

A SPECIAL MEETING OF THE
COUNCIL OF THE TOWN OF LADYSMITH
AGENDA
6:30 P.M.

Monday, November 25, 2019
Council Chambers, City Hall

Pages

1. CALL TO ORDER

Call to Order at 4:30 p.m. in Open Session, in order to retire immediately into Closed Session.

Members of the public are welcome to attend all Open Meetings of Council, but may not attend Closed Meetings.

2. CLOSED SESSION

In accordance with section 90 of the Community Charter, this section of the meeting will be held *In Camera* to consider the following matters, for the reasons as noted:

- Strategic Planning - section 90(1)(i)
- Labour Relations - section 90(1)(c)

Recommendation

That, in accordance with section 90(1) of the *Community Charter*, Council retire into closed session in order to consider items related to the following:

- Strategic Planning - section 90(1)(i)
- Labour Relations - section 90(1)(c)

3. SPECIAL MEETING (6:30 P.M.)

4. AGENDA APPROVAL

Recommendation

That Council approve the agenda for this Special Meeting of Council for November 25, 2019.

5. RISE AND REPORT- Items from Closed Session

6. MINUTES

6.1 Minutes of the Regular Meeting of Council held November 18, 2019

5

Recommendation

That Council approve the minutes of the Regular Meeting of Council held November 18, 2019.

7. 2020 BUDGET WORKSHOP: FINALIZE WATER AND SEWER UTILITY AND INTRODUCE CAPITAL BUDGET

7.1 Presentation and Council Discussion

7.2 Public Input and Questions

7.3 Water and Sewer Budget

10

Recommendation

That Council:

1. Approve the Water and Sewer Capital Projects for 2020 as presented;
2. Direct staff to prepare an amendment to the Water Rates Bylaw 1999, No.1298 to increase the base rate by \$10.00 plus a 10% increase to each consumption step rate, effective January 1, 2020; and
3. Direct staff to prepare an amendment to Sewer Rates Bylaw 1999, No. 1299 to increase each rate classification by 5%, effective January 1, 2020.

8. REPORTS

8.1 Purchase of Frank Jameson Community Centre Swimming Pool Starter Blocks

27

Recommendation

That Council:

1. Direct staff to allocate \$9,226.00 in funds remaining from the High Street Concession Roof Replacement project to purchase two swimming starter blocks; and
2. Amend the 2019-2023 financial plan accordingly.

8.2 Investing in Canada Infrastructure Grant – Water Projects

31

Recommendation

That Council:

1. Direct staff to submit an application for the grant funding application for the Water Supply Infrastructure Projects through the *ICIP – Green Infrastructure: Environmental Quality Sub-stream*, and
2. Support the project and commit to its share (\$6,200,000) of the project.

8.3 Stocking Lake Emergency Bypass

34

Recommendation

That Council:

1. Allocate up to \$200,000 from water reserves to fund installation of an emergency bypass system around a blockage in the water main below the Stocking Lake Dam;
2. Direct staff to adjust the 2019 to 2023 Financial Plan accordingly;
3. Direct staff to retain the services of Koers & Associates Engineering Ltd for engineering services associated with this project; and
4. Direct staff to waive the purchasing policy and direct award construction of all works associated with this valve failure to David Stalker Excavating Ltd.

8.4 Town of Ladysmith 2018 Annual Report

37

Publication of the Annual Report for 2018 was delayed pending adoption of the Strategic Plan, as the Annual Report is required to contain goals and objectives for the coming years in addition to a report on activities for the year 2018. Council's new Strategic Priorities are reflected in this document.

Recommendation

That Council adopt the Town of Ladysmith 2018 Annual Report.

9. GEOGRAPHIC INFORMATION SYSTEM DEMONSTRATION

10. NEW BUSINESS

11. UNFINISHED BUSINESS

12. ADJOURNMENT



MINUTES OF A REGULAR MEETING OF COUNCIL

Monday, November 18, 2019

7:00 P.M.

Council Chambers, City Hall

Council Members Present:

Mayor Aaron Stone
Councillor Duck Paterson
Councillor Amanda Jacobson
Councillor Rob Johnson

Councillor Tricia McKay
Councillor Marsh Stevens (via telephone)
Councillor Jeff Virtanen

Staff Present:

Guillermo Ferrero
Erin Anderson
Jake Belobaba
Geoff Goodall

Clayton Postings
Joanna Winter
Sue Bouma
Mike Gregory

1. CALL TO ORDER

Mayor Stone called this meeting of Council to order at 5:02 p.m. in order to retire immediately into Closed Session.

2. CLOSED SESSION

CS 2019-363

That, in accordance with section 90(1) of the *Community Charter*, Council retire into closed session in order to consider items related to the following:

- The receipt of legal advice - section 90(1)(i)
- the provision of a municipal service - section 90(1)(k)

Motion Carried

3. REGULAR MEETING (7:00 P.M.)

Mayor Stone called this Regular Meeting of Council to order at 7:00 p.m., recognizing the traditional territory of the Stz'uminus People.

Mayor Stone also honoured Jenny Van Horne, who passed away on November 17th. He recognized her contributions to the community, commenting on her commitment, her bright energy, her thoughtful analysis and her intelligence. Mayor Stone expressed his deep condolences for Ms. Van Stone's family and friends.

4. AGENDA APPROVAL

CS 2019-364

That Council approve the agenda for this Regular Meeting of Council for November 18, 2019.

Motion Carried

5. RISE AND REPORT- Items from Closed Session

Council rose from Closed Session at 5:24 p.m. without report.

6. MINUTES

6.1 Minutes of the Regular Meeting of Council held November 4, 2019

CS 2019-365

That Council approve the minutes of the Regular Meeting of Council held November 4, 2019.

Motion Carried

7. DELEGATIONS

7.1 Jim Stewart, Old English Car Club: Brits on the Beach 20th Anniversary

Jim Stewart, events coordinator for the Old English Car Club, made a presentation to Council regarding the Brits on the Beach event, held annually at Transfer Beach. Mr. Stewart thanked Council for past grants-in-aid and outlined plans for the 20th anniversary of the event, which will take place in July 2020. He noted that the club plans to apply for a larger grant-in-aid this year to help execute the 20th anniversary celebration.

Council expressed their appreciation for the event and thanked Mr. Stewart for his presentation.

8. PROCLAMATIONS

8.1 Adoption Month

Mayor Stone proclaimed November 2019 as Adoption Awareness month in the Town of Ladysmith, in recognition of the care, compassion and unselfish commitment of British Columbia adoptive families, and to remind citizens that there are many children and sibling groups in the province who are available for adoption.

8.2 National Child Day

Mayor Stone proclaimed November 20, 2019 as National Child Day in the Town of Ladysmith, recognizing the rights of children to be protected and safe from harm, to have access to services, to experience meaningful participation in community life and to have the opportunity to enjoy their childhood.

9. 2020 BUDGET WORKSHOP - WATER AND SEWER UTILITY INTRODUCTION

9.1 Presentation and Council Discussion

Staff gave a presentation that reviewed details of the proposed sewer and water budgets for 2020, and responded to Council's questions.

9.2 Public Input and Questions

There were no questions or input from the public.

10. BYLAWS - OFFICIAL COMMUNITY PLANNING AND ZONING

10.1 Development Cost Charges Reduction Bylaw: 314 Buller Street

Councillor Stevens declared a conflict of interest with the following agenda item due to his position on the Building Committee for the Ladysmith Resources Centre Association and excused himself from the meeting.

CS 2019-366

That Council:

1. Give first, second and third readings to Town of Ladysmith Not-for-Profit Rental Housing Development Cost Charges Reduction Bylaw, 2019, No. 2024;

2. Direct staff to delay developing a policy to consider site-specific development cost charge reductions pursuant to Council resolution CS 2019-239 until a housing needs report in accordance with section Division 22 of the *Local Government Act* is received by Council; and
3. Delay repealing Development Cost Charge Reduction Bylaw 1804 until a policy to consider development cost charge reductions pursuant to Council resolution CS 2019-239 is endorsed by Council.

Motion Carried

Councillor Stevens returned to the meeting.

11. COMMITTEE MINUTES

11.1 Minutes of the Community Planning Advisory Committee Meeting held October 30, 2019

Mayor Stone noted that the draft minutes of the October 30, 2019 meeting of the Community Planning Advisory Committee had been provided for information purposes.

12. REPORTS

12.1 Union of British Columbia Municipalities (UBCM) Child Care Space Creation Program Application

CS 2019-367

That Council:

1. Direct staff to submit an application to the UBCM Child Care Space Creation Program for up to \$1 million for additional child care spaces in the Town of Ladysmith at the Boys and Girls Club of Central Vancouver Island (BCCCVI) building at 220 High Street, and confirm that if successful the Town agrees to manage the delivery of the program as defined within the program requirements;
2. Authorize the Town to enter into a 15 year commitment with the Province of BC to provide child care spaces in the community if the Town is successful in receiving the grant; and
3. Authorize staff to draft a partnership agreement for Council consideration which defines the Town's and BGCCVI's responsibilities and commitments relating to child care services at 220 High Street.

Motion Carried

12.2 Russell Road Construction Costs

CS 2019-368

That Council:

1. Direct staff to increase the budget for the Town's share of Russell Road reconstruction to a total cost of \$151,100 with the additional funds to come from the Infrastructure Reserve; and
2. Direct staff to adjust the 2019 – 2024 Financial Plan accordingly.

Motion Carried

13. NEW BUSINESS

13.1 Western Forest Products Labour Dispute

CS 2019-369

That Council ratify its electronic endorsement of the letter presented by Vancouver Island Mayors whose communities have been affected by the labour dispute between Western Forest Products and the United Steelworkers Union and support the Mayors' request to urge both parties to bargain in good faith in order to find a resolution.

Motion Carried

14. QUESTION PERIOD

There were no questions from the public.

15. ADJOURNMENT

CS 2019-

That this Regular meeting of Council adjourn at 8:05 p.m.

Motion Carried

Mayor (A. Stone)

Corporate Officer (J. Winter)

INFORMATION REPORT TO COUNCIL

Report Prepared By: Erin Anderson, Director of Financial Services
Date: November 19, 2019
Meeting Date: November 25, 2019
File No:
RE: Water and Sewer Budget

RECOMMENDATION:

That Council:

1. Approve the Water and Sewer Capital Projects for 2020 as presented;
2. Direct staff to prepare an amendment to the Water Rates Bylaw 1999, No.1298 to increase the base rate by \$10.00 plus a 10% increase to each consumption step rate, effective January 1, 2020; and
3. Direct staff to prepare an amendment to Sewer Rates Bylaw 1999, No. 1299 to increase each rate classification by 5%, effective January 1, 2020.

EXECUTIVE SUMMARY:

The proposed water and sewer rates were discussed during the budget deliberations. The applicable bylaws need to be presented and adopted prior to the new billing cycle.

DISCUSSION:

Council was presented with the overview and details of the water and sewer operations and capital projects during Budget Workshops #1 and #2. Staff are seeking direction to prepare the necessary amendment bylaws in order for the water and sewer rates to be effective for the first quarter billing cycle.

I approve the report and recommendation(s).

Guillermo Ferrero, Chief Administrative Officer

ATTACHMENT(S):

2020 Financial Plan - Proposed Capital List

Sewer/Compost

2020 Financial Plan - Proposed Capital List

Project Name	<u>Transfer Beach Lift Station</u>				
Description	Transfer Beach Lift Station is connected to the washrooms				
Purpose	The lift station requires upgrades to the electrical system and holding tank. The lift station does not function well under periods of high use.				
Consequence of not funding	The lift station will continue to fail under peak periods, labour cost will continue to be high and portable toilets will be required in peak periods.				
Department	Public Works	Area	Sewer/Compost	YEAR	2020
Priority	Critical		Risk Level	High Risk	
Aligns with Strategic Priority	Infrastructure		Asset Mgmt	New Asset	
	Amount		\$50,000	<i>Requires Early Budget Approval?</i> <input checked="" type="checkbox"/>	
	<u>Funding Sources:</u>				
Taxation	0	DCC	0	Grant - TBD	0
Water Utility	0	Reserve	0	Borrow	0
Sewer Utility	50,000	Gas Tax	0	Donation/Other	0
C/F	0	Grant-confirmed	0		

Project Name	<u>Screener Replacement - WWTP</u>				
Description	Screener removes unwanted materials before treatment process begins				
Purpose	Replace aging screener				
Consequence of not funding	Screener is showing signs of failure, if not replaced screen may fail. Is will cause issue with the treatment process.				
Department	Public Works	Area	Sewer/Compost	YEAR	2020
Priority	Critical		Risk Level	High Risk	
Aligns with Strategic Priority	Infrastructure		Asset Mgmt	New Asset	
	Amount		\$100,000	<i>Requires Early Budget Approval?</i> <input checked="" type="checkbox"/>	
	<u>Funding Sources:</u>				
Taxation	0	DCC	0	Grant - TBD	0
Water Utility	0	Reserve	0	Borrow	0
Sewer Utility	100,000	Gas Tax	0	Donation/Other	0
C/F	0	Grant-confirmed	0		

2020 Financial Plan - Proposed Capital List

Project Name	<u>Marine Signage for WWTP outfall line</u>				
Description	Marine signs are located in the Ladysmith harbour below the WWTP				
Purpose	Install Signs that conform the Federal regulations for out fall line				
Consequence of not funding	The WWTP will not be compliant under the Federal Regulations and may be subject to penalties				
Department	Public Works	Area	Sewer/Compost	YEAR	2020
Priority	Critical		Risk Level	High Risk	
Aligns with Strategic Priority	Infrastructure		Asset Mgmt	New Asset	
		Amount	\$30,000	Requires Early Budget Approval? <input checked="" type="checkbox"/>	
	<u>Funding Sources:</u>				
Taxation	<input type="text" value="0"/>	DCC	<input type="text" value="0"/>	Grant - TBD	<input type="text" value="0"/>
Water Utility	<input type="text" value="0"/>	Reserve	<input type="text" value="0"/>	Borrow	<input type="text" value="0"/>
Sewer Utility	<input type="text" value="30,000"/>	Gas Tax	<input type="text" value="0"/>	Donation/Other	<input type="text" value="0"/>
C/F	<input type="text" value="0"/>	Grant-confirmed	<input type="text" value="0"/>		

Project Name	<u>Influent Wet Well Pump (Spare)</u>				
Description	Pumps used in treatment process				
Purpose	To have a spare in the event that the main pump fails				
Consequence of not funding	There is no spare if pump fails, which has occurred in the past. A borrowed pump was used.				
Department	Public Works	Area	Sewer/Compost	YEAR	2020
Priority	Critical		Risk Level	High Risk	
Aligns with Strategic Priority	Infrastructure		Asset Mgmt	Replacement	
		Amount	\$30,000	Requires Early Budget Approval? <input checked="" type="checkbox"/>	
	<u>Funding Sources:</u>				
Taxation	<input type="text" value="0"/>	DCC	<input type="text" value="0"/>	Grant - TBD	<input type="text" value="0"/>
Water Utility	<input type="text" value="0"/>	Reserve	<input type="text" value="0"/>	Borrow	<input type="text" value="0"/>
Sewer Utility	<input type="text" value="30,000"/>	Gas Tax	<input type="text" value="0"/>	Donation/Other	<input type="text" value="0"/>
C/F	<input type="text" value="0"/>	Grant-confirmed	<input type="text" value="0"/>		

2020 Financial Plan - Proposed Capital List

Project Name	<u>Activated Carbon Odor Control</u>				
Description	Activated carbon (filter) is part of the odor control process for the WTP.				
Purpose	To reduce the sewage odour from the WWTP				
Consequence of not funding	The Town will continue to receive complaints of strong odor coming from the WWTP				
Department	Public Works	Area	Sewer/Compost	YEAR	2020
Priority	Critical		Risk Level	High Risk	
Aligns with Strategic Priority	Infrastructure		Asset Mgmt	Replacement	
		Amount	<div style="border: 1px solid black; padding: 2px; display: inline-block;">\$140,000</div>	Requires Early Budget Approval? <input checked="" type="checkbox"/>	
		<u>Funding Sources:</u>			
Taxation	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	DCC	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Grant - TBD	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>
Water Utility	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Reserve	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Borrow	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>
Sewer Utility	<div style="border: 1px solid black; width: 100px; text-align: center;">140,000</div>	Gas Tax	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Donation/Other	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>
C/F	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Grant-confirmed	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>		

Project Name	<u>Soil Storage</u>				
Description	Construct a soil storage area complete with roof				
Purpose	To have soil from the compost process covered and kept dry as per OMAR regulations				
Consequence of not funding	The town is required under the OMAR regulation to have soil covered and kept dry.				
Department	Public Works	Area	Sewer/Compost	YEAR	2020
Priority	Critical		Risk Level	High Risk	
Aligns with Strategic Priority	Infrastructure		Asset Mgmt	New Asset	
		Amount	<div style="border: 1px solid black; padding: 2px; display: inline-block;">\$100,000</div>	Requires Early Budget Approval? <input checked="" type="checkbox"/>	
		<u>Funding Sources:</u>			
Taxation	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	DCC	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Grant - TBD	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>
Water Utility	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Reserve	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Borrow	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>
Sewer Utility	<div style="border: 1px solid black; width: 100px; text-align: center;">100,000</div>	Gas Tax	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Donation/Other	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>
C/F	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Grant-confirmed	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>		

2020 Financial Plan - Proposed Capital List

Project Name	<u>Sewer UV Pilot Study</u>				
Description	Begin testing options for the Post-treatment UV disinfecting options				
Purpose	To test the effectiveness of UV for the WWTP discharge				
Consequence of not funding	Town will not comply with requirements of LWMP				
Department	Public Works	Area	Sewer/Compost	YEAR	2020
Priority	Critical		Risk Level	Medium Risk	
Aligns with Strategic Priority	Infrastructure		Asset Mgmt		
		Amount	<div style="border: 1px solid black; padding: 2px; display: inline-block;">\$60,000</div>	Requires Early Budget Approval? <input checked="" type="checkbox"/>	
		<u>Funding Sources:</u>			
Taxation	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	DCC	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Grant - TBD	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>
Water Utility	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Reserve	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Borrow	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>
Sewer Utility	<div style="border: 1px solid black; width: 100px; text-align: center;">60,000</div>	Gas Tax	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Donation/Other	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>
C/F	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Grant-confirmed	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>		

Project Name	<u>Inflow & Infiltration Connections</u>				
Description	Correct storm water from entering into wastewater system				
Purpose	Annual program to upgrade & improve sewer systems to reduce inflows and infiltration				
Consequence of not funding					
Department	Public Works	Area	Sewer/Compost	YEAR	2020
Priority	Critical		Risk Level	Medium Risk	
Aligns with Strategic Priority	Infrastructure		Asset Mgmt	Replacement	
		Amount	<div style="border: 1px solid black; padding: 2px; display: inline-block;">\$60,000</div>	Requires Early Budget Approval? <input type="checkbox"/>	
		<u>Funding Sources:</u>			
Taxation	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	DCC	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Grant - TBD	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>
Water Utility	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Reserve	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Borrow	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>
Sewer Utility	<div style="border: 1px solid black; width: 100px; text-align: center;">60,000</div>	Gas Tax	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Donation/Other	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>
C/F	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Grant-confirmed	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>		

2020 Financial Plan - Proposed Capital List

Project Name **Sewer Source Control Program (bylaw drafting)**

Description Prepare a bylaw to specify what can be discharged into the sewer system

Purpose To create a Source Control Bylaw, public education, Inventory of Non-Residential Sewer Users

Consequence of not funding Town will not comply with requirements of LWMP

Department Public Works Area Sewer/Compost YEAR 2020

Priority Optional Risk Level Medium Risk

Aligns with Strategic Priority Infrastructure Asset Mgmt

Amount **\$10,000** Requires Early Budget Approval? ☐

Funding Sources:

Taxation	0	DCC	0	Grant - TBD	0
Water Utility	0	Reserve	0	Borrow	0
Sewer Utility	10,000	Gas Tax	0	Donation/Other	0
C/F	0	Grant-confirmed	0		

ANNUAL TOTAL **\$580,000**

Taxation	0	DCC	0	Grant - TBD	0
Water Utility	0	Reserve	0	Borrow	0
Sewer Utility	580,000	Gas Tax	0	Donation/Other	0
C/F	0	Grant-confirme	0		

2020 Financial Plan - Proposed Capital List

Water

2020 Financial Plan - Proposed Capital List

Project Name	<u>Water Service Replacement - Transfer Beach</u>				
Description	Transfer Beach Washroom Water service replacement				
Purpose	The water service that provides water to the washrooms requires replacing due to age.				
Consequence of not funding	Washrooms will need to be closed when the water service breaks.				
Department	Public Works	Area	Water	YEAR	2020
Priority	Critical			Risk Level	High Risk
Aligns with Strategic Priority	Infrastructure			Asset Mgmt	Replacement
		Amount	<div style="border: 1px solid black; padding: 2px; text-align: center;">\$10,000</div>	Requires Early Budget Approval? <input checked="" type="checkbox"/>	
		Funding Sources:			
Taxation	<div style="border: 1px solid black; padding: 2px; text-align: center;">0</div>	DCC	<div style="border: 1px solid black; padding: 2px; text-align: center;">0</div>	Grant - TBD	<div style="border: 1px solid black; padding: 2px; text-align: center;">0</div>
Water Utility	<div style="border: 1px solid black; padding: 2px; text-align: center;">10,000</div>	Reserve	<div style="border: 1px solid black; padding: 2px; text-align: center;">0</div>	Borrow	<div style="border: 1px solid black; padding: 2px; text-align: center;">0</div>
Sewer Utility	<div style="border: 1px solid black; padding: 2px; text-align: center;">0</div>	Gas Tax	<div style="border: 1px solid black; padding: 2px; text-align: center;">0</div>	Donation/Other	<div style="border: 1px solid black; padding: 2px; text-align: center;">0</div>
C/F	<div style="border: 1px solid black; padding: 2px; text-align: center;">0</div>	Grant-confirmed	<div style="border: 1px solid black; padding: 2px; text-align: center;">0</div>		

Project Name	<u>Water Supply Main - Meter Vault & Power supply Stocking Lake</u>				
Description	Piping modifications, flow meter & chamber, monitoring equipment, communication link				
Purpose	To improve communications at the Stocking Lake dam water supply				
Consequence of not funding	Will not be able to monitor water flow from Stocking Lake				
Department	Public Works	Area	Water	YEAR	2020
Priority	Critical			Risk Level	High Risk
Aligns with Strategic Priority	Infrastructure			Asset Mgmt	New Asset
		Amount	<div style="border: 1px solid black; padding: 2px; text-align: center;">\$150,000</div>	Requires Early Budget Approval? <input type="checkbox"/>	
		Funding Sources:			
Taxation	<div style="border: 1px solid black; padding: 2px; text-align: center;">0</div>	DCC	<div style="border: 1px solid black; padding: 2px; text-align: center;">0</div>	Grant - TBD	<div style="border: 1px solid black; padding: 2px; text-align: center;">0</div>
Water Utility	<div style="border: 1px solid black; padding: 2px; text-align: center;">150,000</div>	Reserve	<div style="border: 1px solid black; padding: 2px; text-align: center;">0</div>	Borrow	<div style="border: 1px solid black; padding: 2px; text-align: center;">0</div>
Sewer Utility	<div style="border: 1px solid black; padding: 2px; text-align: center;">0</div>	Gas Tax	<div style="border: 1px solid black; padding: 2px; text-align: center;">0</div>	Donation/Other	<div style="border: 1px solid black; padding: 2px; text-align: center;">0</div>
C/F	<div style="border: 1px solid black; padding: 2px; text-align: center;">0</div>	Grant-confirmed	<div style="border: 1px solid black; padding: 2px; text-align: center;">0</div>		

2020 Financial Plan - Proposed Capital List

Project Name	<u>Balancing Water Intake Dredging</u>				
Description	Balancing is used as a PRV for the Stocking Lake Water Main				
Purpose	Balancing water intake is a critical part of the Stocking Lake Water Main, it operates as a PRV and requires cleaning.				
Consequence of not funding	May result in infrastructure failure.				
Department	Public Works	Area	Water	YEAR	2020
Priority	Critical			Risk Level	High Risk
Aligns with Strategic Priority	Infrastructure			Asset Mgmt	
		Amount	\$50,000	Requires Early Budget Approval? <input type="checkbox"/>	
		<u>Funding Sources:</u>			
Taxation	<input type="text" value="0"/>	DCC	<input type="text" value="0"/>	Grant - TBD	<input type="text" value="0"/>
Water Utility	<input type="text" value="50,000"/>	Reserve	<input type="text" value="0"/>	Borrow	<input type="text" value="0"/>
Sewer Utility	<input type="text" value="0"/>	Gas Tax	<input type="text" value="0"/>	Donation/Other	<input type="text" value="0"/>
C/F	<input type="text" value="0"/>	Grant-confirmed	<input type="text" value="0"/>		

Project Name	<u>Water main Replacement - High St 1st - TCH</u>				
Description	Abandoning cast iron main between 1st Ave. & highway				
Purpose	To replace with 200 mm pvc pipe				
Consequence of not funding	Cast iron pipe will continue to fail and will cause water pressure issues and water quality issues				
Department	Public Works	Area	Water	YEAR	2020
Priority	Critical			Risk Level	High Risk
Aligns with Strategic Priority	Infrastructure			Asset Mgmt	Replacement
		Amount	\$165,000	Requires Early Budget Approval? <input type="checkbox"/>	
		<u>Funding Sources:</u>			
Taxation	<input type="text" value="0"/>	DCC	<input type="text" value="0"/>	Grant - TBD	<input type="text" value="0"/>
Water Utility	<input type="text" value="165,000"/>	Reserve	<input type="text" value="0"/>	Borrow	<input type="text" value="0"/>
Sewer Utility	<input type="text" value="0"/>	Gas Tax	<input type="text" value="0"/>	Donation/Other	<input type="text" value="0"/>
C/F	<input type="text" value="0"/>	Grant-confirmed	<input type="text" value="0"/>		

2020 Financial Plan - Proposed Capital List

Project Name	<u>Water Valve Replacement Program</u>				
Description	Water Valve Replacement Program				
Purpose	To Replace water main valves on a annual program that are broken and that are failing due to age				
Consequence of not funding	If valves are broken they can not be operated. If valves cannot be operated, water mains cannot be turned off for maintenance and for water breaks.				
Department	Public Works	Area	Water	YEAR	2020
Priority	Critical			Risk Level	High Risk
Aligns with Strategic Priority	Infrastructure			Asset Mgmt	Replacement
		Amount	\$25,000	Requires Early Budget Approval? <input type="checkbox"/>	
		<u>Funding Sources:</u>			
Taxation	<input type="text" value="0"/>	DCC	<input type="text" value="0"/>	Grant - TBD	<input type="text" value="0"/>
Water Utility	<input type="text" value="25,000"/>	Reserve	<input type="text" value="0"/>	Borrow	<input type="text" value="0"/>
Sewer Utility	<input type="text" value="0"/>	Gas Tax	<input type="text" value="0"/>	Donation/Other	<input type="text" value="0"/>
C/F	<input type="text" value="0"/>	Grant-confirmed	<input type="text" value="0"/>		

Project Name	<u>Sodium Hypo-Chlorite Arbutus Treatment Plant</u>				
Description	Replacement of disinfection process from chlorine gas to sodium hypo-chlorite				
Purpose	To change the disinfection process from chlorine gas to a safer product, Sodium Hypo - Chlorite				
Consequence of not funding	Chlorine gas is extremely dangerous. Staff and the general public are at risk of exposure. This could result in injury and or death depending on the volume released and the				
Department	Public Works	Area	Water	YEAR	2020
Priority	Critical			Risk Level	High Risk
Aligns with Strategic Priority	Infrastructure			Asset Mgmt	Replacement
		Amount	\$50,000	Requires Early Budget Approval? <input checked="" type="checkbox"/>	
		<u>Funding Sources:</u>			
Taxation	<input type="text" value="0"/>	DCC	<input type="text" value="0"/>	Grant - TBD	<input type="text" value="0"/>
Water Utility	<input type="text" value="50,000"/>	Reserve	<input type="text" value="0"/>	Borrow	<input type="text" value="0"/>
Sewer Utility	<input type="text" value="0"/>	Gas Tax	<input type="text" value="0"/>	Donation/Other	<input type="text" value="0"/>
C/F	<input type="text" value="0"/>	Grant-confirmed	<input type="text" value="0"/>		

2020 Financial Plan - Proposed Capital List

Project Name	<u>Utility Vehicle (ATV)</u>				
Description	This is a small trail unit to fully access watershed				
Purpose	To patrol the water shed areas , Chicken Ladder intake, Stocking and Holland Lake Dams, water mains.				
Consequence of not funding	Staff will continue to walk these areas causing time delays and not being able to cover areas of critical importance				
Department	Public Works	Area	Water	YEAR	2020
Priority	Critical			Risk Level	Medium Risk
Aligns with Strategic Priority	Infrastructure			Asset Mgmt	New Asset
		Amount	<div style="border: 1px solid black; padding: 2px; text-align: center;">\$40,000</div>	Requires Early Budget Approval? <input checked="" type="checkbox"/>	
		Funding Sources:			
Taxation	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	DCC	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Grant - TBD	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>
Water Utility	<div style="border: 1px solid black; width: 100px; text-align: center;">40,000</div>	Reserve	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Borrow	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>
Sewer Utility	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Gas Tax	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Donation/Other	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>
C/F	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Grant-confirmed	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>		

Project Name	<u>Water Filtration Plant Road Improvements</u>				
Description	Improve gravel road to the water treatment plant				
Purpose	To Improve ditching, culverts graveling and grading				
Consequence of not funding	For staff access and delivery of products, this road require maintenance and upgrading.				
Department	Public Works	Area	Water	YEAR	2020
Priority	Critical			Risk Level	Medium Risk
Aligns with Strategic Priority	Infrastructure			Asset Mgmt	Repair
		Amount	<div style="border: 1px solid black; padding: 2px; text-align: center;">\$50,000</div>	Requires Early Budget Approval? <input type="checkbox"/>	
		Funding Sources:			
Taxation	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	DCC	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Grant - TBD	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>
Water Utility	<div style="border: 1px solid black; width: 100px; text-align: center;">50,000</div>	Reserve	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Borrow	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>
Sewer Utility	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Gas Tax	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Donation/Other	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>
C/F	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Grant-confirmed	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>		

2020 Financial Plan - Proposed Capital List

Project Name	<u>Edgewood Water Meter Replacement</u>				
Description	Edgewood water meter is located at Edgewood Estates				
Purpose	Currently the water meter and the configuration of water infrastructure for the water meter is not functional, this will need to be upgraded to municipal standards.				
Consequence of not funding	Edgewood Estates will continue to have fluctuating water meter readings				
Department	Public Works	Area	Water	YEAR	2020
Priority	Critical			Risk Level	Medium Risk
Aligns with Strategic Priority	Infrastructure			Asset Mgmt	Replacement
		Amount	\$50,000	Requires Early Budget Approval? <input checked="" type="checkbox"/>	
		Funding Sources:			
Taxation	<input type="text" value="0"/>	DCC	<input type="text" value="0"/>	Grant - TBD	<input type="text" value="0"/>
Water Utility	<input type="text" value="50,000"/>	Reserve	<input type="text" value="0"/>	Borrow	<input type="text" value="0"/>
Sewer Utility	<input type="text" value="0"/>	Gas Tax	<input type="text" value="0"/>	Donation/Other	<input type="text" value="0"/>
C/F	<input type="text" value="0"/>	Grant-confirmed	<input type="text" value="0"/>		

Project Name	<u>Mower Brush Cutter</u>				
Description	Brush cutter for Dam Maintenance				
Purpose	A Brush cutter can be used to maintain the West and East face of Holland Lake Dam				
Consequence of not funding	Maintenance is currently done by weed eater, this is not costs effective				
Department	Public Works	Area	Water	YEAR	2020
Priority	Critical			Risk Level	Medium Risk
Aligns with Strategic Priority	Infrastructure			Asset Mgmt	New Asset
		Amount	\$15,000	Requires Early Budget Approval? <input checked="" type="checkbox"/>	
		Funding Sources:			
Taxation	<input type="text" value="0"/>	DCC	<input type="text" value="0"/>	Grant - TBD	<input type="text" value="0"/>
Water Utility	<input type="text" value="15,000"/>	Reserve	<input type="text" value="0"/>	Borrow	<input type="text" value="0"/>
Sewer Utility	<input type="text" value="0"/>	Gas Tax	<input type="text" value="0"/>	Donation/Other	<input type="text" value="0"/>
C/F	<input type="text" value="0"/>	Grant-confirmed	<input type="text" value="0"/>		

2020 Financial Plan - Proposed Capital List

Project Name	<u>Methuen Loop Connection to 6th Ave</u>				
Description	Looping existing dead end main to improve fire protection				
Purpose	To replace existing fire hydrant				
Consequence of not funding	The Fire Department will not have adequate water pressure to fight fires				
Department	Public Works	Area	Water	YEAR	2020
Priority	Optional			Risk Level	Medium Risk
Aligns with Strategic Priority	Infrastructure			Asset Mgmt	New Asset
		Amount	<div style="border: 1px solid black; padding: 2px; text-align: center;">\$35,000</div>	Requires Early Budget Approval? <input type="checkbox"/>	
		<u>Funding Sources:</u>			
Taxation	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	DCC	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Grant - TBD	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>
Water Utility	<div style="border: 1px solid black; width: 100px; text-align: center;">35,000</div>	Reserve	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Borrow	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>
Sewer Utility	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Gas Tax	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Donation/Other	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>
C/F	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Grant-confirmed	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>		

Project Name	<u>Water Meter replacement</u>				
Description	Replace failing and or failed meters throughout the Town				
Purpose	Water meters are approximately 15 years old and beginning to show age				
Consequence of not funding	Revenue loss				
Department	Public Works	Area	Water	YEAR	2020
Priority	Optional			Risk Level	Medium Risk
Aligns with Strategic Priority	Infrastructure			Asset Mgmt	Replacement
		Amount	<div style="border: 1px solid black; padding: 2px; text-align: center;">\$25,000</div>	Requires Early Budget Approval? <input type="checkbox"/>	
		<u>Funding Sources:</u>			
Taxation	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	DCC	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Grant - TBD	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>
Water Utility	<div style="border: 1px solid black; width: 100px; text-align: center;">25,000</div>	Reserve	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Borrow	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>
Sewer Utility	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Gas Tax	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Donation/Other	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>
C/F	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>	Grant-confirmed	<div style="border: 1px solid black; width: 100px; text-align: center;">0</div>		

2020 Financial Plan - Proposed Capital List

		ANNUAL TOTAL	\$665,000		
Taxation	0	DCC	0	Grant - TBD	0
Water Utility	665,000	Reserve	0	Borrow	0
Sewer Utility	0	Gas Tax	0	Donation/Other	0
C/F	0	Grant-confirme	0		

2020 Financial Plan - Proposed Capital List

Project Name	<u>GIS Stage 2 Implementation</u>				
Description	Expand the Town's Graphic Information System (GIS)				
Purpose	To utilize electronic means for mapping				
Consequence of not funding	Continue to rely on paper mapping				
Department	Public Works	Area	Engineering	YEAR	2020
Priority	Critical		Risk Level	Very High Risk	
Aligns with Strategic Priority	Infrastructure		Asset Mgmt		
		Amount	\$30,000	Requires Early Budget Approval? <input type="checkbox"/>	
		<u>Funding Sources:</u>			
Taxation	<input type="text" value="10,000"/>	DCC	<input type="text" value="0"/>	Grant - TBD	<input type="text" value="0"/>
Water Utility	<input type="text" value="10,000"/>	Reserve	<input type="text" value="0"/>	Borrow	<input type="text" value="0"/>
Sewer Utility	<input type="text" value="10,000"/>	Gas Tax	<input type="text" value="0"/>	Donation/Other	<input type="text" value="0"/>
C/F	<input type="text" value="0"/>	Grant-confirmed	<input type="text" value="0"/>		

2020 Financial Plan - Proposed Capital List

Project Name **Wood Chipper (Composting)**

Description Purchase a wood chipper for the Parks crew

Purpose To reduce contractor costs & utilize the sawdust materials in compost site

Consequence of not funding Continue to use contractor

Department Public Works Area Parks & Playgrounds YEAR 2020

Priority Critical Risk Level Low Risk

Aligns with Strategic Priority Infrastructure Asset Mgmt New Asset

Amount **\$62,000**

Requires Early Budget Approval? ☒

Funding Sources:

Taxation	52,000	DCC	0	Grant - TBD	0
Water Utility	0	Reserve	0	Borrow	0
Sewer Utility	10,000	Gas Tax	0	Donation/Other	0
C/F	0	Grant-confirmed	0		

ANNUAL TOTAL **\$92,000**

Taxation	62,000	DCC	0	Grant - TBD	0
Water Utility	10,000	Reserve	0	Borrow	0
Sewer Utility	20,000	Gas Tax	0	Donation/Other	0
C/F	0	Grant-confirme	0		

STAFF REPORT TO COUNCIL

Report Prepared By: Clayton Postings, Director Parks, Recreation and Culture
Meeting Date: November 25, 2019
File No:
RE: **PURCHASE OF FJCC SWIMMING POOL STARTER BLOCKS**

RECOMMENDATION:

That Council:

1. Direct staff to allocate \$9,226.00 in funds remaining from the High Street Concession Roof Replacement project to purchase two swimming starter blocks; and
2. Amend the 2019-2023 financial plan accordingly.

EXECUTIVE SUMMARY:

The Town was the recipient of \$10,000 in legacy funding from the 2018 Cowichan Summer Games. These funds were to be directed toward the purchase of new competitive lane ropes and starter blocks. The Town has been working with the Ladysmith Chemainus Orca's Swim Club in purchasing this equipment. It would exceed the available funding provided by the Legacy as well as the contributions of the Swim Club to purchase 4 swim blocks.

PREVIOUS COUNCIL DIRECTION

No previous direction.

INTRODUCTION/BACKGROUND:

The Town has received funding from 2018 Cowichan BC Games Legacy funds totaling \$10,000, toward the purchase of competitive lane ropes and starter blocks. Along with the Legacy funding the Town confirmed additional contributions of \$4,100.00 from the Ladysmith Chemainus Orca's Swim Club to be directed toward the purchase of one starter block. The Town purchased lane ropes in September, with the plan to purchase two starter blocks by the end of 2019 with the remaining funds. For the Town to purchase the additional two starter blocks it would require an additional \$9,200.00.

It is recommended that the Town allocate \$9,200.00 toward the purchase of the remaining two starter blocks, so that all four starter blocks are replaced at the same time, as it can be difficult to replace these type of items in the future due to the possibility of products/equipment being discontinued. As well, the cost is reduced when purchasing 4 starter blocks, as are shipping costs.

Having all new starting blocks which will meet Swim Canada guidelines will allow the Town and

Swim Club to investigate hosting mini swim meets, something that has not occurred for many years due to the fact that the existing starter blocks do not meet industry standards.

ALTERNATIVES:

1. Council can choose to direct staff to include the remaining 2 swim blocks into the 2020 Financial Plan.
2. Council may choose not to proceed with purchasing the additional 2 swim blocks.

FINANCIAL IMPLICATIONS:

It is recommended that the funding for the additional two swim blocks comes from the High Street Concession Roof Replacement project, which had a budget of \$15,000, funded from taxation. This project was completed under budget for a cost of \$5,774.00, with remaining funds equaling \$9,226.00.

Confirmed Funding:	
Legacy Funds	\$10,000.00
Swim Club Funds	\$4,100.00
TOTAL	\$14,100.00
Costs:	
Lane Rope and Deck Reel	\$6,281.17
4 Starter blocks and anchors	\$16,954.20
TOTAL	\$23,235.37
Remaining funds required	\$9,135.37

LEGAL IMPLICATIONS:

None identified

CITIZEN/PUBLIC RELATIONS IMPLICATIONS:

N/A

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:

N/A

ALIGNMENT WITH SUSTAINABILITY VISIONING REPORT:

- | | |
|---|--|
| <input type="checkbox"/> Complete Community Land Use | <input type="checkbox"/> Low Impact Transportation |
| <input type="checkbox"/> Green Buildings | <input type="checkbox"/> Multi-Use Landscapes |
| <input type="checkbox"/> Innovative Infrastructure | <input type="checkbox"/> Local Food Systems |
| <input checked="" type="checkbox"/> Healthy Community | <input type="checkbox"/> Local, Diverse Economy |
| <input type="checkbox"/> Not Applicable | |

ALIGNMENT WITH STRATEGIC PRIORITIES:

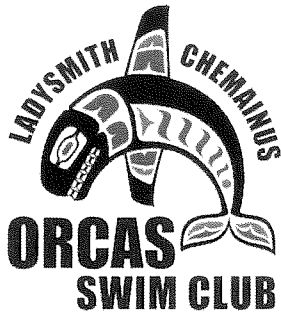
- | | |
|--|--|
| <input type="checkbox"/> Employment & Tax Diversity | <input checked="" type="checkbox"/> Natural & Built Infrastructure |
| <input type="checkbox"/> Watershed Protection & Water Management | <input type="checkbox"/> Partnerships |
| <input type="checkbox"/> Communications & Engagement | <input type="checkbox"/> Not Applicable |

I approve the report and recommendation(s).

Guillermo Ferrero, Chief Administrative Officer

ATTACHMENT(S):

Support Letter from Ladysmith Chemainus Orca's Swim Club



Ladysmith-Chemainus Swim Club Society

P.O. Box 635

Ladysmith, British Columbia

V9G 1A5

November 18, 2019

To: Town of Ladysmith,

Further to our meeting of November 14, 2019, regarding the use Legacy Fund monies and replacement of swim blocks, a proposal was presented to our Club to purchase of one swim block (Elite Starting Platform with Track Start including Anchors). We refer to Ms. Glenn's email dated November 14, 2019 summarizing the details of that meeting.

Our Board met on November 14th and we are pleased to advise that the Board approved and a motion was passed to provide funding for one swim block for the total cost of \$4,100.00 (which includes our initial commitment of \$2,000.00).

To support our intent, we have attached for you a cheque in the amount of \$2,000 which was our initial commitment to assist with the purchase of a block. With respect to the remainder of the funding, we will provide the balance (\$2,100.00) on or before April 1, 2020.

Thank you for working together with our Club. The purchase of the swim blocks will be an incredible benefit to our swimmers, the pool and the community.

We look forward to hearing from you (the Town) regarding additional funding and purchase for the remaining two swim blocks.

Regards,



Lorena Kohlruss

Chair

STAFF REPORT TO COUNCIL

Report Prepared By: Erin Anderson, Director of Financial Services
Meeting Date: November 25, 2019
File No:
RE: INVESTING IN CANADA INFRASTRUCTURE GRANT – WATER PROJECTS

RECOMMENDATION:

That Council:

1. Direct staff to submit an application for the grant funding application for the Water Supply Infrastructure Projects through the ICIP – *Green Infrastructure: Environmental Quality Sub-stream*, and
2. Support the project and commit to its share (\$6,200,000) of the project.

EXECUTIVE SUMMARY:

There is a new grant funding program available. Staff are recommending bundling three water projects (Holland Dam Upgrade, Holland to Stocking interconnect, and Stocking Lake main twinning) and making application. The funding is for 73.33%. The majority of the Town's portion of the funding will come from borrowing; elector assent will be required.

PREVIOUS COUNCIL DIRECTION

CS 2018-302	08/20/2018	That Council: 1. Direct staff to submit an application for grant funding for Holland Dam Upgrade through the ICIP – Green Infrastructure: Environmental Quality Sub-stream; and 2. Supports the project and commits to the Town's share (\$3,400,000) of the project.
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INTRODUCTION/BACKGROUND:

The Province and Federal Governments announced a new funding opportunity – Investing in Canada Infrastructure Program - Green Infrastructure - Environmental Quality. The focus of this funding is to “support quality and management improvements for drinking water, wastewater and stormwater, as well as reductions to soil and air pollutants through solid waste diversion and remediation”.

The Town previously applied for similar grant funding for the Holland Dam upgrade during the first intake of applications, though the application was denied. Staff have reviewed options to prepare a stronger grant application. With the assistance of a consultant, staff have bundled a few water supply projects together to allow for a potential phased approach to the grant as

well as an opportunity to borrow for all of the projects at once.

The proposed bundle of projects include:

Holland Dam	12,410,000
Holland to Stocking Interconnect	6,400,000
Stocking Lake Main Twinning	4,300,000
Total preliminary costs	<hr/> \$ 23,110,000

This are basic cost estimates, meaning a substantial contingency is required to ensure enough funding is available once actual costs are known.

The grant funding available is up to 73.33% of the eligible project costs and the Town is limited to submitting only one application. Water reserves will be utilized to cover a portion of the contingency though borrowing for the remainder will be required.

The deadline to apply is February 26, 2020.

ALTERNATIVES:

Council can choose to:

- 1) Not submit an application for this intake; or
- 2) Submit an application or a different project.

FINANCIAL IMPLICATIONS:

The preliminary costs for these projects totals \$23.11 million. If successful, the Town could received just under \$16.95 million, leaving over \$6 million to fund.

As the project estimates are class D, it would be prudent to save the funds in the water reserve for contingency instead of reducing the overall borrowing amount. Further details regarding the borrowing will be calculated and provided if Council directs staff to submit the grant application.

LEGAL IMPLICATIONS:

n/a

CITIZEN/PUBLIC RELATIONS IMPLICATIONS:

An Alternate Approval Process (AAP) will be required to approve any borrowing.

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:

Public Works, Finance and Legislative Services, as well as the assistance with a grant writer, will work together to submit the application.

ALIGNMENT WITH SUSTAINABILITY VISIONING REPORT:

☒ Complete Community Land Use ☐ Low Impact Transportation

- ☐ Green Buildings
- ☒ Innovative Infrastructure
- ☒ Healthy Community
- ☐ Not Applicable

- ☐ Multi-Use Landscapes
- ☐ Local Food Systems
- ☐ Local, Diverse Economy

ALIGNMENT WITH STRATEGIC PRIORITIES:

- ☐ Employment & Tax Diversity
- ☐ Watershed Protection & Water Management
- ☐ Communications & Engagement
- ☒ Natural & Built Infrastructure
- ☐ Partnerships
- ☐ Not Applicable

I approve the report and recommendation(s).

Guillermo Ferrero, Chief Administrative Officer

ATTACHMENT(S):

Grant program guide: <https://www2.gov.bc.ca/assets/gov/driving-and-transportation/funding-engagement-permits/grants-funding/investing-in-canada/icip-environmental-program-guide.pdf>

STAFF REPORT TO COUNCIL

Report Prepared By: Infrastructure Services
Meeting Date: November 25, 2019
File No:
RE: **STOCKING LAKE EMERGENCY BYPASS**

RECOMMENDATION:

That Council:

1. Allocate up to \$200,000 from water reserves to fund installation of an emergency bypass system around a blockage in the water main below the Stocking Lake Dam;
2. Direct staff to adjust the 2019 to 2023 Financial Plan accordingly;
3. Direct staff to retain the services of Koers & Associates Engineering Ltd for engineering services associated with this project; and
4. Direct staff to waive the purchasing policy and direct award construction of all works associated with this valve failure to David Stalker Excavating Ltd.

EXECUTIVE SUMMARY:

Stocking Lake Dam is jointly owned by the Town and Cowichan Valley Regional District (CVRD). A recent blockage has occurred in the Stocking Lake water main below the Stocking Lake Dam. In order to prepare for repair of the blockage while maintaining water supply, a bypass needs to be constructed around it. The estimated costs for this bypass is estimated to be between \$300,000 and \$400,000. The project costs will be shared on a 50/50 basis with the CVRD.

PREVIOUS COUNCIL DIRECTION

N/A

INTRODUCTION/BACKGROUND:

The Stocking Lake Dam was originally constructed in 1902. In the 1960's the dam was raised which included new watermain through the Dam down to the concrete control building. The watermain included a valve that was located approximately 90 meters below the dam. In the 1980's the watermain from this valve down to the concrete control building was replaced.

Approximately one month ago staff and the public reported noise coming from the valve below the dam. Further investigation indicates that there is an obstruction in the location of the valve, potentially involving some internal failure of the valve itself. Currently there is no valve

structure on the lake side of the dam so there is no way to isolate this valve for repair.

The proposed solution is to install a line stop below the failed valve in the water main piping that was installed in the 1980's. This will enable the installation of a new valve and a bypass line. The bypass line will be installed above ground following the existing overflow channel up to and over the dam and out into the lake. This will allow both the Town and CVRD to access water until a repair to the existing valve can be made.

The costs requested in this report are t only hose related to installation of the emergency bypass and do not involve of the replacement of the failed valve. Staff will report back to Council once a repair methodology is developed for the valve replacement.

ALTERNATIVES:

Council can choose not to install the bypass: Staff do not recommend this option because if the obstruction worsens or if there is some type of failure during the replacement of the failed valve the Town may lose Stocking Lake as a water source. Since the new water treatment plant is not operational this may require the utilization of Holland lake water at a time when turbidity exceeds allowable limits, resulting in the Town going on a boil water order.

FINANCIAL IMPLICATIONS;

The Stocking Lake infrastructure is jointly owned by the Town and CVRD. The cost sharing arrangement for these assets is 50/50. The estimated cost to facilitate the bypass installation is \$300,000 - \$400,000. The Town's share will be half of this. This project was not budgeted and will require funding from existing water reserves.

Due to the limited time to facilitate this project, staff are recommending waiving the purchasing policy and direct awarding all construction work associated with this project to David Stalker Excavating Ltd.

LEGAL IMPLICATIONS;

Staff have not identified any legal issues.

CITIZEN/PUBLIC RELATIONS IMPLICATIONS:

Any issues involving Town and CVRD water infrastructure are of great interest to residents and appropriate communication plans will be developed..

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:

Although a consultant and construction contractor will be involved in this project, significant involvement from Town staff in both engineering and utilities will be required.

ALIGNMENT WITH SUSTAINABILITY VISIONING REPORT:

- | | |
|---|--|
| <input type="checkbox"/> Complete Community Land Use | <input type="checkbox"/> Low Impact Transportation |
| <input type="checkbox"/> Green Buildings | <input type="checkbox"/> Multi-Use Landscapes |
| <input checked="" type="checkbox"/> Innovative Infrastructure | <input type="checkbox"/> Local Food Systems |
| <input type="checkbox"/> Healthy Community | <input type="checkbox"/> Local, Diverse Economy |
| <input type="checkbox"/> Not Applicable | |

ALIGNMENT WITH STRATEGIC PRIORITIES:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Infrastructure | <input type="checkbox"/> Economy |
| <input type="checkbox"/> Community | <input type="checkbox"/> Not Applicable |
| <input type="checkbox"/> Waterfront | |

I approve the report and recommendation(s).

Guillermo Ferrero, Chief Administrative Officer

ATTACHMENT(S):



TOWN OF LADYSMITH

2018
ANNUAL REPORT





First Avenue

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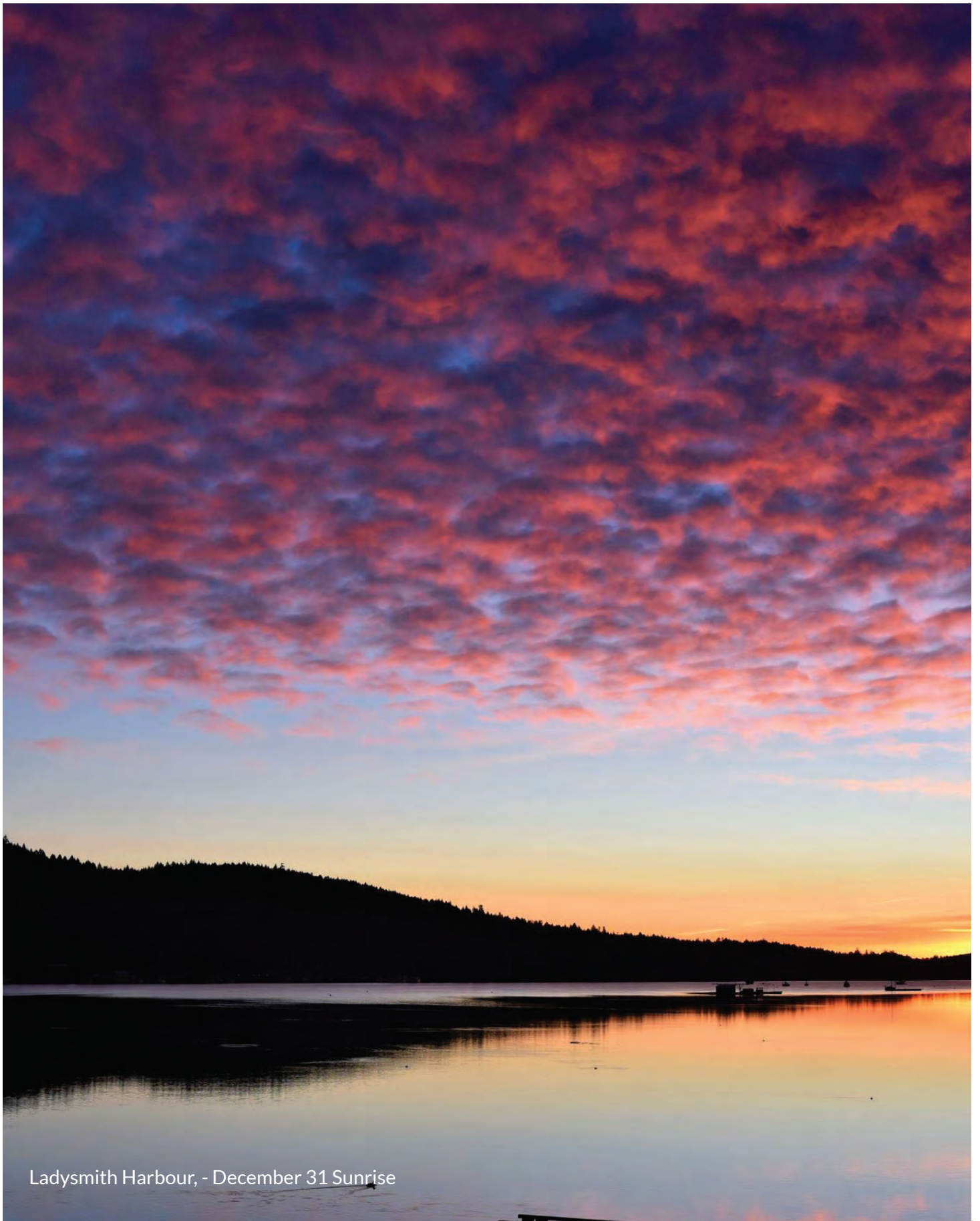
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Ladysmith Harbour, - December 31 Sunrise



Festival of Lights and Chuck Perrin Memorial

Nestled on the eastern shores of spectacular Vancouver Island, Ladysmith features all the warmth and charm of a small town, yet offers its residents a full range of services, amenities and world class municipal infrastructure typically found in larger urban centres. Ladysmith is a growing community (population 9,093 in 2018, BC Stats) located just 88 km (55 miles) north of Victoria and 23 km (14 miles) south of Nanaimo.

Ladysmith residents place a very high value on preserving the storied chronicle of this community, actively celebrating the town's intriguing heritage while respectfully acknowledging the more than 5000 years of history of the first residents of this land, the Stz'uminus First Nation. The town's strong sense of pride for its past is also evident in its well-maintained architecture and colourful streetscapes. First Avenue, a major thoroughfare, was nationally recognized in 2017 as Canada's Great Street by the Canadian Institute of Planners.

As a progressive municipal leader, the Town of Ladysmith places a strong emphasis on the importance of bringing the past to life while simultaneously forging ahead on new initiatives. These values are reflected in the way the Ladysmith Heritage Walks link the vibrant history of its buildings and artifacts with the burgeoning waterfront area and Transfer Beach Park. Whether the Town is focused on restoring an old building or planning a new development, Council and staff always do so in a thoughtful, balanced and sustainable manner.



Stocking Lake

Message from the Mayor



On behalf of Town Council, I am honoured to provide you with an update on the Town of Ladysmith's achievements and progress on our strategic priorities as part of this 2018 Annual Report.

I would first like to extend my thanks and appreciation to the outgoing Council members who served our community with dedication during the 2014-2018 term. It's the combined effort of everyone working together that allows our community to thrive and flourish.

One of our most notable successes in 2018 was delivering on our continued commitment to rejuvenating our waterfront and cleaning up Ladysmith Harbour.

First, we adopted our exciting new Waterfront Area Plan and began to implement it. Together with Stz'uminus First Nation, we continue to focus our attention on remediating the harbour as an important step in successfully implementing the Waterfront Area Plan. We also received \$62,000 from Transport Canada to remove derelict boats from our shoreline. We dismantled a wreck off Slack Point that had been both damaging to the marine ecosystem and an eyesore for several years.

The Arts and Heritage Hub is also a significant part of the overall Waterfront Area Plan and a thriving future for our public waterfront.

In 2018, we invited the community to a celebration at Waterfront Gallery to announce the Town receiving \$1.8-million in Federal Gas Tax funding for improvements to the Machine Shop. This historic building is important to Ladysmith's industrial past -- these necessary building code and seismic upgrades will allow us to improve the space used by the current tenants as well as explore new commercial opportunities in line with our Waterfront Area Plan.

In 2018, Ladysmith also became one of a handful of municipalities on Vancouver Island to adopt a comprehensive strategy for our youth. The Ladysmith Youth Plan is our dynamic path forward for engaging and involving tweens, teens and young adults in the community planning process for their resources and activities.

Council would like to thank the Ladysmith and Stz'uminus students as well as our partners such as the Ladysmith Resources Centre Association, Social Planning Cowichan and local faith-based organizations for their involvement in the process.

Our new Council has been hard at work creating a new Strategic Plan and you'll find more on our key



priorities, Infrastructure, Waterfront, Community and Economy later in this annual report. We invite feedback on the Strategic Plan and will be sharing our achievements with you in the years ahead.

Of course, running a town often comes with numerous difficult decisions but we make them with the strongest commitment in mind to the thousands of residents who call Ladysmith their home. We do this work because we are striving to build and maintain a solid foundation for the future of our community. A few of our other achievements from last year include:

- Completion of our new state of the art biosolids composting facility
- Endorsement of the Ladysmith Economic Development Strategy, created in partnership with Stz'uminus First Nation, the Chamber of Commerce and Nanaimo Airport
- Breaking ground on the Water Filtration Plant
- Creating additional parking and a new natural playground at Aggie Hall
- Investing \$58,750 in Grants in Aid funding to community groups and organizations

I would like to thank our Town staff for their continued commitment to providing excellence in service to our residents.

I am also grateful to our many individual and community volunteers for their selfless service year after year. Our collective efforts help to cement our Town's position as a welcoming, progressive and resilient seaside heritage Town where people are valued and the achievements of our community are recognized and celebrated.

Aaron Stone, Mayor



National Aboriginal Day 2018



Federal Minister Champagne and Mayor Stone



Gas Tax Announcement 2018

Ladysmith Council 2018-2022

The Mayor and Council of the Town of Ladysmith were each elected for a four-year term in the municipal election held in November 2018. Each member is appointed to standing portfolios, Town and regional committees.

**All appointments as of November 1, 2018 until October 31, 2019*



Mayor Aaron Stone

- Cowichan Valley Regional District
- Waterfront Implementation Cttee
- Chair, Stocking Lake Advisory Committee
- Municipal Services Committee
- Chamber of Commerce
- Ladysmith Early Years Partnership

Alternate

- Cowichan Valley Regional District
- Waterfront Implementation Cttee
- Chair, Stocking Lake Advisory Cttee
- Municipal Services Committee
- Chamber of Commerce
- Ladysmith Early Years Partnership



Councillor Amanda Jacobson

- Parcel Tax Review Panel
- Municipal Services Committee
- Advisory Planning Commission

Alternate

- Advisory Design Panel
- Heritage Revitalization Advisory Commission
- Celebrations Committee
- Social Planning Cowichan



Councillor Rob Johnson

- Parcel Tax Review Panel
- Vancouver Island Regional Library
- Municipal Services Committee
- Celebrations Committee
- Liquid Waste Management Committee
- Ladysmith Interagency Committee

Alternate

- Protective Services Committee
- Ladysmith Downtown Business Assn.



Councillor Tricia McKay

- Parcel Tax Review Panel
- Advisory Design Panel
- Ladysmith Community Justice Program
- Municipal Services Committee

Alternate

- Cowichan Valley Regional District
- Advisory Planning Commission
- Parks, Recreation & Culture Advisory Committee
- Chamber of Commerce
- Ladysmith Early Years Partnership
- Social Planning Cowichan



Councillor Duck Paterson

- Deputy Mayor: November 2018 - April 2019
- Chair, Municipal Services Committee
- Waterfront Implementation Committee
- Parks, Recreation & Culture Committee
- Festival of Lights
- Protective Services Committee



Councillor Marsh Stevens

- Municipal Services Committee
- Waterfront Implementation Committee
- Heritage Revitalization Advisory Comm.
- Protective Services Committee (Chair)
- Liquid Waste Management Committee
- Ladysmith Downtown Business Association

Alternate

- Ladysmith Interagency Committee



Councillor Jeff Virtanen

- Deputy Mayor, May - October 2019
- V/Chair, Municipal Services Committee
- Stocking Lake Advisory Committee
- Liquid Waste Management Committee

Alternate

- Festival of Lights
- Vancouver Island Regional Library

Commissions & Committees

Council also appoints citizens to serve on local advisory commissions and committees. Their role is to review matters referred by Council, and to make recommendations to help Council conduct its business. In 2018, we undertook a major review of the Town's commission and committee structure. Our intent through the review was to find ways to maximize the contributions and enthusiasm of our volunteers so that their experience is meaningful and rewarding for themselves and for Council. The review resulted in a restructuring of the commission framework. Standing committees will focus more closely on supporting Council's strategic plan, and Council will strike task forces to deal with important emerging community issues. Council sincerely thanks all our volunteers for their dedication and contributions.

Heritage Revitalization Advisory Commission

Marnie Craig, Chair
Tamara Hutchinson
Robert J. (Bob) Darling
Marina Sacht
Harald Cowie
Rob Johnson
Bernardien Knol
Ann Rogers, LDHS Liaison
Rob Hutchins, Council Liaison
Duck Paterson, Alternate Council Liaison
Lisa Brinkman, Staff Liaison

Advisory Planning Commission

Bruce Laxdal, Chair
Linda Mix
Mayo McDonough
Tina Donovan
D. Brian McLaurin
Christy Villiers
Jon Steininger
Coun. Steve Arnett, Council Liaison
Coun. Joe Friesenhan, Alternate Liaison
Felicity Adams, Management Liaison
Lisa Brinkman, Staff Liaison

Advisory Design Panel

Lorne Shaw, Chair
Brian Childs
Lacey McRae Williams
Michelle Munro
Harald Cowie, HRAC Liaison
Coun. Duck Paterson, Council Liaison
Coun. Cal Fradin, Alternate Council Liaison
Lisa Brinkman, Staff Liaison

Parks, Recreation & Culture Commission

Tim Richards, Chair
Gord Horth
Bruce Mason
Tara Pollock
Coun. Duck Paterson, Council Liaison
Coun. Steve Arnett, Alternate Council Liaison
Clayton Postings, Management Liaison
Julie Tierney, Staff Liaison

Invasive Species Advisory Committee (ended 2018)

April Marrington
Chantal Blumel
Gail Pasaluko
Coun. Carol Henderson, Council Liaison
Coun. Cal Fradin, Alternate Council Liaison
Clayton Postings, Management Liaison
Glenn Britton, Staff Liaison
Anita McLeod, Staff Liaison

Protective Services Committee

Coun. Cal Fradin, Chair
Sybille Sanderson, CVRD - Regional Emergency Coordinator
S/Sgt. Ken Brissard, RCMP
Ray Delcourt, Chief, Ladysmith Fire Rescue
Alana Newton, Citizens on Patrol
Allen McDermid, Ladysmith Search & Rescue
Bill Drysdale, Search & Rescue Alternate
Steve VanderMinne, BC Ambulance Service
Eric Kestleoot, Stz'uminus First Nation
John Davis, Royal Canadian Marine Search & Rescue

Russ Howard (Alternate), Royal Canadian Marine Search & Rescue

Coun. Duck Paterson, Council Liaison
Coun. Joe Friesenhan, Alternate Council Liaison
Guillermo Ferrero, Management Liaison
Geoff Goodall, Management Liaison
Andrea Hainrich, Recording Secretary

Naut'sa Mawt Steering Committee

Chief John Elliott, Stz'uminus First Nation
Mayor Aaron Stone, Town of Ladysmith
Coun. Maureen Tommy, Stz'uminus First Nation
Ray Gauthier, Stz'uminus First Nation
Guillermo Ferrero, Town of Ladysmith
Felicity Adams, Town of Ladysmith
Donna Smith, Recording Secretary

Liquid Waste Management Committee

John T. Wilson, Chair
Gerry Clarke
Jim Cram
Nick Meijerdrees
Lorena Mueller
David Brown
Ross Davis
Greg Edwards
Ray Gauthier, Stz'uminus First Nation
Blake Medlar, BC Ministry of Environment
David Leitch, Cowichan Valley Regional District
Coun. Steve Arnett, Council Liaison
Coun. Cal Fradin, Council Liaison

Coun. Joe Friesenhan, Council Liaison
Geoff Goodall, Management Liaison
Curtis Baker, Staff Liaison

Waterfront Implementation Committee

Mayor Aaron Stone, Council Liaison
Chief John Elliott, Stz'uminus First Nation
Coun. Rob Hutchins, Council Liaison
Coun. Anne Jack, Stz'uminus First Nation
Coun. Joe Friesenhan, Council Liaison
Coun. Peter Seymour, Stz'uminus First Nation
Guillermo Ferrero, Staff Liaison
Kim Fowler, Staff Liaison
Donna Smith, Recording Secretary

Board of Variance

Jan Christensen
Tim Horner
Terry Doherty



Waste Water Treatment Plan Grand Opening

Message from the CAO



Thank you for your interest in the Town of Ladysmith's 2018 Annual Report, a review of our accomplishments from the past year on Council's Strategic Planning objectives.

I would like to congratulate and thank the outgoing members of Council with whom I had the opportunity to work on many important projects during their four year tenure serving our wonderful community.

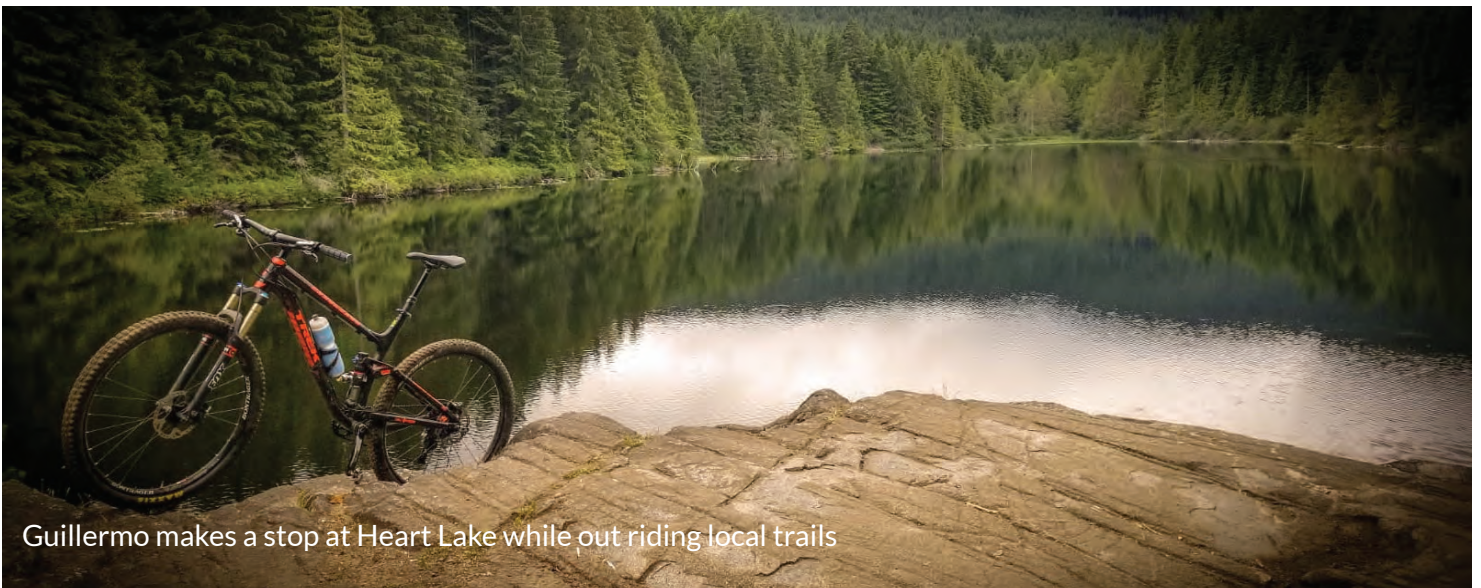
I am also appreciative of Town of Ladysmith's nearly 100 employees across our five departments. This dedicated group of professionals work tirelessly to help me ensure the Town's financial, capital and operational activities run smoothly year round.

As the senior staff leader, the CAO's role is to provide leadership and direction to staff on the continued delivery of essential services, as well as implementation of Council's clear set of priorities to act on over the coming years.

In 2018, we made a great deal of progress on action items related to all five strategic priorities and I look forward to continuing along this positive path with the new council and their strategic vision - details of which are laid out later in this report.

Within the Annual Report are highlights of the objectives we achieved across departments in 2018, including:

- Opening of the Biosolids Facility on Thicke Road
- Adoption of the Waterfront Area Plan
- Adoption of the Ladysmith Youth Plan



Guillermo makes a stop at Heart Lake while out riding local trails

- Expansion of the truck bay at the Fire Hall
- Breaking ground on the Water Filtration Plant
- Administering the municipal election and CVRD referendum questions
- Delivering a clean 2018 audited Financial Statements
- Participating as a host community for the Cowichan 2018 BC Summer Games

I am especially excited about our community's potential through the Waterfront Area Plan to create a waterfront that is accessible to all and provides amenities that help build a sense of community while also supporting our economy.

Looking ahead to 2019, we will be busy completing our new water filtration plant, and replacing the failed culvert across Rocky Creek on 4th Avenue, as well as replacing water mains and building side-walks as part of our ongoing infrastructure maintenance program.

I am excited to get to work with our new Council, and am especially looking forward to developing and implementing their new strategic plan.

I was impressed to see that statistics from last year show we are among the fastest growing communities in British Columbia – a testament to our rich heritage, diversity, outstanding vistas, amenities and welcoming residents.

Guillermo Ferrero, Chief Administrative Officer



Public Works Week Award



Aggie Parking Lot Expansion



2018 Bio-Solids Facility



Corporate Structure

The organizational structure of the Town is made up of five departments in three divisions:

- Corporate Services (Administration and Legislative Services and Communications)
- Development Services (Planning, Building, Bylaw Compliance and Economic Development)
- Financial Services (includes Human Resources and Information Technology)
- Infrastructure Services (Public Works, Utilities, Parks Maintenance and Engineering)
- Parks, Recreation and Culture

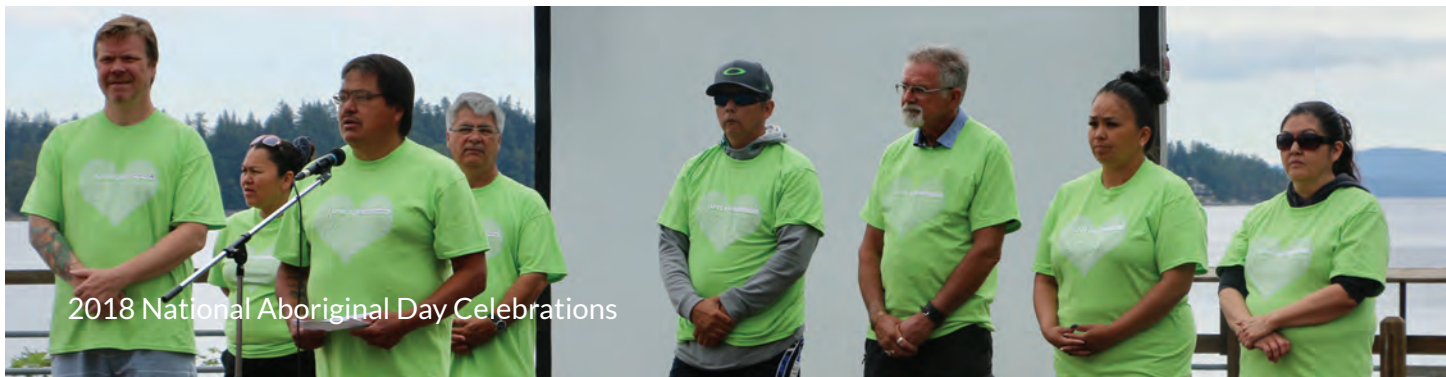
Each department is overseen by a Director, who reports to the Chief Administrative Officer (CAO). The CAO reports to Council, and is responsible for ensuring that the strategic priorities and decisions established by Council are carried out by staff.

Chief Administrative Officer	Guillermo Ferrero
Director of Infrastructure Services (Core Services)	Geoff Goodall
Director of Parks, Recreation & Culture (Community Services)	Clayton Postings
Director of Development Services (Community Services)	Felicity Adams
Director of Financial Services (Corporate Services)	Erin Anderson
Manager of Accounting Services (Corporate Services)	Gerald Fukakusa
Manager of Legislative Services (Corporate Services)	Joanna Winter
Manager of Human Resources (Corporate Services)	Ian Paydli
Manager of Operations (Core Services)	Kevin Goldfuss
Executive Liaison	Donna Smith
Approving Officer	Geoff Goodall
Chief, Ladysmith Fire-Rescue (Core Services)	Ray Delcourt
Officer in Charge, RCMP Ladysmith Detachment	S/Sgt. Ken Brissard

Financial Institutions: Ladysmith and District Credit Union, Royal Bank of Canada

Auditor: MNP LLP

(all positions as at December 31, 2018)



2018 National Aboriginal Day Celebrations

Town Services



The Town of Ladysmith is building a future that emphasizes the importance of environmental, social and economic sustainability, as well as a strong sense of shared values and community identity. This blueprint for the future is designed to ensure a balance between community growth, the need for sustainability, and the community's desire to maintain the charming character of our historic town.

The Town is responsible for providing a wide variety of services to citizens. These include:

- ⇒ Transportation Network (roads, bridges, street cleaning, sidewalks, etc.)
- ⇒ Storm Water Management
- ⇒ Garbage/Recycling/Organics Collection
- ⇒ Sewage Treatment System
- ⇒ Water Supply
- ⇒ Parks, Recreation and Cultural Programs and Services
- ⇒ Town Facilities
- ⇒ Fire Protection
- ⇒ Land Use Planning
- ⇒ Economic Development
- ⇒ Building Inspection
- ⇒ Domestic Animal Control
- ⇒ Bylaw Establishment and Enforcement
- ⇒ Heritage and Revitalization
- ⇒ Cemetery
- ⇒ Policing (Royal Canadian Mounted Police)

Local government services that are not the responsibility of the Town of Ladysmith include:

- ⇒ School System (Provincial Government and Local School Board)
- ⇒ Social and Health Programs (Provincial Government)
- ⇒ Hospital Care System (Provincial Government)
- ⇒ Real Property Assessments (BC Assessment)
- ⇒ Solid Waste Disposal, 911, Emergency Planning (Cowichan Valley Regional District)
- ⇒ Employee Pension Plan (Provincial Plan)
- ⇒ Debt Marketing (Municipal Finance Authority)

⇒ Library Collection and Distribution System (Vancouver Island Regional Library)

The Town of Ladysmith is represented on the following regional boards, which provide a variety of services for the residents of Ladysmith:

- ⇒ Cowichan Valley Regional District
- ⇒ Cowichan Valley Regional Hospital District
- ⇒ Vancouver Island Regional Library

The Town of Ladysmith obtains services from the following inter-municipal organizations:

- ⇒ Municipal Finance Authority (MFA) - A provincial organization that provides marketing, placement and administration of municipal borrowing. This Authority also operates an investment pool and leasing program on behalf of municipalities.
- ⇒ Municipal Insurance Association (MIA) - The main purpose of the MIA is to pool the risks of liability so as to reduce the impact upon any member municipality. Under the Reciprocal Insurance Exchange Agreement the Municipality is assessed a premium and a specific deductible for its claims based on population.



2018 Staff Committees

Joint Occupational Health & Safety Committee

Provides advice and recommendations to the employer on issues related to health and safety and the occupational environment, and works to ensure compliance with WorkSafe BC regulations.

Ian Paydli - Co-Chair
Shane Lassam - Co-Chair
Clayton Postings
Andrea Hainrich
PJ Halliday

Kevin Goldfuss
Mike Brown
Ray Delcourt
Mike Ganderton

Employee Wellness Committee

Responsible for organizing an on-going Corporate Wellness Program.

Sue Bouma
Chris Pinnington
Felicity Adams
PJ Halliday

Ian Paydli
Clayton Postings
Mike Gregory

Labour Management Committee

Responsible for unionized employees, personnel issues, and the union contract.

Ian Paydli -- Co-Chair
Bob Simpson - Co-Chair
Guillermo Ferrero
Erin Anderson

Mike Morgan
Sue Glenn
Sam Eck



City Hall



Staff at City Hall work in two departments: Corporate Services and Financial Services.

Corporate Services

This department is headed by the Chief Administrative Officer (CAO). He reports directly to Council and is responsible for ensuring that all decisions of Council are carried out. The CAO also directly manages corporate strategic projects.

The Legislative Services team supports the work of Council and is responsible for records management, access to records and risk management. The team is also responsible for communications and engagement, informing the citizens and other stake-holders of the activities of the Town and seeking input and feedback.

Financial Services

The Financial Services department is responsible for financial planning and reporting as well as processing payroll, accounts payable, accounts receivable, and purchasing, and carries out the calculation and collection of all property tax and utility billing as well as invoices for business licences. This department is also responsible for information technology and oversees all matters related to human resources for the Town. The departments is led by the Director of Financial Services, who is a legislated civic official (Financial Officer) under the BC *Community Charter*.



Top Row, L to R: Kari-Anne McLennan, Erin Anderson, Guillermo Ferrero, Ian Paydli, Kristine Hawkins, Aria Mac Coll, Samantha Eck.
Bottom Row, L to R: Joanna Winter, Gerry Fukakusa, Mike Gregory, Donna Smith, Andrea Hainrich, Sue Bouma.

Financial Services

2018 Department Highlights

Commenced work on a new Development Cost Charges (DCC) program (ongoing into 2019)

Provided 1 Economic Tax Exemption and 4 Heritage Tax Exemptions to qualified properties

Renewed the Low Flush Toilet Rebate

Administered Grants-in-Aid program, investing \$57,550 in community organizations and events

Looking Ahead to 2019

Complete the updated Development Cost Charges (DCC) program

Update the Economic Tax Exemption bylaw

Negotiate a new agreement with North Cowichan for Information Technology services

Financial Administration & Human Resources in 2018...

- **30** Job Postings
- **4** Staff Retirements
- **608** Subscribers to electronic utility billing
- **412** Subscribers to pre-authorized utility payment program
- **508** Business Licences
- **230** Subscribers to the Property Tax Pre-Authorized Payment Plan
- **24** Grants
- **925** Dog Licences



Concerts on the Hill



Parting gift for retiring Councillor and former Mayor Rob Hutchins



Christmas Art at City Hall

Corporate Services

2018 Department Highlights

Ran the Municipal Election and organized three candidate forums leading up to the election

Undertook a comprehensive review of commissions and committees and adopted recommendations

Provided liaison, permit approvals and communications support to the Sonic movie production crew

Upgraded Council audio-video and broadcasting systems

Updated www.ladysmith.ca home page

Launched "Our Ladysmith" blog

Looking Ahead to 2019

Conduct a public survey on the retail sale of cannabis in Ladysmith

Publish a mobile-friendly version of the Town's website

Complete implementation of recommendations from the Commission and Committee Review

Support Council in developing a Strategic Plan for 2020 to 2023

Provide comprehensive local and regional orientation sessions for the newly elected Council

Corporate Administration in 2018...

- **56** Council Meetings
- **666** Resolutions
- **5** Freedom of Information Requests
- **1017** E-mail Subscribers
- **28** Corporate Services electronic newsletters
- **6** newsletters sent out with tax and utility notices and business licence renewal letters



1st Avenue transformed into Green Hills, MO during filming of the Sonic movie

Development Services



Development Services

The Development Services department leads long range and current planning, urban design, and heritage preservation, providing advice to Council on development matters. The Department also processes applications regarding land use, and supports economic development.

The department also incorporates Building Services and Bylaw Compliance.

Top Row, L to R: Julie Thompson, Diane Webber, Felicity Adams. Bottom Row, L to R: Colin Bollinger, Lisa Brinkman.



Through building permits and inspections carried out at various stages of construction, the Development Services Department works to ensure that new construction and renovations meet the standards of the BC Building Code and the Town's land use regulations. The Department also provides information and education for the public about the Town's land use policies and regulations and works to obtain compliance with Town bylaws.

2018 Department Highlights

Adopted Waterfront Area Plan and began implementation

Completed public engagement on expanding area in Ladysmith where coach houses are permitted

Completed service delivery review in development application processing and implemented recommendations to streamline the process

Completed the Economic Development Strategy with partners (Economic Development Cowichan, Stz'uminus First Nation, Ladysmith Chamber of Commerce, Nanaimo Airport) and began implementation

Development Services Building Services Bylaw Compliance in 2018...

- 21 Development Permit Applications
- 4 Development Variance Permit Applications
- 13 Rezoning Applications
- 8 Sign Permit Applications
- 2 Temporary Use Permit Applications
- 11 Commission and Committee Meetings
- 700 Customer Enquiries Planning
- 400 Customer Enquiries Building
- 100 Building Permits (renovations and new construction)
- 45 Occupancy Permits
- \$11,048,503 Value of Construction
- 224 Bylaw Complaints
- 5 Naut'sa Mawt Steering Committee Meetings

Looking ahead to 2019

Update the Naut'sa Mawt Community Accord and Memorandum of Understanding with Stz'uminus First Nation

Continue implementing the Waterfront Area Plan

Introduce bylaws and/or policies to address Council's decision regarding the sale of retail cannabis in Ladysmith

Expand the Geographic Information System (GIS) to support planning, development and asset management





Parks, Recreation and Culture



Parks, Recreation and Culture

The Town is committed to providing quality recreational facilities and services to support community wellness. Guided by the Parks, Recreation and Culture Strategic Plan, the department's focus is to ensure that the community has a positive experience in both the natural and built environments.

Department services include:

- Recreation and fitness programming
- Parks planning and programs
- Maintenance of the Town's 17 buildings
- Facilities rentals
- Youth recreation programming
- Support for public art and culture



Administrative staff

L to R: Julie Tierney, Robin McAdam, Marija Weibe, Ann Randle, Jennifer LeBlanc, Cassandra Taylor.



Fitness Staff

Back Row, L to R: Jenn Byrne, Andrea Gibson, Jan Carter, Tarah Stenberg, Deb Winsor, Tracey Welch. Front Row, L to R: PJ Halliday, Tiffany Chapman, Heather Irwin.

2018 Department Highlights

Served as host community (beach volleyball, baseball and field hockey) for 2018 BC Summer Games

Adopted the Ladysmith Youth Plan

Started public consultation and research for a Public Art Strategy

Completed the pre-design phase for upgrades to the Machine Shop

Implemented new regional recreation software in conjunction with other CVRD recreation facilities

Completed facility condition assessments and related upgrades

Expanded and renovated Fire Hall to accommodate the new truck

Parks, Recreation & Culture in 2018...

- **952** People Registered in Fitness Programs
- **506** Drop-in Fitness classes
- **175** One-on-One Personal Training Patrons
- **1,305** People Registered in Aquatic Programs
- **623** Private Swimming Lessons
- **273** Hectares of Parks, Trails and Open Spaces
- **26** Kms of Hiking and Walking trails

Looking ahead to 2019

Complete and adopt the Public Art Strategy

Complete improvements to Aggie Hall parking

Install a natural playground on the Aggie Hall site

With CVRD partners, work towards regional equity in recreation services

Upgrade food truck sites at Transfer Beach

Continue implementing the Ladysmith Youth Strategy





Facilities Maintenance staff

L to R: Les Kovacs, Brent Schultz, Ross Perry, Dave Clausen, Suzanne Senecal, Kelly Giesbrecht, Len Manuel.



Ladysmith Youth Strategy Team-

Back row, L to R: Isabel Smith, Aiden Geiger, Sampson McMullan, Ava Smith, Bryn Dovey, Jennifer Elliott, Hanna Claire.
Front row, L to R: Danielle Winter, Mae Doran, Neil Smith, Amber Pridham.



Early Years Child and Youth Team

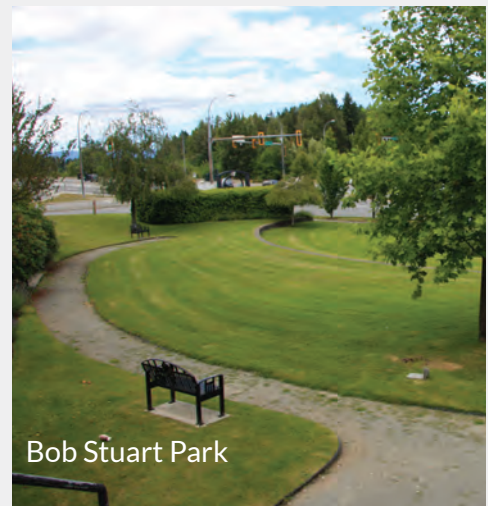
L to R: Shannon Jany, Holly Dupont, Cam Manns, Jenn Tippett.



2018 BC Summer Games
Beach Volleyball



New Logger Pole Installation



Bob Stuart Park

Infrastructure Services



Infrastructure Services

The Infrastructure Services department is responsible for all public works, and for maintaining the Town's infrastructure: roads, sidewalks, parks and trails, water and storm sewer mains, the waste water treatment plant, the biosolids composting facility and the Town's water supply system. The department also oversees solid waste management (garbage and recycling services), operates the Ladysmith Cemetery and provides engineering services.

2018 Department Highlights

Finished all design and awarded contract for construction of the Water Filtration Plant

Built phase one of the Walkem Road sidewalk

Completed the Bio-Solids Facility to process waste from the Waste Water Treatment Plant

Completed a Holland Dam inundation study

Completed an inflow and infiltration study to determine priority for Town water main repair/replacement

Repaired the outfall line for the Waste Water Treatment Plant in Ladysmith Harbour

Looking Ahead to 2019

Replace the culvert on 4th Avenue at Rocky Creek and upgrade pedestrian amenities

Complete construction of the Water Filtration Plant

Replace water mains on Baden Powell and Warren Streets

Complete Walkem Road sidewalks

Tender the contract for the Town's curbside collection services

Continue ongoing repairs in accordance with the Asset Management Plan

Apply for funding to upgrade storage capacity



Infrastructure Services in 2018...

- **66.1** Kms of Roads
- **38.3** Kms of Sidewalks
- **86.7** Kms of Water Mains
- **71.6** Kms of Sewer Mains
- **4,351** Residential Sewer Connections
- **3,195** Single Family Dwelling Water Connections
- **365** Consecutive Days Providing Safe Tested Drinking Water
- **32** Interments in Ladysmith Cemetery
- **26** Marker Instalments in Ladysmith Cemetery
- **3,201** Residential Units Serviced with Waste Pick-up
- **1,463** Tonnes Solid Waste Collected (garbage, recyclables, organics)
- **58.5 %** of Total Waste Diverted from Landfill



L to R: Wolf Winter, Mike Brown, Larry McLeod, Greg Grueber, Kevin Bell, Ryan Dallamore, Beverley Taschuk, Bob Simpson, Andrew McNeill, Mike Morgan, Glen Britton, Martin Barney, Rocky Coussens, Ryan Bouma, Shawn Freer, Travis Crossen, Chris Pinnington, Geoff Goodall, Kevin Goldfuss, Ron Vaux, Simon Skelton.

Ladysmith Fire/Rescue



Ladysmith Fire/Rescue

Ladysmith Fire/Rescue is a volunteer on-call fire department that provides fire protection to the Town of Ladysmith, parts of Saltair and the Diamond Improvement District. The fire protection area spans over 40 square miles.

Ladysmith Fire/Rescue is dispatched to approximately 200 calls per year by FIRECOM which is stationed out of Nanaimo Fire Hall Station #1.



Middle Row: Dan Cross, Chad Arsenault

Back Row: Ray Delcourt, Wayne Johnston, Mike Smith, Matt Rickett, Barry Hartl, John Goodman Jr., Jason Rollans, Dwain King, Glenn Irvine, Owen Burt, Kevin Huberts

Front Row: Mike Turner, Chris Geiger, Mike Porter, Ron Moore, Al Delcourt, Andy Nguyen, Daniel Gillard

Ladysmith Fire/Rescue

Ladysmith Fire/Rescue in 2018...

- **18** Hourly Paid On-Call Fire/Rescue members
- **7** Officers
- **213** Incident Responses:
 - 21.6% Alarms activated
 - 14.1% Assistance
 - 18.3% Motor Vehicle Incident
 - 10.8% Medical Aid
 - 2.3% Structure Fire
 - 3.8% Burning Complaint
 - 3.5% Hydro Lines Fire
 - 2.3% Stucture Fire
 - 6.1% Other Fires
 - 3.3% Hazardous Materials



Fire Hall Expansion, June 2018

2020 - 2023 Strategic Plan



Strategic Priorities 2020 to 2023



In spring 2019, Council began a strategic planning process that culminated in November with the adoption of a brand new Strategic Plan and a new set of strategic priorities to guide the work of Council and staff over the coming four years.

***Celebrate our Present.
Embrace our Future.
Honour our Past.***

Vision:

Ladysmith is a diverse and well-managed municipality that reflects the quality of its people, where we work together as stewards of our assets, environment and economy.

Mission:

A safe, caring and vibrant community.

Our Past, Our Future:

Naut'sa Mawt (Working Together). The land on which the Town of Ladysmith was founded in 1904 has been home to the Coast Salish people for more than five thousand years. We are committed to honouring the rich cultural history of our First Peoples while together creating a prosperous future for generations to come.

Infrastructure

We will advance projects that address climate change, renew our infrastructure, protect natural and built assets and accommodate future growth.



Community

We will employ strategies and actions which maintain a diverse, vibrant and affordable community, ensuring we do not pass undue burden onto future generations.

Waterfront

We will implement our Waterfront Area Plan together with Stz'uminus First Nation, creating opportunities for economic prosperity, environmental restoration and cultural celebration.



Economy

We will promote an environment that facilitates business development and job creation.



Strategic Priorities & Projects

INFRASTRUCTURE

Ensure that the Town's water supply system meets the needs of current and future residents and the demands of climate change

- ▶ Increase the storage capacity of our water supply system at Holland Lake
- ▶ Build a new Holland Lake to Stocking Lake supply main
- ▶ Conduct a Stormwater Master Plan Review
- ▶ Ensure reliable, quality drinking water with completion of the new Water Filtration Plant
- ▶ Investigate the feasibility of a boundary expansion to the new Water Filtration Plant property
- ▶ Upgrade the supply main from Stocking Lake to the balancing reservoir

Maintain an effective and efficient waste water treatment system that meets the needs of the population and supports the long-term health of the Ladysmith Harbour

- ▶ Conduct an environmental impact study for the Waste Water Treatment Plant
- ▶ Implement a Sewer Source Control Program, including bylaws and public education
- ▶ Review post treatment disinfection options for the Waste Water Treatment Plant

Implement an asset management plan to replace and maintain aging infrastructure

- ▶ Protect and dedicate designated park lands
- ▶ Implement Stage II of the Geographic Information System (GIS) and mapping to prioritize infrastructure
- ▶ Replace cemetery fencing and gate
- ▶ Upgrade 4th Avenue by repaving surfaces, replacing infrastructure and improving safety to support active transportation

Improve overall service delivery through greater integration of departments

- ▶ Examine options and costs for a new City Hall or other approaches to centralizing Town departments

WATERFRONT

Prioritize realization of upland waterfront opportunities

- ▶ Amend the Zoning Bylaw as appropriate to support implementation of the Waterfront Area Plan
- ▶ Commission a legal survey of development parcels
- ▶ Complete a Business Plan and Communications Strategy for the waterfront
- ▶ Complete a Geotechnical Study for road alignment
- ▶ Complete a Waterfront Servicing Study
- ▶ Complete subdivision of the Town-owned waterfront lands
- ▶ Conduct an Infrastructure Costing Study
- ▶ Determine storm drainage relocation
- ▶ Establish a Waterfront Area Plan Community Advisory Panel
- ▶ Implement a Comprehensive Development Agreement for the waterfront
- ▶ Determine the best approach to maximize the value of Town-owned waterfront property

Continue remediation of contaminated areas within Ladysmith Harbour

- ▶ Work with Stz'uminus First Nation to secure funding to complete foreshore remediation

Develop a thriving Arts and Heritage Hub

- ▶ Arts and Heritage Hub contract services
- ▶ Complete Machine Shop restoration and lease space in accordance with the Waterfront Area Plan

Create cultural and recreational amenities to attract and engage residents and visitors alike

- ▶ Boat ramp/float

COMMUNITY

Strengthen communication and meaningful collaboration with key partners, including but not limited to Stz'uminus First Nation, School District 68, other levels of government and community service groups

- ▶ Identify and act on opportunities for joint initiatives and shared facilities with School District 68
- ▶ Ongoing collaboration and reconciliation initiatives with Stz'uminus First Nation, including updating the Naut'sa Mawt Community Accord and Memorandum of Understanding and creating an economic framework for waterfront development

Develop comprehensive affordability strategies that reflect the needs within our community

- ▶ Complete a Housing Needs Report to facilitate development of affordable housing
- ▶ Complete the regional child care space review and assessment

Support the Town vision by ensuring that appropriate short and long-term community plans are in place

- ▶ Conduct a review of the South Ladysmith Area Plan in collaboration with Stz'uminus First Nation
- ▶ Conduct an accessibility audit of Town properties, and implement recommendations as appropriate
- ▶ Ensure that the Ladysmith Small Craft Harbour (Fishermen's Wharf) long term plan is integrated with the Waterfront Area Plan
- ▶ Implement Ladysmith Youth Plan recommendations for a youth-friendly community
- ▶ Implement recommendations from Public Art Strategy
- ▶ Publish the final planning application guides and checklists as identified in the Development Application Review Process
- ▶ Begin improvements to Lot 108 (Forrest Field) site and explore grant opportunities for future amenities
- ▶ Update the Official Community Plan (adopted in 2003) to set the vision and a road map to build the community we want over the next quarter century

Demonstrate Council's leadership and continued excellence in governance

- ▶ Continue to enhance Council's performance by conducting bi-annual evaluations
- ▶ Develop and implement a new Council self-assessment policy
- ▶ Foster ongoing professional development through training, workshops and other opportunities

ECONOMY

Pursue opportunities leading to economic development and job creation

- ▶ Continue to implement the Ladysmith Economic Development Strategy in partnership with community partners and regional government
- ▶ Implement policies for the retail sale of cannabis in Ladysmith
- ▶ Prepare the Town's Churchill Place property for future opportunity

Implement and support projects to maintain a vibrant downtown

- ▶ Add more gathering places downtown
- ▶ Complete grating around all trees
- ▶ Enhance artifact and heritage building signage
- ▶ Ensure street trees are an appropriate size
- ▶ Install a welcome sign
- ▶ Refresh Town assets in downtown core
- ▶ Replace interlocking brick paving

Seek collaborative partnerships to enhance tourism attraction

- ▶ Develop and implement a strategy to enhance and promote Ladysmith's trails for hiking and cycling
- ▶ Finalize an agreement with the Ladysmith Chamber of Commerce for tourism services



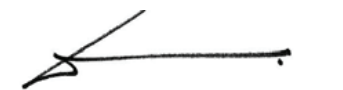
FINANCIAL STATEMENTS
for
FISCAL YEAR ENDING
December 31, 2018

STATEMENT OF MANAGEMENT'S RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Town of Ladysmith and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting standards.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

MNP LLP as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Auditor's report is addressed to the Mayor and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian Auditing Standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian Public Sector Accounting Standards.



Guillermo Ferrero
Chief Administration Officer

Independent Auditor's Report

To the Mayor and Council of the Town of Ladysmith:

Opinion

We have audited the consolidated financial statements of the Town of Ladysmith (the "Town"), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations, changes in net financial assets, cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town as at December 31, 2018, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ! Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ! Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- ! Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ! Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.

- ! Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ! Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Town to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nanaimo, British Columbia

April 15, 2019

MNP LLP

Chartered Professional Accountants

TOWN OF LADYSMITH
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u> (restated)
Financial Assets		
Cash and short-term deposits (Note 2)	\$ 22,025,702	\$ 20,440,472
Accounts receivable (Note 4)	4,435,613	2,884,198
	<u>26,461,315</u>	<u>23,324,670</u>
Liabilities		
Accounts payable and accrued liabilities (Note 5)	3,372,143	2,387,416
Post-employment benefits (Note 6)	232,400	234,100
Deferred revenue (Note 7)	563,199	537,531
Refundable deposits and other (Note 8)	878,031	560,987
Restricted reserves (Note 9)	442,190	434,856
Development cost charge reserve (Note 10)	3,163,671	2,672,844
Federal gas tax reserve (Note 11)	1,506,769	1,481,511
Equipment Financing (Note 12)	986,306	359,437
Short-term financing (Note 13)	952,700	-
Debenture debt (Note 14 & Schedule I)	11,598,532	12,229,401
	<u>23,695,941</u>	<u>20,898,083</u>
Net Financial Assets	<u>2,765,374</u>	<u>2,426,587</u>
Non-Financial Assets		
Tangible Capital Assets (Schedule VIII)	97,692,141	93,874,808
Prepays	89,387	71,453
Inventory	74,232	66,390
	<u>97,855,760</u>	<u>94,012,651</u>
Accumulated Surplus (Note 19)	<u>\$ 100,621,134</u>	<u>\$ 96,439,238</u>

Commitments and Contingencies (Note 15)



Director of Financial Services

See accompanying notes to the financial statements

TOWN OF LADYSMITH
CONSOLIDATED STATEMENT OF OPERATIONS
AS AT DECEMBER 31, 2018

	2018	Budget 2018	2017
		(Note 20)	(restated)
Revenue			
Taxes (Schedule II)	\$ 10,691,844	\$ 10,684,515	\$ 10,146,910
Sale of Services (Schedule III)	3,731,971	3,624,582	3,344,924
Investment Income	263,939	138,000	183,209
Licence, Permits, Rentals & Penalties (Schedule IV)	965,424	736,827	849,864
Grants (Schedule VI)	3,658,040	10,756,080	1,917,069
Donations and contributed tangible capital assets	348,214	151,635	335,638
Loss on foreign exchange	(51,120)	-	(42,008)
Gain (loss) on disposal of tangible capital assets	(1,205)	-	1,641,274
Development fees	43,000	323,000	-
Gas tax funds utilized (Note 11)	398,071	1,142,972	230,053
	<u>20,048,178</u>	<u>27,557,611</u>	<u>18,606,933</u>
Expenses			
General government services	2,698,993	3,305,415	2,329,962
Protective services	1,742,911	1,974,995	1,802,436
Transportation services	2,338,580	2,355,251	2,145,021
Garbage services	511,805	508,761	488,715
Cemetery services	28,609	30,619	36,876
Development services	578,671	738,470	771,490
Recreation and cultural services	2,887,980	2,898,874	2,743,912
Parks operation services	930,872	976,642	912,806
Sewer	2,787,753	3,652,843	2,890,663
Water	1,360,108	1,963,164	1,289,564
	<u>15,866,282</u>	<u>18,405,034</u>	<u>15,411,445</u>
Annual Surplus	4,181,896	9,152,577	3,195,488
Accumulated Surplus, beginning of year	<u>96,439,238</u>	<u>96,439,238</u>	<u>93,243,750</u>
Accumulated Surplus - end of year	<u>\$ 100,621,134</u>	<u>\$ 105,591,815</u>	<u>\$ 96,439,238</u>

See accompanying notes to the financial statements

TOWN OF LADYSMITH
CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u> (restated)
Operating Transactions		
Annual Surplus	\$ 4,181,896	\$ 3,195,488
Less non-cash items included in surplus:		
Amortization	3,336,032	3,256,082
Loss (gain) on disposal of tangible capital assets	1,205	(1,641,274)
Actuarial adjustments on debenture debt	(40,824)	(35,790)
Contributed tangible capital assets	(269,830)	(319,473)
	<u>7,208,479</u>	<u>4,455,033</u>
Accounts receivable	(1,551,415)	109,694
Prepaid expenses	(17,934)	40,900
Inventory	(7,842)	5,369
Accounts payable and accrued liabilities	984,727	(91,000)
Post employment benefits	(1,700)	(16,200)
Deferred revenues	25,668	51,474
Refundable deposits and other	317,044	105,840
Restricted reserves	7,334	9,546
Development cost charge reserve	490,827	701,441
Gas tax reserve	25,258	171,237
Cash provided by operating transactions	<u>7,480,446</u>	<u>5,543,334</u>
Capital Transactions		
Proceeds on sale of tangible capital assets	-	2,273,000
Cash used to acquire tangible capital assets	(6,884,740)	(5,227,872)
	<u>(6,884,740)</u>	<u>(2,954,872)</u>
Repayment of long-term debt and equipment financing		
Proceeds of long-term financing	952,700	-
Proceeds of equipment loans	626,869	-
Repayment of debt	(590,045)	(1,319,178)
	<u>989,524</u>	<u>(1,319,178)</u>
Net (Decrease) Increase in cash from financing		
	<u>989,524</u>	<u>(1,319,178)</u>
Increase in Cash and Short-Term Deposits	1,585,230	1,269,284
Cash and Short-Term Deposits - Beginning of Year	20,440,472	19,171,188
	<u>22,025,702</u>	<u>20,440,472</u>
Cash and Short-Term Deposits - End of Year	<u>\$ 22,025,702</u>	<u>\$ 20,440,472</u>

See accompanying notes to the financial statements

TOWN OF LADYSMITH
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
AS AT DECEMBER 31, 2018

	<u>2018</u>	<u>Budget 2018</u> (Note 20)	<u>2017</u> (restated)
Annual Surplus	\$ 4,181,896	\$ 9,152,577	\$ 3,195,488
Acquisition of tangible capital assets	(7,154,570)	(21,467,448)	(5,547,345)
Amortization of tangible capital assets	3,336,032	3,211,065	3,256,082
Loss (gain) on sale of tangible capital assets	1,205	-	(1,641,274)
Proceeds from sale of tangible capital assets	-	-	2,273,000
Decrease (Increase) in inventories	(7,842)	-	5,369
Decrease (Increase) in prepaids	(17,934)	-	40,900
Change in Net Financial Assets	<u>338,787</u>	<u>(9,103,806)</u>	<u>1,582,220</u>
Net Financial Assets, beginning of year	<u>2,426,587</u>		<u>844,367</u>
Net Financial Assets, end of year	<u><u>\$ 2,765,374</u></u>		<u><u>\$ 2,426,587</u></u>

See accompanying notes to the financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

The Town of Ladysmith (the Town) was incorporated in 1904 under the provisions of the British Columbia Municipal Act. Its principal activities are the provision of local government services in the Town, as governed by the *Community Charter* and the *Local Government Act*.

Note 1 - Significant Accounting Policies

The notes to the consolidated financial statements are an integral part of these financial statements. They provide detailed information and explain the significant accounting and reporting policies and principles that form the basis of these statements. They also provide relevant supplementary information and explanations which cannot be expressed in the consolidated financial statements.

(a) Basis of Presentation

It is the Town's policy to follow Canadian public sector accounting standards for local governments and to apply such principles consistently. The financial resources and operations of the Town have been consolidated for financial statement purposes and include the accounts of all of the funds of the Town.

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

The consolidated financial statements reflect the assets, liabilities, revenues and expenses and changes in fund balances and financial position of the Town. These consolidated financial statements consolidate the following operations:

General Revenue Fund
Water Revenue Fund
Sewer Revenue Fund
Reserve Fund

General Capital Fund
Water Capital Fund
Sewer Capital Fund

(b) Reporting Entity

The consolidated financial statements include the assets, liabilities, revenue and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the Town. Control is defined as the power to govern the financial and reporting policies of another organization with the

These notes form an integral part of these financial statements

TOWN OF LADYSMITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

Note 1 - Significant Accounting Policies - (b) Reporting Entity (continued)

expected benefits or risk of loss to the Town. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the Town. Interfund and intercompany balances and transactions have been eliminated. The controlled organizations include DL 2016 Holdings Corporation, a wholly owned subsidiary of the Town.

(c) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Cost includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The Town does not capitalize interest charges as part of the cost of its tangible capital assets.

Tangible capital assets are amortized over their estimated useful life, with a half-year's provision in the year of acquisition, on the straight-line method at the following annual rates:

General Tangible Capital Assets

Land	Indefinite
Land Improvements	15 to 75 years
Buildings	25 to 40 years
Equipment, Furniture and Vehicles	5 to 60 years

Engineering Structures

Roads and Sidewalks	20 to 75 years
Storm and Sewer	25 to 75 years
Water	20 to 80 years

Constructions in progress contain capital projects underway but not yet complete or put into use. Once put into use, the asset will be amortized based on the above annual rates for the applicable category of work performed.

Certain assets have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts that are not recognized as tangible capital assets

These notes form an integral part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

Note 1 - Significant Accounting Policies – (c) Tangible Capital Assets (continued)

because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands and other natural resources are not recognized as tangible capital assets.

(d) Cash and Short-Term Deposits

Cash and short-term deposits have maturities of three months or less from the date of acquisition, reported in Canadian funds using the exchange rate of the prescribed bank as of December 31.

(e) Restricted Reserves and Deferred Revenues

Receipts which are restricted by the legislation of senior governments or by agreement with external parties are deferred and reported as restricted reserves. When qualifying expenses are incurred, restricted reserves are brought into revenue at equal amounts, in accordance with Revenue Recognition policy 1(i). These revenues are comprised of the amounts shown in Note 9, 10, and 11.

Revenues received from non-government sources in advance of expenses which will be incurred in a later period are deferred until the associated purchase or expense is incurred.

(f) Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Significant areas requiring the use of management estimates relate to the collectability of accounts receivable, accrued liabilities, post-employment benefits, provisions for contingencies and amortization rates, useful lives and salvage values for determining tangible capital asset values. Actual results could differ from those estimates. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the Town is responsible for. Adjustments, if any, will be reflected in operations in the period of settlement.

These notes form an integral part of these financial statements

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 1 - Significant Accounting Policies (continued)**(g) Leases**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

(h) Service Agreements & Rental Payments

Rental payments under operating leases are expensed as incurred.

Service Agreements

	<u>2018</u>	<u>2017</u>
Ladysmith & District Historical Society	\$ 23,970	\$ 23,500
Ladysmith Resources Centre Association	41,310	40,500
Ladysmith Chamber of Commerce & Visitor Centre	43,400	43,400
	<u>\$ 108,680</u>	<u>\$ 107,400</u>

Rental Payments

	<u>2018</u>	<u>2017</u>
132c Roberts Street - office space	\$ 27,796	\$ 25,563
17 & 25 Roberts Street - parking lot	8,100	7,500
	<u>\$ 35,896</u>	<u>\$ 33,063</u>

(i) Revenue Recognition

Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year. Fees and charges revenue are recognized when the services are rendered. Investment income is accrued as earned. Gain (loss) on foreign exchange has been recognized in the Statement of Operations using the exchange rate in effect on December 31, 2018.

These notes form an integral part of these financial statements

Note 1 - Significant Accounting Policies - (i) Revenue Recognition (continued)

Other revenues are recognized when earned in accordance with the terms of the agreement, when the amounts are measurable and when collection is reasonably assured.

The Town recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. Grants and donations are recognized in the financial statements in the period which the events giving rise to the transfer occur, eligibility criteria are met, and reasonable estimates of the amount can be made. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability (deferred revenue). In such circumstances, the Town recognizes the revenue as the liability is settled.

Deferred revenue represents user charges and other fees which have been collected, for which the related services have yet to be provided. These amounts will be recognized as revenue in the fiscal year the services are provided.

(j) Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

(k) Inventory

Inventory is valued at the lower of cost and net realizable value, determined on an average cost basis.

(l) Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Town of Ladysmith is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2018.

These notes form an integral part of these financial statements

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 1 - Significant Accounting Policies - (I) Liability for contaminated sites (continued)

The Town has determined that no owned properties meet the criteria to recognize a liability for contaminated sites.

At each financial reporting date, the Town of Ladysmith reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. If applicable, the Town of Ladysmith will recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

(m) Recent Accounting Pronouncements

PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions

Effective January 1, 2018, the Town adopted the recommendations relating to PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions, as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated.

These new Sections define a related party and establish disclosures required for related party transactions. Disclosure is required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, a material financial effect on the financial statements. They also establish standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

There was no material impact on the financial statements of adopting the new Sections.

PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual Rights

Effective January 1, 2018, the Town adopted the recommendations relating to PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights, as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated.

PS 3210 Assets provides additional guidance to clarify the definition of assets set out in PS 1000 Financial Statement Concepts.

These notes form an integral part of these financial statements

TOWN OF LADYSMITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

Note 1 - Significant Accounting Policies - (m) Recent Accounting Pronouncements (continued)

PS 3380 Contractual Rights establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Section are as follows:

- Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.
- Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.
- Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.

There was no material impact on the financial statements of adopting the new Sections.

These notes form an integral part of these financial statements

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 2 - Cash and Short-Term Deposits

Cash and short-term deposits were comprised as follows:

	<u>2018</u>	<u>2017</u>
Cash	\$ 21,232,595	\$ 19,660,237
Short-term deposits	<u>793,107</u>	<u>780,235</u>
	<u>\$ 22,025,702</u>	<u>\$ 20,440,472</u>

Included in Cash is a deposit of \$245,635 (the equivalent of \$184,265 US Funds based on the exchange rate at the Ladysmith and District Credit Union on December 31, 2018). Short-term deposits consist of short-term investments in the Municipal Finance Authority of B.C. money market fund. The market value is equal to the carrying value.

Included in cash and short-term deposits are the following restricted amounts that are expended in accordance with the terms of the restricted reserves.

	<u>2018</u>	<u>2017</u>
Restricted reserves - other	\$ 442,190	\$ 434,856
Federal gas tax reserve	1,506,769	1,481,511
Development cost charges reserve	<u>3,163,671</u>	<u>2,672,844</u>
Total restricted cash	<u>\$ 5,112,630</u>	<u>\$ 4,589,211</u>

Note 3 - Financial Instruments

The Town as part of its operations carries a number of financial instruments. It is management's opinion the Town is not exposed to significant interest, currency or credit risk arising from these financial instruments, except as otherwise disclosed. The Town is exposed to currency risk on its US dollar bank account. Unless otherwise noted in Note 2, the fair value of these financial instruments approximates their carrying values.

These notes form an integral part of these financial statements

TOWN OF LADYSMITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

Note 4 - Accounts Receivable

	2018	2017
Property taxes	\$ 911,481	\$ 1,070,765
Other government	2,705,974	1,005,578
User fees and other	808,059	788,747
Developer receivables	5,139	16,253
Employee receivables	4,960	2,855
	<u>\$ 4,435,613</u>	<u>\$ 2,884,198</u>

Note 5 - Accounts Payable and Accrued Liabilities

	2018	2017
General	\$ 2,583,733	\$ 1,756,044
Other governments	11,362	(93)
Salaries and wages	261,128	230,085
Contractor holdbacks	438,108	318,526
Accrued interest	77,813	82,854
	<u>\$ 3,372,143</u>	<u>\$ 2,387,416</u>

These notes form an integral part of these financial statements

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 6 - Post-Employment Benefits

The Town provides compensated absences to its employees to a maximum of 120 days. The Town also allows employees to defer unused vacation without any maximum. Any deferred vacation time remaining at retirement or termination is paid out at that time. The amount recorded for these benefits is based on an actuarial evaluation done by an independent firm using a projected benefit actuarial valuation method prorated on services. The last actuarial valuation was calculated at August 31, 2014 and has been extrapolated to December 31, 2018. The change in the liability in the financial statements in respect of obligations under the plan amounts to a reduction of \$1,700. (-\$16,200 - 2017).

The accrued post-employment benefits are as follows:

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 234,100	\$ 250,300
Current service costs	29,000	31,000
Benefits paid	(26,900)	(23,600)
Actuarial gain	(3,800)	(19,900)
Past service credit	-	(3,700)
Balance, end of year	<u>\$ 232,400</u>	<u>\$ 234,100</u>

The significant actuarial assumptions adopted in measuring the Town's post-employment benefits are as follows:

	<u>2018</u>	<u>2017</u>
Discount Rate	3.30%	2.90%
Expected Inflation Rate and Wage & Salary Increases	2.50%	2.50%

These notes form an integral part of these financial statements

TOWN OF LADYSMITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

Note 7 - Deferred Revenue

	<u>2018</u>	<u>2017</u>
Licence fees & charges	\$ 17,832	\$ 16,916
Rental payments	12,441	16,247
Property tax prepayments	417,460	380,299
Subdivisions prepayments	71,515	71,619
Recreation prepayments	27,512	36,971
Utilities prepayments	12,357	6,926
Other	4,082	8,552
	<u>\$ 563,199</u>	<u>\$ 537,531</u>

Note 8 - Refundable Deposits and Other

	<u>2018</u>	<u>2017</u>
Developer performance deposits	\$ 475,996	\$ 306,976
Damage deposits	233,450	213,450
Other	168,585	40,561
	<u>\$ 878,031</u>	<u>\$ 560,987</u>

These notes form an integral part of these financial statements

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 9 - Restricted Reserves

There are two reserves, LRC Capital and B&G Capital for the replacement of specific building components located at 630 2nd Avenue and 220 High Street.

Description	Balance Dec. 31, 2017	Interest	Contributions	Expenditures	Balance Dec. 31, 2018
Parking	\$ 74,103	\$ 876	\$ -	\$ -	\$ 74,979
Green Streets	1,463	17	-	-	1,480
Amphitheatre	18,333	222	700	-	19,255
B&G - Capital	38,426	439	5,064	-	43,930
LRCA/Seniors - Capital	302,531	532	2,480	(2,996)	302,546
TOTAL	\$ 434,856	\$ 2,086	\$ 8,244	\$ (2,996)	\$ 442,190

Note 10 - Development Cost Charges Reserve

Restricted reserves include Development Cost Charges (DCC's) which are charged to developers and utilized for infrastructure development.

Description	Balance Dec. 31, 2017	Interest	Contributions	Expenditures	Balance Dec. 31, 2018
DCC - Water	\$ 560,733	\$ 7,607	\$ 125,423	\$ -	\$ 693,763
DCC - Parks	650,399	8,218	75,424	(15,000)	719,041
DCC - Roads	614,402	8,479	152,953	-	775,834
DCC - Sewer	477,877	6,398	148,100	(43,000)	589,375
DCC - Storm	369,433	4,518	11,708	-	385,658
TOTAL	\$ 2,672,844	\$ 35,219	\$ 513,608	\$ (58,000)	\$ 3,163,671

Developers may be entitled to DCC credits in certain circumstances. The Town provided \$15,000 in DCC-Parks credits in 2018 (\$0 - 2017).

These notes form an integral part of these financial statements

TOWN OF LADYSMITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

Note 11 - Federal Gas Tax Reserve

Gas Tax funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the Town and the Union of British Columbia Municipalities. Gas Tax funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements. The funds are recorded on the financial statements as a restricted reserve.

	<u>2018</u>	<u>2017</u>
Opening balance of unspent funds	\$ 1,481,511	\$ 1,310,275
Add: Amounts received during the year	405,121	391,288
Interest earned	18,208	10,001
Less: Gas tax funds utilized	(398,071)	(230,053)
Closing balance of unspent funds	<u>\$ 1,506,769</u>	<u>\$ 1,481,511</u>

Note 12 - Obligations under Equipment Financing

The total equipment financing outstanding with the Municipal Finance Authority of British Columbia as at December 31, 2018 was \$986,306 (\$359,437 - 2017).

The Town has entered into equipment loans for the following purchases:

- 1) A five year equipment loan agreement with the Municipal Finance Authority of British Columbia which commenced September 2015 for the purchase of a 2005 Spartan fire truck. The remaining obligation will be repaid with monthly loan payments in the amount of \$776 including interest at a daily varying rate. The balance of the loan at December 31, 2018, which is included in equipment financing, is \$16,505 (\$25,339 - 2017). Loan to expire September 2020.
- 2) A five year equipment loan agreement with the Municipal Finance Authority of British Columbia which commenced May 2017 for the purchase of a 2012 Spartan fire truck. This was formerly a capital lease. The remaining obligation will be repaid with monthly loan payments in

These notes form an integral part of these financial statements

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 12 - Obligations under Equipment Financing (continued)

the amount of \$3,291 including interest at a daily varying rate. The balance of the loan at December 31, 2018, which is included in equipment financing, is \$287,634 (\$320,191 - 2017). Loan to expire May 2022.

- 3) A two year equipment loan agreement with the Municipal Finance Authority of British Columbia which commenced May 2017 for the purchase of fitness equipment for \$19,509. This was formerly a capital lease. The remaining obligation will be repaid with monthly loan payments in the amount of \$825 including interest at a daily varying rate. The balance of the loan at December 31, 2018, which is included in equipment financing, is \$4,222 (\$13,907 - 2017). Loan to expire May 2019.
- 4) A five year equipment loan agreement with the Municipal Finance Authority of British Columbia which commenced September 2018 for the purchase of a 2018 Spartan fire truck. The remaining obligation will be repaid with monthly loan payments in the amount of \$2,835 including interest at a daily varying rate. The balance of the loan at December 31, 2018, which is included in equipment financing, is \$677,945. Loan to expire September 2023.

The future minimum loan payments under the equipment loan obligation are as follows:

2019	\$ 60,197
2020	55,813
2021	49,718
2022	205,931
2023	614,648

Interest in the consolidated statement of operations is calculated as \$12,208 (\$4,179 - 2017).

TOWN OF LADYSMITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

Note 13 – Short-term Financing

The total short-term financing outstanding with the Municipal Finance Authority of British Columbia as at December 31, 2018 was \$952,700 (\$0 – 2017). The Town entered into a short-term financing agreement which commenced September 2018 to borrow up to \$1,000,000 to purchase 1260 Churchill Place. As of December 31, 2018 \$952,700 in short-term financing was executed. Interest is charged at a daily varying rate. The full amount borrowed must be repaid by 2023.

Short-term interest in the consolidated statement of operations is calculated at \$5,912.

Note 14 – Debenture Debt

The Town of Ladysmith secures its long-term borrowing through the Municipal Finance Authority of BC (MFA). As a condition of these borrowing, a portion of the debenture proceeds is retained by the MFA as a debt reserve fund. As at December 31, 2018, the cash balance of the Town's debt reserve funds was \$ 158,762 (\$155,381 – 2017). Debt reserve funds are not recorded elsewhere in the financial statements.

The total long-term debt issued and outstanding with the MFA as at December 31, 2018 was \$11,598,532 (\$12,229,401 as at December 31, 2017). An additional \$6 million dollars in long-term debt to construct a water filtration plant was approved by the electors in 2018 but not executed.

The following principal payments are payable over the next five years:

	General		Water		Sewer		Total
	Principal Repayment	Actuarial Sinking Fund Earnings	Principal Repayment	Actuarial Sinking Fund Earnings	Principal Repayment	Actuarial Sinking Fund Earnings	Net
2019	\$ 66,033	\$ 39,688	\$ 24,012	\$ 6,371	\$ 500,000	-	\$ 636,104
2020	66,033	43,917	24,012	7,586	500,000	-	641,548
2021	66,033	48,315	24,012	8,850	500,000	-	647,210
2022	66,033	52,889	24,012	10,165	500,000	-	653,098
2023	66,033	57,645	24,012	11,532	500,000	-	659,222
Thereafter	528,263	656,921	336,167	339,999	6,500,000	-	8,361,351

Debt interest, net of actuarial adjustment in the consolidated statement of operations, is calculated at \$223,759 (\$242,153 – 2017).

These notes form an integral part of these financial statements

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 15 - Commitments and Contingencies

(a) Contingent Liabilities

- i) The Town, as a member of the Cowichan Valley Regional District, is jointly and severally liable for operational deficits or long term debt related to functions in which it participates.
- ii) The loan agreements with the Municipal Finance Authority provide that if the Authority does not have sufficient funds to meet payments on its obligations it shall make payments from the Debt Reserve Fund which in turn is established by a similar Debt Reserve Fund in the Town and all other borrowing participants. If the Debt Reserve Fund is deficient the Authority's obligations become a liability of the regional district and may become a liability of the participating municipalities.
- iii) Various claims have been made against the Town as at December 31, 2018 for incidents which arose in the ordinary course of operations. In the opinion of management and legal counsel, the outcomes of the lawsuits, now pending, are not determinable. As the outcomes are not determinable at this time, no amount has been accrued in the financial statements. Should any loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

(b) Pension Liability

The Town and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2017, the Plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

These notes form an integral part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

Note 15 - Commitments and Contingencies – (b) Pension Liability (continued)

The most recent valuation for the Municipal Pension Plan as of December 31, 2015, indicated a \$2.224 billion funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1.927 billion was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The Town of Ladysmith paid \$464,390 (2017 - \$463,018) for employer contributions to the Plan in fiscal 2018.

The next valuation will be as at December 31, 2018, with results available in 2019.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

(c) Reciprocal Insurance Exchange Agreement

The Town is a subscribed member of the Municipal Insurance Association of British Columbia (The "Exchange") as provided by Section 3.02 of the Insurance Act of the Province of British Columbia. The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact upon any subscriber. Under the Reciprocal Insurance Exchange Agreement the Town is assessed a premium and specific deductible for its claims based on population. The obligation of the Town with respect to the Exchange and/or contracts and obligations entered into by the Exchange on behalf of its subscribers in connection with the Exchange are in every case several, and not joint and several. The Town irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other subscribers against liability losses and costs which the other subscriber may suffer.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 16 - Significant Taxpayers

The Town is reliant upon 10 taxpayers for approximately 13.52% (14.88% - 2017) of the total property tax revenue which includes Western Forest Products at approximately 6.78% (7.34% - 2017) of the total property tax revenue.

Note 17 - Funds Held in Trust

These funds account for assets which must be administered as directed by agreement or statute for certain beneficiaries; in particular, these funds are for the Cemetery Trust Fund. In accordance with PSAB recommendations on financial statement presentation, trust funds are not included in the Town's Financial Statements. A summary of trust fund activities by the Town is as follows:

	<u>2018</u>	<u>2017</u>
Assets		
Cash and short term investment	<u>\$ 159,737</u>	<u>\$ 155,937</u>
Equity		
Opening balance	\$ 155,937	\$ 152,957
Interest	2,461	1,946
Transfer interest to fund cemetery costs	(2,461)	(1,946)
Contributions	4,130	2,980
Refunds	<u>(330)</u>	<u>-</u>
Balance, end of year	<u>\$ 159,737</u>	<u>\$ 155,937</u>

Note 18 - Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

These notes form an integral part of these financial statements

TOWN OF LADYSMITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

Note 19 - Accumulated Surplus

The Town segregates its accumulated surplus in the following categories:

	<u>2018</u>	<u>2017</u> (restated)
Unappropriated equity	\$ 5,346,507	\$ 4,663,968
Appropriated equity (Schedule V)	<u>8,980,174</u>	<u>7,947,430</u>
	<u>14,326,682</u>	<u>12,611,397</u>
Capital Funds		
General capital fund	182,120	149,442
Sewer capital fund	14,942	7,718
Water capital fund	<u>14,073</u>	<u>432,851</u>
	<u>211,135</u>	<u>590,011</u>
Reserve Funds		
Reserve funds (Schedule V)	<u>1,928,713</u>	<u>1,951,856</u>
Equity in Tangible Capital Assets	<u>84,154,605</u>	<u>81,285,974</u>
Total Accumulated Surplus	<u><u>\$ 100,621,134</u></u>	<u><u>\$ 96,439,238</u></u>

These notes form an integral part of these financial statements

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 20 - Annual Budget

Fiscal plan amounts represent the Financial Plan Bylaw adopted by Council on May 7th, 2018.

The Financial Plan anticipated the use of surpluses accumulated in previous years to balance against current year expenses in excess of current year revenues. In addition, the Financial Plan anticipated capital expenses rather than amortization expense.

The following shows how these amounts were combined:

Financial Plan Balance for the year	\$ -
Add back:	
Amortization	(3,211,065)
Proceeds from new debt	(5,016,472)
Transfers to/from own funds	(4,922,571)
Less:	
Principal payments on debt	835,237
Capital expenditures per budget	21,918,250
Capital Expenditures expensed according to Tangible Capital Asset Policy	<u>(450,802)</u>
Adjusted Annual Surplus	<u>\$ 9,152,577</u>

Note 21 - DL 2016 Holdings Corporation ("DL 2016")

The Town of Ladysmith has an investment in DL 2016 Holdings Corporation, a wholly owned subsidiary company of the Town.

The Town of Ladysmith leases portions of its waterfront from the Province of British Columbia parts of which are subleased to DL 2016 for use as a marina.

DL 2017 has entered into operation and maintenance agreement and a license agreement with the Ladysmith Maritime Society (LMS) for the operation and management of the lease area.

Pursuant to these agreements DL 2016 could provide security for debt financing in order for LMS to implement capital improvements to the lease area.

These notes form an integral part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

Note 22 - Segmented Information

The Town is a diversified municipal government institution that provides a wide range of services to its citizens such as roads, water, sewer and drainage infrastructure, fire protection, police protection (RCMP), cemetery, recreation centre, garbage collection and parkland. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government Services

The City Manager is the liaison between Council and the Town departments and staff. The Corporate Services Department supports the legislated activities of Council, and provides information to citizens with respect to Council/Committee processes, reporting procedures and decisions, and Town activities. Also included in General Government Services is the Finance Department, Information Technology, Human Resources, and new for 2018, Waterfront Area Plan Implementation.

Protective Services

Protection is comprised of fire protection, policing, and bylaw enforcement:

- Bylaw enforcement administers, monitors, and seeks compliance with the bylaws enacted by the Mayor and Council to regulate the conduct of affairs in the Town of Ladysmith.
- Fire protection is provided by the fire department, whose volunteer members receive compensation for each callout in which they take part.
- Policing is provided under contract with the RCMP operating from a detachment building located in and owned by the Town of Ladysmith.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 22 - Segmented Information (continued)

Transportation, Solid Waste and Cemetery

The Transportation (Public Works) Department is responsible for the infrastructure of the Town. Public works provides and maintains Town's roads, sidewalks, street lights, signage and line markings, storm drainage and hydrants.

Solid Waste (Public Works) is responsible for the garbage collection, kitchen organics and recycling programs operating in the Town of Ladysmith. Solid waste collection is performed by a contractor.

Cemetery (Public Works) Department provides cemetery services including the maintenance of the cemetery grounds.

Development

The Development Services Department provides short-term and long-term land use planning services. Long-term Planning includes work with the community on reviewing the Town's Official Community Plan, developing new Neighbourhood Plans, the Trail Plan and the review of relevant bylaws. Short term Planning includes the processing of development applications.

The Town of Ladysmith's Development Services and Public Works Departments work together to regulate all construction within the Town. This is achieved through the use of the Town of Ladysmith's Building and Plumbing Bylaw, the British Columbia Building Code, the British Columbia Fire Code and other related bylaws and enactments with the Town of Ladysmith.

Recreation and Culture

The Parks, Recreation and Culture Department contribute to the quality of life and personal wellness of the community through the provision of a variety of special events, programs, services and facilities. The Frank Jameson Community Centre is the location where the majority of the programs are offered.

Parks

Parks includes and provides maintenance of beach area, trails, golf course, spray-park, ball parks, and any other civic grounds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

Note 22 - Segmented Information (continued)

Water

Water includes all of the operating activities related to the treatment and distribution of water throughout the Town as well as ensuring clean and safe water to the Town, supplied through underground pipes and reservoirs,

Sewer

Sewer includes all of the operating activities related to the collection and treatment of waste water (sewage) and bio-solids composting throughout the Town as well as maintaining a separate system of underground pipes to collect sewer or waste water for proper treatment prior to discharging it.

Note 23 - Subsequent Events

The Town began the expropriation of Lot 5, District Lots 24 & 56 Oyster District, Plan 45800 for the purposes of municipal parks open spaces, trails and services for the appraised amount of \$292,000 with funding from the Real Property Reserve.

TOWN OF LADYSMITH
SCHEDULE OF DEBENTURE DEBT
FOR THE YEAR ENDED DECEMBER 31, 2018

SCHEDULE I

	Original Amount	Balance Dec 31, 2017	Principal Payments	Balance Dec 31, 2018	Interest	Actuarial Adjustment	Interest Rate
<u>General Capital Fund</u>							
RCMP Building Issue #97 Term 2006-2031	\$ 2,750,000	\$ 1,859,457	\$ 101,655	\$ 1,757,803	\$ 48,125	\$ (35,622)	1.75%
<u>Water Capital Fund</u>							
Water Improvements Issue #118 Term 2012-2037	1,000,000	869,943	29,214	840,729	34,000	(5,202)	3.40%
<u>Sewer Capital Fund</u>							
Sewer Treatment Plant Issue #138 Term 2016-2036	10,000,000	9,500,000	500,000	9,000,000	182,458	-	1.88%
	<u>\$ 13,750,000</u>	<u>\$ 12,229,401</u>	<u>\$ 630,869</u>	<u>\$ 11,598,532</u>	<u>\$ 264,583</u>	<u>\$ (40,824)</u>	

TOWN OF LADYSMITH
SCHEDULE OF TAX REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2018

SCHEDULE II

	Actuals 2018	Budget 2018	Actuals 2017
General Taxes			
General municipal purposes	\$ 7,953,731	\$ 7,961,111	\$ 7,721,249
Grants in lieu and 1% utility tax	167,917	165,877	165,294
Water and sewer parcel tax	2,570,196	2,557,527	2,260,367
	<u>10,691,844</u>	<u>10,684,515</u>	<u>10,146,910</u>
Collections for other governments:			
School district	2,999,577	-	2,880,030
Regional hospital district	891,070	-	788,355
Regional district	1,332,669	-	1,237,926
BCAA and MFA	77,486	-	72,339
Library	386,677	386,844	364,616
	<u>5,687,479</u>	<u>386,844</u>	<u>5,343,266</u>
Less:			
Transmission of taxes levied for other agencies:			
School district	2,999,577	-	2,880,030
Regional hospital district	891,070	-	788,355
Regional district	1,332,669	-	1,237,926
BCAA and MFA	77,486	-	72,339
Library	386,677	386,844	364,616
	<u>5,687,479</u>	<u>386,844</u>	<u>5,343,266</u>
Net Taxation	<u>\$ 10,691,844</u>	<u>\$ 10,684,515</u>	<u>\$ 10,146,910</u>

TOWN OF LADYSMITH
SALES OF SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2018

SCHEDULE III

	<u>Actuals 2018</u>	<u>Budget 2018</u>	<u>Actuals 2017</u>
Administration recoveries	\$ 48,504	\$ 30,800	\$ 34,699
Cemetery services	32,250	30,500	23,615
Fire service agreements	82,152	73,508	73,522
Public Works recoveries	41,481	-	1,290
Recreation services	582,075	563,705	533,061
Sewer utility fees	1,296,801	1,264,505	1,087,316
Solid waste fees	642,413	637,936	642,186
Water utility fees	1,006,296	1,023,628	949,234
	<u><u>\$ 3,731,971</u></u>	<u><u>\$ 3,624,582</u></u>	<u><u>\$ 3,344,924</u></u>

TOWN OF LADYSMITH
CONTINUITY SCHEDULE OF RESERVES & APPROPRIATED EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

SCHEDULE V

	Balance Dec. 31, 2017	Interest Allocated	Contributions	Funding	Balance Dec. 31, 2018
RESERVES					
Tax Sale	\$ 26,244	\$ 310	\$ -	\$ -	\$ 26,555
Perpetual Safety Fund	13,059	154	-	-	13,214
Sale Real Property	1,537,590	17,987	-	118,621	1,436,956
Municipal Office Building	295,000	-	60,000	-	355,000
Amenity Funds	79,962	1,026	16,000	-	96,989
TOTAL RESERVES	\$ 1,951,856	\$ 19,478	\$ 76,000	\$ 118,621	\$ 1,928,713
APPROPRIATED EQUITY - OPERATIONS					
General Operating Fund					
Future Projects	3,674,882	-	1,415,294	2,401,124	2,689,052
Equipment	1,281,500	-	281,757	287,968	1,275,288
Land & Building	30,719	-	60,000	-	90,719
Tax Contingency	7,986	-	-	-	7,986
Snow & Ice Removal	-	-	50,000	-	50,000
Infrastructure Deficit	491,581	-	208,034	8,284	691,331
Multi-Materials BC Rebate	291,925	-	88,400	-	380,325
	<u>5,778,593</u>	<u>-</u>	<u>2,103,485</u>	<u>2,697,376</u>	<u>5,184,702</u>
Water Operating Fund					
Future Projects	-	-	893,757	-	893,757
Capital Expenditures	1,169,330	-	494,246	355,718	1,307,858
MFA Surplus Refunds	524,075	-	-	-	524,075
Total Water Operating Fund	<u>1,693,405</u>	<u>-</u>	<u>1,388,003</u>	<u>355,718</u>	<u>2,725,690</u>
Sewer Operating Fund					
Future Projects	-	-	638,494	-	638,494
Capital Expenditures	475,433	-	-	44,144	431,289
MFA Surplus Refunds	-	-	-	-	-
Total Sewer Operating Fund	<u>475,433</u>	<u>-</u>	<u>638,494</u>	<u>44,144</u>	<u>1,069,783</u>
TOTAL APPROPRIATED EQUITY	\$ 7,947,431	\$ -	\$ 4,129,982	\$ 3,097,238	\$ 8,980,174
TOTAL RESERVES AND APPROPRIATED EQUITY	\$ 9,899,286	\$ 19,478	\$ 4,205,982	\$ 3,215,859	\$ 10,908,887

TOWN OF LADYSMITH
SCHEDULE OF GRANT REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2018

SCHEDULE VI

	Actuals 2018	Budget 2018	Actuals 2017
Operating Grants			
Traffic Fines Revenue	\$ 45,684	\$ 45,564	\$ 45,564
Small Communities	465,515	461,270	461,270
CVRD Recreation	135,075	128,268	128,268
Other	29,672	15,164	35,577
	<u>675,946</u>	<u>650,266</u>	<u>670,679</u>
Capital Grants			
2nd Avenue/High St Crosswalk	\$ -	\$ 10,000	\$ -
Tree Replacements	6,100	6,000	-
Age Friendly Walkability	9,000	15,000	-
Asset Management	9,152	9,000	70,848
Bio-Solids Business Case	-	-	10,000
Canada 150	-	-	46,000
Composting Facility	-	-	548,274
Derelect Vessels	59,880	72,480	2,520
Machine Shop	35,968	1,752,553	-
MIABC - Golf Course Netting	7,846	7,846	-
Stz'uminus First Nation Cooperation Protocol/C2C	610	-	1,685
Water Filtration	2,853,538	8,232,935	567,064
	<u>2,982,094</u>	<u>10,105,814</u>	<u>1,246,391</u>
Total Grants	<u>\$ 3,658,040</u>	<u>\$ 10,756,080</u>	<u>\$ 1,917,069</u>

TOWN OF LADYSMITH
STATEMENT OF OPERATIONS BY SEGMENT
FOR THE YEAR ENDED DECEMBER 31, 2018

SCHEDULE VII

	General Government		Protective Services		Transportation, Garbage & Cemetery Services		Development Services	
	2018	2017	2018	2017	2018	2017	2018	2017
REVENUE								
Tax	\$ 8,121,648	\$ 7,886,543	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of services	48,504	32,754	84,976	73,522	679,009	669,036	-	-
Investment income & MFA Refunds	263,939	183,209	-	-	-	-	-	-
Licence, Permits, Rentals & Penalties	110,919	114,817	210,118	191,790	181,597	111,270	227,508	215,624
Grants	535,157	465,475	45,684	45,564	-	16,241	-	-
Donations & contributed property	16,000	-	-	-	229,490	215,797	-	5,000
Loss on foreign exchange	(51,120)	(42,008)	-	-	-	-	-	-
Gain (loss) on disposal	(1,205)	1,641,274	-	-	-	-	-	-
Development fees	-	-	-	-	-	-	-	-
Gas tax fund utilized	60,000	-	-	40,000	214,157	7,983	-	126,872
Total revenue	9,103,841	10,282,064	340,778	350,876	1,304,253	1,020,327	227,508	347,496
EXPENSES								
Contracted Services	625,463	403,373	1,078,113	1,148,132	796,183	566,463	66,582	264,363
Service Agreements/Grants In Aid	166,647	161,073	-	-	-	-	-	-
Insurance	75,556	58,686	21,523	17,357	5,035	4,930	-	-
Interest	5,912	5,353	24,501	22,542	-	4	-	-
Materials & Supplies	93,460	69,603	87,550	139,451	113,422	156,285	11,539	9,584
Utilities & Telephone	20,035	17,093	26,241	23,403	151,099	143,365	5,662	4,686
Wages & Benefits	1,662,778	1,537,156	299,033	270,124	939,000	934,092	471,407	467,447
Other	(183,413)	(147,370)	38,361	31,518	55,328	19,968	19,353	19,896
Amortization	232,555	224,995	167,589	149,909	818,927	845,505	4,128	5,514
Total expenses	2,698,993	2,329,962	1,742,911	1,802,436	2,878,994	2,670,612	578,671	771,490
Surplus (Deficit)	\$ 6,404,848	\$ 7,952,102	\$ (1,402,133)	\$ (1,451,560)	\$ (1,574,741)	\$ (1,650,286)	\$ (351,163)	\$ (423,994)

TOWN OF LADYSMITH
STATEMENT OF OPERATIONS BY SEGMENT
FOR THE YEAR ENDED DECEMBER 31, 2018

SCHEDULE VII – CONTINUED

Recreation & Culture Services		Parks Operations Services		Sewer Operations Services		Water Operations Services		Total Actual	Total Actual
2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
\$ -	\$ -	\$ -	\$ -	\$ 1,093,742	\$ 1,084,353	\$ 1,476,454	\$ 1,176,014	\$ 10,691,844	\$ 10,146,909
582,075	533,061	34,310	-	1,296,801	1,087,316	1,006,296	949,234	3,731,971	3,344,924
-	-	-	-	-	-	-	-	263,939	183,209
201,741	188,467	-	-	17,546	14,287	15,996	13,609	965,424	849,864
206,676	264,452	16,984	-	-	558,274	2,853,538	567,064	3,658,040	1,917,069
35,144	3,665	6,000	7,500	32,540	44,436	29,040	59,240	348,214	335,638
-	-	-	-	-	-	-	-	(51,120)	(42,008)
-	-	-	-	-	-	-	-	(1,205)	1,641,275
-	-	-	-	43,000	-	-	-	43,000	-
123,914	55,199	-	-	-	-	-	-	398,071	230,053
1,149,550	1,044,844	57,295	7,500	2,483,628	2,788,666	5,381,323	2,765,161	20,048,177	18,606,933
338,806	309,423	70,461	70,458	241,093	492,329	133,276	145,256	3,349,977	3,399,797
-	-	-	-	-	-	-	-	166,647	161,073
39,772	38,496	4,180	4,076	17,297	15,396	11,210	11,201	174,573	150,142
210	334	-	-	182,458	195,819	28,798	29,921	241,880	253,973
151,321	135,615	95,350	78,886	170,104	177,524	117,907	89,933	840,653	856,881
217,964	218,844	7,345	5,455	144,441	117,411	11,086	10,817	583,872	541,074
1,881,723	1,793,990	443,250	420,163	559,911	514,332	462,277	411,775	6,719,378	6,349,079
27,927	23,415	76,555	86,327	212,236	203,871	206,923	205,718	453,270	443,343
230,257	223,795	233,732	247,441	1,260,213	1,173,981	388,631	384,942	3,336,032	3,256,082
2,887,980	2,743,912	930,872	912,806	2,787,753	2,890,663	1,360,108	1,289,563	15,866,282	15,411,445
\$ (1,738,430)	\$ (1,699,068)	\$ (873,578)	\$ (905,306)	\$ (304,124)	\$ (101,997)	\$ 4,021,215	\$ 1,475,598	\$ 4,181,895	\$ 3,195,488

TOWN OF LADYSMITH
CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018

SCHEDULE VIII

	<u>Land</u>		<u>Land Improvements</u>		<u>Buildings</u>		<u>Vehicle Furniture & Equipment</u>		<u>Transportation</u>
	2018	2017	2018	2017	2018	2017	2018	2017	2018
COST									
Opening Balance	\$ 9,451,806	\$ 9,481,022	\$ 8,617,422	\$ 8,562,238	\$ 21,215,517	\$ 20,141,964	\$ 7,615,385	\$ 7,240,096	\$ 26,843,386
Add: Additions	459,410	377,144	340,031	55,184	2,457,996	1,073,553	1,503,780	378,666	247,825
Less: Disposals	-	406,360	-	-	-	-	1,205	3,377	-
Less: Write-downs	-	-	-	-	-	-	-	-	-
Closing Balance	<u>9,911,216</u>	<u>9,451,806</u>	<u>8,957,453</u>	<u>8,617,422</u>	<u>23,673,513</u>	<u>21,215,517</u>	<u>9,117,960</u>	<u>7,615,385</u>	<u>27,091,211</u>
ACCUMULATED AMORTIZATION									
Opening Balance	-	-	3,225,903	2,983,770	6,101,426	5,535,391	4,040,969	3,602,381	15,385,190
Add: Amortization	-	-	241,114	242,133	621,188	566,035	462,668	441,965	599,084
Less: Write-downs	-	-	-	-	-	-	-	-	-
Less: Disposals	-	-	-	-	-	-	-	3,377	-
Closing Balance	<u>-</u>	<u>-</u>	<u>3,467,017</u>	<u>3,225,903</u>	<u>6,722,614</u>	<u>6,101,426</u>	<u>4,503,637</u>	<u>4,040,969</u>	<u>15,984,274</u>
Net Book Value	<u>\$ 9,911,216</u>	<u>\$ 9,451,806</u>	<u>\$ 5,490,436</u>	<u>\$ 5,391,519</u>	<u>\$ 16,950,899</u>	<u>\$ 15,114,091</u>	<u>\$ 4,614,323</u>	<u>\$ 3,574,416</u>	<u>\$ 11,106,937</u>

TOWN OF LADYSMITH
CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018

SCHEDULE VIII (CONTINUED)

Linear Infrastructure										
Transportation	Sanitary Sewer		Storm		Water		Assets Under Construction		Total	
2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017 (restated)
\$ 26,634,528	\$ 35,914,284	\$ 35,511,308	\$ 8,607,481	\$ 8,527,181	\$ 16,713,617	\$ 16,636,309	\$ 2,997,471	\$ 329,480	\$ 137,976,369	\$ 133,064,126
208,858	32,540	402,976	100,677	80,300	223,463	77,308	4,017,206	2,927,392	9,382,928	5,581,381
-	-	-	-	-	-	-	2,228,358	259,401	2,229,563	669,138
-	-	-	-	-	-	-	-	-	-	-
<u>26,843,386</u>	<u>35,946,824</u>	<u>35,914,284</u>	<u>8,708,158</u>	<u>8,607,481</u>	<u>16,937,080</u>	<u>16,713,617</u>	<u>4,786,319</u>	<u>2,997,471</u>	<u>145,129,734</u>	<u>137,976,369</u>
14,779,738	7,822,993	6,841,672	2,312,727	2,196,399	5,212,353	4,909,505	-	-	44,101,561	40,848,856
605,452	988,598	981,321	117,901	116,328	305,479	302,848	-	-	3,336,032	3,256,082
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	3,377
<u>15,385,190</u>	<u>8,811,591</u>	<u>7,822,993</u>	<u>2,430,628</u>	<u>2,312,727</u>	<u>5,517,832</u>	<u>5,212,353</u>	<u>-</u>	<u>-</u>	<u>47,437,593</u>	<u>44,101,561</u>
<u>\$ 11,458,196</u>	<u>\$ 27,135,233</u>	<u>\$ 28,091,291</u>	<u>\$ 6,277,530</u>	<u>\$ 6,294,754</u>	<u>\$ 11,419,248</u>	<u>\$ 11,501,264</u>	<u>\$ 4,786,319</u>	<u>\$ 2,997,471</u>	<u>\$ 97,692,141</u>	<u>\$ 93,874,808</u>

STATISTICAL INFORMATION for FISCAL YEAR ENDING December 31, 2018

unaudited

STATISTICAL INFORMATION

FIVE - YEAR STATISTICAL REVIEW 2014 - 2018

DEBENTURE DEBT & LEASES

	2014	2015	2016	2017	2018
ROADS	\$ 130,462	\$ -	\$ -	\$ -	\$ -
PROTECTIVE SERVICES	2,141,558	2,051,187	1,957,202	1,859,457	1,757,803
WATER	951,016	925,044	898,034	869,943	840,729
SEWER	8,483	-	10,000,000	9,500,000	9,000,000
SHORT TERM DEBT	-	4,920,000	670,000	-	952,700
CAPITAL LEASES	558,406	488,659	418,569	359,437	986,306
	<u>\$ 3,789,924</u>	<u>\$ 8,384,891</u>	<u>\$ 13,943,805</u>	<u>\$ 12,588,838</u>	<u>\$ 13,537,538</u>

LIABILITY SERVICING

	2014	2015	2016	2017	2018
Liability Servicing Limit	2,973,984	3,186,999	3,375,160	3,588,988	3,865,936
Total Liability Servicing Cost	<u>1,397,723</u>	<u>1,065,008</u>	<u>678,068</u>	<u>2,148,940</u>	<u>1,472,136</u>
Liability Servicing Capacity Available	<u>1,576,261</u>	<u>2,121,991</u>	<u>2,697,092</u>	<u>1,440,048</u>	<u>2,393,800</u>

Source: Ladysmith Financial Services

STATISTICAL INFORMATION

FIVE - YEAR STATISTICAL REVIEW 2014 - 2018

GENERAL TAXABLE ASSESSMENTS

	2014	2015	2016	2017	2018
Residential	\$ 1,015,809,501	\$ 1,014,694,301	\$ 1,055,322,301	\$ 1,190,734,401	\$ 1,414,078,301
Utilities	916,300	873,800	890,900	891,700	893,500
Supportive Housing	-	-	-	-	-
Major Industry	9,435,100	9,153,700	9,263,700	9,379,800	9,491,500
Light Industry	2,795,900	3,446,100	3,463,300	3,490,700	3,151,600
Business and Other	71,792,500	72,308,200	77,660,600	82,062,700	88,476,550
Managed Forest Land	3,900	4,500	4,900	5,500	6,300
Recreation/Non-profit	7,321,000	8,358,000	6,674,000	7,687,400	7,747,000
Farmland	45,238	27,778	27,778	27,778	27,778
Total	\$ 1,108,119,439	\$ 1,108,866,379	\$ 1,153,307,479	\$ 1,294,279,979	\$ 1,523,872,529

Source: Ladysmith Financial Services

STATISTICAL INFORMATION

FIVE - YEAR STATISTICAL REVIEW 2014 - 2018

PROPERTY TAX LEVIED AND COLLECTED

	2014	2015	2016	2017	2018
Municipal Taxes	\$ 5,960,732	\$ 6,360,270	\$ 6,533,576	\$ 6,549,961	\$ 6,718,989
Police Taxes	1,061,397	1,095,973	1,149,835	1,171,288	1,234,742
Library Taxes	328,044	340,973	353,236	364,616	386,677
Parcel Taxes	1,431,141	1,542,125	1,801,092	2,260,367	2,570,196
Grants in Lieu	165,983	165,762	163,974	165,294	167,917
School Taxes	3,028,714	2,993,017	2,959,379	2,880,030	2,999,577
CVRD Hospital Taxes	642,775	694,246	770,827	788,355	891,070
CVRD Taxes	1,018,087	1,139,643	1,140,438	1,237,926	1,332,669
BC Assessment Taxes	84,848	81,950	78,804	72,043	77,142
MFA Taxes	255	256	266	296	344
	<u>\$ 13,721,976</u>	<u>\$ 14,414,214</u>	<u>\$ 14,951,426</u>	<u>\$ 15,490,176</u>	<u>\$ 16,379,323</u>
Total Current Taxes Levied	\$ 13,721,976	\$ 14,414,214	\$ 14,951,426	\$ 15,490,176	\$ 16,379,323
Total Current Taxes Collected	<u>12,994,313</u>	<u>13,755,360</u>	<u>14,315,975</u>	<u>14,894,289</u>	<u>15,830,430</u>
Outstanding	<u>\$ 727,663</u>	<u>\$ 658,854</u>	<u>\$ 635,452</u>	<u>\$ 595,887</u>	<u>\$ 548,893</u>
Percentage Collected	94.7%	95.4%	95.7%	96.2%	96.6%

Source: Ladysmith Financial Services

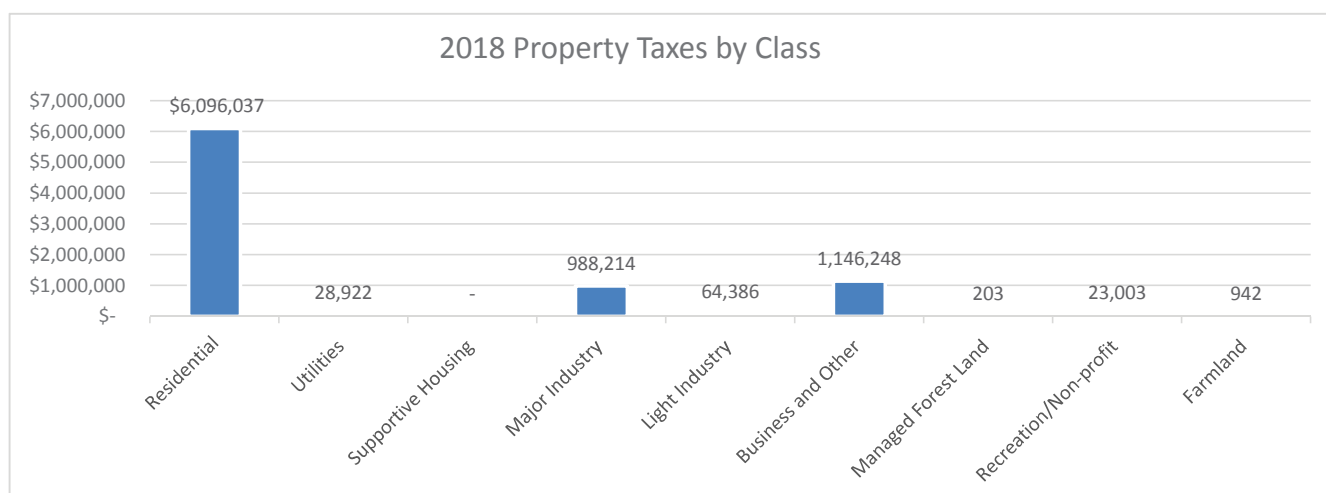
STATISTICAL INFORMATION

FIVE - YEAR STATISTICAL REVIEW 2014 - 2018

PROPERTY TAXATION BY CLASS

	2014	2015	2016	2017	2018
Residential	\$ 5,200,656	\$ 5,573,573	\$ 5,793,491	\$ 5,864,299	\$ 6,096,037
Utilities	34,648	34,314	32,900	30,861	28,922
Supportive Housing	-	-	-	-	-
Major Industry	945,952	970,952	970,952	967,391	988,214
Light Industry	60,841	62,054	64,322	63,099	64,386
Business and Other	1,085,818	1,135,818	1,153,492	1,149,600	1,146,248
Managed Forest Land	171	195	195	195	203
Recreation/Non-profit	20,779	22,083	22,662	22,579	23,003
Farmland	1,323	926	926	923	942
Total	7,350,188	7,799,915	8,038,940	8,098,947	8,347,955

Source: Ladysmith Financial Services



Grants-in-Aid

Ladysmith Celebrations Society	\$ 8,000
Ladysmith Festival of Lights Society	12,000
Ladysmith Fire Rescue Santa Parade	1,200
Ladysmith Downtown Business Association - Grand Christmas	1,500
Ladysmith Downtown Business Association - Old Time Christmas	1,500
Stz'uminus First Nation - Aboriginal Days Celebrations	1,200
Old English Car Club - Brits on the Beach Car Show	250
Ladysmith Maritime Society	1,500
Ladysmith Show & Shine	500
Total Celebrations	27,650

Ladysmith & District Marine Rescue Society	2,500
Total Harbour Functions	2,500

Ladysmith & District Historical Society - Industrial Heritage Preservation	7,000
Arts Council of Ladysmith & District - Waterfront Gallery	1,000
Arts Council of Ladysmith & District - Arts on the Avenue	1,500
Ladysmith Community Gardens Society	650
Ladysmith Citizens on Patrol	1,500
Ladysmith Golf Club Society	5,000
Total Other	16,650

Cowichan Family Caregivers Support Society	750
Ladysmith Family and Friends (LaFF)	2,500
St Phillips Anglican Church - Open Table	500
Total Social Services	3,750

Ladysmith Ambassador Program	1,500
Ladysmith Sec School - Frank Jameson Bursary	1,500
Total Youth, Education & Sport	3,000
Waiving of Fees	4,000

TOTAL	\$ 57,550
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Permissive Tax Exemptions

2018 Permissive Property Tax Exemptions

<u>Organization/ Property Owner</u>	<u>Address</u>	<u>2018 Municipal Tax Exemption</u>
Arts Council of Ladysmith	Units J, K & L - 610 Oyster Bay Rd	\$ 1,946
Boys & Girls Club	220 High St	6,573
Canadian Legion Branch #171	621 1st Ave	231
Eco-Tourism Building	Transfer Beach	218
Island Corridor Foundation		17,270
Ladysmith & District Historical Society	1115A - 1st Ave	3,652
Ladysmith & District Historical Society - Roundhouse	612 & 614 Oyster Bay Dr	12,210
Ladysmith & District Historical Society - Museum	721 1st Ave	4,697
Ladysmith Fellowship Baptist Church	381 Davis Rd	1,173
Ladysmith Festival of Lights	1163 4th Ave	7,015
Ladysmith Golf Club Society	380 Davis Rd	3,388
Ladysmith Health Care Auxiliary	910 1st Ave	5,992
Ladysmith Maritime Society	616 Oyster Bay Dr	2,033
Ladysmith Maritime Society	Unit C, I & M - 610 Oyster Bay Dr	1,817
Ladysmith Maritime Society	Visitors Information Centre	10,305
Ladysmith Resource Centre Association	630 2nd Ave	11,504
Ladysmith Seniors Centre Society	630 2nd Ave	11,504
Ladysmith Senior Citizens Housing Society	207 Jamison Rd	6,384
Ladysmith Senior Citizens Housing Society	101 1st Ave	6,895
Municipal Parking lot	17 & 25 Roberts St	4,255
Pentecostal Assemblies	1149 4th Ave	2,085
St John's Masonic Temple	26 Gatacre St	2,130
St. Mary's Catholic Church	1135 4th Ave	6,617
United Church of Canada	232 High Street	1,232
Total		\$ 131,125

Revitalization Exemptions

Mees, Adine and Van Seters, David	341 1st Ave	360
Antique Addict - Joy/Goldie	12 Roberts St	432
Tera North Inc	1030 Oyster Bay Dr	26,608
Total		\$ 27,400

Total Exemptions

\$ 158,525



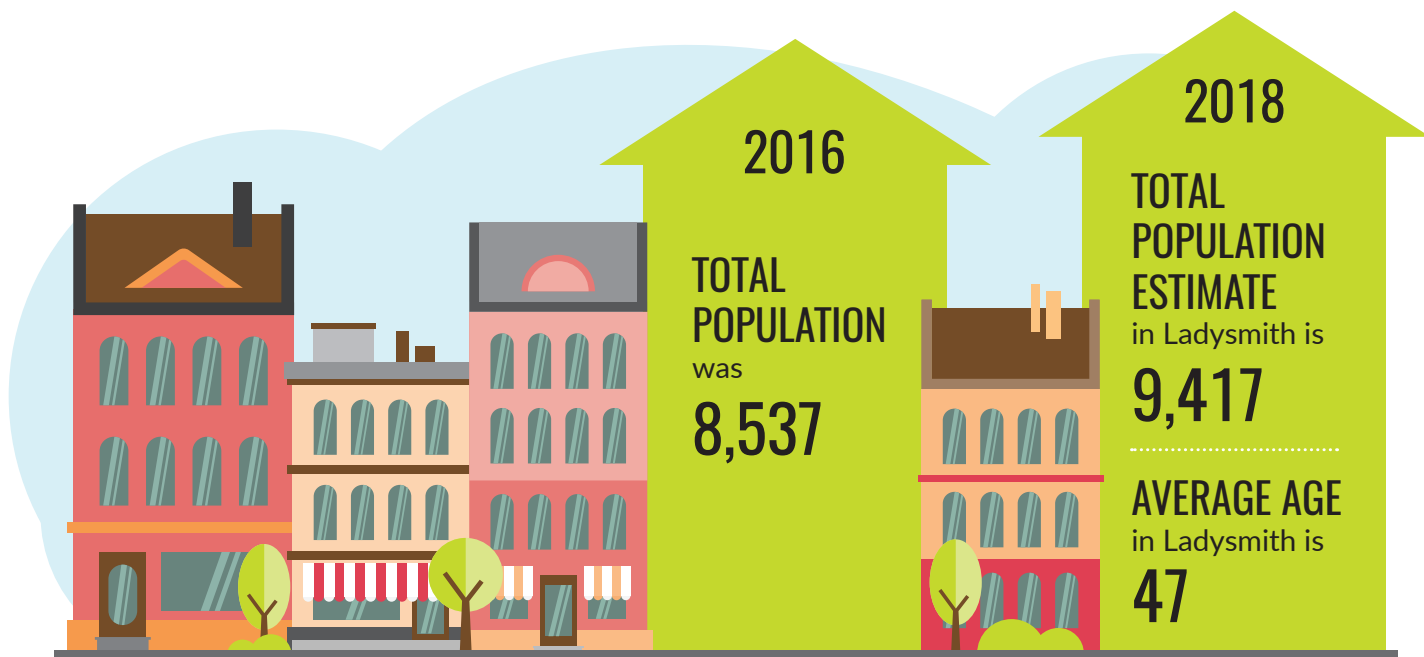
TOWN OF LADYSMITH

 **OPEN** *for*
BUSINESS
2019 Award Finalist

COMMUNITY PROFILE
Working together to build our future!

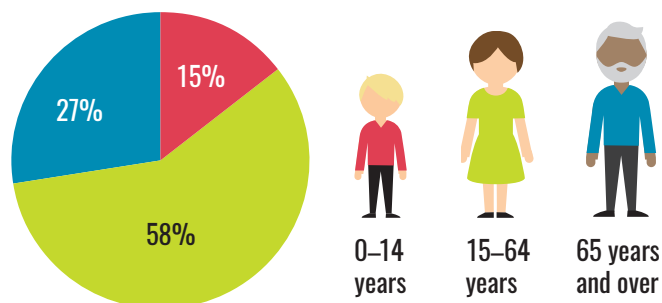
DEMOGRAPHICS

Population & Age



From 2011 to 2016
the population in
Ladysmith grew by **7.8%**

Age Distribution

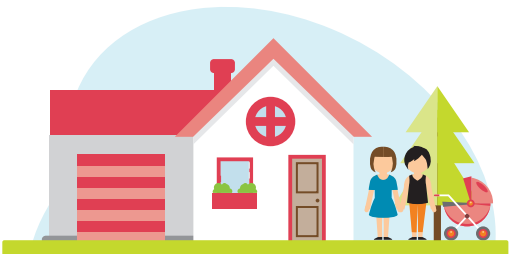


Households

Ladysmith has
2,540 SINGLE DETACHED HOUSES,
945 ATTACHED DWELLINGS, and
225 MOBILE DWELLINGS



Ladysmith has
an average of
2.3 people
PER HOUSEHOLD



Sources: BC Stats (2019), Statistics Canada (2016)

Location

Ladysmith is
**CONVENIENTLY
LOCATED**

88 km
to Victoria and
23 km
to Nanaimo



QUALITY OF LIFE

Weather & Land



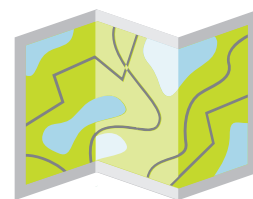
Ladysmith enjoys

295 days with
BRIGHT SUNSHINE
per year and has
65 days with **RAIN**



Average

TEMPERATURE
in January is
3.5 °C
and in July is
18.1 °C



Ladysmith's

LAND AREA is
1,207
hectares



Ladysmith enjoys

26 kilometres of **TRAILS** and
110 hectares (272 acres) of **PARKLAND**

Education

Ladysmith has small friendly schools.



Over 60%

of Ladysmith's population
aged 25-64 years has a
**POST-SECONDARY
DIPLOMA, DEGREE OR
CERTIFICATE**

SCHOOL	STUDENTS*	GRADES
Ladysmith Primary School	236	(K-3)
Ladysmith Intermediate School	296	(4-7)
Ladysmith Secondary School	565	(8-12)
École North Oyster Elementary	338	(K-7) (offers French Immersion)

*Sept 2018 – June 2019

Housing Prices

2018 Average Sale Price for Residential Property



Income

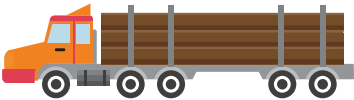


**MEDIAN
HOUSEHOLD INCOME is
\$67,674**

Sources: Statistics Canada (2016), Environment Canada, VIREB, VREB, REBGV, and School District 68

A VIBRANT ECONOMY

Business & Housing



Ladysmith has
60 hectares
of actively used
INDUSTRIAL LAND

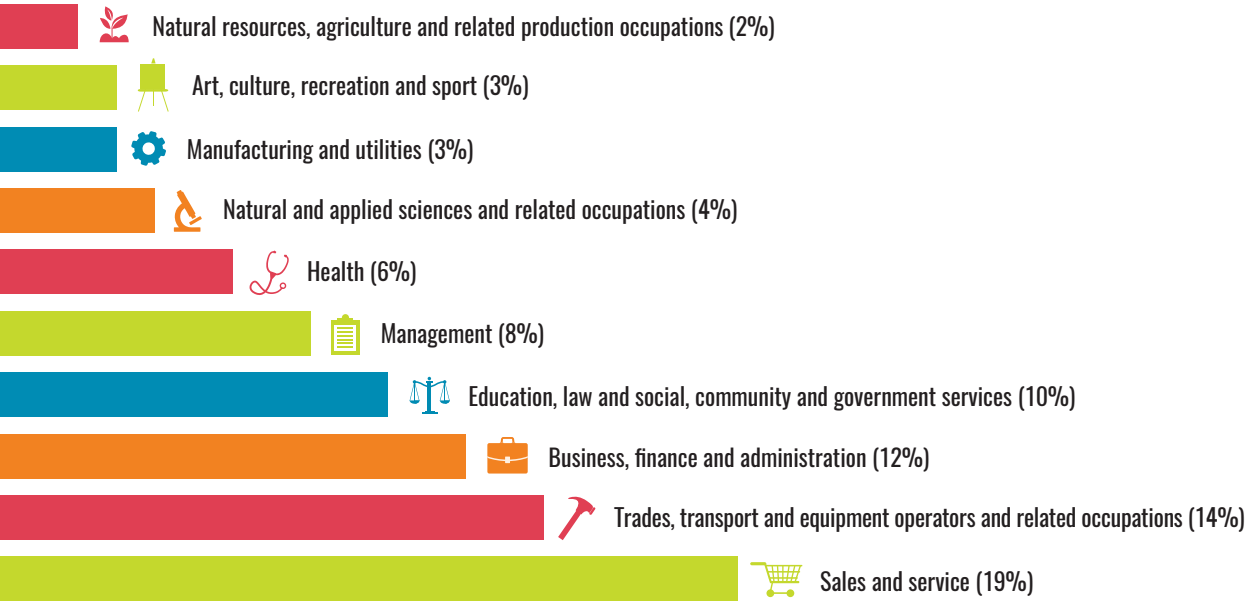


In 2018 Ladysmith had
508 active
BUSINESS LICENCES

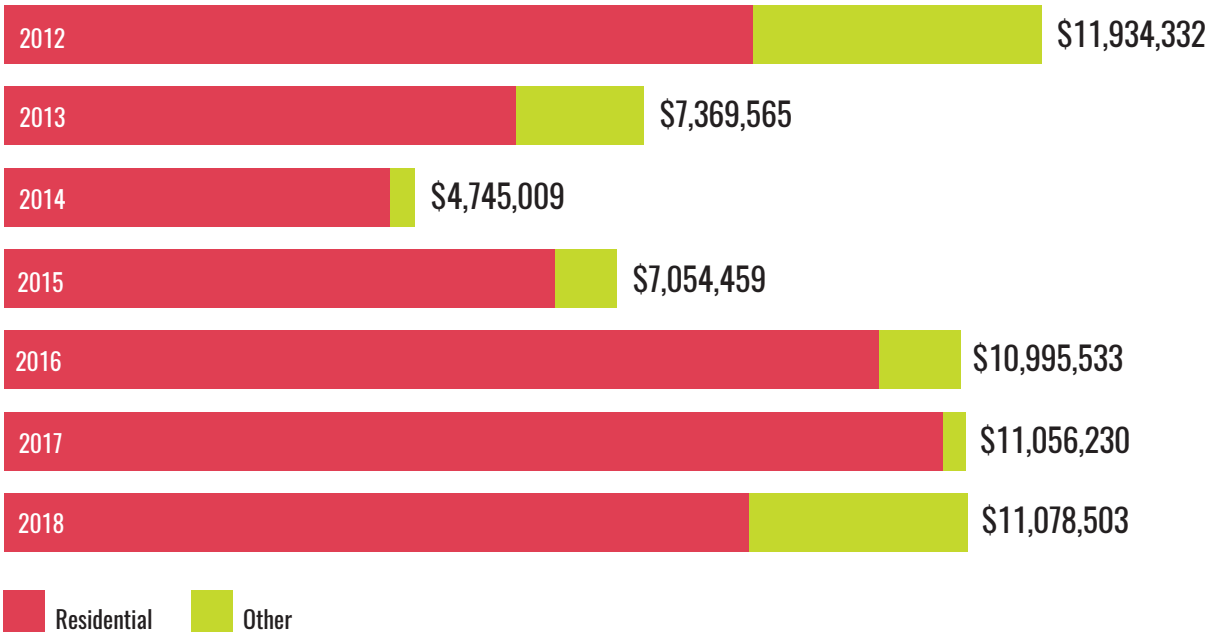


80.5%
of Ladysmith households
OWN THEIR HOMES

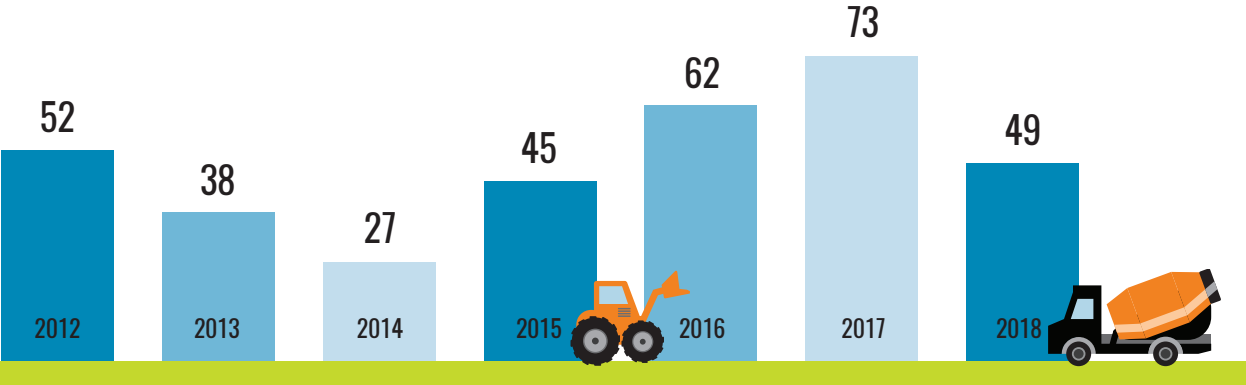
Ladysmith Employment Sectors 2016



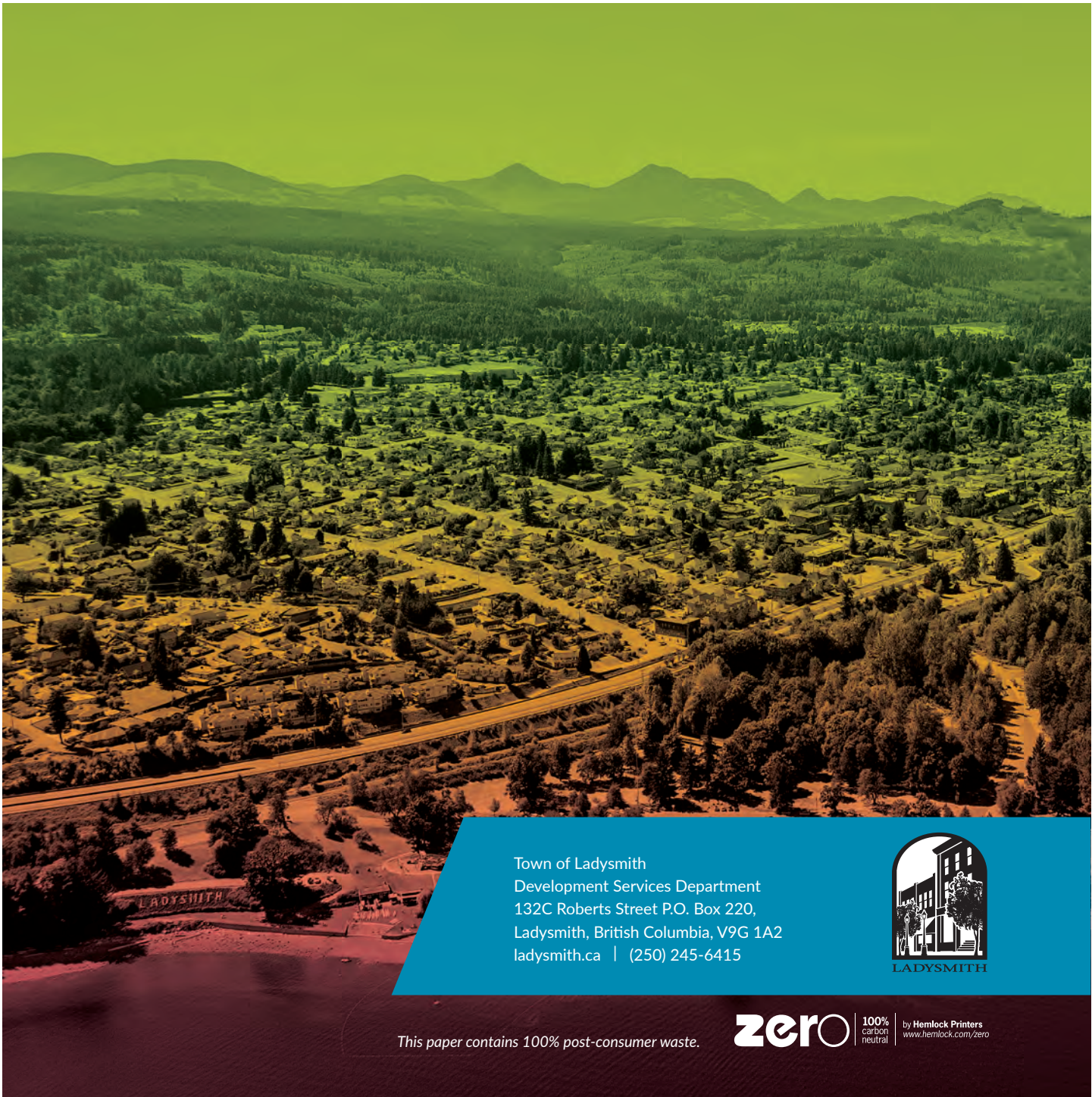
Building Permit Values 2012 – 2018



Number of new dwelling units constructed in Ladysmith each year.



Sources: Statistics Canada (2016), Town of Ladysmith



Town of Ladysmith
Development Services Department
132C Roberts Street P.O. Box 220,
Ladysmith, British Columbia, V9G 1A2
ladysmith.ca | (250) 245-6415



This paper contains 100% post-consumer waste.







We Value Your Feedback

This is a living document, one we will continue to update in response to your input and to changing circumstances in our community. Share your comments or suggestions by e-mail to info@ladysmith.ca or by calling City Hall at 250.245.6400.

Citizen and Stakeholder Engagement are Vital

Successful civic engagement ensures that our citizens' and stakeholders' views, values, needs and concerns are identified before and during decision making.

Being a part of this two-way process gives our residents the opportunity to contribute and connect with the Town. We encourage our citizens to engage their family, friends and colleagues in discussions and actions that improve our community.

We want to hear what you have to say. Connect with us in the following ways:



Send an E-mail to info@ladysmith.ca



Send a letter to Town of Ladysmith City Hall, Box 220, Ladysmith, B.C. V9G 1A2



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Follow us on Twitter [@TownOfLadysmith](https://twitter.com/TownOfLadysmith)



Call us 250.245.6400

