



## Staff Report

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<b>Report To:</b>	<b>General Government Committee</b>	
<b>Date of Meeting:</b>	April 7, 2025	<b>Report Number:</b> FSD-011-25
<b>Authored by:</b>	Michelle Pick, Accounting Services Manager, Deputy Treasurer	
<b>Submitted By:</b>	Trevor Pinn, Deputy CAO/Treasurer, Finance and Technology	
<b>Reviewed By:</b>	Mary-Anne Dempster, CAO	
<b>By-law Number:</b>		<b>Resolution Number:</b>
<b>File Number:</b>		
<b>Report Subject:</b>	2024 Annual Statement of Development Charges, Cash-in-Lieu - Parkland and Building Permit Reserve Funds	

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### Recommendation:

1. That Report FSD-011-25, and any related delegations or communication items, be received for information.

## Report Overview

This report is prepared to comply with the reporting requirements of the *Development Charges Act, 1997, Planning Act, 1990 and Building Code Act*.

### 1. Background

- 1.1 The Municipality is required through various acts and regulations to report annually to Council on the reserve funds established for Development Charges, Cash-in-Lieu of Parkland and Building Permits.
- 1.2 Prior to 2025, these reports were separate. As they are mainly informational, and to streamline processes starting with the 2024 annual reporting period they will be consolidated into one report.

### 2. Development Charges

#### General

- 2.1 In accordance with the *Development Charges Act, 1997*, section 43 the Treasurer is required to report to Council on financial information related to the development charges by-law and reserve funds.

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- 2.2 Attachment 1 - Schedule A - attached shows the activity in the Development Charges Reserve Funds for the year ended December 31, 2024, including opening and closing balances.
- 2.3 Attachment 2 - Schedule B - attached shows capital projects which were funded for the year ended December 31, 2024, with development charges. The table shows the total expenses, development charge financing and non-development charge financing.
- 2.4 Attachment 3 - Schedule C - attached shows operating expenses which were funded for the year ended December 31, 2024, with development charges. The table shows the total expenses, development charge financing and non-development charge financing.
- 2.5 Attachment 4 - Schedule D - attached shows projects which have been previously approved by Council through resolution or prior years' budgets. The amount committed relates solely to the development charges portion.
- 2.6 This statement is compliant with subsection 59.1(1) of the *Development Charges Act, 1997*.

- 2.7 A total of 23 capital fund (2023 – 26) and 11 (2023 – 8) operating fund projects have been financed by development charges.
- 2.8 The Municipality collected \$3,720,274 in municipal development charges in 2024, this compares to \$7,052,175 in 2023.
- 2.9 On January 18, 2021, Council passed by-law [2021-010](#), approving the Municipality's Draft Development Charges Background Study, October 15, 2020 and the Addendum to the Development Charges Background Study, November 3, 2020 prepared by Watson & Associates Economists Ltd. The by-law came into force on January 19, 2021, and will expire five years after that date.

### **3. Cash-in-Lieu of Parkland**

#### **General**

- 3.1 In accordance with Section 37 (Increased Density) and Section 42 (Cash-in-Lieu of Parkland) of the *Planning Act*, the Treasurer must provide a financial statement including opening and closing balances to Council relating to cash-in-lieu of parkland monies and increased density funding. This statement must be made available to the public.

#### **Section 42 – Conveyance of Land for Park Purposes**

- 3.2 Under Section 42 of the Planning Act, a municipality may require, as a condition of development, that land be conveyed to the municipality for park or other public recreational purposes. In certain circumstances, Council may require a payment in lieu of land dedication, to the value of the land otherwise required to be conveyed.
- 3.3 These funds must be held in a special account (Reserve Fund), allocated interest and spent only for the acquisition of land to be used for park or other recreational purposes, including the erection, improvement or repair of buildings and the acquisition of machinery, particular to park purposes.
- 3.4 Attachment 5 details the Statement of the Treasurer, in compliance with the *Act* and provides the expected future commitments for the reserve fund.

#### **Section 37 – Increased Density**

- 3.5 Clarington does not currently have a program set up for Section 37 Community Benefits; therefore, an annual statement is not required. The current Official Plan includes Community Benefits policies (Section 23.14 of the OP). Staff are developing a Community Benefits Charge Strategy and By-law in conjunction with the 2025 Development Charge Background Study update. The new Community Benefits Charge

Strategy will be brought forward for Council approval in June 2025, with an estimated implementation date of July 1, 2025.

## 4. Building Permits

### General

- 4.1 Under the *Building Code Act, 1992* and the passing of subsequent amendments and Ontario Regulation 350/06, municipalities are required to prepare an annual report that records the amount of building permit fees collected and the costs incurred during the process.
- 4.2 In accordance with the *Building Code Act, 1992* as amended, staff have prepared this report to Council with the required content on an informational basis and this report and the related attachment will be posted on the Municipality's website.

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- 4.3 A [Building Permit Fee Update Study](#) was completed in 2024, by Hemson Consulting Ltd. with an effective date of March 1, 2024. The reviews are to be completed every five (5) years to ensure that the building permit fees are in line with the cost of building inspections and that all appropriate direct and indirect costs are being allocated.
- 4.4 In 2024, building permits issued generated total building permit revenue of \$2,107,333 (2023 - \$2,149,337), with total direct and overhead costs of \$3,653,705 (2023 - \$3,485,770), creating a deficit of \$1,546,372 (2023 – deficit of \$1,336,433) after reducing the total revenue by the direct and indirect expenses as outlined on Attachment 6.
- 4.5 As the building permit funds are to be segregated from the general funds of the Municipality, the deficit of \$1,546,372 was transferred from the Building Division Reserve Fund leaving the surplus/deficit for December 31, 2024, as nil. As of December 31, 2024, the reserve fund was in a deficit position of \$1,030,257.

## 5. Financial Considerations

Not Applicable.

## 6. Strategic Plan

Not Applicable

## 7. Climate Change

Not Applicable.

## 8. Concurrence

Not Applicable.

## 9. Conclusion

It is respectfully recommended that the Annual Statement for the Development Charges Reserve Funds, Annual Statement for Cash-in-Lieu of Parkland and Annual Building Permit Fess report be received for information and made available to the public by posting on the Municipality's website.

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Staff Contact: Michelle Pick, Accounting Services Manager/Deputy Treasurer, 905-623-3379 x2605 or mpick@clarington.net.

### Attachments:

Attachment 1 – Schedule A – Development Charges Reserve Funds Activity 2024

Attachment 2 – Schedule B - Development Charges Reserve Funds Capital Projects 2024

Attachment 3 – Schedule C - Development Charges Reserve Funds Operating Expenses 2024

Attachment 4 – Schedule D - Development Charges Reserve Funds Commitments 2024

Attachment 5 – Cash-In-Lieu of Parkland Reserve Fund 2024

Attachment 6 – Annual Building Permit Fees 2024

### Interested Parties:

There are no interested parties to be notified of Council's decision.