



# CITY OF COURTENAY 2018 ANNUAL REPORT



# COURTENAY, B.C.

## Our Mission:

*The City of Courtenay proudly serves our community by providing a balanced range of sustainable municipal services.*

## 2018 Annual Report

January 1 - December 31, 2018

This document was prepared by the City of Courtenay's Legislative Services and Financial Services Departments

Photos by Kim Stallknecht and the City of Courtenay unless otherwise noted





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# Message from the Mayor

Our community made significant strides in 2018 on a number of areas, and on behalf of Council I'm pleased to highlight some of our accomplishments, along with future goals that are still to be achieved.

The rising cost of housing in southern coastal British Columbia has become an increasing challenge for many municipalities, including Courtenay. Our Council is committed to working towards solutions. In 2018 we engaged with a number of regional housing and social service providers to collectively work on our mutual goals of addressing housing insecurity and homelessness.

This collaboration is in addition to years of advocacy with other levels of government, which resulted in progress on two major projects in 2018.

Construction on the Braidwood affordable housing project began in the spring and continued throughout the year. This facility involved cooperation between regional local governments and service organizations, the Province of BC and BC Housing, and the Wachiay Friendship Centre and M'akola Housing Society, who partnered on the development and will manage the property. This project adds 35 much-needed new units of affordable rental housing in our community, in a central location that's within walking distance to shops, services, and transit. The facility opened in March 2019.

In 2018 Council also approved the lease of property at 988-8th Street to BC Housing for a new 46-unit modular supportive housing project through the Province of B.C.'s Rapid response to Homelessness program. Site preparation began in the summer, and the facility was completed in early 2019.

Other progress on affordable housing in 2018 included the new Downtown Revitalization Tax Exemption, which will stimulate redevelopment of existing buildings and encourage the development of new buildings, including affordable housing units.

Our Courtenay Council has declared our support for housing diversity through our Strategic Priorities, and it's very exciting to see steps taken toward fulfilling this vision, while acknowledging the hard reality of how much more needs to be done.

Our transportation network affects each one of us daily, and our growing community must set priorities for infrastructure investments in our roads, bike lanes, and sidewalks. The Connecting Courtenay: Master Transportation Plan involved significant public and stakeholder engagement throughout 2018. Plans for all modes of transportation over the next 20 years are being developed, including recommendations for investments within the next five to 10 years. This will be one of the most important planning documents for our future, and I look forward to its completion in 2019.

In regional news, \$62.8 million in federal and provincial funding for a new water treatment facility through the Comox Valley Regional District (CVRD) was announced in November. As the City of Courtenay purchases bulk, treated water from the CVRD, this project will directly benefit our residents. Temporary UV treatment installed in early 2018 has already significantly reduced instances of boil water notices, which had been a recurring issue for the Comox Valley water system since late 2014. The water treatment facility will provide



cleaner, more reliable drinking water to our community, and we look forward to its completion in 2021.

2018 was an exciting year for me personally as I was elected Mayor following the local government elections in the fall, with the steadfast support of my family. I am excited to lead our Council and facilitate a respectful and cooperative team that works together to fulfil the goals of our entire community. We look forward to further engaging with the public as we work on the many opportunities and challenges as we transition from a small town to a modern city.

Mayor Bob Wells



# Mayor and Council

**Top row (left to right:)** Manno Theos, David Frisch, Doug Hillian, Will Cole-Hamilton

**Bottom row (left to right:)** Wendy Morin, Bob Wells, Melanie McCollum

Courtenay Council was elected to a four year term in October 2018.

Each member of council represents the City at large. Councillors serve on various boards, including the Comox Valley Regional District, Vancouver Island Regional Library and the Comox Valley Water Supply Commission.

Members of the public are welcome and encouraged to attend open Council meetings. Council Meetings are generally held on the first and third Mondays of each month, and Strategic Planning meetings occur on the last Monday of the month. For more information on Courtenay City Council, including Council meeting agendas, minutes, and video, appearing as a Council delegation, and Meet the Mayor sessions, go to [courtenay.ca/council](http://courtenay.ca/council)

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# Message from the Chief Administrative Officer

On behalf of the staff at the City of Courtenay, it is my pleasure to welcome you to the pages of our 2018 Annual Report.

Local governments are responsible for the vast majority of services that directly affect the day-to-day lives of our citizens, such as the water that comes out of our taps, the complex network of utilities that carry away waste water and rain water, the transportation corridors we walk, cycle, or drive on, as well as policing, fire protection, and bylaw enforcement. A significant portion of our total City budget goes toward these essential services – many of which are required by law.

But as we know, our services aren't limited to these legislative requirements. Courtenay also provides important 'quality of life' services that support the well-being of those who live in, work in, and visit our community, such as our recreation centres and programs, parks, trails, and sports fields, as well as arts and cultural facilities.

These services contribute to our community's unique and special qualities, and help make Courtenay a great place to live – enhanced, of course, by our spectacular natural surroundings.

As our community grows, so too does demand increase on our delivery of services, whether that be for the existing range of services or for greater variety and complexity of services. We are committed to providing a balanced, quality range of services at a level our residents expect, while remaining fiscally responsible.

Of course providing effective and efficient City services relies on operating, maintaining, and eventually replacing the infrastructure and assets that underpin these services. The City's Asset Management program is the basis for achieving this goal, and we've built on several years of progress geared toward embedding training, efficiency and innovation to achieve the ultimate objective of sustainable service delivery.

This includes innovative practices such as refining and measuring the impact and value of our natural assets. Our natural environment doesn't just look good; it provides other benefits too. Features such as wetlands help absorb rain water and reduce flows into our storm main network. Best of all, natural assets offer these significant benefits indefinitely at little to no cost, and require minimal maintenance.

The development of an Integrated Rainwater Management Plan, underway in 2019, will help our community define how to measure the impact of these natural assets.

Our organization's most valuable assets are, of course, our staff, so I'm very pleased at the launch of the Respect in the Workplace training Program for City of Courtenay employees and elected officials.

Ensuring that we have a respectful workplace for all employees and elected officials is a priority for our organization. All employees should feel safe, productive and respected while at work. For this initiative the city partnered with Respect Group Inc, a recognized leader in training in respectful conduct,



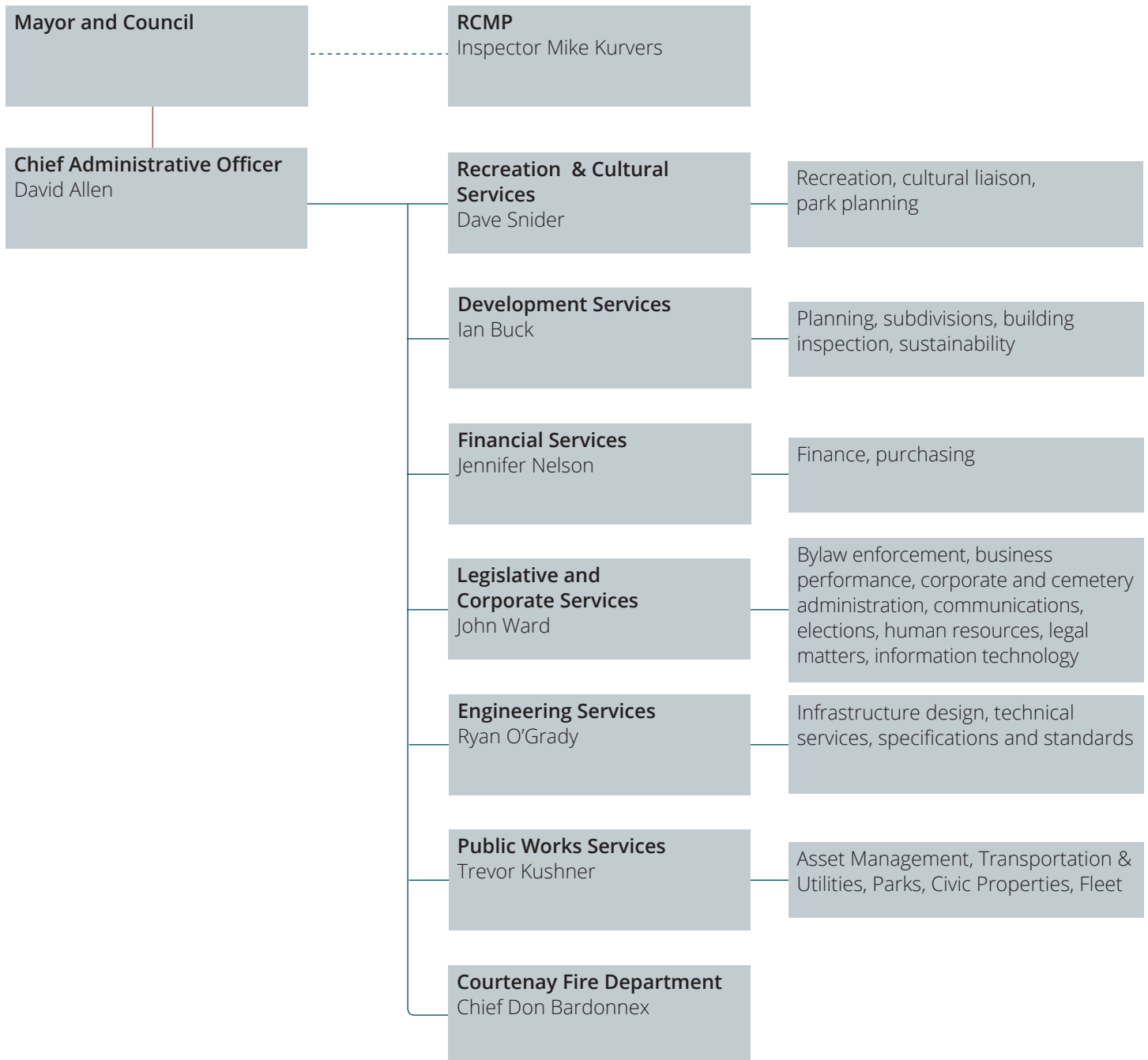
bullying and harassment in the workplace, in sport and in education. The City of Courtenay is the first municipality in British Columbia to implement this specific program.

Going forward, our staff will continue to follow Council's Strategic Priorities to help us focus our resources on where they are most needed as Council determines how our organization can best shape and support our community as it grows.

Thanks for taking the time to review this report and learning about the many projects and initiatives completed in 2018 for the benefit of current and future generations of Courtenay residents.

David Allen  
Chief Administrative Officer

# Organizational Chart



# About Courtenay

The City of Courtenay is the largest community in the Comox Valley on the east coast of Vancouver Island in the province of British Columbia, Canada. The Comox Valley communities of Courtenay, Comox and Cumberland are on the traditional territory of the K'ómoks First Nation. Courtenay was incorporated in 1915.

Courtenay's lively downtown core features an assortment of shops, galleries, and restaurants — many with locally produced ingredients from a thriving agricultural community.

The stunning Courtenay Riverway connects downtown Courtenay with the City's southern boundary. This walkway borders the Courtenay Estuary, offering visitors an opportunity to view a variety of birds, fish, and native plants.

World-class recreational opportunities await in Courtenay and its neighbouring communities, including golf, mountain biking, skiing, and hiking.







# Strategic Priorities 2019 to 2022



## Area of Control

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



## Area of Influence

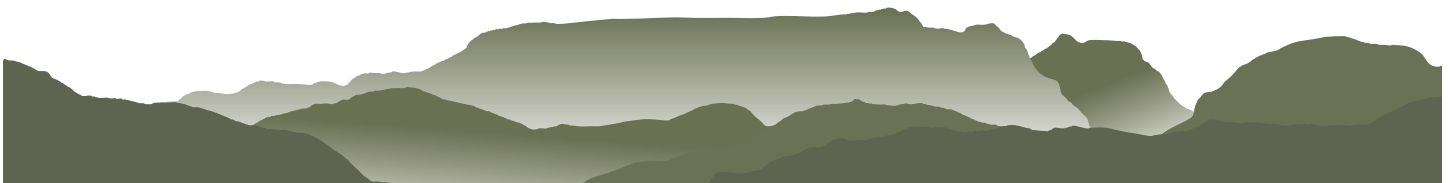
Matters that fall within shared or agreed jurisdiction between Council and another government or party



## Area of Concern

Matters of interest outside Council's jurisdictional authority to act

We focus on organizational & governance excellence	We proactively plan & invest in our natural & built environment	We actively pursue vibrant economic development	We plan & invest in methods of multi-modal transportation	We support diversity in housing & reasoned land use planning	We continually invest in our key relationships
<ul style="list-style-type: none"> <li>● Support and encourage initiatives to improve efficiencies</li> <li>● Recognize staff capacity is a finite resource and support staff training and development</li> <li>● Communicate appropriately with our community in all decisions we make</li> <li>● Responsibly provide services at levels which the people we serve are willing to pay</li> <li>● Value community safety and support our protective services</li> </ul>	<ul style="list-style-type: none"> <li>● Focus on asset management for sustainable service delivery</li> <li>▲ Look for regional infrastructure solutions for shared services</li> <li>▲ Support actions to address Climate Change mitigation &amp; adaptation</li> <li>● Make progress on the objectives of the BC Climate Action Charter</li> <li>● Advocate, collaborate and act to reduce air quality contaminants</li> <li>▲ Support social, economic &amp; environmental sustainability solutions</li> </ul>	<ul style="list-style-type: none"> <li>● Engage with businesses and the public to continue revitalizing our downtown</li> <li>▲ Continue to support Arts and Culture</li> <li>● Work with the business and development sectors to mutually improve efficiencies</li> <li>▲ Continue to explore innovative and effective economic development opportunities</li> </ul>	<ul style="list-style-type: none"> <li>● Move forward with implementing the City's Transportation Master Plan</li> <li>▲ Collaborate with regional and senior government partners to provide cost-effective transportation solutions</li> <li>● Explore opportunities for Electric Vehicle Charging Stations</li> </ul>	<ul style="list-style-type: none"> <li>● Complete an update of the City's OCP and Zoning Bylaws</li> <li>● Assess how city-owned lands can support our strategic land purchases and sales</li> <li>▲ Identify and support opportunities for lower cost housing and advocate for senior government support</li> <li>▲ Encourage and support housing diversity</li> <li>● Continue to develop and revisit all infrastructure master plans</li> </ul>	<ul style="list-style-type: none"> <li>● Build on our good relations with K'ómoks First Nation and practice Reconciliation</li> <li>● Value and recognize the importance of our volunteers</li> <li>● Consider effective ways to engage with and partner for the health and safety of the community</li> <li>▲ Advocate and cooperate with local and senior governments on regional issues affecting our community</li> <li>● Support improving accessibility to all City services</li> </ul>



# Managing our Assets

## Parks



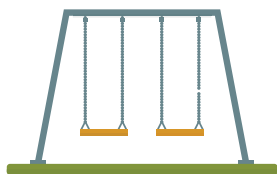
..... **3,400**  
street trees



..... **40.8**  
hectares  
(100+ acres)  
mowed grass



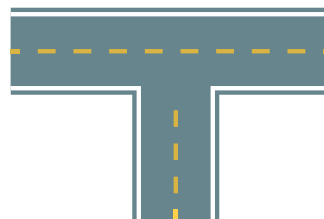
..... **35 km**  
trails paved &  
unpaved



..... **25**  
playgrounds

*21 parks buildings | 145 park benches  
78 park garbage cans | 54 picnic tables  
24 footbridges*

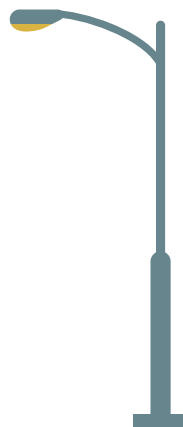
## Roads



..... **161 km**  
roads  
*some with  
multiple lanes:*  
**341 total lane kms**



..... **166 km**  
sidewalks



..... **1,342**  
street lights



..... **174**  
litter baskets



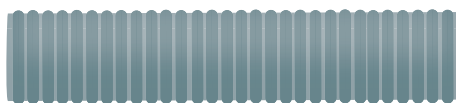
..... **789**  
fire hydrants

## Underground Infrastructure



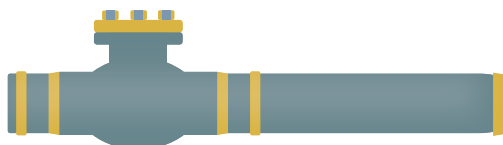
### **160.5 km Sanitary Sewer Main**

- ..... • Approximately 8,392 connections (*estimate based on water*)
- 11 Sanitary Lift stations
- 22 pumps



### **162.4 km Storm Main**

- ..... • 7,550 connections (estimate)
- 4,083 catch basins



### **173.3 km Water Main**

- ..... • 8,392 connections
- 2,043 valves
- 1,831 water meter setters
- One booster station with five pumps
- Five pressure reducing valves

# We focus on organizational and governance excellence

## Cannabis Regulations

On October 17, 2018, non-medicinal cannabis use was legalized across Canada. Provinces and territories were responsible for determining how cannabis would be distributed and sold in each of their jurisdictions. In British Columbia, the province implemented several new cannabis regulations, including a minimum age of 19 to possess, purchase, and carry cannabis, and additional regulations around non-medicinal cannabis use in public spaces, personal cultivation, and drug-impaired driving.

Local governments in B.C. have the authority to set additional criteria such as zoning, business licencing, public consumption, and procedures for public consultation on licence applications. Courtenay launched a public consultation process in summer 2018 with an open house, survey, and input from various stakeholders on proposed regulations for recreational cannabis.

Based on this consultation, Council approved a Storefront Cannabis Retailers Policy in September, with criteria that will guide Council and staff through the rezoning application process. While the policy outlines specific recommendations, each application will be evaluated on its own merits at Council's discretion. Recommendations include:

- Cannabis retailers will only be considered in an established retail location where current zoning permits retail sales
- Recommended distances for cannabis retail outlets are:
  - at least 300 metres from a public or independent elementary, middle or secondary school
  - at least 400 metres from other lots approved for storefront cannabis retail sales
  - at least 300 metres from a City-owned playground facility including the spray park and skateboard parks
- Cannabis sales are not permitted at special events, public markets or farmers markets
- Up to five private retailers and one government-run store are allowed in Courtenay

Learn more at [www.courtenay.ca/cannabis](http://www.courtenay.ca/cannabis)

## Urban Forest Strategy

Courtenay's urban forest helps our community in numerous ways, including rainwater management, wildlife habitat, and overall health and wellness for all. There's even a term for it – "Forest bathing", from the Japanese term *shinrin-yoku*. It means connecting with nature through all of our senses, which studies have shown to have actual health benefits.

In order to track how our urban forest is faring, it's essential to understand it. Courtenay's Urban Forest Strategy goals are to establish baseline information for our community's forest canopy, develop a community-informed vision, and identify strategies and actions to achieve that vision.

An Urban Forest Strategy identifies opportunities and challenges for trees and forest stands on public and private land. The City's strategy is expected to set a canopy cover target for the community as a whole, a monitoring framework, and provide guidance on developing canopy goals for individual neighbourhoods through local area plan processes. The strategy will help guide which areas should be a priority for tree protection, and in which areas replanting would be beneficial.

Communities around the province are developing urban forest strategies as part of a general shift towards better understanding community natural assets. Courtenay City Council directed staff to develop an Urban Forest Strategy after the adoption of a new Tree Bylaw last spring. Public workshops in June 2018 were followed by an online survey and photo contest that were open throughout the summer. The draft Urban Forest Strategy will be presented to Council for consideration in 2019.



Urban Forest Strategy Workshop

# New Recycling App

The “Courtenay Collects” waste and recycling app launched in the summer. The app, customized for waste and recycling services for City of Courtenay residents, was an immediate hit.

Residents can look up material in the “What Goes Where?” waste wizard feature to determine if it is recyclable, reusable or waste, and where it is accepted, i.e. at curbside, local depots, reuse facilities, or landfills. Can't find an item in the list? The app includes a suggestions feature so residents can recommend items to include in the waste wizard.

The collection calendar allows residents to view their collection schedule, sign up for collection day reminders, and be notified of any service changes due to inclement weather, holidays, truck issues, or route changes.

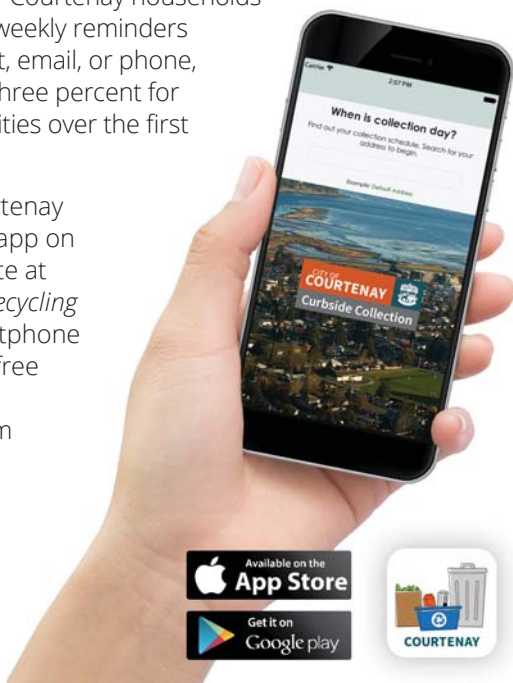
The ultimate goal of the Courtenay Collects app is to reduce contamination in curbside blue bins and ensure that recycling and garbage go to the right place.

So far, Courtenay Collects has exceeded expectations. In the first six months after launch, Courtenay's usage was over three times better than average over similar-sized cities.

19 percent of Courtenay households looked up their curbside collection schedules, compared to six percent for other similar municipalities six months after launch. And there were 10,400 material lookups under “what goes where”, compared to 3,250 for other similar municipalities over a similar time frame.

Courtenay was also above average for collection reminders. Five percent of Courtenay households signed up for weekly reminders via mobile, text, email, or phone, compared to three percent for other similar cities over the first six months.

Find the “Courtenay Collects” web app on the City website at [courtenay.ca/recycling](http://courtenay.ca/recycling) and as a smartphone app available free of charge for download from Google Play and the App Store.



# Real-time Station Monitoring Through Technology

Courtenay operates several water and wastewater pumping and distribution stations. These stations are essential to the delivery of water and removal of wastewater throughout the city, and monitoring this important equipment used to be done manually, requiring daily site visits.

## Supervisory Control and Data Acquisition (SCADA)

New SCADA technology launched in 2018 allows staff to monitor this equipment remotely, almost entirely eliminating the need for site visits. And since a great deal of the technical work for the planning, design, and launch of the new system was done in-house, the SCADA project was also \$330,000 under budget.

Benefits of the SCADA system include:

### Data analysis capabilities

Users of the system are able to plot data and produce reports that will assist with preventive maintenance, analysis of system performance, and in the event of equipment failure, analysis of the root cause.

### Operational efficiency

Operators can remotely access the system with a tablet or smart phone to remotely diagnose issues to determine if a site visit is needed, reducing overtime costs and speeding up response times. Daily site visits for recording data are now a thing of the past, and accuracy is increased. Operators can now spend more time elsewhere in the utility system.

### Security

The system is designed to ensure high levels of security. All data is encrypted, and users are assigned varying levels of permissions as deemed necessary.

### Redundancy

The system is designed to ensure continuous operation, with a backup in the event of server failure.

### Future Expansion

The SCADA system will allow integration of additional municipal water and wastewater sites as required, along with other City infrastructure as deemed necessary, such as irrigation controls, zone water meters, and traffic monitoring.

# Open Data Mapping Catalogue Released for Public Use

In June, the City released new digital mapping data to the public through an open data catalogue.

Open data is data that can be freely used, re-used and redistributed by anyone.

The open data site has a selection of geographic information system (GIS) data including zoning, property parcels, addressing, roads, and utilities. The site makes it easy for citizens, contractors, or developers to access the City's data.

Users can filter datasets to meet their needs, or combine the data to create custom maps or applications.

The City's GIS department will continue to add to our Open Data catalogue over time.

The data can be viewed online or downloaded as a spreadsheet, KML (for Google Maps), or Shapefile (for GIS software). All data is updated on a weekly basis.

A selection of interactive online maps based on the open data catalogue is also available.

To access the open data catalogue and interactive maps, go to [www.courtenay.ca/maps](http://www.courtenay.ca/maps)



All Data



Zoning and Property



Transportation



Environment



Electrical



Storm



Sewer



Water

# Analyzing Roads With Innovative Technology

A van loaded with specialized equipment drove over every Courtenay road in 2018 to help plan and prioritize road renewal throughout the City.

Multiple scanners mounted on various parts of the vehicle collected pavement condition data, including surface roughness, cracking, and pavement rutting.

All of the data helps prioritize road repair and renewal projects for the next several years.

The project is part of the City of Courtenay's Asset Management program. Sound asset management practices help extend the lifespan of the City's infrastructure and lower long-term costs for Courtenay taxpayers.

This is the second time this technology has come to Courtenay. An initial road scan was completed in 2014. Data obtained from those scans has been instrumental in complex infrastructure investment decisions. The 2018 scans will build on this previous information, creating an important database of road condition trends over time.



# Courtenay Fire Department



## 2018 Activities

The Courtenay Fire Department had a busy year in the City of Courtenay and fire protection districts. Firefighters responded to 570 emergency incidents and 250 non-emergency incidents.

Four in-house training programs were devoted to Rope Rescue, Auto Extrication, Confined Space and a Pump Apparatus/Driver Operator course, along with numerous other training opportunities, both in-house as well as through The College of the Rockies this past year.

Courtenay's fire fighters are accredited NFPA 1001 Firefighter Level II, which instills technical competence as well as confidence to perform under stressful conditions.

Courtenay's W.A. Lane Macdonald Fire Training Centre accommodates multiple scenario-based training exercises, improving the efficiency and logistics of fire fighter training. The facility features a training area encircled by a built-to-scale city street, working fire hydrants, and space for driver and pumper operator training.

## 2018 Fire Department By the Numbers



**6**  
full time  
6 in 2017

**47**  
paid-on-call  
44 in 2017

**14**  
recruits  
7 in 2017

**570**  
emergency calls  
565 in 2017



**250**  
duty calls  
316 in 2017



## BC Wildfires

The Courtenay Fire Department assisted the Province of BC in battling the Interior fires during the summer.

Three separate four-person crews were assigned to locations such as Burns Lake and Takysie Lake.

Tasks including extinguishing hot spots in residential areas, removing fuel loads from homes that had been evacuated, and supporting the BC Forest Service to divert fires around populated areas.

During their deployments, crews typically worked a six day shift, allowing 12 different department members to experience and learn from an event of this magnitude. Crews brought back great ideas on how to improve wildfire fighting capabilities here at home.

The Courtenay Fire Department was grateful for the opportunity to participate in this response effort.

# We proactively invest in our natural and built environment

## Addressing Climate Change, Extreme Weather

In early 2018 the City of Courtenay was selected to participate in a national pilot project through the Municipal Natural Assets Initiative (MNAI), aimed at supporting local governments in identifying, valuing, and accounting for natural assets, and in developing sustainable and climate resilient infrastructure. The pilot project was officially launched in June 2018, and the City joined a cohort of four other municipalities across Canada currently working with the MNAI team to understand and apply natural asset management in their communities.

Historically, the City of Courtenay has experienced flood events in the Courtenay River corridor in 2009, 2010, and 2014, and the frequency of similar flood events is expected to worsen with climate change. Through the MNAI pilot project, the City of Courtenay is considering the current and future roles of natural assets in the Courtenay River corridor in mitigating floods in the downtown core, including the costs and benefits of engineered alternatives.

Throughout 2018, work on the City of Courtenay's MNAI pilot project focused on a number of key areas:

- City staff worked with consultants and the MNAI team to develop and calibrate a hydraulic model of the Courtenay River system. Moving forward in 2019 this model will be used to simulate the impacts of various flooding events, including considerations for climate change, and to explore possible mitigative actions and designs.
- The City of Courtenay and the four other municipalities in the MNAI pilot project cohort have been participating in webinars and online sharing to better understand the challenges and opportunities municipalities face in recognizing and implementing tools and strategies for natural asset management.
- City staff and the MNAI team have been working to complete a condition assessment of the Courtenay River corridor, including natural banks and built infrastructure. Work on this condition assessment will continue into 2019 and will inform the modeling and economic evaluations conducted as part of the pilot project.

Work on the MNAI pilot project will continue through 2019, with the development of detailed modeling scenarios, and economic evaluations of natural and engineered alternatives for mitigating floods in the downtown core. The project is scheduled for completion in the fall of 2019.

In 2018, Courtenay was also selected to participate in an Island-wide collaborative project that will provide information on how climate change could affect quality of life in our region, and make a plan that will reduce these risks.

The International Council for Local Environmental Initiatives (ICLEI) Canada's Together for Climate project was awarded two years' funding from the Real Estate Foundation of BC. The funding will support a group of eight local and regional governments on Vancouver Island to develop climate change adaptation strategies. The project will run until summer 2020.

It is expected that climate change will increase the severity and frequency of storms, resulting in increased storm water run-off. The City of Courtenay will focus on identifying the areas of main concern, analysing the impacts of increased storm water run-off, and determining mitigative and adaptive practices to address these issues.

The project will help inform future storm water practices in our city, as well as other coastal communities.

ICLEI Canada is a non-profit organization that specializes in supporting municipalities with climate change planning efforts. Learn more at [www.icleicanada.org](http://www.icleicanada.org)



# Sandwich Waterworks Conversion Project

The City of Courtenay and CVRD worked closely on planning and preparations to transition an entire neighbourhood in north Courtenay to the Comox Valley water system.

The former Sandwich Water Works District (SWWD) delivered potable water to an area in and around the north end of Courtenay from 1965 to 2016.

Due to challenges around water supply and sources, health authority regulations, and organizational capacity, the SWWD was disbanded at the end of 2016 at their request, in favour of converting to the City of Courtenay and Comox Valley Regional District (CVRD) water service areas.

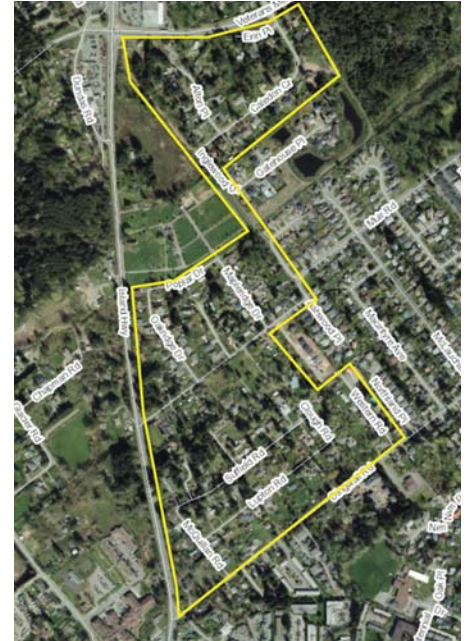
From 2016 to 2018, City of Courtenay properties within the former SWWD

were serviced by the CVRD water system in preparation for a permanent transition to the City of Courtenay water system.

Significant coordination was also required during the process of physically separating a large section of those properties within Courtenay's jurisdiction from the CVRD system. This work began in summer 2018, in preparation for a permanent transition to the City of Courtenay water system.

The area included in this project phase is east of the Old Island Highway and south of Veteran's Memorial Parkway.

Remaining SWWD properties within the City of Courtenay will be transitioned to the City of Courtenay Water System at a later date.



# Willemar Avenue Water Main Replacement



An aging watermain along Willemar Avenue between 17th and 21st Streets was replaced in 2018. The project involved a complete replacement of a 540 metre length of 64-year-old cast iron water main which was nearing the end of its expected lifespan.

The new water main has greatly increased the capacity of the old main and will serve current and future residents in the area for decades to come.

# Water Main Flushing

In 2018, Courtenay Public Works Services flushed 26 kilometres of water main in East Courtenay.

Courtenay's Uni-directional Flushing (UDF) program involves the strategic use of valves and hydrants to isolate sections of water mains. With this method crews are able to achieve higher water velocity, which in turn increases effectiveness and reduces water use by 40 percent compared to conventional flushing methods.

UDF enhances overall water quality within the water distribution system. It reduces turbidity, removes sediment, silt and biofilms, lowers chlorine demand, increases system hydraulic capacity, and extends the life of system components.



## Downtown Courtenay Business Area Upgrades

The City of Courtenay has a distinct and vibrant downtown core. Prior to 2018, the last significant beautification project was completed in the late 1980s and focused primarily on 5th and 6th Streets. Since that time, the infrastructure has begun to show its age and there was a desire among 4th Street merchants to increase aesthetics and pedestrian connectivity and safety, particularly within the 4th Street and Cliffe Avenue corridor..

Throughout 2017 and 2018, the City of Courtenay and the DCBIA met several times to build and strengthen the relationship with downtown merchants. A collaborative “walkabout” in April 2018 helped develop concepts that would improve the walkability, safety and aesthetics of 4th Street, and a consensus was reached on 2018 upgrades that would be the beginning of an annual operational program to enhance the downtown core.

These planned 4th Street improvements align with the vision and goals of the Downtown Courtenay Playbook developed in 2016. Learn more at [www.courtenay.ca/downtown](http://www.courtenay.ca/downtown)

### 2018 improvements included:

- New pedestrian refuges and 4-way stop at 4th and Cliffe
- Complete 4th and Cliffe intersection paving with new reflective thermoplastic road markings
- New Downtown Core specific street blades with City and DCBIA branding
- New Downtown Core specific black ornamental sign posts
- New Downtown Core specific litter baskets with DCBIA branding



## 20th Street Realignment

A section of 20th Street between Cumberland Road and Lambert Drive was reconstructed in the fall.

The work included new curb, sidewalk and asphalt to realign the entrance to Cumberland Road. The new design added a slight curve to the top end of 20th Street to shift from the previous angled entrance to Cumberland Road to a 90-degree entrance.



## River Access Upgrades

New stairs at Lewis Park installed in 2018 will make it easier and safer to access the Courtenay River at one of the city's most popular swimming destinations.

The new stairs were constructed at the north end of the park. A platform was installed at the south end, with stairs added in spring 2019.

The work was scheduled and approved through coordination with the Department of Fisheries and Oceans and the Ministry of Forests, Lands, and Natural Resource Operations.



## 2018 Paving Projects

With over 160 kilometres of roads in Courtenay, some with multiple lanes, the City allocates funds every year towards repaving a portion of these roads as part of Courtenay's comprehensive Asset Management program. Streets are chosen for repaving based on a thorough condition assessment of the entire road network throughout the city.

Using the "grind and pave" method, the existing pavement surface is ground up, removed, and replaced with new asphalt. This cost-effective form of asset rejuvenation can be performed when the road surface is damaged but the roads sub-base is stable and the underground utilities don't yet need replacing or upgrading.

The following roads were repaved using this method in 2018:

- **Cumberland Road**, Swanson Street to City Limits
- **17th Street** between Cliffe and McPhee Avenues. As a high-volume arterial road, 17th Street required additional asphalt to bring it to a thickness of four inches — double the thickness of a typical residential or collector road.

## Urban Forest Work

The Parks Department implemented a Tree Risk Assessment program in 2018. This program included assessing 40 kilometres of internal parks and trail edges as well as 13 kilometres of external parks edges. Following the assessment, tree risk mitigation was performed on 160 trees.

Over 350 trees were replanted in 2018 with 100 of these trees being in open parks spaces while others are on trail edges and understory plantings. Some of these trees were planted in partnership with the Rotary Club. A grant from Tree Canada and BC Hydro helped make this work possible.

The addition of tree management software allowed the Parks Department to document urban forest activities including public inquiries, regular maintenance, risk management and service requests. They also developed a number of public outreach bulletins describing urban forestry activities.





## Trail Upgrades

In 2018, Courtenay Parks launched a formal trail restoration program, identifying and restoring those trails that have begun to show their age.

In this first year of this program, over 15 percent of the City's 16 kilometre gravel trail networks were reconditioned – this works out to a total of 2.5 kilometres of restored trails.

Parks staff regularly monitor the condition of trails and bridges throughout Courtenay, as part of the City's overall asset management program.

These trail upgrades have improved safety and comfort for park users, ensuring that these trails can continue to be well-used for years to come.

2018 upgrades included:

- re-decking the Millard Creek bridge
- Repaving parts of the Courtenay Riverway
- Pathway upgrades at the Airpark lookout
- soft surface trail repairs for the Valleyview Greenway, the trail around The Ridge subdivision in South Courtenay, and Simms Millennium Park



## Puntledge Park's New Playground

With support from the Rotary Club of Strathcona Sunrise, Puntledge Park got a brand new playground in the summer.

The playground features a slide pole, space walk, rock wall, climbers, overhead ladder, and a wave slide. A new set of swings includes a parent and tot combination swing. New benches and picnic tables were installed around the equipment, and native plants were added to the garden area adjacent to the playground.

# We actively pursue vibrant economic growth

## Downtown Revitalization Tax Exemption

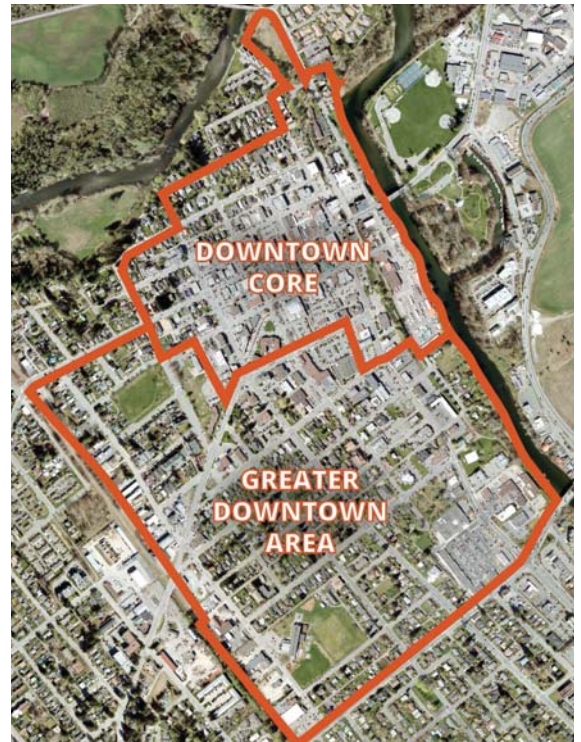
Courtenay's vibrant downtown, with its wide variety of shops, restaurants, business services, and cultural facilities, is a prime destination for locals and visitors alike. The success of this commercial district doesn't come by accident, though. It's been achieved through the hard work and dedication of a community of small business owners, and fostered by the Downtown Courtenay Business Improvement Association (DCBIA).

The City of Courtenay works closely with the DCBIA on programs that will aid in the area's success. A vision for downtown, the **Downtown Courtenay Playbook: A Partnership Action Plan**, was developed in 2016 following extensive community and stakeholder consultation.

One of the recommendations of this plan was the creation of a tax exemption program, assisting in stimulating the redevelopment of existing buildings, and the development of new buildings.

Council passed the Downtown Revitalization Tax Exemption Bylaw in summer 2018. The bylaw includes a tax exemption on the increase in assessed value resulting from improvements. The exemptions are:

- Five year, 100 per cent tax exemption in the downtown core, whether they be for commercial, residential, or mixed use developments
- Five year, 50 per cent tax exemption in the greater downtown area for commercial improvements, plus a 100 percent exemption for residential development of four or more units
- Eight year, 100 per cent exemption for affordable housing units in both the downtown core and greater downtown area. At least 10 percent of the units must be 30 per cent below market rates



*A new tax exemption in two downtown zones will stimulate redevelopment of existing buildings and development of new buildings*

## 2018 Courtenay Development Statistics



**102** subdivision lots approved compared to 90 in 2017



**305** Building Permits issued compared to 250 in 2017



**\$91.9 million** in total value of Building Permits compared to 60.8 million in 2017

# We value multi-modal transportation in our community

## 5th Street Complete Street Project



*“A Complete Street is designed for all ages, abilities, and modes of travel. On Complete Streets, safe and comfortable access for pedestrians, bicycles, transit users and the mobility-impaired is not an afterthought, but an integral planning feature.”*

Complete Streets for Canada

The 5th Street Complete Street Pilot Project involved a substantial overhaul of above-ground and below-ground infrastructure on 5th Street between Fitzgerald and Menzies Avenues. The project has significantly improved walking and cycling infrastructure, and encourages alternate modes of transport in the city.

**Eligible project costs up to \$3.253 million are covered through the federal Gas Tax Fund.**

The project includes:

- Two vehicle travel lanes
- Bike lanes separated from vehicle traffic at the same elevation as the sidewalk
- Parking between Fitzgerald and Harmston, and alternating parking and raingardens throughout the remainder of the corridor.

Construction on the Complete Street Project began in May 2018, with the street reopening to traffic in late November. Finishing touches were completed in spring 2019. Learn more: [courtenay.ca/completestreet](https://courtenay.ca/completestreet)

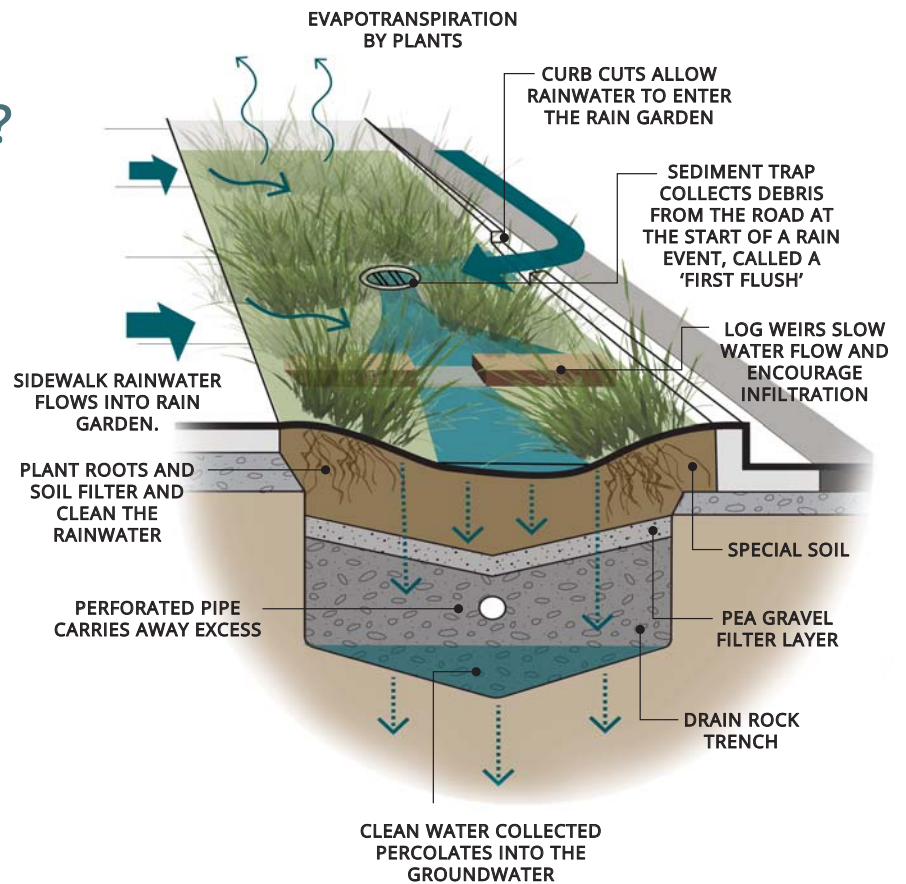
# What is a rain garden?

One of the main innovative features of the 5th Street Complete Street is new storm water management through rain gardens.

Rain gardens mimic nature to support storm water management, draining water from hard surfaces such as roads, sidewalks, and bike lanes. Special soils and plants help naturally filter out contaminants, preventing them from entering local waterways.

Parks horticulture staff, in consultation with project designers, chose shrubs, sedges and rushes for the rain gardens. Plants include Blue Oat Grass, Western Sword Fern, Pixie Meadowbrite Coneflower, and Snowberry.

Plants were chosen with drainage capabilities in mind, as well as their ability to withstand wet conditions, and visual appeal. Green landscaping also promotes biodiversity by attracting birds and insects.



## Why was 5th Street chosen?

Planning for a complete street pilot project began in 2014 with a community-wide transportation strategy and a detailed assessment of 15 potential Complete Street corridors.

- 5th Street was chosen because it:
- attracts people downtown and supports economic development

- provides infrastructure to support sharing the roadway for vehicles, pedestrians, cyclists, and transit
- replaced aging underground infrastructure
- creates a gateway to downtown
- connects existing paths and trails

# Connecting Courtenay Transportation Master Plan

Courtenay has more than doubled in size over the past 25 years, and as cities grow and change, so do their transportation needs.

The City of Courtenay is developing Connecting Courtenay, a Transportation Master Plan that will provide direction on transportation infrastructure for the next 20 years. In 2018, the city reached out to the public for input about issues and challenges and “big ideas” to be considered as part of the long-term transportation network.

A transportation network includes all the ways that people, goods, and services move. Growing communities with greater diversity demand more transportation choice and people of all ages and abilities need to be able to reach important destinations, by whichever mode they choose. How people travel around their community, where they travel to and how long it takes, all contribute to how communities plan transportation infrastructure like roads, bike lanes, and sidewalks.

Based on public input, best practices, and technical assessment, Connecting Courtenay will identify existing issues, model future impacts, identify long-term improvements and set priorities for 10 to 20 year investments.

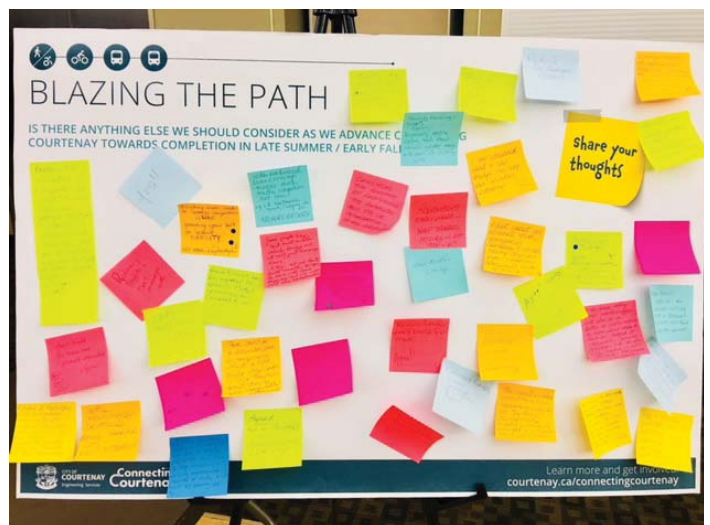
As part of a two-phased public engagement process over six months, over 1,000 Courtenay residents provided feedback on what they would like to see for transportation infrastructure in Courtenay. An open house was held in March, with over 90 people attending. Other engagement included stakeholder meetings with key groups, as well as several temporary engagement booths at a variety of high-traffic public locations.

In the summer, citizens were again consulted on “what we heard”, with several draft recommendations proposed by the transportation engineering consultants. As a result of this public feedback additional changes were made to the proposed projects and recommendations of the plan.

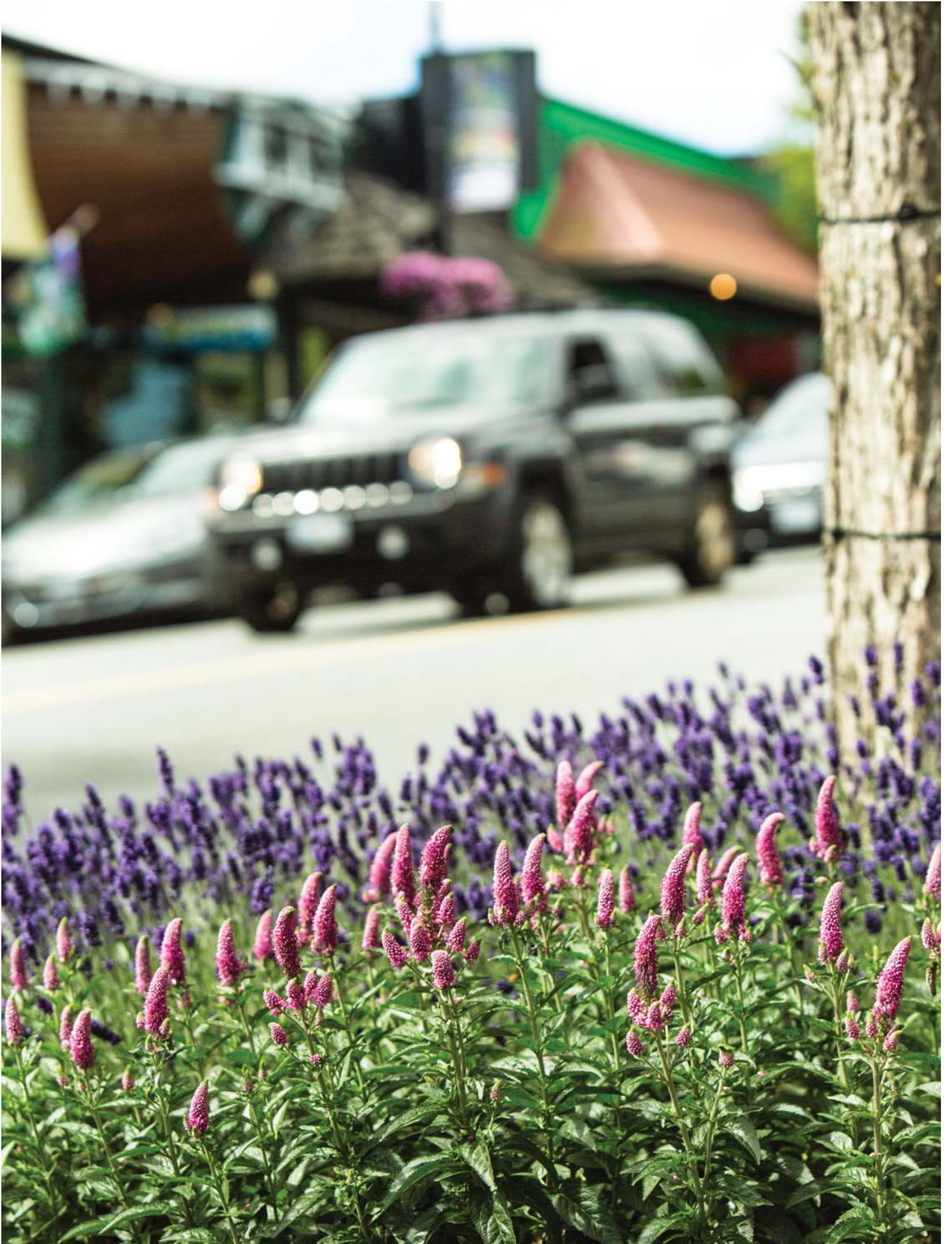
In February 2019, the Cycling Network Plan was adopted by Council so the city could apply for cycling grant opportunities from other levels of government.

The complete Connecting Courtenay Transportation Master Plan will be presented to Council for consideration in 2019.

Learn more: [courtenay.ca/connectingcourtenay](http://courtenay.ca/connectingcourtenay)







# We invest in our key relationships

## Collaboration for Kus-kus-sum

2018 saw a major step forward for a community vision to “unpave a parking lot and put up a paradise”.

In November, K’ómoks First Nation, the City of Courtenay, and Comox Valley Project Watershed Society signed a Memorandum of Understanding (MOU) to collaboratively purchase, restore and manage the former Fields Sawmill site. The site has been renamed Kus-kus-sum in honour of its strong cultural significance to K’ómoks First Nation. Working with Interfor Corporation — the current owners of the property — the project would restore the site to natural habitat.

The 8.3 acre property on the K’ómoks Estuary has been vacant since 2006. Restoration will provide fish and wildlife habitat, help mitigate climate change, buffer against sea level rise, attenuate localized flooding, become a culturally significant landmark, and provide educational and recreational opportunities. The restored habitat will be particularly beneficial for young salmon, which require a place to escape high river flows, predation by seals, and holding areas to allow for forage, growth, and acclimatization to increasing salinities before their marine migration.

The initial non-binding agreement formalizes the partnership between the three parties and outlines the issues that need to be addressed in further documents. It sets Oct 20th, 2019 as the date for entering a binding agreement that will detail the nuances of collaboratively purchasing, restoring and managing the Kus-kus-sum.

The MOU states that the City of Courtenay and K’ómoks First Nation will be co-owners of the land once it has been purchased and identifies Project Watershed as the lead in carrying out the restoration and fundraising campaign. Purchase and restoration costs are estimated at \$6.5 million. Project Watershed launched a fundraising campaign in 2017.

While the property may be on the site of an old K’ómoks First Nation Village, the K’ómoks First Nation’s participation in the project and the MOU is without prejudice to any specific claim K’ómoks may have on file and will not affect K’ómok’s asserted Aboriginal title or other Aboriginal rights.

For more information on the project visit [www.kuskussum.ca](http://www.kuskussum.ca)



Photo: Danielle Dufour



# We support diversity in housing and reasoned land use planning

## Supportive Housing Approved for 8th Street



Sample modular housing project

In May 2018, the Province of BC and the City of Courtenay announced a proposal to build new modular housing in west Courtenay through the Rapid Response to Homelessness program. The facility would include 46 new units, each with a private bathroom and kitchen, as well as access to shared amenities such as laundry, and 24/7 support services. The facility would be operated by the John Howard Society.

### What is supportive housing?

Via BC Housing: “Supportive housing is a self-contained studio home with supports provided on-site, to ensure people can achieve and maintain housing stability. Supports would include outreach workers, wellness checks, life skills training,

employment assistance, connection and referral to community services and support groups. This is an opportunity for people to leave the streets and shelter system for safe and stable housing, towards improved quality of life.”

### Why was this site chosen?

8th Street was chosen after a thorough review of city-owned properties that could potentially be suitable for housing. It emerged as the preferred site, for the following reasons:

- Proximity to amenities/services and accessibility to transit
- Available for development and large enough to accommodate the project
- Owned by the City of Courtenay

While the property was already zoned for a care facility, it required a minor zoning amendment to broaden the scope of residents who may require housing. A public hearing was held in late May, and the rezoning was approved by Council in June.

The City of Courtenay is providing the land for a lease period of 25 years — a market value of over \$450,000.

Site preparation began in fall 2018. Modular unit delivery began in early 2019, with the facility ready for occupancy in April.

## Progress on Braidwood Apartments

Construction on this affordable housing project on Braidwood Road was ongoing throughout most of 2018. This 35 unit, three-storey housing development, with affordable one-bedroom and studio apartments opened in February 2019,

The M'akola Housing Society owns and operates the building with support from Wachiay Friendship Centre and other local service organizations.

The City of Courtenay provided

municipal waivers totalling \$428,000 and provided the land valued at approximately \$385,000. This land was originally purchased through the sale of other property transferred from the Comox Valley Regional District, and funded by City of Courtenay, Town of Comox, Village of Cumberland, and the rural areas.



Photo via Wachiay Friendship Centre

# Courtenay Recreation Activities

## Recreation Facility Operations



*Courtenay Recreation runs these facilities:*

Lewis Centre, Florence Filberg Centre, The LINC Youth Centre, Native Sons Hall, the Courtenay & District Memorial Outdoor Pool and park outbuildings

Recreation Facility Operations is responsible for on-going maintenance and care of all facilities, customer service (reception), custodial service, facility rentals and special events.

### Facility Rentals

Rental of recreation facilities, sports fields and parks brings in about \$2 million in revenues annually. Indoor rental spaces range from larger banquet rooms to smaller meeting rooms.

The Florence Filberg Centre and the Native Sons Hall have banquet facilities and host weddings, dances, concerts and other community events.

The Lewis Centre offers gymnasium space as well as community meeting rooms. Lewis Centre staff also book space at The LINC Youth Centre, outbuildings in parks, sports fields and the Courtenay & District Memorial Outdoor Pool.



### Lawn Bowling Club Renovation

Members of the Lawn Bowling Club celebrated the opening of the renovated Lawn Bowling Building on Thursday, September 20, 2018.

Over the past few years, a series of upgrades expanded the size of the building with a new kitchen facility, washrooms including an accessible washroom, beverage serving area, and larger deck area. Lawn Bowling Club members as well as the community at large, now have access to a modernized rental facility, including an updated kitchen.

# Special Events

Recreation Facility Operations coordinates free or low-cost special events throughout the year for all ages.

The goal is to offer inclusive, community events with no barriers to attendance.

Simms Summer Concert Series featured a food bank drive at the last concert of 2018 that gathered about 1200 pounds of food and raised \$1200.

*Events and attendance numbers include:*

- Courtenay Canada Day
- Volunteer Appreciation
- Simms Summer Concert Series
- Pooch A Poolooza
- Family Day
- Halloween Parade & Party
- Father's Day Kite Fly
- Children's Christmas Party

Canada Day celebrations are the biggest party in Courtenay with approximately 10,000 people coming out to enjoy the parade, Kids Zone, live music, dancing, vendors, and Variety Show.



*Courtenay Canada Day*



*Family Day*



*Father's Day Kite Fly*



*Children's Christmas Party*



*Pooch A Poolooza!*

# Recreation Programming

The Recreation Programming Division is responsible for the programs that people enroll in at various facilities. The program areas have been broken into the following sections:

- Arts and Leisure
- Adapted Programming (*formerly Special Needs Recreation*)
- Active Recreation (*sports and fitness*)
- Cozy Corner Preschool
- Youth Services – The LINC Youth Centre
- Recreation Access Program (*low income program for Courtenay residents*)
- Recreation Guide preparation

Recreation programs are offered for all ages at our various facilities and on a seasonal quarterly schedule.

## Arts & Leisure

Arts and Leisure offers classes for all ages in drawing, painting, music, dance, circus, clay, sewing, cooking, special interest and summer daycamps. In 2018, summer daycamps had 1,226 kids enrolled.

Number of programs in 2018:

Early Years - 91	Youth - 206
Children - 258	Adult - 300



## Cozy Corner Preschool

Cozy Corner has a total of 60 spaces and operates sessions on Monday, Wednesday, Friday morning or Thursday & Thursday mornings or afternoons.

The program goal is to provide an atmosphere for positive social interactions for all children 3 to 5 years of age. Fully qualified experienced Early Childhood Educators offer developmentally appropriate fun experiences in an environment of excellence.

Cozy Corner offers daily creative art activities, water, sand or rice play, playdough, puzzles table top toys, blocks and dress-ups. The program also includes outdoor play, field trips and special celebrations of special holidays and events.

**10,601**    
 program registrations

**1,519**    
 classes offered

**55,085**    
 Wellness Centre drop-ins

# Recreation Programming

## Adapted Programming

Adapted Programs offers a number of fitness and fun classes as well as special events for adults with developmental disabilities. In 2018 a total of 87 programs were offered with 1,087 participants.

Adapted Programs is part of the Courtenay Recreation group of programs and is proud to help further its mission of promoting healthy active living, volunteerism, multiculturalism, life-long learning, and well being for all.



## Active Recreation

Active Recreation offers sports & fitness programs for all ages including fitness, strength training, gymnastics, martial arts, sailing, golf, racquet sports, and the Outdoor Pool.

*Number of programs in 2018:*

- Early Years - 54
- Children - 293
- Youth - 180
- Adult - 421
- Outdoor Pool - 93

## The LINC Youth Centre and Indoor Skatepark

The LINC, located at 300 Old Island Highway, has 10,000 drop-in visits annually. The LINC has drop-ins on Tuesday nights for 8 - 11 years and Wednesday to Saturday for 11 - 18 years.

Drop-in offers indoor skateboarding, scootering, foosball, ping pong, air hockey, pool, Xbox, youth access computers, outdoor basketball court, concession, and kitchen.

The LINC also has registered programs including cooking, Food Safe, Leaders in Training, skateboarding and more. In 2018, 731 youth registered in LINC programs.

Special events are offered throughout the year including the Haunted House, Tween Dances, Christmas Dinner for youth and BC Youth Week. LINC staff also offer special drop-in activities throughout the month like minecraft, games, free food frenzy, concession specials and more.



In 2018 a total of **7,134** people came to the outdoor pool for open swims, and lessons.

# Cultural Organizations

The City of Courtenay owns and maintains three major cultural facilities downtown, popular with locals and visitors alike. The City has agreements with the cultural organizations which occupy the facilities, each with their own societies and board of directors.



## Comox Valley Art Gallery (CVAG)

Located in the Comox Valley Centre for the Arts, CVAG is a public art gallery featuring contemporary, experimental and applied art by regional, national and international artists. In 2018, CVAG had about 26,000 visitors.

CVAG partnered with K'omoks First Nations community and the City of Courtenay on a Welcome Pole project in 2018. The project, initiated by CVAG, is seen as a step toward reconciliation and recognition of the historic relationship the K'omoks peoples have had with this Valley for thousands of years.

The Welcome Poles were created by artists Karver Everson and Randy Frank, under the mentorship of Master Carver Calvin Hunt.

Around the Welcome Poles is a seasonal Indigenous Plants garden created in partnership with Barb Whyte, a traditional knowledge keeper and Elder from K'omoks First Nation with help from City Parks staff.

## Courtenay and District Museum and Paleontology Centre

Established in 1961, the museum has operated out of its current location since 2004.

The museum offers onsite and offsite all ages programming which includes fossils, geology, First Nations history, local settlement and social history.

In 2018, the museum welcomed 29,100 visitors from local and international destinations.

The Elasmosaur or "Swan Lizard" was shortlisted in 2018 amongst seven fossil candidates for designation as a Provincial Fossil. Museum staff embarked on a "Vote for the Elasmosaur" campaign on social media. The Elasmosaur went on to win the campaign for Provincial fossil in early 2019.



## Sid Williams Theatre

The Sid Williams Theatre has been a long standing cultural establishment in downtown Courtenay. The theatre began as the Bickle Theatre, a movie house, in 1935 and became a civic performing arts theatre in 1971. In 1984 it was named after Sid Williams, a prominent community member and local actor.

The Sid Williams operates year round and in 2018 ushered 45,139 through the site while providing a wide range of local and international performances which appeal to all age groups.

The theatre also rents space to local community groups for rehearsals and performances throughout the year.

The Sid Williams also offers a bursary's for graduating students choosing to continue their education in the performing arts.





# Financial Reporting

## 2018 Financial Plan

Municipalities are required by the Community Charter to adopt a balanced five year financial plan by May 15 every year.

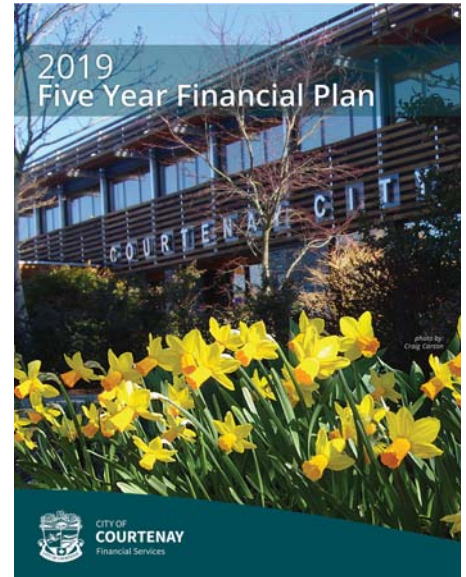
The City's financial plan includes all revenues and expenses in the general, water, and sewer funds. This includes operating costs to maintain infrastructure and provide services to our citizens, as well as the costs associated with major capital projects.

Property tax rates are set during the Financial Plan process based on how much revenue is required to maintain Council approved levels of services to our citizens.

Public feedback is sought early in the budget process through online citizen surveys. Once the Financial Plan has been presented to Council, further feedback is sought through open Council budget sessions and the City website, prior to final adoption.

Courtenay will continue to develop best practices in financial reporting, with the ultimate goal of achieving budget approval in principle by December 31 of the previous year.

Courtenay's Financial Plans are posted annually at [www.courtenay.ca/financialplan](http://www.courtenay.ca/financialplan)



## Important 2019 Property Tax Dates

**Claim your Home Owner Grant  
online by July 2, 2019:**

**[courtenay.ca/tax](http://courtenay.ca/tax)**

**For payment options, visit:**

**[courtenay.ca/billpayments](http://courtenay.ca/billpayments)**

<b>Late May 2019</b>	<ul style="list-style-type: none"> <li>• 2019 Property Tax Notices mailed</li> </ul>
<b>July 2, 2019</b>	<ul style="list-style-type: none"> <li>• Tax payments due</li> <li>• Provincial Home Owner Grant applications due</li> <li>• Tax Deferment applications due</li> <li>• Last day to avoid 10% penalty on unpaid current taxes and unclaimed grants</li> </ul>
<b>July 3, 2019</b>	<ul style="list-style-type: none"> <li>• 10% penalty added to all unpaid current taxes and unclaimed grants</li> </ul>
<b>August 1, 2019</b>	<ul style="list-style-type: none"> <li>• Tax Installment Preauthorized Payment Plan (TIPP) deductions start for the next taxation year</li> </ul>
<b>September 30, 2019</b>	<ul style="list-style-type: none"> <li>• Statutory property tax sale for all properties three years in arrears of taxes</li> </ul>
<b>December 31, 2019</b>	<ul style="list-style-type: none"> <li>• Last day to pay current year taxes prior to rollover into arrears category. (Arrears and delinquent category taxes are subject to a daily interest penalty)</li> </ul>

# Property Tax Exemptions

Every year, the City of Courtenay receives applications from non-profit organizations that qualify for tax exemption under the requirements of Provincial legislation. For 2018, the following exemptions were approved by Council.

Registered Owners	Exempt Amount of City Property Taxes
Aaron House Ministries	\$2,077
Alano Club of Courtenay	2,637
Canadian Red Cross Society	1,846
City of Courtenay - Leased Office Space	3,273
Comox Valley Boys and Girls Club	1,352
Comox Valley Child Development Association	11,495
Comox Valley Curling Club	11,685
Comox Valley Family Services Association	4,514
Comox Valley Kiwanis Village Society	10,400
Comox Valley Pregnancy Care Centre	1,627
Comox Valley Recovery Centre Society	3,981
Comox Valley Transition Society	4,819
Courtenay & District Historical Soc. In Trust	1,978
Courtenay Elks Lodge	2,007
Eureka Support Society	2,606
Glacier View Lodge Society	40,684
Habitat for Humanity V.I. North Society	314
John Howard Society of North Island	2,044
L'Arche Comox Valley	4,472
Nature Trust of B.C. - Sandpiper Park	5,349
Old Church Theatre Society	5,733
Royal Cdn. Legion, Courtenay Br. (Pacific) No. 17	7,238
Salvation Army	2,880
Saltwater Education Society	1,642
St. John the Divine Abbeyfield House Society	3,124
Stepping Stones Recovery House for Women	1,162
Upper Island Women of Native Ancestry	693
Youth for Christ Comox Valley	667
<b>Total Non-Profit Annual Tax Exemptions</b>	<b>\$142,299</b>

Council adopted a ten year Permissive Tax Bylaw to exempt the following City owned properties, managed/occupied by non-profit societies. The 2018 value of properties exempt is as follows:

Island Corridor Foundation	\$21,843
<b>Total Island Corridor Foundation exemptions</b>	<b>\$21,843</b>

Council adopted a five-year Permissive Tax Bylaw to exempt the following City owned properties, managed/occupied by non-profit societies. The 2018 value of properties exempt is as follows:

Comox Valley Centre of the Arts	\$25,495
Courtenay & District Museum	18,590
Courtenay Airpark	82,386
Courtenay Marina	9,292
McPhee Meadow Park	1,896
Morrison Nature Park	2,548
Sid Williams Theatre	17,000
<b>Total City owned properties</b>	<b>\$157,207</b>

Provincial Legislation (the Community Charter) statutorily exempts the building and the land on which the building stands, for places of worship, specific seniors' housing, hospitals and private schools. Council may, by bylaw, permissively exempt the land surrounding the building. In 2018, Council adopted a bylaw to exempt the following surrounding lands:

Anglican Synod Diocese of BC	\$1,769
Bishop of Victoria-Catholic Church	826
Central Evangelical Free Church	326
Courtenay Baptist Church	785
Elim Gospel Hall	784
Foursquare Gospel Church of Canada	4,628
Grace Baptist Church	125
Kingdom Hall of Jehovah Witnesses	583
LDS Church	1,351
Lutheran Church	607
River Heights Church Society	840
Salvation Army Canada West	297
Seventh Day Adventist Church	525
St. George's Church	621
Valley United Pentacostal Church	453
<b>Total Permissive Surrounding Statutory Land Tax Exemptions</b>	<b>\$14,520</b>
<b>Total Permissive Exemptions - Overall</b>	<b>\$335,869</b>

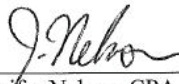
# The Corporation of the City of Courtenay

## Management's Responsibility for Financial Reporting

The preparation of information in these Consolidated Financial Statements is the responsibility of management. The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards and are outlined under "Significant Accounting Policies" in the notes to the financial statements.

Management maintains a system of internal accounting controls to provide reasonable assurance that assets are safeguarded and that transactions are authorized, recorded, and reported properly. Management also maintains a program of proper business compliance.

MNP LLP, the City's independent auditors, have audited the accompanying financial statements. Their report accompanies this statement.



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Jennifer Nelson, CPA, CGA  
Director of Financial Services

# Meyers Norris Penny - Auditors Report

To the Mayor and Council of the City of Courtenay:

## Opinion

We have audited the consolidated financial statements of the City of Courtenay (the "City"), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

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

## Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Courtenay, British Columbia

May 6, 2019

**MNP LLP**  
Chartered Professional Accountants

# The Corporation of the City of Courtenay

## Consolidated Statement Of Financial Position - Statement A As at December 31, 2018

	2018	2017
<b>FINANCIAL ASSETS</b>		
Cash on Hand and on Deposit (Schedule 5)	\$20,373,559	\$12,176,694
Receivables (Note 1i)	4,903,482	2,960,134
Term Deposits (Schedule 5)	28,209,106	31,487,579
	<b>53,486,147</b>	<b>46,624,407</b>
<b>LIABILITIES</b>		
Accounts Payable (Note 1j)	9,863,827	7,051,630
Trust and Other Deposits	6,195,200	4,036,811
Deferred Revenue - Development Cost Charges (Note 6)	6,259,106	5,546,196
Deferred Revenue - Other (Note 8)	2,396,837	2,221,668
Long-Term Debt (Schedule 4)	11,458,117	12,851,766
	<b>36,173,087</b>	<b>31,708,071</b>
<b>NET FINANCIAL ASSETS</b>	<b>17,313,060</b>	<b>14,916,336</b>
<b>NON-FINANCIAL ASSETS</b>		
Inventories	207,310	191,031
Prepaid Expenses	552,308	446,715
Tangible Capital Assets (Note 12 & Schedule 3)	145,878,140	139,559,441
	<b>146,637,758</b>	<b>140,197,187</b>
<b>ACCUMULATED SURPLUS (Schedule 2)</b>	<b>\$163,950,818</b>	<b>\$155,113,523</b>

Contingent Liabilities and Commitments (Note 2)

The accompanying notes are an integral part of these financial statements

# The Corporation of the City of Courtenay

## Consolidated Statement Of Operations - Statement B For the year ended December 31, 2018

	2018 Budget	2018	2017
	(Note 13)		
<b>REVENUE</b>			
Taxes for Municipal Purposes	\$26,704,700	\$26,905,048	\$25,701,418
Sale of Services	15,068,500	15,636,658	14,934,108
Revenue from Own Sources	3,300,700	3,957,453	3,384,772
Federal Transfers	1,415,800	1,237,229	1,108,235
Provincial Transfers	1,788,400	4,368,365	1,877,196
Other Local Government Transfers	546,800	209,114	340,167
Contributions	50,000	4,158,398	3,037,373
DCC Revenue	-	543,473	149,539
Investment Income and Taxation Penalties	812,500	1,149,368	927,737
Other	484,400	499,078	739,066
Gain on Sale of Tangible Capital Assets	-	34,350	51,105
<b>TOTAL REVENUE</b>	<b>50,171,800</b>	<b>58,698,534</b>	<b>52,250,716</b>
<b>EXPENSES</b>			
General Government Services	6,090,086	6,410,965	5,034,969
Protective Services	9,998,125	8,893,741	8,919,927
Transportation Services	7,551,268	8,062,954	7,399,060
Sewer and Water Facilities	11,843,005	11,751,671	11,043,443
Environmental Health Services	3,447,602	3,664,589	3,389,673
Public Health and Welfare Services	329,813	367,106	383,499
Environmental Development Services	1,410,083	1,287,329	1,350,794
Recreational and Cultural Services	9,266,818	9,149,613	8,971,151
<b>TOTAL EXPENSES</b>	<b>49,936,800</b>	<b>49,587,968</b>	<b>46,492,516</b>
<b>ANNUAL SURPLUS (Schedule 1)</b>	<b>235,000</b>	<b>9,110,566</b>	<b>5,758,200</b>
<b>ACCUMULATED SURPLUS AT BEGINNING OF YEAR</b>	<b>155,113,523</b>	<b>155,113,523</b>	<b>149,355,323</b>
<b>CHANGE IN CONTROL IN SID WILLIAMS THEATRE-SOCIETY (SWTS) SURPLUS REDUCTION (Note 7b)</b>	<b>-</b>	<b>(273,268)</b>	<b>-</b>
<b>ACCUMULATED SURPLUS AT END OF YEAR</b>	<b>\$155,348,523</b>	<b>\$163,950,818</b>	<b>\$155,113,523</b>

The accompanying notes are an integral part of these financial statements

# The Corporation of the City of Courtenay

## Consolidated Statement Of Change in Net Financial Assets - Statement C For the year ended December 31, 2018

	2018 Budget	2018	2017`
	(Note 13)		
ANNUAL SURPLUS	\$235,000	\$9,110,566	\$5,758,200
Acquisition of tangible capital assets	(14,727,700)	(8,778,512)	(7,131,998)
Amortization of tangible capital assets	4,425,000	5,450,879	5,183,920
(Gains)/losses and other adjustments to tangible capital assets	-	1,022,292	437,222
Proceeds on sale of tangible capital assets	-	74,586	62,811
Developer tangible capital asset contribution	-	(4,087,948)	(2,869,183)
Change of control of SWTS surplus reduction (Note 7b)	-	(273,268)	-
	(10,302,700)	(6,591,971)	(4,317,228)
Acquisition of supplies inventories	-	(663,437)	(517,235)
Acquisition of prepaid expense	-	(921,956)	(492,414)
Consumption of supplies inventories	-	636,213	514,612
Use of prepaid expense	-	801,176	537,023
Change of control of SWTS surplus inventory and prepaid (Note 7b)	-	26,133	-
	-	(121,871)	41,986
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b>(10,067,700)</b>	<b>2,396,724</b>	<b>1,482,958</b>
<b>NET FINANCIAL ASSETS AT BEGINNING OF YEAR</b>	<b>14,916,336</b>	<b>14,916,336</b>	<b>13,433,378</b>
<b>NET FINANCIAL ASSETS AT END OF YEAR</b>	<b>\$4,848,636</b>	<b>\$17,313,060</b>	<b>\$14,916,336</b>

The accompanying notes are an integral part of these financial statements

# The Corporation of the City of Courtenay

## Consolidated Statement Of Cash Flow - Statement D For the year ended December 31, 2018

	2018	2017
<b>CASH PROVIDED BY (APPLIED TO) FINANCING TRANSACTIONS</b>		
<b>OPERATING TRANSACTIONS</b>		
Annual Surplus	\$9,110,566	\$5,758,200
Changes in non-cash items including amortization		
Increase in amortization	5,450,879	5,183,920
Change in receivables	(1,943,349)	218,706
Change in accounts payable	2,812,197	(1,219,976)
Change in trust and other deposits	2,158,389	(705,692)
Change in deferred revenue	888,079	1,876,493
Change in inventories	(16,279)	(2,623)
Change in prepaids	(105,593)	44,610
Net (gains)/losses and other adjustments to tangible capital assets	1,022,292	437,222
Developer Tangible Capital Asset Contribution	(4,087,948)	(2,869,183)
Actuarial adjustment	(441,747)	(386,693)
Change of control of SWTS cash flows (Note 7b)	(273,268)	-
	14,574,218	8,334,984
<b>CAPITAL TRANSACTIONS</b>		
Cash used to acquire tangible capital assets	(8,778,512)	(7,131,998)
Proceeds on sale of tangible capital assets	74,586	62,811
	(8,703,926)	(7,069,187)
<b>INVESTING TRANSACTIONS</b>		
Term deposits	3,278,473	(78,097)
Cash provided by (applied to) Investing Transactions	3,278,473	(78,097)
<b>FINANCING TRANSACTIONS</b>		
Repayment of long-term debt	(951,900)	(951,245)
Long-term debt proceeds	-	-
Cash applied to Financing Transactions	(951,900)	(951,245)
<b>INCREASE (DECREASE) IN CASH ON HAND AND ON DEPOSIT</b>	<b>8,196,865</b>	<b>236,455</b>
<b>CASH ON HAND AND ON DEPOSIT AT BEGINNING OF YEAR</b>	<b>12,176,694</b>	<b>11,940,239</b>
<b>CASH ON HAND AND ON DEPOSIT AT END OF YEAR</b>	<b>\$20,373,559</b>	<b>\$12,176,694</b>
Interest paid on outstanding debt and included in annual surplus above	\$604,010	\$635,742

The accompanying notes are an integral part of these financial statements



# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

### Year ended December 31, 2018

The Corporation of the City of Courtenay was incorporated in 1915 under the provisions of the British Columbia Municipal Act. Its principal activities are the provision of local government services to the residents of the Municipality.

#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### (a) Basis of Presentation

It is the policy of the City to follow Canadian public sector accounting standards and to apply such principles consistently. The consolidated financial statements include the operations of General, Water Utility, Sewer, Capital, and Reserve Funds. Transactions between these funds have been eliminated on consolidation. The consolidated financial statements have been prepared using guidelines issued by the Public Sector Accounting Board of CPA Canada. The financial resources and operations of the City have been consolidated for financial statement purposes and include the accounts of all of the funds and equity in tangible capital assets of the City. As part of the supplementary information, the resources and operation of the City are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the stewardship of the assets allocated to it.

##### (b) Revenue and Expense Recognition

Expenses are recorded in the period in which the goods or services are acquired and a liability is incurred.

Amortization is based on the estimated useful lives of tangible capital assets.

Revenue is recorded in the period in which the transactions or events that gave rise to the revenue occur. Amounts that have been received from non-government sources in advance of services being rendered are recorded as deferred revenue until the City discharges the obligations that led to the collection of funds. Following are the types of revenue received and a description of their recognition:

Taxes for Municipal Purposes are recognized in the year levied.

Sale of Services are recognized in the year that the service is provided or the amount is earned, provided the amount can be estimated and collection is reasonably assured.

Revenues from own sources are recognized in the period in which the transactions or events that gave rise to the revenue occur or are earned, provided the amount can be estimated and collection is reasonably assured.

The City recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the City recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Contributions are recorded when the event giving rise to the contribution occurs.

DCC Revenue is recorded in the year that it is used to fund a capital project and has been authorized by bylaw.

Investment income, taxation penalties, and actuarial earnings are recorded in the year they are earned.

##### (c) Accrued Payroll Benefits

Earned but unpaid vacation is fully accrued and recorded in the consolidated financial statements.

Post employment benefits are accrued and recorded in the consolidated financial statements. This amount is provided by an Actuary that the City has engaged.

##### (d) Use of Estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Accounts Receivable are stated after evaluation of their collectability. Post employment benefits are calculated by an Actuary. Amortization is based on the estimated useful lives of tangible capital assets. These estimates and assumptions are reviewed periodically and as adjustments become necessary they are reported in earnings in the periods in which they become known. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the City of Courtenay is responsible for.

# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

### Year ended December 31, 2018

#### (e) Non-Financial Assets

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

#### (f) Inventories

Inventories are valued at the lower of cost and replacement cost.

#### (g) Tangible Capital Assets

Tangible capital assets are recorded at cost, net of capital asset disposals, write-downs and amortization. Tangible capital asset expenditures exceeding the following thresholds per major category are capitalized. The average useful life is applied straight line to calculate amortization. In the year of acquisition and disposal, amortization is taken at one-half of the calculated amounts.

Major Asset Category	Threshold	Average Useful Life
Land	\$1	Indefinite
Land Improvements	\$10,000	Varies from 10 to 40 years
Building	\$10,000	Varies from 25 to 60 years
Vehicles, Machinery/Equipment	\$5,000 to \$10,000	Varies from 5 to 25 years
Engineering Structures		
Roads	\$5,000 to \$50,000	Varies from 10 to 60 years
Water	\$5,000 to \$10,000	Varies from 8 to 80 years
Sewer	\$10,000	Varies from 8 to 60 years
Other – Includes Storm	\$10,000	Varies from 25 to 75 years
Other Tangible Capital Assets (includes IT software)	\$5,000	5 years

Carrying costs directly attributable to the acquisition, construction or development activity, excluding interest costs, are capitalized to the point in time the asset is substantially complete and ready for use. Contributed tangible capital assets are recorded at their fair value on the date of contribution. Assets under construction are not amortized until the asset is in use.

#### (h) Financial Instruments

Financial Instruments consist of cash on hand and deposit, term deposits, receivables, accounts payable, trusts and other deposits, and long-term debt. It is management's opinion that the Municipality is not exposed to significant interest, currency, exchange, or credit risk arising from these financial instruments.

#### (i) Debt Charges

Interest payments are charged against current fund balances in the period they become payable and have been accrued to December 31, 2018. Actuarial adjustments are offset against interest charged. Principal payments are applied directly to loan balances in the period they accrue.

#### (j) Receivables

Following is a breakdown of receivables outstanding at December 31, 2018 with 2017 comparatives:

	2018	2017
Federal Government	\$251,016	\$226,908
Provincial Government	2,802,609	659,170
Regional and other Local Governments	189,455	275,880
Property Taxes	860,963	955,208

# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

Year ended December 31, 2018

Other	799,439	842,968
<b>Total Receivables</b>	<b>\$4,903,482</b>	<b>\$2,960,134</b>

### (k) Accounts Payable

Following is a breakdown of accounts payable and accrued liabilities outstanding at December 31, 2018 with 2017 comparatives:

	2018	2017
Federal Government	\$1,355,232	\$1,348,962
Provincial Government	85,303	78,412
Regional and other Local Governments	1,189,404	724,355
Employee Retirement Benefits (Note 10)	1,023,084	944,400
Trade and accrued liabilities	6,210,804	3,955,501
<b>Total Accounts Payable</b>	<b>\$9,863,827</b>	<b>\$7,051,630</b>

### (l) Liability for Contaminated Sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when; contamination exceeding an environmental standard exists, the City of Courtenay is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2018.

At each financial reporting date, the City of Courtenay reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period when revisions are made. The City of Courtenay continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

### (m) Adoption of New Accounting Standards

#### **PS 2200 Related Party Disclosures**

Effective January 1, 2018, the City adopted the recommendations relating to PS 2200 Related Party Disclosures, as set out in the CPA Canada public sector accounting standards. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated.

This new Section defines a related party and establishes disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

There was no material impact on the consolidated financial statements of adopting the new Section.

#### **PS 3420 Inter-entity Transactions**

Effective January 1, 2018, the City adopted the recommendations relating to PS 3420 Inter-entity Transactions, as set out in the CPA Canada public sector accounting standards. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated.

The new Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. The main features of the new Section are:

- Under a policy of cost allocation, revenues and expenses are recognized on a gross basis.
- Transactions are measured at the carrying amount, except in specific circumstances.

# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

### Year ended December 31, 2018

- A recipient may choose to recognize unallocated costs for the provision of goods and services and measure them at the carrying amount, fair value or other amount dictated by policy, accountability structure or budget practice.
- The transfer of an asset or liability for nominal or no consideration is measured by the provider at the carrying amount and by the recipient at the carrying amount or fair value.
- Inter-entity transactions are considered in conjunction with PS 2200 Related Party Disclosures.

There was no material impact on the consolidated financial statements of adopting the new Section.

#### **PS 3210 Assets**

Effective January 1, 2018, the City adopted the recommendations relating to PS 3210 Assets, as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated.

The new Section provides guidance for applying the definition of assets set out in PS 1000 Financial Statement Concepts. The main features of this standard are as follows:

- Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.
- Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions.
- The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services.
- A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset, if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits.
- A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries.
- An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

There was no material impact on the consolidated financial statements of adopting the new Section.

#### **PS 3320 Contingent Assets**

Effective January 1, 2018, the City adopted the recommendations relating to PS 3320 Contingent Assets, as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated.

The new Section establishes disclosure standards on contingent assets. The main features of this standard are as follows:

- Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.
- Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date.
- Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date.
- Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the bases for any estimates of extent made.
- When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

There was no material impact on the consolidated financial statements of adopting the new Section.

# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

Year ended December 31, 2018

### 2. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Regional District debt is, under the provisions of the Local Government Act (Section 836), a direct, joint and several liability of the District and each member municipality within the District, including the Corporation of the City of Courtenay. Readers are referred to the Comox Valley Regional District 2018 Audited Financial Statements for specific information and detail.

(b) Principal repayments on long-term debt in each of the next five years are estimated as follows:

2019	\$934,845
2020	935,534
2021	885,800
2022	810,918
2023	733,004
	<b>\$4,300,101</b>

(c) The Municipality is obligated to collect and transmit the tax levies of the following bodies:

Provincial Government – Schools  
Comox Valley Regional District  
Comox-Strathcona Regional Hospital District  
Municipal Finance Authority  
British Columbia Assessment Authority  
Vancouver Island Regional Library  
Downtown Courtenay Business Improvement Area

These levies are not included in the revenues of the Municipality.

(d) As at December 31, 2018, there existed outstanding claims against the City. These claims have been referred to legal counsel and to the City's liability insurers. It is not possible to determine the City's potential liability, if any, with respect to these matters. Management has determined that any potential liabilities arising from these outstanding claims are not significant.

### 3. PENSION LIABILITY

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

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

The most recent valuation for the Municipal Pension Plan as at December 31, 2015 indicated a \$2.224 billion funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1.927 billion was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The City of Courtenay paid \$1,042,964 (2017 - \$939,145) for employer contributions to the plan in fiscal year 2018.

# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

### Year ended December 31, 2018

The next valuation will be as at December 31, 2018 with results available in 2019.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the plan.

#### 4. HOST FINANCIAL ASSISTANCE AGREEMENT

The City of Courtenay is a host community for a casino gaming facility operated under agreement with the British Columbia Lottery Corporation. The City receives a percentage of the net gaming income generated by the Chances Courtenay Gaming Centre to be used for public benefit through a quarterly unrestricted transfer from the Province of British Columbia.

#### 5. FEDERAL GAS TAX AGREEMENT FUNDS

Gas Tax Agreement funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the local government and the Union of British Columbia Municipalities. Gas Tax Agreement funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements.

The City of Courtenay received the first contribution of Gas Tax funding in 2005 and reports the balance in a General Fund Reserve – New Works Community Gas Tax Funds (Schedule 2) until it is used to fund the specified projects outlined in the funding agreement. Interest is accrued and allocated monthly to the balance.

Following is a schedule of Gas Tax receipts and disbursements received in 2018 with comparatives to 2017.

	2018	2017
<b>Opening balance of unspent funds</b>	<b>\$3,517,375</b>	<b>\$4,733,397</b>
<b>Additions:</b>		
Amounts received during the year	1,119,960	1,083,236
Interest earned	48,701	29,466
<b>Deductions:</b>		
Amount spent on projects	(2,731,332)	(2,328,724)
<b>Closing balance of unspent funds</b>	<b>\$1,954,704</b>	<b>\$3,517,375</b>

#### 6. DEFERRED REVENUE - DEVELOPMENT COST CHARGES

In order to conform with the Public Sector Accounting Board of CPA Canada, the unspent development cost charges in the following financial statements have been recorded as a liability. Following is a breakdown of cash increases and decreases for the General, Water, and Sewer development costs charge reserves for 2018 and 2017.

# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

Year ended December 31, 2018

### 2018 Development Cost Charge Reserves

	General BL #2840	Water Utility BL #2840	Sewer Utility BL #2840	Sewer Utility BL #1638	2018 Total
<b>Balance Forward</b>	\$4,314,899	\$594,553	\$602,938	\$33,806	\$5,546,196
<b>Increases</b>					
Interest	64,900	8,485	9,834	448	83,667
Other Contributions	982,379	45,968	144,369		1,172,715
	1,047,279	54,453	154,203	448	1,256,383
<b>Decreases</b>					
Revenue Recognized to Fund Capital Projects	(246,866)	(159,300)	(137,307)	-	(543,473)
<b>Ending Balance Deferred Revenue - DCC</b>	<b>\$5,115,312</b>	<b>\$489,706</b>	<b>\$619,834</b>	<b>\$34,254</b>	<b>\$6,259,106</b>

### 2017 Development Cost Charge Reserves

	General BL #2840	Water Utility BL #2840	Sewer Utility BL #2840	Sewer Utility BL #1638	2017 Total
<b>Balance Forward</b>	\$3,450,709	\$529,837	\$467,447	\$33,608	\$4,481,601
<b>Increases</b>					
Interest	21,924	3,265	3,147	198	28,534
Other Contributions	991,805	61,451	132,344	-	1,185,600
	1,013,729	64,716	135,491	198	1,214,134
<b>Decreases</b>					
Revenue Recognized to Fund Capital Projects	(149,539)	-	-	-	(149,539)
<b>Ending Balance Deferred Revenue - DCC</b>	<b>\$4,314,899</b>	<b>\$594,553</b>	<b>\$602,938</b>	<b>\$33,806</b>	<b>\$5,546,196</b>

# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

Year ended December 31, 2018

### 7. TRUST AND ENDOWMENT FUNDS

- (a) The Cemetery Perpetual Care Fund has been assigned to the City to be administered as directed by statute. The City holds the assets for the benefit of, and stands in fiduciary relationship to, the beneficiary. Following is a summary of the financial position and activities for 2018 and 2017, which has been excluded from the City's consolidated financial statements.

CEMETERY PERPETUAL CARE FUND FINANCIAL POSITION	2018	2017	CEMETERY PERPETUAL CARE FUND FINANCIAL ACTIVITIES	2018	2017
<b>Financial Assets</b>			<b>Revenue</b>		
Cash on Hand	\$101,292	\$88,440	Fees Levied	\$14,299	\$10,590
Investments - MFA	242,228	238,312	Interest Revenue	5,711	3,242
<b>Liabilities</b>			<b>Expenditure</b>		
Interest Payable to City	5,711	3,242	Interest Expense	5,711	3,242
<b>Net Financial Position</b>	<b>\$337,809</b>	<b>\$323,510</b>	<b>Excess Revenue over Expenditure</b>	<b>\$14,299</b>	<b>\$10,590</b>

- (b) Effective June 30, 2018, the Sid Williams Theatre Society (SWTS) updated its constitution and bylaws to conform with the new BC Societies Act. The new bylaws remove the City's control (as defined by Canadian Public Sector Accounting Standards) therefore the City has removed the balances and transactions of the Society from these financial statements as of June 30, 2018.

### 8. DEFERRED REVENUE – OTHER

Other Deferred Revenue recorded in the Liability section of the City's Consolidated Financial Statements consists of the revenues related to business license revenue levied and to be recognized in future years, Government transfers received prior to revenue recognition criteria being met. Following is a breakdown of the change in this balance for 2018 and 2017:

	2018	2017
<b>Opening Balance</b>	<b>\$2,221,668</b>	<b>\$1,409,770</b>
Additions to Deferred Revenue	1,561,741	2,221,668
Revenue Recognized	(1,386,572)	(1,409,770)
<b>Ending Balance Deferred Revenue Other</b>	<b>\$2,396,837</b>	<b>\$2,221,668</b>

### 9. MFA DEBT RESERVE FUNDS

The City secures its long term borrowing through the Municipal Finance Authority. As a condition of these borrowings a portion of the debenture proceeds are retained by the Authority as a debt reserve fund. These funds are not reported in the financial statements as they are eliminated upon consolidation. As at December 31, 2018 the City had debt reserve funds of \$334,600 (\$333,765 in 2017).



# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

Year ended December 31, 2018

### 10. EMPLOYEE RETIREMENT BENEFIT LIABILITY

Employees with 10 years of continuous service retiring under the terms of the Municipal Superannuation Act are entitled to a payout of up to 72 days of their accumulated unused sick leave bank and up to a maximum of 8 additional severance days for each year of service in which the employee used no sick leave. Additionally, upon death of the employee, the bank, up to a maximum of 72 days, will be payable to the employee's life benefit beneficiary. The value of this liability is calculated by an Actuary engaged by the City and reflects the likelihood that all eligible City employees will become entitled to this benefit. Actuarial valuation assumptions for 2018 were based on an interest (discount) rate of 3.20% per annum (2017 - 3.0%) and an inflation rate of 2.5% for both 2018 and 2017. The total estimated employee retirement benefit liability at December 31, 2018 is \$1,023,500 (\$944,400 in 2017) and is included in the accounts payable balance on Statement A. Following is a breakdown of the benefit liability:

	2018	2017
<b>Accrued benefit liability at beginning of year</b>	\$944,400	\$926,000
Expense	144,445	100,861
Benefit Payments	(65,345)	(82,461)
<b>Accrued benefit liability at end of year</b>	<b>\$1,023,500</b>	<b>\$944,400</b>

### 11. CONSOLIDATED SEGMENT DISCLOSURE BY SERVICE

The City of Courtenay Consolidated Financial Statements includes the financial activities of various services made available to the community. Following is a description of the types of services included in each of the main service segments of the City's financial statements. . A detailed summary of the 2018 revenues and expenses with 2017 comparatives for each segment can be found in Schedule 1 of the accompanying financial statements.

#### General Government Services

Provide services related to general corporate and legislative administration as well as human resources, information technology, financial management, and revenues received from the Province related to gaming.

#### Protective Services

Includes services related to providing fire protection, bylaw enforcement, and building inspection to the City, as well as the City's share of expenses related to providing police protection to the Comox Valley.

#### Transportation Services

Includes the delivery of municipal public works services related to planning, development and maintenance of roadway systems, street lighting, and other public works and engineering related services.

#### Environmental Health Services

Includes services related to the collection of garbage, recycling, and yard waste, as well as environmental testing and monitoring.

**Public Health and Welfare Services** Includes cemetery services.

#### Environmental Development Services

Includes services related to planning, zoning, sustainability, and hotel taxes, as well as actions relating to homelessness.

#### Recreational and Cultural Services

Provides recreation and leisure services to the community and includes parks and facilities that allow for fitness, aquatic, cultural, and other activities for the public to enjoy.

# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

### Year ended December 31, 2018

#### Water Utility Services

Provides for the delivery of water to users and includes the planning, development and maintenance of the City's water infrastructure.

#### Sewer Utility Services

Provides for the delivery of sewerage removal and includes the planning, development and maintenance of the City's sewer infrastructure.

#### Other Services

Includes the 2017 operations of the Sid Williams Theatre (SWTS).

### 12. TANGIBLE CAPITAL ASSET DETAILS (See Schedule 3 for further details)

Contributed capital assets received and recognized in the year from developers, for various infrastructure works and related land and parks, and recorded in the consolidated financial statements in 2018 is \$4,087,948 (\$2,869,183 in 2017).

Tangible capital assets include land under the City's roads, recorded at a nominal amount.

Art and historic treasures are displayed at various city facilities and consist of paintings, historical photographs, sculptures, carvings, and other cultural artifacts. These items have not been included in tangible capital assets due to the inability of estimating future benefits associated with such property.

### 13. RESTATEMENT OF 2018 BUDGET

The budget amounts presented throughout these consolidated financial statements are based upon the Five Year Financial Plan approved by Council on April 16, 2018 except in regard to budget amounts for amortization, tangible capital assets, and the use of debt, reserves and prior year surpluses.

The summary below shows the adjustments to the April 16, 2018 budget approved by Council and reflected in these consolidated financial statements:

#### Adjustments to 2018 Budgeted Annual Surplus

<b>Budgeted Surplus per Council approved Budget</b>	<b>\$</b>
Purchase of Capital Assets	14,727,700
Amortization Budgeted	(4,425,000)
Transfer from Reserves	(12,621,400)
Transfer to Reserves	3,393,600
Use of Prior Year Surplus	(1,791,700)
Debt principle repayments in Financial Plan	951,800
<b>Budgeted Surplus per Consolidated Statement of Operations</b>	<b>\$235,000</b>

# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

Year ended December 31, 2018

### 14. CONTRACTUAL RIGHTS

Effective January 1, 2018, the City adopted the recommendations relating to PS 3380 Contractual Rights, as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated.

This new Section establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this standard are as follows:

- Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.
- Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.
- Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.
- Disclosures should include descriptions about nature, extent, and timing.

#### Contractual Rights at December 31, 2018

Contractual Right and Description	2019	2020	2021	2022	2023	Total
Courtenay Fire Protection District <i>(for Courtenay Fire Protection)</i>	\$411,503	\$419,733	\$428,128	\$436,690	\$445,424	\$2,141,478
Comox Valley Regional District <i>(for Merville &amp; Tsolum Farnham Fire Protection)</i>	\$244,710	\$249,605	\$254,597	\$259,689	\$264,883	\$1,273,484

# The Corporation of the City of Courtenay

## Consolidated Schedule of Segment Disclosure by Service - Schedule 1 Year ended December 31, 2018 (Audited)

(Note 11)  
Page 1 of 3

	General Government Services		Protective Services		Transportation Services		Environmental Health Services	
	2018	2017	2018	2017	2018	2017	2018	2017
<b>REVENUE</b>								
Taxation	23,742,557	22,816,507	-	-	-	-	-	-
Sales of Services	-	-	880,487	933,633	-	-	3,385,701	3,201,028
Revenue from Own Sources	-	-	969,042	682,622	97,016	130,868	-	-
Government Transfers	1,311,012	1,359,000	19,200	300,373	4,105,692	1,259,640	-	-
Transfer from Other Funds	-	-	-	-	-	-	-	-
Other Revenue	81,430	87,010	-	-	121,061	141,500	-	-
Other Contributions	-	-	-	-	2,824,512	2,357,482	-	-
Interest Earned	919,980	804,432	14,898	3,735	92,925	49,964	-	-
Actuarial Adjustment	-	-	-	-	-	-	-	-
Gain on sale of TCA	900	9,369	300	-	17,737	33,336	-	-
<b>Total Revenues</b>	<b>26,055,879</b>	<b>25,076,318</b>	<b>1,883,927</b>	<b>1,920,363</b>	<b>7,258,943</b>	<b>3,972,790</b>	<b>3,385,701</b>	<b>3,201,028</b>
<b>EXPENSES</b>								
Salaries and Benefits	3,862,230	3,365,498	2,028,793	2,081,233	2,470,821	2,382,224	66,410	51,637
Goods and Services	1,212,412	1,186,907	6,482,558	6,467,288	2,431,965	1,811,402	3,126,043	3,011,456
Amortization Expense	303,689	240,240	352,734	352,012	2,816,126	2,743,677	319,600	315,948
Debt Servicing	(41,366)	(35,375)	(433)	2,355	146,989	199,953	-	-
Other Expenditures	246,982	277,699	1,477	-	1,019	640	152,200	8,000
Loss on Disposal of TCA	827,018	-	28,612	17,039	196,034	261,164	336	2,632
<b>Total Expenses</b>	<b>6,410,965</b>	<b>5,034,969</b>	<b>8,893,741</b>	<b>8,919,927</b>	<b>8,062,954</b>	<b>7,399,060</b>	<b>3,664,589</b>	<b>3,389,673</b>
<b>ANNUAL SURPLUS</b>	<b>19,644,914</b>	<b>20,041,349</b>	<b>(7,009,814)</b>	<b>(6,999,564)</b>	<b>(804,011)</b>	<b>(3,426,270)</b>	<b>(278,888)</b>	<b>(188,645)</b>

# The Corporation of the City of Courtenay

## Consolidated Schedule of Segment Disclosure by Service - Schedule 1 (continued) Year ended December 31, 2018 (Audited)

(Note 11)  
Page 2 of 3

	Public Health & Welfare Services		Environmental Development Services		Recreational and Cultural Services		Water Utility Services	
	2018	2017	2018	2017	2018	2017	2018	2017
<b>REVENUE</b>								
Taxation	-	-	-	-	-	-	1,164,158	922,220
Sales of Services	-	-	-	-	-	-	6,505,181	5,826,949
Revenue from Own Sources	-	-	561,481	616,227	2,048,292	1,690,319	255,072	220,792
Government Transfers	79,604	103,870	52,621	28,958	129,310	180,547	99,129	-
Transfer from Other Funds	-	-	-	-	-	-	-	-
Other Revenue	138,828	167,440	137,759	324,581	20,000	18,535	-	-
Other Contributions	-	-	223,889	41,000	354,501	118,068	566,455	379,007
Interest Earned	-	-	13,053	4,821	14,317	5,046	42,445	18,322
Actuarial Adjustment	-	-	-	-	-	-	-	-
Gain on sale of TCA	-	-	-	-	15,413	8,400	-	-
<b>Total Revenues</b>	<b>218,432</b>	<b>271,310</b>	<b>988,803</b>	<b>1,015,587</b>	<b>2,581,833</b>	<b>2,020,915</b>	<b>8,632,440</b>	<b>7,367,290</b>
<b>EXPENSES</b>								
Salaries and Benefits	250,400	233,328	899,836	804,788	4,921,832	4,152,743	972,987	648,115
Goods and Services	85,777	122,419	314,705	427,386	2,954,328	2,681,291	5,049,174	4,574,027
Amortization Expense	30,929	27,752	2,533	2,533	898,864	842,040	427,823	403,958
Debt Servicing	-	-	-	-	50,444	69,364	(369)	824
Other Expenditures	-	-	70,255	116,087	322,655	309,529	-	144
Loss on Disposal of TCA	-	-	-	-	1,490	23,883	2,585	183,608
<b>Total Expenses</b>	<b>367,106</b>	<b>383,499</b>	<b>1,287,329</b>	<b>1,350,794</b>	<b>9,149,613</b>	<b>8,078,850</b>	<b>6,452,200</b>	<b>5,810,676</b>
<b>ANNUAL SURPLUS</b>	<b>\$(148,674)</b>	<b>\$(112,189)</b>	<b>\$(298,526)</b>	<b>\$(335,207)</b>	<b>\$(6,567,780)</b>	<b>\$(6,057,935)</b>	<b>\$2,180,240</b>	<b>\$1,556,614</b>

# The Corporation of the City of Courtenay

## Consolidated Schedule of Segment Disclosure by Service - Schedule 1 (continued) Year ended December 31, 2018 (Audited)

(Note 11)  
Page 3 of 3

	Sewer Utility Services		Other Services		Consolidated	
	2018	2017	2018	2017	2018	2017
<b>REVENUE</b>						
Taxation	1,998,334	1,962,691	-	-	26,905,048	25,701,418
Sales of Services	4,865,289	4,338,650	-	633,848	15,636,658	14,934,108
Revenue from Own Sources	26,551	43,944	-	-	3,957,453	3,384,772
Government Transfers	18,140	-	-	93,210	5,814,708	3,325,598
Transfer from Other Funds	-	-	-	-	-	-
Other Revenue	-	-	-	-	499,078	739,066
Other Contributions	732,514	243,033	-	48,322	4,701,871	3,186,912
Interest Earned	51,750	20,222	-	21,195	1,149,368	927,737
Actuarial Adjustment	-	-	-	-	-	-
Proceeds on sale of TCA	-	-	-	-	34,350	51,105
<b>Total Revenues</b>	<b>7,692,578</b>	<b>6,608,540</b>	<b>-</b>	<b>796,575</b>	<b>58,698,534</b>	<b>52,250,716</b>
<b>EXPENSES</b>						
Salaries and Benefits	511,384	444,095	-	665,604	15,984,693	14,829,265
Goods and Services	591,012	850,299	-	226,697	22,247,974	21,359,172
Amortization Expense	298,581	255,758	-	-	5,450,879	5,183,918
Debt Servicing	6,998	11,928	-	-	162,263	249,049
Other Expenditures	3,890,928	3,670,687	-	-	4,685,516	4,382,786
Loss on Disposal of TCA	568	-	-	-	1,056,643	488,326
<b>Total Expenses</b>	<b>5,299,471</b>	<b>5,232,767</b>	<b>-</b>	<b>892,301</b>	<b>49,587,968</b>	<b>46,492,516</b>
<b>ANNUAL SURPLUS</b>	<b>\$2,393,107</b>	<b>\$1,375,773</b>	<b>-</b>	<b>\$(95,726)</b>	<b>\$9,110,566</b>	<b>\$5,758,200</b>

# The Corporation of the City of Courtenay

## Consolidated Schedule Of Accumulated Surplus & Reserves - Schedule 2 Year ended December 31, 2018 (Unaudited)

	2018	2017
<b>Surplus</b>		
Invested in Tangible Capital Assets	\$134,420,023	\$126,707,678
General Operating Fund	4,988,603	4,298,104
General Capital Fund	1,668,467	1,724,304
Water Utility Operating Fund	2,203,829	1,334,835
Water Utility Capital Fund	108,869	108,869
Sewer Utility Operating Fund	1,872,420	1,220,160
Sewer Utility Capital Fund	21,706	21,706
Sid Williams Theatre Society Surplus	-	306,861
Gaming Fund	1,808,181	1,706,495
<b>Total Surplus</b>	<b>147,092,098</b>	<b>137,429,012</b>
<b>Reserves</b>		
General Fund Reserves:		
Machinery and Equipment	1,211,171	1,551,970
Land Sale	152,615	150,621
New Works and Equipment	3,677,792	3,412,220
New Works - Community Gas Tax Funds (Note 5)	1,954,704	3,517,375
General Asset Management Reserve	662,966	654,306
Risk Reserve	102,329	100,992
Public Parking	53,746	48,805
Parkland Acquisition	271,696	210,250
Police Contingency Reserve	560,183	417,602
Assessment Appeal	50,700	50,038
Housing Amenity	669,455	492,421
Tree Reserve	5,754	4,538
Amenity	554,832	299,581
	9,927,943	10,910,719
Water Utility Reserves:		
Water Utility	1,610,751	1,557,915
Water Asset Management Reserve	932,673	1,298,207
Machinery and Equipment	318,612	284,643
	2,862,036	3,140,765
Sewer Utility Reserves:		
Sewer Utility	505,566	488,983
Sewer Asset Management Reserve	2,771,793	2,437,517
Machinery and Equipment	791,382	706,527
	4,068,741	3,633,027
<b>Total Reserves</b>	<b>16,858,720</b>	<b>17,684,511</b>
<b>ACCUMULATED SURPLUS (Statement A)</b>	<b>\$163,950,818</b>	<b>\$155,113,523</b>

# The Corporation of the City of Courtenay

## Consolidated Schedule of Tangible Capital Assets - Schedule 3 For the year ended December 31, 2018 (Audited)

COST	Land		Land Improvements		Equipment/ Furniture/ Vehicles		Engineering Structures			Other Tangible Capital Assets		Total	2017
	Land	Improvements	Buildings	Buildings/ Vehicles	Roads	Water	Sewer	Other Capital Assets	2017				
Opening Balance	-	177,147	309,796	151,830	534,349	133,061	284,462	24,240	28,242	\$1,358,665	1,359,289		
Construction-in-progress (CIP)	-	-	211,077	3,154,486	1,357,230	284,462	109,549	-	-	5,116,804	733,478		
Add: Construction-in-progress	-	(116,736)	(27,303)	(133,737)	-	-	-	-	-	(277,776)	(543,849)		
Less: Transfers into Service	-	-	-	-	-	-	-	-	-	-	(190,253)		
Less: Writedowns & Reallocations	-	-	-	-	-	-	-	-	-	-	-		
Closing Balance	-	60,411	493,570	18,093	3,688,835	1,490,291	284,462	133,789	28,242	6,197,693	1,358,665		
Construction-in-progress	-	-	-	-	-	-	-	-	-	-	-		
Opening Balance	22,019,647	6,683,709	30,825,298	17,655,958	93,060,236	20,877,437	10,898,201	22,048,762	1,092,975	225,162,223	216,779,169		
Tangible Capital Assets	-	-	-	-	-	-	-	-	-	-	-		
Add: Opening Adjustment	836,500	503,777	831,678	1,351,921	1,873,938	900,803	789,888	938,927	-	8,027,432	9,811,551		
Add: Additions (including Transfers into Service)	(827,018)	(16,700)	(30,700)	(402,603)	(310,371)	(7,650)	(1,704)	(1,008)	-	(1,597,754)	(1,428,495)		
Less: Disposals	22,029,129	7,231,197	32,119,846	18,623,369	98,312,638	23,260,881	11,970,847	23,120,470	1,121,217	237,789,594	226,520,890		
Closing Balance	-	-	-	-	-	-	-	-	-	-	-		
Capital Assets and CIP	-	-	-	-	-	-	-	-	-	-	-		
<b>ACCUMULATED AMORTIZATION</b>													
Opening Balance	-	2,827,228	11,218,340	10,519,187	44,886,319	6,760,327	1,884,532	8,186,831	678,685	86,961,449	82,896,245		
Add: Writedown	-	-	-	-	-	-	-	-	-	-	-		
Add: Amortization	-	252,490	781,037	827,709	2,365,067	395,170	209,085	516,870	103,451	5,450,879	5,183,920		
Less: Accum Amortization on Disposals	-	(16,700)	(29,210)	(332,208)	(115,884)	(5,065)	(1,136)	(672)	-	(500,874)	(1,118,716)		
Closing Balance	-	3,063,018	11,970,167	11,014,688	47,135,502	7,150,432	2,092,481	8,703,029	782,136	91,911,454	86,961,449		
<b>Net Book Value for year ended December 31, 2018</b>	<b>\$22,029,129</b>	<b>\$4,168,179</b>	<b>\$20,149,679</b>	<b>\$7,608,681</b>	<b>\$51,177,136</b>	<b>\$16,110,449</b>	<b>\$9,878,366</b>	<b>\$14,417,441</b>	<b>\$339,081</b>	<b>\$145,878,140</b>	<b>\$139,559,441</b>		



# The Corporation of the City of Courtenay

## Consolidated Schedule of Debenture and Other Long-Term Debt - Schedule 4 Year ended December 31, 2018 (Audited)

Bylaw Number	Maturity Date	Interest Rate	Principal Outstanding Dec 31/17	Current Year Borrowing	Actuarial Adjustment/ Princ. Reduct.	Principal Outstanding Dec 31/18	
<b>General Capital Fund</b>							
Debenture Debt							
2171	Library	2021	3.05	711,341	-	165,040	546,301
2266	Infrastructure Works - MFA	2018	4.78	35,096	-	35,096	-
2266	Fifth Street Bridge	2023	5.15	215,704	-	32,520	183,184
2304	Lerwick Road Ext. Prop Acquisition	2029	4.86	628,869	-	39,509	589,360
2227	City Hall Retaining Wall	2020	5.00	39,935	-	12,793	27,142
2354	Repaving Program	2025	5.75	230,567	-	26,346	204,221
2355	Lerwick Road Extension	2030	5.75	447,441	-	26,911	420,530
2356	City Hall Renovation	2020	5.50	212,155	-	67,963	144,192
2425	Lerwick Road Construction	2026	4.66	393,915	-	37,222	356,693
2453	Police Property Acquisition	2026	4.43	782,086	-	73,901	708,185
2458	Public Works Maintenance Building	2022	4.52	630,633	-	116,432	514,201
2539	Capital Infrastructure Work	2023	4.13	1,700,469	-	215,296	1,485,173
2538	Native Sons Hall Renovation	2025	4.50	363,330	-	39,431	323,899
2680	Lewis Centre Renovation	2027	2.90	3,063,912	-	255,196	2,808,716
2681	Infrastructure Works - Road Paving	2027	2.90	1,138,025	-	94,788	1,043,237
TOTAL GENERAL CAPITAL FUND				10,593,478	-	1,238,444	9,355,034
<b>Water Capital Fund</b>							
Debenture Debt							
2424	Water Extension - Lerwick Road	2026	4.66	328,262	-	31,017	297,244
TOTAL WATER CAPITAL FUND				328,262	-	31,017	297,244
<b>Sewer Capital Fund</b>							
Debenture Debt							
2305	Sewer Extension	2029	4.86	471,653	-	29,633	442,020
2353	Sewer Extension	2030	5.00	1,259,225	-	75,734	1,183,491
2423	Sewer Extension - Lerwick Road	2026	4.66	199,146	-	18,818	180,328
TOTAL SEWER CAPITAL FUND				1,930,026	-	124,185	1,805,839
<b>TOTAL ALL CAPITAL FUNDS</b>				<b>12,851,766</b>	<b>-</b>	<b>1,393,646</b>	<b>11,458,117</b>

# The Corporation of the City of Courtenay

## Consolidated Schedule Of Investments - Schedule 5

For the year ended December 31, 2018 (Audited)

	2018	2017
<b>GENERAL OPERATING FUND</b> - Cash on hand	\$18,289,239	\$9,671,192
<b>GAMING FUND</b> - Cash on Hand	2,084,320	1,986,037
<b>SID WILLIAMS THEATRE SOCIETY</b> - Cash on hand	-	519,465
<b>Total Cash on Hand and on Deposit</b>	<b>\$20,373,559</b>	<b>\$12,176,694</b>
<b>GENERAL OPERATING FUND TERM DEPOSITS</b>		
Municipal Finance Authority, Money Market Fund at fluctuating rate, no maturity date	17,240	16,945
Raymond James, various guaranteed investment certificates	-	7,624,910
The Bank of Nova Scotia, various guaranteed investment certificates	20,467,299	6,273,400
Coast Capital Credit Union, various guaranteed investment certificates	7,724,567	17,572,324
<b>Total Term Deposits</b>	<b>28,209,106</b>	<b>31,487,579</b>
<b>TOTAL CASH AND INVESTMENTS (Statement A)</b>	<b>\$48,582,665</b>	<b>\$43,664,273</b>





CITY OF  
**COURTENAY**

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