



THE CORPORATION OF THE CITY OF COURTENAY

## STAFF REPORT

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**To:** Council  
**From:** City Manager (CAO)  
**Subject:** 2022 Annual Development Cost Charges (DCC) Report

**File No.:** 1870-02 [2022]  
**Date:** May 10, 2023

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### PURPOSE:

To present Council with the 2022 Development Cost Charges (DCC) Reserve Fund Summary for information purposes.

### EXECUTIVE SUMMARY:

The City collects DCCs in accordance with Bylaw 2840 (established 2016) and the balance in the reserves at December 31, 2022 is \$11,093,943. In 2022, there were no DCC reductions and/or waivers.

### BACKGROUND:

In 1994, Council adopted Development Cost Charges Bylaw No. 1741, 1994, to authorize collection of DCC's to help pay for capital costs associated with providing, constructing, altering or expanding sewage, water, drainage and highway facilities, and providing and improving parkland. There have been amendments to the DCC bylaw since 1994 and the current bylaw in effect is Bylaw No. 2840, 2016.

Bylaw 2755, 2015 formally established the following statutory DCC reserve funds:

- a. Highway Facilities Development Cost Charge Reserve
- b. Storm Drainage Facilities Development Cost Charge Reserve
- c. Parkland Acquisition Development Cost Charge Reserve
- d. Water Facilities Development Cost Charge Reserve
- e. Sanitary Sewer Facilities Development Cost Charge Reserve
- f. Sanitary Sewer Facilities North East Zone Development Cost Charge Reserve

All development cost charge funds received to date have been deposited to separate accounts in the general ledger, and correctly accounted for in accordance with Section 188 of the *Community Charter*. Expenditures are approved annually through the financial plan bylaw for the purpose intended.

### DISCUSSION:

Under Section 569 of the *Local Government Act*,

*"(1) Before June 30 in each year, a local government must prepare and consider a report in accordance with this section respecting the previous year.*

*(2) the report must include the following, reported for each purpose...for which the local government imposes the development cost charge in the applicable year:*

- (a) the amount of the development cost charges received;*

- (b) the expenditures from the development cost charge reserve funds;
- (c) the balance in the development cost charge reserve funds at the start and the end of the applicable year;
- (d) any waivers and reductions under section 563(2)

(3) The local government must make the report available to the public from the time it considers the report until June 30 in the following year.”

Approval of the 2022 Development Cost Charges Reserve Fund Report will ensure statutory compliance with the *Local Government Act*.

**POLICY ANALYSIS:**

Section 569(1) of the *Local Government Act* requires municipalities to report on the DCCs collected and spent during the fiscal period. This legislated report must be prepared annually and be made available to the public.

**FINANCIAL IMPLICATIONS:**

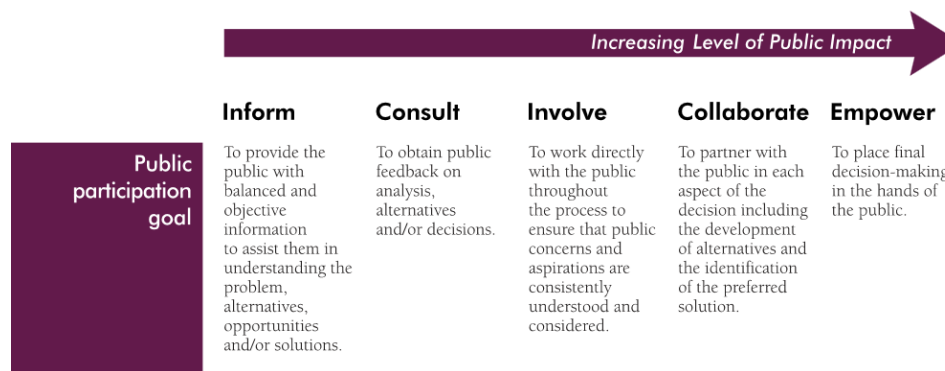
Any development cost charges collected are initially recorded as deferred revenue on the City’s financial statements until spending is authorized by Council, in accordance with the terms of the City’s DCC bylaw and Public Sector Accounting Standards.

**ADMINISTRATIVE IMPLICATIONS:**

On Council review and approval of the DCC Annual report, it will be made publicly available via the City’s website.

**PUBLIC ENGAGEMENT:**

The public will be **informed** of the outcome of Council’s consideration of the 2022 Annual Development Cost Charges Reserve Fund Report. This is based on level one of the IAP2 Spectrum of Public Participation adopted as an element of Sound Project Design for the Corporate Workplan.



**OPTIONS:**

1. THAT Council approves the City of Courtenay Annual Development Cost Charges (DCC) Reserve Fund Report for the year ended December 31, 2022.
2. THAT Council provide alternative direction to staff.

Prepared by: Krista McClintock, CPA, CGA, Manager of Finance

Reviewed by: Adam Langenmaier, CPA, CA, Director of Financial Services

Concurrence: Geoff Garbutt, M.PI., MCIP, RPP, City Manager (CAO)

**Attachments:**

- A. 2022 Annual Development Cost Charges Reserve Fund Summary