



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, JULY 15, 2013
7:00 p.m.

AGENDA

| | <u>Page</u> |
|--|-------------|
| CALL TO ORDER | |
| 1. AGENDA APPROVAL | |
| 2. MINUTES | |
| 2.1. Minutes of the Regular Meeting of Council held July 2, 2013 | 1 - 5 |
| 3. DELEGATIONS | |
| 3.1. Ken Bosma, Rotary Club of Ladysmith Transfer Beach Sand Project | |
| 4. PROCLAMATIONS - None | |
| 5. DEVELOPMENT APPLICATIONS - None | |
| 6. BYLAWS (OCP / ZONING) – None | |
| 7. STAFF REPORTS | |
| 7.1. Leases in Town-owned Buildings on Oyster Bay Drive (Machine Shop and Outbuildings) | 6 – 16 |
| 7.2. Tender Award – Water Supply System Chlorination Upgrade | 17 – 24 |
| 8. BYLAWS – None | |
| 9. CORRESPONDENCE | |
| 9.1. John Elzinga, Island Savings Centre, Cowichan Valley Regional District Request to meet with Parks, Recreation and Culture Commission | 25 |

Staff Recommendation

That Council request that the Parks, Recreation and Culture Commission meet with representatives of the Cowichan Valley Regional District

regarding the development of a strategy for Sports Tourism in the Cowichan Region.

**9.2. Donna Reimer, School District 68
Appointment of Facilitator for Extended Consultation Process**

26

Staff Recommendation

That Council consider its role as appropriate in School District 68's extended consultation process with respect to schools in the Ladysmith area.

10. NEW BUSINESS

**10.1. Town of Ladysmith Annual Report for the Year Ended December 21, 2012
– for approval**

Minor housekeeping changes to correct headings and refine layout have been made to the Annual Report for 2012 which was previously circulated to Council. The updated report may be viewed in Council Chambers and at www.ladysmith.ca, and copies are available on request.

10.2. Determination of Town of Ladysmith Delegates to University of British Columbia Municipalities 2013 Convention

In accordance with Town policy, four Councillors and the Mayor may attend the Union of British Columbia Municipalities. The early registration deadline is August 2.

11. UNFINISHED BUSINESS

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 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.

13. EXECUTIVE (CLOSED) 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:

- 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
- 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
- the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose

14. ARISE AND REPORT

ADJOURNMENT



**TOWN OF LADYSMITH
MINUTES OF A MEETING OF COUNCIL
TUESDAY, JULY 2, 2013
COUNCIL CHAMBERS, CITY HALL
7:00 P.M.**

COUNCIL MEMBERS PRESENT:

Mayor Rob Hutchins
Councillor Bill Drysdale
Councillor Glenda Patterson

Councillor Steve Arnett
Councillor Gord Horth

Councillor Jillian Dashwood
Councillor Duck Paterson

STAFF PRESENT:

Ruth Malli
Sandy Bowden

Felicity Adams
John Manson

Erin Anderson
Joanna Winter

CALL TO ORDER

Mayor Hutchins called this Meeting of Council to order at 6:04 p.m. in order to retire immediately into Executive (Closed) Session.

EXECUTIVE SESSION

CS 2013-231

It was moved, seconded and carried at 6:04 p.m. that Council retire into Executive (Closed) Session in order 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
- 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
- labour relations or other employee relations

The Regular Meeting of Council reconvened at 7:00 p.m.

AGENDA APPROVAL

CS 2013-232

It was moved, seconded and carried that the agenda for the Council Meeting of July 2, 2013 be approved with the following amendments:

- 11.1 – Change the name of the B.C. Ambassador candidate representing Ladysmith to Kelly Wallace
- 12.1 – Add Tour de Rock 2013
- 12.2 – Add Eggs Benefit Acknowledgment

MINUTES

CS 2013-233

It was moved, seconded and carried that the minutes of the Regular

Meeting of Council held June 17, 2013 be approved.

DELEGATIONS

Gordon Gunn, KPMG

Ladysmith Information Systems Strategic Plan

G. Gunn presented a report from KPMG, consultants engaged by the Town to review and develop recommendations for an Information Systems Strategic Plan, and responded to questions from Council members.

CS 2013-234

It was moved, seconded and carried that the Information Systems Strategic Plan be received and referred to staff for review and preparation of an implementation plan regarding the recommendations contained in the report.

**COUNCIL COMMITTEE
REPORTS**

Councillor Drysdale mentioned that the Royal Canadian Marine Search and Rescue is holding a fundraising event on August 10 at Aggie Hall.

Councillor G. Patterson noted that the Stock the Lockers fundraising campaign for the 2013/2014 school year is underway.

Councillor Arnett reminded Council that Ladysmith Days will take place on August 3, 4 and 5, and that there are still a few volunteer opportunities during the event.

Council congratulated the organizers of the Stz'uminus First Nations Soccer Tournament and expressed appreciation to Town staff for their assistance.

STAFF REPORTS

Tourist Recreational Commercial Zone (C-4) – Proposed Text Amendments

CS 2013-235

It was moved, seconded and carried that the staff report from the Director of Development Services concerning proposed amendments to the Tourist Recreational Commercial Zone (C-4) in the Town's Zoning Bylaw be received.

CS 2013-236

Urban Residential Zone (UR-1), Agriculture Zones (A-1 and A-4) and Heavy Industrial Zone (I-2) – Proposed Text Amendments

It was moved, seconded and carried that staff be directed to prepare amendments to Town of Ladysmith Zoning Bylaw 1995, No. 1160 to implement the Official Community Plan Single Family Residential Land use designation where it applies to areas zoned Urban Rural Residential (UR-1) by retaining zoning provisions for single family dwelling use, home occupation use, and bed and breakfast use and removing zoning provisions permitting the use of land for agriculture, horticulture, silviculture and greenhousing, and associated regulations.

CS 2013-237 It was moved, seconded and carried that staff be directed to prepare amendments to Town of Ladysmith Zoning Bylaw 1995, No. 1160 to implement the Official Community Plan Urban Reserve land use designation where it applies to areas zoned Urban Rural Residential (UR-1) by adding a specific provision to permit agriculture, horticulture and silviculture use on parcels within the zone that are identified as having a minimum 8.0 hectare lot size.

CS 2013-238 It was moved, seconded and carried that staff be directed to prepare an amendment to Town of Ladysmith Zoning Bylaw 1995, No. 1160 and Zoning Bylaw 1988, No. 1180 to add a definition of Medical Marihuana Growing and Production permitted under the federal Marihuana for Medical Purposes Regulation (MMPR) and to permit this use in the Heavy Industrial Zone (I-2) in the South Ladysmith Industrial Park and in the Primary Agriculture Zone (A-1) and Agricultural Recreation Zone (A-4) on lands within the Agricultural Land Reserve in South Ladysmith.

Councillor Drysdale declared a conflict of interest with the following agenda item and excused himself from the meeting.

CS 2013-239 **Lease Renewal – Festival of Lights Society (1163 Fourth Avenue)**
It was moved, seconded and carried that the Town enter into a lease agreement with the Festival of Lights Society for the use of 1163 Fourth Avenue for a five-year term, with the option to renew the lease for two consecutive five-year terms, subject to Ladysmith Kinsmen Club approval of proposed changes to Clause 3.

Councillor Drysdale returned to the meeting.

CS 2013-240 **Revitalization Tax Exemption Agreements**
It was moved, seconded and carried that the Town enter into the following Revitalization Tax Exemption Agreements:
1. 1030 Oyster Bay Drive, folio 0900.014
2. 12 Roberts Street, folio 0113.000

CS 2013-241 **Special Occasion Licence Request**
It was moved, seconded and carried that a Special Occasion Licence be approved for the Ladysmith Fat Tire Festival, to be held at Transfer Beach Horseshoe Pitch from July 26 to 28, 2013.

BYLAWS **Town of Ladysmith Zoning Bylaw 1995, No. 1160, Amendment Bylaw (No. 93) 2013, No. 1830**

CS 2013-242 It was moved, seconded and carried that Town of Ladysmith Zoning Bylaw 1995, No. 1160, Amendment Bylaw (No. 93) 2013, No. 1830 be read a first and second time and that a public hearing be scheduled.

CORRESPONDENCE

**Alisa Saunders, Merritt Herald
2013 BC Ambassador Keepsake Publication**

CS 2013-243

It was moved, seconded and carried that the Town of Ladysmith publish a half-page message of support for BC Ambassador candidate Kelly Wallace in the 2013 BC Ambassador Keepsake Publication published by the Merritt Herald.

NEW BUSINESS

Tour de Rock 2013

Councillor D. Paterson advised Council members that the Tour de Rock team will be in Ladysmith on September 30 and is investigating new fund raising ideas.

Council members agreed to form a committee to organize a movie night fundraiser.

Eggs Benefit

CS 2013-244

It was moved, seconded and carried that the Town send a letter of thanks and congratulations to the Ocean View Community Church for organizing a highly successful Eggs Benefit for the replacement of the Holland Creek Trail Bridge.

UNFINISHED BUSINESS

Stz'uminus Canoe Festival – Request for Funding

CS 2013-245

It was moved, seconded and carried that the Town provide a grant-in-aid in the amount of \$1,000 to the Gordon's Peacock Society for the 2013 Stz'uminus First Nation Canoe Festival.

EXECUTIVE SESSION

CS 2013-246

It was moved, seconded and carried at 8:20 p.m. that Council resume the Executive (Closed) Session.

ARISE AND REPORT

Council arose from Executive (Closed) Session at 9:05 p.m. with report on the following items:

- That staff be directed to arrange for the listing of the Christie Road lots on the Multiple Listing Service with a local real estate firm and that the firm be directed to conduct an informational meeting with local realtors to raise the profile of the lots.
- That staff be directed to arrange for the listing of 900 Russell Road on the Multiple Listing Service with a local real estate firm and that the firm be directed to conduct an informational meeting with local realtors to raise the profile of the lot; and further that the listing stipulate that 25% of the lot must be preserved as parkland.
- That staff be directed to arrange for the listing of the South Davis Road lots on the Multiple Listing Service with a local real estate firm and that the firm be directed to conduct an

informational meeting with local realtors to raise the profile of the lots; and further that staff consider servicing issues associated with these lots and determine the most appropriate conditions under which to market the properties.

ADJOURNMENT

CS 2013-247

It was moved, seconded and carried that this Meeting of Council be adjourned at 9:05 p.m.

CERTIFIED CORRECT:

Mayor (R. Hutchins)

Corporate Officer (S. Bowden)

Subject to Adoption



Town of Ladysmith
STAFF REPORT

To: Ruth Malli, City Manager
From: Sandy Bowden, Director of Corporate Services
Date: July 9, 2013
File No:

Re: **LEASES IN TOWN-OWNED BUILDINGS ON OYSTER BAY DRIVE (MACHINE SHOP AND OUTBUILDINGS)**

RECOMMENDATION(S):

1. That Council maintain the current lease rate of \$5 per square foot for existing commercial/industrial leases in the Machine Shop, Splicing Shed, First Aid Shed and Round House on Oyster Bay Drive;
2. That Unit H of the Machine Shop be leased to the Ladysmith and District Arts Council, at a rate to be negotiated;
3. That the lease with the Ladysmith Maritime Society for the Car Shop and for Units C, I and M of the Machine Shop be renewed for a two year period at the rate of \$1.00 per unit per year;
4. That Council advertise for tenants for Unit B of the Machine Shop; and
5. That a rate be negotiated with all users of the common bathroom in reimbursement for cleaning and supplies.

PURPOSE:

The purpose of this report is to seek Council direction in order to renew leases and/or establish lease rates for Town-owned buildings on Oyster Bay Drive.

INTRODUCTION/BACKGROUND:

The Town owns a number of buildings on Oyster Bay Drive. These buildings were originally part of the Comox Logging and Railway Company maintenance facilities. Completed in 1945, the 'Machine Shop' was at the time a state of the art facility designed to hold up to seven logging trucks in the main bay and two railway cars in the bays at the north end of the building. Units on the east side of the building were designed to hold parts, inventory and offices.

The Machine Shop is complemented by a series of other buildings – the Car Shop, just below the railway tracks at the north end of the Machine Shop; the building currently housing a public washroom; the Round House; and the Splicing Shed.

The *Ladysmith Heritage Inventory* (R. Goodacre, 1990) identifies these buildings as “heritage structures of first importance not only because they represent an important era in the industrial history of Ladysmith, but more particularly because they are the only intact remnants of the waterfront’s industrial past.”

The Town acquired the buildings in the mid-80s, and carried out upgrades to the facilities with the assistance of grants from the provincial and federal governments available at that time.

In the 1990's, the Town established the complex as a business incubator, leasing space to local businesses at an affordable rate in order to help them get established before moving to regular commercial/industrial space. More recently, the complex has been home to a mix of commercial, industrial and not-for-profit organizations. The Machine Shop provides an opportunity for Council and the Town to support local not-for-profit organizations by providing low-cost space to them. Typically, the community organizations pay no rent and make little or no contribution to maintenance and upkeep of the buildings. Tenants are responsible for repairs and improvements within their leased units, as well as their respective utilities and property taxes. Both the Ladysmith Maritime Society and Ladysmith and District Arts Council have received permissive tax exemptions for their portion of the property taxes on these spaces.

Waterfront Area Plan

In the Town's existing Waterfront Area Plan, the area where the Machine Shop is located allows the establishment of a community and cultural focal point for residents and visitors to the waterfront. Permitted uses may include a market, limited retail, heritage museum, cottage industry, community meeting rooms and offices, civic plaza and open space uses.

Zoning Regulations

The parcel where the Machine Shop is located is zoned Community Commercial (CC) Zone. This zone permits a range of uses, including farmers', artisans', marine or similar market, cottage industry manufacturing and sales, restaurant, neighbourhood pub, retail use, personal services and office use, public assembly, museum and heritage exhibit, and rail passenger depot.

In May 2012, Council directed staff to review the current rental rate of \$5.00 per square foot for commercial/industrial tenants and provide recommendations to Council regarding any proposed changes to the rate prior to the expiration of the first year of the approved two-year lease arrangements (April 1, 2013)

As indicated in the attached correspondence, there are two specific requests for lease of space in the complex:

Ladysmith Arts Council

The Arts Council has requested to lease the space in the Machine Shop known as Unit H for two years at \$1.00 per year, and has offered to share in revenues from art classes. This request is outlined in the attached correspondence.

Blondeau's Wood Products

This company leases the Splicing Shed and has requested Council's consideration of a reduction in rent from \$5.00 per square foot to \$2.50 due to limitations of the building and the slow economy. They have reduced rent payments while awaiting response from the Town.

Washrooms

This space was maintained by the Ladysmith Maritime Society as a public washroom for Marina guests until the new Visitor Welcome Centre opened at the Marina in 2012. In a letter to DL 2016 Holdings Corporation in January 2012, the LMS requested that the Town pay for washroom maintenance and cleaning once the LMS no longer maintained the washroom for visiting boaters. Although no final decision has been made on this matter, the LMS invoiced the Town for washroom maintenance costs commencing in June 2012. The LMS is still using some of the space near the washroom for storage. Staff estimate that the cost to the Town in staff time and supplies for washroom maintenance would be approximately \$750 per month.

Current occupancy rates and building costs are outlined in the attached Schedule A.

SCOPE OF WORK:

Staff will administer the statutory notice and prepare the leases as directed. Staff are already responsible for maintenance of the buildings. However, taking on maintenance of the washrooms will require additional staff time.

ALTERNATIVES:

Council could choose to reduce rents for other commercial tenants, or to increase rents. Council could also choose to engage an outside contractor to manage the building and/or carry out washroom maintenance.

FINANCIAL IMPLICATIONS:

Lost revenues from Machine Shop leases (due to renting space to not-for-profits at \$1.00 per year) are estimated at \$57,000 in 2013. Permissive tax exemptions amount to a further \$5,000 in lost revenues on Machine Shop spaces. Should Council decide to reduce the rent as requested by Blondeau's Wood Products, the lost revenues would be a further \$3,600 per year.

The Town currently charges \$5.00 per square foot to commercial tenants. Rough estimates of commercial space in the area with similar age, amenities and improvements range from an estimated high of \$8.00 per square foot for smaller units (C, D, F, G, H on the attached diagram) to an average of \$6.00 per square foot for larger spaces of 2,000 square feet or more. Given the condition of the spaces, the fact that most units do not have access to water, and the fact that the washrooms are outside the main building, it is not recommended at this time that lease rates to commercial tenants be increased.

Expenses to the Town in terms of staff time and supplies needed to maintain the washrooms at the north end of the Machine Shop is estimated to be \$6,200 annually. Fees

paid by the Ladysmith Maritime Society for washroom cleaning and maintenance are approximately equivalent.

Staff note that additional work is required on the buildings in the complex. This work includes:

- Seal all buildings to prevent further animal infestations
- Repair leaks in the roof of the Machine Shop
- Determine if there are any additional rotting support timbers underneath the Machine Shop
- Shore up the corner of the Round House
- Repair drainage in the vicinity of the Car Shop and Round House
- Repair the overhead door at the north end of Unit B in the Machine Shop.

Current lease revenues are not adequate to cover the costs of these repairs and additional longer-term repairs and maintenance on the building that will be required to maintain the building to adequate standards to ensure the safety of tenants, visitors and staff. Council may wish to consider engaging a structural engineer to complete a full assessment of the buildings.

LEGAL IMPLICATIONS:

As landlord, the Town is obliged to maintain the premises in a safe condition to permit the tenants to carry out the activities for which they have leased the space.

CITIZEN/PUBLIC RELATIONS IMPLICATIONS:

N/A

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:

Parks, Recreation and Culture is responsible for ongoing maintenance of the buildings; Public Works carries out some repairs from time to time; Financial Services administers revenues for the complex; Corporate Services maintains the leases.

RESOURCE IMPLICATIONS:

No additional resources are required at this time. However, the additional responsibilities of maintaining the washrooms will require additional staff time not currently allocated.

ALIGNMENT WITH SUSTAINABILITY VISIONING REPORT:

Aligns with Sustainability Pillar 1: Complete Community Land Use and 8: Local, Diverse Economy. Sustainable development of the waterfront area was one of the key focuses of the Town's Sustainability Visioning Report.

ALIGNMENT WITH STRATEGIC PRIORITIES:

Aligns with Strategic Directions C: Dynamic Economic Development and F: Safe and Healthy Community.



SUMMARY:

It is recommended that Council determine an appropriate lease rate for tenants of the buildings in the Town-owned complex on Oyster Bay Drive.

I concur with the recommendation.

Ruth Malli

Ruth Malli, City Manager

ATTACHMENTS

Schedule A – Current Occupancy

Letter from Ladysmith Arts Council requesting use of Unit H

E-mail from Blondeau's Wood Products requesting reduction in rent

Diagram of Machine Shop Units



SCHEDULE A -- CURRENT OCCUPANCY, REVENUES AND EXPENSES -

| Unit # | Name | If all tenants paid rent | 2012 Actual Rent Charged | If all tenants paid full taxation | Actual municipal taxation levied (2012) |
|---------------|--------------------------|---------------------------------|---------------------------------|--|--|
| Unit A/E | Southwood Products | \$15,750 | \$15,750 | \$2,902 | \$ 2,902 |
| Unit B | Vacant | 15,950 | - | | |
| Unit C | LMS | 2,240 | 1 | 279 | PTE |
| Unit D | Dennis Brown | 3,590 | 3,590 | 345 | 345 |
| Unit F | Janice Richards | 3,560 | 3,560 | 341 | 341 |
| Unit G | Arts Council/ PRC | 2,500 | 1* | 195 | PTE |
| Unit H | Vacant | 2,250 | - | - | PTE |
| Unit I | LMS | 4,665 | - | 581 | PTE |
| Unit J/K | Arts Council | 6,250 | - | 975 | PTE |
| Unit L | Arts Council | 5,815 | - | | |
| Unit M | LMS | 4,850 | - | 975 | PTE |
| Car Shop | LMS | 500 | - | 1,657 | PTE |
| Splicing Shed | Blondeau's Wood Products | 7,200 | 7,200 | 644 | 644 |
| Round house | PMG Heritage Yachts | 8,875 | 7,988 | 1,680 | 1,680 |
| | Total Revenue | \$83,995 | \$38,089 | \$10,574 | \$5,912 |

2012 * denotes a portion of the program revenue paid to the Town in lieu of rent

| | | |
|-----------------|---|---------------|
| Expenses | TOL Staff & Equipment | 7,666 |
| | Telephone (for monitoring systems) | 871 |
| | Insurance | 3,306 |
| | Heat & Hydro (non recoverable) | 2,278 |
| | Fire Extinguisher, Lighting & Inspections | 1,121 |
| | Security | 305 |
| | Materials & Supplies | 1,700 |
| | Tenant Costs | 92 |
| | Yard Maintenance (pruning/blackberries) | 1,079 |
| | Total Expenses | 18,416 |

Additional costs for administration
Monthly billing of rent
Monthly processing of payments
Monthly calculation of heat & hydro
Lease agreement management
Managing Tenants in arrears

E-Mail from Dave Howes, Blondeau's Wood Working
Addressed to staff

Received February, 2013

Phil and myself would like to know if we could make a request for a rent reduction, we are finding it hard to cover the rent due to shortage of work in these tough economic times and have been looking to move to something more economical.

We have no amenities at this property, no heating leaks water into the front of property with heavy rain or snow and infested with rats all night which has been of some concern to us for health reasons.

I've put this in writing as to our phone conversation earlier today.

Yours sincerely

David Howes

from Blondeau and Howes
Cabinets and Millwork

Staff note:

In subsequent conversations, the tenants have requested a new lease rate of \$2.50 per square foot from \$5.00.



WATERFRONT GALLERY

610 Oyster Bay Drive (on the way to Transfer Beach), Ladysmith
Open Tuesday to Sunday | noon to 4pm
PO Box 2370 Ladysmith BC V9G 1B8 | 250.245.1252
www.ladysmithwaterfrontgallery.com

March 26, 2013

Town of Ladysmith
PO Box 220
Ladysmith, BC
V9G 1A2

Attention: Mayor and Council

As the Arts Council moves forward we are excited about the quality of artists we are attracting to Ladysmith. Our Vice President, Anne Jones, is a professional printmaker who has offered to give printmaking classes in Ladysmith. This is a rare opportunity for the region as Anne brings 34 years of artistic experience and has taught art at the Wexford Collegiate School for the Arts and is respected and considered an expert in her field. It will give Ladysmith an exclusive on printmaking and will attract artists to Ladysmith.

The Arts Council is requesting that we have exclusive use of the room on the main floor north of what is our classroom on a two year contract. This room is perfect to hold this type of class and would bring a new dimension to gallery. Anne will be supplying the press but needs a dedicated space because of the complexities of the print process and the size of the press. As far as we know no other gallery is offering Printmaking with such an experienced teacher. We don't want to miss this opportunity.

Classes will be held as part of our class portfolio and we would like to propose that we work the same agreement that we have with the present classroom which is 20% of all money taken in from classes will be paid to the town. We have just paid over \$700 for the use of the classroom. This model works well instructor, the town and the gallery. We will maintain the space – paint and repair as we do with the rest of our space. There is an adjoining door between the vacant room and the classroom and it would be convenient if we needed the extra space. The vacant room is also accessible from the upper floor of the gallery and connects to our kitchen by an open staircase.

The Town of Ladysmith has been extremely generous with the space we have on the upper floor of the Expo building and we understand and appreciate the gift you have already given us which is why we feel that there should be some compensation for the room.

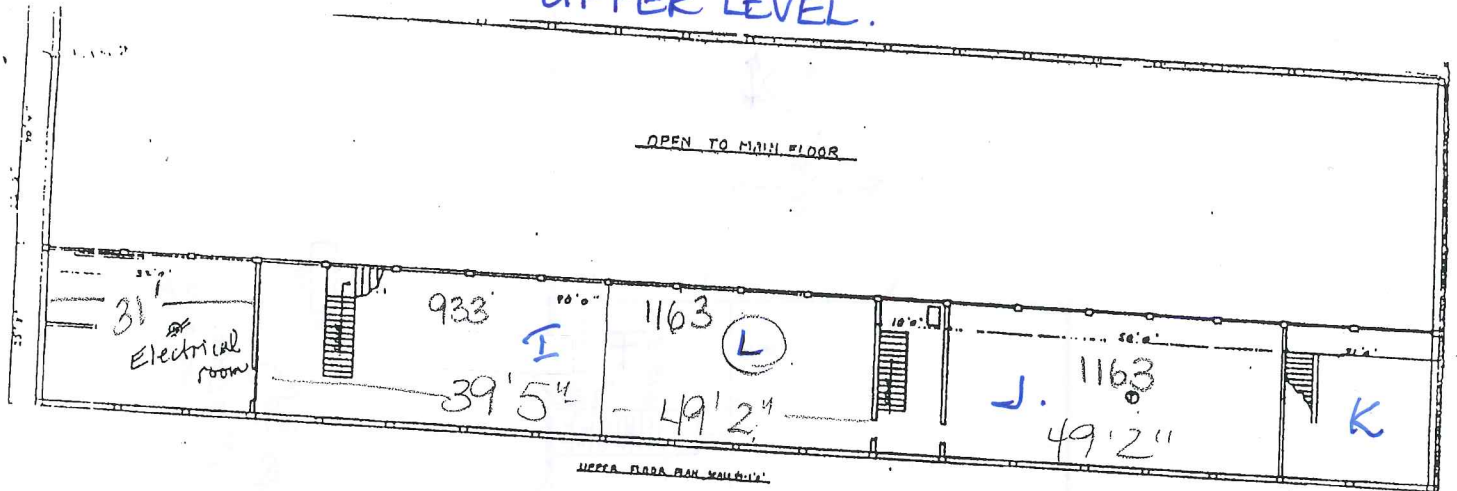
If you would like to know more please contact the Arts Council.

The Press is ready to be installed and we would like to start advertising that we are able to hold classes and generating money.

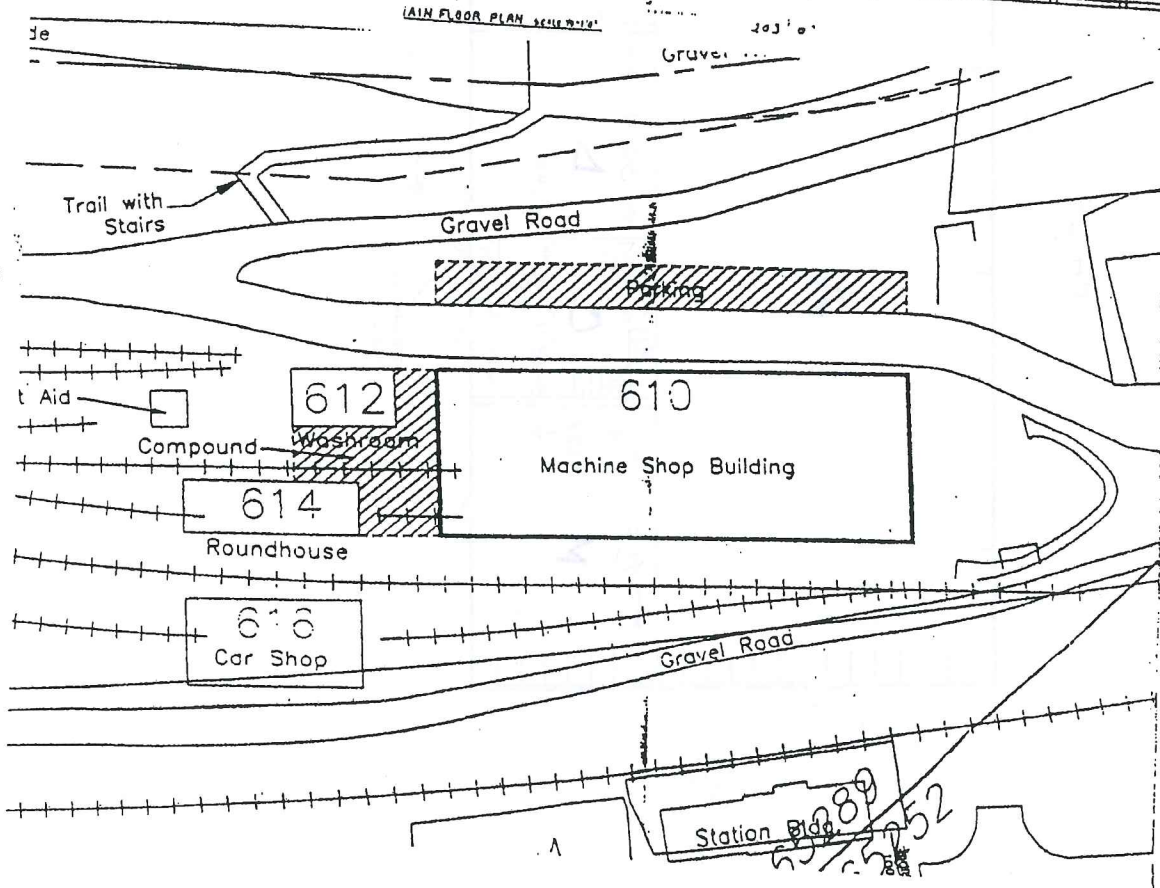
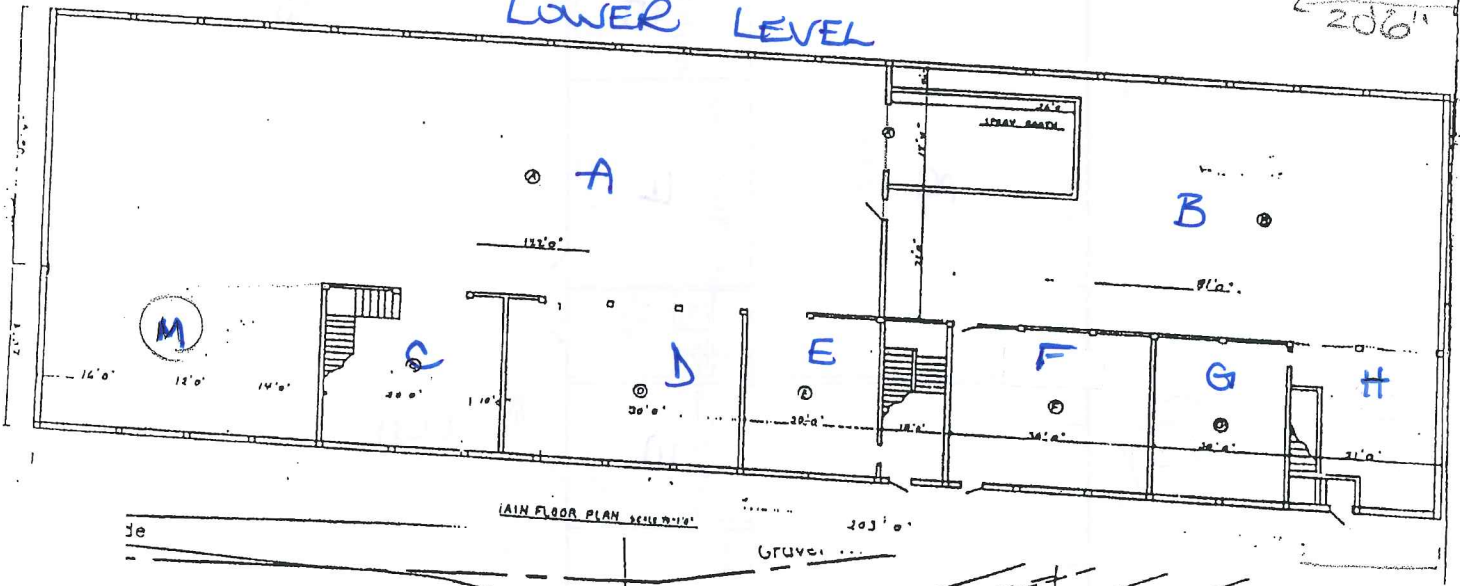
Sincerely

Kathy Holmes
President, Arts Council of Ladysmith and District
Ladysmith Waterfront Gallery

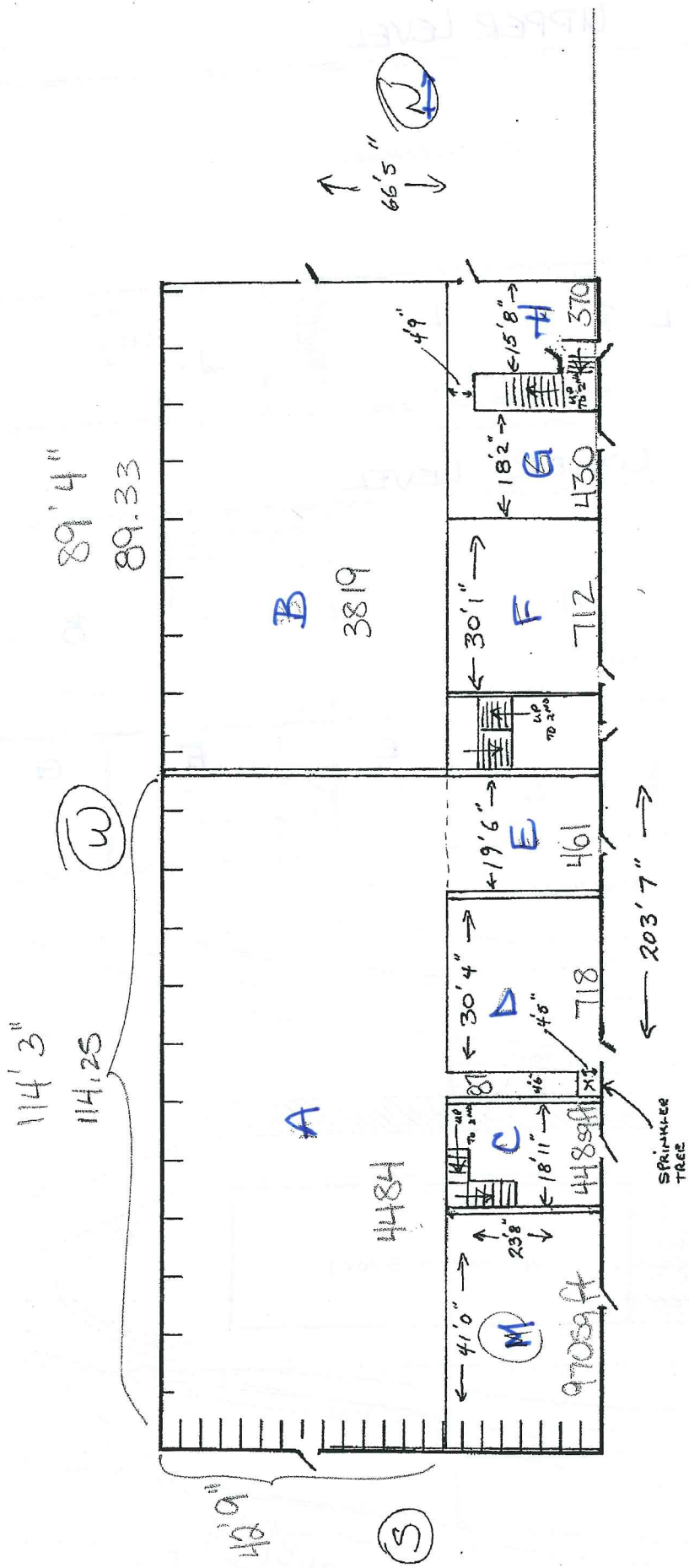
UPPER LEVEL.



LOWER LEVEL



SCHEDULE B





Town of Ladysmith
STAFF REPORT

To: Ruth Malli, City Manager
From: John Manson, PEng, Director of Infrastructure Services
Date: July 11, 2013
File No:

Re: ARTBUTUS WATER TREATMENT PLANT, PHASE 1 – CHLORINATION TENDER

RECOMMENDATION(S):

That Council award the Arbutus Water Treatment Plant, Phase I – Chlorination tender to Knappett Industries (2006) Ltd., in the amount of \$1,317,700.00 excluding GST.

PURPOSE:

To obtain Council authorization to award the above noted tender.

INTRODUCTION/BACKGROUND:

In order to ensure a safe and adequate water supply for residents in the Town of Ladysmith for the present and future, the Town has been systematically upgrading a number of components of the Water Supply System. As part of this strategy, the Town is upgrading the existing Chlorination Facility located near the Arbutus Reservoir. This tender will provide for the replacement of the existing chlorination station, and is designed to be part of a larger water treatment facility, either UV or Ozone disinfection, or water filtration, depending on the results of ongoing water quality testing.

On July 4th, the Town received the following select tenders for this work:

| Tenderer | Price, GST Included |
|--------------------------------|---------------------|
| Knappett Industries (2006) Ltd | \$1,383,585.00 |
| D Robinson Construction Ltd | \$1,427,043.45 |
| Knappett Projects Ltd | \$1,513,335.00 |
| Carver Construction Ltd | \$1,708,205.34 |

The tender amounts include a contingency amount of \$75,000, as well as a \$10,000 cash allowance for miscellaneous site work.

One bidder, Trittech Group, was selected to tender for the work but was unable to complete a tender due to other work commitments in Alberta at the time of tender submission.



All tender submissions were generally complete and in order, with an exception of some minor rounding errors in the Knappett project tender which do not affect the relative ranking.

Accordingly, we recommend the award of the tender to Knappett Industries (2006) Ltd, in the amount of \$1,383,585.00 including GST.

SCOPE OF WORK:

Construction of a replacement Water Chlorination Facility near Arbutus Reservoir.

ALTERNATIVES:

1. Reject all tenders.
2. Award to an alternate tenderer.

FINANCIAL IMPLICATIONS: (Reviewed by Director of Financial Services )

The cost of this work is covered in the 2013 water budget. The project is within the budget allowance for 2013 for this work (\$1,600,000). Additional funds may be required to complete the project in 2014, depending on the disposition of the contingency and cash allowances, and engineering, and administration costs (See updated project budget attached).

LEGAL IMPLICATIONS:

Council has 60 days to award this project to one of the tenderers, or reject all tenders..

CITIZEN/PUBLIC RELATIONS IMPLICATIONS:

Provides an upgraded safe supply of water to our residents.

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:

Project is within our budget allowance for 2013..

RESOURCE IMPLICATIONS:

This work is part of our 2013 capital program.

ALIGNMENT WITH SUSTAINABILITY VISIONING REPORT:

This project aligns with the 5th Pillar of Sustainability (Innovative Infrastructure) in the Visioning Report.

ALIGNMENT WITH STRATEGIC PRIORITIES:

Providing a safe and adequate water supply is the number one strategic priority

SUMMARY:

The Town received 4 select tenders for the upgrade of our Chlorination facility. We recommend the award of the tender to Knappett Industries (2006) Ltd, in the amount of \$1,383,585.00 including GST.



The work will be getting under way this summer, with completion expected early in 2014.

I concur with the recommendation.



Ruth Malli, City Manager

ATTACHMENTS:

Letter from Koers Associates





**KOERS
& ASSOCIATES
ENGINEERING LTD.**
Consulting Engineers

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July 8, 2013
File: 1019-09

Town of Ladysmith
P.O. Box 220
Ladysmith, B.C.
V9G 1A2

**Attention: Mr. John Manson, P.Eng.
Director of Infrastructure Services**

Dear Sirs:

**Re: Town of Ladysmith
Arbutus Water Treatment Plant, Phase I - Chlorination
Tender Summary and Recommendation**

Tenders for this project were received at City Hall on July 4, 2013. A total of four Tenders were submitted and are summarized as follows:

| <u>Tenderer</u> | <u>Total Tender (without GST)</u> | <u>Total Tender (with 5% GST)</u> | <u>Days to Complete</u> |
|---------------------------------|--|--|------------------------------------|
| Knappett Industries (2006) Ltd. | \$1,317,700.00 | \$1,383,585.00 | 195 |
| D. Robinson Contracting Ltd. | \$1,359,089.00 | \$1,427,043.45 | 200 |
| Knappett Projects Inc. | \$1,441,271.00 | \$1,513,335.00 | 180 |
| Carver Construction Ltd. | \$1,626,862.23 | \$1,708,205.34 | 195 |

The Tender amounts shown above include a \$75,000.00 contingency allowance and a \$10,000.00 cash allowance.

All Tender submissions were complete with the appropriate Bid Bond and signed Addendums No. 1 and No. 2. With the exception of some minor rounding that was performed by Knappett Projects Inc. when they added the GST to their final Tender amount, the arithmetic was found to be correct on all the Tender Forms. This minor rounding has no impact on the ranking of the individual tenders.

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Town of Ladysmith
Mr. John Manson, P.Eng.

The low Tender was submitted by Knappett Industries (2006) Ltd. of Nanaimo. Koers & Associates Engineering Ltd. has completed many successful projects with Knappett Industries over the last 20 years, including the inlet and outlet piping connections for the Arbutus Reservoir. The bid price submitted by Knappett Industries is within the original construction budget that was estimated by Koers & Associates Engineering Ltd. back in May 2012.

We recommend award of this Contract to the low bidder, Knappett Industries (2006) Ltd. We enclose a draft Notice of Award to be sent to the successful bidder on Town letterhead following the decision by Council to award. Please send us a copy of this Notice for our records.

We will file the original Tenders received from the unsuccessful Tenderers. Upon award, and during execution of the Contract Documents, we will bind the original successful tender in the Owner's copy of the documents for safekeeping by the Town.

Please call if you have any questions.

Yours truly

KOERS & ASSOCIATES ENGINEERING LTD.



Matt Palmer, P.Eng.
Project Manager

Enclosure

DRAFT

Date:

Knappett Industries (2006) Ltd.
P.O. Box 37090
Country Club Postal Station
Nanaimo, B.C. V9T 6N4

Dear Sirs:

**Re: Town of Ladysmith
Arbutus Water Treatment Plant, Phase I - Chlorination
NOTICE OF AWARD**

We are pleased to advise that this Contract has been awarded to your firm, based on your Tender dated July 4, 2013, in the amount of \$1,383,585.00 (5% GST included).

This is not the Notice to Proceed with the work. The Notice to Proceed will be issued immediately following your execution of the Contract Documents.

In accordance with your Tender, you are to provide the required bonds and insurance documents within 10 days of the Notice of Award, and complete all work under the Contract within a period of 195 calendar days from the date of the Notice to Proceed. Please submit the specified bonds and insurance documents to Koers & Associates Engineering Ltd. Contract Documents will be forwarded to your office for Contract execution shortly thereafter.

We look forward to a successful contract.

Yours truly,

TOWN OF LADYSMITH

(Appropriate Signing Official)

cc. Koers & Associates Engineering Ltd.

| TOWN OF LADYSMITH | | | | | | July, 2013 |
|---|---|----------|--------------|------------|-----------------------|------------|
| PROJECT BUDGET UPDATE | | | | | | |
| ARBUTUS WATER TREATMENT PLANT PHASE I (CHLORINATION & NEW ELECTRICAL SERVICE) | | | | | | |
| ITEM NO. | DESCRIPTION | QUANTITY | STATUS | UNIT PRICE | TOTAL ESTIMATED PRICE | |
| ITEM NO. 1 - CONSTRUCTION TENDER | | | | | | |
| 1 | Electrical Service From Colonia Drive | 1 | TENDER PRICE | \$282,000 | \$282,000 | |
| 2 | Water Treatment Plant | 1 | TENDER PRICE | \$849,700 | \$849,700 | |
| 3 | Portable Diesel Gen Set for Water Treatment Plant | 1 | TENDER PRICE | \$42,000 | \$42,000 | |
| 4 | Fencing Around Reservoir & Water Treatment Plant | 1 | TENDER PRICE | \$59,000 | \$59,000 | |
| 5 | Cash Allowance | 1 | TENDER PRICE | \$10,000 | \$10,000 | |
| 6 | Contingency Allowance | 1 | TENDER PRICE | \$75,000 | \$75,000 | |
| TOTAL ITEM NO. 1 - CONSTRUCTION TENDER | | | | | \$1,317,700 | |
| ITEM NO. 2 - BC HYDRO CHARGES PAID | | | | | | |
| 1 | BC Hydro Charges - Colonia Dr. Upgrade | 1 | BILLED | \$55,198 | \$55,198 | |
| TOTAL ITEM NO. 2 - BC HYDRO CHARGES PAID | | | | | \$55,198 | |
| ITEM NO. 3 - CONSTRUCTION RELATED TASKS COMPLETED | | | | | | |
| 1 | Work on Control Systems for Water Treatment Plant | 1 | COMPLETED | \$35,000 | \$35,000 | |
| 2 | Geotechnical for Colonia Dr. BC Hydro Work | 1 | COMPLETED | \$4,444 | \$4,444 | |
| 2 | Submission of Environmental Permits | 1 | COMPLETED | \$592 | \$592 | |
| TOTAL ITEM NO. 3 - CONSTRUCTION RELATED TASKS COMPLETED | | | | | \$40,036 | |
| ITEM NO. 4 - 2013 ENGINEERING DESIGN COMPLETED | | | | | | |
| 1 | Complete Design of Electrical Service & Treatment Plant | 1 | COMPLETED | \$80,000 | \$80,000 | |
| 2 | Engineering on Colonia Drive BC Hydro Upgrades | 1 | COMPLETED | \$10,000 | \$10,000 | |
| 3 | Creating Drawings for Fencing | 1 | COMPLETED | \$3,500 | \$3,500 | |
| 4 | Sizing & Developing Specification for Portable Gen Set | 1 | COMPLETED | \$7,000 | \$7,000 | |
| TOTAL ITEM NO. 4 - 2013 ENGINEERING DESIGN COMPLETED | | | | | \$100,500 | |
| ITEM NO. 5 - TENDERING SERVICES COMPLETED | | | | | | |
| 1 | RFQ and Prequalification of Contractors | 1 | COMPLETED | \$17,500 | \$17,500 | |
| 2 | Tendering | 1 | COMPLETED | \$12,500 | \$12,500 | |
| TOTAL ITEM NO. 5 - TENDERING SERVICES COMPLETED | | | | | \$30,000 | |
| ITEM NO. 6 - ENGINEERING CONSTRUCTION SERVICES | | | | | | |
| 1 | Project Management Over Six Months | 1 | ESTIMATE | \$80,000 | \$80,000 | |
| 2 | Field Inspection Services Over Six Months | 1 | ESTIMATE | \$62,000 | \$62,000 | |
| 4 | Geotechnical Inspections | 1 | ESTIMATE | \$7,500 | \$7,500 | |
| TOTAL ITEM NO. 6 - ENGINEERING CONSTRUCTION SERVICES | | | | | \$149,500 | |

TOWN OF LADYSMITH

July, 2013

PROJECT BUDGET UPDATE

ARBUTUS WATER TREATMENT PLANT PHASE I (CHLORINATION & NEW ELECTRICAL SERVICE)

| ITEM NO. | DESCRIPTION | QUANTITY | STATUS | UNIT PRICE | TOTAL ESTIMATED PRICE |
|----------|-------------|----------|--------|------------|-----------------------|
|----------|-------------|----------|--------|------------|-----------------------|

| ITEM NO. 7 - OTHER CONSTRUCTION RELATED COSTS | | | | | |
|--|--|---|----------|----------|-----------------|
| 1 | Environmental Consultant | 1 | ESTIMATE | \$2,500 | \$2,500 |
| 2 | Compaction Testing on Backfill Under WTP | 1 | ESTIMATE | \$7,500 | \$7,500 |
| 3 | Concrete Testing & Water Quality Testing | 1 | ESTIMATE | \$5,000 | \$5,000 |
| 4 | Programming Controls by Engineer | 1 | ESTIMATE | \$30,000 | \$30,000 |
| 5 | Commissioning Controls by Engineer | 1 | ESTIMATE | \$15,000 | \$15,000 |
| 6 | Modifying SCADA program at Works Yard | 1 | ESTIMATE | \$7,500 | \$7,500 |
| TOTAL ITEM NO. 7 - OTHER CONSTRUCTION RELATED COSTS | | | | | \$67,500 |

| ITEM NO. 8 - OTHER COSTS | | | | | |
|---------------------------------------|---------------------------------------|---|----------|----------|-----------------|
| 1 | TOWN FINANCING & ADMINISTRATION COSTS | 1 | ESTIMATE | \$70,000 | \$70,000 |
| TOTAL ITEM NO. 8 - OTHER COSTS | | | | | \$70,000 |

| | | | | | |
|------------------------------------|--|--|--|--|--------------------|
| BUDGET TOTAL (GST EXCLUDED) | | | | | \$1,830,434 |
|------------------------------------|--|--|--|--|--------------------|

This budget estimate does not include allowances to cover the following:

- additional or unforeseen approval agency requirements
- inflation or legal costs

This estimate was prepared by Koers & Associates Engineering Ltd. for the account of the Town of Ladysmith. The material in it reflects the best judgment of Koers & Associates in light of the information available to it at the time of preparation. Any use, which a Third Party makes of this cost estimate, or any reliance on decisions to be made upon it, is the responsibility of such parties. Koers & Associates Engineering Ltd. accepts no responsibility for damages, if suffered by any Third Party as a result of the decision made or actions based on this cost estimate.

June 19, 2013

Ladysmith Town Council,

Dear Council Members,

This letter is to request that a presentation be made to the Ladysmith Parks and Recreation Committee at the regular meeting of September 18th, 2013. The presentation is expected to take 15 minutes, and the presenter will certainly be available for questions. The topic of the presentation will be regional events.

The Cowichan Valley Regional District has hosted many single sport events, and three major multi-sport competitions, the 1991 BC Winter Games, the 2005 BC Seniors Games, and the 2008 North American Indigenous Games. We are now looking forward to hosting the 2018 BC Summer Games.

There are many recognized benefits of hosting sport events, including sport system development, economic development, and social and community legacies. But resources are required to bid for and host these events.

The Cowichan Valley Regional District does not have a strategy for sport tourism. We're unclear how many regional events, and which events, we should target.

To begin the conversation on developing a strategy, the Island Savings Centre Commission requested that the Island Savings Centre manager present questions for discussion to recreation committees and commissions in Cowichan Lake, South Cowichan, North Cowichan, and Ladysmith. To date, the presentation has been made at North Cowichan's Parks and Recreation Committee. Presentations are expected in Cowichan Lake in late June, and Kerry Park in late July.

In addition to discussing number and type of events, topics like sport tourism marketing and local government assistance to associations to host events will also be raised.

The goal of the presentations is to determine interest in having representatives from each of the five recreation committees / commissions of the Cowichan Valley Regional District attend two or three meetings in the fall of 2013, to develop an appropriate framework for sports tourism across the region, and identify the resources necessary to accomplish that framework.

Thank you for your consideration in this request to be a delegation at the September 18th, 2013 meeting.

John Elzinga, Manager,
Island Savings Centre.

TEXT OF AN E-MAIL RECEIVED FROM DONNA REIMER, SCHOOL DISTRICT 68

July 9, 2013

Nanaimo Ladysmith Public Schools has announced that Donald Golob, the professional facilitator who assisted with the 10-Year Enhanced Facilities for Learning Plan consultation process during May and June, will continue in that role for the extended consultation period for the proposed closures of Ecole Davis Road and North Oyster Elementary Schools.

The Board of Education voted on June 26 to extend the consultation process for the proposed closures of those two schools to December 1, 2013.

As a first step, Mr. Golob will ask representatives from Davis Road, North Oyster and the Ladysmith community for assistance in designing the next steps in the consultation process.

For this phase of the consultation process, the Board is interested in narrowing in on what are viable options that would meet the Board's goals for a sustainable model for public education in Ladysmith for the next ten or more years.

It is expected that planning for the consultation process will get underway in late August or early September.

Information on the district's 10-Year Enhanced Facilities for Learning Plan is available at www.sd68.bc.ca.