



# TOWN OF LADYSMITH

A SPECIAL MEETING OF THE  
COUNCIL OF THE TOWN OF LADYSMITH  
WILL BE HELD IN COUNCIL CHAMBERS AT CITY HALL ON  
MONDAY, MAY 13, 2013  
5:00 p.m.

## A G E N D A

|  | <u>Page</u>    |
|--|----------------|
| <b>CALL TO ORDER</b>   |                |
| <b>1. AGENDA APPROVAL</b>  |                |
| <b>2. NEW BUSINESS</b>   |                |
| <b>3. UNFINISHED BUSINESS</b>  |                |
| <b>3.1. Ladysmith Trolley Service – Reconsideration of a Matter</b>  | <b>1 - 2</b>   |
| <p>At the April 15, 2013 Regular Meeting, Council defeated the following resolution:<br/><i>CS 2013-124 -- That trolley service be reduced to three days per week, based on days with the highest number of passengers.</i></p> <p>In accordance with Sec. 131 of the <i>Community Charter</i>, Mayor Hutchins has requested reconsideration of this matter in light of additional information that Council requested from staff (see attached staff report). Further, in accordance with Sec. 23(3) of the Town's Procedures Bylaw No. 1666, Council may waive provisions of Bylaw 1666 not governed by provincial legislation. Council's consideration of the following staff recommendation is requested:</p> <p><i>That Council waive the provisions of Procedures Bylaw No. 1666 to allow the reconsideration of Resolution No. CS 2013-124 at the Special meeting of Council scheduled for May 13, 2013.</i></p> |                |
| <b>3.2. 2013 Water System Capital Projects</b>   | <b>3 - 5</b>   |
| <b>4. BYLAWS</b>   |                |
| <b>4.1. Town of Ladysmith Financial Plan Bylaw 2013, No. 1827</b><br>May be adopted.   | <b>6 - 10</b>  |
| <p>The purpose of Bylaw 1827 is to establish the 2013 to 2017 Financial Plan for the Town of Ladysmith.</p>  |                |
| <b>4.2. Town of Ladysmith Tax Rates Bylaw 2013, No. 1828</b><br>May be adopted.  | <b>11 - 12</b> |
| <p>The purpose of Bylaw 1828 is to establish property tax rates for 2013.</p>  |                |

**5. EXECUTIVE (CLOSED) SESSION**

In accordance with section 90(1) of the *Community Charter*, this section of the meeting will be held *In Camera* to consider the following items:

- litigation or potential litigation affecting the municipality
- labour relations or other employee relations

**6. ADJOURNMENT**



Town of Ladysmith  
**STAFF REPORT**

To: Ruth Malli, City Manager  
From: John Manson, FEC, PEng  
Date: May 1, 2013  
File No:

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Re: Trolley Service Options for Summer 2013

**RECOMMENDATION:**

Council has requested this information to make a decision on service levels for the trolley service prior to the scheduled end of the service on August 31, 2013. As service levels are set by Council, staff are presenting options are for Council's consideration, with no recommendation.

**INTRODUCTION/BACKGROUND:**

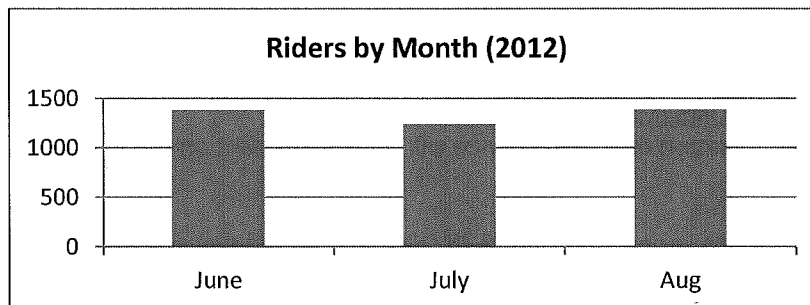
Council has requested that staff provide options for the continued operation of the trolley for the summer months of 2013. This report provides Council with some additional statistical information on past usage of the Trolley during the summer of 2012, which may assist in evaluating possible service adjustments during the remaining months of service.

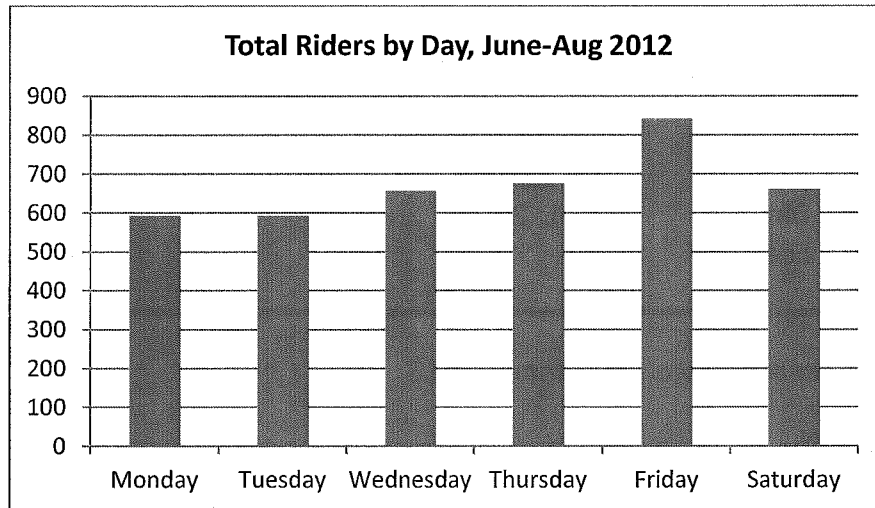
**2012 Service Statistics**

Appendix "A" contains our monthly trolley usage statistics for the months of June through September of 2012. During the June-August period, we saw the following total ridership for the previous 3 years:

| Year | Total 3 Month Ridership |
|------|-------------------------|
| 2012 | 4,022                   |
| 2011 | 6,623                   |
| 2010 | 6,641                   |

Looking in more detail at last year's ridership data, the distribution by month and day of week are as follows:





Other than the 25-35% increase in volume on Fridays compared to the other days of the week, there does not appear to be a significant increase on daily traffic during particular days of the week.

**ALTERNATIVES:**

Staff estimate that the labour and fuel cost savings in full termination of the service is approximately \$11,000 per month.

Should Council wish to scale back, rather than fully terminate the service for the last 3 months, staff would recommend running a Thursday-Saturday service for June-August. This would require issuing a lay-off notice to one of our drivers. The savings would be approximately \$14,000.

Should Council wish to continue the service until the end of August, 2013, lay-off notices will be issued near to the end of July to our two drivers.

**FINANCIAL IMPLICATIONS:**

Savings of \$14,000 - \$28,000 are possible should Council wish to terminate or reduce trolley service during the period of June-August, 2013. Staff would recommend that this saving be put into a reserve for the replacement of assets (currently underfunded).

**LEGAL IMPLICATIONS:**

The lay-off and "bumping" provisions of the CUPE Collective Agreement will apply at such time as lay-off notices are issued.

**CITIZEN/PUBLIC RELATIONS IMPLICATIONS:**

The modification or cessation of Trolley service will have an impact on the public that ride the trolley.

**SUMMARY:**

Potential savings up to approximately \$28,000 are possible should the trolley service be discontinued during the summer months of 2013.

I concur with the recommendation.

Ruth Malli, City Manager



Town of Ladysmith  
**STAFF REPORT**

To: Ruth Malli, City Manager  
From: John Manson, PEng  
Date: May 9, 2013  
File No:

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Re: UPDATE OF 2013 WATER CAPITAL PROJECTS

RECOMMENDATION(S):

It is recommended that Council reallocate the budget funding for the Hydraulic Energy Project to the three additional water capital projects as noted below, and amend the financial plan accordingly:

- Baden Powell watermain replacement \$125,000
- Public Works Yard watermain replacement \$100,000
- Weather Station \$25,000

PURPOSE:

To update Council on the 2013 Water Capital projects.

INTRODUCTION/BACKGROUND:

In March of 2013, staff made a presentation to Council regarding the water capital projects for over the next five years. Included in the list was the continuation of the Hydraulic Energy Project originally initiated in 2012.

The Hydraulic Energy Project was included in this year's budget for \$905k, funded from reserves (\$530k) and grant (\$375k). Originally, this project was in the 2012 capital budget, though there have been difficulties securing the necessary BC Hydro approvals for the interconnection to the Hydro grid, which is required to complete the project. At the time of the March presentation, staff was in the process of negotiating with the Province to allow the substitution of this project with the upgrading of the Stocking Lake supply lines which are critical to the Town's water supply needs.

We have now received confirmation from the Province that the request to extend the grant deadline has been approved to March of 2014, however, there is not support to re-order the phasing of the project to do the Stocking Lake Pipeline project first. Based on the current status of the project, and the time remaining to the new grant deadline (March, 2014), we remain pessimistic that the project could be completed



by the new deadline, based on our discussions with BC Hydro regarding the connection process. Accordingly, we are continuing discussions with the province to either move the grant funding to another capital project, or possibly allowing a further extension of the Hydraulic Energy Project to a later year.

This project was funded by grants and reserves. Since the likelihood of this project being completed in 2013 is minimal, it is requested that the prior year funding be reallocated to 3 other projects (Baden Powell watermain replacement and the Public Works watermain replacement, and a weather station). The value of each project is:

- Baden Powell watermain replacement \$125,000
- Public Works Yard watermain replacement \$100,000
- Weather Station \$25,000;

**SCOPE OF WORK:**

These projects were included in the 2013-2017 financial plan.

**ALTERNATIVES:**

Keep the existing funding allocated to the hydraulic energy project for future years, with the potential to lose the grant funding.

**FINANCIAL IMPLICATIONS:**

Currently, staff is working with the Province to reallocate the grant funding to an alternative energy generation project.

If the grant can be utilized in future years (beyond March 2014), additional funding would be required to fully fund the original project.

**LEGAL IMPLICATIONS:**

None

**CITIZEN/PUBLIC RELATIONS IMPLICATIONS:**

**INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:**

Finance and Public Works will continue to work together to monitor the grants and funding available.

**RESOURCE IMPLICATIONS:**

Existing staff will be utilized to assist in the watermain replacements.

**ALIGNMENT WITH SUSTAINABILITY VISIONING REPORT:**

These projects align with the "Innovative Infrastructure" vision.

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

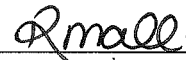


This project aligns with enhancing our standard of infrastructure, as well as wise financial management.

**SUMMARY:**

Staff are requesting the re-allocation of 2013 Water Capital funds from the Hydraulic Energy Project to the Baden Powell and Public Works Yard watermain replacement projects, as well as the weather station project for 2013.

I concur with the recommendation.



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Ruth Maffi, City Manager



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**TOWN of LADYSMITH**

**BYLAW NO. 1827**

A bylaw establishing the Financial Plan for the years 2013-2017.

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

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

- (1) Schedule "A" attached hereto and made part of the bylaw is hereby adopted and shall be the Financial Plan for the Town of Ladysmith for the five years ending the thirty-first day of December, 2017.
- (2) Schedule "B" attached hereto and made part of the bylaw is hereby adopted and shall be the statement of objectives and policies for the Town of Ladysmith for the five years ending the 31<sup>st</sup> of December 2017.
- (3) This bylaw may be cited for all purposes as: "*Town of Ladysmith Financial Plan Bylaw 2013, No. 1827*".
- (4) "Town of Ladysmith Financial Plan Bylaw 2012, No. 1801" is hereby repealed.

**READ A FIRST TIME**                    on the            6<sup>th</sup>            day of May,            2013

**READ A SECOND TIME**            on the            6<sup>th</sup>            day of May,            2013

**READ A THIRD TIME**            on the            6<sup>th</sup>            day of May,            2013

**ADOPTED**                            on the                            day of

\_\_\_\_\_  
Mayor (R. Hutchins)

\_\_\_\_\_  
Corporate Officer (S. Bowden)



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 Schedule 'A' of Bylaw 1827
 

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## Town of Ladysmith 2013-2017

|                                   | <u>2013</u>        | <u>2014</u>      | <u>2015</u>      | <u>2016</u>      | <u>2017</u>      |
|-----------------------------------|--------------------|------------------|------------------|------------------|------------------|
| <b>REVENUES:</b>                  |                    |                  |                  |                  |                  |
| Revenue From Property Tax Values  | 7,085,455          | 7,581,546        | 7,867,466        | 8,356,409        | 8,448,476        |
| Revenue From Grants In Lieu       | 158,250            | 161,415          | 164,645          | 167,937          | 171,296          |
| Revenue From Parcel Taxes         | 1,349,850          | 1,408,449        | 1,468,030        | 1,528,601        | 1,805,229        |
| Revenue From Fees & Charges       | 3,059,327          | 3,101,237        | 3,198,848        | 3,511,074        | 3,454,200        |
| Revenue From Other Sources        | <u>1,767,972</u>   | <u>2,462,047</u> | <u>4,266,801</u> | <u>1,830,080</u> | <u>2,635,461</u> |
|                                   | 13,420,854         | 14,714,694       | 16,965,790       | 15,394,101       | 16,514,662       |
| <b>EXPENSES:</b>                  |                    |                  |                  |                  |                  |
| General Operating Expense         | 8,910,529          | 9,078,826        | 9,254,747        | 9,433,596        | 9,616,011        |
| Sanitary Sewer Operating Expenses | 578,195            | 589,761          | 749,160          | 906,090          | 923,000          |
| Water Operating Expenses          | 557,270            | 553,116          | 564,179          | 575,461          | 586,969          |
| Interest Payments                 | 568,706            | 569,359          | 569,667          | 557,124          | 557,046          |
| Amortization                      | <u>2,270,000</u>   | <u>2,315,400</u> | <u>2,361,708</u> | <u>2,408,942</u> | <u>2,457,121</u> |
| Annual Surplus/Deficit            | 536,154            | 1,608,232        | 3,466,329        | 1,512,888        | 2,374,515        |
| <b>Add back:</b>                  |                    |                  |                  |                  |                  |
| Amortization                      | 2,270,000          | 2,315,400        | 2,361,708        | 2,408,942        | 2,457,121        |
| <b>Capital Expenditures</b>       |                    |                  |                  |                  |                  |
| General Capital                   | 1,919,141          | 1,573,320        | 3,278,647        | 2,757,329        | 4,281,196        |
| Sanitary Sewer Capital            | 6,500,000          | 11,186,900       | 1,397,200        | 852,500          | 427,800          |
| Water Capital                     | 2,892,131          | 1,796,405        | 3,936,725        | 322,061          | 322,414          |
| Proceeds from New Debt            | (4,729,000)        | (9,900,000)      | (2,300,000)      | 0                | (1,080,000)      |
| Principal Payments                | 450,762            | 454,496          | 558,302          | 556,868          | 549,618          |
| Transfers from DCC's & Reserves   | (381,625)          | (724,730)        | (108,075)        | (500,000)        | 0                |
| Transfer to/from Own Funds        | <u>(3,845,255)</u> | <u>(462,759)</u> | <u>(934,762)</u> | <u>(66,928)</u>  | <u>330,608</u>   |
| Financial Plan Balance            | -                  | -                | -                | -                | -                |

Schedule 'B' of Bylaw No. 1827

**Town of Ladysmith 2013 – 2017 Financial Plan  
Statement of Objectives and Policies**

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

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

**Funding Sources**

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2013. Council currently has no specific policy surround the proportion of total revenue to come from each funding source. Property taxes form the greatest proportion of revenue. As a revenue source, property taxation offers a number of advantages, for example, it is simple to administer and it is fairly easy for residents to understand. It offers a stable and reliable source of revenue for services that are difficult or undesirable to fund on a user-pay basis. These include services such as general administration, fire protection, police services, bylaw enforcement and street lighting.

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

**Objective**

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

**Policies**

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

**Table 1: Sources of Revenue**

| Revenue             | 2013        | % total |
|---------------------|-------------|---------|
| Property Taxes      | \$7,085,455 | 31.33%  |
| Grants in Lieu      | 158,250     | 0.70%   |
| Parcel Taxes        | 1,349,850   | 5.97%   |
| User fees & Charges | 3,059,327   | 13.53%  |
| Other Sources       | 454,921     | 2.01%   |
| Borrowing           | 4,729,000   | 20.91%  |
| Government Grants   | 1,313,051   | 5.81%   |
| DCC's & Reserves    | 381,625     | 1.69%   |
| Own Funds           | 4,085,439   | 18.06%  |

**Distribution of Property Tax Rates**

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

**Objectives**

- In 2013, maintain the Major Industry (Class 4) tax dollar levy. Over 2014-2017, reduce the share of property tax paid by Class 4 by at least 2 percent.
- In 2013, Council directed the Residential Class (Class 1) tax increase to be no more than 5% after new construction figures and that the Business/Other Class (Class 6) increase be no more than half of the Residential (Class 1) increase. Over 2014-2017, maintain the Class 6 tax levy increase to be no more than half of the Class 1 tax levy increase.

**Policies**

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

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

| Property Class            | % of Total Property Taxation | Dollar Value       |
|---------------------------|------------------------------|--------------------|
| Residential (1)           | 69.49%                       | \$4,923,703        |
| Utilities (2)             | 0.45%                        | 31,943             |
| Supportive Housing (3)    | 0.00%                        | 0                  |
| Major Industry (4)        | 13.35%                       | 945,952            |
| Light Industry (5)        | 0.83%                        | 59,112             |
| Business and Other (6)    | 15.67%                       | 1,110,025          |
| Managed Forest Land (7)   | 0.00%                        | 170                |
| Recreation/Non-profit (8) | 0.19%                        | 13,252             |
| Farmland (9)              | 0.02%                        | 1,298              |
| <b>Total</b>              | <b>100%</b>                  | <b>\$7,085,455</b> |

**Permissive Tax Exemptions**

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

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

**Objective**

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

**Policies**

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

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

| <b>Source</b>            | <b>% of Total</b> | <b>Dollar Value</b> |
|--------------------------|-------------------|---------------------|
| Reserves                 | 6%                | \$273,550           |
| Development Cost Charges | 2%                | 108,075             |
| Surplus                  | 91%               | 4,085,439           |
| <b>Total</b>             |                   | <b>\$4,467,064</b>  |

**TOWN OF LADYSMITH**

**BYLAW NO. 1828**

A bylaw for the levying of rates for Municipal, Hospital and Regional District purposes for the year 2013.

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

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

The following rates are hereby imposed:

1. (a) For all lawful general purposes of the municipality on the assessed value of the land and improvements taxable for general municipal purposes, rates appearing in column "A" of the Schedule attached hereto and forming part of this bylaw.
  - (b) For the purposes of the Cowichan Valley Regional District on the assessed value of land and improvements taxable for regional hospital district purposes, rates appearing in column "B" of the Schedule attached hereto and forming part of this bylaw.
  - (c) For hospital purposes on the assessed value of land and improvements taxable for regional hospital district purposes, rates appearing in column "C" for the Cowichan Valley Regional Hospital District attached hereto and forming part of this bylaw.
2. This bylaw may be cited as the "Town of Ladysmith Tax Rates Bylaw 2013, No. 1828".

**READ A FIRST TIME** on the 6<sup>th</sup> day of May, 2013

**READ A SECOND TIME** on the 6<sup>th</sup> day of May, 2103

**READ A THIRD TIME** on the 6<sup>th</sup> day of May, 2013

**ADOPTED** on the day of

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Mayor (R. Hutchins)

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Corporate Officer (S. Bowden)

**TOWN OF LADYSMITH BYLAW No. 1828 – 2013**  
**Schedule "A"**

| PROPERTY CLASS |                       | <u>A</u><br>Municipal | <u>B</u><br>Cowichan<br>Valley<br>Regional<br>District | <u>C</u><br>Cowichan<br>Valley<br>Regional<br>Hospital<br>District |
|----------------|-----------------------|-----------------------|--|--|
| <b>1</b>       | <b>Residential</b>    | 4.8096                | 0.6254   | 0.4462   |
| <b>2</b>       | <b>Utilities</b>      | 37.0139               | 2.1889   | 1.5617   |
| <b>3</b>       | <b>Sup Housing</b>    | 4.8096                | 0.6254   | 0.4462   |
| <b>4</b>       | <b>Major Industry</b> | 97.3893               | 2.1264   | 1.5170   |
| <b>5</b>       | <b>Light Industry</b> | 20.9060               | 2.1264   | 1.5170   |
| <b>6</b>       | <b>Business</b>       | 14.7969               | 1.5322   | 1.0932   |
| <b>7</b>       | <b>Managed Forest</b> | 38.6750               | 1.8762   | 1.3386   |
| <b>8</b>       | <b>Rec Non Profit</b> | 2.7162                | 0.6254   | 0.4462   |
| <b>9</b>       | <b>Farm</b>           | 28.1544               | 0.6254   | 0.4462   |