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**Subject:** 2018 Development Charges Reserve Funds Statement  
**Prepared by:** Laura Sheardown, Financial Analyst – Cash Flow & Investments  
**Department:** Financial Services  
**Date:** April 16, 2019

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**In accordance with the Procedure By-law, any Member of Council may request that this Information Report be placed on an upcoming General Committee or Council meeting agenda for discussion.**

## **Executive Summary**

As required under the Development Charges Act, 1997, S.O. 1997, c.27 as amended (the “DC Act”), this report provides a year end summary of development charge (DC) activity and reserve balances.

- The Town of Aurora Development Charge Reserves total a net balance of \$16.2 million
- Aurora collected a total of \$5.84 million in Development Charges during 2018
- Developers have committed to construct \$3.85 million of DC eligible projects on the Town’s behalf as of December 31, 2018

## **Background**

Development charges are imposed by the Town of Aurora to recover growth-related capital costs from residential and non-residential developments as determined under the Development Charges Act. Development Charges collected are held in separate reserve funds until spent.

The DC Act outlines specific reporting requirements for DC reserve funds. Section 33 and 43 of the DC Act require that:

- A municipality that passed a DC bylaw shall establish a separate reserve fund for each service to which the DC relates and fund only eligible capital costs.
- The Treasurer of the municipality shall provide Council with a financial statement relating to the DC bylaws and reserve funds established.

This financial statement must identify all assets where capital costs were funded in whole or in part under a DC bylaw and the manner for which any capital costs not funded under the bylaw was or will be funded.

Municipalities are also required to identify all other sources of funding applied to each project funded with DCs and to provide a detailed summary of activities for each DC reserve fund for the year.

## **Analysis**

### **The Town of Aurora's Development Charge Reserves total a net balance of \$16.2 million**

As of December 31, 2018, the Town's DC reserve fund balance was \$16.2 million as shown under Part I of detailed Development Charges Reserve Fund Statement in Attachment #1. This amount includes \$19.3 million of DC funds that were committed to capital projects but which were unspent at year end. Part II of this noted statement details how DC reserve fund monies were spent for both operational and capital needs.

### **Aurora collected a total of \$5.84 million in Development Charges during 2018**

The total Town DCs collected in 2018 amounted to \$5.84 million. DC reserve funds which are being reported as being in an overdrawn position have technically been financed internally through borrowing against other positive DC reserve funds or other Town reserve fund balances. Interest is charged for any internal borrowing of this nature in accordance with the DC Act. For simplicity, the individual internal borrowing accounts are not shown in Part I of the Attachments.

### **Developers have committed to construct \$3.85 million of DC credit eligible projects on the Town's behalf as of December 31, 2018**

Part III of the statement outlines the continuity of outstanding DC credits. DC credits arise from agreements with developers to construct DC eligible infrastructure on behalf of the Town. Such projects may include upsizing a sewer inside their subdivision, installing a pumping station, building a park or trail, or other eligible work outside of the subdivision lands. The Town will only pay DC credits upon receipt of written confirmation of the acceptable completion of previously agreed upon specific works from Engineering Services. Some credits are only paid to the extent of specific DC collections from within the subject subdivision agreement, with further payments made periodically thereafter until cleared. At the end of 2018, the Town had a total of \$3.85

million of outstanding DC credits. For the most part, these credits are expected to be fully paid within two years.

### **Advisory Committee Review**

Not applicable

### **Legal Considerations**

This report fulfills the statutory reporting requirements of the Development Charges Act.

### **Financial Implications**

As noted above, in an effort to maintain a consistent level of service to a growing community, the Town has proactively invested in growth infrastructure ahead of its Development Charge revenues. Consequently, it requires bridge financing which is subsequently paid back as development charge revenues catch up. Staff anticipate that all DC balances will reach a positive reserve amount within five years through the collection of ongoing development charges.

### **Communications Considerations**

This report will be posted on the Town's Budget and Financial Information web page.

### **Link to Strategic Plan**

Reporting on Development Charges Reserve Funds contributes to achieving the Strategic Plan guiding principle of "Leadership in Corporate Management" and improves transparency and accountability to the community.

### **Alternative(s) to the Recommendation**

Not applicable.

### **Conclusions**

The 2018 Development Charges Reserve Fund Statement presented in this report satisfies the Town's reporting obligation pursuant to the Development Charges Act.

## Attachments

Attachment #1 – Development Charges Reserve Fund Statement, Parts I, II and III

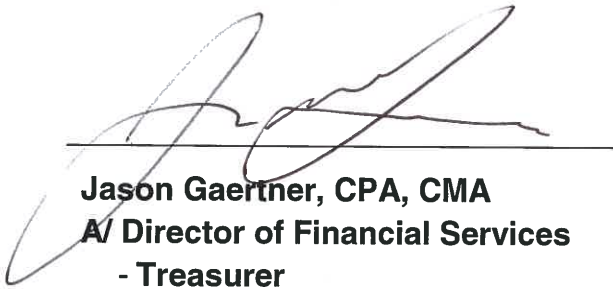
## Previous Reports

None.

## Pre-submission Review

Agenda Management Team review on March 28, 2019

## Departmental Approval



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**Jason Gaertner, CPA, CMA**  
**A/ Director of Financial Services**  
**- Treasurer**

## Approved for Agenda



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**Doug Nadorozny**  
**Chief Administrative Officer**

# PART I

# Attachment #1

**Town of Aurora  
Development Charges Reserve Fund Statement  
Year Ended December 31, 2018**

	GENERAL GOV'T	FIRE SERVICES	PKS DEV & FACILITIES	INDOOR REC	LIBRARY SERVICES	MUNICIPAL PARKING	ROADS & RELATED	WATER SYSTEM	SANITARY SEWER	TOTAL
Opening Balance January 1	(661,862.10)	322,282.54	(3,936,170.08)	5,207,311.73	3,830,850.39	336,415.56	6,636,425.76	(22,236.83)	509,734.39	12,222,751.36
Add: Development Charges Collected	146,452.69	154,967.09	694,991.26	1,150,968.09	239,308.41	4,507.46	2,629,767.96	409,413.67	406,463.57	5,836,840.20
Less: DC Credits Issued:										
- TACC Trails			(70,600.00)							(70,600.00)
- Mattamy Ph 4 Parks			(266,258.00)							(266,258.00)
- Mattamy Ph 4 Water & Sanitary Sewer							(1,233,240.60)		(770,788.49)	(2,004,029.09)
- St Johns Development Parks Trails			(327,492.59)							(327,492.59)
- Brookfield Parks			(507,511.00)							(507,511.00)
- Shimvest Trails			(209,217.00)							(209,217.00)
Add: Interest Earned (charged)	(20,347.00)	(80,114.00)	(485,135.00)	102,052.00	83,691.00	8,966.00	153,176.00	(34,942.00)	3,824.00	(268,829.00)
Less: Expenditures in Year (see Part II)	22,740.00	(3,523,400.00)	(7,239,983.56)	(2,477,983.56)	(888,000.00)	-	(3,442,013.37)	-	-	(17,548,640.49)
<i>Closing DC Balance</i>	(513,016.41)	(3,126,264.37)	(12,347,375.97)	3,982,348.26	3,265,849.80	349,889.02	5,977,356.35	(881,005.76)	149,233.47	(3,142,985.61)
Add: Unspent Committed Allocations to Capital	28,161.31	3,471,836.23	8,799,451.81	295,747.54	619,332.93		4,216,346.84	375,257.91	1,508,150.80	19,314,285.37
Revised Closing DC Balance	(484,855.10)	345,571.86	(3,547,924.16)	4,278,095.80	3,885,182.73	349,889.02	10,193,703.19	(505,747.85)	1,657,384.27	16,171,299.76

# PART II

**Town of Aurora  
Development Charges Reserve Fund Statement  
Year Ended December 31, 2018**

Expenditures from DC's

	GENERAL GOVT	FIRE SERVICES	PKS DEV & FACILITIES	INDOOR REC	LIBRARY SERVICES	MUNICIPAL PARKING	ROADS & RELATED	WATER SYSTEM	SANITARY SEWER	TOTAL DC FUNDING	OTHER NON-DC FUNDING	TOTAL FUNDING
<i>Funding Transferred to Operating Budget for Specific Purposes:</i>												
- SARC Debenture Payment				(320,543.00)						(320,543.00)	N/A	(320,543.00)
- Repayment of internal APL Borrowing					(289,500.00)					(289,500.00)	N/A	(289,500.00)
- Landscape Architects (development related)			(115,640.00)							(115,640.00)	N/A	(115,640.00)
- IES Salaries & Wages (related to DC Capital projects)										-	N/A	-
<b>Total Operating Budget Allocations</b>	-	-	(115,640.00)	(320,543.00)	(289,500.00)	-	-	-	-	(725,683.00)	-	(725,683.00)
<i>Funding Transferred to Capital Projects:</i>												
21006 - Fire Station 4-5		(3,523,400.00)								(3,523,400.00)	(165,599.00)	(3,688,999.00)
34619 - Kitmat Cres Sidewalk							(100,000.00)			(100,000.00)		(100,000.00)
34629 - Mary, Industrial Street & Wellington West Rehab							(126,420.00)			(126,420.00)		(126,420.00)
34630 - Yonge/Batson/ Limits Sidewalk							(95,000.00)			(95,000.00)		(95,000.00)
34637 - Leslie N of Wellington to Limits Sidewalk							(100,000.00)			(100,000.00)		(100,000.00)
34168 - New 6 Tonne Dump Truck with Plough							(222,860.00)			(222,860.00)	(24,740.00)	(247,600.00)
34187 - 3 Tonne Truck							(81,000.00)			(81,000.00)	(9,000.00)	(90,000.00)
34518 - Pedestrian Crossings per DC Study							(108,075.00)			(108,075.00)	(36,025.00)	(144,100.00)
34519 - Traffic Calming per DC Study							(110,295.00)			(110,295.00)	(12,255.00)	(122,550.00)
71090 - Mini Excavator			(42,745.00)							(42,745.00)	(4,749.00)	(47,494.00)
71091 - Skid Steer Loader #253			(97,630.00)							(97,630.00)	(10,870.00)	(108,500.00)
71106 - New 1/2 Tonne Pickup Truck							(38,340.00)			(38,340.00)	(4,260.00)	(42,600.00)
71114 - Hydro Seed Mulcher							(40,500.00)			(40,500.00)	(4,500.00)	(45,000.00)
72113 - New Recreation Facility				(2,160,000.00)						(2,160,000.00)	(240,000.00)	(2,400,000.00)
72114 - New Library					(598,500.00)					(598,500.00)	(66,500.00)	(665,000.00)
72285 - JOC Additional Work			(1,428,400.00)		(598,500.00)		(2,506,800.00)			(3,935,200.00)		(3,935,200.00)
73107 - Willow Farm to Yonge Trail Connection			(630,000.00)							(630,000.00)		(630,000.00)
73169 - Wildlife Park Phases 1 to 3			(827,550.00)							(827,550.00)	(91,950.00)	(919,500.00)
73247 - Trail Construction (Couutts/Pandolfo)			(90,000.00)							(90,000.00)	(10,000.00)	(100,000.00)
73268 - North Dam Rehab Wildlife Park			(82,950.00)							(82,950.00)	(102,550.00)	(185,500.00)
73287 - Hallmark Lands Baseball Diamonds			(2,700,000.00)							(2,700,000.00)	(300,000.00)	(3,000,000.00)
73299 - Non-Programmed Park in 2C			(1,350,000.00)							(1,350,000.00)	(150,000.00)	(1,500,000.00)
73134 - Parks/Trails Signage Strategy Implementation			(86,715.00)							(86,715.00)	(9,635.00)	(96,350.00)
73251 - GPS Tracking System			(13,500.00)							(13,500.00)	(1,500.00)	(15,000.00)
73290 - Tree Inventory for 2C			(9,000.00)							(9,000.00)	(1,000.00)	(10,000.00)
Capital Close Reports - funds returned to source	22,740.00		234,346.44	2,559.44			87,076.63			346,722.51		346,722.51
<b>Total Capital Project Allocations</b>	<b>22,740.00</b>	<b>(3,523,400.00)</b>	<b>(7,124,343.56)</b>	<b>(2,157,440.56)</b>	<b>(598,500.00)</b>	<b>-</b>	<b>(3,442,013.37)</b>	<b>-</b>	<b>-</b>	<b>(16,822,957.49)</b>	<b>(1,245,133.00)</b>	<b>(18,068,090.49)</b>
<b>Total DC Investments</b>	<b>22,740.00</b>	<b>(3,523,400.00)</b>	<b>(7,239,983.56)</b>	<b>(2,477,983.56)</b>	<b>(888,000.00)</b>	<b>-</b>	<b>(3,442,013.37)</b>	<b>-</b>	<b>-</b>	<b>(17,548,640.49)</b>	<b>(1,245,133.00)</b>	<b>(18,793,773.49)</b>

# PART III

Town of Aurora  
 Development Charges Reserve Fund Statement  
 Year Ended December 31, 2018

Development Charge Credits Continuity

	DC Credit Purpose	Balance Opening	New Credits Agreed	Credits Paid/Granted	Cr. Not Used	Ending Balance
2004 Whitwell/Certas (statefarm)	Sani Pump Station	886,655				886,655
2008 Ballymore Brentwood 2008	Sani Pump Station	115,887			(115,887)	-
2014 Mattamy 2C Phase 1	Watermain External Works Part I	849,964		(849,964)		-
	Sanitary External Works Part I	550,083		(550,083)		-
	Park construction	216,610			(216,610)	-
2012 Knights Creek/Treasure Hill	Trails works	172,395			(172,395)	-
2014 TACC 2C Phase 1	Parks and Trails construction	70,600		(70,600)		-
2014 Mattamy 2C Phase 2	Watermain External Works Part II	789,056		(383,277)	(405,779)	-
	Sanitary External Works Part II	957,266		(220,705)	(736,561)	-
2014 Brookfield 2C Phase 1	Sanitary External works	518,000			(448,294)	69,706
	Trail design/construction	109,200			(109,200)	-
2015 TACC 2C Phase 2	Sanitary Oversize	128,598				128,598
	Parks construction	1,668,109				1,668,109
2015 Mattamy 2C Phase 3	Park construction	344,023				344,023
2015 St. John's Development 2C	Sanitary Oversize	31,162				31,162
	Parks Trails	271,722	55,771	(327,493)		-
	Hartwell Way Valley Crossing Trail Comp.	200,000				200,000
2015 Brookfield 2C Phase 2	Parks design/construction	507,511		(507,511)		-
2015 Shimvest 2C	Watermain	136,103				136,103
	Sewermain	245,467				245,467
	trail system	209,217		(209,217)		-
2016 Shimvest 2C Phase 2	trail system		89,800			89,800
2016 Mattamy 2C Phase 4	sanitary sewer along Leslie St. Park Construction	-	266,258	(266,258)		-
2018 2457920 Ontario Inc	Roads right in/right out NO DC credit		-			-
2017 Mattamy (Aurora) Limited Phase 5	Trail System		23,450			23,450
2017 BG Properties res condo Yonge St.	Trail system		22,200			22,200
		<b>8,977,628</b>	<b>457,479</b>	<b>(3,385,108)</b>	<b>(2,204,726)</b>	<b>3,845,273</b>