 <b>COBOURG</b>	<b>THE CORPORATION OF THE TOWN OF COBOURG</b>	
	<b>STAFF REPORT</b>	
TO:	Mayor and Council	
FROM: TITLE:	Jennifer Heslinga Senior Financial Analyst	
DATE OF MEETING:	December 7, 2020	
TITLE / SUBJECT:	Financial Report – Development Charge Reserve Funds 2019	
REPORT DATE:	November 17, 2020	File #:

1.0 STRATEGIC PLAN

N/A

2.0 PUBLIC ENGAGEMENT

N/A

3.0 RECOMMENDATION

That this report be received for information purposes and that a copy of the report be made available to the public on the municipal website.

4.0 ORIGIN

The Development Charges Act, 1997 (D.C.A) requires development charge collections (and associated interest) to be placed in separate reserve funds. Section 43 of the Act requires that the Treasurer of the municipality shall each year on or before such date as the council may direct, give the council a financial statement relating to the development charge by-laws and reserve funds.

5.0 BACKGROUND

The Town of Cobourg has two dedicated reserve funds set up for residential and non-residential developments. These reserve funds are used to track collections received from developers, interest earned, and expenditures spent on operating and capital activities. Expenditures to be funded from these reserves are included in the Town's operating and capital budgets.

## 6.0 ANALYSIS

### Appendix A:

The Residential Development Charge Reserve fund collected \$964,263 in 2019 from developers. The Town also contributed \$50,000 to the reserve fund in 2019 for non-statutory exemptions from prior years, in accordance with budget. The Reserve earned \$186,501 in interest. There was a total budget of \$2,022,850 to be spent from the reserve, however only \$1,185,508.94 was actually withdrawn to reflect the actual spending in 2019. The variance of budget to actual is the result of the ongoing Kerr Street capital project. Reserve funds will be withdrawn, and in accordance with budget as the Kerr Street project reaches completion.

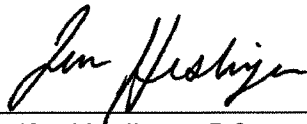
The Non-Residential Development Charge Reserve fund collected \$32,908 in 2019 from developers, and earned \$10,165 in interest. There was a total budget of \$99,150 to be spent from the reserve, however only \$17,586.10 was withdrawn to reflect actual spending in 2019. Similarly, the variance between actual and budget is the result of ongoing capital projects for Densmore Road and Kerr Street.

### Appendix B:

The Residential and Non-residential Development Charge Reserve funds are broken down to reflect impact on each service category with percentages taken from the development charges study for the Town of Cobourg. This analysis illustrates each function's involvement in the collection of fees, and their use of funds as a general overhead projection for the whole Town.

## 7.0 FINANCIAL IMPLICATIONS/BUDGET IMPACT N/A

## 12.0 AUTHORIZATION/SIGNATURES



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Jennifer Heslinga, BCom CPA CA  
Senior Financial Analyst



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Ian D. Davey, BBA CPA CA  
Treasurer / Director of Corporate Services



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Tracey Vaughan  
Chief Administrative Officer



**APPENDIX A**  
**THE CORPORATION OF THE TOWN OF COBOURG**  
**DEVELOPMENT CHARGE RESERVE FUNDS**  
**FOR THE YEAR ENDING DECEMBER 31, 2019**

**Residential Development Charges**

<i>Opening Balance, January 1, 2019</i>	\$ 7,752,814.30
D/C collected in 2019	\$ 964,263.00
Contribution to Reserve- non-statutory exemptions from prior years	\$ 50,000.00
Interest earned in 2019	<u>\$ 186,501.00</u>
<b><u>Total Funds Available</u></b>	<b>\$ 8,953,578.30</b>

**Funds Spent in 2019:**

	Budgeted				Residential D/C	
	D/C Reserve	Gas Tax Reserve	Sewer Reserve	Other Funding		
Kerr St Extension	\$ 698,250.00	\$ 37,677.95	\$ 23,750.00	\$ 570,322.05	\$ -	
Densmore Road Reconstruction	\$ 855,000.00		\$ 95,000.00		\$ 712,373.00	
Fire- Bunker Gear Replacement	\$ 11,400.00				\$ 14,935.94	
Cobourg Public Library	\$ 38,000.00				\$ 38,000.00	
Library Debt	\$ 38,000.00				\$ 38,000.00	
Parks Debt	\$ 262,200.00				\$ 262,200.00	
CCC Building	\$ 120,000.00				\$ 120,000.00	
<b>Total</b>	<b>\$ 2,022,850.00</b>	<b>\$ 37,677.95</b>	<b>\$ 118,750.00</b>	<b>\$ 570,322.05</b>	<b>\$ 1,185,508.94</b>	<b>-\$ 1,185,508.94</b>
						<u><u>\$ 7,768,069.36</u></u>

*Ending Balance, December 31, 2019*

**Non-Residential Development Charges**

<i>Opening Balance, January 1, 2019</i>	\$ 421,814.80
D/C collected in 2019	\$ 32,908.00
Interest earned in 2019	<u>\$ 10,165.00</u>
<b><u>Total Funds Available</u></b>	<b>\$ 464,887.80</b>

**Funds Spent in 2019:**

	Budgeted				Non-Residential D/C	
	D/C Reserve	Gas Tax Reserve	Sewer Reserve	Other Funding		
Kerr St Extension	\$ 36,750.00	\$ 1,983.05	\$ 1,250.00	\$ 30,016.95	\$ -	
Densmore Road Reconstruction	\$ 45,000.00		\$ 5,000.00		\$ -	
Fire- Bunker Gear Replacement	\$ 600.00				\$ 786.10	
Cobourg Public Library	\$ 1,000.00				\$ 1,000.00	
Library Debt	\$ 2,000.00				\$ 2,000.00	
Parks Debt	\$ 13,800.00				\$ 13,800.00	
	\$ 99,150.00	\$ 1,983.05	\$ 6,250.00	\$ 30,016.95	\$ 17,586.10	-\$ 17,586.10
						<u><u>\$ 447,301.70</u></u>

*Ending Balance, December 31, 2019*

**GRAND TOTAL BALANCE**

\$ 8,215,371.06



**APPENDIX B  
THE CORPORATION OF THE TOWN OF COBOURG  
DEVELOPMENT CHARGE ANALYSIS  
FOR THE YEAR ENDING DECEMBER 31, 2019**

FUNCTION/PROJECT	%	RESIDENTIAL					%	NON-RESIDENTIAL					GRAND TOTAL BALANCE	
		BALANCE JAN 1/19	BUDGETED EXPEND	D/C FEES COLLECTED	INTEREST CREDITED	RESIDENTIAL SUBTOTAL DEC 31/19		BALANCE JAN 1/19	BUDGETED EXPEND	D/C FEES COLLECTED	INTEREST CREDITED	RESIDENTIAL SUBTOTAL DEC 31/19		
<b>ADMINISTRATION</b>														
Growth Related Studies	2.17%	45,588.09		22,009.51	890.70	68,488.30	3.38%	99,367.24		1,112.29	-	98,254.95	-	29,766.65
<b>PROTECTION</b>														
Fire -Facilities	1.89%	360,340.28		19,169.57	7,040.31	386,550.17	1.76%	27,017.96		579.18	-	26,438.78		360,111.39
-Vehicles	0.67%	236,118.25		6,795.56	4,613.27	247,527.08	1.39%	18,668.62		457.42	269.05	19,395.09		266,922.17
-Protection Gear	0.18%	30,614.96	14,935.94	1,825.67	598.15	18,102.84	0.39%	2,638.49	786.10	128.34	38.03	2,018.76		20,121.60
Police -Equipment	0.10%	23,571.57		1,014.26	460.54	25,046.38	0.13%	3,783.34		42.78	54.53	3,880.64		28,927.02
-Facilities	2.91%	404,264.44		29,515.05	7,898.50	441,677.99	3.87%	21,206.55		1,273.54	305.63	22,785.72		464,463.71
<b>ROAD SERVICES</b>														
-Public Works Facilities	0.98%	487,562.44		9,939.78	9,525.97	507,028.19	1.27%	24,801.02		417.93	357.43	25,576.38		532,604.57
-Vehicles	1.31%	50,263.50		13,286.85	982.05	64,532.40	1.70%	37,593.35		559.44	541.79	38,694.58		103,226.98
-Roads	46.02%	4,855,338.71	712,373.00	466,763.83	94,863.38	4,704,592.92	59.80%	323,987.21		19,678.98	4,669.30	348,335.49		5,052,928.41
-Parking Facilities	0.55%	24,838.61		5,578.45	485.30	30,902.35	0.77%	4,360.94		253.39	62.85	4,677.19		35,579.53
<b>TRANSIT SERVICES</b>														
-Vehicles		231,134.93		-	4,515.90	235,650.83		30,358.71		-	437.53	30,796.24		266,447.07
<b>SANITARY SEWAGE</b>														
-Sanitary Sewage Treatment	3.35%	2,401,923.66		33,977.81	46,928.67	2,482,830.14	5.85%	230,576.44		1,925.12	3,323.07	235,824.62		2,718,654.76
<b>PARKS &amp; RECREATION</b>														
-Parkland Development	8.70%	227,476.59	262,200.00	88,240.88	4,444.43	57,961.90	3.81%	1,666.95	13,800.00	1,253.79	-	14,213.15		43,748.74
-Major Indoor Facilities	23.01%	1,663,593.80	120,000.00	233,381.92		1,550,211.89	10.08%	137,616.07		3,317.13	-	134,298.95		1,684,510.83
-Parks Vehicles	0.60%	82,130.70		6,085.58	1,604.67	89,820.94	0.26%	99.09		85.56	1.43	186.08		90,007.02
-Marina Facilities	1.84%	29,616.16		18,662.44	578.64	48,857.24	2.92%	5,759.55		960.91	83.01	6,803.47		55,660.71
<b>LIBRARIES</b>														
-Facilities	1.16%	129,167.57	38,000.00	11,765.45		155,402.12	0.53%	17,832.54	2,000.00	174.41	-	19,658.13		175,060.24
-Collection	4.56%	54,792.78	38,000.00	46,250.39	1,070.54	64,113.72	2.09%	1,482.26	1,000.00	687.78	21.36	1,191.40		65,305.12
<b>TOTALS</b>	<b>100.00%</b>	<b>7,752,814.30</b>	<b>- 1,185,508.94</b>	<b>1,014,263.00</b>	<b>186,501.00</b>	<b>7,768,069.36</b>	<b>100.00%</b>	<b>421,814.80</b>	<b>-17,586.10</b>	<b>32,908.00</b>	<b>10,165.00</b>	<b>447,301.70</b>		<b>8,215,371.06</b>