costs that were estimated, in the relevant D.C. background study, to be incurred during the term of the applicable development charge by-law. If the answer is no, the amount the municipality now expects to incur and a statement as to why this amount is expected.

Service/Class of Service	Estimated in D.C.Study Are Anticipated to be Incurred During the Life of the By-law (Y/N)	Required if answer in 2nd column is No	
		Estimated in D.C.Study Now Expected to be Incurred During Life of By-law	Why Revised Amount is Expected to be Incurred During Life of By-law
Services Related to a Highway	Y		
Transit Services	Y		
Fire Protection Services	Y		
Parks and Recreation Services	Y		
Library Services	Y		
Provincial Offences Act Including By-law Enforcement	Y		
Ambulance	Y		

3) For each service where D.C.s were collected during the year and no money was spent during the year, a statement as to why there was no spending.

Service/Class of Service	Reason No Spending of D.C.Funds Collected During the Year
Services Related to a Highway	N/A- no monies collected
Transit Services	N/A- no monies collected
Fire Protection Services	N/A- no monies collected
Parks and Recreation Services	N/A- no monies collected
Library Services	N/A- no monies collected
Provincial Offences Act Including By-law Enforcement	N/A- no monies collected
Ambulance	N/A- no monies collected

**Advantages and/or Disadvantages of Staff Recommendation:**

- The Treasurer's Annual Statement of Development Charges creates transparency of financial management in the Town and compliance with legislative requirements.

**Alternatives: N/A**

**Cost/Financial Impact: N/A**

**Included in Current Budget: N/A**

**Attachments: None**

**Director Approval SP; Date: 05/13/2025**

**CAO Recommendation for Council Approval:**

Yes