

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

DATE: May 01, 2017
PLACE: City Hall Council Chambers
TIME: 4:00 p.m.

1.00 ADOPTION OF MINUTES

1. Adopt April 18, 2017 Regular Council meeting and April 24, 2017 Committee of the Whole meeting minutes

2.00 INTRODUCTION OF LATE ITEMS

3.00 DELEGATIONS

1. Jessica Hawkins, Executive Director, LUSH Valley – Food Security

4.00 STAFF REPORTS/PRESENTATIONS

(a) Development Services

- 1 1. Zoning Amendment Bylaw No. 2871 - 308, 320 and 332 - 3rd Street
- 25 2. Tree Protection and Management Bylaw No. 2850

(b) Financial Services

- 51 3. 2017 – 2021 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

- 159 1. Briefing Note - 2013 Personnel Costs

7.00 REPORTS/UPDATES FROM COUNCIL MEMBERS INCLUDING REPORTS FROM COMMITTEES

8.00 RESOLUTIONS OF COUNCIL

In Camera Meeting:

That notice is hereby given that a Special In-Camera meeting closed to the public will be held May 1, 2017 at the conclusion of the Regular Council Meeting pursuant to the following sub-sections of the *Community Charter*:

- 90 (1) (c) labour relations or other employee relations; and
- 90 (1) (g) litigation or potential litigation affecting the municipality.

9.00 UNFINISHED BUSINESS

- 161 1. Zoning Amendment Bylaw No. 2867, 2017 – Correction of typographical errors

Recommendation: That Zoning Amendment Bylaw No. 2867, 2017 section 2 (a) be amended as follows:

By deleting “18.19.1” and substituting with “8.19.1 (18)”; and
By deleting “VIP7510” and substituting with “VIP75100”.

10.00 NOTICE OF MOTION

11.00 NEW BUSINESS

12.00 BYLAWS

For First and Second Reading

- 163 1. “Zoning Amendment Bylaw No. 2871, 2017”
(To amend Zoning Bylaw No. 2500, 2007 for 308, 320 and 332 3rd Street to allow a Medical Clinic)

For First, Second and Third Readings

- 165 2. “2017-2021 Consolidated Financial Plan Bylaw No. 2879, 2017”
- 179 3. “Tax Rates Bylaw No. 2880, 2017”
(To establish the property value taxation rates for 2017)

For Third Reading

- 183 4. “Tree Protection and Management Bylaw No. 2850, 2016”

For Final Adoption

5. “City of Courtenay Fees and Charges Amendment Bylaw No. 2873, 2017.”

205 (To amend Fees and Charges Bylaw No. 1673, 1992)

211 6. "Water Service Frontage Tax Bylaw No. 2874, 2017"
(To amend a water service frontage tax fee)

13.00 ADJOURNMENT

NOTE: There is a Public Hearing scheduled for 5:00 p.m. regarding Zoning Amendment Bylaw No. 2867, 2017 to allow a liquor store at 1599 Cliffe Avenue.



THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT

To: Council

File No.: 3360-20-1702

From: Chief Administrative Officer

Date: May 1, 2017

Subject: Zoning Amendment Bylaw No. 2871 – 308, 320 and 332 3rd Street

PURPOSE:

The purpose of this report is for Council to consider a Zoning Amendment to permit a medical clinic at 308, 320 and 332 3rd Street, legally described as Parcel's A (DD53537W) of Lot 114 and Lot 115, Section 61, Comox District, Plan 472A and Amended Lot 11(DD 43419N) Section 61, Comox District, Plan 472A Except for That Part Thereof Lying To The South East of a Boundary Parallel To And Perpendicularly Distant 10 Feet From the South Easterly Boundary of Said Lot.

CAO RECOMMENDATIONS:

That based on the May 1, 2017 staff report 'Zoning Amendment Bylaw 2871 – 308, 320 and 332 3rd Street ' Council approve Option No. 1 and proceed to First and Second readings of the City of Courtenay Zoning Amendment Bylaw No. 2871, 2017; and

That Council direct staff to schedule and advertise a statutory public hearing with respect to Zoning Amendment Bylaw No. 2871, 2017 on May 15, 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 medical clinic on the above-referenced properties. The subject properties are designated commercial in the OCP and are zoned C-5 (Commercial Five Zone). An amendment to Zoning Bylaw 2500, 2007 is required as a medical clinic is a prohibited use in the C-5 zone.

The subject properties consist of three parcels located on the corner of 3rd Street and Duncan Avenue. Surrounding properties are zoned for a mix of residential, multifamily residential and commercial uses (R-2B, R-3, R-4B, C-5 and C-1). The owner of the property intends to decommission and demolish the existing building onsite: a professional office, and build a new medical clinic to facilitate the relocation of an established Old Orchard practice, the Bay View Chiropractic Clinic. The proposed clinic will include space

for two full time family physicians. The remainder of the site contains an asphalt parking lot and a mature chestnut tree which the owner plans on retaining.

The owner will be required to complete the consolidation of lots prior to obtaining a building permit. Subsequent to the amendment, the applicants will be required to obtain a Development Permit for form and character of the building with a variance to the rear yard setback. Other aspects of the development including siting, landscaping, parking, signage, lighting and the protection of natural features will also be addressed through the development permit process. The proposed development is subject to the Old Orchard Local Area Plan.

Upon completion the clinic will have a total floor area of 397.1 m². A review of the proposed site plan suggests that the clinic will be accessed from the parking lot adjacent to the front of the building. The main floor will contain a reception area, office space, patient rooms, washrooms, a lounge, a waiting room and a nurses station. The second floor will contain a doctor's lounge and office space, a kitchen, laundry facilities, a shower room and a half bath.



According to the proposal, the owner is employing a heritage design reflective of the existing neighbourhood character, will be utilizing existing city services and will be incorporating the mature chestnut tree onsite with soft landscaping treatments. The clinic will employ two full time staff persons in addition to the chiropractors and physicians. The hours of operation will be between 8:00 am and 6:00 pm Monday through Friday and Saturdays from 9:00 am to 1:00 pm by appointment only.

Information submitted by the applicant is contained in **Attachment No. 1**.

DISCUSSION:

Official Community Plan (OCP) and Old Orchard Local Area Plan

The OCP encourages infill development prior to consideration of development of new commercial areas (Policy 4.2.2(1)) and supports a strong, diversified commercial base that provides employment and service opportunities (Policy 4.2.2(4)). OCP Policy 4.2.3 supports the utilization of serviced land and commercial space prior to outward expansion. Retaining businesses and attracting new ones in the greater downtown area is a key action of the Downtown Courtenay Playbook.

With respect to the Old Orchard Local Area Plan (LAP), the development proposal is consistent with the policies outlined in the LAP. LAP Policies 3 and 4 include: ensuring that commercial developments on 3rd Street compliment the residential character of the neighbourhood and encouraging commercial development on sites that are already zoned for commercial use.

The design of the new building is a two storey building. Attention has been given to architectural features that staff believe are well matched with buildings on neighbouring properties. The applicant also plans on retaining the mature chestnut tree along Duncan Avenue. The proposed plan suggests that there will be a very few changes in terms of both visual and special impacts. Staff believe that the proposed rezoning will not have an adverse impact in the neighbourhood.

Zoning

Following lot consolidation, the new lot frontage will be on Duncan Avenue. The new building meets the siting, height, lot coverage, frontage, and density regulations of the C-5 zone in *Zoning Bylaw 2500, 2007* with the exception of the rear yard setback. If the rezoning application is successful, the owner will be making an application for a development variance permit to vary the rear yard building setback.

Off-Street Parking

A review of the site plan indicates that the proposed parking meet the requirements of the off-street parking regulations outlined in Division 7 of Zoning Bylaw No. 2500, 2007.

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 the owner will be required to apply for a development permit with variance. An application fee will be charged. The owner will also be required to apply for a building permit and subsequent inspections. Building permit fees are \$7.50 for every \$1000.00 of construction value.

Development cost charges will apply at the time of building permit, the current rate is \$47.51 per m² of total floor area (City of Courtenay Rate). For commercial developments, the Regional District DCC rate for sewerage is 34.90 per m² of gross building area and water is charged at a rate of 10.80 per m² of gross building area.

ADMINISTRATIVE IMPLICATIONS:

Processing zoning bylaw amendments is a statutory component of the work plan. Staff have spent a total of 20 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:

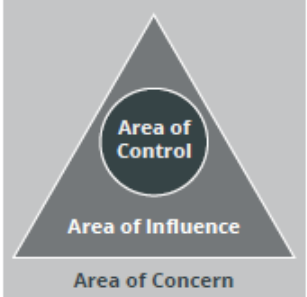
There are no direct asset management implications related to this application.

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:

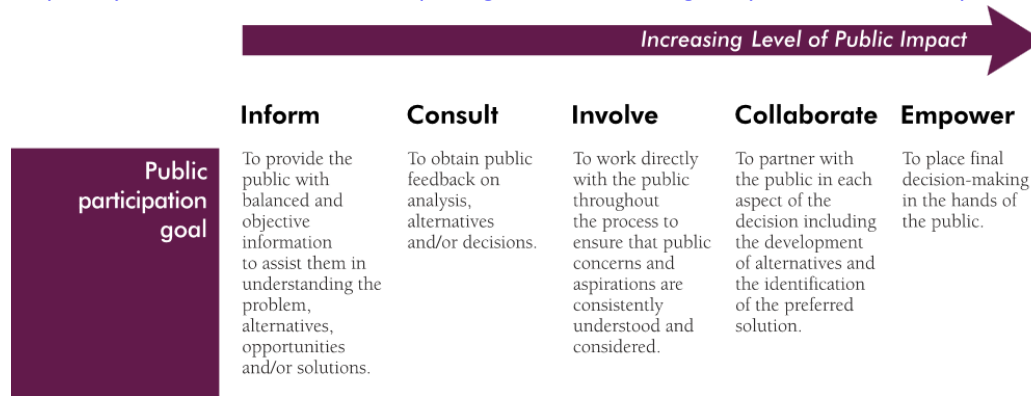
Part 4.2 of the OCP references commercial land use within the City. The proposed Zoning Bylaw amendment is generally consistent with the goals and polices of the OCP and policies in the Old Orchard LAP.

REGIONAL GROWTH STRATEGY REFERENCE:

The application is consistent with the Regional Growth Strategy Policy 3B-1 which supports commercial employment activities within Town Centres.

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. 2871, 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 9, 2017 at 544 4th Street. Property owners and occupiers within 100 metres of the subject site were invited to attend the meeting. Three people attended this meeting with only two residents signing in. The applicant held a second public information meeting on April 17, 2017 where eleven residents attended and nine residents signed in. The owner and applicant initiated a second public information meeting on April 17, 2017 in an effort to consult more local residents about the development project. It should be noted that the development variance for the rear yard setback was discussed in detail during the first public information meeting.

The attendees expressed support for the application stating the clinic was a good addition to the Old Orchard area. Residents also felt that the design of the building was of high quality and that the site was a good location for the clinic. A resident felt it was a much needed service within close proximity to Courtenay’s Downtown Core. One member of the public filled out a comment sheet and provided it to the applicant and another resident provided comments in an email to the applicant. These comments have been included in **Attachment No. 2**.

In March 2017 an email was received by Planning Staff from a resident that stated he would prefer if the City did not remove residential lots from 3rd Street and would like to see the residential integrity of the Old Orchard neighbourhood maintained. The person feels that any encroachment of commercial use or

business will interfere with the residential quality of the area. This email has been included within **Attachment No. 2**. Staff note the properties are designated commercial in the OCP and are already zoned for commercial use.

In April 2017 three additional emails were received by residents expressing concerns about the proposed medical clinic and resulting increases in traffic along 3rd Street and one resident expressing support for the project. Two residents requested that the applicant explore an alternative site access. These emails have been included within **Attachment No. 2**.

OPTIONS:

OPTION 1: Proceed to First and Second readings of the City of Courtenay Zoning Amendment Bylaw No. 2871, 2017; and

Direct staff to schedule and advertise a statutory public hearing with respect to Zoning Amendment Bylaw No. 2871, 2017 on May 15, 2017 at 5:00 p.m. in the City Hall Council Chambers. (Recommended)

OPTION 2: Postpone consideration of Bylaw No. 2871 with a request for more information.

OPTION 3: Not proceed with Bylaw No. 2871.

Prepared by:



Dana Leitch, MCIP, RPP
Planner 1

Reviewed by:



Ian Buck, MCIP, RPP
Director of Development Services

Attachments:

1. *Applicant's Submissions*
2. *Public Information Meeting Summary and Public Comments*

Attachment 1: Applicant's Submissions

Dove Creek Design

5230 Stapley Road Courtenay B.C. V9J 1P5 Canada
telephone 250 – 334 -9301 fax 250 334 9359
email pk@dovecreekdesign.com

Project Description

Re 332 3rd St. zoning text amendment.

The existing property consists of 3 legal parcels.

Two of the parcels are largely covered in asphalt with 19 legal sized parking spaces and 3- 4 significantly sub sized spaces. The remaining parcel has a medical office and a large concrete patio area facing the alley. The existing building finished floor level is set and approximately .3m above the 3rd street elevation.

The existing use is legal non-conforming for this zoning.

The proposed zoning text amendment is to allow the new development the same use as the existing use.

Features / intent of the proposed development

- The new proposed use is for a mixed chiropractic and family doctor offices with two full time equivalent Chiropractors and 2 two full time family doctors. This project is the relocation of a long established old orchard district practice – Bay View Chiropractic Clinic.
- Consolidation of the three parcels into one parcel with the intent to locate the front yard setback along 3rd St.
- A new building in the character / appearance (on all four sides of the building) as outlined in the old orchard district design guidelines. It is of similar detailing, scale and architectural character as a residence at 543 3 St.
- Create a landscape feature around the existing mature chestnut tree that focuses on the new entry to the building.
- The proposed building is set into the mid-level of the property, minimizing the overall building height and providing a more wheel chair friendly access from the parking lot to the clinic.
- Proposed design reduces hardscape coverage and provides for the landscape areas to function as a part of the overall site drainage design.

Dove Creek Design

5230 Stapley Road Courtenay B.C. V9J 1P5 Canada
telephone 250 – 334 -9301 fax 250 334 9359
email pk@dovecreekdesign.com

Infrastructure

- Proposed project makes use of existing city services while upgrading and improving an old parking lot, improving site lines and pedestrian access at the newly constructed traffic circle.
- Care was taken in the preliminary design stage to coordinate driveway access and exiting with City Engineering Dept with regards to new traffic circle at 3rd and Duncan.
- Proposed grading and drainage plans reduce the total paved area from its current state.
- Proposed landscape areas are designed to encourage ground water recharging.
- Proposed drainage will make use of existing storm drains.

Character and Identity

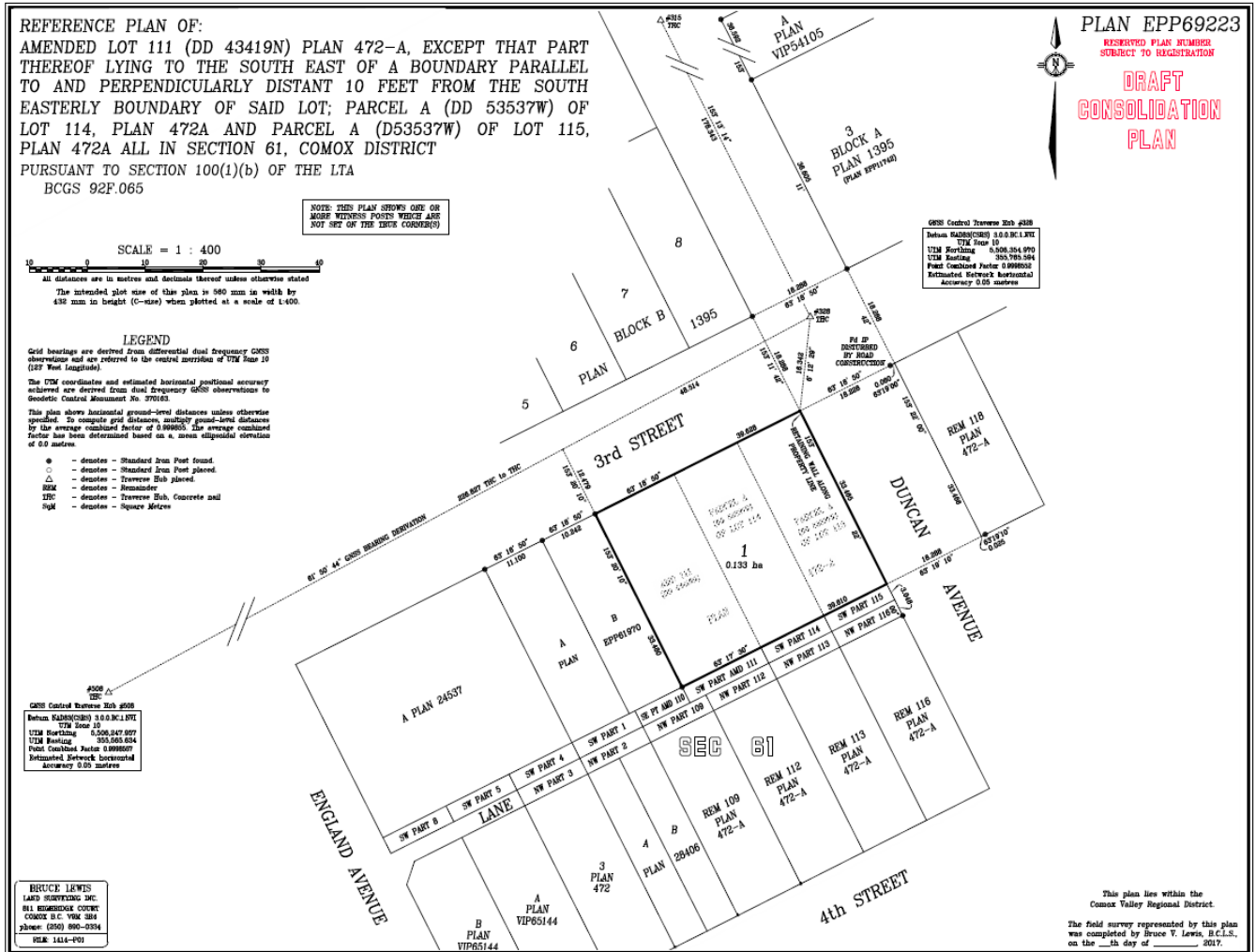
- Current use overlaps three parcels. Proposed project intends to consolidate the three parcels into one parcel.
- Proposed building is to be located within city's set backs.
- Building has been designed to emphasize a heritage residential scale and style in keeping with Old Orchard District.
- Building design and location on property are intended to minimize the overall height of the building keeping it in scale and character with neighbourhood.

Environmental Protection and Enhancement

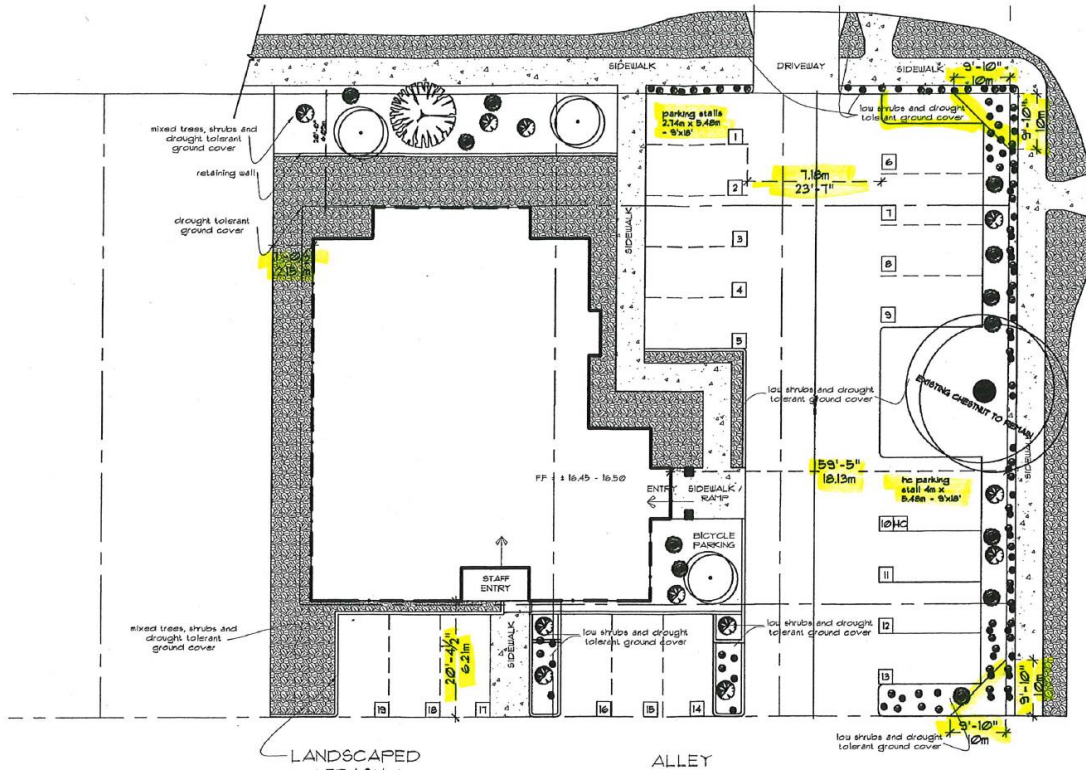
- Landscape design to feature native and drought tolerant species requiring minimal irrigation.
- If found, invasive species are to be removed.
- Current landscaping that blocks the vehicle and pedestrian sight lines at the traffic circle are to be removed.
- Existing mature chestnut tree to be featured in landscape design.

Paul Keim
Agent for Dr. Debbie Wright / Third St Holdings
01.09.2017

Parcel Consolidation Plan



Site Plan



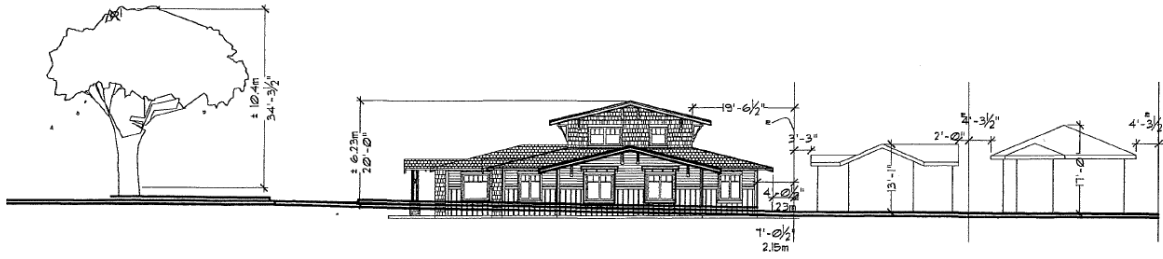
APROX 3D
VIEW ORIENTATI

DUNCAN
AVENUE

SITE PLAN
scale 1/16" = 1'-0"

250 DOVE
334 CREEK
9301 DESIGN
pk@dovecreek.design.com

Street View



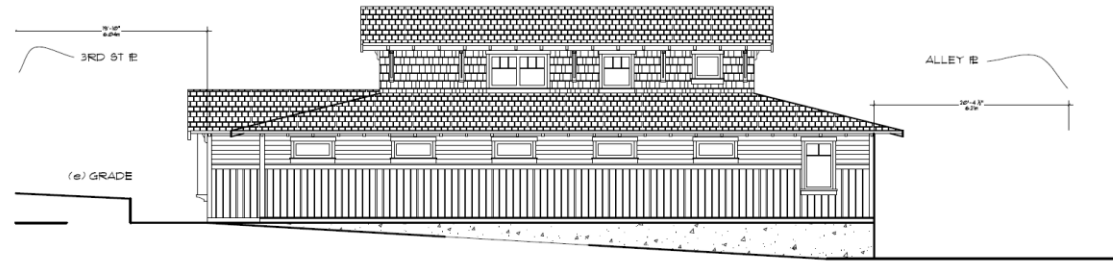
VIEW FROM 3RD STREET

scale 1/16" = 1'-0"

250 DOVE
334 CREEK
9301 DESIGN
pk@dovecreekdesign.com



Elevation Drawings



SIDE YARD ELEVATION

scale 1/8" = 1'-0"

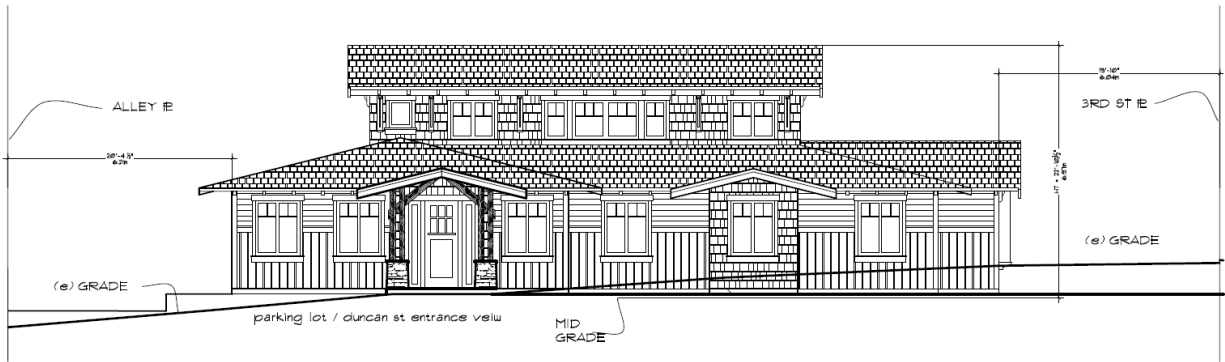
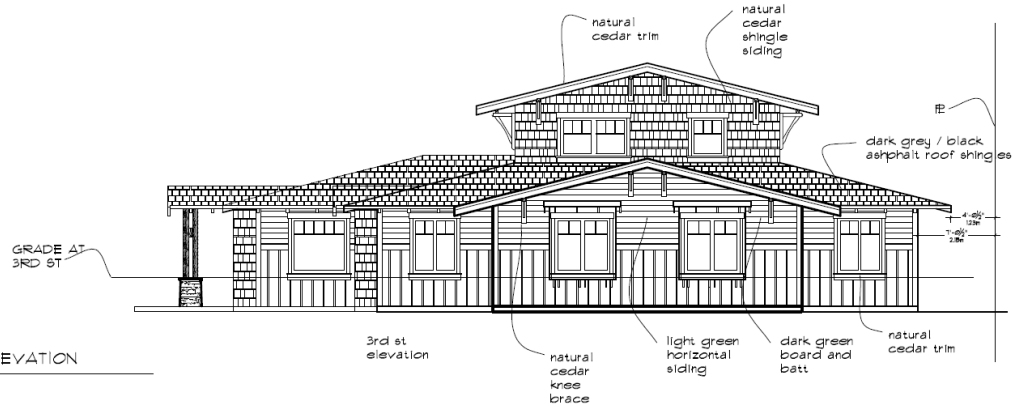


ALLEY ELEVATION

scale 1/8" = 1'-0"

250 DOVE
334 CREEK
9301 DESIGN
pk@dovecreek.design.com





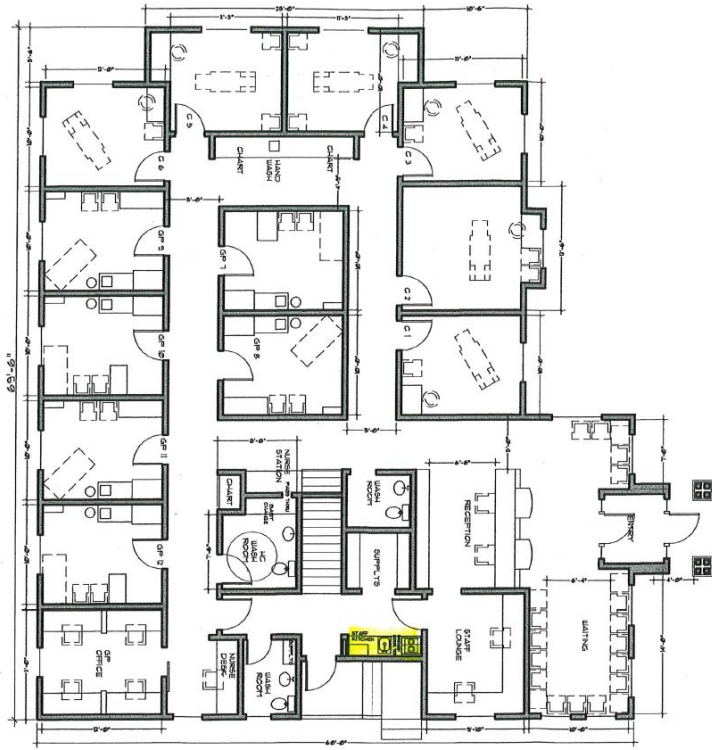
250 DOVE
334 CREEK
9301 DESIGN
pk@dovecreek.design.com



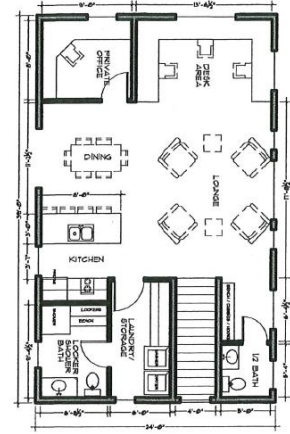
View from 3rd Street



Floor Plans



FIRST FLOOR 11-333009 / 339 m²
scale 1/8" = 1'-0"



SECOND FLOOR 11-333010 / 821 m²
scale 1/8" = 1'-0"

250 DOVE
334 CREEK
3301 DESIGN
pk@dovecreek.design.com



5

Attachment No. 2: Public Information Meeting Sign in Sheets and Comments

PUBLIC INFORMATION MEETING
02.09.17
SIGN IN SHEET
FOR
Zoning text amendment 332 3rd St.

| NAME (Please Print) | ADDRESS |
|--------------------------------|------------------------------------|
| [REDACTED] | 308.5 th St Courteney - |
| [REDACTED] | 331 3 rd |
| [REDACTED] | |
| [REDACTED] | |
| [REDACTED] | |
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| [REDACTED] | |

PUBLIC INFORMATION MEETING
02.09.17

332 3rd St. Zoning text amendment and rear lot set back variance

COMMENT SHEET

Name: [Redacted] Email: [Redacted]
Address: 307 5th st Courtenay Phone: [Redacted]

Dr D. Wright has applied to the City of Courtenay for a zoning text amendment and rear yard setback variance. 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?

Great IDEA






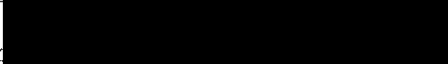

good addition to the orchard area

Please return your comments by 02.16.17

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 city of Courtenay planning dept.
3. Email your comment sheet to pk@dovecreekdesign.com

PUBLIC INFORMATION MEETING
(DATE OF PUBLIC INFO MTG.)
SIGN IN SHEET
FOR
(APPLICATION NAME AND ADDRESS)
332 Third St

| NAME (Please Print) | ADDRESS |
|--|--|
|  | 507-3 rd St.  |
| | maet.com 467 3 rd St. |
| | 528 3 rd St.  |
| | 331 3 rd St.  |
| | 207 2 ND ST  |
| | 543 3 rd St.  |
| | 343 3 rd St. |
| | 418 2 nd St  |
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| | |

[Redacted]

Chiropractor

[Redacted]

April 2, 2017

Paul Keim
Dove Creek Designs
5230 Stapley Rd
Courtenay, B.C. V9J 1P5

Re: 332 3rd St. Project

Hi Paul,

Thanks for your presentation about the project at the corner of 3rd and Duncan.
I like the professional look of the building and the planning of the location.

As a long time business person in the Downtown core, I think this is a pleasing addition to the area, both as a building and as a much needed health professional office that adds to the appeal of our City.

Thank you

[Redacted]

Downtown Chiropractic

To: paul keim
Subject: Re: thank you

It was nice to see you, too, Paul. I had to leave that meeting before I exploded. I wish people could ask questions only once and without a 5 minute lead in where they tell me their life story. Guess I am not fully recovered from a life of meetings where people loved to hear their own voices. The building looks like it will be gorgeous. I wish the monstrosity at the corner of England and Third had been designed by you.

[REDACTED]

This email has been checked for viruses by Avast antivirus software.
<https://www.avast.com/antivirus>

From: [REDACTED]
Date: Tue, Mar 21, 2017 at 6:15 PM
Subject: C-5 zoning at 308, 320 and 322
To: planning@courtenay.ca
Cc: [REDACTED]

Hi,

Re: "1702 2871 Paul Keim D. Leitch 308, 320, 332 3rd Street Text amendment to the Commercial Five Zone (C-5) to allow a Medical Clinic as a permitted use Application Status: Staff reviewing application. Application review letter sent to applicant 21-Feb-17 Timeline: File Opened Referrals DART Review Mtg Applicant's Public Info Mtg 1st & 2nd Reading of Council PH Notices Mailed & Ads to Record Public Hearing 3rd Reading of Council Covenant Registration 4th & Final Reading of Council 16-Jan-17 17-Jan-17 10-Nov-16 9-Feb-17"

Please do not remove residential lots from 3rd Street. 3rd street is the boundary between business and residential and it is only with constant vigilance that community members are able to maintain the integrity of this heritage neighbourhood. It is a very small area with the river to the north, Cliff St to the east and the downtown core to the south. Any encroachment by business will interfere with the residential quality of the Old Orchard.

Leitch, Dana

From: [REDACTED]
Sent: April-24-17 2:00 PM
To: Leitch, Dana; tsetta@coutrenay.ca
Subject: Zoning amendment 3360-20-1720

[REDACTED]

April 24, 2017
Proposed Zoning Amendment 3360-20-1720

Hello Mayor and Council,

Thank you for the opportunity to bring forward our concerns around the proposed development on 3rd Street at Duncan.

Ten members of the Old Orchard Residents Association met with Paul Keim, the developer, and Debbie Wright, the property owner on April 17. Paul did a good job presenting his building plan, which was generally well received by the neighbourhood representatives. He pointed out a number of times that C-5 zoning would allow many other less desirable projects such as tattoo parlours or retail outlets.

When we moved to the question of traffic, he was unable to answer our questions. A traffic study was not done because it was not required. Subsequent requests for traffic estimates associated with the project were not answered. The proposed project would have nine medical and other offices, which obviously will generate a large increase in traffic.

Paul agreed to our request that we approach the various City departments to explore the possibility of closing the 3rd Street entrance to the parking lot. This would move traffic in/out via Duncan and the lane, away from the residential area. Paul reported back to us that the reaction, initially, was that an exit on Duncan would require the removal of a large chestnut tree. Of course, no one wants this. When the big capital project on 3rd happened last year, the design curved around a large tree at the corner of 3rd and England; perhaps there could be a similar accommodation for an exit with the chestnut tree.

The community hopes that this change to the parking lot entrance/exit on 3rd will happen at first reading to avoid complications later.

The Old Orchard is a Traffic Calmed area; therefore, any new proposal should be very mindful of the neighbourhood's ongoing efforts to reduce traffic in our residential area. Several of the efforts to date, such as the closing of entrances at 1st and 2nd streets, and the larger traffic circles have helped. The community is very appreciative of the City's efforts here. To now allow a large generator of traffic into the neighbourhood would undo these efforts.

Would the approval of a text amendment to allow a medical clinic increase traffic? This was presented as a very minor change at the April 17 meeting; however, the traffic increase would be substantial.

We believe that the answers to traffic concerns would best begin with an inventory of the current businesses in the Old Orchard and their impact on traffic on the neighbourhood. This would include the Milieu Group home at 512 3rd, the Safety Authority, Women's Clinic and Footholds Therapy at 290 3rd, along with Birth Tides Midwife business at 343 3rd. What is the traffic flow associated with each business? What are their requirements for off street parking? What was the traffic footprint of the previous building/business on the propose site? How much of an increase will the new development produce compared to past uses? We would then have accurate information from which to

make decisions. This may only require letters from the City to the existing businesses requesting statements about traffic and parking, along with one to the developers of the proposed project for estimates based on past and projected traffic from nine medical offices.

With this necessary information, the next useful step to reducing traffic would be to reduce the number of offices in the proposed project and to define the types of personal services permitted, and the desirability of a text amendment.

Concerns were raised about the wording in the C-5 zoning. 8.22.2 Permitted Uses (6) is Personal Services, which is the target of the requested text amendment. It was unclear what could be included in this category. Does it include tattoo parlours? Should personal services include professional medical activities? Most importantly, which of the permitted uses in C-5 are high traffic activities and which would have a smaller traffic footprint? A Daycare (3) could see 20 cars arrive in the morning and return in the evening. One medical clinic in Courtenay with a mix of practitioners working in 7 offices estimates 20 cars arrive and depart every hour. Should C-5 be expanded to allow more traffic? We understand that 3rd street is a transition zone between residential and commercial; however, one of the guiding principles in a traffic calmed, heritage/residential area should be reduced traffic and maintenance of community.

As businesses encroach on this neighbourhood, potential for residential housing is being lost. We would like you to consider that those 3 lots could have include 3 residences with smaller home businesses. 8.22.2 (4, 10) permit residential units in C-5 zoning. Neighbourhoods are more than buildings and traffic. They include people, friends and 24 hour neighbours that interact with one another to build community. Neighbours increase the sense of safety and security in an area so close to the downtown core. Housing is critically low, especially in the downtown area.

Again, we appreciate the efforts that went into creating an attractive building. We believe that a cooperative, informed approach to this project would include a survey of existing businesses and estimates of projected traffic associated with the proposed project. A review of C-5 would distinguish between personal services and professional medical services, between high and low traffic uses. The residential and heritage qualities of the neighbourhood would without a doubt benefit from the closing the 3rd street entrance to the parking lot. Another certain way to reduce the impact is a reduction to the number and type of offices in the proposed project. Approval of a text amendment which would create a new category, the highest of all traffic in C-5, is not in the best interests of our community.

Thank you for your support.

██████████ 467 3rd, ██████████ 331 3rd for The Old Orchard Residents Association.

Leitch, Dana

From: [REDACTED]
Sent: April-20-17 11:11 AM
To: Leitch, Dana
Cc: paul keim
Subject: Meeting

Hi, Dana

My wife and I live at 543 3rd Street in Courtenay and we attended a meeting on Monday held by Paul Keim to discuss with the area residents his proposed building on 3rd and Duncan. I can't speak entirely for my wife but from my perspective the proposed building looks very much like it will enhance the area. The building and parking lot that are currently there do not do that! I think that Paul was satisfactorily able to answer most of the questions from the group and I think it is to his credit that he cares enough about the area to do so (although it may be a requirement, I am not sure).

We are concerned about an increase in traffic, however. With 1st and 2nd Streets shut down to all but local traffic there is a fair bit of traffic that funnels up 3rd trying to avoid the congestion of 4th and 5th. The "traffic calming" device at Fitzgerald and 3rd unfortunately is not as substantial as the new one on Duncan and does little to calm traffic. People swerve to avoid it but seldom slow down. A substantial increase to traffic on our Street would therefore not be something that we would enjoy. Paul said he would be looking at alternatives to a 3rd St. entrance to their proposed parking lot and I would add that if anything could be done to beef up the traffic circle on Fitzgerald that it would deter people from making 3rd a habitual thoroughfare. It does say something to residents when two of three streets in the Old Orchard area are given preferential treatment with regard to traffic regulation.

Thank you for taking the time to read this.

Yours Sincerely,

[REDACTED]

April 20, 2017

TO Whom It May Concern:

I am the owner of the property located in the Old Orchard area at 343 3rd Street in Courtenay. I am writing this letter regarding a property located directly across the street from me on Third Street. Debbie Wright is the owner. I have recently met with Debbie Wright to discuss her plans for this property as I was unable to attend her open meeting due to a snow storm. I also attended a public meeting she recently hosted to discuss ideas, plans, and zoning with the Old Orchard residents.

I am very impressed with the design of the building and I think it will be an asset to our area. Debbie has hired a reputable designer/architect and she has taken many things into consideration to make the building attractive, functional, and pleasing/non-intrusive to the local residents, including some beautiful landscaping to enhance the ambience of the street. The lot is already zoned for commercial usage and is already being used for a physician's office. I do support the Old Orchard resident's community plan to keep the Old Orchard area residential. However, this lot is already commercially zoned. I realize that there is not a residential component to Debbie's building. However, from my point of view, this does mean that there will be a quiet and largely empty building after hours and on weekends when Old Orchard residents will mostly be home. Also Debbie has also advised that she would be willing to host the Old Orchard Residents' Association meetings in the upstairs part of her building, which is largely a meeting room. This is a very generous offering to the residents' association. Debbie Wright is bringing a lot to the table. I would like to see her stay in our area.

At our recent meeting, there were some concerns expressed about traffic flow in and out of the parking lot. There will be a volume of people attending in the various offices during the week. I would appreciate it if the Council and City Planning could facilitate an entrance to the parking lot that is off of Third Street in order to divert some of the traffic from Third. This would make a tremendous difference to the Old Orchard residents.

I am in favor of this building plan being approved, even without a residential component, as I feel it will be an asset to our community.

Thank you.





THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT

To: Council

File No.: 4530-01

From: Chief Administrative Officer

Date: May 1, 2017

Subject: Tree Protection and Management Bylaw No. 2850

PURPOSE:

The purpose of this report is for Council to consider third reading of amended Tree Protection and Management Bylaw (No. 2850).

CAO RECOMMENDATIONS:

That based on the May 1, 2017 staff report "Tree Protection and Management Bylaw No. 2850", Council approve OPTION 1 and accept amendments proposed to Tree Protection and Management Bylaw No. 2850, 2016 as outlined in the staff report; and

That Tree Protection and Management Bylaw No. 2850, 2016 as amended proceed to Third Reading.

Respectfully submitted,

David Allen, BES, CLGEM, SCLGM
Chief Administrative Officer

BACKGROUND:

On September 19, 2016 Council passed First and Second Readings of Tree Protection and Management Bylaw No. 2850, 2016. At the meeting there were concerns expressed with the level of consultation with the Comox Valley Development & Construction Association.

Staff subsequently held a specific meeting with representatives of the Construction Association to solicit additional feedback beyond that which they had previously provided.

Based on that meeting, staff made additional changes to the bylaw and returned to Council on November 7, 2016 seeking approval of amendments to the bylaw and Third Reading of the bylaw as amended. Instead of moving forward with consideration of the bylaw, Council passed a resolution to have staff investigate the creation of a Select Committee of Council relating to tree protection and management.

On December 5th, 2016 Staff returned to Council with terms of reference for a Select Committee of Council. The terms of reference were established and the Committee was formed.

The Committee met twice on January 9th and 25th. A Briefing note was presented to Council at the February 20, 2017 Council meeting outlining the findings of the Committee. In summary the Committee did not reach a consensus and there remains a significant gap between the position of the Comox Valley Development and Construction Association and the Comox Valley Conservation Strategy. At the February 20, 2017 Council meeting there was a lengthy discussion on the bylaw but no specific resolution by Council directing staff how to proceed.

DISCUSSION:

Based on the background outlined above staff are bring the bylaw back for Council consideration of the amendments proposed in November 2016 and Third Reading of the amended bylaw. A copy of the bylaw with track changes is attached identifying the proposed amendments.

FINANCIAL IMPLICATIONS:

Financial implications include administrative resources dedicated to administering the bylaw. These costs will be recovered through permit fees. The City will also incur on-going maintenance costs related to trees planted on public lands or on lands dedicated to the City for tree protection.

The proposed bylaw includes a graduated fee schedule to better reflect the variety of tree cutting scenarios and amount of administrative resources required to deliver the bylaw.

ADMINISTRATIVE IMPLICATIONS:

Approximately 24 weeks of staff time in total have been dedicated to the development of the Tree Bylaw. Other administrative implications should the bylaw be adopted include:

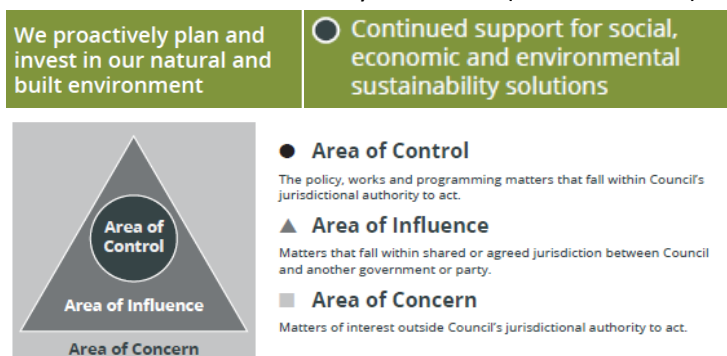
- Amending City of Courtenay Fees and Charges Bylaw No. 1673, 1992.
- Providing educational resources about the new bylaw including an on-line calculator to assist property owners in understanding their property's tree density target and possibly an on-line application form to automate submission requirements and staff review for infill properties.
- As the Tree Fund grows, there will be an administrative implication in dispersing the funds to plant new trees.

ASSET MANAGEMENT IMPLICATIONS:

The proposed bylaw amendments will not affect public assets, other than offer additional protection to public trees, as the bylaw pertains to regulating trees on private properties. Trees on lands dedicated to the City and trees planted on public lands will become new City assets requiring on-going maintenance.

STRATEGIC PRIORITIES REFERENCE:

Effective tree management and protection is consistent with the Strategic Priority of "Continued support for social, economic and environmental sustainability solutions" (area of control).



OFFICIAL COMMUNITY PLAN REFERENCE:

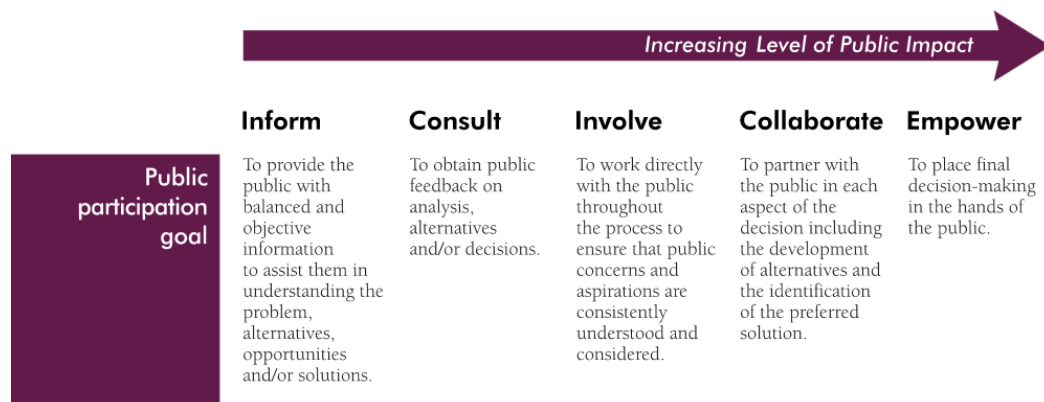
The OCP contains numerous references to the objective of preserving trees and ensuring tree replanting as a mechanism of beautification, parks and boulevard development and environmental restoration. Within the Vision chapter, the following policy is included: “Review and update the tree management bylaw to protect wildlife habitat and undertake a tree planting program” (page 13). Within the Planning for Climate Change chapter, the following policy is included: “The City will increase the absorption opportunities for carbon throughout the municipality through the conservation and restoration of forested areas and stands of trees and other urban ecological systems throughout the municipality” (page 145).

REGIONAL GROWTH STRATEGY REFERENCE:

The RGS also contains numerous references to the objective of preserving trees and ensuring tree replanting. For example, Objective 2-B: Frame environmental protection and policies around the principles of precaution, connectivity and restoration where cost effective, consider the restoration or creation of natural systems to provide sustainable environmental services (e.g. stormwater ponds for improving water quality; tree cover for capturing carbon and reducing GHG emission) (page 36).

CITIZEN/PUBLIC ENGAGEMENT:

Staff “**involved**” the public and stakeholder organizations based on the IAP2 Spectrum of Public Participation. 719 individuals participated during the public consultation period through public open houses and an online questionnaire. The two stakeholder organizations provided feedback in February and the CVSCP provided additional comments following open houses in June. Both organizations participated in discussions with staff following the First and Second Reading of the Tree Bylaw. There was additional dialogue with these groups through participation in the Select Committee.
http://c.ymcdn.com/sites/www.iap2.org/resource/resmgr/imported/IAP2%20Spectrum_vertical.pdf



OPTIONS:

1. (Recommended) That based on the May 1, 2017 staff report “Tree Protection and Management Bylaw No. 2850”, Council approve OPTION 1 and accept amendments proposed to Tree Protection and Management Bylaw No. 2850, 2016 as outlined in the staff report; and That Tree Protection and Management Bylaw No. 2850, 2016 as amended proceed to Third Reading.
2. That Council defers Third reading of Bylaw No. 2850, 2016 pending further receipt of information;
3. That Council defeat Bylaw No. 2850, 2016.

Prepared by:



Ian Buck, MCIP, RPP
Director of Development Services

Attachments:

1. *Attachment No. 1 : Track changes of amended Tree Protection and Management Bylaw No. 2850 following Second Reading.*

Attachment No. 1:
Track changes of amended Tree Protection and Management Bylaw No. 2850 following Second Reading.

THE CORPORATION OF THE CITY OF COURTENAY
BYLAW NO. 2850

A bylaw to regulate injury and removal of protected trees and
to require trees associated with private developments within
the City of Courtenay

WHEREAS the City Council may, by Bylaw, exercise certain powers within the City, to require planting of trees, to regulate cutting and removal of trees and to require their replacement;

Comment [HNI]: Adds clarity to recognize that the Bylaw requires replanting as well as protection and management of trees.

AND WHEREAS trees provide a variety of individual and community wide benefits such as: stormwater and rainwater management, carbon absorption, air quality, heating and cooling benefits, aesthetic, quality of life and health benefits;

AND WHEREAS the City considers it in the public interest to provide for the protection, preservation, regulation and replacement of a target density of trees on all properties;

AND WHEREAS the City considers it in the public interest to provide for the protection of protected species;

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

1. CITATION

This Bylaw may be cited for all purposes as "Tree Protection and Management Bylaw No. 2850, 2016"

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3. DEFINITIONS

“**Arborist**” means

- a) a person certified as an arborist by the International Society of Arboriculture (ISA); or
- b) a person certified as a Tree Care Specialist by the Tree Care Industry Association (TCIA);
- c) a person certified under subsections (a) and (b) and advising on a *hazard tree* that is a *protected species* or is growing within a *Riparian Assessment Area* or other *Environmentally Sensitive Area*, who holds the “Certified Tree Risk Assessor Qualification” as defined by the ISA;

“**Barrier**” means a device including a fence, guard, frame or any other conspicuous marker which is placed on, around, or near a tree to indicate that the tree trunk, roots or branches are not to be cut, removed or damaged;

“**City**” means, as the context requires, the Corporation of the City of Courtenay or the area within the boundaries of the City of Courtenay;

“**Council**” means the Council of the Corporation of the City of Courtenay;

“**Crown**” means the foliage bearing section of a *tree* formed by its branches but does not include the stem or trunk of a *tree*;

“**Damage**” means to take any action that may impact or result in damaging the health or structural integrity of a *tree*;

“**Decline**” means a tree that exhibits signs of a lack of vitality such as reduced leaf size, colour or density;

“**Development**” includes the following **activities**:

- a) Removal, alteration, disruption, or destruction of vegetation;
- b) Removal, deposit or disturbance of soils;
- c) Construction, erection, or alteration of buildings and structures;
- d) Creation of non-structural impervious or semi-pervious surfaces;
- e) Preparation for or construction of roads, trails, docks and bridges;
- f) Provision and maintenance of sewer and water services;
- g) Development of drainage systems;
- h) Development of utility corridors;
- i) Flood protection; and
- j) Subdivision.

Comment [HN2]: Adds clarity.

“**Development application**” means an application to the City for approval to conduct any **development** including but not limited to applications for rezoning, development permit, development variance permit, demolition and building permits;

“**Diameter at Breast Height (D.B.H.)**” means:

- a) for a single-stemmed tree:
 - i. the diameter of a **tree** measured at 1.4 meters above the highest point of the natural **grade** of the ground from the base of a **tree**;
- b) for a multi-stemmed tree:
 - i. the three largest stems measured at 1.4 meters above the highest point of the natural **grade** and the D.B.H of the tree shall equal the cumulative total of the D.B.H. of the three largest stems;

“**Director**” means the City’s Director of Development Services or Manager of Planning;

“**Drip line**” means the small roots of a **tree** located within a circle on the ground around a **tree** directly under the tips of the outermost branches of the canopy of the **tree**;

“**Emergency tree removal**” means a tree that is dead, diseased, damaged or otherwise constitutes an imminent physical hazard to persons or property;

“**Environmentally Sensitive Area (ESA)**” includes:

- a) Watercourses including the sea, ponds, lakes, rivers, streams, natural drainage courses and wetlands;
- b) Riparian and wildlife habitat;
- c) Significant geographical features outlined in the Environmental Development Permit Areas Map #6 and ESA descriptions contained within the City of Courtenay’s Official Community Plan;

“**Fill**” means earth, sand, gravel, rubble, rubbish, garbage or any other material whether similar to or different from any of these materials, originating on the site or elsewhere, used or capable of being used to raise, lower, or in any way affect the contours of the ground;

“**Grade**” means a defined elevation of land that has been established as a result of geologic, hydrologic, or other natural processes or by human alteration;

“**Greenfield**” means undeveloped real property that is greater than 4000 square meters in size (approximately 1 acre) and contains vegetation that has been left to evolve naturally;

“**Hazardous or hazard**” means a **tree** with a structural defect or changed stand conditions, which may result in property damage, personal injury or death;

“**Infill**” means real property that is less than 4000 square meters in size (approximately 1 acre);

“**Invasive species**” means non-native plants, animals and micro-organisms that colonize and take over the habitats of native species;

“**Maintenance**” means the care and maintenance of trees in accordance with **sound arboricultural practice** and includes planting, inspection, pruning, cabling and bracing, treatments for insect and disease problems, watering and fertilization including mulching;

“**Native**” means a **tree** species that occurs naturally in the **City**, and occurred prior to European contact;

Comment [HNS]: Adds clarity.

“Net developable hectare” means the land area, measured in hectares, available for *development* but does not include public highways, utilities or structures and the allocation of lands for public parks, landscaping and *ESAs*, and other public works required to service lands;

“Photo documentation” means three photos of a *tree* including a picture of the whole *tree*, a picture of the defective part, and a picture of the area at a distance, including if possible, any nearby structures;

“Protected species” means:

- a) Garry Oak (*Quercus garryana*);
- b) Pacific Dogwood (*Cornus nuttallii*);
- c) Western White Pine (*Pinus monticola*);
- d) Pacific Yew (*Taxus brevifolia*);
- e) Trembling Aspen (*Populus tremuloides*);
- f) Arbutus (*Arbutus menziesii*).

“Protected tree” means

- a) a *public tree*;
- b) a *tree* of any size within a:
 - i. *Riparian Assessment Area*, or
 - ii. *Environmentally Sensitive Area (ESA)*.
- c) a *tree* of any size on sloping terrain having a *grade* equal to or greater than 30%;
- d) a tree planted or *retained* as a requirement of a subdivision application, development permit, development variance permit, building permit demolition permit, or *Tree Cutting Permit*;
- e) a *protected species* over 0.5 meters in height;
- f) *trees* protected by a restrictive covenant registered on title pursuant to section 219 of the *Land Title Act*;

“Prune” means the removal of not more than one-third of the live branches or limbs of a tree or not more than one-third of the live branches or limbs on a tree as part of a consistent annual pruning program and in accordance with *sound arboricultural practice*;

“Public tree” means a *tree* of any size on land owned by or in the possession of the *City*, including, without limitation, a *tree* in a park or on a highway, boulevard, road or lane allowance;

“Ravine” means a narrow, steep-sided valley that is commonly eroded by running water and has a slope *grade* greater than 3:1;

“Remove” means to entirely sever the main stem of a *tree* or to fell a *tree*;

“Replacement tree” means a *tree* planted on a parcel in accordance with section 10 of this bylaw to replace *trees* cut, *removed* or *damaged* on the same parcel or to achieve the *tree density target* including in instances where there are no or few trees on a parcel;

“Retained tree” means a tree not to be cut, *removed* or *damaged*;

“Riparian Assessment Area” means:

- a) for a *stream*, the 30 meter strip on both sides of the stream, measured from the riparian area high water mark;

Comment [HN4]: Adds clarity that replacement trees will be required to meet the tree density target, including on properties where there are fewer than that number naturally growing on the property.

- b) for a *ravine* less than 60 meters wide, a strip on both sides of the stream measured from the riparian area high water mark to a point that is 30 meters beyond the top of the *ravine* bank; and
- c) for a *ravine* 60 meters wide or greater, a strip on both sides of the stream measured from the riparian area high water mark to a point that is 10 meters beyond the top of the *ravine* bank;

“**Root protection area**” means the area of land surrounding the trunk of a *tree* that contains the bulk of the critical root system of the *tree*, as defined on a plan prepared by an *Arborist* approved by the *Director*;

“**Sound arboricultural practice**” means in accordance with American National Standards Institute (ANSI) Publication, A300-Tree Care Operations and the companion Best Management Practices Series of the International Society of Arboriculture (ISA);

“**Stream**” means any of the following that provides fish habitat:

- a) a watercourse, whether it contains water or not;
- b) a pond, lake, river, creek or brook; or
- c) a ditch, spring or wetland that is connected by surface flow to something referred to in subsection (a) or (b);

“**Top**” or “**Topping**” means the removal of large portions of the *crown* of a *tree*, including, but not limited to the making of horizontal cuts through the stems of a *tree*;

“**Tree**” means any species of woody perennial plant having one dominant trunk and a mature height greater than five (5) meters;

“**Tree Cutting Permit**” means the written authority granted by the *Director* pursuant to this Bylaw to cut or remove a *tree*;

“**Tree damaging activities**” means to take any action that may cause a *tree* to die or *decline*, including:

- a) cutting or damaging the roots of a *tree* growing inside the *root protection area*;
- b) placing *fill*, building materials, asphalt or a building or structure upon land inside the *root protection area* of a *tree*;
- c) operating or parking vehicles including trucks, backhoes, excavators or other heavy equipment over the roots of a *tree* growing inside the *root protection area*;
- d) denting, defacing, gouging or damaging the trunk of a *tree*;
- e) removing bark from a *tree*;
- f) depositing concrete washout or other toxins, liquid or chemical substances harmful to the health of a *tree* on land inside the *root protection area* of the *tree*;
- g) removing soil and/or native understory vegetation from land inside the *root protection area* of a *tree* or compacting soil within the *root protection area*;
- h) blasting inside the *root protection area* of a tree or outside the *root protection area* so as to *damage* roots or disturb soil inside the *root protection area*;
- i) undermining the roots of a *tree* growing inside the *root protection area*;
- j) altering the ground water or surface water level within the *root protection area* of a *tree*;
- k) *topping* a tree or *pruning* the *crown* in excess of one-third of the *tree*;

- l) affix or hang materials from a *tree* that may harm the *tree*; or
- m) girdling, ringing, poisoning, or burning a *tree*.

“Tree density target” means 50 *trees* per *net developable hectare*.

“Tree Planting and Replacement Reserve Fund” means the fund set aside for the purpose of planting *trees* in locations within the City of Courtenay other than where the lot where the tree has been injured or destroyed by *tree damaging activities*.

4. BYLAW PURPOSE

- 4.1 This Bylaw is enacted for the purposes of:
 - a. regulating the cutting and *removal* of *trees*;
 - b. regulating the protection of *retained trees* during *development*;
 - c. setting forth expectations regarding the treatment of *trees* that are regulated under this Bylaw;
 - d. requiring that *tree* retention and/or planting targets (measured as a *tree density target*) be achieved.
- 4.2 The Bylaw is not contemplated nor intended, nor does the purpose of this Bylaw extend:
 - a. to the protection of any person from injury or damage to property or economic loss as a result of the cutting or *removal* of *trees*;
 - b. to the assumption by the *City* or any employee of any responsibility or duty of care for ensuring that the cutting of one or more *trees* will not result in injury to any person or danger to any property from erosion, flooding, landslip or other damage;
 - c. to assuming liability of a property owner for any damage arising from nuisance or negligence arising from *tree* cutting carried out on the owner’s property.

5. BYLAW APPLICATION

- 5.1 This Bylaw applies to all properties within the *City* and to all *protected trees*.
- 5.2 A *Tree Cutting Permit* is required to be obtained prior to any *tree over 20cm Diameter at Breast Height or protected trees* being *removed* in the following circumstances:
 - a. On any *greenfield property*;
 - b. On any *infill* property where the *removal* of *said trees* will result in the *tree density target* not being achieved for that property;
- 5.3 A *Tree Cutting Permit* is required to be obtained prior to any limb or branch that is equal to or greater than 10 centimeter diameter being cut from any *protected species*;
- 5.4 For *emergency tree removal* a person must submit an application for a *Tree Cutting Permit* within 24 hours of the date of removal, or in the case of a *removal* which takes place on a weekend or statutory holiday, on the next business day after *removal*, and provide *photo documentation* of the *tree* prior to its *removal* with the application.
- 5.5 When a *Tree Cutting Permit* application is submitted in relation to a *development application*, the *Tree Cutting Permit* shall not be issued until approval has been obtained from the City for the *development application*, unless the *Director* otherwise waives this requirement.

Comment [HN5]: Adds clarity that the Bylaw applies to all trees over 20cm Diameter at Breast Height as well as any protected tree. This had been and is stated throughout the Bylaw, and has been included here for further clarity.

Comment [HN6]: Adds clarity that for infill properties, the Bylaw applies to the trees described in section 5.2.

6. PROHIBITED ACTIVITIES

- 6.1 No person shall cut, **remove** or carry out any **tree damaging activities** on a **protected tree** or any **tree** required to be retained to achieve the **tree density target** prior to obtaining a **Tree Cutting Permit** or contrary to the terms and conditions of a **Tree Cutting Permit** issued under this Bylaw.
- 6.2 When the **City** is investigating a bylaw infraction under this Bylaw, no person shall remove the remains of a **tree** until after the investigation by the **City** is complete.

7. BYLAW EXEMPTIONS AND TREE CUTTING PERMIT EXEMPTIONS

- 7.1 This Bylaw does not apply to:
 - a. **pruning of trees** other than **protected species** in accordance with **good arboricultural practice**;
 - b. **regular landscape maintenance such as lawn mowing providing such activities are not tree damaging activities**;
 - c. where the **Director** or an **Arborist** certifies in writing to the **City** prior to removal that in his or her opinion a **tree** is impairing, interfering with, or presents a risk or hazard to the operation of sewers, drains, water lines, septic fields, electrical lines, poles or other similar equipment and appurtenances and that the impairment, interference or risk cannot be reduced or removed in any way other than the **removal** of the **tree**;
 - d. **trees** that are part of plantations for the purposes of an orchard, nursery, or tree farm;
 - e. the cutting and **removal** of **trees** by a British Columbia Land Surveyor when cutting survey lines of a width of less than 2 meters, unless the **tree** is a **protected tree**;
 - f. **tree** cutting or **removal** that is undertaken by a utility, on land owned or held by the utility, and done for the purpose of safety, maintenance or operation of the utility's infrastructure;
 - g. land and the **trees** on it if forestry practices on the land are governed by a tree farm licence, permit, or other authority or tenure under the *Forest Act*; or
 - h. land and **trees** on it if section 21 of the *Private Managed Forest Land Act* applies to the land.
- 7.2 A **Tree Cutting Permit** is not required on an **infill** property when **tree removal** will not result in the number of **trees** retained on the property falling below the required **tree density target** for that property, provided that the **trees** being **removed** are not:
 - a. a **protected tree**; and
 - b. the landowner ensures that **retained trees** are protected from **tree damaging activities**.

Comment [B17]: Adds clarity that regular yard maintenance is permitted around trees.

8. TREE REMOVAL, PROTECTION AND MANAGEMENT CONDITIONS

- 8.1 A person performing **development** on lands containing one or more **retained trees**, where a **Tree Cutting Permit** is required, shall:
 - a. ensure that no **development** occurs within the **root protection area**;
 - b. place and maintain a temporary tree protection **barrier** around any **retained tree** or group of **retained trees** in accordance with Schedule B;

- c. provide the *City* with proof of the *barrier* prior to disturbance occurring around the *retained tree* in the form of a photo, *Arborist* statement, or as otherwise stated in a *Tree Cutting Permit*;
 - d. ensure that no *development* occurs within the *root protection area* except in accordance with the terms and conditions of a *Tree Cutting Permit*;
 - e. display the *Tree Cutting Permit* in an accessible, visible location on the parcel to which it pertains;
 - f. comply with all other local, provincial and federal laws.
- 8.2 In connection with the issuance of a *Tree Cutting Permit*, the *Director* may impose additional conditions to those listed in Section 8.1, including, without limitation, any or all of the following:
- a. identify with a flag, paint, survey tape or other adequate means each *tree* to be *removed* or *retained*;
 - b. retain an *Arborist* to supervise, monitor or report on any *development*, including site visit requirements:
 - i. at critical phases of construction and/or at regular intervals in the construction schedule;
 - ii. at the time of *tree replacement*;
 - iii. to monitor tree adaptations to changes in their environment caused by the *development*;
 - iv. to advise on the creation of *hazardous* conditions;
 - v. to advise on *maintenance* requirements where such a condition is stipulated; and
 - vi. to confirm the successful establishment of a replanted *tree* prior to release of securities held for that *tree*;
 - c. provide monitoring securities ~~from for~~ an *Arborist*, ~~Professional Engineer~~ or Registered Professional Biologist as determined by the *Director*, in the amount of 125% of an estimate or quote of the cost of monitoring works required to ensure that the mitigation conditions of the *Tree Cutting Permit* are completed;
 - d. ensure that no sediments migrate off site or into watercourses or drainage ditches;
 - e. confirmation that the proposed *development* is consistent with *City* bylaws, and provincial and federal laws;
 - f. treat diseased *trees* and those in *decline*, in accordance with *good arboricultural practice*;
 - g. salvage and use small *trees* as part of a replanting plan, or to achieve the *tree density target*;
 - h. remove and dispose of *invasive species* growing on the tree or within the *dripline* in a responsible manner;
 - i. plant *replacement trees* in accordance with Schedule A, maintain *replacement trees*, for a stipulated length of time, and implement *maintenance* measures such as watering, fertilization, or mulching in accordance with the specified frequency;

Comment [B18]: Removed because engineers are not capable of properly performing this service.

- j. remit a protection security of \$1000 per *protected species* when constructing works that may cause *tree damaging activities* to a *protected species*;
- ~~k. remit a protection security of \$10,000 when constructing works within existing or future Park lands as shown in a Preliminary Lot Review letter, Subdivision Construction Drawing or Section 219 Covenant;~~
- ~~l.~~ notify adjacent properties of a *tree* removal;
- ~~m.~~ provide a written statement from an *Arborist* stating that the scheduled *tree* removal is unlikely to create *hazardous* conditions to adjacent *trees*, including on adjacent properties;
- ~~n.~~ submit a post-construction *Arborist* report following construction activities;
- ~~o.~~ submit a communication plan to ensure that all parties working on the site are aware of the *Tree Cutting Permit* requirements;
- ~~p.~~ restrictions on timing of removal given sensitivities to bird nesting, fish or sediment and erosion control;
- ~~q.~~ keep stumps and roots of cut *trees* in place to ensure slope stability or mitigation against erosion where recommended by a geotechnical engineer;
- ~~r.~~ cut or modify a *tree* so as to retain wildlife habitat, subject to written confirmation from the *Arborist* that doing so will not create a *hazard*;
- ~~s.~~ where recommended by the *Arborist*, require that *crowns* clearing occur prior to construction to reduce risk of branch failures and risk to workers.

Comment [HNS]: Removed. Staff believe there is another development regulatory tool to address this.

Comment [B110]: Adds clarity that this should be at the discretion of a professional geotechnical engineer.

8.3 The authorization to cut or *remove trees* shall expire within one year after the date of issuance of a *Tree Cutting Permit*, after which time a new application must be submitted.

9. TREE DENSITY TARGET

9.1 The *tree density target* may be achieved:

- a. for an *infill* property,
 - i. by counting any *tree* that is larger than 2 centimeters *D.B.H.* and 2 meters in height, that is already growing on the *infill property* and is not an *invasive species*;
 - ii. by planting a *replacement tree*; or
 - iii. by paying \$300 into the *Tree Planting and Replacement Reserve Fund* for each *tree* that is to contribute towards the *tree density target*.
- b. for a *greenfield* property,
 - ~~i. by retaining *native trees* that are each a minimum of 20 centimeters *D.B.H.*, and are growing in an average density on the overall property, where such *trees* exist; or~~
 - ~~ii. by replanting *replacement trees* at a ratio of 3:1 for each *tree* removed below the *tree density target* of 50 trees per *net developable hectare*;~~
 - a. where this subsection applies, up to a maximum of half of the number of *trees* required to achieve the *tree density target* may be achieved with *replacement trees* which may also include retaining naturally growing *trees*

Comment [HN11]: Removed for clarity of interpretation. Any tree over 20 centimeters D.B.H. may be counted towards the tree density target.

smaller than 20 centimeters D.B.H. provided said trees are not an *invasive species*, red alder or cottonwood trees;
b. where this subsection applies, up to a maximum of half of the *replacement trees* may be achieved by paying \$300 into the *Tree Planting and Replacement Reserve Fund* for each *tree* that is to contribute to the *tree density target*;

iii. where *trees* described in subsection (b)(i) do not exist, the *tree density target* may be achieved by planting *replacement trees* or retaining naturally growing *trees* smaller than 20 centimeters D.B.H. provided said *trees* are not an *invasive species*, red alder or cottonwood trees;

iv. retained trees shall be achieved in clusters and/or corridor configurations where practical with consideration given to adjacency to publically owned lands;

Comment [HN12]: Option has been added to achieve the tree density target by means of replanting at a higher ratio.

9.2 A *tree* must be in good health and must not be dead, *hazardous* or in *decline* in order to be counted towards the *tree density target*. Red alder and ~~c~~ottonwood trees shall ~~generally~~ not be counted towards the *tree density target*.

Comment [HN13]: Adds clarity that this species will not be counted towards the tree density target.

10. REPLACEMENT TREES, SECURITY BONDS AND TREE PLANTING AND REPLACEMENT RESERVE FUNDS

10.1 Where the *Director* has issued a *Tree Cutting Permit*, the following replacement formulas shall be followed, subject to subsections (b) through (d):

- a. the *net developable area* shall achieve the *tree density target*;
- b. if the *tree removed* is *hazardous*, one *replacement tree* shall be required for every *tree removed*;
- c. notwithstanding section 10.1.b, if the *tree removed* is *hazardous* and is growing within *Environmentally Sensitive Areas*, three replacements of *native* species shall be required for every *tree removed*;
- d. for the removal of a *protected species* three replacements of the same species shall be required for every *tree removed*, including *hazardous trees*.

10.2 Subject to section 10.1, where the planting and *maintenance* of a *replacement tree* is required pursuant to this Bylaw, the owner shall provide to the *City* security in the amount of \$300 for each *tree* to be planted and maintained.

10.3 Where the *replacement trees* are part of the overall private landscaping or street tree program required under a development permit, development variance permit, subdivision, or other development agreement, the security is to be in the amount specified in the approved landscape cost estimate associated with said permit, and only that amount.

Comment [HN14]: Adds clarity that replacement trees may be required as part of private landscaping requirements.

10.4 The security in section 10.2 may be submitted in the form of cash, cheque or irrevocable letter of credit, bank draft or in a form satisfactory to the *Director*.

Comment [HN15]: Adds clarity that street trees required as part of development servicing are not to count as replacement trees.

10.5 *Replacement trees* must be planted in accordance with the condition and planting criteria set out in Schedule A.

10.6 Where a person is required by this Bylaw to plant a *replacement tree* on a parcel and the parcel has been subdivided since the act giving rise to the requirement was committed or

the *Tree Cutting Permit* was issued, as the case may be, the *replacement tree* may be planted on either parcel.

- 10.7 ~~Where a *replacement tree* cannot be planted on the property or, on *infill properties* where an owner elects not to plant a *replacement tree* on the property, the owner shall contribute the *replacement tree* cost into the *Tree Planting and Replacement Reserve Fund*, subject to the approval of the *Director*.~~
- 10.8 Full security for each *replacement tree* held by the *City* will, upon application by the owner, be returned to the permit holder one year from the date of planting, upon approval by the *Director* that each *replacement tree* remains in a healthy condition and subject to a written report by an *Arborist* statement to confirm the health of the *tree* as may be reasonably required from the *Director*.
- 10.9 If the owner fails to or refuses to plant the required number, size and type of *replacement trees* in the specified locations within one year after receiving written direction from the *Director* to do so or after a planting date as otherwise agreed upon, the *City* may deposit the securities in the *Tree Planting and Replacement Reserve Fund*.
- 10.10 *Tree replacement* fees paid into the *Tree Planting and Replacement Reserve Fund* are to be held and used by the *City* for replanting on other ~~public~~ lands to be determined in accordance with *City* policies.
- 10.11 Where a protection security is required, the protection security shall not be released until all works that may cause *tree damaging activities* have ceased and an *Arborist* confirms in writing that the *tree* has not experienced any *tree damaging activities*.

Comment [HNI16]: Is a redundant statement as has been cleared up in 9.1.a.

Comment [HNI17]: Adds clarity that funds held in the Tree Planting and Replacement Reserve Fund may be used on public or private lands, as described in the Tree Planting and Replacement Reserve Fund Bylaw No. 2844.

11. TREE PERMIT APPLICATION AND FEES

- 11.1 An application for a *Tree Cutting Permit* shall include the following information:
- a. completed application for *Tree Cutting Permit* on the form approved by the *Director*, signed by the registered owner(s) or by the owner's agent who is authorized in writing to act on behalf of the owner in relation to the application;
 - b. written consent from the adjacent property owner where the stem of a *tree* at ground level is growing over the applicant's property line;
 - c. title search dated no more than five business days prior to the date of the application;
 - d. site plan showing all of the following, where applicable:
 - i. *Environmentally Sensitive Areas* (ESAs);
 - ii. property lines;
 - iii. location of the *tree(s)* on site to be *removed* and *retained*, including the *root protection areas* for *retained trees*;
 - iv. existing and proposed buildings, structures, septic fields, servicing including power poles;
 - v. topographic and hydrological features including drainage patterns;
 - vi. on-site access points for vehicles, including sufficient access for tree removal equipment;
 - vii. vehicle parking area and washout areas for concrete trucks;
 - viii. existing and proposed landscaped areas;

- ix. existing and proposed utility corridors;
 - e. description of the proposed **development** and rationale for **development**, including steps taken to preserve existing **trees** as part of the overall **development** plan of the site;
 - f. an **Arborist** report including the following information:
 - i. statement of number of **protected trees** and **trees over 20 centimeters D.B.H.** on the property to be described by outlining the:
 - ii. inventoried number of stems, species and size where there are fewer than 100 **trees** on the property; or
 - iii. approximate number of stems per hectare and species composition based on ISA accepted standards.
 - iv. statement of number of **retained trees** on the property following the requested removal;
 - v. narrative describing why the proposed **retained trees** are selected, and if management actions are required to promote their long term health;
 - vi. confirmation that the **retained trees** are not **hazardous**;
 - vii. description of the cutting and/or removal methods to be used, how the site will be accessed and the tree protection measures that shall be used to protect any retained **trees**;
 - g. statement that topographic, grading and/or hydrological changes will not negatively impact the retained **trees** with input provided by an appropriate qualified professional;
 - h. a detailed tree survey prepared by a registered BC Land Surveyor to indicate proposed **tree retention** and **replacement** areas that require restrictive covenants; and
 - i. application fee as determined by the *City of Courtenay Fees and Charges Bylaw No. 1673, 1992*.
- 11.2 In addition to section 11.1, the following information may also be required by the **Director**:
- a. for **greenfield** sites, a statement of the number of **retained trees** for **trees** greater than 20 cm **DBH** following the proposed **development**;
 - b. for **development applications** and **greenfield sites**:
 - i. grading changes including existing topographic elevations and proposed conceptual elevations for major **development** components;
 - ii. proposed final site grading within 10 meters of all proposed **retained trees**.
 - c. a proposed replanting plan prepared by a landscape architect or **Arborist** indicating the location, species, size, and class of **trees**(s) or vegetation to be planted including any pertinent establishment requirements such as watering, fertilizing, and soil preparation;
 - d. a copy of applicable federal or provincial approval, if required;

Comment [HN18]: Added to clarify that trees of any species over 20 centimeters Diameter at Breast Height and protected species of any size shall be included in the assessment.

Comment [HN19]: Added to clarify that additional professional expertise may be required to determine this.

- e. a report by a geotechnical engineer, hydrologist or Registered Professional Biologist to certify that the proposed cutting or removal will not create an adverse impact on slope stability or the drainage network;
 - f. when removing trees in *Environmentally Sensitive Areas*, a report from a Registered Professional Biologist may be required to confirm that *tree* removal activities will not negatively impact the *Environmentally Sensitive Area*, including wildlife.
- 11.3 The following conditions apply to the *Arborist* report provided pursuant to section 11.1(f):
- a. the report shall be valid for a maximum of one year from the date of authorship;
 - b. a report older than one year will require a covering letter from the original author stating that the conditions and recommendations contained in the original report remain valid;
 - c. in the reasonable discretion of the *Director*, an existing *Arborist* report that is less than one year may be required to be reviewed and re-submitted in instances where changes to the *trees* are deemed significant, including any changes to adjacent land uses, adjacent *tree removal*, changes in grading or hydrological changes, or any other changes to or around the *tree*;
 - d. where the original *Arborist* report submitted to the *City* is incomplete or inaccurate, the *Director* may retain the services of an independent *Arborist*, or other professional to review an *Arborist* report, or other professional report, and the cost of the independent *Arborist* report shall be paid by the owner prior to the adoption of the related rezoning, subdivision approval, development permit, development variance permit, demolition or building permit approval or the issuance of the related *Tree Cutting Permit*, whichever comes first.

12. REFUSAL TO ISSUE A TREE CUTTING PERMIT

- 12.1 A *Tree Cutting Permit* shall not be issued by the *Director* where:
- a. an application required under this Bylaw has not been submitted in full or the required fee has not been paid;
 - b. information as required by section 11 (Tree Permit Application and Fees) has not been submitted or in the opinion of the *Director* is not satisfactory;
 - c. the proposed work would adversely affect slope stability;
 - d. the *tree density target* is not achieved; or
 - e. the proposed *tree* work would contravene other terms and conditions of a restrictive covenant.

13. INSPECTIONS, ASSESSMENTS AND ORDERS TO COMPLY

- 13.1 The *Director* or person authorized by the *Director* may assess, inspect or cause an inspection to be made of any *tree* to which this Bylaw applies.
- 13.2 For the purposes of any inspection or assessment herein the *Director* may enter onto any land at all reasonable times in accordance with the *Community Charter*.

- 13.3 Where the *Director* is satisfied that a person has contravened any provision of this Bylaw, the *Director* may serve an Order to Comply requiring the person to stop the *tree damaging activities* or removal of *trees* and shall set out the particulars of the contravention including requiring the person to remedy the non-compliance within 30 days or by such other date as deemed reasonable in the circumstances by the *Director*.
- 13.4 The *Director* may revoke a *Tree Cutting Permit* if the terms and conditions of the *Tree Cutting Permit* have been breached or the information supplied by the applicant in support of the *Tree Cutting Permit* is determined to have been inaccurate, incomplete, misleading or erroneous.

14. POST CONSTRUCTION ARBORIST REPORT

- 14.1 The *Director* may require a post-construction *Arborist* report following all construction activities in which the following information may be required:
- assessment of *damage* to *retained trees* caused by initial site grading and clearing;
 - identify and provide a dollar value of the *retained trees* that have been *damaged* or *removed* using an industry standard tree appraisal method;
 - propose a replacement plan indicating the proposed number and type of *replacement trees* of equal or greater dollar value and tree planting locations for the rehabilitation of the disturbed areas. Payment into the *Tree Planting and Replacement Reserve Fund* may be accepted by the *City*. No fewer than four replacement trees for every tree *removed* without a *Tree Cutting Permit* will be accepted; and
 - recommend management methods to care for an injured *tree*.
- 14.2 Securities to implement the replacement plan in section 14.1 (c) will be required at 125% of the cost of each *replacement tree*.

15. AUTHORITY

- 15.1 The *Director* may:
- issue, revoke, place conditions upon, and refuse to issue a *Tree Cutting Permit* in accordance with this Bylaw;
 - retain the services of an independent *Arborist*, or other professional, to review an *Arborist* report, or other professional report, submitted to the *City* under the provisions of this Bylaw, in support of an application for a *Tree Cutting Permit*, in instances where the completeness or accuracy of the report are brought into question through review of the report and field inspection by the *Director*.
 - require security under section 8 of this Bylaw prior to issuing a *Tree Cutting Permit*;
 - exempt an applicant for the *Tree Cutting Permit* from any the requirements of section 11 (Tree Permit Application and Fees) if the information to be submitted has been otherwise provided to the *City*;
 - require the provision of *replacement trees* as set forth in section 10 of this Bylaw, and the *maintenance* of said *trees*;
 - charge and collect those fees prescribed in the *City of Courtenay Fees and Charges Bylaw, 1673, 1992* or this Bylaw;

- f. serve on any person who has not complied with a *Tree Cutting Permit* or a provision of this Bylaw an Order to Comply;
- g. enforce this Bylaw and issue penalties in accordance with sections 18 and 19 of this Bylaw; and
- h. authorize another member of staff to act on their behalf.

16. APPLICATION FOR RECONSIDERATION

- 16.1 Within 30 days of being notified in writing of the decision of the *Director* under this Bylaw, the applicant may, at no charge, request *Council* to reconsider the decision.
- 16.2 The applicant must give written notice to the Director of Legislative Services and include the following information:
 - a. the applicant's address for receiving correspondence related to the request for reconsideration;
 - b. a copy of the written decision or direction from the *Director*;
 - c. reasons to explain why the decision should be amended or set aside; and
 - d. a copy of any documents which support the applicant's request for reconsideration by *Council*.
- 16.3 The Director of Legislative Services will notify the *Director* of the request(s) for reconsideration and staff shall, prior to the date of the meeting at which the reconsideration will occur, provide a written report to *Council* setting out the rationale for the decision.
- 16.4 The Director of Legislative Services will place the request(s) for reconsideration on the agenda of a meeting of Council to be held as soon as reasonably possible.
- 16.5 The Director of Legislative Services will notify the applicant of the date of the meeting at which reconsideration will occur.
- 16.6 *Council* will review the information provided by the applicant and staff, and either confirm the decision made by staff, vary, or substitute its own decision including terms and conditions as set forth by this Bylaw.
- 16.7 The decision of *Council* on reconsideration is final.

17. DESIGNATION OF BYLAW

- 17.1 This Bylaw is designated under Section 264 of the Community Charter as a bylaw that may be enforced by means of a Municipal Ticket Information in the form prescribed.

18. OFFENCE

- 18.1 Every person who violates any of the provisions of this Bylaw or who suffers or permits any act or thing to be done or omits to do anything required to be done in contravention or in violation of any of the provisions of this Bylaw, is guilty of an offence against this Bylaw and is liable to the penalties hereby imposed, and each day that a violation is permitted to exist or continues shall constitute a separate offence.

18.2 When more than one *tree* is cut, *removed* or *damaged* by *tree damaging activities*, or more than one *tree* is not replaced or maintained in accordance with a *Tree Cutting Permit* issued pursuant to this Bylaw, a separate offence is committed in respect of each such *tree*.

19. PENALTY

19.1 A person who commits an offence under this Bylaw is liable to pay a fine of:

- a. up to \$1,000 as established per the City's *Municipal Ticket Information Bylaw 2435, 2006*;
- b. up to \$10,000 as determined by the court pursuant to an *Offence Act* proceeding.

20. GENERAL PROVISIONS

20.1 All Schedules referred to herein form part of this Bylaw:

- a. Replacement Tree Stock and Planting Requirements
- b. Tree Protection Barrier and Signage Specifications
- c. Erosion and Sediment Control Guidelines

21. SEVERANCE

21.1 If a portion of this Bylaw is held invalid by a Court of competent jurisdiction, then the invalid portion must be severed and the remainder of this Bylaw is deemed to have been adopted without the severed portion.

22. EFFECTIVE DATE

22.1 This Bylaw will come into force on the date of its adoption.

23. REPEAL

23.1 "City of Courtenay Tree Management and Protection Bylaw No. 2461, 2006" and all amendments thereto are hereby repealed.

Read a first time this 19th day of September, 2016

Read a second time this 19th day of September, 2016

Read a third time this day of , 2016

Finally passed and adopted this day of , 2016

Mayor

Director of Legislative Services

SCHEDULE A

TREE PROTECTION AND MANAGEMENT BYLAW NO. 2850, 2016

REPLACEMENT TREE STOCK AND PLANTING REQUIREMENTS

The *City* maintains a list of acceptable *replacement tree* species. Where *replacement trees* are required to be provided pursuant to section 10 of this Bylaw, such *replacement trees* shall be provided and planted as follows:

- (a) *Replacement trees* may be the same or different species, with the exception of *protected tree species*.
- (b) At least half of the total number of *trees* on the property, including existing *retained* and *replacement trees*, must be *native* species, unless the *trees* being replaced are located within an *Environmentally Sensitive Area*, in which case all of the *replacement trees* shall be *native*.
- (c) *Replacement trees* must be of a five gallon pot size with the following exceptions:
 - a. Arbutus (*Arbutus menziesii*) may be one gallon pot size;
 - b. Garry Oak (*Quercus garryana*) may be three gallon pot size.
- (d) *Replacement trees* shall not be planted:
 - a. within 3 metres of a building foundation wall and within 1 metre of any property line of a lot;
 - b. within 5 metres of an overhead utility line for trees that are a maximum of 5 metres in height, and within 10 metres of an overhead utility line for trees that are a maximum of 12 metres in height;
 - c. within an easement or statutory right of way.
- (e) Every *replacement tree* shall be spaced from existing trees and other *replacement trees* in accordance with *good arboriculture practices* so as to best ensure survival of the replacement and existing trees.
- (f) *Replacement trees* must meet the plant condition and structure requirements set out in the latest edition of the BCSLA/BCLNA "B.C. Landscape Standard" and the CNTA "Canadian Standards for Nursery Stock" to be considered acceptable by the *Director*.
- (g) *Replacement trees* shall be planted and maintained in accordance with the requirements set out in the latest edition of the BCSLA/BCLNA "B.C. Landscape Standard".
- (h) Tree caging will be required in areas prone to deer browsing until the *tree* is 6 feet in height.
- (i) *Replacement trees* shall be planted during the suitable local planting seasons generally defined as fall (September – November) and spring (February - April). Where planting must occur outside of these time periods, then a strategy for ensuring the *trees* are watered (in the summer) or protected from cold weather (in the winter) must be included as part of the *Tree Cutting Permit* application.

- (j) The following minimum specifications for topsoil or amended organic soil are required for replanting on a property unless otherwise advised against by the *Arborist*:
- i. organic matter content of 15% dry weight in planting beds and 8% in turf areas;
 - ii. depth of 300 mm for turf;
 - iii. depth of 450 mm for shrubs/trees;
 - iv. depth of 300 mm around and below the root ball of all trees;
 - v. pH from 6.0 to 8.0 or matching that of the original undisturbed soil;
 - vi. subsoils scarified to a depth of minimum 100 mm with some topsoil being incorporated into the subsoil; and
 - vii. planting beds mulched with a minimum of 50 mm of organic materials.

SCHEDULE B

TREE PROTECTION AND MANAGEMENT BYLAW NO. 2850, 2016

TREE PROTECTION BARRIER AND SIGNAGE SPECIFICATIONS

Barrier structure and material:

Tree protection *barriers* should generally be a minimum of 1.2 meters high, and consist of snow fencing or an equivalent, supported by poles at sufficiently close intervals to ensure the integrity of the fence, or supported by wooden frames.

In instances where *development* is not expected to occur near the *root protection area*, poles strung with multiple bands of flagging tape may be sufficient, subject to approval by an *Arborist* and/or the *Director*.

Barrier distance from tree(s):

Tree protection *barriers* must be of a sufficient size to protect the *root protection area* of the tree. The *root protection area* refers to the area of land surrounding the trunk of the tree that contains the bulk of the critical root system of the tree, as defined on a plan prepared by an *Arborist*, that the *Director* reasonably approves.

Barrier protection sign:

Where *retained trees* require protection barriers, a tree protection informational sign in the format provided in this Schedule, must be affixed to the *barrier* at intervals of every 30 metres unless waived as a requirement by the *Director*. The sign must be able to withstand weather conditions for prolonged periods of time.

Barrier duration:

The *barrier* must be in place throughout the entire duration of the *development* activities that are taking place around the *tree* and until written approval of its removal is obtained from the *City*.



Tree Protection Zone (TPZ)

No grade changes, trenching, storage of materials or equipment, liquid disposal, hard surfacing or vehicular traffic are permitted within this area.

The tree protection barrier and sign must not be removed, without authorization of City of Courtenay, Development Services Department. Failure to comply may result in fines.

If you see this sign or protection barriers being tampered with, please report to the number listed below.

For more information call the Development Services Department at 250 334 4441

SCHEDULE C

TREE PROTECTION AND MANAGEMENT BYLAW NO. 2850, 2016

EROSION AND SEDIMENT CONTROL GUIDELINES

Tree Cutting Permit holders are expected to adhere to best management practices (BMPs) including but not limited to the ones outlined below:

- (a) Retain existing vegetation and ground cover where possible;
- (b) Construct *development site* access pads 4.5 meters wide at all accesses to site;
- (c) Restrict vehicle access and utilize wheel wash pads at access points;
- (d) Install silt fencing around stockpiles and at the toe of disturbed slopes;
- (e) Completely cover temporary stockpiles or spoiled material with polyethylene or tarps and surround with silt fence;
- (f) Install and maintain filter fabric bags around any catch basins, lawn basins, exposed manholes or any other open storm sewer access points collecting runoff from the *development site*;
- (g) Divert runoff away from cleared areas by use of low berms;
- (h) Convey surface runoff through swales designed to minimize flow velocity and erosion while maximizing settling;
- (i) As a priority, collect runoff into suitable sediment settling facility or facilities prior to discharge off-site;
- (j) Unless deemed unnecessary by the *Director*, a sediment pond should be designed, installed and maintained according to the *Land Development Guidelines for the Protection of Aquatic Habitat*;
- (k) Keep all sand, gravel, spoiled material and concrete mix off of all hard and paved surfaces;
- (l) During excavation, holes requiring dewatering should be pumped to a vegetated area or suitable settling facility which will prevent sediment-laden water from accessing the drainage system;
- (m) Regularly sweep roads; and
- (n) Re-vegetate, cover or mulch disturbed areas as soon as practically possible.



STAFF REPORT

To: Council

File No.: 1705-20

From: Chief Administrative Officer

Date: May 1, 2017

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

PURPOSE:

The purpose of this report is for Council to approve the 2017 – 2021 General Fund Budget and proposed general property tax increase for 2017. Once this Budget is approved, this report subsequently requests that the 2017 – 2021 Consolidated Financial Plan also be approved.

POLICY ANALYSIS:

Section 165 of the *Community Charter* requires a municipality to have a five year financial plan. The 2017 – 2021 Consolidated Financial Plan will meet this requirement once Council approves the 2017 – 2021 General Fund Budget.

The development and implementation of Asset Management Planning based on condition assessments, life cycle analysis, risk management and the implementation of associated financial policies, continues to be a key strategic priority for the City. Adopted by Council in June 2015, the City's Asset Management Policy, and the CAO Directive based on this policy are intended to guide the development of Asset Management Plans for all the City's asset classes, and in turn support Sustainable Service Delivery for current and future residents of the City of Courtenay.

EXECUTIVE SUMMARY:

The 2017 General Fund budget proposes an increase of 2.00% in revenue derived from municipal property taxation allocated for general operations and capital infrastructure renewal. Overall, the General Fund Budget provides \$32.561M for operating expenditures, \$7.98M in capital expenditures (including long-term debt payments) and \$3.083M to surpluses and reserves.

The five year financial plan is prepared annually and must be adopted by Council no later than May 15th. The 2017 Consolidated Financial Plan (which includes the 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.

CAO RECOMMENDATIONS:

That based on the May 1, 2017 Staff Report "2017 – 2021 General Fund Budget and 2017 – 2021 Consolidated Financial Plan", Council endorse OPTION 1 and approve the 2017 – 2021 General Fund Financial Plan which includes the Commercial tax rate multiplier changing from 2.80 to 2.7195 and an increase of 2% derived from property taxation; and

That Council approve the 2017 – 2021 Consolidated Financial Plan as proposed, and direct Staff to include the various schedules in the 2017 – 2021 Consolidated Financial Plan Bylaw.

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 is a consolidation of the General Fund, the Sewer Fund and the Water Fund. This combined document identifies the overall service priorities of the City and is an operating guide for departments that strive to achieve these priorities. It serves as a communications device and makes the City's operations transparent to public officials and the general public. It provides detailed information for the current year and projections for the next four years.

Council was presented the 2017 – 2021 Sewer Fund budget on March 20th and passed the following resolution.

| | |
|--|---|
| <p>.02 2017–2021 SEWER FUND FINANCIAL PLAN 1705-20/ 1715-20</p> | <p>Moved by Hillian and seconded by Wells that based on the March 20, 2017 staff report “2017 – 2021 Sewer Fund Financial Plan” Council approves the 2017 - 2021 Sewer Fund Financial Plan; and</p> <p>That the 2017 sewer rates as identified in Bylaw 2845, 2016 for User Fees (\$294.70 annually) and Frontage Tax (\$10.24 per meter) remain in effect.</p> <p>Carried</p> |
|--|---|

A Supplementary Water and Sewer Fund Financial plan was presented on March 27th and passed the following resolution.

| | |
|---|---|
| <p>.02 2017–2021 WATER AND SEWER FUND FINANCIAL PLAN SUPPLEMENTARY REPORT 1705-20/ 1715-20</p> | <p>Moved by Frisch and seconded by Wells that based on the March 27, 2017 2017 – 2021 Water and Sewer Financial Plans Supplementary Report”, Council approve the 2017 – 2021 Water Fund Financial Plan and changes to the 2017 Sewer Fund Financial Plan Capital projects;</p> <p>That water user fees be increased by 15% for 2017 and 10% for 2018; and,</p> <p>that water frontage rates be increased annually by 25% for 2017 and 2018; and,</p> <p>that staff be directed to amend the “City of Courtenay Fees and Charges Bylaw No. 1673, 1992” and “Water Service Frontage Tax Amendment Bylaw No. 2766, 2013 to reflect the proposed increases.</p> <p>Carried</p> |
|---|---|

On April 3rd, 2017 Council approved three readings to amend the Water Rate Schedules in the City of Courtenay Fees and Charges Bylaw as well as to amend the Water Service Frontage Tax rates Bylaw.

.01
BYLAW NO. 2873,
2017
FEES AND CHARGES
AMENDMENT WATER
AND SEWER

Moved by Wells and seconded by Frisch that “Fees and charges Bylaw No. 2873, 2017” pass first, second and third reading.
Carried

BYLAW NO. 2874,
2017
WATER FRONTAGE

Moved by Frisch and seconded by Wells that “Water Service Frontage Tax Bylaw No. 2874, 2017” pass first, second and third reading.
Carried

On April 18, 2017 Council passed the following resolution following the presentation of the 2017 – 2021 General Fund Budget and 2017 – 2021 Consolidated Financial Plan.

.05
2017 – 2021 DRAFT
GENERAL FUND
BUDGET AND 2017-
2021 CONSOLIDATED
FINANCIAL PLAN
1705-20

Brian Parschauer, Director of Financial Services made a presentation to Council summarizing the 2017 – 2021 General Fund budget highlights.

Moved by Frisch and seconded by Lennox that the presentation be received for information.

Moved by Wells and seconded by Frisch 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.
Carried

The primary purpose of this report is approval of the proposed 2017 General Fund operating and capital budgets. With Council’s endorsement, the proposed schedules are included in the 2017 – 2021 Consolidated Financial Plan Bylaw for reading at the May 1st 2017 regular open council meeting.

DISCUSSION

2017 – 2021 Consolidated Financial Plan Overview:

The annual Financial Plan is the most important document produced by a local government. It sets the government’s taxing and spending direction, 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.

Page 14 of the attached 2017-2021 City of Courtenay Consolidated Financial Plan graphically identifies where the money comes from for 2017, and page 15 graphically identifies where the money goes.

Included on page 25 of the attached 2017 – 2021 Consolidated Financial Plan is a comparison of the property tax and utility costs from neighbouring municipalities on Vancouver Island from BC Provincial Government Local Government statistics website. It shows the sum of all property taxes levied, inclusive of other taxing authorities, utility user fees and parcel taxes imposed by the respective municipalities based on the average residential assessment value for that property.

2017 General Fund Operating Budget Overview:

Similar to the Water and Sewer funds, the 2017 General Fund budget was prepared from departmental submissions as well as from consideration of multiple external sources and cost drivers. The April 18, 2017 report (Attachment # 1) identifies that General Fund Revenues were examined from the perspective of whether they were realistic and reasonable. It also examined past spending patterns, anticipated costs for 2017 through to 2021, and whether those expenditures supported the City of Courtenay 2016-2018 Strategic Priorities.

PROPERTY TAXES

Taxation Revenues – Proposed Revenue Increase

The proposed increase in property tax for general municipal purposes is 2.0% for 2017. The change in the CPI (Consumer Price Index) for BC is 2.3% for the period February 2016 to February 2017. There are a number of cost drivers in the City’s proposed Financial Plan that surpass this index. The 2% tax increase provides a portion of the funding required to meet 2017 budget requirements detailed under the heading “2017 Cost Drivers and Changes in Budgeted Expenditures” on page 34 of the 2017-2021 Consolidated Financial Plan. Cost reductions and operational realignments also assisted in creating savings to help offset any percentage differences.

To re-iterate, the April 18th staff report on the Draft 2017 – 2021 General Fund budget identified the impact of assessment increases on the City’s overall property tax revenue, and new construction revenue increase from \$195,200 in 2016 to \$426,900 in 2017.

Prior year General Fund surplus in the amount of \$2.1 million has been utilized in the Financial Plan to provide funding for both General Fund operations and capital program in order to assist with stabilization of the property tax rates for 2017.

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)

Commercial Multiplier:

Since 2010, the City’s current commercial property tax multiplier has fallen from 3.10 to 2.80. Any modification of this multiplier impacts the tax distribution between other classes, primarily the residential class. Raising the commercial tax multiplier causes an increase to commercial taxes, lowering it causes an increase to residential taxes as identified in the chart below. For 2017, the multiplier has been adjusted to 2.7195 in order to compensate for the significant increase to the average commercial property value in comparison to the average residential value. By adjusting this multiplier, any tax increase to a residential

property is proportionally changed in the same percentage as a tax increase to a commercial property. The average proportional tax change for Class 1 Residential and Class 6 Commercial is 1.58%.

Chart 4: Impact of Changing Class 6 Commercial Multiplier

| | Average Assessment Change | | | Effect of Changing the Class 6 Commercial Multiplier | | | | |
|-----------------------------------|---------------------------|------------|-------|--|---------------------------|---------------------------|-----------------------------|---------------------------|
| | 2016 | 2017 | % | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Class 1 - Residential | | | | | | | | |
| | \$ 301,474 | \$ 311,200 | 3.23% | | | | | |
| Municipal General Tax \$ Increase | | | | \$ (25) | \$ (17) | \$ (9) | \$ (4) | \$ (1) |
| % change in tax levy over 2016 | | | | -2.02% | -1.37% | -0.72% | -0.30% | -0.05% |
| Class 6 - Commercial | | | | Multiplier of 2.85 | Multiplier of 2.80 | Multiplier of 2.75 | Multiplier of 2.7195 | Multiplier of 2.70 |
| | \$ 689,595 | \$ 732,911 | 6.28% | | | | | |
| Municipal General Tax \$ Increase | | | | \$ 210 | \$ 121 | \$ 31 | \$ (24) | \$ (60) |
| % change in tax levy over 2016 | | | | 2.69% | 1.55% | 0.40% | -0.30% | -0.77% |

What does this mean to the Average Taxpayer?

Based on the City’s suggested property tax rate increase, existing commercial rate multiplier and tax rate structure, the following impacts have been calculated:

Residential Class

The property tax increase for an average residential property, valued at \$311,200 (2016 value from BC Statistics) is estimated to increase by 1.58%, or \$19.20 for the municipal taxation portion of the tax notice. This is equivalent to \$1.60 per month or **\$0.05 per day**.

The same average property inclusive of all user fees (Water, Sewer and Garbage) and tax rates collected for other entities (BC Hospital District, Regional District, BC Assessment, Library, School), and net of the home owner grant, results in a property tax increase of \$155.81 or \$12.98 monthly or **\$0.43 per day**.

Commercial Class

The property tax increase for an average commercial property, valued at \$732,911 is estimated to also see an increase of 1.58%, or \$122.92 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.

EXPENDITURES, RESERVES, GRANTS AND SURPLUS FUNDS
2017 Cost Drivers and Changes in Budgeted Expenditures

Attachment # 1 identifies the key drivers for the 2017 -2021 General Fund budget. To summarize, the basic key cost drivers include:

- Personnel costs – higher benefit costs coupled with 2% staff salary/wage increment,
- Departmental re-organizations,
- Request for additional staff plus filling of vacant positions,
- Rising utility rate increases,
- Rising solid waste costs due to the growth of the City, and
- Higher Regional District requisitions.

The utilization of reserves, grants and surplus funds is also identified in the attached 2017 - 2021 General Fund Budget report (Attachment # 1).

No new borrowing is proposed for 2017. However, debt may be required dependent on Council decisions for future large capital projects. All long-term borrowing (over 5 years) contemplated in future years requires a public approval process prior to advancing projects. Borrowing in the 2017 - 2021 Consolidated Financial Plan is shown as a source of capital funding for the following areas:

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

The City currently utilizes approximately **14.5%** of its total allowable debt payment servicing limit.

ADMINISTRATIVE IMPLICATIONS:

Both the 2017 – 2021 Consolidated Financial Plan Bylaw and the 2017 Property Tax Rates Bylaw must be finalized and adopted no later than Monday, May 15, 2017. Staff will present the Bylaws for final reading by Monday May 8th. Any delay with respect to final passage will have an impact on the Municipality's ability to generate current year tax notices.

ASSET MANAGEMENT IMPLICATIONS:

Asset Management principles were utilized when developing the various Fund budgets. The result is that the 2017 – 2021 Consolidated Financial Plan has been developed on the concepts and principles of Asset Management – first, by meeting a required level of service in a cost effective way, and second, using management strategies of selecting the lowest long-term cost solution in light of asset lifecycles.

STRATEGIC PRIORITIES REFERENCE:

The 2017 – 2021 General Fund budget focuses on sustainable service delivery, the 2016 – 2018 Strategic Priorities, plus infrastructure renewal within financial and staff capacity constraints. The 2017 – 2021 Consolidated Financial Plan incorporates the same priorities as 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

We support diversity in housing and reasoned land use planning

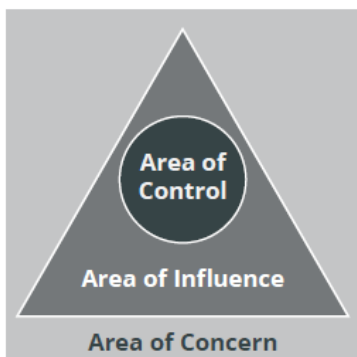
- Support densification aligned with community input and regional growth strategy
- Assess how city-owned lands can support our strategic land acquisitions and disposals
- ▲ Support initiatives and incentives to encourage lower cost housing
- Proactively pursue housing diversity and advocate for senior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

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:

The 2017 – 2021 Consolidated Financial Plan is presented to encourage sound financial management of City assets in order to provide services to all residents within the municipality and region.

It touches on:

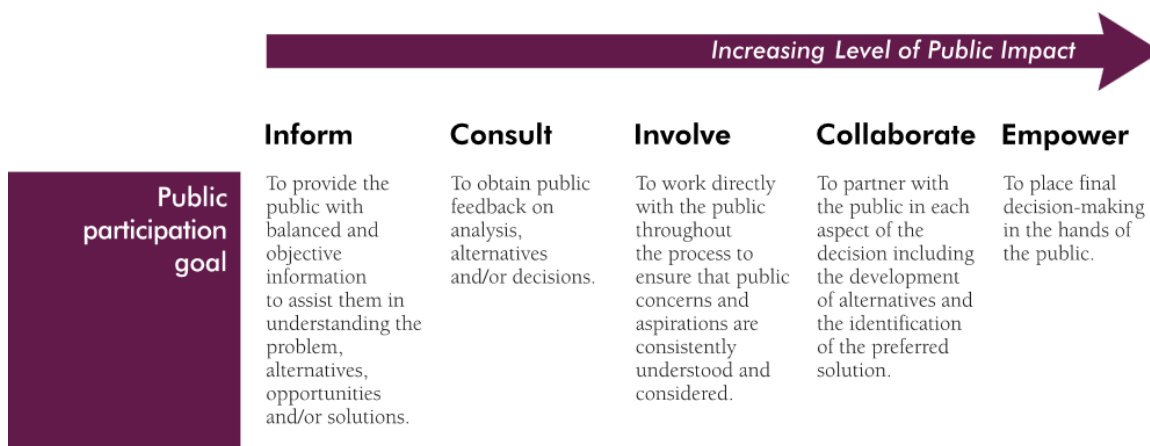
- Ecosystems, Natural Areas and Parks
- Transportation and Infrastructure
- Local Economic Development
- Climate Change

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. Staff undertook the ‘consult’ level of public participation as per the IAP2 Spectrum of Public Participation with the utilization of the Citizen Budget review last fall. The interactive and informative web-based on-line consultation tool “Citizen Budget” where the City received 447 visits to the website with 133 respondents. A staff briefing note with results was provided in early February, 2016 and is available upon request.

In addition to the above, the 2017 – 2021 Consolidated Financial Plan has been posted on the City’s website since April 19, 2017. Responses from the public came from two individuals who made direct inquiries regarding the request and funding for new staff.

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



OPTIONS:

Option 1: That Council approve the 2017 – 2021 General Fund Financial Plan which includes the Commercial tax rate multiplier being reduced from 2.80 to 2.7195, and an increase of 2% derived from property taxation; and

That Council approve the 2017 – 2021 Consolidated Financial Plan as proposed, and direct Staff to include the various schedules in the 2017 – 2021 Consolidated Financial Plan Bylaw. (Recommended)


Option 2: That Council approve an amended 2017 – 2021 General Fund Financial Plan which includes the Commercial tax rate multiplier being reduced from 2.80 to 2.7195 and a Council approved amended percentage increase derived from property taxation; and

That Council approve at a later date, the 2017 – 2021 Consolidated Financial Plan as amended, and direct Staff to include the various schedules in the 2017 – 2021 Consolidated Financial Plan Bylaw.

Option 3: That Council approve an amended 2017 – 2021 General Fund Financial Plan which includes the Commercial tax rate multiplier remaining at 2.80 with no property tax increase; and

That Council approve at a later date, the 2017 – 2021 Consolidated Financial Plan as amended, and direct Staff to include the various schedules in the 2017 – 2021 Consolidated Financial Plan Bylaw.

Prepared by:



Brian Parschauer, BA, CPA-CMA
Director of Finance

Attachments:

1. SR-DFS-2017-04-18 2017-2021 Draft General Fund Budget and 2017 – 2021 Consolidated Financial Plan Report
2. 2017 – 2021 Consolidated Financial Plan



THE CORPORATION OF THE CITY OF COURTENAY

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.

| | |
|---|--|
| <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 |
|---|--|

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.

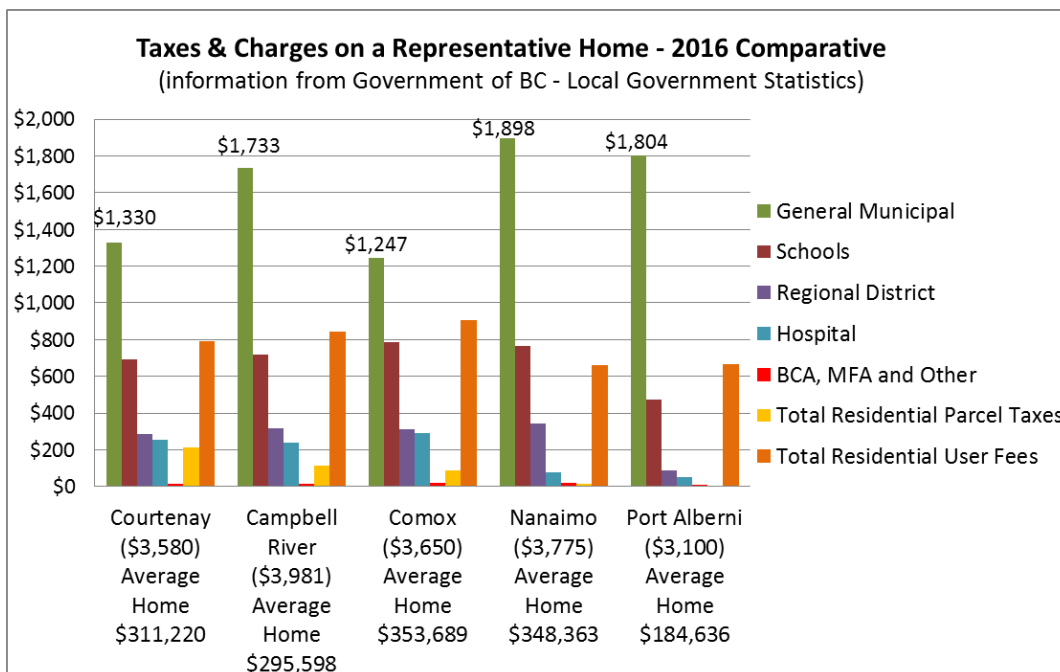
With Council's endorsement, the proposed schedules will be included in the 2017 – 2021 Consolidated Financial Plan Bylaw.

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

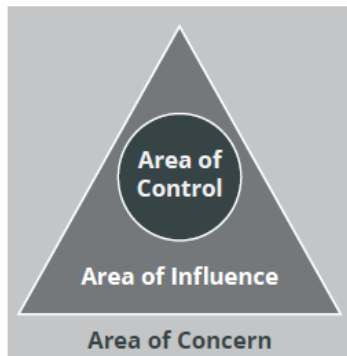
We proactively plan and invest in our natural and built environment

- 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 |
|--|--|--|



● **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:

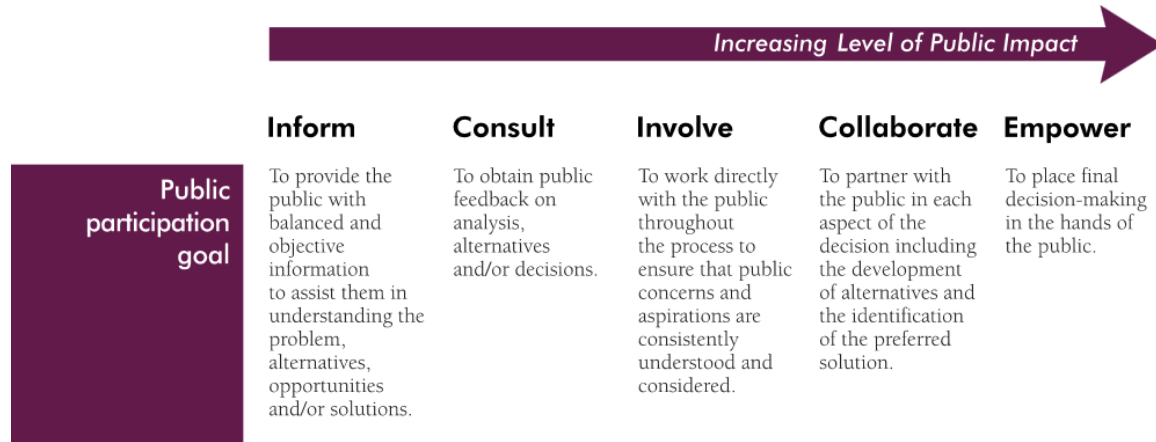
This budget is presented to encourage sound financial management of City assets in order to provide services to all residents within the municipality and region.

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

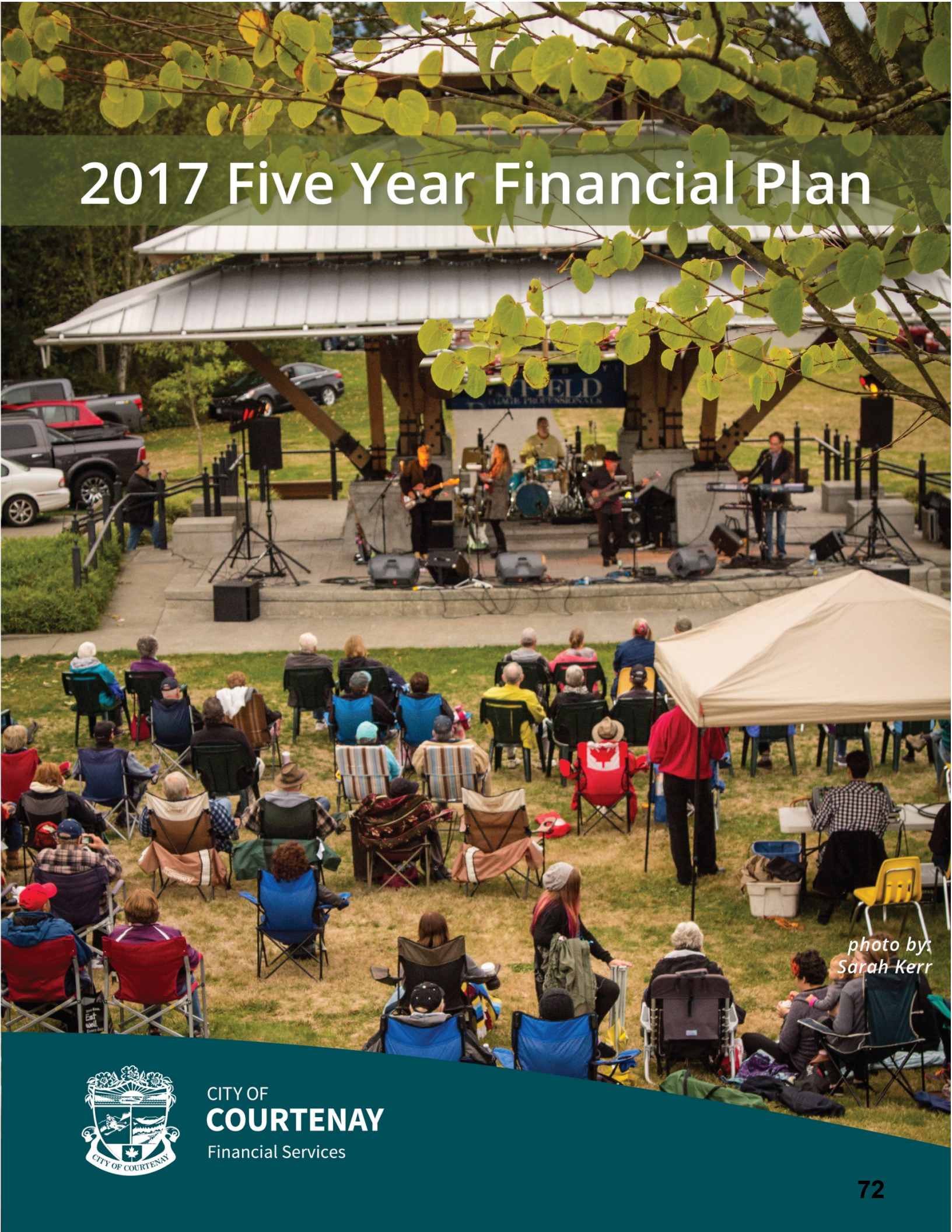


photo by:
Sarah Kerr



CITY OF
COURTENAY
Financial Services

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2017 – 2021 Five-Year Financial Plan



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)

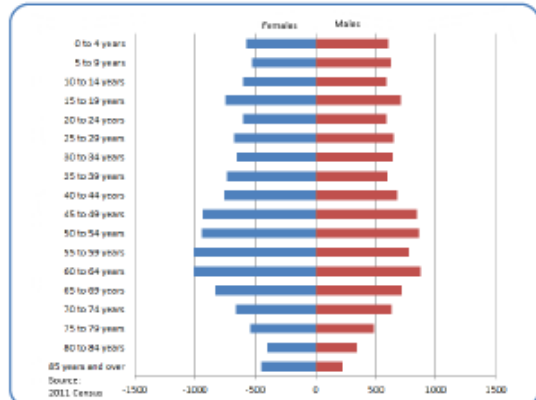
Water

- 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 Sandwich water district mains and hydrants.

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



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.

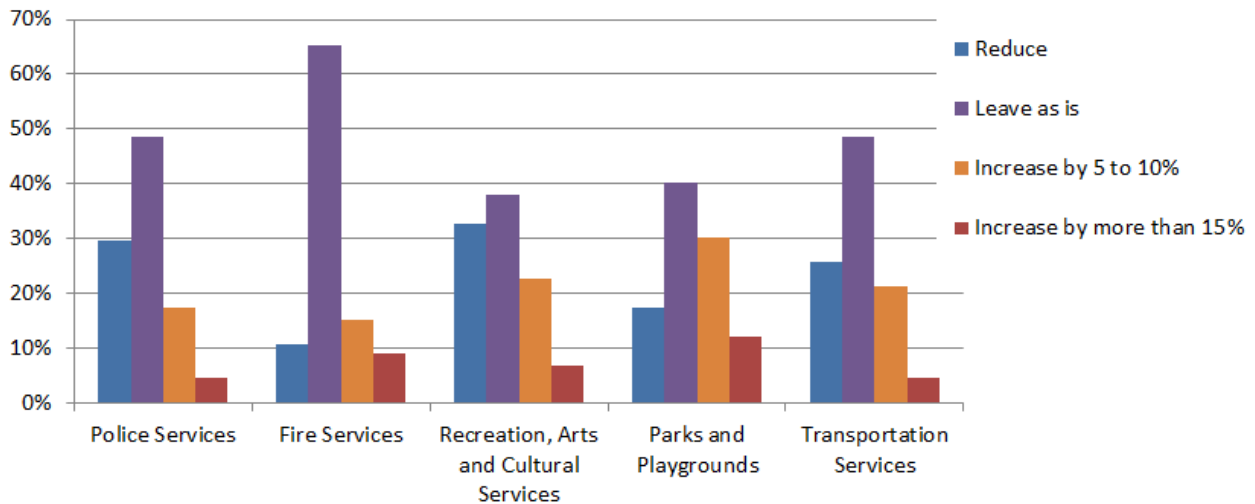
2017 – 2021 Five-Year Financial Plan

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.



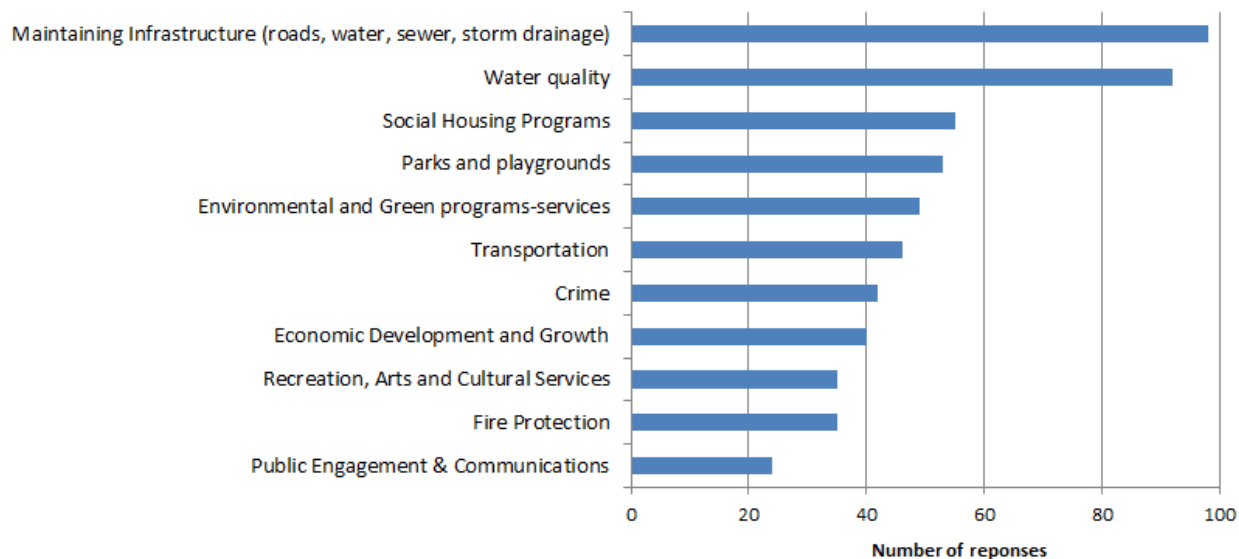
For the Property tax, Water and Sewer, the majority of survey respondents were supportive of a 1-2 percent increase as indicated in this table.

| | 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% |

2017 – 2021 Five-Year Financial Plan

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

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

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 |

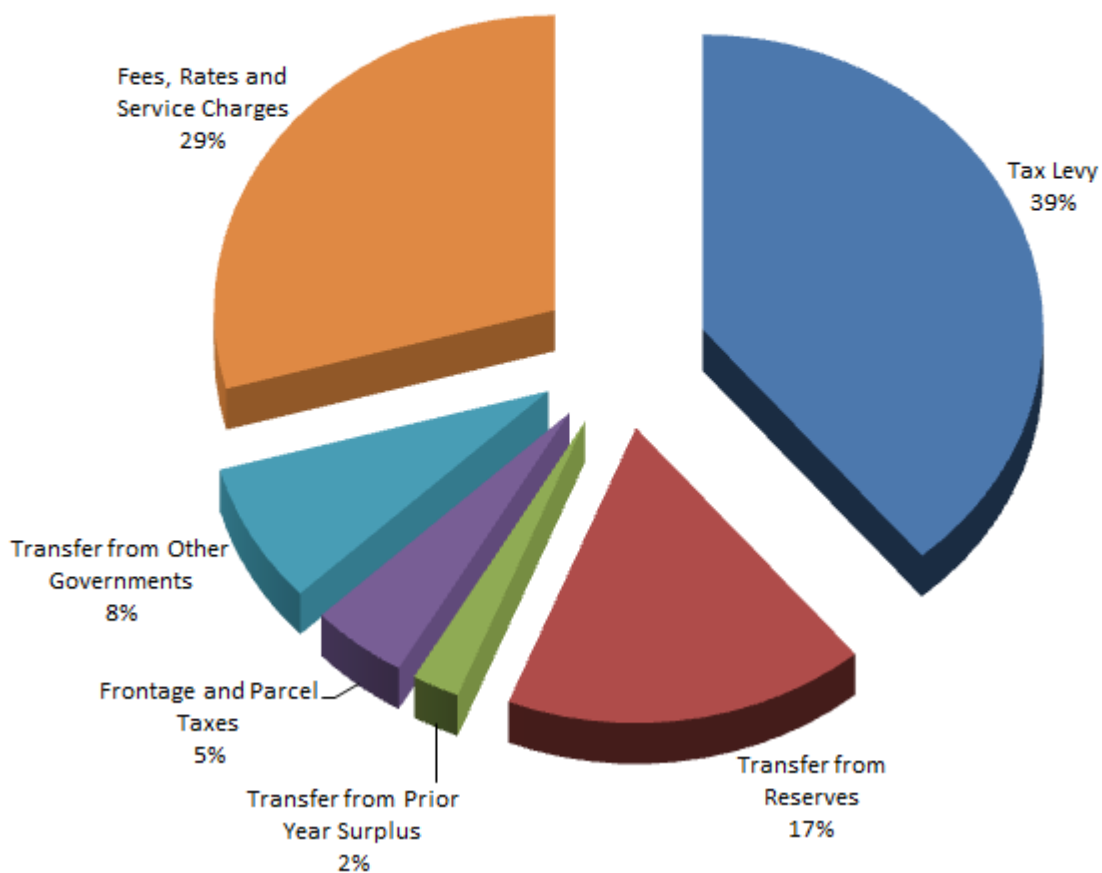
2017 – 2021 Five-Year Financial Plan

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.



Consolidated Financial Plan – Source of funds graph

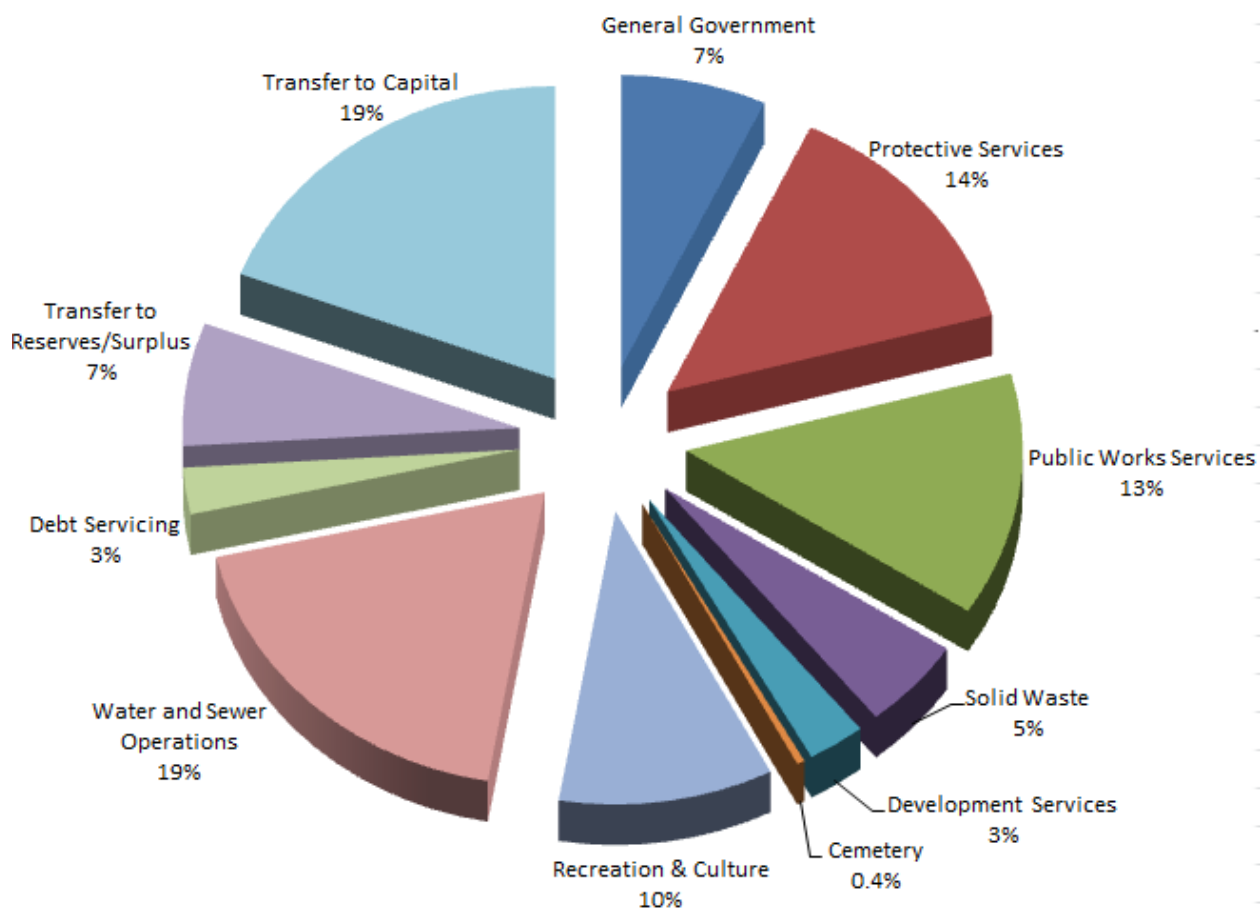
Where the Money comes from: General, Water and Sewer Operating Budgets 2017



2017 – 2021 Five-Year Financial Plan

Consolidated Financial Plan – Use of funds graph

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



2017 – 2021 Five-Year Financial Plan



Consolidated Revenue and Funding Sources

2017 – 2021 Five-Year Financial Plan

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 | 20,574,100 | 21,455,900 | 21,840,700 | 22,218,100 | 22,608,400 |
| Total Property Taxes | 43,940,900 | 46,123,800 | 47,595,700 | 49,391,300 | 52,485,900 |
| 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 | 47,617,400 | 50,070,200 | 52,164,900 | 54,379,300 | 58,007,100 |
| Less: Transfers to Other Governments | (20,703,100) | (21,587,600) | (21,975,000) | (22,355,100) | (22,748,100) |
| Net Taxes for Municipal Purposes | 26,914,300 | 28,482,600 | 30,189,900 | 32,024,200 | 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 | 57,174,000 | 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 | \$67,500,100 | \$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

2017 – 2021 Five-Year Financial Plan

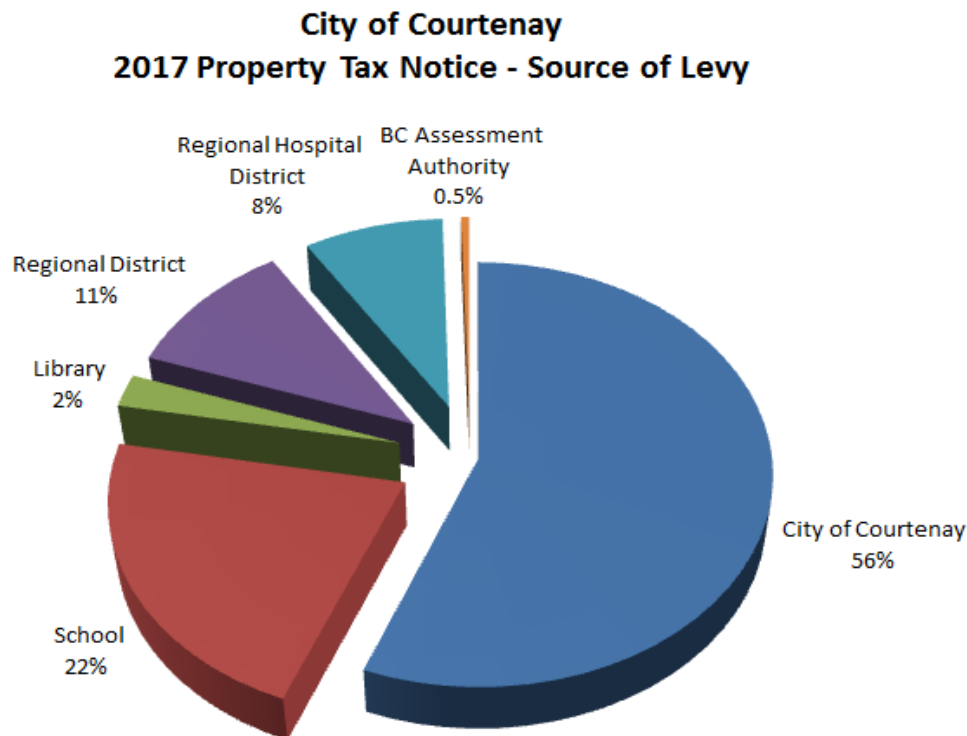
and surplus, etc. The difference between budgeted expenditures and Other Revenue sources is the amount of property tax revenue the City must collect to provide services, and balance the budget.

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



2017 – 2021 Five-Year Financial Plan

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 | 20,199,172 | 20,574,100 | 21,455,900 | 21,840,700 | 22,218,100 | 22,608,400 |
| Total Property Taxes | 42,210,472 | 43,940,900 | 46,123,800 | 47,595,700 | 49,391,300 | 52,485,900 |
| 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 | 45,658,372 | 47,617,400 | 50,070,200 | 52,164,900 | 54,379,300 | 58,007,100 |
| Less Transfer to Other Governments | (20,325,672) | (20,703,100) | (21,587,600) | (21,975,000) | (22,355,100) | (22,748,100) |
| Taxes for Municipal Purposes | \$ 25,332,700 | \$ 26,914,300 | \$ 28,482,600 | \$ 30,189,900 | \$ 32,024,200 | \$ 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.

2017 – 2021 Five-Year Financial Plan

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> |

2017 – 2021 Five-Year Financial Plan

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.

2017 – 2021 Five-Year Financial Plan

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% |

2017 – 2021 Five-Year Financial Plan

Tax Comparisons

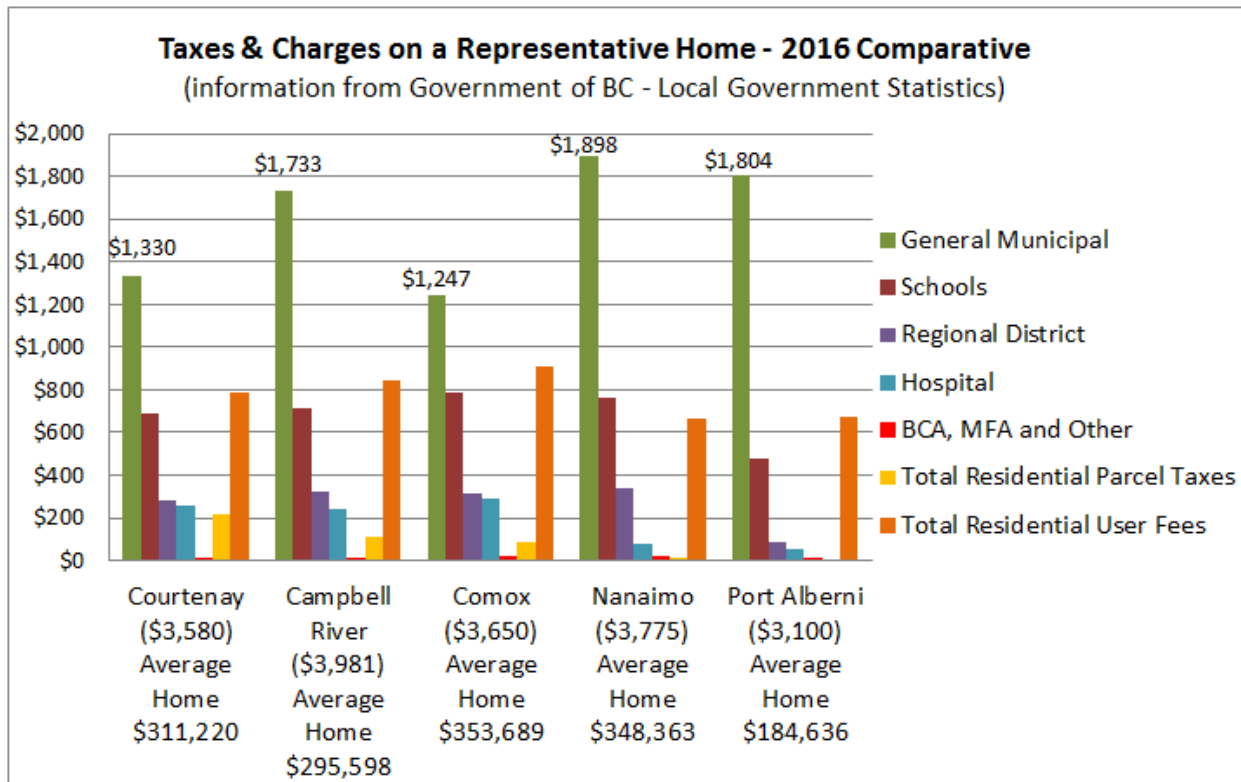
This section provides comparisons on the property value taxes and other taxes. These comparisons include a representative house, commercial taxes, and comparisons with other local governments. These comparisons are based on projected budgets.

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



2017 – 2021 Five-Year Financial Plan

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 | \$ 4,198,323 | \$ 3,976,500 | \$ 4,056,000 | \$ 4,137,100 | \$ 4,219,900 | \$ 4,304,300 |
| School - Residential | 7,049,949 | 6,964,300 | 7,103,600 | 7,245,700 | 7,390,600 | 7,538,400 |
| Regional District Requisition | 4,039,900 | 4,102,100 | 4,184,100 | 4,267,800 | 4,353,200 | 4,440,200 |
| Municipal Finance Authority | 1,000 | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 |
| Regional Hospital District | 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 |
| | \$ 20,199,172 | \$ 20,574,100 | \$ 21,455,900 | \$ 21,840,700 | \$ 22,218,100 | \$ 22,608,400 |

2017 – 2021 Five-Year Financial Plan

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 |

2017 – 2021 Five-Year Financial Plan

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.

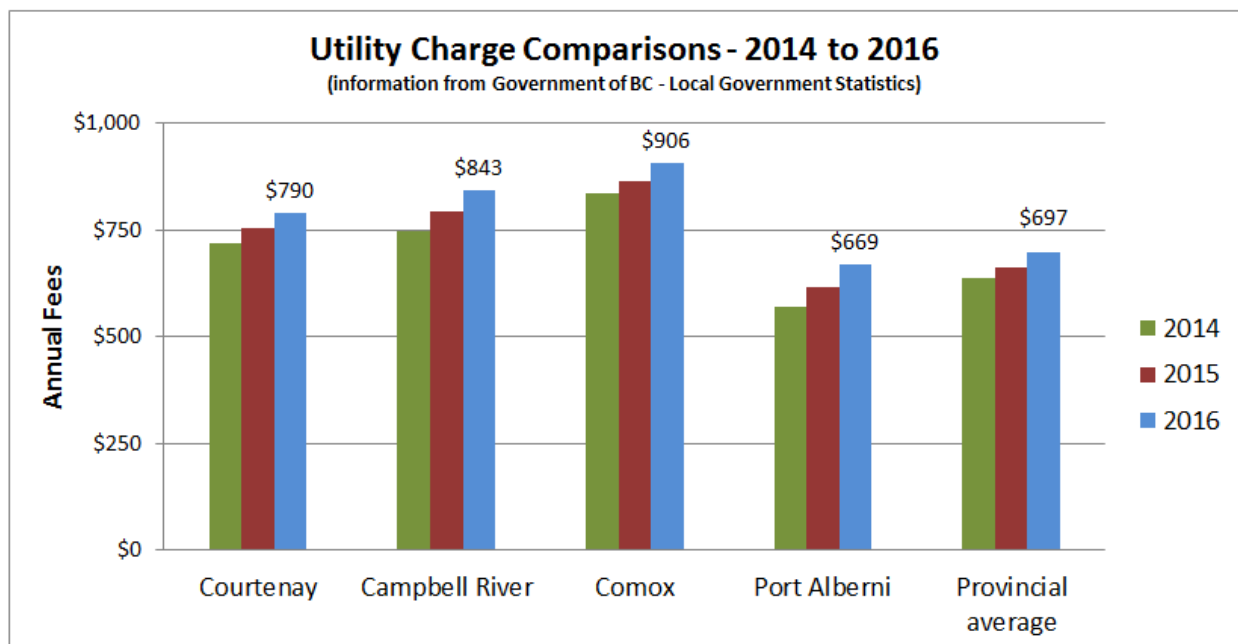
For 2017, the increase to residential consumers is \$55.44 for water, \$26.79 for sewer and \$3.10 for solid waste. The 2017 utility rate for a single family dwelling:

| | |
|-------------|-----------------|
| 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



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

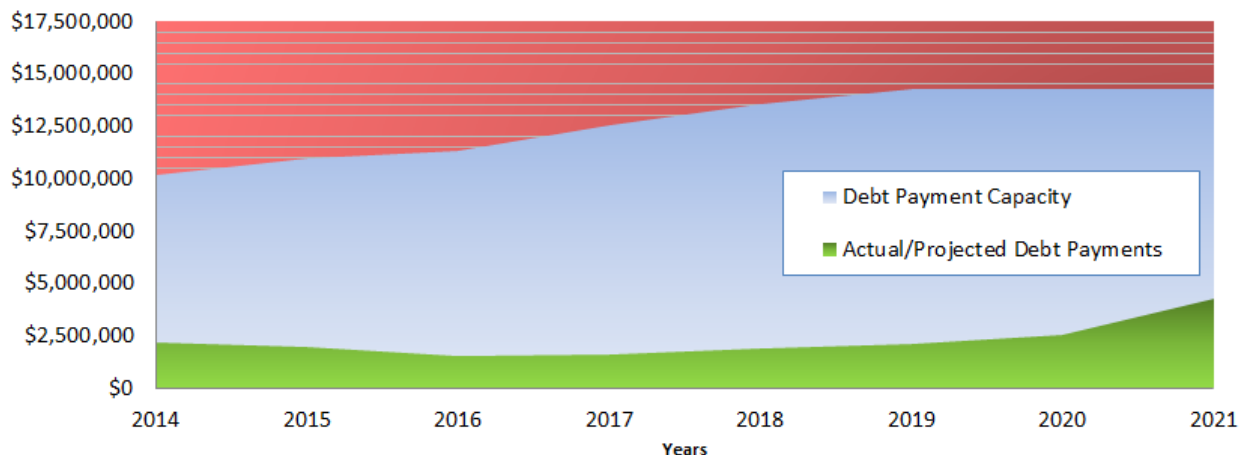
The City's policy regarding borrowing is that it will be considered when determining the funding sources of large capital projects that provide benefits to taxpayers over a long period of time.

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



2017 – 2021 Five-Year Financial Plan

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



2017 – 2021 Five-Year Financial Plan



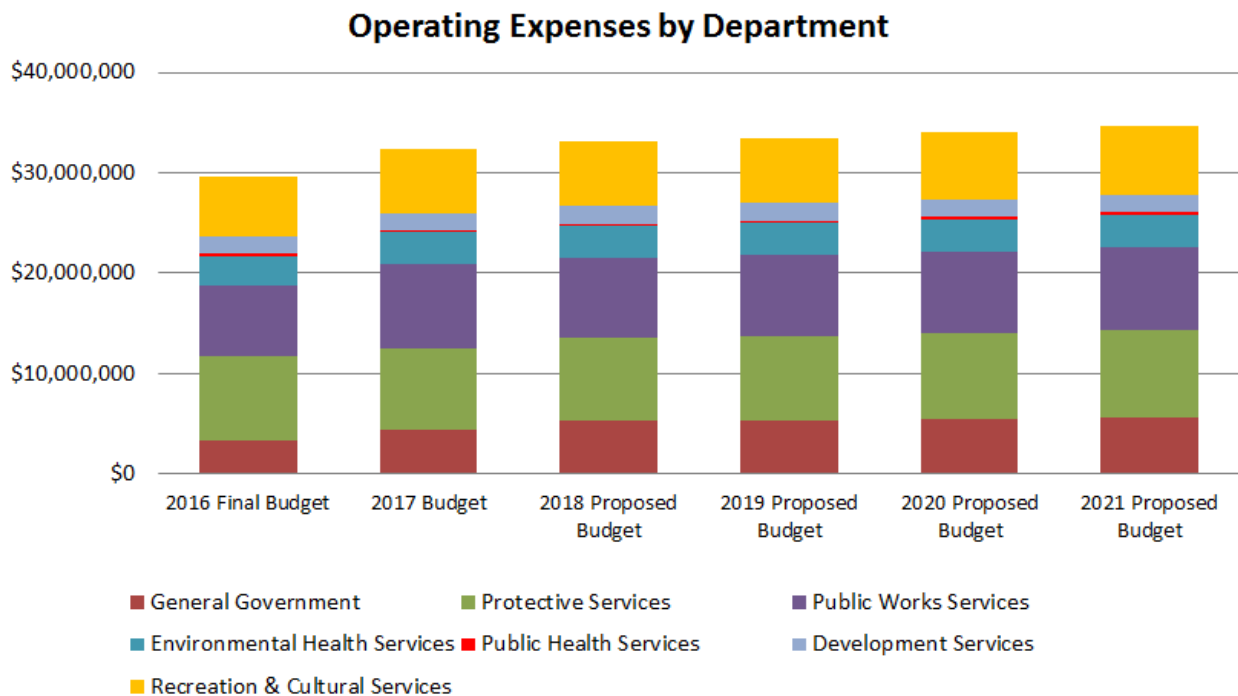
General Fund

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 |

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 |

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 |



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.

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.

2017 – 2021 Five-Year Financial Plan

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 |

2017 – 2021 Five-Year Financial Plan

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 |

2017 – 2021 Five-Year Financial Plan

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.

2017 – 2021 Five-Year Financial Plan

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 |

2017 – 2021 Five-Year Financial Plan

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.

2017 – 2021 Five-Year Financial Plan

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.

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.

2017 – 2021 Five-Year Financial Plan

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 |

2017 – 2021 Five-Year Financial Plan

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 |

2017 – 2021 Five-Year Financial Plan



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.

2017 – 2021 Five-Year Financial Plan

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.

2017 – 2021 Five-Year Financial Plan

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.

2017 – 2021 Five-Year Financial Plan

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

| 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 |
| | 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.

2017 – 2021 Five-Year Financial Plan

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:

- o 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.
- o 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.
- o Re-classification of the City's water distribution system from Class 1 to Class 4.

2017 – 2021 Five-Year Financial Plan

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%

2017 – 2021 Five-Year Financial Plan

- 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.

2017 – 2021 Five-Year Financial Plan

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.



2017 – 2021 Five-Year Financial Plan

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.

2017 – 2021 Five-Year Financial Plan

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



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



2017 – 2021 Five-Year Financial Plan

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% |

2017 – 2021 Five-Year Financial Plan

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% |

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% |

2017 – 2021 Five-Year Financial Plan

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 | | 20,574,100 | 21,455,900 | 21,840,700 | 22,218,100 | 22,608,400 |
| Total Property Taxes | | 43,940,900 | 46,123,800 | 47,595,700 | 49,391,300 | 52,485,900 |
| 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 | | 47,617,400 | 50,070,200 | 52,164,900 | 54,379,300 | 58,007,100 |
| Less: Transfers to Other Governments | | (20,703,100) | (21,587,600) | (21,975,000) | (22,355,100) | (22,748,100) |
| Net Taxes for Municipal Purposes | | 26,914,300 | 28,482,600 | 30,189,900 | 32,024,200 | 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 | 57,174,000 | 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 | 67,500,100 | 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 | \$ 71,925,100 | \$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 | 386,100 | 1,609,800 |
| Total to Reserves and Surplus | | 4,201,900 | 4,953,900 | 4,419,100 | 4,826,500 | 6,520,000 |
| | | \$ 66,207,700 | \$ 72,536,800 | \$ 71,499,100 | \$ 71,925,100 | \$101,315,800 |

2017 – 2021 Five-Year Financial Plan

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 | 20,574,100 | 21,455,900 | 21,840,700 | 22,218,100 | 22,608,400 |
| Total Taxes Collected | 43,940,900 | 46,123,800 | 47,595,700 | 49,391,300 | 52,485,900 |
| Less: | | | | | |
| Property Taxes for Other Governments | (20,574,100) | (21,455,900) | (21,840,700) | (22,218,100) | (22,608,400) |
| Portion of Grants in Place of Taxes | (129,000) | (131,700) | (134,300) | (137,000) | (139,700) |
| | (20,703,100) | (21,587,600) | (21,975,000) | (22,355,100) | (22,748,100) |
| Net Municipal Taxes | 23,237,800 | 24,536,200 | 25,620,700 | 27,036,200 | 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 | 27,904,700 | 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 | \$45,435,000 | \$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 | 151,300 | 629,100 |
| | 6,119,500 | 6,804,800 | 6,208,300 | 7,228,100 | 9,507,200 |
| | \$42,680,500 | \$44,091,600 | \$43,845,700 | \$45,435,000 | \$48,315,000 |

2017 – 2021 Five-Year Financial Plan

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 |

2017 – 2021 Five-Year Financial Plan

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 |

2017 – 2021 Five-Year Financial Plan

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 |

2017 – 2021 Five-Year Financial Plan

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 |

2017 – 2021 Five-Year Financial Plan

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

| Water Capital Fund | Budget | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2017 | 2018 | 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



BRIEFING NOTE

To: Council

File No.: 1705-20

From: Chief Administrative Officer

Date: April 27, 2017

Subject: Personnel Costs – Correction to Public Misunderstanding

ISSUE:

There appears to be a misunderstanding of the past and future City staffing costs in discussion of the Staff Report “Human Resources Action Plan – 2017” provided at the Regular Council Meeting of April 18, 2017. The purpose of this Briefing Note is to reiterate the correct information.

BACKGROUND:

There has been a concern expressed in the media and during Council discussions regarding the amount of 2013 staffing costs. There has been additional confusion over speculation of future costs to fill the staffing gap identified in the Action Plan report.

KEY CONSIDERATIONS:

The City of Courtenay audited Payroll Total for 2013 was \$9,063,826 for all salaries and wages plus the additional total cost of benefits and retirement accruals of \$2,450,544. **Therefore, the total cost of 2013 City payroll was \$11,514,406.**

When full recruitment of the staffing increases described in the Action Plan report has been achieved, the total annual cost of salaries, wages and benefits will be \$1,020,250. The draft 2017-2021 Five-Year Financial Plan contains a lesser amount of \$500,000 to accommodate only partial capacity adjustments in 2017 due to the time lag to recruit, select and final arrival of any new staff members. The Plan anticipates that the total annual wages, salary and benefits impact will be incurred beginning in 2018. Furthermore, for 2017 and 2018, these positions will be funded through prior year surpluses. For future years, it is projected that these new positions will be funded largely if not entirely by additional revenue from new construction assessment growth. This means minimal or no impact on property taxes.

The writer inaccurately stated in the Council meeting of April 24, 2017 that the Benefit costs were not included in the 2013 budget which caused a \$2.0M variance. This was a misstatement and an apology has been provided to the former Director of Finance.

Respectfully Submitted

Brian Parschauer, BA, CPA-CMA
Director of Finance

THE CORPORATION OF THE CITY OF COURTENAY

BYLAW NO. 2867

A bylaw to amend Zoning Bylaw No. 2500, 2007

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 **“Zoning Amendment Bylaw No. 2867, 2017”**.
2. That “Zoning Bylaw No. 2500, 2007” be hereby amended as follows:
 - a. Amending Subsection 18.19.1 by permitting a liquor store on Lot 2, Section 41, Comox District, Plan VIP7510 (1599 Cliffe Avenue).

This bylaw shall come into effect upon final adoption hereof.

Read a first time this 18th day of April, 2017

Read a second time this 18th day of April, 2017

Considered at a Public Hearing this day of , 2017

Read a third time this day of , 2017

Finally passed and adopted this day of , 2017

Mayor

Director of Legislative Services

THE CORPORATION OF THE CITY OF COURTENAY

BYLAW NO. 2871

A bylaw to amend Zoning Bylaw No. 2500, 2007

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 **“Zoning Amendment Bylaw No. 2871, 2017”**.
2. That “Zoning Bylaw No. 2500, 2007” be hereby amended as follows:
 - (a) Amending Subsection 8.22.2, Permitted Uses by adding a new item 11 “medical clinic on Parcel A (DD53537W) of Lot 114 Section 61, Comox District, Plan 472A, Parcel A (DD53537W) of Lot 115, Section 61, Comox District, Plan 472A and Amended Lot 111 (DD 43419N) Section 61, Comox District, Plan 472-A Except That Part Thereof Lying to the South East of a Boundary Parallel to and Perpendicularly Distant 10 Feet from the South Easterly Boundary of Said Lot (308, 320 and 332 3rd Street).”
3. This bylaw shall come into effect upon final adoption hereof.

| | | |
|-------------------------------------|--------|--------|
| Read a first time this | day of | , 2017 |
| Read a second time this | day of | , 2017 |
| Considered at a Public Hearing this | day of | , 2017 |
| Read a third time this | day of | , 2017 |
| Finally passed and adopted this | day of | , 2017 |

Mayor

Director of Legislative Services

THE CORPORATION OF THE CITY OF COURTENAY

BYLAW NO. 2879

A bylaw to adopt the consolidated five year financial plan

WHEREAS the *Community Charter*, being SBC Chapter 26, 2003, requires a five year financial plan that is adopted annually;

AND WHEREAS the financial plan shall by bylaw be adopted before the annual property tax bylaw is adopted;

AND WHEREAS the planning period for a financial plan is five years, being the year in which it is specified to come into force and the following 4 years;

AND WHEREAS the *Community Charter*, being SBC Chapter 26, 2003, Section 173, requires that a municipality must not make an expenditure other than one authorized and provided for in the financial plan;

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 **“The 2017 – 2021 Consolidated Financial Plan Bylaw No. 2879, 2017”**.
2. Schedule “A” attached hereto and made part of this bylaw is hereby adopted as the 2017 – 2021 statement of objectives and policies for the proportion of total revenue from property value taxes, parcel taxes, fees and charges, borrowing, and other funding sources.
3. Schedule “B” attached hereto and made part of this bylaw is hereby adopted as the 2017 – 2021 statement of the distribution of property value taxes among the property classes.
4. Schedule “C” attached hereto and made part of this bylaw is hereby adopted as the 2017 – 2021 statement of the use of permissive tax exemptions.
5. Schedule “D” attached hereto and made part of this bylaw is hereby adopted as the 2017 – 2021 Consolidated Financial Plan.
6. Schedule “E” attached hereto and made part of this bylaw is hereby adopted as the 2017 – 2021 General Operating Fund Financial Plan.
7. Schedule “F” attached hereto and made part of this bylaw is hereby adopted as the 2017 – 2021 Sewer Operating Fund Financial Plan.

8. Schedule “G” attached hereto and made part of this bylaw is hereby adopted as the 2017 – 2021 Water Operating Fund Financial Plan.
9. Schedule “H” attached hereto and made part of this bylaw is hereby adopted as the 2017 – 2021 General Capital Fund Financial Plan.
10. Schedule “I” attached hereto and made part of this bylaw is hereby adopted as the 2017 – 2021 Sewer Capital Fund Financial Plan.
11. Schedule “J” attached hereto and made part of this bylaw is hereby adopted as the 2017 – 2021 Water Capital Fund Financial Plan.
12. “The Final 2016 – 2020 Financial Plan Bylaw No. 2848, 2016” is hereby repealed.

Read a first time this day of May, 2017

Read a second time this day of May, 2017

Read a third time this day of May, 2017

Finally passed and adopted this day of May, 2017

Mayor

Director of Legislative Services

City of Courtenay
 BYLAW NO. 2879, 2017
 A Bylaw To Adopt the Consolidated Five Year Financial Plan of the
 City of Courtenay for the Years 2017 - 2021
 Schedule A

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% |

City of Courtenay
 BYLAW NO. 2879, 2017
 A Bylaw To Adopt the Consolidated Five Year Financial Plan of the
 City of Courtenay for the Years 2017 - 2021
 Schedule B

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.

| | 2015 | | 2016 | | 2017 | |
|--------------------------|---------------|--------------------|---------------|--------------------|---------------|--------------------|
| Property Class | 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% |

City of Courtenay
 BYLAW NO. 2879, 2017
 A Bylaw To Adopt the Consolidated Five Year Financial Plan of the
 City of Courtenay for the Years 2017 - 2021
 Schedule C

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% |

City of Courtenay
 BYLAW NO. 2879, 2017
 A Bylaw To Adopt the Consolidated Five Year Financial Plan of the
 City of Courtenay for the Years 2017 - 2021
 Schedule D

| 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 | 20,574,100 | 21,455,900 | 21,840,700 | 22,218,100 | 22,608,400 |
| Total Property Taxes | 43,940,900 | 46,123,800 | 47,595,700 | 49,391,300 | 52,485,900 |
| 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 | 47,617,400 | 50,070,200 | 52,164,900 | 54,379,300 | 58,007,100 |
| Less: Transfers to Other Governments | (20,703,100) | (21,587,600) | (21,975,000) | (22,355,100) | (22,748,100) |
| Net Taxes for Municipal Purposes | 26,914,300 | 28,482,600 | 30,189,900 | 32,024,200 | 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 | 57,174,000 | 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 |
| Fom 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 | 67,500,100 | 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 | \$ 71,925,100 | \$ 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 | 386,100 | 1,609,800 |
| Total to Reserves and Surplus | 4,201,900 | 4,953,900 | 4,419,100 | 4,826,500 | 6,520,000 |
| | \$ 66,207,700 | \$ 72,536,800 | \$ 71,499,100 | \$ 71,925,100 | \$ 101,315,800 |

Schedule D

City of Courtenay
 BYLAW NO. 2879, 2017
 A Bylaw To Adopt the Consolidated Five Year Financial Plan of the
 City of Courtenay for the Years 2017 - 2021
 Schedule E

| 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 | 20,574,100 | 21,455,900 | 21,840,700 | 22,218,100 | 22,608,400 |
| Total Taxes Collected | 43,940,900 | 46,123,800 | 47,595,700 | 49,391,300 | 52,485,900 |
| Less: | | | | | |
| Property Taxes for Other Governments | (20,574,100) | (21,455,900) | (21,840,700) | (22,218,100) | (22,608,400) |
| Portion of Grants in Place of Taxes | (129,000) | (131,700) | (134,300) | (137,000) | (139,700) |
| | (20,703,100) | (21,587,600) | (21,975,000) | (22,355,100) | (22,748,100) |
| Net Municipal Taxes | 23,237,800 | 24,536,200 | 25,620,700 | 27,036,200 | 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 | 27,904,700 | 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 | \$45,435,000 | \$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 | 151,300 | 629,100 |
| | 6,119,500 | 6,804,800 | 6,208,300 | 7,228,100 | 9,507,200 |
| | \$42,680,500 | \$44,091,600 | \$43,845,700 | \$45,435,000 | \$48,315,000 |

City of Courtenay
 BYLAW NO. 2879, 2017
 A Bylaw To Adopt the Consolidated Five Year Financial Plan of the
 City of Courtenay for the Years 2017 - 2021
 Schedule F

| Sewer Operating Fund | 2017 | 2018 | Budget 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 | <u>6,238,500</u> | <u>6,692,600</u> | <u>7,241,200</u> | <u>7,512,600</u> | <u>7,804,000</u> |
| Reserves & Surplus | | | | | |
| Future Expenditure Reserve | 183,300 | 160,000 | - | - | - |
| Surplus | - | - | - | - | - |
| | <u>183,300</u> | <u>160,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Equity in Capital Assets | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 |
| | <u>125,000</u> | <u>125,000</u> | <u>125,000</u> | <u>125,000</u> | <u>125,000</u> |
| Total Revenues | <u>\$ 6,546,800</u> | <u>\$ 6,977,600</u> | <u>\$ 7,366,200</u> | <u>\$ 7,637,600</u> | <u>\$ 7,929,000</u> |
| 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 |
| | <u>5,273,500</u> | <u>5,487,300</u> | <u>5,733,900</u> | <u>6,069,500</u> | <u>6,053,000</u> |
| Amortization | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 |
| Total Operating Expenses | <u>5,398,500</u> | <u>5,612,300</u> | <u>5,858,900</u> | <u>6,194,500</u> | <u>6,178,000</u> |
| Transfers to Other Funds | | | | | |
| Sewer Capital Fund | 437,700 | 771,800 | 1,231,800 | 1,231,800 | 1,231,800 |
| | <u>437,700</u> | <u>771,800</u> | <u>1,231,800</u> | <u>1,231,800</u> | <u>1,231,800</u> |
| 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 | <u>381,200</u> | <u>381,200</u> | <u>231,100</u> | <u>206,000</u> | <u>381,000</u> |
| Transfer to Appropriated Surplus | | | | | |
| Surplus contingency | 329,400 | 212,300 | 44,400 | 5,300 | 138,200 |
| | <u>329,400</u> | <u>212,300</u> | <u>44,400</u> | <u>5,300</u> | <u>138,200</u> |
| Total Expenses | <u>\$ 6,546,800</u> | <u>\$ 6,977,600</u> | <u>\$ 7,366,200</u> | <u>\$ 7,637,600</u> | <u>\$ 7,929,000</u> |

City of Courtenay
 BYLAW NO. 2879, 2017
 A Bylaw To Adopt the Consolidated Five Year Financial Plan of the
 City of Courtenay for the Years 2017 - 2021
 Schedule G

| Water Operating Fund | 2017 | 2018 | Budget 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 |

City of Courtenay
 BYLAW NO. 2879, 2017
 A Bylaw To Adopt the Consolidated Five Year Financial Plan of the
 City of Courtenay for the Years 2017 - 2021
 Schedule H

| 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 |

City of Courtenay
 BYLAW NO. 2879, 2017
 A Bylaw To Adopt the Consolidated Five Year Financial Plan of the
 City of Courtenay for the Years 2017 - 2021
 Schedule I

| Sewer Capital Fund | 2017 | 2018 | Budget 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 |
| | <u>437,700</u> | <u>771,800</u> | <u>1,231,800</u> | <u>1,231,800</u> | <u>1,231,800</u> |
| 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 | - | - | - |
| | <u>955,800</u> | <u>1,860,000</u> | <u>250,000</u> | <u>250,000</u> | <u>250,000</u> |
| Funding from Debt | - | 1,400,000 | - | - | - |
| Total Revenues | <u>\$1,393,500</u> | <u>\$4,031,800</u> | <u>\$1,481,800</u> | <u>\$1,481,800</u> | <u>\$1,481,800</u> |
| 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 |
| | <u>130,100</u> | <u>231,800</u> | <u>231,800</u> | <u>231,800</u> | <u>231,800</u> |
| 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 | - | - | - |
| | <u>1,263,400</u> | <u>3,800,000</u> | <u>1,250,000</u> | <u>1,250,000</u> | <u>1,250,000</u> |
| Total Expenditures | <u>\$1,393,500</u> | <u>\$4,031,800</u> | <u>\$1,481,800</u> | <u>\$1,481,800</u> | <u>\$1,481,800</u> |

City of Courtenay
 BYLAW NO. 2879, 2017
 A Bylaw To Adopt the Consolidated Five Year Financial Plan of the
 City of Courtenay for the Years 2017 - 2021
 Schedule J

| 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 |
| | <u>647,600</u> | <u>630,600</u> | <u>1,230,600</u> | <u>1,730,600</u> | <u>1,730,600</u> |
| Reserves & Surplus | | | | | |
| Community Works (Gas Tax) | 2,100,000 | - | - | - | - |
| Other Reserves | 1,319,000 | 699,200 | 300,000 | 300,000 | 300,000 |
| | <u>3,419,000</u> | <u>699,200</u> | <u>300,000</u> | <u>300,000</u> | <u>300,000</u> |
| Total Revenues | <u>\$4,066,600</u> | <u>\$1,329,800</u> | <u>\$1,530,600</u> | <u>\$2,030,600</u> | <u>\$2,030,600</u> |
| 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 |
| | <u>30,600</u> | <u>30,600</u> | <u>30,600</u> | <u>30,600</u> | <u>30,600</u> |
| 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 | - | - | - |
| | <u>4,036,000</u> | <u>1,299,200</u> | <u>1,500,000</u> | <u>2,000,000</u> | <u>2,000,000</u> |
| Total Expenditures | <u>\$4,066,600</u> | <u>\$1,329,800</u> | <u>\$1,530,600</u> | <u>\$2,030,600</u> | <u>\$2,030,600</u> |

CITY OF COURTENAY
BYLAW REFERENCE FORM

BYLAW TITLE

2017-2021 Consolidated Financial Plan Bylaw No. 2879, 2017

REASON FOR BYLAW

STATUTORY AUTHORITY FOR BYLAW

Section 165(2) of the *Community Charter*

OTHER APPROVALS REQUIRED

STAFF COMMENTS AND/OR REPORTS

OTHER PROCEDURES REQUIRED

May 1, 2017

B. Parschauer
Staff Member

THE CORPORATION OF THE CITY OF COURTENAY

BYLAW NO. 2880

**A bylaw to impose rates on all
taxable lands and improvements**

Whereas pursuant to the provisions of the *Community Charter* the Council must each year, by bylaw, impose property value taxes on all land and improvements according to the assessed value thereof, by establishing rates for:

- a. the municipal revenue proposed to be raised for the year from property value taxes, as provided in the financial plan, and
- b. the amounts to be collected for the year by means of rates established by the municipality to meet its taxing obligations in relation to another local government or other public body;

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 **“Tax Rates Bylaw No. 2880, 2017”**.
2. The following rates are hereby imposed and levied for the year 2017:
 - (a) For all lawful general purposes of the municipality, on the assessed value of land and improvements taxable for general municipal purposes, rates appearing in column “A” of the schedule attached hereto and forming a part of this bylaw hereof;
 - (b) For debt purposes, on the assessed value of land and improvements taxable for general municipal purposes, rates appearing in column “B” of the schedule attached hereto and forming a part of this bylaw hereof;
 - (c) For purposes of the Vancouver Island Regional Library on the assessed value of land and improvements taxable for general municipal purposes, rates appearing in column “C” of the schedule attached hereto and forming a part of this bylaw hereof;
 - (d) For purposes of the Comox Valley Regional District on the assessed value of land and improvements taxable for general municipal purposes, rates appearing in column “D” of the schedule attached hereto and forming a part of this bylaw hereof;
 - (e) For purposes of the Comox Valley Regional District on the assessed value of land and improvements taxable for general hospital purposes, rates appearing in Column “E” of the schedule attached hereto and forming a part of this bylaw hereof;

- (f) For purposes of the Comox-Strathcona Regional Hospital District on the assessed value of land and improvements taxable for hospital purposes, rates appearing in column “F” of the schedule attached hereto and forming a part of this bylaw hereof;
 - (g) For purposes of the Municipal Finance Authority on the assessed value of land and improvements for general municipal purposes, rates appearing in column “G” of the schedule attached hereto and forming a part of this bylaw hereof.
 - (h) For purposes of the B.C. Assessment Authority on the assessed value of land and improvements for general municipal purposes, rates appearing in column “H” of the schedule attached hereto and forming a part of this bylaw hereof.
 - (i) For purposes of the Downtown Courtenay Business Improvement Area on the assessed value of land and improvements for general municipal purposes, rates appearing in column “I” of the schedule attached hereto and forming a part of this bylaw hereof.
3. As soon as is practicable after the 2nd day of July, 2017, there shall be added to the unpaid taxes of the current year, in respect of each parcel of land and its improvements on the property tax roll, ten percent of the amount unpaid as of the 2nd day of July, 2017; and the said unpaid taxes together with the amount added as aforesaid, shall be deemed to be taxes of the current year due on such land and improvements.

Read a first time this day of May, 2017

Read a second time this day of May, 2017

Read a third time this day of May, 2017

Finally passed and adopted this day of May, 2017

Mayor

Director of Legislative Services

BYLAW NO. 2880, 2017

SCHEDULE

Tax Rates (dollars of tax per \$1000 taxable value)

| Property Class | A General Municipal | B Debt | C Library | D Regional District (rates applied to general assessment) | E Regional District (rates applied to hospital assessment) | F Regional Hospital District | G Municipal Finance Authority | H B.C Assessment Authority | I Downtown Courtenay Business Improvement Area |
|-------------------------------|---------------------------|-----------|--------------|--|--|---------------------------------------|--|-------------------------------------|---|
| 1. Residential | 3.7414 | 0.2355 | 0.2215 | 0.5066 | 0.4535 | 0.7587 | 0.0002 | 0.0432 | 0.0000 |
| 2. Utilities | 25.4365 | 1.6008 | 1.5059 | 3.5459 | 1.5871 | 2.6555 | 0.0007 | 0.4981 | 0.0000 |
| 3. Supportive Housing | 3.7414 | 0.2355 | 0.2215 | 0.5066 | 0.4535 | 0.7587 | 0.0002 | 0.0000 | 0.0000 |
| 4. Major Industry | 14.5913 | 0.9183 | 0.8639 | 1.9756 | 1.5418 | 2.5796 | 0.0007 | 0.4981 | 0.0000 |
| 5. Light Industry | 14.5913 | 0.9183 | 0.8639 | 1.9756 | 1.5418 | 2.5796 | 0.0007 | 0.1393 | 1.2460 |
| 6. Business / Other | 10.1746 | 0.6403 | 0.6024 | 1.3776 | 1.1110 | 1.8588 | 0.0005 | 0.1393 | 1.2460 |
| 8. Recreation / Non-Profit | 3.7414 | 0.2355 | 0.2215 | 0.5066 | 0.4535 | 0.7587 | 0.0002 | 0.2831 | 0.0000 |
| 9. Farm | 3.7414 | 0.2355 | 0.2215 | 0.5066 | 0.4535 | 0.7587 | 0.0002 | 0.0432 | 0.0000 |

CITY OF COURTENAY
BYLAW REFERENCE FORM

BYLAW TITLE

Tax Rates Bylaw No. 2880, 2017

REASON FOR BYLAW

To establish the property value taxation rates for 2017

STATUTORY AUTHORITY FOR BYLAW

Section 197 of the *Community Charter*

OTHER APPROVALS REQUIRED

STAFF COMMENTS AND/OR REPORTS

OTHER PROCEDURES REQUIRED

May 1, 2017

B. Parschauer
Staff Member

**THE CORPORATION OF THE CITY OF COURTENAY
BYLAW NO. 2850**

**A bylaw to regulate injury and removal of protected trees and
to require trees associated with private developments within
the City of Courtenay**

WHEREAS the City Council may, by Bylaw, exercise certain powers within the City, to require planting of trees, to regulate cutting and removal of trees and to require their replacement;

AND WHEREAS trees provide a variety of individual and community wide benefits such as: stormwater and rainwater management, carbon absorption, air quality, heating and cooling benefits, aesthetic, quality of life and health benefits;

AND WHEREAS the City considers it in the public interest to provide for the protection, preservation, regulation and replacement of a target density of trees on all properties;

AND WHEREAS the City considers it in the public interest to provide for the protection of protected species;

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

1. CITATION

This Bylaw may be cited for all purposes as “Tree Protection and Management Bylaw No. 2850, 2016”

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3. DEFINITIONS

“**Arborist**” means

- a) a person certified as an arborist by the International Society of Arboriculture (ISA); or
- b) a person certified as a Tree Care Specialist by the Tree Care Industry Association (TCIA);
- c) a person certified under subsections (a) and (b) and advising on a *hazard tree* that is a *protected species* or is growing within a *Riparian Assessment Area* or other *Environmentally Sensitive Area*, who holds the “Certified Tree Risk Assessor Qualification” as defined by the ISA;

“**Barrier**” means a device including a fence, guard, frame or any other conspicuous marker which is placed on, around, or near a tree to indicate that the tree trunk, roots or branches are not to be cut, removed or damaged;

“**City**” means, as the context requires, the Corporation of the City of Courtenay or the area within the boundaries of the City of Courtenay;

“**Council**” means the Council of the Corporation of the City of Courtenay;

“**Crown**” means the foliage bearing section of a *tree* formed by its branches but does not include the stem or trunk of a *tree*;

“**Damage**” means to take any action that may impact or result in damaging the health or structural integrity of a *tree*;

“**Decline**” means a tree that exhibits signs of a lack of vitality such as reduced leaf size, colour or density;

“**Development**” includes the following activities:

- a) Removal, alteration, disruption, or destruction of vegetation;
- b) Removal, deposit or disturbance of soils;
- c) Construction, erection, or alteration of buildings and structures;
- d) Creation of non-structural impervious or semi-pervious surfaces;
- e) Preparation for or construction of roads, trails, docks and bridges;
- f) Provision and maintenance of sewer and water services;
- g) Development of drainage systems;
- h) Development of utility corridors;
- i) Flood protection; and
- j) Subdivision.

“Development application” means an application to the City for approval to conduct any *development* including but not limited to applications for rezoning, development permit, development variance permit, demolition and building permits;

“Diameter at Breast Height (D.B.H.)” means:

- a) for a single-stemmed tree:
 - i. the diameter of a *tree* measured at 1.4 meters above the highest point of the natural *grade* of the ground from the base of a *tree*;
- b) for a multi-stemmed tree:
 - i. the *D.B.H.* is equal to the cumulative total of the *D.B.H.* of each stem;

“Director” means the City’s Director of Development Services or Manager of Planning;

“Drip line” means the small roots of a *tree* located within a circle on the ground around a *tree* directly under the tips of the outermost branches of the canopy of the *tree*;

“Emergency tree removal” means a tree that is dead, diseased, damaged or otherwise constitutes an imminent physical hazard to persons or property;

“Environmentally Sensitive Area (ESA)” includes:

- a) Watercourses including the sea, ponds, lakes, rivers, streams, natural drainage courses and wetlands;
- b) Riparian and wildlife habitat;
- c) Significant geographical features outlined in the Environmental Development Permit Areas Map #6 and ESA descriptions contained within the City of Courtenay’s Official Community Plan;

“Fill” means earth, sand, gravel, rubble, rubbish, garbage or any other material whether similar to or different from any of these materials, originating on the site or elsewhere, used or capable of being used to raise, lower, or in any way affect the contours of the ground;

“Grade” means a defined elevation of land that has been established as a result of geologic, hydrologic, or other natural processes or by human alteration;

“Greenfield” means undeveloped real property that is greater than 4000 meters in size (approximately 1 acre) and contains vegetation that has been left to evolve naturally;

“Hazardous or hazard” means a *tree* with a structural defect or changed stand conditions, which may result in property damage, personal injury or death;

“Infill” means real property that is less than 4000 square meters in size (approximately 1 acre);

“Invasive species” means non-native plants, animals and micro-organisms that colonize and take over the habitats of native species;

“Maintenance” means the care and maintenance of trees in accordance with *sound arboricultural practice* and includes planting, inspection, pruning, cabling and bracing, treatments for insect and disease problems, watering and fertilization including mulching;

“Native” means a *tree* species that occurs naturally in the *City*, and occurred prior to European contact;

“Net developable hectare” means the land area, measured in hectares, available for *development* but does not include public highways, utilities or structures and the allocation of lands for public parks, landscaping and *ESAs*, and other public works required to service lands;

“**Photo documentation**” means three photos of a *tree* including a picture of the whole *tree*, a picture of the defective part, and a picture of the area at a distance, including if possible, any nearby structures;

“**Protected species**” means:

- a) Garry Oak (*Quercus garryana*);
- b) Pacific Dogwood (*Cornus nuttallii*);
- c) Western White Pine (*Pinus monticola*);
- d) Pacific Yew (*Taxus brevifolia*);
- e) Trembling Aspen (*Populus tremuloides*);
- f) Arbutus (*Arbutus menziesii*).

“**Protected tree**” means

- a) a *public tree*;
- b) a *tree* of any size within a:
 - i. *Riparian Assessment Area*; or
 - ii. *Environmentally Sensitive Area (ESA)*.
- c) a *tree* of any size on sloping terrain having a *grade* equal to or greater than 30%;
- d) a tree planted or *retained* as a requirement of a subdivision application, development permit, development variance permit, building permit demolition permit, or *Tree Cutting Permit*;
- e) a *protected species* over 0.5 meters in height;
- f) *trees* protected by a restrictive covenant registered on title pursuant to section 219 of the *Land Title Act*;

“**Prune**” means the removal of not more than one-third of the live branches or limbs of a tree or not more than one-third of the live branches or limbs on a tree as part of a consistent annual pruning program and in accordance with *sound arboricultural practice*;

“**Public tree**” means a *tree* of any size on land owned by or in the possession of the *City*, including, without limitation, a *tree* in a park or on a highway, boulevard, road or lane allowance;

“**Ravine**” means a narrow, steep-sided valley that is commonly eroded by running water and has a slope *grade* greater than 3:1;

“**Remove**” means to entirely sever the main stem of a *tree* or to fell a *tree*;

“**Replacement tree**” means a *tree* planted on a parcel in accordance with section 10 of this bylaw to replace *trees* cut, *removed* or *damaged* on the same parcel or to achieve the *tree density target* including in instances where there are no or few trees on a parcel

“**Retained tree**” means a tree not to be cut, *removed* or *damaged*;

“**Riparian Assessment Area**” means:

- a) for a *stream*, the 30 meter strip on both sides of the stream, measured from the riparian area high water mark;
- b) for a *ravine* less than 60 meters wide, a strip on both sides of the stream measured from the riparian area high water mark to a point that is 30 meters beyond the top of the *ravine* bank; and

- c) for a *ravine* 60 meters wide or greater, a strip on both sides of the stream measured from the riparian area high water mark to a point that is 10 meters beyond the top of the *ravine* bank;

“Root protection area” means the area of land surrounding the trunk of a *tree* that contains the bulk of the critical root system of the *tree*, as defined on a plan prepared by an *Arborist* approved by the *Director*;

“Sound arboricultural practice” means in accordance with American National Standards Institute (ANSI) Publication, A300-Tree Care Operations and the companion Best Management Practices Series of the International Society of Arboriculture (ISA);

“Stream” means any of the following that provides fish habitat:

- a) a watercourse, whether it contains water or not;
- b) a pond, lake, river, creek or brook; or
- c) a ditch, spring or wetland that is connected by surface flow to something referred to in subsection (a) or (b);

“Top” or **“Topping”** means the removal of large portions of the *crown* of a *tree*, including, but not limited to the making of horizontal cuts through the stems of a *tree*;

“Tree” means any species of woody perennial plant having one dominant trunk and a mature height greater than five (5) meters;

“Tree Cutting Permit” means the written authority granted by the *Director* pursuant to this Bylaw to cut or remove a *tree*;

“Tree damaging activities” means to take any action that may cause a *tree* to die or *decline*, including:

- a) cutting or damaging the roots of a *tree* growing inside the *root protection area*;
- b) placing *fill*, building materials, asphalt or a building or structure upon land inside the *root protection area* of a *tree*;
- c) operating or parking vehicles including trucks, backhoes, excavators or other heavy equipment over the roots of a *tree* growing inside the *root protection area*;
- d) denting, defacing, gouging or damaging the trunk of a *tree*;
- e) removing bark from a *tree*;
- f) depositing concrete washout or other toxins, liquid or chemical substances harmful to the health of a *tree* on land inside the *root protection area* of the *tree*;
- g) removing soil and/or native understory vegetation from land inside the *root protection area* of a *tree* or compacting soil within the *root protection area*;
- h) blasting inside the *root protection area* of a tree or outside the *root protection area* so as to *damage* roots or disturb soil inside the *root protection area*;
- i) undermining the roots of a *tree* growing inside the *root protection area*;
- j) altering the ground water or surface water level within the *root protection area* of a *tree*;
- k) *topping* a tree or *pruning* the *crown* in excess of one-third of the *tree*;
- l) affix or hang materials from a *tree* that may harm the *tree*; or
- m) girdling, ringing, poisoning, or burning a *tree*.

“**Tree density target**” means 50 *trees* per *net developable hectare*;

“**Tree Planting and Replacement Reserve Fund**” means the fund set aside for the purpose of planting *trees* in locations within the City of Courtenay other than where the lot where the tree has been injured or destroyed by *tree damaging activities*.

4. BYLAW PURPOSE

4.1 This Bylaw is enacted for the purposes of:

- a. regulating the cutting and *removal* of *trees*;
- b. regulating the protection of *retained trees* during *development*;
- c. setting forth expectations regarding the treatment of *trees* that are regulated under this Bylaw;
- d. requiring that *tree* retention and/or planting targets (measured as a *tree density target*) be achieved.

4.2 The Bylaw is not contemplated nor intended, nor does the purpose of this Bylaw extend:

- a. to the protection of any person from injury or damage to property or economic loss as a result of the cutting or *removal* of *trees*;
- b. to the assumption by the *City* or any employee of any responsibility or duty of care for ensuring that the cutting of one or more *trees* will not result in injury to any person or danger to any property from erosion, flooding, landslip or other damage;
- c. to assuming liability of a property owner for any damage arising from nuisance or negligence arising from *tree* cutting carried out on the owner’s property.

5. BYLAW APPLICATION

5.1 This Bylaw applies to all properties within the *City* and to all *protected trees*.

5.2 A *Tree Cutting Permit* is required to be obtained prior to any *tree* over 20cm *Diameter at Breast Height* or *protected tree* being *removed* in the following circumstances:

- a. on any *greenfield property*;
- b. on any *infill* property where the *removal* of said *trees* will result in the *tree density target* not being achieved for that property;

5.3 A *Tree Cutting Permit* is required to be obtained prior to any limb or branch that is equal to or greater than 10 centimeter diameter being cut from any *protected species*;

5.4 For *emergency tree removal* a person must submit an application for a *Tree Cutting Permit* within 24 hours of the date of removal, or in the case of a *removal* which takes place on a weekend or statutory holiday, on the next business day after *removal*, and provide *photo documentation* of the *tree* prior to its *removal* with the application.

5.5 When a *Tree Cutting Permit* application is submitted in relation to a *development application*, the *Tree Cutting Permit* shall not be issued until approval has been obtained from the City for the *development application*, unless the *Director* otherwise waives this requirement.

6. PROHIBITED ACTIVITIES

- 6.1 No person shall cut, *remove* or carry out any *tree damaging activities* on a *protected tree* or any *tree* required to be retained to achieve the *tree density target* prior to obtaining a *Tree Cutting Permit* or contrary to the terms and conditions of a *Tree Cutting Permit* issued under this Bylaw.
- 6.2 When the *City* is investigating a bylaw infraction under this Bylaw, no person shall remove the remains of a *tree* until after the investigation by the *City* is complete.

7. BYLAW EXEMPTIONS AND TREE CUTTING PERMIT EXEMPTIONS

- 7.1 This Bylaw does not apply to:
 - a. *pruning* of *trees* other than *protected species* in accordance with *good arboricultural practice*;
 - b. regular landscape maintenance such as lawn mowing providing such activities are not *tree damaging activities*;
 - c. where the *Director* or an *Arborist* certifies in writing to the *City* prior to removal that in his or her opinion a *tree* is impairing, interfering with, or presents a risk or hazard to the operation of sewers, drains, water lines, septic fields, electrical lines, poles or other similar equipment and appurtenances and that the impairment, interference or risk cannot be reduced or removed in any way other than the *removal* of the *tree*;
 - d. *trees* that are part of plantations for the purposes of an orchard, nursery, or tree farm;
 - e. the cutting and *removal* of *trees* by a British Columbia Land Surveyor when cutting survey lines of a width of less than 2 meters, unless the *tree* is a *protected tree*;
 - f. *tree* cutting or *removal* that is undertaken by a utility, on land owned or held by the utility, and done for the purpose of safety, maintenance or operation of the utility's infrastructure;
 - g. land and the *trees* on it if forestry practices on the land are governed by a tree farm licence, permit, or other authority or tenure under the *Forest Act*; or
 - h. land and *trees* on it if section 21 of the *Private Managed Forest Land Act* applies to the land.
- 7.2 A *Tree Cutting Permit* is not required on an *infill* property when *tree removal* will not result in the number of *trees* retained on the property falling below the required *tree density target* for that property, provided that the *trees* being *removed* are not:
 - a. a *protected tree*; and
 - b. the landowner ensures that *retained trees* are protected from *tree damaging activities*.

8. TREE REMOVAL, PROTECTION AND MANAGEMENT CONDITIONS

- 8.1 A person performing *development* on lands containing one or more *retained trees*, where a *Tree Cutting Permit* is required, shall:
 - a. ensure that no *development* occurs within the *root protection area*;
 - b. place and maintain a temporary tree protection *barrier* around any *retained tree* or group of *retained trees* in accordance with Schedule B;

- c. provide the *City* with proof of the *barrier* prior to disturbance occurring around the *retained tree* in the form of a photo, *Arborist* statement, or as otherwise stated in a *Tree Cutting Permit*;
 - d. ensure that no *development* occurs within the *root protection area* except in accordance with the terms and conditions of a *Tree Cutting Permit*;
 - e. display the *Tree Cutting Permit* in an accessible, visible location on the parcel to which it pertains;
 - f. comply with all other local, provincial and federal laws.
- 8.2 In connection with the issuance of a *Tree Cutting Permit*, the *Director* may impose additional conditions to those listed in Section 8.1, including, without limitation, any or all of the following:
- a. identify with a flag, paint, survey tape or other adequate means each *tree* to be *removed or retained*;
 - b. retain an *Arborist* to supervise, monitor or report on any *development*, including site visit requirements:
 - i at critical phases of construction and/or at regular intervals in the construction schedule;
 - ii at the time of *tree replacement*;
 - iii to monitor tree adaptations to changes in their environment caused by the *development*;
 - iv to advise on the creation of *hazardous* conditions;
 - v to advise on *maintenance* requirements where such a condition is stipulated; and
 - vi to confirm the successful establishment of a replanted *tree* prior to release of securities held for that *tree*;
 - c. provide monitoring securities for an *Arborist* or Registered Professional Biologist as determined by the *Director*, in the amount of 125% of an estimate or quote of the cost of monitoring works required to ensure that the mitigation conditions of the *Tree Cutting Permit* are completed;
 - d. ensure that no sediments migrate off site or into watercourses or drainage ditches;
 - e. confirmation that the proposed *development* is consistent with *City* bylaws, and provincial and federal laws;
 - f. treat diseased *trees* and those in *decline*, in accordance with *good arboricultural practice*;
 - g. salvage and use small *trees* as part of a replanting plan, or to achieve the *tree density target*;
 - h. remove and dispose of *invasive species* growing on the tree or within the *dripline* in a responsible manner;
 - i. plant *replacement trees* in accordance with Schedule A, maintain *replacement trees*, for a stipulated length of time, and implement *maintenance* measures such as watering, fertilization, or mulching in accordance with the specified frequency;

- j. remit a protection security of \$1000 per *protected species* when constructing works that may cause *tree damaging activities* to a *protected species*;
- k. notify adjacent properties of a *tree* removal;
- l. provide a written statement from an *Arborist* stating that the scheduled *tree* removal is unlikely to create *hazardous* conditions to adjacent *trees*, including on adjacent properties;
- m. submit a post-construction *Arborist* report following construction activities;
- n. submit a communication plan to ensure that all parties working on the site are aware of the *Tree Cutting Permit* requirements;
- o. restrictions on timing of removal given sensitivities to bird nesting, fish or sediment and erosion control;
- p. keep stumps and roots of cut *trees* in place to ensure slope stability or mitigation against erosion where recommended by a geotechnical engineer;
- q. cut or modify a *tree* so as to retain wildlife habitat, subject to written confirmation from the *Arborist* that doing so will not create a *hazard*;
- r. where recommended by the *Arborist*, require that *crown* clearing occur prior to construction to reduce risk of branch failures and risk to workers.

8.3 The authorization to cut or *remove trees* shall expire within one year after the date of issuance of a *Tree Cutting Permit*, after which time a new application must be submitted.

9. TREE DENSITY TARGET

9.1 The *tree density target* may be achieved:

- a. for an *infill* property,
 - i. by counting any *tree* that is larger than 2 centimeters *D.B.H.* and 2 meters in height, that is already growing on the *infill property* and is not an *invasive species*;
 - ii. by planting a *replacement tree*; or
 - iii. by paying \$300 into the *Tree Planting and Replacement Reserve Fund* for each *tree* that is to contribute towards the *tree density target*;
- b. for a *greenfield* property,
 - i. by retaining *native trees* that are each a minimum of 20 centimeters *D.B.H.*; or
 - ii. by replanting *replacement trees* at a ratio of 3:1 for each *tree* removed below the *tree density target* of 50 trees per *net developable hectare*;
 - a. where this subsection applies, up to a maximum of half of the number of *trees* required to achieve the *tree density target* may be achieved with *replacement trees* which may also include retaining naturally growing *trees* smaller than 20 centimeters *D.B.H.* provided said *trees* are not an *invasive* species, red alder or cottonwood trees;
 - b. where this subsection applies, up to a maximum of half of the *replacement trees* may be achieved by paying \$300 into the *Tree*

Planting and Replacement Reserve Fund for each *tree* that is to contribute to the *tree density target*;

- c. under extenuating circumstances where retention of *trees* required under this section prevents development to permitted densities, the *Director* shall have discretion in determining the number of *retained* and *replacement trees*.
 - iii. where *trees* described in subsection (b)(i) do not exist, the *tree density target* may be achieved by planting *replacement trees* or retaining naturally growing trees smaller than 20 centimeters *D.B.H.* provided said *trees* are not an *invasive species*, red alder or cottonwood trees;
 - c. *retained trees* shall be achieved in clusters and/or corridor configurations where practical with consideration given to adjacency to publically owned lands;
- 9.2 A *tree* must be in good health and must not be dead, *hazardous* or in *decline* in order to be counted towards the *tree density target*. Red alder and cottonwood *trees* shall not be counted towards the *tree density target*.

10. REPLACEMENT TREES, SECURITY BONDS AND TREE PLANTING AND REPLACEMENT RESERVE FUNDS

- 10.1 Where the *Director* has issued a *Tree Cutting Permit*, the following replacement formulas shall be followed, subject to subsections (b) through (d):
- a. the *net developable area* shall achieve the *tree density target*;
 - b. if the *tree removed* is *hazardous*, one *replacement tree* shall be required for every *tree removed*;
 - c. notwithstanding section 10.1.b, if the *tree removed* is *hazardous* and is growing within *Environmentally Sensitive Areas*, three replacements of *native* species shall be required for every *tree removed*;
 - d. for the removal of a *protected species* three replacements of the same species shall be required for every *tree removed*, including *hazardous trees*.
- 10.2 Subject to section 10.1, where the planting and *maintenance* of a *replacement tree* is required pursuant to this Bylaw, the owner shall provide to the *City* security in the amount of \$300 for each *tree* to be planted and maintained.
- 10.3 Where the *replacement trees* are part of the overall private landscaping program required under a development permit, development variance permit, subdivision, or other development agreement, the security is to be in the amount specified in the approved landscape cost estimate associated with said permit, and only that amount.
- 10.4 The security in section 10.2 may be submitted in the form of cash, cheque or irrevocable letter of credit, bank draft or in a form satisfactory to the *Director*.
- 10.5 *Replacement trees* must be planted in accordance with the condition and planting criteria set out in Schedule A.
- 10.6 Where a person is required by this Bylaw to plant a *replacement tree* on a parcel and the parcel has been subdivided since the act giving rise to the requirement was committed or the *Tree Cutting Permit* was issued, as the case may be, the *replacement tree* may be planted on either parcel.

- 10.7 Full security for each *replacement tree* held by the *City* will, upon application by the owner, be returned to the permit holder one year from the date of planting, upon approval by the *Director* that each *replacement tree* remains in a healthy condition and subject to a written report by an *Arborist* statement to confirm the health of the *tree* as may be reasonably required from the *Director*.
- 10.8 If the owner fails to or refuses to plant the required number, size and type of *replacement trees* in the specified locations within one year after receiving written direction from the *Director* to do so or after a planting date as otherwise agreed upon, the *City* may deposit the securities in the *Tree Planting and Replacement Reserve Fund*.
- 10.9 *Tree replacement* fees paid into the *Tree Planting and Replacement Reserve Fund* are to be held and used by the *City* for replanting on other lands to be determined in accordance with City policies.
- 10.10 Where a protection security is required, the protection security shall not be released until all works that may cause *tree damaging activities* have ceased and an *Arborist* confirms in writing that the *tree* has not experienced any *tree damaging activities*.

11. TREE PERMIT APPLICATION AND FEES

- 11.1 An application for a *Tree Cutting Permit* shall include the following information:
 - a. completed application for *Tree Cutting Permit* on the form approved by the *Director*, signed by the registered owner(s) or by the owner's agent who is authorized in writing to act on behalf of the owner in relation to the application;
 - b. written consent from the adjacent property owner where the stem of a *tree* at ground level is growing over the applicant's property line;
 - c. title search dated no more than five business days prior to the date of the application;
 - d. site plan showing all of the following, where applicable:
 - i. *Environmentally Sensitive Areas* (ESAs);
 - ii. property lines;
 - iii. location of the *tree(s)* on site to be *removed* and *retained*, including the *root protection areas* for *retained trees*;
 - iv. existing and proposed buildings, structures, septic fields, servicing including power poles;
 - v. topographic and hydrological features including drainage patterns;
 - vi. on-site access points for vehicles, including sufficient access for tree removal equipment;
 - vii. vehicle parking area and washout areas for concrete trucks;
 - viii. existing and proposed landscaped areas;
 - ix. existing and proposed utility corridors;
 - e. description of the proposed *development* and rationale for *development*, including steps taken to preserve existing *trees* as part of the overall *development* plan of the site;
 - f. an *Arborist* report including the following information:

- i. statement of number of *protected trees* and *trees* over 20 centimeters *D.B.H.* on the property to be described by outlining the:
- ii. inventoried number of stems, species and size where there are fewer than 100 *trees* on the property; or
- iii. approximate number of stems per hectare and species composition based on ISA accepted standards.
- iv. statement of number of *retained trees* on the property following the requested removal;
- v. narrative describing why the proposed *retained trees* are selected, and if management actions are required to promote their long term health;
- vi. confirmation that the *retained trees* are not *hazardous*;
- vii. description of the cutting and/or removal methods to be used, how the site will be accessed and the tree protection measures that shall be used to protect any retained *trees*;
- g. statement that topographic, grading and/or hydrological changes will not negatively impact the retained *trees* with input provided by an appropriate qualified professional;
- h. a detailed tree survey prepared by a registered BC Land Surveyor to indicate proposed *tree retention* and *replacement* areas that require restrictive covenants; and
- i. application fee as determined by the *City of Courtenay Fees and Charges Bylaw No. 1673, 1992.*

11.2 In addition to section 11.1, the following information may also be required by the *Director*:

- a. for *greenfield* sites, a statement of the number of *retained trees* for *trees* greater than 20 cm *DBH* following the proposed *development*;
- b. for *development applications* and *greenfield sites*:
 - i. grading changes including existing topographic elevations and proposed conceptual elevations for major *development* components;
 - ii. proposed final site grading within 10 meters of all proposed *retained trees*.
- c. a proposed replanting plan prepared by a landscape architect or *Arborist* indicating the location, species, size, and class of *trees*(s) or vegetation to be planted including any pertinent establishment requirements such as watering, fertilizing, and soil preparation;
- d. a copy of applicable federal or provincial approval, if required;
- e. a report by a geotechnical engineer or hydrologist to certify that the proposed cutting or removal will not create an adverse impact on slope stability or the drainage network;
- f. when removing trees in *Environmentally Sensitive Areas*, a report from a Registered Professional Biologist may be required to confirm that *tree* removal activities will not negatively impact the *Environmentally Sensitive Area*, including wildlife.

11.3 The following conditions apply to the *Arborist* report provided pursuant to section 11.1(f):

- a. the report shall be valid for a maximum of one year from the date of authorship;

- b. a report older than one year will require a covering letter from the original author stating that the conditions and recommendations contained in the original report remain valid;
- c. in the reasonable discretion of the **Director**, an existing **Arborist** report that is less than one year may be required to be reviewed and re-submitted in instances where changes to the **trees** are deemed significant, including any changes to adjacent land uses, adjacent **tree removal**, changes in grading or hydrological changes, or any other changes to or around the **tree**;
- d. where the original **Arborist** report submitted to the **City** is incomplete or inaccurate, the **Director** may retain the services of an independent **Arborist**, or other professional to review an **Arborist** report, or other professional report, and the cost of the independent **Arborist** report shall be paid by the owner prior to the adoption of the related rezoning, subdivision approval, development permit, development variance permit, demolition or building permit approval or the issuance of the related **Tree Cutting Permit**, whichever comes first.

12. REFUSAL TO ISSUE A TREE CUTTING PERMIT

12.1 A **Tree Cutting Permit** shall not be issued by the **Director** where:

- a. an application required under this Bylaw has not been submitted in full or the required fee has not been paid;
- b. information as required by section 11 (Tree Permit Application and Fees) has not been submitted or in the opinion of the **Director** is not satisfactory;
- c. the proposed work would adversely affect slope stability;
- d. the **tree density target** is not achieved; or
- e. the proposed **tree** work would contravene other terms and conditions of a restrictive covenant.

13. INSPECTIONS, ASSESSMENTS AND ORDERS TO COMPLY

13.1 The **Director** or person authorized by the **Director** may assess, inspect or cause an inspection to be made of any **tree** to which this Bylaw applies.

13.2 For the purposes of any inspection or assessment herein the **Director** may enter onto any land at all reasonable times in accordance with the **Community Charter**.

13.3 Where the **Director** is satisfied that a person has contravened any provision of this Bylaw, the **Director** may serve an Order to Comply requiring the person to stop the **tree damaging activities** or removal of **trees** and shall set out the particulars of the contravention including requiring the person to remedy the non-compliance within 30 days or by such other date as deemed reasonable in the circumstances by the **Director**.

13.4 The **Director** may revoke a **Tree Cutting Permit** if the terms and conditions of the **Tree Cutting Permit** have been breached or the information supplied by the applicant in support of the **Tree Cutting Permit** is determined to have been inaccurate, incomplete, misleading or erroneous.

14. POST CONSTRUCTION ARBORIST REPORT

- 14.1 The *Director* may require a post-construction *Arborist* report following all construction activities in which the following information may be required:
- a. assessment of *damage* to *retained trees* caused by initial site grading and clearing;
 - b. identify and provide a dollar value of the *retained trees* that have been *damaged* or *removed* using an industry standard tree appraisal method;
 - c. propose a replacement plan indicating the proposed number and type of *replacement trees* of equal or greater dollar value and tree planting locations for the rehabilitation of the disturbed areas. Payment into the *Tree Planting and Replacement Reserve Fund* may be accepted by the *City*. No fewer than four replacement trees for every tree *removed* without a *Tree Cutting Permit* will be accepted; and
 - d. recommend management methods to care for an injured *tree*.
- 14.2 Securities to implement the replacement plan in section 14.1 (c) will be required at 125% of the cost of each *replacement tree*.

15. AUTHORITY

- 15.1 The *Director* may:
- a. issue, revoke, place conditions upon, and refuse to issue a *Tree Cutting Permit* in accordance with this Bylaw;
 - b. retain the services of an independent *Arborist*, or other professional, to review an *Arborist* report, or other professional report, submitted to the *City* under the provisions of this Bylaw, in support of an application for a *Tree Cutting Permit*, in instances where the completeness or accuracy of the report are brought into question through review of the report and field inspection by the *Director*.
 - c. require security under section 8 of this Bylaw prior to issuing a *Tree Cutting Permit*;
 - d. exempt an applicant for the *Tree Cutting Permit* from any the requirements of section 11 (Tree Permit Application and Fees) if the information to be submitted has been otherwise provided to the *City*;
 - e. require the provision of *replacement trees* as set forth in section 10 of this Bylaw, and the *maintenance* of said *trees*;
 - f. charge and collect those fees prescribed in the *City of Courtenay Fees and Charges Bylaw, 1673, 1992* or this Bylaw;
 - g. serve on any person who has not complied with a *Tree Cutting Permit* or a provision of this Bylaw an Order to Comply;
 - h. enforce this Bylaw and issue penalties in accordance with sections 18 and 19 of this Bylaw; and

- i. authorize another member of staff to act on their behalf.

16. APPLICATION FOR RECONSIDERATION

- 16.1 Within 30 days of being notified in writing of the decision of the *Director* under this Bylaw, the applicant may, at no charge, request *Council* to reconsider the decision.
- 16.2 The applicant must give written notice to the Director of Legislative Services and include the following information:
 - a. the applicant's address for receiving correspondence related to the request for reconsideration;
 - b. a copy of the written decision or direction from the *Director*;
 - c. reasons to explain why the decision should be amended or set aside; and
 - d. a copy of any documents which support the applicant's request for reconsideration by *Council*.
- 16.3 The Director of Legislative Services will notify the *Director* of the request(s) for reconsideration and staff shall, prior to the date of the meeting at which the reconsideration will occur, provide a written report to *Council* setting out the rationale for the decision.
- 16.4 The Director of Legislative Services will place the request(s) for reconsideration on the agenda of a meeting of Council to be held as soon as reasonably possible.
- 16.5 The Director of Legislative Services will notify the applicant of the date of the meeting at which reconsideration will occur.
- 16.6 *Council* will review the information provided by the applicant and staff, and either confirm the decision made by staff, vary, or substitute its own decision including terms and conditions as set forth by this Bylaw.
- 16.7 The decision of *Council* on reconsideration is final.

17. DESIGNATION OF BYLAW

- 17.1 This Bylaw is designated under Section 264 of the Community Charter as a bylaw that may be enforced by means of a Municipal Ticket Information in the form prescribed.

18. OFFENCE

- 18.1 Every person who violates any of the provisions of this Bylaw or who suffers or permits any act or thing to be done or omits to do anything required to be done in contravention or in violation of any of the provisions of this Bylaw, is guilty of an offence against this Bylaw and is liable to the penalties hereby imposed, and each day that a violation is permitted to exist or continues shall constitute a separate offence.
- 18.2 When more than one *tree* is cut, *removed* or *damaged* by *tree damaging activities*, or more than one *tree* is not replaced or maintained in accordance with a *Tree Cutting Permit* issued pursuant to this Bylaw, a separate offence is committed in respect of each such *tree*.

SCHEDULE A

TREE PROTECTION AND MANAGEMENT BYLAW NO. 2850, 2016

REPLACEMENT TREE STOCK AND PLANTING REQUIREMENTS

The *City* maintains a list of acceptable *replacement tree* species. Where *replacement trees* are required to be provided pursuant to section 10 of this Bylaw, such *replacement trees* shall be provided and planted as follows:

- (a) *Replacement trees* may be the same or different species, with the exception of *protected tree species*.
- (b) At least half of the total number of *trees* on the property, including existing *retained replacement trees*, must be *native* species, unless the *trees* being replaced are located within an *Environmentally Sensitive Area*, in which case all of the *replacement trees* shall be *native*.
- (c) *Replacement trees* must be of a five gallon pot size with the following exceptions:
 - a. Arbutus (*Arbutus menziesii*) may be one gallon pot size;
 - b. Garry Oak (*Quercus garryana*) may be three gallon pot size.
- (d) *Replacement trees* shall not be planted:
 - a. within 3 metres of a building foundation wall and within 1 metre of any property line of a lot;
 - b. within 5 metres of an overhead utility line for trees that are a maximum of 5 metres in height, and within 10 metres of an overhead utility line for trees that are a maximum of 12 metres in height;
 - c. within an easement or statutory right of way.
- (e) Every *replacement tree* shall be spaced from existing trees and other *replacement trees* in accordance with *good arboriculture practices* so as to best ensure survival of the replacement and existing trees.
- (f) *Replacement trees* must meet the plant condition and structure requirements set out in the latest edition of the BCSLA/BCLNA “B.C. Landscape Standard” and the CNTA “Canadian Standards for Nursery Stock” to be considered acceptable by the *Director*.
- (g) *Replacement trees* shall be planted and maintained in accordance with the requirements set out in the latest edition of the BCSLA/BCLNA “B.C. Landscape Standard”.
- (h) Tree caging will be required in areas prone to deer browsing until the *tree* is 6 feet in height.
- (i) *Replacement trees* shall be planted during the suitable local planting seasons generally defined as fall (September – November) and spring (February - April). Where planting must occur outside of these time periods, then a strategy for ensuring the *trees* are watered (in the summer) or protected from cold weather (in the winter) must be included as part of the *Tree Cutting Permit* application.

- (j) The following minimum specifications for topsoil or amended organic soil are required for replanting on a property unless otherwise advised against by the *Arborist*:
- i. organic matter content of 15% dry weight in planting beds and 8% in turf areas;
 - ii. depth of 300 mm for turf;
 - iii. depth of 450 mm for shrubs/trees;
 - iv. depth of 300 mm around and below the root ball of all trees;
 - v. pH from 6.0 to 8.0 or matching that of the original undisturbed soil;
 - vi. subsoils scarified to a depth of minimum 100 mm with some topsoil being incorporated into the subsoil; and
 - vii. planting beds mulched with a minimum of 50 mm of organic materials.

SCHEDULE B

TREE PROTECTION AND MANAGEMENT BYLAW NO. 2850, 2016

TREE PROTECTION BARRIER AND SIGNAGE SPECIFICATIONS

Barrier structure and material:

Tree protection *barriers* should generally be a minimum of 1.2 meters high, and consist of snow fencing or an equivalent, supported by poles at sufficiently close intervals to ensure the integrity of the fence, or supported by wooden frames.

In instances where *development* is not expected to occur near the *root protection area*, poles strung with multiple bands of flagging tape may be sufficient, subject to approval by an *Arborist* and/or the *Director*.

Barrier distance from tree(s):

Tree protection *barriers* must be of a sufficient size to protect the *root protection area* of the tree. The *root protection area* refers to the area of land surrounding the trunk of the tree that contains the bulk of the critical root system of the tree, as defined on a plan prepared by an *Arborist*, that the *Director* reasonably approves.

Barrier protection sign:

Where *retained trees* require protection barriers, a tree protection informational sign in the format provided in this Schedule, must be affixed to the *barrier* at intervals of every 30 metres unless waived as a requirement by the *Director*. The sign must be able to withstand weather conditions for prolonged periods of time.

Barrier duration:

The *barrier* must be in place throughout the entire duration of the *development* activities that are taking place around the *tree* and until written approval of its removal is obtained from the *City*.



Tree Protection Zone (TPZ)

No grade changes, trenching, storage of materials or equipment, liquid disposal, hard surfacing or vehicular traffic are permitted within this area.

The tree protection barrier and sign must not be removed, without authorization of City of Courtenay, Development Services Department. Failure to comply may result in fines.

If you see this sign or protection barriers being tampered with, please report to the number listed below.

For more information call the Development Services Department at 250 334 4441

SCHEDULE C

TREE PROTECTION AND MANAGEMENT BYLAW NO. 2850, 2016

EROSION AND SEDIMENT CONTROL GUIDELINES

Tree Cutting Permit holders are expected to adhere to best management practices (BMPs) including but not limited to the ones outlined below:

- (a) Retain existing vegetation and ground cover where possible;
- (b) Construct *development site* access pads 4.5 meters wide at all accesses to site;
- (c) Restrict vehicle access and utilize wheel wash pads at access points;
- (d) Install silt fencing around stockpiles and at the toe of disturbed slopes;
- (e) Completely cover temporary stockpiles or spoiled material with polyethylene or tarps and surround with silt fence;
- (f) Install and maintain filter fabric bags around any catch basins, lawn basins, exposed manholes or any other open storm sewer access points collecting runoff from the *development site*;
- (g) Divert runoff away from cleared areas by use of low berms;
- (h) Convey surface runoff through swales designed to minimize flow velocity and erosion while maximizing settling;
- (i) As a priority, collect runoff into suitable sediment settling facility or facilities prior to discharge off-site;
- (j) Unless deemed unnecessary by the *Director*, a sediment pond should be designed, installed and maintained according to the *Land Development Guidelines for the Protection of Aquatic Habitat*;
- (k) Keep all sand, gravel, spoiled material and concrete mix off of all hard and paved surfaces;
- (l) During excavation, holes requiring dewatering should be pumped to a vegetated area or suitable settling facility which will prevent sediment-laden water from accessing the drainage system;
- (m) Regularly sweep roads; and
- (n) Re-vegetate, cover or mulch disturbed areas as soon as practically possible.

THE CORPORATION OF THE CITY OF COURTENAY

BYLAW NO. 2873, 2017

A bylaw to amend City of Courtenay Fees and Charges Bylaw No. 1673, 1992

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 **“City of Courtenay Fees and Charges Amendment Bylaw No. 2873, 2017.”**
2. That “City of Courtenay Fees and Charges Bylaw No. 1673, 1992” be amended as follows:
 - (a) That Schedule of Fees and Charges, Section III, Appendix I, “Waterworks Distribution System”, be hereby repealed and substituted therefore by the following attached hereto and forming part of this bylaw:

Schedule of Fees and Charges Section III, Appendix I – Waterworks Distribution System

3. This bylaw shall come into effect upon final adoption hereof.

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

**SCHEDULE OF FEES AND CHARGES
CITY OF COURTENAY FEES AND CHARGES
AMENDMENT BYLAW NO. 2873, 2017
SECTION III, APPENDIX I**

WATERWORKS DISTRIBUTION SYSTEM

1. CONNECTION FEES

- (a) Pursuant to Section 3.2 of Water Regulations and Rates Bylaw No. 1700, 1994, and amendments thereto, every applicant shall pay to the City before any work is done on the connection, a connection fee as follows:

Connection Size

Within the City

Connection from either side of road to property line

| | |
|---------------------------|------------|
| 20 millimetres (3/4 inch) | \$2,500.00 |
| 25 millimetres (1 inch) | \$3,500.00 |

Outside the City

| | |
|--|---------------------------|
| 20 millimetres (3/4 inch) with a minimum charge of \$3,500.00 | Actual City cost plus 25% |
|--|---------------------------|

- (b) Where a larger connection than those listed above is required, the connection will be installed at City cost plus 25%.

(c) **Water Turn On and Turn Off**

If turn on or turn off is for a purpose other than maintenance or the commissioning of a new service the following fees will apply:

| | |
|------------------|--|
| Inside the City | \$35.00 for each water turn on or turn off |
| Outside the City | \$55.00 for each water turn on or turn off |

(d) **Abandonment Fee**

| | |
|--|---|
| Fee for disconnecting an abandoned service connection at the water main irrespective of the size of the connection | Actual City cost plus 25%, with a minimum charge of \$500.00 |
|--|---|

2. WATER UTILITY USER RATES

(a) Unmetered Water

The minimum user rate per year or portion thereof for unmetered accounts shall be as follows:

| | Bylaw Rates | |
|------------------------------------|-----------------|-----------------|
| | Effective Dates | |
| | July 1, 2017 | January 1, 2018 |
| Single Family Dwelling | 469.38 | 467.53 |
| Multiple Family Dwelling -per unit | 396.48 | 394.92 |
| Commercial | 448.56 | 446.80 |
| Outside Commercial Users | 809.86 | 806.67 |
| Outside Residential Users | 809.86 | 806.67 |

(b) Metered Water

All metered accounts for the quantity of water used each quarter shall be calculated at the following rates:

| | Bylaw Rates | |
|--|--------------------------|-----------------|
| | Effective Dates | |
| | July 1, 2017 | January 1, 2018 |
| Multi-Family Metered | | |
| 0 - 48.0 cubic metres | 63.51 | 63.26 |
| 48.1 - 566.0 cubic metres | 1.45 | 1.53 |
| Greater than 566.0 cubic meters | 1.16 | 1.23 |
| Commercial Metered | | |
| 0 - 48.0 cubic metres | 67.11 | 66.85 |
| 48.1 - 566.0 cubic metres | 1.45 | 1.53 |
| Greater than 566.0 cubic meters | 1.16 | 1.23 |
| Regional Standpipe, Regional Playfields | | |
| | Bulk Water Rate plus 30% | |
| Outside City - Multi-Family Metered | | |
| 0 - 48.0 cubic metres | 139.90 | 136.14 |
| 48.1 - 566.0 cubic metres | 1.89 | 2.00 |
| Greater than 566.0 cubic meters | 1.51 | 1.59 |
| Outside users - Commercial Metered | | |
| 0 - 48.0 cubic metres | 137.38 | 136.84 |
| 48.1 - 566.0 cubic metres | 1.89 | 2.00 |
| Greater than 566.0 cubic meters | 1.51 | 1.59 |
| Regional District bulk | 1.01 | 1.00 |
| Sandwich - summer only | 469.38 | 467.53 |

- (c) Where a meter is found not to register, the charge shall be computed on the basis of the amount of water used during the time the meter was working, or from any other information or source which can be obtained, and such amount so composed shall be paid by the consumer.
- (d) Where a commercial or industrial consumer has not been connected to a water meter through non-availability of the water meter or because of special exemption being granted by the City, water charges to the consumer will be computed on the basis of consumption recorded for other similar purposes in the City, or from any other information or source which can be obtained, and such amount so computed shall be paid by the consumer.
- (e) Where it has been determined that a water leak has occurred during the last billing period on the buried portion of the service between the water meter and the point where the service pipe enters the building, a maximum one time rebate of 40% of the metered water utility fee to compensate for the water leak will be made at the discretion of the Finance Officer based on the following:
 - i. The leak occurred on the buried water service;
 - ii. That a leak of that nature would have caused the volume of excess water usage;
 - iii. The leak did not occur as a result of negligence of the owner;
 - iv. The owner has provided satisfactory evidence that the leak has been permanently repaired.

WATER METER RENTALS

Water meter fee shall be as follows:

| Meter Size | Bylaw Rates | |
|-----------------|----------------------|-----------------|
| | Effective Dates | |
| | July 1, 2017 | January 1, 2018 |
| | Monthly Rates | |
| Up to 3/4" | 1.70 | 1.65 |
| 1" | 4.73 | 4.58 |
| 1 1/4" - 1 1/2" | 9.40 | 9.13 |
| 2" | 14.07 | 13.68 |
| 3" | 23.40 | 22.77 |
| 4" | 46.33 | 45.06 |
| 6" | 70.07 | 68.16 |
| 8" | 93.47 | 90.93 |
| 10" | 116.87 | 113.70 |

The above meter fee is utilized for meter repair and maintenance and shall be added to the monthly water rates and will apply both inside and outside the City.

METER READING CHARGE

Each call after the first one of each month if access has not been provided or if readings extra to the quarterly reading are requested

\$35.00 per call

3. SUPPLY OF WATER FROM FIRE HYDRANTS OR OTHER SOURCE

- (a) Water may be supplied from a fire hydrant or other for the use of developers during the course of construction of multi-family, industrial, and commercial developments. The charge for such water usage shall be:

| | |
|---|---|
| For buildings with a gross floor area up to and including 250 square meters | \$250.00 |
| For buildings greater than a gross floor area of 250 square meters | Minimum charge of \$250.00, plus \$0.10 per square meter for floor area in excess of 250 square meters. |

- (b) Where water is supplied from a fire hydrant or other non-metered source for other uses, the amount of water supplied will be invoiced in accordance with Section 2 – Water Utility Users Rates – Metered Water.

- (c) Charge to service fire hydrant after use:

\$95.00 and/or any service costs that may arise from servicing a hydrant in respect of its use.

4. UTILITY BILLING ADJUSTMENTS AND COLLECTION

- a) Where a billing error is suspected by the consumer, notification in writing must be made to the City of Courtenay Finance Department within one year of the original billing date for review and consideration. Upon investigation, if it is determined by the City that an error occurred and the consumer has been overcharged, an adjustment will be made to the utility bill in question in an amount to be determined by the City. The City will not provide refunds or adjustments to billing errors made more than two years prior to the date of the notification being received by the City.

- b) The rates and charges, enumerated in this Bylaw, are hereby imposed and levied for water supplied or ready to be supplied by the City and for the provision of the service and other water related services. All such rates and charges which are imposed for work done or services provided to lands or improvements shall form a charge on those lands which may be recovered from the Owner of the lands in the same manner and by the same means as unpaid taxes.

THE CORPORATION OF THE CITY OF COURTENAY

BYLAW NO. 2874, 2017

A bylaw to amend a water service frontage tax fee

WHEREAS, pursuant to Section 200 of the *Community Charter*, Council may, by bylaw, impose a frontage tax to provide funding to pay for water services;

AND WHEREAS, certain costs have been or are to be incurred by the Municipality in providing water services to lands with access to the water system;

AND WHEREAS, the Council of the City of Courtenay deems it expedient to impose a frontage tax on properties connected to or capable of connecting to water services within the City of Courtenay;

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

1. In this bylaw, unless the context otherwise requires:

Actual Frontage means the number of metres of a parcel of land which actually abuts on the work or street as shown on the subdivision plan provided by BC Assessment.

Assessor means the Tax Collector for the City of Courtenay.

Taxable Frontage means the actual frontage in metres or, where applicable, the number of metres of a parcel of land deemed to abut on the work or street, and in respect of which parcel the frontage tax is levied for the work or service.

2. For the purpose of this bylaw, a regularly shaped parcel of land is rectangular.
 - (a) To place the Frontage Tax on a fair and equitable basis, the taxable frontage of the following parcels of land shall be the number of metres fixed by the Assessor:
 - i) A triangular or irregularly shaped parcel of land; or
 - ii) A parcel of land wholly or in part unfit for building purposes; or
 - iii) A parcel of land which does not abut on the street but is nevertheless deemed to abut on the work, as the case may be.
 - (b) For a parcel with more than one side that abuts on a street the frontage will be taken from the measurement of the street side identified by the civic address of the property.
3. A frontage tax shall be and is hereby imposed and levied upon all parcels within the City of Courtenay capable of being served by the City's water system.

4. The frontage tax will remain in effect until repealed or rescinded by the Council of the City of Courtenay.
5. The frontage tax will be levied each year on the basis of the taxable frontage of the parcel as follows:
 - (a) Parcels exceeding 30.5 metres of taxable frontage are deemed to have taxable frontages of 30.5 metres.
 - (b) Parcels with less than 15.25 metres of taxable frontage are deemed to have taxable frontages of 15.25 metres.
 - (c) In the case of multi-family, multi-level dwellings which are strata title units, the taxable frontage per unit will be deemed 9.15 meters.
 - (d) In the case of all other strata title parcels not included in paragraph (c) and sharing a single connection to the City's Water Service, the taxable frontage per parcel will be deemed 9.15 meters.
6. The parcel tax roll will be based on the BC Assessment Roll with exemptions recognized for parcels subject to statutory exemptions under the Community Charter and subject to the conditions outlined in sections 1 through 5 of this bylaw.
7. The annual amount to be paid under this tax per parcel is:
 - \$4.68 per metre of water frontage for 2017 and
 - \$5.84 per metre of water frontage for 2018.
8. This bylaw will come into effect January 1, 2017.
9. That Water Frontage Rates Bylaw, 2766, 2013 and all subsequent amendments be hereby repealed.
10. This Bylaw may be cited as **“Water Service Frontage Tax Bylaw No. 2874, 2017”**.

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