

THE MUNICIPALITY OF LAMBTON SHORES

Report TR 19-2025

Council Meeting Date: April 29, 2025

TO: Mayor Cook and Members of Council

FROM: Rebecca Clothier, Director of Financial Services

RE: Development Charges Statement - 2024

RECOMMENDATION:

THAT Report TR 19-2025 regarding the 2024 Development Charges Statement be received; and

THAT the 2024 Development Charges Statement for submission to the Ministry of Municipal Affairs and Housing in accordance with The Development Charges Act be approved.

SUMMARY

This report provides an overview of the 2024 Development Charges (DC) Financial Statement, as required under Section 43 of the *Development Charges Act, 1997 (DCA)*. Development charges are collected on new and expanded developments to fund growth-related infrastructure, and funds are maintained in a dedicated reserve.

Key financial highlights from the 2024 statement include:

- **DC Contributions:** \$335,299.82
- **Interest Earned:** \$384,843.56
- **Capital Allocations:** \$217,455.74, in alignment with the 2024 municipal budget

The report confirms that the required details, such as reserve fund balances, project funding sources, credits, and borrowing information, are included per legislative requirements. Credits related to the former Wondergrove Cottages property in Grand Bend are noted, with two properties developed in 2024.

BACKGROUND

Development charges (DCs) are one-time fees collected on new (or additions/expansions of) residential and non-residential properties, to finance a portion of the capital infrastructure requirements associated with growth. Amounts collected are held in the designated Development Charge (DC) Reserve Fund account and accumulate interest. The growth-related spending authority is approved annually as part of the Municipality's budget process, with capital projects included in the DC Background Study being eligible for development charge funding.

As per section 43 of the *Development Charges Act (DCA)*, the Treasurer shall provide Council with a financial statement relating to the development charge by-law (4-2023) and reserve fund established under sec 33 of the DCA. Subsequent to providing Council

with the statement, the Treasurer shall provide a copy of the statement to the Minister of Municipal Affairs and Housing within 60 days.

Under the Development Charges Act, 1997 (DCA), subsection 43(2) and O. Reg. 82/98 prescribe the information that must be included in the Treasurer's Statement, as follows:

- opening and closing balances of the reserve funds;
- description of each service for which the reserve fund was established;
- all transactions for the year;
- for projects financed by DCs, the amount spent on the project from the DC reserve fund, and show how the portions not funded through DCs were funded;
- amounts borrowed from the fund by the municipality, purpose of the borrowing, and interest accrued during year;
- amount and source of money used by the municipality to repay municipal obligations to the DC reserve fund;
- list of credits by service, by holder (opening balance, credits given in the year, and closing balance); and,
- statement as to whether compliance with subsection 59.1(1) of the DCA has been met.

The statement (figure 1) reflects contributions of \$335,299.82, interest revenue of \$384,843.56 and an allocation of \$217,455.74 in conjunction with the 2024 budget.

Attachment 2 provides a list of the credits for the former Wondergrove Cottages property in Grand Bend. These credits are to recognize the pre-existing use. As properties are developed, the credits will be applied. There were 2 properties developed in 2024.

ALTERNATIVES TO CONSIDER

No alternatives to consider

RECOMMENDED ACTIONS

Staff recommend the 2024 Development Charges Statement be approved.

FINANCIAL IMPACT

Acceptance of this report has no financial impact for Lambton Shores. The information shown in the statement is as per collections in 2024 and the approved Budget.

CONSULTATION

None

Attachment 1 – Figure 1 Treasurers Statement

Attachment 2 – Capital Fund Transactions

Attachment 3 – Statement of Credit Holder

Figure 1
Municipality of Lambton Shores
Annual Treasurer's Statement of Reserve Funds for By-Law 04-2023

Description	Services to which the Development Charge Relates									Total
	Non-Discounted Services						Discounted Services			
	Transportation	Water	Wastewater	Protection ⁴	Storm	Growth - Related Services	Parking	Parks and Recreation ⁵	Library	
Opening Balance, January 1, 2024	\$ 1,912,264.88	\$ 2,956,714.13	\$ 634,882.19	\$ 11,619.01	\$ 3,428.86	\$ 66,053.91	\$ 63,659.83	\$ 1,135,897.37	\$ 37,325.66	\$ 6,821,845.84
Plus:										
Development Charge Collections	\$ 202,438.92	\$ 4,643.54	\$ 48,231.56	\$ 14,602.28	\$ 2,653.39	\$ 1,569.58	\$ -	\$ 61,160.55		\$ 335,299.82
Accrued Interest	\$ 108,896.23	\$ 165,455.83	\$ 35,437.27	\$ 661.66	\$ 195.26	\$ 3,761.52	\$ 3,625.19	\$ 64,685.05	\$ 2,125.55	\$ 384,843.56
Repayment of Monies Borrowed from Fund and Associated Interest ¹										
Sub-Total	\$ 311,335.15	\$ 170,099.37	\$ 83,668.83	\$ 15,263.94	\$ 2,848.65	\$ 5,331.10	\$ 3,625.19	\$ 125,845.60	\$ 2,125.55	\$ 720,143.38
Less:										
Amount Transferred to Capital (or Other) Funds ²			\$ 50,000.00		\$ 36,863.21			\$ 110,592.53	\$ 20,000.00	\$ 217,455.74
Amounts Loaned to Other D.C. Service Category for Interim Financing										
Credits ³			\$ -							\$ -
Sub-Total	\$ -	\$ -	\$ 50,000.00	\$ -	\$ 36,863.21	\$ -	\$ -	\$ 110,592.53	\$ 20,000.00	\$ 217,455.74
Closing Balance, December 31, 2024	\$ 2,223,600.03	\$ 3,126,813.50	\$ 668,551.02	\$ 26,882.95	\$ (30,585.70)	\$ 71,385.01	\$ 67,285.02	\$ 1,151,150.44	\$ 19,451.21	\$ 7,324,533.48

¹ Source of funds used to repay the D.C. reserve fund

² See Attachment 1 for details

³ See Attachment 2 for details

⁴ Service category includes: Fire Services

⁵ Service category includes: Indoor Recreation Services and Outdoor Recreation Services

The Municipality is compliant with s.s. 59.1 (1) of the *Development Charges Act*, whereby charges are not directly or indirectly imposed on development nor has a requirement to construct a service related to development been imposed, except as permitted by the *Development Charges Act* or another Act.

Attachment 1
Municipality of Lambton Shores
Amount Transferred to Capital (or Other) Funds - Capital Fund Transactions

Capital Fund Transactions	Gross Capital Cost	DC Recoverable Cost Share					Non-D.C. Recoverable Cost Share				
		D.C. By-Law Period			Post D.C. By-Law Period		Other Reserve/Reserve Fund Draws	Tax Supported Operating Fund Contributions	Rate Supported Operating Fund Contributions	Debt Financing	Grants, Subsidies Other Contributions
		D.C. Reserve Fund Draw	D.C. Debt Financing	Grants, Subsidies Other Contributions	Post-Period Benefit/Capacity Interim Financing	Grants, Subsidies Other Contributions					
<u>Storm</u>											
WB Stormwater Masterplan	\$ 73,726.43	\$ 36,863.21					\$ 36,863.22				
Sub-Total Transportation	\$ 73,726.43	\$ 36,863.21	\$ -	\$ -	\$ -	\$ -	\$ 36,863.22	\$ -	\$ -	\$ -	\$ -
<u>Recreation</u>											
Ipperwash Trail	\$ 132,275.03	\$ 92,592.53					\$ 39,682.50				
Sub-Total Recreation	\$ 132,275.03	\$ 92,592.53	\$ -	\$ -	\$ -	\$ -	\$ 39,682.50	\$ -	\$ -	\$ -	\$ -
Total Capital Fund Transactions	\$ 206,001.46	\$ 129,455.74	\$ -	\$ -	\$ -	\$ -	\$ 76,545.72	\$ -	\$ -	\$ -	\$ -

Amount Transferred to Capital (or Other) Funds - Operating Fund Transactions

Operating Fund Transactions	Annual Debt Repayment Amount	D.C. Reserve Fund Draw		Post D.C. By-Law Period			Non-D.C. Recoverable Cost Share		
		Principal	Interest	Principal	Interest	Source	Principal	Interest	Source
<u>Parks and Recreation</u>									
The Shores Recreation Centre	\$ 214,165.22	\$ 10,892.06	\$ 7,107.94				\$ 118,702.28	\$ 77,462.94	User Fees/Taxation
The Legacy Recreation Centre	\$ 245,505.22	\$ 12,587.42	\$ 7,412.58				\$ 141,926.36	\$ 83,578.86	User Fees/Taxation
Sub-Total -Parks and Recreation	\$ 459,670.44	\$ 23,479.48	\$ 14,520.52	\$ -	\$ -	\$ -	\$ 260,628.64	\$ 161,041.80	
Total Operating Fund Transactions	\$ 459,670.44	\$ 23,479.48	\$ 14,520.52	\$ -	\$ -	\$ -	\$ 260,628.64	\$ 161,041.80	

Attachment 2
Municipality of Lambton Shores
Statement of Credit Holder Transactions

Credit Holder	Applicable D.C. Reserve Fund	Credit Balance Outstanding Beginning of Year 2024	Additional Credits Granted During Year	Credits Used by Holder During Year	Credit Balance Outstanding End of Year 2024
520 010 46799 0000	Water, Wastewater, Municipal Wide	\$1,886.79	\$0.00	\$1,886.79	\$0.00
520 010 46798 0000	Water, Wastewater, Municipal Wide	\$1,886.79	\$0.00	\$1,886.79	\$0.00
520 010 46793 0000	Water, Wastewater, Municipal Wide	\$1,886.79	\$0.00	\$0.00	\$1,886.79
520 010 46792 0000	Water, Wastewater, Municipal Wide	\$1,886.79	\$0.00	\$0.00	\$1,886.79
				Total	\$3,773.58