



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

Report Number: INFO-2024-19

Department(s): Financial Services

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Date: September 10, 2024

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 2023.

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 \$33,666,071. The Town collected \$5,019,421 in contributions and earned \$1,814,499 in interest during 2023. Funding of capital was \$6,231,486 and left a balance in the combined reserve funds of \$34,268,505.

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. Council extended the Town DC by-law for an additional 5 years until July 21, 2029.

Attached is the Statement of Development Charge Reserve Fund Transactions for the year 2023.

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, of 1997, were:

- Extending the maximum life of a DC By-Law from five to ten years.
- Phasing DC rates over 5 years 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 since Bill-23 came into effect due to the phasing-in of development charge rates on soft services is \$ 1,219,169.

Bill 185 Cutting Red Tape to Build More Homes Act, came into effect June 6, 2024, that included the reversal of phasing in development charge rates related to Bill 23.

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 2023 improved cash flow. They will be applied in the future to projects that are included in the Council approved growth-related capital program.

Attachments

Appendix 1 - Development Charge Reserve Funds

Approval

Andrea Tang, CPA, CA

Director, Financial Services/Treasurer

Esther Armchuk, LL.B

Commissioner, Corporate Services.

Contact

For more information on this report, contact: Andrea Tang at 905-954-5300, ext. 2104 or via e-mail at atang@newmarket.ca.

TOWN OF NEWMARKET
Development Charge Reserve Funds Transactions
For the Year Ended December 31, 2023

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, 2023	Collections Contribution/(Refund)	Interest Revenue/(Expense)	(Expenditures)	Balance December 31, 2023
1. General Government	\$ 11,853	\$ 106,864	\$ 937	(138,415)	\$ (18,762)
2. Library	4,023,613	65,589	221,046	(18,164)	\$ 4,292,084
3. Fire	(6,519,528)	306,602	(344,608)	(33,482)	\$ (6,591,017)
4. Parks & Recreation	15,512,301	865,539	682,937	(5,670,813)	\$ 11,389,965
5. Waste Diversion	176,057	15,468	10,000		\$ 201,525
6. Yards & Fleet	(177,661)	4,706	(10,490)	-	\$ (183,444)
7. Engineering Services	18,347,136	3,649,947	1,129,470	(370,612)	\$ 22,755,941
8. Municipal Parking	2,292,299	4,706	125,208		\$ 2,422,213
9. Area Specific DCs	-				-
Total	\$ 33,666,071	\$ 5,019,421	\$ 1,814,499	\$ (6,231,486)	\$ 34,268,505

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	10,054		10,054
Community Benefit	1021001	-		0
Official Plan Review & Update	6821001	128,361		128,361
2. Library				
<i>The Library fund account includes services for Library Buildings, Library Land, Library Materials and Library Furniture and Fixtures.</i>				
Library Services				
Alternate Delivery Options	9109104	18,164		
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	23,840	16,160	40,000
CYFS Master File Plan	2119008	9,642	6,891	16,533
Recruit FF Uniforms PPE	2122002	-		-
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	-		-
Debt Financing - Magna Centre	57971/57972	1,837,058		1,837,058
Mulock Estate Design and Construct	1021003	1,834,756		1,834,756
Mulock Drive - Multi-Use Path	3221001	474,582	559,680	1,034,262
Hasket Park TL&Breathing Space	5218047	-		-
Trails & Offroad Active Transportation	5219014	-		-
Recreation Playbook Implementation	5219021	82,997		82,997
Outdoor Rink	5221002	3,248		3,248
National Homes Park Dev.	5217036	-		-
NW Quadrant Trails	5222002	776,644		776,644
Parkette & Sports Pad	5222003	4,539		4,539
Ken Sturgeon Trail Paving/Amen	5223004	13,511		13,511
RJT Fitness Centre	5323005	10,750		10,750
Trail Lighting at Parks	5219043	405,490		405,490
Walkway Rehab./Lighting	3223001	8,960		8,960
Mulock Park Parking Lot	1022001	218,278		218,278
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	16,592		16,592
Stormwater - Engineering	45005	120,000		120,000
Old Main Street - Tertiary Plan	3220001	(21,867)		(21,867)
Water & Wastewater Master Plan	4422002	199,502		199,502
Vehicle for Inspector	4422004	56,385		56,385
Mun. Infrastructure Projects	3299001	-		-
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/Trinson Development Areas.</i>				
Total		\$ 6,231,486	\$ 582,731	\$ 6,814,217