



**TOWN OF LADYSMITH
2015 – 2019 FINANCIAL PLAN**

D R A F T FOR DISCUSSION



Town of Ladysmith 2015 – 2019 Financial Plan

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Executive Summary

This document has been created to enhance understanding about how the Town of Ladysmith (Town) operates and manages finances, so that residents can provide informed input to Council on long term financial planning and service delivery. It gives some basic information about the operations of the Town, its budget principles and processes, as well as some basic budget facts. The intention is to provide more information to support the goals of transparency and increasing participation and engagement in the budget process.

This document is intended to be a high level reference document for use during the budget discussions and to help explain why the Town does business in a certain way, to understand the type and level of service delivered and how the Town manages or determines its budget.

How does the Town fund services? The Community Charter gives the Town the authority to levy taxes, user fees and other revenues to create funds to provide services and community improvement programs. Running a town is not cheap. Each year, Council spends considerable time to establish tax rates and user fees to cover service costs. Taxation and utility fees make up approximately 90% of the Town's total revenues. Therefore, taxation is an important Council consideration. There is also a cost of not providing a service. For example, if the Town did not provide easy and accessible garbage collection, garbage would become scattered around our town, and not only become an eye-sore to the community, but could also present costly health hazards. Lack of service needs to be considered as well.

The Town has previously adopted a tax strategy, which is to reduce the share of property tax paid by Major Industry (Class 4) by at least 2 percent between 2014 and 2018, ensure that the Residential Class (Class 1) tax increases no more than 5 percent **after** new construction figures, that the Business/Other Class (Class 6) increases no more than half of the Residential (Class 1) increase and to expand the reliance on Recreation/Non-profit Class (Class 8) to reflect the recent growth in assessments in that Class.

To respect these goals, and to reflect the impact of a Council direction to address the infrastructure deficit (and a concurrent recommendation to increase the percent of capital funded by taxation), the draft 2015 Budget proposes an overall municipal property levy increase of 7.97% percent (**before** new construction figures).

This breaks down to an increase, before non-market change, of:

- 3.97% increase for the Vancouver Island Regional Library (total budget \$341,052)
- 3.29% increase for Policing Tax (total budget \$1,096,357)
- 7.97% for Municipal-purposes only taxation (total budget \$6,436,444)

The average assessed value, based on the preliminary assessment roll, for a detached single family dwelling is \$285,400 which is a 0.6% decrease over 2014 average assessed value. The overall residential municipal tax change, after new construction, for that average single family dwelling is an increase of 9.05%.

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PRELIMINARY:	2014	2015	DIFFERENCE	per month
Average Assessment:	285,100	285,400		
Municipal	1,183.71	1,297.14	113	9
Police	210.77	218.50	8	1
Library	65.15	68.15	3	-
Water Parcel Tax	130.00	160.00	30	3
Sewer Parcel Tax	269.00	269.00	-	
TOTAL	1,858.63	2,012.79	154	13

The typical commercial property will see an overall municipal tax increase of 4.53%.

With respect to tax increases, we often hear that the majority of a town's costs are related to staff. Essentially the Town operates as a service industry and when you deliver service, much of the costs are people costs. In a town, there are police officers, firefighters, building and bylaw officers, librarians, parks workers, fitness instructors, accountants, engineers, planners, lifeguards, roads, sewer and water crews. The Town incurs capital costs to build or purchase assets (equipment, infrastructure, facilities), and incurs operating costs (labour, materials, supplies) to operate or maintain the assets and deliver the services. Increases to operating costs are what typically drive tax increases. For instance in this budget, the Town is proposing to increase the budget for information technology, to catch up to the demand for technology service in the Town.

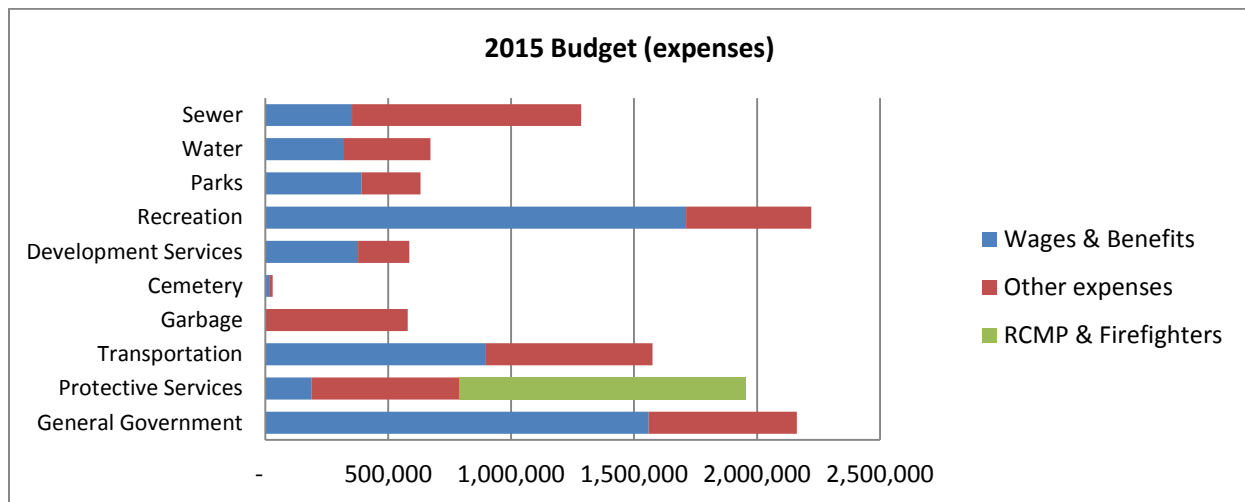
Wages represent service. When looking for ways to keep costs down, one way to do it is to cut service. Under the *Community Charter*, a municipality must provide some level of service and how it is done is legislated in some areas (examples: the Town must appoint a finance and a corporate officer, complete financial statements and plans, process development applications, subdivisions and do regulatory reports). Once certain decisions are made, the way that the service is run is often regulated, such as the requirement to follow an adopted Liquid Waste Management Plan, to meet health requirements for the provision of water and relating to swimming pool operations. Essential or core services include billings, payments, planning related guidelines and engineering standards, as well as forward thinking activities such as long term planning, financial planning and risk management. The Town has chosen to lead an economically vibrant community, to achieve these goals, the Town directs all business license revenue to a Visitor Centre and supports regional economic development through regional taxation. The Town runs its own sewer and water treatment utilities, pays for RCMP and fire service, and also has invested in trails, recreation programs, fields and parks that support an economically vibrant and healthy community. Ladysmith is a caring community and supports various non-profit agencies through an annual grant in aid program amounting in 2015 to 1.71% of municipal taxation.

Capital funds traditionally came from other governments or other funds (e.g. reserves) but now come more and more from taxation. To fund the infrastructure deficit, more taxation money is required for capital replacement. One of the ways that the Town has continued to maintain infrastructure in recent years is by using our own staff on capital projects and not fully funding them in operations. This has worked well in the past but as the Town grows it is not a sustainable practice as regular maintenance is compromised (such as filling pot holes).



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Council has provided direction on priorities for the year 2015 (8 focus areas), two of these areas address the infrastructure deficit. This is an issue across Canada as aging infrastructure requires replacement. The Town of Ladysmith has been very successful in obtaining grants from other levels of government. While this has funded much of the Town's new infrastructure, as noted above, it is not a sustainable solution for the continued replacement of infrastructure. Increasingly infrastructure must be funded from taxation. It is recommended that a minimum of 10% of total municipal taxation be directed towards infrastructure replacement. This Financial Plan as presented achieves that goal; maintaining or increasing the percentage of funding towards infrastructure replacement is prudent for the long-term. The Town has been putting aside funds to replace the city hall and the fire hall; however, at current levels in this financial plan it is not sufficient to fund the replacement in the next five years (estimated to be in excess of \$10million). A decision is required on whether to fund the replacement or whether to upgrade these buildings. This Financial Plan does fund borrowing for the replacement of water and sewer infrastructure; borrowing in the water fund requires elector assent in 2015.

The Financial Plan integrates all of the Town's guiding documents (Official Community Plan, Strategic Plan and Sustainability Plan) and aligns the municipality's resources (staff and funding) with the priorities outlined in each of these key documents.

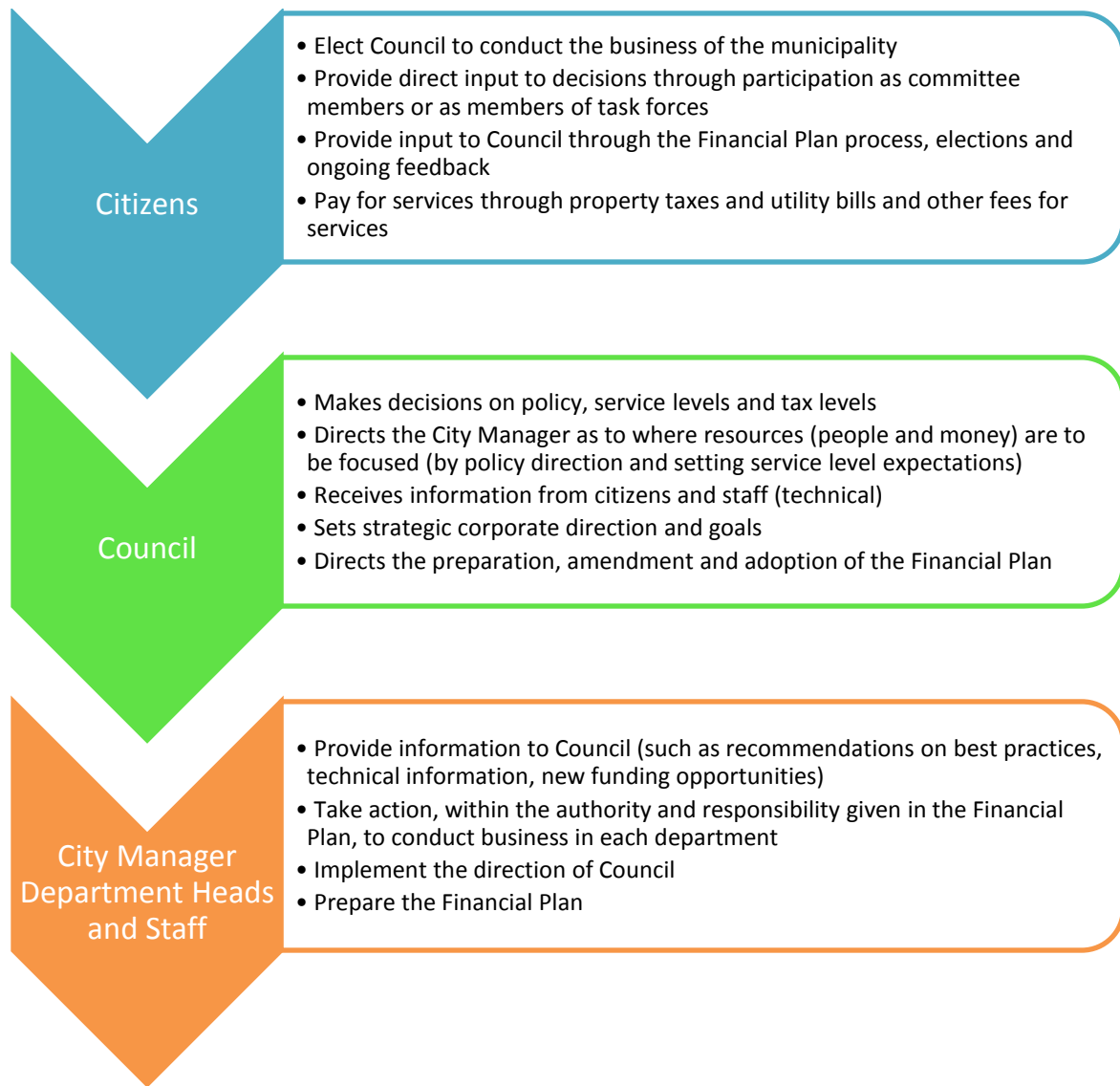
The Financial Plan and Strategic Plan are reviewed annually, during which time Council identifies short and long-term goals and objectives, and establishes priorities for the current year. Council has identified 8 focus areas for 2015:

- First Nations Partnerships
- Watershed Protection
- Vibrant Downtown and Economic Development
- Waterfront
- Asset management systems
- Funding for Asset replacement
- Information Technology & Services
- Support for getting the right people in the right places

There are four policy areas that are having a significant impact on taxation in 2015: fully funding RCMP (seven members), funding public works operations nearer to full capacity, funding information technology, and funding capital at a higher level from taxation.



Responsibilities in the Financial Planning Process





Financial Plan Guiding Principles

The Financial Plan integrates and aligns resources (staff and funding) with policy directions outlined in the Town's three key guiding documents: the Official Community Plan, the Strategic Plan, and the Sustainability Plan.



Vision

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

Mission

To ensure a safe, caring, and vibrant community.

Values

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

Sustainability Goals

- | | |
|--|--|
| 1. Reduce greenhouse gas and other air emissions; | 5. Protect and enhance the ecosystems and biodiversity local, regionally and globally; |
| 2. Reduce fossil fuel energy consumption and shift to renewable energy; | 6. Support a more sustainable food system, including increasing local food production, processing and consumption; |
| 3. Reduce potable water usage and manage wastewater efficiently, including re-use; | 7. Provide stable, diverse and prosperous local economic opportunities; |
| 4. Manage materials use to reduce or eliminate waste; | 8. Create healthy communities and individuals. |

8 Pillars of Sustainability

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



The Vision from the Official Community Plan

Ladysmith is a community that maintains a small town feeling, manages growth, welcomes new people and builds community spirit and involvement. Community spirit is demonstrated through participation at community celebrations, care for our neighbourhoods, and respect for our heritage. Our community is warm and inviting.

Ladysmith is a complete community that balances the need for economic growth with environmental protection, ensuring a diversity of housing, while maintaining and developing the necessary support facilities. Ladysmith supports cultural and environmental stewardship through partnerships that foster community ownership. Economic benefits are derived from planned, sustainable growth and development.





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The following general policies and principles form the basis of developing the Financial Plan:

User Fees: Where possible, utilize revenues from user fees and charges to help offset the burden on the property tax base.

Tax Strategy: Reduce the share of property tax paid by Major Industry (Class 4) by at least 2 percent by 2018. Residential Class (Class 1) tax increase to be no more than 5 percent after new construction figures and that the Business/Other Class (Class 6) increase be no more than half of the Residential (Class 1) increase. Expand the reliance on Recreation/Non-profit Class (Class 8) to reflect the recent growth in assessments in that Class.

Tax Shift: Shift any amounts resulting from the Tax Strategy Policy to Residential (Class 1).

Surplus: Surplus in any given year can be used as a funding source for one-time items; not as an offset to the annual tax levy.

Permissive Tax Exemption: Utilize Permissive Tax Exemptions to encourage redevelopment of certain lands and preserving the Town's culture and heritage.

Guiding Principles:

- A realistic budget is the collective responsibility of the organization
- The Town stands unified behind the resource allocation recommendations that are developed and the decisions that are made by Council
- The budget owners are accountable to Senior Management, Council and the taxpayers
- The budget reflects the Town's priorities separate from any special interests
- The budget is based on supported facts
- The budget will need to adapt to changing conditions

The budget process timelines and procedures must be observed to conserve corporate resources.





Action Plan for 2015

Council has provided direction on eight priorities or focus areas for 2015. The priorities and actions associated with these priorities are as follows:

- **First Nations Partnerships**

- Agreements that provide water and sewer services to First Nations at a cost similar to the Town
- Convene Council to Council and Naut'sa mawt Steering Committee meetings
- Work together to develop a south end Industrial Park
- Work together to address concerns with the condition and use of District Lot 651
- Celebrate the local First Nation's culture and heritage and include First Nation's place names in Town signage

- **Water Supply and Watershed Protection**

- Participation in roundtable discussions on watershed governance at a local and regional level
- Investigate various protection initiatives such as gates, cameras and partnerships with stewardship organizations
- Monitor use of the watershed

- **Vibrant Downtown and Economic Development**

The Town works with the Chamber of Commerce and the Ladysmith Downtown Business Association, together with Stz'uminus First Nation and the Cowichan Valley Regional District, to optimize economic development and environmental sustainability in the region. Note that Economic Development initiatives are supported organization-wide as evidenced by the list below.

- Investigate opportunities for establishing a Business Improvement Area to support downtown businesses, in conjunction with the Ladysmith Downtown Business Association
- Explore joint economic development opportunities with Stz'uminus First Nation

- **Waterfront**

- Complete a review of the waterfront subarea lands
- Work with Stz'uminus First Nation and Ladysmith Maritime Society to address issues associated with District Lot 651
- Consider environmental and geotechnical constraints
- Complete a review of use of the Machine Shop with stakeholders, including the Ladysmith Maritime Society, Ladysmith and District Arts Council and others
- Enhance facilities at Transfer Beach, including interpretive historical signage and replacement of the Kinsmen Playground
- Carry out upgrades to the off-leash dog park and upper area at Transfer Beach



- **Asset Management System**

The focus of this initiative is to ensure that the Town has a policy-supported plan in place to replace its assets and infrastructure as required.

- Establish a policy, strategy and plan to evaluate and determine the replacement of all current assets of the Town
- Carry out a condition assessment of high priority assets, both above and below ground
- Establish a service rating of assets (i.e. level of service standards)
- Commence implementation of a Geographic information System (GIS) to support Assessment Management
- Integrate asset management into long term financial planning to ensure adequate funding

- **Asset Replacement Funding**

An Assessment Replacement Plan must be supported by adequate funding.

- Funding for a replacement or upgrade of the City Hall
- Funding for a replacement or upgrade of the Fire Hall
- Funding for water and sewer, road, and drainage capital replacement projects
- Financial Plan for longer term water and sewer projects
- Update related plans and policies (Parks, Recreation and Culture Master Plan; Pavement Management Strategy; Development Cost Charges)

- **Information Technology and Service**

The objective of this priority is to implement the Town's Information Systems Strategy.

- Upgrade existing servers (SharePoint, E-Mail)
- Upgrade key software
- Hire and/or contract Information Technology staff
- Install a Geographic Information System (GIS)
- Install Asset Management software and systems
- Complete replacement of the town's telephone systems

- **Right People in the Right Places**

Successful implementation of Council's strategic priorities requires the appropriate organizational structure to move forward.

- Determine and implement the appropriate organizational structure to support moving forward
- Conduct relevant training and professional development
- Complete succession planning
- Implement a plan to build a new City Hall

In order to ensure strong alignment, any new priorities must be integrated within the Financial Plan, identified as a top priority in departmental work plans, and sufficiently resourced.



Climate Action

In 2008, the Town of Ladysmith signed the British Columbia Climate Action Charter, together with most municipalities in the Province. This committed the Town to reducing carbon emissions and becoming carbon neutral by 2012. Local governments can achieve carbon neutrality by reducing emissions, by purchasing carbon offsets to compensate for their greenhouse gas emissions or by developing projects to offset emissions. Such projects may include improving the energy efficiency of local government-owned and operated buildings and vehicle fleets.

Since 2008, the Town has strived to reduce its carbon emissions. While this is significant progress, to achieve neutrality, the Town still has to purchase carbon offset credits. For the carbon offset of 2014, the Town will purchase \$273.31 carbon offsets through Cowichan Energy Alternatives.

The Climate Action Charter also requires a commitment from the Town to an additional 10% reduction in greenhouse gas emissions by 2016. Projects to support this goal are included in the Financial Plan.





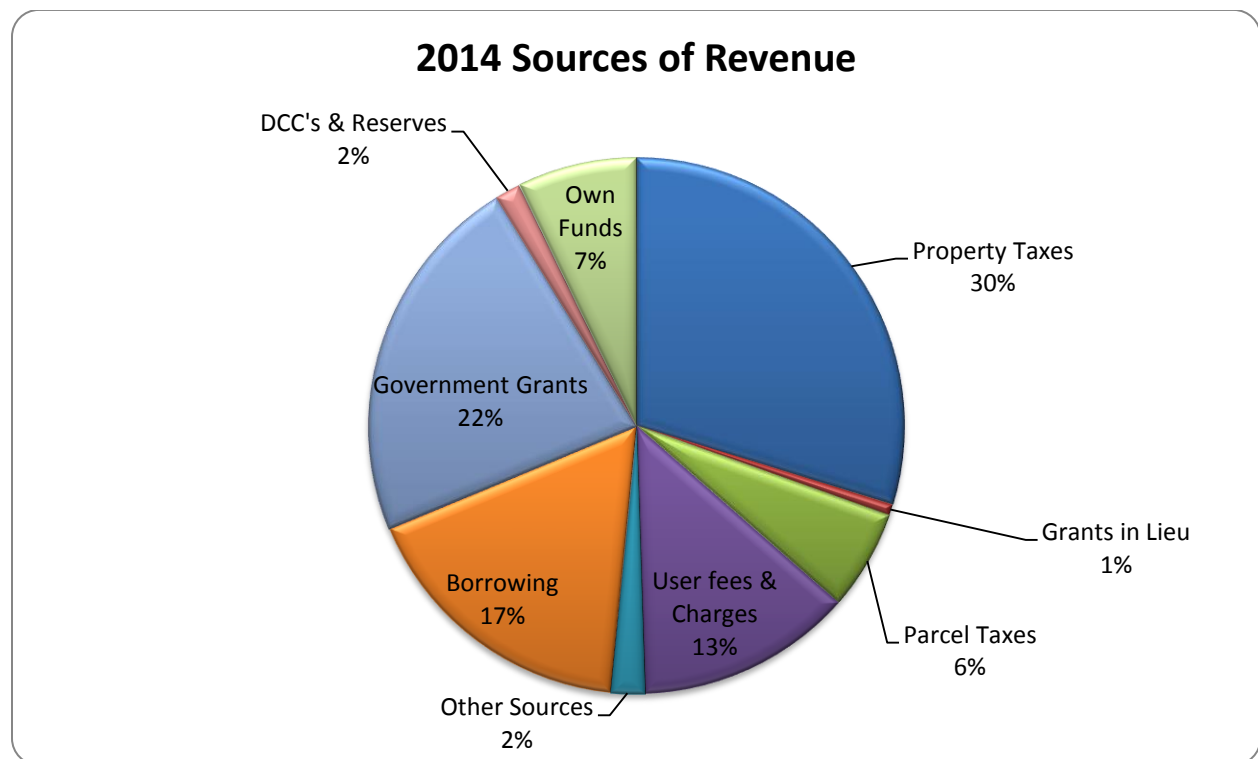


Sources of Revenue

Property taxes form the greatest proportion of revenue. As a revenue source, property taxation offers a number of advantages. It offers a stable and reliable source of revenue for services that are difficult or undesirable to fund on a user-pay basis. These include services such as general administration, fire protection, police services, bylaw enforcement and street lighting.

User fees and charges form a large portion of planned revenue. Many services can be measured and charged on a user-pay basis, and are relatively straight-forward to administer. These services include water and sewer usage, building permits, business licenses, development applications, recreational activities and sale of services. User fees attempt to apportion the cost of a service to those who use the service.

The sources of revenues in 2014 are as follows:





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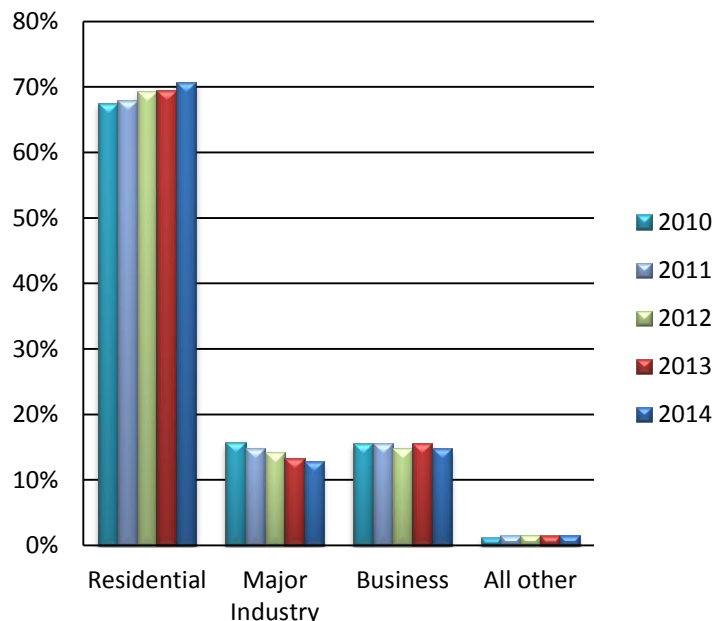
Funding: Property Taxes

Property taxes make up the largest funding source for the Town. In 2014, property taxes accounted for 30% of all revenue received by the Town.

Property taxes are calculated each year after budget deliberations. The amount is calculated using the assessed values from B.C. Assessment, factoring in growth in the Town from one year to the next. This value is then used to determine an overall rate. This rate is made up of:

- Municipal tax which is the cost to run the municipality,
- Police tax which is the cost of the police force (RCMP) within the municipality, and
- Library tax which is Ladysmith's portion paid to the Vancouver Island Regional Library.

Portion of Property Taxes paid by class



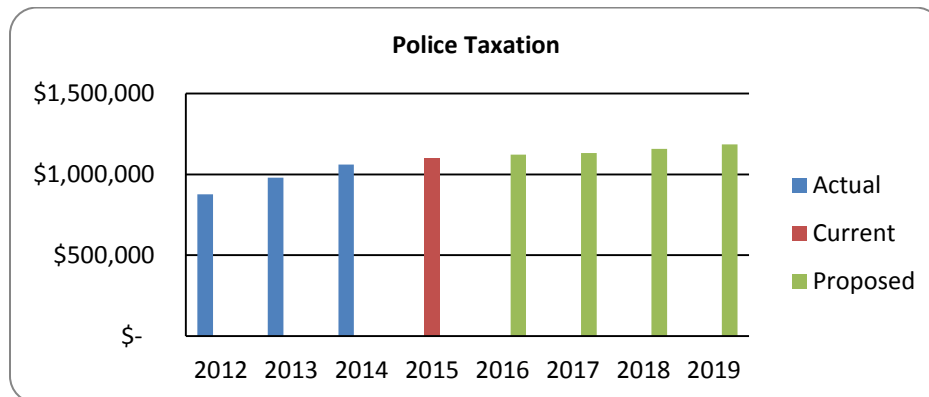
Property Class	% Property Taxation 2014	% Property Taxation 2013	Dollar Value 2014	Dollar Value 2013
Residential (1)	70.76%	69.49%	\$5,200,656	\$4,923,703
Utilities (2)	0.47%	0.45%	34,648	31,943
Supportive Housing (3)*	-	-	-	-
Major Industry (4)	12.87%	13.35%	945,952	945,952
Light Industry (5)	0.83%	0.83%	60,841	59,112
Business and Other (6)	14.77%	15.67%	1,085,818	1,110,025
Managed Forest Land (7)	0.00%	0.00%	171	170
Recreation/Non-profit (8)	0.28%	0.19%	20,779	13,252
Farmland (9)	0.02%	0.02%	1,323	1,298
Total	100%	100%	\$7,350,188	\$7,085,455

*classification determined by BC Assessment



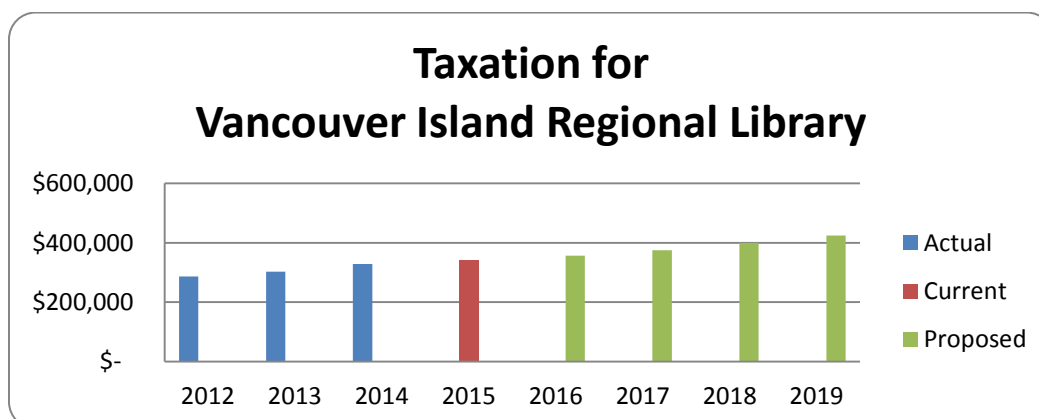
Police Tax

The Town of Ladysmith contracts policing services with the Royal Canadian Mounted Police (RCMP). Ladysmith property owners pay 70 percent of the cost to employ seven full time RCMP members. This cost is set by the RCMP, not the Town. The cost for one RCMP member is \$163,180 (2014 - \$159,130), plus overtime. The Town receives a grant from the Province to defray some of these costs. The grant for 2015 is \$43,000 (2014 - \$31,650) and is applied against the detachment cost, which reduces police taxation paid by property owners. In addition to RCMP members, the police tax also covers the cost of running the RCMP detachment in Ladysmith. The 2015 Police Tax is \$1,096,357. (In 2014, it was \$1,061,409).



Library Tax

Ladysmith is served by the Vancouver Island Regional Library (VIRL). Funds to cover the cost of the Ladysmith branch of the library are raised through a Library Tax. The library tax levy is set by the Vancouver Island Regional Library Board and is based on population. In 2015, the total bill payable by the Town of Ladysmith to the VIRL will be \$341,052 (in 2014, it was \$328,018.) This is an increase of 3.97% or \$13,034 over 2014. Future year's proposed rates are based on VIRL 2015-2019 Financial Plan.¹



¹ Vancouver Island Regional Library 2015-2019 Financial Plan "Moving Towards Stability". Adopted on September 13, 2014, page 26.



Parcel Taxes

A Parcel Tax is charged on properties within the Town boundary that have or will have water and sewer services. For 2015, it is expected that the sewer parcel tax will remain at its current level of \$269 and the water parcel tax at \$160, an increase of \$30 over last year. In the 2015-2019 Financial Plan, Council confirmed a commitment to prepare to fund a \$10 million water filtration plant upgrade. Additional significant water supply upgrades are expected over the next ten years which will also be funded through borrowing and water parcel taxes. It is expected that significant increases to the water parcel tax will be required over this time frame to support these water supply and water quality related projects.

Sewer parcel taxes are expected to remain stable over the next few years, with potential for an increase should the Town need to undertake significant additional outfall work, or further upgrade sewage treatment to meet possible federal marine discharge standards.

Parcel tax revenue is used to fund various projects, such as:

Water:

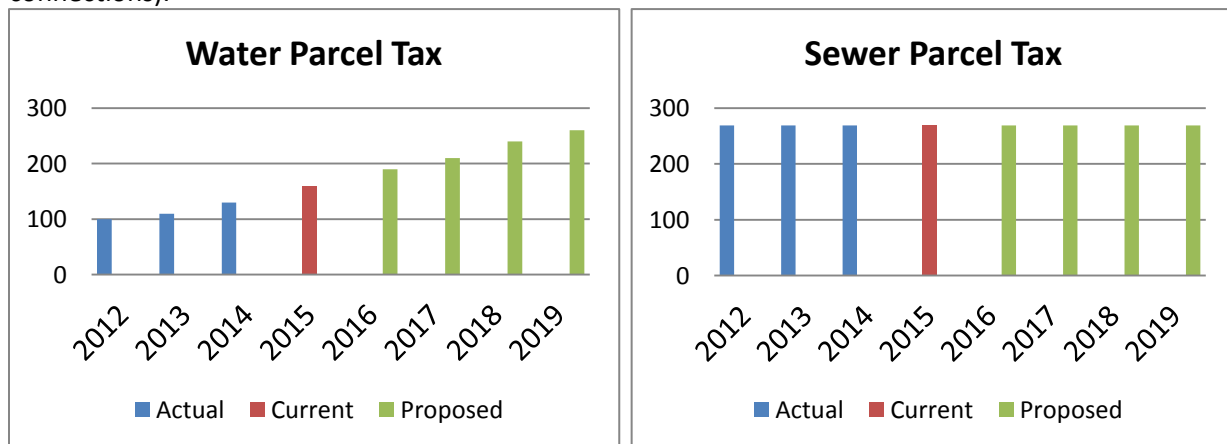
- Construction of a Water Filtration Plant, including debt servicing.
- Enhancements to the dams
- Future supply-main replacements

Sewer:

- Upgrades to the waste water treatment plant, including debt servicing
- Composting at Public Works site

The funds raised through these specific taxes stay within that utility. For example, the water parcel tax can only be used to fund water projects. Any surplus funds stay within the water fund for future use.

Any new development connecting to the Town of Ladysmith's water and sewer services will be required to pay either these parcel taxes or, if the location is outside of the Ladysmith boundary, the equivalent of the current amount charged to the Ladysmith property owners (such as the First Nation's connections).





Grants in Lieu and 1% of Revenue Grants

The Town also receives property taxation from provincial and federal agencies as well as one percent of revenues from specific utility companies. These amounts are used to reduce taxation.

Grants in lieu of taxation are received from Canada Post, BC Hydro for the electrical lines and Canadian Mortgage and Housing. The total estimate amount received for these properties is \$24,154 (in 2014, it was \$22,150).

Section 353 of the *Local Government Act* requires certain utility company property (electric light, electric power, telephone, water, gas etc.) to pay 1% of area revenues to the municipality. The following is the breakdown of the monies received from these companies:

Company (per s.353)	2015	2014
Telus	\$16,201	\$16,523
Shaw Cable system	17,622	18,465
Fortis BC	24,548	28,562
BC Hydro	81,590	80,283

Utility Fees

Water, sewer and garbage/recycling fees are charged on a quarterly basis. Water is charged based on consumption. Again, funds raised by utility fees stay within the respective funds.

Included in the 2015-2019 Financial Plan is a 10% increase to water rates as well as a \$1 increase to the monthly sewer rate. These increases will be effective for the second quarter billing.

Although the Town does not maintain a separate 'garbage fund', the garbage collection fees pay for the service that the garbage contractor (currently BFI Canada) charges the Town. In May 2014, the Town entered a contract with Multi Materials BC (MMBC) to collect recyclable materials on its behalf. This arrangement is in response to provincial legislation designed to hold manufacturers and producers responsible for recycling packaging materials they produce, and ultimately to reduce the amount of packaging they use. The contract is expected to provide monthly rebates of \$8,750 for the Town in 2015. These funds will be applied against increases to contractor costs and will also offset increased operational costs, such as advertising and education programs implemented to ensure that the Town meets the MMBC rebate requirements. The Garbage Utility Rate did not increase in 2014, even though the contract costs increased by 2%.

A decision is required by Council as to whether they wish to continue to save to provide a fully automated system in the future, which will require a large capital expenditure for household bins compatible with the new system.



User Fees

User fees are charged for programs and services such as recreation facilities and classes, development permits, building permits, development approvals and subdivisions.

The Town does not charge user fees for all programs and services offered. For example, there is no entry fee for parks, and all residents and visitors use roads and sidewalks. These costs are included in the overall property tax levy.

Recreation Centre fees are reviewed annually and are set by bylaw. Council passed a bylaw in September 2014 to increase recreation fees slightly (1%-3%), but in keeping with neighbouring communities. Included in the fitness admission rate is a 1% reserve allocation fee which will ensure funds are available to replace fitness facility equipment.

Rental Revenue

The Town looks for alternative sources of funding to reduce the reliance on property taxes. One such revenue option is from property rental. A long-term tenant is expecting to vacate a Machine Shop area building in mid-2015. As such, the anticipated revenue has decreased over last year. The total rental revenue expected is \$161,908 (2014 - \$171,310). In recent years, facilities have been increasingly occupied by non-profit organizations. Although providing significant contributions to the community, the loss of this revenue is made up by increases in taxation.

Town-owned properties that are currently rented out or leased on a cost recovery basis are:

Location	Total Rental (\$)
Machine Shop - 610 Oyster Bay Drive (various tenants)	\$ 18,022
Community Services Centre - 220 High Street and 630 & 620 Second Avenue	\$ 20,000
Aggie Hall – 1110 1 st Avenue	\$ 6,000
Transfer Beach (including concession & kayak shop)	\$ 15,770
Forest Field	\$ 12,000
FJCC Facility Rentals & Leases (including pool)	\$ 72,965
BC Transit	\$ 17,551





Grants

Ladysmith has benefited greatly from a number of grants in recent years. These grants include partial funding for the waste water treatment plant, the construction of the Community Services Centre and Spirit Square on High Street, and the construction of the artificial turf field at Forrest Field. Staff continually seek out additional funding sources for projects and the cost of doing this work is included in the general government section of the budget. However, reliance upon grants is not a reliable form of financing because it is dependent upon the decisions of other levels of government.

Typically, the Town must also contribute towards these projects - grant programs usually require local governments to cover between 25 to 50 percent of project costs. This contribution is increasingly funded from general taxation. Management time and other resources are typically reallocated from other priorities or projects, as it is not covered by grant funding.

In 2015, the following projects are expected to be started or completed with funding from grants:

Project	Granting Agency	Amount (\$)
Waste Water Treatment Plant	Capacity Building – UBCM	3,110,709
Waste Water Treatment Plant	Green Municipal Funds - FCM	1,000,000
Small Community Protection	Province of BC	450,000
Traffic Fine Revenue Sharing	Province of BC	43,000
Cooperative Protocol – First Nations	UBCM	27,000
Transfer Beach Interpretive History	Heritage BC	4,000
Operating Grants	Granting Agency	Amount (\$)
FJCC - Operating	CVRD	125,545
Operating	Various	3,000
Regional Tourism	Province of BC	4,865
CARIP	Province of BC	8,835

Applications have been submitted on additional grants, and the projects have been budgeted assuming that the grants are successful. It is also assumed that the Provincial Small Community Protection and Traffic Fine Revenue Sharing grants will continue at the same levels. Projects requiring grants are as follows:

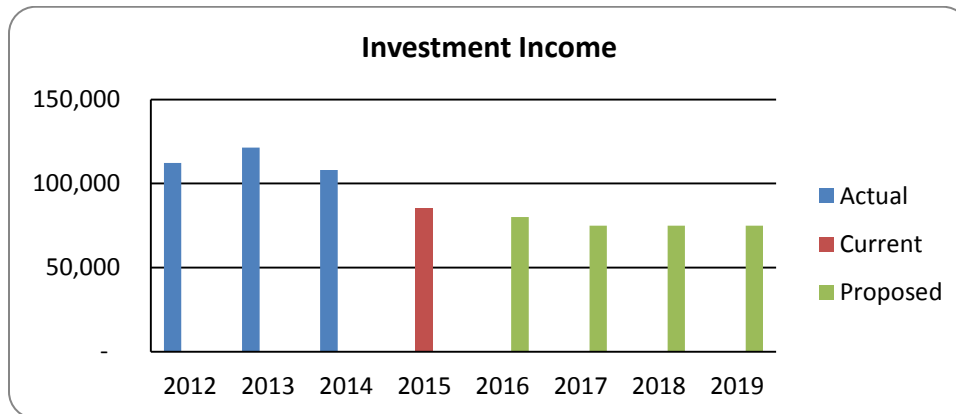
- Complete the Waste Water Treatment Plant upgrade with the remaining grant funding
- Complete the Waterfront Area Plan sub-area review.
- Utilize grants for walking paths, trail improvements, tree replacements and a generator for FJCC.
- Grant funding on the new Water Filtration Project as well as water supply upgrades.
- Completing Phase 2 of Forrest Field.
- Signage Initiatives – Welcome and Directional Signage
- Asset Management



Penalty & Other Revenue

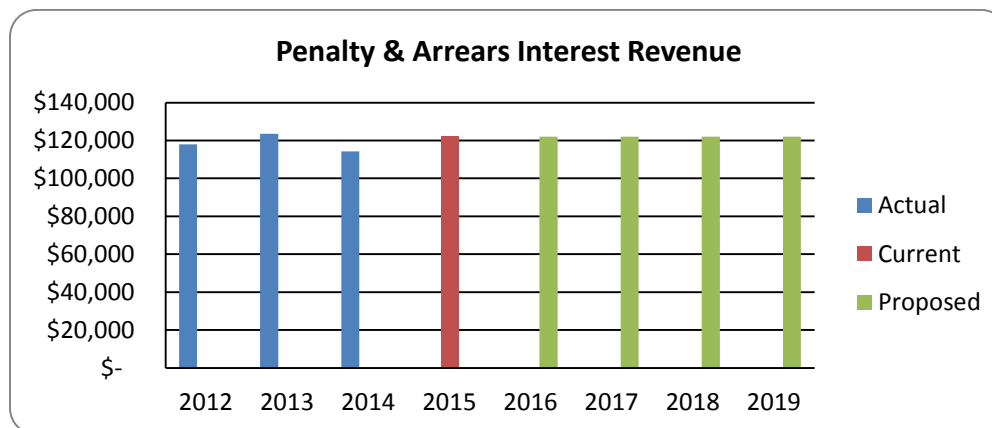
Investment Revenue

The Town earns revenue through returns on investment of its cash reserves. The Town invests the funds appropriated for specific capital projects and other surpluses in interest-bearing accounts. Council has set a policy that the investments made are to be conservative and low-risk. Currently, funds are invested with the Ladysmith & District Credit Union. It is expected that the return on investment will generate \$75,000 in 2015 (\$85,000 – 2014). This decrease is because reserves set aside for capital projects are going to be spent on those projects.



Penalty Revenue

The Town levies a penalty of 10% on unpaid current taxes at July 2, as prescribed in the Municipal Tax Regulation. Unpaid property taxes from prior years also accrue daily interest at the Province's prescribed interest rate. Even with the introduction of the Property Tax Prepayment Plan program, it is estimated that penalty and interest will account for \$122,000 in 2015 (\$122,000 – 2014). It is expected that this revenue will remain constant at approximately \$122,000 per year from 2016-2019.



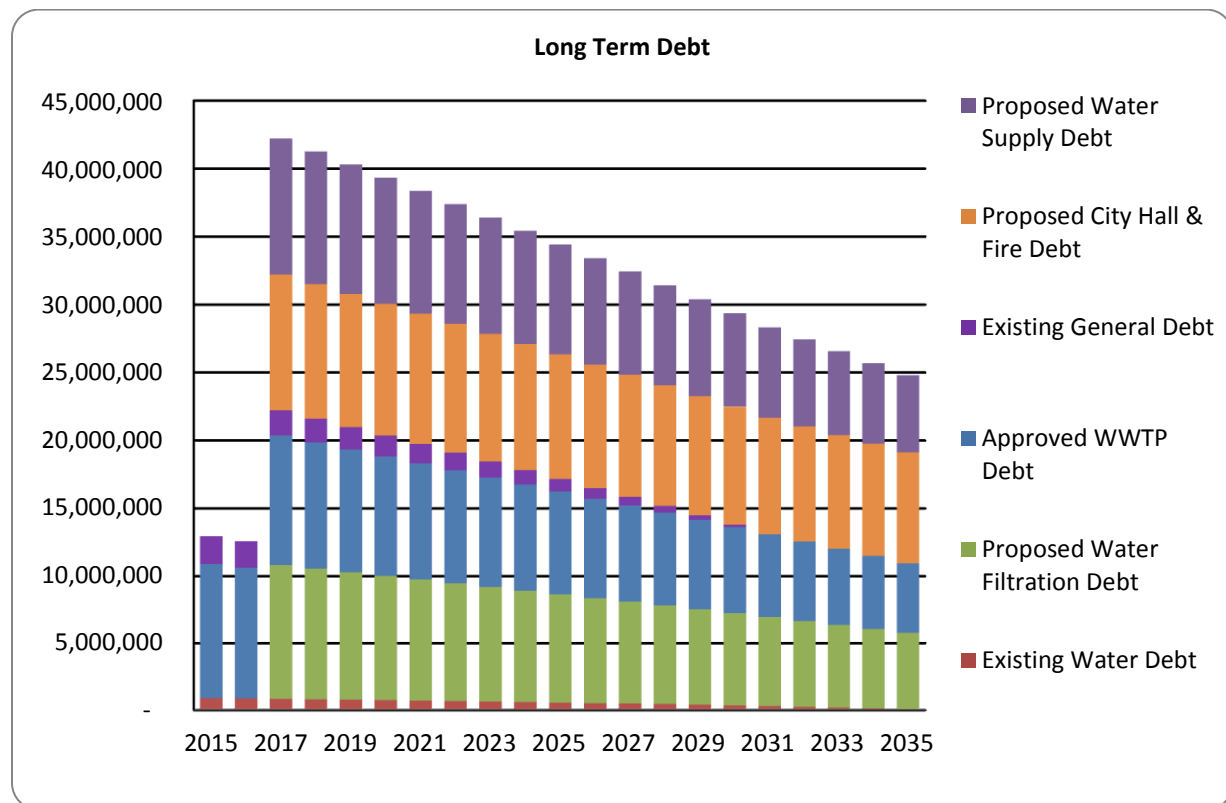


Borrowing

The Town has borrowed funds in the past to carry out large projects that will benefit residents over a number of years. These projects include the revitalization of First Avenue, the RCMP building and most recently, the borrowing of \$1 million to construct the new water-works projects.

Borrowing has been authorized for \$10 million for the Waste Water Treatment Plant upgrade. Additional borrowing is required to fund the replacement or upgrades to the City Hall and the Fire Hall. Borrowing is anticipated to fund the Water Filtration Plant upgrade and other major water supply projects, and to fund a new Fire Truck. Elector assent is required in 2015 to authorize the funding for water projects.

There are restrictions in place to limit the amount of possible borrowing. This limitation is based on the ability to service the debt, i.e. paying principal and interest charges. The debt servicing costs on borrowing is capped at 25% of the previous year's revenues. Currently, the Town's total debt servicing limit is approximately \$2.7 million. The Town has approved servicing of approximately \$1.15 million, leaving \$1.55 million within the cap limit.



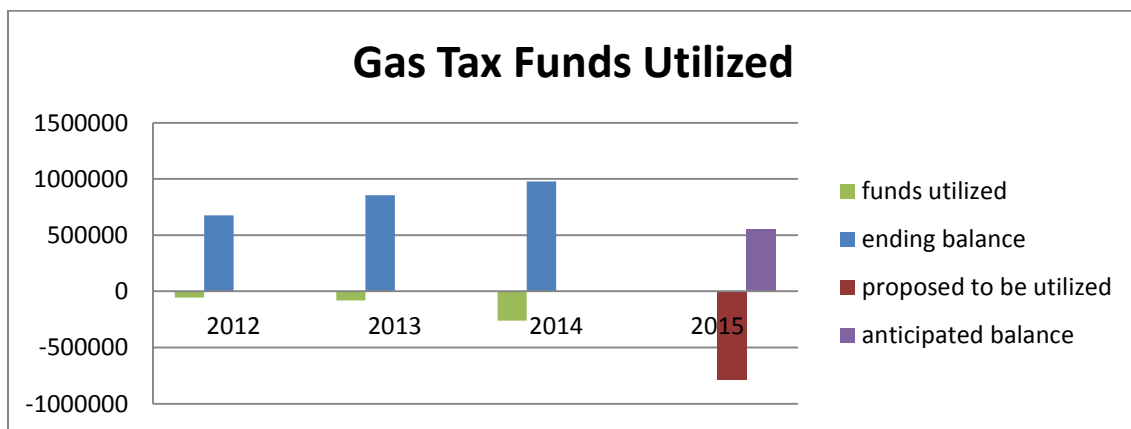


Gas Tax Funding (Restricted)

The Town will receive approximately \$368,000 annually from the Gas Tax Fund (created from an additional Federal tax added at the gas pumps). Although the criteria for using this funding have broadened in recent years, there are still restrictions on the use of the funding. The new agreement also has stricter Asset Management requirements and the Town must report on progress towards complete asset management before future funding is awarded.

The Financial Plan includes the following projects to be funded at least partially with Gas Tax funds in 2015-2019:

- Downstream Enhancements of the Golf Course culvert
- Directional Signage
- Waterfront Sub- Area Plan
- GIS Work order/asset management software
- Master Transportation Plan
- Energy & Facilities Condition Assessment
- Playground - Transfer Beach
- Parks Recreation and Culture Master Plan
- Pavement Management Strategy
- Culvert Bank Stabilization (emergency repairs)
- Paving: 4th Ave, Methuen to Belaire (Bike Lanes)
- Downtown Garbage Cans
- Sidewalks



Development Cost Charges (Restricted)

The Town updated the Development Cost Charges (DCC's) Bylaw in 2011. DCC's are charged on new development within the Town and fund infrastructure that is required as a result of new growth. The DCC Bylaw requires that the fees are reviewed every five years. A consultant will be hired in 2015 to review and propose any changes to the DCC plan.

Development Cost Charges are funding the following projects in this financial plan:

- DCC Review
- Paving: 4th Ave, Methuen to Belaire
- Holland Supply Main Replacement: PW to Colonia
- Stocking Lake Supply Main & Holland to Stocking Supply Main



Reserves

Reserves are funds that are set aside for a specific purpose. Reserves are also called Appropriated Equity. Reserves are not intended to reduce taxation; they are set aside to fund specific projects.





Opportunities & Challenges-Ensuring Community Resiliency

Significant Infrastructure Upgrades:

The Town's investments in infrastructure supports community resiliency by ensuring services are available to citizens and businesses in our Town. It also helps to support the pristine environment that businesses in sectors such as aquaculture and ecotourism rely on and expect from the Town.

Waste Water Treatment Plant

The Waste Water Treatment Plant continues to be the largest capital project for Ladysmith. This project, funded through grants, reserves and borrowing, will continue through 2015 and into 2016.

Water Filtration Plant:

In order to abide by Ministry of Health regulations, Ladysmith is required to upgrade the water treatment system to provide for filtration. Filtration and other related water supply upgrade projects intended to provide for adequate water supply for the future will be funded through borrowing and will require elector assent in 2015.

Changing Reliance upon Industrial Taxation and the Resource Sector

As with many B.C. coastal communities, Ladysmith has relied heavily on taxation from the resource industry for a significant portion of its revenue. Two decades ago, the Town recognized that this reliance was not sustainable, and took steps to reduce the reliance upon industrial taxation from over one third (35%) of total taxation to less than fourteen percent (14%) today.

In 2014, one company, Western Forest Products, paid approximately thirteen percent (13%) of total taxation. The Town's reliance upon a single entity is still significant, but much less risky to the community than in the past.

Reducing the Town's reliance on heavy industry for tax revenues means increasing taxation on other property classes. To offset the financial impact on those classes, Council has used \$50,000 a year from a reserve fund. These funds will all be used by the end of 2016.

Opportunities for Tax Relief – Revitalization Tax Exemption

In 2012, Council adopted a new Revitalization Program designed to encourage economic development through construction and renovation of properties in specific areas. This program encourages investment by essentially freezing the property assessment at the current value, thus keeping the municipal taxes on the property at the pre-construction/modification level.

In 2013, one property took advantage of this program: 1030 Oyster Bay Drive owned by Terra-North Inc. For 2015, the result of this program is a general assessment tax exemption on the revitalized portion of the property (total assessment = \$2,090,000, exemption \$1,858,000, net \$232,000). Although the program meets the objective of encouraging investment, it also results in forgone tax revenue, in 2014 this amounted to \$112,678.



Replacing Aging Infrastructure

The Town's Tangible Capital Assets inventory (TCA) shows that the Town has many assets that are beyond their expected life. TCA is the accounting term; it is also known as the infrastructure deficit. A number of assets have reached the end of their accounting life and are due for replacement.

The Town has started to undertake an asset management plan to compile, assess and plan the replacement of the Town's assets. The costs of asset replacement has already been built into many of the capital plans currently in place as 'placeholder' replacement projects, the asset management system improvements planned for 2015 will ensure that these replacement funds are used effectively to ensure long term sustainable infrastructure systems providing service to the Town.

Expansion of Services

The Town of Ladysmith and the Stz'uminus First Nation (SFN) have been working together to build a co-operative relationship that will strengthen the greater community economically, environmentally and culturally. The two Councils signed a new and updated agreement, the Naut'sa Mawt (Working Together) Community Accord, at a public ceremony in May 2012. The Naut'sa Mawt Accord reaffirms and strengthens both communities' commitment to build a strong and productive relationship and increase co-operation, and lays out specific steps for how the two communities will work together on joint initiatives. This 2012 Accord is now supported by a Memorandum of Understanding detailing specific initiatives to be undertaken jointly; a Co-operation Protocol; and Terms of Reference for the Naut'sa Mawt Steering Committee (the joint committee that meets regularly to guide the implementation of the Accord and related documents).

In 2014, Councils of the two communities signed a Services Agreement for the Town of Ladysmith to provide connections for the first 100 units of development in a Stz'uminus economic development project. This agreement lays that service is provided under the same terms and conditions as a Ladysmith developer would pay. The next Services Agreement will address the provision of water and sewer services for Stz'uminus First Nation residents and the potential build-out of a major future Stz'uminus development project. It is more cost-effective and environmentally sensitive for the SFN to tie into the Town's existing infrastructure. Federal grant funding to the SFN paid for this connection. The SFN and the Town have agreed to a basic premise that the costs of providing services for the First Nations lands will be the same as the cost of providing services within the Town.



2015 Budget Process – Timelines for Decisions

Local governments in B.C. are required to produce five-year financial plans, and to update them each year. In Ladysmith, the budget process begins in November, when the department heads complete their budget worksheets and assemble their preliminary budget estimates for operations and capital spending.

Final taxation impacts cannot be determined until the full B.C. Assessment Roll is released at the end of March. The Revised Roll, which is produced by the B.C. Assessment Authority, is the Roll on which the taxes are levied. New construction figures are not confirmed until this time. As new information becomes available, the budget is updated and finally presented for adoption prior to May 15th.

Council held budget discussions, meetings and related activities on:

- January 5 – set dates for 2015-2019 Financial Plan discussions
- March 16 – Grants in Aid deliberation
- March 30 – Ongoing Financial Plan deliberations at regular Council meeting
- April 13, 20 and 27 – Finalize 2015-2019 Financial Plan.
- May 4:
 - First three readings of Financial Plan Bylaw
 - First three readings of Tax Rates Bylaw
 - First three readings of Water Parcel Tax Bylaw
 - First three readings of Parcel Tax Bylaw

Adoption of the above bylaws on May 11, 2015





Town of Ladysmith 2015 – 2019 Financial Plan

Strategic Direction

Strategic Direction A - Wise Financial Management

The Town's first strategic direction is to ensure wise financial management and provide fair value to the taxpayer. The Financial Services Department takes the lead role in this direction by providing budget and accounting services to supporting decision making.

The **Financial Services Department** is responsible for financial planning and reporting as well as processing payroll, accounts payable, accounts receivable, and purchasing. This area is also responsible for the calculation and collection of all property tax and utility billing as well as invoices for business licences.

The overall budget of the Financial Services Department will increase by 6% or \$39,123 in 2015. This increase is the result of reallocation of lease expenses for the office space on Roberts Street, as well as the replacement of a worker currently on leave.

QUICK FACTS		
	2014	2013
Grants managed	13	13
Value of grants managed	\$1.375m	\$3.5m
Business licences	479	479
Inter-community business licences	41	NA
Dog licences	998	1042
Subscribers to electronic utility billing	465	407
Subscribers to pre-authorized utility payment program	330	295

Priorities for 2015 & beyond

- Support the implementation of an asset replacement plan
- Conduct an in-depth review of Development Cost Charges
- Ensure adequate funding for the Equipment Replacement and Civic Buildings Reserve Funds (to replace or upgrade the aging City Hall and the Fire Hall)
- Review the non-residential water rates structure
- Review the expansion of the tax revitalization programs
- Implement a long-term financial plan



Town of Ladysmith 2015 – 2019 Financial Plan Strategic Direction

Strategic Direction B - Effective Land Use

The Town's second strategic priority is to ensure effective use of land within the Town boundaries, in accordance with the Town's sustainability vision, Official Community Plan and Zoning Bylaw, as well as provincial legislation. The **Development Services Department** has the lead in this area, and is responsible for long-range and current Planning, Urban Design, Heritage Preservation, Economic Development and Tourism Promotion. The department provides advice to Council on development matters, processes applications regarding land use, promotes economic development and tourism and networks with various committees and local area groups.

Overall, the Development Services Department budget will increase by over 5.45%, including carry-forwards, in 2015. This is the result of:

- Establishing a Board of Variance
- Increase Heritage projects (which is partially offset by a grant)
- Continued focus on the Heritage Plan Implementation.

QUICK FACTS		
	2014	2013
Development Permit Applications	11	15
Development Variance Permit Applications	5	2
Rezoning Applications	3	5
Sign Permit Applications	13	16
Temporary Use Permit Applications	-	1
Commission and Committee Meetings Organized & Attended	12	15
Naut'sa Mawt Steering Committee Meetings Organized and Attended	4	6
Zoning Bylaw Update Project Meetings Held	2	5
Customer Enquiries	300	300
Heritage Revitalization Tax Exemption Agreements	3	3

Priorities for 2015 & beyond

- Commence update of the Waterfront Area Plan sub-area review
- First Nation Place Name signs
- Transfer Beach Interpretive History Project
- Aggie Hall Historic building plaque
- Naut'sa Mawt Steering Committee member
- Development Approval Information Bylaw



Town of Ladysmith 2015 – 2019 Financial Plan

Strategic Direction

Strategic Direction C - Dynamic Economic Development

The Town is committed to developing a complete community, to keep and foster local business, to attract new businesses, and to expand our tax and employment base. The Development Services Department takes the lead role in this direction. However, this direction is supported by all Departments as can be seen by the list of priorities and the Regional District. The Development Services Department is responsible for both guiding and promoting economic development in Ladysmith, including tourism and sustainability. Through partnerships with local businesses and other levels of government, the Town will facilitate the development of a sustainable economy.

Economic Development Services include:

- Annual Community Profile
- Business and Development Portal
- Support to investor inquiries
- Support for process navigation, including BizPal
- Tourism promotion – website, advertising, print materials
- Member of the Partnership for an Economically Vibrant Community
- First Nation relations and partnerships

The Town pays \$35,000 annually toward the Ladysmith Chamber of Commerce Visitor Centre operations and the provision of business support services as well as \$700 per month towards the rental of Visitor Centre premises, for a total of \$43,300. In addition, the Town contributes to and participates in regional services through the Cowichan Valley Regional District. These include Economic Development Cowichan, Tourism Cowichan and Film Cowichan.

Priorities for 2015

- Continue to encourage development of green industries
- Implementation of the signage initiatives project
- Continue to participate in the Partnership for an Economically Vibrant Community
- Encourage establishment of a Business Improvement Area to support downtown business
- South Ladysmith Industrial Park road upgrade
- Update and reprint Heritage Artifacts brochure
- Explore options for a new City Hall and Library facility in the Downtown
- Downtown infrastructure improvements

QUICK FACTS

	2014	2013
Tourism Marketing Advertisements	10	9
Tourism Collateral Items	--	--
Film Permit Applications	--	--
Rezoning Applications	3	5
Sign Permit Applications	13	16
Economic Revitalization Tax Exemption Agreements	1	0

Economic Development Highlights:

\$ 35,000 paid annually to the Ladysmith Chamber of Commerce for Ladysmith Visitor Centre & business centre services

\$ 8,400 paid annually for Ladysmith Visitor Centre rent

\$ 47,674 for regional economic development services delivered by Economic Development Cowichan (through the CVRD requisition)

\$ 10,017 for regional tourism services delivered by Tourism Cowichan (CVRD requisition)



Town of Ladysmith 2015 – 2019 Financial Plan Strategic Direction

Strategic Direction D - Enhanced Standard of Infrastructure

The Infrastructure Services Department is responsible for maintaining the Town's infrastructure: roads, sidewalks, and water and sewer utilities.

The Town provides clean drinking water and proper disposal of liquid and solid waste, in accordance with the legislation set by the provincial and federal governments.

The Town operates the Ladysmith Cemetery. The Infrastructure Services Department allocates staff to perform interments and maintain the Cemetery.

Priorities for 2015

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

QUICK FACTS		
	2014	2013
Kilometres of roads and lanes	65	65
Kilometres of sidewalks	37.2	36
Kilometres of water mains	70.6	69
Kilometres of sewer mains	54.5	54
Sewer connections (residential)	2,947	2,911
Water connections (single family dwelling)	2,774	2,753
Consecutive days providing tested and approved drinking water	365	365
Interments in Ladysmith Cemetery	26	31
Marker installments in Ladysmith Cemetery	13	24
Customer Service Requests	390	489





Town of Ladysmith 2015 – 2019 Financial Plan Strategic Direction

Strategic Direction E - Responsible Stewardship of the Environment

Commitment to environmental sustainability underlies all activities and priorities of the Town. Although Infrastructure Services takes the lead in many of the projects, all departments take responsibility for supporting this strategic priority. The Sustainability Action Plan provided clear direction for the Town and the Annual Report for 2014 will report on progress in this priority area.

Garbage and Recycling

The main cost in this area is solid waste collection fees paid to the contractor (currently BFI). The Town has entered a contract with Multi-Material BC to collect recyclable packaging on its behalf. This is in response to new legislation requiring a reduction in packaging materials and holding manufacturers responsible for its disposal.

QUICK FACTS		
	2014	2013
Units serviced with waste pick-up	3065	3,018
Tonnes solid waste collected (garbage, recyclables, organics)	1,390	1,487
Percentage of Total waste diverted from landfill	57.5	59.7

Waste Water Treatment

The Town's upgraded Waste Water Treatment Plant will provide secondary sewage treatment and will be able to serve a population of 18,000 upon completion and will have the ultimate capacity to serve a population of 30,000 with minimal additional cost.

Composting

The Town composts on site at public works and through the Regional Gas Tax has funding for enhancement to this facility.

Priorities for 2015

- Implement the Sustainability Action Plan
- Begin construction on the Water Filtration Plant
- Continue to compost Waste Water Treatment Plant sludge



Town of Ladysmith 2015 – 2019 Financial Plan Strategic Direction

Strategic Direction F - Safe and Healthy Community

Services in this area include Parks, Recreation & Culture, Protective Services, and Building Inspection.

Protective Services

This area includes Police, Fire Rescue, Animal Control and Bylaw Enforcement. Police Services are provided under contractual agreement by the RCMP. Fire Rescue Services are provided by paid on-call members. Animal Control is provided under contractual arrangement and Bylaw Services are provided by staff in the Infrastructure Services Department.

The budget for **Fire Rescue Services** is increasing by \$7,507 or 2%, including carry-forwards, over 2014. An additional pick-up truck has been included in the 2015-2019 Financial Plan for the crew to carry gear to and from incidents and training.

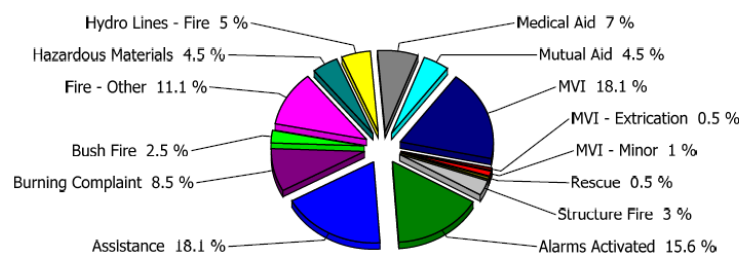
Priorities for 2015

- Increase seasonal policing during the summer months
- Continue regular replacement of Fire-fighters turn-out gear
- Funding for a generator for the Police Detachment
- Funding to replace fire trucks

Truck	Year Purchased
Pierce Fire Truck	1990
Yukon Chief Truck	2007
Ladder Truck	1997
Spartan Engine	2005
Chev Truck	1995
Bush Truck	2012
Spartan -Rescue	2012

Ladysmith

Distribution of Calls by Response Type



QUICK FACTS

Fire/Rescue	2014	2013
# Officers	7	7
# Hourly paid on-call members	25	25
# Incidents	199	168
RCMP	2014	
# of service calls Detachment Area	4045	
# of service calls Town of Ladysmith	1982	

BUDGET DETAIL

RCMP	2015
Per Member Costs	\$163,180
Total Member Costs, including overtime	1,209,925
Ladysmith Portion	846,948
# RCMP Members for Ladysmith	7
# RCMP Support Staff	2
Total RCMP Support Staff Cost	134,243



Town of Ladysmith 2015 – 2019 Financial Plan Strategic Direction

Policing

The detachment budget is incrementally increasing to fund a full complement of members. Most of this increase is due to member and support staff costs, plus additional hydro and building maintenance cost, net of any recovery than can be charged back to the provincial RCMP. Funding for a back-up generator has been included in the budget.

Animal Control

Animal control services are provided by Coastal Animal Control through a contract with the Town. The revenue received from the sale of dog licences is applied against the contract costs. The net cost to taxpayers for animal control (costs over and above dog licence revenues) is budgeted at \$9,900 in 2015. (2014 - \$11,500). Included in the 2015-2019 Financial plan is new dog park. Currently it is funded from prior year reserves.

Bylaw Enforcement

The Town employs one part-time bylaw enforcement officer.

Building Inspection

The Town employs a full-time Building Inspector who also does Bylaw Enforcement. Building permits revenues have decreased lately, causing a reduction in cost for this department. Excess time is spent on bylaw compliance.

QUICK FACTS		
	2014	2013
Building Permits (renovations and new construction)	82	82
Occupancy Permits	39	39

Parks Operations

Parks Operations falls under the direction of the Infrastructure Services Department, in co-operation with the Parks, Recreation and Culture Department. The two departments work closely together on the maintenance of the various Town parks and boulevards, as well as vandalism repairs, golf course mowing services, and beach and trail maintenance.



Town of Ladysmith 2015 – 2019 Financial Plan Strategic Direction

Parks, Recreation and Culture

The Town is committed to providing appropriate recreational facilities and services to support community wellness. The Parks, Recreation & Culture Department is composed a team of staff who manage the Town of Ladysmith facilities in a manner which ensures quality and safe experience by the users of these facilities. Facilities are maximized for usage and access allowing both program usage along with rental access to the spaces.

The department develops recreation programs and events, through either direct delivery or partnering with various community groups in delivering programs and services to the community as a whole.

Parks planning, capital improvements and parks program delivery are incorporated into the department, with a focus on ensuring the community is provided a positive experience in both the natural and build park environments.

Arts and culture is a key aspect to the community's health, the department works with community groups to deliver special events, and programs which allow community participation and education.

Parks, Recreation & Culture include:

- Recreation program delivery
- Community Services (partnerships)
- Facility management (operational and capital)
- Park planning and capital
- Special Events

Overall, the Parks & Recreation budget is increasing 4.64%

Priorities for 2015

- Replacement of registration and booking system
- Update Parks, Recreation & Culture Master Plan
- Investigate options and locations for Dog Park
- Transfer Beach Park improvements
- Holland Creek trail improvements

QUICK FACTS	2014
Registered in fitness programs	918
Drop-in fitness admissions	766
# of one-person personal training	260
# registered in aquatic programs	1276
# of drop-in swim single admissions	11242
# of Rec Room youth drop ins	1600
# of youth gymnasium drop in admissions	2230
# of drop in indoor sports admissions	2130
# of Amphitheatre rentals	33
# of Kin Hut rentals	65
# of Forrest Field Rentals	210
Total # passes sold Fitness - 6233 Aquatic - 839	7072
Total # passes scanned	63638



Town of Ladysmith 2015 – 2019 Financial Plan

Strategic Direction

Strategic Direction G - Supportive Corporate Governance

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

Corporate Services include:

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

Quick Facts

	2014	2013
# Council Meetings Supported	67	66
# External Committee Meetings Supported	22	28
# Internal Committee Meetings Supported	57	
# Resolutions Adopted	656	768
# Freedom of Information Requests	6	14
# Job Postings Managed	37	19
# Retirements	1	0
# E-mail Subscribers	1229	932
# Statutory Advertisements	16	18
# Corporate Services Newsletters published	5	5

Mayor, Council and Town Administration

This area includes the Mayor and Council, plus all Town administration including the City Manager, Corporate Services, Human Resources, and Information Technology.

Town Council is made up of the Mayor and six Councillors who work together to set the policy direction for the Town. The Mayor and Council budget will increase by 3%.

Once Council has made decisions on policy and service levels, those decisions are implemented at an operational level. The **Chief Administration Officer** (City Manager) liaises directly with Council and is responsible for executing all decisions of Council. All department heads (Directors) report to the City Manager. The City Manager also directly manages corporate strategic projects.

Priorities for 2015

- Upgrade Information Technology to support the Town's operations and citizen communications
- Telephone system upgrade
- Investigate funding to upgrade City Hall to better facilitate Council and Committee meetings and move staff into one location
- Enhance citizen engagement and communications



Town of Ladysmith 2015 – 2019 Financial Plan Strategic Direction

Overall, the General Government Administration budget is decreasing by 2.88% in 2015 as there is no local government election this year. After a review of the water and sewer administration charges, a new allocation amount has been charged to water and sewer fund to accurately reflect the corporate costs attributed to the funds. As well, a larger Small Communities Grant is expected and offsets General Government as it has in the past. The Information Technology budget includes an increase in costs (\$122,800) to continue to implement the Information Systems Strategic Plan which includes enhancements to the Town's IT function.

The budget also includes proposed updates to various databases, upgrades to the Town's website, and an investment in an upgraded Electronic Records Management System. Increases in Canada Post rates as well as hydro costs are reflected in the overall budget increase.





Town of Ladysmith 2015 – 2019 Financial Plan

Leases and Debt

Leases & Debt

The Town utilizes the Municipal Finance Authority for long and short term borrowing as well as leasing vehicles and equipment. Below are the current and schedule leases and debt (not including taxes):

- Photocopier (City Hall). Lease ends 2016. Monthly principal and interest payments \$329.
- Photocopier (Public Works). Lease ends 2017. Monthly principal and interest payments \$111.
- Bush Truck (Fire Department). Lease ends 2018 with \$83,000 remaining to be refinanced. Monthly principal and interest payments \$1,381.
- Rescue Truck (Fire Department). Lease ends 2018 with \$334,003 remaining to be refinanced. Monthly principal and interest payments \$2,718.
- Pumper Truck (Fire Department). Lease end 2015 with \$41,400 remaining to be refinanced. Monthly principal and interest payments \$773.
- Photocopier (PRC). Lease ends 2019. Monthly principal and interest payments \$147.
- Fitness Equipment (PRC). Lease ends 2019. Monthly principal and interest payments \$782.

Existing debt:

- First Avenue. Ends 2015. Annual payment \$162,937.
- Sewer. Ends 2015. Annual payment \$7,603.
- RCMP Building. Ends 2031. Annual payment \$194,183.
- Waterworks. End 2037. Annual payment \$58,012

Proposed debt:

- Waste Water Treatment Plant. To borrow \$10 million dollars over 20 years. Estimated annual payment \$540,012.
- Water Filtration Plant. To borrow \$10 million dollars over 25 years with an estimated annual payment \$540,012.
- Water Supply Upgrades. To borrow \$7 million dollars over 25 years with an estimated annual payment \$420,000
- City Hall and Fire Hall Upgrade. To borrow \$10 million dollars over 25 years with an estimated annual payment \$600,000.
- A new Pumper Truck will be required, cost not yet defined.

Occasionally, projects are budgeted in one year and completed over several years. Any remaining funding at year-end is rolled into Allocated Equity to be used in the future years when the project is completed.



Town of Ladysmith 2015 – 2019 Financial Plan

Capital

CAPITAL

Project	Project Cost	Taxation Funding	Water Utility Funding	Sewer Utility Funding	Prior Yr Funding	DCC Funding	Reserve Funding	Gas Tax Funding	Grant Funding	Borrowing	Donation
Administration											
Corporate Strategic Plan	15,000	15,000									
First Nations Protocol	9,000								9,000		
Reconfigure City Hall	20,000				20,000						
Christie Road Feasibility Study (complete)	6,750						6,750				
Administration Total	50,750	15,000			20,000		6,750		9,000		
Development											
DCC Review	10,000				10,000						
Directional Signage	278,800	40,000						230,400	8,400		
Signage Plan (Phase 1)	15,000				15,000						
Waterfront Sub- Area Plan	100,000							50,000	50,000		
Development Total	403,800	40,000			25,000			280,400	58,400		
Fire											
1995 Chev Truck - Utility Truck	20,000	20,000									
Fire Hall Upgrade	50,000	30,000			20,000						
Firefighters Turn-out Gear	10,000	10,000									
Fire Total	80,000	60,000			20,000						
Information Technology											
Active Network Software (Class) start-up	25,000	25,000									
Communications System Upgrade	50,000		20,000	30,000							
E-mail Server	17,800	17,800									
SCADA System Upgrade (S & W Split)	50,000		25,000	25,000							
Sharepoint Server	5,000				5,000						
Telephone System	52,200				52,200						



Town of Ladysmith 2015 – 2019 Financial Plan

Capital

Project	Project Cost	Taxation Funding	Water Utility Funding	Sewer Utility Funding	Prior Yr Funding	DCC Funding	Reserve Funding	Gas Tax Funding	Grant Funding	Borrowing	Donation
Vadim - upgrades to platform support	10,000	2,000			8,000						
Information Technology Total	210,000	44,800	45,000	55,000	65,200						
Public Works Projects											
Culvert Bank Stabilization (emergency)	115,000	40,000						75,000			
Golf Course Creek - Downstream Enhancement	75,000							75,000			
Water & Storm Water Asset Replacement - Gatacre	317,000	168,009	117,000		31,991						
Public Works Projects Total	507,000	208,009	117,000		31,991			150,000			
Transportation											
Garbage Bins Downtown	60,000	5,000						55,000			
Pavement Management Strategy	55,000							55,000			
Paving: 4th Ave, Methuen to Belaire (Design)	60,000				60,000			0			
Sidewalk	85,000	40,000						45,000			
Transportation Total	260,000	45,000			60,000			155,000			
Engineering											
GIS Field Controller	10,000		5,000	5,000							
Work order/Asset Management Software (W/S/G Split)	110,000		20,000	20,000				70,000			
Engineering Total	120,000		25,000	25,000				70,000			
Recreation - Admin											
Parks, Recreation & Culture Master Plan	50,000							50,000			
Recreation - Admin Total	50,000							50,000			
Equipment											
Backhoe - Replace #96 (W/S)	150,000		25,000	50,000	75,000						
Camera Detection Equipment - W/s split	15,000		7,500	7,500							
Line Painter	10,000						10,000				



Town of Ladysmith 2015 – 2019 Financial Plan

Capital

Project	Project Cost	Taxation Funding	Water Utility Funding	Sewer Utility Funding	Prior Yr Funding	DCC Funding	Reserve Funding	Gas Tax Funding	Grant Funding	Borrowing	Donation
Pickup Truck - Replace #44	35,000						35,000				
Pickup Truck - Replace #85	35,000						35,000				
Steam Cleaner - WWTP Equipment	10,000				10,000						
Utility Vehicle - 1 ton with Box & Crane (w/s split)	150,000		75,000		75,000						
Water main valve equipment	38,500		38,500								
Equipment Total	443,500		146,000	57,500	160,000		80,000				
Facility Maintenance											
Air Handling Unit controls - City Hall	12,000	12,000									
Energy & Facilities Condition Assessment	20,000	0						10,000	10,000		
Exterior painting of Aggie	15,000				15,000						
Locker replacement	22,000	22,000									
Machine Shop - analysis of repair options	20,000	20,000									
Main pool sand filter	20,000	20,000									
Parking at Aggie	10,000				10,000						
RCMP DDC connection to FJCC	7,000				7,000						
Recycling at FJCC	5,000						5,000				
Sportsman shelter Roof	7,000	7,000									
Washroom upgrades	7,000	3,300									3,700
Facility Maintenance Total	145,000	84,300			32,000		5,000	10,000	10,000		3,700
Parks & Playgrounds											
Bleachers for Base Ball fields	10,000	10,000									
Dog park	14,000				14,000						
LMS Walkway - Signage	3,625				3,625						
Parking lot railing at Transfer Beach	6,000								6,000		
Playground - Transfer Beach (Kinsmen & Rotary)	175,000						10,000	40,000			125,000



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Project	Project Cost	Taxation Funding	Water Utility Funding	Sewer Utility Funding	Prior Yr Funding	DCC Funding	Reserve Funding	Gas Tax Funding	Grant Funding	Borrowing	Donation
Sentinel upgrades	10,000		10,000								
Upper Transfer Beach access improvements	15,000	9,000							6,000		
Parks & Playgrounds Total	233,625	19,000	10,000		17,625		10,000	40,000	12,000		125,000
Sewer											
Chemainus Road Lift Station Access Improvements	90,000			90,000							
Inflow & Infiltration/ Main Replacement	150,000			150,000							
Infrastructure Deficit allocation	7,200			7,200							
Ludlow Sewer Pumpout Stn	30,000				30,000						
Sanitary Pumpstation Emergency Operations Review	25,000			25,000							
Upgrade Composting Facility at Public Works Yard, CVRD	800,000				300,000				500,000		
WWTP Phase 3	12,165,118						54,409		3,110,709	9,000,000	
Sewer Total	13,267,318			272,200	330,000		54,409		3,610,709	9,000,000	
Water											
Fiberoptics connection - Water	10,000		10,000								
Holland and Stocking Lake Watershed Modelling Update	25,000		17,000		8,000						
Holland Dam Inundation Study	25,000		25,000								
Holland Dam Storage Feasibility Study	40,000		40,000								
Holland Supply Main Replacement:PW to Colonia	30,000		30,000								
Holland to Stocking Supply Main (design)	300,000						300,000				
Infrastructure Deficit allocation	6,903		6,903								
Low Water Use Rebate	10,000		10,000								
Water Filtration Pilot Project	110,000				110,000						
Water Filtration Project	800,000									800,000	



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Project	Project Cost	Taxation Funding	Water Utility Funding	Sewer Utility Funding	Prior Yr Funding	DCC Funding	Reserve Funding	Gas Tax Funding	Grant Funding	Borrowing	Donation
Watershed management	70,000		70,000								
Water Total	1,426,903		208,903		118,000		300,000			800,000	
Grand Total	17,197,896	516,109	551,903	409,700	879,816		456,159	755,400	3,700,109	9,800,000	128,700



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Capital

Alignment with Council's priorities

Description	Amounts	First Nations Partnerships	Watershed Protection	Vibrant Downtown	Waterfront	Asset Management	Asset Replacement Funding	IT & IS	Right People & Places
Christie Road Feasibility Study (complete)	\$6,750								
First Nations Protocol	\$9,000	✓			✓				
DCC Review	\$10,000						✓		
Corporate Strategic Plan	\$15,000								✓
Telephone System	\$52,200					✓		✓	
Directional Signage	\$ 278,800	✓		✓		✓	✓		
Waterfront Sub- Area Plan	\$ 100,000	✓			✓				
Work order/Asset Management Software(W/S/G Split)	\$ 110,000					✓	✓		
Reconfigure City Hall	\$20,000								
Washroom upgrades	\$7,000						✓		
Parking at Aggie	\$10,000			✓					
Exterior painting of Aggie	\$15,000								
Air Handling Unit controls - City Hall	\$12,000						✓		
Main pool sand filter	\$20,000					✓	✓		
Locker replacement	\$22,000						✓		
Machine Shop - analysis of repair options	\$20,000					✓			
RCMP DDC connection to FJCC	\$7,000							✓	
Energy & Facilities Condition Assessment	\$20,000					✓	✓		



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Capital

Description	Amounts	First Nations Partnerships	Watershed Protection	Vibrant Downtown	Waterfront	Asset Management	Asset Replacement Funding	IT & IS	Right People & Places
Sportsman shelter Roof	\$7,000						✓		
Firefighters Turn-out Gear	\$10,000						✓		
1995 Chev Truck - Utility Truck	\$20,000						✓		
Fire Hall Upgrade	\$50,000						✓		
Sharepoint Server	\$5,000						✓	✓	
Vadim - upgrades to platform support	\$10,000						✓	✓	
E-mail Server	\$17,800						✓	✓	
Active Network Software (Class) start-up	\$25,000						✓	✓	
Bleachers for Base Ball fields	\$10,000						✓		
LMS Walkway - Signage	\$3,625								
Sentinel upgrades	\$10,000								
Parking lot railing at Transfer Beach	\$6,000				✓				
Upper Transfer Beach access improvements	\$15,000				✓				
Dog park	\$14,000								
Playground - Transfer Beach (Kinsmen & Rotary)	\$ 175,000				✓		✓		
Communications System Upgrade	\$50,000								
Line Painter	\$10,000								
Pickup Truck - Replace#85	\$35,000						✓		
Pickup Truck - Replace#44	\$35,000						✓		



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Capital

Description	Amounts	First Nations Partnerships	Watershed Protection	Vibrant Downtown	Waterfront	Asset Management	Asset Replacement Funding	IT & IS	Right People & Places
Backhoe - Replace #96 (W/S)	\$ 150,000						✓		
Golf Course Creek - Downstream Enhancement	\$75,000		✓						
Recycling at FJCC	\$5,000								
Parks, Recreation & Culture Master Plan	\$50,000					✓			
Infrastructure Deficit allocation	\$7,200					✓	✓		
SCADA System Upgrade (S & W Split)	\$50,000					✓	✓	✓	
GIS Field Controller	\$10,000							✓	
Utility Vehicle - 1 ton with Box & Crane (w/s split)	\$ 150,000					✓	✓		
Water & Storm Water Asset Replacement - Gatacre	\$ 317,000						✓		
Ludlow Sewer Pumpout Stn	\$30,000						✓		
Upgrade Composting Facility at Public Works Yard, CVRD	\$ 800,000								
Cheminus Road Lift Station Access Improvements	\$90,000						✓		
Camera Detection Equipment - W/s split	\$15,000								
Sanitary Pumpstation Emergency Operations Review	\$25,000								
Inflow & Infiltration/ Main Replacement	\$ 150,000						✓		
Steam Cleaner - WWTP Equipment	\$10,000						✓		
Signage Plan (Phase 1)	\$15,000			✓			✓		
WWTP Phase 3	\$12,165.11						✓		
Paving: 4th Ave, Methuen to Belaire (Design)	\$60,000						✓		



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Description	Amounts	First Nations Partnerships	Watershed Protection	Vibrant Downtown	Waterfront	Asset Management	Asset Replacement Funding	IT & IS	Right People & Places
Pavement Management Strategy	\$55,000					✓			
Infrastructure Deficit allocation	\$6,903					✓	✓		
Low Water Use Rebate	\$10,000		✓				✓		
Water Filtration Pilot Project	\$ 110,000		✓						
Water Filtration Project	\$ 800,000		✓						
Holland Dam Storage Feasibility Study	\$40,000		✓						
Holland Dam Inundation Study	\$25,000		✓						
Holland and Stocking Lake Watershed Modelling Update	\$25,000		✓						
Watershed management	\$70,000		✓			✓			
Holland to Stocking Supply Main (design)	\$ 300,000		✓			✓			
Holland Supply Main Replacement:PW to Colonia	\$30,000		✓				✓		
Fiberoptics connection - Water	\$10,000								
Water main valve equipment	\$38,500								
Garbage Bins Downtown	\$60,000			✓					
Sidewalk	\$85,000			✓					
Culvert Bank Stabilization (emergency)	\$ 115,000								