

**PUBLIC HEARINGS AND REGULAR MEETING  
OF THE TOWN OF LADYSMITH COUNCIL  
AGENDA  
6:00 P.M.**

**Tuesday, April 20, 2021**

**This meeting will be held electronically as per Ministerial Order No. M192**

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**Pages**

**1. CALL TO ORDER AND ACKNOWLEDGEMENT**

The Town of Ladysmith acknowledges with gratitude that this meeting takes place on the traditional, unceded territory of the Stz'uminus First Nation.

Residents are encouraged to "virtually" attend the two Public Hearings and Regular Council Meeting by registering here:

[https://zoom.us/webinar/register/WN\\_BBBYaqkkShCtitJnjAYwPw](https://zoom.us/webinar/register/WN_BBBYaqkkShCtitJnjAYwPw)

Instructions on how to join the meeting will be sent immediately after you register.

View the livestream on YouTube:

<https://www.youtube.com/channel/UCH3qHAExLiW8YrSuJk5R3uA/featured>.

**2. AGENDA APPROVAL**

Recommendation

That Council approve the agenda for the Public Hearings and Regular Meeting of Council for April 20, 2021.

### **3. PUBLIC HEARING #1**

#### **3.1. "Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 36) 2021, No. 2066"**

Subject Property:

- 336 Belaire Street (Lot 1, District Lot 56, Oyster District, Plan 27861)

##### **3.1.1. Outline of Public Hearing Process - Mayor Stone**

##### **3.1.2. Introduction of Bylaw - Planner, Development Services**

##### **3.1.3. Public Submissions**

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##### **3.1.4. Final Call for Public Submissions - Mayor Stone**

##### **3.1.5. Closure of hearing for Bylaw No. 2066**

### **4. PUBLIC HEARING #2**

#### **4.1. "Official Community Plan Bylaw 2003, No. 1488, Amendment Bylaw (No. 66) 2021, No. 2070"**

Subject Properties:

- All properties within Development Permit Area 4 Multi-Unit Residential as shown on OCP Map 2 Development Permit Areas

##### **4.2. Outline of Public Hearing Process - Mayor Stone**

##### **4.3. Introduction of Bylaw - Planner, Development Services**

##### **4.4. Public Submissions**

##### **4.5. Final Call for Public Submissions - Mayor Stone**

##### **4.6. Closure of hearing for Bylaw No. 2070**

### **5. REGULAR COUNCIL MEETING CONVENES**

**6. BYLAWS - OFFICIAL COMMUNITY PLANNING AND ZONING (SUBJECTS OF PUBLIC HEARING)**

**6.1. Subject of Public Hearing #1 (336 Belaire Street)**

**6.1.1. "Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 36) 2021, No. 2066"**

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Recommendation

That subject to any additional matters raised at the Public Hearing, Council:

1. Proceed with third reading of "Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 36) 2021, No. 2066"; and
2. Direct staff to refer "Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 36) 2021, No. 2066" to the Ministry of Transportation and Infrastructure pursuant to section 52 of the *Transportation Act*.

**6.2. Subject of Public Hearing #2 (Properties within Development Permit Area 4 Multi-Unit Residential)**

**6.2.1. "Official Community Plan Bylaw 2003, No. 1488, Amendment Bylaw (No. 66) 2021, No. 2070"**

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Recommendation

That subject to any additional matters raised at the Public Hearing, Council proceed with third reading and adoption of "Official Community Plan Bylaw 2003, No. 1488, Amendment Bylaw (No. 66) 2021, No. 2070".

**7. MINUTES**

**7.1. Minutes of the Public Hearings and Regular Meeting of Council held April 6, 2021**

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Recommendation

That Council approve the minutes of the Public Hearings and Regular Meeting of Council held April 6, 2021.

## **7.2. Minutes of the Special Meeting of Council held April 13, 2021**

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### Recommendation

That Council approve the minutes of the Special Meeting of Council held April 13, 2021.

## **8. DELEGATIONS**

### **8.1. MNP, Auditors for the Town of Ladysmith**

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Cory Vanderhorst will present the 2020 Audit Findings report and the 2020 draft Financial Statements for the Town of Ladysmith.

### Recommendation

That Council accept the 2020 Audit Findings report and the draft 2020 Financial Statements as presented by MNP, auditors for the Town of Ladysmith.

## **9. BYLAWS- OFFICIAL COMMUNITY PLAN AND ZONING**

### **9.1. Zoning Bylaw Amendment Application – 630 Farrell Road**

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### Recommendation

That Council:

1. Proceed with first and second reading of “Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 35) 2021, No. 2064”; and
2. Direct staff to proceed with scheduling and notification for a Public Hearing for “Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 35) 2021, No. 2064” as required under section 464(1) of the *Local Government Act*.
3. Require that, prior to adoption of “Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 35) 2021, No. 2064”, the developer update covenant CA6042493, registered to the title of Lot 2 District Lot 41 Oyster District Plan VIP79202 as follows:
  - a. Removal of section 3 “Preconditions of Development” and Schedule C (subdivision layout);
  - b. Replacement of Schedule B (geotechnical assessment) with the updated report (Attachment D to the report to Council dated April 20, 2021); and
  - c. Addition of a setback requirement from panhandles to allow access for emergency vehicles.



## **10. COMMITTEE MINUTES**

### **10.1. Community Planning Advisory Committee - March 3, 2021 Minutes 159**

#### Recommendation

That Council receive for information the minutes of the March 3, 2021 meeting of the Community Planning Advisory Committee.

## **11. REPORTS**

### **11.1. Distribution of 2021 Property Taxes 161**

#### Recommendation

That Council direct staff to:

1. Prepare the 2021 Financial Plan and Tax Rates Bylaws based on Option #3 of the Director of Financial Services report dated April 20, 2021, allocating a 0.52% increase and phasing in a Class 5 rate with Class 1 absorbing the difference; and
2. Prepare the 2021 Property Tax Rates bylaw based on the "Alternative Municipal Tax Collection Scheme" with a due date of July 2, 2021 and a 2% penalty on outstanding current taxes and unclaimed home owner grants as of the end of day on July 2, 2021 and a further 8% penalty on balances outstanding as of the end of day on September 15, 2021.

## **12. BYLAWS**

### **12.1. Bylaw Status Sheet 169**

## **13. CORRESPONDENCE**

### **13.1. Correspondence from Nitya Harris, Chair, Coexisting with Carnivores Alliance dated March 29, 2021 170**

Request for a letter of support to implement a moratorium on recreational wolf hunting on Vancouver Island.

#### Recommendation

That Council consider whether it wishes to provide a letter of support to Minister Conroy and the AVICC regarding the resolution by the District of Oak Bay to implement a moratorium on recreational wolf hunting on Vancouver Island, pending the completion of a scientific, data driven, evidence-based study to re-examine the efficacy of unrestricted wolf harvesting practices and their impacts on the Island's bio-diversity, wildlife ecology and sustainability of the resident wolf population.

**13.2. Correspondence from the City of Victoria dated March 31, 2021 Requesting A Letter of Support** 174

Request for letters of support regarding the rights of laid off workers in the tourism and hospitality industries to return to their jobs when the pandemic restrictions lift.

Recommendation

That the Mayor, on behalf of Council, send letters to the Ministers of Labour and Tourism, the Association of Vancouver Island and Coastal Communities and the Union of BC Municipalities, expressing support for the City of Victoria's motion regarding the right for laid off workers in the tourism and hospitality industries to return to their jobs when the COVID-19 pandemic eases.

**13.3. Correspondence from the Ladysmith Historical Society and the Royal Canadian Air Cadets Squadron 257 dated April 14, 2021** 176

Request to waive fees and provide a letter of support to receive funding to celebrate the Aggie Hall 100th anniversary in 2022.

Recommendation

That Council:

1. Support in principle the Aggie Hall 100 Celebration in 2022;
2. Consider waiving rental and other fees for the use of Aggie Hall as part of the event(s) related to the celebration; and
3. Provide a letter of support to be included in the Ladysmith & District Historical Society and the Royal Canadian Air Cadet Squadron's grant application to the Government of Canada's Building Communities Through Arts and Heritage/Community Anniversaries program.

**14. NEW BUSINESS**

## 15. QUESTION PERIOD

**Please note that Council cannot receive questions related to Public Hearings where the bylaws have not yet been adopted.**

Residents are encouraged to "virtually" attend the meeting and ask their questions live by registering here:

[https://zoom.us/webinar/register/WN\\_BBYYaqkkShCtitJnjAYwPw](https://zoom.us/webinar/register/WN_BBYYaqkkShCtitJnjAYwPw)

Instructions on how to join the meeting will be sent immediately after you register.

Alternately, questions can be submitted via email at [info@ladysmith.ca](mailto:info@ladysmith.ca) during the meeting.

- Persons wishing to address Council must be Town of Ladysmith residents, non-resident property owners, or operators of a business.
- Individuals must include their name and address for identification purposes.
- Questions put forth must be on topics which are not normally dealt with by Town staff as a matter of routine.
- Questions must be brief and to the point.
- No commitments shall be made by the Chair in replying to a question. Matters which may require action of the Council shall be referred to a future meeting of the Council.

## 16. ADJOURNMENT

**Received April 12, 2021**

**Within Circulation Area**

**From:** Raelene Cormier

**Sent:** April 11, 2021 3:46 PM

**To:** [editor@ladysmithchronicle.com](mailto:editor@ladysmithchronicle.com); Council <[towncouncil@ladysmith.ca](mailto:towncouncil@ladysmith.ca)>

**Subject:** Working together to build a better community

We are dismayed to hear that our town council is considering a rezoning variance to allow a 4th story at the Belair project. It is out of character for the neighborhood to have a 4 story (or even a 3 story) building amongst single family homes. Many area residents were displeased when the original design was for 4 floors. Then the developer agreed to reduce it to 3 stories, based on the input from residents and town councillors. Yet, we are back having to re-visit this issue again!

We are also against the 5 story development at the former Dalby site. Too high and too imposing for the area residents. Unfortunately we missed knowing about this public hearing and can't believe our town council has granted a variance despite the area residents being against the project.

Adding these 2 properties puts a real strain on the area residents, many of whom moved to this area for a quiet life, in a charming small town. There will be increased traffic and potentially a hazardous situation with vehicles entering and exiting these properties in an already busy area.

If someone wants to build a higher building, there appears to be other vacant land in the downtown area and also new development areas within our town. As others have mentioned wouldn't it make sense to wait for the new OCP so that these projects can fit within a **carefully crafted vision** of the town's future?

As you state on your website, your role is to "**work together to build a better community.**" The residents of Ladysmith would like to feel they are listened to, and heard, with respect to development in their own neighborhoods. From the Belair project meeting we attended, a decision was already made regarding the # of floors. If council is listening to the residents, why is the decision not being respected by both developer & council? We don't want a 4th floor!

We would like to hear from the many "RESIDENTS" who want the project to get underway (as quoted from Councillor Virtanen regarding the Dalbys site) Are there any?

Developers can be shortsighted in how their projects will affect neighborhoods. They don't have to deal with the consequences of poorly conceived ideas. It's the people who **actually live here** that do! We understand the developers need to make a return on their investment but it should not be at the expense of area residents.

To all other residents of Ladysmith, these projects will set an unfortunate precedent. Although it may not affect your neighborhood now, if you don't **speak up**, our little section of town will be adversely affected and your neighbourhood could be next. A public hearing for the Belair project will be held Apr 20 6pm [www.ladysmith.ca/publichearings](http://www.ladysmith.ca/publichearings).

Council, we urge you to reconsider these projects in their current oversized configuration and restore the faith we have in our elected officials.

Raelene & Mike Cormier  
229 4th Avenue Ext.(at Belair)

## TOWN OF LADYSMITH

### BYLAW NO. 2066

#### A Bylaw to amend "Town of Ladysmith Zoning Bylaw 2014, No. 1860"

**WHEREAS** pursuant to the *Local Government Act*, the Municipal Council is empowered to amend the Zoning Bylaw;

**AND WHEREAS** pursuant to section 482 of the *Local Government Act* a zoning bylaw may establish different density rules for a zone, one generally applicable for the zone and the other or others to apply if the applicable conditions are met;

**AND WHEREAS** the Municipal Council considers it advisable to amend "Town of Ladysmith Zoning Bylaw 2014, No. 1860";

**NOW THEREFORE** the Council of the Town of Ladysmith in open meeting assembled enacts as follows:

1. "Town of Ladysmith Zoning Bylaw 2014, No. 1860" is amended by:
  - (a) Deleting "17.6 Comprehensive Development 6 – Belaire Mixed-Use (CD-6)"; and
  - (b) Replacing it with amended "17.6 Comprehensive Development 6 – Belaire Mixed-Use (CD-6)" as shown in Schedule 1, which is attached to and forms part of this Bylaw.

#### Citation

2. This Bylaw may be cited for all purposes as "Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 36) 2021, No. 2066".

<b>READ A FIRST TIME</b> on the 16 <sup>th</sup>	day of	March,	2021
<b>READ A SECOND TIME</b> on the 16 <sup>th</sup>	day of	March,	2021
<b>PUBLIC HEARING</b> held pursuant to the provisions of the <i>Local Government Act</i>			
on the	day of	,	
<b>READ A THIRD TIME</b> on the	day of	,	
<b>APPROVED</b> by the Ministry of Transportation & Infrastructure			
on the	day of	,	
<b>ADOPTED</b> on the	day of	,	

\_\_\_\_\_  
Mayor (A. Stone)

\_\_\_\_\_  
Corporate Officer (D. Smith)

Schedule 1  
“Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 36) 2021, No. 2066”

**17.6 COMPREHENSIVE DEVELOPMENT 6 – BELAIRE MIXED-USE (CD-6)**

The purpose of the CD-6 Belaire Mixed-Use is to accommodate a four-storey mixed-use development containing ground floor commercial and second, third, and fourth floor multi-family residential development.

**1. Principal Uses**

- a) *Coffee shop*
- b) *Community care facility*
- c) *Media production studio*
- d) *Multiple-Unit Dwellings*
- e) *Neighbourhood pub*
- f) *Office*
- g) *Personal service establishment*
- h) *Restaurant*
- i) *Retail sales*
- j) *Veterinary clinic*

**2. Accessory Uses**

- a) *Home Based Business*, subject to Part 6, Section 6.8.

**3. Sizing and Dimension of Parcels**

- a) No *Parcel* shall be created which has a *Parcel Area* less than 1,500 square metres.
- b) No *Parcel* shall be created which has a *Frontage* less than 30 metres.

**4. Size and Density of the Use of Land, Buildings and Structures**

- a) The *Floor Space Ratio* shall not exceed 1.3.
- b) The maximum number of Dwelling Units permitted in this Zone is one.
- c) Notwithstanding Section 17.6(4)(b), the owner shall be entitled to a maximum residential density of 53.5 units per hectare, to a maximum of 8 units, provided that:

- i) the owner constructs, at their cost, street parking and drainage improvements, in accordance with the standards established by the Town, on that portion of Rigby Place immediately adjacent to Wickham Park; and
  - ii) prior to obtaining a building permit for the dwelling units under this section, the owner provides a bond or other surety satisfactory to the Town from which the Town may draw upon if the owner fails to complete the works under (i).
- d) Notwithstanding Section 17.6(4)(b) and (c), the owner shall be entitled to a maximum residential density of 78.5 units per hectare, to a maximum of 12 units, provided that:
  - i) the owner constructs, at their cost, street parking and drainage improvements, in accordance with the standards established by the Town, on that portion of Rigby Place immediately adjacent to Wickham Park;
  - ii) the owner constructs, at their cost, a public gathering space, in accordance with the standards established by the Town, in Wickham Park;
  - iii) prior to obtaining a building permit for the dwelling units under this section, the owner provides a bond or other surety satisfactory to the Town from which the Town may draw upon if the owner fails to complete the works under (i) and (ii);
  - iv) a minimum of 60 percent of the off-street parking spaces for the dwelling units, as required in Part 8: Parking and Loading Regulations, are provided as *Underbuilding Parking*; and
  - v) all *Principal Buildings* meet or exceed Step 1 of the British Columbia Energy Step Code.
- e) No commercial use on the parcel shall have a *Gross Floor Area* greater than 250 square metres.
- f) The combined *Floor Space Ratio* for all commercial uses on the property shall not exceed 0.5.
- g) No *Building* or *Structures* shall exceed a *Parcel Coverage* of 40.0 percent.
- h) A *Parcel* may contain more than one *Principal Building*.

## 5. Siting, Sizing and Dimension of Uses, Buildings and Structures

- a) No *Principal Building* or *Structure* shall exceed a *Height* of 14.5 metres.



No *Accessory Building* or *Structure* shall exceed a *Height* of 7.5 metres; except where the roof pitch is less than 4:12, in which case the maximum *Height* shall be 5.0 metres.

- b) No *Principal Buildings* or *Structures* shall be located closer to the *Parcel Line* than the minimum *Setback* shown in the Table below:

PARCEL LINE	MINIMUM SETBACK
<i>Front Parcel Line</i> (Belaire Street)	2.0 metres
<i>Interior Side Parcel Line</i>	4.5 metres
<i>Exterior Side Parcel Line</i>	2.0 metres
<i>Rear Parcel Line</i>	17.0 metres

- c) The maximum *Finished Floor Area* of the fourth *Storey* of a *Principal Building* shall not exceed 80.0 percent of the *Finished Floor Area* of the *Storey* with the largest *Finished Floor Area*.
- d) No *Accessory Building* or *Structure*, with a *Finished Floor Area* greater than 15 m<sup>2</sup>, shall be located closer to the *Parcel Line* than the minimum *Setback* shown in the Table below:

PARCEL LINE	MINIMUM SETBACK
<i>Front Parcel Line</i>	6.0 metres
<i>Interior Side Parcel Line</i>	4.5 metres
<i>Exterior Side Parcel Line</i>	3.0 metres
<i>Rear Parcel Line</i>	13.0 metres

## 6. Landscaping and Screening

- a) *Landscaping* and screening shall be provided in accordance with Part 7: Landscaping and Screening Regulations.

## 7. Parking and Loading

- a) Off-street parking shall be provided in accordance with Part 8: Parking and Loading Regulations.
- b) Notwithstanding (a);
- the total number of on-site loading spaces required on a parcel shall be one; and
  - a maximum of 50 percent of the total off-street parking requirement may be designated as small car spaces.

**TOWN OF LADYSMITH**

**BYLAW NO. 2070**

**A Bylaw to amend “Official Community Plan Bylaw 2003, No. 1488”**

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**WHEREAS** pursuant to the *Local Government Act*, the Municipal Council is empowered to amend the Official Community Plan;

**AND WHEREAS** pursuant to section 488(1) of the *Local Government Act*, an official community plan may designate development permit areas;

**AND WHEREAS** pursuant to section 488(4) of the *Local Government Act*, an official community plan may, with respect to development permit areas, specify conditions under which a development permit would not be required;

**AND WHEREAS** the Municipal Council considers it advisable to amend “Official Community Plan Bylaw 2003, No. 1488”;

**NOW THEREFORE** the Council of the Town of Ladysmith in open meeting assembled enacts as follows:

1. Schedule A.1 – Official Community Plan Development Permit Area Guidelines of “Official Community Plan Bylaw 2003, No. 1488” is hereby amended by adding to section 4 ‘Exemptions’, as subsection (m ) the following text:

“(m) single family or two family dwelling development in the Multi-Unit Residential (DPA 4) Development Permit Area”.

**Citation**

This Bylaw may be cited for all purposes as “Official Community Plan Bylaw 2003, No. 1488, Amendment Bylaw (No. 66) 2021, No. 2070”.

**READ A FIRST TIME** on the 16<sup>th</sup> day of March, 2021

**READ A SECOND TIME** on the 16<sup>th</sup> day of March, 2021

**PUBLIC HEARING** held pursuant to the provisions of the *Local Government Act*

on the day of ,

**READ A THIRD TIME** on the day of ,

**ADOPTED** on the day of ,

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Mayor (A. Stone)

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Corporate Officer (D. Smith)



## MINUTES OF TWO PUBLIC HEARINGS AND A REGULAR MEETING OF COUNCIL

Tuesday, April 6, 2021  
6:00 P.M.

This meeting was held electronically as per Ministerial Order No. M192

### Council Members Present:

Mayor Aaron Stone  
Councillor Amanda Jacobson  
Councillor Rob Johnson  
Councillor Tricia McKay

Councillor Duck Paterson  
Councillor Marsh Stevens  
Councillor Jeff Virtanen

### Staff Present:

Allison McCarrick  
Erin Anderson  
Chris Barfoot  
Jake Belobaba  
Geoff Goodall

Donna Smith  
Julie Thompson  
Christina Hovey  
Mike Gregory  
Sue Bouma

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## 1. CALL TO ORDER AND ACKNOWLEDGEMENT

Mayor Stone called the Public Hearings and Regular Meeting of Council to order at 6:00 p.m., recognizing with gratitude that the meeting was taking place on the traditional unceded territory of the Stz'uminus People.

## 2. AGENDA APPROVAL

### CS 2021-105

That Council approve the agenda for the Public Hearings and Regular Meeting of Council for April 6, 2021 as amended to include the following items received after publication of the agenda:

- Item 3.1.3., "Public submissions received between Thursday, April 1 (agenda publication date) and 4:30 p.m. on Tuesday, April 6, 2021 regarding Public Hearing #1, 670 and 674 Farrell Road and Lot 20, Trans-Canada Highway"; and

- Item 4.1.3., “Public submissions received between Thursday, April 1 (agenda publication date) and 4:30 p.m. on Tuesday, April 6, 2021 regarding Public Hearing #2, 201 & 203 Dogwood Drive.”

*Motion Carried*

### **3. PUBLIC HEARING #1**

#### **3.1 "Official Community Plan Bylaw 2003, No. 1488, Amendment Bylaw (No. 63) 2021, No. 2060" and "Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 33) 2021, No. 2061"**

Members of the public present: Approx. 62

##### **3.1.1 Outline of Public Hearing Process - Mayor Stone**

Mayor Stone outlined the Public Hearing process and stated that the public would have the opportunity to provide their comments to Council about Bylaw Nos. 2060 and 2061, to allow the construction of a multi-family and single family residential subdivision with a park at Lot 20 Trans-Canada Highway, 670 and 674 Farrell Road.

He advised that staff would introduce the proposed bylaw amendments, followed by public submissions and outlined the process for participating via Zoom, telephone and email. He reminded the public that the meeting was being livestreamed and recorded and that the content of submissions would be made public and form a part of the public record for the Hearing. He advised that the function of Council at a Public Hearing is to listen rather than to debate the merits of the proposed bylaws, although they may ask clarifying questions. He advised that once everyone had had an opportunity to be heard, the Public Hearing would be closed and no further submissions or comments could be accepted by members of Council.

##### **3.1.2 Introduction of Bylaws and Statutory Requirements - Julie Thompson, Planner, Development Services**

Julie Thompson, Planner for Development Services, introduced the following bylaws as the subject of the Public Hearing:

1. “Official Community Plan Bylaw 2003, No. 1488, Amendment Bylaw (No. 63) 2021, No. 2060” (hereafter referred to as Bylaw 2060); and

2. "Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 33) 2021, No. 2061" (hereafter referred to as Bylaw 2061).

Ms. Thompson noted that the subject property consists of three adjacent lots located at Lot 20 Trans-Canada Highway (TCH), 670 and 674 Farrell Road, legally described as:

- Lot 20 TCH: Lot 20, District Lot 41, Oyster District, Plan 2519, Except Parts in Plans 8993, 43958 and EPP28332.
- 670 Farrell: Lot 2 District Lot 41 Oyster District Plan VIP65993
- 674 Farrell: Lot 1, District Lot 41, Oyster District, Plan 20461

She advised Council that Bylaw 2060 would place the subject property into three land use designations (parks and open spaces, single family residential and multi-family residential). It would also place two development permit areas on the proposed multi-family area (development permit area 7 – hazard lands, and development permit area 4 – multi-unit residential).

Ms. Thompson noted that Bylaw 2061 would amend the Zoning Bylaw by:

- Placing the subject property into three zones: Low Density Residential (R-3-A), Single Dwelling Residential (R-1) and Park and Recreation (P-2); and
- Allowing the R-1 zone to be amended on a site specific basis (for the subject property only), by allowing duplexes in the proposed single-family area with the following additional regulations:
  - Requiring a minimum parcel area of 780 sq.m for a duplex to be permitted;
  - A minimum finished floor area of 137m<sup>2</sup> for duplexes, and
  - A maximum finished floor area of 390m<sup>2</sup> or 50% of the parcel area, whichever is less, for duplexes.

Ms. Thompson also confirmed the Public Hearing notification and engagement process. The Public Hearing Notice was published in the Ladysmith Chronicle on March 25<sup>th</sup> and April 1<sup>st</sup> and posted on community notice boards and the Town's website. Pursuant to

section 466(4) of the *Local Government Act* and section 10 of “Town of Ladysmith Development Procedures Bylaw 2008, No. 1667”, written notice was delivered to the subject property and all properties located within 60 metres of the subject property. The applicant hosted two neighbourhood information meetings on June 26, 2019 and July 15, 2020, and 25 public submissions were received from both these meetings and in response to the Public Hearing process.

### **3.1.3 Submissions**

Mayor Stone invited the applicants to make the first submission to Council.

Sean Carroll addressed Council regarding the steps taken to develop the site plan, which included engaging in extensive discussions with the neighbourhood and Ladysmith staff, implementing input received at previous Council meetings, meeting with engineering professionals and making adaptations based on geotechnical, arborist and wildfire reports. He advised that construction traffic would use Farrell Road to reduce impact on the neighbourhood, and noted that the park site was selected by staff to improve access to neighbouring green space.

### **3.1.4 Call for Submissions to Council (Three Times) - Mayor Stone**

Mayor Stone called for submissions to Council.

*Sean Potts* spoke in support of the development.

Mayor Stone called for submissions to Council a second time.

*Wendy Rosen* asked for clarification regarding tree coverage.

*Gloria Garvie* expressed concern regarding the potential removal of the 100 year old forest, citing bird displacement and highway noise as unintended and undesirable consequences.

*Bob Mack* expressed opposition to the development's potential number of dwellings, noting that it would triple the traffic on Sanderson Road.

Mayor Stone called for submissions to Council regarding Bylaw Nos. 2060 and 2061 a third and final time.

Mayor Stone asked the Corporate Officer, D. Smith, if any submissions were received via email. The Corporate Officer advised that no submissions had been received during the Hearing.

**3.1.5 Declaration that the Public Hearing for Bylaw Nos. 2060 and 2061 is Closed - Mayor Stone**

Hearing no further comments and receiving no additional submissions, Mayor Stone called the Public Hearing for Bylaw Nos. 2060 and 2061 closed and stated that no further submissions or comments from the public or interested persons could be accepted by members of Council.

**4. PUBLIC HEARING #2**

**4.1 "Official Community Plan Bylaw 2003, No. 1488, Amendment Bylaw (No. 64) 2021, No. 2062" and "Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 34) 2021, No. 2063"**

Members of the public present: Approx. 62

**4.1.1 Outline of Public Hearing Process - Mayor Stone**

Mayor Stone outlined the Public Hearing process and stated that the public would have the opportunity to provide their comments to Council at this second Public Hearing for Bylaw Nos. 2062 and 2063, to allow the construction of a 25-unit multi-family residential building at 201 and 203 Dogwood Drive.

He advised that staff would introduce the proposed bylaw amendments, followed by public submissions and outlined the process for participating via Zoom, telephone and email. He reminded the public that the meeting was being livestreamed and recorded and that the content of submissions would be made public and form a part of the public record for the Hearing. He advised that the function of Council at a Public Hearing is to listen rather than to debate the merits of the proposed bylaws, although they may ask clarifying questions. He advised that once everyone had had an opportunity to be heard, the public hearing would be closed and no further submissions or comments could be accepted by members of Council.

#### **4.1.2 Introduction of Bylaws and Statutory Requirements - Julie Thompson, Planner, Development Services**

Julie Thompson, Planner for Development Services, introduced the following bylaws as the subject of the Public Hearing:

1. "Official Community Plan Bylaw 2003, No. 1488, Amendment Bylaw (No. 64) 2021, No. 2062" (hereafter referred to as Bylaw 2062); and
2. "Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 34) 2021, No. 2063" (hereafter referred to as Bylaw 2063).

Ms. Thompson noted that the subject property consists of two adjacent lots located at 201 and 203 Dogwood Drive, legally described as:

- Lot 10 (DD 21674N) District Lot 56 Oyster District Plan 1684 (201 Dogwood Drive); and
- Lot 11 (DD27179N) District Lot 56 Oyster District Plan 1684 (203 Dogwood Drive).

She advised Council that the bylaw amendments would facilitate the construction of a 25 unit multi-family apartment building, consisting of a total of 6 storeys (5 of which are fully above ground), underground parking, stepping on the fourth and fifth stories, and the potential for small-scale local commercial uses on the ground floor.

Specifically, Bylaw 2062 would:

- Change the land use designation on the subject property from Local Commercial to Multi-family Residential;
- Amend the Multi-Family Residential designation policies to support small-scale commercial uses and allow a density of up to 180 units per hectare through density bonusing or amenity contributions; and
- Add Development Permit Area 4 – Multi-Unit Residential to the property.



Bylaw 2063 would:

- Change the current zone on the subject property from Local Commercial (C-1) to a new zone, Multi-Family Mixed-Use (R-4). The R-4 zone would be specific to the subject property and contains regulations that would facilitate the proposal including:
  - Allowance of small-scale commercial uses on the ground floor;
  - Allow a maximum height of 19.0m;
  - Allow a density of 60 units per ha, up to a maximum of 180 units per ha through the provision of amenities such as underground parking, brownfield redevelopment, energy efficient building design, and provision of adaptable units; and
  - Require stepping of the fourth and fifth storeys.

Ms. Thompson also confirmed the Public Hearing notification and engagement process. The Public Hearing Notice was published in the Ladysmith Chronicle on March 25<sup>th</sup> and April 1<sup>st</sup> and posted on community notice boards and the Town's website. Pursuant to section 466(4) of the *Local Government Act* and section 10 of "Town of Ladysmith Development Procedures Bylaw 2008, No. 1667", written notice was delivered to the subject property and all properties located within 60 metres of the subject property.

The applicant hosted two neighbourhood information meetings on July 15, 2020 and July 29, 2020, and 39 submissions were received from the public as part of both the neighbourhood information meetings and the Public Hearing process.

#### **4.1.3 Submissions**

Mayor Stone invited the applicants to make the first submission to Council.

Brian Kapuscinski, Frank Crucil and Will Melville addressed Council. They confirmed that the development included 15 surface parking stalls and 24 one and two bedroom apartments, and that sight line considerations and shadow studies had been completed.

#### **4.1.4 Call for Submissions to Council (Three Times) - Mayor Stone**

Mayor Stone called for submissions to Council.

*Neale Pearson* stated that he and his wife were not opposed to the development, but expressed concerns regarding parking, traffic, and the sudden density increase in the neighbourhood.

*Russell Barling* questioned the appropriateness of the location of the development, and expressed concerns regarding property tax impact, traffic volumes and antiquated infrastructure in the area. He noted that the water main in the neighbourhood had collapsed three times in the last five years, and he recommended waiting until the new Official Community Plan was finished before considering the development.

*Cathy Gilroy* expressed concern that the community amenity contribution, which was directed towards investigation of site and neighbourhood contamination, did not include remediation or mitigation.

*Nicola Palmer* expressed opposition to the development, noting that the building would be too high and that the increase in population density would cause traffic problems.

*Bert Scholl* reminded Council that Forward Road is not a through-road and advised that traffic would be congested and intrusive. He also shared concerns regarding parking overflow on the street, the impact of the population density on the aging water main infrastructure, and the height of the building. Mr. Scholl recommended a signal crossing between the building and the bus stop.

*Noel McKenna* spoke against the development and recommended putting it on hold until the new Official Community Plan is finished.

*Margot Lunney* advised that she did not oppose the concept, but disagreed with the five storey height of the building. She also expressed concerns regarding traffic entering and exiting Forward Road, as well as the juxtaposition of the modern facade against the historic downtown and neighbourhood.

*Christine Mathers* stated that she did not receive written notice of the Public Hearing and expressed opposition to the height and the modern appearance of the building, noting that it conflicted with the

historic theme of the neighbourhood and downtown area. She expressed concerns regarding traffic and advised that it would not be safe for a person to travel in the area on a scooter or in a wheelchair.

Mayor Stone called for submissions to Council a second time.

Mayor Stone called for submissions to Council regarding Bylaws 2062 and 2063 a third and final time.

*John Manson* stated that parking allocated for the development is significantly lower than the requirements of the Zoning Bylaw.

Mayor Stone asked the Corporate Officer, D. Smith, if any submissions were received via email. The Corporate Officer then read written submissions from *Gayla Hunter*, who expressed concerns regarding the height of the building and the traffic implications of increased density on Forward Road, and *Neale Pearson and Nicola Palmer*, both of whom reiterated the concerns they expressed during the Hearing.

#### **4.1.5 Declaration that the Public Hearing for Bylaw Nos. 2062 and 2063 is Closed - Mayor Stone**

Hearing no further comments and receiving no additional submissions, Mayor Stone called the Public Hearing for Bylaw Nos. 2062 and 2063 closed and stated that no further submissions or comments from the public or interested persons could be accepted by members of Council.

Council recessed at 7:21 p.m. by unanimous consent and reconvened at 7:27 p.m.

### **5. REGULAR COUNCIL MEETING RECONVENES**

The Regular Council Meeting reconvened at 7:27 p.m.

**6. BYLAWS - OFFICIAL COMMUNITY PLAN AND ZONING (SUBJECTS OF PUBLIC HEARING)**

**6.1 Subject of Public Hearing #1 (670 & 674 Farrell Road and Lot 20 Trans-Canada Highway):**

**6.1.1 "Official Community Plan Bylaw 2003, No. 1488, Amendment Bylaw (No. 63) 2021, No. 2060"**

**CS 2021-106**

That Council proceed with third reading of "Official Community Plan Bylaw 2003, No. 1488, Amendment Bylaw (No. 63) 2021, No. 2060".

*Motion Carried*

OPPOSED: Councillor Johnson

**6.1.2 "Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 33) 2021, No. 2061"**

**CS 2021-107**

That Council:

1. Proceed with third reading of "Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 33) 2021, No. 2061"; and
2. Direct staff to refer "Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 33) 2021, No. 2061" to the Ministry of Transportation and Infrastructure pursuant to section 52 of the *Transportation Act*.

*Motion Carried*

OPPOSED: Councillor Johnson

**6.2 Subject of Public Hearing #2 (201 & 203 Dogwood Drive):**

**6.2.1 "Official Community Plan Bylaw 2003, No. 1488, Amendment Bylaw (No. 64) 2021, No. 2062"**

**CS 2021-108**

That Council proceed with third reading of "Official Community Plan Bylaw 2003, No. 1488, Amendment Bylaw (No. 64) 2021, No. 2062".

*Motion Carried*

OPPOSED: Councillor Johnson

**6.2.2 "Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 34) 2021, No. 2063"**

**CS 2021-109**

That Council:

1. Proceed with third reading of "Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 34) 2021, No. 2063"; and
2. Direct staff to refer "Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 34) 2021, No. 2063" to the Ministry of Transportation and Infrastructure pursuant to section 52 of the *Transportation Act*.

*Motion Carried*

OPPOSED: Councillor Johnson

Council recessed at 9:01 p.m. by unanimous consent and reconvened at 9:06 p.m.

**7. MAYOR'S REPORT**

**CS 2021-110**

That the Mayor on behalf of Council, send a letter of congratulations to Taylor (Mackenzie) Walters who received the prestigious Terry Fox Humanitarian Award for her work promoting equity in the sciences.

*Motion Carried*

**8. MINUTES**

**8.1 Minutes of the Regular Meeting of Council held March 16, 2021**

**CS 2021-111**

That Council approve the minutes of the Regular Meeting of Council held March 16, 2021.

*Motion Carried*

**8.2 Minutes of the Special Meeting of Council held March 23, 2021**

**CS 2021-112**

That Council approve the minutes of the Special Meeting of Council held March 23, 2021.

*Motion Carried*

Town of Ladysmith Public Hearings & Regular Council Meeting Minutes: April 6, 2021

## **9. DEVELOPMENT APPLICATIONS**

### **9.1 Development Variance Permit Application – Canopy at 1020 1st Avenue (Blooms At The 49th)**

#### **CS 2021-113**

That Council:

1. Issue Development Variance Permit 3090-20-08 to vary section 4.16.8 of “Sign and Canopy Bylaw 1995, No. 1176” to allow the installation of a canopy on a building where there is more than one projecting sign, at Lot 1 District Lot 24 Oyster District Plan VIP85193 (1020 1<sup>st</sup> Avenue); and
2. Authorize the Mayor and Corporate Officer to sign Development Variance Permit 3090-20-08.

*Motion Carried*

### **9.2 Development Variance Permit and Development Permit for a Residential Development at 19-245 Oyster Cove Road**

#### **CS 2021-114**

That Council:

1. Approve Development Variance Permit 3090-20-09 for Strata Lot 37, District Lot 56, Oyster District, Strata Plan 2009, together with an interest in the common property in proportion to the unit entitlement of the strata lot as shown on Form 1 (19-245 Oyster Cove Road) to vary the front parcel line setback from 6.0m to 5.0m;
2. Approve Development Permit 3060-20-24 to permit a new single unit dwelling on Strata Lot 37, District Lot 56, Oyster District, Strata Plan 2009, together with an interest in the common property in proportion to the unit entitlement of the strata lot as shown on Form 1; and
3. Authorize the Mayor and Corporate Officer to sign the Development Variance Permit 3090-20-09 and Development Permit 3060-20-24.

*Motion Carried*

### **9.3 OCP and Zoning Amendment for 10940 Westdowne Road Town and Country Mobile Home Park**

#### **CS 2021-115**

That Council:

1. Direct that Application No. 3360-20-06 (10940 Westdowne Road) proceed for further consideration.

2. Having considered section 475 of the *Local Government Act* (consultation during OCP development) direct staff to refer Application No. 3360-20-06 to:
  - Stz'uminus First Nation;
  - The Cowichan Valley Regional District;
  - School District 68;
  - Island Health, the Ministry of Transportation and Infrastructure, and BC Transit.

*Motion Carried*

## **10. CORRESPONDENCE**

### **10.1 Correspondence from Cowichan Housing Association dated March 2, 2021**

#### **CS 2021-116**

That Council of the Town of Ladysmith:

1. Approves the submission of a regional application by the Cowichan Valley Regional District to the UBCM Strengthening Communities Fund 2021 for the purpose of assisting member municipalities with improved health and safety of unsheltered homeless people living in public or private spaces, including reduced risk of COVID-19 or other disease transmission; and reducing community concerns about public health and safety in neighbourhoods where unsheltered homeless populations are seeking temporary shelter; and further,
2. Approves the Cowichan Valley Regional District as the primary applicant that will apply for, receive and manage the grant funding on behalf of the Town of Ladysmith.

*Motion Carried*

### **10.2 Correspondence from the City of Williams Lake dated March 11, 2021**

#### **CS 2021-117**

That Council request that the Association of Vancouver Island and Coastal Communities and the Union of BC Municipalities petition the Provincial and Federal governments to enact legislative and regulatory changes to the criminal justice system to apply stricter penalties and ensure adequate incarceration of prolific criminals, including use of electronic monitors when released on conditions.

*Motion Carried*

**OPPOSED:** Mayor Stone and Council Virtanen

Town of Ladysmith Public Hearings & Regular Council Meeting Minutes: April 6, 2021

**10.3 Request from Cystic Fibrosis Canada to Illuminate City Hall to Increase Cystic Fibrosis Awareness**

**CS 2021-118**

That Council approve the request from Cystic Fibrosis Canada to illuminate City Hall with blue or teal lights on Saturday, May 1 in support of Cystic Fibrosis awareness.

*Motion Carried*

**11. QUESTION PERIOD**

A member of the public enquired about road access at the proposed Farrell Road development and possible traffic warning lights at crosswalks on Dogwood Drive to improve safety at the proposed development.

**12. ADJOURNMENT**

**CS 2021-119**

That this Regular Meeting of Council adjourn at 9:29 p.m.

*Motion Carried*

CERTIFIED CORRECT:

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Mayor (A. Stone)

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Corporate Officer (D. Smith)





## MINUTES OF A SPECIAL MEETING OF COUNCIL

Tuesday, April 13, 2021

5:00 P.M.

This meeting was held electronically as per Ministerial Order No. M192

### Council Members Present:

Mayor Aaron Stone  
Councillor Amanda Jacobson  
Councillor Rob Johnson  
Councillor Tricia McKay

Councillor Duck Paterson  
Councillor Marsh Stevens  
Councillor Jeff Virtanen

### Staff Present:

Allison McCarrick  
Erin Anderson  
Chris Barfoot  
Jake Belobaba  
Geoff Goodall

Donna Smith  
Ryan Bouma  
Mike Gregory  
Sue Bouma

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## 1. CALL TO ORDER AND ACKNOWLEDGEMENT

Mayor Stone called this Special Meeting of Council to order at 5:00 p.m., recognizing with gratitude that it was taking place on the traditional unceded territory of the Stz'uminus People.

## 2. AGENDA APPROVAL

### CS 2021-120

That Council approve the agenda for this Special Meeting of Council for April 13, 2021 as amended to include under Item 3 the following reason for retiring into closed session:

- the receipt of legal advice - section 90(1)(i).

*Motion Carried Unanimously*

### 3. **CLOSED SESSION**

#### **CS 2021-121**

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

- the acquisition, disposition or expropriation of land or improvements, if the council considers that disclosure could reasonably be expected to harm the interests of the municipality - section 90(1)(e); and
- the receipt of legal advice - section 90(1)(i).

*Motion Carried*

### 4. **RISE AND REPORT- Items from Closed Session**

Council rose from Closed Session at 6:15 p.m. without report.

### 5. **ADJOURNMENT**

This Special Meeting of Council was adjourned by unanimous consent at 6:16 p.m.

CERTIFIED CORRECT:

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Mayor (A. Stone)

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Corporate Officer (D. Smith)



# Town of Ladysmith

## Presentation to the Mayor and Council

For the year ended December 31, 2020

Presented by: Cory Vanderhorst, CPA, CA

Date: April 20, 2021

# Topics

- Financial statement highlights
- Draft audit report
- Audit findings report
- Auditor independence
- Financial analysis

# Legislative requirement

- Community Charter states:
  - Annual Financial Statements must be prepared by financial officer (s.165)
  - An auditor must be appointed (s.169)
  - Audit must provide a report to Council (s.177)

# Financial Statement Highlights

## Statement of Financial Position

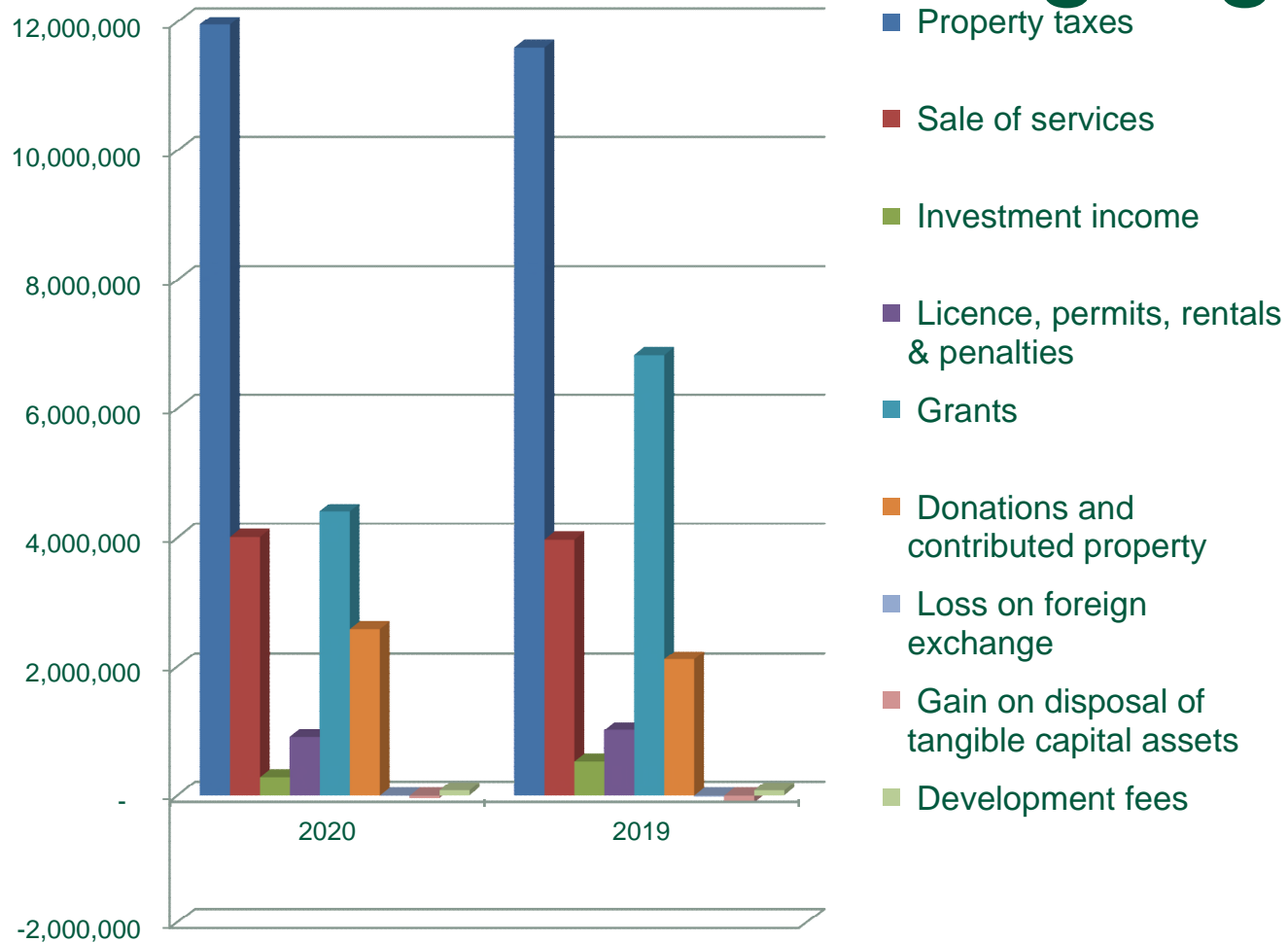
		2020
Cash and investments	\$	32,457,247
Total financial assets	\$	35,041,737
Debt	\$	17,966,433
Total liabilities	\$	32,173,820
Net financial assets	\$	2,867,917
Tangible capital assets	\$	113,991,578
Accumulated surplus	\$	117,025,497

# Financial Statement Highlights

## Statement of Operations

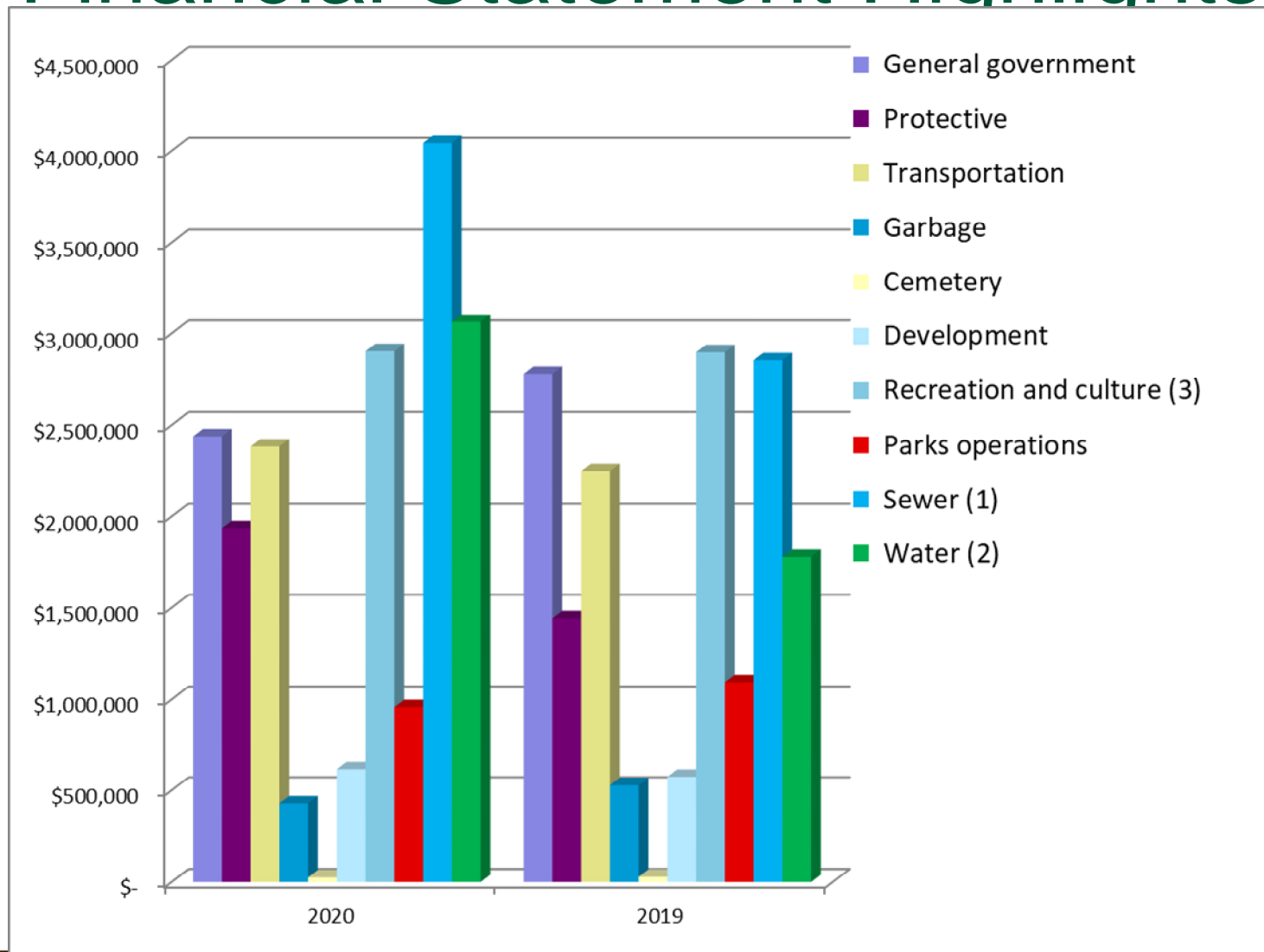
		2020	Variances
Total revenue	\$	24,498,044	Decrease from prior year, reduction in grant funding
Total expenses	\$	18,796,571	Increase from prior year, mainly in sewer and water
Annual surplus	\$	5,701,474	

# Financial Statement Highlights





# Financial Statement Highlights



# Financial Statement Highlights

## Statement of Cash Flows

		2020
Provided by Operations	\$	13,586,110
Capital purchases (net of disposal proceeds)		(4,969,079)
Repayment of debt		(812,838)
<b>Net increase in cash and short-term deposits</b>	<b>\$</b>	<b>7,804,193</b>

# Financial Statement Highlights

## Composition of Accumulated Surplus

2020		
Invested in Capital Assets	\$	96,025,150
Reserves		3,864,577
Capital funds		715,828
Appropriated equity		12,637,824
Unappropriated equity		3,782,117
<b>Total Accumulated Surplus</b>	<b>\$</b>	<b>117,025,497</b>

# Draft audit report

- Unqualified opinion
- We will sign the report after:
  - Mayor and Council approval

# Audit findings report

## Auditor responsibilities:

- Examining controls in place to ensure accurate reporting of financial results
- Sampling transactions throughout the year to form an audit opinion
- Auditors do NOT look at every transaction to form the audit opinion

# Audit findings report

## Engagement status

- Audit is complete and we are ready to sign the audit report after Council review and approve the financial statements
- Materiality used in the audit was \$800,000
- There were no limitations placed on the performance of our audit

# Audit findings report

## Engagement status (cont'd)

- We did not find:
  - Irregularities materially impacting the statements
  - Evidence of conflicts of interest, unusual related party transactions, or illegal or questionable payments

# Audit findings report

During the audit we discussed matters with:

- Erin Anderson
- Management in other departments

We would like to formally acknowledge the excellent cooperation and assistance from management and staff at the Town Hall.



# Auditor Independence

We confirm that MNP LLP is independent with respect to the Town of Ladysmith within the meaning of the Rules of Professional Conduct of CPA British Columbia as of April 20, 2021.

# Financial Analysis

## Sustainability

- Financial assets to liabilities: a ratio greater than 1 means financial resources are available to finance future operations. A ratio less than 1 means future revenues are required to pay for past transactions.
- Financial assets to liabilities has remained above 1 for the last five years, currently at 1.11.

# Financial Analysis

## Flexibility

- Net book value of capital assets to cost of capital assets: Reports the extent to which estimated useful lives of capital assets are available to provide services.
- Carrying value (or depreciated value) of capital assets is 68% at end of 2020. This ratio has consistently been between 67 and 69% for the last five years.

# Financial Analysis

## Vulnerability

- The degree to which a government is dependent on sources of funding outside its control.
- The ratio of government transfers to total revenues fluctuates between 10 and 25% over the last five years. For 2020 it was 18.0%, a decrease from prior year at 25.4%. High percentage years reflect significant capital project grants.

# Conclusion

Thank you

We would like to take this opportunity to answer any questions you have regarding the matters presented

Presenter: Cory Vanderhorst, CPA, CA



## Town of Ladysmith

2020 Audit Findings

Report to Mayor and Council

December 31, 2020

Cory Vanderhorst, CPA, CA

T: 250.753.8251

E: Cory.Vanderhorst@mnp.ca



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April 20, 2021

Members of Mayor and Council of Town of Ladysmith

Dear Sirs/Mesdames:

We are pleased to submit to you this report for discussion of our audit of the consolidated financial statements of Town of Ladysmith (the "Town") as at December 31, 2020 and for the year then ended. In this report we cover those significant matters which, in our opinion, you should be aware of as members of Mayor and Council.

We have completed our audit of the consolidated financial statements of the Town which has been carried out in accordance with Canadian generally accepted auditing standards.

Unless unforeseen complications arise, our Independent Auditor's Report will provide an unmodified opinion to the Mayor and Council of the Town. A draft copy of our proposed Independent Auditor's Report is attached at the end of this report.

This report is intended solely for the information and use of Mayor and Council and management and should not be distributed to or used by any other parties than these specified parties.

The matters raised in this and other reports that will flow from the audit are only those which have come to our attention arising from or relevant to our audit that we believe need to be brought to your attention. They are not a comprehensive record of all the matters arising, and in particular we cannot be held responsible for reporting all risks in your business or all control weaknesses. This report has been prepared solely for your use and should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared for, and is not intended for, any other purpose.

We would like to express our appreciation for the excellent cooperation we have received from management and employees with whom we worked.

We appreciate having the opportunity to meet with you and to respond to any questions you may have about our audit, and to discuss any other matters that may be of interest to you.

Sincerely,

A handwritten signature in black ink that reads "MNP LLP". The letters are stylized and cursive.

**MNP LLP**  
**Chartered Professional Accountants**

## INTRODUCTION

As auditors, we report to the Mayor and Council on the results of our examination of the consolidated financial statements of Town of Ladysmith (the "Town") as at and for the year ended December 31, 2020. The purpose of this Audit Findings Report is to assist you, as members of Mayor and Council, in your review of the results of our audit. To facilitate in your understanding of our findings, Appendix A to this report summarizes our audit process.

Our report will discuss the status of our engagement, as well as communicate to you significant audit, accounting and reporting matters arising from our procedures. We hope that this report is of assistance to you, and we look forward to discussing our findings and answering your questions.

## ENGAGEMENT STATUS

We have completed our audit of the consolidated financial statements of the Town and are prepared to sign our Independent Auditor's Report subsequent to completion of the following procedures:

- Mayor and Council review and approval of the consolidated financial statements

## INDEPENDENT AUDITOR'S REPORT

We expect to have the above procedures completed and to release our Independent Auditor's Report on April 20, 2021.

Unless unforeseen complications arise, our Independent Auditor's Report will provide an unmodified opinion to the Mayor and Council of the Town. A draft copy of our proposed Independent Auditor's Report has been included with this report.

## SIGNIFICANT AUDIT, ACCOUNTING AND REPORTING MATTERS

### AUDIT AND REPORTING MATTERS

The following significant matters arose during the course of audit that we wish to bring to your attention.

AREA	COMMENTS
<b>CHANGES FROM AUDIT SERVICE PLAN</b>	There were no deviations from the Audit Service Plan previously presented to you.
<b>FINAL MATERIALITY</b>	<p>Materiality is a concept used to assess the significance of misstatements or omissions that are identified during the audit and is used to determine the level of audit testing that is carried out. The scope of our audit work is tailored to reflect the relative size of operations of the Town, and is affected by our assessment of materiality and audit risk.</p> <p>Final materiality used for our audit was \$800,000 for December 31, 2020 and \$700,000 for December 31, 2019.</p>
<b>DIFFICULTIES ENCOUNTERED</b>	No significant limitations were placed on the scope or timing of our audit.
<b>IDENTIFIED OR SUSPECTED FRAUD</b>	<p>Due to the inherent limitations of an audit and the nature of fraud, including attempts at concealment through forgery or collusion, an audit conducted in accordance with Canadian generally accepted auditing standards cannot be relied upon to detect fraud.</p> <p>While our audit cannot be relied upon to detect all instances of fraud, no incidents of fraud, or suspected fraud, came to our attention in the course of our audit.</p>



AREA	COMMENTS
<b>IDENTIFIED OR SUSPECTED NON-COMPLIANCE WITH LAWS AND REGULATIONS</b>	Nothing has come to our attention that would suggest any non-compliance with laws and regulations that would have a material effect on the consolidated financial statements.
<b>MATTERS ARISING IN CONNECTION WITH RELATED PARTIES</b>	No significant matters arose during the course of our audit in connection with related parties of the Town.
<b>SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL</b>	<p>Our audit process focuses on understanding the controls utilized in management's reporting systems to the extent necessary to identify overall and specific financial reporting risks. This risk assessment allows us to concentrate our audit procedures on high risk areas and, where possible, place reliance on controls within the financial reporting system to reduce the extent of our testing.</p> <p>It is important to note that our assessment was not, nor was it intended to be, sufficient to comment or conclude on the sufficiency of internal controls.</p> <p>We are required under Canadian generally accepted auditing standards to communicate all significant deficiencies identified during an audit to Mayor and Council on a timely basis. However, we may not be aware of all significant deficiencies that do, in fact, exist.</p> <p>While our review of controls was not sufficient to express an opinion as to their effectiveness or efficiency, no significant deficiencies in internal control have come to our attention.</p>
<b>MATTERS ARISING FROM DISCUSSIONS WITH MANAGEMENT</b>	<p>We would like to formally acknowledge the cooperation and assistance we received from the management and staff of the Town.</p> <p>There were no significant matters discussed, or subject to correspondence, with management that in our judgment need be brought to your attention.</p>
<b>SIGNIFICANT DIFFERENCES</b>	No significant differences were proposed to management with respect to the December 31, 2020 consolidated financial statements.

## AUDITOR'S VIEWS OF SIGNIFICANT ACCOUNTING PRACTICES

The application of Canadian public sector accounting standards allows and requires the Town to make accounting estimates and judgments regarding accounting policies and financial statement disclosures.

As auditors, we are uniquely positioned to provide open and objective feedback regarding your Town's accounting practices, and have noted the following items during the course of our audit that we wish to bring to your attention.

AREA	COMMENTS
ACCOUNTING POLICIES	The accounting policies used by the Town are appropriate and have been consistently applied.
FINANCIAL STATEMENT DISCLOSURES	The disclosures made in the notes to the consolidated financial statements appear clear, neutral and consistent with our understanding of the entity and the amounts presented in the consolidated financial statements.

## OTHER MATTERS

### MANAGEMENT REPRESENTATIONS

We have requested certain written representations from management, which represent a confirmation of certain oral representations given to us during the course of our audit.

### AUDITOR INDEPENDENCE

We confirm to Mayor and Council that we are independent of the Town. Our letter to Mayor and Council discussing our independence is attached to this report.

## APPENDIX A – MNP AUDIT PROCESS

Our audit was carried out in accordance with Canadian generally accepted auditing standards, and included a review of all significant accounting and management reporting systems, with each material year end balance, key transaction and other events considered significant to the consolidated financial statements considered separately.

Our audit process focused on understanding the controls utilized in management's reporting systems to the extent necessary to identify overall and specific financial reporting risks. This risk assessment enabled us to concentrate our audit procedures on the areas where differences were most likely to arise. Our assessment was not, nor was it intended to be, sufficient to conclude on the effectiveness or efficiency of internal controls.

During the course of our audit, we have:

- Examined, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements;
- Assessed the accounting principles used and significant estimates made by management;
- Obtained an understanding of the Town and its environment, including management internal controls (regardless of whether we relied on them for the purpose of the audit), sufficient to identify and assess the risks of material misstatement of the consolidated financial statements and to design and perform audit procedures;
- Reviewed and assessed those accounting systems deemed necessary to support our audit opinion;
- Evaluated the overall consolidated financial statement presentation;
- Performed a subsequent events review with management;
- Reviewed and assessed the status of contingencies, commitments and guarantees; and
- Reviewed and assessed exposure to environmental liabilities.

We have obtained written representations from management, included as additional materials following this report, in order to confirm oral representations given to us and reduce the possibility of misunderstanding. Specifically, we have obtained written confirmation of significant representations provided on matters that are:

- Directly related to items that are material, either individually or in the aggregate, to the consolidated financial statements;
- Not directly related to items that are material to the consolidated financial statements, but are significant, either individually or in the aggregate, to the engagement; and
- Matters relevant to management judgments or estimates that are material, either individually or in the aggregate, to the consolidated financial statements.

## Independence Communication

April 20, 2021

Members of Council  
Town of Ladysmith  
410 Esplanade, P.O. Box 220  
Ladysmith, BC V9G 1A2

Dear Members of Council:

We have been engaged to audit the consolidated financial statements of Town of Ladysmith (the "Town") as at December 31, 2020 and for the year then ended.

CAS 260 *Communication With Those Charged With Governance* requires that we communicate with you matters that are significant to our engagement. One such matter is relationships between the Town and its related entities or persons in financial reporting oversight roles at the Town and MNP LLP and any affiliates ("MNP") that, in our professional judgment, may reasonably be thought to bear on our independence. In determining which relationships to report, the Standard requires us to consider relevant rules and related interpretations prescribed by the appropriate professional accounting body and applicable legislation, covering such matters as:

- (a) Holding a financial interest, either directly or indirectly, in a client;
- (b) Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client or a related entity;
- (c) Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client or a related entity;
- (d) Economic dependence on a client; and
- (e) Provision of non-assurance services in addition to the audit engagement.

We are not aware of any relationship between the Town and MNP that, in our professional judgment, may reasonably be thought to bear on our independence, which have occurred from January 1, 2020 to April 20, 2021.

We hereby confirm that MNP is independent with respect to the Town within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia as of April 20, 2021.

This report is intended solely for the use of Members of Council, management and others within the Town and should not be used for any other purposes.

We look forward to discussing with you the matters addressed in this letter as well as other matters that may be of interest to you at our upcoming meeting. We will be prepared to answer any questions you may have regarding our independence as well as other matters.

Sincerely,



MNP LLP  
Chartered Professional Accountants

## MNP LLP – Wherever Business Takes You

Assurance › Consulting › Tax

### About MNP LLP

MNP is a leading national accounting, tax and business consulting firm in Canada. We proudly serve and respond to the needs of our clients in the public, private and not-for-profit sectors. Through partner-led engagements, we provide a collaborative, cost-effective approach to doing business and personalized strategies to help organizations succeed across the country and around the world.



**TOWN OF LADYSMITH**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**  
**~~AUDITED~~**



**INDEX TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

Management Report

Independent Auditor's Report

Consolidated Financial Statements

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## STATEMENT OF MANAGEMENT'S RESPONSIBILITY

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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.

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Allison McCarrick  
Chief Administration Officer

## INDEPENDENT AUDITOR'S REPORT

**TOWN OF LADYSMITH**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2020**

		<u>2020</u>	<u>2019</u>
Financial Assets			
Cash and short-term deposits	(Note 2)	\$ 32,457,247	\$ 24,653,055
Accounts receivable	(Note 4)	<u>2,584,490</u>	<u>5,653,020</u>
		<u>35,041,737</u>	<u>30,306,075</u>
Liabilities			
Accounts payable and accrued liabilities	(Note 5)	4,461,984	3,560,551
Post-employment benefits	(Note 6)	319,100	262,400
Deferred revenue	(Note 7)	1,494,902	611,478
Refundable deposits and other	(Note 8)	1,366,204	819,767
Restricted reserves	(Note 9)	485,631	474,480
Development cost charge reserve	(Note 10)	4,472,558	3,714,388
Federal gas tax reserve	(Note 11)	1,607,008	1,474,035
Equipment financing	(Note 12)	857,420	915,645
Short-term financing	(Note 13)	952,700	952,700
Debenture debt	(Note 14)	<u>16,156,313</u>	<u>16,962,428</u>
		<u>32,173,820</u>	<u>29,747,871</u>
Net Financial Assets		<u>2,867,917</u>	<u>558,203</u>
Non-Financial Assets			
Tangible Capital Assets	(Schedule II)	113,991,578	110,605,787
Prepays		103,210	95,485
Inventory		<u>62,792</u>	<u>64,550</u>
		<u>114,157,580</u>	<u>110,765,823</u>
Accumulated Surplus	(Note 19)	<u>\$ 117,025,497</u>	<u>\$ 111,324,025</u>

*Commitments and Contingencies (Note 15)*  
*Significant Events (Note 28)*

Director of Financial Services

**TOWN OF LADYSMITH**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**AS AT DECEMBER 31, 2020**

		<u>2020</u>	<u>Budget 2020 (Note 20)</u>	<u>2019</u>
Revenue				
Taxation	(Note 22)	\$ 11,962,782	\$ 11,944,314	\$ 11,600,354
Sale of Services	(Note 23)	4,014,713	4,049,866	3,976,114
Investment Income		279,681	266,600	528,984
Licence, Permits, Rentals & Penalties	(Note 24)	910,582	797,701	1,018,152
Grants	(Note 25)	4,401,211	23,622,116	6,842,495
Donations & contributed tangible capital assets		2,588,706	2,259,044	2,114,949
Loss on foreign exchange		(2,531)	-	(15,931)
Loss on disposal of tangible capital assets		(38,647)	-	(104,904)
Development fees		78,447	939,850	77,000
Gas tax funds utilized	(Note 11)	303,100	1,418,286	893,245
		<u>24,498,044</u>	<u>45,297,777</u>	<u>26,930,458</u>
Expenses				
General government services		2,439,412	2,970,327	2,780,011
Protective services		1,935,494	2,134,294	1,443,022
Transportation services		2,383,547	2,609,187	2,250,325
Garbage services		429,609	527,487	527,606
Cemetery services		25,910	33,665	29,068
Development services		614,932	1,140,809	573,622
Recreation and cultural services		2,903,436	7,587,491	2,897,536
Parks operation services		958,428	1,403,061	1,093,968
Sewer		4,042,452	3,538,037	2,854,002
Water		3,063,352	5,579,704	1,778,406
		<u>18,796,572</u>	<u>27,524,062</u>	<u>16,227,567</u>
Annual Surplus		5,701,472	17,773,715	10,702,891
Accumulated Surplus, beginning of year		<u>111,324,025</u>	<u>111,324,025</u>	<u>100,621,134</u>
Accumulated Surplus - end of year		<u>\$ 117,025,497</u>	<u>\$ 129,097,740</u>	<u>\$ 111,324,025</u>

*See accompanying notes to the consolidated financial statements*

**TOWN OF LADYSMITH**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**AS AT DECEMBER 31, 2020**

	<u>2020</u>	<u>2019</u>
Operating Transactions		
Annual Surplus	\$ 5,701,472	\$ 10,702,891
Less non-cash items included in surplus:		
Amortization	3,872,923	3,489,917
Loss on disposal of tangible capital assets	38,647	104,904
Actuarial adjustments on debenture debt	(51,502)	(46,059)
Contributed tangible capital assets	<u>(2,328,281)</u>	<u>(1,949,543)</u>
	7,233,260	12,302,110
Change in		
Accounts receivable	3,068,530	(1,217,407)
Prepaid expenses	(7,725)	(6,098)
Inventory	1,758	9,682
Accounts payable and accrued liabilities	901,433	188,407
Post employment benefits	56,700	30,000
Deferred revenues	883,424	48,279
Refundable deposits and other	546,437	(58,264)
Restricted reserves	11,151	32,290
Development cost charge reserve	758,170	550,717
Gas tax reserve	<u>132,973</u>	<u>(32,734)</u>
Cash provided by operating transactions	<u>13,586,110</u>	<u>11,846,983</u>
Capital Transactions		
Proceeds on sale of tangible capital assets	16,845	50,552
Cash used to acquire tangible capital assets	<u>(4,985,924)</u>	<u>(14,609,476)</u>
Cash used by capital transactions	<u>(4,969,079)</u>	<u>(14,558,924)</u>
Payment of long-term debt and equipment financing		
Proceeds of long-term financing	-	6,000,000
Repayment of debt	<u>(812,838)</u>	<u>(660,706)</u>
Net increase (decrease) in cash from financing	<u>(812,838)</u>	<u>5,339,294</u>
Increase in Cash and Short-Term Deposits	7,804,193	2,627,353
Cash and Short-Term Deposits - Beginning of Year	24,653,055	22,025,702
Cash and Short-Term Deposits - End of Year	<u>\$ 32,457,247</u>	<u>\$ 24,653,055</u>

*See accompanying notes to the consolidated financial statements*

**TOWN OF LADYSMITH**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
**AS AT DECEMBER 31, 2020**

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	<u>2020</u>	<u>Budget 2020 (Note 20)</u>	<u>2019</u>
Annual Surplus	\$ 5,701,472	\$ 17,773,715	\$ 10,702,891
Acquisition of tangible capital assets	(7,314,206)	(33,262,196)	(16,559,019)
Amortization of tangible capital assets	3,872,923	3,436,284	3,489,917
Loss on sale of tangible capital assets	38,647	-	104,904
Proceeds from sale of tangible capital assets	16,845	-	50,552
Decrease in inventories	1,758	-	9,682
Increase in prepaids	<u>(7,725)</u>	<u>-</u>	<u>(6,098)</u>
Change in Net Financial Assets	<u>2,309,714</u>	<u>(12,052,197)</u>	<u>(2,207,171)</u>
Net Financial Assets, beginning of year	<u>558,203</u>		<u>2,765,374</u>
Net Financial Assets, end of year	<u><u>\$ 2,867,917</u></u>		<u><u>\$ 558,203</u></u>

*See accompanying notes to the consolidated financial statements*

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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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	General Capital Fund
Water Revenue Fund	Water Capital Fund
Sewer Revenue Fund	Sewer Capital Fund
Reserve 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

TOWN OF LADYSMITH  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

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**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 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



**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**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(g). 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.

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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

**(g) 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, 2020.

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.

**(h) 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.

**(i) Inventory**

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

TOWN OF LADYSMITH  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

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

**(j) 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, 2020.

Included in tangible capital assets are specific properties that have been determined to be contaminated in excess of Provincial environmental standards and that require remediation activities. As the Town has not accepted responsibility for the contamination, no liability has been recorded for the estimated remediation costs. Future events may confirm the Town's responsibility, at which point a liability would be recorded. Any remediation activities that occur prior to the determination of responsibility will be expensed as incurred.

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**Note 2 - Cash and Short-Term Deposits**

Cash and short-term deposits were comprised as follows:

	<u>2020</u>	<u>2019</u>
Cash	\$ 31,642,537	\$ 23,845,187
Short-term deposits	<u>814,710</u>	<u>807,868</u>
	<u>\$ 32,457,247</u>	<u>\$ 24,653,055</u>

Included in Cash is a deposit of \$180,168 (the equivalent of \$141,903 US Funds based on the exchange rate at the Ladysmith and District Credit Union on December 31, 2020). 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>2020</u>	<u>2019</u>
Restricted reserves	\$ 485,631	\$ 474,480
Federal gas tax reserve	1,607,008	1,474,035
Development cost charges reserve	<u>4,472,558</u>	<u>3,714,388</u>
Total restricted cash	<u>\$ 6,565,197</u>	<u>\$ 5,662,903</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.

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**Note 4 - Accounts Receivable**

	<u>2020</u>	<u>2019</u>
Property taxes	\$ 926,947	\$ 852,318
Other government	611,262	3,807,963
User fees and other	1,033,536	981,267
Developer receivables	5,139	5,139
Employee receivables	<u>7,606</u>	<u>6,333</u>
	<u><u>\$ 2,584,490</u></u>	<u><u>\$ 5,653,020</u></u>

**Note 5 - Accounts Payable and Accrued Liabilities**

	<u>2020</u>	<u>2019</u>
General	\$ 1,784,974	\$ 1,462,671
Other governments	469,554	204,763
Salaries and wages	147,687	273,802
Contractor holdbacks	1,952,085	1,507,649
Accrued interest	<u>107,684</u>	<u>111,666</u>
	<u><u>\$ 4,461,984</u></u>	<u><u>\$ 3,560,551</u></u>

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**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, 2017 and has been extrapolated to December 31, 2020. The change in the liability in the financial statements in respect of obligations under the plan amounts to \$56,100 (\$30,000 - 2019).

The accrued post-employment benefits are as follows:

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 262,400	\$ 232,400
Current service costs	31,300	29,600
Benefits paid	(48,700)	(17,600)
Actuarial loss	74,100	18,000
Past service credit	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 319,100</u>	<u>\$ 262,400</u>

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

	<u>2020</u>	<u>2019</u>
Discount Rate	2.00%	2.70%
Expected Inflation Rate and Wage & Salary Increases	2.50%	2.50%

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**Note 7 - Deferred Revenue**

	<u>2020</u>	<u>2019</u>
Licence fees & charges	\$ 20,053	\$ 21,401
Rental payments	12,441	12,441
Property tax prepayments	570,269	441,645
Subdivisions prepayments	107,215	80,515
Recreation prepayments	30,070	30,169
Utilities prepayments	22,175	14,125
Government grant prepayments	731,332	-
Other	1,347	11,182
	<u>\$ 1,494,902</u>	<u>\$ 611,478</u>

**Note 8 - Refundable Deposits and Other**

	<u>2020</u>	<u>2019</u>
Developer performance deposits	\$ 841,422	\$ 373,978
Damage deposits	299,500	279,000
Other	225,282	166,789
	<u>\$ 1,366,204</u>	<u>\$ 819,767</u>

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**Note 9 - Restricted Reserves**

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

<b>Description</b>	<b>Balance Dec. 31, 2019</b>	<b>Interest</b>	<b>Contributions</b>	<b>Expenditures</b>	<b>Balance Dec. 31, 2020</b>
Parking	\$ 107,230	\$ 1,418	\$ -	\$ -	\$ 108,648
Green Streets	1,518	20	-	-	1,538
Amphitheatre	9,862	132	500	-	10,494
B&G - Capital	50,173	692	5,064	-	55,929
LRCA/Seniors - Capital	305,697	846	2,480	-	309,022
<b>TOTAL</b>	<b>\$ 474,480</b>	<b>\$ 3,108</b>	<b>\$ 8,044</b>	<b>\$ -</b>	<b>\$ 485,631</b>

**Note 10 - Development Cost Charges Reserve**

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

<b>Description</b>	<b>Balance Dec. 31, 2019</b>	<b>Interest</b>	<b>Contributions</b>	<b>Expenditures</b>	<b>Balance Dec. 31, 2020</b>
DCC - Water	\$ 840,809	\$ 11,034	\$ 140,558	\$ (78,447)	\$ 913,954
DCC - Parks	861,816	12,054	148,871	-	1,022,740
DCC - Roads	850,116	12,199	204,955	-	1,067,270
DCC - Sewer	755,882	11,430	274,672	-	1,041,983
DCC - Storm	405,765	5,454	15,392	-	426,611
<b>TOTAL</b>	<b>\$ 3,714,388</b>	<b>\$ 52,170</b>	<b>\$ 784,447</b>	<b>\$ (78,447)</b>	<b>\$ 4,472,558</b>

Developers may be entitled to DCC credits in certain circumstances. There was \$41,867 provided in DCC-Water credits, \$1,358 in DCC-Parks credits, \$15,398 in DCC-Roads credits, \$2,018 in DCC-Sewer credits and \$1,450 in DCC-Storm credits (\$0 - 2019).



**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**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. A one-time payment of \$405,121 was received in 2019 (\$0 - 2020). The funds are recorded on the consolidated financial statements as a restricted reserve.

	<u>2020</u>	<u>2019</u>
Opening balance of unspent funds	\$ 1,474,035	\$ 1,506,769
Add: Amounts received during the year	414,804	819,763
Interest earned	21,269	40,747
Less: Gas tax funds utilized	(303,100)	(893,245)
Closing balance of unspent funds	<u>\$ 1,607,008</u>	<u>\$ 1,474,035</u>

**Note 12 - Obligations under Equipment Financing**

The total equipment financing outstanding with the Municipal Finance Authority of British Columbia as at December 31, 2020 was \$857,420 (\$915,645 - 2019).

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 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 the amount of \$3,291 including interest at a monthly varying rate (December, 2020 was 1.2%). The balance of the loan at December 31, 2020, which is included in equipment financing, is \$219,594 (\$254,960 - 2019). Loan to expire May 2022.

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**Note 12 - Obligations under Equipment Financing (continued)**

- 2) 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 monthly varying rate (December, 2020 was 1.2%). The balance of the loan at December 31, 2020, which is included in equipment financing, is \$637,825 (\$660,685 - 2019). Loan to expire September 2023.

There are two equipment loans payable to the Municipal Finance Authority. The future minimum loan payments under the equipment loan obligation are as follows:

2021	\$ 65,652
2022	44,112
2023	187,703
2024	559,953

Interest in the consolidated statement of operations is calculated as \$15,285 (\$23,829 - 2019).

The total equipment financing issued and outstanding with the MFA as at December 31, 2020 was \$857,420 (\$915,645 as at December 31, 2019). This balance is made up of:

	<u>Balance Dec. 31, 2019</u>	<u>Principal Payments</u>	<u>Balance Dec. 31, 2020</u>	<u>Interest</u>
Spartan Fire Truck	\$ 254,960	\$ 35,366	\$ 219,594	\$ 4,130
Pumper Truck	<u>660,685</u>	<u>22,860</u>	<u>637,826</u>	<u>11,155</u>
	<u><u>\$ 915,645</u></u>	<u><u>\$ 58,226</u></u>	<u><u>\$ 857,420</u></u>	<u><u>\$ 15,285</u></u>

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**Note 13 – Short-term Financing**

The total short-term financing outstanding with the Municipal Finance Authority of British Columbia as at December 31, 2020 was \$952,700 (\$952,700 – 2019). 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, 2020 \$952,700 in short-term financing was executed. Interest is charged at a daily varying rate (December 31, 2020 was 1.21). The full amount borrowed must be repaid by 2023.

Short-term interest in the consolidated statement of operations is calculated at \$15,627 (\$23,824 – 2019).

**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 each borrowing, a portion of the debenture proceeds is retained by the MFA as a debt reserve fund. As at December 31, 2020, the cash balance of the Town's debt reserve funds was \$228,114 (\$223,515 – 2019). 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, 2020 was \$16,156,313 (\$16,962,428 as at December 31, 2019). This balance is made up of:

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**Note 14 - Debenture Debt (continued)**

	<u>Original Amount</u>	<u>Balance Dec 31, 2019</u>	<u>Principal Payments</u>	<u>Balance Dec 31, 2020</u>	<u>Interest</u>	<u>Actuarial Adjustment</u>	<u>Interest Rate</u>
<b><u>General Capital Fund</u></b>							
RCMP Building Issue #97 Term 2006-2031	\$ 2,750,000	\$ 1,652,082	\$ 109,950	\$ 1,542,132	\$ 48,125	\$ (43,916)	1.75%
<b><u>Water Capital Fund</u></b>							
Water Improvements Issue #118 Term 2012-2037	1,000,000	810,346	31,598	778,748	34,000	(7,586)	3.40%
Water Filtration Plant Issue #147 Term 2019-2044	6,000,000	6,000,000	164,567	5,835,433	159,600	-	2.66%
<b><u>Sewer Capital Fund</u></b>							
Sewer Treatment Plant Issue #138 Term 2016-2036	10,000,000	8,500,000	500,000	8,000,000	164,455	-	1.88%
	<u>\$ 19,750,000</u>	<u>\$ 16,962,428</u>	<u>\$ 806,115</u>	<u>\$ 16,156,313</u>	<u>\$ 406,180</u>	<u>\$ (51,502)</u>	

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

	<u>General</u>		<u>Water</u>		<u>Sewer</u>		<u>Total</u>
	<u>Principal Repayment</u>	<u>Actuarial Sinking Fund Earnings</u>	<u>Principal Repayment</u>	<u>Actuarial Sinking Fund Earnings</u>	<u>Principal Repayment</u>	<u>Actuarial Sinking Fund Earnings</u>	<u>Net</u>
2021	\$ 66,033	48,315	\$ 188,579	13,787	\$ 500,000	-	\$ 816,714
2022	66,033	52,889	188,579	20,187	500,000	-	827,687
2023	66,033	57,645	188,579	26,791	500,000	-	839,049
2024	66,033	62,593	188,579	33,608	500,000	-	850,813
2025	66,033	67,738	188,579	40,643	500,000	-	862,993
Thereafter	396,197	526,590	3,414,921	2,121,348	5,500,000	-	11,959,057

Debt interest, net of actuarial adjustment included in the consolidated statement of operations, is calculated at \$354,678 (\$339,425 - 2019).

On February 18, 2020, the electors approved an additional \$6 million dollars in long-term debt to increase the Town's water supply. This new debt has not been executed.

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**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) There were various claims made against the Town as at December 31, 2020 for incidents that 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, 2019, the plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 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.

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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

The most recent valuation for the Municipal Pension Plan as of December 31, 2018, indicated a \$2.866 billion funding surplus for basic pension benefits on a going concern basis.

The Town of Ladysmith paid \$499,569 (2019 - \$483,383) for employer contributions to the Plan in fiscal 2020.

The next valuation will be as at December 31, 2021, with results available in 2022.

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, 2020**

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**Note 15 - Commitments and Contingencies (continued)**

**(d) Service Agreements & Rental Payments**

Rental payments under operating leases are expensed as incurred.

Service Agreements

	<u>2020</u>	<u>2019</u>
Ladysmith & District Historical Society	\$ 28,038	\$ 42,550
Ladysmith Resources Centre Association	42,978	42,137
Ladysmith Chamber of Commerce & Visitor Centre	<u>60,400</u>	<u>43,400</u>
	<u>\$ 131,416</u>	<u>\$ 128,087</u>

In 2017, the Town entered into a 5-year Service Agreement with the Ladysmith & District Historical Society (LDHS) for the occupancy, operation and management of the museum and archives. The Town provided a one-time additional payment of \$18,100 in 2019 (\$0 - 2020). The future payments are expected to be \$28,537 - 2021, and \$29,046 - 2022.

Also in 2017, the Town entered into a 5-year Service Agreement with the Ladysmith Resources Centre Association (LRCA). The future payment is expected to be \$43,838 - 2021.

The Town provides the Ladysmith Chamber of Commerce & Visitor Centre annual funding to operate the visitor centre and provide support services for local businesses. The agreement is year-to-year. In July of 2020, the Town entered into 2-year pilot project with the Ladysmith Chamber of Commerce to promote economic development and tourism services. The annual payments are \$17,000 in 2020 and \$17,000 in 2021.

	<u>2020</u>	<u>2019</u>
132c Roberts Street - office space	\$ 28,598	\$ 27,998
17 & 25 Roberts Street - parking lot	<u>8,700</u>	<u>8,400</u>
	<u>\$ 37,298</u>	<u>\$ 36,398</u>

The Town entered into a 3-year lease with Ivory Tower Investments Ltd for the use of office space at 132c Roberts Street. The future monthly payments are \$2,506 for 2021 and 2022.

In 2017, the Town entered into a 3-year lease agreement with Paul Jorjorian for the rental of the 17 & 25 Roberts Street Parking Lot. The future monthly payment is \$775 for 2021, \$800 for 2022, and \$825 for 2023.

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**Note 16 - Significant Taxpayers**

The Town is reliant upon 10 taxpayers for approximately 11.91% (12.88% - 2019) of the total property tax revenue which includes Western Forest Products at approximately 6.50% (6.72% - 2019) 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>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash and short term investment	<u>\$ 164,942</u>	<u>\$ 161,557</u>
<b>Equity</b>		
Opening balance	\$ 161,557	\$ 159,737
Interest	2,153	4,065
Transfer interest to fund cemetery costs	(2,153)	(4,065)
Contributions	3,385	1,820
Refunds	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 164,942</u>	<u>\$ 161,557</u>

**Note 18 - Comparative Figures**

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



TOWN OF LADYSMITH  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

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**Note 19 - Accumulated Surplus**

The Town segregates its accumulated surplus in the following categories:

	<u>2020</u>	<u>2019</u>
<b>Appropriated Equity</b> <i>(Note 26)</i>		
Continuing projects	\$ 3,482,640	\$ 4,098,375
General fund	5,545,769	5,096,526
Water fund	2,665,835	3,022,446
Sewer fund	943,580	934,395
	<u>12,637,824</u>	<u>13,151,741</u>
<b>Unappropriated Equity</b>		
General fund	1,753,516	1,619,889
Water fund	616,151	616,151
Sewer fund	1,412,450	1,874,945
General capital fund	254,812	233,910
Sewer capital fund	14,943	14,942
Water capital fund	446,073	446,073
	<u>4,497,945</u>	<u>4,805,911</u>
<b>Reserve Funds</b>		
Reserve funds <i>(Note 26)</i>	<u>3,864,577</u>	<u>1,591,351</u>
Equity in Tangible Capital Assets	<u>96,025,150</u>	<u>91,775,023</u>
Total Accumulated Surplus	<u>\$ 117,025,497</u>	<u>\$ 111,324,025</u>

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**Note 20 - Annual Budget**

Fiscal plan amounts represent the Financial Plan Bylaw adopted by Council on May 5<sup>th</sup>, 2020.

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	(3,436,284)
Proceeds from new debt	(7,430,000)
Transfers to/from own funds	(5,609,964)
Less:	
Principal payments on debt	987,767
Capital expenditures per budget	42,391,743
Capital Expenditures expensed according to Tangible Capital Asset Policy	<u>(9,129,547)</u>
Adjusted Annual Surplus	<u><u>\$ 17,773,715</u></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 2016 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. A portion of the moorage revenues from LMS are owed to DL 2016.

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

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**Note 22 – Taxation**

Taxation revenue comprises the following amounts less transfer to other governments:

	<b>Actuals 2020</b>	<b>Actuals 2019</b>
<b>Taxes Collected:</b>		
General municipal purposes	\$ 8,720,390	\$ 8,450,342
Grants in lieu and 1% utility tax	173,002	172,097
Water and sewer parcel tax	3,069,391	2,977,916
School district	3,070,875	3,130,367
Regional hospital district	1,056,358	971,645
Regional district	1,583,873	1,480,883
BCAA and MFA	93,350	81,817
Library	429,596	414,149
	<u>\$ 18,196,835</u>	<u>\$ 17,679,217</u>
 <b>Less transfer to other governments</b>		
Province of BC (school taxes)	3,070,875	3,130,367
Cowichan Valley Regional Hospital District	1,056,358	971,645
Cowichan Valley Regional District	1,583,873	1,480,883
BC Assessment & Municipal Finance Authority	93,350	81,817
Vancouver Island Regional Library	429,596	414,149
	<u>6,234,052</u>	<u>6,078,861</u>
 <b>Net taxation for municipal purposes</b>	 <u><u>\$ 11,962,782</u></u>	 <u><u>\$ 11,600,354</u></u>

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**Note 23 - Sale of Services**

	<u>Actuals 2020</u>	<u>Actuals 2019</u>
Administration recoveries	\$ 42,616	\$ 75,809
Cemetery services	22,705	21,580
Fire service agreements	85,475	88,504
Public Works recoveries	5,969	24,947
Recreation services	200,245	565,681
Sewer utility fees	1,615,628	1,466,705
Solid waste fees	674,628	664,979
Water utility fees	1,367,447	1,067,908
	<u>\$ 4,014,713</u>	<u>\$ 3,976,114</u>

**Note 24 – Licences, Permits, Rentals & Penalties**

	<u>Actuals 2020</u>	<u>Actuals 2019</u>
Facility Rentals & Leases	\$ 280,352	\$ 470,925
Fines	2,440	3,990
Licences	86,825	89,586
Penalties and interest	129,142	124,404
Permits, Licences & Fees	411,823	329,247
	<u>\$ 910,582</u>	<u>\$ 1,018,152</u>

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**Note 25 – Grants**

	<u>Actuals 2020</u>	<u>Budget 2020</u>	<u>Actuals 2019</u>
<b>Operating Grants</b>			
Traffic Fines Revenue	\$ 60,081	\$ 55,613	\$ 55,613
Small Communities	459,947	463,119	463,119
CVRD Recreation	165,361	166,145	150,818
COVID Restart Plan	2,343,000	-	-
Other	48,857	16,900	34,882
	<u>3,077,246</u>	<u>701,777</u>	<u>704,432</u>
<b>Capital Grants</b>			
Arts & Heritage Hub (Phase I)	\$ -	\$ 3,834,370	\$ -
Childcare Space Creation	-	875,110	-
Downtown Patio	13,490	-	-
Downtown Public Washroom	-	109,500	-
Emergency Support Service Program	17,437	-	-
Golf Course Trail & Net	3,516	-	3,386
ICBC Sign Reflectors	18,350	18,350	-
Machine Shop	974,534	978,209	742,051
Poverty Reduction	17,075	-	-
Stocking Lake Dam Repair	-	175,000	-
Tree Replacements	2,700	4,800	4,000
UV Pilot Study	147,766	10,000	-
Water Filtration Plant	-	-	5,388,626
Water Supply Infrastructure	-	16,910,000	-
Waterfront Stage 1 Remediation	129,097	-	-
Youth Communication Plan	-	5,000	-
	<u>1,323,965</u>	<u>22,920,339</u>	<u>6,138,063</u>
<b>Total Grants</b>	<u>\$ 4,401,211</u>	<u>\$ 23,622,116</u>	<u>\$ 6,842,495</u>

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**Note 26 – Reserves & Appropriated Equity**

	Balance Dec. 31, 2019	Interest Allocated	Contributions	Funding	Balance Dec. 31, 2020
<b>RESERVES</b>					
Amenity Funds	\$ 99,470	\$ 1,381	\$ 16,000	\$ -	\$ 116,852
Covid Safe Restart	-	-	2,343,000	116,524	2,226,476
Municipal Office reserve	415,000	-	60,000	-	475,000
Perpetual Safety Fund	13,552	181	-	-	13,733
Sale Real Property	1,036,094	13,524	-	44,699	1,004,919
Tax Sale	27,234	364	-	-	27,598
<b>TOTAL RESERVES</b>	<b>\$ 1,591,351</b>	<b>\$ 15,449</b>	<b>\$ 2,419,000</b>	<b>\$ 161,223</b>	<b>\$ 3,864,577</b>
<b>APPROPRIATED EQUITY</b>					
<b>General Operating Fund</b>					
Continuing Projects	1,268,089	-	2,081,879	1,268,089	2,081,879
Future Projects	3,056,176	-	553,224	424,477	3,184,922
Equipment	869,665	-	271,935	306,219	835,382
Land & Building	218,284	-	214,139	1,935	430,487
Tax Contingency	7,986	-	-	-	7,986
Snow & Ice Removal	50,000	-	-	-	50,000
Infrastructure Deficit	411,890	-	236,525	236,266	412,150
Solid Waste	482,525	-	142,316	-	624,841
	<u>6,364,614</u>	<u>-</u>	<u>3,500,018</u>	<u>2,236,985</u>	<u>7,627,646</u>
<b>Water Operating Fund</b>					
Continuing Projects	2,533,515	-	1,058,070	2,533,515	1,058,070
Future Projects	2,498,371	-	339,428	696,039	2,141,760
MFA Surplus Refunds	524,076	-	-	-	524,076
Water Operating Fund Total	<u>5,555,961</u>	<u>-</u>	<u>1,397,498</u>	<u>3,229,554</u>	<u>3,723,906</u>
<b>Sewer Operating Fund</b>					
Continuing Projects	296,771	-	342,691	296,771	342,691
Future Projects	934,395	-	74,186	65,000	943,581
Sewer Operating Fund	<u>1,231,166</u>	<u>-</u>	<u>416,877</u>	<u>361,771</u>	<u>1,286,272</u>
<b>TOTAL APPROPRIATED EQUITY</b>	<b>\$ 13,151,741</b>	<b>\$ -</b>	<b>\$ 5,314,393</b>	<b>\$ 5,828,310</b>	<b>\$ 12,637,824</b>
<b>TOTAL RESERVES &amp; APPROPRIATED EQUITY</b>	<b>\$ 14,743,092</b>	<b>\$ 15,449</b>	<b>\$ 7,733,393</b>	<b>\$ 5,989,533</b>	<b>\$ 16,502,401</b>

*These notes form an integral part of these consolidated financial statements.*

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**Note 27 - 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 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, 2020**

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**Note 27 - 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.



**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**Note 27 - 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 28 – Significant events**

- (a) In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on municipalities through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, municipal operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Town of Ladysmith as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, office closures and disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

**TOWN OF LADYSMITH**  
**STATEMENT OF OPERATIONS BY SEGMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**SCHEDULE I**

	<b>General Government</b>		<b>Protective Services</b>		<b>Transportation, Garbage &amp; Cemetery Services</b>		<b>Development Services</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>REVENUE</b>								
Tax	\$ 8,893,392	\$ 8,622,439	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of services	42,617	75,809	86,150	93,554	699,326	685,985	-	-
Investment income & MFA Refunds	279,681	528,984	-	-	-	-	-	-
Licence, Permits, Rentals & Penalties	89,199	88,413	163,206	186,137	159,479	129,362	312,732	259,422
Grants	2,802,947	463,119	60,081	55,613	31,840	2,630	129,097	-
Donations & contributed property	16,000	-	7,035	200	1,576,383	1,476,165	-	-
Loss on foreign exchange	(2,531)	(15,931)	-	-	-	-	-	-
Gain (loss) on disposal	(27,727)	(47,138)	-	-	16,845	50,552	-	-
Development fees	-	-	-	-	-	67,000	-	-
Gas tax fund utilized	-	-	-	-	46,035	870,028	-	-
<b>Total revenue</b>	<b>12,093,578</b>	<b>9,715,695</b>	<b>316,472</b>	<b>335,504</b>	<b>2,529,909</b>	<b>3,281,723</b>	<b>441,829</b>	<b>259,422</b>
<b>EXPENSES</b>								
Contracted Services	368,567	507,875	1,264,658	747,895	644,247	682,000	67,035	62,575
Service Agreements/Grants In Aid	172,972	185,263	-	-	-	-	-	-
Insurance	62,286	56,798	19,487	25,302	-	-	-	-
Interest	15,627	23,824	19,547	32,185	-	-	-	-
Materials & Supplies	60,876	51,052	99,255	83,522	137,107	95,310	11,671	7,349
Utilities & Telephone	15,180	14,451	6,173	26,797	148,947	153,689	4,846	4,608
Wages & Benefits	1,705,469	1,735,904	304,106	302,391	930,328	916,015	515,810	475,630
Other	(205,483)	(33,525)	41,384	44,048	56,762	92,599	11,442	19,332
Amortization	243,919	238,370	180,884	180,881	921,674	867,385	4,128	4,128
<b>Total expenses</b>	<b>2,439,412</b>	<b>2,780,011</b>	<b>1,935,494</b>	<b>1,443,022</b>	<b>2,839,066</b>	<b>2,806,999</b>	<b>614,932</b>	<b>573,622</b>
<b>Surplus (Deficit)</b>	<b>\$ 9,654,166</b>	<b>\$ 6,935,683</b>	<b>\$ (1,619,021)</b>	<b>\$ (1,107,518)</b>	<b>\$ (309,157)</b>	<b>\$ 474,724</b>	<b>\$ (173,103)</b>	<b>\$ (314,199)</b>

**TOWN OF LADYSMITH**  
**STATEMENT OF OPERATIONS BY SEGMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**SCHEDULE I – CONTINUED**

Recreation & Culture Services		Parks Operations Services		Sewer Operations Services		Water Operations Services		Total Actual	Total Actual
2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
\$ -	\$ -	\$ -	\$ -	\$ 1,291,500	\$ 1,219,735	\$ 1,777,891	\$ 1,758,181	\$ 11,962,782	\$ 11,600,354
200,245	565,681	3,300	20,057	1,615,628	1,466,705	1,367,447	1,068,323	4,014,713	3,976,114
-	-	-	-	-	-	-	-	279,681	528,984
145,963	319,430	-	-	21,469	20,534	18,535	14,854	910,582	1,018,152
1,215,088	921,240	14,392	11,267	147,766	-	-	5,388,626	4,401,211	6,842,495
12,400	137,000	2,336	50	331,892	357,191	642,660	144,343	2,588,706	2,114,949
-	-	-	-	-	-	-	-	(2,531)	(15,931)
-	-	-	-	(2,276)	(105,889)	(25,489)	(2,429)	(38,647)	(104,904)
-	-	-	10,000	-	-	78,447	-	78,447	77,000
-	6,085	-	2,902	257,065	14,229	-	-	303,100	893,245
1,573,696	1,949,436	20,028	44,276	3,663,044	2,972,504	3,859,490	8,371,898	24,498,044	26,930,458
512,660	365,151	33,627	182,667	1,187,875	226,401	702,925	235,867	4,781,593	3,010,431
-	-	-	-	-	-	-	-	172,972	185,263
55,811	46,852	4,580	4,304	40,911	39,425	16,902	11,220	199,977	183,901
-	28	-	-	164,455	173,823	186,257	143,780	385,884	373,639
136,299	132,637	108,225	120,573	325,106	175,014	294,131	139,235	1,172,671	804,693
186,034	206,542	10,323	7,612	167,284	153,428	72,965	14,755	611,751	581,882
1,734,056	1,869,742	444,552	459,391	620,944	540,003	862,922	618,386	7,118,186	6,917,463
39,788	41,547	106,515	83,809	189,709	217,479	240,497	215,089	480,614	680,377
238,788	235,038	250,607	235,611	1,346,169	1,328,429	686,754	400,075	3,872,923	3,489,917
2,903,436	2,897,536	958,428	1,093,968	4,042,452	2,854,002	3,063,352	1,778,406	18,796,572	16,227,567
\$ (1,329,740)	\$ (948,101)	\$ (938,400)	\$ (1,049,691)	\$ (379,409)	\$ 118,502	\$ 796,138	\$ 6,593,492	\$ 5,701,472	\$ 10,702,891

**TOWN OF LADYSMITH**  
**CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**SCHEDULE II**

	<u>Land</u>		<u>Land Improvements</u>		<u>Buildings</u>		<u>Vehicle Furniture &amp; Equipment</u>		<u>Transportation</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>
<b>COST</b>									
Opening Balance	\$ 10,492,216	\$ 9,911,216	\$ 9,259,385	\$ 8,957,453	\$ 23,714,208	\$ 23,673,513	\$ 8,931,746	\$ 9,117,960	\$ 29,247,225
Add: Additions	26,365	581,000	299,683	316,082	2,054,162	148,941	791,818	195,898	1,066,059
Less: Disposals	-	-	26,000	14,150	27,290	108,246	385,912	382,112	-
Less: Write-downs	-	-	-	-	-	-	-	-	-
Closing Balance	<u>10,518,581</u>	<u>10,492,216</u>	<u>9,533,068</u>	<u>9,259,385</u>	<u>25,741,080</u>	<u>23,714,208</u>	<u>9,337,652</u>	<u>8,931,746</u>	<u>30,313,284</u>
 <b>ACCUMULATED AMORTIZATION</b>									
Opening Balance	-	-	3,708,963	3,467,017	7,387,229	6,722,614	4,679,079	4,503,637	16,591,401
Add: Amortization	-	-	263,537	253,398	695,912	667,338	538,593	513,123	653,211
Less: Write-downs	-	-	-	-	-	-	-	-	-
Less: Disposals	-	-	4,511	11,452	12,301	2,723	369,174	337,681	-
Closing Balance	<u>-</u>	<u>-</u>	<u>3,967,989</u>	<u>3,708,963</u>	<u>8,070,840</u>	<u>7,387,229</u>	<u>4,848,498</u>	<u>4,679,079</u>	<u>17,244,612</u>
 <b>Net Book Value</b>	<u><u>\$ 10,518,581</u></u>	<u><u>\$ 10,492,216</u></u>	<u><u>\$ 5,565,079</u></u>	<u><u>\$ 5,550,422</u></u>	<u><u>\$ 17,670,240</u></u>	<u><u>\$ 16,326,979</u></u>	<u><u>\$ 4,489,154</u></u>	<u><u>\$ 4,252,667</u></u>	<u><u>\$ 13,068,672</u></u>

**TOWN OF LADYSMITH**  
**CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**SCHEDULE II (CONTINUED)**

<b>Linear Infrastructure</b>										
<b>Transportation</b>	<b>Sanitary Sewer</b>		<b>Storm</b>		<b>Water</b>		<b>Assets Under Construction</b>		<b>Total</b>	
<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
\$ 27,091,211	\$ 36,292,304	\$ 35,946,824	\$ 9,262,196	\$ 8,708,158	\$ 17,835,367	\$ 16,937,080	\$ 16,116,516	\$ 4,786,319	\$ 161,151,162	\$ 145,129,734
2,175,360	1,344,687	347,413	743,208	554,482	16,060,473	909,647	948,447	11,735,065	23,334,902	16,963,887
19,346	213,885	1,933	-	444	142,297	11,360	16,020,696	404,868	16,816,080	942,459
-	-	-	-	-	-	-	-	-	-	-
29,247,225	37,423,106	36,292,304	10,005,404	9,262,196	33,753,543	17,835,367	1,044,267	16,116,516	167,669,984	161,151,162
15,984,274	9,801,838	8,811,591	2,553,569	2,430,628	5,823,296	5,517,832	-	-	50,545,375	47,437,593
626,464	1,000,640	991,814	134,346	123,385	586,684	314,395	-	-	3,872,923	3,489,917
-	-	-	-	-	-	-	-	-	-	-
19,337	211,609	1,567	-	444	142,297	8,931	-	-	739,892	382,135
16,591,401	10,590,869	9,801,838	2,687,915	2,553,569	6,267,683	5,823,296	-	-	53,678,406	50,545,375
<b>\$ 12,655,824</b>	<b>\$ 26,832,237</b>	<b>\$ 26,490,466</b>	<b>\$ 7,317,489</b>	<b>\$ 6,708,627</b>	<b>\$ 27,485,860</b>	<b>\$ 12,012,071</b>	<b>\$ 1,044,267</b>	<b>\$ 16,116,516</b>	<b>\$ 113,991,578</b>	<b>\$ 110,605,787</b>

## STAFF REPORT TO COUNCIL

**Report Prepared By:** Julie Thompson, Planner  
**Meeting Date:** April 20, 2021  
**File No:** ZBL 3360-20-05  
**Re:** Zoning Bylaw Amendment Application – 630 Farrell Road

**RECOMMENDATION:**

That Council:

1. Proceed with first and second reading of “Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 35) 2021, No. 2064”; and
2. Direct staff to proceed with scheduling and notification for a Public Hearing for “Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 35) 2021, No. 2064” as required under section 464(1) of the *Local Government Act*.
3. Require that, prior to adoption of “Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 35) 2021, No. 2064”, the developer update covenant CA6042493, registered to the title of Lot 2 District Lot 41 Oyster District Plan VIP79202 as follows:
  - a. Removal of section 3 “Preconditions of Development” and Schedule C (subdivision layout);
  - b. Replacement of Schedule B (geotechnical assessment) with the updated report (Attachment D to the report to Council dated April 20, 2021); and
  - c. Addition of a setback requirement from panhandles to allow access for emergency vehicles.

**EXECUTIVE SUMMARY:**

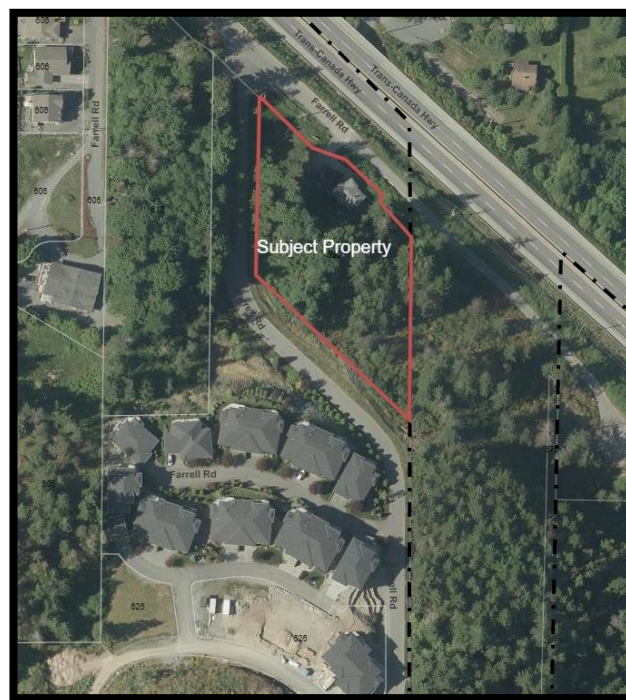
An application has been submitted to rezone a 3,899m<sup>2</sup> (0.39ha) property located at 630 Farrell Road to allow Two Unit Dwelling (duplex) as a principal permitted use. The subject property is proposed to be subdivided into six parcels and duplexes are proposed on five of the parcels.

**PREVIOUS COUNCIL DIRECTION**

Meeting Date & Resolution #	Council Resolution
June 27, 2017 CS 2017-217	<i>Moved and seconded:</i> That Council adopt Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 5) 2016, No. 1912. <i>Motion carried.</i>

### **INTRODUCTION/BACKGROUND:**

The 0.39ha subject property is located at 630 Farrell Road. 'The Gales' multi-family residential development is adjacent to the subject property to the south. The applicant is proposing to subdivide the parcel into five 780m<sup>2</sup> parcels and one 752m<sup>2</sup> parcel. The proposed Zoning Bylaw amendment would allow for a duplex on each of the five 780m<sup>2</sup> parcels. The existing zoning allows single family dwellings with secondary suites. With duplexes, the applicant could stratify each unit, while stratification of a secondary suite from a single family dwelling is not permitted under the BC Building Code. The 752m<sup>2</sup> parcel would not meet the proposed minimum parcel size to allow for a duplex and is proposed to contain a single family dwelling. The applicant has submitted a letter of rationale (Attachment B) for the proposal. The subject property is currently partially treed and contains a single unit dwelling.



*Figure 1: Subject property*

On June 27, 2017 Council adopted Bylaw No. 1917 to rezone the subject property from Rural Residential (RU-1) to Single Dwelling Residential (R-1) to facilitate subdivision of the property into six parcels. The rezoning was conditional on the following:

- A \$5,000 voluntary contribution to the amenity fund; and
- Registration of a section 219 covenant on title to:
  - secure recommendations in the Lewkowitch Engineering Associates Ltd. Geotechnical assessment, addressing concerns related to suitable building sites on each lot and geotechnical hazards;
  - require a grading plan to be submitted and approved by the Approving Officer for the proposed residential lots as a condition of subdivision application; and
  - require a 4 metre minimum protection radius around several trees along the west and south property lines, including requirements for tree protection during and after construction utilizing best practices from the 'BC Landscape Standard'.

The \$5,000 contribution to the amenity fund was paid and the covenant was registered to title.

The configuration of the subdivision has changed from the layout presented in the 2017 rezoning in order to accommodate the proposed duplexes. The number of proposed parcels (six) remains the same (see Attachment C for new subdivision layout). The applicant received

Preliminary Layout Acceptance for the previous subdivision layout (see Attachment E). The subdivision application will need amending if this zoning amendment is approved.

***Official Community Plan (OCP):***

The subject property is located within the Single Family Residential designation in “Official Community Plan Bylaw 2003, No. 1488”. The Single Family Residential designation provides for low density, ground-oriented residential uses including single unit dwellings, duplexes, and small lot single family residential development in neighbourhoods. The Single Family Residential designation requires a minimum parcel size of 780m<sup>2</sup> for duplex parcels.

The proposal also meets the following OCP policies:

- Section 3.2.3 (7): The Town will encourage new development in South Ladysmith in the following areas over the next five to twenty years. The subject property is located in South Ladysmith.
- Section 3.1.4 (2): To protect open space, ecological features and rural character, the Town will direct growth to lands within the Urban Containment Boundary. The subject property is located within the Urban Containment Boundary.

The proposed zoning amendment is consistent with the OCP, and an OCP amendment is not required.

***Development Permit Area:***

The subject property is not located within any Development Permit Area (DPA). Staff is not recommending that the property be added to any DPA.

Note that [section 488 of the Local Government Act](#) does not allow designation of a DPA for the purpose of regulating the form and character of single family residential development. The *Local Government Act* allows designation of a DPA for form and character of “intensive residential” development or multi-family residential development. However, duplex development is generally not considered multi-family or intensive residential development when it is located within the Single Family Residential designation and a permitted use in a single family residential zone.

***Zoning:***

The subject property is located within the Single Dwelling Residential (R-1) zone in “Town of Ladysmith Zoning Bylaw 2014, No. 1860”. The R-1 zone permits single unit dwellings containing secondary suites but does not permit duplexes. A Zoning Bylaw amendment is required to accommodate the proposal for duplex units.

The Zoning Bylaw restricts the gross floor area of secondary suites to a maximum of 90m<sup>2</sup> or 40% of the gross floor area of the single unit dwelling, whichever is less. The minimum parcel size in the R-1 zone is 668m<sup>2</sup>.

***Proposed Bylaw:***



Bylaw No. 2064 will allow duplexes (two-unit dwellings) as a permitted use on the subject property. The proposed site-specific regulations are summarized in Table 1, below.

*Table 1: Bylaw 2064 Summary*

<b>Proposed Use</b>	<b>Zoning Regulations</b>
Two Unit Dwelling (duplex)	Permitted on site-specific basis on the subject property. Minimum parcel area of 780m <sup>2</sup> required. Minimum Finished Floor Area of 137.0m <sup>2</sup> . Maximum Finished Floor Area of 390.0m <sup>2</sup> . <sup>1</sup>

The proposed site-specific zoning regulations for duplexes shown in Table 1 are similar to the duplex regulations in the Old Town Residential (R-2) zone<sup>2</sup>. These regulations allow units to be larger than the maximum size permitted for secondary suites, but require a larger parcel size.

All other zoning regulations in the R-1 zone are proposed to remain the same. Existing zoning regulations that would also affect the form of the proposed duplexes include parcel coverage (maximum 33%), setbacks, and height (maximum 9.0m).

***Community Amenity Contribution Policy:***

The Town's Community Amenity Contribution (CAC) policy encourages rezoning applicants to contribute towards needed infrastructure and amenities as a way of ensuring that the proposed development is seen as making a positive contribution to the neighbourhood and community at large. The applicant provided a \$5,000 CAC to the Town of Ladysmith Amenity Fund (\$1,000 per each proposed new parcel) when the subject property was rezoned in 2017.

Staff are not recommending an additional CAC for the proposed development. The overall number of proposed dwelling units and parcels is not increasing, and an amenity contribution was made in 2017. Any applicable Development Cost Charges (DCCs) will be calculated at time of building permit in accordance with the DCC bylaw. DCCs provide funds to assist in paying the capital costs of Town infrastructure.

***Covenants:***

Covenant CA6042493 was registered to the property title during the 2017 rezoning (see Attachment F). The covenant contains pre-subdivision, tree protection, and geotechnical requirements. It is recommended that the covenant be replaced with a new covenant to reflect

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<sup>1</sup> For clarity, the Finished Floor Area requirements refer to each storey in the whole building, rather than an individual unit. For comparison, in the R-1 and R-2 zones, a single unit dwelling is permitted to have a maximum Finished Floor Area of 240.0m<sup>2</sup> or 33% of the parcel area, whichever is less.

<sup>2</sup> The R-2 zone allows a maximum Finished Floor Area requirement of 390.0m<sup>2</sup> or 50% of the parcel area, whichever is less. The "50%" portion of the regulation was not included in the proposed site specific regulations for redundancy given the 33% parcel coverage maximum.

the current proposal. Further, an Approving Officer should not approve a subdivision that conflicts with a section 219 covenant.

It is recommended that the existing tree protection requirements in covenant CA6042493 carry over to the new covenant. The following changes to the covenant are recommended:

- Removal of section 3 'Preconditions of Development' and Schedule C:
  - This section requires grading information to be submitted at time of subdivision. These requirements are typical of any subdivision application and do not need to be secured via covenant.
  - This section references a previous subdivision plan, which is attached to the covenant as 'Schedule C' and which no longer reflects the proposed layout.
- Replace the previous Geotechnical Assessment with an updated Geotechnical Assessment, attached to this report as Attachment D.
- Addition of a regulation for a 2m setback from panhandles that are less than 6m wide. The setback would not allow any building, structure, object or planting (such as trees) within the setback area, to allow access for emergency vehicles.

**Community Planning Advisory Committee:**

Zoning Bylaw Amendment application 3360-20-05 was considered by the Community Planning Advisory Committee (CPAC) on February 3, 2021. The CPAC passed the following resolution:

*"It was moved, seconded and carried that the Community Planning Advisory Committee (CPAC) supports in principal Zoning Bylaw amendment application 3360-20-05, and recommends that Council consider the following items:*

- a. Stormwater management;*
- b. A survey for bird nesting sites;*
- c. The structure of the proposed strata with particular consideration to reviewing the services provided by the Town, and the services provided by the strata; and*
- d. Clarification with respect to building design guidelines for this subdivision."*

In response to the CPAC's comments, staff note the following:

- Stormwater is discussed in the revised geotechnical assessment submitted by the applicant (see Attachment D). Staff recommend that the recommendations in the geotechnical assessment be secured through a covenant, as noted above.
- Bird nesting sites are protected under Federal (*Migratory Birds Convention Act*) and Provincial legislation (*Wildlife Act*). The applicant has been notified of their obligations under these statutes.
- Each parcel in the proposed subdivision would be a fee simple parcel, with the possibility for stratification of the duplex units. Each parcel could therefore contain its

own two-unit building strata. However, the proposed subdivision does not contain any private strata roads; each building would be accessed via a driveway which connects to Farrell Road (a public road). Garbage collection and water metering would operate in the same manner as a single unit dwelling with a secondary suite, with curbside garbage pickup and a single water meter per building.

- Provisions for building design is discussed under 'Development Permit Area', above. A DPA to regulate form and character of building design is not recommended.

***Analysis:***

OCP policies support the proposed rezoning to allow duplexes on parcels that are at least 780m<sup>2</sup> in size. The proposed rezoning would not increase the number of dwelling units that are currently permitted per parcel (i.e. single unit dwellings with secondary suites), but would allow an alternative dwelling form and allow stratification so the units may be sold individually. Negative impacts on the surrounding neighbourhood are not expected with the proposed minor change in land-use on the subject property. As such, staff recommend that Bylaw No. 2064 be given first and second readings and proceed to public hearing.

**ALTERNATIVES:**

Council can choose to:

1. Defeat "Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amending Bylaw (No. 35) 2021, No. 2064".
2. Require the applicant to hold a Neighbourhood Information Meeting to gather the views of residents before proceeding to first and second readings of Bylaw No. 2064.
3. Waive the holding of a Public Hearing pursuant to [section 464\(2\) of the Local Government Act](#) as the proposal is consistent with the OCP.
4. Refer the application back to staff for further review as specified by Council.

**FINANCIAL IMPLICATIONS:**

N/A

**LEGAL IMPLICATIONS:**

Pursuant to section 52 of the *Transportation Act*, the application must be referred to the Ministry of Transportation and Infrastructure for signature following third reading of Bylaw No. 2064 as the subject property is located within 800m of a controlled access highway.

If the application proceeds, a Public Hearing and notification will be required in accordance with section [464\(1\) of the Local Government Act](#) and [section 466 of the Local Government Act](#). However, in accordance with [section 464\(2\) of the Local Government Act](#) Council may choose to waive the requirement for a Public Hearing since the bylaw amendment is consistent with the OCP. Statutory notification of a Public Hearing waiver would still be required.

**CITIZEN/PUBLIC RELATIONS IMPLICATIONS:**

A Neighbourhood Information Meeting is not required under the Development Procedures Bylaw No. 1667 unless an OCP amendment is proposed.

An opportunity to gather the views of the residents will occur through the Public Hearing process.

**INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:**

The application has been referred to the following external agencies/internal departments, summarized in Table 2.

*Table 2: Referral Comments*

Department/Agency	Comments
Ministry of Transportation and Infrastructure	No concerns.
Building Inspection	No concerns.
Engineering	Reviewed the proposed accesses to each parcel and is satisfied that access to the parcels will meet the Town's engineering standards. The proposed setback from panhandles was determined in consultation with Engineering.
Fire Chief	No comments received.

**ALIGNMENT WITH SUSTAINABILITY VISIONING REPORT:**

- |   |  |
|---|--|
| <input checked="" 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 type="checkbox"/> Healthy Community                      | <input type="checkbox"/> Local, Diverse Economy    |
| <input type="checkbox"/> Not Applicable                         |  |

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

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

***I approve the report and recommendation(s).***

**Allison McCarrick, Chief Administrative Officer**

**ATTACHMENT(S):**

- Attachment A: Bylaw No. 2064
- Attachment B: Applicant Rationale Letter
- Attachment C: Revised Subdivision Layout
- Attachment D: Revised Geotechnical Assessment
- Attachment E: Previous Subdivision Layout
- Attachment F: Covenant CA6042493

**TOWN OF LADYSMITH**

**BYLAW NO. 2064**

**A bylaw to amend "Town of Ladysmith Zoning Bylaw 2014, No. 1860"**

---

**WHEREAS** pursuant to the *Local Government Act*, the Municipal Council is empowered to amend the Zoning Bylaw;

**AND WHEREAS** the Municipal Council considers it advisable to amend "Town of Ladysmith Zoning Bylaw 2014, No. 1860";

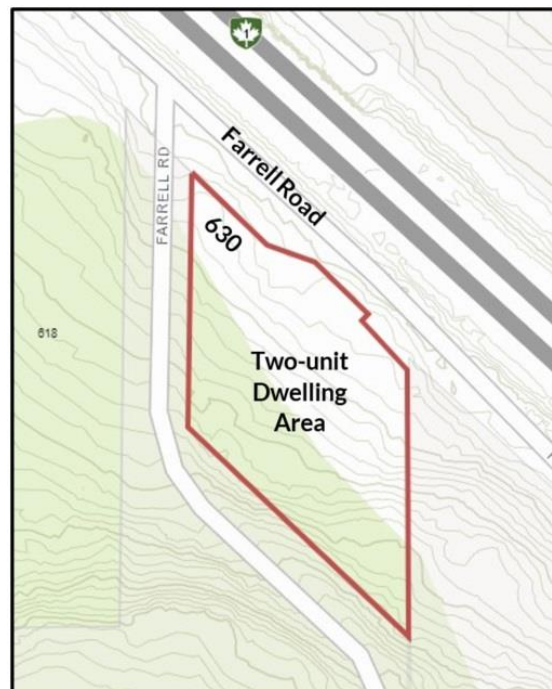
**NOW THEREFORE** the Council of the Town of Ladysmith in open meeting assembled enacts as follows:

1. Schedule A – Zoning Bylaw Text is amended as follows:
  - a. By adding a new subsection to Section 7 – Site Specific Regulations under Section 10.2 Single Dwelling Residential (R-1) Zone:

“For the area shown in Figure 10.2.2, *Two-Unit Dwelling* is permitted as a *Principal Use*, subject to the following:

- i) A *Two Unit Dwelling Use* is not permitted on parcels less than 780.0 square metres.
- ii) No *Two Unit Dwelling* shall have a *Finished Floor Area* that is less than 137.0 square metres.
- iii) No *Two Unit Dwelling* shall have a *Finished Floor Area* that exceeds 390.0 square metres.”

**FIGURE 10.2.2 PLAN OF TWO UNIT DWELLING AREA**



Citation

2. This Bylaw may be cited for all purposes as “Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 35) 2021, No. 2064”.

**READ A FIRST TIME** on the                      day of                      ,

**READ A SECOND TIME** on the                      day of                      ,

**PUBLIC HEARING** held pursuant to the provisions of the *Local Government Act*  
on the                      day of                      ,

**READ A THIRD TIME** on the                      day of                      ,

**APPROVED** by the Ministry of Transportation & Infrastructure  
on the                      day of                      ,

**ADOPTED** on the                      day of                      ,

\_\_\_\_\_  
Mayor (A. Stone)

\_\_\_\_\_  
Corporate Officer (D. Smith)

August 19, 2020

Our File: 16-063

Christina Hovey, Planner  
Town of Ladysmith, Development Services  
P.O. Box 220, 410 Esplanade  
Ladysmith, BC V9G 1A2



Re: Zoning amendment of 630 Farrell Road  
Lot 2, District Lot 41, Oyster District, Plan VIP79202

Dear Madam,

Please find enclosed the following documents for application to amend the zoning of the above noted property:

- Authorization and Appointment of Agent
- Zoning Bylaw Amendment Application
- 1 Full size copy of proposed subdivision plan
- 3 Reduced copies of site plan
- Applicable fees

This property was rezoned to R-1 and PLA was granted for a 6 lot single-family subdivision in 2017. Due to changing market conditions and rising costs of development, the owner would like to amend the R-1 zone to add a site-specific regulation allowing two-unit dwellings (duplexes) on the lots. There is no proposed change to the current subdivision lot layout.

Under the current zoning a single family dwelling with secondary suite is allowed on each lot. Adding the site-specific zoning would not increase the density of the development, it would only add the ability to sell title to the secondary suites.

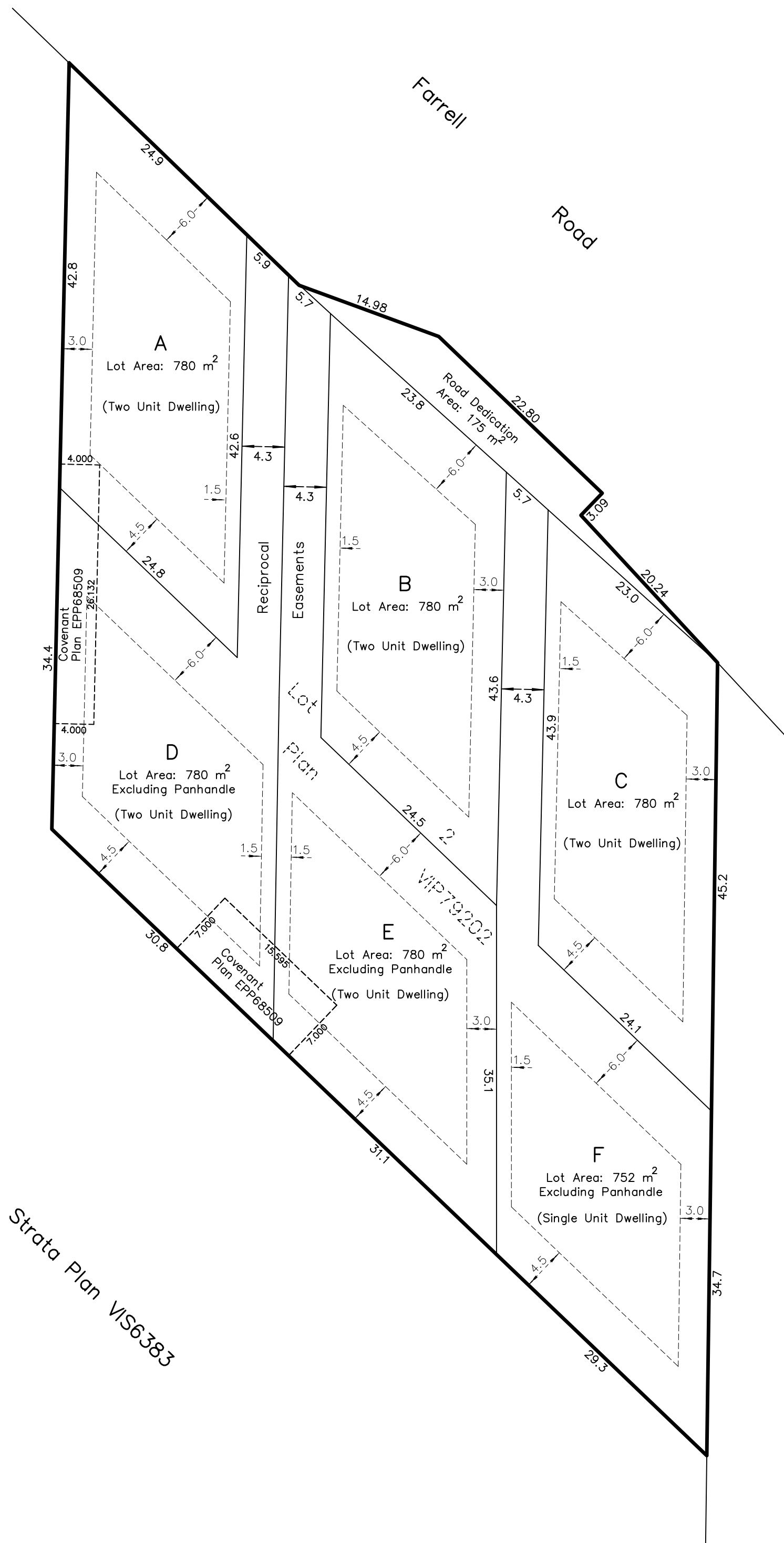
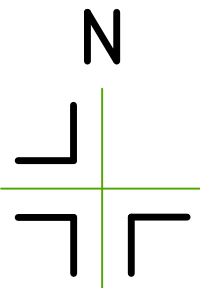
Please contact me if you require further information to process the application.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew D. Schnurch".

Matthew D. Schnurch, BCLS  
Turner and Associates Land Surveying Inc.





Rem. Pt. 20  
Plan 2519

**NOTE:**  
THE REGISTERED TITLE OF THIS PROPERTY IS AFFECTED BY THE FOLLOWING LEGAL NOTATIONS AND REGISTERED CHARGES, LIENS AND INTERESTS:  
M76300, C36474, ET11011, ET11012.  
THIS SITE PLAN DOES NOT VERIFY COMPLIANCE WITH THE ABOVE NOTED DOCUMENTS.

**SITE PLAN SHOWING PROPOSED SUBDIVISION OF:**  
**LOT 2, DISTRICT LOT 41,**  
**OYSTER DISTRICT, PLAN VIP79202**

Client: STEVEN & AVTAR PABLA		Civic Address: 630 FARRELL ROAD	
File: 16-063	Scale: 1:400	Drawn by: MDS	Property Zoning: R-1

Certified correct this 12th day of January, 2021.

\_\_\_\_\_  
B.C.L.S.  
(This document is not valid unless originally signed and sealed.)

**Turner & Associates**  
land surveying™  
250.753.9778  
435 Terminal Avenue North  
Nanaimo, BC V9S 4J8  
www.turnersurveys.ca



PGO Developments (Steven Pabla)  
 1630 Agnew Avenue  
 Victoria, BC  
 V8N 5M6

File Number: F4002.01r2  
 Date: March 10<sup>th</sup>, 2021

ATTN: Matt Schnurch B.C.L.S.

**PROJECT: RESIDENTIAL SUBDIVISION  
 630 FARRELL ROAD, LADYSMITH, BC**

**LEGAL: LOT 2, DISTRICT LOT 41, OYSTER DISTRICT  
 PLAN VIP79202**

**SUBJECT: GEOTECHNICAL ASSESSMENT**

**REFERENCES: TOWN OF LADYSMITH REGULAR MEETING MINUTES  
 OCTOBER 4<sup>TH</sup>, 2016. (INCLUDING STAFF REPORT)**

**TURNER LAND SURVEYING, PROPOSED SUBDIVISION,  
 JULY 11<sup>TH</sup>, 2016.**

**MATT SCHNURCH, EMAIL CORRESPONDENCE, DATED  
 JANUARY 19<sup>TH</sup>, 2017. RE: "TOWN OF LADYSMITH REPORT  
 REVIEW COMMENTS"**

Dear Mr. Schnurch:

## 1. INTRODUCTION

As requested, Lewkovich Engineering Associates Ltd. (LEA) has carried out a geotechnical assessment with respect to the above noted proposed development. This revision includes a review and update with respect to the BCBC2018. This report provides a summary of our findings and recommendations.

## 2. BACKGROUND

- a. We understand the proposed development consists of subdividing a current large residential lot into six (6) smaller lots that would support 2-3 storey, single/duplex, residential buildings. We understand that in order to accommodate this proposed development a zoning amendment from the current RU-1 (rural residential, 0.4 Hectare min. size) to R-1 (Single Family Residential – 668m<sup>2</sup> min. lot size) with a site specific zoning amendment for duplex

buildings is required. We also understand that there is a covenanted Geotechnical Report authored by EBA Consultants (now Tetra Tech) on title. The report indicates that a geotechnical assessment (steep slope) be completed on the subject parcel prior to development in order to confirm the safe siting of habitable dwellings on each proposed lot.

- b. It is understood the new construction will be of conventional construction methods, consisting of wood-framing, preferably supported by cast-in-place concrete foundations. The proposed development also will include the installation of associated civil works and services, including paved roadways.

### **3. ASSESSMENT OBJECTIVES**

Our assessment, as summarized within this report, is intended to meet the following objectives:

- i. Determine whether the land is considered safe for the use intended (defined for the purposes of this report as the construction of a six (6) lot residential subdivision), with the probability of a geotechnical failure resulting in property damage of less than 10 percent (10%) in 50 years, with the exception of geohazards due to a seismic event which are to be based on a 2 percent (2%) probability of exceedance in 50 years, provided the recommendations in this report are followed.
- ii. Identify any geotechnical deficiency that might impact the design and construction of the development, and prescribe the geotechnical works and any changes in the standards of the design and construction of the development that are required to ensure the land, buildings, and works and services are developed and maintained safely for the use intended.
- iii. Acknowledge that an approving and/or building inspection officer may rely on this report when making a decision on applications for the development of the land.

#### **4. ASSESSMENT METHODOLOGY**

A site reconnaissance was carried out on November 18, 2016, to gather information on the topography and the stability of the geological formations. Subsurface conditions at this site were inferred based on previous extensive experience with adjacent development to the northwest, in combination with a detailed site reconnaissance on this property.

#### **5. SITE CONDITIONS**

##### **5.1 General**

- a. The proposed development property is located in the southern region of the Town of Ladysmith, situated on the south-west side of Farrell Road. Access was from Farrell Road.
- b. The site is currently vegetated with a relatively mature and moderately dense mixed tree growth (fir, cedar, maple and arbutus). Surface relief can be described as smooth to hummocky (bedrock), with an overall slope down from south-west to north-east. The site's average grade from south to north is approximately 27 percent (about 16 degrees from horizontal). However, the site's gradient decreases as it approaches Farrell Road which is coincident with the existing dwelling and yard.
- c. The steeper site bedrock is generally confined to the rear of the parcel that abuts the "The Gales" strata townhouse development access roadway. We have reviewed the property limits in relation to this feature and found that the adjacent development fills encroach slightly at the southwest corner and a portion of fills located at the northwest corner.
- d. We examined the Official Community Plan (OCP) to determine whether the proposed development lies within any Development Permit Areas (DPA). We note that this site is **not** within any DPA and is designated as "RU-1, Single Family Residential".

## **5.2 Soil Conditions**

- a. Subsurface conditions at this site were inferred based on previous extensive experience with adjacent development to the north-west, in combination with a topographic review and detailed site reconnaissance on this property. In general, soil conditions consist of a thin layer of moss and/or silty sands and gravels over competent igneous (basaltic) bedrock throughout. The exception to this stratum is the lower reaches of the lot that encompass the existing building and surrounding yard which are likely made up of locally sourced and placed fills to 3m thick.

## **5.3 Groundwater**

Groundwater infiltration or seepage was not encountered during the site investigation. However, it is expected that water seepage will be encountered during construction. In general, the groundwater would be contained in the surficial granular soils found above the relatively impermeable bedrock layer. Seepage flows typically vary seasonally, with heavier flows during the winter and early spring months.

## **5.4 Undermining**

- a. We have reviewed the BC Coal Map to determine if the site has any undermined areas due to historic mine activity.
- b. Based on our review of the available information, the subject property is not underlain by or in proximity to abandoned coal mine workings.

## **6. CONCLUSIONS AND RECOMMENDATIONS**

### **6.1 General**

From a geotechnical point of view, the land is considered safe for the use intended (defined for the purposes of this report as the construction of a six (6) lot residential subdivision), with the probability of a geotechnical failure resulting in property damage of less than 10 percent (10%) in 50 years, with the exception of geohazards due to a seismic event which are to be based on a 2 percent (2%) probability of exceedance in 50 years, provided the recommendations in this report are followed. We confirm that there is a suitable building site available on each lot as long as the recommendations given here are followed.

### **6.2 Removal of Unsuitable Materials and General Excavation Recommendations**

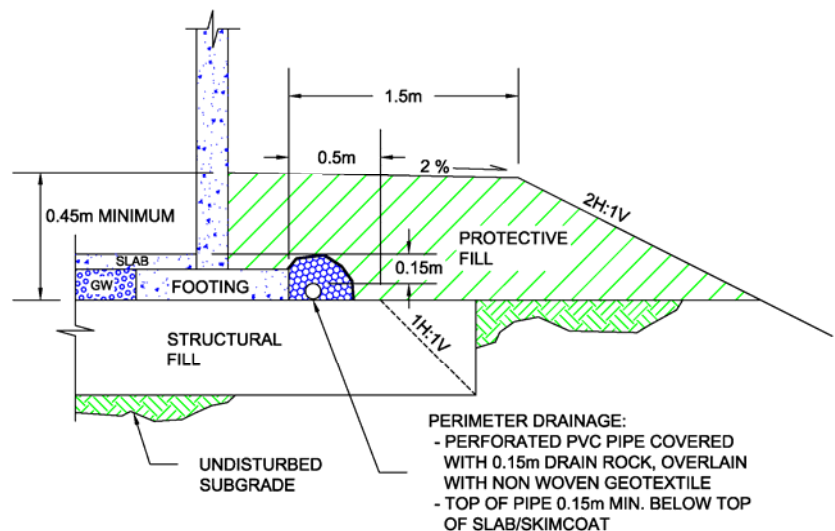
- a. Prior to construction, all unsuitable materials should be removed to provide a suitable base of support. Unsuitable materials include any non-mineral material such as vegetation, topsoil, peat, fill or other materials containing organic matter, as well as any soft, loose, or disturbed soils. We anticipate there may be areas of unsuitable fill to 3m in depth surrounding the existing building and yard.
- b. Ground water spilling into any excavations should be controlled with a perimeter ditch located just outside of the building areas, connected to positive drainage.
- c. The Geotechnical Engineer is to confirm the removal of unsuitable materials and approve the exposed competent inorganic subgrade.
- d. The development of the two proposed lots bordering the Strata Plan VIS6383 to the south (Lots E & F on attached plan) will require geotechnical review if removal of the rock is contemplated at the toe of the slope facing the neighbouring strata.

### 6.3 Structural Fill

- a. Where fill is required to raise areas that will support buildings, slabs, or pavement, structural fill should be used. The Geotechnical Engineer should first approve the exposed subgrade in fill areas, to confirm the removal of all unsuitable materials.
- b. Structural fill should be inorganic sand and gravel. If structural fill placement is to be carried out in the wet season, material with a fines content limited to 5% passing the 75µm sieve should be used, as such a material will not be overly sensitive to moisture, allowing compaction during rainy periods of weather.

- c. Structural fill should be compacted to a minimum of 95% of Modified Proctor maximum dry density (ASTM D1557) in foundation and floor slab areas, as well as in paved roadway and parking areas. Structural fills under foundations, roadways, and pavement should include the zone defined by a plane

extending down and outward a minimum 0.5m from the outer edge of the foundation at an angle of 45 degrees from horizontal to ensure adequate subjacent support. This support zone is shown in the adjacent figure.



- e. Compaction of fill should include moisture conditioning as needed to bring the soils to the optimum moisture content and compacted using vibratory compaction equipment in lift thicknesses appropriate for the size and type of compaction equipment used.

- f. A general guideline for maximum lift thickness is no more than 100mm for light hand equipment such as a “jumping-jack,” 150mm for a small roller and 300mm for a large roller or heavy (>500 kg) vibratory plate compactor or a backhoe mounted hoe-pac or a large excavator mounted hoe-pac, as measured loose.
- g. It should be emphasized that the long-term performance of buildings, slabs, and pavements is highly dependant on the correct placement and compaction of underlying structural fills. Consequently, we recommend that structural fills be observed and approved by the Geotechnical Engineer. This would include approval of the proposed fill materials and performing a suitable program of compaction testing during construction.

#### **6.4 Site Grading**

- a. Permanent excavation slopes shall not exceed 2.0 Horizontal: 1 Vertical. Similarly, fill compacted to a minimum of 95 percent of the Modified Proctor dry density (ASTM D 1557) shall not exceed 2 Horizontal: 1 Vertical. Final slopes shall be trimmed of all loose or disturbed soils.
- b. For preliminary purposes, we do not envision requiring slope setbacks for current natural conditions, provided foundation embedment of at least 450mm is provided. Since some site manipulation is anticipated to accommodate the existing sloping ground, we recommend that building sites be evaluated by the Geotechnical Engineer, to determine if setbacks or other requirements are needed as a result of any cut or fill slopes potentially impacting structures.

#### **6.5 Surface Drainage Characteristics**

Soil conditions at this development property are susceptible to surface erosion from concentrated water flows. To mitigate storm water runoff it is recommended to install the following:



- i. Provide a catchment system that directs concentrated surface water into a municipal storm drainage system.
- ii. Provide erosion control measures to mitigate soil migration into the storm sewer system during and after construction.
- iii. Provide retaining walls where grades exceed recommended maximum slope gradients.

## **6.6 Erosion Control**

- a. This site is characterized as being moderately susceptible to erosion based on the granular surficial soils and steep slopes. Therefore, it is recommended that erosion control measures be put in place during and following any site grading activity. These measures may include protective mulching of steep/exposed slopes during the rainy season. Additional erosion control measures may be implemented on an as-needed basis. Sloped areas should remain vegetated as long as possible to mitigate surface erosion and transportation of fine material down slopes.
- b. Long term sediment control measures shall be the responsibility of the contractor during construction activity.

## **6.7 Foundation Design & Construction**

- a. Prior to construction, the building area should be stripped to remove all unsuitable materials to provide an undisturbed natural soil subgrade for the footing support.
- b. Foundation loads should be supported on natural undisturbed soil approved for use as a bearing stratum by a geotechnical engineer, or structural fill, and may be designed using the following value:
  - i. For foundations constructed on naturally deposited, undisturbed soils, a Service Limit State (SLS) bearing pressure of 100 kPa, and an Ultimate Limit State (ULS) of 130 kPa

may be used for design purposes. These values assume a minimum 0.45m depth of confinement or cover.

- ii. For foundations constructed on a minimum thickness of 0.6m of structural fill, as outlined in Section 6.3 of this report, a Service Limit State (SLS) bearing pressure of 150 kPa, and an Ultimate Limit State (ULS) of 200 kPa may be used for design purposes. These values assume a minimum 0.45m depth of confinement or cover.
- c. Exterior footings should be provided with a minimum 0.45m depth of ground cover for frost protection purposes.
- d. Prior to placement of concrete footings, any bearing soils that have been softened, loosened, or otherwise disturbed during the course of construction should be removed, or else compacted following our recommendations for structural fill. Compaction will only be feasible if the soil has suitable moisture content and if there is access to heavy compaction equipment. If no structural fill is placed, a smooth-bladed clean up bucket should be used to finish the excavation.
- e. The Geotechnical Engineer should evaluate the bearing soils at the time of construction to confirm that footings are placed on appropriate and properly prepared subgrade material.

## **6.8 Seismic Issues**

Based on the 2018 British Columbia Building Code, Division B, Part 4, Table 4.1.8.4.A, “Site Classification for Seismic Site Response,” the soils and strata encountered during the subsurface investigation would be “Site Class C” (Very Dense Soil or Soft Rock) provided the recommendations in this report are followed.

## **6.9 Landslip**

- a. Available topographic information indicates that the site has a variable inclination, generally decreasing in severity from south-west to north-east. Steeper gradients within the south-west portion of the subject property show no evidence of instability. In addition, subsurface

soils are considered to be competent, consisting of a veneer of compact sand overlying igneous bedrock. We conclude that existing slopes consist primarily of intact bedrock and therefore would be considered stable and also not be subject to liquefaction under design seismic loading.

- b. Landslides can also occur due to human activity or by failure of infrastructure (water lines, storm water lines, sewer, retaining wall, etc.). Concentration of water discharge can lead to localized erosion, earth movement or slope failure. A break in a water line upslope of a proposed residence could induce a failure of the slope. Should such a failure occur, it would likely be localized in nature, but could affect multiple lots both adjacent and below the failure. Infrastructure should be maintained (by the Town and future lot owners) to prevent leakage which could lead to failure of slopes.
- c. The topography and soils conditions found at the subject site do not indicate any significant risk of a landslide hazard to proposed structures, on a “single lot” scale, as defined by the APEGBC Guidelines. See Landslide Assessment Assurance Statement (see attached Appendix D).

#### **6.10 Permanent Dewatering**

Conventional requirements of the 2018 British Columbia Building Code pertaining to foundation drainage are considered suitable at this site.

#### **6.11 On Site Infiltration and Stormwater Disposal**

- a. In general, subgrade soil conditions consist of a thin layer of alluvium, underlain by igneous bedrock.
- b. Based on the subgrade soil conditions encountered during the test pitting investigation, it is the opinion of LEA that site conditions (bedrock) are not conducive to the installation of an on site stormwater infiltration medium.
- c. Site conditions are considered suitable for the installation of storm water detention

measures. Typical BCBC standards require a minimum horizontal separation of 5.0m from any building foundations. Provided any detention measures (rock pits or similar) are provided with a positive overflow connection to underground storm sewer servicing, the minimum horizontal setback may be reduced to 3.0m.

## **6.12 Lateral Earth Pressures**

- a. Any future retaining wall construction within the Property shall be reviewed by the Geotechnical and/or Structural Engineer.
- b. Lateral earth pressure coefficients (K) for the design of the foundation walls are outlined in Table 1. It is assumed that there will be a level (0 degree from horizontal) backslope and no additional surcharge on the wall. It is noted that the methods employed are estimates and further analysis may be required after dimensions of the proposed structure have been determined. Drainage requirements for any wall construction shall be reviewed by the Geotechnical Engineer prior to construction.
- c. An average soil friction angle of 27 degrees has been used to calculate the lateral earth pressure coefficients. It is assumed that retained soils are well compacted, cohesionless sands and gravels, with a unit weight of 21 kN/m<sup>3</sup>.
- d. The Mononobe-Okabe (M-O) Method has been used to calculate the active seismic lateral earth pressure coefficients. The static active lateral earth pressure has been calculated using Coulomb's theory. The results for the passive earth pressures have been calculated using Rankine theory.
- e. The seismic thrust coefficient provides a value that combines both dynamic and static forces. Seismic forces used reflect values from the 2015 National Building Code interpolated seismic hazard values for the subject area, which are 0.483 Peak Ground Acceleration (PGA) (2% in 50year probability) and 0.257 PGA (10% in 50year probability).

- f. The total thrust for the static case acts through a point that is approximately  $H/3$  above the toe of the wall. The dynamic component of the seismic thrust acts through a point at approximately  $0.6H$  above the toe of the wall.

Table 1 Lateral Earth Pressure Coefficients (ULS)

Lateral Earth Pressure Condition	Earth Pressure Coefficient (K)	
Static Passive	$K_p$	2.66
Static Active	$K_A$	0.34
Seismic Active	$K_{AE}$	0.53

The total thrust resulting from lateral earth pressures under each of the conditions outlined in Table 1 may be calculated using the following relationship:

$$P = 0.5 K \gamma H^2$$

Where:  $P$  = total thrust (kN/m length of wall)  
 $K$  = Earth Pressure Coefficient  
 $\gamma$  = Soil Unit Weight (kN/m<sup>3</sup>)  
 $H$  = Height of Wall (m)

## 7. GEOTECHNICAL ASSURANCE AND QUALITY ASSURANCE

The 2018 British Columbia Building Code requires that a geotechnical engineer be retained to provide Geotechnical Assurance services for the construction of buildings. Geotechnical Assurance services include review of the geotechnical components of the plans and supporting documents, and responsibility for field reviews of these components during construction.

## 8. ACKNOWLEDGEMENTS

Lewkowich Engineering Associates Ltd. acknowledges that this report may be requested by the Building Inspector (or equivalent) of the Town of Ladysmith as a precondition to the

Client: PGO Developments  
Project: 630 Farrell Road, Ladysmith, BC  
File #: F4002.01r2  
Date: March 10<sup>th</sup>, 2021  
Page: 13 of 14

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issuance of a building permit. It is acknowledged that the Approving Officers and Building Officials may rely on this report when making a decision on application for development of the land. We acknowledge that this report has been prepared solely for, and at the expense of PGO Developments. We have not acted for or as an agent of the Town of Ladysmith in the preparation of this report.

## **9. LIMITATIONS**

The conclusions and recommendations submitted in this report are based upon the data obtained from a limited visual reconnaissance of the property. The nature and extent of variations between these explorations may not become evident until construction or further investigation. The recommendations given are based on the subsurface soil conditions encountered on properties directly adjacent to the subject property and in the immediate area, current construction techniques, and generally accepted engineering practices. No other warrantee, expressed or implied, is made. Due to the geological randomness of many soil formations, no interpolation of soil conditions has been made or implied. If unanticipated soils are encountered, unanticipated conditions become known during construction or other information pertinent to the structures become available, the recommendations may be altered or modified in writing by the undersigned.

Client: PGO Developments  
Project: 630 Farrell Road, Ladysmith, BC  
File #: F4002.01r2  
Date: March 10<sup>th</sup>, 2021  
Page: 14 of 14

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## 10. CLOSURE

Lewkowich Engineering Associates Ltd. appreciates the opportunity to be of service on this project. If you have any comments, or additional requirements at this time, please contact us at your convenience.

Respectfully Submitted,  
**Lewkowich Engineering Associates Ltd.**

A handwritten signature in blue ink, appearing to read 'John Hessels', written over a faint blue rectangular stamp.

John Hessels, ASCT  
Senior Technologist



Chris Hudec, M.A.Sc., P.Eng.  
Senior Project Engineer

Attachments:

Appendix "D" Steep Slope Assurance Statement

## APPENDIX D: LANDSLIDE ASSESSMENT ASSURANCE STATEMENT

Note: This Statement is to be read and completed in conjunction with the "APEGBC Guidelines for Legislated Landslide Assessments for Proposed Residential Development in British Columbia", March 2006/Revised September 2008 ("APEGBC Guidelines") and the "2006 BC Building Code (BCBC 2006)" and is to be provided for *landslide assessments* (not floods or flood controls) for the purposes of the Land Title Act, Community Charter or the Local Government Act. Italicized words are defined in the APEGBC Guidelines.

To: The Approving Authority

Date: March 15, 2021 File: F4002

Town of Ladysmith

410 Esplanade, PO Box 220, Ladysmith, BC, V9G 1A2

Jurisdiction and address

With reference to (check one):

- ☒ Land Title Act (Section 86) – Subdivision Approval
- ☐ Local Government Act (Sections 919.1 and 920) – Development Permit
- ☐ Community Charter (Section 56) – Building Permit
- ☐ Local Government Act (Section 910) – Flood Plain Bylaw Variance
- ☐ Local Government Act (Section 910) – Flood Plain Bylaw Exemption
- ☐ British Columbia Building Code 2006 sentences 4.1.8.16 (8) and 9.4 4.4.(2) (Refer to BC Building and Safety Policy Branch Information Bulletin B10-01 issued January 18, 2010)

For the Property:

Lot 2, District Lot 41, Oyster District, Plan VIP79202. 630 Farrel Road

Legal description and civic address of the Property

The undersigned hereby gives assurance that he/she is a *Qualified Professional* and is a *Professional Engineer or Professional Geoscientist*.

I have signed, sealed and dated, and thereby certified, the attached *landslide assessment* report on the Property in accordance with the *APEGBC Guidelines*. That report must be read in conjunction with this Statement. In preparing that report I have:

Check to the left of applicable items

- ☒ 1. Collected and reviewed appropriate background information
- ☒ 2. Reviewed the proposed *residential development* on the Property
- ☒ 3. Conducted field work on and, if required, beyond the Property
- ☒ 4. Reported on the results of the field work on and, if required, beyond the Property
- ☒ 5. Considered any changed conditions on and, if required, beyond the Property
- 6. For a *landslide hazard analysis* or *landslide risk analysis* I have:
  - ☒ 6.1 reviewed and characterized, if appropriate, any *landslide* that may affect the Property
  - ☒ 6.2 estimated the *landslide hazard*
  - ☒ 6.3 identified existing and anticipated future *elements at risk* on and, if required, beyond the Property
  - ☒ 6.4 estimated the potential *consequences* to those *elements at risk*
- 7. Where the *Approving Authority* has adopted a *level of landslide safety* I have:
  - ☐ 7.1 compared the *level of landslide safety* adopted by the *Approving Authority* with the findings of my investigation
  - ☐ 7.2 made a finding on the *level of landslide safety* on the Property based on the comparison
  - ☐ 7.3 made recommendations to reduce *landslide hazards* and/or *landslide risks*
- 8. Where the *Approving Authority* has **not** adopted a *level of landslide safety* I have:



- ☒ 8.1 described the method of *landslide hazard analysis* or *landslide risk analysis* used
- ☒ 8.2 referred to an appropriate and identified provincial, national or international guideline for *level of landslide safety*
- ☒ 8.3 compared this guideline with the findings of my investigation
- ☒ 8.4 made a finding on the *level of landslide safety* on the Property based on the comparison
- ☒ 8.5 made recommendations to reduce *landslide hazards* and/or *landslide risks*
- ☒ 9. Reported on the requirements for future inspections of the Property and recommended who should conduct those inspections.

Based on my comparison between

Check one

- ☐ the findings from the investigation and the adopted *level of landslide safety* (item 7.2 above)
- ☒ the appropriate and identified provincial, national or international guideline for *level of landslide safety* (item 8.4 above)

I hereby give my assurance that, based on the conditions<sup>[1]</sup> contained in the attached *landslide assessment* report,

Check one

- ☒ for subdivision approval, as required by the Land Title Act (Section 86), "that the land may be used safely for the use intended"

Check one

- ☐ with one or more recommended registered covenants.
  - ☒ without any registered covenant.
  - ☐ for a development permit, as required by the Local Government Act (Sections 919.1 and 920), my report will "assist the local government in determining what conditions or requirements under [Section 920] subsection (7.1) it will impose in the permit".
  - ☐ for a building permit, as required by the Community Charter (Section 56), "the land may be used safely for the use intended"
- Check one
- ☐ with one or more recommended registered covenants.
  - ☐ without any registered covenant.
  - ☐ for flood plain bylaw variance, as required by the "Flood Hazard Area Land Use Management Guidelines" associated with the Local Government Act (Section 910), "the development may occur safely".
  - ☐ for flood plain bylaw exemption, as required by the Local Government Act (Section 910), "the land may be used safely for the use intended".

Chris Hudec, M.A.Sc., P.Eng.

Name (print)

Signature

March 15, 2021

Date

<sup>[1]</sup> When seismic slope stability assessments are involved, *level of landslide safety* is considered to be a "life safety" criteria as described in the National Building Code of Canada (NBCC 2005), Commentary on Design for Seismic Effects in the User's Guide, Structural Commentaries, Part 4 of Division B. This states:

"The primary objective of seismic design is to provide an acceptable level of safety for building occupants and the general public as the building responds to strong ground motion; in other words, to minimize loss of life. This implies that, although there will likely be extensive structural and non-structural damage, during the DGM (design ground motion), there is a reasonable degree of confidence that the building will not collapse nor will its attachments break off and fall on people near the building. This performance level is termed 'extensive damage' because, although the structure may be heavily damaged and may have lost a substantial amount of its initial strength and stiffness, it retains some margin of resistance against collapse".

1900 Boxwood Road, Nanaimo, BC, V9S 5Y2

Address

250 756 0355

Telephone



(Affix Professional seal here)

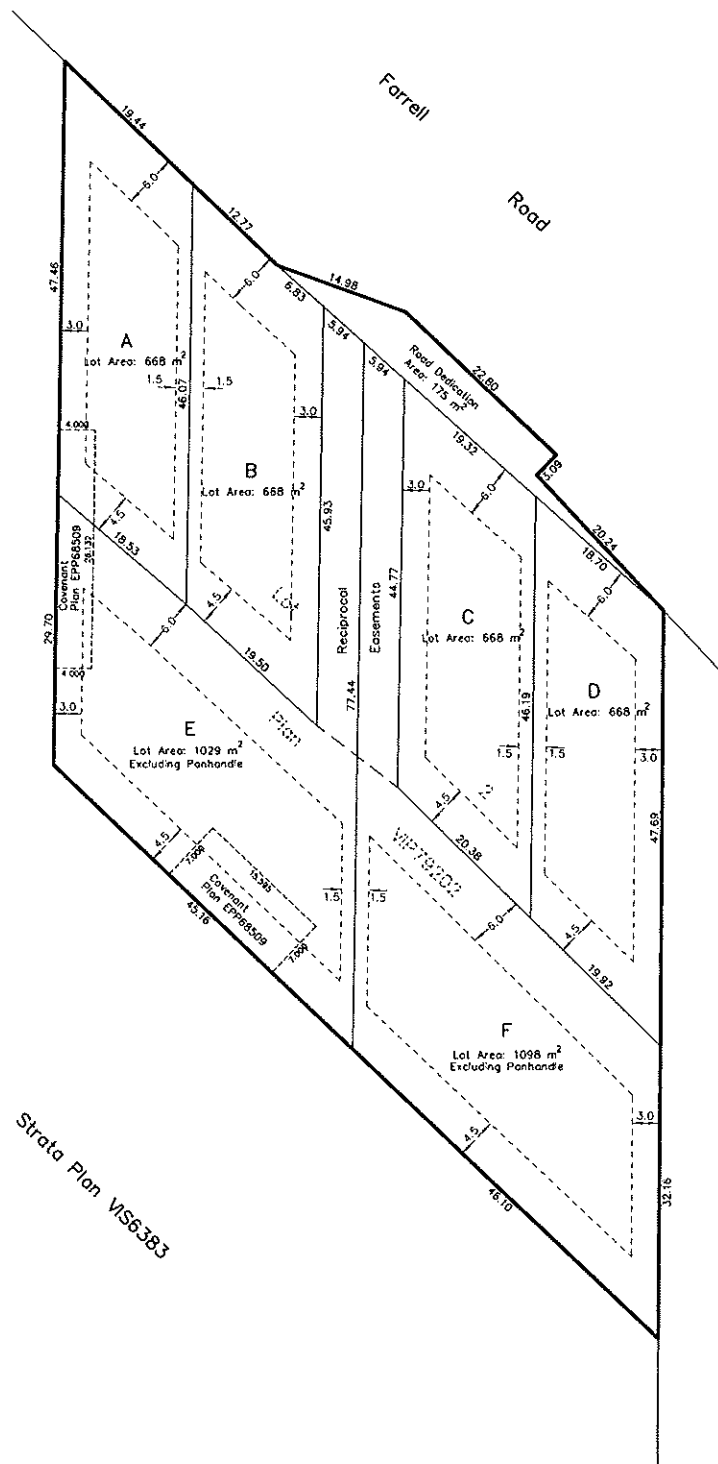
If the *Qualified Professional* is a member of a firm, complete the following.

I am a member of the firm Lewkowich Engineering Associates Ltd.

and I sign this letter on behalf of the firm.

(Print name of firm)

# Attachment E



Rem. Pt. 20  
Plan 2519

Note:  
This property is affected by  
the following registered documents:  
M76300, C36474, E111011, E111012.

Distances and elevations are in metres.  
Elevations are referenced to geodetic datum.

Site Plan Showing Proposed Subdivision Of:  
Lot 2, District Lot 41,  
Oyster District, Plan MP79202.

Certified correct this 17th day of November, 2017.

Matthew Schnurch KAHJN6  
Date: 2017.12.20 16:10:15 -0800

Turner + land surveying

Client: Steven & Avtor Pablo	City Address: 630 Farrell Road
File: 15-063	Scale: 1:400
Date: July 11, 2016	Drawn by: WOS

(This document is a valid legal instrument only if signed and sealed.)

250.753.9778  
605 Comox Road  
Nanaimo, BC V9R 3J4

## VICTORIA LAND TITLE OFFICE

Jun-02-2017 13:29:50.003

CA6042493 CA6042495

LAND TITLE ACT  
FORM C (Section 233) CHARGE

GENERAL INSTRUMENT - PART 1 Province of British Columbia

PAGE 1 OF 31 PAGES

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, RSBC 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.

Madelaine Ann  
Campbell  
RT9TAG

Digitally signed by  
Madelaine Ann Campbell  
RT9TAG  
Date: 2017.06.02 13:12:30  
-07'00'

1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

STEWART McDANNOLD STUART  
BARRISTERS & SOLICITORS  
2nd FLOOR - 837 BURDETT AVENUE  
VICTORIA BC V8W 1B3  
Document Fees: \$214.74

Tel.: 250 380-7744 Fax.: 250 380-3008  
File No.: 173 170 CS-hw  
Rezoning Covenant

Deduct LTSA Fees? Yes ☒

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
- 
- [PID] [LEGAL DESCRIPTION]

026-408-180 LOT 2 DISTRICT LOT 41 OYSTER DISTRICT PLAN VIP79202

STC? YES ☐

3. NATURE OF INTEREST CHARGE NO. ADDITIONAL INFORMATION
- 
- SEE SCHEDULE**

4. TERMS: Part 2 of this instrument consists of (select one only)

(a) ☐ Filed Standard Charge Terms D.F. No.(b) ☒ Express Charge Terms Annexed as Part 2

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument.

5. TRANSFEROR(S):

AVTAR SINGH PABLA  
GURDEV KAUR PABLA

6. TRANSFEREE(S): (including postal address(es) and postal code(s))

TOWN OF LADYSMITH

PO BOX 220, 410 ESPLANADE  
LADYSMITH

V9G 1A2

BRITISH COLUMBIA  
CANADA

7. ADDITIONAL OR MODIFIED TERMS:
- 
- N/A

8. EXECUTION(S): This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s)

JENNIFER L. OSTLE

Notary Public

PO BOX 1059  
379 DAVIS RD  
LADYSMITH BC V9G 1A7

Execution Date

Y	M	D
17	05	11

Transferor(s) Signature(s)

AVTAR SINGH PABLA

## OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

**LAND TITLE ACT  
FORM D**

**EXECUTIONS CONTINUED**

PAGE 2 of 31 PAGES

Officer Signature(s)

Execution Date

Transferor / Borrower / Party Signature(s)

JENNIFER L. OSTLE

Notary Public

PO BOX 1059  
379 DAVIS RD  
LADYSMITH BC V9G 1A7

Y	M	D
17	05	11

GURDEV KAUR PABLA

ERIN ANDERSON

Commissioner for Taking Affidavits in British Columbia

410 ESPLANADE  
LADYSMITH BC V9G 1A2

17	05	23
----	----	----

TOWN OF LADYSMITH, by its  
authorized signatory(ies):

AARON STONE, Mayor

(as to both signatures)

JOANNA WINTER, Corporate Officer

JOHN W. DE LEEUW

Commissioner for Taking Affidavits in British Columbia

330 1ST AVENUE  
LADYSMITH BC V9G 1A3

17	05	12
----	----	----

(As to Priority)  
LADYSMITH & DISTRICT CREDIT  
UNION, by its authorized signatory(ies)

ROBERTO QUALIZZA, Manager,  
Lending Services

(as to both signatures)

BRENDA MOORE, Loans Officer

**OFFICER CERTIFICATION:**

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

**LAND TITLE ACT  
FORM E****SCHEDULE**

PAGE 3 OF 31 PAGES

NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

Covenant

Entire document except Page 11, Paragraph 23.1

NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

Priority Agreement

Granting this Covenant with one registration number less than this priority agreement priority over Mortgage CA3991644 and Assignment of Rents CA3991645 Page 11, Paragraph 23.1

NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

Rent Charge

Section 9, Page 8 &amp; 9

NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

## TERMS OF INSTRUMENT - PART 2

---

### WHEREAS:

- A. The Transferor is the registered owner in fee-simple of those lands described in Item 2 of the General Instrument – Part 1 (the "**Lands**");
- B. The Transferee, Town of Ladysmith, is a municipality duly incorporated under the laws of British Columbia;
- C. On February 20, 2017 the Town approved, in principle, Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 7) 2016, No. 1917 (the "**Zoning Amendment Bylaw No. 1917**") to permit a residential development of the Lands;
- D. The Transferor and the Transferee acknowledge that it is in the public interest that development and use of the Lands be limited and that certain development requirements, which the Transferor has freely agreed to grant, be secured by agreement, and the Transferor has determined to grant and has agreed to enter into this Covenant and to register it against the title to the Lands as a covenant and indemnity under Section 219 of the *Land Title Act*.
- E. Section 219 of the *Land Title Act* provides that a covenant, whether of negative or positive nature, may be granted in favour of the municipality and may be registered as a charge against the title to land, and may contain provisions respecting the following:
  - the use of land or the use of a building on or to be erected on land;
  - that land is to be built on in accordance with the covenant;
  - that land is not to be built on or subdivided except in accordance with the covenant;
  - that land is not to be used, built on or subdivided;
  - that separate parcels of land are not to be sold or transferred separately;
  - that land or specified amenities be protected, preserved, conserved, maintained, enhanced, restored or kept in its natural or existing state.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that under Section 219 of the *Land Title Act*, and in consideration of the premises and the mutual covenants and agreements contained herein, and the sum of ONE (\$1.00) DOLLAR of lawful money of Canada now paid to the Transferor by the Transferee (the receipt and sufficiency of which is hereby acknowledged), and for other good and valuable consideration the parties covenant and agree each with the other as follows:

#### 1. Definitions

In this Agreement the following words have the following meanings:

- (a) **"B.C. Landscape Standard"** means the document published jointly by the British Columbia Society of Landscape Architects and the British Columbia Landscape and Nursery Association;
- (b) **"Covenant Area (Tree Protection)"** means that part of the Land shown outlined and marked Area 1 and Area 2 on Plan EPP68509 – Explanatory Plan over part of Lot 2, District Lot 41, Oyster District Plan VIP79292, a reduced print of which is attached to this Agreement as Schedule "A".
- (c) **"Certified"** means certified by the International Society of Arboriculture
- (d) **"Protected Tree"** means eight trees that have been identified as requiring special measures be taken on the Lands for their protection and include 1 alder and 3 cedar located within or near Area 1 of the Covenant Area (Tree Protection); and 3 fir and one arbutus tree located within or near Area 2 of the Covenant Area (Tree Protection) as shown on the plan in Schedule "C".
- (e) **"Protected Tree Damage"** means damage to a Protected Tree or to the Covenant Area (Tree Protection) described in section 4.2 of this Agreement.
- (f) **"Subdivision"** includes any subdivision under the *Strata Property Act* (British Columbia).

2. Restrictions on Use of Development:

The Transferor covenants and agrees with the Transferee that it shall not use or permit the use of the Lands or any building on the Lands for any purpose, construct any building on the Lands or subdivide the Lands except in strict accordance with this Agreement.

3. Preconditions of Development:

3.1 The Transferor may subdivide and develop the Lands in accordance with the Transferor's plans set out at Schedule "C", provided that the subdivision and development satisfies all enactments applicable to the subdivision and development of the Lands, and provided that the following conditions are met:

- (a) The Transferor has provided, in a form and having content satisfactory to the Transferee and its approving officer acting reasonably, a Grading Plan that includes the following information:
  - (i) final lot grade elevations determined and shown at 0.5 metre intervals;
  - (ii) final lot grade elevations for all corners of each parcel within the subdivision of the Lands;
  - (iii) minimum basement floor elevations ("MBFE") for each proposed building site; and
  - (iv) final lot grade elevations at the boundaries of the Covenant Area (Tree



Protection).

- (b) The Transferor acknowledges and agrees that the Grading Plan may be referred to an engineer with experience in geotechnical engineering for review and comment prior to the acceptance of the Grading Plan by the Transferee and its approving officer.

#### 4. Tree Protection

##### 4.1 Amenity Trees

The Transferor acknowledges that 8 Protected Trees (or portions of the root systems of such trees) of value as an amenity are situated on the Land and that to protect, preserve and conserve the Protected Trees the Transferor must:

- (a) prior to commencing any clearing, grubbing, and landscaping of the Lands, must mark the boundaries of the critical protection zone with a sign and physical protection fencing having a minimum of 1.2 metres in height and securely mounted on a wooden or metal frame and once the physical protection fencing is in place request that a staff member of the Transferee's Development Services department visit the site to confirm compliance with the covenant requirements;
- (b) protect, and maintain the physical protection fencing throughout construction, including the replacement and repair of damaged fencing or signs in order to protect a total of eight trees on the Lands;
- (c) ensure that the protection measures for the critical protection zones follow the most recent edition of the B.C. Landscape Standard;
- (d) not remove the protection fencing until all construction is fully complete;
- (e) ensure that onsite instruction is provided to the site supervisor, and that all project personnel are made aware of the exact location of each critical protection zone and specifications for tree protection prior to the commencement of any work;
- (f) maintain the Covenant Area (Tree Protection) free of toxic chemicals, building materials, stockpiling, fire, trenching and erosion;
- (g) ensure there is no cutting of branches or roots of trees within the Covenant Area (Tree Protection), unless approved by a certified arborist or tree risk assessor; and
- (h) after construction the trees within the Covenant Area must be protected and not damaged or cut down.

#### 4.2 Remedial Measures

- (a) If the Transferee has reason to believe that the Transferor, or someone acting on behalf of the Transferor, has caused damage to a Protected Tree, including, for certainty, the root system of a Protected Tree, or to the Covenant Area (Tree Protection) in a manner that is likely to cause material harm to one or more Protected Trees (including, for certainty, their root systems), then, the Transferee may engage the services of a certified arborist or certified tree risk assessor to prepare an assessment of the Protected Tree or the Covenant Area (Tree Protection). and if the certified arborist or tree risk assessor deems that any of the 8 Protected Trees, their root systems, or any part of the Covenant Area (Tree Protection) has been affected by Protected Tree Damage as described above, then the Transferor shall give notice to the Transferee under section 8 of this Agreement, the Transferor shall take the remedial measures set out in section 8 of this Agreement and the Rent Charge referred to in section 9 of this Agreement shall be payable.

#### 5. Geotechnical Hazards

- 5.1 The Transferor shall use the Lands only in the manner determined and certified by Chris Hudec, P.Eng., of Lewkowich Engineering Associates Ltd., in a report dated January 24, 2017 and attached as Schedule "B" as enabling the safe use of the Lands for the use intended.
- 5.2 Despite section 5.1, the Transferor agrees and acknowledges that prior to the issuance of a building permit for any specific lot, a building official may under section 56 of the *Community Charter*, require the preparation of a further geotechnical report regarding the specific construction project for which application is made for a building permit.

#### 6. Indemnity

- 6.1. The Transferor shall indemnify and save harmless the Transferee from any and all claims, causes of action suits, demands, fines, penalties, costs or expenses or legal fees whatsoever which anyone has or may have against the Transferee or which the Transferee incurs as a result of any loss or damage or injury, including economic loss, arising out of or connected with:
- (a) the breach of any covenant in this Agreement;
- (b) the use of the Lands contemplated under this Agreement; and
- (c) restrictions or requirements under this Agreement.

#### 7. Release

- 7.1 The transferor hereby releases and forever discharges the Transferee of and from any claims, causes of action, suits, demands, fines, penalties, costs or expenses or

legal fees whatsoever which the Transferor can or may have against the Transferee for any loss or damage or injury, including economic loss, that the Transferor may sustain or suffer arising out of or connected with:

- (a) the breach of any covenant in this Agreement;
- (b) the use of the Lands contemplated under this Agreement; and
- (c) restrictions or requirements under this Agreement.

#### 8. Covenant Holder's Enforcement Remedy

- 8.1 If the Transferee, in its sole discretion, believes that the Transferor has neglected or refused to perform any of the obligations set out in this Agreement or is in breach of any term of this Agreement and has caused Protected Tree Damage, the Transferee may serve on the Transferor a notice setting out particulars of the breach and requiring the Transferor to remedy the breach by planting 3 (three) trees of the same species (or other replacement species satisfactory to the Transferee in its sole discretion), in place of each Protected Tree that has suffered Protected Tree Damage.
- 8.2 If the Transferor has not, within 60 days of receipt of the notice given under section 12.1 (or such other time as agreed to by the Transferee in its sole discretion given the time of year or weather conditions), remedied the breach, then the Transferee may enter upon the Lands and remedy the breach and the Transferor shall promptly reimburse the Transferee for such costs and expenses including the cost of the report prepared by the certified arborist or certified tree risk assessor. Costs and expenses incurred by the Transferee under this section are a debt owed by the Transferor to the Transferee until paid.
- 8.3 Trees planted under section 8.2 must have a minimum diameter of 7.6 cm measured 1.5 metres from the natural ground level of the location of the tree.

#### 9. Rent Charge

- 9.1 As security for the performance of the Transferor's obligations under section 4 of this Agreement, the Transferor grants to the Transferee a perpetual rent charge against the Lands, ranking in priority to all other financial charges and encumbrances registered against the Lands. The Rent Charge is granted both under s. 219 of the *Land Title Act* and as an integral part of the statutory covenant created by this Agreement and as a fee simple rent charge at common law.
- 9.2 The Rent Charge is suspended and will not be enforced unless the Owner breaches this Agreement causes Protected Tree Damage and is not making diligent efforts to remedy the breach as described in section 8, where remedial action is possible.
- 9.3 The Rent Charge secures payment to the Transferee by the Transferor of the sum of \$2,000 for each Protected Tree affected by Protected Tree Damage (the "Base Rent Charge Amount").

- 9.4 In the case of repeated incidents of Protected Tree Damage in relation to a tree, the Rent Charge specified in section 9.3 is payable for each separate incident of Protected Tree Damage.
- 9.5 The Base Rent Charge Amount is to be adjusted on January 1 of each year by increasing or decreasing, as the case may be, the Base Rent Charge Amount by the amount determined by multiplying the Rent Charge Amount on December 31 immediately preceding by the percentage increase or decrease, as the case may be, in the CPI between the previous January 1 and that December 31 and adding the amount so determined to the Base Rent Charge Amount as it stands on that December 31. If Statistics Canada, or its successor in function, ceases to publish a CPI or comparable indicator as determined by the Transferee in its sole discretion, the parties agree that the factor to be used in determining the Base Rent Charge Amount for each year shall be an increase of an amount equivalent to the percentage increase in inflation during the previous year.
- 9.6 The Transferee shall be entitled to recover from the Transferor all reasonable expenses incurred as a result of enforcement of the Rent Charge.
- 9.7 The Transferee may enforce the Rent charge by any or all, of the following:
- (a) an action against the Transferor for the Rent Charge;
  - (b) distraint against the Lands to the extent of the Rent Charge; or
  - (c) an action for appointment of a receiver in respect of the Lands.
- 9.8 The Transferee shall provide notice to the Transferor of its intention to enforce the Rent Charge prior to commencing and action under this section. Such Notice of Enforcement may be given at any time after expiry of the remedial period referred to in section 8.2.
10. Priority
- 10.1 At the Transferor's expense, the Transferor must do everything necessary to secure priority of registration and interest for this Agreement and the Section 219 Covenant it creates over all registered and pending charges and encumbrances of a financial nature against the Lands.
11. No Prejudice to Public Rights
- 11.1 Nothing contained or implied in this Agreement shall prejudice or affect the rights and powers of the Transferee in the exercise of its functions under any public or private statutes, bylaws, orders and regulations, all of which may be fully and effectively exercised in relation to the Lands as if the Agreement had not been executed and delivered by the Transferor.
12. Discharge
- 12.1 The Transferee agrees that it shall, at the request and cost of the Transferor,

discharge this Covenant in the event that the Transferee has not, on or before the 30<sup>th</sup> day of June 2017, adopted the Town of Ladysmith Zoning Bylaw Amendment Bylaw (No. 1860), 2016, No. 1912.

13. Time

13.1 Time is of the essence of this Agreement.

14. Enurement of Obligations

14.1 The Transferor covenants and agrees for itself, its heirs, executors, successors and assigns, that it will at all times perform and observe the requirements and restrictions set out in this Agreement and they shall be binding upon the Transferor as personal covenants only during the period of its respective ownership of any interest in the Lands.

15. No Representations by Transferee

15.1 It is mutually understood, acknowledged and agreed by the parties hereto that the Transferee has made no representations, covenants, warranties, guarantees, promises or agreements (oral or otherwise) with the Transferor other than those contained in this Agreement.

16. Reimbursement of Transferor's Costs

16.1 The Transferor shall pay the legal fees of the Transferee in connection with the preparation and registration of this Agreement. This is a personal covenant between the parties.

17. No Waiver

17.1 The waiver by a party of any breach of this Agreement or failure on the part of the other party to perform in accordance with any of the terms or conditions of this Agreement is not to be construed as a waiver of any future or continuing failure, whether similar or dissimilar, and no waiver shall be effective unless it is in writing signed by both parties.

18. Interpretation

18.1 Wherever the singular, masculine and neuter are used throughout this Agreement, the same is to be construed as meaning the plural or the feminine or the body corporate or politic as the context so requires.

19. Remedies Cumulative

19.1 No remedy under this Agreement is to be deemed exclusive but will, where possible, be cumulative with all other remedies at law or in equity.

20. Enforcement Discretion

- 20.1 The enforcement of this Agreement shall be entirely within the discretion of the Transferee and the execution and registration of the Agreement against title to the Lands shall not be interpreted as creating any duty on the part of the Transferee to the Transferor or to any other person to enforce any provision of the breach of any provision of this Agreement.

21. Covenants Run with the Land

- 21.1 The restrictions and covenants herein contained shall be covenants running with the Lands and shall be perpetual, and shall continue to bind all of the Lands when subdivided, and shall be registered in the Victoria Land Title Office pursuant to section 219 of the *Land Title Act* as covenants in favour of the Transferee as a first charge against the Lands.

22. Further Assurances

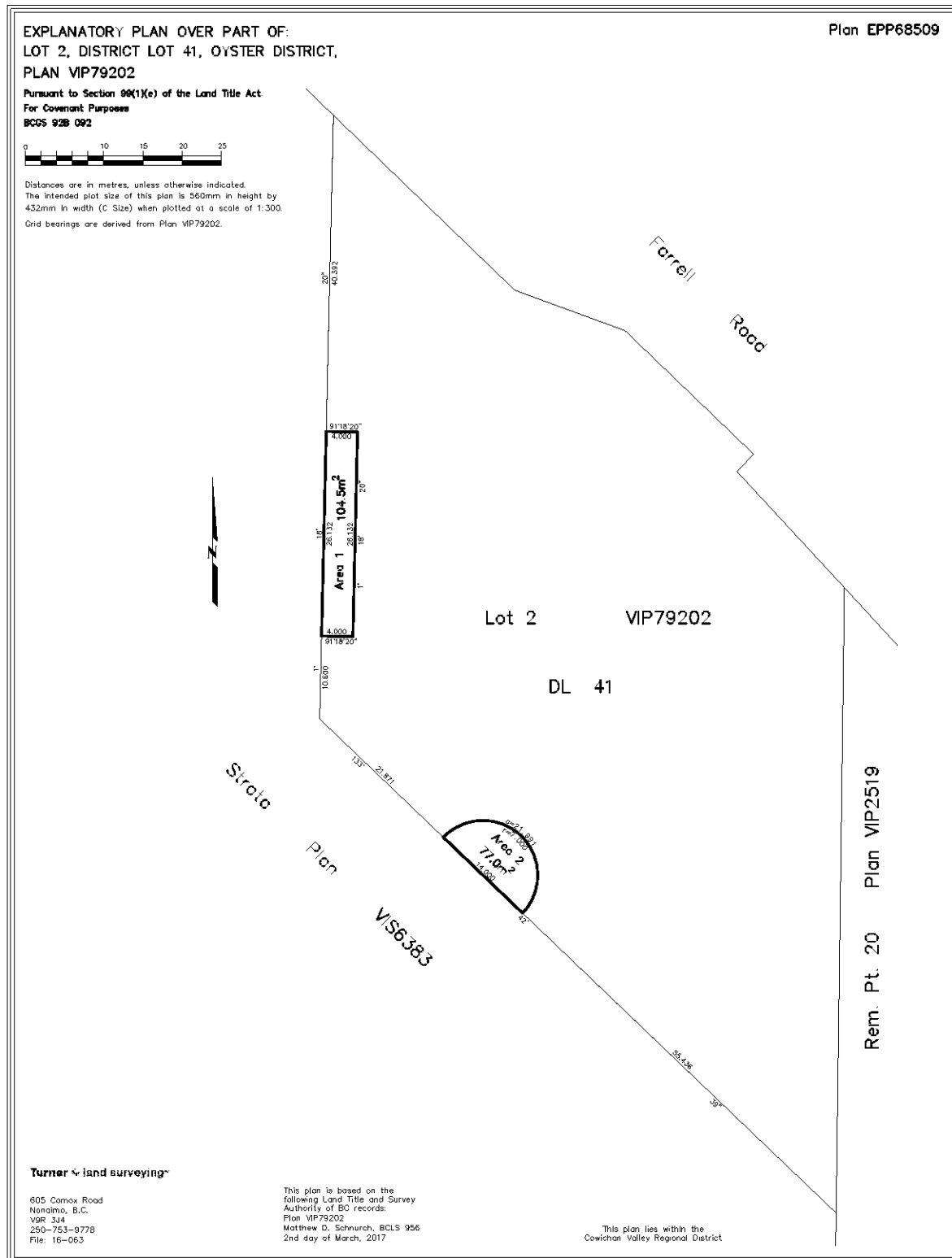
- 22.1 The Transferor agrees to execute all other documents and provide all other assurances necessary to give effect to the covenants contained in this Agreement.
- 22.2 If any part of this Agreement is found to be illegal or unenforceable, that part will be considered separate and severable and the remaining parts will not be affected thereby and will be enforceable to the fullest extent permitted by law.
- 22.3 This Agreement is to be construed in accordance with and governed by the laws applicable in the Province of British Columbia.
- 22.4 This Agreement may be executed in counterpart with the same effect as if all parties had signed the same document. Each counterpart shall be deemed to be an original. All counterparts shall be construed together and shall constitute one and the same Agreement. This Agreement may be delivered by electronic means.

23. Priority Agreement

- 23.1 Ladysmith & District Credit Union, the registered holder of a charge by way of Mortgage CA3991644 and Assignment of Rents CA3991645 registered against the Lands in the Land Title Office at Victoria, British Columbia, for and in consideration of the sum of One (\$1.00) Dollar paid by the Transferee to the said Chargeholder (the receipt whereof is hereby acknowledged), agrees with the Transferee, its successors and assigns, that the within Covenant shall be an encumbrance upon the Lands in priority to the Charge in the same manner and to the same effect as if it had been dated and registered prior to the Charge.

The Transferor and Transferee acknowledge that this Agreement has been duly executed and delivered by the parties executing Forms C and D (pages 1 and 2) attached hereto.

## SCHEDULE A



## Schedule B



### Lewkowich Engineering Associates Ltd.

geotechnical • health, safety & environmental • materials testing

PGO Developments (Steven Pabla)  
1630 Agnew Avenue  
Victoria, BC  
V8N 5M6

File Number: F4902.01e1  
Date: January 24<sup>th</sup>, 2017

ATTN: Matt Schnurch B.C.I.S.

**PROJECT: SIX (6) LOT RESIDENTIAL SUBDIVISION  
630 FARRELL ROAD, LADYSMITH, BC**

**LEGAL: LOT 2, DISTRICT LOT 41, OYSTER DISTRICT  
PLAN VIP79202**

**SUBJECT: GEOTECHNICAL ASSESSMENT**

**REFERENCES: TOWN OF LADYSMITH REGULAR MEETING MINUTES  
OCTOBER 4<sup>TH</sup>, 2016. (INCLUDING STAFF REPORT)**

**TURNER LAND SURVEYING, PROPOSED SUBDIVISION,  
JULY 11<sup>TH</sup>, 2016.**

**MATT SCHNURCH, EMAIL CORRESPONDENCE, DATED  
JANUARY 19<sup>TH</sup>, 2017. RE: "TOWN OF LADYSMITH REPORT  
REVIEW COMMENTS"**

Dear Mr. Schnurch:

#### 1. INTRODUCTION

As requested, Lewkowich Engineering Associates Ltd. (LEA) has carried out a geotechnical assessment with respect to the above noted proposed development. This report provides a summary of our findings and recommendations.

#### 2. BACKGROUND

- a. We understand the proposed development consists of subdividing a current large residential lot into six (6) smaller lots that would be support 2-3 storey, single-family, residential buildings. We understand that in order to accommodate this proposed development a zoning amendment from the current RU-1 (rural residential, 0.4 Hectare min. size) to R-1 (Single Family Residential -- 668m<sup>2</sup> min. lot size) is required. We also understand that there is a covenanted Geotechnical Report authored by EBA Consultants (now Tetra Tech) on file.

Suite A - 2569 Kenworth Road, Nanaimo, B.C., Canada V9T 3M4 • Tel: (250) 756-0355 Fax: (250) 756-3831  
www.lewkowich.com



Client: PGO Developments  
Project: 630 Farrell Road, Ladysmith, BC  
File #: F4002.01x1  
Date: January 24<sup>th</sup>, 2017  
Page: 2 of 14



The report indicates that a geotechnical assessment (steep slope) be completed on the subject parcel prior to development in order to confirm the safe siting of habitable dwellings on each proposed lot.

- b. It is understood the new construction will be of conventional construction methods, consisting of wood-framing, preferably supported by cast-in-place concrete foundations. The proposed development also will include the installation of associated civil works and services, including paved roadways.

### 3. ASSESSMENT OBJECTIVES

Our assessment, as summarized within this report, is intended to meet the following objectives:

- i. Determine whether the land is considered safe for the use intended (defined for the purposes of this report as the construction of a six (6) lot residential subdivision), with the probability of a geotechnical failure resulting in property damage of less than 10 percent (10%) in 50 years, with the exception of geohazards due to a seismic event which are to be based on a 2 percent (2%) probability of exceedance in 50 years, provided the recommendations in this report are followed.
- ii. Identify any geotechnical deficiency that might impact the design and construction of the development, and prescribe the geotechnical works and any changes in the standards of the design and construction of the development that are required to ensure the land, buildings, and works and services are developed and maintained safely for the use intended.
- iii. Acknowledge that an approving and/or building inspection officer may rely on this report when making a decision on applications for the development of the land.

**Lewkowich Engineering Associates Ltd.**

Client: PGO Developments  
Project: 630 Farrell Road, Ladysmith, BC  
File #: F4002.01x1  
Date: January 24<sup>th</sup>, 2017  
Page: 3 of 14



#### 4. ASSESSMENT METHODOLOGY

A site reconnaissance was carried out on November 18, 2016, to gather information on the topography and the stability of the geological formations. Subsurface conditions at this site were inferred based on previous extensive experience with adjacent development to the northwest, in combination with a detailed site reconnaissance on this property.

#### 5. SITE CONDITIONS

##### 5.1 General

- a. The proposed development property is located in the southern region of the Town of Ladysmith, situated on the south-west side of Farrell Road. Access was from Farrell Road.
- b. The site is currently vegetated with a relatively mature and moderately dense mixed tree growth (fir, cedar, maple and arbutus). Surface relief can be described as smooth to hummocky (bedrock), with an overall slope down from south-west to north-east. The site's average grade from south to north is approximately 27 percent (about 16 degrees from horizontal). However, the site's gradient decreases as it approaches Farrell Road which is coincident with the existing dwelling and yard.
- c. The steeper site bedrock is generally confined to the rear of the parcel that abuts the "The Gales" strata townhouse development access roadway. We have reviewed the property limits in relation to this feature and found that the adjacent development fills encroach slightly at the southwest corner and a portion of fills located at the northwest corner.
- d. We examined the Official Community Plan (OCP) to determine whether the proposed development lies within any Development Permit Areas (DPA). We note that this site is not within any DPA and is designated as "RU-1, Single Family Residential".

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## 5.2 Soil Conditions

- a. Subsurface conditions at this site were inferred based on previous extensive experience with adjacent development to the north-west, in combination with a topographic review and detailed site reconnaissance on this property. In general, soil conditions consist of a thin layer of moss and/or silty sands and gravels over competent igneous (basaltic) bedrock throughout. The exception to this stratum is the lower reaches of the lot that encompass the existing building and surrounding yard which are likely made up of locally sourced and placed fills to 3m thick.

## 5.3 Groundwater

Groundwater infiltration or seepage was not encountered during the site investigation. However, it is expected that water seepage will be encountered during construction. In general, the groundwater would be contained in the surficial granular soils found above the relatively impermeable bedrock layer. Seepage flows typically vary seasonally, with heavier flows during the winter and early spring months.

## 5.4 Undermining

- a. We have reviewed the BC Coal Map to determine if the site has any undermined areas due to historic mine activity.
- b. Based on our review of the available information, the subject property is not underlain by or in proximity to abandoned coal mine workings.

## 6. CONCLUSIONS AND RECOMMENDATIONS

### 6.1 General

From a geotechnical point of view, the land is considered safe for the use intended (defined for the purposes of this report as the construction of a six (6) lot residential subdivision),

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with the probability of a geotechnical failure resulting in property damage of less than 10 percent (10%) in 50 years, with the exception of geohazards due to a seismic event which are to be based on a 2 percent (2%) probability of exceedance in 50 years, provided the recommendations in this report are followed.

#### **6.2 Removal of Unsuitable Materials and General Excavation Recommendations**

- a. Prior to construction, all unsuitable materials should be removed to provide a suitable base of support. Unsuitable materials include any non-mineral material such as vegetation, topsoil, peat, fill or other materials containing organic matter, as well as any soft, loose, or disturbed soils. We anticipate there may be areas of unsuitable fill to 3m in depth surrounding the existing building and yard.
- b. Ground water spilling into any excavations should be controlled with a perimeter ditch located just outside of the building areas, connected to positive drainage.
- c. The Geotechnical Engineer is to confirm the removal of unsuitable materials and approve the exposed competent inorganic subgrade.
- d. The development of the two proposed lots bordering the Strata Plan V186383 to the south (Lots E & F on attached plan) will require geotechnical review if removal of the rock is contemplated at the toe of the slope facing the neighbouring strata.

#### **6.3 Structural Fill**

- a. Where fill is required to raise areas that will support buildings, slabs, or pavement, structural fill should be used. The Geotechnical Engineer should first approve the exposed subgrade in fill areas, to confirm the removal of all unsuitable materials.
- b. Structural fill should be inorganic sand and gravel. If structural fill placement is to be carried out in the wet season, material with a fines content limited to 5% passing the 75µm sieve

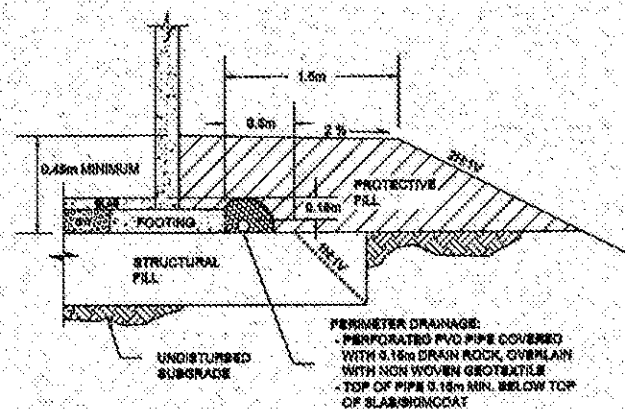
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should be used, as such a material will not be overly sensitive to moisture, allowing compaction during rainy periods of weather.

- c. Structural fill should be compacted to a minimum of 95% of Modified Proctor maximum dry density (ASTM D1557) in foundation and floor slab areas, as well as in paved roadway and parking areas. Structural fills under foundations, roadways, and pavement should include the zone defined by a plane



extending down and outward a minimum 0.5m from the outer edge of the foundation at an angle of 45 degrees from horizontal to ensure adequate subjacent support. This support zone is shown in the adjacent figure.

- e. Compaction of fill should include moisture conditioning as needed to bring the soils to the optimum moisture content and compacted using vibratory compaction equipment in lift thicknesses appropriate for the size and type of compaction equipment used.
- f. A general guideline for maximum lift thickness is no more than 100mm for light hand equipment such as a "jumping-jack," 150mm for a small roller and 300mm for a large roller or heavy (>500 kg) vibratory plate compactor or a backhoe mounted hoe-pac or a large excavator mounted hoe-pac, as measured loose.
- g. It should be emphasized that the long-term performance of buildings, slabs, and pavements is highly dependant on the correct placement and compaction of underlying structural fills.

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Consequently, we recommend that structural fills be observed and approved by the Geotechnical Engineer. This would include approval of the proposed fill materials and performing a suitable program of compaction testing during construction.

#### 6.4 Site Grading

- a. Permanent excavation slopes shall not exceed 2.0 Horizontal: 1 Vertical. Similarly, fill compacted to a minimum of 95 percent of the Modified Proctor dry density (ASTM D 1557) shall not exceed 2 Horizontal: 1 Vertical. Final slopes shall be trimmed of all loose or disturbed soils.
- b. For preliminary purposes, we do not envision requiring slope setbacks for current natural conditions, provided foundation embedment of at least 450mm is provided. Since some site manipulation is anticipated to accommodate the existing sloping ground, we recommend that building sites be evaluated by the Geotechnical Engineer, to determine if setbacks or other requirements are needed as a result of any cut or fill slopes potentially impacting structures.

#### 6.5 Surface Drainage Characteristics

Soil conditions at this development property are susceptible to surface erosion from concentrated water flows. To mitigate storm water runoff it is recommended to install the following:

- i. Provide a catchment system that directs concentrated surface water into a municipal storm drainage system.
- ii. Provide erosion control measures to mitigate soil migration into the storm sewer system during and after construction.
- iii. Provide retaining walls where grades exceed recommended maximum slope gradients.

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#### 6.6 Erosion Control

- a. This site is characterized as being moderately susceptible to erosion based on the granular surficial soils and steep slopes. Therefore, it is recommended that erosion control measures be put in place during and following any site grading activity. These measures may include protective mulching of steep/exposed slopes during the rainy season. Additional erosion control measures may be implemented on an as-needed basis. Sloped areas should remain vegetated as long as possible to mitigate surface erosion and transportation of fine material down slopes.
- b. Long term sediment control measures shall be the responsibility of the contractor during construction activity.

#### 6.7 Foundation Design & Construction

- a. Prior to construction, the building area should be stripped to remove all unsuitable materials to provide an undisturbed natural soil subgrade for the footing support.
- b. Foundation loads should be supported on natural undisturbed soil approved for use as a bearing stratum by a geotechnical engineer, or structural fill, and may be designed using the following values:
  - i. For foundations constructed on naturally deposited, undisturbed soils, a Service Limit State (SLS) bearing pressure of 100 kPa, and an Ultimate Limit State (ULS) of 130 kPa may be used for design purposes. These values assume a minimum 0.45m depth of confinement or cover.
  - ii. For foundations constructed on a minimum thickness of 0.6m of structural fill, as outlined in Section 6.3 of this report, a Service Limit State (SLS) bearing pressure of 150 kPa, and an Ultimate Limit State (ULS) of 200 kPa may be used for design purposes. These values assume a minimum 0.45m depth of confinement or cover.

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- c. Exterior footings should be provided with a minimum 0.45m depth of ground cover for frost protection purposes.
- d. Prior to placement of concrete footings, any bearing soils that have been softened, loosened, or otherwise disturbed during the course of construction should be removed, or else compacted following our recommendations for structural fill. Compaction will only be feasible if the soil has suitable moisture content and if there is access to heavy compaction equipment. If no structural fill is placed, a smooth-bladed clean up bucket should be used to finish the excavation.
- e. The Geotechnical Engineer should evaluate the bearing soils at the time of construction to confirm that footings are placed on appropriate and properly prepared subgrade material.

#### 6.8 Seismic Issues

Based on the 2012 British Columbia Building Code, Division B, Part 4, Table 4.1.8.4.A, "Site Classification for Seismic Site Response," the soils and strata encountered during the subsurface investigation would be "Site Class C" (Very Dense Soil or Soft Rock) provided the recommendations in this report are followed.

#### 6.9 Landslip

- a. Available topographic information indicates that the site has a variable inclination, generally decreasing in severity from south-west to north-east. Steeper gradients within the south-west portion of the subject property show no evidence of instability. In addition, subsurface soils are considered to be competent, consisting of a veneer of compact sand overlying igneous bedrock. We conclude that existing slopes consist primarily of intact bedrock and therefore would be considered stable and also not be subject to liquefaction under design seismic loading.
- b. Landslides can also occur due to human activity or by failure of infrastructure (water lines, storm water lines, sewer, retaining wall, etc.). Concentration of water discharge can lead to

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localized erosion, earth movement or slope failure. A break in a water line upslope of a proposed residence could induce a failure of the slope. Should such a failure occur, it would likely be localized in nature, but could affect multiple lots both adjacent and below the failure. Infrastructure should be maintained (by the Town and future lot owners) to prevent leakage which could lead to failure of slopes.

- c. The topography and soils conditions found at the subject site do not indicate any significant risk of a landslip hazard to proposed structures, on a "single lot" scale, as defined by the APEGBC Guidelines. See Landslide Assessment Assurance Statement (see attached Appendix D).

#### **6.10 Permanent Dewatering**

Conventional requirements of the 2012 British Columbia Building Code pertaining to building drainage are considered suitable at this site.

#### **6.11 On Site Infiltration and Stormwater Disposal**

- a. In general, subgrade soil conditions consist of a thin layer of alluvium, underlain by igneous bedrock.
- b. Based on the subgrade soil conditions encountered during the test pitting investigation, it is the opinion of LEA that site conditions (bedrock) are not conducive to the installation of an on-site stormwater infiltration medium.
- c. Site conditions are considered suitable for the installation of storm water detention measures. Typical BCBC standards require a minimum horizontal separation of 5.0m from any building foundations. Provided any detention measures (rock pits or similar) are provided with a positive overflow connection to underground storm sewer servicing, the minimum horizontal setback may be reduced to 3.0m.

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#### 6.12 Lateral Earth Pressures

- a. We understand that the proposed development may include the construction of pour-in-place concrete retaining walls, and that the total heights and overall scope of walls to be constructed has yet to be determined. Below are typical lateral earth pressures for conventional pour-in-place concrete retaining walls. If other types of retaining wall structures are being considered, please contact a geotechnical engineer for additional design information.
- b. Lateral earth pressure coefficients (K) for the design of the foundation walls are outlined in Table 1. It is assumed that there will be no additional surcharge on the slope. A back slope of 25° has been used in these calculations because of geometric limitations inherent to the equations. It should be noted that the methods employed are estimates and further analysis may be required after dimensions of the proposed structure have been determined.
- c. An average soil friction angle of 36 degrees has been used to calculate the lateral earth pressure coefficients. It is assumed that retained soils are well compacted, cohesionless sands and gravels, with a unit weight of 21 kN/m<sup>3</sup>.
- d. The Mononobe-Okabe (M-O) Method has been used to calculate the active seismic lateral earth pressure coefficients. The static active lateral earth pressure has been calculated using Coulomb's theory. The results for the passive earth pressures have been calculated using Rankine theory.
- e. The seismic thrust coefficient provides a value that combines both dynamic and static forces. Seismic forces used reflect values from the 2015 National Building Code interpolated seismic hazard values for the Nanaimo area which are 0.44 Peak Ground Acceleration (PGA) (2% in 50year probability) and 0.22 PGA (10% in 50year probability).

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- f. The total thrust for the static case acts through a point that is approximately  $H/3$  above the toe of the wall. The dynamic component of the seismic thrust acts through a point at approximately  $0.6H$  above the toe of the wall.

Table 1 Lateral Earth Pressure Coefficients (ULS)

Lateral Earth Pressure Condition	Earth Pressure Coefficient (K)	
Static Passive	$K_p$	2.66
Static Active	$K_A$	0.34
Seismic Active	$K_{SE}$	0.53

The total thrust resulting from lateral earth pressures under each of the conditions outlined in Table 1 may be calculated using the following relationship:

$$P = 0.5 K \gamma H^2$$

Where:  $P$  = total thrust (kN/m length of wall)

$K$  = Earth Pressure Coefficient

$\gamma$  = Soil Unit Weight (kN/m<sup>3</sup>)

$H$  = Height of Wall (m)

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## **7. GEOTECHNICAL ASSURANCE AND QUALITY ASSURANCE**

The 2012 British Columbia Building Code requires that a geotechnical engineer be retained to provide Geotechnical Assurance services for the construction of buildings. Geotechnical Assurance services include review of the geotechnical components of the plans and supporting documents, and responsibility for field reviews of these components during construction.

## **8. ACKNOWLEDGEMENTS**

Lewkowich Engineering Associates Ltd. acknowledges that this report may be requested by the Building Inspector (or equivalent) of the Town of Ladysmith as a precondition to the issuance of a building permit. It is acknowledged that the Approving Officers and Building Officials may rely on this report when making a decision on application for development of the land. We acknowledge that this report has been prepared solely for, and at the expense of PGO Developments. We have not acted for or as an agent of the Town of Ladysmith in the preparation of this report.

## **9. LIMITATIONS**

The conclusions and recommendations submitted in this report are based upon the data obtained from a limited visual reconnaissance of the property. The nature and extent of variations between these explorations may not become evident until construction or further investigation. The recommendations given are based on the subsurface soil conditions encountered on properties directly adjacent to the subject property and in the immediate area, current construction techniques, and generally accepted engineering practices. No other warranty, expressed or implied, is made. Due to the geological randomness of many soil formations, no interpolation of soil conditions has been made or implied. If unanticipated soils are encountered, unanticipated conditions become known during construction or other information pertinent to the structures become available, the recommendations may be altered or modified in writing by the undersigned.

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#### 10. CLOSURE

Lewkowich Engineering Associates Ltd. appreciates the opportunity to be of service on this project. If you have any comments, or additional requirements at this time, please contact us at your convenience.

Respectfully Submitted,  
**Lewkowich Engineering Associates Ltd.**

A handwritten signature in black ink, appearing to read 'John Hessels', written over a light blue grid background.

John Hessels, ASCT  
Senior Technologist



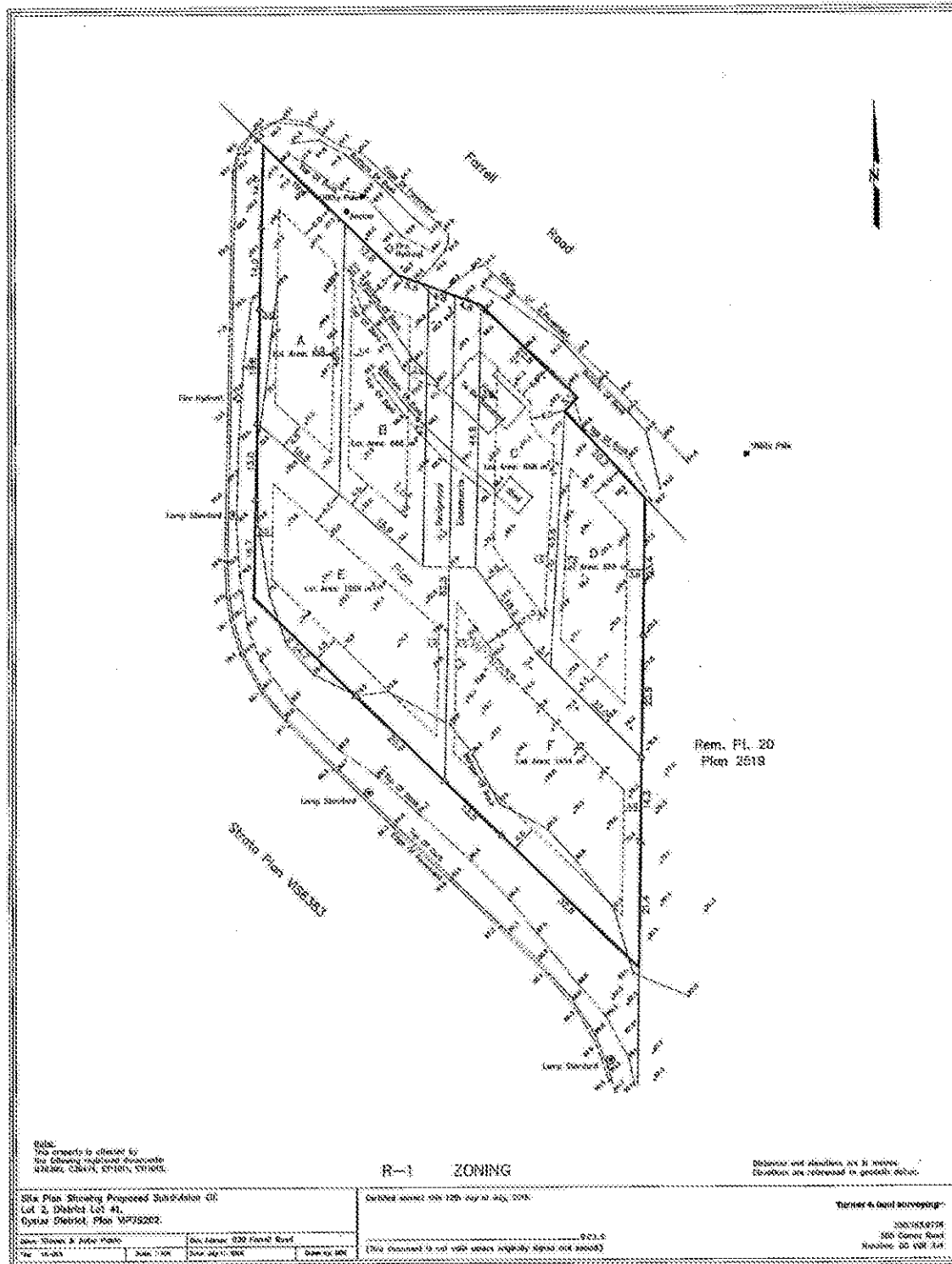
Chris Huder, M.A.Sc., P.Eng.  
Senior Project Engineer

#### Attachments:

Site Plan of Proposed Subdivision by Turner Land Surveying, Dated July 12, 2016

Appendix "D" Steep Slope Assurance Statement

**Lewkowich Engineering Associates Ltd.**



## APPENDIX D: LANDSLIDE ASSESSMENT ASSURANCE STATEMENT

**Note:** This Statement is to be read and completed in conjunction with the "APEGBC Guidelines for Legislated Landslide Assessments for Proposed Residential Development in British Columbia", March 2006/Revised September 2008 ("APEGBC Guidelines") and the "2008 BC Building Code (BCBC 2008)" and is to be provided for landslide assessments (not floods or flood controls) for the purposes of the Land Title Act, Community Charter or the Local Government Act. Boldized words are defined in the APEGBC Guidelines.

To: The Approving Authority

Date: December 16, 2016 File: F4002

Town of Ladysmith

410 Esplanade, PO Box 220, Ladysmith, BC, V9G 1A2

Jurisdiction and address

With reference to (check one):

- ☒ Land Title Act (Section 86) -- Subdivision Approval
- ☐ Local Government Act (Sections 919.1 and 920) -- Development Permit
- ☐ Community Charter (Section 58) -- Building Permit
- ☐ Local Government Act (Section 910) -- Flood Plain Bylaw Variance
- ☐ Local Government Act (Section 910) -- Flood Plain Bylaw Exemption
- ☐ British Columbia Building Code 2008 sentences 4.1.5.16 (8) and 9.4.4.4.(2) (Refer to BC Building and Safety Policy Branch Information Bulletin B10-01 issued January 18, 2010)

For the Property:

Lot 2, District Lot 41, Oyster District, Plan V1175202, 635 Parcel Road

Legal description and old address of the Property

The undersigned hereby gives assurance that he/she is a **Qualified Professional** and is a **Professional Engineer or Professional Geoscientist**.

I have signed, sealed and dated, and thereby certified, the attached *landslide assessment* report on the Property in accordance with the APEGBC Guidelines. That report must be read in conjunction with this Statement. In preparing that report I have:

Check to the left of applicable items

- ☒ 1. Collected and reviewed appropriate background information
- ☒ 2. Reviewed the proposed *residential development* on the Property
- ☒ 3. Conducted field work on and, if required, beyond the Property
- ☒ 4. Reported on the results of the field work on and, if required, beyond the Property
- ☒ 5. Considered any changed conditions on and, if required, beyond the Property
- 6. For a *landslide hazard analysis* or *landslide risk analysis* I have:
  - ☒ 6.1 reviewed and characterized, if appropriate, any *landslide* that may affect the Property
  - ☒ 6.2 estimated the *landslide hazard*
  - ☒ 6.3 identified existing and anticipated future *elements at risk* on and, if required, beyond the Property
  - ☒ 6.4 estimated the potential consequences to those *elements at risk*
- 7. Where the Approving Authority has adopted a *level of landslide safety* I have:
  - ☐ 7.1 compared the *level of landslide safety* adopted by the Approving Authority with the findings of my investigation
  - ☐ 7.2 made a finding on the *level of landslide safety* on the Property based on the comparison
  - ☐ 7.3 made recommendations to reduce *landslide hazards* and/or *landslide risks*
- 8. Where the Approving Authority has not adopted a *level of landslide safety* I have:

APEGBC - Revised May 2010

Guidelines for Legislated Landslide Assessments  
for Proposed Residential Development in British Columbia 55

- ☒ 8.1 described the method of *landslide hazard analysis* or *landslide risk analysis* used
- ☒ 8.2 referred to an appropriate and identified provincial, national or international guideline for *level of landslide safety*.
- ☒ 8.3 compared this guideline with the findings of my investigation
- ☒ 8.4 made a finding on the *level of landslide safety* on the Property based on the comparison
- ☒ 8.5 made recommendations to reduce *landslide hazards* and/or *landslide risks*
- ☒ 9. Reported on the requirements for future inspections of the Property and recommended who should conduct those inspections.

Based on my comparison between

Check one

- ☐ the findings from the investigation and the adopted *level of landslide safety* (Item 7.2 above)
- ☒ the appropriate and identified provincial, national or international guideline for *level of landslide safety* (Item 8.4 above)

I hereby give my assurance that, based on the conditions<sup>83</sup> contained in the attached *landslide assessment* report,

Check one

- ☒ for *subdivision approval*, as required by the Land Title Act (Section 86), "that the land may be used safely for the use intended"

Check one

- ☐ with one or more recommended registered covenants.
- ☒ without any registered covenant.

- ☐ for a *development permit*, as required by the Local Government Act (Sections 919.1 and 920), my report will "assist the local government in determining what conditions or requirements under [Section 920] subsection (7.1) it will impose in the permit".

- ☐ for a *building permit*, as required by the Community Charter (Section 58), "the land may be used safely for the use intended"

Check one

- ☐ with one or more recommended registered covenants.
- ☐ without any registered covenant.

- ☐ for flood plain bylaw variance, as required by the "Flood Hazard Area Land Use Management Guidelines" associated with the Local Government Act (Section 910), "the development may occur safely".

- ☐ for flood plain bylaw exemption, as required by the Local Government Act (Section 910), "the land may be used safely for the use intended".

Chris Hudon, M.A.Sc., P.Eng.

Name (print)

Signature

December 16, 2016

Date

<sup>83</sup> When seismic slope stability assessments are involved, *level of landslide safety* is considered to be a "life safety" criteria as described in the National Building Code of Canada (NBCC 2005), Commentary on Design for Seismic Effects in the User's Guide, Structural Commentaries, Part 4 of Division B. This states:

"The primary objective of seismic design is to provide an acceptable level of safety for building occupants and the general public as the building responds to strong ground motion; in other words, to minimize loss of life. This implies that, although there will likely be extensive structural and non-structural damage, during the EGM (design ground motion), there is a reasonable degree of confidence that the building will not collapse nor will its attachments break off and fall on people near the building. This performance level is termed 'extensive damage' because, although the structure may be heavily damaged and may have lost a substantial amount of its initial strength and stiffness, it retains some margin of resistance against collapse."



2569 Kenworth Road, Nanaimo, BC, V9T 3M4

Address

250 756 0355

Telephone



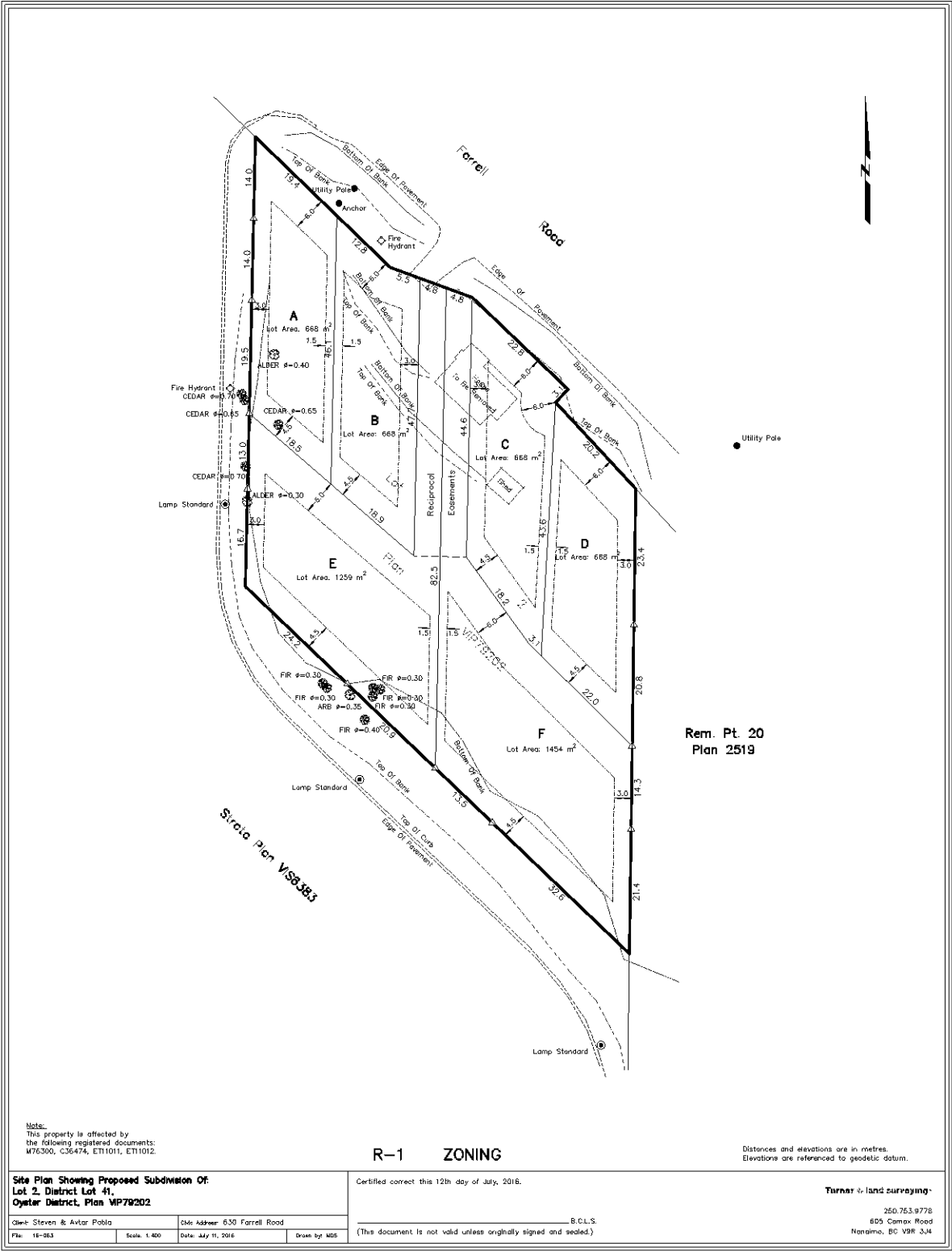
If the *Qualified Professional* is a member of a firm, complete the following.

I am a member of the firm Lewis & Clark Engineering Associates Ltd.

and I sign this letter on behalf of the firm.

(Print name of firm)

SCHEDULE C





# MINUTES

## Community Planning Advisory Committee

Wednesday, March 3, 2021 at 7:00 p.m.  
via Zoom

**PRESENT:** Chair – Jason Harrison; Members – Abbas Farahbakhsh, Brian Childs, Steve Frankel, Tamara Hutchinson; Council Liaison – Tricia McKay; Director of Development Services – Jake Belobaba; Senior Planner & Recorder – Christina Hovey; Planner – Julie Thompson

**ABSENT:** Members – Jennifer Sibbald, Tony Beckett,

**GUESTS:** Applicants – Shane Seifried (File No. 3360-20-08); Kris Kennedy (File No. 3360-20-08); Donna Hais (File No. 3360-20-09); Angela Quek (File No. 3360-20-09)

The meeting was called to order at 7:05 p.m., the Chair acknowledged with gratitude that the meeting was taking place on the traditional territories of the Stz'uminus People.

### 1. AGENDA APPROVAL

It was moved, seconded and carried that an update from staff on “Building Schemes and Building Design Guidelines” be added to the agenda as New Business.

It was moved, seconded and carried that the Agenda of March 3, 2021 be approved as amended.

### 2. ADOPTION OF MINUTES

It was moved, seconded and carried that the Minutes of February 3, 2021 be approved.

### 3. COUNCIL REFERRALS

#### a. Official Community Plan & Zoning Bylaw Amendment application 3360-20-08 – 10864 Westdowne Road

Staff (Julie Thompson) provided a brief introduction to the file. CPAC members asked questions of staff and the applicant relating to rehabilitation of the riparian area, stormwater management, past and potential contamination of the riparian area/groundwater, and the appearance of the property from the Trans-Canada Highway.

It was moved, seconded and carried that the Community Planning Advisory Committee (CPAC) supports in principle Zoning Bylaw Amendment application 3360-20-08 provided that the riparian area remediation is completed in accordance with the Environmental Impact Assessment (Aquaparian Environmental Consulting, February 8, 2021) submitted by the applicant. CPAC recommends that Council consider the following items:

- a. Best practices for developments adjacent to riparian areas, including preventing silt from entering the creek;
- b. Requiring impervious paving and an oil/water separator for the area where vehicles are proposed to be parked and stored;
- c. Requiring landscaping or screening along the road frontage.

**b. Official Community Plan & Zoning Bylaw Amendment application  
3360-20-09 – 336 Belaire Street**

Staff (Christina Hovey) provided a brief introduction to the file. Donna Hais and Angela Quek gave a brief presentation including a video showing a 3D visualization of the proposed building. CPAC members asked questions of staff and the applicant relating to the community reaction to the current and previous zoning applications on the property, stormwater management, shadowing and overlook of neighbouring buildings, and street frontage considerations relating to streetlights and sidewalks.

It was moved, seconded and carried that the Community Planning Advisory Committee recommend to Council that the rezoning proceed and recommend that Council ensure that all public safety concerns be considered.

**4. NEW BUSINESS**

**a. Council Committee Structure**

Councillor McKay provided some background information on the previous and existing Council Advisory Committee Structure including information about two studies commissioned by Council (the Development Application Review Project and the Commission and Committee Review).

CPAC members discussed the process for how the Committee receives feedback on the projects they review. Staff committed to providing updates on files through the “monthly briefing”.

**b. Building Schemes and Building Design Guidelines**

It was moved, seconded and carried that this item be referred to the next meeting of the Community Planning Advisory Committee.

**5. MONTHLY BRIEFING**  
None.

**6. NEXT MEETING – TBD**

**7. ADJOURNMENT**

It was moved, seconded and carried that the meeting be adjourned at 9:12 p.m.

---

Chair (J. Harrison)

RECEIVED:

---

Corporate Officer (D. Smith)

STAFF REPORT TO COUNCIL

**Report Prepared By:** Erin Anderson, Director of Financial Services  
**Meeting Date:** April 20, 2021  
**File No:**  
**RE:** **Distribution of 2021 Property Taxes**

**RECOMMENDATION:**

That Council direct staff to:

1. Prepare the 2021 Financial Plan and Tax Rates Bylaws based on Option #3 of the Director of Financial Services report dated April 20, 2021, of allocating a 0.52% increase and phasing in a Class 5 rate with Class 1 absorbing the difference; and
2. Prepare the 2021 Property Tax Rates bylaw based on the "Alternative Municipal Tax Collection Scheme" with a due date of July 2, 2021 and a 2% penalty on outstanding current taxes and unclaimed home owner grants as of the end of day on July 2, 2021 and a further 8% penalty on balances outstanding as of the end of day on September 15, 2021.

**EXECUTIVE SUMMARY:**

In order to prepare the Financial Plan Bylaw, Council must determine how the revenue from property taxation is allocated across the property classes.

Below is a summary of the options presented in this report:

	<b>2020</b>	Option #1	Option #2	Option #3	Option #4
1 Residential	72.85%	72.83%	72.87%	73.01%	72.91%
2 Utilities	0.53%	0.55%	0.54%	0.54%	0.54%
3 Supportive Housing	0.00%	0.00%	0.00%	0.00%	0.00%
4 Major Industry	11.84%	11.84%	11.82%	11.83%	11.80%
5 Light Industry	0.71%	0.71%	1.01%	0.86%	1.01%
6 Business/Other	13.81%	13.81%	13.51%	13.51%	13.48%
7 Managed Forest	0.00%	0.00%	0.00%	0.00%	0.00%
8 Rec/Non-Profit	0.25%	0.25%	0.24%	0.24%	0.25%
9 Farm Land	0.01%	0.01%	0.01%	0.01%	0.01%

**PREVIOUS COUNCIL DIRECTION:****From the 2020 – 2024 Financial Plan –  
Statement of Objectives and Policies*****Distribution of Property Tax Rates***

Table 2 outlines the distribution of property taxes among the property classes. The residential property class provides the largest proportion of property tax revenue. This is appropriate as this class also forms the largest portion of the assessment base and consumes the majority of Town services.

***Objectives***

- The amount of taxes to be collected from each of the classes will be reviewed each year.

***Policies***

- Supplement, where possible, revenues from user fees and charges to help to offset the burden on the entire property tax base.
- Continue to maintain and encourage economic development initiatives designed to attract more light industry, retail and commercial businesses to invest in the community. Align the distribution of tax rates among the property classes with the social and economic goals of the community, particularly to encourage economic and environmental sustainability opportunities.
- Regularly review and compare the Town's distributions of tax burden relative to other municipalities in British Columbia.

**Table 2: Distribution of 2020 Property Tax Rates**

	<b>2020</b>
<b>Property Class</b>	<b>% of Total Property Taxation</b>
Residential (1)	72.85%
Utilities (2)	0.53%
Supportive Housing (3)	0.00%
Major Industry (4)	11.84%
Light Industry (5)	0.71%
Business and Other (6)	13.81%
Managed Forest Land (7)	0.00%
Recreation/Non-profit (8)	0.25%
Farmland (9)	0.01%
<b>Total</b>	<b>100%</b>

**INTRODUCTION/BACKGROUND:**

Budget discussions occurred in November and December of 2020. Council confirmed the amounts to be included in the 2021-2025 Financial Plan Bylaw for a total of \$9,346,450 (Municipal \$7,565,288, Police \$1,355,338 and Library \$425,824). This is a budget increase of 2.13% though when Non Market Change (NMC) is factored in as well as adjustments due to supplementary assessment changes, the budget increase is 0.52%. This includes the changes in the Library Tax which saw a decrease of \$3,705, an increase of \$39,375 for policing and an

increase of \$158,873 in municipal taxation. This report discusses options to allocate the \$9,346,450 across the property classes.

BC Assessment determines the property class and the assessed value; the municipality applies a rate to the classes. For 2021, there are a few changes to the number of properties and the number of occurrences within each class<sup>1</sup>. As expected, the Residential Class is the largest in number of occurrences and in assessment valuation.

Some other notable differences are:

- 1 additional Light Industry property (class 5)
- 1 additional Recreation/Non-Profit property (class 8)
- 1 additional Farm Class (class 9)
- 76 additional Residential (class 1) properties, of which 39 are vacant residential, 31 Single Family Residential, 5 Residential Strata and 1 Residential Farm.

The term “occurrences” does not always mean “properties”. For example, many of the buildings along 1<sup>st</sup> Avenue are considered one property though they contain one commercial occurrence and one residential occurrence.

The Business/Other Class (class 6) experienced a drop in assessed values and Light Industry experienced a large assessment change. Changes in the Assessment Roll from one year to another may affect the individual properties within a property class significantly. When there is a reduction in the assessment class, other properties within that class may pay more to make up the difference. All properties within the same class will be levied the same rate against their assessment.

A summary of the changes in Assessed Value is below. Please note NMC = Non Market Change.

Property Class	2020 Cycle 13	2021 Revised	2021 NMC	% NMC	% Market	% change
1 Residential	1,684,197,301	1,805,729,101	29,026,700	1.73%	5.49%	7.22%
2 Utilities	1,653,100	1,685,200	-30,900	-1.87%	3.81%	1.94%
3 Supportive Housing	0	-	-			
4 Major Industry	10,727,800	11,679,700	171,000	1.59%	7.28%	8.87%
5 Light Industry	4,456,200	6,831,100	2,108,000	47.30%	5.99%	53.29%
6 Business/Other	106,687,100	105,142,650	-425,800	-0.40%	-1.05%	-1.45%
7 Managed Forest Land	7,100	7,600	600	8.45%	-1.41%	7.04%
8 Rec/Non-Profit	10,036,000	10,528,000	-	0.00%	4.90%	4.90%
9 Farm Land	24,480	30,048	5,568	22.75%	0.00%	22.75%

Source: BC Assessment NMC Roll Comparison by Property Class, 2021 Net General Taxable Values – printed 29/Mar/2021

<sup>1</sup> BC Assessment 2021 Roll Totals – Amalgamation Report, Revised Roll, printed 29/Mar/2021.

There are 4 options presented to allocate \$9,346,450:

Option #1 – same percentage as 2020

Option #2 – all classes allocated 0.52% after non-market change

Option #3 – phased-in increase to Class 5

Option #4 – half the increase of residential class to Class 4, 5 & 6

Following each option presented is the impact to an average single-family residential property with an assessed value of \$476,000 in 2021, up approximately 5.5% in market value over 2020 as well as a median non-exempt commercial property valued at \$384,000 in 2021, down approximately 1.27% from \$388,940 over 2020 values. Where necessary, the Residential Class absorbs any shifting to be consistent with BC Reg 329/96<sup>2</sup>.

#### **Option #1 – same percentage as 2020**

If each property class were levied the same percentage of the property taxes as they were in 2020, the levies would be:

Class	2021 Levy \$	2021 Levy %	Multiple
1 Residential	6,806,705	72.83%	1.00
2 Utilities	51,719	0.55%	8.14
3 Supportive Housing	0	0.00%	0.00
4 Major Industry	1,106,620	11.84%	25.14
5 Light Industry	66,360	0.71%	2.58
6 Business/Other	1,290,745	13.81%	3.26
7 Managed Forest Land	0	0.00%	0.00
8 Rec/Non-Profit	23,366	0.25%	0.59
9 Farm Land	935	0.01%	8.25

Impact:

	Dollar	%
Average SFD	8.21	0.46%
Median Class 6	117.02	2.55%

This option does not take into consideration growth within the property class (Non Market Change), though the property class as a whole will pay the same proportion as it did on 2020.

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<sup>2</sup> BC Reg 329/96 within the Community Charter states that Class 2 Utilities tax levy not exceed the greater of \$40 for each \$1,000 and not to exceed 2.5 times the Class 6 Business/Other Rate.



**Option #2 – allocate 0.52% to all classes after non-market change**

Taking growth into consideration and then allocating the difference based on the same percentage, the following tax rates would be:

Class	2021 Levy \$	2021 Levy %	Multiple
1 Residential	6,809,361	72.87%	1.00
2 Utilities	50,578	0.54%	7.96
3 Supportive Housing	0	0.00%	0.00
4 Major Industry	1,105,192	11.82%	25.09
5 Light Industry	94,861	1.01%	3.68
6 Business/Other	1,262,276	13.51%	3.18
7 Managed Forest Land	225	0.00%	7.85
8 Rec/Non-Profit	22,882	0.24%	0.58
9 Farm Land	1,075	0.01%	9.49

Impact:

	Dollar	%
Average SFD	8.93	0.50%
Median Class 6	13.07	0.28%

This option allocates the same amount to each class after growth. Specific properties within one class that experienced a large assessment increase will also experience a large tax increase.

**Option #3 – Phased-in increase to Class 5**

As one property within the Class 5 – Light Industry Class experienced an assessment increase from \$952k to \$1,903k and another property was removed from Class 6 and added to Class 5, Council could choose to lessen the increase for Class 5 by phasing in the inevitable increase. This direction is supported in Council's current policy of: "Continue to maintain and encourage economic development initiatives designed to attract more light industry, retail and commercial business to invest in the community".

In 2020, Class 5 paid 0.71% of the general taxes. In many of the scenarios presented, the Class 5 could be paying ~1.01% of the general taxes. A phased in approach of allocating 0.86% for 2021 for Class 5 (and full amount in 2022) could be a compromise with the Residential class absorbing the difference.

Class	2021 Levy \$	2021 Levy %	Multiple
1 Residential	6,823,759	73.01%	1.00
2 Utilities	50,580	0.54%	7.96
3 Supportive Housing	0	0.00%	0.00
4 Major Industry	1,105,235	11.83%	25.09
5 Light Industry	80,364	0.86%	3.12
6 Business/Other	1,262,326	13.51%	3.18
7 Managed Forest Land	226	0.00%	7.88
8 Rec/Non-Profit	22,883	0.24%	0.58
9 Farm Land	1,075	0.01%	9.48

Impact:

	Dollar	%
Average SFD	12.68	0.71%
Median Class 6	13.52	0.29%

#### **Option #4 – Classes 4, 5 & 6 increased at half of the Residential rate**

A change in policy of shifting the tax burden from the industry and business classes to the residential class would look like:

Class	2021 Levy \$	2021 Levy %	Multiple
1 Residential	6,814,810	72.91%	1.00
2 Utilities	50,468	0.54%	7.94
3 Supportive Housing	0	0.00%	0.00
4 Major Industry	1,102,787	11.80%	25.02
5 Light Industry	94,655	1.01%	3.67
6 Business/Other	1,259,530	13.48%	3.17
7 Managed Forest Land	225	0.00%	7.84
8 Rec/Non-Profit	22,900	0.25%	0.58
9 Farm Land	1,075	0.01%	9.48

Impact:

	Dollar	%
Average SFD	10.32	0.58%
Median Class 6	3.31	0.07%

These scenarios are provided to determine how the amounts are allocated across the classes in accordance with the Financial Plan Bylaw requirements. The actual tax rate bylaw will be produced once the distribution is determined.

#### **Property Tax Due Date**

The *Community Charter* states that property taxes are due July 2<sup>nd</sup> for the general tax collection scheme<sup>3</sup>. Council can choose an alternative due date<sup>4</sup> and alternative penalty date(s). In 2020, Council approved a due date of July 2<sup>nd</sup> and a penalty date of October 1<sup>st</sup> (balance as of September 30<sup>th</sup>). These dates aligned with the Province's extended due date for all classes other than residential and the option to defer the tax sale. The Province has not extended any penalty dates for 2021.

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<sup>3</sup> Community Charter s.234(1)

<sup>4</sup> Community Charter s.235

Council could:

- Keep the current deadline of July 2<sup>nd</sup> with a 10% penalty.
- Keep the current deadline of July 2<sup>nd</sup> with a 10% penalty on September 30<sup>th</sup> (same as 2020).
- Extend the deadline to September 2<sup>nd</sup> with a 10% penalty. This option will put pressures on the municipality as funds will be required to pay over to the other taxing agencies regardless if the funds are received or not.
- Mixture between the two options: Keep the deadline as July 2<sup>nd</sup> with a lower initial penalty (5%) and apply a further penalty (5%) on September 15<sup>th</sup>. The intent of this option is to encourage people to pay by the deadline but not add the full penalty if payment or Home Owner Grant is not received by July 2<sup>nd</sup>. The September 15<sup>th</sup> date is also before the Tax Sale legislated date of September 27, 2021.

A further consideration for 2021 is the Province's change to the Home Owner Grant program. Starting in May, eligible property owners must apply directly to the Province for their Home Owner Grant. Municipalities can no longer accept the Home Owner Grant application. In 2020, some property owners who did not make payment or claim their grant by September 30<sup>th</sup> were upset that the Town did not notify them prior to applying the penalty. By splitting the tax penalty into 2 amounts that still add up to the legislated 10%, the Town could notify property owners of outstanding amounts after the first due-date but before the full penalty is applied.

#### **FINANCIAL IMPLICATIONS:**

As discussed throughout this report.

The table below shows the budget changes for other agencies that the Town collects property taxes on their behalf.

	2020	2021	Change \$	Change (%)
CVRD	1,580,343.19	1,651,188.21	70,845.02	4.5%
CVRD Hospital	1,054,034.99	1,045,605.17	-8,429.82	-0.8%
BCA	92,839.24	96,260.98	3,421.74	3.7%
MFA	407.63	433.67	26.04	6.4%
Library	429,662	425,824	(3,688)	-0.86%

School Tax is unknown at this time.

Penalty revenue is used to reduce taxation, hence any reduction in penalties could increase taxation. Historically:

Year	Budget	Actuals
2020	82,500	64,338
2019	82,500	75,612
2018	82,500	81,981
2017	84,000	83,331

The budget for 2021 penalty revenue is \$75,600.

#### **LEGAL IMPLICATIONS:**

The *Community Charter* s.165 requires the Financial Plan. One of the requirements is setting the Objectives and Policies of the municipality. These include:

- Total Revenue from each funding source
- Distribution of property value taxes among the property classes
- Use of Permissive Tax Exemptions

#### **CITIZEN/PUBLIC RELATIONS IMPLICATIONS:**

Property owners are often interested in the amount of property taxes they are charged as well as how it is allocated to other property classes.

#### **INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:**

Property taxes fund much of the Town's operations.

#### **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 type="checkbox"/> Healthy Community           | <input checked="" type="checkbox"/> Local, Diverse Economy |
| <input type="checkbox"/> Not Applicable              |  |

#### **ALIGNMENT WITH STRATEGIC PRIORITIES:**

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

***I approve the report and recommendation(s).***

**Allison McCarrick, Chief Administrative Officer**

**BYLAW STATUS SHEET**  
**April 20, 2021**

		<b>Status</b>
2060	Official Community Plan Bylaw 2003, No. 1488, Amendment Bylaw (No. 63) 2021, No. 2060 (670 Farrell Road)	First and second readings, March 16, 2021. Public hearing, and third reading April 6, 2021.
2061	Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 33) 2021, No. 2061 (670 Farrell Road)	First and second readings, March 16, 2021. Public hearing and third reading April 6, 2021. MOT approval required prior to adoption.
2062	Official Community Plan Bylaw 2003, No. 1488, Amendment Bylaw (No. 64) 2021, No. 2062 (201 and 203 Dogwood Drive)	First and second readings March 2, 2021. Public hearing and third reading April 6, 2021.
2063	Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 34) 2021, No. 2063 (201and 203 Dogwood Drive)	First and second readings, March 2, 2021. Public hearing and third reading April 6, 2021. MOT approval required prior to adoption.
2066	Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 36) 2021, No. 2066 (336 Belaire Street)	First and second readings March 16, 2021. Public hearing scheduled for April 20, 2021. MOT approval required prior to adoption.
2070	Official Community Plan Bylaw 2003, No. 1488, Amendment Bylaw (No. 66) 2021, No. 2070 (Text amendments re:Mulit-Unit Residential DPA)	First and second readings March 16, 2021. Public hearing scheduled for April 20, 2021. Referred to Stz'uminus First Nation and to School District 68.

March 29, 2021

Dear Mayor and Council,

**RE: Moratorium on recreational wolf hunting on Vancouver Island**

On behalf of Coexisting with Carnivores Alliance (CwCA) and the Wild Wise Society, we are writing to express concern regarding the recreational hunting of wolves on Vancouver Island.

CwCA is a non-profit organization that promotes coexistence between people, bears, cougars and wolves on southern Vancouver Island. The Wild Wise Society is a wildlife educational program designed to reduce human-wildlife conflicts in various communities. Both organizations work closely with the Conservation Officer service, provincial government staff and local wildlife officers to teach people the tools needed to coexist so that we can share the landscape.

As a part of this work, we are concerned for the survival of the subspecies of Grey Wolf (*canis lupus nublus*) that live on Vancouver Island. In British Columbia wolves are killed by legal recreational hunting and trapping - the largest source of mortality for wolves. In many cases in BC, there is no limit to the number of wolves that can be killed daily. Wolves play an important ecological role as apex predators. They provide food to other species who scavenge on their kills, cycle nutrients through the environment and regulate populations of deer and elk leading to greater biodiversity and balance of the natural ecosystem. Healthy wolf populations support intact, functional and biodiverse ecosystems. We believe that it is possible for humans to coexist with wolves in a way that is beneficial to both species as well as the ecosystem. This would require a better understanding of wolves and their interactions with their habitat and with humans.

At present, there is very little information available regarding the population of wolves on Vancouver Island, and how the recreational hunting of such species affects the long-term survival of the species and their habitat. Without science-driven decision making there is concern that wolf numbers may drop significantly under current regulations, as experienced on Vancouver Island between 1950s and 1970s.

The District of Oak Bay has put forward a Motion to AVICC as follows:

*“Whereas the public and wildlife conservation organizations are concerned about provincial regulations for recreational wolf hunting practices on Vancouver Island, and believe that these practices should be re-examined for scientific and ethical reasons;*

*And whereas very little scientific evidence exists about the size of Vancouver Island’s wolf population or the sustainability of impacts of unrestricted harvesting levels on the Island’s biodiversity related to habitats and wildlife ecology, especially at the regional level:*

*Therefore, be it resolved that AVICC and UBCM request the provincial government to implement a moratorium on recreational wolf hunting on Vancouver Island, pending the completion of a scientific, data-driven and evidence-based study that includes consultation with*

*the Island's Indigenous communities, to re-examine the efficacy of unrestricted wolf harvesting practices and their impacts on the Island's bio-diversity, wildlife ecology and sustainability of the resident wolf population. ”*

The District of Sooke has provided a letter of support to this Motion (see attached). We request a letter from you to Minister Conroy and the AVICC in support of the Resolution by Oak Bay prior to the AVICC AGM on May 28, 2021. Please feel free to contact us at [coexcarnivores@gmail.com](mailto:coexcarnivores@gmail.com) for any further information.

Thank you for your consideration of this matter.

Sincerely,

Nitya Harris  
Chair, Coexisting with Carnivores Alliance  
[coexcarnivores.org](http://coexcarnivores.org)

Samantha Webb, BSc, RVT, WR  
Wild Wise President  
[wildwise123@gmail.com](mailto:wildwise123@gmail.com)



File No 0400-01

March 8, 2021

Attention: Minister Katrine Conroy  
BC Ministry of Forests, Lands, Natural Resource Operations and Rural Development  
Via email: [FLNR.Minister@gov.bc.ca](mailto:FLNR.Minister@gov.bc.ca)

**Re: Moratorium on Recreational Wolf Hunting on Vancouver Island**

Dear Minister Conroy,

I am writing today regarding the District of Oak Bay's Feb. 22 resolution asking the memberships of the Association of Vancouver Island and Coastal Communities and the Union of BC Municipalities to request that the Province of BC *"implement a moratorium on recreational wolf hunting on Vancouver Island, pending completion of a scientific, data-driven and evidence-based study that includes consultation with the Island's Indigenous communities, to re-examine the efficacy of unrestricted wolf harvesting practices and their impacts on the Island's biodiversity, wildlife ecology and sustainability of the resident wolf population."*

I am contacting you directly to express my support for this resolution while also sharing some of the outrage expressed within the District of Sooke at last month's news that a Victoria big-game hunter was planning to "trap and kill an entire pack" in the Sooke Hills, according to a report that first appeared in the *Globe and Mail*.

Premier Horgan was duly concerned about this when he first learned of it at a press conference on Feb. 10. And many of us in Sooke were sickened by this callous threat, especially given how all levels of government and many NGOs are working so hard, effectively and strategically to protect wildlife and habitat.

We in Sooke are certainly encouraged to learn of your willingness to consult with the BC Wildlife Federation and the BC Trappers Association to "close the loopholes" in hunting legislation that allows the kind of behaviour illustrated by this regrettable situation. This said, a moratorium on hunting and trapping on Vancouver Island is urgent and essential until we learn more about the island's wolf population.

The Sooke organization Project HOWL (Help Our Wolves Live), founded by local teenagers Finn and Chloe Unger, has reported that no less than nine packs of the genetically distinct Vancouver Island "sea wolf" (*Canis lupis crassodon*) roam the Sooke Hills. The Ungers have documented the role of these remarkable wild creatures in creating a balanced ecosystem -- "if we let them," they add.

The Wild Wise Sooke Society, which receives annual funding from the District of Sooke, has been delivering public education campaigns focused on bears, cougars and other local wildlife, wolves included. Its new "Living with Wolves" working group is a collaboration with Coexisting With Carnivores' Nitya Harris and will involve 20 dedicated volunteers. "We are hoping to not only spread education on the importance of wolves as a keystone species but also encourage



others to support the moratorium on wolf hunting on the island," writes Wild Wise Sooke coordinator Sam Webb. The group intends to consult with First Nations and the BC-SPCA in moving ahead.

Sadly, Ms. Webb reports that one of the Sooke region packs identified by Project HOWL has now seemingly been eradicated according to anecdotal evidence from Sooke wildlife photographer Gary Schroyen. He has been closely studying wolves in East Sooke and Metchosin, and he believes one particular pack has been destroyed with the possible exception of a last remaining member. Wild Wise intends to honour this pack by posting videos and photos on its website as inspiration to protect our Sooke wolves before it's too late.

**Given, as the Oak Bay resolution clearly states, that Vancouver Island's sea-wolves are a unique, quite small and therefore extremely vulnerable population about which little is known, I wholeheartedly support its call for a moratorium to be implemented with all due urgency.**

Sincerely,



Maja Tait  
Mayor

cc Premier John Horgan  
cc Mayor Kevin Murdoch, City of Oak Bay [mayor@oakbay.ca](mailto:mayor@oakbay.ca)  
cc Ian Morrison, President, AVICC [ian.morrison@cvrd.bc.ca](mailto:ian.morrison@cvrd.bc.ca)  
cc Brian Frenkel, President, Union of BC Municipalities [bfrenkel13@gmail.com](mailto:bfrenkel13@gmail.com)  
cc Sam Webb, Wild Wise Sooke Society [wildwise123@gmail.com](mailto:wildwise123@gmail.com)  
cc Nitya Harris, Coexisting With Carnivores [coexcarnivores@gmail.com](mailto:coexcarnivores@gmail.com)

**References:**

- Wild Wise Sooke: <https://www.wildwisesooke.com>
- Project HOWL: <https://www.facebook.com/ProjectHOWL>
- Sooke Talks ~ Finn & Chloe Unger: <https://www.youtube.com/watch/VjEDue4pODc>
- Coexisting With Carnivores: <https://coexcarnivores.org>
- *The Globe & Mail* (Feb. 12, 2021): <https://www.theglobeandmail.com/canada/british-columbia/article-bc-to-tighten-rules-for-trapping-wolves>
- *Victoria Times Colonist* (Feb. 12, 2021): <https://www.timescolonist.com/news/local/hunter-s-social-media-posts-prompt-outrage-calls-for-more-protection-for-wolves-1.24281261>



March 31, 2021

The Honourable Harry Bains  
Minister of Labour  
PO Box 9064, Stn Prov Govt  
Victoria, BC V8W 9E2

Dear Minister Bains,

On behalf of Victoria City Council, I am writing today to request favourable consideration for the below motion passed at the March 11, 2021 Council meeting:

WHEREAS the covid pandemic has exacerbated existing inequalities and its social, health, and economic impacts are particularly devastating for women and racialized communities; and

WHEREAS the tourism and hospitality industries have been drastically impacted; and

WHEREAS of the 50 000 hotel workers that were laid off in March 2020, the majority are women and people of colour; and

WHEREAS the duration of the pandemic means that recall rights require extension; and

WHEREAS there are reports of hotels in British Columbia refusing to commit to bringing workers back to their jobs when business returns; and

WHEREAS the City of City of Victoria is committed to a COVID recovery plan that takes better care of people, the environment, and the community than the systems we had before the pandemic; and

WHEREAS the City of City of Victoria recognizes hotel workers and people who work in the tourism industry as valued and valuable members of our community;

THEREFORE, BE IT RESOLVED THAT the City of City of Victoria affirms that people should not lose their livelihoods due to the pandemic; and

.../2

THAT the City of Victoria write to the Ministers of Labour and Tourism expressing our support for the right for laid off workers to return to their jobs when the pandemic eases; and

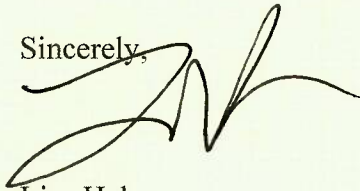
THAT this letter be forwarded to all BC municipalities asking to write their support; and

THAT the City of Victoria writes to the Association of Vancouver Island and Coastal Communities.

Though not expressly in the resolution, the intention of this motion was to write to both the Association of Vancouver Island and Coastal Communities and the Union of BC Municipalities, encouraging them to host future conferences and events in venues that respect worker rights and pay at least a living wage. A copy has been sent to both organizations.

Thank you for your time and consideration. Please do not hesitate to reach out should you have any questions regarding this letter.

Sincerely,

A handwritten signature in black ink, appearing to be 'Lisa Helps', written over the word 'Sincerely,'.

Lisa Helps  
Victoria Mayor

Cc: Honourable Melanie Mark, Minister of Tourism, Arts, Culture and Sport  
The Association of Vancouver Island and Coastal Communities (AVICC)  
The Union of British Columbia Municipalities (UBCM)



## *Centennial Celebration of the Ladysmith Agricultural Hall*

April 14, 2021

Dear Mayor Stone and Members of Ladysmith Town Council,

Re: Request for a Letter of Support for a grant application for the Federal "Building Communities Through Arts and Heritage/Community Anniversaries"

The Ladysmith Historical Society, in partnership with the Ladysmith Air Cadet Squadron, along with other community groups, stakeholders and residents, will be commemorating 100 years of the Agricultural Hall in 2022!

While it is still a way off, the Ladysmith Agricultural Hall 100 Celebration Planning Group, led by the Ladysmith Air Cadets and The Ladysmith & District Historical Society, have been gathering ideas for events and projects which capture the spirit of the Aggie Hall, as the iconic and historic centre of the social life of the Town of Ladysmith for 100 years.

While discussions continue to evolve, a few of the proposed projects include heritage interpretive signs around the exterior perimeter of the Aggie Hall (similar to the Transfer Beach installation), a commemorative book on the history of the Aggie Hall, a family dance, Air Cadets Open House, a commemorative Fall Fair, a farmers' market, a vintage farm equipment display, and more!

We are asking the Town of Ladysmith/Mayor and Council, to support, in principle, the Aggie Hall 100 Celebration, to consider waiving rental and other fees for the use of the Aggie Hall, and for a Letter of Support from Town of Ladysmith/Parks, Rec & Culture to be included in our Grant Application.

Here is a brief description of the grant, for your interest:

"Every year, all across the country, Canadians enrich local community life by organizing and participating in arts and heritage activities such as festivals, commemorative events and legacy projects.

The Government of Canada's Building Communities Through Arts and Heritage program supports local arts and heritage festivals, commemorations and legacy projects that encourage community engagement through the active involvement of volunteers, community partners, local artists, artisans, heritage specialists or performers and the local population at the event.

#### PROGRAM OBJECTIVE

To engage citizens in their local communities through performing and visual arts, as well as through the expression, celebration, and preservation of local historical heritage."

The Grant Application deadline is April 30<sup>th</sup>, 2021, so, as you can see, this is a very time timeline. A letter from you to support this application will be most gratefully received, and we thank you so much for considering our request.

Sincerely yours, on behalf of the Aggie Hall 100 Planning Committee,

Marina Sacht/Ladysmith Historical Society  
Cathy Gilroy/Royal Canadian Air Cadets Squadron 257

Ladysmith Agricultural Hall Celebration  
[Ladysmith Agricultural Hall Celebration | Facebook](#)

Contact us: [aggiehall100@yahoo.com](mailto:aggiehall100@yahoo.com)