



Local Government Program Services

...programs to address provincial-local government shared priorities

May 4, 2015

Mayor Haime and Council
District of Lantzville
PO Box 100
Lantzville, BC, V0R 2H0

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| <input checked="" type="checkbox"/> Corp. Admin. | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Agenda | <u>Reg. Cncl. Agenda May 25 '15</u> |
| | <u>1855-03-AM</u> |

Re: 2015 Asset Management Planning Program - Grant Approval and Terms & Conditions

Dear Mayor and Council,

Thank you for submitting an application for the 2015 Asset Management Planning grant program.

I am pleased to inform you that the Evaluation Committee has approved funding for your project, *Asset Management Strategy*, in the amount of \$9,850.00.

As outlined in the Program & Application Guide, grant payments will be issued when the approved project is complete and UBCM has received and approved the required final report and financial summary.

The Ministry of Community, Sport & Cultural Development has provided funding for this program. The general Terms & Conditions for this grant are attached. In addition, in order to satisfy the terms of the contribution agreement, we have the following requirements:

- (1) The funding is to be used solely for the purpose of the above named project and for the expenses itemized in the budget that was approved as part of your application;
- (2) The funds must be matched in cash or in-kind;
- (3) All project activities must be completed within 12 months and no later than April 29, 2016;
- (4) The Final Report Form is required to be submitted to UBCM within 30 days of project end date and no later than May 31, 2016.
- (5) Any unused funds must be returned to UBCM within 30 days following the project end date.

On behalf of the Evaluation Committee, I would like to congratulate you for responding to this opportunity to advance asset management in your local government.



Administration provided by UBCM

Funding provided by Province of B.C.



For program information, visit the Funding Programs section at:

www.ubcm.ca


LGPS Secretariat

Local Government House
525 Government Street
Victoria, BC, V8V 0A8

E-mail: lgps@ubcm.ca
Phone: (250) 356-2947

If you have any questions, please feel free to contact Local Government Program Services at (250) 356-2947 or by email at lgps@ubcm.ca.

Sincerely,



Danyta Welch
Policy & Programs Officer

cc: *Jedha Holmes, Director of Financial Services, District of Lantzville*

Enclosure



Local Government Program Services

General Funding Terms & Conditions

The purpose of these Terms and Conditions is to provide basic information on the administration of Local Government Program Services (LGPS) grants. For specific information regarding the terms and conditions of each funding program, please refer to the Program & Application Guide.

1. Definitions

- **Approved Applicant** - In general, LGPS grants are awarded to local governments (regional districts and municipalities). However, under some programs, other organizations, such as First Nations and aboriginal organizations or boards of education, can be the approved applicant. The approved applicant is the primary contact for UBCM and is responsible for overall grant management.
- **Approved Partner(s)** - Are organizations that contribute directly to the approved project, are identified in the application and are approved by UBCM. Possible partners include, but are not limited to, boards of education, health authorities, First Nations or aboriginal organizations, non-profit organizations and local governments (other than the applicant).
- **Approved Project** - Is the activity or activities described in the application and approved by UBCM.
- **Cash Expenditures** - Are direct costs properly and reasonably incurred and paid for with money by the approved applicant or approved project partners for the development or implementation of the approved project. For example, catering and consultant fees can be cash expenditures.
- **In-Kind Expenditures** - Are the use of resources of the approved applicant or approved project partner for the development or implementation of the approved project. For example, the use of meeting rooms owned by the applicant or approved partner can be an in-kind expenditure.
- **Program & Application Guides** - Are the application and program materials prepared by UBCM to describe the program and assist applicants in completing and submitting an application. All Program & Application Guides are available at www.ubcm.ca.

2. Eligible & Ineligible Costs

Eligible costs, including cash and in-kind expenditures, are direct costs properly and reasonably incurred by the approved applicant or approved partners in the development or implementation of the approved project. To be eligible, these costs must be outlined in the detailed budget submitted by the approved applicant as part of the application process and be approved by UBCM. Requests to change the budget must be made to UBCM, in writing, by the approved applicant (see below). Please see the Program & Application Guide for specific notes regarding eligible and ineligible costs.

3. Post-Approval Terms

Notice of Approval

UBCM will inform approved applicants by letter and a specified percentage of the approved grant amount will be forwarded upon approval. The balance will be paid on satisfactory completion of the project and receipt of all final reporting requirements.

Applicant Responsibilities

LGPS grants are awarded to approved applicants. When collaborative projects are undertaken, the approved applicant remains the primary organization responsible for the grant. Due to this, the approved applicant is the primary contact for UBCM and is responsible for:

- Ensuring that approved activities are undertaken as outlined in the approved application and within the required timeline,
- Providing proper fiscal management of the grant and approved project (see below), and

- Submitting progress and/or final reports, using UBCM forms where available, as required by the Program & Application Guide (see below).

Accounting Records

Acceptable accounting records must be kept that clearly disclose the nature and amounts of cash and in-kind expenditures incurred during the development or implementation of the approved project. Financial summaries are required to be submitted as part of the final report and must be signed by a representative of the approved applicant (or as required in the Program & Application Guide). In all cases, the final project expenditure must be net of any rebates (such as HST) that the approved applicant or approved partner is eligible to receive.

Changes to or Cancellation of Approved Project

Approved applicants need to advise UBCM, in writing, of any significant variation from the approved project as described in the approved application, including any major changes to:

- Start or end dates
- Cash and in-kind expenditures or matching funds (when required)
- Project purpose, goals, outcomes or milestones
- Project partners

UBCM's approval may be required in advance for such changes. If an approved project is cancelled, the approved applicant is responsible for ensuring any grant monies that have been advanced are returned to UBCM within 30 days, or as outlined in the Program & Application Guide.

4. Reporting Requirements

Submission of Reports

Approved applicants are required to submit progress and final reports as outlined in the Program & Application Guide. When UBCM forms are available, they are required to be used. Please note the following when submitting a report:

- When completing a UBCM report form please ensure that each question is answered and that all attachments are complete. Follow any sample templates that UBCM provides.
- When a report form is not required, please ensure that each required component, as outlined in the Program & Application Guide, is addressed in your report and that all attachments are complete.
- Unless specifically requested, please do not bind reports or submit in binders or folders.
- When submitting electronically, submit all documents as Word or PDF files.
- All digital photos or images should be submitted, by e-mail or on CD, as JPEG files.
- When you are ready to submit your report, please e-mail it directly to lgps@ubcm.ca or mail/fax it to Local Government House: 525 Government Street, Victoria, BC, V8V 0A8 or Fax: (250) 356-5119

Extensions and Outstanding Reports

In order for an approved project to continue past the approved end date – or for a final report to be submitted after the established deadline – approved applicants must contact LGPS and request *and be granted* permission for an extension.

Approved applicants that do not request extensions and have outstanding reports may forfeit the final payment of their grant and may not be eligible to apply to future LGPS programs until reports are received.

5. Recognition of Funding and Funders

Approved applicants should contact UBCM for more information on recognizing funding and for information on the appropriate use of logos. Please contact Paul Taylor, Relationships & Communications Advisor, at (250) 356-2938 or ptaylor@ubcm.ca.



Trudy Coates

From: Prior, Eva <Eva.Prior@burnaby.ca> on behalf of Clerks <Clerks@burnaby.ca>
Sent: May-06-15 2:18 PM
To: District Public;
Subject: BC Housing Non-Profit Asset Transfer Program
Attachments: Letter from City of Burnaby Re BC Housing Non-Profit Asset Transfer Program.pdf; City of Burnaby Report Re BC Housing Non-Profit Asset Transfer.pdf

Dear UBCM Member Municipalities,

On behalf of Mayor Derek Corrigan and Burnaby City Council, please find attached correspondence and a report providing a preliminary review of the BC Housing Non-Profit Transfer Program.

Thank you,

Eva Prior | Administrative Officer | Office of the City Clerk
 City of Burnaby | 4949 Canada Way, Burnaby, BC V5G 1M2
 Email Eva.Prior@Burnaby.ca | 604-294-7294

The contents of this posting or electronic mail message are solely the writings, thoughts and/or ideas of the account holder and may not necessarily reflect those of the City of Burnaby. If you have any concerns about inappropriate use of this account, please email postmaster@city.burnaby.bc.ca

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| <input checked="" type="checkbox"/> Agenda | <u>Reg Cncl. Agenda May 25 '15</u> |
| | <u>8230-20-UBCM</u> |



- Council
- Mayor
- C.A.O.
- Director of Finance
- Corp. Admin
- Agenda
- Circ. To Staff
- Public Works
- Planning
- Fire Dept.
- Other _____

0230-20-UBCM

CITY OF BURNABY
OFFICE OF THE MAYOR
DEREK R. CORRIGAN
MAYOR

2015 May 05

FILE: 2410-20

UBCM Member Municipalities
Via Email Distribution

Dear UBCM Member Municipalities:

Subject: BC HOUSING NON-PROFIT ASSET TRANSFER PROGRAM
(Item 6 (G), Reports, Council 2015 May 04)

Burnaby City Council, at the Open Council meeting held on 2015 May 04, received the above noted report and adopted the following recommendations contained therein:

1. "THAT Council write to the Premier and the Deputy Premier and Minister Responsible for Housing, the Honourable Rich Coleman to express concern with the disposal of public land and building assets under the Non-Profit Transfer Program, as outlined in this report.
2. THAT Council request the Premier and Minister to provide for a long term plan to maintain public ownership of lands and buildings for non-market housing purposes to meet current and future community needs in the Province.
3. THAT a copy of this report be sent to Burnaby MLAs, the Metro Vancouver Board, and the City's Social Planning Committee.
4. THAT a copy of this report be sent to UBCM member municipalities for information."

In accordance with Recommendation No.4, a copy of the report is *enclosed* for your information.

Yours truly,

Derek R. Corrigan
MAYOR

PLANNING AND DEVELOPMENT COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

SUBJECT: BC HOUSING NON-PROFIT ASSET TRANSFER PROGRAM

RECOMMENDATIONS:

1. THAT Council write to the Premier and the Deputy Premier and Minister Responsible for Housing, the Honourable Rich Coleman to express concern with the disposal of public land and building assets under the Non-Profit Transfer Program, as outlined in this report.
2. THAT Council request the Premier and Minister to provide for a long term plan to maintain public ownership of lands and buildings for non-market housing purposes to meet current and future community needs in the Province.
3. THAT a copy of this report be sent to Burnaby MLAs, the Metro Vancouver Board, and the City's Social Planning Committee.
4. THAT a copy of this report be sent to UBCM member municipalities for information.

REPORT

The Planning and Development Committee, at its meeting held on 2015 April 28, received and adopted the attached report providing a preliminary review of the BC Housing Non-Profit Asset Transfer Program.

Respectfully submitted,

Councillor C. Jordan
Chair

Councillor D. Johnston
Vice Chair

Councillor S. Dhaliwal
Member

Copied to:	City Manager Deputy City Managers Director Planning & Building Director Finance
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TO: CHAIR AND MEMBERS
PLANNING AND DEVELOPMENT COMMITTEE

DATE: 2015 April 16

FROM: DIRECTOR PLANNING AND BUILDING

FILE: 16000 20

SUBJECT: BC HOUSING NON-PROFIT ASSET TRANSFER PROGRAM

PURPOSE: To provide a preliminary review of the BC Housing Non-Profit Asset Transfer Program.

RECOMMENDATIONS:

1. **THAT** Council write to the Premier and the Deputy Premier and Minister Responsible for Housing, the Honourable Rich Coleman to express concern with the disposal of public land and building assets under the Non-Profit Asset Transfer Program, as outlined in this report.
2. **THAT** Council request the Premier and Minister to provide for a long term plan to maintain public ownership of lands and buildings for non-market housing purposes to meet current and future community needs in the Province.
3. **THAT** a copy of this report be sent to Burnaby MLAs, the Metro Vancouver Board, and the City's Social Planning Committee
4. **THAT** a copy of this report be sent to UBCM member municipalities for information.

REPORT**1.0 BACKGROUND**

At its meeting on 2015 February 2, under 'New Business', Council requested staff to provide information on BC Housing's program to sell lands to non-profit societies operating social housing projects. This program is called the 'Non-Profit Asset Transfer Program', which proposes to sell Provincially-owned lands to non-profit societies on which social housing is built.

This report provides a preliminary review of the Non-Profit Asset Transfer Program and the response received from the BC Non-Profit Housing Association. More specifically, this report identifies the implications of the program for social housing properties in Burnaby; and discusses staff's concerns regarding the potential long-term impacts of the Province's divestment of public assets on the future provision of social housing in BC.

To: *Planning and Development Committee*
From: *Director Planning and Building*
Re: *BC Housing's Non-Profit Asset Transfer Program*
2015 April 16..... Page 2

The information included in this report was obtained from a variety of sources including staff consultation with representatives from BC Housing and BC Non-Profit Housing Association; BC Housing's website; newspaper articles; and Burnaby housing inventories.

2.0 BC HOUSING NON-PROFIT ASSET TRANSFER PROGRAM

In 2014 October, the Provincial government, as part of its housing strategy 'Housing Matters BC', introduced the Non-Profit Asset Transfer Program. The intent of the program is to offer non-profit housing providers the opportunity to buy the public land on which they operate social housing from the Provincial Rental Housing Corporation (PRHC). Over the next three years, up to 350 publicly-owned properties across BC may be involved in the program. It is anticipated that up to 115 of these properties will be transferred in 2015. The program is being implemented in two ways:

1. Sale of PRHC owned lands to non-profit societies who currently own and operate social housing buildings on these sites; and
2. Sale of public housing developments (properties directly managed by BC Housing) to non-profit societies through an open bid process (currently involving Stamps Place and Nicholson Tower in Vancouver).

BC Housing advises that proceeds from the sales will be reinvested into the creation of new non-market housing units, renovation of existing buildings, and other initiatives and partnerships that will expand affordable housing options.

Summary Staff Comment: After decades of senior government cutbacks in funding for social housing, the sale of publicly-owned land assets that have been set aside for this purpose would appear to be a continuation of the Provincial government's approach for divestment in social housing. While the Province has not announced the specifics of its intended allocation of the proceeds from these public land sales, in the absence of any new non-market housing programs, the proceeds would appear to be being allocated, over the short term, to fund current operating and building repair, upgrade and replacement cost and will result in the immediate and longer term loss of public ownership of non-market housing sites.

2.1 Program Implementation

The Province's PRHC has about 350 publicly-owned properties across BC leased to non-profit societies. These properties all contain social housing buildings that are owned and operated by non-profit societies with operating funding provided under Federal and Provincial programs. The Province, through PRHC, is offering to sell the non-profit societies the land under these buildings. Eligible non-profits have the option of participating in the program or not. BC Housing advises that if a non-profit declines participation in the program, the existing lease agreement remains in place and no other purchasers would be considered for that property.

To: *Planning and Development Committee*
From: *Director Planning and Building*
Re: *BC Housing's Non-Profit Asset Transfer Program*
2015 April 16..... Page 3

For those non-profits that choose to participate, BC Housing will terminate the current lease and transfer ownership of the public land to the non-profit society at a market value, as determined by a property appraisal. The non-profit society will pay for the land and obtain a mortgage from a private lender to cover the purchase costs, if necessary. BC Housing advises that, in most cases, these would be second, 35 year term, mortgages on the property, as most non-profits will already have an existing mortgage in place for buildings on the land. BC Housing will assist the non-profit with securing CMHC-insured mortgages against the land. The non-profit will be responsible for the mortgage payments, which would replace any current land lease payments the non-profit may be making to PRHC. BC Housing advises that it will subsidize the non-profit's mortgage payments to the extent where the new mortgage payments are roughly equal to the land lease payments made previously. BC Housing adds that financial circumstances will vary by non-profit organization and each land purchase, which will be accounted for through this subsidy approach.

BC Housing advises that its current operating agreements with participating non-profits will remain in place after the transfer of the property. Operating agreements outline the number of required affordable housing units and the level of subsidy for the units. Those operating agreements that expire prior to the amortization of the new mortgage resulting from the transfer will be replaced by a new agreement with BC Housing that will apply until the end of the mortgage term. BC Housing advises that they do not anticipate any impacts to tenants or changes to the number of subsidized units as a result of the transfer of ownership under these new agreements.

At the time property is transferred to a non-profit society, a Section 219 covenant will be registered against the land to ensure the land remains available for affordable housing, only for the length of the operating agreement and/or mortgage. BC Housing states that prior to approving a property for transfer, it will ensure the non-profit society is in good standing under the *Society Act* and has a stated purpose to provide affordable housing. The non-profit society would be able to distribute assets upon dissolution or wind-up to another organization with a charitable purpose. BC Housing advises that once an operating agreement, covenant and mortgage expire, the non-profit society's constitution and bylaws will provide the only assurance that the property continues to provide for affordable housing.

Summary Staff Comment: Once a non-profit society's mortgage is paid off and its operating agreement expires, it appears that mechanisms are not being put into place to ensure the land remains available for non-market housing in perpetuity. A non-profit society could choose, or may be forced, to sell the property on the open market for economic or other reasons. Proceeds from the sale could be directed to other housing units/sites, or to an alternate charitable purpose in another community, resulting in a loss of non-market units in the host community, and/or the long term loss of the non-market housing site in perpetuity.

For the short term, the proposal's terms for the mortgage and housing agreements seem to maintain the provision of non-market housing by drawing on the revenue generated from the sale of the publicly owned land asset. Staff have sought clarification from BC Housing as to how the proceeds from land sales will be used, but have yet to receive a clear response. As such, staff

To: Planning and Development Committee
From: Director Planning and Building
Re: BC Housing's Non-Profit Asset Transfer Program
2015 April 16..... Page 4

expect that the proceeds may in part or whole, be being used to fund ongoing operating agreements, and/or potential future allocations to housing programs. At this stage, however, accountability for the distribution of land sales revenues has not been provided by the Provincial government.

In the long term, the program would seem to transfer social housing responsibility to the charitable sector, with no assurances of continued public support in terms of social housing sites and/or operating support, and would result in the incremental loss of publicly owned lands for non-market housing over the longer term.

2.2 BC Non-Profit Housing Association response

The BC Non-Profit Housing Association (BCNPHA) represents most non-profit housing providers in BC. It has advocated for the transfer of Provincially-owned land to non-profit housing providers. It has indicated that land ownership would create more opportunities for housing providers to borrow money against their properties to fund capital upgrades or to expand the number of subsidized units.

From BCNPHA's perspective, the Non-Profit Asset Transfer Program is beneficial to the non-profit housing sector for several reasons:

- a) Land ownership would provide potential access to equity for investment in capital upgrades, redevelopment opportunities, and development of new stock in other locations, that otherwise should come from a Provincial housing program.
- b) Non-profits would potentially be able to leverage the ownership of assets into investments in affordable housing in an environment of expiring operating agreements¹ and a lack of new housing programs from senior levels of government.
- c) Land ownership would potentially support reinvestment in buildings because it would reduce the uncertainty associated with long-term leases that are approaching expiration.
- d) The Province's stated proposal to reinvest the proceeds of the transfers back into affordable housing is welcome in the short term, given the absence of any new Provincial funds for housing programs.
- e) Tenants would potentially benefit from the re-investment in improved general maintenance of the buildings, as supported by the conversion of the capital land asset into operating support.

¹ In B.C., approximately 30,000 units of social housing are managed under operating agreements with the Provincial and Federal governments. The operating agreements outline the subsidies that will be provided by both senior levels of government, and the obligations of the housing provider for obtaining the subsidy. The subsidies support housing providers to offer units on a rent geared to income basis. The majority of these long-term operating agreements are now beginning to reach their date of expiry and will continue to do so over the next ten to twenty years. At the time when the social housing developments were first built, it was viewed that once the original mortgage was paid off, there would be no ongoing need for continued government support. However, research by the Canadian Housing and Renewal Association indicates that many housing providers house tenants with very low incomes and do not generate sufficient income to pay for these ongoing expenses.

To: Planning and Development Committee
 From: Director Planning and Building
 Re: BC Housing's Non-Profit Asset Transfer Program
 2015 April 16..... Page 5

Summary Staff Comment: *The BCNPHA has advocated for the transfer of publicly-owned lands to its sector, largely as a response to decades of decreased funding commitments from senior governments. The sale of public assets would likely not be required if senior governments maintained funding for social housing at levels that would address public need, and building repair, maintenance and replacement requirements. The non-profit sector appears willing to accept the Province's responsibility for providing non-market housing, in an effort to assist those who cannot find appropriate housing within the private housing market. Again, from a long term perspective, the program would set a public policy direction for social housing to be the responsibility of the charitable sector, with specific levels of subsidy support regulated and/or restricted based on Provincial funding limits. Over the term of its implementation, the currently owned public land would be transferred to the charitable sector, representing a further divestment of publicly owned land assets that could otherwise provide for non-market housing in perpetuity.*

3.0 BURNABY CONTEXT

Burnaby has over 5,500 non-market units located in 116 developments across the city that provide affordable housing for families, seniors, singles, and persons with disabilities and mental health challenges. These units are situated in non-profit, group home, co-operative, and public housing (directly managed by BC Housing) developments. In Burnaby, these developments are located on lands owned by the non-profit societies, co-operatives or PRHC. Of the properties located on land owned by PRHC, 25 properties are operated by non-profit societies and co-ops and the remaining seven properties are directly managed by BC Housing. In instances where the land is leased, the operator owns the improvements on the land (the buildings) and PRHC retains fee simple ownership of the land.

3.1 Eligible Burnaby Properties

BC Housing advises that of the 32 PRHC-owned properties in Burnaby, 15 that are leased to non-profit societies are eligible for the Non-Profit Asset Transfer Program. Of these 15 properties, six are already under contract to purchase that will take place early in the 2015/16 fiscal year. The remaining nine properties will be transferred over the next three years, should the affected non-profits choose to take part in the program. BC Housing states that the properties identified for the Non-Profit Asset Transfer Program were selected on a number of criteria including the good standing of the society, the condition and capital needs of the site, and the needs of the resident population. B.C. Housing did not provide the measures it used to evaluate these criteria to select the sites. A map of the 15 Burnaby properties is attached as *Appendix A*.

The six properties that are currently under contract to purchase are:

	Development Name	Burnaby Address	No. of Units	Operator	City party to Sec. 219 covenant?
1.	Catherine Anne Court	7273 17 th Ave.	45	Red Door Housing Society	Yes

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 From: Director Planning and Building
 Re: BC Housing's Non-Profit Asset Transfer Program
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	Development Name	Burnaby Address	No. of Units	Operator	City party to Sec. 219 covenant?
2.	Chaffey Lane	4389 Grange St.	37	Affordable Housing Societies	No
3.	Chelsea Terrace	5895 Kincaid St.	209	New Chelsea Society	No
4.	Chelsea View	5291 Oakmount Cres.	20	New Chelsea Society	Yes
5.	Heritage Heights	3765 Albert St.	21	Affordable Housing Societies	Yes
6.	Sunset Court	5850 Sunset St.	48	Affordable Housing Societies	Yes
TOTAL			380		

The remaining nine properties have been notified that they are eligible for transfer of ownership over the next few years are:

	Development Name	Burnaby Address	No. of Units	Operator	City Party to Sec. 219 Covenant?
1.	Altesse House/Lions Thurston Place	3762 Thurston St.	43	Burnaby Lougheed Lions Housing Society	No
2.	Britton House	7478 Britton St.	4	PosAbilities	No
3.	Concordia Court	7155 MacPherson Ave.	100	Affordable Housing Societies	No
4.	George Derby Centre	7550 Cumberland St.	300 beds	George Derby Care Society	No
5.	Lake Park Village	8580 Cumberland Pl.	43	More Than a Roof Mennonite Housing Society	Yes
6.	Liberty Place	7899 17 th Ave.	20	Strive Living Society	Yes
7.	Lions Kingsway Terrace	7393 16 th Ave.	32	Burnaby Lougheed Lions Housing Society	Yes
8.	Ridgeview Heights	450 Clare Ave.	40	PosAbilities	No
9.	Stride Place	7575 Kingsway	45	Burnaby Association for Community Inclusion	No
TOTAL			327		

To: Planning and Development Committee
From: Director Planning and Building
Re: BC Housing's Non-Profit Asset Transfer Program
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Summary Staff Comment: *There are 15 out of 25 properties in Burnaby considered to be eligible for the program, leaving 10 properties to pursue renewal of their lease agreements and operating agreements nearing expiration. The short term future of properties ineligible for the program remains in question due to a lack of clarity by government as to future programs to support their continued provision of non-market housing. A clear commitment from the Province regarding how it will continue to support these operators is needed in the context of their expiring operating agreements.*

In terms of the City's efforts to commit these lands to public/non-profit housing, seven properties have City Section 219 covenants in place that maintain the housing use in perpetuity, as shown in the Table above. The covenants were established by the City at the time of commitment of the properties to non-market housing under rezoning. This same level of commitment could be put in place by the Provincial government on the titles of the eight remaining properties to maintain these public land assets, as well as for PRHC sites across the province. This would ensure the future use for these sites for non-market housing in perpetuity; however, currently this is not part of the Provincial program.

3.2 Public Housing Sites

BC Housing advises that there are currently no plans to transfer properties in Burnaby that it manages directly. However, it noted that two such properties in Vancouver, Stamps Place and Nicholson Tower, are currently being assessed for transfer. It is possible that other directly-managed sites in the Lower Mainland and elsewhere in B.C. may be transferred to the non-profit sector over the next several years.

Comment: BC Housing's directly managed sites in Burnaby are not currently being considered for transfer. It remains, however, a concern and a possibility that they could be considered in the future. Residents of Stamps Place and Nicholson Tower in Vancouver have voiced significant concerns about the sale of these properties to a potential non-profit operator, the mandate of which may be unknown to existing tenants, due in part to a lack of consultation with residents. There is concern that the same lack of consultation and transparency would be applied to the sale of public housing sites in Burnaby and elsewhere in the Province should they come up for sale.

3.3 204 Alpha Avenue and 205 Beta Avenue Properties

The properties at 204 Alpha Avenue and 205 Beta Avenue were purchased by BC Housing in 2007. These properties are comprised of two townhouse buildings constructed in 1959 with a total of 38 two-bedroom units. The properties are located on the southern border of Confederation Park.

BC Housing, through the PRHC, purchased the properties under the Provincial Homelessness Initiative. In 2008, the New Chelsea Society was selected to operate the housing, though PRHC retains ownership of both the land and buildings. Some of the units are provided to tenants on a rent geared to income basis while the remainder are provided at the low end of market rates.

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Re: *BC Housing's Non-Profit Asset Transfer Program*
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Currently, section 219 covenants are not registered on the titles of these properties to secure them for non-market housing into the future. BC Housing advises that these properties are not being considered for the Non-Profit Asset Transfer Program.

Comment: In a letter dated 2007 October 10, Council requested BC Housing to provide written confirmation that the above properties will continue to be maintained as housing for low income families in perpetuity, however a response was not received.

4.0 POTENTIAL LONG TERM IMPACTS

BC Housing states that the Non-Profit Asset Transfer Program provides a positive response to a long-standing request from non-profit housing operators to own the land on which their buildings are located. While the benefits of the program to non-profit societies have been publicized, there has been little discussion about how the divestment of public land assets is advantageous to the public and the security of public non-market housing into the future. Members of the Provincial Opposition and the media have suggested that the program is an effort by the Provincial government to balance its budget by eliminating property maintenance costs and collecting land sales revenue. Yet, the Province has remained largely silent regarding the questions and concerns raised about the program and the protection of public assets in the long term, and/or the accounting for sale revenue within the Provincial budgeting process.

The following further articulates concerns with the program.

4.1 Proceeds from Land Sales and Protection of Public Assets

Issue: The sale of publicly-owned lands currently dedicated for affordable housing could result in the loss of lands for non-market housing in the future.

BC Housing has advised that the proceeds from the land sales will be reinvested into the creation of new social housing units, the renovations of existing older social housing properties and other initiatives and partnerships that expand affordable housing options. However, they have not explicitly outlined how proceeds from the sale of publicly-owned assets will be utilized, and have not addressed the concern that in the longer term will there be a loss of public assets or sites remaining for non-market housing.

If the proceeds from the land sales are used to subsidize the principal and interest payments for the non-profits' mortgages, and to provide operating subsidies for the shorter term of the new operating agreements that will be put in place, it appears that this will consume the funds obtained from the sale of a capital asset for operating and shorter term funding of housing. Provincial Opposition members have asked for clarity about the Non-Profit Asset Transfer Program, assurances that the existing number and level of subsidies will remain in the future, and details of how the proceeds from the sale of publicly-owned property will be reinvested in affordable housing for the long term benefit of the Province. To date, these questions have remained unanswered.

To: *Planning and Development Committee*
From: *Director Planning and Building*
Re: *BC Housing's Non-Profit Asset Transfer Program*
2015 April 16..... Page 9

In summary, once these lands are privately owned by non-profit societies, there is concern that the lands will no longer be secured for affordable housing in perpetuity. BC Housing advises that its operating agreements with participating non-profits will remain in place after the transfer of the property, and as part of these agreements, Section 219 covenants will be registered on the titles of the properties, only for the term of the operating agreements, restricting the use of the lands to non-market housing. However, the covenants are to be released at the expiration of the operating agreements, which could result in the lands being used for other charitable, non-housing purposes, or the housing site sold, with a direct impact in the number and security of social housing units in the Province. In the long term, the rising costs of land will make re-purchase of these currently held public lands less feasible for future generations.

BC Housing further advises that the societies' stated purposes under their constitutions will provide the only assurance that projects will continue to meet affordable housing needs into the future. These provisions require distribution of assets to other charitable entities upon dissolution or wind-up of a society. As noted, however, such provisions do not prevent a society from selling a property to a charitable entity outside the housing sector. Nor does it prevent the land from being sold and the proceeds from that sale being put towards a society's other housing operations or used to purchase land in other communities. In all cases, dedicated public lands for non-market housing in Burnaby and other BC municipalities could be permanently lost through this program.

4.2 Long-term Viability of Subsidized Units

Issue: With the Non-Profit Asset Transfer Program concerns about the long-term viability of subsidized units remain.

As mentioned above, BC Housing advises that current levels and the number of subsidies on transferred properties will be maintained through the establishment of new operating agreements; however, it is unclear what will happen once those agreements expire. Without continued operational funding from the Province, operators may be forced to find a balance between rental income and operational costs. In the longer term, with the removal of any requirements related to the number and level of rental subsidies in a development, a non-profit society would need to consider raising rents to levels above the affordability level of clients to maintain financial balance once the agreement expires, as funding levels are lower, or costs increase.

Concerns have also been expressed regarding the capacity of some non-profits to leverage newly gained land ownership to finance renovations or redevelopment. Depending on their financial expertise, some non-profits could encounter financial difficulties, which could result in fewer or reduced levels of subsidies for units. Given that the demand for affordable housing remains high and the region's population is growing, the Province needs to responsibly protect existing subsidized units and commit to providing more units and sites to meet growing demand with funding programs that meet social housing needs in BC.

To: Planning and Development Committee
From: Director Planning and Building
Re: BC Housing's Non-Profit Asset Transfer Program
2015 April 16.....Page 10

4.3 Expiring Operating Agreements

Issue: For non-profit societies that are not eligible for the Non-Profit Asset Transfer Program, expiring operating agreements remain a concern.

The expiry of existing operating agreements between non-profit housing providers and the Federal and Provincial governments has raised concerns over the last few years about the security of subsidies for low income tenants. At the time when many of BC's social housing developments were first built, it was viewed that once the original mortgage was paid off, there would be no ongoing need for continued government support. However, research by the Canadian Housing and Renewal Association indicates that many housing providers house tenants with very low incomes and do not generate sufficient income to pay for these ongoing expenses, such as maintenance costs and rent subsidies, without continued funding from senior government. Potential impacts could include higher average rents, a reduced number of deeply subsidized units, and/or a net loss of more affordable units (i.e. the transfer of units to market rents). As such, the expiration of operating agreements will have significant impacts on many housing providers and tenants in developments that are deemed not eligible for new funding.

4.4 Loss of Public Accountability

Issue: The transfer of publicly-owned assets to non-profit societies weakens public accountability for the operation and maintenance of social housing.

With the transfer of public assets to non-profit societies, concerns have been expressed over the loss of public accountability for the operation and maintenance of social housing developments. Currently, the public can appeal to BC Housing and elected officials when concerns arise regarding the condition, maintenance and operation of social housing properties tied to BC Housing through its operating agreements and land leases. With the transfer of land ownership to non-profit societies, this direct level of accountability will be reduced.

4.5 Loss of Government commitment

Issue: With the Non-Profit Asset Transfer Program, the Province appears to be further divesting itself from its responsibility to provide housing for low income households and other vulnerable populations.

The BCNPHA advises that it has advocated for the transfer of publicly held lands to non-profit societies in response to the absence of any new senior government funding for social housing. This is a situational response to senior governments' diminishing commitment to the provision of non-market housing. The City is concerned that the Province is continuing this trend by selling publicly-owned housing assets and further removing itself from its responsibilities for the provision of non-market housing. As the City has long advocated, senior levels of government have the constitutional responsibility and are the only agencies with the fiscal capability to ensure an adequate and secure supply of non-market housing.

To: *Planning and Development Committee*
From: *Director Planning and Building*
Re: *BC Housing's Non-Profit Asset Transfer Program*
2015 April 16.....Page 11

5.0 CONCLUSION AND RECOMMENDATIONS

BC Housing's Non-Profit Asset Transfer Program has serious implications for the future of public land assets in Burnaby and province-wide. As with any public asset, the intent is that they provide long term benefits for the Province and its citizens. Due to the potential long-term implications of the program, numerous concerns have been raised, as outlined in this report. To ensure publicly owned land assets are protected now and in the future, it is critical that the Provincial government recommit to its responsibility as a direct provider of non-market housing.

It is therefore recommended that Council write to the Premier and the Deputy Premier and Minister Responsible for Housing, the Honourable Rich Coleman to express concern with the disposal of public land and building assets under the Non-Profit Asset Transfer Program, and request the Minister to provide for a long term plan to maintain public ownership of lands for non-market housing purposes to meet current and future community needs in the Province.

It is further recommended that a copy of this report be sent to Burnaby's MLAs, UBCM member municipalities, the Metro Vancouver Board and the City's Social Planning Committee.

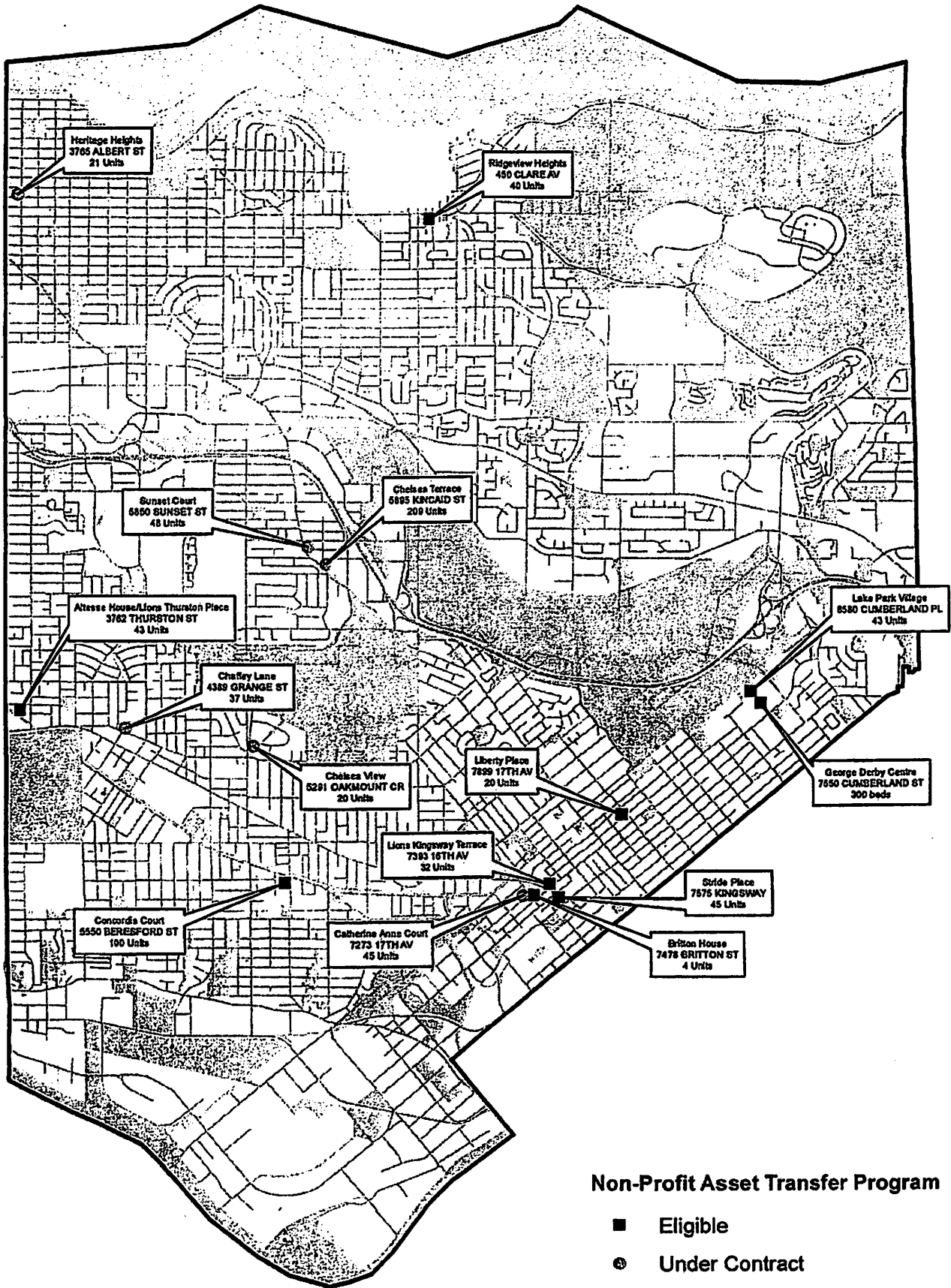

Lou Pelletier, Director
PLANNING AND BUILDING

CS/MM/sa

Attachment

cc: City Manager
Deputy City Managers
Director Finance
City Clerk

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Non-Profit Asset Transfer Program

- Eligible
- Under Contract



Ref: 158202

His Worship Mayor Colin Haime
and Members of Council
District of Lantzville
7192 Lantzville Road
Lantzville, BC V0R 2H0

- Council
 - Mayor
 - C.A.O.
 - Director of Finance
 - Corp. Admin.
 - Agenda
 - Circ. To Staff
 - Public Works
 - Planning
 - Fire Dept.
 - Other _____
- Regular Council Agenda
May 25, 2015
0530.20

Dear Mayor Haime and Councillors:

I am writing to you further to Mayor Haime's contact with Ministry of Community, Sport and Cultural Development staff respecting the recent resignations of senior staff and two members of council.

As Ministry staff mentioned to Mayor Haime, it is unfortunate that the environment in the District of Lantzville continues to be untenable for both members of council and staff, as four recent resignations would demonstrate. Citizens and the Ministry expect councils to establish procedures and policies to ensure positive council/staff relations, ensure that those policies are followed by each member of council, and have mechanisms in place to deal with issues or disputes as they arise.

In those discussions, Ministry staff made it clear that the Ministry expects council to obtain independent, professional assistance to fully understand the issues that are causing the problems and find mutually acceptable ways to resolve those problems. Ministry staff made suggestions to Mayor Haime regarding potential individuals who would be skilled in detecting, diagnosing and articulating issues that result in conflictual relationships between staff/council and among council members. Who council might ultimately choose to approach and select would be council's choice, depending on council's assessment of the issues at hand and what type of skills would best "fit" with those issues.

Ministry staff also indicated that an independent individual appointed to report to council on the ongoing issues would need to focus on staff/council relations and relations among council members; any issues respecting labour/management relations should not be included as that is a specialized field that would require a different skill set than what is needed to address issues between staff/council or among council members.

With respect to the vacant statutory positions, Ministry staff understands that Council is in the process of holding competitions to fill those positions (namely the Chief Administrative Officer and Financial Officer). Given the current environment within the District, it is important that council clearly identify capable individuals to act in these positions until the positions are filled permanently.

.../2

His Worship Mayor Colin Haime
and Members of Council
Page 2

I understand that Ministry staff also provided information to Mayor Haime on council size. Under section 118 5 (b) of the *Community Charter*, a bylaw that reduces the size of council must have the assent of electors and does not become effective until the next general election. As such, I would expect that a by-election for the two councillor positions will be held in accordance with *Local Government Act* section 37 (4) which requires that a by-election occur as soon as practicable after the vacancy.

The Ministry trusts that Council will take action to fulfill the public commitment made to identify and understand the causes of the issues expressed by former council members and staff, and strive to find mutually acceptable solutions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jay Schlosar', with a long horizontal flourish extending to the right.

Jay Schlosar
Inspector of Municipalities



David Scott
6898 Harwood Drive
Lantzville, B.C.
V0R 2H0

*Delivered to Corporate Officer
T. Coates, Director of Corporate
Administration
by hand by D. Scott.*

District of Lantzville
7192 Lantzville Road
Lantzville B.C.
V0R 2H0

- Council
- Mayor
- C.A.O.
- Director of Finance
- Corp. Admin.
- Agenda
- Circ. To Staff
- Public Works
- Planning
- Fire Dept.
- Other _____

*Regular Council Agenda
May 25, 2015*

0530.01

May 19, 2015

Dear Mayor and Council,

The following is my letter of resignation from the District of Lantzville Council. My resignation is effective immediately.

This is a very sad day for me and a very difficult decision, which I didn't make lightly. After much thought I have come to the conclusion that I can no longer be associated with the District of Lantzville Council. There are many issues that shaped my decision and my concerns still continue to mount.

Council's role is to provide governance, more specifically, Council is to provide strategic direction, set policy, approve bylaws and approve budgets. Our role is an executive one with our professional staff tasked with implementing Council's direction. Council however, seems to continually be dealing with detail and minutiae that are management issues which should be dealt with by our professional staff.

Our current Council is like a rudderless ship. I certainly haven't been able to determine the direction we are heading during my time on Council. I am a strong believer in the democratic process, however, I believe that there are significant issues around democracy in our community that I can no longer tolerate. The situation does not appear to be improving and in some ways, I believe that it continues to deteriorate. Council does not seem capable of dealing with the issues of the community. In my opinion, we have spent an inordinate amount of valuable staff and Council time in endless Council meetings with very little to show for it.

I have tried working with Council to move forward on the issues of the Community and to find common ground. I have sought guidance and advice from many individuals within the local government world to help resolve Council's issues. Through many meetings and phone calls with different members of Council, I have tried to help Council move forward, but unfortunately I have been unsuccessful. Through my previous experience of 8 years as a Lantzville Improvement District Trustee and my term as a District of Lantzville Councillor, I have never experienced such dysfunction. Despite the challenges, I wanted to ensure the District's statutory

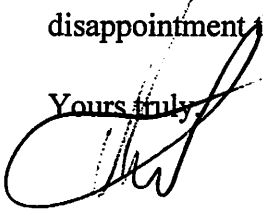
requirements of approving the budget, setting tax rates and approving the 2014 Financial Statements were completed. Our community should be celebrating, with a 2014 budget surplus, \$4 million in reserves and no debt – the envy of many communities, instead we are in disarray.

I would like to thank our staff for the incredible work that they do for our community. You are the ones who truly make the District function for our residents. Your professionalism, expertise and patience in dealing with Council is admirable. I don't believe many people in the community fully appreciate all that you do for them.

My involvement with volunteering in Lantzville and the broader community will continue through organizations and projects that can use my skills and expertise.

I feel I can no longer be a part of the District of Lantzville Council as too many boundaries have been crossed that I do not want to be associated with. It is with much sadness and disappointment that I submit my resignation.

Yours truly,

A handwritten signature in black ink, appearing to read 'David Scott', written over the typed name below.

David Scott

District of Lantzville

REPORT TO CAO

Regular Council Agenda Item
May 25, 2015

File: 4200.20 2015 ByElec

Q: Reports/15/2015 By-election Chief Election Officer Appointment

AUTHOR: Trudy Coates, Director of Corporate Administration

SUBJECT: 2015 By-election – Chief Election Officer Appointment

Recommendations

1. **THAT** pursuant to the *Local Government Act*, Council appoints Trudy Coates as Chief Election Officer for conducting the 2015 By-election; AND FURTHER THAT Council appoints Jimmy Foulds as Deputy Chief Election Officer for the 2015 By-election.
2. **THAT** Council authorizes the Chief Election Officer to expend up to \$20,000 to deliver the 2015 By-election and instructs staff to bring forward a financial plan bylaw amendment for consideration in the Fall, if required.

Alternatives

There is no alternative to holding a by-election. The *Act* provides alternatives if the vacancy is in the year of a General Local Election; however, this is not applicable in this case as the next General Local Election is in 2018. Staffing alternatives include:

1. Council appoints alternate individuals to the two election officer positions; or
2. Council seeks the services of an external consultant to perform the functions of the CEO/DCEO. Contract services for CEO/DCEO range from \$5,500 - \$10,000, excluding expenses and supplies.

Purpose

To appoint individuals responsible for conducting the 2015 By-election and authorize funding.

Background

Three offices of Councillor on the District of Lantzville 2014-2018 7-member Council became vacant with the resignations of: Councillors Jennifer Millbank and Rod Negrave on April 27, 2015 and Councillor David Scott on May 19, 2015.

The *Community Charter* and the *Local Government Act (LGA)* require that a by-election for a vacant office on municipal council must [unless it is in the year of a general local election] be held in accordance with *Part 3 [Electors and Elections]* of the *LGA* including:

- As soon as practicable after a vacancy occurs, the local government (Council) must appoint a chief election officer (CEO) to conduct the by-election
- The CEO must set a general voting day which must be on a Saturday no later than 80 days after the appointment date
- The CEO is authorized to appoint election officials required for the administration and conduct of the election
- A person elected in a by-election holds office until the end of the term of the office in respect of which the election was held.

The *LGA (s.41)* requires Council to appoint a chief election officer (CEO) and a deputy chief election officer for general local elections. The *LGA* permits Council to determine some local election procedures by bylaw but such bylaws cannot vary key elements of the electoral system regulated by the Province through the *LGA*, such as voter eligibility, voting requirements, election offences, etc. In June 2011 Council adopted District of Lantzville Elections and Other Voting Opportunities Bylaw No.

90, 2011 for conducting local government elections in the District of Lantzville, including the use of voting machines, Provincial voters list, two advance voting opportunities, and voting by mail ballot. The CEO is responsible for setting the date of the by-election, the appointment of other election personnel, designating voting places, and ensuring that the conduct of the election complies with the requirements of the *LGA* and Bylaw No. 90.

Discussion

The vacant Councillor offices must be filled through a by-election that must be delivered within 80 days, e.g. by August 13th if the CEO is appointed May 25, 2015. The *Act* requires Council to appoint a CEO to conduct a by-election; however, given the number of offices being filled and the benefit of having assistance and back-up coverage for the CEO, staff recommend that Council follow the more common local government practice and appoint a CEO and a Deputy CEO for the 2015 by-election.

The role of CEO and Deputy CEO has traditionally been fulfilled by the Corporate Officer/ Deputy in municipalities and staff recommend continuing with this practice in Lantzville, although some local governments utilize an external contractor. For the last election, the CAO served as the Deputy CEO; however, given the anticipated transition of CAOs during the timing of by-election preparation, staff recommend appointing an external candidate as the Deputy CEO for this by-election. The CAO may still be available to serve in an election official role on voting days. The recommended Deputy CEO (J. Foulds) works at the Town of Qualicum Beach, served as their Deputy CEO for the last election, and would provide assistance outside of regular office hours and during advance and general voting days. Both appointees recommended have prior experience in conducting elections and the roles of CEO and Deputy CEO. Preparation required for a by-election is as extensive as for a General Local Election; however, it is required within a shorter timeframe, i.e. 80 days. Statutory requirements for by-elections and general local elections are the same; therefore, expenses like ballots, advertising/ notices, and ballot layout/voting machine programming, will be similar. Some smaller items expensed in 2014 will not be required again (e.g. election manual, training, some supplies); however, additional election preparation assistance may be required due to current staffing levels.

If appointed as CEO, the CEO plans to establish Saturday, August 8, 2015 as general voting day which is within the required 80 days after appointment. Staff are preparing a draft election calendar and important dates (eg. Nomination period June 23 – July 3, advance voting days July 29 and August 5) will be communicated through advertising, notices, newsletters and the District website. The LGMA Election Manual notes a strategy to determine the most suitable date for a by-election first and work back to the date of appointment, and that “most councils/boards would try to avoid an election during the summer months if at all possible since a large number of electors are on vacation. However, this strategy should only be used within reason and for relatively minor adjustments to the date of the by-election.” The Province expects the District to proceed promptly with the by-election.

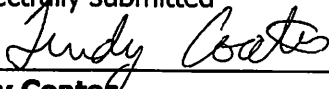
Financial Implications

The 2015 Financial Plan did not include funds for conducting an election; however, funds are available through transfers. Staff recommend authorizing the expenditure of up to \$20,000, an estimate based on prior election expenses. Election staff remuneration is included within the \$20,000 election budget.

SUMMARY

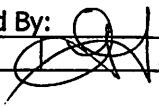
Staff recommend appointing Trudy Coates as the Chief Election Officer and Jimmy Foulds as the Deputy Chief Election Officer, and authorizing the expenditure of up to \$20,000 for the by-election.

Respectfully submitted



Trudy Coates
Director of Corporate Administration

Reviewed By:

CAO		Dir. FS		Dir. of PW	
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District of Lantzville

REPORT TO CAO

Regular Council Agenda Item

May 25, 2015

File: 3090-20-15-03

G:/reports/15/DVP 7040 Dickinson.doc

AUTHOR: Lisa Bhopalsingh, Community Planner

SUBJECT: Development Variance Permit
7040 Dickinson Road (Froats)
Lot 1, District Lot 37, Wellington District, Plan 32411

Recommendation *(subject to comments received as a result of notification pursuant to the Local Government Act)*

THAT Council approve Development Variance Permit Application No. 3090-20-15-03 to allow the construction of a new dwelling unit with an attached garage within a defined floodplain and a new accessory building at 7040 Dickinson Road by varying the maximum permitted dwelling unit height within the Residential 1 (RS1) zone from 8.0 metres to 9.0 metres and accessory building height from 6.0 metres to 7.4 metres subject to the conditions outlined in Schedules Nos. 1, 2, 3 and 4.

Alternatives

1. **THAT** Council approve the height variance to permit construction of a new dwelling unit with an attached garage within a defined floodplain as requested in Development Variance Permit Application No. 3090-20-15-03 and deny the height variance to permit the construction of a new accessory building.
2. **THAT** Council not approve Development Variance Permit Application No. 3090-20-15-03 at this time.

Purpose

To consider an application for a Development Variance Permit proposing to vary "District of Lantzville Zoning Bylaw No. 60, 2005", Section 3.4.61, Residential 1 as follows:

- Maximum dwelling unit height from 8.0 metres to 9.0 to allow the construction of a new two storey dwelling unit with an attached garage within a defined floodplain; and
- Maximum accessory building height from 6.0 metres to 7.4 metres to allow a new two storey accessory building (a garage with loft space above).

Background

The subject property is a low bank waterfront parcel located at 7040 Dickinson Road and legally described as Lot 1, District Lot 37, Wellington District, Plan 32411 (*see Attachment No. 1*). The property is approximately 2,399.4 m² (25,826.7 square feet/ 0.59 acres) in area and currently contains a one storey, single family dwelling unit with an attached carport and separate detached garage.

The applicant has submitted a report confirming that there are no known archeological sites on the subject property. The applicant has also provided a geotechnical report confirming that the subject property is not influenced by surrounding underground coal mine workings.

Pursuant to Lantzville's "Official Community Plan, Bylaw No. 50, 2005", a Coastal Protection Development Permit Area (DPA IV) to maintain the integrity of the shoreline applies to a 15 metre portion of this property extending from the property boundary or natural boundary of the Georgia Strait. As both the existing and the proposed new dwelling unit and accessory building works are outside of this 15 metre development permit area, no development permit application is required.

The subject property (and surrounding properties) is zoned Residential 1, Subdivision District 'L' (RS1L) pursuant to "District of Lantzville Zoning Bylaw No. 60, 2005". The minimum setback requirements for buildings and structures within Section 3.4.6.1, the Residential 1 (RS1) zone are 8.0 metres from the front lot line, 2.0 metres from the interior and rear lot lines, and 5.0 metres from all other lot lines. This waterfront property is also affected by Section 3.3.9 – Setbacks to the Sea of the Zoning Bylaw, which requires a setback of 8.0 metres from the natural boundary of the ocean for any buildings or structures. The maximum permitted heights for buildings in this zone are 8.0 metres for a dwelling unit and 6.0 metres for accessory buildings as measured from the natural grade. With the exception of the height variances, no other variances to the Zoning Bylaw are requested as part of this application.

As an oceanfront property within a recognized floodplain, the subject property is subject to the Regional District of Nanaimo's Floodplain Bylaw No. 843, 1991; this Bylaw requires that habitable buildings in defined floodplain areas be elevated by 1.5 metres above the ground level of the natural boundary to the underside of the floor joist to protect life and property. In addition to this, the property has a restrictive covenant registered on title that restricts the use of a building for living space, business or storage of goods damageable by floodwaters within a 3.96 m (13 foot) geodetic elevation to the underside of any building.

Given that there is no up to date floodplain mapping for the District of Lantzville that accounts for sea level rise and the impacts of climate change, the District of Lantzville consistent with Section 56 (2) of the *Community Charter* requested a report from a Qualified Professional to establish that land that may be subject to flood hazards is safe for the intended use. This included determining a site specific Flood Construction Level (FCLs) for habitable buildings.

A Geotechnical Hazard Assessment, submitted by the applicant (dated May 12, 2015 and prepared by Lewkowich Engineering and Associates Ltd) establishes a FCL of 1.9 metres above the present Natural Boundary of the Georgia Strait. The calculation of the FCL takes into consideration sea level rise and mitigating factors such as rising ground elevations.

FCLs as measured to the underside of floor systems, are used to protect living spaces and areas used for the storage of goods damageable by floodwaters. It should be noted that floodplain bylaws and established FCLs do not apply to buildings like garages or sheds that are not used for living space or storage of goods damageable by floodwaters.

Based on the FCL of 1.9 metres, the applicant is requesting two height variances to allow:

1. Construction of a new two storey dwelling unit with a maximum height of 9.0 metres (therefore 1.0 metres above the maximum allowable dwelling unit building height of 8.0 metres). Consistent with the application of the Flood Construction Level, the applicant is calculating the height of the proposed dwelling unit from the 1.9 metres FCL. If the house as proposed were to be built on a level lot (i.e. not requiring a FCL of 1.9 metres) then it would be 7.8 metres high and therefore within the allowed maximum height of 8.0 metres. In order to build the two storey house as proposed to meet the FCL of 1.9 metres, the applicant is requesting a 1.0 meter variance.
2. Construction of a new two storey accessory building (a detached garage with loft space above) with a maximum height of 7.4 metres (therefore 1.4 metres above the maximum allowable accessory building height of 6.0 metres). The applicant is calculating the height of the proposed accessory building from the 1.9 metre FCL, however as noted earlier the FCL does not apply to garage areas. If the accessory building as proposed were to be built on a level lot then it would be 6.7 m high and therefore exceed the allowed maximum height of 6.0 metres by 0.7 metres.

Development Implications

1. The applicant is proposing a two storey dwelling unit that would normally be within the 8.0 metres maximum height allowance on a lot unencumbered by a flood plain elevation requirement. However, the need to meet the FCL of 1.9 metres requires this application for variance of 1.0 metres above the 8.0 metres maximum allowable height.
2. The applicant is also proposing a two storey accessory building to be used as a garage on the ground floor with a 'loft' space above. The requested variance for this is 1.4 metres above the 6.0 metres maximum allowable height. This variance is not required for flood hazard protection as the FCL does not apply to garage areas. The proposed accessory building would be sited in front of the house and based on the grade may appear higher than the house as viewed from the front of the lot.
3. Options are available to develop this lot without variances. The applicant could construct a single storey housing unit or modify the roof pitch to decrease the overall height of the structure to below the maximum allowable height of 8.0 metres. However, current architectural preferences favour higher roof pitches and two storey forms of development, and the proposed dwelling unit is in keeping with the form and character of new housing being developed in this neighbourhood. The applicant could also construct a single storey garage without accounting for the FCL of 1.9 metres and modify the roof pitch to decrease the overall height of the structure below the maximum allowable height of 6.0 metres.
4. The proposed house and accessory building garage are at a lower grade, approximately 4-6 metres (based on existing contour mapping) below the siting of homes on the upper side of Dickinson Road to the South. Furthermore a geotechnical report indicates that the property slopes downhill approximately 3.5 metres from south to north. A stand of tall evergreen trees along the front lot line of the subject property, currently obscures views of the subject property and the Georgia Strait beyond it from the road and neighbouring properties across Dickinson Road to the south (see *Attachment No 2*). While these factors limit the impact of the requested additional height of both the

proposed dwelling and accessory building, there is the potential for the accessory building to impede existing view corridors of some upland properties should these trees be topped and/or removed.

Given that the requested height variance of the dwelling unit is required to mitigate flood hazards, the height variance for the dwelling unit can be supported from a technical planning perspective. However, there is less justification to support the variance requested for the accessory building given that the garage areas are exempt from the floodplain bylaw and it would be overheight without the application of the FCL. Nevertheless it is clear that based on topography and current tree coverage the impact of the new proposed garage on neighbouring views is likely to be limited.

It is noted that the applicant will be obligated to comply with all requirements of the RDN's Building Inspection Services Department and the floodplain bylaw as part of the building permit process.

Public Consultation Implications

Notification procedures pursuant to the "District of Lantzville Land Use and Development Procedures and Fee Bylaw No. 37, 2005" and the *Local Government Act* have been completed. All correspondence received will be provided to Council including any correspondence received on the day of this Regular Council Meeting.

Financial Implications

Costs to process this application are considered to be within the fees prescribed by the District's Land Use and Development Procedures and Fee Bylaw No. 37, 2005, Amendment Bylaw No. 37.1, 2006. It is not anticipated that additional costs will be incurred on this application.

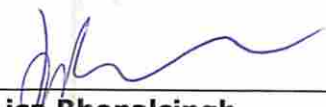
Summary

This Development Variance Permit application requests that Council consider variances to the height provisions of "District of Lantzville Bylaw No. 60, 2005", Section 3.4.61 varying heights within the Residential 1 (RS1) zone as follows:


- Maximum dwelling unit height from 8.0 metres to 9.0 to allow the construction of a new two storey dwelling unit with an attached garage within a defined floodplain; and
- Maximum accessory building height from 6.0 metres to 7.4 metres to allow a new two storey accessory building (a garage with loft space above).

Staff have prepared a recommendation for Council's consideration on page one of this report.

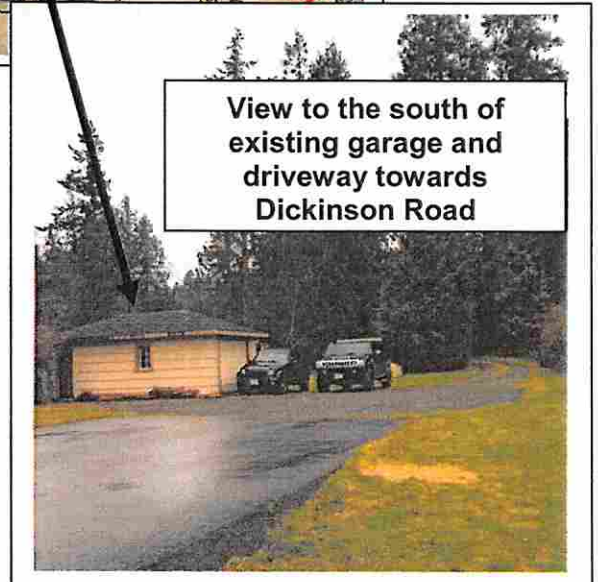
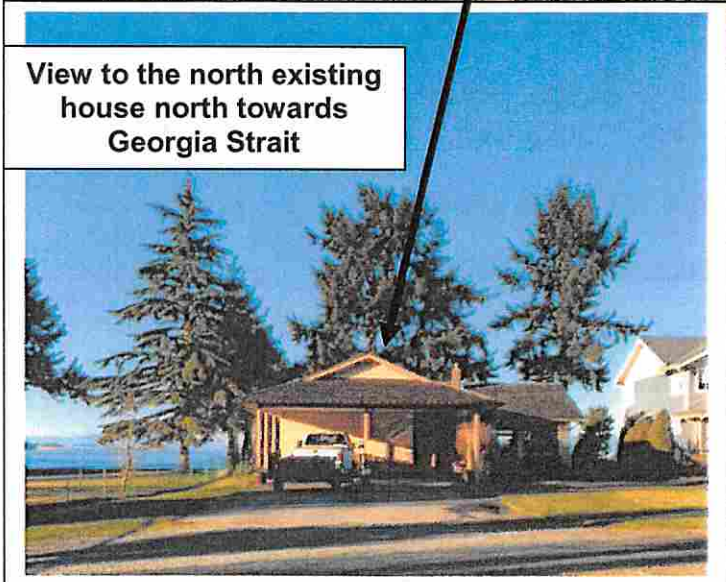
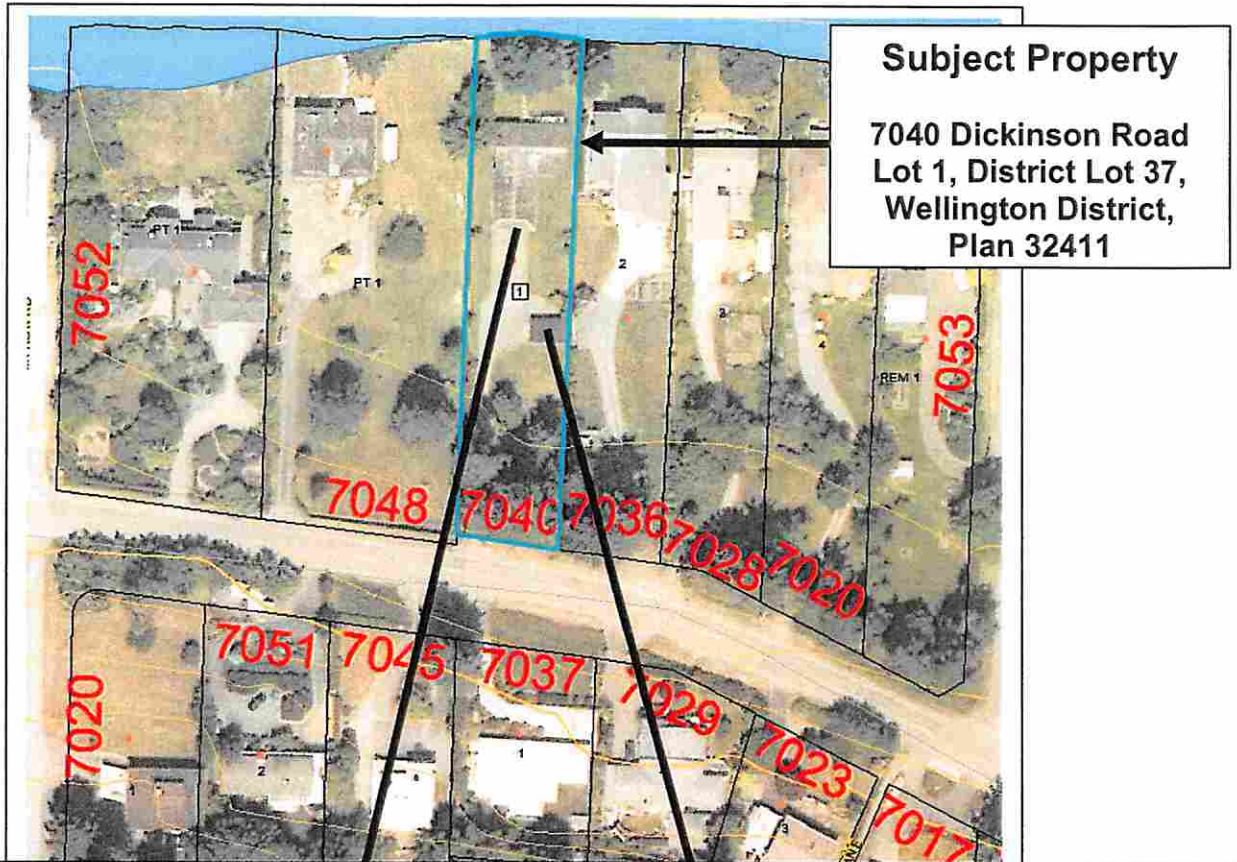
Respectfully submitted


Lisa Bhopalsingh
Community Planner
District of Lantzville

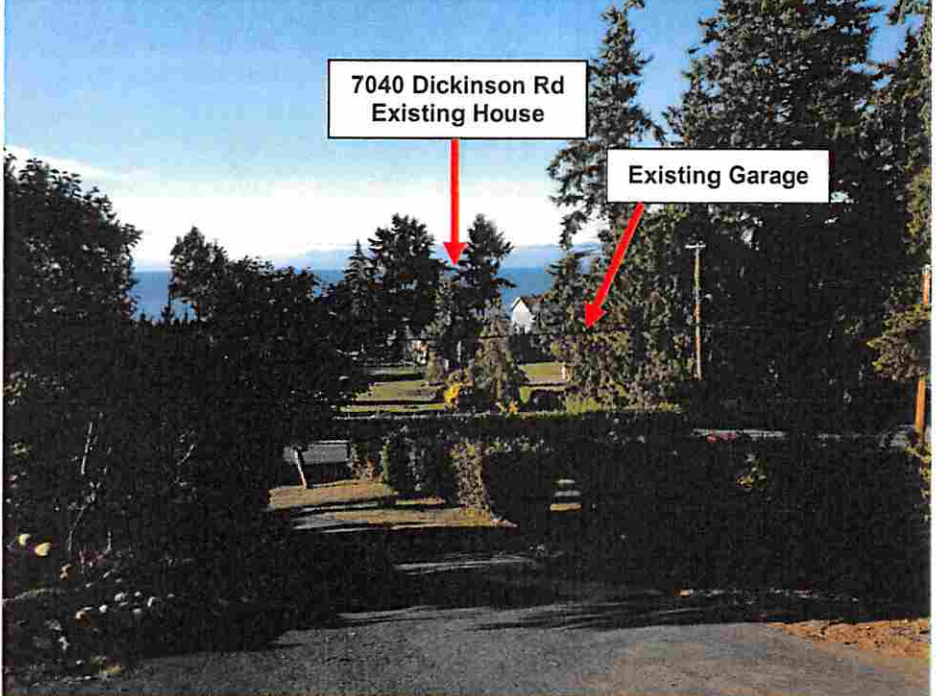

Reviewed By:


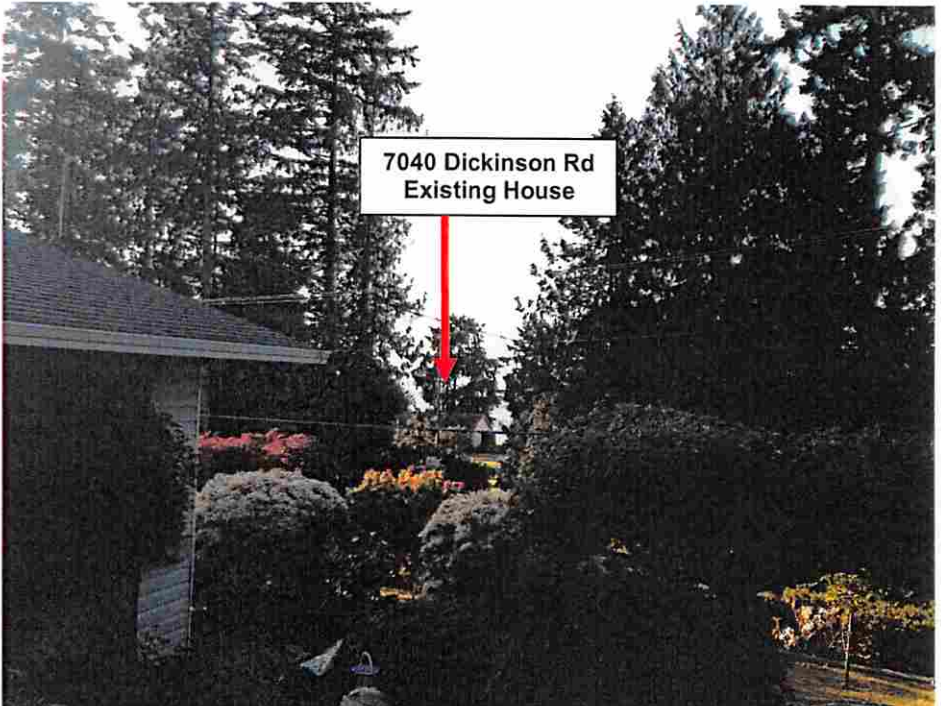
CAO		Dir. Of Finance		Dir. of Public Works.	
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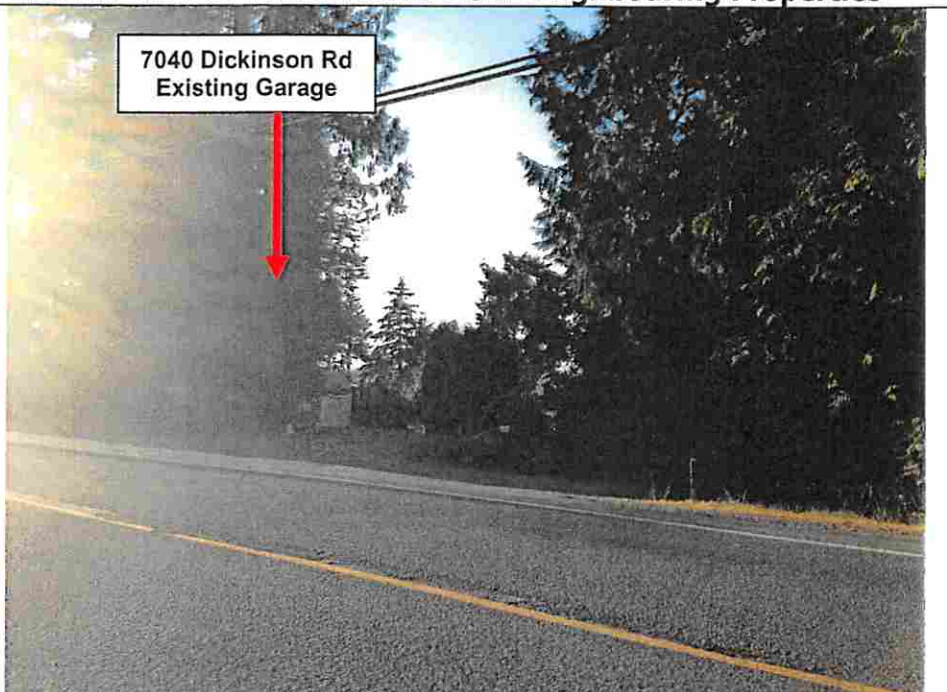
Attachment No. 1
Subject Property
Development Variance Permit No. 3090-20-15-03 (Froats)
7040 Dickinson Road - Lot 1, District Lot 37, Wellington District, Plan 32411



Attachment No. 2
View Implications
Development Variance Permit No. 3090-20-15-03 (Froats)
7040 Dickinson Road - Lot 1, District Lot 37, Wellington District, Plan 32411

Address	View of 7040 Dickinson Road from Neighbouring Properties
<p>7051 Dickinson Road</p> <p>View northwest towards subject property from porch of 7051 Dickinson Road</p>	 <p>This photograph shows a view northwest from the porch of 7051 Dickinson Road. In the distance, the existing house and garage at 7040 Dickinson Road are visible through a line of trees. Red arrows point from text boxes to the '7040 Dickinson Rd Existing House' and 'Existing Garage'.</p>
<p>7045 Dickinson Road</p> <p>View north towards and subject property from living room at 7045 Dickinson Road</p>	 <p>This photograph shows a view north from the living room at 7045 Dickinson Road. The subject property at 7040 Dickinson Road is visible in the distance, partially obscured by trees. A red arrow points from a text box to the '7040 Dickinson Rd'.</p>

Address	View of 7040 Dickinson Road from Neighbouring Properties
<p>7037 Dickinson Road</p> <p>View north towards subject property from front porch of 7037 Dickinson Road</p>	
<p>7029 Dickinson Road</p> <p>View north-west towards subject property from patio on the east side of 7029 Dickinson Rd</p>	

Address	View of 7040 Dickinson Road from Neighbouring Properties
<p>7023 Dickinson Road</p> <p>View west towards subject property from road right of way in front of 7023 Dickinson Road</p>	 <p>The photograph shows a paved road with a yellow line on the right side, leading towards a residential area. A red arrow points from a text box to a building partially obscured by trees. The text box contains the text '7040 Dickinson Rd Existing Garage'.</p>

Schedule No. 1
Conditions of Approval
Development Variance Permit No. 3090-20-15-03 (Froats)
7040 Dickinson Road - Lot 1, District Lot 37, Wellington District, Plan 32411

Proposed Variance to "District of Lantzville Zoning Bylaw No. 60, 2005"

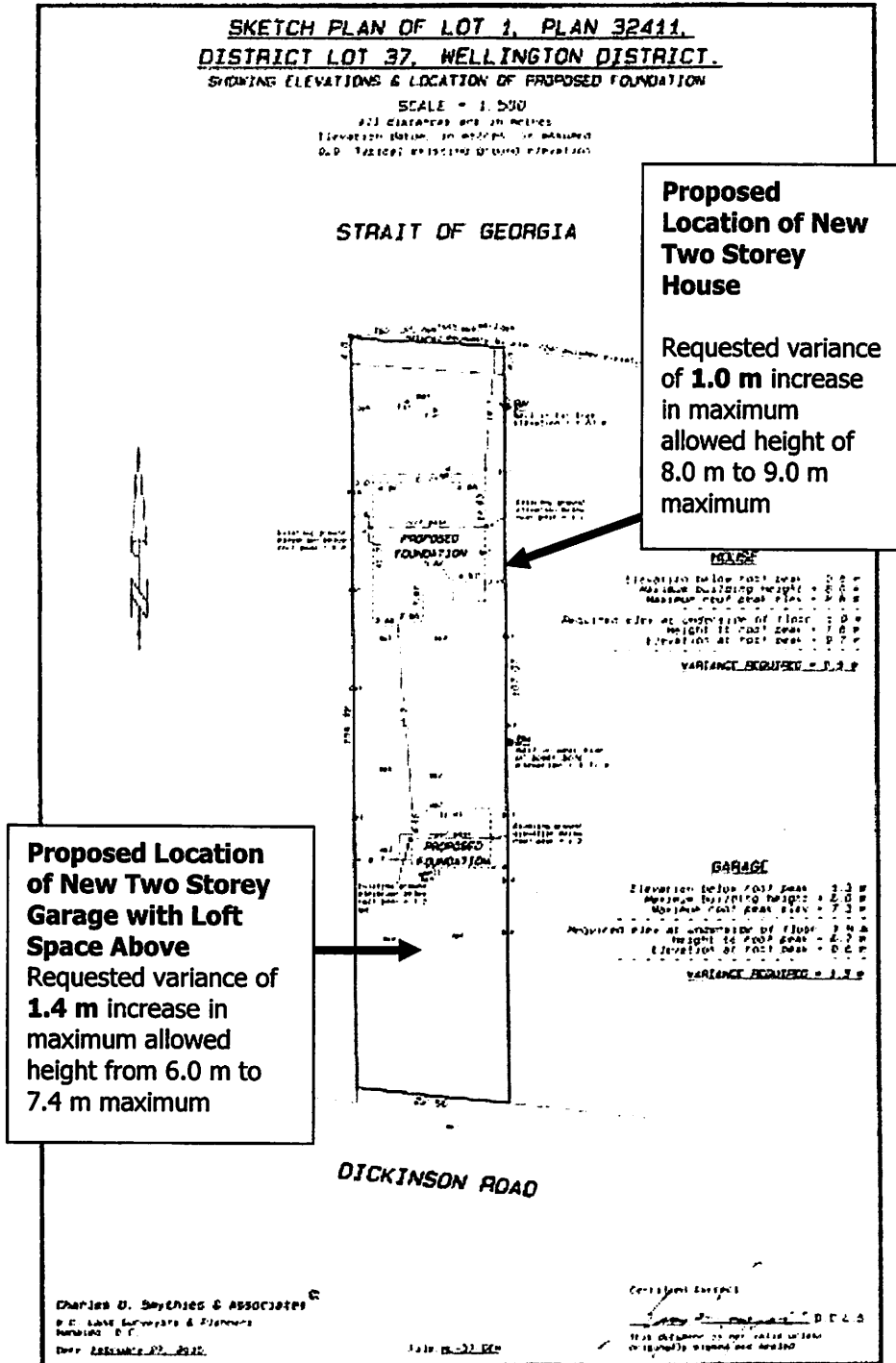
The proposed variances apply to the dwelling unit as shown on Schedule Nos. 2, 3 and 4 attached to and forming part of this permit:

1. **Section 3.4.61 Dwelling Unit Height** is proposed to be varied from 8.0 metres to 9.0 metres to permit the construction of a dwelling unit with attached garage.
2. **Section 3.4.61 Dwelling Accessory Building Height** is proposed to be varied from 6.0 metres to 7.4 metres to permit the construction of a detached garage with loft space above.

General Requirements

1. The subject property shall be developed in accordance with Schedule Nos. 1, 2, 3 and 4.
2. The proposed development shall be conducted in accordance with the provisions of the "District of Lantzville Zoning Bylaw No. 60, 2005" except as varied by this Development Variance Permit.
3. The applicants shall comply with the conditions imposed by the RDN Building Inspection Department as part of the Building Permit process.

Schedule No. 2
Site Plan (as submitted by applicant with District of Lantzville Summary)
Development Variance Permit No. 3090-20-15-03 (Froats)
7040 Dickinson Road - Lot 1, District Lot 37, Wellington District, Plan 32411

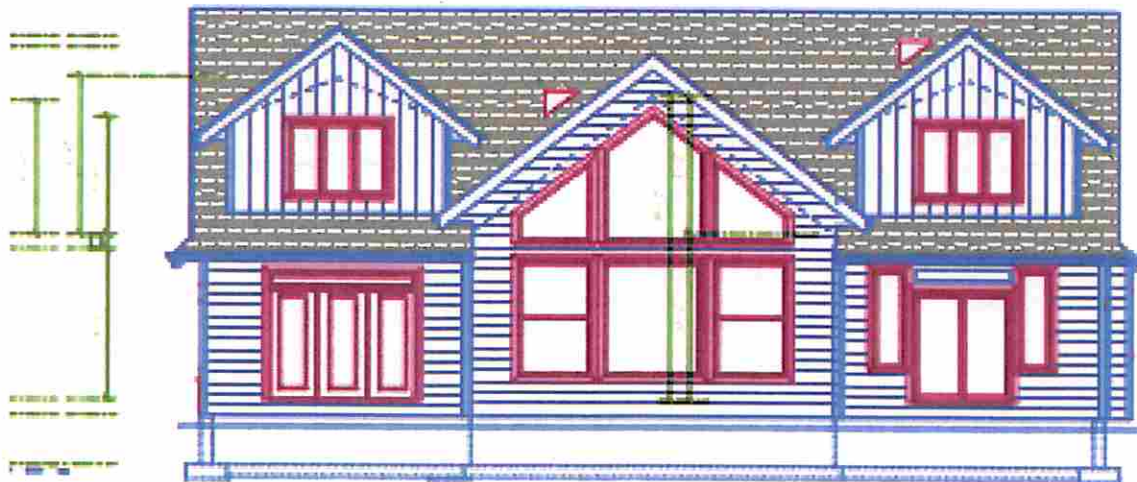


Schedule No. 3
House Elevations (as submitted by applicant)
Development Variance Permit No. 3090-20-15-03 (Froats)
7040 Dickinson Road - Lot 1, District Lot 37, Wellington District, Plan 32411



FRONT ELEVATION

SCALE: 1/4" = 1'-0"



REAR ELEVATION

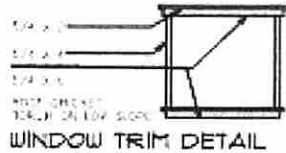
SCALE: 1/4" = 1'-0"

Schedule No. 4
Garage Elevations (as submitted by applicant)
Development Variance Permit No. 3090-20-15-03 (Froats)
7040 Dickinson Road - Lot 1, District Lot 37, Wellington District, Plan 32411



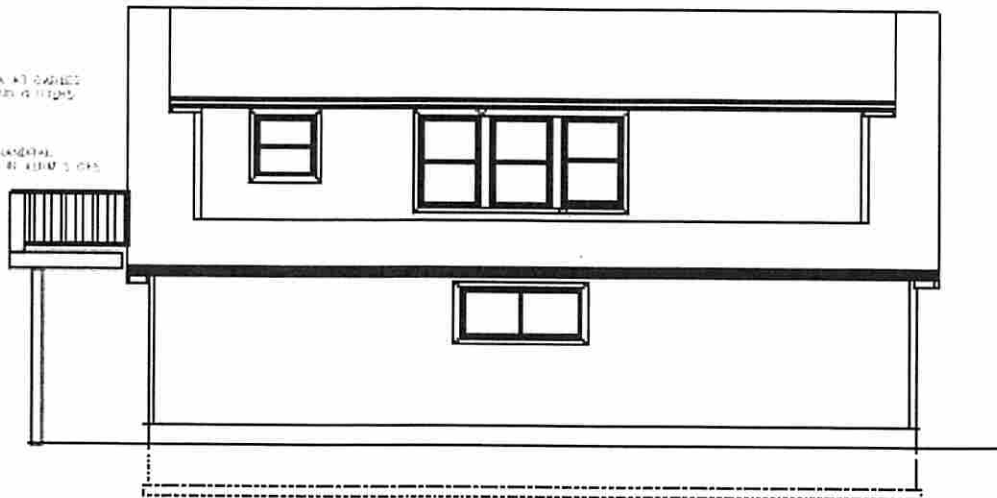
FRONT ELEVATION

SCALE: 3/16" = 1'-0"



2ND FLOOR FINISH ELEVATION
 1ST FLOOR FINISH ELEVATION

FINISH GRADE ELEVATION
 FINISH GRADE ELEVATION



REAR ELEVATION

SCALE: 3/16" = 1'-0"

District of Lantzville

Report to CAO

Regular Council Agenda Item
May 25, 2015

File:1870-20-FINA
Q:DOL/Reports/2015/SOFI 2014

AUTHOR: Jedha Holmes, Director of Financial Services

SUBJECT: Statement of Financial Information

Recommendation

THAT Council and the Director of Financial Services approve the Statement of Financial Information ("SOFI") for the District of Lantzville for the year ended December 31, 2014.

Purpose

To report to the Ministry of Community, Sport and Cultural Development on the District's financial activities for 2014 as required by Section 168 of the *Community Charter* and Chapter 140 of the *Financial Information Act*.

Background

Section 168 of the *Community Charter* requires that, at least once a year, a council must have prepared a report separately listing the following:

- total amount of remuneration paid to each council member for discharge of the duties of office, including any amount specified as an expense allowance;
- total amount of expense payments for each council member made to the council member as reimbursement for expenses incurred by the council member; and
- total amount of any benefits, including insurance policies and policies for medical or dental services provided to each council member or the member's dependants.

Chapter 140 of the *Financial Information Act* requires that, within 6 months after the end of each fiscal year, the District must prepare a report that includes the following:

- a statement of assets and liabilities
- an operational statement
- a schedule of debts
- a schedule of guarantee and indemnity agreements
- for employees with remuneration exceeding \$75,000, the total of the employee's remuneration and the total paid for expenses;
- a consolidated total of all remuneration paid to all other employees;
- the total amount paid to each supplier of goods or services that is greater than \$25,000; and
- a consolidated total of all other payments to suppliers.

Discussion

The District's audited financial statements meet the requirements of the statements of assets and liabilities and the operational statement required to be included in the SOFI. Council received and approved the financial statements for the year ended December 31, 2014 at its regular meeting on

April 27, 2014. The SOFI report also includes schedules which state that the District had no long term debt and did not grant any guarantees or indemnities during 2014.

The "District of Lantzville Council Remuneration, Benefits and Expenses Bylaw No. 97, 2012" provides remuneration amounts for Mayor and Council. The District also reimburses separately personal internet connection charges to a maximum of \$25 per month, mileage costs associated with meetings and other District business, as well as the costs of attending conferences such as the annual Union of British Columbia Municipalities and the Association of Vancouver Island Coastal Communities. These amounts are accumulated and disclosed in the SOFI.

The SOFI includes the required disclosures regarding District employees' remuneration and also amounts related to supplier payments. Further, these amounts are reconciled to related amounts in the audited financial statements.

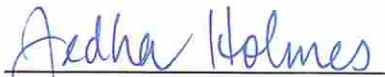
Financial Implications

There are no financial implications resulting from the information contained in this report.

Summary

This report includes discussion of the requirements of the annual Statement of Financial Information that is required to be filed with the Ministry of Community, Sport and Cultural Development by June 30th of each year. The information contained in the District's 2014 SOFI meets the requirements of the *Community Charter* Section 168 and the *Financial Information Act* Chapter 140.

Respectfully submitted



Jedha Holmes
Director of Financial Services
District of Lantzville

Reviewed By:

CAO		Dep. Dir. Finance		Dir. of PW	
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District of Lantzville
Statement of Financial Information
Year ended December 31, 2014

Index

- Management Report
- Audited Financial Statements which include:
 - Statement of Assets and Liabilities
 - Operational Statement
 - Notes to the Financial Statements
- Schedule of Debts
- Schedule of Guarantee and Indemnity Agreements
- Schedule of Remuneration and Expenses
- Schedule of Suppliers of Goods or Services
- Approval of Statement of Financial Information
- Council Minutes Approving Statement of Financial Information

District of Lantzville
Statement of Financial Information
Year ended December 31, 2014

Management Report

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with generally accepted accounting principles, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control.

The external auditors, KPMG LLP, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the Act. Their examination includes a review and evaluation of the District's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to Council.

On behalf of the District of Lantzville,



Jedha Holmes, C.A.
Director of Financial Services

Prepared in accordance with the Financial Information Act Regulation, Schedule 1, Section 9

District of Lantzville
Statement of Financial Information
Year ended December 31, 2014

Schedule of Debts

A Schedule of Debts has not been prepared because the District had no long-term debt during the year ended December 31, 2014.

Prepared in accordance with the *Financial Information Act Regulation*, Schedule 1, Subsection 5.

Schedule of Guarantee and Indemnity Agreements

The District of Lantzville has not given any guarantee or indemnities under the Guarantee and Indemnities Regulations.

Prepared in accordance with the *Financial Information Act Regulation*, Schedule 1, Subsection 5.

**District of Lantzville
Statement of Financial Information
Year ended December 31, 2014**

Schedule of Remuneration and Expenses

		<u>Remuneration</u>	<u>Expenses</u>
1 Elected Officials			
DeJong, Jack	Mayor	\$ 13,378	\$ 3,484
Haime, Colin	Mayor	1,216	-
Bratkowski, Joe	Councillor	8,428	2,564
Coulson, John	Councillor	766	-
Dempsey, Brian	Councillor	8,428	2,446
Haime, Denise	Councillor	9,194	430
Millbank, Jennifer	Councillor	9,194	1,065
Mostad, Andrew	Councillor	8,428	3,017
Negrave, Rod	Councillor	766	-
Savage, Graham	Councillor	9,194	2,895
Scott, David	Councillor	766	-
	(A)	<u>\$ 69,758</u>	<u>\$ 15,901</u>
2 Employees			
Twyla Graff	Chief Administrative Officer	\$ 127,286 *	\$ 2,813
Fred Spears	Director of Public Works	95,877 *	693
Jedha Holmes	Director of Finance	84,839	2,084
Consolidated total of other employees with remuneration and expenses of \$75,000 or less		<u>539,396</u>	<u>8,801</u>
	(B)	<u>\$ 847,398</u>	<u>\$ 14,391</u>
* includes annual vehicle allowance of \$5,000			
3 Reconciliation			
Total Remuneration - elected officials	(A)	\$ 69,758	
Total Remuneration - other employees	(B)	<u>847,398</u>	
		917,156	
Reconciling items (e.g. wage accruals, non-taxable employee benefits)		<u>(113,616)</u>	
Total Remuneration per Financial Statements - Schedule C		<u>\$ 1,030,770</u>	
4 Severance Agreements			
There were no severance agreements made between the District of Lantzville and its non-unionized employees during the year ended December 31, 2014.			

**District of Lantzville
Statement of Financial Information
Year ended December 31, 2014**

Schedule of Suppliers of Goods or Services

1 Alphabetical list of suppliers who received aggregate payments exceeding \$25,000

<u>Supplier name</u>	<u>Amount Paid</u>
679048 B.C. Ltd.	\$ 28,635
BC Assessment	48,025
BC Hydro	107,001
Canada Revenue Agency	219,246
David Stalker Excavating Ltd.	219,787
Hub City Paving	221,011
Koers & Associates Engineering Ltd.	136,389
Province Of BC - School Tax / Policing	1,029,118
Lidstone & Company	42,793
Municipal Pension Plan	101,860
N. Dale Contracting Inc.	178,703
Pacific Blue Cross	25,991
Regional District Of Nanaimo	1,127,155
Rocky Mountain Phoenix	226,765
Vancouver Island Regional Library	160,216
Windley Contracting (2010) Ltd.	116,896
	<u>\$ 3,989,591</u>

2 Consolidated total paid to suppliers who received aggregate payments of \$25,000 or less

\$ 627,990

3 Total payments to suppliers for grants and contributions exceeding \$25,000:

Consolidated total of grants exceeding \$25,000	-
Consolidated total of contributions exceeding \$25,000	-
	<u>\$ -</u>

4 Reconciliation:

Total of aggregate payments exceeding \$25,000 paid to suppliers	\$ 3,989,591
Consolidated total of payments of \$25,000 or less paid to suppliers	627,990
Consolidated total of all grants and contributions exceeding \$25,000	-
Total supplier payments	<u>4,617,581</u>
Reconciling items (e.g. flow through to other governments, tangible capital asset purchases, amortization, wages and benefits)	(1,702,610)

(Reconciling items result from the Schedule of Payments reflecting cash payments in 2014 while the Statement of Operations is prepared on an accrual basis and includes non-cash items such as amortization. The payments listing also includes various amounts that are not included in the Statement of Operations in accordance with generally accepted accounting standards.)

Total expenses per Statement of Operations	<u>\$ 2,914,971</u>
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DISTRICT OF LANTZVILLE

Financial Statements

Year ended December 31, 2014

**District of Lantzville
Financial Statements
For the Year Ended December 31, 2014**

Index

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**District of Lantzville
Financial Statements
December 31, 2014**

Management's Responsibility for the Financial Statements

The accompanying financial statements of the District of Lantzville (the "District") are the responsibility of the District's management and have been prepared in compliance with legislation, and in accordance with public sector accounting principles established by The Canadian Institute of Chartered Accountants. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The District's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Mayor and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Mayor and Council fulfill these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Mayor and Council are also responsible for the appointment of the District's external auditors.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by the Mayor and Council. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the District's financial statements.

May 11, 2015


Twyla Graff
Chief Administrative Officer



KPMG LLP
Chartered Accountants
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7

Telephone (250) 480-3500
Telefax (250) 480-3539
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Mayor and Councillors of the District of Lantzville

We have audited the accompanying financial statements of the District of Lantzville which comprise the statement of financial position as at December 31, 2014, the statements of operations, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



Page 2

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the District of Lantzville as at December 31, 2014, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Accountants

May 11, 2015

Victoria, Canada



District of Lantzville

STATEMENT OF FINANCIAL POSITION

As at December 31, 2014 with comparative information for 2013

	2014	2013
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 7,320,064	\$ 7,102,194
Accounts receivable (Note 3)	335,515	342,942
	<u>7,655,579</u>	<u>7,445,136</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 4)	\$ 243,606	\$ 285,091
Deferred revenue (Note 5)	1,473,378	1,249,392
Deposits (Note 6)	18,029	27,844
	<u>1,735,013</u>	<u>1,562,327</u>
Net Financial Assets	<u>\$ 5,920,566</u>	<u>\$ 5,882,809</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 7 and Schedule A)	\$ 32,025,081	\$ 31,775,582
Prepaid expenses	13,806	11,854
	<u>\$ 32,038,887</u>	<u>\$ 31,787,436</u>
ACCUMULATED SURPLUS (Note 8)	<u>\$ 37,959,453</u>	<u>\$ 37,670,245</u>

Commitments and contingencies are specified in Note 12

The accompanying notes are an integral part of these financial statements.

On behalf of the Municipality:



Colin Haime, Mayor



Jedha Holmes, CPA, CA, Director of Financial Services

District of Lantzville



STATEMENT OF OPERATIONS

For the year ended December 31, 2014 with comparative information for 2013

	2014 Financial Plan (Note 13)	2014	2013
REVENUE			
Taxation (Note 9)	\$ 1,508,994	\$ 1,510,623	\$ 1,462,202
Government grants and transfers (Note 10)	295,640	295,023	301,068
Utility taxes and fees	1,119,902	1,126,350	1,100,582
Services and fees (own sources)	74,590	73,484	87,760
Grants in lieu of taxes	77,100	74,350	76,421
Interest	40,000	70,603	71,608
Other	51,928	53,746	57,155
	\$ 3,168,154	\$ 3,204,179	\$ 3,156,796
EXPENSES (Note 11)			
General government	\$ 765,880	\$ 750,199	\$ 670,026
Transportation services	391,930	688,220	654,368
Protective services	331,470	375,572	361,777
Sewer	141,500	231,530	223,710
Water	326,526	345,240	319,092
Solid waste collection	177,590	177,490	195,556
Parks and recreation	148,868	129,852	119,154
Legislative services	128,160	110,952	110,417
Planning and environmental development	149,220	105,916	69,568
	\$ 2,561,144	\$ 2,914,971	\$ 2,723,668
SURPLUS FOR THE YEAR	\$ 607,010	\$ 289,208	\$ 433,128
Accumulated surplus, beginning of year	37,570,245	37,670,245	37,237,117
ACCUMULATED SURPLUS, END OF YEAR	\$ 38,177,255	\$ 37,959,453	\$ 37,670,245

The accompanying notes are an integral part of these financial statements.



District of Lantzville

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the year ended December 31, 2014 with comparative information for 2013

	2014 Financial Plan (Note 13)	2014	2013
SURPLUS FOR THE YEAR	\$ 607,010	\$ 289,208	\$ 433,128
Purchase of tangible capital assets	(1,416,520)	(1,007,920)	(758,349)
Amortization of tangible capital assets	-	732,729	716,337
Loss on sale of tangible capital assets	-	23,192	3,580
Proceeds on sale of tangible capital assets	-	2,500	-
	\$ (809,510)	\$ 39,709	\$ 394,696
Acquisition of prepaid expenses	-	(13,806)	(11,854)
Use of prepaid expenses	-	11,854	10,020
	\$ -	\$ (1,952)	\$ (1,834)
Increase (decrease) in net financial assets	(809,510)	37,757	392,862
Net financial assets, beginning of year	5,882,809	5,882,809	5,489,947
NET FINANCIAL ASSETS, END OF YEAR	\$ 5,073,299	\$ 5,920,566	\$ 5,882,809

The accompanying notes are an integral part of these financial statements.



District of Lantzville

STATEMENT OF CASH FLOWS

For the year ended December 31, 2014 with comparative information for 2013

	2014	2013
Net inflow (outflow) of cash related to the following activities:		
OPERATING		
Surplus for the year	\$ 289,208	\$ 433,128
Items not involving cash:		
Amortization of tangible capital assets	732,729	716,337
Loss on the sale of tangible capital assets	23,192	3,580
Change in non-cash operating assets and liabilities:		
Accounts receivable	7,427	21,672
Accounts payable and accrued liabilities	(41,485)	(46,809)
Deferred revenue	223,986	192,967
Deposits	(9,815)	12,615
Prepaid expenses	(1,952)	(1,834)
Cash provided by operating transactions	\$ 1,223,290	\$ 1,331,656
CAPITAL		
Purchase of tangible capital assets	\$ (1,007,920)	\$ (758,349)
Proceeds from sale of tangible capital assets	2,500	-
Cash used by capital transactions	\$ (1,005,420)	\$ (758,349)
Increase in cash and cash equivalents	\$ 217,870	\$ 573,307
Cash and cash equivalents, beginning of year	7,102,194	6,528,887
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 7,320,064	\$ 7,102,194

The accompanying notes are an integral part of these financial statements.



District of Lantzville

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014 with comparative information for 2013

The District of Lantzville is a municipality that was incorporated on June 25, 2003 pursuant to the issue of Letters Patent dated April 3, 2003. The District operates under the provisions of the Local Government Act and Community Charter of British Columbia. The District's principal activities include the provision of local government and services to residents of the incorporated area. These services include government, fire protection, solid waste collection, parks and recreation, planning and development, and water and sewer services.

1. Significant Accounting Policies

The financial statements of the District of Lantzville (the "District") are prepared by management in accordance with public sector accounting standards for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the District are as follows:

(a) Reporting Entity:

The financial statements include a combination of all the assets, liabilities, accumulated surplus, revenues, and expenses of all the District's activities and funds. Inter-departmental balances and organizational transactions have been eliminated.

Consolidated entities: The District does not control any significant external entities and accordingly no entities have been consolidated with the financial statements.

(b) Basis of Accounting:

The District follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(c) Revenue Recognition:

Property tax revenue is recognized on the accrual basis using the approved tax rates and the anticipated assessment related to the current year.

Parcel tax revenues are recognized in the year that they are levied.

Water and sewer fees are recognized when the commodity or services have been received by the customer. Government transfers with stipulations are recognized as revenue when authorized and eligibility criteria have been met, except when and to the extent the transfer gives rise to an obligation that meets the definition of a liability.

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and included in deferred revenue.



District of Lantzville

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014 with comparative information for 2013

1. Significant Accounting Policies (continued)

(d) Deferred Revenue:

Deferred revenue includes grants, contributions and other amounts received from third parties pursuant to legislation, regulation, and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired.

Development cost charges are amounts which are restricted by government legislation or agreement with external parties. When qualifying expenditures are incurred, the development cost charges are recognized as revenue in amounts which equal the associated expenses.

(e) Cash and Cash Equivalents:

Cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition. Cash equivalents also include investments in the Municipal Finance Authority of British Columbia ("MFA") Money Market Funds which are recorded at cost plus earnings reinvested in the funds.

(f) Employee Future Benefits:

The District and its employees make contributions to the Municipal Pension Plan. The District's contributions are expensed as incurred.

Sick leave and other retirement benefits are also available to the District's employees. The costs of these benefits are estimated based on the actual service, expected retirement ages and future salary and wage increases for employees. The obligations under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits.

(g) Non-Financial Assets – Tangible Capital Assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of business.

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development, or betterment of the asset. Contributed tangible capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over the estimated useful life of the asset commencing in the year the asset is put into service.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014 with comparative information for 2013

1. Significant Accounting Policies (continued)

(g) Non-Financial Assets – Tangible Capital Assets (continued):

Estimated useful lives are as follows:

Asset	Rate
Buildings	15 – 80 years
Equipment	5 – 10 years
Land Improvements	10 – 50 years
Roads Infrastructure	10 – 75 years
Vehicles	10 – 25 years
Sewer Infrastructure	10 – 100 years
Water Infrastructure	10 – 100 years

Repair and maintenance costs are charged to expense. Betterments which extend the estimated useful life of an asset or enhance the service potential of capital assets are capitalized.

Government contributions for the acquisition of capital assets are recorded as revenue and do not reduce the cost of the related capital asset.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the District's ability to provide goods and services, or when the value of future economic benefits associated with the asset are less than the book value of the asset.

Amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

The District does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(h) Use of Estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at a point in time, the reported amounts of revenues and expenses during the reporting period, and the disclosure of contingent assets and liabilities at the date of the financial statements. Significant estimates include assumptions used in estimating historical cost and useful lives of tangible capital assets, estimating provisions for accrued liabilities, and in estimating provisions of employee future benefits. Actual results could differ from these estimates.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014 with comparative information for 2013

1. Significant Accounting Policies (continued)

(i) Future Accounting Pronouncements:

A number of new standards and amendments to standards are not yet effective for the year ended December 31, 2014 and have not been applied in preparing these financial statements. Those expected to potentially impact the financial statements of the Municipality are as follows:

(i) PS3450 Financial Instruments:

Financial instruments PS3450 and Foreign Currency Translation PS2601 have been approved by the PSAB and are effective for years commencing on or after April 1, 2016. The standards are to be adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions. Under PS3450, all financial instruments, including derivatives, are included on the statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the entity's accounting policy choices.

(ii) PS3260 Contaminated Sites:

This section established recognition, measurement and disclosure standards for liabilities relating to contaminated sites. The Municipality will be required to recognize a liability when contamination exceeds an accepted environmental standard and the Municipality is directly responsible, or accepts responsibility for, the damage. The liability will be measured at the Municipality's best estimate of the costs directly attributable to remediation of the contamination. The Section is effective for fiscal periods beginning on or after April 1, 2014. The impact of adoption of this standard is being evaluated by management and is not known or reasonably estimable at this time.



District of Lantzville

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014 with comparative information for 2013

2. Cash and Cash Equivalents

December 31 cash balances include amounts designated for specific future capital expenditures, restricted revenues and various deposits as follows:

	2014	2013
RESTRICTED CASH		
Statutory reserves (Note 8)	\$ 3,274,579	\$ 3,203,841
Restricted revenues – deferred revenue (Note 5)	1,473,378	1,249,392
Restricted revenues – deposits (Note 6)	18,029	27,844
	<u>4,765,986</u>	<u>4,481,077</u>
UNRESTRICTED CASH		
Cash available for operations	2,554,078	2,621,117
	<u>\$ 7,320,064</u>	<u>\$ 7,102,194</u>

Cash deposited at the Coastal Credit Union earns interest at a rate in the range of prime minus 1 to 2%. Cash deposited at the Municipal Finance Authority totaling \$1,086,322 at December 31, 2014 (\$1,074,615 at December 31, 2013) is invested in the MFABC Money Market Fund which earned an effective yield of 1.08% (2013 – 1.10%) and whose market value is equal to its cost.

3. Accounts Receivable

Accounts receivable comprise the following as at December 31:

	2014	2013
Other governments	\$ 18,744	\$ 23,113
Property and parcel taxes	201,160	202,928
User fees and other	115,611	116,901
	<u>\$ 335,515</u>	<u>\$ 342,942</u>

4. Accounts Payable and Accrued Liabilities

Accounts payable comprise the following as at December 31:

	2014	2013
General	\$ 106,361	\$ 125,437
Other governments	41,117	78,910
Employee benefit obligations	96,128	80,744
	<u>\$ 243,606</u>	<u>\$ 285,091</u>



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014 with comparative information for 2013

4. Accounts Payable and Accrued Liabilities (continued)

(a) Employee Obligations:

Included in Accounts Payable are employee benefit obligations comprised of the following as at December 31:

	2014	2013
Accrued vacation	\$ 5,557	\$ 3,498
Accrued sick leave	90,571	77,246
	\$ 96,128	\$ 80,744

Employee benefit obligations represent accrued benefits as at December 31, 2014. Accrued vacation is the amount of vacation entitlement carried forward into the next year. Employee benefit obligations also include accumulated sick leave banks that may be drawn down in future years. These sick leave entitlements may only be used while employed by the District and are paid out on retirement under certain conditions. Included in expenses is \$13,325 (2013 - \$1,867) related to sick leave usage in the year.

The significant assumptions used in estimating sick leave benefit obligations are as follows:

	2014	2013
Discount rate	3.15%	4.00%
Rate of salary increase	2.50%	2.50%

(b) Municipal Pension Contingency

The District and its employees contribute to the Municipal Pension Plan ("the Plan"), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of the benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 182,000 active members and approximately 75,000 retired members. Active members include approximately 36,000 from local government.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be at December 31, 2015 with results available in 2016.

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

The District paid \$51,036 (2013 - \$47,495) for employer contributions, while employees contributed \$51,159 (2013 - \$47,073) to the Plan in fiscal year 2014.



District of Lantzville

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014 with comparative information for 2013

5. Deferred Revenue

Deferred revenue is comprised of the following as at December 31:

	2013	Receipts	Interest	Revenue	2014
Community Works					
(Gas Tax) Funds	\$ 714,960	\$ 197,747	\$ 7,324	\$ -	\$ 920,031
Development Cost Charges	339,517	5,837	3,082	-	348,436
Administration and					
Inspection Fees	109,442	-	-	-	109,442
Phase 1 sewer op. costs	29,070	-	-	2,162	26,908
Prepaid property taxes	43,378	51,730	-	43,378	51,730
Prepaid Utility Fees	918	4,424	-	918	4,424
Treaty Negotiation Grant	11,322	-	-	-	11,322
Prepaid tax certificates	785	750	-	450	1,085
	\$ 1,249,392	\$ 260,488	\$ 10,406	\$ 46,908	\$ 1,473,378

Community Works (Gas Tax) Funds

The Community Works funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the District and the Union of British Columbia Municipalities. These funds may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreement.

Development Cost Charges

Development cost charges are comprised of the following at December 31:

	2013	Receipts	Interest	Revenue	2014
Water	\$ 105,774	\$ -	\$ 952	\$ -	\$ 106,726
Sewer	41,886	-	377	-	42,263
Drainage	51,216	2,362	472	-	54,050
Highway Facilities	83,368	1,935	759	-	86,062
Parkland	57,273	1,540	522	-	59,335
	\$ 339,517	\$ 5,837	\$ 3,082	\$ -	\$ 348,436



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014 with comparative information for 2013

6. Deposits

Deposits are comprised of the following as at December 31:

	2014	2013
Performance deposits	\$ 18,029	\$ 27,844

Performance deposits are funds collected from various property developers and held as security to ensure the completion of specified agreed on works. These funds will be released once the related works are completed, or used by the District to complete the works for which they are held.

7. Tangible Capital Assets (Schedule A)

Land is comprised of land under roads, parks and tennis courts, well fields, and land under and around District buildings. Land improvements include playground equipment, playing fields and tennis courts, and parking lots.

Assets under construction having a value of \$256,601 (2013 - \$50,003) have not been amortized. Amortization of these assets will commence when the asset is put into service.

8. Accumulated Surplus

Operating Funds – These funds comprise the principal operating activities of the District and include funds for general government, sewer and water services.

Capital Funds – These funds are used to record the acquisition and disposal of tangible capital assets and related financing. These funds include general, sewer and water capital funds.

Reserve Funds – These funds have been created to hold assets for specific future requirements. They are comprised of the statutory reserve funds shown in Note 2 and Schedule B. Certain amounts, as approved by Council, are set aside in the reserves for future capital expenditures. Transfers to and/or from are reflected as an adjustment to the respective fund.

Accumulated surplus is comprised of the following as at December 31:

	2014	2013
Operating Fund	\$ 2,659,793	\$ 2,690,822
Statutory Reserve Funds (Schedule B)	3,274,579	3,203,841
Equity in Tangible Assets	32,025,081	31,775,582
	\$ 37,959,453	\$37,670,245



District of Lantzville

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014 with comparative information for 2013

8. Accumulated Surplus (continued)

Operating Funds:

	General	Water	Sewer	Total
Opening balance	\$ 2,575,179	\$ 857,375	\$ (741,732)	\$ 2,690,822
Surplus for the year	27,131	131,118	101,941	260,190
Transfers (to) from to Capital Funds	(288,680)	(71,004)	110,185	(249,499)
Transfer to Reserve Funds	(684,345)	(236,300)	(83,986)	(1,004,631)
Transfers from Reserve Funds	770,869	192,042	-	962,911
Closing balance	\$ 2,400,154	\$ 873,231	\$ (613,592)	\$ 2,659,793

Equity in Tangible Capital Assets:

	2014	2013
Opening balance	\$ 31,775,582	\$ 31,737,150
Add: Purchases of tangible capital assets	1,007,920	758,349
Less: Proceeds on disposal	(2,500)	-
Less: Loss on disposal	(23,192)	(3,580)
Less: Amortization	(732,729)	(716,337)
	\$ 32,025,081	\$ 31,775,582

9. Taxation

The District is required to collect taxes on behalf of, and transfer these amounts to, other government agencies noted below.

	2014	2013
Property taxes collected	\$ 4,531,700	\$ 4,424,286
Less transfers to other governments:		
School District	1,866,954	1,836,555
School District - policing	197,547	191,668
Regional Hospital District	168,666	166,031
Regional District of Nanaimo	579,405	567,491
BC Assessment	48,025	47,096
Municipal Finance Authority	150	148
Vancouver Island Regional Library	160,330	153,095
	3,021,077	2,962,084
Municipal property taxes	\$ 1,510,623	\$ 1,462,202



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014 with comparative information for 2013

10. Government Grants and Transfers

	2014	2013
Operating transfers from provincial government:		
Strategic Communities Investment Fund Grant	\$ 289,825	\$ 291,640
Other	5,198	9,428
	\$ 295,023	\$ 301,068

11. Expenditure by Object and Segment

The financial statements report on expenditures by function. The District’s expenditures by object are reported in Schedule C – Schedule of Segment Disclosures.

Costs included in the District’s financial plan are determined for each segment based on Council’s approval of management recommendations as a result of Council’s overall vision and strategy for the District. Financial Plan revenues from fees and charges, external funding, or internal allocations from reserves and accumulated surplus are also determined in the same manner. Actual expenditures are coded at the time of purchase to the appropriate segment and some payroll expenditures are allocated based on a predetermined allocation consistent with the annual financial plan.

The segments included in the schedule are as follows:

General Government includes all administrative aspects of the District including property tax collection, council, and general services to the residents of the District.

Transportation Services includes management of the roads, storm drainage, and vehicle fleet used to provide services to the District.

Protective Services includes the fire department, building inspection, bylaw enforcement, and emergency planning.

Solid Waste Collection includes fees related to residential curbside collection services.

Planning includes land use planning, subdivision, development, and mapping.

Parks and Recreation includes management of District parks and trails, and the District’s contribution to Mine Town Days.

Sewer services includes the management and maintenance of the sanitary sewer collection system.

Water services includes the management and maintenance of the water distribution system including reservoirs, wells, and hydrants.

Reserve Funds includes interest earned on balances in the general government, sewer and water services capital reserves.



District of Lantzville

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014 with comparative information for 2013

12. Commitments and contingencies

Municipal Insurance Association

The District is insured through membership in the Municipal Insurance Association ("MIA") of British Columbia. Under this program, member municipalities are to share jointly for general liability claims against any member in excess of \$10,000. Should the MIA pay out claims in excess of premiums received, it is possible that the District, along with other participants, would be required to contribute towards the deficit.

Commitment

On October 28, 2013 District Council authorized the purchase of a rescue/pumper truck from Rocky Mountain Phoenix. Deposits totaling \$256,436 have been paid to date. The balance owing of \$293,467 was paid upon delivery of the truck on April 1, 2015.

13. Financial Plan Figures

Financial Plan figures included in these financial statements represent the Financial Plan Bylaw adopted by Council. The Financial Plan includes internal transfers to and from Reserve and other surplus balances, and also capital expenditures rather than amortization expense. The following schedule reconciles the surplus as presented in the Financial Plan approved by Council to the surplus as shown in the Statement of Operations.

	2014
Surplus, per "District of Lantzville Financial Plan Bylaw No. 107, 2014" adopted by Council on April 28, 2014	\$ 25,050
Net impact of amendments	<u>17,814</u>
Surplus, per "District of Lantzville Financial Plan Bylaw No. 107, 2014", Amendment Bylaw No 107.1, 2014" adopted by Council on November 24, 2014	\$ 42,864
Add:	
Capital expenditures	1,416,520
Transfers to statutory reserves	943,525
Internal debt repayment	170,318
Less:	
Transfers from statutory reserves	(1,451,520)
Recovery from prior year surplus	(514,697)
Surplus, per "2014 Financial Plan" for Statement of Operations	\$ 607,010

District of Lantzville



SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2014

	Land		Buildings	Vehicles	Equipment	Infrastructure			Assets Under Construction	2014	2013
	Land	Improvements				Roads	Sewer	Water			
HISTORICAL COST:											
Opening Balance	\$ 8,799,199	\$ 1,066,568	\$ 1,931,158	\$ 1,350,118	\$ 474,559	\$ 10,863,976	\$ 8,501,781	\$ 5,619,256	\$ 50,003	\$ 38,656,618	\$ 37,954,169
Additions	-	12,832	-	-	43,225	563,158	-	182,107	208,098	1,009,420	773,521
Disposal	-	-	-	-	(30,928)	(45,282)	-	(17,935)	(1,500)	(95,645)	(71,072)
Closing Balance, Dec 31	8,799,199	1,079,400	1,931,158	1,350,118	486,856	11,381,852	8,501,781	5,783,428	256,601	39,570,393	38,656,618
ACCUMULATED AMORTIZATION:											
Opening Balance	-	310,956	765,308	797,116	259,040	2,747,787	484,362	1,516,467	-	6,881,036	6,217,019
Additions	-	28,430	47,319	45,934	50,403	345,055	108,260	107,328	-	732,729	716,337
Disposal	-	-	-	-	(24,789)	(25,975)	-	(17,689)	-	(68,453)	(52,320)
Closing Balance, Dec 31	-	339,386	812,627	843,050	284,654	3,066,867	592,622	1,606,106	-	7,545,312	6,881,036
NET BOOK VALUE	\$ 8,799,199	\$ 740,014	\$ 1,118,531	\$ 507,068	\$ 202,202	\$ 8,314,985	\$ 7,909,159	\$ 4,177,322	\$ 256,601	\$ 32,025,081	\$ 31,775,582

District of Lantzville



SCHEDULE OF STATUTORY RESERVE FUNDS

For the year ended December 31, 2014

	Winter Road Maintenance	Capital Works	Asset Replacement	Fire Truck	Park Development	Park Acquisition	Asset Replacement	Waterworks	Asset Replacement	2014 Total	2014 Financial Plan	2013	
	GENERAL FUND						SEWER FUND		WATER FUND				
Opening balance	\$ -	\$ 1,033,560	\$ 571,085	\$ 340,136	\$ 310,298	\$ 35,761	\$ 151,507	\$ 650,750	\$ 110,744	\$ 3,203,841	\$ 3,203,841	\$ 3,039,085	
Transfers in	43,000	426,420	50,925	164,000	-	-	26,000	228,000	8,300	946,645	943,525	804,925	
Loan repayment	-	57,986	-	-	-	-	-	-	-	57,986	53,724	55,231	
Interest earned	109	9,128	5,269	2,863	2,793	322	1,481	6,019	1,034	29,018	-	25,952	
Transfers out	(21,955)	(518,717)	(22,099)	(208,098)	-	-	-	(192,042)	-	(962,911)	(1,451,520)	(721,352)	
Closing balance	\$ 21,154	\$ 1,008,377	\$ 605,180	\$ 298,901	\$ 313,091	\$ 36,083	\$ 178,988	\$ 692,727	\$ 120,078	\$ 3,274,579	\$ 2,749,570	\$ 3,203,841	

District of Lantzville



SCHEDULE OF STATUTORY SEGMENT DISCLOSURES

For the year ended December 31, 2014

	Gen. Gov't Legislative	Transportation Services	Protective Services	Solid Waste Collection	Planning	Parks & Recreation	Sewer	Water	Reserve	2014	2014 Financial Plan
REVENUE											
Taxation	\$ 1,510,623	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,510,623	\$ 1,508,994
Government grants and transfers	294,860	-	-	-	163	-	-	-	-	295,023	295,640
Utility taxes and fees	-	-	-	177,443	-	-	361,189	587,718	-	1,126,350	1,119,902
Services and fees	30,589	-	21,555	2,458	12,550	-	2,282	4,050	-	73,484	74,590
Grants in lieu of taxes	74,350	-	-	-	-	-	-	-	-	74,350	77,100
Interest	41,585	-	-	-	-	-	-	-	29,018	70,603	40,000
Other	50,030	-	-	-	-	3,716	-	-	-	53,746	51,928
	2,002,037	-	21,555	179,901	12,713	3,716	363,471	591,768	29,018	3,204,179	3,168,154
EXPENSES											
Audit and Legal	53,895	-	-	-	-	-	2,610	2,610	-	59,115	67,000
Consulting	21,244	6,844	-	-	-	-	-	-	-	28,088	38,000
Contracted Services	24,241	-	70,262	177,490	29,437	3,742	-	-	-	305,172	337,760
Insurance	24,363	2,100	6,407	-	-	525	6,490	15,175	-	55,060	68,386
Legislative	21,125	-	-	-	-	-	-	-	-	21,125	31,000
Materials and Supplies	25,126	24,025	29,849	-	-	3,534	910	12,407	-	95,851	166,420
Salaries, Wages and Benefits	562,743	88,957	99,784	-	76,479	71,696	26,617	104,494	-	1,030,770	1,053,110
Training, Travel and Conferences	24,820	6,143	32,365	-	-	-	-	-	-	63,328	77,200
Telephone and Utilities	12,386	68,777	11,799	-	-	-	2,371	24,587	-	119,920	127,280
Other	47,265	126,944	49,356	-	-	23,036	82,347	74,865	-	403,813	594,988
	817,208	323,790	299,822	177,490	105,916	102,533	121,345	234,138	-	2,182,242	2,561,144
Amortization	43,943	364,430	75,750	-	-	27,319	110,185	111,102	-	732,729	-
	861,151	688,220	375,572	177,490	105,916	129,852	231,530	345,240	-	2,914,971	2,561,144
SURPLUS / (DEFICIT)	\$ 1,140,886	\$ (688,220)	\$(354,017)	\$ 2,411	\$ (93,203)	\$ (126,136)	\$ 131,941	\$ 246,528	\$ 29,018	\$ 289,208	\$ 607,010

Schedule C - 2014

District of Lantzville



SCHEDULE OF STATUTORY SEGMENT DISCLOSURES

For the year ended December 31, 2013

	Gen. Gov't Legislative	Transportation Services	Protective Services	Solid Waste Collection	Planning	Parks & Recreation	Sewer	Water	Reserve	2013	2013 Financial Plan
REVENUE											
Taxation	\$ 1,462,202	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,462,202	\$ 1,460,875
Government grants and transfers	296,568	-	-	-	4,500	-	-	-	-	301,068	301,530
Utility taxes and fees	-	-	-	193,861	-	-	339,653	567,068	-	1,100,582	1,075,890
Services and fees	40,314	-	19,665	2,456	18,099	316	1,650	5,260	-	87,760	67,860
Grants in lieu of taxes	76,421	-	-	-	-	-	-	-	-	76,421	73,200
Interest	45,656	-	-	-	-	-	-	-	25,952	71,608	35,000
Other	55,580	-	-	-	-	1,575	-	-	-	57,155	28,544
	1,976,741	-	19,665	196,317	22,599	1,891	341,303	572,328	25,952	3,156,796	3,042,899
EXPENSES											
Audit and Legal	34,199	-	-	-	-	-	2,580	2,580	-	39,359	56,750
Consulting	3,409	36,911	-	-	-	-	-	-	-	40,320	50,000
Contracted Services	22,466	-	65,120	195,556	25,061	3,677	-	-	-	311,880	315,730
Insurance	23,682	2,250	6,876	-	-	410	5,500	15,480	-	54,198	62,180
Legislative	14,394	-	-	-	-	-	-	-	-	14,394	19,000
Materials and Supplies	25,472	23,466	32,431	-	-	4,846	1,647	21,749	-	109,611	152,870
Salaries, Wages and Benefits	536,577	76,555	88,321	-	44,507	65,907	31,079	103,216	-	946,162	993,340
Training, Travel and Conferences	36,805	5,045	27,839	-	-	-	-	-	-	69,689	77,330
Telephone and Utilities	12,453	63,496	11,215	-	-	-	2,111	21,330	-	110,605	111,920
Other	28,140	94,937	52,528	-	-	18,491	70,607	46,410	-	311,113	515,579
	737,597	302,660	284,330	195,556	69,568	93,331	113,524	210,765	-	2,007,331	2,354,699
Amortization	42,849	351,706	77,447	-	-	25,823	110,185	108,327	-	716,337	-
	780,446	654,366	361,777	195,556	69,568	119,154	223,709	319,092	-	2,723,668	2,354,699
SURPLUS / (DEFICIT)	\$ 1,196,295	\$ (654,366)	\$ (342,112)	\$ 761	\$ (46,969)	\$ (117,263)	\$ 117,594	\$ 253,236	\$ 25,952	\$ 433,128	\$ 688,200

Schedule C - 2013

Lone Tree Properties Ltd.
1130 15th Street West,
North Vancouver, BC, V7P 1M9

April 10, 2015

Twyla Graff
Chief Administration Officer
District of Lantzville
7192 Lantzville Road
Lantzville, BC
VOR 2H0

Dear Twyla Graff;

Re: Letter Agreement for Consultant Contract Cost Recovery

We refer to the Proposed Cost Recovery Protocol for Foothills and District of Lantzville dated March 4, 2015, which was reviewed by staff in March of 2015 (the “**Proposed Protocol**”).

The Proposed Protocol is in accordance with a resolution by the District of Lantzville Council regarding not incurring any costs related to the development of the Foothills. A draft Cost Recovery Protocol (dated March 4th, 2015) was reviewed by staff in March 2015, who then suggested final refinements and that the Proposed Protocol be structured as a formal agreement. This document is that proposed agreement.

In furtherance of the Proposed Protocol, this letter is to formalize the terms of the agreement for Lone Tree Properties Ltd. (the “**Developer**”) to pay the costs of consultants retained to assist the District of Lantzville (the “**District**”) in the review and processing of planning and development applications (the “**Services**”) respecting the Foothills project (the “**Foothills Project**”). The additional consulting expertise may include engineering, planning, legal and other disciplines required to support District staff and resources (the “**Consultants**”).

The following is agreed by both parties:

1. **Purpose** - The purpose of this agreement is to permit the Foothills Project development process to move forward at an expedient rate without unduly impacting the District’s otherwise limited resources.
2. **Consultant Selection** – While the District may select the Consultant to support the Services, the Developer must agree to the Consultant that is selected before their engagement by the District is finalized. The Developer will consider in its assessment of the Consultant as to whether the person has the necessary skills, experience and availability to be effective in providing the Services in handling development applications and the issues associated with the Foothills Project in a timely and competent manner.

3. **Approval of Consulting Agreement** – The Developer shall approve the form of consulting agreement to be entered into by the District and the Consultant.
4. **Planning Process** – The planning application and approvals process (the “**Planning Process**”) to be followed for the cost-recovery mechanism contained in this Agreement will be consistent with the Planning Process now in place at the District. This cost recovery agreement for legal aspects of the Services applies to work associated with the planning and approvals process but does not apply to fees associated with any a legal dispute between the District and the Developer.
5. **Timing** – The engagement of the Consultants will not cause unreasonable delays in the review time and procedures for the Planning Process and all parties agree to manage the Planning Process and the exchange of information in a manner which will minimize delays.
6. **Collaborative Communication** – The communication process between the District and the Developer will include the Consultants on the same basis as if they were employees of the District such that the Consultants will communicate directly with the Developer during the Planning Process. Notwithstanding direct communication with the Consultants, it is recognized that District staff and Council remain the decision-makers in the Planning Process.
7. **Scope of Work** – The scope of work in the Services that the Consultants will undertake and the cost associated with such work shall be discussed and agreed to between the District and the Developer prior to the commencement of each stage of the Planning Process or at a minimum of every three months.
8. **Reimbursement of Costs** – It is agreed that, following an agreement on the scope of work, the Developer will pay the District’s reasonable costs to retain a Consultant including the consultant’s fees, GST and reimbursable expenses to perform such work. In addition, estimates for the scope of work and related costs may be requested by the Developer prior to any material piece of work proceeding.
9. **Invoicing** – The District shall ensure Consultants provide accurate documentation for invoicing and include detailed information for each person who billed time on the Foothills Project, the tasks undertaken, billing rates and time spent
10. **Payment** – The Consultant shall forward their invoices to the District who will in turn forward them for payment by the Developer. The Developer shall pay the amount of the invoice to the District who will be responsible for then paying the Consultant. Provided the Developer does not dispute the invoice and it is received by the 5th of any month, the Developer will pay the invoice in full within 30 days after receiving the invoice.
11. **Default** – If for any reason, a Consultant’s invoice is received by the 5th of a month and not paid within 30 days, the Developer shall be notified and have a further 15 days to pay any outstanding invoice. Should payment not be received within such further 15 days, the Consultants may cease work on the Foothills Project until payment is received or the dispute resolution process has been initiated.
12. **Termination** – Either party may terminate this agreement with 30 days written notice. Outstanding costs for work done to the point of termination shall be paid unless they are disputed.

13. **Dispute Resolution** – Where a dispute arises over the Consultant’s invoice, procedures, decision-making, or other aspects of the Consultant’s work, the District and the Developer will proceed as follows, unless otherwise agreed:

- a) Any non-disputed elements of a Consultant’s invoice will be paid in the normal course, and work shall continue unless otherwise agreed;
- b) The parties will hold timely discussions with the express intent to work in good faith to resolve a dispute;
- c) Where an agreement cannot be found, the parties agree to mediate the dispute, and if the mediation fails, to arbitrate the dispute using the services of a mediator or arbitrator agreed to by all parties. The parties will proceed promptly with this process.
- d) The costs of the dispute resolution process will be borne 50% by the District and 50% by the Developer.
- e) Following a resolution being reached any outstanding amount in dispute will be paid promptly in accordance with the result of the mediation or arbitration process.
- f) Notwithstanding the above, the parties are not restricted from pursuing other court remedies.

Should the above terms accurately reflect our agreement we ask that you sign where shown below.

LONE TREE PROPERTIES LTD.

Per:

Agreed this ____ day of _____, 2015

DISTRICT OF LANTZVILLE

Per:

Agreed this ____ day of _____, 2015.