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## **Council-In-Committee Meeting – April 14, 2026**

Subject: 2025 Development Charge Reserve Fund Annual Treasurer's Statement  
Report Number: CS-26-044  
Division: Corporate Services  
Department: Finance  
Ward: All Wards  
Purpose: For Information

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### **Recommendation(s):**

THAT Report CS 26-044, 2025 Development Charges Reserve Fund Annual Treasurer's Statement be received as information;

AND FURTHER THAT the 2025 Development Charge Annual Reserve Fund Statement be made available on Norfolk County's website or upon request.

### **Executive Summary:**

In order to meet the requirements within the Development Charges Act, 1997 (the DCA), the Annual Treasurer's Statement (unaudited) are provided to Council for information, outlining the activity that has taken place during the year within the Development Charges Obligatory Reserve Funds. This report provides the financial update required for the year ending December 31, 2025.

### **Discussion:**

The DCA provides the legislated requirements for the collection and use of development charges, including the requirement that development charges and associated interest be placed in separate Reserve Funds. The DCA also provides that the Treasurer of a municipality is required to provide Council with a financial statement related to Development Charges Obligatory Reserve Funds on an annual basis.

The information required to be presented within the Treasurer's Statements is set out in Section 43 of the DCA and in Section 12 of Ontario Regulation 82/98. The reporting requirements that must be included in the Treasurer's statement are as follows:

1. Opening and closing balances of all Development Charges Obligatory Reserve Funds;
2. Identification of capital costs funded by the Reserve Fund and the amounts funded from sources other than Development Charges
3. Statement of compliance with S. 59.1 of the DCA, whereby the County has not imposed a charge related to a development except as permitted by the DCA;
4. That the statement is made available to the public.

Attached as Appendix 1 to this report are the unaudited Treasurer's Statements for each Development Charges Reserve Fund, for the calendar year 2025. The Treasurer's Statements provide information for each Development Charge Reserve Fund, as required by legislation including a summary of all Reserve Funds including opening balances, development charges collection, and interest earned or paid, amounts transferred out to fund growth related initiatives and the resulting closing balance for 2025.

Appendix 2 provides the details, by Reserve Fund, of the amount of specific capital projects funded by growth and outlines the amount of the project that is funded by other sources.

Appendix 3 provides a summary of transfers to the Operating fund from the individual DC Reserve Fund for debenture repayments.

Lastly, Appendix 4 provides a description for each DC reserve fund as well as compliance statements as required in Ontario Regulation 82/98.

In 2022, Bill 23: More Homes Built Faster Act received Royal Assent and added provisions to the DCA stating, that beginning in 2023, a municipality shall spend or allocate at least 60% of the monies that are in a reserve fund for water supply services, wastewater services, and services related to a highway at the beginning of the year. Norfolk County remains compliant with this requirement with the exception of the services related to highway category. While the required spend was not achieved for services related to highways for 2025, there is a significant planned reliance on this reserve which will result in an exceedance the minimum spend requirement in future years.

Development Charges Reserve Funds are restricted under the Act for the funding of growth-related capital projects approved by Council in the 10 Year Capital Plan and provided for in the most recent Development Charges Study. At times, a deficit balance may occur within a Development Charges Reserve Fund. Generally, this is the result of the work being completed on certain capital projects prior to the collection of the related development charges contributions, or, if the growth-related portion of the project

expands beyond the 10-year plan. The latter usually occurs in the Water and Wastewater areas. These balance shortfalls are anticipated when setting the development charges rates and at times require growth related debentures to be issued, which will more closely align the use from the reserve fund to the timing of the forecasted contribution. When growth-related debentures are issued, the charges are fully recovered from future development charge collections.

### **Financial Services Comments:**

The 2025 Development Charge rates were adopted by Council on October 15, 2019, when By-Law 2019-100, the Development Charges By-Law, was passed. This By-Law contained the rates to be in effect from October 15, 2019. The development charge rates that were collected in 2025 aligned with this By-Law. Staff are undertaking a comprehensive DC By-law update during 2025/2026. The table below shows the timeline of when this study will be completed.

<b>Development Charge Background Study Timeline</b>	
Public Meeting – After Release of Study	September 1, 2026
Council-in-Committee to Approve DC Background Study	September 9, 2026
Council to Ratify Bylaw	September 22, 2026

This update will incorporate the work of the recent growth study and the recently completed, or to be completed, master plans.

### **Interdepartmental Implications:**

Development Charges are used to fund a variety of capital projects related to departments across Norfolk County.

### **Consultation(s):**

None.

### **Strategic Plan Linkage:**

This report aligns with the 2022-2026 Council Strategic Priority Sustaining Norfolk - Creating a sustainable community and a positive legacy.

Explanation: Development Charges are an important component of the County's long-term financial plan and are used to finance growth related projects contained within the County's Capital Plan.

### **Conclusion:**

The completion of the 2025 Development Charges Reserve Fund Statement fulfills the reporting requirements as outlined in the DCA. To ensure that the public is aware of the transactions affecting the Development Charges Reserve Funds during 2025, this report and the attached schedules will be posted to the County's website.

#### **Attachment(s):**

- Appendix 1 - Treasurer's Statements for Development Charges Obligatory Reserve Funds for the year ending December 31, 2025
- Appendix 2 - Transfers to Capital
- Appendix 3 - Transfers to Operating
- Appendix 4 - Description of Services

#### **Approval:**

Approved By:  
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Reviewed By:  
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Treasurer/Director, Finance

Prepared By:  
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Tax Collector/Manager, Revenue