

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

**Tuesday, April 15, 2025  
Ladysmith Seniors Centre  
630 2nd Avenue**

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**Pages**

**1. OPEN MEETING AND ACKNOWLEDGEMENT**

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

Members of the public may attend meetings in person at the Ladysmith Seniors Centre or view the livestream on YouTube:

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

**2. AGENDA APPROVAL**

Recommendation

That Council approve the agenda for this Public Hearing and Regular Meeting of Council for April 15, 2025.

**3. PUBLIC HEARING**

“Official Community Plan Bylaw 2022, No. 2200, Amendment Bylaw 2025, No. 2205”

Subject Property: The proposed amendment will affect all properties in Town where tourist accommodation is not a permitted use in the Zoning Bylaw.

**3.1 Outline of Public Hearing Process - Mayor Beeston**

**3.2 Introduction of Bylaw and Statutory Requirements - Director of Development Services**

**3.3 Submissions**

**3.4 Call for Submissions to Council (Three Times) - Mayor Beeston**

**3.5 Declaration that the Public Hearing for Bylaw No. 2205 is Closed - Mayor Beeston**

**4. BYLAWS - OFFICIAL COMMUNITY PLAN AND ZONING (SUBJECT OF THE PUBLIC HEARING)**

**4.1 "Official Community Plan Bylaw 2022, No. 2200, Amendment Bylaw 2025, No. 2205" 6**

Recommendation

That Council give third reading and adopt "Official Community Plan Bylaw 2022, No. 2200, Amendment Bylaw 2025, No. 2205."

**5. MINUTES**

**5.1 Minutes of the Regular Meeting of Council held April 1, 2025 9**

Recommendation

That Council approve the minutes of the Regular Meeting of Council held April 1, 2025.

**6. DELEGATIONS**

**6.1 MNP, Auditors for the Town 16**

Cory Vanderhorst will present the 2024 Financial Statements for the Town of Ladysmith.

Recommendation

That Council accept the 2024 Audit Findings report and the draft 2024 Financial Statements as presented by MNP, auditors for the Town of Ladysmith.

**7. PROCLAMATIONS**

**7.1 Safety and Health Week - May 5-10, 2025 72**

Mayor Beeston has proclaimed May 5-10, 2025 as "Safety and Health Week" in the Town of Ladysmith.

## 8. REPORTS

### 8.1 Arts and Heritage Hub Building Lease Rates

73

#### Recommendation

That Council:

1. Determine a lease rate, per square foot, for the leasable space within the Machine Shop building, the Loci Shop and the Car Shop, based on the information presented in the April 15, 2025 staff report by the Director of Parks, Recreation & Culture; and
2. Direct the Director of Parks, Recreation & Culture to present the determined lease rates and structure to the previous user groups of the Machine Shop and the current occupants of the Loci and Car Shops to gauge interest in formalizing lease arrangements.

### 8.2 Purchase of Folding Machine

79

#### Recommendation

That Council approve the purchase of a Folder Inserter machine for up to \$20,000 with the funds to come from appropriated equity and amend the 2025-2029 Financial Plan accordingly.

### 8.3 UBCM - Next Generation 911 Grant

82

#### Recommendation

That Council:

1. Support the Town's application to the UBCM Local Government Program Services Next Generation 911 (NG911) grant for the purchase and installation of NG911-compatible Mobile Computer Aided Dispatch (CAD) agents (mobile data terminals) in Fire Department vehicles;
2. Confirm its willingness to provide overall grant management subject to receipt of grant funding; and
3. If the grant funding is successful, amend the 2025-2029 Financial Plan accordingly.

## 9. BYLAWS

### 9.1 Bylaws for Introduction

#### 9.1.1 2025 Property Tax Bylaws

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"Property Tax Rates Bylaw 2025, No. 2209", "Sewer Parcel Tax Bylaw 2025, No. 2210" and "Water Parcel Tax Bylaw 2025, No. 2211."

Recommendation

That Council give first, second and third readings to:

- “Property Tax Rates Bylaw 2025, No. 2209”;
- “Sewer Parcel Tax Bylaw 2025, No. 2210”; and
- “Water Parcel Tax Bylaw 2025, No. 2211”.

**9.2 Bylaws for Adoption**

- 9.2.1 “Dog Licencing, Control and Pound Bylaw 1995, No. 1155, Amendment Bylaw 2025, No. 2207” 100**

Recommendation

That Council adopt “Dog Licencing, Control and Pound Bylaw 1995, No. 1155, Amendment Bylaw 2025, No. 2207”.

**9.3 Bylaw Status Sheet 102**

**10. NEW BUSINESS**

**11. UNFINISHED BUSINESS**

**11.1 Motion to Rescind Resolution CS 2025-089**

On April 8, 2025, Councillor Gourlay provided the Corporate Officer with a written Notice of Motion to rescind the following resolution, passed at the April 1, 2025 Regular Council Meeting:

**CS 2025-089**

That Council direct staff to consult with the Mayor and/or Council if an operational decision will adversely affect a community group or partner.

Recommendation

That Council rescind resolution CS 2025-089, "That Council direct staff to consult with the Mayor and/or Council if an operational decision will adversely affect a community group or partner."

**12. QUESTION PERIOD**

- A maximum of 15 minutes is allotted for questions.
- Persons wishing to address Council during "Question Period" must be Town of Ladysmith residents, non-resident property owners, or operators of a business.
- Individuals must state their name and address for identification

purposes.

- Questions put forth must be related to items on the agenda.
- Questions must be brief and to the point.
- Questions shall be addressed through the Chair and answers given likewise. Debates with or by individual Council members or staff members are not allowed.
- 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.

### **13. ADJOURNMENT**

**TOWN OF LADYSMITH**

**BYLAW NO. 2205**

**A Bylaw to Amend "Official Community Plan Bylaw 2022, No. 2200"**

The Council of the Town of Ladysmith in open meeting assembled enacts the following to effect changes to "Official Community Plan Bylaw 2022, No. 2200":

1. Add as policy 3.14 of Part C the following:

"3.14 where Short-Term Rentals are not permitted under the zoning bylaw:

- Council may issue Temporary Use Permits (TUP's) in accordance with the guidelines in Schedule A.2; or
- Approve rezoning applications where the applicant can demonstrate the benefits of the tourism offering provided by the Short-Term Rental outweighs the loss of housing".

2. Add Schedule A of this bylaw as Schedule A.2 to the OCP.

**Citation**

3. This Bylaw may be cited for all purposes as "Official Community Plan Bylaw 2022, No. 2200, Amendment Bylaw 2025, No. 2205".

**READ A FIRST TIME** on the 1<sup>st</sup> day of April, 2025

**READ A SECOND TIME** on the 1<sup>st</sup> day of April, 2025

**PUBLIC HEARING HELD PURSUANT TO SECTION 464(1)(a) of the Local Government Act** on the \_\_\_\_\_ day of \_\_\_\_\_, 2025

**READ A THIRD TIME** on the \_\_\_\_\_ day of \_\_\_\_\_, 2025

**ADOPTED** on the \_\_\_\_\_ day of \_\_\_\_\_, 2025

\_\_\_\_\_  
Mayor (D. Beeston)

\_\_\_\_\_  
Corporate Officer (S. Bouma)

## Schedule A

### Temporary Use Permit Guidelines for Short-Term Rentals

#### Introduction

The purpose of these guidelines is to balance the role of Short-Term Rentals in providing tourist and travelling workforce accommodation and the need to preserve long-term housing stock. In the context of these guidelines, a “Short-Term Rental” means a dwelling unit rented for nightly accommodation in a zone where dwelling units are a permitted use, but where nightly rentals are not. The objectives of these guidelines are:

1. To limit Short-Term Rentals in Ladysmith until rental vacancy rates are consistently at or above 3%.
2. To allow Temporary Use Permits for Short-Term Rentals that provide unique, high-quality accommodations that make Ladysmith a preferred tourism destination; while preserving generic housing stock for residents.
3. To support housing for both the travelling workforce and permanent workforce.
4. To complement regional and provincial initiatives to address the impact of Short-Term Rentals on the housing market.

#### Guidelines

1. The number of TUP’s issued by Council should be based on the average of CMHC’s Rental Market Survey for Ladysmith for the preceding two calendar years, as shown in the table below:

| Residential Vacancy Rate | Number of Issued TUP’s |
|--------------------------|------------------------|
| 0%                       | 0                      |
| 0-1%                     | 5                      |
| 1-2%                     | 10                     |
| 3% or higher             | No Limit               |

2. Short-Term Rentals should not be provided in housing units that tend to be more affordable or serve populations in greater need of housing such as secondary suites, apartments, and older housing stock.
3. Notwithstanding guidelines 1 and 2, TUP’s may be issued where the applicant is able to demonstrate that:
  - a. the Short-Term Rental will be limited to rentals for workers temporarily working in Ladysmith; or
  - b. the Short-Term rental provides a unique, high-quality tourism offering within a ten-minute walk of Ladysmith’s waterfront or Downtown.
4. Short-Term Rentals should not provide redundant accommodation products that would otherwise be available in the conventional accommodation market (e.g. hotels and motels).
5. Short-Term Rentals should accommodate guest parking on site.

6. Short-Term Rentals should not generate a nuisance for neighbouring properties. The Short-Term Rental should have adequate noise mitigating features and policies that mitigate disruptions to neighbours.
7. The layout, form and function of proposed Short-Term Rentals should ensure a comfortable, memorable and convenient guest experience including:
  - a. A cohesive design theme incorporating color schemes, furniture styles, and decorative elements.
  - b. Privacy and ease of movement into and within the Short-Term Rental.
  - c. A spacious and well-designed layout with adequate ceiling heights (minimum of 2.4 meters) and lighting.
  - d. On-site amenities that provide tourist appeal, such as ocean views, decks and patios, hot tubs, swimming pools, water access and outdoor cooking and dining areas.
  - e. Kitchens purposely designed and equipped to maximize functionality, convenience and comfort, including full-sized appliances arranged in a convenient “work triangle”, dishwashers, sufficient storage for housewares, small appliances and groceries and a mix of task and ambient lighting. Small kitchens and gally kitchens are generally discouraged.
  - f. Divided work and living areas to support the use by the travelling workforce.
8. Short-Term rental units must be compliant with the BC Building Code and the Town’s Building Bylaw. Units constructed without permits must be brought into compliance with the BC Building Code and other safety regulations prior to the issuance of a business license.
9. Temporary Use Permits may include conditions to mitigate the loss of housing stock caused by converting the residential unit to a Short-Term Rental, such as contributions to the Town’s affordable housing reserve.
10. Short-Term Rentals should be booked for a minimum of 60 days per year under normal market conditions. Temporary Use Permits may include conditions requiring a minimum number of bookings per year.
11. Short -Term Rentals should be available year-round and secure bookings year-round. However, proposals where the Short-Term Rental operates in peak travel season and the dwelling unit is used for rental housing in the off-season may be considered. Temporary Use Permits may contain conditions regulating the use of the Short-Term Rental during certain times of the year.





## MINUTES OF A REGULAR MEETING OF COUNCIL

Tuesday, April 1, 2025

5:36 P.M.

Ladysmith Seniors Centre  
630 2nd Avenue

### Council Members Present:

Mayor Deena Beeston  
Councillor Ray Gourlay  
Councillor Amanda Jacobson

Councillor Tricia McKay  
Councillor Duck Paterson  
Councillor Jeff Virtanen

### Council Members Absent:

Councillor Marsh Stevens

### Staff Present:

Allison McCarrick  
Erin Anderson  
Jake Belobaba  
Chris Geiger

Trish McConnell  
Vidhi Kyada  
Sue Bouma  
Hayley Young

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## 1. CALL TO ORDER

Mayor Beeston called this Meeting of Council to order at 5:36 p.m., in order to retire immediately into Closed Session.

## 2. CLOSED SESSION

### CS 2025-078

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

- (1)(c) Labour/employee relations;
- (1)(e) 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;
- (1)(f) Law enforcement, if the council considers that disclosure could reasonably be expected to harm the conduct of an investigation under or enforcement of an enactment;
- (1)(g) Litigation or potential litigation affecting the municipality;

- (1)(i) The receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose;
- (1)(j) Information that is prohibited, or information that if it were presented in a document would be prohibited, from disclosure under section 21 of the *Freedom of Information and Protection of Privacy Act*;
- (1)(k) Negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the council, could reasonably be expected to harm the interests of the municipality if they were held in public; and
- (2)(b) The consideration of information received and held in confidence relating to negotiations between the municipality and a provincial government or the federal government or both, or between a provincial government or the federal government or both and a third party.

*Motion Carried*

### **3. OPEN MEETING AND ACKNOWLEDGEMENT (7:00 P.M.)**

Mayor Beeston called this Regular Meeting of Council to order at 7:00 p.m., recognizing with gratitude that it was taking place on the unceded territory of the Stz'uminus First Nation.

### **4. AGENDA APPROVAL**

#### **CS 2025-079**

That Council approve the agenda for the Regular Meeting of Council on April 1, 2025, as amended to include a replacement for Attachment B of Item 7.2, "Development Variance Permit 3090-25-02", as well as the following late item:

- Item 9.3: "Cowichan Emergency Preparedness Expo Flyby" (request for an authorization letter).

*Motion Carried*

### **5. MINUTES**

#### **5.1 Minutes of the Inaugural Meeting of Council held March 18, 2025**

##### **CS 2025-080**

That Council approve the minutes of the Inaugural Meeting of Council held March 18, 2025.

*Motion Carried*

## 6. REPORTS

### 6.1 Agenda Preparation

#### CS 2025-081

That Council consider adding a standing update to the weekly internal communications memo provided by staff to Council when items are removed, deferred or amended from a draft Council agenda.

*Motion Defeated*

OPPOSED: Councillors Gourlay, McKay, Paterson and Virtanen.

## 7. DEVELOPMENT APPLICATIONS

### 7.1 Development Permit 3060-24-25 – 303 Chemainus Road

#### CS 2025-082

That Council issue Development Permit 3060-24-25 to allow the construction of a greenhouse at 303 Chemainus Road (Lot A, District Lot 43, Oyster District, and District Lot 2122, Cowichan District, Plan EPP127840, PID: 032-313-535).

*Motion Carried*

### 7.2 Development Variance Permit 3090-25-02 – 130 1st Avenue

#### CS 2025-083

That Council issue Development Variance Permit 3090-25-02 to vary section 10.4.5 (b) of “Town of Ladysmith Zoning Bylaw 2014, No. 1860” to increase the maximum height of the proposed accessory building from 3.5 metres to 4.1 metres for the construction of a garage at 130 1<sup>st</sup> Avenue (Lot 3, Block 24, District Lot 56, Oyster District, Plan 703, PID: 008-549-907).

*Motion Carried*

## 8. BYLAWS

### 8.1 Bylaws for Introduction

#### 8.1.1 “Official Community Plan Bylaw 2022, No. 2200, Amendment Bylaw 2025, No. 2205”

##### CS 2025-084

That Council:

1. Having considered section 475 of the *Local Government Act*, and in particular the matters set out in subsections (2)(a) and (b), resolve that:

- a. the Stz'uminus First Nation, Agricultural Land Commission and School District 68 are the only entities that are appropriate to consult in connection with "Official Community Plan Bylaw 2022, No. 2200, Amendment Bylaw 2025, No. 2205";
  - b. consultation should be early but need not be ongoing;
  - c. the consultation process described in the staff report to Council dated April 1, 2025 is sufficient in respect to the proposed Official Community Plan amendment; and
  - d. staff be directed to refer "Official Community Plan Bylaw 2022, No. 2200, Amendment Bylaw 2025, No. 2205" to the Stz'uminus First Nation, Agricultural Land Commission and School District 68 as set out in the April 1, 2025 staff report to Council;
2. Give first and second readings to "Official Community Plan Bylaw 2022, No. 2200, Amendment Bylaw 2025, No. 2205";
  3. Consider "Official Community Plan Bylaw 2022, No. 2200, Amendment Bylaw 2025, No. 2205" in conjunction with the Town's Financial Plan, the Town's Liquid Waste Management Plan, and the Cowichan Valley Regional District Solid Waste Management Plan, pursuant to section 477(3) of the *Local Government Act*;
  4. Consider "Official Community Plan Bylaw 2022, No. 2200, Amendment Bylaw 2025, No. 2205" in conjunction with the Town's Housing Needs Report and the housing information on which the report is based, pursuant to section 473(2.1) of the *Local Government Act*;
  5. Direct staff to schedule a public hearing and notice of the hearing for "Official Community Plan Bylaw 2022, No. 2200, Amendment Bylaw 2025, No. 2205"; and
  6. Authorize staff to accept and process Temporary Use Permits for Short-Term Rentals prior to adoption of Bylaw 2025.

*Motion Carried*

**8.1.2 “Dog Licencing, Control and Pound Bylaw 1995, No. 1155, Amendment Bylaw 2025, No. 2207”**

**CS 2025-085**

That Council give first, second and third readings to “Dog Licencing, Control and Pound Bylaw 1995, No. 1155, Amendment Bylaw 2025, No. 2207”.

*Motion Carried*

**8.2 Bylaw Status Sheet**

**9. CORRESPONDENCE**

**9.1 Association of Vancouver Island and Coastal Communities' Request for Participation in the Local Government Act Reform Survey**

**CS 2025-086**

That Council receive the correspondence dated March 20, 2025 from the Association of Vancouver Island and Coastal Communities requesting participation in the *Local Government Act* Reform survey.

*Motion Carried*

**9.2 Take a Hike Foundation Acknowledgement Letter**

**CS 2025-087**

That Council receive the March 26, 2025 letter from Take a Hike Foundation thanking them for their support of vulnerable youth through the Town's Grant in Aid program.

*Motion Carried*

**9.3 Cowichan Emergency Preparedness Expo Flyby**

**CS 2025-088**

That Council authorize the Mayor to send a letter of approval to the Comox 19 Wing Royal Canadian Air Force (RCAF) for a 'flyby' at the upcoming Emergency Preparedness Expo on Saturday, May 3<sup>rd</sup>, at Transfer Beach.

*Motion Carried*

**10. COUNCIL SUBMISSIONS**

**10.1 Community Partners**

**CS 2025-089**

That Council direct staff to consult with the Mayor and/or Council if an operational decision will adversely affect a community group or partner.

*Motion Carried*

**11. NEW BUSINESS**

**11.1 Cowichan Emergency Management Local Authority Agreement**

**CS 2025-090**

That Council:

1. Approve the 2025 Cowichan Emergency Management Local Authority Agreement between the Cowichan Valley Regional District (CVRD); Corporation of the District of North Cowichan; City of Duncan; Town of Ladysmith; and Town of Lake Cowichan; and
2. Authorize the Mayor and Corporate Officer to sign the 2025 Cowichan Emergency Management Local Authority Agreement.

*Motion Carried*

**11.2 Emergency and Disaster Management Act (EDMA) Implementation - Indigenous Engagement Funding Program Modification Agreement 2**

**CS 2025-091**

That Council authorize staff to sign Modification Agreement No. 2 of the Emergency and Disaster Management ACT (EDMA) Year 2 Indigenous Engagement Funding.

*Motion Carried*

**11.3 16th Annual Chamber of Commerce Charity Golf Tournament**

**CS 2025-092**

That Council allocate \$250.00 to sponsor a hole at the 16th Annual Chamber of Commerce Charity Golf Tournament on June 13, 2025 as requested in the correspondence received March 13, 2025.

*Motion Carried*

**12. QUESTION PERIOD**

A member of the public inquired about possible exceptions to the Temporary Use Permit deadline for citizens who are working to obtain a permit but are facing delays due to factors beyond their control, such as temporary building permit approvals.

Another member requested clarification on the definition of 'community partner' and inquired whether the Town has considered conducting a survey among community groups to gather feedback on how to enhance its relationships.

**RECESS**

**CS 2025-093**

That Council recess at 7:55 p.m. in order to reconvene the Closed session.

*Motion Carried*

Council reconvened the meeting at 8:30 p.m.

**13. RISE AND REPORT- Items from Closed Session**

Council rose from Closed Session at 8:29 p.m. without report.

**14. ADJOURNMENT**

**CS 2025-094**

By unanimous consent, Council adjourned this Regular Meeting of Council at 8:29 p.m.

*Motion Carried*

CERTIFIED CORRECT

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Mayor (D. Beeston)

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Corporate Officer (S. Bouma)



# Town of Ladysmith

2024 Audit Findings

Report to Mayor and Council

December 31, 2024

Cory Vanderhorst, CPA, CA

T: 250.734.4319

E: cory.vanderhorst@mnp.ca



Wherever business takes you

MNP.ca



April 15, 2025

Members of Mayor and Council of the 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 the Town of Ladysmith (the "Town") as at December 31, 2024 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 under separate cover.

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,



MNP LLP

Chartered Professional Accountants

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# Introduction

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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, 2024. 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 procedure:

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

## Independent Auditor's Report

We expect to have the above procedure completed and to release our Independent Auditor's Report on April 15, 2025.

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 under separate cover.

# 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>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> |
| <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.   |

| Area   | Comments   |
|--|--|
| <p><b>Significant Deficiencies in Internal Control</b></p>     | <p>Our audit process focuses on understanding the controls utilized in management’s reporting systems, including for estimates, 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> |
| <p><b>Matters Arising from Discussions With Management</b></p> | <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>   |
| <p><b>Significant Differences</b></p>                          | <p>One significant unadjusted difference was proposed to management with respect to the December 31, 2024 consolidated financial statements.</p>   |
| <p><b>Other Information</b></p>                                | <p>Pursuant to our responsibilities under Canadian generally accepted auditing standards, we have reviewed other financial and non-financial information included in documents containing the consolidated financial statements and our Independent Auditor’s Report thereon. We review these documents for the purpose of ensuring their content does not contradict information derived from our audit procedures.</p>   |
| <p><b>Final Materiality</b></p>                                | <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 \$1,250,000 for December 31, 2024 and \$1,250,000 for December 31, 2023.</p>  |

# 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   |
|--|--|
| <b>Accounting Policies</b>             | The accounting policies used by the Town are appropriate and have been consistently applied.   |
| <b>Financial Statement Disclosures</b> | 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

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### 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. This letter, provided by management, has been included as additional material to this report.

### 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

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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, the applicable financial reporting framework and the Town's system of internal control (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.

# Appendix B - Significant Risk Areas and Responses

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## Significant Risk Areas and Responses

| Significant Risk Area                    | Response and Conclusion   |
|--|---|
| Management override of internal controls | <p>To respond to the overall risk of material misstatement due to fraud regarding management's override of controls, we perform the following procedures:</p> <ol style="list-style-type: none"><li>1. Test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements</li><li>2. Review accounting estimates for biases and evaluate whether the circumstances producing the bias, if any, represent a risk of material misstatement due to fraud, if applicable</li><li>3. Evaluate the rationale behind significant transactions that are not in the normal course of business and whether they have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets</li></ol> |



# Appendix C - Summary of Significant Differences

## Significant Unadjusted Differences

| Differences Noted                                   | Balance Sheet | Earnings            |
|---|---------------|---------------------|
| To adjust loss recorded on centrifuge polymer       | \$ 136,215    | \$ (136,215)        |
| <b>Total Unadjusted Differences (Income Effect)</b> |               | <b>\$ (136,215)</b> |

Canadian generally accepted auditing standards require that we request of management and Mayor and Council that identified unadjusted differences be corrected. We have made this request of management, however based on both quantitative and qualitative considerations management has decided not to correct those identified differences that remain unadjusted. They have represented to us that in their judgment the unadjusted differences are, both individually and in the aggregate, not material to the consolidated financial statements.

We concur with management's representation that the unadjusted differences are not material to the consolidated financial statements and, accordingly, these unadjusted differences have no effect on our Independent Auditor's Report.

# Independence Communication

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April 15, 2025

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

Dear Sirs/Mesdames:

We have been engaged to audit the consolidated financial statements of Town of Ladysmith (the "Town") as at December 31, 2024 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, 2024 to April 15, 2025.

We hereby confirm that MNP is independent with respect to the Town within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia as of April 15, 2025.

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**

# MADE <sup>IN</sup> CANADA

## And proud of it!

At MNP we're proud to be the national accounting, consulting and tax firm that is 100% Made in Canada.

Our history defines who we are and our approach to business. Being a Canadian firm has helped shape our values, our collaborative approach, and the way we work with our clients, engaging them every step of the way.

We have a unique perspective. Our decisions are made here – decisions that drive Canadian business and help us all achieve success — and we know the impact that our choices have on the cities and towns we call home.

Throughout our six decades of work, we've seen our communities are more than just a place we do business in. They're a place where our families live, play, and thrive, and we work to make them the best places they can be.

Being 100% Canadian is something we wear proudly. This country provides us with great opportunities, and we're here to help our clients seize the opportunities so we can create a brighter future for the generations to come.



Wherever business takes you

MNP.ca



Wherever business takes you

[MNP.ca](https://www.mnp.ca)

**TOWN OF LADYSMITH**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**  
**AUDITED**



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**DECEMBER 31, 2024**

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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

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**TOWN OF LADYSMITH**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2024**

|  |               | 2024                  | 2023                  |
|--|---------------|-----------------------|-----------------------|
| <b>Financial Assets</b>                  |               |                       |                       |
| Cash and short-term deposits             | (Note 3)      | \$ 54,167,730         | \$ 45,156,809         |
| Accounts receivable                      | (Note 5)      | 2,464,695             | 2,423,885             |
|  |               | 56,632,425            | 47,580,694            |
| <b>Liabilities</b>                       |               |                       |                       |
| Accounts payable and accrued liabilities | (Note 6)      | 2,663,079             | 2,544,282             |
| Post-employment benefits                 | (Note 7)      | 357,400               | 334,200               |
| Deferred revenue                         | (Note 8)      | 3,430,831             | 2,016,048             |
| Refundable deposits and other            | (Note 9)      | 2,091,477             | 2,102,252             |
| Restricted reserves                      | (Note 10)     | 560,984               | 535,460               |
| Development cost charge reserve          | (Note 11)     | 9,736,879             | 8,944,041             |
| Canada Community-Building reserve        | (Note 12)     | 2,067,700             | 1,690,208             |
| Equipment financing                      | (Note 13)     | 2,659,293             | 2,763,478             |
| Debenture debt                           | (Note 14)     | 12,816,879            | 13,670,140            |
| Asset Retirement obligation              | (Note 15)     | 3,100,092             | 3,086,870             |
|  |               | 39,484,614            | 37,686,979            |
| <b>Net Financial Assets</b>              |               | <b>17,147,811</b>     | <b>9,893,715</b>      |
| <b>Non-Financial Assets</b>              |               |                       |                       |
| Tangible Capital Assets                  | (Schedule II) | 119,097,968           | 121,941,879           |
| Prepays                                  |               | 99,720                | 90,502                |
| Inventory                                |               | 84,586                | 87,215                |
|  |               | 119,282,274           | 122,119,596           |
| <b>Accumulated Surplus</b>               | (Note 20)     | <b>\$ 136,430,085</b> | <b>\$ 132,013,311</b> |

*Commitments and Contingencies (Note 16)*  
*Subsequent Events (Note 30)*

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Director of Financial Services

**TOWN OF LADYSMITH  
CONSOLIDATED STATEMENT OF OPERATIONS  
AS AT DECEMBER 31, 2024**

|  | 2024                  | Budget<br>2024<br>(Note 21) | 2023                  |
|--|-----------------------|-----------------------------|-----------------------|
| <b>Revenue</b>                                     |                       |                             |                       |
| Taxation (Note 23)                                 | \$ 13,695,892         | \$ 13,642,684               | \$ 12,896,686         |
| Sale of Services (Note 24)                         | 5,333,278             | 4,927,229                   | 5,103,849             |
| Investment Income                                  | 2,011,086             | 1,342,567                   | 1,792,143             |
| Licence, Permits, Rentals & Penalties (Note 25)    | 1,104,172             | 915,655                     | 1,306,204             |
| Grants (Note 26)                                   | 3,364,275             | 19,428,288                  | 6,104,747             |
| Donations and contributed tangible capital assets  | 400,392               | 3,899,605                   | 4,681,127             |
| Gain (loss) on foreign exchange                    | 25,423                | -                           | (2,752)               |
| Loss on disposal of tangible capital assets        | (344,180)             | -                           | (670,565)             |
| Development fees                                   | 59,131                | 3,089,065                   | 307,100               |
| Canada Community-Building funds utilized (Note 12) | 189,169               | 374,371                     | 830,201               |
|  | <u>25,838,638</u>     | <u>47,619,464</u>           | <u>32,348,740</u>     |
| <b>Expenses</b>                                    |                       |                             |                       |
| General government services                        | 2,859,760             | 3,966,031                   | 3,294,048             |
| Protective services                                | 2,705,702             | 2,997,680                   | 2,812,208             |
| Transportation services                            | 3,086,495             | 3,582,796                   | 2,880,132             |
| Solid Waste services                               | 582,994               | 912,236                     | 552,275               |
| Cemetery services                                  | 32,328                | 38,392                      | 44,236                |
| Development services                               | 891,760               | 1,010,366                   | 827,332               |
| Recreation and cultural services                   | 3,820,761             | 4,197,240                   | 3,936,935             |
| Parks operation services                           | 1,190,714             | 1,148,568                   | 1,086,114             |
| Sewer  | 3,271,303             | 4,701,567                   | 2,981,962             |
| Water  | 2,980,047             | 5,134,445                   | 5,827,168             |
|  | <u>21,421,864</u>     | <u>27,689,321</u>           | <u>24,242,410</u>     |
| Annual Surplus                                     | 4,416,774             | 19,930,143                  | 8,106,330             |
| Accumulated Surplus, beginning of year             | <u>132,013,311</u>    | <u>132,013,311</u>          | <u>123,906,981</u>    |
| Accumulated Surplus - end of year                  | <u>\$ 136,430,085</u> | <u>\$ 151,943,454</u>       | <u>\$ 132,013,311</u> |

See accompanying notes to the consolidated financial statements

**TOWN OF LADYSMITH**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**AS AT DECEMBER 31, 2024**

|  | <u>2024</u>          | <u>2023</u>          |
|--|----------------------|----------------------|
| Operating Transactions                           |                      |                      |
| Annual Surplus                                   | \$ 4,416,774         | \$ 8,106,330         |
| Less non-cash items included in surplus:         |                      |                      |
| Amortization                                     | 4,557,908            | 4,419,318            |
| Loss on disposal of tangible capital assets      | 344,180              | 670,565              |
| Actuarial adjustments on debenture debt          | (93,044)             | (81,554)             |
| Asset Retirement Obligations                     | 13,222               | 3,086,870            |
| Contributed tangible capital assets              | (378,548)            | (4,515,891)          |
|  | <u>8,860,492</u>     | <u>11,685,638</u>    |
| Change in  |                      |                      |
| Accounts receivable                              | (40,810)             | 280,585              |
| Prepaid expenses                                 | (9,218)              | 24,067               |
| Inventory  | 2,629                | (2,615)              |
| Accounts payable and accrued liabilities         | 118,797              | (318,700)            |
| Post employment benefits                         | 23,200               | 45,400               |
| Deferred revenues                                | 1,414,783            | (311,104)            |
| Refundable deposits and other                    | (10,775)             | (581,469)            |
| Restricted reserves                              | 25,524               | 24,484               |
| Development cost charge reserve                  | 792,838              | 977,102              |
| Canada Community-Building reserve                | 377,492              | (282,193)            |
| Cash provided by operating transactions          | <u>11,554,952</u>    | <u>11,541,195</u>    |
| Capital Transactions                             |                      |                      |
| Proceeds on sale of tangible capital assets      | 893,877              | 35,315               |
| Cash used to acquire tangible capital assets     | (2,573,506)          | (6,272,015)          |
| Cash used by capital transactions                | <u>(1,679,629)</u>   | <u>(6,236,700)</u>   |
| Repayment of long-term debt                      |                      |                      |
| Repayment of debt                                | (864,402)            | (831,318)            |
| Net Decrease in cash from financing              | <u>(864,402)</u>     | <u>(831,318)</u>     |
| Increase in Cash and Short-Term Deposits         | 9,010,921            | 4,473,177            |
| Cash and Short-Term Deposits - Beginning of Year | 45,156,809           | 40,683,632           |
| Cash and Short-Term Deposits - End of Year       | <u>\$ 54,167,730</u> | <u>\$ 45,156,809</u> |

*See accompanying notes to the consolidated financial statements*

**TOWN OF LADYSMITH**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
**AS AT DECEMBER 31, 2024**

|  | <u>2024</u>          | <u>Budget<br/>2024</u><br>(Note 21) | <u>2023</u>         |
|--|----------------------|-------------------------------------|---------------------|
| Annual Surplus                                 | \$ 4,416,774         | \$ 19,930,143                       | \$ 8,106,330        |
| Acquisition of tangible capital assets         | (2,952,054)          | (47,321,863)                        | (10,787,906)        |
| Amortization of tangible capital assets        | 4,557,908            | 4,419,318                           | 4,419,318           |
| Loss (gain) on sale of tangible capital assets | 344,180              | -                                   | 670,565             |
| Proceeds from sale of tangible capital assets  | 893,877              | -                                   | 35,315              |
| Decrease (Increase) in inventories             | 2,629                | -                                   | (2,615)             |
| Increase (Decrease) in prepaids                | <u>(9,218)</u>       | <u>-</u>                            | <u>24,067</u>       |
| Change in Net Financial Assets                 | <u>7,254,096</u>     | <u>(22,972,402)</u>                 | <u>2,465,074</u>    |
| Net Financial Assets, beginning of year        | <u>9,893,715</u>     |                                     | <u>7,428,641</u>    |
| Net Financial Assets, end of year              | <u>\$ 17,147,811</u> |                                     | <u>\$ 9,893,715</u> |

*See accompanying notes to the consolidated financial statements*

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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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 - Change in Accounting Policies**

**Revenue**

Effective January 1, 2024, the Town adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of revenue under PS 3400 Revenue. The new standard establishes when to recognize and how to measure revenue and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated.

Under the new standard, revenue is differentiated between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations.

There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.

**Note 2 - 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.

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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**Note 2 - Significant Accounting Policies - (a) Basis of Presentation (continued)**

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 expected benefits of 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 Ladysmith Harbour Economic Development Corporation (formally 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.



**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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**Note 2 - Significant Accounting Policies – (c) Tangible Capital Assets (continued)**

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 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.

TOWN OF LADYSMITH  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024

---

**Note 2 - Significant Accounting Policies (continued)**

**(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 Note 2 (g). These revenues are comprised of the amounts shown in Note 10, 11 and 12.

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, asset retirement obligations, 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, 2024**

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**Note 2 - Significant Accounting Policies (continued)**

**(g) Revenue Recognition**

Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year. Sales of services revenue are recognized when the performance obligation to the customer is satisfied. Investment income is accrued as earned. Licences, permits, rentals and penalty revenues are recognized when the service has been provided, or the amount is earned and when collection is reasonably assured.

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, 2024

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**Note 2 - 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 on December 31, 2024.

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.

**(k) Asset Retirement Obligations**

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the Town to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available on December 31, 2024. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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**Note 2 - Significant Accounting Policies - (l) Asset Retirement Obligations (continued)**

At each financial reporting date, the Town reviews the carrying amount of the liability. The Town recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The Town continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

**(m) Financial Instruments**

The Town recognizes its financial instruments when the Town becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Town may irrevocably elect to subsequently measure any financial instrument at fair value. The Town has not made such an election during the year.

The Town subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. The Town has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating annual surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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**Note 3 - Cash and Short-Term Deposits**

Cash and short-term deposits were comprised as follows:

|                     | <u>2024</u>          | <u>2023</u>          |
|---------------------|----------------------|----------------------|
| Cash                | \$ 53,251,892        | \$ 44,283,004        |
| Short-term deposits | <u>915,838</u>       | <u>873,806</u>       |
|                     | <u>\$ 54,167,730</u> | <u>\$ 45,156,809</u> |

Included in Cash is a deposit of \$230,673 (the equivalent of \$159,589 US Funds based on the exchange rate at the Ladysmith and District Credit Union on December 31, 2024) (\$197,038 equivalent of \$151,377 US Funds - 2023). 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>2024</u>          | <u>2023</u>          |
|--|----------------------|----------------------|
| Restricted reserves                    | \$ 560,984           | \$ 535,460           |
| Canada Community-Building Fund reserve | 2,067,700            | 1,690,208            |
| Development cost charges reserve       | <u>9,736,879</u>     | <u>8,944,041</u>     |
| Total restricted cash                  | <u>\$ 12,365,563</u> | <u>\$ 11,169,709</u> |

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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**Note 4 - 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 3, the fair value of these financial instruments approximates their carrying values.

**Note 5 - Accounts Receivable**

|                      | <u>2024</u>         | <u>2023</u>         |
|----------------------|---------------------|---------------------|
| Employee receivables | \$ 2,364            | \$ 6,563            |
| Other government     | 383,364             | 464,627             |
| Property taxes       | 964,169             | 850,529             |
| User fees and other  | 1,114,798           | 1,102,166           |
|                      | <u>\$ 2,464,695</u> | <u>\$ 2,423,885</u> |

**Note 6 - Accounts Payable and Accrued Liabilities**

|                      | <u>2024</u>         | <u>2023</u>         |
|----------------------|---------------------|---------------------|
| General              | \$ 1,601,981        | \$ 1,439,952        |
| Other governments    | 722,839             | 814,885             |
| Salaries and wages   | 225,657             | 173,903             |
| Contractor holdbacks | 20,591              | 20,215              |
| Accrued interest     | 92,011              | 95,327              |
|                      | <u>\$ 2,663,079</u> | <u>\$ 2,544,282</u> |

*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, 2024**

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**Note 7 - 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 November 1, 2024 and has been extrapolated to December 31, 2024. The change in the liability in the financial statements in respect of obligations under the plan amounts to \$23,200 (\$45,400 - 2023).

The accrued post-employment benefits are as follows:

|                            | <u>2024</u>       | <u>2023</u>       |
|----------------------------|-------------------|-------------------|
| Balance, beginning of year | \$ 334,200        | \$ 288,800        |
| Current service costs      | 50,600            | 38,600            |
| Benefits paid              | (26,800)          | (91,700)          |
| Actuarial gain             | (600)             | 98,500            |
| Balance, end of year       | <u>\$ 357,400</u> | <u>\$ 334,200</u> |

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

|   | <u>2024</u> | <u>2023</u> |
|---|-------------|-------------|
| Discount Rate                                       | 4.20%       | 4.10%       |
| Expected Inflation Rate and Wage & Salary Increases | 3.00%       | 2.50%       |



**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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**Note 8 - Deferred Revenue**

|                              | <u>2024</u>         | <u>2023</u>         |
|------------------------------|---------------------|---------------------|
| Licence fees & charges       | \$ 78,262           | \$ 14,912           |
| Rental payments              | 15,183              | 14,165              |
| Property tax prepayments     | 823,522             | 742,298             |
| Subdivisions prepayments     | 166,450             | 189,700             |
| Recreation prepayments       | 82,049              | 38,536              |
| Utilities prepayments        | 26,876              | 34,131              |
| Government grant prepayments | 2,232,870           | 970,086             |
| Other                        | 5,619               | 12,220              |
|                              | <u>\$ 3,430,831</u> | <u>\$ 2,016,048</u> |

**Note 9 - Refundable Deposits and Other**

|                                | <u>2024</u>         | <u>2023</u>         |
|--------------------------------|---------------------|---------------------|
| Developer performance deposits | \$ 1,301,386        | \$ 1,048,182        |
| Damage deposits                | 338,630             | 359,265             |
| Other                          | 451,461             | 694,805             |
|                                | <u>\$ 2,091,477</u> | <u>\$ 2,102,252</u> |

*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, 2024**

**Note 10 - Restricted Reserves**

There are two reserves, LRCA Capital and B&G Capital for the replacement of specific building components located at 630 2nd Avenue and 220 High Street. The Town renewed the operating leases with the Ladysmith Seniors Society and the Ladysmith Resources Community Association (LRCA) in 2021.

| Description            | Balance           |                  | Interest        | Contributions | Expenditures | Balance           |  |
|------------------------|-------------------|------------------|-----------------|---------------|--------------|-------------------|--|
|                        | Dec. 31, 2023     |                  |                 |               |              | Dec. 31, 2024     |  |
| Parking                | \$ 120,412        | \$ 6,533         | \$ -            | \$ -          | \$ -         | \$ 126,945        |  |
| Amphitheatre           | 12,682            | 697              | 600             | -             | -            | 13,979            |  |
| B&G - Capital          | 77,494            | 4,349            | 5,064           | -             | -            | 86,907            |  |
| LRCA/Seniors - Capital | 324,872           | 5,687            | 2,594           | -             | -            | 333,153           |  |
| <b>TOTAL</b>           | <b>\$ 535,460</b> | <b>\$ 17,266</b> | <b>\$ 8,258</b> | <b>\$ -</b>   | <b>\$ -</b>  | <b>\$ 560,984</b> |  |

**Note 11 - Development Cost Charges Reserve**

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

| Description            | Balance             |                   | Interest          | Contributions      | Expenditures | Balance             |  |
|------------------------|---------------------|-------------------|-------------------|--------------------|--------------|---------------------|--|
|                        | Dec. 31, 2023       |                   |                   |                    |              | Dec. 31, 2024       |  |
| DCC - Water            | \$ 3,156,605        | \$ 176,614        | \$ 203,409        | \$ -               | \$ -         | \$ 3,536,628        |  |
| DCC - Parks            | 988,152             | 54,049            | 17,925            | -                  | -            | 1,060,126           |  |
| DCC - Parks Dedication | 519,556             | 28,949            | 22,750            | -                  | -            | 571,255             |  |
| DCC - Roads            | 1,591,584           | 87,010            | 24,519            | -                  | -            | 1,703,113           |  |
| DCC - Sewer            | 2,101,885           | 116,235           | 84,821            | (59,131)           |              | 2,243,810           |  |
| DCC - Storm            | 586,259             | 31,938            | 3,750             | -                  | -            | 621,947             |  |
| <b>TOTAL</b>           | <b>\$ 8,944,041</b> | <b>\$ 494,794</b> | <b>\$ 357,174</b> | <b>\$ (59,131)</b> | <b>\$ -</b>  | <b>\$ 9,736,879</b> |  |

Developers may be entitled to DCC credits in certain circumstances. There were no DCC credits provided in 2024 or 2023.

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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**Note 12 – Canada Community-Building Fund Reserve**

The Canada Community-Building (CCB) funding (formally known as 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. Canada Community-Building funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements. The funds are recorded on the consolidated financial statements as a restricted reserve.

|  | <b>2024</b>  | <b>2023</b>  |
|--|--------------|--------------|
| Opening balance of unspent funds               | \$ 1,690,208 | \$ 1,972,401 |
| Add: Amounts received during the year          | 472,761      | 452,892      |
| Interest earned                                | 93,900       | 95,116       |
| Less: Canada Community-Building funds utilized | (189,169)    | (830,201)    |
|  | \$ 2,067,700 | \$ 1,690,208 |

**Note 13 - Equipment Financing**

The total equipment financing outstanding with the Municipal Finance Authority of BC (MFABC) as at December 31, 2024 was \$2,659,293 (\$2,763,478 - 2023). This balance is made up of:

|                    | <b>Balance<br/>Dec 31, 2023</b> | <b>Principal<br/>Payments</b> | <b>Balance<br/>Dec 31, 2024</b> |
|--------------------|---------------------------------|-------------------------------|---------------------------------|
| Spartan Fire Truck | \$ 111,548                      | \$ 35,622                     | \$ 75,926                       |
| Pumper Truck       | 582,550                         | 18,494                        | 564,056                         |
| Aerial Truck       | 2,069,380                       | 50,069                        | 2,019,311                       |
|                    | \$ 2,763,478                    | \$ 104,185                    | \$ 2,659,293                    |

Interest in the consolidated statement of operations is calculated as \$142,466 (\$146,568 - 2023).

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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**Note 13 - Equipment Financing (continued)**

- 1) A five-year equipment loan agreement with the MFABC renewed June of 2022 in the amount of \$166,214 for the purchase of a 2012 Spartan fire truck. The balance of the loan at December 31, 2024 was \$75,926 (\$111,548 - 2023). The remaining obligation will be repaid with monthly loan payments in the amount of \$3,388 including interest at a monthly varying rate (December 2024 was 4.25%) (5.63% - 2023). Loan to is set to expire July 2026.
  
- 2) A five-year equipment loan agreement with the MFABC renewed October of 2023 in the amount of \$586,408 for the purchase of a 2018 Spartan fire truck. The balance of the loan at December 31, 2024 was \$564,056 (\$582,550 - 2023). The remaining obligation will be repaid with monthly loan payments in the amount of \$4,050 including interest at a monthly varying rate (December 2024 was 4.25%) (5.63% - 2023). The loan is set to expire September 2028.
  
- 3) A new five-year equipment loan agreement with the MFABC renewed December of 2023 in the amount of \$2,069,380 for the purchase of an Aerial fire truck. The balance of the loan at December 31, 2024 was \$2,019,311 (\$2,069,380 - 2023). The remaining obligation will be repaid with monthly loan payments in the amount of \$13,116 including interest at a monthly varying rate (December 2024 was 4.25%) (5.63% - 2023). The loan is set to expire December 2028.

The future minimum loan payments payable to MFABC for all three equipment loan obligations are as follows:

|      |    |           |
|------|----|-----------|
| 2025 | \$ | 148,318   |
| 2026 |    | 152,211   |
| 2027 |    | 119,128   |
| 2028 |    | 2,239,636 |

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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**Note 14 - Debenture Debt**

The Town of Ladysmith secures its long-term borrowing through the Municipal Finance Authority of BC (MFABC). As a condition of each borrowing, a portion of the debenture proceeds is retained by the MFABC as a debt reserve fund. As at December 31, 2024, the cash balance of the Town's debt reserve funds was \$253,063 (\$244,548 - 2023). Debt reserve funds are not recorded elsewhere in the financial statements.

The total long-term debt issued and outstanding with MFABC as at December 31, 2024 was \$12,816,879 (\$13,670,140 as at December 31, 2023). This balance is made up of:

|  | Original<br>Amount   | Balance<br>Dec 31, 2023 | Principal<br>Payments | Balance<br>Dec 31, 2024 | Interest Rate |
|--|----------------------|-------------------------|-----------------------|-------------------------|---------------|
| <b><u>General Capital Fund</u></b>                     |                      |                         |                       |                         |               |
| RCMP Building<br>Issue #97<br>Term 2006-2031           | \$ 2,750,000         | \$ 1,185,185            | \$ 128,626            | \$ 1,056,559            | 1.75%         |
| <b><u>Water Capital Fund</u></b>                       |                      |                         |                       |                         |               |
| Water Improvements<br>Issue #118<br>Term 2012-2037     | 1,000,000            | 673,443                 | \$ 39,413             | 634,030                 | 3.39%         |
| Water Filtration Plant<br>Issue #147<br>Term 2019-2044 | 6,000,000            | 5,311,512               | \$ 185,222            | 5,126,290               | 2.66%         |
| <b><u>Sewer Capital Fund</u></b>                       |                      |                         |                       |                         |               |
| Sewer Treatment Plant<br>Issue #138<br>Term 2016-2036  | 10,000,000           | 6,500,000               | \$ 500,000            | 6,000,000               | 1.38%         |
|  | <u>\$ 19,750,000</u> | <u>\$ 13,670,140</u>    | <u>\$ 853,261</u>     | <u>\$ 12,816,879</u>    |               |

Debt interest, net of actuarial adjustment included in the consolidated statement of operations, is calculated at \$266,716 (\$293,803 - 2023).

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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

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

|            | General                |  | Water                  |                                       | Sewer                  |  | Total     |
|------------|------------------------|--|------------------------|---------------------------------------|------------------------|--|-----------|
|            | Principal<br>Repayment | Actuarial<br>Sinking<br>Fund<br>Earnings | Principal<br>Repayment | Actuarial<br>Sinking Fund<br>Earnings | Principal<br>Repayment | Actuarial<br>Sinking<br>Fund<br>Earnings | Net       |
| 2025       | 66,033                 | 67,738                                   | 194,185                | 37,190                                | 500,000                | -  | 865,146   |
| 2026       | 66,033                 | 73,088                                   | 194,185                | 44,132                                | 500,000                | -  | 877,438   |
| 2027       | 66,033                 | 78,653                                   | 194,185                | 51,281                                | 500,000                | -  | 890,152   |
| 2028       | 66,033                 | 84,441                                   | 194,185                | 58,645                                | 500,000                | -  | 903,304   |
| 2029       | 66,033                 | 90,460                                   | 194,185                | 66,230                                | 500,000                | -  | 916,908   |
| Thereafter | 132,066                | 199,949                                  | 2,705,448              | 1,826,469                             | 3,500,000              | -  | 8,363,932 |

On February 18, 2020, the electors approved an additional \$6.2 million dollars in long-term debt to increase the Town's water supply. This new debt has not been executed.

**Note 15 - Asset Retirement Obligations**

The Town has buildings containing asbestos, lead paint, and other hazardous materials and is legally required to remove the noted items when it becomes necessary to repair or replace the buildings. The Town recognized a liability of \$350,092 (\$336,870 - 2023) for the asset retirement obligation and a corresponding amount has been expensed as the effective buildings have been fully amortized.

The Town has a water course with several weirs and is legally required to decommission the weirs as they have reached the end of their useful life. The Town recognized a liability of \$2,750,000 (\$2,750,000 - 2023) for the asset retirement obligation and a corresponding amount has been expensed.

The Town estimated the amount of the liabilities using undiscounted future expenditures estimated to retire the tangible capital asset.

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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**Note 16 - 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, 2024 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, 2023, the plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 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, 2024**

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**Note 16 - Commitments and Contingencies – (b) Pension Liability (continued)**

The most recent actuarial valuation for the Municipal Pension Plan as of December 31, 2021, indicated a \$3.761 billion funding surplus for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2024.

The Town of Ladysmith paid \$508,202 (2023 - \$484,189) for employer contributions to the plan in fiscal 2024.

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, 2024**

**Note 16 - Commitments and Contingencies (continued)**

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

Service Agreements

|  | <b>2024</b> | <b>2023</b> |
|--|-------------|-------------|
| Ladysmith & District Historical Society        | \$ 26,699   | \$ 29,627   |
| Ladysmith Resources Centre Association         | 46,520      | 45,608      |
| Ladysmith Chamber of Commerce & Visitor Centre | 63,900      | 60,400      |
|  | \$ 137,119  | \$ 135,635  |

In 2024, the Town renewed a 2-year Service Agreement with the Ladysmith & District Historical Society (LDHS) for the occupancy, operation and management of the museum and occupancy, operation and management of the archives. The future payment to Ladysmith & District Historical Society for archives management fee for 2025 is \$23,570. The future monthly payment to Ladysmith & District Historical Society for the management of the museum is \$636 (Jan – June, 2025) \$655 (July, 2025 – June, 2026). Both agreements may be renegotiated in 2026.

In 2024, The Town renewed a 2-year Service Agreement with the Ladysmith Resources Centre Association (LRCA). The future payment in 2025 is \$47,452. The agreements may be renegotiated in 2026.

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 2024, the Town provided an additional \$18,000 (\$17,000 – 2023) to the Ladysmith Chamber of Commerce to promote economic development and tourism services.

Rental payments under operating leases are expensed as incurred.

|                                      | <b>2024</b> | <b>2023</b> |
|--------------------------------------|-------------|-------------|
| 132c Roberts Street - office space   | \$ 32,780   | \$ 32,277   |
| 17 & 25 Roberts Street - parking lot | 10,800      | 9,900       |
|                                      | \$ 43,580   | \$ 42,177   |

In December of 2023, the Town signed a 2-year lease with Ivory Tower Investments Ltd for the use of office space at 132c Roberts Street which expires January of 2026. The future monthly payments are \$2,872 for the term of the agreement.

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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**Note 16 - Commitments and Contingencies - (d) Service Agreements & Rental Payments**  
**(continued)**

In December of 2023, the Town signed a 5-year lease agreement with Paul Jorjorian for the rental of the 17 & 25 Roberts Street Parking Lot which expires December 2028. The future monthly payments are 2025 for \$950, 2026 for \$1,000, 2027 for \$1,000 and 2028 for \$1,000.

**Note 17 - Significant Taxpayers**

The Town is reliant upon 10 taxpayers for approximately 11.48% (11.14% - 2023) of the total property tax revenue which includes Western Forest Products at approximately 5.87% (5.92% - 2023) of the total property tax revenue.

**Note 18 - 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:

|  | <b>2024</b> | <b>2023</b> |
|--|-------------|-------------|
| <b>Assets</b>                            |             |             |
| Cash and short term investment           | \$ 185,009  | \$ 179,999  |
| <b>Equity</b>                            |             |             |
| Opening balance                          | \$ 179,999  | \$ 174,827  |
| Interest                                 | 9,960       | 10,024      |
| Transfer interest to fund cemetery costs | (9,960)     | (10,024)    |
| Contributions                            | 5,010       | 5,387       |
| Refunds                                  | -           | (215)       |
| Balance, end of year                     | \$ 185,009  | \$ 179,999  |

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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**Note 19 - Comparative Figures**

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

**Note 20 - Accumulated Surplus**

The Town segregates its accumulated surplus in the following categories:

|   | 2024           | 2023           |
|---|----------------|----------------|
| <b>Appropriated Equity</b> <i>(Note 27)</i> |                |                |
| Continuing projects                         | \$ 6,892,044   | \$ 6,077,954   |
| General fund                                | 10,524,258     | 8,539,308      |
| Water fund                                  | -              | -              |
| Sewer fund                                  | 1,361,220      | 1,257,743      |
|   | 18,777,522     | 15,875,005     |
| <b>Unappropriated Equity</b>                |                |                |
| General fund                                | 3,908,332      | 2,576,163      |
| Water fund                                  | 596,416        | 104,470        |
| Sewer fund                                  | 1,645,828      | 1,413,079      |
| General capital fund                        | 369,784        | 345,846        |
| Sewer capital fund                          | 32,530         | 32,529         |
| Water capital fund                          | -              | -              |
|   | 6,552,889      | 4,472,086      |
| <b>Reserve Funds</b>                        |                |                |
| Reserve funds <i>(Note 27)</i>              | 7,477,872      | 6,157,953      |
| Equity in Tangible Capital Assets           | 103,621,802    | 105,508,266    |
| Total Accumulated Surplus                   | \$ 136,430,085 | \$ 132,013,311 |

*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, 2024**

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**Note 21 - Annual Budget**

Fiscal plan amounts represent the Financial Plan Bylaw adopted by Council on March 5<sup>th</sup>, 2024.

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   | (4,419,318)                 |
| Proceeds from new debt   | (17,588,725)                |
| Transfers to/from own funds  | (6,558,519)                 |
| Less:  |                             |
| Principal payments on debt   | 1,174,842                   |
| Capital expenditures per budget  | 52,067,239                  |
| Capital Expenditures expensed according to Tangible Capital Asset Policy | <u>(4,745,376)</u>          |
| Adjusted Annual Surplus  | <u><u>\$ 19,930,143</u></u> |

**Note 22 - Ladysmith Harbour Economic Development Corporation**

The Town of Ladysmith has an investment in the Ladysmith Harbour Economic Development Corporation (formerly DL 2016 Holdings Corporation or DL 2016), a wholly owned subsidiary company of the Town.

Up until December 31, 2023, the Town of Ladysmith leased portions of its waterfront from the Province of British Columbia parts of which were subleased to the Corporation which entered in an operating and maintenance agreement with Ladysmith Maritime Society (LMS). A portion of the moorage revenues from LMS are owed to the Corporation.

As of December 31, 2023, the Town no longer leases the area from the Province of British Columbia.

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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**Note 23 – Taxation**

|   | <b>Actuals<br/>2024</b> | <b>Actuals<br/>2023</b> |
|---|-------------------------|-------------------------|
| <b>Taxes Collected:</b>                     |                         |                         |
| General municipal purposes                  | \$ 8,407,689            | \$ 7,855,039            |
| Police taxation                             | 1,795,292               | 1,594,379               |
| Grants in lieu and 1% utility tax           | 189,266                 | 194,031                 |
| Water and sewer parcel tax                  | 3,303,645               | 3,253,237               |
| School district                             | 4,452,620               | 4,270,577               |
| Regional hospital district                  | 1,207,505               | 1,142,384               |
| Regional district                           | 3,707,461               | 2,529,286               |
| BCAA and MFA                                | 124,042                 | 121,721                 |
| Library                                     | 578,764                 | 486,749                 |
|   | <b>23,766,286</b>       | <b>21,447,403</b>       |
| <br>  |                         |                         |
| <b>Less transfer to other governments</b>   |                         |                         |
| Province of BC (school taxes)               | 4,452,620               | 4,270,577               |
| Cowichan Valley Regional Hospital District  | 1,207,505               | 1,142,384               |
| Cowichan Valley Regional District           | 3,707,461               | 2,529,286               |
| BC Assessment & Municipal Finance Authority | 124,042                 | 121,721                 |
| Vancouver Island Regional Library           | 578,764                 | 486,749                 |
|   | <b>10,070,394</b>       | <b>8,550,718</b>        |
| <br>  |                         |                         |
| <b>Net taxation for municipal purposes</b>  | <b>\$ 13,695,892</b>    | <b>\$ 12,896,686</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, 2024**

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**Note 24 - Sale of Services**

|                           | <u>Actuals<br/>2024</u> | <u>Budget<br/>2024</u> | <u>Actuals<br/>2023</u> |
|---------------------------|-------------------------|------------------------|-------------------------|
| Administration recoveries | \$ 75,822               | \$ 22,377              | \$ 82,010               |
| Cemetery services         | 38,635                  | 42,000                 | 47,375                  |
| Fire service agreements   | 137,162                 | 90,000                 | 199,498                 |
| Public Works recoveries   | 19,072                  | -                      | 39,657                  |
| Recreation services       | 684,870                 | 543,833                | 640,590                 |
| Sewer utility fees        | 1,960,872               | 1,844,487              | 1,791,907               |
| Solid waste fees          | 735,874                 | 712,404                | 735,650                 |
| Water utility fees        | <u>1,680,973</u>        | <u>1,672,128</u>       | <u>1,567,162</u>        |
|                           | <u>\$ 5,333,278</u>     | <u>\$ 4,927,229</u>    | <u>\$ 5,103,849</u>     |

**Note 25 - Licences, Permits, Rentals & Penalties**

|                           | <u>Actuals<br/>2024</u> | <u>Budget<br/>2024</u> | <u>Actuals<br/>2023</u> |
|---------------------------|-------------------------|------------------------|-------------------------|
| Facility Rentals & Leases | \$ 451,956              | \$ 346,305             | \$ 440,948              |
| Fines                     | 7,226                   | 2,350                  | 6,495                   |
| Licences                  | 98,048                  | 95,000                 | 100,352                 |
| Penalties and interest    | 171,599                 | 138,497                | 156,624                 |
| Permits, Licences & Fees  | <u>375,343</u>          | <u>333,503</u>         | <u>601,785</u>          |
|                           | <u>\$ 1,104,172</u>     | <u>\$ 915,655</u>      | <u>\$ 1,306,204</u>     |

*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, 2024**

**Note 26 – Grants**

|  | <u>Actuals<br/>2024</u> | <u>Budget<br/>2024</u> | <u>Actuals<br/>2023</u> |
|--|-------------------------|------------------------|-------------------------|
| <b>Operating Grants</b>                |                         |                        |                         |
| Traffic Fines Revenue                  | \$ 51,000               | \$ 43,000              | \$ 43,000               |
| Small Communities                      | 469,900                 | 436,000                | 436,000                 |
| Growing Communities Fund               | -                       | -                      | 3,406,000               |
| Climate Action Program                 | 290,317                 | 99,082                 | 99,082                  |
| Development Approval Process           | 191,995                 | 191,995                | -                       |
| CVRD Recreation                        | 1,773,999               | 1,594,767              | 810,565                 |
| Community to Community                 | 5,000                   | 5,000                  | -                       |
| Other                                  | 22,164                  | 15,150                 | 16,966                  |
|  | <u>2,804,375</u>        | <u>2,384,994</u>       | <u>4,811,613</u>        |
| <b>Capital Grants</b>                  |                         |                        |                         |
| Amphitheatre Event Tent                | 8,650                   | 8,650                  | 41,350                  |
| Arts & Heritage Hub - Phase 1          | -                       | -                      | 123,804                 |
| Childcare Space Creation               | -                       | -                      | 348,866                 |
| Colonia/Delcourt Active Transportation | -                       | -                      | 304,693                 |
| Holland Creek Weir Removals            | 28,334                  | 2,750,000              | -                       |
| Dogwood Bike Lanes Design              | -                       | -                      | 23,754                  |
| Downtown Refresh                       | 86,605                  | 142,813                | 247,809                 |
| 4th Ave Improvement (Root to White St) | -                       | -                      | 44,700                  |
| Indigenous Engagement                  | 48,000                  | -                      | -                       |
| Heart of Hub                           | 265,338                 | 3,064,032              | -                       |
| Holland Dam Storage Upgrade            | 89,704                  | 10,857,999             | -                       |
| Mountain Bike Network                  | -                       | 100,000                | -                       |
| Next Generation 911                    | -                       | 45,000                 | -                       |
| Poverty Reduction - Stream 2           | -                       | -                      | 19,445                  |
| Poverty Reduction - Stream 3           | 22,710                  | 24,800                 | 24,800                  |
| Tourism - Transfer Beach               | -                       | -                      | 113,913                 |
| Youth in Bloom                         | 10,560                  | 50,000                 | -                       |
|  | <u>559,900</u>          | <u>17,043,294</u>      | <u>1,293,135</u>        |
| <b>Total Grants</b>                    | <u>\$ 3,364,275</u>     | <u>\$ 19,428,288</u>   | <u>\$ 6,104,747</u>     |

*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, 2024**

**Note 27 – Reserves & Appropriated Equity**

|   | Balance<br>Dec 31, 2023 | Interest<br>Allocated | Contributions        | Funding               | Balance<br>Dec 31, 2024 |
|---|-------------------------|-----------------------|----------------------|-----------------------|-------------------------|
| <b>Reserves</b>                                 |                         |                       |                      |                       |                         |
| Amenity Funds                                   | \$ 184,393              | \$ 9,960              | \$ -                 | \$ -                  | \$ 194,354              |
| Covid Safe Restart                              | 1,322,311               | -                     | -                    | (106,740)             | 1,215,571               |
| Growing Communities Fund                        | 3,406,000               | 184,402               | -                    | -                     | 3,590,402               |
| Climate Action Program                          | 153,100                 | -                     | 290,317              | -                     | 443,417                 |
| Municipal Office reserve                        | 655,000                 | -                     | 60,000               | -                     | 715,000                 |
| Filming reserve                                 | 632                     | 34                    | 6                    | -                     | 673                     |
| Perpetual Safety Fund                           | 15,205                  | 821                   | -                    | -                     | 16,026                  |
| Sale Real Property                              | 390,755                 | 45,657                | 863,553              | (29,742)              | 1,270,222               |
| Tax Sale  | 30,556                  | 1,651                 | -                    | -                     | 32,207                  |
| <b>Total Reserves</b>                           | <b>\$ 6,157,953</b>     | <b>\$ 242,525</b>     | <b>\$ 1,213,876</b>  | <b>\$ (136,482)</b>   | <b>\$ 7,477,872</b>     |
| <b>Appropriated Equity</b>                      |                         |                       |                      |                       |                         |
| <b>General Operating Fund</b>                   |                         |                       |                      |                       |                         |
| Continuing Projects                             | 2,009,683               | -                     | 2,279,556            | (2,009,677)           | 2,279,562               |
| Future Projects                                 | 3,573,598               | -                     | 945,265              | (82,571)              | 4,436,292               |
| Equipment                                       | 2,182,173               | -                     | 618,204              | (607,736)             | 2,192,641               |
| Land & Building                                 | 562,073                 | -                     | 159,298              | (19,721)              | 701,651                 |
| Tax Contingency                                 | 7,986                   | -                     | -                    | -                     | 7,986                   |
| Snow & Ice Removal                              | 90,000                  | -                     | 40,000               | -                     | 130,000                 |
| Infrastructure Deficit                          | 963,648                 | -                     | 1,051,369            | (250,000)             | 1,765,016               |
| Solid Waste                                     | 1,159,829               | -                     | 130,843              | -                     | 1,290,672               |
|   | <u>10,548,991</u>       | <u>-</u>              | <u>5,224,535</u>     | <u>(2,969,705)</u>    | <u>12,803,820</u>       |
| <b>Water Operating Fund</b>                     |                         |                       |                      |                       |                         |
| Continuing Projects                             | 1,949,515               | -                     | 2,094,188            | (1,949,515)           | 2,094,188               |
| Future Projects                                 | -                       | -                     | 1,674,233            | (1,674,233)           | -                       |
| <b>Water Operating Fund Total</b>               | <u>1,949,515</u>        | <u>-</u>              | <u>3,768,421</u>     | <u>(3,623,748)</u>    | <u>2,094,188</u>        |
| <b>Sewer Operating Fund</b>                     |                         |                       |                      |                       |                         |
| Continuing Projects                             | 2,118,756               | -                     | 2,518,294            | (2,118,756)           | 2,518,294               |
| Future Projects                                 | 1,257,743               | -                     | 352,977              | (249,500)             | 1,361,220               |
| <b>Sewer Operating Fund</b>                     | <u>3,376,499</u>        | <u>-</u>              | <u>2,871,271</u>     | <u>(2,368,256)</u>    | <u>3,879,514</u>        |
| <b>Total Appropriated Equity</b>                | <u>\$ 15,875,005</u>    | <u>\$ -</u>           | <u>\$ 11,864,227</u> | <u>\$ (8,961,710)</u> | <u>\$ 18,777,522</u>    |
| <b>Total Reserves &amp; Appropriated Equity</b> | <u>\$ 22,032,958</u>    | <u>\$ 242,525</u>     | <u>\$ 13,078,102</u> | <u>\$ (9,098,192)</u> | <u>\$ 26,255,394</u>    |

*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, 2024**

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**Note 28 - 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:

**General Government Services**

General Government provides the administrative and legislative activities that supports Council and the departments of the Town. Also included in General Government Services is the financial planning and reporting, Information Technology, Human Resources, and Waterfront Area Plan Implementation.

**Protective Services**

Fire protection, includes a full-time Fire Chief and the fire department consists of paid on-call fire fighters who volunteer their service and receive compensating for each callout in which they take part. The fire department oversees a fleet of fire vehicles necessary to respond to calls.

Policing services is provided under contract with the RCMP. The Town is responsible for funding eight of the members within the detachment. The detachment occupies a building located in and owned by the Town of Ladysmith.

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.

**Transportation, Solid Waste and Cemetery Services**

The Transportation (Public Works) Department is responsible for the infrastructure of the Town. Public works provides and maintains Town's roads, sidewalks, streetlights, 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.

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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**Note 28 - Segmented Information (continued)**

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

**Development Services**

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 Neighborhood Plans, the Trail Plan and the review of relevant bylaws. Short term Planning includes the processing of development applications.

**Recreation and Cultural Services**

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 (FJCC) is the location where the majority of the programs are offered. Funding from the regional partially funds the FJCC facility.

**Parks Operation Services**

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

**Water Services**

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 Services**

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

**TOWN OF LADYSMITH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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**Note 29 – Growing Communities Fund**

The Province of British Columbia distributed conditional Growing Communities Fund (GCF) grants to communities at the end of March 2023 to help local governments build community infrastructure and amenities to meet the demands of population growth. The GCF provided a one-time total of \$1 billion in grants to all 161 municipalities and 27 regional districts in British Columbia.

The Town of Ladysmith received \$3,406,000 of GCF funding in March 2023. No funds have been used, and the balance accrues interest. The balance at December 31, 2024 was \$3,590,402.

**Note 30 – Subsequent Events**

As of date of the financial statements, the Town is assessing the impact of any new tariffs on its procurement, and overall financial performance. Management has not yet fully determined the potential effect on future operations but expects the increased tariffs to increase operating and capital expenses.



**TOWN OF LADYSMITH**  
**STATEMENT OF OPERATIONS BY SEGMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**SCHEDULE I**

|                                       | General<br>Government |                      | Protective<br>Services |                       | Transportation,<br>Solid Waste & Cemetery<br>Services |                     | Development<br>Services |                     |
|---------------------------------------|-----------------------|----------------------|------------------------|-----------------------|---|---------------------|-------------------------|---------------------|
|                                       | 2024                  | 2023                 | 2024                   | 2023                  | 2024  | 2023                | 2024                    | 2023                |
| <b>REVENUE</b>                        |                       |                      |                        |                       |   |                     |                         |                     |
| Tax                                   | \$ 10,392,247         | \$ 9,643,448         | \$ -                   | \$ -                  | \$ -  | \$ -                | \$ -                    | \$ -                |
| Sale of services                      | 41,891                | 33,718               | 143,136                | 200,498               | 784,962   | 833,548             | 21,463                  | 36,134              |
| Investment income                     | 2,011,086             | 1,792,143            | -                      | -                     | -   | -                   | -                       | -                   |
| Licence, Permits, Rentals & Penalties | 121,983               | 108,947              | 246,216                | 210,999               | 149,827   | 231,951             | 291,938                 | 434,822             |
| Grants                                | 765,217               | 3,941,082            | 99,000                 | 43,000                | 86,605  | 625,649             | 191,995                 | -                   |
| Donations & contributed property      | -                     | 48,000               | -                      | -                     | 262,100   | 3,279,902           | -                       | -                   |
| Loss on foreign exchange              | 25,423                | (2,752)              | -                      | -                     | -   | -                   | -                       | -                   |
| Gain (loss) on disposal               | (107,929)             | (685,052)            | -                      | -                     | 28,127  | 32,640              | -                       | -                   |
| Development fees                      | -                     | -                    | -                      | -                     | -   | 257,100             | -                       | -                   |
| CCB funds utilized                    | -                     | -                    | -                      | -                     | 144,169   | 520,894             | -                       | 11,137              |
| <b>Total revenue</b>                  | <b>13,249,918</b>     | <b>14,879,534</b>    | <b>488,353</b>         | <b>454,497</b>        | <b>1,455,790</b>                                      | <b>5,781,684</b>    | <b>505,396</b>          | <b>482,093</b>      |
| <b>EXPENSES</b>                       |                       |                      |                        |                       |   |                     |                         |                     |
| Contracted Services                   | 401,312               | 577,329              | 1,732,307              | 1,819,005             | 934,000   | 968,655             | 47,991                  | 51,825              |
| Service Agreements/Grants In Aid      | 202,614               | 196,594              | -                      | -                     | -   | -                   | -                       | -                   |
| Insurance                             | 89,318                | 81,901               | 16,316                 | 16,024                | -   | -                   | -                       | -                   |
| Interest                              | -                     | -                    | 121,948                | 130,997               | -   | -                   | -                       | -                   |
| Materials & Supplies                  | 61,377                | 51,918               | 116,186                | 96,866                | 147,027   | 162,998             | 19,413                  | 18,525              |
| Utilities & Telephone                 | 11,527                | 13,930               | 8,238                  | 10,049                | 121,469   | 132,908             | 4,527                   | 4,091               |
| Wages & Benefits                      | 2,076,896             | 2,082,667            | 402,496                | 416,794               | 1,165,299   | 1,092,543           | 811,117                 | 741,674             |
| Other                                 | (280,090)             | (12,502)             | 40,842                 | 56,618                | 160,540   | 65,082              | 6,367                   | 8,872               |
| Amortization/ARO                      | 296,807               | 302,212              | 267,369                | 265,854               | 1,173,482   | 1,054,456           | 2,345                   | 2,345               |
| <b>Total expenses</b>                 | <b>2,859,760</b>      | <b>3,294,048</b>     | <b>2,705,702</b>       | <b>2,812,208</b>      | <b>3,701,817</b>                                      | <b>3,476,643</b>    | <b>891,760</b>          | <b>827,332</b>      |
| <b>Surplus (Deficit)</b>              | <b>\$ 10,390,159</b>  | <b>\$ 11,585,486</b> | <b>\$ (2,217,349)</b>  | <b>\$ (2,357,711)</b> | <b>\$ (2,246,027)</b>                                 | <b>\$ 2,305,040</b> | <b>\$ (386,364)</b>     | <b>\$ (345,239)</b> |

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

**TOWN OF LADYSMITH**  
**STATEMENT OF OPERATIONS BY SEGMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**SCHEDULE I - CONTINUED**

| Recreation & Culture Services |                       | Parks Operations Services |                     | Sewer Operations Services |                   | Water Operations Services |                       | Total Actual        | Total Actual        |
|-------------------------------|-----------------------|---------------------------|---------------------|---------------------------|-------------------|---------------------------|-----------------------|---------------------|---------------------|
| 2024                          | 2023                  | 2024                      | 2023                | 2024                      | 2023              | 2024                      | 2023                  | 2024                | 2023                |
| \$ -                          | \$ -                  | \$ -                      | \$ -                | \$ 1,415,870              | \$ 1,393,920      | \$ 1,887,775              | \$ 1,859,317          | \$ 13,695,892       | \$ 12,896,686       |
| 684,870                       | 640,590               | 7,500                     | -                   | 1,960,872                 | 1,792,199         | 1,688,585                 | 1,567,162             | 5,333,278           | 5,103,849           |
| -                             | -                     | -                         | -                   | -                         | -                 | -                         | -                     | 2,011,086           | 1,792,143           |
| 245,527                       | 272,846               | -                         | -                   | 25,304                    | 24,544            | 23,375                    | 22,095                | 1,104,172           | 1,306,204           |
| 2,096,820                     | 1,379,972             | 6,600                     | 124,854             | -                         | (9,810)           | 118,038                   | -                     | 3,364,275           | 6,104,747           |
| 19,444                        | 28,350                | 2,400                     | 27,343              | -                         | 620,187           | 116,448                   | 677,346               | 400,392             | 4,681,127           |
| -                             | -                     | -                         | -                   | -                         | -                 | -                         | -                     | 25,423              | (2,752)             |
| 750                           | 2,675                 | -                         | -                   | (238,648)                 | (11,607)          | (26,480)                  | (9,221)               | (344,180)           | (670,565)           |
| -                             | -                     | -                         | 50,000              | 59,131                    | -                 | -                         | -                     | 59,131              | 307,100             |
| -                             | -                     | -                         | 298,170             | -                         | -                 | 45,000.00                 | -                     | 189,169             | 830,201             |
| <u>3,047,411</u>              | <u>2,324,432</u>      | <u>16,500</u>             | <u>500,367</u>      | <u>3,222,529</u>          | <u>3,809,433</u>  | <u>3,852,741</u>          | <u>4,116,699</u>      | <u>25,838,638</u>   | <u>32,348,740</u>   |
| 606,258                       | 571,284               | 93,383                    | 70,868              | 436,174                   | 260,454           | 288,239                   | 368,882               | 4,539,663           | 4,688,304           |
| -                             | -                     | -                         | -                   | -                         | -                 | -                         | -                     | 202,614             | 196,594             |
| 64,181                        | 60,817                | 5,999                     | 5,717               | 46,501                    | 45,672            | 34,776                    | 33,996                | 257,091             | 244,127             |
| -                             | -                     | -                         | -                   | 124,185                   | 134,185           | 163,049                   | 169,591               | 409,182             | 434,774             |
| 205,495                       | 192,694               | 98,893                    | 90,821              | 254,209                   | 272,228           | 346,381                   | 320,804               | 1,248,981           | 1,206,854           |
| 218,624                       | 215,323               | 7,720                     | 7,098               | 149,497                   | 153,759           | 62,521                    | 61,165                | 584,122             | 598,324             |
| 2,369,565                     | 2,243,960             | 587,537                   | 542,003             | 764,017                   | 675,300           | 801,430                   | 850,460               | 8,978,358           | 8,645,401           |
| 29,512                        | 26,599                | 106,381                   | 104,373             | 246,765                   | 193,251           | 320,408                   | 279,554               | 630,724             | 721,846             |
| 327,126                       | 626,258               | 290,802                   | 265,235             | 1,249,955                 | 1,247,112         | 963,244                   | 3,742,716             | 4,571,130           | 7,506,188           |
| <u>3,820,761</u>              | <u>3,936,935</u>      | <u>1,190,714</u>          | <u>1,086,114</u>    | <u>3,271,303</u>          | <u>2,981,962</u>  | <u>2,980,047</u>          | <u>5,827,168</u>      | <u>21,421,864</u>   | <u>24,242,411</u>   |
| <u>\$ (773,350)</u>           | <u>\$ (1,612,503)</u> | <u>\$ (1,174,214)</u>     | <u>\$ (585,747)</u> | <u>\$ (48,774)</u>        | <u>\$ 827,471</u> | <u>\$ 872,694</u>         | <u>\$ (1,710,469)</u> | <u>\$ 4,416,774</u> | <u>\$ 8,106,329</u> |

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

**TOWN OF LADYSMITH**  
**CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**SCHEDULE II**

|                                 | <u>Land</u>          |                      | <u>Land Improvements</u> |                     | <u>Buildings</u>     |                      | <u>Vehicle Furniture &amp; Equipment</u> |                     | <u>Transportation</u> |
|---------------------------------|----------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|--|---------------------|-----------------------|
|                                 | <u>2024</u>          | <u>2023</u>          | <u>2024</u>              | <u>2023</u>         | <u>2024</u>          | <u>2023</u>          | <u>2024</u>                              | <u>2023</u>         | <u>2024</u>           |
| <b>COST</b>                     |                      |                      |                          |                     |                      |                      |  |                     |                       |
| Opening Balance                 | \$ 12,526,778        | \$ 11,301,637        | \$ 10,527,410            | \$ 9,666,056        | \$ 27,425,221        | \$ 26,164,840        | \$ 11,256,181                            | \$ 11,551,037       | \$ 36,173,448         |
| Add: Additions                  | 29,742               | 1,225,141            | 250,209                  | 861,354             | 86,723               | 1,260,382            | 752,579                                  | 377,437             | 780,031               |
| Less: Disposals                 | 524,420              | -                    | -                        | -                   | 454,025              | -                    | 278,849                                  | 672,290             | 85,805                |
| Less: Write-downs               | -                    | -                    | -                        | -                   | -                    | -                    | -  | -                   | -                     |
| Closing Balance                 | <u>12,032,100</u>    | <u>12,526,778</u>    | <u>10,777,619</u>        | <u>10,527,410</u>   | <u>27,057,919</u>    | <u>27,425,221</u>    | <u>11,729,911</u>                        | <u>11,256,181</u>   | <u>36,867,674</u>     |
| <b>ACCUMULATED AMORTIZATION</b> |                      |                      |                          |                     |                      |                      |  |                     |                       |
| Opening Balance                 | -                    | -                    | 4,731,164                | 4,435,315           | 10,120,746           | 9,360,140            | 5,232,711                                | 5,148,608           | 19,172,278            |
| Add: Amortization               | -                    | -                    | 311,129                  | 295,849             | 777,937              | 760,606              | 608,006                                  | 574,874             | 804,350               |
| Less: Write-downs               | -                    | -                    | -                        | -                   | -                    | -                    | -  | -                   | -                     |
| Less: Disposals                 | -                    | -                    | -                        | -                   | 71,624               | -                    | 248,775                                  | 490,771             | 82,945                |
| Closing Balance                 | -                    | -                    | <u>5,042,293</u>         | <u>4,731,164</u>    | <u>10,827,059</u>    | <u>10,120,746</u>    | <u>5,591,942</u>                         | <u>5,232,711</u>    | <u>19,893,683</u>     |
| <b>Net Book Value</b>           | <u>\$ 12,032,100</u> | <u>\$ 12,526,778</u> | <u>\$ 5,735,326</u>      | <u>\$ 5,796,246</u> | <u>\$ 16,230,860</u> | <u>\$ 17,304,475</u> | <u>\$ 6,137,969</u>                      | <u>\$ 6,023,470</u> | <u>\$ 16,973,991</u>  |

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

**TOWN OF LADYSMITH**  
**CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**SCHEDULE II (CONTINUED)**

| <u>Linear Infrastructure</u> |                       |                      |                     |                     |                      |                      |                                  |                   |                       |                       |
|------------------------------|-----------------------|----------------------|---------------------|---------------------|----------------------|----------------------|----------------------------------|-------------------|-----------------------|-----------------------|
| <u>Transportation</u>        | <u>Sanitary Sewer</u> |                      | <u>Storm</u>        |                     | <u>Water</u>         |                      | <u>Assets Under Construction</u> |                   | <u>Total</u>          |                       |
| 2023                         | 2024                  | 2023                 | 2024                | 2023                | 2024                 | 2023                 | 2024                             | 2023              | 2024                  | 2023                  |
| \$ 31,709,150                | \$ 39,006,158         | \$ 38,151,666        | \$ 12,653,980       | \$ 10,814,918       | \$ 36,678,499        | \$ 35,319,407        | \$ 520,664                       | \$ 2,652,856      | \$ 186,768,342        | \$ 177,331,569        |
| 4,603,225                    | -                     | 878,920              | 229,591             | 1,857,938           | 431,939              | 1,382,140            | 704,201                          | 356,989           | 3,265,015             | 12,803,526            |
| 138,926                      | 320,969               | 24,427               | 9,057               | 18,877              | 39,774               | 23,047               | 362,453                          | 2,015,614         | 2,075,352             | 2,893,181             |
| -                            | -                     | -                    | -                   | -                   | -                    | -                    | -                                | 473,564           | -                     | 473,564               |
| <u>36,173,448</u>            | <u>38,685,189</u>     | <u>39,006,158</u>    | <u>12,874,514</u>   | <u>12,653,980</u>   | <u>37,070,664</u>    | <u>36,678,499</u>    | <u>862,412</u>                   | <u>520,664</u>    | <u>187,958,005</u>    | <u>186,768,342</u>    |
| 18,569,654                   | 13,601,968            | 12,606,005           | 3,154,820           | 2,990,638           | 8,812,777            | 7,942,036            | -                                | -                 | 64,826,464            | 61,052,396            |
| 721,665                      | 1,008,753             | 1,008,783            | 189,466             | 172,112             | 858,267              | 884,724              | -                                | -                 | 4,557,910             | 4,418,613             |
| 10                           | -                     | -                    | -                   | -                   | -                    | -                    | -                                | -                 | -                     | 10                    |
| <u>119,031</u>               | <u>104,721</u>        | <u>12,820</u>        | <u>2,978</u>        | <u>7,930</u>        | <u>13,294</u>        | <u>13,983</u>        | <u>-</u>                         | <u>-</u>          | <u>524,337</u>        | <u>644,535</u>        |
| <u>19,172,278</u>            | <u>14,506,000</u>     | <u>13,601,968</u>    | <u>3,341,308</u>    | <u>3,154,820</u>    | <u>9,657,750</u>     | <u>8,812,777</u>     | <u>-</u>                         | <u>-</u>          | <u>68,860,037</u>     | <u>64,826,464</u>     |
| <br>                         |                       |                      |                     |                     |                      |                      |                                  |                   |                       |                       |
| <u>\$ 17,001,170</u>         | <u>\$ 24,179,189</u>  | <u>\$ 25,404,190</u> | <u>\$ 9,533,206</u> | <u>\$ 9,499,160</u> | <u>\$ 27,412,914</u> | <u>\$ 27,865,722</u> | <u>\$ 862,412</u>                | <u>\$ 520,664</u> | <u>\$ 119,097,968</u> | <u>\$ 121,941,879</u> |

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



TOWN OF LADYSMITH

## PROCLAMATION

### Safety and Health Week

**WHEREAS:** *The week of May 5-10 is recognized as Safety and Health Week, formerly known as North American Occupational Safety and Health (NAOSH) week; and*

**WHEREAS:** *Employers, government agencies, and workers from Canada, the United States, and Mexico are uniting to raise awareness about the critical importance of preventing injuries and illnesses in the workplace, at home and throughout our communities; and*

**WHEREAS:** *Achieving this objective requires a collective commitment from all stakeholders to prioritize and take responsibility for occupational health and safety prevention, fostering safer environments for everyone; and*

**WHEREAS:** *A safer workplace positively impacts employee health and wellbeing, productivity, and proficiency, and employees can extend these safety philosophies to create a safer home environment; and*

**WHEREAS:** *During Safety and Health Week, members of the Canadian Society of Safety Engineers (C.S.S.E.) will be mobilizing with the Town of Ladysmith and other employers committed to safety and health to increase employees', employers', and the public's understanding of the benefits in investing in occupational health and safety; and*

**WHEREAS:** *This year's theme is "Together we can create safer workplaces and communities."*

**THEREFORE:** *I, Deena Beeston, Mayor of the Town of Ladysmith, do hereby proclaim that May 5-10, 2025, inclusive, shall be known as "Safety and Health Week."*

Mayor D. Beeston

April 15, 2025



**STAFF REPORT TO COUNCIL**

**Report Prepared By:** Chris Barfoot, Director Parks, Recreation & Culture  
**Reviewed By:** Allison McCarrick, Chief Administrative Officer  
**Meeting Date:** April 15, 2025  
**File No:**  
**Re:** **Ladysmith Arts & Heritage Hub Building Lease Rates**

**RECOMMENDATION:**

That Council:

1. Determine a lease rate, per square foot, for the leasable space within the Machine Shop building, the Loci Shop and the Car Shop, based on the information presented in the April 15, 2025 staff report by the Director of Parks, Recreation & Culture; and
2. Direct the Director of Parks, Recreation & Culture to present the determined lease rates and structure to the previous user groups of the Machine Shop and the current occupants of the Loci and Car Shops to gauge interest in formalizing lease arrangements.

**EXECUTIVE SUMMARY:**

This report outlines the proposed lease rates for the Town of Ladysmith-owned buildings within the Arts & Heritage Hub, including the Machine, Loci, and Car Shops. The proposed rates align with the Town’s PR&C Fees and Charges Policy, which is based on the principles of fairness, equity, and market alignment. The proposed lease rates are categorized by tenant type: regular tenants, non-profit organizations, and commercial entities. Specific lease rates are determined by square footage and may be subject to adjustments based on any leasehold improvements made by tenants. This approach ensures that the rates are transparent, consistent, and reflective of the unique uses of each building, while supporting the Town’s fiscal responsibilities. The proposed lease rates do not include utilities.

**PREVIOUS COUNCIL DIRECTION:**

| Resolution  | Meeting Date | Resolution Details  |
|-------------|--------------|---|
| CE 2020-157 | 2020-11-17   | That Council endorse the following lease structure and rate program, for all existing and proposed buildings on the site with the exception of the artist studio(s) that are included in the Arts and Heritage Hub:<br>a) Market lease rates plus utilities for commercial tenants;<br>b) Nominal lease rates plus utilities for not-for-profit |



| Resolution | Meeting Date | Resolution Details  |
|------------|--------------|---|
|            |              | tenants; and<br>c) Subletting subject to the Town's written approval. |

**INTRODUCTION/BACKGROUND:**

The proposed lease rates for the Machine, Loci, and Car Shops follow the general framework outlined in the Town of Ladysmith's PR&C Fees and Charges Policy which distinguishes rates based on tenant type. While these buildings are not specifically mentioned in the policy, the proposed rates, as outlined below, have been designed to adhere to the policy's principles and align with previous Council direction on the Machine Shop tenant rates. Commercial tenants would be required to pay property taxes; however, non-profits would be eligible to apply for a permissive tax exemption (PTE).

The rates being presented are consistent with current commercial rates for industrial commercial buildings within the region. However, registered non-profit organizations and local artists living within the greater Ladysmith area who demonstrate financial challenges with securing working space, would be eligible for a fifty percent subsidy from the base rate. Artists have been included within this subsidy as supporting artists supports the initiatives of the existing grant funding utilized to complete the current phase of the Heart of the Hub (Machine Shop) project.

**LEASE RATE COMPARISON FOR INDUSTRIAL COMMERCIAL SPACES**

| Community  | *Lease Rate (range) per square foot |
|------------|-------------------------------------|
| Ladysmith  | \$13-24                             |
| Duncan     | \$12-26                             |
| Nanaimo    | \$13-25                             |
| Parksville | \$12-23                             |

*\*rates viewed in realtor.ca and have been averaged*

The proposed rates are based on square footage, with varied pricing tiers for each category and building type. Staff expect that the new lease rate will continue with the current practice of being a rate *plus* hydro costs. Following the completion of the Machine Shop renovation, each building and space within the Machine Shop will have its own dedicated hydro meter. Additionally, any leasehold improvements made by tenants may impact the final lease rate, ensuring the rates reflect the value and utility of the spaces but captures the added value of maintenance and building improvements completed by the tenants.

Using the above comparisons as well as the existing PR&C Fees and Charges Policy of providing a reduction for non-profit and an additional charge for commercial rates, staff are presenting some lease rates for consideration:

## PROPOSED LEASE RATES

| Buildings    | Base Rate per annum | -50% nonprofit rate | +20% commercial rate |
|--------------|---------------------|---------------------|----------------------|
| Machine Shop | \$11.00             | \$5.50              | \$13.20              |
| Loci Shop    | \$6.00              | \$3.00              | \$7.20               |
| Car Shop     | \$6.00              | \$3.00              | \$7.20               |

Lease structure and rates for the Machine Shop have been discussed by Council in the past, as well as with previous user groups. However, lease rates and the ability to monitor hydro for the two industrial buildings are new. With no current agreements in place on these buildings, this will be a change from the past and current practices. As these buildings continue to age, maintenance and repair costs are rising. This increase in costs highlights the need for the proposed lease rates, which are designed to offset some of the ongoing financial requirements for maintaining the buildings in good condition and keeping them functional and safe for those who are using them. Additionally, these rates would encourage tenant organizations to invest in necessary improvements and maintenance, helping to potentially offset the proposed lease rates. Examples of leasehold improvements might include exterior repairs, such as cladding repairs and exterior painting or landscaping and general site work, which would be coordinated through the Town's Facility Maintenance and Parks Departments.

**Machine Shop:** The Machine Shop was previously home to arts and cultural groups, including working spaces for artists. Given its historical use and the community-driven nature of the space, the proposed lease rates will accommodate both non-profit organizations and commercial tenants. The rate will be based on square footage, with non-profit organizations, particularly those focused on arts and culture, offered the subsidized rate that aligns with the structure of the existing PR&C Fees and Charges Policy. The Machine Shop will also have studio spaces that are intended to support artists living within the region and who may be experiencing economic challenges securing working spaces. This supports the Town's commitment to fostering cultural initiatives and community engagement. Any future commercial tenants will be charged the market rate, with any leasehold improvements considered in the final rate.

**Loci and Car Shop:** The Loci and Car Shop have become important industrial heritage spaces that currently house the Loci 11 steam train and provide working spaces for industrial and marine historical groups. The proposed lease rates will reflect the historical and cultural significance of the work taking place within each space while providing the benefit of a discounted rate to the non-profit organizations focused on heritage preservation. One of the current occupants currently maintains the grounds within the Arts & Heritage Hub, with the intention to recognize the value of this work to offset the lease rates as a leasehold improvement.

**Leasehold Improvements:** For all three buildings — Machine, Loci, and Car Shops — leasehold improvements may play a significant role in determining the final lease rate. Tenants who invest in improving the space for their specialized needs will see adjustments in their rates to reflect the increased utility and value of the property. These improvements could include modifications, restoration or landscaping. The Town ensures

that approved improvements would be accounted for in the lease rate, providing a transparent and equitable approach for both the tenant and the Town.

Staff recommend that the determined lease rates become effective **January 1, 2026**. The Machine Shop is anticipated to re-open in early 2026 with the grant timeline for project completion being March 31, 2026.

Should Council approve lease rates, staff will meet with the former facility users of the Machine Shop and the current occupants of the Loci and Car Shops to begin formalizing lease agreements. Staff would then return to Council for the approval of these proposed agreements.

**ALTERNATIVES:**

Council can choose to:

1. Adjust the base rates provided.
2. Provide staff with alternative direction.

**FINANCIAL IMPLICATIONS:**

Lease rates that incorporate leasehold improvements provide the ability for organizations, artists, and other potential tenants, to make facility improvements while providing the Town with the ability to plan, fund and schedule preventative building maintenance accordingly.

**LEGAL IMPLICATIONS:**

N/A

**CITIZEN/PUBLIC RELATIONS IMPLICATIONS:**

Having a consistent basis for lease fees will provide a fair, equitable fee structure for leaseholders.

**INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:**

The Department of Parks, Recreation & Culture will manage these agreements and the allocations of the spaces within the Arts & Heritage Hub.

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

- |   |   |
|---|---|
| <input type="checkbox"/> Core Infrastructure                    | <input type="checkbox"/> Economy        |
| <input type="checkbox"/> Official Community Plan Implementation | <input type="checkbox"/> Leadership     |
| <input checked="" type="checkbox"/> Waterfront Area Plan        | <input type="checkbox"/> Not Applicable |

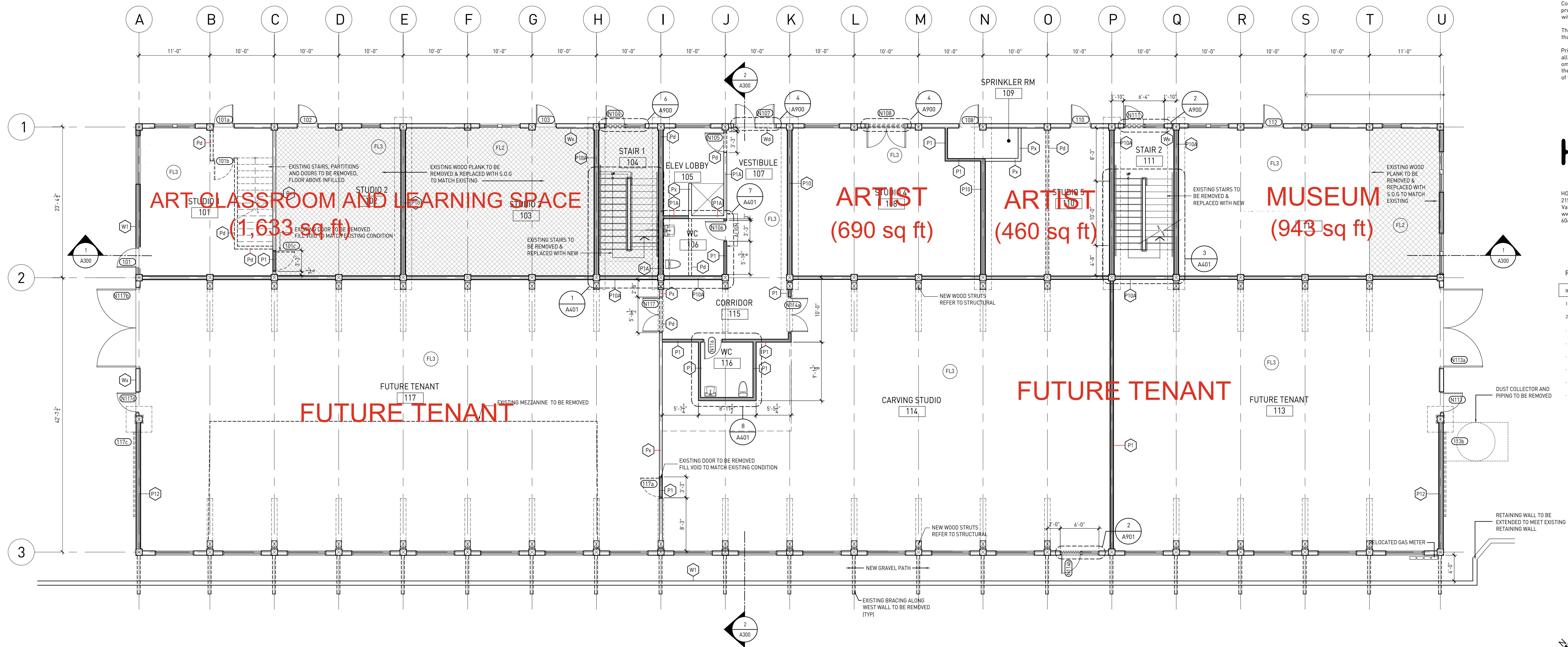
***I approve the report and recommendations.***

**Allison McCarrick, Chief Administrative Officer**

**ATTACHMENTS:**

- A. Machine Shop Floor Plan with Square Footage

# ATTACHMENT A - Machine Shop Layout with Square Footage



1 GROUND FLOOR PLAN - PROPOSED  
1/8" = 1'-0"

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This drawing is not to be used for construction until issued for that purpose by the designer.  
Prior to commencement of the Work the Contractor shall verify all dimensions, datums and levels to identify any errors and omissions; ascertain any discrepancies between this drawing and the full Contract Document; and bring these items to the attention of the owner for clarification.

## HOTSON

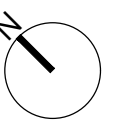
HOTSON Architecture Inc.  
215-35 West 5th Avenue  
Vancouver, BC V5Y 1H4  
www.hotson.ca  
604 558 6956

### Revisions and Issues:

| REV | DESCRIPTION                | DATE          |
|-----|----------------------------|---------------|
| 1   | ISSUED FOR REVIEW          | JULY 10, 2019 |
| 2   | ISSUED FOR BUILDING PERMIT | JULY 18, 2019 |

DUST COLLECTOR AND PIPING TO BE REMOVED

RETAINING WALL TO BE EXTENDED TO MEET EXISTING RETAINING WALL



Ladysmith Machine Shop

610 Oyster Bay Drive  
Ladysmith, BC

Client: Town of Ladysmith  
Address: 410 Esplanade Avenue  
Ladysmith, BC

## GROUND FLOOR PLAN

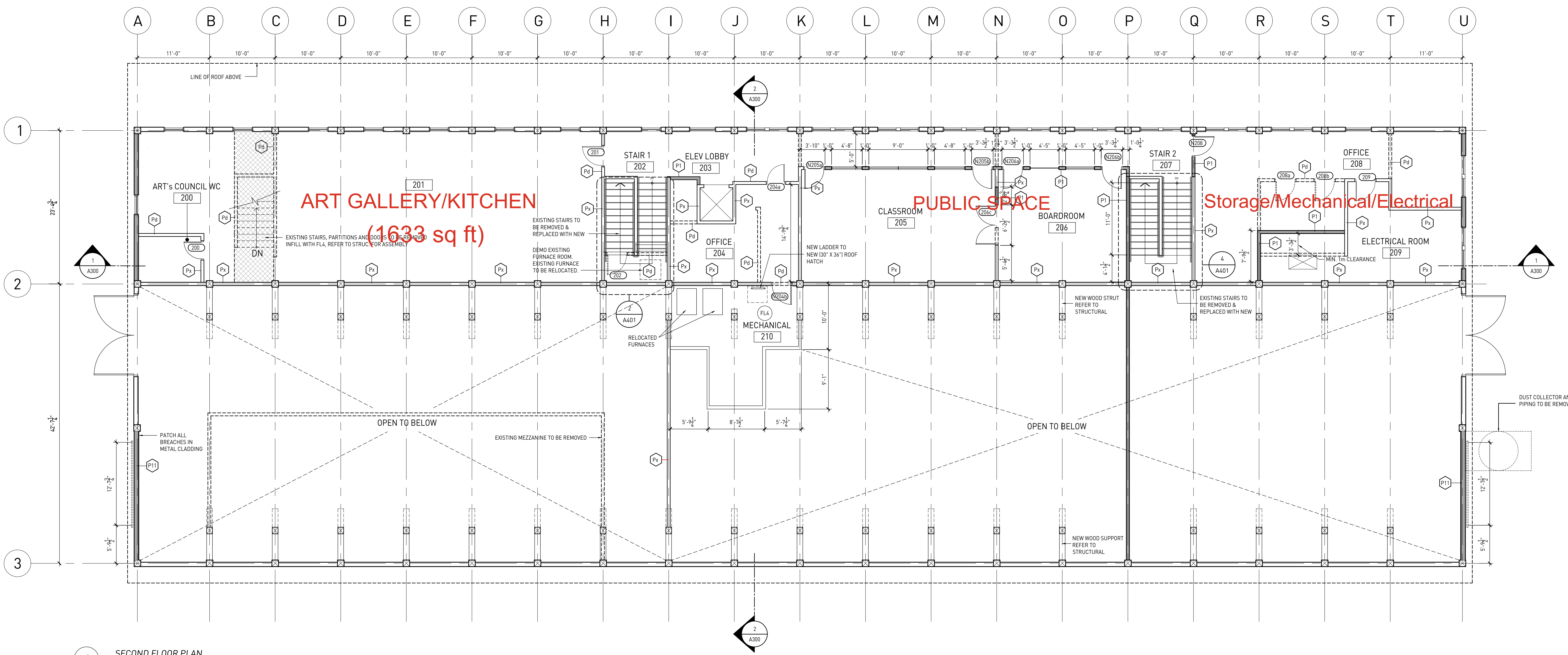
Project No. 1807  
Scale 1/8"=1'-0"  
Date July 18, 2019

# A100

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|     |                            |               |
|     |                            |               |
|     |                            |               |
|     |                            |               |
|     |                            |               |
|     |                            |               |
|     |                            |               |

1 SECOND FLOOR PLAN  
1/8" = 1'-0"

**INDUSTRIAL BLDGS**

**LOCI SHOP (1,752 sq ft)**

**CAR SHOP (3,066 sq ft)**

Ladysmith Machine Shop

610 Oyster Bay Drive  
Ladysmith, BC

Client Town of Ladysmith

Address 410 Esplanade Avenue  
Ladysmith, BC

## SECOND FLOOR PLAN

Project No. 1807

Scale 1/8"=1'-0"

Date July 18, 2019

# A101

**STAFF REPORT TO COUNCIL**

**Report Prepared By:** Erin Anderson, Director of Financial Services  
**Reviewed By:** Allison McCarrick, CAO  
**Meeting Date:** April 15, 2025  
**File No:**  
**Re:** **Purchase of Folder Inserter Machine**

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**RECOMMENDATION:**

That Council approve the purchase of a Folder Inserter machine for up to \$20,000 with the funds to come from appropriated equity and amend the 2025-2029 Financial Plan accordingly.

**EXECUTIVE SUMMARY:**

The Town currently outsources the folding and stuffing of tax notices and utility bills. Staff are concerned with the processing cost and lag time, especially with a potential postal disruption, and have sought other options, such as purchasing a Folder Inserter machine to operate in-house.

**PREVIOUS COUNCIL DIRECTION:**

N/A

**INTRODUCTION/BACKGROUND:**

For many years, the Town has used a company in Victoria to fold, stuff and mail the annual property tax and quarterly utility bills. Staff print the invoices and inserts at City Hall and courier the boxes to Victoria. The Town must make a reservation, weeks in advance, to ensure jobs can be completed in a timely manner. This advanced scheduling can cause issues, especially when there is an emerging communications issue that must be put aside in order to make the scheduled time allocated to the Town.

Staff have sourced the purchase of a Folder Inserter machine and expect the cost to be approximately \$17,700, though there is an additional cost (~\$2,100 annually) for servicing the machine. There are options to lease, though there would be additional cost for the financing.

Staff also produce outstanding tax letters (approximately 500) twice a year as well as business licence billings (approximately 550) once a year, though these jobs are not outsourced. Instead, staff manually fold the letters and corresponding inserts and stuff the envelopes. There is an expected savings in staff time should Council approve the

purchase of a machine, though additional time would be necessary to apply postage and deliver the mail to Canada Post.

Staff are requesting the purchase of this machine now, which is outside of the regular budget cycle, because a possible labour disruption could begin on or after May 22, 2025 which could coincide with the annual property tax notices being mailed. A special Council meeting may be required to approve the tax rate bylaws ahead of the anticipated May 6<sup>th</sup> date.

**ALTERNATIVES:**

Council can choose to:

1. Continue with the status quo.
2. Purchase through our current vendor, additional online capabilities to electronically deliver the property tax notices. This would have additional costs and it would not be in place for the 2025 tax season.
3. Purchase through an external company the complete outsourcing – including all printing and delivery – of the mailings. This process would involve providing an electronic file of the invoices and an electronic file of the insert to a company that would print, fold, insert and mail the complete package.

**FINANCIAL IMPLICATIONS:**

It currently costs approximately \$4,000 each year to transport, fold and stuff the annual tax notices and quarterly utility bills. This does not include the cost of the envelopes or postage as these are additional costs if the production is done in-house or outsourced.

Should Council approve the purchase of a machine, there would be additional staff time allocated to the mail-outs, though there would not be additional staffing costs.

There is a financial cost to purchasing a piece of equipment, as well as the ongoing annual cost to maintain the equipment. Staff recommend that this one-time purchase be made from appropriated equity and the annual maintenance be included in future operating budgets.

**LEGAL IMPLICATIONS:**

n/a

**CITIZEN/PUBLIC RELATIONS IMPLICATIONS:**

n/a

**INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:**

The piece of equipment would be mainly used and stored in the old Council chambers at City Hall. Though other departments do not currently do large mail outs, they would be able to set up “jobs” with the equipment.



**ALIGNMENT WITH STRATEGIC PRIORITIES:**

- |   |  |
|---|--|
| <input type="checkbox"/> Core Infrastructure                    | <input type="checkbox"/> Economy                   |
| <input type="checkbox"/> Official Community Plan Implementation | <input type="checkbox"/> Leadership                |
| <input type="checkbox"/> Waterfront Area Plan                   | <input checked="" type="checkbox"/> Not Applicable |

***I approve the report and recommendation.***

**Allison McCarrick, Chief Administrative Officer**

**STAFF REPORT TO COUNCIL**

**Report Prepared By:** Chris Geiger, Manager of Protective Services  
**Reviewed By:** Allison McCarrick, CAO  
**Meeting Date:** April 15, 2025  
**File No:** 1855-20  
**Re:** UBCM – NextGen911 Grant Application

---

**RECOMMENDATION:**

That Council:

1. Support the Town's application to the UBCM Local Government Program Services Next Generation 911 (NG911) grant for the purchase and installation of NG911-compatible Mobile Computer Aided Dispatch (CAD) agents (mobile data terminals) in Fire Department vehicles;
2. Confirm its willingness to provide overall grant management subject to receipt of grant funding; and
3. If the grant funding is successful, amend the 2025-2029 Financial Plan accordingly.

**EXECUTIVE SUMMARY:**

Ladysmith Fire/Rescue has applied for a grant in the amount of \$99,000 through the UBCM Local Government Programs and Services program. The grant would provide funding to supply and install NG911-compatible Mobile CAD terminals in fire department vehicles. Staff request Council's support of the application and confirmation that the Town will provide overall grant management if successful.

**PREVIOUS COUNCIL DIRECTION:**

N/A

**INTRODUCTION/BACKGROUND:**

The existing 911 system was designed in an era of landline telephones and assumes that calls are coming from a known address. Today, most calls originate from mobile devices without fixed addresses.

Across Canada, systems are being updated in preparation for Next Generation 911, which will replace the legacy analogue infrastructure with IP-based technology. It will create a faster, more resilient system that allows digital information (e.g., voice, real-time text, and eventually video calling) to flow seamlessly from the public to 911.

A CAD system is Computer Aided Dispatch. A mobile CAD is a unit that is mounted in the responding vehicle and allows the responder to easily view location, incident type and any notes from the dispatcher in real time, improving situational awareness and communication between 911 call takers, dispatchers and first responders. CAD units are currently installed in the Ladysmith Fire/Rescue vehicles. This grant will allow Ladysmith Fire/Rescue to replace the existing units, significantly upgrading the system.

**ALTERNATIVES:**

Council can choose to not support the grant application. A budget request for replacing the existing mobile CAD units will be presented at a future budget meeting with funding to come from taxation.

**FINANCIAL IMPLICATIONS:**

The current estimate for upgrading the existing Mobile CAD units is \$99,000. If successful, this grant will cover the hardware costs and installation. Any additional costs will be absorbed in the Fire/Rescue operating budget.

**LEGAL IMPLICATIONS:**

N/A

**CITIZEN/PUBLIC RELATIONS IMPLICATIONS:**

Ladysmith Fire/Rescue enjoys a high level of support amongst the population of Ladysmith. Typically, news that Ladysmith Fire/Rescue is acquiring equipment that builds capacity and adds to operational readiness is met with support, particularly if that equipment can be secured with funding from outside sources.

**INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:**

If successful, the Fire Department and the Finance Department will work together to purchase the equipment in accordance with the Town's purchasing policy.

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Core Infrastructure         | <input type="checkbox"/> Economy        |
| <input type="checkbox"/> Official Community Plan Implementation | <input type="checkbox"/> Leadership     |
| <input type="checkbox"/> Waterfront Area Plan                   | <input type="checkbox"/> Not Applicable |

***I approve the report and recommendation.***

**Allison McCarrick, Chief Administrative Officer**

**ATTACHMENTS:**

- A. GPS\_NG911\_2025 AppWorksheet

## Next Generation 911

### 2025 Application Worksheet

Please complete and return the worksheet with all required attachments by **April 11, 2025**. Applicants will be advised of the status of their application within 90 days of the application deadline.

All questions must be answered by typing directly in this form. **As all questions are reviewed and scored as part of the adjudication process, please do not leave any questions blank.**

If you have any questions, contact [lgps@ubcm.ca](mailto:lgps@ubcm.ca) or (604) 270-8226 ext. 220.

#### SECTION 1: Primary Applicant Information

|  |                              |
|--|------------------------------|
| Treaty First Nation or Local Government Name:<br>Town of Ladysmith | File Number*:<br>LGPS-11829. |
|--|------------------------------|

*\*Refer to the LGPS Online Application Form submission confirmation email*

#### SECTION 2: Grant Request

**1. Grant Request.** A detailed budget is required for each component of funding. The budget(s) must align with the proposed activities outlined in the Application Worksheet and indicate the proposed expenditures from 2025 Application-based funding and actual/proposed expenditures from 2023 Allocation-based funding.

a) Total proposed **grant request** (provide cost breakdown below): \$99,000.00

Additional base funding (up to \$100,000): \$99,000.00

Eligible primary PSAP (up to \$2 million): \$0.00

Eligible secondary PSAP, limited to fire dispatch only (up to \$2 million): \$0.00

Eligible municipally-run RCMP OCC (up to \$2 million): \$0.00

b) Have you applied for, or received funding for, this project from other sources? If yes, please indicate the source and the amount of funding received or applied for.

No

#### SECTION 3: Additional Base Funding – Detailed Project Information

*Only complete this section if you are applying for additional base funding. Refer to Section 1 of Table 1 in the Program Guide for eligible activities and note that activities must align with the required workplan and budget.*

**2. Proposed Activities.** What specific activities will be undertaken as part of the proposed project?

Purchase and install NG911 compatible mobile CAD terminals in fire department vehicles

#### **SECTION 4: Primary PSAP Funding – Detailed Project Information**

*Only complete this section if you are applying for primary PSAP funding. Refer to Section 2 of Table 1 in the Program Guide for eligible activities and note that activities must align with the required workplan and budget.*

**3. Proposed Activities.** What specific activities will be undertaken as part of the proposed project?

#### **SECTION 5: Secondary PSAP Funding – Detailed Project Information**

*Only complete this section if you are applying for secondary PSAP funding (limited to fire dispatch only). Refer to Section 3 of Table 1 in the Program Guide for eligible activities and note that activities must align with the required workplan and budget.*

**4. Proposed Activities.** What specific activities will be undertaken as part of the proposed project?

#### **SECTION 6: Municipally-run RCMP OCC Funding – Detailed Project Information**

*Only complete this section if you are applying for eligible municipally-run RCMP OCC funding. Refer to Section 4 of Table 1 in the Program Guide for eligible activities and note that activities must align with the required workplan and budget.*

**5. Proposed Activities.** What specific activities will be undertaken as part of the proposed project?

#### **SECTION 7: Additional Information**

*Please complete this section for all applications.*

**6. Alignment with Funding Stream.**

a) Describe how the proposed activities will support local preparedness for the implementation of NG911.

Implementation of technologies at a local level that are compatible with NG911 sets the stage for success, as it allows first responders the opportunities to learn the

technology. Implementing the consistent use of GIS data not only allows for more accurate response to caller locations, it also allows for rapid and accurate locations to be found of other infrastructure that may be used during responses (for example, hydrants). This project allows for the early adoption of technologies that will shape the future of our emergency responses, enabling responders an extended timeline to prepare for a digital dispatch model.

- b) Describe how the proposed activities will support transition to, and operational readiness of, existing 911 services to NG911, in compliance with the CRTC Mandate.

Installation of mobile CAD terminals supports the transition to NG911 of the secondary PSAP we subscribe to, allowing us to reliably exchange GIS and other data with dispatchers and call takers. This project increases our situational awareness immediately, and furthermore places us in a position to be ready for the complete transition to NG911 when it occurs.

**7. Engagement with First Nations and/or Indigenous Organizations.** In the following questions, please identify the specific bands, Treaty First Nations, and/or Indigenous organizations as well as the specific traditional territory, reserve, or other First Nations' land that may be impacted by the proposed project.

- a) Which First Nations and/or Indigenous organizations were proactively engaged as part of the development of this application?
- b) Which First Nations and/or Indigenous organizations will participate in the proposed activities and what specific role will they play?
- c) Please indicate the extent to which staff and/or elected officials have undertaken Indigenous Cultural Safety and Cultural Humility Training.

*If applicable, evidence of support for the proposed activities from First Nations and/or Indigenous organizations has been submitted with this application. This could be in the form of a letter, email, or other correspondence.*

**8. Comprehensive, cooperative, regional approach and benefits.** Describe how your project will contribute to a comprehensive, cooperative, and regional approach. What regional benefits will result from this project?

Dispatch in the Cowichan Valley Regional District is provided by a secondary PSAP, North Island 911. This project incorporates technologies also in use by other CVRD departments, making the exchange of GIS and other data possible not only between the dispatched department and our secondary PSAP, but also between our regional mutual aid departments. This allows for greater cooperation during large events, and also the ability to more seamlessly cover other jurisdictions in the region if called upon by mutual aid agreement during concurrent calls, as local resources are assigned and unavailable.

**9. Additional Information.** Please share any other information you think may help support your submission.

### SECTION 8: Required Attachments

The following separate attachments are required to be submitted as part of the application:

- Treaty First Nation or local government resolution **OR** a letter of support from CAO or CFO for applications that request less than \$50,000 in funding. Resolutions and letters need to indicate support for the current proposed activities and willingness to provide overall grant management. All regional applications, or applications requesting more than \$50,000 in funding, will require resolutions to be submitted.
- A detailed budget is required for each component of funding. The budget(s) must align with the proposed activities outlined in the Application Worksheet and indicate the proposed expenditures from 2025 Application-based funding and actual/proposed expenditures from 2023 Allocation-based funding. Although additional funding or support is not required, any other grant funding or in-kind contributions must be identified. Applicants are encouraged to use the [LGPS Budget and Financial Summary Tool](#).

For regional projects only:

- Treaty First Nation or local government resolution from the primary applicant, indicating support for the current proposed activities and willingness to provide overall grant management; and,
- Treaty First Nation or local government resolution from each sub-applicant that clearly states their approval for the primary applicant to apply for, receive, and manage the grant funding on their behalf. Resolutions from sub-applicants must include this language.

**SECTION 9: Signature** This worksheet is required to be signed by an authorized representative of the applicant (i.e., staff member or elected official). Please note all application materials will be shared with the Province of BC.

I certify that to the best of my knowledge: (1) all information is accurate, (2) the area covered by the proposed project is within the applicant's jurisdiction (or appropriate approvals are in place) and (3) it is understood that this project may be subject to a compliance audit under the program.

|   |  |
|---|--|
| Name: Chris Geiger  | Title: Fire Chief/Manager of Protective Services |
| Signature*:<br><i>*A certified digital or original signature is required.</i> | Date: April 8, 2025                              |

**Documents should be submitted as Word, Excel, or PDF files.  
Total file size for email attachments cannot exceed 20 MB.**

**All documents should be submitted to Local Government Program Services,  
Union of BC Municipalities by email: [lgps@ubcm.ca](mailto:lgps@ubcm.ca)**

**Please note “2025 NG911” in the subject line.**



**STAFF REPORT TO COUNCIL**

**Report Prepared By:** Erin Anderson, Director of Financial Services  
**Reviewed By:** Allison McCarrick, CAO  
**Meeting Date:** April 15, 2025  
**File No:** 1970-02  
**Re:** 2025 Property Tax Bylaws

**RECOMMENDATION:**

That Council give first, second and third readings to:

- “Property Tax Rates Bylaw 2025, No. 2209”;
- “Sewer Parcel Tax Bylaw 2025, No. 2210”; and
- “Water Parcel Tax Bylaw 2025, No. 2211”.

**EXECUTIVE SUMMARY:**

Staff are presenting the 2025 property tax bylaws for first three readings. These bylaws represent the municipal rates to be levied per property class, the parcel taxes as well as the rates to be levied for the Cowichan Valley Regional District and the Cowichan Valley Regional Hospital District. Bylaw No. 2209 also sets the tax penalty dates with a 2% penalty levied on the current balance outstanding as of July 2, 2025 and a further 8% penalty levied on the current balance outstanding as of September 9<sup>th</sup>, 2025. By legislation, these bylaws must be adopted prior to May 15, 2025.

**PREVIOUS COUNCIL DIRECTION:**

|             |            |  |
|-------------|------------|--|
| CS 2025-062 | 2025-03-04 | That Council adopt "Financial Plan Bylaw 2025, No. 2206".  |
| CS 2025-045 | 2025-02-18 | That Council give first three readings to the “Financial Plan Bylaw 2025, No. 2206”.   |
| CS 2024-263 | 2024-11-05 | That Council:<br>1. Direct staff to amend the “Sewer Rates Bylaw 1966, No. 422, Amendment Bylaw 1999, No.1360” to include a 3% increase to the rates;<br>2. Direct staff to prepare the 2025 Sewer Parcel Tax bylaw for \$362 per parcel;<br>3. Direct staff to amend the “Waterworks Regulation Bylaw 1999, No.1298” to include a 5% increase to the rates; and<br>4. Direct staff to prepare the 2025 Water Parcel Tax bylaw for \$459 per parcel. |



**INTRODUCTION/BACKGROUND:**

The 2025 budget discussions began in September of 2024. During these discussions, the amount of revenue from property taxation to fund municipal operations was determined. The bylaws on tonight’s agenda are formalizing the process to levy the approved municipal tax amounts. The property tax amount is allocated, per Financial Plan Bylaw 2025, No. 2206, as follows:

| Class          | Assessment    | Levy (\$)  | %       |
|----------------|---------------|------------|---------|
| Residential    | 2,852,880,901 | 7,893,066  | 73.72%  |
| Utilities      | 2,236,400     | 51,414     | 0.48%   |
| Major Industry | 16,960,600    | 1,217,174  | 11.37%  |
| Light Industry | 11,306,100    | 106,669    | 1.00%   |
| Business/Other | 152,365,800   | 1,401,125  | 13.09%  |
| Managed Forest | 7,500         | 330        | 0.34%   |
| Rec Non Profit | 13,057,000    | 36,125     |         |
| Farm           | 21,960        | 937        |         |
|                | 3,048,836,261 | 10,706,840 | 100.00% |

On the property tax notice, there are other agencies the Town collects funds for on their behalf. These funds are paid over shortly after the July 2<sup>nd</sup> due date.

Requisitions or rates received to date:

- Vancouver Island Regional Library requisition of \$608,595 (2024 - \$578,184)
- Cowichan Valley Regional District requisition of \$4,655,041 (2024 - \$3,698,473)
- Cowichan Valley Hospital District requisition of \$1,287,815 (2024 - \$1,204,577)
- Municipal Finance Authority total levy of \$678 (2024 - \$662)
- BC Assessment total levy of \$130,343 (2024 - \$123,075)

The Provincial School Tax Rates have not been received at the time of this report.

**Due Date**

The tax due date, per legislation, is July 2<sup>nd</sup>, 2025. A 2% penalty will be levied on the outstanding current taxes at that time. This penalty would also be applied to any unclaimed Home Owner Grant. A further 8% penalty will be levied on the outstanding current taxes as of September 9<sup>th</sup>, 2025.

**ALTERNATIVES:**

Council can choose to:

1. Not give first three readings at this time. The tax rate bylaw must be approved before May 15<sup>th</sup> and there is only one regularly scheduled meeting before that time.

**FINANCIAL IMPLICATIONS:**

Based on the information received to date, the 2025 tax levy **excluding school tax**, would be charged:

|                            | Average<br>SFD -<br>Residential | Levy<br>difference<br>from 2024 | Median<br>Business | Levy<br>difference<br>from 2024 |
|----------------------------|---------------------------------|---------------------------------|--------------------|---------------------------------|
| Assessment                 | 711,000                         |                                 | 335,000            |                                 |
| School                     | -                               | -                               | -                  | -                               |
| Municipal                  | 1,601                           | 29.19                           | 2,507              | 64.50                           |
| Police                     | 366                             | 30.64                           | 574                | 51.92                           |
| Library                    | 112                             | 3.65                            | 175                | 7.04                            |
| CVRD                       | 977                             | 179.69                          | 1,128              | 233.09                          |
| Hospital                   | 270                             | 10.57                           | 312                | 20.55                           |
| BCA                        | 25                              | 0.71                            | 34                 | 2.45                            |
| MFA                        | -                               | -                               | -                  | 0.01                            |
| Net Assessment based Taxes | 3,351                           | 254.45                          | 4,730              | 379.56                          |
| Parcel Tax - Sewer         | 362                             | 2.00                            | 362                | 2.00                            |
| Parcel Tax - Water         | 459                             | -                               | 459                | -                               |
| <b>Total Taxes Levied</b>  | <b>4,172</b>                    | <b>256.45</b>                   | <b>5,551</b>       | <b>381.56</b>                   |

School taxes in 2024 for the average single family dwelling were an additional \$926.89.

**LEGAL IMPLICATIONS:**

Community Charter s.197 requires that the annual property tax bylaw is adopted before May 15 each year.

**CITIZEN/PUBLIC RELATIONS IMPLICATIONS:**

Staff expect to mail the annual property tax notices in early May, soon after the bylaws are adopted and after the School Tax rates are received. At this time, the Town currently does not have the ability to deliver Property Tax Notices electronically (electronic transmission).

**INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:**

Finance leads the annual property tax bylaws, notice production and processing payment, though all departments rely on taxation to deliver services.

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

- Core Infrastructure
- Official Community Plan Implementation
- Waterfront Area Plan
- Economy
- Leadership
- Not Applicable

***I approve the report and recommendation.***

**Allison McCarrick, Chief Administrative Officer**

# TOWN OF LADYSMITH

## BYLAW NO. 2209

### Property tax rates for the year 2025

---

The Council of the Town of Ladysmith in open meeting assembled enacts as follows:

1. Definitions

In this Bylaw, the following words, terms or phrases shall have the respective meaning assigned to them:

- |   |  |
|---|--|
| “City Hall”                                   | means the Town of Ladysmith City Hall located at 410 Esplanade, Ladysmith, BC with a mailing address of Box 220, Ladysmith, BC V9G1A2. |
| “Collector”                                   | means the person duly appointed as such from time to time by Council, and their designate.   |
| “Alternative Municipal Tax Collection Scheme” | means the scheme for the payment of taxes established under sections 3, 4, and 5.2 of this Bylaw.                                      |

2. Tax Rates

The following rates are hereby imposed and levied for the year 2025:

- 2.1 For lawful general purposes of the Town of Ladysmith on the value of land and improvements taxable for general municipal purposes, the tax rates shown in column ‘A’ of Schedule “A”, attached to and forming part of this Bylaw;
- 2.2 For lawful general purposes of the Town of Ladysmith on the value of land and improvements taxable for Library purposes, the tax rates shown in column ‘B’ of Schedule “A”, attached to and forming part of this Bylaw;
- 2.3 For purposes of the Cowichan Valley Regional District on the value of land and improvements taxable for Regional District purposes, the tax rates shown in column ‘C’ of Schedule “A”, attached to and forming part of this Bylaw; and
- 2.5 For purposes of the Cowichan Valley Regional Hospital District on the value of land and improvements taxable for Regional Hospital District purposes, the tax rates shown in column ‘D’ of Schedule “A”, attached to and forming part of this Bylaw.

3. Alternative Municipal Tax Collection Scheme

- 3.1 Unless section 3.3 applies, the rates and taxes imposed under this Bylaw are due and shall be paid on or before the 2<sup>nd</sup> day of July, 2025.
- 3.2 An owner may elect to pay the rates and taxes imposed under this Bylaw in accordance with the Alternative Municipal Tax Collection Scheme by providing written notice of that election to the Collector at their office at City Hall, Ladysmith, BC on or before the 13<sup>th</sup> day of June, 2025.
- 3.3 An owner may elect to pay the rates and taxes imposed under this Bylaw in accordance with the General Tax Collection scheme established in the *Community Charter*, by providing written notice of that election to the Collector at their office at City Hall, Ladysmith, BC on or before the 13<sup>th</sup> day of June, 2025.
- 3.4 If an owner does not make an election under Section 3.2 or 3.3, the Alternative Municipal Tax Collection Scheme applies to the rate and taxes payable by that owner.

4. Penalties - Alternative Municipal Tax Collection Scheme

- 4.1 Upon the 3<sup>rd</sup> day of July, 2025, or as soon thereafter as is practicable, the Collector shall add to the unpaid balance of the current year’s taxes two (2) percent of the amount unpaid as of the 2<sup>nd</sup> day of July, 2025.
- 4.2 Upon the 10<sup>th</sup> day of September, 2025, or as soon thereafter as is practicable, the Collector shall add to the unpaid balance of the current year’s taxes an additional eight (8) percent of the amount unpaid as of the 9<sup>th</sup> day of September, 2025.

5. Supplementary Tax Rolls

- 5.1 Upon receipt of a Supplementary Tax Roll from BC Assessment, the Collector shall levy taxes in accordance with the rates specified in Schedule “A” of the Bylaw according to the taxable values as shown on the Supplementary Tax Rolls.
- 5.2 For each Supplementary Tax Roll, where the Alternative Municipal Tax Collection Scheme applies, the Collector shall add penalties to the unpaid amounts as follows:
  - a) Where Supplementary Tax Notices are sent before the 2<sup>nd</sup> day of June, 2025, penalties shall be added as set out in Section 4 of this Bylaw;
  - b) Where Supplementary Tax Notices are sent between the 2<sup>nd</sup> day of June, 2025 and before the 11<sup>th</sup> day of August, 2025, ten (10) percent shall be added on any amount unpaid as of the 9<sup>th</sup> day of September, 2025;

- b) Where Supplementary Tax Notices are sent on or after the 11<sup>th</sup> day of August, 2025, ten (10) percent shall be added on any amount unpaid after thirty (30) days.

**Citation**

- 6. This bylaw may be cited for all purposes as “Property Tax Rates Bylaw 2025, No. 2209”.

**READ A FIRST TIME** on the \_\_\_\_ day of \_\_\_\_\_, 2025

**READ A SECOND TIME** on the \_\_\_\_ day of \_\_\_\_\_, 2025

**READ A THIRD TIME** on the \_\_\_\_ day of \_\_\_\_\_, 2025

**ADOPTED** on the \_\_\_\_ day of \_\_\_\_\_, 2025

\_\_\_\_\_  
Mayor (D. Beeston)

\_\_\_\_\_  
Corporate Officer (S. Bouma)

**SCHEDULE “A”  
“Tax Rates Bylaw 2025, No.2209”**

Tax Rates (Dollars of Tax per \$1,000 Net Taxable Value)

| <b>PROPERTY CLASS</b> |                           | <b><u>A</u></b><br>Municipal | <b><u>B</u></b><br>Library | <b><u>C</u></b><br>Cowichan<br>Valley<br>Regional<br>District | <b><u>D</u></b><br>Cowichan<br>Valley<br>Regional<br>Hospital<br>District |
|-----------------------|---------------------------|------------------------------|----------------------------|---|---|
| <b>1</b>              | <b>Residential</b>        | 2.7667                       | 0.1573                     | 1.3741  | 0.3801  |
| <b>2</b>              | <b>Utilities</b>          | 22.9896                      | 1.3070                     | 4.8094  | 1.3304  |
| <b>3</b>              | <b>Supportive Housing</b> | 2.7667                       | 0.1573                     | 1.3741  | 0.3801  |
| <b>4</b>              | <b>Major Industry</b>     | 71.7648                      | 4.0802                     | 4.6719  | 1.2922  |
| <b>5</b>              | <b>Light Industry</b>     | 9.4346                       | 0.5364                     | 4.6719  | 1.2922  |
| <b>6</b>              | <b>Business/Other</b>     | 9.1958                       | 0.5229                     | 3.3665  | 0.9312  |
| <b>7</b>              | <b>Managed Forest</b>     | 44.0418                      | 2.5041                     | 4.1223  | 1.1403  |
| <b>8</b>              | <b>Rec Non Profit</b>     | 2.7667                       | 0.1573                     | 1.3741  | 0.3801  |
| <b>9</b>              | <b>Farm</b>               | 42.6850                      | 2.4268                     | 1.3741  | 0.3801  |

TOWN OF LADYSMITH

BYLAW NO. 2210

Sewer parcel tax bylaw for the year 2025

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The Council of the Town of Ladysmith in open meeting assembled enacts as follows:

Definitions

1. In this Bylaw, the following words or terms shall have the respective meaning assigned to them:

"Parcel" Means any lot, block or other area of land in which real property is held, or into which it is subdivided, as identified in the 2025 Revised Assessment Roll and all amendments thereto.

"Group of Parcels" Means where a building or improvement is constructed over more than one parcel of land, those parcels, if contiguous, may be dealt with by the Assessor as one parcel and be assessed accordingly.

Levy

2. A parcel tax shall be levied annually against each parcel or group of parcels of land within the Town of Ladysmith which is capable of being connected to the sewer system of the Town, or which is deemed to abut on the said sewer system.
3. The annual sewer parcel tax shall be in the amount of Three Hundred Sixty-Two Dollars (\$362.00) per parcel or group of parcels.
4. The sewer parcel tax imposed by this Bylaw on each parcel of land shall be shown by the Collector on the real property tax roll, and the payment of the parcel tax shall be made in the same manner, on or before the same dates, as other real property taxes.
5. The sewer parcel tax shall have the same rights and remedies as other real property taxes.
6. Every parcel tax assessment roll and every revision thereof shall be considered and dealt with by a Parcel Tax Roll Review Panel appointed pursuant to the provisions of the *Community Charter*.



Repeal

7. "Sewer Parcel Tax Bylaw 2024, No. 2176" is hereby repealed.

Citation

8. This bylaw may be cited as "Sewer Parcel Tax Bylaw 2025, No. 2210".

**READ A FIRST TIME** on the \_\_\_\_ day of \_\_\_\_\_, 2025

**READ A SECOND TIME** on the \_\_\_\_ day of \_\_\_\_\_, 2025

**READ A THIRD TIME** on the \_\_\_\_ day of \_\_\_\_\_, 2025

**ADOPTED** on the \_\_\_\_ day of \_\_\_\_\_, 2025

\_\_\_\_\_  
Mayor (D. Beeston)

\_\_\_\_\_  
Corporate Officer (S. Bouma)

**TOWN OF LADYSMITH**

**BYLAW NO. 2211**

**Water parcel tax bylaw for the year 2025**

---

The Council of the Town of Ladysmith in open meeting assembled enacts as follows:

Definitions

1. In this Bylaw, the following words or terms shall have the respective meaning assigned to them:

"Parcel" means any lot, block or other area of land in which real property is held, or into which it is subdivided, as identified in the 2025 Revised Assessment Roll and all amendments thereto.

"Group of Parcels" means where a building or improvement is constructed over more than one parcel of land, those parcels, if contiguous, may be dealt with by the Assessor as one parcel and be assessed accordingly.

Levy

2. A parcel tax shall be levied annually against each parcel or group of parcels of land within the Town of Ladysmith which is capable of being connected to the water system of the Town, or which is deemed to abut on the said water system.
3. The annual water parcel tax shall be in the amount of Four Hundred and Fifty-Nine Dollars (\$459.00) per parcel or group of parcels.
4. The water parcel tax imposed by this Bylaw on each parcel of land shall be shown by the Collector on the real property tax roll, and the payment of the parcel tax shall be made in the same manner, on or before the same dates, as other real property taxes.
5. The water parcel tax shall have the same rights and remedies as other real property taxes.
6. Every parcel tax assessment roll and every revision thereof shall be considered and dealt with by a Parcel Tax Roll Review Panel appointed pursuant to the provisions of the *Community Charter*.

Repeal

7. "Water Parcel Tax Bylaw 2024, No. 2177" is hereby repealed.

Citation

8. This bylaw may be cited as "Water Parcel Tax Bylaw 2025, No. 2211".

**READ A FIRST TIME** on the \_\_\_\_ day of \_\_\_\_\_, 2025

**READ A SECOND TIME** on the \_\_\_\_ day of \_\_\_\_\_, 2025

**READ A THIRD TIME** on the \_\_\_\_ day of \_\_\_\_\_, 2025

**ADOPTED** on the \_\_\_\_ day of \_\_\_\_\_, 2025

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Mayor (D. Beeston)

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Corporate Officer (S. Bouma)

## TOWN OF LADYSMITH

### BYLAW NO. 2207

#### A Bylaw to amend "Dog Licencing, Control and Pound Bylaw 1995, No. 1155"

The Council of the Town of Ladysmith in open meeting assembled amends "Dog Licencing, Control and Pound Bylaw 1995, No. 1155" as follows:

1. Replace Section 14 in its entirety with the following:

14.

- a) The Owner of a Dog must not allow a Dog to be "At Large".
- b) The Owner of a Dog must ensure that when the Dog is elsewhere than on the premises of The Owner the Dog must be under "Effective Control".
- c) If a Dog defecates on property other than property owned or occupied by the Owner of the Dog, the Dog Owner shall cause the excrement to be removed immediately upon its deposit.
  - i. No person who has removed Dog excrement may deposit it into a public litter receptacle except where the excrement is securely contained in an impermeable bag or other impermeable container so as not to ooze, leak or fall out in the public litter receptacles.
- d) No Dog is permitted on sports fields, playground areas of parks or park areas marked as "No Dogs Allowed".
- e) No Dog is permitted on 1<sup>st</sup> Avenue during street closures for special events.
- f) Any Dog found to be in violation of this Bylaw may be apprehended and/or impounded.
  - i. Upon such apprehension and/or impoundment the Animal Control Officer shall forthwith inform the Owner of the Dog. If the Owner of such Dog cannot be reasonably determined, the Animal Control Officer shall cause notice of such apprehension and impoundment to be made in writing and affixed in a prominent place upon the Notice Board at the main entrance to City Hall, and the posting of such notice as aforesaid shall be deemed for all purposes to be sufficient notice to the Owner of such Dog.
- g) Section 14 authorizes officers, employees and agents of the municipality to enter at reasonable times on any property that is in violation of this Bylaw to carry out and enforce the provisions of this Bylaw.

- h) Sections 14(c), 14(d) and 14(e) do not apply to the Owner of a Dog that is Certified as defined in the "*British Columbia Guide Dog and Service Dog Act [SBC 2015] CHAPTER 17*".

**Citation**

- 2. This Bylaw may be cited for all purposes as "Dog Licencing, Control and Pound Bylaw 1995, No. 1155, Amendment Bylaw 2025, No. 2207".

**READ A FIRST** on the 1<sup>st</sup> day of April, 2025  
**READ A SECOND TIME** on the 1<sup>st</sup> day of April, 2025  
**READ A THIRD TIME** on the 1<sup>st</sup> day of April, 2025  
**ADOPTED** on the \_\_\_\_\_ day of \_\_\_\_\_, 2025

\_\_\_\_\_  
Mayor (D. Beeston)

\_\_\_\_\_  
Corporate Officer (S. Bouma)

## BYLAW STATUS SHEET April 15, 2025

| Bylaw # | Description   | Status   |
|---------|---|--|
| 2131    | "Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 54) 2022, No. 2131" (10940 Westdowne Rd.). Changes zoning from Rural Residential (RU-1) to Manufactured Home Park (MHP-1). | First and second readings, December 20, 2022. Public Hearing and third reading December 19, 2023. MOTI approval received January 15, 2024. <b>Awaiting covenant.</b>                               |
| 2133    | "Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 56) 2023, No. 2133". Allows convenience store at 1132-1142 Rocky Creek Rd.   | First and second readings, January 10, 2023. Public Hearing required. MOTI approval required. <b>Waiting on applicant to submit Development Permit per Council Resolution.</b>                     |
| 2161    | "Official Community Plan Bylaw 2022, No. 2200, Amendment Bylaw 2023, No. 2161". To expand the mobile home park at 10940 Westdowne Road.   | First and second readings, November 21, 2023. Second reading rescinded, second reading as amended, December 5, 2023. Public Hearing and third reading December 19, 2023. <b>Awaiting covenant.</b> |
| 2173    | "Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw, No. 2173".   | First and second readings, December 17, 2024. Public Hearing and third reading January 21, 2025. <b>Awaiting MOTI approval.</b>  |
| 2205    | "Official Community Plan Bylaw 2022, No. 2200, Amendment Bylaw 2025, No. 2205"  | First and second readings, April 1, 2025.  |
| 2207    | "Dog Licencing, Control and Pound Bylaw 1995, No. 1155, Amendment Bylaw 2025, No. 2207"   | First, second and third readings, April 1, 2025.   |