

**THE CORPORATION OF THE CITY OF GRAND FORKS
AGENDA – REGULAR MEETING**

Tuesday, March 29, 2016, at 7:00 pm
7217 - 4th Street, City Hall Council Chambers

	<u>ITEM</u>	<u>SUBJECT MATTER</u>	<u>RECOMMENDATION</u>
1.	<u>CALL TO ORDER</u>		
2.	<u>ADOPTION OF AGENDA</u>		
	a) Adopt agenda	March 29th, 2016, Regular Meeting agenda	THAT Council adopts the March 29th, 2016, Regular Meeting agenda as presented.
3.	<u>MINUTES</u>		
	a) Adopt minutes March-14-2016-Committee-of-the-Whole-Minutes-Not Yet Adopted	March 14th, 2016, COTW Meeting minutes	THAT Council adopts the March 14th, 2016, COTW Meeting minutes as presented.
	b) Adopt minutes March-14-2016-Regular-Meeting-Minutes-Not Yet Adopted	March 14th, 2016, Regular Meeting minutes	THAT Council adopts the March 14th, 2016, Regular Meeting minutes as presented.
4.	<u>REGISTERED PETITIONS AND DELEGATIONS</u>		
5.	<u>UNFINISHED BUSINESS</u>		
6.	<u>REPORTS, QUESTIONS AND INQUIRIES FROM MEMBERS OF COUNCIL</u>		
	a) Corporate Officer's Report RFD - Proc. Bylaw-CAO - Rpts., Questions, & Inquiries from Council Councillor Thompson's Report Councillor Hammett's Report Councillor Ross's Report	Written reports of Council	THAT all written reports of Council be received.
7.	<u>REPORT FROM COUNCIL'S REPRESENTATIVE TO THE REGIONAL DISTRICT OF KOOTENAY BOUNDARY</u>		
	a) Corporate Officer's Report RFD - Proc. Bylaw-Council - RDKB Council's Rep.	Verbal report from Council's representative to the Regional District of Kootenay Boundary	THAT Mayor Konrad's report on the activities of the Regional District of Kootenay Boundary, given verbally at this meeting be received.

8. **RECOMMENDATIONS FROM STAFF FOR DECISIONS**

- | | | |
|--|--|--|
| a) Corporate Services/Administration
RFD - Corp. Services & Admin. - Revised Funding & Lease Agrmts - Gallery 2 | Revised Funding and Lease Agreements - Gallery 2 | THAT Council determines to approve the proposed changes, as presented, to the Grand Forks Art Gallery, Heritage and Visitor Centre Fee for Service Funding Agreement and Lease Agreement, AND FURTHER directs staff to advertise the required legislative requirements as it pertains to the disposition of City property (lease) as per section 26 of the Community Charter;
BE IT FURTHER RESOLVED THAT Council approves the Art Gallery's request for early 2016 funding release to the Gallery. |
| b) Corporate Services/Administration
RFD - Corp. Serv. & Admin.-Revised Funding Agrmts Boundary Museum, Chamber, & Arts Council | Revised Funding Agreements for Boundary Museum, Boundary Regional Chamber of Commerce and Boundary District Arts Council | THAT Council determines to approve the proposed changes, as presented, to the Boundary Museum, Boundary Regional Chamber of Commerce and Boundary District Arts Council Fees for Service Agreements, as presented. |
| c) Manager of Development & Engineering
RFD - Mgr. of Dev. & Eng. Serv. - 2016 Capital Project - WWT Plant-UV Upgrade | 2016 Capital Project - Wastewater Treatment Plant - UV Upgrade | THAT Council revises the 2016 Financial Plan to include \$40,000 additional funding for a scope change to the WWTP UV Disinfection Project, to be funded from the land sales reserve. |

9. **REQUESTS ARISING FROM CORRESPONDENCE**

10. **INFORMATION ITEMS**

- | | | |
|--|---|---|
| a) Mayor Konrad
SOII - Letter of Support re Recruitment of Vet Services | Letter of support regarding recruitment of veterinary services in Grand Forks | THAT Council receives the letter of support regarding recruitment of veterinary services in Grand Forks and authorizes the letter for the Mayor's signature and staff to send the letter on Council's behalf. |
|--|---|---|

- b) Manager of Development & Engineering Services
[Memo - Mgr. of Dev. & Eng. Serv.- Municipal Natural Capital Initiative Program](#)

Municipal Natural Capital Initiative Program

THAT Council receives the memorandum from the Manager of Development & Engineering Services regarding the Municipal Natural Capital Initiative Program.

11. **BYLAWS**

- a) Chief Financial Officer
[Bylaw 2024 - RFD - CFO - 2016-2020 Financial Plan Bylaw 2024](#)

2016-2020 Financial Plan Bylaw

THAT Council gives first three readings to 2016-2020 Financial Plan Bylaw 2024.

12. **LATE ITEMS**

13. **QUESTIONS FROM THE PUBLIC AND THE MEDIA**

14. **ADJOURNMENT**

THE CORPORATION OF THE CITY OF GRAND FORKS

COMMITTEE OF THE WHOLE MEETING

Monday, March 14th, 2016

NOT ADOPTED
SUBJECT TO CHANGE

PRESENT: MAYOR FRANK KONRAD
COUNCILLOR JULIA BUTLER
COUNCILLOR CHRIS HAMMETT
COUNCILLOR NEIL KROG
COUNCILLOR CHRISTINE THOMPSON
COUNCILLOR COLLEEN ROSS (joined the mtg. at 9:06 am)

CHIEF ADMINISTRATIVE OFFICER
CHIEF FINANCIAL OFFICER
CORPORATE OFFICER
MANAGER OF OPERATIONS
DEPUTY MANAGER OF OPERATIONS
CORPORATE ADMINISTRATIVE ASSISTANT

D. Allin
R. Shepherd
D. Heinrich
D. Reid
D. Drexler
D. Popoff

GALLERY

1. **PRESENTATIONS**

a) Mayor Konrad
Thank you to Arjo Stalker for his great work at Public Works this year and wishing him well in the future

b) Mayor Konrad
Thank you and public recognition to Nancy and Al from Body Edge Fitness for their contribution to the Family Day Event

c) Mayor Konrad
Presentation of Long Service Awards to employees

2. **CALL TO ORDER**

a) The Mayor called the COTW Meeting to order at 9:04 am.

3. **COMMITTEE OF THE WHOLE AGENDA**

a) Adopt agenda
March 14th, 2016, COTW

MOTION: BUTLER

RESOLVED THAT the COTW adopt the March 14th, 2016, COTW agenda as presented.
CARRIED.

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- b) Reminder:
In-Camera Meeting directly following COTW Meeting.
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4. REGISTERED PETITIONS AND DELEGATIONS

- a) Grand Forks Dog Park
Presentation from the Grand Forks Dog Park requesting allocation of funds to participate in cost sharing for improvements to Dog Park

Discussion:

- Edward Sims, on behalf of the Grand Forks Dog Park, requested if improvements in-kind could be included in this year's City budget and that the fence area be extended to 50 ft.
- Manager of Operations explained that the plans were for 20 ft. and that all tests were done; however, for the 50 ft. request to go forward, more tests would have to be done to check if there are any issues because of its proximity to the cemetery
- Councillor Thompson inquired if the Grand Forks Dog Park have the funds for the materials? Mr. Sims replied that they do and that funding is in place
- Councillor Thompson asked if there was an allocation of time for Public Works to do this work? The Manager of Operations said that they are working on a Work Plan and will look at incorporating it
- Mayor Konrad commented on memorial plaques and fundraising

MOTION: BUTLER

RESOLVED THAT the COTW receives for information the presentation from the Grand Forks Dog Park as presented.

CARRIED.

MOTION: THOMPSON

RESOLVED THAT the COTW recommends to Council that staff proceed with the in-kind contribution to extend the Grand Forks Dog Park fencing to 50 feet, after the required testing, and proceed with the construction of the shelter and porta potty.

CARRIED.

5. PRESENTATIONS FROM STAFF

- a) Chief Financial Officer
Timeline for Tangible Capital Assets and Purchasing Policy Amendments
Timeline for 2016 Financial Bylaws

Discussion:

- CFO stated that there was one change - the Capital Reserve is not available and awaiting feedback from the Province and will be available for the April 11th COTW Meeting

MOTION: THOMPSON

RESOLVED THAT the COTW receives the memorandum from the Chief Financial Officer regarding the timeline for tangible capital assets and purchasing policy amendments and the timeline for the 2016 financial bylaws.

CARRIED.

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- b)** Administration-Corporate Services
Proposed fee for Service Agreement for: Boundary Museum Society, Boundary Regional Chamber of Commerce, and Boundary District Arts Council

MOTION: THOMPSON

RESOLVED THAT the COTW recommends to Council to consider the proposed amendments to the Boundary Museum Society, Boundary Regional Chamber of Commerce, and Boundary District Arts Council Fee for Service Agreements; AND FURTHER THAT these considerations and/or additional amendments will be determined by Council at the March 29, 2016 Regular Meeting.

CARRIED.

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- c)** Administrative-Corporate Services
Gallery 2 request for early release of portion of funds for 2016 and amendments to Funding and Lease Agreements

Discussion:

- Councillor Thompson would like to see each organization not only submit a written report, but also attend a COTW Meeting and make a presentation
- Councillor Butler asked how the Art Gallery felt that the City is no longer paying for the electrical fees. Councillor Thompson said that they have always paid their electrical portion.
- Councillor Thompson inquired regarding paying for fuel and what the fuel was used for? CAO responded that staff will look into this for the March 29th meeting

MOTION: THOMPSON

RESOLVED THAT the COTW recommends to Council to consider the request from the Art Gallery Society for the early release of a portion of their funding for 2016; AND FURTHER THAT Council considers the proposed amendments to the Grand Forks Art Gallery, Heritage and Visitor Centre Fee for Service Funding Agreement and Lease Agreement; AND THAT these considerations will be decided by Council at the March 29, 2016, Regular Meeting;

BE IT FURTHER RESOLVED THAT the COTW recommends that staff be directed to advertise the legislative requirements as it pertains to disposition of City property as per Section 26 of the Community Charter.

CARRIED.

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- d) Manager of Operations
Memorandum on Timeline - Tree Policy, Street Light Policy, Safety Policy

Discussion:

- Manager of Operations stated that LED lights are being considered
- Councillor Ross spoke in regards to solar street lights and cost comparison, if the City can look into this solar component

MOTION: THOMPSON

RESOLVED THAT the COTW receives the memorandum from the Manager of Operations regarding the Timeline - Tree Policy, Street Light Policy, Safety Policy.

CARRIED.

-
- e) Deputy Manager of Operations
Campground Policy No. 1206-A1

MOTION: BUTLER

RESOLVED THAT the COTW receives the report and further directs staff to present for adoption to Council the proposed Policy No. 1206 at the April 11, 2016, Regular Meeting of Council.

CARRIED.

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- f) Monthly Highlight Reports from Department Managers
Staff request for Council to receive the monthly activity reports from department managers

Discussion:

- Councillor Butler inquired as to how many people were interviewed for the Engineering Technologist position? CAO responded that three people were interviewed with resumes from across Canada and several locally

MOTION: THOMPSON

RESOLVED THAT the COTW receives the monthly activity reports from department managers.

CARRIED.

6. **REPORTS AND DISCUSSION**

7. **PROPOSED BYLAWS FOR DISCUSSION**

- a) Chief Financial Officer
Introduction of 2016-2020 Financial Plan Bylaw 2024

Discussion:

- Councillor Butler asked if the Silver Kettle sidewalk was part of the budget? CFO responded that the Silver Kettle sidewalk is not in the current Capital Plan, but could be amended if Council decides
- Councillor Butler asked why we are taking more out of Reserves then putting into the Reserves? CFO said that this is the first year of three years, and that there are capital projects and carry-forward projects
- CAO advised there may be a small time delay in the decision, approximately 60 days, and then staff would bring back a budget amendment at that time
- Councillor Thompson asked if it is possible to put this project in the Capital Plan and until further funding
- Councillor Ross endorses Councillor Butler's concerns and would like a place holder in the budget
- Councillor Butler read the 2014 motion regarding the Silver Kettle sidewalk
- Councillor Butler inquired regarding the carry-forward projects \$4 million borrowing? CFO advised that this was a result of the passed Bylaws 1922 & 1923

MOTION: THOMPSON

RESOLVED THAT the COTW recommends to Council to give first three reading to 2016-2020 Financial Plan Bylaw 2024 at the March 29, 2016, Regular Meeting of Council.

CARRIED.

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- b) Deputy Manager of Operations
Campground Repeal Bylaw No. 1812 R-1

Discussion:

- Councillor Thompson inquired if Bylaw No. 1839 has to have a year associated? Deputy Manager of Operations said that he would look into this and bring the information forth to the April 11th meeting

MOTION: THOMPSON

RESOLVED THAT the COTW receives the report and further directs staff to present to Council the first three readings of the proposed Repeal Bylaw No. 1812 R-1 at the April 11, 2016, Regular Meeting of Council.

CARRIED.

-
- c) Deputy Manager of Operations
Campground Regulation Bylaw No. 2026

Discussion:

- Councillor Ross stated that the water at the campground is solar heated and inquired if a sign could be placed to indicate this? Manager of Operations said that he will look into this and that a sign will be placed

MOTION: THOMPSON

RESOLVED THAT the COTW receives the report and further directs staff to present to Council the first three readings of the proposed Bylaw No. 2026 at the April 11, 2016, Regular Meeting of Council.

CARRIED.

8. INFORMATION ITEMS

9. CORRESPONDENCE ITEMS

10. LATE ITEMS

11. REPORTS, QUESTIONS AND INQUIRIES FROM MEMBERS OF THE COUNCIL (VERBAL)

12. QUESTION PERIOD FROM THE PUBLIC

- a) Discussion:
- Nigel James spoke in regards to the Community Charter, annual increases, inflation, and Consumer Price Index
 - CFO spoke in regards to the Asset Management Financial Policy
 - CAO explained about savings for the next three years, replacement of water main in the river, sewer plans, fiscal responsibility and accountability
 - Nigel James inquired if one management position was being eliminated?
 - CAO responded that according to work requirements and as staff retire, this is always being reviewed
 - Nigel James asked about the Water Rates Committee and the volunteer names put forth
 - Gloria Koch inquired about water leaks in the City system
 - Manager of Operations spoke in regards to tools for detecting leaks
 - Cher Wyers gave praise to the community for the Boundary Musical and Theater Society 'Mary Poppins' attendance and the Grand Forks Border Bruins' efforts this

year and a thank you of support for the Boundary Museum

- Les Johnson inquired regarding the BMX event group using the washroom
- Mayor Konrad gave kudos to Juice 102.3 FM local radio. Derek, Morning Host for Juice 102.3 FM, was present in Chambers
- Allan Cooper thanked Council for their continuing support to the Boundary Chamber of Commerce and said that they had a positive AGM

13. IN-CAMERA RESOLUTION

- a) Chief Administrative Officer
Immediately following the COTW Meeting, Council will hold an In-Camera Meeting

MOTION: THOMPSON

RESOLVED THAT the COTW recommends Council convene an In-Camera Meeting as outlined under Section 90 of the Community Charter to discuss matters in a closed meeting which are subject to Section 90 (1)(g) litigation or potential litigation affecting the municipality; Section 90 (2)(c) a matter that is being investigated under the *Ombudsperson Act* of which the municipality has been notified under section 14 [ombudsperson to notify authority] of that Act;
BE IT FURTHER RESOLVED THAT persons, other than members, officers, or other persons to whom Council may deem necessary to conduct City business, will be excluded from the In-Camera Meeting.

CARRIED.

14. ADJOURNMENT

- a) The Mayor adjourned the COTW Meeting at 10:33 am.

MOTION: HAMMETT

RESOLVED THAT the COTW Meeting be adjourned at 10:33 am.

CARRIED.

CERTIFIED CORRECT:

MAYOR FRANK KONRAD

CORPORATE ADMINISTRATIVE
ASSISTANT - DAPHNE POPOFF

THE CORPORATION OF THE CITY OF GRAND FORKS

REGULAR MEETING OF COUNCIL
MONDAY, MARCH 14, 2016

NOT ADOPTED
SUBJECT TO CHANGE

PRESENT: MAYOR FRANK KONRAD
COUNCILLOR JULIA BUTLER
COUNCILLOR CHRIS HAMMETT
COUNCILLOR NEIL KROG
COUNCILLOR COLLEEN ROSS
COUNCILLOR CHRISTINE THOMPSON

CHIEF ADMINISTRATIVE OFFICER
CORPORATE OFFICER
DEPUTY MANAGER OF OPERATIONS
DEPUTY FIRE CHIEF
BUILDING INSPECTOR/BYLAWS SERVICES

D. Allin
D. Heinrich
D. Drexler
K. McKinnon
W. Kopan

GALLERY

1. CALL TO ORDER

- a) The Mayor called the meeting to order at 7:02 pm
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2. ADOPTION OF AGENDA

- a) Adopt agenda
March 14th, 2016, Regular Meeting agenda

MOTION: BUTLER / THOMPSON

RESOLVED THAT Council adopts the March 14th, 2016, Regular Meeting agenda as presented.

CARRIED.

3. MINUTES

- a) Adopt minutes
February 29th, 2016, Regular Meeting minutes

The Mayor advised he had an amendment to the February 29th minutes under Item 7 (a) where it should read, - "proposed trail around Christina Lake Golf Course"- not just Christina Lake.

MOTION: KROG / THOMPSON

RESOLVED THAT Council adopts the February 29th, 2016, Regular Meeting minutes as amended.

CARRIED.

4. REGISTERED PETITIONS AND DELEGATIONS

5. UNFINISHED BUSINESS

6. REPORTS, QUESTIONS AND INQUIRIES FROM MEMBERS OF COUNCIL

- a) Corporate Officer's Report
Written reports of Council

MOTION: BUTLER / HAMMETT

RESOLVED THAT all written and verbal reports of Council be received.

CARRIED.

7. REPORT FROM COUNCIL'S REPRESENTATIVE TO THE REGIONAL DISTRICT OF KOOTENAY BOUNDARY

- a) Corporate Officer's Report
Verbal report from Council's representative to the Regional District of Kootenay Boundary

The Mayor reported on his attendance at the Boundary Economic Development Committee meeting on March 1st at RDKB Office, where the main issues involved budget discussions, and from the Boundary Country Community Futures perspective: a job creation project and a call for a large animal veterinarian. He advised that they will be asking for a letter of support from RDKB and from the City.

He advised that he attended a meeting on March 10th where there was a discussion regarding a website banner for the RDKB's 50th Anniversary and further, how the City was going to address the event. He further reported that Community Futures were looking into welcome packages for the area.

MOTION: BUTLER / THOMPSON

RESOLVED THAT Mayor Konrad's report on the activities of the Regional District of Kootenay Boundary, given verbally at this meeting be received.

CARRIED.

MOTION: BUTLER / HAMMETT

RESOLVED THAT Council directs Staff to work with the Regional District of Kootenay Boundary on facilitating the acquiring of a veterinarian for the area and report back to Council.

CARRIED.

8. RECOMMENDATIONS FROM STAFF FOR DECISIONS

- a) Corporate Services
Appointment of the Chief and Deputy Chief Election Officer

MOTION: KROG / THOMPSON

RESOLVED THAT Council appoints Corporate Officer, Diane Heinrich as Chief Election Officer at a rate of \$1,000.00 and Sarah Winton as Deputy Chief Election Officer at a rate of \$750.00 for the City of Grand Forks, and further authorizes the Chief Election Officer and the Deputy Chief Election Officer to hire election officials for the purpose of conducting the 2016 Local Government By-Election.

BE IT FURTHER RESOLVED THAT Council accepts the proposed date for the 2016 by-election as May 28th, 2016.

CARRIED.

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- b) Deputy Manager of Emergency Services
Proposed budget amendment for facility repair at 7214 - 2nd Street

The Deputy Fire Chief spoke with regard to the structure requiring additional attention that what was previously estimated.

MOTION: HAMMETT / THOMPSON

RESOLVED THAT Council determines to authorize a \$6,100 increase in the Fire Department operating budget, to be funded from taxation, to allow the repair work to be completed in 2016.

CARRIED.

-
- c) Deputy Manager of Operations
Art Gallery trees

MOTION: HAMMETT / THOMPSON

RESOLVED THAT Council directs staff not to proceed with the removal of the two silver maple trees or any limbs by the Gallery 2 facility.

CARRIED.

9. REQUESTS ARISING FROM CORRESPONDENCE

10. INFORMATION ITEMS

- a) Bev Tripp
Letter regarding a Call for Restorative Justice in Grand Forks

MOTION: THOMPSON / HAMMETT

RESOLVED THAT Council receives Bev Tripp's letter regarding a Call for Restorative Justice in Grand Forks for information.

CARRIED.

11. BYLAWS

- a) Manager of Development & Engineering Services
To amend the current Zoning Bylaw by rezoning property located at 6401 Highway #3 from the current TC (Tourist Commercial) zone to the HC (Highway Commercial) zone

MOTION: BUTLER / HAMMETT

RESOLVED THAT Council give final reading to the "City of Grand Forks Zoning Amendment Bylaw No. 1606-A4, 2016".

CARRIED.

Councillor Ross voted against the motion.

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- b) Chief Financial Officer
Bylaw 2015-A1 - Electrical Utility Regulatory Amendment Bylaw

MOTION: THOMPSON / HAMMETT

RESOLVED THAT Council give final reading to Bylaw 2015-A1 - Electrical Utility Regulatory Amendment Bylaw.

CARRIED.

12. LATE ITEMS

- a) Councillor Ross advised that she wanted to give a big shout out to the Mary Poppins productions organizers and actors who recently provided great entertainment to the community.

The Mayor acknowledged Derrick's presence at the meeting from Juice 102.3, the new radio station broadcasting here in Grand Forks.

The Mayor wished to advise those candidates who are thinking of running in the by-election, that Council is willing to assist in answering questions to those who are thinking of running.

The Mayor further advised that work is to commence on 3rd Street regarding City infrastructure.

13. QUESTIONS FROM THE PUBLIC AND THE MEDIA

CRAIG LINDSAY - Asked about nomination period of the election and was advised that the timeline is indicated in tonight's agenda. He further asked if the City had a Communications policy prior to the Ombudsperson's advice on communication. Councillor Butler advised that the City was working on a communications policy at the same time period as the Ombudsperson recommendation, and consequently integrated the recommendations prior to the adoption of the policy.

BEVERLEY TRIPP - She wished to thank Council for putting her letter in the agenda and spoke to the issue.

KARIN BAGN - She advised that she would like to echo Ms. Tripp's comments.

LES JOHNSON - He spoke about Ms. Tripp's letter and commented that her letter implies that Council has to cast themselves as villains. Mr. Johnson further advised that this is his last taping of Council meetings. The Mayor thanked Mr. Les Johnson for his many years of good broadcasting for the City.

GENE KOCH - Advised that he sent a letter a few weeks back regarding removal of trees and the protection of owls in the Vienna Woods and wished to thank Mr. Drexler for coming to the scene very quickly. He further asked what the City was doing to ensure viability of the woods. The Chief Administrative Officer advised that there was a biologist report that was brought to Council, and further that perhaps a conversation could be started to begin a restorative plan for the woods. Councillor Ross spoke about a website named "Tree Canada" where it speaks to planting of urban forests.

FRED SCOTT - He asked if Council has given any thought to suggest that the Ombudsperson relocate to Grand Forks.

LES JOHNSON - He spoke with regard to the discussion of the community obtaining a large animal vet, and if there would, perhaps, be an opportunity that a Syrian refugee may have qualifications for a position.

14. ADJOURNMENT

- a) The Regular Meeting was adjourned at 8:01 PM

MOTION: ROSS

RESOLVED THAT the Regular Meeting be adjourned at 8:01 PM

NOT ADOPTED
SUBJECT TO CHANGE
CARRIED.

CERTIFIED CORRECT:

MAYOR FRANK KONRAD

CORPORATE OFFICER - DIANE HEINRICH

REQUEST FOR DECISION

— REGULAR MEETING —



To: Mayor and Council
From: Procedure Bylaw / Chief Administrative Officer
Date: March 29th, 2016
Subject: Reports, Questions and Inquiries from the Members of Council
Recommendation: **RESOLVED THAT ALL WRITTEN REPORTS SUBMITTED BY MEMBERS OF COUNCIL, BE RECEIVED.**

BACKGROUND: Under the City's Procedures Bylaw No. 1946, 2013, the Order of Business permits the members of Council to report to the Community on issues, bring community issues for discussion and initiate action through motions of Council, ask questions on matters pertaining to the City Operations and inquire on any issues and reports.

Benefits or Impacts of the Recommendation:



General: The main advantage of using this approach is to bring the matter before Council on behalf of constituents. Immediate action might result in inordinate amount of resource inadvertently directed without specific approval in the financial plan.

Strategic Impact: Members of Council may ask questions, seek clarification and report on issues.

Policy/Legislation: The Procedure Bylaw is the governing document setting out the Order of Business at a Council meeting.

Recommendation: **RESOLVED THAT ALL WRITTEN REPORTS SUBMITTED BY MEMBERS OF COUNCIL, BE RECEIVED.**

- OPTIONS:**
- 1. RESOLVED THAT ALL WRITTEN REPORTS SUBMITTED BY MEMBERS OF COUNCIL, BE RECEIVED**
 - 2. RESOLVED THAT COUNCIL DOES NOT RECEIVE THE REPORTS FROM MEMBERS OF COUNCIL.**

	
Department Head or CAO	Chief Administrative Officer

MEMORANDUM

TO: Mayor and Council

FROM: Councillor Christine Thompson

DATE: March 29, 2016

SUBJECT: Report to Council

Wednesday, March 16th I attended a round-table discussion with representatives from the local real estate industry. This was an excellent opportunity for our Management Team and Council to learn what people looking to relocate to our area are looking for.

I attended The Phoenix Foundation of the Boundary Communities monthly meeting on March 16th. It was with regret that the resignation of Director Doug Lacey was accepted. However, the Board was pleased to welcome two new directors: Alan Peterson and John Hole. Youth Coordinator Avery Nordman gave an overview of her plans for the next few months. The Community Social will be held September 29th at the Curling Club

Respectfully,

Christine Thompson,
Councillor

Councillor's Report 03.29.16

Councillor Hammett

It's been a while since I've submitted a report, so I'm summarizing my activities from the past month or so below.

February 11: **Webinar** – *Green Tourism* presented by Green Tourism Canada
This was the first of a three part series discussing what travellers want with regards to environmental performance from the tourism industry, and what it takes to become a "Green" tourism business.

February 19: **Webinar** – *"Mitigating the Risks of Conflict of Interest, Fraud & Corruption"* presented by: The International Centre for Criminal Law Reform and Criminal Justice Policy

February 22: **Budget Workshop**

February 25: **BCRCC** – *review and finalize Strategic Plan*

March 3: **Webinar** – *"How to Reach Diverse Audiences in Public Engagement"* presented by the SFU Centre for Dialogue

March 10: **Juice FM launch**

Attended the Grand Opening of the Boundary Region's very own radio station. It's especially exciting when a new business opens; it shows confidence in our community and hopefully leads the charge for new commerce as others follow.

March 10: **BCRCC AGM**

There was a great turnout at gallery 2 for the Boundary Regional Chamber of Commerce AGM, seeing eleven nominees vying for one of nine director's positions. As chair of the nominations committee, I was pleased and honoured to conduct the elections.

March 16: **Roundtable discussion w/realtors**

I found this to be a very informative session, hearing from our local realtors on everything from housing needs in our area, to demographics of home buyers. This information is valuable to the city in as much as we have a better understanding of where we should be marketing and promoting Grand Forks, and what kind of future development we should be looking at.

March 17: **Regional Tourism roundtable discussion**

I'm very grateful to the chamber for agreeing to call this meeting with representatives from across the Boundary who recognize that tourism plays an important role in our community's economic development. The purpose of this

roundtable was to establish a Regional Tourism Advisory Committee and I was excited to facilitate this lively discussion.

Topics included:

- What do we have? (existing activities, events, facilities, etc)
- What do we want?
- What do we need?
- How do we get there?
- Goals

Below is a portion of the terms and reference, based on our discussions, that will be presented to the committee for review and adoption. (prepared by Kathy Wright, BCRCC Ex. Dir.)

ROLES AND FUNCTIONS

- *To guide and advise in the development and implementation of tourism long and short term objectives*
- *To work cooperatively to develop the Boundary as a tourism destination through collaboration between the committee, communities, local tourism sectors, Visitor Information Centres, RDKB and Boundary Councils*
- *Create an attractive investment environment for all tourism stakeholders*
- *To act as a resource to assist in hosting incoming dignitaries, travel trade as well as provide a positive ambassador role for the boundary*
- *Find ways to promote the Boundary to attract more visitors*
- *To create brochures/handouts for businesses/hotels/campgrounds etc., to increase communication, collaboration and awareness for events, museums/galleries, businesses, trails, etc., knowledge to enhance the visitors experience on what the Boundary has to offer*
- *FAM tours and Superhost training for Boundary VIC/Museum staff, front line Community Ambassadors*
- *Explore funding opportunities*
- *To search opportunities for group liability insurance and other such programs*
- *To initiate workshops, conferences, roundtables, business support services etc.*
- *To help develop programs to enhance the image of the Boundary and the expansion of other amenities and services related to tourism development*
- *Address issues related to seasonality*

Councillor Ross, March 29th Report

Aquatic Ecosystems Working Group: March 15th, 2016 RDKB Office

Attendees: Graham Watt (City of GF), Jessica Mace (RDKB), Colleen Ross (GF City Councillor), Jenny Coleshill (Granby Wilderness Society), Barb Stewart (Boundary Invasive Species Society), Lisa Tedesco (Forests, Lands and Natural Resource Operations), Rick Simpson (BC Wildlife Federation)

Agenda items:

1. Project Updates for 2015/16 and 2016/17 by all attendees
2. BC Timber Sales - Forest Stewardship Plan Review

Discussion items included:

- Forest Stewardship Plan #601
- Riparian Area Management
- Habitat Stewardship for Species at Risk
- Recovery Strategy for Lewis's Woodpecker
- Doukhobor Cemetery— repair beaver damaged structures
- Boothman Project— restoration of grasslands/wetlands and fencing
- Boundary Invasive Aquatic Species Survey and Awareness—survey completed in 2014/15 but not done in GF due to lack of funding; Granby will be done this year.
- Don't Let It Loose Campaign—teach children in schools about invasive species and why not to let their pets loose in wild spaces
- Restoration of fire effected areas— erosion control
- City Park Restoration— trees to be planted in GF City Park
- Riverwalk Trail— native species will be planted along the trail; h/s students may help with this (?)
- Kettle River Riparian Threat Assessment (KRRTA)—review is complete; WSA does not govern forest and ranges which impact watersheds. This needs to be addressed but in which Act.

Minutes for this meeting may be forwarded once approved by the working group.

Sustainable Community Plan

It is essential that the citizens realize that funds have been invested into training of elected officials in areas that have long term benefits for the city, its residents, and future generations. On behalf of council I attended the Sustainable Communities Conference in Ottawa this past Feb. At that conference it was repeatedly emphasized that a strong Sustainable Communities Plan should be included in all decision making, including economic development. The legacy left through decisions made should be

morally defensible. For that reason I voted against this motion at the last council meeting.

To amend the current Zoning Bylaw by rezoning property located at 6401 Highway #3 from the current TC (Tourist Commercial) zone to the HC (Highway Commercial) zone.

RESOLVED THAT Council give final reading to the "City of Grand Forks Zoning Amendment Bylaw No. 1606-A4, 2016".

My notes from the SCC in Ottawa include:

‘often, our problems and struggles are systemic. We need to ask why we face the same struggles over and over again...a common theme in cities and towns is short term thinking, for short term gain, with long term negative ramifications to the environment.

municipalities are plagued with short term thinking and reactive planning

Our SCP should drive our decision making— not applications for rezoning.

We should create a simple one page document that connects our Strategic Plan with our SCP— Where are the common threads?

The SCP should be implemented throughout all levels of city works, planning, council, implementation, management, outsourcing, purchasing etc. ‘

GF Sustainable City Plan

Guiding principles include:

Build a network of open spaces, greenways, parks and trails, linking neighbourhoods to the downtown and riverfront, while providing recreational amenities for residents and tourists.

Preserve and provide public access to the riverfront through the establishment of a buffer zone between the two rivers and commercial and residential development. The City will reserve land it currently owns for this purpose and it will acquire other riverfront property as it becomes available, either through land swaps or outright purchase. Steep slopes and hillsides will be carefully planned and protected where necessary to maintain the aesthetic appeal of the topography within and between developed areas.

ACTION ITEM: Environment Committee—Perhaps it is time to strike an Environment Committee which will include citizens in the region working alongside council and staff.

REQUEST FOR DECISION

— REGULAR MEETING —



To: Mayor and Council

From: Procedure Bylaw / Council

Date: March 29th, 2016

Subject: Report – from the Council's Representative to the Regional District of Kootenay Boundary

Recommendation: **RESOLVED THAT MAYOR KONRAD'S REPORT ON THE ACTIVITIES OF THE REGIONAL DISTRICT OF KOOTENAY BOUNDARY, GIVEN VERBALLY AT THIS MEETING BE RECEIVED.**

BACKGROUND: Under the City's Procedures Bylaw No. 1946, 2013, the Order of Business permits the City's representative to the Regional District of Kootenay to report to Council and the Community on issues, and actions of the Regional District of Kootenay Boundary.

Benefits or Impacts of the Recommendation:

General: The main advantage is that all of Council and the Public is provided with information on the Regional District of Kootenay Boundary.

Policy/Legislation: The Procedure Bylaw is the governing document setting out the Order of Business at a Council meeting.

Recommendation: **RESOLVED THAT MAYOR KONRAD'S REPORT ON THE ACTIVITIES OF THE REGIONAL DISTRICT OF KOOTENAY BOUNDARY, GIVEN VERBALLY AT THIS MEETING BE RECEIVED.**

- OPTIONS:**
- 1. RESOLVED THAT MAYOR KONRAD'S REPORT ON THE ACTIVITIES OF THE REGIONAL DISTRICT OF KOOTENAY BOUNDARY, GIVEN VERBALLY AT THIS MEETING BE RECEIVED.**
 - 2. RECEIVE THE REPORT AND REFER ANY ISSUES FOR FURTHER DISCUSSION OR A REPORT: UNDER THIS OPTION, COUNCIL PROVIDED WITH THE INFORMATION GIVEN VERBALLY BY THE REGIONAL DISTRICT OF KOOTENAY BOUNDARY DIRECTOR REPRESENTING COUNCIL AND REQUESTS FURTHER RESEARCH OR CLARIFICATION OF INFORMATION FROM STAFF ON A REGIONAL DISTRICT ISSUE**

 Department Head or CAO	 Chief Administrative Officer
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REQUEST FOR DECISION

— REGULAR MEETING —



To: Mayor and Council

From: Corporate Services/Administration

Date: March 18th, 2016

Subject: Revised Funding and Lease Agreements-Gallery 2

Recommendation: **RESOLVED THAT COUNCIL DETERMINES TO APPROVE THE PROPOSED CHANGES, AS PRESENTED, TO THE GRAND FORKS ART GALLERY, HERITAGE AND VISITOR CENTRE FEE FOR SERVICE FUNDING AGREEMENT AND LEASE AGREEMENT, AND FURTHER DIRECTS STAFF TO ADVERTISE THE REQUIRED LEGISLATIVE REQUIREMENTS AS IT PERTAINS TO THE DISPOSITION OF CITY PROPERTY (LEASE) AS PER SECTION 26 OF THE COMMUNITY CHARTER**

BE IT FURTHER RESOLVED THAT COUNCIL APPROVES THE ART GALLERY'S REQUEST FOR EARLY 2016 FUNDING RELEASE TO THE GALLERY.

BACKGROUND: At the Committee of the Whole on March 14th, 2016, Council discussed the changes presented at that meeting, and determined that Gallery 2 (and all fee for service agreements), would include that the requestors would be required to present their activities as a Delegation on a quarterly basis rather than by quarterly written submissions to the City. The Art Gallery Funding Agreement reflects this change as highlighted. Additionally, Staff had noted a couple of other areas that required amendments: Section 14 – the submission request from November to September 1st – this date puts the Gallery 2 in alignment with the other Fee for Service agreements. Further within this section, Staff has amended the agreement to read that the allocations of funds would be determined during the budgeting process rather than by November; which is an impossible date for the City to meet. Additionally, one other housekeeping item under Section 20 changes the agreement to read "Heritage Component" in place of the "Museum".

The Lease agreement indicates the removal of the electrical service component from Schedule A (b), wherein it now reads b) "Fuel for heating, cooling and hot water;"

Further, as presented to the COTW on March 14th is the Art Gallery's request for early 2016 funding, as per their attached letter.

Council should be aware that the request for quarterly Delegations for the four Fee for Service requestors, will essentially not allow for any other "Delegators" to present to Council during the months of March, June, September and December.

REQUEST FOR DECISION

— REGULAR MEETING —



Benefits or Impacts of the Recommendation:

General:	The provision of fee for service and lease will ensure the continuity of Gallery 2 services, heritage component and the visitor information centre for the community.
Strategic Impact:	The initiative aligns with fiscal responsibility and well as community liveability
Financial:	Fee for service provisions are Council's prerogative during the annual budgeting process.
Policy/Legislation:	Council has the authority to approve funding agreements in alignment with legislative obligations
Attachments:	1) Amended funding agreement; 2) Amended lease agreement; and 3) Gallery 2's request for early 2016 funding

Recommendation:	<p>RESOLVED THAT COUNCIL DETERMINES TO APPROVE THE PROPOSED CHANGES, AS PRESENTED, TO THE GRAND FORKS ART GALLERY, HERITAGE AND VISITOR CENTRE FEE FOR SERVICE FUNDING AGREEMENT AND LEASE AGREEMENT, AND FURTHER DIRECTS STAFF TO ADVERTISE THE REQUIRED LEGISLATIVE REQUIREMENTS AS IT PERTAINS TO THE DISPOSITION OF CITY PROPERTY (LEASE) AS PER SECTION 26 OF THE COMMUNITY CHARTER</p> <p>BE IT FURTHER RESOLVED THAT COUNCIL APPROVES THE ART GALLERY'S REQUEST FOR EARLY 2016 FUNDING RELEASE TO THE GALLERY.</p>
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- OPTIONS:**
- 1. RESOLVED THAT COUNCIL RECEIVES THE STAFF REPORT.**
 - 2. RESOLVED THAT COUNCIL DOES NOT ACCEPT THE STAFF REPORT.**
 - 3. RESOLVED THAT COUNCIL REFERS THE MATTER BACK TO STAFF FOR FURTHER INFORMATION.**

 Department Head or CAO	 Chief Administrative Officer
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The City of Grand Forks and the Grand Forks Art Gallery Society
Fee for Service Funding Agreement

2016 FEE FOR SERVICE FUNDING AGREEMENT
FOR THE OPERATION OF THE GRAND FORKS ART GALLERY, HERITAGE AND
VISITOR CENTRE

THIS AGREEMENT made the _____ day of _____, 2016.

BETWEEN: THE CORPORATION OF THE CITY OF GRAND FORKS
7217- 4th Street
Box 220
Grand Forks, British Columbia
V0H 1H0
(Hereinafter called "the City")

OF THE FIRST PART

AND: THE GRAND FORKS ART GALLERY SOCIETY
524 Central Avenue
PO Box 751
Grand Forks, British Columbia
V0H 1H0
(Hereinafter called "the Society")

OF THE SECOND PART

WHEREAS the City desires that the Services of an Art Gallery, Heritage, and Visitor Centre are to be provided by a Society that is experienced and knowledgeable;

AND WHEREAS the City through a Revised Lease Agreement dated _____, 2016 authorizes the Society to occupy a City owned building for the purposes of operating an Art Gallery, Museum and Visitor Centre and for providing the related services to the community on a fee for service basis;

NOW THEREFORE THIS AGREEMENT WITNESSETH that the Parties hereto in consideration of the promises and mutual covenants hereinafter contained, do mutually agree as follows:

Definitions:

- a) Annual Financial Plan: Financial Plan of the City prepared in accordance with the Community Charter
- b) Annual Report: Summary of activities of the Art Gallery, Museum and Visitor Centre presented to the City two months after the close of the Fiscal Year.

The City of Grand Forks and the Grand Forks Art Gallery Society

Fee for Service Funding Agreement

- c) **Approved Annual Budget:** Amount of funding allocated in the Fiscal Year to the Grand Forks Art Gallery Society for the operations of the Art Gallery, Museum and Visitor Centre.
- d) **Approved Funding:** Amount of funding planned in the Annual Financial Plan subject to approval on an annual basis in the Approved Annual Budget.
- e) **Approved Hours of Operating:** Total number hours of service funded that includes paid time for staff while the Art Gallery, the Museum and the Visitor Centre is open to the Public and paid time for statutory holidays, vacation and employee approved leaves of absences.
- f) **Building, Building Operating Costs, Premises and Lands** as defined in the Lease Agreement
- g) **Core Hours of Operations:** Hours of funded service to the public in the Approved Annual Budget.
- h) **Core Theme of Display:** Display of exhibits from time to time as determined by the Society.
- i) **Council:** City of Grand Forks City Council
- j) **Display:** Exhibitions of art and displays of artifacts
- k) **Fiscal Year:** January to December in any year for which the funding for the Art Gallery, Museum and Visitor Centre service is approved and allocated by the Council.
- l) **Improvements:** As per Clause 3.2, 7.6 and 7.8 of the Lease Agreement
- m) **Inventory of Display:** List of all major display in the building, grounds and in storage on the Building and Premises identifying the ownership.
- n) **Repairs & Maintenance:** As per Clauses 7.1, 7.3, 7.4, 7.5 and Schedule A of the Lease Agreement.
- o) **Revised Lease Agreement** means the Agreement dated _____, 2016 between the Service Provider and the City for the occupancy of the Building and Premises and Terms and Conditions of occupancy.
- p) **Service:** Operations of the Art Gallery, Museum and Visitor Centre located in the City owned building at 524 Central Avenue leased to the Society under the Revised Lease Agreement dated _____, 2016, and funded by property tax based on Approved Funding.

1. Term of Fee for Service Funding Agreement

The Fee for Service Funding Agreement takes effect on the 1st day of January 2016 and terminates on the 31st day of December 2016, unless the Parties enter into a renewal option for a further Term of five (5) years provided a written notice has been provided by either Party on or before July 31, 2016. The renewal option is at the discretion of the City.

2. Service Mandate

The Society shall set a standard of service for the art Gallery, Museum and Visitor Centre that takes into consideration Approved Funding, donations and grants towards this Service.

The City of Grand Forks and the Grand Forks Art Gallery Society Fee for Service Funding Agreement

3. Conditions of Funding Art Gallery, Museum and Visitor Centre

The Society:

- a) Shall maintain all supporting details and records of Revenues and Expenditures relating all funds transferred from the City and received for operating the Service.
- b) Shall use funds provided by the City solely for the purposes of operating the Service.
- c) Shall maintain an Inventory of Display current identifying the ownership and segregation of ownership of Display belonging to the City and that belonging to the Society.
- d) Shall use the Building and Premises in accordance with the Lease Agreement.
- e) Shall identify any surplus occurring in the Fiscal Year and incorporate this surplus into the Society's annual financial statements.
- f) Shall comply and operate within the rules and regulations issued by Work Safe BC governing workers and volunteers on the Building and Premises.
- g) Shall pay employees on a regular basis and as a minimum be in compliance with the Employment Standards Act
- h) Shall provide payment and refunding services, reservation services and other support services, if needed, for the Municipal Campground

4. Timely Release of Funds

The transfer of Approved Annual Funding from the City will occur on or before May 15th (50%), and on or before November 1st (50%).

5. Staffing and Hours of Operation

The Society is responsible for staffing and maintaining Core Hours of Service in accordance with the Approved Annual Budget. The Society is responsible for the Employees and complying with the payment of wages, benefits, safety at the worksite and remitting deductions. Failure to pay employees and deductions, the provisions of the Lease Agreement will apply.

6. Buildings and Premises

The Society is to operate the Service from the Building, Premises and Lands and within the Building Service Costs as per the Revised Lease Agreement.

7. Insurance

The city shall pay insurance premiums for art effects and museum artifacts where insurance is available and within reasonable cost of which the ownership is to the City. In accordance with the Lease Agreement the premiums for insurance shall be included in the Annual Budget to the extent on properties, Art Display, Museum Displays, liability and directors to which the City has agreed in writing to providing funding. The Society shall be responsible for insurance premiums for art and artifacts that belong to others on the Buildings and Premises.

8. Inventory of Display

The City of Grand Forks and the Grand Forks Art Gallery Society

Fee for Service Funding Agreement

The Society shall maintain a current list of major insurable Display by ownership for insurance purposes and for the establishment of accountability should there be fire, theft and removal from the building. The Society shall keep the list current and a copy provided to the City on a semi-annual basis.

9. New Purchases and Donations

Arts purchased using City funds and donations of art and museum artifacts received shall be the Property of the City of Grand Forks unless stated otherwise in writing.

10. Termination of Funding

The City may terminate funding to the Society:

- a) Non-compliance with any provisions of this Fee for Service Funding Agreement.
- b) Violations of any provisions of the Revised Lease Agreement.
- c) Failure to rectify service complaints within 60 days of notification from the City.
- d) Failure to provide accountability on the funds received from the City.
- e) Failure to provide Annual Reports to the City within two months after the end of the Fiscal Year.
- f) Failure to meet with the City on quarterly basis when requested to do so and once a schedule has been mutually agreed upon. Termination shall not occur if there is cancellation of meetings.

11. Record Keeping and Statistical Information

The Society shall maintain accurate records of receipts and disbursements of funds allocated by the City and statistical information on visits. Financial and operational reports shall be presented to Council as a Delegation on the City's fiscal quarterly basis, January 1st to December 31st, 2016, and shall be included in a summary format in the Art Gallery's Annual Report.

12. Improvements

The cost estimate for Improvements shall be submitted to the City and the City will give consideration for Improvements subject to the availability of funding.

13. Funding Allocation

During the Term the City agrees to allocate a minimum annual amount of **\$142,000** which shall be the costs of services provided by the Society as specified in this Fee for Service Funding Agreement and the Revised Lease Agreement. Once the City's Financial Plan has been approved, the City shall transfer funds in accordance with Clause 4.

14. Annual Funding Submission

The Society shall submit on an annual basis and no later than **September 1st, 2016** a request for funding outlining details of staffing request, hours of operation, purchase of supplies and services, advertising, employee wages benefits and Building Service Costs. The City shall review

The City of Grand Forks and the Grand Forks Art Gallery Society Fee for Service Funding Agreement

the submission and confirm the allocation for the next Fiscal Year during the budgeting process. The previous Fiscal Year's allocated funding shall not be reduced unless 90 days' notice has been provided to the Society by the City.

15. Maintenance and Repairs

The Society must include the cost of maintenance and repairs in the Annual Funding Submission in accordance with the Revised lease Agreement.

16. Work Safe BC

The Society must comply with Rules and Regulations governing work place and any violations issued by Work Safe BC must be complied with and rectified and fines issued must be paid by the Society and not from the funds allocated from the City.

17. Notice

Any notice required to be give by this Agreement will be validly given if delivered by hand or addressed by mail and will be deemed to have been received by the other Party two (2) days after posting in the Grand Forks Post Office in British Columbia or on the date of hand delivery. Any notice so given shall be addressed; if to the City:

The Corporate Officer at the Corporation of the City of Grand Forks, 7217-4th Street, Box 220, Grand Forks, B.C., V0H 1H0;

And if to the Society: The Grand Forks Art Gallery Society, 524 Central Avenue, Box 2140, Grand Forks, British Columbia, V0H 1H0.

18. Freedom of Information

Personal information is collected by the City of Grand Forks pursuant to the Local Government Act, the Community Charter and other Acts and Statutes and City By-Laws for the purpose of administering City operations. Information on this Agreement may routinely be made available to the public under Freedom of Information Legislation. The Service Provider must make available to the City information requested under the Freedom of Information Act relating to the operation of the Service. The record keeping and minutes must be kept in compliance with the Local Government Act, Community Charter and the Freedom of Information Act.

19. Settlement of Disputes

Any dispute arising between the Society and the City shall be discussed and settled between the Society's Representative and the Chief Administrative Officer of the City of Grand Forks. The Society may advance the dispute to City Council whose decision shall be final and binding.

The City of Grand Forks and the Grand Forks Art Gallery Society Fee for Service Funding Agreement

20. Entire Agreement

The Fee for Service Funding Agreement and the Revised Lease Agreement shall be deemed to constitute the entire agreement between the City and the Society hereto with respect to the operation and provision of services related to the Art Gallery, the **Heritage Component** and the Visitor Centre and shall supersede all previous negotiations, representations and documents in relation hereto made by any party to this agreement.

IN WITNESS WHEREOF the Parties have hereunto set their respective hands and seals the day and the year first above written.

SIGNED, SEALED AND DELIVERED:

THE CORPORATION OF THE CITY OF GRAND FORKS:

By its authorized signatories:

Print Name

Signature

Print Name

Signature

GRAND FORKS ART GALLERY SOCIETY:

By its authorized signatories:

Print Name

Signature

Print Name

Signature

The City of Grand Forks and the Grand Forks Art Gallery Society Revised Lease Agreement (2016)

THIS REVISED LEASE AGREEMENT dated as of the ____ day of _____, 2016

BETWEEN: THE CORPORATION OF THE CITY OF GRAND FORKS
7217- 4th Street
Box 220
Grand Forks, British Columbia
V0H 1H0
(Hereinafter called "the City")

OF THE FIRST PART

AND: THE GRAND FORKS ART GALLERY SOCIETY
524 Central Avenue
PO Box 751
Grand Forks, British Columbia
V0H 1H0
(Hereinafter called "the Society")

OF THE SECOND PART

NOW THEREFORE THIS AGREEMENT WITNESSETH that the Parties hereto in consideration of the promises and mutual covenants hereinafter contained, do mutually agree as follows:

1. DEFINITIONS

1.1 Definitions

In this lease, unless there is something in the context inconsistent therewith, the Landlord and the Tenant agree that:

- a) "Building" means collectively the buildings, improvements, structures and facilities created or to be created on or under the Lands and all alterations and renovations thereto, within, upon or under the Lands and outlined in the attached Schedule B;
- b) "Building Service Costs" means the costs as outlined in Schedule "A" attached to and forming part of this agreement;
- c) "Commencement Date" means the 1st day of April, 2009.
- d) "Lands" means those certain lands legally described as: Lots 5-7, Block 20, Plan Number 23, District Lot 108, L.D. 54
- e) "Operating Agreement" means the Agreement entered into between the City and the Gallery for providing the funding for, and services to be provided by, the Gallery within the Building and Premises, as approved by Council.

The City of Grand Forks and the Grand Forks Art Gallery Society

Revised Lease Agreement (2016)

- f) "Operating Costs" means the costs of maintaining and operating the "Premises" in a fit for purpose condition so that the Gallery can carry out its activities;
- g) "Operating Agreement" means the separate agreement between the City and the Gallery pertaining the terms and conditions of the services to be provided by the Gallery to the City and the funding to be provided by the City to the ;
- h) "Premises" means the lands and building that are outlined in bold on the plan attached hereto as Schedule "B"
- i) "Term" means the term of years and days commencing on the Commencement Date as set out in Article 2.2.

2. DEMISE AND TERM

2.1 Demise

The Landlord, in consideration of the rents, covenants, agreements and conditions herein to be paid, observed and performed by the Tenant, does hereby demise and lease to the Tenant the Premises for the Term.

2.2 Term

Subject to the terms and conditions of this lease, the Tenant shall have and hold the Premises for a term of twenty five (25) years from and including the Commencement Date. Notwithstanding the foregoing, the Landlord may cancel and terminate this lease at any time after the expiry of the first ten (10) years of the Term upon providing the Tenant with two (2) years written notice. In the event of cancellation by the Landlord under this clause, the Landlord agrees to reimburse the Tenant for all actual and reasonable Tenants expenses, direct or indirect, incurred in relocating the Tenant's operations to alternate facilities to a maximum cost of \$300,000 divided by the term of years remaining on the lease, excluding any options for renewal period. The Tenant may cancel and terminate this lease upon providing the Landlord with one (1) year written notice at which time all Tenant Expenses then owing to the Landlord will at once become due and payable and the Tenant will at the same time as providing its notice to the Landlord provide the Landlord with a certified cheque payable to the Landlord for such amount.

2.3 Option to Renew

The City of Grand Forks and the Grand Forks Art Gallery Society

Revised Lease Agreement (2016)

If at the expiration of the Term referred to in Article 2.2 hereof, the Tenant desires a renewal of the lease for a further term of twenty five (25) years, or any lesser term, the Tenant shall give one years' notice, in writing, to the Landlord of its intent to exercise the rights contained in this lease. Where the Tenant has exercised its Option to Renew the Lease, the Landlord shall grant a second term of twenty five (25) years, or for such lesser term requested by the Tenant in the notice, upon the negotiated terms and conditions.

3. RENT, TAXES AND OTHER CHARGES

3.1 Basic Rent

The Tenant will pay to the Landlord in advance in lawful money of Canada basic rent \$1.00 per annum on the Commencement Date and annually thereafter for the exclusive use of Building for the purposes of providing City service of museum and archives as per the Fee for Service Funding Agreement.

3.2 Tenant's Improvements

The Tenant shall carry out all capital improvements and pay for these improvements. All capital improvements must have received the prior written approval of the Landlord. The Tenant shall provide the Landlord all costs and expenses which the Tenant incurs with respect to these capital improvements.

3.3 Additional Rent

All moneys which from time to time may be owing by the Tenant to the Landlord pursuant to this lease including, without limitation, moneys payable by way of indemnity and Tenant Improvement Expenses and whether expressed to be rent or not, are hereby deemed to be additional rent. The Tenant will pay any such money to the Landlord upon demand by the Landlord unless other terms for payment are expressly stipulated in this lease. If the Tenant fails to pay any additional rent as and when due, the Landlord will have the same remedies for the collection thereof as it has for the recovery of basic rent in arrears. If the Tenant at any time or from time to time fails to pay to any person any sum which the Tenant is obliged to pay pursuant to this lease, the Landlord may pay any such sum on behalf of the Tenant upon 15 days' written notice to the Tenant and same will then be a debt owing by the Tenant to the Landlord from and including the date of payment by the Landlord; provided always

The City of Grand Forks and the Grand Forks Art Gallery Society

Revised Lease Agreement (2016)

that the Landlord will not be entitled to pay any such sum if the Tenant gives written notice to the Landlord that it is in good faith disputing the payment with reasonable diligence and so long as the Tenant's failure to pay does not subject the Premises or the Tenant's interest in this lease to forfeiture, sale or lien and subject to Section 6.2 hereof.

3.4 Interest on Amounts in Arrears

When basic rent or additional rent, payable hereunder by the Tenant to the Landlord is in arrears, the Landlord shall advise the Tenant that such rent has become due and unless the amount in arrears is paid within seven (7) days the Tenant will be charged an interest at the same rate as is applicable to the arrears and delinquent property taxes. The Landlord will have all remedies for the collection of such interest as it has for the recovery of basic rent in arrears.

3.5 Tenants' Taxes and Other Charges

The Tenant will pay, as and when due, to the government authority or person to which same are owing or are by law to be paid or to the Landlord pursuant hereto, all taxes, license fees, rates, duties, excise, local improvement charges and assessments as well as any costs or penalties in lieu thereof or in addition thereto (collectively the "Charges") imposed, levied, assessed or charged during the Term upon or relating to:

- (a) operations at, occupancy of, or conduct of business in or from the Premises either by or with the permission of the Tenant;
- (b) fixtures or personal property in the Premises which have been installed or placed therein by or for the benefit of the Tenant;
- (c) rent paid or payable by the Tenant to the Landlord for the Premises or for the use and occupancy of all or any part thereof;
- (d) janitorial services, telephone and utilities of whatever nature or kind as specified in Appendix A (including works and services in connection therewith) used in or supplied to or for the benefit of the Premises; and
- (e) goods and services which the Landlord provides or causes to be provided to or for the benefit of the Tenant on the Premises;

whether or not such Charges are payable at law by the Tenant or by the Landlord and whether or not same are allocated separately in respect of the Premises. The Tenant will indemnify and save harmless the Landlord from and against any liability the Landlord may incur to pay all or any such Charges. The Landlord's rights, with respect to the collection of rent will apply equally to the Landlord's rights to recover from the

The City of Grand Forks and the Grand Forks Art Gallery Society

Revised Lease Agreement (2016)

Tenant all such Charges. Upon request by the Landlord, the Tenant will deliver promptly to the Landlord evidence satisfactory to the Landlord of payment of all such Charges.

3.6 Net Lease

The Tenant will pay to the Landlord duly and punctually all basic rent and additional rent required to be paid by the Tenant pursuant to this lease without any deduction, abatement or setoff whatsoever, it being the intention of the Landlord and the Tenant that all expenses, costs, payments and outgoings incurred in respect of the Premises, the Lands and the Building (unless otherwise expressly stipulated herein to the contrary) will be borne by the Tenant and other tenants of the Lands and that the amounts payable hereunder as rent and additional rent will be absolutely net to the Landlord.

3.7 Irregular Periods

If, for any reason, it becomes necessary to calculate basic rent or additional rent for irregular periods an appropriate pro rata adjustment will be made on a daily basis in order to compute such rent for such irregular periods, unless otherwise expressly set out in this lease.

3.8 Landlord as Supplier

In accordance with Appendix A, the Landlord will supply or elect to supply water, electricity, natural gas, telephone, garbage collection or sewage facilities or any other utility used or consumed on the Premises, and the Tenant will purchase and pay for the same as per Appendix A, payable with the next monthly additional rent payment due, at rates not in excess of public utility rates for the same service if applicable. In no event will the Landlord have any obligations or liability in connection with the cessation or unavailability or interruption or suspension of any service, beyond the Landlord's control, or utilities at any time whether or not supplied by the Landlord.

3.9 Arbitration

If there is a dispute under this lease except as set forth in Article 3.7, either the Landlord or Tenant may deliver to the other written notice requiring arbitration. If the Landlord and Tenant are unable to agree on an arbitrator within five days after the date of receipt of such notice, either party may apply to a superior court of competent

The City of Grand Forks and the Grand Forks Art Gallery Society

Revised Lease Agreement (2016)

jurisdiction of the Province for the appointment of a single arbitrator under the provisions of the Commercial Arbitration Act or arbitration legislation then in force in the Province. The Landlord and Tenant will use their best efforts, to choose an arbitrator who is experienced in the area in dispute. Any submissions to arbitration will be deemed to be a submission under the commercial arbitration legislation then in force in the Province. The arbitrator's determination of the dispute will be conclusive and binding on the Landlord and Tenant. Costs will be awarded in the arbitrator's discretion. Each of the Landlord and Tenant will co-operate with the arbitrator fully and expeditiously.

3.10 Dispute as to costs

The Tenant shall have the right within 12 calendar months of the conclusion of each calendar year, to require the Landlord to use its external auditor to review any costs that have been charged to the Tenant as additional rent. In the event that any such review discloses that the Landlord has overstated the amount payable by the Tenant on account of additional rent for the period in question, then the Landlord shall forthwith after notice from the Tenant reimburse the Tenant for any overpayment which has been made by the Tenant. The external auditor's determination will be conclusive and binding on both parties. In the event that any such review discloses that the Landlord has understated the amount payable by the Tenant on account of additional rent for the period in question, then the Tenant shall forthwith after notice from the Landlord reimburse the Landlord for any underpayment which has been made by the Tenant. This right shall survive the expiry of the Term or sooner termination of this Lease.

4. QUALITY AND USE OF THE PREMISES

4.1 Possession and Use

The Tenant will not use or permit the Premises or any part thereof to be used for any purpose other than for community arts and cultural activities, events, special occasion ceremonies and functions, entertainment relating to arts and cultural functions, gift shop to generate income to support arts and cultural activities and offices, the Visitors Information Centre, without the prior written consent of the Landlord, such consent may not be arbitrarily withheld. It is the sole responsibility of the Tenant to ensure that the zoning of the Premises permits the intended use of the Premises by the Tenant. The Tenant, at its cost, will maintain throughout the Term any business license or other licenses required by law.

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4.2 No nuisance, waste or overloading

At no time during the Term will the Tenant carry on or permit or suffer to be carried on in the Premises or elsewhere in the Building anything which is noxious or offensive or which would constitute a public or private nuisance or which would annoy or disturb or cause nuisance or damage to the occupiers or owners of lands and premises adjoining or in the vicinity of the Premises. The Tenant will not cause any waste or damage to the Premises. The Tenant will, not permit any overloading of the floor of the Premises and will not place thereon any heavy object without the prior written consent of the Landlord.

4.3 Signs

The Tenant will not erect, paint, display, place, affix or maintain or permit to be erected, painted displayed, placed, affixed or maintained any sign, decoration, picture, lettering, symbol or notice of any nature or kind whatsoever (herein called the "Signs") on either exterior of the Premises or the Building without first obtaining the Landlord's written consent, such consent not to be unreasonably withheld or delayed. The Tenant, at its cost, will acquire all requisite statutory permits which may be required to erect or maintain any such approved signs. The Tenant will cause any signs to be maintained in a proper state of repair and will indemnify and save harmless the Landlord from all personal injuries or property damage or loss to any person caused by the existence of any such signs.

4.4 Windows

The Landlord will replace any broken glass in the windows and doors of the Premises (including perimeter windows in the exterior walls). The Tenant will maintain all interior glass and glass surfaces in a clean and tidy condition.

4.5 Condition of Premises

The Tenant will not permit the Premises to become untidy or unsightly and will not permit waste or refuse to accumulate therein.

4.6 Not to affect Landlord's Insurance

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The Tenant will not do or omit to do or permit to be done or omitted to be done in or on the Premises or elsewhere in the Building anything which would directly or indirectly cause the insurance premiums in respect of the Premises or the Landlord's premiums for liability insurance to be increased. If any insurance premium is thereby increased the Tenant will pay to the Landlord the amount by which the insurance premiums are so increased. The Tenant will not store or permit to be stored upon the Premises anything of a dangerous, inflammable or explosive nature or anything which would lead to the cancellation of the Landlord's insurance. If any insurance policy of the Landlord is cancelled by an insurer by reason of the use and occupation of the Premises by the Tenant or by an assignee, sub-tenant or anyone permitted by the Tenant to be on the Premises then the Tenant will forthwith remedy or rectify such use or occupation upon being requested to do so by the Landlord and if the Tenant fails to remedy or rectify immediately then the Landlord, at its option, may terminate this lease upon 5 days' written notice to the Tenant and thereupon additional rent will be apportioned and paid in full to the date of expiration of such notice and all Tenant Improvement Expenses then owing to the Landlord will at once become due and payable and the Tenant will provide the Landlord with a certified cheque for such amount and the Tenant will immediately deliver up vacant possession of the Premises to the Landlord and the Landlord may re-enter and take possession of same and at its option and at the expense of the Tenant, may rectify the situation causing such cancellation.

4.7 Preventing Cancellation

The Landlord, by its representatives, may at any time enter upon the Premises to remove any article or remedy any condition which, in the reasonable opinion of the Landlord, would be likely to lead to cancellation of any insurance policy. Such entry by the Landlord will not be deemed to be a re-entry or a trespass.

4.8 Deliveries, Loading and Shipping

The Tenant will permit deliveries to the Premises and loading and unloading to be done only in and from loading areas designated by the Landlord and only in accordance with such rules as the Landlord from time to time may reasonably prescribe. The delivery or shipping of merchandise, supplies and fixtures to and from the Premises will be subject to such rules and regulations as in the sole judgment of the Landlord are necessary for the proper operation of the Premises and the Building.

5. ASSIGNING AND SUB-LETTING

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5.1 Assigning and Sub-letting by Tenant

The Tenant will not assign this lease or sublet or part with possession of the whole or any part of the Premises for the whole or any part of the Term, without the prior written consent of the Landlord such consent may be arbitrarily withheld. The Tenant will not mortgage, charge or otherwise encumber its leasehold interest in the Premises and leasehold improvements without the written consent of the Landlord. No such assignment, subletting or parting with neither Possession, nor the Landlord's consent thereto, will relieve the Tenant from observance and performance of the Tenant's obligations contained in this lease. The Landlord, as a condition of granting its consent to assignment of this lease, may require the proposed assignee to covenant with the Landlord, on terms reasonably satisfactory to the Landlord, for the due and faithful performance and observance of the Tenant's obligations under this lease, including this clause. When requesting the Landlord's consent to an assignment or sub-letting or parting with possession as aforesaid, the Tenant will cause such request to be accompanied by such information as to the proposed assignee's sub-tenant's, licensee's or occupant's business and financial responsibility as the Landlord may reasonably require, together with all terms and conditions of the proposed assignment, sub-letting or parting with possession. If the Landlord consents, then the Tenant may complete its transaction only on the terms and conditions or the bona fide written offer, as approved by the Landlord, and only if it does so within 60 days after it receives the Landlord's consent. Notwithstanding anything to the contrary contained in this lease, the Landlord will have the right, if the request is to assign this lease or sublet or part with possession of the whole of the Premises, to cancel and terminate this lease, or, if the request is to sublet or part with possession of only a portion of the Premises, to cancel and terminate this lease with respect to such portion, in either case as of a termination date to be stipulated in the Landlord's notice to the Tenant regarding the exercise of the Landlord's rights which will not be less than 30 days or more than 60 days following the date of delivery of such notice. The Tenant will surrender the whole or the part of the Premises, as the case may be, in accordance with such notice and rent will be apportioned and paid to the date of surrender and, if a part only of the Premises is surrendered, rent will thereafter abate proportionately, in proportion to the number of square feet of the Premises surrendered by the Tenant, as reasonably determined by the Landlord.

The Tenant further agrees that if the Landlord consents to any such assignment, or parting with possession the Tenant will be responsible for and will hold the Landlord harmless from any and all capital costs for Tenant improvements and all other

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expenses, costs and charges arising out of any such assignment or parting with possession and the Landlord's approval thereof.

5.2 Landlord's Conveyance

Should the Landlord convey or assign or otherwise divest itself of its interest in the Lands or the Building, it will be relieved of all obligations under this lease from and after the effective date of such conveying, assigning or divesting, save and except for the obligation to account to the Tenant for any monies due and payable to the Tenant by the Landlord pursuant to this lease up until the date of such conveyance, assignment or divestiture; provided that the Landlord gives written notice of this lease to such purchaser, transferee or assignee and obtains the written covenant of such purchaser, transferee or assignee to be bound by the obligations of the Landlord hereunder from and after the effective date of such sale, transfer or assignment.

5.3 Right of First Refusal

- a) Notwithstanding any other provisions of this lease, if at any time the Landlord shall receive a bona fide offer to purchase the lands and building from a party other than the Tenant at the price and upon the terms which the Landlord desires to accept, then the Landlord shall send to the Tenant a copy of such offer.
- b) The Tenant shall have the option for a period of sixty (60) days after the receipt of such offer to purchase in its own name or in the name of its nominee the aforesaid property at the price and upon the terms specified therein. If the Tenant elects to exercise such an option, it shall give written notice of such election to the Landlord within the sixty (60) day period, and within one hundred and twenty (120) days thereof, the Landlord shall sell the aforesaid property to the Tenant or its nominee upon performance of the Tenant of the terms and conditions of the said offer.
- c) If the Tenant does not elect to exercise such an option, within the sixty (60) day period, the Landlord may thereafter sell the property to such other party, at the price and upon the terms set forth in the offer of such other party.

6. COMPLIANCE WITH LAWS, BUILDERS' LIENS

6.1 Compliance with Laws

The Tenant, at its own expense, will promptly comply with all statutory requirements of every federal, provincial, municipal, regional and other statutory authority and all requirements of fire insurance underwriters in force from time to time.

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6.2 Builders' Liens

The Tenant will not suffer or permit any lien under the Builders' Lien Act or like statute to be registered against title to the Tenant's leasehold interest in the Premise or against title to the Lands by reason of labour, services or materials supplied or claimed to have been supplied to the Tenant or anyone holding any interest through or under the Tenant. If any such lien is registered, the Tenant will procure registration of its discharge forthwith after the lien has come to the notice of the Tenant provided that if the Tenant desires to contest in good faith the amount or validity of any lien and has so notified the Landlord and if the Tenant has deposited with the Landlord or has paid into Court to the credit of the lien action, the amount of the lien claim plus an amount for costs satisfactory to the Landlord, then the Tenant may defer payment of such lien claim for a period of time sufficient to enable the Tenant to contest the claim with due diligence, provided always that neither the Premises nor the Tenant's leasehold interest therein nor the Lands will thereby become liable to forfeiture or sale. The Landlord may, but will not be obliged to, discharge any such lien at any time if, in the Landlord's judgment the Premises or the Tenant's leasehold interest therein or the Lands becomes liable to any forfeiture or sale or is otherwise in jeopardy and any amount paid by the Landlord in so doing, together with all reasonable costs and expenses of the Landlord, will be reimbursed to the Landlord by the Tenant forthwith on demand. Nothing herein contained will be deemed to authorize the Tenant, or imply consent or agreement on the part of the Landlord, to subject the Landlord's estate and interest in tile Premises to any lien.

7. REPAIRS, MAINTENANCE AND ALTERATIONS

7.1 Repair and Maintenance

The Tenant, will repair and maintain the Premises, in accordance with Schedule A, and based on the amount of funding allocated by the Landlord and the amount of funding allocated excludes costs of building envelope work, plate glass replacement and structural repairs to the building, along with all improvements, appurtenances and equipment, excepting from such standard of repair and maintenance damaged by fire and other risks against which the Landlord is insured.

In this Article 7.1, "repairs" will include replacements and renewals when necessary and "maintain" will include cleaning and janitorial and it does not include outside areas

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grounds maintenance, snow and garbage removal, when necessary, from the adjacent sidewalks.

7.2 Inspection and Emergencies

The Landlord, by its representatives, may enter upon the Premises to inspect the state of repair and maintenance.

7.3 Building Service Costs

Subject to 7.1 and for greater certainty, it is the intent of the parties that costs for all aspects of the operation and management of the premises and outside areas relating thereto, respectively, shall be assigned to the appropriate party as assigned in Schedule "A", which is attached to and forms part of this agreement.

7.4 Repair According to Notice

Without restricting the generality of Article 7.1, the Tenant, promptly upon notice by the Landlord, will make and do all repairs and maintenance for which it is responsible in a good and workmanlike manner. If the Tenant fails to repair or maintain within what the Landlord considers to be a reasonable time, then the Landlord may cause such repairs and maintenance to be undertaken (and may cause its representatives to enter on the Premises for such purpose). Should the Landlord deem it necessary to undertake any repairs or maintenance, then the Tenant will pay to the Landlord such cost of repairs or maintenance carried out by the Landlord from the funds allocated from the Landlord.

7.5 Alterations

Notwithstanding anything to the contrary in this lease, the Tenant will not make to or erect in or on the Premises any installations, alteration, additions or partitions without having received the prior written approval of the Landlord to the plans and specifications and any variations or amendments thereof, all necessary approvals of any relevant statutory authority including, if required, obtaining an occupancy certificate upon completion of the Tenant's improvement work and such indemnification against liens, costs, damages and expenses as the Landlord requires. The Landlord will be entitled to recover from the Tenant the cost of having the Landlord's mechanical, electrical or structural consultants and architects or engineers examine such plans and specifications, where appropriate. Any such work, repair,

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replacement, alteration or improvement made by the Tenant without the prior written consent of the Landlord or which is not made in accordance with the drawings and specifications approved by the Landlord or its consultants will, if requested by the Landlord, be promptly removed by the Tenant at the Tenant's expense and the Premises restored to their previous condition, failing such removal, the Landlord will be entitled to remove the same forthwith without notice at the Tenant's sole cost and expense. No work, replacements, alterations or improvements to the Premises by or on behalf of the Tenant will be permitted which, in the Landlord's opinion, may weaken or endanger the structure or adversely affect the condition or operation of the Premises or diminish the value thereof.

7.6 Construction and Alteration

The Tenant will construct any such installations, alterations, additions and partitions only in accordance with the approved plans and specifications and in a good and workmanlike manner and will proceed diligently to completion. All such construction will be done only by qualified contractors, sub-contractors and trades people and will be done in accordance with requirements which the Landlord may impose (including contractor's public liability insurance in reasonable amounts) and subject to the reasonable regulations, controls and inspection of the Landlord. The Tenant will pay for all expenses for labour performed upon, and materials incorporated into, the Premises for which it is responsible as same fall due.

7.7 Tenant's Negligence

Notwithstanding any other terms, covenants and conditions contained in this lease, if any part of the Building or any improvements, fixtures, machinery, facility equipment therein, require repair or become destroyed or damaged through the negligence, carelessness or misuse of the Tenant or its invitees and licensees (or those for whom the tenant is responsible in law) or through it in any way stopping up or damaging the heating apparatus, water pipes, drainage pipes or other equipment or facilities or parts of the Buildings, the cost of the resulting repairs, replacement, or alterations, will be paid by the Tenant to the Landlord as additional rent forthwith upon presentation of an account of such expenses incurred by the Landlord, the Tenant will bear the cost of any such repair which is made by the Landlord. In the event that latent defects have caused any of the above referenced damages or needed repairs, the Landlord will be responsible for the required restoration(s) and shall bear the costs thereof.

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7.8 Notification of Defects

The Tenant shall promptly notify the Landlord of any accident, defect or damage within the building, premises, systems or services for which the Landlord has an obligation under this Lease and which have come to the Tenant's attention.

8. SURRENDER OF PREMISES AND REMOVAL OF FIXTURES

8.1 Surrender

Upon the expiration or earlier termination of this lease and the Term and any period of permitted overholding, the Tenant will surrender to the Landlord possession of the Premises and fixtures and improvements therein (subject to this Article 8), all of which will become the property of the Landlord without any claim by or compensation to the Tenant, all in good order, condition and repair in accordance with the Tenant's obligation to repair and maintain, and free and clear of all encumbrances and all claims of the Tenant or of any person claiming by or through or under the Tenant and all the rights of the Tenant under this lease will terminate save as herein expressly set out.

8.2 Document of Surrender

If this lease and the Terms are terminated for any reason, the Tenant will deliver to the Landlord forthwith a document surrendering this lease in form acceptable for registration in the appropriate Land Title Office if the lease has been registered.

8.3 Condition of Premises

Without restricting the generality of Article 8.1, the Tenant, immediately before the expiration or earlier termination of this lease, will wash the floors, windows, doors, walls and woodwork of the Premises and leave the Premises in broom clean condition.

8.4 Removal of fixtures

If the Tenant is not then in default hereunder, the Tenant, at the expiration of the Term, may remove from the Premises all trade or Tenant's fixtures. If the Tenant damages the Premises during such removal the Tenant will make good such damage at its expense. In no event will the Tenant remove from the Premises any partitions, floor coverings, local wiring, including floor ducts, telephone conduits or plumbing, heating,

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air conditioning, electrical or ventilating plant or equipment or other building services; save and except that the Landlord will be entitled upon the expiration or earlier termination of this lease to require the Tenant to, and the Tenant will, remove forthwith its installations, alterations, additions, partitions and fixtures and anything in the nature of improvements made or installed by the Tenant or by the Landlord on behalf of the Tenant to or in the Premises, and to make good any damage caused to the Premise by such removal at the Tenant's cost. If the Tenant does not so remove, the Landlord may do so and the Tenant will be responsible for the cost of such removal and for any necessary storage charges. The Landlord will not be responsible for any damage caused to the Tenant's property by reason of such removal.

9. LIABILITY AND INDEMNIFICATION

9.1 Non-Liability of Landlord

The Landlord will not be liable or responsible in any way for any personal injury that may be sustained by the Tenant or any invitee or licensee of the Tenant, or of any other person who may be upon the Premises and areas adjacent thereto or for any loss of or damage or injury to, property belonging to or in the possession of the Tenant or any invitee or licensee of the Tenant or any other person, and without limiting the generality of the foregoing, the Landlord will not be liable or responsible in any way for any injury, loss or damage to person or property caused by smoke, steam, water, ice, rain, snow or fumes which may leak, issue or flow into, through or from the Premises or from the water sprinkler, drainage or smoke pipes or plumbing equipment therein or from any other place or caused by or attributable to the condition or arrangement of any electrical or other wiring or the air conditioning equipment, or, for any matter or thing of whatsoever nature or kind arising from the Tenant's use and occupation of the Premises or otherwise.

9.2 Indemnification

Notwithstanding any other terms, covenants and conditions contained in this lease, the Tenant will indemnify and save harmless the Landlord and those for whom it is responsible in law from and against any and all liabilities, damages, costs, expenses, causes of actions, actions, claims, suits and judgments which the Landlord may incur or suffer or be put to by reason of or in connection with or arising from:

- (a) any breach, violation or non-performance by the Tenant of any obligation contained in this lease to be observed or performed by the Tenant;

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- (b) any damage to the property of the Tenant, any sub-tenant, licensee, or any person claiming through or under the Tenant or any sub-tenant or licensee, or any of them, or damage to any other property howsoever occasioned by the condition, use, or occupation of the Premises during the term of this lease;
- (c) any injury to any person, including death resulting at any time therefrom, occurring in or about the Premises during the term of this lease, except to the extent caused by the negligence of the Landlord or whose for whose negligence the Landlord is responsible at law;
- (d) any wrongful act or neglect of the Tenant, its invitees and licensees, in and about the Premises and Lands.

Should the Landlord without fault on its part be made a party to any litigation commenced by or against the Tenant, then the Tenant will protect, indemnify and hold the Landlord harmless and will promptly pay all costs, expenses and legal fees (on a solicitor and own client basis) incurred or paid by the Landlord in connection with such litigation as additional rent upon demand. The Tenant will also promptly pay as additional rent upon demand all costs, expenses and legal fees (on a solicitor and own client basis) that may be incurred or paid by the Landlord in enforcing the terms, covenants and conditions in this lease.

9.3 Survival of Indemnification

Such indemnification will survive any termination or expiration of this lease, despite anything in the lease to the contrary.

10. INSURANCE

10.1 Tenant's insurance

The Tenant, at its cost, will obtain and keep in force throughout the Term:

- (a) "contents" insurance;
- (b) commercial comprehensive general liability insurance (including, without limitation, tenant's fire, legal liability and contractual liability to cover the responsibilities assumed under Articles 9.2 and 18.7 hereof) against claims for personal injury, death or property damage occurring upon or in or about the Premises, in an amount of not less than \$5,000,000 for bodily injury to any one or more persons, or property damage and such greater amount as the Landlord may reasonably require from time to time;

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- (c) Director's and Officer's errors and omissions insurance in an amount of not less than \$1,000,000; and
- (d) such other insurance as the Landlord might reasonably require.

10.2 Policies

The Tenant will affect all policies with insurers, and upon terms and in amounts, as to deductibles and otherwise, reasonably satisfactory to the Landlord. The Tenant will furnish to the Landlord copies of all policies, or insurance certificates in lieu thereof, and will provide written notice of the continuation of such policies not less than 10 days prior to their respective expiry dates. The Tenant will pay the premium for each policy. If the Tenant fails to purchase or to keep in force such insurance the Landlord may affect such insurance, at the Tenant's cost.

10.3 Terms of Insurance

The Tenant will cause each of the policies for the insurance referred to in Article 10.1 to contain an undertaking by the insurer(s) to notify the Landlord at least 30 days prior to cancellation or any other change material to the Landlord's interests. The liability policy in 10.1(b) will include the Landlord as an additional named insured with a cross-liability clause. The Tenant will cause any insurance policy obtained by it pursuant to this lease to contain a waiver of subrogation clause in favour of the Landlord.

10.4 Property Insurance

The Landlord agrees to purchase and keep in force throughout the term of this agreement "all risk" insurance for the premises. Notwithstanding this part, the Landlord has no obligation to acquire "contents" insurance on behalf of the Tenant and can require that the Tenant purchase "contents" insurance. The Landlord will decide on the insurable limits of the "all risk" insurance policy for the premises and the deductible that will apply to any loss. Should any loss occur that necessitates a claim against "contents" insurance secured by the Tenant, the Landlord will not be responsible for payment of any deductible amount that may be required for the claim. The Tenant will be responsible for purchasing and keeping in full force and effect "contents" insurance.

11. DAMAGE OR DESTRUCTION AND EXPROPRIATION

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11.1 Damage to Premises

If the Premises are partially or completely damaged or destroyed by any cause whatsoever, the Landlord is under no obligation to repair or rebuild the Premises. If the Landlord, at its sole discretion, decides that it will not repair or rebuild the Premises, this lease will terminate immediately and thereupon basic rent and additional rent will be apportioned and paid to the date on which vacant possession is delivered and the Tenant will deliver up possession of the Premises to the Landlord within 30 days of such notice, or some other period as may be mutually agreed upon.

11.2 Expropriation

Both the Landlord and the Tenant agree to co-operate with each other in respect of any expropriation of all or any part of the Premises or any other part of the Building, so that each may receive the maximum award in the case of any expropriation to which they are respectively entitled at law. All compensation and damages awarded by the expropriating authority with respect to the taking of the Premises or part thereof, including any payment for diminution in value of the remainder of the Premises, will belong to the Landlord and the Tenant will only be entitled to receive such compensation or damages as it may claim and recover from the expropriating authority in respect of the loss of occupancy, interruption and tenant's fixtures.

12. QUIET ENJOYMENT

12.1 Quiet enjoyment

If the Tenant duly and punctually pays the basic rent and additional rent and complies with its obligations under this lease, the Tenant will be entitled to peaceably possess and enjoy the Premises during the Term without any interruption or disturbance from the Landlord or any person or persons claiming by, through or under the Landlord.

13. PERFORMANCE OF TENANT'S COVENANTS, DEFAULT AND BANKRUPTCY

13.1 Landlord May Perform Covenants

If the Tenant is in default of any of its obligations under this lease, then the Landlord, without limiting any other remedy which it may have, will have the right to remedy any such default and for such purpose may at any time enter upon the Premises. No entry for such purpose will be deemed to cause a forfeiture or termination of this lease. In

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order to cure such default, the Landlord may do such things as are necessary to cure the default and such things as may be incidental thereto (including without limitation, the right to make repairs and to expend monies). The Tenant will reimburse the Landlord for the aggregate of all expenses incurred by the Landlord in remedying any such default. The Landlord will be under no obligation to remedy any default of the Tenant and will not incur any liability to the Tenant for any action or omission in the course of its remedying or attempting to remedy any such default unless such act amounts to intentional misconduct or gross negligence on the part of the Landlord.

13.2 Rights of termination

If and whenever:

- (a) the Premises become vacant or remain unoccupied for thirty days or more or are not used for the purpose herein, permitted;
- (b) any additional rent or Tenant Improvement Expenses payment remains unpaid after any of the days on which the same ought to have been paid and following thirty days' written notice of non-payment by the Landlord to the Tenant;
- (c) there is a breach of any of the Tenant's obligations hereunder (other than as set out in the other clauses of this Article) which is not cured within ten days after delivery of written notice by the Landlord to the Tenant specifying such breach provided that if any default of the Tenant can only be, cured by the performance of work or the furnishing of materials and if such work cannot reasonably be completed or such materials reasonably obtained and utilized within said ten days, then such default will not be deemed to continue if the Tenant proceeds promptly with such work as may be necessary to cure the default and continues diligently to complete such work; or
- (d) the Tenant assigns, sub-lets or parts with possession of the Premises or any part of either without the Landlord's consent as required herein;

then in any of the said cases (and notwithstanding any prior waiver of breach of covenant) the Landlord, at its option, may (and without prejudice to any other right or remedy it may then have or be entitled to) immediately or at any time thereafter and without notice or any form of legal process take possession of the Premise or any part thereof in the name of the whole and expel the Tenant and those claiming through or under it and remove its or their effects (forcibly if necessary) without being deemed guilty of any manner of trespass, any statute or law to the contrary notwithstanding.

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13.3 Bankruptcy

If and whenever:

- (a) a receiver, guardian, trustee in bankruptcy or, any other similar officer is appointed to take charge of all or any substantial part of the Tenant's property by a court of competent jurisdiction;
- (b) a petition is filed for the reorganization of the Tenant under any provision of the Bankruptcy Act or any law of Canada or any province thereof or of the jurisdiction in which the Tenant is incorporated relating to bankruptcy or insolvency, then in force;
- (c) the Tenant becomes insolvent;
- (d) the Tenant files a petition for such re-organization or for arrangements under any provision of the Bankruptcy Act or any law of Canada or any province thereof or of the jurisdiction in which the Tenant is incorporated relating to bankruptcy or insolvency then in force and providing a plan for a debtor to settle, satisfy or to extend the time for the payment of debts; or
- (e) any application or petition or certificate or order is made or granted for the winding up or dissolution of the Tenant voluntarily or otherwise;

then in any such case this lease, at the option of the Landlord, will thereupon terminate and the Term will immediately become forfeited and void and the current month's rent will immediately become due and payable and the Landlord, without notice or any form of legal process, may re-enter and take possession of the Premises or any part thereof in the name of the whole and expel the Tenant and those claiming under it and remove its or their effects (forcibly if necessary) without being deemed guilty of trespass, any statute or law to the contrary notwithstanding.

13.4 Waiver with Respect to Re-entry

The Tenant hereby waives any present or future requirement that notice of the Landlord's intention to re-enter be served or that the Landlord commence legal proceedings in order to reenter.

13.5 Waiver of Benefit of Legislation and Seizure

The Tenant irrevocably waives and renounces the benefit of any present or future law taking away or diminishing the Landlord's privilege on the property of the Tenant and

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right of distress and agrees with the Landlord, notwithstanding any such law, that the Landlord may seize and sell all the Tenant's goods and property, excluding the Tenant's archive, museum and art collections, whether within the Premises or not, and apply the proceeds of such sale upon basic additional rent and upon the cost of the seizure and sale in the same manner as might have been done if such law had not been passed. If the Tenant vacates the Premises leaving any basic rent or additional rent unpaid, the Landlord, in addition to any remedy otherwise provided at law or in equity, may seize and sell the goods and chattels of the Tenant, excluding the Tenant's archive, museum and art collections, at any place to which the Tenant or any other person may have removed them in the same manner as if such goods and chattels had remained on the Premises. If the Landlord, being entitled to do so, levies distress against the Tenant's goods and chattels, the Landlord may use such force as the Landlord may deem necessary for the purpose and for gaining admission to the Premises without the Landlord being liable for any loss or damage caused thereby.

13.6 Re-entry and Damages

If and Whenever the Landlord is entitled to re-enter the Premises, or does re-enter the Premises, the Landlord may either terminate this lease by giving written notice of termination to the Tenant, or by posting notice of termination on the Premises and in such event the Tenant will forthwith vacate and surrender the Premises, or alternatively, the Landlord may from time to time without terminating the Tenant's obligations under this lease, make alterations and repairs considered by the Landlord necessary to facilitate a subletting including changing the door locks (without this being deemed to be a termination of the lease) and sublet the Premises or any part thereof as agent of the Tenant for such term or terms and at such rental or rentals and upon such other terms and conditions as the Landlord in its reasonable discretion considers advisable. Upon each subletting all rent and other monies received by the Landlord from the subletting will be applied first to the payment of costs and expenses of the subletting including reasonable brokerage fees and solicitors' fees and costs of the alterations and repairs, second to the payment of indebtedness other than basic rent due hereunder from the Tenant to the Landlord and third to the payment of basic rent due and unpaid hereunder. The residue, if any, will be held by the Landlord and applied in payment of future rent as it becomes due and payable. If the rent received from the subletting during a month is less than the rent to be paid during that month by the Tenant, the Tenant will pay the deficiency to the Landlord. The deficiency will be calculated and paid Monthly. No re-entry by the Landlord will be construed as an election on its part to terminate this lease unless a written notice of that intention is given to the Tenant. Despite a subletting without termination, the Landlord may elect

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at any time to terminate this lease for a previous breach. If the Landlord terminates this lease for any breach and elects to claim damages, for such breach, the Tenant will pay to the Landlord on demand therefore:

- (a) basic rent to the date of termination;
- (b) all additional charges and additional rent payable by the Tenant pursuant to the provisions hereof to the date of termination;
- (c) such expenses as the Landlord may incur or have incurred in connection with reentering or terminating and reletting, collecting sums due or payable by the Tenant and realizing upon assets seized, including reasonable brokerage expense, legal fees and disbursements determined on a solicitor-client basis, keeping the Premises in good order and repairing and maintaining the same, and preparing the Premises for re-letting; and
- (d) as liquidated damages for the loss of basic rent and additional rent and other income of the Landlord expected to be derived from this lease during the period which would have constituted the unexpired portion of the Term had it not been terminated, the amount, if any, by which the rental value of the Premises for such period established by reference to the terms and provisions of this lease, exceeds, the rental value of the Premises for such period established by reference to the terms and provisions upon which the Landlord re-lets them, if such re-letting is accomplished within a reasonable time after termination of this lease, and otherwise with reference to all market and other relevant circumstances.

13.7 Remedies of Landlord are Cumulative

The remedies of the Landlord in this lease are cumulative and are in addition to any remedies of the Landlord at law or in equity. No remedy will be deemed to be exclusive and the Landlord may from time to time have recourse to one or more of all the available remedies specified herein or at law or in equity.

13.8 Legal Fees

If the Landlord retains a lawyer or other person reasonable necessary for the purpose of assisting the Landlord in enforcing any of its rights under this lease in the event of default by the Tenant, the Landlord will be entitled to collect from the Tenant as additional rent the cost of all such services.

14. IMPOSSIBILITY OF PERFORMANCE

The City of Grand Forks and the Grand Forks Art Gallery Society Revised Lease Agreement (2016)

14.1 Non-Performance by Landlord or Tenant

Whenever the Landlord or Tenant is unable to fulfill any obligation hereunder in respect of the provision of any service, utility, work or repair by reason, of being unable to obtain the materials, goods, equipment, service, utility or labour required to enable it to fulfill such obligation or by reason of any law or regulation or by reason of any other cause beyond its reasonable control, the Landlord or the Tenant, as the case may be, will be entitled to extend the time for fulfillment of such obligation by a time equal to the duration of the delay or restriction; provided always that this provision will not apply to a failure by the Tenant to pay rent as and when due. In the case of a delay on the part of the Landlord, the Tenant will not be entitled to any compensation for any inconvenience, nuisance or discomfort thereby occasioned or to cancel this lease and no such interruption will be deemed to be a disturbance of the Tenant's enjoyment of the Premises. The Landlord, in the event of such interruption, will proceed to overcome same with all reasonable diligence.

15. REGULATIONS

15.1 Regulations

The Tenant and its licensees and invitees will be bound by all such reasonable regulations as the Landlord may from time to time make of which written notice is given to the Tenant. All such regulations will be deemed to be incorporated into and form part of this lease, nothing in the lease will be construed so as to oblige the Landlord to enforce such regulations against other tenants in the Building and the Landlord will not be liable to the Tenant for violation of the regulations by such tenants or their invitees or licensees.

16. OVERHOLDING

16.1 Overholding

If the Tenant remains in possession of the Premises after the expiration of the Term and without the execution and delivery of a new lease, the Landlord may re-enter and take possession of the Premises and remove the Tenant there from and the Landlord may use such force as it may deem necessary for that purpose without being liable in respect thereof or for any loss or damage occasioned thereby. While the Tenant remains in possession of the Premises after the expiration of the Term, the tenancy, in

The City of Grand Forks and the Grand Forks Art Gallery Society Revised Lease Agreement (2016)

the absence of written agreement, will be from month to month only at a rent per month and additional rent payable in respect of the month immediately preceding expiration of the Term payable in advance on the 1st day of each month and the Tenant will be subject to all terms of this lease, except that the tenancy will be from month to month only and a tenancy from year to year will not be created by implication of law or otherwise, provided that this provision will not apply if the Tenant has duly exercised any option to renew this lease.

17. INSPECTION, SALE AND LEASE

17.1 Landlord's Sign

The Landlord from time to time may place upon the Premises a notice of reasonable dimensions and reasonably placed so as not to interfere with the business of the Tenant stating that the Lands are for sale.

17.2 Inspection

The Landlord or its representatives may exhibit the Premises at reasonable times to prospective tenants during the last twelve months of the Term or any renewal term and may also exhibit the Premises at reasonable times throughout the Term for the purposes of the Landlord's own financing and for prospective purchasers.

18. ENVIRONMENTAL

18.1 Definitions

For the purpose of this Section:

- (a) "Environmental Laws" means all laws relating to protection of the environment and health and safety of the workplace, including all common law and the Canadian Environmental Protection Act (Canada), the Transportation of Dangerous Goods Act (Canada), the Fisheries Act (Canada), the Workers Compensation Act (British Columbia), the Waste Management Act (British Columbia) and all rules, regulations, policies and criteria promulgated there under from time to time;
- (b) "Environmental Notice" means any citation, directive, order, claim, litigation, investigation, proceeding, judgment, letter or other communication from any person which is related to Environmental Laws; and

The City of Grand Forks and the Grand Forks Art Gallery Society

Revised Lease Agreement (2016)

(c) "Hazardous Substance" means any substance which is regulated under Environmental Laws, including any hazardous product, contaminant, toxic substance, deleterious substance, waste, special waste, dangerous good or reportable substance.

18.2 Compliance with Environmental Laws

The Tenant will conduct its business and operation in the Premises in compliance with all Environmental Laws effective from the Commencement Date.

18.3 Notice to Landlord

The Tenant will forthwith notify the Landlord of the occurrence of any of the following and will provide the Landlord with copies of all relevant documentation in connection therewith:

- (a) a release of a Hazardous Substance in or about the Premises and/or Lands;
- (b) the receipt by the Tenant of an Environmental Notice; or
- (c) the receipt by the Tenant of information which indicates that Hazardous Substances are being used, dissipated, stored, disposed of or introduced into the environment by anyone in or about the Premises and/or Lands.

18.4 Storage of Hazardous Substances

Notwithstanding the generality of Section 18.2, the Tenant will not permit the storage, use, treatment, disposal or introduction into the environment of Hazardous Substances in or about the Premises and/or Lands without the prior written consent of the Landlord, which consent the Landlord may arbitrarily withhold.

18.5 Investigations

If the Landlord receives information that Hazardous Substances are being dissipated, used, stored, disposed of or introduced into the environment by anyone in or about the Premises and/or Lands, the Tenant will conduct such investigations, searches, testing, drilling and sampling ("Investigations") as are reasonably requested from time to time by the Landlord to determine the existence of Hazardous Substances in or about the Premises and/or Lands. If the Tenant does not complete the Investigations to the satisfaction of the Landlord, the Landlord may enter on the property of the

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Tenant and take any actions necessary to complete the Investigations, the cost of which actions will be borne by the Tenant as additional rent.

18.6 Remediation

If remedial work is required due to the presence of Hazardous Substances on or in the Premises and/or the Lands as a result of the Tenant or its employees, invitees, agents, contractors, licensees or any other person for whom the Tenant is responsible for in law or permitted by the Tenant, the Tenant will take all necessary action at the cost of the Tenant, to restore the Premises and/or Lands to a level acceptable to the Landlord and to all governmental authorities having jurisdiction.

18.7 Environmental Indemnity

The Tenant will indemnify and save harmless the Landlord its officers, directors, employees, agents and Councillors, from and against any and all losses, claims, costs, expenses, damages and liabilities, including all costs of defending or denying the same, and all costs of investigation, monitoring, remedial response, removal, restoration or permit acquisition and including all solicitor's fees (on a solicitor and own client basis) and disbursements in connection therewith which at any time may be paid or incurred by or claimed against the Landlord, its officers, directors, employees, agents and Councillors, arising, directly or indirectly, out of:

- (a) a breach by the Tenant of any of the covenants contained in this Section 18;
- (b) the presence of or release of any Hazardous Substance on or off-site of the Premises and/or the Lands by the Tenant or its employees, invitees, agents, contractors, licensees or any other person for whom the Tenant is responsible for in law or permitted by the Tenant;
- (c) any action taken by the Landlord with respect to the existence of any Hazardous Substance on or off-site of the Premises and/or the Lands which was caused or released by the Tenant or its employees, invitees, agents, contractors, licensees or any other person for whom the Tenant is responsible for in law or permitted by the Tenant; or,
- (d) any action taken by the Landlord in compliance with any Environmental Notice with respect to the existence of any Hazardous Substance on or off-site of the Premises and/or the Lands which was caused or released by the Tenant or its employees, invitees, agents, contractors, licensees or any other person for whom the Tenant is responsible for in law or permitted by the Tenant;

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and such indemnity will survive the expiration or any termination of this lease notwithstanding anything in this lease to the contrary.

19. MISCELLANEOUS

19.1 Waiver

No waiver of any default will be binding unless acknowledged in writing by the Landlord.

19.2 Condoning

Any condoning, excusing or overlooking by the Landlord of any default by the Tenant will not operate as a waiver of the Landlord's rights hereunder in respect of any subsequent default.

19.3 Subordination and Attornment

This lease at the request of the Landlord will be subject, subordinated and postponed to all mortgages and other encumbrances which may now or hereafter charge or affect the Premises and to all renewals, modifications, consolidations, replacements and extensions of same, to the intent that such mortgages and or encumbrances, and all renewals, modifications, consolidations, replacements and extensions thereof will have priority over this lease notwithstanding the respective dates of execution or registration thereof. The Tenant will execute promptly any document in confirmation of such subordination, postponement and priority which the Landlord may request within 10 days after written demand. The Tenant will, promptly on request by any mortgagee of the Landlord, attorn as tenant to any such mortgagee or any purchaser of the Premises on any foreclosure or sale proceedings taken under any mortgage of the Premises, and will recognize such mortgagee or purchaser as the Landlord under the lease, for the unexpired residue of the Term of, and upon all of the terms and conditions of the lease; provided that such mortgagee agrees not to disturb the Tenant's possession of the Premises as long as the Tenant is not in default under the lease.

19.4 Estoppel Certificate

The Tenant will execute promptly, whenever requested by the Landlord, a certificate in favour of any prospective mortgagee or purchaser of the Landlord certifying the status

The City of Grand Forks and the Grand Forks Art Gallery Society Revised Lease Agreement (2016)

of this lease, any modifications or breaches of this lease within the knowledge of the Tenant, and the status of the rent account, all with the intent that such certificate may be retied upon by any party to whom it is directed.

19.5 Severability

If any provision of this lease is found to be illegal or invalid or unenforceable at law it will be deemed to be severed from this lease and the remaining provisions will continue to have full force and effect.

19.6 Headings

All headings in this lease are inserted for convenience of reference only and will not affect the construction and interpretation of this lease.

19.7 Representations and Entire Agreement

The Tenant acknowledges and agrees that the Landlord has made no representations, covenants, warranties, guarantees, promises or agreements (verbal or otherwise) with the Tenant other than those contained in this lease, that no agreement collateral hereto will be binding upon the Landlord unless made in writing and signed by the Landlord and that this lease constitutes the entire agreement between the Landlord and Tenant.

19.8 Notices

Any notice, request or demand herein provided or permitted to be given will be sufficiently given if, to the Landlord, it is personally served or mailed by prepaid registered post to the address on page 1 hereof, or if, to the Tenant, it is personally served or mailed by prepaid registered mail to the Tenant at the Premises or at its registered office. Any notice personally served will be deemed to have been given at the time of such posting or personal service and any notice mailed as aforesaid will be presumed, for the purposes of this lease, to have been given three business days following the day on which such notice is mailed, except in the case of postal service interruption in which case such notice must be delivered as aforesaid. Any party may at any time give written notice to the others of any change of address and after the getting of such notice the address therein specified will be deemed to be the address of such party for the purpose of giving notices hereunder.

The City of Grand Forks and the Grand Forks Art Gallery Society Revised Lease Agreement (2016)

19.9 Time of essence

Time will be of the essence of this lease.

19.9.1 Governing law

This lease will be construed and governed by the laws of British Columbia.

19.10 Gender

Words in the singular will include the plural and words in the plural will include the singular and words in the masculine gender will include feminine and neuter genders and vice versa where the context so requires.

19.11 No Registration

Neither the Tenant or anyone on the Tenant's behalf or claiming under the Tenant will register this lease or any assignment or sublease of this lease or any document evidencing any interest of the Tenant in the lease or the Premises, against the Lands or any part thereof without the prior written consent of the Landlord, such consent may be arbitrarily withheld. If the Landlord so consents in writing, only a short form of lease commented to by the Landlord, will be registered and the Landlord will pay all costs of any registration, including the costs of any explanatory plan required by the Land Title Office.

19.12 Relationship

Nothing herein contained will at any time create or be construed as creating a joint venture, partnership or relationship between the parties other than that as Landlord and tenant.

20. BINDING NATURE

20.1 Enuring effect

This lease and everything herein contained will enure, to the benefit of and be binding upon the parties hereto and each of their respective heirs, executors, administrators, successors and permitted assigns.

**The City of Grand Forks and the Grand Forks Art Gallery Society
Revised Lease Agreement (2016)**

IN WITNESS WHEREOF the parties hereto have executed this Revised Lease Agreement dated the _____ day of _____, 2016.

**THE CORPORATION OF THE
CITY OF GRAND FORKS** By its authorized signatories.

Signature

Print Name and Position

Signature

Print Name and Position

GRAND FORKS ART GALLERY SOCIETY By its authorized signatories:

Signature

Print Name and Position

Signature

Print Name and Position

The City of Grand Forks and the Grand Forks Art Gallery Society
Revised Lease Agreement (2016)

Schedule "A" – Allocation of Building Service Costs Between the City and the Gallery

I Building Service Costs to the account of the City include the following:

- a) HVAC repair and maintenance costs and elevator repair and maintenance costs;
- b) Fuel for heating, cooling and hot water;
- c) The provision of water connections, electrical connections, gas connections; and, telecommunication systems connections to the Building;
- d) The costs incurred by the Landlord for supplies and materials used by its employees and/or contractors in connection with the maintenance of the Building exterior and the grounds;
- e) The costs of:
 - (i) operating, maintaining, replacing, modifying and repairing the Building (including the building envelope, plate glass cleaning and replacement, plumbing, electrical and structural repairs to the building), and maintenance of the exterior grounds (e.g. lawns, flowers, fences, trees, plants, clearing of snow and ice, etc)
 - (ii) providing, installing, modifying and upgrading energy conservation equipment and systems, life safety and emergency response systems, materials and procedures;
 - (iii) making alterations, replacements or additions to the Building intended to reduce Operating Costs, improve the operation of the Building and the systems, facilities and equipment serving the Building, or maintain their operations; and,
 - (iv) replacing machinery or equipment which by its nature requires periodic replacement (maintenance and lifecycle).

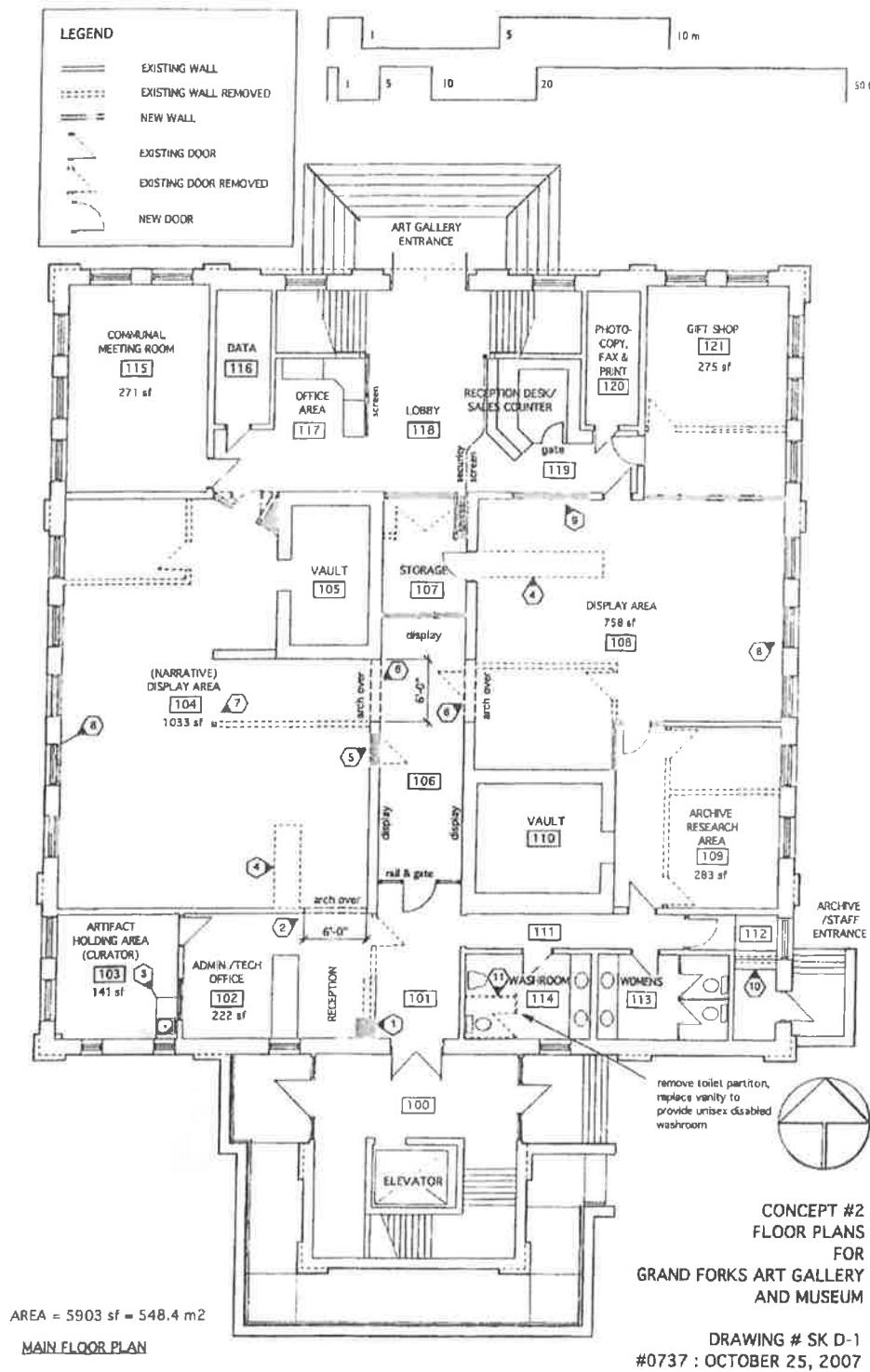
II. Building Service Costs to the Account of the Gallery

- a) the amount paid (including wages and statutory fringe benefits) to the employees and/or contractors directly employed in the operation, maintenance and repair of the Land and the Building may be reasonably allocated as building service costs;
- b) The costs of Tenant Improvements, in consultation with the City
- c) Water and sewer charges;
- d) The costs of maintenance of the interior areas;
- e) The costs of interior cleaning and janitorial expenses including interior window cleaning, washroom cleaning and cleaning supplies;
- f) The costs of telephone and telecommunications equipment

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- g) The costs of light fixture maintenance (including ballast), fluorescent tube and light bulb replacement;
- h) The costs of Insurance required by clause 10.1.

The City of Grand Forks and the Grand Forks Art Gallery Society Revised Lease Agreement (2016)



3)



March 2, 2016

Mayor and Council
City of Grand Forks
7217-4th Street
Grand Forks, BC

Re: Annual Fee for Service request 2016

Dear Mayor Konrad and Councilors,

In accordance with the Funding Agreement with the City of Grand Forks, the Grand Forks Art Gallery Society hereby submits this request for annual funding.

The Grand Forks Art Gallery Society (GFAGS) is requesting the same funding as last year's agreement, \$142000.00 with the payment dates occurring on or before May 15th (50%) and on or before November 1st (50%).

We are asking for your consideration at this time for a one time partial advance on our first payment, to occur on April 1st, of \$35,500 leaving a balance of \$35,500 to be advanced on or before May 15th.

We have undertaken an aggressive review of our general bookkeeping practices and find previous funding agreements contained multiple advances, some years as often as monthly, some years quarterly, leading to bridging funds over fiscal year ends. Last year marked the first year of an agreement with two (50%/50%) funding advances in May and August, falling within both GFAGS and the City's fiscal year, which should have alleviated the problem. However we received funds in January \$35,500, May \$71,000, and a final payment in August of \$35,500 once again causing funds to bridge two fiscal years for GFAGS. A previous new Executive Director, medical leave of the Admin Assistant, a new accounting system, and a funding advance out of cycle, caused us to review of our financial position. We are confident the steps we have taken, and will take in the future budgets, will keep the Gallery on track and in good fiscal shape.

As in other years, the funds from the City of Grand Forks are applied to pay staff salaries for the Gallery operations as well as the Visitor's Information Centre operated on behalf of the City. We currently employ three fulltime (one is on temporary part time hours) and three part time positions and have cut the salary for our Executive Director position to reduce expenditures. As indicated by the wage costs over the last three years (2013: \$160278, 2014: \$166475, 2015: \$177427) we fund the remainder of wage costs from other revenue sources including BC Gaming, fundraising, Young Canada Works, and Service Canada. Additionally we work hard to secure grants specifically for programming and exhibitions from the BC Arts Council, Heritage Canada, and other funders. We hold fundraising event to cover the remainder of expenses.

Gallery 2 PO Box 2140 524 Central Avenue Grand Forks, BC VoH 1Ho ph: 442-2211 www.gallery2grandforks.ca



The detailed accounting of the operations of the GFAGS can be found in the Annual Financial Statements to March 31, 2015 prepared by Kemp Harvey Burch Kientz Inc. and last presented to Council for review December 14, 2015. We would be pleased to provide any additional information or clarification should the need arise.

We are very thankful for the assistance the City provides to maintain a cultural base for our community and beyond, and look forward to working collaboratively together in the future.

Sincerely

Terry Woodruff,
Executive Director
Grand Forks Art Gallery Society

REQUEST FOR DECISION

— REGULAR MEETING —



To: Mayor and Council

From: Corporate Services/Administration

Date: March 18th, 2016

Subject: Revised Funding Agreements for Boundary Museum, Boundary Regional Chamber of Commerce and Boundary District Arts Council

Recommendation: **RESOLVED THAT COUNCIL DETERMINES TO APPROVE THE PROPOSED CHANGES, AS PRESENTED, TO THE BOUNDARY MUSEUM, BOUNDARY REGIONAL CHAMBER OF COMMERCE AND BOUNDARY DISTRICT ARTS COUNCIL FEES FOR SERVICE AGREEMENTS, AS PRESENTED.**

BACKGROUND: At the Committee of the Whole on March 14th, 2016, Council discussed the changes presented at that meeting, and determined that all the presented fee for service agreements, would include that the requestors would be required to present their activities as a Delegation on a quarterly basis rather than by quarterly written submissions to the City. These agreements have been changed to reflect Council's wishes, as highlighted.

Council should be aware that the request for quarterly Delegations for the four Fee for Service requestors, will essentially not allow for any other "Delegators" to present to Council during the months of March, June, September and December.

Benefits or Impacts of the Recommendation:

General: The provision of fee for services for the Boundary Museum Society; Boundary Regional Chamber of Commerce; and Boundary District Arts Council for the year 2016;

Strategic Impact: The initiative aligns with fiscal responsibility and well as community liveability

Financial: Fee for service provisions are Council's prerogative during the annual budgeting process.

Policy/Legislation: Council has the authority to approve funding agreements in alignment with legislative obligations

Attachments: 2016 Fee for Service agreements for Council's reference for: 1) Boundary Museum Society; 2) Boundary Regional Chamber of Commerce; and 3) Boundary District Arts Council

REQUEST FOR DECISION

— REGULAR MEETING —



Recommendation:

RESOLVED THAT COUNCIL DETERMINES TO APPROVE THE PROPOSED CHANGES, AS PRESENTED, TO THE BOUNDARY MUSEUM, BOUNDARY REGIONAL CHAMBER OF COMMERCE AND BOUNDARY DISTRICT ARTS COUNCIL FEES FOR SERVICE AGREEMENTS, AS PRESENTED.

OPTIONS:

- 1. RESOLVED THAT COUNCIL RECEIVES THE STAFF REPORT.**
- 2. RESOLVED THAT COUNCIL DOES NOT ACCEPT THE STAFF REPORT.**
- 3. RESOLVED THAT COUNCIL REFERS THE MATTER BACK TO STAFF FOR FURTHER INFORMATION.**

	
Department Head or CAO	Chief Administrative Officer

BOUNDARY MUSEUM SOCIETY
FEE FOR SERVICE FUNDING AGREEMENT
FOR THE STEWARDSHIP OF THE COMMUNITY ARCHIVES AND ARTIFACTS

THIS AGREEMENT made in duplicate the _____ day of _____ 2016.

BETWEEN: **THE CORPORATION OF THE CITY OF GRAND FORKS**
7217- 4TH Street
Box 220
Grand Forks, BC
VOH 1H0
(Hereinafter called "the City")

OF THE FIRST PART

AND **BOUNDARY MUSEUM SOCIETY**
6145 Reservoir Road
Grand Forks, B. C.
VOH 1H5
(Hereinafter called "Society")

OF THE SECOND PART

WHEREAS the City desires that the Community Archives and Artifacts be operated by a Society that is experienced and knowledgeable;

AND WHEREAS the City has provided space at City Hall, located at 7217 4th Street for the purposes of operating the community archives;

NOW THEREFORE THIS AGREEMENT WITNESSETH that the Parties hereto in consideration of the promises and mutual covenants hereinafter contained, do mutually agree as follows:

Definitions:

- (a) **Annual Financial Plan:** Financial Plan of the City prepared in accordance with the Community Charter.
- (b) **Quarterly Report:** Summary of activities of the Boundary Museum Society's operation, presented to Council as a Delegation on a quarterly basis in alignment with the City's fiscal year of January – December.
- (c) **Approved Annual Budget:** Amount of funding allocated in the Fiscal Year and taxed for the Boundary Museum Society.
- (d) **Approved Funding:** Amount of funding planned in the Annual Financial Plan subject to approval on an annual basis in the Approved Annual Budget.
- (e) **Council:** City of Grand Forks City Council.
- (f) **Fiscal Year:** January to December in any year for which the funding for the Boundary Museum Society is approved and allocated by Council.

- (g) **Museum/Archive Service:** stewardship of the Community Archives and Artifacts, including the City's Archives on the City Hall premises, in the space provided by the City at City Hall located at 7217 - 4th Street and funded by property taxes based on Approved Funding.
- (h) **City Archives:** With relation to the care of the City (Local Government) Archives, the City indemnifies the Boundary Museum of any legal responsibilities towards those archives.

1. **Term of Operating Agreement**

The Operating Agreement takes effect on the 1st day of January, 2016 and terminates on the 31st day of December, 2016, unless the Parties enter into a renewal option for a further Term provided a written notice has been provided by either Party on or before September 1st, 2016. The renewal option is at the discretion of the City.

2. **Service Mandate**

The Society shall set a standard of service that takes into consideration Approved Funding, donations and grants towards this Service.

3. **Service Requirements:**

In operating the Museum Service the Service Provider:

- (a) Must maintain all supporting details and records of Revenues and expenditures relating to all funds transferred from the City and received for operating the Service.
- (b) Must use funds provided by the City solely for the purposes of operating the Service.
- (c) Must dedicate a maximum of 500 hours per year towards the archival services.
- (d) Must carry forward into the next Fiscal Year any surplus arising from the operation of the Museum.
- (e) Must comply and operate within the rules and regulations issued by Work Safe BC governing workers and volunteers on the Premises.
- (f) Must pay employees on regular basis and as a minimum be in compliance with the Employment Standards Act.
- (g) Work with the City to promote historical values/initiatives that represent the area.

4. **Timely Release of Funds**

The transfer of Approved Annual Funding from the City will occur on or before May 15th, 2016 in the amount of \$30,000; August 15th, 2016 in the amount of \$20,000; and October 15th, 2016 in the amount of \$20,000. The Boundary Museum Society to provide an invoice two weeks prior to funding dates.

5. **Staffing and Hours of Operation**

The Society is responsible for staffing and maintaining the Service in accordance with the Approved Annual Budget. The Society is responsible for the Employees and complying with the payment of wages, benefits, safety at the worksite and remitting deductions. Failure to pay employees and deductions will result in a breach of this agreement.

6. **Termination of Funding:**

The City may terminate funding to the Society:

- (a) Non-compliance with any provisions of this Operating Agreement
- (b) Failure to provide accountability on the funds received from the City
- (c) Failure to provide Quarterly Reports to the City.
- (d) Failure to meet with the City when requested to do so.

7. **Record Keeping and Statistical Information**

The Society shall maintain accurate records of receipts and disbursements of funds allocated by the City and statistical information on visits. These shall be **presented** to the City on a quarterly basis in alignment with the City's fiscal period, and shall be included in a summary format in the Boundary Museum's Annual Report.

8. **Funding Allocation:**

During the Term the City agrees to allocate a minimum annual amount of \$70,000.00. Once the City's Financial Plan has been approved, the City shall transfer funds in accordance with Clause 4.

9. **Annual Funding Submission:**

The Service Provider shall submit on an annual basis and no later than September 1st, **2016**, a request for funding outlining details of staffing request, hours of operation, employee wages and benefits. The City shall review the submission and confirm the allocation for the next Fiscal Year through the next Fiscal Year budgeting process. The allocated funding may be reduced from the previous Fiscal Year if there are unallocated funds and surpluses.

10. **Outdoor Display Area and Structures – Gyro Park Area**

The artifacts housed at Gyro Park located at 7370-5th Street, fall under the stewardship obligations of the Boundary Museum on behalf of the community. It is understood that the structures and property which house said artifacts are the sole ownership of the City. The future intent to house these artifacts is that they will eventually be displayed at the main Museum Site located at 6145 Reservoir Road once secured area(s) at this site become available. A minimum of 120 days' notice must be provided by either the City or by the Service Provider to activate the removal of said artifacts at Gyro Park once a secured area has become available for them. The method of removal of artifacts must be mutually agreed upon by both parties.

11. **Work Safe BC**

The Society must comply with Rules and Regulations governing work place and any violations issued by Work Safe BC must be complied with and rectified and fines issued must be paid by the Service Provider and not from the funds allocated from the City.

12. **Notice**

Any notice required to be given by this Agreement will be validly given if delivered by hand or addressed by mail and will be deemed to have been received by the other Party two (2) days after posting in Grand Forks Post Office in British Columbia or on the date of hand delivery. Any notice so given shall be addressed;

if to the City: The Corporate Officer, The Corporation of the City of Grand Forks, 7217-4th Street, Box 220 Grand Forks, B.C. V0H 1H0;

And if to the Service Provider: The Boundary Museum Society, 6145 Reservoir Road, Grand Forks, British Columbia V0H 1H5

13. **Freedom of Information**

Personal information is collected by the City of Grand Forks pursuant to the Local Government Act, the Community Charter and other Acts and Statutes and City By-Laws for the purpose of administering City operations. Information on this Agreement may routinely be made available to the public under Freedom of Information Legislation. The Service Provider must make available to the City information requested under the Freedom of Information Act relating to the operation of the Service. The record keeping and minutes must be kept in compliance with the Local Government Act, Community Charter and the Freedom of Information Act.

13. **Settlement of Disputes**

Any dispute arising between the Service Provider and the City shall be discussed and settled between the Service Provider's Representative and the Chief Administrative Officer. The Society may advance the dispute to City Council whose decision shall be final and binding.



BOUNDARY COUNTRY REGIONAL CHAMBER OF COMMERCE FEE FOR SERVICE FUNDING AGREEMENT

THIS AGREEMENT made the _____ day of _____ 2016.

BETWEEN: **THE CORPORATION OF THE CITY OF GRAND FORKS**
7217-4TH Street
Box 220
Grand Forks, BC
VOH 1H0
(Hereinafter called "the City")

OF THE FIRST PART

AND **BOUNDARY COUNTRY REGIONAL CHAMBER OF COMMERCE**
PO Box 2949, 1647 Central Avenue
Grand Forks, BC V0H 1H0

(Hereinafter called "the Service Provider")

OF THE SECOND PART

WHEREAS the BOUNDARY COUNTRY REGIONAL CHAMBER
OF COMMERCE agrees to provide services for the organizations' funding to the City
by:

- (a) Maintain a business listing of all licensed businesses that links to City website
- (b) Provide social media presence at City request – ie e-blasts and
- (c) Information sharing when requested
- (d) Assist the City in maintaining a complete listing of businesses working within the City
- (e) Inform unlicensed businesses of the City Business License requirements
- (f) Report quarterly **as a presentation** to City Council

NOW THEREFORE THIS AGREEMENT WITNESSETH that the
Parties hereto in consideration of the promises and mutual covenants hereinafter
contained, do mutually agree as follows:

Definitions:

- (a) **Annual Financial Plan:** Financial Plan of the City prepared in accordance with the Community Charter.
 - (b) **Quarterly Report:** Summary of activities of the Boundary Country Regional Chamber of Commerce presented to the City as a Delegation on a quarterly basis in alignment with the City's fiscal year of January – December.
 - (c) **Approved Annual Budget:** Amount of funding allocated in the Fiscal Year and taxed for the Boundary Country Regional Chamber of Commerce Fee for Service.
 - (d) **Approved Funding:** Amount of funding planned in the Annual Financial Plan subject to approval on an annual basis in the Approved Annual Budget.
 - (e) **Council:** City of Grand Forks City Council
 - (f) **Fiscal Year:** January to December in any year for which the funding for the Boundary Regional Chamber of Commerce is approved and allocated by Council.
 - (g) **Boundary Country Regional Chamber of Commerce Service:** _____
-
-

1. **Term of Operating Agreement**

The Operating Agreement takes effect on the 1st day of January, 2016 and terminates on the 31st day of December, 2016, unless the Parties enter into a renewal option for a further Term provided a written notice has been provided by either Party on or before September 1st, 2016. The renewal option is at the discretion of the City.

2. **Service Mandate**

The Society shall set a standard of service that takes into consideration Approved Funding, donations and grants towards this Service.

3. **Service Requirements:**

In operating the Boundary Country Regional Chamber of Commerce Service, the Service Provider:

- (a) Must maintain all supporting details and records of Revenues and Expenditures relating all funds transferred from the City.
- (b) Must use funds provided by the City solely for the purposes as per Definitions in 'g' above, i.e., **Boundary Country Regional Chamber of Commerce Service**
- (c) Must carry forward into the next Fiscal Year any surplus arising from the operation of the Boundary Country Regional Chamber of Commerce.
- (d) Must comply and operate within the rules and regulations issued by Work Safe BC governing workers and volunteers on the Building and Premises.
- (f) Must pay employees on regular basis and as a minimum be in compliance with the Employment Standards Act.

4. **Timely Release of Funds**
The transfer of approved annual funding from the City will occur as follows: on or before June 30, 2016 in the amount of \$20,000. The Boundary Country Regional Chamber of Commerce to provide an invoice four weeks prior to funding date.
5. **Staffing and Hours of Operation**
The Society is responsible for staffing and maintaining the Service in accordance with the Approved Annual Budget. The Service Provider is responsible for the Employees and complying with the payment of wages, benefits, safety at the worksite and remitting deductions. Failure to pay employees and deductions will result in a breach of this agreement.
6. **Termination of Funding:**
The City may terminate the funding to the Service Provider:
 - (a) Non-compliance with any provisions of this Funding Agreement
 - (b) Failure to provide accountability on the funds received from the City
 - (c) Failure to provide Quarterly Reports to the City.
 - (d) Failure to meet with the City when requested to do so.
7. **Record Keeping and Statistical Information**
The Service Provider shall maintain accurate records of receipts and disbursements of funds allocated by the City. These shall be presented to the City on a quarterly basis in alignment with the City's fiscal period, and further shall be included in a summary format in the Boundary Country Regional Chamber of Commerce in the Annual Report.
8. **Funding Allocation for Fee for Service:**
During the term of this agreement, the City agrees to allocate the annual amount of \$20,000 (twenty thousand dollars). Once the City's financial Plan has been approved, the City shall transfer funds in accordance with Clause 4.
9. **Annual Funding Submission:**
The Service Provider shall submit on an annual basis and no later than September 1st, 2016, a request for funding outlining details of staffing request, hours of operation, employee wages and benefits, The City shall review the submission and confirm the allocation for the next Fiscal Year through the next Fiscal Year budgeting process. The allocated funding may be reduced from the previous Fiscal Year if there are unallocated funds and surpluses.
10. **Work Safe BC**
The Service Provider must comply with Rules and Regulations governing work place and any violations issued by Work Safe BC must be complied with and rectified and fines issued must be paid by the Service Provider and not from the funds allocated from the City.

11. Notice

Any notice required to be given by this Agreement will be validly given if delivered by hand or addressed by mail and will be deemed to have been received by the other Party two (2) days after posting in Grand Forks Post Office in British Columbia or on the date of hand delivery. Any notice so given shall be addressed;

if to the City: The Corporate Officer, The Corporation of the City of Grand Forks,
7217-4th Street, Box 220 Grand Forks, B.C. V0H 1H0;

and if to the Service Provider: Boundary Country Regional Chamber of Commerce, PO Box 2949, 1647 Central Avenue, Grand Forks, B.C. V0H 1H0.

13. Freedom of Information

Personal information is collected by the City of Grand Forks pursuant to the Local Government Act, the Community Charter and other Acts and Statutes and City By-Laws for the purpose of administering City operations. Information on this Agreement may routinely be made available to the public under Freedom of Information Legislation. The Service Provider must make available to the City information requested under the Freedom of Information Act relating to the operation of the Boundary Country Regional Chamber of Commerce. The record keeping and minutes must be kept in compliance with the Local Government Act, Community Charter and the Freedom of Information Act.

14. Settlement of Disputes

Any dispute arising between the Service Provider and the City shall be discussed and settled between the Service Provider's Representative and the Chief Administrative Officer. The Service Provider may advance the dispute to City Council whose decision shall be final and binding.

IN WITNESS WHEREOF the Parties have hereunto set their respective hands and Seals the day and the year first above written.

**SIGNED SEALED AND DELIVERED BY
THE CORPORATION OF THE CITY OF
GRAND FORKS in the presence of:**

Authorized City Signatory

Authorized City Signatory

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)
)
)
)
)
)

Witness Signature

Name of Witness

**SIGNED, SEALED AND DELIVERED BY
Boundary Country Regional Chamber
of Commerce in the presence of:**

_____)	_____
Authorized Signatory)	Witness Signature
)	
_____)	_____
Authorized Signatory)	Name of Witness



Settle down.

BOUNDARY DISTRICT ARTS COUNCIL FEE FOR SERVICE FUNDING AGREEMENT

THIS AGREEMENT made the _____ day of _____ 2016.

BETWEEN: **THE CORPORATION OF THE CITY OF GRAND FORKS**
7217-4TH Street
Box 220
Grand Forks, BC
VOH 1H0
(Hereinafter called "the City")

OF THE FIRST PART

AND **BOUNDARY DISTRICT ARTS COUNCIL**
PO Box 2636
Grand Forks, BC V0H 1H0
(Hereinafter called "the Service Provider")

OF THE SECOND PART

WHEREAS the BOUNDARY DISTRICT ARTS COUNCIL agrees to provide the following services to the City for the organizations' funding:

1. Four Performance Series live concerts in the 2015-2016
2. British Columbia Arts Week, Spring 2016
3. Kettle River Festival of the Arts and Culture, May to September 2016
4. Grants to Boundary District Arts Council Member Groups 2015-2016

NOW THEREFORE THIS AGREEMENT WITNESSETH that the Parties hereto in consideration of the promises and mutual covenants hereinafter contained, do mutually agree as follows:

Definitions:

- (a) **Annual Financial Plan:** Financial Plan of the City prepared in accordance with the Community Charter.
- (b) **Quarterly Report:** Summary of activities of the Boundary District Arts Council presented to the City as a Delegation on a quarterly basis in alignment with the City's fiscal year of January – December.

- (c) **Approved Annual Budget:** Amount of funding allocated in the Fiscal Year and taxed for the Boundary District Arts Council Fee for Service.
- (d) **Approved Funding:** Amount of funding planned in the Annual Financial Plan subject to approval on an annual basis in the Approved Annual Budget.
- (e) **BDAC:** The acronym for Boundary District Arts Council
- (f) **Council:** City of Grand Forks City Council
- (g) **Fiscal Year:** January to December in any year for which the funding for the Boundary District Arts Council is approved and allocated by Council.
- (h) **Fiscal Year (BDAC):** July to June in any year for which the funding for the Boundary District Arts Council is approved and allocated by Council.
- (g) **Boundary District Arts Council Service:** the services listed on the first page of this agreement.

1. **Term of Operating Agreement**

The Operating Agreement takes effect on the 1st day of January, 2016 and terminates on the 31st day of December, 2016, unless the Parties enter into a renewal option for a further Term provided a written notice has been provided by either Party on or before September 1st, 2016. The renewal option is at the discretion of the City.

2. **Service Mandate**

The Society shall set a standard of service that takes into consideration Approved Funding, donations and grants towards this Service.

3. **Service Requirements:**

In operating the Boundary District Arts Council Service, the Service Provider:

- (a) Must maintain all supporting details and records of Revenues and Expenditures relating all funds transferred from the City to BDAC.
- (b) Must use funds provided by the City solely for the purposes as per Definitions in (g) above, i.e. **Boundary District Arts Council Service**.
- (c) Must carry forward into the next Fiscal Year any surplus arising from the operation of the Boundary District Arts Council.
- (d) Must comply and operate within the rules and regulations issued by Work Safe BC governing workers and volunteers on the Building and Premises.
- (e) Work with the City to promote artistically values/initiatives that represent the area.

4. **Timely Release of Funds**

The transfer of approved annual funding from the City will occur as follows: on or before September 1, 2016 in the amount of \$4,500. The Boundary District Arts Council to provide an invoice four weeks prior to funding date.

5. **Quarterly & Annual Report**

The BDAC is responsible for providing a summary of activities of the Boundary District Arts Council **presented** to the City on a quarterly basis in alignment with the City's fiscal period, and shall be provided in a summary format in the Boundary District's Arts Council Annual Report. The annual report to include the Annual Financial Statements prepared by the Boundary District Arts Council Bookkeeper for July 1 to June 30, 2016. The Annual Report would suffice as one of the quarterly reporting periods required by the City.

6. **Termination of Funding:**

The City may terminate the funding to the Service Provider:

- (a) Non-compliance with any provisions of this Funding Agreement
- (b) Failure to provide accountability on the funds received from the City
- (c) Failure to provide Annual and Quarterly Reports to the City.
- (d) Failure to meet with the City when requested to do so.

7. **Record Keeping and Statistical Information**

The Service Provider shall maintain accurate records of receipts and disbursements of funds allocated by the City. These shall be made available to the City when requested and shall be included in a summary format in the Quarterly and Annual Reports.

8. **Funding Allocation for Fee for Service:**

During the term of this agreement, the City agrees to allocate the annual amount of \$4,500 (four thousand five hundred dollars). Once the City's financial Plan has been approved, the City shall transfer funds in accordance with Clause 4.

9. **Annual Funding Submission:**

The Service Provider shall **present** on an annual basis and no later than September 1st, 2016, a request for funding outlining details of staffing request, hours of operation, employee wages and benefits. The City shall review the submission and confirm the allocation for the next Fiscal Year through the next Fiscal Year budgeting process. The allocated funding may be reduced from the previous Fiscal Year if there are unallocated funds and surpluses.

10. **Work Safe BC**

The Service Provider must comply with Rules and Regulations governing work place and any violations issued by Work Safe BC must be complied with and rectified and fines issued must be paid by the Service Provider and not from the funds allocated from the City.

11. **Notice**

Any notice required to be given by this Agreement will be validly given if delivered by hand or addressed by mail and will be deemed to have been received by the other Party two (2) days after posting in Grand Forks Post Office

**SIGNED, SEALED AND DELIVERED BY
Boundary Districts Arts Council
in the presence of:**

Authorized Signatory

Authorized Signatory

)
)
) _____
) Witness
)
)
)
) _____
) Name of Witness

REQUEST FOR DECISION

— REGULAR MEETING —



To: Mayor and Council

From: Manager of Development & Engineering

Date: March 29, 2016

Subject: 2016 Capital Project - Wastewater Treatment Plant - UV Upgrade

Recommendation: **RESOLVED THAT COUNCIL revise the 2016 financial plan to include \$40,000 additional funding for a scope change to the WWTP UV Disinfection Project, to be funded from the land sales reserve.**

BACKGROUND:

At the December 15, 2014 Regular Meeting, Council resolved to direct staff to proceed with the preparation of grant applications for the Small Communities Fund and Strategic Priorities Fund. The City was notified in August 2015 of being successful at securing funding for upgrading the Wastewater Treatment Plant (WWTP) from chlorination to Ultra-Violet disinfection; through the Small Communities Fund. The City signed an agreement with the Provincial and Federal governments for a 1/3-each funding model in November of 2015 and staff began preparations for the project.

The Wastewater Treatment Plant Ultra-Violet Disinfection Project was included in the 2016 Capital Plan to be funded from the Land Sales Reserve and grants. The City's contribution for the project is \$153,334 with the provincial and federal governments covering the remaining \$306,666. However, there are unexpected environmental expenses, required by the Ministry of Environment, resulting from changes in federal legislation related to wastewater:

- 1) The City must complete an Environmental Impact Study (EIS);
- 2) The City must obtain approval to bypass the existing chlorination process during construction; and
- 3) Data collection and site visit.

The fee for Urban Systems to complete the first two items would be \$32,500 +GST while the costs associated with item 3 are estimated. Staff is requesting an additional \$40,000 for this capital project to cover the extra costs.

Benefits or Impacts of the Recommendation:

General: This project is very important to the City as it addresses an existing non-compliance issue regarding discharges to the Kettle River.

REQUEST FOR DECISION

— REGULAR MEETING —



Strategic Impact: This project is in line with the Sustainable Community Plan and Council's Strategic Plan.

Financial: This amendment will affect the Land Sales Reserve fund.

Policy/Legislation: Community Charter S. 165(2) allows the financial plan to be modified at any time.

Attachments:

- 1) December 15, 2014 Resolution of Council,
- 2) Grant funding announcement, August 2015,
- 3) Urban Systems Scope Change Request 1 - Bacteriological EIS and Bypass,

Recommendation: **RESOLVED THAT COUNCIL revise the 2016 financial plan to include \$40,000 additional funding for a scope change to the WWTP UV Disinfection Project, to be funded from the land sales reserve.**

OPTIONS:

1. COUNCIL COULD CHOOSE TO SUPPORT THE RECOMMENDATION.
2. COUNCIL COULD CHOOSE TO NOT SUPPORT THE RECOMMENDATION.
3. COUNCIL COULD CHOOSE TO REFER THE MATTER BACK TO STAFF FOR FURTHER INFORMATION.

	
Department Head or CAO	Chief Administrative Officer

be funded from surplus.

CARRIED.

-
- d) Manager of Development and Engineering Services
Preparation of applications for the Small Communities Fund (SCF) and Strategic Priorities Fund (SPF) grants.

The Manager of Development and Engineering advised Council of the projects that she is recommending be put forward for use if the applications are successful. She further advised that she is looking for support to move forward with the applications but would not move forward with the specific projects until Council provided direction to do so.

MOTION: ROSS / THOMPSON

RESOLVED THAT Council directs staff to proceed with the preparation of grant applications for the Small Communities Fund (SCF) and Strategic Priorities Fund (SPF) grants.

CARRIED.

REQUESTS ARISING FROM CORRESPONDENCE

INFORMATION ITEMS

- a) AKBLG - Arlene Parkinson, Secretary/Treasurer
Notice of Annual General Meeting and first call for resolutions for debate 2015

MOTION: THOMPSON / ROSS

RESOLVED THAT Council receive for information.

CARRIED.

-
- b) Boundary Museum
2015 Boundary Museum Service Agreement

MOTION: BUTLER / ROSS

RESOLVED THAT Council receive the 2015 Boundary Museum Service Agreement for information - documentation referred to Finance for inclusion in budget discussions.

CARRIED.

-
- c) BC Transit - Manuel Achadinha - President and CEO
BC Transit opportunity for discussion and presentation regarding potential services in

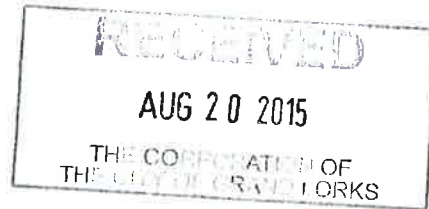
New Building Canada Fund – Small Communities Fund

**MINISTRY OF TRANSPORTATION AND INFRASTRUCTURE
5C - 940 Blanshard Street, Victoria, BC V8W 3E6**

August 14, 2015

Cliff# 236684

His Worship Frank Konrad
Mayor of the City of Grand Forks
Box 220
Grand Forks, BC V0H 1H0



Dear Mayor Konrad:

**Re: New Building Canada Fund - Small Communities Fund (NBCF-SCF)
Project #N20114 - Wastewater Treatment Plant (WWTP) Ultra-Violet Disinfection**

It is my pleasure to inform you that your application for funding under the New Building Canada Fund – Small Communities Fund (NBCF-SCF) has been approved at a maximum federal/provincial contribution of \$306,666.

Please ensure that all public information material for the approved project clearly and prominently indicates funding is provided from the NBCF-SCF.

The Province will require you to submit online periodic progress reports along with budget forecasting reports using the new online Local Government Information System. Details outlining this requirement will be sent to the project contact shortly.

Claim form information along with final report requirements will soon be available on the website: www.gov.bc.ca/smallcommunitiesfund.

A contribution agreement will be sent to your Chief Administrative Officer.

Please note, it is your responsibility to obtain and comply with all necessary authorizations and/or permits as an ongoing condition of our funding.

If you have any questions regarding the above, please do not hesitate to contact Liam Edwards, Executive Director, Local Government Infrastructure and Finance Branch, Ministry of Community, Sport and Cultural Development, at 250-387-4060.

.../2



FILE CODE **Canada**
*New Bldg. Canada Fund -
W22 - Wastewater Treatment Plant*
W23

I wish you every success with your infrastructure project.

Yours truly,



Patrick C. Livolsi, P. Eng.
Provincial Co-Chair, Oversight Committee, Small Communities Fund
Assistant Deputy Minister
Infrastructure and Major Projects Division

cc: Linda Larson, MLA
Boundary-Similkameen

Sean Nacey, Senior Manager
Infrastructure Development Branch
Ministry of Transportation and Infrastructure

Liam Edwards, Executive Director
Local Government Infrastructure and Finance Branch
Ministry of Community, Sport and Cultural Development

Sasha Bird
Manager of Development & Engineering
City of Grand Forks

VIA EMAIL



March 17, 2016

File: 0788.0044.01-C

City of Grand Forks
PO Box 220, 7217 4th street
Grand Forks, BC V0H 1H0

Attention: DOLORES SHEETS, MANAGER OF DEVELOPMENT AND ENGINEERING

RE: WWTP UV Upgrade – Scope Change Request 1 – Bacteriological EIS and Bypass

The purpose for this scope change is to:

- 1) Complete an environmental impact study (EIS) to determine the required level of disinfection that proposed UV system must provide and,
- 2) Obtain approval to bypass the chlorination process during construction.

Item 1 – Bacteriological EIS

The primary aim of an EIS is to develop faecal coliform effluent criteria which will protect public health. In order to achieve this aim, the following will be undertaken:

1. Summarise the design effluent flows.
2. Define the characteristics of the Kettle River in the vicinity of the discharge location, using existing faecal coliform data.
3. Using existing data from databases such as Water Survey Canada, summarise flow data for the Kettle River, including the 2-year return period 7 day low flow.
4. Identify localised receiving environment users and dischargers.
5. Summarise the dilution factors and effluent dispersion, including a preliminary definition of an initial dilution zone.
6. Assess the potential for impacts as a result of faecal bacteria, with the focus being changes in the faecal coliform concentration. This will be completed using simple modelling to assess conditions at the end of the initial dilution zone.
7. Compare the characteristics of the river as a result of the discharge with the appropriate Water Quality Guidelines and the recreational use requirements of the BC Municipal Wastewater Regulation.
8. Provide discussion on the comparison between meeting the more stringent requirements of the permit and the less stringent requirements of the BC Municipal Wastewater Regulation.

Attention: Dolores Sheets, Manager of Development and Engineering
File: 0788.0044.01
Date: March 17, 2016
Page 2



9. Identify any condition or situation where the effluent quality will not adequately protect human health.
10. Define effluent criteria with respect to the level of disinfection required.
11. Outline concepts for consideration for the reliability category for the disinfection component of the treatment plant discharge.
12. Recommend a suitable on-going monitoring program.

This task will take approx. 6 weeks to complete.

Note that the work described above is the minimum required to advance the UV Upgrade project. An additional EIS will be required at a later date. Urban Systems will negotiate the timing for this additional EIS with the Ministry of Environment (MoE). It is anticipated that the second EIS will have to be completed within the next 1 to 2 years depending on the timing of the federal and provincial regulation harmonization process.

Note that data collection and a site visit are not included in the above tasks.

Item 2 – Bypass Authorization

Chlorination will have to be stopped during construction to facilitate the UV upgrade. A bypass authorization will be required to do this. We expect that the MoE will require monitoring and reporting after the by-pass, and further information on this will be provided to the City once the MoE authorization has been issued.

This task will be completed prior to tendering the project and is not expected impact the overall schedule.

Attention: Dolores Sheets, Manager of Development and Engineering
File: 0788.0044.01
Date: March 17, 2016
Page 3



Fee for Above Work

Our extra level of effort associated with these changes is \$32,500 + GST. We appreciate the opportunity to be of continued service to you on this project.

Sincerely,

URBAN SYSTEMS LTD.

A handwritten signature in blue ink, appearing to be "JC" with a stylized flourish.

Jeremy Clowes, P.Eng.

Project Manager

/jc

THE CORPORATION OF THE CITY OF GRAND FORKS



7217 - 4TH STREET, BOX 220 · GRAND FORKS, BC V0H 1H0 · FAX 250-442-8000 · TELEPHONE 250-442-8266

March 29, 2016.

RE: Recruitment – Veterinary Services – Boundary Region

The Boundary Region has a growing agriculture sector that is currently without access to a much needed large animal veterinary service.

In the past, the area has successfully supported a large animal vet clinic that employed 2-3 full time staff and served the Boundary Region. On behalf of the City of Grand Forks, we invite you to consider locating your veterinary clinic in the Boundary.

The City is aligned to facilitate the growth and development of the area and council has made it their number one priority. The Boundary Region is rural with agriculture being a key sector in the area. We are very interested in attracting people and businesses. The City receives many positive inquiries, from people looking to relocate, about agriculture in the area. This area is also host to a number of groups whose animals are their priority. Council of course would like to support these groups who help make our community and surrounding area a great place to be and are committed to providing as much support as we can to attract a vet.

We are a vibrant community that services 10,000 area residents with incredible opportunity at our finger tips. Should you consider setting up a business in Grand Forks the City will endeavor to make the process as seamless as possible.

Should you have questions, please do not hesitate to contact me directly or you can refer to our website at www.grandforks.ca

Best regards,

Frank Konrad
Mayor
City of Grand Forks, BC

FILE CODE
*Letter of Support
WEB & CII - re Recruitment of
Vet Services*



Greenwood
Box 459, 245 South Copper St
Greenwood BC V0H 1J0
Ph: (250) 445-6618
Fax (250) 445-6765
Web: www.boundarycf.com

Grand Forks
Box 2949, 1647 Central Ave
Grand Forks, BC V0H 1H0
Ph: (250) 442-2722
Fax: (250 x) 442-5311

March 15, 2016

City of Grand Forks
Grand Forks BC V0H 1H0

Attention: Sarah Winton

Dear Ms. Winton:

Re: Recruitment – Veterinary Services – Boundary Region

The Boundary Horse Association contacted us with their dilemma around access to a large animal veterinary service in the region. We will be helping them with a recruitment plan and would like to request a "letter of support" from the City for the package that is being developed to assist us in this effort.

The area is currently without a mixed animal veterinarian following the departure last year of the previous vet, who left for personal reasons. Until that time, the area supported a successful mixed practice that employed two to three people full-time. It was based in Grand Forks, B.C. and served clients from around the region, including the communities of Christina Lake, Greenwood, Midway, Rock Creek and the Christian Valley. Elective surgeries were booked a month in advance and regular appointments up to two weeks in advance, with up to five surgeries in the mornings and then 15 to 20 appointments in the afternoons, Mondays to Thursdays. Fridays were reserved for farm visits, which were also booked several weeks in advance.

The area has a growing agricultural sector with many small hobby farms, a commercial dairy and several cattle ranches. We estimate that there are approximately 1,000 horses in the area, 3,500 head of cattle, as well as sheep, pigs, poultry and other livestock. The nearest mixed animal vet is now more than one-and-a-half hours away by car.

Growing communities one idea at a time.

Page 2.

We would really appreciate it if the City of Grand Forks could support this initiative with a letter that could be included in a recruitment package. If further information is required, please contact the undersigned. Thanks for your support of this initiative.

Yours truly

A handwritten signature in cursive script that reads "Wendy McCulloch".

Wendy McCulloch
General Manager

MEMORANDUM



To: Mayor and Council
From: Manager of Development & Engineering Services
Date: March 29, 2016
Subject: Municipal Natural Capital Initiative Program

BACKGROUND:

The Municipal Natural Capital Initiative (MNCI) is a partnership program dedicated to supporting municipalities in recognizing, measuring and managing the contribution natural systems make to people and municipal service delivery, using municipal asset management business processes. MNCI partners include the Town of Gibsons, Sustainable Prosperity, the David Suzuki Foundation, Brooke and Associates, and Asset Management BC. The Initiative has three phases: 1) Engagement and outreach to understand the challenge and develop partnerships (complete); 2) test and refine the approach in additional pilot municipalities; 3) scale-up based on phase 2 results.

The City has undertaken planning for sustainable service delivery by developing the Asset Management Investment Plan, the Asset Management Financial Plan, the Multi-Utility Risk Assessment, and other reports. The City is implementing asset management business processes throughout the organization, and has undertaken the Performance Measuring and Reporting Framework for Sustainable Service Delivery.

At the same time, the City has recognized the roles of natural assets (i.e. aquifer, wetlands, rivers, airshed) in supporting and sustaining municipal services, the quality of life of residents and visitors, and economic opportunities and amenities. This recognition is documented in the Sustainable Community Plan (2011), the Kettle River Watershed Management Plan (2014), and the Strategic Plan (2015-2019), among others.

The City does not currently integrate the protection and management of its natural assets in its asset management policies and practices. Furthermore, there are few readily transferable natural capital tools and services that integrate eco-assets and enable the quantifiable financial and risk management case for their preservation. The MNCI program provides an opportunity for participating municipalities to have a hands-on role in piloting these new approaches and practices.



MEMORANDUM



SCOPE

The MNCI is seeking five municipalities to participate in the pilot phase with a focused or general natural capital / eco-asset management program. The project focus may be on one particular eco-asset or service such as groundwater or wetlands, or it may entail a holistic assessment of all natural assets and services contributing to the municipality. There are a number of strategic priorities and City initiatives relating specifically to water, aquifer protection, and wetlands protection, so if the City wishes to be involved in the pilot it may be appropriate to focus specifically on the natural assets supporting clean water. Electoral Area 'D' / Rural Grand Forks Director Roly Russell has also indicated interest in supporting a collaborative approach on shared natural assets.

REQUIREMENTS

Municipalities who wish to participate directly in the Phase 2 pilot program will be required to support testing and refining the approach and participating in research, business case development and tool development. Specifically, municipalities would be expected to:

- 1) Demonstrate explicit support from Council and the CAO for the pilot;
- 2) Commit a multi-disciplinary staff team representing all departments;
- 3) Commit to approaching the pilot within an asset management framework;
- 4) Commit to providing all data required to use the asset management model effectively;
- 5) Commit to between \$10,000-\$20,000, depending on size of municipality.

The MNCI will support participating municipalities through: detailed guidance; on-site workshops; a 'help-desk' function; webinar check-ins; group learning sessions; and project evaluation. They do not provide additional funding for participating municipalities to undertake these requirements.

Municipalities who wish to participate in the pilot were requested to **submit a non-binding expression of interest by March 14** from the CAO expressing their general intention to apply to become a pilot site; the extent to which they can meet the expectations; and the project focus of interest. Alternatively, the municipality can indicate that a pilot project is not immediately possible, but may consider one at a future date, and wishes to observe and be kept apprised of developments. A formal call for letters of intent will be circulated to municipalities answering this call in April.



MEMORANDUM



CONSIDERATIONS

- 1) Do not submit a letter of intent (observe at a distance and participate in Phase 3 scale-up, if appropriate)
- 2) Submit a letter of intent with groundwater protection focus; or
- 3) Submit a letter of intent to participate as an observer with a potential future pilot program.



Municipal Natural Capital Initiative

Call for Expressions of Interest

Letter due date: Monday, March 14, 2016

1. Purpose

This document is to solicit non-binding expressions of interest in hosting a Municipal Natural Capital Initiative (MNCI) pilot project. A call for formal letters of intent is expected in April 2016.

2. Context

The overall context for the initiative is the well-documented decline of urban infrastructure quality in North America; the declining health of natural systems; and, the need for municipalities to provide services in a sustainable manner.

At a community level, some municipalities secure services such as the provision of clean drinking water by protecting natural ecosystems such as watersheds and/or creating natural assets such as wetlands which, by mimicking natural processes, provide services such as storm water retention. However, these examples are context-specific and not readily replicable or transferable. There is also a lack of tools and services to help municipalities measure and manage natural capital. Therefore, few municipalities manage and protect natural capital in a systematic manner, notwithstanding a strong rationale to do so.

Several municipalities are pioneering strategies to conserve and enhance natural capital by measuring and managing natural capital within existing asset and financial management business processes. In doing so, they can reduce risk, capital and operating expenses, and improve positive climate change resilience and other outcomes, all of which can support effective service delivery.

3. What is the Municipal Natural Capital Initiative?

The premise of the MNCI is that *asset management business processes* and associated long-term financial planning (see Figure 1) provide new and powerful mechanisms to measure and manage natural capital in a systematic manner. The goal of the MNCI is to support municipalities in recognizing, measuring and managing the contribution natural systems make to people and municipal service delivery, using municipal asset management business processes. The initiative is in three phases:

- **Phase 1:** Engagement and outreach to scope the challenge and potential solutions and develop required partnerships and dialogue. This concluded in Autumn 2015.

- **Phase 2:** Testing and refining the approach in additional pilot municipalities, and undertaking supporting research, business case development, and tool development. The call for letters of interest relates to this phase, which takes place from April 1 2016 to December 31 2017.
- **Phase 3** would involve widespread scale-up of the approach across numerous municipalities in 2018 and beyond, based on the results of Phase 2.

4. Who is involved?

a) The MNCI has four convening partners:

- **The Town of Gibsons**, which is a leader in the integration of natural capital into asset management strategies. It brings extensive applied experience to the project that can be shared with other municipalities;
 - **Sustainable Prosperity**, a national green economy think tank/do tank. SP brings to the project individuals with extensive research and applied experience in municipal policies, operations, law and finance, and expertise in environmental pricing options at the municipal level;
 - **The David Suzuki Foundation**, which works to conserve the environment and find solutions that create a sustainable Canada through science-based research, education and policy work. DSF brings to the project specific experience with the tools and methods required to measure natural capital and integrate the data into asset management strategies; and,
 - **Brooke and Associates**, a BCorp-certified consulting practice that works with domestic and international clients with a focus on organizational and community sustainability and resilience. Brooke and Associates brings to the project extensive experience in municipal and natural capital issues and will act as project manager.
- b) **Asset Management BC** is technical partner. They will work with the convening partners to share project lessons and guidance with communities; provide ongoing advice to ensure the effective integration of natural capital considerations in asset management; and help to maximize the synergies between relevant communities and disciplines.
- c) The project will be executed in close collaboration with numerous other organizations, many of whom have been involved with and/or supported the project since the outset, including: Government Financial Officers Association, the Local Government Management Association, the Friends of the Greenbelt Foundation, Credit Valley Conservation Authority, Toronto Region Conservation Authority, the Partnership for Water Sustainability, the Province of BC Ministry of Community Sport and Cultural Development), Earth Economics (US); Tides Canada and Vancity Credit Union.

5. What is involved in being a pilot project?

Through pilot projects, municipalities will integrate natural capital into asset management business processes, as depicted in Figure 1.

a) The MNCI will provide the following support to municipalities:

1. Detailed guidance and support documents;

2. An on-site workshop to launch project;
3. Ongoing "help desk" function provides support to municipalities as they work through the pilot;
4. Regular webinar check-ins at each project milestone to (a) extract lessons on how work is progressing and (b) provide support for the next project step;
5. Group learning webinars to share experience across pilots; and,
6. Full project evaluation at the end of the pilot (monitoring will be conducted throughout).

b) Municipalities would be expected to:

1. Demonstrate explicit support from Council and the Chief Administrative Office for the pilot;
2. Commit the engagement of a multi-disciplinary staff team representing relevant departments such as Finance, Public Works, Engineering, and Parks.
3. Commit to approaching the pilot within an asset management approach;
4. Commit to providing all data required to use the model effectively.
5. Commit between \$10,000-20,000, depending on the size of the municipality.

Municipal Natural Capital Initiative: key pilot project steps

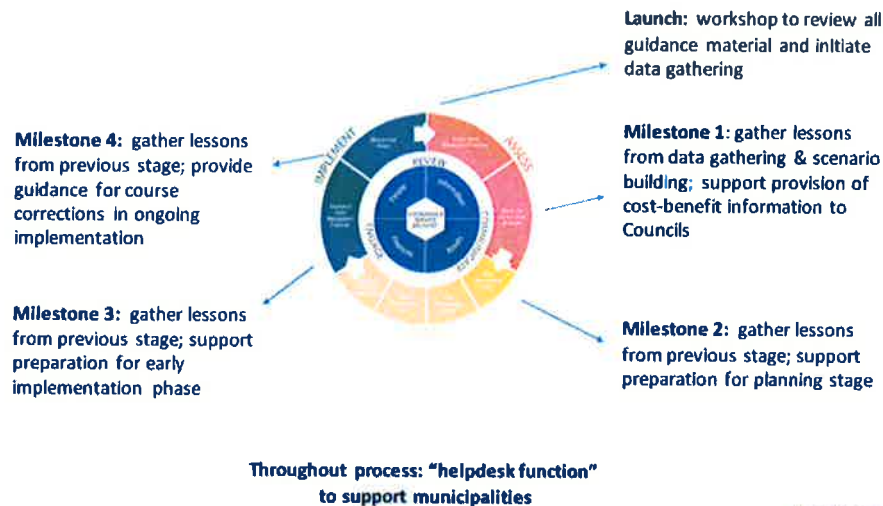


Figure 1: Key pilot project steps.

6. What should go in my expression of interest?

At this stage, municipalities responding to this call are requested to express interest by way of a brief letter, and reference:

- Their general intention to apply to become a pilot;

- The extent to which they can meet the municipal expectations (see 4b, above);
- The project focus that is of interest (for example, natural assets that provide storm water management services, protective services, water purification services; or conduct a holistic asset management approach).

-OR-

- Indicate that a pilot project is not immediately possible but that the municipality may consider one at a future date and wishes to be kept apprised of developments.

Expressions of interest should be signed by the Chief Administrative Officer or similar.

7. What is the process after I send the expression of interest?

Between now and March 31, 2016, the core conveners are seeking and confirming funding from a variety of sources. Feedback from this call for expressions of interest will be provided to prospective funders. Assuming that fundraising efforts are successful, a call for more formal letters of intent will be issued in April, 2016. Pilots would be selected between May-June 2016, and launched between June-August 2016.

8. What is the proposed budget?

The budget has three components:

- Pilot costs, including for example, 'help desk' functions and milestone webinars (approximately \$31,000 **per pilot**);
- Common costs to support all pilots, including guidance material, developing workshop methodologies and group learning webinars (approximately \$37,000); and,
- Overall common costs including project management (e.g. ensuring comparability & learning across pilots), research, communications and programme evaluation (approximately \$193,000).

This means that municipalities will be able to leverage substantial additional funding through their participation.

9. Additional information

Additional background documents are available at: <http://tinyurl.com/hbmffc9>

10. Contact details and to submit expressions of interest:

Roy Brooke
roy@brookeandassociates.com

REQUEST FOR DECISION

— REGULAR MEETING —



To: Mayor and Council
From: Chief Financial Officer
Date: March 29, 2016
Subject: 2016-2020 Financial Plan Bylaw
Recommendation: **RESOLVED THAT COUNCIL** give first three readings to 2016-2020 Financial Plan Bylaw 2024

BACKGROUND:

After three public consultations, the 2016-2020 Financial Plan was presented to the Committee of the Whole on March 14, 2016.

The 2016-2020 Financial Plan is tied directly to the Asset Management Financial Policy passed by Council in January 2016. The Asset Management Financial Policy provides a framework for financial decision making and will guide the City in funding infrastructure renewal.

The goal of the Asset Management Financial Policy is to annually fund, by way of transfer to the infrastructure reserves, 50% of the \$3.85 million recommended yearly infrastructure investment recommended by our engineers.

This year's financial plan will be the first year of three years to reach this annual contribution goal. Council has determined to reach this goal using a balanced approach. Therefore, contributions to reserves will come from a combination of a decrease in expenses and an increase in user fees and taxes. In 2016 there will be no money drawn from surplus for operations and \$986,419 transferred into capital reserves.

There have only been minor updates to the operating budget since introduction at Committee of the Whole.

The Silver Kettle Sidewalk project has been added back to the capital plan with DCCs as a funding source. However, this project will require a council resolution to proceed as the funding source will need to be discussed. The capital plan previously included at \$200,000 transfer from the Equipment Reserve to the Capital Reserve. This has been changed to a \$200,000 transfer from the Land Sales Reserve to the Capital Reserve. The Equipment Reserve has a specific purpose and will be needed to replace equipment in the future. The Land Sales Reserve has not yet been allocated and may be used for any capital project.

Bylaw 2024 is now presented for three readings.

Benefits or Impacts of the Recommendation:

General: The benefit of a balanced budget is that it allows Council to undertake the services that are required to run the municipality.

REQUEST FOR DECISION

— REGULAR MEETING —



- Strategic Impact:** The Financial Plan was developed using information from Council's most recent strategic plan and the Asset Management Financial Policy 808.
- Financial:** The plan includes all expenses of the municipality and all sources of revenue that will be required to undertake the services included in the plan.
- Policy/Legislation:** Section 165 of the Community Charter requires that a municipality must have a financial plan that is adopted annually, by bylaw, before the annual property tax bylaw. Section 197 of the Charter requires that each year, after adoption of the financial plan but before May 15, a Council must, by bylaw, impose property values taxes for the year by establishing tax rates.
- Attachments:** DRAFT 2016-2020 Financial Plan Bylaw 2024

Recommendation: **RESOLVED THAT COUNCIL** give first three readings to 2016-2020 Financial Plan Bylaw 2024

- OPTIONS:**
1. **RESOLVED THAT COUNCIL RECEIVES THE STAFF REPORT**
 2. **RESOLVED THAT COUNCIL DOES NOT ACCEPT THE STAFF REPORT**
 3. **RESOLVED THAT COUNCIL REFERS THE MATTER BACK TO STAFF FOR FURTHER INFORMATION.**

	
Department Head or CAO	Chief Administrative Officer

THE CORPORATION OF THE CITY OF GRAND FORKS

BYLAW NO. 2024

A Bylaw to Establish the Five Year Financial Plan For the Years 2016 - 2020

WHEREAS the Community Charter requires that Council adopt a Five Year Financial Plan annually before the adoption of the annual property tax bylaw;

NOW THEREFORE Council for the Corporation of the City of Grand Forks, in open meeting assembled, **ENACTS**, as follows:

1. Appendix "A", Appendix "B", and Appendix "C" attached hereto and made part of this bylaw is hereby declared to be the Five Year Financial Plan of the Corporation of the City of Grand Forks for the Years 2016 to 2020.
2. This bylaw may be cited, for all purposes, as the "**Year 2016 – 2020 Financial Plan Bylaw**".

INTRODUCED this 14th day of March, 2016.

Read a **FIRST** time this 29th day of March, 2016.

Read a **SECOND** time this 29th day of March, 2016.

Read a **THIRD** time this 29th day of March, 2016.

FINALLY ADOPTED on this ____ day of _____.

Mayor Frank Konrad

Corporate Officer Diane Heinrich

C E R T I F I C A T E

I hereby certify the foregoing to be a true and correct copy of Bylaw No. 2024,
as adopted by the Municipal Council of the City of Grand Forks
on this ____ day of _____.

Corporate Officer of the Municipal Council of the
City of Grand Forks

City of Grand Forks
Appendix "A" to Bylaw 2024
Year 2016 - 2020 Financial Plan Bylaw

	2016	2017	2018	2019	2020
<u>Revenue</u>					
Property taxes , grants in lieu & franchise Fees	\$ 3,588,404	\$ 3,675,400	\$ 3,764,500	\$ 3,855,800	\$ 3,949,500
Parcel taxes	240,858	240,858	240,858	240,858	240,858
User levies	1,956,967	1,994,169	2,032,120	2,070,738	2,110,131
Fees and charges	5,182,465	5,326,884	5,475,453	5,628,411	5,785,787
Grants and other	1,690,365	1,394,530	1,405,535	1,416,614	1,427,770
Total Revenues	12,659,059	12,631,840	12,918,465	13,212,422	13,514,047
<u>Expenses</u>					
Purchases for resale	3,460,253	3,564,061	3,670,982	3,781,112	3,894,545
Operating	7,308,043	7,489,869	7,679,224	7,873,729	8,073,532
Debt interest	95,105	95,024	95,017	95,017	95,017
Amortization	1,656,491	1,669,615	1,681,883	1,695,298	1,708,863
Total Operating Expenses	12,519,892	12,818,568	13,127,107	13,445,156	13,771,957
Net Revenue (loss)	\$139,167	(\$186,728)	(\$208,641)	(\$232,734)	(\$257,910)
<u>Allocations</u>					
Debt proceeds	4,252,914	500,000	515,000	530,450	546,350
Capital expenditures	(6,436,020)	(3,497,783)	(3,499,416)	(3,501,081)	(3,502,780)
Debt principal repayment	(230,150)	(252,862)	(254,794)	(256,752)	(258,731)
Transfers from (to) reserves / surplus	617,597	1,767,758	1,765,969	1,764,819	1,764,209
Reserve fund in excess of amortization	1,656,491	1,669,615	1,681,883	1,695,298	1,708,863
Financial Plan Balance	\$0	\$0	\$0	\$0	\$0

City of Grand Forks
Financial Plan 2015 to 2019 Bylaw 2008
Operations Summary
Supporting Schedule A

General	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Revenue					
Property Taxes	3,408,705	3,493,900	3,581,200	3,670,700	3,762,500
Parcel Taxes	234,817	234,817	234,817	234,817	234,817
Payments in Lieu of Taxes	179,699	181,500	183,300	185,100	187,000
Solid Waste Levies	197,000	199,000	201,000	203,000	205,000
Slag Sales	235,000	237,350	239,724	242,121	244,542
Fees and Charges	519,185	524,400	529,600	534,900	540,200
Government Grants - Operations	508,060	513,141	518,272	523,455	528,689
Government Grants - Capital	297,639	297,639	297,639	297,639	297,639
Other Sources	343,000	346,400	349,900	353,400	356,900
Restricted Investment Income	-	-	-	-	-
	5,923,105	6,028,147	6,135,452	6,245,131	6,357,287
Expenses					
Airport Cost of Sales	45,900	47,277	48,695	50,156	51,661
Operations Expense	4,835,533	4,980,599	5,130,017	5,283,917	5,442,435
Community Support	323,400	323,400	326,634	329,900	333,199
Debt Interest	23,347	23,268	23,261	23,261	23,261
Amortization	990,719	995,673	1,000,651	1,005,654	1,010,682
Total Expenses	6,218,899	6,370,216	6,529,258	6,692,889	6,861,239
Net Income (Loss) before Other Income	(295,794)	(342,070)	(393,807)	(447,758)	(503,951)
Other Income					
Contributions from Electrical	437,330	441,703	446,120	450,582	455,087
Gain (Loss) on Disposition of Assets					
Net Income (Loss)	141,536	99,634	52,314	2,824	(48,864)
Allocations					
Debt proceeds	1,108,043	500,000	515,000	530,450	546,350
Capital Expenditures	(1,523,699)	(1,000,000)	(1,030,000)	(1,060,900)	(1,092,700)
Debt principal repayment	(163,913)	(187,366)	(189,298)	(191,256)	(193,235)
Transfers from (to) reserves	(552,687)	-	-	-	-
Transfers from (to) surplus	(0)	(407,940)	(348,666)	(286,772)	(222,233)
Reserve fund in excess of amortization	990,719	995,673	1,000,651	1,005,654	1,010,682
Surplus (Deficit)	-	-	-	-	-

City of Grand Forks
Financial Plan 2015 to 2019 Bylaw 2008
Operations Summary
Supporting Schedule A

	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Equipment					
Recoveries	\$ 446,260	\$ 449,972	\$ 454,472	\$ 459,017	\$ 463,607
Operations Expense	445,517	449,972	454,472	459,017	463,607
Net Recoveries	743	-	-	-	-
Debt Interest	2	-	-	-	-
Amortization	266,172	268,834	271,522	274,237	276,979
Net Recoveries (Loss)	(265,431)	(268,834)	(271,522)	(274,237)	(276,979)
Gain (Loss) on Disposition of Assets	-	-	-	-	-
Net Recoveries (Loss)	(265,431)	(268,834)	(271,522)	(274,237)	(276,979)
Allocations					
Debt proceeds	-	-	-	-	-
Capital Expenditures	-	-	-	-	-
Debt principal repayment	(741)	-	-	-	-
Transfers from (to) reserves	-	-	-	-	-
Transfers from (to) surplus	0	-	-	-	-
Reserve fund in excess of amortization	266,172	268,834	271,522	274,237	276,979
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

City of Grand Forks
Financial Plan 2015 to 2019 Bylaw 2008
Operations Summary
Supporting Schedule A

	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Electrical					
Revenue					
User Fees	\$ 4,602,243	\$ 4,740,310	\$ 4,882,520	\$ 5,028,995	\$ 5,179,865
Fees and Charges	52,757	53,812	54,888	55,986	57,106
	4,655,000	4,794,123	4,937,408	5,084,982	5,236,971
Expenditure					
Purchases for resale	3,414,353	3,516,784	3,622,287	3,730,956	3,842,884
Operations Expense	683,317	697,000	710,900	725,100	739,600
Amortization	42,000	42,000	41,000	41,000	41,000
Expenditure	4,139,670	4,255,784	4,374,187	4,497,056	4,623,484
Net Income (loss) before Contributions to General	515,330	538,339	563,221	587,926	613,487
Contributions to General	437,330	441,703	446,120	450,582	455,087
Net income (loss)	78,000	96,636	117,101	137,344	158,399
Allocations					
Capital Expenditures	(80,043)	(81,644)	(83,277)	(84,942)	(86,641)
Transfers from (to) reserves	(39,957)	(58,356)	(76,723)	(75,058)	(73,359)
Transfers from (to) surplus	(0)	1,364	1,899	(18,344)	(39,399)
Reserve fund in excess of amortization	42,000	42,000	41,000	41,000	41,000
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

City of Grand Forks
Financial Plan 2015 to 2019 Bylaw 2008
Operations Summary
Supporting Schedule A

	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Water					
Revenue					
Parcel Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
User Levies	860,390	877,600	895,200	913,100	931,400
Fees and Charges	4,200	4,200	4,200	4,200	4,200
Government Grants - Capital	-	-	-	-	-
Operations Expense	864,590	881,800	899,400	917,300	935,600
Preventative Maintenance Program	683,090	693,300	703,700	714,300	725,015
Debt Interest	83,500	85,170	86,873	88,611	90,383
Amortization	193,200	197,064	201,005	205,025	209,126
Total Expenses	959,790	975,534	991,579	1,007,936	1,024,523
Net Income (Loss)	(95,200)	(93,734)	(92,179)	(90,636)	(88,923)
Allocations					
Debt proceeds	2,036,827	-	-	-	-
Capital Expenditures	(3,112,314)	(1,556,157)	(1,556,157)	(1,556,157)	(1,556,157)
Debt principal repayment	-	-	-	-	-
Transfers from (to) reserves	977,487	1,556,157	1,556,157	1,556,157	1,556,157
Transfers from (to) surplus	0	(103,330)	(108,827)	(114,389)	(120,202)
Reserve fund in excess of amortization	193,200	197,064	201,005	205,025	209,126
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

City of Grand Forks
Financial Plan 2015 to 2019 Bylaw 2008
Operations Summary
Supporting Schedule A

	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Wastewater					
Revenue					
Parcel Taxes	\$ 6,041	\$ 6,041	\$ 6,041	\$ 6,041	\$ 6,041
User Levies	\$ 899,577	917,569	935,920	954,638	973,731
Fees and Charges	4,080	4,162	4,245	4,330	4,416
Government Grants - Capital	306,666				
	1,216,364	927,771	946,206	965,009	984,188
Operations Expense	699,946	710,400	721,100	731,900	742,900
Preventative Maintenance Program		-	-	-	-
Debt Interest	71,756	71,756	71,756	71,756	71,756
Amortization	164,400	166,044	167,704	169,381	171,075
Total Expenses	936,102	948,200	960,561	973,038	985,732
Net Income (Loss)	280,262	(20,429)	(14,355)	(8,029)	(1,543)
Allocations					
Debt proceeds	1,108,043				
Capital Expenditures	(1,719,964)	(859,982)	(429,991)	(214,995)	(107,498)
Debt principal repayment	(65,496)	(65,496)	(65,496)	(65,496)	(65,496)
Transfers from (to) reserves	232,755	859,982	429,991	214,995	107,498
Transfers from (to) surplus	(0)	(80,119)	(87,854)	(95,857)	(104,036)
Reserve fund in excess of amortization	164,400	166,044	167,704	169,381	171,075
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

**City of Grand Forks
Appendix B to Bylaw 2024
Year 2016 - 2020 Financial Plan
Revenues, Property Taxes and Exemptions**

In accordance with Section 165 (3.1) of the Community Charter, The City of Grand Forks is required to include in the five year financial plan bylaw, objectives and policies regarding each of the following:

- the proportion of total revenue that comes from each of the funding sources described in Section 165(7) of the Community Charter;
- the distribution of property taxes among the property classes; and
- the use of permissive tax exemptions.

Sources of Revenue

Revenue source	% of Total 2016 Revenue
Property taxes , grants in lieu & franchise Fees	28.35%
Parcel taxes	1.90%
User levies	15.46%
Fees and charges	40.94%
Grants and other	13.35%

Objective

For operations, to maintain annual increases to a level that approximates the annual increase in inflation unless a specific program or project is identified that requires tax revenue funding. For capital and fiscal, to review and address annually the long term needs for capital infrastructure.

Policies

- The City will review the fees/charges annually to ensure that they keep pace with changes in the cost-of-living, as well as, changes in the methods or levels of service delivery.
- The City will encourage the use of alternate revenue resources instead of property taxes.
- User fees will be set to recover the full cost of services except where Council determines that a subsidy is in the general public interest.

Distribution of Property Tax Rates

In establishing property tax rates, Council will take into consideration:

- The amount of property taxes levied as compared to other municipalities.
- The property class conversion ratio as compared to other municipalities.
- The tax share borne by each property class
- The tax ratios of each property classification

City of Grand Forks
Appendix B to Bylaw 2024
Year 2016 - 2020 Financial Plan
Revenues, Property Taxes and Exemptions

The City will receive the Revised Assessment Roll for 2016 in April and will set the property tax rates based on the assessment before May 15, 2016. The 2016 distribution of property tax rates amongst all the property classifications will not be known until then.

The distribution for 2015 were as follows:

Property Class	% of General Revenue Taxation
Residential	49.9593%
Utility	1.4968%
Major Industry	27.1390%
Light Industry	1.3574%
Business and Other	20.0228%
Recreation / Non-profit	0.0091%
Farm	0.0156%

Objective

To ensure equity among property classes by reviewing the ratios of property class allocations annually. In 2015, the industry conversion ratio was 10.52, the business conversion ratio was 2.39, and the light industry ratio was 2.93. In 2015, the ratios remained similar to 2014 except the utilities rate, as it is at the maximum set by BC Reg 329/96. For 2016, consideration for class conversion ratios will be considered in April when tax rates are set.

Policies

- The City will review and set tax rates and shift each property classification's tax share annually until such time as Council deems the property classifications' share to be equitable.

Permissive Tax Exemptions

In guiding and approving permissive tax exemptions, Council will take into consideration:

- Not-for-profit occupiers of City property for the duration of their occupancy.
- Land and improvements surrounding a statutorily exempt building for public worship.

Objective

To optimize the provision of charitable and not for profit services for the benefit of Grand Forks residents, to provide property tax exemptions as permitted under the Community Charter in a consistent and fair manner, to restrict provision of exemption to those providing an extension to City services and to reduce the impact to City revenues.

Policies

Grand Forks residents must be primary beneficiaries of the organization's services and the services provided must be accessible to all members of the public.

City of Grand Forks
Bylaw 2024 - Financial Plan 2016-2020
Schedule C

CAPITAL PROJECT	2016 Budget	Capital	Electrical	Waste	Equipment	Slag	Land Sales	Gas Tax	Grants	Debt	DCC	Surplus
2016 transfers - Asset Management Financial Plan												
from surplus		\$ 1,000,000	\$ (500,000)	\$ (500,000)								
from slag reserve		\$ 1,000,000				\$ (1,000,000)						
from land sales reserve		\$ 200,000					\$ (200,000)					
from tax sale land reserve		\$ 63,184										
2015 CARRY FORWARD PROJECTS												
GENERAL OPERATIONS												
1 Works Yard Fuel Pump Replacement	\$ 1,190						\$ (1,190)					
2 Spray Park	\$ 53,876					\$ (47,626)			\$ (6,250)			
3 Generator 525 Central	\$ 5,232						\$ (5,232)					
4 Airport Beacons	\$ 60,000						\$ (15,000)		\$ (45,000)			
5 Playground Equipment	\$ 45,000								\$ (32,970)			
6 1995 Ford Pick-up Replacement	\$ 30,000											
7 Silver Kettle Sidewalk	\$ 212,500				\$ (30,000)						\$ (212,500)	
ENGINEERING												
8 West Side Fire Protection	\$ 928,784									\$ (928,784)		
9 Eastside Reservoir Structure Study	\$ 1,210	\$ (1,210)										
10 Wastewater Treatment Plant UV	\$ 455,900											
11 Multi Utility - 3rd St & 22nd St	\$ 3,324,130						\$ (149,234)		\$ (306,666)			
ELECTRICAL										\$ (3,324,130)		
12 System & Voltage Conversion	\$ 20,666		\$ (20,666)									
13 Electrical - Recloser controls	\$ 23,522		\$ (23,522)									
14 Electrical System Upgrades	\$ 5,759		\$ (5,759)									
15 Riverside Reconductor	\$ 30,096		\$ (30,096)									
WASTE WATER												
16 Headworks Grinder	\$ 50,446						\$ (50,446)					
17 Water/Sewer Scada	\$ 11,149						\$ (11,149)					
WATER												
18 Residential Water Meter Project	\$ 302,353							\$ (302,353)				
19 Water System Locates	\$ 91,349							\$ (91,349)				
2016 NEW CAPITAL PROJECTS												
1 Well #3 Pump and Motor	\$ 100,000	\$ (100,000)										
2 3rd Street Sewer Main Repair	\$ 100,000			\$ (100,000)								
3 5th Street Watermain Replacement	\$ 575,000							\$ (575,000)				
4 Vadim Software E3 upgrade	\$ 7,857											\$ (7,857)
TOTAL CAPITAL	\$ 6,436,020	\$ (101,210)	\$ (80,043)	\$ (100,000)	\$ (30,000)	\$ (59,656)	\$ (232,251)	\$ (968,702)	\$ (390,886)	\$ (4,252,914)	\$ (212,500)	\$ (7,857)