

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

DATE: Monday, February 17, 2014
PLACE: City Hall Council Chambers
TIME: 4:00 p.m.

1.00 ADOPTION OF MINUTES

1. Adopt February 11, 2014 Regular Council Meeting

2.00 INTRODUCTION OF LATE ITEMS

3.00 DELEGATIONS

4.00 STAFF REPORTS

Pg #

(a) Community Services

(b) CAO and Legislative Services

- 1 1. SPCA Kennel Agreement

(c) Development Services

(d) Financial Services

- 7 2. 2014-2018 Water Fund Financial Plan and User Fee Revenue

(e) Engineering and Operations

5.00 EXTERNAL REPORTS AND CORRESPONDENCE FOR INFORMATION

6.00 INTERNAL REPORTS AND CORRESPONDENCE FOR INFORMATION

7.00 REPORTS/UPDATES FROM COUNCIL MEMBERS INCLUDING REPORTS FROM COMMITTEES

8.00 RESOLUTIONS OF COUNCIL

9.00 UNFINISHED BUSINESS

1. Councillor Hillian – 4865 Headquarters Road Resolution (postponed from January 13, 2014)

Whereas the housing and homelessness crisis in the Comox Valley continues, as evidenced by the numbers of people turned away from the Emergency Shelter in recent months due to lack of beds, and by the lack of safe alternatives for those at risk of homelessness; and

Whereas the court action regarding 4865 Headquarters Road (also known as Maple Pool Campsite) is intended to address zoning and land use, and the City recognizes that people residing at 4865 Headquarters Road have the same need for and right to safe housing as other citizens; and

Whereas senior government have failed to provide the leadership and resources required to address housing and homelessness, and municipal initiatives to create supportive housing have yet to come to fruition;

Therefore Be It Resolved that:

-however the court action regarding 4865 Headquarters Road is settled, there will be no forced evictions from Maple Pool campsite initiated by the City of Courtenay; and

-as expressed in its strategic priorities, the City will continue to work with other levels of government and community partners on the need for safe housing to address the homelessness crisis.

10.00 NOTICE OF MOTION

11.00 NEW BUSINESS

1. Councillor Leonard re: Request to fly a Gay Pride Flag at City Hall
- 18 2. Councillor Leonard re: Request for Council to write a letter to the Federal Government regarding the Federal Budget 2014 Housing Commitment
- 19 3. L'Arche Comox Valley request for relief from rezoning requirements

12.00 BYLAWS

13.00 ADJOURNMENT



THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT

To: Mayor and Council
From: Chief Administrative Officer
Subject: SPCA Kennel Agreement

File No.: 2320-20
Date: February 17, 2014

PURPOSE:

The purpose of the report is to approve an agreement of Society for the Prevention of Cruelty to Animals (SPCA) for kennel services.

CAO RECOMMENDATIONS:

That, based on the February 17, 2014 staff report "SPCA Kennel Agreement", Council approve Option 1 and the proposed agreement with the Society for the Prevention of Cruelty to Animals for a three year term.

Respectfully submitted,

David Allen
Chief Administrative Officer

BACKGROUND:

The SPCA has been providing kennel services for the City of Courtenay for many years. Staff is recommending that this arrangement continue.

DISCUSSION:

Kennel services are required in order to enforce the City's animal control bylaw. Not having an agreement with the SPCA would result in the City needing its own facility. This option is not economically practical at this time.

In addition to kennel services and after hours call-outs, the SPCA staff works closely with the City's Animal Control Officer and has provided valuable assistance in dealing with dangerous dogs and other incidents.

FINANCIAL IMPLICATIONS:

The SPCA is proposing a modest increase in the monthly fee to \$972.77 from the current amount of \$953.70. Staff believes this amount is appropriate.

The cost of the agreement is included in the Legislative Services Bylaw Enforcement operating budget.

ADMINISTRATIVE IMPLICATIONS:

Administration of the agreement is included in the general statutory duties of the Legislative Services Department work plan.

STRATEGIC PLAN & PRIORITIES REFERENCE:

2012-2014 Strategic Plan - Goal 1: Ensure protective services meet community needs.

OFFICIAL COMMUNITY PLAN REFERENCE:

Not referenced.

REGIONAL GROWTH STRATEGY REFERENCE:

Not referenced.

CITIZEN/PUBLIC ENGAGEMENT:

No public notice required.

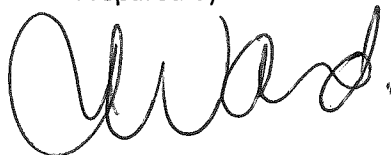
OPTIONS:

Option 1: Approve the agreement with the SPCA (recommended).

Option 2: Do not approve the agreement.

Option 3: Refer the agreement back to staff for further review.

Prepared by:

A handwritten signature in black ink, appearing to read 'John Ward', is written over the printed name.

John Ward, CMC
Director of Legislative Services

AGREEMENT FOR ANIMAL CONTROL SERVICES

This Agreement made the 1st day of March, 2014.

BETWEEN: THE CORPORATION OF THE CITY OF COURTENAY
830 Cliffe Avenue
Courtenay, BC
V9N 2J7
(hereinafter "the City")

AND: THE BRITISH COLUMBIA SOCIETY FOR THE PREVENTION OF
CRUELTY TO ANIMALS
1245 East 7th Ave., Vancouver, BC V5T 1R1
For: BC SPCA – Comox Valley Branch
(hereinafter the "SPCA")

(together, the "Parties")

Whereas the SPCA utilizes its Comox Valley Branch facility located in Comox, BC to operate an animal shelter;

And whereas the City regulates dogs by Animal Control Bylaw No. 1897, and amendments thereto, and requires a facility to house dogs that come into the custody of the City;

Therefore, in consideration of the covenants hereinafter contained the Parties agree as follows:

1. Definitions

"Animal Shelter" means the BC SPCA COMOX VALLEY BRANCH facility on RYAN ROAD, COMOX, BC where the SPCA shelters stray and surrendered animals and provides kennel services such as accepting impounded dogs for board and care, seeks adoption of abandoned animals, and provides other associated functions.

"Bylaws" means the Animal Control Bylaw No. 1897, and any amendments thereto.

"Bylaw Enforcement Officer" means the person(s), from time to time, duly appointed by the City as the Bylaw Enforcement Officer for the City and also any person lawfully acting in that capacity (designate).

2. Term of Agreement

The term of this Agreement will be for a 3 year term commencing March 1, 2014 and ending on February 28, 2017.

3. Terms of Agreement

- A. The City will pay to the SPCA \$972.77 per month payable on the first day of each month for the services outlined below.
- B. The SPCA agrees to:
- a) Accept all dogs delivered to the Animal Shelter by the Bylaw Enforcement Officer or his or her designate. Where an owner indicates a desire to dispute a fine, the SPCA will secure written confirmation from the owner of their intent to dispute the fine;
 - b) Furnish daily to a maximum of seventy-two (72) hours, to all such dogs accepted, good and sufficient water, shelter, food and attendance;
 - c) Provided the owner claims his/her dog within seventy-two (72) hours of it being impounded, collect from the owner impoundment fees, violation fees, licence fees and fines as imposed by the City's bylaw(s) before returning a dog to its owner. Where a dog has not been licensed, the SPCA will ensure the owner purchases a current year City dog license before the dog is released;
 - d) Where a dog is not claimed after seventy-two (72) hours of impoundment, offer the dog for adoption or ensure humane euthanasia of the dog per clause (i);
 - e) Hold in trust and remit on a monthly basis to the City 100% of impoundment fees, violation fees and fines;
 - f) Retain 100% of daily SPCA board fees collected, currently \$15.00/day;
 - g) During the seventy-two (72) hour impoundment period, contact the Bylaw Enforcement Officer for approval **prior** to any emergency veterinarian services being provided for any impounded dog. If emergency veterinarian services are approved by the Bylaw Enforcement Officer, such fees will be paid for by the City;
 - h) Provide emergency veterinarian services after the seventy-two (72) hour impoundment period, at the cost of the SPCA;
 - i) Administer, or cause to be administered, humane euthanasia after the seventy-two (72) impoundment period at the cost of the City, after consulting the City and securing its concurrence, to any dogs deemed unadoptable by the SPCA due to age, disease, infirmity or vicious behaviour;
 - j) Receive a forty (40) percent commission on all dog licenses sold by the SPCA. The SPCA shall submit all fees collected minus commission, along with completed dog license applications, to the City on a monthly basis.

- k) Collect a one-time vaccination/de-worming/parasite control fee from the rightful owner, in order to protect the health of the animals in the shelter.
- l) Pick up on request any stray dog which is held for pick up in the City. In addition the SPCA when requested will assist the RCMP and City Bylaw Enforcement Officers in dealing with dangerous dogs. The costs of these services shall be \$25.00 per pick-up or \$25.00/hr, whichever is greater, during regular SPCA hours of operation. Services provided outside said hours shall be billed as overtime hours. The SPCA shall specifically not provide pickup of stray dogs that are at large.

4. Insurance and License Requirements

The SPCA must procure and maintain in force at its own expense for the term of this Agreement insurance containing, as a minimum, the following:

- Comprehensive General Liability (CGL) Insurance (including Non-Owned Vehicle Liability) in an amount not less than \$2,000,000 per occurrence including bodily injury and property damage and a minimum \$2,000,000 aggregate.
- The CGL Insurance shall include a Cross Liability Clause and a provision naming the City as an additional insured.
- Motor Vehicle Liability Insurance including bodily injury and property damage in an amount not less than \$2,000,000 per accident per licensed vehicle used to carry out the services in this Agreement.

WorkSafe BC

The SPCA shall be responsible for WorkSafe BC assessments relating to its services on behalf of the City. It shall remain in good standing with WorkSafe BC and comply with all Workers Compensation Board legislation in the province of British Columbia.

City Business License

The SPCA shall acquire and maintain a City Business License prior to the commencement of the services outlined in this Agreement and for the term of this Agreement.

The SPCA shall provide to the City all insurance and license requirements outlined above in a format acceptable to the City.

5. Agreement Cancellation

Both the City and the SPCA each shall have the right to terminate this Agreement upon provision in writing to the other party by providing written notice to the other party at least two (2) months in advance of termination.

In Witness Whereof the Parties have executed this Agreement as of the day and year first written above.

BC SPCA, Vancouver, BC

Chief Executive Officer

Date

GM Finance

Date

City of Courtenay:

Bernd Guderjahn, SCMP
Manager of Purchasing

Date

John Ward, CMC
Director of Legislative Services

Date



THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT

To: Mayor and Council

File No.: 1705-20 / 1830-05

From: Chief Administrative Officer

Date: February 17, 2014

Subject: 2014 – 2018 Water Fund Financial Plan and User Fee Revenue

PURPOSE:

The purpose of this report is to consider the proposed 2014-2018 Water Fund Financial Plan, and to consider a rate equity adjustment for the “outside of the city” user category.

POLICY ANALYSIS:

Section 165 of the *Community Charter* requires a municipality to have a five year financial plan. The 2014-2018 Water Fund Financial Plan is a component of the annual City of Courtenay five year financial plan.

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

The current year financial plan proposes a 0% user fee increase in 2014 for both the regional portion of the water system and for our municipal portion of the water system. While a 0% increase is not felt to be sustainable over time, staff advise that future water utility rate adjustments for the municipal portion of the system will be supported through the development and implementation of Asset Management Planning, based on condition assessments, life cycle analysis, and risk management.

EXECUTIVE SUMMARY:

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

Both the regional and the local municipal components of the water system are integral in the delivery of the water utility service to users. As bulk water purchases and Regional bulk water rate are a key cost driver in our municipal financial plan, it is essential information for use in adequately planning for revenue levels needed from user fees. For the current five year financial plan, regional bulk water rate is forecast to remain static for 2014 and 2015, and a \$0.02/m³ increase is forecast for 2016 to assist with funding regional capital works.

The City operates on a calendar year, and it is generally preferred that user rates be set in December so that revised rates can be in effect for the 1st of January. However, staff have postponed detailed water budget discussion with Councils until the 2014-2018 regional plan details were available, and could be incorporated into the City's water fund financial plan.

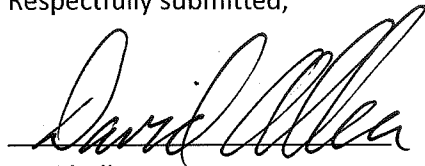
CAO RECOMMENDATIONS:

That based on the February 11, 2014 staff report “2014-2018 Water Fund Financial Plan and User Fee Revenue” Council approve OPTION 1 for the 2014-2018 Water Fund Financial Plan; and

That Council direct staff to amend the “City of Courtenay Fees and Charges Bylaw No. 1673, 1992”, to reflect the proposed rate equity adjustment for the “outside the City” user category; and

That the City carry out an engineering analysis and condition assessment of the water infrastructure in the Comox Road service area to inform future rate setting for outside users.

Respectfully submitted,



David Allen
Chief Administrative Officer

BACKGROUND:

Consideration and approval of a five year financial plan is an annual requirement under the *Community Charter*. The recommended Financial Plan for the water fund presented at the February 17th Council meeting provides detail for the 2014 year, as well as projections for the four years following. With Council’s approval, the corresponding rates bylaws will then be drafted and presented to Council for adoption.

The water utility service is self funding and is not assisted with funding from the general property taxation levy.

DISCUSSION:

The water utility service is provided to property owners utilizing municipal water infrastructure which is owned and operated by the City, as well as by regional water infrastructure which transports and treats the water supply from the Comox Lake reservoir and transports it to the City’s boundary. The City of Courtenay purchases the bulk water consumed within its distribution area. The purchase of bulk water for redistribution is a primary cost driver within our water financial plan and reflects the bulk water rate as well as the bulk volumes of water purchased.

The proposed 2014-2018 Water Fund Financial Plan is detailed in the attached Schedules:

Schedule 1: Water Operating Fund

Schedule 2: Water Capital Fund

Any increases in 2014 to the overall budgeted cost of maintaining the existing level of service in City’s water operations, as well as carrying out the planned municipal water capital works, have been funded from the water fund operating surplus account. As a result, staff recommend that a 0% fee revenue increase is required this year as additional funding for City operations and capital works. As the City

progresses with Asset Management Planning staff recommend that the use of future annual surpluses be subject to specific financial policies considered and approved by Council.

Of note in this financial plan is a new provision of \$35,000 per year, specifically to begin the process of compiling detailed condition assessments of the existing water infrastructure. This is key data for asset management, which will assist the City in making informed decisions on capital future infrastructure priorities. In addition, \$75,000 has been budgeted to carry out an update to the 2005 Water Model. As asset management/condition assessment work and capacity building community planning are eligible works under the Gas Tax Fund, a transfer of funds from the Gas Tax Reserve sufficient to cover the 2014 condition assessment initiative and the water model study has been provided for in the financial plan.

Water Consumption and the Cost of Purchasing Water

DECREASE IN CONSUMPTION OF WATER

Despite growth and an extremely dry year in 2013, the City of Courtenay as a whole, ended the year with water consumption which was 6.3% less than the bulk consumption recorded in 2012. It is believed that several programs contributed to the reduced use of water.

Two water efficiency programs, funded from reserves, have been retained in the financial plan. The first program, "Water Enforcement", is again planned for the summer season. This initiative has been very beneficial in not only educating the public on water restrictions that may be in effect, but also and where required, in enforcing the restrictions. As the 2013 budget provision of \$10,000 was not fully utilized or required, it has been reduced to \$4,000 for 2014 and years following.

The second efficiency program, "Commercial Toilet Rebates", has been beneficial for commercial/institutional organizations in replacing older model toilets with newer water saver facilities. In 2013, the budget provision for this program was \$15,000 and actual rebates claimed totalled \$1,800 (18 toilets). For 2014 and forward, the budget provision has been reduced to \$3,000 per year.

A third program, funded from the Water Meter Repair and Replacement Reserve, is a meter replacement program which has been actively carried out for the past two years. It is believed that the replacement of many of the older meters has been instrumental in identifying internal premise leaks as more accurate meter readings have led to higher billings and as a consequence, investigation by property owners.

COST OF PURCHASING BULK WATER

Five year water consumption costs were developed taking into account anticipated population growth, effects of implemented water efficiency initiatives, as well as the projected cost to purchase bulk water from the Comox Valley Regional District. The cost per cubic meter will remain unchanged from the 2013 rate (\$0.64/m³), and therefore a 0% fee revenue increase related to the regional water system is included in the 2014 budget.

The cost of bulk water purchases provided for in the five year financial plan is based on the following projections and assumptions.

TABLE 1 – City of Courtenay 2014-2018 Projected Water Consumption/Cost of Water Purchases

| <u>Year</u> | <u>Projected bulk water purchases</u> | <u>CVRD rate / m³</u> | <u>Projected Annual Cost</u> |
|-------------|---------------------------------------|----------------------------------|------------------------------|
| 2014 | 4,500,748 | 0.64 | \$ 2,880,479 |
| 2015 | 4,522,577 | 0.64 | \$ 2,894,449 |
| 2016 | 4,544,511 | 0.66 | \$ 2,999,378 |
| 2017 | 4,566,552 | 0.66 | \$ 3,013,925 |
| 2018 | 4,588,700 | 0.66 | \$ 3,028,542 |

TABLE 2- City of Courtenay, 2014-2018 Water Consumption Assumptions/Projections

| Actual | m3/ consumed | % Chg | Population | % pop growth | |
|--------|-----------------|-------|------------|-----------------|----------|
| 2006 | | | 22,021 | | census |
| 2007 | 4,589,803 | | 23,368 | 6.1% | BC Stats |
| 2008 | 4,687,126 | 2.1% | 23,981 | 2.6% | BC Stats |
| 2009 | 4,753,690 | 1.4% | 24,244 | 1.1% | BC Stats |
| 2010 | 4,597,731 | -3.3% | 24,580 | 1.4% | BC Stats |
| 2011 | 4,623,995 | 0.6% | 24,983 | 1.6% | BC Stats |
| 2012 | 4,780,062 | 3.4% | 25,116 | 0.5% | BC Stats |
| 2013 | 4,479,025 | -6.3% | 25,367 | 1.0% | |
| 2014 | 4,500,748 | 0.5% | 25,748 | 1.5% | est |
| 2015 | 4,522,577 | 0.5% | 26,134 | 1.5% | est |
| 2016 | 4,544,511 | 0.5% | 26,526 | 1.5% | est |
| 2017 | 4,566,552 | 0.5% | 26,924 | 1.5% | est |
| 2018 | 4,588,700 | 0.5% | 27,328 | 1.5% | est |

Review/Consideration of a Rate Equity Adjustment for the “Outside of the City” User Category

When a municipality differentiates between customers inside the municipal limits and those outside those boundaries, it must show that the rate differential is based on cost of service or some other reasonable basis. Several factors can be utilized to justify increased rates for outside users:

- on average, the service to non-residents involves greater expense to those outside of the City than service to its residents
- the filter plant from which the water is distributed is inside of the City
- in any given direction, the suburban areas lie farther from the plant than the intervening urban territory, and these greater distances are shown to entail greater costs in the installation and maintenance of water mains and in the pumping of water
- the outlying area is less densely populated than the City itself, which involves greater average expense in reading of meters and making service calls

However, even if no cost differentials exist, other justifications could exist. Those factors may be additional risk of responsibility to finance a major repair in the event of catastrophe or breakdown; responsibility for ongoing replacement and repair of system components; contributions of residents to the initial construction of the system; moneys from general fund are used to pay salaries of those who manage and operate the system.¹

While the above reference is from the American Water and Wastewater Association, the principles listed provided valid guidance in our current review of our own “outside user rate”, and are also considered a best practice by the BC Water and Wastewater Association.

The Comox Road water line had been extended in the late 1960’s or early 1970’s to serve K’ómoks First Nations IR #1. Subsequently, as properties along the water line developed, they were permitted to

¹ American Water Works Association, Manual of Water Supply Practices- M1 Fifth Edition; Principles of Water Rates, Fees and Charges (pages 281, 282)

connect to this water line. This area's water infrastructure now is over 40 years old, and is comprised of various sizes and condition of pipe which would not normally be the servicing standard constructed today.

The City's outside user rates currently affect 5 metered customers and 38 non-metered customers along the Comox (Dyke) Road area outside of the City's municipal boundary. Approximately \$39,500 in fee revenue was collected in 2013 from these users. (Total 2013 water user fee revenues = \$4,360,000).

In reviewing user rate bylaws as far back as 1976, the rate for the outside user category was first established as 3 times the rate set for users within the City boundary. However, the ratio has been reduced since that time, and today the non-metered ratio is just under 2 times the inside user rate.

The fees have historically been structured to recover not only a sufficient user fee, but also an added component which reflects the water frontage tax these properties would pay if they were within the City boundary. These rural properties are taxable by the Provincial Surveyor of Taxes, and consequently, the City's water frontage "tax" cannot be charged.

Effective March 4, 2013, Fees and Charges Amendment Bylaw 2742 establishes the following user fees which affect these customers.

Unmetered Water

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

| CATEGORY | INSIDE THE CITY PER UNIT | OUTSIDE THE CITY PER UNIT | RATE RATIO |
|--|-----------------------------|------------------------------|------------|
| Residential/Duplex | \$348.38 | \$667.72 | 1.92 |
| Multi-Family (three or more connected units) | \$294.27/unit | \$669.47/unit | 2.28 |

Metered Water

| FOR VOLUMES OF WATER CONSUMED | | CHARGE PER QUARTER | RATE RATIO |
|-------------------------------|--------------------------------|--------------------|--|
| COMMERCIAL METERED | | | |
| 0 – 48.0 m3 | Minimum rate per unit \$49.60 | | |
| 48.1 – 566.0 m3 | \$1.35 | | |
| Greater than 566.0 m3 | \$1.08 | | |
| OUTSIDE CITY | | | |
| 0 – 48.0 m3 | Minimum rate per unit \$166.32 | | Was established based on 1/4th of the o/s flat rate, however we note that the ratio is 3.35x the inside metered rate |
| 48.1 – 566.0 m3 | \$1.62 | | |
| Greater than 566.0 m3 | \$1.35 | | |

In following best practices in setting the outside user rate and pricing in a premium for risk and cost recovery, staff recommends that, until such time as an engineering analysis and condition assessment of the area's water infrastructure can be completed, the following rate structure policy be adopted for the outside user category.

(Inside User Rate plus Frontage Rate, assessable at 100 feet) x 1.30 = Outsider User Rate

The following table details the existing rate and provides the resulting recommended rates:

Non-Metered Customers:

| CATEGORY | CURRENT BYLAW RATE PER UNIT | RECOMMENDED RATE PER UNIT | EQUITY ADJUSTMENT |
|---|-----------------------------------|---------------------------------|----------------------|
| Residential/Duplex | \$667.72 | \$601.09 | (\$66.63) |
| Multi-Family (one legal parcel of land and three or more connected units) | \$669.47 | \$530.75 | (\$138.72) |

Metered Customers

| FOR VOLUMES OF WATER CONSUMED | CURRENT BYLAW CHARGE PER QUARTER | RECOMMENDED RATE CHARGE PER QUARTER | EQUITY ADJUSTMENT |
|----------------------------------|-------------------------------------|--|-------------------|
| Multi-Family Metered | | | |
| 0 – 48.0 m3 | Minimum rate per unit \$166.32 | Minimum rate per unit \$98.07 | (\$68.25) |
| 48.1 – 566.0 m3 | \$1.62 | \$1.76 | |
| Greater than 566.0 m3 | \$1.35 | \$1.40 | |
| Commercial Metered | | | |
| 0 – 48.0 m3 | Minimum rate per unit \$166.32 | Minimum rate per unit \$101.53 | (\$64.79) |
| 48.1 – 566.0 m3 | \$1.62 | \$1.76 | |
| Greater than 566.0 m3 | \$1.35 | \$1.40 | |

FINANCIAL IMPLICATIONS:

A zero percent increase in the bylaw user rates is recommended, with future rates to be informed through the implementation of condition assessments and the development of asset management plans. However, customers will see a slight increase in their 2014 water rate based on billing of the full 2013 bylaw rate which is in effect for 2014. Council may recall that the 2013 rates were set late in March 2014, and the user fee billing for that year represented a blend of the 2012 and 2013 rates bylaws. *The effective increase for a single family unit will be \$5.00.*

The proposed rate equity adjustment for outside user rates is anticipated to *reduce* user fee revenue by approximately \$3,000 in 2014.

ADMINISTRATIVE IMPLICATIONS:

Subsequent to Council endorsing the proposed increase to the 2014-2018 Water Utility Financial Plan and user fees, staff will prepare the user fees amendment bylaw, and return it to Council for adoption.

On adoption for the user fee amendment bylaw, staff will update the financial system for the 2014 utility billing.

STRATEGIC PLAN REFERENCE:

Value Statement 2: A progressive, diverse and sustainable City

Goal 1: Ensure infrastructure is sustainable

Objective c) Complete an inventory and assessment of City roads, buildings, and utilities, and report on works required.

OFFICIAL COMMUNITY PLAN REFERENCE:

6.2 Water Supply

6.2.1 to ensure a high level of water quality is maintained

6.2.2 to protect the watershed of the Comox Lake and thereby protect the City's source of water

REGIONAL GROWTH STRATEGY REFERENCE:

5-A Water – Promote water conservation and efficiency throughout the Comox Valley

5-B Water - Protect the quality of water sources

CITIZEN/PUBLIC ENGAGEMENT:

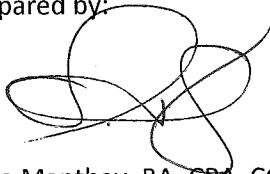
The public is notified of the upcoming changes to user fees through regular council meetings, media webcasts, and information posted on the City's website.

OPTIONS:

OPTION 1: That Council approves the 2014-2018 Water Fund Financial Plan, that a rate equity adjustment for the "outside of the City" user category be approved, and that the City carry out an engineering analysis and condition assessment of water service infrastructure in the Comox Road service area to further inform rate setting for outside users.

OPTION 2: That Council defer the endorsement of the proposed 2014-2018 Water Fund Financial Plan and the proposed equity adjustment for further discussion at a later Council meeting.

Prepared by:



Tillie Manthey, BA, CPA, CGA

Director, Financial Services/Deputy CAO

Attachs:

Schedule 1 – Sewer Operating Fund 2014-2018

Schedule 2 – Sewer Capital Fund 2014-2018

City of Courtenay
WATER OPERATING FUND
Proposed 2014 - 2018 FINANCIAL PLAN

SCHEDULE 1

| DESC | 2013 FINAL BUDGET | 2013 Projected | 2014 PROV BUDGET | 2015 PROJ BUDGET | 2016 PROJ BUDGET | 2017 PROJ BUDGET | 2018 PROJ BUDGET |
|--|----------------------------------|-------------------|-------------------------|------------------------|------------------------|------------------------|------------------------|
| Bulk Water Rate - Regional System | \$0.64/m3 | | \$0.64/m3 | \$0.64/m3 | \$0.66/m3 | \$0.66/m3 | \$0.66/m3 |
| Percentage Increase - Regional Bulk Rate | | | 0% | 0% | 3% | 0% | 0% |
| Percentage Increase - City Operations | | | 0% | 2% | 2% | 2% | 2% |
| | | | 0% | 2% | 5% | 2% | 2% |
| | 2012/13 Blended Bylaw Rate | | Full 2013 Bylaw Rate | | | | |
| Bylaw Rate Increase - Single Family Unit | \$ 343 | | \$ 348 | \$ 355 | \$ 373 | \$ 381 | \$ 388 |
| Increase | | | \$ 5 | \$ 7 | \$ 18 | \$ 7 | \$ 8 |
| REVENUE | | | | | | | |
| Frontage Tax Levy | 679,479 | 699,857 | 688,322 | 709,827 | 709,827 | 709,827 | 709,827 |
| Sale of Water | 4,360,455 | 4,399,814 | 4,465,584 | 4,731,954 | 4,872,079 | 5,023,428 | 5,122,605 |
| Connection charges and rentals | 125,900 | 154,728 | 155,587 | 145,587 | 145,587 | 145,587 | 145,587 |
| Miscellaneous | 85,800 | 102,035 | 104,000 | 104,000 | 104,000 | 104,000 | 104,000 |
| MFA Earnings | 300 | 372 | 300 | 300 | 300 | 300 | 300 |
| From Reserve for Future Expenditure | 599,753 | 599,753 | 1,174,396 | 0 | 0 | 0 | 0 |
| From Water Efficiency Reserve | 25,000 | 5,448 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 |
| From Water Utility Reserve-Meter Replacement | 150,000 | 13,985 | 25,000 | 25,000 | 25,250 | 25,503 | 25,758 |
| From Gas Tax Fund | 0 | 0 | 110,000 | 0 | 0 | 0 | 0 |
| From Prior Year Surplus | 740,000 | 112,340 | 381,841 | 44,215 | 28,763 | 0 | 0 |
| TOTAL REVENUE | 6,766,687 | 6,088,332 | 7,112,030 | 5,767,883 | 5,892,806 | 6,015,645 | 6,115,077 |
| EXPENSE | | | | | | | |
| Water purchase | 3,165,000 | 2,893,609 | 2,967,479 | 3,074,307 | 3,182,725 | 3,197,886 | 3,213,120 |
| Administration costs | 219,500 | 193,086 | 181,464 | 184,081 | 186,737 | 189,433 | 192,169 |
| Interfund allocations | 809,200 | 704,956 | 971,372 | 981,086 | 990,897 | 1,000,805 | 1,010,814 |
| Operation and maintenance | 838,000 | 618,102 | 846,500 | 750,250 | 754,288 | 758,366 | 762,485 |
| Study - Update 2005 Water Model | 0 | 0 | 75,000 | 0 | 0 | 0 | 0 |
| NEW: Asset Condition Assessments | 0 | 0 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 |
| Debt Interest Charges | 28,260 | 28,332 | 28,260 | 28,260 | 28,260 | 28,260 | 28,260 |
| Debt Principle Payments | 20,149 | 20,149 | 20,149 | 20,149 | 20,149 | 20,149 | 20,149 |
| Water Efficiency Measures | | | | | | | |
| : Enforcement | 10,000 | 3,419 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| : Commercial Toilet Rebate Program | 15,000 | 2,029 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| To General Operating Fund | 75,000 | 52,025 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| To Water Utility Reserve | 26,200 | 27,404 | 27,250 | 27,250 | 27,250 | 27,250 | 27,250 |
| To Water Machinery & Equipment Reserve | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| To Reserve for Future Expenditure | 0 | 1,174,396 | 631,131 | 0 | 0 | 0 | 0 |
| To Water Capital Fund | 1,525,378 | 335,824 | 1,210,925 | 550,000 | 550,000 | 600,000 | 625,000 |
| To Carbon Offsets Reserve | 5,000 | 5,000 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 |
| Contingency Reserve | 0 | 0 | 0 | 0 | 0 | 40,996 | 83,330 |
| | 6,766,687 | 6,088,332 | 7,112,030 | 5,767,883 | 5,892,806 | 6,015,645 | 6,115,077 |
| INCREASE (DECREASE) IN WATER FUND | - | (0) | - | - | - | - | - |
| Water Operating Surplus | | | | | | | |
| Balance Forward | | 1,287,858 | 1,175,518 | 1,424,808 | 1,380,593 | 1,351,830 | 1,392,826 |
| Utilized | | (112,340) | (381,841) | (44,215) | (28,763) | - | - |
| Additions (Note 1) | | - | 631,131 | - | - | 40,996 | 83,330 |
| Balance Remaining | | 1,175,518 | 1,424,808 | 1,380,593 | 1,351,830 | 1,392,826 | 1,476,156 |

Note 1: Unused 2013 Capital funds have been set aside pending Asset Management/Condition Assessment and related policy

WATER CAPITAL FUND
Proposed 2014-2018 Financial Plan

SCHEDULE 2

| DESCRIPTION OF WORK | GL ACCT # | 2014 PROV | BUDGETED SOURCE OF FUNDS | | | | | | | |
|--|-------------------------|--------------|--------------------------|---------------|-------------|---------------------|----------------|-------------|-------|---------------|
| | | | OPERATING CONTRIB | RESERVE FUNDS | | RESERVE FOR F.E. | GOV'T GRANT | DCC RESERVE | | OTHER REVENUE |
| | | | | AMOUNT | NAME | | | AMOUNT | NAME | |
| 2014 PROJECTS | | | | | | | | | | TOTAL |
| SWWD Changeover - concept/design | 040-40-6-340-0000-87521 | 100,000 | 70,068 | | | 29,932 | | | | 100,000 |
| Lake Trail Config- move from transmission main to City Main | 040-40-6-340-0000-87525 | 40,000 | 12,472 | | | 18,028 | | 9,500 | W2375 | 40,000 |
| Project EC1 - Water Pressure/ New main from Ryan Rd. (south on Cowichan to 4th, west on 4th and south on evergreen to 6th) - complete/final acceptance | 040-40-6-340-0000-87526 | 30,000 | - | 2,750 | CWF-Gas Tax | 13,000 | | 14,250 | W4750 | 30,000 |
| Water Main from Valley View Drive to Glacier View Lodge and Marsland Properties - tied to walkway | 040-40-6-340-0000-87537 | 35,000 | 4,763 | | | 28,575 | | 1,663 | W0475 | 35,000 |
| Piercy Ave 26th to 29th Ph 2 - Replace/Re-size | 040-40-6-340-0000-87539 | 10,000 | - | | | 10,000 | | | | 10,000 |
| Beechwood Rd to Christie Parkway - Water Main - complete/final acceptance | 040-40-6-340-0000-87541 | 118,000 | 13,708 | | | 104,292 | | | | 118,000 |
| Menzies & 5th AC water Main replace - completion of 2013 project | 040-40-6-340-0000-87545 | 150,000 | - | | | 150,000 | | | | 150,000 |
| Mainline Valves Project - downtown core | 040-40-6-340-0000-87503 | 50,000 | - | | | 50,000 | | | | 50,000 |
| Water Equipment > \$5,000 (annual) | 040-40-6-340-0000-87516 | 20,000 | 20,000 | | | - | | | | 20,000 |
| Fire Hydrants (annual) | 040-40-6-340-0000-87517 | 45,000 | - | | | 45,000 | | | | 45,000 |
| Comox Road Improvements - Phase 3 DESIGN | 040-40-6-340-0000-87528 | 30,000 | 16,650 | | | 10,500 | | 2,850 | W0950 | 30,000 |
| Water Meter Radios | 040-40-6-340-0000-87529 | 50,000 | 20,000 | | | 30,000 | | | | 50,000 |
| Meter Reading System - replace outdated software | 040-40-6-340-0000-87544 | 35,000 | - | | | 35,000 | | | | 35,000 |

WATER CAPITAL FUND

Proposed 2014-2018 Financial Plan

SCHEDULE 2

| BUDGETED SOURCE OF FUNDS | | | | | | | | | | | |
|--|-------------------------|-----------|-------------------|---------------|------|------------------|-------------|-------------|-------|---------------|--------------------|
| DESCRIPTION OF WORK | GL ACCT # | 2014 PROV | OPERATING CONTRIB | RESERVE FUNDS | | RESERVE FOR F.E. | GOV'T GRANT | DCC RESERVE | | OTHER REVENUE | |
| | | | | AMOUNT | NAME | | | AMOUNT | NAME | AMOUNT | NAME |
| NIC Fire Flow Water Meter | 040-40-6-340-0000-87533 | 30,000 | - | | | - | | | | 30,000 | Dev Contr |
| Willemar Ave - 17th Street to 26th Street - Design Ph 1 | 040-40-6-340-0000-87535 | 215,000 | 145,000 | | | 18,938 | | 51,063 | W2375 | | |
| Vanier Drive -Water Main Replacement | 040-40-6-340-0000-87546 | 110,000 | 110,000 | | | | | | | | |
| 2nd Street (Cliffe to England Ave) Main replacement | 040-40-6-340-0000-87547 | 105,000 | 105,000 | | | | | | | | |
| 12th Street (Stewart to Urquart Ave) Main replace | 040-40-6-340-0000-87548 | 50,000 | 50,000 | | | | | | | | |
| South Courtenay - water supply changeover to properties within the Royston LSA - complete | 040-40-6-340-0000-87549 | 100,000 | 100,000 | | | | | | | | |
| Total 2014 Capital Plan | | 1,323,000 | 667,660 | 2,750 | - | 543,265 | - | 79,325 | - | 30,000 | - |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| CAPITAL PROJECTS - 2015 Forward | | | | | | | | | | | |
| SWWD Changeover - construction | 040-40-6-340-0000-87542 | 800,000 | 265,000 | | | 426,131 | | | | 108,869 | BL 2440 Unexpended |
| SWWD Changeover - CVRD CICC's | 040-40-6-340-0000-87543 | 340,000 | - | | | 340,000 | | | | | |
| Asset Management - List of priority capital projects to be determined following condition assessment | | | | | | | | | | | |
| | | | | | | | | | | | |

New Bus

**Template News Release re:
Budget 2014 Housing Commitment**

FCM asks members to adapt this sample news release when commenting on the federal government's commitment on housing in Budget 2014

**Budget 2014 Misses the Mark on Housing,
But [Insert Name of Municipalities] Will Continue to Press for Action**

[INSERT NAME OF MUNICIPALITY AND PROVINCE] – While Budget 2014 failed to address the growing housing crisis facing **[Insert name of municipality]**'s families and economy, **[Insert name of head of council]** pledged to join the Federation of Canadian Municipalities (FCM) in continuing to press for a long-term plan and concrete action to address this critical problem.

"While there were some encouraging words about homelessness and affordable housing in the Budget, it failed to spell out the specific steps that need to be taken if we are to achieve real, measurable improvements here in **[Insert name of Municipality]**," said **[Insert Name of head of council]**.

Specifically, Budget 2014 contains no commitment to a long-term housing plan, which communities like **[insert name of municipality]** so desperately need. Yet the scope of this crisis could not be more apparent. A total of \$1.5 billion dollars for social housing will be lost over the next 5 years, as a result of expiring federal investments. Without a long-term plan and leadership by the federal government, up to 1/3 of the country's social housing units – which are home to more than half a million Canadians – will eventually be lost.

[Insert local details about the impact of the housing crunch]

"The rising cost of housing is an issue we see in cities across the country," **(insert name of head of council)**. "Cities and communities are ready and willing to help protect the economy and solve this housing crisis but we need federal and provincial partners who are committed to working with us."

[Insert name of municipality] will continue pushing the federal government to reveal specific steps and a timeline, to address Canada's housing crunch. Meanwhile, FCM is calling on Minister Bergen to agree to immediately start the conversation on the housing crunch with Canada's big city Mayors when they assemble in Ottawa later this month.

For more information:



New Bus
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office@larchecomoxvalley.org

January 14, 2014
City of Courtenay Council
830 Cliffe Avenue
Courtenay, B.C. V9N 2J7

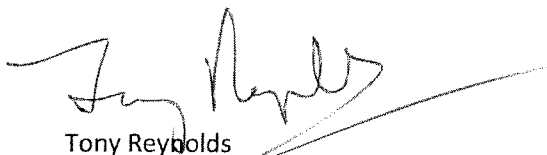
Dear Mayor Jangula and City of Courtenay Councillors:

Council has previously been briefed on L'Arche Comox Valley expansion plans to build a new facility at 1465 Grieve Avenue in Courtenay. We have launched **IBelong!**, an ambitious capital fundraising campaign to cover the construction costs of this facility and are in the initial silent phase of that campaign. Meanwhile, we are proceeding with our first public step in this process with the rezoning of our Grieve Avenue property to suit the new facility.

L'Arche Comox Valley requests support of this project from the City of Courtenay Council in all possible forms. We recognize that the city operates within the restraints of a tight budget but would suggest that support for our project could be provided through partial or full relief from the re-zoning, development permit, and subsequent building permit and municipal fees.

Thank you for your interest and support of our project and for your efforts as our rezoning request is conducted through the review process.

Sincerely,


Tony Reybolds
Chair of the Board
L'Arche Comox Valley Board of Directors


Christine Monier
Executive Director
L'Arche Comox Valley

cc. Ian Buck