

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

**DATE:** Tuesday, April 22, 2014  
**PLACE:** City Hall Council Chambers  
**TIME:** 4:00 p.m.

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**1.00 ADOPTION OF MINUTES**

1. Adopt April 14, 2014 Regular Council Meeting Minutes

**2.00 INTRODUCTION OF LATE ITEMS**

**3.00 DELEGATIONS**

1. MNP LLP to present the Audited Financial Statements for the City of Courtenay (see pg# 38)
2. Lawrence Burns, Chair, Heritage Advisory Commission Update
3. Paige Knapman, OH&S Coordinator re: Day of Mourning & Safety Week

**4.00 STAFF REPORTS**

Pg #

**(a) Community Services**

**(b) CAO and Legislative Services**

**(c) Development Services**

3. Development Permit No. 1404 – 601 Crown Isle Boulevard
18. Development Permit No. 1319 – Central Evangelical Free Church

**(d) Financial Services**

38. 2013 Audited Financial Statements
80. 2014 Property Tax Rate Multiplier

**(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**

- 80     1.    Council of Canadians – Blue Communities Delegation Request from the April 14, 2014  
             Regular Council meeting

(Note: petition submitted at the April 14 meeting has been distributed to Council under separate cover)

## **10.00 NOTICE OF MOTION**

## **11.00 NEW BUSINESS**

## **12.00 BYLAWS**

## **13.00 ADJOURNMENT**

The **City of Courtenay Safety Week** is fast approaching! We will be joining rank to help celebrate North American Occupational Safety and Health Week (NAOSH Week) which is an annual event which will take place between **May 5 -9, 2014**. This year's theme is "Making Safety a Habit."

NAOSH week is a national occupational health and safety celebration that's been recognised in North America since the mid-1980s. The intent is to focus on spreading the message about the importance of preventing injury and illness in the workplace, at home and in the community. To reflect our commitment and ownership we refer to this week as the **City of Courtenay Safety Week**.

Several City of Courtenay employees have volunteered to help organize events for this upcoming week in May. Events being planned include:

- Events and displays show cased at 8 main city worksites with the aim of raising safety awareness. The National theme this year is "Making Safety a Habit."
- Communicate with the community to help raise public awareness to show off the City's commitment to occupational health safety.
- Work Safe BC Speaker event with a focus on new and young worker safety.
- Wind up Safety lunch with safety themed events and demonstrations.

#### **Why do we participate in the Safety Week initiative?**

The City of Courtenay Safety week provides an excellent opportunity to focus, reinforce and strengthen our commitment to occupational health and safety.

Participation in events has been shown to:

- Improve attitudes towards safety
- Increase understanding of the importance of occupational Health & safety
- Foster a safety-minded culture
- Assist team building and improve communication between employees, safety committees and safety professionals

**Paige Knapman, City OH&S Coordinator**

THE CORPORATION OF THE CITY OF COURTENAY

830 Cliffe Avenue  
Courtenay, B.C.  
V9N 2J7



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**MEDIA RELEASE**

April 16, 2014

**Ceremony to Remember Fallen Workers**

Each year on the national Day of Mourning, communities and organizations across Canada pay tribute to workers who have lost their lives or been injured due to work-related incidents or occupational diseases. In honor of this event, the City of Courtenay, Work Safe BC, CUPE 556, the District Labour Council, and the United Steelworkers Union will hold a flag-raising ceremony at the Simms Park Pavilion in Courtenay on Monday, April 28, 2014, at 10:00 am.

"The Day of Mourning is a time for us to remember fallen workers, and also to reinforce the importance of safety on the job," said Paige Knapman, occupational health and safety coordinator for the City of Courtenay. "It's a reminder to all of us that we need to stay vigilant, minimize risks, and speak up if we think something isn't safe."

In 2013, 128 workers in B.C. were killed at work. Thousands more were put on long-term disability. Young workers are particularly vulnerable. In B.C., young males under the age of 25 are at the highest risk for a workplace injury.

Everyone is welcome to attend the Day of Mourning ceremony. For more information, please contact Knapman at 250-334-4441.

For more information on the Day of Mourning, including a list of other ceremonies around B.C., visit [www.worksafebc.com/news\\_room/campaigns/day\\_of\\_mourning/default.asp](http://www.worksafebc.com/news_room/campaigns/day_of_mourning/default.asp)

- 30 -

**Media contacts:**

Paige Knapman  
Occupational Health & Safety Coordinator  
City of Courtenay  
250-703-3990  
[pknapman@courtenay.ca](mailto:pknapman@courtenay.ca)

Bjarne Nielsen  
CRSP  
Senior Regional Officer  
WorkSafeBC, Courtenay  
250-334-8733  
[Bjarne.Nielsen@worksafebc.com](mailto:Bjarne.Nielsen@worksafebc.com)



THE CORPORATION OF THE CITY OF COURTENAY

## STAFF REPORT

**To:** Council  
**From:** Chief Administrative Officer  
**Subject:** Development Permit No. 1404 – 601 Crown Isle Boulevard

**File No.:** 3060-20-1404

**Date:** April 22, 2014

### PURPOSE:

The purpose of this report is to consider issuing a Commercial Development Permit for the construction of a car dealership at 601 Crown Isle Boulevard.

### CAO RECOMMENDATIONS:

That based on the April 22<sup>nd</sup> 2014 staff report "Development Permit No. 1404 – 601 Crown Isle Boulevard" the staff recommendation outlined in Option 1 be approved.

Respectfully submitted,

David Allen, BES, CLGEM, SCLGM  
Chief Administrative Officer

### BACKGROUND:

The subject property is undeveloped commercially zoned land located at the corner of Crown Isle Boulevard and Silverdale Crescent. The land is the remainder of a parcel which was previously subdivided to accommodate commercial development in the area. A subdivision application for the proposed lot is being processed concurrently with this application and final subdivision approval is a condition of the Development Permit. The applicant is proposing to construct an approximately 600 m<sup>2</sup> car dealership including offices, showroom, service centre, wash bay, and outdoor sales areas. Adjacent land use is commercial with several car dealerships already operating in the surrounding area.

A map showing the subject property is included in this report. Drawings of the proposed development are included in the attached draft Development Permit.

## DISCUSSION:

### *Official Community Plan Review:*

The OCP encourages a high standard of development in commercial areas to enhance the appearance of the city and its streetscapes. Accordingly, all commercial development is subject to development permit guidelines requiring particular attention to the street appearance of buildings, parking areas, and landscaping along public roads.

The proposed project design capitalizes on the prominent corner exposure that the site offers. The single storey building is oriented at an angle to the corner with the showroom set closest to the street. The building reflects a west coast design with articulated rooflines, substantial glazing, and timber and stone accents along the southernmost portion of the building which houses the more public functions. The northern portion of the building is the service bays. The proposed design includes different coloured sections of wall, timber accents and foundation planting to add visual interest to the longer façade of the service bays.

The landscaping scheme includes low plantings in landscape beds of varying widths around the perimeter of the site interspersed with clusters of taller trees and shrubs at the edges of the property, at vehicular and pedestrian entrances and as a backdrop to the car display area located at the corner. The proposed design provides continuous landscaping around the site enhancing the streetscape while also retaining views through to the outdoor sales area. In addition to the trees located in landscape beds, street trees have been provided along Crown Isle Boulevard in accordance with OCP policy.

One of the goals of the OCP and Zoning Bylaw is to retain existing vegetation where it is feasible. The subject property is currently treed and has several existing trees within the area that will be landscaped. However, the Landscape Architect has indicated that retention of these trees is not feasible due to the extensive grading which will occur on the property. The property is within a tree cutting permit area and a tree cutting permit is required prior to the removal of any trees.

Staff have discussed with the applicant the previous noise concerns from residents of nearby properties regarding commercial uses in the area and in particular the Costco loading bays. Notwithstanding the fact that this development will ultimately be separated from the residential uses to the north by further commercial development, staff suggested the applicant retain the services of a consultant to assess the impact (if any) this development will have on the residential properties in the immediate future and to recommend what mitigation measures may be appropriate. However, for the reasons outlined in the attached project description (Attachment 1), the applicant felt this was not necessary.



Figure 2. Project rendering as the building will look from the corner.

**Zoning Review:**

The proposed development fully complies with the provisions of the Comprehensive Development One F (CD-1F) zone as outlined in the table below.

<b>CD-1F</b>	<b>Requirement</b>	<b>Proposed Development</b>
Permitted Use	<i>variety of commercial uses including retail and automotive service &amp; repair</i>	<i>Car dealership</i>
Min. Front Yard Setback	6.1 m	19.1 m
Min. Rear Yard Setback	1.75 m	43.5 m
Min. Interior Side Yard Setback	0	22.2 m
Min. Exterior Side Yard Setback	4.5 m	19.6 m
Max. Building Height	9.15 m	6.9 m
Max. Floor Area Ratio	0.6	0.07

As the proposed development is consistent with the commercial development permit guidelines and the requirements of the CD-1F zone, staff supports this application.

**FINANCIAL IMPLICATIONS:**

Development Cost Charges for the proposed development will be about \$65,000. Building Permit fees will be calculated at time of Building Permit Application but are estimated to be about \$7,020 based on the present fee of \$7.50 per \$1000 of construction value. Property tax revenues are unknown at this time and will be determined at time of assessment. Ongoing costs include operating and maintenance costs for municipal infrastructure including roads, parks and trails, recreational programs, and protective services.

**ADMINISTRATIVE IMPLICATIONS:**

The processing of development applications is included in the current work plan as a statutory component.

**STRATEGIC PLAN REFERENCE:**

The proposed development fits with Section 2 Goal 3 of the Strategic Plan to advocate high standards of design and community aesthetics.

**OFFICIAL COMMUNITY PLAN REFERENCE:**

The proposed project is consistent with OCP policy supporting the use of existing commercially zoned lands to develop a strong, diversified commercial base within municipal boundaries which will provide employment and service opportunities.

**REGIONAL GROWTH STRATEGY REFERENCE:**

The subject property is located within a Core Settlement Area. As mandated by the Regional Growth Strategy, the majority of growth and development should be concentrated in these areas to provide the efficient use of land, provide alternative transportation choices and to limit encroachment into resource lands and rural areas.

**CITIZEN/PUBLIC ENGAGEMENT:**

Pursuant to *Development Procedures Bylaw No. 2699, 2012* no public consultation is required for Development Permit applications.

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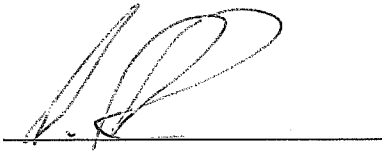
**OPTIONS:**

OPTION 1: Approve Development Permit No. 1404 as attached (Recommended).

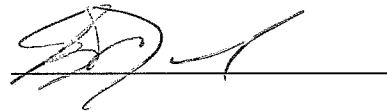
OPTION 2: Defer consideration of Development Permit No. 1404 pending receipt of further information.

OPTION 3: Do not approve Development Permit No. 1404.

Prepared by:

A handwritten signature in black ink, appearing to be 'IB', written over a horizontal line.

Ian Buck, MCIP, RPP  
Manager of Planning

A handwritten signature in black ink, appearing to be 'PC', written over a horizontal line.

Peter Crawford, MCIP, RPP  
Director of Development Services



## Attachment 1 - Project Rationale

12 February 2014



\* 250 245 3894 \* 250 245 3894 \* delinea@telusnet  
43710 Main St., Courtenay B.C. V9N 2J7

City of Courtenay  
Planning Services  
830 Cliffe Avenue  
Courtenay B.C.  
V9N 2J7

**RE: DESIGN RATIONALE – GALAXY MOTORS, CROWN ISLE BOULEVARD  
COURTENAY B.C.**

**Project Description;**

Galaxy Motors is a privately owned Vancouver Island Automotive Dealership that specializes in good quality, newer, previously owned vehicles. They have sales lots in Victoria, Duncan, Nanaimo and are looking to expand into the Comox Valley. This site was selected for, among other things, its location and proximity to other dealerships, easy access, nearby shopping and amenities, CFB Comox and exposure.

The proposed facility has three main components; a small showroom, an administrative area and service bays. It will be a one storey building of combined wood frame and concrete tilt up construction.

**Location;**

The site is a 0.809 ha. parcel at the corner of Crown Isle Boulevard and Silverdale Crescent. It is sloped with a high point closest to the intersection and dropping 4.5m to the north corner.

It is in an area of new car dealerships (Nissan, Mazda, Toyota), big box retailers and ICBC. There are also some undeveloped sites that remain in the immediate vicinity.

**Zoning:**

CD-IF Crown Isle allows commercial uses and specifically identifies automotive sales and accessory repair as a permitted use.

**Design Concept;**

In an area of newer dealerships, all with prescribed branding, Galaxy Motors has the opportunity to distinguish itself by the nature of its product and the ability to create its own identity that is more responsive to the site and local environment without the influence of corporate image programmes. The building reflects a local aesthetic in the context of Crown Isle, Comox Valley and the West Coast vernacular.

Building siting and form are derived from the site, retains a human scale and is transparent and friendly in the public realm. As the building faces two streets, it was important to create an entrance element that is both apparent and obvious regardless of the direction of approach.

Weather is also a consideration, to ensure that transitional areas and the outdoor car delivery component are protected from rain and prevailing winds.

#### **Siting;**

The orientation and shape of the building footprint was derived from the configuration of the site, relationship to the streets and a consideration for exposure of the showroom façade to traffic approaching north along Crown Isle Boulevard. There is driveway access from each of the streets; on Crown Isle furthest from the intersection and at mid point along the Silverdale Crescent frontage. Driveway locations permit sightlines and monitoring of movements from the showroom. There is a corresponding pedestrian connection that provides a well demarcated continuous path of travel from streets to building entrances and around the perimeter of the public access areas.

Internally, customer, staff and service vehicle traffic can circulate around the perimeter of the facility. Drive aisles are generous to permit ease of movement. This continuous path of travel negates the need for vehicles to reverse. Note that the largest vehicle required to maneuver through the site is an emergency vehicle. Product is not delivered to this site using a vehicle transport truck.

Service and utility areas are relegated to the northwest boundary screened from street view. The property perimeter and utility enclosures are screened with landscape and / or fencing.

Illumination is achieved with lamp standards, soffit mounted fixtures and wall packs. All fixtures are full cut off (see electrical lighting plan and fixture specification drawing)

#### **Building Form and Character;**

In contrast to the new car dealerships that reflect a clean box form and slick, more urban image with large expanses of glass and metallic finishes, this facility takes an opposite approach. The building is small scale, more horizontal than vertical, and capped with a roof incorporating broad overhangs. It is articulated both in plan and elevation. The most dominant element is a sloped roof component that spans from one side of the building to the other constructed with heavy timber truss forms. This identifies the entrances, provides the weather protection and integrates the signage into an elevated façade. Finishes are a combination of natural materials (wood, truss elements, rock facing) concrete and metal cladding selected for their durability and appropriateness of application. The timber and stone elements express the west coast language.

All façades receive a balanced treatment of materials and building forms.



1404-601 Crown Isle Blvd  
Silverdale, BC V8N 1A1  
Tel: 250-733-1111  
Fax: 250-733-1112  
www.delinea.ca

### Sound Attenuation;

We recognize that sound attenuation is a concern with the proximity of residential developments. In response, we contend that this type of facility and the nature of the business does not generate any significant noise. The business activity is generally described as auto sales and service. The servicing component is primarily conditioning of cars for the sales lot and a smaller component of retail service. These services are light and would typically be limited to oil changes, tune ups, washing and detailing.

All deliveries to the site are conducted during business hours and in the form of courier or auto parts supply, typically arriving by car or light truck. Semi-trucks, forklifts or any other heavy equipment is not utilized. Hours of operation are 9:00AM to 8:00PM latest (Fridays). Sunday closing is at 4:00PM.

Mechanical equipment is limited to a single HVAC system mounted on the roof of the showroom area. It is screened and buffered by roof elements and parapets. There will be no refrigeration units, compressors or automated equipment utilized

We also note that this site is not immediately adjacent to residential properties. There is undeveloped similarly zoned commercial use land that provides significant separation.

Galaxy motors will consider alternate methods of lot communication to eliminate the need for a P/A system.

The preceding description of activities and functions is, in our opinion, compliant with the intent and restrictions defined by the City of Courtenay Public Nuisance Bylaw as it pertains to noise.

### Summary;

In conclusion we respectfully submit this Development Permit Application believing it to be a well considered development that is a good fit for the neighbourhood and consistent and compliant with Zoning Bylaws, OCP and relevant design guidelines.

**THE CORPORATION OF THE CITY OF COURTENAY**

**BYLAW NO. 2392**

**SCHEDULE "2E"**

**Permit No. DP 1404**

**DEVELOPMENT PERMIT**

April 22, 2014

**To issue a Development Permit**

**To:**     Name:           Silver Sand Land Corp  
          Address:       399 Clubhouse Drive  
                             Courtenay, BC V9N 9G3

**Property to which permit refers:**

Legal: Lot A, Block 72, Comox District, Plan EPP39615  
Civic: 601 Crown Isle Boulevard

**Conditions of Permit:**

Permit issued for the development of an approximately 600 m<sup>2</sup> car dealership subject to the following conditions:

- a) Issuance of subdivision approval for the proposed lot;
- b) Development must be in conformance with the plans and elevations contained in *Schedule No. 1*;
- c) Installation of landscaping in conformance with the plans contained in *Schedule No. 1*;
- d) Minimum depth of topsoil or amended organic soil on all landscaped areas as follows:

shrubs – 450 mm; groundcover and grass – 300 mm; trees – 300 mm around and below the root ball;

- e) Submission of landscape security in the amount of (125% x \$74,420.00) \$93,025.00;
- f) Installation of landscaping and irrigation in City road right-of-way must be coordinated with City Parks staff;
- g) Landscaping must be completed within six months of the date of issuance of the occupancy permit by the City;
- h) Submission of BCSLA Schedules L-1 and L-2 at time of building permit;
- i) Parking of vehicles is not permitted within landscaped areas;
- j) Issuance of a sign permit in compliance with the *City of Courtenay Sign Bylaw No. 2760, 2013* prior to the installation of any signage on the building or freestanding signage. For clarity purposes, this Development Permit does not authorize any signage;
- k) Issuance of a Tree Cutting Permit prior to the removal of any trees;
- l) All building and site lighting must be full cut-off, flat lens in accordance with the City's Dark Skies Policy (#5240.00.01).

#### **Time Schedule of Development and Lapse of Permit**

That if the permit holder has not substantially commenced the construction authorized by this permit within (12) months after the date it was issued, the permit lapses.

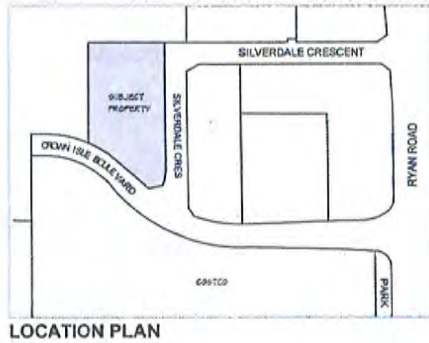
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Date

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Director of Legislative Services

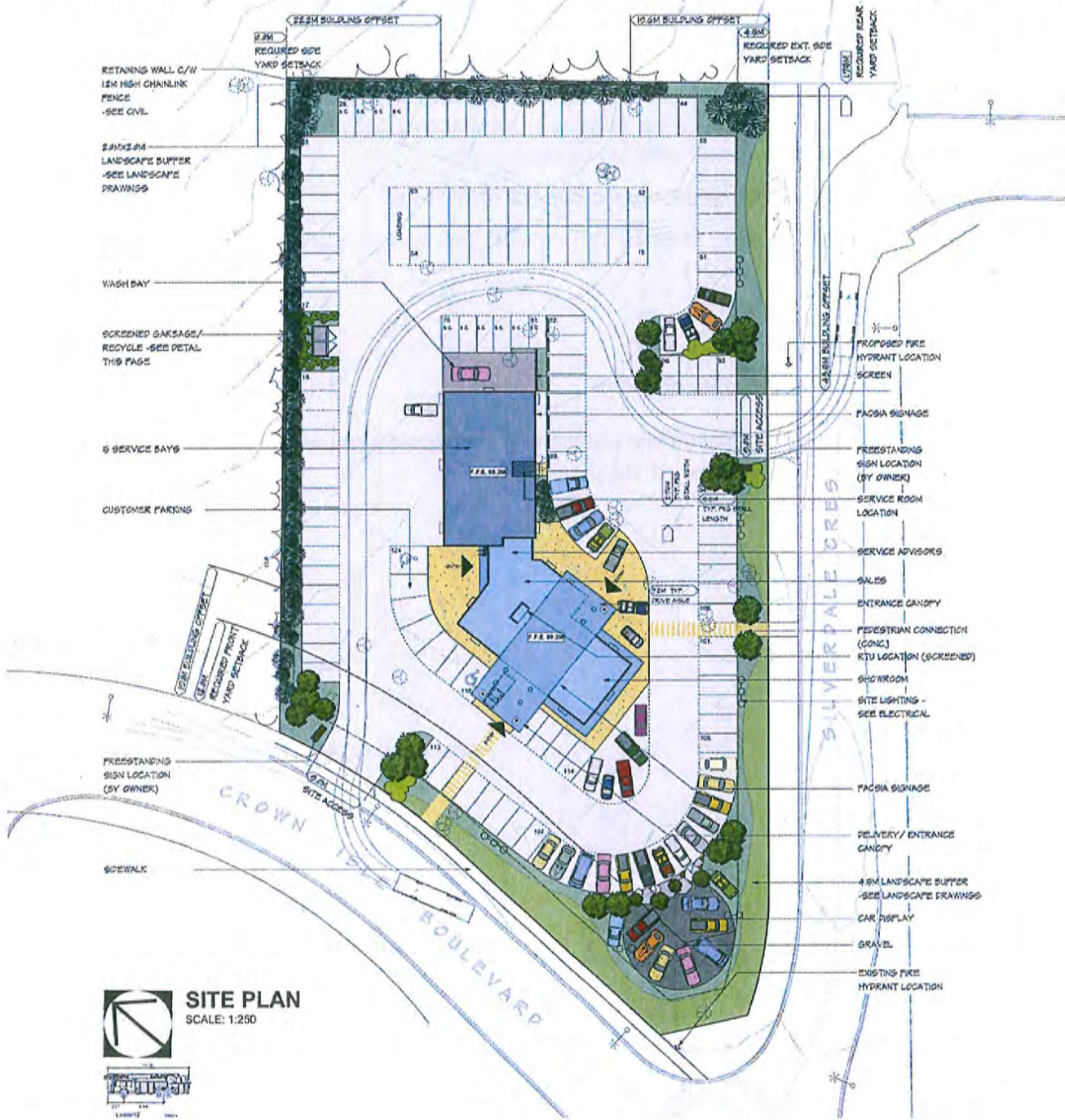
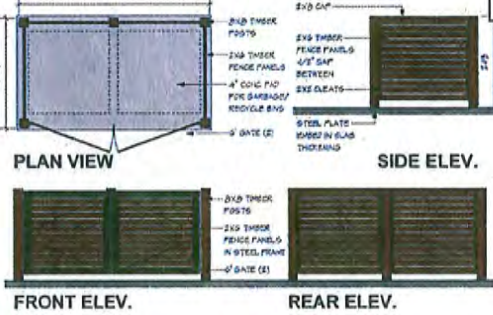




**project data**

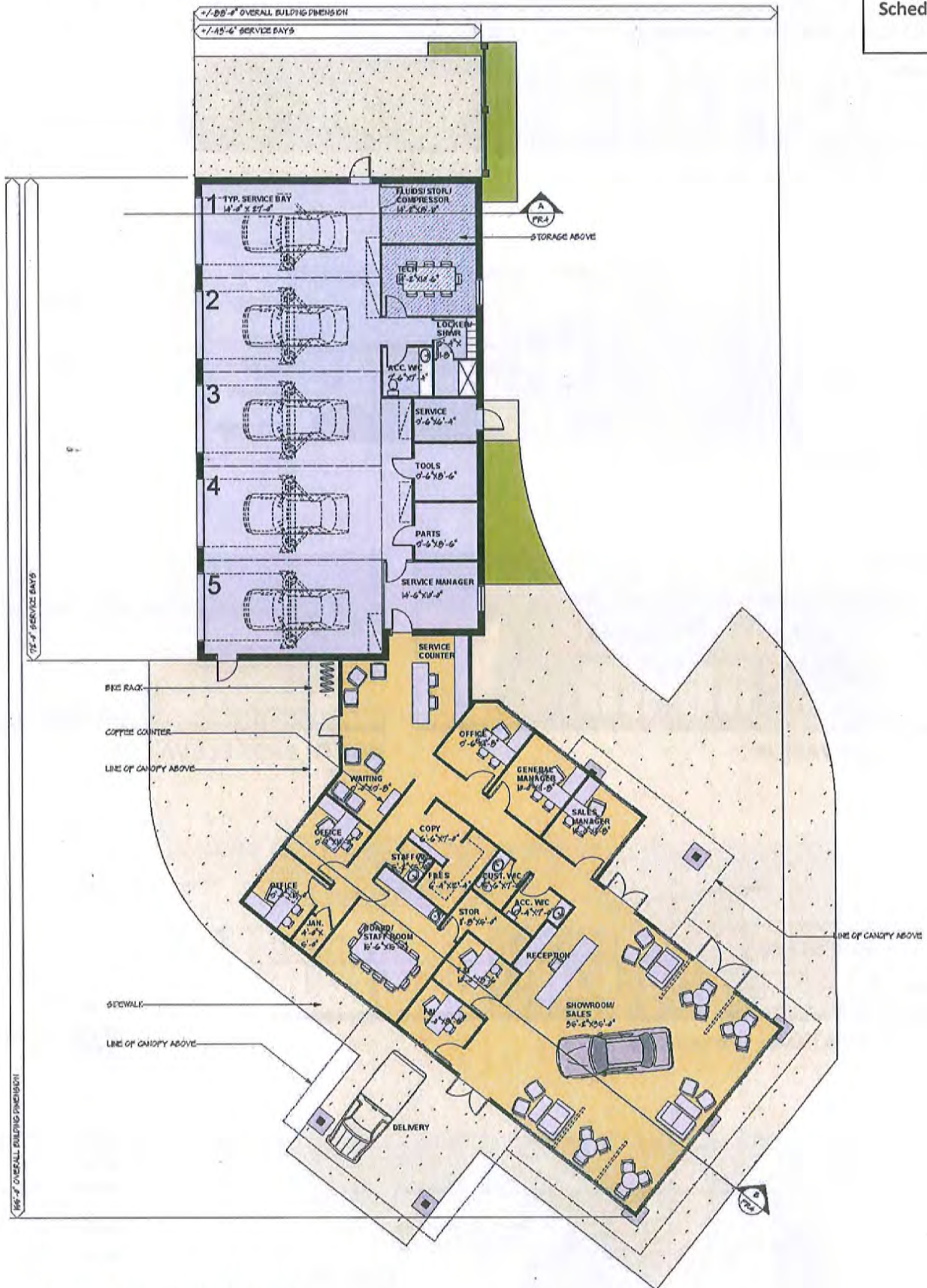
LEGAL:	LOT A PART OF LOT 8, BLOCK 12, CONDOMINIUM DISTRICT, PLAN 274/200
OWNER:	2100 HWY 1 / S.A. ACQUISITION
LOT AREA:	2100 SQ. FT. (2100 SQ. FT.)
EXISTING:	CONDOMINIUM BUILDING
FAIR:	274 (NINE SIX)
HEIGHT:	17.5 M (MAX 18 M)
LOT COVERAGE:	74%
BUILDING AREA:	3000 SQ. FT. (3000 SQ. FT.)
SHEDDING & SALES:	2000 SQ. FT. (2000 SQ. FT.)
SERVICE:	2500 SQ. FT. (2500 SQ. FT.)
TOTAL:	4500 SQ. FT. (4500 SQ. FT.)
ON-SITE PARKING:	
RESERVED:	12
SMALL CAR:	12
ACCESSIBLE:	2
DISPLAY (NOT COMMERCIAL):	47
TOTAL:	144
OFF-SITE PARKING REQUIREMENTS:	
SERVICE (1 PER BAY):	8
SALES (1 PER BAY):	8
RENT (1 PER 2 BAYS):	16
TOTAL:	24

## GARBAGE ENCLOSURE





Schedule No. 1



# FLOOR PLAN

SCALE: 1/8" = 1'-0"

FLOOR AREA:

SALES: 3382 SQ. FT.

SERVICE: 3068 SQ. FT.

TOTAL: 6450 SQ. FT. (599.2 Q.M)



## Schedule No. 1

**NORTH WEST ELEVATION - SERVICE BAYS**

SCALE: 1/8" = 1'-0"

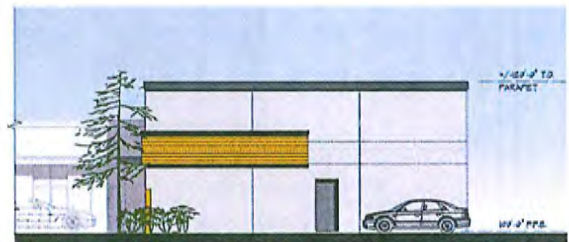
**WEST ELEVATION - DELIVERY CANOPY**

SCALE: 1/8" = 1'-0"

SIGNAGE			
LOT SIGNAGE	SIGNAGE TYPE	AREA HEIGHT	AREA HEIGHT
STREET	FREESTANDING	10'0" HIGHER	10'0" HIGHER
FRONTAGE	FREESTANDING	3'0" HIGHER	3'0" HIGHER
ROCKFACIA	FREESTANDING	3'0" HIGHER	3'0" HIGHER
BUILDING SIGNAGE			
BUILDING FACE	SIGNAGE TYPE	AREA	AREA
SOUTH	FACIA	8'0" HIGHER	8'0" HIGHER
WEST	FACIA	8'0" HIGHER	8'0" HIGHER
NORTH-WEST	FACIA	8'0" HIGHER	8'0" HIGHER
SOUTH-EAST	FACIA	8'0" HIGHER	8'0" HIGHER
TOTAL		8'0" HIGHER	8'0" HIGHER

**SOUTH ELEVATION**

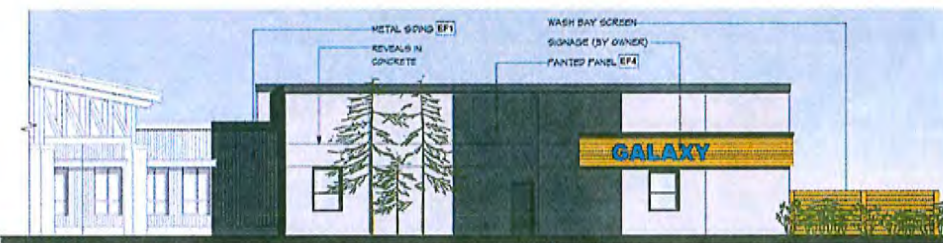
SCALE: 1/8" = 1'-0"

**NORTH EAST ELEVATION**

SCALE: 1/8" = 1'-0"

**EAST ELEVATION - MAIN ENTRANCE**

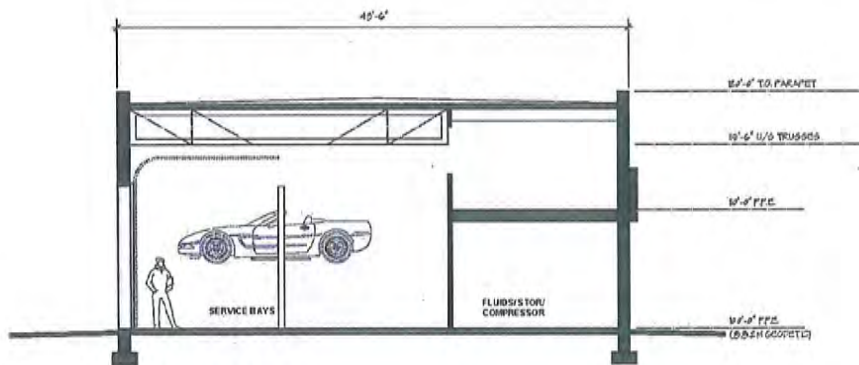
SCALE: 1/8" = 1'-0"

**SOUTH EAST ELEVATION - SERVICE ENTRANCE**

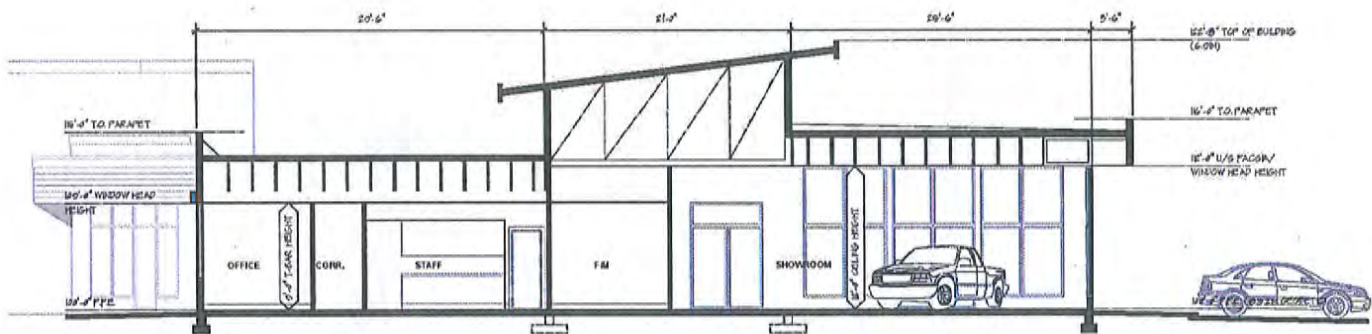
SCALE: 1/8" = 1'-0"

EXTERIOR COLOUR SCHEDULE	
E1	VERTICAL METAL CLADDING
E2	VERTICAL METAL CLADDING
E3	TILT UP CONCRETE
E4	TILT UP CONCRETE
E5	ROCK FACING
E6	CONCRETE CAP
E7	FASCIA / TRIMS
E8	METAL SOFFITS
E9	9\"/>





**SECTION A**  
SCALE: 3/16" = 1'-0"



**SECTION B**  
SCALE: 3/16" = 1'-0"



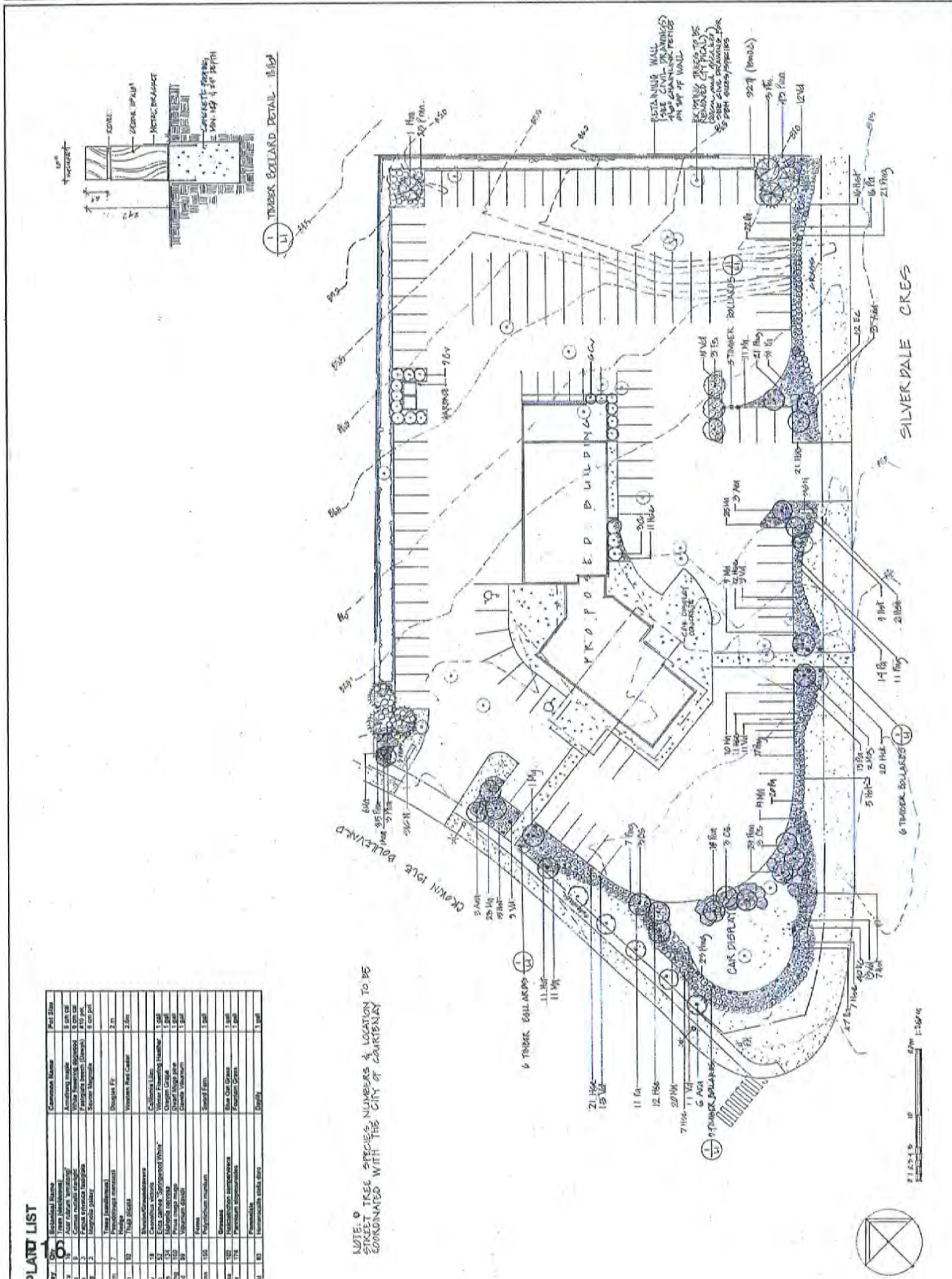
**PR4 GALAXYMOTORS**

crown isle boulevard  
courtenay b.c.  
PDS IS 2/14

**Schedule No. 1**

NOTES:

1. FOR GRADING PLAN SEE KERR & ASSOCIATES LTD PLAN
2. FOR EXISTING TREE LOCATIONS SEE KERR & ASSOCIATES LTD PLAN

[illegible][illegible]

NOTE: 0 STREET TREE SPECIES NUMBERS & LOCATION TO BE COORDINATED WITH THE CITY OF CAIRNEY







THE CORPORATION OF THE CITY OF COURTENAY

## STAFF REPORT

**To:** Council  
**From:** Chief Administrative Officer  
**Subject:** Development Permit for Central Evangelical Free Church

**File No.:** 3360-20-1319

**Date:** April 22<sup>nd</sup> 2014

### PURPOSE:

The purpose of this report is to consider a development permit application for the property legally described as Lot 25, District Lot 158, Comox District, Plan VIP80897 to permit the construction of a church.

### CAO RECOMMENDATIONS:

That based on the April 22<sup>nd</sup> 2014 staff report "Development Permit for Central Evangelical Free Church", Development Permit 1319 be approved as outlined in Option 1 and Attachment 2 of this report.

Respectfully submitted,

David Allen, BES, CLGEM, SCLGM  
Chief Administrative Officer

### BACKGROUND:

The subject property is a vacant site 1.8 hectares in size located on Inverclyde Way near the south eastern boundary of the City. It was zoned for a church in 2005 at which time the owners entered into a covenant with the City requiring a development permit prior to issuance of a building permit.

### DISCUSSION:

Pursuant to Section 919.1 of the *Local Government Act* local governments are not authorized to designate development permit areas for institutional uses such as churches. However, during the 2005 rezoning process the applicant entered into a covenant with the City requiring a development permit for form and character of the church along with comprehensive landscaping to ensure conformity with the adjacent residential developments. Unfortunately, there are no guidelines in the covenant or OCP with respect to the form and character requirements for the church on



which to base an assessment. Accordingly, staff have largely based their assessment on zoning compliance and securing appropriate bonding for the proposed landscape plan.

#### *Zoning Review*

With the 2005 zoning amendment application the applicant supplied a conceptual site plan showing the potential development layout. In general, the site plan submitted with the current DP application respects that layout. The proposed layout meets all requirements of the CD-10 zone as outlined in the table below.

	<u>Proposed</u>	<u>Required</u>
Front Yard	77 m	20 m
Rear Yard	24.68 m	20 m
Side Yard	22.3 m	20 m
Max. Floor Area	1579 m <sup>2</sup>	1580 m <sup>2</sup>
Building Height	11.6 m	12 m
Landscape Buffer	10 m	10 m
Parking	129	1 space/4 seats = 113

With regard to landscaping the applicant has provided a detailed landscape plan that creates site flow with a tree lined entryway and substantial buffering for the neighbouring properties including a 2m high solid cedar fence. The plan also includes planting beds in the parking lot to assist in breaking up the large surface parking area. The building is surrounded with foundation plantings and meandering landscape beds to create flow and interest. As outlined in the attached permit the applicant will be required to provide landscape security to ensure these works are completed.

#### **FINANCIAL IMPLICATIONS:**

In accordance with Section 933 (4) (a) of the *Local government Act* places of public worship which are exempt from taxation under Section 220 (1) (h) or 224 (2) (f) of the *Community Charter* are exempt from paying Development Costs Charges.

Building Permit fees will be collected at the time of application based on the value of construction and the bylaw rates in effect at that time. All offsite servicing costs are the responsibility of the applicant. The extent of these works and services will be determined at building permit based on detailed engineering design.

#### **ADMINISTRATIVE IMPLICATIONS:**

The processing of development applications falls within the core administrative duties of the Planning Services Division.

#### **STRATEGIC PLAN REFERENCE:**

Not referenced.

#### **OFFICIAL COMMUNITY PLAN REFERENCE:**

Not applicable.

#### **REGIONAL GROWTH STRATEGY REFERENCE:**

Not applicable.

#### **CITIZEN/PUBLIC ENGAGEMENT:**

There is no public engagement required in association with Development Permit applications. A public hearing was held in 2005 prior approving of the zoning.

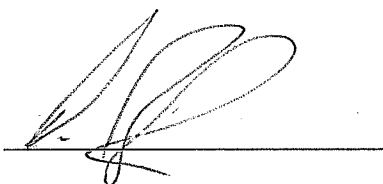
**OPTIONS:**

**OPTION 1 (Recommended):** Approve development permit 1319 as outlined.

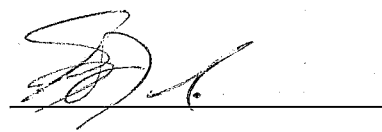
**OPTION 2:** Defer consideration development permit 1319 with a request for more information.

**OPTION 3:** Deny development permit 1319.

Prepared by:

A handwritten signature in black ink, consisting of a large, stylized 'I' and 'B' followed by a horizontal line.

Ian Buck, MCIP, RPP  
Manager of Planning

A handwritten signature in black ink, consisting of a stylized 'P' and 'C' followed by a horizontal line.

Peter Crawford, MCIP, RPP  
Director of Development Services

**Attachment No. 1 Written Submission**

**City of Courtenay  
First Evangelical Church of the Comox Valley – Project Description**

The project site was the subject of zoning to permit the proposed use by a bylaw in 2005 (CD-10) and was previously unoccupied. The Building is primarily a worship space for the Church community, though by it's multi-purpose design offers many other uses to the community at large, and is identified for the proposed use within the OCP.

The proposed new building complies with the Town's guidelines and policies as follows:

- The design complies with the CD-10 zoning bylaw in respect to building size, setbacks, and height, is provided with off-street parking exceeding the bylaw requirements, and is surrounded by landscaping within the fenced site.
- The site is surrounded by existing close boarded cedar fencing.
- The parking area is divided by landscape planting,
- The Church has a pedestrian - oriented streetscape with direct entrance from Inverclyde Way, which also provides direct vehicular access.
- The building represents the end of a lengthy fund-raising effort by the Church Community who look forward to establishing themselves within their new home.
- The design has been developed to provide spaces required by the Church, but also offer space for a variety of community activities and indoor sports to the surrounding community, and the City as a whole.

**Land Use**

The project provides a high level of quality and design, carefully integrated with the access and landscaping, and the site design includes 129 on-site parking spaces.

**1. Building Design**

The building has been designed to maintain a high standard of quality and appearance. Individual architectural elements are in conformance with the OCP as follows:

- All facades of the building are finished to the same care and standard as the front of the building
- Exterior trim and architectural features are a robust and weather resistant (EIFS ) stucco, which provides an impervious exterior finish and improves the thermal efficiency of the building.

- Awning and canopies have been included as appropriate
- Entrances have been recessed and include planters, outdoor seating and additional landscaping.
- The building has been designed to accommodate a variety of uses, primarily worship, but also included are smaller group spaces for community rental, discussion and instruction, plus indoor sports, and Sunday school.
- The configuration of the building facilitates community use of the spaces for a variety of uses, aided by the inclusion of a catering kitchen.

## 2. Transportation

This development site is close to public transit and is adjacent to safe pedestrian and cycling trails.

## 3. Infrastructure

- Stormwater management has been part of the civil engineering aspects of the design since the early design development, and the proposal is supported by engineering design work from McElhanney Engineering Consultants Ltd.
- The sustainability of the building of the project is assured by the proposed use of heat-pumps to control the building's internal environment. These units use the ambient air temperature as the basis for heating and cooling.

## 4. Character

- The height, form, character and finishes are designed the scale of the surrounding residential development in mind. The exterior presents an articulated facade of varying texture to the exterior, and the height has been restricted insofar as the functionality of the interior spaces will allow.
- The building height is varied and stepped to ensure it presents a human scale to people, and the entry canopy and internal lobby space provide a welcoming reception to pedestrians.

## 5. Environmental protection and enhancement.

- The site was cleared and graded for development along with the surrounding residential developments in the 2005-2006 period. There no existing trees or environmentally sensitive areas.



**Attachment No. 2 Development Permit**

**THE CORPORATION OF THE CITY OF COURTENAY**

**BYLAW NO. 2392**

**SCHEDULE "2E"**

**Permit No. DP 1319**

**DEVELOPMENT PERMIT**

April 22, 2014

**To issue a Development Permit**

**To:**     **Name:**             Central Evangelical Free Church of Comox Valley, Inc. No S-0030630

**Address:**         Box 3654  
                                  Courtenay, BC V9N 7P1

**Property to which permit refers:**

          Legal: Lot 25 District Lot 158 Comox District Plan VIP80897

          Civic: 2700 Inverclyde Way

**Conditions of Permit:**

Permit issued for the development of an approximately 1579m<sup>2</sup> church subject to the following conditions:

- a) Development must be in conformance with the plans and elevations contained in **Schedule No. 1**;
- b) Installation of landscaping in conformance with the plans contained in **Schedule No. 1**;
- c) Minimum depth of topsoil or amended organic soil on all landscaped areas as follows: shrubs – 450 mm; groundcover and grass – 300 mm; trees – 300 mm around and below the root ball;
- d) Submission of landscape security in the amount of  $(125\% \times \$169,465.00)$  \$211,831.25;
- e) Landscaping must be completed within six months of the date of issuance of the occupancy permit by the City;
- f) Submission of BCSLA Schedules L-1 and L-2 at time of building permit;
- g) Parking of vehicles is not permitted within landscaped areas;
- h) Issuance of a sign permit in compliance with the *City of Courtenay Sign Bylaw No. 2760, 2013* prior to the installation of any signage on the building or freestanding signage. For clarity purposes, this Development Permit does not authorize any signage;
- i) All building and site lighting must be full cut-off, flat lens in accordance with the City's Dark Skies Policy (#5240.00.01).

#### **Time Schedule of Development and Lapse of Permit**

That if the permit holder has not substantially commenced the construction authorized by this permit within (12) months after the date it was issued, the permit lapses.

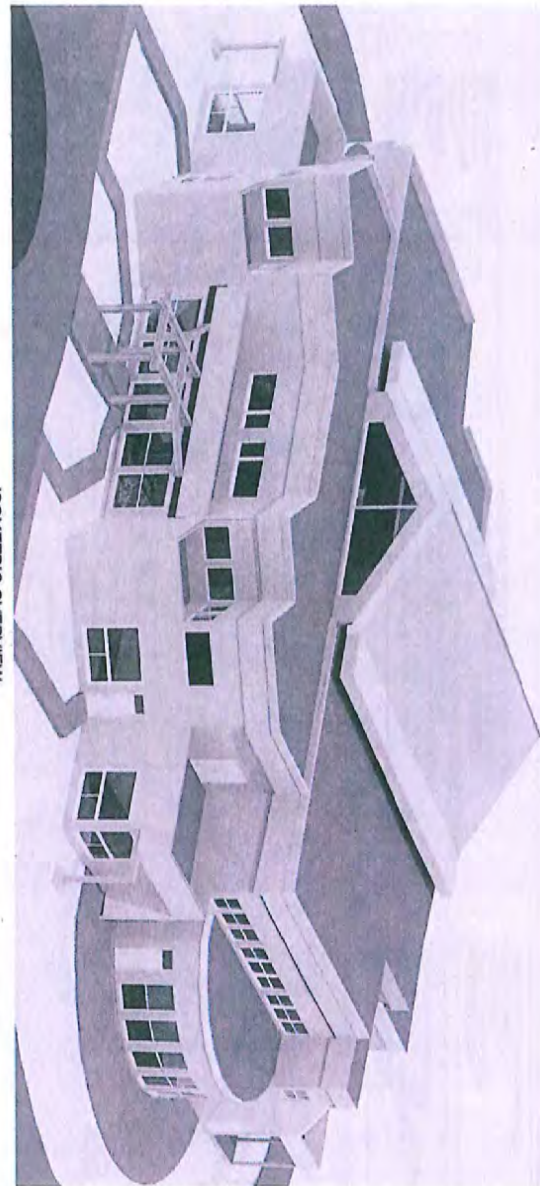
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Date

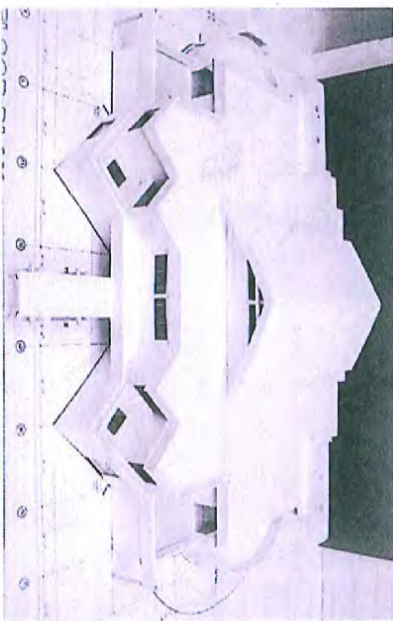
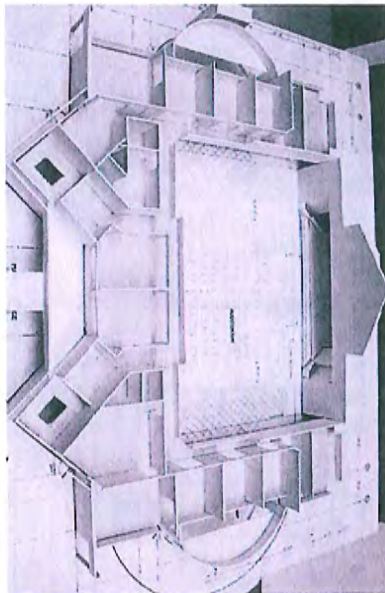
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Director of Legislative Services

## Schedule No.1 to DP 1319



## ISOMETRIC OVERVIEW



### PICTURES OF MODEL

Central Evangelical Free Church of the Comox Valley

2700 Inverclyde Way, Courtenay, B.C.

STUDIO 2009		ARCHITECTURE LTD.	
Henry Winkler Richard Dreyfuss Steven Seiden		Audrey Doris Helen	
1		1	

2425-76

1

**PRODUCT INFORMATION**  
**MODEL 2555C**  
LOT 25, D.L. 15K,  
COMOX DIST.  
PLAN 429 00037

**MEASUREMENTS**  
TOTAL BUILDING - 16,977 SQ. FT.  
AREA AS NOTED BY  
C-13 INSPECTOR

**SITE AREA:** 48,394 SQ. FT.  
11,765 M<sup>2</sup>

MAKING ROOM, SEATING CAPACITY  
INCLUDES PAUL PUNOARD AREA,  
OFFICES, CLASSROOM, LIBRARY,  
CAFETERIA, ETC.

STRUCTURAL  
SCOTTING, A ASSOC. ENGINEERING LTD.  
1-238-413-5555

MECHANICAL  
ANALYSIS ENGINEERING CONSULTANTS LTD.  
1-238-394-1118

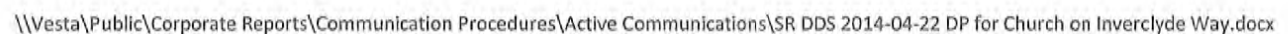
CIVIL  
HEWLETT-PACKARD CONSULTING SERVICES LTD.  
1-238-318-9955

ELECTRICAL  
E.A. ENGINEERING LTD.  
1-238-394-4444

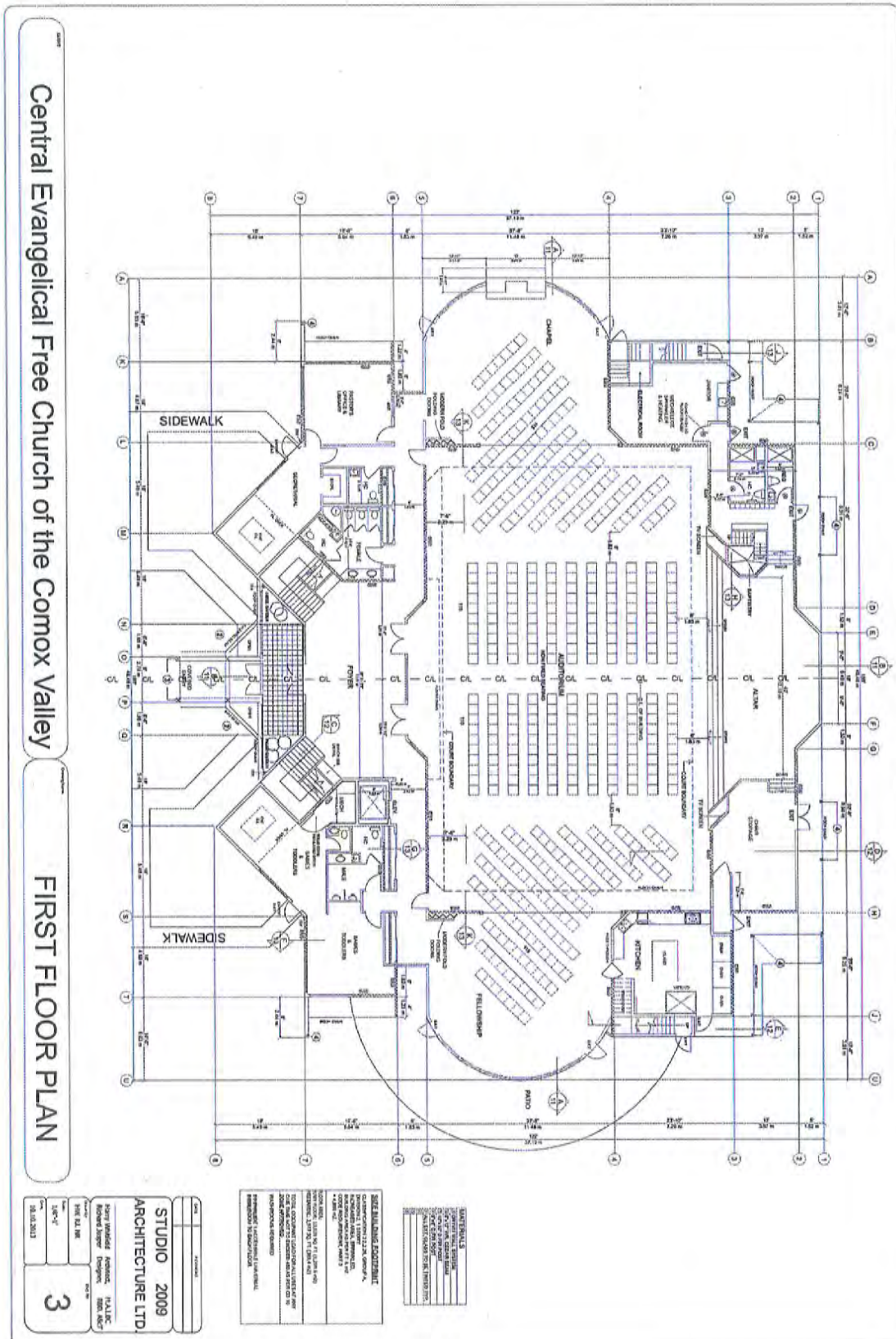
GEOTECHNICAL  
HICOPAC, OLSEN GEO-TECHNICAL  
1-238-303-3032

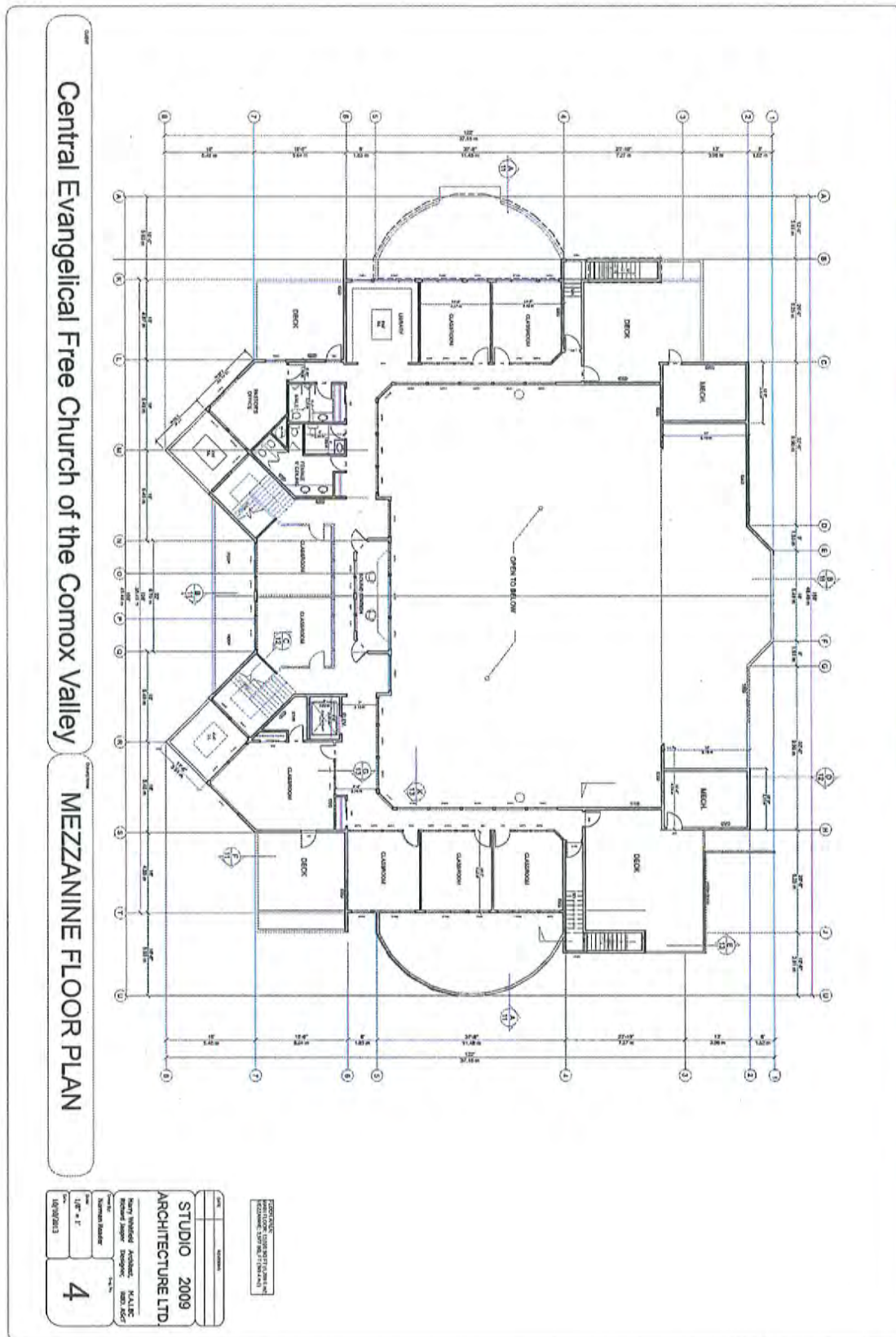
LANDSCAPE  
PASTIC HODGSON LANDSCAPE DESIGN  
1-238-384-1212

ARCHITECTURAL  
ALTON ARCHITECT  
LANDSCAPE ARCHITECT



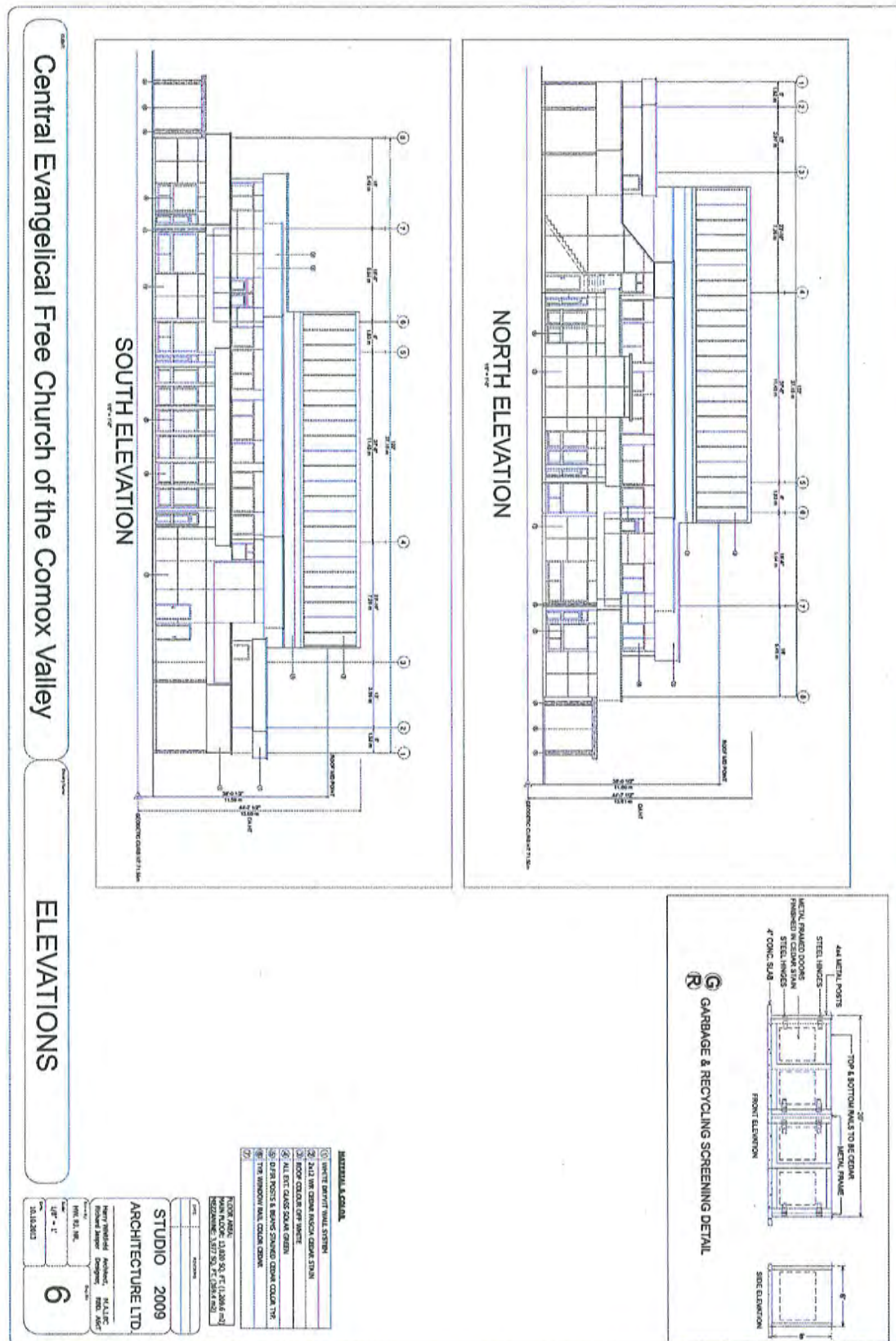




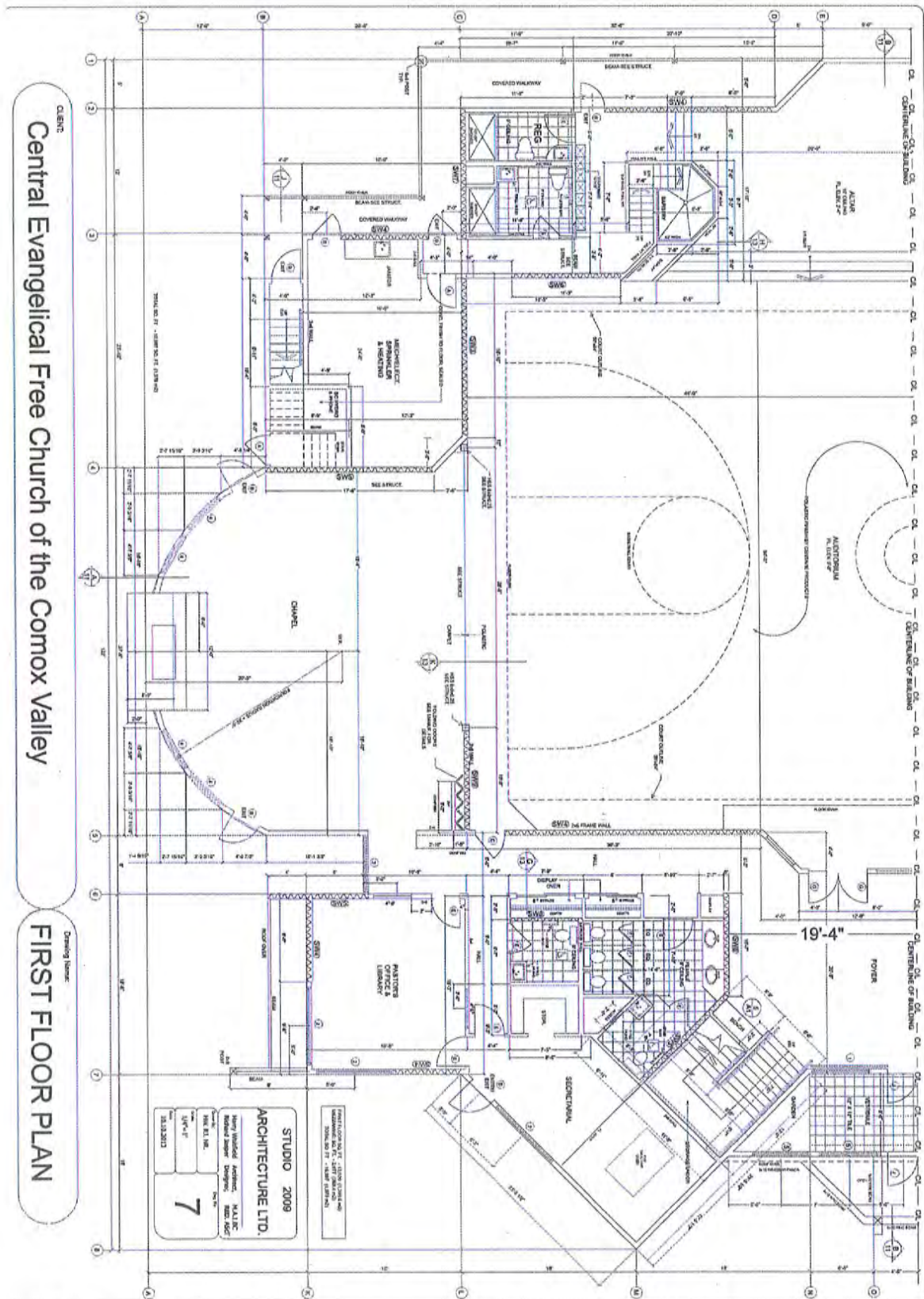


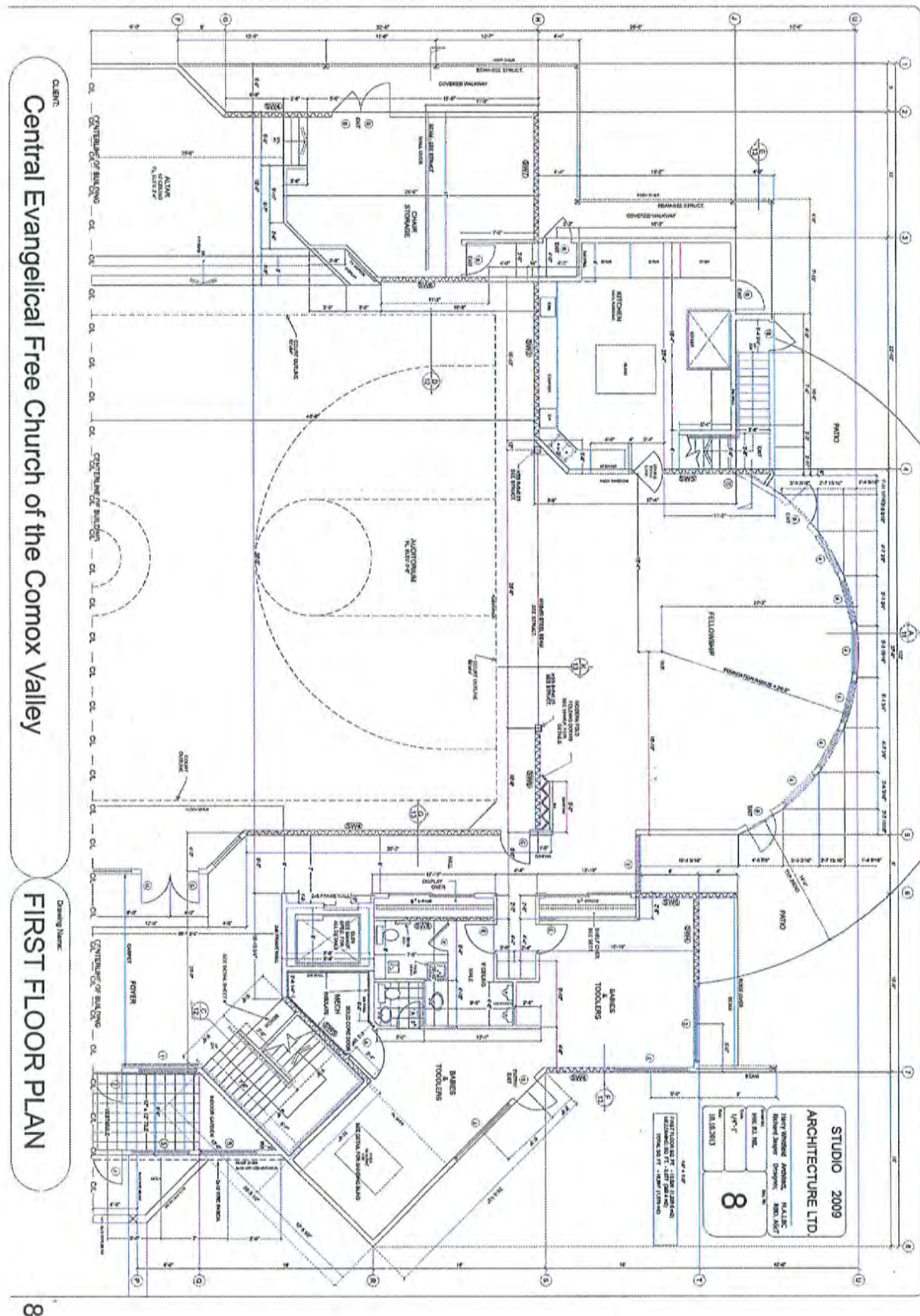




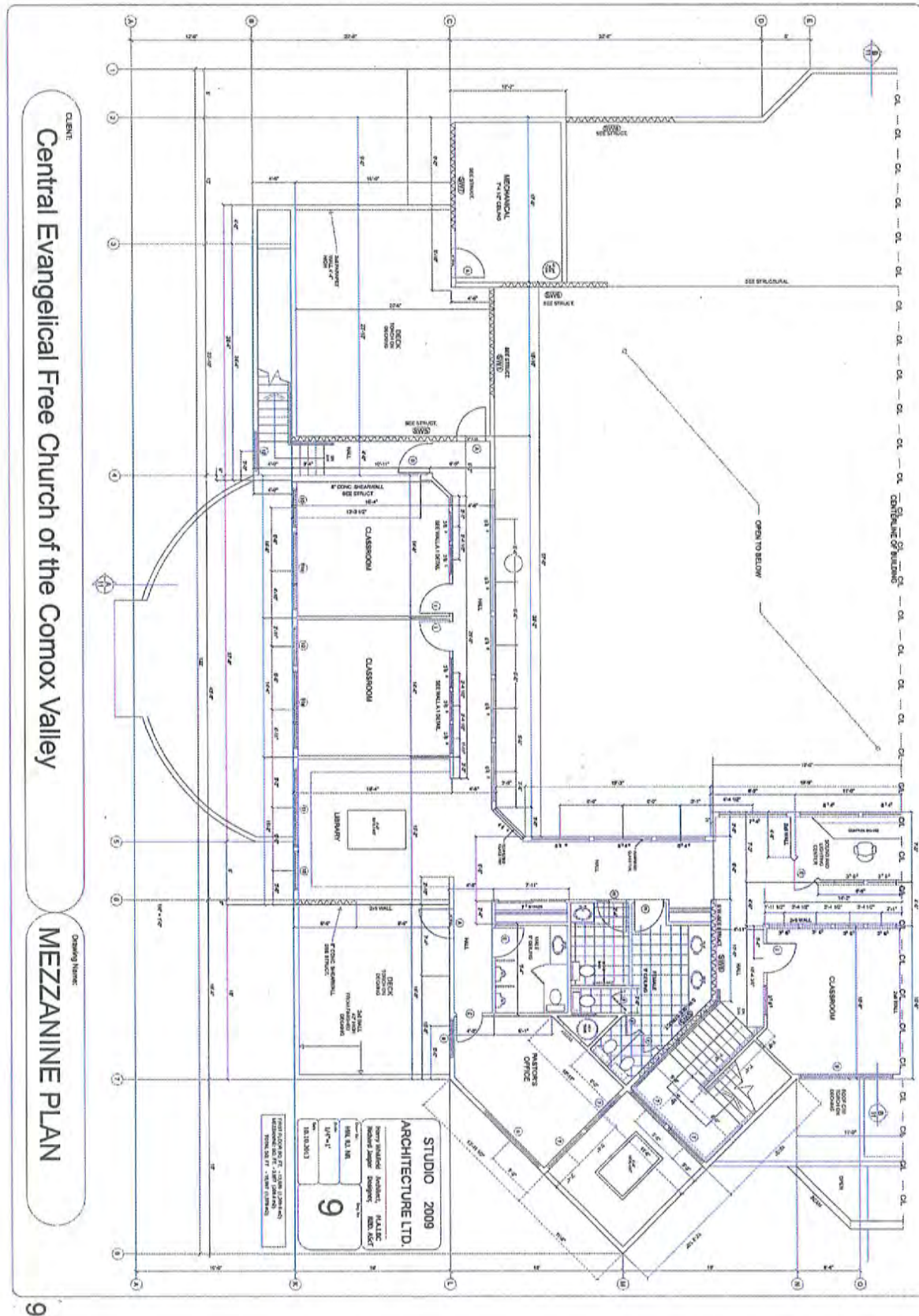






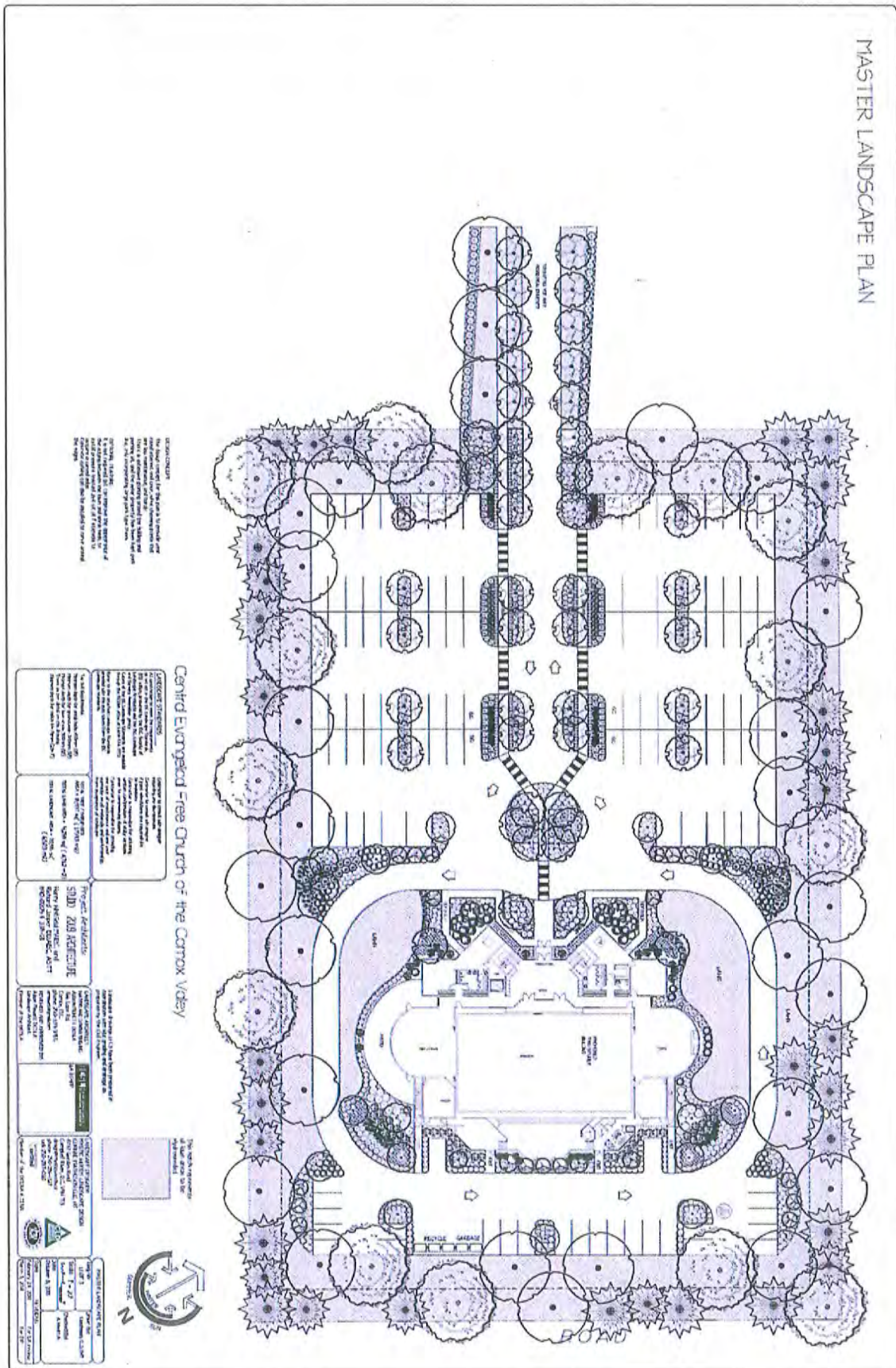




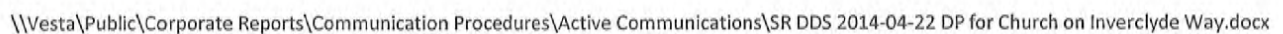




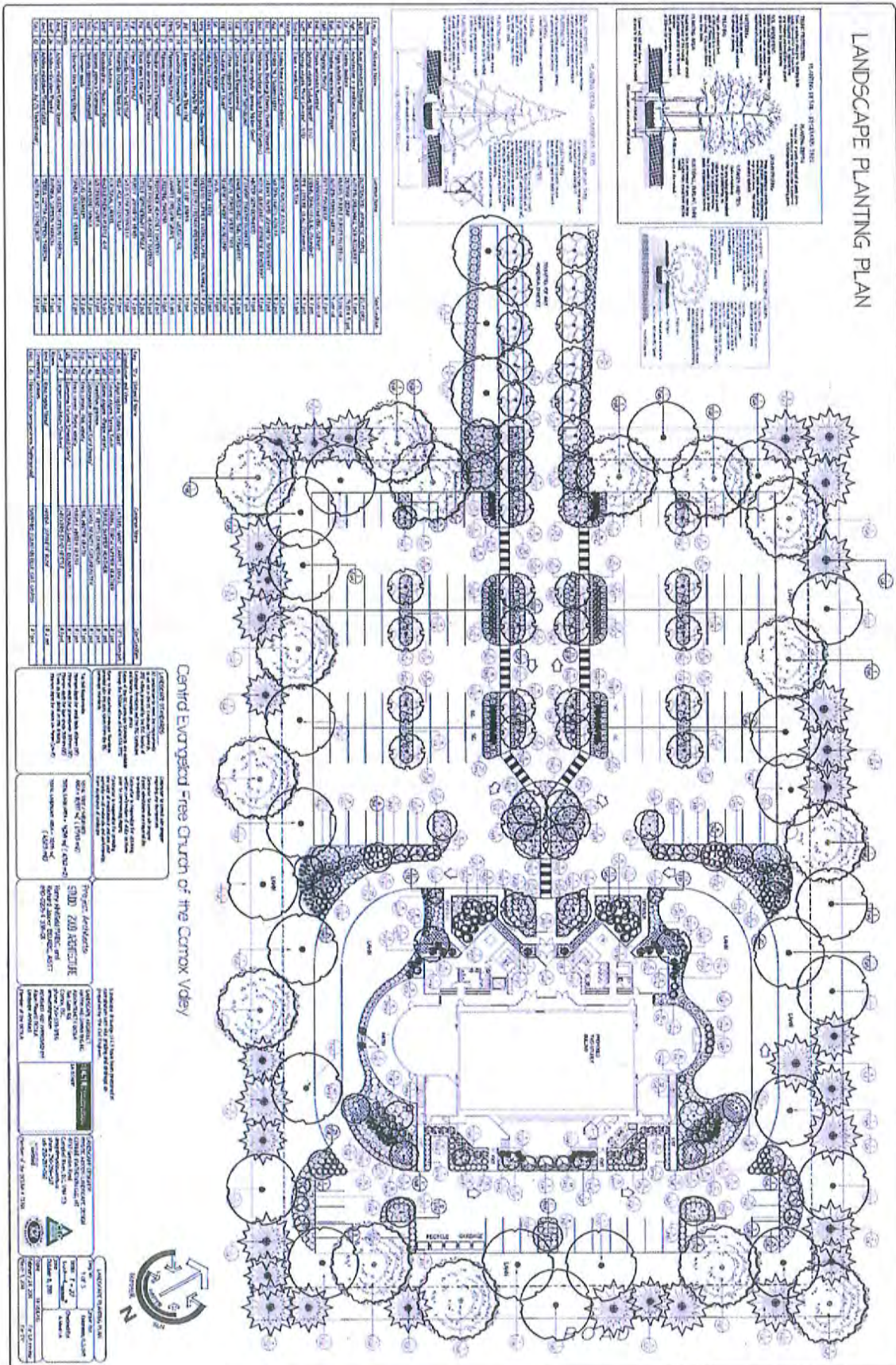














THE CORPORATION OF THE CITY OF COURTENAY  
**STAFF REPORT**

**To:** Council  
**From:** Chief Administrative Officer  
**Subject:** 2013 Audited Financial Statements

**File No.:** 1870-02 [2013]

**Date:** April 22, 2014

**PURPOSE:**

The purpose of this report is to request approval of the audited financial statements for the year ended December 31, 2013.

**POLICY ANALYSIS:**

Section 171 of the Community Charter requires that the municipal auditor report to Council on the annual financial statements. Council is responsible for the review and approval of the financial statements.

**EXECUTIVE SUMMARY:**

The firm of MNP LLP was appointed by Council to undertake the independent audit for the 2013 year. Under the terms of their engagement, the interim audit work was performed in December 2013, and final audit work undertaken in March and April of 2014. Presentation of the financial statements and auditor's report will take place on April 22, 2014.

**CAO RECOMMENDATIONS:**

That based on the April 22, 2014 staff report "2013 Audited Financial Statements" Council approve OPTION 1 which approves the Audited Financial Statements for the year ended December 31, 2013.

Respectfully submitted,

David Allen, BES, CLGEM, SCLGM  
Chief Administrative Officer



**BACKGROUND:**

Section 171 of the Community Charter requires that the municipal auditor report to Council on the annual financial statements.

The auditor's responsibility is to report on whether the annual consolidated statements present fairly, in all material respects, the financial position, results of operations, change in net financial assets and cash flows of the City in accordance with Canadian Public Sector Accounting Standards. In addition, their role is to provide reasonable, but not absolute, assurance of detecting misstatements, fraud or non-compliance with laws and regulations having a material effect on the consolidated financial statements as a whole.

Council is responsible for the review and approval of the annual financial statements.

**DISCUSSION:**

The firm of MNP LLP was appointed by Council to undertake the annual independent financial audit of the City for the 2013 calendar year. In December, MNP communicated their Audit Service Plan to Council, and their staff were present on site in December to perform the interim audit process. The final 2013 audit procedures were carried in March and April 2014.

At the regular meeting of Council April 22, 2014, MNP will provide Council with their 2013 Audit Findings Report, as well as present an overview of the City's financial position.

Attached are the following documents for Council's reference:

1. Audit Independence Letter, MNP LLP
2. Audit Findings Report for the year ended December 31, 2013
3. City of Courtenay, Audited Financial Statements for the year ended December 31, 2013

We are pleased to report that the audit is complete, and that the firm of MNP LLP will be providing approval of, and an unqualified opinion on, the 2013 consolidated financial statements.

**FINANCIAL IMPLICATIONS:**

Total fees of \$31,000 charged to the City for audit services are as quoted in the Audit Service Plan presented to Council in December 2013. No additional audit works were required.

**ADMINISTRATIVE IMPLICATIONS:**

On Council review and approval of the financial statements, staff will compile and distribute the statements as required to various authorities. In addition, the financial statements will be made publically available via the City's website.

**STRATEGIC PLAN REFERENCE:**

While the annual audit work and compilation of the consolidated financial statements are not specifically referenced in the City's strategic plan, staff resources are used to carry out this annual statutory requirement.

**OFFICIAL COMMUNITY PLAN REFERENCE:**

Not applicable

**REGIONAL GROWTH STRATEGY REFERENCE:**

Not applicable

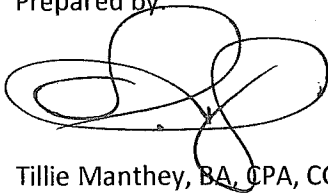
**CITIZEN/PUBLIC ENGAGEMENT:**

Public engagement is not required for the approval of the annual financial statements.

**OPTIONS:**

- OPTION 1: That Council approves the City of Courtenay Audited Financial Statements for the year ended December 31, 2013.
- OPTION 2: That Council does not approve the Audited Financial Statements for the year ended December 31, 2013.

Prepared by:



Tillie Manthey, BA, CPA, CGA  
Director, Financial Services/Deputy CAO

Attachments (3)

April 22, 2014

Mayor and Council  
City of Courtenay  
830 Cliffe Avenue  
Courtenay, BC V9N 2J7

Dear Mayor and Council:

We have been engaged to audit the financial statements of the Corporation of the City of Courtenay ("the City") for the year ending December 31, 2013.

CAS 260 requires that we communicate at least annually with you regarding all relationships between the City and MNP LLP ("MNP") that, in our professional judgment, may reasonably be thought to bear on our independence. In determining which relationships to report, we are required to consider relevant rules and related interpretations prescribed by the appropriate provincial institute and applicable legislation, covering such matters as:

- (a) Holding a financial interest, either directly or indirectly, in a client;
- (b) Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- (c) Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- (d) Economic dependence on a client; and
- (e) Provision of services in addition to the audit engagement.

We are not aware of any relationship between the City and MNP that, in our professional judgment, may reasonably be thought to bear on our independence, which have occurred from April 15, 2013 to April 22, 2014.

Generally Accepted Auditing Standards require that we confirm our independence to the Mayor and Council. Accordingly, we hereby confirm that MNP is independent with respect to the City within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia as of April 22, 2014.

The total fees charged to the City for audit services were \$27,000 during the period from May 1, 2013 to April 22, 2014 and \$31,000 for the the period from May 1, 2012 to April 30, 2013. There were \$2,000 charged for HST consulting and \$1,000 for preparation of 2011 and 2012 tax returns during 2012.

This report is intended solely for the use of the Mayor and Council, management and others within the City and should not be used for any other purposes.

We look forward to discussing with you the matters addressed in this letter as well as other matters that may be of interest to you. We are prepared to answer any questions you may have regarding our independence as well as other matters.

Yours truly,

*MNP LLP*

MNP LLP

encls.



ACCOUNTING > CONSULTING > TAX  
467 CUMBERLAND ROAD; COURTENAY BC; V9N 2C5  
P: 250-338-5464 F: 250-338-0609 [www.MNP.ca](http://www.MNP.ca)





**THE CORPORATION OF THE CITY OF  
COURTENAY**

**AUDIT FINDINGS REPORT**

Year Ending December 31, 2013

For presentation at the Mayor and Council  
Meeting

April 22, 2014



April 22, 2014

The Mayor and Council of the Corporation of the City of Courtenay

Dear Mayor and Council:

We are pleased to put forward this report to discuss the results of our audit of the consolidated financial statements of the Corporation of the City of Courtenay ("the City") for the year ended December 31, 2013. In this report, we cover those significant matters which, in our opinion, you should be aware of as Mayor and Council.

We have completed our audit of the consolidated financial statements of the City and are prepared to sign our independent auditors' report after the Mayor and Council's review and approval of the consolidated financial statements.

Our report will provide an unqualified opinion to the Mayor and Council of the City. A draft copy of our proposed independent auditors' report is included as Appendix A to this report.

We would like to express our appreciation for the excellent cooperation we have received from management and employees with whom we worked.

We appreciate having the opportunity to meet with you and to respond to any questions you may have about our audit, and to discuss any other matters that may be of interest to you.

Yours truly,



MNP LLP

/smf  
encls.

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## 1. MNP AUDIT PROCESS

As auditors, we report to the Mayor and Council on the results of our examination of the City's consolidated financial statements. This report summarizes our audit process and discusses issues that are of relevance to the Mayor and Council of the City.

- Our audit was carried out in accordance with Canadian generally accepted auditing standards.
- Our audit procedures included a review of all significant accounting and management reporting systems.
  - Each material year-end balance, key transaction and other event considered significant to the consolidated financial statements was separately examined.
- Our audit process focused on understanding the controls utilized in management's reporting systems to the extent necessary to identify overall and specific financial reporting risks.
  - This risk assessment enabled us to concentrate our audit procedures on the areas where differences were most likely to arise.
  - Where possible, reliance was placed on the controls within these systems to reduce the extent of our testing of transactions and year-end balances.
- Our assessment was not, nor was it intended to be, sufficient to conclude on the effectiveness or efficiency of internal controls.



- During the course of our audit, we have:
  - Examined, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements;
  - Assessed the accounting principles used and significant estimates made by management;
  - Obtained an understanding of the City and its environment, including management's internal controls (regardless of whether we relied on them for the purpose of the audit), sufficient to identify and assess the risks of material misstatement of the consolidated financial statements and to design and perform audit procedures;
  - Reviewed and assessed those accounting systems deemed necessary to support our audit opinion;
  - Evaluated the overall consolidated financial statement presentation;
  - Performed a subsequent events review with management;
  - Reviewed and assessed the status of contingencies, commitments and guarantees;
  - Reviewed and assessed exposure to environmental liabilities.
- We have obtained written representations from management in order to confirm oral representations given to us and reduce the possibility of misunderstanding. Specifically, we have obtained written confirmation of significant representations provided on matters that are:
  - Directly related to items that are material, either individually or in the aggregate, to the consolidated financial statements;
  - Not directly related to items that are material to the consolidated financial statements, but are significant, either individually or in the aggregate, to the engagement; and
  - Matters relevant to management judgments or estimates that are material, either individually or in the aggregate, to the consolidated financial statements.
- These representations are included as Additional Materials following this report.



## 2. SIGNIFICANT AUDIT FINDINGS

As a part of our commitment to providing superior client service we strive to maintain effective two-way communication. To aid the Mayor and Council in its role overseeing the financial reporting process, including its review and approval of the consolidated financial statements, we are pleased to provide you with the following significant findings:

### AREAS OF AUDIT EMPHASIS

- The following lists the key areas of our audit emphasis for your City:
  - Financial Statement Presentation and Disclosure
  - Contingencies, Lawsuits and Commitments
  - Fraud and Error
  - Detailed information on Areas of Audit Emphasis is included as Appendix B to this report.

### FINAL MATERIALITY

- Final materiality used to assess the significance of misstatements or omissions identified during the audit and determine the level of audit testing performed was \$600,000.

### DIFFICULTIES ENCOUNTERED

- We have satisfactorily completed our audit procedures for each of the significant account balances and transaction streams. No significant limitations were placed on the scope or timing of our audit.

### SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL

- While our review of controls was not sufficient to express an opinion as to their effectiveness or efficiency, no significant deficiencies in internal control have come to our attention. However, we may not be aware of all the significant deficiencies in internal control that do, in fact, exist.

### IDENTIFIED OR SUSPECTED FRAUD

- No incidents of fraud, or suspected fraud, came to our attention in the course of our audit.

## IDENTIFIED OR SUSPECTED NON-COMPLIANCE WITH LAWS AND REGULATIONS

- Nothing has come to our attention that would suggest there is non-compliance with laws and regulations that would have a material effect on the financial statements.

## MATTERS ARISING IN CONNECTION WITH RELATED PARTIES

- All related party transactions identified were in the normal course of business.

## GOING CONCERN

- We have not identified any material uncertainties related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

## SIGNIFICANT ACCOUNTING POLICIES

- The accounting policies used by the entity are appropriate and have been consistently applied.
- Other than the adoption of new standards for Tax Revenue and Government Transfers, no new accounting policies or changes in accounting policies were noted.

## SIGNIFICANT MANAGEMENT ESTIMATES

- The preparation of the consolidated financial statements is subject to significant accounting estimates made by management. All significant management estimates were reviewed for the current period and no material differences were noted.
- The following is a summary of significant management estimates and provisions:
  - Allowance for doubtful accounts – provision for the accounts receivable related to the recreation receivables.
  - Provision for legal contingencies – no provision deemed necessary.
  - Accrual for post-employment benefits – accrual made for expected future payments for employee sick leave, meritorious service, retirement, disability or death and termination pay calculated based on the probability of the employees actual future cost based on age, years of service and hourly rate, adjusted for inflation and discounted to present value.
  - Amortization period of tangible capital assets – amortized over the estimated useful life of the respective assets. All assets were amortized under the straight-line method, over 5 to 80 years.

## MATTERS ARISING FROM MANAGEMENT DISCUSSIONS

- We would like to formally acknowledge the excellent cooperation and assistance we received from the management and staff.
- There were no disagreements with management, significant difficulties or other irregularities encountered during the course of our audit.

## REVIEW OF EXPENSE CLAIMS

- During the course of our audit, we selected a sample of expense claims submitted by the Mayor, Council and Senior Management of the City and reviewed those expense claims for approvals and compliance with the related policies. We did not find any issues or irregularities to bring to your attention.

## SIGNIFICANT DIFFERENCES

- No significant differences were proposed to management with respect to the December 31, 2013 consolidated financial statements.

## MODIFICATIONS TO THE INDEPENDENT AUDITORS' REPORT

- Our independent auditors' report will provide an unqualified opinion to the Mayor and Council.
- No emphasis of matter, or other matter, paragraphs were included in the independent auditors' report.

## INDEPENDENCE

- We confirm to the Mayor and Council that we are independent of the City.
- Our letter to the Mayor and Council discussing our independence is included under separate cover.

We would also be pleased to discuss any other issues and/or concerns of the Mayor and Council.

## Appendix A: Draft Independent Auditors' Report

To the Mayor and Council of the Corporation of the City of Courtenay:

We have audited the accompanying consolidated financial statements of the Corporation of the City of Courtenay, which comprise the consolidated statement of financial position as at December 31, 2013 and the consolidated statements of operations, change in net financial assets, cash flows and related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2013, and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Other Matters*

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information, including schedules 1 to 5, has been presented for purposes of additional analysis. The supplementary information in Schedules 1, 3, 4 and 5 has been subjected to the auditing procedures applied in the consolidated financial statements and in our opinion, this supplementary information is presented fairly, in all material respects, in relation to the consolidated financial statements taken as a whole. We do not express an opinion on schedule 2 because our examination did not extend to the detailed information therein.



## APPENDIX B: AREAS OF AUDIT EMPHASIS

### FINANCIAL STATEMENT PRESENTATION AND DISCLOSURE

#### Audit Procedures:

- We have reviewed the consolidated financial statements and concluded that the corresponding presentation and disclosure is in accordance with Canadian Public Sector Accounting Standards.
- We have participated in discussions with Management on all significant transactions during the course of the past 12 months, and have assisted in ensuring appropriate treatment and disclosure.

*We have concluded that the City's consolidated financial statements have been appropriately presented and appropriate disclosures have been made in accordance with Canadian Public Sector Accounting Standards.*

### CONTINGENCIES, LAWSUITS AND COMMITMENTS

#### Audit Procedures:

- We made detailed inquiries of Management and reviewed both minute books and legal files to identify contingencies, lawsuits and commitments. No items not already brought to our attention and/or disclosed in the notes to the financial statements were noted.
- We have received all relevant legal letters and Management's representation letter attesting to the completeness of issues of this nature.

*We have concluded that contingencies, lawsuits and commitments have been appropriately accounted for and disclosed in the City's consolidated financial statements.*

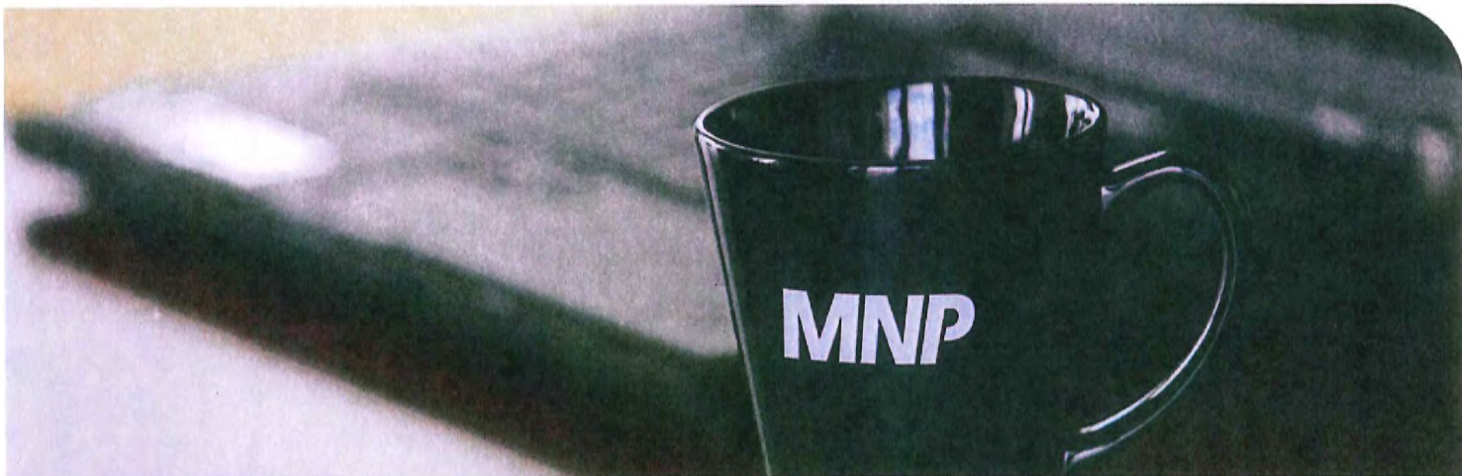
## FRAUD AND ERROR

### Audit Procedures:

- Obtained from Management an assessment of the entity's susceptibility to material misstatements arising from fraud or error.
- Discussed with Management the entity's susceptibility to material misstatements arising from fraud or error.
- Obtained Management representations concerning fraud and error.

*We concur with Management's assessment that the City's susceptibility to material misstatements arising from fraud or error is reasonably low.*

|



#### ABOUT MNP

MNP is one of the largest chartered accountancy and business consulting firms in Canada. For more than 65 years, we have proudly served and responded to the needs of our clients in the public, private and not-for-profit sectors. Through partner-led engagements, we provide a cost-effective approach to doing business and personalized strategies to help you succeed.

It's knowing your vision, your business and you.



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THE CORPORATION OF  
THE CITY OF COURTENAY

*Consolidated Financial Statements*

*Year Ending December 31, 2013*

**THE CORPORATION OF THE CITY OF COURTENAY**  
**Consolidated Financial Statements**  
**Year Ended December 31, 2013**

Management's Responsibility for Financial Reporting

Independent Auditors Report

Consolidated Statements

- A Consolidated Statement of Financial Position
- B Consolidated Statement of Operations
- C Consolidated Statement of Change in Net Financial Assets
- D Consolidated Statement of Cash Flow

Notes to Consolidated Financial Statements

Supporting Schedules

- 1 Consolidated Schedule of Segment Disclosure by Service
- 2 Consolidated Schedule of Accumulated Surplus (Unaudited)
- 3 Consolidated Schedule of Tangible Capital Assets
- 4 Consolidated Schedule of Debenture and Other Long-Term Debt
- 5 Consolidated Schedule of Investments

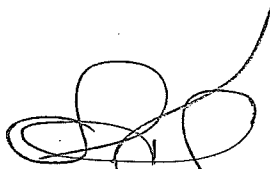
## THE CORPORATION OF THE CITY OF COURTENAY

### Management's Responsibility for Financial Reporting

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

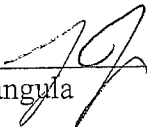
Management maintains a system of internal accounting controls to provide reasonable assurance that assets are safeguarded and that transactions are authorized, recorded, and reported properly. Management also maintains a program of proper business compliance.

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



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T. Manthey, BA, CPA, CGA  
Director of Financial Services/Deputy CAO



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Larry Janguila  
Mayor



THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2013

STATEMENT A

	<u>2013</u>	<u>2012</u>
<b>FINANCIAL ASSETS</b>		
Cash on Hand and on Deposit (Schedule 5)	\$ 17,966,870	\$ 24,661,024
Receivables (Note 1i)	3,453,527	2,806,150
Term Deposits (Schedule 5)	<u>18,340,971</u>	<u>11,222,083</u>
	<u>39,761,368</u>	<u>38,689,256</u>
<b>LIABILITIES</b>		
Accounts Payable (Note 1j)	6,831,569	6,639,076
Trust and Other Deposits	2,350,991	2,176,572
Deferred Revenue - Federal Gas Tax (Note 5)	3,121,718	3,554,295
Deferred Revenue - Development Cost Charges (Note 7)	3,352,680	3,102,467
Deferred Revenue - Other (Note 10)	708,020	500,520
Long-Term Debt (Schedule 4)	<u>18,836,729</u>	<u>20,415,836</u>
	<u>35,201,707</u>	<u>36,388,766</u>
<b>NET FINANCIAL ASSETS</b>	<u>4,559,661</u>	<u>2,300,490</u>
<b>NON-FINANCIAL ASSETS</b>		
Inventories	179,628	193,853
Prepaid Expenses	391,928	453,275
Tangible Capital Assets (Note 14 & Schedule 3)	<u>123,447,288</u>	<u>113,597,312</u>
	<u>124,018,844</u>	<u>114,244,440</u>
<b>ACCUMULATED SURPLUS (Schedule 2)</b>	<u>\$ 128,578,505</u>	<u>\$ 116,544,930</u>

THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2013

STATEMENT B

REVENUE	2013 Budget (Note 16)	2013	2012
Taxes for Municipal Purposes	\$ 22,801,340	\$ 22,920,934	\$ 21,721,650
Sale of Services	10,617,192	10,650,450	9,598,550
Revenue From Own Sources	3,153,660	3,424,427	3,122,922
Federal Transfers	600,793	1,537,986	395,588
Provincial Transfers	1,553,038	1,197,175	2,010,042
Other Local Government Transfers	493,296	371,204	321,666
Contributions	8,878,591	7,113,362	2,551,319
DCC Revenue	-	271,191	551,936
Investment Income and Taxation Penalties	717,878	930,540	801,029
Other	299,100	1,774,625	308,158
<b>TOTAL REVENUE</b>	<b>49,114,888</b>	<b>50,191,894</b>	<b>41,382,860</b>
EXPENSES			
General Government Services	4,472,155	4,138,092	3,557,682
Protective Services	8,632,785	7,357,077	7,673,961
Transportation Services	6,583,781	6,578,463	6,309,497
Sewer and Water Facilities	8,138,043	7,438,743	7,239,912
Environmental Health Services	2,747,950	2,681,866	2,497,019
Public Health and Welfare Services	337,128	312,928	261,262
Environmental Development Services	577,483	768,555	515,782
Recreational and Cultural Services	8,812,722	8,882,595	8,263,901
<b>TOTAL EXPENSES</b>	<b>40,302,047</b>	<b>38,158,319</b>	<b>36,319,016</b>
<b>ANNUAL SURPLUS (Schedule 1)</b>	<b>8,812,841</b>	<b>12,033,575</b>	<b>5,063,844</b>
<b>ACCUMULATED SURPLUS AT BEGINNING OF YEAR</b>	<b>116,544,930</b>	<b>116,544,930</b>	<b>111,481,086</b>
<b>ACCUMULATED SURPLUS AT END OF YEAR</b>	<b>\$ 125,357,771</b>	<b>\$ 128,578,505</b>	<b>\$ 116,544,930</b>

THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2013

STATEMENT C

	2013 Budget (Note 16)	2013	2012
ANNUAL SURPLUS	\$ 8,812,841	\$ 12,033,575	\$ 5,063,844
Acquisition of tangible capital assets	(7,747,396)	(7,747,396)	(6,834,221)
Amortization of tangible capital assets	4,213,904	4,213,904	3,902,044
Loss on sale of tangible capital assets	158,494	158,494	257,257
Proceeds on sale of tangible capital assets	14,000	14,000	31,431
Developer tangible capital asset contribution	(6,488,980)	(6,488,980)	(1,479,912)
	<u>(9,849,978)</u>	<u>(9,849,978)</u>	<u>(4,123,401)</u>
Acquisition of supplies inventories	-	(434,350)	(418,877)
Acquisition of prepaid expense	-	(714,205)	(453,275)
Consumption of supplies inventories	-	448,575	447,120
Use of prepaid expense	-	775,554	399,491
	<u>-</u>	<u>75,574</u>	<u>(25,541)</u>
CHANGE IN NET FINANCIAL ASSETS/NET DEBT	(1,037,137)	2,259,171	914,902
NET FINANCIAL ASSETS/NET DEBT AT BEGINNING OF YEAR	2,300,490	2,300,490	1,385,588
NET FINANCIAL ASSETS/NET DEBT AT END OF YEAR	<u>\$ 1,263,353</u>	<u>\$ 4,559,661</u>	<u>\$ 2,300,490</u>



**THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**STATEMENT D**

	<u>2013</u>	<u>2012</u>
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING TRANSACTIONS</b>		
Annual Surplus	\$ 12,033,575	\$ 5,063,844
Changes in non-cash items including amortization		
Increase in amortization	4,213,904	3,902,044
Change in receivables	(647,377)	(447,182)
Change in accounts payable	192,493	1,094,128
Change in trust and other deposits	174,419	(1,156,846)
Change in deferred revenue	25,136	343,622
Change in inventories	14,225	28,243
Change in prepaids	61,347	(53,784)
Loss on disposal of capital assets	158,494	257,257
Developer Tangible Capital Asset Contribution	(6,488,980)	(1,479,912)
Actuarial adjustment	(365,101)	(312,356)
Cash Provided by Operating Transactions	<u>9,372,135</u>	<u>7,239,058</u>
<b>CAPITAL TRANSACTIONS</b>		
Cash used to acquire tangible capital assets	(7,747,396)	(6,834,221)
Proceeds on sale of tangible capital assets	14,000	31,431
Cash Applied to Capital Transactions	<u>(7,733,396)</u>	<u>(6,802,790)</u>
<b>INVESTING TRANSACTIONS</b>		
Term deposits	(7,118,886)	(4,094,861)
Cash Provided by (applied to) Investing Transactions	<u>(7,118,886)</u>	<u>(4,094,861)</u>
<b>FINANCING TRANSACTIONS</b>		
Repayment of long-term debt	(1,214,007)	(925,768)
Long-term debt proceeds	-	5,760,000
Cash Provided by Financing Transactions	<u>(1,214,007)</u>	<u>4,834,232</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(6,694,154)	1,175,639
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>24,661,024</u>	<u>23,485,385</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$ 17,966,870</u></u>	<u><u>\$ 24,661,024</u></u>
 Interest paid on outstanding debt and included in annual surplus above	 \$ 1,092,440	 \$ 967,070

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**

**PAGE 1 OF 12**

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, Reserve Funds, and the Sid Williams Theatre Society, a controlled entity. Transactions between these funds, and between the City and the Sid Williams Theatre Society, have been eliminated on consolidation. The consolidated financial statements have been prepared using guidelines issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. 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**

Expenditures 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.

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.

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**

PAGE 2 OF 12

(c) **Accrued Payroll Benefits**

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

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

(d) **Use of Estimates**

The preparation of 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 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.

(e) **Inventories**

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

(f) **Tangible Capital Assets**

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

Major Asset Category	Threshold	Average Useful Life
Land	\$1	Indefinite
Land Improvements	\$10,000	Varies from 10 to 40 years
Building	\$10,000	Varies from 25 to 60 years
Vehicles, Machinery/Equipment	\$5,000 to \$10,000	Varies from 5 to 25 years
Engineering Structures		
Roads	\$5,000 to \$50,000	Varies from 10 to 60 years
Water	\$5000 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.



**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**

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(g) Financial Instruments

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

(h) Debt Charges

Interest payments are charged against current fund balances in the period they become payable and have been accrued to December 31, 2013. Actuarial adjustments are offset against interest charged. Principal payments are applied directly to loan balances in the period they accrue.

(i) Receivables

Following is a breakdown of receivables outstanding at December 31, 2013 with 2012 comparatives:

	<u>2013</u>	<u>2012</u>
Federal Government	\$ 134,472	\$ 355,026
Provincial Government	291,684	240,049
Regional and other Local Governments	187,397	139,899
Property Taxes	1,218,075	1,096,929
Other	<u>1,621,899</u>	<u>974,247</u>
Total Receivables	<u>\$ 3,453,527</u>	<u>\$ 2,806,150</u>

(j) Accounts Payable

Following is a breakdown of accounts payable and accrued liabilities outstanding at December 31, 2013 with 2012 comparatives:

	<u>2013</u>	<u>2012</u>
Federal Government	\$ 1,299,989	\$ 1,321,884
Provincial Government	750,230	379,777
Regional and other Local Governments	885,365	366,120
Employee Retirement Benefits	835,181	859,394
Trade and accrued liabilities	<u>3,060,804</u>	<u>3,711,901</u>
Total Accounts Payable	<u>\$ 6,831,569</u>	<u>\$ 6,639,076</u>

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**

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**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 2013 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:

2014	\$1,214,599
2015	\$1,215,206
2016	\$950,605
2017	\$951,244
2018	<u>\$951,899</u>
	<u>\$5,283,553</u>

- (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  
Downtown Courtenay Business Improvement Area

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

- (d) As at December 31, 2013, there existed outstanding claims against the City. These claims have been referred to legal council 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.

**THE CORPORATION OF THE CITY OF COURTENAY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

**PAGE 5 OF 12**

**3. PENSION LIABILITY**

The municipality and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusted pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 179,000 active members and approximately 71,000 retired members. Active members include approximately 173 contributors from the City of Courtenay.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1.37 billion funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. 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.

The City of Courtenay paid \$735,108 (2012 - \$669,460) for employer contributions to the Plan in fiscal 2013.

**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.

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**

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**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 as deferred revenue 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 2013 with comparatives to 2012.

	<u>2013</u>	<u>2012</u>
<b>Opening Balance of Unspent Funds</b>	<b>\$3,554,295</b>	<b>\$2,966,070</b>
Additions:		
Amounts Received During the Year	936,445	936,858
Interest Earned	26,614	22,205
Deductions:		
Amount Spent on Projects	<u>(1,395,636)</u>	<u>(370,838)</u>
<b>Closing Balance of Unspent Funds</b>	<b><u>\$3,121,718</u></b>	<b><u>\$3,554,295</u></b>

**6. DEBENTURE AND OTHER LONG-TERM DEBT**

Funding of certain general debenture and other long-term debt repayment is provided by sources other than general taxation. Other sources include short term loan proceeds used to bridge the gap for debenture debt proceeds, and lease and rental revenues, which reduce the requirement to fund debt repayment from general taxation revenues. This source of funding detail at the time of the annual tax levy, with 2012 comparatives, is as follows:

	<u>2013</u>	<u>2012</u>
Municipal debt levy, general taxation	\$1,811,575	\$1,403,349
Lease and rental revenues	<u>228,863</u>	<u>233,430</u>
<b>Total funding required – general debt repayment</b>	<b><u>\$2,040,438</u></b>	<b><u>\$1,636,779</u></b>



**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**

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**7. DEFERRED REVENUE - DEVELOPMENT COST CHARGES**

In order to conform with the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, the unspent development cost charges in the following financial statements have been recorded as a liability. Following is a breakdown of cash increases and decreases for the General, Water, and Sewer development costs charge reserves for 2013 and 2012.

	2013				
	General	Water	Sewer	Sewer	
	Reserve	Utility	Utility	Utility	
	DCC	DCC	DCC	DCC	
	BL #2426	BL #2426	BL #2426	BL #1638	2013
					Total
Balance Forward	\$ 2,211,452	\$ 391,588	\$ 466,583	\$ 32,844	\$ 3,102,467
Increases					
Interest	15,584	2,851	3,533	231	22,199
Other Contributions	363,199	51,776	84,230		499,205
	378,783	54,627	87,763	231	521,404
Decreases					
Revenue Recognized to Fund Capital Projects	(145,456)	(90,126)	(35,609)	-	(271,191)
Reclassifications, redemptions, refunds					-
	(145,456)	(90,126)	(35,609)	-	(271,191)
Ending Balance Deferred Revenue - DCC	\$ 2,444,779	\$ 356,089	\$ 518,737	\$ 33,075	\$ 3,352,680

	2012				
	General	Water	Sewer	Sewer	
	Reserve	Utility	Utility	Utility	
	DCC	DCC	DCC	DCC	
	BL #2426	BL #2426	BL #2426	BL #1638	2012
					Total
Balance Forward	\$ 2,311,531	\$ 354,110	\$ 398,747	\$ 32,615	\$ 3,097,003
Increases					
Interest	16,355	2,621	3,057	229	22,262
Other Contributions	435,502	34,857	64,779		535,138
	451,857	37,478	67,836	229	557,400
Decreases					
Revenue Recognized to Fund Capital Projects	(551,936)			-	(551,936)
Reclassifications, redemptions, refunds					-
	(551,936)	-	-	-	(551,936)
Ending Balance Deferred Revenue - DCC	\$ 2,211,452	\$ 391,588	\$ 466,583	\$ 32,844	\$ 3,102,467

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**

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**8. ENVIRONMENTAL REGULATIONS**

The City makes every reasonable effort to comply with all environmental regulations that apply to its operations. These regulations may require future expenditures to meet applicable standards. Amounts required to meet these obligations will be charged to operations when incurred or set aside as future reserves when they can be reasonably estimated.

**9. 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 2013 and 2012, which has been excluded from the City's financial statements.

**CEMETERY PERPETUAL CARE FUND**  
**FINANCIAL POSITION**

**CEMETERY PERPETUAL CARE FUND**  
**FINANCIAL ACTIVITIES**

	<u>2013</u>	<u>2012</u>		<u>2013</u>	<u>2012</u>
<b>Financial Assets</b>			<b>Revenue</b>		
Cash on Hand	\$ 52,096	\$ 44,360	Fees Levied	\$ 9,964	\$ 11,029
Investments - MFA	<u>229,701</u>	<u>227,214</u>	Interest Revenue	<u>3,096</u>	<u>2,837</u>
<b>Liabilities</b>			<b>Expenditure</b>		
Interest Payable to City	<u>3,096</u>	<u>2,837</u>	Interest Expense	<u>3,096</u>	<u>2,837</u>
<b>Net Financial Position</b>	<u><u>\$ 278,701</u></u>	<u><u>\$ 268,737</u></u>	<b>Excess Revenue over Expenditure</b>	<u><u>\$ 9,964</u></u>	<u><u>\$ 11,029</u></u>

- (b) The Sid Williams Theatre has endowment funds on deposit with the Comox Valley Community Foundation in the amount of \$323,031 (2012 - \$323,031). The principal amount of this endowment cannot be utilized or withdrawn and as such are not considered assets of the City of Courtenay. The endowment funds are not reported as an asset on the statement of financial position.

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**

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**10. DEFERRED REVENUE – OTHER**

Other Deferred Revenue recorded in the Liability section of the City's Financial Statements consists of the revenues related to Development Cost Charge instalment payments owing from Developers and to be received in future years, business license revenue levied and to be recognized in future years, sewer connection instalment payments owing from property owners and to be recognized in future years, Government transfers received prior to revenue recognition criteria being met, gift certificates issued and to be redeemed in future years at the Sid Williams Theatre, and Surcharge revenue to be recognized in future years at the Sid Williams Theatre. Following is a breakdown of the change in this balance for 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Opening Balance	\$ 500,520	\$ 750,588
Additions to Deferred Revenue	690,513	463,048
Revenue Recognized	(483,013)	(713,115)
	<u>                    </u>	<u>                    </u>
Ending Balance Deferred Revenue Other	<u>\$ 708,020</u>	<u>\$ 500,520</u>

**11. 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, 2013 the City had debt reserve funds of \$398,278 (\$379,766 in 2012).

**12. 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 2013 were based on an interest (discount) rate of 3.90% per annum. The total estimated employee retirement benefit liability at December 31, 2013 is \$835,181 (\$859,394 in 2012) and is included in the accounts payable balance on Statement A.

**THE CORPORATION OF THE CITY OF COURTENAY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

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**13. 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 2013 revenues and expenses with 2012 comparatives for each segment can be found in Schedule 1 of the accompanying financial statements.

**General Government Services**

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

**Protective Services**

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

**Transportation Services**

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

**Environmental Health Services**

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

**Public Health and Welfare Services**

Includes cemetery services.

**Environmental Development Services**

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

**Recreational and Cultural Services**

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

**Water Utility Services**

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

**Sewer Utility Services**

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

**Other Services**

Includes the operations of the Sid Williams Theatre.



**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**

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**14. TANGIBLE CAPITAL ASSET DETAILS**

(See Schedule 3 for further details)

Tangible Capital Assets consist of the following:

	<u>2013</u>	<u>2012</u>
Land	\$ 21,062,251	\$ 20,871,531
Land Improvements	2,763,625	2,679,694
Buildings	19,441,296	16,119,050
Equipment, Furniture, & Vehicles	5,775,966	4,923,330
Engineering Structures:		
Roads	44,044,538	43,400,595
Water	10,501,020	8,812,549
Sewer	8,890,566	7,379,287
Other (Includes Storm)	10,902,560	9,306,720
Other Tangible Capital Assets	65,466	104,556
	<u><u>\$ 123,447,288</u></u>	<u><u>\$113,597,312</u></u>

The net book value of capital assets not being amortized and under construction in 2013 is \$4,389,182 (\$7,911,348 in 2012).

Contributed capital assets received and recognized in the year from developers, for various infrastructure works and related land and parks, and recorded on the financial statements in 2013 is \$6,488,980 (\$1,479,912 in 2012)

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.

**15. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with current year presentation.

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**

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**16. RESTATEMENT OF 2013 BUDGET**

The budget amounts presented throughout these financial statements are based upon the Five Year Financial Plan approved by Council on May 6, 2013, except in regard to budget amounts for amortization, developer contributions for tangible capital assets, gains and losses on tangible capital asset disposals, and the use of debt, reserves and prior year surpluses.

The budget amounts presented throughout these financial statements for the tangible capital asset related budgets are the actual values determined at the completion of the municipalities' tangible capital asset accounting process. These values have been added to the May 6, 2013 budget and actual values in the Financial Statements.

The summary below shows the adjustments to the May 6, 2013 budget approved by Council after adjusting the budget values by the actual revenues and expenses incurred for tangible capital asset related items (amortization, developer contributions for tangible capital assets, and gains and losses on tangible capital asset disposals) and other transfers that were not included in the approved 2013 budget.

**Adjustments to 2013 Budgeted Annual Surplus**

Budget Surplus reported in FS	\$ 8,812,841
Capital acquisitions in Financial Plan	(18,776,361)
Amortization	4,213,904
Contributed Assets	(6,488,980)
Debt Issues in Financial Plan	-
Debt principle repayments in Financial Plan	(1,214,007)
Operating surplus appropriated for Operations in Financial Plan	4,853,293
Capital surplus appropriated for Capital Projects in Financial Plan	5,128,136
Transfers from Operating and Capital Reserves in Financial Plan	6,396,064
Transfers to Operating and Capital Reserves in Financial Plan	(2,924,890)
Net of Financial Plan	<u>\$ -</u>

THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE  
YEAR ENDED DECEMBER 31, 2013  
(Audited)

SCHEDULE 1  
(Note 13)

Page 1 of 2

	General Government Services		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
<b>REVENUE:</b>										
Taxation	\$ 20,275,879	\$ 19,139,818								
Fees of Services			842,670	842,800						
Revenue from Own Sources			489,201	631,235						
Government Transfers	1,092,447	1,334,533	19,719	64,571	457,213	223,703	2,649,452	2,538,193	77,008	110,399
Other Revenue	1,328,264	87,312			457,986	537,011			135,934	135,046
Other Contributions		5,700	15,000		2,127,432	2,279,044	1,572,522			
Interest Earned	867,716	743,241	11,868	11,880	13,629	12,007				
<b>Total Revenues</b>	<b>23,564,306</b>	<b>21,310,604</b>	<b>1,378,458</b>	<b>1,550,486</b>	<b>3,056,260</b>	<b>3,051,765</b>	<b>4,221,974</b>	<b>2,538,193</b>	<b>212,942</b>	<b>245,445</b>
<b>EXPENSES</b>										
Salaries and Benefits	2,691,776	2,165,904	1,661,788	1,642,334	2,091,970	2,023,010	53,049	61,889	156,841	126,378
Goods and Services	863,654	827,276	5,234,658	5,665,092	1,207,964	1,227,415	2,330,954	2,189,465	102,509	71,080
Mortgage Expense	194,979	192,773	230,822	223,958	2,419,305	2,309,167	227,499	185,953	21,571	20,392
Debt Servicing	19,541	23,768	47,024	26,296	364,322	368,420				
Other Expenditures	365,117	347,961	143,419	116,281	413,984	163,273	70,364	59,712	32,007	43,412
Loss on Disposal of TCA	3,025		39,366		80,918	218,212				
<b>Total Expenses</b>	<b>4,138,092</b>	<b>3,557,682</b>	<b>7,357,077</b>	<b>7,673,961</b>	<b>6,578,463</b>	<b>6,309,497</b>	<b>2,681,866</b>	<b>2,497,019</b>	<b>312,928</b>	<b>261,262</b>
<b>ANNUAL SURPLUS</b>	<b>19,426,214</b>	<b>17,752,922</b>	<b>(5,978,619)</b>	<b>(6,123,475)</b>	<b>(3,522,203)</b>	<b>(3,257,732)</b>	<b>1,540,108</b>	<b>41,174</b>	<b>(99,986)</b>	<b>(15,817)</b>

THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE  
YEAR ENDED DECEMBER 31, 2013  
(Audited)

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	Environmental Development Services		Recreational and Cultural Services		Water Utility Services		Sewer Utility Services		Other Services		Consolidated	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
<b>EVENUE:</b>												
ation					\$ 699,857	\$ 661,280	\$ 1,945,198	\$ 1,920,552			\$ 22,920,934	\$ 21,721,650
iles of Services					4,409,401	3,963,594	2,748,927	2,253,963			10,650,450	9,598,550
venue from Own Sources	516,440	497,803	1,224,410	1,114,488	185,436	122,710	100,113	37,532	451,614	495,451	3,424,427	3,122,922
overnment Transfers	3,953	23,899	1,228,700	528,668					226,552	128,215	3,106,365	2,727,296
ther Revenue	193,338				117,089	85,800			36,773	18,058	1,774,625	308,158
ther Contributions	123,000	40,500	171,619	114,051	1,802,868	172,231	1,535,339	473,671			7,384,553	3,103,255
terest Earned	4,702	3,554	14,270	12,799	11,377	11,306	6,978	6,242			930,540	801,029
<b>otal Revenues</b>	<b>841,433</b>	<b>565,756</b>	<b>2,638,999</b>	<b>1,770,006</b>	<b>7,226,028</b>	<b>5,016,921</b>	<b>6,336,555</b>	<b>4,691,960</b>	<b>714,939</b>	<b>641,724</b>	<b>50,191,894</b>	<b>41,382,860</b>
<b>XPENSES</b>												
alaries and Benefits	500,313	440,495	3,457,350	3,254,839	534,706	523,338	366,617	367,803	511,216	464,711	12,025,626	11,070,701
oods and Services	258,717	61,017	2,052,399	1,996,415	2,539,612	2,720,551	839,266	764,735	335,541	277,730	15,765,274	15,800,776
mortization Expense	2,533	2,533	687,495	583,458	305,324	281,973	124,376	101,837			4,213,904	3,902,045
ebt Servicing			172,622	99,447	22,614	23,595	119,359	122,879			745,482	664,405
ther Expenditures	6,992	11,737	1,638,267	1,582,331	69,097	25,807	2,496,216	2,268,349	80	4,970	5,235,543	4,623,833
oss on Disposal of TCA			27,625		6,845	39,045	14,711				172,490	257,257
<b>otal Expenses</b>	<b>768,555</b>	<b>515,782</b>	<b>8,035,758</b>	<b>7,516,490</b>	<b>3,478,198</b>	<b>3,614,309</b>	<b>3,960,545</b>	<b>3,625,603</b>	<b>846,837</b>	<b>747,411</b>	<b>38,158,319</b>	<b>36,319,016</b>
<b>ANNUAL SURPLUS</b>	<b>\$ 72,878</b>	<b>\$ 49,974</b>	<b>\$ (5,396,759)</b>	<b>\$ (5,746,484)</b>	<b>\$ 3,747,830</b>	<b>\$ 1,402,612</b>	<b>\$ 2,376,010</b>	<b>\$ 1,066,357</b>	<b>\$ (131,898)</b>	<b>\$ (105,687)</b>	<b>\$ 12,033,575</b>	<b>\$ 5,063,844</b>



## SCHEDULE 2

THE CORPORATION OF THE CITY OF COURTENAY  
 CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS  
 YEAR ENDED DECEMBER 31, 2013  
 (Unaudited)

	2013	2012
<b>Surplus</b>		
Invested in Tangible Capital Assets	\$ 104,610,559	\$ 93,181,476
General Operating Fund	5,218,696	4,001,384
General Capital Fund	3,129,622	5,749,284
Water Utility Operating Fund	2,180,868	1,887,611
Water Utility Capital Fund	108,869	108,869
Sewer Utility Operating Fund	2,574,240	2,405,546
Sewer Utility Capital Fund	30,965	30,965
Sid Williams Theatre Society	88,618	50,516
Gaming Fund	1,187,758	1,001,035
Total Surplus	<u>119,130,195</u>	<u>108,416,686</u>
<b>Reserves</b>		
General Fund Reserves:		
Machinery and Equipment	1,677,559	1,534,224
Land Sale	1,016,824	197,323
New Works and Equipment	3,806,823	3,679,083
Public Parking	25,374	20,758
Parkland Acquisition	141,687	140,699
Housing Amenity	227,162	114,223
Amenity	88,648	175,864
	<u>6,984,077</u>	<u>5,862,174</u>
Water Utility Reserves:		
Water Utility	1,491,827	1,473,508
Machinery and Equipment	159,992	128,963
	<u>1,651,819</u>	<u>1,602,471</u>
Sewer Utility Reserves:		
Sewer Utility	417,711	346,366
Machinery and Equipment	394,703	317,233
	<u>812,414</u>	<u>663,599</u>
Total Reserves	<u>9,448,310</u>	<u>8,128,244</u>
ACCUMULATED SURPLUS (Statement A)	<u>\$ 128,578,505</u>	<u>\$ 116,544,930</u>

THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2013  
(Audited)

	Land	Land Improvements	Buildings	Equipment/ Furniture/ Vehicles	Engineering Structures				Other Tangible Capital Assets	Total	2012
					Roads	Water	Sewer	Other			
Opening Balance Construction-in-progress (CIP)	\$ -	\$ 733,666	\$ 2,416,354	\$ 103,439	\$ 827,990	\$ 430,733	\$ 2,520,965	\$ 873,047	\$ 5,154	\$ 7,911,348	\$ 4,753,987
Add: Construction-in-progress (CIP)	-	209,126		804,878	731,532	524,995		59,746	6,290	2,336,567	4,451,403
Less: Transfers into Service		(295,821)	(1,790,232)	(5,741)	(2,629,299)	(86,890)	(142,698)	(908,052)		(5,858,733)	(1,294,042)
Less: Write-downs											
Closing Balance Construction-in-progress	-	646,971	626,122	97,698	(996,431)	1,075,375	2,903,262	24,741	11,444	4,389,182	7,911,348
Opening Balance Tangible Capital Assets	\$ 20,871,531	\$ 3,807,571	\$ 21,730,912	\$ 12,649,225	\$ 78,012,439	\$ 13,759,114	\$ 5,979,701	\$ 14,483,649	\$ 640,326	\$ 171,934,467	\$ 167,224,540
Add: Additions (including Transfers into Service)	190,750	322,966	5,708,296	1,627,398	4,536,760	1,325,452	1,242,428	2,804,493	-	17,758,543	5,156,771
Less: Disposals	(30)		(65,500)	(123,985)	(201,059)	(18,634)	(9,100)	(9,960)	-	(428,268)	(446,844)
Less: Write-downs											
Closing Balance Tangible Capital Assets and CIP	21,062,251	4,777,508	27,999,830	14,250,336	81,351,709	16,141,307	10,116,291	17,302,923	651,770	193,653,924	179,845,815
ACCUMULATED AMORTIZATION											
Opening Balance		1,861,543	8,028,216	7,828,541	35,439,836	5,378,091	1,121,379	6,049,976	540,924	66,248,505	62,504,616
Add: Amortization		152,340	555,376	740,236	1,987,505	273,985	107,228	351,854	45,380	4,213,904	3,902,044
Less: Accum Amortization on Disposals			(25,058)	(94,407)	(120,171)	(11,789)	(2,882)	(1,467)		(255,773)	(158,157)
Closing Balance	-	2,013,883	8,558,534	8,474,370	37,307,171	5,640,287	1,225,725	6,400,363	586,304	70,206,636	66,248,503
Net Book Value for year ended December 31, 2013	\$ 21,062,251	\$ 2,763,625	\$ 19,441,296	\$ 5,775,966	\$ 44,044,538	\$ 10,501,020	\$ 8,890,566	\$ 10,902,560	\$ 65,466	\$ 123,447,288	\$ 113,597,312

SCHEDULE 4

THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED SCHEDULE OF DEBENTURE AND OTHER LONG-TERM DEBT  
YEAR ENDED DECEMBER 31, 2013

(Audited)

Bylaw Number	Maturity Date	Interest Rate	Principal Outstanding Dec 31/12	Current Year Borrowing	Actuarial Adjustment/ Princ. Reduction	Principal Outstanding Dec 31/13
<b>General Capital Fund</b>						
<b>Debenture Debt</b>						
2088 Museum	2015	6.45	84,702		27,001	57,701
2092 Firehall	2015	6.45	651,555		207,698	443,857
2093 Sid Williams Theatre	2015	6.45	651,555		207,698	443,857
2171 Library	2021	3.05	1,425,877		129,313	1,296,564
2266 Infrastructure Works - MFA	2018	4.78	187,046		27,499	159,547
2266 Fifth Street Bridge	2023	5.15	360,477		26,729	333,748
2304 Lerwick Road Ext. Prop Acquisition	2029	4.86	799,923		30,956	768,967
2227 City Hall Retaining Wall	2020	5.00	96,888		10,515	86,376
2354 Repaving Program	2025	5.75	352,791		23,229	329,562
2355 Lerwick Road Extension	2030	5.75	567,242		22,119	545,123
2356 City Hall Renovation	2020	5.50	514,718		55,861	458,857
2425 Lerwick Road Construction	2026	4.66	559,622		30,594	529,028
2453 Police Property Acquisition	2026	4.43	1,111,084		60,742	1,050,342
2458 Public Works Maintenance Building	2022	4.52	1,148,968		95,699	1,053,269
2539 Capital Infrastructure Work	2023	4.13	2,658,928		176,957	2,481,971
2538 Native Sons Hall Renovation	2025	4.50	538,864		32,410	506,450
2680 Lewis Centre Renovation	2027	2.90	4,200,000		209,753	3,990,247
2681 Infrastructure Works - Road Paving	2027	2.90	1,560,000		77,908	1,482,092
			17,470,239	-	1,452,680	16,017,559

TOTAL GENERAL CAPITAL FUND

17,470,239 - 1,452,680 16,017,559

## SCHEDULE 4

THE CORPORATION OF THE CITY OF COURTENAY  
 CONSOLIDATED SCHEDULE OF DEBTURE AND OTHER LONG-TERM DEBT  
 YEAR ENDED DECEMBER 31, 2013

(Audited)

Bylaw Number	Maturity Date	Interest Rate	Principal Outstanding Dec 31/12	Current Year Borrowing	Actuarial Adjustment/ Princ. Reduction	Principal Outstanding Dec 31/13
Balance Forward General Capital Fund			\$ 17,470,239	\$ -	\$ 1,452,680	\$ 16,017,559
<b>Water Capital Fund</b>						
Debtenture Debt						
2424 Water Extension - Lerwick Road	2026	4.66	466,353	-	25,495	440,858
TOTAL WATER CAPITAL FUND			466,353	-	25,495	440,858
<b>Sewer Capital Fund</b>						
Debtenture Debt						
2305 Sewer Extension	2029	4.86	599,943	-	23,217	576,726
2353 Sewer Extension	2030	5.00	1,596,380	-	62,248	1,534,132
2423 Sewer Extension - Lerwick Road	2026	4.66	282,920	-	15,467	267,453
TOTAL SEWER CAPITAL FUND			2,479,243	-	100,932	2,378,311
TOTAL ALL CAPITAL FUNDS			20,415,836	-	1,579,108	18,836,729

THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED SCHEDULE OF INVESTMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013  
(Audited)

SCHEDULE 5

	<u>2013</u>	<u>2012</u>
<b>GENERAL OPERATING FUND</b>		
Cash on hand	\$ 16,756,387	\$ 23,248,422
<b>GAMING FUND</b>		
Cash on Hand	\$ 973,887	\$ 1,208,331
<b>SID WILLIAMS THEATRE SOCIETY</b>		
Cash on hand	<u>\$ 236,596</u>	<u>\$ 204,271</u>
Total Cash on Hand and on Deposit	<u>\$ 17,966,870</u>	<u>\$ 24,661,024</u>
<b>GENERAL OPERATING FUND TERM DEPOSITS</b>		
Municipal Finance Authority, Money Market Fund at fluctuating rate, no maturity date	16,299	16,110
The Canadian Western Bank, various guaranteed investment certificates	6,101,507	5,033,699
The Bank of Nova Scotia, various guaranteed investment certificates	12,223,165	6,172,274
Total Term Deposits	<u>18,340,971</u>	<u>11,222,083</u>
<b>TOTAL CASH AND INVESTMENTS (Statement A)</b>	<u>\$ 36,307,841</u>	<u>\$ 35,883,107</u>





THE CORPORATION OF THE CITY OF COURTENAY  
**STAFF REPORT**

**To:** Council  
**From:** Chief Administrative Officer  
**Subject:** 2014 Property Tax Rate Multiplier

**File No.:** 1705-20 / 1970-02  
**Date:** April 22, 2014

**PURPOSE:**

The purpose of this report is to establish the commercial property tax rate multiplier for use in setting the property tax rates for 2014.

**POLICY ANALYSIS:**

Section 197 of the *Community Charter* prescribes the setting of the annual property tax bylaw, and empowers Council to set relationships between the different property classes.

Under City of Courtenay Policy 1700.01 (2) Distribution of Property Taxes among the Classes, Council had resolved to attempt, over time, to reduce the commercial tax rate where necessary to ensure that Courtenay remains a competitive location for commercial activity.

**EXECUTIVE SUMMARY:**

On April 7<sup>th</sup>, 2014, Council resolved to maintain the member strength for the RCMP at 30.4 FTE's, rather than approve an additional member in 2014. On April 9<sup>th</sup>, Council considered and approved an increase of 1.95% in the revenue raised from property taxes. However, the April 9<sup>th</sup> budget provision included the addition of one RCMP member effective October 1, 2014. Staff have now decreased the budget provision required to cover the cost of policing, and have reduced the property tax increase requirement to 1.70% for 2014.

Council must now consider the commercial tax rate multiplier to be used in setting the property tax rates for 2014.

**CAO RECOMMENDATIONS:**

That based on the April 22, 2014 Staff Report "2014 Property Tax Rate Multiplier" Council DECIDE on the commercial property tax rate multiplier to be used in setting the 2014 property tax rates.

Respectfully submitted,

David Allen  
Chief Administrative Officer

## BACKGROUND:

At the April 9<sup>th</sup> Special Meeting, Council reviewed the proposed 2014-2018 Financial Plan. However, discussion and a decision on the property tax rate multiplier to be used in setting the 2014 tax rates was deferred to the Regular Council meeting to be held April 22, 2014.

## DISCUSSION:

On April 9<sup>th</sup>, Council considered and approved an increase of 1.95% in the revenue raised from property taxes. However, the April 9<sup>th</sup> budget provision included the addition of one RCMP member effective October 1, 2014. Staff have now removed this provision and decreased the budgeted cost of policing for 2014. As a result, the revised tax revenue increase required is now 1.70% for 2014.

### Assessment Trends

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

### 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 documents are attached for Council's reference:

- Policy 1700.01 Revenue and Tax Policy
- Province of BC- Local Government Statistics: Assessments, Tax Rates, Municipal Taxes and Class Proportions of Taxes and Assessments - *selected municipalities shown as comparators*

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.

TABLE 1: City of Courtenay, 2014 Commercial Rate Multiplier, Summary and Impact of Options  
Calculations based on an increase of 1.70% in Revenue Generated from Property Taxations

	Average Assessment			Effect of Reducing the Commercial Multiplier		
	2013	2014	% Change	1.00	1.00	1.00
<b>Class 1 - Residential</b>						
	\$ 279,547	\$ 275,625	-1.40%			
Municipal General Tax \$ Increase				\$ 4.60	\$ 11.93	\$ 19.37
% change in tax levy over 2013				0.44%	1.14%	1.86%
<b>Class 6 - Commercial</b>				<b>Multiplier of 2.85</b>	<b>Multiplier of 2.80</b>	<b>Multiplier of 2.75</b>
	\$ 674,554	\$ 693,105	2.75%			
Municipal General Tax \$ Increase				\$ 335.31	\$ 255.19	\$ 173.96
% change in tax levy over 2013				4.67%	3.56%	2.42%
<b>Class 6 - DCBIA Properties</b>				<b>Multiplier of 2.85</b>	<b>Multiplier of 2.80</b>	<b>Multiplier of 2.75</b>
	\$ 518,349	\$ 538,768	3.94%			
Municipal General Tax \$ Increase				\$ 324.46	\$ 262.17	\$ 199.03
% change in tax levy over 2013				5.88%	4.76%	3.61%

#### ADMINISTRATIVE IMPLICATIONS:

Subsequent to Council approval of the commercial tax rate multiplier to be used in setting the 2014 property tax rates, the property tax rates bylaw will be drafted and returned to Council for consideration following adoption of the 2014-2018 Financial Plan. Both the financial plan and the tax rates bylaws must be adopted no later than May 15<sup>th</sup>, 2014.

#### STRATEGIC PLAN REFERENCE:

While there is no specific reference in the Strategic Plan for the development and setting of the property tax rates, this is a statutory requirement that must be carried out annually.

#### OFFICIAL COMMUNITY PLAN REFERENCE:

The Vision and Strategy includes the following statements:

- Balance and ability to lead growth and the provision of services
- A strong downtown
- A role to be the centre of commerce in the Comox Valley

#### REGIONAL GROWTH STRATEGY REFERENCE:

Not applicable

**CITIZEN/PUBLIC ENGAGEMENT:**

Property tax information will be made publically available on the City's website.

**OPTIONS:**

- OPTION 1: That Council maintains the commercial tax rate multiplier of 2.85 in setting the 2014 property tax rates.
- OPTION 2: That Council approve a .05 reduction in the commercial tax multiple to 2.80 in setting the 2014 property tax rates.
- OPTION 3: That Council approve a .10 reduction in the commercial tax multiple to 2.75 in setting the 2014 property tax rates.

Prepared by:

A handwritten signature in black ink, consisting of several overlapping loops and a final horizontal stroke.

Tillie Manthey, BA, CPA, CGA  
Director, Financial Services/Deputy CAO

Attachments (2)

<b>Section 5 - Finance</b>	<b>Policy #</b> 1700.00.01
<b>Subject: Revenue and Tax Policy</b>	<b>Revision #</b>

## SCOPE

In May 2007, the Province introduced amendments to the *Community Charter* that require all municipal five-year plans to include a more explicit form of revenue and tax policy disclosure. Section 165 (3.1) of the *Community Charter* requires that the annual five year financial plan must set out the objectives and policies of the municipality in relation to these matters.

## POLICY

## 1. Proportion of revenue by source

## Property taxes

- The City of Courtenay will attempt to keep the proportional share of revenue from property taxes at a level similar to the average of comparable municipalities.
- Where new sources of revenue are made available to the City from senior governments, wherever possible these revenues will be used to reduce dependency on property taxation revenue.

## Parcel taxes

- Parcel taxes will be used whenever Council determines that they are more appropriate than property taxes.

## Fees &amp; Charges

- Wherever possible, fees & charges will be used to assign costs to those who benefit from the service provided. The proportion of the costs recovered by fees and charges will vary with the nature of the service provided.

## Proceeds of borrowing

- Borrowing will be considered when determining the funding sources of large capital projects that provide benefits to taxpayers over a long period of time.

AUTHORIZATION: R10/2008/4.00.08

DATE: April 7, 2008



<b>Section 5 - Finance</b>	<b>Policy #</b>	<b>1700.00.01</b>
<b>Subject: Revenue and Tax Policy</b>	<b>Revision #</b>	

Other sources of revenue

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

2. Distribution of property taxes among the classes

- The City of Courtenay will maintain the percentage of property taxes received from residential taxpayers at a level comparable to the average of similar municipalities.
- The City will attempt, over time, to reduce the commercial tax rate where necessary to ensure that Courtenay remains a competitive location for commercial activity.

3. Permissive Tax Exemptions

In May 2006, the City of Courtenay adopted Permissive Exemption Policy No. 1960.01 as a means to support not-for-profit organizations within the community which further Council's objectives of enhancing quality of life (economic, social, and cultural) and delivering services economically.

A permissive tax exemption is strictly at the discretion of Council. After careful consideration of all applications Council may approve a full, a partial, or no tax exemption. The tax exemption may vary for the different applicants. This policy guides identification of organizations meeting Council's objectives.

Permissive Tax Exemptions will be reviewed at periodically to ensure that the organization and property still meets the criteria established by Council.

<b>AUTHORIZATION:</b> R10/2008/4.00.08	<b>DATE:</b> April 7, 2008
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# Province of BC - Local Government Statistics

707 - 2013 Assessments, Tax Rates, Municipal Taxes and Class Proportions of Taxes and Assessments

Municipalities*	T y p e	RD	July 1, 2013 BC STATS Population (Dec. 2013 Release)	Property Class	Authenticated Roll General Taxable Values	Municipal Purposes Tax Rates	Tax Class Multiples	Total Municipal Variable Rate Taxes	Flat Taxes, Split Rate Taxes, Ports Property Taxes, Tax Sharing	Total Municipal Taxes	% Total Taxes	% Total Assessment	Municipal Taxes Per Capita
<b>Campbell River</b>	C	STR	31,888	<b>Residential</b>	3,316,016,809	5.75775	1.00	19,092,796		19,092,796	75	86	599
Campbell River	C	STR	31,888	Utilities	31,674,700	18.07492	3.14	572,518		572,518	2	1	0
Campbell River	C	STR	31,888	Supportive Housing	0	0.00000	0.00	0		0	0	0	0
Campbell River	C	STR	31,888	Major Industry	3,604,500	32.20264	5.59	116,074	(60,472)	55,602	0	0	0
Campbell River	C	STR	31,888	Light Industry	26,381,700	12.04994	2.09	317,898		317,898	1	1	0
Campbell River	C	STR	31,888	<b>Business/Other</b>	441,540,300	12.04994	<b>2.09</b>	5,320,534		5,320,534	<b>21</b>	<b>11</b>	<b>0</b>
Campbell River	C	STR	31,888	Managed Forest	12,555,700	2.29341	0.40	28,795	1,189	29,984	0	0	0
Campbell River	C	STR	31,888	Recreation	15,366,500	6.62879	1.15	101,861		101,861	0	0	0
Campbell River	C	STR	31,888	Farm	223,512	5.75775	1.00	1,287		1,287	0	0	0
Campbell River	C	STR	31,888	Totals	3,847,363,721			25,551,763	(59,283)	25,492,480	100	100	799
<b>Central Saanich</b>	D	CAP	16,172	<b>Residential</b>	3,118,653,175	3.24787	1.00	10,128,980	0	10,128,980	77	86	626
Central Saanich	D	CAP	16,172	Utilities	932,400	15.59560	4.80	14,541		14,541	0	0	0
Central Saanich	D	CAP	16,172	Supportive Housing	0	0.00000	0.00	0		0	0	0	0
Central Saanich	D	CAP	16,172	Major Industry	0	0.00000	0.00	0		0	0	0	0
Central Saanich	D	CAP	16,172	Light Industry	75,571,200	5.25667	1.62	397,253		397,253	3	2	0
Central Saanich	D	CAP	16,172	<b>Business/Other</b>	384,483,050	6.27325	<b>1.93</b>	2,411,958		2,411,958	<b>18</b>	<b>11</b>	<b>0</b>
Central Saanich	D	CAP	16,172	Managed Forest	0	0.00000	0.00	0		0	0	0	0
Central Saanich	D	CAP	16,172	Recreation	24,263,700	7.02838	2.16	170,535		170,535	1	1	0
Central Saanich	D	CAP	16,172	Farm	7,101,462	3.83995	1.18	27,269		27,269	0	0	0
Central Saanich	D	CAP	16,172	Totals	3,611,004,987			13,150,536	0	13,150,536	100	100	813
<b>Colwood</b>	C	CAP	16,838	<b>Residential</b>	2,506,905,189	3.20060	1.00	8,023,601	0	8,023,601	75	93	477
Colwood	C	CAP	16,838	Utilities	1,549,200	40.00000	12.50	61,968		61,968	1	0	0
Colwood	C	CAP	16,838	Supportive Housing	0	0.00000	0.00	0		0	0	0	0
Colwood	C	CAP	16,838	Major Industry	0	0.00000	0.00	0		0	0	0	0
Colwood	C	CAP	16,838	Light Industry	5,900,000	32.98940	10.31	194,637		194,637	2	0	0
Colwood	C	CAP	16,838	<b>Business/Other</b>	187,165,600	12.82110	<b>4.01</b>	2,399,669		2,399,669	<b>22</b>	<b>7</b>	<b>0</b>
Colwood	C	CAP	16,838	Managed Forest	0	0.00000	0.00	0		0	0	0	0
Colwood	C	CAP	16,838	Recreation	5,333,000	11.80970	3.69	62,981		62,981	1	0	0
Colwood	C	CAP	16,838	Farm	14,505	103.53930	32.35	1,502		1,502	0	0	0
Colwood	C	CAP	16,838	Totals	2,706,867,494			10,744,358	0	10,744,358	100	100	638
<b>Comox</b>	T	COM	13,504	<b>Residential</b>	1,884,883,363	3.29010	1.00	6,201,455	0	6,201,455	82	94	459
Comox	T	COM	13,504	Utilities	283,600	25.59650	7.78	7,259		7,259	0	0	0
Comox	T	COM	13,504	Supportive Housing	0	0.00000	0.00	0		0	0	0	0
Comox	T	COM	13,504	Major Industry	0	16.23640	4.93	0		0	0	0	0
Comox	T	COM	13,504	Light Industry	907,300	16.23640	4.93	14,731		14,731	0	0	0
Comox	T	COM	13,504	<b>Business/Other</b>	110,755,151	12.02030	<b>3.65</b>	1,331,310		1,331,310	<b>18</b>	<b>6</b>	<b>0</b>
Comox	T	COM	13,504	Managed Forest	0	0.00000	0.00	0		0	0	0	0
Comox	T	COM	13,504	Recreation	2,764,000	6.29650	1.91	17,404		17,404	0	0	0
Comox	T	COM	13,504	Farm	44,550	3.29010	1.00	147		147	0	0	0
Comox	T	COM	13,504	Totals	1,999,637,964			7,572,305	0	7,572,305	100	100	561



Municipalities*	T y p e	RD	July 1, 2013 BC STATS Population (Dec. 2013 Release)	Property Class	Authenticated Roll General Taxable Values	Municipal Purposes Tax Rates	Tax Class Multiples	Total Municipal Variable Rate Taxes	Flat Taxes, Split Rate Taxes, Ports Property Taxes, Tax Sharing	% Total Taxes	% Total Assessment	Municipal Taxes Per Capita
Courtenay	C	COM	25,116	Residential	3,009,323,117	3.93220	1.00	11,833,260	0	60	81	471
Courtenay	C	COM	25,116	Utilities	1,827,600	27.52470	7.00	50,304	0	0	0	0
Courtenay	C	COM	25,116	Supportive Housing	0	3.93220	1.00	0	0	0	0	0
Courtenay	C	COM	25,116	Major Industry	0	15.33520	3.90	0	0	0	0	0
Courtenay	C	COM	25,116	Light Industry	4,860,800	15.33520	3.90	74,541	0	0	0	0
Courtenay	C	COM	25,116	Business/Other	677,252,550	11.20640	2.85	7,589,563	0	39	18	0
Courtenay	C	COM	25,116	Managed Forest	0	0.00000	0.00	0	0	0	0	0
Courtenay	C	COM	25,116	Recreation	4,079,600	3.93220	1.00	16,042	0	0	0	0
Courtenay	C	COM	25,116	Farm	844,742	3.93220	1.00	3,322	0	0	0	0
Courtenay	C	COM	25,116	Totals	3,698,188,409			19,567,032	0	100	100	779
Cranbrook	C	EKO	19,125	Residential	1,892,145,437	7.06360	1.00	13,365,359	0	61	81	699
Cranbrook	C	EKO	19,125	Utilities	6,216,125	46.44330	6.58	288,697	0	1	0	0
Cranbrook	C	EKO	19,125	Supportive Housing	2	0.00000	0.00	0	0	0	0	0
Cranbrook	C	EKO	19,125	Major Industry	0	0.00000	0.00	0	0	0	0	0
Cranbrook	C	EKO	19,125	Light Industry	13,219,300	20.22530	2.86	267,364	0	1	1	0
Cranbrook	C	EKO	19,125	Business/Other	428,826,862	18.57730	2.63	7,966,445	0	36	18	0
Cranbrook	C	EKO	19,125	Managed Forest	0	0.00000	0.00	0	0	0	0	0
Cranbrook	C	EKO	19,125	Recreation	7,927,700	16.90540	2.39	134,021	0	1	0	0
Cranbrook	C	EKO	19,125	Farm	57,601	19.91940	2.82	1,147	0	0	0	0
Cranbrook	C	EKO	19,125	Totals	2,348,393,027			22,023,034	0	100	100	1,152
Langford	C	CAP	31,195	Residential	4,962,345,408	2.57630	1.00	12,784,490	0	62	83	410
Langford	C	CAP	31,195	Utilities	7,517,500	19.06450	7.40	143,317	0	1	0	0
Langford	C	CAP	31,195	Supportive Housing	0	0.00000	0.00	0	0	0	0	0
Langford	C	CAP	31,195	Major Industry	0	8.27000	3.21	0	0	0	0	0
Langford	C	CAP	31,195	Light Industry	18,698,700	8.27000	3.21	154,638	0	1	0	0
Langford	C	CAP	31,195	Business/Other	978,146,150	7.72890	3.00	7,559,994	0	37	16	0
Langford	C	CAP	31,195	Managed Forest	98,000	2.57630	1.00	252	0	0	0	0
Langford	C	CAP	31,195	Recreation	14,514,900	3.10440	1.20	45,060	0	0	0	0
Langford	C	CAP	31,195	Farm	133,583	2.57630	1.00	344	0	0	0	0
Langford	C	CAP	31,195	Totals	5,981,454,241			20,688,097	0	100	100	663
Langley	C	GVR	26,261	Residential	3,003,818,803	3.80610	1.00	11,432,835	0	52	72	435
Langley	C	GVR	26,261	Utilities	2,156,840	40.00000	10.51	86,274	0	0	0	0
Langley	C	GVR	26,261	Supportive Housing	2	3.80610	1.00	0	0	0	0	0
Langley	C	GVR	26,261	Major Industry	0	0.00000	0.00	0	0	0	0	0
Langley	C	GVR	26,261	Light Industry	136,572,000	9.80060	2.57	1,338,488	0	6	3	0
Langley	C	GVR	26,261	Business/Other	1,018,060,482	8.78440	2.31	8,943,050	0	41	24	0
Langley	C	GVR	26,261	Managed Forest	0	0.00000	0.00	0	0	0	0	0
Langley	C	GVR	26,261	Recreation	6,899,000	8.78440	2.31	60,604	0	0	0	0
Langley	C	GVR	26,261	Farm	11,936	3.80610	1.00	45	0	0	0	0
Langley	C	GVR	26,261	Totals	4,167,519,063			21,861,295	0	100	100	832



P88 Municipalities*	T y p e	July 1, 2013 BC STATS Population (Dec. 2013 Release)	Property Class	Authenticated Roll General Taxable Values	Municipal Purposes Tax Rates	Tax Class Multiples	Total Municipal Variable Rate Taxes	Flat Taxes, Split Rate Taxes, Ports Property Taxes, Tax Sharing	Total Municipal Taxes	% Total Taxes	% Total Assessment	Municipal Taxes Per Capita
Penticton	C OKS	33,318	Residential	4,349,215,916	4.16160	1.00	18,099,697	0	18,099,697	72	82	543
Penticton	C OKS	33,318	Utilities	15,670,646	19.18900	4.61	300,704	0	300,704	1	0	0
Penticton	C OKS	33,318	Supportive Housing	8	0.00000	0.00	0	0	0	0	0	0
Penticton	C OKS	33,318	Major Industry	0	0.00000	0.00	0	0	0	0	0	0
Penticton	C OKS	33,318	Light Industry	80,012,600	6.04440	1.45	483,628	0	483,628	2	2	0
Penticton	C OKS	33,318	Business/Other	874,259,780	6.93920	1.67	6,066,663	0	6,066,663	24	16	0
Penticton	C OKS	33,318	Managed Forest	0	6.93920	1.67	0	0	0	0	0	0
Penticton	C OKS	33,318	Recreation	8,949,200	6.44020	1.55	57,635	0	57,635	0	0	0
Penticton	C OKS	33,318	Farm	4,321,939	11.59600	2.79	50,117	0	50,117	0	0	0
Penticton	C OKS	33,318	Totals	5,332,430,089			25,058,444	0	25,058,444	100	100	752
Port Alberni	C ALB	17,687	Residential	1,332,619,701	8.79960	1.00	11,726,520	0	11,726,520	58	81	663
Port Alberni	C ALB	17,687	Utilities	1,261,000	38.88880	4.42	49,039	0	49,039	0	0	0
Port Alberni	C ALB	17,687	Supportive Housing	0	8.79960	1.00	0	0	0	0	0	0
Port Alberni	C ALB	17,687	Major Industry	95,840,800	50.67780	5.76	4,857,001	0	4,857,001	24	6	0
Port Alberni	C ALB	17,687	Light Industry	3,058,100	36.51060	4.15	111,653	0	111,653	1	0	0
Port Alberni	C ALB	17,687	Business/Other	209,002,174	15.82690	1.80	3,307,857	0	3,307,857	16	13	0
Port Alberni	C ALB	17,687	Managed Forest	0	26.39880	3.00	0	0	0	0	0	0
Port Alberni	C ALB	17,687	Recreation	2,855,700	8.79960	1.00	25,129	0	25,129	0	0	0
Port Alberni	C ALB	17,687	Farm	88,402	8.79960	1.00	778	0	778	0	0	0
Port Alberni	C ALB	17,687	Totals	1,644,725,877			20,077,976	0	20,077,976	100	100	1,135
Vernon	C NOK	39,139	Residential	5,406,303,535	3.23287	1.00	17,477,877	0	17,477,877	64	82	447
Vernon	C NOK	39,139	Utilities	7,137,770	39.84720	12.33	284,420	0	284,420	1	0	0
Vernon	C NOK	39,139	Supportive Housing	4	3.23287	1.00	0	0	0	0	0	0
Vernon	C NOK	39,139	Major Industry	0	11.48370	3.55	0	0	0	0	0	0
Vernon	C NOK	39,139	Light Industry	37,735,200	11.48370	3.55	433,340	0	433,340	2	1	0
Vernon	C NOK	39,139	Business/Other	1,086,765,401	8.46650	2.62	9,201,099	0	9,201,099	33	17	0
Vernon	C NOK	39,139	Managed Forest	21,500	1.13120	0.35	24	0	24	0	0	0
Vernon	C NOK	39,139	Recreation	27,049,700	4.35640	1.35	117,839	0	117,839	0	0	0
Vernon	C NOK	39,139	Farm	3,898,539	0.76430	0.24	2,980	0	2,980	0	0	0
Vernon	C NOK	39,139	Totals	6,568,911,649			27,517,579	0	27,517,579	100	100	703
White Rock	C GVR	19,211	Residential	5,002,122,108	3.58355	1.00	17,925,355	0	17,925,355	89	95	933
White Rock	C GVR	19,211	Utilities	5,940,495	22.51968	6.28	133,778	0	133,778	1	0	0
White Rock	C GVR	19,211	Supportive Housing	0	0.00000	0.00	0	0	0	0	0	0
White Rock	C GVR	19,211	Major Industry	0	0.00000	0.00	0	0	0	0	0	0
White Rock	C GVR	19,211	Light Industry	0	0.00000	0.00	0	0	0	0	0	0
White Rock	C GVR	19,211	Business/Other	225,382,002	8.92836	2.49	2,012,292	0	2,012,292	10	4	0
White Rock	C GVR	19,211	Managed Forest	0	0.00000	0.00	0	0	0	0	0	0
White Rock	C GVR	19,211	Recreation	4,398,200	3.48932	0.97	15,347	0	15,347	0	0	0
White Rock	C GVR	19,211	Farm	0	0.00000	0.00	0	0	0	0	0	0
White Rock	C GVR	19,211	Totals	5,237,842,805			20,086,771	0	20,086,771	100	100	1,046





UNFINISHED  
BUSINESS



## *BLUE COMMUNITIES PRESENTATION*

*April 14, 2014*

## Resolutions for Consideration

### RECOGNIZE WATER AS A HUMAN RIGHT

#### RESOLUTION

WHEREAS one in six people around the world does not have access to clean drinking water; and,

WHEREAS over a quarter of Canadian municipalities have faced water shortages; and,

WHEREAS the Canadian Medical Association reported 1,766 boil water advisories in Canadian communities in 2008 leading to thousands of waterborne illnesses every year; and

WHEREAS Indigenous communities in Canada have been disproportionately affected by lack of access to clean safe drinking water; and,

WHEREAS On July 28, 2010, United Nations General Assembly passed a resolution recognizing the human right to water and sanitation. On September 23, 2011, the United Nations Human Rights Council (HRC) passed a resolution on the human right to safe drinking water and sanitation and called upon governments to take concrete action by developing plans of action, establishing monitoring and accountability mechanisms and ensuring affordable services for everyone.

WHEREAS the Canadian Union of Public Employees and the Council of Canadians have asked Canadian municipalities to assist in their effort to have the federal government to protect drinking water as a human right;

THEREFORE BE IT RESOLVED that this Council recognizes and affirms that access to clean water is a fundamental human right.

BE IT FURTHER RESOLVED that this Council will call on the federal and provincial to enshrine water as a human right in federal and provincial law.

BE IT FURTHER RESOLVED that this Council will call on the government of Canada to develop a national plan of action to implement the human right to water."

## PROMOTE PUBLICLY OWNED AND OPERATED WATER AND WASTE WATER INFRASTRUCTURE

### RESOLUTION

WHEREAS public health depends on equitable access to clean water supplies; and

WHEREAS public ownership and operation of drinking water and wastewater treatment systems have improved access and quality over the past century; and

WHEREAS our community is committed to protecting water and wastewater systems from the consequences of privatization through "public-private partnerships" or P3s, including:

- Lack of transparency and accountability to the public
- Increased costs and higher user fees
- Project delays and cancellations, leaving governments to deal with the consequences;

And

WHEREAS the privatization of municipal water and wastewater treatment services through P3s or contracting out turns water into a commodity to be sold for profit;

THEREFORE BE IT RESOLVED that the City of Courtenay oppose privatization in any form of water and wastewater treatment services, including through P3s, retaining these services in the public domain; and

BE IT FURTHER RESOLVED that Council lobby the federal government to fulfill its responsibility to support municipal infrastructure by investing in a national water infrastructure fund that would address the growing need to renew existing water and wastewater infrastructure and build new systems; and

BE IT FURTHER RESOLVED that the Council forward this resolution to the Federation of Canadian Municipalities for circulation to all of its members.

BAN THE SALE OF BOTTLED WATER IN REGIONAL  
DISTRICT FACILITIES AND AT REGIONAL DISTRICT EVENTS

RESOLUTION

WHEREAS the City of Courtenay operates and maintains a regulated and sophisticated water system that meets some of the most stringent water quality requirements in the world; and

WHEREAS the regulatory requirements for monitoring water quality contained in bottled water are not as stringent as those that must be met by the City of Courtenay; and

WHEREAS the City of Courtenay delivers very affordable water to its residents and businesses; and.

WHEREAS single-use bottled water sold in the City of Courtenay can be thousands of times more expensive than water from the tap, even though estimates suggest that very large percentage of bottled water originates from municipal water systems; and

WHEREAS resource extraction, packaging and distribution of single-use bottled water creates unnecessary environmental impacts; and

WHEREAS despite the fact that single-use plastic bottles are currently recycled through ratepayer funded recycling programs, a large percentage of these bottles wind up in our streets, parks and public spaces as litter and also end up in our landfills that are costly to operate and are quickly filling; and

WHEREAS recycling programs, litter control programs and landfill costs are paid by ratepayers and not the bottled water industry; and

WHEREAS Courtenay tap water is safe, healthy and substantially more sustainable than single use bottled water; and

WHEREAS Courtenay tap water is readily available at most indoor public facilities, either in the form of a faucet in a bathroom or drinking fountain; and

WHEREAS the City of Courtenay wishes to set a positive example to the community on environmental matters;

THEREFORE BE IT RESOLVED THAT

- a) Single-use bottled water will no longer be sold in any City of Courtenay owned or administered concessions or vending machines or public facilities where access to municipal tap water exists;
- b) Single-use bottled water will no longer be purchased and provided at meetings where easy access to municipal water exists;
- c) The availability of water jugs with municipal water will be increased as required;
- d) Where municipal water is not readily available, a plan be put in motion to increase access to municipal water subject to safety requirements, budget and other considerations;
- d) City of Courtenay staff develop a public awareness campaign to support the rationale for these important changes.



## Background Information

### **1. Recognizing water as a human right.**

Water is essential to life – no one should be able to control it or expropriate it for profit. The human right to water entitles everyone to sufficient, safe, accessible water for personal and domestic uses.

On July 28, 2010, United Nations General Assembly passed a resolution recognizing the human right to water and sanitation. On September 23, 2011, the United Nations Human Rights Council also passed a resolution on the human right to safe drinking water and sanitation and called upon governments to take concrete action by developing plans of action, establishing monitoring and accountability mechanisms and ensuring affordable services for everyone.

After years of denying that the human right to water and sanitation existed, in 2012, the Canadian government finally conceded that the human right to water not only exists, but that it is integral to the right to an adequate standard of living under the International Covenant on Economic, Social, and Cultural Rights.

Enshrining the human right to water and sanitation in Canadian law would ensure that people living in indigenous and Canadian communities are legally entitled to sufficient quantities of safe, clean drinking water and water for sanitation, and would require that access inequalities be addressed immediately. The lack of safe, clean drinking water in Indigenous communities is one of the gravest violations of the human right to water and sanitation.

On the other hand, the rights of corporations, whose activities drain, contaminate and destroy watersheds, are protected in the North American Free Trade Agreement (NAFTA) and other international trade and investment agreements.

In the current global water crisis, billions of people still lack access to basic water and sanitation services. Every day, thousands of people die from preventable diseases contracted because they do not have access to clean water. The recognition of water as a human right in international law allows for the means and mechanisms of the UN to be employed to hold governments accountable for ensuring that their populations have access to safe clean drinking water and water for sanitation purposes. The Canadian government must do its part to ensure implementation of the human right to water and sanitation in this country.

### **Canadian municipalities and the right to water**

Responsibility for water is shared between provincial, municipal and federal governments. It is therefore crucial that the right to water be enshrined at every level of government.

A municipal recognition of the right to water would:

- Safeguard against a pricing scheme that would limit access to drinking water
- Ensure all residents have equal access to adequate supplies of safe, clean water
- Provide citizens with information on their water supply and the operation of their water services
- Promote water conservation, treatment, reuse and source protection to enhance water quality and quantity

Most Canadian municipalities already meet these criteria. However, official recognition of the right to water at the municipal level would cement these principles. It would also create much-needed momentum to apply pressure on other orders of government to play their role in implementing water as a human right.

## **2. Promoting publicly financed, owned and operated water and waste-water services.**

Local communities directly own and operate the vast majority of Canadian drinking water and sewage treatment facilities. But as the need for reinvestment grows, our cities and towns are strapped with little new funding or revenue to pay for upgrading existing systems and building new ones. Local governments are considering privatizing through public-private partnerships (P3s), but they should be cautioned.

A P3 is a form of privatization. P3s are multi-decade contracts for private management of public services or infrastructure. They can include private financing, ownership and/or operation. P3s result in higher costs, lower quality and loss of public control.

Very few communities in Canada have experimented with P3s for drinking water or sewer services, but there are lessons we can learn from those that have. Experience shows that privatization means water rates go up and accountability goes down.

P3s are more expensive than public ownership and operation because of higher private-sector borrowing costs, transaction fees, and the need to generate a profit. The costs of lawyers and consultants alone can set municipal governments back by millions of dollars before projects even get off the ground. Corporations charge a premium for so-called "risk transfer." But despite the cost, governments have not been successful in transferring risk to the private sector.

Companies can walk away if a project is not profitable for them, but governments cannot. Taxpayers absorb the costs of failed P3 deals, since the public "partner" is ultimately responsible for delivering services and infrastructure.

The credit crisis has made this abundantly clear as daily news stories tell of private financiers that are unable to finance privatized infrastructure projects. Projects are being delayed or even cancelled, leaving governments scrambling to find ways out of expensive messes.

Drinking water services have important public health and environmental implications. Protecting the public interest requires public control and autonomy. Public water utilities are responsive and accountable to communities.

### **3. Banning the sale of bottled water in public facilities and at municipal events.**

Bottled water represents an "enclosure" or private takeover of the water commons. Corporations take free flowing water from its natural state— or treated municipal water — put it in plastic bottles and sell it at exorbitant rates.

While twenty years ago, bottled water was considered a luxury product consumed by a niche market, today one-third of Canadian households rely on bottled water to meet their hydration needs, according to a 2006 Statistics Canada report. Agriculture and Agrifoods Canada reports that Canadians consume two billion litres of bottled water per year.

Canada is a net exporter of bottled water, selling its ancient glacier waters all over the world, mostly for the profit of big foreign-owned water companies like Nestlé, Coca-Cola and Pepsi. Most provinces charge these companies next to nothing to extract this water from springs and aquifers. It also takes a lot of water to bottle water. The production process also requires three to five litres of water to produce a one litre bottle of bottled water. Whole watersheds are now under threat from these practices.

Finally, in an era when the world is dealing with the impacts of climate change, the bottled water industry requires massive amounts of fossil fuels to manufacture and transport its product.

Increasingly, Canadians are moving back to the tap, rejecting bottled water. A growing number of Canadian municipalities, school boards and other institutions are banning the sale and purchase of bottled water in their facilities and at their events. We are requesting that you also ban the sale and purchase of bottled water in City of Courtenay facilities. We are fortunate to have excellent drinking water in the Comox Valley. Promoting its use over corporate bottle water would be an excellent example for the City of Courtenay to set.



# The Impact of Bottled Water

## Do You Know?

*There is much more to a single-use plastic water bottle than meets the lips*

**Bottled water** requires 2000 times more energy to produce than tap water

**The enormous energy** required to pump, process, transport and refrigerate every plastic bottle of water generates a true ecological and economic disaster

**The production** process contributes to greenhouse gas emissions; land, air and water pollution; the depletion of fresh water supplies and Earth's oil reserve

**Over 2.6 million tons** of global warming gas carbon dioxide is released into the atmosphere

**Bottled water** is a huge factor in contributing to climate change and environmental pollution

**Water bottles** are made from natural gas and petroleum - both nonrenewable resources

**In BC** bottled water production uses 64,000 barrels of oil annually (and it's increasing)

**Enough** to fuel 12,268 Ford Explorers driving from Vancouver to St. John's Newfoundland

**It takes** 3-5 litres of water to produce one litre of bottled water

**Bottled water** is from 200 to 10,000 times more expensive than tap water

**Bottled water** is NOT safer or healthier than tap water

**As much as 40%** of all bottled water in Canada is reprocessed tap water

**Tap water** you've already paid for in your municipal taxes

**Bottled water companies** drain the water from underground aquifers - the fresh water source for streams, wells, farms and our communities - even during droughts

**Multinational** companies can drain as much of BC's fresh drinking water as they want for free

**75%** of all plastic bottles end up in landfills, waterways and oceans - they are NOT RECYCLED.

**The Great Pacific Garbage Patch** - a *growing* island of plastic floating in the Northern Pacific Ocean - located between California and Hawaii is twice the size of Alberta

***Essentially there is no way for bottled water to be as environmentally responsible as tap water!***



# Take Action



# Your Action

## Tap Into Water - Become a Blue Community

**Drink** tap water - it's fresh, clean, healthy and runs close to home

**Make** reusable water bottles your first choice for portable drinking water

**Encourage** family, friends and clubs to stop their bottled water use - it's healthier and cheaper

**Offer** pitchers of water at work, board and council meetings

**You'll save** money when you drink tap water:

**Drinking** 8 glasses a day from your tap costs about 48 cents a year

**Drinking** 8 glasses a day from bottled water can cost up to \$1,400 a year (or more)

**Bottled** water is NOT safer or healthier than tap water

**Bottled** water can be distributed even when it doesn't meet the quality standards of tap water

**Bottled** water is not tested for e.coli

**Contaminants** such as arsenic, bromide and lead have been found in bottled water samples

**The plastic** water bottle can leach chemicals into the bottled water

**Reusing** plastic bottles is discouraged because of the bacteria that can breed inside them

**Let's be clear** - drinking tap water is safe!

**Our taxes** go to maintain the very stringent standards on our municipal drinking water

**Rigorous and frequent** testing is performed on our municipal drinking water

**Strict** monitoring is required of municipal drinking water

**No monitoring** standards or reports are required from bottled water facilities

**Less** than 10% of water bottling factories are tested for health standards

### By Choosing Tap water - One Person Will Save

1,825 liters of water every year - nearly 7,700 cups of water we can drink instead

26 lbs (12 kg) of plastic from going into the landfill, waterways and oceans every year

854 KwH of energy every year - that's enough power to run a light bulb for 8,541 hours