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Town of Aurora
Information Report
No. FIN21-019

Subject: 2020 Development Charges Report

Prepared by: Laura Sheardown, Financial Management Advisor

Department: Finance

Date: May 18, 2021

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's Development Charge Reserves total a net balance of \$11.96 million as of December 31, 2020
- Aurora collected a total of \$3.94 million in Development Charges during 2020
- Developers have committed to construct \$2.09 million of DC eligible projects on the town's behalf as of December 31, 2020

Background

Development charges are imposed to recover growth-related capital costs from residential and non-residential developments as determined under the Development Charges Act

Development charges are imposed by the Town of Aurora to recover growth-related capital costs from both residential and non-residential developments as determined under the Development Charges Act. More specifically, these growth-related costs relate to investments that are necessary for the town to maintain its existing levels of service to a growing community. Any investments resulting in a level of service increase

are ineligible for recovery through development charges. All collected development charges 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 \$11.96 million as of December 31, 2020

As of December 31, 2020, Aurora's overall consolidated DC reserve fund balance was \$11.96 million as shown under Part I of the detailed Development Charges Reserve Fund Statement presented under Attachment #1. Of note, two of the DC reserves, Outdoor Recreation and Fire Services are currently in an overdrawn position. This means that these reserves are borrowing from other DC reserves. Interest is charged for any internal borrowing in accordance with the DC Act. For simplicity, the individual internal borrowing accounts are not shown in Part I. These overdrawn funds will be recovered through future development charge collections.

Part II of the Development Charge Statement can be found under Attachment #2 which details how the Town's DC reserve fund monies were spent for both operational and capital needs.

Aurora collected a total of \$3.94 million in Development Charges during 2020

As detailed under Attachment #1, the Town collected a total of \$3.94 million in new development charge revenues in 2020. According to the most recent DC study

completed, Aurora was projected to have collected \$12.8 million in DC funding this past year. It is likely that COVID-19 negatively affected the Town's total DC collections in 2020. Staff anticipate that the pandemic will continue to impede DC collections in 2021.

Developers have committed to construct \$2.09 million of DC eligible projects on the town's behalf as of December 31, 2020

Part III of Aurora's Development Charge Statement can be found under Attachment #3. Part III presents a schedule of continuity for all outstanding DC credit agreements. 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 the previously agreed upon specified works from Engineering or Park Operations Services depending upon the nature of the work. 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.

As outlined under Attachment #3, Aurora had a total of \$2.09 million in outstanding DC credits owing as of December 31, 2020. 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 some instances 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 cost recovering Development Charge revenues. Consequently, it requires bridge financing will subsequently be repaid through this work's intended development charge revenue funding source. Bridge funding may take the form of internal or external debt. Staff will assess the most advantageous form of debt to be used in each instance where bridge financing is required. Staff anticipate that all DC balances will reach a

positive reserve amount within five to seven years through the collection of ongoing development charges.

Communications Considerations

The Town of Aurora will use 'Inform' as the level of engagement for this report. There are five different levels of community engagement to consider, with each level providing the community more involvement in the decision making process. These levels are: Inform, Consult, Involve, Collaborate and Empower. Examples of each can be found in the Community Engagement Policy. These options are based on the International Association of Public Participation (IAP2) Spectrum and assist in establishing guidelines for clearly communicating with our public and managing community engagement. In order to inform, the report, summary of investments and definitions will be posted to the Town's web page for openness and accountability.

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 2020 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

Attachment #2 – Development Charges Reserve Fund Statement, Parts II

Attachment #3 – Development Charges Reserve Fund Statement, Parts III

Previous Reports

None

Pre-submission Review

Agenda Management Team review on April 29, 2021

Approvals

Approved by Rachel Wainwright-van Kessel, CPA, CMA, Director, Finance

Approved by Doug Nadorozny, Chief Administrative Officer

PART I - Development Charges Balance

Town of Aurora
Development Charges Reserve Fund Statement
Year Ended December 31, 2020

	General Services						Engineering Services			Total
	Fire Services	Outdoor Recreation	Indoor Recreation	Library Services	Municipal Parking Services	General Government	Services Related to a Highway	Waste Water	Water Supply and Distribution	
Opening Balance January 1	(3,527,453.47)	(14,968,975.20)	5,277,011.07	3,376,721.41	365,028.10	(330,922.96)	7,927,184.27	551,455.92	488,468.62	(841,482.24)
Add: Development Charges Collected	157,795.13	946,523.45	1,187,118.19	205,908.52	1,129.79	137,000.40	1,108,413.97	132,189.82	68,184.20	3,944,263.47
Less: DC Credits paid in year										-
Brookfield/BG CDM-2015-01 Redvlp. Credit	(1,242.00)	(9,320.00)	(15,432.00)	(3,218.00)	(28.00)	(1,190.00)	(10,356.00)			(40,786.00)
Brookfield/BG DC Credit								(75,750.00)	(75,750.00)	(151,500.00)
DC Refunds Cancelled	-	-	-	-	-	-	-	-	-	-
Add: Interest Earned (charged)	(74,529.00)	(355,819.00)	149,700.00	80,603.00	8,970.00	(7,707.00)	269,138.00	14,893.00	11,782.00	97,031.00
Less: Expenditures in Year (Part II)	1,484,081.08	4,911,488.22	1,804,294.00	(277,289.83)	-	247,584.72	540,936.37	-	246,297.00	8,957,391.56
Closing DC Balance	(1,961,348.26)	(9,476,102.53)	8,402,691.26	3,382,725.10	375,099.89	44,765.16	9,835,316.61	622,788.74	738,981.82	11,964,917.79

PART II - Expenditures from Development Charges

Town of Aurora
Development Charges Reserve Fund Statement
Year Ended December 31, 2020

		General Services					Engineering Services			Total DC Funding	Other Non-DC Funding	Total Funding	
		Fire Services	Outdoor Recreation	Indoor Recreation	Library Services	Municipal Parking Services	General Government	Services Related to a Highway	Waste Water				Water Supply and Distribution
Funding Transferred to Operating Budget for Specific Purposes:													
List each operational budget allocation													
- SARC Debenture Payment				(320,500.00)				(376,960.00)		(320,500.00)	N/A	(320,500.00)	
- JOC Debenture Payment			(260,700.00)						(637,660.00)	N/A		(637,660.00)	
- Repayment of internal APL borrowing						(289,500.00)			(289,500.00)	N/A		(289,500.00)	
- Landscape Architects (development related)			(115,600.00)						(115,600.00)	N/A		(115,600.00)	
Total Operating Budget Allocations		-	(376,300.00)	(320,500.00)	(289,500.00)	-	-	(376,960.00)	-	-	(1,363,260.00)	-	(1,363,260.00)
Funding Transferred to Capital Projects:													
As per 2020 Capital Continuity													
21006	Fire Station 4-5	803,827.00								803,827.00	(944,757.56)	(140,930.56)	
21007	Fire Station Acquisition 2015	(8,853.13)								(8,853.13)		(8,853.13)	
21102	Pumper for New Fire Station	227,857.21								227,857.21		227,857.21	
21106	Pumper for Fire Hall 4-5	410,000.00								410,000.00		410,000.00	
21114	Fire Master Plan	51,250.00								51,250.00		51,250.00	
31056	Bloomington Sdrr - Bathurst to Yonge Swk/Bike						274,693.00			274,693.00		274,693.00	
34003	Snow Plow Safety Enhancement Pilot Project						(12,211.21)			(12,211.21)		(12,211.21)	
34009	Winter Rd Monitoring System						(13,508.00)			(13,508.00)		(13,508.00)	
34106	Patrol Truck						(48,800.00)			(48,800.00)		(48,800.00)	
34173	Trackless Sidewalk Utility Vehicle						(165,347.91)			(165,347.91)	-	(165,347.91)	
34187	3 Tonne Truck						81,000.00			81,000.00	-	81,000.00	
34222	Roads Chev/1500 (#3-20)						(54,400.00)			(54,400.00)	-	(54,400.00)	
34518	Pedestrian Crossings per DC study						42,309.00			42,309.00		42,309.00	
34519	Traffic Calming as per DC study						97,808.00			97,808.00		97,808.00	
34610	Leslie St Sidwtk/Trail/Illum						174,529.00			174,529.00	8,307.00	182,836.00	
34620	Leslie S/W Trail Wlgn to State Farm						325,422.00			325,422.00	36,158.00	361,580.00	
34635	St Johns Sdwk, Trail, Illum						73,599.84			73,599.84		73,599.84	
34637	Leslie N of Wellington to Limits SW						(894,633.45)			(894,633.45)		(894,633.45)	
34707	Wellington Lighting Upgrades						24,900.00			24,900.00	(89,032.00)	(64,132.00)	
34713	Street Light Pole Identification						25,123.84			25,123.84		25,123.84	
43048	St Johns Sdrr Leslie to 2C								246,297.00			246,297.00	
72113	New Recreation Facility 2018		2,070,794.00							2,070,794.00	240,000.00	2,310,794.00	
72285	JOC Additional Work						745,018.26			745,018.26		745,018.26	
72443	AFLC Pylon Sign		54,000.00							54,000.00	3,456.00	57,456.00	
73107	Willow Farm to Yonge Trail Connection	228,172.00								228,172.00		228,172.00	
73134	Parks/Trails Signage Strategy Study & Impl'n	192,341.00								192,341.00	50,000.00	242,341.00	
73147	Trail Const'n as per Trail Master Plan	50,206.00								50,206.00		50,206.00	
73169	Wildlife Park Ph1 to 3	560,549.00								560,549.00	(100,000.00)	460,549.00	
73177	Pedestrian Underpasses						242,394.00			242,394.00		242,394.00	
73247	Trail Const'n (Couutts/Pandolfo)	90,000.00								90,000.00	10,000.00	100,000.00	
73287	Hallmark Lands Baseball Diamonds	2,700,000.00								2,700,000.00	197,755.00	2,897,755.00	
73290	Tree Inventory for 2C	(8,676.01)								(8,676.01)	(1,500.01)	(10,176.02)	
73296	BG Group Trail Connection	114,877.00								114,877.00	-	114,877.00	
73299	Non-Programmed Park in 2C	1,350,000.23								1,350,000.23	138,357.23	1,488,357.46	
73319	Canine Commons Upgrades	10,319.00								10,319.00		10,319.00	
77032	Facility Update & Renewal				8,707.28					8,707.28		8,707.28	
77033	Growth Accommodation Study				13,821.68					13,821.68		13,821.68	
77034	Makerspace				(10,318.79)					(10,318.79)		(10,318.79)	
81001	Growth Related Studies					247,584.72				247,584.72		247,584.72	
Total Capital Project Allocations		1,484,081.08	5,287,788.22	2,124,794.00	12,210.17	-	247,584.72	917,896.37	-	246,297.00	10,320,651.56	(451,256.34)	9,869,395.22
Total DC Investments		1,484,081.08	4,911,488.22	1,804,294.00	(277,289.83)	-	247,584.72	540,936.37	-	246,297.00	8,957,391.56	(451,256.34)	8,506,135.22

PART III - Development Charge Credits Continuity

Attachment #3

**Town of Aurora
Development Charges Reserve Fund Statement
Year Ended December 31, 2020**

Year	Project	Type	DC Credit Purpose	Balance Opening	New Credits Agreed	Amount Paid	Date Paid	Cr. Not Used	Ending Balance
2004	Whitwell/Certas (statefarm)	Waste Water	Sani Pump Station	886,655					886,655
2014	TACC 2C Phase 1	Parks Development	Parks and Trails construction	70,600					70,600
2014	Brookfield 2C Phase 1	Waste Water	Sanitary External works	518,000				(448,294)	69,706
2015	TACC 2C Phase 2	Waste Water	Sanitary Oversize	128,598				128,598	257,196
2015	St. John's Development 2C	Waste Water	Sanitary Oversize	31,162		(29,208)	paid Oct 2019	1,954	3,909
			Parks Trails	327,493		(327,493)		(55,771)	(55,770)
		Parks Development	Hartwell Way Valley Crossing Trail Cor	200,000		(134,305)	paid Oct 2019	65,695	131,390
2015	Shimvest 2C	Water Supply and Distribution	Watermain	136,103					136,103
		Waste Water	Sewermain	245,467					245,467
		Parks Development	Trail system	209,217					209,217
2016	Shimvest 2C Phase 2	Parks Development	Trail system	89,800					89,800
2017	Mattamy (Aurora) Limited Phase 5	Parks Development	Trail System	23,450					23,450
2017	BG Properties res condo Yonge St.	Parks Development	Trail system	22,200					22,200
2020	BG PROPERTIES External Servicing Works Yong	Sanitary Sewers	Watermain and sanitary Forcemain	-	75,751	(75,751)	Paid Dec 2020	-	-
2020	BG PROPERTIES External Servicing Works Yong	Water Supply and Distribution	Watermain and sanitary Forcemain	-	75,751	(75,751)	Paid Dec 2020	-	-
2020	BG PROPERTIES Redevelopment Credit	All	for 2 single detached		40,786	(40,786)			-
									-
Total				2,888,745.00	151,501.00	(642,506.31)		(307,817.23)	2,089,922.46

Sanitary Sewers	1,462,933
Water Supply and Distribution	136,103
Parks Development	490,887
Roads and Related	
Total Outstanding	2,089,922