TOWN OF MINTO

DATE:	November 8, 2017
REPORT TO:	Mayor and Council
FROM:	Gordon Duff, Treasurer
SUBJECT:	2016 Development Charges Reserve Funds

STRATEGIC PLAN:

5.3 Ensure financial plans to include a blend of capital financing methods including long-term debt, user fees, grants, internal reserves and taxation, and maintain reserves to the point where Minto reduces reliance on borrowing or tax increases to finance major capital expenditures.

BACKGROUND:

Development charges are imposed by the Town to recover certain growth-related capital costs from residential and non-residential developments that create the need for these capital projects.

The nature and amount of these charges are determined by a Development Charges Study following the regulations set out in the Development Charges Act, 1997. The current development charges schedule was developed as part of the Development Charges Study approved June 2, 2015 which expires March 1, 2020. The Act has required the Treasurer of the municipality annually provide a financial statement, however the format of this report has been changed and expanded.

COMMENTS:

Section 43(2) of the Development Charges Act (DCA) requires the Treasurer to present a financial statement to Council which includes the following:

- Statements of the opening and closing balances of the reserve funds and of transactions relating to the funds;
- Statements identifying,
  i. All assets whose capital costs were funded under a development charge by-law during the year,
  ii. For each asset mentioned in (i) above, the manner in which any capital cost not funded under the by-law was or will be funded;
- A statement as to compliance with subsection 59.1 (1) of the DCA; and
- Any other information that is prescribed.

Section 59.1 (1) of the DCA specifically prohibits municipalities from imposing additional payments on developers or requiring construction of a service unless specifically authorized under the DCA or another Act. This provision does not affect a municipality's right to include

conditions for installation or payment for local services but is intended to close the door on other "voluntary" payments that may have been sought by municipalities outside the legislative framework. The importance the province places on this section is reinforced by:

      (a) requiring the Treasurer's report include a statement confirming that the municipality is in compliance with Section 59.1 (1); and

      (b) granting extensive investigative powers to the Minister of Municipal Affairs and Housing to investigate whether a municipality is in compliance.

The Town of Minto does not require any "voluntary" payments from developers and the Treasurer's statement below will confirm compliance with Section 59.1 (1).

In the past, municipalities were required to file the Treasurer's report with the Minister within 60 days of the presentation of the report to Council. In accordance with Section 43 of the DCA this requirement has been removed and replaced by a requirement that Council shall ensure that the statement is available to the public and that the Treasurer shall give a copy of the statement to the minister of Municipal Affairs and Housing upon request.

In order to comply with these reporting requirements:

      a) The Treasurer confirms that, for 2016 development charges reporting, the Town of Minto is in compliance with section 59.1 (1) of the Development Charges Act, 1997; and,

      b) The recommendations in this report include Council's acceptance of the Treasurer's statement and Council's direction to post this report and related attachments on the Town's website.

FINANCIAL CONSIDERATIONS:

The changes in the Development Charges noted in the attached schedules have been presented in the annual Financial Statements and on Schedule 61 of the annual Financial Information Return.

RECOMMENDATION:

The Council of the Town of Minto receives the Treasurer's Report dated November 8, 2017 and accepts the Treasurer's declaration that the Town is in compliance with Section 59.1 (1) if the Development Charges Act, 1997.

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Gordon Duff, Treasurer