




## INFORMATION REPORT

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	September 5, 2024
<b>SUBJECT/REPORT NO:</b>	Community Benefits Charges Reserve Status Report as of December 31, 2023 (FCS24007) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Ailish Brooke (905) 546-2424 Ext. 6875
<b>SUBMITTED BY:</b>	Mike Zegarac General Manager, Finance and Corporate Services Corporate Services Department
<b>SIGNATURE:</b>	

### COUNCIL DIRECTION

Not Applicable

### INFORMATION

#### Executive Summary

Report FCS24007 summarizes the changes in the Community Benefit Charges (CBC) special account for the year ended December 31, 2023 and serves as the “Special account, report” required in accordance with the *Planning Act, 1990*, as amended (“the Act”), which requires that an annual report of the CBC special account activity be provided to Council and made available to the public.

As of December 31, 2023, the balance of the CBC special account was \$17.84 M, which represents an increase of \$2.24 M from the beginning balance of \$15.60 M. Table 1 summarizes the 2023 activity.

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OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

## **Analysis**

### Legislated Requirements

The CBC Reserve Fund (110500) and the CBC - DC Transition Reserve (110501) were established through staff Report FCS22015(b), Community Benefits Charge Strategy, which together form the special account as required by the Act. CBCs are collected and held in reserve under Section 37 of the Act in order “to pay for the capital costs of facilities, services and matters required because of development or redevelopment in the area to which the by-law applies.” CBC funds can be utilized to fund Airport and Parking Services, Studies and Cultural projects and services required to accommodate growth that are not eligible to be funded by Development Charges. The City’s Community Benefit Charges By-Law (By-Law 22-158) took effect on September 18, 2022. The year ended December 31, 2023 marks the first complete year that the CBC By-Law has been in effect.

The requirements of Regulation 509/20 to the Act dictate that the “Special account, report” include the following information for the preceding year:

- (a) Statements of the opening and closing balances of the special account and of the transactions relating to the account;
- (b) Statements identifying,
  - (i) facilities, services and matters acquired during the year with funds from the special account,
  - (ii) details of the amounts spent, and
  - (iii) for each facility, service or matter mentioned in subparagraph i, the manner in which any capital cost not funded from the special account was or will be funded
- (c) The amount of money borrowed from the special account and the purpose for which it was borrowed;
- (d) The amount of interest accrued on any money borrowed from the special account.

### Special Account Report

The unaudited CBC special account balance was \$17.84 M at December 31, 2023, as outlined in Table 1 with comparison to account activity in 2022.

**Table 1  
Community Benefits Charges Special Account Activity  
For the year ended December 31, 2023  
With Prior Year Comparison**

	<b>2023</b>	<b>2022</b>
Beginning Balance (Note 1)	<b>\$15,602,401</b>	<b>\$ -</b>
Revenues:		
Interest Earned (Note 2)	566,714	84,386
CBC Collections	2,007,551	179,200
Former DC Reserves Collections (Note 3)	<u>219,491</u>	<u>15,338,815</u>
Total Revenues	<u>2,793,756</u>	<u>15,602,401</u>
Expenditures:		
Children’s Museum Expansion – Phase 2	271,471	-
St. Mark’s Church Restoration	239,070	-
Comprehensive Zoning By-Law	41,616	-
Digital Open Data Infrastructure	4,506	-
IT Strategy	1,422	-
Heritage Designation Study	<u>36</u>	<u>-</u>
Total Expenditures	<u>558,121</u>	<u>-</u>
<b>Ending Balance</b>	<b><u>\$17,838,036</u></b>	<b><u>\$15,602,401</u></b>

Notes to Table 1:

- (1) CBC By-Law (By-Law 22-158) took effect on September 18, 2022.
- (2) Community Benefit Charges Reserve Status Report as of December 31, 2021 (Report FCS23054), classified interest earned in 2022 as a Transfer from Airport / Parking DC Reserves. This misclassification has been corrected for the purposes of Report FCS24007.
- (3) Collections / transfers related to the former Airport / Parking DC reserves. These collections will continue until all rates locked-in through site plan application or zoning by-law amendment have expired and all DC deferrals executed prior to September 18, 2022 have been paid.

The Act requires that details of funds borrowed from the CBC special account and interest accrued on borrowed funds to be disclosed. As of December 31, 2023, no funds have been borrowed from the CBC special account.

As per the requirements of Section 7(3)(iv) of Regulation 509/20 of the Act, municipalities are required to show which projects have been funded from the CBC special account, as well as, the manner in which any capital costs not funded from the special account have or will be funded. Appendix “A” to Report FCS24007 shows the

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total revenues allocated in 2023 and committed for each project which received funding from the CBC special account in 2023.

Council has the discretion to approve eligible expenditures from the CBC special account through Council reports, motions and the annual Tax Supported Capital Budget. The 2024 Tax Supported Capital Budget, approved on February 15, 2024, forecasted \$16.6 M between 2024 and 2023 to support the funding of various projects across the City Manager’s Office, Corporate Services Department, Planning and Economic Development Department and Public Works Department.

Each calendar year, municipalities are required to spend or allocate a minimum of 60 percent of the funds in the CBC special account at the beginning of the year. The balance of the special account on January 1, 2024 was \$17.84 M of which \$16.64 M has been spent and / or allocated and exceeds the 60 percent allocation requirement. Table 2 details the expenditures that have been committed to from the CBC special account.

**Table 2  
2024 Community Benefit Charge Commitments**

Beginning Balance	<b>\$17,838,036</b>
Commitments	
Children’s Museum Expansion – Phase 2 7202041204	278,249
Comprehensive Zoning By-Law 8101655600	428,558
Digital Open Data Infrastructure 3381858503	2,909
IT Strategy 3502257200	14,330
Heritage Designation Study 8121255620	43,019
Digital Office: Smart City and Digital Transformation Program 338195901	2,830
2025 CBC Study 3622480002	275,000
2030 CBC Study 3622480001	315,000
Information Security Program 3502257203	8,489
City Wide Employment Survey 8141655600	366,924

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Beginning Balance		<b>\$17,838,036</b>
Commitments (Continued)		
Downtown & Waterfront Parking 4902845001	9,909,559	
Parking Payment Equipment 4901751700	14,461	
West Harbour Parking Garage 4412406103	1,901,241	
Transfer Station / CRC Expansion and Capital Replacement 5121594511	<u>3,355,276</u>	
Total Commitments	16,637,596	
<b>Available Balance</b>		<b><u>\$1,200,440</u></b>
<b>Percentage of Beginning Balance Allocated</b>		<b>93%</b>

The Community Benefit Charges Reserve forecast balances for future years will be presented as part of the Annual Reserve Report to the Audit, Finance and Administration Committee in 2024. Report FCS24007 is presented to satisfy statutory requirements for reporting historical use of the CBC special account.

**APPENDICES AND SCHEDULES ATTACHED**

Appendix “A” to FCS24007 – Revenue Sources for Community Benefits Charges Funded Projects for the Year Ended December 31, 2023