



**City of Kingston  
Information Report to Council  
Report Number 25-097**

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<b>To:</b>	<b>Mayor and Members of Council</b>
<b>From:</b>	<b>Desirée Kennedy, Chief Financial Officer &amp; City Treasurer</b>
<b>Resource Staff:</b>	<b>Lana Foulds, Director, Financial Services Christa Walsh, Manager, Financial Planning</b>
<b>Date of Meeting:</b>	<b>April 15, 2025</b>
<b>Subject:</b>	<b>2024 Development Charges Reserve Fund Statement</b>

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**Council Strategic Plan Alignment:**

Theme: Regulatory & compliance

Goal: See above

**Executive Summary:**

The purpose of this report is to provide Council with a summary of the annual activity of the City's Development Charges Reserve Fund as at December 31, 2024.

Development charges are collected for the purposes of financing new infrastructure and infrastructure capacity expansion under the [Development Charges Act, 1997](#), as amended. The basis for these charges is provided in the [Development Charges Background Study, 2019](#) in support of [City of Kingston By-Law Number 2019-116](#), cited as the "City of Kingston Development Charge By-Law 2019".

**Recommendation:**

This report is for information only.

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**Authorizing Signatures:**



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**Desiree Kennedy, Chief  
Financial Officer & City  
Treasurer**



**p.p.**

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**Lanie Hurdle, Chief  
Administrative Officer**

**Consultation with the following Members of the Corporate Management Team:**

Paige Agnew, Commissioner, Growth & Development Services	Not required
Jennifer Campbell, Commissioner, Community Services	Not required
Neil Carbone, Commissioner, Corporate & Emergency Services	Not required
David Fell, President & CEO, Utilities Kingston	DF
Ian Semple, Acting Commissioner, Transportation & Infrastructure Services	Not required

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**Options/Discussion:****Background**

In accordance with legislation, the treasurer of the municipality is required to provide council with an annual financial statement reflecting the activity of the Development Charges Reserve Fund. The structure and detail of this information continues to be based on legislative requirements and previous feedback from representatives of the development community with a focus on underlying principles that support transparency, efficiency, and ease of use.

Council approved [City of Kingston By-Law Number 2019-116](#), cited as the “City of Kingston Development Charge By-Law 2019”, and the related [Development Charges Background Study, 2019](#). The current Development Charge By-Law was set to expire on September 29, 2024; however, the term was extended through Council Report Number 24-220 until a new Development Charges Background Study and Bylaw is approved.

Development charge levies can only be used to fund costs related to new infrastructure and infrastructure capacity expansion, as determined through the development charge calculation process, and in accordance with the City of Kingston Development Charge By-Law 2019. The [Development Charges Act, 1997](#), as amended, (DC Act), requires that development charges collected be placed in a separate reserve fund and accumulate interest. The Development Charges Reserve Fund is not consolidated with other municipal reserve funds for investment purposes. A separate Impost Reserve Fund has been maintained to manage and report the collection and use of development charges related to water and wastewater services.

Exhibit A to this report provides a summary of financial activity of the Development Charges Reserve Fund for the year ending December 31, 2024. The statement provides details to reflect the 2019 background study in effect for the 2024 fiscal year. Inflows consist of contributions from developers, collected at the time of building permit issuance, plus investment income earned in the fiscal year. Outflows are in accordance with the 2019 Development Charges Background Study in effect at the time of expenditure approval.

Exhibits A1, A2 and A3 to this report summarize project costs funded in whole or in part from development charges in 2024, including information on project costs and related funding sources. Timing differences in funding, as summarized on Exhibit A1, can exist when comparing to the allocations in the Development Charges Background Study. Any required funding adjustments are made in the subsequent year and prior to project completion.

In late 2023, the DC Act was amended to remove municipal housing as an eligible service category. Since that time no monies have been collected in this category. The remaining funds in this service category have been fully utilized in 2024 to support previously approved affordable housing projects.

The City of Kingston Development Charge By-Law 2019 includes certain exemptions for the purposes of encouraging employment and assessment growth. Exemptions are recorded when building permits are issued and are compensated from a tax incremental financing approach by

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withholding taxation revenue from the related assessment increases to replenish the Development Charges Reserve Fund. Funds are approved by Council through the annual budget process or by specific approval. In addition, as previously approved by Council, the City Treasurer is given delegated authority to consider applying additional amounts to the repayment of development charge exemptions based on any surplus resulting from assessment growth in a given year. Any additional transfers will accelerate the allocation of funding and ultimately recognize revenues from assessment growth sooner. At the end of 2024, the total amount outstanding in respect of development charge exemptions was \$3,616,465.

The Development Charges Act, 1997, as amended, Section 26.1, allows for rental housing and institutional developments to be paid in six equal annual instalments. At December 31, 2024 there was a balance of \$6,237,173 in outstanding payments receivable. These monies are recorded as revenue at the date of the first installment.

The 2025 Development Charges Reserve Fund Statement will reflect the proposed 2024 Development Charges Background Study and By-Law which is scheduled to come to Council for approval in May.

### **Existing Policy/By-Law**

[Development Charges Act, 1997](#), as amended

[City of Kingston By-Law Number 2019-116](#), "A By-Law to Establish Development Charges for the City of Kingston, Cited as the City of Kingston Development Charge By-Law 2019"

[Development Charges Background Study, 2019](#)

### **Financial Considerations**

This report reflects the transactions of the City's Development Charges Reserve Fund as recorded in 2024. Allocations to finance capital projects from development charges are approved by Council in the annual capital budget by-laws or by separate reports to Council and are in accordance with the 2019 Development Charges Background Study.

### **Contacts:**

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Christa Walsh, Manager, Financial Planning, 613-546-4291 extension 2262

### **Other City of Kingston Staff Consulted:**

Randy Murphy, Chief Financial Officer and Treasurer, Utilities Kingston, 613-546-1181 extension 2317

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**Exhibits Attached:**

Exhibit A - Annual Treasurer's Statement of Development Charges Reserve Fund (By-Law Number 2019-116)

Exhibit A1 - Summary of Capital Financing - Development Charges Reserve Fund – 2024

Exhibit A2 - Summary of Municipal Allocations - Development Charges Reserve Fund – 2024

Exhibit A3 - Summary of Utility Allocations - Development Charges Reserve Fund – 2024

Annual Treasurer's Statement of Development Charges Reserve Fund (By-Law Number 2019-116)

Description	Total	Water	Wastewater	Roads	Protection	Transit	Parks and Recreation	Affordable Housing	Studies	Library	Waste Diversion
Opening Balance, January 1, 2024	45,269,070	14,444,557	6,491,649	11,603,957	303,372	1,432,625	7,030,675	761,851	904,389	2,056,499	239,495
Add: Collections (By-Law 2019-116)											
Residential, Multi-Residential	4,230,758	300,497	1,086,311	1,645,478	162,703	250,357	509,233	-	55,552	206,355	14,272
Industrial	672,213	80,373	292,903	210,096	20,409	31,214	21,010	-	6,603	8,404	1,201
Non-Industrial	1,432,206	162,845	622,642	481,119	46,418	69,627	21,955	-	15,682	8,782	3,136
Sub-Total (By-Law 2019-116)	\$ 6,335,177	\$ 543,715	\$ 2,001,856	\$ 2,336,693	\$ 229,530	\$ 351,198	\$ 552,198	\$ -	\$ 77,837	\$ 223,541	\$ 18,609
Investment income	851,366	355,244	70,847	197,210	7,970	35,156	124,843	-	10,173	44,373	5,550
Sub-Total	\$ 7,186,543	\$ 898,959	\$ 2,072,703	\$ 2,533,903	\$ 237,500	\$ 386,354	\$ 677,041	\$ -	\$ 88,010	\$ 267,914	\$ 24,159
Less:											
Amount Transferred to Capital (Exhibit A1)	8,876,622	422,738	1,687,873	3,698,579	-	148,936	1,647,513	761,851	509,132	-	-
Other Allocations - Municipal (Exhibit A2)	1,579,723	-	-	1,071,155	162,258	-	129,767	-	-	216,543	-
Other Allocations - Utilities (Exhibit A3)	5,603,264	1,419,396	4,183,868	-	-	-	-	-	-	-	-
Sub-Total	\$ 16,059,609	\$ 1,842,134	\$ 5,871,741	\$ 4,769,734	\$ 162,258	\$ 148,936	\$ 1,777,280	\$ 761,851	\$ 509,132	\$ 216,543	\$ -
Closing Balance, December 31, 2024	\$ 36,396,004	\$ 13,501,382	\$ 2,692,611	\$ 9,368,126	\$ 378,614	\$ 1,670,043	\$ 5,930,436	\$ -	\$ 483,267	\$ 2,107,870	\$ 263,654

Balance of installment payments receivable at December 31, 2024 - \$6,237,173

Balance of industrial exemptions at December 31, 2024 - \$3,616,465

The Municipality is compliant with s.s. 59.1 (1) of the Development Charges Act, whereby a municipality shall not impose, directly or indirectly, a charge related to a development or a requirement to construct a service related to development, except as permitted by the Development Charges Act or another Act.

Summary of Capital Financing - Development Charges Reserve Fund – 2024

Capital Projects	2019 Background Study				D.C./Impost Recoverable Cost Share				Non-D.C./Impost Recoverable Cost Share	
Services	Study Gross Cost	D.C./Impost Recoverable Cost	Non-D.C./Impost Recoverable Cost Share	Actual Gross Capital Cost to Date	D.C./Impost Reserve Fund Prior Study Carry Forward <sup>1</sup>	D.C./Impost Reserve Fund Current Year	D.C./Impost Reserve Fund Cumulative Total	D.C. Debt Financing	Municipal Funding Including Debt Financing and Post-Period Benefit	Grants, Subsidies Other Contributions
Roads Services										
City-wide intersection / Corridor Improvements	33,825,000	10,960,439	22,864,562	1,451,359		168,213	534,657	-	916,702	-
CWD - new 2 lane road (Sydenham to 560m east)	3,279,191	2,793,871	485,320	2,976,536		2,707,708	2,707,708	-	268,827	-
Centennial Drive - 2 lane road - Resource Road to 520m East of Gardiners Road <sup>1</sup>	-	-	-	5,971,285	12,235		2,451,317	-	3,519,968	-
Highway 15 widening from 2 to 4 lanes (Highway 2 to Gore Road) - Phase I - EA / Design / Land	13,801,000	10,378,547	3,422,453	5,936,854		108,643	807,088	3,174,455	1,955,311	-
Waaban Crossing (3rd Crossing) new construction of a 2 lane bridge - Elliott Avenue and Gore Road Phase 2 - Design / Construction	180,000,000	25,560,000	154,440,000	179,985,920		32,812	15,000,000	15,000,000	29,985,920	120,000,000
Transportation Master Plan, Transportation Model Update, and Household Survey	362,000	217,924	144,076	807,413		247,999	486,062	-	321,351	-
TRP - City-wide Routes ATMP Infrastructure	43,229,700	5,893,073	37,336,627	2,962,498		22,491	403,848	-	2,558,650	-
Active Transportation - Pathways and Trails	24,534,000	4,303,803	20,230,197	468,154		33,650	103,650	-	364,504	-
TRP - Neighbourhood Routes ATMP Infrastructure	20,793,600	2,384,746	18,408,854	554,606		(37,887)	63,606	-	491,000	-
PBW - Equipment - Roads	2,545,000	2,298,420	246,580	1,288,636		188,545	1,163,767	-	124,869	-
PBW - Equipment - Sidewalks	1,080,000	975,361	104,639	456,007		214,169	411,820	-	44,187	-
Sub-Total: Roads Services				202,859,265	12,235	3,686,344	24,133,523	18,174,455	40,551,289	120,000,000

Capital Projects	2019 Background Study				D.C./Impost Recoverable Cost Share				Non-D.C./Impost Recoverable Cost Share	
Services	Study Gross Cost	D.C./Impost Recoverable Cost	Non-D.C./Impost Recoverable Cost Share	Actual Gross Capital Cost to Date	D.C./Impost Reserve Fund Prior Study Carry Forward <sup>1</sup>	D.C./Impost Reserve Fund Current Year	D.C./Impost Reserve Fund Cumulative Total	D.C. Debt Financing	Municipal Funding Including Debt Financing and Post-Period Benefit	Grants, Subsidies Other Contributions
Transit Services										
Buses	10,501,632	921,142	9,580,490	7,205,990		76,691	336,464		3,499,508	3,370,018
Bus Stops / Shelters	2,000,000	254,702	1,745,298	1,288,798		72,245	164,130	-	679,627	445,041
Sub-Total: Transit Services				8,494,788	-	148,936	500,594	-	4,179,135	3,815,059
Parks and Recreation										
Lyndenwood Phase 5 (Caraco Homes - Cataraqui North)	265,000	226,575	38,425	1,162,560		20,940	993,989	-	168,571	-
Woodhaven Secondary Plan Community (Cat. West) South East Park	175,000	149,625	25,375	154,761		35,865	132,320	-	22,440	-
Creekside Valley Park A - South Valley Edge Park	305,000	260,775	44,225	128,259		90,305	109,661	-	18,598	-
Bert Meunier Common West - Augusta Common West	415,000	354,825	60,175	514,179		41,006	439,623	-	74,556	-
Riverview Regalia Park (residential to trail)	525,000	448,875	76,125	670,285		530,565	573,093	-	97,192	-
Woodhaven Secondary Plan Community (Cat. West) Community Park Design (Tamarack West 2)	286,700	245,129	41,571	246,952		135,304	211,144	-	35,808	-
Woodhaven Secondary Plan Community (Cat. West) Community Park Construction (Tamarack West 2)	2,840,000	2,428,200	411,800	308,105		244,354	263,430	-	44,675	-
Greenwood West Woodland Trail - North	165,000	141,075	23,925	196,688		157,789	168,168	-	28,520	-
Greenwood West Woodland Trail - Centre	295,000	252,225	42,775	391,823		333,165	335,009	-	56,814	-
700 Gardiners Road (including WIP from prior study) <sup>1</sup>	171,000	146,205	24,795	1,483,548		58,219	1,268,433	-	215,115	-
Sub-Total: Parks and Recreation				5,257,158	-	1,647,513	4,494,870	-	762,289	-

Capital Projects	2019 Background Study				D.C./Impost Recoverable Cost Share				Non-D.C./Impost Recoverable Cost Share	
Services	Study Gross Cost	D.C./Impost Recoverable Cost	Non-D.C./Impost Recoverable Cost Share	Actual Gross Capital Cost to Date	D.C./Impost Reserve Fund Prior Study Carry Forward <sup>1</sup>	D.C./Impost Reserve Fund Current Year	D.C./Impost Reserve Fund Cumulative Total	D.C. Debt Financing	Municipal Funding Including Debt Financing and Post-Period Benefit	Grants, Subsidies Other Contributions
Studies										
Industrial Land Use Strategy	150,000	75,000	75,000	75,150		36,017	37,575	-	37,575	-
Urban Growth Strategy	150,000	135,000	15,000	70,207		63,175	63,187	-	7,021	-
Population Model Update	140,000	63,000	77,000	339,999		55,165	152,999	-	187,000	-
Development Charge Study Updates	115,000	103,500	11,500	116,008		99,587	104,407	-	11,601	-
Secondary Planning Studies	336,600	151,470	185,130	748,509		136,669	336,829	-	411,680	-
Commercial Land Use Inventory	200,000	90,000	110,000	94,002		42,301	42,301	-	51,701	-
Official Plan Five Year Review	250,000	112,500	137,500	169,374		76,218	76,218	-	93,156	-
Sub-Total: Studies				1,613,250	-	509,132	813,516	-	799,734	-
Affordable Housing <sup>2</sup>										
Affordable Housing - Additional Units	18,000,000	1,123,801	16,876,199	4,631,397		761,851	761,851	-	3,869,546	-
Sub-Total: Affordable Housing				4,631,397	-	761,851	761,851	-	3,869,546	-
Water Services										
Highway 15 Trunk Watermain: Highway 2 to Gore Road	3,900,000	1,560,000	2,340,000	5,536,149		33	2,214,641	-	3,321,591	-
Augusta (Atkinson to Cat Woods Drive)	285,000	285,000	-	52,508		52,508	52,508	-	-	-
Front Road / King Street (Sand Bay Lane to Sir John A. Macdonald / Union Street)	19,940,000	3,988,000	15,952,000	6,907,271		370,196	1,603,801	-	5,303,470	-
Sub-Total: Services Related to Water				\$ 12,496,011	\$ -	\$ 422,738	\$ 3,870,950	\$ -	\$ 8,625,061	\$ -

Capital Projects	2019 Background Study				D.C./Impost Recoverable Cost Share				Non-D.C./Impost Recoverable Cost Share	
Services	Study Gross Cost	D.C./Impost Recoverable Cost	Non-D.C./Impost Recoverable Cost Share	Actual Gross Capital Cost to Date	D.C./Impost Reserve Fund Prior Study Carry Forward <sup>1</sup>	D.C./Impost Reserve Fund Current Year	D.C./Impost Reserve Fund Cumulative Total	D.C. Debt Financing	Municipal Funding Including Debt Financing and Post-Period Benefit	Grants, Subsidies Other Contributions
Wastewater Services										
NETS Phase 2 (Queen Mary @ Greenview to Sherwood Crescent)	2,600,000	1,040,000	1,560,000	2,927,337		7,426	1,202,883	-	1,724,454	-
Pumping Station - Days Road	18,000,000	9,000,000	9,000,000	18,598,597		317,777	9,298,018	-	9,300,579	-
Pumping Station - Portsmouth <sup>1</sup>	-	-	-	2,409,598	(879,374)		1,008,451	-	1,401,146	-
Taggart/Axion Pumping Station	2,800,000	2,800,000		2,397,565		2,242,043	2,397,565	-	-	-
Sub-Total: Services Related to Wastewater				\$ 26,333,097	\$ (879,374)	\$ 2,567,247	\$ 13,908,369	\$ -	\$ 12,424,729	\$ -
Total Amounts Transferred to Capital				\$ 261,684,966	\$ (867,139)	\$ 9,743,761	\$ 48,483,673	\$ 18,174,455	\$ 71,211,783	\$ 123,815,059
						\$ 8,876,622				

<sup>1</sup> Remaining works in-progress from prior study period. DC recoverable share held to fund these projects.

<sup>2</sup> Remaining works in-progress. Category no longer eligible for collection.

## Summary of Municipal Allocations - Development Charges Reserve Fund - 2024

<b>Municipal Allocations</b>	<b>Study Gross Cost</b>	<b>D.C. Recoverable Cost</b>	<b>D.C. Reserve Fund Current Year</b>
Equipment for 2 additional firefighters	\$ 30,000	\$ 30,000	\$ 3,247
700 Division Street (Excess Capacity)	1,035,882	1,035,882	159,011
Sub-Total Protection Services	\$ 1,445,682	\$ 1,445,682	\$ 162,258
INVISTA Centre Ice Pad (Excess Capacity)	1,242,356	1,118,120	129,767
New library materials	2,222,806	2,000,526	216,543
<b>Sub-Total Municipal Allocations</b>	<b>\$ 4,910,844</b>	<b>\$ 4,564,328</b>	<b>\$ 508,569</b>

<b>Municipal Debt Allocation</b>	<b>Debt Principal</b>	<b>Debt Interest</b>	<b>Total Debt Allocation</b>
Waaban Crossing Debt repayment - \$15M issued 2022 for 30 years at 4.2%	\$ 267,624	\$ 616,437	\$ 884,061
Highway 15 Debt repayment - \$3,174,450 issued 2022 for 25 years at 3.24%	56,637	130,456	187,094
<b>Sub-Total Municipal Debt Allocations</b>	<b>\$ 324,262</b>	<b>\$ 746,893</b>	<b>\$ 1,071,155</b>
<b>Total Municipal Allocations</b>	<b>\$ 1,579,723</b>		

## Summary of Utility Allocations - Development Charges Reserve Fund - 2024

Utility Allocations - Water Services	Post Period Benefit	Debt Principal	Debt Interest	Total Debt Allocation
Debt repayment - \$2M issued 2015 for 25 years at 3.24%; \$26.5M issued 2017 for 30 years at 3.41%	\$ -	\$ 703,626	\$ 831,489	\$ 1,535,115
Post period benefit covered by rates - Water	(115,719)	-	-	(115,719)
<b>Sub-Total Water Services</b>	<b>\$ (115,719)</b>	<b>\$ 703,626</b>	<b>\$ 831,489</b>	<b>\$ 1,419,396</b>
Utility Allocations - Wastewater Services	Post Period Benefit	Debt Principal	Debt Interest	Total Debt Allocation
Ravensview excess capacity - debt repayment \$14M issued 2010 for 30 years at 5.05%	\$ -	\$ 405,148	505,914	\$ 911,061
Cataraqui Bay - debt repayment \$51M issued 2022 for 20 years at 4.05%	-	1,765,966	1,979,088	3,745,054
Post period benefit covered by rates - Wastewater	(472,247)	-	-	(472,247)
<b>Sub-Total Wastewater Services</b>	<b>\$ (472,247)</b>	<b>\$ 2,171,114</b>	<b>\$ 2,485,002</b>	<b>\$ 4,183,868</b>
<b>Total Utility Allocations</b>				<b>\$ 5,603,264</b>