



Staff Report

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Report To:	General Government Committee	
Date of Meeting:	April 13, 2026	Report Number: FSD-014-26
Authored by:	Michelle Pick, Accounting Services Manager, Deputy Treasurer	
Submitted By:	Trevor Pinn, Deputy CAO/Treasurer, Finance and Technology	
Reviewed By:	Mary-Anne Dempster, CAO	
By-law Number:		Resolution Number:
File Number:		
Report Subject:	2025 Annual Statement of Development Charges, Cash-in-Lieu - Parkland and Building Permit Reserve Funds	

Recommendation:

1. That Report FSD-014-26, 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.

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 The Municipality retained Hemson Consulting (Hemson) to update the [Development Charges \(DC\) Background Study](#) and corresponding by-law. Subsequent to the publication of the DC Study, Bill 60, Fighting Delays, Building Faster Act, 2025 received Royal Assent. This resulted in the requirement that land acquisition be removed from eligible service categories to its own service category. This resulted in a decrease in the rates, and required updates to the by law, inventories and capital programs to reflect the new service categories. A change was also made to the roads inventory due to an internal review resulting from a developer submission received after the publication of the initial study. Updated rates for the 2025 [DC Study](#) and [Bylaw](#) were calculated and adopted by Council on December 15, 2025.
- 2.3 Attachment 1 - attached shows the activity in the Development Charges Reserve Funds for the year ended December 31, 2025, including opening and closing balances.
- 2.4 Attachment 2 - attached shows capital projects which were funded for the year ended December 31, 2025, with development charges. The table shows the total expenses, development charge financing and non-development charge financing.
- 2.5 Attachment 3 - attached shows operating expenses which were funded for the year ended December 31, 2025, with development charges. The table shows the total expenses, development charge financing and non-development charge financing.

- 2.6 Attachment 4 - 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.
- 2.7 Attachment 5 - attached shows Debt activity related to Development Charges Reserve Funds for the year ended December 31, 2025.
- 2.8 Attachment 6 – attached shows Estimated DC Funded Costs. The table outlines the values included in the DC Background Study for specific projects versus the estimated capital costs. The differences are mainly driven by changes in scope of the actual projects, pricing differences between when the DC Study figures were estimated in 2022 and the actual pricing in the current year or the actual project has been divided into several phases where the study contained the full project scope.
- 2.9 This statement is compliant with subsection 59.1(1) of the *Development Charges Act, 1997*.
- 2.10 A total of 29 capital fund (2024 – 23) and 10 (2024 – 11) operating fund projects have been financed by development charges.
- 2.11 The Municipality collected \$6,911,606 in municipal development charges in 2025; this compares to \$3,720,274 in 2024.

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 7 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 In 2025, the Municipality retained Hemson Consulting (Hemson) to prepare a Community Benefits Charge (CBC) Strategy and By-law. Council adopted the [Community Benefits Charge Strategy](#) and [Community Benefits Charge By-law](#) on December 15, 2025. The CBC was developed to support section 37 of the Planning Act, Increased Density. A review of this by-law will be undertaken every five years after the previous resolution was passed.
- 3.6 For the 2025 fiscal year, no funds were collected under this by-law, therefore a Treasurer's statement on financial information related to the CBC by-law and reserve funds is not included in this report.

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 2025, building permits issued generated total building permit revenue of \$698,555 (2024 - \$688,923), with total direct and overhead costs of \$3,891,822 (2024 - \$3,653,705), creating a deficit of \$3,193,267 (2024 – deficit of \$2,964,782).
- 4.5 The deficit of \$3,193,267 was transferred from the Building Division Reserve Fund. As of December 31, 2025, the reserve fund was in a deficit position of \$4,140,378.

5. Financial Considerations

Not Applicable.

6. Strategic Plan

Not Applicable.

7. Climate Change

Not Applicable.

8. Concurrence

This report has been reviewed by the Deputy CAO, Planning and Infrastructure and the Deputy CAO, Public Services who concur with the recommendations.

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.

Staff Contact: Michelle Pick, Accounting Services Manager/Deputy Treasurer, 905-623-3379 x 2605 or mpick@clarington.net.

Attachments:

Attachment 1 – Development Charges Reserve Funds Activity 2025

Attachment 2 – Development Charges Reserve Funds Capital Projects 2025

Attachment 3 – Development Charges Reserve Funds Operating Expenses 2025

Attachment 4 – Development Charges Reserve Funds Commitments 2025

Attachment 5 – Development Charges Reserve Funds Debt Activity 2025

Attachment 6 – Development Charges Reserve Funds Estimated Costs 2025

Attachment 7 – Cash-In-Lieu of Parkland Reserve Fund 2025

Attachment 8 – Annual Building Permit Fees 2025

Interested Parties:

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