

Memo



Date: July 23, 2018
To: Engineering Manager, Infrastructure
From: Financial Analyst, Infrastructure
Subject: 2017 Development Cost Charges Summary

Revenues - 2017

Attached are schedules providing a detailed analysis of the Development Cost Charge Revenues for the year ended December 31, 2017, by service and land use type, along with other relevant information. Other information includes: exemptions due to provisions of the Local Government Act, amounts collected and covered by a letter of credit, credits provided for developer construction of DCC projects and Parkland.

The total Development Cost Charge levies collected by the City of Kelowna in 2017 are as follows:

	2017 DEVELOPER CONTRIBUTIONS	2016 DEVELOPER CONTRIBUTIONS	+ / (-) From 2016	No of Units - 2017	No of Units - 2016	+ / (-) From 2016	Levy/Unit
Arterial Roads	11,361,501	10,889,201	472,300	1,619	1,498	121	7,016
Water System	545,189	895,700	(350,511)	677	1,108	(432)	806
Sewer Trunks	1,644,537	1,379,020	265,517	1,501	1,384	117	1,096
Sewer Treatment	4,015,419	3,719,056	296,363	1,570	1,383	187	2,557
Parks	8,612,797	7,249,245	1,363,552	1,534	1,351	183	5,615
Total							
Revenues:	26,179,442	24,132,222	2,047,220				

In addition, interest in the amount of \$747,765 (\$382,169 in 2016) was earned on reserve balances throughout the year.

Outstanding DCC Developer Credit Balances – 2017

The total Development Cost Charge credits balances held by developers at the current and comparative year-ends are as follows:

	2017	2016	+ / (-) From 2016
DCC Developer Credits	4,905,472	5,013,545	(108,073)

Expenditures from Reserves - 2017

The total Development Cost Charge expenditures from Reserves for 2017 were as follows:

	APPROPRIATIONS	+ / (-) From 2016
Arterial Roads	3,498,482	225,126
Water System	33,107	7,018
Sewer Trunks	272,132	(179,171)
Sewer Treatment	5,204,906	(14,501)
Parks	524,852	(982,007)
Total Expenditures:	9,533,478	(943,535)

Year-End Reserve Balances - 2017

The year-end Development Cost Charge reserve balances, as a result of 2017 transactions have increased by approximately \$12 Million. The 2017 **year- end reserve balances** are as follows:

	DCC RESERVE			+ / (-) From 2016
	FUNDS	RECEIVABLE	AVAILABLE	
Arterial Roads	30,038,277	2,642,033	27,396,244	6,037,613
Water System	12,093,598	242,718	11,850,880	479,385
Sewer Trunks	3,512,434	346,906	3,165,528	1,083,444
Sewer Treatment	(13,177,312)	967,191	(14,144,503)	(2,478,838)
Parks	10,300,408	1,265,054	9,035,354	7,177,327
Totals:	42,767,404	5,463,901	37,303,502	12,298,931

- Does not include \$59,101 receivable for DCC administration.

Other Information

Year-end reserve balances are not all immediately available for the provision of new services. At the end of 2017, approximately \$5.5 Million of the reserve balance was covered by Letters of Credit which become due and payable on a staged basis, subject to provisions of the Local Government Act. The total of \$5.5 Million represents a decrease in the level of Letters of Credit of approximately \$184,000 from the 2016 level.

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cc: Divisional Director, Financial Services
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