

**CORPORATION OF THE CITY OF COURTENAY
COUNCIL MEETING AGENDA**

DATE: April 18, 2017
PLACE: City Hall Council Chambers
TIME: 4:00 p.m.

1.00 ADOPTION OF MINUTES

1. Adopt April 03, 2017 Regular Council meeting and April 10, 2017 Special Council meeting minutes

2.00 INTRODUCTION OF LATE ITEMS

3.00 DELEGATIONS

4.00 STAFF REPORTS/PRESENTATIONS

(a) Recreation and Cultural Services

- 1 1. Terms of Reference – “Courtenay Canada Day Commission”

(b) CAO and Legislative Services

- 9 2. Human Resources Action Plan 2017

(c) Development Services

- 31 3. Extension of Development Permit with Variances No. 1508 - 2140 Lake Trail Road

- 53 4. Zoning Amendment Bylaw No. 2867 – 1599 Cliffe Avenue

d) Financial Services

- 79 5. 2017 – 2021 Draft General Fund Budget and 2017-2021 Consolidated Financial Plan

5.00 EXTERNAL REPORTS AND CORRESPONDENCE FOR INFORMATION

6.00 INTERNAL REPORTS AND CORRESPONDENCE FOR INFORMATION

7.00 REPORTS/UPDATES FROM COUNCIL MEMBERS INCLUDING REPORTS FROM COMMITTEES

8.00 RESOLUTIONS OF COUNCIL

9.00 UNFINISHED BUSINESS

179 **1. Mayor Jangula – Proposed resolution - Routine release of In Camera Resolutions and Related Reports and Information – Request for Council Policy**

Whereas in 2003, the Community Charter was passed. It repealed and replaced some sections of the Local Government Act, including the provisions regarding open and closed meetings. The Community Charter states that all meetings of council and its committees, commissions and other subsidiary bodies must be open to the public and that under certain circumstances section 90 (meetings that may or must be closed to the public) provides that council may close a meeting or part of a meeting by passing a resolution that sets out the basis for closing the meeting to discuss certain matters as outlined in the community charter.

And whereas the Community Charter strongly recommends and states that "as much information as possible should be released in order to achieve the goal of openness, transparency and accountability without compromising the interests of the local government, the public or a third party." It further states that "many subjects requiring the confidentiality of a closed meeting only require it for a limited period of time.

Consequently, it is important that local governments have a process in place to regularly review the information produced at closed meetings. Information that would no longer undermine the reason for discussing it in a closed meeting should be released as soon as practicable.

And whereas the Community Charter further states that "Local governments Should strive to release as much information as possible as often as possible, in order to demonstrate their commitment to the principles of transparency and accountability and to receive the benefit of a more informed, engaged and trusting public.

Therefore be it resolved that the City of Courtenay implement the policy of releasing all in camera resolutions and associated voting records in a timely manner and in particular when an in camera matter has been acted upon, resolved, completed or closed and it is within the guidelines of the Community Charter and Local Government Act as part of our commitment to the principles of transparency and accountability to our constituents and taxpayers of the City of Courtenay and "to receive the benefit of a more informed, engaged and trusting public."

10.00 NOTICE OF MOTION

11.00 NEW BUSINESS

- 181 1. Councillor Wells - Request for staff to explore UBCM funding options for Courtenay similar to the BC Hydro solar project in Alert Bay

12.00 BYLAWS

For First and Second Readings

- 185 1. “Zoning Amendment Bylaw No. 2867, 2017”
(To amend Zoning Bylaw No. 2500, 2007 to permit a liquor store at 1599 Cliffe Ave)

For Final Adoption

- 187 2. “Council Remuneration Bylaw No. 2878, 2017”
(To provide for the payment of Annual Remuneration to the Mayor and Councillors of the Corporation of the City of Courtenay)

For Third Reading and Final Adoption

- 189 3. “Zoning Amendment Bylaw No. 2875, 2017 ”
(To amend Zoning Bylaw No. 2500, 2007 – Pay Parking in the PA3 and PA4 Zones)

13.00 ADJOURNMENT



STAFF REPORT

To: Council
From: Chief Administrative Officer
Subject: Terms of Reference – “Courtenay Canada Day Commission”

File No.: 0550-20
Date: April 18, 2017

PURPOSE:

The purpose of this report is to provide draft Terms of Reference (ToR) to Council for discussion and direction on creation of a “Courtenay Canada Day Commission”.

CAO RECOMMENDATIONS:

That based on the April 18, 2017 staff report “Terms of Reference – Courtenay Canada Day Commission”, the Council adoption OPTION 1 and hereby create the Courtenay Canada Day Commission; and
That the attached Terms of Reference guides the functioning of the Commission; and
That commission membership will be assigned by Council as per the Terms of Reference.

Respectfully submitted,

David Allen, BES, CLGEM, SCLGM
Chief Administrative Officer

BACKGROUND:

The Canada Day celebrations are a Courtenay tradition that has been historically run by a dedicated group of volunteers. The existing independent committee has operated without the structure of government or non-profit status. For this reason, volunteers have been exposed to undue risk by using their personal names for grant applications and insurance forms as examples.

With the creation of this Council approved commission the event organizers will benefit from municipal status, resources, and policy structure. Through the proposed committee, an event budget will be approved, and expenses will be tracked according to municipal procedures.

DISCUSSION:

The planning for the 2017 Canada Day event is accelerating as July approaches. The current committee is comprised of core members and volunteers that represent specific elements of the event. There are up to 31 members on the attendance list. Councillor Hillian has been appointed as a liaison to the existing independent committee. Staff recommends that this committee will benefit from a formal structure, however moderated change is appropriate during this advanced stage of event planning.

To this end, it's recommended that the existing committee is formalized as a commission of council with the following two mandates:

1. To complete the planning of the 2017 Canada Day event.
2. To work with staff to make recommendations on the permanent formal structure of the event planning team after the completion of the 2017 Canada Day event.

Through this process the existing volunteers can be involved in a meaningful collaborative process to determine the future structure of the planning team.

The creation of this commission will bring together council's strategic priorities of investing in volunteers as well as organizational excellence. Oversight of the commission activities will continue to lie with the Recreation and Cultural Services Department through the direct work of the Special Events Coordinator.

The formation of this commission will be executed in through the following steps:

- Council consideration of the recommendation to form the commission as proposed.
- Council will consider appointing 7 members of the existing committee to the commission.
- The Mayor will consider the recommendation to appoint a council representative to the new commission.

FINANCIAL IMPLICATIONS:

The proposed budget is formulated by the Recreation and Cultural Services Department to reflect the existing gaming grant, existing staff service levels and the procurement of goods and services. With the creation of the commission, insurance costs will be reduced substantially through the Municipal Insurance Association.

ADMINISTRATIVE IMPLICATIONS:

The administrative burden of the commission will be greater than the former structure. The Director of Recreation and Cultural services will work with the Director of Corporate Services to ensure Community Charter and Procedure Bylaw requirements are met. This will include the procurement procedures as well as the publication of agendas, public notifications, minutes, and council reporting.

ASSET MANAGEMENT IMPLICATIONS:

The new commission will consider appropriate service levels as they become more familiar with municipal processes. The budget is based on existing service levels, however with the Canadian 150 year celebrations, the commission will establish an appropriate approach to this celebration.

STRATEGIC PRIORITIES REFERENCE:

We value and recognize the importance of our volunteers, and will focus on organizational and governance excellence.



- **Area of Control**
The policy, works and programming matters that fall within Council's jurisdictional authority to act.
- ▲ **Area of Influence**
Matters that fall within shared or agreed jurisdiction between Council and another government or party.
- **Area of Concern**
Matters of interest outside Council's jurisdictional authority to act.

We invest in our key relationships

- We will actively engage with our Kómoks First Nation neighbours on issues of mutual interest and concern
- We will advocate and cooperate with other local governments and senior governments on regional issues affecting our city
- We value and recognize the importance of our volunteers.
- We will continue to engage and partner with service organizations for community benefit

We will focus on organizational and governance excellence

- We support and encourage initiatives to improve efficiencies
- We support meeting the fundamental corporate and statutory obligations
- We recognize staff capacity is a finite resource
- Communication with our community is a priority, and will be considered in all decisions we make
- We will responsibly provide services at a level which the people we serve are willing to pay

OFFICIAL COMMUNITY PLAN REFERENCE:

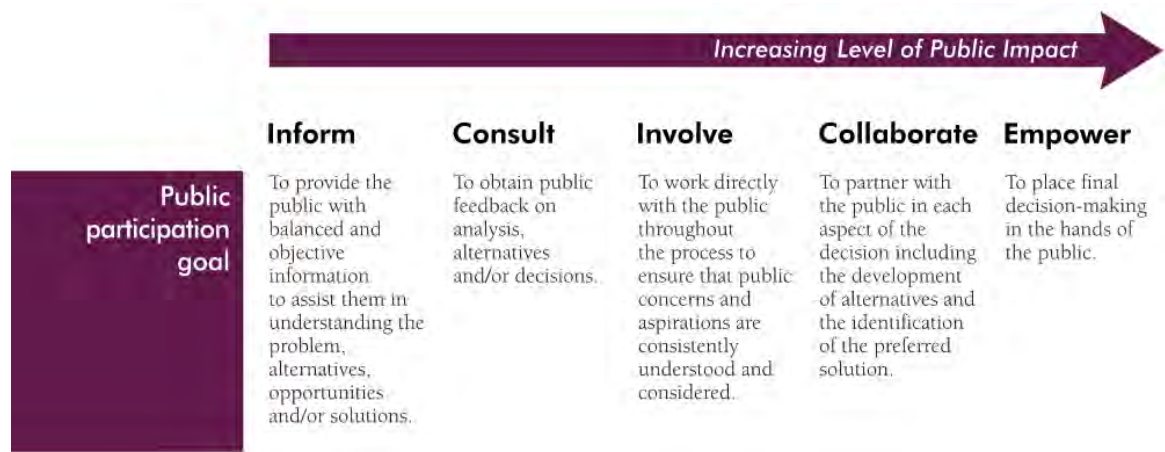
No specific reference

REGIONAL GROWTH STRATEGY REFERENCE:

No specific reference

CITIZEN/PUBLIC ENGAGEMENT:

Staff have **consulted** with the existing July 1st Committee in the development of this report as identified in the *IAP2 Spectrum of Public Participation*.



OPTIONS:

1. Council create the Courtenay Canada Day Commission; and

Approve the attached Terms of Reference to guide the functioning of the commission; and
The commission membership be assigned by Council as per the Terms of Reference.

2. That Council refer this item back to staff for further consideration
3. That Council takes no action on this matter at this time.

Prepared by:



Dave Snider *BCSLA*

Director of Recreation and Cultural Services

Attachments:

1. Terms of Reference – Courtenay Committee on Canada Day Celebrations



TERMS OF REFERENCE

To: Chairperson and Committee Membership

File No.: 0550-20

From: Chief Administrative Officer

Date: April 18, 2017

Subject: Terms of Reference (ToR) – “Courtenay Canada Day Commission”

PURPOSE:

By appointment of Council, the “Courtenay Canada Day Commission” is created to advise Council on matters which involve planning and coordinating the events of the ongoing City’s Canada Day Celebrations.

ROLE:

The “Courtenay Canada Day Commission” is created for two key purposes:

1. To oversee the planning of the Courtenay Canada Day event. This includes working with staff and an appointed Councillor to ensure that the event complies with applicable policies and achieves Council objectives.
2. To work with staff to make recommendations to Council on the ongoing structure of the event leadership team as well as matters that may be desired by Council and assigned to the Commission.

This commission is created under the authority of s. 143 of the *Community Charter*. This provides that:

143 (1) A council may establish and appoint a commission to do one or more of the following:

- (a) operate services;
- (b) undertake operation and enforcement in relation to the council's exercise of its authority to regulate, prohibit and impose requirements;
- (c) manage property and licences held by the municipality.

The role and operations of the Canada Day Celebrations Commission shall be governed by Policy #0550.00.02 Boards, Committees and Commissions.

As defined in Policy #0550.00.02 Boards, Committees and Commissions:

The minutes of all boards, committees, and commissions are to be recorded and shall be forwarded to the Clerk to be considered at the next Council or Standing Committee or Committee of the Whole meeting for action or information.

MEMBERSHIP AND STRUCTURE:

The Chair of the Commission will be appointed by the Commission who will be supported by the Director of Recreation and Cultural Services who will be responsible to the CAO for all Corporate requirements via the Directors of Corporate Services, Financial Services and Public Works Services.

The commission will consist of seven members appointed by Council, and in accordance with the Procedure Bylaw:

- Chairperson (Commission member);
- An appointed Councillor

COMMISSION PROCEDURE:

Coordination of administrative and technical support to the commission will be provided as appropriate by the Director of Recreational and Cultural Services and may be delegated to the applicable staff member(s) as prove to be most efficient and effective to advancing the mandate of the Commission.

The Chairperson, or in his or her absence the Deputy Chairperson, is responsible to ensure procedural compliance in accordance with the *Community Charter* and *Council Procedure Bylaw No. 2730*.

TIME, PLACE AND NOTIFICATION OF MEETINGS:

Meetings will comply with "Part 4, Division 3 – Open Meetings," of the *Community Charter*. At the first meeting after its establishment, the Commission will appoint a Chairperson, will establish a regular schedule of meetings and provide notice to the public in accordance with the *Council Procedure Bylaw No. 2730 – Part 9 - Commissions*.

PART 9 - COMMISSIONS

Schedule of Commission meetings

1. (1) At its first meeting after its establishment, a commission must establish a regular schedule of meetings.
- (2) The Chair of a Commission may call a meeting of the Commission in addition to the scheduled meetings or may cancel a meeting.

Notice of Commission meetings

2. (1) Subject to subsection (2), after the Commission has established the regular schedule of Commission meetings, including the times, dates and places of the Commission meetings, notice of the schedule must be given by:
 - (a) posting a copy of the schedule at the Public Notice Posting Places; and
 - (b) providing a copy of the schedule to each member of the Commission.
- (2) Where revisions are necessary to the annual schedule of the Commission meetings, the Corporate Officer must, as soon as possible, post notice at the Public Notice Posting Places which indicates any revisions to the date, time and place for cancellation of a Commission meeting.

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- (3) The Chair of a Commission must cause a notice of the day, time and place of a meeting called under section 56(2) to be given to all members of the Commission at least 24 hours before the time of the meeting.

Minutes of Commission meetings to be maintained and available to the public

3. Minutes of the proceedings of a Commission must be:
- (a) legibly recorded;
 - (b) certified by the *Corporate Officer*
 - (c) open for public inspection at City Hall during regular office hours

Quorum

4. The quorum of a Commission is a majority of all of its members.

Respectfully submitted,



David Allen, BES, CLGEM, SCLGM
Chief Administrative Officer



STAFF REPORT

To: Council
From: Chief Administrative Officer
Subject: Human Resources Action Plan 2017

File No.: 0505-20
Date: Date April 18, 2017

PURPOSE:

To provide background information to Council for resolving the present staffing capacity shortfall and describe how it can be accomplished in the 2017-2021 Five-Year Financial Plan within existing means. Specifically:

1. Meet Council's Strategic Priorities and Policy to adopt "Sustainable Service Delivery" as an organization-wide practice;
2. Identify/develop competencies needed to achieve "Sustainable Service Delivery" (COMPLETE);
3. Identify department realignment to achieve "Sustainable Service Delivery" (COMPLETE);
4. Identify Courtenay Growth from 2001-2016 was 43.1%;
5. Identify Courtenay Staff Growth during the same period was 27.2%;
6. Identify positions necessary to substantially close the capacity gap; and
7. Demonstrate it can be accomplished without increases to taxes or fees.

POLICY ANALYSIS:

Council has adopted two key policies that relate to the issues addressed in this staff report.

1. City of Courtenay 2016 – 2018 Strategic Priorities

<p>We proactively plan and invest in our natural and built environment</p> <ul style="list-style-type: none">● Continued focus on asset management for sustainable service delivery● Focus on infrastructure renewal rather than upgrades● Continued support for social, economic and environmental sustainability solutions▲ We look for regional infrastructure solutions for shared services to our community	<p>We focus on organizational and governance excellence</p> <ul style="list-style-type: none">● We support and encourage initiatives to improve efficiencies● We support meeting the fundamental corporate and statutory obligations● We recognize staff capacity is a finite resource● Communication with our community is a priority, and is considered in all decisions we make● We responsibly provide services at a level which the people we serve are willing to pay
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2. Excerpt from “Council Policy on Asset Management” (June 2015)

“Sustainable Service Delivery ensures that current community services are delivered in a socially, economically and environmentally responsible manner that does not compromise the ability of future generations to meet their own needs.

Sound Asset Management practices enable Sustainable Service Delivery by integrating community values, priorities and an informed understanding of the trade-offs between risks, costs and services.

The City’s Sustainable Service Delivery needs will be met by ensuring adequate provision is made for the long-term planning, financing, operation, maintenance, repair, renewal, upgrade, replacement and disposal of capital assets by:

- e) *Ensuring necessary capacity and other operational capabilities are provided and Asset Management responsibilities are effectively allocated;*
- f) *Creating a corporate culture where all employees play a part in overall care for City assets by providing necessary awareness, training and professional development; and*

CAO RECOMMENDATIONS:

That based on the April 18th 2017 staff report “Human Resources Action Plan 2017”, Council approve OPTION 1 and direct staff to include funding for the addition of 12 new staff positions in the 2017 – 2021 Financial Plan; and

That in recognition of the need to openly and effectively communicate the importance of addressing the staffing capacity gap, to maintain current levels of services in the face of significant growth;

Council approve, publicly release and disseminate the information contained in “Message for Courtenay Council, April 12, 2017”, as attached to this report.

Respectfully submitted,



David Allen, BES, CLGEM, SCLGM
Chief Administrative Officer

BACKGROUND:

“Sustainable Service Delivery ensures that current community services are delivered in a socially, economically and environmentally responsible manner that does not compromise the ability of future generations to meet their own needs.”

This statement is the first sentence from Council's "Asset Management Policy" (adopted June 14, 2015, Policy #1670.00.02) and paraphrases the introduction to "Asset Management for Sustainable Service Delivery – A BC Framework" (both attached).

Sound Asset Management practices enable Sustainable Service Delivery by ensuring the most cost effective means of acquiring and caring for the wide array of tangible capital assets used to deliver the City's services. Courtenay's assets include, but are not limited to, several hundreds of millions of dollars in transportation networks; water distribution and stormwater and sewage collection networks; IT/GIS technology systems; recreational equipment; registered/unregistered fleet; flood protection works; lands; parks; greenways and buildings/facilities. The cost of providing these assets is very high, but it has become widely accepted that only about 20% of the full lifecycle costs incurred actually pay for the acquisition, depreciation and renewal of the assets needed to sustainably deliver our services.

By far the bulk of our efforts (about 80%) are applied to administering to, maintaining and operating the in-service assets that deliver the suite of services chosen by Council and the public. Doing that badly causes in-service failures, excessive reactionary costs and damage to the City's reputation as a local government service provider. **The most expensive component of caring for capital assets is capacity: the combination of requisite skills spread amongst the correct number of people capable of keeping the assets in service.** In recent years the Government of Canada, the Federation of Canadian Municipalities, the Province of BC, the Union of BC Municipalities and the BC Auditor General for Local Government have all acknowledge the need for us to build capacity and are providing financial support in various ways, but it is in the form of funds for training, not funding for more people. That is left to us.

Courtenay has grown substantially over the past dozen and a half years. This was recently recognized and we have made much progress training a substantial variety of staff in sound asset management practices and have made extensive use of senior government financial support. However, the number of people needed to care for our assets and the services they support has not kept pace with the City's growth over the same period and this is one of the greatest impediments to achieving the aim of Sustainable Service Delivery.

DISCUSSION:

STAFF CAPACITY – COMPETENCIES

As part of the Asset Management Policy, Council acknowledged the *Community Charter* responsibility of a municipality to provide for the "stewardship of the public assets of its community" and directed that the City's asset management practices conform to the International Infrastructure Management Manual and its supplementary Practice Notes (the only existing asset management methodology that already meets the new ISO 5500/5501/5502 Asset Management standard adopted in February 2014). This meant that the needed City staff competencies would align with the established Australian "National Asset Management Strategy (NAMS)" and also that off-the-shelf training adapted to a Canadian audience was readily available. This was aggressively pursued over the past two years (with the bulk of it funded by senior government grants) yielding the following results:

Training Type	Purpose	Number	Audience
NAMS 3-day Workshop	Introductory teaching of NAMS sustainable asset management pathway including asset registers, condition assessment, risk, demand, maintenance and renewal practices and long-term financial planning	33 staff over three workshops	All department heads plus those responsible for funding, design, renewal, operations and maintenance of tangible capital assets
NAMS International Professional Certificate in Asset Management Planning	4-month Advanced NAMS on-line training emphasizing organization-wide long-term capital renewal and financial planning (approximately 200 hours) – a world leading certification	3 complete plus 2 on course this term	Senior staff responsible for leading NAMS practitioners and recommending high-level corporate and policy decision making (practices and budgeting)
Level of Service 2-day Workshop	Develop necessary skills to interpret demand and identify technical and community Level of Service (LoS) – acknowledges that LoS decisions do not rest with staff, but with Council and the public	16 staff in a single workshop	All department heads and managers responsible for developing operating, maintenance and capital budgets and the related workplans
Building a Business Case 1-day Workshop	To teach department heads and applicable staff the most effective means to evaluate a problem or opportunity and to research and substantiate a recommendation to change a LoS in a Sustainable Service Delivery system	33 staff over three workshops	Senior staff and managers plus selected directors from not-for-profit providers of City services
2-day Communications and Media Relations Training Workshop	Based on Council’s adopted Strategic Priorities and Asset Management Policy, improve the City’s capacity to make LoS decisions through public engagement and modern communications techniques and to that end, develop a City Communications Policy	13	Council members, all senior staff and the Manager of Communications

With the exception of refresher training and some new training needed due to attrition, it is reasonable to state that *within existing resources* the competency component of City staff capacity has achieved the standard necessary to practice an introductory level of NAMS. Very, very few Canadian communities can make this claim.

STAFF CAPACITY – NUMBERS (PHASE 1: REALIGNMENT)

Over the past several years federal Gas Tax grants have been used to further asset management practices by funding numerous capital asset condition assessments (roads evaluations, CCTV pipe inspections, energy audits, buildings/land/parks/trails inventories, etc.). To assure Sustainable Service Delivery, we had to gain a new and far more intimate knowledge of:

- what capital assets we own and where they are;
- what they’re worth depreciated to today;
- their continued suitability for purpose and remaining service life; and
- the amount necessary to maintain the intended service(s) in a sustainable fashion.

As knowledge of NAMS practices accumulated, it was apparent that a form of ‘condition assessment’ of our staff was also necessary. In addition to developing competencies, the organizational structure and daily operations of our people were reviewed in great detail and aligned with the new practices. To meet this aim the City engaged INTERACTIONS HR Solutions Inc. to provide “practical, straightforward solutions to operationalizing asset management”. This objective was fully consistent with Council’s Strategic Priorities, its Asset Management Policy, the BC Framework, best practices recently published by the BC Auditor General for Local Government and the International Infrastructure Management Manual (the NAMS guide). The project involved working with all the management and staff of the departments of Recreation and Cultural Services, Development Services, Public Works Services and Engineering Services. The aims consisted of:

- Identifying the core business of each participating department;

- Establishing Accountability Frameworks defining the work performed the various staff members within each participating department; and
- Identifying efficiencies and opportunities to enhance productivity with the existing staff.

This was an unprecedented challenge as no model for operationalizing asset management existed in Canada and once complete the results required two fairly complex Phases to implement. The first Phase was to, within existing means and identified efficiencies, restructure the four affected departments. This was accomplished in 2016. It consisted mainly of re-purposing the departments and moving staff into the new resulting structures. Generally, the outcomes were as follows:

1. Recreation and Cultural Services (formerly Community Services) was restructured to better deliver its assigned services and was relieved of the many distractions associated with operating and maintaining buildings and facilities and parks/trails – it was reinvented, in effect, as a department focused on providing external services to the public, while becoming fully supported internally by other departments.

2. Development Services was restructured with an external, future focus on long-term community planning and facilitating growth from development (greenfield/infill/densification). Recognizing unique Engineering skills were interconnected with the future-oriented nature of the department – i.e. the statutory role of Approving Officer – an Engineer and Technologist were assigned for those purposes and to provide advanced awareness to Public Works Services of any new operating and maintenance obligations forthcoming from development. This change adapted Development Services into more of a ‘one stop shop’ for developers with improved external service delivery.

3. Public Works Services (PWS) was restructured to focus on the present. This was the most complex challenge as it entailed disaggregation of the former Engineering and Public Works Department into two plus the absorption of all operating and maintenance functions formerly under the Department of Recreation and Cultural Services. This made PWS responsible for nearly all in-service capital assets (less IT/GIS), regardless whether they are used to provide external services to the public or internal support services to other departments. Given the preponderance of activities are on administering to, operating and maintaining the assets delivering our services, the existing Asset Management Technical Services Division (renamed) was relocated to PWS from Engineering Services.

4. Our public service Engineers were assigned two challenges: one future tense, the other past. First, informed of growth scenarios by Development Services, the Engineering Department was refocused on devising medium- and long-term master plans to model capacity and continued suitability to meet those scenarios with our various linear services networks (roads, water, sewer and stormwater). It became possible then to react to and forewarn Asset Management Technical Services Division of needed network changes to support actual rather than perceived development. The second challenge was to become effective capital infrastructure renewal managers who creatively adapt new techniques and standards to the historical built environment. This is an advanced asset management principal intended to substantially reduce the disruptions and costs of community-wide renewal of the already built environment.

This Phase of the organizational and operations ‘condition assessment’ allowed for the improvements noted and also identified latent opportunities for further efficiencies. While investigating the core functions and performance of these four departments, a pattern of redundant internal support services was discovered. This proved to be consuming specialized professional capacity for purposes of records

management, financial management, IT/GIS, Purchasing, Human Resources and Communications – all internal support services that should be provided by others whom are themselves professionals in their fields. Therefore, the ‘condition assessment’ of staffing and structure was expanded to include these other corporate (internal) service departments to see if bolstering them would release specialized professional capacity amongst the external service delivery departments. This proved to be true because, as the City grew, the number of people expected to provide these internal services did not.

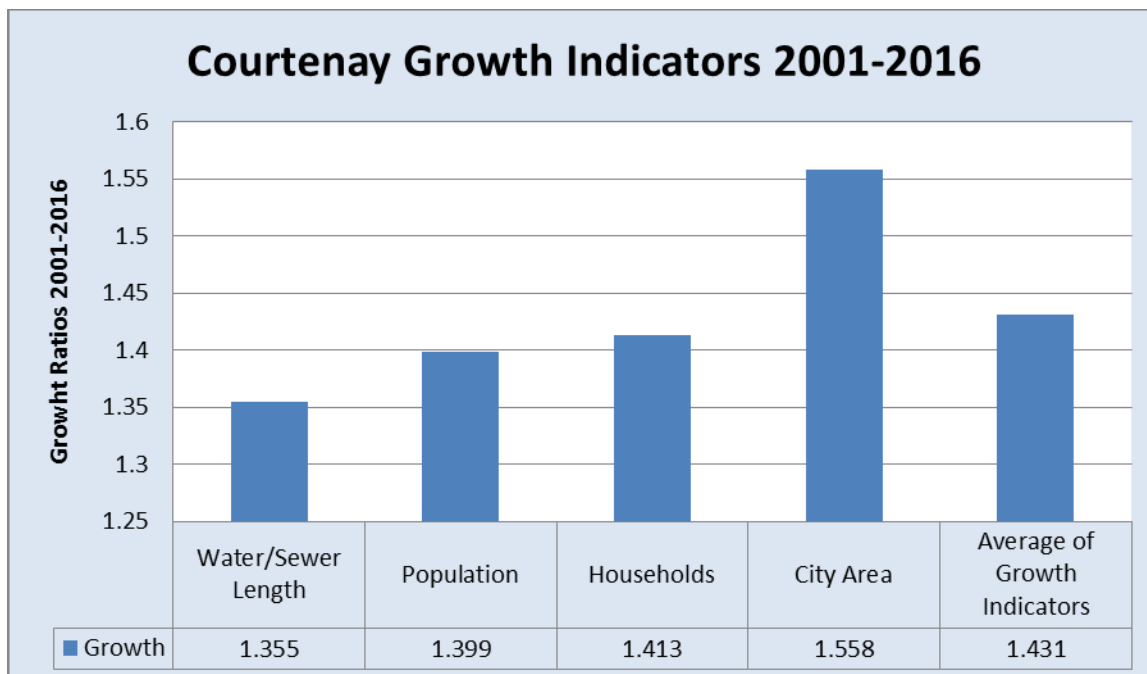
While the first Phase of this evaluation and its implementation proved disruptive and challenging, it did successfully align the organizational and structural focus with sound asset management practices. This Phase also allowed for the newly adopted competencies to be increasingly expressed in frontline external service delivery to the public.

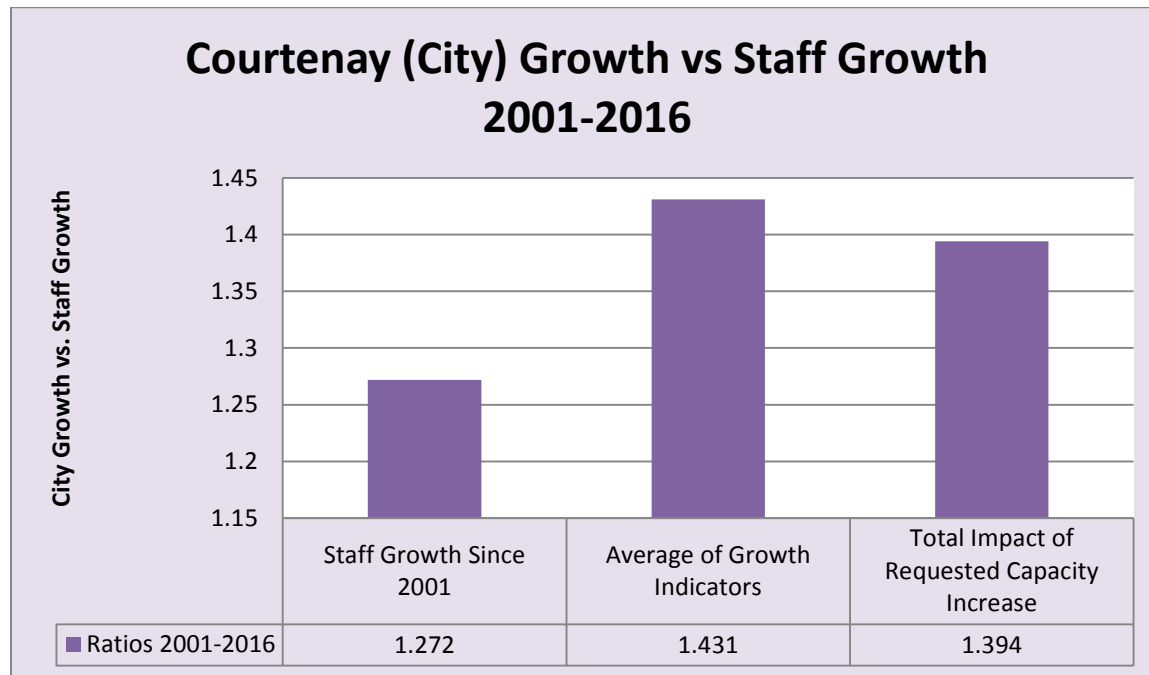
STAFF CAPACITY – NUMBERS (PHASE 2: CLOSING THE GAP)

The second Phase of evaluation – broadened to include Corporate Services, Financial Services and Human Resources – led to several startling conclusions. First, the type of internal core functions of these departments have generally remained static, but the complexity and the magnitude of new externally imposed obligations has increased phenomenally. Second, the existing and newly developed competencies are the correct ones to complete the tasks, including those required to adapt to the principles of asset management and sustainable service delivery. However, the number of support services people is simply insufficient to meet the volume of new statutory and community demands, hence, provision of internal support services has been stifled. This is what led to the duplication of support services within the external service delivery departments and the very inefficient use of their very specialized professional time.

Therefore, it was determined that operationalizing asset management to achieve Sustainable Service Delivery depended upon an organization-wide effort involving all departments. So, the number of people needed to care for our assets is not exclusive to those who deliver services directly to the public. Externally imposed new demands (i.e. statutory and involuntary Level of Service changes) and the City’s growth over the past dozen and a half years have had a large negative impact on the capacity of all departments.

The following tables demonstrate the various indicators of growth and their average total impact. They also demonstrate the staff growth compared to the City’s growth and shows the impact of staffing changes that would begin to fill the existing gap.





Metric	Water/Sewer Length	Population	Households	City Area	Average of Growth Indicators
2001	126.5 + 113.1 = 239.6 km	18,304	7,995	2,165 ha.	
2016	170.5 + 154.1 = 324.6 km	25,599	11,295	3,372 ha.	
Rate of Change	1.355	1.399	1.413	1.558	5.725/4 = 1.431
Percent Growth	35.5%	39.9%	41.3%	55.8%	43.1%
Source	City GIS	Census Canada	Census Canada	City GIS	

Metric	Staff Growth (full & part time)	Total Impact of Filling Staff Gap	Average of Growth Indicators
2001	99	99	
2016	126	138	
Rate of Change	1.272	139.4	5.725/4 = 1.431
Percent Growth	27.2%	39.4%	43.1%
Source	City HR	City HR	Census Canada/GIS

In sum, since 2001 the City has grown by 43.1%. The number of City staff delivering the City’s services has increased by only 27.2% during that same period and the 2017-2021 Five-Year Financial Plan contains an adjustment that would close the existing gap to a conservative 39.4% difference.

FUNDING THE CAPACITY SHORTFALL

The following table provides the anticipated new costs (wages and benefits) of filling the capacity gap at the 39.4% level as described above. Wages are based on existing rates within the Collective Agreement and the Salaries are based on comparable exempt positions on the basis of like-for-like work and level of responsibility. The total number of new positions is 12 plus one promotion to a managerial position without backfill. Nine of the 12 positions are non-management positions.

Department	Position	Wages/Salaries/ & Benefits
Legislative & Corporate Services	HR Coordinator – Recruitment (Exempt)	\$82,000
Legislative & Corporate Services	Department Clerk (Unionized)	\$69,000
Legislative & Corporate Services	Manager of Business Performance (Exempt)	\$110,976
Legislative & Corporate Services	Strategic Business Analyst (Exempt)	\$106,406
Financial Services	Finance Clerk (Unionized)	\$71,770
Financial Services	Finance Cashier (Unionized)	\$70,343
Financial Services	Payroll Clerk – Unionized Payroll (Exempt)	\$76,500
Public Works Services	Gardener 1 (Horticulture) (Unionized)	\$91,355
Recreation & Cultural Services	Assistant Manager – Sports & Fitness (Exempt)	\$81,000
Development Services	Office Supervisor (Unionized)	\$77,200
Development Services	Engineering Technologist (Unionized)	\$82,300
Development Services	Planner II – Policy Planner (Unionized)	\$86,300
Development Services	Manager of Building Services (Re-designate an existing Inspector to Manager)	\$15,100

The total cost of filling the capacity gap for the 2017 and 2018 fiscal years will be less than half of the existing 2016 total surplus of \$4,036,000. Therefore, **filling the capacity gap to this modest extent can be readily accomplished without increased fees or taxation for up to four years, regardless of new revenue from future growth or real or perceived benefits from efficiencies accrued from the new capacity.**

TIME HORIZON

One of the tasks assigned to INTERACTIONS HR Solutions Inc. was to devise a prioritized Human Resources Action Plan that would facilitate the best sequencing of recruiting to compliment the ability of the organization to absorb new staffing from structural, workflow and social perspectives. So, the new Human Resources Coordinator – Recruitment is identified as the first position to be filled and that will take until well into the second fiscal quarter to accomplish. Therefore, recruiting/filling the remaining positions should not be expected to occur until the third and fourth fiscal quarters in the very best of circumstances. Consequently, the impact of the costs will be only fractionally felt by the end of 2017. See “FINANCIAL IMPLICATIONS” below.

FINANCIAL IMPLICATIONS:

2018: Assuming full recruitment by the first quarter of 2018, the total annual wages and salary impact will be \$1,020,250.

2017: the 2017-2021 Five-Year Financial Plan contains a single expenditure of \$500,000 to accommodate capacity adjustments in 2017, but due to the time necessary to undertake recruiting, selection and arrival

of new staff members, it is extremely unlikely this full amount will be expended. Regardless, 2016 surplus is sufficient to fund any 2017 AND 2018 costs, and at least two years beyond without new revenue sources.

ADMINISTRATIVE IMPLICATIONS:

As part of their work, INTERACTIONS HR Solutions Inc. will provide change management services to minimize disruptions to existing services and staff while the new circumstances are met. Additionally, the allocation of physical space to absorb these changes is part of on-going efforts to re-purpose and maximize the use of existing City-owned facilities within the anticipated time horizon.

ASSET MANAGEMENT IMPLICATIONS:

Excerpt from "Council Policy on Asset Management" (June 2015)

"Sustainable Service Delivery ensures that current community services are delivered in a socially, economically and environmentally responsible manner that does not compromise the ability of future generations to meet their own needs.

Sound Asset Management practices enable Sustainable Service Delivery by integrating community values, priorities and an informed understanding of the trade-offs between risks, costs and services.

The City's Sustainable Service Delivery needs will be met by ensuring adequate provision is made for the long-term planning, financing, operation, maintenance, repair, renewal, upgrade, replacement and disposal of capital assets by:

- e) *Ensuring necessary capacity and other operational capabilities are provided and Asset Management responsibilities are effectively allocated;*
- f) *Creating a corporate culture where all employees play a part in overall care for City assets by providing necessary awareness, training and professional development; and*
- g) *Providing those we serve with services and levels of service for which they are willing to pay."*

STRATEGIC PRIORITIES REFERENCE:

We focus on organizational and governance excellence

- We support and encourage initiatives to improve efficiencies
- We support meeting the fundamental corporate and statutory obligations
- We recognize staff capacity is a finite resource
- Communication with our community is a priority, and is considered in all decisions we make
- We responsibly provide services at a level which the people we serve are willing to pay

We proactively plan and invest in our natural and built environment

- Continued focus on asset management for sustainable service delivery
- Focus on infrastructure renewal rather than upgrades
- Continued support for social, economic and environmental sustainability solutions
- ▲ We look for regional infrastructure solutions for shared services to our community

OFFICIAL COMMUNITY PLAN REFERENCE:

No reference.

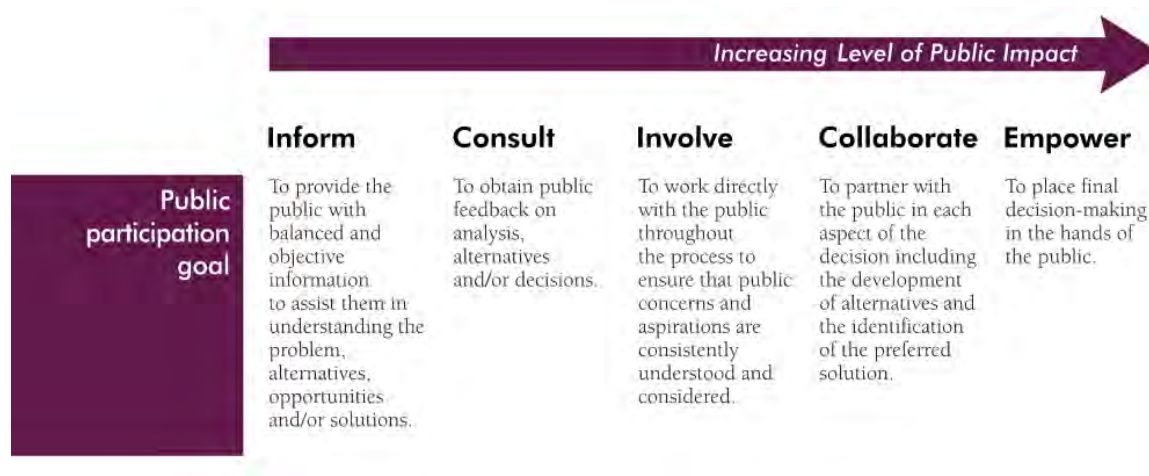
REGIONAL GROWTH STRATEGY REFERENCE:

No reference.

CITIZEN/PUBLIC ENGAGEMENT:

Staff and Council would **Inform** the public based on the IAP2 Spectrum of Public Participation:

http://c.ymcdn.com/sites/www.iap2.org/resource/resmgr/imported/IAP2%20Spectrum_vertical.pdf



See attached message from Christina Benty of Strategic Leadership Solutions regarding public engagement and key messages to demonstrate the need for this initiative.

OPTIONS:

OPTION 1:

That based on the April 18th 2017 staff report “Human Resources Action Plan 2017”, Council approve OPTION 1 and direct staff to include funding for the addition of 12 new staff positions in the 2017 – 2021 Financial Plan; and

That in recognition of the need to openly and effectively communicate the importance of addressing the staffing capacity gap, to maintain current levels of services in the face of significant growth;

Council approve, publicly release and disseminate the information contained in “Message for Courtenay Council, April 18, 2017”, as attached to this report.

OPTION 2: Council determine some other level of additional staffing based on the staff report “Human Resources Action Plan 2017”, and direct staff to include this in the 2017-2021 Financial Plan.

OPTION 3: Council not approve additional staffing at this time.

Prepared by:

A handwritten signature in black ink, appearing to read 'David W. Love', with a long horizontal flourish extending to the right.

David W. Love, CD, BA, LGM(Dip), PCAMP
Senior Advisor, Strategic Initiatives

Attachments:

1. *City of Courtenay Asset Management Policy, June 15th 2015*
2. *Asset Management for Sustainable Service Delivery – A BC Framework*
3. *Message for Courtenay City Council, April 12, 2017*

Section: 5 - Finance	Policy # 1670.00.02
Subject: Asset Management Policy	Revision #

PURPOSE

This Policy sets guidelines for implementing organization-wide Asset Management processes to meet the asset-intensive Sustainable Service Delivery needs of the City.

POLICY

Sustainable Service Delivery ensures that current community services are delivered in a socially, economically and environmentally responsible manner that does not compromise the ability of future generations to meet their own needs.

Sound Asset Management practices enable Sustainable Service Delivery by integrating community values, priorities and an informed understanding of the trade-offs between risks, costs and services.

The City’s Sustainable Service Delivery needs will be met by ensuring adequate provision is made for the long-term planning, financing, operation, maintenance, repair, renewal, upgrade, replacement and disposal of capital assets by:

- a) Ensuring that Courtenay’s capital assets are provided in a manner that respects cultural, economic and environmental sustainability;
- b) Meeting all relevant legislative and regulatory requirements;
- c) Demonstrating transparent and responsible Asset Management processes that align with demonstrable best-practices;
- d) Implementing sound Asset Management plans and strategies and providing sufficient financial resources to accomplish them;
- e) Ensuring necessary capacity and other operational capabilities are provided and Asset Management responsibilities are effectively allocated;
- f) Creating a corporate culture where all employees play a part in overall care for City assets by providing necessary awareness, training and professional development; and
- g) Providing those we serve with services and levels of service for which they are willing to pay.

AUTHORIZATION: 	DATE: June 15, 2015
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Section: 5 - Finance	Policy # 1670.00.02
Subject: Asset Management Policy	Revision #

SCOPE

This policy applies to all City of Courtenay departments, officers, employees and contractors.

RELATED DOCUMENTS

- a) *Community Charter* s. 7(c) [Municipal purposes] “The purposes of a municipality include providing for stewardship of the public assets of its community”;
- b) City of Courtenay Official Community Plan (OCP);
- c) The “Regional Context Statement” of the OCP;
- d) “Asset Management for Sustainable Service Delivery: A BC Framework”; and
- e) “International Infrastructure Management Manual, International Edition, 2011” and its supplementary Practice Notes.

RESPONSIBILITY

City of Courtenay council members are responsible for adopting policy and ensuring that sufficient resources are applied to manage the City’s capital assets.

The Chief Administrative Officer has responsibility for Asset Management plans, strategies and procedures as well as reporting to Council on the effectiveness of Asset Management practices and their outcomes. Asset Management activities may be assigned or delegated internally at the discretion of the Chief Administrative Officer.

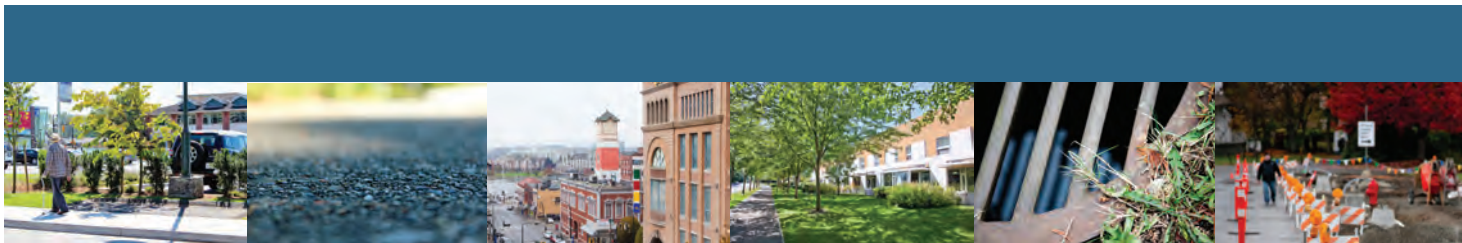
REVIEW DATE

This policy has an intended life of 4 years, or less, at the discretion of sitting Council of-the-day.

AUTHORIZATION: 	DATE: June 15, 2015
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Asset Management for Sustainable Service Delivery

A BC Framework



Sustainable Service Delivery

Sustainable Service Delivery ensures that current community service needs, and how those services are delivered (in a socially, economically and environmentally responsible manner), do not compromise the ability of future generations to meet their own needs. Communities build and maintain infrastructure to provide services. These services support our quality of life, protect our health and safety, and promote social, economic and environmental well-being. Failure to care for our infrastructure, manage our natural resources and protect the benefits provided by nature risks degrading, or even losing, the services communities enjoy, and that future generations may rely on.

Sound asset management practices support Sustainable Service Delivery by considering community priorities, informed by an understanding of the trade-offs between the available resources and the desired services.

Asset Management

Asset Management is an integrated process, bringing together skills, expertise, and activities of **People**; with **Information** about a community's physical **Assets**; and **Finances**; so that informed decisions can be made, supporting Sustainable Service Delivery.



The Core Elements

People, Information, Assets, and Finances are considered the core elements of asset management. Each of these elements is necessary for sustainable service delivery. Success requires the integration of these four elements throughout the **Process** of asset management.



People

Asset management is a corporate function. Local governments that successfully implement asset management have staff and elected officials who; understand the need for asset management and support its implementation, are effective leaders, have a culture of inter-disciplinary teamwork, value informed decision making, and continuously develop their skills, experience and capacity.



Information

Information is needed to support decisions that are cost effective, manage risks, and support long-term service delivery. The quality of information, information collection and dissemination can evolve over time to support informed decision-making.



Assets

The physical infrastructure owned by local governments to enable service delivery including, but not limited to; water and wastewater systems, drainage and flood protection systems, transportation systems, civic facilities, parks and fleet. It may also include natural resources and the essential ecological functions nature provides.



Finances

A holistic understanding of the long-term costs of providing services and the infrastructure required is a critical element of asset management. Proactive asset management will yield fewer service disruptions, more predictable results and lower total lifecycle costs than a reactive approach to repair and replacement.

Asset Management: The Process

Asset management is a **continuous quality improvement process**. This ongoing **Process** is **incremental** and **scalable**, involving; **Assessing** capacity, demand and results, **Planning** what needs to be done, and **Implementing** the plans. This continually informs how to enhance and expand the **Process**.

Review, Communicate and Engage

Integral to, and throughout the asset management **Process**, it is important to include regular **reviews** and provide effective **communication** internally and externally with all affected stakeholders. Internally, it is critical to develop organizational alignment and build knowledge/understanding prior to external **communication** and **engagement**. Educating and building awareness will improve the ability to implement asset management.

ASSESS

Assess Asset Management Practices

Determine organizational capacity to undertake asset management as an ongoing corporate function. This includes a high level assessment of all the core elements: **people, information, assets, and finances**. The assessment results serve as a foundation for developing and implementing the **Process**.

Assess the Current State of Assets

Assessing the current state of assets includes; knowing the inventory, asset conditions, both defined customer and technical levels of service and risks within each asset group. This assessment is the foundation for the development of **Asset Management Plans**.



PLAN

Asset Management Policy

A document that broadly outlines the principles and mandated requirements for undertaking asset management across the organization in a systematic and coordinated way, consistent with the organization's plans.

Asset Management Plan

Long-term plans that outline the assets, asset conditions, levels of service, asset and service risks, activities and programs for each service area and resources required to provide a defined level of service in the most cost effective way. Each Asset Management Plan is a readable and user-friendly living document that is continuously improved to incorporate new information or changing requirements.

Integrate to Long-term Financial Plan

Asset Management Plans are integral to a robust Long-Term Financial Plan and support **Sustainable Service Delivery**. This integration identifies gaps between long-term costs and available funding. The financial planning process identifies opportunities to close the gap through adjusting service levels (reducing costs) and/or increasing funding (raising revenue).

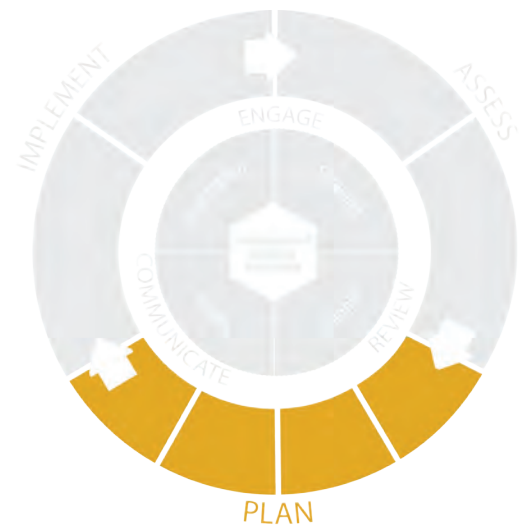
IMPLEMENT

Implement Asset Management Practices

Asset management practices establish and implement ways that integrate people, organizational culture and capacity. The implementation of these practices is guided by an **Asset Management Strategy** and the actions in **Asset Management Plans**.

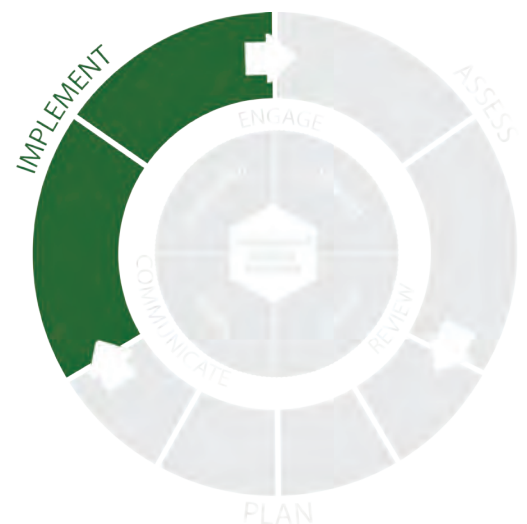
Measure and Report

Annual and financial reports include asset management objectives and outcomes identified in an **Asset Management Strategy** and **Asset Management Plans**. Reporting demonstrates measurable progress in implementing the **Process** and achieving outcomes that contribute to **Sustainable Service Delivery**.



Asset Management Strategy

The high-level, long-term approach to asset management, including **Asset Management Plans** and objectives for managing assets.





CHRISTINA BENTY
STRATEGIC LEADERSHIP SOLUTIONS

Message for Courtenay City Council, April 12, 2017

Dear Mayor and Council,

Thank you for the opportunity to assist you on your communications strategy for Council's Human Resources Action Plan. I applaud you for your strategic leadership and responsible stewardship for the services and the infrastructure that make your City awesome. My job is not to convince you of the rationale of your decision but to support you in developing some clear messaging to your citizens that support your rationale.

Local governments own, operate and maintain 60-65% of Canada's core public infrastructure and provide services that are 'infrastructure intensive'. Our communities rely on these services every day! Historically budget constraints and cost pressures have not allowed for all publically owned assets to be maintained at an optimum level of service. There is mounting evidence that the main risk to financial viability of our communities is both the cost of infrastructure to provide services and service levels that don't reflect fiscal capacity. In an ideal world, funding would be bountiful, and local government would be in a position to meet all its residents' expressed needs. In reality, the sources of income are limited to grants, fees and taxes, which in an attempt to keep reasonable, has led to a nation-wide deferral of investment into the infrastructure that provides key services to all citizens. We have to stop pretending there is no cost. You are taking the bold step to do just that!

Communication with residents is needed to build a better understanding of both service delivery realities and the inter-organizational pressures that accompany them. However, effective and meaningful communication is only possible when the limits and challenges of local government are rightly understood in the context of the broader government system. Your job, as elected officials, is to not only communicate with your residents, but to build their capacity through educational messages and intentional dialogue. The key is to clarify, not to justify.

You are the champion! You are the message!

Success depends on your backbone, not on your wishbone!

Objectives

Overall objectives

According to your strategic priorities for 2016-2018, asset management remains a priority for the City of Courtenay thereby demonstrating an ongoing commitment to maintaining the



CHRISTINA BENTY
STRATEGIC LEADERSHIP SOLUTIONS

financial health and providing for the long-term sustainability of the community. The overall objective is to maintain reliable, quality services, protect the health and safety of residents and extend the life of existing infrastructure in a cost effective manner.

Project objectives

The City of Courtenay experienced considerable growth for over a decade and a half. In order to adhere to an asset management strategy that is consistent with the City's strategic priorities, the staff capacity needs to be commensurate with the appropriate level of effort. The purpose of Council's Human Resources Action Plan is to fill the present capacity gap effectively and efficiently within the City's existing means. Public engagement is required to educate the residents and communicate the rationale for this commitment from council. The overall efforts will focus on creating both key messages, and a process to educate and inform stakeholders.

What does the public need to understand?

- That this Council is making a **Bold Investment**
- That this Council is exhibiting **Accountable Leadership**
- That this Council is demonstrating **Forward Thinking**
- That this Council is **Planning for the Future**
- That this Council is **Being Strategic and Acting Strategically**
- That this Council is committed to **Responsible Stewardship**
- That this Council will continue to **Enable a Robust Asset Management Focus**
- That this Council will provide their staff with the **Resources Needed to Achieve Council's Strategic Focus on Long-term Sustainable Service Delivery**

Key messages:

1. As we look to the future, it is important that we maintain the public's trust and inspire their confidence that tax dollars are being spent wisely and resources are being used appropriately. Since investing in infrastructure is one of the key responsibilities of this or any local government, Council is demonstrating the wise stewardship of public dollars that ensure infrastructure and service delivery needs are met with the appropriate staffing levels in a fiscally responsible manner.
2. Everything we do is about the long term sustainability of our built environment, and economic viability and prosperity for our current and future citizens. We are investing in the financial and the human capital to achieve our long term goals and objectives in a fiscally responsible manner.



CHRISTINA BENTY
STRATEGIC LEADERSHIP SOLUTIONS

3. The City of Courtenay provides a broad range of services to our residents. The infrastructure required to provide those services consumes significant time and human resources. Our human resources gap is impacting our ability to build a long-term strategy to deliver affordable and achievable levels of service. In response, this Council is taking a bold and strategic step to start addressing this challenge by investing in appropriate human resources because:
 - We want to maintain reliable, quality services for our residents
 - We want to protect the health and safety of our residents
 - We want to extend the life of our existing infrastructure for our residentsBy doing this now, we will save more in the future.
4. The City of Courtenay owns infrastructure that provides services to support a great quality of life, protect the health and safety of our residents, and promote social, economic and environmental well-being of our community. As your elected council, our role is to responsibly plan for the future. We will not put future generations at risk and compromise the ability of future generations to enjoy the same great quality of life by making short term decisions that could have a negative impact down the road.
5. In order to maintain reliable, quality services, protect the health and safety of residents and extend the life of existing infrastructure in a cost effective manner, the staff capacity needs to reflect the level of effort required for an asset management strategy that is consistent with the Council's strategic priorities.
6. By demonstrating strategic leadership and responsible stewardship, the City of Courtenay has made great strides towards addressing their infrastructure backlog, while still maintaining the quality of life our citizens and visitors expect and the services that sustain the local economy. In order to continue to make healthy and sound decisions about the use and care of our infrastructure to deliver services in the way that considers both current and future needs, we must invest in the appropriate level of human resources. It is this investment in our human assets that helps make our community a great place to live now and into the future.



CHRISTINA BENTY
STRATEGIC LEADERSHIP SOLUTIONS



CHRISTINA BENTY
STRATEGIC LEADERSHIP SOLUTIONS

Bio:

**Christina Benty, MA, Principal
Strategic Leadership Solutions**

Christina Benty, MA is the former Mayor of Golden. She retired after having served 12 years' in local government. She has over 16 years' experience on numerous policy governance boards spanning from health care, government, information technology, and community planning. She was a director on the Columbia Shuswap Regional District and President of the Association of Kootenay Boundary Local Governments.

In addition to her lived experience in the political arena, she studied political science for her undergrad and completed her Masters of Arts in Leadership at Royal Roads University with an organizational leadership project on community engagement and asset management for the Town of Golden. Christina considers herself an asset management evangelist and firmly believes that asset management is no longer a luxury for local governments who have time and resources to put toward the process; it is a necessity.



With a keen interest in governance and governance structures, Christina is passionate about leadership development, organizational culture, asset management and community engagement. She believes in the importance of cultivating boards and councils that lead by governing and not managing. After her wealth of time spent living (and mostly breathing) within the world of local government, she recognizes the need for relevant governance coaching and consulting. She recently launched a new business **Strategic Leadership Solutions** to assist teams in building a culture of excellence in leadership and governance. With a combination of applicable experience and formal education, she is a highly skilled problem solver able to address current and emerging issues, and create new systemic structures to increase organizational functionality.



STAFF REPORT

To: Council

File No.: 3060-20-1508

From: Chief Administrative Officer

Date: April 18, 2017

Subject: Extension of Development Permit with Variances No. 1508 - 2140 Lake Trail Rd.

PURPOSE:

The purpose of this report is for Council to consider an extension of an expired Development Permit with Variances for another twelve (12) months.

CAO RECOMMENDATIONS:

That based on the April 18, 2017 staff report "Extension of Development Permit with Variances No. 1508 – 2140 Lake Trail Rd." Council approve Option 1 and extend the permit for another 12 months.

Respectfully submitted,

David Allen, BES, CLGEM, SCLGM
Chief Administrative Officer

BACKGROUND:

Development Permit with Variances No. 1508 (DPwV 1508) was issued on September 11, 2015 following Council's approval. The permit states that if the permit holder does not substantially commence construction authorized within twelve months after the date it was issued, it lapses and must be re-issued. Although the applicant had been working with the City on subdivision and site servicing requirements, no construction works have occurred to date. Accordingly, the permit requires an extension in order for the applicant to proceed with the proposed development. The subject property is shown in the image to the right.

DISCUSSION:

The approved variances in the original development permit include reduction of building side yard setbacks as well as rear yard setbacks in relation to internal strata phasing lines. Upon completion, the



development will meet the required rear yard setbacks. The permit also provides conditions regarding multi-residential form and character in conformance with submitted architectural and landscape drawings, as well as environmental protection and restoration provisions regarding the re-alignment of a ditch and associated trail works.

The applicant is proposing no changes to the previously issued permit. Staff has not identified any technical issues with extending its validity for another year.

The original DPwV No. 1508 and the associated schedules are included in the report (**Attachment No.1**).

FINANCIAL IMPLICATIONS:

There are no direct financial implications related to the processing of development applications.

The applicant will be required to pay Development Cost Charges (DCCs) at the time of building permit approval for each unit created (currently \$12,205/unit). Building Permit fees will be calculated at time of building permit application, the present fee is \$7.50 per \$1000 of construction value.

Pursuant to the covenant entered into at the time of rezoning the applicant will be required to contribute \$500.00 for each unit built on the lands for the City’s Parks, Recreation, Cultural and Seniors Facilities Amenity Reserve Fund.

ADMINISTRATIVE IMPLICATIONS:

Staff have spent approximately 4 hours on the extension application for the Development Permit with Variances No. 1508. If approved, an additional hour of staff time will be required to close the file.

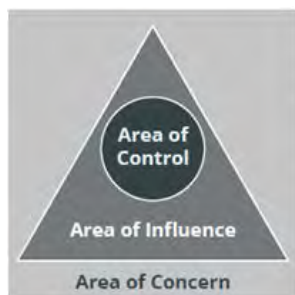
ASSET MANAGEMENT IMPLICATIONS:

There are no direct asset management implications associated with the proposed Development Permit with Variances application. Should the application proceed through to subdivision approval, the City will take on new road, park and municipal service assets.

The City acquires, through rezoning agreements, a small lot fronting on Lake Trail Road that is intended for affordable housing.

STRATEGIC PRIORITIES REFERENCE:

The proposed Development Permit with Variances supports Council’s strategic priority of supporting affordable housing within core settlement areas.



- **Area of Control**
The policy, works and programming matters that fall within Council’s jurisdictional authority to act.
- ▲ **Area of Influence**
Matters that fall within shared or agreed jurisdiction between Council and another government or party.
- **Area of Concern**
Matters of interest outside Council’s jurisdictional authority to act.

We support diversity in housing and reasoned land use planning

- Support densification aligned with community input and regional growth strategy
- Assess how city-owned lands can support our strategic land acquisitions and disposals
- ▲ Support initiatives and incentives to encourage lower cost housing
- Proactively pursue housing diversity and advocate for senior government support

OFFICIAL COMMUNITY PLAN REFERENCE:

The proposed development is consistent with OCP policy to create compact, complete communities with multi-residential uses located near neighbourhood commercial areas and encouraging active transportation options. The proposed project is also consistent with OCP policy to maintain the character of existing neighbourhoods, and provide housing options for various life stages and incomes.

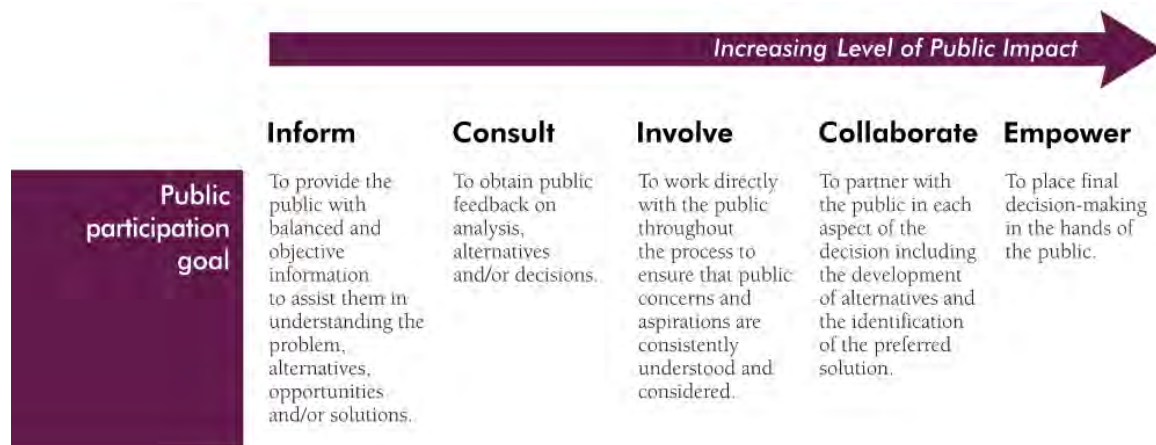
REGIONAL GROWTH STRATEGY REFERENCE:

The proposed development is consistent with the RGS goals and objectives to ensure a diversity of housing options to meet evolving demographics and needs, and to locate housing in core settlement areas close to existing services.

CITIZEN/PUBLIC ENGAGEMENT:

During the original issuance of the DPwV 1508 staff ‘involved’ the public, based on the IAP2 Spectrum of Public Participation:

http://c.ymcdn.com/sites/www.iap2.org/resource/resmgr/imported/IAP2%20Spectrum_vertical.pdf



Given that the applicant is seeking an extension of a previously issued DPwV and that all the previously established conditions remain appropriate for the proposal, no public consultation initiatives were undertaken for the extension application.

OPTIONS:

OPTION 1: Approve the extension of Development Permit with variance No. 1508 for another twelve months as attached (Recommended).

OPTION 2: Do not approve the extension of Development Permit No. 1508.

Prepared by:



Nancy Gothard, MCIP, RPP
Environmental Planner

Reviewed by:



Ian Buck, MCIP, RPP
Director of Development Services

Attachments:

- 1. Attachment No. 1: Original Development Permit with Variances 1508*

THE CORPORATION OF THE CITY OF COURTENAY

BYLAW NO. 2699

Permit No. 3060-20-1508

DEVELOPMENT PERMIT WITH VARIANCE PERMIT

September 8th, 2015

To issue a Development Permit with Variance

To: Name: Woynic Properties LTD., INC.NO. BC0380284
Address: 2944 Allenby Rd
Duncan, B.C
V9L 6V3

Property to which permit refers:

Legal: Lot 3, District Lot 96, Comox District, Plan 2153, Except Parcel A (DD 52974N) and except part in Plan VIP75376

Civic: 2140 Lake Trail Road

Conditions of Permit:

Permit issued to allow the development of an 33-unit multi-residential complex with the following variances to the *City of Courtenay Zoning Bylaw No. 2500, 2007*:

- *Section 8.3.5 (3)– Setbacks (side yard)*, Decrease the minimum side yard setback from 4.5 meters to 3.5 meters; and from the required 6.0 meter side yard setback where the back of a building is faces a lot line to 5.3 meters, and 5.4 meters as shown in *Schedule No. 1*.
- *Section 8.3.5 (2) – Setbacks (rear yard)*, related to internal phasing lines of a strata development as shown in *Schedule 1*:
 - Phase One, reduce the rear yard setback from 7.5 metres to 1.8 metres.
 - Phase Two, reduce the rear yard setback from 7.5 metres to 1.8 metres.
 - Phase Three, reduce the rear yard setback from 7.5 metres to 4.1 metres and 1.8 metres

Development Permit with Variances No. 1508 is subject to the following conditions:

- a) Development must be in conformance with the plans and elevations contained in *Schedule No. 1*;
- b) Installation of landscaping in conformance with the plans contained in *Schedule No. 1*;

- c) Minimum depth of topsoil or amended organic soil on all landscaped areas as follows: shrubs – 450 mm; groundcover and grass – 300 mm; trees – 300 mm around and below the root ball;
- d) The applicant is required to remove any invasive species on site;
- e) Submission of landscape security in the amount of (125% x \$72,237.00) \$90,296.25;
- f) Installation of landscaping and irrigation in City road right-of-way must be coordinated with City Parks staff;
- g) Landscaping must be completed within six months of the date of issuance of the occupancy permit by the City;
- h) All building and site lighting must be full cut-off, flat lens in accordance with the City's Dark Skies Policy (#5240.00.01);
- i) Construction Stormwater and Sediment and Erosion control plans must be approved by the city prior to further development activity on the site. Measures are required to be installed, monitored and maintained for the site to ensure no sediment laden waters exit the property and that flooding does not occur on neighbouring properties and/or downstream. Stormwater measures must be suitably sized to accommodate any changes in hydrology associated with land clearing;
- j) Suitable Stormwater, Sediment and Erosion control measures shall be installed concurrent with site development activities as determined by the Environmental Monitor and Project Engineer;
- k) Stormwater, Sediment and Erosion control measures shall be in place on the development site throughout all phases of development, including at times when no development activities are occurring on site and during times of individual building construction;
- l) The Environmental Monitor is responsible for monitoring of the Sediment and Erosion control measures;
- m) A detailed stormwater management plan and site servicing are not approved by this permit and must be submitted and approved by the City through subdivision and building permit stages.
- n) A Construction Environmental Management and Monitoring Plan must be submitted and approved prior to any construction works. The monitoring plan shall include, at a minimum, the following details: contact list; communications plan; a list of responsibilities and authority held by the environmental monitor, including authority to halt construction if any of the provisions in the monitoring plan are deemed by the EM to be in non-compliance with that plan; an inspection schedule; a list of potential risks/threats to aquatic environments; mitigation strategies; construction sequence and estimated schedule;
- o) The RAR report must be updated to reflect the current development proposal and must be filed with the Provincial RAR system and provided to the City prior to any further development;
- p) The applicant is required to provide security for environmental monitoring and invasive species removal.
- q) The slopes adjacent to the ditch running from Tarling Park to 13th Street are fairly steep, the

project engineer and biologist are to confirm a walkway can be safely located within the park area without compromising public safety. If the walkway can't be safely located the applicant will need to consider other design options such as piping the ditch (subject to Senior Agency approval) or additional park dedication.

Time Schedule of Development and Lapse of Permit

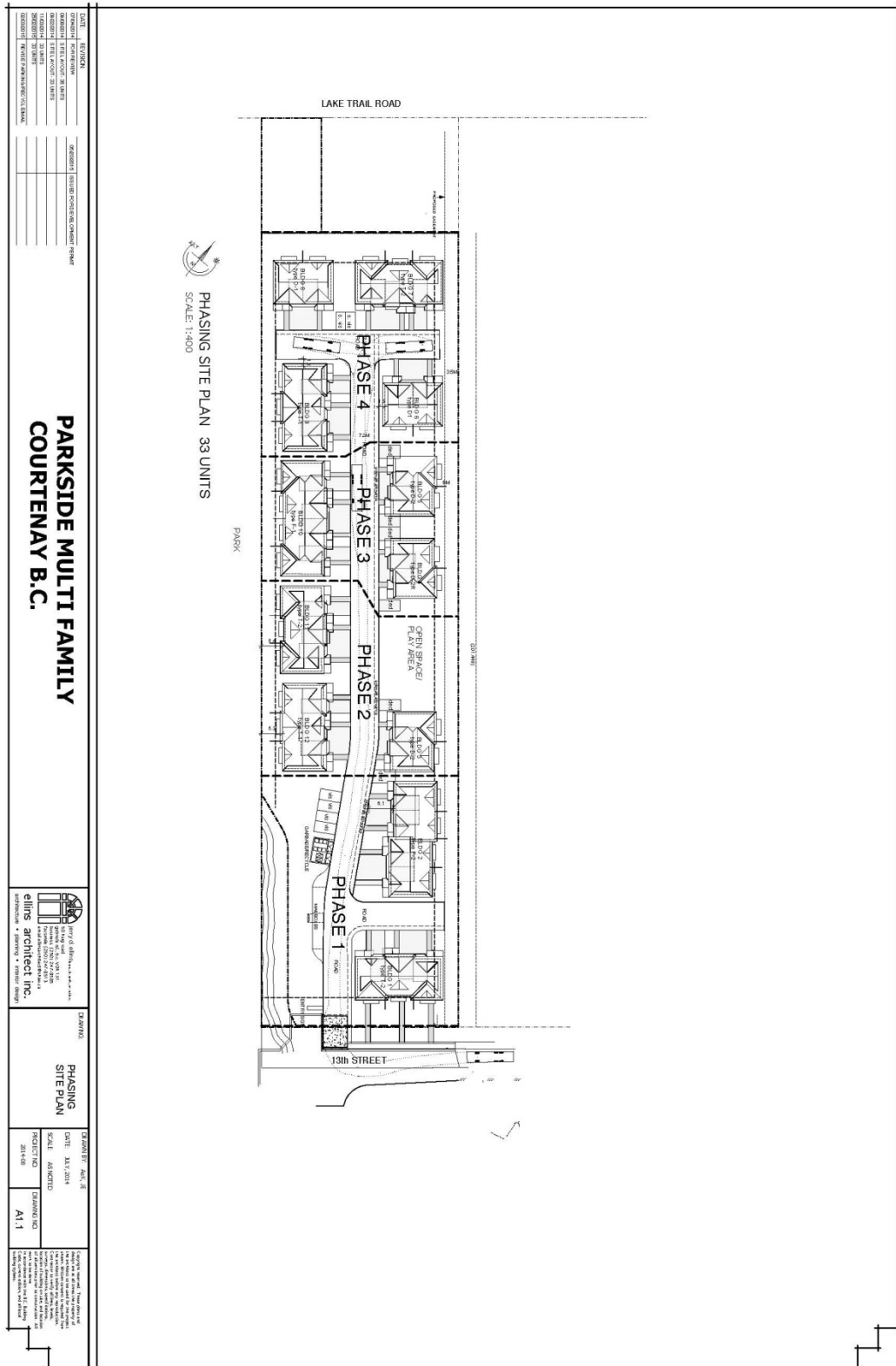
That if the permit holder has not substantially commenced the construction authorized by this permit within (12) months after the date it was issued, the permit lapses.

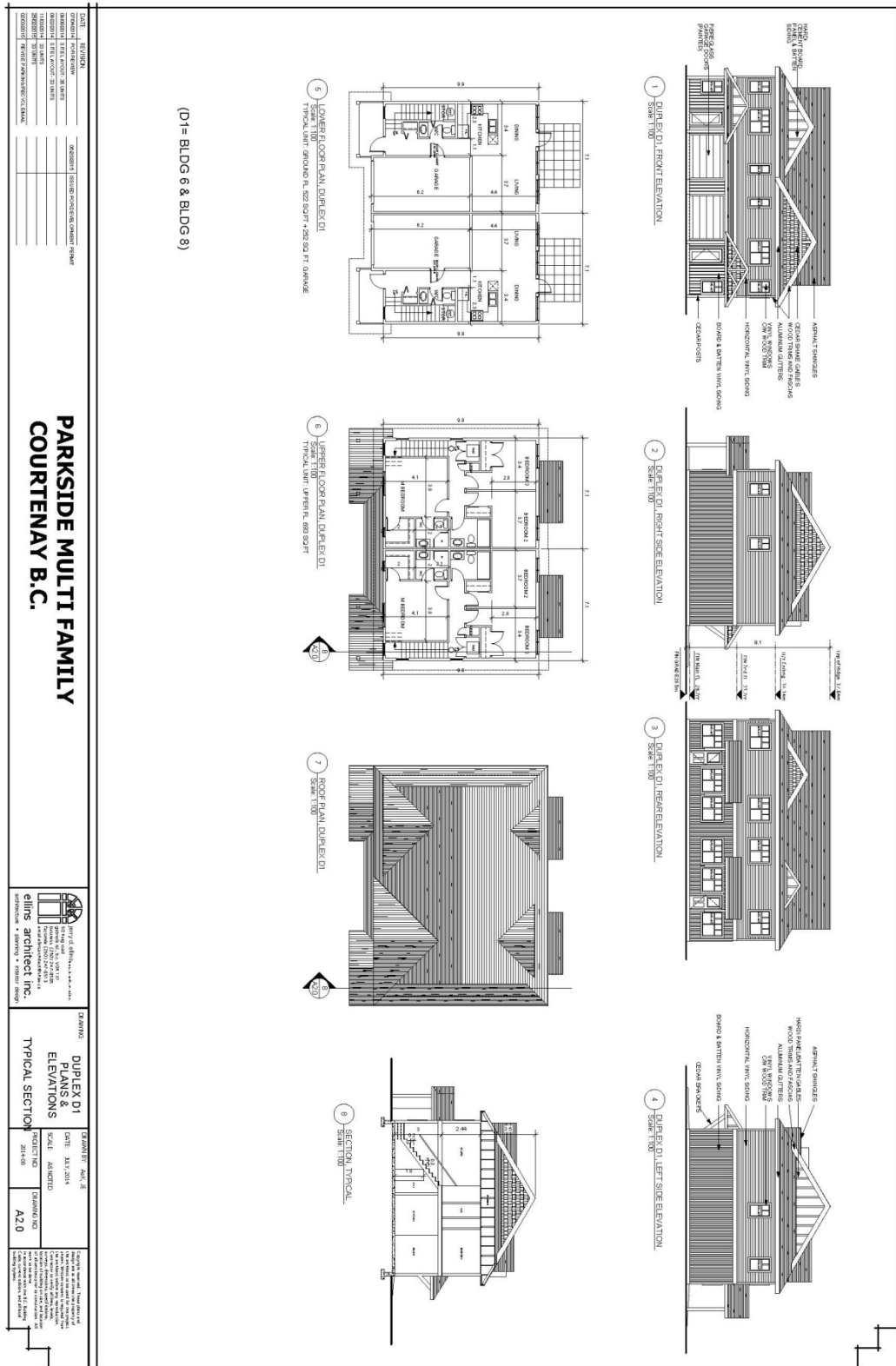
SEP. 11/2015

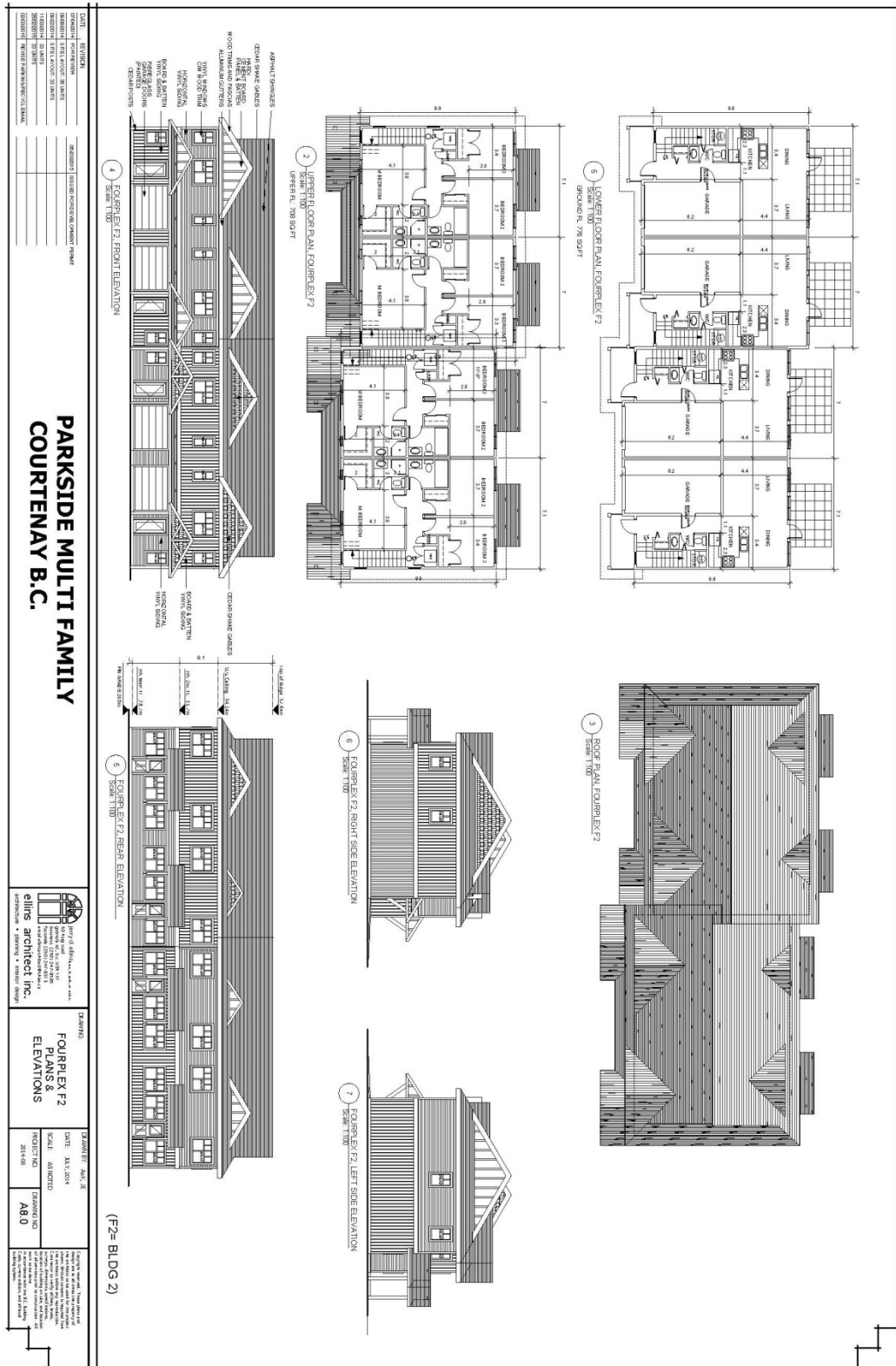
Date

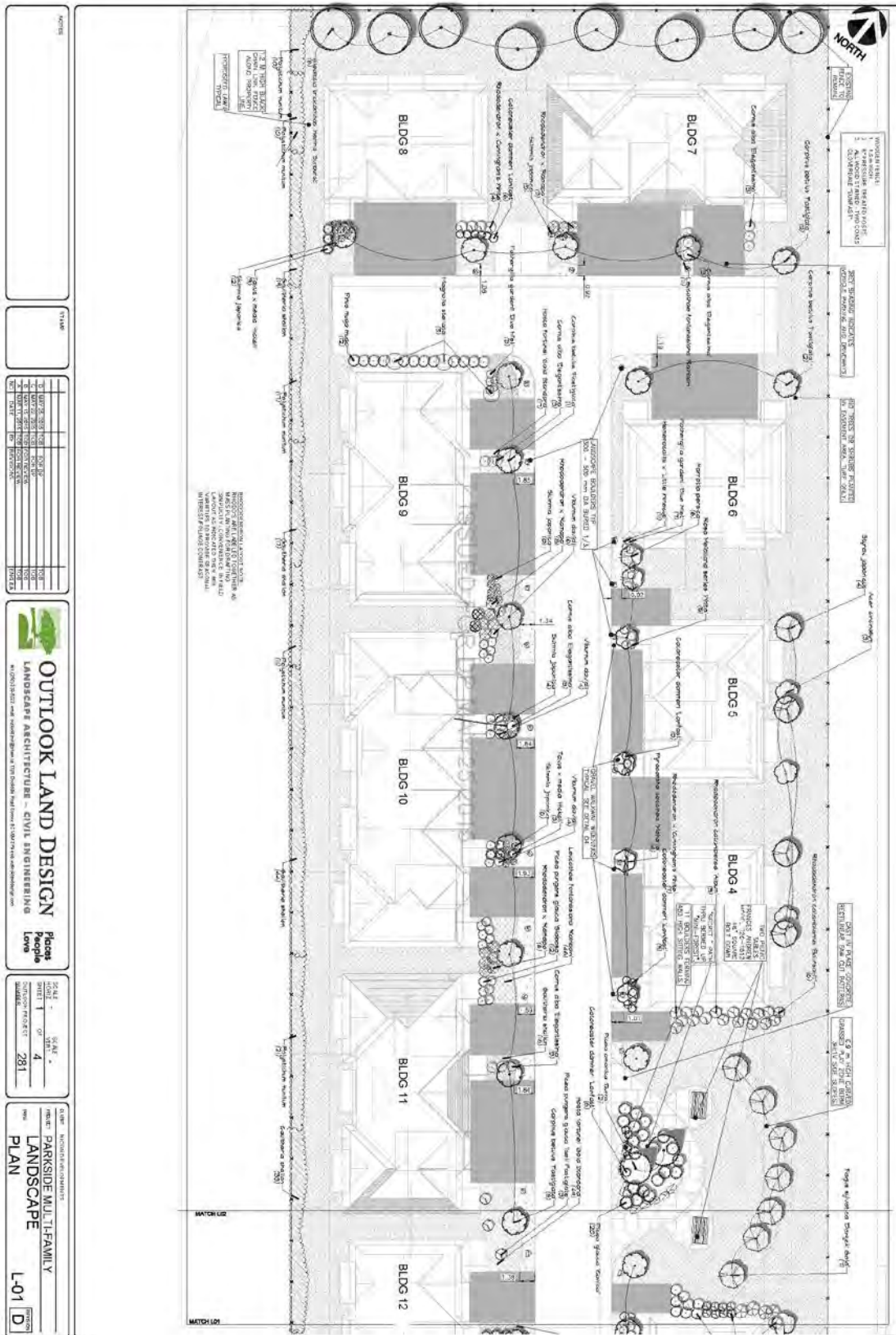


Director of Legislative Services









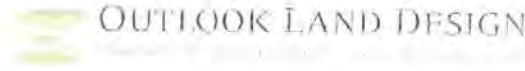
PLANT SCHEDULE		DATE	SIZE	QTY
1	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
2	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
3	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
4	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
5	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
6	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
7	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
8	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
9	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
10	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
11	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
12	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
13	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
14	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
15	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
16	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
17	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
18	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
19	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
20	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
21	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
22	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
23	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
24	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
25	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
26	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
27	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
28	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
29	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
30	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
31	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
32	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
33	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
34	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
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40	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
41	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6
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100	Redwood - 10' x 12' x 12'	4/18/16	2000 - 12000	6

ISSUED FOR DP MAY 25 2015

OUTLOOK LAND DESIGN
LANDSCAPE ARCHITECTURE - CIVIL ENGINEERING
Place People Love

SCALE: 1/4" = 1'-0"
SHEET 4 OF 4
OUTLOOK PROJECT 281

CLIENT: PARKSIDE MULTIFAMILY
PROJECT: PLANT LIST
L-04 D



Places
People
Love.

10000 Lakeshore Blvd. S.
10070 Guildford Road
Vancouver, BC V6A 1P9
408-758-5142

DEVELOPMENT PERMIT PLANTING COST ESTIMATE: PARKLANE MULTI-FAMILY

based upon OUTLOOK Landscape Plans L01 to L04 Rev D.

Description	Unit	Quantity	Unit Price	TOTALS
1 Trees - 40 cm caliper, plus others	ea	74	\$ 250.00	\$ 18,500.00
2 Shrubs - #5 pots	ea	91	\$ 20.00	\$ 1,820.00
3 Shrubs - #1 pots	ea	1097	\$ 11.00	\$ 12,067.00
4 Irrigation	LS	1	\$ 7,000.00	\$ 7,000.00
5 Topsoil	m3	800	\$ 35.00	\$ 28,000.00
6 Hydroseed lawn	m2	3000	\$ 1.00	\$ 3,000.00
7 Landscape architect pre-construction meeting	ea	2	\$ 300.00	\$ 600.00
8 Landscape architect construction progress site visit	ea	3	\$ 300.00	\$ 900.00
9 Landscape architect project completion sign off	ea	1	\$ 350.00	\$ 350.00
Subtotal				\$ 72,237.00
Estimated Construction Cost*				\$ 72,237.00

*Estimate includes all labour and materials

Note: GST additional

This estimate represents reasonable landscape construction costs for the above project.

[Signature] May 27/2015

Timothy I.H. O'Brien, P.Eng. (Civil), Landscape Architect
MBCSLA # 181



THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT

To: Council

File No.: 3360-20-1610

From: Chief Administrative Officer

Date: April 18, 2017

Subject: Zoning Amendment Bylaw No. 2867 – 1599 Cliffe Avenue

PURPOSE:

The purpose of this report is for Council to consider a Zoning Amendment to permit a liquor store at 1599 Cliffe Avenue, legally described as Lot 2, Section 41, Comox District, Plan VIP7510.

CAO RECOMMENDATIONS:

That based on the April 18, 2017 staff report 'Zoning Amendment Bylaw 2867 – 1599 Cliffe Avenue ' Council approve Option No. 1 and proceed to First and Second readings of the City of Courtenay Zoning Amendment Bylaw No. 2867, 2017; and

That Council direct staff to schedule and advertise a statutory public hearing with respect to Zoning Amendment Bylaw No. 2867, 2017 on May 1, 2017 at 5:00 p.m. in the City Hall Council Chambers.

Respectfully submitted,

David Allen, BES, CLGEM, SCLGM

Chief Administrative Officer

BACKGROUND:

The applicant has submitted a request to amend the Zoning Bylaw to allow a liquor store on the above-referenced property. The property is located at 1599 Cliffe Avenue and is currently zoned C-2 (Commercial Two Zone). An amendment to Zoning Bylaw 2500, 2007 is required as a liquor store is a prohibited use in the C-2 zone. The intent is to facilitate the relocation of an existing liquor store at 1590 Cliffe to the subject property.

The subject property is one of two parcels that make up the Courtenay Crossing Shopping Centre located on the north-west corner of Cliffe Avenue and 17th Street. The owner of the property intends to convert four existing commercial retail units (CRU's) into a liquor store.

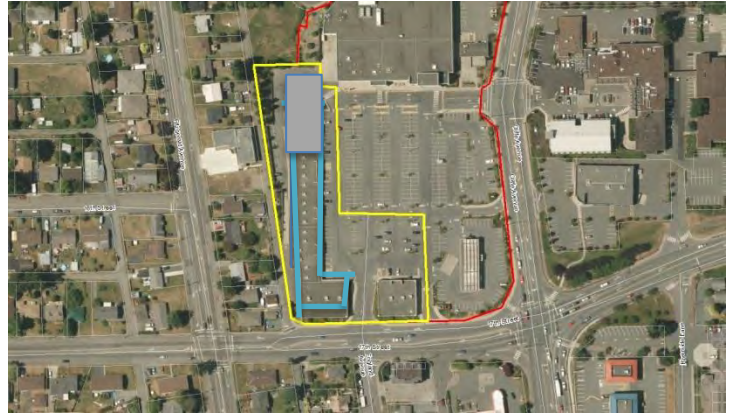
Immediate adjacent properties are zoned for residential uses (R-2), commercial uses (C-2) and a mix of both commercial and residential uses (MU-2). At the north end of the property is Cooper Park, which is zoned PA-2. Surrounding land uses include MU-2 and PA-2 lands across Cliffe Avenue and R-2, C-2 and MU-2 lands across 17th Street.

The four CRU's that are proposed to be a liquor store are located at the northern section of the existing building outlined in in blue in Figure No. 1.

The proposed retail space is accessed from the parking lot adjacent to the front of the building. The existing space that will be converted is currently occupied by several retail shops. If the Zoning Amendment is approved, the owner plans on converting these units into one larger unit.. Upon completion the liquor store will have a total floor area of 5,737 ft² (533 m²) of combined warehouse and retail space in addition to a small office, washrooms and a staff lunchroom.

Figure No. 1: Subject Property and Building Envelope

Subject Property (outlined in yellow)
Subject Building (outlined in Blue)
Building Section that will be converted (coloured grey)



According to the proposal, the liquor store will employ 12 to 15 staff persons in total with two to five employees working at the store at any given time. The hours of operation for the liquor store will be between 9:00 am and 11:00 pm Monday through Sunday.

Information submitted by the applicant is contained in **Attachment No. 2**.

DISCUSSION:

Official Community Plan (OCP)

The subject property is presently designated commercial in the *OCP*. The *OCP* encourages infill development prior to considering the development of new commercial areas (Policy 4.2.2(1)) and supports a strong, diversified commercial base that provides employment and service opportunities (Policy 4.2.1(4)).

The City requires that all commercial development be subject to the Development Permit Guidelines for commercial uses outlined in *Section 8.2 of OCP* to ensure a high standard for site and building design, landscaping, the form and character of signage, parking and circulation. If this application is successful the owner of the property will be making some changes to the exterior façade of the building. If these exterior changes involve an area of twenty-five percent or more on any side of the building the owner will be required to obtain a Commercial Development Permit.

Zoning

The existing building meets the siting and height requirements of the C-2 zone in *Zoning Bylaw 2500, 2007*.

Parking

The parking area was established when the site was originally developed in 2001. Since that time the subject property accesses 114 off street parking spaces and Thrifty Foods (Lot 1) accesses 274 spaces. A mutual parking easement is registered on title that grants permission of customers and employees using the retail units to access parking on Lot 2 without restriction. Thrifty Foods (located on Lot 1) has also been granted access without restriction to parking on Lot 2.

As a shopping centre parking is shared and managed as a single entity rather than individual units. The parking provided meets the requirements of the zoning bylaw.

Covenant

During the application review process City staff noted a restrictive covenant held between SDLP Snowcat the “owner” of Lot 1 and Courtenay Crossing Holdings “the owner “of Lot 2 prohibiting a liquor store use within the subject building. As this is a private agreement between the two parties, the City has requested that this covenant be discharged or amended prior to final adoption of the Zoning Amendment Bylaw. On March 28, 2017 Courtenay Crossing Holdings provided a letter confirming the relaxation of the covenant in order to permit Sobey’s Liquor Inc. to operate a liquor store within the subject building on Lot 2. This letter has been referenced in **Attachment No. 3**.

FINANCIAL IMPLICATIONS:

There are no direct financial implications related to the processing of development applications as the fees are designed to offset the administrative costs. Should the Zoning Amendment be adopted there may be tenant improvements required which will trigger a building permit. If that is the case, the applicant would be required to apply for a building permit and subsequent inspections. Building permit fees are \$7.50 for every \$1000.00 of construction value.

ADMINISTRATIVE IMPLICATIONS:

Processing zoning bylaw amendments is a statutory component of the work plan. Staff have spent a total of 10 hours processing and reviewing this application. Should the proposed zoning amendment receive First and Second Readings, staff will spend an additional 2 hours in preparation for the public hearing and processing the Zoning Amendment. It is also estimated an additional 5 hours will be required at the building permit and subsequent inspections.

ASSET MANAGEMENT IMPLICATIONS:

There are no direct asset management implications related to this application.

STRATEGIC PRIORITIES REFERENCE:

Development applications fall within Council’s area of control and specifically align with the strategic priority to support meeting the fundamental corporate and statutory obligations of the City.

We focus on organizational and governance excellence

● We support meeting the fundamental corporate and statutory obligations



- **Area of Control**
The policy, works and programming matters that fall within Council’s jurisdictional authority to act.
- ▲ **Area of Influence**
Matters that fall within shared or agreed jurisdiction between Council and another government or party.
- **Area of Concern**
Matters of interest outside Council’s jurisdictional authority to act.

OFFICIAL COMMUNITY PLAN REFERENCE:

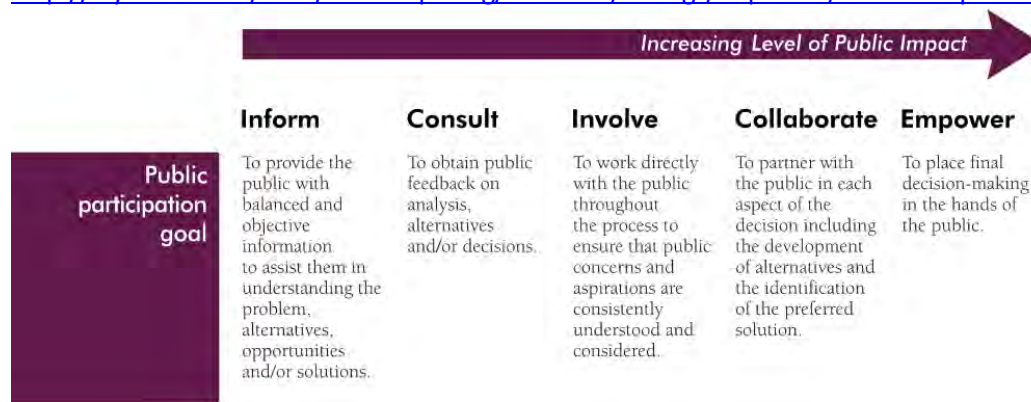
Part 4.2 of the OCP references commercial land use within the City. The proposed Zoning Bylaw amendment is generally consistent with the goals and polices of the OCP.

REGIONAL GROWTH STRATEGY REFERENCE:

There is no specific regional growth strategy reference with respect to this application.

CITIZEN/PUBLIC ENGAGEMENT:

The public has been engaged at the “**Involve**” level based on the IAP2 Spectrum of Public Participation: http://c.ymcdn.com/sites/www.iap2.org/resource/resmgr/imported/IAP2%20Spectrum_vertical.pdf



Should Zoning Amendment Bylaw No. 2867, 2017 receive First and Second Readings, a statutory public hearing will be held to obtain public feedback in accordance with the *Local Government Act*.

Prior to this application proceeding to Council, the applicant held a public information meeting on February 16, 2017 at 17:30 at the subject building. Property owners and occupiers within 100 metres of the subject site were invited to attend the meeting. A summary of the public information meeting has been included as **Attachment No.4**. According to the meeting summary report 22 people attended the meeting with only seven residents signing in.

The attendees expressed concerns that permitting a liquor store may lead to increases in crime, public nuisance and loitering both on the subject site and in Cooper Park. Additional concerns were raised regarding public drinking, the speed of vehicles in the parking lot and laneway, insufficient parking onsite and a concern property values would decline if a liquor store was placed on the property. Seven members of the public filled out a comment sheets and provided it to the applicants; these comment sheets have been included with the meeting summary report in **Attachment No. 4**.

In February 2017 a telephone call was received by Planning Staff from another resident that stated he owns a liquor store in Driftwood Mall. He indicated that there are other liquor stores within 1.0 kilometre of the site and by moving the liquor store from 1590 Cliffe to 1599 Cliffe Avenue it would situate the liquor store even closer than 1.0 kilometre of the other liquor stores in this neighbourhood. This resident was invited to send in written comments to the City; however no written comments were received by Planning Staff from this resident. It is noteworthy that this requirement is regulated by the Province and would form part of their review.

The City referred this application to the RCMP and they indicated in their referral response that they had no opposition to the application. The City Parks Department was also referred the application and they indicated that they had no concerns with the development as it relates to Cooper Park.

OPTIONS:

- OPTION 1:** **That Council** approve Option No. 1 and proceed to First and Second readings of the City of Courtenay Zoning Amendment Bylaw No. 2867, 2017; and
That Council direct staff to schedule and advertise a statutory public hearing with respect to Zoning Amendment Bylaw No. 2867, 2017 on May 1, 2017 at 5:00 p.m. in the City Hall Council Chambers. (Recommended)
- OPTION 2:** Postpone consideration of Bylaw No. 2867 with a request for more information.
- OPTION 3:** Not proceed with Bylaw No. 2867.

Prepared by:

Reviewed by:



Dana Leitch, MCIP, RPP
Planner 1

Ian Buck, MCIP, RPP
Director of Development Services

Attachments:

1. *Applicant's Submissions*
2. *Covenant Relaxation Letter*
3. *Public Information Meeting Summary and Public Comments*

Attachment 1: Applicant's Submissions



December 13, 2016

Our File: 16-514

City of Courtenay
Planning Services
830 Cliffe Avenue
Courtenay, BC V9N 2J7

Dear Sir/Madam

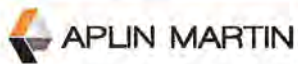
Re: Application to amend the C-2 Zone to permit a Liquor Store use at the Courtenay Crossing Shopping Centre (1599 Cliffe Avenue)

Aplin Martin is pleased to submit the enclosed application for a text amendment to the C-2 Zone to permit a liquor store use within an existing building at 1599 Cliffe Avenue. The subject property is one of two parcels that make up the Courtenay Crossing Shopping Centre, on the north-west corner of Cliffe Avenue and 17th Street. The owner of the property wishes to convert four existing commercial retail units (CRU's) within an existing building on the property into a liquor store.

As per the City of Courtenay Zoning Bylaw, the subject property is currently zoned C-2 'Commercial Two Zone', which prohibits a Liquor Store use, except on the property described as Lot B, Plan 28292 (2355 Mansfield Drive). The purpose of this application is to amend the text of the C-2 Zone to also permit a Liquor Store use on the subject property at 1599 Cliffe Avenue.

The four existing CRU's proposed to be converted to a Liquor Store are situated at the far west end of an existing commercial building in the Courtenay Crossing Shopping Centre, and are closest in proximity to the former Safeway grocery store on the site. As part of a planned future conversion of the grocery store to a Thrifty's, the future tenant wishes to utilize these four CRU's as a space to open a liquor store. This would be a relocation of their existing liquor store at 1590 Cliffe Avenue. In order to permit this, a zoning amendment application is required. Pending approval of the application, a future development permit application would be pursued to modify the existing CRU's to accommodate the new liquor store.

At present, the four CRU's proposed for conversion are under-utilized and under-performing retail spaces. The proposed liquor store use would better utilize the space that these CRU's currently occupy, and result in a greater selection of retail offerings at the Courtenay Crossing Shopping Centre. By relocating the liquor store from 1590 Cliffe Avenue, the future grocery tenant would be able to operate both its grocery store and liquor store businesses next to each other within the same shopping center.



As per the City of Courtenay Zoning Amendment Application submission requirements, enclosed with this letter are the following:

- Zoning Amendment Application Form
- Application Fee Cheque
- BC Land Surveyors Sketch Plan
- Certificate of Title

We look forward to working with the City of Courtenay on this application.

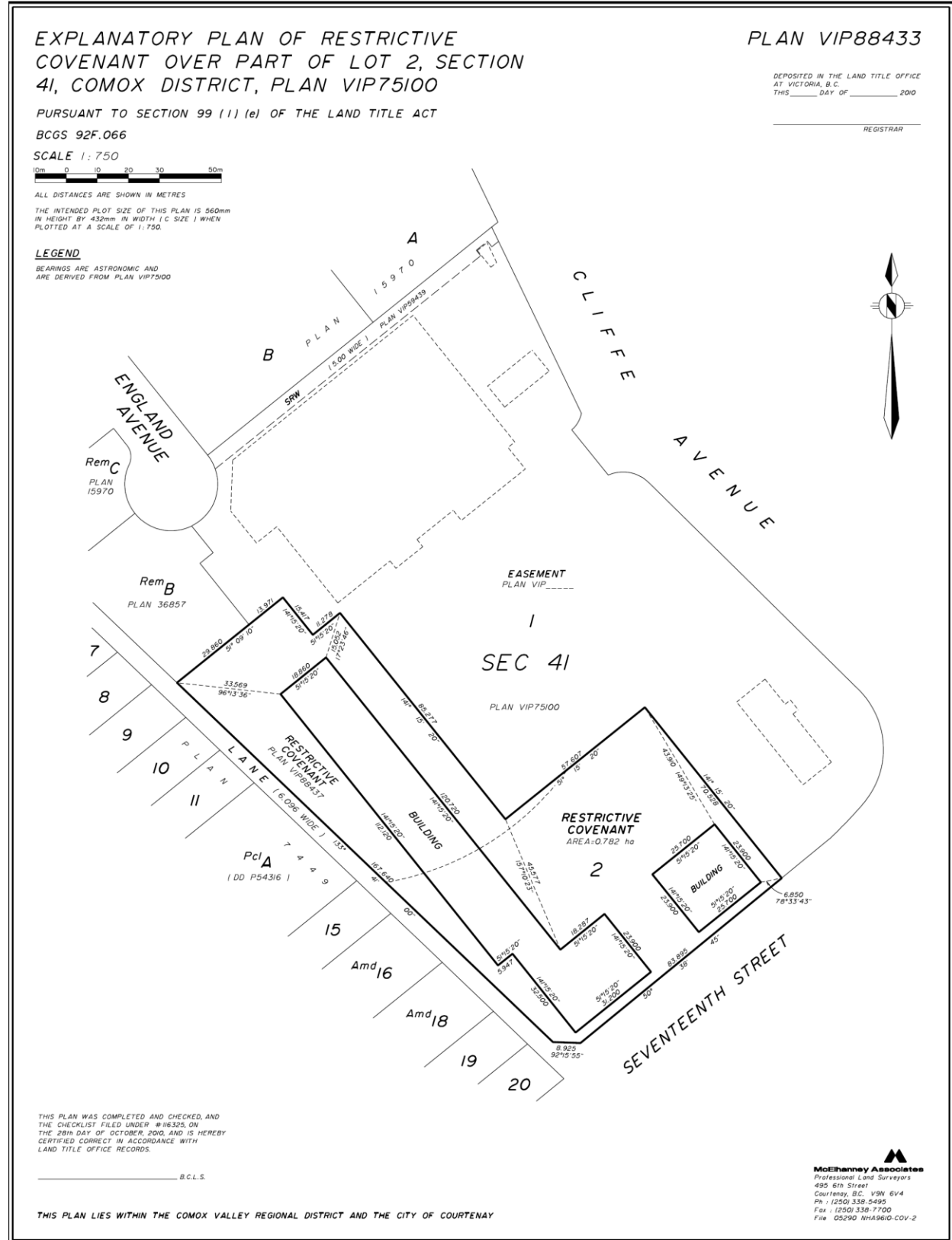
Yours truly,

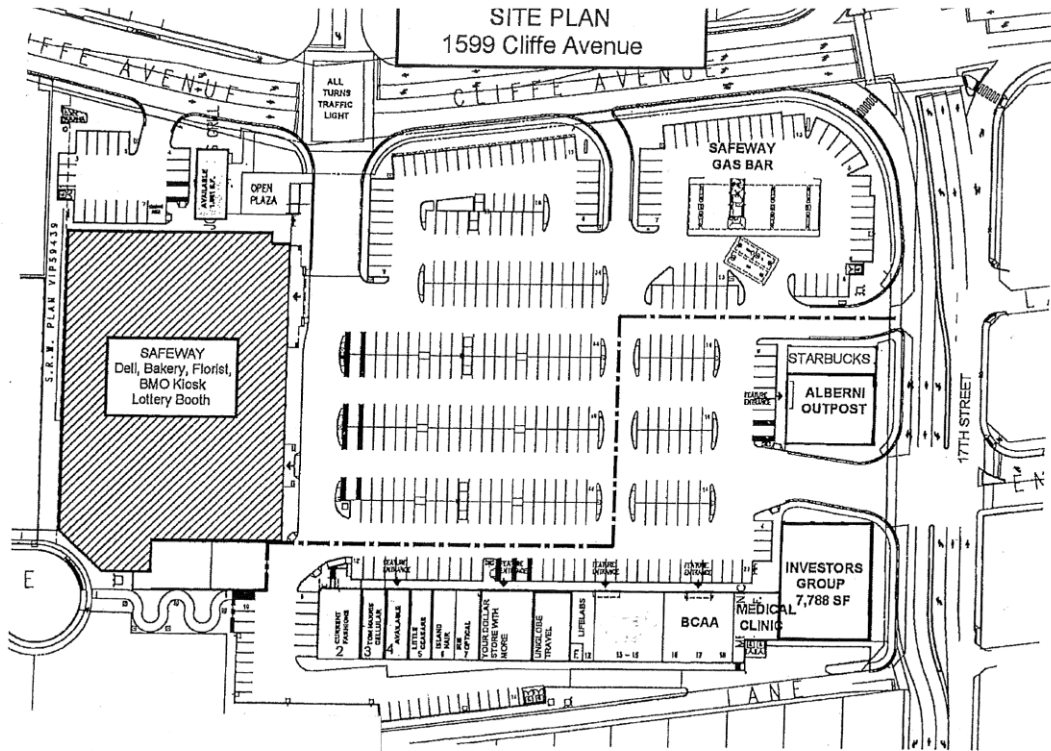
APLIN & MARTIN CONSULTANTS LTD.

A handwritten signature in black ink, appearing to read 'Anya Paskovic', written in a cursive style.

Anya Paskovic, MCIP, RPP
Planner

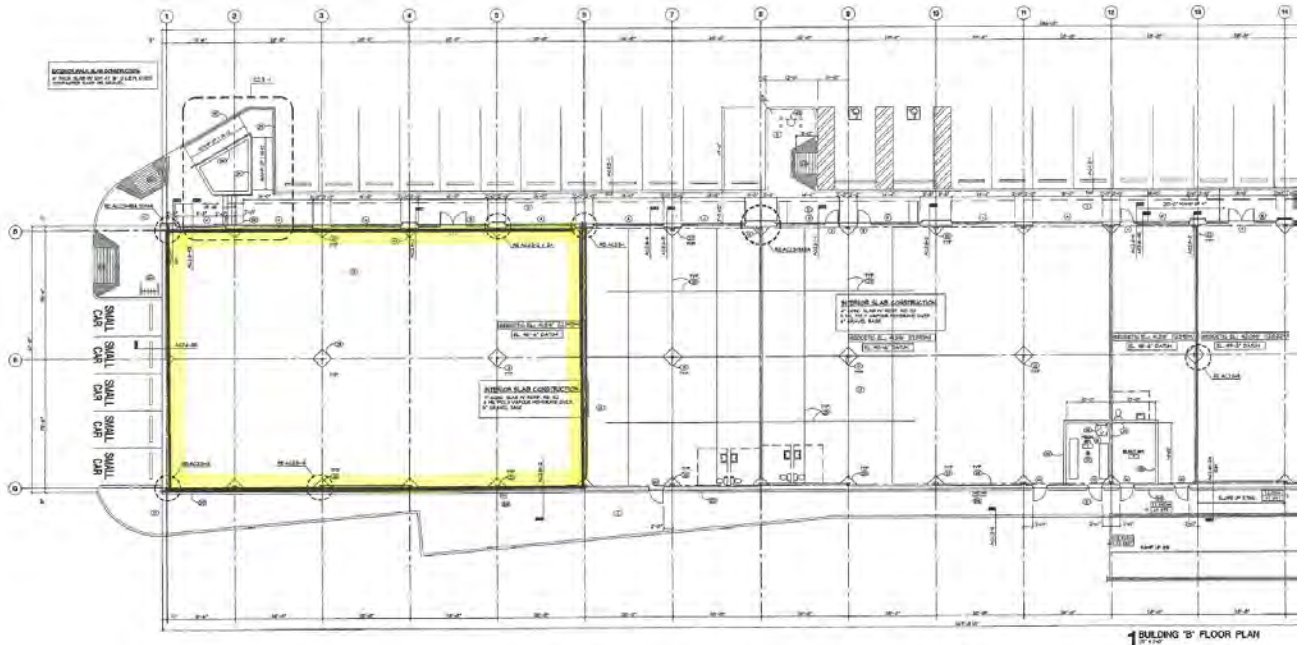
SH:CC
16-514 - Development Application Cover Letter
Enclosure





Parking Summary
 Courtenay Crossing

	Leasable area	Parking Stalls	Ratio per 1,000sq ft
Lot 1	47,000	274	172
Lot 2	37,419	114	328
Total	84,419	388	218



Courtenay Crossing Shopping Centre

Courtenay Crossing was purchased by our partnership in 2010. With more than 90,300 square feet of retail and office space, this centre serves the residents of the Comox Valley.

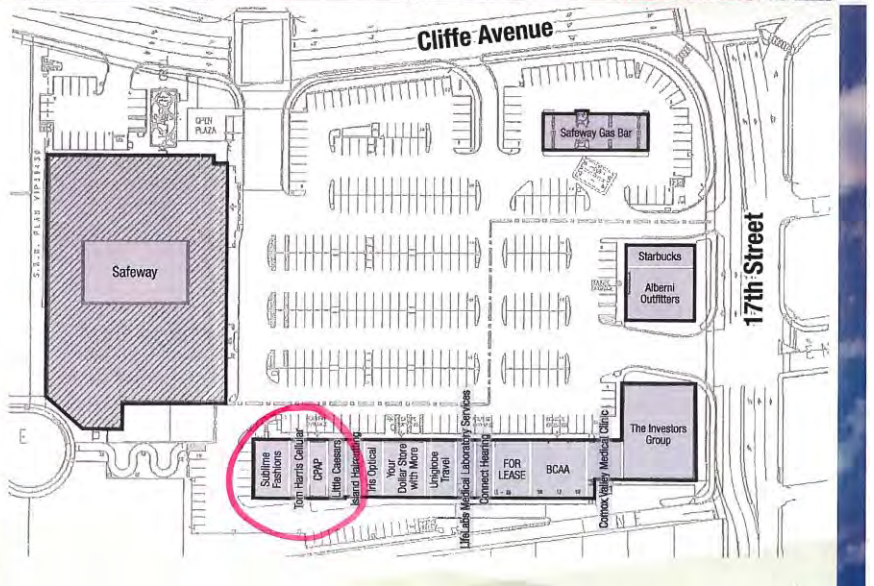
Anchored by Safeway, our centre is home to Starbucks, Connect Hearing, BCAA, Investors Group, Your Dollar Store with More, Alberni Outfitters, Iris Optical, Comox Valley Medical Clinic, LifeLabs Medical, Sublime Fashions, Little Caesars, Island Haircutting, Tom Harris Cellular, and Uniglobe Travel.

The Location

Courtenay Crossing is located on a 7.9 acre site in Courtenay, at the busy intersection of Cliffe Avenue (Hwy. 19) and 17th Street, the junction at which Courtenay connects with its sister city, Comox.

Zoning

The site is zoned C2B (Community Commercial Zone 2B) which provides for a wide variety of commercial uses.



Attachment No. 3: Covenant Relaxation Letter

SDLP Snowcat Limited

March 28, 2017

Courtenay Crossing Holding Co. Ltd.
c/o Hugh & McKinnon Realty Ltd.
14007 - 16th Avenue, Surrey, BC V4A 1P9

Attention: Bruce Robinson

RE: Confirmation of the relaxation of Restrictive Covenant FB381999 to permit Sobeys Liquor Inc. to operate a liquor store as permitted by the lease dated November 10, 2016 between Courtenay Crossing Holding Co. Ltd. ("CCH Ltd.") as landlord and Sobeys Liquor Inc. as tenant (the "Lease").

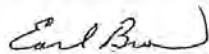
Dear Bruce:

SDLP Snowcat Limited ("SDLP") is the successor in title to Canada Safeway Limited for the lands legally described as PID: 025-633-279 Lot 1, Section 41, Comox District Plan VIP 75100 ("Parcel 1") and as such is the current beneficiary of Restrictive Covenant FB381999 that binds the lands legally described as PID: 025-633-287 Lot 2, Section 41, Comox District VIP 75100 ("Parcel 2"). Restrictive Covenant FB381999 prohibits, amongst other prohibitions, any portion of Parcel 2 from being used for the operation of a liquor store.

SDLP hereby confirms to CCH Ltd. that it will relax the prohibition (the "Relaxation") in Restrictive Covenant FB381999 in order to permit Sobeys Liquor Inc. (or any "Affiliate" of Sobeys Liquor Inc. as that term is defined in the *Business Corporations Act* (British Columbia) to operate a liquor store under the terms of the Lease for the duration of the Lease (including any extensions and renewals of the Lease). For greater certainty, SDLP confirms that the Relaxation will only apply to the operation of a liquor store by Sobeys Liquor Inc., or an Affiliate, under the terms of the Lease for the duration of the Lease (including any and extensions and renewals of the Lease). SDLP further confirms that all other terms of Restrictive Covenant FB381999 are binding on Parcel 2, and that by providing the Relaxation that SDLP in no way prejudices its ability and right to fully enforce Restrictive Covenant FB381999 against Parcel 2 other than as set out in the Relaxation.

Yours truly,

SDLP Snowcat Limited



Earl Brown,
Vice President Real Estate & Development

Attachment No. 4: Public Information Meeting Summary and Public Comments



March 9, 2017

Our File: 16-514
Courtenay File: 3360-20-1610

City of Courtenay
830 Cliffe Avenue,
Courtenay, BC, V9N 2J7

Re: Open House Summary - Text amendment to Zoning Bylaw to allow a Liquor Store at 1599 Cliffe Avenue, Courtenay, BC

An open house was held in regards to the zoning text amendment to allow a Liquor Store as a permitted use at 1599 Cliffe Avenue, Courtenay, BC on February 16, 2017. The following is a summary of the conversations and comments received at the event:

Date: February 16, 2017
Time: 5:00pm – 6:30pm
Location: Courtenay Crossing Shopping Centre, Unit 6

Consultants: Planner – Anya Paskovic, Aplin & Martin Consultants Ltd.
Owner – Sydney Robinson, Hugh & McKinnon Realty

Attendees: 7 individuals signed-in
15 (+/-) individuals observed

NOTIFICATION

The public was notified of the open house through a direct mail-out to neighbouring properties. A total of 100 notifications, per the City's notification requirements were mailed a week in advance of the open house.

A copy of the mail-out notification is attached.

OPEN HOUSE LOGISTICS

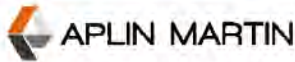
The open house was held at Courtenay Crossing Shopping Centre. The following project information display boards were presented in the meeting space:

- Welcome / Registration / Proposal
- Zoning Text Amendment
- Restrictive Covenant
- Approval Process
- Site Plan
- Unit Frontage Design

Other materials provided at the open house were:

- Sign-In Sheet
- Comment Sheet

Copies of the display boards and materials are attached.



OPEN HOUSE RESULTS

There were 6 comment cards received at the event and 1 mailed to Aplin Martin after, totaling 7 responses. There was also a petition siting concern for increased crime and decrease in property values that was signed by 8 residents.

Copies of the comment cards and petition attached.

The following is a summary of comments recorded on the comment sheets. Many of the comments were noted by multiple respondents:

	Comments	Owner's Response
Location	<ul style="list-style-type: none"> Family neighbourhood with small children Proximity to park / children's playground Should remain at current location on the other side of Cliffe Avenue 	<ul style="list-style-type: none"> Thrifty's requires a larger location than what is available on the other side of Cliffe Avenue. They would also like a site adjacent to a grocery store.
Safety and Security	<ul style="list-style-type: none"> Glass and sharps on playground Need to increase security Increase in localized crime and vandalism Roof access via loading bay Concerned about safety for customers and employees 	<ul style="list-style-type: none"> Garbage bin area (adjacent to loading bay) has been fenced and reinforced with razor wire to prevent roof access. Onsite security will be hired for the purpose of patrolling the rear lane (for residents) and parking lot (for employees of neighbouring business).
Undesirable Behaviour	<ul style="list-style-type: none"> Congregation of individuals drinking Alcohol consumption in park Garbage rummaging Panhandling Loitering Kids spray painting on the roof 	<ul style="list-style-type: none"> Onsite undesired behaviour will be monitored by security. Garbage bin area (adjacent to loading bay) has been fenced and reinforced with razor wire to prevent roof access.
Property Value	<ul style="list-style-type: none"> Liquor Stores bring property values down 	<ul style="list-style-type: none"> We cannot comment on the assessment value of individual property.
Vehicular Traffic	<ul style="list-style-type: none"> Speed of vehicles going up and down ramp and disregard for one-way sign Traffic in alleyway Insufficient mall parking space 	<ul style="list-style-type: none"> Traffic calming, one way traffic and/or restrict to lane parking could be initiated by the City in lane north of Fitzgerald Ave. Parking spaces will be confirmed through this process
Open House Process	<ul style="list-style-type: none"> Found out about open house from a neighbor an hour prior to event Lack of information Lack of notification 	<ul style="list-style-type: none"> Required notification was provided.



CONCLUSION

- To address safety and security issues, the property manager will provide onsite security in the future.
- There is an opportunity to work with the City of Courtenay to limit parking within the laneway north-east of Fitzgerald Ave (south-west of Courtney Crossing), introduce traffic calming measures (i.e. speed bumps) or institute one-way traffic for the lane. This could be initiated either through the development permit process.

Should you have any further questions, please contact the undersigned at 604-639-3456.

Yours truly,

APLIN MARTIN

A handwritten signature in black ink, appearing to read "Anya Paskovic".

Anya Paskovic, MCIP, RPP
Planner

CL:CC
16-514 - Open House Summary - 2017-03-09
Enclosure

February 2, 2017

Dear Sir/Madam

Courtenay Crossing Shopping Centre, located at 1599 Cliffe Avenue, has submitted an application to the City of Courtenay to amend the current C-2 Zone to permit a Liquor Store at the Shopping Centre. As per the City of Courtenay Zoning Bylaw, the subject property is currently zoned for C-2 Commercial Two Zone which prohibits a Liquor Store use.

The proposed space to be converted to a Liquor Store are situated at the far west end of an existing commercial building in the Courtenay Crossing Shopping Centre, and are close in proximity to the former Safeway grocery store on the site. As part of a planned future conversion of the grocery store to a Thrifty's, the future tenant wishes to utilize this space to open a liquor store. This would be a relocation of their existing liquor store at 1590 Cliffe Avenue. By relocating the liquor store from 1590 Cliffe avenue, the future grocery tenant would be able to operate both its grocery store and liquor store business next to each other within the same Shopping Centre.

As per the City of Courtenay applicants for Zoning Bylaw Amendments, Temporary Use Permits are required to hold a Public Information Meeting prior to the application being considered by Council as set out in the Development Procedures Bylaw. The purpose of the meeting is to provide an additional opportunity for the public to access information and to inquire about the proposal beyond that available through the standard application referral, and public hearing process. It also provides is with general feedback from neighbours regarding the proposal and gives the opportunity to address any concerns prior to submitting your development proposal to Council.

As neighbours to the Shopping Centre we invite you to a public hearing on **February 16, 2017 at 5:00pm in suite 6 (beside Sublime Fashions) at 1599 Cliffe Avenue** to discuss the proposed changes. We have attached a map of the site with the discussed changes. If you have any questions concerning this Public Information Session, please contact the undersigned.

In Regards,

Sydney Robinson
1.888.419.1909

WELCOME

THANK YOU FOR JOINING US!

Courtenay Crossing Holding Co. Ltd. wishes to convert four (4) existing commercial retail units into a liquor store.

An application was submitted to amend the existing zoning bylaw to permit a liquor store use at Courtenay Crossing Shopping Centre (1599 Cliffe Avenue).

Please register at the front desk.

We welcome your comments, insights and questions.



APLIN & MARTIN
CONSULTANTS LTD.

PROPOSED AMENDMENTS

RESTRICTIVE COVENANT

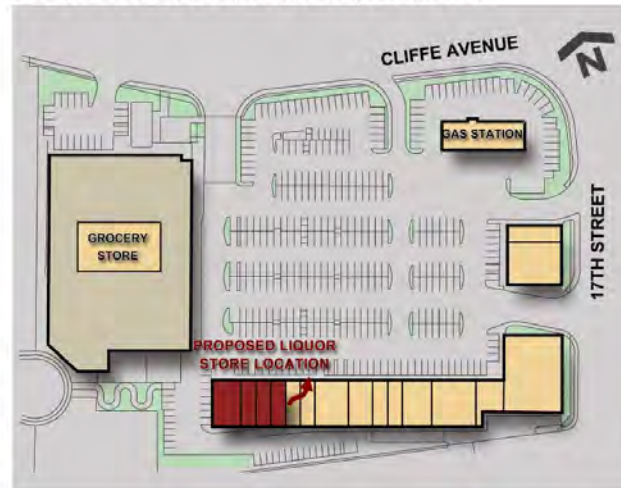
There is a private agreement between Canada Safeway Ltd. and Courtenay Crossing Holdings Ltd. that currently prohibits liquor stores at the subject location.

Thrifty Foods is purchasing the existing grocery store. The covenant between Safeway and Courtenay Crossing Holdings Ltd. will be discharged and a new covenant between Thrifty Foods and Courtenay Crossing Holdings Ltd. will be established.

COURTENAY CROSSING SHOPPING CENTRE



COURTENAY CROSSING SHOPPING CENTRE



APLIN & MARTIN
CONSULTANTS LTD.

PROPOSED AMENDMENTS

ZONING

Courtenay Crossing Shopping Centre is currently zoned **Commercial Two (C-2)**.

This zone allows for a variety of service commercial uses, but prohibits liquor stores.

We have applied for a zoning text amendment to allow for liquor store use at Courtenay Crossing Shopping Centre (1599 Cliffe Avenue).



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PROCESS




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CONSULTANTS LTD.

PUBLIC INFORMATION MEETING
February 16 2017
SIGN IN SHEET

FOR

Bruce Robinson, 14007 16th Avenue, Surrey BC, V4A 1P9

NAME (Please Print)	ADDRESS
	1535 Fitzgerald Ave
	1599 Cliffe #10.
	SITE A 1590 CLIFFE
	Unit 5- 1599 Cliffe
	1628 Fitzgerald Ave.
	"
	1590 CLIFFE AVE

PUBLIC INFORMATION MEETING

February 16 2017

Bruce Robinson, 14007 16th Avenue, Surrey BC

COMMENT SHEET

Name: [REDACTED] Email: [REDACTED]
Address: 1535 V Fitzgerald Ave Phone: [REDACTED]

Bruce Robinson has applied to the City of Courtenay for an Commercial Two Zone (C-2) to allow a Liquor Store at 1599 Cliffe Avenue. This project is under review by staff in the Planning Department of the City.

Given the information you have received regarding this project do you have any comments or questions?

My concern is the proximity to the childrens playground. I am also a homeowner concerned about the value of my property on Fitzgerald. We already have intoxicated people walking down our street on weekends... passed out on our yard. Do not need a liquor store even closer! We can also hear everything that goes on in the Thriftys parkinglot. Noise is a concern. I am also wondering how parking is supposed to be sufficient. Since the opening of Thriftys the parking lot has been extremely congested

Please return your comments by February 20 2017

Comment sheets can be submitted by one of the following methods:

1. Hand your comment sheet in tonight.
2. Drop your comment sheet off at Planning Dep. City of Courtenay 830 Cliffe Ave.
3. Email your comment sheet to sydney@hughmckinnon.com

PUBLIC INFORMATION MEETING

February 16 2017

Bruce Robinson, 14007 16th Avenue, Surrey BC

COMMENT SHEET

Name: [REDACTED] Email: [REDACTED]

Address: 11672 Fitzgerald Ave Phone: [REDACTED]

Bruce Robinson has applied to the City of Courtenay for an Commercial Two Zone (C-2) to allow a Liquor Store at 1599 Cliffe Avenue. This project is under review by staff in the Planning Department of the City.

Given the information you have received regarding this project do you have any comments or questions?

I found out about this via a neighbour an hour ago. I was not notified and I am not pleased. Most of our neighbours didn't get notice either. I have serious concerns about the value of my property, the safety of the area, proximity of a park, traffic in the alley, Value and Virtue of the proposed type of business. Sobey's has a history of failing in self management to their own detriment. I don't see how they would have a vested interest in the community and it's future and value. My husband and I are and will stand against this at every turn. A liquor store next to a park with current issues with congregation of those drinking and otherwise is not safe and will drop the value of our community-They have a liquor store on Cliffe, where it should be and stay.

Please return your comments by February 20 2017

Comment sheets can be submitted by one of the following methods:

1. Hand your comment sheet in tonight.
2. Drop your comment sheet off at Planning Dep. City of Courtenay 830 Cliffe Ave.
3. Email your comment sheet to sydney@hughmckinnon.com

PUBLIC INFORMATION MEETING

February 16 2017

Bruce Robinson, 14007 16th Avenue, Surrey BC

COMMENT SHEET

Name: [REDACTED] Email: [REDACTED]
Address: 1628 Fitzgerald Ave Phone: [REDACTED]

Bruce Robinson has applied to the City of Courtenay for an Commercial Two Zone (C-2) to allow a Liquor Store at 1599 Cliffe Avenue. This project is under review by staff in the Planning Department of the City.

Given the information you have received regarding this project do you have any comments or questions?

We didn't receive much info (map included was NOT)
Liquor Stores bring property values down a
minimum of 5% with an increase in crime.
Green space park is going to become the new
consumption zone. We already have enough
trouble with glass and sharps pickup (on a kids
playground!) This is only going to be amplified.
Will security be beefed up?! We are
in constant communication with the police for
vandals every other weekend (especially summer)
with kids on the roof + spray painting. There is
an illusion of a private dark stairwell at the
back of the mall where people congregate. This is
only going to get worse with a green space to consume in.
We have small children in a family neighbourhood and
this is very concerning. Keep the liquor store where it is!

Please return your comments by February 20 2017

Comment sheets can be submitted by one of the following methods:

1. Hand your comment sheet in tonight.
2. Drop your comment sheet off at Planning Dep. City of Courtenay 830 Cliffe Ave.
3. Email your comment sheet to sydney@hughmckinnon.com

PUBLIC INFORMATION MEETING

February 16 2017

Bruce Robinson, 14007 16th Avenue, Surrey BC

COMMENT SHEET

Name: [REDACTED] Email: [REDACTED]

Address: 1167 Fitzgerald ave Phone: [REDACTED]

Bruce Robinson has applied to the City of Courtenay for an Commercial Two Zone (C-2) to allow a Liquor Store at 1599 Cliffe Avenue. This project is under review by staff in the Planning Department of the City.

Given the information you have received regarding this project do you have any comments or questions?

Cont. we've had our garbage rummaged through our property disturbed. It would be detrimental to those effected without returning any positive treatment to those using the substances. The city does not need to expand or rezone liquor. we have space and it's ~~not~~ not needed.

Please return your comments by February 20 2017

Comment sheets can be submitted by one of the following methods:

1. Hand your comment sheet in tonight.
2. Drop your comment sheet off at Planning Dep. City of Courtenay 830 Cliffe Ave.
3. Email your comment sheet to sydney@hughmckinnon.com

PUBLIC INFORMATION MEETING

February 16 2017

Bruce Robinson, 14007 16th Avenue, Surrey BC

COMMENT SHEET

Name: _____ Email: _____
Address: #5-1599 Cliffe Phone: _____

Bruce Robinson has applied to the City of Courtenay for an Commercial Two Zone (C-2) to allow a Liquor Store at 1599 Cliffe Avenue. This project is under review by staff in the Planning Department of the City.

Given the information you have received regarding this project do you have any comments or questions?

pan handling
- safety for customers + employees
- loading
- high "usage" area - park - safety
- roof access via loading bay
- cameras are a way to risk forgiveness more than
hinder opportunity

Please return your comments by February 20 2017

Comment sheets can be submitted by one of the following methods:

1. Hand your comment sheet in tonight.
2. Drop your comment sheet off at Planning Dep. City of Courtenay 830 Cliffe Ave.
3. Email your comment sheet to sydney@hughmckinnon.com

PUBLIC INFORMATION MEETING

February 16 2017

Bruce Robinson, 14007 16th Avenue, Surrey BC

COMMENT SHEET

Name: [REDACTED] Email: [REDACTED]
Address: SUITE A 1590 CLIFFE AVE Phone: [REDACTED]

Bruce Robinson has applied to the City of Courtenay for an Commercial Two Zone (C-2) to allow a Liquor Store at 1599 Cliffe Avenue. This project is under review by staff in the Planning Department of the City.

Given the information you have received regarding this project do you have any comments or questions?

As owner/operator of Forbidden Brewing Co
my main concern is the loss of traffic (people)
at my location. I do, however support
the changes. Let me know how I can
help.

Please return your comments by February 20 2017

Comment sheets can be submitted by one of the following methods:

1. Hand your comment sheet in tonight.
2. Drop your comment sheet off at Planning Dep. City of Courtenay 830 Cliffe Ave.
3. Email your comment sheet to sydney@hughmckinnon.com

To the City of Courtenay and Sobey's Liquor

We The Undersigned,

From the immediate area surrounding the proposed Liquor Store in the Courtenay Crossing Shopping Center write in opposition. We do not wish for a store to be present in this location as it is sure to negatively affect our neighborhood. Such stores have been proven to increase localized crime, and decrease property values. You may reference the Pacific Institute For Research and Evaluation <http://resources.prev.org/documents/AlcoholViolenceGruenewald.pdf> and it's 9 associated studies and references. When searching house values liquor stores are listed as having a negative effect. Further, there is a neighborhood park nearby and lit alley with stairs. These are places people will certainly congregate after consuming liquor being disturbed in the region, leaving broken bottles, refuse and making the area dangerous for children and others. For these reasons we request that you do not proceed with your planned outlet.

Print Your Name

Signature

[Redacted Name and Signature]

1672 FITZGERALD AVE

Print Your Name

Signature

[Redacted Name and Signature]

1672 FITZGERALD AVE

Print Your Name

Signature

[Redacted Name and Signature]

Address

1614 Fitzgerald

[Redacted Name and Signature]

Address

1520 Fitzgerald

Print Your Name

Signature

[Redacted Name and Signature]

Address

1480 FITZGERALD

To the City of Courtenay and Sobeys Liquor

We The Undersigned,

From the immediate area surrounding the proposed Liquor Store in the Courtenay Crossing Shopping Center write in opposition. We do not wish for a store to be present in this location as it is sure to negatively affect our neighborhood. Such stores have been proven to increase localized crime, and decrease property values. You may reference the Pacific Institute For Research and Evaluation <http://resources.prev.org/documents/AlcoholViolenceGruenewald.pdf> and it's 9 associated studies and references. When searching house values liquor stores are listed as having a negative effect. Further, there is a neighborhood park nearby and lit alley with stairs. These are places people will certainly congregate after consuming liquor being disturbed in the region, leaving broken bottles, refuse and making the area dangerous for children and others. For these reasons we request that you do not proceed with your planned outlet.

Print Your Name

Signature

[Redacted Name and Signature]

Address

[Redacted Address]

Print Your Name

Signature

[Redacted Name and Signature]

Address

1628 Fitzgerald Ave

[Redacted Name and Signature]

Address

1628 Fitzgerald Ave.

Print Your Name

Signature

Address

Print Your Name

Signature

Address



STAFF REPORT

To: Council

File No.: 1705-20

From: Chief Administrative Officer

Date: April 18, 2017

Subject: 2017 – 2021 Draft General Fund Budget and 2017-2021 Consolidated Financial Plan

PURPOSE:

The purpose of this report is for Council to consider the Draft 2017 – 2021 General Fund Budget and the proposed general property tax increase for 2017. This report also presents for consideration, the Draft 2017-2021 Consolidated Financial Plan.

POLICY ANALYSIS:

Section 165 of the *Community Charter* requires a municipality to have a five year financial plan. The 2017 – 2021 General Fund budget is a component of the City's annual five year financial plan.

Council has established the current municipal strategic priorities through the "City of Courtenay Strategic Priorities 2016-2018". This important policy serves as a guide to staff in the preparation of the City's annual budget and Five Year Financial Plan. While all six themes included in the Strategic Priorities are considered, the two themes outlined below are of the greatest relevance.

We proactively plan and invest in our natural and built environment

- Continued focus on asset management for sustainable service delivery
- Focus on infrastructure renewal rather than upgrades
- Continued support for social, economic and environmental sustainability solutions
- ▲ We look for regional infrastructure solutions for shared services to our community

We focus on organizational and governance excellence

- We support and encourage initiatives to improve efficiencies
- We support meeting the fundamental corporate and statutory obligations
- We recognize staff capacity is a finite resource
- Communication with our community is a priority, and is considered in all decisions we make
- We responsibly provide services at a level which the people we serve are willing to pay

The 2017 – 2021 General Fund budget has also been guided by Council's Asset Management Policy, which was adopted in June 2015. Sound Asset Management practices enable Sustainable Service Delivery by integrating community values, priorities and an informed understanding of the trade-offs between risks, costs and services. This focus is summarized by the following excerpt from Council's Asset Management Policy adopted in June of 2015:

The City's Sustainable Service Delivery needs will be met by ensuring adequate provision is made for the long-term planning, financing, operation, maintenance, repair, renewal, upgrade, replacement and disposal of capital assets by:

- a) Ensuring that Courtenay's capital assets are provided in a manner that respects socio/cultural, economic and environmental sustainability;
- b) Meeting all relevant legislative and regulatory requirements;
- c) Demonstrating transparent and responsible Asset Management processes that align with demonstrable best-practices;
- d) Implementing sound Asset Management plans and strategies and providing sufficient financial resources to accomplish them;
- e) Ensuring necessary capacity and other operational capabilities are provided and Asset Management responsibilities are effectively allocated;
- f) Creating a corporate culture where all employees play a part in overall care for City assets by providing awareness, training and professional development; and
- g) Providing those we serve with services and levels of service for which they are willing to pay.

EXECUTIVE SUMMARY:

The five year General Fund budget is prepared annually. For 2017 it provides for a total of \$32.56M in planned operating expenditures, \$7.98M in capital expenditures (which includes long-term debt payments) and \$3.083M distributed to various surpluses and reserves.

The proposed 2017 Consolidated Financial Plan (General, Water and Sewer Funds) provides for a total of \$44.14 million in planned City operating expenditures, \$13.44 million in capital expenditures (including long-term debt payments) and \$4.2 million distributed to various surpluses and reserves.

The current year financial plan proposes an increase of 2.00% in revenue derived from municipal property taxation, and will be used to fund General Fund Operations.

CAO RECOMMENDATIONS:

That based on the April 18, 2017 Staff Report "2017 – 2021 General Fund budget and 2017 – 2021 Consolidated Financial Plan", Council approve OPTION 1 and endorse the Draft proposed 2017-2021 General Operating budget which includes an increase of 2.00% in revenue derived from property taxation; and

That the draft 2017 – 2021 Consolidated Financial Plan be posted on the City's website for 10 days to allow for public input.

Respectfully submitted,



David Allen, BES, CLGEM, SCLGM
Chief Administrative Officer

BACKGROUND:

Consideration and approval of a five year financial plan is an annual requirement under Section 165 of the *Community Charter*. The proposed Financial Plan for the General Operating Fund provides details for the 2017 year as well as projections for the next four years.

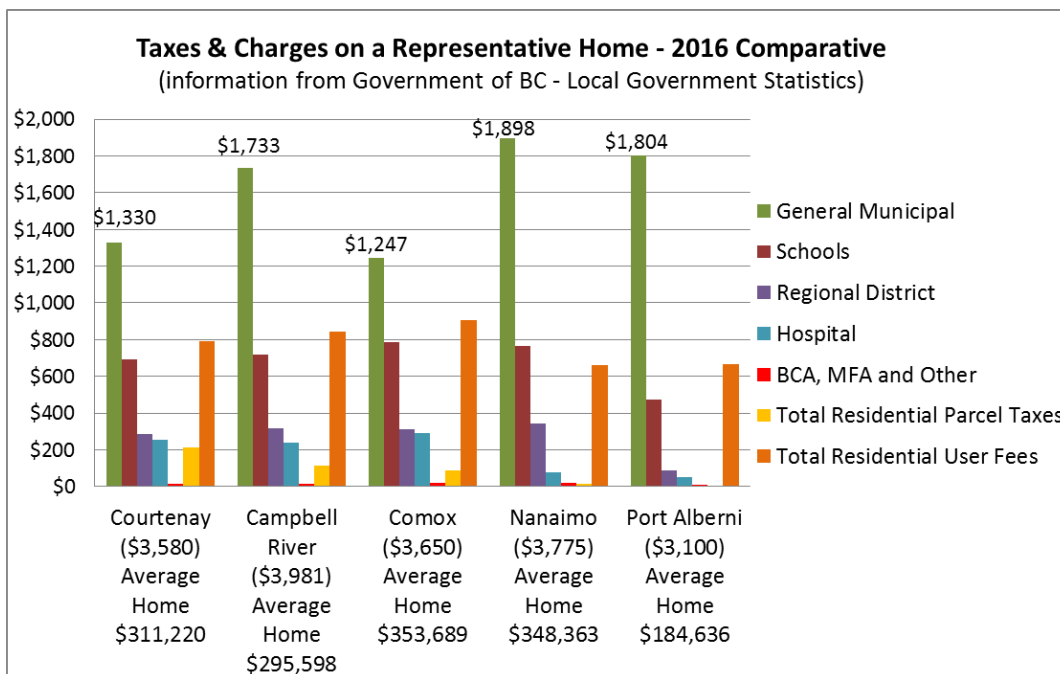
With Council's endorsement, the proposed schedules will be included in the 2017 – 2021 Consolidated Financial Plan Bylaw.

DISCUSSION/FINANCIAL IMPLICATIONS/ADMINISTRATIVE IMPLICATIONS:

Budget Overview:

The operating budget is an important document produced by a local government. It sets the government's taxing and spending direction. As Council's primary policy document, it establishes explicit service priorities and is an operational guide for departments who are responsible for achieving those priorities. This document serves as a communications device and makes the municipality's operations transparent to public officials and the general public.

Attached below is a comparison of the property tax and utility costs from neighbouring municipalities on Vancouver Island. The following 2016 information has been compiled by the BC Government showing Local Government statistics for the province. The information below shows how an "average" residential property in Courtenay compares to other municipalities in relation to property taxes levied, dollars collected for other taxing authorities, utility user fees and parcel taxes.



2017 General Fund Operating Budget:

The 2017 General Fund Operating budget was prepared from departmental submissions, asset management information and consideration of multiple external sources and cost drivers. The proposed budget plan examined past spending patterns as well as considered appropriate analysis of the anticipated costs for 2017 through to 2021. Revenues were examined from the perspective of whether they were realistic and reasonable, and costs were examined from the perspective of whether they were necessary, defensible and practical in relation to Council’s 2016-2018 Strategic Priorities.

PROPERTY TAXES

Taxation Revenues – Proposed Revenue Increase

Based on the final Taxable Assessment Roll, property tax revenue generated from new construction has increased from \$195,200 in 2016 to \$426,900 for 2017. New construction plus higher taxable total assessment values for properties in Courtenay have combined to provide additional revenue of close to \$1.3M in 2017. The Solid Waste rate increase of 2% also contributes to revenue sources.

Statistics Canada notes the change in the CPI (Consumer Price Index) for BC is 2.3% between February 2016 to February 2017. The City’s suggested Financial Plan provides for a number of additional cost drivers that surpass this index (BC Hydro 4 % utility rate increase). The proposed general operations tax increase of 2.0% provides a portion of the funding required to meet the additional 2017 budget requirements detailed below under “2017 Cost Drivers and Changes in Budgeted Expenditures”. Cost reductions and operational realignments also result in savings to assist with funding expenditure requests.

Prior year general surplus in the amount of \$2,099,200 has been utilized in the financial plan to provide funding required for capital projects and to assist with stabilization of the property tax rates for 2017.

In 2017 the infrastructure levy introduced in 2016 is being reduced to 0% pending further refinement of the asset management program and organizational capacity issues. For 2018 through 2021 the levy will be

gradually reinstated at the following levels: 1% in 2018, 1.5% in 2019 and 2% for 2020/2021. In 2016, \$406,500 was generated from this levy and placed into a reserve for future asset management needs.

Assessment Trends

- | | |
|--|--|
| ➤ Residential Assessment
(Class 01) | Average property value increase = 3.23%
(from \$301,474 to \$311,200) |
| ➤ Commercial Assessment
(Class 06) | Average property increase = 6.28%
(from \$689,595 to \$732,911) |

The commercial multiple was lowered from 2.80 to 2.71950 to ensure an equal distribution of the tax burden between commercial and residential taxpayers. Leaving the multiple at 2.80 would have translated to a 6% increase for the Commercial class versus a 3% increase for the Residential class.

What does this mean to the Average Taxpayer:

Based on the City's suggested property tax rate increase and tax rate structure, the following impacts have been calculated:

Residential Class – based on the commercial multiple of 2.71950.

The property tax increase for an “average” 2017 residential property, valued at \$311,200 is estimated to be an increase of \$19 for the municipal taxation portion of the tax notice. This is equivalent to \$1.58 per month or **\$0.05 per day**.

Commercial Class – based on the multiple of 2.71950.

The “average” commercial property, valued at \$732,911 is estimated to see an increase of \$123 for the municipal portion of the tax notice. This is equivalent to \$10.24 per month or **\$0.34 per day**.

**Commercial Class 6 encompasses a wide range of businesses, with a wide range of assessment valuations.

GENERAL FUND OPERATING BUDGET EXPENDITURES

2017 Cost Drivers and Changes in Budgeted Expenditures

Services provided by the City for its residents include police and fire protection, bylaw enforcement, animal control, transportation services, snow removal, street sweeping, storm drainage, street lighting, traffic, parking, solid waste pickup and recycling, yard waste pick up, parks, playgrounds, recreation programs and facilities as well as cultural facilities such as the library, arts centre, museum and theatre.

Levels of service have been reviewed and in many instances, funding adjustments made to meet public demand and higher regulatory requirements. The following items have been included in the 2017 financial plan.

1. Personnel costs:
 - The staffing and re-structuring of departments continued to evolve over the course of 2016. The City has grown considerably over the last 15 years, with the number of households increasing by 43.1 % since 2001. The need to provide adequate staffing

resources to achieve sustainable service delivery and to meet regulatory and rising service provision costs has precipitated requests for more employees. This is outlined in greater detail in a separate staff report which is also part of the April 18th 2017 Regular Open Council meeting. Provision has been made to facilitate the hiring of new staff in key departments.

- Departmental re-organizations have been undertaken. The initiatives of corporate capacity/time tracking, asset management with GIS data compilation, human resources information systems, document management and improved service provision continue to be priorities of the organization.
 - Based on the union contract, Staff compensation was increased by 2% in 2017. This includes rates paid to all staff and volunteer firefighters.
 - A one-time adjustment for equitable treatment of vacation entitlement is provided for some staff in 2017. Specifically, staff hired about 15 years ago were required to work an entire year before they were able to take vacation. Staff hired after this time frame were allowed to take vacation that they had accrued in the same year that they were hired.
2. Utility Costs:
- BC Hydro's rate increase of 4% is included in this year's operating budget.
3. Protective Services:
- The established strength for police protection is budgeted at 31.4 members with an anticipated vacancy pattern of 4 members (based on 2016 actual contract costs). RCMP staff retro-pay remuneration for prior years is included in this budget resulting in a projected additional cost of \$275,000.
- Federal public service employee (PSAC) 2017 contract costs were reviewed and adjusted to reflect historical values. This results in a budget reduction of \$44,000.
- The removal of the one-time cost for the Puntledge geotechnical review results in one-time 2017 savings of \$53,000.
4. Environmental Health Services
- This is the category for solid waste. The consolidated statements combine water and sewer operations in this category. This area sees considerable increases due to a number of factors outside the control of City Administration.
 - 2017 solid waste tipping rates at the regional landfill are remaining at 0.130 per tonne in 2017. The city's growth has resulted in an increase of over \$80,000 to the costs for solid waste services. The CVRD requisition for solid waste operations is doubling from approximately \$476,000 to \$965,400.
 - For 2017, new funding is requested for the replacement of Litter Baskets - \$50,000 annually for the next three years.

5. Public Works Services:

○ Engineering:

- Continuing from the latter part of 2016 and into 2017 is the realignment of staff between Engineering, Public Works, Asset Management Technical Services, Civic Properties Maintenance, and Parks.
- New in 2017 is the request for funding of a Capital Warranty program - \$15,000.
- Gas Tax funding is being utilized for:
 - a Cycling Network plan - \$35,000
 - Transportation Study - \$100,000
 - Upper Brooklyn Creek Storm Sewer - \$65,000
 - Dike Replacement Strategy - \$110,500

○ Asset Management:

- Gas Tax funding of \$490,000 is being utilized for various asset condition assessments:
 - Asphalt Assessment - \$30,000
 - Camera inspection of storm sewers - \$175,000
 - Sidewalk Assessment – \$40,000
 - Fuel System Assessment - \$20,000
 - Traffic Signal Assessment - \$25,000
 - Parks Buildings Inventory Assessment - \$150,000
 - Creek Crossing Assessment - \$50,000

○ Roads and Streets, Traffic Services, and Storm Sewers:

- Additional budget funding is requested for:
 - Crack sealing program - \$100,000
 - Sidewalk Maintenance - \$100,000
 - Additional funding for Snow Removal - \$110,000
 - Additional Street Cleaning - \$21,000
 - Dyke Maintenance - \$60,000
 - Flood Prevention and Response - \$15,000
 - Creek Crossing Repairs - \$85,000
 - Traffic Signal maintenance and repairs - \$44,000 and,
 - Shop equipment - \$30,000.

○ Civic Properties Maintenance and Parks:

- New budget funding for:
 - maintenance of various parks and parks equipment - \$185,000
 - Parks and Playgrounds - \$77,000
 - Green Way Trails - \$47,000

6. Development Services:

- In this department there is a budget reduction of \$4,200 due to removal of one-time 2016 expenditures.

7. Recreation & Cultural Services:

- New budget funding for this department includes:
 - Consulting Services to assist with the transition of the CRA - \$50,000
 - Pool start-up and winterization processes and pool supervision - \$27,000
 - Custodial service cost increases - \$23,000
 - Replacement of small equipment at Lewis Centre - \$36,000
 - Preventative Maintenance and Cleaning at Wellness Centre - \$48,000
 - Recreation software costs - \$19,000
 - Recreation programming supplies, materials, training, Instructors and salaries - \$115,000
 - July 1st Standing Committee - \$28,500
 - Cultural service strategic planning reviews - \$15,000
 - Continuation of the Parks and Trails Master Plan

GENERAL FUND CAPITAL BUDGET EXPENDITURES

2017 Capital spending in the General Fund budget totals \$7,980,600.

CAPITAL EXPENDITURES	
Debt	
Interest	572,500
Principal	855,900
	1,428,400
Assets	
Land and improvements	631,600
Buildings	1,584,900
Equipments / Furnitures / Vehicles	1,066,000
Engineering Structures - Renewal	2,808,700
Engineering Structures - New	-
Other Tangible Capital Assets	461,000
Loss of disposal of assets	-
Total Assets	6,552,200
Total General Capital Expenditures	7,980,600

Noteworthy expenditures include:

- \$2.80M is dedicated to achieve sustainable renewal of road surfaces and improving drainage infrastructure. These projects include:
 - Storm Drainage - \$348,100
 - Traffic Signal Projects - \$70,000
 - Major Street Reconstruction - \$900,600 and
 - Road Paving - \$1,490,200 (double from 2016).
 - Largest road paving projects to be completed will be on:
 - Piercy - \$336,700
 - Mansfield Drive - \$125,800
 - Malahat Drive - \$303,800
 - Tull Avenue - \$246,100
 - Comox Road - \$131,000
 - 16th Street – Tull to Cumberland - \$118,600 and
 - 4 smaller projects between \$20,000 and \$125,000.

- \$1.239M of spending on City Facilities
- \$529,600 for Parks, Walkways and Cemetery

Funding for the 2017 General Fund Capital Budget consists of:

- a) DCC Reserves - \$227,800
- b) CVRD Grants - \$233,000
- c) Various Reserves - \$3.644 Million
- d) Gas Tax and Building Canada Fund- \$839,900 and
- e) Transfer from Operating - \$3.036 Million.

GENERAL FUND RESERVES, GRANTS AND SURPLUS FUNDS

The 2017 General Operating and Capital budgets use reserves, grants and surplus funds in order to keep the municipal tax levy at a rate deemed palatable for the general public and Council.

- Community Works Fund (CWF) – Gas Tax Grant Revenues:
 - CWF – Gas Tax grant funding of approximately \$1,144,000 is proposed in the 2017 budget year - \$800,500 for various infrastructure condition assessments and Transportation-Cycling plans and \$344,000 for capital projects.
- Building Canada grant money has been provided to the City for:
 - Complete Streets project - over \$3.0 million; and,
 - 5th Street Bridge project - approximately \$2.0 million.

Both projects are budgeted over several years between 2017 to 2021.

- Gaming Funds:
 - In accordance with Council’s 2016-2018 adopted policy on the distribution of gaming funds, it will continue to be used to fund:
 - Two members of the 31.4 (FTE) RCMP members funded by the City of Courtenay.
 - Downtown Arts and Cultural organizations.
 - Provision of Grant-In-Aid dollars to organizations throughout the community; and,
 - The cost of Council initiatives such as the 100 year celebration Committee Legacy Funds, July 1st Committee, and Purple Ribbon Campaign.
- Traffic Fine Revenue Sharing Grant:
 - Two members of the total 31.4 RCMP members allotted to the City of Courtenay.
- General Fund Surplus/Proposed New Reserves:
 - Pending the completion of the 2016 audit, the cumulative balance of surplus funds is projected to total around \$4.0 million. These savings have accumulated over the years due to staff capacity issues, police member vacancies, changing Council and Administrative priorities and changing weather patterns. The 2017 General Fund budget utilizes close to \$2.1M of these surplus funds (\$1,397,200 – Operating Budget and \$702,000 – Capital Budget).
- Debt
 - No new borrowing is proposed for 2017. However, debt may be required dependent on funding capacity in outlying years for capital funding of:

1. Infrastructure development, renewal and replacement in areas such as:
 - Street and Road Reconstruction and development,
 - Storm drainage,
 - Water and Sewer projects
2. Police Services building, West Courtenay
3. New Public Works facility
4. Satellite Fire Hall facility

The ceiling for the City’s allowable annual debt payment servicing capacity is 25% of its prior year’s operating revenue from all funds (general, water and sewer), a value of approximately \$10,900,000. The City is well below its allowable borrowing capacity, currently only using approximately 14.5% of the \$10.9M payment servicing limit.

ASSET MANAGEMENT IMPLICATIONS:

In accordance with Council’s Asset Management Policy, the 2017-2021 Capital Financial Plan was guided by using the principles of Asset Management. Two concepts explain its purpose and scope: first, the objective of Asset Management is to meet a required level of service, in the most cost effective manner, through the management of assets for present and future users. Second, lifecycle asset management encompasses all practices associated with considering management strategies as part of the asset lifecycle by looking at the lowest long-term cost when making decisions.

STRATEGIC PRIORITIES REFERENCE:

This General Fund budget focuses on asset management for sustainable service delivery plus infrastructure renewal within financial and staff capacity constraints.

The 2017-2021 Consolidated Financial Plan has been developed with the intention of addressing the strategic priorities identified below:

We actively pursue vibrant economic growth

- Revitalizing our downtown is critical to our economic future
- Continue to improve our relationship with business in our community
- ▲ Our investment in economic development is measurable
- ▲ Continue to explore innovative economic options
- The regional airport is a key economic driver

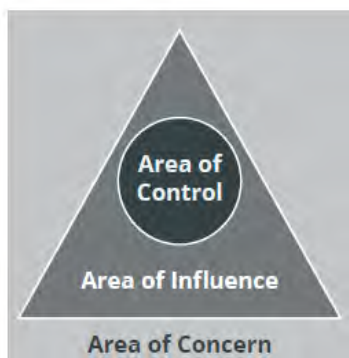
We proactively plan and invest in our natural and built environment

- Continued focus on asset management for sustainable service delivery
- Focus on infrastructure renewal rather than upgrades
- Continued support for social, economic and environmental sustainability solutions
- ▲ We look for regional infrastructure solutions for shared services to our community

We value multi-modal transportation in our community

- We support developing multi-modal transportation network plans
- As we build new or replace existing transportation infrastructure, we are consistent with what we learn from our Complete Streets Pilot Project
- ▲ Support our regional transit service while balancing service improvements with costs

<p>We support diversity in housing and reasoned land use planning</p> <ul style="list-style-type: none"> ● Support densification aligned with community input and regional growth strategy ● Assess how city-owned lands can support our strategic land acquisitions and disposals ▲ Support initiatives and incentives to encourage lower cost housing ■ Proactively pursue housing diversity and advocate for senior government support 	<p>We focus on organizational and governance excellence</p> <ul style="list-style-type: none"> ● We support and encourage initiatives to improve efficiencies ● We support meeting the fundamental corporate and statutory obligations ● We recognize staff capacity is a finite resource ● Communication with our community is a priority, and is considered in all decisions we make ● We responsibly provide services at a level which the people we serve are willing to pay 	<p>We invest in our key relationships</p> <ul style="list-style-type: none"> ○ We value and recognize the importance of our volunteers ○ We will continue to engage and partner with service organizations for community benefit ▲ We actively engage with our K'ómoks First Nation neighbours on issues of mutual interest and concern ▲ We advocate and cooperate with other local governments and senior governments on regional issues affecting our city
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● **Area of Control**

The policy, works and programming matters that fall within Council's jurisdictional authority to act.

▲ **Area of Influence**

Matters that fall within shared or agreed jurisdiction between Council and another government or party.

■ **Area of Concern**

Matters of interest outside Council's jurisdictional authority to act.

OFFICIAL COMMUNITY PLAN REFERENCE:

The 2017 – 2021 Consolidated Financial Plan touches several of the OCP Goals including:

- Balanced growth
- Parks and publicly accessible natural open spaces
- Sustainable development
- Provision of community services including fire/rescue and policing
- An effective transportation system

REGIONAL GROWTH STRATEGY REFERENCE:

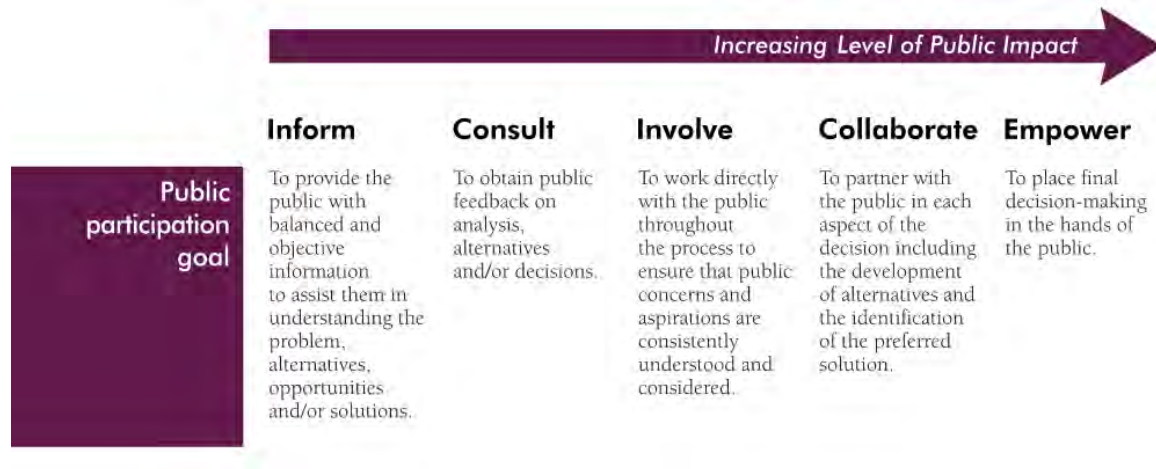
This budget is presented to encourage sound financial management of City assets in order to provide services to all residents within the municipality and region.

CITIZEN/PUBLIC ENGAGEMENT:

Pursuant to Section 166 of the *Community Charter*, Council must undertake a process of public consultation regarding the proposed financial plan before it is adopted. The financial plan information will be posted on the City's website for review.

Staff undertook the ‘consult’ level of public participation as per the IAP2 Spectrum of Public Participation with the web-based consultation tool “Citizen Budget” this past fall. The City received 262 visits to the website with 132 respondents. A staff briefing note with results was provided to Council on December 19, 2016 and is available upon request.

http://c.ymcdn.com/sites/www.iap2.org/resource/resmgr/imported/IAP2%20Spectrum_vertical.pdf



OPTIONS:

Option 1: Council endorse the 2017 – 2021 Draft General Fund Budget as proposed, and direct Staff to include the various schedules in the 2017 – 2021 Consolidated Financial Plan Bylaw; and the draft 2017 – 2021 General Fund Budget and Consolidated Financial Plan be posted on the City’s website for 10 days to allow for public input. (Recommended)

Option 2: Council approve an amended 2017 – 2021 General Fund Budget, and direct Staff to amend the various schedules in the 2017 – 2021 Consolidated Financial Plan Bylaw;

Option 3: Council defer approving the 2017 – 2021 General Fund Budget as proposed and that further discussion occur at a later Council meeting.

Prepared by:

Brian Parschauer, BA, CPA-CMA
Director of Finance

Attachment: 2017 – 2021 Draft- Consolidated Financial Plan Overview

2017 Five Year Financial Plan

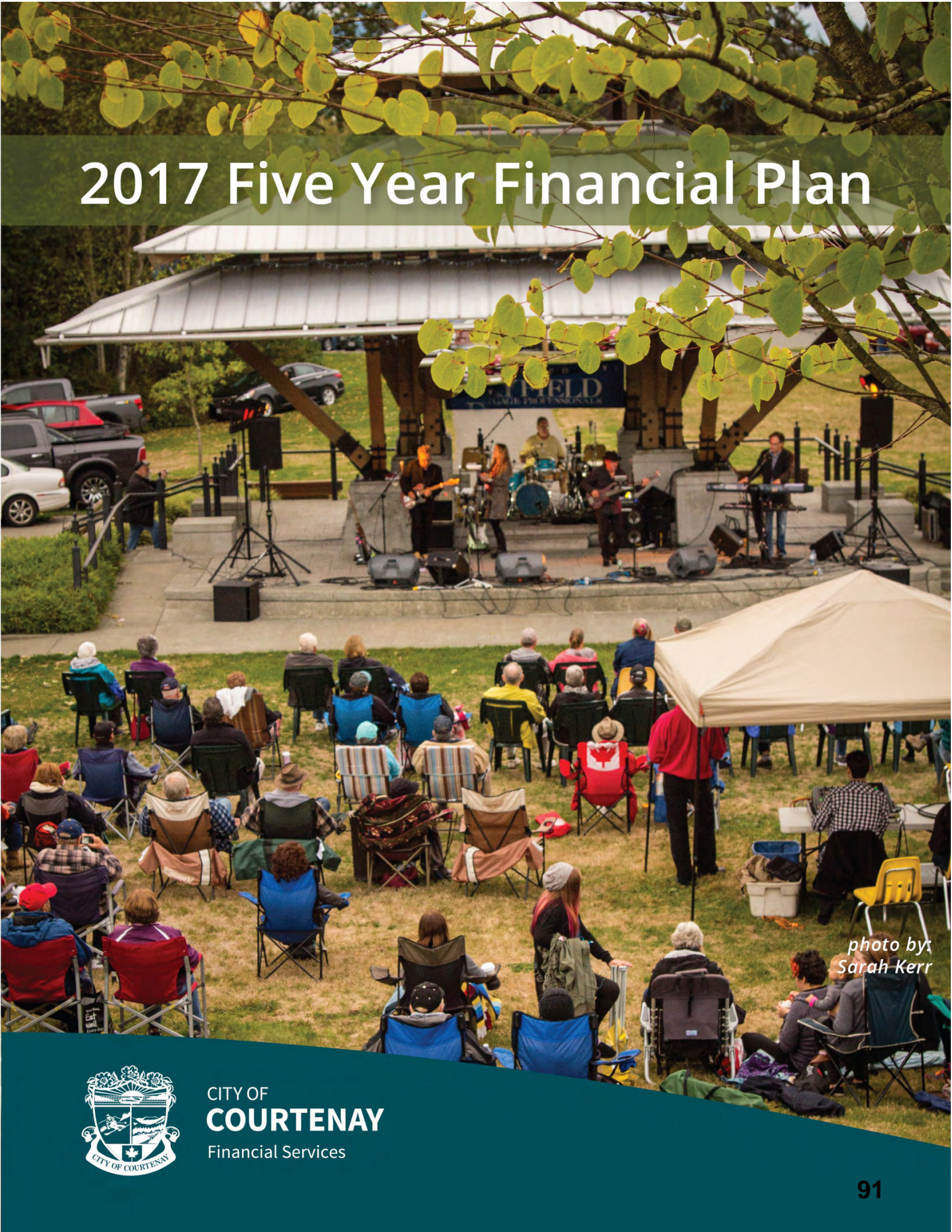


photo by:
Sarah Kerr



CITY OF
COURTENAY
Financial Services

2017 – 2021 Five-Year Financial Plan draft

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City of Courtenay – Quick Facts



Official City Crest

Coordinates-City Hall
UTM Zone 10:
X: 356077 | Y: 5506012

Long: -124°59' 44" W
Lat: 49° 41' 22" N

- **Incorporated:** January 1, 1915
- **Population:** 25,599 (2016 Census) | Comox Valley RD: 66,527 (2016 Census)
- **City Area:** 33.7 km² | 3,369 ha. | 8,324 acres
- **City Land Area (not incl Courtenay R. or Harbour):** 32.7 km² | 3,267 ha. | 8,075 acres
- **Private Dwellings:** 12,013 (2016 Census)
- **Private Dwellings occupied by usual residents:** 11,704 (2016 Census)
- **Density per km²:** 783
- **Population Growth (2011 – 2016):** +5.7%

Courtenay is a city on the east coast of Vancouver Island in the province of British Columbia, Canada. The city was named after the Courtenay River, which in turn, was named after George William Courtenay, captain of the British ship HMS Constance, which was stationed in the area between 1846 and 1849. Courtenay is the largest, and only, city in the Comox Valley Regional District.

Statistics

Utilities

Sanitary

- Sanitary Sewer Mains: 152.3 km (Jan 2017)
- Sanitary Sewer Connections: 6,926 (Estimate, based on Water)
- Sanitary Lift Stations: 12 Stations (23 Pumps)

Storm

- Storm Sewer Mains: 159.4 km (Jan 2017)
- Storm Catch basins: 3,965 (Jan 2017)
- Storm Sewer Connections**: 7,550 (Jan 2017)

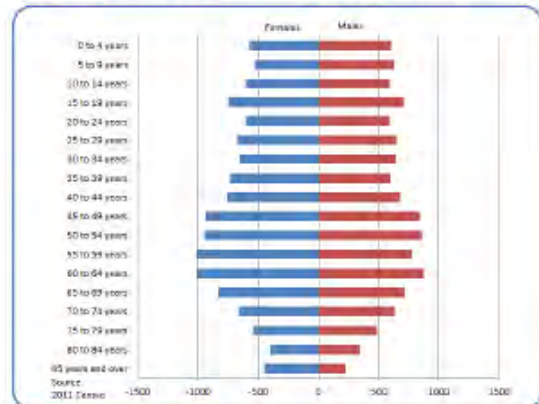
Water

- Water Mains[†]: 170.4km (Jan 2017)
- Water Service Connections: 6,926 (Dec 2016)
- Water Meters Setters: 1,782 (Dec 2016)
- Fire Hydrants: 730 (Jan 2017)
- Mainline Valves: 2,151 (Jan 2017) | Air Valves: 80 (Dec 2016)
- Booster Station: 5 pumps

Transportation

- Roads: 161 km | 341 lane km (Jan 2017)
- Sidewalks: 156km (2014) | Paved Walkways: 11.3 km (2017)
- Streetlights: 1,258 (Jan 2017)

Age Pyramid for Courtenay, BC (Census 2011)



Environment

Oceanfront: 3.1 km
Riverfront: 12.0 km

Max Elevation: 94m (Waters PI Reservoirs)
Min Elevation: 0m (Comox Harbour)

Notes:

**Storm Connections based on number of parcels in area with Storm utilities, where connections area known to have been installed.

†The Comox Valley Regional District transmission water mains throughout the City of Courtenay not included in the numbers posted. Numbers posted included the Sandwick water district mains and hydrants.

All Data compiled by the City of Courtenay AMTS (2017-02-01)



2017 – 2021 Five-Year Financial Plan draft

Introduction

The *Community Charter* outlines the purposes and fundamental powers of a municipality under section 6 and 7, and establishes council as the governing body.

Municipal purposes include:

- a. Providing for good government of its community
- b. Providing for services, laws and matters of community benefit
- c. Providing for the stewardship of the public assets of its community, and
- d. Fostering the economic, social and environmental well-being of its community

Section 8, subsections 2 states: “A municipality may provide any service that the council considers necessary or desirable, and may do this directly or through another public authority or another person or organization.”

Spending for service provision or for capital programs cannot move forward without Council’s approval and direction. While the Financial plan lays the groundwork for the organization and is the City’s principal document, nothing is accomplished without Council approving or directing how scarce resources will be allocated to pay for operational costs and capital programs. The five year financial plan provides a framework for planning and managing the City’s resources, revenues and expenditures each year under the auspices of the City’s strategic priorities and long-term asset management plans.

The *Community Charter* requires that a local government adopt an annual five-year balanced financial plan bylaw before the annual tax rate bylaw is adopted each year prior to May 15.

This 2017-2021 financial plan was developed as a broad-based, collective effort and was strongly influenced by the six themes of Council’s 2016-2018 Strategic Priorities as presented next. Efforts were also made to remain within Council’s “Area of Control”, “Area of Influence” and “Area of Concern” as defined in the adopted strategic priorities document.

City of Courtenay Strategic Priorities 2016 – 2018

We actively pursue vibrant economic growth

- Revitalizing our downtown is critical to our economic future
- Continue to improve our relationship with business in our community
- ▲ Our investment in economic development is measurable
- ▲ Continue to explore innovative economic options
- The regional airport is a key economic driver

We proactively plan and invest in our natural and built environment

- Continued focus on asset management for sustainable service delivery
- Focus on infrastructure renewal rather than upgrades
- Continued support for social, economic and environmental sustainability solutions
- ▲ We look for regional infrastructure solutions for shared services to our community

We value multi-modal transportation in our community

- We support developing multi-modal transportation network plans
- As we build new or replace existing transportation infrastructure, we are consistent with what we learn from our Complete Streets Pilot Project
- ▲ Support our regional transit service while balancing service improvements with costs

We support diversity in housing and reasoned land use planning

- Support densification aligned with community input and regional growth strategy
- Assess how city-owned lands can support our strategic land acquisitions and disposals
- ▲ Support initiatives and incentives to encourage lower cost housing
- Proactively pursue housing diversity and advocate for senior government support

We focus on organizational and governance excellence

- We support and encourage initiatives to improve efficiencies
- We support meeting the fundamental corporate and statutory obligations
- We recognize staff capacity is a finite resource
- Communication with our community is a priority, and is considered in all decisions we make
- We responsibly provide services at a level which the people we serve are willing to pay

We invest in our key relationships

- We value and recognize the importance of our volunteers
- We will continue to engage and partner with service organizations for community benefit
- ▲ We actively engage with our K'ómoks First Nation neighbours on issues of mutual interest and concern
- ▲ We advocate and cooperate with other local governments and senior governments on regional issues affecting our city



● **Area of Control**

The policy, works and programming matters that fall within Council's jurisdictional authority to act.

▲ **Area of Influence**

Matters that fall within shared or agreed jurisdiction between Council and another government or party.

■ **Area of Concern**

Matters of interest outside Council's jurisdictional authority to act.

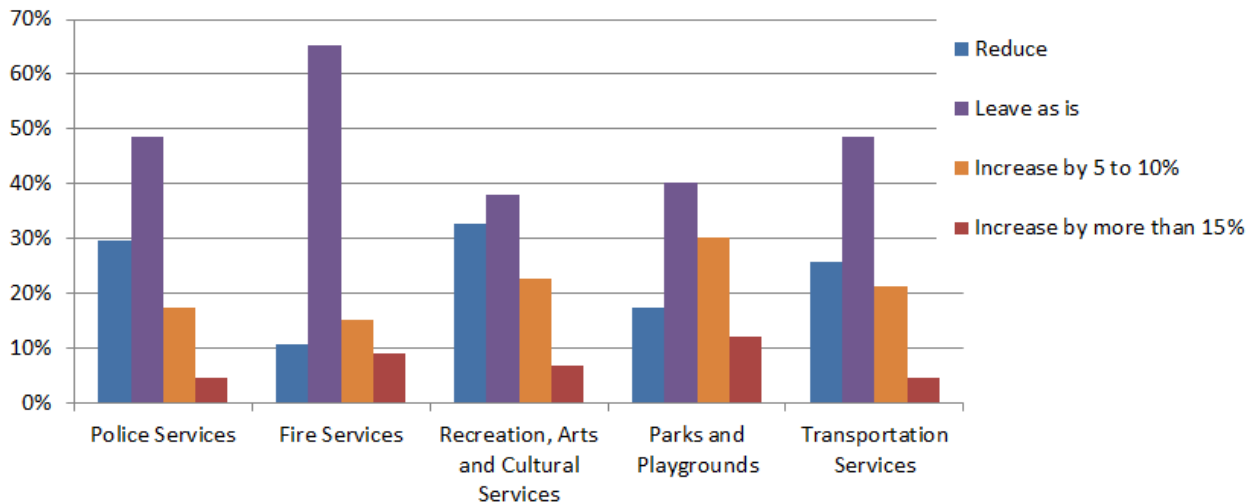
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Public consultation

Public input is important for the City and was considered for the 2017-2021 Five-Year Financial Plan using the results and comments gathered from the 2017 Citizen Budget Survey that ran from October 18 to November 26, 2016. There were 262 visitors of which 132 responded or commented. This was the fourth year the City consulted the community using an online citizen budget survey.



The table below is an extract from the 2017 Citizen Budget survey results and reports how respondents wanted their property taxes adjusted for the various service areas.



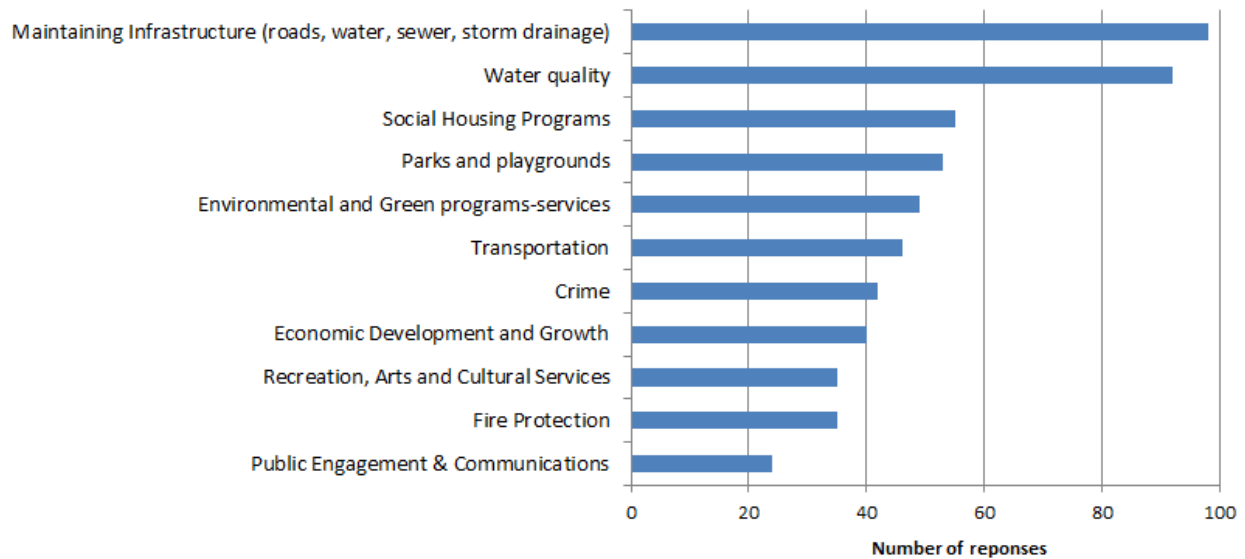
For the Property tax, Water and Sewer, the majority of survey respondents were supportive of a 1-2 percent increase as indicated in this table.

	Total Responses	Leave as is		Increase by 1-2%		Increase by 3-4%		Increase by more than 5-6%		Increase by more than 7-8%	
		Number	%	Number	%	Number	%	Number	%	Number	%
General Municipal Property Taxes	127	39	31%	57	45%	14	11%	17	13%	0	0%
Water Infrastructures	124	35	28%	44	35%	17	14%	18	15%	10	8%
Sewer Infrastructures	121	53	44%	45	37%	11	9%	5	4%	7	6%

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Respondents were also asked to choose the top five issues that should receive the greatest attention from municipal leaders. Below is the list of top five issues from the Citizen Budget review. As with previous Citizen Budget Surveys, maintaining key infrastructure focused on the provision of the City's core services – water, sewer, roads, and storm drainage continues to be the top issue, with water quality coming in second. Many respondents mentioned they would have chosen Air quality as a choice had it been listed.

Top Five Issues



Demographic information is as follows:

- 88 homeowners, 7 renters and 1 non-resident property owner
- 86 respondents were older than 35; 44 are older than 55
- 87 respondents have lived in the City for more than 2 years and 55 for 10 years or more

Based on BC Statistics, 262 visitors represent approximately 1.3% of the eligible voting electorate of Courtenay (the population of Courtenay was 25,599 for 2016; staff estimates 80% is within voting age). 132 respondents represent 0.6% of the voting population of Courtenay.

2017 – 2021 Five-Year Financial Plan draft

Asset Management

In accordance with Council's Strategic Priorities and Asset Management Policy, the 2017-2021 Capital Financial Plan was guided by using the principles of Asset Management. Two concepts explain its purpose and scope: first, the objective of Asset Management is to meet a required level of service, in the most cost effective manner, through the management of assets for present and future users. Second, lifecycle asset management encompasses all practices associated with considering management strategies as part of the asset lifecycle by looking at the lowest long-term cost when making decisions.

Sound Asset Management practices enable Sustainable Service Delivery by integrating community values, priorities and an informed understanding of the trade-offs between risks, costs and services. This focus is summarized by the following excerpt from Council's Asset Management Policy adopted in June of 2015:

The City's Sustainable Service Delivery needs will be met by ensuring adequate provision is made for the long-term planning, financing, operation, maintenance, repair, renewal, upgrade, replacement and disposal of capital assets by:

- a) Ensuring that Courtenay's capital assets are provided in a manner that respects socio/cultural, economic and environmental sustainability;
- b) Meeting all relevant legislative and regulatory requirements;
- c) Demonstrating transparent and responsible Asset Management processes that align with demonstrable best-practices;
- d) Implementing sound Asset Management plans and strategies and providing sufficient financial resources to accomplish them;
- e) Ensuring necessary capacity and other operational capabilities are provided and Asset Management responsibilities are effectively allocated;
- f) Creating a corporate culture where all employees play a part in overall care for City assets by providing awareness, training and professional development; and
- g) Providing those we serve with services and levels of service for which they are willing to pay.



Financial Plan Overview

The Financial Plan information in this report is presented in four separate sections:

- Consolidated Revenues and Funding Sources
- General Fund
- Sewer Fund
- Water Fund

This document also presents a consolidated view of the City of Courtenay (“City”) municipal operations. It is intended to provide the reader with a perspective of what the City is working toward over the next five years and provide incremental improvements in reporting to the annual financial report issued each year.

Budgeting by Funds

The City provides a variety of services that are budgeted through three different operating funds, and three different capital funds. Annual property taxation and most other types of revenue are recognized in the General Fund whereas the Water and Sewer utility operating funds are intended to be self-supporting through separate and specific user fees and taxes.

The General Fund

The General Fund is divided into seven standard divisions utilized by most local governments. Within each division is the plan for each department and functional area. Those plans are presented in a summarized format that is intended to facilitate the budget decision-making process.

The General Fund accounts for the widest variety of City activities. The costs of policing, fire and emergency services, streets and roads, planning and development, parks, recreation and culture, building maintenance, animal control, bylaw enforcement, solid waste services, and the majority of administrative costs of the City are shown in this fund. Most service areas generate additional revenue sources that are used to offset the cost of the service provided, and reduce the reliance on property taxes, however the largest revenue source continues to be property taxes.

The Water and Sewer Utility Funds

The Water Utility fund accounts for the City’s activities in distributing potable water to the community while the Sewer Utility accounts for the removal of the waste water generated by residents. The Comox Valley Regional District (CVRD) provides bulk water and waste water treatment to Courtenay and surrounding regional partners. The CVRD bills Courtenay for water based on bulk water utilized and sewer services based on recorded proportional flows.

The activities in the Water and Sewer funds are paid via User Fees and Frontage-Parcel taxes on properties. There is a budgeted transfer from the General Fund to the water and sewer utility funds that represents the administrative costs associated with general government providing services to each of these respective areas. Administrative costs are essentially the staff time and other resources required to support each service.

2017 – 2021 Five-Year Financial Plan draft

Important Notes

Operating Budget Surplus

This budget follows generally accepted accounting principles by recording all revenues as operating revenues and only operating expenses as expenses. The result is a surplus from operations that is allocated to Capital purchases and projects, loan payments and contributions to reserves.

Debt

Unlike federal and provincial levels of government in Canada, municipal governments are not allowed to run deficits. Each year, they must balance their budgets, as required under the provincial legislation that governs their operations. The City's debt servicing costs in 2017 is estimated at about \$1,309,000, down due to actuarial reviews and the lowering of interest rates applied to several long-term debt instruments. For 2017, the total savings due to the review is around \$100,000.

The ceiling for the City's allowable annual debt payment servicing capacity is 25% of its prior year's operating revenue from all funds (general, water and sewer), a value of approximately \$10,900,000. The City currently only uses approximately 14.5% of the \$10.9M payment servicing limit, leaving the City in a strong position to determine future opportunities to borrow.

Capital Assets

The Capital budget proposals have been developed based on the City's Asset Management Program. These were collectively devised by the Asset Management Working Group and developed from an organization-wide perspective while considering existing staff capacity and making best efforts to reduce the risk of in-service failures that might potentially lead to service disruption(s). A summary and more detailed list of capital spending are available within this document. Total capital spending in 2017 is projected to be \$13,440,700 without new debt financing.

Consolidated Financial Plan (without amortization)

Consolidated Summary (without amortization)	2017 Budget	2018 Proposed Budget	2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget
Revenues					
Operating Revenues	\$ 49,822,493	\$ 54,109,800	\$ 57,686,300	\$ 57,173,900	\$ 61,717,200
Reserves & Surplus	11,960,207	8,852,000	5,129,500	3,526,100	3,373,600
New Debt Financing	-	5,150,000	4,258,300	6,800,000	31,800,000
	\$ 61,782,700	\$ 68,111,800	\$ 67,074,100	\$ 67,500,000	\$ 96,890,800
Expenses					
Operating Expenses	\$ 44,140,100	\$ 45,081,200	\$ 46,152,100	\$ 47,510,300	\$ 48,540,500
Capital Assets	11,851,600	16,172,400	14,383,000	12,663,500	37,573,000
Capital Debt Payments	1,589,100	1,904,300	2,119,900	2,499,800	4,257,300
Transfers to Reserves & Surplus	4,201,900	4,953,900	4,419,100	4,826,400	6,520,000
	\$ 61,782,700	\$ 68,111,800	\$ 67,074,100	\$ 67,500,000	\$ 96,890,800

2017 – 2021 Five-Year Financial Plan draft

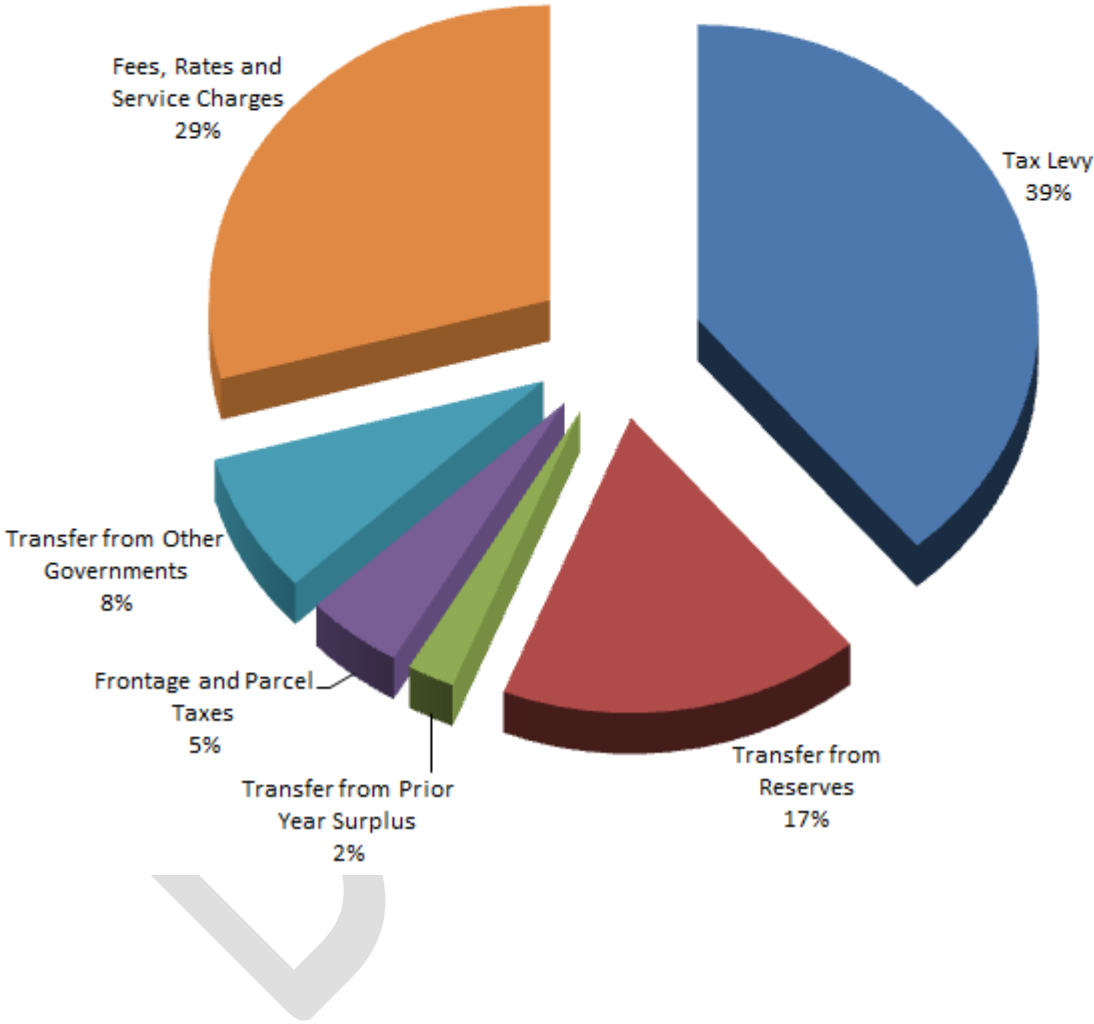
Footnote: \$31.8M borrowing in 2021 is intended only as a placeholder. Before any large borrowing is contemplated or applied for the funding of any new Police facility, Provincial and Federal grants will be investigated as well as the utilization of reserves will be considered.

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2017 – 2021 Five-Year Financial Plan draft

Consolidated Financial Plan – Source of funds graph

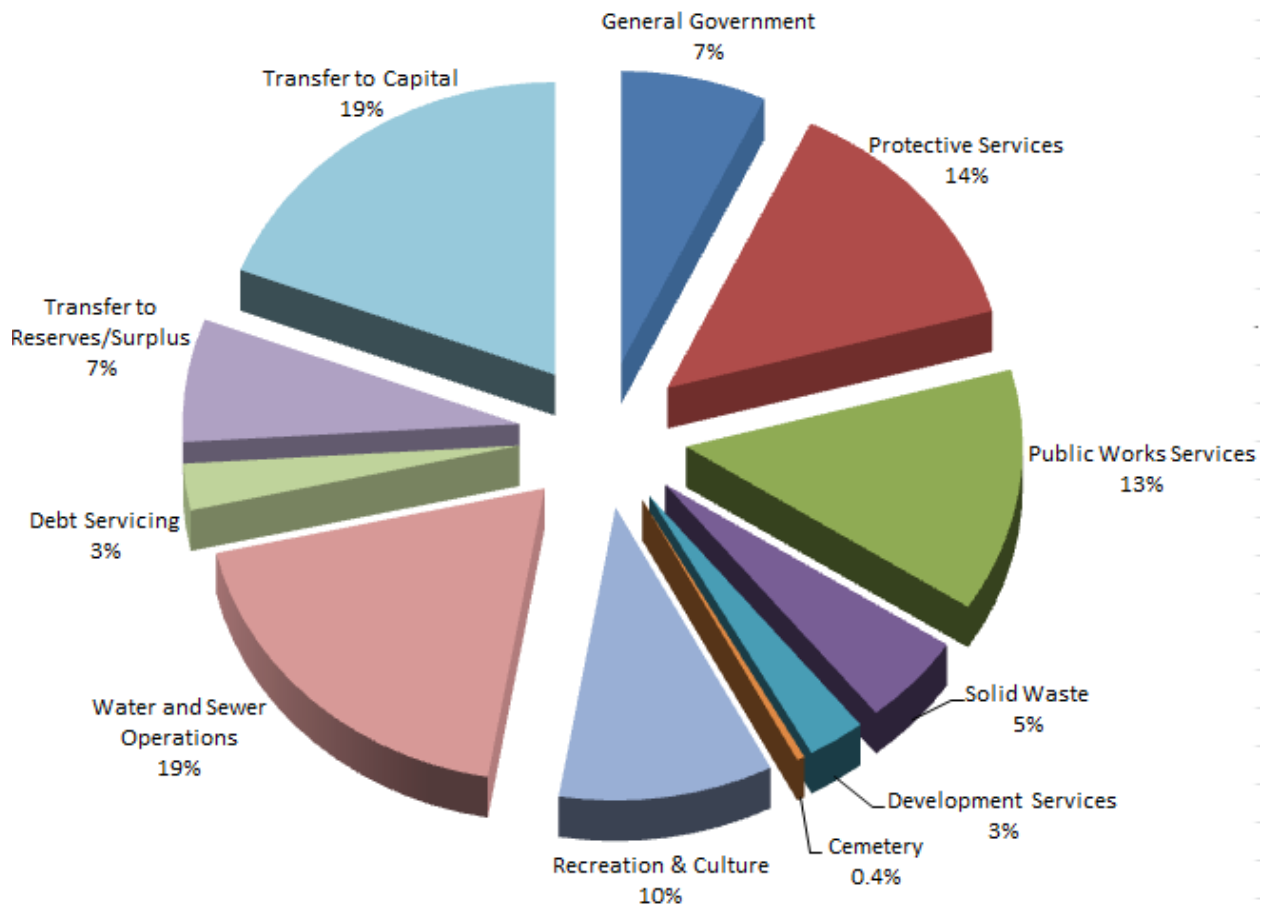
Where the Money comes from: General, Water and Sewer Operating Budgets 2017



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Consolidated Financial Plan – Use of funds graph

**Where the Money goes:
General, Water and Sewer Operating Budgets 2017**



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Consolidated Revenue and Funding Sources

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Revenue and Funding Sources

The City's activities are supported by revenues from a variety of sources. This section provides information on the City's objectives and policies as established by Revenue and Tax Policy #1700.00.01, and includes information in light of these policies. Some of the information reported in this section is included in Schedule A of the Financial Plan Bylaw 2879 to meet the reporting requirements of the *BC Community Charter*, the primary Provincial legislation that governs the financial operations of municipalities.

The consolidated Financial Plan identifies 2017 revenue sources. The following chart summarizes revenue sources. A detailed listing of these is presented further in this section.

Consolidated Financial Plan – Revenues Chart

Consolidated Revenues	2017 Budget	2018 Proposed Budget	2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget
Taxes					
General Property Taxes	\$ 23,366,800	\$ 24,667,900	\$ 25,755,000	\$ 27,173,200	\$ 29,877,500
Collections for Other Governments	21,702,400	22,606,800	23,014,700	23,415,500	23,829,800
Total Property Taxes	45,069,200	47,274,700	48,769,700	50,588,700	53,707,300
Frontage & Parcel Taxes	2,858,000	3,111,700	3,717,700	4,119,500	4,635,300
Grants in Place of Property Taxes	415,100	423,300	431,800	440,400	449,200
% of Revenue Tax	403,400	411,400	419,700	428,100	436,700
Total Taxes Collected	48,745,700	51,221,100	53,338,900	55,576,700	59,228,500
Less: Transfers to Other Governments	(21,831,400)	(22,738,500)	(23,149,000)	(23,552,600)	(23,969,500)
Net Taxes for Municipal Purposes	26,914,300	28,482,600	30,189,900	32,024,100	35,259,000
Other Revenues					
Fees and Charges	17,386,000	18,589,500	19,638,100	20,772,300	21,998,400
Revenue from Other Sources	2,871,900	2,156,100	3,744,700	2,171,000	2,187,900
Other Contributions	739,000	2,933,000	2,126,900	181,000	207,000
Transfers from Other Govt & Agencies	1,911,300	1,948,600	1,986,700	2,025,500	2,064,900
Total Other Revenues	22,908,200	25,627,200	27,496,400	25,149,800	26,458,200
Total Operating Revenues	49,822,500	54,109,800	57,686,300	57,173,900	61,717,200
Transfers From Reserves and Surplus					
From Reserves	10,563,000	7,202,000	5,029,500	3,476,100	3,373,600
From Surplus	1,397,200	1,650,000	100,000	50,000	-
Total from Reserves and Surplus	11,960,200	8,852,000	5,129,500	3,526,100	3,373,600
Funding from Debt					
	-	5,150,000	4,258,300	6,800,000	31,800,000
Total Revenues	\$61,782,700	\$68,111,800	\$67,074,100	\$67,500,000	\$96,890,800

Property value taxes and parcel taxes

Close to 54% of the City's total operating revenues are obtained through property value taxation. When reviewing the level of funding from taxation, the City first identifies the amount of expenditures required to provide all of the desired municipal services to users. It then quantifies the amount of revenue from Other Sources (other than property taxes) that the City can expect to receive through fees and charges, federal and provincial government grants, transfers from reserves

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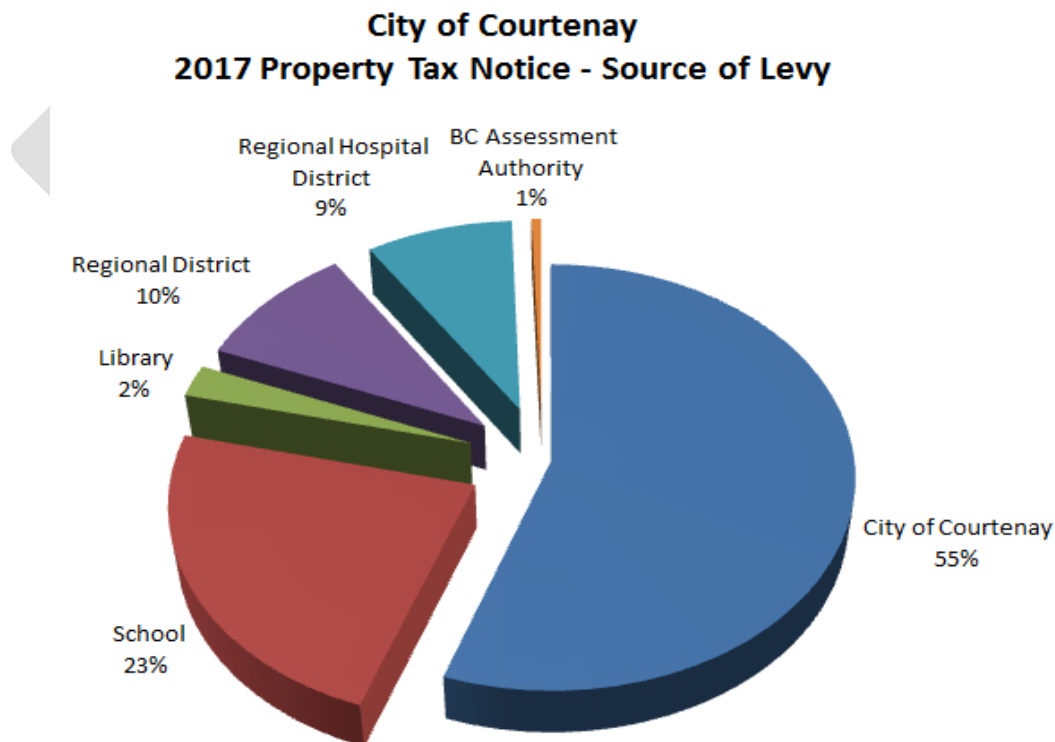
and surplus, etc. The difference between budgeted expenditures and Other Revenue sources is the amount of property tax revenue the City must collect to provide services, and balance the budget.

The City is challenged to maintain stable or reduced taxation levels, while maintaining or increasing service levels. When the cost of providing a service increases (e.g. through inflation, changes in statutory requirements, or increases to demand from growth), the City must either raise more revenue to provide the same level of service or reduce the level of service provided to maintain the same level of funding.

The City's policy is to utilize new sources of revenue from senior governments whenever it is available in order to reduce its dependency on property tax resources. For example, if a specific area receives a local infrastructure improvement, the City is legislatively authorized to impose a parcel tax to those properties benefiting from the receipt of the local improvement. Sections 200 – 204 of the *Community Charter* outline the process to be followed.

The City also collects property value taxes on behalf of other agencies. As can be seen in the graphic below, these costs make up almost half of the annual property tax bill, and are clearly outside Council's Area of Control: "The policy, works and programming matters that fall within Council's jurisdictional authority to act". In these instances, the City is mandated by legislation to act as the collection agent on behalf of the other agencies entitled to collect funds from property value taxation and the City must then convey the funds to them. The City receives no fees for carrying-out these functions and with the exception of some representation on the Regional District Board, Council has no influence over how all these other funds are calculated or expended.

2017 Sources of Property Tax Levy



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Property Tax Increases

The budget for municipal property taxes reflects a general increase of 2% over prior year taxes for general operations. This increase is to ensure levels of service are maintained in response to a number of cost drivers that directly impact the City's operations. A more details list of specific cost drivers is outlined in the "Cost Drivers" section of this report on page 34.

It is recommended that in 2017, the previously approved annual 2% infrastructure levy introduced in 2016 be suspended in 2017, pending further refinement in 2017 of the asset management long-term capital renewal program and organizational capacity needs. As we gain a better understanding of the condition of the City's infrastructure, for 2018 through 2021, the levy is intended to be gradually reinstated at the following levels: 1% in 2018, 1.5% in 2019 and 2% for 2020-2021 if the long-term renewal program demonstrates the need for the increases.

Projected Taxes for Municipal Purposes chart

Taxes for Municipal Purposes	2016	2017	2018	2019	2020	2021
	Final Budget	Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
REVENUES						
Annual increase						
General Operations	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Capital Projects	0.5%					
Special Levy - Infrastructure Renewal	1.5%	0.0%	1.0%	1.5%	2.0%	2.0%
	4.0%	2.0%	3.0%	3.5%	4.0%	4.0%
General Property Taxes						
General Purpose	\$ 18,675,500	\$ 20,364,500	\$ 21,215,900	\$ 22,084,400	\$ 22,970,200	\$ 23,873,800
Property Tax Estimation New Construction	195,200	435,400	435,400	435,400	435,400	435,400
Infrastructure & Asset Management Levy	406,500	-	212,300	331,200	458,900	476,700
BIA	60,000	60,000	60,000	60,000	60,000	60,000
Debt Levy	1,520,600	1,309,000	1,522,500	1,597,800	1,977,500	3,735,000
General Tax Supplementary Adjustment	(31,900)	(32,500)	(33,200)	(33,900)	(34,500)	(35,200)
Library	1,185,400	1,230,400	1,255,000	1,280,100	1,305,700	1,331,800
Total General Property Taxes	22,011,300	23,366,800	24,667,900	25,755,000	27,173,200	29,877,500
Collections for Other Governments	20,783,500	21,702,400	22,606,800	23,014,700	23,415,500	23,829,800
Total Property Taxes	42,794,800	45,069,200	47,274,700	48,769,700	50,588,700	53,707,300
Frontage & Parcel Taxes	2,655,500	2,858,000	3,111,700	3,717,700	4,119,500	4,635,300
Grants in Lieu of Property Taxes	406,900	415,100	423,300	431,800	440,400	449,200
% of Revenue Tax	385,500	403,400	411,400	419,700	428,100	436,700
Total Taxes Collected	46,242,700	48,745,700	51,221,100	53,338,900	55,576,700	59,228,500
Less Transfer to Other Governments	(20,910,000)	(21,831,400)	(22,738,500)	(23,149,000)	(23,552,600)	(23,969,500)
Taxes for Municipal Purposes	\$ 25,332,700	\$ 26,914,300	\$ 28,482,600	\$ 30,189,900	\$ 32,024,100	\$ 35,259,000

Distribution of property value taxes – Statutory Obligations and Policies

The *Community Charter* requires the municipality to report on the objectives and policies with respect to the distribution of property value taxes amongst the property classes. The variable tax rate system in BC enables the City to vary the amount of taxes collected from various property classes, based on the City's goals and objectives. The City's policies regarding property tax distribution are:

- ❖ The City of Courtenay will attempt to keep the percentage of property taxes received from residential taxpayers at a level comparable to the average of similar municipalities;
- ❖ The City has set tax rates in order to maintain tax stability, by maintaining the proportionate relationship between the property classes. This practice allows the various taxpayers in the municipality to be confident that, in any year, their property tax bill will only increase as much as their proportion of the increase in tax revenue required year over year;
- ❖ The City will attempt, over time, to reduce the commercial tax rate where necessary to ensure that Courtenay remains a competitive location for commercial activity;
- ❖ Each year, Council has considered whether to reduce the commercial rate multiple, which effectively shifts tax load from the commercial class to the residential class taxpayer.

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Property Tax Rates

The City determines the “tax rate” (a charge per \$1,000 of assessed property value) by dividing the sum of all the assessed property values in the City by the amount of property tax revenue that must be collected. The “tax rate” is simply a means of determining the proportional amount each individual property owner must pay to receive the package of services provided by the City.

The variable tax rate system in BC levies more of the property tax burden to owners of more valuable properties and improvements than to owners of less valuable properties, as individuals owning more valuable properties, in general, have an ability to pay more than those in lesser valued properties. These values are set annually by a third party called the BC Assessment Authority in accordance with the *BC Assessment Act*. The City is entitled to set local annual tax rates based only upon these assessed values, but may not vary or influence the value of the assessments in any way. So, that is why a property owner who may wish to appeal the assessed value of their property and improvements may only seek a review from the BC Assessment Authority, not the City.

The tax rate each year is based on the revenue Council decides to collect and the assessed values of all the properties in the City at that time. Changes in the total assessed property values in the City will cause the tax rate to change, but on its own, it has no effect on the amount each property owner must pay unless his/her assessed value change is different from the average change in value.

2015 - 2017 Property Tax Rates chart

Class	2015 Rate	2016 Rate	2017 Rate
01 Residential	3.9404	4.0414	3.9768
02 Utilities	27.5831	28.2899	27.0373
03 Supportive Housing	3.9404	4.0414	3.9768
04 Major Industry	15.3677	15.7615	15.5095
05 Light Industry	15.3677	15.7615	15.5095
06 Business	11.0333	11.3160	10.8149
08 Recreation/Non-Profit	3.9404	4.0414	3.9768
09 Farm	3.9404	4.0414	3.9768
Total	85.1134	87.2945	84.7785
<i>Percentage Change between Current Year and Prior Year Municipal Tax Rates</i>	<i>2.92%</i>	<i>2.56%</i>	<i>- 2.88%</i>

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Proportion of revenue by source

The City's policy is to try to keep the proportional share of revenue from property taxes at a level similar to the average of comparable municipalities. The following tables provide a summary of the total dollars and the percentage of revenue from the various sources, and a comparison of these values and percentages over the past two years.

2015 – 2017 Proportion of revenue by source chart

Revenue Source	2015		2016		2017	
	Amount (\$)	% Total Revenue	Amount (\$)	% Total Revenue	Amount (\$)	% Total Revenue
Property Value Taxes	21,920,748	35.4%	22,677,200	35.4%	24,056,300	38.9%
Parcel Taxes	2,592,311	4.2%	2,655,500	4.2%	2,858,000	4.6%
Fees and Charges	11,942,340	19.3%	16,077,600	19.3%	17,386,000	28.1%
Other Sources	9,769,237	15.8%	4,504,400	15.8%	5,522,200	8.9%
Borrowing	-	0.0%	-	0.0%	-	0.0%
Reserves/Surpluses	15,650,558	25.3%	13,648,600	25.3%	11,960,200	19.4%
TOTAL	\$61,875,194	100.0%	\$59,563,300	100.0%	61,782,700	100.0%

Frontage and Parcel Taxes

The City levies frontage taxes on all properties whether they are, or could be, connected to the City's water and sewer services. The purpose of these rates is to provide resources to support infrastructure maintenance and capital renewal for the water and sewer utilities. In 2017, the frontage tax rate for the sewer utility is the same as 2016 at \$10.24 per meter of frontage. The 2017 frontage tax rate for the water utility is \$4.68 per meter. This represents an increase of \$0.94 per meter and is intended to bring the rate closer to the actual cost of renewing and replacing the water utility lines and other infrastructure.

The City levies parcel taxes for local area improvements provided to specific properties that have chosen to finance, over time, the cost to connect to the City's services as opposed to paying a one-time fee.

The total revenue from parcel and frontage taxes in 2017 is \$2,858,000.

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Permissive Tax Exemptions

The City grants permissive tax exemptions to qualifying organizations, as authorized by the *Community Charter*. A permissive tax exemption is strictly at the discretion of Council. After careful consideration of all applications, Council may approve a full, a partial, or no tax exemption. The tax exemption may vary for different applicants.

The City's policy 1960.00.01 regarding permissive tax exemptions is that the cumulative value of permissive tax exemptions shall not exceed 2% of the total tax levy of the previous year.

Permissive Property Tax Exemptions chart

Permissive Property Tax Exemptions	2015 (\$)	2016 (\$)	2017 (\$)
City owned properties / managed by not-for-profit groups	173,376	175,040	182,352
Not-for Profit Organizations	149,925	133,867	136,224
Churches	15,184	15,486	15,760
TOTAL	338,485	324,393	334,336
Prior year tax levy for municipal purposes	20,345,082	21,106,452	21,951,300
As a percentage of municipal tax levy	1.66%	1.54%	1.52%

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Tax Comparisons

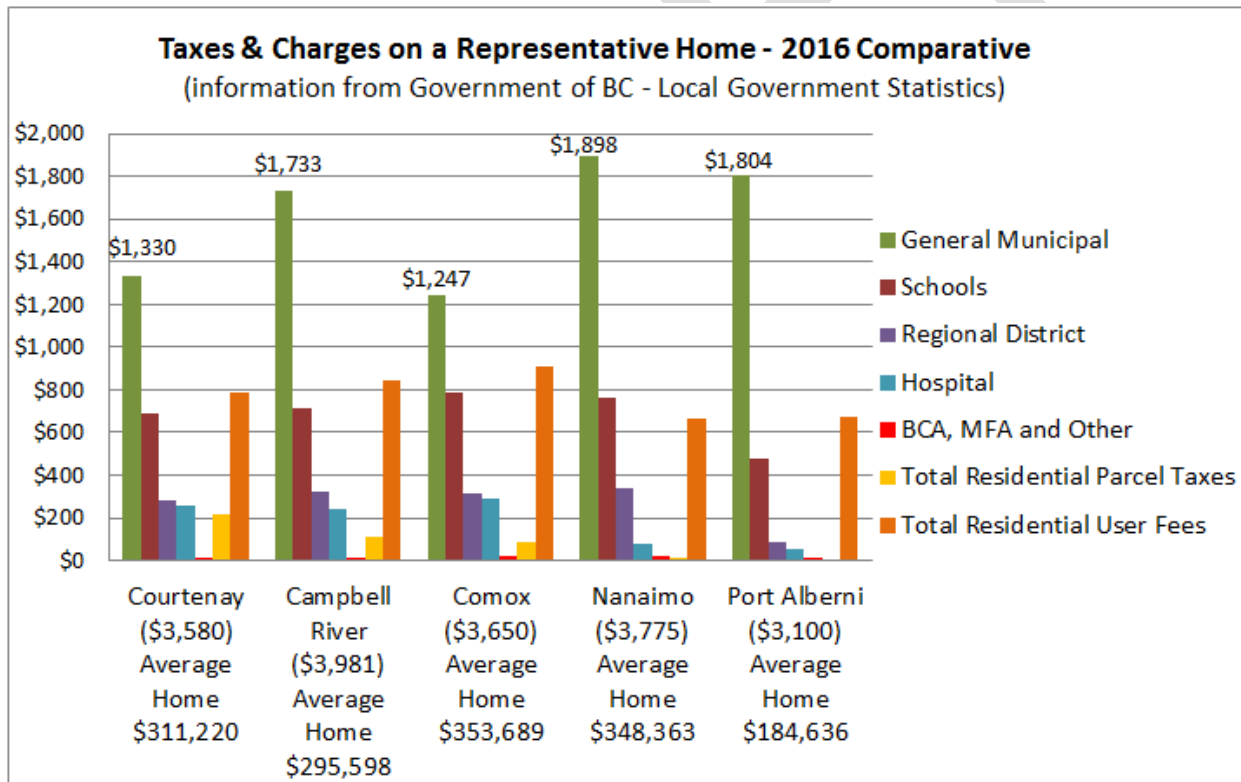
This section provides comparisons on the property value taxes and other taxes. These comparisons include a representative house, commercial taxes, and comparisons with other local governments. These comparisons are based on projected budgets.

2017 Property tax on a representative home

The property tax increase for an “average” residential property, valued at \$311,220 in 2016, is estimated to be an increase of \$19.20 for the municipal taxation portion of the tax notice. This is equivalent to \$1.60 per month or \$0.05 per day, a 1.58% increase over the prior year.



2016 Taxes on a representative house graph



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2017 Property tax on a representative business

The Commercial taxes are based on a rate multiple of 2.72 times the residential tax rate. This is reduced from the 2.80 rate multiple in place from 2014 to 2016. Considering the “average” commercial property, valued at \$732,900 in 2016, the 2017 municipal annual property taxes are estimated to increase \$122.92 (\$10.24 per month or \$0.34 per day) - a 1.58% increase over the prior year. The Commercial Class includes a wide range of businesses, with a wide range of assessment valuations.

Transfers to other governments

The City is required to collect and remit property taxes for other taxing authorities. In addition, a portion of the grants in place of property taxes received from federal and provincial Crown agencies are transferred to these agencies.

Property value taxes collected for other governments chart

Taxes for Other Authorities	2016	2017	2018	2019	2020	2021
	Final Budget	Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
School - Non-residential	\$ 4,592,400	\$ 4,684,200	\$ 4,777,900	\$ 4,873,500	\$ 4,971,000	\$ 5,070,400
School - Residential	7,240,200	7,385,000	7,532,700	7,683,400	7,837,100	7,993,800
Regional District Requisition	4,039,900	4,102,100	4,184,100	4,267,800	4,353,200	4,440,200
Regional Hospital District	1,000	1,000	1,000	1,000	1,000	1,000
Municipal Finance Authority	4,618,800	5,264,700	5,840,400	5,912,900	5,971,700	6,037,100
BC Assessment	291,200	265,400	270,700	276,100	281,600	287,300
	\$ 20,783,500	\$ 21,702,400	\$ 22,606,800	\$ 23,014,700	\$ 23,415,600	\$ 23,829,800

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Fees and Charges

The City charges fees and levies for a number of services and activities, including charges for water, sewer and solid waste utilities, fees for recreation activities, fees for fire protection for other jurisdictions, charges for building, development and other permits, as well as fine revenue.

The City's policy is that wherever possible, fees & charges will be used to assign costs to those who benefit from the service provided. The proportion of costs recovered by fees and charges will vary by Council policy decisions with respect to the nature of the service provided.

2017 -2021 Projected Fees and Charges

The following table provides a summary of the fees and charges the City levies by function, as well as the revenues from other sources and transfers from other Governments.

Fees and Charges, and Other Revenues Chart

Fees and Charges, and Other Revenues	2016	2017	2018	2019	2020	2021
	Final Budget	Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
Fees and Charges						
General Government Services	71,900	\$ 73,500	\$ 74,800	\$ 76,000	\$ 77,400	\$ 78,800
Protective Services	1,741,700	1,727,700	1,752,200	1,776,900	1,802,400	1,828,400
Public Works Services	78,300	47,000	47,800	48,600	49,500	50,200
Environmental Health Services						
Solid Waste	2,985,000	3,054,700	3,115,800	3,178,100	3,241,600	3,306,400
Sewer	3,895,700	4,282,100	4,726,500	4,982,200	5,252,100	5,536,300
Water	4,975,500	5,743,000	6,365,700	7,020,000	7,742,700	8,540,200
Total Environmental Health Services	11,856,200	13,079,800	14,208,000	15,180,300	16,236,400	17,382,900
Public Health Services	144,100	143,200	146,100	149,000	152,000	155,000
Development Services	700,200	769,000	784,500	800,100	816,000	832,300
Parks, Recreation, & Cultural Services	1,485,200	1,545,800	1,576,100	1,607,200	1,638,600	1,670,800
	16,077,600	17,386,000	18,589,500	19,638,100	20,772,300	21,998,400
Revenue from Own Sources						
General Revenue	1,792,000	1,951,300	1,978,500	1,996,100	2,014,000	2,032,300
Investment & Penalty Revenue						
General Capital	704,400	966,793	2,977,000	3,733,300	192,700	214,100
Sewer	1,200	1,100	1,100	1,000	900	900
Water	113,900	124,700	132,500	141,200	144,400	147,600
	2,611,500	3,043,893	5,089,100	5,871,600	2,352,000	2,394,900
Other Contributions						
Sewer - Capital	15,800	-	-	-	-	-
Water - Capital	9,300	567,000	-	-	-	-
	25,100	567,000	-	-	-	-
Transfers from Other Govt & Agencies						
Federal Government & Agencies	1,429,500	1,458,100	1,487,300	1,517,000	1,547,400	1,578,300
Provincial Government & Agencies	291,000	299,100	305,000	311,100	317,200	323,400
Local Government & Other Agencies	147,300	154,100	156,300	158,600	160,900	163,200
	1,867,800	1,911,300	1,948,600	1,986,700	2,025,500	2,064,900
	20,582,000	\$ 22,908,193	\$ 25,627,200	\$ 27,496,400	\$ 25,149,800	\$ 26,458,200

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Environmental Services - Utilities

The primary revenue source for Solid Waste and the Water and Sewer utilities are user fees. In order to provide sufficient financial resources for utilities, the sewer user fee increases 10% each year for the next three years, and the water utility increases 15% in 2017 and 10% in subsequent years. These increases have been approved by City Council in order to ensure that the water and sewer utilities remain self-funded and provide sustainable service delivery. Tipping fees at the Regional District are currently set at \$0.130 per tonne and are not expected to increase for 2017. However, the City has increased solid waste rates by 2% to provide additional revenue for rising contractor costs due to the City's continued growth.

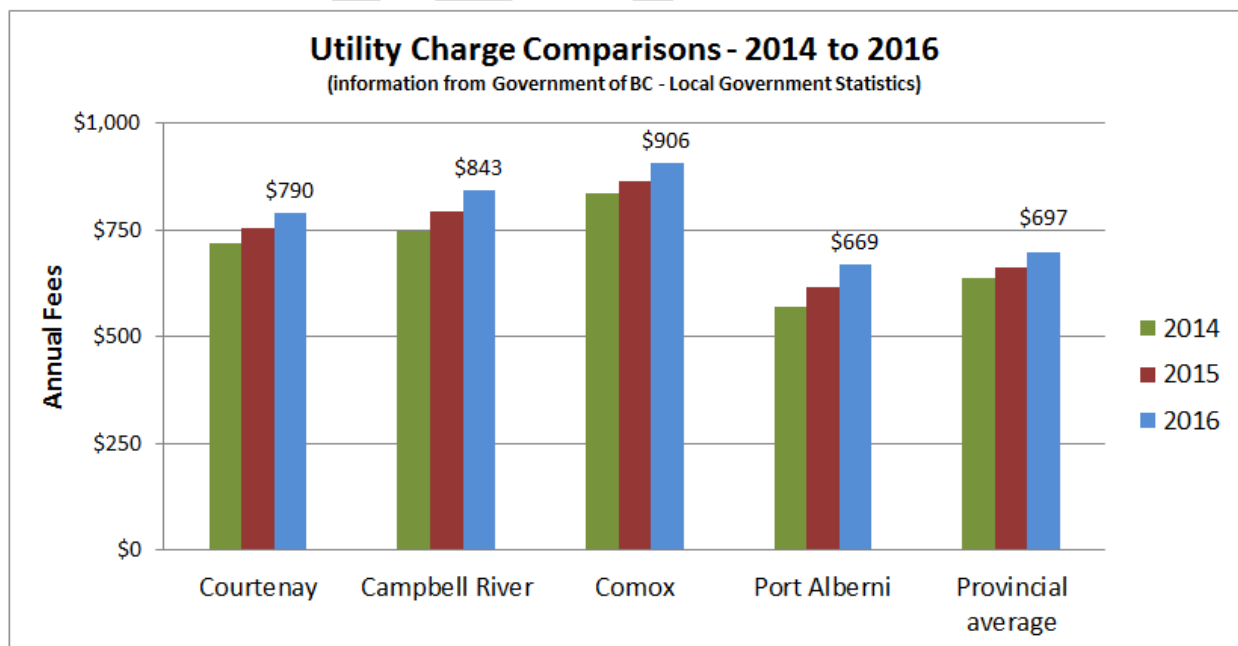
For 2017, the increase to residential consumers is \$55.44 for water, \$26.79 for sewer and \$3.10 for solid waste. The 2017 utility rate for a single family dwelling:

Sewer	\$294.70
Water	\$425.03
Solid Waste	<u>\$155.60</u>
Total	<u>\$875.33</u>



The following graph provides a comparison of the 2014-2016 user fees for utilities with other local governments. The graph demonstrates that the City's utility charges are close to the average among the group of Vancouver Island Communities, and above average for all municipalities in BC.

Utility User Fees on Single Family Dwelling Graph



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Revenue from other sources

The City also receives revenue on the following:

- a) investment of reserves and surplus funds
- b) penalties and interest on taxes and utilities
- c) other contributions
- d) grants
- e) donations

The anticipated revenues from these sources are outlined in the Fees and Charges section on page 27.

Borrowing

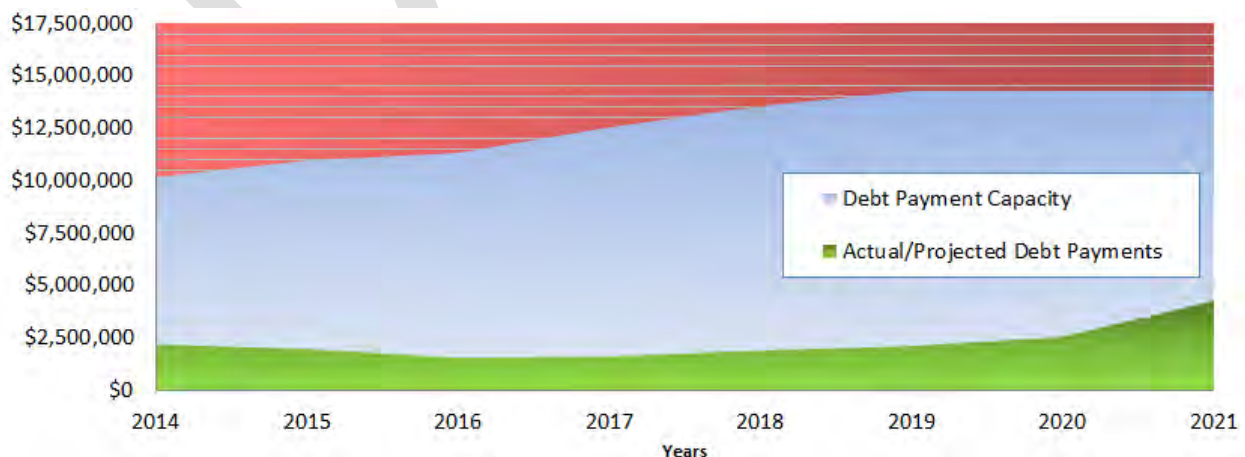
The City's policy regarding borrowing is that it will be considered when determining the funding sources of large capital projects that provide benefits to taxpayers over a long period of time.

The City has not incurred any new borrowing in the past few years, and has reduced borrowing payments and costs at the same time. The ceiling for the City's allowable annual debt payment servicing capacity is 25% of its prior year's operating revenue from all funds (general, water and sewer), a value of approximately \$10,900,000. The City currently only uses approximately 14.5% of the \$10.9M payment servicing limit.

However, with the objective of proactively managing the City's capital assets through the Asset Management program, the City will need to consider borrowing funds to facilitate future capital renewal. While some major capital renewal may be funded using grants and contributions from other sources, such as developer contributions through Development Cost Charges, a significant portion may need to be funded with debt in the coming years. This will become more clear as the City continues to progress in developing its Asset Management Program.

The following graph depicts the City's borrowing capacity.

Borrowing capacity graph



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Reserves and Surplus

The City plans for future projects by creating reserve funds for projects requiring significant capital investment. This section summarizes the use of reserve and surplus funds. The Transfer to Reserves and Surplus section of this report provides a detailed summary of the anticipated balances in the various reserves and surplus accounts.

In addition to drawing from reserves and surplus for capital and incomplete projects from prior years, the 2017 Financial Plan requires just under \$11.8 Million to fund projects, initiatives, and operations.

Transfer from reserves and surplus chart

Surplus and Reserves Summary	2017 Budget	2018 Proposed Budget	2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget
TRANSFERS FROM RESERVES					
Transfers from Operating Reserves					
Gen Gaming Funds	900,000	895,000	895,000	895,000	895,000
Traffic Fines / Gas Tax	1,100,500	748,300	756,800	765,300	774,200
Cemetery Fund	3,000	3,000	3,000	3,000	3,000
Sew Reserve for Future Expenditure	183,300	160,000	-	-	-
Wat Reserve for Water Efficiency	23,500	23,900	24,400	24,900	25,400
Total Transfers from Operating Funds	2,210,300	1,830,200	1,679,200	1,688,200	1,697,600
Transfers from Surplus					
Gen Prior Years Surplus	1,397,200	1,650,000	100,000	50,000	-
Total Transfers from Operating Funds and Surplus	3,607,500	3,480,200	1,779,200	1,738,200	1,697,600
Transfers from Capital Reserves					
Gen Gas Tax	343,900	100,000	-	-	-
Reserve for Future Expenditure	702,000	13,500	-	-	-
New Works RSV-Machinery & Equipment	841,000	1,013,500	981,000	678,000	585,000
New Works Reserve	1,929,500	1,379,700	1,254,500	545,000	541,000
Amenity Reserve	161,507	100,000	-	-	-
Capital Equity - Unexpended Funds	-	205,900	564,800	14,900	-
Sew Sewer Capital - General Reserve	-	700,000	250,000	250,000	250,000
Sewer Capital - Gas Tax	772,500	1,000,000	-	-	-
Wat Water Capital - New Works Reserve	500,000	699,200	-	-	-
Asset Management Reserve	819,000	-	300,000	300,000	300,000
Water Capital - Gas Tax	2,100,000	-	-	-	-
Total Transfers from Capital Reserves	8,169,407	5,211,800	3,350,300	1,787,900	1,676,000
Total Transfers from Reserves and Surplus	\$ 11,776,907	\$ 8,692,000	\$ 5,129,500	\$ 3,526,100	\$ 3,373,600

General Fund
Operating Expenses
Capital Transactions
Reserves and Surplus

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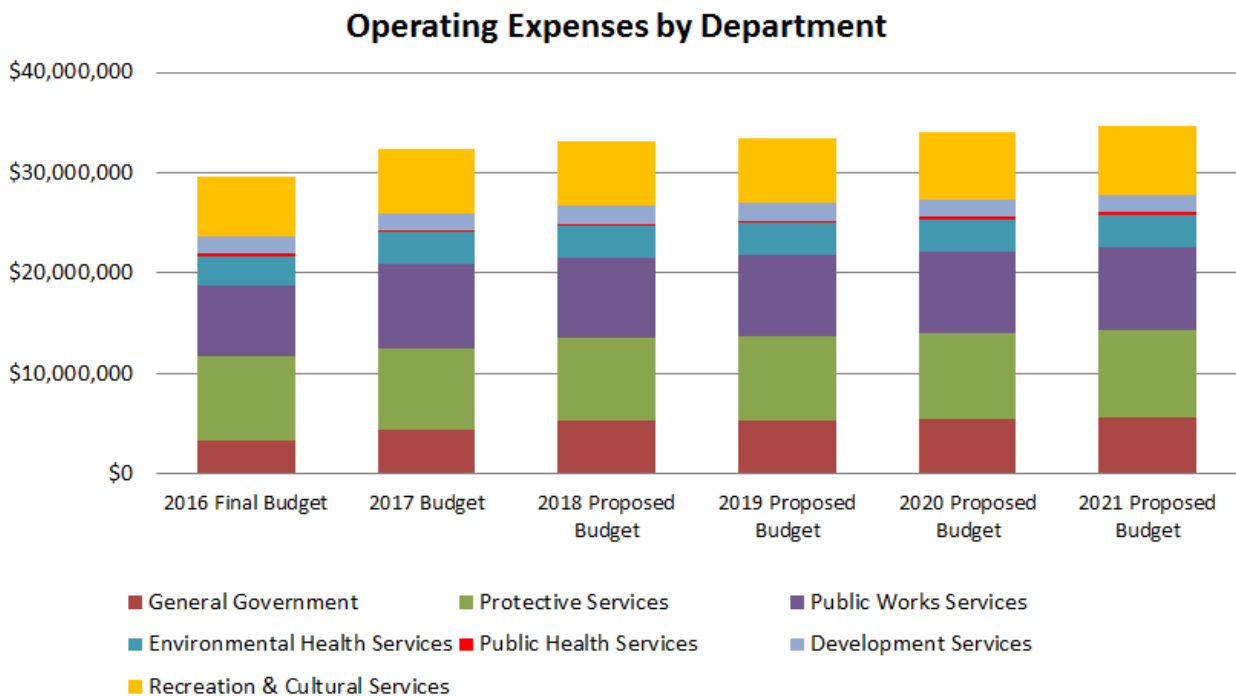
General Fund

General Operating Expenses

This section includes budget details on the operational functions of City Services. Operating expenses are separated into seven distinct service areas, utilizing 72% of revenue in 2017. The seven service areas are:

- General Government, providing governance and internal support for the entire organization
- Protective Services includes Police, Fire and Bylaw Enforcement services
- Public Works Services includes Roads, Walkways, Storm Sewer, Street Lighting services, Civic Properties Maintenance and Parks
- Environmental Health includes Solid Waste
- Public Health includes Cemetery services
- Development Services includes Land Use Planning, Subdivision Development and Building Inspection services
- Recreation and Cultural Services includes Recreation Facilities and Programs, buildings leased to various cultural and leisure activity providers

Operating expenses by department graph



Cost Drivers

External cost drivers are those that are outside of the direct control of the City, and typically represent energy costs, labour costs, and external contracts such as the RCMP contract and shared services such as utilities and waste management.

The City's operating costs are impacted by the following External Cost Drivers. The impacts are reflected in the proposed budgets.

- Personnel costs:
 - Sustainable service delivery, higher utility rates (water, sewer and solid waste), regulatory requirements and rising service levels precipitated requests for more employees
 - Collective Agreement – 2% for unionized employees
 - Hiring new staff to address staffing capacity gap to maintain current levels of services, in the face of significant growth of households, infrastructure, and related service demands. Details outlined in April 18th 2017 staff report “Human Resources Action Plan 2017”.
- Utility Rates:
 - BC Hydro's rate increase of 4% effective January 1, 2017
- Protective Services:
 - Police protection is budgeted at 31.4 members with an anticipated vacancy of 4 members (based on 2016 actual contract costs)
- Regional District Services:
 - 2017 Solid Waste operating cost increases are due to:
 - CVRD requisition doubling from \$475,600 to \$964,800
- Revenue Increases:
 - New Construction – estimated tax impact is \$426,900

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Operating expenses by function – chart

Operating Expenses (excluding amortization)	2016	2017	2018	2019	2020	2021
	Final Budget	Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
General Government	\$ 3,253,300	\$ 4,327,100	\$ 5,318,100	\$ 5,356,200	\$ 5,474,100	\$ 5,552,600
Protective Services	8,403,900	8,500,000	8,385,600	8,552,900	8,723,000	8,896,400
Public Works Services	7,029,300	8,313,900	7,978,000	8,030,900	8,128,900	8,269,300
Environmental Health Services (Solid Waste)	2,972,000	3,102,000	3,164,000	3,226,900	3,241,600	3,277,000
Public Health Services (Cemetery)	239,800	232,200	236,800	241,400	246,500	251,300
Development Services	1,721,800	1,717,600	1,725,500	1,694,900	1,726,900	1,760,000
Recreation & Cultural Services	6,008,500	6,368,200	6,478,800	6,534,200	6,665,900	6,801,200
	\$ 29,628,600	\$ 32,561,000	\$33,286,800	\$33,637,400	\$34,206,900	\$34,807,800

Operating expenses by economic function – chart

Operating Expenditures by Economic Segment	2016	2017	2018	2019	2020	2021
	Final Budget	Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
Council Indemnity, Allowance, Benefits	\$ 193,000	\$ 210,100	\$ 214,300	\$ 218,600	\$ 223,000	\$ 227,400
Personnel	11,744,600	13,195,400	14,280,900	14,563,000	14,854,700	15,147,900
General Services	12,953,700	13,730,500	13,308,800	13,276,600	13,516,000	13,726,000
Insurance	419,400	435,000	444,100	454,300	464,000	474,200
Goods	1,665,600	1,818,500	1,864,800	1,861,600	1,847,700	1,884,400
Utilities	939,100	954,900	985,600	1,013,000	1,042,600	1,071,900
Grants	441,100	862,800	872,700	881,000	889,300	897,800
Transfers / Interdepartment Charges	(1,237,800)	(1,272,200)	(1,362,700)	(1,362,700)	(1,416,900)	(1,434,900)
Other Government - CVRD	1,319,100	1,374,100	1,401,500	1,429,600	1,458,200	1,458,200
Library Requisition	1,185,400	1,230,400	1,255,000	1,280,100	1,305,700	1,331,800
Other Transactions	5,400	21,500	21,800	22,300	22,600	23,100
	\$ 29,628,600	\$ 32,561,000	\$33,286,800	\$33,637,400	\$34,206,900	\$34,807,800

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General Government Services

General Government Services are the centralized services common to all functions of the organization. This includes the offices of Council, the CAO, corporate services, communications, human resources, financial services, purchasing, stores, information technology, GIS, and other general services.

Legislative Services

The Legislative Services budget supports the “offices” of Council. It includes Council indemnity and expenses, travel costs, attendance at conferences (the Union of BC annual convention, and the Federation of Canadian Municipalities annual convention, etc.), indemnity insurance and miscellaneous supplies. The Mayor’s remuneration is increasing by 17.9% in 2017 and a 2% increase is included for Councillors’ remuneration.

Corporate Administration

Corporate Administration includes the office of the CAO, the Corporate Officer, Human Resources, Corporate Communications, Occupational Health and Safety and Strategic Initiatives.

The 2017 budget includes funding for a land disposition and acquisition strategy.

Financial Services

Financial Services manages the financial systems of the City and is responsible for the financial plan and financial reports.

In 2017, the retirement accrual expense for all staff has been combined under Financial Services. This represents an increase of \$108k for Financial Services, but a corresponding decrease is found in the other departments.

Information Technology / Geographical Information System

The IT/GIS division provides computer systems and technology to support the organization-wide administrative and technical processes, including the financial information system and the work order management system. Work is continuing on the Human Resources Information System, development services, recreation and facility bookings, and the Geographical Information System (GIS).

Other Services

This section includes general expenses related to City Hall, Elections, Insurance, and legal services. The general government costs are also partially allocated to the water and sewer utilities.

A provision of \$500k has been identified to address corporate capacity based on the City undergoing significant growth in the last fifteen years, and on the organizational review performed in 2016. The 2017 and 2018 budgetary impact of the implementation of the proposed structure changes is funded from prior year surpluses.

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The costs of the vacation entitlement and higher employee benefit costs are also funded from prior year surpluses.

Council's distribution of the \$400k grants and initiatives funded by the Gaming fund is also included in this section.

General Government Services chart – expenses by function

General Government Services Expenses	Final Budget	Budget	Proposed Budgets			
	2016	2017	2018	2019	2020	2021
Legislative Services	\$ 247,800	\$ 265,200	\$ 269,900	\$ 274,600	\$ 279,500	\$ 284,300
Corporate Administration	1,740,500	1,800,500	1,816,600	1,835,700	1,872,600	1,902,400
Financial Services	1,364,200	1,453,500	1,521,100	1,551,600	1,582,400	1,613,700
Information Technology	1,030,700	984,400	1,065,700	1,062,400	1,128,500	1,125,000
Common Services	136,800	151,900	155,200	158,700	162,100	165,900
Other General Government	50,100	1,109,700	2,006,500	1,993,300	2,025,900	2,059,100
	4,570,100	5,765,200	6,835,000	6,876,300	7,051,000	7,150,400
Allocation to Water and Sewer	(1,316,800)	(1,438,100)	(1,516,900)	(1,520,100)	(1,576,900)	(1,597,800)
Net Cost General Government	\$ 3,253,300	\$ 4,327,100	\$ 5,318,100	\$ 5,356,200	\$ 5,474,100	\$ 5,552,600

General Government Services chart – expenses by economic object

General Government Services Expenses by Economic Segments	Final Budget	Budget	Proposed Budgets			
	2016	2017	2018	2019	2020	2021
Council Indemnity, Allowance, Benefits	\$ 193,000	\$ 210,100	\$ 214,300	\$ 218,600	\$ 223,000	\$ 227,400
Personnel	2,959,300	3,227,900	3,180,200	3,240,400	3,305,300	3,367,000
General Services	1,169,800	1,176,100	1,268,900	1,223,200	1,291,600	1,286,800
Insurance	40,600	48,200	50,200	52,200	54,500	56,600
Goods	141,200	124,100	140,400	128,900	131,300	133,900
Utilities	48,800	44,100	45,600	47,000	48,200	49,700
Transfer	12,400	28,700	29,400	30,000	30,500	31,200
Grants	5,000	406,000	406,000	406,000	406,000	406,000
Special Project	-	500,000	1,500,000	1,530,000	1,560,600	1,591,800
Total Cost - General Government	4,570,100	5,765,200	6,835,000	6,876,300	7,051,000	7,150,400
Allocation to Water and Sewer Fund	(1,316,800)	(1,438,100)	(1,516,900)	(1,520,100)	(1,576,900)	(1,597,800)
Net Cost General Government	\$ 3,253,300	\$ 4,327,100	\$ 5,318,100	\$ 5,356,200	\$ 5,474,100	\$ 5,552,600

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Protective Services

Protective Services covers a wide spectrum including policing, fire, emergency measures, building inspections, bylaw enforcement and animal control. In 2017, over \$8.5 million is being directed to these various functions.

Police Protection

The City contracts the RCMP to provide policing services within the City. The RCMP contract is 76% of the overall budgeted dollars under Protective Services.

Specific cost drivers affecting the contract include increasing payroll labour and benefit costs. The City uses Gaming funds and Traffic Fine revenues to help offset the cost of policing. The balance is funded from general tax revenue.

Fire Protection

The Courtenay Fire Department provides fire protection and first responder services, including fire protection, prevention, suppression, and investigative services. The department conducts over 1,500 fire inspections annually.



The Courtenay Fire Department provides a cost effective mix of full-time and volunteer firefighters.

Number of Volunteers - 2016

- Full Time Firefighters: 6
- Total Volunteers: 50

The 2017 budget also incorporates increased funding of 2% for compensation to the Firefighter's society as per the agreement with the Firefighters Association.

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Emergency Measures

This function supports the municipality in responding to emergency events and is relatively stable.

The removal of the one-time cost for the 2016 Puntledge geotechnical review results in a saving of \$53k for 2017.

Bylaw Enforcement, Animal Control, Parking Control

Animal control is contracted to a third party and the City supports the SPCA for costs incurred for a “spay and neuter” program.

The Bylaw Enforcement program encourages people to adhere to Bylaws, policies, procedures and guidelines set either by federal, provincial or municipal legislation held within the confines of the municipality. This budget provides funding that supports this particular function.

Protective Services chart – by function

Protective Services	Final Budget	Budget	Proposed Budgets for Discussion			
	2016	2017	2018	2019	2020	2021
Police Protection	\$ 6,380,400	\$ 6,521,600	\$ 6,371,000	\$ 6,497,500	\$ 6,626,900	\$ 6,758,700
Fire Protection	1,698,100	1,698,100	1,727,800	1,763,000	1,798,400	1,834,900
Emergency Management	128,500	75,500	78,100	79,300	80,100	81,000
Animal Control	59,900	66,900	68,200	69,500	71,000	72,500
Bylaw Enforcement	90,800	91,600	93,400	95,300	97,400	99,200
Parking Control	46,200	46,300	47,100	48,300	49,200	50,100
	\$ 8,403,900	\$ 8,500,000	\$ 8,385,600	\$ 8,552,900	\$ 8,723,000	\$ 8,896,400

Protective Services chart – by economic segments

Protective Services by Economic Segments	Final Budget	Budget	Proposed Budgets for Discussion			
	2016	2017	2018	2019	2020	2021
Personnel	\$ 1,386,700	\$ 1,392,400	\$ 1,420,100	\$ 1,448,600	\$ 1,477,800	\$ 1,507,000
General Services	6,538,100	6,623,700	6,475,200	6,604,800	6,736,700	6,871,600
Insurance	43,500	43,800	44,300	45,500	46,100	46,500
Goods	240,300	240,100	240,700	245,300	249,800	254,900
Utilities	40,100	38,800	40,100	41,100	42,800	44,400
Transfer	63,100	64,000	65,300	66,700	68,000	69,300
Grants	92,100	97,200	99,900	100,900	101,800	102,700
	\$ 8,403,900	\$ 8,500,000	\$ 8,385,600	\$ 8,552,900	\$ 8,723,000	\$ 8,896,400

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Public Work Services

Engineering Services and Public Works Departments support the network of roads and parks and greenways throughout the City. The City continues to develop condition reports for all of its linear assets such as roads, water and sewer infrastructures, storm water drainage and other assets required to support the community.

Engineering Services

Engineering Services is supported by two senior staff, four engineering technologists and one support staff. The team provides technical support and project management oversight for all civic infrastructure capital projects within the framework of asset management. Three positions were moved to Asset Management Technical Services Division in Public Works Services in 2017.

- New in 2017 is the request for funding of a Capital Warranty program - \$15,000
- Gas Tax funding is being utilized for:
 - Cycling Network plan - \$35,000
 - Transportation Study - \$100,000
 - Upper Brooklyn Creek Storm Sewer - \$65,000
 - Dike Replacement Strategy - \$110,500

Asset Management

The Asset Management group includes one senior staff and two engineering technologists. The condition assessments determine the asset management needs, infrastructure replacement and renewal and maintenance programs. This is the primary focus of the Asset Management program.

- Gas Tax funding of \$490,000 is being utilized for various asset condition assessments:
 - Asphalt Assessment - \$30,000
 - Camera inspection of storm sewers - \$175,000
 - Sidewalk Assessment - \$40,000
 - Fuel System Assessment - \$20,000
 - Traffic Signal Assessment - \$25,000
 - Parks Buildings Inventory Assessment - \$150,000
 - Creek Crossing Assessment - \$50,000

Streets and Roads

The City maintains paved roads, as well as streets and lanes for vehicle and multi-modal traffic by:

- Inspecting streets on a regular basis
- Street and road pothole and crack sealing, milling or patching
- Street sweeping
- Snow clearing
- Sidewalk maintenance
- Traffic line painting
- Traffic signal

Quick Facts

- Roads: 161 km | 341 lane km (Jan 2017)
- Sidewalks: 156km (2014)
- Paved Walkways: 11.3 km (2017)
- Streetlights: 1,258 (Jan 2017)

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- Additional budget funding is requested for the Streets and Roads for :
 - Crack sealing program - \$100,000
 - Additional funding for Snow Removal - \$110,000
 - Additional Street Cleaning - \$21,000
 - Traffic Signal maintenance and repairs - \$44,000

Storm Sewers

Public Works Services also maintains the storm sewer system throughout the City. This budget is increased in 2017 to include a portion of the Public Works Services Director and Transportation and Utilities Manager.

- New budget funding is also requested for:
 - Dyke Maintenance - \$60,000
 - Flood Prevention and Response - \$15,000
 - Creek Crossing Repairs - \$85,000

Street Lighting

The cost for this service is tied to the 4% rate increase implemented by BC Hydro as of January 1st. The budget was also adjusted to reflect actual historical consumption.

Civic Properties Maintenance

The City owns a number of buildings. Cost increases are primarily due to labour increases and utility charges from BC Hydro and Fortis. A budget of \$30k is included in 2017 for the replacement of the shop equipment.

Parks and Playgrounds

Parks and playgrounds include buildings and operations found throughout the community's green spaces.

Quick Facts

The City maintains over 217 acres of green space, including 34 parks, sports fields, playground equipment, greenways, and picnic areas as well as the trail system across the City.

- Additional budget funding is requested for:
 - Maintenance and repairs of various trails and parks equipment - \$185,000
 - Parks and Playgrounds maintenance - \$77,000
 - Green Way Trails - \$47,000
 - Continuation of the Parks and Trails Master Plan

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Public Works Services chart – by function

Public Works Services	Final Budget	Budget	Proposed Budgets			
	2016	2017	2018	2019	2020	2021
Public Works Yard	\$ 564,100	\$ 561,300	\$ 573,100	\$ 584,300	\$ 596,800	\$ 608,500
Engineering Services	1,338,900	1,030,400	860,700	851,800	800,600	787,600
Asset Management	\$ 187,500	862,700	828,400	844,400	861,000	877,700
Roads and Streets	1,088,800	1,433,500	1,435,400	1,404,400	1,432,100	1,461,100
Storm Sewers	395,600	636,900	562,800	574,100	585,800	597,300
Bridges	65,000	63,000	64,300	65,600	66,900	68,200
Transit Shelters	6,100	6,700	6,900	7,000	7,100	7,400
Street Lighting	634,000	689,600	709,800	728,500	747,500	767,200
Traffic Services	68,500	108,100	120,400	97,900	99,900	102,000
Airpark	4,000	3,800	3,900	3,900	4,000	4,200
Civic Properties Maintenance	455,100	393,200	379,900	387,300	395,200	404,400
Parks	2,221,700	2,524,700	2,432,400	2,481,700	2,532,000	2,583,700
	\$ 7,029,300	\$ 8,313,900	\$ 7,978,000	\$ 8,030,900	\$ 8,128,900	\$ 8,269,300

Public Works Services chart – by economic segments

Public Works Services by Economic Segments	Final Budget	Budget	Proposed Budgets			
	2016	2017	2018	2019	2020	2021
Personnel	\$ 3,131,900	\$ 3,575,800	\$ 3,608,000	\$ 3,680,100	\$ 3,754,000	\$ 3,829,400
General Services	2,337,700	2,934,400	2,535,600	2,499,700	2,481,600	2,502,600
Insurance	199,700	202,400	206,500	210,400	214,600	219,200
Goods	865,900	976,200	997,400	992,000	1,011,500	1,031,900
Utilities	550,900	587,500	607,400	625,000	643,700	662,300
Transfer	641,300	805,900	807,000	823,200	839,600	856,200
Property Taxes	5,400	21,500	21,800	22,300	22,600	23,100
Total Expenditures	7,732,800	9,103,700	8,783,700	8,852,700	8,967,600	9,124,700
Interdept charges	(703,500)	(789,800)	(805,700)	(821,800)	(838,700)	(855,400)
Net Cost	\$ 7,029,300	\$ 8,313,900	\$ 7,978,000	\$ 8,030,900	\$ 8,128,900	\$ 8,269,300

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Environmental Health (Solid Waste)

The City provides weekly curbside pickup of Municipal Solid Waste (MSW) and yard waste, and bi-weekly pickup of recyclables for residential properties, and scheduled MSW/cardboard pickup for commercial properties. The fees collected for this utility service must cover the two primary cost drivers which are:

- The costs of the contractor engaged to provide MSW/recyclables pickup and transport services. The increase in the cost of the solid waste and recyclables collection contract is calculated using an agreed to weighted formula which takes into account the annual increase or decrease in the Consumer Price Index Vancouver (weighted 90%), and the Price Index of Diesel in BC (weighted 10%). Effective January 1, 2017 this blended formula results in a projected price index increase of about 2% for the contractor.
- The regional landfill fees for disposal of the mixed waste. In January 1, 2016, the regional landfill tipping fee increased from \$120 to \$130 per tonne.

On May 19, 2014, the City signed an agreement with Multi-Material BC (MMBC) to provide recycling services to residents in Courtenay. Since that date, the City has received \$194,462 (2014-Partial year); \$322,711 (2015); \$335,665 (as of November 2016) for recycled materials. MMBC also provides the City with an annual educational grant that is used to offset the costs of educating the public on residential recycling. This represents about 12% of total potential revenues for this utility.

With the City continuing to grow, the costs of the contractor increase which in turn impacts the costs to the City. Rates at the local regional landfill are expected to remain constant at \$130 per tonne, but with the annual requisition increasing significantly over the next several years. The City is increasing the 2017 solid waste utility rates by 2%. Labour cost escalations as well as fuel and supply cost increases result in the necessity to raise rates to ensure this program is self-funding. This rate increase is expected to generate approximately \$69,000 of additional revenue.

Environmental Health chart – by economic segment

Environmental Health	Final Budget	Budget	Proposed Budgets			
	2016	2017	2018	2019	2020	2021
Personnel	\$ 62,600	\$ 64,000	\$ 65,200	\$ 66,500	\$ 67,800	\$ 69,200
General Services	1,543,000	1,581,900	1,613,500	1,645,600	1,678,500	1,711,900
Goods	33,500	71,500	73,000	74,300	25,900	26,400
Transfer	13,800	10,500	10,800	10,900	11,200	11,300
CVRD	1,319,100	1,374,100	1,401,500	1,429,600	1,458,200	1,458,200
Total	\$ 2,972,000	\$ 3,102,000	\$ 3,164,000	\$ 3,226,900	\$ 3,241,600	\$ 3,277,000

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Public Health Services (Cemetery)

This includes the cost of maintenance, grave digging, niche wall maintenance and new construction at the City's cemetery.

Personnel costs have increased in accordance with the Collective Agreement. All other expenditures were held at prior years' historical actual operating costs. The new Cemetery Master Plan is being implemented in order to develop a sustainable service to the public.

Public Health – by economic segments

Public Health by Economic Segments	Final Budget	Budget	Proposed Budgets for Discussion			
	2016	2017	2018	2019	2020	2021
Personnel	\$ 164,900	\$ 163,400	\$ 166,600	\$ 169,900	\$ 173,300	\$ 176,800
General Services	8,900	12,200	12,500	12,700	13,000	13,300
Goods	38,100	35,000	35,800	36,400	37,200	37,800
Utilities	2,300	3,200	3,200	3,300	3,500	3,600
Transfer	25,600	18,400	18,700	19,100	19,500	19,800
	\$ 239,800	\$ 232,200	\$ 236,800	\$ 241,400	\$ 246,500	\$ 251,300



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Development Services

Community development encompasses a broad range of services from land use planning and zoning, economic development, tourism services, and community enhancement. This function also supports the visitors information centre, community events and grants to community organizations.

The current staffing complement in Planning and Development includes the Director, a Planning Manager, an Environmental Planner, a Land Use Planner and a Department Clerk. The Development and Servicing sub-division consists of a Development Engineer (including the Approving Officer function) and a Development Technician. The Building Inspections group employs two level three inspectors and a plan checker.

The 2% Hotel Tax paid to the City is transferred to the Comox Valley Economic Development Society to support tourism development. In addition, the tax revenue collected for the Business Improvement Area is expensed in other community development services.

Planning and Zoning

The Planning and Zoning Division is responsible for processing development related applications such as rezoning, development permits, development variance permits, board of variance permits, tree permits, boundary extensions, sign permits, as well as keeping the related bylaws and policies up to date.



Subdivision Development and Servicing

The subdivision service reviews subdivision and land development within the City of Courtenay to ensure municipal bylaws, policies and operational concerns are followed, as well as applicable provincial policies and regulations.

Building Inspections

The Building Inspections department is responsible for the enforcement of the British Columbia Building and Plumbing Codes and municipal bylaws relating to building construction, business licence administration, the review and investigation of complaints on building matters and the technical review of development applications.

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Development Services chart – by function

Development Services	Budget	Budget	Proposed Budgets			
	2016	2017	2018	2019	2020	2021
Planning and Zoning	698,000	\$ 724,600	\$ 724,600	\$ 677,800	\$ 690,800	\$ 704,400
Subdivision Development & Servicing	326,600	288,800	288,800	291,900	297,600	303,800
Building Inspection	399,400	400,200	408,100	416,200	424,600	432,800
Other Community Development	297,800	304,000	304,000	309,000	313,900	319,000
	\$ 1,721,800	\$ 1,717,600	\$ 1,725,500	\$ 1,694,900	\$ 1,726,900	\$ 1,760,000

Development Service chart – by economic segments

Development Services by Economic Segments	Final Budget	Budget	Proposed Budgets			
	2016	2017	2018	2019	2020	2021
Personnel	\$ 1,121,900	\$ 1,176,600	\$ 1,183,800	\$ 1,207,700	\$ 1,231,700	\$ 1,256,300
General Services	543,500	504,700	505,000	449,900	457,100	465,000
Insurance	8,100	8,000	8,100	8,100	8,300	8,300
Goods	36,100	17,100	17,200	17,600	17,900	18,300
Transfer	12,200	11,200	11,400	11,600	11,900	12,100
	\$ 1,721,800	\$ 1,717,600	\$ 1,725,500	\$ 1,694,900	\$ 1,726,900	\$ 1,760,000

Recreation and Cultural Services

The Recreation and Cultural Services Department is responsible for providing quality recreation, leisure and cultural opportunities in a healthy and safe environment. Recreation and cultural services also oversees inclusive programming, special events, park and sport field bookings, recreation facility bookings and is responsible for the long term planning for parks, recreation and cultural services to meet the diverse interests of the community.

The Department is comprised of the Recreation Facility Operations Division, the Recreation Programming Division, and is the liaison with the City's cultural facilities through the Business Administration Division. The department also liaises with associated organizations including the Drug Strategy Committee, the Arts Council, the July 1st Standing Committee, the Courtenay Recreation Association (CRA) and the Evergreen Club.

The Recreation and Culture budget considerations for 2017 are:

- An interdepartmental restructuring resulting in a 3% increase to general services and salary expenses.
- A 2% increase proposed to core operating expenses.
- A 1% increase proposed in programming that will be offset by anticipated revenues.

Some of the key improvements include the introduction of scheduling software, increased training for staff in their new positions and CRA legal and accounting fees.

Recreation Programming

The Recreation Programming Division is responsible for the provision of programs and leisure opportunities for all age groups. Program management staff oversee volunteers as well as the delivery of programs through both contracted and staff instructors. The Division promotes healthy lifestyles and works with individuals and community groups through the work of recreation programmers, coordinators, preschool and pool staff.

Significant variances in the programming expenses for 2017 include:

- As of 2017, all Recreation and Cultural Services staff have been re-grouped under Recreation Administration.
- Recreation programming supplies, materials, training, Instructors and salaries - \$115,000
- Preschool program expenses increased by \$22,000 to offer additional hours of service. This increase is mitigated by greater revenue, and the use of existing facilities.
- The July 1st Standing Committee expenses are now recorded separately and are funded by the Gaming Fund.
- The Courtenay Recreation Association expenses have also been separated and a budget of \$50,000 for 2017 and 2018 is included for legal and accounting consulting.
- Recreation software costs of \$19,000 are also included.

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Recreation Facility Operations

The Recreation Facility Operations Division is responsible for the operation, booking and safe use of City owned facilities. This division oversees the reception staff, custodial staff, special event coordination, facility agreements and the marketing of facilities. Recreation services are provided in a variety of locations, as summarized below.

Lewis Centre

The Lewis Centre offers a variety of recreational programs and rentable meeting spaces for the general public to utilize. Its focus is the promotion of wellness and health for all ages and abilities in Courtenay, and includes a 4,000 square foot wellness centre, two gymnasiums activity rooms, preschool, craft rooms, meeting rooms, and four squash courts. Adjacent to the Lewis Centre is the Courtenay Memorial Outdoor Pool, outdoor stage, Rotary water park and playground.



The overall budget for the Lewis Centre operations and maintenance increases approximately \$49k between 2016 and 2017, mostly for small equipment purchases and preventive equipment.

Florence Filberg Centre

The Florence Filberg Centre is a multi-use facility that features larger spaces for weddings, conferences, seminars and special events. In addition to meeting room space, the facility is host to the CRA Evergreen Club.

The overall decrease to the budget for the Filberg Centre operations of \$81k between 2016 and 2017 is due to the staff now being budgeted under Recreation Administration.

Native Sons Hall

The historic Native Sons Hall is the largest free span log building in Canada. Built in 1928 as Courtenay's original Recreation Centre, it has hosted numerous weddings, dances, concerts, and community events.

LINC Youth Centre

The LINC youth centre provides healthy recreational opportunities for youth in the Comox Valley. The facility offers youth programs, low cost drop in prices, out trips, skate programs, youth council, arts and technology programs. It includes an indoor skateboard park, concession, games room, digital arts lab, meeting room, and an outdoor basketball court.

The overall cost increase of \$30k is related to the janitorial services previously combined with the Lewis Centre operations which is now captured under the Youth Centre operations.

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Business Administration

The Recreation and Cultural Business Administrative Services Division provides supports, guidance and analysis to the Recreation divisions and provides planning and performance management of the Cultural partners who operate and manage cultural facilities on behalf of the City. This new division was developed from internal resources to improve the business practices of both internal and partner services. The manager of this division oversees the agreements with the City's cultural partners.

Memorial Pool

The Memorial Pool, wading pool and Rotary Water Park are located across from the Lewis Centre and are open throughout the summer.

The operating budget was increased by \$27k to include additional supervision at the pool and the activities of pool start up and winterization previously performed by Public Works.



Cultural groups

The Sid Williams Civic Theatre has been serving the Comox Valley for over 25 years as a performing arts facility, and has had a professional administration since 1992. The Sid Williams Theatre Society operates the theatre for the benefit of all residents of the Comox Valley on behalf of the City and strives to be inclusive and accessible for all. The Sid Williams Theatre Society is dedicated to the stimulation and enhancement of artistic, cultural, and recreation activities in the Comox Valley and surrounding regions through its operations of the Sid Williams Theatre.

The Courtenay and District Museum was established in 1961 as a non-profit organization with the mandate to collect, preserve and interpret natural and cultural heritage of the Comox Valley region. Throughout the year, the museum offers on-site and outdoor programming suitable for all age groups. Program subjects include fossils, geology, First Nations history, pioneer settlement history, social history of the Comox Valley, logging and lumber history, river way study, as well as a series of changing exhibitions spanning over 80 million years.



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The Comox Valley Art Gallery was established in 1974 and since 2005 through a partnership with the City of Courtenay has occupied the main and lower level of the Comox Valley Centre of the Arts located at 580 Duncan Ave. The Comox Valley Art Gallery is a public art gallery featuring contemporary, experimental and applied art by regional, national and international artists presenting contemporary art issues and practices. CVAG actively engages the public, draw visitors, and enliven the community through public events, performances, community collaborations, all-ages make art projects, youth training and mentorship programs, and a gift shop that sells the work of hundreds of local artists.

The budget proposes a 2% increase to management fees for the Museum and the Sid Williams Theatre as well as a \$5k allocation for business planning for all of the cultural facilities.

Courtenay Library

The library provides a literary centre for the public and is managed by the Vancouver Island Regional Library. The 2017 annual requisition is \$1,230,400, an increase of \$45,000 from 2016.

Recreation and Cultural Services chart – by function

Recreation and Cultural Services	Final Budget	Budget	Proposed Budgets			
	2016	2017	2018	2019	2020	2021
Recreation Administration	\$ 722,700	\$ 933,000	\$ 951,200	\$ 945,700	\$ 963,900	\$ 983,300
Recreation Programs						
Childrens Programs	537,200	499,700	509,500	520,000	530,100	540,900
Adults Programs	342,800	352,300	360,200	367,500	374,900	382,400
Youth Programs	207,700	214,000	217,400	221,700	226,400	230,900
Outdoor Pool Programs	94,200	108,100	110,200	112,300	114,500	116,700
Nursery Programs	62,000	84,100	85,800	87,300	89,400	91,100
July 1st Committee	20,000	48,500	49,400	50,400	51,400	52,500
Courtenay Recreation Association	21,000	100,800	101,800	52,800	53,800	54,900
	1,284,900	1,407,500	1,434,300	1,412,000	1,440,500	1,469,400
Recreation Facilities						
Lewis Centre	1,163,700	1,212,700	1,237,800	1,263,000	1,289,200	1,315,400
Filberg Centre	782,400	701,300	715,400	729,500	744,400	759,700
Outdoor Pool	113,100	115,500	118,000	120,400	122,800	125,400
Youth Centre	41,200	71,200	72,500	74,100	75,600	77,300
	2,100,400	2,100,700	2,143,700	2,187,000	2,232,000	2,277,800
Total Recreation	4,108,000	4,441,200	4,529,200	4,544,700	4,636,400	4,730,500
Cultural Services						
Sid Williams Theatre	345,300	317,800	318,800	325,300	331,900	338,400
Museum	196,000	209,500	208,800	213,300	217,600	222,300
Library	1,213,800	1,260,600	1,285,800	1,311,600	1,337,700	1,364,600
Native Sons Hall	71,500	68,300	68,800	70,200	71,700	73,200
Art Gallery	67,900	60,300	56,500	58,200	59,300	60,700
Civic Square & Heritage Church	6,000	10,500	10,900	10,900	11,300	11,500
Total Cultural Services	1,900,500	1,927,000	1,949,600	1,989,500	2,029,500	2,070,700
	\$ 6,008,500	\$ 6,368,200	\$ 6,478,800	\$ 6,534,200	\$ 6,665,900	\$ 6,801,200

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Recreation and Cultural Services chart – by economic segments

Recreation and Cultural Services by Economic Segments	Final Budget 2016	Budget 2017	Proposed Budgets			
			2018	2019	2020	2021
Personnel	\$ 2,917,300	\$ 3,095,300	\$ 3,157,000	\$ 3,219,800	\$ 3,284,200	\$ 3,350,400
General Services	768,700	850,000	849,600	791,200	807,100	823,300
Insurance	127,500	132,600	135,000	138,100	140,500	143,600
Goods	310,500	354,500	360,300	367,100	374,100	381,200
Utilities	297,000	281,300	289,300	296,600	304,400	311,900
Financial Charges	44,000	47,500	48,500	49,500	50,400	51,500
Grants	344,000	359,600	366,800	374,100	381,500	389,100
Interdepartment Charges	14,100	17,000	17,300	17,700	18,000	18,400
Library Requisition	1,185,400	1,230,400	1,255,000	1,280,100	1,305,700	1,331,800
	\$ 6,008,500	\$ 6,368,200	\$ 6,478,800	\$ 6,534,200	\$ 6,665,900	\$ 6,801,200



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General Capital Transactions

The Capital section of the budget summarizes both the capital works planned each year, and any related debt servicing costs. This section summarizes the capital plans for general operations.

The summary chart provides a high level overview of the total cost of the capital programs for the five year period.

General Fund Capital summary – chart

General Capital Fund	Budget				
	2017	2018	2019	2020	2021
Expenditures					
Capital Assets					
Land and improvements	631,600	216,500	285,000	245,000	250,000
Buildings	1,584,900	4,261,700	727,000	5,786,000	30,307,000
Equipments / Furnitures / Vehicles	1,066,000	1,149,500	1,162,000	813,000	721,000
Engineering Structures - Renewal	2,808,700	5,330,500	9,429,000	2,519,500	3,000,000
Other Tangible Capital Assets	461,000	115,000	30,000	50,000	45,000
	6,552,200	11,073,200	11,633,000	9,413,500	34,323,000
Debt					
Interest	\$ 572,500	\$ 706,600	\$ 849,700	\$ 1,085,900	\$ 2,224,700
Principal	855,900	935,300	1,007,800	1,151,500	1,770,200
	1,428,400	1,641,900	1,857,500	2,237,400	3,994,900
Total Expenditures	\$ 7,980,600	\$12,715,100	\$13,490,500	\$11,650,900	\$38,317,900

Assets

The capital projects are listed by the type of capital asset, as reported in the financial statement. The City's capital works program includes the renewal of existing capital assets or the acquisition of new capital items.

This section summarizes the transactions by the type of asset acquired and provides general information on the projects for the five year plan.

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General Fund Capital Assets detail chart

GENERAL CAPITAL FUND	2017 Budget	2018 Proposed Budget	2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget
CAPITAL EXPENDITURES					
Land and improvements					
Parks	\$ 288,200	\$ 170,000	\$ 170,000	\$ 170,000	\$ 170,000
Walkways & Bikeways	241,400	20,000	20,000	20,000	20,000
Cemetery	102,000	26,500	95,000	55,000	60,000
	631,600	216,500	285,000	245,000	250,000
Buildings					
Cemetery	27,000	86,000	22,000	56,000	67,000
City Hall	215,500	23,000	-	-	-
Fire Station	24,200	36,000	-	5,500,000	-
Protective Services	-	-	-	-	30,000,000
Filberg Centre	6,400	99,500	50,000	50,000	50,000
Lewis Centre	320,000	-	50,000	50,000	50,000
Memorial Pool	135,000	93,100	45,000	70,000	80,000
Sid Theatre	55,000	48,000	30,000	30,000	30,000
Library	8,500	69,500	-	-	-
Art Gallery	29,000	22,000	-	-	-
Museum	130,000	-	30,000	30,000	30,000
Native Sons Hall	9,500	34,600	-	-	-
Parks Buildings	56,000	-	-	-	-
Public Works	148,800	3,750,000	500,000	-	-
Carpentry Shop	170,000	-	-	-	-
Rental Properties	250,000	-	-	-	-
	1,584,900	4,261,700	727,000	5,786,000	30,307,000
Equipments / Furnitures / Vehicles					
Fire Department	81,000	65,000	65,000	70,000	70,000
Fleet Management	776,000	948,500	916,000	608,000	515,000
Information Systems	209,000	136,000	181,000	135,000	136,000
	1,066,000	1,149,500	1,162,000	813,000	721,000
Engineering Structures - Renewal					
Storm Drainage	348,100	145,000	300,000	300,000	300,000
Major Road Construction	900,600	3,207,500	7,734,000	1,019,500	1,500,000
Road Paving	1,490,200	1,598,002	1,100,000	1,100,000	1,100,000
Traffic Projects	69,800	380,000	295,000	100,000	100,000
	2,808,700	5,330,502	9,429,000	2,519,500	3,000,000
Total Engineering Structures	2,808,700	5,330,502	9,429,000	2,519,500	3,000,000
Other Tangible Capital Assets					
Information Systems	461,000	115,000	30,000	50,000	45,000
CAPITAL ASSETS	6,552,200	11,073,202	11,633,000	9,413,500	34,323,000

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General Capital Funding

This table summarizes the planned source of funding for the 2017 to 2021 general capital projects.

GENERAL CAPITAL FUND	2017 Budget	2018 Proposed Budget	2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget
REVENUES					
Funding from revenues					
Other Revenues	227,793	44,000	1,606,400	11,700	7,100
Grant and Contributions	739,000	2,933,000	2,126,900	181,000	207,000
	966,793	2,977,000	3,733,300	192,700	214,100
Other Funds					
Operating Funds	3,035,900	3,175,500	2,698,600	3,420,300	5,177,800
Community Works Reserve	343,900	100,000	-	-	-
Other Reserve Funds	3,634,007	2,712,600	2,800,300	1,237,900	1,126,000
	7,013,807	5,988,100	5,498,900	4,658,200	6,303,800
Debt					
Funding from Debt	-	3,750,000	4,258,300	6,800,000	31,800,000
Total Funding for Capital	7,980,600	12,715,100	13,490,500	11,650,900	38,317,900

The 2017 General Fund Capital budget uses reserves, grants and surplus funds in order to keep the municipal tax levy at a rate deemed palatable for the general public and Council.

- Community Works Fund (CWF) – Gas Tax Grant Revenues:
 - CWF – Gas Tax grant funding of approximately \$1,144,000 is proposed in the 2017 budget year - \$800,500 for various infrastructure condition assessments and Transportation-Cycling plans and \$344,000 for capital projects.
- Building Canada grant money has been provided to the City for:
 - Complete Streets project - over \$3.0 million; and,
 - 5th Street Bridge project - approximately \$2.0 million.

Both projects are budgeted over several years from 2017 to 2021.

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Long Term Debt - All Funds

The City has used long term debt to fund capital assets, in accordance with the borrowing requirements outlined in the Community Charter. The City must gain the assent of the electors prior to incurring new debt for capital assets. The current debt payments are approximately \$1,589,100.

The financial plan projects new debt may be required in future years starting in 2018. For planning purposes, the following long term debt has been included in this financial plan:

- Infrastructure development, renewal and replacement in areas such as:
 - Street and Road Reconstruction and development
 - Storm drainage
 - Sewer projects
- Police Services building, West Courtenay
- New Public Works facility
- Satellite Fire Hall

New debt chart

Funding From Debt	2017	2018	2019	2020	2021
	Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
General	\$ -	\$ 3,750,000	\$ 4,258,300	\$ 6,800,000	\$ 31,800,000
Sewer	-	1,400,000	-	-	-
Water	-	-	-	-	-
	\$ -	\$ 5,150,000	\$ 4,258,300	\$ 6,800,000	\$ 31,800,000

Footnote: \$31.8M borrowing in 2021 is intended only as a placeholder. Before any large borrowing is contemplated or applied for the funding of any new Police facility, Provincial and Federal grants will be investigated as well as the utilization of reserves will be considered.

The planned use of debt funding results in an increase to debt payments in the year after the debt is incurred. The following table summarizes the projected change to the debt payments.

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Debt payments chart

Debt Payment	2017 Budget	2018 Proposed Budget	2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget
General	572,500	706,600	849,700	1,085,900	2,224,700
Sewer	54,900	104,500	104,500	104,500	104,500
Water	10,500	10,500	10,500	10,500	10,500
Interest	\$ 637,900	\$ 821,600	\$ 964,700	\$ 1,200,900	\$ 2,339,700
General	855,900	935,300	1,007,800	1,151,500	1,770,200
Sewer	75,200	127,300	127,300	127,300	127,300
Water	20,100	20,100	20,100	20,100	20,100
Principal	\$ 951,200	\$ 1,082,700	\$ 1,155,200	\$ 1,298,900	\$ 1,917,600
	\$ 1,589,100	\$ 1,904,300	\$ 2,119,900	\$ 2,499,800	\$ 4,257,300

Transfers to Reserves and Surplus – All Funds

Annually the City plans for future projects. The City typically has a surplus from unspent funds at the end of each budget year, partly due to:

- Incomplete projects
- Weather constraints
- Capacity issues
- Priority changes
- Additional unanticipated external revenue sources (Federal / Provincial grants, donations)
- Staff turnover and attrition

Reserve and surplus funds are used for current and future projects – both operating and capital. In 2017 and 2018, staff is proposing to use surplus to pay for new positions to address the capacity gap due to significant growth. The following chart summarizes the planned transfers to reserve accounts and funds, while the chart on the next page summarizes the balances in the reserve funds and surplus accounts at the end of each budget year of this financial plan.

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Transfers to reserve and surplus chart

Surplus and Reserves Summary	2017 Budget	2018 Proposed Budget	2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget
Transfer to Reserve Funds					
General					
Machinery & Equipment Reserve	\$ 600,000	\$ 600,000	\$ 625,000	\$ 650,000	\$ 675,000
New Works & Other Reserves	1,290,000	1,512,300	1,631,200	1,758,900	1,776,700
Public Parking	6,500	6,600	6,600	6,700	6,800
MFA Reserve	8,200	8,300	8,500	8,700	8,800
Interfund Interest	80,000	80,800	81,600	82,400	83,200
New Works BYLAW 1835	1,069,100	1,069,100	1,120,000	1,120,000	1,120,000
Cemetery Care Fund	11,000	11,000	11,000	11,000	11,000
Carbon Offsets	18,800	18,800	18,800	18,800	18,800
	3,083,600	3,306,900	3,502,700	3,656,500	3,700,300
Sewer					
Asset Management Reserve	300,000	300,000	150,000	125,000	300,000
Machinery/Equip Reserve	75,000	75,000	75,000	75,000	75,000
MFA Reserve Fund	700	700	600	500	500
Carbon Offsets Reserve	5,500	5,500	5,500	5,500	5,500
	381,200	381,200	231,100	206,000	381,000
Water					
Asset Management	300,000	300,000	300,000	500,000	750,000
Water Utility	34,100	37,500	41,300	42,300	43,300
Water Machinery & Equip	30,000	30,000	30,000	30,000	30,000
MFA	200	100	100	100	100
Carbon Offsets	5,500	5,500	5,500	5,500	5,500
	369,800	373,100	376,900	577,900	828,900
Total Transfer to Reserve Funds	3,834,600	4,061,200	4,110,700	4,440,400	4,910,200
Transfer to Surplus					
General	-	322,400	7,000	151,200	629,100
Sewer	329,400	212,300	44,400	5,300	138,200
Water	37,900	358,000	257,000	229,500	842,500
Total Transfer to Surplus	367,300	892,700	308,400	386,000	1,609,800
Total Transfer to Reserves and Surplus	\$ 4,201,900	\$ 4,953,900	\$ 4,419,100	\$ 4,826,400	\$ 6,520,000

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Reserves and surplus projected closing balances chart

Surplus and Reserves Summary	2017 Budget	2018 Proposed Budget	2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget
CLOSING BALANCE					
General					
General Operating Surplus					
Surplus	\$ 1,923,503	\$ 595,903	\$ 502,903	\$ 604,103	\$ 1,233,203
Surplus Reserve for Future Expenditures	13,500	-	-	-	-
Sid Williams Theatre Society	195,757	195,757	195,757	195,757	195,757
Gaming Funds	872,672	872,672	872,672	872,672	872,672
	3,005,432	1,664,332	1,571,332	1,672,532	2,301,632
General Capital Reserves					
Unexpended Reserve	1,599,424	1,393,524	828,724	813,824	813,824
Machinery and Equipment	1,237,260	823,760	467,760	439,760	529,760
Land Sale	149,738	149,738	149,738	149,738	149,738
New Works and Equipment	2,244,191	1,469,091	1,019,991	881,191	747,191
New Works - Community Gas Tax Funds	1,785,701	1,306,501	1,969,701	2,624,401	3,270,201
Infrastructure Reserve	650,474	462,774	193,974	452,874	729,574
Risk Reserve	100,401	100,401	100,401	100,401	100,401
Housing Amenity	449,161	449,161	449,161	449,161	449,161
Amenity	125,237	25,237	25,237	25,237	25,237
Public Parking	50,567	57,167	63,767	70,467	77,267
Parkland Acquisition	209,020	209,020	209,020	209,020	209,020
	8,601,174	6,446,374	5,477,474	6,216,074	7,101,374
Total General Surplus and Reserves	11,606,606	8,110,706	7,048,806	7,888,606	9,403,006
Sewer					
Sewer Operating Surplus					
Surplus	1,925,764	2,138,064	2,182,464	2,187,764	2,325,964
Surplus Reserve for Future Expenditures	160,000	-	-	-	-
	2,085,764	2,138,064	2,182,464	2,187,764	2,325,964
Sewer Capital Reserves					
Sewer Reserve	476,139	476,139	476,139	476,139	476,139
Asset Management Reserve	2,425,000	2,025,000	1,925,000	1,800,000	1,850,000
Sewer Machinery and Equipment	702,583	777,583	852,583	927,583	1,002,583
	3,603,722	3,278,722	3,253,722	3,203,722	3,328,722
Total Sewer Surplus and Reserves	5,689,486	5,416,786	5,436,186	5,391,486	5,654,686
Water					
Water Operating Surplus					
Surplus	714,761	1,072,761	1,329,761	1,559,261	2,401,761
	714,761	1,072,761	1,329,761	1,559,261	2,401,761
Water Capital Reserves					
Water Reserve	1,050,403	388,703	430,003	472,303	515,603
Asset Management Reserve	803,837	1,103,837	1,103,837	1,303,837	1,753,837
Water Machinery and Equipment	283,054	313,054	343,054	373,054	403,054
	2,137,295	1,805,595	1,876,895	2,149,195	2,672,495
Total Water Surplus and Reserves	2,852,056	2,878,356	3,206,656	3,708,456	5,074,256
Total Operating Surplus	5,805,958	4,875,158	5,083,558	5,419,558	7,029,358
Total Capital Reserves	14,342,191	11,530,691	10,608,091	11,568,991	13,102,591
Total Surplus and Reserves	\$20,148,148	\$16,405,848	\$15,691,648	\$16,988,548	\$20,131,948

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Sewer Fund
Operating Revenues and Expenses
Capital Transactions
Reserves and Surplus

Sewer Fund

Overview

The sewer utility service is a self-funding utility. The service collects and conveys effluent to the regional district service for disposal.

Sewer services are provided to property owners through two systems:

- Municipal sewer collection infrastructure owned and operated by the City
- Regional infrastructure including sewer force mains, pumping stations and a wastewater treatment plant that is owned, operated, and managed by the Comox Valley Regional District.

The City of Courtenay and the Town of Comox share costs for this regional infrastructure based on their respective sewer flows to the water treatment plant.

Quick Facts

- Sanitary Sewer Mains: 152.3 km (Jan 2017)
- Sanitary Sewer Connections: 6,926 (Estimate, based on Water)
- Sanitary Lift Stations: 12 Stations (23 Pumps)

Operating and Capital Revenues

There are two key sources of budgetary revenue for the Water and Sewer Funds:

- User Fees: typically used to fund operational costs. These are fees that are paid by anyone within the municipality that are currently connected to the sewer and water infrastructure in order to recover the cost of bulk wastewater processing or water purchases, chemicals, power-gas-telephone charges, chemicals, monitoring, general payroll and maintenance of the service.
- Frontage and Parcel Taxes: used to fund capital programs. These are taxes that are levied on all properties whether they are or could be serviced by the City's water and sewer services. Municipal residents can connect to the utility if and when the property is developed since the capital infrastructure currently exists past their respective property.

Revenue User Fee Rates:

The Sewer User Fee rates are set by Bylaw. The 2016 rates charged to users was a blended rate: the old 2015 Bylaw rate of 246.67 was applied for 182 days of 2016 and then the new 2016 bylaw rate of 289.15 was applied to the remaining 183 days of 2016. The actual rate applied to consumers in 2016 was \$267.91.

The 2017 Sewer User Fee rate was set at \$294.70, effective January 1st 2017 in order to avoid the blended rate. This represents a 10% increase from the 2016 blended rate.

No rate increase is planned for the frontage and parcel taxes in 2017.

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Operating Expenses

The table below provides a synopsis of the Operating Budget expenditures incurred by Economic Segments.

Operating Budget expenditures by Economic Segments chart

SEWER FUND	2016 Final Budget	2017 Budget	Dollar Change 2016-17 Budget	% change btwn 2016-17 Budget	% of Total 2017 Budget	Breakdown of 2017 User Fee Bylaw Rate
Expenditures by Economic Segments						\$294.70
Personnel	598,800	503,600	(95,200)	-15.90%	9.55%	\$ 28.14
General Services	430,300	211,400	(218,900)	-50.87%	4.01%	\$ 11.81
Insurance	8,600	9,900	1,300	15.12%	0.19%	\$ 0.55
Internal Allocations	782,900	789,500	6,600	0.84%	14.97%	\$ 44.12
Purchased Services - Other Govts	3,484,700	3,670,700	186,000	5.34%	69.61%	\$ 205.13
Goods	34,300	63,700	29,400	85.71%	1.21%	\$ 3.56
Utilities	18,600	24,700	6,100	32.80%	0.47%	\$ 1.38
Sub-Totals	5,358,200	5,273,500	(84,700)		100.00%	\$ 294.70

- “Personnel costs” is incremented by 2% as per the union contract. As well this segment decreased due to the vacant Director of Engineering Services position and the re-alignment of two Engineering Technologists to Asset Management Technical Services.
- “General Services” in 2017 decreased by \$218,900 due to:
 - the removal of 2016 one-time budgeted items:
 - \$125,000 for the completion of a Sewer Network Master Plan. However, to complete this project an additional \$53,000 is required in 2017;
 - \$50,000 for completion of a SCADA (Supervisory Control and Data Acquisition) Plan Review;
 - \$135,000 for a review of future Sewer infrastructure designs.
 - the addition of \$30,000 for the re-alignment of manhole piping at 10th Street East and Sitka Avenue
- “Insurance” increased by \$1,300 due to the recognition of insurance costs for fleet equipment used in the Sewer operation.
- “Internal Allocations” represent a 13.5% allocation of operational costs from other City departments. This includes staffing costs related to Finance, Information Technology, Corporate Services, Human Resources, Development Services as well as Public Works.
- “Purchased Services – Other Governments” is the Comox Valley Regional District’s annual sewer requisition. It is based on prior year sewer flows and a dollar rate applied to that flow. The following table identifies actual requisitions from 2014 to 2016 and includes the CVRD’s 2017-2021 Financial Plan sewer requisition and apportionment to the City.

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2014 – 2021 Annual CVRD sewer requisitions chart

	Year	CVRD Requisition	Courtenay portion of Requisition	% change
Actuals	2014	\$ 4,303,482	\$ 2,730,129	
	2015	\$ 4,776,865	\$ 3,061,970	12%
	2016	\$ 5,063,477	\$ 3,484,685	14%
CVRD Budget	2017	\$ 5,367,286	\$ 3,670,687	5%
	2018	\$ 5,689,323	\$ 3,890,928	6%
	2019	\$ 6,030,682	\$ 4,124,383	6%
	2020	\$ 6,392,523	\$ 4,371,846	6%
	2021	\$ 6,392,523	\$ 4,371,846	0%

In 2015, the CVRD identified and corrected sewer flow equipment calibration problems. This correction resulted in the City being assigned higher sewer flows and Comox lower flows. The impact of this change plus the anticipated higher rates to build CVRD reserves for future capital infrastructure improvements resulted in a \$422,715 increase (14%) to the City's 2016 requisition. For 2017, the requisition is increasing by \$186,000 (5.3%) and represents the largest operating cost (69.6%) of this Fund.

- “Goods” is consumable items such as fuel, materials, supplies and parts required by operations. For 2017, this is increasing by \$29,400.
- “Utilities” is for electricity costs incurred at the City's 11 lift stations. It is \$6,100 higher than 2016 to reflect a 4% electricity rate increase by BC Hydro coupled with a budget to actual cost adjustment.



Capital Transactions

The 2017 sewer capital budget has considered an asset management planning process involving planning, engineering and finance to effectively manage existing and new municipal infrastructure in a sustainable manner to maximize benefits, reduce risk and provide satisfactory levels of service to the community user in an environmentally and ecologically responsible manner.

The table below provides an overall summary of the Sewer Capital Budget.

Sewer Capital Budget chart

SEWER CAPITAL FUND	2016 Final Budget	2016 Actual Unaudited	2017 Final Budget	2018 Proposed Budget	2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget
CAPITAL EXPENDITURES							
DEBT							
Interest - Debenture Debt	65,500	58,083	54,900	104,500	104,500	104,500	104,500
Principal - Debenture Debt	75,200	75,242	75,200	127,300	127,300	127,300	127,300
	140,700	133,324	130,100	231,800	231,800	231,800	231,800
Assets							
Equipment	133,000	4,006	909,000	-	-	-	-
Engineering Structures - Renewal	243,100	126,583	225,000	2,500,000	1,250,000	1,250,000	1,250,000
Engineering Structures - New	220,500	7,646	129,400	1,300,000	-	-	-
	596,600	138,236	1,263,400	3,800,000	1,250,000	1,250,000	1,250,000
Total Sewer Capital Expenditures	737,300	271,560	1,393,500	4,031,800	1,481,800	1,481,800	1,481,800

2017 New Capital projects are:

- Sewer Main Pipe replacement under Comox Road, Lewis Park and River Crossing - \$100,000 in 2017 for Design work and \$500,000 for construction in 2018. Funding comes from a transfer from Operating in 2017.
- Renewal of Anderton Lift Station - \$125,000 in 2017 for Design work and \$2,000,000 for construction in 2018. Funding for 2017 comes from a transfer from Operating in 2017 and long-term borrowing in 2018.
- Payment of 2017 Debenture Debt - \$130,100

Items previously approved in 2016 but listed for completion in 2017 include:

- Purchase of a Generator for the Mansfield pump station - \$54,000 funded from the Reserve for Future Expenditures;
- Extension of 220 meters of sanitary sewer along Headquarters Road - Vanier Drive to Pebernat Road - \$129,400 funded from the Reserve for Future Expenditures.
- Purchase of two sewer flow meters - \$75,000 funded from Gas Tax dollars.
- Implementation of a SCADA (Supervisory Control and Data Acquisition) System - \$780,000. \$647,400 funded from the Gas Tax Reserve and \$132,600 from Transfer from Operating.

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Reserves and Surplus

The projected totals of these are:

- The “Transfer to Other Funds” directs funding to the sewer capital works program. For 2017 the total transfer is \$437,700 higher than 2016 (\$270,921).
- “Transfer to Reserves” is \$710,600 in 2017. The reason for these transfers is to build reserves to fund future capital projects.
- The Projected Balance of Sewer Capital Reserves at the end of 2017 is \$3,603,722.

Sewer Surplus and Reserves chart

2017 - 2021 FIVE YEAR FINANCIAL PLAN							
SEWER RESERVES AND SURPLUS			2017	2018	2019	2020	2021
			Budget	Proposed Budgets			
Operating Surplus	SURPLUS	Dec 31 prior year	1,596,364	1,925,764	2,138,064	2,182,464	2,187,764
		For Operations	-	-	-	-	-
		Annual Transfers	329,400	212,300	44,400	5,300	138,200
		Projected balance Dec 31	1,925,764	2,138,064	2,182,464	2,187,764	2,325,964
Operating Surplus	SURPLUS RESERVE FOR FUTURE EXP	Dec 31 prior year	343,300	160,000	-	-	-
		For Operations	-	-	-	-	-
		For Capital Projects	(183,300)	(160,000)	-	-	-
		Appropriated Surplus	-	-	-	-	-
		Projected balance Dec 31	160,000	-	-	-	-
			2,085,764	2,138,064	2,182,464	2,187,764	2,325,964
Capital Reserves	SEWER RESERVE	Dec 31 prior year	476,139	476,139	476,139	476,139	476,139
		Transfers to					
		For Capital Projects					
		Projected balance Dec 31	476,139	476,139	476,139	476,139	476,139
	ASSET MANAGEMENT RESERVE	Dec 31 prior year	2,125,000	2,425,000	2,025,000	1,925,000	1,800,000
		Transfer to	300,000	300,000	150,000	125,000	300,000
		For capital projects	(700,000)	(700,000)	(250,000)	(250,000)	(250,000)
		Projected balance Dec 31	2,425,000	2,025,000	1,925,000	1,800,000	1,850,000
SEWER MACHINERY AND EQUIPMENT	Dec 31 prior year	627,583	702,583	777,583	852,583	927,583	
	Annual Transfer	75,000	75,000	75,000	75,000	75,000	
	For capital projects						
	Interfund Interest						
	Projected balance Dec 31	702,583	777,583	852,583	927,583	1,002,583	
			3,603,722	3,278,722	3,253,722	3,203,722	3,328,722

Water Fund
Operating Revenues and Expenses
Capital Transactions
Reserves and Surplus

Water Fund

Overview

The water utility service is a self-funding utility. This service is provided to property owners who use the City's municipal water network. Water services are not funded by property taxes. Citizens pay for these services through user fees listed on their annual tax notice. The water utility service is provided to property owners through two systems:

- Municipal water infrastructure owned and operated by the City.
- Regional water infrastructure which transports and treats the water supply from the Comox Lake Reservoir and transports it to the City's boundary.

The City of Courtenay purchases bulk water from the Comox Valley Regional District (CVRD) for water consumed within its distribution area. This bulk water purchase is a major component of the City's water budget.

Quick Facts

- Water Mains: 170.4km (Jan 2017)
- Water Service Connections: 6,926 (Dec 2016)
- Water Meters Setters: 1,782 (Dec 2016)
- Fire Hydrants: 730 (Jan 2017)
- Mainline Valves: 2,151 (Jan 2017)

Operating and Capital Revenues

Similar to the Sewer Fund, there are two primary sources of budget revenue for the Water Fund:

- User Fees: used to fund operational costs, such as personnel, bulk water purchases, power-gas-telephone charges, chemicals, monitoring and maintenance of the water distribution service. These fees are paid by anyone within the municipality who is connected to the water and sewer infrastructure.
- Frontage and Parcel Taxes: used to fund capital programs. These are taxes levied on all properties whether they are, or could be, serviced by the City's water and sewer services. Municipal residents can connect to the utility if and when their property is developed since the capital infrastructure exists past their respective property.

Revenues in the Water Fund are pooled together versus split into segmented parts.

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Revenue User Fee Rates

Frontage Fees – The 2017 rate is increasing by 25% to \$4.68 per meter and is expected to generate an additional \$178,700. The rate has not increased since prior to 2014. The purpose for this increase is to facilitate a capital renewal program for the existing water distribution network.

The Asset Management Plan states that it costs approximately \$600 per linear metre to replace water infrastructure. The City currently collects \$3.74 per meter, which in 2016 generated about \$701,000 for capital renewal. The costs to install water and sewer infrastructure is very similar yet the water frontage fees are only \$3.74/metre in comparison to the sewer service which is \$10.24/metre. The table below identifies the impact of raising frontage rates by 25% in the next five years.

	2016	2017	2018	2019	2020	2021
Metres Growth Rate	2.00%					
Metres	187,346	191,093	194,915	198,813	202,789	206,845
Frontage Rate	\$ 3.74	\$ 3.74	\$ 3.74	\$ 3.74	\$ 3.74	\$ 3.74
2016 Frontage Revenue	\$ 700,674.04	\$ 714,687.52	\$ 728,981.27	\$ 743,560.90	\$ 758,432.11	\$ 773,600.76
Rate Increase	25%	\$ 4.68	\$ 5.84	\$ 7.30	\$ 9.13	\$ 11.41
Net Revenue		\$ 893,359.40	\$ 1,139,033.24	\$ 1,452,267.38	\$ 1,851,640.90	\$ 2,360,842.15
Additional Revenue Increase - 2017		\$ 178,671.88	\$ 178,671.88	\$ 178,671.88	\$ 178,671.88	\$ 178,671.88
			\$ 231,380.08	\$ 231,380.08	\$ 231,380.08	\$ 231,380.08
				\$ 298,654.51	\$ 298,654.51	\$ 298,654.51
					\$ 384,502.31	\$ 384,502.31
						\$ 494,032.61
Full Year Additional Revenue		\$ 178,671.88	\$ 410,051.97	\$ 708,706.48	\$ 1,093,208.79	\$ 1,587,241.40

The 2017 Capital Renewal Program is \$4.1M in 2017 due to the Comox Road project announced by the Ministry of Transportation earlier this year. This changed the original 2017 program by adding a \$2.1M project into the list. At present, the 2018 capital program is set to be \$1.3M. Capital renewal for 2019 – 2021 is expected to be around \$1.5M to \$2.0M annually. The capital renewal values recorded in 2019 to 2021 will become more refined as more detailed condition assessments are incorporated into the AM Plan.

User Fees - The 2017 User Fee is \$425.03, an increase of 15% from the 2016 fee. It is used to cover operating expenditures.

Three external factors necessitate an increase to existing 2017 user fees:

- Bulk water rate increases from \$0.66 to \$0.71 as noted in the CVRD's 2017 – 2021 Financial plan, which is a significant adjustment of over \$250,000.
- Vancouver Island Health Authority's (VIHA) new operating permit for the City's water system requires increases to training and certification for water system staff, as well as to monitoring and operating procedures.
- Re-classification of the City's water distribution system from Class 1 to Class 4.

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Revenue – Additional:

In the latter part of 2017, approximately \$29,600 of additional billing revenue is estimated to be received from the conclusion of negotiations with the CVRD for the transition of the Sandwick water system to the City of Courtenay. The full impact of the revenue will only be realized at the conclusion of the transition of the Sandwick Local Service Area to the City from the CVRD. In 2018, revenues are expected to increase by \$90,000 annually.

Operating Expenses

Over the past year, the City of Courtenay Water System Asset Management plan has been refined and is providing guidance with respect to the sustainable operation, maintenance, and the long-term infrastructure renewal needs of the City. The total change between the 2016 and 2017 Budgets (excluding Transfers to Reserves and to the Capital Fund) is \$931,800.

Operating Budget expenditures by Economic Segments chart

WATER FUND		2016 Final Budget	2017 Budget	2016-2017 Budget Variance	% of Total 2017 Budget	Breakdown of 2017 Current User Fee Rate
Expenditures by Economic Segments						\$380.68
Personnel		788,700	680,000	(108,700)	10.78%	\$ 41.05
General Services		242,300	673,700	431,400	10.68%	\$ 40.67
Insurance		10,500	10,700	200	0.17%	\$ 0.65
Internal Allocations		919,100	1,072,500	153,400	17.01%	\$ 64.75
Purchased Services - Other Govts		3,163,500	3,598,400	434,900	57.07%	\$ 217.24
Goods		248,700	265,300	16,600	4.21%	\$ 16.02
Utilities		-	4,000	4,000	0.06%	\$ 0.24
Transfer Payments		1,000	1,000	-	0.02%	\$ 0.06
Sub-Totals		5,373,800	6,305,600	931,800	100.00%	\$ 380.68

1. "Personnel costs" decreased from \$788,700 in 2016 to \$680,000 in 2017. Four factors have collectively resulted in Personnel costs decreasing by \$108,700:
 - o Salaries, wages and benefits of staff working of Public Works, Engineering and Finance have been strategically reviewed and proportionally allocated in the following way:
 1. Engineering managerial and Engineering Technologist staff - 20%
 2. Public Works managerial staff – 30%
 3. One Finance Clerk – 25%

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- The departure of the Director of Engineering has resulted in cost savings.
- The departmental reviews of Engineering and Public Works resulted in the refinement of duties and responsibilities between these two areas. This separation contributed to a reduction in personnel costs which resulted in a budgetary reduction of approximately \$163,000 between 2016 and 2017.
- A 2% increase from the collective bargaining contract for unionized personnel is included in 2017 personnel costs.
- Changing Island Health permit requirements and re-Classification of the Water System from a Class 1 to a Class IV Facility raises the level of management and monitoring required to ensure the water system complies with regulatory guidelines when providing potable water to the community. The City's updated operating permit requires the City to have in place:
 1. Weekly sampling program
 2. Cross Connection control program
 3. Unidirectional flushing program
 4. Annual Water report
 5. Level 4 Operator Training Program

In comparison, Comox and Cumberland are Class 2 water distribution systems which allow them to operate at a lower cost than Courtenay. The City is required to have at least one Level IV operator and sufficient staff to comply with these regulatory requirements. Additional staff are estimated to cost approximately \$95,000 in 2017 (a partial year) and are included in current personnel costs.

2. "General Services" in 2017 are increasing by \$431,400 due to the following:
 - Loop watermains through nine private properties - \$400,000 (one-time expenditure);
 - Valve, hydrant and water meter repairs at various locations - \$82,000 (one-time expenditures);
 - Removal of one-time miscellaneous cost for Water plans - (\$143,400);
 - Updating of Water Master Plan - \$75,000 in 2017, declining to \$25,000 in 2018;
 - Water capital projects - warranty costs - \$9,000;
 - Creation of new account to track legal costs - \$5,000;
 - Inflationary increases - \$3,800.
3. "Internal Allocations" represent a percentage allocation (17.5%) of operational costs from other City departments. This includes staff costs from Financial Services, Information Technology, Corporate Services, Human Resources, and Development Services. The increase of \$153,400 recognizes an overall increase from general government contributing to the functioning of the water service.

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4. "Purchased Services – Other Governments" relates to the bulk water purchased from the Comox Valley Regional District (CVRD) and is the largest cost driver for this Fund, increasing by \$434,900.
 - In 2016, the CVRD increased January 1, 2017 bulk water rates from \$0.66/m³ to \$0.71/m³. Rate increases have been approved to continue until 2021 when they will be \$0.85/m³. This rate increase adds \$250,000 to the 2017 operating costs and by 2021 will increase to over \$900,000.
 - \$50,000 relates to the cost of additional water for the CVRD Local Service Area – formerly known as the Sandwick Water Improvement District.
 - The remaining \$135,000 increase is due to a budget to actual adjustment from higher 2016 water consumption than contemplated during the creation of the 2016 budget.
5. "Goods" are consumable items such as fuel, materials, supplies and parts required by operations. This budgetary increase of \$16,600 will be used to repair faulty water meters or to install meters when necessary.
6. "Utilities" are for electricity incurred at the City's water booster stations. Past budgets have not shown this cost as a separate line item. In 2017 it represents a \$4,000 expenditure matching 2016 actuals plus adding BC Hydro's 4% electricity rate increase.



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Capital Transactions

The 2017 Water Capital Budget has considered an asset management planning process involving planning, engineering and finance to effectively manage existing and new municipal infrastructure in a sustainable manner. This will maximize benefits, reduce risk and provide satisfactory levels of service to the community user in an environmentally and ecologically responsible manner.

Water Capital Budget chart

WATER CAPITAL FUND	2016 Final Budget	2016 Actual Unaudited	2017 Final Budget	2018 Proposed Budget	2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget
CAPITAL EXPENDITURES							
DEBT							
Interest - Debenture Debt	27,960	15,738	10,500	10,500	10,500	10,500	10,500
Principal - Debenture Debt	20,149	20,149	20,100	20,100	20,100	20,100	20,100
	48,109	35,887	30,600	30,600	30,600	30,600	30,600
ASSETS							
Engineering Structures - Renewal	1,512,500	957,093	2,150,000	600,000	1,500,000	2,000,000	2,000,000
Engineering Structures - New	295,000	27,148	1,886,000	699,200	-	-	-
Other Charges	-	-	-	-	-	-	-
	1,807,500	984,240	4,036,000	1,299,200	1,500,000	2,000,000	2,000,000
Total Water Capital Expenditures	1,855,609	1,020,127	4,066,600	1,329,800	1,530,600	2,030,600	2,030,600

2017 New Projects:

- Renewal of 2 kilometres of water infrastructure along Comox Road in the amount of \$2.1M in preparation for the Ministry of Transportation grinding and paving the road. This was pre-approved by Council on January 30, 2017. This project will be paid from the Gas Tax Reserve.
- Sandwich Conversion in the amount of \$1,593,000 to conclude the transition of the Sandwich water authority to the City of Courtenay. Funding for this project is intended to come from:
 - Water Utility Reserve - \$500,000
 - Asset Management Reserve - \$526,000
 - CVRD – \$567,000
- Repair of the existing valving at the Buckstone Water Pump station in response to a risk assessment noting its deficiency. Total cost is \$50,000 to be funded by a transfer from Operating.

Item previously approved in 2016 but listed for completion in 2017 include:

- \$294,200 for the installation of a watermain on Vanier Drive from Headquarters Road to Comox Valley Sports Centre. The service needs to be increased and upgraded due to Vanier High School seismic concerns. Construction is to occur in 2017 in conjunction with the Sewer capital work in the area. Funding is to come from the Asset Management Reserve.

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Debt payments

\$30,600 is required for the servicing of the Long-Term Debt principal (\$20,100) and interest (\$10,500) payments that relates to Bylaw 2424. The principal balance as of December 31, 2016 for this long-term debt instrument is \$358,088.

Reserves and Surplus

There are five primary reserve and surplus accounts. The balances within those reserves and surpluses changes depending on how much surplus or deficit is created from the Operating Budget and is reduced depending on how much money is required to pay for the City's operating and capital budget needs.

- The "Transfer to Other Funds" directs funding to the water capital works program. For 2017 the total transfer is \$80,600 lower than 2016 (\$333,665).
- "Transfer to Reserves" is \$369,800 in 2017. The reason for these transfers is to build reserves to fund future capital projects.
- The Projected Balance of Water Capital Reserves at the end of 2017 is \$2,137,295.

Water Surplus and Reserves chart

2017 - 2021 FIVE YEAR FINANCIAL PLAN		2017	2018	2019	2020	2021
WATER RESERVES AND SURPLUS		Final Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
Operating Surpluses	SURPLUS					
	Dec 31 prior year	676,861	714,761	1,072,761	1,329,761	1,559,261
	For Operations	-	-	-	-	-
	Annual Transfers	37,900	358,000	257,000	229,500	842,500
	Projected balance Dec 31	714,761	1,072,761	1,329,761	1,559,261	2,401,761
	SURPLUS RESERVE FOR FUTURE EXP					
Dec 31 prior year	-	-	-	-	-	
Projected balance Dec 31	-	-	-	-	-	
TOTAL OPERATING RESERVES		714,761	1,072,761	1,329,761	1,559,261	2,401,761
capital reserves	WATER RESERVE					
	Dec 31 prior year	1,516,303	1,050,403	388,703	430,003	472,303
	Transfers to	34,100	37,500	41,300	42,300	43,300
	For Capital Projects	(500,000)	(699,200)	-	-	-
	Projected balance Dec 31	1,050,403	388,703	430,003	472,303	515,603
	ASSET MANAGEMENT RESERVE					
	Dec 31 prior year	1,322,837	803,837	1,103,837	1,103,837	1,303,837
	Transfer to	300,000	300,000	300,000	500,000	750,000
	For capital projects	(819,000)	-	(300,000)	(300,000)	(300,000)
	Projected balance Dec 31	803,837	1,103,837	1,103,837	1,303,837	1,753,837
	WATER MACHINERY AND EQUIPMENT					
	Dec 31 prior year	253,054	283,054	313,054	343,054	373,054
Annual Transfer	30,000	30,000	30,000	30,000	30,000	
For capital projects						
Projected balance Dec 31	283,054	313,054	343,054	373,054	403,054	
TOTAL CAPITAL RESERVES		2,137,295	1,805,595	1,876,895	2,149,195	2,672,495

Appendix

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2017 – 2021 Five-Year Financial Plan draft

Appendix

The appendix provides the information used to prepare the Bylaw for the 2017 – 2021 Five Year Financial Plan, and includes the following.

1. OBJECTIVES AND POLICIES FOR SCHEDULE "A" BYLAW 2879
2. OBJECTIVES AND POLICIES FOR SCHEDULE "B" BYLAW 2879
3. OBJECTIVES AND POLICIES FOR SCHEDULE "C" BYLAW 2879
4. CONSOLIDATED SUMMARY FOR SCHEDULE "D" BYLAW 2879
5. GENERAL FUND SUMMARY FOR SCHEDULE "E" BYLAW 2879
6. SEWER OPERATING FUND SUMMARY FOR SCHEDULE "F" BYLAW 2879
7. WATER OPERATING FUND SUMMARY FOR SCHEDULE "G" BYLAW 2879
8. GENERAL CAPITAL FUND SUMMARY FOR SCHEDULE "H" BYLAW 2879
9. SEWER CAPITAL FUND SUMMARY FOR SCHEDULE "I" BYLAW 2879
10. WATER CAPITAL FUND SUMMARY FOR SCHEDULE "J" BYLAW 2879

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2017 – 2021 Five-Year Financial Plan draft

1. Objectives and Policies for Schedule “A” Bylaw 2879

Proportion of Revenue by Source

Property Tax Policies

- ❖ The City of Courtenay will attempt to keep the proportional share of revenue from property taxes at a level similar to the average of comparable municipalities.
- ❖ Where new sources of revenue are made available to the City from senior governments, wherever possible these revenues will be used to reduce dependency on property taxation revenue.

Parcel Tax Policies

- ❖ Parcel taxes will be used whenever Council determines that they are more appropriate than property taxes.

Fees & Charges

- ❖ Wherever possible, fees & charges will be used to assign costs to those who benefit from the service provided. The proportion of costs recovered by fees and charges will vary with the nature of the service provided.

Proceeds of Borrowing

- ❖ Borrowing will be considered when determining the funding sources of large capital projects that provide benefits to taxpayers over a long period of time.

Other Sources of Revenue

- ❖ The City will continue to seek other sources of revenue in order to reduce reliance on property taxes.

Revenue Source	2015		2016		2017	
	Amount	% Total Revenue	Amount	% Total Revenue	Amount	% Total Revenue
Property Value Taxes	\$21,920,748	35.4%	\$22,677,200	35.4%	24,056,300	38.9%
Parcel Taxes	2,592,311	4.2%	2,655,500	4.2%	2,858,000	4.6%
Fees and Charges	11,942,340	19.3%	16,077,600	19.3%	17,386,000	28.1%
Other Sources	9,769,237	15.8%	4,504,400	15.8%	5,522,200	8.9%
Borrowing	-	0.0%	-	0.0%	-	0.0%
Reserves/Surpluses	15,650,558	25.3%	13,648,600	25.3%	11,960,200	19.4%
TOTAL	\$61,875,194	100.0%	\$59,563,300	100.0%	61,782,700	100.0%

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2. Objectives and Policies for Schedule “B” Bylaw 2879

Distribution of property value taxes among the property classes

- ❖ The City of Courtenay will attempt to keep the percentage of property taxes received from residential taxpayers at a level comparable to the average of similar municipalities.

The City has set tax rates in order to maintain tax stability, by maintaining the proportionate relationship between the property classes. This practice allows the various taxpayers in the municipality to be confident that, in any year, their property tax bill will only increase as much as their proportion of the increase in tax revenue required year over year.

- ❖ The City will attempt, over time, to reduce the commercial tax rate where necessary to ensure that Courtenay remains a competitive location for commercial activity.

Each year, Council has considered whether to reduce the commercial rate multiple, which effectively shifts tax load from the commercial class to the residential class taxpayer.

Property Class	2015		2016		2017	
	Rate Multiple	Property Value Tax	Rate Multiple	Property Value Tax	Rate Multiple	Property Value Tax
01 Residential	1.00	60.60%	1.00	61.80%	1.00	63.65%
02 Utilities	7.00	0.27%	7.00	0.27%	7.00	0.24%
04 Major Industry	3.90	0.00%	3.90	0.00%	3.90	0.00%
05 Light Industry	3.90	0.36%	3.90	0.38%	3.90	0.38%
06 Business	2.80	38.65%	2.80	37.45%	2.72	35.63%
08 Recreation/Non-Profit	1.00	0.08%	1.00	0.08%	1.00	0.08%
09 Farm	1.00	0.03%	1.00	0.03%	1.00	0.03%
TOTAL		100.00%		100.00%		100.00%

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3. Objectives and Policies for Schedule “C” Bylaw 2879

Permissive Tax Exemptions

- ❖ A permissive tax exemption is strictly at the discretion of the City of Courtenay Council. After careful consideration of all applications Council may approve a full, a partial, or no tax exemption. The tax exemption may vary for the different applicants.
- ❖ The cumulative value of permissive tax exemptions shall not exceed 2% of the total tax levy of the previous year.

Permissive Property Tax Exemptions	2015	2016	2017
City owned properties / managed by not-for-profit groups	\$ 173,376	\$ 175,040	\$ 182,352
Not-for Profit Organizations	149,925	133,867	136,224
Churches	15,184	15,486	15,760
TOTAL	\$338,485	324,393	334,336
Prior year tax levy for municipal purposes	20,345,082	21,106,452	21,951,300
As a percentage of municipal tax levy	1.66%	1.54%	1.52%

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4. Consolidated Summary for Schedule "D" Bylaw 2879

Consolidated Financial Plan		2017	2018	Budget 2019	2020	2021
Revenues						
Taxes						
General Property Taxes	\$	23,366,800	\$ 24,667,900	\$ 25,755,000	\$ 27,173,200	\$ 29,877,500
Collections for Other Governments		21,702,400	22,606,800	23,014,700	23,415,500	23,829,800
Total Property Taxes		45,069,200	47,274,700	48,769,700	50,588,700	53,707,300
Frontage & Parcel Taxes		2,858,000	3,111,700	3,717,700	4,119,500	4,635,300
Grants in Place of Property Taxes		415,100	423,300	431,800	440,400	449,200
% of Revenue Tax		403,400	411,400	419,700	428,100	436,700
Total Taxes Collected		48,745,700	51,221,100	53,338,900	55,576,700	59,228,500
Less: Transfers to Other Governments		(21,831,400)	(22,738,500)	(23,149,000)	(23,552,600)	(23,969,500)
Net Taxes for Municipal Purposes		26,914,300	28,482,600	30,189,900	32,024,100	35,259,000
Other Revenues						
Fees and Charges		17,386,000	18,589,500	19,638,100	20,772,300	21,998,400
Revenue from Other Sources		2,871,900	2,156,100	3,744,700	2,171,000	2,187,900
Other Contributions		739,000	2,933,000	2,126,900	181,000	207,000
Transfers from Other Govt & Agencies		1,911,300	1,948,600	1,986,700	2,025,500	2,064,900
Total Other Revenues		22,908,200	25,627,200	27,496,400	25,149,800	26,458,200
Total Operating Revenues		49,822,500	54,109,800	57,686,300	57,173,900	61,717,200
Transfers From Reserves and Surplus						
From Reserves		10,563,000	7,202,000	5,029,500	3,476,100	3,373,600
From Surplus		1,397,200	1,650,000	100,000	50,000	-
Total from Reserves and Surplus		11,960,200	8,852,000	5,129,500	3,526,100	3,373,600
Funding from Debt		-	5,150,000	4,258,300	6,800,000	31,800,000
Total Revenues		61,782,700	68,111,800	67,074,100	67,500,000	96,890,800
Equity in Capital Assets		4,425,000	4,425,000	4,425,000	4,425,000	4,425,000
	\$	66,207,700	72,536,800	71,499,100	71,925,000	101,315,800
Expenses						
Operating Expenses						
General Government	\$	4,327,100	\$ 5,318,100	\$ 5,356,200	\$ 5,474,100	\$ 5,552,600
Protective Services		8,500,000	8,385,600	8,552,900	8,723,000	8,896,400
Public Works Services		8,313,900	7,978,000	8,030,900	8,128,900	8,269,300
Environmental Health Services		14,681,100	14,958,400	15,741,600	16,545,000	17,009,700
Public Health Services		232,200	236,800	241,400	246,500	251,300
Development Services		1,717,600	1,725,500	1,694,900	1,726,900	1,760,000
Recreation & Cultural Services		6,368,200	6,478,800	6,534,200	6,665,900	6,801,200
		44,140,100	45,081,200	46,152,100	47,510,300	48,540,500
Amortization		4,425,000	4,425,000	4,425,000	4,425,000	4,425,000
Total Operating Expenses		48,565,100	49,506,200	50,577,100	51,935,300	52,965,500
Capital Transactions						
Capital Assets						
Land and Improvements		631,600	216,500	285,000	245,000	250,000
Buildings		1,584,900	4,261,700	727,000	5,786,000	30,307,000
Equipment		1,975,000	1,149,500	1,162,000	813,000	721,000
Engineering Structures - Renewal		5,183,700	8,430,500	12,179,000	5,769,500	6,250,000
Engineering Structures - New		2,015,400	1,999,200	-	-	-
Other Capital Assets		461,000	115,000	30,000	50,000	45,000
		11,851,600	16,172,400	14,383,000	12,663,500	37,573,000
Debt for Capital Assets						
Interest		637,900	821,600	964,700	1,200,900	2,339,700
Principal		951,200	1,082,700	1,155,200	1,298,900	1,917,600
		1,589,100	1,904,300	2,119,900	2,499,800	4,257,300
Total Capital Transactions		13,440,700	18,076,700	16,502,900	15,163,300	41,830,300
Transfers to Reserves & Surplus						
To Reserves		3,834,600	4,061,200	4,110,700	4,440,400	4,910,200
To Appropriated Surplus		367,300	892,700	308,400	386,000	1,609,800
Total to Reserves and Surplus		4,201,900	4,953,900	4,419,100	4,826,400	6,520,000
	\$	66,207,700	72,536,800	71,499,100	71,925,000	101,315,800

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5. General Fund Summary for Schedule "E" Bylaw 2879

General Operating Fund	Budget				
	2017	2018	2019	2020	2021
REVENUES					
Taxes					
General Municipal Taxes	\$ 23,366,800	\$ 24,667,900	\$ 25,755,000	\$ 27,173,200	\$ 29,877,500
Collections for Other Governments	21,702,400	22,606,800	23,014,700	23,415,500	23,829,800
Total Taxes Collected	45,069,200	47,274,700	48,769,700	50,588,700	53,707,300
Less:					
Property Taxes for Other Governments	(21,702,400)	(22,606,800)	(23,014,700)	(23,415,600)	(23,829,800)
Portion of Grants in Place of Taxes	(129,000)	(131,700)	(134,300)	(137,000)	(139,700)
	(21,831,400)	(22,738,500)	(23,149,000)	(23,552,600)	(23,969,500)
Net Municipal Taxes	23,237,800	24,536,200	25,620,700	27,036,100	29,737,800
Grants in Lieu of Taxes	415,100	423,300	431,800	440,400	449,200
% of Revenue Tax	403,400	411,400	419,700	428,100	436,700
Taxes for Municipal Purposes	24,056,300	25,370,900	26,472,200	27,904,600	30,623,700
Fees and Charges	7,360,900	7,497,300	7,635,900	7,777,500	7,921,900
Revenue from Other Sources	1,951,300	1,978,500	1,996,100	2,014,000	2,032,300
Transfers from Other Govt & Agencies	1,911,300	1,948,600	1,986,700	2,025,500	2,064,900
Transfers-Reserves	2,003,500	1,646,300	1,654,800	1,663,300	1,672,200
Transfers-Surplus	1,397,200	1,650,000	100,000	50,000	-
Equity in Capital Assets	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
	\$42,680,500	\$44,091,600	\$43,845,700	\$45,434,900	\$48,315,000
EXPENDITURES					
Operating Expenditures					
General Government	\$ 4,327,100	\$ 5,318,100	\$ 5,356,200	\$ 5,474,100	\$ 5,552,600
Protective Services	8,500,000	8,385,600	8,552,900	8,723,000	8,896,400
Public Works Services	8,313,900	7,978,000	8,030,900	8,128,900	8,269,300
Environmental Health Services	3,102,000	3,164,000	3,226,900	3,241,600	3,277,000
Public Health Services	232,200	236,800	241,400	246,500	251,300
Development Services	1,717,600	1,725,500	1,694,900	1,726,900	1,760,000
Parks, Recreation & Cultural Services	6,368,200	6,478,800	6,534,200	6,665,900	6,801,200
Total Operating Expenses	32,561,000	33,286,800	33,637,400	34,206,900	34,807,800
Amortization	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total Expenses	36,561,000	37,286,800	37,637,400	38,206,900	38,807,800
Transfer to Capital Fund	3,035,900	3,175,500	2,698,600	3,420,300	5,177,800
Transfer to Reserve Funds	3,083,600	3,306,900	3,502,700	3,656,500	3,700,300
Transfer to Surplus	-	322,400	7,000	151,200	629,100
	6,119,500	6,804,800	6,208,300	7,228,000	9,507,200
	\$42,680,500	\$44,091,600	\$43,845,700	\$45,434,900	\$48,315,000

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6. Sewer Operating Fund Summary for Schedule "F" Bylaw 2879

Sewer Operating Fund	Budget				
	2017	2018	2019	2020	2021
Revenues					
Operating					
Frontage & Parcel Taxes	\$ 1,955,300	\$ 1,965,000	\$ 2,258,000	\$ 2,259,600	\$ 2,266,800
Sale of Services	4,282,100	4,726,500	4,982,200	5,252,100	5,536,300
Revenue from Own Sources	1,100	1,100	1,000	900	900
Total Operating Revenues	6,238,500	6,692,600	7,241,200	7,512,600	7,804,000
Reserves & Surplus					
Future Expenditure Reserve	183,300	160,000	-	-	-
Equity in Capital Assets					
	125,000	125,000	125,000	125,000	125,000
Total Revenues	\$ 6,546,800	\$ 6,977,600	\$ 7,366,200	\$ 7,637,600	\$ 7,929,000
Expenses					
Operating					
General Administration	\$ 1,123,000	\$ 1,137,600	\$ 1,140,900	\$ 1,219,500	\$ 1,193,200
CVRD	3,670,700	3,890,900	4,124,400	4,371,800	4,371,800
Collection	479,800	458,800	468,600	478,200	488,000
	5,273,500	5,487,300	5,733,900	6,069,500	6,053,000
Amortization	125,000	125,000	125,000	125,000	125,000
Total Operating Expenses	5,398,500	5,612,300	5,858,900	6,194,500	6,178,000
Transfers to Other Funds					
General Fund					
Sewer Capital Fund	437,700	771,800	1,231,800	1,231,800	1,231,800
	437,700	771,800	1,231,800	1,231,800	1,231,800
Transfers to Reserves					
Asset Management Reserve	300,000	300,000	150,000	125,000	300,000
Machinery/Equip Reserve	75,000	75,000	75,000	75,000	75,000
MFA Reserve Fund	700	700	600	500	500
Carbon Offsets Reserve	5,500	5,500	5,500	5,500	5,500
Total Transfers	381,200	381,200	231,100	206,000	381,000
Transfer to Appropriated Surplus					
Surplus contingency	329,400	212,300	44,400	5,300	138,200
	329,400	212,300	44,400	5,300	138,200
Total Expenses	\$ 6,546,800	\$ 6,977,600	\$ 7,366,200	\$ 7,637,600	\$ 7,929,000

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7. Water Operating Fund Summary for Schedule "G" Bylaw 2879

Water Operating Fund	Budget				
	2017	2018	2019	2020	2021
Revenues					
Operating					
Frontage & Parcel Taxes	\$ 902,700	\$ 1,146,700	\$ 1,459,700	\$ 1,859,900	\$ 2,368,500
Sale of Services	5,743,000	6,365,700	7,020,000	7,742,700	8,540,200
Revenue from Own Sources	124,700	132,500	141,200	144,400	147,600
Total Operating Revenues	6,770,400	7,644,900	8,620,900	9,747,000	11,056,300
Reserves & Surplus					
Water Efficiency	23,500	23,900	24,400	24,900	25,400
Surplus	-	-	-	-	-
Total Transfers	23,500	23,900	24,400	24,900	25,400
Equity in Assets	300,000	300,000	300,000	300,000	300,000
Total Revenues	\$ 7,093,900	\$ 7,968,800	\$ 8,945,300	\$ 10,071,900	\$ 11,381,700
Expenses					
Operating					
General Administration	\$ 1,453,400	\$ 1,471,300	\$ 1,457,600	\$ 1,501,200	\$ 1,569,800
CVRD - Supply	3,598,400	4,022,600	4,495,300	4,889,600	5,251,500
Transmission and Distribution	1,253,800	813,200	827,900	843,100	858,400
	6,305,600	6,307,100	6,780,800	7,233,900	7,679,700
Amortization	300,000	300,000	300,000	300,000	300,000
Total Operating Expenses	6,605,600	6,607,100	7,080,800	7,533,900	7,979,700
Transfers to Other Funds					
Water Capital Fund	80,600	630,600	1,230,600	1,730,600	1,730,600
	80,600	630,600	1,230,600	1,730,600	1,730,600
Transfers to Reserves					
Asset Management	300,000	300,000	300,000	500,000	750,000
Water Utility	34,100	37,500	41,300	42,300	43,300
Water Machinery & Equip	30,000	30,000	30,000	30,000	30,000
MFA	200	100	100	100	100
Carbon Offsets	5,500	5,500	5,500	5,500	5,500
	369,800	373,100	376,900	577,900	828,900
Transfer to Appropriated Surplus					
Contingency	37,900	358,000	257,000	229,500	842,500
Total Transfers	407,700	731,100	633,900	807,400	1,671,400
Total Expenses	\$ 7,093,900	\$ 7,968,800	\$ 8,945,300	\$ 10,071,900	\$ 11,381,700

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8. General Capital Fund Summary for Schedule "H" Bylaw 2879

General Capital Fund	Budget				
	2017	2018	2019	2020	2021
Revenues					
Revenues					
Other Revenues	\$ 227,800	\$ 44,000	\$ 1,606,400	\$ 11,700	\$ 7,100
Grant and Contributions	739,000	2,933,000	2,126,900	181,000	207,000
	966,800	2,977,000	3,733,300	192,700	214,100
Transfers					
Operating Funds	3,035,900	3,175,500	2,698,600	3,420,300	5,177,800
	3,035,900	3,175,500	2,698,600	3,420,300	5,177,800
Reserves					
Community Works Reserve	343,900	100,000	-	-	-
Other Reserve Funds	3,634,000	2,712,600	2,800,300	1,237,900	1,126,000
	3,977,900	2,812,600	2,800,300	1,237,900	1,126,000
Total Transfers	7,013,800	5,988,100	5,498,900	4,658,200	6,303,800
Funding from Debt	-	3,750,000	4,258,300	6,800,000	31,800,000
Total Revenues	\$ 7,980,600	\$ 12,715,100	\$ 13,490,500	\$ 11,650,900	\$ 38,317,900
Expenditures					
Capital Assets					
Land and improvements	631,600	216,500	285,000	245,000	250,000
Buildings	1,584,900	4,261,700	727,000	5,786,000	30,307,000
Equipments / Furnitures / Vehicles	1,066,000	1,149,500	1,162,000	813,000	721,000
Engineering Structures - Renewal	2,808,700	5,330,500	9,429,000	2,519,500	3,000,000
Other Tangible Capital Assets	461,000	115,000	30,000	50,000	45,000
	6,552,200	11,073,200	11,633,000	9,413,500	34,323,000
Debt					
Interest	\$ 572,500	\$ 706,600	\$ 849,700	\$ 1,085,900	\$ 2,224,700
Principal	855,900	935,300	1,007,800	1,151,500	1,770,200
	1,428,400	1,641,900	1,857,500	2,237,400	3,994,900
Total Expenditures	\$ 7,980,600	\$ 12,715,100	\$ 13,490,500	\$ 11,650,900	\$ 38,317,900

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9. Sewer Capital Fund Summary for Schedule "I" Bylaw 2879

Sewer Capital Fund	Budget				
	2017	2018	2019	2020	2021
Revenues					
Funding from Revenue & Operating Fund					
Sewer Operating Fund	437,700	771,800	1,231,800	1,231,800	1,231,800
	437,700	771,800	1,231,800	1,231,800	1,231,800
Reserves & Surplus					
Sewer Operating Surplus	183,300	160,000	-	-	-
General Reserve Funds	-	700,000	250,000	250,000	250,000
Gas Tax Reserve Fund	772,500	1,000,000	-	-	-
	955,800	1,860,000	250,000	250,000	250,000
Funding from Debt					
	-	1,400,000	-	-	-
Total Revenues	\$1,393,500	\$4,031,800	\$1,481,800	\$1,481,800	\$1,481,800
Expenditures					
Debt					
Interest - Debenture Debt	54,900	104,500	104,500	104,500	104,500
Principal - Debenture Debt	75,200	127,300	127,300	127,300	127,300
	130,100	231,800	231,800	231,800	231,800
Capital Assets					
Equipment	909,000	-	-	-	-
Engineering Structures - Renewal	225,000	2,500,000	1,250,000	1,250,000	1,250,000
Engineering Structures - New	129,400	1,300,000	-	-	-
	1,263,400	3,800,000	1,250,000	1,250,000	1,250,000
Total Expenditures	\$1,393,500	\$4,031,800	\$1,481,800	\$1,481,800	\$1,481,800

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10. Water Capital Fund Summary for Schedule "J" Bylaw 2879

Water Capital Fund	2017	2018	Budget 2019	2020	2021
Revenues					
Funding from Operating Fund, Reserves and Surplus					
Other Revenues	\$ 567,000	\$ -	\$ -	\$ -	\$ -
Water Operating Fund	80,600	630,600	1,230,600	1,730,600	1,730,600
	647,600	630,600	1,230,600	1,730,600	1,730,600
Reserves & Surplus					
Community Works (Gas Tax)	2,100,000	-	-	-	-
Other Reserves	1,319,000	699,200	300,000	300,000	300,000
	3,419,000	699,200	300,000	300,000	300,000
Total Revenues	\$4,066,600	\$1,329,800	\$1,530,600	\$2,030,600	\$2,030,600
Expenditures					
Debt					
Interest - Debenture Debt	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500
Principal - Debenture Debt	20,100	20,100	20,100	20,100	20,100
	30,600	30,600	30,600	30,600	30,600
Capital Assets					
Engineering Structures - Renewal	2,150,000	600,000	1,500,000	2,000,000	2,000,000
Engineering Structures - New	1,886,000	699,200	-	-	-
	4,036,000	1,299,200	1,500,000	2,000,000	2,000,000
Total Expenditures	\$4,066,600	\$1,329,800	\$1,530,600	\$2,030,600	\$2,030,600



photo by:
Ron Pogue



CITY OF
COURTENAY
Financial Services

Mayor Jangula Transparency Motion April 3, 2017

Whereas in 2003, the Community Charter was passed. It repealed and replaced some sections of the Local Government Act, including the provisions regarding open and closed meetings. The Community Charter states that all meetings of council and its committees, commissions and other subsidiary bodies must be open to the public and that under certain circumstances section 90 (meetings that may or must be closed to the public) provides that council **may** close a meeting or part of a meeting by passing a resolution that sets out the basis for closing the meeting to discuss certain matters as outlined in the community charter.

And whereas the Community Charter strongly recommends and states that "as much information as possible should be released in order to achieve the goal of openness, transparency and accountability without compromising the interests of the local government, the public or a third party." It further states that "many subjects requiring the confidentiality of a closed meeting only require it for a limited period of time.

Consequently, it is important that local governments have a process in place to regularly review the information produced at closed meetings. Information that would no longer undermine the reason for discussing it in a closed meeting should be released as soon as practicable.

And whereas the Community Charter further states that "Local governments Should strive to release as much information as possible as often as possible, in order to demonstrate their commitment to the principles of transparency and accountability and to receive the benefit of a more informed, engaged and trusting public.

Therefore be it resolved that the City of Courtenay implement the policy of releasing all in camera resolutions and associated voting records in a timely manner and in particular when an in camera matter has been acted upon, resolved, completed or closed and it is within the guidelines of the Community Charter and Local Government Act as part of our commitment to the principles of transparency and accountability to our constituents and taxpayers of the City of Courtenay and "to receive the benefit of a more informed, engaged and trusting public."

Stories & Features

Mar 31, 2017

Alert Bay's solar project saves energy costs, opens eyes



On the rainy central coast, a small town discovers power of the sun

The people of Alert Bay, B.C. have discovered that the rain and cool temperatures of B.C.'s central coast aren't barriers to solar power generation.

Photovoltaic panels now cover the roofs of five municipal buildings, and the locals can see just how much energy is being generated every time they visit the Village of Alert Bay's municipal office. Real-time and historical reporting of Alert Bay's solar generation is displayed on a monitor there.

"A lot of people question the output of a solar panel in an environment where we get more than our fair share of rain at times," says Jason Jackson. "Many people believe that panels may only work for three months [a year], and we know that's not true. On most days, including rainy days, the solar panels will continue to work."

Jackson is an energy systems designer with Hakai Energy Solutions, and he's been bombarded with questions about solar since Hakai installed Alert Bay's solar arrays, which are expected to provide enough electricity to cover most of their power needs for those five buildings. Combined with a switch to LED lighting on 23 oceanfront boardwalk lamp standards, the Village of about 440 people stands to trim its BC Hydro bills by about \$10,000 a year.

The questions Jackson gets come from a range of locals, from tech-savvy kids to long-time residents who have been thinking about solar power since the 1960s. One of the cool facts Jackson likes to toss out is that high temperatures aren't a friend of solar power. When the sun's out in full force, it generates more energy on a winter day in Alert Bay than it does in the 40°C heat of Arizona.

Another fact that surprises: It's easy to connect a home's solar generation system to the BC Hydro grid.

"When the red tape was removed on the [net metering program](#), that changed things immediately," he says. "When I tell people about the process, they're really surprised. They actually expect kind of an uphill battle. They don't

even know if it's legal, and there's maybe an assumption that it's going to cost them a bunch or that there's extra permitting requirements.

"When we tell them how easy it is, they feel great. They're so impressed, and we are as well."

There are now more than 900 BC Hydro customers connected to the BC Hydro grid through the net metering program, a dramatic increase from 2014, when there were less than 400 with the ability to sell electricity back to BC Hydro.

Most fishing lodges and outposts on the central coast of B.C. rely on diesel power, but Alert Bay got connected to the B.C. grid in 1946, when the Village incorporated and an underwater cable was installed from Vancouver Island to Cormorant Island, where Alert Bay is located. It's a remote place, a 35-minute ferry from the Vancouver Island community of Port McNeill, which is 350 km north of Nanaimo.



Hakai Energy Solutions found a way to install solar panels on the curved roof of Alert Bay's public works building. Photo by Sean Fenzl.

Grant from Union of BC Municipalities made Alert Bay solar a reality

Alert Bay's solar project was made possible by a grant from the Union of BC Municipalities Gas Tax Agreement Strategic Priorities Fund. But solar wasn't the original plan for that funding.

A wind turbine was initially planned, but was then abandoned because it couldn't be constructed at the required height – it would have to be too high to co-exist with the small island's airport. Solar turned out to be Plan B, at an equipment and installation cost – 100% covered by the Strategic Priorities Fund – of about \$340,000.

The 79 kW of peak electrical output is generated by roof-top installations spread out over five sites, including the municipal office, fire hall, recycling facility and a net-loft on the government wharf. Hakai had to produce a couple custom installations, including panels attached to the curved roof of the culvert-like public works facility.

Alert Bay chief administrative officer Justin Beadle says the \$5,000 estimate in annual energy savings from the solar power is a conservative figure. Since the solar arrays began operating three months ago, the winter-time generation levels have often exceeded expectations, and Beadle is excited about seeing increased generation in the spring and summer.

"I'm inclined to think that we're going to see far higher cost savings than what our conservative projections have shown," says Beadle.

Even if the solar power saves \$5,000 and the LEDs another \$5,000, those savings will be significant to a town that generates just \$250,000 in annual municipal tax revenue.

On a recent Friday, the Village office required 47 kWh of power from the BC Hydro electrical system. A day later, with the office closed, the solar array sent 25 kWh back to the grid, and a day later – on sunny Sunday – the solar array sent 40 kWh back to the BC Hydro grid.

Beadle says Alert Bay's solar project isn't just a proof of concept being watched closely by other communities in B.C. He's getting calls from all over the world, which is paying off in some valuable marketing for a place unknown to most and thirsty for economic development.

"It was sort of on a whim that we came up to Alert Bay one summer a few years ago," says the former Victoria resident, recalling his first trip there in 2013. "Five minutes off the boat and we loved it. We had to find a way to live here.

"Yesterday morning, I was sitting on the couch before work and it was just an orca parade past the front of our house. There were four or five groups of between probably five and six orca in each. And in addition to that we get the humpbacks, the minke, the octopus and the sea lions. And two grizzly bears last year. It's a real cool place to be."



Location of the Hakai Field Station, an archaeology and marine conservation research facility, is shown on this aerial view of Calvert Island. The operation used as much as 500 litres of diesel fuel per day until solar generation was installed and took over the lion's share of electricity generation in 2010. Photo by Keith Holmes.

Grandson of former BC Hydro worker helps take solar to the remote coast

A product of Prince George whose grandfather worked for BC Hydro, Jackson wound up working for Hakai after moving to Vancouver Island and then joining a pioneering quest to help the central coast wean itself off costly, carbon-emitting diesel.

For years, a settlement on stunning Calvert Island had been the site of an exclusive resort struggled financially in large part because of the enormous cost of powering lodging and other facilities with diesel. Then B.C. philanthropist Eric Peterson bought the land and buildings in 2009 to set up the Hakai Institute, a research facility (archaeology, marine conservation) adjacent to the islands' marine preserve.

"Exclusive reliance on diesel power wasn't acceptable to [Peterson]," says Jackson. "He understood the risks he was taking with the new technology, but he said 'Let's build something proper here, something innovative.'"

Up until 2010, the site burned as much as 500 litres of diesel fuel per day. By 2011, solar power had reduced the need for diesel to 100 litres or less, and what became known as Hakai Energy Solutions had a proof of concept they immediately pitched to other remote, off-grid locations along the coast.

Hakai's projects since include solar arrays at False Bay School on Lasqueti Island and Kitasoo Community School at Klemtu, which is located north of Bella Bella.

"There are diesel electric generators in every nook and cranny all the way down the coast, with barges of diesel being shipped up and down on a constant basis to keep these places running," he says. "We've helped people convert to solar on islands, including sportfishing facilities, where operating off grid with diesel can have enormous costs of hundreds, even thousands of dollars a day. We're really interested in those projects because they can be very challenging."

The big growth in recent years, has been in projects such as Alert Bay's that are tied to the electrical grid through BC Hydro's [net metering program](#). And he expects to be involved in several residential projects in Alert Bay as a result of the municipal initiative.

"Everybody watches their energy bills and wants to do something about them," he says. "A lot of people here are well educated about the environment, and they want to participate in power generation."



Solar-powered weather station on Mount Buxton near the Calvert Island Field Station. Photo by Grant Callegari.

Panel costs continue to drop, and systems are getting smarter

Helping enable the move to solar power is the ease of connecting to the grid and the steady drop in purchase price for solar panels. Jackson says that while panels come with a "typical product warranty" of 10 years, most carry a power production output warranty of 20 or 25 years. And he's confident that systems will last 30 years or more before requiring panel replacement.

It's also getting easier to monitor the degradation of panels over time, as there are new solar inverter systems that can monitor energy generation down to the individual panel.

[See Hakai Energy Solutions' video on the Alert Bay project](#)

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THE CORPORATION OF THE CITY OF COURTENAY

BYLAW NO. 2878

**A bylaw to provide for the payment of Annual Remuneration
to the Mayor and Councillors of the Corporation of the City of Courtenay**

WHEREAS it is desirable that annual remuneration be paid to the Mayor and Councillors of the Corporation of the City of Courtenay;

NOW THEREFORE the Council of the Corporation of the City of Courtenay in open meeting assembled enacts as follows:

1. This bylaw may be cited for all purposes as **“Council Remuneration Bylaw No. 2878, 2017”**.
2. That commencing January 1, 2017 there shall be paid in twelve monthly instalments out of the annual revenue of the City of Courtenay, annual remuneration as follows:
 - (a) to the Mayor an annual payment in the amount of \$61,800.00; and
 - (b) to each Councillor an annual payment in the amount of \$22,740.00.
3. That one-third of the annual remuneration paid to the Mayor and Councillors shall be considered as an allowance for expenses incidental to the discharge of the duties of office.
4. That for the calendar year 2018, and for each calendar year of a local government election, the annual remuneration for Mayor and Councillors will be reviewed through a market review process to be completed in January of that year.
5. That “Council Remuneration Bylaw No. 2548, 2008” be hereby repealed.

Read a first time this 3rd day of April, 2017

Read a second time this 3rd day of April, 2017

Read a third time this 3rd day of April, 2017

Finally passed and adopted this day of , 2017

Mayor

Director of Legislative Services

