Municipality of Chatham-Kent

Finance, Budget, Information Technology & Transformation

Financial Services

Information Report

To: Mayor and Members of Council

From: Matt Torrance, MBA, CPA, CGA
Director, Financial Services

Date: September 14, 2026

Subject: Development Charges – 2025 Treasurer's Statement

This report is for the information of Council.

Background

In accordance with the Development Charges Act (DCA), the Municipality of Chatham-Kent collects a development charge (DC) to recover growth-related capital expenses. Development charges are fees levied by municipalities on developers and property owners undertaking new development, redevelopment, or building expansions. These charges help cover the increased capital costs associated with growth by funding the infrastructure and services required to support new communities. Development charge revenues contribute to growth-related investments in essential municipal services, including roads, water and wastewater systems, transit, police, and fire protection.

Development charges for Water and Wastewater have been in effect in Chatham-Kent since 2004. Current DC rates are based on a Water and Wastewater rate study last updated in 2024. Development charges for other municipal services including Services Related to a Highway, Fire Protection Services, Policing Services, Parks and Recreation Services, Library Services, Ambulance Services, Waste Diversion Services and Growth Studies were first implemented in 2022 and are based on a 2022 DC rate study. An update to the rate study for these services is currently underway and will be brought to Council for approval in 2027.

A financial statement regarding development charges and related reserve funds is required every year under section 43 of the Development Charges Act, 1997.

Comments

Appendix A provides a summary of the development charges by service category collected in 2025, along with interest earned, use of funds, and a December 31, 2025 closing balance.

A summary of the development charges activities and related reserve funds is summarized below:

January 1, 2025 – opening balance	$3,350,290
Development Charges collected	$3,480,619
Interest Earned	$189,221
Deferred DC Installments	$354,705
Deferred Installment Interest	$2,370
Investments in Capital / Operation	$0
December 31, 2025 – closing balance	$7,377,205

Funds remaining in the Development Charge Reserve are committed to projects as identified in the 2022 and 2024 Development Charge background studies. A list of projects approved in the 2022 and 2024 background studies is included in Appendix B. To date, no Development Charge Reserve funds have been allocated to these projects, however, Council has recently approved the following projects that utilize Development Charge revenues as a source of funding in 2026 and 2027:

- Park Ave East Traffic Signal Improvement $ 792,000
- Indian Creek Rd- Keil to Bloomfield 1,200,000
- Library Expansion – CK Community Hub 1,750,000

As part of this report, the Treasurer further notes that the Municipality of Chatham-Kent is also in compliance with subsection 59.1(1) of the DCA as outlined below:

59.1 (1) 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 this Act or another Act. 2015, c.26, s.8.

Council Term Priorities

This report supports the following Council Term Priorities:

Deliver Excellent Service	Promote Safety & Well-Being	Grow Our Community	Ensure Environmental Sustainability
5c		2a,b	

Consultation

Corporate Accounting provided an analysis and summary of development charge activity in 2025.

Communication

Communication is proposed to be through the inclusion of this report on the Council agenda and minutes.

Diversity, Equity, Inclusion and Justice (DEIJ)

This report does not have implications related to diversity, equity, inclusion or justice.

Financial Implications

This report provides a summary of the collection and use of Development Charges in 2025.

Prepared by: Matt Torrance, MBA, CPA, CGA, Director, Financial Services

Reviewed by: Gord Quinton, MBA, CPA, CGA, Chief Financial Officer, Treasurer

Attachments: Appendix A-Summary of development charges collected by service category
Appendix B-Projects approved in the 2022 and 2024 background studies