



# TOWN OF LADYSMITH

SPECIAL MEETING OF COUNCIL  
MONDAY, APRIL 23, 2012  
COUNCIL CHAMBERS, CITY HALL  
4:00 P.M.

## AGENDA

### CALL TO ORDER (4:00 P.M.)

#### 1. AGENDA APPROVAL

#### 2. DELEGATION

- 2.1. Cara Light, Hayes, Stewart, Little (Town Auditors)  
Town of Ladysmith Draft Financial Statements for 2011

#### 3. PROCLAMATIONS

- 3.1. Mayor Hutchins has proclaimed the week of April 22 to 28, 2012 as “National Organ Donor Week” in the Town of Ladysmith

#### 4. STAFF / ADVISORY COMMITTEE REPORTS

- 4.1. 2012 – 2016 Financial Plan Deliberations

#### 5. BYLAWS

- 5.1. Town of Ladysmith Financial Plan Bylaw 2012, No. 1801 1 - 4  
May be read a first, second and third time

*The purpose of Bylaw 1801 is to establish the Town of Ladysmith Financial Plan for 2012 to 2016*

- 5.2. Town of Ladysmith Tax Rates Bylaw 2012, No. 1802 5 - 6  
May be read a first, second and third time

*The purpose of Bylaw 1802 is to set the municipal, regional and hospital tax rates for 2012*

#### 6. NEW BUSINESS

#### 7. QUESTION PERIOD

- 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 must relate strictly to matters which appear on the Council agenda at which the individual is speaking
- Questions put forth must be on topics which are not normally dealt with by Town staff as a matter of routine
- Questions must be brief and to the point
- 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

## 8. 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:

### Item One

90(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

### Item Two

90(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

### Item Three

90(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

### Item Four

90(1)(g) Litigation or potential litigation affecting the municipality

## 9. RISE AND REPORT

## ADJOURNMENT

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**TOWN of LADYSMITH**

**BYLAW NO. 1801**

A bylaw establishing the Financial Plan for the years 2012-2016.

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**WHEREAS** the *Community Charter* requires Municipal Councils to prepare and adopt, by bylaw, a financial plan;

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

- (1) Schedule "A" attached hereto and made part of the bylaw is hereby adopted and shall be the Financial Plan for the Town of Ladysmith for the five years ending the thirty-first day of December, 2016.
- (2) Schedule "B" attached hereto and made part of the bylaw is hereby adopted and shall be the statement of objectives and policies for the Town of Ladysmith for the five years ending the 31<sup>st</sup> of December 2016.
- (3) This bylaw may be cited for all purposes as: "*Town of Ladysmith Financial Plan Bylaw 2012, No. 1801*".
- (4) "Town of Ladysmith Financial Plan Bylaw 2011, No. 1761" is hereby repealed.

<b>READ A FIRST TIME</b>	on the	day of	2012
<b>READ A SECOND TIME</b>	on the	day of	2012
<b>READ A THIRD TIME</b>	on the	day of	2012
<b>ADOPTED</b>	on the	day of	2012

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Mayor (R. Hutchins)

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Corporate Officer (S. Bowden)

Schedule 'A' of Bylaw 1801

Town of Ladysmith 2012-2016

	2012	2013	2014	2015	2016
<b>REVENUES:</b>					
Revenue From Property Tax Values	6,668,210	7,306,114	7,671,419	8,131,704	8,578,947
Revenue From Grants In Lieu	153,616	156,688	159,822	163,018	166,278
Revenue From Parcel Taxes	1,294,404	1,647,694	1,652,384	1,692,534	1,697,324
Revenue From Fees & Charges	2,988,581	3,110,295	3,151,482	3,238,473	3,328,077
Revenue From Other Sources	2,463,888	7,987,184	2,760,711	370,976	379,644
	13,568,699	20,207,975	15,395,818	13,596,705	14,150,270
<b>EXPENSES:</b>					
General Operating Expense	8,748,589	9,251,323	9,430,131	9,612,511	9,798,530
Sanitary Sewer Operating Expenses	625,300	640,601	1,122,261	1,196,789	1,245,372
Water Operating Expenses	482,970	495,590	509,234	523,192	537,584
Interest Payments	451,065	666,827	760,942	955,954	860,358
Amortization	2,341,011	2,387,831	2,435,588	2,484,300	2,533,986
Annual Surplus/Deficit	919,764	6,765,803	1,137,662 -	1,176,041 -	825,560
<b>Add back:</b>					
Amortization	2,341,011	2,387,831	2,435,588	2,484,300	2,533,986
<b>Capital Expenditures</b>					
General Capital	1,423,228	1,298,000	4,474,000	6,638,300	839,392
Sanitary Sewer Capital	6,064,539	12,100,000	1,000,000	100,000	100,000
Water Capital	2,488,909	3,700,000	3,370,000	700,000	700,000
Proceeds from New Debt	(5,454,309)	(5,723,455)	(3,890,484)	(5,000,000)	0
Principal Payments	338,509	650,532	723,873	785,279	774,012
Transfers from DCC's & Reserves	(363,680)	(610,437)	(782,442)	(538,131)	(425,185)
Transfer to/from Own Funds	(1,236,421)	(2,261,006)	(1,321,697)	(1,377,189)	(279,793)
Financial Plan Balance	-	-	-	-	-

Schedule 'B' of Bylaw No. 1801

**Town of Ladysmith 2012 – 2016 Financial Plan  
Statement of Objectives and Policies**

In accordance with Section 165(3.1) of the Community Charter, the Town of Ladysmith (Town) is required to include in the Five Year Financial Plan, objectives and policies regarding each of the following:

1. The proportion of total revenue that comes from each of the funding sources described in Section 165(7) of the Community Charter;
2. The distribution of property taxes among the property classes, and
3. The use of permissive tax exemptions.

**Funding Sources**

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2012. Property taxes form the greatest proportion of revenue. As a revenue source, property taxation offers a number of advantages, for example, it is simple to administer and it is fairly easy for residents to understand. It offers a stable and reliable source of revenue for services that are difficult or undesirable to fund on a user-pay basis. These include services such as general administration, fire protection, police services, bylaw enforcement and street lighting.

User fees and charges form a large portion of planned revenue. Many services can be measured and charged on a user-pay basis. Services where fees and charges can be easily administered include water and sewer usage, building permits, business licenses, and sale of services - these are charged on a user pay basis. User fees attempt to apportion the value of a service to those who use the service.

**Objective**

- Over the next five years, the Town will increase the proportion of revenue that is received from user fees and charges by at least 3 percent over the current levels.

**Policies**

- The Town will review all user fee levels to ensure they are adequately meeting both the capital and delivery costs of the service.
- Universal water metering rates will be reviewed to ensure that appropriate user fees and charges, rather than taxation, to lessen the burden on its limited property tax base.

**Table 1: Sources of Revenue**

	<u>2012</u>	<u>% total</u>
Property Taxes	\$ 6,668,210	32.3%
Grants in Lieu	153,616	0.7%
Parcel Taxes	1,294,404	6.3%
User fees & Charges	2,988,581	14.5%
Other Sources	209,920	1.0%
Borrowing	5,454,309	26.4%
Government Grants	2,253,968	10.9%
DCC's & Reserves	363,680	1.8%
Own Funds	1,236,421	6.0%
	\$ 20,623,109	

**Distribution of Property Tax Rates**

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

**Objectives**

- Over the next five years: reduce the share of property tax paid by Major Industry (Class 4) by at least 2 percent. This reduction of the tax burden on industrial properties continues a commitment to encourage investment and employment in the community.
- Maintain the property tax rate for business and other (Class 6) at the current rate or less.

### Policies

- Supplement, where possible, revenues from user fees and charges to help to offset the burden on the entire property tax base as a result of the reduction in the tax share paid by major industry (Class 4).
- If a tax shift to other property classes is required as a result of the reduction in the tax rate to major industry (Class 4), Residential (Class 1) should be the first to absorb any such shifts.
- Continue to maintain and encourage economic development initiatives designed to attract more light industry, retail and commercial businesses to invest in the community. New investment from these areas will help offset the reduction to major industry (Class 4) while providing more revenue for the Town.
- Align the distribution of tax rates among the property classes with the social and economic goals of the community, particularly to encourage economic and environmental sustainability opportunities.
- Regularly review and compare the Town's distributions of tax burden relative to other municipalities in British Columbia.

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

Property Class	% of Total Property Taxation	Dollar Value
Residential (1)	69.34 %	\$4,623,510
Utilities (2)	0.46%	30,473
Major Industry (4)	14.19%	945,952
Light Industry (5)	0.93%	62,192
Business and Other (6)	14.89%	993,085
Managed Forest Land (7)	.000%	174
Recreation/Non-profit (8)	.17%	11,533
Farmland (9)	.02%	1,291
<b>Total</b>	<b>100%</b>	<b>\$6,668,210</b>

### Permissive Tax Exemptions

The Town provides permissive tax exemptions. Some of the eligibility criteria for permissive tax exemptions include the following:

- The tax exemption must demonstrate benefit to the community and residents of the Town by enhancing the quality of life (economically, socially and culturally) within the community.
- The goals, policies and principles of the organization receiving the exemption must not be inconsistent or in conflict with those of the Town.
- The organization receiving the exemption must be a registered non-profit society, as the support of the municipality will not be used for commercial and private gain.
- Permissive tax exemptions will be considered in conjunction with: (a) other assistance being provided by the Town; (b) the potential demands for Town services or infrastructure arising from the property; and (c) the amount of revenue that the Town will lose if the exemption is granted.

### Objective

- The Town will continue to provide permissive tax exemptions to some non-profit societies. The Town has also expanded its offering of permissive tax exemptions to include revitalization tax exemptions. It also intends to offer permissive tax exemptions targeted at green development for the purposes of encouraging development that will meet our *Climate Action Charter* commitments.

### Policies

- Expand the permissive tax exemption policy to include eligibility requirements for green revitalization tax exemptions.
- Develop a revitalization tax exemption program which details the kinds of green activities that the exemption program will target.
- Integrate the green revitalization tax exemption program into the Town's existing economic initiatives as a means of attracting retail and commercial businesses to further invest in the community.

**Table 3: Utilization of Reserves, Development Cost Charges and Surplus**

Source	% of Total	Dollar Value
Reserves	10%	\$159,305
Development Cost Charges	17%	275,575
Surplus	73%	1,165,221
<b>Total</b>		<b>\$1,600,101</b>

**TOWN OF LADYSMITH**

**BYLAW NO. 1802**

A bylaw for the levying of rates for Municipal, Hospital and Regional District purposes for the year 2012.

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**WHEREAS** the Council of the Town of Ladysmith shall, pursuant to Section 197 of the *Community Charter*, in each year, adopt a bylaw to impose rates on taxable land and improvements according to their assessed value to provide the money required for purposes specified in the Charter;

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

The following rates are hereby imposed:

1. (a) For all lawful general purposes of the municipality on the assessed value of the land and improvements taxable for general municipal purposes, rates appearing in column "A" of the Schedule attached hereto and forming part of this bylaw.
  - (b) For the purposes of the Cowichan Valley Regional District on the assessed value of land and improvements taxable for regional hospital district purposes, rates appearing in column "B" of the Schedule attached hereto and forming part of this bylaw.
  - (c) For hospital purposes on the assessed value of land and improvements taxable for regional hospital district purposes, rates appearing in column "C" for the Cowichan Valley Regional Hospital District attached hereto and forming part of this bylaw.
2. This bylaw may be cited as the "Town of Ladysmith Tax Rates Bylaw 2012, No. 1802".

**READ A FIRST TIME** on the day of 2012

**READ A SECOND TIME** on the day of 2012

**READ A THIRD TIME** on the day of 2012

**ADOPTED** on the day of 2012

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Mayor (R. Hutchins)

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Corporate Officer (S. Bowden)

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**TOWN OF LADYSMITH BYLAW No. 1802 - 2012**

**SCHEDULE "A"**

**TAX RATES (Dollars of tax per \$1000 taxable value)**

PROPERTY CLASS	<u>A</u>	<u>B</u>	<u>C</u>
	Municipal	Cowichan Valley Regional District	Cowichan Valley Regional Hospital District
1. Residential	4.4627	0.5721	0.3538
2. Utility	36.2691	2.0023	1.2382
4. Major Industrial	94.9074	1.9451	1.2028
5. Light Industrial	20.9218	1.9451	1.2028
6. Business & Other	14.5068	1.4016	0.8668
7. Managed Forest	37.0427	1.7163	1.0613
8. Recreation/Non-Profit	3.0309	0.5721	0.3538
9. Farm	28.1525	0.5721	0.3538