



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Planning, Administration and Policy Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	July 11, 2018
SUBJECT/REPORT NO:	Parkland Dedication Reserve Status Report as of December 31, 2017 (FCS18061) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Samantha Blackley (905) 546-2424 Ext. 2132
SUBMITTED BY:	Mike Zegarac General Manager Finance and Corporate Services
SIGNATURE:	

RECOMMENDATIONS

- (a) That Report FCS18061 "Parkland Dedication Reserve Status Report as of December 31, 2017" be received and made available to the public;
- (b) That Report FCS18061 "Parkland Dedication Reserve Status Report as of December 31, 2017" be forwarded, if requested, to the Ministry of Municipal Affairs and Housing.

EXECUTIVE SUMMARY

As per the requirements of the *Planning Act, 1990*, as amended, an annual report of the Parkland Dedication Reserve activity must be provided to Council. The Parkland Dedication Reserve Status Report is the "Treasurer's Statement" as outlined in the *Planning Act, 1990*, as amended, which must be made available to the public and forwarded to the Ministry, at their request.

The Parkland Dedication Reserve receives revenues assessed under Sections 42, 51.1 and 53 of the *Planning Act, 1990*. These funds are to be "spent only for the acquisition of land to be used for park or other public recreational purposes, including the erection, improvement or repair of buildings and the acquisition of machinery for park or other public recreational purposes".

**SUBJECT: Parkland Dedication Reserve Status Report as of December 31, 2017
(FCS18061) (City Wide) – Page 2 of 5**

The overall Parkland Dedication Reserve balance has increased \$2.75M since 2016 to a balance of \$35.24 M. This increase is due to collections exceeding direct capital funding. The stated balance excludes a potential liability for over dedication of land by developers. The over dedication is currently estimated at \$22.34M dependent on future buildout density and the ability to develop the subject lands. After considering the potential liability, the available funds in the Parkland Dedication Reserve at December 31, 2017 would be \$12.90M.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The Parkland Dedication Reserve Status Report reflects balances in the City's audited financial statements and the Financial Information Return (FIR). The year-end Parkland Dedication Reserve balance is \$35.24M, as outlined in Table 1.

Table 1
Parkland Dedication Reserve
For the year ended December 31, 2017

Beginning Balance:	\$32,492,901.69
Revenues:	
Interest Income	762,235.16
Dedication Fee	9,407,799.00
Property Purchases Repayment (Note 1)	<u>498,010.07</u>
Total Revenues	10,668,044.23
Land Expenditures:	
Fruitland/Winona Parkland	8,652,950.00
Capital Closing	<u>(727,017.32)</u>
Total Land Expenditures	<u>7,925,932.68</u>
Ending Balance	<u>\$35,235,013.24</u>

Notes to Table 1:

(1): The outstanding principal for Council authorized borrowings from this Reserve as at December 31, 2017 is \$1,830,100.

**SUBJECT: Parkland Dedication Reserve Status Report as of December 31, 2017
(FCS18061) (City Wide) – Page 3 of 5**

Table 2 shows that the stated year-end balance excludes a potential liability for over-dedication of land by developers for 27 subdivisions. The over-dedication is currently estimated at \$22.34M dependent on future buildout density and the ability to develop the subject lands. After considering the potential liability, the available funds in the Parkland Dedication Reserve at December 31, 2017 is \$12.90M

Table 2
Parkland Dedication Reserve – Available Balance
As at December 31, 2017

Stated Balance:	\$35,235,013.24
Potential liability resulting from over-dedication of land (27 subdivisions)	<u>(\$22,336,066.00)</u>
Available balance:	\$12,898,947.24

Staffing: None.

Legal: None.

HISTORICAL BACKGROUND

Report FCS18061 is historical, in nature and details the 2017 activity in the Parkland Dedication Reserve.

The Parkland Dedication revenues were collected through Sections 42, 51.1 and 53 of the *Planning Act, 1990*, as amended, which provides the Council of a local municipality to require the conveyance of land to the municipality for park or other public recreational purposes as a condition of development or redevelopment or the subdivision of lands. The Parkland Dedication By-law 18-126 provides the City specific enactment of these sections.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The Parkland Dedication Reserve Status Report is the “Treasurer’s Statement” as outlined in the *Planning Act, 1990*, which must be sent to the Minister, if requested.

RELEVANT CONSULTATION

Staff from Planning and Economic Development has provided information regarding the over-dedication of parkland and are supportive of this Report.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

As per the requirements of the *Planning Act, 1990*, as amended, an annual report regarding the Parkland Dedication Reserve activity must be provided to Council and made available to the public.

The Treasurer's statement for the Parkland Dedication Reserve should include the following information for the preceding year, as per the requirements of the *Planning Act, 1990*, section 42 (18).

- (a) Statements of the opening and closing balances of the special account and of the transactions relating to the account;
- (b) Statements identifying,
 - (i) any land or machinery acquired during the year with funds from the special account,
 - (ii) any building erected, improved or repaired during the year with funds from the special account,
 - (iii) details of the amounts spent, and
 - (iv) for each asset mentioned in subclauses (i) and (ii), the manner in which any capital cost not funded from the special account was or will be funded; and
- (c) Any other information that is prescribed (2015, c. 26, s. 28 (11)).

The *Planning Act, 1990* was updated through the *Smart Growth for Our Communities Act, 2015* which received Royal Assent on December 3, 2015. The resulting changes to the *Planning Act, 1990* came into effect for the year ended December 31, 2015.

This status Report reflects the recent changes to the requirements of the *Planning Act*. Notably, municipalities are required to show which projects have been funded from the Parkland Dedication Reserve as well as the other amounts funded to those projects during the year. There is also the requirement that Council makes this statement available to the public. The Parkland Dedication Reserve Status Report will be made available to the public through either Committee minutes or on request.

This Report summarizes the changes in the Parkland Dedication Reserve for the year ended December 31, 2017. The Parkland Dedication Reserve balance as of December 31, 2017 was \$35.24M. The increase in the Parkland Dedication Reserve balance of \$2.75M is due to collections exceeding direct capital funding of expenditures as reported in Table 1. Table 1 includes repayments to this Reserve from Council authorized borrowings. The outstanding principal for Council authorized borrowings from this Reserve as at December 31, 2017 is \$1,830,100. Annual repayments to this Reserve continue until 2027.

Table 2 shows that the stated year-end balance includes the potential liability for over-dedication of land by developers. The over-dedication is currently estimated at \$22.34M dependant on future buildout density and the ability to develop the subject lands. After considering the potential liability, the available funds in the Parkland Dedication Reserve at December 31, 2017 is \$12.90 M.

ALTERNATIVES FOR CONSIDERATION

Not Applicable

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

APPENDICES AND SCHEDULES ATTACHED

None

SB/dt