



INFORMATION REPORT
TOWN OF NEWMARKET
395 Mulock Drive
P.O. Box 328
Newmarket, ON L3Y 4X7

www.newmarket.ca
mmayes@newmarket.ca
905.953-5300 ext. 2102

May 22, 2015

CORPORATE SERVICES INFORMATION REPORT–FINANCIAL SERVICES 2015-33

TO: Mayor Tony Van Bynen and Members of Council

SUBJECT: Development Charges

ORIGIN: Financial Analyst

In accordance with the Procedure By-law, any Member of Council may make a request to the Town Clerk that this Information Report be placed on an upcoming Committee of the Whole agenda for discussion.

COMMENTS

In 2014, By-law 2014-42 was enacted for town-wide development charges, and By-law 2014-41 was enacted for area specific development charges in Newmarket.


A financial statement regarding development charges and related reserve funds is required every year under section 43 of the Development Charges Act, 1997.

The total development charges collected in 2014 amounted to \$1,782,379. \$357,835 was earned in interest on the Development Charge Reserve Funds. Combined revenues were 65% lower than projected due to lower than anticipated development activity. Funding of capital projects was 33% lower than the projected amount of \$2,916,024, with the remainder included in capital carryovers (see Corporate Services Report – Financial Services 2015-31).

All capital projects and expenditures funded by development charges were included in the Council-approved 2009 Development Charges Background Study.

Attached is the Statement of Development Charge Reserve Fund Transactions for the year 2014. The Statement will be posted on the Town's website for public information purposes. A copy of the Statement will be forwarded to the Minister of Municipal Affairs and Housing within 60 days after Council receives the Statement, as per section 43 of the Development Charges Act, 1997.

As part of the Capital Financing Sustainability Strategy, Hemson Consulting Ltd. completed the 2014 DC Background Study, and as a result, a new DC bylaw was passed in 2014.



BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

This report links to Newmarket's key strategic direction in being Well Managed through fiscal responsibility.

CONSULTATION

Consultation has taken place with Hemson Consulting Ltd.

HUMAN RESOURCES CONSIDERATIONS

Not applicable to this report.

BUDGET IMPACT

The development charges are based on the anticipated growth-related capital programs over a 10-year period. As such, the development charges collected and interest earned in 2014, improve cashflow but do not directly benefit the capital budget. They will be applied in the future to projects that are included in the Council-approved growth-related capital program.

CONTACT

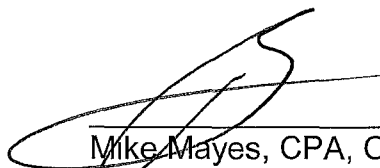
For more information on this report, please contact Leighton Taylor at 905-953-5300, ext.2121 or ltaylor@newmarket.ca



Leighton Taylor, CPA, CGA
Financial Analyst



Dawn Schellenberg, CPA, CA
Manager, Finance & Accounting



Mike Mayes, CPA, CGA
Director, Financial Services/Treasurer



Anita Moore, AMCT
Commissioner, Corporate Services

LT/nh

Attachment: Development Charge Reserve Funds Transactions (1 pg.)

TOWN OF NEWMARKET
Development Charge Reserve Funds Transactions
For the Year Ended December 31, 2014

Development charges are levies against new developments. These charges aim to fund growth-related capital facilities and infrastructure. Development charges help protect existing taxpayers by having growth pay for growth.

Area	Balance January 1, 2014	Collections Contribution/(Refund)	Interest Revenue/(Expense)	(Expenditures)	Balance December 31, 2014
1. General Government	\$ 342,094	\$ 47,046	\$ 5,656	\$ (66,424)	\$ 328,372
2. Library	1,880,192	123,285	31,797	(128,302)	1,906,972
3. Fire	316,238	60,376	5,913	(28,000)	354,527
4. Recreation Facilities	6,701,763	582,474	109,796	(937,140)	6,456,893
5. Outdoor Recreation	6,689,705	493,402	115,323	(335,725)	6,962,705
6. Yards & Fleet	473,679	69,669	8,811	-	552,160
7. Town-Wide Engineering	3,518,115	485,061	59,924	(440,112)	3,622,987
8. Parking	684,533	51,656	12,090	(13,372)	734,907
9. Area Specific DCs	870,903	(130,590)	8,526	-	748,839
Total	\$ 21,477,223	\$ 1,782,379	\$ 357,835	\$ (1,949,075)	\$ 21,668,362

The expenditures by area were funded as follows:

Area/Expenditure	Development Charges	Other Sources of Funding	Total Project Cost
1. General Government <i>The General Government reserve fund includes services for Growth Studies. Capital Financing Sustainability Strategy Study</i>	\$ 66,424	\$ -	\$ 66,424
2. Library <i>The Library fund account includes services for Library Buildings, Library Land, Library Materials and Library Furniture and Fixtures.</i>			
Alternate delivery options	3,302	-	3,302
Library materials	125,000	45,422	170,422
3. Fire <i>The Fire reserve account includes services for Fire Buildings, Land for Fire, Fire Vehicles, and Firefighter Equipment.</i>			
Fire Master Plan update	28,000	-	28,000
4. Recreation Facilities <i>The Recreation Facilities reserve fund includes services for Major Facilities, Land for Major Facilities, and Recreation Facilities Equipment.</i>			
Debt financing - Magna Center	915,000	1,213,427	2,128,427
Debt financing - Youth Center	22,140	13,240	35,380
5. Outdoor Recreation <i>The Outdoor Recreation reserve fund includes services for Parkland Development, Park Trails, Play Fields and Play Equipment, and Parks Maintenance Equipment.</i>			
Parks truck	23,989	69,375	93,364
Parks supervisor vehicle	22,945	-	22,945
Rogers Spray Pad	288,791	-	288,791
6. Yards & Fleet <i>The Yards and Fleet reserve fund includes Buildings, Land, and Operations Fleet and Maintenance Equipment.</i>	-	-	-
7. Town-Wide Engineering <i>The Town-Wide Engineering reserve fund includes services for Roads, Signalization, Sidewalks, Sanitary Sewers and Storm Water Management.</i>			
Bayview Avenue Pumping Station	151,622	-	151,622
Gorham/Carlson intersection lights	22,503	274,045	296,548
Harry Walker road extension	8,000	-	8,000
New 3 tonne truck	48,556	-	48,556
Viva Next Davis Drive infrastructure	209,431	-	209,431
8. Parking <i>The Parking reserve fund includes municipal parking facilities.</i>			
Parking plan for Downtown Main Street	13,372	5,000	18,372
9. Area Specific DCs <i>Area Specific DC funds include services for Rotundo, Rawluk Farm, Block 9, Walker Farm and Goldstein/Trinson Development Areas.</i>	-	-	-
Total	\$ 1,949,075	\$ 1,620,509	\$ 3,569,584