

**THE CORPORATION OF THE TOWNSHIP OF LAKE OF BAYS  
REPORT**

**TO:** Mayor Glover and Members of Council  
**FROM:** Tom Gefucia - Treasurer  
**DATE:** October 20, 2020  
**RE:** Asset Management Plan (AMP) Update

**REPORT HIGHLIGHTS:**

- Report shows a cash flow surplus
- Borrowing has decreased since previous plan update

**RECOMMENDATION:**

**BE IT RESOLVED** that the Council of the Corporation of the Township of Lake of Bays receives the staff report “Asset Management Plan (AMP) Update”, dated October 20, 2020 and direct staff to post on the township website.

**ORIGIN:**

Current AMPs are a requirement of government funding including the use of Federal Gas Tax Funds. These plans are to be posted on the municipal website so that the link may be provided to various government agencies, as well as viewed by taxpayers.

**ANALYSIS:**

The initial AMP was presented to the Council of the Corporation of the Township of Lake of Bays January 21, 2014 by BDO Canada LLP. BDO was the consultant retained to assist with creating an AMP, utilizing provincial funding. In the initial AMP a pessimistic view of revenues was taken, particularly in the areas of property tax growth and government funding. The spending was based on 2013 budgets for operations and capital and was based on a lower level of spending than has turned out to be the case and only included minor refurbishment of facilities.

Given these factors the 10 year plan showed borrowing of \$ 10 million, above equipment financing, and showed a net cash flow deficit of \$2.7 million dollars.

The current update considers a less pessimistic forecast of revenue and an increased forecast of expenditures. The major assumptions included are detailed below:

## **REVENUE**

- Property taxes are based on an average annual 3.5% increase with the current \$150,000 levy for funding future projects ending in 2024.
- Debt funding uses the current philosophy of equipment financing as well as other debt financing as required by cash flow. This non equipment financing totals \$4.25 million over the 10 year period.
- User fees and service charges show modest growth over 10 year period.
- Development charges are utilized based on the expired 2015 by-law background study.
- Grants are assumed to reduce by \$75,000 per year in case the Ontario Municipal Partnership Fund is reduce as has been rumoured. The Fed Nor Economic Development Grant ends in 2020. This revenue stream is completely outside of the municipality's control.

## **EXPENDITURES**

- Operational expenses assume no significant variation from current service levels.
- Roads and bridges/culverts are based on the corresponding 2019 and 2018 studies.
- Facilities are based on the current 2020 10 year capital plan as well as assumptions from the Capital Asset Review from 2013 in the amount of \$745,000; these are included in later years of the plan. It includes amounts for the Dwight library expansion but these numbers could be lower than required as updated costs will not be available until tender documents are issued for the projects and grant funding finalized.

Based on the above assumptions the result is much more favourable. Assuming cash flow borrowing of \$4.25 million over the 10 year period the municipality would show a net cash flow surplus of \$43,159.

## **FINANCIAL IMPLICATIONS:**

For information and planning only.

## **ALTERNATIVES:**

- Accept the AMP as presented.
- Request changes and have the AMP presented with changes at a later date.

## **LINKAGE TO THE COMMUNITY-BASED STRATEGIC PLAN:**

This report represents the following strategic priorities:

- Engage and communicate openly with the community;
- Develop a sustainable local economy that supports our Vision;
- Ensure sound, innovative, transparent financial planning;
- Work in collaborative partnerships;

Prepared by,

Reviewed by,

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Tom Gefucia  
Director of Finance/Treasurer

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Michelle Norman  
Chief Administrative Officer

## **REFERENCES:**

**ASSET MANAGEMENT PLAN JANUARY 21. 2014**

**CAPITAL ASSET REVIEW AUGUST 2013**

**TOWNSHIP OF LAKE OF BAYS 2020 OPERATIONS AND CAPITAL BUDGET**

**2019 ROAD NEEDS STUDY (D.M.WILLS ASSOCIATES LTD. )**

**2018 MUNICIPAL STRUCTURE INVENTORY AND INSPECTION (D.M. WILLS ASSOCIATES LTD.)**

**THE CORPORATION OF THE TOWNSHIP OF LAKE OF BAYS CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019**