



Staff Report

Finance and IT Services

Report To: Committee of The Whole
Meeting Date: May 14, 2018
Report Number: FAF.18.48
Subject: 2017 Treasurer's Statement
Prepared by: Sam Dinsmore, Deputy Treasurer/Manager of Accounting and Budgets

A. Recommendations

THAT Council receive Staff Report FAF.18.48, entitled "2017 Treasurer's Statement"; and

THAT Council approve the 2017 Treasurer's Statement and post it on the Town's website and make it available to the Minister of Municipal Affairs upon request.

B. Overview

This report presents the 2017 Treasurer's Statement as per the *Development Charges Act, 1997*.

C. Background

Section 43 of the *Development Charges Act, 1997* requires the Treasurer of a municipality each year to give Council a financial statement relating to the Development Charges By-law and reserve funds established under section 33, being separate reserve funds for each service to which the Development Charges relate.

D. Analysis

The Town saw growth again in 2017 which resulted in the collections of \$5,541,670 in Development Charges (DC) for the year. In 2017 \$962,000 was used to fund various capital and operating projects as well as \$500,000 in long-term debt payments. Included in the 2018 capital budget forecast is \$4.45 million to be spent over the next three years from the DC Reserve Funds.

Compared to just four years ago when the Town ended 2013 with less than \$100,000 in all of the DC Reserve Funds, the Town is in a much better position to take on these larger capital projects as well as the continued ability to fund the debt requirements.

E. The Blue Mountains' Strategic Plan

Goal #4: Promote a Culture of Organizational and Operational Excellence
Objective #4: To Be a Financially Responsible Organization

F. Environmental Impacts

None.

G. Financial Impact

Strong Development Charge collections and healthy balances allow the Town to continue the capital requirements necessary to keep up with the growing infrastructure needs. With some significant projects in the short-term, specifically in Water and Wastewater, the Town is better suited to meet those needs and fund those projects.

As the Town continues the legislated update for the Development Charges Background Study and By-law, the balances of the Reserve Fund will be factored into the calculation for the updated charges. This means that any positive balances will lower the charge and any negative balances will increase the charge.

H. In consultation with

Ruth Prince, Director of Finance and IT Services
Vicky Bouwman, Financial Analyst

I. Attached

1. 2017 Treasurer's Statement including Schedules

Respectfully Submitted,

Sam Dinsmore
Deputy Treasurer/Manager of Accounting and Budgets

Ruth Prince
Director of Finance and IT Services

For more information, please contact:
Sam Dinsmore
finance@thebluemountains.ca
519-599-3131 extension 274



Treasurer's Statement, 2017

Financial Statement Relating to Development Charges By-laws and Reserve Funds

Report No.: **FAF.18.48**
May 14, 2018
Prepared by S. Dinsmore

Governing Act: Section 43 of the *Development Charges Act, 1997*
Paragraphs 12 and 13 of Ontario Regulation 82/98

Governing By-law: Development Charges By-law No. 2014-51

Background:

Section 43 of the *Development Charges Act, 1997* (herein after referred to as "Act") requires the Treasurer of a municipality each year to give the Council a financial statement relating to Development Charge By-laws and reserve funds established under Section 33, being the separate reserve funds for each service to which the development charge relates. It is required that the statement must be made available to the public and a copy can be requested by the Minister of Municipal Affairs and Housing.

Reserve funds established under the old Act for eligible services under the new Act are deemed to be reserve funds under the new Act, that is, they continue to be considered as development charges reserve funds. These reserve funds were consolidated with reserve funds under the new Act between 2000 and 2003. Reserve funds established under the old Act for ineligible services under the new Act are deemed to be general capital reserve funds. Both types of reserve funds were previously included in the Treasurer's Statement in order to provide for a transition from the old Act to the new Act. In addition, the Recreational Land Reserve Fund under the *Planning Act*, being a legislative reserve fund, has been included in the Treasurer's Statement.

Information:

This report forms a part of the statement providing required information as outlined in Ontario Regulation 82/98.

The opening and closing balances of the reserve funds and the transactions relating to the funds are provided on the attached schedule. The total opening balance of the development charges reserve funds at the beginning of 2017 was \$4,812,083. Development charges collected

in 2017 amounted to \$5,541,670. Interest earned by the development charges reserve funds in 2017 amounted to \$78,548.

The projects financed, in whole or in part, by development charges are also provided on the attached schedule. Development charges represented \$962,135 in financing for the projects. The total closing balance of the development charges reserve funds at the ending of 2017 was \$9,470,166. The attached schedule forms a part of the statement providing required information as outlined in Ontario Regulation 82/98.

The specific detailed requirements of the Regulation are addressed under the following headings:

1. Description of Services and Categories of Services

By-law No. 2014-51

Town of The Blue Mountains Discounted Services

General Government

Various studies, including the development charges background study.

Public Works

Roads and public works services including land, buildings, furniture, equipment, and fleet.

Parks and Recreation

Parks and recreation services including trail and park development and indoor and outdoor recreational facilities, furniture, equipment, and vehicles.

Library

Library services, including land, buildings, furniture, equipment, and materials acquired for circulation, reference and information purposes.

Town of The Blue Mountains Non-Discounted Services

Fire

Fire protection, rescue, and emergency services including land, buildings, furniture, equipment, and vehicles.

Police

Police services including land, buildings, furniture, equipment, and community policing space.

Roads and Related

Roads (highways) services including collector roads, bridges, culverts, sidewalks, streetlights, traffic signals, structures, and storm water drainage control services associated with roads.

Sanitary Sewage System

Wastewater services, including collection and treatment services for specific service areas.

Waterworks System

Water supply services, including distribution and treatment services for specific service areas.

Camperdown Service Area Non-Discounted Services

Sanitary Sewage System Camperdown

Wastewater services, including collection and treatment services for the Camperdown Service Area excluding sewage treatment plant.

Waterworks System Camperdown

Water supply services, including distribution and treatment services for the Camperdown Service Area excluding water treatment plant.

Lora Bay Service Area Non-Discounted Services

Sanitary Sewage System Lora Bay

Wastewater services, including collection and treatment services for the Lora Bay Service Area excluding sewage treatment plant.

Waterworks System Lora Bay

Water supply services, including distribution and treatment services for the Lora Bay Service Area excluding water treatment plant.

2. Credits

Section 38(1) of the Act provides that “If a municipality agrees to allow a person to perform work that relates to a service to which a development charge by-law relates, the municipality shall give the person a credit towards the development charge in accordance with the agreement.”

There was \$129,971 in credits outstanding at the beginning of the year: \$129,971 for roads and related services, \$0 for water supply services, and \$0 for sanitary sewer services.

\$0 in credits and \$0 in prepayments were granted in the year for roads and related services, water supply services, and sanitary sewer services under agreements with developers. \$0 in credits and \$109,018 in prepayments were used in the year. There were \$129,971 in credits for roads and related services and \$16,462,017 in prepayments for roads and related services, waterworks systems, and sanitary sewage systems outstanding at the end of the year. The credits and prepayments are detailed on the attached schedule.

3. Money Borrowed

Money was borrowed from consolidated reserve funds, all being legislative and discretionary reserve funds, by the municipality during the year to provide short term financing for operations and capital projects. The amounts borrowed were dependent upon the cash flow of the Revenue Fund and Capital Fund during the year. With respect to the consolidated reserve

funds, a net amount of (\$15,663,289) was due from the Revenue Fund and a net amount of \$3,496,953 was due to the Capital Fund at the end of the year.

4. Interest Accrued

Interest was accrued on money borrowed from the consolidated reserve funds by the municipality during the year. Reserve funds are consolidated with interest allocated based on respective balances. The amount of interest accrued is based on the amounts due to and from the funds and prevailing interest rates.

5. Source of Repayment

Taxation, user rates, reserves, reserve funds, and other sources were used by the municipality to repay money borrowed from the consolidated reserve funds or interest on such money. The amounts of repayments were dependent upon the cash flow of the Revenue Fund and Capital Fund during the year.

6. Credits

There were no credits recognized under Section 14 of the old Act. No applications for the recognition of credits under the old Act were received.

Respectfully submitted by,

Sam Dinsmore
Deputy Treasurer/Manager of Accounting and Budgets

Ruth Prince
Director of Finance and IT Services/Treasurer

Town of The Blue Mountains

Financial Statement relating to Development Charge By-laws and Reserve Funds

Prepared Pursuant to Section 43 of the Development Charges Act, 1997 and Ontario regulation 82/98

Section 24 of By-law Number 2014-51

For the year ending December 31, 2017

Reserve Fund Description and Categories of Services	Opening Balance (\$)	Revenue New Development Charges	Revenue Interest - Other	Revenue Sub-total	Expenditures Capital Fund	Expenditures Revenue Fund	Expenditures Sub-total	Closing Balance (\$)
Non-Discounted Services								
Fire	\$ (142,004)	\$ 459,243	\$ 271	\$ 459,514	\$ 40,593	\$ -	\$ 40,593	\$ 276,917
Police	\$ (59,844)	\$ 82,691	\$ (476)	\$ 82,215	\$ -	\$ 37,328	\$ 37,328	\$ (14,957)
Roads and Related	\$ 198,570	\$ 1,986,766	\$ 8,743	\$ 1,995,509	\$ 114,472	\$ 305,313	\$ 419,785	\$ 1,774,294
Sanitary Sewage System	\$ 1,854,085	\$ 744,241	\$ 25,625	\$ 769,867	\$ -	\$ 91,339	\$ 91,339	\$ 2,532,613
Waterworks System	\$ 3,307,840	\$ 448,392	\$ 42,850	\$ 491,242	\$ -	\$ 356,669	\$ 356,669	\$ 3,442,413
Public Works	\$ 465,957	\$ 227,565	\$ 6,832	\$ 234,398	\$ -	\$ -	\$ -	\$ 700,355
Discounted Services								
General Government	\$ (577,156)	\$ 296,279	\$ (5,939)	\$ 290,340	\$ 1,594	\$ 1,376	\$ 2,971	\$ (289,787)
Parks and Recreation	\$ 192,762	\$ 628,381	\$ 5,123	\$ 633,504	\$ 13,451	\$ -	\$ 13,451	\$ 812,815
Library	\$ 605,656	\$ 318,192	\$ 9,222	\$ 327,414	\$ -	\$ -	\$ -	\$ 933,070
Sub-total	\$ 5,845,866	\$ 5,191,751	\$ 92,251	\$ 5,284,002	\$ 170,110	\$ 792,025	\$ 962,135	\$ 10,167,732
Camperdown Service Area non-Discounted Services								
Sanitary Sewage System	\$ 57,804	\$ -	\$ 1,002	\$ 1,002	\$ -	\$ -	\$ -	\$ 58,806
Waterworks System	\$ (32,931)	\$ -	\$ (323)	\$ (323)	\$ -	\$ -	\$ -	\$ (33,254)
Sub-total	\$ 24,873	\$ -	\$ 680	\$ 680	\$ -	\$ -	\$ -	\$ 25,553
Lora Bay Service Area Non-Discounted Services								
Sanitary Sewage System	\$ (1,269,596)	\$ 292,985	\$ (16,739)	\$ 276,246	\$ -	\$ -	\$ -	\$ (993,350)
Waterworks System	\$ 210,940	\$ 56,935	\$ 2,356	\$ 59,291	\$ -	\$ -	\$ -	\$ 270,231
Sub-total	\$ (1,058,656)	\$ 349,920	\$ (14,382)	\$ 335,538	\$ -	\$ -	\$ -	\$ (723,118)
Total Development Charges	\$ 4,812,083	\$ 5,541,671	\$ 78,548	\$ 5,620,219	\$ 170,110	\$ 792,025	\$ 962,135	\$ 9,470,168
Planning Act								
Recreational Land (Parkland)	\$ 1,215,344	\$ 44,416	\$ 14,012	\$ 58,428	\$ 253,746	\$ -	\$ 253,746	\$ 1,020,027
Total Deferred Revenue	\$ 6,027,427	\$ 5,586,087	\$ 92,561	\$ 5,678,647	\$ 423,856	\$ 792,025	\$ 1,215,881	\$ 10,490,194

Town of The Blue Mountains

Projects Financed, in whole or in part, by Development Charges

Prepared Pursuant to Section 43 of the Development Charges Act, 1997 and Ontario regulation 82/98

Section 24 of By-law Number 2014-51

For the year ending December 31, 2017

Projects	Development Charges	Parkland Reserve Fund	Other Reserve Funds	Reserves	Proceeds of Long Term Debt	Revenue Fund (Taxation)	Developer Contributions	User Rates	Other Contributions	Total Amount Financed
Non-Discounted Services										
Hwy 26 and Grey Road 2 EA	\$ 1,722	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,031	\$ 5,753
Fire-Vehicle Acquisition-Growth	\$ 40,593	\$ -	\$ -	\$ -	\$ -	\$ 45,775	\$ -	\$ -	\$ -	\$ 86,368
Reservoir Loan Payment	\$ 209,012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 209,012
OPP Station Loan Payment	\$ 37,328	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,328
Mill Street	\$ 66,219	\$ -	\$ -	\$ (51,557)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,661
Water Distribution Plan	\$ 54,918	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,918
Wastewater Collection Model	\$ 63,219	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,219
Thornbury Wastewater Treatment Plant EA Amendment	\$ 28,120	\$ -	\$ -	\$ 18,822	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,942
Streetscape & Engineering	\$ 12,290	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,290
Hidden Lake EA	\$ 48,253	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,253
Lora Bay Corporation Repayment	\$ 92,739	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,739
Sobeys Repayment	\$ 291,301	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 291,301
Discounted Services										
Zoning By-Law	\$ 905	\$ -	\$ -	\$ 1,107	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,012
Active Transportation Plan	\$ 471	\$ -	\$ -	\$ 576	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,047
Trail Counters	\$ 1,594	\$ -	\$ -	\$ 1,948	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,542
Northwinds Beach Crossing	\$ 12,641	\$ -	\$ 54	\$ 1,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,045
Lora Bay Park Improvement	\$ 810	\$ -	\$ -	\$ 90	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 900
Camperdown Service Area Non-Discounted Services										
Sewer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lora Bay Service Area Non-Discounted Services										
Sewer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Development Charges	\$ 962,135	\$ -	\$ 54	\$ (27,664)	\$ -	\$ 45,775	\$ -	\$ -	\$ 4,031	\$ 984,332
Planning Act										
Recreational Land										
see above	\$ -	\$ 253,746	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 253,746
Total	\$ 962,135	\$ 253,746	\$ 54	\$ (27,664)	\$ -	\$ 45,775	\$ -	\$ -	\$ 4,031	\$ 1,238,078

Notes:

Reserve funds are consolidated with interest allocated based on respective balances, including interest borrowed from the funds by the municipality.

Town of The Blue Mountains

Credits Outstanding under Section 38 of the Development Charges Act, 1997

Prepared Pursuant to Section 43 of the Development Charges Act, 1997 and Ontario regulation 82/98

Section 24 of By-law Number 2014-51
For the year ending December 31, 2017

Reserve Fund Description and Categories of Services	Opening Balance (\$)	Credits Granted	Credits Transferred	Credits Used	Closing Balance (\$)
Roads and Related	\$ 129,971	\$ -	\$ -	\$ -	\$ 129,971
Sanitary Sewage System	\$ -	\$ -	\$ -	\$ -	\$ -
Waterworks System	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 129,971	\$ -	\$ -	\$ -	\$ 129,971

Individual Credit Holders	Opening Balance (\$)	Credits Granted	Credits Transferred	Credits Used	Closing Balance (\$)
1562220 Ontario Limited	\$ 19,476	\$ -	\$ -	\$ -	\$ 19,476
Siljon Investments Inc. (Farhills)	\$ 110,495	\$ -	\$ -	\$ -	\$ 110,495
Total	\$ 129,971	\$ -	\$ -	\$ -	\$ 129,971

Town of The Blue Mountains**Prepayments Outstanding under Section 27 of the Development Charges Act, 1997**

Prepared Pursuant to Section 43 of the Development Charges Act, 1997 and Ontario regulation 82/98

Supplementary Information
For the year ending December 31, 2017

Reserve Fund Description and Categories of Services	Opening Balance (\$)	Prepayments Earned	Prepayments Transferred	Prepayments Used/Recovered	Closing Balance (\$)
Roads and Related	\$ 2,102,018	\$ -	\$ -	\$ -	\$ 2,102,018
Sanitary Sewage System	\$ 175,000	\$ -	\$ -	\$ -	\$ 175,000
Sanitary Sewage System Osler	\$ 105,047	\$ -	\$ -	\$ -	\$ 105,047
Sanitary Sewage System Castle Glen	\$ 584,640	\$ -	\$ -	\$ -	\$ 584,640
Sanitary Sewage System Craigleith	\$ 835,672	\$ -	\$ -	\$ 109,018	\$ 726,654
Waterworks System	\$ -	\$ -	\$ -	\$ -	\$ -
Sanitary Sewage System Camperdown	\$ 7,289,518	\$ -	\$ -	\$ -	\$ 7,289,518
Waterworks System Camperdown	\$ 2,856,166	\$ -	\$ -	\$ -	\$ 2,856,166
Sanitary Sewage System Lora Bay	\$ 1,447,937	\$ -	\$ -	\$ -	\$ 1,447,937
Waterworks System Lora Bay	\$ 1,175,037	\$ -	\$ -	\$ -	\$ 1,175,037
Total	\$ 16,571,035	\$ -	\$ -	\$ 109,018	\$ 16,462,017

Town of The Blue Mountains

Prepayments Outstanding under Section 27 of the Development Charges Act, 1997

Prepared Pursuant to Section 43 of the Development Charges Act, 1997 and Ontario regulation 82/98

Supplementary Information
For the year ending December 31, 2017

Individual Prepayment Holders	Opening Balance (\$)	Prepayments Earned	Prepayments Transferred	Prepayments Used/ Recovered	Closing Balance (\$)
Alliance Peaks Meadows Inc.	\$ 1,278,649	\$ -	\$ -	\$ -	\$ 1,278,649
The Neighbourhoods at Delphi Point Inc* (Phoebus)	\$ 1,591,061	\$ -	\$ -	\$ -	\$ 1,591,061
The Neighbourhoods at Delphi Point Inc* (Delphi)	\$ 1,831,759	\$ -	\$ -	\$ -	\$ 1,831,759
Georgian Bay Golf Club Ltd & Georgian Bay Estates Ltd*	\$ 3,751,601	\$ -	\$ -	\$ -	\$ 3,751,601
P B Holdings Limited*	\$ 996,243	\$ -	\$ -	\$ -	\$ 996,243
Sorichetti Development Group Inc*	\$ 1,288,331	\$ -	\$ -	\$ -	\$ 1,288,331
William Allan Holdings Limited*	\$ 1,237,916	\$ -	\$ -	\$ -	\$ 1,237,916
The Lora Bay Corporation	\$ 2,895,116	\$ -	\$ -	\$ -	\$ 2,895,116
Castle Glen Development Corp	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
Langwest Developments Limited	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000
Tyrolean Village Resorts Limited	\$ 25,000	\$ -	\$ -	\$ 25,000	\$ -
Georgian Sands Development Corporation	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000
Craighleith Development Corporation	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000
Tabera Limited	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000
Georgian International	\$ 1,525,359	\$ -	\$ -	\$ 84,018	\$ 1,441,341
Total	\$ 16,571,035	\$ -	\$ -	\$ 109,018	\$ 16,162,017

Notes:

- "Credits Granted" and "Prepayments Earned" in the year are included in "New Dev Charges" Revenues.
- *potential Credits held for Camperdown Road were recognized as prepayments of development charges in the year
- Credits and Prepayments held by the Camperdown developers are pursuant to the Camperdown Servicing Agreement, dated May 2, 2005, as amended, and subject to the terms and conditions of that agreement.
- Credits and Prepayments held by The Lora Bay Corporation are pursuant to a cost sharing agreement, subdivision agreements, and pending servicing agreement and subject to the terms and conditions of those agreements.
- Credits held by 1562220 Ontario Limited are pursuant to a subdivision agreement and subject to the terms and conditions of that agreement.