

Town of Ajax Report



Report To: General Government Committee

Prepared By: Heidi Tokle, Financial Analyst, Development

Report #: FIN-2025-10

Subject: 2024 Development Charge Reserve Funds - Treasurer's Annual Statement

Ward(s): All

Date of Meeting: April 14, 2025

Reference: 2018 Development Charges Background Study and Bylaw 50-2018
2020 Amended Development Charges Background Study and Bylaw 55-2020

Recommendation:

That the report "2024 Development Charge Reserve Funds – Treasurer's Annual Statement" be received for information.

Background:

The Development Charges Act (DCA), Section 43 (1) states that "The treasurer of a municipality shall each year on or before such date as the council of the municipality may direct, give the council a financial statement relating to the development charge by-laws and reserve funds established under section 33."

This statement must include:

- the opening and closing balances of the reserve funds including the transactions relating to the funds;
- a listing of all assets whose capital costs were funded under a development charge by-law during the year, and for each asset, the costs not funded under the by-law and the source of other funding;
- a statement showing compliance with Section 59 of the DCA

Discussion:

In 2015 Ontario Regulation 82/98 and Bill 73, Smart Growth for Our Communities Act, 2015, provided specific guidance with respect to the information to be included in the Treasurer's annual statement.

The Development Charge Reserve Funds Annual Statement in Attachment 1 provides the consolidated opening and closing balances of each service category maintained by the Town of Ajax and reports transfers to/from service categories as applicable. A reallocation was done to the opening DC reserve fund balances following the 2023 Annual Treasurer's report to correct an

error between the DC reserve funds for Fire Services and Library Services. The total balance of the DC reserve funds was unaffected.

Attachment 2 provides information, by capital project and service category, of the development charge (DC) transfers made to capital accounts or to operating funds during the fiscal year, as well as other sources of financing provided for each project.

The annual statement shows

- the closing balance as of December 31, 2024 for all DCs collected and earned in 2024,
- the cash balance as of December 31, 2024 net of the DCs and interest that remain to be collected, and
- the balance net of future DC collections and funding commitments for capital projects approved by Council in 2024.

Deferred DCs including interest charges are funds that are recorded upon issuance of a first building permit for specific types of developments as allowed under section 26.1 of the DCA, or as detailed in a Section 27 agreement executed between the developer and the Town. Unless stated otherwise in an early/late payment agreement with the Town, the deferred development charges will typically be collected in 6 installments over 5 years, with the first instalment being received upon occupancy of the first building.

No new building permits were issued in 2024 that qualified for deferral of DC payment, but interest was earned on an existing DC deferral agreement. Furthermore, previously deferred development charge and associated interest for a particular development were reversed due to the receipt of an MPAC assessment decision cancelling the obligation for DC payment as per the Town's DC bylaw. The DC for this exemption has been funded by the Town.

Capital project funding commitments are monies set aside to fund capital projects that have not yet been completed. A list of capital project commitments related to each service category can be found in Attachment 3.

The Town of Ajax affirms that it is compliant with s.s. 35 (2) of the Development Charges Act, whereby a municipality shall spend or allocate at least 60 per cent of the monies that are in a reserve fund for the services related to a highway at the beginning of the year.

Lastly, the Town of Ajax affirms that it is compliant with s.s. 59.1 (1) of the Development Charges Act, whereby it has not imposed directly or indirectly a charge related to development or a requirement to construct a service related to development, except as permitted by the DCA or another Act.

Development Charge Exemptions

Under the DCA, the value of development charge exemptions must be contributed from Town funds to the Town's DC reserve funds. The Town's DC Exemption reserve was established to support this legislation and the Town allocated \$1,118,429.80 in 2024 to the DC Exemption reserve from tax-based funding through the growth-related debt payment of the Audley Recreation Centre.

In 2024, DC exemptions totaling \$104,690.40 were funded by drawing from the DC Exemption reserve related to the MPAC assessment decision.

Under Bill 23, the provincial government mandated the exemption from development charges for the creation of affordable residential units and attainable residential units, for non-profit housing developments and for inclusionary zoning residential units.

Under Bill 134, Ontario introduced a definition regarding how to determine whether a proposed residential unit is considered "Affordable" and shall be exempted from paying development charges. The definition is based on the "Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin", which was first made available on April 5, 2024. No exemptions imposed by Bill 23/134 were provided by the Town in 2024.

Financial Implications:

While there are no direct financial implications related to this report, the Town is continuing to track the impacts of both non-statutory and statutory DC exemptions to determine the effects on the funding trajectory of DC reserve funds.

Future growth-related development needs will continue to be balanced with current and anticipated Development Charge collections, and contributions from other sources will be required to ensure that the DC reserve funds remain whole.

Communication Issues:

As per O. Reg. 82/98, the Town is required to ensure that the Treasurer's Annual Statement is available to the public, as such, a copy of this report and the attachments will be posted on the Town website.

In addition, under the above noted regulation, a description of the service for which the fund was established and the services in the category must be disclosed. A pamphlet explaining the services for which the fund was established can be found on the Town's website.

It is also a requirement that the annual statement must be provided to the Minister of Municipal Affairs and Housing (MMAH) upon request.

Relationship to the Strategic Plan:

This report aligns with the following section of the 2022-2026 Strategic Plan – Action26:

Pillar:	Growing our Community
Priority:	1. Embrace dynamic and sustainable growth 1.6 Continue to monitor and respond to legislative changes
Supporting Action:	Provincial Legislation (Bill 23, Bill 109, Bill 134 and Bill 185)

Conclusion:

The completion of the Development Charge Reserve Funds Annual Statement fulfills the reporting requirements of the Development Charges Act.

Attachments:

ATT-1: Development Charge Reserve Annual Statement

ATT-2: Development Related Capital Growth Reserve Funds Transfers

ATT-3: Development Charge Reserve Fund Commitments

Prepared by:

Heidi Tokle – Financial Analyst, Development

Submitted by:

Dianne Valentim, CPA, CGA – Director of Finance/Treasurer

Approved by:

Shane Baker – Chief Administrative Officer

Attachment 1
Development Charge Reserve Funds Annual Statement
For the Town of Ajax - Town Services
For the Year Ended December 31, 2024

	Notes	Total	Development Related Capital Growth Studies	Fire Stations, Vehicles and Equipment ¹	Transportation (incl Roads and related)	Parks and Recreation (incl Vehicles and Equipment)	Libraries and Related (incl Materials) ¹
Balance as of January 1, 2024	(1)	47,670,531	932,432	(299,073)	44,502,085	2,037,245	497,842
Plus:							
Development Charge Collections		709,677	12,587	13,759	489,161	160,852	33,318
Development Charge Collections (Deferred)		-	-	-	-	-	-
Town Contribution for DC Exemptions	(2)	104,690	1,802	2,553	97,781	2,103	451
Interest earned		2,710,449	54,274	(36,593)	2,579,071	86,091	27,606
Subtotal		3,524,816	68,663	(20,281)	3,166,013	249,046	61,375
Less:							
Amount Transferred to Capital (or Other) Funds (Attachment 2)		5,188,552	42,332	665,589	1,839,836	2,379,596	261,199
Subtotal		5,188,552	42,332	665,589	1,839,836	2,379,596	261,199
December 31, 2024 Closing Reserve Balance		46,006,795	958,763	(984,943)	45,828,262	(93,305)	298,018
Deferred DCs and Interest Collectible		320,523	5,735	5,820	201,225	89,267	18,476
December 31, 2024 Closing Balance net of Deferred DCs Collectible (Cash Balance)		45,686,272	953,028	(990,763)	45,627,037	(182,572)	279,542
Commitments for Capital projects approved as of December 31, 2024 (Attachment 3)		16,761,026	434,429	78,221	14,780,884	1,318,195	149,297
December 31, 2024 Balance net of Deferred DCs Collectible and Capital Commitments		28,925,246	518,599	(1,068,984)	30,846,153	(1,500,767)	130,245

Notes

1 Balance Forward includes reallocation between Library and Fire to correct 2023 error discovered after Annual Reporting

2 Total DC exemptions funded by non-DC sources \$104,690

Attachment 2
Development Charge Reserve Funds Annual Statement
For the Town of Ajax - Town Services
For the Year Ended December 31, 2024

Development Related Capital Growth Reserve Fund Transfers				
Capital Project	DC Recoverable Cost Share	Non-DC Recoverable Cost Share		Total
	DC Reserve Fund Draw	Town Reserve Draw	Grants, Subsidies, Other Contributions	
Development Related Growth Studies				
0960011 Comp. Zoning By-Law Update	8,637	9,533	-	18,170
1022311 Transp Demand Mgmt Study Updt	3,460	865	-	4,325
1028311 2023 DC Background Study	30,235	-	-	30,235
Sub-Total Development Related Growth Studies	42,332	10,398	-	52,730
Fire				
23090201 Fire-2500 Crew Cab Pickup	34,713	1,870	-	36,583
23090202 Fire Station 2 Reno (FMP)	509,326	2,170,890	-	2,680,216
Operating - New Recruit / Bunker Gear	108,607	5,716	-	114,323
Fire Reno estimated interest transfer - DC debt	12,943	-	-	12,943
Sub-Total Fire	665,589	2,178,476	-	2,844,065
Transportation (incl Roads and related)				
1018611 Ross.Wide Church/Westn Constr	221,260	44,895	-	266,155
1018811 Harwood AvEA-Taunton-Woodcock	11,864	624	-	12,488
1028611 Rossland Wide. Westney-Salem	330,247	94,207	-	424,454
1029011 Rossland Wide Salem/LakeRidge	359,017	102,565	73,260	534,842
1029311 Hunt St Ext - EA Addendum	11,899	626	-	12,525
1029411 Street Sweeper	15,471	814	-	16,285
23090303 Hunt St Ext Monarch-Westney	37,717	1,989	-	39,706
23090305 Artic/SW Tractor w/Brine/Plow	206,702	10,817	-	217,519
23090310 Westney MUT-Bayly to Lake Dwy	4,188	232	-	4,420
23090313 Harwood (E) MUT-Bayly to Falby	88,470	7,203	-	95,673
23090314 Lloydmin,Formosa,TurnerBikeLns	17,405	1,427	-	18,832
23090318 StannardvilleBikeLn-Ross/Hurst	65	5	-	70
23090319 HurstBikeLn-Stannardv/Church	1,471	126	-	1,597
23090322 Brine Truck w/Plow	530,414	27,917	-	558,331
24090309 Mills Rd Bike Ln-Station-Hun	3,646	291	-	3,937
Sub-Total Transportation (incl Roads and related)	1,839,836	293,738	73,260	2,206,834
Major Indoor Recreation Facilities and Related				
0988511 Audley Recreation Ctr - Ph. 2	8,584	7,849	-	16,432
1029711 Meadows North Neigh Park	714,006	58,713	-	772,719
23090401 Remmer Neighbourhood Park	11,947	977	-	12,924
24090403 Daste North Parkette	272,345	14,334	-	286,679
24090404 ACC North Field Comm Park	8,546	450	-	8,996
Audley Recreation Center Debt (2019-2024)	1,364,168	-	-	1,364,168
Sub-Total Major Indoor Recreation Facilities and Related	2,379,596	82,323	-	2,461,919
Libraries and Related (incl Materials)				
0988511 Audley Recreation Ctr - Ph. 2	1,674	1,531	-	3,205
23090501 Library Collection-Growth-2023	439	23	-	462
Audley Recreation Center Library Debt (2019-2024)	259,086	-	-	259,086
Sub-Total Libraries and Related (incl Materials)	261,199	1,554	-	262,753
Totals	5,188,552	2,566,489	73,260	7,828,301

Attachment 3
Commitments from Prior Years' Budgets and and Council Approvals
For the Town of Ajax - Town Services
For the Year Ended December 31, 2024

Project Number	Project Name	Commitment
Studies		
960011	Comp. Zoning By-Law Update	(12,762)
1028411	2023-28 Library Master Plan	(11,467)
23090101	Official Plan Review	(410,200)
Total Studies		(434,429)
Fire		
1028511	Fire Station 2 Design - FMP	(29,290)
23090201	Fire-2500 Crew Cab Pickup-pend new staff appr	(1,431)
24090201	Fire - Hybrid Sedan	(47,500)
Total Fire		(78,221)
Transportation		
1012911	Westney Rd Streetlighting - R	(45,184)
1018611	Ross.Wide Church/Westn Constr	(542,652)
1018811	Harwood AvEA-Taunton-Woodcock	(17,262)
1026511	Salem MUP - Salem to Blowers (north leg)	(85,148)
1028611	Rossland Wide. Westney-Salem	(262,478)
1028711	Harwood Wid.Taunton-Woodcock	(917,900)
1029011	Rossland Wide Salem/LakeRidge	(5,611,637)
1029111	Kingston MUT-Salem/LakeRidge	(141,200)
23090302	Salem Rd MUT - Kerrison Dr to Rossland Rd	(868,700)
23090307	Westney Rd MUT - Clements to Harwood	(98,500)
23090310	Westney Rd MUT - Bayly St to Lake Dwy	(1,080,512)
23090313	Harwood (E Side) MUT - Bayly to Falby	(281,230)
23090315	Salem Rd MUT - Chambers to Kingston	(25,300)
23090321	Kingston SL Wicks/Galea	(71,200)
23090308	Hunt St Cycle Track - Harwood to Monarch	(81,700)
23090314	Lloydminster,Formosa,Turnerbury Bike Lns	(26,495)
23090318	Stannardville Bike Lane - Rossland to Hurst	(16,835)
23090319	Hurst Bike Lane - Stannardville to Church	(10,229)
23090320	Harwood (W Side) Bike Lane-Bayly to Falby	(400)
23090322	Brine Truck w/Plow	(87,085)
23090303	Hunt St Ext. - Monarch to Westney	(1,754,683)
23090309	Lake Ridge SL (1side) - Bayly/Kingston	(1,139,600)
24090303	Lake Ridge Buffrd Bike Ln-Bayly to Ontoro	(60,900)
24090309	Mills Road Bike Ln - Station St to Hunt St	(17,654)
24090310	Kingston Streetlights Galea to Alexanders Crossing	(730,900)
24090311	Kingston SL Lake Ridge Rd Intersection	(78,800)
24090312	Kingston MUT-Wicks to Alexanders Crossing	(585,700)
24090313	Kingston MUT-Lake Ridge intersection	(141,000)
Total Transportation		(14,780,884)
Parks and Recreation		
967911	ARC - Future Phases Design	(24,401)
988511	Audley Recreation Ctr - Ph. 2	(756,396)
1029711	Meadows North Neigh Park	(15,036)
23090306	Duffin's Trail (HEPC)-Church to Paulynn Park	(164,100)
23090401	Remmer Neighbourhood Park	(40,653)
24090402	Pickup Crew Cab - pending new staff approval	(142,500)
24090403	Daste North Parkette	(126,655)
24090404	ACC North Field Community Park	(48,454)
Total Parks and Recreation		(1,318,195)
Library		
967911	ARC - Future Phases Design	(1,786)
988511	Audley Recreation Ctr - Ph. 2	(147,511)
Total Library		(149,297)
Total commitments for Capital projects approved		(16,761,026)