



TOWN OF LADYSMITH

A REGULAR MEETING OF THE
COUNCIL OF THE TOWN OF LADYSMITH
WILL BE HELD IN COUNCIL CHAMBERS AT CITY HALL ON

MONDAY, JANUARY 16, 2012
7:00 p.m.

A G E N D A

Page

CALL TO ORDER

1. EXECUTIVE SESSION

In accordance with Section 90(1) of the *Community Charter*, this section of the meeting will be held *In Camera* to consider the following items:

- 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;
- litigation or potential litigation affecting the municipality
- 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*
- personal information about an identifiable individual who holds or is being considered for a position as an officer, employee or agent of the municipality or another position appointed by the municipality

2. AGENDA APPROVAL

3. MINUTES

3.1. Minutes of the Regular Meeting of Council held January 9, 2012

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4. PUBLIC HEARING

None

5. DELEGATIONS

None

6. PROCLAMATIONS

6.1. Mayor Hutchins has proclaimed the month of February, 2012 as Heart Month in the Town of Ladysmith

6.2. Mayor Hutchins has proclaimed February 5th to 11th as International Development Week in the Town of Ladysmith

7. DEVELOPMENT PERMITS / DEVELOPMENT VARIANCE PERMITS

None

8. STAFF / ADVISORY COMMITTEE REPORTS

8.1. Preliminary Report on 2012 to 2016 Financial Plan – General Operating and Capital Funds (report to be distributed at the meeting)

8.2. Proposed Fire Vehicle Replacement Plan

4 - 11**9. CORRESPONDENCE**

None

10. BYLAWS

10.1. Town of Ladysmith Cemetery Care Trust Fund Appropriation Bylaw 2012 No. 1789

12

May be adopted.

The purpose of Bylaw 1789 is to authorize the annual transfer of interest earned in the Cemetery Care Trust Fund to the General Revenue Fund to provide for the care and maintenance of the Ladysmith Cemetery.

11. NEW BUSINESS

11.1. Proposed Letter of Support for Peerless Road Recycling Depot Expansion (Mayor Hutchins)

12. UNFINISHED BUSINESS

12.1. Consent to Borrow Funds

13

Bylaw 1763, adopted on August 15, 2011, authorizes the Town to borrow up to \$1,000,000 to finance planned upgrades to the Town's water system. The Bylaw received electoral assent and approval of the Inspector of Municipalities. In order to meet the construction schedule for the water system upgrades, the final step in this process is to secure Council approval to borrow the funds from the Municipal Finance Authority in Spring 2012, and to seek the consent of the Cowichan Valley Regional District to do so.

Staff Recommendation:

It is recommended that Council adopt the following resolution:

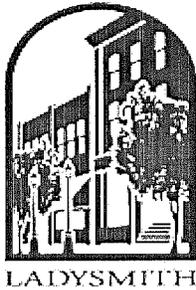
That Council approve borrowing from the Municipal Finance Authority of British Columbia, as part of their 2012 Spring Issue, \$1,000,000 as authorized through Loan Authorization Bylaw 2011, No. 1763 and that the Cowichan Valley

Regional District be requested to consent to the Town borrowing over a 25 year term and include the borrowing in their security issuing bylaw.

13. QUESTION PERIOD

- There will be allotted a maximum of 15 minutes for questions.
- The Question Period will be comprised of two parts. The first part is reserved for questions directly related to items which appear on the agenda. If there is time remaining, questions during the second part can be on a matter of public interest under the jurisdiction of the Town.
- Each questioner will be allowed to ask one question plus a follow-up question related to the answer. If after all questioners have been heard and there is still time remaining, a questioner who has already spoken can ask one additional question plus a follow-up question related to the answer.
- Questions must be truly questions and not statements of opinions. Questioners are not permitted to make a speech.
- Questioners must avoid personal references; insinuations; violent, offensive or disrespectful remarks about another person; and unparliamentary language.
- Questions shall be addressed to the Chair.
- 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.

ADJOURNMENT



MINUTES OF A MEETING OF COUNCIL OF THE
TOWN OF LADYSMITH
HELD IN COUNCIL CHAMBERS AT CITY HALL ON
MONDAY, JANUARY 9, 2012

COUNCIL MEMBERS PRESENT:

Mayor Rob Hutchins
Councillor Jillian Dashwood (entered later)
Councillor Gord Horth
Councillor Glenda Patterson

Councillor Steve Arnett (entered later)
Councillor Bill Drysdale
Councillor Duck Paterson

STAFF PRESENT:

Ruth Malli
Joanna Winter

Erin Anderson

CALL TO ORDER

Mayor Hutchins called the meeting to order at 7:00 p.m.

AGENDA APPROVAL

Mayor Hutchins requested Council's consideration of the following addition to the agenda:

12.1 Proposed memorial for former Member of the Legislative Assembly Barbara Wallace

2012-001

It was moved, seconded and carried that the agenda for the Regular Council Meeting of January 9, 2012 be adopted as amended.

MINUTES

2012-002

It was moved, seconded and carried that the minutes of the Regular Meeting of Council held December 19, 2011 be approved as circulated.

Councillors Arnett and Dashwood entered the meeting.

**COUNCIL COMMITTEE
REPORTS**

2012-003

Government Services Committee Recommendations

It was moved, seconded and carried that approval be given to stop work temporarily on the Stocking Lake Supply and Interconnection Main.

2012-004

It was moved, seconded and carried that the Toilet Rebate Program be extended until December 31, 2012, and that staff be directed to include \$15,000 for the program in the 2012 water utility operating budget.

**STAFF / ADVISORY
COMMITTEE REPORTS**

2012-005

Amendment to Council Policy #2000-594

It was moved, seconded and carried that the cheque signing and payment policy be amended in order to incorporate the following:

a) Increase the automated cheque printing threshold from \$5,000 to \$8,000

b) Exempt the following vendors from requiring Mayor or Council's signature as they are made electronically:

- Municipal Finance Authority
- Canadian Savings Bonds
- Municipal Pension Plan
- Worker's Compensation Board
- US Bank (formerly CIBC purchasing cards)
- Government of Canada (Receiver General) payroll deductions

c) Permit the use of electronic funds transfer (EFT) for payments under \$8,000.

2012-006

Emergency Generator Tender Award

It was moved, seconded and carried that the contract for the supply of the emergency generator for the Town's lift stations be awarded to Duncan Electric Motor Ltd. for the sum of \$24,057.25 plus taxes, with the funds to come from the Sewer Reserve Fund, and that the Financial Plan be amended accordingly.

2012-007

Heritage Canada Grant Application

It was moved, seconded and carried that staff be authorized to make application for a Heritage Canada Grant in the amount of \$5,000.

BYLAWS

2012-008

Town of Ladysmith Cemetery Care Trust Fund Appropriation Bylaw 2012, No. 1789

It was moved, seconded and carried that Town of Ladysmith Cemetery Care Trust Fund Appropriation Bylaw 2012, No. 1789 be read a first, second and third time.

NEW BUSINESS

Proposed Memorial to Former Member of the Legislative Assembly Barbara Wallace

2012-009

It was moved, seconded and carried that approval in principle be given to the proposed planting of a tree and installation of a small plaque in memory of former Member of the Legislative Assembly for Cowichan-Malahat Barbara Wallace, and that the matter be referred to staff for implementation in accordance with policy.

EXECUTIVE SESSION

2012-010

It was moved, seconded and carried at 7:26 p.m. that Council retire into Executive Session after a five-minute recess, to consider the following items:

- The receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose
- Litigation or potential litigation affecting the municipality
- Discussions with municipal officers and employees respecting municipal objectives, measures and progress reports for the purposes of preparing an annual report under section 98 [annual municipal report]

ARISE AND REPORT

- Council arose from Executive Session at 9:40 p.m. without report.

ADJOURNMENT

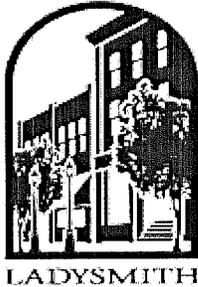
2012-011

It was moved, seconded and carried that this meeting of Council be adjourned at 9:40 p.m.

CERTIFIED CORRECT

Mayor (R. Hutchins)

Corporate Officer (S. Bowden)



Town of Ladysmith

STAFF REPORT

To: Ruth Malli, City Manager
From: Ray Delcourt, Fire Chief
Erin Anderson, Director of Financial Services
Date: January 11, 2012
File No:

Re: Confirm Fire Equipment Replacement Plan and Replacement of the 1986 Rescue Truck

RECOMMENDATION(S):

It is recommended that Council:

1. Confirm and update the Fire Vehicle Plan to ensure there is funding set aside in a reserve account to replace the fire department equipment as the asset reaches the end of its useful life.
2. To set the funds aside each year, equal to the replacement cost divided by the life of the asset. Please note that this has not been included in the 2012 Financial Plan.
3. Approve the issuance of a Request For Proposal (RFP) to replace the 1986 Ford Rescue Truck.
4. Direct staff to the desired funding source for this purchase once the RFP is completed.

PURPOSE:

The purpose of this staff report is to confirm Council's commitment to ensure there is a plan and necessary funding in place to replace fire vehicles as they near the end of their useful life. As well in keeping with that plan, issue an RFP for the replacement of the 1986 Rescue Truck and direct staff on how to fund this purchase.

INTRODUCTION/BACKGROUND:

In the early 1990's, the Town started putting into a reserve \$50k each year towards for the purpose of fund fire vehicle replacement. This funding was adequate to acquire two large-dollar vehicles, with the remaining portion to be funded through the Municipal Finance Authority (MFA).

In the past the process to fund these large dollar value fire vehicles through MFA was simpler. A number of years ago, this practice changed to ensure that the debt this is purchase created was approved by the electors. In other words, elector assent is required when creating a debt that spans more than 5 years. Now, to

purchase another fire vehicle, a referendum or alternate approval process must take place to approve the borrowing.

In 2003, Council was presented with the latest version of the Fire/Rescue Vehicle Replacement Schedule (attached). This plan followed the model of setting aside into a reserve funds each year to replace the vehicles after the useful life of the asset. The reserve accumulated and in 2005, the funds were put towards the purchase of a Pumper Truck. In the following years, the funding to the fire department continued but rather than the funds being allocated to the reserve, they were used to fund necessary equipment purchases in operations. In 2010, the opportunity to refinance the Spartan Fire Truck came up. Rather than contribute to the reserve account, the monies were applied to the outstanding debt. In 2011, Council again approved within the budget, funding towards the reserve.

The total in the reserve in 2011, before any year-end adjustments are made, is approximately \$47,700.

An updated version of the Fire Equipment Plan is presented below.

Unit	Description	Vehicle Year	Replace In Year	Replacement Cost	Life	Annual Cost
24104	86 Ford Rescue	1986	2012	\$400,000	25	\$16,000
24106	42 International Truck	1942	n/a	n/a	n/a	n/a
24107	90 Pierce Fire Truck	1990	2015	550,000	25	22,000
24108	37 Fire Truck	1937	n/a	n/a	n/a	n/a
24109	07 Yukon Chief Truck	2007	2022	60,000	15	4,000
24110	97 Ladder Truck	1997	2022	950,000	25	38,000
24111	05 Spartan Engine	2005	2030	900,000	25	36,000
24112	95 Chev Truck	1995	2011	75,000	15	5,000
				TOTAL:		\$121,000

It is recommended that each year, \$121,000 is set aside into a reserve account. This amount is reflective of today's pricing and will need to be adjusted in the future.

THE NEW RESCUE APPARATUS:

In accordance with the 2003 Fire Vehicle Replacement Plan as well as the proposed updated 2012 Replacement Plan, the 1986 Rescue Truck should be replaced in 2012.

Due to the age of the current 1986 Ford Rescue Truck there have been many times over the last few years that this vehicle was out of service, due to break downs or from needing constant repairs. Some of these break downs happened when Ladysmith Fire/Rescue personnel were responding to calls, which delayed their response times. This vehicle either would not start, or it would not make it to the incident. Also, due to the growth of the Town of Ladysmith and surrounding area, and the required types of responses that Ladysmith Fire/Rescue Services now provides, our need to carry more equipment to emergency incidents has

greatly increased. The new replacement Rescue Apparatus will be capable of carrying all required equipment and will enable Firefighters to safely perform their duties.

The purpose of this new Rescue Apparatus replacement would be as follows:

- Enclosed cab for safe seating of 6 Firefighters
- Larger cabinets and extra room to carry extra Rescue equipment for handling all types of emergency responses
- Better on-scene lighting for night time emergencies
- More reliable - less chance of this vehicle being out of service or failing to start
- New safer riding vehicle, this vehicle has better protection for Firefighters in case of accidental roll-overs, etc.
- Meets all the requirements of the National Fire Protection Association (NFPA) for Rescue Apparatus.

As mentioned previously, there are some funds to apply towards the purchase of this vehicle, though a significant amount will still need to be funded. Staff is seeking direction from Council to either fund the project over 5 years or begin preparing for electoral ascent.

SCOPE OF WORK:

For the Replacement Plan, yearly analysis of the replacement value would be necessary to ensure adequate funds are transferred into the reserve.

For the purchase of the vehicle, possible amendments to the budget are necessary. If approved, the issuing of the RFP would be necessary.

ALTERNATIVES:

Do not utilize a fire vehicle replacement plan.

Do not replace the Rescue Vehicle.

FINANCIAL IMPLICATIONS:

Setting aside \$121,000 per year is a significant increase to the 2012 Budget and future budgets. This funding is currently not included in the Draft 2012 Financial Plan.

Setting aside monies to the reserve will allow funding to be available in the future to make the purchases with little impact to taxes. For some of the purchase years, though, additional taxation will be necessary to complete the funding as a fully cycle of funding would not yet be in place. This additional taxation amount could potentially be minimized due the delaying of a purchase by as little as one year. This "delaying" would be subject to the Town & Firefighters underwriters insurance.

Any vehicle that is purchased right now will be both financed and reserved.

Finance the purchase over 5 years

This new vehicle that needs to be replaced is the Rescue Apparatus Truck. It is estimated that the cost of a new Rescue Apparatus Truck is approximately \$440,000. This can be financed for a maximum period of 5 years through the Municipal Financing Authority at approximately \$94,000 per year without requiring electoral approval.

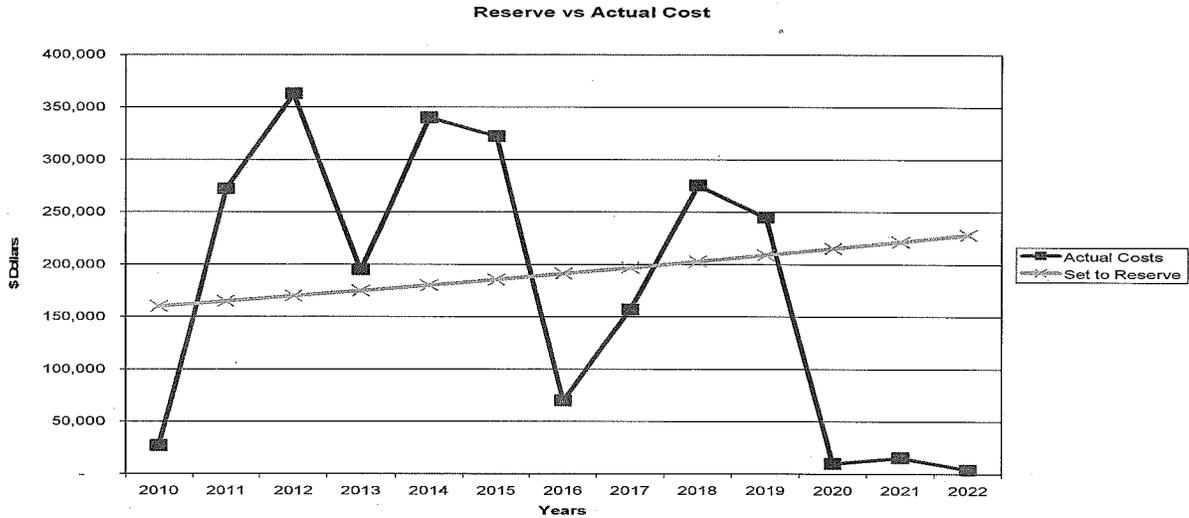
Finance the purchase over life of asset

Council could chose to go to referendum or alternate approval to finance the vehicle over a longer period of time, such as the 20 years or the life of the vehicle (25 years). The risk in doing this is the electorate could chose not to support the vehicle purchase. This process also adds an additional 8 weeks to construction schedule once approval from Council is granted.

In the past, the Town has financed other fire vehicles over the life of the asset. If the Town decided to purchase this Rescue Apparatus Truck and proceed to electorate approval to finance it over a period greater than 5 years, the cost would be approximately \$35,000 per year for the first 5 years. As this is financed based on a declining balance method in 5 year intervals, the first 5 years would see the greatest expense. The risk in doing this is interest rates could increase over the next 25 years, which impacts the overall cost of the vehicle.

Finance with own funds

Currently there is a vehicle equipment reserve that Public Works established many years ago to replace the Public Works vehicles and equipment as they near the end of their asset life. The 2011 annual amount set aside to the reserve to replace the equipment is \$160,127. This amount is based on the vehicle life, the replacement value as well as the trade-in amount. Ever year, the list is reviewed and updated and a charge-out rate is then determined and expensed in the current year. It is done this way to smooth the amount of actual cash paid so large fluctuations are not felt by the tax payer year to year. As displayed in the chart below, approximately the same amount of money is set aside into the reserve (the straight line) versus the amount that is budgeted to be removed (based on actual costs). Any time the "Actual Costs" is above the "Set to Reserve" line, there is a cost savings for the tax payer in that year.



If reserve allocation is deferred or used of another purpose, the money is not available to maintain or replace equipment as it ages. If these reserve funds are used for any project other than for the intended purpose of specific vehicle replacement, a significant increase to taxation will occur when the scheduled vehicles are due for replacement.

In 2012, the following vehicles and equipment are scheduled to be replaced:

UNIT	DESCRIPTION	YEAR	REPLACE \$
46	Flail Mower	1993	\$25,000
29	Sand Spreader	1998	13,000
66	Ford Tractor	1998	55,000
69	Ford F150 Pickup	2000	27,000
75	Sandpro	2002	19,000
76	Ford F150 Pickup	2002	27,000
77	Ford F150 Pickup	2002	27,000
78	Ford 4x4	2002	30,000
82	Ford F350 4x4	2004	40,000
91	580 Case Backhoe	2006	100,000

The 2013 anticipated vehicle replacements:

UNIT	DESCRIPTION	YEAR	REPLACE
15	Cat Grader	1978	\$150,000
79	Chev C3500	2003	\$45,000

Over the next few years, this is the projected change to the reserve:

The <i>projected</i> reserve balance at Dec 31, 2011	\$356,007
A further 2012 reserve allocation	130,000
Less 2012 proposed equipment replacement	<u>-363,000</u>
Projected 2012 ending balance	\$123,007

Each year, staff review the list of equipment that is slated to be replaced and make the decision to replace or not. For every year the equipment is use past its optimal life, there is additional cost in maintenance and other operational downtime due to wear the equipment.

The fire department vehicles and equipment are not included in this vehicle replacement plan. Nor, is the Trolley. By using these funds for the replacement of either the Trolley or purchasing new fire equipment, an additional tax draw will be felt by the taxpayer when the equipment, which has funds set aside for replacement, comes due.

Other considerations

An additional consideration is the HST impact of the leases. If the Province reverts back exactly to the old PST system, there is a potential cost savings, as there would only be GST at 5% on the leases, which is fully rebated. Currently, there is HST on leases, which, for municipalities after rebate, is an additional 1.75% expense. The above figures are as of today and inclusive of all HST rebates.

LEGAL IMPLICATIONS:

Utilizing assets beyond their useful life could impact the ability to insure the asset.

CITIZEN/PUBLIC RELATIONS IMPLICATIONS:

This plan would impact the property taxes. Citizens are encouraged to attend budget meetings to provide input.

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:

This involves the coordination between the Fire Department and the Financial Services department. The RFP involves the Corporate Services department.

RESOURCE IMPLICATIONS:

No additional personnel are required.

ALIGNMENT WITH SUSTAINABILITY VISIONING REPORT:

n/a

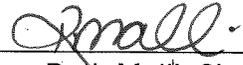
ALIGNMENT WITH STRATEGIC PRIORITIES:

This plan aligns with the strategic priority of "Wise Financial Management" as well as "Safe & Healthy Community".

SUMMARY:

It is recommended that Council adopt the Fire Plan as presented as well as approve the issuance of the Rescue Truck RFP and provide direction as to the funding preference.

I concur with the recommendation.



Ruth Malli, City Manager

ATTACHMENTS:
2003 Fire Vehicle Plan



LADYSMITH FIRE/RESCUE

P.O. BOX 760 • LADYSMITH, B.C., V9G 1A5

BUSINESS OFFICE: 245-6436
HALL: 245-6438
FAX: 245-6437

LADYSMITH FIRE / RESCUE VEHICLE REPLACEMENT SCHEDULE

<u>Unit ID</u>	<u>Year</u>	<u>Replacement In</u>	<u>Replacement Cost</u>	<u>Life</u>
Engine 2	1979	2004	\$370,000	25
Chief's	1995	2005	\$50,000	10
Rescue	1986	2011	\$200,000	25
Engine 3	1990	2015	\$370,000	25
Ladder 1	1997	2022	\$700,000	25

The above vehicle replacements are based on the 15 – 20 – 25 years ULC and NFPA requirements. Exception would be the Chief's vehicle which accumulates the most wear and tear and should be replaced every 10 years.

* All the above replacement costs are at 2003 pricing.

**2003
version**

Fire Chief

Ray Delcourt

TOWN OF LADYSMITH

BYLAW NO. 1789

A bylaw to appropriate monies from the Cemetery Care Trust Fund.

WHEREAS the sum of \$139,329.95 is on deposit in the Cemetery Care Trust Fund; and

WHEREAS it is deemed necessary to appropriate the sum of up to \$1,727.83 from the Cemetery Care Fund for the purpose of the Cemetery Operations; and

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

1. The sum of up to One thousand, seven hundred twenty seven dollars and eighty-three cents (\$1,727.83) is hereby appropriated from the Cemetery Care Trust Fund and transferred to the General Revenue Fund to provide for the cemetery.

Citation

2. This bylaw may be cited as the "Cemetery Care Trust Fund Appropriation Bylaw 2012, No. 1789".

READ A FIRST TIME on the 9th day of January, 2012

READ A SECOND TIME on the 9th day of January, 2012

READ A THIRD TIME on the 9th day of January, 2012

ADOPTED on the _____ day of _____, 2012

Mayor (R. Hutchins)

Corporate Officer (S. Bowden)

TOWN OF LADYSMITH

BYLAW NO. 1763

A Bylaw to authorize the borrowing of the estimated cost of constructing a water system.

WHEREAS it is deemed desirable and expedient to construct a water system servicing the Town of Ladysmith.

AND WHEREAS the estimated cost of constructing a water system including expenses incidental thereto is the sum of \$2,470,545 of which the sum of \$1,000,000 is the amount of debt intended to be borrowed by this bylaw;

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

1. The Council is hereby empowered and authorized to undertake and carry out or cause to be carried out the construction of the water system generally in accordance with general plans on file in the municipal office and to do all things necessary in connection therewith and without limiting the generality of the foregoing:
 - a) To borrow upon the credit of the Municipality a sum not exceeding \$1,000,000.
 - b) To acquire all such real property, easements, rights-of-way, licenses, rights or authorities as may be requisite or desirable for or in connection with the construction of the said water system.
2. The maximum term for which debentures may be issued to secure the debt created by this bylaw is 25 years.

Citation

3. This bylaw may for all purposes be cited as "Town of Ladysmith Water System Construction Loan Authorization Bylaw 2011, No. 1763."

READ A FIRST TIME on the 6th day of June, 2011

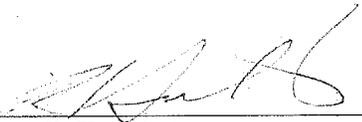
READ A SECOND TIME on the 6th day of , June, 2011

READ A THIRD TIME on the 6th day of , June, 2011

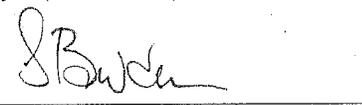
RECEIVED the approval of the Inspector of Municipalities on the 23rd day of June, 2011

RECEIVED the assent of the electors of the Town of Ladysmith on the 5th day of August, 2011

ADOPTED on the 15th day of August, 2011



Mayor (R. Hutchins)



Corporate Officer (S. Bowden)

