



Staff Report to Council - for Direction

Title: 2024 & 2025 Development Charge Reserve Fund Utilization

From: Sam Dinsmore, Director of Corporate Services

Date: March 20, 2025

Report Number: CS-2025-010

Staff Recommendation:

That the 2024 budget be amended to include the use of Development Charges Obligatory Reserve Fund in the amount of \$447,348, as outlined in Chart 1, and

That the 2025 budget be amended to include the use of Development Charges Obligatory Reserve Fund in the amount of \$796,871, as outlined in Chart 2.

Report Summary:

Staff have identified \$447,348 in growth-related capital spending from 2024 and \$796,871 from 2025 projects that are eligible for Development Charges (DC) reserve funding, which are not currently budgeted. Adjusting the budgets to utilize DC reserves for these eligible projects will replenish departmental capital reserves, freeing them up for future initiatives.

Background/Analysis:

The County collected \$492,509 in DCs for the period January 1 to December 31, 2024. Provincial and County exemptions totaled \$879,702 and \$3,356,123 respectively. Of the \$3,356,123 County exemptions, \$1,344,181 was a result of the County's decision to phase in DCs and has been funded by the County's 2024 surplus, as required by the DC Act.

The DCs collected by the County are held in an obligatory reserve fund by each service area. At the end of the year, staff reviewed capital projects and identified \$460,308 spending incurred in 2024 on growth-related projects as identified in the 2023 DC Background Study. Of this amount, \$447,348 is currently being funded by levy and/or other capital reserves as a result of being carryover projects from years prior to the implementation of DCs. Staff also identified five projects in the background study that have been carried over into the 2025 budget, currently being funded by capital reserves. \$796,871 of these carryover projects are growth-related and eligible for DC reserve funding in 2025. The amendments required to adjust the 2024 and 2025 budgets to align with the eligible DC revenues are outlined in Chart 1 and 2 respectively. Transferring from the DC reserve to fund these eligible projects will increase the amount available in the respective departmental Capital Reserves which can be used towards future capital projects under the Asset Management Plan.

Chart 1: 2024 Budget Amendment

Project	Amount Eligible for DCs	Budgeted DC Revenue	Amendment
TS-2021-054 CN Rail Trail Resurfacing	51,109		51,109
TS-2022-005 Ped. Crossing & Intersection Improvement - Bruce Road 4/McNab St	11,772		11,772
TS-2023-017 Bruce Road 29 Everatt/Isthmus Intersection	153,375		153,375
TS-2023-018 Bruce Road 6/Absolam Street Resurfacing (Urban)	8,383		8,383
TS-2021-022 Bruce Road 6A East	202,147		202,147
PS-2020-001 Port Elgin Paramedic Station	33,523	12,960	20,563
	\$460,308	\$12,960	\$447,348

Chart 2: 2025 Budget Amendment

Project	Amount Eligible for DCs	Budgeted DC Revenue	Amendment
TS-2022-005 Ped. Crossing & Intersection Improvement - Bruce Road 4/McNab St	338,822	100,000	238,822
TS-2021-029 Bruce Road 33	165,738	160,000	5,738
TS-2021-030 Bruce Road 23 Roundabout	683,758	150,000	533,758
Forest Management Plan	46,158	38,000	8,158
Waste Management Master Plan	15,396	5,000	10,396
	\$1,249,871	\$453,000	\$796,871

The following table highlights a summary of the County’s Development Charges Obligatory Reserve Fund for the period January 1 to December 31, 2024, after consideration of the amendments in Chart 1. Staff will provide further information on 2024 Development Charges

in the coming months through the Annual Treasurer Statement as required by Development Charges Act and O. Reg 82/98.

DC Obligatory Reserve Fund	Totals
Opening Balance	\$0
Additions	492,509
County phase in	1,344,181
Withdrawals	460,308
Balance before interest	\$1,376,382
Interest	71,128
Closing Balance	\$1,447,510

Financial/Staffing/Legal/IT Considerations:

There are no staffing, legal, or IT considerations associated with this report. The financial considerations have been outlined in the Background of the report.

Interdepartmental Consultation:

Projects proposed to be funded by the Obligatory Development Charges Reserve Fund were reviewed with the Transportation and Environmental Services department to verify eligibility of the work done in alignment with the Development Charges study and Development Charges Act.

Link to Strategic Goals and Objectives:

Growth and Innovation - Promote responsible growth

Link to Departmental Plan Goals and Objectives, if any:

2024 and 2025 Corporate Operating & Capital Budgets

Report Author:

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Departmental Approval:

Sam Dinsmore, Director of Corporate Services

Approved for Submission:

Sean Morphy, Deputy Chief Administrative Officer