

# Information Report



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Service Area            Corporate Services

Date                      Friday, May 12, 2017

Subject                 **2016 Parkland Dedication Reserve Fund Statement**

Report Number        CS-2017-55

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## Executive Summary

### Purpose of Report

The purpose of this report is to provide a Treasurer’s statement for the 2016 Parkland Dedication Reserve Funds. This is a new requirement under Section 42 of the Planning Act, resulting from the proclamation of the Smart Growth for Our Communities Act (Bill 73).

### Key Findings

Total parkland cash-in-lieu collections were \$977,016 in 2016, up from \$698,633 in 2015.

Parkland Dedication Reserve Funds spent on capital projects totaled \$386,241 for the following capital projects:

- Starwood Park PK0038 \$2,539
- Brant Avenue Master Plan PK0090 \$90,070
- Victoria Road Recreation Centre Expansion/Renovation RF0051 \$293,632

The closing balance of the Parkland Dedication Reserve Funds increased by \$657,349 in 2016, for a total of \$3.6 million as at December 31, 2016.

### Financial Implications

There are no financial implications associated with this report. The information provided relates specifically to adhering to the new legislated reporting requirements outlined throughout this report.

## Background

The Smart Growth for Our Municipalities Act, 2015 was passed and received Royal Assent on December 3, 2015, following considerable consultation. This Act did not come into effect immediately and the implementation has occurred in stages.

The changes to the Development Charges Act, 1997 occurred first and were effective as of January 1, 2016. The changes to the Planning Act were proclaimed separately and were effective as of July 1, 2016. These changes were outlined to Council on August 4, 2016, as noted in Report No. 16-60, Bill 73 – Smart Growth for Our Communities Act, 2015; Municipal Implications of Changes to the Planning Act.

In ATT-1 of Report No.16-60, Planning Staff summarized all of the primary changes to the Planning Act and explained that these changes are intended to help municipalities fund growth; make the development charges system more predictable, transparent and accountable; ensure that the planning and appeals process is more predictable; give residents a say in how their communities grow; protect and promote greenspace; and give municipalities more independence.

Most of these changes will be implemented through the activities of Planning Staff. The only exceptions are two new reporting requirements for municipal Treasurers to provide Council with annual statements relating to special accounts (reserve funds) that have been created under Section 37 (increased density) and Section 42 (cash-in-lieu of parkland).

The City of Guelph has not implemented density bonusing and therefore there is no reporting for this item under Section 37 at this time

Furthermore, a full review and update to the City's Parkland Dedication By-law and process is underway. The City has hired a consultant, The Planning Partnership, to prepare a new Parkland Dedication By-law in order to implement the revised parkland dedication policies adopted by Council under Section 7.3 of OPA 48. The Parks Planning division is leading this project and is planning on having a new by-law proposed for Council approval by early 2018.

## **Report**

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. Alternatively, the Council may require a payment-in-lieu to the value of the land otherwise required to be conveyed.

Those funds must be held in a special account (reserve fund) and may be invested and 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.

The reporting requirements for cash-in-lieu of parkland funds under Section 42 of the Planning Act are as follows:

### **Treasurer's statement**

(17) The treasurer of the municipality shall each year, on or before the date specified by the council, give the council a financial statement relating to the special account. 2015, c. 26, s.28 (11).

### **Requirements**

- (18) The statement shall include, 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) 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 sub-clauses (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).

### **Copy to Minister**

(19) The treasurer shall give a copy of the statement to the Minister on request. 2015, c.26, s. 28 (11).

### **Statement available to public**

(20) The council shall ensure that the statement is made available to the public. 2015, c.26, s. 28 (11).

The City of Guelph has been collecting cash in lieu of parkland funds since 2001 and has been maintaining two dedicated reserve funds to record and track the use of those funds.

**Chart 1 - 2016 Treasurer's Statement - Parkland Dedication Reserve Fund** outlines the Parkland Dedication activity for the year ended December 31, 2016. Total cash-in-lieu collections were \$977,016 in 2016, and increase from \$698,633 in 2015.

Parkland Dedication Reserve Funds spent on capital projects totaled \$386,241 for the following capital projects:

Starwood Park PK0038 \$2,539  
Brant Avenue Master Plan PK0090 \$90,070  
Victoria Road Recreation Centre Expansion/Renovation RF0051 \$293,632

In comparison, in 2015 \$400,643 was spent on capital projects from the Parkland Dedication Reserve Funds. **Chart 2 - Amounts Transferred to Capital Funds** outlines the manner in which any capital cost not funded from the Parkland Dedication Reserve Funds was or will be funded for each of these three projects.

The year-end balance of the Parkland Dedication Reserve Fund #300 is \$3.07 million.

In 2013 the Downtown Parkland Dedication Reserve Fund was established to segregate the payments-in-lieu of parkland conveyance collected from development occurring in the downtown from the payments-in-lieu being made in other areas of the City. This was to ensure that these payments would be allocated to the future Wellington Park capital project. At December 31, 2016 the balance in the Downtown Parkland Dedication Reserve fund #301 is \$540,546.

**Chart 1 – 2016 Treasurer’s Statement - Parkland Dedication Reserve Funds**

<b>City of Guelph</b>		
<b>Treasurer’s Statement Under Section 42 of the Planning Act</b>		
<b>For the Year Ended December 31, 2016</b>		
<b>Reserve fund #300 - Parkland Dedication</b>		
Opening Balance		\$ 2,423,389
Cash-in-Lieu Collected	\$ 976,016	
Reserve fund interest	\$ 55,725	\$ 1,031,741
		-
Total funds available		\$ 3,455,130
Less: Funds spent on Capital		\$ 386,240
<b>Closing balance</b>		<b><u>\$ 3,068,890</u></b>
<b>Reserve fund #301- Downtown Parkland Dedication</b>		
Opening Balance		\$ 528,697
Cash-in-Lieu Collected	\$ 1,000	
Reserve fund interest	\$ 10,849	\$ 11,849
		-
Total funds available		\$ 540,546
Less: Funds spent on Capital		\$ -
<b>Closing balance</b>		<b><u>\$ 540,546</u></b>

## Chart 2 - Amounts Transferred to Capital Funds

<b>Amount Transferred to Capital Funds - Capital Fund Transactions For the Year Ended December 31, 2016</b>				
Capital Fund Transactions	Gross Capital Cost	DC Reserve Fund Draw	Debt Financing	Parkland Dedication Draw
Victoria Road Recreation Centre Renovation RF0051	\$ 14,164,736	\$ 949,105	\$ 12,922,000	\$ 293,632
Brant Avenue Master Plan PK0090	\$ 90,071	\$ -	\$ -	\$ 90,070
Starwood Park PK0038	\$ 2,539	\$ -	\$ -	\$ 2,539
<b>Total</b>	<b>\$14,257,346</b>	<b>\$ 949,105</b>	<b>\$12,922,000</b>	<b>\$ 386,241</b>

### Financial Implications

There are no financial implications associated with this report. The information provided relates specifically to adhering to the new legislated reporting requirements outlined throughout this report.

### Consultations

Parks Planning Division

### Corporate Administrative Plan

#### Overarching Goals

Financial Stability

#### Service Area Operational Work Plans

Our Resources - A solid foundation for a growing city

### Attachments

None

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