If you require this information in an alternate format, please contact the Accessibility Coordinator at accessibility@northumberlandcounty.ca or 1-800-354-7050 ext. 2327

Report 2026-111

Report Title: **2025 Development Charges – Treasurer's Annual Statement**

Prepared by: Matthew Nitsch
Director of Finance/Treasurer
Finance

Approved by: Dan Borowec, CAO

Council Meeting Date: August 12, 2026

Report Not Considered by Standing Committee Because:

☐ Time-sensitive Issue (information received too late for Committee consideration)
☐ Urgent Matter (issue arose after this month's Committee meeting)
☒ Other

Strategic Plan Priorities: ☒ Innovate for Service Excellence
☐ Ignite Economic Opportunity
☒ Foster a Thriving Community
☐ Propel Sustainable Growth
☐Champion a Vibrant Future

Information Report

"**That** County Council receive Report 2026-111 '2025 Development Charges - Treasurer's Annual Statement', for information."

Purpose

The purpose of this report is to provide information related to the Development Charge Reserve Fund transactions for the 2025 fiscal year.

Background

Council formally authorized staff to commence processes for the undertaking of a County-wide Development Charge (D.C.) Background Study in 2019. Further, this was formally identified within the Council approved County Strategic Plan (2019-2023) as a specific objective. Identified as such under the Sustainable Growth Priority to 'Evaluate a County-wide Development Charge' and ensure 'growth pays for growth'. With this direction, staff undertook an extensive process to implement the first County-wide D.C. in 2020.

In 2020, By-law 2020-36 was enacted to impose the first County-wide D.C. effective October 1, 2020. Further, this By-law was subsequently amended under By-law 25-2021. Primarily, the amendment to the By-law was to update the D.C. Background Study and associated By-Law to reflect for changes under the Development Charges Act inclusive of allowing municipalities to recover discounted D.C.'s for certain services that previously had in place a statutory 10% reduction.

By-law 202-36 was set to expire in October of 2025 but council amended it with By-law 35-2025 to extend it until October of 2026. This was done so that updated estimates for some significant projects could be included in the new development charge study which is currently underway.

Consultations

Consultations on the accounting treatment for D.C.'s were facilitated with the County auditors, Baker Tilly and, for ensuring application of policy and processes aligned with legislation, with Watson and Associates Economists Ltd.

Legislative Authority/Risk Considerations

The Development Charges Act, 1997 as amended.

Discussion/Options

D.C.'s are one-time fees levied by municipalities on new residential and non-residential lands to help pay for a portion of the growth-related capital infrastructure. The purpose of D.C.'s is to ensure that new development pays its proportionate share of the capital costs required to service the associated new development. It is common practice for municipalities in Ontario to utilize D.C.'s, thereby, ensuring that the capital cost of providing services to new development is borne by the development receiving the benefit.

On an annual basis, Finance staff review the spending on growth related projects as identified in the Background Study, and transfer the applicable D.C.'s collected that can be earned during the year as a source of financing.

The Development Charges Act, Section 43(1) states that "The Treasurer of a municipality shall each year on or before such date as the Council of the municipality may direct, give the Council a financial statement relating to Development Charge By-laws and reserve funds established under section 33." In addition, Paragraphs 12 and 13 of Ontario Regulation 82/98 indicate the information to be included in the report. Appendix 'A' provides a summary of the D.C.'s collected during the fiscal year 2025 including reserve fund transactions and balances. Appendix ‘B’ provides a list of growth-related capital projects that have received contributions from the D.C.’s reserve funds. Appendix “C” shows the County development charges that are currently in place.

Financial Impact

The 2025 beginning balance in Development Charges that were recognized as deferred revenue was $3.7M. The development charge funds collected during 2025 amounted to $1.0M, and interest earned amounted to $97K. Of these funds, $1.4M was used to fund eligible costs for growth related projects within the D.C. Background Study. This resulted in an ending balance of $3.5M as deferred revenue on the County’s 2025 Audited Financial Statements.

These funds will be utilized to source financing as future costs are incurred for identified growth related projects in the D.C. Background Study. Interest attributable to these funds for 2024 was booked to the D.C. deferred revenue accounts in 2025. Interest for 2025 will be allotted in 2026. Further, the County has recorded unfinanced D.C.’s amounting to $783K as at December 31, 2025 representing future funds to be collected on identified projects where their proportionate share of D.C.’s collected is yet to be realized.

A summary of the D.C. activities and obligatory reserve funds relating to By-law 2020-36, as amended under By-law 25-2021, is detailed below:

January 1, 2025 opening balance	3,752,198
Development Charges received	1,029,782
Transfers to capital projects (revenue earned)	(1,374,303)
Interest (prior period)	97,305
December 31, 2025 closing balance	3,504,982

Member Municipality Impacts

N/A

Conclusion

Staff recommend that County Council receive the ‘2025 Development Charges – Treasurer’s Annual Statement’ for information.

Attachments

1) Report 2026-111 ATTACH 1 ‘Appendix A - 2025 Development Charges Reserve Funds Annual Continuity Statement by Service Category’

2) Report 2026-111 ATTACH 2 ‘Appendix B - 2025 Annual Development Charges Transfers by Project’

3) Report 2026-111 ATTACH 3 ‘Appendix C – Northumberland County Current Development Charges’

Appendix A
Development Charges Reserve Funds Annual Continuity Statement by Service Category
For the Year Ended December 31, 2025

	Fiscal 2025				
Service Category	**Balance at January 1, 2025**	**Development Charges Collected**	**Transfers to Projects**	**Interest**	**Balance at December 31, 2025**
Paramedic Services	49,835	35,017	84,852	1,294	1,294
Homes for the Aged Services	-	120,555	120,555	-	0
Community Housing Services	5,899	- 632	5,267		-
Waste Diversion Services	56,234	5,558	2,258	1,461	60,995
Administration Studies	-	19,069	19,069	-	-
Waste Diversion Services - Curbside Collection	-	33,600	33,600	-	-
Transportation Services	3,640,230	816,615	1,108,702	94,550	3,442,693
Total	**3,752,198**	**1,029,782**	**1,374,303**	**97,305**	**3,504,982**

NOTES:
-Interest attributable to 2024 was booked in 2025
-Interest attributable to 2025 will be allotted in 2026

Appendix B

Annual Development Charges Transfers for Projects Identified in 2020 Development Charges Background Study as Amended under Bylaw 25-2021
For the Year Ended December 31, 2025

Project	Increased Service	Project Actual to December 31, 2025	Funding Source				
			Development Charges Revenue - Prior Years	Development Charges Revenue 2025	Other Sources of Financing	Unfinanced to be Paid by Development Charges in the Future	Total Project to December 31, 2025
Paramedic Services							
1	Trent Hills ERC	1,478,242	126,866	-	1,351,376		1,478,242
2	Brighton ERC	-	-	-	-		-
3	Ambulance	247,414	-	84,852	-	162,562	247,414
4	SUV	-	-	-	-		-
5	Paramedics Master Plan	-	-	-	-		-
	Subtotal	1,725,656	126,866	84,852	1,351,376	162,562	1,725,656
Homes for the Aged Services							
1	GPL Redevelopment	19,482,908	575,022	120,555	18,230,383	556,947	19,482,908
2	NPV of Interest Costs	-	-	-	-		-
	Subtotal	19,482,908	575,022	120,555	18,230,383	556,947	19,482,908
Community Housing Services							
1	Elgin Park Redevelopment Project	12,377,049	516,376	5,267	11,855,406		12,377,049
2	Elgin Park Redevelopment Project (Construction Financing)	-	-	-	-		-
3	Elgin Park Redevelopment Project (NPV of Interest)	-	-	-	-		-
4	473 Ontario Street Project	371,537	31,886	-	339,650		371,537
5	473 Ontario Street Project (NPV of Interest Payments)	-	-	-	-		-
6	473 Ontario Street Project (Land)	-	-	-	-		-
7	Housing Master Plan	13,788	9,307	-	4,481		13,788
8	Affordable Housing Strategy	33,782	25,336	-	8,445		33,782
9	Housing & Homelessness Plan	-	-	-	-		-
10	Housing & Homelessness Plan	-	-	-	-		-
	Subtotal	12,796,156	582,905	5,267	12,207,984	-	12,796,156
Waste Diversion Services							
1	CRCs	129,315	3,241	2,258	123,816		129,315
2	Organics Transfer Station	36,004	2,781	-	33,223		36,004
3	Public Drop Off Area	24,312	751	-	23,561		24,312
4	Master Plan	-	-	-	-		-
5	Master Plan update	-	-	-	-		-
	Subtotal	189,631	6,773	2,258	180,600	-	189,631
Administration Studies							
1	DC Background Study	65,314	26,613	-	38,701		65,314
2	DC Background Study	-	-	-	-		-
3	GO Expansion Feasibility Study	18,103	1,398	-	16,705		18,103
4	Official Plan Update	189,863	32,686	19,069	74,262	63,845	189,863
5	GIS/Asset Management	247,394	12,755	-	234,639		247,394
6	DC Ammendment Study	13,657	13,657	-	- 0		13,657
	Subtotal	534,331	87,109	19,069	364,307	63,845	534,331
Waste Diversion Services - Curbside Collection							
1	Waste Diversion Contract Expansion	103,143	136,742	33,600	- 67,200		103,143
	subtotal	103,143	136,742	33,600	- 67,200	-	103,143
Transportation Services							
1	Service Improvement from TMP/EA	76,093	76,093	-	-		76,093
2	Trent River Bridge Crossing - Design	5,887,712	368,097	1,103,831	4,415,784		5,887,712
3	Trent River Bridge Crossing - Construction	-	-	-	-		-
4	Cty Rd 2 - Studies	405	41	-	364		405
5	Cty Rd 2 - Phase II-b	-	-	-	-		-
6	Cty Rd 2 - Phase III	-	-	-	-		-
7	Cobourg East - Elgin St (D'Arcy to Brook)	228,873	27,242	2,001	199,630		228,873
8	Cobourg East - Brook (Elgin to Kerr)	-	-	-	-		-
9	Cobourg East - Brook (Kerr to King)	-	-	-	-		-
10	Intersection Improvements - Elgin/D'Arcy	28,757	-	2,213	26,544		28,757
11	Intersection Improvements - Elgin/Brook	5,034	-	658	4,376		5,034
12	Intersection Improvements - Kerr/Brook	-	-	-	-		-
13	Intersection Improvements - King/Brook	-	-	-	-		-
14	Intersection Improvements - King/Kerr	-	-	-	-		-
15	Brook Rd CP/CNN Rail Grade Separation	-	-	-	-		-
16	Consolidated Roads Facility Feasibility Study	39,752	4,024	-	35,727		39,752
17	TMP	-	-	-	-		-
	Subtotal	6,266,627	475,498	1,108,702	4,682,427	-	6,266,627
		41,098,452	**1,990,91**	**1,374,305**	**36,949,877**	**783,354**	**41,098,452**

Total countywide development charges effective August 25, 2024

Area of Northumberland County	Single and semi-detached dwelling (residential)	Apartments – 2 bedrooms or more (residential)	Apartments – bachelor and 1 bedroom (residential)	Other multiples (residential)	Special care/special dwellings (residential)title 6	Non-residential – per square foot of gross floor area
Port Hope Rural Ward II	3,422	2,272	1,729	2,671	1,453	1.90
All areas outside of Port Hope Rural Ward II	3,516	2,334	1,776	2,745	1,493	1.95