



TOWN OF LADYSMITH

A PUBLIC HEARING AND REGULAR MEETING OF THE
COUNCIL OF THE TOWN OF LADYSMITH
WILL BE HELD AT THE LADYSMITH EAGLES HALL
921 FIRST AVENUE, LADYSMITH
MONDAY, APRIL 3, 2017

Call to Order and Closed Meeting (at City Hall)

5:00 p.m.

Public Hearing and Regular Open Meeting (at Eagles Hall)

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 matters related to the following:

- Provision of a municipal service - Section 90 (1) (k)
- Lease of Town-owned properties – Section 90 (1) (e)
- Sale of Town-owned property -- Section 90 (1) (e)
- Discussion related to negotiations between senior governments and a third party - Section 90 (2) (b)
- Rise and report on 2016 resolutions – Section 90

REGULAR MEETING (7:00 P.M.)

2. AGENDA APPROVAL

3. PUBLIC HEARING

- 3.1. Zoning Bylaw Amendment
Bylaw 19171 - 2
 - 3.1.1. Outline of Public Hearing Process – Mayor Stone
 - 3.1.2. Introduction of Bylaw and Statutory Requirements – Director of Development Services
- 3.2. Written Submissions3 - 9
 - 3.2.1. Call for Submissions to Council (Three Times)
 - 3.2.2. Declaration that the Public Hearing for Bylaw 1917 is Closed

4. BYLAW (SUBJECT OF PUBLIC HEARING)

- 4.1. Bylaw 1917 – Subject Property: Lot 2, District Lot 41, Oyster District, Plan VIP79202 (630 Farrell Road) 10 - 12**

Staff Recommendation:

That subject to any additional matters raised at the public hearing, Council:

1. Proceed with third reading of Bylaw 1917 cited as “Town of Ladysmith Zoning Bylaw 2014, No. 1860 Amendment Bylaw (No.7) 2017, No. 1917”; and
2. Refer Bylaw 1917 to the Ministry of Transportation and Infrastructure pursuant to the Transportation Act.

5. RISE AND REPORT – Items from Closed Meeting

6. MINUTES

- 6.1. Minutes of the Regular Meeting of Council held March 20, 2017 13 - 21**

7. DELEGATIONS

- 7.1. MNP, Auditors for the Town of Ladysmith 22 - 73**
Cory Vanderhorst, CPA, CA
Presentation of the Draft 2016 Financial Statements

Staff Recommendation:

That Council approve the 2016 Audited Financial Statements

8. PROCLAMATIONS – None

9. DEVELOPMENT APPLICATIONS– None

10. BYLAWS (OFFICIAL COMMUNITY PLAN AND ZONING) - None

11. COMMITTEE REPORTS

- 11.1. Mayor A. Stone**
Cowichan Valley Regional District; Waterfront Design Charrette; Ladysmith Chamber of Commerce; Stocking Lake Advisory Committee

- 11.2. Councillor R. Hutchins**
Municipal Services Committee; Heritage Revitalization Advisory Commission; Waterfront Design Charrette; 2017 Parcel Tax Review Panel;

- 11.3. Councillor C. Henderson**
Invasive Species Advisory Committee; Interagency Group; Ladysmith Early Years Partnership; Social Planning Cowichan; Ladysmith Community Justice Program

- 11.4. Councillor D. Paterson**

Parks, Recreation and Culture Advisory Committee; Protective Services Committee; 2017 Parcel Tax Review Panel; Advisory Design Panel

11.5. Councillor J. Friesenhan

Liquid Waste Management Committee; Ladysmith Downtown Business Association; Waterfront Design Charrette; Ladysmith Festival of Lights Committee

11.6. Councillor C. Fradin

Community Safety Advisory Commission; Liquid Waste Management Committee; Protective Services Committee; Celebrations Committee

11.7. Councillor S. Arnett

Vancouver Island Regional Library Board; Stocking Lake Advisory Committee; Liquid Waste Management Committee; 2017 Parcel Tax Review Panel; Advisory Planning Commission

12. REPORTS

12.1. Distribution of 2017 Property Taxes 74 - 79

Staff Recommendation:

That Council direct staff to prepare the Tax Rates Bylaw based on Option #2 as presented in the staff report from the Director of Financial Services to allocate the same percentage of tax allocation in 2016 to the difference after non market change in the total tax levy.

13. BYLAWS - None

14. CORRESPONDENCE

14.1. Ladysmith Family and Friends (LaFF) Annual Golf Day Sponsorship Letter 80 - 83

Staff Recommendation:

That Council consider whether it wishes to:

1. Sponsor a hole at the Ladysmith Family and Friends Annual Golf Day on May 28, 2017; and/or
2. Enter a team in the tournament.

15. NEW BUSINESS

16. UNFINISHED BUSINESS

16.1. Canada 150 Grant Funding..... 84 - 92

Staff Recommendation:

That Council accept the grant funding from the “Celebration & Commemoration Program – Canada 150 Fund” to support Canada 150 Community Celebrations, and authorize the Mayor and Corporate Office to execute the contribution agreement.

17. 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

BYLAW NO. 1917

A bylaw to amend "Town of Ladysmith Zoning Bylaw 2014, No. 1860"

WHEREAS pursuant to the *Local Government Act*, the Municipal Council is empowered to amend the Zoning Bylaw;

AND WHEREAS after the close of the Public Hearing and with due regard to the reports received, the Municipal Council considers it advisable to amend "Town of Ladysmith Zoning Bylaw 2014, No. 1860";

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

(1) Schedule B - Zoning Bylaw Map of "Town of Ladysmith Zoning Bylaw 2014, No.1860" is hereby amended as follows:

(a) By placing "Single Dwelling Residential (R-1)" on the subject property legally described as Lot 2, District Lot 41, Oyster District, Plan VIP79202 (630 Farrell Road), as shown in 'Schedule 1' attached to and forming part of this Bylaw.

CITATION

(2) This Bylaw may be cited for all purposes as "Town of Ladysmith Zoning Bylaw 2014, No. 1860 Amendment Bylaw (No.7) 2017, No.1917".

READ A FIRST TIME on the 20th day of February, 2017

READ A SECOND TIME on the 20th day of February, 2017

PUBLIC HEARING held pursuant to the provisions of the *Local Government Act*

on the day of

READ A THIRD TIME on the day of

APPROVED by the Minister pursuant to the provisions of the Transportation Act

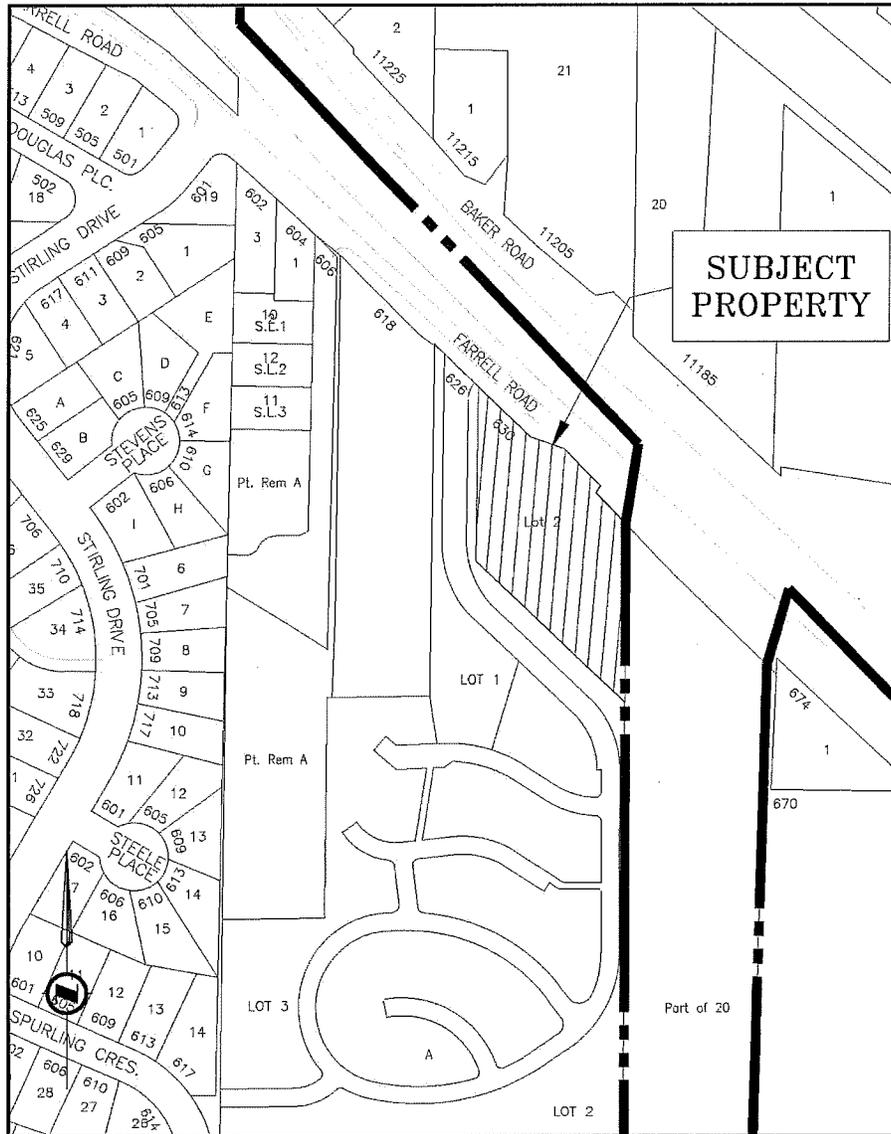
on the day of

ADOPTED on the day of

Mayor (A. Stone)

Corporate Officer (G. Ferrero)

Bylaw 1917 – Schedule 1



Received & Sent to [unclear]

Within Circulation Area

Don Snider and Sharron Haynes



January 18, 2017

RECEIVED
JAN 23 2017
LADYSMITH

Mayor and Members of Town Council
Town Of Ladysmith
PO Box 220
Ladysmith, BC
V9G 1A2

**RE: Proposed Development of 630 Farrell Road, Ladysmith, BC
Input for the November 23, 2016 Information Meeting**

Dear Sir and Council Members

We attended the Information Meeting on November 23, 2016. Our unit is the lowest elevation in our Strata Complex and closest to the proposed development and therefore the most likely to be affected by the development. Our strata council has sent a letter to you implying that they are speaking on the behalf of the residents at the Gales. We would like to clarify that letter was not necessarily representative of the feelings of all residents of the Gales and we did not authorize its contents or have knowledge of this letter prior to it being sent to your office.

We would like to clarify our personal position on this matter.

We spoke with the developer, a town of Ladysmith representative and the surveying Consultant for the project. We found all three of the representatives to be open and forthcoming in their response to our concerns. We were pleased with their plans.

The obvious concern is management of the sloped terrain. The developer advised us the engineering company would be involved in that to ensure that proper precautions are taken to ensure the integrity of the terrain. We are satisfied with this approach.

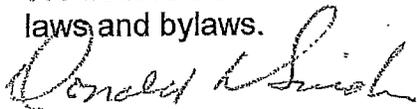
Another concern would be the trees on the south side of our entry/exit. We were assured the trees to be removed would only those that are required by the building envelope. I have noticed recently that the trees on the Strata property have been flagged so I assume that is to identify trees not to be removed. When we purchased this property in 2013 we realized that the removal of trees directly in front of us would someday become a reality but we completed the purchase, so who would we be now to complain about a landowner wanting to develop his property. I might add many of those trees on that lot are either dead or unsafe and in any case should be removed.

The removal of trees is never a good thing and I am sure we would all like to save as many trees as possible but let's not forget all of Ladysmith was treed at one point and most recent our development was treed before this development was approved.

The other discussion that took place was with reference to sound abatement, traffic light at South Davis Road and TransCanada Highway, and power lines. Although all good topics for discussion we were advised the sound abatement and traffic light at South Davis road where issues for the Province of BC. Maybe this will allow you again to approach the province on these issues but I realize they are out of your authority and are beyond the scope of this discussion. We hope these issues do not muddy the waters.

We are not opposed to the development of 630 Farrell Road property as long as it meets the current town Bylaws and the Developer fulfils and requirement that council may deem necessary.

In closing, I would to say in our discussions with the Developer we were pleased that he seems like an accommodating person with integrity and concern for the neighborhood. We believe he should be entitled to perform work on his property within the existing laws and bylaws.



Donald L Snider



Sharron M Haynes



Proposed Development 630 Farrell Road Ladysmith

26 March 2017

Mayor, Councillors, Development Services
Town of Ladysmith
PO Box 220
Ladysmith, BC, V9G 1A2

Although present at the 20 February 2017 Town Council Meeting, all discussion/question pertaining to the proposed development at 630 Farrell Road was deferred to a Public Hearing.

To begin, I would like to comment on the staff report included as part of the 20 February Town Council meeting agenda.

1 - on page 119 regarding the Neighbourhood Meeting held 23 Nov 2016 in a letter submitted by Turner Land Survey (Mr Schmurch), comment made *that a majority of the attendees were in favour of tree removal to increase their view*, I find this very misleading. By the simple numbers published with same letter, indicated 16 public attendees present, although only 10 names listed, and of the total, only 6 from the Gales. Even of all 6 from the Gales were in favour (they were all not) this would not constitute a majority. Should note that Turner Land Survey company letter does not speak for me (nor the Gales).

2 - on page 97, it is stated *that the geotechnical report has addressed many of the concerns raised by the Infrastructure Services Department*. I would have asked at the meeting which concerns still had not been addressed to date. My question remains.

Apart from the above, although not against the proposed project, strongly wish to see any such development more closely reflect the goals and policies as described in the OCP.

- *design of hillside development to fit the landscape and natural features*
- *views from hillside should be promoted in new developments and protected in existing developments*
- *design of new developments to complement the overall character of Ladysmith and provide attractive and sustaining neighbourhoods*
- *inclusion of green space in development plans*

It is far from clear that the development plan information shown to date would allow for the above policies to be fulfilled.

To clear cut essentially the entire property is not consistent with the OCP and is not the correct way forward.

Viewing the diagram included (page 100, figure 1) in the 20 February Town Council meeting agenda shows only a very small number of Trees surviving around certain borders of the 630 Farrell property, most or all which fall on the Gales property. Would recommend that Trees that do not fall within the individual footprint or roadways of the 6 designated homes, be marked as such by the Town of Ladysmith and be allowed to survive as natural habitat, especially so, given the proximity to a very noisy highway. Each and every Tree that remains

will provide additional buffer to help combat the noise level, a separate issue that has previously been brought forward by others.

It is also stated that maximum permitted lot coverage is 33 percent, so there is space at play here for Trees to remain. In my view, this is well supported by bylaw 1887 (Natural Environment) and BC Local Government Act section 923 and can be addressed by way of a covenant by the Town to protect such. This would go a long way towards protecting the beautification at the present location, still allow for responsible development, and maintain/increase property values, both at 630 Farrell Road and surrounding area ... a clear win-win for all parties.

Heritage (large evergreen) Trees should be protected and preserved where at all possible and reflected in all development plans approved by the Town. Clear cutting should be viewed as generally unacceptable.

All of which is respectfully submitted.

Gerald Stasiuk


3360
16-02

Within Circulation Area

RECEIVED
JAN 06 2017
TOWN OF LADYSMITH

James Russell



05 January 2017

Mayor and Members of Town Council
Town of Ladysmith
PO Box 220
Ladysmith, BC
V9G 1A2

RE: Proposed Development of 630 Farrell Road, Ladysmith, BC
'The Gales' Strata Council Input for the 23 Nov 2016 Information Meeting

Dear Sir and Council Members

I write on behalf of Council for 'The Gales' strata, which currently consists of 15 Units located at 626 Farrell Road in Ladysmith. Our strata property is adjacent to the 630 Farrell Road property. Members of Council attended the referenced meeting held at the Frank Jameson Community Centre, Room 801, between the hours 5:00 pm to 7:00 pm. We would like to respectfully submit our input for your consideration in this matter.

We are not opposed to the development of the 630 Farrell Road property, if it is in accordance with the Town's Zoning Bylaws, associated best practices and requirements such as BC Codes. We do respectfully request that reasonable and fair consideration be given on the following points:

a) Preservation and/or incorporation of the attractive garden/plantings at the south side of the entrance to 'The Gales' property, since most of it lies both on 'The Gales' property and the Farrell Road right-of-way. We fully understand that if part of it intrudes onto the adjacent private property, that the Developer has the right to remove those intrusion(s). However, we hope that it could be incorporated into the new Development to enhance it, since the garden/plantings are only located along a small portion of the very outer periphery of the property in question;

b) Preservation and/or incorporation of the existing natural trees and vegetation along the outer periphery of the property, and/or the addition of new plantings. We realize that the Developer has the right to remove any trees and vegetation on his private property. We hope that a small attractive outer vegetation band could be incorporated into the new Development, although there is no Town requirement to do so for the proposed R-1 Zoning. This would create a small landscape buffer, enhancing each property rather than creating an unattractive barren zone. We are

concerned about soil excavation adjacent to our property. Depending on how this work is undertaken, the roots of existing trees and plants on our property may be badly damaged or undermined. If so, there is reasonable concern that this will lead to the slow death of some vegetation on our property, and/or the creation of hazards such as tree instability or tree fall hazards.

c) Development work should be conducted in such a manner that it will not detrimentally affect the stability of the sloped terrain along the periphery of the property. For example, 'The Gales' entry/exit road has relatively steep slopes along portions of the ditch embankment. Depending on the type and degree of excavation, slope stability may be jeopardized or made susceptible to failure modes such as slumping, or weakened in altered areas by processes such as long term water erosion from rainfall or diversion of ground water flows.

d) Highway noise abatement techniques should be implemented in the property design, and along the effected Farrell Road region. The foot print of the proposed development would require removal of the vast majority of an existing mature forest on the property. The clear cutting would create a new, large, open exposed region, immediately adjacent to the busy and noisy Island Highway #1. As a result, the natural barrier and noise dampening capacity of the forest would be totally lost, increasing the overall noise exposure to the neighborhood and Town. Our elevated property would be adversely affected, because we are adjacent to the proposed Development, and it would be exposed to a newly created direct line of sight to the noisy highway. The Town's approval of such actions, with no noise abatement provisions, would essentially run contrary to the Town's exemplary Green Environmental Initiatives. It would create more Town noise pollution rather than reducing and/or limiting it. The Town would also knowingly approve and endorse the placement of residents and families into an unhealthy high noise environment beside the highway (Council members have measured highway noise levels above 95 dB-A at the community mail boxes on Farrell Road). We recommend that Town Council visit and stand on Farrell Road in order to develop a better appreciation for the very high ambient noise levels created by the highway traffic. In addition there is widespread violation of the requirement to avoid use of engine compression brakes by heavy trucks, particularly in the early hours of the morning; this could be alleviated by enforcement of the traffic laws in this area. These noise levels are anticipated to get progressively worse, as traffic levels increase with increased population growth.

e) In conjunction with new Developments on Farrell Road, facilitate the installation of street lights and a sidewalk along the road, past Stirling Drive, to the community mail boxes (near 618 Farrell Road). Better routine road maintenance, particularly improved snow clearing and road ice treatments are needed as well. Currently, Farrell Road, past Stirling Drive, has been neglected. There is no street illumination or any pedestrian walkways. Consequently, the community mail boxes on Farrell Road have been left in darkness, although there is a power pole in close proximity to them, and access is often hampered by pooled water/icy conditions.

f) Facilitate the installation of traffic lights at the dangerous intersection where South Davis Road connects to Island Highway #1, opposite Baker Road. The approval of new Developments in South Ladysmith has significantly increased local road traffic to Farrell Road and into the referenced intersection. Examples include traffic from new residences on Russell and Sanderson Roads as well as on Swettenham Place. This intersection provides an important emergency evacuation route for South Ladysmith, as well as a valuable access route for the community at large. We realize that the BC Ministry of Transportation & Infrastructure administers the Island Highway, and the Town does not. However, the Town's proactive involvement to draw attention to the unsafe conditions is considered essential to create the political will for change.

g) Additionally in conjunction with item f) and e), we hope the Town would also pursue options, such as seeking a highway speed reduction within the municipal limits, given that the highway is part of the Dangerous Goods Route for Vancouver Island. We believe that there is a false sense of security with regard to the centre median concrete barriers on the highway. This was illustrated by the 23 August 2013 dump truck accident that took place on the highway a few hundred meters south of the intersection referenced in item f). The truck was North bound when one its front tires failed, which caused loss of control. The truck and its trailer penetrated extensively through the median barrier and into the on-coming South bound traffic lanes. The trailer travelled completely across the South bound traffic lanes and came to rest on the shoulder, the truck remaining in the middle of the southbound lanes. Likely, this would have had an outcome of multiple fatalities had traffic been present in the South bound lanes at the time of the occurrence. Fortunately, the truck was not hauling dangerous goods, but it serves to illustrate how heavy truck traffic can easily breach the center median during an accident. We also recommend that the use of Whisper Pavement (also known as Open-graded Friction Course OGFC asphalt-concrete) be put forward for use on the highway within the municipal limits. It is well suited to our wet climate and is recognized as providing superior safety benefits that include reducing glare, standing water, hydroplaning, and water spray from vehicles, while at the same time providing increased traction. It has also been used on projects such as the Sea to Sky Highway to significantly reduce traffic noise.

We would like to thank you in advance for your consideration of these matters and would be pleased to expand upon them.



James Russell



STAFF REPORT TO COUNCIL

From: Felicity Adams, Director of Development Services
Meeting Date: April 3, 2017
File No: 3360-16-02

RE: Bylaw 1917
Subject Property: Lot 2, District Lot 41, Oyster District, Plan VIP79202 (630 Farrell Rd.)

RECOMMENDATION(S)

THAT subject to any additional matters raised at the public hearing, and under the Bylaws portion of tonight's agenda, Council proceed with third reading of Bylaw 1917 cited as "Town of Ladysmith Zoning Bylaw 2014, No. 1860 Amendment Bylaw (No.7) 2017, No. 1917"; and that Bylaw 1917 be referred to the Ministry of Transportation and Infrastructure pursuant to the Transportation Act.

PURPOSE

The purpose of this staff report is to present to Council a recommendation regarding consideration of third reading for Bylaw 1917 subject to any additional matters raised at the public hearing held earlier this evening.

PREVIOUS COUNCIL DIRECTION/RESOLUTIONS

At the February 20, 2017 meeting Council passed the following motion:

"That under the Bylaws portion of tonight's agenda, Council proceed with first and second reading of Bylaw 1917 cited as "Town of Ladysmith Zoning Bylaw 2014, No.1860 Amendment Bylaw (No.7) 2017, No.1917"; and refer the bylaw to public hearing; and

That prior to the enactment of amending Bylaw 1917 the following voluntary and land use matters shall be completed to the satisfaction of the Director of Development Services:

- The \$5000 voluntary contribution to the amenity fund is received; and
 - Registration of a section 219 covenant on the title of Lot 2, District Lot 41, Oyster District, Plan VIP79202 to address the following land use matters:
 - i) to secure the Lewkowich Engineering Associates Ltd. geotechnical assessment;
 - ii) to require that a grading plan be submitted and approved by the Approving Officer for the proposed residential lots as a condition of the subdivision application;
 - iii) to require a 4 metre minimum protection radius around several trees along the west and south property lines, including requirements for tree protection during and after construction utilizing best practices from the 'BC Landscape Standard';
- and that the covenant be signed by the Mayor and Corporate Officer."



INTRODUCTION/BACKGROUND

The current stage of this amendment to the Zoning Bylaw is to: 1) consider comments received or heard at the public hearing; 2) consider third reading for Bylaw 1917, 3) and receive direction to refer Bylaw 1917 to the Ministry of Transportation and Infrastructure.

SCOPE OF WORK

Bylaw 1917

Bylaw 1917 proposes to rezone the subject property to “Single Dwelling Residential (R-1)” to permit six single family parcels. The R-1 zone permits residential parcels that are 668m² in size.

Table 1: Summary of Bylaw 1917

	Current	Proposed
Zoning	Rural Residential (RU-1)	Single Dwelling Residential (R-1)
Minimum lot size	0.4 hectares	668m ²

ALTERNATIVES

That Council not proceed with Bylaw 1917.

FINANCIAL IMPLICATIONS

None.

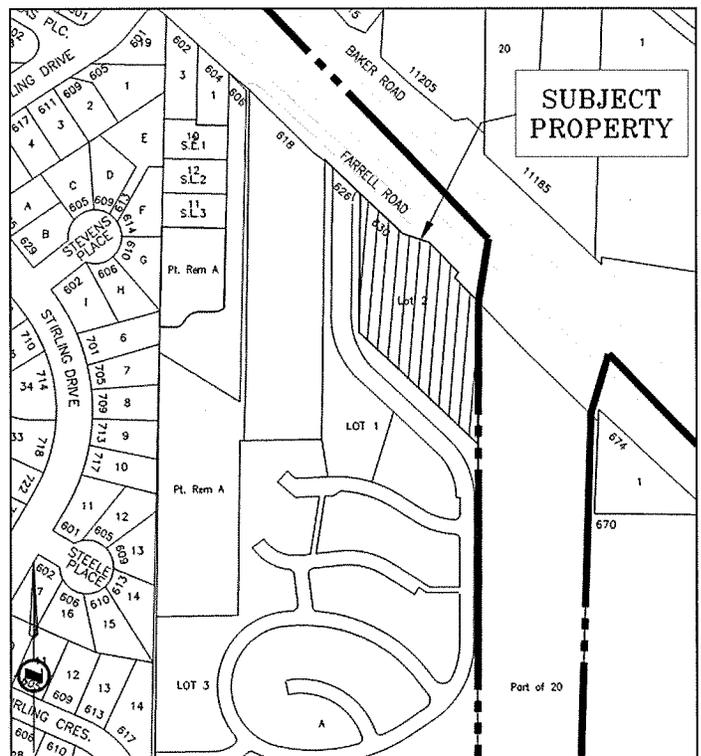
LEGAL IMPLICATIONS

Following the close of the public hearing, Council may consider information received as part of the public hearing and determine if any changes are required to the proposal; this could initiate the requirement for a further public hearing.

Referral to the Ministry of Transportation and Infrastructure will be required as the subject property is within 800 metres of a controlled access highway.

CITIZEN/PUBLIC RELATIONS IMPLICATIONS

Notification regarding the public hearing was mailed and delivered to the neighbourhood and was published in the local newspaper on March 22 and 29, 2017.



INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS

Comments from the Infrastructure Services Department have been integrated into the proposal. Corporate Services will be involved in the execution of the legal agreements.

RESOURCE IMPLICATIONS

Processing rezoning applications is a core function of the Development Services Department. Processing this application is within available staff resources.

ALIGNMENT WITH SUSTAINABILITY VISIONING REPORT

The proposal is consistent with the Visioning Report.

ALIGNMENT WITH STRATEGIC PRIORITIES

Effective land use planning is a strategic Council direction.

SUMMARY

It is recommended that Council 1) consider comments received or heard at the public hearing; 2) consider giving third reading to Bylaw 1917; 3) direct staff to refer Bylaw 1917 to the Ministry of Transportation and Infrastructure.



Report Author: Lisa Brinkman, Senior Planner

March 28, 2017
Date Signed

Reviewed By



Felicity Adams, Director of Development Services

March 28, 2017
Date Signed

I concur with the recommendation.

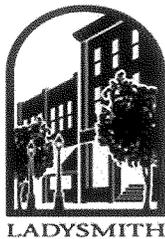
For



Guillermo Ferrero, City Manager

ATTACHMENT(S)

None



**TOWN OF LADYSMITH
MINUTES OF A REGULAR MEETING OF COUNCIL
MONDAY, MARCH 20, 2017
CALL TO ORDER 7:00 P.M.
COUNCIL CHAMBERS, CITY HALL**

COUNCIL MEMBERS PRESENT:

Mayor Aaron Stone

Councillor Joe Friesenhan

Councillor Duck Paterson

Councillor Steve Arnett

Councillor Carol Henderson

Councillor Cal Fradin

Councillor Rob Hutchins

STAFF PRESENT:

Guillermo Ferrero

Clayton Postings

Felicity Adams

Joanna Winter

Erin Anderson

Sue Bouma

CALL TO ORDER

Mayor Stone called this Regular Open Meeting to order at 7:00 p.m., recognizing the traditional territory of the Stz'uminus First Nation, acknowledging 5,500 years of history and stewardship and expressing gratitude to be here.

AGENDA APPROVAL

CS 2017-081

Moved and seconded:

That Council approve the agenda for this Regular Meeting of March 20, 2017 as amended by the following:

- Correct item 7.5.4 Grant-in-Aid recommendations: "Waiving of fees", should be \$2,500
- Change the recommendation of item 8.1, "Town of Ladysmith Road Closure and Exchange Bylaw 2016, No. 1916", to include adoption of the bylaw due to the recent approval by the Ministry of Transportation and Infrastructure
- Add item 11.1, "Agreement between the Town of Ladysmith and the Province of British Columbia for grant funding for the Bio-solids Composting Use Business Case"
- Add item 11.2, "Resolution to Association of Vancouver Island and Coastal Communities - Funding for Vancouver Island Regional Library"

Motion carried.

MINUTES

CS 2017-082

Moved and seconded:

That Council approve the minutes of the Public Hearing and Regular Meeting of Council held March 6, 2017.

Motion carried.

CS 2017-083

Moved and seconded:

That Council approve the minutes of the Special Meeting of Council held March 13, 2017.

Motion carried.

**DEVELOPMENT
APPLICATIONS**

CS 2017-084

Development Variance Permit Application – 245 Oyster Cove Road (Campbell)

Moved and seconded:

That Council:

1. Issue Development Variance Permit 3090-16-09 to vary the permitted front parcel line setback for the siting of the attached garage portion of a proposed single family dwelling on Strata Lot 40, District Lot 56, Oyster District, Strata Plan 2009 (245 Oyster Road); and
2. Authorize the Mayor and Corporate Officer to sign the Development Variance Permit.

Motion carried.

CS 2017-085

Development Permit Application – 245 Oyster Cove Road (Campbell)

Moved and seconded:

That Council:

1. Issue Development Permit 3060-16-18 for Strata Lot 40, District Lot 56, Oyster District, Strata Plan 2009 (245 Oyster Cove Road) to establish geotechnical conditions for the development of a single family residential dwelling; and
2. Authorize the Mayor and Corporate Officer to sign the Development Permit.

Motion carried.

CS 2017-086

Coach House Intensive Residential Development Permit – 426 Buller Street (Faiazza)

Moved and seconded:

That Council:

1. Issue Development Permit 3060-17-03 to permit the issuance of a building permit for the construction of a coach house dwelling on Lot 10, Block 93, District Lot 56, Oyster District, Plan 703-A (426 Buller Street); and
2. Authorize the Mayor and Corporate Officer to sign the Development Permit.

Motion carried.

CS 2017-087

Renewal of Development Permit for Coach House (941 Fifth Avenue)

Moved and seconded:

That Council:

1. Issue a renewal of Development Permit 3060-17-01 for a Coach House dwelling at 941 Fifth Avenue; and
2. Authorize the Mayor and Corporate Officer to sign the Development Permit.

Motion carried.

REPORTS

- Sale of Town-owned Property - Clarke Road**
Moved and seconded:
That Council confirm the sale of the closed portion of Clarke Road to Robert and Nicolette MacCallum for \$22,000.
Motion carried.
- Rick Hansen Access4All Barrier Buster Infrastructure Grant Application**
Moved and seconded:
That Council direct staff to apply for the Rick Hansen Access4All Barrier Buster Infrastructure Improvement Project and Awareness Building grant of up to \$30,000 to fund upgrades improving access to Aggie Hall parking and play area for people with disabilities, and an event raising awareness in the community.
Motion carried.
- Sponsorship Signage within Sport Field Facilities**
Moved and seconded:
That Council direct staff to adopt the Sport Field Sponsorship Signage Policy as presented and to implement it immediately.
Motion carried.
- Event Signage Request at Aggie Hall**
Moved and seconded:
That Council authorize the request from Islands' Celtic Festival for temporary event signage installed on the exterior of Aggie Hall and direct staff to work with the Islands' Celtic Festival to install the sign.
Motion carried.
- Municipal Services Committee Report**
Moved and seconded:
That Council refer item 2, "Engage in a 2018 Grants-in-Aid policy discussion" and item 3, "Request the Cowichan Valley Regional District to administer the Grant-in-Aid funding for Victim Services in Ladysmith and request matching funds from the areas that benefit, including areas G and H and the First Nations" to the Municipal Services Committee for further discussion.
Motion carried.
- That Council:
1. Direct staff to bring forward a new Ticket Bylaw, a new Bylaw Officer and Inspection Bylaw and amendments to other bylaws that will:
 - a. Make ticket fines available for all bylaw contraventions where using a ticket would enhance the ability to achieve compliance and streamline work;
 - b. Amend the offence and penalty sections of bylaws under which tickets may be issued where such

sections do not properly support the issuance of tickets and/or the appropriate prescribed fines for each offence;

- c. Prescribe ticket fines for all offences using the criteria set out in the Report to ensure consistent application across various bylaws;
 - d. Establish reduced ticket fines for prompt payment, where suitable, to create an incentive for violators to pay their tickets instead of ignoring or disputing them;
 - e. Ensure that the appropriate Town officials and the RCMP are properly appointed and named as bylaw enforcement officers for the purpose of conducting inspections and/or issuing tickets as appropriate; and
 - f. Limit the use of Offence Notices to the Streets and Traffic Bylaw and the Parks Usage Bylaw in relation to offences involving vehicles.
2. Adopt the following resolution:
“Be it resolved that Council requests that the Mayor write a letter to Minister Andrew Wilkinson stating support for Adult Basic Education and requesting the Ministry to reinstate funding for Adult Basic Education programs and that the letter be copied to the Canadian Federation of Students BC and the Vancouver Island University Students’ Union.”
3. Refer the issue of an urban star park to the next Parks, Recreation & Culture Advisory Committee meeting.
4. Refer to staff the Communities in Bloom 2017 Program information to determine the feasibility of participating in the competition as part of the Celebrate Canada’s 150th Anniversary celebrations.

Motion carried.

Councillor Paterson excused himself from the meeting during consideration of the Grants-in-Aid for the Ladysmith Show and Shine, the Festival of Lights and the Ladysmith Ambassador Program, citing a possible conflict of interest.

Moved and seconded:

CS 2017-094

That Council approve the following Grant-in-Aid recommendations for 2017:

Ladysmith Show and Shine	500
Ladysmith Festival Of Lights	15,000
Ladysmith Ambassador Program	1,500

Motion carried.

Councillor Paterson returned to the meeting.
 Councillor Arnett excused himself from the meeting during consideration of the Grants-in-Aid for the Ladysmith Maritime Society and the Ladysmith Celebrations Society, citing a possible conflict of interest.

CS 2017-095

Moved and seconded:

That Council approve the following Grant-in-Aid recommendations for 2017:

Ladysmith Maritime Society	1,500
Ladysmith Celebration Society	8,000

Motion carried.

Councillor Arnett returned to the meeting.

Councillor Hutchins excused himself from the meeting during consideration of the Grant in-Aid for Ladysmith Family and Friends, citing a possible conflict of interest.

CS 2017-096

Moved and seconded:

That Council approve the following Grant-in-Aid recommendations for 2017:

Ladysmith Family and Friends	2,500
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Motion carried.

Councillor Hutchins returned to the meeting.

CS 2017-097

Moved and seconded:

That Council approve the following Grant-in-Aid recommendations for 2017:

Organization	2017 Preliminary Approval
Ladysmith Citizens on Patrol	1,500
Ladysmith Fire Rescue - Santa Parade	1,200
Old English Car Club Central Island Branch	250
Art Council of Ladysmith and District Waterfront Gallery	2,000
Art Council of Ladysmith and District- Arts on the Avenue	1,500
Ladysmith & District Historical Society IHPC	5,000
Ladysmith Little Theater	500
Ladysmith Downtown Bus. Assoc. (Shop Locally)	1,500
Ladysmith Downtown Bus. Assoc. (Old Time Christmas)	1,500
LRCA - Soup Kitchen	0
Ladysmith & District Marine Rescue Society	2,500
Ladysmith Fire Rescue - Haunted House	0

Open Table	500
Cowichan Family Caregivers	750
Cowichan Therapeutic Riding Association	0
Cowichan Energy Alternative	0
SD#68 – Frank Jameson Bursary	1,500

Late Application

Ladysmith Community Gardens Society	1,000
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Service Agreements:

Ladysmith & District Historical Society	23,500
LRCA - Victim Services	15,000
LRCA – Programs	25,500

Waiving of Fees	2,500
Reserve	4,900

Motion carried.

Protective Services Committee Recommendations

Moved and seconded:

CS 2017-098

That Council direct staff to coordinate with the Cowichan Valley Regional District, the Ladysmith Downtown Business Association and the Ladysmith Chamber of Commerce to place advertisements in local newspapers or other Town communications advising of safe practices for handling needles and include links to the Cowichan Valley Regional District website.

Motion carried.

BYLAWS

Town of Ladysmith Road Closure and Exchange Bylaw 2016, No. 1916

Moved and seconded:

CS 2017-099

That Council adopt Town of Ladysmith Road Closure and Dedication Removal Bylaw 2016, No. 1916.

Motion carried.

Town of Ladysmith Waterworks Regulations Bylaw 1999, No. 1298, Amendment Bylaw 2017, No. 1923

Moved and seconded:

CS 2017-100

That Council adopt Town of Ladysmith Waterworks Regulations Bylaw 1999, No. 1298, Amendment Bylaw 2017, No. 1923.

Motion carried.

Town of Ladysmith Sanitary Sewer Rates Bylaw 1999, No. 1299, Amendment Bylaw 2017, No. 1924

Moved and seconded:

CS 2017-101

That Council adopt Town of Ladysmith Sanitary Sewer Rates Bylaw 1999, No. 1299, Amendment Bylaw 2017, No. 1924.

Motion carried.

CS 2017-102 Town of Ladysmith Utility Penalties Repeal Bylaw 2017, No. 1925
Moved and seconded:
That Council adopt Town of Ladysmith Utility Penalties Repeal Bylaw 2017, No. 1925.
Motion carried

CORRESPONDENCE Cowichan Valley Regional District, Economic Development Division
Request for Letter of Support for Cowichan Tech Strategy
Moved and seconded:

CS 2017-103 That Council provide a letter of support to Island Coastal Economic Trust on behalf of Economic Development Cowichan for the development of a Cowichan Tech Strategy.
Motion carried.

UNFINISHED BUSINESS Agreement between the Town of Ladysmith and the Province of British Columbia for grant funding for the Bio-solids Composting Use Business Case
Moved and seconded:

CS 2017-104 That Council accept the grant in the amount of \$10,000 from the BC Rural Dividend Program for the Bio-solids Composting Use Business Case and authorize the Mayor and Corporate Officer to execute the Contribution Agreement.
Motion carried.

CS 2017-105 Resolution to Association of Vancouver Island and Coastal Communities - Funding for Vancouver Island Regional Library
Moved and seconded:
That Council adopt the following resolution for submission to the 2017 Annual General Meeting of the Association of Vancouver Island and Coastal Communities:

WHEREAS the Vancouver Island Regional Library is the fifth largest library system in British Columbia, serving over 430,000 people on Vancouver Island, Haida Gwaii and the Central Coast (Bella Coola) through 39 branch libraries, an e-Library and books by mail service;

AND WHEREAS the Vancouver Island Regional Library's focus has dramatically changed as our society has changed through technological advances in order to remain relevant, while the level of provincial funding has decreased from 21 per cent of total revenue in 1986 to five per cent of total revenue in 2016, leaving its member municipalities and regional districts to bear the increases through increased contributions while their capacity to continue to do so is severely limited;

THEREFORE BE IT RESOLVED THAT the Association of Vancouver Island and Coastal Communities call upon the Provincial

Government to restore funding for the public library system to a level of at least 10 ten per cent of the core annual budget required to operate the library system in an efficient, effective and equitable manner for the municipal taxpayer.

AMENDMENT

Moved and seconded:

CS 2017-106

That the third paragraph of Resolution CS 2017-105 be amended to read as follows:

THEREFORE BE IT RESOLVED THAT the Association of Vancouver Island and Coastal Communities call upon the Provincial Government to restore funding for the public library system to historical levels of the core annual budget required to operate the library system in an efficient, effective and equitable manner for the municipal taxpayer.

Amending motion defeated.

OPPOSED:

All members of Council

Moved and seconded:

CS 2017-107

That Resolution CS 2017-105 be amended to read as follows:

WHEREAS the Vancouver Island Regional Library is the fifth largest library system in British Columbia, serving over 430,000 people on Vancouver Island, Haida Gwaii and the Central Coast (Bella Coola) through 39 branch libraries, an e-Library and books by mail service;

AND WHEREAS the Vancouver Island Regional Library's focus has dramatically changed as our society has changed through technological advances in order to remain relevant, while the level of provincial funding has decreased from 21 per cent of total revenue in 1986 to five per cent of total revenue in 2016, leaving its member municipalities and regional districts to bear the increases through increased contributions while their capacity to continue to do so is severely limited;

THEREFORE BE IT RESOLVED THAT the Association of Vancouver Island and Coastal Communities call upon the Provincial Government to restore funding for the public library system to a level of 21 per cent of the core annual budget required to operate the library system in an efficient, effective and equitable manner for the municipal taxpayer.

Amending motion carried.

Motion as amended carried.

QUESTION PERIOD

Members of the public enquired about City Hall accessibility, signage

at Ladysmith sports fields and the Town's in-camera rise and report policy.

ADJOURNMENT

CS 2017-108

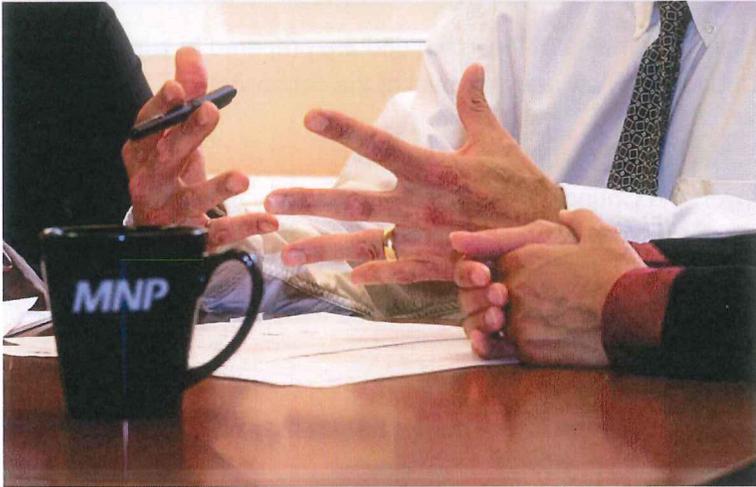
Moved and seconded:
That this meeting of Council adjourn 7:51 p.m.
Motion carried.

CERTIFIED CORRECT:

Mayor (A. Stone)

Corporate Officer (J. Winter)

Subject to Adoption



TOWN OF LADYSMITH
AUDIT FINDINGS REPORT
Year Ending December 31, 2016
For presentation at the Mayor and Council
Meeting
April 3, 2017

April 3, 2017

Members of the Mayor and Council of Town of Ladysmith

Dear Mayor and Council:

We are pleased to put forward this report to discuss the results of our audit of the consolidated financial statements of Town of Ladysmith ("the Town") for the year ended December 31, 2016. In this report, we cover those significant matters which, in our opinion, you should be aware of as members of the Mayor and Council.

We have completed our audit of the consolidated financial statements of the Town and are prepared to sign our independent auditors' report after the Mayor and Council's review and approval of the consolidated financial statements.

Our report will provide an unqualified opinion to the Mayor and Council of the Town. A draft copy of our proposed independent auditors' report is included as Appendix A to this report.

We would like to express our appreciation for the excellent cooperation we have received from management and employees with whom we worked.

We appreciate having the opportunity to meet with you and to respond to any questions you may have about our audit, and to discuss any other matters that may be of interest to you.

Yours truly,

MNP LLP

MNP LLP
Chartered Professional Accountants

/ams

MNP

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1. MNP AUDIT PROCESS

As auditors, we report to the Mayor and Council on the results of our examination of the Town's consolidated financial statements. This report summarizes our audit process and discusses issues that are of relevance to the Mayor and Council of the Town.

- Our audit was carried out in accordance with Canadian auditing standards.
- Our audit procedures included a review of all significant accounting and management reporting systems.
 - Each material year-end balance, key transaction and other event considered significant to the consolidated financial statements was separately examined.
- Our audit process focused on understanding the controls utilized in management's reporting systems to the extent necessary to identify overall and specific financial reporting risks.
 - This risk assessment enabled us to concentrate our audit procedures on the areas where differences were most likely to arise.
 - Where possible, reliance was placed on the controls within these systems to reduce the extent of our testing of transactions and year-end balances.
- Our assessment was not, nor was it intended to be, sufficient to conclude on the effectiveness or efficiency of internal controls.



- During the course of our audit, we have:
 - Examined, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements;
 - Assessed the accounting principles used and significant estimates made by management;
 - Obtained an understanding of the Town and its environment, including management's internal controls (regardless of whether we relied on them for the purpose of the audit), sufficient to identify and assess the risks of material misstatement of the consolidated financial statements and to design and perform audit procedures;
 - Reviewed and assessed those accounting systems deemed necessary to support our audit opinion;
 - Evaluated the overall consolidated financial statement presentation;
 - Performed a subsequent events review with management;
 - Reviewed and assessed the status of contingencies, commitments and guarantees;
 - Reviewed and assessed exposure to environmental liabilities.
- We have obtained written representations from management in order to confirm oral representations given to us and reduce the possibility of misunderstanding. Specifically, we have obtained written confirmation of significant representations provided on matters that are:
 - Directly related to items that are material, either individually or in the aggregate, to the consolidated financial statements;
 - Not directly related to items that are material to the consolidated financial statements, but are significant, either individually or in the aggregate, to the engagement; and
 - Matters relevant to management judgments or estimates that are material, either individually or in the aggregate, to the consolidated financial statements.

2. SIGNIFICANT AUDIT FINDINGS

As a part of our commitment to providing superior client service we strive to maintain effective two-way communication. To aid the Mayor and Council in its role overseeing the financial reporting process, including its review and approval of the consolidated financial statements, we are pleased to provide you with the following significant findings:

AREAS OF AUDIT EMPHASIS

- There were no unusual specific areas of audit emphasis for the Town for 2016 because there were no significant changes to accounting policies, management personnel or operations.

FINAL MATERIALITY

- **Final materiality used to assess the significance of misstatements or omissions identified during the audit and determine the level of audit testing performed was \$500,000.**

DIFFICULTIES ENCOUNTERED

- We have satisfactorily completed our audit procedures for each of the significant account balances and transaction streams. No significant limitations were placed on the scope or timing of our audit.

SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL

- While our review of controls was not sufficient to express an opinion as to their effectiveness or efficiency, no significant deficiencies in internal control have come to our attention. However, we may not be aware of all the significant deficiencies in internal control that do, in fact, exist.

IDENTIFIED OR SUSPECTED FRAUD

- No incidents of fraud, or suspected fraud, came to our attention in the course of our audit.

IDENTIFIED OR SUSPECTED NON-COMPLIANCE WITH LAWS AND REGULATIONS

- Nothing has come to our attention that would suggest there is non-compliance with laws and regulations that would have a material effect on the financial statements.

MATTERS ARISING IN CONNECTION WITH RELATED PARTIES

- During the course of our audit, we selected a sample of expense claims submitted by the Mayor and Council and by Senior Management of the Town, and we reviewed those expense claims for approvals and compliance with the related bylaws or policies. We did not find any issues or irregularities to bring to your attention.

GOING CONCERN

- We have not identified any material uncertainties related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

SIGNIFICANT ACCOUNTING POLICIES

- The accounting policies used by the Town are appropriate and have been consistently applied.

SIGNIFICANT MANAGEMENT ESTIMATES

- The preparation of the consolidated financial statements is subject to significant accounting estimates made by management. All significant management estimates were reviewed for the current period and no material differences were noted.
- The following is a summary of significant management estimates and provisions:
 - Allowance for doubtful accounts – \$95,000 provision for a few specific overdue property rental accounts.
 - Provision for legal contingencies – no provision deemed necessary.
 - Amortization period of tangible capital assets – amortized over the estimated useful life of the respective assets.
 - Post-employment benefits liability is calculated by Mercer, an external actuary company engaged by the Town.

MATTERS ARISING FROM MANAGEMENT DISCUSSIONS

- We would like to formally acknowledge the excellent cooperation and assistance we received from the management and staff.
- There were no disagreements with management, significant difficulties or other irregularities encountered during the course of our audit.

SIGNIFICANT DIFFERENCES

- There were no significant adjusted or unadjusted differences. A full list of all unadjusted differences is available upon request.

INDEPENDENT AUDITORS' REPORT

- Our independent auditors' report will provide an unqualified opinion to the Mayor and Council.

INDEPENDENCE

- We confirm to the Mayor and Council that we are independent of the Town.
- Our letter to the Mayor and Council discussing our independence is included under separate cover.

APPENDIX A: DRAFT INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the Town of Ladysmith:

We have audited the accompanying consolidated financial statements of the Town of Ladysmith, which comprise the consolidated statement of financial position as at December 31, 2016 and the consolidated statements of operations, cash flows and changes in net financial assets and related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

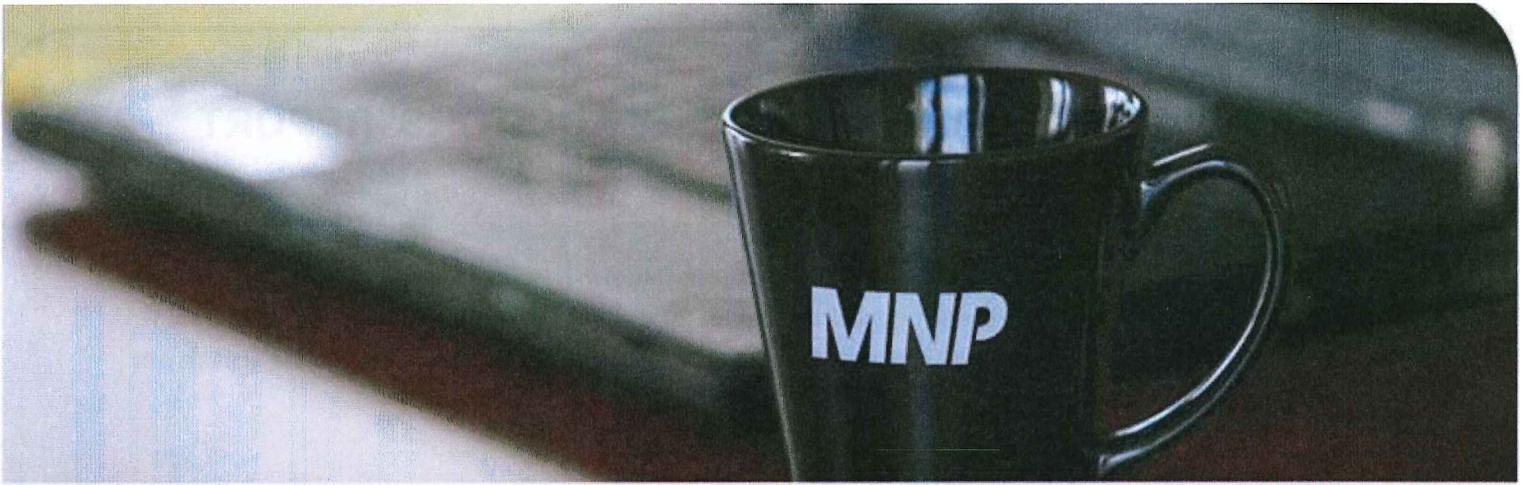
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Town of Ladysmith as at December 31, 2016 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Nanaimo, British Columbia

Chartered Professional Accountants



ABOUT MNP

MNP is one of the largest chartered accountancy and business consulting firms in Canada. For more than 65 years, we have proudly served and responded to the needs of our clients in the public, private and not-for-profit sectors. Through partner-led engagements, we provide a cost-effective approach to doing business and personalized strategies to help you succeed.



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Employers**
in Canada

By Ann Hewitt

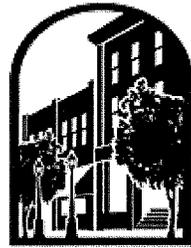
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TOWN OF LADYSMITH
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016

DRAFT



LADYSMITH

DRAFT

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DECEMBER 31, 2016

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STATEMENT OF MANAGEMENT'S RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Town of Ladysmith and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting standards.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

MNP LLP as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Auditor's report is addressed to the Mayor and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian Auditing Standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian Public Sector Accounting Standards.

Guillermo Ferrero
Chief Administration Officer

TOWN OF LADYSMITH
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016

	2016	2015
Financial Assets		
Cash and short term deposits (Note 3)	\$ 19,171,188	\$ 13,653,298
Accounts receivable (Note 4)	2,993,892	2,934,237
	22,165,080	16,587,535
Liabilities		
Accounts payable and accrued liabilities (Note 5)	2,478,417	2,030,493
Post-employment benefits (Note 6)	250,300	268,000
Deferred revenue (Note 7)	486,057	368,849
Refundable deposits and other (Note 8)	455,147	391,720
Restricted reserves - other (Note 9)	425,310	490,270
Development cost charge reserve (Note 9)	1,971,403	1,769,872
Federal gas tax reserve (Note 11)	1,310,274	1,060,650
Obligations under capital lease (Note 12 & Schedule I)	384,390	445,707
Equipment Financing (Note 13)	34,179	42,952
Short term financing (Note 14 & Schedule II)	670,000	4,920,000
Debenture debt (Note 15 & Schedule III)	12,855,236	2,976,232
	21,320,713	14,764,745
Net Financial Assets	844,367	1,822,790
Non-Financial Assets		
Tangible Capital Assets (Schedule X)	92,215,270	89,175,441
Prepays	112,348	107,343
Inventory	71,759	74,792
	92,399,377	89,357,576
Accumulated Surplus (Note 20)	\$ 93,243,744	\$ 91,180,366

Commitments and Contingencies (Note 16)

Director of Financial Services

TOWN OF LADYSMITH
CONSOLIDATED STATEMENT OF OPERATIONS
AS AT DECEMBER 31, 2016

	<u>2016</u>	<u>Budget 2016</u>	<u>2015</u>
		(Note 21)	
Revenue			
Taxes - (Schedule IV)	\$ 9,648,476	\$ 9,626,136	\$ 9,164,130
Fees and charges (Schedule V)	3,827,034	3,487,239	3,399,055
Investment Income	157,817	105,000	132,452
Penalty and interest on tax	119,526	120,000	123,546
Grants (Schedule VIII)	1,724,706	12,318,540	2,535,095
Donations and contributed tangible capital assets	319,015	18,500	241,914
Gain on foreign exchange	(83,675)	-	131,994
Gain (loss) on disposal of tangible capital assets	184,840	-	164,961
Municipal Finance Authority refunds	-	-	47,299
Development fees	-	168,000	108,075
Gas tax funds utilized	145,233	575,500	299,363
	<u>16,042,972</u>	<u>26,418,915</u>	<u>16,347,884</u>
Expenses			
General government services	2,305,352	2,617,150	2,270,072
Protective services	1,739,803	1,976,262	1,777,708
Transportation services	2,003,708	2,138,548	1,971,138
Garbage services	474,893	508,020	485,293
Cemetery services	37,374	30,072	21,492
Development services	612,929	883,358	640,242
Recreation and cultural services	2,581,754	2,611,902	2,387,738
Parks operation services	910,233	931,766	894,327
Sewer	2,072,169	1,832,069	1,274,354
Water	1,241,378	1,348,391	1,372,626
	<u>13,979,594</u>	<u>14,877,538</u>	<u>13,094,990</u>
Annual Surplus	2,063,378	11,541,377	3,252,894
Accumulated Surplus, beginning of year	<u>91,180,366</u>	<u>91,180,366</u>	<u>87,927,472</u>
Accumulated Surplus - end of year	<u>\$ 93,243,744</u>	<u>\$ 102,721,743</u>	<u>\$ 91,180,366</u>

TOWN OF LADYSMITH
CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
Operating Transactions		
Annual Surplus	\$ 2,063,378	\$ 3,252,894
Less non-cash items included in surplus:		
Amortization	2,875,406	2,512,157
Loss (gain) on disposal of tangible capital assets	(184,840)	(164,961)
Actuarial adjustments on debenture debt	(30,951)	(88,962)
Contributed tangible capital assets	<u>(300,085)</u>	<u>(127,251)</u>
	4,422,909	5,383,877
Accounts receivable	(59,655)	1,241,549
Prepaid expenses	(5,005)	(6,050)
Inventory	3,033	32
Accounts payable and accrued liabilities	447,924	296,420
Post employment benefits	(17,700)	(8,300)
Deferred revenues	117,208	57,792
Refundable deposits and other	63,427	58,190
Restricted reserves	(64,960)	10,120
Development cost charge reserve	201,531	292,701
Gas tax reserve	<u>249,624</u>	<u>83,951</u>
Cash provided by operating transactions	<u>5,358,336</u>	<u>7,410,282</u>
Capital Transactions		
Proceeds on sale of tangible capital assets	411,763	166,975
Cash used to acquire tangible capital assets	<u>(5,842,073)</u>	<u>(11,398,779)</u>
	<u>(5,430,310)</u>	<u>(11,231,804)</u>
Financing		
Proceeds of short-term financing	-	4,920,000
Proceeds of long-term financing	6,000,000	-
Repayment of long-term debt and capital leases	<u>(410,135)</u>	<u>(236,071)</u>
Net (Decrease) Increase in cash from financing	<u>5,589,865</u>	<u>4,683,929</u>
Increase in Cash and Short Term Deposits	5,517,891	862,407
Cash and Short Term Deposits - Beginning of Year.	13,653,298	12,790,890
Cash and Short Term Deposits - End of Year	<u>\$ 19,171,188</u>	<u>\$ 13,653,298</u>

TOWN OF LADYSMITH
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
AS AT DECEMBER 31, 2016

	<u>2016</u>	<u>Budget 2016</u> (Note 21)	<u>2015</u>
Annual Surplus	\$ 2,063,378	\$11,541,377	\$ 3,252,894
Acquisition of tangible capital assets	(6,142,158)	(23,622,305)	(11,526,030)
Amortization of tangible capital assets	2,875,406	2,485,372	2,512,157
Loss (gain) on sale of tangible capital assets	(184,840)	-	(164,961)
Proceeds from sale of tangible capital assets	411,763	-	166,975
Decrease (Increase) in inventories	3,033	-	32
Decrease (Increase) in prepaids	(5,005)	-	(6,050)
Change in Net Financial Assets	<u>(978,423)</u>	<u>(9,595,556)</u>	<u>(5,764,982)</u>
Net Financial Assets, beginning of year	<u>1,822,790</u>		<u>7,587,771</u>
Net Financial Assets, end of year	<u>\$ 844,367</u>		<u>\$ 1,822,790</u>

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

1. General

The Town of Ladysmith was incorporated under the provisions of the British Columbia Municipal Act. Its principal activities are the provision of local government services in the Town, as governed by the Community Charter and the Local Government Act.

The notes to the consolidated financial statements are an integral part of these financial statements. They provide detailed information and explain the significant accounting and reporting policies and principles that form the basis of these statements. They also provide relevant supplementary information and explanations which cannot be expressed in the consolidated financial statements.

2. Significant Accounting Policies

(a) Basis of Presentation

It is the Town's policy to follow Canadian public sector accounting standards for local governments and to apply such principles consistently. The financial resources and operations of the Town have been consolidated for financial statement purposes and include the accounts of all of the funds of the Town.

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

The consolidated financial statements reflect the assets, liabilities, revenues and expenses and changes in fund balances and financial position of the Town. These consolidated financial statements consolidate the following operations:

<i>General Revenue Fund</i>	<i>General Capital Fund</i>
<i>Water Revenue Fund</i>	<i>Water Capital Fund</i>
<i>Sewer Revenue Fund</i>	<i>Sewer Capital Fund</i>
<i>Reserve Fund</i>	

(b) Reporting Entity

The consolidated financial statements include the assets, liabilities, revenue and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the Town. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the Town. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the Town. Interfund and intercompany balances and transactions have been eliminated. The controlled organizations include DL 2016 Holdings Corporation, a wholly owned subsidiary of the Town.

These notes form an integral part of these financial statements.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

2. Significant Accounting Policies (continued)

(c) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Cost includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The Town does not capitalize interest charges as part of the cost of its tangible capital assets.

Tangible capital assets are amortized over their estimated useful life, with a half-year's provision in the year of acquisition, on the straight-line method at the following annual rates:

General Tangible Capital Assets

Land	Indefinite
Land Improvements	15 to 75 years
Buildings	25 to 40 years
Equipment, Furniture and Vehicles	5 to 60 years.

Engineering Structures

Roads and Sidewalks	20 to 75 years
Storm and Sewer	25 to 75 years
Water	20 to 80 years

Constructions in progress contain capital projects underway but not yet complete or put into use. Once put into use, the asset will be amortized based on the above annual rates for the applicable category of work performed.

Certain assets have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts that are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands and other natural resources are not recognized as tangible capital assets.

(d) Cash and Short-Term Deposits

Cash and short-term deposits includes instruments with maturities of three months or less from the date of acquisition. Balances are reported in Canadian funds. US accounts are translated using the exchange rates of the prescribed bank as December 31.

These notes form an integral part of these financial statements.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

2. Significant Accounting Policies (continued)

(e) Restricted Reserves and Deferred Revenues

Receipts which are restricted by the legislation of senior governments or by agreement with external parties are deferred and reported as restricted reserves. When qualifying expenses are incurred, restricted reserves are brought into revenue at equal amounts, in accordance with Revenue Recognition policy 2 (h). These revenues are comprised of the amounts shown in Note 9.

Revenues received from non-government sources in advance of expenses which will be incurred in a later period are deferred until the associated purchase or expense is incurred.

(f) Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Significant areas requiring the use of management estimates relate to the collectability of accounts receivable, accrued liabilities, post-employment benefits, provisions for contingencies and amortization rates, useful lives and salvage values for determining tangible capital asset values. Actual results could differ from those estimates. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the Town is responsible for. Adjustments, if any, will be reflected in operations in the period of settlement.

(g) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Rental payments under operating leases are expensed as incurred.

The Town currently rents property at 132c and 33 Roberts Street for office space as well as 17 and 25 Roberts Street for a parking lot. Total lease payments expensed for the year were \$ 76,151 (2015 - \$75,837). The operating leases are annual agreements, and the Town does not expect significant variation from the annual amounts in future years.

(h) Revenue Recognition

Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year. Fees and charges revenue are recognized when the services are rendered. Investment income is accrued as earned. Gain on foreign exchange has been recognized in the Statement of Operations using the exchange rate in effect on December 31.

Other revenues are recognized when earned in accordance with the terms of the agreement, when the amounts are measurable and when collection is reasonably assured.

These notes form an integral part of these financial statements.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

2. Significant Accounting Policies (continued)

The Town recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. Grants and donations are recognized in the financial statements in the period which the events giving rise to the transfer occur, eligibility criteria are met, and reasonable estimates of the amount can be made. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability (deferred revenue). In such circumstances, the Town recognizes the revenue as the liability is settled.

Deferred revenue represents user charges and other fees which have been collected, for which the related services have yet to be provided. These amounts will be recognized as revenue in the fiscal year the services are provided.

(i) Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

(j) Inventory

Inventory is valued at the lower of cost and net realizable value, determined on an average cost basis.

(k) Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Town of Ladysmith is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2016.

The Town has determined that no owned properties meet the criteria to recognize a liability for contaminated sites.

At each financial reporting date, the Town of Ladysmith reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. If applicable, the Town of Ladysmith will recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

These notes form an integral part of these financial statements.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

2. Significant Accounting Policies (continued)

(I) Recent Accounting Pronouncements

PS 2200 Related Party Disclosures

In March 2015, as part of the CPA Canada Public Sector Accounting Handbook Revisions Release No. 42, the Public Sector Accounting Board issued a new standard, PS 2200 Related Party Disclosures.

This new Section defines related party and established disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

This section is effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted.

The Town does not expect application of the new Standard to have a material effect on the consolidated financial statements.

PS 3210 Assets

In June 2015, new PS 3210 Assets was included in the CPA Canada Public Sector Accounting Handbook. The new Section provides guidance for applying the definition of assets set out in PS 1000 Financial Statement Concepts. The main features of this standard are as follows:

Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.

Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions.

The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services.

A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset, if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits.

A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries.

An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

These notes form an integral part of these financial statements.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

2. Significant Accounting Policies (continued)

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

The Town does not expect application of the new Standard to have a material effect on the consolidated financial statements.

PS 3320 Contingent Assets

In June 2015, new PS 3320 Contingent Assets was included in the CPA Canada Public Sector Accounting Handbook. The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.

Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date.

Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date.

Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the bases for any estimates of extent made.

When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The Town does not expect application of the new Standard to have a material effect on the consolidated financial statements.

PS 3380 Contractual Rights

In June 2015, new PS 3380 Contractual Rights was included in the CPA Canada Public Sector Accounting Handbook. This new Section establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Standard are as follows:

Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.

Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.

These notes form an integral part of these financial statements.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

2. Significant Accounting Policies (continued)

Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.

Disclosures should include descriptions about nature, extent, and timing.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

The Town does not expect application of the new Standard to have a material effect on the consolidated financial statements.

PS 3430 Restructuring Transactions

In June 2015, new PS 3430 Restructuring Transactions was included in the CPA Canada Public Sector Accounting Handbook. The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

A restructuring transaction is defined separately from an acquisition. The key distinction between the two is the absence of an exchange of consideration in a restructuring transaction.

A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration.

Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.

The increase in net assets or net liabilities resulting from recognition and derecognition of individual assets and liabilities received from all transferors, and transferred to all recipients in a restructuring transaction, is recognized as revenue or as an expense.

Restructuring-related costs are recognized as expenses when incurred.

Individual assets and liabilities received in a restructuring transaction are initially classified based on the accounting policies and circumstances of the recipient at the restructuring date.

The financial position and results of operations prior to the restructuring date are not restated. Disclosure of information about the transferred assets, liabilities and related operations prior to the restructuring date by the recipient is encouraged but not required.

The Section is effective for new restructuring transactions that occur in fiscal periods beginning on or after April 1, 2018. Earlier application is encouraged.

The Town does not expect application of the new Standard to have a material effect on the consolidated financial statements.

These notes form an integral part of these financial statements.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

3. Cash and Short Term Deposits

Cash and short term deposits were comprised as follows:

	<u>2016</u>	<u>2015</u>
Cash	\$ 18,398,477	\$ 12,886,680
Short term deposits	<u>772,710</u>	<u>766,618</u>
	<u>\$ 19,171,188</u>	<u>\$ 13,653,298</u>

Included in Cash is a deposit of \$815,610 (the equivalent of \$618,150 US Funds based on the exchange rate at the Ladysmith and District Credit Union on December 31, 2016). Short term deposits consist of short term investments in the Municipal Finance Authority of B.C. money market fund. The market value is equal to the carrying value.

Included in cash and short term deposits are the following restricted amounts that can only be expended in accordance with the terms of the restricted reserves.

	<u>2016</u>	<u>2015</u>
Restricted reserves - other	\$ 425,310	\$ 490,270
Federal gas tax reserve	1,310,274	1,060,650
Development cost charges reserve	<u>1,971,403</u>	<u>1,769,872</u>
Total restricted cash	<u>\$ 3,706,987</u>	<u>\$ 3,320,792</u>

4. Accounts Receivable

	<u>2016</u>	<u>2015</u>
Property taxes	\$ 1,117,867	\$ 1,243,983
Other government	1,114,734	1,031,001
User fees and other	728,443	631,823
Developer receivables	16,253	16,253
Employee receivables	<u>16,594</u>	<u>11,177</u>
	<u>\$ 2,993,892</u>	<u>\$ 2,934,237</u>

These notes form an integral part of these financial statements.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

5. Accounts Payable and Accrued Liabilities

	<u>2016</u>	<u>2015</u>
General	\$ 1,306,404	\$ 1,007,433
Other governments	617	1,151
Salaries and wages	215,873	194,764
Contractor holdbacks	870,988	786,222
Accrued interest	84,535	40,923
	<u>\$ 2,478,417</u>	<u>\$ 2,030,493</u>

6. Post-Employment Benefits

The Town provides compensated absences to its employees to a maximum of 120 days. The Town also allows employees to defer unused vacation without any maximum. Any deferred vacation time remaining at retirement or termination is paid out at that time. The amount recorded for these benefits is based on an actuarial evaluation done by an independent firm using a projected benefit actuarial valuation method prorated on services. The last actuarial valuation was calculated at August 31, 2014 and has been extrapolated to December 31, 2016. The change in the liability in the financial statements in respect of obligations under the plan amounts to -\$17,700. (-\$8,300 - 2015).

The accrued post-employment benefits are as follows:

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 268,000	\$ 276,300
Current service costs	30,700	30,400
Benefits paid	(54,400)	(32,700)
Actuarial (gain)/loss	6,000	(6,000)
Balance, end of year	<u>\$ 250,300</u>	<u>\$ 268,000</u>

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

	<u>2016</u>	<u>2015</u>
Discount Rate	3.30%	3.10%
Expected Inflation Rate and Wage & Salary Increases	2.50%	2.50%

These notes form an integral part of these financial statements.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

7. Deferred Revenue

	<u>2016</u>	<u>2015</u>
Licence fees & charges	\$ 3,116	\$ 6,133
Rental payments	14,466	589
Prepaid property tax	330,524	243,115
Subdivision tree prepayment	53,854	45,604
Recreation prepayment	39,491	32,399
Utilities	15,544	26,249
Other	29,061	14,759
	<u>\$ 486,057</u>	<u>\$ 368,849</u>

8. Refundable Deposits and Other

	<u>2016</u>	<u>2015</u>
Developer performance deposits	\$ 263,997	\$ 212,120
Damage deposits	190,950	179,400
Other	200	200
	<u>\$ 455,147</u>	<u>\$ 391,720</u>

These notes form an integral part of these financial statements.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

9. Restricted Reserves and Development Cost Charges Reserve

Restricted reserves include Development Cost Charges (DCC's) which are charged to developers and utilized for infrastructure development. There are two reserves, LRC Capital and B&G Capital for the replacement of specific building components located at 630 2nd Avenue and 220 High Street. A withdrawal of \$75,000 from the LRCA restricted reserve was made in March of 2016.

<u>Description</u>	<u>Balance Dec. 31, 2015</u>	<u>Interest</u>	<u>Contributions</u>	<u>Expenditures</u>	<u>Balance Dec. 31, 2016</u>
DCC - Water	\$ 402,656	\$ 3,121	\$ 26,707	\$ -	\$ 432,484
DCC - Parks	318,504	2,534	33,053	-	354,092
DCC - Roads	424,013	3,444	60,003	-	487,460
DCC - Sewer	273,925	2,327	63,230	-	339,483
DCC - Storm	350,774	2,666	4,444	-	357,885
	<u>1,769,872</u>	<u>14,093</u>	<u>187,438</u>	<u>-</u>	<u>1,971,403</u>
Parking	72,998	549	-	-	73,548
Green Streets	1,441	11	-	-	1,452
Amphitheatre	16,071	128	1,300	-	17,499
LRCA/Seniors- Capital	371,960	278	2,480	(75,000)	299,718
B&G - Capital	27,801	230	5,064	-	33,094
	<u>490,270</u>	<u>1,195</u>	<u>8,844</u>	<u>(75,000)</u>	<u>425,310</u>
TOTAL	<u>\$ 2,260,142</u>	<u>\$ 15,288</u>	<u>\$ 196,281</u>	<u>\$ (75,000)</u>	<u>\$ 2,396,713</u>

10. Financial Instruments

The Town as part of its operations carries a number of financial instruments. It is management's opinion the Town is not exposed to significant interest, currency or credit risk arising from these financial instruments, except as otherwise disclosed. The Town is exposed to currency risk on its US dollar bank account, as described in Note 3. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

These notes form an integral part of these financial statements.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

11. Federal Gas Tax Reserve

Gas Tax funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the Town and the Union of British Columbia Municipalities. Gas Tax funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements. The funds are recorded on the financial statements as a restricted reserve.

	2016	2015
Opening balance of unspent funds	\$ 1,060,650	\$ 976,699
Add: Amounts received during the year	386,644	374,048
Interest earned	8,213	9,265
Less: Gas tax funds utilized	(145,233)	(299,363)
	\$ 1,310,274	\$ 1,060,650

12. Obligations under Capital Lease

There are five leases payable to the Municipal Finance Authority. The future minimum lease payments, including PST, under the capital lease obligation are as follows:

2017	48,872
2018	332,139
2019	3,379
2020	-
2021	-
Thereafter	-

Debt interest, less actuarial adjustments in the consolidated statement of financial activities, is calculated as \$6,646 (\$8,673 - 2015).

These notes form an integral part of these financial statements.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

12. Obligations under Capital Lease (continued)

The Town has entered into capital leases for the following purchases:

- 1) A five year capital lease agreement with the Municipal Finance Authority of British Columbia which commenced on April 2012 for the purchase of a 4X4 fire truck. The remaining obligation will be repaid with monthly lease payments in the amount of \$1,381 including interest at 1.70% per annum. The balance of the capital lease at December 31, 2016, which is included in obligation under capital leases, is \$7,305. Lease to expire May 2017. (\$24,752 - 2015)
- 2) A five year capital lease agreement with the Municipal Finance Authority of British Columbia which commenced on June 2012 for the purchase of a photocopier. The remaining obligation will be repaid with monthly lease payments in the amount of \$111 including interest at 1.70% per annum. The balance of the capital lease at December 31, 2016, which is included in obligation under capital leases, is \$810. Lease to expire July 2017. (\$2,212 - 2015)
- 3) A five year capital lease agreement with the Municipal Finance Authority of British Columbia which commenced on March 28, 2013 for the purchase of a fire truck. The remaining obligation will be repaid with monthly lease payments in the amount of \$2,718 including interest at 1.70% per annum. The balance of the capital lease at December 31, 2016, which is included in obligation under capital leases, is \$349,561. Lease to expire March 2018. (\$378,241- 2015)
- 4) A five year capital lease agreement with the Municipal Finance Authority of British Columbia which commenced on February 2, 2014 for the purchase of a photocopier. The remaining obligation will be repaid with monthly lease payments in the amount of \$147 including interest at 1.70% per annum. The balance of the capital lease at December 31, 2016, which is included in obligation under capital leases, is \$3,980. Lease to expire February 2019. (\$5,781 - 2015)
- 5) A five year capital lease agreement with the Municipal Finance Authority of British Columbia which commenced on April 25, 2014 for the purchase of fitness equipment. The remaining obligation will be repaid with monthly lease payments in the amount of \$782 including interest at 1.70% per annum. The balance of the capital lease at December 31, 2016, which is included in obligation under capital leases, is \$22,735. Lease to expire April 2019. (\$32,305 - 2015)

These notes form an integral part of these financial statements.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

13. Equipment Financing

A new five year equipment financing agreement with the Municipal Finance Authority of British Columbia commenced on September 28, 2015 for the financing of a fire truck. The remaining obligation will be repaid with monthly payments in the amount of \$776 including interest at 1.24% per annum. The balance of the loan at December 31, 2016 is \$34,179 (\$42,952 – 2015). Loan to expire September 30, 2020.

The future minimum principal payments are:

2017	8,883
2018	9,011
2019	9,141
2020	7,144
2021	-
Thereafter	-

14. Short-Term Debt

The Town executed short term borrowing of \$920,000 to purchase the properties at 12, 20, and 26 Buller Street and 721 First Avenue. The balance at December 31, 2016 was \$670,000 (\$4,920,000 – 2015).

Principal Payments payable over the next five years:

	2017	2018	2019	2020	2021
Buller Street Properties	-	-	-	\$ 670,000	-

These notes form an integral part of these financial statements.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

15. Debenture Debt

The Town borrowed \$10 million dollars to fund the upgrade of the Waste Water Treatment Plant. The total long term debt issued and outstanding as at December 31, 2016 was \$12,855,236 (\$2,976,232 as at December 31, 2015).

The following principal amounts are payable over the next five years.

Principal repayments

	2017	2018	2019	2020	2021	Thereafter
General	\$ 66,033	\$ 66,033	\$ 66,033	\$ 66,033	\$ 66,033	\$ 660,329
Water	24,012	24,012	24,012	24,012	24,012	384,191
Sewer	500,000	500,000	500,000	500,000	500,000	7,500,000
	<u>\$ 590,045</u>	<u>\$ 8,544,520</u>				

Actuarial sinking fund earnings

	2017	2018	2019	2020	2021	Thereafter
General	\$ 31,712	\$ 35,622	\$ 39,688	\$ 43,917	\$ 48,315	\$ 767,455
Water	4,079	5,202	6,371	7,586	8,850	361,695
Sewer	-	-	-	-	-	-
	<u>\$ 35,791</u>	<u>\$ 40,824</u>	<u>\$ 46,059</u>	<u>\$ 51,503</u>	<u>\$ 57,165</u>	<u>\$ 1,129,150</u>
	<u>\$625,835</u>	<u>\$630,869</u>	<u>\$636,104</u>	<u>\$641,548</u>	<u>\$647,210</u>	<u>\$9,673,671</u>

Debt interest, less actuarial adjustments in the consolidated statement of financial activities, is determined as follows:

	Interest	Actuarial Adjustment	2016 Net	2015 Net
General - Interest	\$ 72,212	\$ 27,953	\$ 44,259	\$ 136,286
Water - Interest	34,063	2,998	31,064	32,041
Sewer - Interest	67,222	-	67,222	(3,101)
	<u>\$ 173,497</u>	<u>\$ 30,951</u>	<u>\$ 142,546</u>	<u>\$ 165,226</u>

16. Commitments and Contingencies

(a) Contingent Liabilities

- i) The Town, as a member of the Cowichan Valley Regional District, is jointly and severally liable for operational deficits or long term debt related to functions in which it participates.
- ii) The loan agreements with the Municipal Finance Authority provide that if the Authority does not have sufficient funds to meet payments on its obligations it shall make payments from the Debt Reserve Fund which in turn is established by a similar Debt Reserve Fund in the Town and all other borrowing participants. If the Debt Reserve Fund is deficient the Authority's obligations become a liability of the regional district and may become a liability of the participating municipalities.
- iii) Various claims have been made against the Town as at December 31, 2016 for incidents which arose in the ordinary course of operations. In the opinion of management and legal counsel, the

These notes form an integral part of these financial statements.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

16. Commitments and Contingencies (Continued)

outcomes of the lawsuits, now pending, are not determinable. As the outcomes are not determinable at this time, no amount has been accrued in the financial statements. Should any loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

(b) Pension Liability

The employer and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2015, the Plan has about 189,000 active members and approximately 85,000 retired members. Active members include approximately 37,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate is then adjusted to the extent there is amortization of any funding deficit.

The most recent valuation for the Municipal Pension Plan as of December 31, 2015, indicated a \$2.224 billion funding surplus for basic pension benefits on a going concern basis.

The Town of Ladysmith paid \$429,034 (2015 - \$430,067) for employer contributions to the Plan in fiscal 2016.

The next valuation will be as at December 31, 2018, with results available in 2019.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

(c) Reciprocal Insurance Exchange Agreement

The Town is a subscribed member of the Municipal Insurance Association of British Columbia (The "Exchange") as provided by Section 3.02 of the Insurance Act of the Province of British Columbia. The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact upon any subscriber. Under the Reciprocal Insurance Exchange Agreement the Town is assessed a premium and specific deductible for its claims based on population. The obligation of the Town with respect to the Exchange and/or contracts and obligations entered into by the Exchange on behalf of its subscribers in connection with the Exchange are in every case several, and not joint and several. The Town irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other subscribers against liability losses and costs which the other subscriber may suffer.

These notes form an integral part of these financial statements.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

17. Significant Taxpayers

The Town is reliant upon 10 taxpayers for approximately 20.46% (20.72% - 2015) of the total property tax revenue which includes Western Forest Products at approximately 12.75% (12.64% - 2015) of the total property tax revenue.

18. Funds Held in Trust

These funds account for assets which must be administered as directed by agreement or statute for certain beneficiaries; in particular, these funds are for the Cemetery Trust Fund. In accordance with PSAB recommendations on financial statement presentation, trust funds are not included in the Town's Financial Statements. A summary of trust fund activities by the Town is as follows:

	<u>2016</u>	<u>2015</u>
Assets		
Cash and short term investment	<u>\$ 152,957</u>	<u>\$ 147,252</u>
Equity		
Opening balance	\$ 147,252	\$ 143,932
Interest	1,896	1,474
Transfer interest to fund cemetery costs	(1,896)	(1,474)
Contributions	5,705	3,320
Balance, end of year	<u>\$ 152,957</u>	<u>\$ 147,252</u>

19. Comparative Figures

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

These notes form an integral part of these financial statements.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

20. Accumulated Surplus

The Town segregates its accumulated surplus in the following categories:

	2016	2015
Unappropriated equity	\$ 4,309,353	\$ 3,733,297
Appropriated equity (Schedule VI)	9,301,011	5,612,326
	13,610,363	9,345,623
 Capital Funds		
General capital fund	139,299	127,404
Sewer capital fund	17,119	17,419
Water capital fund	612,520	612,520
	768,938	757,344
 Reserve Funds		
Reserve funds (Schedule VI)	592,975	286,847
Equity in Tangible Capital Assets	78,271,467	80,790,552
Total Accumulated Surplus	\$ 93,243,744	\$ 91,180,366

These notes form an integral part of these financial statements.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

21. Annual Budget

Fiscal plan amounts represent the Financial Plan Bylaw adopted by Council on May 2, 2016.

The Financial Plan anticipated the use of surpluses accumulated in previous years to balance against current year expenses in excess of current year revenues. In addition, the Financial Plan anticipated capital expenses rather than amortization expense.

The following shows how these amounts were combined:

Financial Plan Balance for the year	\$ -
Add back:	
Amortization	(2,485,372)
Proceeds from new debt	(7,635,000)
Transfers to/from own funds	(2,758,050)
Less:	
Principal payments on debt	793,650
Capital expenditures per budget	24,459,910
Transfers to/from own funds per PSAB	3,844
Capital Expenditures expensed according to Tangible Capital Asset Policy	<u>(837,605)</u>
Adjusted Annual Surplus	<u>\$ 11,541,377</u>

22. DL 2016 Holdings Corporation ("DL 2016")

The Town of Ladysmith has an investment in DL 2016 Holdings Corporation, a wholly owned subsidiary company of the Town.

The Town of Ladysmith leases portions of its waterfront from the Province of British Columbia parts of which are subleased to DL 2016 for use as a marina.

DL 2016 has entered into operation and maintenance agreement and a license agreement with the Ladysmith Maritime Society (LMS) for the operation and management of the lease area.

Pursuant to these agreements DL 2016 could provide security for debt financing in order for LMS to implement capital improvements to the lease area.

23. Segmented Information

The Town is a diversified municipal government institution that provides a wide range of services to its citizens such as roads, water, sewer and drainage infrastructure, fire protection, police protection (RCMP), cemetery, recreation centre, garbage collection and parkland. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

These notes form an integral part of these financial statements.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

General Government Services

The City Manager is the liaison between Council and the Town departments and staff. The Corporate Services Department supports the legislated activities of Council, and provides information to citizens with respect to Council/Committee processes, reporting procedures and decisions, and Town activities. Also included in General Government Services is the Finance Department, Information Technology and Human Resources.

Protective Services

Protection is comprised of fire protection, policing, bylaw enforcement and building inspection.

- Bylaw enforcement administers, monitors, and seeks compliance with the bylaws enacted by the Mayor and Council to regulate the conduct of affairs in the Town of Ladysmith.
- Fire protection is provided by the fire department, whose volunteer members receive compensation for each callout in which they take part.

These notes form an integral part of these financial statements.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

23. Segmented Information (Continued)

- Policing is provided under contract with the RCMP operating from a detachment building located in and owned by the Town of Ladysmith.
- The Town of Ladysmith's Development Services and Public Works Departments work together to regulate all construction within the Town. This is achieved through the use of the Town of Ladysmith's Building and Plumbing Bylaw, the British Columbia Building Code, the British Columbia Fire Code and other related bylaws and enactments with the Town of Ladysmith.

Transportation, Garbage and Cemetery

The Transportation (Public Works) Department is responsible for the infrastructure of the Town:

- Ensuring clean and safe water to the Town, supplied through underground pipes and reservoirs,
- Maintaining a separate system of underground pipes to collect sewer or waste water for proper treatment prior to discharging it,
- Providing and maintaining the Town's roads, sidewalks, street lights, signage and line markings, storm drainage and hydrants,
- Providing other key services including street cleaning and the operation of a local bus service.

Garbage Services (Public Works) is responsible for the garbage collection and compost and recycling programs operating in the Town of Ladysmith. Garbage and recycling collection is performed by a contractor.

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

Development

The Development Services Department provides short-term and long-term land use planning services.

- Long-term Planning includes work with the community on reviewing the Town's Official Community Plan, developing new Neighbourhood Plans, the Trail Plan and the review of relevant bylaws.
- Short term Planning includes the processing of development applications.

These notes form an integral part of these financial statements.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

23. Segmented Information (Continued)

Recreation and Culture

The Parks, Recreation and Culture Department contribute to the quality of life and personal wellness of the community through the provision of a variety of special events, programs, services and facilities. The Frank Jameson Community Centre is the location where the majority of the programs are offered.

Parks

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

Water

Water includes all of the operating activities related to the treatment and distribution of water throughout the Town.

Sewer

Sewer includes all of the operating activities related to the collection and treatment of waste water (sewage) throughout the Town.

24. Subsequent Events

An offer of \$840,000 to purchase a piece of property located at 4142 Thicke Road was approved, subject to conditions. The sale is expected to close March of 2017.

An offer to \$450,000 to sell properties located at 1201 and 1251 Christie Road was accepted. The sale is expected to close March of 2017.

These notes form an integral part of these financial statements.

TOWN OF LADYSMITH
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE YEAR ENDED DECEMBER 31, 2016

SCHEDULE I

	<u>Term</u>	<u>Original Amount</u>	<u>Balance Dec 31, 2015</u>	<u>Principal Payments</u>	<u>Net Interest ⁽¹⁾</u>	<u>Balance Dec 31, 2016</u>	<u>Interest Rate</u>
City Hall Copier	2011-16	19,780	2,416	2,416	13	\$ -	1.70%
Fire Bush Truck	2012-17	83,652	24,752	17,447	267	\$ 7,305	1.70%
Spartan Fire Truck	2013-18	452,066	378,241	28,680	5,817	\$ 349,561	1.70%
P.W. Copier	2012-17	6,748	2,212	1,402	25	\$ 810	1.70%
Ricoh Copier - FJCC	2014-19	8,967	5,781	1,802	79	\$ 3,980	1.70%
Fitness Equip - FJCC	2014-19	47,765	32,305	9,570	445	\$ 22,735	1.70%
		<u>\$ 618,978</u>	<u>\$ 445,707</u>	<u>\$ 61,317</u>	<u>\$ 6,646</u>	<u>\$ 384,390</u>	

⁽¹⁾ Interest, net of actuarial adjustments

TOWN OF LADYSMITH
SCHEDULE OF SHORT TERM DEBT
FOR THE YEAR ENDED DECEMBER 31, 2016

SCHEDULE II

	<u>Term</u>	<u>Original Amount</u>	<u>Balance Dec 31, 2015</u>	<u>Principal Payments</u>	<u>Net Interest ⁽¹⁾</u>	<u>Balance Dec 31, 2016</u>	<u>Interest Rate</u>
<u>General Capital Fund</u>							
2015 Buller Street Properties	5 years	\$ 920,000	\$ 920,000	\$ 250,000	\$ 11,157	\$ 670,000	1.38%
<u>Sewer Capital Fund</u>							
2015 Waste Water Treatment Plant	5 years	4,000,000	4,000,000	-	76,093	-	1.38%
		\$ 4,920,000	\$ 4,920,000	\$ 250,000	\$ 87,250	\$ 670,000	

2015 Waste Water Treatment Plant short term debt was converted into 2016 Sewer Treatment Plant long term debt

(1) Interest, net of actuarial adjustments

TOWN OF LADYSMITH
SCHEDULE OF DEBENTURE DEBT
FOR THE YEAR ENDED DECEMBER 31, 2016

SCHEDULE III

	<u>Issue #</u>	<u>Term</u>	<u>Original Amount</u>	<u>Balance Dec 31, 2015</u>	<u>Principal Payments</u>	<u>Net Interest ⁽¹⁾</u>	<u>Balance Dec 31, 2016</u>	<u>Interest Rate</u>
<u>General Capital Fund</u>								
2006 RCMP Building	97	2006-31	2,750,000	2,051,187	93,985	44,259	1,957,202	4.66%
<u>Water Capital Fund</u>								
2012 Water Improvements	118	2012-37	1,000,000	925,044	27,010	31,064	898,034	3.40%
<u>Sewer Capital Fund</u>								
2016 Sewer Treatment Plant	138	2016-36	10,000,000	-	-	67,222	10,000,000	6.45%
			\$ 13,750,000	\$ 2,976,232	\$ 120,996	\$ 142,546	\$ 12,855,236	

⁽¹⁾ Interest, net of actuarial adjustments

TOWN OF LADYSMITH
SCHEDULE OF TAX REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2016

SCHEDULE IV

	<u>Actuals 2016</u>	<u>Budget 2016</u>	<u>Actuals 2015</u>
General Taxes			
General municipal purposes	\$ 7,683,410	\$ 7,685,704	\$ 7,456,243
Grants in lieu and 1% utility tax	163,974	162,379	165,762
Water and sewer parcel tax	1,801,092	1,778,053	1,542,125
	<u>\$ 9,648,476</u>	<u>\$ 9,626,136</u>	<u>\$ 9,164,130</u>
Collections for other governments:			
School district	\$ 2,959,379	\$ 2,956,248	\$ 2,993,017
Regional hospital district	770,827	770,262	694,246
Regional district	1,140,438	1,139,645	1,139,643
BCAA and MFA	79,070	78,975	82,205
Library	353,236	353,236	340,973
	<u>\$ 5,302,950</u>	<u>\$ 5,298,366</u>	<u>\$ 5,250,083</u>
Less:			
Transmission of taxes levied for other agencies:			
School district	\$ 2,959,379	\$ 2,956,248	\$ 2,993,017
	770,827	770,262	694,246
Regional district	1,140,438	1,139,645	1,139,643
BCAA and MFA	79,070	78,975	82,205
Library	353,236	353,236	340,973
	<u>\$ 5,302,950</u>	<u>\$ 5,298,366</u>	<u>\$ 5,250,083</u>
Net Taxation	<u>\$ 9,648,476</u>	<u>\$ 9,626,136</u>	<u>\$ 9,164,130</u>

TOWN OF LADYSMITH
SCHEDULE OF FEES & CHARGES
FOR THE YEAR ENDED DECEMBER 31, 2016

SCHEDULE V

	Actuals 2016	Budget 2016	Actuals 2015
			Restated
Fines	\$ 6,978	\$ 4,000	\$ 4,650
Garbage services Fees	642,550	613,440	638,647
General government services	117,883	25,115	57,059
Cemetery services	39,860	30,050	33,095
Recreation services	660,735	623,648	637,262
Permits, Licences and Fees	430,549	287,734	265,937
Facility Rentals & Leases	227,908	235,412	259,165
Water Utility Fees	848,533	820,915	712,568
Sewer Utility Fees	852,038	846,925	790,672
	<u>\$ 3,827,034</u>	<u>\$ 3,487,239</u>	<u>\$ 3,399,055</u>

TOWN OF LADYSMITH
CONTINUITY SCHEDULE OF RESERVES & APPROPRIATED EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2016

SCHEDULE VI

(Unaudited)

	Balance Dec. 31, 2015	Interest Allocated	Contributions	Funding	Balance Dec. 31, 2016
RESERVES					
Tax Sale	\$ 25,694	\$ 335	\$ -	\$ -	\$ 26,029
Perpetual Safety Fund	12,786	167	-	-	12,952
Sale Real Property	-	306	257,158	12,793	244,671
Municipal Office Building	175,000	-	60,000	-	235,000
Amenity Funds	73,367	956	-	-	74,323
TOTAL RESERVES	\$ 286,847	\$ 1,762	\$ 317,158	\$ 12,793	\$ 592,975
APPROPRIATED EQUITY - OPERATIONS					
General Operating Fund					
Future Projects	1,555,849	-	548,051	91,299	2,012,601
Equipment	963,354	-	449,571	139,594	1,273,331
Land & Building	214,395	-	102,775	106,601	210,569
Tax Contingency	7,986	-	-	-	7,986
Snow & Ice Removal	30,000	-	-	-	30,000
Infrastructure Deficit	318,179	-	198,125	75,000	441,304
Multi-Materials BC Rebate	146,713	-	76,000	-	222,713
	<u>3,236,476</u>	<u>-</u>	<u>1,374,522</u>	<u>412,494</u>	<u>4,198,504</u>
Water Operating Fund					
Capital Expenditures	803,908	-	525,074	43,187	1,285,795
MFA Surplus Refunds	524,075	-	-	-	524,075
Total Water Operating Fund	<u>1,327,984</u>	<u>-</u>	<u>525,074</u>	<u>43,187</u>	<u>1,809,870</u>
Sewer Operating Fund					
Capital Expenditures	435,922	-	3,516,383	1,271,613	2,680,693
MFA Surplus Refunds	611,944	-	-	-	611,944
Total Sewer Operating Fund	<u>1,047,866</u>	<u>-</u>	<u>3,516,383</u>	<u>1,271,613</u>	<u>3,292,637</u>
TOTAL APPROPRIATED EQUITY	<u>\$ 5,612,326</u>	<u>\$ -</u>	<u>\$ 5,415,979</u>	<u>\$ 1,727,294</u>	<u>\$ 9,301,011</u>
TOTAL RESERVES AND APPROPRIATED EQUITY	<u>\$ 5,899,173</u>	<u>\$ 1,762</u>	<u>\$ 5,733,137</u>	<u>\$ 1,740,087</u>	<u>\$ 9,893,986</u>

TOWN OF LADYSMITH
SCHEDULE OF RESTRICTED RESERVES, RESERVES & EQUITY BY FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

SCHEDULE VII

(Unaudited)

	Restricted Reserves	Allocated Reserves	Appropriated Equity	Unappropriated Equity	Capital Funds Equity	Total
General operating fund	\$ -	\$ -	\$ 4,198,504	\$ 889,816	\$ -	\$ 5,088,320
Water operating fund	-	-	1,809,870	779,419	-	2,589,290
Sewer operating fund	-	-	3,292,637	2,640,117	-	5,932,754
Reserve fund	425,310	592,975	-	-	-	1,018,285
General capital fund	-	-	-	-	139,299	139,299
Water capital fund	-	-	-	-	612,520	612,520
Sewer capital fund	-	-	-	-	17,119	17,119
Total	\$ 425,310	592,975	\$ 9,301,011	\$ 4,309,353	\$ 768,938	\$ 15,397,586

TOWN OF LADYSMITH
SCHEDULE OF GRANT REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2016

SCHEDULE VIII

	<u>Actuals</u> <u>2016</u>	<u>Budget</u> <u>2016</u>	<u>Actuals</u> <u>2015</u>
Operating Grants			
Traffic Fines Revenue	\$ 48,422	\$ 49,000	\$ 54,572
Small Communities	454,775	438,000	472,265
CVRD Recreation	126,525	126,516	126,890
Other	39,688	7,300	31,728
	<u>669,410</u>	<u>620,816</u>	<u>685,455</u>
Capital Grants			
1st Avenue/Roundabout Sidewalk	\$ 10,000	\$ 5,000	\$ -
2nd Avenue/High St Crosswalk	-	10,000	-
Aggie Playground Improvements	5,079	-	-
Asset Management	-	80,000	-
Composting Facility	21,950	570,224	-
Energy and Facility Assessment	10,000	10,000	-
ICBC Sign Incentive	-	-	14,830
Stz' uminus First Nation Cooperation Protocol/C2C	2,267	9,000	3,849
Traffic Safety Audit	-	7,500	-
Transfer Beach Parking Lot Railing	-	-	6,000
Upper Transfer Beach Improvements	6,000	6,000	-
Wastewater Treatment Plant Upgrade	1,000,000	1,000,000	1,824,661
Water Filtration	-	10,000,000	-
	<u>1,055,296</u>	<u>11,697,724</u>	<u>1,849,340</u>
	<u>\$ 1,724,706</u>	<u>\$ 12,318,540</u>	<u>\$ 2,534,795</u>

TOWN OF LADYSMITH
STATEMENT OF OPERATIONS BY SEGMENT
FOR THE YEAR ENDED DECEMBER 31, 2016

SCHEDULE IX

	General Government		Protective Services		Transportation, Garbage & Cemetery Services		Development Services	
	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE								
Tax	\$ 7,847,384	\$ 7,622,005	-	-	-	-	-	-
Fees & Charges	26,993	43,014	343,204	400,413	815,384	635,876	208,963	102,522
Investment income & MFA Refunds	157,817	176,832	-	-	-	-	-	-
Penalty & Interest on tax	119,526	123,546	-	-	-	-	-	-
Grants	457,042	477,748	48,422	54,572	19,092	23,194	5,964	8,436
Donations & contributed property	-	-	-	-	226,560	48,790	-	-
Gain (loss) on foreign exchange	(83,675)	131,994	-	-	-	-	-	-
Gain (loss) on disposal	193,716	153,676	-	-	(1,807)	(20,861)	-	-
Development fees	-	-	-	-	-	108,075	-	-
Gas tax fund utilized	-	-	-	-	40,000	132,702	10,850	-
Total revenue	8,718,804	8,728,816	391,626	454,985	1,099,229	927,776	225,777	110,958
EXPENSES								
Contracted Services	327,015	412,266	1,029,755	1,034,050	552,201	633,798	109,736	123,103
Grants In Aid	107,348	100,250	12,000	11,000	-	-	-	-
Insurance	69,336	57,060	22,927	24,803	5,218	3,304	-	1,360
Interest	11,170	5,397	50,884	111,766	25	32,524	-	-
Materials & Supplies	77,056	36,567	106,041	79,660	134,583	141,790	14,440	6,992
Utilities & Telephone	14,044	18,203	43,436	46,045	142,501	136,773	7,420	8,333
Wages & Benefits	1,587,926	1,537,277	271,517	267,818	871,257	701,923	461,172	481,962
Other	(108,593)	(103,477)	40,541	38,541	(28,804)	(16,192)	16,772	18,493
Amortization	220,050	206,529	162,702	164,024	838,995	844,004	3,389	-
Total expenses	2,305,352	2,270,072	1,739,803	1,777,707	2,515,975	2,477,923	612,929	640,243
Surplus (Deficit)	\$ 6,413,451	\$ 6,458,744	\$ (1,348,178)	\$ (1,322,722)	\$ (1,416,746)	\$ (1,550,147)	\$ (387,152)	\$ (529,285)

TOWN OF LADYSMITH
STATEMENT OF OPERATIONS BY SEGMENT
FOR THE YEAR ENDED DECEMBER 31, 2016

SCHEDULE IX -CONTINUED

<u>Recreation & Culture Services</u>		<u>Parks Operations Services</u>		<u>Sewer Operations Services</u>		<u>Water Operations Services</u>		<u>Total Actual</u>	<u>Total Actual</u>
<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
-	-	-	-	\$ 965,172	\$ 964,365	\$ 835,920	\$ 577,760	9,648,476	\$ 9,164,130
729,594	712,615	-	-	853,213	791,347	849,683	713,268	3,827,034	3,399,055
-	-	-	-	-	2,920	-	-	157,817	179,751
-	-	-	-	-	-	-	-	119,526	123,546
168,422	141,484	3,813	5,000	1,021,950	1,824,661	-	-	1,724,706	2,535,095
33,325	73,711	18,930	110,963	23,700	-	16,500	8,450	319,015	241,914
-	-	-	-	-	-	-	-	(83,675)	131,994
1,070	-	(120)	-	(8,019)	16,585	-	15,560	184,840	164,961
-	-	-	-	-	-	-	-	-	108,075
51,000	10,777	43,384	155,885	-	-	-	-	145,233	299,363
<u>983,411</u>	<u>938,587</u>	<u>66,007</u>	<u>271,847</u>	<u>2,856,016</u>	<u>3,599,878</u>	<u>1,702,103</u>	<u>1,315,038</u>	<u>16,042,972</u>	<u>16,347,884</u>
278,478	146,226	66,416	41,747	76,620	106,434	110,420	335,078	2,550,642	2,832,702
-	-	-	-	-	-	-	-	119,348	111,250
33,268	35,037	3,978	5,478	15,370	12,329	11,193	3,861	161,290	143,232
524	743	-	-	143,315	19,462	31,064	32,041	236,983	201,933
100,387	131,336	85,470	100,537	275,837	109,228	106,604	86,797	900,420	692,907
171,729	138,627	5,270	5,014	87,936	60,850	9,538	11,628	481,873	425,473
1,759,230	1,626,835	390,167	384,944	503,623	358,628	414,556	394,910	6,259,448	5,754,297
21,924	81,302	94,990	99,159	180,643	163,158	176,712	140,056	394,184	421,040
216,214	227,632	263,942	257,448	788,825	444,265	381,289	368,255	2,875,406	2,512,157
<u>2,581,754</u>	<u>2,387,738</u>	<u>910,233</u>	<u>894,327</u>	<u>2,072,169</u>	<u>1,274,354</u>	<u>1,241,378</u>	<u>1,372,626</u>	<u>13,979,594</u>	<u>13,094,990</u>
<u><u>\$(1,598,343)</u></u>	<u><u>\$(1,449,151)</u></u>	<u><u>\$(844,227)</u></u>	<u><u>\$(622,479)</u></u>	<u><u>\$ 783,847</u></u>	<u><u>\$ 2,325,524</u></u>	<u><u>\$ 460,726</u></u>	<u><u>-\$ 57,588</u></u>	<u><u>\$ 2,063,378</u></u>	<u><u>\$ 3,252,894</u></u>

TOWN OF LADYSMITH
CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016

SCHEDULE X

	<u>Land</u>		<u>Land Improvements</u>		<u>Buildings</u>		<u>Vehicle Furniture & Equipment</u>		<u>Transp</u>
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
COST									
Opening Balance	\$ 9,282,183	\$ 8,566,085	\$ 8,118,648	\$ 7,960,932	\$ 20,142,186	\$ 19,684,792	\$ 6,094,594	\$ 5,705,958	\$ 26,171,570
Add: Additions	279,251	716,098	443,853	172,298	135,052	457,394	1,350,790	599,622	462,958
Less: Disposals	80,412	-	263	14,582	135,274	-	205,288	210,986	-
Less: Write-downs	-	-	-	-	-	-	-	-	-
Closing Balance	<u>9,481,022</u>	<u>9,282,183</u>	<u>8,562,238</u>	<u>8,118,648</u>	<u>20,141,964</u>	<u>20,142,186</u>	<u>7,240,096</u>	<u>6,094,594</u>	<u>26,634,528</u>
ACCUMULATED AMORTIZATION									
Opening Balance	-	-	2,743,306	2,528,342	4,994,185	4,458,227	3,443,827	3,343,537	14,156,678
Add: Amortization	-	-	240,607	229,546	544,608	535,958	357,342	277,599	623,060
Less: Write-downs	-	-	-	-	-	-	-	-	-
Less: Disposals	-	-	143	14,582	3,402	-	198,788	177,309	-
Closing Balance	<u>-</u>	<u>-</u>	<u>2,983,770</u>	<u>2,743,306</u>	<u>5,535,391</u>	<u>4,994,185</u>	<u>3,602,381</u>	<u>3,443,827</u>	<u>14,779,738</u>
Net Book Value	<u>\$ 9,481,022</u>	<u>\$ 9,282,183</u>	<u>\$ 5,578,468</u>	<u>\$ 5,375,342</u>	<u>\$ 14,606,573</u>	<u>\$ 15,148,001</u>	<u>\$ 3,637,715</u>	<u>\$ 2,650,767</u>	<u>\$ 11,854,790</u>

Included in the tangible capital assets are leased and financed assets with a total cost of \$618,978 - (2015 - \$931,236) and accumulated amortization of \$222,035 - (2015 - \$185,490)

TOWN OF LADYSMITH
CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016

SCHEDULE X - CONTINUED

Linear Infrastructure										
Depreciation	Sanitary Sewer		Storm		Water		Assets Under Construction		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
\$ 25,876,555	\$ 20,053,758	\$ 19,996,796	\$ 8,193,116	\$ 8,123,714	\$ 16,450,450	\$ 16,374,424	\$ 12,846,248	\$ 3,755,487	\$ 127,352,752	\$ 116,044,743
315,628	15,467,097	56,962	334,065	70,422	185,859	80,015	302,074	9,123,785	18,960,999	11,592,224
20,613	9,547	-	-	1,020	-	3,989	12,818,842	33,024	13,249,626	284,214
-	-	-	-	-	-	-	-	-	-	-
26,171,570	35,511,308	20,053,758	8,527,181	8,193,116	16,636,309	16,450,450	329,480	12,846,248	133,064,126	127,352,752
13,543,624	6,146,953	5,719,947	2,083,357	1,974,264	4,609,005	4,313,218	-	-	38,177,311	35,881,159
633,515	696,247	427,006	113,042	109,782	300,500	298,751	-	-	2,875,406	2,512,157
-	-	-	-	-	-	-	-	-	-	-
20,461	1,528	-	-	689	-	2,964	-	-	203,861	216,005
14,156,678	6,841,672	6,146,953	2,196,399	2,083,357	4,909,505	4,609,005	-	-	40,848,856	38,177,311
\$ 12,014,892	\$ 28,669,636	\$ 13,906,805	\$ 6,330,782	\$ 6,109,759	\$ 11,726,804	\$ 11,841,445	\$ 329,480	\$ 12,846,248	\$ 92,215,270	\$ 89,175,441

STAFF REPORT TO COUNCIL

From: Erin Anderson, Director of Financial Services
 Meeting Date: April 3, 2017
 File No: 1970-00

RE: Distribution of 2017 Property Taxes

RECOMMENDATION(S)

That Council direct staff to prepare the Tax Rates Bylaw based on Option #2 of allocating the same percentage of tax allocation in 2016 to the difference after non market change in the total tax levy.

PURPOSE

The purpose of this report is to obtain Council's direction on allocating the tax levy across the various property classes. This information is necessary to prepare the 2017-2021 Financial Plan. Here is a summary of the options presented in this report:

Class	Option #1 – same % as 2016	Option #2 – allocate the difference based on 2016 %	Option #3 – based on Provincial multiples	Option #4 – maintain Class 4 tax levy
1 Residential	72.09%	72.41%	82.20%	72.39%
2 Utilities	0.39%	0.38%	0.22%	0.38%
4 Major Industry	12.08%	11.94%	2.20%	11.99%
5 Light Industry	0.80%	0.78%	0.82%	0.78%
6 Business/Other	14.35%	14.19%	14.04%	14.17%
7 Mang'd Forest Land	0.00%	0.00%	0.00%	0.00%
8 Rec/Non-Profit	0.28%	0.28%	0.52%	0.28%
9 Farm Land	0.01%	0.01%	0.00%	0.01%
Single Residential impact	- 12.52	- 5.30	+ 218.42	- 5.79

PREVIOUS COUNCIL DIRECTION/RESOLUTIONS

2016 Objectives & Policy:

Objectives

The amount of taxes to be collected from each of the classes will be reviewed each year.

Policies

- Supplement, where possible, revenues from user fees and charges to help to offset the burden on the entire property tax base.
- The amount of taxation to come from Class 4 Major Industry will remain at \$970,952.
- The increase to Class 6 Business/Other will be half of the increase to Class 1 Residential after non-market change.
- Continue to maintain and encourage economic development initiatives designed to attract more light industry, retail and commercial businesses to invest in the community. 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.

Distribution of 2016 Property Tax Rates

Property Class	% of Total Property Taxation
Residential (1)	72.07
Utilities (2)	0.41
Supportive Housing (3)	0.00
Major Industry (4)	12.08
Light Industry (5)	0.80
Business and Other (6)	14.35
Managed Forest Land (7)	0.00
Recreation/Non-profit (8)	0.28
Farmland (9)	0.01

INTRODUCTION/BACKGROUND

On February 20, 2017 Council directed staff to prepare the 2017 – 2021 Financial Plan Bylaw. Included in the bylaw is \$8,098,949 in property taxes.

The *Community Charter* s.195 requires a local government to produce the Financial Plan. One of the requirements is to set the Financial Plan Objectives and Policies for the municipality. These include:

- Total Revenue from each funding source
- Distribution of property value taxes amount the property classes
- Use of Permissive Tax Exemptions

This \$8.099m in property taxation is to be distributed across the classes, in accordance with other legislation requirements.

Please note that Parcel Taxes, which are a flat rate, are not included in the overall tax calculation difference.

Option #1 – same percentage as 2016

If each property class were to be assigned the same percentage of the \$8,098,949 tax levy as in 2016, the rates would be:

Class	Levy \$ (after adjustment)	Rate	Multiple	2017 % of Levy
1 Residential	5,838,723	4.9034	1.000	72.1%
2 Utilities	31,200	34.9890	7.136	0.4%
4 Major Industry	978,353	104.3043	21.272	12.1%
5 Light Industry	64,792	18.5612	3.785	0.8%
6 Business/Other	1,162,199	13.9955	2.854	14.4%
7 Managed Forest Land	196	35.6364	7.268	0.0%
8 Rec/Non-Profit	22,677	3.0164	0.615	0.3%
9 Farm Land	810	29.1560	5.946	0.0%

A single family residential property with the assessed value of \$336,000 in 2017, up approximately 11% in market value over 2016, would pay \$ 12.52 less in 2017 in assessment based taxes.

This option does not take into consideration the non-market change amount of approximately \$90,000.

Option #2 – allocate the difference based on the same percentage as 2016

There were a few supplementary adjustments in 2016 which resulted in an overall adjustment to the property tax revenue of a reduction of \$2,402. Much of the reduction was the result of a property being reclassified from Business Class to Residential Class, This impacts the amount of percentage that is outlined in scenario #1.

The rates, if only applied to the net difference of \$29,475 after non-market change would be:

Class	Levy \$ (after adjustment)	Rate	Multiple	2017 % of Levy
1 Residential	5,864,301	4.9249	1.000	72.4%
2 Utilities	30,861	34.6092	7.027	0.4%
4 Major Industry	967,391	103.1356	20.942	11.9%
5 Light Industry	63,099	18.0763	3.670	0.8%
6 Business/Other	1,149,600	13.8438	2.811	14.2%

7 Managed Forest Land	195	35.4545	7.199	0.0%
8 Rec/Non-Profit	22,579	3.0033	0.610	0.3%
9 Farm Land	923	33.2277	6.747	0.0%

A single family residential property with the assessed value of \$336,000 in 2017, up approximately 11% in market value over 2016, would pay \$5.30 less in 2017 in assessment based taxes.

Option #3 - allocate the difference based on Provincial multiples

The Province sets multiples each year. These are set for all taxes based on hospital values, such as the Regional District levies, Municipal Finance Authority rates and BC Assessment rates. The rates are based on multiples of the residential taxes rate.

Class	Levy \$	Rate	Multiple	2017 % of Levy
1 Residential	6,657,149	5.5907	1.00	82.2%
2 Utilities	17,448	19.5674	3.50	0.2%
4 Major Industry	178,295	19.0084	3.40	2.2%
5 Light Industry	66,353	19.0084	3.40	0.8%
6 Business/Other	1,137,426	13.6972	2.45	14.0%
7 Managed Forest Land	92	16.7721	3.00	0.0%
8 Rec/Non-Profit	42,031	5.5907	1.00	0.5%
9 Farm Land	155	5.5907	1.00	0.0%

A single family residential property with the assessed value of \$336,000 in 2017, up approximately 11% in market value over 2016, would pay \$218.42 more in 2017 in assessment based taxes. The largest benefit of this would be to Class 4 - Major Industry, Class 2 - Utilities and Class 6 - Business/Other.

	2016 Levy	2017 Levy	Difference
1 Residential	5,793,491	6,657,149	+ 863,658
2 Utilities	32,900	17,448	- 15,452
4 Major Industry	970,952	178,295	- 792,657
5 Light Industry	64,322	66,353	+ 2,031
6 Business/Other	1,153,494	1,137,426	- 16,068
7 Managed Forest Land	195	92	- 103
8 Rec/Non-Profit	22,662	42,031	+ 19,369
9 Farm Land	926	155	- 771

Option #4 – maintain the Class 4 levy dollar, allocate the difference to Class 1 & Class 6

The policy in prior years included maintaining the Class 4 – Major Industry dollar value at the previous year. The values of the Class 4 over the last 10 years are:

2007 – 2010	\$ 944,110
2011 – 2014	\$ 945,952
2015 – 2016	\$ 970,952

Factoring in Non-Market Change, this approach means an overall decrease to each class. If Council wishes to maintain the Class 4 levy at \$970,952, class 1 and class 6 will benefit.

Class	Levy \$ (after adjustment)	Rate	Multiple	2017 % of Levy
1 Residential	5,883,836	4.9234	1.000	72.4%
2 Utilities	32,688	34.5555	7.019	0.4%
4 Major Industry	970,952	103.5153	21.025	12.0%
5 Light Industry	63,335	18.0764	3.672	0.8%
6 Business/Other	1,153,830	13.8224	2.807	14.2%
7 Managed Forest Land	195	35.4545	7.201	0.0%
8 Rec/Non-Profit	22,662	3.0034	0.610	0.3%
9 Farm Land	926	33.2296	6.749	0.0%

A single family residential property with the assessed value of \$336,000 in 2017, up approximately 11% in market value over 2016, would pay \$5.79 less in 2017 in assessment based taxes.

Permissive Tax Exemptions

In October of 2016, Council adopted a bylaw “2017 Permissive Tax Exemptions Bylaw 2016, No.1915” containing the properties that are exempt from taxation for 2017. This bylaw shifts the taxation burden from these properties to all the other properties within the municipality.

SCOPE OF WORK

Upon Council’s direction, staff will prepare the 2017-2021 Financial Plan bylaw. By legislation, the bylaw must be adopted before May 15. An additional Council meeting will be required to ensure the Town meets this deadline.

ALTERNATIVES

Council is deciding how the property taxes are allocated to each class. Without this piece of the financial plan policy, the taxes will not be levied.

FINANCIAL IMPLICATIONS

The financial implications are described within this report.

LEGAL IMPLICATIONS

The Financial Plan bylaw and corresponding tax rate bylaws must be adopted before May 15th each year.

CITIZEN/PUBLIC RELATIONS IMPLICATIONS

The public was encouraged to provide input during the financial plan deliberations and are encouraged to provide feedback regarding the taxes and tax allocation.

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS

This is the final piece for the financial plan policy. Upon Council's direction, the Financial Plan bylaw will be presented for three readings and final adoption. After that, the department can begin work on the projects that support Council's strategic direction and operations.

RESOURCE IMPLICATIONS

The Finance and Legislative Services departments will work together to draft the necessary bylaws.

ALIGNMENT WITH SUSTAINABILITY VISIONING REPORT

Not applicable

ALIGNMENT WITH STRATEGIC PRIORITIES

Not applicable

SUMMARY

Options for setting 2017 property tax rates are presented for Council's determination. Once the tax rates are set, staff will prepare the 2017 to 2021 Financial Plan and 2017 Tax Rates bylaws. These bylaws must be adopted by May 12, 2017.

Original signed by E. Anderson

Erin Anderson, Director of Financial Services

March 27, 2016

I concur with the recommendation.





Ladysmith Family and Friends(LaFF) Annual Golf Day Sponsorship Letter

Dear Community Member,

We invite you to become part of the supportive community that works together throughout the year to improve the lives of young children and their families in Ladysmith.

On Sunday May 28, 2017 LaFF will hold the 4th Annual LaFF Golf Day. This golf tournament is our largest fundraising event of the year - 9 hole best ball with the opportunity to play 18 holes. We are asking for your Sponsorship support. Please review the attached pages for the options available to you.

Ladysmith Family and Friends (LaFF), a Family Resource Program in Ladysmith, provides 21 hours of drop-in family resource programming each week which is accessed by over 475 families each year for an annual total of over 17,000 visits. Children and their families benefit from the play-based learning opportunities offered at the program, as well as food security activities, access to health service providers, parenting advice, literacy activities and special events.

On behalf of LaFF's Board of Directors and the hundreds of families we serve, we would like to thank-you for considering sponsorship and participation in our special event.

To become a sponsor or register as a player or a team of 4 or if you have any questions, please email us at laffadmin@shawbiz.ca or visit us online at www.familyandfriends.ca for the forms. Feel free to drop by the program any time and see how your support helps our family and friends



2017 LaFF Golf Tournament Prize and Sponsorship Program

The Golf Tournament is LaFF's most revenue generating fundraising event and second only to the "Breakfast with Santa" as relates to the team of volunteers. This fundraising plays a significant role in LaFF's continued free services provided in the community.

PLATINUM Sponsor – \$3,500 - Two available

- Cash sponsorship;
- Sponsors Logo and Link included on LaFF website as part of LaFF's Super Hero Program under the category of Super Strength Hero;
- LaFF membership and voting rights at the AGM
- Name and logo will be at the top of registration form
- Name on main event sponsorship sign and in program
- Tee box sign. (signage at one hole)
- Opportunity to put up your own banner or signage at the tournament;
- Names will be mentioned at the beginning of the tournament, before dinner and after dinner;
- The event will be featured on our website with sponsor's logo; Logo on table cards at all dinner tables and on team name cards on each golf cart
- One free team (4 golfers) includes dinner

GOLD Sponsor - \$500 - Four (4) available

- Cash sponsorship of \$500;
- Logos will be listed on the LaFF website as part of LaFF's Super Hero Program under the category of Super Vision Hero;
- LaFF membership and voting rights at the AGM
- Name on main event sponsorship sign and in program;
- Names will be mentioned at the beginning of the tournament, before dinner and after dinner;
- Two free golfers includes dinner;

SILVER Sponsor - \$250 - Nine (9) available

- Cash or major prize sponsorship with a value of \$250;
- Logos will be listed on the LaFF website as part of LaFF's Super Hero Program under the category of Super Flying Hero;
- LaFF membership and voting rights at the AGM
- Name on main event sponsorship sign and in program
- Recognition at start of dinner;
- One free golfer includes dinner;

HOLE Sponsors - \$300 – Nine (9) only

- Cash sponsorship;
- Recognition in the LaFF Super Hero Program under the category of Super Vision Hero
- LaFF membership and voting rights at the AGM
- Name on main event sponsorship sign and in program;
- Tee box sign. (signage at one hole)
- One free golfer including dinner

ENTERTAINMENT Sponsor – One (1) only \$300

- Cash sponsorship;
- Recognition in the LaFF Super Hero Program under the category of Super Vision Hero
- LaFF membership and voting rights at the AGM
- Name listed on main event sponsorship sign and in program;
- One free golfer includes dinner

HOLE IN ONE Sponsor - One (1) only \$300

- Cash sponsorship;
- Recognition in the LaFF Super Hero Program under the category of Super Vision Hero
- LaFF membership and voting rights at the AGM
- Name listed as Hole in One sponsor on main event sponsorship sign and in program;
- One free golfer including dinner;

SILENT AUCTION DONATIONS

- LaFF membership and voting rights at the AGM
- Provide silent auction items
- Sponsors can attach their business cards for promotion.
- All sponsors will be listed on main event sponsorship sign and in program

Contact

For sponsorship and donation opportunities or questions please the contact us by email at laffadmin@shawbiz.ca

4th Annual LaFF Fundraising Golf Day

Golf Tournament, Dinner & Silent Auction Fundraiser

LaFF provides inclusive, interactive opportunities for the development of children, families and community

Sunday, May 28th

Cottonwood Golf Course
975 Haslam Rd, Cassidy BC



9 holes
(Shotgun start)
OR
18 holes
(individual play)



Individual Registration

I want to play: 9 holes, cart & BBQ dinner _____ \$100.00

18 holes, cart & BBQ dinner _____ \$125.00

I would like to come for dinner only _____ \$35.00

I can't come but would like to make a donation of \$ _____

Name _____ phone _____

email _____

Team Registration (golf, cart & dinner)

We would like to register a team of 4 (9 holes) _____ \$350.00

We would like to register a team of 4 (18 holes) _____ \$450.00

Team Leader _____

phone: _____ email: _____

Payment Method: (circle one) Visa/MC/Cheque/Cash

Credit Card # _____ Exp: _____

Signature: _____

Mail registration and payment to LaFF, Box 1830, Ladysmith BC V9G 1B4 or drop off at LaFF office 410 First Ave Ladysmith BC (upstairs in Royal LePage Building) Email us for more details or inquiries

laffadmin@shawbiz.ca office hours Mon Fri 9 -12

CONDITIONS OF A GRANT

BETWEEN: **HER MAJESTY THE QUEEN IN RIGHT OF CANADA**
as represented by the Minister of Canadian Heritage (hereinafter called "the Minister" and including any person duly authorized to represent her/him).

AND: **TOWN OF LADYSMITH**, a municipal organization duly incorporated under the laws of the province of British Columbia, having its head office at Ladysmith, represented by **Director of Parks, Recreation and Culture** hereinafter referred to as the "Recipient".

The "Minister" and the "Recipient" are referred to individually as a "Party" or collectively as the "Parties"

WHEREAS the Minister is responsible for the Program entitled "Celebration & Commemoration Program – Canada 150 Fund", hereinafter referred to as the "Program", hereinafter called the "Program";

WHEREAS the Recipient has submitted to the Minister a proposal for the funding of a Project called "Ladysmith & Stz'uminus Celebrate Canada 150" which qualifies for support under the Program; and

WHEREAS the Minister wishes to provide financial assistance to support the Project.

THEREFORE, in consideration of their respective obligations set out below, the parties agree to the following:

1. PURPOSE OF GRANT

- 1.1 The purpose of this grant agreement (the Agreement) is to enable the Recipient to carry out the Project described in the Application for funding. The Recipient must use the grant solely for paying the eligible expenditures of the Project described in such Application.
- 1.2 The Recipient shall not make any substantial changes to the Project objectives and activities without the prior written approval of the Minister of Canadian Heritage (the Minister, including any person duly authorized to represent her/him).

2. MAXIMUM AMOUNT OF GRANT AWARDED BY THE MINISTER

- 2.1 Subject to all terms and conditions indicated in this Agreement being met, the Minister agrees to contribute a maximum amount of \$46,000 towards the eligible expenditures incurred by the Recipient, for carrying out the Project described in the Application for funding.
- 2.2 Disbursements of the grant to the Recipient will not exceed the following amount(s) for the applicable fiscal year,

Federal Government Fiscal Year 2017-18: \$ 46,000

3. TERM

- 3.1 This Agreement will take effect on the date that the signed Agreement is received by the Minister and will cease, subject to its termination on a prior date, after the expiration of the activity period indicated at section 3.2.

- 3.2 This Agreement covers the activities described in the Application for funding, for the period commencing and ending on the dates shown in the Application, unless otherwise approved in writing by the Minister.
- 3.3 All obligations of the Recipient shall, expressly or by their nature, survive termination or expiry of this Agreement and shall continue in full force subsequent to and notwithstanding any termination or expiry until and unless they are satisfied or by their nature expire.

4. PAYMENT(S) AND REPORTING

- 4.1 Payment of the grant will be made in one installment for each of the government's fiscal years covered by the Project.
- 4.2 Payment of each installment of the grant is subject to verification of the Recipient's continued eligibility and entitlement to the grant, prior to any such payment being made. For the purposes of verifying the Recipient's eligibility and entitlement to the grant, the Recipient agrees to provide the Minister with reports on the progress of the Project activities at such times, in such form and containing such information as may be specified by the Minister.
- 4.3 The recipient agrees to submit to the Program a final activity/results report no later than ninety days after the end date of the Project. The final activity/results report template will be provided by the Program to the Recipient.

5. ACKNOWLEDGMENT

- 5.1 The Recipient must publicly acknowledge, in English and in French, the financial support received from the Government of Canada in all communication materials related to the Agreement, such as program materials, public announcements, speeches, websites, social media, etc. as outlined in Annex A of this Agreement. However, the Minister may, if considered appropriate, withdraw the requirement for recognition of federal funding by the Recipient.
- 5.2 The *Acknowledgement Guide for Canada 150 Funding Recipients* (hereinafter referred to as the "Guide") will assist the Recipient in complying with the requirements specified in Annex A of this Agreement. The Guide will be provided by the program.
- 5.3 The Recipient must use the Canada 150 Composite Logo in all communication materials for the Project. The Minister will provide the Recipient with the version of the Logo and all the required visual identifiers.

6. OFFICIAL LANGUAGE REQUIREMENTS

- 6.1 The Recipient must identify the Project clientele and take necessary measures to communicate and provide Project related services to this clientele in English and in French as the case may require.

7. REPRESENTATIONS BY THE RECIPIENT

- 7.1 The Recipient represents:
- (a) that it and any person lobbying on its behalf to obtain the grant are in compliance with the *Lobbying Act*, R.S., 1985, c. 44 (4th Supp.) and that it has not, directly or indirectly, paid or agreed to pay, to any person, a contingency fee for the solicitation, negotiation or obtaining of this Agreement;

- (b) that it will declare any amount owing to the federal government under legislation, contract or other agreements during the term of this Agreement and that it recognizes that amounts due to the Recipient may be withheld to offset amounts owing to the Government; and
- (c) that no current or former public servant, public office holder or any person involved in carrying out the Agreement who is not in compliance with the provisions of the *Conflict of Interest Act*, S.C. 2006, c.9 (Reference: <http://ciec-ccie.gc.ca/Default.aspx?pid=21&lang=en>), the *Values and Ethics Code for the Public Sector* and the *Policy on Conflict of Interest and Post-Employment* (Reference: http://www.tbs-sct.gc.ca/pubs_pol/hrpubs/tb_851/vec-cve-eng.asp), member of the House of Commons or senator who is not in compliance with the *Conflict of Interest Code for Members of the House of Commons* (Reference: <http://ciec-ccie.gc.ca/Default.aspx?pid=24&lang=en>) or the *Conflict of Interest Code for Senators* (Reference: <http://sen.parl.gc.ca/se0-cse/Eng/Code-e.html>), or bound by other values and ethics codes applicable to government or specific recipients, shall derive a direct benefit from this Agreement, unless the provision or receipt of the benefit is in compliance with the legislation or codes.

8. DISCLOSURE OF INFORMATION AND RECORDS TO BE KEPT

- 8.1 The Recipient agrees that,
- (a) any information of a confidential nature related to the Program under which this Agreement is made (the Program) to which the Recipient or its employees or agents become privy shall be treated as confidential, shall be adequately protected against unauthorized use or disclosure and shall not be disclosed to third parties, unless such disclosure is in accordance with the spirit and intent of the *Access to Information Act*, R.S., 1985, c. A-1, and is in accordance with applicable law;
- (b) any personal information related to the Program to which the Recipient or its employees or agents become privy shall be adequately protected against unauthorized use or disclosure and shall not be disclosed to third parties, unless such disclosure is in accordance with the spirit and intent of the *Privacy Act*, R.S., 1985, c. P-21 and is in accordance with applicable law.
- 7.2 The Recipient acknowledges that the Minister is subject to the *Access to Information Act*, R.S. 1985, c. A-1, and the *Privacy Act*, R.S., 1985, c. P-21 and acknowledges that the Department of Canadian Heritage (PCH) may be required to disclose information under those Acts.
- 7.3 The Recipient consents to the public disclosure by PCH of the following information: this Agreement itself, amounts advanced as eligible expenditures, the criteria for calculating payments, data showing the activities supporting such payments and any analysis, audit, reports and evaluations relating to the Program. The Minister shall ensure that any public disclosure respects all requirements to protect personal information and third-party information.
- 7.4 Unless otherwise agreed to by the Parties, the Recipient shall keep all records, information, databases, audit and evaluation reports, and all other documentation related to activities and associated expenditures and costs for a period of five (5) years from the expiration or termination of this Agreement and, at the request of the Minister, permit reasonable access by PCH representatives to such records and documentation during the same period, for the purpose of verifying the use of the grant and compliance with the terms and conditions of this Agreement.

9. LIABILITY

- 9.1 The Minister and his/her employees and agents shall not be held liable for any injury, including death to any person, or for any loss or damage to property of the Recipient or for any obligation of the Recipient or anyone else, incurred or suffered by the Recipient or its employees, agents or

voluntary workers in carrying out the Project, including where the Recipient has entered into loans, capital leases or other long term obligations in relation to this Agreement.

- 9.2 Where the Recipient is an unincorporated organization, it is agreed by the representatives of the Recipient signing this Agreement on behalf of the Recipient, that they shall be personally, jointly and severally liable for all obligations, covenants, promises, liabilities and expenses assumed by the Recipient for the performance of this Agreement.

10. INDEMNIFICATION

The Recipient shall indemnify and save harmless the Minister and his/her employees and agents from and against all claims, losses, damages, costs, expenses, including reasonable solicitor/client fees, administrative fees and disbursements and all claims, demands, actions and other proceedings made, sustained, brought, prosecuted, threatened to be brought or prosecuted in any manner based upon, occasioned by or attributable to any injury to or death of a person or environmental effect or damage to or loss of property arising directly or indirectly and whether by reason of anything done as a result of any willful or negligent act or delay on the part of the Recipient or its employees, agents or voluntary workers in carrying out the Project, except that the Minister shall not claim indemnification under this section to the extent that the injury, loss or damage has been caused by the Minister or his/her employees or agents.

11. INSURANCE

The Recipient shall obtain appropriate insurance coverage for the Project and shall maintain such insurance coverage in full force and effect until the Project has been completed and shall provide evidence of such insurance coverage to the Minister, at the Minister's request.

12. DEFAULT AND REMEDIES

12.1 The following constitute events of default:

- (a) the Recipient becomes bankrupt, has a receiving order made against it, makes an assignment for the benefit of creditors, takes the benefit of a statute relating to bankrupt or insolvent debtors or an order is made or resolution passed for the winding up of the Recipient;
- (b) the Recipient ceases to operate;
- (c) the Recipient, either directly or through its representatives, makes or has made a false or misleading statement or representation in respect of any matter related to this Agreement other than in good faith;
- (d) in the Minister's opinion, a term, condition, commitment or obligation provided for in the Agreement has not been respected or complied with;
- (e) in the Minister's opinion, there is a material adverse risk in the Recipient's ability to complete the Project; or
- (f) the Recipient is no longer eligible under the eligibility criteria of the Program.

12.2 Where there is a default or where, in the Minister's opinion, there is likely to be a default under this Agreement, the Minister may reduce the funding level, suspend any payment, rescind this Agreement and immediately terminate any financial obligation arising out of it and recover from the Recipient any unexpended amount or any amount that the Recipient was not eligible or entitled to receive.

- 12.3 Any recoverable amount under section 12.2 shall be deemed to be a debt due and owing to Her Majesty and the Recipient shall pay the amount due to the Minister immediately.
- 12.4 Interest shall be charged on overdue repayments in accordance with the *Interest and Administrative Charges Regulations*, SOR/96-188.
- 12.5 The fact that the Minister refrains from exercising a remedy or any right herein shall not be considered to be a waiver of such remedy or right and, furthermore, partial or limited exercise of a remedy or right conferred on him shall not prevent him/her in any way from later exercising any other remedy or right under this Agreement or other applicable law.
- 12.6 Notwithstanding anything else provided for in this article, the Minister may not terminate this Agreement unless he has served written notice to the Recipient of the event of default and the Recipient has failed to remedy the default within a period of thirty (30) days from the date that the written notice was served. At the expiration of the thirty (30) days, the Minister may terminate this Agreement and rely on any remedy provided for under this Agreement if he or she deems that the Recipient has not remedied the event of default in a satisfactory manner. The Minister shall reimburse the Recipient for any eligible expenditures incurred to the effective date of termination.

13. REDUCTION OF FUNDING OR TERMINATION OF THE AGREEMENT

- 13.1 Any payment made under this Agreement is subject to the appropriation of funds by the Parliament of Canada for the fiscal year in which the payment is to be made.
- 13.2 Funding under this Agreement may, at any time, upon not less than ninety (90) days written notice, be reduced or terminated at the Minister's discretion if a parliamentary, governmental, departmental or program spending decision is made for any fiscal year in which payment is to be made under the Agreement, or a restructuring or re-ordering of the mandate and responsibilities of PCH or of the Program.
- 13.3 In the event of a termination under sections 13.1 and 13.2
- (a) the Recipient shall make no further commitments in relation to the Project and shall cancel or otherwise reduce, to the extent possible, the amount of any outstanding commitments in relation thereto; and
 - (b) the Minister may, in his/her sole discretion, allow the Recipient to retain sufficient funds to pay the legitimate costs of winding down the Project.

14. CONTRACTS RELATED TO THE PROJECT

The Recipient shall negotiate all contracts related to the Project, including employment contracts with staff, on terms that will enable the Recipient to cancel same upon conditions and terms that will minimize to the extent possible their cancellation costs in the event of a reduction of funding under this Agreement or termination of the Agreement pursuant to article 13 of the Agreement. The Recipient shall cooperate with the Minister and do everything reasonably within its powers at all times to minimize and reduce the amount that the Minister may decide to pay under subsection 13.3 b) in the event of a termination of this Agreement.

15. DISPUTE RESOLUTION

In the event of a dispute arising under the terms of this Agreement, the parties agree to make a good-faith attempt to settle the dispute. The parties agree that nothing contained in this provision shall affect, alter or modify the rights of the Minister under the Default and Remedies provision of this Agreement.

16. AUDIT AND EVALUATION

- 16.1 The Recipient acknowledges that, pursuant to section 7.1 of the *Auditor General Act*, R.S. (1985), c. A-17, the Auditor General of Canada may conduct compliance audits or performance evaluations with respect to this Agreement. The Recipient shall cooperate with the Auditor General or the Minister and their representatives or agents relative to any such compliance audit or performance evaluation and shall grant same access to the Recipient's documents, records and premises as required by the Auditor General or the Minister or their representatives or agents for purposes of such audit or evaluation. The auditor may discuss any concerns raised in such compliance audit or performance evaluations with the Recipient and with the Minister. The results may be reported to Parliament in a report of the Auditor General.
- 16.2 The evaluation of the Agreement is a joint concern of the Minister and the Recipient. To this end, the Recipient agrees:
- (a) that it shall provide activity reports in a way that shows progress in relation to the defined objectives and expected results of the Project and participate in any evaluation of the Project as required and as mutually agreed upon; and
 - (b) that the Minister reserves the right to make an evaluation at any time during the term of this Agreement and for a period of up to five (5) years after the end of this Agreement to ensure compliance with the terms and conditions of the Agreement

17. PARTNERSHIP

- 17.1 The parties acknowledge that this Agreement does not constitute an association for the purpose of establishing a partnership or joint venture and does not create an agency relationship between the Minister and the Recipient, and that it in no way implies any agreement or undertaking to conclude any subsequent agreement.
- 17.2 The Recipient shall not represent itself as being a partner, co-contractor, employee or agent of the Minister in carrying out the Project referred to in this Agreement.

18. APPLICABLE LEGISLATION

- 18.1. The Recipient must ensure that the Project is carried out in compliance with all applicable statutes, regulations, orders, standards and guidelines and shall ensure that any contractor is subject to the same obligations.
- 18.2. This Agreement shall be governed by and interpreted in accordance with the applicable laws of the Province of residence of the Recipient or main place of business.

19. NOTICES

- 19.1. Any notices to be given and all reports, information, correspondence and other documents to be provided by either party under this Agreement shall be given by personal delivery, mail, courier service, fax or email at the postal address, fax number or email address as the case may be, at the addresses and numbers indicated in the Application for funding.
- 19.2. If there is any change to the postal address, fax number or email address or contact person of a party, the party concerned shall notify the other in writing of the change, as soon as possible.
- 19.3. Notices, reports, information, correspondence and other documents that are delivered personally or by courier service shall be deemed to have been received upon delivery, or if sent by mail five (5) working days after the date of mailing, or in the case of notices and documents sent by fax or email, one (1) day after they are sent.

20. ASSIGNMENT AND SUBCONTRACTORS

The Recipient shall not assign this Agreement or any part thereof or any payments to be made there under without the written permission of the Minister, but nothing shall preclude the Recipient from enlisting the assistance of others in carrying out the obligations under this Agreement.

21. INTELLECTUAL PROPERTY

Any intellectual property developed as a result of the Project shall belong to the Recipient.

22. SUCCESSORS AND ASSIGNS

This Agreement is binding upon the parties and the successors and assigns of the Recipient.

23. AMENDMENTS

This Agreement may be amended by the mutual written consent of the Parties hereto. To be valid, any amendment to this Agreement shall be in writing and shall be signed by the Parties hereto or by their duly authorized representatives, while this Agreement is in effect.

The Recipient acknowledges having read and accepts the conditions set out in this Agreement.

The Recipient

Duly Authorized Representative,
Print

Witness, Print

Duly Authorized Representative,
Signature

Witness, Signature

Date

Date

ANNEX A

ACKNOWLEDGEMENT OF FINANCIAL ASSISTANCE

1. GENERAL

- 1.1. The “Department” as referenced in this Annex means the Department of Canadian Heritage over which the Minister of Canadian Heritage presides.
- 1.2. The “Project” as referenced in this Annex means any activity for which the Recipient has been funded either in whole, or in part, by the Department.
- 1.3. The “Acknowledgement Guide” as referenced in this Annex is the Acknowledgement Guide for Canada 150 Funding Recipients. The Acknowledgement Guide has been provided to you by the program.
- 1.4. The “Canada 150 Composite Logo” as referenced in this Annex means the Canada 150 logo positioned beside the Canada Wordmark. The style and use of the Canada 150 Composite Logo are outlined in the Acknowledgement Guide.
- 1.5. The Acknowledgement “Text” as referenced in this Annex is: “This project has been made possible in part by the Government of Canada.”, « *Ce projet a été rendu possible en partie grâce au gouvernement du Canada* ». Other acceptable variations of the Text are indicated in the Acknowledgement Guide.
- 1.6. The requirements listed in this Annex apply equally to a final recipient who receives funds from the government of Canada through a third party. These requirements must be included in all agreements between the third party and the final recipient.
- 1.7. The Recipient is encouraged to contact the Department of Canadian Heritage for questions regarding items in this Annex.

2. EQUAL ACKNOWLEDGEMENT

- 2.1. Recipient must acknowledge the Government of Canada’s support in at least equal prominence, proportion and duration as any other funding party, supporter or sponsor who has made a similar financial or in-kind contribution to the Recipient in support of the funded project.
- 2.2. The requirement to acknowledge Government of Canada support as set out in this Annex applies to media or public activities undertaken by the Recipient that are related to promoting the project that has been funded either in whole, or in part by the Government of Canada. This requirement is applicable for the duration of the project. However, the Department may deem advisable to withdraw, either in whole or in part, the requirement for acknowledgement of federal funding by the Recipient.

3. OFFICIAL LANGUAGES

The Recipient must acknowledge the Government of Canada’s support in English and in French, according to the conditions set out in this Annex.

4. ACKNOWLEDGEMENT ACTIVITIES

4.1. Printed materials, promotional items, clothing

The Recipient must display the Canada 150 Composite Logo and, where space allows, the Text on all printed materials, marketing materials, public reports, publications and media products (including news or media releases, backgrounders, media kits and media advisories) issued in any

format including print and electronic. Where materials are online, the Wordmark will link to the Government of Canada website at <http://www.canada.ca/150>;

In cases where a published document is the funded project (e.g. publication of a magazine), the acknowledgement must be prominently displayed in the masthead or an acknowledgement page at the front of the publication regardless of where the logos of other sponsors, supporters or funding parties are displayed;

The Recipient must display the Canada 150 Composite Logo on any promotional items related to the funded project if the logos of other sponsors, supporters or funding parties are to be displayed;

The Recipient must display the Canada 150 Composite Logo on uniforms or clothing related to the funded project. Acknowledgement on clothing must be pre-approved by the Department.

4.2. Social media

In order to allow the Department to share or retweet information about the funded project, including photos and videos, the Recipient must provide the Department with the address of all social media accounts (Twitter, Facebook, YouTube, Flickr or others) in which the recipient publishes information related to the funded project, if applicable. Recipient must send its list of social media accounts via email at this address: social.media@pch.gc.ca.

The Recipient must follow Canadian Heritage on social media by subscribing to the Twitter account [@CdnHeritage](https://twitter.com/CdnHeritage) or [@SportCanada_en](https://twitter.com/SportCanada_en) or [@canada150th](https://twitter.com/canada150th) and Facebook page at <http://www.facebook.com/CdnHeritage> or <https://www.facebook.com/canada150th> and is invited to share content of interest with its own subscribers, if applicable.

4.3. Press Releases

The Recipient must acknowledge the Government of Canada's support in all media releases that refer to funding sources for the funded project. The recommended sentence is: « This project has been made possible in part by the Government of Canada », « *Ce projet a été rendu possible en partie grâce au gouvernement du Canada* »

4.4. Websites and applications

The Recipient must display the Canada 150 Composite Logo and Text on the page or section where other sponsor, supporter or funding party logos are displayed for all Recipient-controlled public facing websites and applications (apps) related to the funded project. Where materials are electronic, the Wordmark must link to the Government of Canada's website at <http://www.canada.ca/150>.