

AMENDED
THE CORPORATION OF THE CITY OF COURTENAY
SPECIAL COUNCIL MEETING

DATE: Wednesday, April 9, 2014
PLACE: City Hall Council Chambers
TIME: 4:00 p.m.

AGENDA

1.00 STAFF REPORTS

1. 2014-2018 General Operating Financial Plan

2.00 RESOLUTIONS OF COUNCIL

1. In Camera Meeting:

That notice is hereby given that a Special In-Camera meeting closed to the public will be held April 9, 2014 at the conclusion of the Special Council Meeting pursuant to the following sub-sections of the *Community Charter*:

- 90 (1) (i) the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

3.00 ADJOURNMENT



THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT

To: Council
From: Chief Administrative Officer
Subject: 2014-2018 General Operating Financial Plan

File No.: 1705-20
Date: April 9, 2014

PURPOSE:

The purpose of this report is to consider the proposed 2014-2018 General Operating Financial Plan, and the recommended commercial rate multiplier to be used in setting the 2014 property tax rates.

POLICY ANALYSIS:

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

Included in the financial plan, and funded from the Gas Tax Grant, are provisions for beginning condition assessments of roads and storm infrastructure. The development and implementation of Asset Management Planning, based on condition assessments, life cycle analysis, risk management, and the implementation of associated financial policies is a key operational strategic priority.

EXECUTIVE SUMMARY:

The five year general operating financial plan is prepared annually. The proposed 2014 financial plan year provides for a total of \$35 million in planned City expenditures, inclusive of transfers to other funds such as general capital and replacement reserves.

The current year financial plan proposes an increase of 1.95% in revenue derived from municipal property taxation, which will result in an increase in City property taxes of \$6.60 for the average residential property.

CAO RECOMMENDATIONS:

That based on the April 9, 2014 Staff Report "2014-2018 General Operating Financial Plan" Council approve OPTION 1 for the 2014-2018 General Operating Financial Plan in regards to the proposed 2014 – 2018 general operating financial plan; and

That Council approve a .05 reduction in the commercial tax multiple to 2.80 in setting the 2014 property tax rates.

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 proposed Financial Plan for the General Operating Fund presented at the April 9th Special Meeting of Council provides detail for the 2014 year, as well as projections for the four years following.

With Council's approval, the proposed schedules will be included in the 2014-2018 Financial Plan Bylaw.

DISCUSSION:

BUDGET OVERVIEW:

The operating budget is amongst the most important public documents a local government produces. As a financial plan, it sets forth the government's taxing and spending direction. As Council's primary policy document, it establishes explicit service priorities. As an operations guide, it outlines departments that will be responsible for achieving the service priorities and that will be accountable for spending. Finally, as a communications device, it makes all of the foregoing transparent to public officials and citizens alike.¹ The budget is a powerful expression of how Council will meet the community's needs and maintain expected levels of service.

Inclusive of the three operating budgets – General, Water and Sewer – the following charts and graphs depict proportionally where the 2014 funds are utilized and from where revenues come:

CHART 1: City of Courtenay 2014 Operating Expenditures

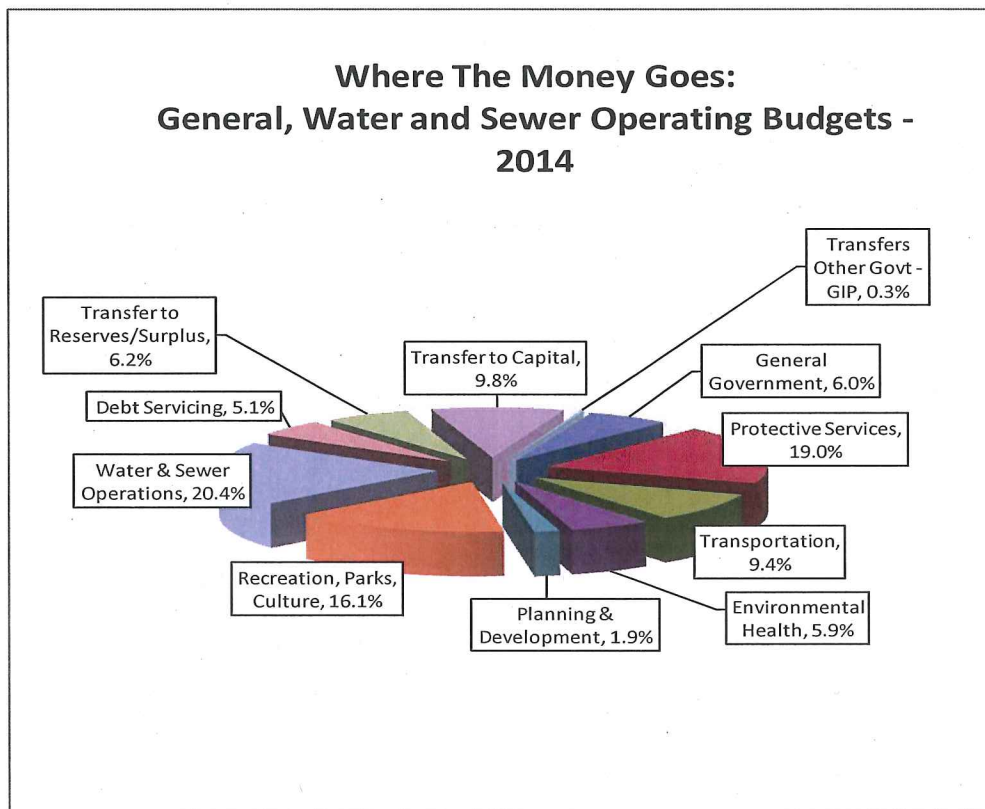
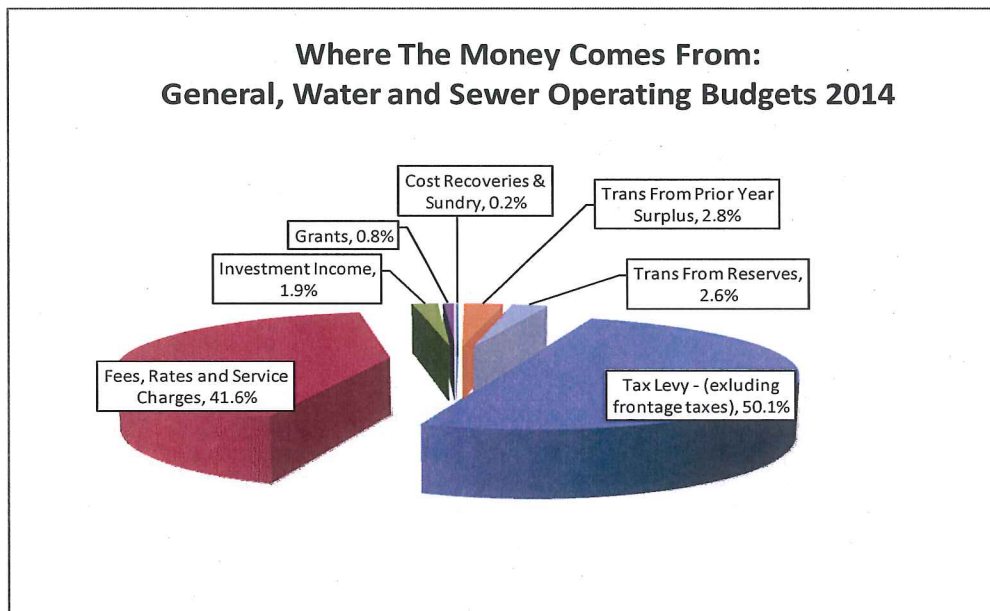
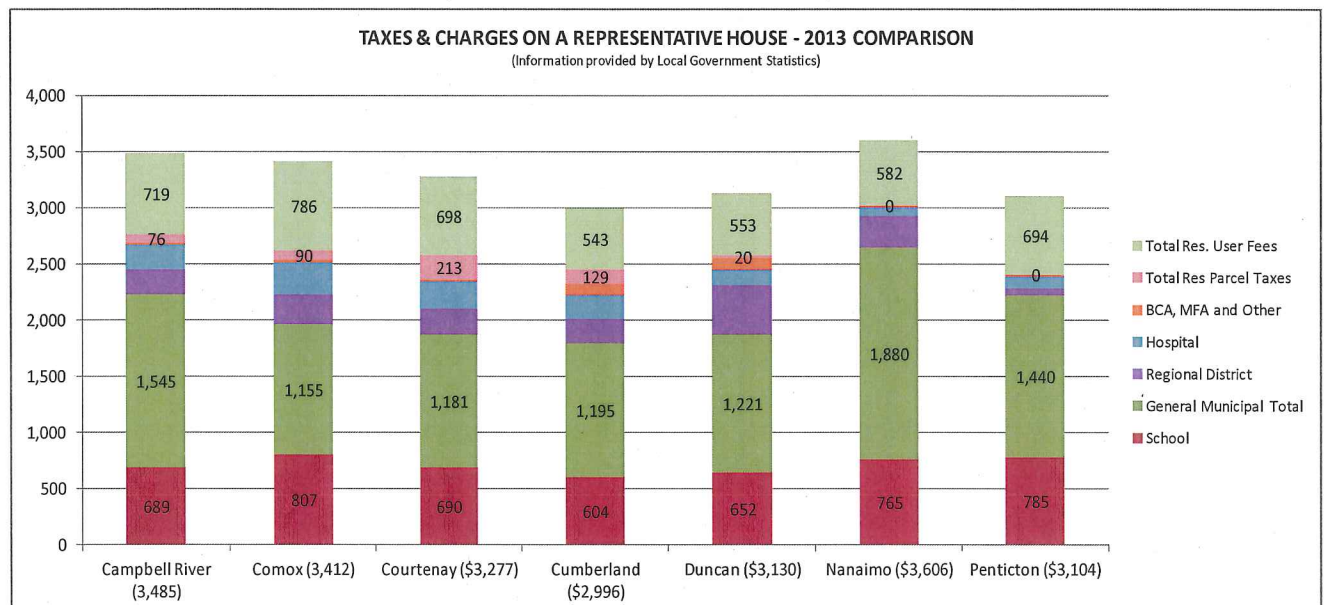


CHART 2: City of Courtenay 2014 Operating Revenues



In the development of the budget and measuring its impact on property taxation and fees, it is also helpful to review the property tax and utility costs in neighbouring and comparable municipalities. The following 2013 information has been extracted from the "Provincial Local Government Statistical" reports and is provided below for Council's information. It should be noted that the amounts reported below are the sum of *all property taxes levied, inclusive of other taxing authorities, as well as utility user fees and parcel taxes imposed by the municipality.*

GRAPH 1: Taxes and Charges on a Representative House – 2013 Comparison



2014 GENERAL OPERATING BUDGET

The 2014 General Operating Budget was prepared based on departmental submissions and multiple external sources and cost drivers to ensure that all anticipated revenues and costs were captured. Development of this proposed financial plan involved a critical examination of past spending patterns as well as detailed analysis of the anticipated costs for 2014-2018. It is essential to ensure that the costs budgeted are warranted and that revenue estimates are realistic.

The proposed 2014 budget is also linked to Council's adopted strategic priorities. Although many of the 2013/2014 priorities can be carried out within existing resources, additional operating funds in 2014 have been provided for the completion of the following:

- Complete Street – Pilot project
- Asset Management – condition assessments of roads/asphalt, storm drainage
- Centennial Celebrations
- Completion of Transportation Study
- Subdivision Bylaw Review
- DCC Bylaw Review and Update

The following provides an overview of key elements in the proposed 2014 general operating budget:

PROPERTY TAXES

Taxation Revenues – Proposed Revenue Increase

The proposed increase in property tax for general municipal and debt purposes, excluding new construction revenues, is 1.95% for 2014.

While the change in the consumer price index for BC remains low, at slightly above 1% over 2013, the City's 2014 proposed financial plan provides for a number of additional cost drivers that surpass the CPI index. The proposed tax increase of 1.95% provides a portion of the funding required to meet these additional 2014 budget requirements which are detailed below under the heading "*2014 Cost Drivers and Changes in Budgeted Expenditures*".

Based on the Final Assessment Roll March 2014, property tax revenue generated from new construction in the prior year is calculated as \$ 240,000 (2013 = \$380,600).

Prior year general surplus in the amount of \$670,000 has been utilized in the 2014 financial plan, in part to carry forward 2013 surplus specific to the policing, and in part to hold the property tax increase in 2014 to 1.95%.

Assessment Trends

- | | |
|--|---|
| • Residential Assessment
(Class 01) | Average property value <i>decrease</i> = (1.40%)
(from \$279,547 to \$275,625) |
| • Commercial Assessment
(Class 06) | Average property <i>increase</i> = 2.75%
(from \$674,554 to \$693,105) |

What this means to the Taxpayer:

Based on the City's current tax rate structure, the following impacts have been calculated:

Residential Class – based on commercial multiple of 2.85.

The property tax increase for an “average” 2014 residential property, value at \$275,625, will be an increase of \$6.60 for the municipal taxation portion of the tax notice.

Commercial Class – based on multiple of 2.85

The “average” commercial property, valued at \$693,105, will experience an increase of \$349 for the municipal portion of the tax notice.

It should be noted that Commercial Class 6 encompasses a wide range of business, from small – with an assessment value usually lower than the average, to very large retailers, with higher valuations. New construction of larger commercial venues can contribute to increasing the “average value” value reported for this class.

Downtown Courtenay - Business Improvement Area– based on multiple of 2.85

The “average” commercial property, valued at \$538,768, will experience an increase of \$336 for the municipal portion of the tax notice.

Property Tax Rate Commercial Multiplier - Considerations

The commercial multiplier is simply the factor by which the commercial class tax rate is greater than the residential class tax rate. Historically the commercial multiplier has been set at the following factors and with Council direction has been gradually trending downward:

YEAR	CLASS 6 - MULTIPLE
2006	3.44
2007	3.35
2008	3.35
2009	3.30
2010	3.10
2011	2.90
2012	2.85
2013	2.85

New construction in the prior year was primarily undertaken by larger commercial entities in the Class 6 business category, and this has resulted in a greater level of growth and an increase in the reported value of the “average” commercial property reflected in the Class 6 Commercial category. In addition, while the assessed values of residential homes have experienced a decrease in average value, the commercial properties in Class 6 have sustained a valuation increase.

The following table details the effect on the average residential property, average commercial property, and the average small business in the Downtown Courtenay Business Improvement area. Based on the options calculated and the additional detail provided for the DCBIA, Staff recommend that the commercial multiple be *decreased* by 0.05 and that a multiple of 2.80 be used to set the City general tax rates for the 2014 year.

TABLE 1: City of Courtenay, 2014 Commercial Rate Multiple, Summary and Impact of Options

	Average Assessment			Effect of Reducing the Commercial Multiplier		
	2013	2014	% Change	1.00	1.00	1.00
Class 1 - Residential						
	\$ 279,547	\$ 275,625	-1.40%			
Municipal General Tax \$ Increase				\$ 6.61	\$ 13.97	\$ 21.41
% change in tax levy over 2013				0.63%	1.34%	2.05%
Class 6 - Commercial				Multiplier of 2.85	Multiplier of 2.80	Multiplier of 2.75
	\$ 674,554	\$ 693,105	2.75%			
Municipal General Tax \$ Increase				\$ 349.87	\$ 269.61	\$ 188.17
% change in tax levy over 2013				4.88%	3.76%	2.62%
Class 6 - DCBIA Properties				Multiplier of 2.85	Multiplier of 2.80	Multiplier of 2.75
	\$ 518,349	\$ 538,768	3.94%			
Municipal General Tax \$ Increase				\$ 335.77	\$ 273.38	\$ 210.07
% change in tax levy over 2013				6.09%	4.96%	3.81%

EXPENDITURES

2014 Cost Drivers and Changes in Budgeted Expenditures

Services provided by the City for its residents include police and fire protection, bylaw enforcement, animal control, transportation services, storm drainage, street lighting, traffic, parking, pickup of solid waste, recyclables, and yard waste, parks, playgrounds, recreation programs and facilities, and cultural facilities such as the library, arts centre, museum and theatre.

Levels of service have been maintained with funding adjustments as required, and additionally for the 2014 budget year the following initiatives have been included in the budget.

1. General Government:
 - a. 2014 election costs
 - b. Courtenay 100 year Centennial celebration, planning/events (2014/15)
 - c. Increase in technical Staff to support existing City systems as well as support the new initiatives of corporate capacity/time tracking, asset management and related GIS data compilation, website redevelopment, human resources information system, and document management.

2. Protective Services:

- a. Addition of 8 volunteers to the volunteer department roster. Related costs include fire response/fire practice wages, uniforms/equipment, and training. Staff consider this necessary to maintain the current level of service in the Fire Department.

The increase in the funded volunteer roster will allow the department to add to the number of fire-fighters per training company, which provides the senior fire-fighters much needed time to not only focus on Officer level training and leadership skills, but to also pass along their knowledge to junior fire-fighters and new recruits.

With the more senior volunteers edging closer to retirement and with the volunteer combined "average" years of service continuing to shorten – common to many volunteer fire departments across the Province – it is critical to implement strategies and resource capacity which permit sufficient and adequate training for the volunteers.

3. Transportation Services:

- a. Engineering – In progress/2014 only
 - i. DCC Bylaw Review and Update
 - ii. Subdivision Bylaw Review and Update
 - iii. Completion of the Transportation Study
 - iv. Road Network Analysis
 - v. Complete Streets Pilot Project
- b. Asset Management Planning
 - i. Condition Assessment – Roads/Asphalt
 - ii. Condition Assessment – Storm Drainage

4. Recreation Programs and Facilities:

- a. Lewis Centre Recreation Facility – An increase in revenues has been forecasted, as well as increased facility and program related costs have been included.

Overall, the operating budget is also affected by a 9% increase in BC Hydro rates effective April 1st, which is projected to result in increased costs of \$44,000 in energy charges for 2014. Property insurance rates for Courtenay have increased 9% or \$12,500, and coverage language around earthquake and flooding damage is becoming increasingly restrictive due to the occurrence of these events along the coast in the past five years.

RESERVES, GRANTS, AND SURPLUS FUNDS

Use of General reserves, grants and surplus funds has been provided for in the 2014 General Operating Budget, and is detailed below.

Community Works Fund – Gas Tax Grant Revenues

The following use of the CWF – Gas Tax Grants funding is proposed in the 2014 budget year:

<u>Category</u>	<u>Grant Criteria</u>	<u>AMOUNT</u>
Transportation Services	Condition Assessment – Roads/Asphalt	Capacity Building – Infrastructure development plans \$75,000
	Condition Assessment – Storm Drainage	Capacity Building – Infrastructure development plans \$ 50,000
Total		<u>\$125,000</u>

Gaming Funds

In accordance with Council's 2013-2015 adopted policy on the distribution of gaming funds, gaming funds continue to be utilized to fund the cost of two members of the total 30.4 (FTE) RCMP members funded by the City of Courtenay each year. For 2014, the cost of two members has been estimated as \$315,204.

Traffic Fine Revenue Sharing Grant

Traffic fine revenue sharing grant funds continue to be used to fund the cost of two members of the total 30.4 RCMP members funded by the City of Courtenay each year.

Council is reminded that 2014 is the final year of the 2012-2014 Provincial Strategic Community Investment Funds agreement (traffic fine revenue share grant). The Province has not yet announced whether this grant program will be renewed.

General Fund Surplus

General surplus funds in the amount of \$670,000 have been utilized in the 2014 financial plan.

The remaining surplus funds held in reserve are projected to total \$3.4 million, and stem from years where the city operations have been under budget. Under-budget situations can occur for a variety of reasons such as policing contract member vacancies, years where anticipated snow and ice control resources have been budgeted but have not been needed, or the receipt of unanticipated revenues.

City Staff are in the process of developing a new Capacity and Financial Risk reserve strategy to create a structure around the intended use of these surplus funds, and specifically ensure that unanticipated risks are provided for. In addition, Staff are also in the process of developing a reserve strategy for costs associated with police protection to ensure surplus policing funds are carried forward and are available for use in covering future policing contract costs or for use in covering the unexpected cost of events where significant policing resources are required.

DEBT

No new borrowing is proposed for the current 2014 budget year. Additional borrowing in future years would be required for a possible fire hall/training grounds in East Courtenay, and for a new police building in West Courtenay. Long term borrowing requires a public approval prior to advancing the related projects.

The City currently utilizes 20% of its total allowable debt servicing capacity. This percentage is forecast to decrease by the end of 2015 as the City makes final payments on three borrowings undertaken in 2000.

ADMINISTRATIVE IMPLICATIONS:

Subsequent to Council approval of the proposed 2014-2018 General Operating Fund Financial Plan, the schedules will be included in the 2014-2018 Financial Plan Bylaw. Subsequent to an opportunity for public feedback, this bylaw will be brought forward for Council adoption in May 2014.

STRATEGIC PLAN REFERENCE:

Value Statement 1: A Safe and Caring Community

Goal 1 – Ensure protective services meet community needs

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.

Strategic Priorities

Additional one-off funds have been provided for in the 2014 Financial Plan to provide resources for the following strategic priorities:

Priority	<i>Provided for In Schedule C, under the following operating budget:</i>
Council: - Complete Street Pilot Project	Transportation Services: Engineering Operations
Community Services - Centennial Celebrations	General Government Services: Legislative
Operations: - Asset Management Inventory - Road Condition Assessment	Transportation Services: Asset Management Planning
Engineering - Complete Street – Pilot Project - Transportation Study - Subdivision Bylaw Review - DCC Bylaw Review	Transportation Services: Engineering Operations

OFFICIAL COMMUNITY PLAN REFERENCE:

The 2014-2018 Financial Plan touches many areas of the OCP Goals including:

- Balanced growth
- Parks and publicly accessible natural open space
- Sustainable development
- Provision of community services including fire/rescue and policing
- An effective transportation system

REGIONAL GROWTH STRATEGY REFERENCE:

Goal 4 – Transportation

Develop and accessible, efficient and affordable multi-modal transportation network that connects Core Settlement Areas and designated Town Centres, and links the Comox Valley to neighbouring communities and regions.

Goal 5 – Infrastructure

Provide affordable, effective and efficient services and infrastructure that conserves land, water and energy resources.

Goal 8 – Climate Change - Minimize regional greenhouse gas emissions and plan for adaptation.

CITIZEN/PUBLIC ENGAGEMENT:

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

The financial plan information will be posted on the City's website for review and comment, and all public feedback will be provided to Council prior to adoption of the Financial Plan bylaw.

In addition, Staff are currently in the process of compiling data for the launch of a new interactive and informative web-based communication tool "Citizen Budget", and plan to have this tool online a few days after the April 9th budget discussion with Council.

OPTIONS:

OPTION 1: That Council approves the 2014-2018 General Operating Financial Plan as proposed, and directs Staff to include the schedules in the 2014-2018 Financial Plan Bylaw; and

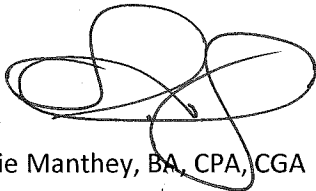
That Council approve a .05 reduction in the commercial tax multiple to 2.80 in setting the 2014 property tax rates.

OPTION 2: That Council amends the proposed 2014-2018 General Operating Financial Plan, and directs Staff to include the amended schedules in the 2014-2018 Financial Plan Bylaw; and

That Council decide on the commercial rate multiplier to be used in setting the 2014 property tax rates.

OPTION 3: That Council defer the endorsement of the proposed 2014-2018 General Operating Financial Plan and tax rate multiple for further discussion at a later Council meeting.

Prepared by:



Tillie Manthey, BA, CPA, CGA

Director, Financial Services/Deputy CAO

Attach: Schedule C – General Operating Fund schedules
 Schedule J – General Fund Reserves

¹ Government Finance Officers Association: Financial Policies, Shayne C. Kavanaugh, 2012

**City of Courtenay
GENERAL OPERATING FUND
2014 - 2018 FINANCIAL PLAN**

SCHEDULE C

DESC	2013 BUDGET	2013 PROJECTED	2014 PROV BUDGET	2015 PROJECTED BUDGET	2016 PROJECTED BUDGET	2017 PROJECTED BUDGET	2018 PROJECTED BUDGET
Proposed Municipal Property Tax Increase							
Policing - RCMP Contract	2.06%		0.00%	2.07%	1.33%	0.65%	1.77%
General and Debt	2.12%		1.95%	2.00%	2.00%	2.50%	2.50%
	4.18%		1.95%	4.07%	3.15%	4.27%	4.27%
REVENUES							
<u>Taxes</u>							
Real Property - General/Debt Purposes	18,145,050	18,497,148	18,866,952	20,292,160	20,706,036	21,610,604	23,662,773
New Construction Estimate	380,600	0	240,000	250,000	300,000	300,000	300,000
Boundary Extension Phased Tax			147,158				
Library Levy	995,030	995,030	1,085,184	1,096,036	1,106,996	1,118,066	1,129,247
Utility 1% Revenue Tax	374,672	374,672	385,251	389,104	392,995	396,924	400,894
	19,895,352	19,866,850	20,724,545	22,027,299	22,506,027	23,425,595	25,492,914
<u>Grants in Place of Taxes</u>							
Federal Government and agencies	116,507	118,719	118,719	119,906	121,105	122,316	123,539
Provincial Government and agencies	277,294	290,309	290,309	293,212	296,144	299,106	302,097
	393,801	409,028	409,028	413,118	417,249	421,422	425,636
<u>Collections for other Governments and Authorities</u>							
Downtown Courtenay B.I.A	60,000	60,000	60,000	60,000	60,000	60,000	60,000
School Taxes	11,555,933	11,563,625	0	0	0	0	0
Comox Valley Regional District	3,601,014	3,798,117	3,871,682	3,910,399	3,949,503	3,988,998	4,028,888
Comox-Strathcona RHD	3,628,858	3,807,082	4,050,023	4,090,523	4,131,428	4,172,743	4,214,470
Municipal Finance Authority	935	952	972	982	992	1,001	1,011
BC Assessment Authority	313,330	315,546	320,222	323,424	326,659	329,925	333,225
	19,160,070	19,545,322	8,302,899	8,385,328	8,468,582	8,552,667	8,637,594
Total Taxation, Grants in Place	39,449,223	39,821,200	29,436,472	30,825,746	31,391,858	32,399,684	34,556,144
<u>Sale of Services</u>							
Protective Services	860,332	843,270	841,534	851,792	853,265	854,752	856,254
Envir Health Services (solid waste, recycling)	2,694,171	2,649,452	2,840,744	3,051,945	3,232,883	3,441,230	3,679,910
	3,554,503	3,492,723	3,682,278	3,903,737	4,086,148	4,295,982	4,536,164
<u>Revenue from own Sources</u>							
Recreation Program Fees	1,210,750	1,305,601	1,335,200	1,335,200	1,335,200	1,335,200	1,335,200
Business Licenses	270,500	271,193	272,000	272,000	272,000	272,000	272,000
Commercial Vehicle Licenses	6,200	6,249	6,200	6,200	6,200	6,200	6,200
Building/Plumbing Permits & Misc Fees	336,000	247,074	346,000	346,000	346,000	346,000	346,000
Parking, Fines and permits	37,000	42,948	36,301	36,301	36,301	36,301	36,301
Dog Licenses and fees	9,700	8,386	9,400	9,400	9,400	9,400	9,400
Rezoning, Subdivision and variance fees	111,000	117,295	111,000	111,000	111,000	111,000	111,000
Engineering and public works	183,100	422,564	201,000	201,000	201,000	201,000	201,000
Rentals	933,500	954,145	924,000	924,000	924,000	924,000	924,000
Parks (recoveries)	47,000	20,809	18,300	18,300	18,300	18,300	18,300
Hotel Room Tax	0	193,338	276,000	276,000	276,000	276,000	276,000
	3,144,750	3,589,602	3,535,401	3,535,401	3,535,401	3,535,401	3,535,401
Interest Income /Taxation & Utility Penalties	716,153	849,575	814,500	814,500	814,500	814,500	814,500

**City of Courtenay
GENERAL OPERATING FUND
2014 - 2018 FINANCIAL PLAN**

SCHEDULE C

DESC	2013 BUDGET	2013 PROJECTED	2014 PROV BUDGET	2015 PROJECTED BUDGET	2016 PROJECTED BUDGET	2017 PROJECTED BUDGET	2018 PROJECTED BUDGET
<u>Other</u>							
Insurance Recoveries	15,000	9,742	15,000	10,000	10,000	10,000	10,000
Cemeteries	132,000	135,934	137,200	137,200	137,200	137,200	137,200
Sundry	69,900	67,616	70,858	62,858	62,858	62,858	62,858
	216,900	213,293	223,058	210,058	210,058	210,058	210,058
<u>Unconditional Grants from Other Governments</u>							
>>Provincial Government							
Traffic Fine Revenue Sharing	198,024	197,111	198,024	0	0	0	0
Climate Action	10,000	22,169	20,000	20,000	20,000	20,000	20,000
BC Hydro - Graffiti Action	3,000	1,112	4,800	4,800	4,800	4,800	4,800
BC Hydro - Power Smart Partner Projects	2,000	1,856	5,000	5,000	5,000	5,000	5,000
	213,024	222,248	227,824	29,800	29,800	29,800	29,800
<u>Conditional Grants from Other Governments</u>							
>> Provincial Government							
Ministry of Transportation and Highways	700	480	700	700	700	700	700
Mature Driver Education	3,000	0	1,635	0	0	0	0
MOT Cost Share	0	2,000	0	0	0	0	0
YOUTH	0	1,500	3,000	3,000	3,000	3,000	3,000
Healthy Comm Capacity Fund (Housing)	0	5,000	1,000	0	0	0	0
Healthy Comm Capacity Fund (Food Secur)	0	3,953	1,000	0	0	0	0
	3,700	12,933	7,335	3,700	3,700	3,700	3,700
>> Local Government							
Rescue 71	15,000	16,150	16,750	16,750	16,750	16,750	16,750
Memorial Pool	60,000	69,849	62,000	62,000	62,000	62,000	62,000
Cemetery	0	27,407	0	0	0	0	0
CVRD Housing Task Force	61,007	44,600	18,073	0	0	0	0
CVRD Cycling Task Force	9,152	9,722	10,000	10,000	10,000	10,000	10,000
	145,159	167,729	106,823	88,750	88,750	88,750	88,750
<u>Transfers from Other Funds and Reserves</u>							
Reserve for Future Expenditures	1,156,237	1,156,237	1,147,787	0	0	0	0
New Works Reserve	0	2,599	0	0	0	0	0
Cemetery Perpetual Care Fund	3,000	3,096	3,000	3,000	3,000	3,000	3,000
Traffic Fine / Gas Tax Reserves	360,000	320,000	533,204	324,135	337,802	330,986	349,875
Gaming Fund	320,000	320,000	315,204	324,135	337,802	330,986	349,875
Reserve Contributions	2,434,439	2,983,286	650,000	650,000	650,000	650,000	650,000
Sewer Frontage Tax	1,832,708	1,945,198	1,835,000	1,835,000	1,835,000	1,835,000	1,835,000
Water Frontage Tax	679,479	699,857	688,322	709,827	709,827	709,827	709,827
Prior Years Surplus	841,600	0	670,000	360,912	137,917	0	0
	7,627,463	7,430,273	5,842,517	4,207,009	4,011,348	3,859,799	3,897,577
TOTAL REVENUES	55,070,875	55,799,575	43,876,208	43,618,701	44,171,563	45,237,673	47,672,094

**City of Courtenay
GENERAL OPERATING FUND
2014 - 2018 FINANCIAL PLAN**

SCHEDULE C

DESC	2013 BUDGET	2013 PROJECTED	2014 PROV BUDGET	2015 PROJECTED BUDGET	2016 PROJECTED BUDGET	2017 PROJECTED BUDGET	2018 PROJECTED BUDGET
EXPENDITURE							
<u>General Government Services</u>							
Legislative	269,500	271,922	322,849	337,611	290,415	293,261	296,150
Corporate Services	2,385,051	2,225,005	2,336,095	2,358,728	2,388,711	2,413,201	2,438,057
Other (election costs, claims, risk mngt)	45,100	45,734	85,300	75,300	75,700	130,700	100,700
	2,699,651	2,542,662	2,744,244	2,771,639	2,754,826	2,837,162	2,834,907
<u>Protective Services</u>							
Police Protection	6,175,728	5,013,906	6,256,053	6,571,372	6,801,981	6,876,192	7,198,650
Fire Protection	1,622,224	1,605,134	1,727,442	1,764,469	1,791,808	1,813,387	1,862,729
Emergency Measures	57,100	40,944	48,000	48,000	48,000	48,000	48,000
Inspections	513,700	498,506	517,108	522,789	528,554	534,406	540,344
Animal Control/Bylaw Enforcement	136,850	128,375	140,852	141,973	143,111	144,266	145,438
	8,505,602	7,286,865	8,689,455	9,048,603	9,313,455	9,416,250	9,795,160
<u>Transportation Services</u>							
Net Common Services	501,000	844,348	538,891	541,967	545,087	548,252	551,462
>> Road Transport							
Engineering	920,446	836,257	1,143,462	899,250	910,200	921,314	932,595
Asset Management Planning	0	2,767	142,000	108,000	108,000	108,000	108,000
Roads and Streets	1,726,000	1,533,335	1,757,600	1,777,577	1,797,850	1,818,425	1,839,305
Street Lighting	543,000	560,013	603,000	620,820	633,999	657,548	671,478
Traffic Services	62,500	59,088	82,500	72,500	72,500	72,500	72,500
Parking Control	45,250	39,171	44,250	44,310	44,371	44,433	44,495
Air Transport	4,700	3,580	3,800	4,333	4,366	4,400	4,434
	3,802,896	3,878,559	4,315,503	4,068,757	4,116,374	4,174,872	4,224,269
Environmental Health Services (solid waste, recycl	2,485,451	2,454,367	2,686,243	2,896,681	3,066,635	3,272,473	3,497,033
Public Health and Welfare Services (cemetery, oth	265,557	284,489	224,673	209,009	211,454	213,936	216,455
Planning & Development Services	574,950	572,684	645,156	651,443	655,152	663,688	672,350
Hotel Tax - Transfer to EDS	0	193,338	276,000	276,000	276,000	276,000	276,000
<u>Recreation and Cultural Services</u>							
>>Administration and Recreation Programs	2,778,950	2,965,508	3,053,851	3,090,829	3,128,199	3,165,964	3,204,296
>>Recreation Facilities							
Lewis Centre	169,600	199,593	214,000	215,140	216,291	217,454	218,629
Florence Filberg Centre	116,000	135,423	141,500	142,240	142,987	143,742	144,505
Linc Youth Centre	25,800	30,065	33,500	33,620	33,741	33,864	33,987
Pool and Marina	81,300	90,277	84,100	84,391	84,685	84,982	85,282
Parks and Playgrounds	2,032,652	1,953,201	2,069,424	2,086,870	2,104,565	2,122,514	2,140,718
Cultural Buildings and Facilities	598,350	602,892	640,450	646,266	652,162	658,139	664,199
Requisition - Vanc Isl Reg Libr	995,030	995,032	1,085,184	1,096,036	1,106,996	1,118,066	1,129,247
Other Buildings	73,500	61,965	54,300	54,583	54,869	55,158	55,449
	6,871,182	7,033,955	7,376,309	7,449,974	7,524,496	7,599,883	7,676,312

**City of Courtenay
GENERAL OPERATING FUND
2014 - 2018 FINANCIAL PLAN**

SCHEDULE C

DESC	2013 BUDGET	2013 PROJECTED	2014 PROV BUDGET	2015 PROJECTED BUDGET	2016 PROJECTED BUDGET	2017 PROJECTED BUDGET	2018 PROJECTED BUDGET
<u>Transfer of Taxes Collected for Other Authorities</u>							
School Taxes	11,555,933	11,563,625	0	0	0	0	0
Regional Hospital District	3,628,858	3,807,082	4,050,023	4,090,523	4,131,428	4,172,743	4,214,470
Municipal Finance Authority	935	956	972	982	992	1,001	1,011
Comox Strathcona Regional District	3,601,014	3,798,117	3,871,682	3,910,399	3,949,503	3,988,998	4,028,888
Business Improvement Area	60,000	60,000	60,000	60,000	60,000	60,000	60,000
BC Assessment	313,330	315,546	320,222	323,424	326,659	329,925	333,225
	19,160,070	19,545,326	8,302,899	8,385,328	8,468,582	8,552,667	8,637,594
<u>Fiscal Services</u>							
Principal Repaid	1,118,616	1,118,616	1,119,208	1,299,298	1,034,074	1,034,074	1,846,788
Interest Charges	943,322	942,932	939,372	1,239,372	1,071,635	1,071,635	2,596,635
MFA Debt Reserve Fund	10,000	16,140	15,000	15,000	15,000	15,000	15,000
	2,071,938	2,077,688	2,073,580	2,553,670	2,120,709	2,120,709	4,458,423
<u>Transfers to Other Governments</u>							
Share of Prov/Fed Grants in Place of Taxes	129,100	128,248	127,000	128,270	129,553	130,848	132,157
	129,100	128,248	127,000	128,270	129,553	130,848	132,157
<u>Transfers to Reserves and Other Funds</u>							
Reserve for Future Expenditures	0	1,147,787	0	0	0	0	0
Reserve - South Boundary Extension Tax			147,158				
Machinery and Equipment Reserve Fund	555,000	555,000	555,000	560,000	565,000	570,000	575,000
Cemetery Perpetual Care Fund	10,000	9,964	10,000	10,000	10,000	10,000	10,000
New Works and Equipment Reserve Fund	2,961,858	3,468,397	1,173,024	960,000	960,000	1,249,859	967,107
Public Parking Reserve Fund	6,000	4,470	4,500	4,500	4,500	4,500	4,500
General Capital Fund	2,459,433	744,962	2,002,142	1,100,000	1,450,000	1,600,000	1,150,000
Water Utility Operating Fund (frontage Tax)	679,479	699,857	688,322	709,827	709,827	709,827	709,827
Sewer Operating Fund (frontage tax)	1,832,708	1,945,198	1,835,000	1,835,000	1,835,000	1,835,000	1,835,000
	8,504,478	8,575,636	6,415,146	5,179,327	5,534,327	5,979,186	5,251,434
TOTAL EXPENDITURE	55,070,875	54,573,817	43,876,208	43,618,701	44,171,563	45,237,674	47,672,094
INCREASE (DECREASE) IN FUND	0	1,225,758	0	(0)	0	(0)	0

City of Courtenay

Summary of Consolidated Reserves, Surpluses, Deferred Revenues

General Fund, Gaming Fund, Water Fund, Sewer Fund

Projected Balances for the Year End December 31, 2014

	Total Projected
Dec 31, 2013 balance forward	30,353,729
Grants	218,024
Contributions	1,365,000
Transfer from Operating Fund	1,116,750
Interest Earnings	80,533
Subtotal	33,134,035
Transfer to fund operating costs	(2,616,627)
Transfer to fund capital projects	(6,117,957)
Dec 31, 2014 projected year end	<u>24,399,451</u>

CITY OF COURTENAY
General Fund Reserves
2014 General Reserve Fund Summary - Anticipated Position

2014	New Works Reserve BL 1835										DCC Reserves						
	Surplus	Capital Funds C/Fwd	Gaming Revenue	Unexpended Capital Borrowing	Traffic Fine Revenue	Capital Building Fund	Community Works Fund	Other New Works Funds	Amenity Reserves	Machinery & Equipment Reserve	Public Parking Reserve	Land Sale Reserve	Parkland Acquisition Reserve	Roads	Storm	Parks	Total
Dec 31, 2013 balance forward	4,070,909	1,147,787	1,187,758	3,129,622	877,298	810,359	3,121,717	2,119,168	315,811	1,677,559	25,375	1,016,824	141,686	1,613,514	759,999	71,266	22,086,652
Grants					198,024			20,000									218,024
Contributions			815,000					50,000						180,000	90,000	30,000	1,165,000
Transfer from Operating Fund						50,000		255,000	100,000	555,000	4,500						964,500
Interest Earnings			5,939		4,386	4,052	15,609	10,596	1,579	8,388	127	5,084	708	8,068	3,800	356	68,692
Subtotal	4,070,909	1,147,787	2,008,697	3,129,622	1,079,708	864,411	3,137,326	2,454,764	417,390	2,240,947	30,002	1,021,908	142,395	1,801,582	853,799	101,622	24,502,867
Budgeted Use - Operating	(670,000)		(792,663)		(408,204)		(125,000)										(1,995,867)
Budgeted Use - Gen Capital		(1,147,787)	(22,337)	(539,618)		(160,000)	(155,900)	(710,286)		(587,500)		(162,000)		(97,086)	(152,000)	(81,938)	(3,816,452)
Budgeted Use - Swr Fund							(40,000)										(40,000)
Budgeted Use - Wtr Fund							(112,750)										(112,750)
Dec 31, 2014 projected year end	3,400,909	-	1,193,697	2,590,004	671,504	704,411	2,703,676	1,744,478	417,390	1,653,447	30,002	859,908	142,395	1,704,496	701,799	19,684	18,537,798

City of Courtenay

SCHEDULE J

Water Fund Reserves

PAGE 2 OF 3

2014 Reserve Fund Summary - Anticipated Position

2014	Surplus	Capital Funds C/Fwd	Unexpended Capital Borrowing	Utility & Water Efficiency	Machinery & Equipment Reserve	Water DCC Funds	Total
Dec 31, 2013 bal fwd	1,006,472	1,174,396	108,869	1,491,827	159,992	356,089	4,297,645
Grants							-
Contributions						100,000	100,000
Transfer from Operating Fund				27,250	30,000		57,250
Interest Earnings				3,730	400	890	5,020
Subtotal	1,006,472	1,174,396	108,869	1,522,807	190,392	456,979	4,459,915
Budgeted Use - Operating	(381,841)			(32,000)			(413,841)
Budgeted Use - Capital		(543,265)				(79,325)	(622,590)
Dec 31, 2014 proj .year end	624,631	631,131	108,869	1,490,807	190,392	377,654	3,423,484

Interest used to calc earnings 0.50%

City of Courtenay

SCHEDULE J

Sewer Fund Reserves

PAGE 3 OF 3

2014 Reserve Fund Summary - Anticipated Position

	Capital Funds		Unexpended		Sewer Utility		Machinery & Equipment Reserve		Sewer DCC Funds		Total
	Surplus	C/Fwd	Capital	Borrowing							
2014											
Dec 31, 2013 balance forward	1,516,264	1,057,976		30,965	417,711		394,703		551,813		3,969,432
Grants	-										-
Contributions											
Transfer from Operating Fund					20,000		75,000		100,000		100,000
Interest Earnings					2,089		1,974		2,759		95,000
Subtotal	1,516,264	1,057,976		30,965	439,800		471,677		654,572		4,171,253
Budgeted Use - Operating	(116,919)				(50,000)						(166,919)
Budgeted Use - Capital		(706,825)		(30,965)			(350,000)		(478,375)		(1,566,165)
Dec 31, 2014 projected year end	1,399,345	351,151		-	389,800		121,677		176,197		2,438,169

Interest used to calc earnings 0.50%