Township of Drummond/North Elmsley
Committee of the Whole
Report

Report By	**Angela Millar, Treasurer**
Date	**April 7, 2026**
Report Title	**Report #FIN-2026-05 – 2025 Development Charges Statement**

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1. **Staff Recommendation: Resolution ☐ Direction ☐ Information ☒**
For information purposes.

2. **Purpose:**
To provide Council with an annual report showing the services for which development charges have been collected, how the funds have been spent, and how much interest was accrued.

3. **Background:**
The Township has been collecting Development Charges since 1999 to generate revenue towards the increased cost of services within the Township that occur as a result of growth and development. The intention is to allow the municipality to maintain the current level of service for residents of the municipality, while collecting funds from the new development to help offset the cost of additional services. Development charges that are collected by the municipality are put into a reserve until such time as an identified expenditure is made. Section 43 (2) of the *Development Charges Act* requires the Treasurer to provide Council with a financial statement regarding the Development Charges activity each year. The 2024 Development Charges Background Study provided a sample of recommended annual report structures that have been incorporated and appended into this report.

A copy of this report must and will be provided to the Minister of Municipal Affairs within 60 days of providing this statement to Council (if requested) and posted on the Township website.

4. **Discussion:**
A Development Charges (DC) Background Study was conducted in 2024, and a new Development Charges By-law (By-law No. 2024-036) was adopted by Council on November 26, 2024 and came into effect December 1, 2024.

Effective December 1st, 2024, the following schedule, shown as Table 2, indicates the rates that were in effect for the remainder of 2024 and remained unchanged for 2025:

Table 1 – By-law No. 2024-036

Service	Residential Dwellings ($ per unit) Single Detached Dwellings & Semi-Detached Dwellings	Other Multiples	Apartments - 2- Bedroom+	Apartments - Bachelor & 1-Bedroom	Special Care/Special Dwelling Units	Green Energy (per 500kW generating capacity)	Non-Residential ($ per square foot of Gross Floor Area)
Township-wide Services:							
Services Related to a Highway	3,935	2,964	2,245	1,608	1,516	3,935	1.86
Fire Protection Services	102	77	58	42	39	102	0.05
Policing Services	4	3	2	2	2	4	0
Parks and Recreation Services	828	624	427	338	319	0	0.14
Library Services	703	529	401	287	271	0	0.12
Waste Diversion	168	127	96	69	65	0	0.08
Township-Wide Class of Services:							
Growth-Related Studies	395	297	225	161	152	395	0.15
Total	**$6,135**	**$4,621**	**$3,499**	**$2,507**	**$2,364**	**$4,436**	**$2.40**

The reserve fund is divided into separate service / categories to record the Development Charge fees collected along with allocation of interest earned on the balances. There was $151,305 collected in Development Charges during 2025 and $12,759 interest earned.

(Note: "Other Multiples" in Table 1 above is described as "all dwellings other than Single-Detached, Semi-Detached, Apartment, Special Care/Special Dwelling units, and includes, but not limited to a Mobile Dwelling House and a Park Model Dwelling House").

Since this By-law was adopted, the province has made several changes to Development Charges and the collection of Development Charges through the *Protect Ontario by Building Faster and Smarter Act, 2025* (Bill 17). On March 30th, 2026, Ontario and the Federal government announced a plan to cut municipal development charges in half for three years to accelerate housing construction. This initiative also includes that funding will be made available from both upper levels of government to offset the revenue loss for municipalities while lowering building costs. As of the writing of this report, the Township has not yet received directions from the province on how this will be administered.

5. Options:

Not applicable.

6. Financial Implications:

Appendices A, B, and C, attached to this report, demonstrate the 2025 transactions in the new prescribed reporting format.

The Development Charges collected in 2025, were comprised of 23 single detached dwellings and 1 one type of multiple unit for a total amount of $151,305 collected. The interest earned on the separate DC bank account for the year was $12,758.97.

The total expenses that were funded in 2025 from Development Charges were $50,296. To summarize, these expenses that were funded by Development Charges in 2025 include:

- $5,044.72 - Fire Services purchased a trailer that was scheduled to be funded from Drummond /North Elmsley and Tay Valley Township's development charges. This amount reflects D/NE's portion only.
- $30,348.61 – Bridge Loan repayment – The development charges study includes a

portion of the loan repayment that is attributable to growth to be funded from the development charges fund (but not the entire annual repayment amount).

- $3,205.44 – Bi-annual Bridge Study (Ontario Structural Inspection Manual – OSIM). This bi-annual study / report is included as an eligible item to utilize development charge funds as included in our DC Background Study as a 100% recoverable cost.
- $11,697.31 – Road Design and Engineering – the DC Background Study included that 25% of road design and engineering expenses can be funded from the DC funds. In 2025, the engineering services to reconstruct Richmond's Road and a portion of Drummond Concession 5B began. The amount withdrawn represents 25% of the 2025 portion of the expenses for this project.

With these transactions included, the balance of the reserve on December 31, 2025 is $511,423.09.

This annual report must include the intended use of the reserve (of up to 60%). The reporting does not require that a municipality spend up to 60% of the reserve each year but must record how the municipality intends to use 60% of the funds, even if it spans multiple years. Appendix D provides this information in the new prescribed reporting format. The projects that are projected to utilize DC funds from 2026 to 2028 are estimated to total $330,307. Based on the balance of the DC Reserve of $511,423 on January 1st, 2026, would require that the municipality demonstrate how it proposes / intends to utilize 60% or $306,854 of the funds. Appendix D lists the projects that are included in the DC Background Study, with the corresponding project number and the corresponding growth-related cost details.

7. Link to Township Plans: (Strategic Plan, Asset Management, Council Priorities, etc.)

Strategic Plan

Fiscal Responsibility - We recognize that we are stewards of the community's fiscal resources; therefore, public finances are managed in a responsible and prudent manner that ensures the best value and efficient use.

8. Summary

The Development Charges Statement must be provided to Council each year. This 2025 report has been provided in the standard annual format as well as the new prescribed reporting format. Development Charges are levied to offset the increased costs of services within the municipality as a result of growth and development.

9. Attachments:

Appendices A - D

Prepared By	**Approved By**
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Appendix A

Annual Treasurer's Statement of Development Charge (DC) Reserve Funds 2025	Balance	Services Related to a Highway	Fire Protection Services	Policing Services	Parks and Recreation Services	Library Services	Waste Diversion Services	Growth Related Studies
Opening Balance, January 1, 2025	**397,655**	385,041	8,370					4,244
Plus:								
DC collected - Residential	151,305	97,272	2,520	103	20,462	17,375	4,154	9,419
DC collected - Non -Residential	-	-	-	-	-	-	-	-
DC bank interest earned	12,759	10,100	177	3	1,169	505	308	498
Sub-Total	**561,719**	492,413	11,067	106	21,630	17,879	4,462	14,161
Less:								
DC Funds Transferred to Capital or Other	(50,296)	(45,251)	(5,045)					
Sub-Total	**(50,296)**	(45,251)	(5,045)	-	-	-	-	-
Closing Balance, December 31, 2025	**511,423**	447,161	6,023	106	21,630	17,879	4,462	14,161

Appendix B

Annual Treasurer's Statement of Development Charge (DC) Reserve Funds

2025

Amount Transferred to Capital Funds - Capital Fund Transactions

		D.C. Recoverable Cost Share	Non-Recoverable Cost Share			
Capital Fund Transaction	**Gross Capital Cost / 2025 Portion**	**D.C. Reserve Fund Draw**	**Other Reserve / Reserve Fund Draws**	**Tax Supported Operating Fund Contributions**	**Debt Financing**	**Grants, Subsidies, Other Contributions**
Services Related to a Highway Road Design & Engineering - Richmond's Road and Drummond Concession 5B	46,789.25	(11,697)	(35,092)			
Sub-Total - **Services** Related to a Highway	46,789.25	**(11,697)**	**(35,092)**	-	-	-
Fire Protection Services Ice Water Rescue Trailer	5,044.72	(5,045)	-			
Sub-Total - **Fire Protection Services**	5,044.72	**(5,045)**	-	-	-	-

Appendix C

Annual Treasurer's Statement of Development Charge (DC) Reserve Funds **2025** **Amount Transferred to Capital Funds - Operating Fund Transactions**						
		D.C. Recoverable Cost Share	**Non-Recoverable Cost Share**			
Capital Fund Transaction	**Gross Operational Cost / 2025 Portion**	**D.C. Reserve Fund Draw**	**Other Reserve / Reserve Fund Draws**	**Tax Supported Operating Fund Contributions**	**Debt Financing**	**Grants, Subsidies, Other Contributions**
Services Related to a Highway						
Bridge Loan - Annual Repayment Amount	113,615.76	(30,349)		(83,267)		
Bi-annual Bridge Study (OSIM)	3,205.44	(3,205)				
Sub-Total - **Services Related to a** Highway	116,821.20	**(33,554)**	-	(83,267)	-	-

Appendix D

Annual Treasurer's Statement of Development Charge (DC)Reserve Funds

2026 - 2028

Statement of Reserve Fund Balance Allocations

Service:	Balance	Services Related to a Highway	Fire Protection Services	Policing Services	Parks and Recreation Services	Library Services	Waste Diversion Services	Growth Related Studies
Balance in Reserve at Beginning of Year (January 1st, 2026)	511,423	447,161	6,023	106	21,630	17,879	4,462	14,161
60% of Balance to be Allocated (at a minimum):	**(306,854)**							

Projects Projected to Which DC Funds Will Be Allocated - 2026 - 2028

Project Description		Project Number	Total Growth-related Capital Cost Remaining to be Funded	Share of Growth-related Cost Allocated to Date	Share of Growth-related Cost Allocated - Current Year	Details
2026 Richmond's Road / Drummond Concession 5B - Design & Engineering	(2,485)	H-13	2,485	11,697	2,485	*Engineering Contract completion early 2026*
2026 Bridge Loan Repayments	(29,754)	H-19 / H-20	205,353	30,349	29,754	*Growth portion only of annual Bridge Loan repayment*
2027 Bridge Loan Repayments	(29,170)	H-19 / H-20	Future Reporting	Future Reporting	Future Reporting	*Growth portion only of annual Bridge Loan repayment*
2028 Bridge Loan Repayments	(28,598)	H-19 / H-20	Future Reporting	Future Reporting	Future Reporting	*Growth portion only of annual Bridge Loan repayment*
2027 Bridge OSIM Study	(7,000)	H-23	Future Reporting	NIL	Future Reporting	*Bi-annual bridge report*
Boat for DNETV Fire Rescue	(34,600)	FP 1	70,000	NIL	TBD	*P*
Generator for Ferguson Falls Community Hall	(6,900)	REC-3	60,000	NIL	TBD	
2027 Ferguson Falls Hall - Estimated Loan Repayments	(15,000)	REC-4 / REC-5	163,240	NIL	Future Reporting	*TBD - Approx 13% of Estimated Repayment*
2028 Ferguson Falls Hall - Estimated Loan Repayments	(15,000)	REC-4 / REC-5	Future Reporting	NIL	Future Reporting	*TBD - Approx 13% of Estimated Repayment*
2027 - 2029 Trail Development	(5,500)	REC-1	TBD	NIL	TBD	*TBD - Approx 11% of Estimated Project - up to max $48k*
Potential Joint Recreation Feasibility Study	(30,000)	REC-6	TBD	NIL	TBD	*TBD - 75% of Estimated Project - up to max $40k*
2027 Provision for Library Collecion Materials	(37,000)	L-1	Future Reporting	NIL	Future Reporting	*TBD - estimated $37,000 per Year*
2028 Provision for Library Collecion Materials	(37,000)	L-1	Future Reporting	NIL	Future Reporting	*TBD - estimated $37,000 per Year*
2029 Development Charges Background Study Update	(15,000)	GRS-5	Future Reporting	NIL	Future Reporting	
2027 3/4 Ton Pick-Up Truck	(7,700)	H-5	Future Reporting	NIL	Future Reporting	
2028 3/4 Ton Pick-Up Truck	(7,700)	H-4	Future Reporting	NIL	Future Reporting	
2027 Wayside Drive (1.35km)	(21,900)	H-1	Future Reporting	NIL	Future Reporting	
Total Projected Allocations 2026 - 2028	**(330,307)**					