
MEMORANDUM

To: Chair and Members of the Fraser Valley Regional District Board
From: Michael B. Phelan, Manager of Finance
Date: June 14, 2011
Subject: Annual Development Cost Charge Report
File No.: 1880-20

RECOMMENDATION:

That the Board of the Fraser Valley Regional District receive for information the Annual Development Cost Charge Report in accordance with Section 937.01 of the Local Government Act.

FOR INFORMATION:

Pursuant to the Local Government Act, the Board shall receive an annual report on Development Cost Charges paid to the regional district, expenditures from the funds, balance at year end, and any waivers and reductions to the Development Cost Charge bylaws.

BACKGROUND:

Section 937.01 of the Local Government Act states the following,

Annual development cost charges report

- 937 . 01** (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 under subsections (2) and (2.1) of section 933 for which the local government imposes the development cost charge in the applicable year:
- (a) the amount of 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 at the end of the applicable year;
 - (d) any waivers and reductions under section 933.1 (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.

Note 9 of the 2010 Financial Statements reported on Development Levies and Deferred Revenue. Deferred revenue is comprised of both development cost charges and developer contributions, therefore not all items listed in this note will be reported on in this memorandum. For the Board's information, a reproduction of Note 9 is below.

**Fraser Valley Regional District
Notes to the Consolidated Financial Statements
December 31, 2010**

9. Development Levies and Deferred Revenue

Development levies represent amounts received from developers for capital infrastructure expenditures required as a result of their development projects. As these amounts are expended, the deferred revenue will be reduced and the amount expended will be recorded as revenue in the statement of financial activities. The following amounts are restricted for specified purposes:

	<u>2010</u>	<u>2009</u>
West Popkum Drainage	\$ 81,047	\$ 80,338
West Popkum Fire Hydrant	-	3,987
Bell Acres Water	16,753	16,607
Bridal Falls Water	25,841	25,614
Cheam Water	-	56,652
Dogwood Water System	38,606	38,268
Parkview Water	<u>60,877</u>	<u>30,496</u>
	<u>\$ 223,124</u>	<u>\$ 251,962</u>

The Regional District has two (2) Development Cost Charge (DCC) Bylaws that require annual reporting to the Board. These DCC Bylaws are as follows,

Bylaw 1074, 1992 Popkum West Storm Drainage

Bylaw 0797, 2007 West Popkum/Bridal Falls/Cheam Water Supply

DISCUSSION:

Attached is a schedule as required under Section 937.01 of the Local Government Act. Please note as at December 31, 2010 Bylaw 0797 was comprised of three (3) separate and distinct service areas; as such each of the service areas (West Popkum, Bridal Falls and Cheam) is reported separately.

CHIEF ADMINISTRATIVE OFFICER COMMENTS:

Reviewed and supported

GENERAL MANAGER REGIONAL AND CORPORATE SERVICES COMMENTS:

Reviewed and supported

2010 Development Cost Charge Report

In accordance with Division 10 Section 937.01 Development Cost Recovery, below is information regarding Development Cost Charges within Electoral Area D which includes the following: the amount of development cost charges received, expenditures from the development cost charge reserve funds, the balance in the development cost charge reserve funds at the beginning and at the end of the 2010, and any waivers and reductions.

	Opening Balance	Expenses	DCC's Received	Investment Income	Closing Balance
Bylaw 1074, Drainage	\$80,338	\$0	\$0	\$709	\$81,047
Bylaw 0797, Water					
Bridal Falls	\$25,614		\$0	\$227	25,841
West Popkum	\$ 0				\$0
Cheam	\$56,652	\$57,153	\$0	\$501	\$0

The 2010 expenditure of funds from the Cheam Water Development Cost Charge Reserve was to fund the Area D Integrated Water project – Phase 1.

Waivers and reductions provided under Section 937.01

There were no waivers or reductions for the 2010 fiscal year.