



Town of Newmarket
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Treasurer's Statement of Development Charges and Reserve Funds Information Report

Report Number: INFO-2023-22

Department(s): Financial Services

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Date: July 12, 2023

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

Purpose

The purpose of this report is to provide information related to the Development Charge Reserve Fund Transactions for the year 2022.

Background

In 2019, By-laws 2019-46 and 2019-47 were enacted for town-wide development charges, and By-law 2019-48 was enacted for area-specific development charges in Newmarket. On June 6th, 2022 council approved the Town's Development Charges Amendment by-law 2022-34. A financial statement regarding development charges and related reserve funds is required every year under Section 43 of the Development Charges Act, 1997.

Discussion

The development charge reserve funds started the year with \$28,843,173. The Town collected \$12,152,325 in contributions and earned \$476,673 in interest during 2022. Funding of capital was \$7,806,103 and left a balance in the combined reserve funds of \$33,666,069.

All capital projects and expenditures funded by development charges are within the parameters of the 2022 Development Charges Background Study. Council has approved the development charge funding as part of the annual budget process.

Attached is the Statement of Development Charge Reserve Fund Transactions for the year 2022.

The Province of Ontario passed Bill 23, the More Homes Built Faster Act on November 28, 2022. Amongst the changes it made to the Development Charges Act, 1997, are:

- Extending the maximum life of a DC By-Law from five to ten years.
- Phasing DC rates over a 5-year period from the enactment of the by-law:
 - 20% discount for the 1st year
 - 15% discount for the 2nd year
 - 10% discount for the 3rd year
 - 5% discount for the 4th year
 - No discount in the 5th year and thereafter.

The year-to-date revenue loss due to Bill-23 phasing in development charge rates on soft services is \$ 1,201,465.29.

At this time, we do not know the full impact of Bill 23

- Outstanding regulations to define new items, such as attainable housing.
- No guidance has been provided on how municipalities will be kept whole.

Conclusion

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.

Business Plan and Strategic Plan Linkages

This report links to Council's Strategic Priority of Long-Term Financial Sustainability by utilizing ongoing community engagement to help inform program, services and financial planning.

Consultation

No consultation was required for this report.

Human Resource 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 2022 improved cash flow. They will be applied in the future to projects that are included in the Council approved growth-related capital program.

Attachments

Development Charge Reserve Fund Transactions.

Approval

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

Esther Armchuk, LL.B
Commissioner, Corporate Services

Contact

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TOWN OF NEWMARKET
Development Charge Reserve Funds Transactions
For the Year Ended December 31, 2022

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, 2022	Collections Contribution/(Refund)	Interest Revenue/(Expense)	(Expenditures)	Balance December 31, 2022
1. General Government	\$ 89,175	\$ 112,222	\$ 3	(189,548)	\$ 11,852
2. Library	3,589,032	370,554	64,027		\$ 4,023,613
3. Fire	(8,506,408)	808,387	(131,313)	1,309,806	\$ (6,519,528)
4. Parks & Recreation	15,526,198	5,274,259	227,284	(5,515,441)	\$ 15,512,300
5. Waste Diversion	109,576	64,326	2,155		\$ 176,057
6. Yards & Fleet	(266,259)	92,999	(4,400)	-	\$ (177,661)
7. Engineering Services	16,104,952	5,372,693	280,410	(3,410,919)	\$ 18,347,136
8. Municipal Parking	2,196,907	56,885	38,506		\$ 2,292,298
9. Area Specific DCs	-				-
Total	\$ 28,843,173	\$ 12,152,325	\$ 476,673	\$ (7,806,103)	\$ 33,666,069

The Expenditures by area were funded as follows:

Area/Expenditure	Development Charges	Other Sources of Funding	Total Project Actual
1. General Government <i>The General Government reserve fund includes services for Growth Studies.</i>			
Urban Design Guidelines 6819060	14,308		14,308
Community Benefit 1021001	61,384		61,384
Official Plan Review & Update 6821001	113,856		113,856
2. Library <i>The Library fund account includes services for Library Buildings, Library Land, Library Materials and Library Furniture and Fixtures.</i>			
Library Services			
3. Fire <i>The Fire reserve account includes services for Fire Buildings, Land for Fire, Fire Vehicles, and Firefighter Equipment.</i>			
Station 4-5 Design & Construction 2116074	(1,369,752)		(1,369,752)
CYFS Master File Plan 2119008	35,637		35,637
Recruit FF Uniforms PPE 2122002	24,309		24,309
4. Parks and Recreation <i>The Parks and Recreation reserve fund includes services for Major Facilities, Land for Major Facilities, and Recreation Facilities Equipment. It also includes services for Parkland Development, Park Trails, Playfields and Play Equipment and Parks Maintenance Equipment.</i>			
Debt Financing - Youth Centre 17971	41,659		41,659
Debt Financing - Magna Centre 57971/57972	1,748,651		1,748,651
Mulock Estate Design and Construct 1021003	1,934,163		1,934,163
Mulock Drive - Multi-Use Path 3221001	89,819	50,537	140,356
Hasket Park TL&Breathing Space 5218047	9,108		9,108
Trails & Offroad Active Transportation 5219014	109,994		109,994
Recreation Playbook Implementation 5219021	1,320,638		1,320,638
Outdoor Rink 5221002	209,078	22,232	231,310
National Homes Park Dev. 5217036	10,160		10,160
NW Quadrant Trails 5222002	563		563
Parkette & Sports Pad 5222003	9,605		9,605
Trail Lighting at Parks 5219043	32,004		32,004
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>			
Harry Walker Extension - Road 32970	15,754		15,754
Stormwater - Engineering 45005	120,000		120,000
Old Main Street - Tertiary Plan 3220001	279,351		279,351
Mulock Drive - Multi-Use Path 3221001	(5,478)		(5,478)
Water & Wastewater Master Plan 4422002	79,316		79,316
Mulock Park Parking Lot 1022001	71,976		71,976
Mun. Infrastructure Projects 3299001	2,850,000		2,850,000
8. Parking <i>The Parking reserve fund includes municipal parking facilities.</i>			
9. Area Specific DCs <i>Area Specific DC funds include services for Rotundo, Rawluk Farm, Block 9, Walker Farm and Goldstein/Trinison Development Areas.</i>			
Total	\$ 7,806,103	\$ 72,769	\$ 7,878,872