

DISTRICT OF LANTZVILLE
BRITISH COLUMBIA, CANADA

ANNUAL REPORT

PRESENTED TO COUNCIL ON JUNE 25th, 2007



2007 Annual Report
Table of Contents

	<u>Page</u>
<i>Purpose of This Report</i>	<i>3</i>
<i>Letter from the Mayor</i>	<i>3</i>
<i>Declaration of Disqualified Council Members</i>	<i>5</i>
<i>Municipal Services and Operations</i>	
✓ Background	5
✓ Objectives & Measures	5
✓ Strategic Direction for '07 & '08	5
✓ Municipal Services & Operations for 2006	8
✓ Overview of Services	8
✓ Departmental Reports	9
<i>Permissive Tax Exemptions</i>	<i>18</i>
<i>Management's Responsibilities</i>	<i>19</i>
<i>Auditor's Report</i>	<i>20</i>
<i>Audited Financial Statements</i>	<i>21</i>

PURPOSE OF THIS REPORT

This report has two primary purposes. The first purpose is to provide information about the activities of the District of Lantzville (the "District") and its objectives for the fiscal year ended December 31st, 2006. The second purpose is to inform readers about the District's goals and objectives met during 2006, report on current year projects goals and objectives, and identify priorities for future years.

LETTER FROM THE MAYOR

An Open Letter to the Citizens of the District of Lantzville

It is with pleasure that I, once again, take this opportunity to provide this information update to the residents of Lantzville regarding municipal services and operations of the District of Lantzville.

Good governance begins with the identification of mission statement, values, identifying strategic priorities and developing an action plan to facilitate those priorities. I am pleased to report that Council reaffirmed the District's mission statement and values adopted by Council in 2006. Through discussions however, Council did elect to make one amendment to the District's mission statement that to include the word 'economically'. This amendment to address Council's awareness of the financial challenges we all face both as a District and individual residents of the Community. Council's mission statement now reads as follows:

*"provide a high level of affordable services in an environmentally **and economically** sustainable fashion, while managing growth of the community and respecting the unique rural character and charm".*

Along with this mission statement Council also elected to reaffirm the following values:

*"Act in a professional manner at all times,
Have respect for: each other,
 the roles of Council & staff
 the decision making process,
 opinions of all of our constituents,
Carry out adequate research and thoughtfully consider the issues before us, while
serving and representing all our community".*

Since incorporation, Council has participated in annual Strategic Planning Sessions as a means of identifying and establishing priorities in response to issues identified by both residents of the community and Council. Early January of this year, Council met and identified the following strategic priorities for 2007 as follows:

- Infrastructure
- Finances
- Planning
- Communications
- Parks & Recreation
- Service Delivery

Council continues to review municipal services which in itself are an incredible task. One must respect the desires of the community while recognizing that developing services for the community also have a financial impact.

Council also strives to accommodate the desires of residents of the community and have taken advantage of funding opportunities in a number of initiatives. The provision of water and sewer services continues to be a high priority of Council. While Council has been successful in negotiating an emergency water connection between the City of Nanaimo and the District of Lantzville discussions continue between the two jurisdictions with regards to a permanent supply of potable water.

While Council has experienced success in our funding application made under the B.C. Community Water Improvement Program for Phase 1 of the District's sanitary sewer collection system, application has been made for Phase II (lower Lantzville) under a new federal/provincial program. Projected costs associated with Phase II are estimated to be \$6.6 million. Funding would contribute two-thirds of the cost. We anticipate successful applicants will be notified July/August 2007.

One other significant funding program announced by the provincial government this year was the Towns' for Tomorrow program. This funding program was designed specifically for small municipalities with infrastructure challenges. Under this program the province will provide up to 80% of the funding to a maximum of \$400,000. Council has submitted an application under this program – Knarston Creek Overflow Project. We also anticipate notification in July/August 2007. Other successful applications for grant funding include:

- Community Tourism Grant
 - ✓ Mine Town Day \$ 10,000
 - ✓ Tourism Plan \$ 10,000
 - ✓ Website Improvements/Upgrade \$ 6,000
 - ✓ Regional parks/trails brochure \$ 900
- Small Communities Grant \$ 348,670
- Treaty Negotiations \$ 5,000

Looking ahead Council will continue to identify a list of objectives and a means of how these objectives may be achieved through ongoing consultation with residents both formally and informally. In closing, I would like to take this opportunity to encourage residents of the community to continue to provide input, either by attendance at meetings of Council, written submissions, or by scheduling a meeting with myself or any members of Council and/or staff of the District. We, as a Council, wish to ensure that we continue to recognize and implement the desires of the community.

We thank you for your continued support.

Sincerely

Colin Haime
Mayor
District of Lantzville

DECLARATION AND IDENTIFICATION OF DISQUALIFIED COUNCIL MEMBERS

In accordance with Section 98(2)(e) and Section 111 of the *Community Charter*, the following is a list of disqualified Council Members.

- None

OBJECTIVES & MEASURES FOR 2007 & 2008

Background

The District of Lantzville was incorporated on June 25th, 2003. Much of Council's efforts continue to focus on establishing a form of governance that residents of the community are looking for in addition to establishing the District's independence where possible. Council is also working diligently in implementing the basic infrastructure needs of the community such as water and sewer.

STRATEGIC DIRECTION FOR 2007 & 2008

The District of Lantzville has a comprehensive annual planning process which begins with strategic direction from Council. This is followed by a joint review by both Council and staff of the nature and extent of the services that the District will provide to its residents. Based on this framework, a five year Financial Plan is developed. The five year Financial Plan includes the costs of ongoing operations and capital expenditure programs to provide the necessary infrastructure for the proposed services.

Since incorporation, Council has recognized the importance of planning and since incorporation, continue to participate in annual Strategic Planning Sessions as a means of identifying and establishing priorities in response to issues identified by both residents of the community and Council. Once again, in early January of this year, Council met and identified the following strategic priorities for 2007 and 2008 as follows:

1. Infrastructure

- (a) One of six priorities of Council, infrastructure continues to be the number one priority for the District of Lantzville. Implementation of Phase I of the sanitary sewer collection system is well underway and we anticipate completion late this fall. Although these works have commenced a significant amount of work remains such as establishment of the appropriate bylaws, implementation procedures, invoicing, facilitating connections, and most importantly, continued consultation. We have also applied for funding for phase II of the collection system which will bring on, once again, the design process, negotiations for easements, borrowing requirements, consultation, etc.
- (b) Water Supply – Council is pleased to advise residents of the community that we have an established emergency water line connection with the City of Nanaimo. Council anticipates that with the completion of the emergency water line discussions may now focus specifically on facilitating a permanent connection/supply. Negotiations are ongoing however, we continue to face challenges as to the demands and expectations of the City that go beyond the relationship of just supplying water. Other initiatives tied to this supply are ongoing financial contributions to the City

relating to economic development, tourism and the Port Theatre. Therefore, while negotiations continue it is in the District's best interest to also pursue other sources of supply.

- (c) Storm Drainage – While the District anticipates a final plan from our engineers Council and staff are currently looking at options to address existing flooding and have identified in the 2007 budget, monies to specifically address Knarston Creek. The District has submitted an application for funding under the "Towns for Tomorrow" program and it is anticipated that announcements will be made in summer 2007. Should the District be successful in obtaining grant monies a significant amount of time will be spent by way of public consultation, tender process, establishment of a LAS subject to petition against process, and a proposed cost recovery method.
- (d) Road Maintenance – The District will be responsible for our own road maintenance contract beginning in July of 2008. In all likelihood, the District's approach to this service will be by way of contracting. Council anticipate a report from staff recommending various alternatives within the next couple of months.

2. Finances

As with infrastructure, finance also encompasses a variety of topics. Council has elected to focus on taxes and grant funding.

- (a) Taxes – The District of Lantzville generates revenue by collecting taxes. The amount of taxes collected is based on a combination of mainly two things property assessments and tax rates. Tax rates are determined by Council while property assessments are independent and completed by BC Assessment. During Council strategic planning discussions it was a concern of this Council that based on the ever increasing assessments and Council's inability to control costs such as policing; regional services, etc. that it is affecting the taxpayer's ability to pay. Paying for municipal services while being cognizant of the taxpayer's ability to pay will be an issue that will continue to challenge Council of the District of Lantzville but one that they are committed to address.
- (b) Grants – One way that can ease the tax burden is grant funding. The District has taken advantage of monies available through other levels of government both in the past and present and will continue to do so. Grants provide monies that enable municipalities to carry out more costly capital projects that may not have been constructed if grant monies were not available. In addition, they do provide a benefit to both the taxpayer and the community.

3. Planning

Issues identified by Council that pertain to planning are the following

- Significant Development/Projects
- East Lantzville Properties
- Downtown Revitalization & Beautification
- Property Acquisitions
- Housing Options

The District is relatively new to 'major' development process (Lantzville Foothills Estates is a good example) and Council, through strategic priority discussions elected to conduct a workshop. The workshop will involve Council/senior staff/planning consultant and the approving officer. The focus of the workshop will be to develop process and procedures when Council finds themselves entertaining applications for 'major' development and will look to encouraging early discussions with developers regarding the process. Further, this may be an appropriate time to address seniors' housing projects during major development proposals.

Another objective of Council is downtown revitalization and beautification. Council has determined that prior to embarking on a plan that community interest should be sought. Council will look to conduct a one-time event to solicit the community's desire for such an initiative.

Property Acquisition and East Lantzville properties could be considered together. Initially, through the OCP process, this area (East Lantzville) has proven to be difficult to determine what an appropriate use should be ie., commercial, light industrial, remain residential, etc. Council may wish to entertain acquiring some of these parcels (adjacent to Highway 19A) to keep these properties treed and/or parkland. Alternately, Council may look to establishing a 'focus group' to discuss alternatives for this area.

4. Communications

Communication continues to be a high priority of Council. While a strategy may not be reflected on paper (both internal and external), it is happening. One only needs to look at the number of various consultation sessions held, correspondence both direct and indirect, website updates, newspaper advertisements, log inserts, and monthly CAO report (both formal/informal).

We continue to look for a community identity/branding however, in the interim the rendering of the renovated District Office has provided that identity to some extent. The District will continue to utilize this photo on all District communications, until such time as Council elects to seek another form of branding.

V-Logging was a new item that Council has defined under communications. It was determined that an investigation relating to both upfront and ongoing costs, technology requirements to implement and what would be required to broadcast District meetings using the internet.

5. Parks & Recreation

The importance of establishing a parks and recreation function was a priority of Council identified at the beginning of their term in 2006. Council is very pleased to report that effective January 2007, this function was underway. While the commission's function has been pre-determined for the year 2007, (updated Lantzville's Foothills to Foreshore Plan and facilitate Mine Town Day), future years will see members of the Commission focus their attention on park acquisition/improvements, playground facilities, accessible beach accesses, etc.

6. Service Delivery

Like infrastructure and finance, service delivery consists of a number of components. Items such as our existing contractual arrangements with the Regional District of Nanaimo (a number of functions), planning consultant and approving officer, road maintenance; utility billing cycles; policing/bylaw enforcement just to name a few.

While contracting with the RDN for building inspection, bylaw enforcement, animal control, mapping, etc., is the most cost effective for the District at this time, one would expect that given our municipal status that we would want to provide this service to our residents directly through our office. However, significant challenges in attracting and retaining an individual with the expertise to perform these functions on a full-time basis, let alone one to two days per week, is the District's biggest hurdle at this time. Until such time as the District has infrastructure to facilitate development and the ability to attract, retain and employ a professional on a full-time basis, the District continues to contract these services with our Regional District. We do however, need to be cognizant that the RDN faces their own challenges by way of retaining professional individuals in their building/bylaw/planning department and there may come a time when they will find themselves in the position that they can no longer provide this service on the part of the District.

MUNICIPAL SERVICES & OPERATIONS FOR 2006 - OVERVIEW OF SERVICES

The District currently provides the following services:

1. General Government
 - Administration
 - Corporate Services
 - Financial Services
2. Protective Services
 - Fire Suppression, Fire Prevention, Rescue
 - Emergency Preparedness
 - Bylaw Enforcement
3. Community Planning
 - Development Planning
 - Land Development and Subdivision
 - Building Inspections
4. Engineering & Public Works & Parks
 - Transportation, Roads and Drainage
 - Waterworks
 - Parks

The District continues to establish itself following incorporation in 2003. In 2006, the District continued to contract from the Regional District of Nanaimo Building Inspection Services, Bylaw Enforcement, Animal Control, and Mapping services.

In the following section, the service is described and information on specific objectives and results of operations is presented.

DEPARTMENTAL REPORTS

1. General Government

• Administration

The Chief Administrative Officer is responsible for the overall administration of the District's departments. The duties of this office include being an advisor to Council, implementing corporate policy, providing leadership and direction for senior staff in the day-to-day and long-term business affairs of the District in accordance with Council goals and objectives.

Goals & Related Progress (2006):

Continue to Explore Options for Increasing Lantzville's Water Supply.

Council of the District of Lantzville and Council of the City of Nanaimo have entered into a Memorandum of Understanding for the supply of water from the City of Nanaimo. With the completion of the emergency water connection, attention will now focus on securing a permanent supply.

Facilitated the Renovations of the Municipal Hall: Since Lantzville's incorporation discussions around a solution regarding the existing municipal hall has been pursued. The existing office space was not adequate to conduct the business of the municipality and needed to be addressed. Renovations to the existing hall commenced on April 3rd, 2006. Difficulties encountered during renovations resulted in added costs to the project and a delayed completion date. However, staff returned to the renovated offices on September 29th, 2006. A community celebration was held and positive comments were received.

Facilitated the Establishment of a Parks & Recreation Commission: 2006 saw the establishment of the District's Parks and Recreation Commission. Community interest to participate on the Commission was excellent. A consultant has been retained to provide leadership and guidance to this group for their first year in existence.

Facilitate the Implementation of Phase I of the Sanitary Sewer Collection System: Due to success in the District's grant funding application Phase I of the District's first sanitary sewer collection system was initiated. This phase consists of two stages, stage one interceptor pipe (foreshore) which was completed in fall of 2006 with stage two, residential connections anticipated to be complete in fall 2007.

Facilitate the Development & Implementation of a Development Cost Charge Bylaw: Works began in 2006 for the development of the District's first Development Cost Charge Bylaw. Various levels of involvement from Council, staff, consultants, and the District's engineers were essential to the development of this particular bylaw.

Goals for 2007/2008

1. Continue to pursue water supply with City of Nanaimo
2. Investigate alternate water supply sources
3. Implementation of Phase II of the Sanitary Sewer Collection System
4. Implementation of Knarston Creek Overflow Project
5. Establish Policy/Procedure/Function of Road Maintenance Contract
6. Establish the building inspection function/bylaw enforcement
7. Investigate feasibility of community amenities
8. Investigate various new initiatives/alternatives in service delivery

Performance Measures

- ✓ degree of implementation of the above projects
- ✓ increase in basic infrastructure
- ✓ community feedback
- ✓ employee recruitment/retention

• Corporate Services

The main objective of the corporate services department is to continue to develop, enhance and build on communications between other levels of government, various agencies, Council, staff, and residents of the community.

Goals for 2006 & Progress:

Ensure the District adheres to Legislation and Continues to meet the various Statutory Demands of Corporate Services: 2006 was a unique year in the fact that it saw the departure of Mr. Howat, the District's former CAO. Assuming the position and responsibilities of the CAO was Ms. Graff who, also performed the duties of Director of Corporate Administration. It is with great pleasure that I am able to report to the community that the District, regardless of the number of senior level vacancies, met and adhered to all legislation and regulatory requirements while we administered the infrastructure projects and the overall day to day operations of the municipality.

Goal for 2007/2008:

- ✓ continue to enhance and encourage communication with Lantzville residents
- ✓ continue to work on establishing a formal policy that will address both internal and external communications to the satisfaction of all who access/require information
- ✓ continue to investigate appropriate bylaws and policies that will benefit the overall operations of the District
- ✓ facilitate the 2008 general local elections

Performance Measures

- ✓ increased community feedback and involvement in District decision-making processes as a result of the various levels of communication methods used by the District
- ✓ adoption of bylaws & policies
- ✓ conduct 2008 general local elections pursuant to legislation

- **Financial Services**

The Finance Department's responsibilities include:

- levying and collecting municipal taxes and utility rates
- expending municipal money in the manner authorized by Council
- preparing accurate and full accounts of the District's financial affairs
- developing, monitoring & implementing the District's financial plan
- safeguarding and managing the District's assets
- reporting on the District's financial position
- developing and maintaining financial information systems and internal controls

Goals for 2006 & Progress:

Ensure the District adheres to Legislation and Continues to meet the various Statutory Demands Related to the overall Financial Operations of the District:

The position of Director of Financial Services also became vacant in 2006. While the District embarked on filling this position the District retained the services of an interim finance officer to assist the District during this time of transition. The District did ultimately fill the position of Director of Financial Services in August 2006, with the first few months being spent with the individual making themselves familiar with the various policies and procedures specific to the financial operations of the District. Again, we are pleased to report that the District met these challenges during the period of transition and continued to exercise the appropriate regulations when it came to processing the revenues and expenditures of the District.

Goals for 2007/2008:

- ✓ enhance the financial health of the District through the use of thoughtful, long-term budgeting and inventory strategy
- ✓ continue to promote community understanding of the District's financial plan by presenting financial information in an easy to understand format
- ✓ develop a new set of accounts that would reflect the operations of the municipality
- ✓ increase customer self-help opportunities e.g., on-line applications
- ✓ establish invoicing structure for Phase I of the sanitary sewer collection system
- ✓ establish invoicing structure for Phase II of the sanitary sewer collection system
- ✓ consider adjusting the current water billing system (Phase I – sewage flows) by establishing billings on a semi-annual basis

Performance Measures

- ✓ adequate cash position to conduct planned municipal business
- ✓ increased community feedback and participation in developing the financial plan
- ✓ number of new on-line applications introduced and the use thereof
- ✓ quarterly financial progress reports prepared and made available to Lantzville residents
- ✓ establishment of a new semi-annual utility billing system

2. PROTECTIVE SERVICES

- **Fire Suppression, Fire Prevention and Rescue**

The Lantzville Volunteer Fire Department provides the District's fire suppression, victim rescue/extrication, fire prevention, First Responder and public education services.

Goals for 2006 & Progress:

Ensure Effective Fire Suppression Capability by Continuing Recruitment of Members, Conducting Adequate Training & Promoting Public Education:

2006 saw the membership of the Lantzville Volunteer Fire Department reach its full compliment. Under the leadership of the Fire Chief, Deputy Chief and various officers, the department continues to provide the level of public safety/protection that is desired. The department may wish to focus on increasing the level of public education either by way of semi-annual visits to the schools within the District, including private educational facilities and/or community consultation.

Conduct Negotiations with Various Agencies for Potential Relocation of the Fire Hall:

While discussions continue with the appropriate authorities regarding the existing location of the District's fire hall and the upcoming lease expiry in 2012 between the District and the Ministry of Transportation, representatives of MOT have committed to work with the District to ensure the communities public safety needs are met, irregardless of the potential reconfiguration of Hwy 19 and Superior Road intersection (anticipated in 2020).

Goals for 2007/2008:

- ✓ ensure effective fire suppression capability by assessing current fire hall inventory and facilities
- ✓ retain sufficient volunteer member levels
- ✓ ensure adequate training of volunteer membership
- ✓ increase level of public safety educational opportunities

Performance Measures

- ✓ degree of compliance with Fire Underwriters' Survey recommendations
- ✓ effective and efficient responses to fire, accident, and health emergency events
- ✓ public readiness in case of fire related emergency

- **Emergency Preparedness**

While Council formally appointed a resident of the community to act as the District's Emergency Program Coordinator in 2006, the District also experienced the individual's resignation a few months later given the magnitude of the positions responsibilities and their personal time available to commit to the position. In the interim, the CAO, Director of Public Works and the District's Fire Chief shared this responsibility overall, however, the Director of Public Works was formally appointed as the District's EPC.

Goal for 2006 & Progress:

Establish Community Emergency Preparedness by Seeking Volunteers & Inventory of available Equipment: The former EPC did develop a questionnaire

distributed throughout the community. The questionnaire sought information from individuals available to provide assistance in the case of an emergency in addition to identifying equipment that may also be available to the District.

Fill the roll of EPC for the District: Given the resignation of the District's EPC the District sought to fill this vacancy. While negotiations to facilitate this position ensued with representatives from neighbouring jurisdictions, the District was unsuccessful in filling this position by way of a volunteer. The District continues to seek out an individual to assume this responsibility on the part of the District.

Goals for 2007/2008:

- ✓ Fill the position of emergency program coordinator for the District of Lantzville
- ✓ EPC's attendance at various conferences/workshops and participating in the Mid-Island Emergency Program Coordinators function
- ✓ achieve efficiencies in an emergency situation by co-coordinating the provision of manpower and equipment between neighbouring municipalities, Mid-Island Emergency Program Coordinators and the Provincial Emergency Plan system
- ✓ apply for various grant funding available specific to emergency functions

Performance Measures

- ✓ appointment of an Emergency Program Coordinator
- ✓ education & training that facilitates EPC competencies to deal with an emergency
- ✓ establish the District's own emergency response manual
- ✓ database facilitating easy access to community information that would provide the District with assistance in the case of an emergency

- **Bylaw Enforcement**

The District has a contract with the Regional District of Nanaimo to provide bylaw enforcement services to Lantzville residents. A Bylaw Enforcement Officer investigates complaints from residents relating to such matters as dangerous animals, noise control, land use and traffic violations. The Bylaw Enforcement Officer takes the necessary steps to resolve the issue and the District's policy is to seek voluntary compliance whenever possible.

3. COMMUNITY PLANNING

- **Land Use Planning**

The primary role of the Planning Department is to provide the District with a planning program to promote the orderly and economical development of the community by adhering to the District's OCP, Zoning and Subdivision Bylaws. Currently the District provides this service through a planning consultant, Mrs. Pamela Shaw. Mrs. Shaw is about to embark on her third year with the District in this capacity.

Goals for 2006 & Progress:

Develop a process that is User Friendly: While the District's planning consultant spends only one day in the District office, this day/time has been regulated to ensure

minimal impact to residents/developers of the community utilizing this service. While planning dates have alternated (to accommodate our consultant who also has other commitments), the District has not received any negative feedback as it relates to the provision of this service.

Develop Internal Procedures that will facilitate the Planning Function in a Cost Effective Fashion: Internal procedures and policies have been established as it relates to land use applications etc. Considering that this service is relatively new, the District continues to review procedures and policies that will enhance current processes based on the advice, guidance and past experience and expertise of our planning consultant.

Re-classify Job Duties & Responsibilities to Allow for Planning Assistant Function: The District's Accounts Receivable Clerk has provided assistance to both the planning consultant and the CAO as it relates to the various land use applications found in the planning function. Given that the District's current CUPE contract does not expire until December 31, 2007, a formal reclassification of the job duties and responsibilities of the Accounts Receivable Clerk has not occurred. This reclassification will be considered during contract negotiations.

Goals for 2007/2008:

- ✓ Develop a process specific to 'major' development:
- ✓ Investigate desire for downtown revitalization & beautification
- ✓ Establish appropriate land uses throughout the District of Lantzville
- ✓ Investigate housing alternatives

Performance Measures

- ✓ applicant satisfaction
- ✓ developer satisfaction
- ✓ development/implementation of downtown revitalization & beautification
- ✓ amendments to the OCP to see appropriate land use designations
- ✓ development/construction of housing alternatives

• **Land Development and Subdivision**

The Approving Officer processes subdivision applications to ensure that all legislative requirements are met and that development approval is coordinated among District departments and outside agencies.

Although there were no specific goals or objectives established for this particular function, the District has retained the services of a retired Approving Officer via contract. To mitigate costs and unnecessary demands of the Approving Officers time accommodations have been made to establish a reporting structure which results in no direct residential contact with the Approving Officer. Contact is facilitated through the District office by way of the Director of Public Works and the Planning consultant. However, the Approving Officer does coordinate his attendance at the District office to match that of our planning consultant. Further, our Director of Public Works has designated this day as his 'office day' and therefore, is also

available to provide necessary advice/information and direction relating to this function.

Goal for 2007/2008:

- ✓ subdivision applications/approvals are done in a timely manner
- ✓ subdivision applications/approvals are given subject to legislative requirements and that adhere to District's low impact development standards
- ✓ subdivision applications/approvals are given subject to application of the District's Development Cost Charge Bylaw

Performance Measures

- ✓ timely manner in which subdivision applications/approvals are processed
- ✓ subdivisions are developed to the standards pursuant to District bylaws

- **Building Inspections**

Building Inspectors enforce the Building Code and regulatory bylaws governing building, heating, plumbing, and zoning. The District has contracted the Regional District of Nanaimo to provide Building Inspection services to the residents of Lantzville.

Although there were no specific goals or objectives set for this service it is the District's desire to terminate the contract with the Regional District of Nanaimo and in turn, establish the District's own Building Inspection function, this to establish a higher more efficient level of service to residents of the community. Discussions are in the preliminary stages as to how the District will accomplish this task with minimal impact to taxpayer dollars but also, to provide this service at a level that is expected. Further, establishment of this function will be done on a cost recovery basis.

While the District remains desirous of providing this service directly, we now face significant challenges in attracting and retaining an individual with the expertise to perform these functions on a full-time basis, let alone one to two days per week, is the District's biggest hurdle at this time. Until such time as the District has infrastructure to facilitate development and the ability to attract, retain and employ a professional on a full-time basis staff have encouraged Council to maintain the status quo. However, we do need to be cognizant that our service provider faces their own challenges by way of retaining professional individuals in their building/bylaw/planning department and there may come a time when they will find themselves in the position that they can no longer provide this service to the District.

4. ENGINEERING/PUBLIC WORKS & PARKS

The District has three full-time staff in this department, a Director of Public Works, Maintenance Technician, and Utility/Equipment Operator to ensure the safe and efficient operation of the District's waterworks, the soon to be implemented Phase I sanitary sewer collection system, parks, buildings and other related facilities and equipment. In addition, a summer student is hired to assist with the maintenance of parks on a short-term basis.

- **Transportation, Roads and Drainage**

A municipality is responsible for maintaining local roads within its boundaries. As part of Lantzville's incorporation, the Province of British Columbia has provided a five year transition period during which it is paying the contractor for this service. The transition period expires in June 2008. However, any new road construction is either the responsibility of the District or the developer.

Goals for 2006 & Progress:

Establish Road Network Plan: Respecting that the District will assume responsibility for the roads by mid-2008, it is imperative that the District establish a road network plan. This plan is currently being developed by the Director of Public Works and the District's engineers Koers & Associates Engineering.

Identify a Proposed Sanitary Sewer Collection System for the District: In February 2005, the District of Lantzville identified and submitted a request for funding to facilitate the implementation of a sanitary sewer collection system (three phases). The District was successful in obtaining monies for Phase 1 of the collection system. To date Phase I, if construction remains on schedule, is anticipated to be completed fall 2007.

Goals for 2007/2008:

- ✓ develop a road construction and maintenance strategy consistent with the community goals of livability and rural atmosphere
- ✓ implementation of Phase 2 of the proposed sanitary sewer collection system if grant funding application successful
- ✓ implementation of Knarston Creek Overflow Project if grant funding application successful
- ✓ to promote safe travel for pedestrians and cyclists identify, where appropriate, future trails/linkages

Performance Measures

- ✓ degree of completion of roads strategy
- ✓ degree of completion of Phase 2 sanitary sewer collection system
- ✓ degree of completion of Knarston Creek Overflow project
- ✓ degree of trail identification and potential implementation where not cost prohibitive

- **Waterworks**

The District supplies and distributes water for household use, commercial and fire suppression purposes to roughly 900 properties. The District is responsible for ensuring that the water it supplies meets strict drinking water quality guidelines. The District is also responsible for maintaining and improving the equipment and infrastructure related to this supply and distribution system.

Goals for 2006 & Progress:

Continue with the Water Quality and Storage Infrastructure Construction Project: The District completed construction of the Water Quality Protection and Storage Project (WQPSP), made possible through funding from the Canada – British

Columbia Infrastructure Program. The WQPSP enables the District to increase its water storage capabilities and improve on fire flow capacity.

To enhance the District's water supply negotiations continue with our neighbouring municipality the City of Nanaimo for the provision of water. As indicated earlier in this report the District of Lantzville and the City of Nanaimo signed a Memorandum of Understanding which have established the 'playing field' for the two parties. Council however, recognizing the importance of seeking an additional supply of potable water for the residents of the community of Lantzville will continue to investigate new sources of water.

Continue to provide programs to promote and conduct Water

Conservation: The District established a low-flush toilet rebate program. The District staff review applications and if residents qualify i.e., provide receipt of CSA approved low flush toilet, proof of installation and photograph of the old, destroyed toilet, the District will provide a rebate to the property owners. The program was established in late 2005 and to date thirty-eight rebates have been issued.

Goals for 2007/2008:

- ✓ Finalize emergency water connection between the District of Lantzville and the City of Nanaimo
- ✓ ensure that the District provides safe reliable water for drinking purposes
- ✓ ensure that the District system operates with adequate flows for fire protection purposes
- ✓ protect the community aquifer through water conservation strategies such as public education, watering restrictions, tiered water consumption rates
- ✓ continue to promote the low-flush toilet rebate program

Performance Measures

- ✓ a new water supply source is identified and an implementation strategy is developed
- ✓ satisfactory results from ongoing water sampling procedures
- ✓ reduction in water consumption, particularly in the peak summer months
- ✓ number of low-flush toilet rebate monies returned to property owners

STATEMENT OF PROPERTY TAX EXEMPTIONS

In accordance with Section 98(2)(b) of the *Community Charter*, the following properties in the District of Lantzville were provided permissive property tax exemptions by Council

Property Description	Proposed Exemption	Approximate Taxation		
		2007	2008	2009
7113 Lantzville Road St. Philip's by the Sea Anglican Church	Land & Improvements	\$1,997	\$2,057	\$2,119
7244 Lantzville Road Woodgrove Christian Community Church (Heritage Church)	Land & Improvements	\$1,661	\$1,711	\$1,762
Lot 1, Plan 9671, DL 27G Tennis Courts (School Rd.)	Recreation Land	\$2,357	\$2,428	\$2,500
7232 Lantzville Road Costin Hall	Land & Improvements	\$7,432	\$7,655	\$7,885
7225 Lantzville Road Seaview Centennial Branch #257 of The Royal Canadian Legion	Land & Improvements	\$4,487	\$4,621	\$4,760