



Town of Ladysmith 2013 Annual Report

Table of Contents

| | |
|--|----|
| Message from the Mayor | 2 |
| Mayor and Council..... | 4 |
| Council / Public Advisory Bodies | 6 |
| Message from the City Manager | 8 |
| Organizational Chart | 10 |
| Staff | 12 |
| Staff Committees..... | 13 |
| Summary of Services and Regional Relationships | 14 |
| Strategic Planning | 17 |
| 2013 in Review | 18 |
| Planning for the Future 2014..... | 32 |
| 2015 and Beyond | 34 |
| 2013 Financial Statements..... | 37 |
| 2013 Permissive Tax Exemptions..... | 73 |
| 2014 Community Profile | 75 |





Ladysmith *Heritage by the Sea*

Nestled on the eastern shores of spectacular Vancouver Island, the Town of Ladysmith features all the warmth and charm of small town living with a full range of services and amenities. Ladysmith is a growing community (population 8,077 in 2013, BC Stats) located just 88 km (55 miles) north of Victoria and 23 km (14 miles) south of Nanaimo.

Ladysmith's identity as a charming west coast town is steeped in its intriguing history and the history of the original inhabitants of the area, the people of the Stz'uminus First Nation. The community's strong sense of pride for its past is evident in its well-maintained architecture and streetscapes. Residents place a very high value on preserving Ladysmith's heritage, and the Town is taking measures to ensure those values are enshrined in all development related plans, policies and guidelines as we plan for a future that emphasizes the importance of environmental, social and economic resilience, as well as a strong sense of shared values and community identity, bound together with the green thread of sustainability.

Message from the Mayor

In 2013, Council identified “community resiliency” as our main focus for the year. We placed a priority on projects and initiatives that would strengthen our community and our ability to influence, prepare for, and thrive in these times of both local and global change.

These resilient community priorities in 2013 included:

- Starting the final stage of our \$22 million upgrade to the Town's Waste Water Treatment Plant. When finished (in 2016), the plant will be able to service a population of 17,000, and will provide secondary treatment of our liquid waste (sewage), which will help restore the health of the Ladysmith Harbour to its original condition.
- Ongoing collaboration with the Stz'uminus First Nation to forge ever-stronger relationships with our neighbours and work together on community development initiatives that will benefit citizens of both communities. In 2013 this included the extension of water and sewer infrastructure to portions of Stz'uminus First Nation lands, and the successful relocation of a significant Stz'uminus First Nation midden to allow for the expansion of the Town's Waste Water Treatment Plant.
- Becoming carbon neutral. Council signed the Provincial Climate Action Charter in 2008 and pledged that the corporation would be carbon neutral by 2012. We have made great strides in reducing our carbon footprint, but in order to keep that commitment, we purchased some carbon offset credits. Council chose to buy these from a local source – Cowichan Energy Alternatives. If we had started our curbside organics pick-up program a few years later we would have been able to include that in our carbon reduction initiatives and would be considered carbon neutral without the purchase of carbon offsets.
- The introduction of BC Transit on September 1st, connecting our citizens with communities south and laying the foundation for potential connections to communities north.
- Installing electric vehicle charging stations on First Avenue and at the Town's Public Works Yard, and joining a network of charging stations in communities up and down Vancouver Island, thanks to a \$16,000 grant.
- Conducting a detailed energy audit of the Frank Jameson Community Centre, which identified several initiatives we can undertake to reduce energy consumption and costs at the facility.
- Upgrading our water treatment facility.
- Undertaking negotiations with Couverdon/TimberWest to secure lands around Stocking and Holland Lakes to help protect the watershed that supplies drinking water for the Town and our neighbours in the surrounding communities; a key reason for considering Couverdon's request for the Town to expand its boundaries to take in some 700 acres of Couverdon-owned land.

Other important initiatives undertaken in 2013, in conjunction with partners, service groups and organizations throughout our community include:

- Community clean-up Days on April 21 and 22
- The opening of the Ladysmith Maritime Society's Harbour Heritage Centre
- The resurfacing of the Spray Park at Transfer Beach
- A new roof and new entrance doors for Aggie Hall
- Upgrades to Holland Creek Trails
- A new base for the Steam Donkey on Transfer Beach Boulevard
- Additional parking at Forrest Field
- Acquisition of a new Rescue Truck for our Fire/Rescue Department
- Investment by the Cowichan Valley Regional District of some \$4.2 million to upgrade the Peerless Road Recycling Facility into the region's largest public recycling drop-off depot



We have so much to be proud of and thankful for in our community. I continue to be impressed and touched by the enthusiastic volunteerism of our community members; the tireless commitment and professionalism of our Town staff; and the passionate, knowledgeable and dedicated volunteers on our Commissions and Committees. I continue to be amazed and delighted by the number of people who are willing to step forward to do their part to enhance our community or to lend a helping hand to others. On behalf of Council, I would like to thank each and every one of you for all that you do to help build a strong, vibrant and healthy community.

Mayor Rob Hutchins



Mayor and Council 2011 - 2014

The Mayor and Council of the Town of Ladysmith were each elected for a three-year term in the municipal election held in November 2011. Each member is appointed to standing portfolios, Town and regional committees.



Mayor Robert Hutchins

- CVRD Director
- Municipal Services Committee
- Community Health/Interagency Group
- Stocking Lake Advisory Commission
- Parcel Tax Review Panel

Alternate:

- Heritage Revitalization Advisory Commission
- Ladysmith Early Years Partnership
- Chamber of Commerce



Councillor Duck Paterson

- Municipal Services Committee
- Protective Services Committee
- Festival of Lights
- Parks, Recreation, and Culture Commission

Alternate:

- CVRD Director
- Ladysmith Celebrations
- Advisory Planning Commission



Councillor Steve Arnett

- Municipal Services Committee
- Vancouver Island Regional Library Board
- Parks, Recreation, and Culture Commission
- Ladysmith Celebrations
- Advisory Design Panel

Alternate:

- Social Planning Cowichan – Affordable Housing Directorate



Councillor Jillian Dashwood

- Municipal Services Committee
- Advisory Design Panel
- Community Safety Advisory Commission (CVRD)
- Social Planning Cowichan Affordable Housing Directorate
- Ladysmith Early Years Partnership
- Chamber of Commerce

Alternate:

- Protective Services Committee

*All appointments as of December 31, 2013



Councillor Glenda Patterson

- Municipal Services Committee
- Liquid Waste Management Committee
- Youth Advisory Committee
- Parcel Tax Review Panel

Alternate:

- Vancouver Island Regional Library Board
- Community Health/ Interagency Group



Councillor Bill Drysdale

- Municipal Services Committee
- Protective Services Committee
- Heritage Revitalization Advisory Commission
- Parcel Tax Review Panel

Alternate:

- Festival of Lights
- Ladysmith Downtown Business Association



Councillor Gordon Horth

- Municipal Services Committee
- Advisory Planning Commission
- Parks, Recreation and Culture Commission
- Liquid Waste Management Committee
- Ladysmith Downtown Business Association

Alternate:

- Youth Advisory Committee

Council / Public Advisory Bodies as at December 31, 2013

The Town of Ladysmith is governed by an elected Council made up of a Mayor and six Councillors. Municipal elections are held every three years. Starting with the November 15, 2014 election, municipal councils in British Columbia will be elected for four year terms.

Council also appoints citizens to serve on local Advisory Commissions. The role of the Commissions is to review matters referred by Council, and to make recommendations to help Council conduct its business.

Municipal Services Committee

(Council Committee of the Whole)

Responsible for advising and making recommendations to Council on a broad spectrum of issues related to departmental matters – Finance, Administration, Public Works, Parks, Recreation & Culture, and Development Services

Councillor Bill Drysdale, Chair

All members of Council

Ruth Malli, Management Liaison

Heritage Revitalization Advisory Commission

Jennifer Robinson, Chair

Gerry Beltgens

Marnie Craig

Tamara Hutchinson

Maureen Martin

Allen McDermid

Ann Rogers

Bernardien Knol, Historical Society Liaison

Bill Drysdale, Council Liaison

Rob Hutchins, Alternate Council Liaison

Felicity Adams, Management Liaison

Angela Vincent, Staff Liaison

Advisory Design Panel

Ron Kinney, Chair

Brian Childs

John Craig

Kaien Shimizu

Tamara Hutchinson

Ann Rogers, Heritage Revitalization Advisory Commission Liaison

Jill Dashwood, Council Liaison

Steve Arnett, Alternate Council Liaison

Lisa Brinkman, Staff Liaison

Advisory Planning Commission

Pamela Fraser, Chair

Tina Donovan

Dawn Evans

Todd Hancock

Bruce Laxdal

Brian McLaurin

Katherine Turner

Gord Horth, Council Liaison

Duck Paterson, Alternate Liaison

Lisa Brinkman, Staff Liaison

Felicity Adams, Management Liaison

Parks, Recreation and Culture Commission

William Vandergrift (Chair)

Bryon Adams

Alison Baillie

Chantal Blumel

Kathy Holmes

Glenn Popenko

John Perry

Brad Uytterhagen, Area H Representative

Tim Godau, Area G Representative

Duck Paterson, Council Liaison

Gord Horth, Council Liaison

Steve Arnett, Alternate Council Liaison

Clayton Postings, Management Liaison

Protective Services Committee

Duck Paterson, Council Liaison
Bill Drysdale, Council Liaison
Gaye Armstrong, Community Accountability Program
Ken Hamilton, Citizens on Patrol
Audrey Ballegeer, Community Police
Ray Delcourt, Ladysmith Fire/Rescue
S/Sgt. Dave Herman, RCMP
Eric Kesteloot, Stz'uminus First Nation
Brian McLaurin, Citizens on Patrol & Speed Watch
Sybille Sanderson, CVRD
Steven Van Der Minne, BC Ambulance Service
John Manson, Management Liaison
Ruth Malli, Management Liaison

Liquid Waste Management Committee

John Wilson, Chair
David Brown
Gerry Clarke
Jim Cram
Ross Davis
Greg Edwards
Ray Gauthier, Stz'uminus First Nation
David Leitch, CVRD
Blake Medlar, BC Ministry of Environment
Nick Meijer Drees
Lorena Mueller
Kirsten White, BC Ministry of Environment
Gord Horth, Council Liaison
Glenda Patterson, Council Liaison
John Manson, Management Liaison
Curtis Baker, Staff Liaison



Barrie McDonald (left) and Doug Bell were co-recipients of the 2013 Town of Ladysmith Community Legacy Award for their leadership in the Ladysmith Maritime Society Community Marina Visitor Information Centre project.

Message from the City Manager

On behalf of the staff of the Town of Ladysmith, I am pleased to present the 2013 Annual Report. The intention of this report is to provide an overview of what was achieved by the Town in the past year, as well as what is in progress and planned for the near future. The path to achievement in our Town is first paved by the community with the election of Council. The City Manager serves Council directly and acts as the primary liaison between staff and Council. The City Manager also facilitates the process through which Council determines the community priorities. As the senior staff leader, the City Manager is responsible to provide leadership, ensure that resources are appropriately utilized, that clear direction is provided to staff in order to achieve the priorities set by Council, and that service to the community is continuously improved and reflects our best efforts.

Council has set the priorities of Wise Financial Management, Effective Land Use Planning and Community Design, Dynamic Economic Development, Enhanced Standard of Infrastructure, Responsible Stewardship of the Environment, Safe and Healthy Community and Supportive Corporate Governance. The report on progress and future actions on these priorities are outlined on pages 21-40 of this Annual Report.

In 2013, we tightened the alignment between the Town's intention (vision, mission and strategic priorities), the deployment of resources (human, financial and physical) and measuring the outcomes or results of those efforts back to the stated intention. Across the country, citizens are demanding improved service, more accountability and transparency for the money that they are paying for service. Rightly so, citizens want to know what they are receiving for their investment and want to see better outcomes at less cost. There is pressure to deliver on the short term results, and finding time for longer term strategic thinking is often challenging. As an organization, the Town of Ladysmith has been in existence for over 100 years, and we have a responsibility to ensure that decisions always consider the longer-term impact on the community, both to current and future citizens.

A key focus of Council for 2013 was "community resiliency", and therefore the community priorities for the year invested in the longer term. Significant projects include waste water (sewer) treatment, water treatment, economic development, zoning bylaw, partnerships with First Nations and improvements to streamline internal organizational process. Performance measures were attached to the Sustainability Vision in 2013 with the adoption of the Ladysmith Sustainability Action Plan. Citizens are provided an annual performance report (Annual Report), as well as written monthly reports from the City Manager and the Director of Financial Services on financial matters.

The Town has a history of receiving numerous grants that enable us to make capital infrastructure investments or carry out initiatives that we might not otherwise be able to achieve. In 2013, we received grants from the Gas Tax Fund, Community to Community Grant and Carbon Action Grant.

Ladysmith is fortunate to have a high level of citizen engagement; there are many active volunteer groups that deliver service and events. The Town works with these groups to support their efforts. In the region, the Town actively works with the Cowichan Valley Regional District and others on issues or services that cross municipal borders. An illustration of this is the multi-jurisdictional municipal business license program. The Town also has an active partnership with the Stz'uminus First Nation; of significance this year was the development of a servicing agreement to share resources such as water and sewer services.



We are always gratified when our innovation and hard work are recognized, particularly at the provincial and national levels. In 2013, for the second year in a row, the Town was named one of Canada's Greenest Employers. Ladysmith was also selected as one of the communities in the Provincial Dynamic Downtowns' Workshop pilot project.

In summary, our success is attributed to people - an exceptionally engaged and caring community; a thoughtful, supportive, energetic and hard-working Council; strongly committed partner organizations; and a highly skilled team of dedicated staff who truly appreciate the honour of serving this community. I would like to thank all for making our community a better place to live and work. It is a privilege to serve and work with you.

Ruth Mali



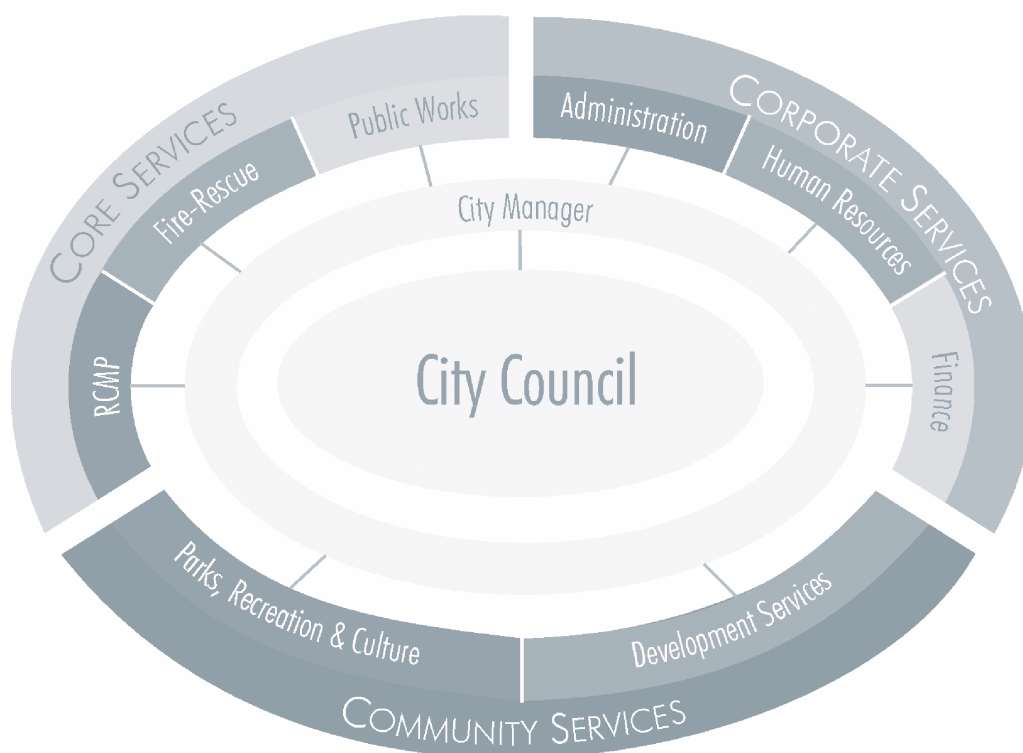
Infrastructure Services staff entertaining and educating visitors during the annual Public Works Day.

Corporate Structure

The internal organizational structure of the Town is divided into five departments in three divisions:

- Corporate Services (Administration, Information Technology and Human Resources)
- Development Services (Planning, Economic Development and Tourism)
- Financial Services
- Infrastructure Services (Public Works, Utilities and Parks Maintenance)
- Parks, Recreation and Culture

Each department is overseen by a Director, who reports to the City Manager. The City Manager reports to Council, and is responsible for ensuring that the strategic priorities and decisions established by Council are carried out by staff. Council also appoints a number of public advisory committees and commissions to make recommendations on matters related to Town governance and operations.



Civic Officials as of December 31, 2013

| | |
|---|--------------------|
| City Manager | Ruth Malli |
| Director of Infrastructure Services (Core Services) | John Manson |
| Director of Corporate Services..... | Sandy Bowden |
| Director of Parks, Recreation & Culture (Community Services) .. | Clayton Postings |
| Director of Development Services (Community Services) | Felicity Adams |
| Director of Financial Services (Corporate Services) | Erin Anderson |
| Manager of Accounting Services (Corporate Services) | Gerald Fukakusa |
| Manager of Administrative Services (Corporate Services) | Joanna Winter |
| Manager of Human Resources (Corporate Services) | Karen Cousins |
| Manager of Operations (Core Services) | Eric McMillan |
| Chief, Ladysmith Fire-Rescue (Core Services) | Ray Delcourt |
| Officer in Charge, RCMP Ladysmith Detachment..... | S/Sgt. Dave Herman |

Financial Institutions:

Ladysmith and District Credit Union
Royal Bank of Canada

Auditor:



Staff

City Hall & Development Services



L to R: (starting at back row) Kari-Anne McLennan, Doreen Frame, Samantha Eck, Jenn LeBlanc, Jim Cameron, Erin Anderson, Joan Ogden, Angela Vincent, Lisa Brinkman, Sue Bouma, Joanne Schneider, Beth Kirkland, Ruth Malli, Joanna Winter, Felicity Adams, Gerald Fukakusa, Sandy Bowden, Karen Cousins, Diane Webber

Public Works



L to R: Shawn Freer, Glen Britton, Chris Pinnington, Travis Crossen, Bob Simpson, Paul Trudell, Shawn Sturgeon, Martin Barney, John Manson, Greg Smith, Rocky Cousens, Mike Alexander, Ken Smith, Tom Skarvig, Phil Slater, Beverley Taschuk, Neil Bouma, Perry Madsen, Eric McMillan, Mike Morgan, Shane Lassam, Larry McLeod

L to R: Clayton Postings, Camelia Copp, Julie Tierney, Ann Randle, Meagan Randle, Kate Glenn

Parks, Recreation & Culture



L to R: Lois Walkling, Kelly Britton-Foster, Christine Young, Kelly Pearce, Morgan Hedin, Tami-Lyn Stephen, Victoria Timmermans, Mallory McLeod, Meagan Randle, Hiliary Britton-Foster, Aria MacColl



L to R: Suzanne Senecal, Dave Clausen, Paul Kenny, Len Manuel, Charlotte Williams, Les Kovacs



L to R: Sue Glenn, Tiffany Chapman, Kelly Britton-Foster, Heather Irwin, Debbie Windsor, PJ Halliday, Andie Gibson



Staff Committees as at December 31, 2013

Occupational Health & Safety Committee

Responsible for providing advice and recommendations to the employer on issues related to health and safety and the occupational environment, and to ensure compliance with WorkSafe BC Regulations

Members:

Charlotte Williams – Co-chair

Karen Cousins – Co-chair

Glen Britton

Martin Barney

Lisa Brinkman

Ray Delcourt

Eric McMillan

Clayton Postings

Labour Management Committee

Responsible for unionized employees, personnel issues, and union contract

Members:

Ruth Malli

Sandy Bowden

Karen Cousins

Susan Glenn

Jennifer LeBlanc

Bob Simpson

Green Team

Provides leadership on issues related to workplace environmental sustainability and the greater community

Members:

Samantha Eck

Ruth Malli

Joanne Schneider

Phil Slater

Julie Tierney

Diane Webber

Employee Wellness Committee

Responsible for organizing an on-going Corporate Wellness Program

Members:

Felicity Adams

Karen Cousins

Sue Glenn

Tom Skarvig

Marija Wiebe

Joanna Winter



Summary of Services & Regional Relationships

The Town of Ladysmith is building a future that emphasizes the importance of environmental, social and economic sustainability, as well as a strong sense of shared values and community identity. This blueprint for the future is designed to ensure a balance between community growth, the need for sustainability, and the community's desire to maintain the charming character of our historic town.

The Town is responsible for providing a wide variety of services to citizens. These include:

- ⇒ Transportation Network (roads, bridges, street cleaning, sidewalks, etc.)
- ⇒ Storm Water Management
- ⇒ Garbage/Recycling/Organics Collection
- ⇒ Sewage Treatment System
- ⇒ Water Supply
- ⇒ Parks, Recreation and Cultural Facilities, Programs and Services
- ⇒ Fire Protection
- ⇒ Land Use Planning
- ⇒ Economic Development
- ⇒ Building Inspection
- ⇒ Domestic Animal Control
- ⇒ Bylaw Establishment and Enforcement
- ⇒ Heritage and Revitalization
- ⇒ Cemetery
- ⇒ RCMP

Local government services that are not the responsibility of the Town of Ladysmith include:

- ⇒ School System (Provincial Government and Local School Board)
- ⇒ Social and Health Programs (Provincial Government)
- ⇒ Hospital Care System (Provincial Government)
- ⇒ Real Property Assessments (BC Assessment)
- ⇒ Solid Waste Disposal, 911, Emergency Planning (Cowichan Valley Regional District)
- ⇒ Employee Pension Plan (Provincial Plan)
- ⇒ Debt Marketing (Municipal Finance Authority)
- ⇒ Library Collection and Distribution System (Vancouver Island Regional Library)

The Town of Ladysmith is represented on the following regional boards, which provide a variety of services for the residents of Ladysmith:

- ⇒ Cowichan Valley Regional District
- ⇒ Cowichan Valley Regional Hospital District
- ⇒ Vancouver Island Regional Library

The Town of Ladysmith obtains services from the following inter-municipal organizations:

- ⇒ Municipal Finance Authority (MFA) - A provincial organization that provides marketing, placement and administration of municipal borrowing. This Authority also operates an investment pool and leasing program on behalf of municipalities.
- ⇒ Municipal Insurance Association (MIA) - The main purpose of the MIA is to pool the risks of liability so as to reduce the impact upon any member municipality. Under the Reciprocal Insurance Exchange Agreement the Municipality is assessed a premium and a specific deductible for its claims based on population.





Strategic Planning

The goal of a Strategic Plan is to provide a framework, or “umbrella”, for all other corporate planning documents. The Strategic Plan was built on public processes undertaken in 2003 and 2008/2009 and is renewed each year.

Vision

Ladysmith is a spirited community that values its small town quality of life, where we work together as stewards of our heritage, environment, and economy.

Mission

To ensure a safe, caring, and vibrant community.

Values

We lead with courage, respect, and integrity for a strong community.



Strategic Directions

In order to achieve the Vision, we follow seven strategic directions:

1. Wise Financial Management
2. Effective Land Use Planning and Community Design
3. Dynamic Economic Development
4. Enhanced Standard of Infrastructure
5. Responsible Stewardship of the Environment
6. Safe and Healthy Community
7. Supportive Corporate Governance

The Town of Ladysmith is guided by the principle of **Sustainability** in all its plans:

Sustainability Action Plan Priority Actions

1. Growth and Development
2. Transportation
3. Energy and Emissions
4. Green and Natural Systems
5. Water and Waste Systems
6. Culture and Identity
7. Public Health and Social Development
8. Economic Development
9. Local Food and Agriculture
10. Leadership and Partnerships

Eight Pillars of Sustainability

1. Complete Community Land Use
2. Low Impact Transportation
3. Green Buildings
4. Multi-use Landscapes
5. Innovative Infrastructure
6. Local Food Systems
7. Healthy Community
8. Local, Diverse Economy

2013 in Review

Wise Financial Management

The Town is committed to ensuring wise financial management and providing fair value to the taxpayer. The Financial Services Department takes the lead role in this direction, providing budget services, accounting, and financial management. It supports strategic decision-making by providing the necessary financial information to Council and staff.

In the area of finance, the Town is guided by a philosophy of pay-as-you-go. Strategies include user pay, increasing the non-taxation sources of revenue, maintaining adequate reserves, minimizing tax increases, maximizing municipal resources, forming partnerships, and performing business case analysis.

Financial Services include:

- Financial planning and budgeting
- Financial management and investment
- Financial reporting
- Payment for products and services
- Billing and collection

2013 by the Numbers

13 grants received and managed,
totalling \$1,375,509

479 business licences

1042 dog licences

\$11.8 million -- average dollar value
of investments managed

407 subscribers to electronic utility
billing

295 subscribers to pre-authorized
utility payment program

Wise Financial Management

What we committed to:

Complete sales of Town-owned properties

Introduce automatic utility billing

Establish new reserve funds for future expenditures

Update the Purchasing Policy and the Grants-in-Aid Policy

Revamp dog licence fees

Update Building Permit fees

Establish Inter-Community Business Licence Program with other Vancouver Island communities

Introduce cost efficiencies where practical (e.g. cell phone plans)

What we achieved:

- Sold one property; three others are being marketed
- Implemented online utility billing and pre-authorized debit for payments
- Established Fitness Equipment and City Hall Replacement Reserve Funds
- Adopted new Purchasing Policy and updated Grants-in-Aid Policy
- Brought dog licence and building permit fees in line with neighbouring communities
- Developed and adopted Inter-Community Business Licence Program
- Coordinated Town cell phone plans to achieve efficiencies
- Executed first Economic Revitalization Agreements



2013 in Review

Effective Land Use Planning and Community Design

The Town undertakes community planning so that economic, ecological, physical and social factors are integrated into sensitive and appropriate community design. Development must also align with the Town's Sustainability Vision and Action Plan, Official Community Plan and Zoning Bylaw, as well as provincial legislation. The Development Services Department takes the lead role in this direction and is responsible for both guiding and promoting development in Ladysmith, implementing this direction through community planning and economic development functions.

The Town will plan and promote the development of a vibrant mixed-use community. This will be a key element in the community's goal of economic diversification and the creation of a complete community.

Development Services include:

- Long Range Planning (community and area plans, specific issue studies)
- Development (subdivision referrals and development applications)
- Heritage Revitalization (Heritage Revitalization Advisory Commission, Downtown Sign Permits)
- Urban Design (Advisory Design Panel, Development Permits)
- Tourism Promotion (brochures, advertising, www.tourismladysmith.ca website)
- Economic Development (Community Profile, investor enquiries, 'ease the process' materials, Business and Development Portal on Town website)

2013 by the Numbers

15 Development Permit applications processed

2 Development Variance Permit applications processed

5 Rezoning applications processed

16 Sign Permit applications processed

1 Temporary Use Permit application processed

15 Commission and Committee meetings organized and attended

6 Naut'sa Mawt Steering Committee meetings organized and attended

5 Zoning Bylaw Update Project meetings held

300 customer enquiries addressed

Effective Land Use Planning and Community Design

What we committed to:

Undertake the Zoning Bylaw review

Consider new regulations for detached secondary suites

Update the Waterfront Area Plan pending completion of the Zoning Bylaw review

Update Design Guidelines

Continue boundary extension discussions with TimberWest/Cou-verdon

Negotiate a partnership and services agreement with the Stz'uminus First Nation

Support the Naut'sa Mawt (Work-ing Together) Steering Committee

What we achieved:

- Continued the Zoning Bylaw Review Project (including Design Guidelines and detached secondary suites) – carried out Council, stakeholder and public engagement activities, continued technical review work
- Continued process for a Memorandum of Understanding with Couverdon Real Estate regarding the boundary extension process and Baseline Studies to be prepared by the applicant; boundary extension application received in October
- Researched and drafted development approval information area bylaw provisions
- Committed to commencing Waterfront Area Plan update when the Zoning Bylaw Review is completed
- Continued negotiations on provision of services with the Stz'uminus First Nation through the process of the Naut'sa Mawt Steering Committee



2013 in Review

Dynamic Economic Development

The Town is committed to a complete community, to keep and foster local business, to attract new businesses, and to expand our tax and employment base. The Development Services Department takes the lead role in this direction. The Department is responsible for both guiding and promoting economic development in Ladysmith in collaboration with local and regional partners.

Through partnerships with local businesses and other levels of government, the Town facilitates the development of a sustainable economy.

Economic Development Services include:

- Facilitating the growth of existing and future businesses in key areas
- Assisting with business retention and expansion
- Setting strategic directions for economic development
- Publishing an annual Community Profile
- Maintaining the Business and Development Portal on the Town's website at www.ladysmith.ca

2013 by the Numbers

9 tourism marketing advertisements placed

2 meetings of the Partnership for an Economically Diverse Community held (with Ladysmith Chamber of Commerce, Ladysmith Downtown Business Association and Stz'uminus First Nation)

What we committed to:

Update the Community Profile with 2011 Census and National Household Survey Data

Facilitate retention and expansion of business by continuing to prepare 'ease the approvals process' materials

Market to attract tourism investment

Market to attract 'green business'

Design new signage for public parking lots in the downtown area

Support initiatives for clean-up of the Ladysmith Harbour and waterfront in support of the shellfish and other marine-related industries

Negotiate technical terms for sewer and water expansions to areas outside current service area

Participate in regional initiatives such as the Regional Visitor Information Centre, Cowichan Community Profile, Economic Development Cowichan and the TransCanada Trail

What we achieved:

- Published 2013 Community Profile with updated census information
- Marketed Town of Ladysmith to visitors and business investors through Tourism Vancouver Island Travel Planning Map, Cowichan Travel Planner, Chronicle Ladysmith Guide, Chronicle Chemainus Guide, Take 5 Ladysmith Guide and Enterprise Magazine, Tourism Ladysmith website, Town of Ladysmith Business and Development Portal
- Hosted two workshops with community business leaders and Stz'uminus First Nation to build a 'Partnership for an Economically Diverse Community' and develop joint economic development strategic priorities
- Reviewed Town signage with Ladysmith Chamber of Commerce and Ladysmith Downtown Business Association
- Commenced update to the Community Heritage Register
- Negotiated a servicing agreement to provide sewer and water services to Stz'uminus First Nation lands
- Hosted a Dynamic Downtowns workshop
- Worked with the provincial government on updates to blue highway signage



2013 in Review

Enhanced Standard of Infrastructure

The Town is committed to creating a legacy of durable, functional, and effective physical infrastructure to support future community growth and development. The Infrastructure Services Department takes the lead role in this direction.

The Infrastructure Services Department is responsible for the planning, design, construction, operation, and maintenance of new and existing municipal infrastructure. Strategies include: securing financing from other levels of government, examining innovative approaches and new technology, building reserves and appropriate financing methods and performing systematic analysis.

Infrastructure Services include:

- Engineering services
- Transportation and infrastructure (roads, sidewalks, sewer and water mains)
- Treatment and delivery of drinking water
- Liquid waste management (sewage)
- Solid waste management (garbage, recyclables, organics)
- Cemetery services (interments, marker installations and grounds maintenance)

2013 by the Numbers

65 km of roads

36 km of sidewalks

69 km of water mains

54 km of sewer mains

2,911 residential sewer connections

2,753 single family dwelling water connections

365 consecutive days providing tested and approved drinking water

31 interments in the Ladysmith Cemetery

24 marker installments in the Ladysmith Cemetery

489 customer service requests addressed

Enhanced Standard of Infrastructure

What we committed to:

Complete design phase for secondary treatment at Waste Water Treatment Plant

Implement Liquid Waste Management Plan

Upgrade composting system at Public Works

Bring Cowichan Valley Regional Transit service to Ladysmith

Replace ballpark bleachers

Relocate Stz'uminus First Nation midden at Waste Water Treatment Plant site

Install electric charging stations

Upgrade water supply chlorination system

Upgrade water main on Sixth Avenue

Maintain existing road infrastructure

What we achieved:

- Commenced design phase for Waste Water Treatment Plant Phase III -- construction to commence in 2014
- Completed Liquid Waste Management Plan and secured approval by the Minister; implementation and updates are ongoing
- Completed upgrade of Public Works composting system to compost biosolids and municipal green waste
- Commenced Cowichan Valley Regional Transit services on September 1, 2013
- Installed new bleachers at Dogwood Park and Holland Creek Park
- Relocated Stz'uminus midden at Waste Water Treatment Plant site
- Installed two electric charging stations (on First Avenue and at Public Works Yard)
- Completed design and tendering for chlorination plant upgrades; construction in 2014
- Replaced Aggie Hall roof
- Upgraded water main on Sixth Avenue



2013 in Review

Responsible Stewardship of the Environment

The Town takes a leadership role in protecting and fostering our natural resources. The Development Services, Public Works and Parks, Recreation and Culture Departments each play a role in this strategic direction.

The Town promotes environmental stewardship by engaging the community and by setting up and enforcing responsible environmental standards.

Services in this direction include:

- Recycling and composting services
- Creating environmental policy
- Setting environmental standards for the community
- Setting environmental standards for the organization

2013 by the Numbers

3,018 units served with waste pick-up

1,487 tonnes of solid waste collected (organics, recycling and garbage)

59.7 % of total waste diverted from landfill

Responsible Stewardship of the Environment

What we committed to:

Adopt sustainability implementation plan

Achieve "Greenest Employer 2013" designation

Negotiate a contract with Multi-Material BC for collection of recyclables

Negotiate acquisition of watershed lands around Holland and Stocking Lakes as part of boundary extension discussions with Couverdon

What we achieved:

- Adopted Sustainability Implementation (Action) Plan in November
- Named one of Canada's Greenest Employers for second straight year
- Commenced negotiations with Multi-Material BC for contract to collect recyclable packaging
- Continued discussions with Couverdon Real Estate for proposed boundary expansion which would enable the Town to acquire additional watershed lands around Holland Lake and Stocking Lake
- Conducted energy audit and secured funding for energy conservation improvements at Frank Jameson Community Centre



2013 in Review

Safe and Healthy Community

The Town is committed to providing appropriate protective and recreational services and other initiatives to support community wellness. The Parks, Recreation & Culture Department, Ladysmith Fire/Rescue and the Ladysmith RCMP Detachment take lead roles in this direction.

Parks, Recreation & Culture Services include:

- Provide and facilitate recreation programs and services
- Plan, build, and maintain parks
- Community and leadership development and education
- Arts and Culture (support and development)

Safety (RCMP and Fire/Rescue) Services include:

- Fire suppression
- First responder / rescue / vehicle extraction
- Fire prevention, including fire inspection and public education
- Mutual aid to other fire departments
- Policing, Community Policing and Victim Services

2013 by the Numbers

116 registered fitness programs

675 drop in fitness programs

131 general programs
including day camps

768 registered aquatic
classes

705 aquatic fitness programs

645 public drop-in swim
sessions

127 other recreation programs
(day camps, art programs,
language programs)

36,95 Passes Sold

64,193 Passes Scanned

19,102 Single Admissions

Responded to 168 Fire/
Rescue incidents

RCMP responded to 3,592
calls for service in the entire
Detachment service area

RCMP Responded to 1,800
calls for service in the Town
of Ladysmith

Safe and Healthy Community

What we committed to:

Seek funding for future phases of Forrest Field facilities (Lot 108) and continue development of facilities

Enhance dog park facilities

Determine feasibility of creating or expanding trails

Continue to maintain existing trails and facilities

Train and certify staff in Emergency Operations Centre management

Acquire new Ladysmith Fire Rescue truck

What we achieved:

- Continued to pursue funding opportunities
- Expanded temporary parking at Forrest Field
- Considered options for off-leash areas in Town parks
- Carried out ongoing maintenance of 14 Town parks and 28.5 km of trails
- Worked with developers to incorporate connector trails and walkways in new developments
- Carried out safety improvements on Holland Creek Trail -- added railings, improved drainage and graded trails
- 7 staff took part in Justice Institute of BC Emergency Operations Centre training
- Implemented community programming improvements at Frank Jameson Community Centre based on results of a citizen survey, and increased communications with citizens through new e-newsletter, new Active Living Guide and use of social media
- Developed new community health programming, including a youth health partnership with Stz'uminus First Nation
- Installed solar lighting in lower parking lot at Frank Jameson Community Centre
- Acquired a new Fire Rescue Truck



2013 in Review

Supportive Corporate Governance

The Town is committed to supporting the activities of Council as required by legislation, to engaging in effective two-way communications with citizens and partners, and to nurturing our corporate human resources to ensure that the Town is optimally positioned to deliver on all strategic directions.

The Corporate Services Department takes the lead role and all departments coordinate in this direction.

Corporate Services include:

- Human resources management
- Support to Council
- Information technology
- Communications
- Freedom of information
- Records management
- Risk management
- Legal matters

2013 by the Numbers

66 Council meetings supported
28 Committee meetings supported
768 Council resolutions adopted
14 Freedom of Information requests processed
19 job postings managed
541 applications received
18 statutory advertisements placed
5 Corporate Services newsletters published
5 Parks, Recreation and Culture newsletters published
932 e-mail subscribers

Supportive Corporate Governance

What we committed to:

Adopt Information Systems Strategic Plan

Implement ongoing organizational streamlining processes and integrated reporting systems

Develop organization succession plan

Implement business case analysis process

Streamline Records Management processes

Enhance Occupational Health and Safety training and awareness throughout the organization

Implement pro-active disclosure of Closed Council Meeting resolutions

What we achieved:

- Adopted Information Systems Strategic Plan; referred recommendations to 2014 budget
- Implemented efficiencies in purchasing processes, streamlined the Purchasing Policy, and revamped the internal general ledger system and employee development criteria and process
- Completed draft Succession Plan to be considered by Council in 2014
- Implemented monthly Records Management training sessions for administrative staff.
- Completed the business case analysis process and applied it to analyze a service opportunity
- Completed Violence in the Workplace training for all staff
- Participated in collective bargaining negotiations for new contract with Canadian Union of Public Employees Local 401
- Implemented disclosure of Closed Council Meeting resolutions in accordance with policy



Planning for the Future - 2014

Council will continue to focus on 'Community Resiliency' as the Town's overriding strategic objective for the year 2014. The following are the priorities for the year.

| | |
|-------------------------------------|---|
| Wise Financial Management | <ul style="list-style-type: none">◦ Establish an Infrastructure Reserve Fund and a Fitness Equipment Reserve Fund◦ Promote and administer the Inter-Municipal Business Licence Program◦ Implement a Property Tax Pre-Payment Plan◦ Streamline internal financial processes◦ Develop policies to support the Town's long-term capital plan◦ Commence a Development Cost Charges review |
| Effective Land Use | <ul style="list-style-type: none">◦ Complete the Zoning Bylaw Update◦ Implement the Services Agreement with the Stz'uminus First Nation◦ Commence update of the Waterfront Area Plan◦ Introduce a Community Amenity Contribution Policy◦ Support the Naut'sa Mawt Steering Committee◦ Continue Boundary Extension Application process as directed |
| Dynamic Economic Development | <ul style="list-style-type: none">◦ Support the Economic Development Partnership and assist with strategy development and implementation◦ Install new parking lot signage and downtown banners◦ Update www.tourismladysmith.ca website with a mobile-friendly platform◦ Install First Nations place name signs◦ Support the Ladysmith Chamber of Commerce in establishing a new Business Centre in their new premises |
| Enhanced Standard of Infrastructure | <ul style="list-style-type: none">◦ Commence construction of Waste Water Treatment Plant◦ Repair bank at Gourlay Janes Park◦ Commence work on pavement management study◦ Begin design work on Aggie Hall parking upgrades◦ Provide watershed security◦ Investigate options for water filtration, carry out a pilot project◦ Commence replacement of Holland Creek Trail bridge◦ Create models for analysis of sewer and water network capacity |

| | |
|---|--|
| Enhanced Standard of Infrastructure (cont'd.) | <ul style="list-style-type: none"> ◦ Implement sewer and water services agreement with Stz'uminus First Nation ◦ Complete the water system chlorination upgrade and investigate options for water filtration ◦ Commence the Master Transportation Plan ◦ Install a weather station at the Public Works Yard ◦ Conduct assessments on building, bridge and road infrastructure |
| Responsible Stewardship of the Environment | <ul style="list-style-type: none"> ◦ Restore habitat and improve the culvert crossing at Ladysmith Golf Course ◦ Implement a recyclables collection contract with Multi-Material B.C. ◦ Complete energy upgrades at Frank Jameson Community Centre to reduce energy consumption and costs |
| Safe and Healthy Community | <ul style="list-style-type: none"> ◦ Install closed circuit video monitoring equipment and live scan fingerprint equipment at Ladysmith RCMP Detachment ◦ Increase seasonal policing during the summer months ◦ Carry out ongoing upgrades at Forrest Field ◦ Review fees and charges for buildings and facility rentals ◦ Maintain Healthy Living Program with Stz'uminus First Nation ◦ Enhance partnerships with community organizations ◦ Collaborate on related initiatives at a regional level ◦ Increase participation in fitness and recreation programs ◦ Investigate online registration and booking system |
| Supportive Corporate Governance | <ul style="list-style-type: none"> ◦ Conduct November 15, 2014 Local Government Election ◦ Adopt a succession plan for the organization ◦ Conclude contract negotiations with CUPE Local 401 ◦ Streamline service delivery in order to determine new building requirements ◦ Upgrade the organization's records management system ◦ Install a new telephone system to replace the obsolete one currently in use ◦ Commence implementation of the Information Systems Strategic Plan |

2015 and Beyond

Wise Financial Management

- Implement a long-term financial plan
- Implement an asset replacement plan
- Conduct an in-depth review of Development Cost Charges
- Ensure adequate funding for the Equipment Replacement and Civic Buildings Reserve Funds (to replace the aging City Hall and Fire Hall)

Effective Land Use Planning and Community Design

- Continue with Waterfront Area Plan update
- Continue Boundary Extension Application process as directed
- Review Master Transportation Plan
- Review and update the Subdivision Bylaw

Dynamic Economic Development

- Continue to encourage development of green industries
- Implement the directional signage as provided by consultants
- Liaise with marine groups to create a pathway and railway crossing to connect the waterfront and downtown core for marine tourists

Enhanced Standard of Infrastructure

- Complete the Waste Water Treatment Plant to offer secondary treatment
- Implement Geographic Information System (GIS)
- Work with the Cowichan Valley Regional District to create a composting facility
- Complete water, sewer and storm main replacement
- Work with the Cowichan Valley Regional District to make any necessary improvements to the Stocking Lake Dam
- Begin construction of a water filtration plant
- Continue to upgrade water supply mains

Responsible Stewardship of the Environment

- Implement the Sustainability Action Plan
- Begin construction on Water Filtration Plant
- Seek future discharge locations for marine waste water
- Continue to compost Waste Water Treatment Plant sludge
- Implement the Sustainability Action Plan

Safe and Healthy Community

- Investigate online registration and booking at Frank Jameson Community Centre
- Continue upgrades of facilities at Forrest Field
- Update the Parks, Recreation and Culture Master Plan
- Continue to maintain parks and trails for public enjoyment
- Replace firefighters' turn-out gear
- Replace fire rescue vehicles in accordance with the Vehicle Replacement Plan
- Ensure adequate funding is available to commence construction of an expansion to the Fire Hall

Supportive Corporate Governance

- Upgrade Information Technology
- Conduct Citizen Surveys to ensure the Town is providing the desired services
- Upgrade the electronic records management system and implement a comprehensive Records Management Strategy
- Ensure adequate funding is available to begin construction of a new City Hall to better facilitate Council and Committee meetings and business with the public





Consolidated Financial Statements

As at December 31, 2013

Audited

2013 Financial Statements

Statement of Responsibility

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.

The Council of the Town met with management and the external auditors to review the consolidated financial statements and to discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

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.



Ruth Malli, City Manager

Index to the Financial Statements

December 31, 2013

Consolidated Financial Statements

Consolidated Statement of Financial Position
Consolidated Statement of Operations
Consolidated Statement of Cash Flows
Consolidated Statement of Changes in Net Financial Assets
Notes to the Consolidated Financial Statements

Schedules

| | |
|------|--|
| I | Obligations under capital leases |
| II | Debtenture debt |
| III | Tax revenues |
| IV | Schedule of fees and charges |
| V | Continuity schedule of reserves and appropriated equity |
| VI | Schedule of Restricted Reserves, Reserves and Equity by fund |
| VII | Grant Revenue |
| VIII | Statement of Operations by Segment – 2013 |
| IX | Statement of Operations by Segment – 2012 |
| X | Consolidated Statement of Tangible Capital Assets – 2013 |
| XI | Consolidated Statement of Tangible Capital Assets – 2012 |

Independent Auditor's 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, 2013 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 generally accepted 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, 2013 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.

Other Matter

The comparative figures were audited by another auditor who issued an unqualified opinion dated May 13, 2013.

Nanaimo, British Columbia

The logo for MNP LLP, featuring the letters 'MNP' in a large, stylized font, with 'LLP' in a smaller font to the right.

Consolidated Statement of Financial Position as at December 31, 2013

| | 2013 | 2012 |
|--|-----------------------------|-----------------------------|
| Financial Assets | | |
| Cash and short term deposits (Note 3) | \$ 12,591,022 | \$ 11,439,569 |
| Accounts receivable (Note 4) | <u>2,900,746</u> | <u>2,663,634</u> |
| | <u>15,491,768</u> | <u>14,103,203</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities (Note 5) | 1,562,524 | 1,239,606 |
| Post-employment benefits (Note 6) | 225,900 | 247,200 |
| Deferred revenue (Note 7) | 229,240 | 212,738 |
| Refundable deposits and other (Note 8) | 396,242 | 416,637 |
| Restricted reserves - other (Note 9) | 474,213 | 463,832 |
| Development cost charge reserve (Note 9) | 1,517,690 | 1,489,935 |
| Federal gas tax reserve (Note 11) | 854,988 | 675,377 |
| Obligations under capital lease (Note 12 & Schedule I) | 575,566 | 156,274 |
| Debenture debt (Note 13 & Schedule II) | <u>3,476,347</u> | <u>3,711,148</u> |
| | <u>9,312,710</u> | <u>8,612,747</u> |
| Net Financial Assets | <u>6,179,058</u> | <u>5,490,456</u> |
| Non-Financial Assets | | |
| Tangible Capital Assets (Schedule X & XI) | 77,877,676 | 77,375,354 |
| Prepays | 118,649 | 98,834 |
| Inventory | <u>84,075</u> | <u>83,642</u> |
| | <u>78,080,400</u> | <u>77,557,830</u> |
| Accumulated Surplus (Note 18) | <u><u>\$ 84,259,458</u></u> | <u><u>\$ 83,048,286</u></u> |
| Commitments and Contingencies (Note 14) | | |
| Subsequent Events (Note 22) | | |



 Director of Financial Services

See accompanying notes to the financial statements

Consolidated Statement of Operations

For the year ended December 31, 2013

| | 2013 | Budget 2013 (Note 19) | 2012 |
|--|----------------------|-----------------------------|----------------------|
| Revenue | | | |
| Taxes - (Schedule III) | \$ 8,286,919 | \$ 8,290,099 | \$ 7,837,932 |
| Fees and charges | | | |
| General (Schedule IV) | 1,735,914 | 1,698,455 | 1,684,808 |
| Sewer (Schedule IV) | 718,265 | 673,272 | 680,043 |
| Water (Schedule IV) | 676,576 | 687,600 | 694,452 |
| Investment Income | 121,411 | 75,000 | 112,183 |
| Penalty and interest on tax | 123,620 | 110,000 | 117,983 |
| Grants (Schedule VII) | 1,375,509 | 1,313,051 | 1,871,963 |
| Donations and contributed property | 24,636 | 261,000 | 168,506 |
| Gain (loss) on disposal of tangible capital assets | (43,587) | - | 14,309 |
| Development fees | 108,075 | 108,075 | 108,075 |
| Local area improvements | 8,922 | 8,921 | 8,922 |
| Gas tax funds utilized | 81,225 | 273,550 | 54,705 |
| | <u>13,217,485</u> | <u>13,499,023</u> | <u>13,353,881</u> |
| Expenses | | | |
| General government services | 2,103,832 | 2,297,005 | 2,234,109 |
| Protective services | 1,820,194 | 1,857,993 | 1,655,013 |
| Transportation services | 2,138,016 | 2,293,007 | 2,115,007 |
| Garbage services | 462,974 | 474,931 | 465,798 |
| Cemetery services | 23,953 | 42,073 | 38,073 |
| Development services | 557,198 | 1,094,544 | 522,925 |
| Recreation and cultural services | 2,218,835 | 2,281,987 | 2,274,371 |
| Parks operation services | 867,892 | 887,694 | 867,734 |
| Sewer | 983,611 | 1,426,309 | 909,460 |
| Water | 829,808 | 1,763,331 | 798,194 |
| | <u>12,006,313</u> | <u>14,418,874</u> | <u>11,880,684</u> |
| Annual Surplus (Deficit) | 1,211,172 | (919,851) | 1,473,197 |
| Accumulated Surplus, beginning of year | <u>83,048,286</u> | <u>83,048,286</u> | <u>81,575,089</u> |
| Accumulated Surplus - end of year | <u>\$ 84,259,458</u> | <u>\$ 82,128,435</u> | <u>\$ 83,048,286</u> |

See accompanying notes to the financial statements

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2013

| | 2013 | 2012 |
|--|----------------------|----------------------|
| Operations | | |
| Annual Surplus | \$ 1,211,172 | \$ 1,473,197 |
| Less non-cash items: | | |
| Amortization | 2,528,284 | 2,421,478 |
| Loss (gain) on disposal of tangible capital assets | 43,587 | (14,309) |
| Actuarial adjustments on debt debenture | (68,475) | (59,783) |
| Contribution to land | - | (89,684) |
| Changes in non-cash items: | | |
| Accounts receivable | (237,112) | (157,614) |
| Accounts payable, accrued liabilities and post-employment benefits | 301,618 | (239,771) |
| Inventory and prepaid expenses | (20,247) | (52,746) |
| Deferred revenues | 16,502 | (543,580) |
| Restricted reserves | 10,381 | 23,603 |
| Federal gas tax reserve | 179,611 | 205,492 |
| Development cost charge reserve | 27,755 | 286,512 |
| Refundable deposits and other | (20,395) | (17,802) |
| Net increase (decrease) in cash from operations | <u>3,972,681</u> | <u>3,234,993</u> |
| Capital Transactions | | |
| Proceeds on sale of tangible capital assets | 129,986 | 37,309 |
| Cash used to acquire tangible capital assets | (2,735,453) | (2,601,214) |
| | <u>(2,605,467)</u> | <u>(2,563,905)</u> |
| Financing | | |
| Proceeds from new debt | - | 1,000,000 |
| Repayment of long-term debt | (215,761) | (166,055) |
| Net (Decrease) Increase in cash from financing | <u>(215,761)</u> | <u>833,945</u> |
| Increase in Cash and Short Term Deposits | 1,151,453 | 1,505,033 |
| Cash and Short Term Deposits - Beginning of Year | 11,439,569 | 9,934,536 |
| Cash and Short Term Deposits - End of Year | <u>\$ 12,591,022</u> | <u>\$ 11,439,569</u> |

See accompanying notes to the financial statements

Consolidated Statement of Changes in Net Financial Assets For the Year Ended December 31, 2013

| | 2013 | Budget 2013 (Note 19) | 2012 |
|--|---------------------|-----------------------------|---------------------|
| Annual Surplus (Deficit) | \$ 1,211,172 | \$ (919,851) | \$ 1,473,197 |
| Acquisition of tangible capital assets | (3,204,179) | (9,473,641) | (2,777,530) |
| Amortization of tangible capital assets | 2,528,284 | 2,270,000 | 2,421,478 |
| Loss (gain) on sale of tangible capital assets | 43,587 | - | (14,309) |
| Proceeds from sale of tangible capital assets | 129,986 | - | 37,310 |
| Decrease (Increase) in inventories | (433) | - | 7,854 |
| Decrease (Increase) in prepaids | (19,815) | - | (60,600) |
| Change in Net Financial Assets | <u>688,602</u> | <u>(8,123,492)</u> | <u>1,087,400</u> |
| Net Financial Assets (Net Debt), beginning of year | <u>5,490,456</u> | | <u>4,403,056</u> |
| Net Financial Assets (Net Debt), end of year | <u>\$ 6,179,058</u> | | <u>\$ 5,490,456</u> |

See accompanying notes to the financial statements

Notes to the Consolidated Financial Statements For the Year Ended December 31, 2013

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>Reserve 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> |

(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

Notes to the Consolidated Financial Statements For the Year Ended December 31, 2013

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 Cash Equivalents

Cash and cash equivalents include cash and short-term deposits with maturities of three months or less from the date of acquisition.

These notes form an integral part of these financial statements

Notes to the Consolidated Financial Statements For the Year Ended December 31, 2013

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, deferred charges, accrued liability, post-employment benefits, provisions for contingencies and amortization rates, useful lives and salvage values for determining capital asset values. Actual results could differ from those estimates. 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.

(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.

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.

Notes to the Consolidated Financial Statements For the Year Ended December 31, 2013

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) Recent Accounting Pronouncements

In June 2010, the Public Sector Accounting Board (PSAB) issued PS 3260 *Liability for Contaminated Sites* to establish recognition, measurement and disclosure standards for liabilities associated with the remediation of contaminated sites. The new section defines activities included in a liability for remediation, establishes when to recognize and how to measure a liability for remediation, and provides the related financial statement presentation and disclosure requirements. PS 3260 is effective for fiscal years beginning on or after April 1, 2014. The Town does not expect the adoption of the new section to have a material impact on its consolidated financial statements.

These notes form an integral part of these financial statements

Notes to the Consolidated Financial Statements For the Year Ended December 31, 2013

3. Cash and Short Term Deposits

Cash and short term deposits were comprised as follows:

| | 2013 | 2012 |
|---------------------|----------------------|----------------------|
| Cash | \$ 11,839,089 | \$ 10,695,810 |
| Short term deposits | 751,933 | 743,759 |
| | <u>\$ 12,591,022</u> | <u>\$ 11,439,569</u> |

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.

| | 2013 | 2012 |
|----------------------------------|---------------------|---------------------|
| Restricted reserves - other | \$ 474,213 | \$ 463,831 |
| Federal gas tax reserve | 854,988 | 675,377 |
| Development cost charges reserve | 1,495,960 | 1,489,936 |
| Total restricted cash | <u>\$ 2,825,161</u> | <u>\$ 2,629,144</u> |

4. Accounts Receivable

| | 2013 | 2012 |
|--------------------------|---------------------|---------------------|
| Property taxes | \$ 1,136,828 | \$ 1,230,701 |
| Other government | 427,359 | 563,637 |
| User fees and other | 1,294,748 | 834,787 |
| Development cost charges | 21,730 | - |
| Developer receivables | 16,253 | 29,071 |
| Employee receivables | 3,828 | 5,438 |
| | <u>\$ 2,900,746</u> | <u>\$ 2,663,634</u> |

Development cost charges (DCC's) are collected on the approval of subdivision or the issuance of a building permit. These funds assist the Town in constructing capital improvements directly or indirectly related to the development. Development cost charges represent funds due from developers within two years and are secured by irrevocable standby letters of credit. No interest is charged on these outstanding installments.

These notes form an integral part of these financial statements

Notes to the Consolidated Financial Statements For the Year Ended December 31, 2013

5. Accounts Payable and Accrued Liabilities

| | 2013 | 2012 |
|----------------------|---------------------|---------------------|
| General | \$ 1,241,444 | \$ 933,929 |
| Other governments | 111 | 181 |
| Salaries and wages | 161,707 | 129,634 |
| Contractor holdbacks | 118,339 | 142,727 |
| Accrued interest | 40,923 | 33,135 |
| | <u>\$ 1,562,524</u> | <u>\$ 1,239,606</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 October 31, 2012 and has been extrapolated to December 31, 2013. The change in the liability in the financial statements in respect of obligations under the plan amounts to (\$21,300). (2012 - \$5,800).

The accrued post-employment benefits are as follows:

| | 2013 | 2012 |
|----------------------------|-------------------|-------------------|
| Balance, beginning of year | \$ 247,200 | \$ 253,000 |
| Current service costs | 28,800 | 28,500 |
| Benefits paid | (5,000) | (63,000) |
| Actuarial (gain)/loss | (45,100) | 28,700 |
| Balance, end of year | <u>\$ 225,900</u> | <u>\$ 247,200</u> |

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

| | 2013 | 2012 |
|---|-------|-------|
| Discount Rate | 3.90% | 3.40% |
| Expected Inflation Rate and Wage & Salary Increases | 2.50% | 2.50% |

These notes form an integral part of these financial statements

Notes to the Consolidated Financial Statements For the Year Ended December 31, 2013

7. Deferred Revenue

| | 2013 | 2012 |
|-----------------------------|-------------------|-------------------|
| Licence fees & charges | \$ 1,814 | \$ 5,016 |
| Rental payments | 26,701 | 22,229 |
| Prepaid property tax | 101,590 | 89,838 |
| Subdivision tree prepayment | 35,105 | 38,808 |
| Recreation prepayment | 24,676 | 17,992 |
| Utilities | 31,857 | 33,711 |
| Other | 7,497 | 5,144 |
| | <u>\$ 229,240</u> | <u>\$ 212,738</u> |

8. Refundable Deposits and Other

| | 2013 | 2012 |
|--------------------------------|-------------------|-------------------|
| Developer performance deposits | \$ 198,932 | \$ 215,467 |
| Damage deposits | 195,580 | 199,685 |
| Other | 1,730 | 1,485 |
| | <u>\$ 396,242</u> | <u>\$ 416,637</u> |

These notes form an integral part of these financial statements

Notes to the Consolidated Financial Statements For the Year Ended December 31, 2013

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, LRCA Capital and B&G Capital for the replacement of specific building components located at 630 2nd Avenue and 220 High Street.

| Description | Balance | | Interest | Contributions | Expenditures | Balance | | |
|---------------|---------------|-----------|----------|---------------|--------------|---------------|----|-----------|
| | Dec. 31, 2012 | | | | | Dec. 31, 2013 | | |
| DCC - Water | \$ | 218,156 | \$ | 2,757 | \$ | - | \$ | 243,358 |
| DCC - Parks | | 238,605 | | 2,889 | | - | | 258,724 |
| DCC - Roads | | 577,748 | | 6,409 | | (108,075) | | 520,273 |
| DCC - Sewer | | 126,187 | | 1,543 | | - | | 160,007 |
| DCC - Storm | | 329,239 | | 3,933 | | - | | 335,328 |
| | | 1,489,935 | | 17,531 | | (108,075) | | 1,517,690 |
| Gas Tax | | 675,377 | | 8,216 | | (81,225) | | 854,988 |
| Parking | | 74,132 | | 903 | | - | | 75,035 |
| Green Streets | | 1,394 | | 17 | | - | | 1,411 |
| Amphitheatre | | 13,300 | | 167 | | 600 | | 14,067 |
| Trolley | | - | | 4 | | 4,773 | | (4,777) |
| LRC - Capital | | 363,027 | | 114 | | 11,314 | | (7,968) |
| B&G - Capital | | 11,979 | | 170 | | 5,064 | | - |
| | | 463,832 | | 1,375 | | 21,751 | | (12,745) |
| TOTAL | \$ | 2,629,144 | \$ | 27,122 | \$ | 392,670 | \$ | (202,045) |
| | | | | | | | \$ | 2,846,891 |

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. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

These notes form an integral part of these financial statements

Notes to the Consolidated Financial Statements For the Year Ended December 31, 2013

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.

| | 2013 | 2012 |
|---------------------------------------|-------------------|-------------------|
| Opening balance of unspent funds | \$ 675,377 | \$ 469,885 |
| Add: Amounts received during the year | 252,620 | 252,714 |
| Interest earned | 8,216 | 7,483 |
| Less: Gas tax funds utilized | (81,225) | (54,705) |
| Closing balance of unspent funds | <u>\$ 854,988</u> | <u>\$ 675,377</u> |

12. Obligations under Capital Lease

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

| | |
|------------|-----------|
| 2014 | \$ 58,838 |
| 2015 | 58,062 |
| 2016 | 94,923 |
| 2017 | 38,198 |
| 2018 | 30,206 |
| Thereafter | 295,339 |

Debt interest, less actuarial adjustments in the consolidated statement of financial activities, is calculated as \$9,058 (2012 - \$2,673).

These notes form an integral part of these financial statements

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2013

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 September 28, 2010, for the purchase of a fire truck. Under the terms of the agreement the Town has prepaid \$97,000. The remaining obligation will be repaid with monthly lease payments in the amount of \$773 including interest at 1.75% per annum. The balance of the capital lease at December 31, 2013, which is included in obligation under capital leases, is \$59,905. Lease to expire September 2015. (2012 - \$65,179)
- 2) A five year capital lease agreement with the Municipal Finance Authority of British Columbia which commenced on August 2011 for the purchase of a Photocopier. The remaining obligation will be repaid with monthly lease payments in the amount of \$329 including interest at 2.0% per annum. The balance of the capital lease at December 31, 2013, which is included in obligation under capital leases, is \$10,611. Lease to expire July 2016. (2012 - \$13,867)
- 3) 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 2.0% per annum. The balance of the capital lease at December 31, 2013, which is included in obligation under capital leases, is \$58,585. Lease to expire May 2017. (2012 - \$71,290)
- 4) 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 2.0% per annum. The balance of the capital lease at December 31, 2013, which is included in obligation under capital leases, is \$4,928. Lease to expire July 2017. (2012 - \$5,938)
- 5) 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 2.0% per annum. The balance of the capital lease at December 31, 2013, which is included in obligation under capital leases, is \$432,570. Lease to expire March 2018.
- 6) 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 2.0% per annum. The balance of the capital lease at December 31, 2013, which is included in obligation under capital leases, is \$8,967. Lease to expire February 2019.

These notes form an integral part of these financial statements

Notes to the Consolidated Financial Statements For the Year Ended December 31, 2013

FOR THE YEAR ENDED DECEMBER 31, 2013

13. Debenture Debt

In 2012, new long term debt was issued through the Municipal Finance Authority in the amount of one million dollars to fund waterworks projects. The total long term debt issued and outstanding as at December 31, 2013 was \$3,476,347 (\$3,711,148 as at December 31, 2012). The following principal amounts are payable over the next five years.

| | 2014 | 2015 | 2016 | 2017 | 2018 | Thereafter |
|---------------------|-------------------|-------------------|------------------|------------------|------------------|---------------------|
| Sewer - Principal | \$ 8,117 | \$ 8,483 | \$ - | \$ - | \$ - | \$ - |
| Water - Principal | 24,012 | 24,012 | 24,012 | 24,012 | 24,012 | 855,928 |
| General - Principal | 190,877 | 196,495 | 66,033 | 66,033 | 66,033 | 1,898,288 |
| | <u>\$ 223,006</u> | <u>\$ 228,990</u> | <u>\$ 90,045</u> | <u>\$ 90,045</u> | <u>\$ 90,045</u> | <u>\$ 2,754,216</u> |

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

| | Interest | Actuarial Adjustment | 2013 Net | 2012 Net |
|--------------------|-------------------|----------------------|-------------------|-------------------|
| Sewer - Interest | \$ 3,187 | \$ 3,110 | \$ 77 | \$ (73) |
| Water - Interest | 41,545 | - | 41,545 | 17,000 |
| General - Interest | 219,463 | 65,365 | 154,098 | 162,457 |
| | <u>\$ 264,195</u> | <u>\$ 68,475</u> | <u>\$ 195,720</u> | <u>\$ 179,384</u> |

14. 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, 2013 for incidents which arose in the ordinary course of operations. In the opinion of management and legal counsel, the 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.

These notes form an integral part of these financial statements

Notes to the Consolidated Financial Statements For the Year Ended December 31, 2013

FOR THE YEAR ENDED DECEMBER 31, 2013

14. Commitments and Contingencies (continued)

(b) Pension Liability

The municipality and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 179,000 active members and approximately 71,000 retired members. Active members include approximately 72 contributors from the Town of Ladysmith.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1.37 billion funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. 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 with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan,

The Town of Ladysmith paid \$377,728 (\$347,369 - 2012) for employer contributions to the Plan in fiscal 2013.

(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.

15. Significant Taxpayers

The Town is reliant upon 10 taxpayers for approximately 21.80% (2012 – 22.05%) of the total property tax revenue which includes Western Forest Products at approximately 13.59% (2012 – 14.45%) of the total property tax revenue.

These notes form an integral part of these financial statements

Notes to the Consolidated Financial Statements For the Year Ended December 31, 2013

FOR THE YEAR ENDED DECEMBER 31, 2013

16. 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:

| | 2013 | 2012 |
|--|------------|------------|
| Assets | | |
| Cash and short term investment | \$ 141,707 | \$ 139,697 |
| Equity | | |
| Opening balance | \$ 139,697 | \$ 137,592 |
| Interest | 1,668 | 1,725 |
| Transfer interest to fund cemetery costs | (1,668) | (1,725) |
| Contributions | 2,010 | 2,105 |
| Balance, end of year | \$ 141,707 | \$ 139,697 |

17. Comparative Figures

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

These notes form an integral part of these financial statements

Notes to the Consolidated Financial Statements For the Year Ended December 31, 2013

18. Accumulated Surplus

The Town segregates its accumulated surplus in the following categories:

| | <u>2013</u> | <u>2012</u> |
|-----------------------------------|----------------------|----------------------|
| Unappropriated equity | \$ 2,461,781 | \$ 2,293,139 |
| Appropriated equity (Schedule V) | 7,131,815 | 6,004,098 |
| | <u>9,593,596</u> | <u>8,297,237</u> |
| Capital Funds | | |
| General capital fund | 112,067 | 4,653 |
| Sewer capital fund | 834 | 826 |
| Water capital fund | 607,883 | 1,130,618 |
| | <u>720,784</u> | <u>1,136,097</u> |
| Reserve Funds | | |
| Reserve funds (Schedule V) | <u>119,315</u> | <u>107,020</u> |
| Equity in Tangible Capital Assets | <u>73,825,763</u> | <u>73,507,932</u> |
| Total Accumulated Surplus | <u>\$ 84,259,458</u> | <u>\$ 83,048,286</u> |

19. Annual Budget

Fiscal plan amounts represent the Financial Plan Bylaw adopted by Council on May 13, 2013.

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 | (2,270,000) |
| Proceeds from new debt | (4,729,000) |
| Transfers to/from Owns funds | (3,845,255) |
| Less: | |
| Principle payments on debt | 450,762 |
| Capital expenditures per budget | 11,311,272 |
| Capital Expenditures expensed in accordance with the Tangible Capital Asset Policy | <u>(1,837,630)</u> |
| Adjusted Annual Surplus | <u>\$ (919,851)</u> |

These notes form an integral part of these financial statements

Notes to the Consolidated Financial Schedules For the Year Ended December 31, 2013

20. 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.

21. 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:

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

Notes to the Consolidated Financial Statements For the Year Ended December 31, 2013

21. 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.

Transportation (Public Works) operated the Ladysmith Trolley, a service that was discontinued on September 1, 2013.

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

Notes to the Consolidated Financial Statements For the Year Ended December 31, 2013

21. 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.

22. Subsequent Events

Subsequent to year end, the Town entered into a combination loan/grant agreement between the Federation of Canadian Municipalities and the Municipal Finance Authority for \$10,000,000 for the construction of the third phase of the waste-water treatment plant.

These notes form an integral part of these financial statements

Obligations Under Capital Leases

For the Year Ended December 31, 2013 - Schedule I

| | | Original | Balance | PST | Principal | Balance | Net | Interest |
|---------------------|---------|-------------------|-------------------|-----------------|------------------|-------------------|-----------------|----------|
| | Term | Amount | Dec 31, 2012 | Adjustment | Payments | Dec 31, 2013 | Interest (1) | Rate |
| Spartan Fire Truck | 2010-15 | \$ 312,258 | \$ 65,178 | \$ 3,258 | \$ 8,531 | \$ 59,905 | \$ 1,208 | 4.02% |
| City Hall Copier | 2011-16 | 19,780 | 13,868 | 667 | 3,924 | 10,611 | 239 | 2.00% |
| Fire Bush Truck | 2012-17 | 83,652 | 71,290 | 3,479 | 16,184 | 58,585 | 1,261 | 2.00% |
| P.W. Copier | 2012-17 | 6,748 | 5,938 | 290 | 1,300 | 4,928 | 105 | 2.00% |
| Spartan Fire Truck | 2013-18 | 452,066 | - | - | 19,496 | 432,570 | 6,245 | 2.00% |
| Ricoh Copier - FJCC | 2014-19 | 8,967 | - | - | - | 8,967 | - | 2.00% |
| | | <u>\$ 883,471</u> | <u>\$ 156,274</u> | <u>\$ 7,694</u> | <u>\$ 49,435</u> | <u>\$ 575,566</u> | <u>\$ 9,058</u> | |

(1) Interest, net of actuarial adjustments

Debenture Debt

For the Year Ended December 31, 2013 - Schedule II

| | Issue # | Term | Original Amount | Balance Dec 31, 2012 | Principal Payments | Balance Dec 31, 2013 | Net Interest (1) | Interest Rate |
|------------------------------------|------------|---------|---------------------|----------------------------|-----------------------|-------------------------|---------------------|------------------|
| <u>Sewer Capital Fund</u> | | | | | | | | |
| 2000 Sewer Improvements | 72 | 2000-15 | \$ 93,500 | \$ 24,369 | \$ 7,768 | \$ 16,601 | \$ 76 | 6.45% |
| <u>Water Capital Fund</u> | | | | | | | | |
| 2012 Water Improvements | 118 | 2012-37 | \$ 1,000,000 | \$1,000,000 | \$ 24,012 | \$ 975,988 | \$ 41,545 | 3.40% |
| <u>General Capital Fund</u> | | | | | | | | |
| 2000 First Avenue | 73 | 2000-15 | \$ 1,438,000 | \$ 374,774 | \$ 119,468 | \$ 255,306 | \$ 43,468 | 6.35% |
| 2006 RCMP Building | 97 | 2006-31 | 2,750,000 | 2,312,005 | 83,553 | 2,228,452 | 110,631 | 4.66% |
| | | | <u>\$ 5,281,500</u> | <u>\$3,711,148</u> | <u>\$ 234,801</u> | <u>\$ 3,476,347</u> | <u>\$ 195,720</u> | |

(1) Interest, net of actuarial adjustments

Tax Revenues

For the Year Ended December 31, 2013 - Schedule III

| | Actual 2013 | Budget 2013 | Actual 2012 |
|--|---------------------|---------------------|---------------------|
| General Taxes | | | |
| General municipal purposes | \$ 6,773,970 | \$ 6,781,999 | \$ 6,381,921 |
| Grants in lieu and 1% utility tax | 158,857 | 158,250 | 153,150 |
| Water and sewer parcel tax | 1,354,154 | 1,349,850 | 1,301,280 |
| | <u>\$ 8,286,981</u> | <u>\$ 8,290,099</u> | <u>\$ 7,836,351</u> |
| Collections for other governments: | | | |
| School district | \$ 3,032,020 | \$ 3,031,765 | \$ 2,975,207 |
| Regional hospital district | 570,051 | 569,895 | 451,270 |
| Regional district | 798,977 | 798,845 | 729,711 |
| BCAA and MFA | 85,446 | 85,442 | 84,122 |
| Library | 303,110 | 303,456 | 286,272 |
| | <u>\$ 4,789,604</u> | <u>\$ 4,789,403</u> | <u>\$ 4,526,582</u> |
| Less: | | | |
| Transmission of taxes levied for other governments: | | | |
| School district | \$ 3,032,020 | \$ 3,031,765 | \$ 2,975,207 |
| Regional hospital district | 569,895 | 569,895 | 450,665 |
| Regional district | 798,845 | 798,845 | 728,771 |
| BCAA and MFA | 85,450 | 85,442 | 84,122 |
| Library | 303,456 | 303,456 | 286,236 |
| | <u>\$ 4,789,666</u> | <u>\$ 4,789,403</u> | <u>\$ 4,525,001</u> |
| Net Taxation | <u>\$ 8,286,919</u> | <u>\$ 8,290,099</u> | <u>\$ 7,837,932</u> |

Schedule of Fees and Charges

For the Year Ended December 31, 2013 - Schedule IV

| | Actual 2013 | Budget 2013 | Actual 2012 |
|-------------------------------------|----------------------------|----------------------------|----------------------------|
| General Revenue Fund | | | |
| Fines and Licence Revenue | \$ 76,826 | \$ 80,800 | \$ 77,996 |
| Garbage Collection | 516,384 | 510,000 | 505,292 |
| General Revenue Fund | 21,173 | 2,050 | 18,154 |
| Trolley Revenue | 7,862 | 2,000 | 14,239 |
| Cemetery Revenue | 30,020 | 31,000 | 31,015 |
| Miscellaneous Revenue | 145,088 | 92,186 | 94,326 |
| Parks, Recreation & Culture Revenue | 606,779 | 618,105 | 584,349 |
| Permits and Fees (Subdivisions) | 89,535 | 136,200 | 116,192 |
| Protective Services Revenue | 242,247 | 226,114 | 243,245 |
| | <u>\$ 1,735,914</u> | <u>\$ 1,698,455</u> | <u>\$ 1,684,808</u> |
| Sewer Utility Fund | | | |
| User Rates | <u>\$ 718,265</u> | <u>\$ 673,272</u> | <u>\$ 680,043</u> |
| Waterworks Utility Fund | | | |
| User Rates | <u>\$ 676,576</u> | <u>\$ 687,600</u> | <u>\$ 694,452</u> |
| Total Fees and Charges | <u><u>\$ 3,130,755</u></u> | <u><u>\$ 3,059,327</u></u> | <u><u>\$ 3,059,303</u></u> |

Continuity Schedule of Reserves and Appropriated Equity For the Year Ended December 31, 2013 - Schedule V (Unaudited)

| | Balance Dec. 31, 2012 | Interest Allocated | Contributions | Funding | Balance Dec. 31, 2013 |
|---|--------------------------|-----------------------|---------------------|-------------------|--------------------------|
| RESERVES | | | | | |
| Tax Sale | \$ 24,863 | \$ 286 | \$ - | \$ - | \$ 25,149 |
| Perpetual Safety Fund | 12,373 | 143 | - | - | 12,516 |
| Sale Real Property | - | - | - | - | - |
| Amenity Funds | 69,784 | 866 | 11,000 | - | 81,650 |
| TOTAL RESERVES | \$ 107,020 | \$ 1,295 | \$ 11,000 | \$ - | \$ 119,315 |
| APPROPRIATED EQUITY - OPERATIONS | | | | | |
| General Operating Fund | | | | | |
| Future Projects | 696,310 | - | 667,339 | 288,761 | 1,074,888 |
| Equipment | 630,252 | - | 157,682 | 89,591 | 698,343 |
| Land & Building | 136,318 | - | 86,500 | - | 222,818 |
| Tax Contingency | 161,266 | - | 46,720 | 50,000 | 157,986 |
| Snow & Ice Removal | - | - | 25,000 | - | 25,000 |
| Infrastructure Deficit | - | - | 70,000 | - | 70,000 |
| Total General Fund Appropriated Equity | 1,624,146 | - | 1,053,241 | 428,352 | 2,249,035 |
| Water Operating Fund | | | | | |
| Capital Expenditures | 694,766 | - | 455,492 | 57,287 | 1,092,971 |
| MFA Surplus Refunds | 524,076 | - | - | - | 524,076 |
| Total Water Operating Fund | 1,218,842 | - | 455,492 | 57,287 | 1,617,047 |
| Sewer Operating Fund | | | | | |
| Capital Expenditures | 2,554,757 | - | 197,072 | 92,449 | 2,659,380 |
| MFA Surplus Refunds | 606,353 | - | - | - | 606,353 |
| Total Sewer Operating Fund | 3,161,110 | - | 197,072 | 92,449 | 3,265,733 |
| TOTAL APPROPRIATED EQUITY | \$ 6,004,098 | \$ - | \$ 1,705,805 | \$ 578,088 | \$ 7,131,815 |
| TOTAL RESERVES AND APPROPRIATED EQUITY | \$ 6,111,118 | \$ 1,295 | \$ 1,716,805 | \$ 578,088 | \$ 7,251,130 |

Schedule of Restricted Reserves, Reserves and Equity by Fund As at December 31, 2013 - Schedule VI (Unaudited)

| | Restricted Reserves | Allocated Reserves | Appropriated Equity | Unappropriated Equity | Capital Funds Equity | Total |
|------------------------|------------------------|-----------------------|------------------------|--------------------------|-------------------------|----------------------|
| General operating fund | \$ - | \$ - | \$ 2,249,035 | \$ 259,773 | \$ - | \$ 2,508,808 |
| Water operating fund | - | - | 1,617,047 | 479,012 | - | 2,096,059 |
| Sewer operating fund | - | - | 3,265,733 | 1,722,996 | - | 4,988,729 |
| Reserve fund | 2,846,891 | 119,315 | - | - | - | 2,966,206 |
| General capital fund | - | - | - | - | 112,067 | 112,067 |
| Water capital fund | - | - | - | - | 607,883 | 607,883 |
| Sewer capital fund | - | - | - | - | 834 | 834 |
| Total | \$ 2,846,891 | 119,315 | \$ 7,131,815 | \$ 2,461,781 | \$ 720,784 | \$ 13,280,586 |

Grant Revenue

As at December 31, 2013 - Schedule VII

| | 2013 | 2012 |
|--------------------------|---------------------|---------------------|
| Grants: | | |
| Provincial conditional | \$ 7,958 | \$ 918,782 |
| Provincial unconditional | 338,478 | 710,268 |
| Federal conditional | 184 | 102,473 |
| Federal unconditional | - | 134,205 |
| Regional conditional | 941,644 | - |
| Other | 87,245 | 6,235 |
| | <u>\$ 1,375,509</u> | <u>\$ 1,871,963</u> |

Statement of Operations by Segment As at December 31, 2013 - Schedule VIII

| | General Government | | | Transport Environment & Public Health | | | Development | | | Recreation & Culture | | | Parks | | | Water | | | Sewer | | | Total | |
|----------------------------------|--------------------|----------------|------|---------------------------------------|------|------|-------------|------|------|----------------------|------|------|----------------|------|------|--------------|------------|--------------|--------------|------|------|-------|--|
| | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | | |
| REVENUE | | | | | | | | | | | | | | | | | | | | | | | |
| Tax | \$ 6,932,765 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 394,900 | \$ 959,254 | \$ 959,254 | \$ 8,286,919 | | | | |
| Fees & Charges | 56,297 | 338,197 | | 584,266 | | | | | | 59,410 | | | 685,018 | | | 12,726 | 683,776 | 711,065 | 3,130,755 | | | | |
| Investment income | 103,189 | - | | - | | | | | | - | | | - | | | - | 18,214 | 8 | 121,411 | | | | |
| Penalty & Interest on tax | 123,620 | - | | - | | | | | | - | | | - | | | - | - | - | 123,620 | | | | |
| Grants | 297,225 | 31,530 | | 26,113 | | | | | | 99,891 | | | 163,763 | | | 11,868 | - | 745,119 | 1,375,509 | | | | |
| Donations & contributed property | - | - | | 3,335 | | | | | | 3,701 | | | 11,600 | | | 6,000 | - | - | 24,636 | | | | |
| Gain (loss) on disposal | 37,000 | - | | (78,325) | | | | | | - | | | - | | | - | - | (2,262) | (43,587) | | | | |
| Development fees | - | - | | 108,075 | | | | | | - | | | - | | | - | - | - | 108,075 | | | | |
| Local area improvements | - | - | | - | | | | | | - | | | - | | | - | - | 8,922 | 8,922 | | | | |
| Gas tax fund utilized | 8,415 | - | | 12,266 | | | | | | - | | | 2,653 | | | - | - | 57,892 | 81,225 | | | | |
| Total revenue | 7,558,511 | 369,727 | | 655,730 | | | | | | 163,002 | | | 863,034 | | | 30,594 | 1,096,890 | 2,479,998 | 13,217,485 | | | | |
| EXPENSES | | | | | | | | | | | | | | | | | | | | | | | |
| Contracted Services | 270,782 | 986,200 | | 691,584 | | | | | | 193,178 | | | 202,254 | | | 47,156 | 115,154 | 139,185 | 2,645,493 | | | | |
| Grants In Aid | 95,750 | 11,000 | | - | | | | | | - | | | - | | | - | - | - | 106,750 | | | | |
| Insurance | 69,168 | 24,853 | | (10,697) | | | | | | - | | | 32,355 | | | - | 3,917 | 12,508 | 132,104 | | | | |
| Interest | 239 | 119,344 | | 43,573 | | | | | | - | | | - | | | - | 41,545 | 76 | 204,777 | | | | |
| Materials & Supplies | 28,401 | 129,560 | | 166,138 | | | | | | 6,025 | | | 88,517 | | | 95,359 | 34,213 | 45,040 | 593,253 | | | | |
| Utilities & Telephone | 10,973 | 23,103 | | 13,906 | | | | | | 7,229 | | | 45,890 | | | 500 | 1,500 | 11,971 | 115,072 | | | | |
| Wages & Benefits | 1,318,869 | 324,321 | | 642,442 | | | | | | 343,936 | | | 1,556,538 | | | 392,746 | 310,869 | 303,143 | 5,192,864 | | | | |
| Other | 119,643 | 42,426 | | 82,226 | | | | | | 6,830 | | | 83,748 | | | 84,744 | 33,105 | 34,994 | 487,716 | | | | |
| Amortization | 190,007 | 159,387 | | 995,771 | | | | | | - | | | 209,532 | | | 247,387 | 289,505 | 436,695 | 2,528,284 | | | | |
| Total expenses | 2,103,832 | 1,820,194 | | 2,624,943 | | | | | | 557,198 | | | 2,218,835 | | | 867,892 | 829,808 | 983,611 | 12,006,313 | | | | |
| Surplus (Deficit) | \$ 5,454,679 | \$ (1,450,467) | | \$ (1,969,213) | | | | | | \$ (394,196) | | | \$ (1,355,801) | | | \$ (837,298) | \$ 267,082 | \$ 1,496,387 | \$ 1,211,172 | | | | |

Statement of Operations by Segment As at December 31, 2012 - Schedule IX

| | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 |
|----------------------------------|---------------------|-----------------------|-----------------------|---------------------|-----------------------|---------------------|-------------------|---------------------|------------|---------------------|
| REVENUE | | | | | | | | | | |
| Tax | \$ 6,536,652 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 354,400 | \$ 7,837,932 |
| Fees & charges | 84,326 | 353,538 | 582,021 | 59,631 | 600,221 | 5,071 | 694,452 | 680,043 | 11 | 3,059,303 |
| Investment income | 99,533 | - | - | - | - | - | - | 12,639 | - | 112,183 |
| Penalty & Interest on tax | 117,983 | - | - | - | - | - | - | - | - | 117,983 |
| Grants | 653,187 | 64,536 | 96,093 | 16,998 | 134,706 | - | - | 906,443 | - | 1,871,963 |
| Donations & contributed property | - | - | 89,684 | - | 5,795 | 65,347 | - | 7,680 | - | 168,506 |
| Gain (loss) on disposal | - | - | 14,309 | - | - | - | - | - | - | 14,309 |
| Development fees | - | - | 108,075 | - | - | - | - | - | - | 108,075 |
| Local area improvements | - | - | - | - | - | - | - | - | - | 8,922 |
| Gas tax funds utilized | 14,705 | - | 40,000 | - | - | - | - | - | - | 54,705 |
| Total revenue | 7,506,386 | 418,074 | 930,182 | 76,629 | 740,722 | 70,418 | 1,061,491 | 2,549,979 | | 13,353,881 |
| EXPENSES | | | | | | | | | | |
| Contracted Services | 431,384 | 863,309 | 522,974 | 162,640 | 49,475 | 34,975 | 95,900 | 101,287 | - | 2,261,944 |
| Grants In Aid | 103,100 | 11,000 | - | - | - | - | - | - | - | 114,100 |
| Insurance | 73,386 | 23,256 | 8,317 | - | 23,783 | - | 4,810 | 11,917 | - | 145,469 |
| Interest | 313 | 116,159 | 48,658 | - | - | - | 17,000 | (73) | - | 182,057 |
| Materials & Supplies | 29,539 | 73,148 | 81,206 | 5,269 | 111,432 | 127,452 | 48,333 | 38,763 | - | 515,142 |
| Utilities & Telephone | 10,667 | 43,303 | 129,553 | 6,124 | 159,352 | 20,358 | 5,510 | 40,462 | - | 415,329 |
| Wages & Benefits | 1,251,835 | 325,444 | 817,575 | 333,794 | 1,571,726 | 347,231 | 329,472 | 304,197 | - | 5,281,274 |
| Other | 89,707 | 48,062 | 80,397 | 12,858 | 150,537 | 88,448 | 41,838 | 32,044 | - | 543,891 |
| Amortization | 244,178 | 151,332 | 930,198 | 2,240 | 208,066 | 249,270 | 255,331 | 380,863 | - | 2,421,478 |
| Total expenses | 2,234,109 | 1,655,013 | 2,618,878 | 522,925 | 2,274,371 | 867,734 | 798,194 | 909,460 | | 11,880,684 |
| Surplus (Deficit) | \$ 5,272,277 | \$ (1,236,939) | \$ (1,688,696) | \$ (446,296) | \$ (1,533,649) | \$ (797,316) | \$ 263,297 | \$ 1,640,519 | | \$ 1,473,197 |

Consolidated Statement of Tangible Capital Assets For the Year Ended December 31, 2013 - Schedule X

| | Land | | Land Improvements | | Buildings | | Vehicles Furniture & Equipment | | Linear Infrastructure | | | | Assets Under Construction | | 2013 Total |
|-------------------|-------------|--------------|-------------------|--------------|--------------|--------------|--------------------------------------|--------------|-----------------------|----------------|-------------|-------|------------------------------|--|---------------|
| | Land | Improvements | Land | Improvements | Buildings | | Equipment | | Transportation | Sanitary Sewer | Storm Sewer | Water | Construction | | |
| COST | | | | | | | | | | | | | | | |
| Opening Balance | \$8,566,083 | \$7,716,115 | \$17,645,455 | \$5,341,424 | \$25,525,101 | \$19,938,904 | \$7,938,726 | \$15,703,689 | \$299,765 | \$108,675,262 | | | | | |
| Add: Additions | 0 | 60,451 | 73,566 | 684,392 | 17,967 | 57,892 | 0 | 213,734 | 2,096,177 | 3,204,179 | | | | | |
| Less: Disposals | 0 | 0 | 0 | 483,131 | 0 | 0 | 0 | 8,700 | 0 | 491,831 | | | | | |
| Less: Write-downs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | |
| Closing Balance | 8,566,083 | 7,776,566 | 17,719,021 | 5,542,685 | 25,543,068 | 19,996,796 | 7,938,726 | 15,908,723 | 2,395,942 | 111,387,610 | | | | | |

| | | | | | | | | | | | | | | | |
|--------------------------------------|--|-----------|-----------|-----------|------------|-----------|-----------|-----------|---|------------|--|--|--|--|--|
| ACCUMULATED AMORTIZATION | | | | | | | | | | | | | | | |
| Opening Balance | | 2,071,823 | 3,514,845 | 3,161,375 | 12,194,945 | 4,853,230 | 1,763,248 | 3,740,442 | | 31,299,908 | | | | | |
| Add: Amortization | | 227,057 | 456,031 | 280,118 | 740,073 | 432,777 | 105,981 | 286,247 | | 2,528,284 | | | | | |
| Less: Write-downs | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | | | | |
| Less: Acc. Amortization on Disposals | | 0 | 0 | 311,821 | 0 | 0 | 0 | 6,437 | | 318,258 | | | | | |
| Closing Balance | | 2,298,880 | 3,970,876 | 3,129,672 | 12,935,018 | 5,286,007 | 1,869,229 | 4,020,252 | 0 | 33,509,934 | | | | | |

| | | | | | | | | | | | | | | | |
|---|-------------|-------------|--------------|-------------|--------------|--------------|-------------|--------------|-------------|--------------|--|--|--|--|--|
| Net Book Value, year ended December 31, 2013 | \$8,566,083 | \$5,477,686 | \$13,748,145 | \$2,413,013 | \$12,608,050 | \$14,710,789 | \$6,069,497 | \$11,888,471 | \$2,395,942 | \$77,877,676 | | | | | |
|---|-------------|-------------|--------------|-------------|--------------|--------------|-------------|--------------|-------------|--------------|--|--|--|--|--|

(1) Included in the tangible capital assets are leased assets with a total cost of \$883,471 - (2012 - \$479,714) and accumulated amortization of \$108,021 - (2012 - \$114,760)

Consolidated Statement of Tangible Capital Assets For the Year Ended December 31, 2012 - Schedule XI

| | Land | | Land Improvements | | Buildings | | Vehicles Furniture & Equipment | | Linear Infrastructure | | | | Assets Under Construction | | 2012 Total |
|---|-------------|--|-------------------|--|--------------|--|--------------------------------|--|-----------------------|----------------|-------------|--------------|---------------------------|--|---------------|
| | | | | | | | | | Transportation | Sanitary Sewer | Storm Sewer | Water | | | |
| COST | | | | | | | | | | | | | | | |
| Opening Balance | \$8,552,571 | | \$7,571,586 | | \$17,627,130 | | \$5,197,725 | | \$25,480,203 | \$14,211,653 | \$7,844,102 | \$14,032,374 | \$5,535,993 | | \$106,053,337 |
| Add: Additions | 13,512 | | 144,529 | | 18,325 | | 299,304 | | 44,898 | 5,727,251 | 94,624 | 1,671,315 | 106,600 | | 8,120,358 |
| Less: Disposals | - | | - | | - | | 155,605 | | - | - | - | - | 5,342,828 | | 5,488,433 |
| Less: Write-downs | - | | - | | - | | - | | - | - | - | - | - | | - |
| Closing Balance | 8,566,083 | | 7,716,115 | | 17,645,455 | | 5,341,424 | | 25,525,101 | 19,938,904 | 7,938,726 | 15,703,689 | 299,765 | | 108,675,262 |
| ACCUMULATED AMORTIZATION | | | | | | | | | | | | | | | |
| Opening Balance | | | 1,845,125 | | 3,058,567 | | 3,017,247 | | 11,473,133 | 4,489,483 | 1,657,754 | 3,469,726 | | | 29,011,035 |
| Add: Amortization | | | 226,698 | | 456,278 | | 276,733 | | 721,812 | 363,747 | 105,494 | 270,716 | | | 2,421,478 |
| Less: Write-downs | | | - | | - | | - | | - | - | - | - | | | - |
| Less: Acc. Amortization on Disposals | | | - | | - | | 132,605 | | - | - | - | - | | | 132,605 |
| Closing Balance | | | 2,071,823 | | 3,514,845 | | 3,161,375 | | 12,194,945 | 4,853,230 | 1,763,248 | 3,740,442 | | | 31,299,908 |
| Net Book Value, year ended December 31, 2012 | \$8,566,083 | | \$5,644,292 | | \$14,130,610 | | \$2,180,049 | | \$13,330,156 | \$15,085,674 | \$6,175,478 | \$11,963,247 | \$299,765 | | \$77,375,354 |

2013 Permissive Property Tax Exemptions

| ORGANIZATION/ PROPERTY OWNER | Address | 2013 Tax Exemption |
|---|--------------------------------------|-------------------------|
| <u>Permissive Exemptions</u> | | |
| Alcoholics Anonymous | 12 Buller Street | \$ 1,516 |
| Anglican Synod Diocese of BC | 314 Buller Street | 1,233 |
| Arts Council of Ladysmith | Units J, K, L - 610 Oyster Bay Dr. | 724 |
| Boys & Girls Club | 220 High Street | 8,277 |
| Canadian Legion Branch #171 | 621 1st Avenue | 158 |
| Eco-Tourism Building | Transfer Beach | 1,915 |
| Island Corridor Foundation | | 13,333 |
| Ladysmith & District Historical Society | 1115B - 1st Avenue | 2,671 |
| Ladysmith Fellowship Baptist Church | 381 Davis Road | 1,727 |
| Ladysmith Festival of Lights | 1163 4th Avenue | 6,110 |
| Ladysmith Golf Club Society | 380 Davis Road | 2,794 |
| Ladysmith Health Care Auxiliary | 910 1st Avenue | 5,148 |
| Ladysmith Maritime Society | 611 Oyster Bay Drive | 12,327 |
| Ladysmith Maritime Society | Unit C, I & M - 610 Oyster Bay Drive | 1,493 |
| Ladysmith Maritime Society | 616 Oyster Bay Drive - Car Shop | 1,688 |
| Ladysmith Historical Society Museum | 721 1st Avenue | 4,497 |
| Ladysmith Resource Centre Association | 630 2nd Avenue | 12,156 |
| Ladysmith Seniors Centre Society | 630 2nd Avenue | 12,156 |
| Ladysmith Senior Citizens Housing Society | 207 Jamison Road | 1,173 |
| Ladysmith Senior Citizens Housing Society | 101 1st Avenue | 6,439 |
| Municipal Parking lot | 17 & 25 Roberts Street | 3,119 |
| Pentecostal Assemblies | 1149 4th Avenue | 4,474 |
| St John's Masonic Temple | 26 Gatacre Street | 2,143 |
| St. Mary's Catholic Church | 1135 4th Avenue | 5,961 |
| United Church of Canada | 232 High Street | 1,007 |
| Total | | \$114,239 |
| <u>Revitalization Exemptions</u> | | |
| Beantime Restaurant/ Nordic Holdings Ltd | 18 High St | \$ 278 |
| Futureworks Consulting | 411 1st Ave & 30 Roberts St | 1,676 |
| J. Cochrane Building Corp. | 524 1st Ave | 4,661 |
| Total | | \$6,615 |
| TOTAL EXEMPTIONS | | <u>\$120,854</u> |





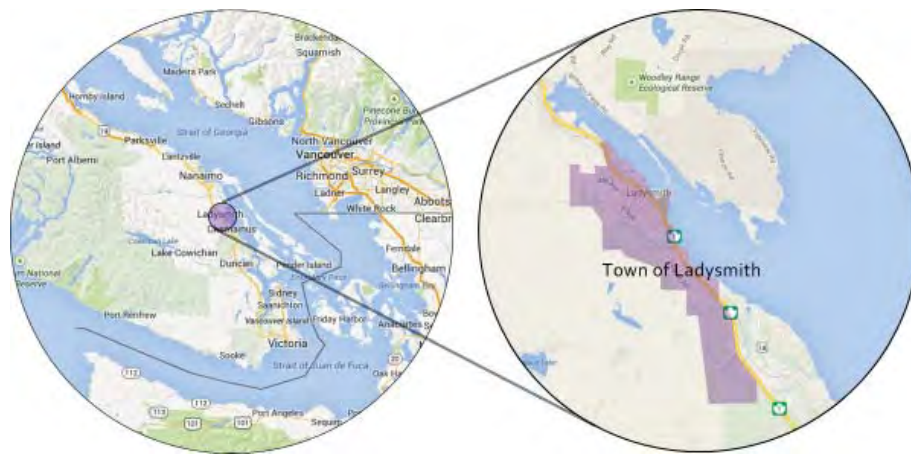
2014 Community Profile

TOWN OF LADYSMITH



LADYSMITH AT A GLANCE

Nestled on the scenic shores of eastern Vancouver Island, the Town of Ladysmith offers a unique blend of traits that combine to create an exceptional quality of life for all who choose our town as a place to live, work, invest or play.



| | |
|---|---------------|
| Census Population (2011) | 7,921 |
| BC Stats Population Estimate (2013) | 8,077 |
| Population Per Household | 2.3 |
| 5-year Growth Rate | 5.1% |
| Median Age | 48.3 |
| Median Family Income | \$71,775 |
| Total Private Dwellings | 3,564 |
| Average Sale Price - single family home | \$319,271 |
| Business Licenses | 526 |
| Building Permit Construction Value | \$7.4 million |

Source: Statistics Canada 2011 Census and 2011 National Household Survey, BC Stats (2013), Town of Ladysmith data (2013).

Table of Contents

| | |
|--|----|
| Introduction..... | 6 |
| History..... | 7 |
| Sustainable Ladysmith..... | 9 |
| Ladysmith, Leader, Innovator, Frontrunner..... | 10 |
| Location & Climate | 12 |
| Transportation..... | 13 |
| Government..... | 16 |
| Demographics..... | 18 |
| Education | 24 |
| Local Economy | 27 |
| Community Planning..... | 35 |
| Taxation | 39 |
| Utilities..... | 41 |
| Quality of Life | 44 |

Introduction

Nestled on the scenic shores of eastern Vancouver Island, the Town of Ladysmith offers a unique blend of traits that combine to create an exceptional quality of life for all who choose our town as a place to live, work, invest or play.

Ladysmith's natural surroundings are simply stunning. The mild coastal climate allows year-round enjoyment of the surrounding hillside forests, picturesque waterfront and wide array of outdoor recreation opportunities. Boutiques and unique dining abound in the historic downtown, where the architecture and ambiance connect the community to its heritage. Services, amenities and events rival much larger communities, and major transportation networks and larger urban centres are but a short drive away.

Ladysmith is renowned for its wide-spread commitment to sustainability and green development. Several recent environmental initiatives have resulted in provincial and national awards for the Town. The Community Sustainability Vision (adopted in 2009) and the new Sustainability Action Plan puts the community on a well-defined path towards its very ambitious and admirable vision for the future.



Introduction



History

Ladysmith's identity as a charming west coast town is steeped in its intriguing history and the history of the original inhabitants of the area, the Stz'uminus First Nation. The community's strong sense of pride in its past is evident in its well-maintained architecture and streetscapes. Residents place a very high value on preserving Ladysmith's heritage, and the Town is taking measures to ensure those values are enshrined in all development related plans, policies and guidelines.

The first inhabitants of what is now known as the Town of Ladysmith were the people of the Stz'uminus First Nation. For thousands of years, the Stz'uminus people used Ladysmith Harbour and its environs as a rich source of fish and shellfish. The Stz'uminus established numerous fishing camps around the harbour, where traditional food gathering techniques were practiced. The historic lifestyle of the Stz'uminus was threatened by the arrival of Europeans who usurped much of their territory. They now reside within four reserves, two of which border Ladysmith Harbour. The two other reserves are located south of Chemainus. Although the Harbour is no longer the rich source of marine life it once was, the Stz'uminus people continue to practice many aspects of their traditional lifestyle and are working with the Town of Ladysmith to restore the Harbour to its original condition.

The Stz'uminus are progressive people who are moving towards building an independent nation via economic development, education and partnerships.

In 1884, the E & N Railway Grant to James Dunsmuir (owner of the Wellington Colliery Company) privatized many of the Stz'uminus First Nation lands and resources. Two decades later, when James Dunsmuir founded the town, he changed the name from Oyster Harbour to Ladysmith, in honour

of the end of the siege of Ladysmith, South Africa during the Boer War. He designed the community as a company town for miners at his recently opened Extension colliery, twenty kilometers to the north. The Town was incorporated in 1904 and the new community, fuelled by the strong demand for coal, grew quickly. By 1911 its population stood at about 3,300 people.

The closure of the mines in 1931 – and the global economic depression – hit Ladysmith hard. Businesses closed and the population dropped by more than half. In 1935, however, the Comox Logging and Railway Company purchased a tract of Douglas Fir forests to the west of Ladysmith from the Rockefellers. When logging began the following year, Ladysmith began the slow process of economic recovery. By the late 1940s, Ladysmith was the centre of major logging operations that extended as far as the Nanaimo Lakes region and employed as many as 700 workers.



“Ladysmith celebrates its rich history, heritage and small town atmosphere. Our vibrant downtown, integrated with the waterfront, is the anchor of the community. The historic buildings, heritage homes, cultural and natural landscapes are a legacy for future generations.”

*Ladysmith Heritage Strategic Plan
(2008)*



Since then, logging and lumber milling have continued to play an important role in the town’s economic development. Even with the ups and downs of its industrial base, the Town of Ladysmith has continued to grow and diversify.

Over the last half century, the Town’s population has doubled and the strong community spirit is still here, as witnessed by the many and diverse activities of service clubs and community groups. Projects such as downtown revitalization, the installation of heritage artifact displays and, more recently, the Town’s emphasis on sustainability have enhanced Ladysmith’s reputation as a thriving, progressive community.

The Town of Ladysmith has also been forward-looking in developing relationships with the Stz’uminus First Nation and the Hul’qumi’num Treaty Group. This cooperation will bring even more opportunities to ensure the continued prosperity and well-being of all people living in this region.

Sources:

Stz’uminus First Nation

John R. Hinde. *When Coal Was King: Ladysmith and the Coal-Mining Industry on Vancouver Island*. Vancouver: University of British Columbia Press, 2003.

Brian D. Thom. *Coast Salish Senses of Place*. Montreal: Doctoral Dissertation, McGill University, 2005.

Ladysmith: 100 Years, 1904-2004. Ladysmith: Take 5 Centennial Committee

Sustainable Ladysmith

“Ladysmith is an award-winning green community, recognized both provincially and nationally as a leader in sustainability. Guided by a shared vision that was the recipient of a Canadian Institute of Planners Award of Excellence in 2010, sustainability in Ladysmith is about continually working to make that vision a reality – improving the quality of life for all residents, protecting and enhancing the natural environment, strengthening the local economy, and enriching and celebrating the uniqueness of Ladysmith. Sustainability is a defining element of Ladysmith’s cultural identity, a source of tremendous civic pride and a fundamental component of the community’s long-term success and well-being.”¹

In 2008, the Town of Ladysmith successfully engaged the community in a unique consultation process that resulted in a sustainability-focused vision and strategy for the community. Very few communities have such a widely shared and well-articulated vision. Ladysmith is very well positioned to pursue a future that complements, enhances and improves upon all that makes the community so unique, attractive and desirable.

The eight pillars of sustainability in Ladysmith, as defined by the community, are as follows:

1. Complete Community Land Use
2. Low Impact Transportation
3. Green Buildings
4. Multi-Use Landscapes
5. Innovative Infrastructure
6. Local Food Systems
7. Healthy Community
8. Local, Diverse Economy

The Town has continued to enhance the award-winning Community Sustainability Vision by working collaboratively with the community and stakeholders to take this initiative to the ‘next level’.

In 2013, the Sustainability Action Plan was completed and adopted by Council. This Plan is an action-oriented document that reflects the community’s wishes, desires and preferences for the future of Ladysmith – a future that emphasizes the importance of environmental, social and economic sustainability, as well as a strong sense of shared values and community identity. This blueprint for the future is designed to ensure a balance between community growth, the need for sustainability, and the community’s desire to maintain the charming character of our historic town. We invite you to join us on this journey!

¹ Town of Ladysmith, *Sustainability Action Plan 2013-2016*, p.1.



Ladysmith: Leader, Innovator, Frontrunner

The Town of Ladysmith is a community that leads through continuous improvement and innovation. The municipality has received numerous provincial and national awards in recent years, particularly with respect to its advancements in environmental sustainability.

- Named one of “Canada’s Greenest Employers”, recognizing the Town’s organization-wide commitment to reducing its environmental footprint, 2012, 2013, and 2014
- NAOSH (North American Organizational Health & Safety) Week Award for Local Government, 2012
- Local Government Management Association Professional Award for Leadership for the City Manager, 2012
- BC Small Business Roundtable award for Most Small Business Friendly Community in Vancouver Island/Coast Region, 2011
- Union of BC Municipalities Community Excellence Award Honorable Mention in the Partnerships Category for the Ladysmith Community Services Centre, 2011
- Canadian Institute of Planners Award for Planning Excellence (Rural / Small Town Planning) for the Ladysmith Sustainable Community Visioning Project, 2009
- Heritage BC Award – Certificate of Recognition for the Ladysmith Town Archives (joint award with Ladysmith & District Historical Society), 2009
- Provincial Green City Awards Finalist, 2007
- Guinness Book of World Records for the largest street hockey tournament, 2007
- Federation of Canadian Municipalities Sustainable Communities Award, Solid Waste Category for the Organic Curb-Side Collection Program, 2007
- Union of BC Municipalities Community Excellence Award in the Best Practices Category for the organic waste collection program, 2006
- Recycling Council of British Columbia Public Sector Recognition Award for outstanding commitment and action towards demonstrating excellence and leadership in environmental stewardship, 2006
- Communities in Bloom – First place in 5,000 to 10,000 population category, 2003

The following are a sampling of some of Ladysmith’s most notable achievements in environmental sustainability throughout the past decade:

- CVRD Zero Waste Recycling Centre in Ladysmith, the largest centre on Vancouver Island (2014)
- Carbon Neutral status achieved in municipal operations through energy reduction initiatives and the purchase of carbon credits through the Community Carbon Marketplace; one of the few municipalities committed to balancing its GHG emissions entirely from local GHG reduction initiatives (2014)
- Community Sustainability Action Plan is completed (2013)
- Regional Transit Service begins in Ladysmith (2013)
- Liquid Waste Management Plan approved by the Province (2013)
- Installed two electric car charging stations on First Avenue for public use (2013)
- Achieved LEED (Leadership in Energy and Environmental Design) Gold certification for the new community services building at 630 Second Avenue (2012)
- Initiated a collection bin for residential waste cooking oil in partnership with Cowichan Energy Alternatives and Cowichan Bio-diesel Co-op (2012)
- Constructed the Bayview Multi-Use Pathway, providing an important link in Ladysmith’s bicycle network (2012)
- Received \$5.2 million in federal funding, along with grants and loan funding from the Federation of Canadian

Municipalities to build a state-of-the-art secondary waste water treatment system (2012)

- The Town undertook an Integrated Community Sustainability Plan to implement the community's vision in a systematic and accountable manner (2011)
- A Sustainable Development Checklist was incorporated into the Development Procedures Bylaw to align the Community's Vision with development projects and proposals in Ladysmith (2011)
- Bicycle friendly policies were incorporated into the OCP and a bicycle parking option (in place of vehicle parking) was provided in the Zoning Bylaw for larger development proposals (2011)
- The Building and Plumbing Bylaw was amended to require that new residential buildings constructed in Ladysmith be made 'Solar Hot Water Ready' to facilitate the installation of solar hot water heating equipment (2011)
- Adopted Greenhouse Gas (GHG) emission reduction targets, actions and strategies (2010)
- Ladysmith is one of 37 communities that have been named a 'BC Solar Community' and received funds to help develop and expand solar power programs (2010)
- Council adopted a Civic Green Building Policy which sets LEED Silver as the standard for all new municipal buildings over 465 square metres in size (2010)
- Community gardens were installed on High Street to improve local food production opportunities as a joint project with the Ladysmith Community Garden Society (2010)
- A new water rate structure was implemented to further increase conservation among residential users (2010)
- The Town repurposed traditional flower gardens as edible gardens for food production, and began an annual donation of 250 to 300 pounds of fruits and vegetables to the Food Bank from Town gardens (2009 and ongoing)
- Adopted the Ladysmith Bicycle Plan and committed to ongoing multi-use pathway development (2009)
- Completed a Community Energy Plan (2008)
- Established an Environment Commission and Employee Green Team to provide strategic leadership for the implementation of sustainability initiatives and programs (2008)
- Became the first community in BC to implement a universal organic waste curb-side collection program (2006)

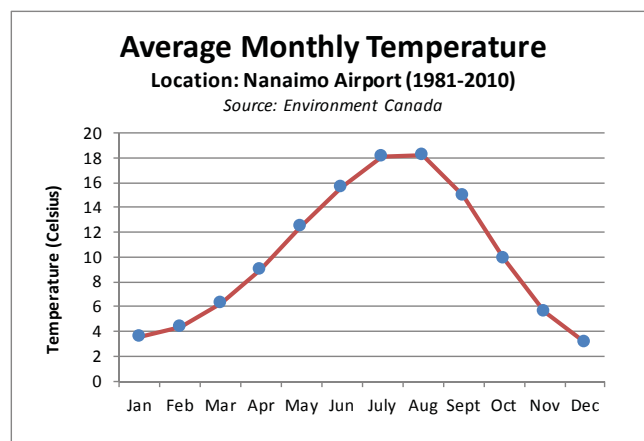
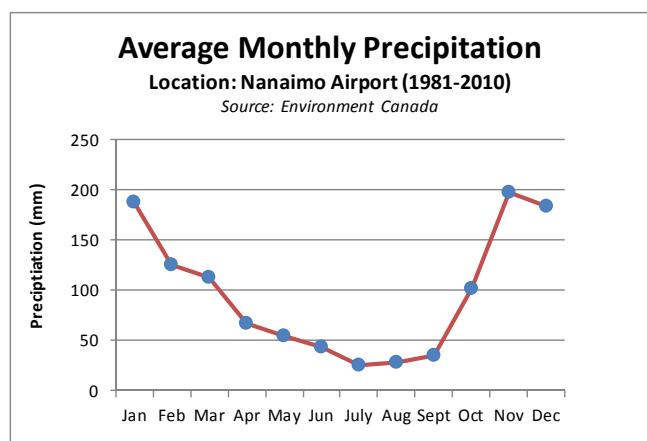


Location & Climate

Ladysmith is located on the 49th Parallel in the Cowichan Valley Regional District on south-central Vancouver Island. The Town has a total land area of 14.82 square kilometres. The Town boundaries are from Grouhel Road and just beyond Gladden Road to the north, extending south to the North Cowichan boundary on the west side of the Island Highway, to Glen Avenue along Chemainus Road, up to the power line corridor in the west and to the east side of Woods Island in Ladysmith Harbour.

Ladysmith's location is nothing short of ideal – it offers the many advantages of being close to much larger urban centres, and yet retains the charm and tranquility of small town living. By highway, Ladysmith is 25 km south of Nanaimo and 88 km north of Victoria. Vancouver is but a hop, skip and a jump away via BC Ferries, or multiple air travel options.

Ladysmith enjoys a moderate coastal climate characterized by slight seasonal variations in temperature, and receives over 1900 hours of bright sunshine each year. The average daily temperatures for January and July are 3.5° C and 18.1° C respectively. Ladysmith receives on average 1098 mm of rain and 68.7 mm of snow per year.



Transportation

Highway

The Trans-Canada Highway (Island Highway) runs north-south along the eastern side of Vancouver Island. In 2002, the highway was upgraded as it curves through Ladysmith with 4 traffic lanes, 3 controlled intersections, turning lanes and improved access to neighbourhoods, commercial areas and the harbour.

Ladysmith is strategically located to offer easy access to the transportation hubs of Nanaimo and Victoria.

Distance to:

| | |
|----------------|--------------------|
| Victoria | 88 km (55 miles) |
| Duncan | 28 km (18 miles) |
| Nanaimo | 23 km (14 miles) |
| Campbell River | 176 km (109 miles) |
| Tofino | 229 km (142 miles) |

Community Transit

In 2013, BC Transit began serving Ladysmith as part of the Cowichan Valley Regional Transit System. Two 20-passenger community buses provide service seven days a week, and connect Ladysmith to Chemainus and the rest of the Cowichan Valley Regional Transit System. Working with BC Transit provides Ladysmith residents with fully accessible vehicles and transit connections to communities to the south.

The iconic Ladysmith trolley continues to play a role in community celebrations.

Bus Services

Ladysmith is served by Greyhound Canada (www.greyhound.ca), which offers passenger and freight service with a stop at the 49th Parallel Grocery Store.

Air

The Nanaimo Airport – YCD (www.nanaimoairport.com) – is located seven km north of Ladysmith in Cassidy on the Trans-Canada Highway. The airport

serves Ladysmith and surrounding communities and contributes \$54 million to the regional economy

Between 2006 and 2011, the airport embarked on a more than \$20 million expansion plan, which included the completion of a larger terminal, more parking, faster passenger screening, an extension to the airport's runways to accommodate commercial jet landings, and a new instrument landing system to improve the airport's reliability. As a result, the Nanaimo Airport's reliability rate is now 99% year-round.

The improvements have led to increased passenger numbers and the addition of two new airline carriers. In the summer of 2013 WestJet launched a non-stop daily service between Nanaimo (YCD) and Calgary (YYC). The new WestJet flights have helped the Nanaimo Airport to attract 33% more travelers in July 2013 than in July 2012, and the airport has posted passenger number increases of 30% on a monthly basis.

The newest addition to the airport is Kenmore Air. In March 2014, Kenmore Air began offering two daily direct round-trip flights between Nanaimo (YCD) and Seattle (KBFI), with a shuttle to the Seattle-Tacoma Airport (KSEA). The airport has also recently begun to host charter 737 flights for resource sector workers who live on the Island but work in northern BC.

Passenger service is also provided by Air Canada, Orca Airways, and Island Express Air. Air Canada (www.aircanada.com) offers six daily flights to Vancouver International Airport. Island Express Air (www.islandexpressair.com) offers two daily flights to Abbotsford International Airport on the Mainland, and two daily flights to Victoria International Airport. The Nanaimo Airport also offers private, charter, air cargo and courier services. Air cargo is offered by Air Canada Cargo (www.aircanada.com/cargo/en), Orca

Airways Ltd. (www.flyorcaair.com), and now also Air FedEx (www.fedex.com).

Harbour Air (www.harbour-air.com), Seair Seaplanes (www.seairseaplanes.com), Tofino Air (www.tofinoair.ca), Kenmore Air (www.kenmoreair.com) and West Coast Air (www.westcoastair.com) offer scheduled float plane service from Nanaimo to destinations such as Vancouver, Richmond, Tofino, Sechart, Seattle, and the Gulf Islands, in addition to providing charter services.

Port Facilities

Ladysmith's harbour is classed as a deep sea port, and is used for both commercial and pleasure boat water activities. There are three different waterfront access points in Ladysmith.



The Ladysmith Fisherman's Wharf, located at the foot of Ludlow Road, offers a host of services for up to 100 commercial and pleasure boaters, including washroom facilities. The Fisherman's Wharf is primarily a wintering home to the local commercial fleet and it caters to pleasure craft in the summer months. (www.ladysmithfishermanswharf.com) The free Rotary boat launch is located next to the Fisherman's Wharf.



The Oak Bay Marine Group has completed significant upgrades to its 150 moorage slips at the Ladysmith Marina offering 50 to 92 foot boathouse opportunities (www.ladysmithmarina.com). The Ladysmith Marina is also home to the Ladysmith Yacht Club. The Ladysmith Yacht Club has reciprocal use privileges with more than 50 yacht clubs in Canada and the US, and recently completed 125 feet of additional dock space for reciprocal yacht club members to stay in Ladysmith.



The Community Marina (www.ladysmithmaritimesociety.ca) is located off Ludlow Road between Fisherman's Wharf and Slack Point. It provides convenient moorage and facilities for overnight visitors, over 1,000 feet of tourist docks, secure moorage on an annual contract basis, and seasonal moorage during the off-peak months. Water and power are supplied to the docks. The facility hosts an award-winning Maritime Museum and offers harbour tours during the summer months. The Community Marina is also home to the Cowichan Independent Living disabled sailing program. In 2012, the Ladysmith Maritime Society opened the new Community Marina Visitor Reception Centre, including amenities for marine visitors such as showers, washrooms, laundry, meeting space and Wi-Fi access, a new sewage pump-out station, and improved accessibility. Visitor numbers increased 71% between 2011 and 2013.

In 2011, the Nanaimo Port Authority celebrated the opening of the \$22 million Nanaimo Cruise Ship Terminal. The facility consists of a 1,300 square foot welcoming centre and a floating berth that is capable of accommodating a 320 metre ship. The Nanaimo Port Authority also operates a commercial deep sea port and is the closest full-service ocean port facility to Ladysmith. It operates four berths – three at the Assembly Wharf and one at Duke Point Deep Sea Terminal. The Assembly Wharf berths are 182.88 meters long and range in depth from 10.1 metres to 12.4 metres. The Duke Point Deep Sea Terminal's berth is 170 metres in length and has a depth alongside of 13.5 metres. The port is serviced by rail and a customs port of entry is on location. There is a public warehouse and two bonded warehouses on site.

Ferry

Getting to Vancouver Island from the mainland is made possible through an extensive ferry system. The closest passenger and cargo ferries are located in Nanaimo – Duke Point is approximately 15 minutes away, and Departure Bay is about 25 minutes. Ferry schedules change depending on the seasons, but travelers and commercial traffic can expect on average six to eight daily sailings from both Duke Point and Departure Bay. BC Ferries also provides access to nearby Gulf Islands, including Gabriola Island and Saltspring Island. Complete details can be found at www.bcferries.com.

Rail

Commercial freight is available on the Esquimalt and Nanaimo Railway (E&N) which runs along the Trans-Canada Highway through Ladysmith (www.sryrailink.com). The railway line is owned by the Island Corridor Foundation (www.islandrail.ca), a charitable organization set up to preserve, own and manage the 234 km rail line.

In May 2014, the Island Corridor Foundation announced a tentative agreement with Via Rail to resume passenger rail service, and an added focus on access for passengers to Victoria. Passenger rail service is currently not available, but is expected in 2015.



Government

The Vision

Ladysmith is a spirited community that values its small town quality of life, where we work together as stewards of our heritage, environment, and economy.

Local Government

The Town of Ladysmith is governed by an elected Council made up of a Mayor and six Council members. Municipal elections are held every three years. The next scheduled election is in November, 2014.

Town Council

| Members | In office since |
|-----------------------|-----------------|
| Mayor Robert Hutchins | 1993 |
| Steve Arnett | 2008 |
| Jillian Dashwood | 2008 |
| Bill Drysdale | 2011 |
| Gord Horth | 2011 |
| Duck (Don) Paterson | 1990 |
| Glenda Patterson | 2011 |

Council also appoints a number of public advisory committees and commissions to make recommendations on a broad spectrum of issues related to Town governance and operations. Current commissions and committees include:

- Advisory Design Panel
- Advisory Planning Commission
- Heritage Revitalization Advisory Commission
- Liquid Waste Management Committee
- Parks, Recreation and Culture Commission
- Protective Services Committee

More information on the Town’s services can be obtained at www.ladysmith.ca.

The internal organizational structure of the Town is divided into three key divisions:

- Corporate Services (Administration, Finance and Human Resources)
- Core Services (Infrastructure Services and Protective Services)
- Community Services (Parks, Recreation and Culture and Development Services)

Each department is overseen by a Director, who reports to the City Manager. The City Manager reports to Council, and is responsible for ensuring that the strategic priorities and decisions established by Council are carried out by staff.



Regional District

The Town of Ladysmith appoints one member of Council to represent the municipality on the Board of Directors for the Cowichan Valley Regional District (CVRD). The CVRD Board is made up of 15 members representing 4 municipalities and 11 unincorporated areas throughout the region. Together, they consider issues on a regional basis and administer local services for unincorporated areas. Mayor Robert Hutchins currently serves as CVRD Board Director and Chairperson, and the Alternate Director is Councillor Duck Paterson. For more information about the CVRD, please visit www.cvr.bc.ca.

Provincial Representative

Doug Routley, Member of the Legislative Assembly (MLA)
Nanaimo-North Cowichan
In office since: 2005
Local Contact: 250.245.9375
Legislature: 250.387.3655
www.dougroutley.ca

Federal Representative

Jean Crowder, Member of Parliament (MP)
Nanaimo-Cowichan
In office since: 2004
Local Contact: 1.866.609.9998
Parliament Hill: 613.943.2180
crowder.j@parl.gc.ca
www.jeancrowder.ca

Stz'uminus First Nation

John Elliot, Chief Councillor
In office since: 2009
Administrator: Ronda Jordan
250.245.7155
www.cfnation.com

Council members of the Stz'uminus First Nation and the Town of Ladysmith jointly signed a Community Accord in 2007. In 2012, these commitments were renewed under an updated Accord, titled the Naut'sa mawt Community Accord ("working together" in the Hul'qumi'num language), which reaffirms and strengthens the communities' commitment to build their relationship and increased cooperation, and lays out specific steps for how to work together on joint initiatives. The purpose of the Accord is to formally recognize and understand the common interests and goals of the two communities so that community leaders may work, in true partnership, towards the greater good.

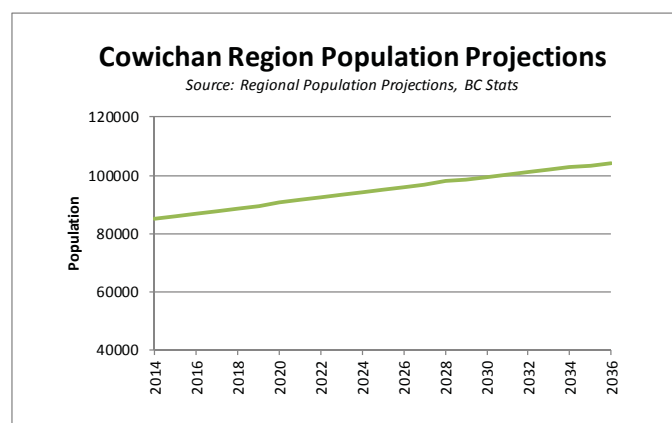
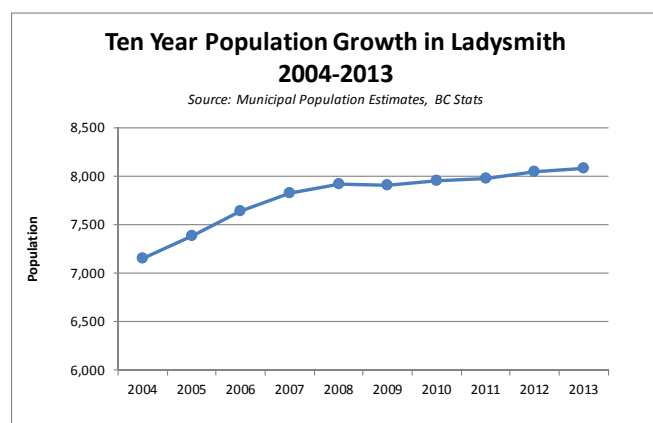
The two Councils meet regularly to discuss topics of common concern and interest and a joint Working Committee also meets to work on the advancement of joint initiatives. In early 2014, the Town and Stz'uminus signed the first services agreement providing access to the Town's water and sewer services for 100 units at Oyster Bay (IR12).



Demographics

Ladysmith's appeal as highly unique and a desirable community for people of all ages has been a major factor in the town's ongoing growth. The population has increased consistently over the past couple of decades. The population of Ladysmith in 2011 is 7,921 as reported by Statistics Canada's 2011 Census. The latest Census showed a 5.1% increase in population between 2006 and 2011. BC Stats Municipal Population Estimates show a population increase of 15% between 2003 and 2013, demonstrating a positive and steady growth in the community. For 2013, the Town's population estimate is 8,077 (BC Stats).

Continued growth, albeit at a more moderate pace, is expected for the entire Cowichan Valley Regional District throughout the next two decades. Population projections suggest that by 2036, the Regional District will have a population of over 104,000. Ladysmith is anticipated to grow by more than 35% during this same period.



Population Data

The 2011 Census provides data for Ladysmith about: population, dwellings, age, sex, families, households and dwelling characteristics, marital status and language. Highlights are included in the 2014 Community Profile comparing the past two Census periods, 2006 and 2011. Population estimates and projections available from BC Stats are also reported.

New for the 2011 Census period is a survey called the National Household Survey (NHS) which replaced the "long-form" Census 2B. The NHS is a voluntary survey of one in three Canadian households, including Ladysmith. Data from the NHS has been included in the Community Profile including information about aboriginal peoples, immigration, ethno-cultural diversity, education, labour, mobility and migration, income and housing.

Notes: The demographic data in the 2014 Community Profile is derived from the 2011 and 2006 Census, the 2011 National Household Survey, and BC Stats. BC Stats provides annual population estimates based on the current 5-year census population data. Population figures may change as a result of revisions by BC Stats for all years after the latest census year. Population estimates provided by BC Stats were adjusted in January 2013 to account for the over-estimation of BC's population by Statistics Canada prior to the 2011 Census. In the 2011 NHS, persons residing in hotels, motels and seniors' residences were not included which is a data limitation for Ladysmith. The Global Non-Response Rate (GNR) for Ladysmith in the 2011 NHS is 26.9%.

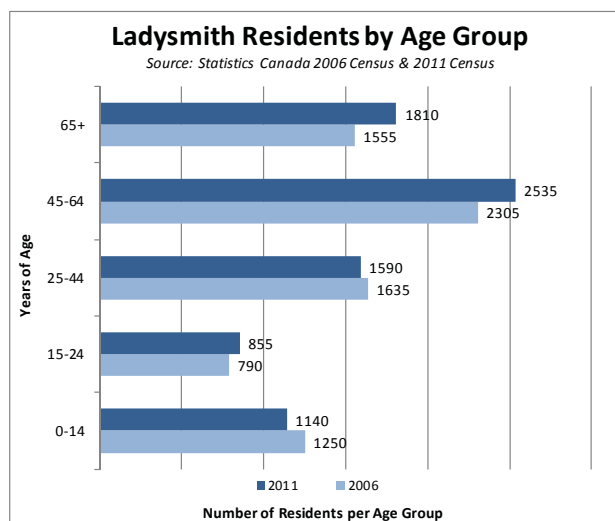
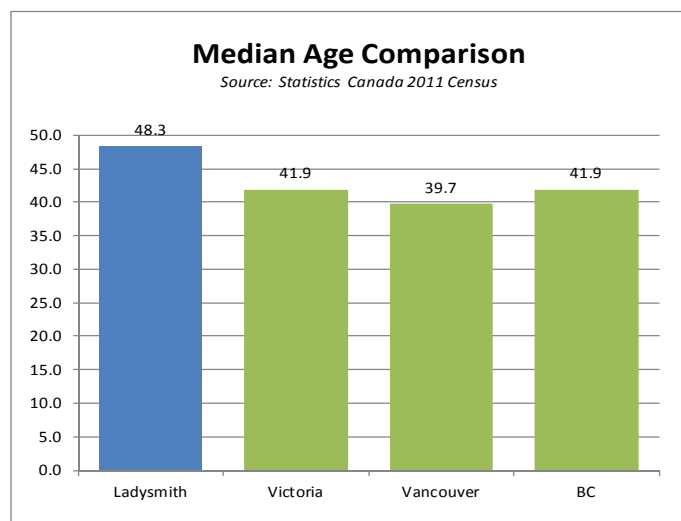
The 2011 NHS estimated that approximately 30.6% (2,305) of the Town's population relocated to Ladysmith within the five year period before the census. Most of this growth is a result of relocations within the province. The majority of new residents (74%) moved from within British Columbia, while 22% moved from elsewhere in Canada.

Long-term population growth is expected to be driven by growth in Canadian and BC population levels, aging of the population, and proximity to larger markets - drawing in regional commuters in search of lower home prices and a west-coast lifestyle.

Age

Ladysmith is an increasingly popular retirement destination. Statistics Canada 2011 census data show that Ladysmith's median age has increased by over a decade within the last four census periods: from 37.5 years in 1996 to 48.3 years in 2011. Between 2001 and 2011, the Town's population aged 55 plus grew by 70%. In comparison to larger municipalities such as Victoria and Vancouver and the province as a whole, Ladysmith has a much higher median age of population.

The proportion of the Town's population over 15 years old increased from 80.1% in 2001, to 85.7% in 2011. In keeping with the aging population trend, the population that witnessed the highest growth in Ladysmith between 2006 and 2011 was over 45 years of age. However, Ladysmith also grew in the 15-24 year old age group category.



Diversity

Ladysmith boasts a diverse population - according to the 2011 National Household Survey, some 1,065 (13.5%) of its residents are immigrants, 1,130 (14%) of its residents are first generation Canadians, and another 1,865 (24%) consider themselves to be second generation Canadians. 5% of Ladysmith residents are visible minorities.

The 2011 NHS indicates that 13% of all immigrants in Ladysmith arrived between 2001 and 2011. The majority of immigrants are from Europe, followed by the United States and Asia. 87% of those surveyed indicated an ethnic origin in the British Isles, followed by Germany, and France. The survey noted that 7% of the population is of North American Aboriginal origins, including First Nations (4%) and Metis (3%). 6% of the population identified having Asian origins, primarily East and Southeast Asia.

5.7% of Ladysmith's population reported a non-official language as their mother tongue. The three most common mother tongues were German, Dutch, and Tagalog (Filipino).

Families & Households

The Town is home to 2,460 families, representing an increase of 5.8% from 2006. Ladysmith's average number of person in private households is 2.3, lower than the provincial average of 2.5 persons in private households.

The 2011 Census indicates that 72% of Ladysmith's population is married, while 13% were common-law couples, and 16% were lone-parent families. Ladysmith's proportion of married-couple families is much higher than the provincial average.



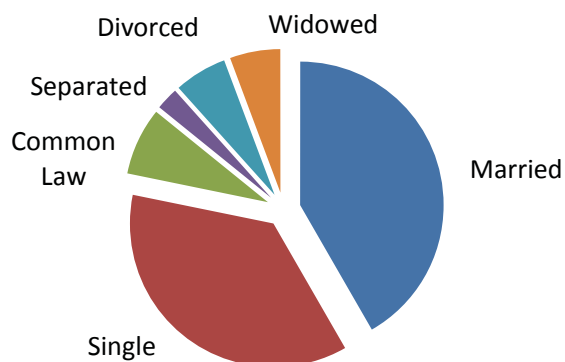
Families in Ladysmith

| | Number | Proportion |
|--------------------------|--------|------------|
| Total number of families | 2465 | - |
| Married-couple families | 1780 | 72% |
| Common-law families | 330 | 13% |
| Lone-parent families | 350 | 14% |

Source: Statistics Canada 2011 Census

Marital Status of Ladysmith Residents

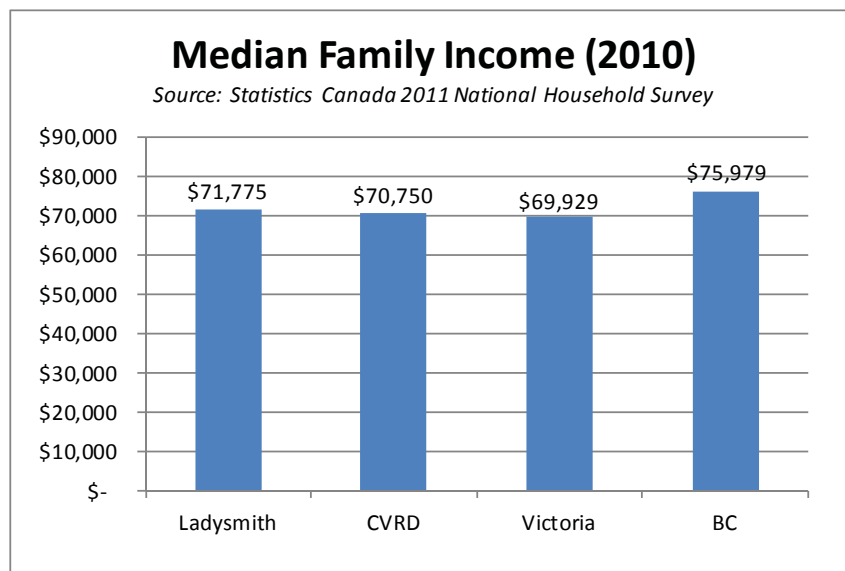
Source: Statistics Canada 2011 Census



Income

According to the 2011 National Household Survey, the median income of Ladysmith residents (persons 15 years and over with income) in 2010 was \$30,009, slightly more than the provincial average of \$28,765.

The median family income in Ladysmith in 2010 was \$71,755, slightly less than the provincial average of \$75,979, but higher than both Victoria and the Cowichan Valley Regional District.



Cost of Living

While there is no data available specifically for Ladysmith, the data shown below for the neighbouring community of Duncan provides a glimpse of the estimated household expenditures for the Ladysmith area.

| Estimated Income Comparison | Duncan |
|-----------------------------|----------|
| Average Household Income | \$69,497 |
| Average Family Income | \$78,751 |
| Per Capita Income | \$28,754 |
| Disposable Income | \$54,626 |
| Discretionary Income | \$19,257 |

Source: Financial Post Markets, 2012

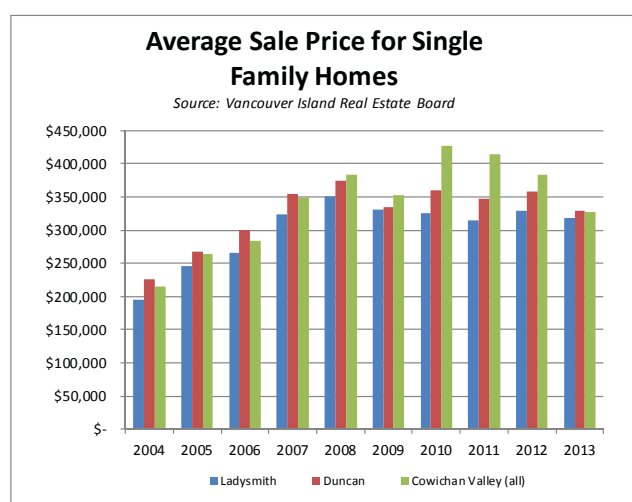
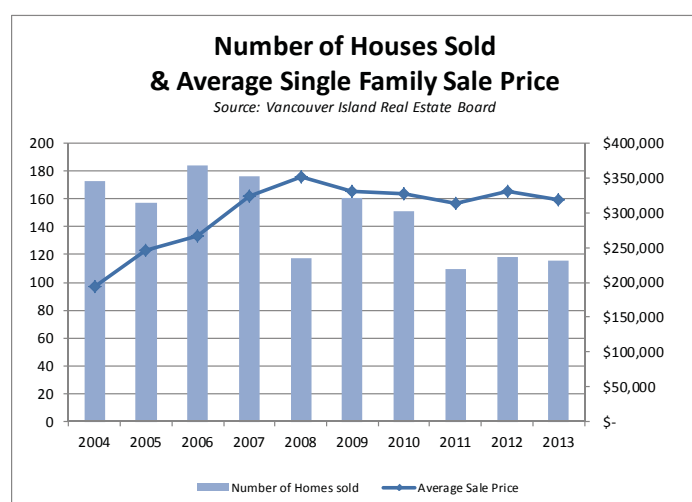
| Estimated Household Expenditures | Duncan |
|----------------------------------|----------|
| Food | \$6,689 |
| Shelter | \$12,877 |
| Clothing | \$2,551 |
| Transportation | \$10,044 |
| Health & Personal Care | \$3,096 |
| Recreation, Reading & Education | \$5,632 |
| Taxes & Securities | \$16,775 |
| Other | \$10,384 |
| Total Expenditures | \$68,048 |

Source: Financial Post Markets, 2012

Housing

“Heritage by the Sea” is not just a marketing tag line in Ladysmith - it describes a large part of the housing stock in the community. Tucked at the base of rolling hillsides and fronted by a spectacular, active harbour, “ocean view” is a common real estate term in Ladysmith. Residential housing has seen a boom in the last decade, significantly adding to the Town’s impressive inventory of heritage homes and character living spaces.

The most recent BC Assessment property count lists 3,692 residential properties (including vacant lots) in Ladysmith. According to the 2011 Census, nearly 20% of the homes in Ladysmith were constructed since 2001. In addition to newer homes, Ladysmith is home to an exceptional number of heritage homes, many dating back to the turn of the century.



While the average assessed value of a single family home in Ladysmith is \$285,100 (BC Assessment, 2013), the average selling price is \$319,271 (Vancouver Island Real Estate Board (VIREB), 2013). When compared to the price of homes in Duncan or the whole Cowichan Valley (at \$329,776 and \$326,637, respectively), Ladysmith proves itself as an affordable community for families and other home purchasers. The Vancouver Island Real Estate Board reported that 116 single family homes sold in Ladysmith in 2013.

Demographics



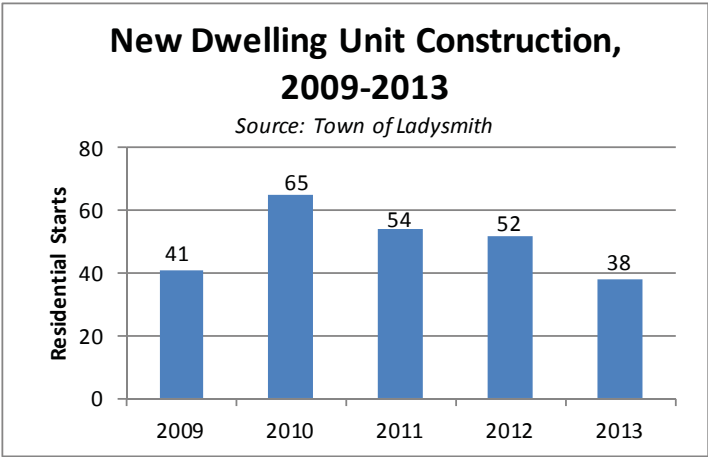
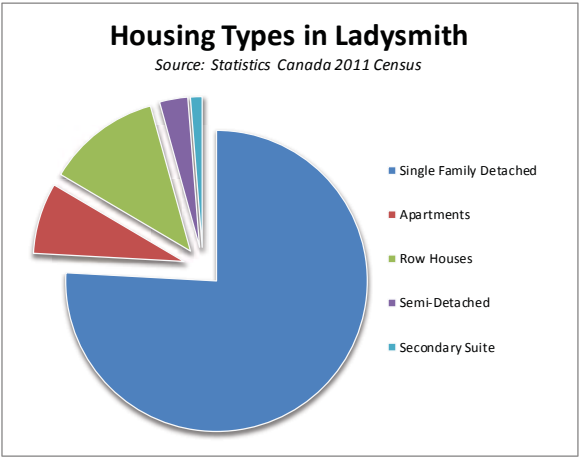
Ladysmith provides an ample mix of housing types, from small lot and suburban single family homes, to strata lots, apartments and townhouses. Housing in Ladysmith is comprised of 73% single detached homes, 7% apartments, 12% row houses, 3% semi-detached homes, and 1% secondary suites.

The variety of housing options in Ladysmith expanded in 2011, when the Town announced that it would permit secondary suites within single family dwellings. A secondary suite is an additional dwelling unit fully contained within and subordinate to a single family dwelling. Secondary suites offer affordable housing in the community for both renters and home-owners who need a mortgage helper. In 2014, further consultation will determine whether the Town will also permit suites in detached buildings, such as garden suites and carriage houses.

Ladysmith offers a very affordable home ownership lifestyle. According the 2011 NHS, the median value of a dwelling in Ladysmith is \$340,923, as compared to the provincial median of \$448,835. 76% of Ladysmith residents spend less than 30% of their total household income on shelter costs, and the median shelter cost of an owned dwelling is \$835 per month (includes mortgage payment, cost of electricity, heat, water and other municipal sevces, and property taxes, etc.).

Ongoing construction of new homes is expanding the existing housing stock in Ladysmith. In 2013, 38 new dwelling units were constructed, with a total of 250 new units constructed within the past 5 years.

The demand for housing in Ladysmith is expected to be affected by baby boomers entering retirement and semi-retirement, providing a rebound in demand for retirement living on the Island - especially to markets like Ladysmith. Proximity to larger markets is expected to continue attracting new residents in search of relatively lower home prices and lifestyle changes.



Education

Public Schools

Ladysmith's Public Schools are administered by School District 68 Nanaimo - Ladysmith, which serves over 14,000 students in the communities of Nanaimo, Ladysmith, Lantzville, Gabriola Island and Cedar. (www.sd68.bc.ca)

Following the development of a "10-year Enhanced Facilities for Learning Plan", the Board of Trustees for School District 68 announced that Ecole Davis Road School would be closed as of June 2014. French immersion education will be moved to North Oyster Elementary school in September 2014.

Ladysmith Primary School

Kindergarten to Grade 3
(212 students)
510 Sixth Avenue
250.245.3912
Principal Parmjit Parmar

Ecole Davis Road Elementary

Kindergarten to Grade 7
(250 students)
444 Parkhill Terrace
250.245.7187
Principal Doug English

North Oyster Elementary School

CVRD Area H
Kindergarten to Grade 7
(90 students)
13470 Cedar Road
250.245.3330
Principal Peter Skipper

Ladysmith Intermediate School

Grades 4 to 7
(223 students)
317 French Street
250.245.3351
Principal Cathal Walsh

Ladysmith Secondary School

Grades 8 to 12
(559 students)
710 Sixth Avenue
250.245.3043
Principal Dave Street

Independent Schools

St. Joseph's Elementary School

Kindergarten to 7
(138 students, plus preschool and daycare)
9735 Elm Street, Chemainus
250.246.3191
Principal Bern Muller

Average Class Size, 2013-2014 School Year

| Local Schools | Kindergarten | Grades 1-3 | Grades 4-7 | Grades 8-12 |
|--|--------------|------------|------------|-------------|
| Ladysmith Primary | 19.6 | 21.7 | - | - |
| Davis Road Elementary | 18.5 | 19.4 | 29 | - |
| North Oyster Elementary | 18 | 21.8 | 26.7 | - |
| Ladysmith Intermediate | - | - | 27.9 | - |
| Ladysmith Secondary School | - | - | - | 25.6 |
| <i>Nanaimo-Ladysmith School District Average</i> | 19.8 | 21.6 | 26.9 | 26.1 |
| <i>BC Provincial Average</i> | 19.3 | 21.5 | 25.7 | 23 |

Source: BC Ministry of Education, http://www.bced.gov.bc.ca/reports/pdfs/class_size/2013/public.pdf

Post-Secondary Education

With five very reputable post-secondary campuses within commuting range, there is certainly no shortage of educational opportunities for Ladysmith residents.

Vancouver Island University (VIU) has campuses in both Nanaimo and Duncan, both of which are within a short, 30-minute drive of Ladysmith. In 2011, the new Cowichan Campus opened in Duncan, offering a multi-purpose educational facility, built to LEED® Gold standards. The campus is part of an exciting new development known as Cowichan Place - a central 'hub' of brand new infrastructure offering premium opportunities in education, recreation and culture. VIU ranked as the tenth largest post-secondary institution in BC based on full-time students in the 2012/2013 school year. Between the four VIU campuses, there are 17,400 students, with an impressive student to faculty ratio of 17:1.

VIU offers a variety of certificate, diploma, and degree programs that range from basic literacy to undergraduate and graduate university degrees, including the increasingly popular MBA program and Master of Science in International Business. For detailed information about VIU's programs, please visit www.viu.ca. Key program areas include the following:

- Art, Design & Performing Arts
- Business Management
- Career & Academic Preparation
- Continuing Education
- Education
- First Nations
- Health
- High School Equivalency (ABE)
- Human Services
- Humanities & Social Sciences
- Natural Resource Extension Program
- Online/Distance Courses
- Science & Technology
- Tourism
- Trades & Applied Technology

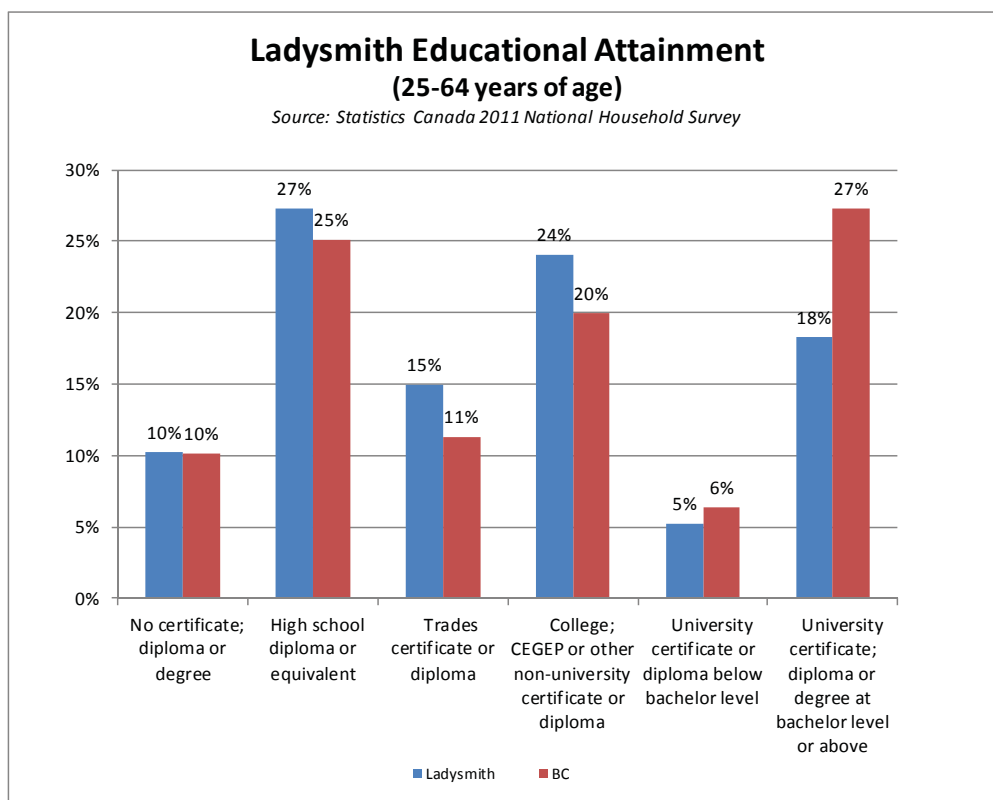
Other nearby post-secondary institutions include the University of Victoria (www.uvic.ca), Royal Roads University (www.royalroads.ca), and Camosun College (www.camosun.ca), all of which are located in the Greater Victoria area.



Workforce Education

Ladysmith boasts a significant number of educated and skilled individuals, many of whom have sought further education and training geared towards local work opportunities. According to the 2011 National Household Survey, over 60% of the population aged 25 to 64 have obtained a post-secondary diploma, certificate or degree. Major fields of study for those aged 15 and over include architecture, engineering and related technologies; business, management and public administration, health and related services, and education.

In addition, Ladysmith is ideally located within easy commuting range of very reputable post-secondary campuses, each of which offer an impressive range of educational opportunities, from specialized trades and technical certificates, to university degrees and professional programs. Local workers are therefore highly adaptable and able to respond very efficiently to the ever-changing needs of the labour market, as well as local and global economic conditions.



Local Economy

Business Support Services

Awarded the “Most Small Business-Friendly Community” in the Vancouver Island/Coast Region, Ladysmith can provide a wealth of knowledge, assistance, and resources for new businesses.

Whether relocating an existing company, expanding to Ladysmith or starting a new venture, the Town is here to help. The Town is proud to support a comprehensive business and development portal at www.ladysmith.ca/business-development/ for easy access to business resources and information.

Getting all of the paperwork together in order to open a new business can be confusing. In partnership with the Government of Canada and Province of BC, the Town of Ladysmith is pleased to offer a service called BizPal through the municipal website (www.ladysmith.ca). This service assists entrepreneurs to determine which permits and licenses they will require (federally, provincially and municipally) in order to open their business.

Assistance can also be provided for local businesses regarding available programs and local development issues. In 2011, in partnership with Economic Development Cowichan, “BC Business Counts” was launched to help existing business to grow and expand thereby strengthening the local economy.

The business sector is represented by the Ladysmith Downtown Business Association (www.ladysmithdowntown.com), which promotes downtown businesses and offers downtown activities, and the Ladysmith Chamber of Commerce (www.ladysmithcofc.com). The Chamber recently added Business Assistance Services (professional accounting, counseling, and legal and human resources experts) who are able to assist local small business owners.

In 2012, the Town, the Chamber of Commerce and the Ladysmith Downtown Business Association launched a collaborative process called “A Partnership for an Economically Diverse Community”. Ongoing joint discussions are focusing on shared economic development priorities. In 2013, improvements to the Town’s tourism signage were prioritized through this initiative.

As well, the membership-based Vancouver Island Economic Alliance provides a focus on collaboration and pooling of resources for services and initiatives across the Island.



Local Economy

10% Shift, a joint initiative of the Town, Chamber of Commerce and Ladysmith Downtown Business Association, asks citizens to “think local first”. It encourages shifting 10% of spending power to support local, independently-owned businesses. The Town also works with Economic Development Cowichan and “Climate Smart” to offer training to local businesses in order to inventory and reduce their greenhouse gas emissions.

Additional services, assistance and advice - particularly for business start-ups - is available through not-for-profit and government agencies, including the following:

Community Futures - Cowichan Region
250.746.1004
www.cfcowichan.ca

Community Futures - Central Island
250.753.6414
www.cfnanaimo.org

Some useful online resources include:

Canada Business Services for Entrepreneurs:

- www.canadabusiness.ca

Service Canada:

- www.servicecanada.ca

Small Business BC:

- www.smallbusinessbc.ca

Women’s Enterprise Centre:

- www.womensenterprise.ca

One Stop BC Registry:

- www.bcbusinessregistry.ca

BC Film Commission:

- www.bcfilmcommission.com

BC Ministry of Finance:

- www.fin.gov.bc.ca

Western Economic Diversification:

- www.wd.gc.ca

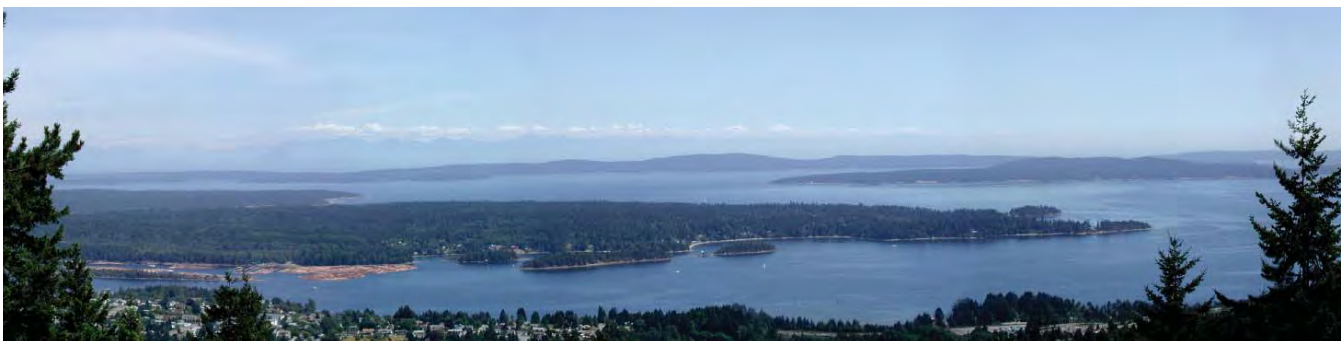
A number of programs, tax credits, and other incentives are available to businesses through the federal and provincial governments. British Columbia Tax Credit programs are handled by the Ministry of Small Business and Revenue – Income Taxation Branch. More information is available online at www.sbr.gov.bc.ca/business.html, then click on “Tax Credits”.

Federal programs, including grants, loans and financing available for businesses are available online at www.canadabusiness.ca/eng/search/sof.

The town provides multiple incentives to assist business owners:

Development Cost Charge Downtown Waiver

In 2011, the Town adopted a Development Cost Charge (DCC) reduction within the downtown core. This initiative provides an incentive to new development in the Downtown by waiving the Development Cost Charges for eligible development. The incentive applies to multi-family residential development and commercial development.



Revitalization Tax Exemption Program

The Town of Ladysmith provides a Revitalization Tax Exemption Program aimed at maintaining the heritage character of Ladysmith and encouraging investment within the downtown core without triggering increased taxation. To qualify, property owners must submit a formal application and projects must meet program criteria and objectives.

Economic Revitalization Program

In 2012, an incentive for Economic Revitalization was introduced by the Town of Ladysmith with the following focus:

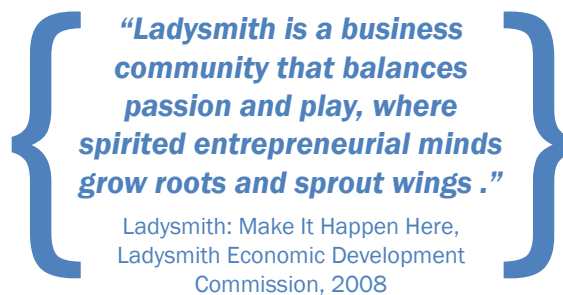
- o To stimulate construction and alteration of buildings in Ladysmith,
- o To encourage the construction or alteration of buildings located within the revitalization area and assessed as major industry, light industry or commercial
- o To promote a higher standard of urban design within business areas and employment areas
- o To reinforce the Town's commitment to economic revitalization.

To qualify, the construction value of the eligible project must be at least \$200,000. Eligible projects focus on major industry, light industry and commercial within a defined revitalization area.

Additional incentive bylaws are being considered by Council. These initiatives could expand the current programs to include other categories of revitalization such as environmental and social.

Business Sectors

Ladysmith's economy has always depended heavily on natural resources – first coal, and then wood. Logging and lumber mills continue to play an important role. More recently, however, the service industry has expanded, and marine-related manufacturing, green business, and tourism have become key economic pillars. Ladysmith continues to seek out ways to diversify the local economy and increase investment in value-added and service-based industries.



Ladysmith is a growing community both in its population as well as its business base. The Town supports enhanced economic development efforts and works cooperatively with local industry to grow the local economy.

A tremendous amount of effort has been focused on developing a forward-looking strategy that creates a dynamic and supportive environment for entrepreneurs, and seeks to create new opportunities and encourage continued economic growth.

Economic and environmental sustainability is the 'green thread' that runs through all of Ladysmith's economic development activities. The Town encourages investment in businesses that will create jobs and lead to a 'greener' and more resilient community.

The new Sustainable Economic Development Strategy for the Cowichan Valley Regional District will help to increase the area's competitiveness, while planning a sustainable future for the region.

Areas of the Town identified for future development are outlined in the Town of Ladysmith Official Community Plan. These areas include commercial development, directed principally to the downtown core and the south end (Coronation Mall), with complementary commercial areas provided to serve the mixed-use waterfront as well as local neighbourhoods.

Key Business Sectors

Marine Manufacturing and Services:

Ladysmith's natural harbour and marina facilities make the community a perfect fit for a variety of marine-related industries. Local marine-related industry companies have a distinct advantage in terms of location, expertise and customer base.

Green Industries:

The community's vision for sustainable leadership includes a focus on green industry. This emerging sector includes eco-tourism, green and innovative companies, eco-industrial parks, live-work, green building, buy local and green business leadership. The Town is working with Economic Development Cowichan on its Clean Technology initiatives.

GNB Builders are a family-owned and operated construction company based in Ladysmith. In 2012, GNB was awarded as BC's Built Green Builder of the Year for green, sustainable building excellence in BC's home building and renovation community.

Retail:

The retail sector, located primarily in the historic Downtown core and at Coronation Mall, is a major source of economic activity in Ladysmith. There are over 50 retail establishments, and Ladysmith's historic downtown boutique shops offer some unique finds.

Forestry and Wood Products Manufacturing:

With a number of mills operating in and near Ladysmith, this is an important activity with a large number of highly skilled residents employed in the sector. Training and educational opportunities already exist to serve new and expanding businesses. Value-added wood products manufacturers are also increasingly present in the community, taking advantage of the proximity to Vancouver Island's forestry operations.

Western Forest Products is BC's fourth largest forestry company, and the largest on the BC Coast. In 2013, the Saltair sawmill on the Ladysmith waterfront underwent a \$38 million upgrade. The upgrade allows the mill to more efficiently produce lumber products while lowering unit costs. The mill is a significant strategic asset for Western Forest Products, and produces almost 20% of all of the board capacity of WFP's mills, producing lumber for markets including Japan, Europe, Australia and North America.

Food Processing:

Primarily shellfish processing (oysters, clams, scallops and more) is a sector with many opportunities. Local growers and producers enjoy superior market access and growing conditions, thereby minimizing production costs. Support services for the industry are also nearby, including supplies, workforce and transportation to markets.

Professional Services:

Many knowledge-based businesses can compete globally from anywhere, and more and more entrepreneurs are choosing quality of life over big city living. Ladysmith's small-town atmosphere, coupled with incredible recreational opportunities and proximity to major transportation networks and urban centres makes Ladysmith an ideal location for professionals.

Tourism Infrastructure:

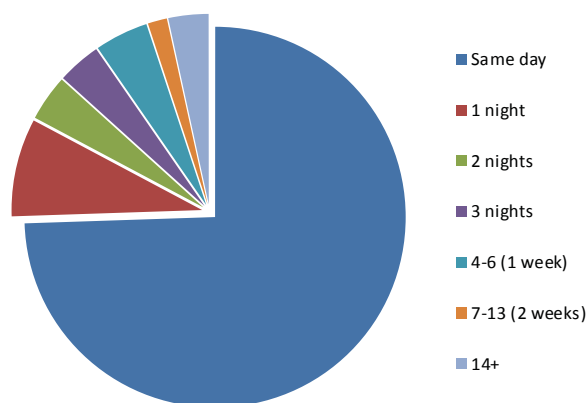
Tourism has emerged as a significant economic pillar. Tourism has emerged as a significant economic pillar in Ladysmith due primarily to the community's stunning West Coast location, waterfront recreation, trails and boutique-style shopping experience. This sector will continue to expand significantly due to the development of new marina amenities. In the two summers since the opening of the Maritime Welcome Centre, the Ladysmith Maritime Society reported a 71% increase of marine tourists, demonstrating the increased potential of the waterfront areas to host visitors. According to the Ladysmith Visitor Centre, a quarter of the visitors who accessed the Visitor Centre in 2013 stayed for at least one night. The vast majority of visitors were from Vancouver Island and the rest of BC, followed by other Canadians, Europeans and Americans. The total number of visitors (as experienced by the Visitor Centre) has witnessed an overall growth of over 80% since 2007.

For more detailed business sector information, please visit the Town's website.

In 2012, Hazelwood Herb Farm in the Ladysmith area was awarded EconoMusee status, celebrating craft and agri-business whose products result of authentic technique or know-how. The farm is one of two locations in BC to be awarded EconoMusee status, along with Merridale Cidery of Cobble Hill.

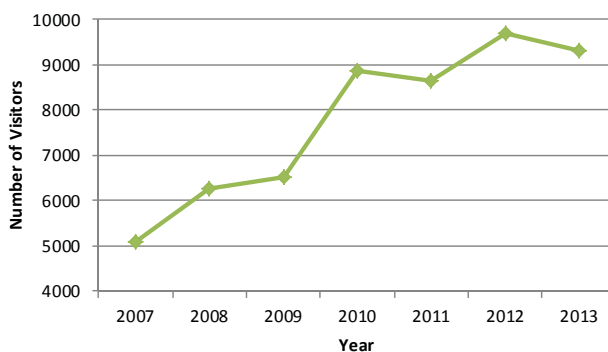
Length of Stay in 2013

Source: Ladysmith Chamber of Commerce & Visitor Centre



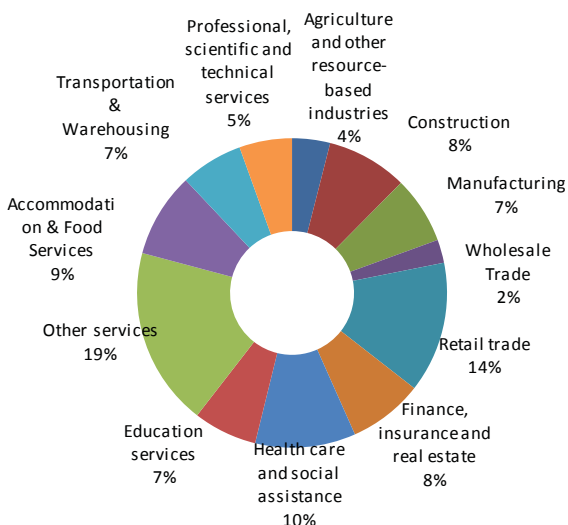
Visitor Centre - Total Visitors Per Year

Source: Ladysmith Chamber of Commerce & Visitor Centre



Labour Force by Industry

Source: Statistics Canada 2011 National Household Survey



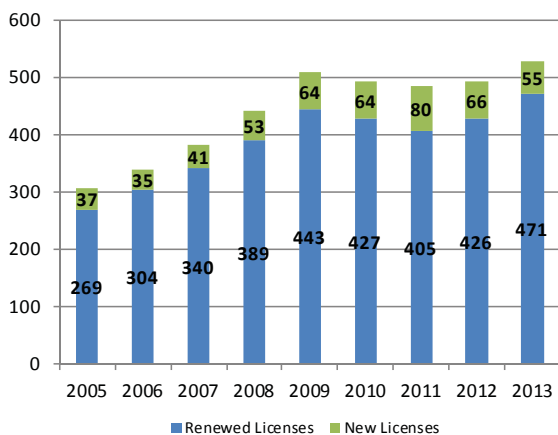
Labour Force

The labour force of Ladysmith provides a variety of skilled workers and labourers. By industry, there is a focus on retail trade, health care/social assistance, accommodation and food services, construction, and manufacturing. The majority of workers are employed in sales and services, trades/transport/equipment operators and related occupations, and business/finance and administration. Approximately 56% of the population 15 years and older are employed, with 6% unemployed.

Ladysmith's unique central location and small-town appeal provides a healthy work-life balance. 14% of the workforce is self-employed, with 7% working from home. A full 10% of Ladysmith residents walk to their place of work.

Ladysmith Business Licences, 2005-2013

Source: Town of Ladysmith



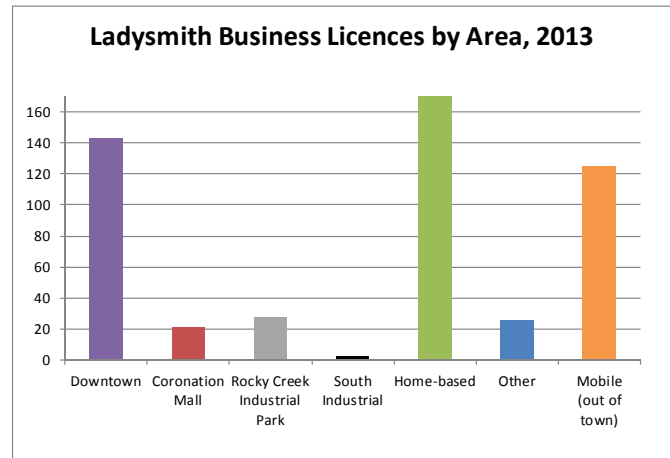
Business Licence Data

All businesses operating in Ladysmith must obtain a business licence through the Town of Ladysmith. The application for a business licence is available online on the Town's website and at City Hall. The approval process takes, on average, less than 2 weeks. The cost of the licence is \$100. Ladysmith has witnessed a consistent increase in new business licences over time. In 2013, 55 new business licences were obtained, and 471 existing business licences were retained, for a total of 526 business licences in the Town. Business licence data includes local businesses and businesses located elsewhere and operating in Ladysmith.



Most businesses in Ladysmith are located in the downtown or in private dwellings (home-based businesses). Approximately 48% of businesses in Ladysmith have employees, including 13 companies that employ more than 20 employees.

As of January 2014, a new Inter-Community Business Licence means that it will be easier for mobile businesses that provide services in a number of municipalities to operate throughout the entire Central Vancouver Island region. The twelve participating municipalities (including communities from Duncan to Campbell River) adopted a bylaw that allows businesses to purchase just one licence, rather than obtaining a licence in each municipality in which they operate. For more information, contact the Town of Ladysmith at 250-245-6400.



Local Economy

Major Employers

Ladysmith has a significant number of small businesses (employing fewer than 10 people), as well as a large number of home-based businesses. Major employers represent the public service sector, as well as a small number of industries and larger retail establishments. According to the 2006 Census, more than 60% of Ladysmith's population works outside of the community, in Nanaimo and throughout the Cowichan Region, as well as in Victoria. However, Ladysmith also attracts a significant number of non-resident workers. Nearly 50% of the people employed in Ladysmith reside outside the town.

The local economic base is service-oriented. However, there is a significant goods-producing footprint for the size of the population, reflecting the woods product manufacturing sector and local sawmill, marine manufacturing services and food processing. The number of employees represented below includes both full-time and part-time permanent staff.

One of the area's top employers is Vancouver Island University (VIU). In 2008, the school was one of five post-secondary institutions in BC that were granted full university status. VIU has grown significantly since the status change, and recently hired consultants to conduct an economic impact analysis. The study found that VIU's has made the central-Island area "a destination for new business, entrepreneurs and startups" and has added a total of \$406 million impact and 3,095 jobs. Ladysmith is halfway between the Nanaimo and Duncan campuses; both are easily accessible within a 20 and 25 minute drive.

Ladysmith Major Employers

| Company | Employees | Sector |
|---|-----------|--------------------------|
| Western Forest Products Saltair Sawmill | 140 | Forest |
| School District #68 (Ladysmith Only) | 120 | Education |
| Lodge on 4th | 100 | Residential Care Home |
| Town of Ladysmith | 89 | Municipal Government |
| 49th Parallel Grocery Store | 85 | Grocery Retail |
| Ladysmith Community Health Centre | 60 | Primary Health Care |
| Ladysmith Press | 60 | Media/Publishing |
| Save-on-Foods | 55 | Grocery Retail |
| Ladysmith & District Credit Union | 35 | Financial Services |
| Pharmasave | 30 | Pharmacy |
| Limberis Seafood Processors | 25 | Clam & Oyster Processing |
| Home Hardware | 22 | Retail |

Nanaimo Major Employers

| Company | Employees | Sector |
|---|-----------|-------------------------------|
| Nanaimo Regional General Hospital | 2300 | Healthcare |
| School District #68 (Nanaimo-Ladysmith) | 1900 | Education |
| City of Nanaimo | 1210 | Municipal Government |
| Vancouver Island University | 1155 | Education |
| BC Ferries Corporation | 650 | Transportation |
| Shaw Cable | 620 | Cable/Internet/Phone Provider |
| McDonald's (4 locations) | 500 | Restaurant |
| Department of Fisheries and Oceans | 390 | Research Lab |
| Regional District of Nanaimo | 380 | Regional Government |
| Walmart | 350 | Retail |

Community Planning

The Town of Ladysmith has formulated long-term development strategies for the community to guide future development. The Official Community Plan and the Community Sustainability Vision are both available on the Town's website (www.ladysmith.ca) or by contacting City Hall. Copies of several of the Town's bylaws are also available on the website, including the Zoning Bylaw, Sign Bylaw, Subdivision Bylaw, and the Building & Plumbing Bylaw. Since the website may not include all revisions and amendments to Town bylaws, it is strongly suggested to request an official version from City Hall.

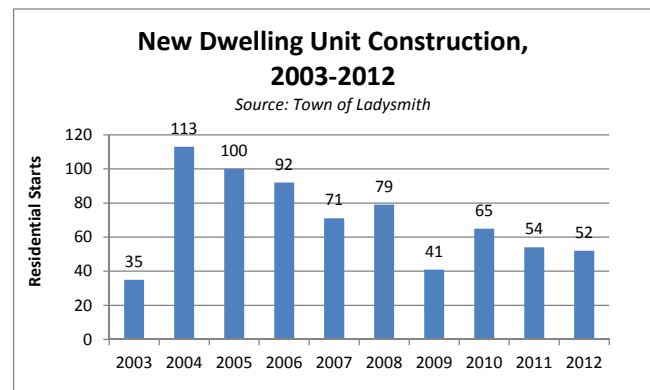
Planning and zoning is a function of the Development Services Department. The Department can assist in interpreting bylaws for development projects. In 2012, the Town's Zoning Bylaw began a significant revision to support the implementation of the Official Community Plan, Community Sustainability Vision, Community Energy Plan, and 'greener' development in the Town. The revision will be completed in 2014.

Building Permits

Building permits are issued for any construction, alteration or repair of a building. Plans for construction or alteration need to accompany the application for

the permit. On average, permits are issued within 15 to 30 days, depending on the scale of the project. Costs of the permits are established based on the extent of the construction.

During 2013, \$7.4 million was spent on building in Ladysmith, including \$1.4 million in commercial projects, and \$5.2 million in new housing starts on 38 units. In the past ten years, 705 new dwelling units have been constructed in Ladysmith.



Town of Ladysmith Application Fees

| | |
|---|---|
| OCP / Zoning Amendment Application | \$1500 + advertising costs public hearing |
| Subdivision Application | \$300 application fee + \$100 per lot |
| Development Variance Permit | \$750 |
| Development Permit - Multiple Family, Commercial, Industrial | \$750 |
| Development Permit - Environmentally Sensitive Areas and Hazard Lands | \$100 |
| Development Permit - Amendment | \$100 |
| Sign Permit / Façade Development Permit | \$100 |
| Board of Variance | \$750 |
| Temporary Use Permit | \$1000 + advertising costs |
| Strata Conversion Fee | \$200 per unit to a maximum of \$2500 |
| Revitalization Tax Exemption Program | \$250 |

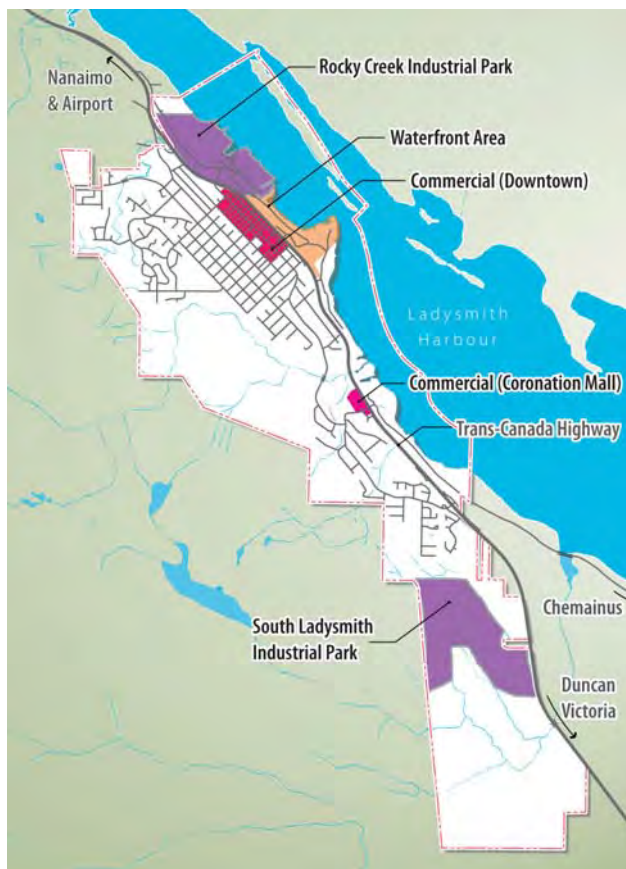
Source: Town of Ladysmith Fees and Charges Bylaw 2008, No. 1644. For an official copy, please contact City Hall at: 250.245.6400 As of June 2013.

Industrial Development

There are two industrial parks in Ladysmith, one located at the north end of town (Rocky Creek Industrial Park) and the other at the south of town (South Ladysmith Industrial Park). Both have excellent highway access, utilities on or near the site, and zoning for industrial activity.

The 72 ha Rocky Creek Industrial Park is located adjacent to the Trans-Canada Highway, fronting Ladysmith Harbour. It provides primarily for live-work, light and heavy industrial uses. Highway upgrades and availability of servicing enhances the desirability of the area. Lot sizes range from 0.5 to 2.0 ha with full municipal road, sewer, and water services as well as gas, hydro and telephone utilities.

The 41 ha South Ladysmith Industrial Park is located at the south entrance to Ladysmith and provides for a range of industrial uses. Lots are 0.5 to 8 ha in size, with rural servicing levels. Water, hydro and telephone service is available.



Commercial Development

The Town has two main commercial areas: the historic downtown and the south end (Coronation Mall), with smaller complementary commercial areas located within neighbourhoods. Maintaining the heritage character of the downtown is important to the community. Design guidelines for buildings, signs and canopies are available for new projects and renovations. Design guidelines also exist for commercial development in other areas. Resources for site and building design are available online through the Town's business and development portal (www.ladysmith.ca/business-development).

Commercial properties listed for sale or lease are publicized through the many local real estate companies, or through www.icx.ca.

Waterfront Development

Ladysmith's stunning waterfront is one of the community's most defining features and, as such, is integral to the community's identity. Transfer Beach Park is a highly treasured place – a place where residents and visitors go to experience nature, tranquility and fun-filled community events and recreational opportunities. Adjacent to Transfer Beach lie approximately 68 acres of Provincial Crown Land and 24 acres of Town-owned land (known as the 'Uplands') – all vacant and awaiting development.

The Ladysmith Sustainability Plan and the Waterfront Area Plan envision a dynamic multi-use waterfront village comprised of natural areas, recreational areas, marine and marine activity areas, waterfront development and services; and a working waterfront of traditional industrial and related uses.

In 2009, the Town formed a municipally-owned corporation to work in partnership with the Ladysmith Maritime Society as an economic development initiative, to grow the marine tourism sector. As part of this initiative a new waterfront Visitor Reception Centre was officially opened in 2012. This architecturally-designed facility provides washroom, shower and laundry facilities, indoor and covered gathering spaces for visitors and the community, and sewage pump out for boaters. The facility was funded through a \$1.7 million investment from Western Economic Diversification and Island Coastal Economic Trust and the support of the Town.

As a result of historic industrial uses on the waterfront, these lands have been subject to varying levels of environmental challenges. In partnership with the Stz'uminus First Nation and the Province of BC, the Town is currently focusing its efforts on environmental assessment and clean-up of the area so that a sustainable mixed-use development can ensue.

In 2012, the Province of B.C. and the Council of the Town of Ladysmith released a long anticipated report on the environmental condition of the Ladysmith waterfront. The report outlines the extent of environmental contamination and gives a range of costs for alternatives to address remediation. A copy of the *Report on Remedial Cost for Ladysmith Harbour*, and the preliminary investigation reports, are available on the Town's website at www.ladysmith.ca/city-hall/reports-publications.



"The environmental remediation of the waterfront is priority for the Town of Ladysmith and the Stz'uminus First Nation" said Mayor Rob Hutchins. "We appreciate the financial commitment of the Province to undertake this comprehensive analysis and we look forward to further discussion with the Province on the development of a remediation plan. The good news within the report is that much of the Town's uplands are free from contamination".

Heritage Downtown

Downtown Ladysmith has long been recognized for its historic character and heritage buildings. 22 of the downtown buildings are included on the Ladysmith Community Heritage Register, and many of these are also on the Canadian Register of Historic Places. The Downtown continues to flourish as a shopping destination for locals and visitors to enjoy all that it has to offer, including boutique retail, cafés, restaurants, locally owned and operated commercial outlets and professional services, and the award winning Heritage Route of historic artifacts. The Ladysmith Museum opened in downtown in 2012.

Opportunities to diversify land use in the Downtown and incorporate increased residential uses through infill or residential development above commercial use are supported to further strengthen Ladysmith's Downtown.

Revitalization Tax Exemption Program

The Town of Ladysmith provides a Revitalization Tax Exemption Program aimed at maintaining the heritage character of Ladysmith and encouraging investment within the downtown core without triggering increased taxation. To qualify, property owners must submit a formal application and projects must meet program criteria and objectives.



Property Taxes

Property taxation is an important source of municipal revenue. The value of a property, as assessed by BC Assessment, is multiplied by the tax rates as set out by each of the taxing jurisdictions to determine property taxes. Property taxes also include levies for water and sewer services, policing services, the Vancouver Island Regional Library, and services provided by the Cowichan Valley Regional District, including the Cowichan District Hospital. Since 1996, Ladysmith has consistently reduced the portion of taxes paid by industry to reduce reliance on industrial taxes.

The overall tax rate increase contained in the 2014 budget is 2.94%. In the face of ongoing economic uncertainty abroad and at home, tax increases have been kept as low as possible while maintaining the levels of service the community desires. The Town is continuing to invest in its infrastructure. The Town's 2014 budget has a focus on the ongoing construction of the new secondary sewage treatment system – including a green component to capture waste energy, plus upgrades to the water supply system disinfection processes, helping to ensure the safety of our drinking water.

The average single-family residential house value of \$287,280 results in a 3.9% increase in municipal taxes from 2013. In keeping with Council's policy to limit commercial property tax increases and encourage economic activity, the commercial property tax will increase by 2.2%.

The 2014 budget also reflects Council's direction to reduce its reliance on tax revenues from heavy industry. Since 1995, the Town has consistently reduced its dependence on heavy industrial taxes. This year, heavy industry will contribute 12.8% of the Town's property tax revenue, compared to more than 30% in the 1990s.

Sales Tax

In 2013, the Province returned to the former system of GST (5%) and PST (7%).



Payroll Taxes

Workers Compensation - Provincial

| Tax Base | Tax Rate 2014 |
|--|---|
| Assessable earnings up to \$77,900 per employee. | Rates vary by industry and individual employer's safety record. (Rates available online: www.worksafebc.com) |

Employment Insurance - Federal

| Tax Base | Tax Rate 2014 |
|---|---|
| Insurable earnings up to \$48,600 per employee; (maximum annual premium per employee \$913.98 (Employer \$1279.15)) | 1.88 per cent (Employer 2.632 per cent) |

Income Tax

| Income Tax - Corporate | Provincial | Federal |
|---|---|---|
| Tax Base | Tax Rate 2014 | Tax Rate 2014 |
| Net income from financial statements adjusted to comply with the federal Income Tax Act | General Rate: 10.0 per cent (Canadian-controlled private corporations pay 2.5 per cent on the first \$500,000 of taxable income) | General Rate: 15 per cent Canadian-controlled private corporations pay 11 per cent on the first \$500,000 of taxable income) |

Source: www.cra-arc.gc.ca - data current as of April 2014

Water & Wastewater

Water and wastewater (sewer) services are provided by the Town of Ladysmith. The Town obtains its water from two sources, Holland Creek and Stocking Lake. The existing water supply system has the capacity to provide quality drinking water to a population of up to 15,000. The wastewater treatment plant was built to serve a population of up to 12,000; an expansion to serve a population of 17,200 is planned.

The Town has undertaken extensive infrastructure improvements to both the water and wastewater treatment systems in recent years. A state-of-the-art secondary sewage treatment system is now being built in Ladysmith, thanks in part to over \$5 million from Canada's Gas Tax Fund in 2011 and additional grants and loan funding through FCM. The innovative design of the new plant – a first in North America – is based on a model used widely in Europe, which features an exceptionally small environmental footprint compared to conventional technology. It is especially well suited for coastal towns or communities with constricted plant sites. Upgrading the wastewater treatment plant to secondary treatment standards in order to better serve a growing community continues to be a key priority. Watershed protection and ongoing programs aimed at further reducing the Town's water consumption are also a high priority.

In 2010, the Town introduced a block usage water rate structure. Under this structure, users pay a flat rate for the first 25 cubic metres of water used, with the rate increasing for each additional 25 cubic metres. Included in the 2014-2018 Financial Plan, Council has authorized an increase of approximately \$1 to the water base charge and 3 to 5 cents each year per step in the water usage rates.

The annual water parcel tax is \$130 per parcel or group of parcels. It is anticipated that the water parcel tax will increase by at least \$20 per year over the next five years. The annual sewer parcel tax is \$269 per parcel or group of parcels. Included in the 2014 to 2018 Financial Plan is an increase to the sewer utility rates of \$1 per month.

Water Usage Rates (Quarterly)

| | |
|---|---|
| Individually Metered Single Family Dwelling Units | \$22.45 minimum up to 25 cubic metres, \$0.50 per additional cubic metre to 50 cubic metres; \$0.60 per additional cubic metre to 75 cubic metres; \$0.75 per additional cubic metre to 100 cubic metres; \$1.00 per additional cubic metre to 125 cubic metres; \$1.35 per cubic metre per additional cubic metre over 125 cubic metres. |
| All Other Users | \$22.45 minimum for first 25 cubic metres, \$0.45 per additional cubic metre |
| Non-Metered Service | \$39.80 flat rate, per unit. |

(Effective April 2013)

Wastewater Usage Rates (Quarterly)

| | |
|-------------|-------------------------|
| Residential | \$42.90 per unit |
| Commercial | \$42.90 per unit/office |
| Industrial | Varies by class |

(Effective April 2013)

Garbage, Recycling & Organic Waste Collection

Residential garbage collection services are provided by the Town at a quarterly cost of \$42 for garbage, recycling and organic waste collection. Commercial and industrial users must make their own arrangements at this time.

One garbage can is allowed on alternating weeks, with a \$2 charge for each extra garbage bag, or you can purchase a book of six tags for \$10. Recycling is unlimited, with pick-up alternating weeks with garbage collection. Pick up schedules, extra garbage tags and yellow recycling bags (at a cost of \$1) are available at City Hall and the Frank Jameson Community Centre.

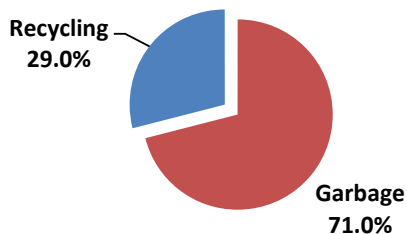
Ladysmith has recently entered into a contract with MultiMaterials BC (MMBC) as part of an initiative from the Province - the Extended Producer Responsibility program. The Town will receive a rebate from MMBC based on the compliant recycled products delivered to the Material Recovery Facility.

The Town of Ladysmith is exceptionally pleased to be among the first municipalities in BC to offer weekly organic waste collection. The program was launched in 2006, and has substantially reduced the amount of garbage sent to landfills. Since the program began, Ladysmith residents have reduced the proportion of garbage collected from 71% to 41%, instead diverting reusable/recyclable waste to organics and recycling. Organic waste collection now accounts for 27% of all waste collection in Ladysmith. Annually, an average of 60% of waste is diverted from the landfill as a result of the recycling and organic collection program. For more information about the Town's garbage, recycling and organic waste collection programs, please visit "Our Services" on the Town's website.

Waste Collection in 2005

June to September
(prior to organic waste collection program)

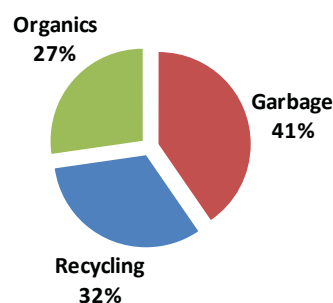
Source: Town of Ladysmith



Waste Collection in 2013

June to September

Source: Town of Ladysmith



Ladysmith is home to the newly built Peerless Road Recycling Centre, the largest on Vancouver Island. The new centre offers increased service - including 650 categories of material for recycling - improved safety and accessibility, and innovatively used the former incinerator ash in the site development. The new facility opened in April 2014.

Telecommunications

Shaw (www.shaw.ca) and Telus (www.telus.ca) offer digital cable, telephone and high-speed internet service packages for residences and businesses. Bell (www.bell.ca) offers digital cable and internet. Detailed information about pricing and the various packages available can be found on the companies' respective websites.

Electricity

Hydro-electric power is delivered to Ladysmith by BC Hydro, a provincial Crown Corporation. BC Hydro's PowerSmart initiatives include several residential and business programs and incentives for energy efficiency and sustainability. For more information, visit www.bchydro.com. Electricity rates in BC are among the lowest in North America.

Natural Gas

Natural Gas is provided by Fortis BC (www.fortisbc.com) - a shareholder-held private company. The Mt. Hayes liquefied natural gas (LNG) storage facility, a \$190 million project, is located 6 km north-west of Ladysmith. This facility officially opened in 2011, and will ensure that at any point in time, a 10-day supply exists for the entire island, serving some 90,000 customers in the process.



Quality of Life

A Picturesque Coastal Setting

Ladysmith was named one of the 10 prettiest towns in Canada by Harrowsmith Country Life Magazine, being called “remote enough to feel free of urban nuisances, urban enough not to feel remote.” The Saturday Post put it this way: “In Ladysmith you have neighbours; in Vancouver you have people who live next door”.

Ladysmith won first place in the 5,000 to 10,000 population category “Communities in Bloom” contest in 2003. Judges said: “Ladysmith is truly a beautiful town. It is architecturally attractive, historically preserved, friendly, [...] Ladysmith has so many exceptional natural resources it’s hard to focus on just one.”

The Vancouver Sun called Ladysmith a “gem of a town”, the Business Examiner dubbed it “a community that works and cares”, and Ladysmith was featured in Sea Magazine as a great stop on a seaward adventure.

Ladysmith continues to recognize the importance of history, and has been the recipient of multiple heritage awards. This list includes the Heritage BC Award of Outstanding Achievement for the restoration of Aggie Hall, a Heritage BC Award of Honour for the restoration of the Machine Shop (now housing the Waterfront Art Gallery), and a Certificate of Recognition for the Ladysmith Town Archive (a joint award with Ladysmith & District Historical Society). In 2013, the Ladysmith Maritime Society won the Outstanding Achievement Award in Heritage Conservation for the restoration of

the MV Saravan, a 36-foot vintage wooden tugboat that serves as the society’s flagship vessel.

Celebrations Showcase Tremendous Community Spirit...

Ladysmith is renowned for its annual celebrations and community events that showcase the community’s tremendous sense of pride. Some of the most popular include:

- New Year’s Day Polar Bear Swim
- Ladysmith Home, Garden and Business Show
- Ladysmith Kid’s Pirate Day
- Ladysmith Maritime Heritage Day
- Make It, Bake It, Grow It Farmer’s Market
- Annual Rotary Garden Tour
- Hometown Tourist Weekend
- Canada Day celebrations
- Concerts in the Park
- Brits on the Beach
- Ladysmith Days
- Ladysmith Show and Shine
- Arts on the Avenue
- Artisan’s Old Fashioned Christmas
- Ladysmith Festival of Lights

The Ladysmith Chamber of Commerce and Visitor Centre maintains a community event calendar that can be viewed on their website at www.ladysmithcofc.com. Take 5 Magazine (www.take5.ca) also offers a detailed community events listing.

Quality of Life



Library

The Vancouver Island Regional Library (www.virl.bc.ca) operates on a regional basis with 38 branches on Vancouver Island, Haida Gwaii and the Central Coast. The Ladysmith branch is located at 740 First Avenue.

With access to more than a million books, magazines, videos, newspaper and other material, the Ladysmith Library also offers free Wi-Fi, public internet access stations and numerous programs for all ages. Branch hours are Monday, Wednesday and Saturday from 10am to 5pm and Tuesday, Thursday and Friday from 10am to 8pm.

Everyone Belongs Here - Clubs & Organizations Galore!

Ladysmith boasts an impressive number of ways that residents of all ages can get involved in the community. Volunteerism rates are exceptionally high, and social clubs abound. Download the most current directory of community clubs and organizations from the Town's website (www.ladysmith.ca) and get involved!

Healthy, Active Lifestyle

Ladysmith has a number of year-round amenities, leisure services, programs and facilities available to meet the needs of local residents and visitors alike. These include 26 kilometers of trails, 110 hectares of parks and open space, a community centre, community hall, resource centre and a senior's centre.

Ladysmith's beautiful harbor setting and hillside landscape offer hiking and walking trails with easy access points throughout the Town. The routes include beach, marine, and estuary walks, heritage building and artifact routes, forests, waterfalls, and spectacular view points. In addition to trails, vast amounts of parks and open space offer seaside fun, nature experiences, playgrounds and playfields.

Transfer Beach Park, the jewel of Ladysmith, is located across the Trans Canada Highway from the town center. This waterfront park and beach offers a wide range of amenities to meet your needs: picnic facilities, covered shelters, large adventure playgrounds, open fields, a seasonal concession, a water spray park, amphitheatre, kayak and marine adventure centre and much, much more! Transfer Beach is well known for its warm, clear, clean summer swimming water – the warmest north of San Francisco.



Ladysmith's newest public space is Spirit Square, located in the heart of the new community complex containing the Ladysmith Resources Centre, the Boys' and Girls' Club, and the Seniors' Centre. Spirit Square is an accessible, inclusive place for festivals, events and celebrations.

The new Brown Drive Park playground, constructed by the Ladysmith Kinsmen Club, won the Kin Canada top service award for clubs across the country in 2013.

Ladysmith offers both on- and off-road cycling for beginner and experienced riders. Routes within the town connect residents to shopping and services with the least amount of hill-climbing! Following an update to its Bicycle Plan, the Town is in the process of planning route and infrastructure improvements to encourage greater use of bicycles in the community. The newest addition is a multi-use pathway, adjacent to the Trans Canada Highway, located between North Davis Road and Bayview Avenue. The pathway was constructed in 2012 to allow better connectivity for cyclists and pedestrians.

For team sport enthusiasts and fans alike, the outdoor sports complex located at Fourth Avenue and Jim Cram Drive includes Forrest Field, the home turf of the Mid Isle Highlanders Football Club – Pacific Coast Soccer League. This artificial turf

field officially opened in 2011 and is enjoyed by all ages. Along with the new playground, future plans for the complex include the development of two ball fields, a fitness track, and field house.

Forrest Field and other facilities in Ladysmith have hosted multiple major youth soccer events. The Town was recently host to the BC Mini-World Cup and the Stz'uminus All Native Annual Soccer Tournament, with hundreds of young soccer players and their families in attendance. These tournaments showcased the hospitality and amenities that Ladysmith has to offer.

The Frank Jameson Community Centre (the FJCC) includes an indoor swimming pool complex (25 meter lap pool, a therapy/teach/leisure pool, whirlpool, and sauna), gymnasium, program and meeting spaces as well as a new fitness and wellness centre. A wide variety of community education, active living, and leisure services and programs are available for every age and interest. Residents with financial challenges may seek assistance for inexpensive access to programs and services through the Leisure Access Program.

For more information about programs through Ladysmith Parks, Recreation & Culture, download a copy of the Active Living Guide (www.ladysmith.ca) or call the Frank Jameson Community Centre at 250.245.6424.



A Welcoming Community

New residents are warmly welcomed to Ladysmith, and the following resources are available for the information of prospective residents, or to help to ease the transition for newcomers.

- To request a Ladysmith Relocation Package, contact the Ladysmith Chamber of Commerce at 250.245.2112, or at info@ladysmithcofc.com.
- Contact City Hall at 410 Esplanade or call 250.245.6400 to obtain an information package about garbage & recycling pick-up, including service schedules, general information, recycling bags and stickers.
- Once in town, contact the Ladysmith Newcomers Club to meet friends and experience all that Ladysmith has to offer. Contact: 250.924.3319 or btaylor289@shaw.ca.
- The local Welcome Wagon is another great source of support and information to newcomers. Contact: 250.245.0799 or leankg@shaw.ca

Community Services for All

Volunteerism in Ladysmith is exceptionally high. Download the most current directory of community clubs and organizations from the Town's website (www.ladysmith.ca) and get involved!

Officially opened in 2011, the new Ladysmith Community Services Centre is located between High Street and Buller Street on Second Avenue and provides a new home for the Ladysmith Resources Centre Association, the Seniors' Centre Association, and the Boys' and Girls' Club. The Centre is comprised of a combination of new and revitalized buildings and public spaces, including the new public gathering area "Spirit Square". The building housing the Seniors' Centre Association and the Ladysmith Resources Centre Association achieved the distinction of LEED Gold Certification by the Canada Green Building Council.

Ladysmith offers a wealth of support services for residents of all ages - from infants to seniors and every age in between. Services for young families in Ladysmith are second to none, with a variety of licensed care facilities, preschools, and other early years services located in the community.

Anyone seeking employment can contact Global Vocational Services – they offer free employment services to all unemployed, underemployed or employment threatened individuals. Some of their core services include job postings, computer/Internet access,



Quality of Life



resource information, one-on-one assistance with returning to work or training and workshops on computer basics, job search and resumes, career assessments and decision making, entrepreneurial exploration and trades and technology information. Visit their website at www.gvsjobs.com, or call 250.924.2884.

The Ladysmith Community Health Centre, formerly the Ladysmith Hospital, provides a range of health and community services in one central location, along with an adjacent 101 bed privately-run residential facility. The Community Health Centre offers services such as urgent care and clinical day care, counseling, education, children and youth clinics, midwifery, addictions services, x-ray and laboratory, and home and community care. Telehealth services, operated through Island Health, were introduced to the Ladysmith Community Health Centre in December 2013. This service uses videoconferencing technology to connect patients to health care services, regardless of where they live.

The Hillside Medical Centre offers a traditional family practice clinic. A number of private health care offices, such as dentists, physiotherapists, chiropractors, massage therapists, optometrists and others are also located in the community.

Ladysmith is within the catchment area for the

Nanaimo Regional General Hospital, a modern 409 bed facility. The Hospital is located at 1200 Dufferin Crescent in central Nanaimo. In 2012, the Nanaimo Regional General Hospital opened the new and expanded \$36.9 million emergency wing, which tripled the size of the existing emergency departments and also includes psychiatric emergency services and psychiatric intensive care unit.

Local and Regional Attractions

Ladysmith is at the crossroads of some of the best tourism and recreational opportunities that Vancouver Island has to offer. Ladysmith's tourism website (www.tourismladysmith.ca) offers vacation planning tips to help visitors (and locals) experience everything that Ladysmith has to offer.

Known for its abundance of community spirit, the Town offers exciting celebrations throughout the year, such as Ladysmith Celebration Days in August and the famous Festival of Lights from November to January. On Sunday nights throughout the summer, free concerts are offered at the Transfer Beach Amphitheatre that will delight residents and visitors alike. The weekly "Make It, Bake It, Grow It" Farmer's Market operates weekly throughout the summer at Transfer Beach. Arts on the Avenue is an annual outdoor event which features local artists each August. In November, a self-guided tour of local artisans is organized in time for the holiday season.

The Ladysmith Waterfront Gallery (www.ladysmithwaterfrontgallery.com) is located in a restored heritage building just a short walk from Transfer Beach. The gallery was created by a partnership between the Town and the Ladysmith Arts Council to provide a showcase for artistic talents of members and guest artists, along with studio and classroom space. The gallery has a reputation for being forward-thinking and dedicated to the growth

of art in all disciplines, with a focus on providing the community with classes taught by talented teachers. The Ladysmith Waterfront Gallery displays local artwork and exhibitions year-round.

With the abundance of beautiful heritage buildings and streetscapes, and artifacts from the coal mining, forestry, rail and marine industry located throughout the town, celebration of heritage is easy in Ladysmith. Discover our past with self-guided walking tour brochures, or visit the new Ladysmith Museum or the floating Maritime Museum at the Ladysmith Maritime Society community marina. While at the marina, take a historical tour of the Ladysmith Harbour aboard a restored lifeboat.

For added fun, you may want to venture out to neighbouring communities. Cultural attractions such as the BC Forest Discovery Centre and the Quw'utsun Cultural and Conference Centre in Duncan are unique experiences for visitors and locals alike. The Saturday Market in the Square in Duncan provides a wonderful opportunity to purchase products from local farmers and artisans, as does the Cedar Farmer's Market at the Crow & Gate Pub in Yellowpoint. Mix in a tour of the Chemainus murals, Duncan's outdoor totem collection, or the Art District of Nanaimo, and you are sure to enjoy your stay in the breathtaking Cowichan Region.

Community drama clubs and local restaurants feature a variety of theatrical and musical entertainment. Ladysmith's Little Theatre (www.ladysmiththeatre.com) is a local theatrical group known for unique community performances and weekend dinner theatre. The acclaimed Chemainus Theatre (www.chemainustheatrefestival.ca) and the Port Theatre in Nanaimo (www.porttheatre.com) are within a 20 minute drive and offer a variety of performances.

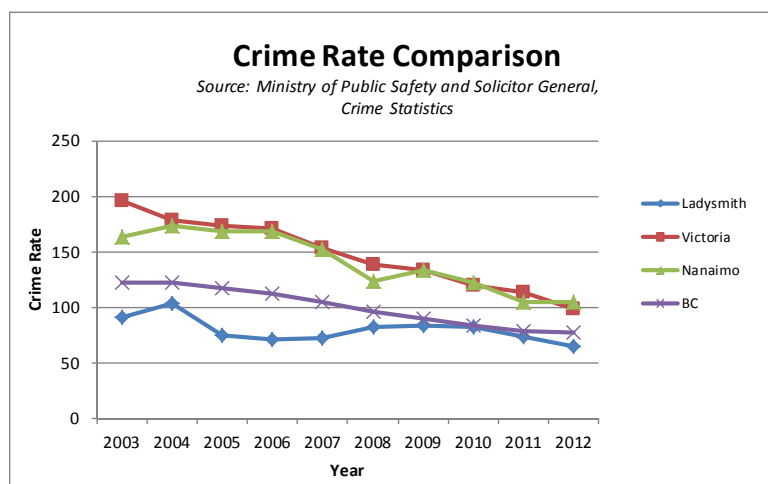
At various times during the year, wineries and artisans open their doors to visitors and aficionados alike. Hiking, kayaking, paddle boarding and diving are also very popular activities in Ladysmith and surrounding areas. The Visitor Centre is a wonderful source of local tourism-related information. The Visitor Centre is located at 33 Roberts Street, and can be contacted at 250.245.2112 or info@ladysmithcofc.com. For more information on regional tourism attractions, visit:



A Safe Community to Call Home

Policing services are provided by the Royal Canadian Mounted Police (RCMP). The Ladysmith Detachment has seven municipal officers, five provincial officers, one First Nation officer, three on-call guards, four public service staff, and a Victim Services Coordinator, in addition to support from volunteers.

Ladysmith Fire/Rescue provides fire protection to the Town of Ladysmith, parts of Saltair and the Diamond Improvement District. This fire protection area spans over 100 square kilometers. The Fire/Rescue Department consists of 35 paid-on-call members including the Fire Chief, Deputy Chief, Training Officer, Captain, 3 lieutenants, and 28 firefighters. For more information, please visit www.ladysmith.ca/public-safety/ladysmith-fire-rescue.



Local Media

The Ladysmith-Chemainus Chronicle is published weekly and covers Ladysmith and Chemainus areas. It features news stories, local cultural and sporting events, and classifieds. It is also online at www.ladysmithchronicle.com.

Take 5 (www.take5.ca) is a monthly publication circulated in Chemainus, Saltair, Ladysmith, Yellow Point, Cedar, Cassidy, Chase River and surrounding areas.

The nearest daily newspapers are the Nanaimo Daily News and the Times-Colonist in Victoria.

There are three broadcasting stations serving Vancouver Island: CTV, CHEK TV and Shaw Cable. There are also a great variety of radio stations in the area, including:

- 89.7 FM "Sun FM" (Duncan)
- 90.5 FM CBC Radio (Victoria)
- 101.7 FM Radio VIU "CHLY" (Nanaimo)
- 102.3 FM "The Wave" (Nanaimo)
- 106.9 FM "The Wolf" (Nanaimo)
- 690 AM/ 88.1 FM - CBC Radio One (Vancouver)
- 1070 AM CFAX (Victoria)

The Community Profile is a collection of community information and statistical data deemed accurate and up-to-date at the time of publication. While we have made every effort to confirm the contents, please verify information prior to use to ensure that it is current and correct. Thank you.

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Town of Ladysmith
2013 Annual Report
and
2014 Community Profile

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