



City of Richmond

Report to Committee

To: Finance Committee

Date: October 12, 2017

From: Jerry Chong
Director, Finance

File: 03-0900-01/2017-Vol
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Re: Development Cost Charges Reserve Fund Establishment Bylaw No. 9779

Staff Recommendation

That the Development Cost Charges Reserve Fund Establishment Bylaw No. 9779 be introduced and given first, second and third readings.

Jerry Chong
Director, Finance
(604-276-4064)

Att. 1

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Law	<input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

In accordance with Section 188 of the Community Charter and Section 566 of the Local Government Act, money received from the imposition of a development cost charge is to be placed to the credit of a separate development cost charge reserve fund established for each purpose for which the local government imposes the development cost charge.

Since the inception of DCCs, all funds collected have been reported separately in accordance with the intended purposes identified in the applicable DCC imposition bylaws. This report and Bylaw address the administrative requirement of a Bylaw to establish the DCC reserve fund.

Analysis

In 2017, the City adopted a new development cost charges (DCC) imposition bylaw, Bylaw No. 9499 to collect funds to assist the City in paying the capital costs of providing, constructing, altering or expanding sewage, water, drainage and highway facilities, other than off-street parking facilities, and providing and improving park land to service, directly or indirectly.

There are currently two development cost areas:

1. The Alexandra area; and
2. The remaining area of Richmond.

Staff recommends that the following reserve funds be established:

- a) DCC Drainage
 - b) DCC Park Land Acquisition
 - c) DCC Park Development
 - d) DCC Roads
 - e) DCC Sanitary Sewer
 - f) DCC Water
 - g) DCC Alexandra Drainage
 - h) DCC Alexandra Park Land Acquisition
 - i) DCC Alexandra Park Development
 - j) DCC Alexandra Roads
 - k) DCC Alexandra Sanitary Sewer
 - l) DCC Alexandra Water
- (collectively, the "DCC Reserve Funds")

Expenditures from the DCC reserve funds must be approved by bylaw and be used in accordance with the Local Government Act for the purpose intended.

The DCC reserve funds are different from the existing reserve funds that have been established. DCC reserve funds are considered liabilities as their use is externally restricted, whereas the other reserve funds form part of the City's accumulated surplus.

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Financial Impact

None.

Conclusion

In accordance with the Community Charter, staff recommends that the specific development cost charges reserve funds be established and that the money collected through the development cost charges imposition Bylaw No. 9499 be placed to the credit of these reserve funds.



Cindy Gilfillan, CPA, CMA
Manager, Financial Reporting
(604-276-4077)

CG:cg

Att. 1: Development Cost Charges Reserve Fund Establishment Bylaw No. 9779



City of Richmond

Bylaw 9779

Development Cost Charges Reserve Fund Establishment Bylaw No. 9779

WHEREAS pursuant to Section 188(2)(a) of the *Community Charter*, if a municipality receives money from the imposition of a development cost charge, the money received must be placed to the credit of a reserve fund in accordance with section 566 [*use of development cost charges*] of the *Local Government Act*;

AND WHEREAS pursuant to Section 188(1) of the *Community Charter*, a council may, by bylaw, establish a reserve fund for a specified purpose and direct that money be placed to the credit of the reserve fund;

AND WHEREAS pursuant to Section 566(1) of the *Local Government Act*, a development cost charge paid to a local government must be deposited by the local government in a separate special development cost charge reserve fund established for each purpose for which the local government imposes the development cost charge,

NOW THEREFORE, The Council of the City of Richmond enacts as follows:

PART ONE: DEVELOPMENT COST CHARGES RESERVE FUNDS

1.1 The development cost charges reserve funds hereby established are:

- a) DCC Drainage
- b) DCC Park Land Acquisition
- c) DCC Park Development
- d) DCC Roads
- e) DCC Sanitary Sewer
- f) DCC Water
- g) DCC Alexandra Drainage
- h) DCC Alexandra Park Land Acquisition
- i) DCC Alexandra Park Development
- j) DCC Alexandra Roads
- k) DCC Alexandra Sanitary Sewer
- l) DCC Alexandra Water

(collectively, the "DCC Reserve Funds")

PART TWO: SOURCE OF FUNDS

2.1 All monies paid to the City of Richmond under any development cost charges imposition bylaw for the purposes of Drainage, Park Land Acquisition, Park Development, Roads,

Sanitation Sewer, Water, shall be deposited into the applicable DCC Reserve Fund established under Section 1.1 of this Bylaw that corresponds to the purpose and area for which the charge was imposed.

PART THREE: DEPOSIT AND INVESTMENT OF FUNDS

3.1 Monies paid into the DCC Reserve Funds may, until required to be used, be invested in the manner provided in the Community Charter for the investment of municipal funds.

PART FOUR: USE OF FUNDS

4.1 In accordance with Section 566(2) of the *Local Government Act*, money in a DCC Reserve Fund, together with interest on it, may be used only for the following:

- a) to pay the capital costs on projects related to the purpose for which the DCC charge was imposed;
- b) to pay the principal and interest on a debt incurred by the City as a result of an expenditure incurred under paragraph 4.1(a); or
- c) as expended by the City in accordance with the requirements in Section 189 of the *Community Charter*.

PART FIVE: MISCELLANEOUS PROVISIONS

5.1 This bylaw is cited as "**Development Cost Charges Reserve Fund Establishment Bylaw No. 9779**".

FIRST READING

SECOND READING

THIRD READING

INSPECTOR OF MUNICIPALITIES APPROVAL

ADOPTED

CITY OF RICHMOND
APPROVED for content by originating dept. <i>JC</i>
APPROVED for legality by Solicitor <i>[Signature]</i>

MAYOR

CORPORATE OFFICER