

**THE MUNICIPAL SERVICES COMMITTEE  
AGENDA****Monday, June 10, 2019****6:30 P.M.****Council Chambers, City Hall  
Pages****1. CALL TO ORDER (6:30 p.m.)****2. AGENDA APPROVAL**Recommendation

That the agenda for this June 10, 2019 Municipal Services Committee Meeting be approved.

**3. MINUTES****3.1 Minutes of the Municipal Services Committee Meeting held April 8, 2019****4**Recommendation

That the minutes of the Municipal Services Committee meeting held April 8, 2019 be approved.

**4. REPORTS****4.1 Coastal Animal Control Services Reports for January to March 2019****7**Recommendation

That the Committee receive the Coastal Animal Control Services Reports for the months January to March, 2019.

## **4.2 Development Cost Charges Waivers Review**

10

### Recommendation

That the Municipal Services Committee consider recommending to Council that staff be directed to prepare:

1. A project specific Development Cost Charges (DCC) reduction bylaw (100% waiver) for the 36-unit LRCA not-for-profit affordable rental housing development at 314 Buller Street.
2. A DCC reduction bylaw affordable rental housing policy including eligibility conditions that could be considered on an individual project basis.
3. A bylaw to repeal the current DCC reduction bylaw for not-for-profit rental housing (Bylaw 1804).
4. A bylaw to amend the Downtown DCC reduction (waiver) Bylaw 1781 to add a five year sunset clause.

## **4.3 Revitalization Tax Exemption – Economic**

39

### Recommendation

That the Committee:

1. Determine what changes need to be made to “Town of Ladysmith Revitalization Tax Exemption – Economic Revitalization Bylaw 2012, No. 1807”; and
2. Recommend to Council that “Town of Ladysmith Revitalization Tax Exemption – Economic Revitalization Bylaw 2012, No.1807” be amended.

## **4.4 Payment and Signing Authority Policy**

69

### Recommendation

That the Committee recommend that Council approve the amended Payment and Signing Authority Policy.

## **4.5 2019 First Quarter Financial Report**

77

### Recommendation

That the Committee receive for information purposes the 2019 First Quarter Financial report from the Director of Financial Services.

## **5. COUNCIL SUBMISSIONS**

### **5.1 Single Use Plastic Bags (Councillor Virtanen)**

90

Councillor Virtanen has requested that the Committee discuss options for a plastic waste strategy in Ladysmith. The attached articles and information are provided as examples from other communities and to help frame discussion.

Previous Council resolutions on this matter are attached in a separate document.

## **6. NEW BUSINESS**

## **7. ADJOURNMENT**



## MINUTES OF A MEETING OF THE MUNICIPAL SERVICES COMMITTEE

Monday, April 8, 2019

6:30 P.M.

Council Chambers, City Hall

### **Council Members Present:**

Councillor Duck Paterson (Chair)  
Mayor Aaron Stone  
Councillor Amanda Jacobson  
Councillor Rob Johnson

Councillor Tricia McKay  
Councillor Marsh Stevens  
Councillor Jeff Virtanen

### **Staff Present:**

Guillermo Ferrero  
Felicity Adams  
Erin Anderson  
Mike Gregory

Geoff Goodall  
Joanna Winter  
Sue Bouma

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### **1. CALL TO ORDER**

Councillor Paterson called this April 8, 2019 meeting of the Municipal Services Committee to order at 6:30 p.m., recognizing the traditional territory of the Stz'uminus First Nation.

### **2. AGENDA APPROVAL**

#### **MS 2019-024**

That the agenda for this April 8, 2019 meeting of the Municipal Services Committee be approved.

*Motion Carried*

### **3. MINUTES**

#### **3.1 Minutes of the Municipal Services Committee Meeting held March 11, 2019.**

#### **MS 2019-025**



That the minutes of the Municipal Services Committee meeting held March 11, 2019 be approved.

*Motion Carried*

#### **4. DELEGATION**

##### **4.1 Sandra and Brian Smith and Valerie Crossley: Feedback on the Ministry of Transportation and Infrastructure Report on Ladysmith Traffic Safety through the Highway 1 Corridor Report**

Brian and Sandra Smith and Valerie Crossley presented the Committee with a rebuttal to the “Ladysmith Traffic Safety through the Highway 1 Corridor” report presented by the Ministry of Transportation and Infrastructure at the March 11, 2019 Municipal Services Committee meeting. They took issue with some of the conclusions in the report and discussed their concerns regarding blind spots, current and proposed population density increases, the lack of acceleration lanes and a pedestrian crossing, and noise issues. They proposed the installation of a traffic control signal for South Davis Road.

The Committee thanked the Smiths and Ms. Crossley for their comprehensive presentation and noted that Mayor Stone would approach the Ministry with these concerns.

#### **5. REPORTS**

##### **5.1 2018 Water Adjustments Report**

**MS 2019-026**

That the Committee receive the report on 2018 Water Adjustments for information only.

*Motion Carried*

##### **5.2 Building Inspector's Report to March 31, 2019**

**MS 2019-027**

Staff Recommendation:

That the Committee receive the Building Inspector's Report for the months January to March 2019.

*Motion Carried*

**5.3 Ladysmith Fire/Rescue Reports for the months January, February and March 2019**

**MS 2019-028**

Staff Recommendation:

That the Committee receive the Ladysmith Fire/Rescue Reports for the months January to March 2019.

*Motion Carried*

**6. UNFINISHED BUSINESS**

**6.1 Cowichan Housing Attainable Housing Strategy**

**MS 2019-029**

That the Committee recommend that Council:

1. Endorse the Cowichan Attainable Housing Strategy
2. Join the Cowichan Attainable Housing Strategy Partnership
3. Authorize Mayor Stone to sign the partnership declaration.

*Motion Carried*

**7. ADJOURNMENT**

**MS 2019-030**

That this meeting of the Municipal Services Committee adjourn at 7:12 p.m.

*Motion Carried*

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Chair (Councillor D. Paterson)

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Corporate Officer (J. Winter)

RECEIVED

APR 09 2019

TOWN OF LADYSMITH  
FINANCE DEPT.**COASTAL ANIMAL CONTROL SERVICES OF BC LTD**

2202 Herd Rd. Duncan, BC. V9L 6A6

(250) 748-3395

**TOWN OF LADYSMITH POUND REPORT**

January 2019

<b>Disposition of Impounded Dogs</b>	<b>Current Month</b>	<b>2019 Totals</b>
Stray dogs impounded	1	1
Stray dogs claimed	1	1
Stray dogs put up for adoption	0	0
Stray dogs pending	0	0
Stray dogs euthanized	0	0
Stray livestock / cats	0	0
Other	0	0
<b>Calls Received and Investigated</b>		
Aggressive dogs	0	0
Dogs at large	2	2
Confined dog	1	1
Noise (barking) complaints	1	1
Other non specific dog related calls	3	3
Wildlife / livestock / cats	0	0
Unlicensed	0	0
Park patrols (see attached patrol sheets)		
<b>After hour call outs</b>	0	0
Pick Up fees	\$00.00	\$00.00
Impound fees	\$100.00	\$100.00
Daily board fees	\$30.00	\$30.00
<b>Monthly Pound and Board Fees Collected</b>	<b>\$130.00</b>	<b>\$130.00</b>
<b>Tickets issued</b>		<b>YTD</b>
Over 3 dog limit	0	0
Unlicenced dog	0	0
Restricted dog at large	0	0
Restricted dog not muzzled or leashed	0	0
Dangerous dog not securely confined	0	0
Habitually noisy	0	0
Failure to clean up after dog	0	0
	Tags 2019	2
		0
<b>Licencing Statistics</b>	Revenue	\$88.00
		\$88.00

# COASTAL ANIMAL CONTROL SERVICES OF BC LTD

2202 Herd Rd. Duncan, BC. V9L 6A6

(250) 748-3395

## TOWN OF LADYSMITH POUND REPORT

February 2019

Disposition of Impounded Dogs	Current Month	2019 Totals
Stray dogs impounded	1	2
Stray dogs claimed	1	2
Stray dogs put up for adoption	0	0
Stray dogs pending	0	0
Stray dogs euthanized	0	0
Stray livestock / cats	0	0
Other	0	0
<b>Calls Received and Investigated</b>		
Aggressive dogs	4	4
Dogs at large	1	3
Confined dog	0	1
Noise (barking) complaints	2	3
Other non specific dog related calls	0	3
Wildlife / livestock / cats	0	0
Unlicensed	0	0
Park patrols (see attached patrol sheets)		
<b>After hour call outs</b>	1	1
Pick Up fees	\$50.00	\$50.00
Impound fees	\$100.00	\$200.00
Daily board fees	\$20.00	\$50.00
<b>Monthly Pound and Board Fees Collected</b>	<b>\$170.00</b>	<b>\$300.00</b>
<b>Tickets issued</b>		<b>YTD</b>
Over 3 dog limit	0	0
Unlicensed dog	0	0
Restricted dog at large	0	0
Restricted dog not muzzled or leashed	0	0
Dangerous dog not securely confined	0	0
Habitually noisy	0	0
Failure to clean up after dog	0	0
	Tags 2019	2
	0	0
<b>Licencing Statistics</b>	Revenue	\$88.00
	\$00.00	

# COASTAL ANIMAL CONTROL SERVICES OF BC LTD

2202 Herd Rd. Duncan, BC. V9L 6A6

(250) 748-3395

## TOWN OF LADYSMITH POUND REPORT

March 2019

<b>Disposition of Impounded Dogs</b>	<b>Current Month</b>	<b>2019 Totals</b>
Stray dogs impounded	0	2
Stray dogs claimed	0	2
Stray dogs put up for adoption	0	0
Stray dogs pending	0	0
Stray dogs euthanized	0	0
Stray livestock / cats	0	0
Other	0	0
<b>Calls Received and Investigated</b>		
Aggressive dogs	3	7
Dogs at large	0	3
Confined dog	0	1
Noise (barking) complaints	2	5
Other non specific dog related calls	3	6
Wildlife / livestock / cats	0	0
Unlicensed	0	0
Park patrols (see attached patrol sheets)		
<b>After hour call outs</b>	0	1
Pick Up fees	\$00.00	\$50.00
Impound fees	\$000.00	\$200.00
Daily board fees	\$00.00	\$50.00
<b>Monthly Pound and Board Fees Collected</b>	<b>\$000.00</b>	<b>\$300.00</b>
<b>Tickets issued</b>		<b>YTD</b>
Over 3 dog limit	0	0
Unlicenced dog	0	0
Restricted dog at large	0	0
Restricted dog not muzzled or leashed	0	0
Dangerous dog not securely confined	1	1
Habitually noisy	0	0
Failure to clean up after dog	0	0
Tags 2019	0	2
<b>Licencing Statistics</b>	0	0
Revenue	\$00.00	\$88.00

## INFORMATION REPORT TO MUNICIPAL SERVICES

**Report Prepared By:** Felicity Adams, Director of Development Services

**Date:** June 3, 2019

**Report Reviewed By:** Guillermo Ferrero, Chief Administrative Officer

**Meeting Date:** June 10, 2019

**File No:** 3900-07

**RE:** DCC WAIVERS REVIEW

### **RECOMMENDATION:**

That the Municipal Services Committee consider recommending to Council that staff be directed to prepare:

1. A project specific Development Cost Charges (DCC) reduction bylaw (100% waiver) for the 36-unit LRCA not-for-profit affordable rental housing development at 314 Buller Street.
2. A DCC reduction bylaw affordable rental housing policy including eligibility conditions that could be considered on an individual project basis.
3. A bylaw to repeal the current DCC reduction bylaw for not-for-profit rental housing (Bylaw 1804).
4. A bylaw to amend the Downtown DCC reduction (waiver) Bylaw 1781 to add a five year sunset clause.

### **PURPOSE:**

The purpose of this report is to present options for discussion following the recent Council workshop held on the topic of the Town's current DCC waiver programs

### **PREVIOUS COUNCIL DIRECTION:**

Resolution	Meeting Date	Resolution Details
CS 2019-160	04/30/2019	That Council refer discussions regarding the Downtown Development Cost Charge Waiver and the Not-for Profit Rental Waiver to the next meeting of the Municipal Services Committee.

### **DISCUSSION:**

The Town has two DCC waiver bylaws – one for the Downtown and one for not-for-profit rental housing. A workshop presentation about the programs and how they work was provided on April 30<sup>th</sup>. Council referred the discussion to the Municipal Services Committee.

The previous Council discussed amending the Downtown waiver program so that there is a DCC collected for the water DCC program and sanitary sewer DCC program as these are two of the largest components of the overall DCC program. This is one of the options described below.

General considerations for discussion include:

- Are the waiver programs achieving their objective?
- Are there other objectives Council would like to achieve?
- Should the waiver programs be changed?

## **DISCUSSION:**

### **A. Bylaw 1804 - Not-for-profit Rental Housing Program**

- Continue?
- New policy to establish eligibility conditions?
- Project specific bylaw?
- Maintain current approach?

When the current reduction program was established, it was developed based on the BC Housing funding programs at that time. Since then these programs have changed and now require a different mix of housing within the overall development. As a result, the LRCA BC Housing funded project would be eligible for a waiver for 70% of the units. LRCA has requested that Council consider amending the program so that 100% of the units would be eligible.

#### **Option 1: custom bylaw and policy**

Staff recommend that Council consider the approach used by several other municipalities of (1) preparing a policy outlining eligibility conditions and (2) creating one-off project specific bylaws. These one-off bylaws would be custom bylaws to address the specific project and policy directions at that time.

If Council selects this approach, staff would work with our DCC consultant to have a policy prepared and a specific bylaw for the LRCA project created for consideration by Council.

#### **Option 2: maintain status quo**

This option would not require any further work. It would mean that for the LRCA project 70% of the units would be eligible for a DCC waiver.

### **B. Bylaw 1781 - Downtown DCC Reduction (Waiver) Program**

- Continue?
- Modify?
- Add other objectives?
- Repeal with notice or consultation?
- Add a repeal date (sunset clause)?

#### **Option 1 - Modify (Collect DCC for Sanitary Sewer and Water – Waive others)**

	Roads	Storm Sewer	Sanitary Sewer	Water	Parkland	Total
<b>Downtown MF Residential</b>	\$waive	\$waive	\$2,490.26	\$5,971.77	\$waive	\$8,462.03 Per unit
<b>Downtown Commercial</b>	\$waive	\$waive	\$3.90	\$9.35	\$0	\$13.25 Per m2

Pros:

- This option provides benefit to Downtown commercial projects as the Roads DCC per m2 is the highest of the Downtown commercial DCCs.
- Small increase for commercial projects from \$0 per m2 to \$13.25 per m2.

Cons:

- Administratively the more permutations there are to the program, the more time it takes to administer.
- This option may not be consistent with Council's policy direction of residential densification in the downtown.
- Big increase for multi-family residential projects, i.e. from \$0 to \$8,462 per unit.

**Option 2 - Repeal or sunset clause (Collect all DCCs - No Waiver)**

	Roads	Storm Sewer	Sanitary Sewer	Water	Parkland	Total
<b>Downtown MF Residential</b>	\$916.03	\$140.28	\$2,490.26	\$5,971.77	\$1,086.36	\$10,604.70 Per unit
<b>Downtown Commercial</b>	\$36.35	\$1.46	\$3.90	\$9.35	\$0	\$51.05 Per m2

Pros:

- Known timeframe for end of the program which may have the effect of incentivizing new development in the downtown.
- If the sunset timeframe is 5-years, it would be consistent with the next major DCC review timeframe and it would provide ample time for owners to proceed with projects.
- It would not affect projects that meet the conditions for the affordable rental housing policy which is a separate program.
- Downtown projects are still

Cons:

- The program would be set to end within a certain time period. However, the longer the sunset period the more time is available for owners to manage this transition.

**Option 3 - Maintain the program (Continue waiver)**



This option would not require any further work. It would maintain the program as-is without a sunset clause.

***I approve the report and recommendation(s).***

**Guillermo Ferrero, Chief Administrative Officer**

**ATTACHMENT(S):**

DCC Waiver Review – Presentation, April 30, 2019

# Development Cost Charges Waiver Review

Workshop #5 – April 30, 2019

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# Workshop – DCC Waivers & Reduction Bylaws

- What are they for?
- Why have them?
- How they work
- Current Ladysmith waivers
- Other municipalities
- Options
  - Downtown Waiver
  - Not-for-profit Rental Waiver



# Waivers & Reduction Bylaws

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## What are they?

- *Local Government Act* allows waivers or reductions to DCCs for projects that are:
  - not-for-profit rental housing, including supportive living housing;
  - for-profit affordable rental housing;
  - a subdivision of small lots that is designed to result in low greenhouse gas emissions;
  - a development that is designed to result in a low environmental impact.



## Why have them?

- Incentive to achieve Town objectives
- Low environmental impact – improvements that are good for the environment can be more expensive
- Recognition of the need for and value of affordable housing in the Town, even though it doesn't always make sense for developers
- Not necessarily intended as a long-term exemption, but something to encourage innovation and create 'demonstration projects' that meet Town objectives

## What is the down side?

- DCC revenues not able to be redistributed to other developers
  - Less funds available in DCC reserves for completion of projects
- Type of developments do not necessarily reduce the need for the infrastructure (i.e. no reduction in costs to the Town)
- Associated infrastructure cost must be made up from other sources

## How do they work?

- Waiver or reduction by bylaw
  - Define eligible development
  - Establish the amount or reduction
  - Requirements and conditions to obtain waiver or reduction
- Bylaw does not require Inspector (Provincial) approval
- Bylaw can be introduced or repealed at any time
- Municipality must report on amounts waived in annual DCC report (as per *Local Government Act*)

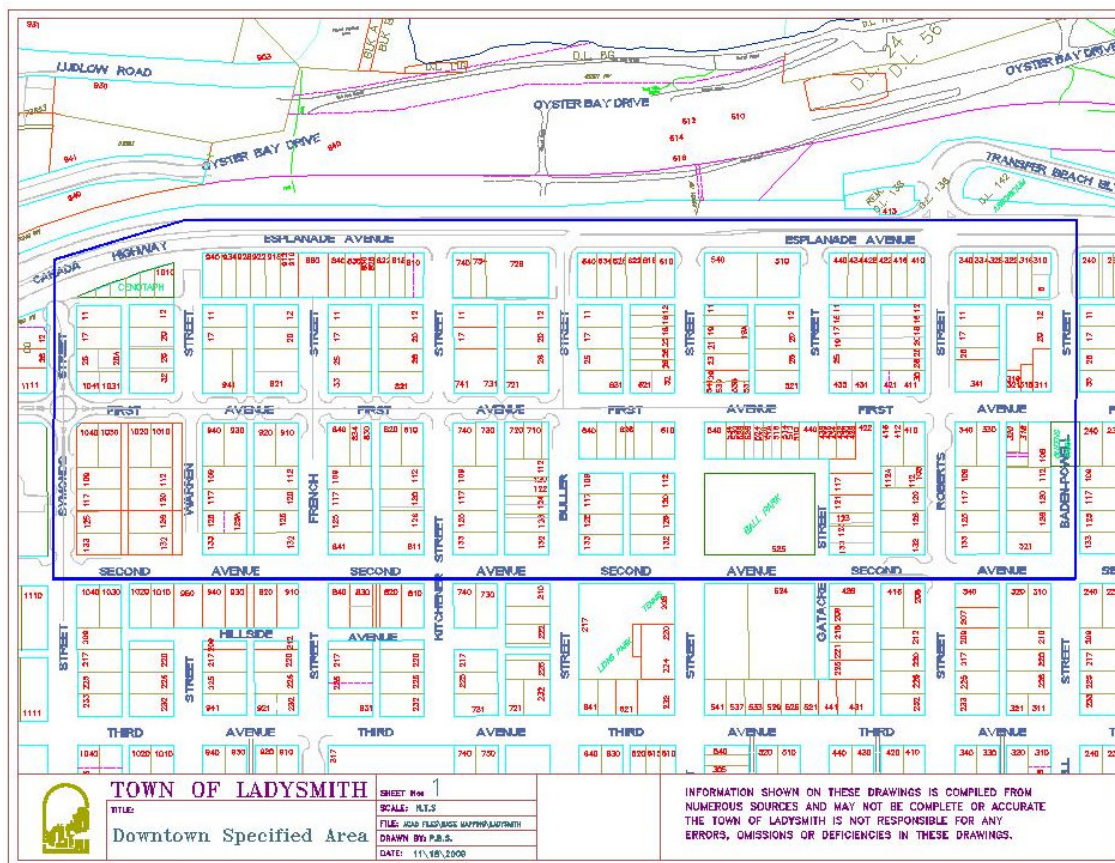


## Current DCC Waiver/Reduction Bylaws

- DCC Downtown (Reduction) Bylaw 1781
  - Adopted October 17, 2011
  - Waiver based on “low environmental impact” due to:
    - Existing infrastructure
    - Availability and proximity of services
    - Walkability of the downtown and reduced vehicle usage
    - Associated reductions in GHG emissions

**TOWN OF LADYSMITH**

**Working together to build our future!**



## Downtown waiver bylaw – Bylaw 1781

- Objective:
  - incentive to redevelop downtown core
- Requirements:
  - area based
- Use:
  - applied three times in past 7.5 years (\$72,882)
    - 17 Gatacre, 20 High Street, 631 First Avenue
  - 3 projects upcoming that would benefit
    - Total DCCs that would be waived under new DCCs = \$73,818
    - SharKare, Travellers Hotel, Thrift Store expansion

## Current DCC Waiver/Reduction Bylaws

- DCC Not-for-Profit Rental Housing (Reduction) Bylaw 1804
  - Adopted May 22, 2012
  - Intended to support not-for-profit rental anywhere in the municipality
  - Defined as:
    - Subsidized by Province or not-for-profit organization
    - Publicly owned or owned and operated by a not-for-profit organization

## Not for Profit waiver/reduction bylaw – Bylaw 1804

- Objective:
  - support construction of not-for-profit affordable rental
- Requirements:
  - Housing agreement for 20 or more years
  - Rent levels 2% of Town of Ladysmith median income
  - Annual reporting to Town confirming eligibility
- Use:
  - Not yet used
  - Project currently under consideration (LRCA)
    - 70% of units currently eligible (25 of 36 units)
    - Request to consider 100% of units as eligible (\$274,224 current bylaw)

## Waivers and Reductions – who else uses them?

- Not-for-profit:
  - Metro Vancouver (regional sewer DCC)
  - View Royal (project specific)
  - Lake Country (project specific)
  - West Vancouver (project specific)
  - North Vancouver
  - Central Saanich (30% reduction)
  - Penticton
  - Prince George (in primary and secondary growth areas)
  - Sooke (in downtown area)

## Waivers and Reductions – who else uses them?

- Other (for profit, low environmental impact, small lot):
  - Central Saanich – 30% reduction of DCCs
    - For-profit (where rent not exceed 30% of the CMHC median household gross income for the CRD and housing agreement for minimum of 10 years guaranteeing affordable use)
    - Low GHG – combined density of 125 persons/jobs per hectare and within 500 m of BC Transit stop
    - Low environmental impact (certified energy efficiency rating step 2 or 3 of step code)
  - Penticton – low environmental impact 50% reduction (sustainability checklist)
  - Vancouver – for profit rental
  - Prince George - low environmental impact for multi-family (reduction of approx. 90%)

## Waivers and Reductions – who else uses them?

- Other (for profit, low environmental impact, small lot) cont'd:
  - North Cowichan
    - a residential or mixed use development with a minimum density of 100 units per hectare can receive a waiver of water, sewer and road DCCs.
    - Supportive housing
    - Adopted in 2016, sunset clause, repealed on March 29, 2019
  - Sooke
    - Within downtown area:
    - 30% reduction for projects with density of 50 uph,
    - additional 30% reduction for 'Green Project' (LEED or Built Green Canada silver, gold, platinum)
    - 100% for for-profit rental (with covenant or housing agreement guaranteeing below market rents)



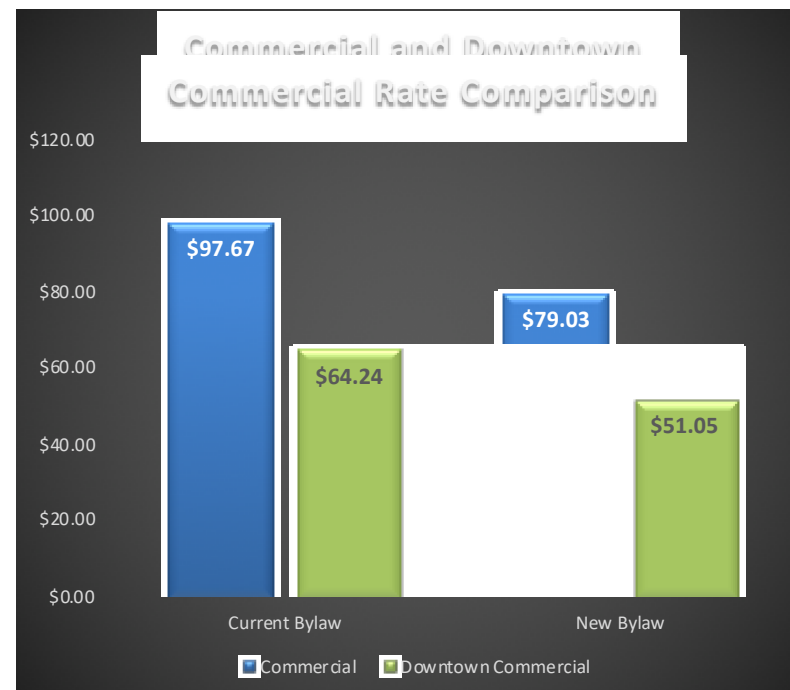
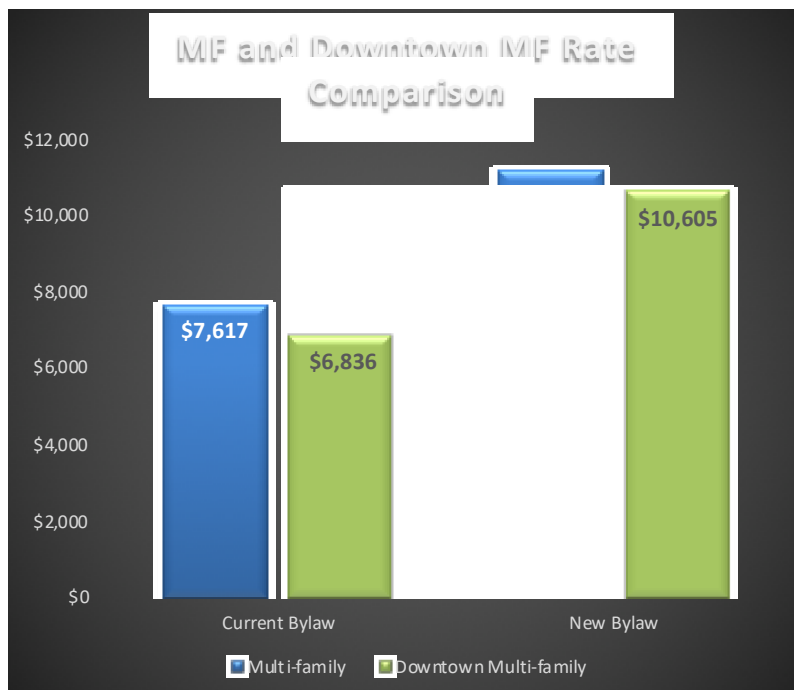


# Downtown Waiver

## Considerations

- Is it achieving its objective?
- Downtown residential and downtown commercial DCC rates already account for the lower transportation and storm sewer impact
- Other programs
  - 2 Revitalization Tax Exemption programs
  - Heritage Revitalization agreement – can involve DCC waivers
- Are there other objectives you'd like to achieve (density? environmental? Step code?)
- Notice for in-stream applicants of changes (no statutory protection)
- Sunset clause or regular review

## DCC – Downtown rates (current to proposed)



## What is the estimated impact of waiving DCCs in downtown?

	New DCC Rate	Estimated Growth	DCC Not Collected over 20 years
Downtown MF Residential (per unit)	\$10,605 / unit	31 units	\$328,755
Downtown Commercial	\$51.05 / m <sup>2</sup>	3,000 m <sup>2</sup>	\$153,150

## Options

- Repeal with notice or consultation
- Apply to specific densities (or other objectives – Step Code)
  - Keep in mind administrative cost in determining whether requirements are met at the time of DCC payment
  - Reduction instead of a waiver (i.e. 50% or certain infrastructure types)
- Add a repeal date to force reconsideration (and provide notice of temporary nature)



# Council Considerations

- Whether to continue the Downtown DCC waiver
  - Modify?
  - Repeal?
  - Sunset clause?





# Not-for-Profit Rental Waivers

## Considerations

- Difficult to include conditions that remain current (affordable housing funding models change)
- Current BC Housing Funds provide for mix of units
  - Increase viability of project and also address “missing middle”
  - Income test only applied upon move-in
  - 60-year housing agreement
- Fluctuating need or rental levels
- Differentiate for unit size
- Different legislative zoning tools now available to designate properties for rental purposes



## Options

- Prepare bylaws on a project-by-project basis
  - Have Council policy to provide awareness of objectives, intent and minimum conditions
- Update Bylaw with reduced conditions and requirements
  - More frequent review to determine relevance
- Minimum conditions
  - Definitions – affordable rental housing (below market rental housing)
  - Not-for-profit – housing agreement or covenant with provincial government or non-profit for a minimum # years
  - Percentage of eligible units - (i.e. Metro Vancouver – at least 30% are to be occupied by households with incomes at or below housing income limits for the corresponding size of housing unit, as set out in the current “Housing Income Limits” (HILs) table published by BC Housing. Otherwise, only those units to be occupied by households at or below HILs will be eligible to receive the waiver.
  - Rent levels (percentage of units that are below market?)
  - Reporting – only for units deemed “affordable”



# Council Considerations

- Whether to continue to have an affordable not-for-profit rental waiver
  - New policy to establish eligibility conditions?
  - Project specific bylaws?
  - Maintain current program (with amendments?)

STAFF REPORT TO COUNCIL**Report Prepared By:** Erin Anderson, Director of Financial Services**Date:** May 22, 2019**Report Reviewed By:****Meeting Date:** June 3, 2019**File No:** 1970-04**RE:** REVITALIZATION TAX EXEMPTION – ECONOMIC**RECOMMENDATION:**

That Council:

1. Determine if it wishes to amend the “Town of Ladysmith Revitalization Tax Exemption – Economic Revitalization Bylaw 2012, No. 1807”; and
2. Refer the matter to an upcoming Municipal Services Committee meeting, should Council wish to amend the “Town of Ladysmith Revitalization Tax Exemption – Economic Revitalization Bylaw 2012, No.1807”.

**PURPOSE:**

The purpose of this report is to provide information for Council to make a decision regarding the current Economic Revitalization Program.

**PREVIOUS COUNCIL DIRECTION**

GS 2012-069	07/16/2012	It was moved, seconded and carried that the Committee recommend to Council that property classes 4, 5 and 6 be designated to receive an economic revitalization tax exemption.
GS 2012-070	07/16/2012	It was moved, seconded and carried that the Committee recommend to Council that the economic revitalization exemption program for Classes 4 and 5 apply to all appropriately zoned lands in the Town of Ladysmith.
GS 2012-071	07/16/2012	It was moved, seconded and carried that the Committee recommend to Council that staff be directed to develop recommendations with respect to geographic areas in the Town of Ladysmith in which an economic revitalization exemption for class 6 would apply.
GS 2012-072	07/16/2012	It was moved, seconded and carried that the Committee recommend to Council that the value of construction, demolition and reconstruction of a project be set at \$200,000 in order for the project to be eligible for an economic revitalization tax exemption.

GS 2012-073	07/16/2012	It was moved, seconded and carried that the Committee recommend to Council that the period of eligibility for an economic revitalization tax exemption be set at five years. Opposed: Councillors Dashwood and Drysdale
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### **INTRODUCTION/BACKGROUND:**

In 2012, Council approved a Revitalization Tax Exemption program bylaw aimed at encouraging economic development within the Town. The intent of the program is to provide a financial incentive to encourage commercial and industrial redevelopment in specific areas of Town. Since that time, only one property has taken advantage of the program. Two other properties made inquiries to the Finance Department but did not make application.

The one property that took advantage of the exemption program saw a tax savings of over \$135,000 over 5 years (see table 1).

*Table 1 - 1030 Oyster Bay Road*

	land	improvement	exemption	total net assessed value	taxes foregone
2013	222,000	361,000	-	583,000	
2014	236,000	1,880,000	- 1,880,000	236,000	28,282.63
2015	232,000	1,858,000	- 1,858,000	232,000	29,028.38
2016	355,000	1,757,000	- 1,757,000	355,000	25,806.33
2017	369,000	1,852,000	- 1,852,000	369,000	25,500.28
2018	380,000	2,065,000	- 2,065,000	380,000	26,607.93
Total					\$ 135,225.56

The current program provides a 5-year property tax exemption from municipal taxation on the value of the improvement that is constructed. To qualify, the building permit construction value must be over \$200,000, the property must be classified by BC Assessment as a Major Industrial, Light Industrial or Business/Other, be located in specific areas of Town, and meet the following objectives:

- To stimulate construction and alteration of buildings within Ladysmith; and
- To encourage new business investment in commercial and industrial used lands and, in turn, encourage new employment; and
- To promote a higher standard of urban design within business areas and employment areas in order to increase the attractiveness of these locations; and
- Generally reinforce the Town's commitment to economic revitalization.

Staff have received inquiries as to why the program term is not the full 10 years as allowed under the legislation. It was previous Council direction to cap the term at 5 years.

This program is to provide an incentive before the construction of a project, not to provide a financial rebate after the construction has occurred. As such, the valuation of the tax exemption means that the Town foregoes new construction revenue for the first year and defers this growth revenue to the year after the exemption expires. If Council wishes to extend the exemption to a 10-year term, that would be 10 years of foregone property tax revenue. Based on the example shown in Table 1, the amount of the taxes foregone over 10 years would be approximately doubled (\$270,451). Staff suggest that if an exemption term is extended to 10 years, a major investment, such as over \$4 million dollars, be required to qualify.

There is a time constraint for making changes to this program bylaw. The bylaw must be in place before property owners can make application. Council must approve the application, along with all of the necessary advertising, before October 31<sup>st</sup> to be in effect for the following taxation year.

#### **ALTERNATIVES:**

Council can choose to:

- Keep the program as it is currently; or
- Provide for a 10 year exemption with construction values over \$4 million; or
- Provide for a decreasing exemption over the remaining 5 years on projects over \$4 million. For example, in year 6, the exemption would reduce by 10%, in year 7 by 30%, in year 8 by 50%, in year 9 by 70% and year 10 by 90%; or
- Require the property owner to demonstrate a community benefit in order to qualify for the longer exemption. For example, require 5% of contract trades be local, or construction trades must provide local apprentice positions, or construct on the public lands immediately adjacent the property a community project such as benches or public art.

#### **FINANCIAL IMPLICATIONS:**

As discussed, property taxation is foregone during the period of the exemption.

#### **LEGAL IMPLICATIONS:**

Revitalizations Exemptions are permitted under section 227 of the *Community Charter*.

#### **CITIZEN/PUBLIC RELATIONS IMPLICATIONS:**

Advertising, as detailed in the *Community Charter*, will commence upon Council's direction.

#### **INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:**

Development Services and Financial Services work together to ensure projects are compliant with the requirements set out in the bylaw.

**ALIGNMENT WITH SUSTAINABILITY VISIONING REPORT:**

- |  |  |
|--|--|
| <input type="checkbox"/> Complete Community Land Use | <input type="checkbox"/> Low Impact Transportation |
| <input type="checkbox"/> Green Buildings             | <input type="checkbox"/> Multi-Use Landscapes      |
| <input type="checkbox"/> Innovative Infrastructure   | <input type="checkbox"/> Local Food Systems        |
| <input type="checkbox"/> Healthy Community           | <input type="checkbox"/> Local, Diverse Economy    |
| <input checked="" type="checkbox"/> Not Applicable   |  |

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Employment & Tax Diversity   | <input type="checkbox"/> Natural & Built Infrastructure |
| <input type="checkbox"/> Watershed Protection & Water Management | <input type="checkbox"/> Partnerships                   |
| <input type="checkbox"/> Communications & Engagement             | <input type="checkbox"/> Not Applicable                 |

**SUMMARY:**

The Town currently provides for a 5-year municipal property tax exemption under the Revitalization Tax Exemption – Economic Revitalization Bylaw 2012, No.1807. Staff have received inquiries from potential developers as to why the program is not 10 years as permitted under legislation. Staff are asking Council if it wishes to explore revising the program bylaw.

***I approve the report and recommendation(s).***

**Guillermo Ferrero, Chief Administrative Officer**

**ATTACHMENT(S):**



TOWN OF LADYSMITH  
BYLAW NO. 1807

**A Bylaw to Establish a Revitalization Tax Exemption – Economic Program**

---

WHEREAS Council may, by bylaw, establish a revitalization tax exemption program;

AND WHEREAS Council wishes to establish a revitalization tax exemption for economic revitalization in order to encourage the commercial and industrial redevelopment of those areas, identified in Schedule “A” of this Bylaw, which are experiencing challenges in attracting and retaining investment;

AND WHEREAS Council wishes that the following objectives of the program be established by this Bylaw:

- To stimulate construction and alteration of buildings within Ladysmith; and
- To encourage new business investment in commercial and industrial used lands and, in turn, encourage new employment; and
- To promote a higher standard of urban design within business areas and employment areas in order to increase the attractiveness of these locations; and
- Generally reinforce the Town’s commitment to economic revitalization.

AND WHEREAS Council has included within this Bylaw a description of the reasons for and objectives of the program and a description of how the program is intended to accomplish the objective, as required by the section 227 of the *Community Charter* and consider this bylaw in conjunction with the objectives and policies set out in section 165 (3.1)(c) of the *Community Charter* and in the Town’s financial plan.

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

Eligible Development

1. For the purposes of this Bylaw, any proposed development that occurs within the lands shown in coloured shading with assessment class of either Class 4 (Major Industry), Class 5 (Light Industry), or Class 6 (Business/Other) on Schedule A attached to and forming part of this Bylaw constitutes a class of eligible development for that purpose.

2. In this bylaw:

“Assessed Value”	means the most recent assessed value of the Parcel for land and improvement as determined by the BC Assessment Authority
“Baseline Assessment”	means the last published assessed value of the Parcel for land and improvements prepared by the BC Assessment immediately before the commencement of the Project;
“Commercial and Industrial Use”	means a Parcel classed by BC Assessment as Class 4, 5 or 6 and located within the Revitalization Area;
“Council”	means the council of the Town of Ladysmith;
“Parcel”	means a legal parcel within the Revitalization Area upon which an owner proposes a Project;
“Project”	means an eligible revitalization Project on a Parcel involving the construction or alteration of an existing improvement;
“Revitalization Area”	means those areas included with the areas shown shaded on Schedule “A”
“Tax Exemption”	means a municipal revitalization tax exemption pursuant to a Tax

## Exemption Certificate;

“Tax Exemption Certificate” means a revitalization tax exemption certificate issued by the Town pursuant to this Bylaw and pursuant to the provisions of Section 226 of the *Community Charter*, in the form attached as Schedule “C”, which is attached to and forms part of this Bylaw.

3. The Program is hereby established pursuant to the provisions of section 226 of the *Community Charter* which is intended to achieve its objectives by providing property tax relief to property owners who undertake eligible construction within the Revitalization Area.
4. The terms and conditions upon which a Tax Exemption Certificate may be issued are as set out in this Bylaw, in the Agreement and in the Tax Exemption Certificate.
5. The amount of the annual Tax Exemption shall be equal to the municipal portion of property taxes imposed under section 197(1)(a) of the *Community Charter* on that part of the Assessed Value calculated by deducting the Baseline Assessment from the current Assessed Value and multiplying the difference by the current municipal tax rate.
6. The Revitalization Tax Exemption shall not include an exemption from any parcel tax, local service tax or business improvement area tax payable in the designated area in which the Parcel is located.
7. Council may provide a Tax Exemption under this Bylaw to an owner of eligible lands where:
  - a) Properties that are the subject of a building permit for construction of a new building or improvement or alteration of an existing building or improvement having a project value, as determined by the building inspector, of \$200,000 (two hundred thousand dollars) or greater for the portion that is deemed the eligible Project, where the building permit was issued after April 1, 2012 and Occupancy Permit is issued within two (2) years.
  - b) The Project is for a use that is:
    - i. one of the uses permitted in the applicable zone for the Parcel, as set out in the Town of Ladysmith Zoning Bylaw as amended from time to time; and
    - ii. consistent with the future land use designation for the Parcel, as set out in the Official Community Plan Bylaw as amended from time to time; and
    - iii. meets all other applicable Town policies and bylaws.
  - c) The owner of the Parcel must enter into an Agreement with the Town; and
8. This Bylaw does not apply to:
  - a) a Parcel currently subject to another tax exemption from the Town;
  - b) a Parcel in respect of which there are property taxes in arrears; and
  - c) projects involving proposals to alter a building listed on the Town of Ladysmith Heritage Register.
9. The maximum term of a Tax Exemption shall be five (5) years.
10. The Tax Exemption is attached to the Parcel and is transferrable to subsequent property owner within the term of the Agreement.
11. If an owner wishes Council to consider entering into an Agreement with the owner, the owner must apply to the Director of Financial Services in writing and must submit the following with the application:



- a) a certificate that all taxes assessed and rates, charges and fees imposed on the Parcel have been paid, and, where taxes, rates or assessments are payable by instalments, that all instalments owing at the date of application have been paid; and

b) a completed written application in a form prescribed by the Town; and

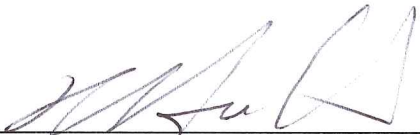
c) a description of the Project from the owner’s design professional in a form acceptable to the Town, including details regarding the extent and value of the applicable portion of the Project certifying that the construction value of the Project will exceed \$200,000, which will be confirmed through the building permit process; and

d) a fee in the amount prescribed by the Town of Ladysmith “Fees and Charges Bylaw 2007, No. 1644”, payable upon approval in principle of the Project.
12. Once the requirements established under this Bylaw and the Tax Exemption Agreement have been fulfilled, a Tax Exemption Certificate must be issued for the Parcel in the form attached as Schedule “C” attached to and forming part of this Bylaw.
13. A Tax Exemption Certificate issued for the Parcel is subject to the condition that all of the conditions set out in the Agreement continue to be met.
14. A Tax Exemption Certificate may be cancelled by Council if any of the conditions set out in the Agreement are not met.
15. During the term of the Bylaw, the tax exemption amount received by the owner must be repaid to the Town if the building is destroyed or altered without proper authorization from the Town (other than by a natural disaster) or if the use of the building on the Property is discontinued for a period of more than three (3) months. In either of these circumstances, the exemption certificate will be cancelled. If such cancellation occurs, the owner of the property for which the certificate was issued will remit to the Town an amount equal to the total value of the current year exemption received under this Agreement within 30 days of cancellation. If the amount is not paid within that 30 day period, any amount unpaid will bear interest at a rate of 1.0% per month, compounded annually.
16. The Director of Finance for the Town is designated the municipal officer for the purpose of section 226(13) of the *Community Charter*.

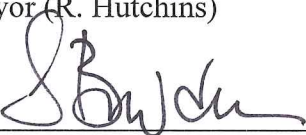
Citation

17. This Bylaw may be cited for all purposes as “Town of Ladysmith Revitalization Tax Exemption – Economic Revitalization Bylaw 2012, No 1807”.

READ A FIRST TIME	on the	4 <sup>th</sup>	day of	September,	2012
READ A SECOND TIME	on the	4 <sup>th</sup>	day of	September,	2012
READ A THIRD TIME	on the	4 <sup>th</sup>	day of	September,	2012
ADOPTED	on the	17 <sup>th</sup>	day of	September,	2012



Mayor (R. Hutchins)



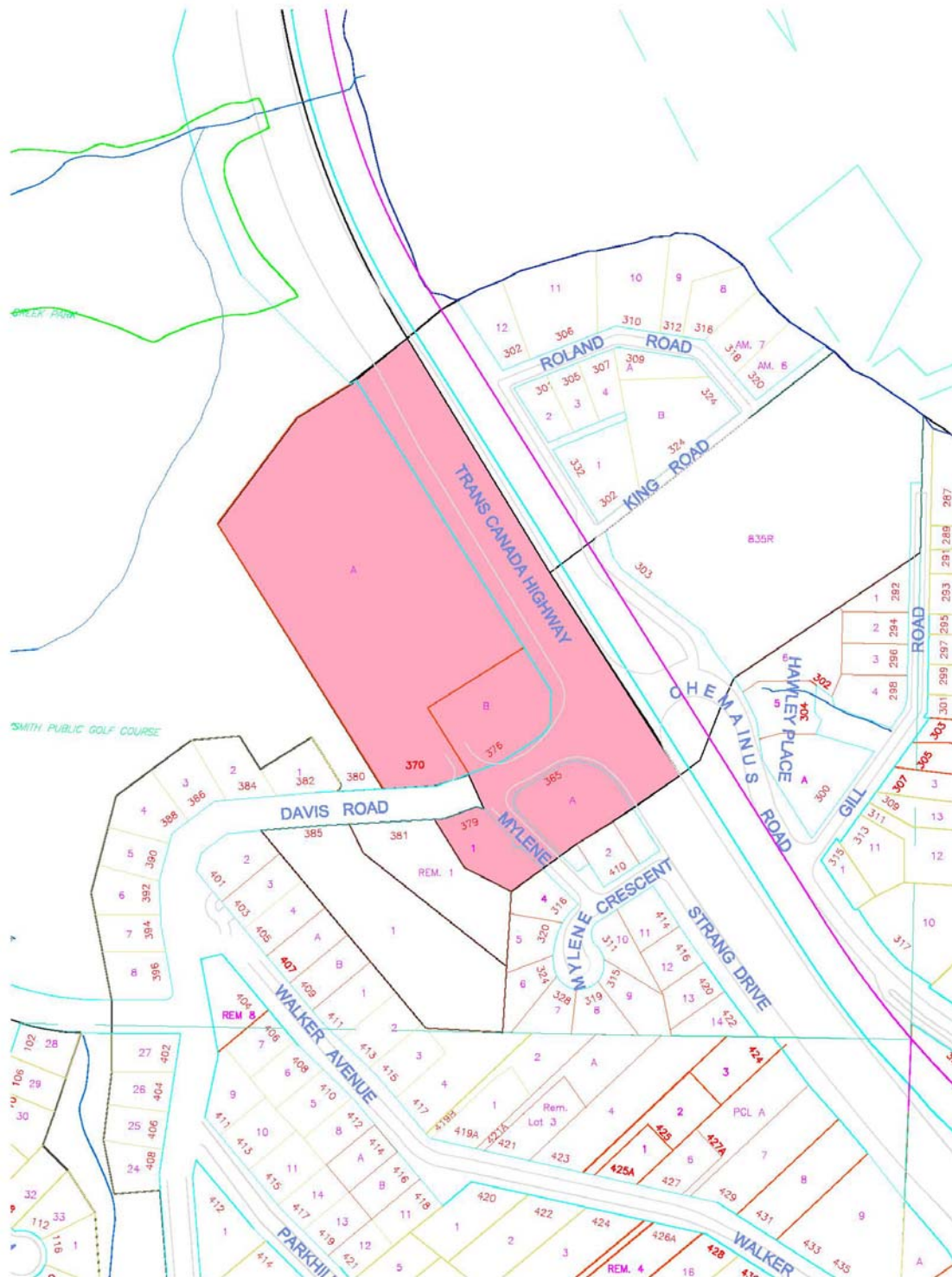
Corporate Officer (S. Bowden)

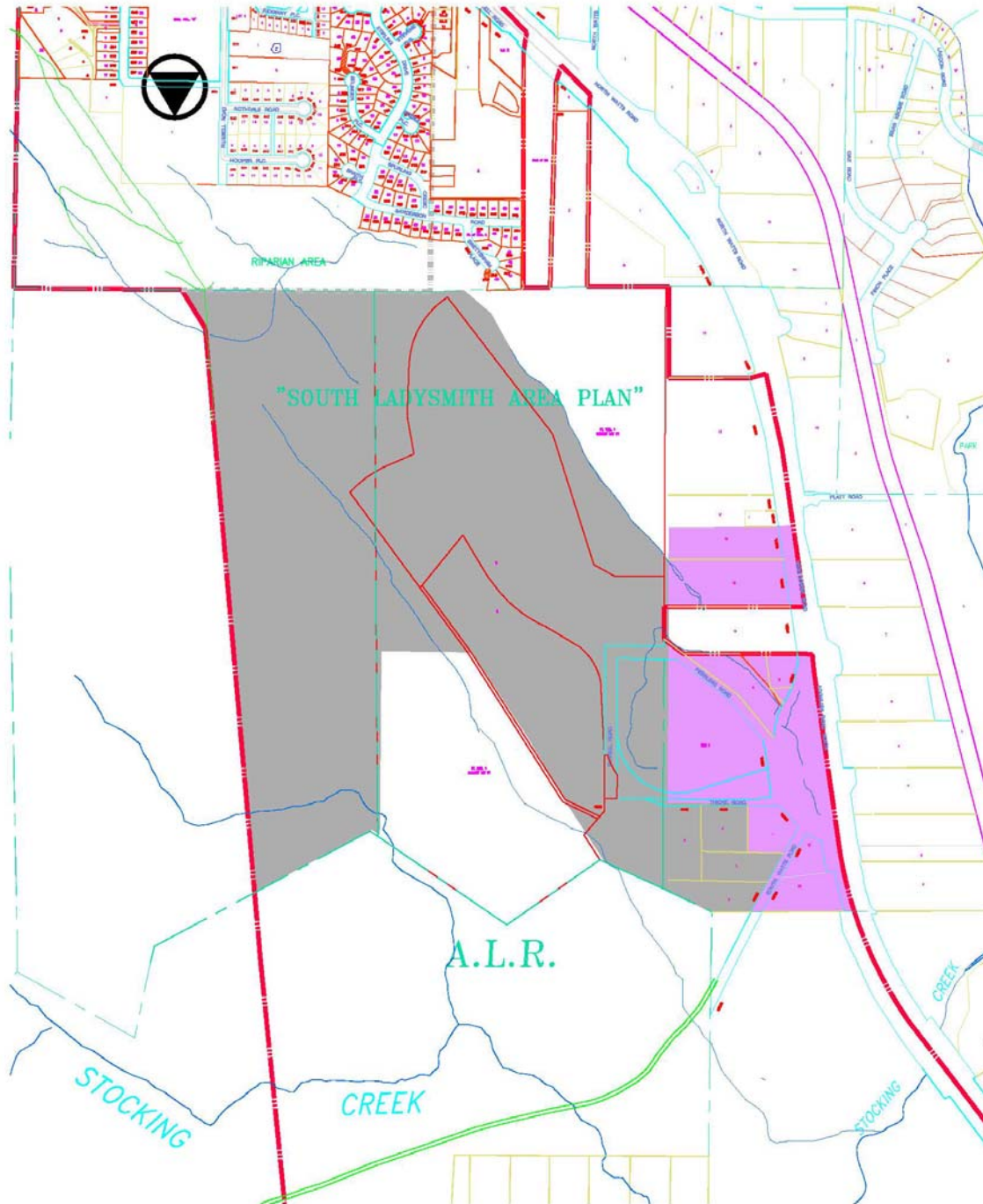


Schedule A  
Designated  
Areas









Schedule "B"  
Revitalization Tax Exemption - Economic Agreement

THIS AGREEMENT dated for reference the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ is

**BETWEEN:**

(the "Property Owner")

**AND:**

*TOWN OF LADYSMITH*  
410 Esplanade, PO Box 220  
Ladysmith, BC  
V9G 1A2

(the "Town")

**GIVEN THAT:**

- A. The Property Owner is the registered owner in fee simple of lands in the Town of Ladysmith at *[civic address]* legally described as *[legal description]* (the "Property");
- B. Council has established a revitalization tax exemption program within the Town of Ladysmith "Town of Ladysmith Revitalization Tax Exemption – Economic Revitalization Bylaw 2012 No. 1807" (the "Bylaw") the designation of a land use zone which include the Parcel as a revitalization area; and
- C. This Agreement contains the terms and conditions respecting the granting of a municipal property tax exemption under the Bylaw;

THIS AGREEMENT is evidence that in consideration of the promises exchanged below, the Property Owner and the Town covenant and agree each with the other as follows:

1. In this Agreement, the following words have the following meanings:

"Assessed Value"	means the most recent assessed value of the Parcel for land and improvement as determined by the BC Assessment Authority
------------------	--

"Baseline Assessment"	means the last published assessed value of the Parcel for land and improvements prepared by the BC Assessment Authority immediately before the commencement of the Project;
"Bylaw"	means Town of Ladysmith "Revitalization Tax Exemption – Economic Revitalization Bylaw 2012 No. 1807"
"Commercial and Industrial Use"	means Parcel assessed as Class 4, 5 or 6 and located within the Revitalization Area;
"Council"	means the council of the Town of Ladysmith;
"Parcel"	means the lands legally described as  <hr/> ;
"Project"	means an eligible revitalization Project on a Parcel involving the construction or an alteration of an existing improvement;
"Revitalization Area"	means a Parcel which is currently within a land use designation as indicated on Schedule "A"
"Tax Exemption"	means a municipal revitalization tax exemption pursuant to a Tax Exemption Certificate;
"Tax Exemption Certificate"	means a revitalization tax exemption certificate issued by the Town pursuant to this Bylaw and pursuant to the provisions of Section 226 of the Community Charter, in the form attached as Schedule "C", which is attached to and forms part of the Bylaw.

1. **The Project** – The Property Owner will use its best efforts to ensure that the Project is constructed, maintained, operated and used in a fashion that will be consistent with and will foster the objectives of the revitalization tax exemption program, and, without limiting the generality of the foregoing, the Property Owner covenants to use its best efforts to ensure that the Project will:
  - (a)
  - (b)
  - (c)
2. **Operation and Maintenance of Project** – Throughout the term of the Tax Exemption the

Property Owner must operate, repair and maintain the Project and will keep the Project in a state of good repair as a prudent owner would do.

3. **Revitalization Tax Exemption** – Subject to fulfillment of the conditions set out in this Agreement and in the Bylaw, the Town will issue a revitalization tax exemption certificate (the "Certificate") to the Property Owner entitling the Property Owner to a property tax exemption in respect of the Property (the "Tax Exemption") in an amount and for the calendar years set out in this Agreement. The Certificate will be in the form attached to this Agreement as Schedule "B".
4. **Conditions** – The following conditions must be fulfilled before the Town will issue a Tax Exemption Certificate to the Property Owner:
  - (a) The owner must obtain a building permit from the Town for the project on or before \_\_\_\_\_, 20\_\_\_\_, and begin construction within one year on or before \_\_\_\_\_, 20\_\_\_\_ ;
  - (b) The Property Owner must provide the Town with a certificate from the Property Owner's design professional (if applicable), in form and content satisfactory to the Town's Director of Financial Services, certifying the actual cost to construct the completed Project.
  - (c) All property taxes, business licenses, and user fees must be paid in full throughout the term of the Agreement.
  - (d) The Property Owner must complete or cause to be completed construction of the Project in a good and workmanlike fashion and in strict accordance with the building permit and the plans and specifications attached hereto as Schedule "B" and the Project must be inspected by the Town building inspector and certified complete on or before \_\_\_\_\_, 20\_\_\_\_ ;
  - (e) The completed Project must substantially satisfy the performance criteria set out in Schedule "C" hereto, as determined by the Town's Director of Development Services and Building Inspector;
  - (f) Variations from the original construction plan, Bylaw infractions or poor quality work may result in rescinding of the tax exemption approval;
  - (g) Any changes or upgrades made to the structure of the building due to the improvements must comply with all applicable bylaws;
5. **Calculation of Revitalization Tax Exemption** – the amount of the Tax Exemption in each year shall be equal to that part of the municipal portion of property taxes on that part of Assessed Value calculated by deducting the Baseline Assessment from the current Assessed Value and multiplying the difference by the current municipal tax rate.

6. **Term of Revitalization Tax Exemption** – provided the requirements of this Agreement, and of the Town of Ladysmith Revitalization Tax Exemption Bylaw No.1807 are met, the Tax Exemption shall be for the taxation years \_\_\_\_\_ to \_\_\_\_\_, inclusive for a maximum of 5 years. If the Certificate is issued before October 30<sup>th</sup> of the current year, then the Tax Exemption will be available for the following calendar year.
7. **Compliance with Laws** – The Property Owner will construct the Project and, at all times during the term of the Tax Exemption, use and occupy the Property and the Project in compliance with all statutes, laws, regulations and orders of any authority having jurisdiction and, without limiting the generality of the foregoing, all federal, provincial, or municipal laws or statutes or bylaws, including all the rules, regulations, or the like made under or pursuant to any such laws.
8. **Effect of Strata Property Act Subdivision** – If the Property Owner subdivides the Parcel under the Strata Property Act the Tax Exemption shall be prorated among the strata lots in accordance with the unit entitlement of each strata lot for:
  - (a) The current and each subsequent tax year during the currency of this Agreement if the strata plan is accepted for registration at the Land Title Office before May 1; or
  - (b) For the next calendar year and each subsequent tax year during the currency of this Agreement if the strata plan is accepted for registration at the Land Title Office after May 1.
9. **Representations and Warranties** – The Owner represents and warrants to the Town that the Owner is the Owner of the Parcel for the purpose of property assessment and taxation.
10. **Cancellation** – The Town may in its discretion cancel the Certificate at any time:
  - (a) On the written request of the Property Owner; or
  - (b) Effective immediately upon delivery of a notice of cancellation to the Property Owner if at any time any of the conditions in the Exemption Certificate or the Exemption Agreement are not met.
11. **Repayment of Exempt Taxes** - During the term of the Bylaw, the tax exemption amount received by the owner must be repaid to the Town if the building is destroyed or altered without proper authorization from the Town (other than by a natural disaster) or if the use of the building on the Property is discontinued for a period of more than three (3) months. In either of these circumstances, the exemption certificate will be cancelled. If such cancellation occurs, the owner of the property for which the certificate was issued will remit to the Town an amount equal to the total value of the current year exemption received under this Agreement within 30 days of cancellation. If the amount is not paid



within that 30 day period, any amount unpaid will bear interest at a rate of 1.0% per month, compounded annually.

12. **No Refund** – For greater certainty, under no circumstances will the Property Owner be entitled under or pursuant to this Agreement or under or pursuant to the revitalization tax exemption program to any cash credit, any carry forward tax exemption credit or any refund for any property taxes paid.
13. **Notices.** Any notice or other writing required or permitted to be given hereunder or for the purposes hereof to any party shall be sufficiently given if delivered by hand or posted on the Property, or if sent by prepaid registered mail (Express Post) or if transmitted by facsimile to such party:
  - (i) in the case of a notice to the Town, at:

THE TOWN OF LADYSMITH  
410 Esplanade, PO Box 220  
Ladysmith, BC V9G 1A2

Attention: Director of Financial Services  
Facsimile: 250-245-6411
  - (ii) in the case of a notice to the Property Owner, at:

Attention:  
Facsimile:

or at such other address or addresses as the party to whom such notice or other writing is to be given shall have last notified the party giving the same in the manner provided in this section.

Any notice or other writing sent in compliance with this section shall be deemed to have been given and received on the day it is given unless that day is not a Business Day, in which case the notice shall be deemed to have been given and received on the next day that is a Business Day. In this section, "Business Day" means any day other than Saturday, Sunday, any statutory holiday in the Province of British Columbia or any day on which banks generally are not open for business in Ladysmith, British Columbia.

14. **No Assignment** – The Property Owner may not assign its interest in this Agreement except to a subsequent owner in fee simple of the Property.
15. **Severance** - If any portion of this Agreement is held invalid by a court of competent jurisdiction, the invalid portion shall be severed and the decision that it is invalid shall not affect the validity of the remainder of this Agreement.

16. **Interpretation** - Wherever the singular or masculine is used in this Agreement, the same shall be construed as meaning the plural, the feminine or body corporate where the context or the parties thereto so required.
17. **Further Assurances** - The parties hereto shall execute and do all such further deeds, acts, things and assurances that may be reasonably required to carry out the intent of this Agreement.
18. **Waiver** - Waiver by the Town of a default by the Property Owner shall be in writing and shall not be deemed to be a waiver of any subsequent or other default.
19. **Powers Preserved** - This Agreement does not
- (a) affect or limit the discretion, rights or powers of the Town under any enactment (as defined in the Interpretation Act, R.S.B.C. 1979, c.206, on the reference date of this Agreement) or at common law, including in relation to the use or subdivision of the Land;
  - (b) affect or limit any enactment relating to the use or subdivision of the Property, or
  - (c) relieve the Property Owner from complying with any enactment, including in relation to the use or subdivision of the Property, and without limitation shall not confer directly or indirectly any exemption or right of set-off from development cost charges, connection charges application fees, user fees or other rates, levies and charges payable under any Bylaw of the Town.
20. **References** - Every reference to each party is deemed to include the heirs, executors, administrators, personal representatives, successors, assigns, servants, employees, agents, contractors, officers, licensees and invitees of such party, wherever the context so requires or allows.
21. **Enurement** - This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

Signed, Sealed and Delivered by the  
TOWN OF LADYSMITH by its  
authorized signatories:

---

Mayor:

\_\_\_\_\_  
Corporate Officer:

Signed, Sealed and Delivered by  
by its authorized signatories:

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Name:

Appendix "A"  
(Forms Part of Schedule B)  
Map of Affected Parcel

Appendix "B"  
(Forms Part of Schedule B)  
Plans and Specifications for the Project

Appendix "C"  
(Forms Part of Schedule B)  
Performance Criteria for the Project

Schedule "C"  
Revitalization Tax Exemption Certificate

**Section 226 of the *Community Charter*, SBC 2003, c. 26**

In accordance with the Town of Ladysmith Revitalization Tax Exemption Bylaw No. 1807 and in accordance with the Revitalization Tax Exemption Agreement dated for reference the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the "Agreement") entered into between the Town of Ladysmith (the "Town") and \_\_\_\_\_ (the "Owner"), the registered owner(s) of the property described below, this certificate certifies that the Property (as defined below) is subject to a revitalization tax exemption in an amount equal to the amount of any increase in municipal property taxes which would otherwise be payable as a result of any increase in the assessed value of improvements on the Property, due to the revitalization, (as hereinafter defined) between 20\_\_\_\_ and 20\_\_\_\_, inclusive (the "Tax Exemption"), subject to the maximum aggregate exemption prescribed by the formula in Section 226 (5) (b) of the *Community Charter*.

The Property to which the Tax Exemption applies is in the Town of Ladysmith and is legally

described as: \_\_\_\_\_,

CIVIC ADDRESS: \_\_\_\_\_

PID \_\_\_\_\_

The Tax Exemption is provided on the following conditions:

1. the Owner does not breach any covenant or condition in the Agreement and performs all obligations to be performed by the Owner set out in the Agreement and Bylaw; and
2. the Owner has not sold all or any portion of his or her equitable or legal fee simple interest in the Property without the transferee taking an assignment of the Agreement, and agreeing to be bound by it; and
3. the Owner, or a successor in title to the Owner, has not allowed the property taxes for the

Property to go into arrears or to become delinquent; and

4. the Property is not put to any use that is not permitted.

If any of these conditions are not met, then the Council of the Town of Ladysmith may cancel this Revitalization Tax Exemption Certificate.



# Revitalization Tax Exemptions

A Primer on the Provisions  
in the *Community Charter*



Ministry of  
Community Services

January 2008

# REVITALIZATION TAX EXEMPTIONS

## Legislation

Section 226 of the *Community Charter* provides authority to exempt property from municipal property value taxes. To use this authority, a Council must establish a revitalization program (with defined reasons for and objectives of the program), enter into agreements with property owners, and then exempt their property from taxation once all specified conditions of the program and the agreement have been met. Exemptions may apply to the value of land or improvements, or both. Councils are free to specify, within their revitalization programs, the amounts and extent of tax exemptions available.

Revitalization tax exemptions are limited to municipal property value taxes (Section 197(1)(a) of the *Community Charter* only) and do not extend to school and other property taxes, such as parcel taxes. An exemption may be granted for up to 10 years.

The authority to provide a revitalization tax exemption is not subject to section 25 of the *Community Charter* (prohibition against assistance to business).

Section 396E of the *Vancouver Charter* also provides the City of Vancouver with authority to provide revitalization tax exemptions.

## What is the intent?

Revitalization tax exemptions are a tool that Councils may use to encourage various types of revitalization to achieve a range of environmental, economic or social objectives. A revitalization program may apply to a small area or areas, a certain type of property or properties, a particular activity or circumstance related to a property or properties, or an entire municipality.

Examples of revitalization objectives that could be encouraged through the use of a revitalization tax exemption scheme include:

- *environmental revitalization*
  - encouraging “green” building technology (e.g. a Council could exempt properties that install solar panels to conserve energy);
  - encouraging environmental sustainability (e.g. to revitalize its waterways, a Council could exempt adjacent developments that use “green” approaches to managing storm water drainage, thereby protecting the waterways from pollutants);

- brownfield redevelopment (e.g. to support the revitalization of a brownfield site, a Council could exempt the property while it is being remediated, thereby hastening its redevelopment);
- *economic revitalization*
  - encouraging investment and employment (e.g. to revitalize its economic base, a Council could partially exempt the local pulp mill from disproportionately high industrial taxes, thereby supporting reinvestment into the community and helping to retain jobs);
- *social revitalization*
  - encouraging affordable housing (e.g. to increase the supply of affordable housing, a Council could provide exemptions to commercial buildings that convert their upper floors to affordable housing rental units);
  - encouraging the construction and preservation of affordable rental housing (e.g. a Council could provide exemptions to developers who enter into housing agreements, under section 905 of the *Local Government Act*, to provide or preserve such housing);
- *other types of revitalization*
  - redevelopment for community sustainability, conservation of heritage property, residential “intensification”, neighbourhood rejuvenation, or façade improvements and beautification (e.g. to add to the scope of a more traditional downtown revitalization, a Council could exempt aging business properties that are reconstructed or otherwise reinvigorated).

## What is required?

Part 7, Division 7 [*Permissive Exemptions*] of the *Community Charter* provides the general authority for permissive exemptions. The “[Permissive Exemptions](#)” guideline provides an overview of this process and related considerations.

Section 226 sets out the basic requirements for a revitalization tax exemption program:

### *Requirement (1) - Revitalization tax exemption program bylaw*

- Council must establish a revitalization tax exemption program, by bylaw, which must include the following:
  - a description of the reasons for, and the objectives of, the program;
  - a description of how the program is intended to accomplish the objectives;
  - a description of the kinds of property, or activities or circumstances related to the property that create eligibility for exemptions (e.g. apartment buildings that supply car co-op memberships to their residents to promote environmental sustainability);
  - the extent of the exemptions available (i.e. entire properties or portions of properties);
  - the amounts of exemptions, or formulas to determine the amounts, or both; and
  - the maximum term of the exemption, which may not be longer than 10 years.

- Council may also include in its revitalization program bylaw:
  - the requirements that must be met before an exemption certificate may be issued;
  - conditions that must be included in the exemption certificate;
  - provisions for a recapture amount that must be paid if the conditions specified in the certificate are not met.
- A revitalization program bylaw may be different, for different:
  - areas of the municipality;
  - property classes;
  - classes of land and improvements, or both, as established by the bylaw;
  - activities and circumstances related to a property or its uses, as established by the bylaw, and;
  - uses as established by zoning bylaw.
- Before adopting it, Council must consider the revitalization tax exemption program bylaw in conjunction with the objectives and policies as set out under section 165(3.1)(c) [*use of permissive tax exemptions*] of the *Community Charter*. The intent is that Council consider the municipality's overall objectives and policies in relation to permissive tax exemptions, when exercising its revitalization tax exemption powers.
- Council must also, prior to adopting the revitalization tax exemption program bylaw, fulfill the general requirements for public notice as set out under section 94 of the *Community Charter* (section 94 specifies, for example, the requirement for notices to be publicly posted, and published in a newspaper for two consecutive weeks). Section 227 [*notice of permissive tax exemptions*] sets out the *specific* notice requirements in relation to a revitalization tax exemption program bylaw. A revitalization tax exemption program bylaw notice must include a general description of:
  - the reasons for, and objectives of, the program;
  - how the program is intended to accomplish the objectives;
  - the kinds of property, or activities or circumstances that are eligible for an exemption; and
  - the extent, amounts and maximum terms of tax exemptions that may be provided.

*Requirement (2) - Agreement with property owner*

- Once a revitalization tax exemption program bylaw has been adopted, Council may enter into an agreement with the owner of a property regarding the provision of a revitalization tax exemption. The agreement between the municipality and the property owner may outline requirements that must be met before an exemption certificate is issued, and any other conditions on which the tax exemption will be provided.

- The *agreement* with the property owner provides Council with an opportunity to build on the program bylaw by enabling Council to provide a more specific level of detail regarding the conditions of an exemption as they relate to a particular property. Essentially, the agreement is intended to take the program bylaw to another level of specificity.

#### Requirement (3) - Tax exemption certificate

- Once all of the requirements established in the *bylaw* and in the *agreement* have been met, a revitalization tax exemption *certificate* must be issued for the property that is the subject of the agreement. This certificate must be issued no later than October 31 in the year before the tax exemption takes effect.
- As soon as practicable, a copy of the certificate must be provided to the assessor. This ensures that any tax exemptions related to a property are taken into account by BC Assessment during the calculation of the taxable value of a property.

## **What to consider?**

Council is not obliged to establish a revitalization tax exemption program. This is a tool that Council may use at its discretion. In addition to the requirement to consider its objectives and policies in relation to the use of permissive tax exemptions (as set out under section 165(3.1)(c) of the *Community Charter*), Council may wish to consider some additional factors in the design of any revitalization tax exemption program, such as:

- What may be the immediate and long-term implications of the exemption program on:
  - *the community* - what are the municipality's objectives for the environmental, economic and social well-being of the community, and how might the exemption program help fulfill such objectives?
  - *the municipality* - what will such an exemption program cost the municipality in terms of lost tax revenue, overhead to manage the program, and other costs (such as any costs associated with servicing a new development)?
  - *the municipality's larger operating environment* - is the exemption program consistent with the BC/Alberta Trade, Investment and Labour Mobility Agreement under which investment distorting subsidies are prohibited?
- What is the "right" amount of tax relief to encourage the desired level of revitalization under an exemption program?
- Is this type of revitalization likely to occur without any tax incentives in place?
- What other benefits might occur as a result of the exemption program (e.g. a tax exemption that partially exempts the local pulp mill from disproportionately high industrial taxes might support reinvestment into the community while helping to retain jobs)?

- Tax shift. How will the program impact the property taxes of other properties in the same assessment class, and the taxes of properties in other classes of assessment?
- Can Council clearly explain its intentions to the public and demonstrate how the program supports municipal purposes? And what does the community think about the proposal?

## Frequently Asked Questions

### **Aren't municipalities required to designate an area to provide revitalization tax exemptions?**

Not anymore. Amendments to section 226 of the *Community Charter* (via Bill 35, the *Miscellaneous Statutes Amendment Act (No.2) 2007*) came into effect on May 31, 2007. These amendments broadened the revitalization tax exemption tool in a number of ways, including by eliminating the requirement to designate an area for revitalization purposes. The new broadened tax exemption tool is a much more flexible and adaptable tool that can be used by Council to meet any type of revitalization need.

### **What will happen to revitalization tax exemption program bylaws and their corresponding agreements and certificates that were in place before the broadened revitalization tax exemption tool came into effect on May 31, 2007?**

Transitional provisions (under Bill 35) ensure that all existing revitalization tax exemption program bylaws, and their corresponding agreements and certificates that were in place before the tool was broadened, can continue. However, if a municipality chooses to amend its revitalization program bylaw (to, for example, expand the scope of the types of property that could be exempted), it must comply with the requirements under the new, broadened section 226.

### **What does the legislation mean in section 226(5)(b) when it says that a program may be different for “different classes of property” and “different classes of land or improvements or both”?**

This means that Council may use any criteria to identify the property that will be eligible for tax relief. For example, a class of property might include all the homes that were built before a certain date, or all the buildings that front on certain streets, whereas a class of land may include all contaminated brownfield sites within the municipality. These distinctions are designed to provide Council with the greatest flexibility to determine how best to provide a tax exemption.

### **What is the difference between “activities” and “circumstances” as specified under section 226(5)(b)(iv) of the legislation?**

Under the legislation, a Council could choose to exempt property based on certain types of activities related to a property (such as the distribution of a free bicycle to each resident living in a condominium

building as an incentive to reduce vehicle use), or it could choose to exempt certain *circumstances* related to a property (such as the presence of solar panels on a property that are helping to reduce the burden on the community's energy grid). Essentially, *activities* require property owners to do something to receive an exemption (such as remediate a brownfield site), and *circumstances* require that there be particular conditions or factors related to the property in place that the municipality is interested in promoting (such as whether properties are LEED certified or not). This distinction enables municipalities to apply tax exemptions in the most flexible manner, to meet their individual revitalization needs.

### **Can a revitalization tax exemption be transferred to a new property owner?**

This is a decision for Council. The legislation specifies that a tax exemption certificate must be issued “for *the property*” once all the conditions in the bylaw and the agreement have been met. So the tax exemption applies to the property. However, section 226(6) permits Council to enter an agreement with a property owner respecting the provision of a section 226 tax exemption “and the conditions on which it is made”. One such condition might be that the exemption no longer applies if the property changes ownership.

### **What's the difference between a section 225 exemption for heritage property and using section 226 to exempt heritage property?**

A Council may decide to use either section 225 or section 226 as a way to encourage heritage preservation within the municipality.

If they wish to use section 225, the property must be “eligible heritage property” that meets one of the conditions in section 225(2)(b). For these purposes, heritage property is defined in the *Local Government Act*. In contrast, section 226 provides a way to encourage investment in property with heritage characteristics without using a formal designation process.

A heritage tax exemption exempts property from all property value taxes – provincial and municipal – while a section 226 exemption only applies to the municipal portion. Another important difference is that section 225 does not provide a time limit on heritage exemptions, while section 226 limits the benefit to 10 years. In addition, a heritage exemption bylaw requires the approval of two-thirds of all Council members; a section 226 exemption bylaw requires a simple majority vote. Both section 225 and 226 permit Council to impose conditions under which the tax exemption is granted.

**What is the BC/Alberta Trade, Investment and Labour Mobility Agreement (TILMA) and why do municipalities need to consider it when providing revitalization tax exemptions?**

TILMA is an inter-provincial trade agreement between B.C. and Alberta that is designed to help eliminate barriers to trade and to enhance the competitiveness and stability of both provinces. The agreement came into force on April 1, 2007.

Although local governments are not parties to the agreement, their measures, including any legislation, regulation, standard, directive, requirement, guideline, policy or program (such as a revitalization tax exemption program), are subject to TILMA. More specifically, Article 12 of the agreement prohibits both the provinces of B.C. and Alberta, as well as their local governments, from providing unfair, investment distorting business subsidies. This means that any revitalization tax exemption provided by a Council must be compliant with Article 12 of the agreement.

Although TILMA prohibits investment distorting business subsidies, it does not prohibit Council from promoting the environmental, economic and social well-being of their communities. Councils are free to use the tax exemption tool in a number of ways to promote various forms of community revitalization, so long as they use the tool in a non-discriminatory, non-distorting manner and in a manner that does not result in investment-distorting subsidies to business.

**For more information:**

Contact the *Local Government Infrastructure and Finance Branch*

**Address:** Local Government Infrastructure & Finance Division  
Ministry of Community Services  
4th Floor, 800 Johnson Street  
PO Box 9838 Stn Prov Govt  
Victoria, BC V8W 9T1

**Phone:** 250 387-4060 (in Victoria)

**Toll Free:** Call 604-660-2421 (in Vancouver) or 1-800-663-7867 (elsewhere in B.C.) and request a transfer to 250 387-4060 in Victoria

**Email:** [lgsi@gov.bc.ca](mailto:lgsi@gov.bc.ca)

**Website:** <http://www.cserv.gov.bc.ca/lgd/infra/index.htm>



## STAFF REPORT TO COUNCIL

**Report Prepared By:** Erin Anderson, Director of Financial Services  
**Date:** May 15, 2019  
**Report Reviewed By:**  
**Meeting Date:** June 10, 2019  
**File No:** 05-1940-B  
**RE:** Payment and Signing Authority Policy

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### **RECOMMENDATION:**

That the Committee recommend that Council approve the amended Payment and Signing Authority Policy.

### **PURPOSE:**

The purpose of this report is to update the current Payment and Signing Authority Policy to recognize the changes in technology for payment processing.

### **PREVIOUS COUNCIL DIRECTION**

CS 2012-005: The cheque signing and payment policy to be amended in order to incorporate electronic payment options.

### **INTRODUCTION/BACKGROUND:**

Every few years, the payment policy is updated to reflect changes in technology as well as changes in the processing. The last significant change to the policy was to add an option for electronic payments, also known as online banking and pre-authorized withdrawals.

Like many organizations, the Town is now utilizing payment files to process payments. The process for making these types of payments is similar to that of cheques except instead of a physical cheque being printed, a file of all the payments is uploaded to the bank for distribution.

In the past, staff are required to wait for the second signature of the Mayor, or other designated by Council, before the payment can be released for mailing. With electronic payments, the second authorization by Council is not required. Staff have proposed an amendment to the Policy to remove the need of a Council signature prior to the release of the payment batch.

The authority to approve invoices and delegated spending limits are set out in the Purchasing Policy which is not being amended with this current Policy change. Invoices and cheque requisitions still require adequate budget, authorized signatures, and general ledger coding before payment processing.

**ALTERNATIVES:**

Council can choose to:

- Continue with producing and mailing cheques only; or
- Implement pre-authorized withdrawals for all utility payments; or
- Holding payment batches pending the signature of the member of Council; or
- Increase or decrease the cheque threshold (currently at \$8,000).

**FINANCIAL IMPLICATIONS:**

There are no financial implications as these services are part of the Banking Services proposal submitted by the Ladysmith and District Credit Union.

**LEGAL IMPLICATIONS:**

Not applicable.

**CITIZEN/PUBLIC RELATIONS IMPLICATIONS:**

Many suppliers/vendors appreciated the option receiving payments electronically.

**INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:**

Not applicable.

**ALIGNMENT WITH SUSTAINABILITY VISIONING REPORT:**

- |  |  |
|--|--|
| <input type="checkbox"/> Complete Community Land Use | <input type="checkbox"/> Low Impact Transportation |
| <input type="checkbox"/> Green Buildings             | <input type="checkbox"/> Multi-Use Landscapes      |
| <input type="checkbox"/> Innovative Infrastructure   | <input type="checkbox"/> Local Food Systems        |
| <input type="checkbox"/> Healthy Community           | <input type="checkbox"/> Local, Diverse Economy    |
| <input checked="" type="checkbox"/> Not Applicable   |  |

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

- |  |   |
|--|---|
| <input type="checkbox"/> Employment & Tax Diversity              | <input type="checkbox"/> Natural & Built Infrastructure |
| <input type="checkbox"/> Watershed Protection & Water Management | <input type="checkbox"/> Partnerships                   |
| <input type="checkbox"/> Communications & Engagement             | <input checked="" type="checkbox"/> Not Applicable      |

**SUMMARY:**

Attached is the amended Payment and Signing Authority Policy for the Committee review. The draft policy includes changes to processing of the electronic payments which essentially removes the requirement of a Council member to sign the payment register prior to the payments being released.

***I approve the report and recommendation(s).***

**Guillermo Ferrero, Chief Administrative Officer**

**ATTACHMENT(S):**

05 1940 Payment Policy and Signing Authority.pdf
05 1940 DRAFT 2019 Payment Policy and Signing Authority.docx



**TOWN OF LADYSMITH**  
**POLICIES AND PROCEDURES MANUAL**

<b>TOPIC:</b>	<b>Payment Policy and Signing Authority</b>		
<b>APPROVED BY:</b>	<b>Council</b>	<b>DATE:</b>	January 9, 2012
<b>RESOLUTION #:</b>	<b>2012-005</b>		
<i>(Amended) 99-770, 2000-594, 2002-272, 2011-510, 2012-005</i>			
<u>Municipal Signing Authority</u>			
The signing of all cheques and electronic payments shall be made in accordance with the following criteria:			
The Groups are as follows			
<b>Group A</b>		<b>Group B</b>	
Mayor Council		Director of Financial Services City Manager Manager of Accounting Services Director of Corporate Services	
<u>Municipal Cheques</u>			
If a cheque is not more than \$8,000, the following two (2) signatures will be electronically reproduced:			
<ul style="list-style-type: none"><li>• Mayor</li><li>• Director of Financial Services</li></ul>			
If a cheque is more than \$8,000, the cheque must be signed by one member of Group A and one member of Group B.			
Prior to the release of the cheques, the Cash Requirements Report must be signed by one member of Group A and one member of Group B.			

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Electronic Payments

Where possible, efficient and fiscally wise, Electronic Funds Transfers (EFT) will be utilized.

For EFT payments over \$8,000, an internal financial institution system approval must be made by the Manager of Accounting Services or the Director of Financial Services, except for the following:

- Lease payments
- Payroll and Payroll deductions
- US Bank (Purchasing Cards)

Any EFT vendor must be approved by one member of each group prior to being included in the financial software.

Prior to the file release of the EFT, the Cash Requirements Report must be signed by one member of Group A and one member of Group B.

**05-1940-B**



**TOWN OF LADYSMITH**  
**POLICIES AND PROCEDURES MANUAL**

<b>TOPIC:</b> <b>Payment and Signing Authority Policy</b>			
<b>APPROVED BY:</b> <b>Council</b>		<b>DATE:</b> <b>TBD</b>	
<b>RESOLUTION #:</b> <b>TBD</b>			
<i>(Amended) 99-770, 2000-594, 2002-272, 2011-510, 2012-005</i>			

Purpose:

1. The purpose of the policy is to establish the responsibilities, controls and authorizations for the accurate and timely payment of invoices by the Finance Department.

Definitions:

2. The following definitions in this policy are:
  - a) “EFT” means Electronic Funds Transfer
  - b) “Designated Council Signatory” means one of the four (4) members of Council, approved by resolution, to act as signing authorities for the Town of Ladysmith.
  - c) “Designated Staff Signatory” means one of the approved staff members positions as: the Director of Financial Services, Manager of Accounting Services or City Manager.

Policy:

3. Only invoices and cheque requisitions that are properly approved in accordance with the Town’s Purchasing Policy will be processed for payment.
4. To ensure segregation of duties, no one individual may create or modify a vendor, post and approve an invoice or requisition, and approve and record a payment.

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Responsibilities:

5. All employees or departments submitting an invoice or cheque requisition for processing must ensure that invoices and cheque requisitions are provided to the Accounts Payable Clerk in a timely manner to meet the payment terms and internal processing deadlines.
6. The Accounts Payable Clerk is responsible for:
  - a) Reviewing the invoices and requisitions prior to entry;
  - b) Accurately processing the invoice and cheque requisitions using the corporate software in a timely manner;
  - c) Printing cheques, processing online banking payment, and processing EFTs; and
  - d) Maintaining control of the blank cheque stock.
7. The Financial Services Coordinator is responsible for:
  - a) Creating or modifying vendors; and
  - b) Reviewing each payment batch prior to the release of payments.
8. The Customer Service Representative is responsible for the distribution and filing of the cheques.
9. One Designated Council Signatory and one Designated Staff Signatory shall sign the cheques, cheque register, and/or EFT register.

Procedures:

10. One Designated Council Signatory and one Designated Staff Signatory must approve an EFT vendor prior to that vendor being included in the corporate software.
11. All invoices are to be received by the Accounts Payable Clerk to date stamp and forward to the appropriate department for coding and approval.
12. Invoices shall be returned to the Accounts Payable Clerk with appropriate approval, with the corresponding Purchase Order or General Ledger coding within five (5) business days of receiving the invoice.

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13. Cheque runs are prepared bi-weekly. Additional cheque runs will be completed as necessary under the direction of the Director of Financial Services.
  14. All invoices to be included in the cheque run must be received by the Accounts Payable Clerk by 4:00pm on the Friday immediately before the cheque-run week.
  15. The Accounts Payable Clerk prints the cheques on the printer located in the Accounts Payable Clerk's office.
  16. The Accounts Payable Clerk prints the payment register noting the number of cheques, number of EFTs and initials the report.
  17. If a cheque payment is not more than \$8,000, the following two (2) signatures will be electronically reproduced:
    - a) Mayor
    - b) Director of Financial Services
  18. The cheques, EFT register, and supporting documentation are provided to the Manager of Accounting Services who will review the listing prior to approval of the EFT for release.
  19. EFT confirmations from the bank are to be signed by the Director of Financial Services and the Manager of Accounting Services and filed with the corresponding payment batch.

<b>05-1940-B</b>
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## MUNICIPAL SERVICES COMMITTEE REPORT

**Report Prepared By:** Erin Anderson, Director of Financial Services

**Date:** May 6, 2019

**Report Reviewed By:**

**Meeting Date:** June 10, 2019

**File No:**

**RE: 2019 First Quarter Financial Report**

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### **RECOMMENDATION:**

That the Committee receive this report for information purposes.

### **PURPOSE:**

The purpose of this report is to continue to inform Council of the financials.

### **INTRODUCTION/BACKGROUND:**

This is the first financial report of the fiscal year 2019. Though the financial plan was not yet adopted, staff prepared this report with the assumption that the 2019 Budget is adopted.

Overall, it is projected that there will be a savings at the end of the year due to debt payments on the Water Filtration Plant, position vacancies, and a greater return on investment.

### **Operating Budget**

The Operations budget with projections to December 31<sup>st</sup> show an overall projected surplus as seen in Table 1 title Operations to March 31, 2019.

Table 1: Operations to March 31, 2019

	Actuals			Forecast		
	Actuals to 31-Mar-19	Preliminary Budget 2019	Actual Variance %	Year-End Forecast	Year-End Forecast Variance	Forecast Variance %
<b>REVENUES</b>						
Taxes	-	11,597,913	0%	11,597,913	-	0%
Sale of Services	183,583	3,981,458	5%	3,981,105	353	0%
Licence, Permits, Rentals & Penalties	221,934	773,807	29%	771,778	2,029	0%
Development Fees	-	43,000	0%	43,000	-	0%
Donations	-	-	0%	-	-	0%
Grants	6,130	661,438	1%	667,568	6,130	-1%
Investment Income	85,014	155,000	55%	205,043	50,043	-32%
<b>REVENUES Total</b>	<b>496,661</b>	<b>17,212,616</b>	<b>3%</b>	<b>17,266,407</b>	<b>53,791</b>	<b>0%</b>
<b>EXPENSES</b>						
General Government Services	607,146	2,440,460	25%	2,419,299	21,161	1%
Protective Services	159,902	1,872,148	9%	1,783,197	88,951	5%
Transportation Services	469,973	1,495,947	31%	1,495,296	651	0%
Garbage Services	86,669	525,121	17%	532,786	- 7,665	-1%
Cemetery Operations	5,005	30,033	17%	28,727	1,306	4%
Development Services	143,691	703,778	20%	704,257	- 479	0%
Parks	136,567	724,364	19%	734,331	- 9,967	-1%
Recreation & Cultural Services	636,877	2,613,830	24%	2,612,651	1,179	0%
Sewer Services	341,938	1,720,640	20%	1,680,451	40,189	2%
Water Services	205,345	1,261,164	16%	1,218,497	42,667	3%
Debt Payments	420,573	1,353,540	31%	1,013,661	339,879	25%
Transfers	35,899	2,471,591	1%	2,471,591	-	0%
<b>EXPENSES Total</b>	<b>3,249,585</b>	<b>17,212,616</b>	<b>19%</b>	<b>16,694,745</b>	<b>517,871</b>	<b>3%</b>
<b>Surplus/(Deficit)</b>	<b>2,752,923</b>	<b>-</b>	<b>0%</b>	<b>571,663</b>	<b>571,663</b>	<b>0%</b>

Revenue – Taxes & Parcel Taxes	<b>Projected to be on budget</b>
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Property Taxes were not levied at the time of this report.

Revenue – Sale of Services (Fees & Charges)	<b>Projected to be on budget</b>
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- Water, Sewer & Solid Waste fees for the first quarter of 2019 were levied in April. Water consumption during the quarter was slightly higher than in 2018. The rates levied were 18% of budget (2018 – 21%), though the rates charged were based on the previous year bylaw rates. Sewer charges were 22% of budget (2018 – 25%), though again, these are based on the old rates. Solid Waste fees were 25% of budget (2018 – 26%). All utility revenues are expected to be within budget at year-end.
- Cemetery revenue was 13% of budget (2018 – 50%). If this trend continues, budget revenues will not be achieved, though there is a correlating expense that would also be reduced.
- Recreation revenues are similar to previous years at 26% of budget (2018 – 27%).

Revenue – Licence, Permits, Rentals & Penalties	<b>Projected to be \$2k below budget</b>
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- Licensing Revenue (Business, Pet, Vehicle), 89% (2018 – 83%) is expected to meet budget.
- Overall, permit revenue is lower at this point in 2019 at 19% (2018 – 32%) than previously though the majority of the difference is due to the timing of subdivision approvals. It is expected that this will be on track by the end of the year.
- Rental revenues are at 29% (2018 – 29%) of budget which is similar to previous years. The vacancy rate at the Machine Shop will determine the outcome of this budget at year-end and will likely result in revenues not achieving budget amounts.

Revenue – Operating Grants	<b>Projected to be \$6k above budget</b>
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The Town has received some additional grant funding to provide recreation programs. This additional revenue is projected to be above budget by year-end.

Revenue – Investment Income	<b>Projected to be \$50k above budget</b>
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As interest rates increase, the amount of interest earned on the capital funds invested will be greater than budgeted.

<i>Expenses - General Government Services</i>	<b>Projected to be \$21k under budget</b>
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- As expected for the first quarter, General Government Services are at 25% of budget (2018 – 20%) which is greater than in 2018. One of the largest differences from last year are the interest payments for the short term debt on the Churchill Property.
- Overall, General Government is expected to see a budget surplus by the end of the year as there is a vacant position (Waterfront Implementer) and cost savings within the Mayor & Council budget due to less professional development planned than originally budgeted.

<i>Expenses - Protective Services</i>	<b>Projected to be \$89k under budget</b>
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- As anticipated, this area will have a surplus at the end of the year due to the approved RCMP member budgeted partially in 2019 to be in-place in 2020.
- Currently, Protective Services are at 9% of budget (2018 – 25%). At the time of this report, the Town had not received the Jan – March billing from the RCMP, usually valued around \$290k per quarter, which makes up much of the difference. As well, Keep of Prisoners is currently under budget.

<i>Expenses - Transportation/Public Works</i>	<b>Projected to be on budget</b>
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Snow and ice removal costs were \$119,900 for the first quarter of the year which was greater than the original budget discussed during Budget deliberations. These costs were offset by the snow and ice reserve by \$38,100.

<i>Expenses – Solid Waste</i>	<b>Projected to be \$8k over budget</b>
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The Cowichan Valley Regional District increase the cost of tipping for organics. As this information was not known by the Town during the Town's budget deliberations, this additional cost will likely push this service cost over budget. Adjustments to the amount reserved from the MMBC rebate could be used to offset the increase.

<i>Expenses – Cemetery Operations</i>	<b>Projected to be on budget</b>
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The expenses associated with maintaining the Cemetery lands are similar to previous years.

<i>Expenses –Development Services</i>	<b>Projected to be \$1k under budget</b>
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The Development Services are currently under budget at 18% of budget, though consistent with previous years (2018- 20%). There is a pending vacancy in this area that may result in the department being under budget at year-end.

<i>Expenses –Parks</i>	<b>Projected to be \$10k over budget</b>
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Fallen trees due to the windstorm in December of 2018 has put pressure on this department to stay within budget. The contracted services for tree removal was \$44,297(2018 - \$17,023) for the first 3 months of the year, with a budget of \$46,465. Without adjustments within the department, it is expected this area will be over budget at year-end. Staff are reviewing options.

<i>Expenses –Recreation &amp; Culture Services</i>	<b>Projected to be on budget</b>
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The PRC department is operating at approximately 25% of budget. This is approximately the same at this time period last year (2018 – 24%).

<i>Expenses –Sewer Services</i>	<b>Projected to be \$40k under budget</b>
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There is a partial vacancy in sewer department which is expected to result in the department being under budget at the end of the year.

<i>Expenses – Water Services</i>	<b>Projected to be \$42k under budget</b>
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This area is currently under budget. The Financial Plan anticipated the Water Filtration Plant to be operating earlier in the year which has direct impact on the hydro, materials and supplies and staffing. With the delays in the construction, these expenses are just deferred to a future time, resulting in a savings in the current year.

**Expenses – Debt Payments****Projected to be \$330k under budget**

The debt on the Water Filtration Plant has been executed. In the first year, there is interest only payments required, resulting in a savings in the water utility of \$330k.

**Capital Projects**

Only projects with early budget approval were active during this first quarter.

Not Started	On Track	Delayed	Requires add't funds	Complete

Project Name	YTD Actuals & Commitments	Preliminary Budget Amounts	Variance	Variance %	Status
<b>General Capital</b>					
Website Upgrade	\$-	\$ 35,000	\$ 35,000	0%	
City Hall-Improvements	-	8,484	8,484	0%	
Waterfront Studies	61,147	54,105	- 7,042	113%	
Photocopier (CH)	-	22,000	22,000	0%	
WAP Economic Partnership Agreement	-	17,295	17,295	0%	
Comprehensive development Agreements	-	25,927	25,927	0%	
Cannabis Survey	8,100	20,000	11,900	41%	
Arts & Heritage Hub	-	50,000	50,000	0%	
Biz plan & Communications strategy	-	15,000	15,000	0%	
Community Advisory Panel	-	5,000	5,000	0%	
Geotechnical study for road alignment	-	50,000	50,000	0%	
Infrastructure costing study	-	30,000	30,000	0%	
Legal survey of development parcels	-	10,000	10,000	0%	
Storm drainage relocation	-	15,000	15,000	0%	
Public Works Expansion	-	1,000,000	1,000,000	0%	
DCC Review	3,315	32,450	29,135	10%	
Paving: 4th Ave, Methuen to Belaire	120,685	1,202,410	1,081,725	10%	
Pedestrian Cross Walk - 2nd & High	-	32,207	32,207	0%	

Project Name	YTD Actuals & Commitments	Preliminary Budget Amounts	Variance	Variance %	Status
Engineering & Construction Stnds Review	8,428	8,500	72	99%	
Rocky Creek Road Storm	-	97,345	97,345	0%	
Clarke Rd Storm	47,580	73,605	26,025	65%	
GPS Reference Station	9,459	12,622	3,163	75%	
Dogwood - Holland Creek Bridge Inspection	-	8,680	8,680	0%	
Rocky Creek Culvert	124,425	750,882	626,457	17%	
Safety Upgrades to 1st Ave	-	15,235	15,235	0%	
Downtown Washrooms	1,890	150,000	148,110	1%	
Russell Rd Paving	-	100,000	100,000	0%	
Bucket Truck Replacement (82)	158,774	175,000	16,226	91%	
One Tonne Utility Truck (Replace 87)	91,552	80,000	- 11,552	114%	
Department Vehicle (PRC)	-	30,000	30,000	0%	
Hammer / Breaker	-	20,000	20,000	0%	
Liquid Anti-Icing System	-	35,000	35,000	0%	
Snow Gate	-	17,500	17,500	0%	
Storm Drainage Improvements	-	125,000	125,000	0%	
Storm Water Improvements PW Yard Phase 2	-	50,000	50,000	0%	
Walkem Road Sidewalk	-	150,000	150,000	0%	
Fuel Tank Removal PW Yard	-	15,000	15,000	0%	
Holland Creek Crossing (traffic)	-	3,200,000	3,200,000	0%	
Amphitheatre Tank Lid Replacement	12,902	10,000	- 2,902	129%	
1st Ave Irrigation Vault	-	2,600	2,600	0%	
HC Switchback trail	2,220	10,000	7,780	22%	
Golf Course Trail	11,757	20,000	8,243	59%	
Holland Creek Trail Rebuild	-	20,000	20,000	0%	
Mobile Food Service site upgrades	-	9,000	9,000	0%	
Concrete pads for bleachers - Aggie	-	7,500	7,500	0%	
Concrete pads for bleachers - Holland Cr	-	10,000	10,000	0%	
Playfield Bleacher Replacement - High street	-	14,000	14,000	0%	
Playground - Spirit Square Removal	-	5,000	5,000	0%	
Stairs - Oyster Bay Rd/Boat Ramp	-	12,000	12,000	0%	
Tree replacement Program	-	12,000	12,000	0%	
Rotary Boat ramp float	-	50,000	50,000	0%	

Project Name	YTD Actuals & Commitments	Preliminary Budget Amounts	Variance	Variance %	Status
replacement					
Lot 5 Acquisition	292,000	342,000	50,000	85%	
Waterfront Zoning Update	-	10,000	10,000	0%	
Waterfront Land Use Approvals	-	5,000	5,000	0%	
Planning Guides & Checklists	-	10,000	10,000	0%	
Aggie Hall Site Improvements (Playground/parking)	4,278	6,085	1,807	70%	
FJCC Sports Lights	-	60,000	60,000	0%	
Emergency Generator- PW	6,000	90,000	84,000	7%	
Machine Shop - necessary repair options	62,846	1,716,585	1,653,739	4%	
FJCC -Main Roof repairs	-	15,000	15,000	0%	
High Street Concession building roof replacement	-	15,000	15,000	0%	
Holland Creek Washrooms roof (ball field)	-	11,700	11,700	0%	
PW Building Roof Repair	-	23,000	23,000	0%	
Archives siding	-	11,000	11,000	0%	
City Hall- Investigation & repair of water penetration	-	17,000	17,000	0%	
City Hall Additional Space	-	20,000	20,000	0%	
Domestic water lines at FJCC	-	25,000	25,000	0%	
FJCC Electrical Panel	-	10,000	10,000	0%	
FJCC Sprinkler tree replacement & backflow preventer	-	30,000	30,000	0%	
Heat Curtain - FJCC	-	5,000	5,000	0%	
Museum - replace exterior wood stairs	-	10,000	10,000	0%	
Pool Change rooms Flooring	-	30,000	30,000	0%	
PW Building - Heating (Bays)	-	30,000	30,000	0%	
RCMP Carpet Replacement	-	35,000	35,000	0%	
Sump Pump	-	25,000	25,000	0%	
Transfer Beach Kinsmen Shelter	-	10,000	10,000	0%	
Art in accordance with Arts Strategy	-	10,000	10,000	0%	
Youth Services Equipment	-	5,000	5,000	0%	
Arts & Heritage Hub (Phase 1)	-	4,305,000	4,305,000	0%	

Project Name	YTD Actuals & Commitments	Preliminary Budget Amounts	Variance	Variance %	Status
<b>Water Capital</b>					
Holland Dam - Storage Feasibility , Tendering, pre Construction	-	86,887	86,887	0%	
Water Filtration Project	1,443,527	12,060,637	10,617,110	12%	
Holland Lake Vegetation Control	-	13,625	13,625	0%	
Water & Sewer Rates Bylaw	-	33,643	33,643	0%	
Water Meter & Vault - Stocking Lake	-	64,278	64,278	0%	
Holland Lake Generator	2,675	15,826	13,151	17%	
Holland Supply Main Replacement: PW to Colonia	-	384,772	384,772	0%	
Water Meter Handheld Reader	-	10,000	10,000	0%	
Stocking Lake Dam Repair	-	250,000	250,000	0%	
Water Meter replacement	7,472	50,000	42,528	15%	
SCADA	-	25,000	25,000	0%	
Water main Replacement-Baden Powell 4th-3rd	-	236,726	236,726	0%	
Holland Dam - Storage Upgrade (construction)	-	12,410,000	12,410,000	0%	
Holland Dam - Storage Upgrade (design)	-	1,286,000	1,286,000	0%	
Holland to Stocking Supply Main Interconnection (design)	-	406,000	406,000	0%	
Stocking Lake Supply main PRV Station	-	70,000	70,000	0%	
Water main replacement - Baden Powell	13,911	250,000	236,089	6%	
Loop Connection - Craig to Russell Upsize	-	90,000	90,000	0%	
Watermain Loop - Battie to Thetis	-	80,000	80,000	0%	
<b>Sewer Capital</b>					
Sanitary PumpStn Emergency Ops Review	-	25,000	25,000	0%	
Flow Monitoring	-	56,500	56,500	0%	
Sewer UV Pilot Study	397	100,000	99,603	0%	
Stage 2 Environmental impact study	-	160,000	160,000	0%	
Sewer Outfall-study	-	10,000	10,000	0%	
Staff facility improvements - compost	4,921	44,764	39,843	11%	



Project Name	YTD Actuals & Commitments	Preliminary Budget Amounts	Variance	Variance %	Status
Bio-Filter Cover	-	100,000	100,000	0%	
Compost Screener	-	100,000	100,000	0%	
WWTP Lab Testing Equipment	-	10,000	10,000	0%	
Inflow & Infiltration Connections	-	60,000	60,000	0%	
Security fencing and cameras for compost facility	-	75,000	75,000	0%	
Post Treatment Disinfection Options	-	250,000	250,000	0%	
Gill Road Lift Station	8,617	242,230	233,613	4%	

**ALTERNATIVES:**

Not applicable.

**FINANCIAL IMPLICATIONS:**

Keeping Council informed of the financial state of the organization.

**LEGAL IMPLICATIONS:**

This is a snapshot of the Town's finances for a point in time. Payments and deposits continue to be received which will change the financial figures. These statements are not audited.

**CITIZEN/PUBLIC RELATIONS IMPLICATIONS:**

The public is encouraged to review the report and provide comments.

**INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:**

n/a

**ALIGNMENT WITH SUSTAINABILITY VISIONING REPORT:**

- |  |  |
|--|--|
| <input type="checkbox"/> Complete Community Land Use | <input type="checkbox"/> Low Impact Transportation |
| <input type="checkbox"/> Green Buildings             | <input type="checkbox"/> Multi-Use Landscapes      |
| <input type="checkbox"/> Innovative Infrastructure   | <input type="checkbox"/> Local Food Systems        |
| <input type="checkbox"/> Healthy Community           | <input type="checkbox"/> Local, Diverse Economy    |
| <input checked="" type="checkbox"/> Not Applicable   |  |

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

- |  |   |
|--|---|
| <input type="checkbox"/> Employment & Tax Diversity              | <input type="checkbox"/> Natural & Built Infrastructure |
| <input type="checkbox"/> Watershed Protection & Water Management | <input type="checkbox"/> Partnerships                   |
| <input type="checkbox"/> Communications & Engagement             | <input checked="" type="checkbox"/> Not Applicable      |

**SUMMARY:**

It is recommended that the Committee receive this report.

***I approve the report and recommendation(s).***

**Guillermo Ferrero, Chief Administrative Officer**

**ATTACHMENT(S):**

Consolidated Statement of Operations March 31, 2019

Consolidated Statement of Financial Position – as of March 31, 2019

Listing of Vendor Payments over \$25,000 Jan 1 – March 31, 2019

**TOWN OF LADYSMITH**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**AS AT March 31, 2019**

	Actuals 2019	Budget 2019	% of Budget
Revenue			
Taxes:			
Municipal purposes taxation	-	7,130,506	0%
Policing taxation	-	1,320,624	0%
Parcel taxes	-	2,975,882	0%
Grants in Lieu	-	170,901	0%
Sale of Services:			
General - other	2,246	27,970	8%
Recreation	152,765	577,703	26%
Protective Services	-	82,150	0%
Cemetery	3,770	28,000	13%
Solid Waste	19,162	649,148	3%
Sewer	-	1,445,815	0%
Water	5,641	1,170,672	0%
Investment Income	95,055	155,000	61%
Licence, Permits, Rentals & Penalties	221,934	773,807	29%
Grants	1,241,504	21,185,687	6%
Donations and contributed property	15,200	2,168,500	1%
Gain (loss) on foreign exchange	-	-	
Gain (loss) on disposal of tangible capital asse	-	10,000	
Development Cost Charges utilized	10,000	982,750	1%
Gas tax funds utilized	4,914	1,022,054	0%
	<u>1,772,190</u>	<u>41,877,169</u>	4%
Expenses: (excluding amortization)			
General government services	607,971	2,714,596	22%
Protective services	179,442	1,943,656	9%
Transportation services	395,792	1,519,856	26%
Garbage services	86,312	525,121	16%
Cemetery services	4,516	30,033	15%
Development services	132,422	746,903	18%
Recreation and cultural services	590,305	2,634,175	22%
Parks operation services	140,961	772,864	18%
Sewer	358,804	2,249,640	16%
Water	207,474	1,701,319	12%
Operating Expenses	<u>2,703,999</u>	<u>14,838,163</u>	18%
General Capital Projects	387,662	13,679,947	3%
Water Capital Projects	1,450,234	27,639,239	5%
Sewer Capital Projects	337	881,994	0%
Proceeds from New debt (capital financing)	-	8,911,952	0%
Principal Payments	356,717	824,187	43%
Internal Funding	- 3,087,542	- 7,074,409	44%
	<u>- 39,216.54</u>	<u>-</u>	
BALANCE	<u>- 39,216.54</u>	<u>-</u>	

**TOWN OF LADYSMITH**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT March 31, 2019**

	<b>2019</b>
Financial Assets	
Cash and short term deposits	19,167,808.39
Accounts receivable:	
Property Taxes	765,342.74
User Fees	92,390.08
Other	927,481.20
	<u>20,953,022.41</u>
Liabilities	
Accounts payable and accrued liabilities	822,482.36
Taxes payable to other agencies	- 103,513.00
Post-employment benefits	232,400.00
Deferred revenue	735,874.34
Refundable deposits and other	885,162.39
Restricted reserves - other	437,337.90
Development cost charge reserve	3,183,331.69
Federal gas tax reserve	1,511,397.91
Obligations under capital lease	-
Equipment Financing	969,634.60
Short term debt (financing)	952,700.00
Debenture debt	11,258,486.89
	<u>20,885,295.08</u>
Net Financial Assets	67,727.33
Non-Financial Assets	
Tangible Capital Assets	97,692,137.38
Capital Projects in Current Year	1,838,232.97
Prepays	17,861.70
Inventory	73,361.87
	<u>99,621,593.92</u>
Accumulated Surplus	<u>99,689,321.25</u>

Vendor Payments over \$25,000  
January 1, 2019 – March 31, 2019

Supplier Name	Total
ASSOCIATED ENGINEERING (BC) LTD	120,680
BC HYDRO	156,353
BC LIFE & CASUALTY COMPANY	39,583
COWICHAN VALLEY REGIONAL DISTRICT	346,568
DAVID STALKER EXCAVATING LTD	87,396
DISTRICT OF NORTH COWICHAN	40,200
HEROLD ENGINEERING LTD	26,011
HOTSON ARCHITECTURE INC	73,807
ICBC	59,805
KOERS & ASSOCIATES ENGINEERING LTD	54,998
LAFARGE ASPHALT TECHNOLOGIES A DIV OF	42,512
LIDSTONE & CO IN TRUST	292,000
MINISTRY OF SMALL BUSINESS AND REVENUE	137,061
MUNICIPAL FINANCE AUTHORITY	27,278
MUNICIPAL INSURANCE ASSOCIATION OF BC	171,694
MUNICIPAL PENSION FUND	240,565
NAC CONSTRUCTORS LTD	2,786,323
PACIFIC BLUE CROSS	51,341
RECEIVER GENERAL (Payroll only)	390,362
RECEIVER GENERAL FOR CANADA	268,352
STEWART MCDANNOLD STUART	31,777
US BANK	56,212
VANCOUVER ISLAND REGIONAL LIBRARY	103,513
VANCOUVER ISLAND TREE SERVICE LTD	48,849
WASTE CONNECTIONS OF CANADA INC	131,335

## LADYSMITH COUNCIL RESOLUTIONS REGARDING SINGLE USE PLASTICS

Resolution	Meeting Date	Resolution Details
CS 2019-193	05/13/2019	That Council refer to the next meeting of the Municipal Services Committee the issue of single use plastic bags for discussion and recommendation.
MS 2018-014	03/12/2018	That Councillor Friesenhan and Mayor Stone consult with the Ladysmith Downtown Business Association and the Ladysmith Chamber of Commerce to seek their opinions on a possible ban on single use shopping bags in Ladysmith.
CS 2018-058	03/05/2018	That Council refer the issue of potentially banning single use shopping bags in Ladysmith to the next meeting of the Municipal Services Committee for discussion.

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Neighbourhoods

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Parks

Property Taxes

Public Safety

Recreation

Road & Sidewalk Maintenance

Sustainability

Climate Action

Reducing Single-Use Plastic Bags

Reducing Single-Use Plastic Bags

BYO BAG

Victoria!

The Checkout Bag Regulation Bylaw came into effect on July 1, 2018.

As of July 1, 2018 businesses in Victoria cannot provide customers with single-use plastic checkout bags. The City of Victoria's Checkout Bag Regulation Bylaw (No. 18-008) can be read [here](#) and an April 26 amendment to the bylaw [here](#).

This bylaw intends to reduce plastic bag litter and waste in our community and our landfill and applies to all businesses and restaurants in Victoria. Businesses may provide paper checkout bags for a minimum charge of 15 cents per bag (rising to 25 cents on July 1, 2019), and reusable checkout bags for a minimum charge of \$1 per bag (rising to \$2 in 2019). These fees should be stated on customer bills.

On **January 1, 2019** the City has the authority to begin issuing fines to businesses who aren't in compliance. The City will continue to focus on education and awareness to support businesses in transitioning away from single-use plastic checkout bags.

Retail Toolkit

A Retail Toolkit has been developed to provide businesses with information and tools to help transition to the new bylaw. The Toolkit is available [here](#).

The City's current focus is on developing education and awareness related to the bylaw. The City will continue to work with retailers to promote compliance.

Contact Info

**City of Victoria**  
250.361.0300  
[reusablebags@victoria.ca](mailto:reusablebags@victoria.ca)

Related Links

Transportation

Kitchen Scraps, Garbage & Recycling

Residential Underground Oil Tanks

Green Business Programs

BC Energy Step Code

Stormwater Management

We're Listening

Town Hall @ City Hall

Thursday, June 6

6 p.m. to 8:30 p.m.

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# Colwood poised to join ban on single-use plastic bags

January target; municipality follows Victoria, Saanich

**BILL CLEVERLEY**  
Times Colonist

Colwood is getting on the bag ban bandwagon.

Municipal councillors on Monday gave two readings of a draft bylaw that would ban the use of single-use plastic checkout bags and will now consult with stakeholders and residents.

The target date for implementation is January 2020.

"I think that it's very important for our community to be pretty much the same as everyone else," Coun. Cynthia Day said.

"Everyone is moving away from plastic bags and toward reusable bags that have a longevity and help to eliminate another source of materials in our landfill."

While supporting the two readings, Coun. Doug Kobayashi said action is needed on other materials that are polluting beaches.

"We're tackling problems that, if you read the Great Canadian Shoreline Cleanup, the biggest problem is not plastic bags. It's, in fact, plastic cups and paper cups — the non-recyclable ones. That's the biggest problem out there," Kobayashi said.

"We're legislating something that is like 28th on the list and we're not tackling the big issues."

Coun. Michael Baxter said Hartland Landfill is filling up, so he'll support any measure that slows that.

"We really have no idea what we're going to do when that's full," he said. "Frankly, that scares me to death, and anything we can do, absolutely anything we can do to stop things going in the landfill, I'm in

favour of until somebody tells me what we're going to do when it's full."

Coun. Gordie Logan said the community is well on its way on the initiative.

"Superstore did this a number of years ago, followed by Thrifty," he said.

"I do support the first and second reading initially today to have that conversation with the stakeholders — businesses, specifically in terms of how best to work with them to enact something like this so that they're prepared."

Under the proposed Colwood bylaw, businesses can provide a paper or reusable checkout bag if a customer requests one. They must charge 25 cents for a paper bag and \$2 for a reusable bag.

There are exemptions: Plastic bags can be used for loose bulk and hardware items, frozen foods and meat, poultry and fish, prepared foods or baked goods and prescription drugs from a pharmacy, among other goods.

Victoria was the first in the region to implement a single-use plastic bag ban in July 2018.

A Saanich bylaw prohibiting single-use plastic checkout bags is expected to come in effect by Jan. 1, 2020.

Esquimalt is also considering a ban.

Under Victoria's bylaw, businesses are prohibited from providing customers single-use plastic bags. They are allowed to provide paper or reusable bags to customers, for a minimum fee of 15 cents for paper bags and \$1 for reusable bags. The fees increase to 25 cents and \$2 respectively on July 1.

bcleverley@timescolonist.com

# OXFORD

STORE HOURS  
MON. - FRI.  
9:00-8:15

271 COOK ST.



## **Hamilton studies whether to ban single-use plastic**

Hamilton's public works committee approved Ward 3 Coun. Nringer Nann's motion to study the possible ban of single-use plastics. Nann talked about how vendors at the Hamilton Farmers' Market use compostable containers rather than plastic bags.

Hamilton will be examining whether it should ban single-use plastics such as shopping bags as it creates a zero plastic waste strategy for the community.

Ward 3 Coun. Nringer Nann proposed a motion — approved by the public works committee May 13 in a 10-0 vote — that requests staff to study how Hamilton can establish a zero plastic waste plan and the cost and benefit implications. It would include a proposal to ban plastic shopping bags, similar to what other Canadian jurisdictions have done.

“This motion is truly about getting the facts and science in order for us to make informed policy,” said Nann.

The idea is for the city to create a zero plastic waste plan that would “limit or eliminate the acceptance of polystyrene foam and single-use plastics” that is already being trucked to the Glanbrook Landfill site.

Part of Nann’s reasoning for the city to adopt such a plan is because of Hamilton’s 34 per cent waste diversion rate that has remained constant for the last few years.

“It’s not enough,” she said.

Hamilton had set a waste diversion rate of 65 per cent by 2008 — that target has been revised a number of times, where the year is now identified as 2021.

She praised vendors at the Hamilton Farmers Market for providing compostable food trays, which she displayed as alternatives to using plastic bags.

But banning plastic shopping bags isn’t the right approach, argued Joe Hruska, vice-president of sustainability for the Canadian Plastics Industry Association.

He said that plastics save lives and provide a societal benefit such as extending the life of food.

“People talk about banning bags,” he said. “Nobody talks about the alternatives.”

He said that the environmental cost of plastic in consumer goods is nearly four times less than alternative materials.

A number of municipalities across the globe, including Halifax and Victoria, have banned plastic shopping bags, prompted by the fact that it takes anywhere from 10 years to 10,000 years for a bag to decompose.

He urged the city to establish a task force that includes stakeholders, including from the plastics industry, to provide necessary information to staff to make an informed decision.

“It should be based on science and fact,” he said.

Hruska said that once people learn about the facts after taking symbolic actions, such as banning plastic bags, they will find “it doesn’t meet the science.”

He said that most of the plastic waste fouling the Earth’s waters is generated in Asian countries; he said by comparison, North American countries are doing a very good job recycling plastics.

Hruska said his organization supports a zero waste target, not just for plastic but for all waste.

“We have a huge opportunity here to our circular economy,” he said.

Mountain Coun. Terry Whitehead agreed that creating a stakeholders’ group is imperative if the city wants to create a comprehensive zero waste policy.

“That’s why it is great to have the dialogue,” he said.

Other councillors, including Lloyd Ferguson, encourage the city to educate residents about the proper way to recycle material. He also urged his colleagues to tour the city’s composting and materials facilities to see how Hamilton recycles waste.

“It’s an eye-opener,” he said.

*Source (accessed 2019.06.04):*

<https://www.hamiltonnews.com/news-story/9352775-hamilton-studies-whether-to-ban-single-use-plastic/>

## **Montreal wants to ban single-use plastics and polystyrene foam containers**

The Canadian Press

APRIL 24, 2019 01:30 PM

Montreal says it plans to introduce a bylaw banning single-use items such as plastics and polystyrene foam containers on its territory by spring 2020.

The city said Wednesday it was inspired by jurisdictions such as Vancouver, which announced its own ban, likely coming next year.

Mayor Valerie Plante said her administration will hold consultations on the bylaw and would move slowly to help businesses transition.

Pollution from single-use plastics and polystyrene is a major environmental problem, Plante said in a statement. She added plastic containers can take several hundred years to decompose.

"The time when we put off decisions to protect the environment because they upset our daily habits is over," Plante said. "Time is running out and we need to act now."

**Chelsea Rochman and Diane Orihel: Cities and countries aim to slash plastic waste within a decade**

**The Province, April 28, 2019**

If all goes well, 2030 will be quite a special year.

Global and local community leaders from more than 170 countries have pledged to “significantly reduce” the amount of single-use plastic products by 2030. Success would result in significantly less plastic pollution entering our oceans, lakes and rivers.

Today, societies around the world have a love affair with disposable plastics. Just like some love stories, this one has an unhappy ending that results in plastic bags, straws and takeout containers strewn about the global environment.

As researchers who study the contamination and effects of plastic pollution on wildlife, it would be nice if by 2030 we no longer heard about plastics showing up in the stomachs of dead whales, littering the beaches of distant islands and contaminating tap water and seafood.

It is time for some good news about the environment, including stories about how cities and countries are managing plastics and other waste materials in more sustainable ways, and how children will have cleaner beaches to play on.

Scientists have known about plastic pollution in our oceans for more than four decades. It is pervasive in rivers, lakes and soils too. Plastic pollution knows no boundaries, with small bits of plastic found from the equator to the poles and even on the remote slopes of the French Pyrenees mountains.

Plastic waste damages ecosystems, smothers coral reefs and fills the bellies of sea life. In the absence of action, the amount of plastic waste produced

globally is predicted to triple between 2015 and 2060, to between 155 and 265 million tonnes per year.

As a welcome response, global leaders have decided to act. At the UN Environment Assembly in Nairobi in March, environment ministers from around the world signed a voluntary commitment to make measurable reductions in single-use plastic products, including straws, shopping bags and other low-value plastic items that are sent to landfill after being used once.

Similar goals to deal with plastic pollution have been introduced by municipal, provincial, federal and regional governments across the globe. Non-profit organizations and industry leaders are making efforts to tackle the problem of plastic pollution. For example, Ocean Conservancy is uniting citizens and organizations around the world in cleanups to meet their goal of an ocean free of plastics by 2030, and Unilever has pledged to use 100 per cent recyclable packaging by 2025.

Canada introduced the Ocean Plastics Charter at the G7 summit in 2018, committing nations to work with industry to make all plastics reusable, recyclable or recoverable by 2030. That means sending no plastic waste to landfill.

Vancouver aims to be a zero-waste city by 2040. Although the city has reduced the mass of waste going to landfill by 23 per cent since 2008, it still has a long way to go.

Ontario also has its sights on being waste-free by developing a circular economy, which means keeping materials in use for as long as possible. The province aims to cut the amount of waste sent to landfills in half by 2030, a reduction of 4.5 million tonnes, through reuse and recycling.

To propel Ontario into action, Ian Arthur, the member of the Ontario provincial parliament for Kingston and the Islands introduced a private member's bill in March to eliminate Ontario's use of non-recyclable single-use plastic products such as straws, coffee cups and plastic cutlery, which ultimately end up in landfills. These plastics do not feed into a circular economy.

In addition, school children in Ontario are working towards collecting 10,000 signatures on petitions to ban single-use plastics in the province.

Canadians would like to see more action against plastic waste. According to a recent poll, 90 per cent of Canadians were either very concerned or somewhat concerned about the environmental impact of plastic waste, and 82 per cent thought government should do more to reduce plastic waste.

Our research, and the research of others, has found that single-use plastic products litter our beaches and coastlines, small pieces of plastics contaminate our Great Lakes and the Arctic Ocean, and microplastics are present in our sport fish and drinking water.

Ambitious global, regional and local collaborations are sorely needed to truly realize these goals. It's time to commit to ending the love affair with disposable plastics.

Individual action does work. Quench your need for caffeine by using a reusable mug. Hydrate with water from a durable and refillable bottle. Purchase groceries that come in containers that can be reused or recycled. Plan your kid's birthday party and your work meetings without using disposable single-use plastics.

A decade of positive habits could lead to a future where plastic is no longer waste, but valued as a material that can be reused and recycled — shifting our current paradigm to a more sustainable one that lasts far beyond 2030.

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# Malaysia to return stray plastic waste to Canada, others

The Associated Press

**PORT KLANG, Malaysia** — Malaysia will send back about 3,000 tonnes of non-recyclable plastic waste to countries such as Canada, the U.S., the U.K. and Australia in a move to avoid becoming a dumping ground for rich nations, Environment Minister Yeo Bee Yin said Tuesday.

Yeo said Malaysia and many developing countries have become targets for such waste after China banned the import of plastic waste last year. She said 60 containers stacked with contaminated waste were smuggled in en route to illegal processing facilities in the country and will be sent back to their countries of origin.

Ten of the containers are due to be shipped back within two weeks, she said, as she showed reporters contents of the waste at a port outside Kuala Lumpur.

The displayed items included cables from the U.K., contaminated milk cartons from Australia and compact discs from Bangladesh, as well as bales of electronic and household waste from the U.S., Canada, Japan, Saudi Arabia and China. Yeo said the waste from China appeared to be garbage from France and other countries that had been rerouted after a ban imposed by China.

"This is probably just the tip of the iceberg [due] to the banning of plastic waste by China," Yeo



**Malaysian Environment Minister Yeo Bee Yin stands beside a plastic waste shipment Tuesday in Port Klang, Malaysia.** AP

told a news conference.

"Malaysia will not be a dumping ground to the world ... we will fight back. Even though we are a small country, we can't be bullied by developed countries."

The government has clamped down on dozens of illegal plastic recycling facilities that had mushroomed across the country, shuttering more than 150 plants since last July. This month, the government also sent back five containers of waste to Spain.

About 1,500 tonnes of garbage is being sent back to Canada from the Philippines and will be taken to a facility in Burnaby that turns waste into electricity.

Philippines President Rodrigo Duterte threatened to go to war with Canada if it did not promptly remove 69 containers of mislabelled Canadian trash. The containers are being fumigated in the Philippines in preparation for shipment to B.C.