



TOWN OF LADYSMITH

A REGULAR MEETING OF THE
COUNCIL OF THE TOWN OF LADYSMITH
WILL BE HELD ON
MONDAY, JANUARY 4, 2016

Call to Order and Closed Meeting
5:00 p.m.
Regular Open Meeting
7:00 p.m.

AGENDA

CALL TO ORDER (5:00 P.M.)

1. 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 item:

- 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*]
- labour relations or other employee relations

2. RISE AND REPORT

REGULAR MEETING (7:00 P.M.)

3. AGENDA APPROVAL

4. MINUTES

4.1. Minutes of the Regular Meeting of Council held December 21, 20151 - 4

5. COMMITTEE REPORTS

5.1. Mayor A. Stone

Cowichan Valley Regional District; Advisory Design Panel; Ladysmith Chamber of Commerce

5.2. Councillor R. Hutchins

Heritage Revitalization Advisory Commission; Liquid Waste Management Committee; Protective Services Committee; Stocking Lake Advisory Committee

- 5.3. Councillor C. Henderson**
Community Health Advisory Committee/Interagency Group; Ladysmith Early Years Partnership; Social Planning Cowichan – Affordable Housing Directorate; Youth Advisory Committee
- 5.4. Councillor D. Paterson**
Parks, Recreation and Culture Commission; Protective Services Committee; Festival of Lights Committee
- 5.5. Councillor J. Friesenhan**
Liquid Waste Management Committee; Parks, Recreation and Culture Commission
- 5.6. Councillor C. Fradin**
Community Safety Advisory Commission; Advisory Planning Commission; Liquid Waste Management Committee; Ladysmith Downtown Business Association
- 5.7. Councillor S. Arnett**
Municipal Services Committee; Vancouver Island Regional Library Board; Stocking Lake Advisory Committee; Celebrations Committee

6. REPORTS

- 6.1. Alternative Tax Penalty Schemes.....5 - 8**

7. BYLAWS – None

8. NEW BUSINESS

9. UNFINISHED BUSINESS – None

10. 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.

ADJOURNMENT



**TOWN OF LADYSMITH
MINUTES OF A REGULAR MEETING OF COUNCIL
MONDAY, DECEMBER 21, 2015
CALL TO ORDER 2:03 P.M. FOR CLOSED SESSION
BOARD ROOM, LADYSMITH AND DISTRICT CREDIT UNION
CALL TO ORDER 7:02 P.M. FOR REGULAR COUNCIL MEETING
COUNCIL CHAMBERS, CITY HALL**

COUNCIL MEMBERS PRESENT:

Mayor Aaron Stone	Councillor Steve Arnett	Councillor Cal Fradin
Councillor Joe Friesenhan	Councillor Carol Henderson	Councillor Rob Hutchins

COUNCIL MEMBERS ABSENT:

Councillor Duck Paterson

STAFF PRESENT:

Ruth Malli	Sandy Bowden	Felicity Adams
Erin Anderson	John Manson	Clayton Postings
Joanna Winter		

CALL TO ORDER

Mayor Stone called this Meeting of Council to order at 2:02 p.m. in order to retire immediately into Closed Session.

CLOSED MEETING

CS 2015-426

Moved and seconded:

That Council retire into Closed Session at 2:03 p.m. 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
- labour relations or other employee relations
- 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]

Motion carried.

REGULAR MEETING

Mayor Stone reconvened the Regular Meeting of Council at 7:02 p.m. Mayor Stone asked for a moment of silence to honour two Town of Ladysmith staff members who recently passed away. Mayor called the meeting to order and recognized the traditional territory of the Stz'uminus First Nation.

AGENDA

CS 2015-427

Moved and seconded:

That Council approve the agenda for the Regular Council meeting of December 21, 2015 as amended by the following addition:

11.1 Schedule of Municipal Services Meetings

Motion carried.

MINUTES

CS 2015-428

Moved and seconded:

That Council approve the minutes of the Public Hearing and Regular Meeting of Council held December 7, 2015.

Motion carried.

DELEGATION

Kathy Holmes, Ladysmith and District Arts Council Year in Review and Thank You to Council

Kathy Holmes, accompanied by members of the Ladysmith and District Arts Council, provided Council with highlights of the year, discussing the success of Arts on the Avenue, art classes and the Waterfront Gallery. The Council handed over the 'virtual keys' of the new elevator that was installed at the Machine Shop. Arts Council members expressed gratitude to the Town for providing the space for the waterfront gallery.

Moved and seconded:

CS 2015-429

That Mayor Stone attend the next meeting of the Board of Directors of the Arts Council of Ladysmith and District to convey the Town's appreciation for the organization's contributions to arts, culture and the economy in Ladysmith.

Motion carried.

DEVELOPMENT APPLICATIONS

Development Permit Application – AYPQ Architecture – Ladysmith and District Credit Union

Subject Properties:

- Parcel D (DD 29794N) of Lot 2, Block 26, District Lot 56, Oyster District, Plan 703 (318 First Ave.);
- Parcel C (DD 29793N) of Lot 2, Block 26, District Lot 56, Oyster District, Plan 703 (320 First Ave.);
- That Part of District Lot 56, Oyster District Shown as Closed Road on Plan EPP35319 (324 First Ave.); and
- Lot A (DD EG123265), Block 26, District Lot 56, Oyster District, Plan 703 (330 First Ave.)

Moved and seconded:

CS 2015-430

That Council

1. Issue Development Permit (DP) 3060-15-12 for:

- Parcel D (DD 29794N) of Lot 2, Block 26, District Lot 56, Oyster District, Plan 703 (318 First Ave.);
- Parcel C (DD 29793N) of Lot 2, Block 26, District Lot 56, Oyster District, Plan 703 (320 First Ave.);
- That Part of District Lot 56, Oyster District Shown as Closed Road on Plan EPP35319 (324 First Ave.); and
- Lot A (DD EG123265), Block 26, District Lot 56, Oyster District, Plan 703 (330 First Ave.),

to permit a) façade improvements to the Ladysmith and District Credit Union (LDCU) building and the buildings at 318 and 320 First Ave.; b) a new Atrium building to connect the LDCU building to the building at 320 First Ave.; and c) improvements to the onsite parking areas and creating two public plazas, subject to the applicant submitting a landscape bond in the amount of 100% of the onsite landscaping and consolidation of the four lots into one lot.

2. Authorize the Mayor and Corporate Officer to sign the Development Permit.

Motion carried.

BYLAWS

Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 3), 2015, No. 1897

Moved and seconded:

CS 2015-431

That Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw (No. 3), 2015, No. 1897 be adopted.

Motion carried.

Official Community Plan Bylaw 2003, No. 1488, Amendment Bylaw (No. 46) 2015, No. 1891

Moved and seconded:

CS 2015-432

That Official Community Plan Bylaw 2003, No. 1488, Amendment Bylaw (No. 46) 2015, No. 1891 be adopted.

Motion carried.

Town of Ladysmith Revenue Anticipation Bylaw 2015, No. 1898

Moved and seconded:

CS 2015-433

That Town of Ladysmith Revenue Anticipation Bylaw 2015, No. 1898 be adopted.

Motion carried.

NEW BUSINESS

Town of Ladysmith / Chamber of Commerce Services Agreement

Moved and seconded:

CS 2015-434

That Council approve the agreement between the Town of Ladysmith and the Ladysmith Chamber of Commerce for the provision of visitor and business services for the period January 1 to December 31, 2016, and authorize the Mayor and Corporate Officer to execute the agreement.

Motion carried.

Municipal Services Committee Meeting Schedule

Moved and seconded:

CS 2015-435

That meetings of the Municipal Services Committee be held on the second Monday of each month at 6:30 p.m.

Motion carried.

QUESTION PERIOD

Members of the public enquired about accessibility of proposed public washrooms at the Ladysmith and District Credit Union, plans for

regulating the dispensing of marijuana, succession planning for a new City Manager, the Town's Commission and Committee structure, and an upcoming architecture competition for students. Council expressed strong interest in acquiring one of the mini parks that will be created during the competition.

CLOSED SESSION

CS 2015-436

Moved and seconded:

That Council resume Closed Session at 7:39 p.m.

RISE AND REPORT

Council rose from Closed Session at 9:45 p.m. with report on the following item:

That Council direct staff to negotiate the sale of a closed portion of Clarke Road to Rob and Nikki McCallum as proposed in their correspondence dated October 26, 2015, with the sale price based on current market value for raw developable land in the area, subject to the following:

- a) Consideration of any expression of interest from other potential interested parties, and
- b) Assurance from the purchasers of arrangements for vehicle and utility access to 109 Stevenson Street to the satisfaction of the owners of that property, at no cost to the Town.

ADJOURNMENT

CS 2015-437

Moved and seconded:

That this meeting of Council adjourn at 9:45 p.m.

Motion carried.

CERTIFIED CORRECT:

Mayor (A. Stone)

Corporate Officer (S. Bowden)



Town of Ladysmith

STAFF REPORT

To: Ruth Malli, City Manager
From: Erin Anderson, Director of Financial Services
Date: December 16, 2015
File No:

Re: **Alternate Penalty Schemes**

RECOMMENDATION(S):

That Council advise whether it wishes to continue to levy a 10 per cent penalty on unpaid property taxes as of the tax due date, including unclaimed Home Owner Grants.

PURPOSE:

To inform Council of alternative tax penalty schemes as well as the financial implications of any changes.

INTRODUCTION/BACKGROUND:

Council may recall that Staff were requested to review alternative tax penalty schemes available.

In recent years, the Town has expanded tax payment options to include on-line payments, on-line claiming of Home Owner Grants and property tax prepayment plans. Notice of the tax due date is published on the Town's website and in the local newspaper, as well as on the tax notices and accompanying insert.

The *Community Charter* s. 234 states that the tax due date is July 2nd each year. This section also states that penalties and interest on payments made after that date are levied based on the regulation of the Lieutenant Governor in Council.

The current *Municipal Tax Regulation* (BC Reg. 426/203) states "the collector must add to the unpaid property taxes for the parcel and improvement for the current year a penalty equal to 10% of the portion that remains unpaid, ..."

Municipalities have the option of changing the tax due date as well as changing the penalty amounts and penalty dates. Property owners then have the option of paying based on the municipal scheme or paying based on the Charter and Regulation.

Below are some alternative tax due dates and penalty amounts:

Municipality	Tax Due Date	1 st Penalty date & amount		2 nd penalty date & amount	
Ladysmith	July 2 nd	July 2 nd	10%		
North Cowichan	July 2 nd	July 2 nd	10%		
Lake Cowichan	July 2 nd	July 2 nd	10%		
Campbell River	July 2 nd	July 2 nd	10%		
Nanaimo	July 2 nd	July 2 nd	5%	Aug 13 th	5%
Duncan	July 2 nd	July 2 nd	5%	Sep 30 th	5%
Lantzville	July 2 nd	July 2 nd	5%	Sep 30 th	5%
Sechelt	July 2 nd	July 2 nd	5%	Sept 2 nd	5%
Parksville	July 2 nd	July 2 nd	5%	Sep 30 th	5%

Many of the municipalities, such as the City of Nanaimo, notify by mail all property owners with unpaid property taxes or unclaimed home owner grants between the 1st and 2nd penalty dates. There are additional administrative time and costs associated with the additional mailing.

SCOPE OF WORK:

Any changes to the penalty scheme will require a change to the annual property tax rates bylaw.

ALTERNATIVES:

Council may choose to:

1. Keep the existing one-time 10% penalty
2. Separate the 10% penalty between different dates
3. Eliminate the penalty on the Home Owner Grant

Alternative 1

In 2015, there were \$840,120 of current-year property tax remaining unpaid at the due-date. That is, 94.1 per cent of taxes levied were paid by the due date. All property taxes are considered outstanding until a payment is made and/or the Home Owner Grant is claimed. A total of \$84,012 was levied in penalties in 2015, which was slightly less than the budgeted amount of \$87,000. This money is used to reduce taxation.

Alternative 2

If Council chose a 5 per cent penalty at July 2nd and a further 5 per cent penalty at a later date, the penalty levy would be approximately \$42,000 initially. Assuming a mailing notifying property owners of the outstanding taxes is completed before the next penalty, an additional, lower penalty amount would be levied at the next penalty date.

It is difficult to determine the payment rate between the first and second penalty date if a second penalty was imposed. Assuming that 50% of the outstanding payments are made between the first and second penalty, the second penalty levy of 5% on the outstanding

balance would result in approximately \$21,000. A difference of \$21,600 would need to be picked up through property taxation.

Alternative 3

Extrapolating Town data, it could be assumed that approximately 92 Home Owner Grants were left unclaimed at the tax due date. This amounts to \$7,400 in penalties on just the Home Owner Grant portion.

As Council may recall, there are mainly two types of Home Owner Grants: Basic Grant of \$770 and Additional Grant of \$1,045 if you are over 65 or have other qualifying factors. If a Home Owner Grant for a senior is left unclaimed, it results in a greater penalty (\$104.50) than a person under 65 (\$77.00).

Additional costs would be incurred in either customizing the current software or added staff time in reviewing and manually adjusting each property tax folio.

Summary of the alternatives:

	Alternative 1: Status Quo	Alternative 2: 5% and 5% penalty	Alternative 3: No penalty on Home Owner Grant
Approximate impact to taxation	\$0	\$21,600 increase	\$7,400 increase
Other considerations:		<i>An additional mail-out of outstanding taxes could be required</i>	<i>Cash-flow for school tax pay-over</i> <i>Customization software or additional staff-time to manually adjust each account.</i>

FINANCIAL IMPLICATIONS:

As mentioned, the tax due-date is July 2nd each year. The Town collects taxation money on behalf of the Cowichan Valley Regional District, the Cowichan Valley Regional District Hospital, Municipal Finance Authority and BC Assessment and is required to pay over the full amount of the taxes levied for the agencies by the end of July, even if the tax payments are not received from property owners. In 2015, that was approximately \$1.916 million. The penalty acts as an incentive to ensure payments are made on time in order to pay over these other agencies.

The Town also collects \$2.99 million on behalf of the Province for school taxes. The Town is required to remit 75 per cent of this amount within 5 days of the tax due-date. This amount is reduced by an amount calculated by the Province as being the approved Home Owner Grants claimed. In 2015, this amounted to \$1.9 million savings, resulting in a total initial remittance of \$297,897. Each month as payments are received and Home Owner Grants



are claimed, the Town remits the difference to the Province until the end of the year where the remaining tax levied, less the Home Owner Grants claimed, is paid.

The current penalty scheme does levy the highest penalty revenue, but any other penalty scheme will result in an increase to general taxation to make-up any difference.

LEGAL IMPLICATIONS:

The annual property tax bylaw must be updated with any changes Council chooses to implement.

CITIZEN/PUBLIC RELATIONS IMPLICATIONS:

Every year, there are a number of requests to waive a penalty on late payment of taxes. Staff deals with these requests in accordance to the *Municipal Regulation*. As with most staff decisions, residents have the option to take the matter to Council for reconsideration.

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:

Not applicable.

RESOURCE IMPLICATIONS:

Additional staff time may be required to fulfill any changes in Council direction.

ALIGNMENT WITH SUSTAINABILITY VISIONING REPORT:

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

This aligns with Wise-Financial Management.

SUMMARY:

It is requested that Council advise whether it wishes to maintain the current arrangement of levying a one-time 10 per cent penalty on all current year unpaid property taxes in accordance with the *Municipal Tax Regulation*, eliminate the penalty on the Home Owners Grant, or separate the penalty between different dates.

I concur with the recommendation.



Ruth Malli, City Manager