



Town of Newmarket
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Treasurer's Statement of Development Charges and Reserve Funds Information Report

Report Number: INFO-2026-21

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In accordance with the Procedure By-law, any member of Council may make a request to the Town Clerk that this Report be placed on an upcoming Committee of the Whole agenda for discussion.

Purpose

The purpose of this report is to provide information related to the Development Charge (DC) Reserve Fund Transactions for the year 2025.

Background

In 2019, By-laws 2019-46 and 2019-47 were enacted for town-wide development charges, and By-law 2019-48 was enacted for area-specific development charges in Newmarket. On June 6th, 2022, council approved the Town's Development Charges Amendment by-law 2022-34. A financial statement regarding development charges and related reserve funds is required every year under Section 43 of the Development Charges Act, 1997.

Discussion

The Development Charge reserve funds started the year with \$10,024,112. The Town collected \$5,868,406 in contributions, and interest expense of (\$845,468) was incurred during 2025. Total funding of capital and operating expenditures amounted to \$30,418,385, resulting in a year-end deficit balance of (\$15,371,335). Interest expense was charged as the development charge reserve is in a deficit position, reflecting that growth-related capital expenditures were incurred in advance of related development charge collections.

Majority of the capital funding was allocated to the Mulock Park capital project. All capital projects and expenditures funded by development charges are within the parameters of the 2022 Development Charges Background Study.

As part of the 2025 external audit, an adjustment was recorded in the 2025 Consolidated Financial Statements to comply with Public Sector Accounting Standards (PSAS), which required development charges to be reported as deferred revenue and would not allow disclosure of a deficit balance. Accordingly, the \$15,371,355 deficit was reclassified, and the reserve fund balance was presented as zero for financial statement purposes, while the underlying deficit continues to be tracked internally.

Appendix A: Statement of Development Charge Reserve Fund Transactions for the year 2025 provides details of projects funded.

There are legislative changes and programs that impact Development Charges.

Bill 17, the Protect Ontario by Building Faster and Smarter Act, 2025

Introduced changes where Development Charges (DCs) for residential developments are deferred to earlier of occupancy permit or first occupancy, interest free (amending Section 26.1 of Act), rather than being collected at the building permit stage. This change is expected to delay revenue collection by 2–4 years (estimated). While the funds will eventually be recovered, the delay affects municipalities' ability to finance and deliver growth-related infrastructure in the short term.

Development Charge Reduction Program (DCRP)

The program is intended to accelerate housing by reducing upfront development costs and funding supporting infrastructure. It provides up to \$8.8 billion in provincial and federal capital funding to municipalities that offer development charge reductions. Municipalities are to reduce DCs at least 30% and up to 50% or more for three years and to contribute a minimum of 10% of eligible project costs with own source funding.

A report was brought to Committee of the Whole on June 15, 2026 - [Canada-Ontario Development Charge Reduction Program \(DCRP\) 2026-41](#). Council supported staff's recommendation not to proceed with an application to the DCRP.

Newmarket's DC rates are already among one of the lowest in York Region, and through current policy and future policy review, the Town is pursuing more targeted incentives to support needed housing supply. As a largely built-out community, the Town has limited eligible infrastructure growth projects and constraining its ability to offer deeper DC reductions for significant housing impact.

Overall, the program presents limited benefits when weighed against its financial risks and alignment with the Town's long-term objectives and financial sustainability.

Consultation

No consultation was required for this report.

Conclusion

The Treasurer's Statement will be posted on the Town's website for public information. In accordance with Section 43 of the Development Charges Act, 1997, a copy will also be provided to the Minister of Municipal Affairs and Housing by July 15 following Council's receipt of the Statement.

Council Priority Association

This report aligns with the following Council Priority: Community and Economic Vibrancy

Human Resource Considerations

Not applicable to this report.

Budget Impact

Development charges are based on anticipated growth-related capital programs over a 10-year period. In 2025, cash flow from development charges and interest earnings was significantly affected by changes to the Development Charges Act and construction market conditions.

Future forecast analysis is currently being done to project the long-term impact of the DC reserve deficit and cash flow in coming years.

While the Town has continued to invest in growth infrastructure in recent years, reduced DC revenues have contributed to a decline in the DC reserve. Lower development activity, elevated interest rates, rising construction costs, and softened market demand are contributing to the decline in DC revenues. Mitigating measures are being explored, including but not limited to potential external financing options and/or deferral of capital projects until development activity improves. In addition, work is underway to update the fiscal strategy.

Attachments

Appendix A: Statement of Development Charge Reserve Fund Transactions.

Approval for Distribution

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Director, Financial Services/Treasurer

Esther Armchuk, LL.B
Commissioner, Corporate Services

Report Contact

For more information on this report, contact info@newmarket.ca.

TOWN OF NEWMARKET
Statement of Development Charge Reserve Funds Transactions
For the Year Ended December 31, 2025

Appendix A

Development charges are levies against new developments. These charges aim to fund growth-related capital facilities and infrastructure. Development charges help protect existing taxpayers by having growth pay for growth.

Area	Balance January 1, 2025	Collections Contribution/(Refund)	Interest Revenue/(Expense)	(Expenditures)	Balance December 31, 2025
1. General Government	\$ (41,180)	\$ 68,467	\$ (6,206)	(119,895)	\$ (98,814)
2. Library	4,627,750	209,333	338,632	-	5,175,715
3. Fire	(6,909,584)	213,606	(474,044)	-	(7,170,022)
4. Parks & Recreation	(19,958,827)	2,874,203	(3,058,517)	(27,534,518)	(47,677,659)
5. Waste Diversion	244,875	42,387	19,859	-	307,121
6. Yards & Fleet	(243,987)	6,657	(17,480)	(12,036)	(266,846)
7. Engineering Services	29,781,754	2,447,096	2,183,419	(1,006,635)	33,405,634
8. Municipal Parking	2,523,311	6,657	168,869	(1,745,300)	953,537
Total	\$ 10,024,112	\$ 5,868,406	\$ (845,468)	\$ (30,418,385)	\$ (15,371,335)

The Expenditures by area were funded as follows:

Area/Expenditure	Development Charges Background Study Link	Development Charges	Other Sources of Funding	Total Project Actual
1. General Government <i>The General Government reserve fund includes services for Growth Studies, Official Plan Review & Update</i> 6821001	1.1.5	119,895		119,895
2. Library <i>The Library fund account includes services for Library Buildings, Library Land, Library Materials and Library Furniture and Fixtures.</i>				
3. Fire <i>The Fire reserve account includes services for Fire Buildings, Land for Fire, Fire Vehicles, and Firefighter Equipment.</i>				
4. Parks and Recreation <i>The Parks and Recreation reserve fund includes services for Major Facilities, Land for Major Facilities, and Recreation Facilities Equipment. It also includes services for Parkland Development, Park Trails, Playfields and Play Equipment and Parks Maintenance Equipment.</i>				
Mulock Park Design and Construction 1021003	3.1.1- 3.1.5	20,246,610	6,490,000	26,736,610
Mulock Drive Multi-Use Path 3221001	8.4.1	261,469	1,335,449	1,596,918
Tennis club demo/new parking 3223008	6.1.1	800,000	917,069	1,717,069
Outdoor Rink 5221002	3.2.1	1,900		1,900
North West Quadrant Trails 5222002	3.7.5	531,258		531,258
Parkette & Sports Pad 5222003	3.6	654,951		654,951
WilliamDunn Parkette and Trail 5225009	3.7.5	51,950		51,950
Dorothy Fraser Park Design & Construction 5224002	3.6	(83,889)		(83,889)
Hasket Breathing Space & Trail 5225010	3.7.1	2,897,231		2,897,231
Shining Hill Tennis 5224004		1,288,909		1,288,909
Operations Centre Requirements 5324001	5.1.1	3,150		3,150
Glenway Park Development 5217034	3.4.4	89,883		89,883
Magna Centre Debenture Phase II 57972	3.4.4	786,087		786,087
Town Light Standard & Strategy 5222004		5,008		5,008
6. Yards & Fleet <i>The Yards and Fleet reserve fund includes Buildings, Land, and Operations Fleet and Maintenance Equipment.</i>				
MainSt. Walkway Revitalization 3223006		12,036	27,500	39,536
7. Town-Wide Engineering <i>The Town-Wide Engineering reserve fund includes services for Roads, Signalization, Sidewalks, Sanitary Sewers and Storm Water Management.</i>				
Stormwater Engineering 45005	8.5.1	120,000		120,000
Stackhouse Stormwater Mgmt 4023001	8.5.2	49,832		49,832
Water & Wastewater Master Plan 4422002	8.8.5	11,747		11,747
Bathurst-Davis Multi-Use Pathway & Davis 3224002	8.4.2	546,029		546,029
Harry Walker Pkwy & Stackhouse Signal 3225005	8.3.1	4,170		4,170
2 Pick-up Truck Replacements 3224004	3.8.7	166,725		166,725
Watermain and Sanitary Service 4225002	8.7.1/8.7.2	76,133		76,133
Sports Field Lighting Study 5223002		25,910		25,910
Traffic Signal-McCaffrey & Eagle 3224001	8.3.1	6,090		6,090
8. Parking <i>The Parking reserve fund includes municipal parking facilities.</i>				
Mulock Park Parking Lot 1022001 <i>Walker Farm and Goldstein/Trinson Development Areas.</i>	3.1.5	1,745,300	(715,581)	1,029,719
Total		\$ 30,418,385	\$ 8,054,436	\$ 38,472,821