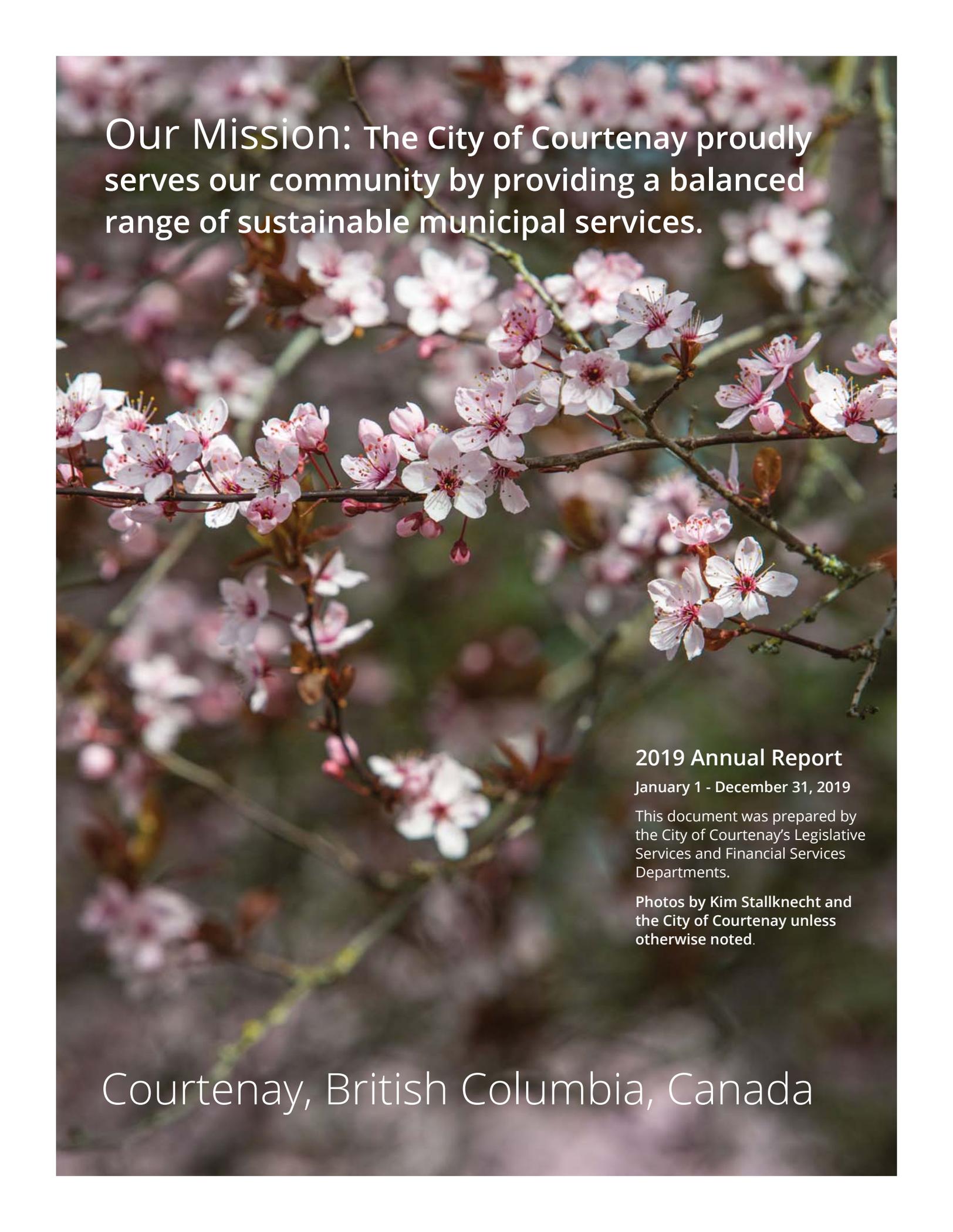


2019 ANNUAL REPORT



CITY OF
COURTENAY



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

2019 Annual Report

January 1 - December 31, 2019

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.

Courtenay, British Columbia, Canada



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Message from the Mayor

It is somewhat surreal looking at the pages of this Annual Report. With all of the changes to our lives we are experiencing as a result of the COVID-19 pandemic, 2019 feels like a very long time ago.

Council met with senior staff in November 2019 to review and update our Council's strategic priorities. Of course at the time we had no way of knowing that this global public health crisis was approaching – and how severely it would affect our own operations and plans.

By this time next year, we will have a better understanding of how COVID-19 has affected our organization's 2020 budget.

In the meantime, our staff is focused on maintaining the essential services our citizens rely on, as well as finding ways to reopen as many services as possible under the circumstances, under new health and safety protocols.

It may be too soon to call it nostalgia, but there is certainly a sense of achievement when reviewing the progress made last year at the City of Courtenay – the first full calendar year of our Council term.

Several important community planning documents were adopted by Council last year which will guide projects and decisions for years to come.

The Connecting Courtenay: Transportation Master Plan, including a Cycling Network Plan, outlines short, medium, and long term priorities for future transportation improvements. This was one of the most comprehensive consultation efforts the City has ever completed, through open houses, stakeholder meetings, surveys, and outreach in the

community. Thank you to everyone that contributed feedback towards this important document. We are already seeing positive results from this work: the funding the City received from BikeBC for the Fitzgerald Corridor Cycling Expansion project last year was a direct result of this plan.

Other major city-wide planning projects completed in 2019 were the Parks and Recreation Master Plan and the new Urban Forest Strategy.

Each of these individual plans represents significant, multi-year efforts by staff, and contributions from the community at large. Collectively, they represent a massive achievement.

All of these documents will help inform the update of Courtenay's Official Community Plan (OCP). An OCP is the most important, overarching planning document for any community. This OCP update process began in fall 2019, with a goal of adopting the new plan in 2021. While public consultation plans and timelines have been affected by the pandemic, staff are working hard on adapting this consultation process to ensure progress can continue, following current public health guidelines.

2019 also saw major progress on housing for low income or vulnerable members of our community. The Braidwood Affordable Housing Project represented efforts on behalf of Comox Valley local governments for over a decade, culminating in \$4.6 million in capital funding from the Province of BC to make this 35-unit affordable housing project a reality. The Junction Supportive Housing Project on 8th Street, by contrast, took less than a year from concept to completion, under the Province of



BC's Rapid Response to Homelessness initiative. The John Howard Society North Island is providing each of the residents at this 46-unit facility with the individualized supports they may need to thrive.

The City of Courtenay will continue to look for ways to identify and support opportunities for lower-cost housing, as well as advocate for senior government housing support in our community.

As we continue adapting to our "new normal", I want to highlight how proud I am of how our community has come together during this unprecedented public health emergency, under the steady and careful guidance of provincial health officials. I encourage each and every one of you to stay kind, and continue doing your part to protect yourself, your loved ones, and our community from COVID-19.

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 encouraged to view and participate in the Council meeting process. The COVID-19 coronavirus emergency in 2020 has resulted in temporary changes to in-person participation in Council meetings.

Please visit courtenay.ca/councilmeetings for the latest information, including a link to the Council meeting live stream.

Council Meetings are generally held on the first and third Mondays of each month, and Strategic Planning/Committee of the Whole meetings occur on the last Monday of the month. For more information on City Council, including meeting agendas, minutes, and video, and appearing as a Council delegation, go to courtenay.ca/council

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Message from the Chief Administrative Officer

2019 was an extremely busy year for the team at the City of Courtenay. Our City Council was elected in late 2018 and hit the ground running, moving swiftly to identify and make progress on a number of their strategic priorities.

Local governments play a huge role in the day to day services our communities enjoy. Water, sanitary services, roads, parks, arts and culture, recreation – it's safe to say that many of the things that directly affect our residents' lives are the responsibility of the City of Courtenay.

It's a responsibility our Council and staff take very seriously. COVID-19 has added an additional layer of complexity to our operations, a situation we know is shared by our residents and businesses as we collectively face these uncertain future impacts on our budgets, local economies, and services.

Regardless of external challenges – even during a global pandemic – we must continue making progress on the countless challenges and opportunities facing communities like ours.

Particularly in the face of continuing development growth in Courtenay, the City must manage the connection between land use planning, climate change, and sustainable service delivery; maintaining our built and natural assets to achieve their longest possible lifespan at the lowest long-term costs.

As a reflection of the importance of this responsibility, the City of Courtenay has become one of the first municipalities in Canada, and the very first in BC, to adopt an asset

management bylaw that commits to the consideration of the full life cycle costs of a project prior to making decisions on their renewal, upgrade, and acquisition. The City's decisions today will have impacts that last for decades, and it is our duty to ensure that they are made in the best interests of both current and future residents.

These decisions are guided by our community plans, including the City of Courtenay's new master plans for transportation, cycling, and parks and recreation, the new Urban Forest Strategy, and the ongoing update of our Official Community Plan.

As our community grows, we also remain focused on health and safety, both through our direct City protective services such as our fire department and bylaw enforcement, as well as our policing contract with the RCMP. At the same time the City is taking on an increasing role in affordable and supportive housing and other supports for vulnerable populations, including those experiencing homelessness.

In short, a great deal of time and effort goes into making sure the City makes the right decisions, with the best information available at the time. And while this annual report highlights many of our projects and services, there were countless other initiatives, legislative requirements, and unexpected 'zingers' keeping us busy throughout the year. Thank you for reading this report and getting a taste of our operations.



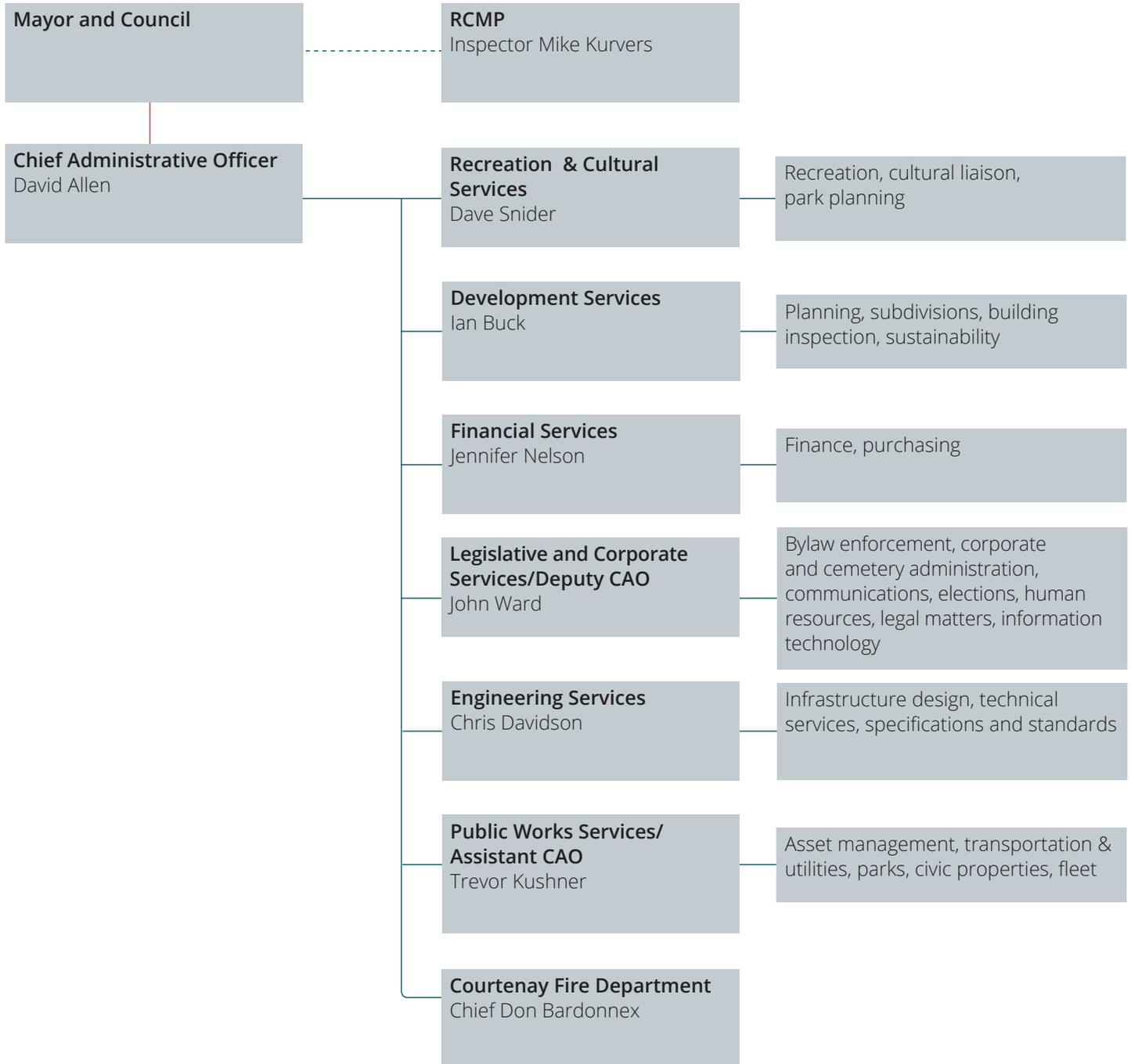
This will be my final message for the City of Courtenay's annual reports, as I approach retirement in September 2020.

It has been an honour to serve this community over the last seven years, in particular working with so many talented, dedicated, and caring staff at the City of Courtenay. I also appreciated the opportunity to support our Council, each of whom contributes their time, energy, and vision towards making Courtenay a better place. This is a truly amazing city, and I know I am leaving this organization in excellent hands as our Council and staff carry it forward into the future.

David Allen
Chief Administrative Officer

Organizational Chart

As of December 31, 2019



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



Managing our Assets

4,600
street &
park trees

36 km
trails paved &
unpaved

40.8
hectares
(100+ acres)
mowed grass

145
park benches

25
playgrounds

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



165 km
roads

some with multiple lanes:

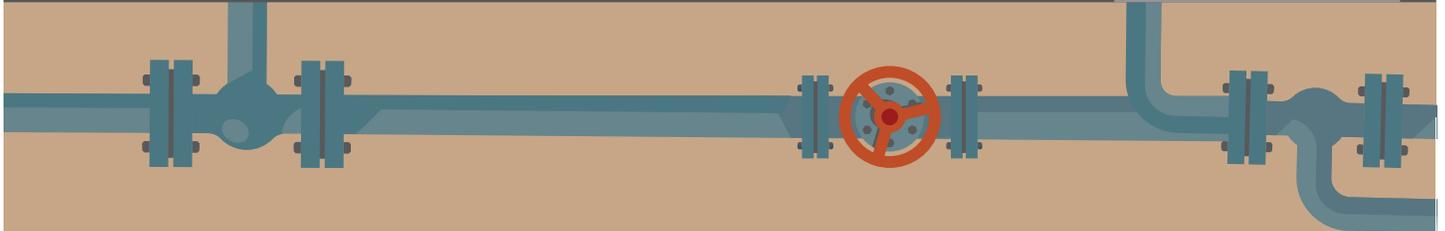
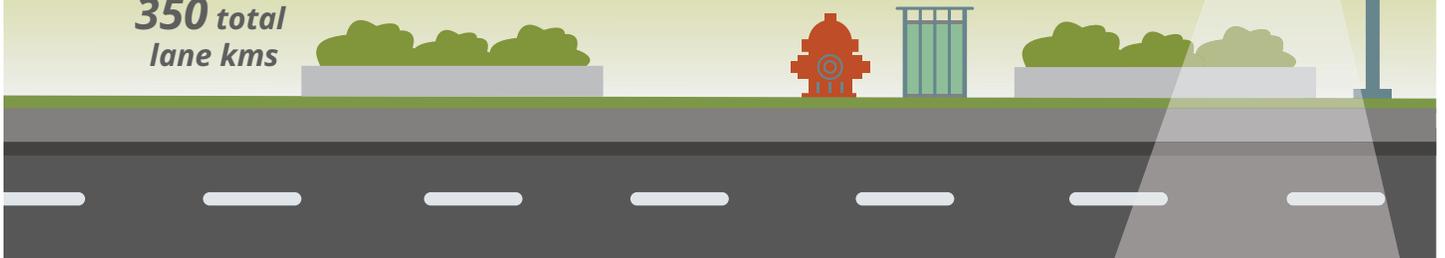
350 total
lane kms

170 km
sidewalks

791
fire hydrants

128
litter baskets

1,474
street lights



163.1 km
Sanitary Sewer Main

- Approximately 8,392 connections
(estimate based on water)
- 11 Sanitary Lift stations
- 20 pumps

172.9 km
Water Main

- 8,392 connections, 1,964 valves
- 2,385 water meter setters
- One booster station with five pumps
- Seven pressure reducing valves

165.3 km
Storm Main

- 7,550 connections (estimate)
- 4,194 catch basins

We focus on organizational and governance excellence

Preparations for New Recreation Software and Online Registration

Courtenay Recreation staff began planning in 2019 to move to new software in 2020. This move included one major and long-awaited new feature: online registration.

Online registration is a key component of the upgrade as it gives patrons more flexibility and convenience. It also helps alleviate line-ups on registration days.

The upcoming software transition was carefully planned and staff were not only trained on software use but were consulted also for feedback on improvements as the system was being set up.

New Account Creation

In order to be ready for this large software transition, Courtenay Recreation asked patrons to set up their online accounts in the new system starting in December 2019.

A video tutorial demonstrated how to set up an account, and a computer kiosk was stationed at the Lewis Centre for public use. Staff were also on hand to assist those who needed help creating an online account.

In total 3,763 new accounts were created prior to implementation of the software in March 2020.

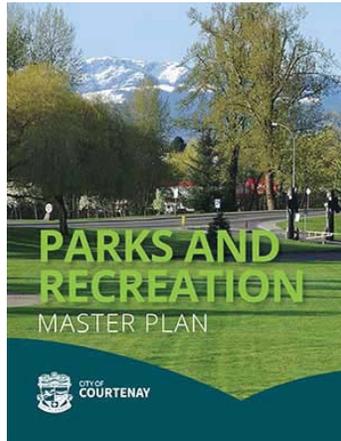




New Parks and Recreation Master Plan

The development of the Parks and Recreation master plan was a multi-year process that began in 2016 and continued until final adoption by Council in the fall of 2019. This was the first major parks and recreation plan update in over 20 years.

This master plan will inform planning and decision-making for our community's parks, trails, recreation facilities and programs for years to come.



- The compiled information was presented to the public through focus groups, an online survey and public open houses. The results of the analysis and community feedback were tabulated over the winter of 2017/2018, analysed and informed the draft plan.
- A draft plan was released in December of 2018 for public feedback.
- At the April 29, 2019 council meeting, Council reviewed the public feedback received and directed staff to include the requested changes within the master plan text. Staff incorporated the changes into the master plan and presented to Council for final adoption.

The Parks and Recreation master plan is an aspirational document. Some recommendations are for definitive action such as the construction of trail where gaps exist.

Other recommendations are less concrete, calling for further study, community consultation on issues or operational considerations moving forward.

A separate implementation plan anticipated for late 2020 will show the cost implications of key recommendations.

Project Timeline:

- In 2016 Urban Systems was engaged to develop the master plan.
- Park assets were inventoried and mapped. Thousands of data points were collected along with the condition of trails, parks, furnishings, buildings, sports fields, and playgrounds. This work was then used as a foundation for the next phases.
- The condition of each asset was assessed with a rating based on the National Asset Management Strategy (NAMS) methodology.
- The analysis phase included the identification of trail gaps, the quantity of parks in various classifications, as well as recreation programs and services.

The Master Plan informs the following processes:

- Capital planning and the Asset Management Working Group
- Parks and recreation staff decision making
- The preparation of the Official Community Plan
- Overlapping issues in other strategic documents



FireFit

The Courtenay Fire Department hosted the Pacific Regional FireFit Championships in May 2019. FireFit is a fast-paced competition based on firefighting tasks performed in emergency situations.

The event brought competitors from Whitehorse, Fort MacMurray, Edmonton, Delta, Everett in Washington State and many BC communities. The Comox Valley was represented by firefighters from Hornby Island, Oyster River, Cumberland and Courtenay.

The Courtenay Fire Department had 23 competitors in multiple categories. Courtenay firefighters took medals in all race categories.

Photos: Ajinkya Anil Chodankar



Courtenay Fire Department

Training

The Courtenay Fire Department Training Division provides quality instruction to both career and volunteer members using both contract and in-house instructors. In 2019, volunteer fire fighters documented over 4,500 training hours.

This training includes regular Tuesday night skills maintenance training, recruit training, Fire Officer training as well as continuing education for the Fire Prevention team, Emergency Vehicle Technician and administrative staff.

Firefighters were also focused on achieving industry certifications, including NFPA 1001, Firefighter 2, and Pro Board Seal certification. All Courtenay Volunteer firefighters will have successfully completed the NFPA 1001 level 2 certification program by fall 2020.

Joint training with mutual aid partners provided valuable opportunities for coordination and collaboration. Over 30 members attended various training exercises, including Fire Officer I & II, Swift Water Operations, Fire Service Instructor, Incident Safety Officer, and Hazardous Material Operations.

The training division also spent significant time refining two in-house training programs; NFPA 1041 Live Fire and Fire Fighter Awareness and Rescue Techniques. Both programs were delivered to new recruits in December.

Chief Officers, Fire Prevention and EVT Staff participated in a number of training initiatives, including conference attendance, Fire Service Leadership training, Emergency Preparedness training, Budget Management training and the City of Courtenay Health and Wellness Program.



Fire Prevention and Safety Programs

Full time staff conducted 1,608 fire inspections in the City of Courtenay and fire protection districts in 2019, most of which were found to be free of any major fire code or life safety violations.

The Courtenay Volunteer Fire Department was pleased with efforts made by local business to stay fire safe.

Both active and retired fire fighters participate in fire prevention public education, including:

- Fire Safety House
- Party Program - teaching high school students the dangers of driving while intoxicated
- Fire extinguisher training
- Mini fire boot camp
- Fire hall tours
- Car seat inspections
- Residential smoke alarm inspections

2019 Fire Department By the Numbers



6
full time
6 in 2018

46
paid-on-call
47 in 2018

10
recruits
14 in 2018

566
emergency calls
570 in 2018



240
duty calls
250 in 2018



We proactively invest in our natural and built environment

Asset Management Bylaw



Municipal asset management – the maintenance of infrastructure large and small, including roads, utilities, and facilities – is one of a local government’s most significant responsibilities. To recognize the central role of asset management in its operations, the City of Courtenay has become one of the first municipalities in Canada, and the very first in B.C., to enshrine its asset management program in a formal bylaw.

A number of Canadian jurisdictions have adopted plans and policies on asset management. The City of Courtenay previously adopted an asset management policy in 2015.

The bylaw takes the policy one step further, and formally stipulates that decisions on the renewal, upgrade, and acquisition of the City’s assets must consider the full cost throughout the expected lifespan of the asset. As infrastructure ages, maintenance costs typically increase. And failure to maintain assets can dramatically shorten their lifespans, potentially resulting in the need for costly upgrades.

The goal of asset management is achieving “sustainable service delivery”: ensuring that current community services are delivered in a socially, economically, and environmentally

responsible manner that does not compromise the ability of future generations to meet their own needs.

Senior government grants are increasingly focused on communities with sound asset management practices. In Courtenay, this has already helped achieve a \$1.01 million federal Gas Tax annual grant, \$3.253 for the 5th Street Complete Street project constructed in 2018, and \$1.965 million for the 5th Street Bridge renewal, planned for 2021.

Courtenay Participates in the Municipal Asset Initiative

Courtenay has also been selected to participate in a national pilot project that will help strengthen the City’s resilience to the effects of climate change through the Municipal Natural Asset Initiative (MNAI). Courtenay is using the pilot to develop an action plan for flood mitigation in the downtown core through a combination of natural assets and the built environment. Courtenay is also participating in a regional MNAI initiative with other Comox Valley local governments and the K’ómoks First Nation to help value natural assets in the Comox Lake watershed which provides safe, reliable drinking water, and environmental, cultural and economic benefits to the valley.



Preparing for Fifth Street Bridge Rehabilitation

The City of Courtenay is planning to rehabilitate the Fifth Street Bridge in 2021.

Originally constructed in 1960, the Fifth Street Bridge is an important piece of infrastructure spanning the Courtenay River. Although the bridge has had regular maintenance over the past decades, as with any major asset, periodic major maintenance and repairs are required throughout its lifespan.

As part of the necessary planning for traffic management during construction, public and stakeholder engagement occurred in the fall of 2019.

Public engagement included a drop-in open house and an online survey. Public input and technical analysis will inform the traffic management plan and construction methodology recommended to Courtenay City Council in 2020.

The rehabilitation work will include a new bridge deck, repairing structural steel deck beams, new hand rails, removing the lead paint and rust, recoating the steel structure, and new road markings. The new bridge coating will protect the bridge from rust and corrosion as well as improve its appearance.

Construction is expected to begin in spring 2021, and continue for approximately six months. The construction schedule will be informed by seasonal weather, regulatory requirements, and minimizing impacts to the public.

The governments of Canada and British Columbia are providing a combined \$1,964,932 in funding for the project through the Small Communities Fund. The total project cost is estimated at \$6.3 million.

Fifth Street Bridge facts:

- The bridge's condition is reassessed annually during inspections and maintenance
- The last major rehabilitation work was completed in 2012, with seismic upgrades and the application of a corrosion-resistant coating to the underside of the bridge. Areas of damaged concrete were replaced along with other bridge deck maintenance and sealing.
- There are an estimated 20,000 vehicle, 650 pedestrian, and 500 cyclist trips across the bridge daily.

Learn more:

Proactive communications will be an essential part of this project to ensure timely information is conveyed to the travelling public, business community, and residents living in, or travelling through, the area. Stay informed on the project webpage www.courtenay.ca/fifthstreetbridge

Water Smart Action Plan

In 2017, the City was awarded a \$10,000 matching Infrastructure Planning Grant from the former Ministry of Community, Sport and Cultural Development for the development of a Water Smart Action Plan for Courtenay. In 2019, the contract for this work was awarded to Water Street Engineering Ltd. The goal of the plan follows the CVRD Water Efficiency Plan, reducing non-agricultural per-capita consumption by 50% by 2050 from 2008 consumption levels.

The consultant worked with City of Courtenay Public Works staff to review the water distribution system, water usage patterns and existing operational programs. The final plan includes an analysis of current/historic water use, forecasted water use, and a summary of water conservation programs needed to meet the water consumption reduction targets and to reduce peak summer demand.

The Water Smart Action Plan is a conservation document that will provide framework and guidance to the Asset Management Working Group and Public Works Utilities Managers in developing Capital and Operational projects.

Sandwich Water Upgrades

The City of Courtenay and the Comox Valley Regional District (CVRD) worked together on transitioning an entire neighbourhood in north Courtenay to the Comox Valley water system. The former Sandwich Water Works District (SWWD) delivered potable water to the area 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 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.

The 2019 project costs were \$1,691,778, which came in under budget. This included upgrades to multiple water mains, residential water services and the installation of 3 new Pressure Reducing Valves. The project covered multiple sites spread across the former SWWD. As with any project without a centralized work site, logistics and planning were paramount to the success of the project. Substantial Completion was awarded on October 1, 2019.

Water Leak Detection

Proactive water leak detection in the water system helps reduce unnecessary water loss and prevents damage to public or private property.

As recommended in the Water Smart Action Plan, the City hired a contractor in 2019 to perform annual leak detection surveys in Courtenay over the next three years.

Specialized leak detection equipment such as loggers and ground microphones scan for leaks on city water mains, fire hydrants, valves, and service connections.

Suspected leaks identified in the preliminary leak survey in 2019 were located or disqualified. No substantial leaks were identified.

Beachwood Booster Station Upgrades

Booster stations help pump water through the City's water mains by increasing water pressure at points where the water flow decreases, usually due to elevation or distance.

The City hired Urban Systems to design and oversee mechanical upgrades at the Beachwood Booster Station in south Courtenay near "The Ridge" subdivision.

The work included installation of a new pressure reducing valve and recirculation line. A new programmable controller is connected to the City's remote monitoring (Supervisory Control and Data Acquisition, or SCADA) system, allowing crews to monitor and operate this equipment remotely, almost entirely eliminating the need for site visits.

City staff completed hydrant flow tests at three elevations (low, mid and high) at The Ridge to evaluate flow rates and pressure fluctuations following the upgrade to the Beachwood Booster Station's programming and equipment.



Safer Winter Roads

Courtenay has a new liquid de-icer, or brine system, working along the city's existing fleet of salting and sanding trucks on snow and ice control in the city.

The brine system means crews are able to pre-salt arterial routes more efficiently based on weather forecasts.

The liquid de-icer lowers long-term costs as well, reducing the amount of salt needed for ice control. This is because the brine stays within the road lanes where it is sprayed, compared to rock crystals which can bounce off the road. This means less salt entering our environment.

The liquid is a mixture of rock salt (sodium chloride) and water, and is prepared at the Public Works Yard. Research shows that brine solutions use on average 20 to 30 percent less salt over conventional rock salt. It's also 30 to 40 percent more effective.



Martin Park Court Resurfacing

A newly upgraded playing surface at Martin Park at 20th Street and Choquette Road includes lacrosse lines as well as six pickleball courts.

In addition to fresh paint, the work has smoothed the previously bumpy court surface, greatly improving the play experience for all users.

City staff worked with various sports groups that use the facility to accommodate their respective needs.

Smoke Testing

The City of Courtenay conducts annual "smoke" testing in the sanitary sewer system. Smoke testing is a commonly used method to evaluate sewer systems and identify or locate cross connections between sanitary and storm sewers.

The testing is performed by blowing a harmless vapour into a sewer. The "smoke" is not a real smoke, but rather a mist containing a large percentage of moisture that is highly visible at low concentrations.

The smoke is expected to exit from manholes, the sewer stack at the top of a house, catch basins and downspouts. A cross connection is identified when smoke exits from storm catch basins and storm manholes. These cross connections are prioritized for repair to prevent potential releases into the environment.

In 2019, the City of Courtenay completed smoke testing across a wide range of established and new residential and commercial areas in South Courtenay, extending from Mansfield Drive to The Ridge subdivision.

While the testing fortunately showed there were no cross connections in this area, 14 sources of rainwater entering the sanitary sewer system were identified on private property. The City worked with property owners to address these issues.

New Urban Forest Strategy, Tree Canopy Targets

For the first time in Courtenay's history, an Urban Forest Strategy is now in place to guide tree management across the City for years to come. The strategy was adopted by Courtenay City Council in July.

The strategy is a planning tool that identifies opportunities and challenges for trees and forest stands on public and private land. The document includes voices and photos from the community, and illustrative statistics about Courtenay's trees and forests.

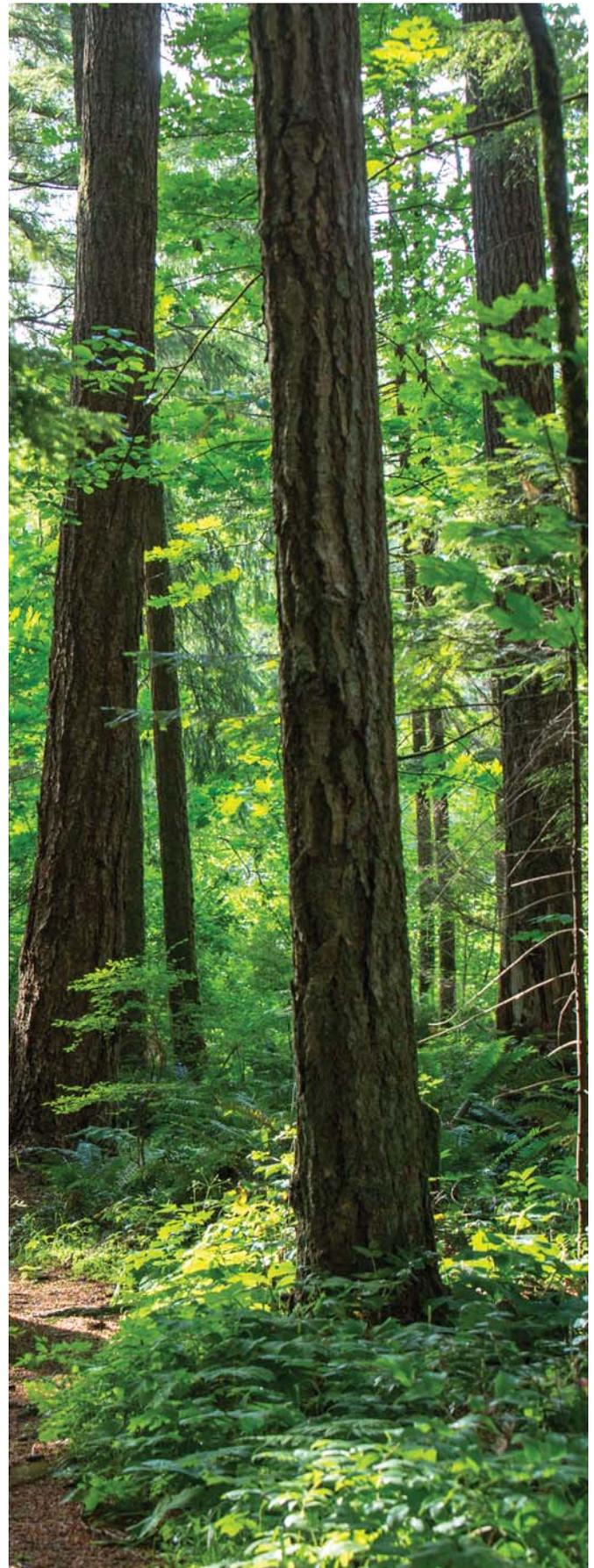
Trees and forests are a big part of what makes Courtenay a vibrant and desirable place to live. Forests grace our City with scenic natural beauty, clean water and air, and wildlife, and provides places for people to recreate, cool off, and connect with nature. Our urban forest is the living, life-sustaining part of our human habitat and we plan to continue being a community with extensive parklands, natural areas, and agricultural lands.

A canopy cover target of 34-40% by 2050 has been enshrined in the adopted plan - an increase over Courtenay's current canopy cover of 33%. Tree canopy cover is a common metric used to describe the extent of a community's urban forest measuring tree leaves, branches and stems that cover the ground when viewed from above. The urban forest includes planted trees and natural forests growing across all land uses. Courtenay's canopy has been decreasing over time, with accelerating loss in the past four years as our community has grown.

The urban forest is unique among community assets because it is living infrastructure in both the public and private realm that the community can directly help grow, steward and protect. Because the City has limited land on which to plant trees, the success of the Urban Forest Strategy will depend on how well individuals take initiative and responsibility to play a vital part. For example, the plan contains planting targets for both private and public land in order to support the higher canopy target. On private land a target of 850 trees per year is recommended until 2040, and 300 for public land.

The plan also contains recommendations for numerous supportive actions for different audiences including the City, land developers, nurseries, arborists, stewardship organizations, and the general public. The City will focus on public tree care practices and will be developing partnerships and education strategies as part of the implementation.

See the Urban Forest Strategy: www.courtenay.ca/urbanforest



Caring for our Trees

With approximately 40 kilometers of trails, 152 hectares of parks, 106 hectares of greenspace buffers, and 2,500 inventoried street trees, City arborists spend a lot of time inspecting trees in public spaces to identify those at greatest risk of failure that could potentially be hazardous to people or cause property damage.

This work typically involves many kilometers of walking. Arborists have begun travelling by bicycle to cover significantly more area in a given day, improving the overall efficiency and effectiveness of this work.

Early detection of tree issues allows our arborists to find ways to reduce risks through techniques such as corrective structural pruning, creating a standing wildlife habitat, or if necessary, partial or complete tree removal. In some cases, the City may contract independent arborists to separately assess trees prior to performing tree risk mitigation work.



The City of Courtenay follows Best Management Practices for tree risk assessment set out by the International Society of Arboriculture. Eventually, all trees mature and reach the end of their safe and useful life expectancy. Our qualified staff arborists and contractors assess trees for safety risks with the primary goal of keeping park and trail users, as well as adjacent infrastructure and structures, safe.



New Playground at Hawk Glen Park

A new playground area at Hawk Glen Park in East Courtenay was completed in the summer of 2019. Courtenay Councillors officially opened the playground at a ribbon cutting event in late July.

The previous playground was over 20 years old, and had reached the end of its useful life.

The new playground features a friendship swing, belt hammock, chill spinner and panel maze as well as slides and climbing apparatus.

The new playground is a welcome addition to the neighbourhood and will be enjoyed by families for years to come.

We actively pursue vibrant economic growth

Development Application Tracker

Getting information and updates about development applications in the City of Courtenay has never been easier, thanks to the launch of a new online Development Tracker in 2019.

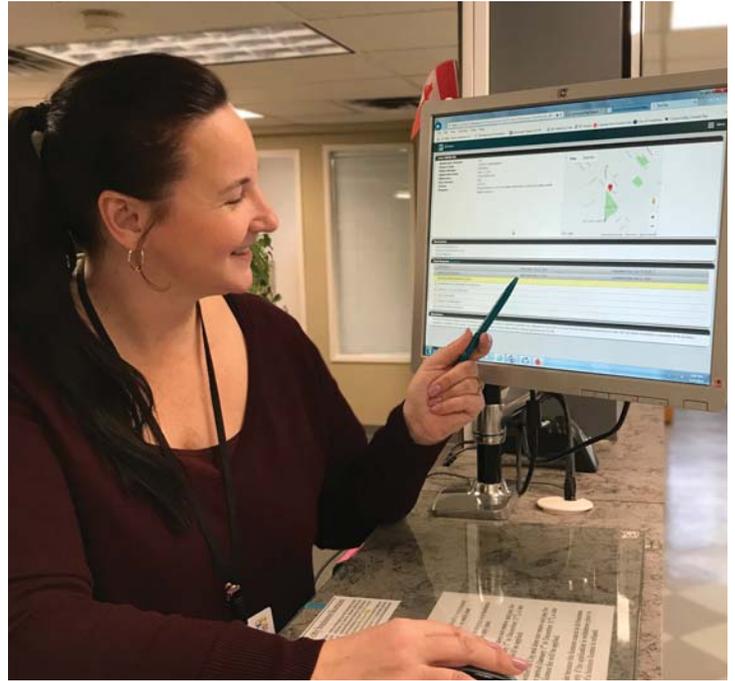
The tracker shows the application status and background documents for a variety of application types, including development permits, development variance permits, zoning bylaw amendments, official community plan amendments, and Board of Variance applications.

This tool enables the City to share development application information with the community. In the past, anyone interested in learning about development applications typically had to visit City Hall to see documents and background materials. Now it is easy to review this information from a desktop or mobile device.

The development tracker increases transparency and accessibility for developers, realtors, and any member of the public wishing to see what's happening in their neighbourhood and around the city.

The tracker includes maps, the application progress and current status, as well as any documents on file for the application, such as floor plans, landscape plans, and project descriptions.

View the tracker at www.courtenay.ca/devapptacker



2019 Courtenay Development Statistics



213 subdivision
lots approved
compared to 102 in 2018

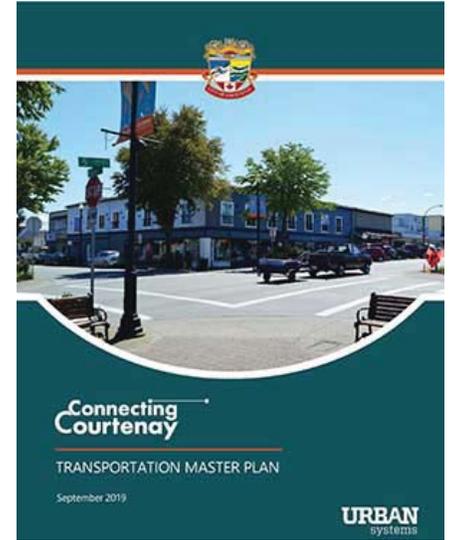


283 Building
Permits issued
compared to 305 in 2018



\$95.2 million in
total value of Building Permits
compared to 91.9 million in 2018

We value multi-modal transportation in our community



Connecting Courtenay: Transportation Master Plan

In September, City Council passed the **Connecting Courtenay: Transportation Master Plan**, guiding the development and implementation of transportation infrastructure, policies, programs, and activities in Courtenay. It looks both at long-term issues and recommends promising solutions, as well as prioritizes actions that should be implemented in the next ten years.

The development of the plan was a multi-year effort, including comprehensive data collection and technical analysis, public and stakeholder consultation, forecasting and assessment of future conditions, and development of medium and long-term plans for walking, cycling, transit, and vehicle connectivity.

The priorities identified in Connecting Courtenay will help ensure that future transportation-related services and initiatives are delivered in a socially, economically, and environmentally responsible manner while balancing the needs of the community now and into the future.

City Council also passed the **Connecting Courtenay: Cycling Network Plan**. Cycling accounts for four percent of all trips to/from work and school within Courtenay. Developing a safe and comprehensive bicycle network along with supporting education and promotional programs is an important way to encourage cycling as a viable and attractive mode of transportation.

Projects and costs presented in the Connecting Courtenay: Transportation Master Plan and the Cycling Network Plan do not represent a financial plan, and are for future consideration only. Future transportation projects and initiatives will be determined through the City of Courtenay's annual budget processes.

Learn more: www.courtenay.ca/connectingcourtenay

Road and Cycling Network Improvements

Every year, the City allocates funds towards repaving a portion of the 160 km in Courtenay roadways as part of a comprehensive Asset Management program. Streets are chosen for repaving based on a thorough condition assessment of the entire road network throughout the city.

During project planning, the City reviews current infrastructure and the condition of above-and below-ground infrastructure, in conjunction with recommendations from the City's Connecting Courtenay Transportation Master Plan and Cycling Network Plan.

- **Lake Trail Road:** Willemar Avenue to Arden Road, asphalt revitalization and shoulder improvements including new marked, buffered bike lanes
- **Cumberland Road:** Willemar Avenue to Piercy Creek Estates, asphalt revitalization and shoulder improvements including marked, buffered bike lanes
- **Piercy Avenue:** Cumberland Road to 17 Street, asphalt revitalization
- **Lerwick Road,** paving on Lerwick Road from Ryan Road to Mission Road added a second layer of asphalt, eliminating the ridges at the edge of the road along the gutter line which were a barrier for cyclists, plus marked bike lanes on Lerwick between Mission Road and Waters Place



Lake Trail Road



Lerwick Road

Intersection and Pedestrian Improvements

Courtenay completed pedestrian improvements at several intersections in Courtenay. Locations were prioritized for upgrades through School District 71's Hub for Active School Travel (HASTe) program.

Curbside extensions were installed at 4th Street and Duncan Avenue, shortening pedestrian crossings. The project included two new accessible parking spaces and sidewalk letdowns. Curbside extensions were also installed at all four corners of 6th Street and Fitzgerald Avenue.

- 1st Street at Rod & Gun Ave.
- 1st Street at Woods Ave.
- Mission Road at Queneesh School
- 4th Street at Duncan Ave.
- Fitzgerald Avenue at 6th St. (see page 25)
- Fitzgerald Avenue at 21st St.



1st Street at Woods Avenue



Fitzgerald Corridor Cycling Expansion Project

The Fitzgerald Corridor Cycling Expansion Project between 5th and 8th Streets has filled in the missing link between the protected bike lanes on 5th Street and the painted bike lanes on Fitzgerald Avenue at Cumberland Road.

Upgrades include:

- New painted bike lanes and road markings
- Signage
- New pedestrian-controlled flashing beacons across Fitzgerald Avenue at 6th Street
- New curb extensions to shorten the crossing distance for pedestrians
- Landscaping

Preparatory construction began in late August 2019, with work entering full swing in mid-September.

A second phase of the project extending the Fitzgerald bike lane from 21st to 26th Streets, as well as painted bike lanes on 19th Street, is also complete. The full Fitzgerald Corridor Cycling Expansion project provides critical connections from the City of Courtenay's downtown core to the Courtenay Riverway and Driftwood Mall, and a continuous north-south spine that forms the foundation of the cycling network on the west side of the City.

Courtenay received provincial funding for this project from the BikeBC program, a cost-sharing program that provides financial support for communities to create new cycling infrastructure and improve existing transportation networks, making local transportation safer, greener and more accessible.

We support diversity in housing and reasoned land use planning

Official Community Plan (OCP) Update

Courtenay's population is expected to grow by more than 15 percent to over 30,000 by 2031.

With this projected growth comes questions: Where will these new people live? Where will they work? How will new growth be serviced in a cost-effective and balanced way? And how can Courtenay adapt to anticipated local impacts of climate change, and minimize its carbon and environmental footprint in the process?

Courtenay's Official Community Plan (OCP) is being reviewed with these questions and many more in mind. The OCP update process began in fall 2019, with a goal for Council to consider the plan for adoption in 2021 (COVID-19 may affect project timelines).

The OCP is a tool for Council and citizens to establish a community vision and manage change in accordance with that vision. The last significant update for this document was in 2005. Council has directed that the updated OCP consider climate change mitigation and adaptation at all stages of its development.

The OCP applies to the entire municipality and is the principal policy document that Council uses to guide decisions on matters such as:

- Land use
- Growth management
- Design of the built environment
- Protection of the environment
- Climate change
- Transportation and mobility
- Economic development
- Infrastructure
- Housing needs

Learn more: www.courtenay.ca/ocpupdate



OCP Advisory Committee

To ensure this important document reflects Courtenay residents' expectations for future planning and land use management, the City sought applications from community members interested in participating in an OCP Advisory Committee, including:

- Environmental Stewardship Organizations
- Development Industry
- Business Community
- Economic Development
- Health and Social Services including Housing
- Arts and Culture
- Youth/young adult and older adult representatives

The Advisory Committee provides Council with technical input on a range of community issues, as well as guidance on long-term planning principles, policy development, ideas for partnership, and implementation strategies.

The Committee held its first meeting on November 1, 2019. Extensive public consultation began in 2020.



We invest in our key relationships

Grand Opening of The Junction Housing

In April, representatives from the Province of BC, City Council, and local support agencies attended the grand opening of The Junction a three-storey 46-unit supportive housing project at 988-8th Street.

The facility offers 24/7 support services, including meals, life and employment skills training, health and wellness support services, a commercial kitchen, shared dining area, and laundry facilities.

The City of Courtenay supported this project through the lease of this property to the BC Housing Management Commission. This lease is equivalent to nearly half a million dollars over the 25-year lease term. The facility is operated by the John Howard Society North Island.



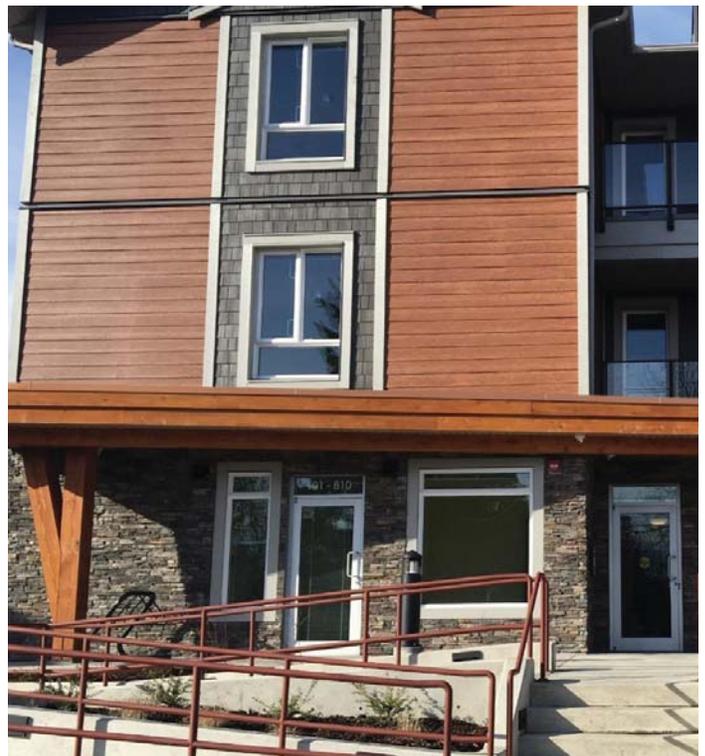
Braidwood Affordable Housing Project

The Braidwood Apartments were years in the making, involving 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 continue operating the facility as the property managers.

The completion of this project added 35 much-needed new units of affordable rental housing in a central location within walking distance to shops, services, and transit.

The project received \$4.6 million in capital funding from the Province of BC.

The City of Courtenay donated the land for the project, and offset municipal fees charges, levies and other associated costs. Additional financial support for this housing project came from the Comox Valley Regional District and Island Health. Combined, these local contributions add up to almost half a million dollars toward this project.





Share the Harvest Community Garden

Council signed a operating agreement renewal with Lush Valley in 2019 for the use of City-owned land for the Share the Harvest Community Garden. The community garden, located at 721 Grant Avenue, occupies approximately 19,400 square feet of land and is fully enclosed.

The project started out as a six-month pilot project in 2012. In 2013, Council approved the Community Garden Agreement with Dawn to Dawn Action on Homelessness Society. In 2015, the agreement was assigned to LUSH Valley Food Action Society whose organizational mandate was well-suited for this community initiative.

The Share the Harvest Community Garden provides space for members of the public to grow their own food for themselves and for their community. The primary focus of the project is to provide garden access to low-income residents and members of the community who may be experiencing food insecurity.

The garden provides a space for workshops, special events, and gardening mentorships, and strengthens partnerships with community organizations such as School District 71 Head Start Program, Brain Injury Society, VIHA Mental Health and Substance Abuse Use and the John Howard Society.

LUSH reports that the Share the Harvest Community Garden costs over \$20,000 to operate annually. This total includes coordination, some materials and supplies, while relying on donated materials and in-kind labour.



Collaboration for Kus-kus-sum

K'ómoks First Nation, the City of Courtenay, and Comox Valley Project Watershed Society continue working together on the restoration of the old Fields Sawmill property. 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.

Learn more: www.kuskussum.ca



Opioid Awareness Display, Courtenay Airpark

In May 2019, this display organized by resident Judith Conway brought awareness of the drug overdose crisis in Canada to the Comox Valley. Each piece of yarn represents a life lost to overdose.

Photo: Comox Valley Record



New “40 Houses” Interpretive Sign

In May 2019, members of the Courtenay Heritage Advisory Commission unveiled a new interpretive sign at the entrance to the Rotary Trail at 17th Street near McPhee Avenue, highlighting the history of the “40 Houses” neighbourhood.

“After the war, there was a housing shortage, not just in Courtenay, but across Canada,” said Lawrence Burns, commission member. “These houses provided a modest, affordable place to live for veterans and their families as they reestablished their lives back in Canada.”

The 40 Houses neighbourhood was completed in 1949, with rents ranging from \$30 to \$37.80 monthly. Houses were between 713 to 891 square feet.

The successful applicants were judged based on need, their length of service in Canada and overseas, as well as their marital status and number of dependents.

The 40 houses are between the E&N Rail Line, 17th Street, Lewis Avenue, and 18th Street. Similar housing developments were created across the country.

Courtenay Recreation Association (CRA) Letter of Understanding

The Courtenay Recreation Association has a long history with providing recreation services in Courtenay. While the City of Courtenay took over most recreation services from the CRA in 1996, the CRA continues to deliver some services.

Council approved a letter of understanding in 2019 which clarifies service levels and responsibilities for both parties.

An initial agreement between the CRA and the City was approved by Council in 2016. This allowed the City to include CRA activities under its existing liability coverage through the Municipal Insurance Association of BC. This agreement included transitioning Summer Camps, Parktime and Adapted Programs from the CRA to the City. The Building Friendships program and Evergreen Club programs, activities, and events remained with the CRA.

As part of the the agreement, clerical and bookkeeping services moved from the City to the CRA.

With the transition completed, the 2016 agreement needed an amendment to reflect the understanding the current responsibilities of both parties and outline the current service levels that the City provides. This amendment was provided through the 2019 letter of understanding.

This includes:

- In-kind facility space use allocation for Evergreen Club primary (main floor) and non-primary use (upper floor) in the Florence Filberg Centre
- In-kind facility space use allocation for the Building Friendship office area in the Lewis Centre
- Reception
- Limited administrative support services including graphic design services and IT support
- Continued liability insurance associate member coverage under the City’s plan

In addition, the letter of understanding outlines the cost which the City may recover from the CRA and the additional cost to the CRA should the CRA require an increased space and custodial service level over and above what has been outlined in the agreement.

Courtenay Recreation



Facility Operations

Recreation Facility Operations is responsible for ongoing maintenance and care of all facilities including the Lewis Centre, Florence Filberg Centre, The LINC Youth Centre, the Courtenay and District Memorial Outdoor Pool and various parks buildings.

Recreation facility operations also provides customer service (reception), custodial services, facility rentals and special events.

Recreation facility, sports field, and park rentals typically bring in about \$634,562 in revenues annually. Indoor rental spaces range from larger banquet rooms to small meeting rooms.

Free or low-cost special events are offered throughout the year for all ages. The goal is to offer inclusive community events with no barriers to attendance.

Special events in 2019 included Courtenay Canada Day, Simms Summer Concert Series, Family Day, Father's Day Kitefly, Halloween Party, Children's Christmas Party and the Easter Promenade.



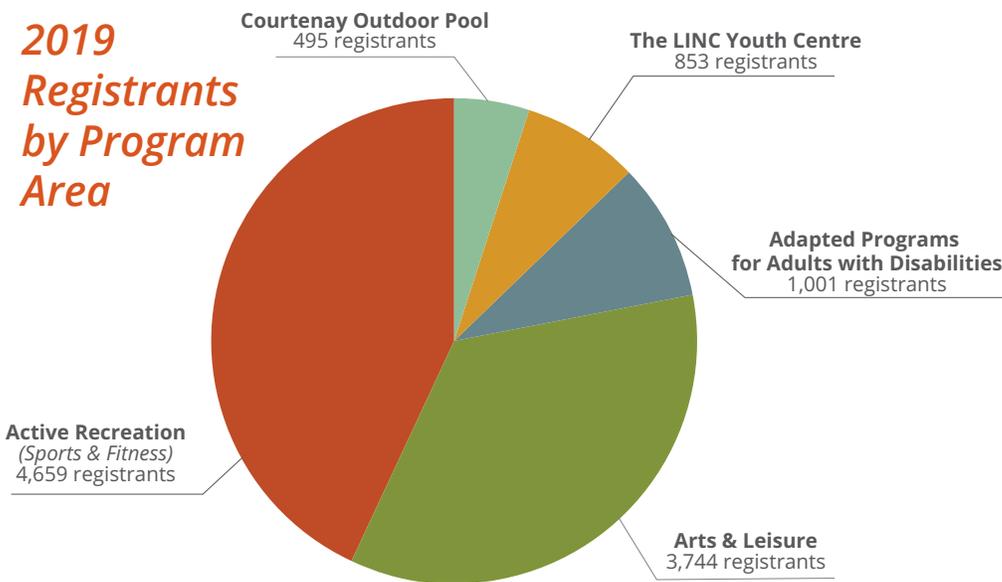
In 2019 a total of **12,476** people came to the **Courtenay and District Memorial Outdoor Pool** for open swims, aquafit and lessons.

Recreation Programming

The Recreation Programming Division is responsible for the programs that people enroll in at various facilities. Programs include:

- Arts and Leisure
- Adapted Programs for Adults
- Active Recreation (*sports and fitness*)
- Cozy Corner Preschool
- Youth Services – The LINC Youth Centre
- Recreation Access (*a program for Courtenay residents on low incomes*)
- Development of the quarterly Recreation Guide

2019 Registrants by Program Area



The LINC Youth Centre had **7,944** drop-ins and **853** registered participants in 2019.



Cozy Corner Preschool **54** enrollments in 2019 out of a total of 60 spaces.

13,365  program registrations

1,909  activities offered

56,022 Wellness Centre drop-ins





Courtenay Canada Day

Thousands come out to celebrate in Downtown Courtenay and Lewis Park

2019 Parade Winners:

Best overall Float – The Gardens on Anderton
Runner Up – Comox Military Resource Centre

Best Themed Float – Comox Valley Child Development Centre
Runner up – CV Prostate Cancer Support Group

Best Commercial Float – My Tech Guys
Runner Up – Engels & Volkers Realtors

Best Organization Float – Comox Valley Youth Music Centre
Runner Up – Comox Valley United Soccer

Honorable Mention – Brick House Betty's Roller Derby
Runner up – Comox Valley Geek Society

Best Antique Car – 19 Wing Commander – Model T
Runner Up – Red Car with Coca Cola Trailer/Diner

Best Decorated Car – North Island College
Runner Up – Metropolitan with trailer of “zoo animals”



“Never Forget #9” Plaza in Lewis Park

A new plaza at Lewis Park near Diamond One was unveiled in a special ceremony in October. This project includes the insignia “Never Forget #9”, acknowledging the tragic event in August 2017 when local father, husband, son, brother, and friend, Chris Godfrey, sustained a head injury during a slo-pitch game at Lewis Park and later lost his life.

The plaza is also a permanent reminder of safety in the sport. Helmets are now mandatory in local slo-pitch leagues. This beautification project has also improved drainage, safety and accessibility in this well-used area in Lewis Park.

The project was partially funded by the former Comox Valley Fields of Dreams Society.

Both Tayco Paving and Cumberland Ready Mix discounted their work in memory of Chris.



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

Total visits: 26,000

Participants in school tours: 1,000

Participants in all-ages make art workshops: 500

Participants in Youth Media Project youth employability program: 18

Sid Williams Theatre

Front door attendance: 46,489

Stage door attendance: 5,892

Total usage/visits: 52,318

Courtenay & District Museum

Total visits: 31,000

Participants in school tours: 8,250

Special events participants: 1,630

BC Historical Federation Conference participants: 360



Cultural Services Review

The City of Courtenay recognizes arts and culture as essential to our community's health and strength.

In 2019, the City worked with a consultant and our key cultural partners to complete a review of arts and cultural services in Courtenay. The goal of the report is to ensure these organizations can sustainably deliver these important cultural services.

The City of Courtenay's Cultural Services Report takes a close look at four key cultural organizations in Courtenay

- Comox Valley Art Gallery
- Courtenay & District Museum
- Sid Williams Theatre
- Comox Valley Community Arts Council

Highlights of the Cultural Review

- Documents the core cultural service each cultural partner provides
- Reviews the operational and financial sustainability of core cultural partners
- Reviews the City's role in cultural development
- Provides short term, medium term and ongoing strategies and recommendations for cultural services development, including marketing, business planning, and collaboration.

View the report at www.courtenay.ca/culture

Financial Reporting

2019 Financial Plan

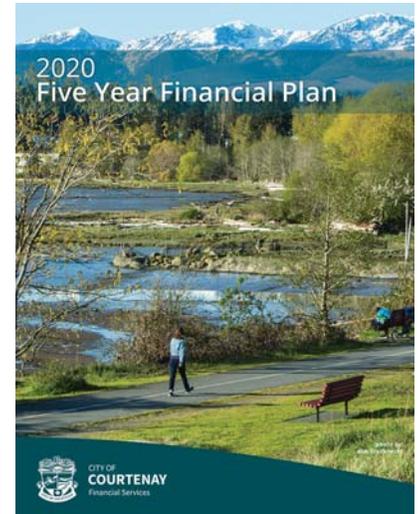
Municipalities are required by the Community Charter to adopt a balanced five year financial plan by May 15 every year.

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 through open Council budget sessions and the City website, prior to final adoption.

Courtenay's Financial Plans are posted annually at www.courtenay.ca/financialplan



Important 2020 Property Tax Dates

courtenay.ca/tax

For payment options, visit:

courtenay.ca/billpayments

** indicates COVID-19 measures*

Late May 2020

- 2020 Property Tax Notices mailed

July 2, 2020

- Tax payments due
- Provincial Home Owner Grant applications due
- Tax Deferment applications due
- Last day to avoid 10% penalty on unpaid current taxes and unclaimed grants **(Class 1, 2, 3 & 9 only in 2020)*

July 3, 2020

- 10% penalty added to all unpaid current taxes and unclaimed grants **(Class 1, 2, 3 & 9 only in 2020)*

August 1, 2020

- Tax Installment Preauthorized Payment Plan (TIPP) deductions start for the next taxation year

September 28, 2020

- Statutory property tax sale for all properties three years in arrears of taxes.
**(As per July 20th, 2020 adopted Bylaw 3013, the 2020 Tax Sale has been deferred)*

October 1, 2020

- 10% penalty added to all unpaid current taxes for Class 4, 5, 6, 7, 8 properties due to provincial COVID-19 measures.*

December 31, 2020

- 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)*

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 2019, the following exemptions were approved by Council.

Registered Owners	Exempt Amount of City Property Taxes
Aaron House Ministries	\$2,449
Alano Club of Courtenay	3,112
Canadian Red Cross Society	1,586
City of Courtenay - Leased Office Space	3,380
Comox Valley Boys and Girls Club	1,564
Comox Valley Child Development Association	13,167
Comox Valley Curling Club	12,587
Comox Valley Family Services Association	5,269
Comox Valley Kiwanis Village Society	10,744
Comox Valley Pregnancy Care Centre	1,690
Comox Valley Recovery Centre Society	3,757
Comox Valley Transition Society	5,205
Courtenay & District Historical Soc. In Trust	2,028
Courtenay Elks Lodge	2,075
Dawn to Dawn Action on Homelessness Society	338
Eureka Support Society	3,048
Glacier View Lodge Society	39,529
Habitat for Humanity V.I. North Society	384
John Howard Society of North Island	4,002
L'Arche Comox Valley	4,989
M'akola Housing Society	10,709
Nature Trust of B.C. - Sandpiper Park	5,756
Nature Trust of B.C. - Arden Rd	2,851
Old Church Theatre Society	6,138
Royal Cdn. Legion, Courtenay Br. (Pacific) No. 17	7,540
Salvation Army	2,189
Saltwater Education Society	1,997
Stepping Stones Recovery House for Women Soc.	1,246
Upper Island Women of Native Ancestry	714
Wachiay Friendship Centre	5,757
Youth for Christ Comox Valley	705
Total Non-Profit Annual Tax Exemptions	\$166,505

Council adopted a ten year Permissive Tax Bylaw to exempt the following City owned properties, managed/occupied by non-profit societies. The 2019 value of properties exempt is as follows:

Island Corridor Foundation	\$21,617
Total Island Corridor Foundation exemptions	\$21,617

Council adopted a five-year Permissive Tax Bylaw to exempt the following City owned properties, managed/occupied by non-profit societies. The 2019 value of properties exempt is as follows:

Comox Valley Centre of the Arts	\$26,194
Courtenay & District Museum	19,123
Courtenay Airpark	92,222
Courtenay Marina	10,229
Morrison Nature Park	2,101
Sid Williams Theatre	18,468
Total City owned properties	\$168,337

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 2019, Council adopted a bylaw to exempt the following surrounding lands:

Anglican Synod Diocese of BC	\$1,768
Bishop of Victoria-Catholic Church	817
Central Evangelical Free Church	2,135
Courtenay Baptist Church	871
Elim Gospel Hall	795
Foursquare Gospel Church of Canada	4,821
Grace Baptist Church	127
Kingdom Hall of Jehovah Witnesses	577
LDS Church	1,326
Lutheran Church	679
River Heights Church Society	932
Salvation Army Canada West	294
Seventh Day Adventist Church	516
St. George's Church	631
Valley United Pentecostal Church	506
Total Permissive Surrounding Statutory Land Tax Exemptions	\$16,795
Total Permissive Exemptions - Overall	\$373,254

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.



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, 2019, and the consolidated statements of operations, accumulated surplus, changes 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, 2019, 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.

Other Information

Management is responsible for the other information, consisting of the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Meyers Norris Penny - Auditors Report - continued

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 11, 2020

MNP LLP

Chartered Professional Accountants

The Corporation of the City of Courtenay

Consolidated Statement Of Financial Position - Statement A As at December 31, 2019

	2019	2018
FINANCIAL ASSETS		
Cash on Hand and on Deposit (Schedule 5)	\$23,580,932	\$20,373,559
Receivables (Note 1i)	3,512,739	4,903,482
Term Deposits (Schedule 5)	26,013,489	28,209,106
	53,107,160	53,486,147
LIABILITIES		
Accounts Payable (Note 1k)	8,267,696	9,863,827
Trust and Other Deposits	6,150,397	6,195,200
Deferred Revenue - Development Cost Charges (Note 6)	7,138,260	6,259,106
Deferred Revenue - Other (Note 8)	2,851,913	2,396,837
Long-Term Debt (Schedule 4)	10,043,266	11,458,117
	34,451,532	36,173,087
	18,655,628	17,313,060
NET FINANCIAL ASSETS		
Inventories	226,853	207,310
Prepaid Expenses	378,060	552,308
Tangible Capital Assets (Note 12 & Schedule 3)	159,448,579	145,878,140
	160,053,492	146,637,758
	\$178,709,120	\$163,950,818
ACCUMULATED SURPLUS (Schedule 2)		

Contingent Liabilities and Commitments (Note 2)
Subsequent event (Note 15)

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, 2019

	2019 Budget	2019	2018
	(Note 13)		
REVENUE			
Taxes for Municipal Purposes	27,880,700	27,967,952	\$26,905,048
Sale of Services	15,899,100	16,594,427	15,636,658
Revenue from Own Sources	3,607,800	4,194,740	3,957,453
Federal Transfers	1,265,000	2,252,626	1,237,229
Provincial Transfers	1,716,800	1,542,312	4,368,365
Other Local Government Transfers	352,400	318,565	209,114
Contributions	364,500	11,524,248	4,158,398
DCC Revenue	-	394,111	543,473
Investment Income and Taxation Penalties	872,800	1,485,653	1,149,368
Other	364,800	380,782	499,078
Gain on Sale of Tangible Capital Assets	416,500	370,490	34,350
TOTAL REVENUE	52,740,400	67,025,906	58,698,534
EXPENSES			
General Government Services	6,542,662	5,938,079	6,410,965
Protective Services	10,139,993	9,412,733	8,893,741
Transportation Services	7,651,202	8,604,498	8,062,954
Sewer and Water Facilities	12,621,784	13,018,155	11,751,671
Environmental Health Services	3,609,182	3,691,353	3,664,589
Public Health and Welfare Services	371,712	367,008	367,106
Environmental Development Services	1,605,322	1,473,938	1,287,329
Recreational and Cultural Services	9,883,643	9,761,840	9,149,613
TOTAL EXPENSES	52,425,500	52,267,604	49,587,968
ANNUAL SURPLUS (Schedule 1)	314,900	14,758,302	9,110,566
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	163,950,818	163,950,818	155,113,523
CHANGE IN CONTROL IN SID WILLIAMS THEATRE-SOCIETY (SWTS) SURPLUS REDUCTION (Note 7b)	-	-	(273,268)
ACCUMULATED SURPLUS AT END OF YEAR	164,265,718	178,709,120	\$163,950,818

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, 2019

	2019 Budget	2019	2018
	(Note 13)		
ANNUAL SURPLUS	\$314,900	\$14,758,302	\$9,110,566
Acquisition of tangible capital assets	(13,984,200)	(10,255,188)	(8,778,512)
Amortization of tangible capital assets	4,675,000	5,899,542	5,450,879
(Gains)/losses and other adjustments to tangible capital assets	-	(58,358)	1,022,292
Proceeds on sale of tangible capital assets	-	444,725	74,586
Developer tangible capital asset contribution	-	(9,601,154)	(4,087,948)
Change of control of SWTS surplus reduction (Note 7b)	-	-	(273,268)
	(9,309,200)	(13,570,433)	(6,591,971)
Acquisition of supplies inventories	-	(759,264)	(663,437)
Acquisition of prepaid expense	-	(783,939)	(921,956)
Consumption of supplies inventories	-	739,716	636,213
Use of prepaid expense	-	958,186	801,176
Change of control of SWTS surplus inventory and prepaid (Note 7b)	-	-	26,133
	-	154,699	(121,871)
CHANGE IN NET FINANCIAL ASSETS	(8,994,300)	1,342,568	2,396,724
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	17,313,060	17,313,060	14,916,336
NET FINANCIAL ASSETS AT END OF YEAR	\$8,318,760	\$18,655,628	\$17,313,060

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, 2019

	2019	2018
CASH PROVIDED BY (APPLIED TO) FINANCING TRANSACTIONS		
OPERATING TRANSACTIONS		
Annual Surplus	14,758,302	\$9,110,566
Changes in non-cash items including amortization		
Increase in amortization	5,899,542	5,450,879
Change in receivables	1,390,743	(1,943,349)
Change in accounts payable	(1,596,131)	2,812,197
Change in trust and other deposits	(44,803)	2,158,389
Change in deferred revenue	1,334,230	888,079
Change in inventories	(19,543)	(16,279)
Change in prepaids	174,248	(105,593)
Net (gains)/losses and other adjustments to tangible capital assets	(58,358)	1,022,292
Developer Tangible Capital Asset Contribution	(9,601,154)	(4,087,948)
Actuarial adjustment	(480,011)	(441,747)
Change of control of SWTS cash flows (Note 7b)	-	(273,268)
	11,757,065	14,574,218
CAPITAL TRANSACTIONS		
Cash used to acquire tangible capital assets	(10,255,188)	(8,778,512)
Proceeds on sale of tangible capital assets	444,725	74,586
	(9,810,463)	(8,703,926)
INVESTING TRANSACTIONS		
Purchase of term deposits	2,195,617	3,278,473
Cash provided by (applied to) Investing Transactions	2,195,617	3,278,473
FINANCING TRANSACTIONS		
Repayment of long-term debt	(934,846)	(951,900)
Long-term debt proceeds	(934,846)	(951,900)
Cash applied to Financing Transactions	3,207,373	8,196,865
INCREASE (DECREASE) IN CASH ON HAND AND ON DEPOSIT	20,373,559	12,176,694
CASH ON HAND AND ON DEPOSIT AT BEGINNING OF YEAR	\$23,580,932	\$20,373,559
CASH ON HAND AND ON DEPOSIT AT END OF YEAR	\$23,580,932	\$20,373,559
Interest paid on outstanding debt and included in annual surplus above	\$579,943	\$604,010

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, 2019

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, 2019

(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.

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 on 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, 2019. 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, 2019 with 2018 comparatives:

	2019	2018
Federal Government	\$60,462	\$251,016
Provincial Government	655,431	2,802,609
Regional and other Local Governments	266,936	189,455
Property Taxes	1,190,930	860,963
Other	1,338,980	799,439
Total Receivables	\$3,512,739	\$4,903,482

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

Year ended December 31, 2019

(k) Accounts Payable

Following is a breakdown of accounts payable and accrued liabilities outstanding at December 31, 2019 with 2018 comparatives:

	2019	2018
Federal Government	\$1,985,207	\$1,355,232
Provincial Government	227,672	85,303
Regional and other Local Governments	920,250	1,189,404
Employee Retirement Benefits (Note 10)	1,138,000	1,023,500
Trade and accrued liabilities	3,996,567	6,210,388
Total Accounts Payable	\$8,267,696	\$9,863,827

(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, 2019.

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.

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 2019 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:

2020	\$935,534
2021	885,800
2022	810,918
2023	733,004
2024	710,918
	\$4,076,174

(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.

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

Year ended December 31, 2019

- (d) (d) As at December 31, 2019, 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, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 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, 2018, indicated a \$2.866 billion funding surplus for basic pension benefits on a going concern basis.

The City of Courtenay paid \$1,138,310 (2018 - \$1,042,964) for employer contributions to the plan in fiscal 2019.

The next valuation will be as at December 31, 2021, with results available in 2022.

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 2019 with comparatives to 2018.

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

Year ended December 31, 2019

	2019	2018
Opening balance of unspent funds	\$1,954,704	\$3,517,375
Additions:		
Amounts received during the year	2,252,626	1,119,960
Interest earned	44,193	48,701
Deductions:		
Amount spent on projects	(1,454,924)	(2,731,332)
Closing balance of unspent funds	\$2,796,599	\$1,954,704

6. DEFERRED REVENUE - DEVELOPMENT COST CHARGES

In order to conform with the Public Sector Accounting Standards of CPA Canada, the unspent development cost charges 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 2019 and 2018.

2019 Development Cost Charge Reserves

	General BL #2840	Water Utility BL #2840	Sewer Utility BL #2840	Sewer Utility BL #1638	2019 Total
Balance Forward	\$5,115,312	\$489,706	\$619,834	\$34,254	\$6,259,106
Increases					
Interest	94,671	8,629	13,943	569	117,813
Other Contributions	1,104,938	118,567	360,427		1,583,932
	1,199,609	127,196	374,370	569	1,701,744
Decreases					
Revenue Recognized to Fund Capital Projects	(281,411)		(112,700)	-	(394,111)
Reclassifications, redemptions, refunds	(184,954)	(240,466)	(3,060)	-	(428,479)
	(466,365)	(240,466)	(115,760)	-	(822,590)
Ending Balance Deferred Revenue - DCC	\$5,848,556	\$376,436	\$878,444	\$34,823	\$7,138,260

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

Year ended December 31, 2019

2018 Development Cost Charge Reserves

	General BL #2840	Water Utility BL #2840	Sewer Utility BL #2840	Sewer Utility BL #1638	2018 Total
Balance Forward	\$4,314,899	\$594,553	\$602,938	\$33,806	\$5,546,196
Increases					
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
Decreases					
Revenue Recognized to Fund Capital Projects	(246,866)	(159,300)	(137,307)	-	(543,473)
Reclassifications, redemptions, refunds				-	-
	(246,866)	(159,300)	(137,307)	-	(543,473)
Ending Balance Deferred Revenue - DCC	\$5,115,312	\$489,706	\$619,834	\$34,254	\$6,259,106

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 2019 and 2018, which has been excluded from the City's consolidated financial statements.

CEMETERY PERPETUAL CARE FUND FINANCIAL POSITION	2019	2018	CEMETERY PERPETUAL CARE FUND FINANCIAL ACTIVITIES	2019	2018
Financial Assets			Revenue		
Cash on Hand	\$114,331	\$101,292	Fees Levied	\$16,331	\$14,299
Investments - MFA	246,720	242,228	Interest Revenue	6,910	5,711
Liabilities			Expenditure		
Interest Payable to City	6,910	5,711	Interest Expense	6,910	5,711
Net Financial Position	\$354,141	\$337,809	Excess Revenue over Expenditure	\$16,331	\$14,299

- (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.

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

Year ended December 31, 2019

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 2019 and 2018:

	2019	2018
Opening Balance	\$2,396,837	\$2,221,668
Additions to Deferred Revenue	2,016,817	1,561,741
Revenue Recognized	(1,561,741)	(1,386,572)
Ending Balance Deferred Revenue Other	\$2,851,913	\$2,396,837

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, 2019 the City had debt reserve funds of \$342,394 (\$334,600 in 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 2019 were based on an interest (discount) rate of 2.60% per annum (2018 - 3.20%) and an inflation rate of 2.5% for both 2019 and 2018. The total estimated employee retirement benefit liability at December 31, 2019 is \$1,138,000 (\$1,023,500 in 2018) and is included in the accounts payable balance on Statement A. Following is a breakdown of the benefit liability:

	2019	2018
Accrued benefit liability at beginning of year	\$1,023,500	\$944,400
Expense	145,200	144,445
Benefit Payments	(30,700)	(65,345)
Accrued benefit liability at end of year	\$1,138,000	\$1,023,500

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 2019 revenues and expenses with 2018 comparatives for each segment can be found in Schedule 1 of the accompanying financial statements.

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

Year ended December 31, 2019

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.

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.

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 2019 is \$9,601,154 (\$4,087,948 in 2018).

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 artefacts. 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 2019 BUDGET

The budget amounts presented throughout these consolidated financial statements are based upon the Five Year Financial Plan approved by Council on May 6, 2019 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 May 6, 2019 budget approved by Council and reflected in these consolidated financial statements:

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

Year ended December 31, 2019

Adjustments to 2019 Budgeted Annual Surplus

Budgeted Surplus per Council approved Budget	\$
Purchase of Capital Assets	13,984,200
Amortization Budgeted	(4,675,000)
Transfer from Reserves	(9,765,600)
Transfer to Reserves	3,568,600
Use of Prior Year Surplus	(3,736,200)
Debt principle repayments in Financial Plan	938,900
Budgeted Surplus per Consolidated Statement of Operations	\$314,900

14. CONTRACTUAL RIGHTS

Following is the breakdown of the contractual rights at December 31, 2019.

Contractual Right with	Description of Contractual Right	2020	2021	2022	2023	2024	Total
Courtenay Fire Protection District	Courtenay Fire Protection	419,733	428,128	436,690	445,424	454,332	\$2,184,307
Comox Valley Regional District	Greater Merville Fire Protection	249,605	254,597	259,689	264,883	270,181	\$1,298,955

15. SUBSEQUENT EVENT

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on municipalities through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, municipality operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the City of Courtenay as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, office closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

The Corporation of the City of Courtenay

Consolidated Schedule of Segment Disclosure by Service - Schedule 1 Year ended December 31, 2019 (Audited)

(Note 11)
Page 1 of 3

	General Government Services		Protective Services		Transportation Services		Environmental Health Services	
	2019	2018	2019	2018	2019	2018	2019	2018
REVENUE								
Taxation	24,761,750	23,742,557	-	-	-	-	-	-
Sales of Services	-	-	845,895	880,487	-	-	3,437,934	3,385,701
Revenue from Own Sources	-	-	1,006,190	969,042	146,581	97,016	-	-
Government Transfers	1,442,553	1,311,012	19,700	19,200	2,285,588	4,105,692	-	-
Transfer from Other Funds	-	-	-	-	-	-	-	-
Other Revenue	83,439	81,430	-	-	134,623	121,061	-	-
Other Contributions	1,000	-	-	-	9,371,824	2,824,512	-	-
Interest Earned	1,208,264	919,980	25,106	14,898	91,493	92,925	-	-
Gain on sale of TCA	445	900	-	300	368,856	17,737	-	-
Total Revenues	27,497,451	26,055,879	1,896,891	1,883,927	12,398,965	7,258,943	3,437,934	3,385,701
EXPENSES								
Salaries and Benefits	3,998,399	3,862,230	2,328,039	2,028,793	2,872,417	2,470,821	76,722	66,410
Goods and Services	1,341,527	1,212,412	6,740,553	6,482,558	2,515,574	2,431,965	3,242,629	3,126,043
Amortization Expense	310,475	303,689	340,679	352,734	3,063,889	2,816,126	345,952	319,600
Debt Servicing	(17,523)	(41,366)	(3,348)	(433)	87,422	146,989	-	-
Other Expenditures	305,201	246,982	6,810	1,477	296	1,019	26,050	152,200
Loss on Disposal of TCA	-	827,018	-	28,612	64,900	196,034	-	336
Total Expenses	5,938,079	6,410,965	9,412,733	8,893,741	8,604,498	8,062,954	3,691,353	3,664,589
ANNUAL SURPLUS	\$21,559,372	\$19,644,914	\$(7,515,842)	\$(7,009,814)	\$3,794,467	\$(804,011)	\$(253,419)	\$(278,888)

The Corporation of the City of Courtenay

Consolidated Schedule of Segment Disclosure by Service - Schedule 1 (continued) Year ended December 31, 2019 (Audited)

(Note 11)
Page 2 of 3

	Public Health & Welfare Services		Environmental Development Services		Recreational and Cultural Services		Water Utility Services	
	2019	2018	2019	2018	2019	2018	2019	2018
REVENUE								
Taxation	-	-	-	-	-	-	1,175,166	1,164,158
Sales of Services	-	-	-	-	-	-	7,043,027	6,505,181
Revenue from Own Sources	-	-	607,291	561,481	2,003,554	2,048,292	369,231	255,072
Government Transfers	178,200	79,604	52,797	52,621	124,665	129,310	10,000	99,129
Transfer from Other Funds	-	-	-	-	-	-	-	-
Other Revenue	162,720	138,828	-	137,759	-	20,000	-	-
Other Contributions	-	-	116,608	223,889	112,063	354,501	1,205,524	566,455
Interest Earned	-	-	18,959	13,053	20,503	14,317	49,549	42,445
Gain on sale of TCA	-	-	-	-	1,189	15,413	-	-
Total Revenues	340,920	218,432	795,655	988,803	2,261,974	2,581,833	9,852,497	8,632,440
EXPENSES								
Salaries and Benefits	231,953	250,400	1,040,755	899,836	5,206,229	4,921,832	989,438	972,987
Goods and Services	100,244	85,777	237,863	314,705	3,236,955	2,954,328	5,490,460	5,049,174
Amortization Expense	34,811	30,929	2,533	2,533	973,555	898,864	478,666	427,823
Debt Servicing	-	-	-	-	30,617	50,444	(1,399)	(369)
Other Expenditures	-	-	192,787	70,255	314,338	322,655	-	-
Loss on Disposal of TCA	-	-	-	-	146	1,490	2,636	2,585
Total Expenses	367,008	367,106	1,473,938	1,287,329	9,761,840	9,149,613	6,959,801	6,452,200
ANNUAL SURPLUS	\$(26,088)	\$(148,674)	\$(678,283)	\$(298,526)	\$(7,499,866)	\$(6,567,780)	\$2,892,696	\$2,180,240

The Corporation of the City of Courtenay

Consolidated Schedule of Segment Disclosure by Service - Schedule 1 (continued) Year ended December 31, 2019 (Audited)

(Note 11)
Page 3 of 3

	Sewer Utility Services		Consolidated	
	2019	2018	2019	2018
REVENUE				
Taxation	2,031,036	1,998,334	27,967,952	26,905,048
Sales of Services	5,267,571	4,865,289	16,594,427	15,636,658
Revenue from Own Sources	61,893	26,551	4,194,740	3,957,453
Government Transfers	-	18,140	4,113,503	5,814,708
Transfer from Other Funds	-	-	-	-
Other Revenue	-	-	380,782	499,078
Other Contributions	1,111,340	732,514	11,918,359	4,701,871
Interest Earned	71,779	51,750	1,485,653	1,149,368
Proceeds on sale of TCA	-	-	370,490	34,350
Total Revenues	8,543,619	7,692,578	67,025,906	58,698,534
EXPENSES				
Salaries and Benefits	583,588	511,384	17,327,540	15,984,693
Goods and Services	731,676	591,012	23,637,481	22,247,974
Amortization Expense	348,982	298,581	5,899,542	5,450,879
Debt Servicing	4,167	6,998	99,936	162,263
Other Expenditures	4,145,491	3,890,928	4,990,973	4,685,516
Loss on Disposal of TCA	244,450	568	312,132	1,056,643
Total Expenses	6,058,354	5,299,471	52,267,604	49,587,968
ANNUAL SURPLUS	\$2,485,265	\$2,393,107	\$14,758,302	\$9,110,566

The Corporation of the City of Courtenay

Consolidated Schedule Of Accumulated Surplus & Reserves - Schedule 2 Year ended December 31, 2019 (Unaudited)

	2019	2018
Surplus		
Invested in Tangible Capital Assets	\$149,405,314	\$134,420,023
General Operating Fund	4,512,740	4,988,603
General Capital Fund	1,426,306	1,668,467
Water Utility Operating Fund	2,356,860	2,203,829
Water Utility Capital Fund	108,869	108,869
Sewer Utility Operating Fund	2,369,239	1,872,420
Sewer Utility Capital Fund	21,706	21,706
Gaming Fund	1,831,240	1,808,181
Total Surplus	162,032,274	147,092,098
Reserves		
General Fund Reserves:		
Machinery and Equipment	1,431,296	1,211,171
Land Sale	390,704	152,615
New Works and Equipment	3,319,838	3,677,792
New Works - Community Gas Tax Funds (Note 5)	2,796,599	1,954,704
General Asset Management Reserve	467,278	662,966
Risk Reserve	104,030	102,329
Public Parking	58,145	53,746
Parkland Acquisition	309,781	271,696
Police Contingency Reserve	670,590	560,183
Assessment Appeal	200,771	50,700
Housing Amenity	775,213	669,455
Tree Reserve	58,482	5,754
Amenity	613,943	554,832
	11,196,670	9,927,943
Water Utility Reserves:		
Water Utility	1,676,652	1,610,751
Water Asset Management Reserve	358,106	932,673
Machinery and Equipment	250,229	318,612
	2,284,987	2,862,036
Sewer Utility Reserves:		
Sewer Utility	539,110	505,566
Sewer Asset Management Reserve	2,087,695	2,771,793
Machinery and Equipment	568,384	791,382
	3,195,189	4,068,741
Total Reserves	16,676,846	16,858,720
ACCUMULATED SURPLUS (Statement A)	\$178,709,120	\$163,950,818

The Corporation of the City of Courtenay

Consolidated Schedule of Tangible Capital Assets - Schedule 3 For the year ended December 31, 2019 (Audited)

COST	Land		Land Improvements		Buildings		Equipment/ Furniture/ Vehicles		Engineering Structures				Other Tangible Capital Assets		Total	2018	
	Land	Improvements	Buildings	Vehicles	Roads	Water	Sewer	Other	Other	Capital Assets	Total	2018					
Opening 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 (CIP)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Construction-in-progress	-	100,566	418,677	25,737	454,655	47,567	172,880	199,439	51,448						1,470,968	5,116,804	
Less: Transfers into Service	-	(13,222)	(125,907)	(38,335)	(3,276,880)	(1,482,567)	(73,245)	(174,457)							(5,184,613)	(277,776)	
Less: Write-downs & Reallocations	-	(47,189)	9,726	20,242	(138,784)		37,464	146,783	(28,242)						0	-	
Closing Balance	-	100,566	796,066	25,737	727,826	55,291	421,561	305,554	51,448						2,484,048	6,197,693	
Construction-in-progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening Balance	22,029,129	7,170,786	31,626,276	18,605,276	94,623,803	21,770,590	11,686,385	22,986,681	1,092,975						231,591,901	225,162,223	
Tangible Capital Assets																	
Add: Additions (including Transfers into Service)	1,108,516	421,408	808,529	1,357,868	9,774,293	4,587,540	2,487,788	3,022,439	-						23,568,382	8,027,432	
Less: Disposals	(222)	(26,500)		(826,718)	(329,543)	(17,187)	(265,000)	(1,194)							(1,466,363)	(1,597,754)	
Closing Balance Tangible Capital Assets and CIP	23,137,423	7,666,260	32,700,349	19,697,885	104,783,306	26,288,334	14,287,081	26,478,106	1,139,223						256,177,967	237,789,594	
ACCUMULATED AMORTIZATION																	
Opening Balance	-	3,063,018	11,970,167	11,014,688	47,135,502	7,150,432	2,092,481	8,703,029	782,136						91,911,453	86,961,449	
Add: Amortization	-	275,755	732,739	975,326	2,449,470	445,254	232,959	691,711	96,329						5,899,542	5,450,879	
Less: Reallocations	-	-	(66,147)	109,715	(226,796)	3,850	-	226,796	(47,418)						-	-	
Less: Accum Amortization on Disposals	-	(26,500)		(750,259)	(268,554)	(14,550)	(20,550)	(1,194)							(1,081,607)	(500,874)	
Closing Balance	-	3,312,273	12,636,759	11,349,470	49,089,621	7,584,985	2,304,890	9,620,342	831,047						96,729,388	91,911,454	
Net Book Value for year ended December 31, 2019	\$23,137,423	\$4,353,987	\$20,063,590	\$8,348,415	\$55,693,685	\$18,703,349	\$11,982,191	\$16,857,764	\$308,176						\$159,448,579	\$145,878,140	

The Corporation of the City of Courtenay

Consolidated Schedule of Debenture and Other Long-Term Debt - Schedule 4 Year ended December 31, 2019 (Audited)

Bylaw Number	Maturity Date	Interest Rate	Principal Outstanding Dec 31/18	Current Year Borrowing	Actuarial Adjustment/ Princ. Reduct.	Principal Outstanding Dec 31/19	
General Capital Fund							
Debenture Debt							
2171	Library	2021	1.75	546,301	-	173,291	373,010
2227	Fifth Street Bridge	2023	2.90	183,184	-	33,821	149,363
2304	Lerwick Road Ext. Prop Acquisition	2029	2.85	589,360	-	41,484	547,876
2227	City Hall Retaining Wall	2020	1.55	27,142	-	13,305	13,837
2354	Repaving Program	2025	5.10	204,221	-	27,017	177,204
2355	Lerwick Road Extension	2030	1.55	420,530	-	27,987	392,543
2356	City Hall Renovation	2020	1.55	144,192	-	70,683	73,509
2425	Lerwick Road Construction	2026	1.75	356,693	-	38,711	317,982
2453	Police Property Acquisition	2026	1.75	708,185	-	76,858	631,327
2458	Public Works Maintenance Building	2022	2.25	514,201	-	121,089	393,112
2539	Capital Infrastructure Work	2023	2.25	1,485,173	-	223,907	1,261,266
2538	Native Sons Hall Renovation	2025	4.50	323,899	-	41,009	282,890
2680	Lewis Centre Renovation	2027	2.90	2,808,716	-	265,404	2,543,312
2681	Infrastructure Works - Road Paving	2027	2.90	1,043,237	-	98,578	944,659
TOTAL GENERAL CAPITAL FUND				9,355,034	-	1,253,144	8,101,890
Water Capital Fund							
Debenture Debt							
2424	Water Extension - Lerwick Road	2026	1.75	297,244	-	32,259	264,985
TOTAL WATER CAPITAL FUND				297,244	-	32,259	264,985
Sewer Capital Fund							
Debenture Debt							
2305	Sewer Extension	2029	2.85	442,020	-	31,113	410,907
2353	Sewer Extension	2030	1.55	1,183,491	-	78,764	1,104,727
2423	Sewer Extension - Lerwick Road	2026	1.75	180,328	-	19,571	160,757
TOTAL SEWER CAPITAL FUND				1,805,839	-	129,448	1,676,392
TOTAL ALL CAPITAL FUNDS				11,458,117	-	1,414,851	10,043,266

The Corporation of the City of Courtenay

Consolidated Schedule Of Investments - Schedule 5

For the year ended December 31, 2019 (Audited)

	2019	2018
GENERAL OPERATING FUND - Cash on Hand	\$22,049,977	\$18,289,239
GAMING FUND - Cash on Hand	1,530,955	2,084,320
Total Cash on Hand and on Deposit	\$23,580,932	\$20,373,559
GENERAL OPERATING FUND TERM DEPOSITS		
Municipal Finance Authority, Money Market Fund at fluctuating rate, no maturity date	17,578	17,240
The Bank of Nova Scotia, various guaranteed investment certificates	25,995,911	20,467,299
Coast Capital Credit Union, various guaranteed investment certificates	-	7,724,567
Total Term Deposits	26,013,489	28,209,106
TOTAL CASH AND INVESTMENTS (Statement A)	\$49,594,421	\$48,582,665





CITY OF
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