

# Township of Drummond/North Elmsley Committee of the Whole Report



Report By           Angela Millar, Treasurer

Date                 February 25, 2025

Report Title        Report #FIN-2025-07 – Development Charges Annual Indexing

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1.   **Staff Recommendation:** Resolution         Direction         Information

**THAT** the Committee of the Whole recommends that the schedule of development charges be adjusted annually as of January 1<sup>st</sup> each year, in accordance with the most recent twelve-month change in the Statistics Canada Quarterly, Construction Price Statistics.

2.   **Purpose:**

To adjust the schedule of development charges as intended and in accordance with the 2024 Development Charges Background Study.

3.   **Background:**

The 2024 Development Charges (DC) Background Study dated September 19, 2024, as amended, was approved along with the necessary by-law to impose development charges effective December 1<sup>st</sup>, 2024, for a term of ten (10) years.

The DC Background Study stated that "*Indexing of the DCs **shall** be implemented on a mandatory basis annually on January 1<sup>st</sup>, in accordance with the Statistics Canada Quarterly, Non-Residential Building Construction Price Index, for the most recent year-over-year period.*"

However, the DC By-law No. 2024-036, states "*The Development Charges referred to in this By-law **may** be adjusted annually without amendment to this By-law, as of the First day of January in accordance with the Statistics Canada Quarterly, Construction Price Statistics, unless the Council determines to waive any part or all of such adjustment.*"

4.   **Discussion:**

It was the intent of the By-law to match the DC Background Study which provided for the adjustment to the schedule of development charges to occur annually. As the By-law includes the word "may" instead of "shall", then the Township requires a motion to clarify and implement the adjustment to be indexed annually effective January 1<sup>st</sup>.

5.   **Options:**

(Recommended) To approve that the schedule of development charges be adjusted annually as of January 1<sup>st</sup> each year, in accordance with the most recent twelve-month change in the Statistics Canada Quarterly, Construction Price Statistics

(Not Recommended) To not adjust / index the schedule of development charges annually and risk under funding future development that is attributable to growth.

**6. Financial Implications:**

Based on the most recent twelve-month change in the Statistics Canada Quarterly, Construction Price Statistics, the applicable increase would be 2.3% which would increase the current DC fee for a Single and Semi-Detached Dwelling of \$6,135 to \$6,276, being an increase of \$141.

**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**

Development Charges are a valuable revenue source to the Township to offset costs associated with capital costs required, due to growth and protect existing residents from bearing the cost of new growth. Indexing these charges annually ensures the charges are keeping pace with inflation.

**9. Attachments:**

None.

**Prepared By**  
Angela Millar, Treasurer



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**Approved By**  
Cathy Ryder, CAO



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