

City of Mississauga Corporate Report



<p>Date: March 11, 2025</p> <p>To: Chair and Members of General Committee</p>	<p>Originator's files:</p>
<p>From: Geoff Wright, P.Eng, MBA, City Manager and Chief Administrative Officer</p>	<p>Meeting date: April 9, 2025</p>

Subject

Annual Treasurer's Statement Report - 2024

Recommendation

1. That the report dated March 11, 2025, entitled "Annual Treasurer's Statement Report: Summary of Activity in 2024" from the City Manager and Chief Administrative Officer be approved in compliance with the reporting requirements of the Development Charges Act, 1997 and the Planning Act, 1990.
2. That the report dated March 11, 2025, from the City Manager and Chief Administrative Officer entitled "Annual Treasurer's Statement Report: Summary of Activity in 2024" be made available to the public on the City of Mississauga's website.

Executive Summary

- Legislative requirements in the *Development Charges Act* and the *Planning Act* require the Treasurer of the municipality to provide Council with a financial statement each year for the Development Charges (DC), Community Benefits Charges (CBC), Bonus Zoning (formerly Section 37), and Cash-in-Lieu (CIL) of Parkland reserve funds.
- The Annual Treasurer's Statement summarizes the financial activities related to those reserve funds as well as DC/Lot Levy credits for the 2024 fiscal year.
- Appendix 2 provides a summary of the opening and closing balances and the reserve fund financial transactions.
- The 2024 closing balances for DCs, CBCs, Bonus Zoning, and CIL Parkland were \$195.0 million, \$15.5 million, \$8.4 million, and \$140.0 million, respectively.
- This report is compliant with both the *Development Charges Act* and the *Planning Act*.

Background

Section 43 of the *Development Charges Act, 1997* (DC Act) requires that the Treasurer of a municipality provide to Council an annual financial statement for activities relating to the

development charges (DC) by-law and reserve funds established under section 33 of the DC Act, and a listing of DC/Lot Levy credits.

Subsection 37 (48) of the *Planning Act, 1990* states that a council of a municipality that passes a community benefits charges (CBC) by-law shall provide an annual financial statement of the CBC transactions in the preceding year.

Subsection 37 (51) of the *Planning Act, 1990* requires that funds that have been collected under Bonus Zoning (the former Section 37) related to increased density allocations must be reported annually to Council by the Treasurer.

Additionally, subsection 42 (17) of the *Planning Act, 1990* sets out that if a council of a municipality that passes a Parkland Conveyance by-law, the Treasurer must provide Council with an annual financial statement for activities related to its Cash-in-lieu (CIL) of Parkland reserve funds.

Collectively, these four charges are known as Growth Charges. Growth Charges are collected by the City for the sole purpose of funding necessary infrastructure to support new residents and businesses. These revenues can only be used for the purposes for which it was collected, in compliance with the legislation and Council approved policies. Growth Charges are important revenue tools for municipalities so that existing property owners are not unduly burdened by the cost of growth-related infrastructure.

Comments

This report has been prepared to comply with the legislative requirements of both the DC Act and the *Planning Act*. A summary of reserve fund activities during 2024 is contained within the body of this report for Council's information. The report appendices have been prepared to comply with the reporting requirements as contained in each of the respective Acts and accompanying Regulations.

The Statement of Compliance found in Appendix 6 is a legislative requirement that came into effect on January 1, 2016. This statement requires the municipal Treasurer to indicate that no additional levies have been collected by the City beyond those allowed under existing legislation acts.

Development Charges Reserve Fund Activity

Table 1 summarizes the DC reserve fund activity. DC revenue of \$45.4 million was collected in 2024 with an additional \$2.5 million in interest earned.

In 2024, \$129.5 million was transferred from the DC reserve funds to capital projects where roughly 72% (or \$60.2 million) was for roads and related infrastructure projects and a further 18% (or \$15.5 million) was for recreation and park development projects. The exercise of

examining and funding of capital projects using DCs is done annually through the capital budget process. An amount of \$45.3 million was returned from capital projects to the DC reserve funds, as the monies were no longer required due to various reasons. Finally, roughly \$200,000 was returned to developers/builders in the form of DC refunds (e.g. – building permit was cancelled).

Table 1. DC Reserve Fund Activity

DC Reserve Fund Activity	2024 \$(millions)
Opening Balance	\$ 231.5
Add: DC Revenues	\$ 45.4
Interest Income and Other	\$ 2.5
Total Revenues	\$ 47.9
Less:	
DC Funds Transferred to Capital Projects	\$ 129.5
DC Funds Returned from Capital Projects	\$ (45.3)
Transfers to Revenue and Refunds	\$ 0.2
Total Expenditures	\$ 84.4
Closing Balance	\$ 195.0

The closing balance of the DC Reserve Fund as of December 31, 2024, is \$195.0 million which represents a decrease of \$36.6 million, year-over-year. The decrease in the reserve fund balance was mainly due to total expenditures exceeding DC revenues and interest income.

A list of all DC Reserve Funds, including descriptions, can be found in Appendix 1, and the 2024 activity for each DC Reserve Fund can be found in Appendix 2. A list of all capital projects funded by DCs can be found in Appendix 3.

On November 28, 2022, Bill 23 the *More Homes Built Fast Act, 2022* received Royal Assent. The legislation had significant impacts to the City's recently passed 2022 DC By-law. Most notably, a mandatory retroactive phase-in to the residential and non-residential DC rates. Subsequently, the Province passed Bill 185 on June 6, 2024, which reversed some of the previous legislative changes, including the repeal of the mandatory phase-in of DC rates.

Cash-in-lieu of Parkland Reserve Fund Activity

As summarized in Table 2, the City collected \$72.8 million in CIL Parkland revenues and the reserve fund earned an additional \$14.4 million in interest. Capital projects which used CIL Parkland as a funding source amounted to \$94.7 million, and \$6.9 million was returned to the reserve fund. There were no CIL Parkland refunds in 2024.

The closing balance of the CIL Parkland Reserve Fund as of December 31, 2024, is \$139.8 million which represents a nominal decrease of \$0.7 million, year-over-year.

Table 2. CIL Parkland Reserve Fund Activity

CIL-Parkland Reserve Fund Activity	2024 \$(millions)
Opening Balance	\$ 140.5
Add: CIL-Parkland Revenues	\$ 72.8
Interest Income and Other	\$ 14.4
Total Revenues	\$ 87.2
Less:	
CIL-Parkland Funds Transferred to Capital Projects	\$ 94.7
CIL-Parkland Funds Returned from Capital Projects	\$ (6.9)
Transfers to Revenue and Refunds	\$ -
Total Expenditures	\$ 87.8
Closing Balance	\$ 139.8

A list of all capital projects financed by CIL Parkland can be found in Appendix 3.

Bonus Zoning (formerly Section 37) Reserve Fund Activity

The Bonus Zoning (formerly Section 37) reserve fund was established with the approval of the 2012 Corporate Policy governing the collection of monies related to the former Section 37 of the *Planning Act*. The City collected \$3.5 million in Bonus Zoning revenue from development and the reserve fund earned an additional \$0.6 million in interest. Capital projects which used Bonus Zoning (formerly Section 37) as a funding source amounted to \$5.5 million, and \$1.4 million was returned to the reserve fund.

The closing balance of the Bonus Zoning (formerly Section 37) Reserve Fund as of December 31, 2024, is \$8.4 million which represents the same balance, year-over-year.

Table 3. Bonus Zoning Reserve Fund Activity

Bonus Zoning Reserve Fund Activities	2024 \$(millions)
Opening Balance	\$ 8.4
Add: Bonus Zoning Revenue	\$ 3.5
Interest Income and Other	\$ 0.6
Total Revenues	\$ 4.1
Less:	
Bonus Zoning Funds Transferred to Capital Projects	\$ 5.5
Bonus Zoning Funds Returned from Capital Projects	\$ (1.4)
Transfers to Revenue and Refunds	\$ -
Total Expenditures	\$ 4.1
Closing Balance	\$ 8.4

Community Benefits Charges (CBC) Reserve Fund Activity

As a result of the Royal Assent of Bill 197, *COVID-19 Economic Recovery Act, 2020*, the CBC replaced Section 37, the bonus zoning provision, in the *Planning Act*. City Council approved its first Community Benefits Charge Strategy and By-law in 2022.

The CBC Revenue is comprised of one CBC receipt in 2024 in the amount of \$1.1 million. Additionally, this reserve fund earned \$1.1 million in interest. The closing balance of the CBC Reserve Fund as of December 31, 2024, is \$15.5 million which represents an increase of \$2.2 million, year-over-year. The increase in the reserve fund balance was due to revenue collected from development and interest earned.

Table 4. Community Benefits Charges Reserve Fund Activity

	2024	
Community Benefit Charges Reserve Fund	\$(millions)	
Opening Balance	\$	13.3
Add: CBC Revenue	\$	1.1
Interest Income and Other	\$	1.1
Total Revenues	\$	2.2
Less: CBC Transferred to Capital Projects	\$	-
CBC Returned from Capital Projects	\$	-
Transfers to Revenue and Refunds	\$	-
Total Expenditures	\$	-
Closing Balance	\$	15.5

DC and Lot Levy Credit Activity

The majority of the lot levy credits are related to the road and storm services that were waived during the lot levy regime in the development agreements. These credits are redeemed at the time of building permit issuance. Appendix 4 summarizes the amount of lot levies held by the City.

Developers are also entitled to DC credits if they construct infrastructure on behalf of the City. There was no DC credit activity during 2024, as shown in Appendix 5.

A Statement of Compliance, required by the DC Act, is acknowledged by the City Treasurer, and attached as Appendix 6.

Financial Impact

There are no immediate financial impacts as a result of the recommendations in this report.

Conclusion

The Annual Treasurer's Statement is required by the DC Act and the *Planning Act*. This report and its accompanying appendices have been prepared for Council's information and to fulfill the

legislative and regulatory reporting requirements of the Annual Treasurer's Statement. This statement will be available to the public on the City's website following Council's approval of the recommendation.

Attachments

Appendix 1: 2024 DC Reserve Funds Description

Appendix 2: 2024 DC, CBC, Bonus Zoning and CIL Parkland Reserve Fund Continuity Schedule

Appendix 3: 2024 Capital Projects Financed

Appendix 4: 2024 Development Levy Credits Continuity Schedule

Appendix 5: 2024 DC Credits Continuity Schedule

Appendix 6: 2024 Statement of Compliance



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