



THE CORPORATION OF THE CITY OF COURTENAY
STAFF REPORT

To: Council
From: City Manager
Subject: 2023–2027 Financial Plan

File No.: 1705-20/1715-20
Date: April 12, 2023

PURPOSE:

The purpose of this report is for Council to consider the 2023-2027 Consolidated Financial Plan Bylaw 3096, 2023.

POLICY ANALYSIS:

Section 165 of the Community *Charter* requires a municipality to have a five-year financial plan adopted annually prior to May 15 each year.

EXECUTIVE SUMMARY:

The 2023-2027 Financial Plan includes \$67M (\$59.9M-2022) in total revenue the majority coming from taxation \$31.1M (\$27.9M-2022) followed by Fees and Charges \$22.6M (\$21.7M-2022), \$65M (\$61M-2022) in operating expenditures, \$1.65M (\$1.58M-2022) in debt payments, and \$4.3M (\$4M-2022) in contribution to various reserves. The Capital Financial Plan includes \$18.8M (\$11.2M-2022) in capital expenditures.

The budget for 2023 includes a recommended increase of \$3,139,557 (\$1,754,000-2022) in municipal property taxation to cover the operating, capital and debt costs.

BC Assessment indicates that the average value of a single residential dwelling in Courtenay is \$717,752 (\$627,852-2022), an increase of 14.3% (31.9%-2022). The assessed value for an average business increased by 8.4% (9.6%-2022). The impact of the property tax and utility change to the average single residential dwelling is a total of \$252 which represents an increase of 8.6% over 2022.

For reference, it is important to note that expenditures are not all funded from taxation. For the 2023 Financial Plan, taxation contributes \$31.1M of the \$43.6 M General operating revenue. Fees for services account for \$7.89M (\$8.4M-2022). The Capital Plan is also partly funded by revenue from taxation, \$1.3M. A combination of reserves, external grants, debt and gaming revenue provide the balance of funds for the 2023 Capital Plan.

CAO RECOMMENDATIONS:

THAT Council give first, second and third readings to “2023-2027 Consolidated Financial Plan Bylaw 3096, 2023”

Respectfully submitted,

Geoff Garbutt, M.Pl., MCIP, RPP
City Manager (CAO)

BACKGROUND:

Consideration and approval of a five year financial plan is an annual requirement under the BC *Community Charter*. The proposed 2023-2027 Financial Plan including the Capital plan defines and seeks Council approval for the service priorities, operating and capital budget for each City department for the current year, and the next four years.

This report focuses on the General Operating and Capital Budget. The Water, Sewer, Storm and Solid waste budgets have been presented to Council on February 8, 2023. The 2023-2027 Consolidated Financial Plan Bylaw 3096, 2023 combines the General, Water, Sewer, Storm, Solid waste and Capital plans into one unified financial plan.

DISCUSSION:

The Financial Plan and Tax Rate Bylaw is one of the most important public documents a local government produces, as it establishes the government's spending and taxation authority. It is Council's primary policy document and establishes explicit service priorities. As an operation guide, it identifies departments that are responsible for achieving the service priorities and are accountable for spending. It is also a communication tool that strives to make all of the foregoing transparent to public officials and citizens alike.

The 2023-2027 Financial Plan has been developed collaboratively following the City's Asset Management Bylaw 2981, adopted in December, 2019.

2023 General Operating Fund

Similar to the Water and Sewer Budgets, the 2023 General Operating Budget was prepared from departmental submissions as well as consideration of multiple external sources, cost drivers and spending patterns. The General Operating Revenues and Expenditures were evaluated on the basis of public acceptance, sustainable delivery, corporate risk, financial risk and staff capacity.

General Operating Expenses

The proposed General Operating Expenses Budget totals \$42.7M (\$40.4M-2022), an increase of \$2.3M, which represents a 5.6% (10.9%-2022) increase. Table 1 illustrates the budget by department from 2022 to 2023. The detailed expenses by department are provided in Appendix 10 – General Operating Expense detail.

Table 1: General Operating Expenses by Department

Department	2022 BUDGET	2023 BUDGET	Budget increase (decrease)	Variance %
General Government Services	5,422,100	5,921,500	499,400	9.2%
Protective Services	10,627,500	11,822,000	1,194,500	11.2%
Development Services	2,526,300	2,994,000	467,700	18.5%
Engineering	978,800	1,087,200	108,400	11.1%
Public Works Services	9,063,100	9,828,200	765,100	8.4%
Recreation & Cultural Services	5,985,500	6,291,500	306,000	5.1%
Solid Waste	3,932,400	2,740,400	(1,192,000)	-30.3%
Cemetery	400,100	425,300	25,200	6.3%
General Operating Expenses Total	38,935,800	41,110,100	2,174,300	5.6%

Cost Drivers

Various internal and external cost drivers have an impact on the different departmental budgets. The main cost drivers are: Consumer Price Index (CPI), municipal policing contract and contractual salary and wage increases.

Consumer Price Index (CPI)

The average CPI increase for the Province of British Columbia as at January 2023 was 7.0% (3.1%-2022, 0.7%-2021). Increased CPI has driven costs up throughout all operations as CPI impacts all goods and services purchased by the City.

RCMP

RCMP contract cost continues to rise as the single member cost for the 2023/2024 RCMP year is \$220,900. Member costs have increased by 4.3% over the prior year, and costs have increased by 17.4% since 2021/2022. These cost increases do not represent a change in the number of members which has been 31.4 for the past several years. The cost to fund 29.4 RCMP positions is \$6.5M increased from \$6.2M in 2022. This cost is limited to RCMP members and does not include the civilian component. As in prior years, the City has a force strength authorization of 31.4 but only funds 29.4 positions as historically actual staffing levels have not reached above 29.4.

The City not only pays for RCMP members as part of the overall municipal policing contract, it is responsible for a share of the operating costs of the RCMP detachment. These costs include the civilian support members employed through the RCMP, along with Municipal staff that work alongside the civilian members.

Contractual Salary, Wage and Benefit Increases

This cost driver reflects the impact relating to annual contractual salary and wage increases for unionized staff, exempt staff and Volunteer Firefighters. An increase in salary or wage proportionally impacts benefit costs and employer's payroll contributions, both of which also have increased contribution rates and limits over 2022 levels. The CUPE collective agreement wage increase for 2023 is 2%. Exempt compensation was reviewed in 2022 and recommendations have carried through to 2023. Overall exempt compensation increased, however it was offset by suspending funding for two senior exempt positions.

General Government Services

The General Government Services are the centralized services common to all functions of the organization. This includes the offices of Council, the City Manager, Legislative and Corporate Services, Communications, Human Resources, Financial Services, Purchasing, Information Technology, and other general services.

Table 2: General Government Services Budget by Sub Departments

General Government Services	2022 BUDGET	2023 BUDGET	Budget increase (decrease)	Variance %
City Council	374,200	516,800	142,600	38.1%
Elections	98,200	26,000	(72,200)	-73.5%
CAO Office	647,000	661,300	14,300	2.2%
Corporate Services	754,000	837,600	83,600	11.1%
Finance	1,749,000	1,864,100	115,100	6.6%
Business Performance	116,800	124,100	7,300	6.3%
Purchasing	306,200	351,500	45,300	14.8%
Store	124,400	114,300	(10,100)	-8.1%
IT	1,549,900	1,647,000	97,100	6.3%
Corporate Communications	419,600	491,100	71,500	17.0%
Human Resources	564,300	764,600	200,300	35.5%
Occupational Health Safety	231,500	241,100	9,600	4.1%
City Hall Property Maintenance	224,400	225,100	700	0.3%
Other General Government	68,600	54,900	(13,700)	-20.0%
Subtotal	7,228,100	7,919,500	691,400	9.6%
Interfund Allocation	(1,806,000)	(1,998,000)	(192,000)	10.6%
Total Operating Expenses	5,422,100	5,921,500	499,400	9.2%

The key variances between the 2022 and 2023 budget are detailed below.

City Council & Elections

Mayor and Council remuneration was increased late in 2022. Furthermore, medical benefits have been extended to Mayor and Council for a total increase in remuneration of \$106,000. The travel and support budgets to Council have been increased to pre-pandemic levels. Election expense has been reduced to reflect ¼ of the estimated future election cost in order to build a surplus each year. By doing so, in the election year, a spike in taxation is not required to fund the election as the City will rely on the surplus created over the previous 3 years.

City Manager Office and Corporate Services

Changes in City Manager or Corporate Services budget are attributed to additional legal and consulting fees for bylaw and policy updates.

Finance, Business Performance, Purchasing and Store

The Finance budget includes \$32,000 to support the implementation of the new accounting standard PS3280 Asset Retirement Obligations, effective in 2023, and an additional \$15,000 to assist with the budget software implementation.

Human Resources and Occupational Health & Safety

The Human Resources budget includes \$59,000 to amend a position from 0.4 FTE to 1.0. In addition, budget has been added for \$50,000 for an anti-racism strategy, City wide training of \$25K related to UNDRIP, and \$60,000 consulting fees to assist with policy work. The remaining increase is due to wage increases.

Information Technology

IT costs are up by \$97,000 due to wages associated with succession planning and transition to Office 365. IT continues to see a shift in software costs from being one time capital type costs to ongoing subscription costs.

Communication

Additional consulting fees of \$50,000 is included in the Communication budget to develop a communication strategy, modernize the brand standard and provide support with the upcoming City website replacement project.

Internal Allocations

Internal allocations represent a percentage of the General Government expenses transferred to the Water and Sewer Funds for administrative and operational support of these services. The intent is to transfer a reasonable amount for General Government expenditures (personnel, utilities, materials, insurance, contracted services and fleet costs) that support the provision of water and sewer services. There is no substantial change from prior year allocations. Overall allocated expenses are rising due to the cost drivers mentioned above.

Protective Services

Protective Services includes policing, fire, bylaw enforcement, emergency measures, and animal control. Table 3 shows the Protective Services budget for each sub-department.

Table 3: Protective Services Budget by Sub Departments

Protective Services	2022 BUDGET	2023 BUDGET	Budget increase (decrease)	Variance %
Police Protection	7,956,700	8,431,200	474,500	6.0%
Fire Protection				
Fire Protection	2,056,600	2,537,800	481,200	23.4%
Fire Protection Fleet	91,200	117,900	26,700	29.3%
Total Fire Protection	2,147,800	2,655,700	507,900	23.6%
Other Protective Services				
Bylaw Enforcement	309,600	442,300	132,700	42.9%
Emergency Programs	132,800	212,000	79,200	59.6%
Animal Control	80,600	80,800	200	0.2%
Total Other	523,000	735,100	212,100	40.6%
Total Operating Expenses	10,627,500	11,822,000	1,194,500	11.2%

Policing Services

The policing budget is based on April 11, 2022 Council's approval in principle, for the City's 2023/2024 RCMP contract for 31.4 members, which includes an estimated vacancy of 2 members, in line with the 2022 estimate. An increase of \$474,500 (\$636,000-2022) is included, to account for the wages and benefit increases recently negotiated between the federal government and RCMP members.

Policing Services are partly funded by Gaming funds of \$442,000 (\$405,000-2022), Traffic Fine revenues of \$273,000 (\$270,000-2022), Police Contingency Reserve \$250,000 (\$0-2022) and prior year surplus of \$250,000 (\$200,000-2022). The balance is funded from general tax revenue \$7,217,000 (\$7,081,700-2022).

Fire Protection Services

Increases to the Fire Protection budget are mainly attributed to wages for both salary and volunteer members including new funding for on-call weekend coverage. The total wage increase is \$320,000 for 2023. Other items include \$75,000 for review work on the Eastside Fire Hall and increases of \$63,000 for supplies and equipment budgets driven by inflation.

Other Protective Services

The Bylaw Enforcement budget includes an additional bylaw officer and the accompanying equipment needed. The Manager of Bylaw Enforcement and last year's additional bylaw officer are being funded by taxation for the first year in 2023, as the positions were funded from the remainder of COVID-19 Safe Restart reserve in prior years. Also, \$50,000 has been budgeted for the bylaw policy review project.

Development Services

The Development Services Department provides current and long range planning, building inspection, business licensing, subdivision and the servicing of land development. Providing guidance to City Council, applicants and to the general public, the Development Services Department ensures that land development reflects the public's interest and follows the City's adopted land development policies and regulatory documents including the Official Community Plan (OCP). Table 4 shows the Development Services budget by Division.

Table 4: Development Services Budget by Sub Departments

Development Services	2022 BUDGET	2023 BUDGET	Budget increase (decrease)	Variance %
Planning and Zoning	628,100	775,700	147,600	23.5%
Building Inspections	691,200	732,000	40,800	5.9%
Subdivision and Development Servicing	529,900	665,900	136,000	25.7%
Community and Sustainability Planning	322,000	443,500	121,500	37.7%
Tourism Development (MRDT)	350,000	357,000	7,000	2.0%
Heritage Committee	5,100	19,900	14,800	290.2%
Total Operating Expenses	2,526,300	2,994,000	467,700	18.5%

Planning and Zoning

A clerk position was moved from Building Inspection to Planning and Zoning, so this transfer reflects in a higher variance for this area, and a lower variance for Building Inspections. Additional cost increases are attributed to regular wage increases.

Building Inspections

A clerk position was moved to Planning and Zoning. Other cost increases are attributed to regular wage increases.

Subdivision and Development Servicing

Additional budget of \$100,000 has been added for the Subdivision Service Bylaw review. The Development Cost Charge (DCC) review has been carried forward and is anticipated to be completed in 2023.

Community and Sustainability Planning

The Community and Sustainability Planning group has completed the Official Community Plan update and has shifted to updating the Zoning Bylaw. The Zoning bylaw is budgeted at \$150,000. Overall budget increase is lower than the two identified projects and is due to the OCP projects coming out of the budget due to completion.

Public Works Services

Public Works Services (PWS) is responsible for the operations and maintenance for the majority of in-service assets, including the water and sewer utility infrastructure, storm water collection, civic facilities, parks, and transportation network for the City. Services include maintenance of trails, transit, water, sewer and solid waste collection, capital projects, cemetery maintenance, fleet maintenance, flood

protection and dike maintenance.

Table 5: Public Works Services Budget by Sub Departments

Public Works Services	2022 BUDGET	2023 BUDGET	Budget increase (decrease)	Variance %
Public Works Administration	587,000	575,400	(11,600)	-2.0%
Public Works Operations	1,138,700	1,219,000	80,300	7.1%
Asset Management	393,500	438,200	44,700	11.4%
Storm Sewer	571,700	594,300	22,600	4.0%
Transportation Services				
Transportation Services	3,608,200	3,979,300	371,100	10.3%
Garbage Collection	144,200	149,600	5,400	3.7%
Total Transportation Services	3,752,400	4,128,900	376,500	10.0%
Parks				
Parks	2,876,700	3,081,700	205,000	7.1%
Parks - Recreation Facilities Grounds Maintenance	29,200	29,600	400	1.4%
Parks - Cultural Facilities Grounds Maintenance	6,600	6,900	300	4.5%
Total Parks	2,912,500	3,118,200	205,700	7.1%
Property Maintenance				
Property Maintenance	291,900	312,000	20,100	6.9%
Property Maintenance - Recreation Facilities	653,500	702,300	48,800	7.5%
Property Maintenance - Cultural Facilities	210,600	224,200	13,600	6.5%
Property Maintenance - Park Buildings	132,600	141,500	8,900	6.7%
Property Maintenance - Miscellaneous Buildings	121,800	138,800	17,000	14.0%
Property Maintenance - Carpentry Shop	37,200	39,900	2,700	7.3%
Total Property Maintenance	1,447,600	1,558,700	111,100	7.7%
Subtotal	10,803,400	11,632,700	829,300	7.7%
Public Works Interfund Allocation	(1,740,300)	(1,804,500)	(64,200)	3.7%
Total Operating Expenses	9,063,100	9,828,200	765,100	8.4%

Public Works Services Administration

The decrease of \$11,600 is due to the allocation of proportionate administration costs to Solid Waste.

Public Works Operations

An increase of \$69,600 (\$73,700-2022) is included to address Urban Issues, such as site remediation, enhanced cleaning, waste removal and graffiti removal. An additional \$10,700 is included for training.

Asset Management

An increase of \$44,700 is due to a multitude of projects being completed in 2022 and funding being removed while new projects such as \$75,000 for road assessment, \$25,000 for building assessment and \$25,000 for bridge/culvert assessments.

Transportation Services

Transportation services represents more than a third of the public works budget. Of this sub department's increase, \$164,000 is attributed to rising wages and training. \$60,700 is attributed to increased cycling network maintenance. Projects include \$10,000 for traffic studies, \$40,000 for downtown parking study and \$21,500 for Dike monitoring.

Parks

Increases to Parks cost is mainly attributed to wages \$139,900, there is one part time position being moved to full time for 2023. Other increased services are improved reactive tree response program. Project work for 2023 is an environmental management plan for Morrison park.

Other

The sum of all other public works sub department budget change from the prior year is \$76,000 which is mainly due to wage increase and rising services and utilities such as security, electricity and natural gas.

Internal Allocations

Similar to the General Government internal allocations, a percentage of the Public Works and fleet expenses are transferred to the Water and Sewer Funds. The intent is to transfer a reasonable amount of expenditures (personnel, utilities, materials, insurance, contracted services and fleet costs) as recognition of the administrative costs necessary to provide those services.

Engineering

Engineering oversees the renewal of all major civic infrastructure, including water, waste water, drainage, flood protection structures and transportation services. Table 6 presents the Engineering Services budget.

Table 6: Engineering Services Budget

Engineering Services	2022 BUDGET	2023 BUDGET	Budget increase (decrease)	Variance %
Engineering Administration	501,200	564,300	63,100	12.6%
Flood Management and Dyke Replacement Study	200,000	201,700	1,700	0.9%
Integrated Rainwater Management Plan	150,000	165,800	15,800	10.5%
Engineering Consulting	100,000	116,100	16,100	16.1%
Airshed Management	25,000	36,700	11,700	46.8%
CARIP	2,600	2,600	-	0.0%
Total Operating Expenses	978,800	1,087,200	108,400	11.1%

Increased cost in Engineering Services is mainly attributed to the new Manager of Capital Project position budget for 0.5 FTE in 2023 and then moving to 1.0 FTE in 2024. Other project cost changes from prior years are relatively small and tied to inflation.

Recreation, Culture and Community Services

The Recreation, Culture and Community Services (RCCS) Department is responsible for providing quality recreation, leisure and cultural opportunities in a healthy and safe environment. RCCS also oversees inclusive programming, special events, park and sport field bookings, recreation facility bookings and is responsible for long term planning for parks, recreation, cultural and community services to meet the diverse interests of the community. Table 7 presents the Recreation, Culture and Community Services budget.

Table 7: Recreation, Culture and Community Services Budget by Division

Recreation, Culture & Community Services	2022 BUDGET	2023 BUDGET	Budget increase (decrease)	Variance %
RCCS - Administration				
Recreation Admin	1,282,400	1,441,500	159,100	12.4%
Sid Williams Theatre Administration	270,000	279,200	9,200	3.4%
Museum Administration	182,800	187,100	4,300	2.4%
Arts Centre Administration	81,200	85,600	4,400	5.4%
CV Arts Council	81,100	84,700	3,600	4.4%
Library Administration	4,000	4,200	200	5.0%
Total Administration	1,901,500	2,082,300	180,800	9.5%
Recreation Services - Operations				
Lewis Centre Operations	1,114,800	1,164,100	49,300	4.4%
Filberg Operations	637,000	647,500	10,500	1.6%
July 1st Special Event	69,000	69,900	900	1.3%
Pool Operations	55,600	57,900	2,300	4.1%
Youth Centre Operations	46,000	42,400	(3,600)	-7.8%
Special Events	41,600	41,500	(100)	-0.2%
Washrooms	41,000	24,000	(17,000)	-41.5%
Native Sons Operations	7,500	9,800	2,300	30.7%
Total Operations	2,012,500	2,057,100	44,600	2.2%
Recreation Services - Programming				
Adults Programs	582,000	566,300	(15,700)	-2.7%
Childrens Programs	457,500	481,600	24,100	5.3%
Youth Centre Programs	263,400	277,300	13,900	5.3%
Adapted Programs	250,300	269,900	19,600	7.8%
Summer Programs	247,500	259,500	12,000	4.8%
Pool Programs	162,000	173,300	11,300	7.0%
Preschool Programs	104,800	120,000	15,200	14.5%
Childrens Programs - Volunteer Development	4,000	4,200	200	5.0%
Total Programming	2,071,500	2,152,100	80,600	3.9%
Total Operating Expenses	5,985,500	6,291,500	306,000	5.1%

Recreation and Culture Administration

The Recreation Administration budget includes \$110,500 for the provision of a Social and Community Development term employee. Carried forward projects include the Social and Community Development Framework.

The 2023 Vancouver Island Regional Library requisition is increasing by \$86,200, 5.7% (\$60,000, 4.1% - 2022). This requisition is funded by the library tax levy revenue.

The budget for Cultural Services includes the annual grants and fees for services paid to the following:

- Arts Center - \$45,100 (\$44,200-2022)
- CV Arts Council - \$57,200 (\$56,100 – 2022)
- Courtenay and District Museum - \$143,600 (\$140,800 – 2022)
- Sid Williams Theatre - \$204,500 (\$200,500 – 2022)

Also included in the RCCS budget is an annual amount of \$15,000 to support the Community Substance

Use Strategy.

Recreation Services – Operations and Programming

The Recreation services operations and programming budgets have returned to near pre-pandemic levels. There are no single significant changes from 2022 to 2023’s budget, the small \$44,600 (2.2%) and \$80,600 (2.9%) increase in combined costs over the prior year are mainly due to rising wage and supply costs.

Cemetery

This section includes the cost of the City’s cemetery administration, maintenance and operation, grave preparation and niche wall maintenance. The budget presented in Table 8 has been adjusted for the contractual increase in wages and benefits.

Table 8: Cemetery Budget by Activity

Cemetery	2022 BUDGET	2023 BUDGET	Budget increase (decrease)	Variance %
Cemetery Maintenance and Operation	286,000	301,500	15,500	5.4%
Cemetery Administration	95,200	103,700	8,500	8.9%
Cemetery Building R&M and Utilities	18,900	20,100	1,200	6.3%
Total Operating Expenses	400,100	425,300	25,200	6.3%

Transfers to Reserves

Contributions are made every year to various reserves, such as the Machinery and Equipment, the New Works and the Infrastructure Renewal Reserves. These reserves provide funding for future capital projects and in some cases operating projects. The use of reserves for capital projects can help offset borrowing that might be needed for larger projects and it also contributes to smoothing of annual tax levy.

Staff have been recommending increasing the transfers to maintain reserves and provide sufficient funds for future projects. The transfers to reserves total just under \$3.2 million as listed in Table 9. Although \$3.2M in reserve transfers appears on the surface like a reasonable annual contribution we must look at the source of these funds, of the \$3.2M only \$1.47M is from the City’s own revenue sources, the remaining balance is from Community Works funds, Traffic Fine revenue and Gaming funds which are all external revenue sources.

Table 9: Transfers to General Fund Reserves

GENERAL Reserve Contributions	Actual	Proposed Budget				
	2022	2023	2024	2025	2026	2027
General Operating Reserves						
Police Contingency	270,000	272,000	273,000	274,000	275,000	276,000
General Capital Reserves						
Machinery and Equipment	750,000	850,000	950,000	1,050,000	1,150,000	1,250,000
New Works and Equipment	470,000	480,000	505,000	530,000	555,000	580,000
Community-Building Fund (Gas Tax)	1,130,000	1,130,000	1,130,000	1,130,000	1,130,000	1,130,000
Infrastructure Reserve (from Gaming)	320,000	320,000	320,000	320,000	320,000	320,000
Infrastructure Reserve (from taxation)	128,300	136,300	218,200	228,900	320,000	320,000
	2,798,300	2,916,300	3,123,200	3,258,900	3,475,000	3,600,000
Total General Reserve Contributions	3,068,300	3,188,300	3,396,200	3,532,900	3,750,000	3,876,000

The City’s reserve contributions are growing slowly over the next 5 years which is a positive sign, however when we look at the reserve balances we see that, although contributions are taking place the reserve balances are relatively flat. Looking at Table 10 the stagnation of reserve balances shows that annual contributions are being used in the following year and reserves are not acting as they should, they are simply a flow through of funding. A closer look at reserve bylaws and policies will be brought before Council to provide direction on the long-term goals of reserves.

Table 10: General Reserve Balances

GENERAL Reserves Estimated Closing Balances	Estimated Actual	Proposed Budget				
	2022	2023	2024	2025	2026	2027
General Operating Reserves						
Risk Reserve	106,500	106,500	106,500	106,500	106,500	106,500
Assessment Appeals	435,900	435,900	435,900	435,900	435,900	435,900
Police Contingency	792,300	542,300	542,300	542,300	542,300	542,300
Trees	118,600	98,600	83,600	68,600	53,600	38,600
	<u>1,453,300</u>	<u>1,183,300</u>	<u>1,168,300</u>	<u>1,153,300</u>	<u>1,138,300</u>	<u>1,123,300</u>
General Capital Reserves						
Machinery and Equipment	1,827,500	1,552,500	1,402,500	1,762,500	1,812,500	1,962,500
Land Sale	794,000	72,000	72,000	72,000	72,000	72,000
New Works and Equipment	5,416,700	3,637,500	3,393,200	3,370,500	3,563,000	3,906,500
Community-Building Fund (Gas Tax)	2,087,600	1,917,600	1,547,600	1,177,600	807,600	437,600
Infrastructure Reserve	786,300	590,100	648,300	897,200	1,237,200	1,577,200
Housing Amenity	1,159,200	1,159,200	1,159,200	1,159,200	1,159,200	1,159,200
Parks Amenity	695,800	563,400	563,400	563,400	463,400	363,400
Public Parking	127,000	127,000	127,000	127,000	127,000	127,000
Parkland Acquisition	342,500	342,500	342,500	342,500	342,500	342,500
	<u>13,236,600</u>	<u>9,961,800</u>	<u>9,255,700</u>	<u>9,471,900</u>	<u>9,584,400</u>	<u>9,947,900</u>
Total General Reserves	14,689,900	11,145,100	10,424,000	10,625,200	10,722,700	11,071,200
BYLAW #2755 RESERVE						
Highways Facilities	5,478,900	5,478,900	5,478,900	5,346,700	5,346,700	5,346,700
Storm Drain Facilities	2,403,600	2,403,600	2,403,600	2,403,600	2,403,600	2,403,600
Park Land Acquisition	1,031,100	1,031,100	1,031,100	1,031,100	1,031,100	1,031,100
Total DCC	8,913,600	8,913,600	8,913,600	8,781,400	8,781,400	8,781,400

The drop in the New Works and Equipment reserve from 2022 to 2023 is due to the following projects:

- Youth Center roof replacement \$250,000
- 6th Street Bridge proportional funding \$778,000
- Public Works Telus building renovation \$120,000
- DCC Bylaw, Subdivision Servicing Bylaw, Zoning Bylaw \$420,000

Note – Reserves that have static balances are funded from sources not under the control of the City. For example the Land Sale reserve only sees an increase when the City sells a piece of land, all proceeds must go into the Land Sale reserve.

General Capital Expenses

The 2023 – 2027 General Capital Plan has been constrained to a scope and scale that recognizes the City’s capacity to realistically complete the planned capital projects within existing staff and financial capacity, and with priority given to finalize the in-progress projects.

As summarized in Table 11 below, the financial plan includes a total of \$18,884,300 (\$11,258,300 – 2022) in projected capital expenditures. Those projects are funded from a variety of taxation, reserves, grants, developer contributions, prior year unexpended funds and prior years surplus.

Table 11: 2023-2027 General Capital Plan Summary by Departments

5 Year Capital Plan Department Responsible	2022 Budget	2023 Proposed Budget	2023 Tax Impact	2024 Proposed Budget	2025 Proposed Budget	2026 Proposed Budget	2027 Proposed Budget	Total 2023-2027 Proposed Budget
Engineering	3,164,200	10,303,000	1.86%	993,400	1,964,400	3,668,000	16,192,000	33,120,800
Public Works	5,191,100	5,637,000	2.52%	5,405,500	3,547,000	3,603,000	10,090,000	28,282,500
Corporate Services - CAO Office	100,000	2,000,000						2,000,000
General Government Services	315,000	347,200		215,000	160,000	95,000	95,000	912,200
Recreation & Culture	233,600	262,700	0.21%	665,000	690,000	640,000	515,000	2,772,700
Fire Department	2,155,000	235,000		1,000,000	8,590,000	945,000	1,200,000	11,970,000
Development Services	99,400	99,400						99,400
Capital Total	11,258,300	18,884,300	4.59%	8,278,900	14,951,400	8,951,000	28,092,000	79,157,600

For complete detail on the capital plan and funding sources see Appendix 2 – General Capital, Appendix 3 - Water Capital and Appendix 4 – Sewer Capital. These appendixes provide detail on all projects and funding sources for 2023 through 2027.

Major Capital Projects

6th Street Pedestrian Bridge - \$5.85M

The 6th St Bridge project is a pedestrian and multi modal connection from the bottom of 6th street across the Courtenay River to Simms Millennium Park. Design work is set to be completed in early 2023. The project is funded by the following:

Grants - \$2.5M

Reserve - \$1.8M – includes \$1M from the Growing Communities Fund

Debt – \$1.5M

General Revenue – \$60,500

McPhee Meadows - \$3.25M

McPhee Meadows is located on the south bank of the Puntledge River in West Courtenay around 4.1 km upstream of the Courtenay River estuary. The land was donated to the City of Courtenay and Nature Trust BC by the late Robert George McPhee following his passing in 2010. The donation was part of the Federal Ecological Gift program and as a requirement of this program must maintain biodiversity and environmental heritage features such as rivers, riparian areas, trees, and eagle nests. Mr. McPhee's vision was to maintain the property as a public wetland park in a natural state and preserve an existing apple orchard and several other trees with heritage values. The project is funded by the following:

Grants - \$1.4M

Reserve - \$1.8M – Including \$1M from Growing Communities Fund

General Revenue - \$45,100

1st Street Sewer Lift Station - \$3.1M

The 1st Street lift station project is replacement of an ageing sewer lift station located on 1st Street near Puntledge Park. This project will provide renewal of the asset, and will have more capacity for anticipated growth within the catchment area. The project is funded by the following:

Debt – \$2.5M

Reserves – \$524,000

General Revenue – \$71,200

Pedestrian, Cycling and Pavement Renewal Program - \$1.4M

The pedestrian cycling and pavement renewal program encompasses most pavement renewal projects

for the given year. Specific major pavement renewal projects will be identified separately in the capital plan. The renewal program is separate from the regular operational patching and pothole maintenance. The project is funded by the following:

Grants - \$1.1M – Canadian Community Building Fund (Gas Tax)
Reserves - \$251,000
General Revenue - \$71,000

Lake Trail Multi-use Pathway - \$950,000

The Lake Trail Multi-Use Pathway Project, located in southwest Courtenay, includes dual directional bike lanes and a separated, accessible multi-use walkway. The project will link two schools on Lake Trail Road; increased safety measures along the corridor will encourage more families to choose walking or cycling as a viable option for commuting to and from school. The project proposes a 0.96km, 2m wide gravel multi-use path on the north side of Lake Trail Road, and dedicated bicycle lanes both sides from Webb Road to Lake Trail School. The project also includes a 0.1km gravel pathway on the south side of Lake Trail Rd. between Webdon Rd. and Arden Rd

The project is funded by the following

Grants - \$475,000
Reserves - \$263,300
General Revenue - \$211,700

Playground Equipment - \$620,000

Historically the City has budgeted about \$120,000 every two years to update or replace playground equipment in City parks. For 2023 an additional \$500,000 has been allocated to replace playground equipment. The increased budget was made possible by the Growing Communities Fund, additionally 2024 has \$500,000 budgeted up from \$0. The project is funded by the following:

Reserve - \$500,000 – Growing Communities Fund
General Revenue - \$120,000

Dingwall to Muir Stairs - \$551,500

The Dingwall stair project is an improved pedestrian connection between the end of Dingwall Rd and Muir Rd. The project is funded by the following:

Grant - \$275,700
Reserve - \$245,900
General Revenue - \$29,900

General Revenues

Property Taxes

Property taxation is the City's main method of revenue generation representing 47.1% (47.4%-2022) of overall revenue. Property taxation relies on property value assessment and the property tax rate to determine the tax levied on a given property. Property tax can be considered a wealth tax as is it not tied to annual earnings such as income. The property assessment can be considered as a proxy to determine one's ability to pay, with the theory that if you own a more expensive property you should have the means to pay a larger share of the overall property tax burden.

When comparing property taxation from community to community you cannot simply look at the property tax rate. The tax rate is only one component of the property tax calculation, the other component being property assessment. Property taxes are calculated by taking the tax rate multiplied by the property value. Since property assessment is different from community to community you again can't simply take a \$500,000 property in one community and compare to a \$500,000 property in Courtenay as the basis of

average assessment could be different. For example, a \$500,000 home in Courtenay is not far below the average value while a \$500,000 home in Victoria well below average, therefore if we were to compare Courtenay's tax rate to Victoria it would appear as if Courtenay is charging substantially higher property taxes. The only method to reasonably compare property taxes between communities is seeking out the taxes charged on the average home.

Property Taxes – Market and Non-Market Change

Property tax rates and property assessment must move in relation with each other to ensure smooth changes in taxation. It would not be reasonable for the City to have a static tax rate while assessed values are fluctuating, the result of this would be property tax changes that are directly linked with assessment value change. Looking at historical assessment change if a static tax rate were used we could see a 3.49% tax change for 2021 followed by a 29.63% in the 2022 year. Market change is the change property assessment from year to year of an existing property. To alleviate this issue municipalities, adjust the tax to levy the desired property tax and smooth out the volatility that assessment changes can bring.

Table 12: Market Value Change 2018 - 2023

Market Change %								
Class	Class Name	2018	2019	2020	2021	2022	2023	Total
1	Residential	17.71%	15.08%	3.30%	3.49%	29.63%	13.04%	82.3%
2	Utilities	8.06%	28.17%	7.19%	0.14%	11.68%	10.74%	66.0%
3	Supportive housing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.0%
5	Light Industry	6.87%	17.15%	4.16%	0.74%	15.86%	9.65%	54.4%
6	Commercial	6.90%	7.34%	7.01%	-3.51%	10.26%	6.32%	34.3%
8	Recreational	3.82%	3.61%	8.56%	1.94%	0.00%	3.50%	21.4%
9	Farm	9.00%	0.00%	0.00%	0.00%	6.96%	0.00%	16.0%

From 2018 to 2023 residential properties increase in value by 82.3% whereas commercial properties increased 34.3% over the same period.

Non-market change (NMC) is the assessment growth as a result of new construction or property class change. For example, if a large commercial property is developed into housing, we would see a reduction in the commercial property class and an increase to the residential property class. NMC varies from year to year and is typically dependent on construction and development.

Table 13: Non-Market Value Change 2018 - 2023

Non Market Change %								
Class	Class Name	2018	2019	2020	2021	2022	2023	Total
1	Residential	3.19%	2.95%	3.39%	2.94%	3.91%	1.87%	18.2%
2	Utilities	0.00%	0.00%	0.00%	-11.10%	0.00%	0.00%	-11.1%
3	Supportive housing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.0%
5	Light Industry	0.65%	0.06%	13.40%	0.00%	0.00%	0.35%	14.5%
6	Commercial	-0.10%	0.70%	0.67%	0.36%	-0.07%	0.85%	2.4%
8	Recreational	0.00%	0.00%	7.27%	0.00%	-35.97%	23.38%	-5.3%
9	Farm	0.00%	-10.75%	1.38%	0.55%	0.00%	-5.55%	-14.4%

Historically the City has seen reasonably consistent NMC in the residential class from a high of 3.91% (2022) to a low of 1.87% (2023). Some municipalities treat the taxation revenue attributed to NMC differently and place these "new" funds into reserves as they are receiving taxation money on a property for the first time. Historically the City of Courtenay does not treat NMC revenue differently as it simply becomes part of the annual property tax requisition and in turn reduces the impact of the annual change taxation on existing property owners.

Table 14: Non-Market Change New Taxation Revenue

Non Market Change New Taxation Value							
Class	Class Name	2018	2019	2020	2021	2022	2023
1	Residential	\$ 393,329.57	\$ 406,989.12	\$ 542,241.23	\$ 497,483.58	\$ 536,916.88	\$ 332,259.69
6	Commercial	- 4,247.71	58,614.64	59,555.45	35,621.24	- 6,057.78	83,583.60
	Total	\$ 389,081.85	\$ 465,603.76	\$ 601,796.67	\$ 533,104.82	\$ 530,859.10	\$ 415,843.30
	Portion of Tax Levy	1.7%	1.9%	2.4%	2.0%	1.9%	1.3%

Notice that 2020 has the largest NMC new tax value representing an increase in taxation equivalent to a 2.4% tax increase. 2022 has the largest percentage increase 3.91% in NMC but since it was all in the residential class and actual saw a decrease in the commercial class the change in tax revenue was lower than 2020.

Property Taxes – Tax Burden

The property tax burden is a method of looking at which property class carries what portion of the overall property tax burden for the given year. Courtenay sees in 2023, 65% of the tax burden being carried by the residential class and 35% carried by the commercial class. By analyzing this alongside the NMC and the annual changes in taxation we can determine if the tax burden is reasonable. All other classes represent a combined 1% of the tax burden.

Table 15: Tax Burden 2018 - 2023

Tax Burden							
Class	Class Name	2018	2019	2020	2021	2022	2023
1	Residential	64%	64%	64%	65%	65%	65%
2	Utilities	0%	0%	0%	0%	0%	0%
3	Supportive housing	0%	0%	0%	0%	0%	0%
5	Light Industry	0%	0%	0%	0%	0%	0%
6	Commercial	35%	35%	35%	34%	34%	34%
8	Recreational	0%	0%	0%	0%	0%	0%
9	Farm	0%	0%	0%	0%	0%	0%

Property tax burden has been slowly shifting towards residential class however this shift has not been through conscious Council direction, it has been caused by larger growth in the residential class overall. The larger growth in residential class is made evident by the NMC of 18.2% from 2018 through 2023 compared to the 2.4% growth in commercial for the same period.

Table 16: Assessment Distribution 2018 - 2023

Assessment Distribution							
Class	Class Name	2018	2019	2020	2021	2022	2023
1	Residential	86%	86%	86%	87%	89%	89%
2	Utilities	0%	0%	0%	0%	0%	0%
3	Supportive housing	0%	0%	0%	0%	0%	0%
5	Light Industry	0%	0%	0%	0%	0%	0%
6	Commercial	14%	14%	14%	13%	11%	10%
8	Recreational	0%	0%	0%	0%	0%	0%
9	Farm	0%	0%	0%	0%	0%	0%

Looking at the distribution of assessment, which compares total assessed value of a given class to the total combine assessment of all classes, is a useful piece of information when comparing communities to one

another as the commercial and industrial classes typically bring in significantly more tax revenue per dollar of assessed value which impacts the residential taxation amounts. Courtenay has seen growth in the residential class of 3% over 6 years and when compared to the change in tax burden it would appear the burden is also following this trend although at a slower rate. One must still consider that assessment distribution is impacted by the large market changes that have occurred in the residential class over the past several years, so it is not reasonable to expect a 1:1 change in assessment distribution and tax burden.

Property Taxes – Assessment Distribution - Residential

As noted above for the past several years the City has seen at times significant market value increase in its residential property class. The average residential property is now valued at \$717,752 this is up by 14.3% from 2022 value of \$627,852 which is up by 31.9% over 2021 value of \$475,914. The average home can have a market value percentage that differs from the overall market value change. Note in 2023 overall market value change was 13.04% while average value changed by 14.3%, this is caused by the various types of properties that are constructed year to year along with the sale prices/demand for different types of housing.

The table below takes the City’s 12,140 residential properties and breaks them into groups based on their value. An interval of \$250,000 has been used as it provides reasonable detail without being too granular.

Table 17: Residential Property Assessment by Interval

Property Assessment Interval	# of Properties	%	Cumulative %
\$1-\$250K	566	5%	5%
\$250K-\$500K	2,814	23%	28%
\$500K-\$750K	4,229	35%	63%
\$750K-\$1M	2,898	24%	87%
\$1M-\$1.25M	1,038	9%	95%
\$1.25M-\$1.5M	392	3%	98%
\$1.5M-\$1.75M	91	1%	99%
\$1.75M-\$2M	35	0%	99%
>\$2M	77	1%	100%
	12,140		

5% of the residential properties have a value between \$1 and \$250,000, some examples of these properties on the lower end of the value scale are modular homes that sit upon rented pads, or some smaller and older condos. When we look to the \$500,000 to \$750,000 interval we see that this group represents 35% of all properties which is the single largest group, furthermore we can see that 63% of all properties are valued at \$750,000 or below. The sum of properties value above \$1.25M represents about the same number of properties valued below \$250,000.

Property Taxes – Assessment Distribution - Commercial

Comparatively to the City’s residential properties, commercial properties have not seen the same volatility in market value change over the past several years. The average commercial property is now valued at \$1,011,858 this is up by 8.4% from 2022 value of \$940,420 which is up by 9.6% over 2021 value of \$855,308. The average value commercial property can have a market value percentage that

differs from the overall market value change. Note in 2023 overall market value change was 6.3% while average value changed by 8.4%, this is caused by the various types of properties that are constructed year to year along with the sale prices/demand for different types of properties.

The table below takes the City’s 878 regular commercial properties and breaks them into groups based on their value. A standard interval was not used due to the concentration of properties in lower than \$1M and the properties above \$10M.

Table 18: Commercial Property Assessment by Interval

Interval	# of Folios	Cumulative		Assessment	Cumulative		Average	
		%	%		%	%	Average Value	Tax
\$1-\$500k	470	53.5%	53.5%	\$ 122,822,993	12.1%	12.1%	\$ 261,000	\$ 2,716
\$500k-\$1M	197	22.4%	76.0%	\$ 137,857,300	13.5%	25.6%	\$ 700,000	\$ 7,283
\$1M-\$1.5M	81	9.2%	85.2%	\$ 95,954,000	9.4%	35.0%	\$ 1,185,000	\$ 12,330
\$1.5M-\$2M	36	4.1%	89.3%	\$ 61,471,800	6.0%	41.1%	\$ 1,708,000	\$ 17,772
\$2M-\$3M	41	4.7%	94.0%	\$ 100,631,900	9.9%	51.0%	\$ 2,454,000	\$ 25,534
\$3M-\$4M	16	1.8%	95.8%	\$ 55,542,200	5.5%	56.4%	\$ 3,471,000	\$ 36,115
\$4M-\$5M	13	1.5%	97.3%	\$ 58,941,200	5.8%	62.2%	\$ 4,534,000	\$ 47,176
\$5M-\$10M	13	1.5%	98.7%	\$ 85,937,000	8.4%	70.6%	\$ 6,611,000	\$ 68,787
>\$10M	11	1.3%	100.0%	\$ 298,771,000	29.4%	100.0%	\$ 27,161,000	\$ 282,607
TOTAL	878			\$ 1,017,929,393				

53.5% of properties have a value between \$1 and \$500,000, however these properties only represent 12.1% of the total commercial assessment. When we look to the \$500,000 to \$2M interval we see that this group represents 89.3% of all properties and accounts for 41.1% of total assessment. Looking to the \$10M+ valued properties we see that 11 properties only makeup 1.3% of the total number of commercial properties however these properties represent 29.4% of the total assessed value. These high value commercial properties include the likes of the Driftwood Mall, the Walmart Best Buy Complex, Costco and Superstore, these properties are not representative of the same commercial properties found downtown. The majority downtown commercial properties fall into the \$2M and lower value depending on size. The average tax on a commercial property represents the municipal taxation only, to give an idea of what commercial taxation is. Note that the average tax excludes utilities and taxes for other organizations (RD, HD, School).

Property Taxes – Ownership Composition

By analyzing the annual Home Owner Grants (HOG) claimed each year the City can approximate some ownership trends and details. Although this analysis is not perfect it can be useful to look at over the years to identify community trends. The HOG is a grant that can be claimed only on your principal residence, this means that you cannot claim a HOG for a rental house or a secondary dwelling, such as a vacation home. A home owner in BC is only permitted to claim 1 HOG even if they own multiple properties. Within the HOG program there is the regular stream \$770 or the enhanced \$1,045 which is available to owners over 65 years and those with specific disabilities. Given these criteria we are able to determine if a home is a principal residence and if the owner’s age is over/under 65. Note the number of HOG’s that fall under the disability category are very few and would not have a significant impact on the overall data.

Table 19: Home Owner Grant Detail

Home Owner Grants	2018	2019	2020	2021	2022
Regular	51.8%	51.1%	50.4%	49.7%	49.1%
Enhanced	48.2%	48.9%	49.6%	50.3%	50.9%
	100.0%	100.0%	100.0%	100.0%	100.0%
Primary Residence	72.9%	73.6%	73.3%	74.2%	75.2%

Notice that between 2018 and 2022 the number of regular HOG's claimed fell from 51.8% down to 49.1%, this change could signal that the age of home owners is increasing as fewer under 65 HOG's being processed. This could also indicate that Courtenay is an attractive place to retire, or that we are seeing more intergenerational living arrangements. The provincial statistical information for HOG's is only available to 2018 however in this year Courtenay was slightly above the provincial average of 41% of HOG's being claimed for 65 years plus. Qualicum Beach and Parksville has 73% and 65% of 2018 HOG's being claimed for 65 years plus which put them into the 3rd and 4th position in BC. Alternatively, Pemberton and Fort St. John had 10% and 16% of HOG's claimed for 65 years plus putting them in the lowest position in BC.

If we look to the primary residence statistic rising to 75.2% in 2022 from 72.9% in 2018 we can see that Courtenay is slowly increasing its owner-occupied housing stock. If we see the primary residence statistic decrease it could be a warning signal that people who own in Courtenay are not living here full-time. Provincially comparable information is not readily available for this statistic.

Property Taxes – Comparable Taxation

How does taxation in Courtenay compare to other municipalities? The table below was taken from information available through BC Local Government Statistics Schedule 704 – Taxes & Charges on a Representative House. From data the taxes (property and parcel) and fees controlled by the municipality where added up, this excludes other taxing authorities such as the Regional District, or School to arrive at the total charges on a representative house under direct control of the municipality. By doing this we can have a better look at exact charges the municipality has control to levy and deem to be reasonable on the representative house. It would be unreasonable to simply look at the total charges levied on the home as many of the charges are beyond the control of the municipality.

Table 20: Comparable Communities Charges on an Average Home

Comparable Communities 2022		
Municipality	Population 2021	Municipal Taxation Tax
White Rock	21,939	\$ 5,672
Port Moody	33,535	\$ 5,278
Squamish	23,819	\$ 4,659
Penticton	36,885	\$ 3,417
Cranbrook	20,499	\$ 3,381
Campbell River	35,519	\$ 3,303
Salmon Arm	19,432	\$ 3,074
Courtenay	28,420	\$ 3,052
North Cowichan	31,990	\$ 2,681
Fort St. John	21,465	\$ 1,748

The table above compares the 9 communities that are closest in population size to Courtenay and their municipal taxation on a representative house for 2022. Courtenay is on the low end of taxation, the two communities that tax lower both have industrial tax bases. Fort St. John received substantial funding (\$25.9M) through BC's Peace River Agreement which distributed \$50M annually between municipalities and regional districts in the South Peace. Fort St. John also is service center for the area resulting in substantial commercial assessment.

When looking at other comparable communities listed Port Moody, Salmon Arm, Fort St. John, and North Cowichan all have an industrial tax base which provides substantially more property tax revenue than residential or even commercial properties. Industrial tax rates for these municipalities range from a low of 28.000 per \$1,000 to 67.630 per \$1,000, to put this in perspective the 2022 residential tax rate for Courtenay was 2.4019 per \$1,000 and the commercial rate was 10.0879 per \$1,000.

Courtenay is an affordable place to own a home from a property taxation perspective. The downside of this is Courtenay will always comparatively seem like its property taxation increase percentage is larger as our base property taxation is substantially lower than many of the comparable communities. A 5% property tax change in White Rock brings \$283 on the average home while Courtenay brings \$153 on the average home.

Property Taxes – COVID-19 Restart Funds and Surplus Utilization

For the past several years the City has been able keep its property taxes low while still providing similar service levels by using Provincial COVID-19 Safe Restart Funds (\$4.15M) and prior years surplus (\$2.5M). The COVID-19 Safe Restart Funds were provided by the province in 2020 and by 2022 the City has used 100% of these funds. The table below outlines the City's taxation, taxation change (NMC and discretionary) plus the use of COVID-19 Safe Restart Funds along with prior year surplus.

Table 21: COVID-19 Restart Funds and Surplus

Tax Levy							
Class	Class Name	2018	2019	2020	2021	2022	Row
1	Residential	14,668,818	15,304,700	16,267,176	17,085,561	18,324,052	
2	Utilities	51,571	58,472	62,489	54,989	49,352	
3	Supportive housing	-	-	-	-	-	
5	Light Industry	77,554	80,413	94,247	93,844	87,371	
6	Commercial	8,083,072	8,483,567	8,779,620	9,046,136	9,581,754	
8	Recreational	15,117	14,144	16,766	16,893	9,638	
9	Farm	4,945	3,904	4,102	4,076	3,276	
		22,901,077	23,945,200	25,224,400	26,301,500	28,055,443	1
	% Chng PY	3.6%	4.6%	5.3%	4.3%	6.7%	2
	% Chng excluding NMC	1.8%	2.5%	2.8%	2.2%	4.7%	3
	% NMC	1.8%	2.0%	2.5%	2.1%	2.0%	4
Covid 19 Grant use				2,144,281	1,848,703	156,016	5
	Portion of taxation equivalent			9.0%	7.3%	0.6%	6
					PY Surplus	2,490,600	7
Tax Change avoided by alternate funding				9.0%	7.3%	9.5%	8
Real tax change				14.3%	11.6%	16.1%	9

Tax Levy							
Class	Class Name	2018	2019	2020	2021	2022	Note
1	Residential	14,668,818	15,304,700	16,267,176	17,085,561	18,324,052	
2	Utilities	51,571	58,472	62,489	54,989	49,352	
3	Supportive housing	-	-	-	-	-	
5	Light Industry	77,554	80,413	94,247	93,844	87,371	
6	Commercial	8,083,072	8,483,567	8,779,620	9,046,136	9,581,754	
8	Recreational	15,117	14,144	16,766	16,893	9,638	
9	Farm	4,945	3,904	4,102	4,076	3,276	
		22,901,077	23,945,200	25,224,400	26,301,500	28,055,443	1
	% Chng PY	3.6%	4.6%	5.3%	4.3%	6.7%	2
	% Chng excluding NMC	1.8%	2.5%	2.8%	2.2%	4.7%	3
	% NMC	1.8%	2.0%	2.5%	2.1%	2.0%	4
Covid 19 Grant use				\$ 2,144,281	\$ 1,848,703	\$ 156,016	5
	Portion of taxation equivalent			9.0%	7.3%	0.6%	6
					PY Surplus	\$ 2,490,600	7
						9.5%	8
Tax Change avoided by alternate funding				9.0%	7.3%	9.5%	8
Real tax change				14.3%	11.6%	16.1%	9

Notes

1. Total municipal taxation per year
2. % change in taxation from prior year (total NMC + discretionary)
3. % change excluding NMC, this represents the taxation increase on a property that was tax in the prior year to the current year.
4. % change in taxation attributed to new construction
5. Total COVID-19 Safe Restart Funds used each year
6. % equivalent to the utilization of COVID-19 Safe Restart Funds when compared to prior years taxation

7. Total prior year (PY) surplus used
8. The % of tax increase avoided by use of alternative funding (COVID-19 Safe Restart / PY Surplus)
9. % of equivalent real tax changed if no alternative funding used. This row combines the tax increase from row 2 plus the use of alternative funding from row 8

COVID-19 Safe Restart funds were helpful in relieving pressure on municipalities to continue to provide service through such uncertain times. There is a downfall though, it has resulted in the deferment of tax increases while providing funding for enhanced/maintained service levels. With the near full utilization of COVID-19 Safe Restart Funds in 2022 the City relied upon prior year surplus of \$2.5M to balance the 2022 financial plan. Although utilization of prior year surplus is an acceptable method to balance the budget it is not sustainable as it relies on the assumption that the City will always have a surplus. If the City continues to rely on surplus to defer property tax increases we will arrive at a point where there is no longer a surplus available and taxes will have to increase substantially in a single year or substantial service cuts will have to occur.

If we look to 2022 we can see that the total tax increase from 2021 was 6.7% or \$1.75M. Of this 6.7% change, 2% came directly from NMC (new construction) while the other 4.7% came from increases to existing tax payers. The 4.7% can be identified as the discretionary tax change as Council has control over this figure, NMC tax change is a result of growth which is not directly controlled by Council. The use of \$2.5M of prior year surplus was the equivalent of 9.5% tax increase that did not occur but services were delivered. If we combine the discretionary tax increase of 4.7% plus the use of prior year surplus of 9.5% we arrive at a 14.1% discretionary increase in funding (combination of tax and surplus). This strategy achieved a lower tax increase for 2022 when compared to service level provision, however this method is not sustainable as the City will deplete its surpluses and have artificially low taxes relative to the services being delivered.

Non-Market Change and Supplementary Adjustments

Based on the latest 2023 Non-Market Change report provided by BC Assessment, the City is expecting to receive \$418,662 in additional taxation revenue from new construction. \$415,843 represents 1.3% of prior years taxation.

The additional revenue from new construction is cumulative and used to support the cost of new City infrastructure, services and labour necessary to operate and maintain existing levels of service relative to the growth.

Property Taxes – 2023 Tax Change

To balance the 2023 budget the City requires \$32,624,300 of funding, if this comes 100% from taxation it would represent an increase of \$4,568,857 over 2022 taxation of \$28,055,433. The large increase is caused by the use of alternative funding sources to taxation for the past several years to balance the budget. To offset this large tax increase it is recommended that the City relies on prior year surplus of \$1.4M to close the funding gap to \$3.1M. A taxation increase of \$3.1M would bring total tax revenue to \$31,195,000 for 2023. Given the low taxation increase over the past several years it is recommended that Council consider a larger increase for 2023 to maintain current service levels. The table below outlines to the 2023-2027 taxation change along with projected reliance on prior year surplus.

Table 22: 2023 – 2027 Property Tax Change

Taxation and Surplus 2023-2027						
	2023	2024	2025	2026	2027	Total
Revenue Req.	\$ 32,624,300	\$ 34,157,800	\$ 33,907,700	\$ 36,083,000	\$ 36,998,900	
Change	4,568,857	1,533,500	(250,100)	2,175,300	915,900	
% Change	16.3%	4.7%	-0.7%	6.4%	2.5%	
Alternative Funding						
	2023	2024	2025	2026	2027	
Surplus	\$ 1,429,300	\$ 566,400	\$ -	\$ 650,000	\$ 116,400	\$ 1,978,500
Additional reserve contributions			(783,600)	-		
Tax Required	\$ 31,195,000	\$ 33,591,400	\$ 34,691,300	\$ 35,433,000	\$ 36,882,500	
Property Taxation	\$ 31,195,000	\$ 33,591,400	\$ 34,691,300	\$ 35,466,600	\$ 36,882,500	
Discretionary Change	\$ 2,720,895	\$ 2,096,400	\$ 799,900	\$ 441,700	\$ 1,149,500	
NMC Est 2024+	418,662	300,000	300,000	300,000	300,000	
Total Change	\$ 3,139,557	\$ 2,396,400	\$ 1,099,900	\$ 741,700	\$ 1,449,500	
% Discretionary Change	9.7%	6.7%	2.4%	1.3%	3.2%	
Average SRD -	\$ 1,672.51	\$ 1,784.91	\$ 1,827.41	\$ 1,850.68	\$ 1,910.66	
Variable tax only	\$ 164.51	\$ 112.40	\$ 42.50	\$ 23.27	\$ 59.98	\$ 402.93

The financial plan is based on this scenario for the 2023-2027 years. Notice the revenue required annually on the first row is relatively stable. 2023 sees the utilization of \$1.4M of prior year surplus, however this is the single largest utilization over the 5 years. The plan is set to use a total of \$1.98M of prior year surplus and should leave \$5.2M available in 2027, this reduced reliance on prior year surplus will provide more flexibility to adapt and absorb unforeseen changes. Notice that in 2025 the plan contributes more to surplus and then draws on it in 2026, this is done to smooth out taxation changes. The total property tax change required from 2022 is \$3,139,557 however as noted above the expected non-market change taxation contribution is \$418,662 which reduced the discretionary tax increase down to \$2,720,895 which is the equivalent of a 9.7% tax increase. Years 2025 through 2027 have lower taxation change requirements as the City has caught up on taxation from the low increase COVID-19 years.

The taxation only impact on an average home is an increase of \$164.51 for an annual total of \$1,672.51. Once we consider utility changes, frontage tax and property tax is an all included increase of \$251.87. Details on the all-inclusive change is detailed below.

Table 23: Taxes and Utilities on an Average Residential Dwelling

Average Single Residential Dwelling					
	2022	2023	\$ Change	% Change	
Average Home Value	\$ 627,852	\$ 717,752	\$ 89,900	14.3%	
General Tax rate	2.4019	2.3302	- 0.0717	-3.0%	
General Tax	\$ 1,508.04	\$ 1,672.51	\$ 164.47	10.9%	
Total Variable tax	\$ 1,508.04	\$ 1,672.51	\$ 164.47	10.9%	
Utilities					
Water User fee	\$ 516.17	\$ 536.82	\$ 20.65	4.0%	
Water Frontage*	\$ 127.49	\$ 127.49	\$ -	0.0%	
Sewer User fee	\$ 377.97	\$ 398.76	\$ 20.79	5.5%	
Sewer Frontage*	\$ 223.54	\$ 223.54	\$ -	0.0%	
Solid Waste	\$ 191.54	\$ 237.50	\$ 45.96	24.0%	
Total Utilities	\$ 1,436.71	\$ 1,524.11	\$ 87.40	6.1%	
Total Property Charges	\$ 2,944.74	\$ 3,196.61	\$ 251.87	8.6%	

The table above provides the detail on the tax and utility impacts on an average residential dwelling. For 2023 the solid waste fee is seeing the largest percentage change as the City is in transition to the new shared solid waste service. The total property charges for an average home in 2023 of \$3,196.61 when compared to comparable communities would move the City of Courtenay up one position above Salmon Arm, this is assuming Salmon Arm does not increase taxes for 2023. Even with the proposed tax increase an average home in Courtenay is still taxed significantly lower than comparable communities.

The taxation only impact on an average commercial property is an increase of \$1,041 for a total of \$10,528. It is not feasible to provide an all in tax and utility change for commercial properties as their utility billings can differ significantly depending on the type and use of property.

Table 24: Taxes on an Average Commercial Property

Average Commercial Property				
	2022	2023	\$ Change	% Change
Assessment \$	\$ 949,825,084	\$ 1,017,929,393	\$ 68,104,309	7.2%
# Folios (improved)	1,010	1,006	(4)	-0.4%
Average Assessed Value	\$ 940,421	\$ 1,011,858	\$ 71,437	7.6%
General Tax rate	10.0879	10.4049	0.3170	3.1%
General Tax \$	\$ 9,486.87	\$ 10,528.28	\$ 1,041.41	11.0%

The property tax increase is applied equally to most property classes however past practices have led to reduced taxation burden on two classes of property that should be carrying more of the burden. Class 2 – Utilities and Class 8 - Recreation have benefited from lower taxation for several years however when comparing property tax burden amount in other communities these classes carry substantially more property tax burden than they do in Courtenay. The table below outlines property tax change by class.

Table 25: Property Tax Change Summary

Class	Class	Council approved Discretionary Increase %	Assessment Increase %	NMC Levy	Current year total levy	Prior year tax levy	\$ Change
1	Residential	9.7%	13.0%	\$ 332,253	\$ 20,427,570	\$ 18,324,052	\$ 2,103,517
2	Utilities	25.0%	10.7%	-	61,690	49,352	12,338
3	Supportive Housing	0.0%	0.0%	-	-	-	-
5	Light Industry	9.7%	9.7%	304	96,120	87,371	8,749
6	Commercial	9.7%	6.3%	83,584	10,591,459	9,581,754	1,009,705
8	Recreational	25.0%	3.5%	2,721	14,768	9,638	5,131
9	Farm	9.7%	0.0%	- 200	3,393	3,276	117
Total				\$ 418,662	\$ 31,195,000	\$ 28,055,443	\$ 3,139,557

Note the 9.7% increase for residential, light industry, commercial and farm class properties is consistent which provides a fair distribution of the change in tax for 2023. The utility class has a legislated maximum tax rate of 40.000 per \$1,000 of assessment or 2.5x Class 6 tax rate, the majority of BC Municipalities are at the maximum for Class 2. In 2022 the City’s Class 2 tax had reached its minimum after a steady decline to 16.8132 compared to 25.3419 in 2018, a 25% increase will bring this rate up to 18.9780. It is not reasonable to bring this rate up too quickly and it will take several years re-reach the prescribed and normal maximum of 40.000.

There are a very limited number of recreation properties that fall within the municipal boundaries however all of these properties operate as a commercial enterprise and therefore should be taxed at the same rates of other commercial enterprises found in Class 6. Recreation properties historically were taxed at the residential tax rate 2.3302 -2023. It will take about 7 years to lift the recreation rate to be equal to the commercial rate at a 25% per year increase.

Other Revenue Sources

The table below provides a summary of the revenue included in the 2022 Budget. Further detail is available in Appendix 9 – General Operating Revenue detail.

Table 26: General Operating Revenues & Transfers

General Operating Revenues & Transfers	2022 BUDGET	2023 BUDGET	Variance	Variance %
Taxation - Municipal Purposes	29,417,200	32,742,500	3,325,300	11.3%
Grants-in-Lieu of Taxes	325,800	363,700	37,900	11.6%
1 % Revenue Tax	411,000	439,600	28,600	7.0%
Taxes for Municipal Purposes	30,154,000	33,545,800	3,391,800	11.2%
Revenue from Own Sources	8,381,400	7,886,000	(495,400)	-5.9%
Revenue from Other Governments & Agencies	2,105,700	2,161,700	56,000	2.7%
Investment and Penalty Revenue	722,500	1,412,800	690,300	95.5%
Revenue from Other Sources	158,200	156,000	(2,200)	-1.4%
Transfer from Reserve	1,573,300	1,962,100	388,800	24.7%
Transfer from Reserve from Future Expenditures	1,193,000	584,600	(608,400)	-51.0%
Transfer from Surplus	2,690,600	1,827,100	(863,500)	-32.1%
Grand Total	46,978,700	49,536,100	2,557,400	5.4%

Revenue from own sources

Revenue from own sources typically come in the form of Fees and Charges. For 2023 the overall own source revenue fell by \$495K, this is due to the change in solid waste service and the ending of industrial, commercial and institutional collection (\$1.4M reduction). Development Servicing fees have increased by

\$722K to align closer to expected actuals, based on prior years performance. These fees had been budgeted conservatively through the COVID-19 years.

Interest revenue budgeted for 2023 was increased to account for higher interest rates on investments and late property tax interest.

Community Works Fund – Community Building Grant Revenues

The City of Courtenay receives \$1.24 million per year in Federal Canadian Community Building Fund revenue (formerly known as Gas Tax) through the Community Works Fund administered by the Union of BC Municipalities (UBCM). These funds are deposited into a reserve and used to fund eligible capital and operating projects as required. In 2023, \$1.3M of Community Building revenue is used to fund various capital projects, as detailed below in Table 25.

Table 27: Community Building funding for 2023 capital projects

Community Building Fund (formerly Gas Tax)	2023
Pedestrian, Cycling and Pavement Renewal Program	1,100,000
Cycling Network Plan Improvements Implementation	200,000
Total	1,300,000

The estimated December 31, 2022 balance in the Community Building Reserve is \$2,087,600.

COVID-19 Safe Restart Grant for Local Governments

In November 2020, the City of Courtenay received a grant of \$4,149,000 under the COVID-19 Safe Restart Grant for Local Governments funding stream, distributed by the Ministry of Municipal Affairs and Housing, to assist with the increased operating costs and lower revenue as a result of the pandemic.

As of the end of 2022 the City has used all of the COVID-19 Safe Restart funds.

Gaming Funds

As a host local government of a gaming facility, the City receives a 10% share of the net gaming revenue every year, which may be used for “any purpose within their legal authority”. As a result of the COVID-19 pandemic, the local casino has been closed between March 2020 and July 2021. The operations at the local casino have now resumed and revenues have returned to near pre-pandemic levels.

Revenue is budgeted at \$1,250,000 based on historical performance (prior to COVID-19). As at December 31, 2022, the gaming fund has an unaudited balance of \$1,950,643 (\$1,876,400-2021). Past practice has been to maintain a minimum of one year of revenue in the fund. Given the uncertainty of the past few years some projects have been delayed and some spending has not been fully utilized resulting in a fund balance greater than held in the past.

Table 28: Gaming Fund Detail

Distribution: Major Categories		2023	2024	2025	2026	2027
Estimated Annual Revenue		1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Support Downtown Arts and Culture	Annual Grants:					
	CV Art Gallery	65,000	65,000	65,000	65,000	65,000
	Ctny & Dist Historical Society	50,000	50,000	50,000	50,000	50,000
	Sid Williams Theatre Society	105,000	105,000	105,000	105,000	105,000
	Downtown cultural events	5,000	5,000	5,000	5,000	5,000
	225,000	225,000	225,000	225,000	225,000	
Council Initiatives & Projects	Feb 19, 2019 Resolution - LUSH Community Garden Annual Grant	10,000	10,000	10,000	10,000	10,000
	Nov 19, 2018 Resolution - Heritage Refurbish Clocks (2018 carry forward)	14,800				
	Annual Grants-in-Aid	50,000	50,000	50,000	50,000	50,000
	Management Fee to Comox Valley Community Foundation for Annual Grants-in-Aid program	2,500	2,500	2,500	2,500	2,500
	Other Council Initiatives/Projects	75,000	75,000	75,000	75,000	75,000
	Mar 28, 2022 Resolution K'omoks Guardian Watchmen Program	10,000	10,000	10,000	10,000	10,000
	Electric Charging Stations - Committed 2019-2023 Fin Plan (150k CF to 2022)	136,300				
		298,600	147,500	147,500	147,500	147,500
Public Safety / Security	RCMP Contract Funding for 2 members	442,000	457,000	473,000	490,000	507,000
Infrastructure Works	Annual Provision to Infrastructure Reserve	100,000	100,000	100,000	100,000	100,000
	Infrastructure Levy Reduction (Approx 1% + 0.5% in 2022)	220,000	220,000	220,000	220,000	220,000
		320,000	320,000	320,000	320,000	320,000
Total Annual Distribution		1,285,600	1,149,500	1,165,500	1,182,500	1,199,500
Projected Gaming Fund Balance		1,915,043	2,015,543	2,100,043	2,167,543	2,218,043

Other Funding Sources

Annually the City of Courtenay receives approximately \$270,000 in Traffic Fine Revenue from the Province. These funds go directly to funding the cost of policing.

Prior Year Surplus

Prior year surplus is accumulated from past years where the city operations have been under-budget, more revenue was received than anticipated, or capital budgets have been deferred or cancelled pending prioritization based on condition assessment data. Under-budget situations can occur for a variety of reasons such as unanticipated staff vacancies and insufficient capacity to complete projects, years where anticipated snow and ice control resources have been budgeted but have not been needed, or the receipt of higher or unanticipated revenues or grants.

Staff recommends that policy guidance be adopted by Council with respect to the prior year surplus and reserves management. Ideally, a surplus and reserves policy would define the appropriate level and use of surplus and reserves in order to maintain funds available for contingency and provide stable funding for anticipated capital renewal needs.

Borrowing

The financial plan three capital projects that are funded in part by borrowing for 2023 for a total reliance on debt funding of \$5,278,000.

- 6th Street Multi-Use Active Transportation Bridge - \$1,500,000
- 1st Lift Station - \$2,500,000
- Strategic Land Acquisition - \$1,278,000

The City's 2022 debt capacity utilization was 11.2%; this represents annual debt servicing costs of

\$1,526,127 of the \$13,577,480 annual limit. Debt servicing costs include the annual principal and interest payments of a given loan. Total debt servicing costs are set to rise to \$1,649,800 for 2023 which is well within the City's borrowing limit as utilization will move up to 11.6%. The total allowable debt servicing capacity represents 25% of the prior year operating revenues.

Borrowing is the principal source of funding for several large projects included in the General Fund Capital Plan, for a total of \$22.2 million over the next 4 years. The City will be using an estimated 18.6% of its allowable debt servicing capacity by the end of 2027 which also includes the new debt for Water and Sewer projects over the next 4 years (respectively \$3.8 million and \$4.8 million).

As at December 31, 2022 the City had \$11,880,552 (\$13,423,365-2021) of outstanding long-term debt. All long term debt has fixed interest rates for 5 year terms that renew up to the maximum 30 year amortization period. The table below compares long-term debt as at December 31, 2021 of other similar sized communities.

Table 29: Long Term Debt Comparison

Comparable Communities Long Term Debt		
Municipality	Population	Debt 2021
Squamish	23,819	\$ 40,340,417
Fort St. John	21,465	29,570,070
North Cowichan	31,990	27,672,074
Cranbrook	20,499	25,921,198
Penticton	36,885	24,193,133
Salmon Arm	19,432	22,813,105
Port Moody	33,535	22,488,662
White Rock	21,939	22,033,017
Courtenay	28,420	13,423,365
Campbell River	35,519	10,746,957

The comparable communities selected are the same communities as used for taxation comparison found in table 19. It is notable that Fort St. John and North Cowichan both of which have lower taxation than Courtenay fall in the top 3 communities with total debt. Squamish has seen substantial growth since 2010, this is made evident by the 22.2% population increase from 2016 to 2021. This fast growth could be a contributing factor to its high debt level as increases in capacity for services was likely demanded.

Assuming an interest rate of 5% and an amortization period of 30 years the City has the capacity to take on an additional \$173,000,000 in long term debt. While it is not recommended, it does demonstrate that the City has capacity to take on substantially more debt if needed.

Short-term capital borrowing is available for municipalities up to a total of \$50 per capita, which represents approximately \$1.42 million for the City of Courtenay.

Table 30: Debt Servicing Costs

Annual Debt Servicing Costs					
Estimated Debt Servicing Costs	2023	2024	2025	2026	2027
General	\$ 1,311,000	\$ 1,471,600	\$ 1,425,400	\$ 1,870,100	\$ 2,158,800
Water	29,300	29,300	102,800	331,800	335,100
Sewer	309,500	508,100	640,100	666,500	703,600
Total	\$ 1,649,800	\$ 2,009,000	\$ 2,168,300	\$ 2,868,400	\$ 3,197,500
Change	\$ 123,673	\$ 359,200	\$ 159,300	\$ 700,100	\$ 329,100
Interest / Principal	2023	2024	2025	2026	2027
Interest	\$ 641,500	\$ 791,800	\$ 1,002,100	\$ 1,286,900	\$ 1,603,400
Principal	1,008,300	1,217,200	1,166,200	1,581,500	1,594,100
Total	\$ 1,649,800	\$ 2,009,000	\$ 2,168,300	\$ 2,868,400	\$ 3,197,500
Interest as % of total debt servicing cost	39%	39%	46%	45%	50%

The large increase in debt servicing costs in 2026 is due to the East Side Firehall project (\$8.5M) funded by \$6.5M in debt. The interest as a percentage of total debt servicing cost is growing over the years, this is due to new debt being taking on at assumed higher interest rates than in the past. For the past several years, interest rates have been at historically low levels, however the interest rate environment has changed. On a 20-year loan the interest rate must be 3.45% to archive a 50/50 split between annual principal and interest payments. If interest rates go below 3.45% then the interest portion of the loan payment will be lower. On a 30-year loan the rate must be 1.86%. Note that all borrowing is through the Municipal Finance Authority which does not make profit from municipal lending and if profit is realized it is return to the municipalities through actuarial adjustments. Currently the estimated actuarial adjustment on a 20-year loan would result in a 31% reduction in the total principal to be repaid.

FINANCIAL IMPLICATIONS:

The 2023 – 2027 Financial Plan as presented provides the City with maintained service levels. The City is transitioning to the new Council elected late in 2022 while still seeing impacts of the return to normal post COVID-19. The Financial Plan includes one of the largest single year tax increases in recent memory however years of deferred tax increases made possible through alternative sources of funding that are now depleted has resulted in the need for the large increase.

Through Council’s strategic planning process and guidance over the next 4 years the financial planning process will become more focused on these new and renewed priorities. Service levels and service expectations drive the need for taxation and as a result these services will inform taxation changes through the next four years.

The Capital Plan as presented is an affordable plan, it however does not provide fulsome funding to maintain all of the City’s assets over the next 100 years. Staff have been working on bringing a detail asset management work plan forward to Council and the community to stimulate the conversation and provide detail to better understand the long-term impacts of capital funding decisions today. The Capital plan does include some major projects over the next 5 years. For 2023 we are only seeing \$1.8M of current year revenue (taxation, fees) supporting the \$18.8M capital plan, the remainder of funding is coming from, reserves, debt, grants or other sources. This imbalance puts the City at risk of being unable to fund the capital program effectively if some of these alternative funding sources end.

As seen in Table 19 Comparable Communities Charges on An Average Home in Courtenay is an affordable City to own a home as our annual property taxes and fees are among the lowest of similar sized communities. Even with the current years historically larger tax increase Courtenay, in-comparison, will remain an affordable City to own a home.

ADMINISTRATIVE IMPLICATIONS:

The 2023-2027 Financial Plan Bylaw and the 2023 Property Tax Rates Bylaw must be finally adopted no later than May 13, 2023.

ASSET MANAGEMENT IMPLICATIONS:

The Asset Management Working Group collects and analyses information provided by condition and risk assessments of the City's infrastructure. Preventative maintenance programs extend the life of the infrastructure and future years capital costs can be deferred. The financial plan includes use of general operating funds for renewal projects prioritized by the Asset Management Working Group.

STRATEGIC PLAN REFERENCE:

In preparing the 2023-2027 Financial Plan, Staff considered Council's 2019-2022 Strategic Priorities, the capacity of staff to deliver services and projects in a timely manner, and also considered the public's willingness to pay. The following strategic priorities informed the preparation of the proposed 2023-2027 Financial Plan.

We focus on organizational and governance excellence

- Support and encourage initiatives to improve efficiencies
- Recognize staff capacity is a finite resource and support staff training and development
- Communicate appropriately with our community in all decisions we make
- Responsibly provide services at levels which the people we serve are willing to pay
- ▲ Value community safety and support our protective services

We proactively plan and invest in our natural and built environment

- Focus on asset management for sustainable service delivery
- ▲ Look for regional infrastructure solutions for shared services

We actively pursue vibrant economic development

- ▲ Continue to support Arts and Culture

We plan and invest in methods of multi-modal transportation

- Move forward with implementing the City's Transportation Master Plan
- ▲■ Collaborate with regional and senior government partners to provide cost-effective transportation solutions
- ▲ Explore opportunities for Electric Vehicle Charging Stations

We support diversity in housing and reasoned land use planning

- Complete an update of the City's OCP and Zoning Bylaws
- Continue to develop and revisit all infrastructure master plans

We continually invest in our key relationships

- Value and recognize the importance of our volunteers

- **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 that are outside Council's jurisdictional authority to act

OFFICIAL COMMUNITY PLAN REFERENCE:

The 2023-2027 General Fund Financial Plan touches several of the OCP Goals including:

- ❖ Sustainable development
- ❖ Parks and publicly accessible natural open spaces
- ❖ Municipal infrastructure planning and investments align with the urban framework concept
- ❖ Provision of community services including fire/rescue and policing
- ❖ Functional transportation system

REGIONAL GROWTH STRATEGY REFERENCE:

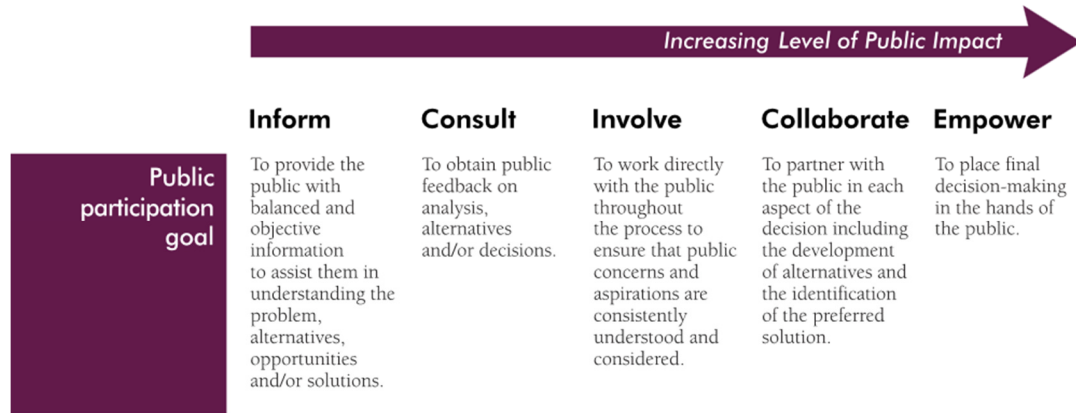
The 2023-2027 General Fund Financial Plan is presented to encourage sound financial management of City assets in order to provide services to all residents within the municipality and region. It touches on:

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

CITIZEN/PUBLIC ENGAGEMENT:

Section 166 of the Community Charter requires that “A council must undertake a process of public consultation regarding the proposed financial plan before it is adopted”.

The City of Courtenay informs and consults with the public about the 2023–2027 Financial Plan through regular council meetings, media webcasts, and information posted on the City’s website. Public will have the opportunity for consultation and to make comment by emailing Budget@courtenay.ca or writing to City Hall at 830 Cliffe Ave, Courtenay BC V9N 2J7 prior to Councils anticipated adoption date of April 26, 2023.



OPTIONS:

OPTION 1: THAT Council give first, second and third readings to “2023-2027 Consolidated Financial Plan Bylaw 3096, 2023”

OPTION 2: THAT Council give alternative direction to staff.

It should be noted that deferring this financial plan may hinder Council’s ability to meet the May 12, 2023 deadline for adoption of the annual financial plan bylaw and tax rate bylaw per Section 197 of the *Community Charter*.

Prepared by:

Adam Langenmaier BBA, CPA, CA
Chief Financial Officer, Director of Financial Services

Concurrence by:

Geoff Garbutt, M.Pl., MCIP, RPP
City Manager (CAO)

Attachments:

- Appendix 1 – 2023 – 2027 Consolidated Financial Plan Bylaw No. 3096, 2023
- Appendix 2 – General Capital
- Appendix 3 – Water Capital

- Appendix 4 – Sewer Capital
- Appendix 5 – Gaming Funds
- Appendix 6 – 2023-2027 Water Fund Financial Plan Report
- Appendix 7 – 2023-2027 Sewer Fund Financial Plan Report
- Appendix 8 – 2023-2027 Solid Waste, Recycling and Organics Financial Plan Report
- Appendix 9 – General Operating Revenue detail
- Appendix 10 – General Operating Expense detail

CITY OF COURTENAY

BYLAW NO. 3096, 2023

**A bylaw for the City of Courtenay
Five-Year Financial Plan for the period 2023 to 2027 inclusive**

WHEREAS

- A. Section 165 of the *Community Charter* requires that every municipality must have a five-year financial plan that is adopted annual, by bylaw, before the annual property tax bylaw is adopted and that the financial plan must set out the objectives, and policies of the municipality for the planning period in relation to the funding sources, the proportion of total revenue from the funding sources, the distribution of property value taxes among the property classes and the use of permissive tax exemptions;
- B. Section 166 of the *Community Charter* requires that, before adopting a bylaw under section 165, a council must undertake a process of public consultation regarding the proposed financial plan; and
- C. Council for the City of Courtenay has complied with section 166 of the Community Charter.

NOW THEREFORE

- A. the Council of the City of Courtenay, in open meeting assembled, enacts as follows:
 - 1. This bylaw may be cited for all purposes as “**2023 – 2027 Consolidated Financial Plan Bylaw 3096, 2023**”.
 - 2. Schedules A and B attached hereto and forming part of this bylaw are hereby declared to be the Five-Year Financial Plan of the City of Courtenay for the years 2023 to 2027 inclusive.
 - 3. “The 2022 – 2026 Consolidated Financial Plan Bylaw No. 3060, 2022” is hereby repealed.

Read a first time this day of April, 2023

Read a second time this day of April, 2023

Read a third time this day of April, 2023

Finally passed and adopted this day of April, 2023

Mayor Bob Wells

Adriana Proton, Corporate Officer

City of Courtenay
 BYLAW NO. 3096, 2023
 A bylaw for the City of Courtenay
 Five-Year Financial Plan for the period 2023 to 2027 Inclusive
 Schedule A

	2023	2024	2025	2026	2027
Revenue					
Property taxation	\$ 31,508,700	\$ 33,905,100	\$ 35,005,000	\$ 35,780,300	\$ 37,196,200
Frontage and parcel taxes	3,355,100	3,371,800	3,388,500	3,405,400	3,422,400
Fees and charges	22,551,400	23,545,500	24,569,500	25,498,300	26,370,500
Government transfers	7,350,700	3,268,500	3,992,600	4,002,200	12,880,600
Other revenue	2,259,000	2,168,900	2,171,100	2,373,500	2,375,800
Total Revenue	\$ 67,024,900	\$ 66,259,800	\$ 69,126,700	\$ 71,059,700	\$ 82,245,500
Expenses					
General Government	\$ 5,921,500	\$ 6,002,300	\$ 6,004,900	\$ 6,109,700	\$ 6,192,600
Protective Services	11,822,000	12,016,200	12,306,200	12,889,500	13,164,400
Public Works Services	9,828,200	9,890,200	10,037,300	10,156,800	10,173,800
Engineering Services	1,087,200	750,900	763,100	775,500	788,600
Environmental Health Services	19,329,500	20,599,100	21,191,900	21,762,800	22,381,500
Public Health Services	425,300	431,400	438,200	444,900	446,600
Development Services	2,994,000	2,716,800	2,765,200	2,729,200	2,771,300
Recreation & Cultural Services	6,291,500	6,396,500	6,421,300	6,568,100	6,698,800
Fiscal services debt interest	641,500	791,800	1,002,100	1,286,900	1,603,400
Amortization	6,661,000	6,661,000	6,661,000	6,661,000	6,661,000
Total Expense	\$ 65,001,700	\$ 66,256,200	\$ 67,591,200	\$ 69,384,400	\$ 70,882,000
Annual Operating (Deficit) Surplus	\$ 2,023,200	\$ 3,600	\$ 1,535,500	\$ 1,675,300	\$ 11,363,500
Transfers and Acquisitions					
Remove amortization	\$ 6,661,000	\$ 6,661,000	\$ 6,661,000	\$ 6,661,000	\$ 6,661,000
Principal payments	(1,008,300)	(1,217,200)	(1,166,200)	(1,581,500)	(1,614,100)
Capital acquisitions	(25,039,200)	(11,339,400)	(19,836,000)	(10,571,000)	(30,467,000)
Borrowing	5,278,000	2,500,000	11,350,000	3,250,000	14,403,000
Transfer to reserve	(4,391,100)	(4,652,700)	(5,580,100)	(4,327,100)	(5,139,700)
Transfer from reserve	16,476,400	8,044,700	7,035,800	4,893,300	4,793,300
Total Transfers and Acquisitions	\$ (2,023,200)	\$ (3,600)	\$ (1,535,500)	\$ (1,675,300)	\$ (11,363,500)
Annual Surplus / (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

City of Courtenay
BYLAW NO. 3096, 2023
A bylaw for the City of Courtenay
Five-Year Financial Plan for the period 2023 to 2027 Inclusive
Schedule B

Objectives and Policies for Schedule “B” Bylaw 3096

In accordance with section 165 (3.1) of the *Community Charter*, the City of Courtenay is required to include in the Five-Year Financial Plan, objectives, and policies regarding each of the following:

- The proportion of total revenue that is proposed to come from that funding source.
- The distribution of property value taxes among the property classes that may be subject to the taxes.
- The provision of development potential relief under section 198.1 of the *Community Charter*.
- The use of permissive tax exemptions.

Proportion of Revenue by Source

Property Tax

- 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

- 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.

Transfers from other Governments and Agencies

- The City will ensure that all government transfers are used in accordance with the terms and conditions attached to the funding and that all reporting requirements are met.
- Unconditional government transfers will be considered as general revenue in the financial plan.

Other Sources of Revenue

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

City of Courtenay
 BYLAW NO. 3096, 2023
 A bylaw for the City of Courtenay
 Five-Year Financial Plan for the period 2023 to 2027 Inclusive
 Schedule B

Proportions of Total Revenue

Revenue Source	2022		2023	
	Amount (\$)	% of Total Revenue	Amount (\$)	% of Total Revenue
Property Tax	\$ 27,905,700	47%	\$ 31,145,000	43%
Frontage and Parcel Tax	3,333,700	6%	3,355,100	5%
Fees and Charges	21,705,400	36%	22,551,400	31%
Transfers from Other Govt	4,683,500	8%	7,350,700	10%
Other Sources	2,081,100	3%	2,622,700	4%
Borrowing	-	0%	5,278,000	7%
Total	\$ 59,709,400	100%	\$ 72,302,900	100%

Distribution of Property Tax Revenue by Class

Class no.	Property Class	Tax Revenue	% of Total Tax	Property Assessment \$ Value	% of Total Assessment
1	Residential	\$ 20,427,570	65%	\$ 8,766,620,525	89%
2	Utilities	61,690	0%	3,250,600	0%
3	Supportive Housing	-	0%	-	0%
5	Light Industry	96,120	0%	10,259,900	0%
6	Commercial	10,591,459	34%	1,017,929,393	10%
8	Recreational	14,768	0%	5,090,900	0%
9	Farm	3,393	0%	1,288,077	0%
		\$ 31,195,000	100%	\$ 9,804,439,395	100%

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.
- The Annual Municipal Report for 2022 contains a list of permissive exemptions granted to not-for-profit institutions that form a valuable part of our community. These include religious institutions, historical societies, service societies and recreational organizations.

Appendix 2 - General Capital
Capital Expenditures
2023-2027 Financial Plan

Department Responsible	Area	Project description	2022 Amended Budget	2023 Budget	2023 Tax Impact	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Total 2023-2027 Budget
Coporate Services - CAO	Corporate Services	Strategic Land Acquisition	100,000	2,000,000						2,000,000
	Corporate Services Total		100,000	2,000,000						2,000,000
Coporate Services - CAO Total			100,000	2,000,000						2,000,000
IT	Corporate Services	Budget Software	150,000	104,100						104,100
		New softwares (Future IT Projects)	50,000	65,300		50,000	50,000	50,000	50,000	265,300
		Networking Switch Replacement		65,000						65,000
		Photocopiers	40,000	58,500		30,000	30,000	30,000	30,000	178,500
		Tempest Calls For Services		33,300						33,300
		Large Format Plotter	15,000	15,000		15,000	15,000	15,000	15,000	75,000
		Scada Cloud Server / Backup		6,000						6,000
		Server Replacement	20,000			120,000	50,000			170,000
		SCALE Hyper-Convergence Software	-							-
		Electronic Records Management System (EDRMS)					15,000			15,000
	Offsite Backup - Barracuda	40,000							-	
Corporate Services Total		315,000	347,200		215,000	160,000	95,000	95,000	912,200	
IT Total			315,000	347,200		215,000	160,000	95,000	95,000	912,200
Fire Department	Fire Services	FIRE DEPT - Light Vehicles	70,000	175,000			90,000	945,000		1,210,000
		FIRE DEPT - Rescue Tools		60,000		500,000				560,000
		FIRE DEPT - Replacement Truck (ladder 2022, pumper 2027)	2,085,000						1,200,000	1,200,000
	Fire Services Total		2,155,000	235,000		500,000	90,000	945,000	1,200,000	2,970,000
	Property Services	FIRE - New Satellite Firehall				500,000	8,500,000			9,000,000
Property Services Total					500,000	8,500,000			9,000,000	
Fire Department Total			2,155,000	235,000		1,000,000	8,590,000	945,000	1,200,000	11,970,000
Recreation & Culture	Parks	Partners in Parks program	50,000	50,000		50,000	50,000	50,000	50,000	250,000
		Totem Pole Installation at the Airpark	48,600	12,700						12,700
		Courtenay Riverway South Extension Beachwood to City Park - Phase 2					75,000	400,000		475,000
		Courtenay Riverway South Extension City Park to Regional Trail - Phase 3						75,000	400,000	475,000
	Parks Total		98,600	62,700		50,000	125,000	525,000	450,000	1,212,700
	Rec & Culture	YOUTH CENTRE - Freestanding Sign & Exterior Facia Sign	50,000	60,000	0.21%					60,000
		MEMORIAL POOL - Infrastructure Assessment	50,000	50,000						50,000
		LEWIS CENTRE - Equipments	45,000	45,000		45,000	45,000	45,000	45,000	225,000
		SID THEATRE - Theatre Capital Equipment	20,000	25,000						25,000
		SID THEATRE - Future year estimation	20,000	20,000		20,000	20,000	20,000	20,000	100,000
		FILBERG CENTRE - Needs assessments for Capital Improvements				50,000				50,000
		LEWIS CENTRE - Needs assessments for Capital Improvements						50,000		50,000
		MUSEUM - Rear Expansion near loading dock area								-
Park Master Plan - placeholder for future initiatives				500,000	500,000			1,000,000		
Rec & Culture Total		135,000	200,000		615,000	565,000	115,000	65,000	1,560,000	
Recreation & Culture Total			233,600	262,700		665,000	690,000	640,000	515,000	2,772,700
Engineering	Infrastructure	6th St Bridge Multi-Use Active Transportation Bridge	328,500	5,867,500	0.22%					5,867,500
		Anderton Dike Remediation		250,000	0.89%			390,000	14,300,000	14,940,000
		Ryan Road sidewalk Sandwick to Braidwood	-	250,000						250,000
		Tunner Dr Ext To Hwy 19A Multi-Use Pathway	-	89,000	0.32%					89,000
		Major Road Cons - Cousins Ave - 20th to Willemar		45,000	0.16%	193,400	1,934,400			2,172,800
		Lerwick traffic improvement - Malahat to Macdonald							150,000	150,000
		Renewable Energy options				800,000				800,000
		5th St Bridge Rehabilitation	1,902,100							-
		Storm Infrastructure Renewal - AM - Downtown core								-
		Braidwood Road Design - Storm & Road	60,000				30,000	3,250,000		3,280,000
		Back Rd - Barrier for Protection								-
		Major Road Cons - 13 St - Burgess to Willemar Road Reconstruction	-						14,000	871,000
		Storm Drainage - 200 Back Rd Storm Inlet improvement	40,000							-
		Storm Drainage - 13 St - Burgess to Willemar Storm Reconstruction	-						14,000	871,000
	Infrastructure Total		2,330,600	6,501,500		993,400	1,964,400	3,668,000	16,192,000	29,319,300
	Parks	Park Design and Development McPhee Meadows - Phase 1	350,000	3,250,000	0.16%					3,250,000
		Dingwall to Muir Road Trail and Stairs Development	483,600	551,500	0.11%					551,500
	Parks Total		833,600	3,801,500						3,801,500
	Rec & Culture	MEMORIAL POOL - Major Pool Repairs		75,000		500,000				575,000
Rec & Culture Total			75,000		500,000				575,000	
Engineering Total			3,164,200	10,378,000		1,493,400	1,964,400	3,668,000	16,192,000	33,695,800

Appendix 2 - General Capital
Capital Expenditures
2023-2027 Financial Plan

Department Responsible	Area	Project description	2022 Amended Budget	2023 Budget	2023 Tax Impact	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Total 2023-2027 Budget
Public Works - Admin	Public Works	PUBLIC WORKS - New Public Works Building						500,000	7,000,000	7,500,000
	Public Works Total							500,000	7,000,000	7,500,000
Public Works - Admin Total										
Public Works - Civic Properties	Property Services	PWS - Telus Site Renovation - Administrative Bldg.		120,000						120,000
		Renovation of City Hall - Foyer area and Council Chamber	88,500	64,000						64,000
		PW Training/EOC Renovation & Roof	41,600	55,000	0.20%					55,000
		Centre for Arts Accessibility Study & Projects		50,000						50,000
		Filberg Centre Accessibility Study & Projects		50,000						50,000
		Lewis Washroom - Roof Replacement		45,000	0.16%					45,000
		Lagoon Walkway Lookouts - Roof Replacement	30,000	15,400						15,400
		Park Café - Roof Replacement	75,000	7,300						7,300
		Woodcote Park - Roof Replacement	46,500							-
		PUBLIC WORKS - Convert existing bay to park spare Fire Truck	20,000							-
		90 5th Street ACM Remediation								-
		4th Street Flexible Parklet Installation	50,000							-
		Fire Hall - HVAC and Roof Replacement	-			13,500	450,000			463,500
	Property Services Total		351,600	406,700		13,500	450,000			870,200
	Rec & Culture	LINC Youth Centre - Roof Replacement		250,000						250,000
		FILBERG CENTRE - Drive Thru Repair	150,000	75,000						75,000
		MEMORIAL POOL - Mech/Electric Upgrades Heat/Chemical	15,000	70,000		85,000	112,000	100,000	25,000	392,000
		Museum - Façade Repair		65,000						65,000
		MEMORIAL POOL - Repair Cracks Main Pool	20,000	30,000		55,000	20,000	20,000	20,000	145,000
		Art Gallery - HVAC and Roof Replacement	-	20,000	0.07%	475,000				495,000
		Museum - Hydraulic Freight Elevator replacement		12,500		180,000				192,500
		Lewis Centre - Squash Court Wall Replacement	-				36,000	36,000		72,000
		Lewis Centre - Vern Nicols Floor				140,000				140,000
		Lewis Centre - Squash Court Floor Replacement	-				40,000	40,000		80,000
		MEMORIAL POOL - New Pool Covers	10,000			12,000				12,000
		Sid Theatre - Stage Lift replacement (elevator)	10,000							-
		Lewis Centre - Roof Replacement				250,000				250,000
		Sid Theatre - Hydraulic Vertical Platform Lift replacement (elevator)	10,000	-		-				-
		MEMORIAL POOL - VIHA Infrastructure Upgrades	20,000				80,000	110,000	25,000	215,000
	Rec & Culture Total		235,000	522,500		1,197,000	288,000	306,000	70,000	2,383,500
Public Works - Civic Properties Total			586,600	929,200		1,210,500	738,000	306,000	70,000	3,253,700
Public Works - Fleet	Fleet	Fleet Management - PWS - Heavy Vehicles	280,000	594,300		300,000	300,000	300,000	300,000	1,794,300
		Fleet Management - PWS - Light Vehicles	171,000	158,000		300,000	300,000	300,000	300,000	1,358,000
		PWS Fleet charging stations	150,000	136,300						136,300
		Repair of the PWS fuel system		100,000						100,000
		Fleet Management - PWS - Parks Vehicles/Equip	106,900	37,700						37,700
		Fleet Management - New Ask - Rec Vans	150,000							-
		2 Double Electric Car Charging Stations Level 2 220V	100,000	-						-
	Fleet Total		957,900	1,026,300		600,000	600,000	600,000	600,000	3,426,300
Public Works - Fleet Total			957,900	1,026,300		600,000	600,000	600,000	600,000	3,426,300
Public Works - Parks	Parks	Lake Trail Multi-Use Pathway Construction	50,000	950,000	0.76%					950,000
		Misc Playground (1 replacement every second year)	100,000	620,000	0.43%	500,000	120,000		120,000	1,360,000
		Pedestrian Bridges replacement program	35,000	35,000	0.13%	35,000	35,000	35,000	35,000	175,000
		Marina Storage Compound Relocation	25,000	24,600						24,600
		Standard Park - Environmental Improvements		20,000	0.07%					20,000
		Bill Moore - Irrigation System Replacement				150,000				150,000
		Woodcote - Irrigation System Replacement						80,000		80,000
	Parks Total		210,000	1,649,600		685,000	155,000	115,000	155,000	2,759,600
Public Works - Parks Total			210,000	1,649,600		685,000	155,000	115,000	155,000	2,759,600

Appendix 2 - General Capital
 Capital Expenditures
 2023-2027 Financial Plan

Department Responsible	Area	Project description	2022 Amended Budget	2023 Budget	2023 Tax Impact	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Total 2023-2027 Budget	
Public Works - Parks (Cemetery)	Cemetery	CEMETERY - Lawn Crypts	70,000	208,000			120,000		240,000	568,000	
		CEMETERY - Niche Wall Design/Development	91,300			80,000		140,000		220,000	
		CEMETERY - Infant/Children's Section									-
		CEMETERY - Irrigation/Drainage						10,000		10,000	
		CEMETERY - Landscape Additions				40,000				40,000	
		CEMETERY - Cemetery General Work	52,000				60,000		60,000		
		CEMETERY - Cemetery Master Plan								-	
		Cemetery Total			213,300	208,000		120,000	180,000	150,000	240,000
Public Works - Parks (Cemetery) Total			213,300	208,000		120,000	180,000	150,000	240,000	898,000	
Public Works - Transportation	Infrastructure	Pedestrian, Cycling and Pavement Renewal Program	1,373,000	1,423,900	0.26%	1,535,000	1,249,000	1,307,000	1,400,000	6,914,900	
		Cycling Network Plan Improvements Implementation	150,000	250,000	0.18%	250,000	250,000	250,000	250,000	1,250,000	
		Crosswalk Island Highway at Beachwood road				30,000				30,000	
		17th Street Bike Lanes	1,700,300							-	
	Infrastructure Total		3,223,300	1,673,900		1,815,000	1,499,000	1,557,000	1,650,000	8,194,900	
	Public Works	Traffic - Signal Controller Renewal Program		75,000	0.27%	375,000	375,000	375,000	375,000	1,575,000	
	Small Tool Electrification				100,000				100,000		
Public Works Total			75,000		475,000	375,000	375,000	375,000	1,675,000		
Public Works - Transportation Total			3,223,300	1,748,900		2,290,000	1,874,000	1,932,000	2,025,000	9,869,900	
Development Services	Infrastructure	1375 Piercy Avenue - New lane construction (H4H)	99,400	99,400						99,400	
	Infrastructure Total		99,400	99,400						99,400	
Development Services Total			99,400	99,400						99,400	
Grand Total			11,258,300	18,884,300	4.59%	8,278,900	14,951,400	8,951,000	28,092,000	79,157,600	

Appendix 2 - General Capital
2023 Capital Funding

Department Responsible	Area	Project description	2022 Budget	2023 Budget	2023 General Revenues	2023 Reserves	2023 Reserve for Future Expenditures	2023 Fed / Prov Funding	2023 Gas Tax Fed Grant	2023 Gaming Fund	2023 CVRD Grant	2023 Other Contributions	2023 Debt
Corporate Services - CAO	Corporate Services	Strategic Land Acquisition	100,000	2,000,000			722,000						1,278,000
		Corporate Services Total	100,000	2,000,000			722,000						1,278,000
Corporate Services - CAO Total			100,000	2,000,000			722,000						1,278,000
IT	Corporate Services	Budget Software	150,000	104,100			104,100						
		New softwares (Future IT Projects)	50,000				65,300						
		Networking Switch Replacement					65,000						
		Photocopiers	40,000	58,500			58,500						
		Tempest Calls For Services					33,300						
		Large Format Plotter	15,000	15,000			15,000						
		Scada Cloud Server / Backup					6,000						
		Server Replacement	20,000				-						
		SCALE Hyper-Convergence Software	-				-						
		Electronic Records Management System (EDRMS)					-						
		Offsite Backup - Barracuda	40,000				-						
		Corporate Services Total	315,000	347,200			347,200						
IT Total			315,000	347,200			347,200						
Fire Department	Fire Services	FIRE DEPT - Light Vehicles	70,000	175,000			175,000						
		FIRE DEPT - Rescue Tools		60,000			60,000						
		FIRE DEPT - Replacement Truck (ladder 2022, pumper 2027)	2,085,000				-						
		Fire Services Total	2,155,000	235,000			235,000						
	Property Services	FIRE - New Satellite Firehall											
	Property Services Total												
Fire Department Total			2,155,000	235,000			235,000						
Recreation & Culture	Parks	Partners in Parks program	50,000	50,000			50,000						
		Totem Pole Installation at the Airpark	48,600	12,700			-	9,600	3,100				
		Courtenay Riverway South Extension Beachwood to City Park - Phase 2					-						
		Courtenay Riverway South Extension City Park to Regional Trail - Phase 3					-						
		Parks Total	98,600	62,700			-	59,600	3,100				
	Rec & Culture	YOUTH CENTRE - Freestanding Sign & Exterior Facia Sign			60,000	60,000	60,000						
		MEMORIAL POOL - Infrastructure Assessment		50,000	50,000							50,000	
		LEWIS CENTRE - Equipments		45,000	45,000			45,000					
		SID THEATRE - Theatre Capital Equipment		20,000	25,000			25,000					
		SID THEATRE - Future year estimation		20,000	20,000			20,000					
	FILBERG CENTRE - Needs assessments for Capital Improvements					-							
	LEWIS CENTRE - Needs assessments for Capital Improvements					-							
	MUSEUM - Rear Expansion near loading dock area												
	Park Master Plan - placeholder for future initiatives												
	Rec & Culture Total	135,000	200,000	60,000	90,000						50,000		
Recreation & Culture Total			233,600	262,700	60,000	90,000	59,600	3,100			50,000		
Engineering	Infrastructure	6th St Bridge Multi-Use Active Transportation Bridge	328,500	5,867,500	60,500	1,778,500	26,300	2,502,200					1,500,000
		Anderton Dike Remediation		250,000	250,000								
		Ryan Road sidewalk Sandwich to Braidwood	-	250,000		250,000							
		Tunner Dr Ext To Hwy 19A Multi-Use Pathway	-	89,000	89,000								
		Major Road Cons - Cousins Ave - 20th to Willemar		45,000	45,000								
		Lerwick traffic improvement - Malahat to Macdonald											
		Renewable Energy options											
		5th St Bridge Rehabilitation	1,902,100										
		Storm Infrastructure Renewal - AM - Downtown core											
		Braidwood Road Design - Storm & Road	60,000										
		Back Rd - Barrier for Protection											
		Major Road Cons - 13 St - Burgess to Willemar Road Reconstruction	-										
		Storm Drainage - 200 Back Rd Storm Inlet improvement	40,000										
		Storm Drainage - 13 St - Burgess to Willemar Storm Reconstruction	-										
			Infrastructure Total	2,330,600	6,501,500	444,500	2,028,500	26,300	2,502,200				

Appendix 2 - General Capital
2023 Capital Funding

Department Responsible	Area	Project description	2022 Budget	2023 Budget	2023 General Revenues	2023 Reserves	2023 Reserve for Future Expenditures	2023 Fed / Prov Funding	2023 Gas Tax Fed Grant	2023 Gaming Fund	2023 CVRD Grant	2023 Other Contributions	2023 Debt
	Parks	Park Design and Development McPhee Meadows - Phase 1	350,000	3,250,000	45,100	1,554,900	250,000	1,400,000					
		Dingwall to Muir Road Trail and Stairs Development	483,600	551,500	29,900	77,500	168,400	275,700					
	Parks Total		833,600	3,801,500	75,000	1,632,400	418,400	1,675,700					
	Rec & Culture	MEMORIAL POOL - Major Pool Repairs		75,000							75,000		
	Rec & Culture Total			75,000							75,000		
Engineering Total			3,164,200	10,378,000	519,500	3,660,900	444,700	4,177,900			75,000		1,500,000
Public Works - Admin	Public Works	PUBLIC WORKS - New Public Works Building											
	Public Works Total												
Public Works - Admin Total													
Public Works - Civic Properties	Property Services	PWS - Telus Site Renovation - Administrative Bldg.		120,000		120,000							
		Renovation of City Hall - Foyer area and Council Chamber	88,500	64,000		64,000							
		PW Training/EOC Renovation & Roof	41,600	55,000	55,000								
		Centre for Arts Accessibility Study & Projects		50,000			50,000				50,000		
		Filberg Centre Accessibility Study & Projects		50,000			50,000				50,000		
		Lewis Washroom - Roof Replacement		45,000	45,000								
		Lagoon Walkway Lookouts - Roof Replacement	30,000	15,400		15,400							
		Park Café - Roof Replacement	75,000	7,300		7,300							
		Woodcote Park - Roof Replacement	46,500										
		PUBLIC WORKS - Convert existing bay to park spare Fire Truck	20,000										
		90 5th Street ACM Remediation											
		4th Street Flexible Parklet Installation	50,000										
		Fire Hall - HVAC and Roof Replacement	-										
	Property Services Total		351,600	406,700	100,000	206,700		100,000					
	Rec & Culture	LINC Youth Centre - Roof Replacement		250,000		250,000							
		FILBERG CENTRE - Drive Thru Repair	150,000	75,000		75,000							
		MEMORIAL POOL - Mech/Electric Upgrades Heat/Chemical	15,000	70,000							70,000		
		Museum - Façade Repair		65,000		65,000							
		MEMORIAL POOL - Repair Cracks Main Pool	20,000	30,000							30,000		
		Art Gallery - HVAC and Roof Replacement	-	20,000	20,000								
		Museum - Hydraulic Freight Elevator replacement		12,500		12,500							
		Lewis Centre - Squash Court Wall Replacement	-										
		Lewis Centre - Vern Nicols Floor											
		Lewis Centre - Squash Court Floor Replacement	-										
		MEMORIAL POOL - New Pool Covers	10,000								-		
		Sid Theatre - Stage Lift replacement (elevator)	10,000										
		Lewis Centre - Roof Replacement											
		Sid Theatre - Hydraulic Vertical Platform Lift replacement (elevator)	10,000	-									
		MEMORIAL POOL - VIHA Infrastructure Upgrades	20,000										
	Rec & Culture Total		235,000	522,500	20,000	402,500					100,000		
Public Works - Civic Properties Total			586,600	929,200	120,000	609,200		100,000			100,000		
Public Works - Fleet	Fleet	Fleet Management - PWS - Heavy Vehicles	280,000	594,300		594,300							
		Fleet Management - PWS - Light Vehicles	171,000	158,000		158,000							
		PWS Fleet charging stations	150,000	136,300						136,300			
		Repair of the PWS fuel system		100,000		100,000							
		Fleet Management - PWS - Parks Vehicles/Equip	106,900	37,700		37,700							
		Fleet Management - New Ask - Rec Vans	150,000										
		2 Double Electric Car Charging Stations Level 2 220V	100,000	-									
	Fleet Total		957,900	1,026,300		890,000				136,300			
Public Works - Fleet Total			957,900	1,026,300		890,000				136,300			

Appendix 2 - General Capital
2023 Capital Funding

Department Responsible	Area	Project description	2022 Budget	2023 Budget	2023 General Revenues	2023 Reserves	2023 Reserve for Future Expenditures	2023 Fed / Prov Funding	2023 Gas Tax Fed Grant	2023 Gaming Fund	2023 CVRD Grant	2023 Other Contributions	2023 Debt
Public Works - Parks	Parks	Lake Trail Multi-Use Pathway Construction	50,000	950,000	211,700	250,000	13,300	475,000					
		Misc Playground (1 replacement every second year)	100,000	620,000	120,000	500,000							
		Pedestrian Bridges replacement program	35,000	35,000	35,000								
		Marina Storage Compound Relocation	25,000	24,600			24,600						
		Standard Park - Environmental Improvements		20,000	20,000								
		Bill Moore - Irrigation System Replacement											
		Woodcote - Irrigation System Replacement											
		Parks Total		210,000	1,649,600	386,700	750,000	37,900	475,000				
Public Works - Parks Total		210,000	1,649,600	386,700	750,000	37,900	475,000						
Public Works - Parks (Cemetery)	Cemetery	CEMETERY - Lawn Crypts	70,000	208,000							208,000		
		CEMETERY - Niche Wall Design/Development	91,300										
		CEMETERY - Infant/Children's Section											
		CEMETERY - Irrigation/Drainage											
		CEMETERY - Landscape Additions											
		CEMETERY - Cemetery General Work	52,000										
		CEMETERY - Cemetery Master Plan											
Cemetery Total		213,300	208,000							208,000			
Public Works - Parks (Cemetery) Total		213,300	208,000							208,000			
Public Works - Transportation	Infrastructure	Pedestrian, Cycling and Pavement Renewal Program	1,373,000	1,423,900	72,600	124,900	42,400		1,100,000				84,000
		Cycling Network Plan Improvements Implementation	150,000	250,000	50,000				200,000				
		Crosswalk Island Highway at Beachwood road											
		17th Street Bike Lanes	1,700,300										
	Infrastructure Total		3,223,300	1,673,900	122,600	124,900	42,400		1,300,000				84,000
	Public Works	Traffic - Signal Controller Renewal Program		75,000	75,000								
Public Works Total			75,000	75,000									
Public Works - Transportation Total		3,223,300	1,748,900	197,600	124,900	42,400		1,300,000				84,000	
Development Services	Infrastructure	1375 Piercy Avenue - New lane construction (H4H)	99,400	99,400			99,400						
	Infrastructure Total		99,400	99,400			99,400						
Development Services Total		99,400	99,400			99,400							
Grand Total			11,258,300	18,884,300	1,283,800	7,528,600	584,600	4,756,000	1,300,000	136,300	433,000	84,000	2,778,000

Appendix 2 - General Capital
2024 Capital Funding

Department Responsible	Area	Project description	2024 Budget	2024 General Revenues	2024 Reserves	2024 Unexpended Funds	2024 Fed / Prov Funding	2024 Gas Tax Fed Grant	2024 CVRD Grant	2024 Debt	
IT	Corporate Services	Server Replacement	120,000		120,000						
		New softwares (Future IT Projects)	50,000		50,000						
		Photocopiers	30,000		30,000						
		Large Format Plotter	15,000		15,000						
	Corporate Services Total		215,000		215,000						
IT Total		215,000		215,000							
Fire Department	Fire Services	FIRE DEPT - Rescue Tools	500,000		500,000						
	Fire Services Total		500,000		500,000						
	Property Services	FIRE - New Satellite Firehall	500,000							500,000	
	Property Services Total		500,000							500,000	
Fire Department Total		1,000,000		500,000					500,000		
Recreation & Culture	Parks	Partners in Parks program	50,000	50,000							
	Parks Total		50,000	50,000							
	Rec & Culture	Park Master Plan - placeholder for future initiatives	500,000		500,000						
		FILBERG CENTRE - Needs assessments for Capital Improvements	50,000		50,000						
		LEWIS CENTRE - Equipments	45,000		45,000						
		SID THEATRE - Future year estimation	20,000		20,000						
Rec & Culture Total		615,000		615,000							
Recreation & Culture Total		665,000	50,000	615,000							
Engineering	Infrastructure	Renewable Energy options	800,000		400,000		400,000				
		Major Road Cons - Cousins Ave - 20th to Willemar	193,400		193,400						
	Infrastructure Total		993,400	193,400	400,000		400,000				
	Rec & Culture	MEMORIAL POOL - Major Pool Repairs	500,000							500,000	
Rec & Culture Total		500,000							500,000		
Engineering Total		1,493,400	193,400	400,000		400,000			500,000		
Public Works - Civic Properties	Property Services	Fire Hall - HVAC and Roof Replacement	13,500		13,500						
	Property Services Total		13,500	13,500							
	Rec & Culture	Art Gallery - HVAC and Roof Replacement	475,000		325,000	150,000					
		Lewis Centre - Roof Replacement	250,000		-	185,800	64,200				
		Museum - Hydraulic Freight Elevator replacement	180,000		180,000						
		Lewis Centre - Vern Nicols Floor	140,000		140,000						
		MEMORIAL POOL - Mech/Electric Upgrades Heat/Chemical	85,000							85,000	
		MEMORIAL POOL - Repair Cracks Main Pool	55,000							55,000	
		MEMORIAL POOL - New Pool Covers	12,000							12,000	
Rec & Culture Total		1,197,000	465,000	515,800	64,200			152,000			
Public Works - Civic Properties Total		1,210,500	478,500	515,800	64,200			152,000			
Public Works - Fleet	Fleet	Fleet Management - PWS - Heavy Vehicles	300,000		300,000						
		Fleet Management - PWS - Light Vehicles	300,000		300,000						
Fleet Total		600,000		600,000							
Public Works - Fleet Total		600,000		600,000							
Public Works - Parks	Parks	Misc Playground (1 replacement every second year)	500,000		500,000						
		Bill Moore - Irrigation System Replacement	150,000		150,000						
		Pedestrian Bridges replacement program	35,000		35,000						
	Parks Total		685,000	185,000	500,000						
Public Works - Parks Total		685,000	185,000	500,000							
Public Works - Parks (Cemetery)	Cemetery	CEMETERY - Niche Wall Design/Development	80,000						80,000		
		CEMETERY - Landscape Additions	40,000						40,000		
		Cemetery Total	120,000						120,000		
Public Works - Parks (Cemetery) Total		120,000						120,000			
Public Works - Transportation	Infrastructure	Pedestrian, Cycling and Pavement Renewal Program	1,535,000	235,000				1,300,000			
		Cycling Network Plan Improvements Implementation	250,000	50,000			200,000				
		Crosswalk Island Highway at Beachwood road	30,000	30,000							
	Infrastructure Total		1,815,000	315,000			1,500,000				
	Public Works	Traffic - Signal Controller Renewal Program	375,000	75,000	300,000						
Small Tool Electrification	100,000		100,000								
Public Works Total		475,000	75,000	400,000							
Public Works - Transportation Total		2,290,000	390,000	400,000			1,500,000				
Grand Total		8,278,900	1,296,900	3,745,800	64,200	400,000	1,500,000	772,000	500,000		

Appendix 2 - General Capital
2025 Capital Funding

Department Responsible	Area	Project description	2025 Budget	2025 General Revenues	2025 Reserves	2025 DCC Reserve	2025 Fed / Prov Funding	2025 Gas Tax Fed Grant	2025 CVRD Grant	2025 Debt	
IT	Corporate Services	New softwares (Future IT Projects)	50,000		50,000						
		Server Replacement	50,000		50,000						
		Photocopiers	30,000		30,000						
		Electronic Records Management System (EDRMS)	15,000		15,000						
		Large Format Plotter	15,000		15,000						
	Corporate Services Total		160,000		160,000						
IT Total			160,000		160,000						
Fire Department	Fire Services	FIRE DEPT - Light Vehicles	90,000		90,000						
	Fire Services Total		90,000		90,000						
	Property Services	FIRE - New Satellite Firehall	8,500,000		2,000,000					6,500,000	
	Property Services Total		8,500,000		2,000,000					6,500,000	
Fire Department Total			8,590,000		2,090,000					6,500,000	
Recreation & Culture	Parks	Courtenay Riverway South Extension Beachwood to City Park - Phase 2	75,000	75,000							
		Partners in Parks program	50,000	50,000							
	Parks Total		125,000	125,000							
	Rec & Culture	Park Master Plan - placeholder for future initiatives	500,000		500,000						
		LEWIS CENTRE - Equipments	45,000		45,000						
	SID THEATRE - Future year estimation	20,000		20,000							
	Rec & Culture Total		565,000		565,000						
Recreation & Culture Total			690,000	125,000	565,000						
Engineering	Infrastructure	Major Road Cons - Cousins Ave - 20th to Willemar	1,934,400			132,200	802,200			1,000,000	
		Braidwood Road Design - Storm & Road	30,000	30,000							
		Renewable Energy options									
	Infrastructure Total		1,964,400	30,000		132,200	802,200			1,000,000	
Engineering Total			1,964,400	30,000		132,200	802,200			1,000,000	
Public Works - Civic Properties	Property Services	Fire Hall - HVAC and Roof Replacement	450,000	325,000	125,000						
	Property Services Total		450,000	325,000	125,000						
	Rec & Culture	MEMORIAL POOL - Mech/Electric Upgrades Heat/Chemical	112,000							112,000	
		MEMORIAL POOL - VIHA Infrastructure Upgrades	80,000							80,000	
		Lewis Centre - Squash Court Floor Replacement	40,000		40,000						
		Lewis Centre - Squash Court Wall Replacement	36,000		36,000						
	MEMORIAL POOL - Repair Cracks Main Pool	20,000							20,000		
	Rec & Culture Total		288,000		76,000				212,000		
Public Works - Civic Properties Total			738,000	325,000	201,000				212,000		
Public Works - Fleet	Fleet	Fleet Management - PWS - Heavy Vehicles	300,000		300,000						
		Fleet Management - PWS - Light Vehicles	300,000		300,000						
	Fleet Total		600,000		600,000						
Public Works - Fleet Total			600,000		600,000						
Public Works - Parks	Parks	Misc Playground (1 replacement every second year)	120,000	120,000							
		Pedestrian Bridges replacement program	35,000	35,000							
	Parks Total		155,000	155,000							
Public Works - Parks Total			155,000	155,000							
Public Works - Parks (Cemetery)	Cemetery	CEMETERY - Lawn Crypts	120,000							120,000	
		CEMETERY - Cemetery General Work	60,000							60,000	
	Cemetery Total		180,000						180,000		
Public Works - Parks (Cemetery) Total			180,000						180,000		
Public Works - Transportation	Infrastructure	Pedestrian, Cycling and Pavement Renewal Program	1,249,000	(51,000)				1,300,000			
		Cycling Network Plan Improvements Implementation	250,000	50,000			200,000				
	Infrastructure Total		1,499,000	(1,000)			1,500,000				
	Public Works	Traffic - Signal Controller Renewal Program	375,000	75,000	300,000						
		Small Tool Electrification									
	Public Works Total		375,000	75,000	300,000						
Public Works - Transportation Total			1,874,000	74,000	300,000			1,500,000			
Grand Total			14,951,400	709,000	3,916,000	132,200	802,200	1,500,000	392,000	7,500,000	

Appendix 2 - General Capital
2026 Capital Funding

Department Responsible	Area	Project description	2026 Budget	2026 General Revenues	2026 Reserves	2026 Fed / Prov Funding	2026 Gas Tax Fed Grant	2026 CVRD Grant	2026 Other Contributions	2026 Debt
IT	Corporate Services	New softwares (Future IT Projects)	50,000		50,000					
		Photocopiers	30,000		30,000					
		Large Format Plotter	15,000		15,000					
	Corporate Services Total		95,000		95,000					
IT Total		95,000		95,000						
Fire Department	Fire Services	FIRE DEPT - Light Vehicles	945,000	445,000	500,000					
	Fire Services Total		945,000	445,000	500,000					
Fire Department Total			945,000	445,000	500,000					
Recreation & Culture	Parks	Courtenay Riverway South Extension Beachwood to City Park - Phase 2	400,000	100,000	100,000				200,000	
		Courtenay Riverway South Extension City Park to Regional Trail - Phase 3	75,000	75,000						
		Partners in Parks program	50,000	50,000						
	Parks Total		525,000	225,000	100,000				200,000	
	Rec & Culture	LEWIS CENTRE - Needs assessments for Capital Improvements	50,000		50,000					
	LEWIS CENTRE - Equipments	45,000		45,000						
	SID THEATRE - Future year estimation	20,000		20,000						
Rec & Culture Total		115,000		115,000						
Recreation & Culture Total			640,000	225,000	215,000				200,000	
Engineering	Infrastructure	Braidwood Road Design - Storm & Road	3,250,000			1,500,000				1,750,000
		Anderton Dike Remediation	390,000	390,000						
		Major Road Cons - 13 St - Burgess to Willemar Road Reconstruction	14,000	14,000						
		Storm Drainage - 13 St - Burgess to Willemar Storm Reconstruction	14,000	14,000						
		Renewable Energy options								
	Infrastructure Total		3,668,000	418,000		1,500,000				1,750,000
Engineering Total		3,668,000	418,000		1,500,000				1,750,000	
Public Works - Admin	Public Works	PUBLIC WORKS - New Public Works Building	500,000							500,000
	Public Works Total		500,000							500,000
Public Works - Admin Total			500,000						500,000	
Public Works - Civic Properties	Rec & Culture	MEMORIAL POOL - VIHA Infrastructure Upgrades	110,000					110,000		
		MEMORIAL POOL - Mech/Electric Upgrades Heat/Chemical	100,000				100,000			
		Lewis Centre - Squash Court Floor Replacement	40,000		40,000					
		Lewis Centre - Squash Court Wall Replacement	36,000		36,000					
		MEMORIAL POOL - Repair Cracks Main Pool	20,000						20,000	
	Rec & Culture Total		306,000		76,000				230,000	
Public Works - Civic Properties Total		306,000		76,000				230,000		
Public Works - Fleet	Fleet	Fleet Management - PWS - Heavy Vehicles	300,000		300,000					
		Fleet Management - PWS - Light Vehicles	300,000		300,000					
	Fleet Total		600,000		600,000					
Public Works - Fleet Total		600,000		600,000						
Public Works - Parks	Parks	Woodcote - Irrigation System Replacement	80,000	80,000						
		Pedestrian Bridges replacement program	35,000	35,000						
	Parks Total		115,000	115,000						
Public Works - Parks Total		115,000	115,000							
Public Works - Parks (Cemetery)	Cemetery	CEMETERY - Niche Wall Design/Development	140,000					140,000		
		CEMETERY - Irrigation/Drainage	10,000				10,000			
	Cemetery Total		150,000				150,000			
Public Works - Parks (Cemetery) Total		150,000				150,000				
Public Works - Transportation	Infrastructure	Pedestrian, Cycling and Pavement Renewal Program	1,307,000	7,000			1,300,000			
		Cycling Network Plan Improvements Implementation	250,000	50,000			200,000			
	Infrastructure Total		1,557,000	57,000		1,500,000				
	Public Works	Traffic - Signal Controller Renewal Program	375,000	75,000	300,000					
		Small Tool Electrification								
Public Works Total		375,000	75,000	300,000						
Public Works - Transportation Total		1,932,000	132,000	300,000		1,500,000				
Grand Total			8,951,000	1,335,000	1,786,000	1,500,000	1,500,000	380,000	200,000	2,250,000

Appendix 2 - General Capital
2027 Capital Funding

Department Responsible	Area	Project description	2027 Budget	2027 General Revenues	2027 Reserves	2027 Fed / Prov Funding	2027 Gas Tax Fed Grant	2027 CVRD Grant	2027 Other Contributions	2027 Debt
IT	Corporate Services	New softwares (Future IT Projects)	50,000		50,000					
		Photocopiers	30,000		30,000					
		Large Format Plotter	15,000		15,000					
	Corporate Services Total		95,000		95,000					
IT Total				95,000						
Fire Department	Fire Services	FIRE DEPT - Replacement Truck (ladder 2022, pumper 2027)	1,200,000	700,000	500,000					
	Fire Services Total		1,200,000	700,000	500,000					
Fire Department Total			1,200,000	700,000	500,000					
Recreation & Culture	Parks	Courtenay Riverway South Extension City Park to Regional Trail - Phase 3	400,000	100,000	100,000				200,000	
		Partners in Parks program	50,000	50,000						
	Parks Total		450,000	150,000	100,000				200,000	
	Rec & Culture	LEWIS CENTRE - Equipments	45,000		45,000					
	SID THEATRE - Future year estimation	20,000		20,000						
Rec & Culture Total		65,000		65,000						
Recreation & Culture Total			515,000	150,000	165,000				200,000	
Engineering	Infrastructure	Anderton Dike Remediation	14,300,000			10,439,000				3,861,000
		Storm Drainage - 13 St - Burgess to Willemar Storm Reconstruction	871,000							871,000
		Major Road Cons - 13 St - Burgess to Willemar Road Reconstruction	871,000							871,000
		Lerwick traffic improvement - Malahat to Macdonald	150,000	150,000						
		Renewable Energy options								
	Infrastructure Total		16,192,000	150,000		10,439,000				5,603,000
Engineering Total		16,192,000	150,000		10,439,000				5,603,000	
Public Works - Admin	Public Works	PUBLIC WORKS - New Public Works Building	7,000,000							7,000,000
Public Works - Admin Total			7,000,000							7,000,000
Public Works - Civic Properties	Rec & Culture	MEMORIAL POOL - Mech/Electric Upgrades Heat/Chemical	25,000					25,000		
		MEMORIAL POOL - VIHA Infrastructure Upgrades	25,000				25,000			
		MEMORIAL POOL - Repair Cracks Main Pool	20,000				20,000			
Rec & Culture Total		70,000				70,000				
Public Works - Civic Properties Total			70,000				70,000			
Public Works - Fleet	Fleet	Fleet Management - PWS - Heavy Vehicles	300,000		300,000					
		Fleet Management - PWS - Light Vehicles	300,000		300,000					
Public Works - Fleet Total			600,000		600,000					
Public Works - Parks	Parks	Misc Playground (1 replacement every second year)	120,000	120,000						
		Pedestrian Bridges replacement program	35,000	35,000						
Public Works - Parks Total			155,000	155,000						
Public Works - Parks (Cemetery)	Cemetery	CEMETERY - Lawn Crypts	240,000					240,000		
Public Works - Parks (Cemetery) Total			240,000					240,000		
Public Works - Transportation	Infrastructure	Pedestrian, Cycling and Pavement Renewal Program	1,400,000	100,000			1,300,000			
		Cycling Network Plan Improvements Implementation	250,000	50,000			200,000			
	Infrastructure Total		1,650,000	150,000			1,500,000			
	Public Works	Traffic - Signal Controller Renewal Program	375,000	75,000	300,000					
		Small Tool Electrification								
Public Works - Transportation Total			375,000	75,000	300,000					
Grand Total			28,092,000	1,380,000	1,660,000	10,439,000	1,500,000	310,000	200,000	12,603,000

Water Capital Expenditures 2022-2027

Project description	2022 Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Total 2023-2027 Budget
Water - Sandwick Area Fireflow Upgrade	125,000	1,376,500					1,376,500
Water - South Courtenay Secondary Transmission	250,000	601,000		3,500,000			4,101,000
Water Smart Initiatives - District Meter Zone	350,000	349,100	400,000	75,000	400,000	75,000	1,299,100
Sandpiper / Millard Water Main Upgrade	107,200	79,200					79,200
WATER - Cousins Ave - 20th to Willemar	-	15,000	64,500	644,800			724,300
Braidwood Road - Road & Utility - Water Component	20,300	-		10,000	500,000		510,000
South Courtenay PRV and Booster Station Upgrades (Buckstone Rd)					50,000	500,000	550,000
New PRV Connection to 87 Zone (Cumberland - Arden)					30,000	300,000	330,000
Water - Highway 19A Loop - Christie Parkway	42,500						-
Total Water Capital	895,000	2,420,800	464,500	4,229,800	980,000	875,000	8,970,100

Water Capital Expenditures with Funding

Project description	2022 Budget	2022 Forecast	2023 Budget	2023 Taxation - User fees	2023 Reserve for Future Expenditures	2023 Reserves	2024 Budget	2024 Taxation - User fees	2024 Reserves	2025 Budget	2025 Taxation - User fees	2025 Fed / Prov Funding	2025 Debt
Water - Sandwick Area Fireflow Upgrade	125,000	51,000	1,376,500	152,500	74,000	1,150,000							
Water - South Courtenay Secondary Transmission	250,000	17,710	601,000	368,700	232,300					3,500,000	250,000		3,250,000
Water Smart Initiatives - District Meter Zone	350,000	75,923	349,100	37,100	112,000	200,000	400,000	200,000	200,000	75,000	75,000		
Sandpiper / Millard Water Main Upgrade	107,200	28,000	79,200		79,200								
WATER - Cousins Ave - 20th to Willemar	-	-	15,000	15,000			64,500	64,500		644,800		344,800	300,000
Braidwood Road - Road & Utility - Water Component	20,300	9,000	-	-						10,000	10,000		
Water - Highway 19A Loop - Christie Parkway	42,500	66,826											
Total Water Capital	895,000	248,458	2,420,800	573,300	497,500	1,350,000	464,500	264,500	200,000	4,229,800	335,000	344,800	3,550,000

Project description	2026 Proposed Budget	2026 Taxation - User fees	2026 Reserves	2026 Debt	2027 Proposed Budget	2027 Taxation - User fees	2027 Debt
Braidwood Road - Road & Utility - Water Component	500,000			500,000			
Water Smart Initiatives - District Meter Zone	400,000	200,000	200,000		75,000	75,000	
South Courtenay PRV and Booster Station Upgrades (Buckstone Rd)	50,000	50,000			500,000		500,000
New PRV Connection to 87 Zone (Cumberland - Arden)	30,000	30,000			300,000		300,000
Total Water Capital	980,000	280,000	200,000	500,000	875,000	75,000	800,000

Appendix 4 - Sewer Capital
2023-2027 Financial Plan

Sewer Capital Expenditures 2022-2027

Project description	2022 Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Total 2023-2027 Budget
Sewer - 1st Street Lift Station Replacement	332,000	3,095,600					3,095,600
Puntledge Sanitary Catchment Replacement (Comox Rd)	429,300	327,500	2,531,500				2,859,000
South Courtenay Sewer System	86,400	224,000					224,000
Sewer Equipment - Lift Station Pumps		60,000					60,000
Sewer - Cousins Ave - 20th to Willemar		15,000	64,500	644,800			724,300
Sewer - Greenwood Trunk Construction	1,724,700	12,000					12,000
Braidwood Road - Road & Utility - Sewer Component	20,300			10,000	500,000		510,000
Arderton Dike Remediation - Sanitary Lift Station Relocalisation					140,000	1,500,000	1,640,000
Sewer - Mansfield Drive Forcemain - Genset	1,504,000						-
Total Sewer Capital	4,096,700	3,734,100	2,596,000	654,800	640,000	1,500,000	9,124,900

Sewer Capital Expenditures with Funding

Project description	2022 Budget	2022 Forecast	2023 Budget	2023 Taxation - User fees	2023 Reserve for Future Expenditures	2023 Reserves	2023 Debt	2024 Budget	2024 Taxation - User fees	2024 Reserves	2024 Debt	2025 Budget	2025 Taxation - User fees	2025 Fed / Prov Funding	2025 Debt
Sewer - 1st Street Lift Station Replacement	332,000	107,600	3,095,600	71,200	224,400	300,000	2,500,000								
Puntledge Sanitary Catchment Replacement (Comox Rd)	429,300	101,800	327,500		327,500			2,531,500	31,500	500,000	2,000,000				
South Courtenay Sewer System	86,400	50,415	224,000	188,000	36,000										
Sewer Equipment - Lift Station Pumps			60,000			60,000									
Sewer - Cousins Ave - 20th to Willemar		-	15,000	15,000				64,500	64,500			644,800		344,800	300,000
Sewer - Greenwood Trunk Construction	1,724,700	1,631,364	12,000				12,000								
Braidwood Road - Road & Utility - Sewer Component	20,300	9,000			-							10,000	10,000		
Sewer - Mansfield Drive Forcemain - Genset	1,504,000	-			-										
Total Sewer Capital	4,096,700	1,900,179	3,734,100	274,200	587,900	372,000	2,500,000	2,596,000	96,000	500,000	2,000,000	654,800	10,000	344,800	300,000

Project description	2026 Budget	2026 Taxation - User fees	2026 Debt	2027 Budget	2027 Taxation - User fees	2027 Debt
Braidwood Road - Road & Utility - Sewer Component	500,000		500,000			
Arderton Dike Remediation - Sanitary Lift Station Relocalisation	140,000	140,000		1,500,000	500,000	1,000,000
Total Sewer Capital	640,000	140,000	500,000	1,500,000	500,000	1,000,000

Appendix 5 - Gaming Funds

City of Courtenay

2023 - 2027 Proposed Gaming Funds Distribution

Gaming Funds Available Balance, December 31, 2022	\$ 1,950,643
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Distribution: Major Categories		2023	2024	2025	2026	2027
Estimated Annual Revenue		1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Support Downtown Arts and Culture	Annual Grants:					
	CV Art Gallery	65,000	65,000	65,000	65,000	65,000
	Ctny & Dist Historical Society	50,000	50,000	50,000	50,000	50,000
	Sid Williams Theatre Society	105,000	105,000	105,000	105,000	105,000
	Downtown cultural events	5,000	5,000	5,000	5,000	5,000
		225,000	225,000	225,000	225,000	225,000
Council Initiatives & Projects	Feb 19, 2019 Resolution - LUSH Community Garden Annual Grant	10,000	10,000	10,000	10,000	10,000
	Nov 19, 2018 Resolution - Heritage Refurbish Clocks (2018 carry forward)	14,800				
	Annual Grants-in-Aid	50,000	50,000	50,000	50,000	50,000
	Management Fee to Comox Valley Community Foundation for Annual Grants-in-Aid program	2,500	2,500	2,500	2,500	2,500
	Other Council Initiatives/Projects	75,000	75,000	75,000	75,000	75,000
	Mar 28, 2022 Resolution K'omoks Guardian Watchmen Program	10,000	10,000	10,000	10,000	10,000
	Electric Charging Stations - Committed 2019-2023 Fin Plan (150k CF to 2022)	136,300				
		298,600	147,500	147,500	147,500	147,500
Public Safety / Security	RCMP Contract Funding for 2 members	442,000	457,000	473,000	490,000	507,000
Infrastructure Works	Annual Provision to Infrastructure Reserve	100,000	100,000	100,000	100,000	100,000
	Infrastructure Levy Reduction (Approx 1% + 0.5% in 2022)	220,000	220,000	220,000	220,000	220,000
		320,000	320,000	320,000	320,000	320,000
Total Annual Distribution		1,285,600	1,149,500	1,165,500	1,182,500	1,199,500
Projected Gaming Fund Balance		1,915,043	2,015,543	2,100,043	2,167,543	2,218,043



THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT

To: Council

File No.: 1705-20/1715-20

From: City Manager

Date: February 8, 2023

Subject: 2023 - 2027 Water Fund Financial Plan

PURPOSE:

The purpose of this report is for Council to consider the 2023 – 2027 Water Fund Financial Plan and the proposed water user fee changes for 2023.

POLICY ANALYSIS:

Section 165 of the *Community Charter* requires a municipality to have a five year financial plan adopted annually and Section 194 permits the levying of a fee to recover the cost for the delivery of a service.

The 2023 – 2027 Water Budget is a component of the annual City of Courtenay five year financial plan. It is proposed to increase the water user fee by 4.0% (2.0% - 2022) in the 2023 – 2027 Water Fund Financial Plan and leave the frontage rate unchanged.

EXECUTIVE SUMMARY:

The five year water fund financial plan is prepared annually and user fees are established to cover the projected cost of service delivery for the upcoming year. Funded entirely from water user fees and frontage fees, the water service is not funded from general property taxation.

The water utility has a regional and a municipal component and each plays a vital role in providing water services to the residents of Courtenay. The Comox Valley Regional District (CVRD) has planned capital upgrades and expansion of their water infrastructure. The new water treatment facility was recently commissioned and now provides a continuous supply of high quality potable water to the growing Comox Valley population. To fund these major capital improvements, the CVRD, through the Water Committee, has increased the bulk water rate from \$0.80 to \$0.96 per m³ as of January 1, 2023, resulting in an increase of 20%. This has a significant impact as bulk water purchase is the largest expense in the water fund, currently representing just over 60% of the total operating costs. Any further changes to the CVRD bulk water rate through their financial planning process will be reflected in future City of Courtenay financial plans.

Similar to the CVRD, the City is required to generate revenues sufficient to fulfil its commitment to operate a Class 3 water distribution system that provides safe drinking water to the residents. Water service expenses in this proposed financial plan also incorporate higher CVRD bulk water rates and sufficient staffing to complete the various maintenance programs required to comply with statutory water permit requirements set by the Province of BC through the Island Health Authority.

After careful review of the water fund, staff is recommending a 4.0% (2.0% - 2022) increase to the water user fee for 2023, which represents an increase of \$20.65 (\$10.12 – 2022) for a single family. Of this increase, about \$13.90 is attributable to the CVRD water purchase, \$1.25 to other City water operating expenses and \$5.50 for capital expenses.

CAO RECOMMENDATIONS:

THAT Council give first, second and third readings to the Courtenay Fees and Charges Amendment Bylaw 3089, 2023 (Water Fees),

And

THAT Council approve the 2023-2027 Water Fund Financial Plan as presented for inclusion in the 2023-2027 Five-year plan.

Respectfully submitted,



Geoff Garbutt, M.Pl., MCIP, RPP
City Manager (CAO)

BACKGROUND:

Consideration and approval of a five year financial plan is an annual requirement under the *Community Charter*. The recommended financial plan for the water fund provides detail for 2023, as well as projections for the four following years.

The water utility service is self-funding and receives no funding from the City's general property taxation levy.

DISCUSSION:

The supply of water to Courtenay consumers is a combined effort involving the CVRD who supplies and transmits treated source water from Comox Lake to the City's boundary where it is then distributed to property owners through the City's water distribution system. The City purchases bulk water from the CVRD and operates and maintains a Class 3 water distribution system. The City must comply with Island Health permit requirements and standards set out in the Drinking Water Protection Act. To provide this service to the public, the City annually prepares a five year financial plan to meet the legislative requirements of Section 165 of the *Community Charter*. This financial plan covers the period of 2023 - 2027.

The 2023-2027 Water Fund Financial Plan is a collaborative corporate effort following the City's Asset Management Bylaw 2981.

City of Courtenay 2023 – 2027 Water Fund Financial Plan

The proposed 2023-2027 Water Fund Financial Plan is detailed in the following attachments:

- Attachment # 1 – Water Operating Fund Budget Overview
- Attachment # 2 – Water Capital Fund and Debt Budget Overview
- Attachment # 3 – Water Surplus, Reserves and DCC Projections
- Attachment # 4 – Courtenay Fees and Charges Amendment Bylaw 3089, 2023

The water fund financial plan includes for 2023 projected revenues of \$10,961,500 and \$8,932,900 of operating expenses, \$29,300 of debt payment, \$1,080,700 transferred to the capital fund (including \$498,200 carried forward from 2022), \$393,600 transferred to various reserves and \$525,000 of amortization.

Water Operating Fund

Water Operating Expenses

The water operating expense budget is presented by activity in Table 1. The operating costs increase by \$1,147,800 or 14.7% between 2022 and 2023 budget. Most of the variance is related to the bulk water rate increase.

Table 1: Water Operating Expenses 2022 - 2023 Budget

Water Activity	Operating Activity	2022 BUDGET	2023 BUDGET	Budget increase (decrease)	Variance %
CVRD Water Purchase		4,477,900	5,454,700	976,800	
Water Admin - Salaries/Wages		420,300	466,900	46,600	
Water Administration		50,800	54,900	4,100	
Water Admin - Training		37,900	38,800	900	
Water Engineering Services		74,000	48,000	(26,000)	
Water Asset Mgmt		5,000	18,500	13,500	
Water Admin - BC One Call		5,400	5,900	500	
Water Operations	Water Main	170,800	169,300	(1,500)	
	Water Service	376,100	405,200	29,100	
	Water Distribution Valve	91,000	99,900	8,900	
	Water Hydrant/Blowoff	201,500	218,500	17,000	
	Water Meter	241,700	244,500	2,800	
	Water Pump Stations	99,200	103,200	4,000	
	Water Quality & Cross Connection Control	83,100	80,500	(2,600)	
	Water Conservation Programs	71,800	60,000	(11,800)	
Water Operations Total		1,335,200	1,381,100	45,900	
Water Fleet		58,100	64,300	6,200	
Water Work in Progress		100,000	100,000	-	
Interfund Allocation		1,220,500	1,299,800	79,300	
Grand Total		7,785,100	8,932,900	1,147,800	14.7%

Comox Valley Regional District Bulk Water Purchase

The purchase of potable water from the CVRD is the largest cost driver in the water operating fund, which represents 50% (47% - 2022) of the total water operating budget. The City reviews and adjusts the estimated consumption every year, although it remains difficult to estimate as water consumption depends on many

external factors, such as the weather and population growth. The water consumption for 2023-2027 is estimated based on prior year actual consumption and includes a general increase for consumption.

The CVRD bulk water rate is set to increase from \$0.80 to \$0.96 / m3 as of January 1, 2023: a 20% price adjustment, resulting in a significant increase of \$895,600 for 2023. A general increase in water consumption of 2% is included and represents an additional \$81,200 for a total increase of \$976,800.

Table 2 shows the combined financial impact of a greater consumption and higher rates on actual and estimated water consumption since 2018.

Table 2: Courtenay Water Bulk Purchase 2018-2027

Courtenay Bulk Water Purchase	Consumption m3	Consumption % increase	CVRD rate \$ / m3	rate % increase	Courtenay Annual Cost	Cost % increase
2018 Actual	4,947,081		\$0.75		\$3,710,311	
2019 Actual	4,989,913	0.9%	\$0.80	6.7%	\$3,991,931	7.6%
2020 Actual	4,671,511	-6.4%	\$0.80	0.0%	\$3,737,209	-6.4%
2021 Actual	5,277,350	13.0%	\$0.80	0.0%	\$4,221,880	13.0%
2022 Estimation	5,570,525	5.6%	\$0.80	0.0%	\$4,456,420	5.6%
2023 Estimation	5,681,936	2.0%	\$0.96	20.0%	\$5,454,658	22.4%
2024 Estimation	5,795,574	2.0%	\$0.96	0.0%	\$5,563,751	2.0%
2025 Estimation	5,911,486	2.0%	\$0.96	0.0%	\$5,675,027	2.0%
2026 Estimation	6,029,716	2.0%	\$0.96	0.0%	\$5,788,527	2.0%
2027 Estimation	6,150,310	2.0%	\$0.96	0.0%	\$5,904,298	2.0%

Water Administration and Training

Those sections include a portion of the salaries, wages and benefits of the Public Works Services management staff and Engineering team and training expenses. The variance is mainly due to contractual increase for salaries, wages and benefits.

Water Engineering Services

This section includes \$20,000 carried forward from 2022 to complete the water rates review as recommended in the Water Smart Action Plan presented to Council on October 28, 2019. This review is currently underway and conducted simultaneously with the sewer rates review.

Water Operation

The budget for water operations is expected to remain stable for 2023. It includes the crew wages and benefits as well as the material and services needed to perform regular operations, preventative and reactive work on the water infrastructure. Regular contractual increases are also included for crew wages and benefits.

Water Fleet

The Water Fleet budget is adjusted every year based on actual and anticipated equipment and vehicle usage.

Internal Allocations

Internal allocations are a percentage of the General Fund and Public Works expenses transferred to the Water Fund. The intent is to transfer a reasonable amount for General Government Services and Public Works administrative expenditures (personnel, utilities, materials, insurance, contracted services and fleet costs) as recognition of the costs necessary to provide the service.

The water allocation is set at 14.5% of the General Government Services and 19% of the Public Works Administrative expenses based on prior year estimate. The allocation percentage is reviewed periodically and will be analyzed before next year's budget. The variance represents the general increase in the General Government Services and Public Works expenses.

Water Revenues

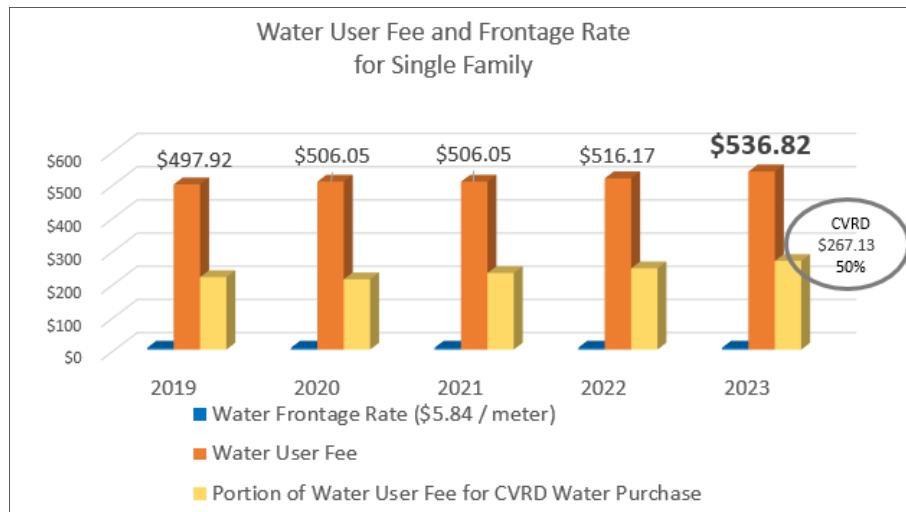
Water User and Frontage Fees

Revenues collected through water user and frontage fees are used to cover the costs of the operating and capital expenditures. Staff recommends maintaining the current frontage rate at \$5.84 per meter, which is expected to generate \$1,226,500 for 2023 (\$1,218,800 – 2022). Staff proposes to increase the 2023 water user fees by 4.0% (2.0% - 2022) with subsequent increases of 3.5% for the following three years and 2% for 2027. A 4.0% increase takes the residential water rate to \$536.82, a \$20.65 increase from the 2022 rate of \$516.17. An annual 0.5% increase is factored into the revenue calculations for population growth. The water user fees are expected to generate \$7,942,400 for 2023 (\$7,167,300 – 2022).

Through the implementation of the Water Master Plan, the estimations for future growth and asset end of life and replacement will be combined with the estimations for the other linear asset classes to create a draft 20 year capital asset management plan. This information, along with the water rates review planned to be completed in early 2023, will be the basis for a detailed analysis of the frontage and water user fees. Recommendations will then be presented to adjust the water revenue requirements in future year financial plans to create a sustainable utility.

The changes since 2019 in user fees for a single family are detailed in Graph 1. The portion of user fee used to fund the bulk water purchased from the CVRD is illustrated in yellow and corresponds to about \$267, or 50% for 2023, leaving about \$270 per household to fund City's other water related expenses.

Graph 1: Water user fees and frontage rate 2019-2023



Other Revenues

The water utility financial plan also includes miscellaneous revenues such as hydrant rentals, lawn sprinkling permits and park water usage for a total of \$294,400 for 2023 (\$291,200 – 2022).

Water Capital Fund

The projects included in the 2023 Water Capital Budget are listed in Table 3 below. The sources of funding and the projects scheduled for the four following years are detailed in Attachment 2.

Table 3: Water Capital Projects – 2023 Budget

2023 Proposed Budget	
Project description	Total
Water - Sandwich Area Fireflow Upgrade	1,376,500
Water - South Courtenay Secondary Transmission	601,000
Water Smart Initiatives - District Meter Zone	359,000
Sandpiper / Millard Water Main Upgrade	79,200
WATER - Cousins Ave - 20th to Willemar	15,000
Grand Total	2,430,700

Debt Servicing Costs

The Water Budget also includes debt servicing costs. The 2023 budget includes \$9,200 of interest payment and \$20,100 of principal payment for a total debt servicing cost of \$29,300 (\$29,300 – 2022). The projected debt servicing costs for 2023 to 2027 are included in Attachment 2.

Water Surplus and Reserves

The estimated closing balances for water surplus, reserves and Development Cost Charges (DCC) are presented in Table 4 below. The five year schedule is presented in Attachment 3.

Table 4: Estimated water surplus and reserves balance

WATER	Estimated	Budget
Surplus, Reserves and DCC Summary		
Estimated Closing Balances	2022	2023
Water Fund Surplus		
Prior Year Operating Surplus (unallocated)	4,738,600	4,287,800
Surplus Reserve for Future Expenditures (Unspent Capital 2022)	498,200	-
	5,236,800	4,287,800
Water Capital Fund Surplus (unexpended debt)	108,900	108,900
Water Capital Reserves		
Water Utility Reserve	1,782,900	1,730,600
Asset Management Reserve	1,327,800	377,800
Water Machinery and Equipment	347,800	377,800
	3,458,500	2,486,200
Total Water Surplus and Reserves	8,804,200	6,882,900
Total Water DCC Bylaw #2426/2755	724,200	724,200

Operating Surplus

The prior year operating surplus balance is estimated at \$4.7M at the end of 2022. An amount of \$450,800 is budgeted to be used in 2023 to balance the water budget. Although a significant portion of the prior year surplus is projected to be used in this 5 year plan, the annual surplus balance will remain above Staff recommended minimum equivalent to 2 to 3 months of operating expenses, about \$1.5M to \$2.2M.

The reserve for future expenditures of \$498,200 represents unspent monies collected in 2022 to fund 2022 capital projects carried forward and to be used in 2023.

Capital Reserves

The Water Utility Reserve is to be used only to fund water efficiency programs and initiatives. Half of the meter rental revenue, \$63,500 for 2023 (\$60,800 – 2022), is transferred to this reserve every year. In 2023, \$100,000 will fund the installation of distribution system zone meters at the CVRD connection points, included under the Water Smart Initiatives capital project. An amount of \$15,800 is used to fund the water conservation ambassador project, included in the water operating budget.

In 2023, the Asset Management reserve will provide \$1,15M in funding for the Sandwich Area Fireflow Upgrade and \$100,000 to fund the portion of the Water Smart Initiatives related to the City Watermain on private property.

For 2023, a recommended contribution of \$300,000 to the Asset Management reserve and a contribution of \$30,000 to the Water Machinery and Equipment reserve are included and consistent with previous financial plans.

Development Cost Charges (DCC)

The City's DCC bylaw is set to be updated in 2023 however this process will take some time and therefore no anticipated changes in the DCC budget are included for 2023. DCC are presented as deferred revenues in the financial statements and are not included with the reserves.

Connection Fees

Waterworks Distribution System Connection Fee

There is proposed update to the waterworks distribution system fee schedule to increase connection fees to \$5,500 from \$2,500 for a ¾ inch connection and to \$6,500 from \$3,500 for a 1-inch connection. The average cost of a ¾ inch connection is from 2019 through 2020 was \$8,293 while connection fees have been limited to \$2,500. Over the two-year period the City has provided a subsidy to water connections of about \$134,000. By increasing the connection fees over the next several years, the City will near the break-even point for this service. Although for 2023 the fees will not be at the break-even point, a phased approach is recommended as significant change in fees can be more challenging to implement.

FINANCIAL IMPLICATIONS:

To cover the overall cost to deliver the water utility operating and capital activities, an increase of 4.0% is recommended for 2023. This will result in an annual increase of \$20.65 in the single family user rate, of which approximately \$13.90 is attributable to the bulk water purchase from CVRD.

ADMINISTRATIVE IMPLICATIONS:

Subsequent to Council endorsing the recommended increase for the 2023-2027 Water Fund Financial Plan and user fees bylaw, staff will update the financial system with the new rates, prior to the 2023 utility billing.

Once finalized, the water budget will be incorporated as part of the statutory component of the five year financial plan.

ASSET MANAGEMENT IMPLICATIONS:

The Asset Management Working Group collects and analyses information provided by condition and risk assessments of the City's water infrastructure, water model calibration, and life-cycle analysis to determine the useful life of water assets. Preventative maintenance programs such as uni-directional flushing have extended the useful life of the infrastructure and future years capital costs have been deferred. The financial plan includes the renewal projects prioritized by the Asset Management Working Group.

STRATEGIC PRIORITIES REFERENCE:

We focus on organizational and governance excellence

- Communicate appropriately with our community in all decisions we make
- Responsibly provide services at levels which the people we serve are willing to pay

We proactively plan and invest in our natural and built environment

- Focus on asset management for sustainable service delivery
- ▲ Look for regional infrastructure solutions for shared services

- **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 that are outside Council's jurisdictional authority to act

OFFICIAL COMMUNITY PLAN REFERENCE:

Municipal Infrastructure

OBJECTIVES:

1. Infrastructure and services are resilient to risks and impacts of climate change
2. Infrastructure investments are guided by a multiple bottom line decision-making approach: this means energy efficient, fiscally responsible, equitably distributed, sustainable levels of service that protect public health, safety, and the environment
3. Natural and engineered forms of green infrastructure are integrated to manage rainwater resources, protect water and air quality, maintain ecosystem function, provide flood control, and address and adapt to climate impacts
4. Solid waste, potable water, sanitary sewer and rain and stormwater infrastructure life-cycle costs are minimized by increasing conservation actions and reducing the need to develop new infrastructure capacity
5. Third party utility providers such as energy and communications utilities are low carbon and reliable

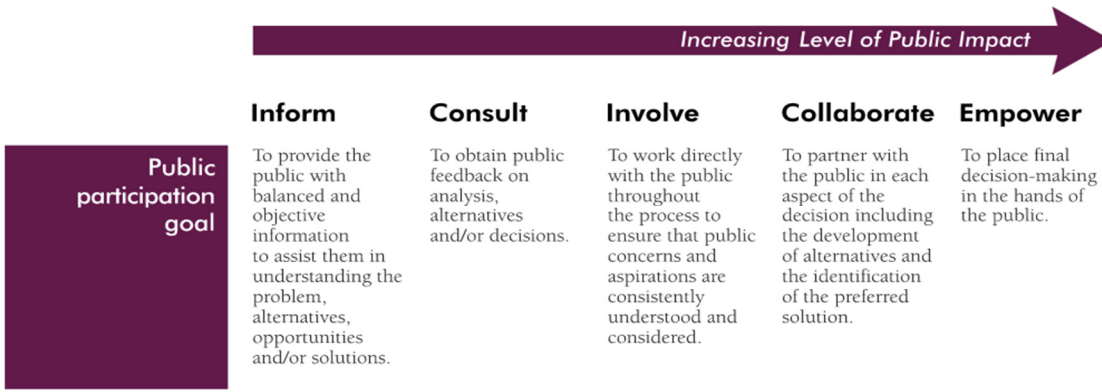
REGIONAL GROWTH STRATEGY REFERENCE:

This budget is presented with the intent of encouraging water management approaches and the use of processes and technologies that provide the public with infrastructure that addresses public health needs and concerns, and provides equal service to all residents within the municipality and region. It is presented with the intent to protect the quality of water sources (5-B) as well as to promote water conservation and efficiency throughout the Comox Valley (5-A).

PUBLIC ENGAGEMENT:

The *Community Charter* (sec. 166) requires that a council must undertake a process of public consultation regarding the proposed financial plan before it is adopted. The City will “**inform**” the public about the 2023-2027 Water Fund Financial Plan through special council meetings, media webcasts, and information posted on the City’s website. In addition, the City will “**consult**” the public prior to final adoption of the 2023-2027 Financial Plan Bylaw.

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



OPTIONS:

Option 1:

THAT Council give first, second and third readings to the Courtenay Fees and Charges Amendment Bylaw 3089, 2023 (Water Fees),

And

THAT Council approve the 2023-2027 Water Fund Financial Plan as presented for inclusion in the 2023-2027 Five-year plan.

Option 2:

That Council provide alternative direction to staff.

Prepared by:

Annie Bérard, CPA, CMA, MBA
 Manager of Financial Planning, Payroll
 and Business Performance

Reviewed by:

Adam Langenmaier, BBA, CPA, CA
 Director of Financial Services

Reviewed by:

Kyle Shaw, ASCT, CPWI, CWP, CWWP
 Director of Public Works Services

Concurrence by:

Geoff Garbutt, M.PI., MCIP, RPP
 City Manager (CAO)

Attachments:

1. Water Operating Fund Budget Overview
2. Water Capital Fund and Debt Budget Overview
3. Water Surplus, Reserves and DCC Projections
4. Courtenay Fees and Charges Amendment Bylaw 3089, 2023

Water Operating Fund Budget 2023-2027

Frontage Rate \$/m	\$ 5.84	\$ 5.84	\$ 5.84	\$ 5.84	\$ 5.84	\$ 5.84
Water Utility Rate	\$ 516.17	\$ 536.82	\$ 552.92	\$ 569.51	\$ 586.60	\$ 598.33
Water Utility Rate Annual Increase \$	\$ 10.12	\$ 20.65	\$ 16.10	\$ 16.59	\$ 17.09	\$ 11.73
Water Utility Rate Annual Increase %	2.0%	4.0%	3.0%	3.0%	3.0%	2.0%

Expense Type	Activity2	Activity	DESC	Variance						
				2022 BUDGET	2023 BUDGET	2023 Budget - 2022 Budget	2024 BUDGET	2025 BUDGET	2026 BUDGET	2027 BUDGET
Revenue	Water Frontage	Water Frontage	WATER FRONTAGE TAX	(1,218,800)	(1,226,500)	(7,700)	(1,232,700)	(1,238,800)	(1,245,000)	(1,251,300)
			WATER PARCEL TAX	(8,400)	(8,400)	-	(8,400)	(8,400)	(8,400)	(8,400)
	Water Frontage Total			(1,227,200)	(1,234,900)	(7,700)	(1,241,100)	(1,247,200)	(1,253,400)	(1,259,700)
	Water Utility Fees	Water Utility Fees	FLAT RATE WATER	(4,742,500)	(4,969,400)	(226,900)	(5,142,200)	(5,320,900)	(5,505,700)	(5,641,500)
			METERED WATER	(2,303,300)	(2,846,100)	(542,800)	(2,938,500)	(3,034,200)	(3,133,000)	(3,203,800)
			METER RENTALS CHG	(121,500)	(126,900)	(5,400)	(129,600)	(132,200)	(134,700)	(137,400)
	Water Utility Fees Total			(7,167,300)	(7,942,400)	(775,100)	(8,210,300)	(8,487,300)	(8,773,400)	(8,982,700)
	Water Other Revenues			(6,600)	(6,100)	500	(6,100)	(6,100)	(6,100)	(6,100)
	Water Work in Progress			(100,000)	(100,000)	-	(100,000)	(100,000)	(100,000)	(100,000)
	Interfund Allocation			(184,600)	(188,300)	(3,700)	(192,000)	(195,900)	(199,800)	(204,800)
	Transfer from Prior Year Surplus			-	(450,800)	(450,800)	(50,200)	(42,600)	(94,200)	-
	Transfer from Reserve	Transfer from Reserve	RESERVE FOR FUTURE EXPEND.	(170,000)	(498,200)	(328,200)	-	-	-	-
			TRSF FROM WTR EFFICIENCY RESERVE	(130,700)	(15,800)	114,900	(16,100)	(16,400)	(16,700)	(17,000)
	Transfer from Reserve Total			(300,700)	(514,000)	(213,300)	(16,100)	(16,400)	(16,700)	(17,000)
	Equity in Capital Assets			(525,000)	(525,000)	-	(525,000)	(525,000)	(525,000)	(525,000)
Revenue Total				(9,511,400)	(10,961,500)	(1,450,100)	(10,340,800)	(10,620,500)	(10,968,600)	(11,095,300)
Expense	CVRD Water Purchase			4,477,900	5,454,700	976,800	5,563,800	5,675,000	5,788,500	5,904,300
	Water Admin - Salaries/Wages			420,300	466,900	46,600	488,500	496,800	505,300	513,700
	Water Administration			50,800	54,900	4,100	55,400	56,000	56,500	56,500
	Water Admin - Training			37,900	38,800	900	39,100	39,400	39,800	39,800
	Water Engineering Services			74,000	48,000	(26,000)	34,000	28,000	28,000	28,000
	Water Admin - BC One Call			5,400	5,900	500	6,100	6,300	6,400	6,400
	Water Asset Mgmt			5,000	18,500	13,500	18,500	18,500	18,500	18,500
	Water Operations	Water Conservation Programs		71,800	60,000	(11,800)	60,800	62,000	62,700	63,000
		Water Service		376,100	405,200	29,100	409,600	416,700	432,900	432,900
		Water Distribution Valve		91,000	99,900	8,900	100,600	101,800	103,100	103,100
		Water Quality & Cross Connection Control		83,100	80,500	(2,600)	81,700	83,300	84,600	84,600
		Water Main		170,800	169,300	(1,500)	172,300	176,200	178,400	178,400
		Water Hydrant/Blowoff		201,500	218,500	17,000	221,400	225,600	228,600	228,600
		Water Meter		241,700	244,500	2,800	245,600	248,500	249,600	249,600
		Water Pump Stations		99,200	103,200	4,000	104,400	106,300	107,400	107,400
	Water Operations Total			1,335,200	1,381,100	45,900	1,396,400	1,420,400	1,447,300	1,447,600
	Water Fleet			58,100	64,300	6,200	64,600	65,100	65,300	65,300
	Water Work in Progress			100,000	100,000	-	100,000	100,000	100,000	100,000
	Interfund Allocation			1,220,500	1,299,800	79,300	1,360,700	1,356,000	1,378,700	1,396,400
	Transfer to Reserve	Transfer to Reserve	CONTINGENCY RESERVE	86,100	-	(86,100)	-	-	-	164,900
			TRANS TO WATER CAPITAL FUND	525,000	582,500	57,500	264,500	335,000	280,000	75,000
			TRANS TO WATER UTILITY RESERVE	60,800	63,500	2,700	64,800	66,100	67,400	68,700
			TRANS TO WATER ASSET MGMT RESERVE	300,000	300,000	-	300,000	300,000	300,000	300,000
			TRANS TO WATER M&E RESERVE	30,000	30,000	-	30,000	30,000	30,000	30,000
			TRANS TO WATER MFA RESERVE	100	100	-	100	100	100	100
			TRANS TO WATER RESERVE FOR FUTURE EXP	170,000	498,200	328,200	-	-	-	-
	Transfer to Reserve Total			1,172,000	1,474,300	302,300	659,400	731,200	677,500	638,700
	Debt			29,300	29,300	-	29,300	102,800	331,800	355,100
	Amortization			525,000	525,000	-	525,000	525,000	525,000	525,000
Expense Total				9,511,400	10,961,500	1,450,100	10,340,800	10,620,500	10,968,600	11,095,300
Grand Total				-	-	-	-	-	-	-

Category	Project description	2022 Budget	2022 Forecast	2023 Proposed Budget	2023 Taxation - User fees	2023 Reserve for Future Expenditures	2023 Reserves	2024 Proposed Budget	2024 Taxation - User fees	2024 Reserves	2025 Proposed Budget	2025 Taxation - User fees	2025 Fed / Prov Funding	2025 Debt
New	Water - South Courtenay Secondary Transmission	250,000	22,000	601,000	373,000	228,000					3,500,000	250,000		3,250,000
	Water Smart Initiatives - District Meter Zone	350,000	66,000	359,000	42,000	117,000	200,000	400,000	200,000	200,000	75,000	75,000		
New Total		600,000	88,000	960,000	415,000	345,000	200,000	400,000	200,000	200,000	3,575,000	325,000		3,250,000
Renewal	Braidwood Road - Road & Utility - Water Component	20,300	9,000	-	-						10,000	10,000		
	Sandpiper / Millard Water Main Upgrade	107,200	28,000	79,200		79,200								
	Water - Highway 19A Loop - Christie Parkway	42,500	61,700											
	Water - Sandwich Area Fireflow Upgrade	125,000	51,000	1,376,500	152,500	74,000	1,150,000							
	WATER - Cousins Ave - 20th to Willemar	-	-	15,000	15,000			64,500	64,500		644,800		344,800	300,000
Renewal Total		295,000	149,700	1,470,700	167,500	153,200	1,150,000	64,500	64,500		654,800	10,000	344,800	300,000
Grand Total		895,000	237,700	2,430,700	582,500	498,200	1,350,000	464,500	264,500	200,000	4,229,800	335,000	344,800	3,550,000

Category	Project description	2026 Proposed Budget	2026 Taxation - User fees	2026 Reserves	2026 Debt	2027 Proposed Budget	2027 Taxation - User fees	2027 Debt
	Water Smart Initiatives - District Meter Zone	400,000	200,000	200,000		75,000	75,000	
	South Courtenay PRV and Booster Station Upgrades (Buckstone Rd)	50,000	50,000			500,000		500,000
	New PRV Connection to 87 Zone (Cumberland - Arden)	30,000	30,000			300,000		300,000
New Total		480,000	280,000	200,000	-	875,000	75,000	800,000
Renewal	Braidwood Road - Road & Utility - Water Component	500,000			500,000			
Renewal Total		500,000			500,000			
Grand Total		980,000	280,000	200,000	500,000	875,000	75,000	800,000

Debt Servicing Costs

New, Renewal, or Debt	Project description	2022 Budget	2023 Proposed Budget	2024 Proposed Budget	2025 Proposed Budget	2026 Proposed Budget	2027 Proposed Budget
Debt Interest	Existing Debt Interest	9,200	9,200	9,200	9,200	4,600	-
	New Debt Interest				73,500	157,300	184,200
Debt Interest Total		9,200	9,200	9,200	82,700	161,900	184,200
Debt Principal	Existing Debt Principal	20,100	20,100	20,100	20,100	20,100	-
	New Debt Principal					149,800	170,900
Debt Principal Total		20,100	20,100	20,100	20,100	169,900	170,900
Grand Total		29,300	29,300	29,300	102,800	331,800	355,100

**City of Courtenay
for the Years 2023 - 2027**

WATER Surplus, Reserves and DCC Summary	Estimated	Budget	Proposed Budget			
Estimated Closing Balances	2022	2023	2024	2025	2026	2027
Water Fund Surplus						
Prior Year Operating Surplus (unallocated)	4,738,600	4,287,800	4,237,600	4,195,000	4,100,800	4,265,700
Surplus Reserve for Future Expenditures (Unspent Capital 2022)	498,200	-	-	-	-	-
	5,236,800	4,287,800	4,237,600	4,195,000	4,100,800	4,265,700
Water Capital Fund Surplus (unexpended debt)	108,900	108,900	108,900	108,900	108,900	108,900
Water Capital Reserves						
Water Utility Reserve	1,782,900	1,730,600	1,679,300	1,729,000	1,679,700	1,731,400
Asset Management Reserve	1,327,800	377,800	577,800	877,800	1,077,800	1,377,800
Water Machinery and Equipment	347,800	377,800	407,800	437,800	467,800	497,800
	3,458,500	2,486,200	2,664,900	3,044,600	3,225,300	3,607,000
Total Water Surplus and Reserves	8,804,200	6,882,900	7,011,400	7,348,500	7,435,000	7,981,600
Total Water DCC Bylaw #2426/2755	724,200	724,200	724,200	724,200	724,200	724,200

Purpose of Water Reserves

Prior Year Operating Surplus : accumulated excess of revenues over expenses from prior years which has not been set aside for specific purposes

Reserve for Future Expenditure : revenues collected for 2022 capital projects unfinished and carried forward to 2023

Water Utility Reserve , Bylaw #2885: established to promote operational improvements to the City's water distribution system and / or promote and implement programs that encourage residents to use water more efficiently

Asset Management Reserve , Bylaw #2818: established to acquire tangible capital assets relating to the water fund or for refurbishing, renewing or replacing existing tangible capital assets for those assets within the water fund

Water Machinery and Equipment , Bylaw #2269: established to fund replacement of depreciated or obsolete machinery and equipment in the water fund

Water DCC , Bylaw #2426/2755: to be used for approved water projects

THE CORPORATION OF THE CITY OF COURTENAY

BYLAW NO. 3089, 2023

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. 3089, 2023.”**
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 day of , 2023

Read a second time this day of , 2023

Read a third time this day of , 2023

Finally passed and adopted this day of , 2023

Mayor Bob Wells

Adriana Proton, Corporate Officer

**SCHEDULE OF FEES AND CHARGES
CITY OF COURTENAY FEES AND CHARGES
AMENDMENT BYLAW NO. 3089, 2023
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) \$5,500.00

25 millimetres (1 inch) \$6,500.00

Outside the City

20 millimetres (3/4 inch) Actual City cost plus 25%
with a minimum charge of \$5,500.00

- (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 \$70.00 for each water turn on or turn off

Outside the City \$100.00 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 \$2,500.00

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 (per annum) Effective Date January 1, 2023
Single Family Dwelling	536.82
Multiple Family Dwelling -per unit	453.44
Commercial	513.00
Outside Commercial Users	926.20
Outside Residential Users	926.20

(b) Metered Water

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

	Bylaw Rates Effective Date January 1, 2023
Multi-Family Metered	
0 - 48.0 cubic metres	88.80
Greater than 48.1 cubic metres	1.85
Commercial Metered	
0 - 48.0 cubic metres	88.80
Greater than 48.1 cubic metres	1.85
Regional Standpipe, Regional Playfields	Bulk Water Rate plus 30%
Outside City - Multi-Family Metered	
0 - 48.0 cubic metres	115.44
Greater than 48.1 cubic metres	2.41
Outside users - Commercial Metered	
0 - 48.0 cubic metres	115.44
Greater than 48.1 cubic metres	2.41
Regional District bulk	1.85
Sandwich - summer only	536.82

- (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

a) Water meter fee shall be as follows:

Bylaw Rates	
Effective Date	
January 1, 2023	
Monthly Rates	
Up to 3/4"	1.71
1"	4.76
1 1/4" - 1 1/2"	9.50
2"	14.23
3"	23.69
4"	46.88
6"	70.91
8"	94.61
10"	118.29

The above meter fee 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

STAFF REPORT

To: Council
From: Chief Administrative Officer
Subject: 2023-2027 Sewer Fund Financial Plan

File No.: 1705-20/1715-20

Date: February 8, 2023

PURPOSE:

The purpose of this report is for Council to consider the 2023-2027 Sewer Fund Financial Plan and the proposed sewer user fee increase for 2023.

POLICY ANALYSIS:

Section 165 of the *Community Charter* requires a municipality to have a five year financial plan adopted annually and Section 194 permits the levying of a fee to recover the cost for the delivery of a service.

The 2023-2027 Sewer budget is a component of the annual City of Courtenay five year financial plan. A proposed increase of 5.5% for the 2023 user fee has been incorporated into the 2023-2027 Sewer Fund Financial Plan with no change to the frontage rate.

EXECUTIVE SUMMARY:

The five year sewer fund financial plan is prepared annually and user fees are established to cover the projected cost of service delivery for the upcoming year. Funded entirely from sewer user fees and frontage fees, the sewer service receives no funding from general property taxation.

The City of Courtenay owns and operates a class 3 sewer collection system that collects and conveys effluent within the City to the Regional Courtenay Lift Station and from there it is pumped via force-mains to the sewage treatment plant. The Courtenay Lift Station and the Sewage Treatment Plant are part of the Comox Valley Regional Sewer Service, which is administered by the Comox Valley Regional District (CVRD).

Each component plays a vital role in providing sewer services to the residents of Courtenay and its regional partners. The CVRD, through the Sewage Commission, has planned capital conveyance upgrades and treatment plant expansion in order to ensure the sustainability, capacity and integrity of their portion of the system infrastructure. The CVRD annually requisitions the City for the cost of the City's share of the regional sewer service.

The City must also provide funding for its own sewer collection service capital and operational needs. The cost of sewer service delivery is funded through a combination of user fees and frontage and parcel taxes. A 5.5% increase for the user fee is recommended for 2023, increasing the rate for single family from \$377.97 to \$398.76. Staff recommends to keep frontage rate constant at \$10.24 per meter. The annual

increase to a single family residence is \$20.79. Of that increase, about \$12.39 is attributable to the CVRD Sewer Requisition, \$6.10 to other City sewer operating expenses and \$2.30 to capital expenses.

CAO RECOMMENDATIONS:

THAT Council give first, second and third readings to the Courtenay Fees and Charges Amendment Bylaw 3088, 2023 (Sewer Fees),

And

THAT Council give first, second and third readings to the Courtenay Fees and Charges Amendment Bylaw 3090, 2023 (Storm Sewer Fees),

And

THAT Council approve the 2023-2027 Sewer Fund Financial Plan as presented for inclusion in the 2023-2027 Five-year plan.

Respectfully submitted,



Geoff Garbutt, M.Pl., MCIP, RPP
City Manager (CAO)

BACKGROUND:

Consideration and approval of a five year financial plan is an annual requirement under the *Community Charter*. The recommended financial plan for the sewer fund provides detail for 2023, as well as projections for the four years following.

The sewer utility service is self-funding and receives no funding from the general property taxation levy.

DISCUSSION:

The sanitary sewer utility service provided to City property owners is a combination of the City and Comox Valley Regional Sewer Service infrastructure. Administered by the CVRD, the regional sewer service infrastructure includes sewer pumping stations, sewer force mains (including the force main on Comox Road) and a wastewater treatment plant with an outfall for treated effluent. It was constructed in the early 1980's and designed with a 25 year life-cycle. As a result of the 2011 CVRD sanitary sewer master plan, a 10-year capital plan was developed and approved by members of the CVRD Sewer commission in 2012. In 2018, the CVRD has embarked on a new Liquid Waste Management Plan (LWMP). This statutory plan is outlining future capital expenditures necessary for the sustainability of the service and has been submitted to the province for review, then shared with the community and will be submitted for final approval in 2024.

City infrastructure includes lift stations, sewer trunk mains, a collection system and sewer connections within the boundaries of the municipality. This infrastructure varies in age depending on its location within the City. Infrastructure on the west side of the City varies from relatively new to over 60 years old, whereas infrastructure on the east side of the river is generally newer and less than 30 years old.

The largest cost component of this financial plan is the cost of the regional sewer service shared proportionately between the service participants, the City of Courtenay, the Town of Comox and HMCS Quadra, based on their respective sewer flows. The 2023-2027 Sewer Fund Financial Plan is a collaborative effort of all the departments following the City's Asset Management Bylaw 2981.

City of Courtenay 2023 – 2027 Sewer Fund Financial Plan

The proposed 2023-2027 Sewer Fund Financial Plan is detailed in the following attachments:

Attachment # 1 – Sewer Operating Fund 2023 Budget Overview

Attachment # 2 – Sewer Capital Fund and Debt 2023 Budget Overview

Attachment # 3 – Sewer Surplus, Reserves and DCC 2023 Projections

The sewer fund financial plan includes for 2023: \$9,684,800 in projected sewer revenues and the following expenditures: \$7,656,200 of operating expenses, \$862,100 transferred to the capital fund (including \$594,400 carried forward from 2022), \$106,500 transferred to surplus, \$375,500 transferred to reserves, \$309,500 for debt payments and \$375,000 of amortization.

Sewer Operating Fund

Sewer Operating Expenses

The sewer operating expense budget is presented by activity in Table 1. The overall increase in operating costs between 2022 and 2023 budget is \$413,900, or 5.7%, of which \$277,500 is directly related to the projected increase in the CVRD requisition (representing 67% of the increase).

Table 1: Sewer Operating Expenses 2022 – 2023 budget

Sewer Activity	Operating Activity	2022 BUDGET	2023 BUDGET	Budget increase (decrease)	Variance %
CVRD Sewer Requisition		4,994,700	5,272,200	277,500	
Sewer ADMIN - Salaries/Wages		366,300	386,900	20,600	
Sewer Administration		33,000	40,300	7,300	
Sewer ADMIN - Training		11,000	17,500	6,500	
Sewer Engineering Services		68,000	45,500	(22,500)	
Sewer Asset Mgmt		5,000	51,000	46,000	
Sewer Operations	Sewer Main	182,900	185,000	2,100	
	Sewer Service	98,600	105,900	7,300	
	Sewer Manhole/Chamber	22,300	23,800	1,500	
	Sewer Valve	13,800	14,200	400	
	Sewer Forcemain	13,900	14,200	300	
	Sewer Lift Station	270,600	285,300	14,700	
	Sewer Inflow & Infiltration	77,800	70,600	(7,200)	
Sewer Operations Total		679,900	699,000	19,100	
Sewer Fleet		49,700	49,000	(700)	
Sewer Work in Progress		40,000	40,000	-	
Interfund Allocation		994,700	1,054,800	60,100	
Total Sewer Operating Expense		7,242,300	7,656,200	413,900	5.7%

Comox Valley Sewer Service

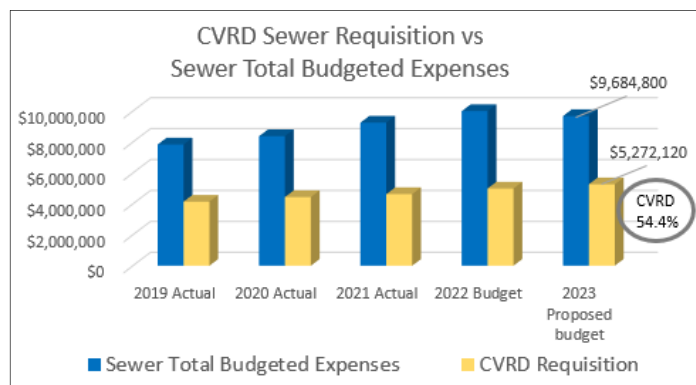
The Comox Valley Regional District 2022-2026 Financial Plan includes a 5.6% increase for the projected 2023 Regional Sewerage Service Requisition, which is the largest expense in the City's Sewer Operating Fund and accounts for more than half of the 2023 sewer budget increase.

Table 2 presents the increase in Courtenay's share of the sewer service requisition since 2018 to the proposed budget for 2026, based on the CVRD 2022-2026 Financial Plan.

It should be noted that the 2023-2027 Comox Valley Regional District Financial Plan is not available at the time of this report, therefore future year requisition amounts are subject to change and may impact future user fee estimates.

Table 2: Comox Valley Sewer Service Requisition, Courtenay's Share 2018 – 2026

<i>CVRD Sewer Service Requisition Courtenay share</i>	CVRD Requisition	% increase
2018 Actual	\$ 3,890,928	
2019 Actual	\$ 4,145,491	6.5%
2020 Actual	\$ 4,439,680	7.1%
2021 Actual	\$ 4,630,120	4.3%
2022 Budget	\$ 4,994,640	7.9%
2023 Proposed budget	\$ 5,272,120	5.6%
2024 Proposed budget	\$ 5,549,600	5.3%
2025 Proposed budget	\$ 5,827,080	5.0%
2026 Proposed budget	\$ 6,104,560	4.8%



Sewer Administration and Training

Those sections include a portion of the salaries, wages and benefits of the Public Works management staff and Engineering team and training expenses. The increase is due to the contractual increase for salaries, wages and benefits and inflation.

Sewer Engineering Services

This section includes \$20,000 carried forward from 2022 to complete the sewer rates review as recommended in the Water Smart Action Plan presented to Council on October 28, 2019. This review is currently underway and conducted simultaneously with the water rates review.

Sewer Operations

The budget for sewer operations is expected to remain stable for 2023. It includes the crew wages and benefits as well as the material and services needed to perform regular operations, preventative and reactive work on the sewer infrastructure. Regular contractual increases are also included for crew wages and benefits.

Sewer Fleet Charges

The Sewer Fleet Charges budget is adjusted every year based on actual and anticipated equipment and vehicle usage.

Internal Allocations

Internal Allocations is a percentage of the General Fund and Public Works administrative expenses transferred to the Sewer Fund. The intent is to transfer a reasonable amount for General Government Services and Public Works administrative expenditures (personnel, utilities, materials, insurance, contracted services and fleet costs) as recognition of the costs necessary to provide the service.

The sewer allocation is set to 11.5% of the General Government Services and to 17% of the Public Works administrative expenses based on prior year estimate. The allocation percentage is reviewed periodically and will be analyzed before next year budget. The variance represents the general increase in the General Government Services and Public Works expense budget.

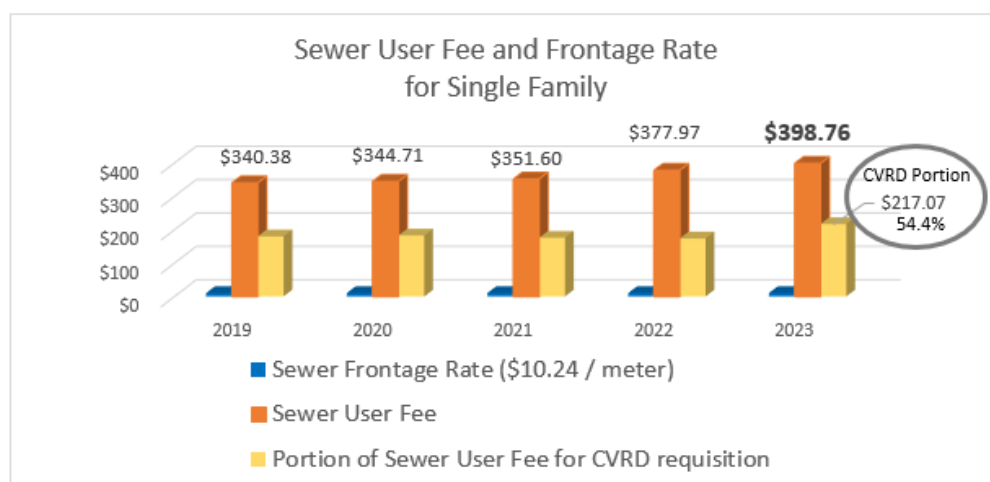
Sewer Revenues

Revenues collected through sewer user and frontage fees are used to cover the costs of the operating and capital expenditures. Staff recommend maintaining the current frontage rate at \$10.24 per meter, which is expected to generate \$2,108,200 for 2023 (\$2,094,500 – 2022) an increase of \$13,700 or 0.5%. An increase of 5.5% of the sewer user fee is proposed for 2023 (7.5% - 2022) as identified in 2022 and 5.5% for the next four years to fund the significant increase anticipated for the CVRD sewer requisition. An annual 0.5% increase is also factored in the revenue calculations for population growth. The sewer user fees are expected to generate \$6,534,700, for 2023 (\$6,093,600 – 2022).

Through the implementation of the Sewer Master Plan, the estimations for future growth and asset end of life and replacement will be combined with the estimations for the other linear asset classes to create a draft 20 year capital asset management plan. This information, along with the sewer rates review planned to be completed in 2023, will be the basis for a detailed analysis of the frontage and sewer user fees. Recommendations will then be presented to adjust the sewer revenue requirements in future year financial plans to create a sustainable utility.

The sewer user fees and frontage rates since 2019 are detailed in Graph 2 below. The portion of user fee used to fund the CVRD requisition is illustrated in yellow and corresponds to about \$217, or 54.4% for 2023, leaving about \$182 per household to fund City's sewer expenses.

Graph 2: Sewer user fee and frontage rate 2019-2023



Sewer Capital Fund

The projects included in the 2023 Sewer Capital Budget are presented in Table 3 below. The source of funding and the projects scheduled for the four following years are detailed in Attachment 2.

Table 3: Sewer Capital Projects - 2023 Budget

Proposed Budget

2023 Proposed Budget	
Project description	Total
Sewer - 1st Street Lift Station Replacement	3,095,600
South Courtenay Sewer System	327,500
Puntledge Sanitary Catchment Replacement (Comox Rd)	224,000
Sewer - Cousins Ave - 20th to Willemar	15,000
Grand Total	3,662,100

Debt Servicing Costs

The Sewer Operating Fund also includes debt servicing costs. For 2023, the interest payment is expected to rise by \$51,800 due to the 1st Street Lift Station Replacement project to \$124,100 (\$72,300 – 2022). Principal payments of \$185,400 on existing debt is also included, for a total debt servicing costs of \$309,500 (\$257,700 – 2022) in 2023. Due to timing in debt payment, no principal payments will be required for the 1st Street Lift Station Replacement project until 2024. The projected debt servicing costs for 2023 to 2027 are detailed in Attachment 2.

Sewer Surplus and Reserves

Table 4 shows the sewer surplus, reserves and Development Cost Charges (DCC) estimated closing balances for 2022 and 2023. The five year schedule is presented in Attachment 3.

Table 4: Estimated sewer surplus and surplus balance

SEWER	Estimated	Budget
Surplus, Reserves and DCC Summary	2022	2023
Sewer Fund Surplus		
Prior Year Operating Surplus (unallocated)	1,450,600	1,557,100
Surplus Reserve For Future Expenditure (Unspent Capital 2022)	594,400	-
	<u>2,045,000</u>	<u>1,557,100</u>
Sewer Capital Fund Surplus	21,700	21,700
Sewer Capital Reserves		
Sewer Reserve	1,091,500	1,091,500
Asset Management Reserve	1,793,100	1,793,100
Sewer Machinery and Equipment	810,900	885,900
	<u>3,695,500</u>	<u>3,770,500</u>
Total Sewer Surplus and Reserves	<u>5,762,200</u>	<u>5,349,300</u>
Sewer Development Cost Charges (DCC)		
Sewer DCC Bylaw #1638/2755	35,700	35,700
Sewer DCC Bylaw #2426/2755	1,415,800	1,415,800
Total Sewer DCC	<u>1,451,500</u>	<u>1,451,500</u>

Operating Surplus

The sewer prior year operating surplus balance has been depleted in 2022 to accommodate for the funding of some major sewer capital projects. The 2023-2027 sewer budget was developed to generate a small surplus every year in order to replenish the prior year operating surplus balance to recommended level equivalent to about 2 to 3 months of operating expenses, approximately \$1.3M to \$2.0M.

Capital Reserves

The Asset Management reserve will provide \$300,000 in 2023 to fund a portion of the 1st Street Lift Station Replacement project.

Contributions of \$300,000 to the Asset Management Reserve and \$75,000 to the Machinery and Equipment Reserve have remained consistent in 2023 to 2022 levels. The level of contribution to reserves will be revisited once the Sewer Master is completed and approved.

Development Cost Charges (DCC)

The City's DCC bylaw is set to be updated in 2023 however this process will take some time and therefore no anticipated changes in the DCC budget are included for 2023. DCC are presented as deferred revenues in the financial statements and are not included with the reserves.

FINANCIAL IMPLICATIONS:

To cover the overall cost to deliver the sewer utility operating and capital activities, an increase of 5.5% (7.5% - 2022) is recommended for 2023. This will result in an annual increase of \$20.79 (\$26.37 – 2022) in the single family user rate, of which approximately \$12.39 is attributable to the CVRD requisition increase.

Debt

The following major sewer projects are identified for the next two years:

- 1st Street Lift Station Replacement: estimated construction cost of \$2.5M included for 2023
- Puntledge Sanitary Catchment Replacement (Comox Road): estimated construction cost of \$2.53M included for 2024

Since anticipated revenues, existing reserves, and prior year surplus are not sufficient to cover the anticipated design and construction costs of these major projects, long term borrowing has been considered as the primary source of funding for those two projects.

In order to obtain long term financing, the City must follow a lengthy statutory process that includes adoption of a municipal loan authorization bylaw, approval by the Ministry of Community Services, elector approval, and inclusion in our regional district security issuing bylaw. The entire borrowing process takes at least 8 months. The City follows *Community Charter* guidelines to determine long term debt capacity, and currently uses approximately 12% of the limit, leaving the City in a good position to consider future opportunities to borrow for any sewer, water or general projects. Staff will continue to explore potential grant opportunities if available to reduce the need for borrowing.

*Connection Fees**Sanitary Sewer System Connection Fee*

There is proposed update to the sewer system fee schedule to increase connection fees to \$6,000 from \$3,000. Average cost of a 4-inch sewer connection from 2019 through 2022 was \$9,034 while connection fees over this period have been limited to \$3,000. Over the four-year period the City has provided a subsidy to sewer connections of about \$167,000. By increasing the connection fees over the next several years, the City will be near the break-even point for this service. Although for 2023 the fees will not be at the break-even point, a phased approach is recommended.

Storm Sewer System Connection Fee

The City's storm sewer system costs are captured under the general operating fund as the storm function does not operate as a separate fund similar to water and sewer functions. There is proposed update to the storm system fee schedule to increase connection fees to \$6,000 from \$3,000. Average cost of a 6-inch storm connection from 2019 through 2022 was \$5,826 while connection fees over this period have been limited to \$3,000. Over the four-year period the City has provided a subsidy to storm connections of about \$105,000. By increasing the connection fees to near the average actual cost the City should be near the break-even point for this service.

ADMINISTRATIVE IMPLICATIONS:

Subsequent to Council endorsing the recommended increase for the 2023-2027 Sewer Fund Financial Plan and user fees bylaws for the sewer and storm sewer services, staff will update the financial system with the new rates, prior to the 2023 utility billing.

Once finalized, the sewer budget will be incorporated as part of the statutory component of the five year financial plan.

ASSET MANAGEMENT IMPLICATIONS:

Much of the sewer network in west Courtenay was built during in the early 1960s and is projected to reach its end-of-life in the 2020s. Detailed Condition Assessment (CCTV inspections) work was completed in 2018-2019. This information has allowed the Asset Management group to identify priority projects that align with Council's Strategic Plan and future development and growth. Additionally, the Sewer Master Plan was finalized in 2022 and will aid informing a 20-year capital asset management plan.

STRATEGIC PRIORITIES REFERENCE:**We focus on organizational and governance excellence**

- Communicate appropriately with our community in all decisions we make
- Responsibly provide services at levels which the people we serve are willing to pay

We proactively plan and invest in our natural and built environment

- Focus on asset management for sustainable service delivery
- ▲ Look for regional infrastructure solutions for shared services

● **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 that are outside Council's jurisdictional authority to act

OFFICIAL COMMUNITY PLAN REFERENCE:

Municipal Infrastructure

OBJECTIVES:

1. Infrastructure and services are resilient to risks and impacts of climate change
2. Infrastructure investments are guided by a multiple bottom line decision-making approach: this means energy efficient, fiscally responsible, equitably distributed, sustainable levels of service that protect public health, safety, and the environment
3. Natural and engineered forms of green infrastructure are integrated to manage rainwater resources, protect water and air quality, maintain ecosystem function, provide flood control, and address and adapt to climate impacts

4. Solid waste, potable water, sanitary sewer and rain and storm water infrastructure life-cycle costs are minimized by increasing conservation actions and reducing the need to develop new infrastructure capacity

5. Third party utility providers such as energy and communications utilities are low carbon and reliable

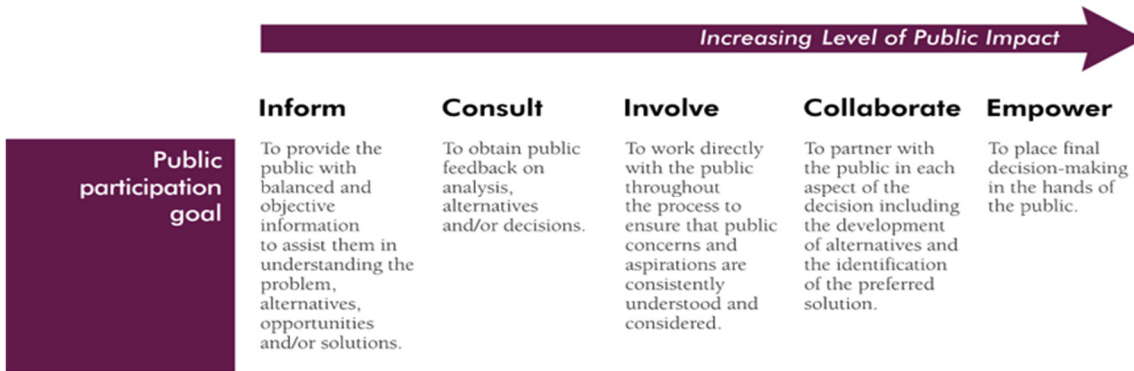
REGIONAL GROWTH STRATEGY REFERENCE:

This budget is presented with the intent of encouraging sewer management approaches and the use of processes and technologies that provide the public with infrastructure that addresses public health needs and concerns and provides equal service to all residents within the municipality and region (per Comox Valley Regional Growth Strategy Bylaw No. 120, 2010, Part 3.2.5, Objective 5-D Page 56).

PUBLIC ENGAGEMENT:

The *Community Charter* (sec. 166) requires that a council must undertake a process of public consultation regarding the proposed financial plan before it is adopted. The City will “**inform**” the public about the 2023-2027 Sewer Fund Financial Plan through council meetings, media webcasts, and information posted on the City’s website. In addition, the City will “**consult**” the public prior to final adoption of the 2023-2027 Financial Plan Bylaw.

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



OPTIONS:

Option 1:

THAT Council give first, second and third readings to the Courtenay Fees and Charges Amendment Bylaw 3088, 2023 (Sewer Fees),

And

THAT Council give first, second and third readings to the Courtenay Fees and Charges Amendment Bylaw 3090, 2023 (Storm Sewer Fees),

And

THAT Council approve the 2023-2027 Sewer Fund Financial Plan as presented for inclusion in the 2023-2027 Five-year plan.

Option 2:

That Council provide alternative direction to staff.

Prepared by:



Annie Bérard, CPA, CMA, MBA
Manager of Financial Planning, Payroll
and Business Performance

Reviewed by:



Adam Langenmaier, BBA CPA, CA
Director of Financial Services

Reviewed by:



Kyle Shaw, ASCT, CPWI, CWP, CWWP
Director of Public Works Services

Concurrence by:



Geoff Garbutt, M.Pl., MCIP, RPP
City Manager (CAO)

Attachments:

- 1 – Sewer Operating Fund 2023 Budget Overview
- 2 – Sewer Capital Fund and Debt 2023 Budget Overview
- 3 – Sewer Surplus, Reserves and DCC 2023 Projections
- 4 - Courtenay Fees and Charges Amendment Bylaw 3088, 2023 (Sewer)
- 5 - Courtenay Fees and Charges Amendment Bylaw 3090, 2023 (Storm Sewer)

Sewer Operating Fund Budget 2023-2027

Frontage Rate \$/m	\$	10.24	\$	10.24	\$	10.24	\$	10.24	\$	10.24
Sewer Utility Rate	\$	377.97	\$	398.76	\$	420.69	\$	443.83	\$	468.24
Sewer Utility Rate Annual Increase \$	\$	26.37	\$	20.79	\$	21.93	\$	23.14	\$	24.41
Sewer Utility Rate Annual Increase %		7.5%		5.5%		5.5%		5.5%		5.5%

Expense Type	Activity2	Activity	DESC	Variance						
				2022 BUDGET	2023 BUDGET	2023 Budget - 2022 Budget	2024 BUDGET	2025 BUDGET	2026 BUDGET	2027 BUDGET
Revenue	Sewer Frontage	Sewer Frontage	SEWER FRONTAGE TAX	(2,094,500)	(2,108,200)	(13,700)	(2,118,700)	(2,129,300)	(2,140,000)	(2,150,700)
			SEWER CONNECTION PARCEL TAX	(12,000)	(12,000)	-	(12,000)	(12,000)	(12,000)	(12,000)
	Sewer Frontage Total			(2,106,500)	(2,120,200)	(13,700)	(2,130,700)	(2,141,300)	(2,152,000)	(2,162,700)
	Sewer Utility Fees	Sewer Utility Fees	SEWER USER CHARGES - RESIDENTIAL	(5,095,500)	(5,451,500)	(356,000)	(5,777,400)	(6,123,100)	(6,489,400)	(6,877,400)
			SEWER USER CHARGES - COMMERCIAL	(679,200)	(735,600)	(56,400)	(775,700)	(818,000)	(862,600)	(909,700)
			SEWER USER CHARGES - INSTITUTIONAL (CVRD)	(318,900)	(347,600)	(28,700)	(366,700)	(386,900)	(408,200)	(408,200)
	Sewer Utility Fees Total			(6,093,600)	(6,534,700)	(441,100)	(6,919,800)	(7,328,000)	(7,760,200)	(8,195,300)
	Sewer Other Revenues			(20,500)	(20,500)	-	(20,500)	(20,500)	(20,500)	(20,500)
	Transfer from Prior Year Surplus			(880,900)	-	880,900	-	-	-	(51,900)
	Sewer Work in Progress			(40,000)	(40,000)	-	(40,000)	(40,000)	(40,000)	(40,000)
	Transfer from Reserve	Transfer from Reserve	RESERVE FOR FUTURE EXP.	(1,339,600)	(594,400)	745,200	-	-	-	-
	Transfer from Reserve Total			(1,339,600)	(594,400)	745,200	-	-	-	-
	Equity in Capital Assets			(375,000)	(375,000)	-	(375,000)	(375,000)	(375,000)	(375,000)
	Outside Contributions Total			-	-	-	-	-	-	-
Revenue Total				(10,856,100)	(9,684,800)	1,171,300	(9,486,000)	(9,904,800)	(10,347,700)	(10,845,400)
Expense	CVRD Sewer Requisition			4,994,700	5,272,200	277,500	5,549,600	5,827,100	6,104,600	6,382,100
	Sewer ADMIN - Salaries/Wages			366,300	386,900	20,600	408,500	416,800	425,300	433,700
	Sewer Administration			33,000	40,300	7,300	40,700	41,200	41,600	41,600
	Sewer ADMIN - Training			11,000	17,500	6,500	17,500	17,500	17,500	17,500
	Sewer Engineering Services			68,000	45,500	(22,500)	33,000	42,000	23,000	23,000
	Sewer Asset Mgmt			5,000	51,000	46,000	21,000	51,000	21,000	51,000
	Sewer Operating	Sewer Main		182,900	185,000	2,100	187,200	190,200	192,600	192,600
		Sewer Service		98,600	105,900	7,300	107,200	109,100	109,100	109,100
		Sewer Manhole/Chamber		22,300	23,800	1,500	24,000	24,100	24,100	24,100
		Sewer Valve		13,800	14,200	400	14,400	14,600	14,600	14,600
		Sewer Forcemain		13,900	14,200	300	14,400	14,600	14,600	14,600
		Sewer Inflow & Infiltration		77,800	70,600	(7,200)	71,100	72,400	72,400	72,400
		Sewer Lift Station		270,600	285,300	14,700	288,500	293,000	293,000	293,000
	Sewer Operating Total			679,900	699,000	19,100	706,800	718,000	720,400	720,400
	Sewer Fleet			49,700	49,000	(700)	49,300	49,600	49,600	49,600
	Sewer Work in Progress			40,000	40,000	-	40,000	40,000	40,000	40,000
	Interfund Allocation			994,700	1,054,800	60,100	1,103,400	1,100,000	1,118,100	1,132,400
	Transfer to Reserve	Transfer to Reserve	CONTINGENCY RESERVE	-	106,500	106,500	161,600	201,000	229,600	-
			TRANS TO M&E SEWER RESERVE	75,000	75,000	-	75,000	75,000	75,000	75,000
			TRANS TO M.F.A.RESERVE	500	500	-	500	500	500	500
			TRANS TO RES. FOR FUTURE EXP	1,339,600	594,400	(745,200)	-	-	-	-
			TRANSFER TO ASSET MGMT RESERVE	300,000	300,000	-	300,000	300,000	300,000	300,000
			TRSF TO SEWER CAPITAL FUND	1,266,000	267,700	(998,300)	96,000	10,000	140,000	500,000
	Transfer to Reserve Total			2,981,100	1,344,100	(1,637,000)	633,100	586,500	745,100	875,500
	Debt			257,700	309,500	51,800	508,100	640,100	666,500	703,600
	Amortization			375,000	375,000	-	375,000	375,000	375,000	375,000
Expense Total				10,856,100	9,684,800	(1,171,300)	9,486,000	9,904,800	10,347,700	10,845,400
Grand Total				-	-	-	-	-	-	-

Category	Project description	2022 Budget	2022 Forecast	2023 Proposed Budget	2023 Taxation - User fees	2023 Reserve for Future Expenditures	2023 Reserves	2023 Debt	2024 Proposed Budget	2024 Taxation - User fees	2024 Reserves	2024 Debt	2025 Proposed Budget	2025 Taxation - User fees	2025 Prov / Funding	2025 Debt
New	South Courtenay Sewer System	86,400	43,900	224,000	181,500	42,500										
	Sewer - Greenwood Trunk Construction	1,724,700	1,724,700													
New Total		1,811,100	1,768,600	224,000	181,500	42,500										
Renewal	Sewer - 1st Street Lift Station Replacement	332,000	107,600	3,095,600	71,200	224,400	300,000	2,500,000								
	Puntledge Sanitary Catchment Replacement (Comox Rd)	429,300	101,800	327,500		327,500			2,531,500	31,500	500,000	2,000,000				
	Sewer - Cousins Ave - 20th to Willemar		-	15,000	15,000				64,500	64,500			644,800		344,800	300,000
	Braidwood Road - Road & Utility - Sewer Component	20,300	9,000		-								10,000	10,000		
	Sewer - Mansfield Drive Forcemain - Genset	1,504,000	-		-											
Renewal Total		2,285,600	218,400	3,438,100	86,200	551,900	300,000	2,500,000	2,596,000	96,000	500,000	2,000,000	654,800	10,000	344,800	300,000
Grand Total		4,096,700	1,987,000	3,662,100	267,700	594,400	300,000	2,500,000	2,596,000	96,000	500,000	2,000,000	654,800	10,000	344,800	300,000

Category	Project description	2026 Proposed Budget	2026 Taxation - User fees	2026 Debt	2027 Proposed Budget	2027 Taxation - User fees	2027 Debt
Renewal	Braidwood Road - Road & Utility - Sewer Component	500,000		500,000			
	Anderton Dike Remediation - Sanitary Lift Station Relocalisation	140,000	140,000		1,500,000	500,000	1,000,000
Renewal Total		640,000	140,000	500,000	1,500,000	500,000	1,000,000
Grand Total		640,000	140,000	500,000	1,500,000	500,000	1,000,000

Debt Servicing Costs
New debt calculated at 4.14% over 20 years

Category	Description	2021 Budget	2023 Proposed Budget	2024 Proposed Budget	2025 Proposed Budget	2026 Proposed Budget	2027 Proposed Budget
Debt Interest	Existing Debt Interest	73,100	72,300	72,300	72,300	69,500	66,700
	New Debt Interest		51,800	144,900	192,500	209,100	240,100
Debt Interest Total		73,100	124,100	217,200	264,800	278,600	306,800
Debt Principal	Existing Debt Principal	185,400	185,400	185,400	185,400	185,400	173,200
	New Debt Principal			105,500	189,900	202,500	223,600
Debt Principal Total		185,400	185,400	290,900	375,300	387,900	396,800
Grand Total		258,500	309,500	508,100	640,100	666,500	703,600

**City of Courtenay
for the Years 2023 - 2027**

SEWER Surplus, Reserves and DCC Summary	Estimated	Budget	2024	Proposed Budget		
	2022	2023		2025	2026	2027
Sewer Fund Surplus						
Prior Year Operating Surplus (unallocated Surplus Reserve For Future Expenditure (Unspent Capital 2022))	1,450,600	1,557,100	1,718,700	1,919,700	2,149,300	2,097,400
	594,400	-	-	-	-	-
	<u>2,045,000</u>	<u>1,557,100</u>	<u>1,718,700</u>	<u>1,919,700</u>	<u>2,149,300</u>	<u>2,097,400</u>
Sewer Capital Fund Surplus (unexpended)	21,700	21,700	21,700	21,700	21,700	21,700
Sewer Capital Reserves						
Sewer Reserve	1,091,500	1,091,500	1,091,500	1,091,500	1,091,500	1,091,500
Asset Management Reserve	1,793,100	1,793,100	1,593,100	1,893,100	2,193,100	2,493,100
Sewer Machinery and Equipment	810,900	885,900	960,900	1,035,900	1,110,900	1,185,900
	<u>3,695,500</u>	<u>3,770,500</u>	<u>3,645,500</u>	<u>4,020,500</u>	<u>4,395,500</u>	<u>4,770,500</u>
Total Sewer Surplus and Reserves	<u>5,762,200</u>	<u>5,349,300</u>	<u>5,385,900</u>	<u>5,961,900</u>	<u>6,566,500</u>	<u>6,889,600</u>
Sewer Development Cost Charges (DCC)						
Sewer DCC Bylaw #1638/2755	35,700	35,700	35,700	35,700	35,700	35,700
Sewer DCC Bylaw #2426/2755	1,415,800	1,415,800	1,415,800	1,415,800	1,415,800	1,415,800
Total Sewer DCC	<u>1,451,500</u>	<u>1,451,500</u>	<u>1,451,500</u>	<u>1,451,500</u>	<u>1,451,500</u>	<u>1,451,500</u>

Purpose of Sewer Reserves

Prior Year Operating Surplus : accumulated excess of revenues over expenses from prior years which has not been set aside for specific purposes

Reserve for Future Expenditure : revenues collected for 2022 capital projects unfinished and carried forward to 2023

Sewer Reserve , Bylaw #1382: established for funding capital expenditures or debt related to sewer utility only

Asset Management Reserve , Bylaw #2819: established to acquire tangible capital assets relating to the sewer fund or for refurbishing, renewing or replacing existing tangible capital assets for those assets within the sewer fund

Sewer Machinery and Equipment , Bylaw #1976: established to fund replacement of depreciated or obsolete machinery and equipment in the sewer fund

Sewer DCC 'North East Zone' , Bylaw #1638/2755: to be used for approved sewer projects

Sewer DCC , Bylaw #2426/2755: to be used for approved sewer projects

THE CORPORATION OF THE CITY OF COURTENAY

BYLAW NO. 3088, 2023

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. 3088, 2023.”**
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 II “Sanitary Sewer 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 II – Sanitary Sewer System

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

Read a first time this day of , 2023

Read a second time this day of , 2023

Read a third time this day of , 2023

Finally passed and adopted this day of , 2023

Mayor

Deputy Corporate Officer

**SCHEDULE OF FEES AND CHARGES
CITY OF COURTENAY FEES AND CHARGES AMENDMENT
BYLAW NO. 3088, 2023
SECTION III, APPENDIX II
SANITARY SEWER SYSTEM**

1. CONNECTION FEES

(a) Connection Fees

Connection from either side of road to property line

10.16 centimetres (4" inch) \$6,000.00

Where a larger connection than the one listed above is required, the connection will be installed at City cost plus 25%.

(b) Abandonment Fee

Fee for disconnecting an abandoned service connection at the sanitary sewer main irrespective of the size of the connection	Actual City cost plus 25%, min charge \$2,500.00
---	--

(c) Connection Charges for Annexed Areas

For owners where commitment letters were issued between 1997 and 2006 quoting a sewer connection bylaw fee of \$1,500 (plus a capital contribution fee of \$5,000), this bylaw fee amount shall be in effect until October 31, 2007, after which the following schedule of connection fees will apply.

Property Use	Connection Charge		
	Capital Contribution		Connection Fee
	Existing Building	New Development	
Single Family Home OR Duplex	\$6,000.00	\$6,000.00	Either side of road from main - \$6,000.00
Multifamily, Strata OR Apartment OR Mobile Homes	\$6,000.00	\$6,000.00 for first unit, \$3,000.00 per unit for the next five units, \$2,500.00 per unit for the next five units, \$2,000.00 per unit for the next five units and \$1,500.00 per unit for all units thereafter	For a 100 mm diameter connection or the Bylaw rate for larger pipe sizes: Either side of road from main \$6,000.00

Industrial OR Commercial OR Public Assembly	\$10,000.00	\$10,000.00 minimum or the greater amount calculated based on the design sewage flows from the development.	For a 100 mm diameter connection or the Bylaw rate for larger pipe sizes: Either side of road from main \$10,000.00
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Note: Under the heading of ‘Capital Contribution’ an ‘Existing Building’ is defined as a building that existed or a property that had a building permit application in place on or before April 14, 2004. ‘New Development’ is defined as a property on which a building permit application was made on or after April 15, 2004.

1. SANITARY SEWER USER RATES – APPLIED ON A PER-UNIT/SPACE BASIS

- The minimum user rate per year or portion thereof shall be as follows:

Part 1 - Residential Users		Bylaw Rates (per annum) Effective Date January 1, 2023
1	Single Family Dwelling	398.76
2	Multiple Family Dwelling -per unit	398.76
3	Mobile Home Park -per space	398.76
4	Kiwanis Village -per unit	398.76

	Bylaw Rates (per annum) Effective Date January 1, 2023
Part 2 - Commercial Users	
1 Hotels and Motels -per unit	160.57
2 Trailer Park and Campsite -per serviced site	82.85
3 Wholesale and Retail Stores	398.76
4 Car Wash	398.76
5 Bus Depot	398.76
6 Funeral Parlour	398.76
7 Garage	398.76
8 Machine Shop and Repair Shop	398.76
9 Bakery	398.76
10 Photographer	398.76
11 Business Office - per office	398.76
12 Professional Office -per office	398.76
13 Barber and Hairdresser	398.76
14 Pool Room and Recreation Facility	398.76
15 Theatre	797.51
16 Department Store	797.51
17 Supermarket	797.51
18 Bowling Alley	797.51
19 Bank	797.51
20 Nursing Home	797.51
21 Cafe and Restaurant (including drive-in or take-out)	797.51
22 Dry Cleaner	797.51
23 Beverage Room	797.51
24 Laundry and Coin Laundry	3,187.38
25 Sawmill	3,972.59
26 Other Commercial Users	797.51
27 Cheese Processing Plant	6,610.08
Part 3 - Institutional Users	
1 Church	398.76
2 Public Hall	398.76
3 Utility Office	797.51
4 School -per classroom	714.69
5 Regional Recreation Complex	31,732.94
6 Regional District Administrative Office	8,525.76
7 Hospital per Patient room	160.57
8 Hospital per Staff room	398.76

2. 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 sewer utility services supplied or ready to be supplied by the City. 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. 3090, 2023

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. 3090, 2023.”**
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 III “Storm Sewer 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 III – Storm Sewer System

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

Read a first time this day of , 2023

Read a second time this day of , 2023

Read a third time this day of , 2023

Finally passed and adopted this day of , 2023

Mayor

Deputy Corporate Officer

**SCHEDULE OF FEES AND CHARGES
CITY OF COURTENAY FEES AND CHARGES AMENDMENT
BYLAW NO. 3090, 2023
SECTION III, APPENDIX III
STORM SEWER SYSTEM**

(a) Connection Fees

Connection from either side of road to property line

15.24 centimetres (6" inch)	\$6,000.00
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Where a larger connection than the one listed above is required, the connection will be installed at City cost plus 25%.

(b) Abandonment Fee

Fee for disconnecting an abandoned service connection at the sanitary sewer main irrespective of the size of the connection	Actual City cost plus 25%, minimum charge of \$500.00
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THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT

To: Council

File No.: 1705-20 / 1830-05

From: City Manager

Date: February 8, 2023

Subject: 2023 - 2027 Municipal Solid Waste, Recyclables, and Organics Budget

PURPOSE:

The purpose of this report is to consider the 2023 - 2027 operating budget for municipal solid waste and proposed increase to solid waste, recyclables and organics user fees.

POLICY ANALYSIS:

Section 194 of the *Community Charter* allows Council to charge a user fee to cover the cost of delivery of a service.

EXECUTIVE SUMMARY:

The costs associated with providing solid waste, recyclables, and organics collection are reviewed annually and user fees are established to cover the projected cost to deliver the services in the upcoming year. These services are not funded from general property taxation.

Since October 2022, the service is no longer provided to industries, commercial, institutional (ICI) and multi-family. The service offered to residential owners in 2023 now includes organic collection and a new 360-litre weekly limit to the combined total volume of yard waste and food waste. A conservative budget has been prepared for 2023 and includes a 13.9 % cost increase for the collection contract, a tipping fee increase from 140 to 145 \$/mt for solid waste and a new tipping fee of 110 \$/mt to dispose of the organic waste at the new regional facility.

The projections for 2024 to 2027 were developed to reflect the anticipated cost of the new automated cart service to be implemented in January 2024.

For 2023, an increase of 24% (to \$237.50 from \$191.54 in 2022) for residential user fees is recommended to ensure the 2023 costs to deliver the service are fully recovered.

CAO RECOMMENDATIONS:

THAT Council give first, second and third readings to the City of Courtenay Fees and Charges Amendment Bylaw No. 3087, 2023 (Solid Waste fees), and;

THAT Council approve the 2023-2027 Municipal Solid Waste, Recyclables and Organics Financial Plan as presented for inclusion in the 2023-2027 Five-year plan.

Respectfully submitted,



Geoff Garbutt, M.Pl., MCIP, RPP
City Manager (CAO)

BACKGROUND:

Council sets the solid waste user fee rate schedule by bylaw each year to ensure costs for the provision of solid waste, recyclables and yard waste collection services are fully recovered. These services are not funded from the general property taxation levy.

DISCUSSION:

The City provides for residential properties weekly curbside pickup of municipal solid waste and organics and bi-weekly pickup of recyclables. The user fee charged for this service must cover:

1. The costs of the contractor hired to provide municipal solid waste, recyclables, organics collection and transport services.

The cost of the collection contract increased by 8.0% on May 1, 2022 and 9.5% on January 1, 2023, resulting in a compounded 13.9% increase from 2022 budget to 2023 budget.

2. The costs of regional landfill fees for disposal of mixed waste and the regional organics processing facility fees for the disposal of yard waste and organics.

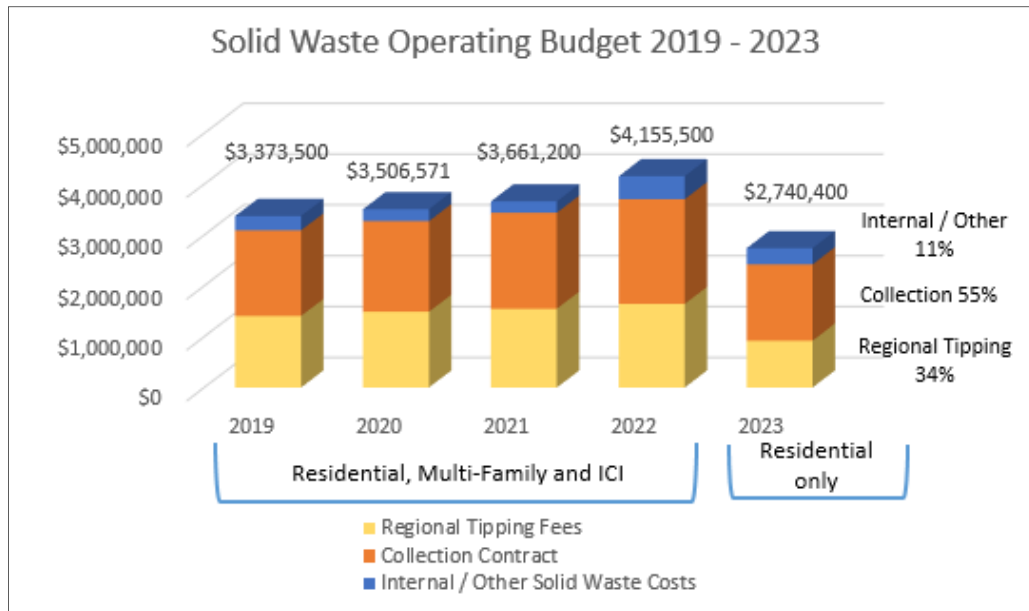
For 2023, the CVRD confirmed an increase to the regional landfill tipping fee from 140 to \$145 per tonne. The 2023 budget also accounts for the yard waste and organics now being sent for processing at the new regional organics processing facility at a cost of \$110 per tonne. This represents an increase as yard waste was previously disposed at no cost. The 2024-2027 solid waste projected budget includes the assumption that 33% of the solid waste tonnage will be diverted to the organics processing facility. This represents a reduction in cost, due to the lower tipping fees at the organic's facility vs landfill, however is subject to change depending on the actual volumes received at the facility once it is up and running.

3. The internal costs to deliver the service.

Internal costs recovered include costs related to utility billing and collection, as well as of the administration of the service.

The different components of the Solid Waste Operating Budget since 2019 are illustrated in Graph 1 below. The significant decrease in the budget is explained with the discontinuation of the service previously provided to ICI and multi-family.

Graph 1: Solid Waste Operating Budget 2019-2023



RecycleBC - Revenues

In October 2018, the City signed a second five year contract with RecycleBC to provide recycling services to residential units in Courtenay. The City will continue to receive financial incentives through the program which covers the cost of providing the bi-weekly curbside pickup of recyclables to residences. It is expected the contract will be renewed with similar terms for 2024 onwards.

2023 – 2027 Financial Plan:

Since October 2022, the service is no longer provided to industries, commercial, institutional (ICI) and multi-family. The service offered to residential owners in 2023 now includes organic collection and a new 360-litre weekly limit to the combined total volume of yard waste and food waste.

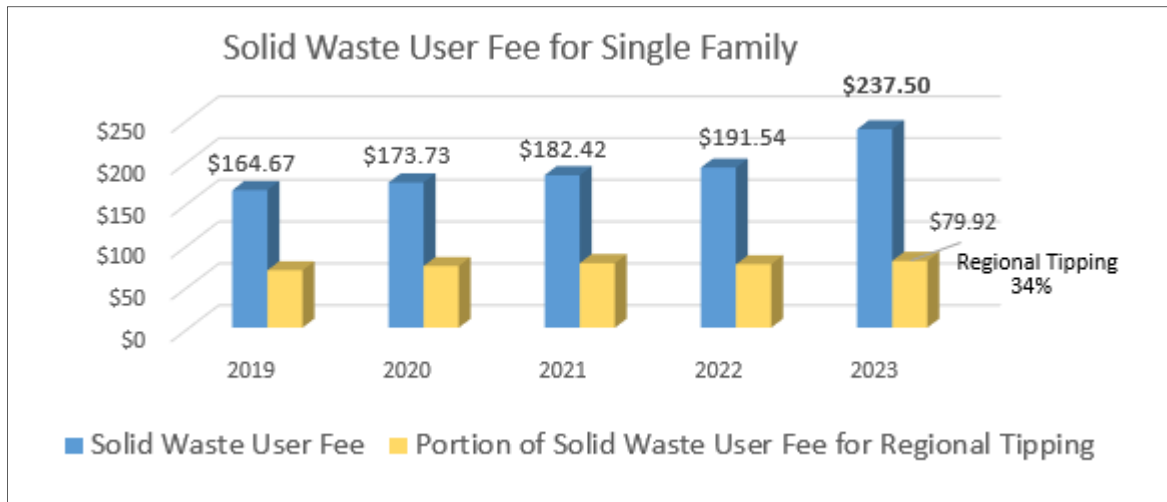
The projections for 2024 to 2027 were developed to reflect the anticipated cost of the new automated cart service to be implemented in January 2024.

In order to cover for the increased costs for collection, tipping fee for solid waste disposal and new tipping fee for organics, an increase of 24% to the residential user fee is required in 2023, raising the annual fee from \$191.54 in 2022 to \$237.50.

Another significant increase of 17.1% is anticipated for 2024 to fund the increased cost of the new automated cart service.

The change in solid waste user fee since 2019 for a single family dwelling is presented in Graph 2.

Graph 2: Solid Waste User Fee for Single Family



Attachment #1 provides the proposed financial plan for 2023-2027.

FINANCIAL IMPLICATIONS:

In order to cover the cost of the service in 2023, a 24.0% user fee rate increase is required for residential service. The annual flat levy fee for residential will increase from \$191.54 to 237.50, a difference of \$45.96 per year.

ADMINISTRATIVE IMPLICATIONS:

After the user fee amendment bylaw is adopted, Staff will update the utility billing system and Financial Plan documentation to reflect the approved rates for 2023.

ASSET MANAGEMENT IMPLICATIONS:

Not applicable.

STRATEGIC PRIORITIES REFERENCE:

We focus on organizational and governance excellence

- Communicate appropriately with our community in all decisions we make
- Responsibly provide services at levels which the people we serve are willing to pay

- **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 that are outside Council's jurisdictional authority to act

OFFICIAL COMMUNITY PLAN REFERENCE:

Municipal Infrastructure

OBJECTIVES:

1. Infrastructure and services are resilient to risks and impacts of climate change
2. Infrastructure investments are guided by a multiple bottom line decision-making approach: this means energy efficient, fiscally responsible, equitably distributed, sustainable levels of service that protect public health, safety, and the environment
3. Natural and engineered forms of green infrastructure are integrated to manage rainwater resources, protect water and air quality, maintain ecosystem function, provide flood control, and address and adapt to climate impacts
4. Solid waste, potable water, sanitary sewer and rain and stormwater infrastructure life-cycle costs are minimized by increasing conservation actions and reducing the need to develop new infrastructure capacity
5. Third party utility providers such as energy and communications utilities are low carbon and reliable

REGIONAL GROWTH STRATEGY REFERENCE:

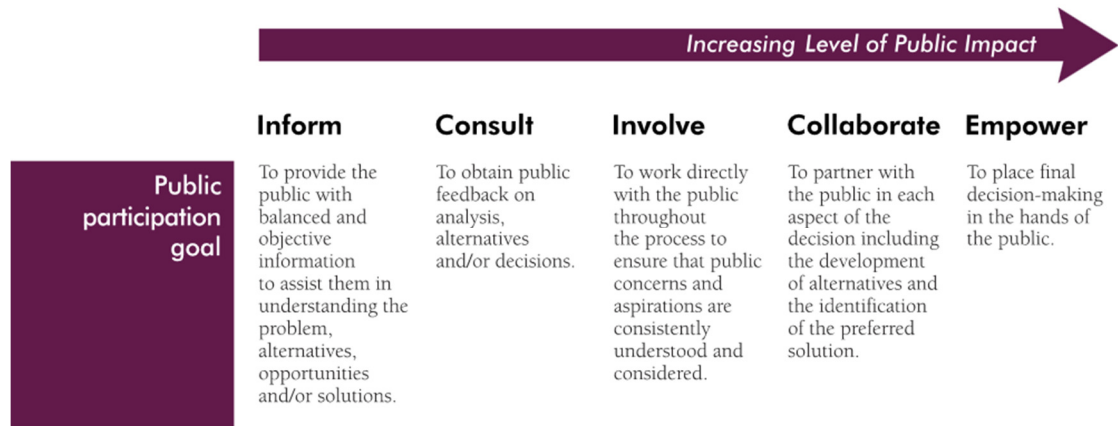
Goal 8: Climate Change:

Objective 8-C: Reduce GHG emissions in the solid waste sector

CITIZEN/PUBLIC ENGAGEMENT:

The *Community Charter* (sec. 166) requires that a council must undertake a process of public consultation regarding the proposed financial plan before it is adopted. The City will “**inform**” the public about the 2023-2027 Financial Plan through special council meetings, media webcasts, and information posted on the City’s website. In addition, the City will “**consult**” the public prior to final adoption of the 2023-2027 Financial Plan Bylaw.

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



OPTIONS:

OPTION 1: THAT Council give first, second and third readings to the City of Courtenay Fees and Charges Amendment Bylaw No. 3087, 2023 (Solid Waste Fees), and;

THAT Council approve the 2023-2027 Municipal Solid Waste, Recyclables and Organics Financial Plan as presented for inclusion in the 2023-2027 Five-year plan.

OPTION 2: Provide alternative direction to staff.

Prepared by:



Annie Bérard, CPA, CMA, MBA
Manager of Financial Planning,
Payroll and Business Performance

Reviewed by:



Adam Langenmaier BBA, CPA, CA
Director of Financial Services

Reviewed by:



Kyle Shaw, ASCT, CPWI, CWP, CWWP
Director of Public Works Services

Concurrence by:



Geoff Garbutt, M.PI., MCIP, RPP
City Manager (CAO)

Attachments:

1. Solid Waste, Recycling and Organics 2023 – 2027 Financial Plan
2. City of Courtenay Fees and Charges Amendment Bylaw No. 3087, 2023 (Solid Waste fees)

Appendix 8 - 2023-2027 Solid Waste, Recycling and Organics Financial Plan Report

Attachment 1 - Solid Waste, Recycling and Organics 2023-2027 Financial Plan

	2022	2023	2023	2023	2023	2023	2022	2023	BUDGET	
ACCT	BUDGET	INFLATION	GROWTH	SERVICE LEVEL	ONE-TIME	CAPITAL OPERATING	CARRY	BUDGET	INCREASE	VARIANCE
				IMPACTS	ITEMS	IMPACTS	FORWARD		(DECREASE)	%
Solid Waste Services										
SOLID WASTE REVENUE										
Garbage										
040-11-1-355-0000-15901-0020 GARBAGE- RESIDENTIAL CANS	(1,744,500)	(567,600)						(2,312,100)	(567,600)	33%
040-11-1-355-0000-15902-0020 GARBAGE-STICKER SALES	(10,000)							(10,000)		
040-11-1-355-0000-15903-0020 GARBAGE-COMM/STRATA MIXED BINS	(1,443,300)	1,443,300							1,443,300	(100%)
040-11-1-355-0000-15905-0020 GARBAGE - CARDBOARD BINS	(333,500)	333,500							333,500	(100%)
040-11-1-355-0000-15906-0020 GARBAGE-RES APARTMENT CANS	(115,900)	115,900							115,900	(100%)
040-11-1-355-0000-15907-0020 GARBAGE-COMMERCIAL CANS	(80,700)	80,700							80,700	(100%)
040-11-1-355-0000-15909-0020 YARD WASTE - STRATA	(6,400)	6,400							6,400	(100%)
040-11-1-355-0000-15910-0020 DCBIA TOTERS	(1,500)	1,500							1,500	(100%)
040-11-1-355-0000-18625-0050 MULTI MATERIAL BC RECYCLING REVENUE	(390,200)	12,500						(377,700)	12,500	(3%)
040-11-1-355-0000-18626-0050 MMBC RESIDENTIAL EDUCATION GRANT	(31,500)	(8,300)						(39,800)	(8,300)	26%
Total Garbage	(4,157,500)	1,417,900						(2,739,600)	1,417,900	(34%)
Total SOLID WASTE REVENUE	(4,157,500)	1,417,900						(2,739,600)	1,417,900	(34%)
SOLID WASTE EXPENSES										
Solid Waste Admin										
040-11-2-330-0000-34703-1100 SOLID WASTE - Salaries		26,100						26,100	26,100	
040-11-2-330-0000-34703-1130 SOLID WASTE - Wages Regular	80,000	48,500						128,500	48,500	61%
040-11-2-330-0000-34703-1131 SOLID WASTE - Wages Overtime										
040-11-2-330-0000-34703-1160 SOLID WASTE - Wages Student	10,000	(500)						9,500	(500)	(5%)
040-11-2-330-0000-34703-1170 SOLID WASTE - Wages Casual										
040-11-2-330-0000-34703-1200 SOLID WASTE - Benefits	20,000	27,900						47,900	27,900	140%
040-11-2-330-0000-34703-1310 GENERAL- - Clothing Allowance										
040-11-2-330-0000-34703-2040 SOLID WASTE Legal Services	60,000				(45,000)			15,000	(45,000)	(75%)
040-11-2-330-0000-34703-2210 SOLID WASTE Advertising	41,500	(17,500)						24,000	(17,500)	(42%)
040-11-2-330-0000-34703-2340 SOLID WASTE Training & Education										
040-11-2-330-0000-34703-2395 SOLID WASTE Printing	3,500				11,500			15,000	11,500	329%
040-11-2-330-0000-34703-5030 PUB AWARE CAMPAIGN				8,000				8,000	8,000	
040-11-2-330-0000-34703-5040 PUB AWARE CAMPAIGN					14,500			14,500	14,500	
040-11-2-330-0000-34703-5060 PUB AWARE CAMPAIGN	13,000	17,500						30,500	17,500	246%
040-11-2-330-0000-34703-5070 Public Education -MEALS										
Total Solid Waste Admin	228,000	102,000		8,000	(19,000)			319,000	91,000	40%
Solid Waste Contracted Services										
040-11-2-330-0000-34702-2020 SOLID WASTE Contracted Services	2,059,100	183,000		(742,900)				1,499,200	(559,900)	(27%)
040-11-2-330-0000-34702-5040 Solid Waste- MF & DCBIA toters & bins										
Total Solid Waste Contracted Services	2,059,100	183,000		(742,900)				1,499,200	(559,900)	(27%)
Solid Waste Tipping Fees										
040-11-2-330-0000-34704-3010 SOLID WASTE - CVRD Tipping Fees	1,645,300			(723,100)				922,200	(723,100)	(44%)
Total Solid Waste Tipping Fees	1,645,300			(723,100)				922,200	(723,100)	(44%)
Total SOLID WASTE EXPENSES	3,932,400	285,000		(1,458,000)	(19,000)			2,740,400	(1,192,000)	(30%)
Total Solid Waste Services	(225,100)	1,702,900		(1,458,000)	(19,000)			800	225,900	(100%)

THE CORPORATION OF THE CITY OF COURTENAY

BYLAW NO. 3087

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. 3087, 2023.”**
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 IV “Garbage Collection Fees” 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 IV – Solid Waste Collection Fees”
3. This bylaw shall come into effect upon final adoption hereof.

Read a first time this day of , 2023

Read a second time this day of , 2023

Read a third time this day of , 2023

Finally passed and adopted this day of , 2023

Mayor

Deputy Corporate Officer

SCHEDULE OF FEES AND CHARGES
CITY OF COURTENAY FEES AND CHARGES AMENDMENT BYLAW NO. 3087
SECTION III, APPENDIX IV
SOLID WASTE COLLECTION FEES

A.	Dwelling Basis Fee per unit per year	
	- includes solid waste, recyclables & organics pickup	\$237.50
	Extra Bag Ticket (50 litre) - each	\$5.00

Appendix 9 - General Operating Revenue Detail

General Operating Revenue					
Detail	2023	2024	2025	2026	2027
REVENUE					
Property Taxes					
General Property Taxes	\$ 29,834,000	\$ 32,069,800	\$ 33,215,900	\$ 33,546,500	\$ 34,673,700
Debt Levy	1,311,000	1,471,600	1,425,400	1,870,100	2,158,800
Grants in Lieu of Taxes	363,700	363,700	363,700	363,700	363,700
% of Revenue Tax	439,600	439,600	439,600	439,600	439,600
Total Property Taxes	\$ 31,948,300	\$ 34,344,700	\$ 35,444,600	\$ 36,219,900	\$ 37,635,800
Fees and Charges					
Cemetery	\$ 179,000	\$ 179,000	\$ 179,000	\$ 179,000	\$ 179,000
Development Services	1,857,000	1,294,500	1,333,900	1,372,500	1,413,000
General Government Services	1,023,200	1,037,900	1,052,900	1,060,300	1,060,300
Protective Services	616,600	713,200	725,100	737,200	749,600
Public Works Services	22,000	22,000	22,000	22,000	22,000
Recreation & Cultural Services	1,866,100	1,880,100	2,027,300	2,037,800	2,062,800
Solid Waste	2,322,100	3,096,700	3,218,100	3,356,100	3,501,000
Total Fees and Charges	\$ 7,886,000	\$ 8,223,400	\$ 8,558,300	\$ 8,764,900	\$ 8,987,700
Interests and Penalties	\$ 1,412,800	\$ 1,412,800	\$ 1,412,800	\$ 1,412,800	\$ 1,412,800
Revenue from Other Sources	156,000	149,900	152,100	154,500	156,800
Transfers from Other Govt & Agencies	2,161,700	2,096,500	2,108,800	2,122,200	2,131,600
Total General Revenue	\$ 43,564,800	\$ 46,227,300	\$ 47,676,600	\$ 48,674,300	\$ 50,324,700

General Operating Expense Detail	2023	2024	2025	2026	2027
OPERATING EXPENDITURES					
General Government					
City Council	\$ 516,800	\$ 526,100	\$ 535,500	\$ 545,000	\$ 551,600
Elections	26,000	27,200	28,500	29,800	31,500
CAO Office	661,300	720,900	580,500	590,300	600,200
Corporate Services	837,600	695,900	705,400	715,100	724,500
Corporate Communications	491,100	551,200	564,000	544,100	559,100
Finance	1,864,100	1,896,400	1,932,700	1,966,900	1,998,300
Business Performance	124,100	126,500	128,900	131,400	133,900
Purchasing	351,500	357,700	363,900	370,500	377,100
Store	114,300	116,100	118,000	119,900	121,800
Human Resources	764,600	790,700	880,000	899,200	918,700
Occupational Health Safety	241,100	257,800	248,600	253,500	254,200
IT	1,647,000	1,757,800	1,725,800	1,786,600	1,793,400
Other General Government	54,900	55,000	55,100	55,100	55,100
City Hall Property Maintenance	225,100	226,700	228,400	229,600	229,600
Sub-total	\$ 7,919,500	\$ 8,106,000	\$ 8,095,300	\$ 8,237,000	\$ 8,349,000
Interfund Allocation	(1,998,000)	(2,103,700)	(2,090,400)	(2,127,300)	(2,156,400)
Total General Government	\$ 5,921,500	\$ 6,002,300	\$ 6,004,900	\$ 6,109,700	\$ 6,192,600
Protective Services					
Police Protection	\$ 8,431,200	\$ 8,607,100	\$ 8,792,000	\$ 8,995,400	\$ 9,218,300
Fire Protection	2,655,700	2,757,800	2,853,300	3,223,500	3,265,800
Animal Control	80,800	80,800	80,800	80,800	80,800
Bylaw Enforcement	442,300	555,500	565,100	574,800	584,500
Emergency Programs	212,000	15,000	15,000	15,000	15,000
Parking Control	-	-	-	-	-
Total Protective Services	\$ 11,822,000	\$ 12,016,200	\$ 12,306,200	\$ 12,889,500	\$ 13,164,400
Public Works Services					
Public Works Administration	\$ 575,400	\$ 584,200	\$ 594,500	\$ 603,600	\$ 611,000
Public Works Operations	1,219,000	1,230,600	1,244,400	1,250,300	1,250,300
Asset Management	438,200	448,600	399,000	409,600	385,400
Transportation Services	4,128,900	4,152,100	4,255,900	4,296,500	4,307,700
Storm Sewer	594,300	600,600	611,000	617,500	618,500
Property Maintenance	312,000	316,200	320,800	325,400	328,700
Property Maintenance - Carpentry Shop	39,900	40,300	40,900	41,300	41,300
Property Maintenance - Miscellaneous Buildings	138,800	127,900	129,200	129,900	129,900
Property Maintenance - Park Buildings	141,500	142,200	143,400	143,900	143,900
Property Maintenance - Recreation Facilities	702,300	717,800	724,100	729,200	729,400
Property Maintenance - Cultural Facilities	224,200	209,300	211,000	212,000	212,000
Parks	3,081,700	3,091,800	3,139,300	3,177,300	3,198,300
Parks - Cultural Facilities Grounds Maintenance	6,900	6,900	6,900	6,900	6,900
Parks - Recreation Facilities Grounds Maintenance	29,600	30,000	30,300	30,700	30,700
Sub-Total	\$ 11,632,700	\$ 11,698,500	\$ 11,850,700	\$ 11,974,100	\$ 11,994,000
Public Works Interfund Allocation	(1,804,500)	(1,808,300)	(1,813,400)	(1,817,300)	(1,820,200)
Total Public Works Services	\$ 9,828,200	\$ 9,890,200	\$ 10,037,300	\$ 10,156,800	\$ 10,173,800
Engineering	\$ 1,087,200	\$ 750,900	\$ 763,100	\$ 775,500	\$ 788,600
Development Services					
Building Inspections	\$ 732,000	\$ 745,900	\$ 760,100	\$ 774,400	\$ 788,600
Planning and Zoning	775,700	787,400	801,900	817,000	832,100
Subdivision and Development Servicing	665,900	440,900	448,300	455,400	462,900
Community and Sustainability Planning	443,500	373,400	378,400	298,500	303,800
Heritage Committee	19,900	5,100	5,100	5,100	5,100
Tourism Development (MRDT)	357,000	364,100	371,400	378,800	378,800
Total Development Services	\$ 2,994,000	\$ 2,716,800	\$ 2,765,200	\$ 2,729,200	\$ 2,771,300

General Operating Expense Detail	2023	2024	2025	2026	2027
Recreation & Cultural Services					
Recreation & Cultural Admin					
Recreation Admin	\$ 1,441,500	\$ 1,394,000	\$ 1,417,700	\$ 1,441,900	\$ 1,466,600
Arts Centre Administration	85,600	84,000	60,000	63,600	64,600
Comox Valley Arts Council Administration	84,700	83,400	59,600	63,300	64,600
Library Administration	4,200	4,300	4,400	4,500	4,500
Museum Administration	187,100	187,600	166,000	171,800	174,900
Sid Williams Theatre Administration	279,200	282,300	263,100	271,600	277,700
Recreation Admin Total	\$ 2,082,300	\$ 2,035,600	\$ 1,970,800	\$ 2,016,700	\$ 2,052,900
Recreation Services - Operations					
July 1st Commission	\$ 69,900	\$ 71,300	\$ 72,700	\$ 74,100	\$ 74,100
Special Events	41,500	42,300	43,200	44,100	44,100
Lewis Centre Operations	1,164,100	1,192,000	1,214,900	1,249,000	1,263,000
Filberg Operations	647,500	661,900	674,500	686,800	742,300
Youth Centre Operations	42,400	43,800	45,000	45,700	43,300
Pool Operations	57,900	58,700	59,600	60,400	61,200
Washrooms	24,000	25,000	26,000	27,000	27,000
Native Sons Operations	9,800	10,300	11,200	24,300	24,700
Recreation Services - Operations Total	\$ 2,057,100	\$ 2,105,300	\$ 2,147,100	\$ 2,211,400	\$ 2,279,700
Recreation Services - Programming					
Childrens Programs	\$ 481,600	\$ 493,800	\$ 501,200	\$ 508,500	\$ 515,000
Summer Programs	259,500	282,900	286,200	290,400	294,400
Youth Centre Programs	277,300	292,900	297,900	302,900	308,200
Adults Programs	566,300	607,300	617,800	627,700	628,900
Adapted Programs	269,900	267,700	283,700	287,800	291,300
Preschool Programs	120,000	122,900	125,000	127,500	129,600
Pool Programs	173,300	183,900	187,400	191,000	194,600
Childrens Programs - Volunteer Development	4,200	4,200	4,200	4,200	4,200
Recreation Services - Programming Total	2,152,100	2,255,600	2,303,400	2,340,000	2,366,200
Total Recreation & Cultural Services	6,291,500	6,396,500	6,421,300	6,568,100	6,698,800
Environmental Health Services (Solid Waste)					
Solid Waste Contract	\$ 1,499,200	\$ 2,337,400	\$ 2,443,000	\$ 2,553,200	\$ 2,668,500
CVRD Tipping Fees	922,200	896,500	921,600	947,400	974,000
Public Education & Awareness	304,000	268,300	262,600	266,800	271,200
Professional Services	15,000	-	-	-	-
Total Environmental Health Services	\$ 2,740,400	\$ 3,502,200	\$ 3,627,200	\$ 3,767,400	\$ 3,913,700
Public Health Services (Cemetery)					
Cemetery Administration	\$ 103,700	\$ 105,300	\$ 106,900	\$ 108,600	\$ 110,300
Cemetery Maintenance	301,500	306,000	311,200	316,200	316,200
Cemetery Building - R & M	20,100	20,100	20,100	20,100	20,100
Total Public Health Services	\$ 425,300	\$ 431,400	\$ 438,200	\$ 444,900	\$ 446,600
Total Operating Expenses	\$ 41,110,100	\$ 41,706,500	\$ 42,363,400	\$ 43,441,100	\$ 44,149,800