



# 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 20, 2021  
**Subject:** **Development Charge Reserve Fund Statement as of December 31, 2020**

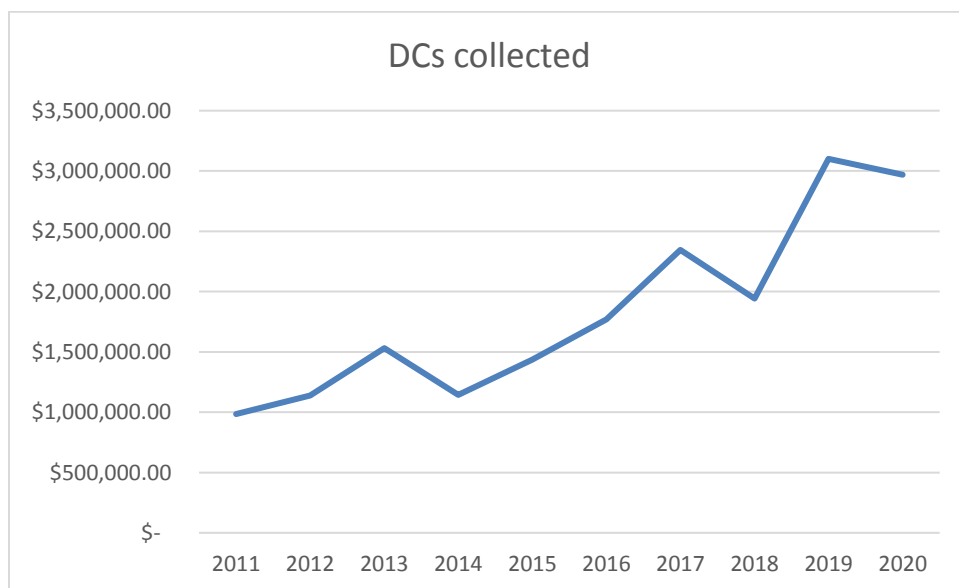
### Background:

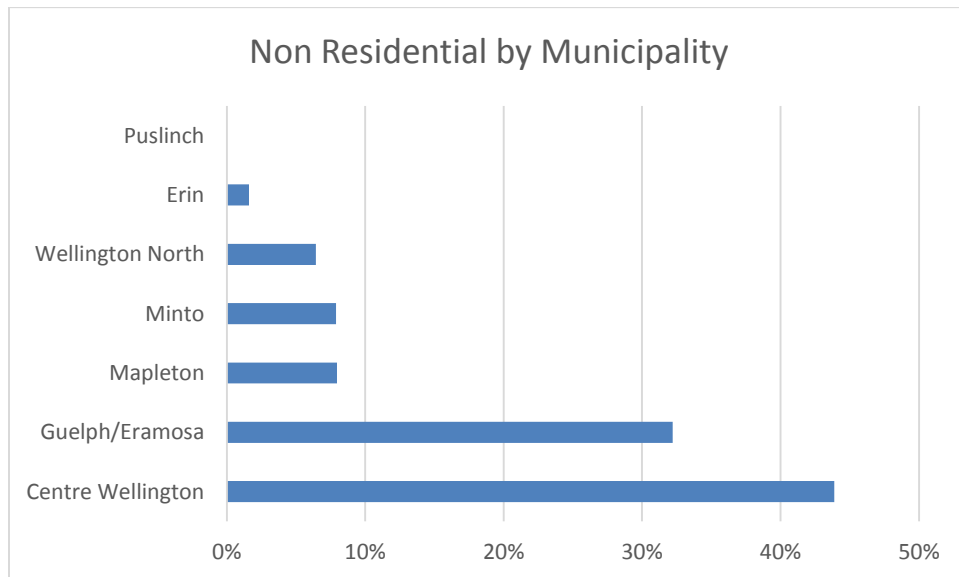
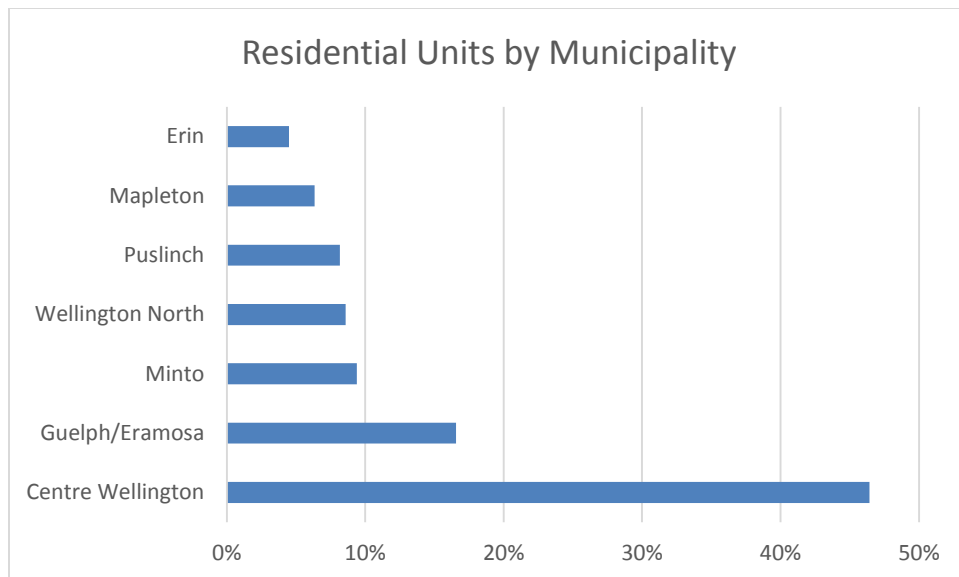
Section 43 of the *Development Charges Act, 1997* as amended by O.Reg. 428/15 through Bill 73, requires the Treasurer of a municipality to provide Council, the public and the Ministry of Municipal Affairs and Housing (as requested) with an annual financial statement relating to development charge (DC) by-laws and reserve funds. Attached are the County's DC financial statements as of December 31, 2020. 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 2020 totaled \$2.9 million representing a 4% decrease compared to 2019 collections. Several residential developments received final approvals in 2019 triggering the increased collections contributing to the large spike in the chart below, and although collections decreased in 2020, the County continues to see increased development over previous years.





#### DC Expenditures:

The County transferred \$994,000 to support growth related capital in 2020. Project spending includes:

- \$128,000 from DC Library to increase library materials at the County's 14 branches
- \$14,620 from DC Waste Diversion to purchase two roll off bins for the collection of yard waste
- \$143,650 in DC Admin funding contributed to the Official Plan Update (\$93,614), the Waste Management Strategy (\$13,828) and the Transportation Master Plan (\$35,506)
- \$707,598 in DC Roads funding contributed to the construction of Wellington Road 46 (\$637,000), completion of WR 124 Bridge B124135 (\$991), Intersection improvements at WR 18 at Beatty Line (\$18,211), WR 124 at WR 32 (\$5,301), WR 18 at Gerrie (\$20,106) and WR 7 at the First Line (\$25,989)

**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 2020, the DC reserves funded \$898,000 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 46, WR 34 to 401

Total DC debt outstanding at December 31, 2020 is \$9.2 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 31<sup>st</sup> of each year. Many of the County's DC reserve funds continue to have a \$0 balance at December 31, 2020 as all funds collected during the year repay these loans.

**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.

**Recent Changes to the Development Charge Act**

The current DC by-law remains in effect until June 1, 2022. Staff will begin the update process in 2021. 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 an eligible service. Historically, the County funded administration capital costs for Child Care, Housing and Ontario Works. Staff anticipate sufficient collections in 2021 to complete repayment of the original loan for the Post Office renovations, however future repayments for the remaining social services loans on schedule B will be written off.

**Recommendation:**

That the attached Development Charge Reserve Fund statements for the period ending December 31, 2020 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