



F-2024-22

Report

Report to:	Mayor and Council
Date:	June 18, 2024
Title:	2023 Development Charges Treasurer's Statement

Recommendation(s)

THAT Council **RECEIVE** report F-2024-22 2023 Development Charges Treasurer's Statement for information.

Executive Summary

Per the Development Charges Act, 1997, S.O. 1997, c. 27, municipalities are required to prepare an annual financial statement relating to development charge by-laws and reserve funds established under section 33.

The Treasurer's Statement for 2023 is attached as Attachment 1 to this report. During fiscal period 2023, the City collected \$3.23M in net development charges, \$1.16M in net interest income and funded \$5.31M in eligible growth related projects. Also during 2023 the City uploaded \$2.53M in Transit-related development charges to Niagara Region. The unaudited 2023 year end development charges deferred revenue balance is \$26.50M. Attachment 1 provides detail. These funds will be used in future fiscal periods to fund eligible growth related projects as budgeted.

Also during fiscal period 2023, new legislative changes took effect under Bill 23 that require the City to commit or spend 60% of reserve balances for water, wastewater, and roads reserves. Total expenditures including committed expenditures for all three categories for the City of Niagara Falls all exceed the 60% legislated threshold.

Attachment 2 to this report demonstrates the City's compliance with the Bill 23 legislation to commit or spend 60% of DC reserve balances for water, wastewater, and roads.

Background

The Development Charges Act, 1997, S.O. 1997, c. 27, as amended requires that development charges be reviewed on a ten-year cycle. The City of Niagara Falls' current Development Charges By-law 2019-69 was passed June 4, 2019, and expires July 8, 2024. On May 28, 2024 City Council approved the City's 2024 DC By-law, with an effective date of July 8, 2024.

Municipalities prepare an annual financial statement referred to as the Treasurer's Statement, relating to development charge by-laws and reserve funds established under section 33 of the DC Act. The Treasurer's statement includes opening and closing reserve balances, and listings of assets whose capital costs were funded under a DC by-law during that year.

In 2023, new legislative changes took effect as per Bill 23. Municipalities are required to commit or spend 60% of reserve balances for water, wastewater, and roads reserves. The excerpt from The Act is as follows:

Per the DC Act, requirement to spend or allocate monies in reserve fund is stated as follows:

(2) Beginning in 2023 and in each calendar year thereafter, a municipality shall spend or allocate at least 60 per cent of the monies that are in a reserve fund for the following services at the beginning of the year:

1. Water supply services, including distribution and treatment services.
2. Waste water services, including sewers and treatment services.
3. Services related to a highway as defined in subsection 1 (1) of the Municipal Act, 2001 or subsection 3 (1) of the City of Toronto Act, 2006, as the case may be. 2022, c. 21, Sched. 3, s. 10.

The City of Niagara Falls has calculated its percentages of total expenditures including committed amounts for the three categories and has demonstrated that the new legislated requirement has been met.

Analysis

The purpose of development charges is to help fund the capital costs attributable to growth. The City's Development Charge Study, prepared by Hemson Consulting Ltd March 29, 2019, outlines the methodology to determine rates and identifies eligible development charge related projects. Development charges are collected relative to the increased growth related capital costs involved in delivering the following municipal services:

1. General Government
2. Roads and Related
3. Transit (Service Transferred to Region Jan 1/23)
4. Parks and Recreation
5. Library
6. Sanitary Sewer
7. Fire
8. Sidewalks

- 9. Water
- 10. Storm Water Management
- 11. Public Works and Fleet

City Council recently approved the 2024 DC By-Law which has revised the services to formally remove Transit (deferred to the Region) and combine Sidewalks with Roads and Related. Development Charges for the majority of development types are collected at building permit issuance and recorded as deferred revenue in the DC reserve funds. Development Charge revenue is recognized as amounts are used to fund eligible growth related projects that are included in the annual capital budget and identified in the City's development charge study. Development charge rates are indexed annually.

Strategic/Departmental Alignment

This report is consistent with the following Council strategic commitments:

1. To be financially responsible to the residents of Niagara Falls by practicing prudent fiscal management of existing resources and by making sound long-term choices that allow core City programs and services to be sustainable now and into the future.
2. To be efficient and effective in our delivery of municipal services and use of resources and accountable to our citizens and stakeholders.

List of Attachments

[F-2024-22 Attachment 1](#)

[F-2024-22 Attachment 2](#)

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Status:

Approved
- 08 Jun
2024

Approved
- 10 Jun
2024

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- 10 Jun
2024

City of Niagara Falls
Treasurer's Statement (Unaudited) - Development Charges
For the Year Ended December 31, 2023

	GEN. GOV'T 400108	ROADS & RELATED 400109	TRANSIT 400110	PARKS & REC 400111	LIBRARY 400112	SEWER 400113	FIRE 400114	SIDEWALK 400218	WATER 400219	STORM SEWER 400220	PUBLIC WORKS & FLEET 400261	TOTAL DEVELOPMENT CHARGES
BEGINNING BALANCE, JANUARY 1, 2023	475,660	7,138,052	2,517,795	6,455,283	684,326	501,240	3,781,690	1,067,304	1,710,370	5,617,476	-	29,949,196
REVENUES												
Net Development Charges	32,492	1,054,806	14,695	554,809	115,307	583,961	166,530	38,799	167,787	499,962		3,229,148
Net Interest Income	6,239	339,329	-	207,391	20,307	113,858	24,097	35,383	87,374	320,851	330	1,155,159
Transfers from former DCs Accounts	88	1,947										2,035
Transfers between DC Funds	-	(549,401)						-			549,401	-
EXPENDITURES												
Transfers (to)/from Operating:												
Debt Charges re: MacBain Community Centre				(988,565)								(988,565)
Debt Charges re: Garner Pumping Station						(793,877)						(793,877)
Debt Charges re: Fire Station 7							(485,752)					(485,752)
OPG Sewer Easement										(1,928)		(1,928)
Transfer to Niagara Region			(2,532,490)									(2,532,490)
Transfers (to)/from Capital:												
BP44-21 South NF/Grassy Brook Secondary Plan	(154,441)											(154,441)
G49-22 Updated DC Background and CBC Strategy	(28,131)											(28,131)
L40 Strategic Planning & Future Needs Study					(17,350)							(17,350)
L42-20 Book Mobile					(75,849)							(75,849)
L47-23 Collection Materials					(81,930)							(81,930)
MS19 Fallsview - Ferry to Murray		(1,250,013)							(250,559)			(1,500,572)
MS40 Garner Road (Warren Woods Ave - McLeod Rd)		(8,989)				(2,228)			(405)	(4,284)		(15,906)
MS42-20 Winzen Subdivision		(35,560)										(35,560)
MS63-22 Wet Weather Management Study & Master Servicing Plans						(122,971)			(122,971)			(245,942)
P63 Warren Woods Phase 1 Park & Trail				(6,330)								(6,330)
P73 Chippawa West Park Development				(118,133)								(118,133)
P112 Fern Park Improvements & Trail Development				(1,927)								(1,927)
P129-21 Warren Woods Trail Development				(26,690)								(26,690)
P130-21 Warren Woods Trail Parkette Development				(3,949)								(3,949)
R124-20 Drummond Rd Improvements		(29)										(29)
R137-21 Dorchester & Oldfield Intersection		(12,148)										(12,148)
R144-21 Dorchester Road (Oldfield to McLeod Rd)		(5,500)										(5,500)
R147-22 Road widenings for new South Niagara Hospital		(525,014)										(525,014)
R151-23 2023 Asphalt Overlay Program - DC		(131,663)										(131,663)
SS72 South Niagara Falls Infiltration & Inflow Study to High Lift Sewage Pumping Station						(19,177)						(19,177)
STMS49 Thompson's Creek Subwatershed Plan										(559)		(559)
STMS52-21 Hodgson Subdivision Sewer Separation Strategy										(6,135)		(6,135)
TSP55-22 Transportation Master Plans - RFP and Scoping Project		(31,409)										(31,409)
ENDING BALANCE, DECEMBER 31, 2023	331,907	5,984,408	-	6,071,888	644,811	260,805	3,486,567	1,141,486	1,591,596	6,425,382	549,731	26,488,581

City of Niagara Falls

Development Charges

**Bill 23 Requirement to spend or allocate monies in reserve fund
For the Year Ended December 31, 2023**

	ROADS & RELATED 400109	SEWER 400113	WATER 400219
Beginning Balance, January 1, 2023	7,138,052	501,240	1,710,370
Actual Expenditures in 2023	(2,000,325)	(938,254)	(373,936)
Budgeted Expenditures in Approved Capital Projects	(2,997,254)	(407,851)	(752,029)
Outstanding DC Debt Payments	(8,308,241)	(8,032,401)	(9,448,101)
Total - 2023 Expenditures and Approved Commitments to Date	(13,305,820)	(9,378,506)	(10,574,065)
TOTAL EXPENDITURES as a % of Beginning Balance	186%	1871%	618%
Bill 23 Legislative Requirement	60%	60%	60%
Variance	126%	1811%	558%