

King's DC reserves are in good shape

By Mark PavilonsEditorLocal JournalismInitiative Reporter

King Township has a healthy Development Charges Reserve Fund. In a report to council, Treasurer Peggy Tollett noted the current balance of the fund is \$9.8-million, of which the Township has \$5.5 million in commitments. This results in a healthy \$4.3 million surplus. She also noted there's a \$3.7-million surplus in the Cash in Lieu of Parkland Reserve Fund. Development charges are one-time fees collected on new residential and non-residential development properties to finance a portion of the capital infrastructure requirements associated with growth. The fees are collected at the time of building permit issuance. The growth-related spending authority is approved annually as part of the Township's capital budgeting process based on those capital projects that are eligible for development charge funding pursuant to the Development Charges Act. The audited 2024 Financial Statements include information regarding the Township's Development Charge Reserve Funds. Cash in lieu of parkland is collected in accordance with the Planning Act and the Township bylaw. Funds received are deposited to the segregated reserve fund for parkland purposes and interest applied in accordance with township policy and procedures. Eligible disbursements from the fund are in accordance with the provisions of legislation, Township policy and approved budgets. Tollett noted in her report that it's important to note that the Township is showing a deficit in the Parks and Recreation DC reserve fund due to the advanced construction of the Township-wide Recreation Facility and numerous parks. This may need to be funded by DC debt to help balance the reserve fund. In addition, the Township's Water DC reserve fund has a deficit to help fund the need to build capacity in our infrastructure to support growth. It is anticipated over time this deficit will be reduced as growth occurs and other related development charges are received, the report says. During 2024, there were \$2.8 million development charge credits granted which relate to the requirements under the King City East (KCE) Spine Servicing Agreement for works to be completed on behalf of the Township. During 2024, development charge collections totaled almost \$11.9 million. There was also \$634 thousand for prepaid development charges related to King City East and interest earnings on the development charge reserve funds totaled \$1.1 million. Development charge funding allocations to capital acquisitions and projects in 2024 totaled almost \$7.7 million. Total development charge reserve funds balances prior to commitments are \$9.8 million with commitments of \$5.5 million to support growth related costs as outlined in the Development Charge Background Study. The uncommitted balance as of December 31, 2024, is \$4.3 million.