



VILLAGE OF HARRISON HOT SPRINGS NOTICE OF MEETING AND AGENDA

REGULAR COUNCIL MEETING

Date: Monday, April 15, 2019
Time: 7:00 p.m.
Location: Council Chambers, 495 Hot Springs Road
 Harrison Hot Springs, British Columbia

| | | |
|--|--|-----------------------|
| 1. CALL TO ORDER | | |
| Meeting called to order by Mayor Facio. | | |
| 2. INTRODUCTION OF LATE ITEMS | | |
| | | |
| 3. APPROVAL OF AGENDA | | |
| | | |
| 4. ADOPTION OF COUNCIL MINUTES | | |
| (a) Minutes of the Regular Council Meeting dated April 1, 2019 | | Item 4(a) Page 1 |
| 5. BUSINESS ARISING FROM THE MINUTES | | |
| | | |
| 6. CONSENT AGENDA | | |
| i. Bylaws | (a) Unnamed Municipal Pathway Bylaw No. 1132, 2019 | Item 6.i(a) Page 7 |
| ii. Agreements | | |
| iii. Committee/ Commission Minutes | | |
| iv. Correspondence | | |
| 7. DELEGATIONS/PETITIONS | | |
| (a) Chilliwack Plowing Society, President Francis Sache and Director Jim Sache Re: 2019 Chilliwack Plowing Match First Place Award Presentation | | Item 7(a) |
| (b) BDO Canada LLP, Brian Szabo Re: 2018 Audited Financials | | Item 7(b) |
| 8. CORRESPONDENCE | | |
| (a) Letter dated April 5, 2019 from City of Maple Ridge Re: Union of BC Municipalities (UBCM) Resolution Request | | Item 8(a) Page 13 |
| 9. BUSINESS ARISING FROM CORRESPONDENCE | | |
| | | |

10. REPORTS OF COUNCILLORS, COMMITTEES, COMMITTEE OF THE WHOLE AND COMMISSIONS

11. REPORTS FROM MAYOR

12. REPORTS FROM STAFF

- (a) Report of the Financial Officer – April 5, 2019 Item 12(a)
Page 19
Re: 2018 Audited Financial Statements

Recommendation

THAT the 2018 Financial Statements of the Village of Harrison Hot Springs be approved;

AND THAT the Independent Auditor's Report be received;

AND THAT the Independent Auditor's Report be attached to the approved Financial Statements of the Village of Harrison Hot Springs.

-
- (b) Report of the Community Services Coordinator – April 9, 2019 Item 12(b)
Page 65
Re: Aquatic Safety Projects

Recommendation

THAT use of Resort Municipality Initiative funds for the implementation of 2019 Aquatic Safety Projects be approved.

-
- (c) Report of the Planning Consultant – April 10, 2019 Item 12(c)
Page 67
Re: Development Variance Permit for 102 Rockwell Drive - Revised

Recommendation

That Development Variance Permit DVP 11/18 be issued to Harrison Hot Springs Ltd for the property located at 102 Rockwell Drive, Harrison Hot Springs and legally described as: DL 5031, Group 1, New Westminster District. (PID 002-410-257)

-
- (d) Report of the Community Services Coordinator – April 11, 2019 Item 12(d)
Page 77
Re: Ranger Station Art Gallery Accessibility Upgrades

Recommendation

THAT \$20,000 from the 2019 Federal Gas Tax Fund be allocated to achieve accessibility upgrades to the Ranger Station Art Gallery.

-
- (e) Report of the Chief Administrative Officer – April 11, 2019 Item 12(e)
Page 79
Re: Lagoon Master Plan Proposal

Recommendation

THAT the Lagoon Master Plan dated April 11, 2019, as prepared by CTQ Consultants be approved at a cost not to exceed \$30,000 to be funded by Federal Gas Tax.

13. BYLAWS

- (a) Report of the Financial Officer – April 4, 2019
Re: Tax Rate Bylaw No. 1135, 2019

Item 13(a)
Page 89

Recommendation

THAT Tax Rate Bylaw No. 1135, 2019 be given First, Second and Third readings.

- (b) Report of the Deputy Chief Administrative Officer/CO – April 10, 2019
Re: Business Licence Bylaw 1128, 2018

Item 13(b)
Page 95

Recommendation

THAT Business Licence and Regulation Bylaw No. 1128, 2018 receive third reading, as amended.

14. QUESTIONS FROM THE PUBLIC (pertaining to agenda items only)

15. ADJOURNMENT



VILLAGE OF HARRISON HOT SPRINGS
MINUTES OF THE REGULAR MEETING OF COUNCIL

4(a)

DATE: Monday, April 1, 2019
TIME: 7:00 p.m.
PLACE: Council Chambers
495 Hot Springs Road, Harrison Hot Springs, BC

IN ATTENDANCE: Mayor Leo Facio
Councillor Samantha Piper
Councillor Ray Hooper
Councillor Gerry Palmer
Councillor Michie Vidal

Chief Administrative Officer, Madeline McDonald
Deputy Administrative Officer/Corporate Officer, Debra Key
Tracey Jones, Financial Officer
Rhonda Schell, Community Services Coordinator
Ken Cossey, Planning Consultant

ABSENT:

Recording Secretary: Nicole Sather

1. CALL TO ORDER

Mayor Facio called the meeting to order at 7:00 p.m.

2. INTRODUCTION OF LATE ITEMS

None

3. APPROVAL OF AGENDA

Moved by Councillor Hooper
Seconded by Councillor Palmer

THAT the agenda be approved.

**CARRIED
UNANIMOUSLY**
RC-2019-04-01

4. ADOPTION OF COUNCIL MINUTES

Moved by Councillor Piper
Seconded by Councillor Vidal

THAT the Regular Council Meeting Minutes of March 18, 2019 be adopted.

**CARRIED
UNANIMOUSLY**
RC-2019-04-02

5. BUSINESS ARISING FROM THE MINUTES

None

6. CONSENT AGENDA

- i. (a) Bylaw Notice Enforcement Amendment Bylaw No. 1137, 2019

Moved by Councillor Piper
Seconded by Councillor Hooper

THAT Bylaw Notice Enforcement Amendment Bylaw No. 1137, 2019 be adopted.

**CARRIED
UNANIMOUSLY**
RC-2019-04-03

7. DELEGATIONS/PETITIONS

None

8. CORRESPONDENCE

- (a) Letter dated March 25, 2019 from the District of Kitimat
Re: Coalition of Riders Educating Youth (C.O.R.E.Y.) Support Letter Request

Moved by Councillor Piper
Seconded by Councillor Vidal

THAT the correspondence from the District of Kitimat be received.

**CARRIED
UNANIMOUSLY**
RC-2019-04-04

9. BUSINESS ARISING FROM CORRESPONDENCE

Moved by Councillor Piper
Seconded by Councillor Hooper

THAT a letter be sent to the Province supporting the District of Kitimat's resolution regarding the finalization and implementation of the graduated licensing program for motorcycles, including power restriction and mandatory training.

**CARRIED
UNANIMOUSLY**
RC-2019-04-05

10. REPORTS OF COUNCILLORS, COMMITTEES, COMMITTEE OF THE WHOLE AND COMMISSIONS

Councillor Hooper

- Held a community walk on March 20, 2019
- Attended the Healthy Communities meeting held on March 21, 2019 and reported on a community garden built by the British Legion to provide greater access to gardening for those with mobility challenges
- Announced that a Health and Wellness Fair will be held in Agassiz on May 8-9, 2019
- Attended the CleanBC Townhall held on March 27, 2019
- Attended a youth lead conference held on March 29, 2019 in Abbotsford
- Reported that the Age-Friendly committee is seeking members
- Reported that Transit is holding an open house on April 2, 2019

Village of Harrison Hot Springs
Minutes of the Council Meeting
April 1, 2019

Councillor Palmer

- Attended the In Camera Council Meeting held on April 1, 2019
- Attended an open house held by a local business

Councillor Piper

- Attended a Lower Mainland Local Government Association Executive meeting held on March 20, 2019
- Attended a Harrison Tourism Society Board meeting held on March 20, 2019 and reported that 300 plus individuals attended the Family Day celebration and that the Harrison's Uncorked Wine Festival is sold out
- Attended the CleanBC Townhall held on March 27, 2019
- Attended a volunteer appreciation event at Mountain Institution held on March 29, 2019
- Attended the In Camera Council Meeting held on April 1, 2019

Councillor Vidal

- Attended the Fraser Valley Regional Hospital Board Meeting held on March 20, 2019
- Attended the In Camera Council Meeting held on April 1, 2019
- Attended an open house held by a local business

11. MAYOR'S REPORT

Mayor Facio presented cheques for the following eligible 2018 Grants to Groups recipients.

- Monte Chartrand accepted on behalf of the Agassiz Baseball Association
 - Grace Admiraal-Blansjee accepted on behalf of the Agassiz Harrison Community Services
 - Ashala Palaniuk accepted on behalf of the Fraser Valley Paddling Club
 - Ed Stenson accepted on behalf of the Kent Harrison Arts Council
 - Donna Cooney accepted on behalf of the Miami River Streamkeepers
- Attended the meeting of the Miami River Streamkeepers held on March 6, 2019 and thanked the volunteers
 - Thanked Deputy Mayor Piper and Councillor Vidal for acting on his behalf while he was away ill
 - Announced Transit's open house, Shape your Neighbour Transit, will be held on April 2, 2019
 - Reported that the Fraser Valley Regional Library will hold a movie night on April 26, 2019
 - Announced the Village's Council and staff open house will be held on April 24, 2019

12. REPORTS FROM STAFF

None

13. BYLAWS

- (a) Notice of Intent – Business Licence and Regulation Bylaw No. 1128, 2018
Public Submissions

Mayor Facio read a statement pursuant to sections 59(1) and (2) of the *Community Charter* and reported that a Notice of Intent was published on March 21 and March 28, 2019.

Mayor invited the public to make verbal submissions regarding the proposed Business Licence and Regulation Bylaw No. 1128, 2018.

Three (3) individuals provided feedback on items listed below:

- Typographical housekeeping
- Permit buskers
- Further define Pop Up Retailers
 - Prohibit during special events
- Define types of businesses
- Permit mobile vending carts
- Create enforcement tools for non-compliant businesses
- Terms pertaining to individuals as businesses should encompass incorporated businesses
- Make available a business licence registry
- Statement provided concerning the impacts of prohibiting vending carts
- Enquiry to the rationale pertaining to current structure of vending carts business licences

Mayor called for any additional public submissions.

Hearing none, Business Licence and Regulation Bylaw No. 1128, 2018 public submission is closed.

- (b) Report of the Deputy Chief Administrative Officer/ Corporate Officer – March 28, 2019
Re: Business Licence and Regulation Bylaw No. 1128, 2018

Deputy Chief Administrative Officer reported that one (1) written submission was received.

Moved by Councillor Hooper
Seconded by Councillor Vidal

THAT Business Licence and Regulation Bylaw No. 1128, 2018 be given third reading.

**OPPOSED UNANIMOUSLY
MOTION FAILED**

Moved by Councillor Palmer
Seconded by Councillor Piper

THAT the Business Licence and Regulation Bylaw No. 1128 be postponed until April 15, 2019.

**CARRIED
UNANIMOUSLY**
RC-2019-04-06

Village of Harrison Hot Springs
Minutes of the Council Meeting
April 1, 2019

14. QUESTIONS FROM THE PUBLIC (pertaining to agenda items only)

Questions from the public were entertained.

15. ADJOURNMENT

Moved by Councillor Palmer
Seconded by Councillor Vidal

THAT the meeting be adjourned at 8:04 p.m.

**CARRIED
UNANIMOUSLY**
RC-2019-04.07

Leo Facio
Mayor

Debra Key
Corporate Officer

DRAFT



VILLAGE OF HARRISON HOT SPRINGS
BYLAW NO. 1132

A Bylaw to Close Portions of an Unnamed Municipal Pathway and to
Remove its Dedication as Highway

WHEREAS

- A. Under section 40 the *Community Charter* the Council of the Village of Harrison Hot Springs may close all or part of a highway to traffic and remove the dedication of a highway; and
- B. "Highway" is defined under the *Community Charter* to include a street, road, lane, bridge, viaduct and any other way open to public use, other than a private right of way on private property; and
- C. This strip of municipally owned land is of no public value as it is not developable due to its narrow configuration.
- D. As required by the *Community Charter*, the Council posted and published notice of its intention to close the portion of highway referred to in this Bylaw and to remove its dedication as a highway and Council provided an opportunity for persons who consider they are affected to make presentations to Council.

NOW THEREFORE the Council of the Village of Harrison Hot Springs, in open meeting assembled, enacts as follows:

1. CITATION

- 1.1 This Bylaw may be cited as Unnamed Municipal Pathway Closure Bylaw No. 1132, 2019.

2. ROAD CLOSURE AND REMOVAL OF DEDICATION

- 2.1 Those portions of the lane identified on Reference Plan EPP90499, part of road dedicated on Plan 52361 Section 12, Township 4, Range 29, West of the 6th Meridian, New Westminster District, a reduced copy of which is attached as Schedule "A" and forms part of this Bylaw, (**the "Plan"**) are hereby closed to all types of traffic and their dedication as a highway is removed and cancelled, effective upon filing of this Bylaw in the appropriate Land Title Office

2.2 The corporate officer for the Village of Harrison Hot Springs is authorized to execute and deliver such agreements, advertisement, plans and other documents as are required to give effect to the foregoing.

READ A FIRST TIME THIS 18th DAY OF MARCH, 2019

READ A SECOND TIME THIS 18th DAY OF MARCH, 2019

READ A THIRD TIME THIS 18th DAY OF MARCH, 2019

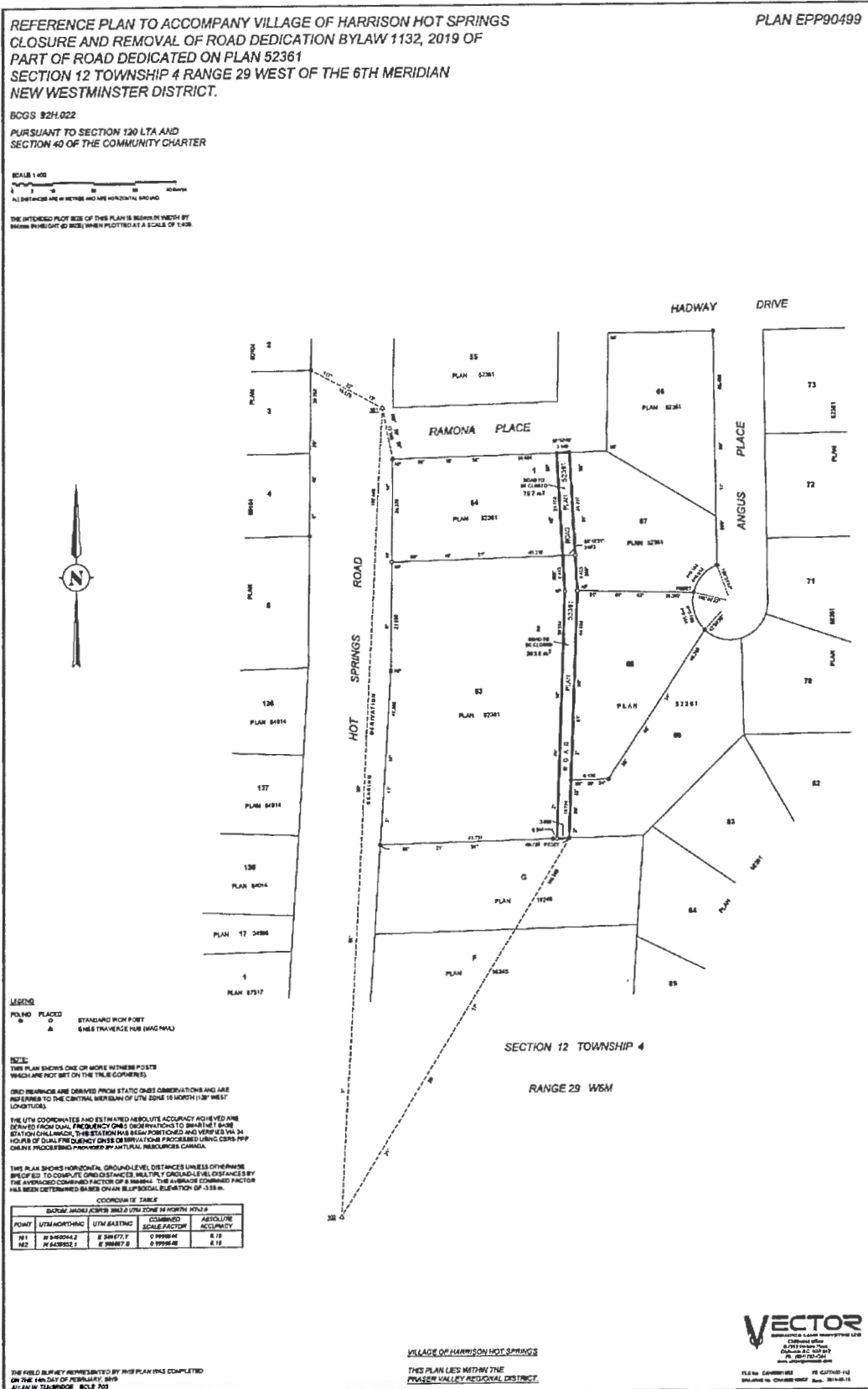
APPROVED by the Minister Responsible for the *Transportation Act* in accordance with section 41(3) of the *Community Charter*;

RECONSIDERED AND FINALLY ADOPTED this day of , 2019

Mayor

Corporate Officer

3
Schedule "A"





Your File #: Bylaw 1132
eDAS File #: 2019-01608
Date: Apr/02/2019

c/o Harrison Hot Springs
PO Box 160
495 Hot Springs Road
Harrison Hot Springs, British Columbia V0M
1K0
Canada

Attention: Madeline McDonald

Re: Proposed Bylaw 1132, 2019 for:
Lot 14 of the South East 1/4 of Section 12, Township 4, Range 29, West of the
Sixth Meridian, Plan 33628

The ministry has no concerns with the proposed road closure.

If you have any questions please feel free to call Jennifer Powers at (604) 795-8210.
Yours truly,

Jennifer Powers
Area Development And Operations Technician

Attachment

| Local District Address |
|--|
| Chilliwack Area Office 45890 Victoria Avenue Chilliwack, BC V2P 2T1 Canada Phone: (604) 795-8211 Fax: (604) 795-8214 |



Office of the Mayor

86a

| | |
|---|---|
| OFFICE # | DATE |
| 0330-01 | 2019-04-08 |
| <input checked="" type="checkbox"/> CAO | <input type="checkbox"/> INFRA |
| <input checked="" type="checkbox"/> DCAO/CO | <input type="checkbox"/> PW |
| <input type="checkbox"/> FO | <input type="checkbox"/> OTHER |
| <input type="checkbox"/> ACCOUNTS | <input checked="" type="checkbox"/> MAYOR |
| <input type="checkbox"/> COMM SERV | <input checked="" type="checkbox"/> COUNCIL |
| ITEM | A B |
| COUNCIL AGENDA | |
| DATE | APR 15/19 |
| | INITIAL |
| ITEMS: A-REQ, ACTION: | |
| B - INFO - W/REP; | |
| C - INFO ONLY | |

April 5, 2019

Member Municipalities
c/o Union of BC Municipalities
Suite 60 - 10551 Shellbridge Way
Richmond, BC V6X 2W9

Dear UBCM Member Municipalities:

I am writing on behalf of Maple Ridge City Council to inform you of recent action taken by the Province of British Columbia that undermines the authority granted to municipal governments, and request that you pass a resolution to be forwarded to Premier Horgan and the Union of BC Municipalities (UBCM) expressing concern for the impact this action has on the roles defined for local government within the Community Charter (CC) and the Local Government Act (LGA).

By way of background, I share with you the recent experience of the City of Maple Ridge, where on two separate occasions, we have been subjected to the Province's unilateral action to bypass local government autonomy and public process, inconsistent with our local zoning.

In May 2018, the Province of BC made application to the City of Maple Ridge to rezone provincially-owned properties on 11749 & 11761 Burnett Street (as referenced in Item 1108 of the May 22, 2019 Council Meeting Report) to build purpose built supportive housing. Citizens attended a public meeting hosted by local MLAs and presented a 10,000 name petition against this application citing several considerations that made the site unsuitable including its proximity to a daycare, two schools, a seniors centre, and that the proposed model itself was inadequate to meet the complex mental health and addiction support services required, particularly persons coming from a camp environment. Following the public process, the City rejected the application. The Provincial Government responded to this decision by taking unilateral action to install housing through the Rapid Response to Homelessness (RRH) program on a nearby provincially-owned site on Royal Crescent, next to senior and low income housing, without any local consultation citing emergency measures were needed to ensure camp closure, which did not happen.

Since this Council took office in November 2018, we have taken swift and deliberate steps to address mental health and housing problems in our community, especially with regard to the ongoing presence of the St. Anne Camp that was first established in May 2017. We have endeavored to open positive channels of communication with the Province of BC to deliver a workable plan that addresses immediate and long term housing needs in our community, while respecting the views that have been clearly stated by local citizens. This began with post-election meetings in October 2018 with our local MP, MLAs, Fraser Health Authority, BC Housing and related non-profit service providers followed by Council's development of a Strategic Plan which includes direction to establish a Community Safety Plan as a major tenet of this work. These steps have been followed up most recently with a meeting in Victoria on February 25, 2019 with Ministers we felt needed to be present to assist us in our plan, that being Ministers of Health, Mental Health and Addictions, Poverty and Housing to discuss a broad range of problems including housing affordability, delivery of addiction and mental health services, community safety, and how we can move forward on these matters in Maple Ridge.

/2

City of Maple Ridge

11995 Haney Place, Maple Ridge, British Columbia V2X 6A9 CANADA

Telephone: 604-463-5221 • Fax: 604-467-7329 • Email: enquiries@mapleridge.ca • www.mapleridge.ca

On Monday, March 4, just one week after that meeting, I received a phone call from the Housing Minister demanding that the City deliver a "Social Housing Plan" within five days to address short and long term needs, including providing immediate housing to facilitate the closure of the St. Anne Camp. Council immediately passed a resolution and then delivered on this request in seven days, with all related resolutions from Council to demonstrate our willingness and commitment to collaborate for a mutually beneficial outcome. The Plan was immediately rejected by the Province. The Province cited the unsuitability of the City's chosen property, despite City staff's assessment that the site could accommodate immediate housing needs to achieve camp closure. One week later, Minister Robinson announced publicly that RRH housing would be installed on Burnett Street, at the same location local residents and the previous Council had already rejected through the usual local application process.

Maple Ridge Council is gravely concerned by this second instance of the Provincial Government overriding local autonomy. The initial 53 housing units installed on Royal Crescent did not end the St. Anne Camp as promised by the Province, with units populated by both camp residents and other homeless individuals identified by BC Housing as a regional housing provider. In five months' time, the facility has experienced two deaths, and seen few moving forward as evidenced by statistics provided by the operator. Increasing crime at this location, the St. Anne Camp, and all other low barrier facilities in Maple Ridge indicates that the chosen model is not suitable to help people in a very serious state of poor mental health often coupled with significant substance misuse problems. Moreover, we have seen that other communities working to address closure of camps experienced similar results (e.g. Nanaimo, Victoria, Surrey and now Maple Ridge).

The emphasis that has been placed on low barrier housing in Maple Ridge, which includes approximately 950 rental supplements for untreated persons mostly suffering from substance misuse and mental health problems, has eliminated most of our affordable housing stock that is critical for people on low income, veterans, seniors, single parents and persons with disabilities. Furthermore, ongoing criminal activity has overtaxed all front line resources. These are real and significant local concerns that have been swept aside by the Province's action.

What our community needs is a comprehensive health care facility focusing on mental and physical health, addictions recovery, and services to move people forward to a better place in their lives. We asked for this as part of our Social Housing Plan to the Province, a Plan which recognizes that local governments' role is to make decisions in the best interest of local residents. By acting unilaterally, the Province has imposed regional priorities at the expense of Maple Ridge citizens, and taken away our Council's ability to represent the best interests of our community.

We therefore ask you, our fellow local governments, to consider the ramifications of this unilateral action by the Province of BC to overrule municipal land use regulations and dispense with public consultation and collaboration with local government. In our view, it sets a dangerous precedent that jeopardizes the autonomy of all local governments in British Columbia, and could have repercussions for a wide range of sensitive matters that municipalities might consider, such as a waste incineration plant, a prison, a communication tower, etc. For projects such as these, it is particularly important that senior government initiatives go through proper process including site assessment and suitability evaluation, and for the Province of BC to respect the authority that has been granted to local governments to carry out due public process and represent the best interests of their communities in order to ensure approval.

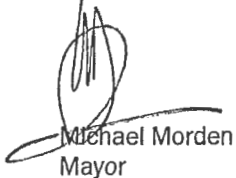
UBCM Member Municipalities
April 5, 2019
Page 3

We appreciate that initiatives such as the RRH program may or may not be suitable in your community. Local government holds the authority and responsibility of making the right decisions based on a balance of all interests and weighing local and regional needs, while working with our senior government partners.

Enclosed you will find a proposed resolution that is strictly about the importance of local government autonomy. We ask that you consider passing this resolution and forward a copy to Premier Horgan and the UBCM to let them know that local governments require the Province of BC to respect local democracy and work collaboratively with us to move forward on projects and programs of mutual concern that balance the interests of all BC residents.

Thank you for your consideration of this important matter.

Yours sincerely,



Michael Morden
Mayor

Attach: Sample Resolution
Sample Letter to Premier Horgan

cc: Maple Ridge Council

Sample Resolution

WHEREAS the *Community Charter*¹ acknowledges that municipalities and their Councils are “democratically elected, autonomous, responsible and accountable”; require the authority to determine the public interest of their communities; and the *Local Government Act*² grants local governments the powers and flexibility required to fulfill their purpose and respond to the needs of their communities;

AND WHEREAS the Ministry of Municipal Affairs & Housing has taken unilateral action in Maple Ridge that undermines the jurisdiction of the Council of the City of Maple Ridge to determine and represent the public interest of this community, setting a dangerous precedent that jeopardizes the autonomy of all local governments in British Columbia in representing the interests of their communities through fair and accountable public process;

THEREFORE BE IT RESOLVED that [*Enter Municipality*] urges the Province of British Columbia to commit to work in collaboration with local governments within the bounds of their respective jurisdictions on all current and future projects of mutual concern to local governments and the Provincial Government.

¹*Community Charter*, SBC 2003, c.26, part 1

²*Local Government Act*, RSBC 2015, c.1, part 1

[Enter Date]

Premier Horgan
West Annex Parliament Buildings
Victoria, BC V8V 1X4

Dear Premier Horgan:

Due to our concern over recent action taken by the Ministry of Municipal Affairs & Housing to undermine jurisdiction granted to municipal governments, the Council of [Enter Municipality] endorsed the following resolution on [Enter Date]:

WHEREAS the *Community Charter* acknowledges that municipalities and their Councils are “democratically elected, autonomous, responsible and accountable”; require the authority to determine the public interest of their communities; and the *Local Government Act* grants local governments the powers and flexibility required to fulfill their purpose and respond to the needs of their communities;

AND WHEREAS the Ministry of Municipal Affairs & Housing has taken unilateral action in Maple Ridge that undermines the jurisdiction of the Council of the City of Maple Ridge to determine and represent the public interest of this community, setting a dangerous precedent that jeopardizes the autonomy of all local governments in British Columbia in representing the interests of their communities through fair and accountable public process;

THEREFORE BE IT RESOLVED that [Enter Municipality] urges the Province of British Columbia to commit to work in collaboration with local governments within the bounds of their respective jurisdictions on all current and future projects of mutual concern to local governments and the Provincial Government.

We therefore urge the Government of BC to respect local government autonomy and engage in collaborative consultation with municipalities and constituents on any land use or other matters of concern to the Provincial Government.

Yours sincerely,

[Signatory]

12(a)



VILLAGE OF HARRISON HOT SPRINGS

REPORT TO COUNCIL

TO: Mayor and Council **DATE:** April 5, 2019
FROM: Tracey Jones,
Financial Officer **FILE:** 1680
SUBJECT: 2018 Audited Financial Statements

ISSUE: Approval of the Annual Audited Financial Statements.

BACKGROUND: Section 167 of the *Community Charter* requires that municipalities submit audited financial statements to the Inspector of Municipalities by May 15th of each year.

RECOMMENDATION:

THAT the 2018 Financial Statements of the Village of Harrison Hot Springs be approved;

AND THAT the Independent Auditor's Report be received;

AND THAT the Independent Auditor's Report be attached to the approved Financial Statements of the Village of Harrison Hot Springs.

Respectfully submitted;

Tracey Jones _____

Tracey Jones,
Financial Officer

REVIEWED BY:

Madeline McDonald _____

Madeline McDonald,
Chief Administrative Officer



HARRISON HOT SPRINGS

Naturally Refreshed

Village of Harrison Hot Springs

Financial Statements

December 31, 2018

Village of Harrison Hot Springs

December 31, 2018

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Management's Responsibility for Financial Reporting

The financial statements of the Village of Harrison Hot Springs (the Village) are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards, consistently applied and appropriate in the circumstances. The preparation of the financial statements requires the use of estimates which have been made using careful judgement. In management's opinion, the financial statements have been properly prepared within the framework of the accounting policies summarized in the financial statements and incorporate within reasonable limits of materiality, all information available as of the audit date. The financial statements have also been reviewed and approved by the Mayor and Council of the Village.

Management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorised and recorded in compliance with legislative and regulatory requirements and that reliable financial information is available on a timely basis. These systems are monitored and evaluated by management. Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control.

The financial statements have been examined by the Village's independent external auditor, BDO Canada LLP in accordance with Canadian generally accepted auditing standards. The external auditor's responsibility is to express their opinion on whether the financial statements, in all material respects, fairly present the Village's financial position, results of operations, changes in net financial assets and cash flows in accordance with Canadian public sector accounting standards. Their Independent Auditor's Report outlines the scope of their examination and their opinion.

The external auditor has full and open access to all records of the Village and has direct access to management and Council when required.

Madeline McDonald
Chief Administrative Officer
April 15 , 2019

Tracey Jones
Financial Officer
April 15 , 2019

PLACE HOLDER FOR INDEPENDENT AUDITOR'S REPORT

Village of Harrison Hot Springs

Statement of Financial Position

As at December 31, 2018

| | 2018 | 2017 |
|---|----------------------|----------------------|
| Financial assets | | |
| Cash (Note 2) | 9,847,890 | 9,216,348 |
| Accounts Receivable (Note 3) | 1,188,913 | 882,299 |
| MFA Deposits (Note 4) | 6,549 | 6,410 |
| | 11,043,352 | 10,105,057 |
| Liabilities | | |
| Accounts Payable and Accrued Liabilities (Note 5) | 363,287 | 271,924 |
| Employee Future Benefits (Note 6) | 113,696 | 108,727 |
| Developer's Deposits and Other Trust Liabilities (Note 7) | 199,320 | 409,950 |
| Deferred Revenue (Note 8) | 702,726 | 1,099,323 |
| Development Cost Charges (Note 9) | 3,106,272 | 1,851,562 |
| Liabilities under Agreement (Note 10) | 148,883 | 189,524 |
| Long-term debt (Note 11) | 503,412 | 536,721 |
| Interim financing debt (Note 12) | 220,000 | 330,000 |
| | 5,357,596 | 4,797,731 |
| Net financial assets | 5,685,756 | 5,307,326 |
| Non-financial assets | | |
| Tangible Capital Assets (Note 13, Schedule 1) | 36,719,932 | 34,137,913 |
| Prepaid expenses | 61,981 | 68,970 |
| | 36,781,913 | 34,206,883 |
| Accumulated surplus | \$ 42,467,669 | \$ 39,514,209 |
| Represented by: | | |
| Operating fund (Note 15) | 3,151,719 | 3,545,757 |
| Appropriated Surplus (Note 15) | 1,617,960 | 1,298,522 |
| Statutory Reserves (Note 15) | 1,850,350 | 1,588,261 |
| Equity in tangible capital assets (Note 14) | 35,847,640 | 33,081,669 |
| | \$ 42,467,669 | \$ 39,514,209 |

Madeline McDonald,
Chief Administrative Officer

Leo Facio
Mayor

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

Village of Harrison Hot Springs

Statement of Operations

for the year ended December 31, 2018

| | Budget (Note 20) | 2018 | 2017 |
|---|----------------------|----------------------|----------------------|
| Revenue | | | |
| Property Taxes (Note 16) | \$ 2,104,964 | \$ 2,095,811 | \$ 2,016,765 |
| Sale of Services (Note 17) | 1,281,980 | 1,239,637 | 1,253,427 |
| Utility Service Fees (Note 18) | 414,000 | 440,408 | 410,951 |
| Government Transfers (Note 19) | 3,430,631 | 2,745,539 | 678,512 |
| Investment Income | 47,000 | 109,545 | 85,617 |
| Penalties and interest | 18,837 | 78,006 | 89,390 |
| Development Cost Charges (Note 9) | 1,345,000 | 130,059 | - |
| Contributed Assets | - | 509,800 | 993,500 |
| Other revenue | 162,350 | (21,279) | 315,837 |
| | 8,804,762 | 7,327,526 | 5,843,999 |
| Expenses (Note 21) | | | |
| Legislative Services | 129,950 | 113,230 | 113,859 |
| General Government | 1,060,470 | 1,047,620 | 977,516 |
| Protective Services | 265,742 | 205,814 | 213,754 |
| Public Works | 358,990 | 360,080 | 328,650 |
| Transportation Services | 544,419 | 495,319 | 488,422 |
| Public Health | 4,950 | 3,317 | 4,354 |
| Planning and Development | 325,200 | 167,128 | 109,754 |
| Tourism, Community and Economic Development | 243,022 | 193,985 | 186,272 |
| Solid Waste Management and Recycling | 187,146 | 179,929 | 210,784 |
| Beaches, Parks, Recreation and Culture | 483,535 | 483,909 | 447,065 |
| Water Services | 390,514 | 419,994 | 343,941 |
| Sewer Services | 737,230 | 703,739 | 754,653 |
| | 4,731,168 | 4,374,064 | 4,179,024 |
| Annual surplus | 4,073,594 | 2,953,462 | 1,664,975 |
| Accumulated surplus, beginning of year (Note 15) | 39,514,207 | 39,514,207 | 37,849,232 |
| | \$ 43,587,801 | \$ 42,467,669 | \$ 39,514,207 |

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

Village of Harrison Hot Springs

Statement of Change in Net Financial Assets

For the Year Ended December 31, 2018

| | Budget (Note 20) | 2018 | 2017 |
|--|----------------------|---------------------|---------------------|
| Annual Surplus | 4,073,594 | 2,953,462 | 1,664,975 |
| Acquisition of tangible capital assets | (5,938,900) | (4,041,405) | (1,524,463) |
| Amortization of tangible capital assets Note1., Schedule 1 | 860,000 | 965,112 | 899,421 |
| Proceeds from the sale of tangible capital assets | - | 10,250 | 8,000 |
| (Gain) loss from sale of tangible capital assets | - | 484,024 | (3,759) |
| | (1,005,306) | 371,443 | 1,044,176 |
| Acquisition of prepaid expenses | - | (61,981) | (68,970) |
| Use of prepaid expenses | - | 68,970 | 65,840 |
| | - | 6,989 | (3,130) |
| Increase (decrease) in net financial assets | (1,005,306) | 378,432 | 1,041,046 |
| Net financial assets, beginning of year | 5,307,326 | 5,307,326 | 4,266,280 |
| Net financial assets, end of year | \$ 4,302,020 | \$ 5,685,758 | \$ 5,307,326 |

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

Village of Harrison Hot Springs

Statement of Cash Flows

For the Year Ended December 31, 2018

| | 2018 | 2017 |
|---|---------------------|---------------------|
| Cash provided by (used in): | | |
| Operating Transactions | | |
| Annual surplus | 2,953,462 | 1,664,975 |
| Items not involving cash: | | |
| Amortization | 965,112 | 899,421 |
| (Gain)/ Loss on disposal of assets | 484,024 | (3,759) |
| Changes to cash items: | | |
| Accounts receivable | (306,614) | 14,607 |
| MFA deposits | (139) | (123) |
| Accounts payable and accrued liabilities | 91,363 | (148,218) |
| Developer's deposits and other trust liabilities | (210,630) | 32,285 |
| Prepaid expenses | 6,989 | (3,130) |
| Employee future benefits | 4,969 | 14,927 |
| Deferred revenue | (396,597) | 836,230 |
| Development cost charges | 1,254,710 | 275,743 |
| Net change in cash from operating transactions | 4,846,649 | 3,582,958 |
| Capital Transactions: | | |
| Proceeds from sale of tangible capital assets | 10,250 | 8,000 |
| Acquisition of tangible capital assets | (4,041,405) | (1,524,463) |
| Net change in cash from capital transactions | (4,031,155) | (1,516,463) |
| Financing Transactions | | |
| Debt repayment | (183,952) | (168,704) |
| Proceeds from MFA equipment borrowing | - | 110,000 |
| Net change in cash from financing transactions | (183,952) | (58,704) |
| Net change in cash | 631,542 | 2,007,791 |
| Cash at beginning of year | 9,216,348 | 7,208,557 |
| Cash , end of year | \$ 9,847,890 | \$ 9,216,348 |

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

Village of Harrison Hot Springs

Notes to the Financial Statements

December 31, 2018

1. Significant Accounting Policies

The Financial Statements combine the activities of the various funds of the reporting entity - Village of Harrison Hot Springs (the "Village") which are the representation of management are prepared in accordance with Canadian generally accepted accounting principles for governments as prescribed by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants Canada. Interfund transactions and fund balances have been eliminated for reporting purposes. There are no other organizations under the control of the Village Council that meet the criteria for inclusion and consolidation in these statements. Significant accounting policies adopted by the Village are as follows:

a. Basis of reporting

The Financial Statements reflect the combined results and activities of the reporting entity which is comprised of the Operating, Capital and Reserve funds. Inter-fund transactions have been eliminated .

- i. Operating Funds: These funds include the General, Water and Sewer operations of the Village. They are used to record the operating costs of the services provided by the Village.
- ii. Capital funds: These funds include the General, Water and Sewer capital funds. They are used to record the acquisition and disposal of tangible capital assets and their financing.
- iii. Reserve funds: Under the *Community Charter*, Village Council may, by bylaw establish reserve funds for specified purposes. Money in a Statutory Reserve Fund, and interest earned thereon, must be expended by bylaw only for the purpose for which the fund was established. If the amount in a reserve fund is greater than required, Village Council may, by bylaw, transfer all or part of the balance to another reserve fund. Non-statutory Reserves require being included in an approved council budget or a resolution before these funds can be expended.

b. Revenue Recognition

Sources of revenue are recorded on an accrual basis and recognized in the period in which they are earned. Unearned revenue in the current period is reported on the statement of Financial Position as deferred revenue.

The Village recognizes the transfer of government funding as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that any transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when the transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year. Through the British Columbia Assessments' appeal process, taxes may be adjusted by way of supplementary roll adjustments. The effects of these adjustments on taxes are recognized at the time they are awarded. Sale of services and fees are recognized when the service or product is provided by the Village. All other revenue is recognized as it is earned and is measurable. Revenue unearned in the current period is recorded as deferred revenue and is recognized as revenue in the fiscal year the services are performed.

Development Cost Charges are restricted revenue liabilities representing funds received from developers and deposited into separate deferred revenue liability accounts for specific future capital expenses. In accordance with Canadian public sector accounting standards, the Village records these funds as restricted revenue which is then recognized when the related costs are incurred.

Village of Harrison Hot Springs

Notes to the Financial Statements

December 31, 2018

1. Significant Accounting Policies

c. Expense Recognition

Operating expenses are recognized on an accrual basis in the period they are incurred.

d. Financial Instruments

The Village's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, long-term debt and interim financing debt. It is management's opinion that the Village is not exposed to significant interest, currency or credit risk arising from these financial instruments.

e. Non-financial Assets

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

i. Tangible Capital Assets

Tangible capital assets, comprised of capital assets and assets under construction, are recorded at cost less accumulated amortization and are classified according to their functional use. Cost includes the capital expenditure, excluding interest, directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Amortization is recorded on a straight-line basis over the estimated useful life of the asset commencing when the asset is put into service.

| Asset | Useful Life - Years |
|------------------------------------|----------------------------|
| Land improvements | 10-25 |
| Parks infrastructure | 10-50 |
| Buildings | 40-50 |
| Machinery, furniture and equipment | 5-10 |
| IT infrastructure | 4-10 |
| Vehicles | 5-20 |
| Roads infrastructure | 15-75 |
| Water infrastructure | 10-100 |
| Sewer infrastructure | 10-100 |
| Drainage infrastructure | 10-100 |

ii. Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the time of donation.

iii. Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

Village of Harrison Hot Springs

Notes to the Financial Statements

December 31, 2018

1. Significant Accounting Policies

e. Non-financial Assets

iv. Leased tangible capital assets

Leases which transfer substantially all the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets.

f. Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from managements's best estimates as additional information becomes available in the future. Areas requiring the greatest degree of estimation include employee future benefits and useful lives of tangible capital assets.

g. Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) the Village is directly responsible or accepts responsibility;
- (iv) it is expected that future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

The Village has determined that as of December 31, 2018, no contamination in excess of an environmental standard exists to land not in productive use for which the Village is responsible.

Village of Harrison Hot Springs

Notes to the Financial Statements

December 31, 2018

2. Cash

| | 2018 | 2017 |
|--|--------------|--------------|
| Restricted cash | | |
| Statutory Reserves | \$ 1,850,350 | \$ 1,588,261 |
| Non-Statutory Reserves | 1,617,960 | 1,298,522 |
| Development Cost Charges/Deposits in Trust | 4,008,320 | 3,360,835 |
| | 7,476,630 | 6,247,618 |
| Unrestricted cash | 2,371,260 | 2,968,730 |
| Total cash | \$ 9,847,890 | \$ 9,216,348 |

3. Account Receivable

| | 2018 | 2017 |
|---|--------------|------------|
| Accounts Receivable - Property Taxes | \$ 495,739 | \$ 446,175 |
| Accounts Receivable - Other Governments | 226,842 | 54,453 |
| Accounts Receivable - Trade and Other | 466,332 | 381,671 |
| | \$ 1,188,913 | \$ 882,299 |

4. Municipal Finance Authority Deposits

The Municipal Finance Authority of British Columbia (the MFA) provides capital funding for regional districts and their member municipalities. The MFA is required to establish a Debt Reserve Fund. The MFA must then use this fund if at any time there are insufficient funds to meet payments on its obligations. If this occurs the regional districts may be called upon to restore the fund.

Each regional district, through its member municipalities who share in the proceeds of a debt issue, is required to pay into the Debt Reserve Fund certain amounts set out in the financing agreements. The interest earned on the Debt Reserve fund, less administrative expenses, becomes an obligation of the MFA to the regional districts.

Village of Harrison Hot Springs

Notes to the Financial Statements

December 31, 2018

5. Accounts Payable and Accrued Liabilities

| | 2018 | 2017 |
|---------------------------|-------------------|-------------------|
| Trade and Other | \$ 198,062 | \$ 121,680 |
| Holdbacks payable | 24,252 | 2,655 |
| Other government | 59,040 | 72,511 |
| Accrued Employee benefits | 81,933 | 75,078 |
| | <u>\$ 363,287</u> | <u>\$ 271,924</u> |

6. Employee Future Benefits

Sick Pay

The Village provides paid sick leave to qualifying employees, this benefit accrues at two days of sick leave per month. At the end of each calendar year 2/3 of the unused portion of sick leave is vested up to a maximum of 360 days. The amount recorded for this benefit is based on an actuarial evaluation prepared by an independent firm and will be reviewed on a periodic basis. The date of the last actuarial evaluation was as of December 31, 2018.

Retirement Allowance

A regular employee who retires under the provisions of the Municipal Pension Plan is entitled to a retirement benefit as outlined in the Collective Agreement and Management Policy. In all instances, the rate of pay used in the calculation of the retirement benefit shall be the rate of pay applicable on the last day worked. The amount recorded for this benefit in 2018 is based on an actuarial evaluation prepared by an independent firm and will be reviewed on a periodic basis. The date of the last actuarial evaluation was as of December 31, 2018.

As of December 31, 2018, \$113,696 (2017 - \$108,727) of accrued benefit liability has been charged to operations. The significant actuarial assumptions adopted in measuring the Village's accrued benefit liability are as follows:

| | 2018 | 2017 |
|---------------------------|-------|-------|
| Discount rates | 3.00% | 1.90% |
| Expected future inflation | 2.00% | 1.75% |

Village of Harrison Hot Springs

Notes to the Financial Statements

December 31, 2018

6. Employee Future Benefits

Accrued Benefit Obligation as at December 31, 2018

| | 2018 | 2017 |
|--|------------|------------|
| Beginning benefit obligation | \$ 108,727 | \$ 93,800 |
| Current service cost | 20,776 | 19,052 |
| Interest on accrued benefit obligation | - | 2,000 |
| Actuarial (gain) loss | - | - |
| Benefits paid during the year | (15,807) | (6,125) |
| Ending benefit obligation | 113,696 | 108,727 |
| Less Unamortized net actuarial (loss) | - | - |
| Accrued Benefit Liability | \$ 113,696 | \$ 108,727 |

7. Developers Deposits and Other Trust Liabilities

| | 2018 | 2017 |
|--------------------------------------|------------|------------|
| Property and event damage deposits | \$ 146,948 | \$ 19,100 |
| Developers Deposit | - | 340,365 |
| Community groups funds held in trust | 52,372 | 50,485 |
| | \$ 199,320 | \$ 409,950 |

8. Deferred Revenue

| | Opening Balance | Externally Restricted Inflows | Revenue Earned | December 31, 2018 |
|--------------------------------|-----------------|-------------------------------|----------------|-------------------|
| Prepaid taxes | \$ 120,103 | \$ 240,107 | \$ (221,739) | \$ 138,471 |
| Resort Municipality Initiative | 271,622 | 374,183 | (132,166) | 513,639 |
| Deferred Revenue | 700,683 | - | (660,546) | 40,137 |
| Facility rentals and other | 6,915 | 186,459 | (182,895) | 10,479 |
| | \$ 1,099,323 | \$ 800,749 | \$ (1,197,346) | \$ 702,726 |

Village of Harrison Hot Springs

Notes to the Financial Statements

December 31, 2018

9. Development Cost Charges

| | Opening Balance | Receipts | Interest | Transfers Out | Closing Balance |
|--------------|--------------------|--------------|-----------|------------------|--------------------|
| Sewer DCC | \$ 1,126,796 | \$ 473,697 | \$ 27,856 | \$ 86,115 | \$ 1,542,234 |
| Water DCC | 452,168 | 381,421 | 13,031 | 43,944 | 802,676 |
| Drainage DCC | 170,732 | 308,307 | 6,838 | - | 485,877 |
| Parks DCC | 101,866 | 169,918 | 3,701 | - | 275,485 |
| | \$ 1,851,562 | \$ 1,333,343 | \$ 51,426 | \$ 130,059 | \$ 3,106,272 |

10. Liabilities under Agreement

In 2014, the Village entered into a capital lease agreement with Caterpillar Financial Services Limited to finance the acquisition of a new backhoe in the amount of \$132,725. The term of the lease is five years with an option to purchase at the end of the lease for \$47,723. In 2017, the Village entered into an agreement with the Municipal Finance Authority to borrow funds to purchase capital equipment in the amount of \$110,000. The term of the agreement is for five years.

Changes in liabilities under agreement are as follows:

| | 2018 | 2017 |
|----------------------------|------------|------------|
| Balance, January 1, | \$ 189,524 | \$ 106,046 |
| Add: Borrowing additions | - | 110,000 |
| Less: Principal repayments | (40,641) | (26,522) |
| Balance, December 31 | \$ 148,883 | \$ 189,524 |

The minimum payments over the next five years of the liabilities under agreement are as follows:

| | |
|------------------------------------|------------|
| 2019 | \$ 85,704 |
| 2020 | 23,079 |
| 2021 | 23,079 |
| 2022 | 23,079 |
| Less: Amount representing interest | (6,058) |
| | \$ 148,883 |

Total interest expense during the year was \$5,357. Total interest over the term of the agreements is \$26,320.

Village of Harrison Hot Springs

Notes to the Financial Statements

December 31, 2018

11. Long-Term Debt

In 2015 the Village borrowed funds under loan authorisation bylaw 1052. MFA Issue 131 has an amortization period of 15 years at 2.2% interest for the first 10 years of the term. Early repayment options exist at the rate reset date of 10 years.

| | Balance, beginning of Year | Additions | Principal Repayments | Actuarial * Adjustment | Balance, end of year |
|---------------|----------------------------------|-----------|-------------------------|---------------------------|-------------------------|
| General Fund | | | | | |
| MFA Issue 131 | \$ 536,721 | \$ - | \$ 31,094 | \$ 2,215 | \$ 503,412 |

The following principal amounts are payable over the next five years:

| | General | Water | Sewer |
|------------|------------|-------|-------|
| 2019 | \$ 31,095 | \$ - | \$ - |
| 2020 | \$ 31,095 | \$ - | \$ - |
| 2021 | \$ 31,095 | \$ - | \$ - |
| 2022 | \$ 31,095 | \$ - | \$ - |
| 2023 | \$ 31,095 | \$ - | \$ - |
| Thereafter | \$ 347,936 | \$ - | \$ - |
| Total | \$ 503,412 | \$ - | \$ - |

* Actuarial Adjustments represent earnings on sinking funds held by the Municipal Finance Authority. The amounts are used to reduce the principal amount of outstanding debt.

12. Interim Financing Debt

In 2009 the Village borrowed \$1,500,000 under the Interim Financing Program from the Municipal Finance Authority of British Columbia under Loan Authorisation Bylaw 885, for the purpose of constructing a new water reservoir. In 2015 the Village received an extension and has until 2020 to pay back the principal amount. Any principal balance unpaid will be converted into long-term debt at that time. The Village can pay down any amount on the principal in the next year. Interest was paid monthly in 2018 at daily interest rates that varied between 1.94% and 2.79%. During 2018 the Village paid \$6,899 in interest (2017 \$6,576).

| | 2018 | 2017 |
|-----------------------------|------------|------------|
| Beginning Balance Jan 1, | \$ 330,000 | \$ 440,000 |
| Principal repayments | (110,000) | (110,000) |
| Ending Balance, December 31 | \$ 220,000 | \$ 330,000 |

Village of Harrison Hot Springs

Notes to the Financial Statements

December 31, 2018

13. Tangible Capital Assets

| | 2018 | 2017 |
|--|----------------------|----------------------|
| Land and improvements | \$ 10,680,913 | \$ 10,444,913 |
| Buildings | 3,244,548 | 3,384,007 |
| Machinery, equipment, furniture, IT and vehicles | 815,384 | 728,766 |
| Engineering Structures: | | |
| Engineering structures - water | 8,188,220 | 6,252,781 |
| Engineering structures - sewer and drainage | 7,012,897 | 6,819,202 |
| Engineering structures - roads | 5,178,987 | 4,900,117 |
| Engineering structures - parks and other | 1,162,765 | 1,126,193 |
| Other tangible capital assets | 225,086 | 191,507 |
| Work in Progress | 211,132 | 290,427 |
| Total | \$ 36,719,932 | \$ 34,137,913 |

For additional information, see Schedule of Tangible Capital Assets. (Schedule 1)

Included in equipment, furniture and vehicles are vehicles and equipment purchased under capital lease totalling \$151,342 with accumulated amortization to the end of 2018 of \$68,104.

Contributed assets recognized in 2018 totalled \$509,800; Storm drainage \$111,800, Sidewalks \$22,500, Roads \$335,000 and Sewer \$40,500.

14. Equity in Tangible Capital Assets

Equity in tangible capital assets (TCA) represents the net book value (NBV) of total capital assets less long term obligations assumed to acquire those assets. The change in consolidated equity in tangible capital assets is as follows:

| | 2018 | 2017 |
|-----------------------------------|----------------------|----------------------|
| Equity in TCA, beginning of year | \$ 33,081,669 | \$ 32,402,164 |
| Add: | | |
| Capital Expenditures | 4,041,405 | 1,524,464 |
| Debt Repayments | 181,737 | 168,704 |
| Actuarial adjustment | 2,215 | - |
| Less: | | |
| MFA equipment borrowing | - | (110,000) |
| Dispositions at NBV | (494,274) | (4,241) |
| Amortization | (965,112) | (899,421) |
| Equity in TCA, end of year | \$ 35,847,640 | \$ 33,081,669 |

Village of Harrison Hot Springs

Notes to the Financial Statements

December 31, 2018

15. Accumulated Surplus

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

| | 2018 | 2017 |
|--------------------------------------|----------------------|----------------------|
| Surplus: | | |
| Invested in tangible capital assets | \$ 35,847,640 | \$ 33,081,669 |
| Operating Fund | 3,151,719 | 3,545,757 |
| Total surplus | 38,999,359 | 36,627,426 |
| Reserves set aside by Council: | | |
| Appropriated Surplus: | | |
| Fire Department | 26,521 | 26,000 |
| Assessment appeal | 131,529 | 128,943 |
| Beach | 38,006 | 37,259 |
| Building | 62,667 | 61,436 |
| Contingencies | 11,459 | 11,234 |
| Dock replacement | 31,793 | 21,274 |
| Boat Launch | 51,860 | 45,893 |
| Flood box / drainage | 15,548 | 15,243 |
| General | 63,357 | 28,821 |
| Insurance | 9,957 | 9,762 |
| Memorial Hall restoration | 5,561 | 5,452 |
| Parking / traffic management | 57,366 | 56,239 |
| Office Equipment | 44,501 | 37,959 |
| Property | 47,449 | 46,516 |
| Road/Sidewalk | 13,482 | 13,216 |
| Sick leave/Retirement | 50,966 | 49,965 |
| Community Works Fund | 222,969 | 219,397 |
| Sewer | 529,639 | 401,587 |
| Water | 203,330 | 82,326 |
| Total Appropriated Surplus | 1,617,960 | 1,293,522 |
| Statutory Fund Reserves: | | |
| Community amenities | 154,279 | 151,247 |
| Fire department capital | 464,293 | 421,610 |
| Land unexpended funds | 13,180 | 12,921 |
| Parkland acquisition | 347,635 | 201,930 |
| Public works capital | 32,789 | 70,026 |
| Sewage treatment replacement | 733,761 | 628,167 |
| Sewer unexpended funds | 83,517 | 81,875 |
| Port Divestiture income | 20,896 | 20,485 |
| Total Statutory Fund Reserves | 1,950,350 | 1,588,261 |
| | \$ 42,467,669 | \$ 39,514,209 |

Village of Harrison Hot Springs

Notes to the Financial Statements

December 31, 2018

16. Property Taxes

The Village is reliant upon one taxpayer for approximately 19.3% of municipal property tax revenue. Taxation revenue, reported on the statement of operations, is made up of the following:

| | Budget | 2018 | 2017 |
|---------------------------------------|---------------------|---------------------|---------------------|
| Taxes collected | | | |
| Municipal property taxes | \$ 2,064,192 | \$ 2,055,178 | \$ 1,977,592 |
| 1 % Utility taxes | 36,122 | 36,121 | 34,504 |
| Payments in lieu of taxes | 4,650 | 4,512 | 4,669 |
| School taxes | 1,330,000 | 1,327,913 | 1,262,698 |
| Regional District | 145,600 | 145,369 | 144,549 |
| Regional hospital district | 107,700 | 99,962 | 95,185 |
| Police tax | 130,000 | 142,410 | 129,436 |
| Other agencies | 30,515 | 29,912 | 27,628 |
| | 3,848,779 | 3,841,377 | 3,676,261 |
| Less transfers to other governments | | | |
| School taxes paid | 1,330,000 | 1,327,913 | 1,262,698 |
| Regional district taxes paid | 145,600 | 145,369 | 144,549 |
| Regional hospital district taxes paid | 107,700 | 99,962 | 95,185 |
| Police taxes paid | 130,000 | 142,410 | 129,436 |
| Other agencies taxes paid | 30,515 | 29,912 | 27,628 |
| | 1,743,815 | 1,745,566 | 1,659,496 |
| | \$ 2,104,964 | \$ 2,095,811 | \$ 2,016,765 |

17. Sale of Services

| | Budget | 2018 | 2017 |
|--------------------------|---------------------|---------------------|---------------------|
| Sewer user fees | \$ 588,980 | \$ 537,118 | \$ 544,245 |
| Water user fees | 301,100 | 306,627 | 303,337 |
| Curbside collection fees | 116,000 | 117,742 | 116,493 |
| Pay Parking Revenue | 192,000 | 185,378 | 194,540 |
| Licenses and permits | 28,200 | 42,535 | 36,025 |
| Facility rentals | 49,500 | 42,300 | 46,348 |
| Fines | 2,700 | 4,312 | 8,926 |
| Other | 3,500 | 3,625 | 3,513 |
| | \$ 1,281,980 | \$ 1,239,637 | \$ 1,253,427 |

Village of Harrison Hot Springs

Notes to the Financial Statements

December 31, 2018

18. Utility Service Fees

| | Budget | 2018 | 2017 |
|---|-------------------|-------------------|-------------------|
| Sewer service utility fee - residential | \$ 193,000 | \$ 195,196 | \$ 187,331 |
| Sewer service utility fee - business | 20,000 | 20,601 | 20,532 |
| Water service utility fee - residential | 180,000 | 203,231 | 181,792 |
| Water service utility fee - business | 21,000 | 21,380 | 21,296 |
| Total | \$ 414,000 | \$ 440,408 | \$ 410,951 |

19. Government Transfers

The Government transfers reported on the Statement of Operations are:

| | Budget | 2018 | 2017 |
|--------------------------------|---------------------|---------------------|-------------------|
| Provincial: | | | |
| Conditional | | | |
| Infrastructure | \$ 1,288,931 | \$ 854,431 | \$ 128,024 |
| Resort Municipality Initiative | 272,500 | 132,166 | 101,778 |
| WWTP Assessment | - | - | 10,000 |
| Other | 1,400 | 2,986 | 2,935 |
| Unconditional | 316,000 | 317,314 | 316,487 |
| Federal | | | |
| Conditional | | | |
| Infrastructure | 1,383,800 | 1,314,652 | - |
| Gas tax | 115,000 | 119,990 | 115,288 |
| Other | 53,000 | 4,000 | 4,000 |
| | \$ 3,430,631 | \$ 2,745,539 | \$ 678,512 |

Village of Harrison Hot Springs

Notes to the Financial Statements

December 31, 2018

20. Budget Data

The data presented in these financial statements is based upon the 2018 operating and capital budgets adopted by Council on March 5, 2018. The table below reconciles the approved balanced budget to the budget figures reported in these financial statements.

| 2018 Adopted Operating and Capital Budget | Budget Amount |
|--|---------------------|
| Revenues: | |
| Operating budget | \$ 4,731,168 |
| Capital budget | 6,762,676 |
| Total revenue | 11,493,844 |
| Expenses: | |
| Operating budget | 4,731,168 |
| Capital Budget | 6,762,676 |
| Total expenses | 11,493,844 |
| Budgeted surplus (deficit) | \$ - |
| Add: | |
| Capital expenses | \$ 5,938,900 |
| Transfers to reserves | 642,376 |
| Principal repayments | 181,400 |
| Less: | |
| Transfers from reserves | (694,590) |
| Appropriation from Surplus | (1,134,492) |
| Amortization | (860,000) |
| Annual budgeted surplus (see statement of operations) | \$ 4,073,594 |

21. Classification of Expenses by Object

The Schedule of Operating Fund Activities represents the expenditures by function; the following table classifies those same expenditures by object:

| | Budget | 2018 | 2017 |
|---------------------------------------|---------------------|---------------------|---------------------|
| Salaries, wages and employee benefits | \$ 1,691,351 | \$ 1,605,894 | \$ 1,519,685 |
| Operating Materials and supplies | 675,577 | 637,291 | 640,129 |
| Contracted services | 645,250 | 415,582 | 393,917 |
| Administrative services and supplies | 516,540 | 438,966 | 398,286 |
| Utilities | 205,400 | 192,575 | 210,124 |
| Rentals and contractual obligations | 108,250 | 93,188 | 93,824 |
| Debt financing | 28,800 | 25,456 | 23,638 |
| Amortization | 860,000 | 965,112 | 899,421 |
| Total expenditures by object | \$ 4,731,168 | \$ 4,374,064 | \$ 4,179,024 |

Village of Harrison Hot Springs

Notes to the Financial Statements

December 31, 2018

22. Commitments and Contingencies

- a. The municipality and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of the assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2017, the plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The Village of Harrison Hot Springs paid \$110,951 (2017 \$97,239) for employer contributions to the Plan in fiscal 2018. Employee contributions in fiscal 2018 were \$95,835 (2017 \$85,847)

The most recent valuation for the Municipal Pension Plan as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged. The next valuation will be as at December 31, 2018 with results available in 2019. 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, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

- b. Debts of the Fraser Valley Regional District are, under provisions of the Local Government Act, a direct, joint and several liability of the District and each member municipality within the District, including the Village of Harrison Hot Springs.
- c. The Village is a subscribed member of the Municipal Insurance Association of British Columbia (The "Exchange") as provided by section 3.02 of the Insurance Act of the Province of British Columbia. The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact upon any subscriber. Under the Reciprocal Insurance Exchange Agreement, the Village is assessed a premium and specific deductible for its claims based on population. The obligation of the Village with respect to the Exchange and/or contracts and obligations entered into by the Exchange are in every case several, not joint and several. The Village irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other subscribers against liability losses and costs which the other subscriber may suffer.
- d. The Village has an agreement with the Harrison Hot Springs Tourism Society to provide annual funding of \$21,000. The term of the agreement ends December 31st, 2023.
- e. In 2014, the Ministry of Environment directed the Village to assess any potential effects the closure of the landfill in 1983 has on well water. Water samples were taken and the results prompted the Ministry to direct the Village to drill test wells and monitor the water which began in 2015. The Village is to continue this process for the years 2017-2021 at which time the results will determine if any further action is required.

Village of Harrison Hot Springs

Notes to the Financial Statements

December 31, 2018

23. Segmented Disclosures

The Table of Segmented Information - Schedule 2 has been prepared in accordance with PS2700 Segmented Disclosures. Segmented information has been identified based upon functional activities provided by the Village. For each reported segment, revenue and expenses represent amounts directly attributable to the functional activity and amounts allocated on a reasonable basis. The functional areas that have been separately disclosed in the segmented information, along with services they provide are as follows:

Legislative Services

Legislative services includes Council and legislative services

General Government

General government includes taxation, sale of services, government transfers, investment income and administrative services for the general fund

Protective Services

Protective Services includes the volunteer fire department, emergency measures and bylaw enforcement

Development and Planning

Development and Planning includes economic development, planning, land development, community development and tourism

Engineering, Transportation and Storm Water

Engineering, transportation and storm water services include engineering, fleet, public health, roads, sidewalk, storm sewers and transit

Solid Waste

Solid waste includes sustainability, curbside collection, recycling and organic waste

Parks, Recreation and Cultural Services

Parks, recreation and cultural services includes the maintenance of the beachfront, parks and cultural facilities within the Village

Wastewater Utility

Wastewater includes the wastewater collection system, lift stations and wastewater treatment plant

Water Utility

Water includes the water collection, treatment and distribution of potable water

Village of Harrison Hot Springs

Schedule 1 - Statement of Tangible Capital Assets

For the Year Ended December 31, 2018

| | Engineered Structures | | | | | | | | Other Tangible Capital Assets | 2018 | 2017 |
|--------------------------------------|-----------------------|--------------------|------------------------------------|--------------------|--------------------|--------------------|--------------------|---------------------|--|----------------------|----------------------|
| | Land | Building | Equipment Furniture Vehicles | Water | Sewer Drainage | Roads | Other | Work In Progress | | | |
| COST | | | | | | | | | | | |
| Opening balance | \$10,444,913 | \$4,604,890 | \$2,238,607 | \$7,770,415 | \$9,255,851 | \$9,705,979 | \$1,945,824 | \$290,428 | \$371,783 | \$46,628,690 | \$45,132,481 |
| Add: Additions | 236,000 | - | 188,806 | 2,524,082 | 397,472 | 609,823 | 121,838 | (79,296) | 42,680 | 4,041,405 | 1,524,463 |
| Less: Disposals | - | - | (107,740) | (524,745) | (64,938) | (295,638) | - | - | - | (993,061) | (28,254) |
| Closing Balance | 10,680,913 | 4,604,890 | 2,319,673 | 9,769,752 | 9,588,385 | 10,020,164 | 2,067,662 | 211,132 | 414,463 | 49,677,034 | 46,628,690 |
| ACCUMULATED AMORTIZATION | | | | | | | | | | | |
| Opening Balance | - | 1,220,883 | 1,509,840 | 1,517,634 | 2,436,650 | 4,805,863 | 819,631 | - | 180,276 | 12,490,777 | 11,615,369 |
| Add: Amortization | - | 139,459 | 92,747 | 148,027 | 166,110 | 324,402 | 85,266 | - | 9,101 | 965,112 | 899,421 |
| Less: Acc. Amortization on Disposals | - | - | (98,298) | (84,129) | (27,272) | (289,088) | - | - | - | (498,787) | (24,013) |
| Closing Balance | - | 1,360,342 | 1,504,289 | 1,581,532 | 2,575,488 | 4,841,177 | 904,897 | - | 189,377 | 12,957,102 | 12,490,777 |
| | \$10,680,913 | \$3,244,548 | \$ 815,384 | \$8,188,220 | \$7,012,897 | \$5,178,987 | \$1,162,765 | \$ 211,132 | \$ 225,086 | \$ 36,719,932 | \$ 34,137,913 |

Village of Harrison Hot Springs

Schedule 2 - Table of Segmented Information

For the Year Ended December 31, 2018

| | Legislative | General Government | Protective Services | Development Planning | Engineering, Transportation & Storm Water | Solid Waste | Parks, Recreation & Cultural Services | Wastewater Utility | Water Utility | Budget | 2018 | 2017 |
|---------------------------------------|---------------------|---------------------|---------------------|----------------------|---|--------------------|---------------------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| Revenue: | | | | | | | | | | | | |
| Property Taxes | \$ - | \$ 2,095,811 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,104,964 | \$ 2,095,811 | \$ 2,016,765 |
| Sale of Services | - | 235,850 | - | - | - | 117,742 | 42,300 | 537,119 | 306,627 | 1,281,980 | 1,239,638 | 1,253,427 |
| Utility Service Fees | - | - | - | - | - | - | - | 215,797 | 224,611 | 414,000 | 440,408 | 410,951 |
| Government Transfers | - | 624,644 | - | 132,166 | - | - | - | - | 1,988,728 | 3,430,631 | 2,745,538 | 678,512 |
| Investment Income | - | 85,339 | - | - | - | - | - | 22,287 | 1,919 | 47,000 | 109,545 | 85,617 |
| Penalties and interest | - | 63,558 | - | - | - | 1,427 | - | 6,897 | 6,124 | 18,837 | 78,006 | 89,390 |
| Development Cost Charges | - | - | - | - | - | - | - | 86,115 | 43,944 | 1,345,000 | 130,059 | - |
| Contributed Assets | - | - | - | - | 469,300 | - | - | 40,500 | - | - | 509,800 | 993,500 |
| Other revenue | - | 239,186 | - | - | - | - | - | 16,950 | (277,416) | 162,350 | (21,280) | 315,837 |
| | - | 3,344,389 | - | 132,166 | 469,300 | 119,169 | 42,300 | 925,665 | 2,294,537 | 8,804,762 | 7,327,526 | 5,843,999 |
| Expenses: | | | | | | | | | | | | |
| Salaries, wages and employee benefits | 95,591 | 542,195 | 6,382 | 59,328 | 248,786 | 48,019 | 230,448 | 212,961 | 162,184 | 1,691,351 | 1,605,894 | 1,519,685 |
| Operating Materials and supplies | - | 4,421 | 129,158 | 570 | 134,981 | 194 | 100,662 | 211,717 | 55,589 | 675,577 | 637,291 | 640,129 |
| Contracted services | - | 5,250 | 7,956 | 161,783 | 42,382 | 131,716 | 13,215 | 53,280 | - | 645,250 | 415,582 | 393,917 |
| Administrative services and supplies | 16,579 | 233,669 | 12,879 | 108,433 | 22,768 | - | 10,439 | 20,939 | 13,260 | 516,540 | 438,966 | 398,286 |
| Utilities | 1,060 | 18,585 | 6,040 | - | 42,484 | - | 30,872 | 59,498 | 34,036 | 205,400 | 192,575 | 210,124 |
| Rentals and contractual obligations | - | 13,037 | 39,073 | 31,000 | 6,173 | - | 3,905 | - | - | 108,250 | 93,188 | 93,824 |
| Debt financing | - | 18,557 | - | - | - | - | - | - | 6,899 | 28,800 | 25,456 | 23,638 |
| Amortization | - | 211,905 | 4,325 | - | 361,143 | - | 94,367 | 145,345 | 148,027 | 860,000 | 965,112 | 899,421 |
| | 113,230 | 1,047,620 | 205,814 | 361,113 | 858,717 | 179,929 | 483,909 | 703,739 | 419,994 | 4,731,168 | 4,374,064 | 4,179,024 |
| Annual Surplus (Deficit) | \$ (113,230) | \$ 2,296,769 | \$ (205,813) | \$ (228,948) | \$ (389,417) | \$ (60,760) | \$ (441,608) | \$ 221,925 | \$ 1,874,542 | \$ 4,073,594 | \$ 2,953,462 | \$ 1,664,975 |



THE VILLAGE OF HARRISON HOT SPRINGS

FINAL REPORT TO THE MAYOR AND COUNCIL

For the year ended December 31, 2018

Dated April 8, 2019 for presentation on April 15, 2019



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925 West Georgia Street
Vancouver BC V6C 3L2

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Email: bszabo@bdo.ca

April 8, 2019
Mayor and Council
Village of Harrison Hot Springs
495 Hot Springs Road, PO Box 160
Harrison Hot Springs, BC V0M 1K0

Dear Mayor and Council Members:

We are pleased to present this report on the results of our audit of the financial statements of the Village of Harrison Hot Springs (the "Village") for the year ended December 31, 2018. The purpose of this report is to summarize certain aspects of the audit that we believe to be of interest to the Mayor and Council and should be read in conjunction with the draft financial statements and our draft audit report which is included as Appendix A.

We would like to bring to your attention that our audit and therefore this report will not necessarily identify all matters that may be of interest to the Mayor and Council in fulfilling its responsibilities.

This report has been prepared solely for the use of the Mayor and Council and should not be distributed without our prior consent. Consequently, we accept no responsibility to a third party that uses this communication.

We wish to express our sincere appreciation for the co-operation we received during the audit from the Village of Harrison Hot Springs's management and staff who have assisted us in carrying out our work. We look forward to connecting with you to discuss the contents of this report and any other matters that you consider appropriate.

Yours truly,

A handwritten signature in black ink, appearing to read 'Brian Szabo'. The signature is written in a cursive, flowing style.

Brian Szabo, CPA, CA
Partner through a corporation
BDO Canada L.L.P.
Chartered Professional Accountants

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SUMMARY



Status of the Audit

As of the date of this report, we have substantially completed our audit of the 2018 financial statements, subject to completion of the following items:

- ▶ Receipt of signed management representation letter
- ▶ Subsequent events review through to financial statement approval date
- ▶ Approval of financial statements by Council.

We conducted our audit in accordance with Canadian generally accepted auditing standards. The objective of our audit was to obtain reasonable, not absolute, assurance about whether the financial statements are free from material misstatement. See Appendix A for our draft independent auditor's report.

Except as described in this report, the scope of the work performed was substantially the same as that described in our Planning Report to the Mayor and Council dated January 9, 2019.

With respect to the Annual Report, we review this document to ensure that there are no inconsistencies with the financial statements and that the information is consistent with our knowledge of the Company. We are not responsible for, nor did we review the Annual Report to determine if the information was complete or sufficient for the readers, if factors were omitted or if the disclosures were adequate.



Materiality

As communicated to you in our Planning Report to the Mayor and Council, preliminary materiality was \$114,000 based on prior year's materiality. Our final materiality of \$146,000 was based on actual results to December 31, 2018.



Audit Findings

Our audit focused on the risks specific to your operations and key accounts. Our discussion points below focus on key areas of audit focus:

- ▶ Risk of management override of controls
- ▶ Revenue recognition
- ▶ Cash
- ▶ Staff salaries
- ▶ Employee future benefits
- ▶ Tangible capital assets



Internal Control Matters

We are required to report to you in writing, any significant deficiencies in internal control that we have identified.

There were no control deficiencies were noted that, in our opinion, are of significant importance to discuss with those charged with governance. While there were no significant deficiencies in internal controls noted as a result of our audit procedures.



Independence

Our annual letter confirming our independence was previously provided to you. We know of no circumstances that would cause us to amend the previously provided letter. We confirm that we are still independent as of the date of this letter.



Adjusted and Unadjusted Differences

There are no adjusted or unadjusted differences or disclosure omissions identified through the course of our audit engagement.



Management Representations

During the course of our audit, management made certain representations to us. These representations were verbal or written and therefore explicit, or they were implied through the financial statements. Management provided representations in response to specific queries from us, as well as unsolicited representations. Such representations were part of the evidence gathered by us to be able to draw reasonable conclusions on which to base our audit opinion. These representations were documented by including them in the audit working papers, memoranda of discussions with management and written representations received from management.

A summary of the written representations we have requested from management is set out in the representation letter included in Appendix B to the report



Significant Audit Estimates

Management is responsible for determining the Village of Harrison Hot Springs's significant accounting policies. The choice between accounting policy alternatives can have a significant effect on the financial position and results of the organization. The application of those policies often involves significant estimates and judgments by management. Based on the audit work that we have performed, it is our opinion that the accounting policies and estimates in the financial statements are reasonable and the disclosures relating to accounting estimates are in accordance with Canadian public sector accounting standards.



Fraud Discussion

Through our planning process, and current and prior years' audits, we have developed an understanding of your oversight processes. We are not currently aware of any fraud affecting the entity.

If you are aware of changes to processes or are aware of any instances of actual, suspected or alleged fraud affecting the Company since our discussions held at planning, we request that you provide us with this information.

Please refer to the Auditor's Responsibilities for Detecting Fraud in the Planning Report to the Mayor and Council.

AUDIT FINDINGS

As part of our ongoing communications with you, we are required to have a discussion on our views about significant qualitative aspects of the Village’s accounting practices, including accounting policies, accounting estimates and financial statement disclosures. In order to have a frank and open discussion, these matters can also be discussed verbally with you. A summary of the key discussion points are as follows:

KEY AUDIT AREAS

As described in our Planning Report to the Mayor and Council, the following key audit areas were identified based on our knowledge of the the Village of Harrison Hot Springs’s operations, our past experience, and knowledge gained from management and the Mayor and Council.

Revenue Recognition

| Key Audit Area | Approach | Results |
|---|--|---|
| Accounting standards in this area are complex and open to interpretation. There is a risk that revenue may be recorded prematurely or incorrectly deferred into future periods. | <p>Tested grant funding received through a review of the agreements, ensuring that the amounts recorded exist, are complete and are accounted for in accordance with the grant terms.</p> <p>Grant expenditures have also been tested to ensure that they meet the requirements under the grant agreement.</p> <p>Tested other revenue streams to ensure recorded in accordance with public sector accounting standards.</p> | All audit testing in this area was executed as planned with no issues to be reported. |

Management Override of Controls

| Key Audit Area | Approach | Results |
|---|---|--|
| <p>Management is in a unique position to perpetrate fraud because of the ability to directly or indirectly manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p><i>This risk is required to be addressed for all audits pursuant to Canadian audit standards.</i></p> | <p>We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.</p> | <p>All audit testing in this area was executed as planned with no issues to be reported.</p> |

Cash

| Key Audit Area | Approach | Results |
|--|--|--|
| <p>Cash handling controls are an important aspect of an overall effective control environment.</p> <p>Due to its nature, cash and investments are almost always considered to be a risk area in any audit.</p> | <p>We tested bank reconciliations by performing substantive procedures over reconciling items, and obtained confirmations of end of period balances.</p> | <p>All audit testing in this area was executed as planned with no issues to be reported.</p> |

Staff Salaries

| Key Audit Area | Approach | Results |
|---|--|--|
| <p>A significant single type of expenditure that covers many employees and departments. For a municipality, payroll related costs comprise a significant component of both operating expenses and capital expenditures.</p> | <p>We performed systems testing as well as and analytical review of staff salary and levels.</p> | <p>All audit testing in this area was executed as planned with no issues to be reported.</p> |

Employee Future Benefits

| Key Audit Area | Approach | Results |
|---|---|--|
| <p>A complex area that requires a great degree of estimation and reliance on actuarial experts.</p> | <p>We obtained actuarial reports and have audited the significant assumptions.</p> <p>We tested actuarial calculations in determining the estimated liability by testing the data used for accuracy and completeness, as it drives the calculations.</p> <p>We have obtained a reliance letter from the external actuaries.</p> | <p>All audit testing in this area was executed as planned with no issues to be reported.</p> <p>The obligation and liability amounts are currently material.</p> |

Tangible Capital Assets

| Key Audit Area | Approach | Results |
|--|---|--|
| <p>It is important that the useful lives of tangible capital assets owned by the Village used in calculating depreciation are appropriate and remain accurate. This involves a high level of estimation and coordination of the finance department with other departments.</p> | <p>We performed amortization recalculations And we reviewed the useful lives of existing assets for changes in estimates.</p> | <p>All audit testing in this area was executed as planned with no issues to be reported.</p> |

INTERNAL CONTROL MATTERS

During the course of our audit, we performed the following procedures with respect to the Company’s internal control environment:

- ▶ Documented operating systems to assess the design and implementation of control activities that were determined to be relevant to the audit.
- ▶ Discussed and considered potential audit risks with management.

The results of these procedures were considered in determining the extent and nature of substantive audit testing required.

We are required to report to you in writing significant deficiencies in internal control that we have identified during the audit. A significant deficiency is defined as a deficiency or combination of deficiencies in internal control that, in the auditor’s professional judgment, is of sufficient importance to merit the attention of those charged with governance.

As the purpose of the audit is for us to express an opinion on the Company’s financial statements, our audit cannot be expected to disclose all matters that may be of interest to you. As part of our work, we considered internal control relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL

| Deficiency | Issue and Impact |
|------------|------------------|
| None noted | None noted |

OTHER REQUIRED COMMUNICATIONS

Professional standards require independent auditors to communicate with those charged with governance certain matters in relation to an audit. In addition to the points communicated within this letter, the table below summarizes these additional required communications.

| Required Communication | Audit Planning Presentation | Audit Results Presentation | Auditor Comments |
|--|-----------------------------|----------------------------|---|
| 1. Our responsibilities under Canadian Auditing Standards (CAS) | ✓ | | Included in our engagement letter dated December 13, 2016 |
| 2. Our audit strategy and audit scope | ✓ | | Included in our Planning Report dated January 9, 2019 |
| 3. Fraud risk factors | ✓ | | Included in our Planning Report dated January 9, 2019 |
| 4. Going concern matters | | ✓ | None |
| 5. Significant estimates or judgments | | ✓ | See Page 5 |
| 6. Audit adjustments | | ✓ | None noted |
| 7. Unadjusted differences | | ✓ | None noted |
| 8. Omitted disclosures | | ✓ | None noted |
| 9. Disagreements with management | | ✓ | There were no disagreements with management |
| 10. Consultations with other accountants or experts | | ✓ | No external experts were consulted during this engagement |
| 11. Major issues discussed with management in regards to retention | | ✓ | None |
| 12. Significant difficulties encountered during the audit | | ✓ | No significant difficulties were encountered during our audit |

| Required Communication | Audit Planning Presentation | Audit Results Presentation | Auditor Comments |
|--|-----------------------------|----------------------------|---|
| 13. Significant deficiencies in internal control | | ✓ | No significant deficiencies were noted |
| 14. Material written communication between BDO and management | | ✓ | No material written communications were noted |
| 15. Any relationships which may affect our independence | ✓ | ✓ | No independence issues noted |
| 16. Any illegal acts identified during the audit | | ✓ | No illegal activities identified through the audit process |
| 17. Any fraud or possible fraudulent acts identified during the audit | ✓ | ✓ | No fraud identified through the audit process |
| 18. Significant transactions with related parties not consistent with ordinary business operations | | ✓ | None noted |
| 19. Non-compliance with laws or regulations identified during the audit | | ✓ | No legal or regulatory non-compliance matters were noted as part of our audit |
| 20. Limitations of scope over our audit, if any | | ✓ | None |
| 21. Written representations made by management | | ✓ | See Appendix B |
| 22. Any modifications to our opinion, if required | | ✓ | Please see our draft independent auditor's report included in Appendix A |

APPENDIX A: INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of the Village of Harrison Hot Springs

Opinion

We have audited the financial statements of the Village of Harrison Hot Springs ("the Village") which comprise the Statement of Financial Position as at December 31, 2018 and the Statements Operations, Changes in Net Financial Assets, and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the Village's financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2018 and results of its operations, changes in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Village in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Village's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Village, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Village's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally-accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally-accepted auditing standards we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Village's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Village to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Vancouver, British Columbia

Date

APPENDIX B: REPRESENTATION LETTER

Date of Mayor and Council approval

BDO Canada LLP
Chartered Professional Accountants
600 Cathedral Place
925 West Georgia Street
Vancouver, BC
V6C 3L2

This representation letter is provided in connection with your audit of the financial statements of the Village of Harrison Hot Springs for the year ended December 31, 2018, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian public sector accounting standards.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated December 13, 2016, for the preparation of the financial statements in accordance with Canadian public sector accounting standards; in particular, the financial statements are fairly presented in accordance therewith.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian public sector accounting standards.
- All events subsequent to the date of the financial statements and for which Canadian public sector accounting standards require adjustment or disclosure have been adjusted or disclosed.
- The financial statements of the entity use appropriate accounting policies that have been properly disclosed and consistently applied
- There were no uncorrected misstatements to the financial statements as a whole.

Information Provided

- We have provided you with:
 - access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- We are responsible for the design, implementation and maintenance of internal controls to prevent, detect and correct fraud and error, and have communicated to you all deficiencies in internal control of which we are aware
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Fraud and Error

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.

General Representations

- We confirm that there are no derivatives or off-balance sheet financial instruments held at year end that have not been properly recorded or disclosed in the financial statements.
- The entity has complied with all provisions in its agreements related to debt and there were no defaults in principal or interest, or in the covenants and conditions contained in such agreements.
- There have been no plans or intentions that may materially affect the recognition, measurement, presentation or disclosure of assets and liabilities (actual and contingent).
- The nature of all material uncertainties have been appropriately measured and disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
- There were no direct contingencies or provisions (including those associated with guarantees or indemnification provisions), unusual contractual obligations nor any substantial commitments, whether oral or written, other than in the ordinary course of business, which would materially affect the financial statements or financial position of the entity, except as disclosed in the financial statements

Other Representations Where the Situation Exists

Yours truly,

Tracey Jones

Financial Officer

Madeline McDonald

CAO

12(b)



VILLAGE OF HARRISON HOT SPRINGS

REPORT TO COUNCIL

TO: Mayor and Council **DATE:** April 9, 2019
FROM: Rhonda Schell **FILE:** 2240-20-50/
Community Services Coordinator 2240-20-35
SUBJECT: 2019 Aquatic Safety Projects

ISSUE: to approve the use of Resort Municipality Initiative funds for the Aquatic Safety Projects

BACKGROUND:

This issue was first brought before Council at the March 12, 2019 Council Meeting where staff reported on the Waterfront Safety Audit recommendations. At that meeting, the matter was referred back to staff with a request for more information relating to the projects proposed for approval in 2019.

The Village of Harrison Hot Springs (VHHS) retained the Lifesaving Society to undertake a comprehensive Waterfront Aquatic Safety Audit of the waterfront parks and beach managed by the VHHS. The Aquatic Safety Audit objective is to make recommendations and to identify any safety issues to assist the VHHS to maximize safety at the village public waterfront.

Staff is recommending that the following recommendations be implemented at this time:

- Seven public access life rings to be mounted near the float plane dock, west beach, lagoon, and Rendall Park.
- Public education and visitor information signage at the Civic Plaza and Rendall Park. The style of these sign boards will match the design of the existing plaza signage.
- Mobi-Mat for beach accessibility. The Mobi-Mat will be deployed upon further consultation with the Lifesaving Society to determine the safest location and appropriate signage. This mat is intended to be left out on the beach for the season. Because sand easily falls through the mat, it requires very little

maintenance but it can easily be swept off if build up occurs. The Mobi-Roll'N Stow is a rolling device that allows the mat to be rolled up and stored in a matter of minutes.

- Western Beach swim grid and buoys to dissuade swimmers from venturing into deep waters and to prevent vessels from entering this area.
- Beach safety signage that uses standard caution symbols that will be understood in a multi-lingual environment.

FINANCIAL IMPLICATIONS:

The funding for these improvements can come from the existing Resort Municipality Initiative (RMI) Beach Improvements budget.

| 2019 Aquatic Safety Projects | Estimate |
|--|------------------|
| Public Access Liferings (7) | 7,500 |
| Public Education and Visitor Information Signage at Civic Plaza and Rendall Park | 100,000 |
| Mobi-Mat (30'), Mobi-Roll'N Stow, placement consultation | 6,500 |
| Western Beach swim grid and buoys | 1,000 |
| Beach safety signage to comply with ANSI Z535/CA-Z321-96 standards and symbols | 10,000 |
| Total: | \$125,000 |

RECOMMENDATION:

THAT use of Resort Municipality Initiative funds for the implementation of 2019 Aquatic Safety Projects be approved.

Respectfully submitted:

REVIEWED BY:

Rhonda Schell

Madeline McDonald

Rhonda Schell
Community Services Coordinator

Madeline McDonald
Chief Administrative Officer



12(e)

VILLAGE OF HARRISON HOT SPRINGS

REPORT TO COUNCIL

TO: Mayor and Council DATE: April 10, 2018
FROM: Ken Cossey MCIP, RPP Planning Consultant FILE: 3090-20-DVP11/18
SUBJECT: Development Variance Permit for 102 Rockwell Drive - Revised

ISSUE:

To consider the issuance of a Development Variance Permit for the proposed development at 102 Rockwell Drive, based upon the additional information requested by Council.

BACKGROUND:

This matter was originally before Council at the Regular Council Meeting of March 18, 2019, wherein it was referred back to staff for further information. Council also requested full size drawings so that they could better understand the requested revisions relative to the parcel boundary lines. Those drawings are available for review in the Council Chambers. The other item that Council asked was whether the applicant was willing to look into reducing the height variance request.

The issue here, as with the issuance of all development variance permits, is to determine whether there is sufficient rationale to refuse the request. Concerns related to public health and safety should be taken into consideration.

The site is approximately 7,500 M^2 (0.75 Ha) in size. The parcel is zoned C-4 and is bounded on the west by Harrison Lake and on the east by Rockwell Drive.

The applicant wishes to development a 60 - 77 unit apartment building, built over two phases, complete with an above grade parkade on this site. There is a community amenity contribution covenant registered on title, that addresses an issue dealing with a past rezoning application.

Variations Requested

The applicant wishes to vary the following C-4 Land Use Regulations as outlined in Zoning Bylaw 1115, 2017:

- Front Set back requirements reduce from 7.5 M down to 3.0 M
Rear Set back requirements reduce from 6 M down to 2.5 M
Sideline setback requirements reduce from 3.6 M to 3 M
Building Height requirements increase from 12 M to 25 M

Density and Use

The density provisions of the Marine Commercial (C-4) Zone will not be altered with the issuance of the requested variances, as none exist for this zone.

Under the C-4 Zoning requirements, the proposed uses are permitted or allowed as an accessory use. With the approved setbacks the Lot coverage will be approximately 60%. The permitted Lot coverage under the Zoning Bylaw is 60%.

Comments with Respect to the Height Variance Request

The applicant has created an updated Bylaw Analysis sheet which has been attached to this report for Council's review and consideration. Listed below is a summary review of the rationale to request the variances.

With respect to the building height, the applicant has indicated that with an above ground parkade, the additional two floors will allow the development to be built up as opposed to across the lot. This will increase the floor plan from 3 storeys to 5 storeys.

In order for the current marina to continue to utilize parking spots on their site, the applicant has indicated that they will need to build the project up as opposed to across the lot.

Upon a review of the Village's approved design guidelines, page 85 of the Official Community Plan (OCP), the following is provided for Council's information:

"3.1.2 Design Guidelines

Architecture

Building Height

- *A maximum height of 4 storeys is recommended within the Lakeshore Special Planning Area, with exceptions being made for small portions of buildings with landmark value (up to 6 storeys permitted, preferably close to the Village edges near the base of the mountains)."*

This site is located at the edge of the Village and near the base of a mountain and is in the both the Lakeshore Special Planning Area and the Lakeshore Development Permit Area. The building height, as proposed, has no impact to the Village.

Notice of Intent - updates

With respect to the required Notice of Intent, as per the *Local Government Act*, the notices were sent out on February 27, 2019 and any comments had to be in by March 18, 2019. One written submission was received during the last Council meeting, dated March 18, 2019.

The summary points of the written submission which relate directly to the issuance of a Development Variance Permit (DVP) are provided below for Council's review:

- A/. Writer's concern: The density "may" increase
 Staff comments on this issue: There are no density provisions for this type of zone

- B/. Writer's concern: Various other issues outside of the scope of a Development Variance Permit

In keeping with the notification requirements, defined as the adjacent lots within 30 M from the development site, adjacent properties received written notification of the various variance requests. No comments were received as of the required March 18, 2019 deadline.

STAFF RECOMMENDATION:

THAT Development Variance Permit DVP 11/18 be issued to Harrison Hot Springs Marina Ltd. for the property located at 102 Rockwell Drive, Harrison Hot Springs and legally described as: DL 5031, Group 1, New Westminster District. (PID 002-410-257)

Respectfully submitted;

Reviewed by and Concurrence with the RECOMMENDATIONS:

Ken Cossey
Ken Cossey, MCIP, RPP
Planning Consultant

Madeline McDonald
Madeline McDonald
Chief Administrative Officer

- Attachments (1) DVP 3090-20 DVP 11/18
 (2) Site Plan showing the requested variances as revised and dated April 10, 2019

Village of Harrison Hot Springs

DEVELOPMENT VARIANCE PERMIT NO. 11/18

ISSUED this ___ day of _____, 2019

FILE No: 3090-20-DVP11/18

FOLIO No: 5279-16703

REGISTERED LANDOWNER

Harrison Hot Springs Marina Ltd
204-1548 Johnson Road
White Rock, BC, V4B 3Z8

1. This Development Variance Permit is issued subject to compliance with all of the bylaws of the Village of Harrison Hot Springs applicable thereto, except as specifically varied or supplemented by this Permit.
2. This Development Variance Permit applies to and only to those lands within the Village described below:
Legal Description: District Lot 5031 Group 1 New Westminster District (PID: 002-410-257)
Civic Address: 102 Rockwell Drive, Harrison Hot Springs, BC
3. Authorization is hereby given for the use of the subject property for operation of a marina/residential development in accordance with the conditions listed in Section 4, below.
4. The use must be carried out subject to the following conditions:
 - That the maximum Height requirement under Zoning Bylaw No. 1115, 2017, for the C-4 (Marine Commercial) be increased from 12.0 metres up to 25.0 metres;
 - That the minimum Front Setback requirement under Zoning Bylaw No. 1115, 2017, for the C-4 (Marine Commercial) be decreased from 7.5 metres down to 3.0 metres;
 - That the minimum Rear Setback requirement under Zoning Bylaw No. 1115, 2017, for the C-4 (Marine Commercial) be decreased from 6.0 metres down to 2.5 metres; and
 - That the minimum Side Setback requirement under Zoning Bylaw No. 1115, 2017, for the C-4 (Marine Commercial) be decreased from 3.6 metres down to 3.0 metres.

5. The land described herein must be developed in substantial compliance with the terms and conditions and provisions of this Permit and any plans and specifications attached to this Permit shall form a part thereof.
6. **This Development Variance Permit is not a Building Permit, a subdivision approval nor a soil removal or deposit permit.** No final inspection must be issued until all items of this Development Variance Permit have been complied with to the satisfaction of the Village

RESOLUTION PASSED BY COUNCIL THIS _____ day of _____, 2019

I HEREBY CERTIFY that I have read the terms and conditions of the Development Variance Permit contained herein. I understand and agree that the Village of Harrison Hot Springs has made no representations, covenants, warranties, guarantees, promises or agreements (verbal or otherwise) with me, other than those contained in this Permit.

HARRISON HOT SPRINGS MARINA LTD.,
INC. NO. 693712

Authorized Signatory

VILLAGE OF HARRISON HOT SPRINGS

Corporate Officer

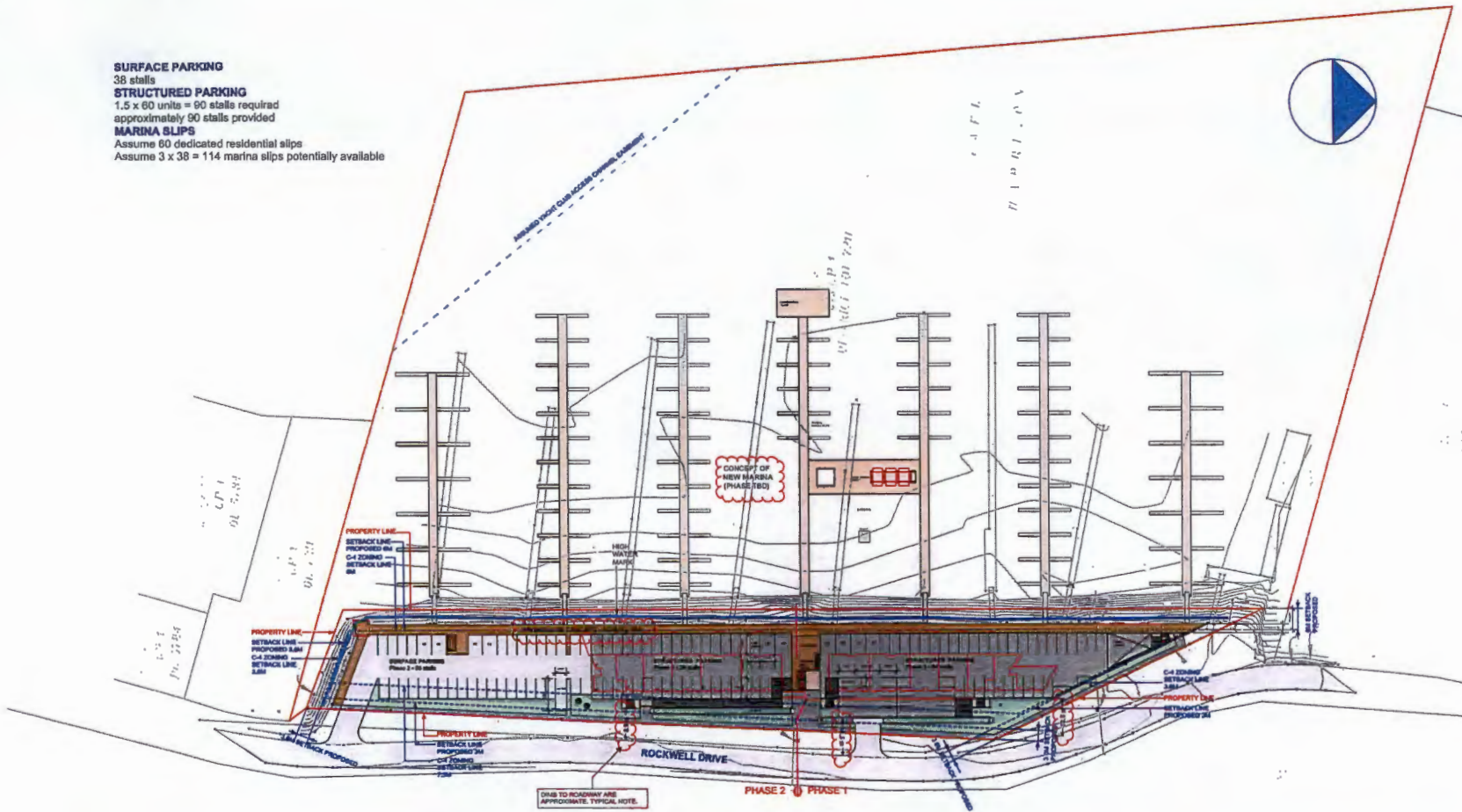
Harrison Hotsprings Marina Development Bylaw Analysis
 Conceptual Drawings Phase
 Updated: April 10, 2019

| | | Current C4 Zoning | Proposed | Variance Requested? | Variance Request Rationale | |
|------------------------------------|--|-----------------------------------|---------------------------|---------------------|---|--|
| Permitted Commercial Uses | Permitted | Marinas/Float Plane Dock | Yes | Yes | No | |
| | Accessory | Apartment | Yes | Yes | No | |
| | | Accessory Buildings or Structures | Yes | Yes | No | |
| Commercial Development Regulations | Minimum Lot Size for Subdivision Purposes (m2) | 464 | N/A | No | | |
| | Subdivision for a Relative (Ha) | 1 | N/A | No | | |
| | Floor Area Ratio | 1.5 | 1.5 | No | | |
| | Minimum Lot Width | 20 | N/A | No | | |
| | Maximum Density (units/ha) | N/A | N/A | No | | |
| | Maximum Lot Coverage (%) | 60 | 60 | No | | |
| | Minimum Rear Setback (m) (West) | 6 | 6 | No | | |
| | Minimum Front Setback (m) (East) | 7.5 | 3 | Yes | <ul style="list-style-type: none"> To develop the site. The property is narrow East to West, and we anticipate an above grade parking structure as part of feasibility and due to site conditions. To provide access to the Marina and to the upland portion of the development. To provide an upland development which sustainably protects the natural environment. Currently there is a gravel parking lot with minimal vegetative buffer to the water along the rear setback portion. We intend to improve existing conditions and protect the natural environment. Details are typically finalized with consultation from qualified professionals at a future time, however natural native plantings, a riparian bench and native trees are currently anticipated. To provide connectivity to the village proper. Our current Marina concept shows a boardwalk along the rear setback portion (waterfront). The intent to provide connectivity to the village as per the current Official Community Plan. To find the right balance between distance from waterfront (rear setback) and Rockwell drive (front setback). We would like to provide as much distance from the structure to the waterfront (rear setback) but need to consider the impact with proximity to Rockwell drive (front setback). We understand that improving Rockwell drive appeal is necessary and so are proposing plantings between the above grade structure and Rockwell drive to provide this. To protect the natural environment during construction. Construction activities will require erosion and sediment control plan and measures to ensure the natural habitat is protected these are typically developed with consultation from a qualified professional at a future time | |
| | Minimum Exterior Side Setback (m) (North) | 3.6 | 3 | Yes | <ul style="list-style-type: none"> To develop the site. The property is narrow East to West. Structured parking needs to be designed to be very efficient. This means double loaded parking stalls served by single parking drive aisle. To provide open air parking for publicly-used Marina slips. We increased the quantity of phase 1 stalls in the parking structure beyond what is actually needed for the number of units planned for phase 1. If we reduced the number of stalls in phase 1 to that which is only needed in phase 1, the site is not wide enough North to South to provide 45 stalls in the phase 2 footprint without seriously depleting the open air parking anticipated for Marina slips. | |
| | Minimum Interior Side Setback (m) (South) | 3.6 | N/A | No | | |
| | Off-Street Parking | As per Bylaw Requirements | As per Bylaw Requirements | No | | |
| | Off-Street Loading | As per Bylaw Requirements | As per Bylaw Requirements | No | | |
| | Maximum Height (m) | 12 | 25 | Yes | <ul style="list-style-type: none"> To develop the site. We anticipate an above grade structured parking. Current C-4 Zoning would result in 3 residential floors on top of above grade parking garage. A 25m height allows 5 floors above parking structure which is what we currently anticipate for overall project feasibility. This also allows us to reduce the building footprint and percentage of site coverage. A 25m high building has no additional impact to the area which would not result from a 12m high building. To provide open air parking for publicly-used Marina slips. Increasing height allows upland development to not extend across entire site (North-South). This maximizes open air parking spaces which can be used for Marina slips. To provide more space between the structure and neighbors to the South. Increasing height allows development to not extend across entire site. This creates more space between parking structure building to the neighbors at Harrison Yacht Club. | |

SURFACE PARKING
38 stalls

STRUCTURED PARKING
1.5 x 60 units = 90 stalls required
approximately 90 stalls provided

MARINA SLIPS
Assume 60 dedicated residential slips
Assume 3 x 38 = 114 marina slips potentially available



Harrison Hot Springs Marina Development

SITE PLAN

SCALE 1:500
MARCH 7 2019 R1

= UPDATES FROM PREV DWG.

1261



VILLAGE OF HARRISON HOT SPRINGS

REPORT TO COUNCIL

TO: Mayor and Council **DATE:** April 11, 2019
FROM: Rhonda Schell
Community Services Coordinator **FILE:** 0810-20-03
SUBJECT: Ranger Station Art Gallery Accessibility Upgrades

ISSUE: Ranger Station Art Gallery accessibility upgrades.

BACKGROUND:

This issue was brought before Council at the January 21, 2019 Regular Council Meeting where \$20,000 was approved to make necessary upgrades to the Ranger Station Art Gallery. A cost estimate for a ramp and new door was obtained in 2017, but the required improvements have become broader in scope and building codes have been updated since 2017.

Staff has obtained the new quotes to install a wider, power operated door that meets current building codes, concrete accessibility ramp, and sidewalks. The cost estimates have come in considerably higher than in previous years. With the recent announcement of the Federal Gas Tax Fund being increased this year and Cultural Infrastructure being an eligible project, staff is requesting additional funds be allocated to the Ranger Station Art Gallery.

RECOMMENDATION:

THAT \$20,000 from the 2019 Federal Gas Tax Fund be allocated to achieve accessibility upgrades to the Ranger Station Art Gallery.

Respectfully submitted;

Rhonda Schell
Rhonda Schell
Community Services Coordinator

REVIEWED BY:

Madeline McDonald
Madeline McDonald
Chief Administrative Officer



VILLAGE OF HARRISON HOT SPRINGS

12(e)

REPORT TO COUNCIL

TO: Mayor and Council

DATE: April 11, 2018

FROM: Madeline McDonald
Chief Administrative Officer

FILE: 6340-01

SUBJECT: Lagoon Master Plan Proposal

ISSUE: To consider a proposal from CTQ Consultants for the development of a Lagoon Master Plan.

BACKGROUND:

Improvements to the beachfront lagoon at Harrison Lake have been under discussion for several years. Plans have come forward in the past, but have not been actioned due to insufficient funds and/or a lack of consensus on what changes, if any, should be made to the lagoon recreational area.

Lagoon Improvements are an identified priority under the Resort Development Strategy under which the Province approves the expenditure of Provincial Resort Municipality Initiative (RMI) Funds.

In order to ensure an inclusive process which takes into account the desires of the community as well as tourism values, staff asked CTQ Consultants to draft a proposal as to the development of a Lagoon Master Plan which will include a substantial public consultation process.

The Plan, once adopted, will enable the Village to allocate RMI funding to specific improvements and to apply for additional funding as opportunities arise. This project can be funded by the recently announced additional Federal Gas Tax revenue, under the Capacity Building category of eligible expenditures.

STAFF RECOMMENDATION:

THAT the Lagoon Master Plan dated April 11, 2019, as prepared by CTQ Consultants be approved at a cost not to exceed \$30,000 to be funded by Federal Gas Tax.

Respectfully submitted;

Madeline McDonald
Madeline McDonald
Chief Administrative Officer

Attachment: April 11, 2019 Lagoon Master Plan Proposal, CTQ Consultants

Project No.: 12004

April 11, 2019

Village of Harrison Hot Springs
495 Hot Springs Road
Harrison Hot Springs, BC V0M 1K0

Attention: Madeline McDonald, CAO

COST

TIME

Our Understanding

QUALITY

The Village of Harrison Hot Springs has called for a proposal to prepare a Lagoon Area Master Plan.

The area surrounding the site has received some enhancement over the years. Most recently, improvements have been made to the Beach Washrooms, the bandshell adjacent Maple Ave, and Phase 2 of the Esplanade Revitalization.

Some ideas have been considered for future development of the site and the Village now feels that a comprehensive Master Planning exercise will serve as a guiding document, and the basis for a commitment to move forward with developing the site. The Master Plan will be used as the definitive design document to help plan, phase, budget and construct the future Lagoon Area improvements.

The Village requires that the planning exercise benefits from a public consultation component along with a technical knowledge regarding the water and foreshore, environmental context and ultimately a creative and exciting design. The Plan will provide recommendations for the site planning and include costs for all main infrastructure, phasing of improvements, and design concepts for pedestrian and vehicular circulation and parking needs.

Some of the design and process considerations in the preparation of the Lagoon Area Master Plan include:

- Work closely with Village staff to inform the design process
- Undertake a Public Consultation Event - Open House

- Address beach users, Lagoon walkway, Lagoon area recreation use, play area, boat launch and parking, artificial ice surface, environmental habitat enhancement, and the attraction of longer term and repeat tourism.
- Examine options and provide recommendations for changes to the existing boat launch parking to create better and more efficient circulation and use of space.
- Prepare a full land use site plan that respects recreational, environmental objectives, tourism goals and sustainable site development.
- Investigate the feasibility of constructing on the water and waterfront relative to geotechnical and hydrodynamic conditions, in the Lagoon and along the edges of the Harrison Lake foreshore.
- Provide cost estimates
- Include a hard and soft landscape design for the project area. This will include lighting, and signage along with consideration of entry/gateway features, viewpoints, interpretive areas, walkways, seating nodes, and site furniture.
- Develop a Phasing Plan that addresses cost effective and affordable implementation of capital improvements
- Produce Deliverables in the form of an Options and Final Master Plan Graphics, and all applicable materials used throughout the consultation process and reporting back to the Village and Village Council
- Meet a July 31,2019 timeline for completion.



Work Program

The following is an outline of our proposed work program.

CTQ is prepared to amend the scope of work and the suggested steps based on communication with the Village of Harrison Hot Springs Chief Administrative Officer

Task 1 Site Visit and Project Familiarization

CTQ will visit the site together with Village staff and Council. We will then proceed to hold a Start -Up meeting with the Village to review goals and objective for the project and the Village's expectations for the process, timeline and final deliverables.

We hope to obtain all appropriate background information related to the project. This may include the following:

- Communications regarding the Project
- Historical Information of the site
- Village knowledge regarding use of Lagoon, Beach, Walkway, and Harrison Lake edges, future Ice surface, Boat launch and parking, and need for dike/berm in the area of the playground and Beach Washrooms
- Information related to Environmental/ Foreshore/Aquatic Realm-working in conjunction with a local consultant that the Village has utilized for Environmental and Geotechnical expertise.
- We also hope to engage Village representatives in a Workshop type session to explore ideas and vision for the project and discuss specific design elements:
- Review the preliminary design concepts for the Lagoon Bridge/Pier and character images previously prepared by CTQ.
- Opportunities/Constraints for piles /pier construction – Bathymetric information
- Infrastructure/servicing issues and requirements
- Lighting and other features on the walkway and Lagoon Bridge/Pier
- Circulation, parking and pedestrian mobility - universal accessibility



This session will ensure a baseline of information to proceed and assist with the design process in the preparation of Schematic options for the Master Plan.

Task 2-Preparation of Schematic Options

Options are prepared for communication with the Village and ultimately the Public.

The designs will be preliminary in character and illustrate the main design elements



Task 3 Review with Village Staff-Teleconference

Schematic options will be forwarded to Village for review and we will convene a teleconference to review the direction we are taking with the various design options.

Task 4 Revise Options to Reflect Staff Input

Upon discussions with Village Staff, we will revise the options to reflect our discussions.

The designs and graphics will be refined to clearly and concisely illustrate and communicate the design intent for each of the options.

In our experience the public can be overwhelmed if there are too many options and we would suggest limiting the choices to a maximum of four options.

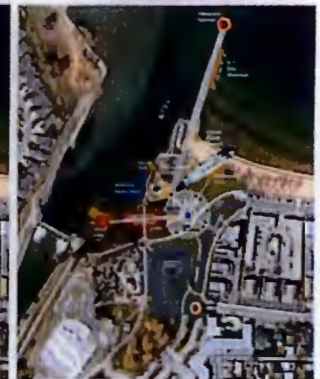
CONCEPT 1

CONCEPT 2



CONCEPT 3

CONCEPT 4



Task 5 Preparation of Open House Materials

The strategy for public engagement entails invitation to all stakeholders and a general awareness for the community to participate. We propose the use of poster board graphics and details of the project be included in an Open House to be convened over an afternoon and into early evening. A brief handout will be provided, with background information, the concept design options and a short survey to explore direction the project is taking.



Task 6 Open House

The general public will be made aware of all details of the Open House meeting. Background information to be accessed via the Village's website or other venues

- Open House will be hosted by the consultant at the Bandshell and/or the Memorial Hall – to be confirmed with the Village of Harrison Hot Springs
- Open House meetings will be used to both receive feedback on proposed plans and disseminate information
- Drop In format from 3 pm to 7 pm
- Static Display Boards with consultants in attendance to answer questions and accept input
- Ability for public to provide feedback via survey or comment sheet
- All material produced for the Open House will also be made available for a limited time for viewing on the Village of Harrison Hot Springs Website



Task 7 Review and Summary of Findings

Accepting and acknowledging input and feedback:

S.S. SICAMOUS AREA MASTER PLAN

The Poster Board provides an overview of the S.S. Sicamous Area Master Plan. The most of the Plan is to guide the comprehensive development and improvements of the Heritage Park over the long term. The project entailed extensive public consultation, working with a Vision Interest Group. Comments and ideas are already being in a strategy that incorporates 12 major elements.

Embedded in these elements is the goal to protect the heritage features and enhance the Park, while adding to the tourism appeal of Penticton and region.

EXISTING PHASING IMAGES

CTQ
CITY OF Penticton

- Documenting results from Open House Surveys or comment sheets
- CTQ to set up on-line survey and receive comments on the Village of Harrison Hot Springs Website or a designated website
- Information to be compiled and summarized and guide direction for the selection or modification of a preferred option

Task 8 Preparation of Preferred Option

All input provided by the public will be reviewed and discussed with Village Staff, before proceeding to prepare a preferred Concept Plan Option.

- CTQ will prepare the Preferred Concept Plan to reflect direction from Village Staff
- The Preferred Concept Plan will be forward to the Village for approval

Task 9 Finalize Design and Cost Estimate

Upon approval of the Preferred Concept, final deliverables will be prepared in digital and hard copy

- CTQ will prepare the Final Concept Plan/Master Plan
- Cost Estimates- Class C will be prepared for the Plan
- A Phasing Plan will be developed that addresses cost effective and affordable implementation of capital improvements

Task 10 Presentation to Council

A PowerPoint presentation which outlines the Conceptual Lagoon Master Plan, the process, the public input and the key design elements will be presented to Council.

Budget Estimate

Our Work Program can be further revised and tailored to reflect amendments, additions or deletions as required by the Village and the fees will be adjusted accordingly

We have estimated the cost to be **\$27,540.00, including disbursements**

The above costs do not include the costs for a survey of the subject area or the costs for subconsultants which may be required for the project. Sub-consultants may include:

- Environmental
- Geotechnical
- Structural
- Hydrological

Thank you for the opportunity of submitting this proposal for your consideration

We look forward to working with the Village on this exciting project for the Lagoon Area Master Plan.

Yours truly,



CTQ CONSULTANTS LTD.

Per:

Matt Cameron, P.Eng., FEC

Principal

13(a)



VILLAGE OF HARRISON HOT SPRINGS

REPORT TO COUNCIL

TO: Mayor and Council DATE: April 4, 2019
FROM: Tracey Jones, Financial Officer FILE: 1970-02
SUBJECT: Tax Rate Bylaw No. 1135, 2019

ISSUE: On an annual basis Council must establish tax rates to be applied to all properties in the Village of Harrison Hot Springs to levy funds for Municipal, Regional District and Regional Hospital District purposes.

BACKGROUND: The 2019 budget has determined that the amount required to be raised from property taxes for municipal purposes is \$2,177,876.

The proposed Residential rate (class 1) for 2019 is \$2.45930 per \$1000 of assessed value and the rate for the other classes of properties is established as a multiplier of the Residential (class 1) rate.

The Ministry of Municipal Affairs and Housing publishes tax rates for the 162 municipalities in BC. In ranking from low to high, the Village's combined Residential (class 1) tax rate for 2018, which includes Municipal, Regional District, Hospital District, Police and School taxes as well as assessments collected for other agencies, totaled \$5.2898 per \$1,000 of assessed value and ranked 44 out of 162. The Business (class 6) rate ranked 39 out of 162 and the Recreational (class 8) rate was 140 out of 162.

For municipal purposes the Village has 3 rate classes of property; the proposed allocation between these assessment classes for 2019 is as follows:

Table with 3 columns: Class, Tax Revenue, and %. Rows include Residential (1), Business (6), Recreation/Non-profit (8), and a total row.

Schedule I attached outlines the tax rates for 2019 General Municipal Purposes.

Regional District and Hospital District rates are determined by the Fraser Valley Regional District and the taxes are collected by the municipality on their behalf.

Schedule II outlines the rates levied for Regional District and Regional Hospital District services per \$1,000 of assessed taxable property value.

RECOMMENDATION:

THAT Tax Rate Bylaw No. 1135, 2019 be given First, Second and Third readings.

Respectfully submitted;

Tracey Jones
Tracey Jones,
Financial Officer

REVIEWED BY:

Madeline McDonald
Madeline McDonald,
Chief Administrative Officer



VILLAGE OF HARRISON HOT SPRINGS
BYLAW NO. 1135

A Bylaw to establish tax rates for 2019

The Council of the Village of Harrison Hot Springs, in open meeting, lawfully assembled, ENACTS AS FOLLOWS:

1. The following rates are hereby imposed and levied for the year 2019
 - (a) For all lawful general purposes of the municipality on the assessed value of land and improvements taxable for general municipal purposes, rates appearing in Schedule I attached hereto and forming a part of this bylaw
 - (b) For Regional Hospital District purposes on the full assessed value of all land and assessed value of all improvements taxable for Regional Hospital District purposes, rates appearing in Column "A" of Schedule II attached hereto and forming a part of this bylaw.
 - (c) For Regional District purposes on the full assessed value of all land and assessed value of all improvements taxable for Regional Hospital District purposes, rates appearing in Column "B" of Schedule II attached hereto and forming a part of this bylaw.
2. The minimum amount of taxation upon a parcel of real property shall be one dollar (\$1.00).
3. This bylaw may be cited as "Tax Rate Bylaw No. 1135, 2019."
4. Bylaw No. 1120, 2018 Tax Rate Bylaw is hereby repealed.

READ A FIRST TIME THIS DAY OF APRIL, 2019.

READ A SECOND TIME THIS DAY OF APRIL, 2019.

READ A THIRD TIME THIS DAY OF APRIL, 2019.

ADOPTED THIS DAY OF MAY, 2019.

Mayor

Corporate Officer

BYLAW NO. 1135, 2019

SCHEDULE I

GENERAL MUNICIPAL PURPOSES

| PROPERTY CLASS | TAX RATES (DOLLARS OF TAX PER \$1,000 TAXABLE VALUE) |
|--------------------------|---|
| | GENERAL MUNICIPAL |
| 1. Residential | 2.45930 |
| 2. Utilities | 8.60755 |
| 3. Supportive Housing | 2.45930 |
| 4. Major Industry | 8.36162 |
| 5. Light Industry | 8.36162 |
| 6. Business/Other | 7.82057 |
| 7. Managed Forest Land | 7.37790 |
| 8. Recreation/Non Profit | 10.25528 |
| 9. Farm | 2.45930 |

BYLAW NO. 1135, 2019

SCHEDULE II

| PROPERTY CLASS | TAX RATES (DOLLARS OF TAX PER \$1,000 TAXABLE VALUE) | | |
|--------------------------|---|---------------------------|---------|
| | A REGIONAL HOSPITAL | B REGIONAL DISTRICT | TOTAL |
| 1. Residential | .13095 | .20074 | .33169 |
| 2. Utilities | .45833 | .70259 | 1.16092 |
| 3. Supportive Housing | .13095 | .20074 | .33169 |
| 4. Major Industry | .44523 | .68252 | 1.12775 |
| 5. Light Industry | .44523 | .68259 | 1.12775 |
| 6. Business/Other | .32083 | .49181 | .81264 |
| 7. Managed Forest Land | .39285 | .60222 | .99507 |
| 8. Recreation/Non Profit | .13095 | .20074 | .33169 |
| 9. Farm | .13095 | .20074 | .33169 |

13(b)



VILLAGE OF HARRISON HOT SPRINGS

REPORT TO COUNCIL

TO: Mayor and Council DATE: April 10, 2019
FROM: Debra Key, Deputy CAO/CO FILE: 3900-01
SUBJECT: Business Licence Bylaw 1128, 2018

ISSUE:

To provide third reading to Business Licence and Regulation Bylaw No. 1128, 2018

BACKGROUND:

At the Regular Council Meeting of April 1, 2019, the draft Business Licence and Regulation Bylaw was before Council for third reading and consideration of submissions made by the public. Council referred the draft bylaw back to staff for further review and revisions.

The following revisions were made to the bylaw:

- Page 9, under section 1.4 Definitions, added "Sanctioned Event - means an event that has been approved or authorized by the Village"
Page 10, section 2.2(a) - changed "for" to "form"
Page 12, section 2.6(c) - changed "individual" to "business entity"

Accordingly, the Business Licence and Regulation Bylaw is attached for Council's consideration.

RECOMMENDATION:

THAT Business Licence and Regulation Bylaw No. 1128, 2018 receive third reading, as amended.

Respectfully submitted:

REVIEWED BY:

Debra Key signature and title: Deputy Chief Administrative Officer/CO

Madeline McDonald signature and title: Chief Administrative Officer

BUSINESS LICENCE AND REGULATION BYLAW
For the Village of
HARRISON HOT SPRINGS
BYLAW No. 1128, 2018



Bylaw 1128, 2018
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VILLAGE OF HARRISON HOT SPRINGS BYLAW NO. 1128

A Bylaw to provide for the regulation and licencing of Businesses in the Village of Harrison Hot Springs

WHEREAS section 8(6) of the *Community Charter, SBC 2003, c.26*, as amended from time to time, allows the Council to establish by bylaw, the ability to regulate in relation to Business;

AND WHEREAS the Council is authorized and empowered, under sections 15, 59(1) and 60(1) of the *Community Charter, SBC 2003, c.26*, as amended from time to time, to provide for the collection of licence fees, granting and issuance of Business Licences, establish different classes of Businesses, regulate the conduct of Businesses, or refuse to issue a Business Licence within the Village for the protection of the public and prevent and minimize nuisances and misleading Business practices;

AND WHEREAS section 154 of the *Community Charter, SBC 2003, c.26*, as amended from time to time, Council may, by bylaw, delegate its powers, duties and functions to an employee of the Village;

NOW THEREFORE in open meeting assembled, the Council of the Village of Harrison Hot Springs enacts as follows:

PART 1 TITLE, PURPOSE, APPLICATION AND DEFINITIONS

1.1 Title

- a) This Bylaw may be cited for all purposes as the Village of Harrison Hot Springs, "Business Licence and Regulation Bylaw No. 1128, 2018".

1.2 Purpose

- a) The purpose of this Bylaw is to regulate the conduct of Business within the Village of Harrison Hot Springs for the benefit of the community.

1.3 Application of this Bylaw

- a) This Bylaw applies to all Lands, including the surface of water, and all uses, Buildings and other Structures located within the boundaries of the Village of Harrison Hot Springs, as amended from time to time, and as shown on Schedule "A", the Zoning Map contained within the *Village of Harrison Hot Springs Zoning Bylaw 1115, 2017*, as amended from time to time.

1.4 Definitions

- a) The following definitions, and this includes the applicable definitions contained within the *Village of Harrison Hot Springs Zoning Bylaw 1115, 2017*, as amended from time to time, apply to this Bylaw;

Building or Structure

has the same definition as outlined in the *Village of Harrison Hot Springs Zoning Bylaw 1115, 2017*, as amended from time to time;

Business and Professional Services

means the carrying on or the provision of any Commercial undertakings within the Village Boundaries, whether for profit or not. For the purposes of this Bylaw it does not include any activity carried out on or by either the Federal or Provincial governments including corporations or agencies owned by them, or by any public transit authority. For the purposes of this Bylaw it also includes any Contractor related activities; such as but not limited to any or any combination of the following:

- i) construction,
- ii) alteration,
- iii) repairs, or
- iv) maintenance,

upon a Building or Structure;

Business Licence

means a valid and subsisting Business Licence issued and approved pursuant to this Bylaw;

Busker or Busking

means a performance in any of the performing arts, and must be an approved part of a sanctioned event in which an individual or a group provide free entertainment to the public;

Bylaw Enforcement Officer

means the person duly appointed by Council or under contract with the Village to enforce the regulations of any Village Bylaw;

Cannabis

has the same meaning as outlined in the *Cannabis Act, SC 2018, c 16*, as amended from time to time and includes any product containing Cannabis;

Cannabis Dispensary

means a use of Land, a room, Building or Structure where cannabis or any cannabis by-product is prepared and provided to any member of the Community for a fee or if applicable to any club member that may or may not include any payment of club fees. This includes but is not limited to the delivery of the product and the operation of any club, or any not for profit or profit organization, that provides this type of product or service, but excludes a Medical Cannabis Production Facility;

Cannabis Operation

means the cultivating, growing, producing, packaging, storing, distributing, retail sales, advertising, trading, the performance of any research and innovation activities on legal cannabis or its derivatives but excludes a Medical Cannabis Processing Facility;

Commercial Uses

has the same definition as outlined in the *Village of Harrison Hot Springs Zoning Bylaw, 1115, 2018*, as amended from time to time;

Contractor

means an individual or a company that provides any or any combination of the following types of functions within the Village:

- i) the construction of any Building or Structure;
- ii) any Alteration of any Building or Structure;
- iii) any repairs to a Building or Structure; or
- iv) any maintenance on a Building or Structure;

and this includes any improvements that run with the Land or are within or attached to any Building or Structure;

Council

means the Council of the Village of Harrison Hot Springs;

Daycare

means either a Commercial Use that provides care for a child under the *Community Care and Assisted Living Act, SBC 2002, c 25*, as amended from time to time or the provision of care without the approval as outlined through the *Community Care and Assisted Living Act, SBC 2002, c 25*, as amended from time to time;

Farmers' Market

has the same definition as outlined in the *Village of Harrison Hot Springs Zoning Bylaw, 1115, 2018*, as amended from time to time, but excludes any reference to a Mobile Food Truck;

Fire Safety Inspection

means an inspection of any Lands Buildings or Structures, that is under consideration for a Business Licence, conducted by either the Village of Harrison Hot Springs Fire Department or a qualified individual or company that can assess the fire hazards of the Lands, Building or Structure.

Franchisee Licence Holder

means either a person or company that has been granted the ability or is legally entitled to do business under a specific trademark, trade name and/or business model, by the owner of the trademark, trade name or business model.

Highway

has the same definition as outlined in the *Village of Harrison Hot Springs Zoning Bylaw 1115, 2017*, as amended from time to time;

Home Occupation

has the same definition as outlined in the *Village of Harrison Hot Springs Zoning Bylaw 1115, 2017*, as amended from time to time;

Land

has the same definition as outlined in the *Village of Harrison Hot Springs Zoning Bylaw 1115, 2017*, as amended from time to time;

Licencee

means the person who holds a Licence issued pursuant to this Bylaw;

Licensed Premises

has the same definition as outlined in the *Village of Harrison Hot Springs Zoning Bylaw, 1115, 2018*, as amended from time to time;

Medical Cannabis Production Facility

means the use of Buildings and Structures for the purposes of growing, processing, packaging, testing, destroying, storing or shipping Marihuana as authorized by a license issued under the *Access to Cannabis for Medical Purposes Regulations, SOR/2016-230*, as amended from time to time;

Micro-Brewery, Winery, Distillery

has the same definition as outlined in the *Village of Harrison Hot Springs Zoning Bylaw, 1115, 2018*, as amended from time to time;

Mobile Vendor

means a person who, either on his own account or as an officer, servant, or agent of another, sells or offers for sale food items, excluding liquor, from a Mobile Vending Cart;

Mobile Vending Cart or Food Truck

means a self-contained hand mobile apparatus or other vehicle, used for the sale of food items only and does not include any selling of liquor;

Neighbourhood Pub

has the same definition as outlined in the *Village of Harrison Hot Springs Zoning Bylaw, 1115, 2018*, as amended from time to time;

Non-Profit Society

means a charitable society or organization that is incorporated and in good standing under the *Societies Act, SBC 2015 c. 18*, as amended from time to time;

Non-Resident Business

means a Business that is carried on in or from premises located outside the Village with respect to which any work or service is performed or offered in the Village;

Pop-Up Retailer

means a temporary use of Public Space, or the temporary authorized use of Land or a Building or Structure to sell retail items, for a short period of time, and the method of sales may or may not include from the back of a truck, a tractor trailer unit, some other type of Motor Vehicle, a trailer or a portable storage unit. This does not include any Tourist Kiosk Sales Booth or any retailer that is affiliated with a Sanctioned Event;

Public Space

means any real property or portions of real property owned or subject to a right of occupation by the Village to which the public is ordinarily invited or permitted to be in or on, and includes, but is not necessarily limited to, the grounds of any community Building or Structure, boulevard, sidewalk and public parking lots;

Real Estate Licencee

means a person who is a Licencee under the *Real Estate Services Act, SBC 2004, c. 12*, and who occupies or uses Buildings or Structures or Land in the Village for the carrying on of that Business

Restaurant

has the same definition as outlined in the *Village of Harrison Hot Springs Zoning Bylaw, 1115, 2018*, as amended from time to time;

Retail Establishment

has the same definition as outlined in the *Village of Harrison Hot Springs Zoning Bylaw, 1115, 2018*, as amended from time to time;

Sanctioned Event

means an event that has been approved or authorized by the Village;

Tourist Accommodation

has the same meaning as outlined in the *Village of Harrison Hot Springs Zoning Bylaw, 1115, 2017*, as amended from time to time;

Tourist Kiosk Sales Booth

means a stand alone booth, generally placed in a high traffic area to advertise, sell or provide information on tourism related businesses or events; and

Village

means the Village of Harrison Hot Springs.

PART 2 BUSINESS LICENCING REGULATIONS

2.1 Business Licence Requirements

- (a) Unless specifically exempted by this Bylaw, as outlined in section 2.13 (a)(i) and (ii), a person must not carry on or perform any Business, in the Village unless there is a valid Business Licence issued under this Bylaw.
- (b) Every person who owns or operates any Business must apply for, obtain and hold a Business Licence for each type of Business.
- (c) Every person who operates a Business from more than one Building or Structure, in the Village, must obtain a separate Business Licence for each Business that they own or operate.
- (d) Every person who operates a Business in the Village, must comply with all the applicable Bylaws of the Village and all applicable laws, rules, codes, regulations and orders of all Federal or Provincial authorities having jurisdiction over such Business.
- (e) Unless specifically exempted in this Bylaw, a person must have a separate Business Licence for each type of Business that they are operating, own or set up as the authorized franchise licence holder, even if the Businesses are located in the same Building or Structure.
- (f) Every Non-Profit Society that carries on a Business, in addition to its primary purpose, is required to hold a valid Business Licence.

- (g) Notwithstanding section 2.0(f) above and the provisions of Schedule "A" of this Bylaw, where a Non-Profit Society is registered as a charity under the *Income Tax Act, RSC 1985, c.1 (5th Supp.)*, as amended from time to time, no fee will be charged by the Village for such Business Licence.

2.2 Business Licence Application Requirements and Fees

- (a) An application for a Business Licence must be made on the prescribed application form, as amended from time to time, and be accompanied by the required Business Licence fee, as prescribed in Schedule "A" as attached to and forming a part of this Bylaw.
- (b) Every application must include a detailed description of the Building or Structure in or upon which the applicant intends to carry on Business. This includes any or all of the following:
- i) square footage information;
 - ii) a floor plan;
 - iii) the proposed parking area for the required number of parking spaces
- (c) The Village reserves the right to request a letter of authorization from the property owner for which the Business will be operated from, if the applicant is not the property owner.
- (d) Every application form, as applicable, must be accompanied with a copy of all the necessary approvals from Federal, Provincial or Municipal government authorities such as, but not limit to a:
- i) Health Certificate, from the appropriate Health Inspector;
 - ii) Fire Safety Inspection. The inspection report must be in writing and must contain any required mitigation requirements of any potential fire hazards;
 - iii) Liquor and Cannabis Regulatory Branch approval or certificate for all Licenced Premises.
- (e) Where an applicant applies for more than one Business Licence, the particulars of each Business Licence applied for must be included on a separate application form.
- (f) Notwithstanding the annual Business Licence fee prescribed in Schedule "A", as attached to and forming a part of this Bylaw, a refund may be applicable. If applicable, any refund of the Business Licence fee must be calculated in the following manner:
- i) 100-percent of the fee paid minus a \$25.00 non-refundable application fee equals the refundable balance.

- (g) If applicable, the refundable balance must be provided, only under the following conditions:
- i) if the application is withdrawn prior to the issuance of the Business Licence; or if
 - ii) the Business Licence application has been refused.

2.3 Enforcement, Severability and Administration of this Bylaw

2.3.1 Enforcement and Implementation Provisions

- a) This Bylaw is designated under the provisions of Section 260 of the *Community Charter, SBC 2003, c. 26*, as amended from time to time, as a Bylaw that may be enforced by means of a ticket issued under the provisions of the Bylaw Notice Enforcement Bylaw;
- b) Any person who violates any provision of this Bylaw or who suffers or permits any act or thing to be done in contravention of or in violation of any of the provisions of this bylaw, or who neglects to do, or refrains from doing anything required to be done by any of the provisions of this Bylaw commits an offence is subject to penalties under the Bylaw Notice Enforcement Bylaw;
- c) Each day that a contravention or violation of or failure to perform any provision of this Bylaw continues to exist will be deemed to be a separate offence; and
- d) Failure to renew a Business Licence for a Business that continues to operate, may be subject to a fine under the Bylaw Notice Enforcement Bylaw for operating a Business without a Business Licence. In addition to the fine, the License holder must pay the penalty fee, as outlined in Schedule "A", that is attached to and forms a part of this Bylaw.
- e) The following individuals are hereby authorized and empowered to enter upon any Lot, or Building or Structure, outlined on the Business Licence, between the hours of 8:30 am to 4:30 pm, to ascertain whether the provisions of this Bylaw are being adhered to:
 - i) Chief Administrative Officer or their delegate;
 - ii) Bylaw Enforcement Officer; and
 - iii) Fire Chief.

2.3.2 Severability

- a) If any part, section, subsection, paragraph, sentence, clause, phrase or schedule of this Bylaw is for any reason found invalid by the decision of

any Court of competent jurisdiction, such decision must not affect the validity of the remainder of this Bylaw or the validity of the Bylaw as a whole.

2.3.3 Administration

- a) The Chief Administrative Officer or their delegate is hereby appointed by Council to administer this Bylaw.

2.4 Term of the Business Licence

- a) Each Business Licence issued, pursuant to this Bylaw, must be considered as an annual Business Licence for one calendar year that starts on January 1st and expires on the 31st day of December of each year.

2.5 Display of the Business Licence

- a) Every Licencee must keep a copy of their Business Licence posted in a conspicuous place in the Building or Structure for which the Licence is issued.
- b) Where the Licencee has no Business operating from a Building or Structure in the Village, the Business Licence must be carried upon the Licencee's person at all times when the Licencee is engaged within the Village in the Business for which the Licence was issued.

2.6 Effect of the Business Licence

- a) A Business Licence authorizes the Business owner/operator or the franchisee licence holder to provide only the Business described in the Business Licence, and only in the Building or Structure or location provided in the Business Licence.
- b) The issuance of a Business Licence is not a representation or warranty that the Licenced Business or the Business operation complies with the Bylaws of the Village or with any other Federal, Provincial regulations or standards.
- c) A Business Licence is not transferable to another business entity, or any other third party or for use at another location.

2.7 Business Licence Renewal

- a) If a Licencee fails to renew a Business Licence prior to February 1st of the next year, then, in addition to the annual Licence fee, that person must pay a late payment penalty prescribed in Schedule "A" of this Bylaw.

2.8 Changes in the Business Licence Conditions

- a) If an applicant, Business owner/operator or Franchisee Licence Holder proposes any changes to the Business Licence with respect to location or conditions of a licence, the applicant, Business owner/operator or franchisee licence holder must advise the Village Office of such changes, in writing.

2.9 Granting or Reissuing a Business Licence

- a) The Village may grant a Business Licence under this Bylaw when the Village is satisfied that the applicant has complied with the requirements of this Bylaw and any other Village Bylaw related to the conduct of the Business.
- b) In granting or renewing a Business Licence, the Village may impose terms and conditions in relation to the following aspects of the Business:
 - (i) hours of operation; and or
 - (ii) occupant load.
- c) When issuing or reissuing a Business Licence, the Chief Administrator or their delegate must be satisfied that all the Bylaw requirements of the Village have been met. This includes any Bylaws or required inspections that addresses any or all of the following issues:
 - i) Building regulations;
 - ii) Zoning regulations;
 - iii) Health requirements;
 - iv) Sanitation requirements;
 - v) Business regulations; and
 - vi) Fire Inspections.
- d) Notwithstanding 2.9(c) above, the Village may refer the Business Licence application to any third party regulatory or review authority as required, to impose any additional terms and conditions. If it referred out the regulatory or receiving agency has 30 Working Days in which to responded to the referral. The Village may extend this referral deadline, if requested in writing.
- d) In addition to the above, the Chief Administrative Officer or their delegate may also refer the Business Licence application to Council to impose any additional terms and conditions.

2.10 Refusal of a Business Licence

- a) An application for a Business Licence or renewal of a Business Licence may be refused in any specific case, but
 - i) the application must not be unreasonably refused; and
 - ii) the reasons for the refusal must be provided to the applicant in writing.

2.11 Suspension or Cancellation of a Business Licence

- a) One or more of the following circumstances may, without limitation, constitute reasonable cause for suspension or cancellation of a Licence:
 - i) the Licencee has made a false declaration or has misrepresented or concealed a material fact with respect to the application for a Business Licence;
 - (ii) the Licencee fails to maintain the standard of qualification required to carry on the Business for which the Business Licence was issued or with respect to the Lot or the Building or Structure for which the Business Licence was issued;
 - (iii) the Licencee has failed to comply with this Bylaw or with a term or condition of the Business Licence;
 - (iv) in the opinion of the Village, the Licencee has engaged in misconduct with respect to the Business or Building or Structure named in the Business Licence, which misconduct warrants the suspension or cancellation of the Business Licence;
 - (v) the Licencee is found to have committed a violation of any applicable Village Bylaw or is convicted of an offence under a Federal or Provincial enactment in respect of the Business for the which the Licence was issued or with respect to the Premises for which the Licence was issued;
 - (vi) the Licencee is convicted of an indictable offence in Canada, which offence is, in the opinion of the Village, directly related to the conduct of the Business.

- b) A Business Licence that has been suspended may be reinstated, subject to 2.11(a), when the suspension conditions of the Business Licence have been satisfied and applicable fees as prescribed in Schedule "A" of this Bylaw are paid prior to the Business Licence being reissued.

2.12 Right of Reconsideration of Council

- a) If the Village suspends, cancels the Business Licence or has refused to grant a Licence, or has imposed a term or condition that the applicant considers is unreasonable, the applicant who is subject to the decision is entitled to have Council reconsider the matter.
- b) On reconsideration of the application, Council may either sustain, refuse or amend the application, its terms or the conditions of approval.

2.13 Exemptions to the Business Licence Requirements

- a) Notwithstanding section 2.0(b) and 2.5(b) above, the following Businesses are exempt from the requirements of this Bylaw:
 - i) Any Day Care Operations; any
 - ii) Real Estate Licencee, subject to the following conditions; no Business Licence is required to carry on any real estate Business unless the realtor occupies Land or uses a Building or Structure in the Village to carry on its Business,
 - iii) any type of school, or any
 - iv) Apartment Business with five or less Dwelling Units for rent.

2.14 Street Address Numbers

- a) Every Licencee who operates from premises located in the Village must prominently display, in figures not less than 100 mm (4 inches) in height, the street address assigned to such premises under the street numbering system of the Village.

2.15 Fire Inspection Reviews for the Transfer of a Business Licence

- a) The Business Licence applicants must pay the applicable Fire Inspection fee as prescribed in an applicable Bylaw, as amended from time to time, prior to the Business Licence being transferred.

PART 3 BUSINESS TYPES PROHIBITED IN THE VILLAGE OR A PORTION OF THE VILLAGE

3.1 Types of Business Prohibited or Prohibited in Certain Zones

- a) The following types of Businesses are prohibited from operating within the Village boundaries, as amended from time to time:
 - i) animal shows;
 - ii) Buskers or Busking in an unsanctioned Event;

- iii) Cannabis Dispensary;
- iv) Cannabis Operations;
- v) Door-to-door sales of any type;
- vi) Medical Cannabis Production Facility, located on any non-ALR land;
- vii) Mobile Vendor;
- viii) Mobile Vending or Food Truck;
- ix) Pawnbrokers;
- x) Pop-up Retailers – in an unsanctioned Event;
- xi) Tourist Accommodations in any Residential Zone

PART 4 – REPEAL AND EFFECTIVE DATE

4.1 Repeal

- a) With the adoption of this Bylaw, the *Village of Harrison Hot Springs Business Licencing and Regulation Bylaw No. 945, 2010* and any amendments thereto are hereby repealed in their entirety.

4.2 Effective Date

READINGS AND ADOPTION

READ A FIRST TIME THIS 19th DAY OF FEBRUARY, 2019

READ A SECOND TIME THIS 19th DAY OF FEBRUARY, 2019

NOTICE OF INTENT was published on the 21st and 28th days of March, 2019 pursuant to section 59(2) of the Community Charter.

AMENDED AND RECONSIDERED A THIRD TIME THIS ____ DAY OF _____, 2019-

ADOPTED THIS ____ DAY OF _____, 2019

Mayor

Corporate Officer

SCHEDULE "A"
BUSINESS LICENCE AND REGULATION
BYLAW NO. 1128, 2018

ANNUAL FEES & CHARGES¹

| | | |
|---|--|--------------------|
| 1 | Business Licence non-refundable application fee | \$25.00 |
| | | |
| 2 | Business Licence fee | \$100.00 |
| | | |
| 3 | Fire Inspection fee | \$75.00 |
| | | |
| 4 | The late penalty fee, must be applied on any renewed application received after January 31 st | 10% of licence fee |
| | | |

Notes:

- 1/. Notwithstanding the fees in the above referenced table, the final required fee can be any combination of the above.

