

1. **TREASURER'S STATEMENT ON DEVELOPMENT CHARGES RESERVE FUNDS FOR 2012**

COMMUNICATION DE LA TRÉSORIÈRE DE LA VILLE SUR LES REDEVANCES D'AMÉNAGEMENT DE 2012

COMMITTEE RECOMMENDATION AS AMENDED:

That Council receive this report for information, as amended by the replacement of Revised Pages 2, and 4 (Document 1) of the report*, to increase the outstanding commitments for Public Transit to \$65,522,252 from \$18,133,852, and adjusting the Unapplied Capital Project Funding / Debt Requirements for this particular service category to more accurately reflect current and future obligations in relation to transit-related capital projects that will require development charge funding.

* *Pages 3 and 5 of Planning Committee Report to Council N^o 48A*

RECOMMENDATION MODIFIÉE DU COMITÉ:

Que le Conseil prenne connaissance du présent rapport, tel que modifié, les pages 2, et 4 (Document 1) du rapport* ayant été remplacées par des versions révisées comme suit : le montant des transactions du transport en commun non réglées de 65 522 252 \$ a été augmenté de 18 133 852 \$, et le financement du projet d'immobilisation et/ou des dettes à amortir non imputé a été ajusté pour cette catégorie de services en particulier afin de refléter plus exactement les créances actuelles et futures liées aux projets d'immobilisations visant le transport en commun, qui exigeront un financement des redevances d'aménagement.

* *Les pages 3 et 5 du Rapport au Conseil du Comité de l'urbanisme n^o 48A*

DOCUMENTATION / DOCUMENTATION

1. City Treasurer's report, dated 16 April 2013 (ACS2013-CMR-FIN-0020).
Rapport de la trésorière municipale, daté le 16 avril 2013 (ACS2013-PAI-PGM-0093).
2. Extract of Draft Minutes 52, 23 April 2013.
Extrait de l'ébauche du procès-verbal 52, le 23 avril 2013.

Report to/Rapport au :

Planning Committee
Comité de l'urbanisme

and Council / et au Conseil

April 16, 2013
16 avril 2013

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CITY WIDE / À L'ÉCHELLE DE LA VILLE

Ref N°: ACS2013-CMR-FIN-0020

**SUBJECT: TREASURER'S STATEMENT ON DEVELOPMENT CHARGES
RESERVE FUNDS FOR 2012**

**OBJET : COMMUNICATION DE LA TRÉSORIÈRE DE LA VILLE SUR LES
REDEVANCES D'AMÉNAGEMENT DE 2012**

REPORT RECOMMENDATION

That the Planning Committee and Council receive this report for information.

RECOMMANDATION DU RAPPORT

Que le Comité de l'urbanisme et le Conseil prennent connaissance du présent rapport.

BACKGROUND

Section 43 of the *Development Charges Act, 1997* requires that the City Treasurer submit financial statements regarding development charge fund activity to Council and the Ministry of Municipal Affairs and Housing. The attached Summary Statement of Development Charges Reserve Funds activity, provided as Document 1, includes opening and closing account balances, descriptions of the category of services covered and a summary of the financial transactions for the year 2012.

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DISCUSSION

Development charges are one-time fees levied by municipalities on new residential and non-residential properties to help pay for a portion of the growth-related capital infrastructure requirements. Development charges are determined and accounted for by type of service. The *Development Charges Act* requires municipalities to determine the ten-year historic average level of service cap in order to set their rates. This legislative requirement to look backwards restricts the funding available for future capital projects and financially limits a municipality's ability to expand or change the delivery of certain services in their communities such as Public Transit.

The attached statement provides a summary of financial activity in various reserve funds by service area for the year ending December 31, 2012. Revenues consist of development charges collected plus interest earned during the fiscal year and amount to \$130M. Transfers to capital projects of \$114.9M were made in accordance with regulations that stipulate that development charges may only be applied to projects when costs are incurred and excludes unissued debt authority. The unapplied funding requirements of \$476.6M represents outstanding commitments, including estimated annual debt payments, which have not yet been transferred to capital projects. The closing balances for each service category indicate how much revenue is still uncommitted and available to fund future growth-related capital works.

Growth-related spending authority is approved annually as part of the City's budgeting process with only those capital projects included in the current Development Charges Background Study being eligible for funding. Reserve account balances are monitored annually through the capital budget approval process to ensure they are in compliance with the overall funding policies adopted by Council. In some service areas the reserve fund may have a negative account balance resulting from overall capital project transfers being greater than revenues collected to date. The City allows deficit positions for certain reserve funds, as this is necessary to ensure that upfront infrastructure services are in place so that development can proceed in a timely manner. Reserve funds form part of the legislatively mandated re-examination process which takes place every five years.

The City's future investment in a new light-rail system has highlighted a series of legislative constraints which limit our ability to fund the proposed infrastructure. Therefore, the City continues to place a high priority on having the Province amend the *Development Charges Act* to allow for the application of a revised Public Transit calculation methodology. For example, to permit the implementation of an alternative forward looking approach to calculating level of service standards, instead of the ten year historical funding cap, and the elimination of the 10% statutory cost reduction.

Going forward, the City must also balance the financial incentives associated with non-statutory exemptions, discounting, and the phase-in of rates with the commensurate negative impact these policies have on the timing of the construction of growth-related infrastructure projects. It should be noted that the legislation prohibits any discount of

non-residential rates by the City being passed on to other types of development. For example, the industrial rate discount cannot be recouped by charging more development charges on residential developments.

RURAL IMPLICATIONS

There are no rural implications associated with this report.

CONSULTATION

Preparation of the attached document is a legislative requirement; no public consultation is required.

LEGAL IMPLICATIONS

There are no legal impediments associated with receiving this report. Section 43 of the *Development Charges Act, 1997* requires the Treasurer to provide Council with a financial statement relating to development charge by-laws and reserve funds. A copy of this statement is to be provided to the Ministry of Municipal Affairs and Housing within 60 days after providing it to Council.

RISK MANAGEMENT IMPLICATIONS

There are no risk implications.

FINANCIAL IMPLICATIONS

The *Development Charges Act* requires that a yearly Treasurer's Statement be prepared for Council prior to submission to the Ministry of Municipal Affairs and Housing.

ACCESSIBILITY IMPACTS

There are no accessibility implications associated with this report.

TECHNOLOGY IMPLICATIONS

There are no technology implications associated with this report.

TERM OF COUNCIL PRIORITIES

This report has no impact on term of Council priorities.

SUPPORTING DOCUMENTATION

Document 1 – Summary Statement of Development Charges Reserve Funds

DISPOSITION

In accordance with the *Development Charges Act*, a copy of the Treasurer's Statements will be provided to the Minister of Municipal Affairs and Housing.

REVISED PAGE

DOCUMENT 1

City of Ottawa
Summary Statement of Development Charges Reserve Funds
For the Period Ended December 31, 2012

Category Description	Opening Balances as at January 1, 2012	Development Charge Revenues/ Adjustments	Interest Earnings/ (Expense)	Transfers to/(from) Capital Projects	Account Balances as at December 31, 2012 [*]	Unapplied Capital Project Funding/Debt Requirements	Closing Balances as at December 31, 2012
Roads and Structures	144,195,793	47,249,094	1,594,000	37,227,964	155,810,922	(202,603,788)	(46,792,866)
Sanitary Sewers	12,605,953	10,857,913	159,100	5,885,884	17,737,082	(30,773,282)	(13,036,200)
Water	(3,822,111)	6,780,253	(56,400)	11,303,417	(8,401,675)	(22,637,625)	(31,039,300)
Stormwater Drainage	(716,219)	184,905	(5,800)	(36,755)	(500,360)	(1,028,000)	(1,528,360)
Stormwater Management	1,946,803	6,737,606	24,207	6,164,168	2,544,448	(54,267,467)	(51,723,019)
Police	2,024,652	1,649,089	20,000	1,566,000	2,127,741	(1,001,086)	1,126,655
Emergency Service (Fire)	2,430,745	1,261,770	29,100	330,000	3,391,616	(2,130,148)	1,261,468
Studies	1,603,236	1,222,094	21,400	244,936	2,601,794	(3,616,000)	(1,014,206)
Public Transit Program	74,178,629	24,577,438	813,000	16,652,030	82,917,037	(66,522,252)	17,394,785
Recreation Facilities	92,460,216	11,089,460	917,400	28,552,539	75,914,537	(68,622,213)	7,292,324
Parks Development	23,702,650	8,343,616	273,000	3,791,157	28,528,109	(8,503,460)	20,024,649
Libraries	18,167,347	1,594,375	187,600	1,003,000	18,946,322	(10,793,012)	8,153,310
Child Care	2,626,268	462,233	28,800	0	3,117,301	0	3,117,301
Paramedic Services	586,862	271,049	7,700	0	865,611	(23,431)	842,180
Vehicles & Works Yards	6,752,522	3,111,336	78,300	2,246,612	7,695,546	(5,077,216)	2,618,330
Affordable Housing	500,608	492,946	7,200	0	1,000,754	0	1,000,754
Total	379,243,954	125,885,175	4,098,607	114,930,951	394,296,785	(476,598,980)	(82,302,195)

* The Financial Statements have not been finalized at this time.