

THE CORPORATION OF THE CITY OF COURTENAY

NOTICE OF COMMITTEE OF THE WHOLE MEETING

*We respectfully acknowledge that the land on which we gather is the
unceded traditional territory of the K'ómoks First Nation*

DATE: Monday, June 24, 2019
PLACE: City Hall Council Chambers
TIME: 4:00 p.m.

AGENDA

K'OMOKS FIRST NATION ACKNOWLEDGEMENT

Pg #

1.00 STAFF REPORTS/PRESENTATIONS

- 1 1. Consideration of the 2018 Annual Municipal Report pursuant to Section 99 of the
Community Charter

Suggested Resolution:

“That Council consider the 2018 Annual Municipal Report and any submissions
from the public”

*Staff Note: Written submissions from the public must be received by June 21st at
4:00 p.m.*

- 61 2. Assignment of Terms of Reference (ToR) - “Council Select Committee on
Alternative Asset Management Funding Sources and Levels of Service Options”
- 97 3. 5th Street Bridge Rehabilitation Project and Presentation, Katie Hamilton, Tavola
Strategy Group

2.00 ADJOURNMENT



CITY OF COURTENAY 2018 ANNUAL REPORT



COURTENAY, B.C.

Our Mission:

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

2018 Annual Report

January 1 - December 31, 2018

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

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





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Message from the Mayor

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

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

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

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

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

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

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

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

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



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

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

Mayor Bob Wells



Mayor and Council

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

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

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

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

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

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Message from the Chief Administrative Officer

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

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

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

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

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

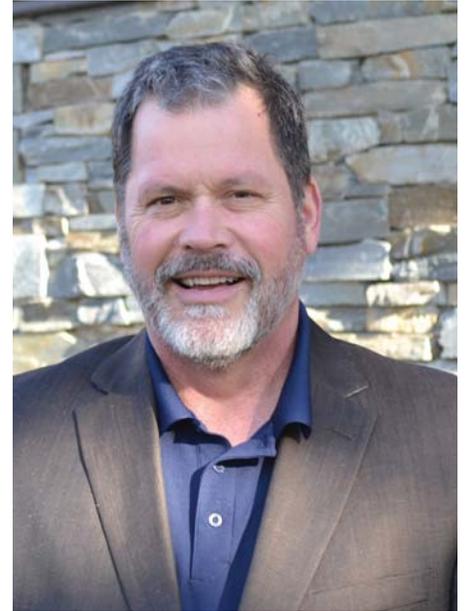
Of course providing effective and efficient City services relies on operating, maintaining, and eventually replacing the infrastructure and assets that underpin these services. The City's Asset Management program is the basis for achieving this goal, and we've built on several years of progress geared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

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

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

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

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



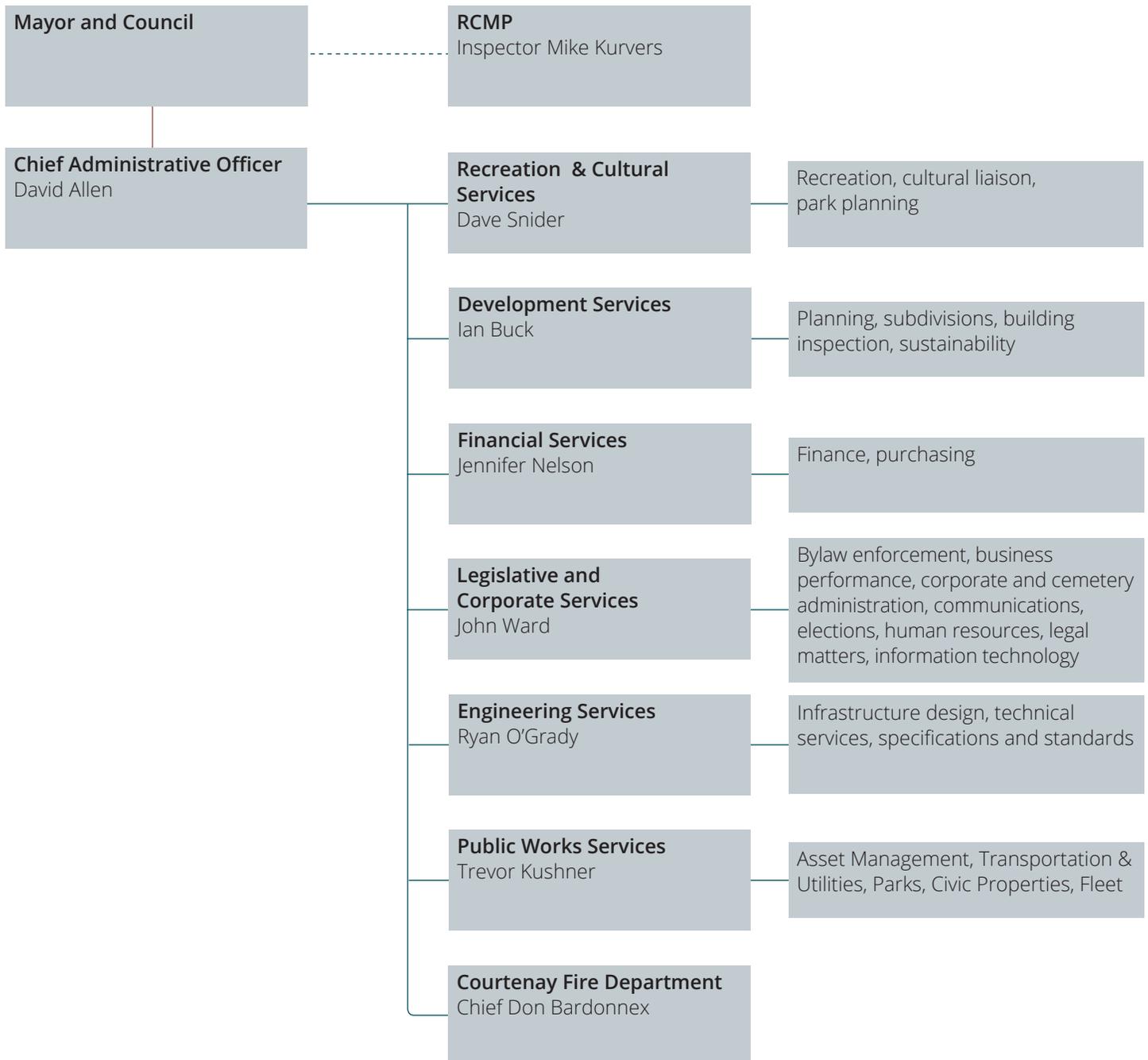
bullying and harassment in the workplace, in sport and in education. The City of Courtenay is the first municipality in British Columbia to implement this specific program.

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

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

David Allen
Chief Administrative Officer

Organizational Chart



About Courtenay

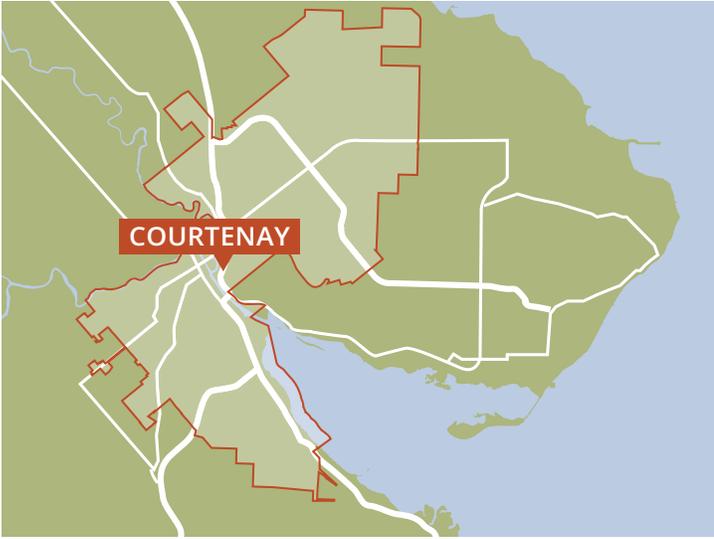
The City of Courtenay is the largest community in the Comox Valley on the east coast of Vancouver Island in the province of British Columbia, Canada. The Comox Valley communities of Courtenay, Comox and Cumberland are on the traditional territory of the K'ómoks First Nation. Courtenay was incorporated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

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

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

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





Strategic Priorities 2019 to 2022



Area of Control

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



Area of Influence

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



Area of Concern

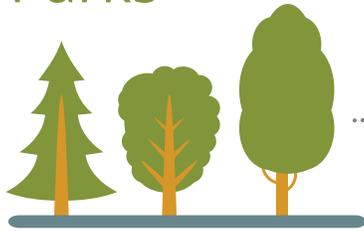
Matters of interest outside Council's jurisdictional authority to act

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



Managing our Assets

Parks



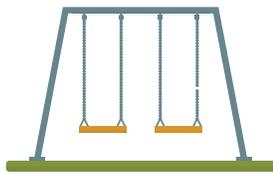
..... **3,400**
street trees



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



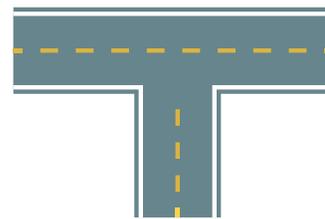
..... **35 km**
trails paved &
unpaved



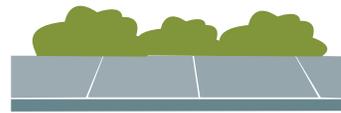
..... **25**
playgrounds

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

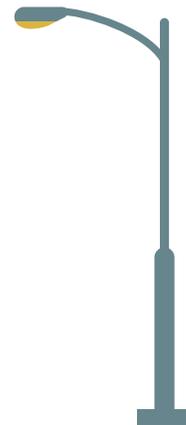
Roads



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



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



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



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

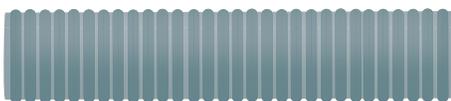


..... **789**
fire hydrants

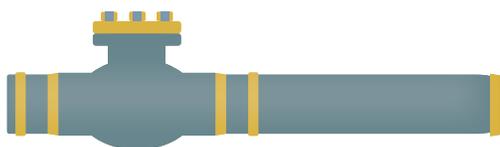
Underground Infrastructure



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



..... **162.4 km Storm Main**
..... • 7,550 connections (estimate)
..... • 4,083 catch basins



..... **173.3 km Water Main**
..... • 8,392 connections
..... • 2,043 valves
..... • 1,831 water meter setters
..... • One booster station with five pumps
..... • Five pressure reducing valves

We focus on organizational and governance excellence

Cannabis Regulations

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

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

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

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

Learn more at www.courtenay.ca/cannabis

Urban Forest Strategy

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

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

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

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



Urban Forest Strategy Workshop

New Recycling App

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

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

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

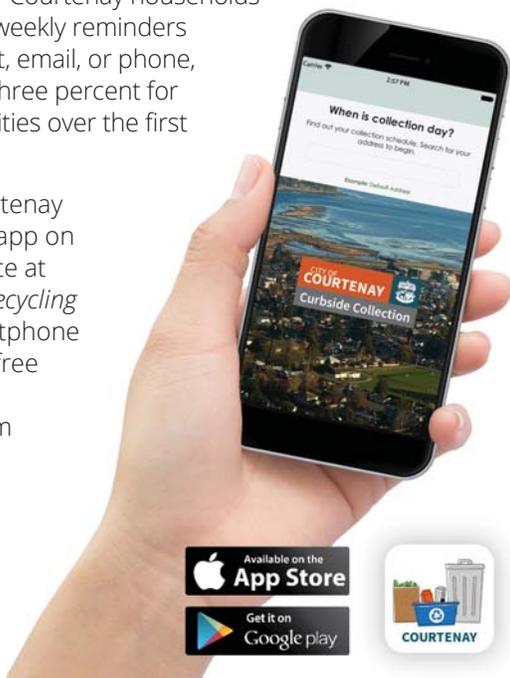
The ultimate goal of the Courtenay Collects app is to reduce contamination in curbside blue bins and ensure that recycling and garbage go to the right place.

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

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

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

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



Real-time Station Monitoring Through Technology

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

Supervisory Control and Data Acquisition (SCADA)

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

Benefits of the SCADA system include:

Data analysis capabilities

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

Operational efficiency

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

Security

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

Redundancy

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

Future Expansion

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

Open Data Mapping Catalogue Released for Public Use

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

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

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

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

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

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

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

To access the open data catalogue and interactive maps, go to www.courtenay.ca/maps



All Data



Zoning and Property



Transportation



Environment



Electrical



Storm



Sewer



Water

Analyzing Roads With Innovative Technology

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

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

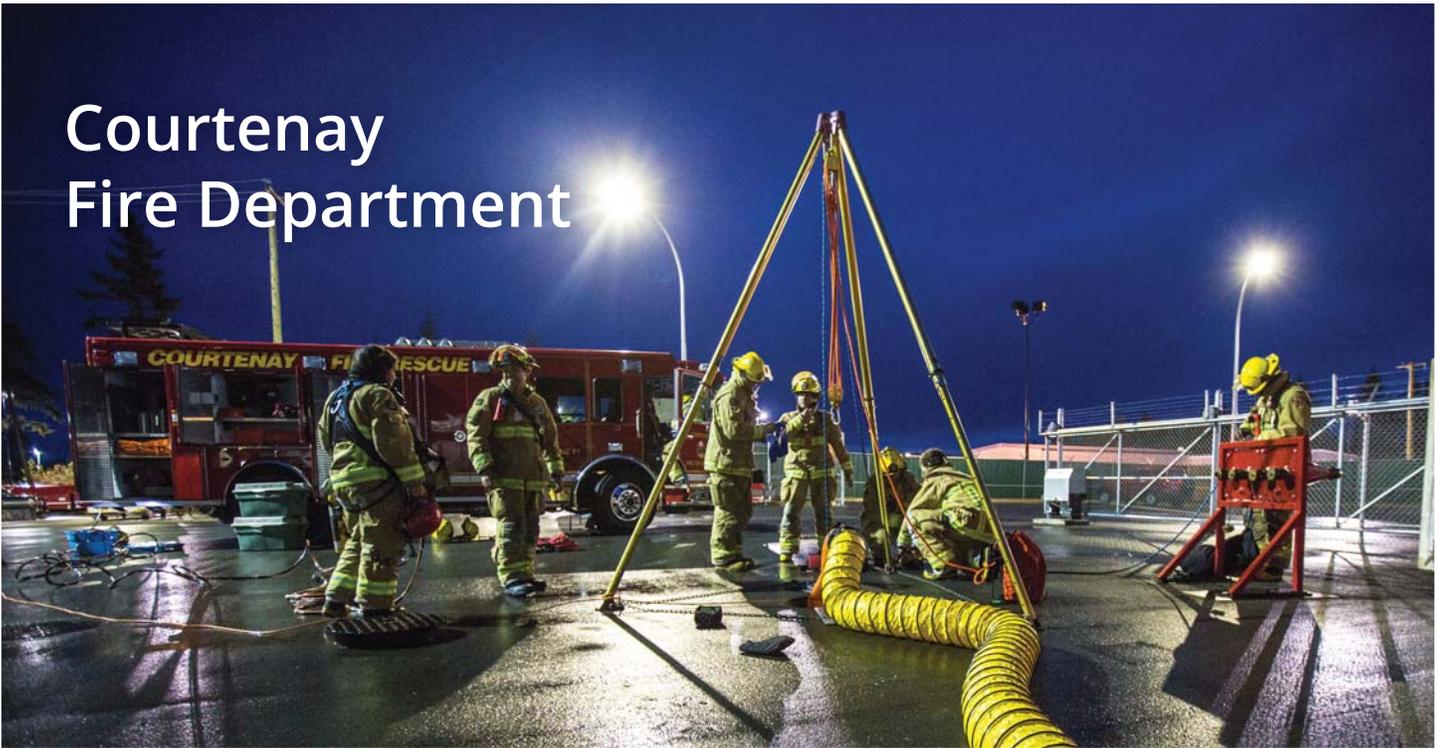
All of the data helps prioritize road repair and renewal projects for the next several years.

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

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



Courtenay Fire Department



2018 Activities

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

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

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

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

2018 Fire Department By the Numbers



6
full time
6 in 2017

47
paid-on-call
44 in 2017

14
recruits
7 in 2017

570
emergency calls
565 in 2017



250
duty calls
316 in 2017



BC Wildfires

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

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

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

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

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

We proactively invest in our natural and built environment

Addressing Climate Change, Extreme Weather

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

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

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

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

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

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

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

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

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

ICLEI Canada is a non-profit organization that specializes in supporting municipalities with climate change planning efforts. Learn more at www.icleicanada.org

Sandwick Waterworks Conversion Project

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

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

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

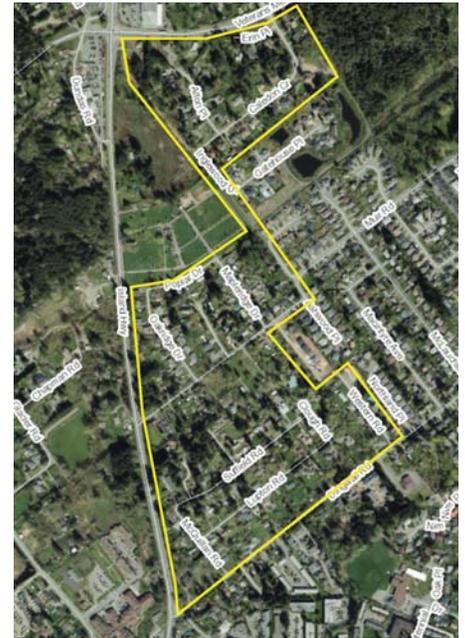
From 2016 to 2018, City of Courtenay properties within the former SWWD

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

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

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

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



Willemar Avenue Water Main Replacement



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

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

Water Main Flushing

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

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

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



Downtown Courtenay Business Area Upgrades

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

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

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

2018 improvements included:

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



20th Street Realignment

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

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

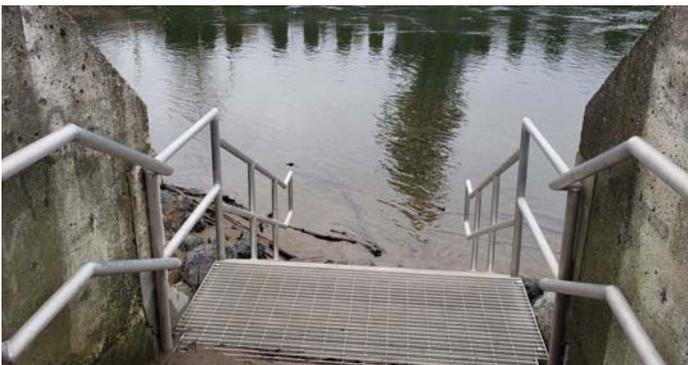


River Access Upgrades

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

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

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



2018 Paving Projects

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

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

The following roads were repaved using this method in 2018:

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

Urban Forest Work

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

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

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





Trail Upgrades

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

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

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

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

2018 upgrades included:

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

Puntledge Park's New Playground

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

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

We actively pursue vibrant economic growth

Downtown Revitalization Tax Exemption

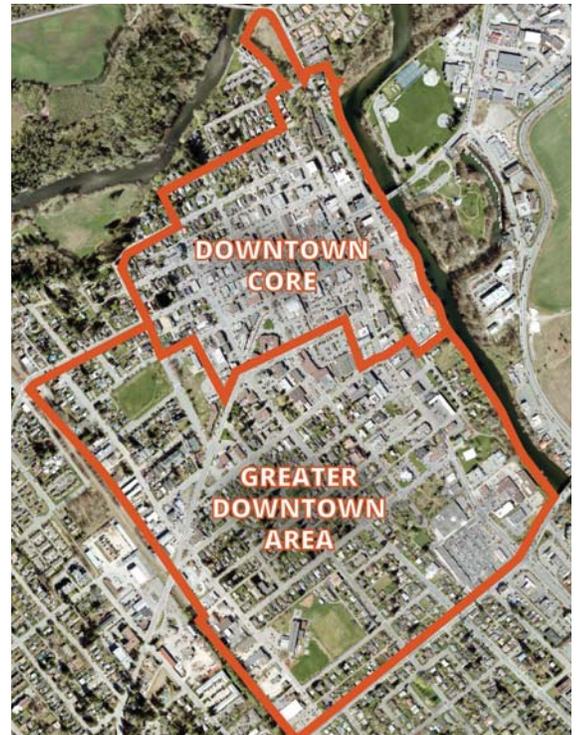
Courtenay's vibrant downtown, with its wide variety of shops, restaurants, business services, and cultural facilities, is a prime destination for locals and visitors alike. The success of this commercial district doesn't come by accident, though. It's been achieved through the hard work and dedication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

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

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

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

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



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

2018 Courtenay Development Statistics



102 subdivision lots approved compared to 90 in 2017



305 Building Permits issued compared to 250 in 2017



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

We value multi-modal transportation in our community

5th Street Complete Street Project



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

Complete Streets for Canada

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

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

The project includes:

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

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

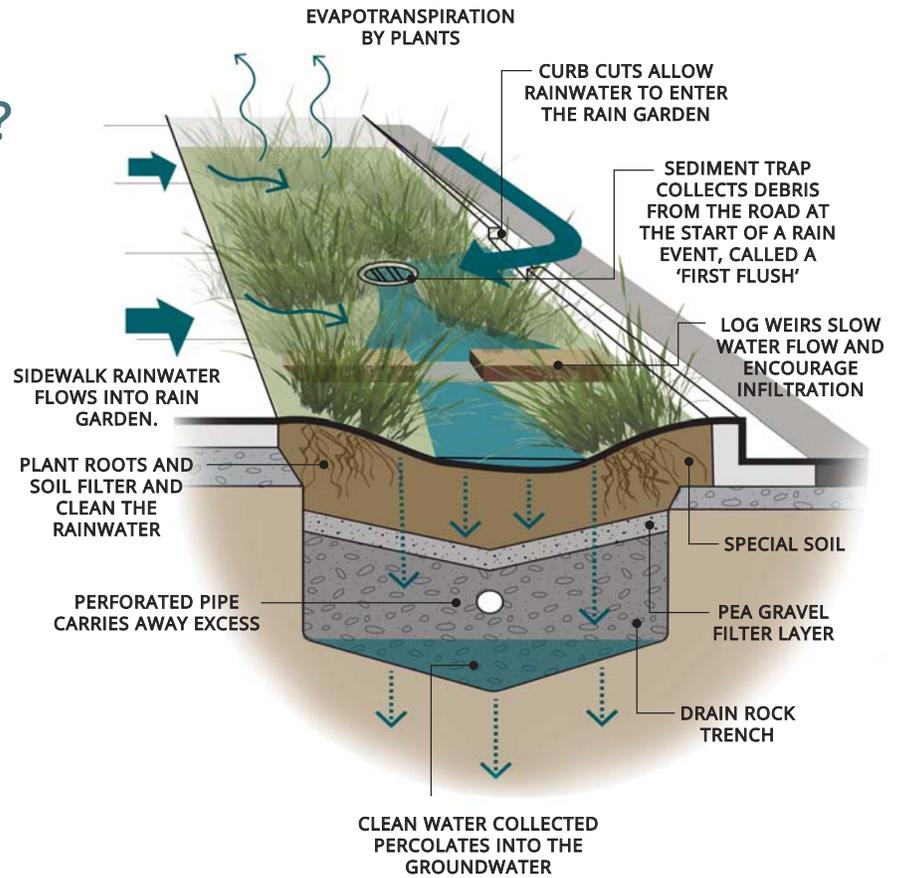
What is a rain garden?

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

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

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

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



Why was 5th Street chosen?

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

5th Street was chosen because it:

- attracts people downtown and supports economic development

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

Connecting Courtenay Transportation Master Plan

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

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

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

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

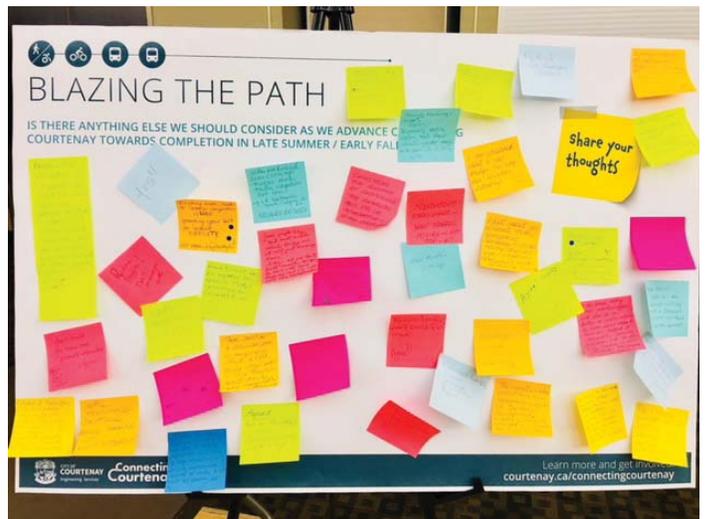
As part of a two-phased public engagement process over six months, over 1,000 Courtenay residents provided feedback on what they would like to see for transportation infrastructure in Courtenay. An open house was held in March, with over 90 people attending. Other engagement included stakeholder meetings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

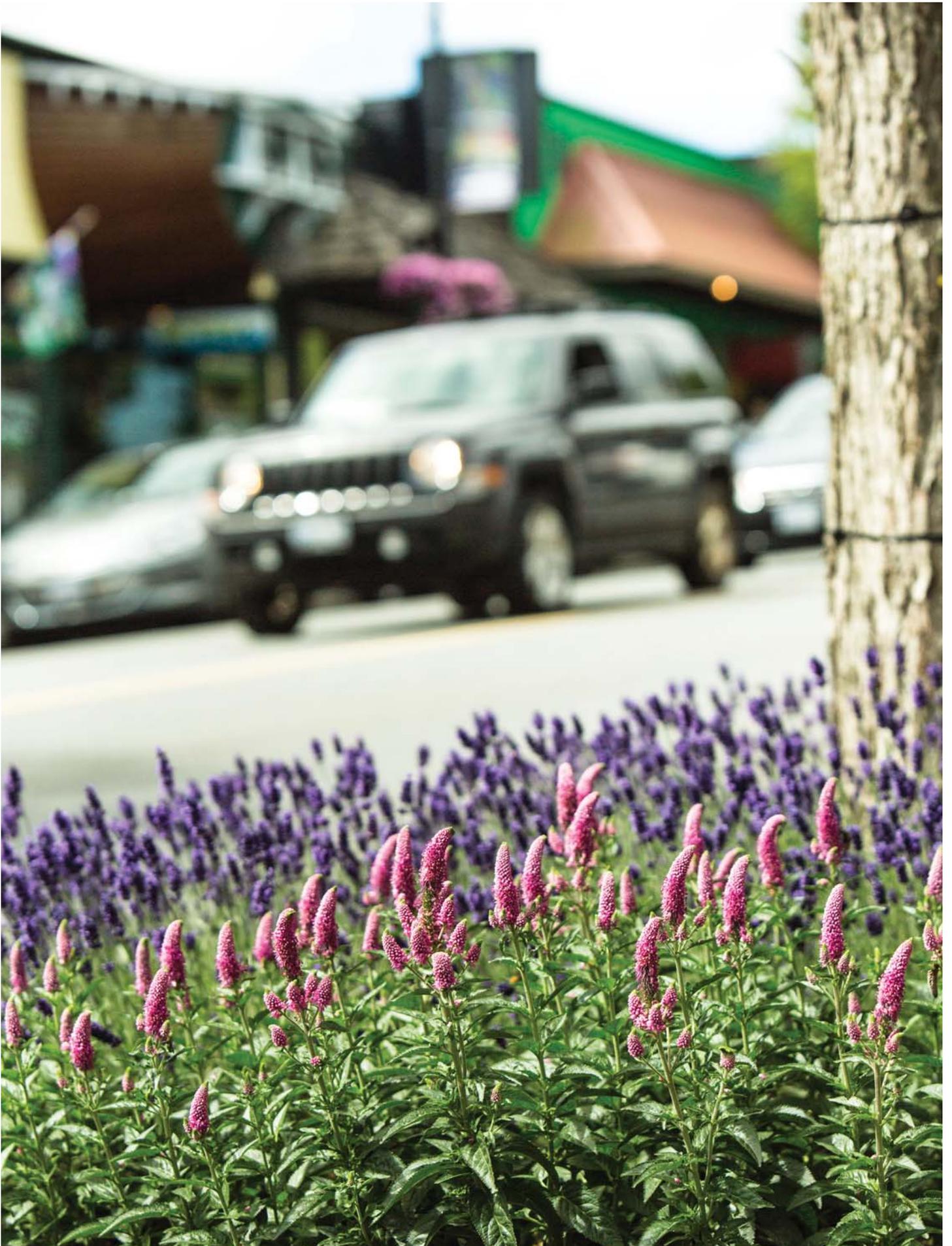
In the summer, citizens were again consulted on “what we heard”, with several draft recommendations proposed by the transportation engineering consultants. As a result of this public feedback additional changes were made to the proposed projects and recommendations of the plan.

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

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

Learn more: courtenay.ca/connectingcourtenay





We invest in our key relationships

Collaboration for Kus-kus-sum

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

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

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

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

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

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

For more information on the project visit www.kuskussum.ca



Photo: Danielle Dufour



We support diversity in housing and reasoned land use planning

Supportive Housing Approved for 8th Street



Sample modular housing project

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

What is supportive housing?

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

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

Why was this site chosen?

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

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

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

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

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

Progress on Braidwood Apartments

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

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

The City of Courtenay provided

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



Photo via Wachiay Friendship Centre

Courtenay Recreation Activities

Recreation Facility Operations



Courtenay Recreation runs these facilities:

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

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

Facility Rentals

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

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

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



Lawn Bowling Club Renovation

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

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

Special Events

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

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

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

Events and attendance numbers include:

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

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



Recreation Programming

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

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

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

Arts & Leisure

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

Number of programs in 2018:

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



Cozy Corner Preschool

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

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

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

10,601  program registrations

1,519  classes offered

55,085  Wellness Centre drop-ins

Recreation Programming

Adapted Programming

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

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



Active Recreation

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

Number of programs in 2018:

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

The LINC Youth Centre and Indoor Skatepark

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

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

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

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



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

Cultural Organizations

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



Comox Valley Art Gallery (CVAG)

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

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

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

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

Courtenay and District Museum and Paleontology Centre

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

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

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

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



Sid Williams Theatre

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

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

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

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



Financial Reporting

2018 Financial Plan

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

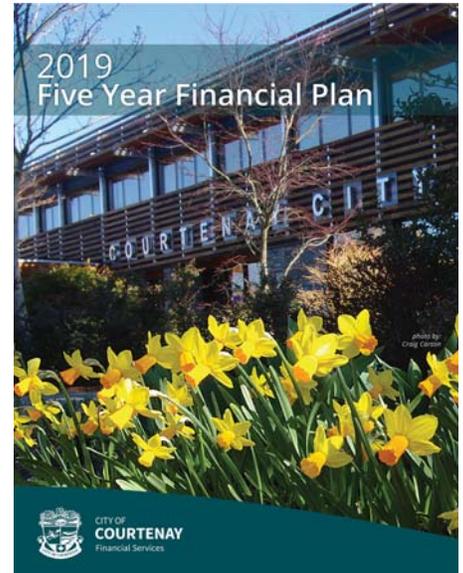
The City's financial plan includes all revenues and expenses in the general, water, and sewer funds. This includes operating costs to maintain infrastructure and provide services to our citizens, as well as the costs associated with major capital projects.

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

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

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

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



Important 2019 Property Tax Dates

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

courtenay.ca/tax

For payment options, visit:

courtenay.ca/billpayments

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

Property Tax Exemptions

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

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

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

Island Corridor Foundation	\$21,843
Total Island Corridor Foundation exemptions	\$21,843

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

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

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

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

The Corporation of the City of Courtenay

Management's Responsibility for Financial Reporting

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

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

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



Jennifer Nelson, CPA, CGA
Director of Financial Services

Meyers Norris Penny - Auditors Report

To the Mayor and Council of the City of Courtenay:

Opinion

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

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

Basis for Opinion

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

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

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

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

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

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

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

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

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

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

Courtenay, British Columbia

May 6, 2019


Chartered Professional Accountants

The Corporation of the City of Courtenay

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

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

Contingent Liabilities and Commitments (Note 2)

The accompanying notes are an integral part of these financial statements

The Corporation of the City of Courtenay

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

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

The accompanying notes are an integral part of these financial statements

The Corporation of the City of Courtenay

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

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

The accompanying notes are an integral part of these financial statements

The Corporation of the City of Courtenay

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

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

The accompanying notes are an integral part of these financial statements

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

Year ended December 31, 2018

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

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

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

(b) Revenue and Expense Recognition

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

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

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

Taxes for Municipal Purposes are recognized in the year levied.

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

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

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

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

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

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

(c) Accrued Payroll Benefits

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

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

(d) Use of Estimates

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

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

Year ended December 31, 2018

(e) Non-Financial Assets

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

(f) Inventories

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

(g) Tangible Capital Assets

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

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

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

(h) Financial Instruments

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

(i) Debt Charges

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

(j) Receivables

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

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

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

Year ended December 31, 2018

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

(k) Accounts Payable

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

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

(l) Liability for Contaminated Sites

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

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

(m) Adoption of New Accounting Standards

PS 2200 Related Party Disclosures

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

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

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

PS 3420 Inter-entity Transactions

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

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

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

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

Year ended December 31, 2018

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

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

PS 3210 Assets

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

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

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

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

PS 3320 Contingent Assets

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

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

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

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

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

Year ended December 31, 2018

2. CONTINGENT LIABILITIES AND COMMITMENTS

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

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

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

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

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

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

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

3. PENSION LIABILITY

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

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

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

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

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

Year ended December 31, 2018

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

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

4. HOST FINANCIAL ASSISTANCE AGREEMENT

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

5. FEDERAL GAS TAX AGREEMENT FUNDS

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

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

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

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

6. DEFERRED REVENUE - DEVELOPMENT COST CHARGES

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

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

Year ended December 31, 2018

2018 Development Cost Charge Reserves

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

2017 Development Cost Charge Reserves

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

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

Year ended December 31, 2018

7. TRUST AND ENDOWMENT FUNDS

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

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

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

8. DEFERRED REVENUE – OTHER

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

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

9. MFA DEBT RESERVE FUNDS

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

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

Year ended December 31, 2018

10. EMPLOYEE RETIREMENT BENEFIT LIABILITY

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

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

11. CONSOLIDATED SEGMENT DISCLOSURE BY SERVICE

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

General Government Services

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

Protective Services

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

Transportation Services

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

Environmental Health Services

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

Public Health and Welfare Services Includes cemetery services.

Environmental Development Services

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

Recreational and Cultural Services

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

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

Year ended December 31, 2018

Water Utility Services

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

Sewer Utility Services

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

Other Services

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

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

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

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

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

13. RESTATEMENT OF 2018 BUDGET

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

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

Adjustments to 2018 Budgeted Annual Surplus

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

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

Year ended December 31, 2018

14. CONTRACTUAL RIGHTS

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

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

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

Contractual Rights at December 31, 2018

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

The Corporation of the City of Courtenay

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

(Note 11)
Page 1 of 3

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

The Corporation of the City of Courtenay

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

(Note 11)
Page 2 of 3

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

The Corporation of the City of Courtenay

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

(Note 11)
Page 3 of 3

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

The Corporation of the City of Courtenay

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

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

The Corporation of the City of Courtenay

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

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

The Corporation of the City of Courtenay

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

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

The Corporation of the City of Courtenay

Consolidated Schedule Of Investments - Schedule 5

For the year ended December 31, 2018 (Audited)

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





CITY OF
COURTENAY

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courtenay.ca
follow **60**  



TERMS OF REFERENCE

To: Chairperson and Committee Membership **File No.:** 0550-20
From: Chief Administrative Officer **Date:** June 24, 2019
Subject: **Assignment of Terms of Reference (ToR) – “Council Select Committee on Alternative Asset Management Funding Sources and Levels of Service Options.”**

1. PURPOSE:

To provide the role, membership, procedures and timings for the subject Select Committee. As is generally the case, use of select committees is an efficient means to concurrently review and recommend to Council as a whole, the best course of action or alternatives on multiple matters.

2. ROLE:

The Background, Discussion and other information relating to the work of this committee are contained in the June 24th 2019 staff report “Draft of Terms of Reference (ToR) – “Council Select Committee on Alternative Asset Management Funding Sources and Levels of Service Options” (Attachment 1).

This committee is created under the authority of s. 142 of the *Community Charter* (excerpt of applicable sections is Attachment 2) which provides that a Council may “establish and appoint a select committee to consider or inquire into any matter and to report its findings and opinion to the council”. The committee will function in accordance with *Council Procedure Bylaw No. 2730* (Attachment 3).

Supporting staff will abide by the City of Courtenay “Committee Meeting Agenda or Minute Procedure” (Attachment 4) and Council’s Asset Management Policy is provided for ready reference (Attachment 5).

The Select Committee on Alternative Asset Management Funding Sources and Levels of Service Options will concentrate and confine its activities to the capital renewal projects approved in the 2019-2023 Five-year Financial Plan and the following subjects:

1. Identify alternative Asset Management funding sources to minimize the impact of assuming new long-term capital debt (as per Council Resolution 8.01 2019-04-15); and
2. Identify Level of Service options that would align with taxpayers’ willingness to pay (as per Council Resolution 8.01 2019-04-15)

3. MEMBERSHIP AND STRUCTURE:

Council will collectively appoint committee members who will serve at the pleasure of Council and be appointed to one of the positions identified as follows:

- Chairperson
- Deputy Chairperson
- Member at large

Initial appointments will take place at the time these Terms of Reference are adopted. All appointees will be sitting council members and are provided the following *Community Charter* excerpt for guidance:

Responsibilities of council members

115 Every council member has the following responsibilities:

- (a) to consider the well-being and interests of the municipality and its community;
- (b) to contribute to the development and evaluation of the policies and programs of the municipality respecting its services and other activities;
- (c) to participate in council meetings, committee meetings and meetings of other bodies to which the member is appointed;
- (d) to carry out other duties assigned by the council;
- (e) to carry out other duties assigned under this or any other Act.

4. COMMITTEE PROCEDURE:

Coordination of administrative and technical support to the committee will be provided as appropriate by the Directors of Legislative & Corporate Services and Financial Services as directed by the CAO. The Chairperson, or in his or her absence the Deputy Chairperson, is responsible to ensure procedural compliance in accordance with Attachments 2, 3 and 4.

5. TIME, PLACE AND NOTIFICATION OF MEETINGS:

At the first meeting after its establishment, the select committee will establish a regular schedule of meetings and provide notice to Council and the public in accordance with the *Council Procedure Bylaw No. 2730*. Meetings will comply with "Part 4, Division 3 – Open Meetings" of the *Community Charter* and will be held at the City of Courtenay Council Chambers.

6. REPORTING:

The Chairperson may make periodic reports to Council at any regular meeting and must report as directed by Council. In any case, the Committee will submit its findings and recommendations in a written report to Council no later than October 21, 2019.

Prepared by:



David W. Love, CD, BA, LGM(Dip), MM, PE, PCAMP
Senior Advisor, Strategic Initiatives

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David Allen". The signature is fluid and cursive, with the first name "David" and last name "Allen" clearly distinguishable.

David Allen, BES, CLGEM, SCLGM
Chief Administrative Officer

Attachments – 5:

1. June 24th 2019 staff report “Draft of Terms of Reference (ToR) – “Council Select Committee on Alternative Asset Management Funding Sources and Levels of Service Options”
2. Excerpts - “Part 4, Division 3 – Open Meetings” of the *Community Charter*
3. City of Courtenay *Council Procedure Bylaw No. 2730*
4. City of Courtenay “Committee Meeting Agenda or Minute Procedure”
5. 1670.00.02 Asset Management Policy



THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT

To: Council **File No.:** 0550.20
From: Chief Administrative Officer **Date:** June 24, 2019
Subject: Draft Terms of Reference (ToR) – “Council Select Committee on Alternative Asset Management Funding Sources and Levels of Service Options”

PURPOSE:

To provide Council draft Terms of Reference to be discussed, approved and assigned to the “Council Select Committee on Alternative Asset Management Funding Sources and Levels of Service Options”.

CAO RECOMMENDATIONS:

That based on the June 24th 2019 staff report “Draft of Terms of Reference (ToR) – “Council Select Committee on Alternative Asset Management Funding Sources and Levels of Service Options”, Council approve OPTION 1 and hereby create the subject Select Committee;

That the attached Terms of Reference apply to the functioning of the Committee; and

That committee membership will be assigned by Resolution as per the Terms of Reference.

Respectfully submitted,

David Allen, BES, CLGEM, SCLGM
Chief Administrative Officer

BACKGROUND:

Council’s 2015 Asset Management Policy “sets guidelines for implementing organization-wide Asset Management processes to meet the asset-intensive Sustainable Service Delivery needs of the City.” The Policy includes in part, that the needs will be met by “ensuring adequate provision is made for the long-term planning, financing, operation, maintenance, repair, renewal, upgrade, replacement and disposal of capital assets by: g) Providing those we serve with services and levels of service for which they are willing to pay”.

Recognizing the significance of the Policy, at its Regular Council Meeting March 4th 2019 Resolution 8.01 was adopted:

Moved by Cole-Hamilton and seconded by Morin that

Whereas the City of Courtenay practices Asset Management in order to ensure that it provides services in a financially sustainable manner; and,

Whereas a Bylaw which requires consideration of the full life-cycle costs of all asset renewals, upgrades and acquisitions would serve to consolidate and strengthen the City's Asset Management policy and practice;

Therefore be it resolved that Council direct staff to draft an Asset Management Bylaw which incorporates the existing Asset Management Policy and which would require taking into account full life-cycle costs when making decisions regarding renewal, upgrade and acquisition of Tangible Capital Assets; and,

That full life-cycle costs are considered to include the planning, procurement, creation, operation, maintenance, renewal and decommissioning of Tangible Capital Assets.

Carried

To date, the drafting of the intended bylaw is nearing completion and, given its sweeping and innovative nature, will be submitted for a preliminary legal review prior to submission for First Reading. It is anticipated this bylaw will be put before Council in early July. Therefore it will be available to the Select Committee to aid in their discussions.

Furthermore, in recognition of the consequential financial implications of the Asset Management Policy (and those of the proposed bylaw), at its Regular Council Meeting of April 15, 2019 Resolution 8.01 was adopted:

Moved by Hillian and seconded by Cole-Hamilton that:

Whereas Courtenay will require significant capital expenditures in the next five years to maintain essential municipal infrastructure; and

Whereas, those expenditures will necessitate borrowing; and

Whereas these requirements along with ongoing operating costs may unduly increase the tax burden on Courtenay taxpayers;

Therefore, be it resolved that Council direct staff to prepare a staff report by June 24, 2019 recommending Terms of Reference for a Select Committee to investigate and recommend to Council, potential alternative funding sources and Level of Service and Policy options that would meet these forthcoming obligations and align with Courtenay taxpayers' willingness to pay.

Carried

DISCUSSION:

Staff have conducted a thorough analysis of these two guiding Resolutions and, in particular, refined the two premises of the Resolution to create this subject Select Committee: identify potential alternative funding sources that would minimize the impact of assuming new long-term capital debt; and identify Level of Service options that would align with taxpayers' willingness to pay.

So, in summary, the forthcoming Asset Management Bylaw will contain the same principles as the present Asset Management Policy with added emphasis on life-cycle costing and Level of Service implications. By its nature, this bylaw will provide greater strength in its applicability than a Policy. Concurrently, the activities of the Select Committee will investigate and recommend to Council, practical policy steps to implement these refined more consequential Asset Management principles.

FINANCIAL IMPLICATIONS:

None anticipated beyond the opportunity cost of senior and other staff support.

ADMINISTRATIVE IMPLICATIONS:

Staff time will be required to support the select committee, prepare agendas and minutes, and undertake research on issues within the committee mandate. The number and complexity of meetings and research will define the extent of support. The CAO must be consulted in the allocation of this staff capacity as the responsibility to meet all other operational capacity needs resides with him.

ASSET MANAGEMENT IMPLICATIONS:

The potential exists for substantial impact upon the Asset Management program and the long-term financial sustainability of the City. The extent will be a function of the committee recommendations to Council and their subsequent decisions.

STRATEGIC PRIORITIES REFERENCE:

This has the potential to have a positive impact on most strategic priority themes while remaining within the bounds of existing capacity and financial resources.

OFFICIAL COMMUNITY PLAN REFERENCE:

The OCP contains no direct references

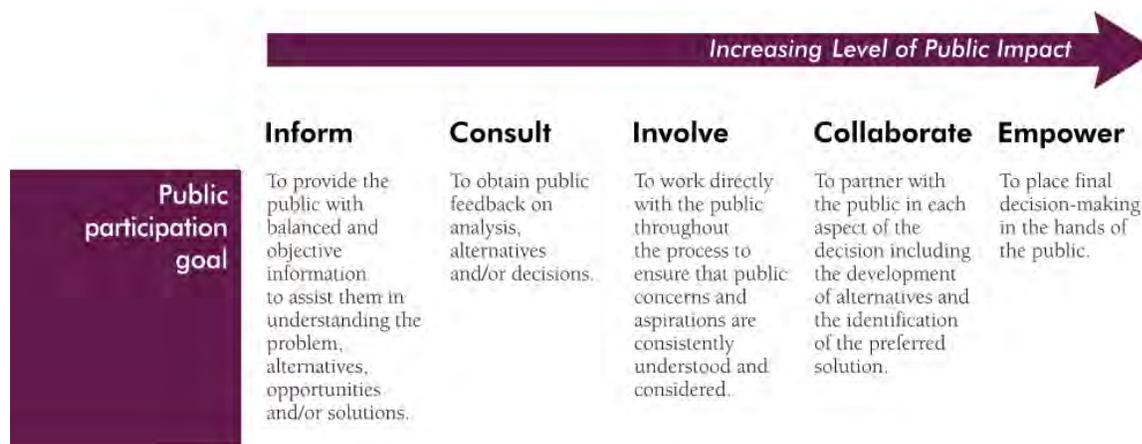
REGIONAL GROWTH STRATEGY REFERENCE:

The RGS contains no direct references

CITIZEN/PUBLIC ENGAGEMENT:

Select Committee meetings must be open to the public with the same exceptions imposed upon Council meetings. The periodic committee reports and its final recommendations would inform the public based on the IAP2 Spectrum of Public Participation:

http://c.ygcdn.com/sites/www.iap2.org/resource/resmgr/imported/IAP2%20Spectrum_vertical.pdf



OPTIONS:

1. Hereby create the “Council Select Committee on Alternative Asset Management Funding Sources and Levels of Service Options”;
That the attached Terms of Reference apply to the functioning of the Committee; and
That committee membership will be assigned by Resolution as per the Terms of Reference.
(Recommended)
1. That Council defers consideration of creating “Council Select Committee on Alternative Asset Management Funding Sources and Levels of Service Options” to a future meeting;
2. That Council amend the Terms of Reference to the proposed “Council Select Committee on Alternative Asset Management Funding Sources and Levels of Service Options” as it sees fit.

Prepared by:

David W. Love, CD, BA, LGM(Dip), MM, PE, PCAMP
Senior Advisor of Strategic Initiatives

Section: 5 - Finance	Policy # 1670.00.02
Subject: Asset Management Policy	Revision #

PURPOSE

This Policy sets guidelines for implementing organization-wide Asset Management processes to meet the asset-intensive Sustainable Service Delivery needs of the City.

POLICY

Sustainable Service Delivery ensures that current community services are delivered in a socially, economically and environmentally responsible manner that does not compromise the ability of future generations to meet their own needs.

Sound Asset Management practices enable Sustainable Service Delivery by integrating community values, priorities and an informed understanding of the trade-offs between risks, costs and services.

The City’s Sustainable Service Delivery needs will be met by ensuring adequate provision is made for the long-term planning, financing, operation, maintenance, repair, renewal, upgrade, replacement and disposal of capital assets by:

- a) Ensuring that Courtenay’s capital assets are provided in a manner that respects cultural, economic and environmental sustainability;
- b) Meeting all relevant legislative and regulatory requirements;
- c) Demonstrating transparent and responsible Asset Management processes that align with demonstrable best-practices;
- d) Implementing sound Asset Management plans and strategies and providing sufficient financial resources to accomplish them;
- e) Ensuring necessary capacity and other operational capabilities are provided and Asset Management responsibilities are effectively allocated;
- f) Creating a corporate culture where all employees play a part in overall care for City assets by providing necessary awareness, training and professional development; and
- g) Providing those we serve with services and levels of service for which they are willing to pay.

AUTHORIZATION: 	DATE: June 15, 2015
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Section: 5 - Finance	Policy # 1670.00.02
Subject: Asset Management Policy	Revision #

SCOPE

This policy applies to all City of Courtenay departments, officers, employees and contractors.

RELATED DOCUMENTS

- a) *Community Charter* s. 7(c) [Municipal purposes] “The purposes of a municipality include providing for stewardship of the public assets of its community”;
- b) City of Courtenay Official Community Plan (OCP);
- c) The “Regional Context Statement” of the OCP;
- d) “Asset Management for Sustainable Service Delivery: A BC Framework”; and
- e) “International Infrastructure Management Manual, International Edition, 2011” and its supplementary Practice Notes.

RESPONSIBILITY

City of Courtenay council members are responsible for adopting policy and ensuring that sufficient resources are applied to manage the City’s capital assets.

The Chief Administrative Officer has responsibility for Asset Management plans, strategies and procedures as well as reporting to Council on the effectiveness of Asset Management practices and their outcomes. Asset Management activities may be assigned or delegated internally at the discretion of the Chief Administrative Officer.

REVIEW DATE

This policy has an intended life of 4 years, or less, at the discretion of sitting Council of-the-day.

AUTHORIZATION: 	DATE: June 15, 2015
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Excerpt: Community Charter

[SBC 2003] CHAPTER 26

Part 4 — Public Participation and Council Accountability

Reference: http://www.bclaws.ca/civix/document/id/complete/statreg/03026_00

Division 3 — Open Meetings

General rule that meetings must be open to the public

89 (1) A meeting of a council must be open to the public, except as provided in this Division.

(2) A council must not vote on the reading or adoption of a bylaw when its meeting is closed to the public.

Meetings that may or must be closed to the public

90 (1) A part of a council meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

(a) personal information about an identifiable individual who holds or is being considered for a position as an officer, employee or agent of the municipality or another position appointed by the municipality;

(b) personal information about an identifiable individual who is being considered for a municipal award or honour, or who has offered to provide a gift to the municipality on condition of anonymity;

(c) labour relations or other employee relations;

(d) the security of the property of the municipality;

(e) the acquisition, disposition or expropriation of land or improvements, if the council considers that disclosure could reasonably be expected to harm the interests of the municipality;

(f) law enforcement, if the council considers that disclosure could reasonably be expected to harm the conduct of an investigation under or enforcement of an enactment;

(g) litigation or potential litigation affecting the municipality;

(h) an administrative tribunal hearing or potential administrative tribunal hearing affecting the municipality, other than a hearing to be conducted by the council or a delegate of council;

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

Excerpt: Community Charter

[SBC 2003] CHAPTER 26

Part 4 — Public Participation and Council Accountability

(j) information that is prohibited, or information that if it were presented in a document would be prohibited, from disclosure under section 21 of the [Freedom of Information and Protection of Privacy Act](#);

(k) negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the council, could reasonably be expected to harm the interests of the municipality if they were held in public;

(l) discussions with municipal officers and employees respecting municipal objectives, measures and progress reports for the purposes of preparing an annual report under section 98 [*annual municipal report*];

(m) a matter that, under another enactment, is such that the public may be excluded from the meeting;

(n) the consideration of whether a council meeting should be closed under a provision of this subsection or subsection (2);

(o) the consideration of whether the authority under section 91 [*other persons attending closed meetings*] should be exercised in relation to a council meeting.

(2) A part of a council meeting must be closed to the public if the subject matter being considered relates to one or more of the following:

(a) a request under the [Freedom of Information and Protection of Privacy Act](#), if the council is designated as head of the local public body for the purposes of that Act in relation to the matter;

(b) the consideration of information received and held in confidence relating to negotiations between the municipality and a provincial government or the federal government or both, or between a provincial government or the federal government or both and a third party;

(c) a matter that is being investigated under the [Ombudsperson Act](#) of which the municipality has been notified under section 14 [*Ombudsperson to notify authority*] of that Act;

(d) a matter that, under another enactment, is such that the public must be excluded from the meeting;

(e) a review of a proposed final performance audit report for the purpose of providing comments to the auditor general on the proposed report under section 23 (2) of the [Auditor General for Local Government Act](#).

(3) If the only subject matter being considered at a council meeting is one or more matters referred to in subsection (1) or (2), the applicable subsection applies to the entire meeting.

Excerpt: Community Charter

[SBC 2003] CHAPTER 26

Part 4 — Public Participation and Council Accountability

Other persons attending closed meetings

91 (1) If all or part of a meeting is closed to the public, the council may allow one or more municipal officers and employees to attend or exclude them from attending, as it considers appropriate.

(2) If all or part of a meeting is closed to the public, the council may allow a person other than municipal officers and employees to attend,

(a) in the case of a meeting that must be closed under section 90 (2), if the council considers this necessary and the person

(i) already has knowledge of the confidential information, or

(ii) is a lawyer attending to provide legal advice in relation to the matter, and

(b) in other cases, if the council considers this necessary.

(3) The minutes of a meeting or part of a meeting that is closed to the public must record the names of all persons in attendance.

Requirements before meeting is closed

92 Before holding a meeting or part of a meeting that is to be closed to the public, a council must state, by resolution passed in a public meeting,

(a) the fact that the meeting or part is to be closed, and

(b) the basis under the applicable subsection of section 90 on which the meeting or part is to be closed.

Application of rules to other bodies

93 In addition to its application to council meetings, this Division and section 133 [*expulsion from meetings*] also applies to meetings of the following:

(a) council committees;

(b) a municipal commission established under section 143;

(c) a parcel tax roll review panel established under section 204;

(d) a board of variance established under Division 15 of Part 14 of the [Local Government Act](#) ;

Excerpt: Community Charter

[SBC 2003] CHAPTER 26

Part 4 — Public Participation and Council Accountability

- (e) an advisory body established by a council;
- (f) a body that under this or another Act may exercise the powers of a municipality or council;
- (g) a body prescribed by regulation.

Division 4 — Committees, Commissions and Other Bodies

Select committees of council

142 (1) A council may establish and appoint a select committee to consider or inquire into any matter and to report its findings and opinion to the council.

(2) At least one member of a select committee must be a council member.

(3) Subject to subsection (2), persons who are not council members may be appointed to a select committee.

**CONSOLIDATED VERSION
THE CORPORATION OF THE CITY OF COURTENAY**

BYLAWNO. 2730

**A bylaw establishing rules of procedures for the Council and
Committees of the City of Courtenay**

WHEREAS the *Community Charter* requires that a council must, by bylaw, establish the general procedures to be followed by council and committees in conducting their business.

NOW THEREFORE the Council of the City of Courtenay in open meeting assembled enacts as follows:

PART 1 – INTRODUCTION

Title

1. This bylaw shall be cited for all purposes as "**Council Procedure Bylaw No. 2730, 2013**".

Definitions

2. In this bylaw:

“Corporate Officer” means the Corporate Officer appointed pursuant to Section 148 of the *Community Charter* and includes his or her Deputy or Delegate;

“Commission” means a municipal commission established under Section 143 of the *Community Charter*;

“Committee” means a standing, select, or other Committee of Council, but does not include Committee of the Whole;

“Inaugural Meeting” means the first Council meeting following a General Local Election;

“Member” means any member of Council and includes the Mayor;

“Notice Board” means the notice board located at City Hall, 830 Cliffe Avenue, Courtenay, B.C.

Application of Rules of Procedure

3. (1) The provisions of this Bylaw govern the proceedings of Council, Committee of the Whole, Commissions, and all standing and select committees of Council, as applicable.
- (2) In cases not provided for under this Bylaw, the current edition of *Robert's Rules of Order* apply to the proceedings of Council, Committee of the Whole, and Council committees to the extent that those rules are

- (a) applicable in the circumstances; and
- (b) not inconsistent with provisions of this Bylaw or the *Community Charter*.

PART 2 - DESIGNATION OF MEMBER TO ACT IN PLACE OF MAYOR

- 4. (1) At the Inaugural Meeting, Council must from amongst its members designate Councillors to serve on a rotating basis as the member responsible for acting in the place of the Mayor (Acting Mayor) when the Mayor is absent or otherwise unable to act or when the office of the Mayor is vacant.
- (2) Each Acting Mayor designated under section 4 (1) must fulfil the responsibilities of the Mayor in his or her absence.

PART 3 - COUNCIL PROCEEDINGS

Inaugural Meeting

- 5. Following a general local election, the first council meeting must be held on the first Monday after December 1 in the year of the election.

Annual Meeting Schedule

- 6. (1) Council must prepare annually on or before December 31, a schedule of the dates, times and places of regular Council meetings and must make the schedule available to the public by posting the schedule on the notice board.
- (2) Council must give notice annually on or before January 15 of the availability of the annual meeting schedule.
- (3) Where revisions are necessary to the annual meeting schedule, the Corporate Officer must, as soon as possible, post a notice on the notice board indicating any revisions to the date, time and place or cancellation of a regular Council meeting.

Regular Council Meetings

- 7. (1) Regular meetings of Council must take place within City Hall, 830 Cliffe Avenue, Courtenay, B.C. or in a location established by Council resolution.
- BL2846 (2) Regular meetings of Council must take place on the first and third Monday of each month commencing at 4:00 p.m. except when
 - (a) the said Monday is a holiday, in which case Council must meet at the regularly scheduled time on the next day following the holiday;
 - (b) Council resolves to meet on subsequent days; or

- (c) a quorum is not present within 15 minutes after the time appointed for commencement of the meeting.

Notice of Special Council Meetings

- 8. (1) Except where notice of a special meeting is waived by a unanimous vote of all council members at least 24 hours before a special meeting of Council, the Corporate Officer must
 - (a) give advance public notice of the time, place and date of the meeting by way of a notice posted on the notice board at City Hall;
 - (b) posting a copy of the notice in the Council Chambers;
 - (c) leaving one copy for each council member at the place to which the member has directed notices be sent.
- (2) The notice under section 8 (a) must include the date, time and place of the meeting, describe in general terms the purpose of meeting and be signed by the Mayor or the Corporate Officer.
- (3) Where a special meeting is called and where notice may be waived by a unanimous vote of all Council members, the Corporate Officer must use reasonable efforts to give advance public notice of the proposed special meeting by posting a notice of the proposed meeting on the notice board at City Hall.

Electronic Meetings

- 9. (1) Provided the conditions set out in subsection 128 (2) of the *Community Charter* are met:
 - (a) A special meeting may be conducted by means of electronic or other communication facilities;
 - (b) A member of Council or a Committee member who is unable to attend at a Regular or Special Council or Committee of the Whole meeting due to unavoidable circumstances, may participate in the meeting by means of electronic or other communication facilities.
- (2) The member presiding at a Regular Council, Special Council, or Council Committee meeting must not participate electronically.

Order of Business at Regular Meetings

- 10. (1) Except as Council otherwise resolves, and in any event only to the extent that business exists at a particular meeting under each of these subject headings, the usual order of business at a regular meeting is as follows:
 - (a) Call to order;

- (b) Adoption of minutes as read or circulated, only if each member has received the minutes at least 24 hours before the meeting at which they are to be considered, and, if necessary, amendment of minutes;
- (c) Introduction of late items;
- (d) Reception of delegations, including presentation of petitions;
- (e) Staff reports in the following order where applicable:
 - (i) Recreation and Cultural Services
 - (ii) CAO and Legislative Services
 - (iii) Development Services
 - (iv) Financial Services
 - (v) Engineering Services
 - (vi) Public Works Services;
- (f) External reports and correspondence presented for information;
- (g) Internal reports and correspondence presented for information;
- (h) Reports from Council members regarding City related activities including reports from Council and External committees;
- (i) Resolutions of Council;
- (j) Unfinished business;
- (k) Notice of motion;
- (l) New business;
- (m) Bylaws;
- (n) Adjournment.

BL2846

Council Meeting Agendas

- 11.(1)** Prior to each Council meeting, the Corporate Officer must prepare an agenda setting out all the items for consideration at that meeting, noting in short form a summary for each item on the agenda.

- (2) The agenda of Council meetings and Committee of the Whole meetings must be available to Council and the public as follows:
 - (a) Regular Council and Committee of the Whole Meetings – 3:00 p.m. on the Thursday of the week preceding each meeting;
 - (b) Special Council Meetings – at the discretion of the Corporate Officer.
- (3) All reports, including those items or resolutions submitted by a member, for the agenda of
 - (a) a regular Council meeting;
 - (b) a Committee of the Whole meeting;
 - (c) a Public Hearing

must be submitted to the Corporate Officer by noon on the Tuesday preceding such meetings, except that when a holiday falls on the intervening Friday, such reports must be submitted by noon on the Monday preceding such meeting.
- (4) Notwithstanding the requirements of section 11 (2), the Corporate Officer has the discretion where practical to include on an agenda a report that is not provided by the date and time specified.

Additional Agenda Items

- 12.(1) An item of business not included on the agenda must not be considered at a Council meeting unless introduction of the late item is approved by a majority vote of Council at the time allocated on the agenda for such matters.

Delegations to Council Meetings

- 13.(1) A delegation may address Council at a regular Council meeting or Committee of the Whole meeting providing
 - (a) a request has been submitted to the Corporate Officer in writing at least (4) working days prior to the day of the meeting including the name and address of the spokesperson and the specific written details of each delegation;
 - (b) in the case of a petition, the petition must be an original copy and include the printed name and address of each petitioner; and the petition must deal with an issue or matter that falls within Council's jurisdiction; and
 - (c) all materials to be presented relevant to the petition or delegation are received by the Corporate Officer at least (4) working days prior to the day of the meeting.

- (2) The presiding member may waive compliance with section 13 (1) on the unanimously approved motion of the members in attendance.
- (3) Under extraordinary occasions so declared by the Mayor, the Mayor may waive compliance with section 13 (1).

BL2846

- (4) The Corporate Officer may refuse to place a delegation or petition on the Council meeting agenda if the subject matter is not considered to fall within the jurisdiction of Council or does not relate to Council's area of control, influence, or concern. If the delegation wishes to appeal the decision of the Corporate Officer, the appeal must be in writing, and must be presented to Council for consideration at the next available Council meeting.
- (5) A delegation is allowed a maximum of 10 minutes to make its' presentation to Council, unless Council unanimously consents to extend the time limit.
- (6) The number of delegations at any Council meeting will be limited to three (3) except under extraordinary circumstances approved by the Mayor prior to the Council meeting.
- (7) Council will not act on a request from a delegation at a Council meeting until the next regular Council meeting. Under extraordinary circumstances, Council may resolve, by a two-thirds affirmative vote of Council members present at the meeting, to consider the request immediately.
- (8) Council must not permit a delegation to address Council at a meeting regarding a bylaw in respect of which a public hearing has been held.

Public Attendance at Meetings

- 14. (1) Except where the provisions of section 90 of the *Community Charter* apply, all meetings of Council must be open to the public.
- (2) Where Council wishes to close a meeting or a portion of a meeting to the public, it may do so by adopting a resolution in a public meeting in accordance with Section 92 of the *Community Charter*.
- (3) This section applies to all meetings of the bodies referred to in Section 93 of the *Community Charter* including Council committees, commissions, a parcel tax review panel, a board of variance, or advisory bodies.

Minutes of Meetings

- 15. (1) Minutes of Council meetings must be
 - (a) legibly recorded;
 - (b) certified as correct by the Corporate Officer;

- (c) signed by the Mayor or other presiding member at or after the meeting at which they are adopted; and
- (d) open for public inspection at City Hall during regular office hours.

Adjournment

- 16. (1) Council may by resolution adjourn any meeting to a specified time and place.
- (2) Every regular meeting of Council is adjourned at 12:00 midnight unless a two-thirds majority of Council members present resolves to continue the meeting.

Cancellation of Meetings

- 17. Council may by resolution cancel any meeting and the Corporate Officer must provide members 24 hours notice of cancellation.

Calling Meeting to Order

- 18.(1) In the event the Mayor does not attend within 15 minutes after the time appointed for a meeting, the Acting Mayor must take the chair.
- (2) In the absence of the Acting Mayor the Corporate Officer must call the members to order and if a quorum is present, the members must appoint a member to preside during the meeting or until the arrival of the Mayor or Acting Mayor.
- (3) In the event the Mayor is required to leave a meeting, the Acting Mayor must take the chair; or in the absence of the Acting Mayor the members must appoint a member to preside during the meeting until the return of the Mayor.
- (4) The member appointed under section 18 (2) and 18 (3) has the same powers and duties as the Mayor in relation to the particular matter.

Quorum

- 19. Should there be no quorum present within 15 minutes after the time appointed for the meeting, the Corporate Officer must record the names of the members present at the expiration of the 15 minutes and the meeting of Council is deemed to have been cancelled.

Proposed Bylaws

- 20.(1) Before Council considers any proposed bylaw, the Corporate Officer must provide each member with a copy of the proposed bylaw.
- (2) Council is deemed to have passed a proposed bylaw when all approvals and procedures required by statute prior to adoption have been followed and Council has given the following readings to the bylaw:

- (a) first reading, which is by title only;
 - (b) second reading, which is by title only unless Council resolved to read the proposed bylaw;
 - (c) third reading, which is by title only; and
 - (d) final adoption.
- (3) A bylaw may be read one, two, or three times at a meeting of Council unless otherwise required by an enactment.
 - (4) A zoning or official community plan bylaw or amendment bylaw may be adopted at the same meeting at which third reading was given.
 - (5) Council may reconsider any clause of a proposed bylaw before the bylaw is adopted, subject to section 894 of the *Local Government Act* regarding Public Hearings.
 - (6) After either second or third reading, Council may amend, strike out or add clauses.
 - (7) Every bylaw adopted by Council must be signed by the Mayor or other member of Council presiding at the meeting at which the bylaw has been adopted, and must be signed by the Corporate Officer.
 - (8) The Corporate Officer must affix to every bylaw adopted by Council the Corporate Seal of the Corporation of the City of Courtenay.

PART 4 - RESOLUTIONS

Copies of Resolutions to Council Members

- 21. A resolution not included on a Council meeting agenda may be introduced at a Council meeting only if a copy of it has been delivered to each Council member at least 24 hours before the Council meeting, or if all Council members unanimously agree to waive this requirement at a Council meeting.

Form of Resolution

- 22. (1) A resolution introduced at a Council meeting must be in printed form.
- (2) The presiding member may
 - (a) have the Corporate Officer read the resolution; and
 - (b) request a motion that the resolution be introduced.

PART 5 - MEETING RULES OF CONDUCT AND DEBATE

Recognition

23. (1) A member may speak in a meeting after
- (a) the member has raised his or her hand; and
 - (b) the member has been recognized by the presiding member.

Presiding Member Powers

- 24.(1) The presiding member must preserve order and decide all points of order which may arise, subject to an appeal by other members of Council present.
- (2) If an appeal is taken by a member from the decision of the presiding member, the question "*Shall the Chair be sustained?*" must be immediately put and decided without debate and the presiding member will be governed by the majority of the votes of the members then present (exclusive of the presiding member), and in the event of the votes being equal the question will pass in the affirmative.
 - (3) If the presiding member refuses to put the question "*Shall the Chair be sustained?*" Council must appoint the Acting Mayor, or if absent, one of the members to preside temporarily in lieu of the presiding member, and the Acting Mayor or member so temporarily appointed must proceed in accordance with the previous section.

Title of Members

25. Members must address the Mayor as "Mr. Mayor" or "Madam Mayor", whichever is appropriate, or as "Your Worship", and must refer to another member as "Councillor".

Conduct of Speaker

26. (1) A member may not speak
- (a) unless in relation to the matter in debate;
 - (b) to a matter already decided upon at the meeting;
 - (a) for more than five (5) minutes at a time.
- (2) A member may not speak more than once to the same matter, except with the permission of the majority of Council; or to
- (a) explain a material part of the member's speech which may have been misconceived, but then only to correct the matter; or
 - (b) ask a question for purposes of clarification.

General Conduct

27.

- (1) A member must not interrupt a member who is speaking except to raise a point of order and must not make any disturbance during the meeting.
- (2) When two or more members desire to speak, the presiding member must name the member who is to have the floor.
- (3) A member may require the question or motion under discussion to be read at any time during debate, but not so as to interrupt a member when speaking.
- (4) After a question is finally put by the presiding member, no member may speak to the question, nor may any other motion be made until after the result of the vote has been declared; and the decision of the presiding member as to whether the question has been finally put will be conclusive and not open to challenge.
- (5) Council must vote separately on each distinct part of a question that is under consideration if requested by a member.

Improper Conduct

28.

- (1) If the presiding member considers that another person at a meeting is acting improperly, the presiding member may order that the person be expelled from the meeting.
- (2) If the person who is expelled does not leave the meeting, a peace officer may enforce the order under as if it were a court order.

Matter Open to Debate

29. Members may debate any motion except the following:

- (a) to lay on the table;
- (b) to give first reading to a bylaw;
- (d) to postpone indefinitely;
- (e) to postpone to a certain time;
- (f) to move that the motion be put to a vote; and
- (g) to adjourn.

Verbal Enquiries by the Public

- 30.** A verbal enquiry by a member of the public may only relate to an item on the agenda and may only be heard when Council so resolves.

Privilege

- 31.** (1) Every member may
- (a) at any time during the debate require that the matter under discussion be read for the member's information, but must not exercise this right in order to interrupt a member speaking without the acquiescence of that member;
 - (b) require the presiding member to state the rule applicable to a point of practice or order and the presiding member must then state the rule without argument or comment but subject to appeal to a vote of the members present; or
 - (c) by means of a question to the presiding member, seek information relating to any matter connected with the business of Council or the affairs of the municipality and the question must be in writing if so required by the presiding member.

PART 6 - MOTIONS AND AMENDMENTS

Motions Generally

- 32.**
- (1) All resolutions and bylaw readings must be by motion duly moved and seconded by members.
 - (2) A motion other than a motion to adopt minutes, to receive reports, to refer to a committee or staff, to introduce or pass a bylaw or to adjourn must, if required by the presiding member, be put in writing before being debated or put from the Chair.
 - (3) When a main motion is under consideration no other motion may be received except to
 - (a) refer to a Committee of Council;
 - (b) amend;
 - (c) lay on the table;
 - (d) postpone indefinitely;
 - (e) postpone to a certain time;

- (f) move that the motion be put to a vote; and
 - (g) adjourn.
- (4) The seven motions referred to in Section 32(3) have precedence in the order in which they are named, and the last five are not subject to amendment or debate.
 - (5) A motion to refer the subject matter to a committee, until it is decided, precludes all amendments to the main question.
 - (6) The Corporate Officer must record any motion other than a procedural motion in writing and, after a member has seconded a motion, the Corporate Officer may read it aloud prior to the members debating it or the presiding member putting it.
 - (7) Once the Corporate Officer has read aloud a motion, no member may withdraw it without permission of the members and no member may withdraw a motion once passed.

Motion to Adjourn

- 33. A member at any time may make a motion to adjourn and if seconded, the members must promptly decide the motion without debate and no member may make a second adjournment motion if the first is defeated unless other proceedings intervene.

Motion to Lay on the Table

- 34. Except when a motion to adjourn has been made, a member may make a motion to lay a pending question(s) on the table, and this motion is not debatable or amendable.

Motion to Put Question

- 35.
 - (1) If a member moves to put the main question, or the main question as amended to a vote, that motion must be dealt with before any other amendments are made to the motion on the main question.
 - (2) If the motion for the main question, or for the main question as amended is decided in the negative, Council may again debate the question or proceed to other business.

Inadmissible Motion

- 36. When the presiding member is of the opinion that a motion offered is contrary to this bylaw or relates to matters beyond the powers of the members, the presiding member may inform the members immediately, giving reasons for his or her opinion, and may refuse to put the question.

Amendment of a Motion

37.

- (1) No member may move any motion to amend that negates the purpose of the main motion.
- (2) Members must withdraw or decide any amendment to a motion before the main question is put to a vote.
- (3) If an amendment to a motion is:
 - (a) carried, the previous motion is then voted on as amended; or
 - (b) defeated, the previous motion is again before the members.

Defeated Resolution

- 38.** Unless specifically provided by statute or bylaw, a defeated resolution or a substantially similar resolution must not be considered within 12 months of the date of the defeat of the resolution. This time limit may be waived by an affirmative vote of at least two thirds of the Council members eligible to vote on the resolution.

Reconsideration of Matter by Mayor

39.

- (1) The Mayor may require Council to reconsider and vote again on a matter that was the subject of a vote at the same council meeting as the vote took place, or within the 30 days following that meeting.
- (2) A matter may not be reconsidered under section 39 (1) if
 - (a) it has had the approval of the electors or the assent of the electors and was subsequently adopted by the council; or
 - (b) there has already been a reconsideration in relation to the matter.

Reconsideration of Matter by Council Member

- 40.**
- (1) Subject to subsection (5) a member may, at the next Council meeting
 - (a) move to reconsider a matter on which a vote, other than to postpone indefinitely, has been taken; and
 - (b) move to reconsider an adopted bylaw (with the exception of a land use bylaw) after an interval of at least 24 hours following its adoption.
 - (2) A member who voted in the affirmative for a resolution adopted by Council may at any time move to rescind that resolution. In order to be passed, a motion to rescind requires

- (a) a two-thirds affirmative vote; or
 - (b) a majority affirmative vote when notice of motion has been given at the previous meeting or the call to order of the present meeting.
- (3) Council must not discuss the main matter referred to in subsection (1) unless a motion to reconsider that matter has been adopted.
 - (4) A vote to reconsider must not be reconsidered.
 - (5) Council may only reconsider a matter that has not
 - (a) received the approval or assent of the electors and been adopted;
 - (b) been reconsidered under subsection (1) or section 39;
 - (c) been acted on by an officer, employee or agent of the City.
 - (6) The conditions that applied to the adoption of the original bylaw, resolution, or proceeding apply to its rejection under this section.
 - (7) A bylaw, resolution, or proceeding that is reaffirmed under subsection (1) or section 39 is as valid and has the same effect as it had before reconsideration.

PART 7 - VOTING

Putting of the Question

41.

- (1) When debate on a question is closed the presiding member must immediately put the question to a vote.
- (2) Members must signify their votes on every question openly and individually by the raising of hands and members must not vote by ballot or any method of secret voting.

Recording of Votes

42.

- (1) Any member may call for his or her vote on any issue to be recorded and each time this request is made, the Corporate Officer must record in the minutes the name of the members and the way in which the member voted.
- (2) Immediately upon the announcement of the result of a vote by the presiding member, any member may call for a division whereupon each member present must orally announce his or her vote.

- (3) Should any member not indicate his or her vote when any question is put, the member will be regarded as having voted in the affirmative and his or her vote must be counted accordingly.
- (4) The Corporate Officer must record in the minutes of a meeting the name of any member who voted in the negative on any question.

PART 8 - COMMITTEES OF COUNCIL

Committee of the Whole

- 43.** Meetings of the Committee of the Whole must be held in City Hall Council Chambers on the last Monday of each month, with the exception of December, at 4:00 p.m. unless the meeting day falls on a holiday, in which case the meeting would be held the following day.

Presiding Members at Committee of the Whole

- 44.** (1) The Mayor must preside at Committee of the Whole meetings if he or she is in attendance.
- (2) The presiding member of the Committee of the Whole must maintain order in the committee and subject to appeal from the members present, decide points of order that may arise and must attest to the correctness of the proceedings thereof.

Notice of Committee of the Whole Meetings

- 45.**
- (1) At least 72 hours before a meeting of the Committee of the Whole, the Corporate Officer must give public notice of the time, place and date of the meeting by
- (a) posting a copy of the agenda on the notice board;
 - (b) leaving copies of the agenda at the reception counter at City Hall for the purpose of making them available to members of the public; and
 - (c) delivering a copy of the agenda to each member of Council at the place to which the Council member has directed notices to be sent.
- (2) At any time during a Council meeting, Council may by resolution go into Committee of the Whole.

Minutes of Meetings

- 46.** (1) Minutes of Committee of the Whole meetings must be
- (a) legibly recorded;

- (b) signed by the chair or member presiding at the meeting or at the next meeting at which the minutes are adopted; and
- (c) open for public inspection at City Hall during regular office hours.

Rules of Procedure

47.

- (1) The Committee of the Whole members must observe the rules of procedure of Council in any meeting, except:
 - (a) the number of times members are permitted to speak is at the discretion of the presiding Member;
 - (b) Members may hear a verbal enquiry from a member of the public on any matter taken up at the meeting whenever a majority of the members present so wish.

Select Committees

48.

- (1) Council may from time to time appoint a Select Committee to enquire into any matter and to report its findings and opinions to Council.
- (2) A Select Committee may report to Council at any regular meeting or must report if directed by Council.
- (3) The Chairman and the Deputy Chairman of a Select Committee must be appointed from the members of the Select Committee by resolution of Council.
- (4) A meeting of a Select Committee must be called by a resolution of the Select Committee which specifies the day, hour and place of the meeting, except for the first meeting which must be called by resolution of Council which specifies the day, hour and place of the meeting.
- (5) A Select Committee must, on completion of its assignment or on submitting its report to Council, dissolve.

Procedure for Committees

- 49.** Members of Council may attend the meetings and participate in the discussion of committees of which they are not members but only those members of Council who are members of the committee may vote on deliberations of that committee.

50.

- (1) The committee members must observe the rules of procedure of Council in any meeting, except that in a Select Committee
 - (a) the number of times members are permitted to speak is at the discretion of the presiding Member;
 - (b) members may hear a verbal enquiry from a member of the public on any matter taken up at the meeting whenever a majority of the members present so wish;
 - (c) a request to present a petition or to appear before the committee as a delegation is handled in the same manner as delegations or petitions to Council;
 - (d) a delegation is allowed one speaker and a maximum of ten minutes to make its presentation to the committee;
 - (e) the Mayor is a member of all committees and is entitled to vote at all committee meetings;
 - (f) each committee may meet at the discretion of its presiding member and must also meet when directed to do so by council, the Mayor, or a majority of the members of that committee;
 - (g) the Corporate Officer must convene a meeting of a committee when requested in writing to do so by the Mayor, the presiding member of the committee or majority of the members of that committee;
 - (h) when a committee desires to submit a written report to Council, the presiding member of the committee must deliver the report to the Corporate Officer not later than 4 working days prior to the date of the next regular meeting of Council and the Corporate Officer must have the report delivered to each member of Council not less than 72 hours prior to the convening of the regular meeting of Council which next follows the committee meeting from which the written report arose.

Standing Committees

51.

- (1) In his/her address at the Inaugural Meeting, the Mayor must appoint the Chairman and members of Standing Committees of Council.
- (2) Standing Committees must consider, inquire into, report, and make recommendations to Council about all of the following matters:
 - (a) matters that are related to the general subject indicated by the name of the committee;

- (b) matters that are assigned by Council;
 - (c) matters that are assigned by the Mayor
- (3) Standing committees must report and make recommendations to Council at all of the following times:
- (a) in accordance with the schedule of the committee's meetings;
 - (b) on matters that are assigned by Council or the Mayor
 - (i) as required by Council or the Mayor, or
 - (ii) at the next Council meeting if the Council or Mayor does not specify a time.

Minutes of Committee Meetings

- 52.** (1) Minutes of Committee meetings must be
- (a) legibly recorded;
 - (b) signed by the chair or member presiding at the meeting; and
 - (c) open for public inspection at City Hall during regular office hours.

Quorum

- 53.** The quorum for a committee is a majority of all its members.

Schedule of Committee Meetings

- 54.** (1) At its first meeting after its establishment, a standing or select committee must establish a regular schedule of meetings.
- (2) The Chair of a committee may call a meeting of the committee in addition to the scheduled meetings or may cancel a meeting.

Notice of Committee Meetings

- 55.** (1) Subject to section 54 (2), after the committee has established the regular schedule of committee meetings, including the times, dates and places of the committee meetings, notice of the schedule must be given by
- (a) posting a copy of the schedule on the notice board; and
 - (b) providing a copy of the schedule to each member of the committee.

- (2) Where revisions are necessary to the annual schedule of committee meetings, the Corporate Officer must as soon as possible post a notice on the notice board which indicates any revisions to the date, time, and place or cancellation of a committee meeting.
- (3) The Chair of a committee must cause a notice of the day, time and place of a meeting called under section 54 (2) to be given to all members of the committee at least 24 hours before the time of the meeting.

PART 9 - COMMISSIONS

Schedule of Commission Meetings

- 56.** (1) At its first meeting after its establishment, a commission must establish a regular schedule of meetings.
- (2) The Chair of a commission may call a meeting of the commission in addition to the scheduled meetings or may cancel a meeting.

Notice of Commission Meetings

- 57.** (1) Subject to subsection (2), after the commission has established the regular schedule of commission meetings, including the times, dates and places of the commission meetings, notice of the schedule must be given by
- (a) posting a copy of the schedule on the notice board at City Hall; and
 - (b) providing a copy of the schedule to each member of the commission.
- (2) Where revisions are necessary to the annual schedule of the commission meetings, the Corporate Officer must, as soon as possible, post a notice on the notice board at City Hall which indicates any revisions to the date, time and place or cancellation of a commission meeting.
- (3) The Chair of a commission must cause a notice of the day, time and place of a meeting called under section 56 (2) to be given to all members of the commission at least 24 hours before the time of the meeting.

Minutes of Commission Meetings

- 58.** (1) Minutes of the proceedings of a commission must be
- (a) legibly recorded;
 - (b) certified by the Corporate Officer; and
 - (c) open for public inspection at City Hall during regular office hours.

Quorum

- 59.** The quorum for a commission is a majority of all its members.

PART 10 - GENERAL

60. If any section or subsection of this bylaw is for any reason held to be invalid by the decision of a court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this bylaw.

61. This bylaw may not be amended or repealed and substituted unless Council first gives notice in accordance with section 94 of the *Community Charter*.

62. "Procedure Bylaw No. 2492, 2007" and amendments thereto is hereby repealed.

Read a first time this 2nd day of December, 2013

Read a second time this 2nd day of December, 2013

Read a third time this 2nd day of December, 2013

Notice published pursuant to section 94 of the *Community Charter* on the 6th and 10th of December, 2013

Finally passed and adopted this 16th day of December, 2013

Mayor

Director of Legislative Services

Section – 1 - Administration	Procedure # 0540-00(d)
Subject: Committee Meeting Agenda or Minute Procedure	Revision #

PURPOSE:

An internal communications instrument for use by persons designated as 'staff support' to a Standing or Select Committee intended to coordinate, record and convey information in a timely fashion between Committees and Council.

Authority:

Committee Chair

Author:

Staff Support person to a Committee

Recipients:

Committee Chair, Committee members and, for Minutes of a Meeting only, Council

Distribution:

1. Originated in the T:\Corporate Reports\Communication Procedures\Active Communications folder with file# applicable to the role of the Committee;
2. Author emails draft Word file to Committee Chair;
3. Chair amends and/or approves for distribution to recipients approved by the Chair;
4. Author ensures Chair signs approved Word doc. and scans to .pdf.;
5. Author deletes Word doc from the T Drive;
6. Author attaches .pdf doc to email message to Committee members and ensures DLS posts Agenda on Public Notice Board at least 24 hours prior to a Committee Meeting (process for Agenda then ceases);
7. Author copies .pdf doc of a Minutes of a Meeting file to the Regular Open Council Meeting Agenda for the next Council meeting for which the agenda has not yet been distributed – info DLS for posting on notice board; and
8. The Minutes will thusly be formally received as a "Committee Report" at the next Council Meeting.

AUTHORIZATION: 	DATE: October 3, 2013
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Section – 1 - Administration	Procedure # 0540-00(d)
Subject: Committee Meeting Agenda or Minute Procedure	Revision #

Characteristics:

1. **Non-confidential content only;**
2. Shall always be in compliance with the Council Procedure Bylaw; and
3. When in doubt, seek the advice of the DLS;

AUTHORIZATION: 	DATE: October 3, 2013
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STAFF REPORT TO COUNCIL

To: Council
From: Chief Administrative Officer
Subject: 5th Street Bridge Rehabilitation Project

File No.: 5335-20 / 5400-02
Date: June 24, 2019

PURPOSE:

This report is intended to describe for Council the scope and costs of near-term rehabilitation of the 5th Street Bridge so as to restore it to its intended functional condition and achieve an updated useful life lasting until at least the year 2040.

This report also contains supplementary information on a potential level of service increase and capital upgrade to the 5th Street Bridge as an alternative to constructing a new Pedestrian Bridge at a 6th St location, should Council choose to consider such an unfunded capital upgrade or new capital construction.

BACKGROUND:

Built in 1960, the 5th Street Bridge acts as a gateway to downtown Courtenay and requires rehabilitation to maintain the level of service for various modes of transportation. Over the years, multiple engineering assessments of the bridge have identified the need for structural repairs and re-coating to slow normal deterioration during service. Routine maintenance and periodic rehabilitation is important to ensure the asset's intended level of service and life-cycle can be achieved.

In 2016, the City engaged Hatch Mott Macdonald (HMM) and Urban Systems to complete a scoping study to determine the rehabilitation requirements. A field investigation and evaluation report recommended that the City repair several structural deficiencies, refurbish the bridge decking and recoat the bridge steel within the next five to seven years. The Class D estimate provided at that time was \$2.94M less \$1.96M from a successful New Building Canada Fund – Small Communities Fund (NBCF-SCF) grant application.

Urban Systems Technical Memorandum dated January 22, 2019 "5th Street Bridge Rehabilitation - Project Cost Escalation Summary" (Attachment 1) provides a 20-year chronology of rehabilitation needs, options and costs as they have evolved since 1999. For reasons provided below, the most recent estimate to meet the same intended scope of work and level of service until at least 2040 as well as continue to meet the existing grant approvals is \$6.3M. This estimate was received in November 2018 and reconfirmed in March 2019. Furthermore, repeated inquiries of the granting authority have confirmed that additional funding to accommodate cost escalations(s) are not available.

The detailed scope of work and funding options to achieve the planned rehabilitation are provided below in the body of this report.

Aside: while not yet presented to nor adopted by Council, staff can indicate that the draft Transportation Master Plan (TMP) identifies opportunities to improve east-west connectivity and safety for people who bike and walk. One, for example, is to consider an upgrade to the 5th Street Bridge by installing 3.0 metre cantilevered multi-use pathways on both sides of the existing bridge structure. Alternatively, construction of a new pedestrian-cycling bridge could be considered at 6th Street in future. Either option would require additional analysis and substantially more funding (see Financial Considerations below). As the former is an upgrade and the latter new construction, neither is included within the current scope of 5th Street Bridge rehabilitation nor may the City expend approved NBCF-SCF grant funding on these prospective initiatives.

These opportunities are included in the Options available to Council, but are not recommended for reasons provided below related to Asset Management principles suggesting mindfulness of unanticipated capital costs and the lack of full life-cycle cost information within an organization-wide context.

CAO RECOMMENDATION:

That based on the June 24th, 2019 staff report “5th Street Bridge Rehabilitation Project” Council approve OPTION 1 and OPTION 4:

OPTION 1 - That Council direct staff to proceed with the associated next steps to rehabilitate the 5th Street Bridge within its original scope including development of detailed traffic management and public engagement plans, and report back to Council no later than September 16, 2019; and

That staff simultaneously prepare a supporting draft Borrowing Bylaw for Council consideration.

OPTION 4 - That staff bring forward a report providing options for exploring a 6th Street multi-use pedestrian-bike bridge as an alternative to an upgrade to the 5th Street Bridge of adding cantilevered multi-use pathways; and

That a decision to explore and report on further development of a 6th Street multi-use pedestrian-bike bridge be subsequent to Council’s receipt and adoption of the forthcoming Transportation Master Plan.

Respectfully submitted,



David Allen, BES, CLGEM, SCLGM
Chief Administrative Officer

DISCUSSION:

Original Project Scope:

For more than a decade the scope of rehabilitation of the 5th Street Bridge has been to repair structural deficiencies, refurbish the bridge decking and recoat the bridge steel within the next five to seven years. Specifically:

- Removal of the lead-based paint and application of new coating;
- Steel repairs to the end of the deck beams underneath the bridge;
- Recoating the steel (4,200 m²);
- Removal of the hand rails and hot dip galvanizing the railings and rub rails;
- Removal of existing concrete overlay;
- Deck concrete removal to a partial depth;
- Placement of a new concrete overlay; and
- new road markings.

In March 2018, a conceptual design investigation was completed confirming the previous scope of work remains accurate. However, the investigation noted that the deck requires more extensive repair than earlier anticipated. Due to the deteriorated condition of the deck, two full-scale improvements were considered: cathodic protection or full deck replacement.

Cathodic protection is a well-proven technique originating in the marine environment used to protect metal from corrosion. By making the protected metal the cathode in a small DC electrical circuit, with sacrificial metal blocks added to the exterior of the structure to act as an anode causing the softer metal anodes to corrode while the cathode – the structural steel of a ship – does not. Though its application to reinforcing steel embedded in the concrete structure of the 5th Street Bridge is more complex, the intended technique will yield the same benefit. Therefore, cathodic protection is preferred to full deck replacement as it will protect the deck from further corrosion for the remaining life of the bridge. While only a partial deck replacement is immediately necessary (~\$240K), the life-cycle costs of cathodic protection are far less expensive than a full deck replacement that will very likely be required early in the intervening 20 years.

The project team has reviewed several other bridge projects on Vancouver Island, in particular the recent bridge rehabilitation projects in Campbell River and Duncan. Figure 1 highlights the recent Campbell River bridge rehabilitation which also required “wrapping” the steel structure for recoating which allowed the bridge to remain open to traffic. Understanding market conditions and drawing on these recent experiences has informed our thinking on the options, estimates and alternatives for our own project. However, when considered within the context of the City’s needs for maximizing the life of the bridge, traffic management and community impacts, and the original grant requirements, many alternatives explored to date are not considered feasible.

Therefore, the updated budget for deck rehabilitation includes cathodic protection (rather than full or partial deck replacement) and traffic management costs to ensure the bridge remains open to single lane traffic throughout the approximate six month construction period. To protect the marine environment from the lead paint removal process, the bridge will be wrapped during construction, which may reduce the access height of the bridge, but a detailed traffic management plan will be developed to mitigate traffic impacts where possible. The traffic management plan will review the current crossing and alternate routes and recommend strategies for addressing safety and traffic flow amongst all transportation modes and types of vehicles. Although temporary closures may be required at scheduled times, a full closure of the bridge is no longer being contemplated.

Cost escalation:

Since 2016, construction cost estimates for the original proposed scope of rehabilitation have increased significantly.

The original cost estimate of \$2.9 million contemplated cost-sharing of \$1.96 million (Province/Federal) and \$0.94 million (City of Courtenay) from the City’s reserve funds. The new cost estimate is \$6.3 million. This figure was received in November 2018 and reconfirmed in March 2019.

Representatives with the New Build Canada – Small Communities Fund have confirmed that the original grant amount of \$1.96 million would not be increased due to cost escalation. As a result, the City’s portion of the budget to rehabilitate the bridge (with no new pedestrian or cycling amenities) has increased to \$4.3 million.

Despite numerous cost estimates prepared over the last 20 years, which informed the grant application, the cost escalations over the last four years has been significant. The largest cost escalations occurred between 2014 and 2018, which have been record years for the value of construction on Vancouver Island,

increasing the cost of many municipal projects. Therefore, the cost impacts are in addition to conventional escalation (e.g. inflation), which is typical of construction trends, in combination with continuing deterioration of the bridge deck that requires a more intensive repair than originally estimated.

Opportunities for multi-modal amenities

The draft City of Courtenay Transportation Master Plan recommends a number of strategies for improving pedestrian and cycling connectivity across the Courtenay River. While a network of trails and access routes exist on the east and west sides of the 5th Street Bridge, the existing 1.5 metre sidewalks on the bridge are limited in their ability to accommodate travellers and respond to expected growth in walking and cycling. Cyclists crossing the bridge are currently required to either use the centre of the vehicle lane or walk their bike on the sidewalk. The TMP outlined two options for improving connectivity across the River: an upgrade to the 5th Street Bridge by adding cantilevered multi-use pathways on both sides of the bridge or the construction of a new, dedicated pedestrian and cycling bridge at 6th Street.

Cantilevered Multi-Use Pathway: As part of the rehabilitation project, 3.0 metre multi-use pathways can be cantilevered on both sides of the bridge to improve the level of service for people who walk and bike across the bridge. Cost estimates for the cantilevered pathway are preliminary, as the extent of trail and pathway upgrades in the vicinity of the bridge have not been studied, preventing development of full life-cycle cost estimates. Preliminarily, the cost for cantilevered pathways is \$2 million including tie-ins to existing pathways. However, further study would be required to refine estimates and maximize cross-river connectivity. Also, undertaking this capital upgrade will extend the duration of the rehabilitation project by several months and introduce new risk due to these unknown design and cost uncertainties.

Dedicated Multi-Use Bridge at 6th Street: The draft TMP also explores the concept of a dedicated pedestrian-cyclist bridge at 6th Street as an alternative to upgrading the 5th St Bridge with cantilevered multi-use pathways. This proposal was also referenced in the draft Parks and Recreation Master Plan (PRMP). Preliminary cost estimates for this facility are \$2 million - \$4 million. Urban Systems Technical Memorandum dated January 31, 2019 "6th Street Pedestrian and Cycling Bridge Cost Comparison Summary and Analysis" (Attachment 2) provides further details.

Should this be a preferred option, further analysis including level of service and full life-cycle costs for detailed design, maintenance, extent of pathway tie-ins, environmental considerations, approach improvements for access around 6th Street, and other Asset Management implications of a new, unfunded and unanticipated capital asset will need to be explored. Choosing this option will not affect the 5th Street Bridge rehabilitation project as long as they are not undertaken simultaneously.

FUNDING

Table 1 summarizes the original project estimate prepared in 2015 for the grant as well as the revised project costs in 2019 dollars.

Table 1: 5th Street Bridge Rehabilitation – 2015 vs. 2019 Project Costs

2015 Project Cost Estimate: \$2.9 million
<ul style="list-style-type: none"> • Provincial/Federal Funding (grant): \$1.96 million • City reserves: \$0.94 million
2019 Project Cost Estimate: \$6.3M
<ul style="list-style-type: none"> • Provincial/Federal Funding (grant): \$1.96 million

- City reserves \$0.94 million
- City Borrowing amount: \$3.4 million

Table 2: Rehabilitation elements and associated costs

Rehabilitation Element	COST (2019 \$)
Removal and replacement of Protective Coating	\$4.1 million
Cathodic Protection System to Extend Life of Bridge Deck	\$1.05 million
Structural Improvements	\$0.8 million
Traffic Management	\$0.35 million
Total	\$6.3 million

A contingency is built into the project budget for costs such as engineering, communications, project financing, construction capital costs, inspection and contract administration.

OPTIONS

Four options are presented below for Council consideration and are summarized in the following table:

Project Element	1) Original Scope - Rehabilitation	2) Rehabilitation + Cantilevers	3) Defer Project	4) New 6 th St. Pedestrian Bridge
Outcome	Rehabilitated crossing with 20-year updated useful service life with full utilization of the grant and cathodic protection versus deck replacement.	A rehabilitated crossing with extended service life that provides improved cycling and walking amenities, with full utilization of the grant.	Further deterioration and related liability of an important infrastructure asset.	Dedicated multi-use pedestrian-cyclist bridge at 6 th Street.
Duration	6 months	8 months	N/A	N/A
Bridge Recoating & Deck Renewal	\$4.1 million	\$4.1 million	TBD	N/A
Structural and Traffic	\$2.2 million	\$2.2 million	TBD	TBD
Cantilever Pathway	n/a	\$2 million	TBD	N/A
Total	\$6.3 million	\$8.3 million	TBD	\$2 million to \$4 million
Reserves	\$0.94 million	\$0.94 million		
City Borrowing Amount	\$3.4 million	\$5.4 million	N/A	ALL
Borrowing Costs*	\$233,300	\$370,550	N/A	N/A
Tax Impact**	1%	1.6%	N/A	N/A

Borrowing Costs*	\$233,300	\$370,550	N/A	N/A
Tax Impact**	1%	1.6%	N/A	N/A

* Borrowing costs calculated at standard MFA 20 year rate of 3.14%

** Tax Impact calculated based on 2019 tax rates.

FINANCING IMPLICATIONS

Project costs beyond grant funding and use of reserve funds would need to be financed as per municipal borrowing procedures for capital works (Municipal Finance Authority 3.14%, 20 year amortization). If Option 1 is chosen – the original scope of work – it would require borrowing \$3.4M and result in an estimated annual servicing cost of @\$233,000 per year, equaling approximately a 1% increase to the debt levy for property taxation purposes beginning in 2021 when the first payments would be due.

In order for the City to be included in the Fall 2020 long term borrowing issued through the Municipal Finance Authority, the borrowing process must begin no later than October 31, 2019. Steps to complete this process include bylaw preparation and three readings by Council, review and approval by the Province, elector approval, final adoption by Council with a one month quashing period, then issuance of a certificate of approval by the Province. The process can take up to eight months before funds are received.

ADMINISTRATIVE IMPLICATIONS

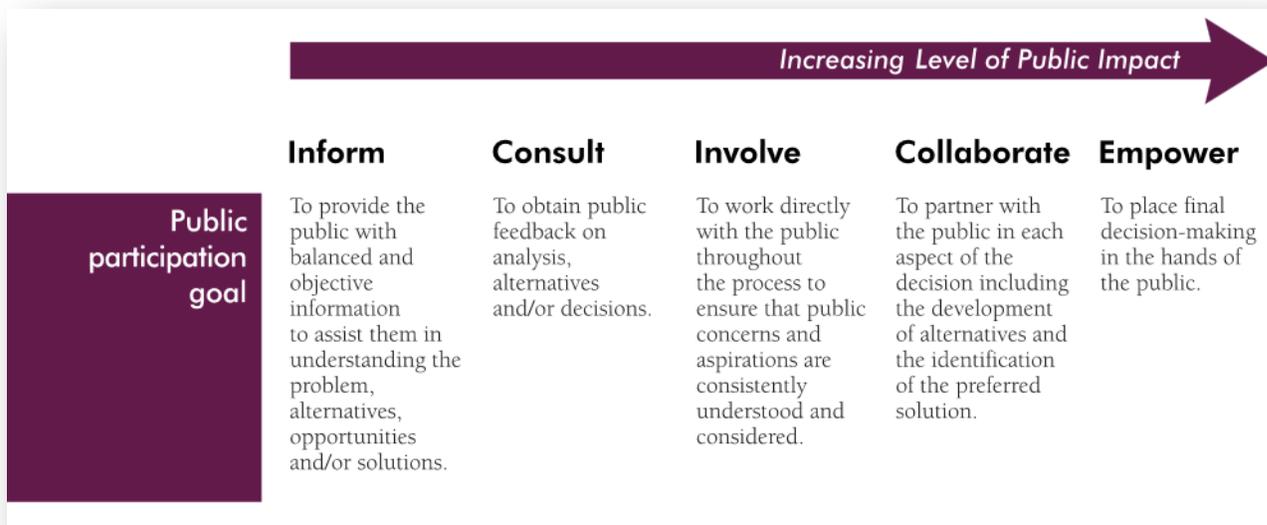
This will vary substantially depending upon the Option chosen, the method of project management and other factors that will be identified in the follow-on report of September 16, 2019.

PUBLIC ENGAGEMENT

The 5th Street Bridge is a critical community asset which affects and supports a variety of stakeholders and users. There is a need for extensive engagement amongst residents, businesses, river users, recreational groups, commercial drivers, and transit service providers, among others.

Proactive communications efforts about the scope and timing of the project, the implications to traffic and pedestrian/cycling movements and the travel alternatives that can be utilized to limit delays during periods of construction is essential to supporting the community. A detailed engagement plan for the lead-up period, ongoing during construction and reporting out to the public on completion will be prepared for Council consideration once an Option has been selected by Council.

The levels of public engagement based on the IAP2 Spectrum of Public Participation will likely vary for each phase of the project.



ASSET MANAGEMENT IMPLICATIONS

These are yet to be determined until an Option has been chosen.

STRATEGIC PRIORITIES, OCP AND TMP REFERENCE

Strategic Priorities 2019 - 2022

As part of the Strategic Priorities for 2019 – 2022 the following are relevant to the 5th Street Bridge Rehabilitation project:

We proactively plan and invest in our natural and built environment

- Focus on asset management for sustainable service delivery
- ▲ Look for regional infrastructure solutions for shared services
- ▲ Advocate, collaborate and act to reduce air quality contaminants
- ▲ Support social, economic and environmental sustainability solutions

We plan and invest in methods of multi-modal transportation

- Move forward with implementing the City's Transportation Master Plan
- ▲■ Collaborate with regional and senior government partners to provide cost-effective transportation solutions

Transportation Master Plan

In relation to the working draft of the TMP the following transportation vision was stated:

The City of Courtenay supports a transportation network that prioritizes connectivity and access to daily destinations and, through a balanced approach to transportation planning, provides all road users safe choices in their mode of transportation.

The supporting values to achieve the transportation vision include:

Values

1. Sustainability, livability & health
2. Safety + efficiency

3. Economic Prosperity
4. Connectivity
5. Affordability
6. Sustainable Land Use

Official Community Plan

In regards to the Official Community Plan for Courtenay, the following goals of Section 5.0 Transportation are relevant:

5.2 Goals

1. integrate land use changes with transportation planning to coordinate changes and increases to traffic patterns.
2. development of a transportation system that provides choices for different modes of travel including vehicle, transit, pedestrian, cycling and people with mobility impairments.
3. protect the integrity of the road classification system to facilitate the purpose and function of the specific road types.
4. support an integrated transportation system that works towards reducing travel distances and congestion.
5. support a transportation system that recognizes the importance of the character and overall appearance of the City.
6. provide an effective transportation system that facilitates the movement of vehicles throughout the community and the Comox Valley to major regional services such as the Little River Ferry System and the Comox Valley Airport.

CONCLUSION

Given the need for rehabilitation and the increasing cost escalation that will continue should work be delayed, City staff recommend that Council direct staff to proceed with Option 1 and the associated next steps to rehabilitate the 5th Street Bridge, including developing a traffic management plan that maintains single lane vehicles access during construction, and comprehensive public engagement strategy. Staff also recommend that a draft Borrowing Bylaw for Council be prepared for Council consideration and staff will report back to Council in September 2019.

OPTIONS

Option 1 & Option 4 (Recommended):

Option 1 - That Council direct staff to proceed with the associated next steps to rehabilitate the 5th Street Bridge within its original scope including development of detailed traffic management and public engagement plans, and report back to Council no later than September 16, 2019; and

That staff simultaneously prepare a supporting draft Borrowing Bylaw for Council consideration.

Option 4 - That staff bring forward a report providing options for exploring a 6th Street multi-use pedestrian-bike bridge as an alternative to an upgrade to the 5th Street Bridge of adding cantilevered multi-use pathways; and

That a decision to explore and report on further development of a 6th Street multi-use pedestrian-bike bridge be subsequent to Council's receipt and adoption of the forthcoming Transportation Master Plan.

Option 2:

That Council direct staff to proceed with the associated next steps to rehabilitate the 5th Street Bridge including the upgrade of adding cantilevered multi-use pathways plus development of detailed traffic management and public engagement plans, and report back to Council no later than September 16, 2019; and

That staff simultaneously prepare a supporting draft Borrowing Bylaw for Council consideration.

Option 3:

That Council direct staff to defer the 5th Street Rehabilitation Project to a future date of their choosing.

Prepared by:



Ryan O'Grady, P.Ag., P.Eng.
Director of Engineering Services

Prepared by:



David W. Love, CD, BA, LGM(Dip), MM, PE, PCAM
Senior Advisor, Strategic Initiatives

ATTACHMENTS (2):

1. Urban Systems Technical Memorandum dated January 22, 2019 "5th Street Bridge Rehabilitation - Project Cost Escalation Summary".
2. Urban Systems Technical Memorandum dated January 31, 2019 "6th Street Pedestrian and Cycling Bridge Cost Comparison Summary and Analysis"

APPENDIX A: FIGURES (2)

1. Fully Wrapped Bridge Accommodating Traffic
2. Conceptual Plan View of Cantilever-Pathway and Network

MEMORANDUM

Date: January 22, 2019
 To: Adam Pitcher, Engineering Technologist
 Cc: Ryan O'Grady, Director of Engineering Services
 From: Eric Sears
 File: 3222.0045.02
 Subject: 5th Street Bridge Rehabilitation – Project Cost Escalation Summary

The City of Courtenay is undertaking design and implementation of a number of required rehabilitation components for the 5th Street Bridge. Current construction cost estimates for the proposed works are significantly higher than the project costs requested in the grant funding that has been secured for the project. The grant funding received was \$2,947,400, which was based on previous estimates that have been prepared in various reports for the City over the past 20 years.

The purpose of this memo is to provide the City with a summary and timeline of previous reports and corresponding cost estimates regarding the required rehabilitation of the 5th Street Bridge.

This memo is presented in chronological order dating from a 1999 *Repainting of the Fifth Street Bridge* report to the 2015 *New Building Canada Fund - Small Communities Fund (NBCF-SCF)* grant application. Reports ranged from full bridge assessments and rehabilitation recommendations to basic costing updates.

The following reports were considered and summarized below:

1. October 1999 – *Repainting of Fifth Street Bridge, McElhanney Consulting Services Ltd.*
2. December 2002 – *5th Street Bridge Inspection, Watermain Installation Feasibility & Repainting Analysis, McElhanney Consulting Services Ltd.*
3. December 2008 – *Bridge Condition and Life-Cycle Cost Evaluation Report – 5th Street Bridge, McElhanney Consulting Services Ltd.*
4. February 2013 – *5th Street Bridge Rehabilitation Project – 2013 Status Update, McElhanney Consulting Services Ltd.*
5. *5th Street Bridge Cost Estimates – 2015 Dollars, McElhanney Consulting Services Ltd.*
6. February 2015 – *NBCF-SCF Grant Application.*

REPAINTING OF FIFTH STREET BRIDGE – OCTOBER 1999

The 1999 report included a structural assessment of the bridge, which was noted to be in “excellent structural condition” at the time. The majority of the original bridge coating was intact and bonding well to the steel. Corrosion was primarily limited to areas of physical damage to the coating. The condition of the superficial green vinyl paint was variable and visibly flaking of in some areas.

Two surface preparation methods were proposed: localized cleaning and paint removal using high pressure power washing, and abrasive sandblasting to remove all paint on the structure. Though the abrasive blasting was the preferred method, as it would result in complete removal of all hazardous lead containing paint, but localized high pressure power washing was ultimately recommended at the

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 Subject: 5th Street Bridge Remediation – Cost Escalation Summary
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time to reduce costs. For consistency, the cost estimate for the complete abrasive removal of the existing coating was considered for cost comparisons in this memo.

The total presented cost of the coating upgrades was \$660,000 in 1999 dollars. Cost estimates appear to be thorough, utilizing detailed quantity take-offs and contractor quotes.

1999 Report Summary

Year	Scope of Repairs	Costs	Changes in Scope from Previous Estimate	Cost Escalation from Previous Estimate	Apparent Development of Cost Estimates
1999	Complete removal of existing coating and recoating	\$660,000	N/A	N/A	Detailed cost estimate

5TH STREET BRIDGE INSPECTION, WATERMAIN INSTALLATION FEASIBILITY & REPAINTING ANALYSIS – DECEMBER 2002

The 2002 report expanded on the 1999 report with a more detailed structural analysis. A slight increase in corrosion was noted when compared to the 1999 analysis; however, the bridge was still designated to be in good condition. Immediate remediation of the bridge was not recommended, but it was noted that recoating would significantly prolong the life of the structure.

Four levels of coating treatment were proposed: complete recoating, removal of loose paint and corroded steel and overcoating, no action, or aesthetic overcoating. It was recommended that complete recoating of the bridge be completed, unless the bridge was replaced within the next 15 years.

The total presented cost of the complete coating upgrades was \$950,000. Cost estimates again appear to be thorough and include various options from several contractors.

2002 Report Summary

Year	Scope of Repairs	Costs	Changes in Scope from Previous Estimate	Cost Escalation from Previous Estimate	Apparent Development of Cost Estimates
2002	Complete removal of existing coating and recoating	\$950,000	No change	+/- 13% per year for three years	Detailed cost estimate

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BRIDGE CONDITION AND LIFE CYCLE COST EVALUATION REPORT – 5TH STREET BRIDGE – DECEMBER 2008

The 2008 report featured an in-depth Life Cycle Cost (LCC) analysis of the 5th Street Bridge from 2008 to the eventual replacement of the bridge. As part of the LCC analysis, a complete bridge inspection, including structural assessment, was conducted. The condition of the steel was once again noted to be in generally good to excellent condition, with a few small areas of corrosion where the coating had completely failed. Overall, the coating was noted to be in its “mid to late stages of useful life.”

Seven scenarios were considered, four of which evaluated bridge recoating. The four recoating scenarios varied in the timing of recoating work across the remaining lifecycle of the bridge. The recommended scenario included recoating of the splash zone in year 5 of the lifecycle, with the remainder of the recoating and any touch-ups to be completed in year 11. The scenario utilized for cost comparison in this memo considers the complete recoating of the surface at one time, without returning for touch-ups.

This report contains the first mention of the deteriorating condition of the bridge decking. In addition to the recoating, general bridge rehabilitation and replacement of the deck overlay was included in the recommendations. The recommendations included replacement of deck joints, partial removal and patching of the bridge deck and sidewalk concrete surface, sealing of the deck and sidewalk surface, birds nest protection and steel rail straightening.

The total presented costs were broken out as \$2,256,276 for the recoating of the bridge structure and \$222,344 for the deck rehabilitation, for a total of \$2,478,620 in 2008 dollars. The bridge structure recoating was prepared based on an estimate from a coating specialist of \$1,837,262 plus a contingency of 25%.

2008 Report Summary

Year	Scope of Repairs	Costs	Changes in Scope from Previous Estimate	Cost Escalation from Previous Estimate	Apparent Development of Cost Estimates
2008	Complete removal of existing coating and recoating Deck repairs	\$2,256,276 Coating Costs \$222,344 for Deck Repairs	Addition of deck repairs	+/- 15.5% per year over 6 years for coating costs only.	Detailed cost estimate

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5TH STREET BRIDGE REHABILITATION PROJECT – 2013 STATUS UPDATE – FEBRUARY 2013

The City of Courtenay completed maintenance to the bridge in 2012, including some items from the general bridge rehabilitation work that was recommended in the 2008 report. These minor repairs allowed for further inspection of the bridge in locations not previously accessible, such as the below deck structure. “Moderate to heavy corrosion” was noted at the ends of the deck beams. It was also noted in the report that “repairs will be needed at the ends of the main deck beams, prior to recoating the bridge”. The condition of the bridge was downgraded to fair, and it was noted that a complete recoating would be required.

Costs developed as part of the 2008 report were updated and modified to reflect observations made in 2012. Recoating cost estimates were increased to \$2,405,000. The recoating costs utilized the 2008 cost estimate plus minor allowances for traffic control and mobilization. It appears that the base cost of the coating as presented in 2008 (\$2,256,276) was not updated or increased in the 2013 cost estimates.

The deck rehabilitation estimate was increased to \$231,900, due to a \$14,000 increase in the “Remove Existing Overlay” line item. Deck concrete removal, new concrete overlay, and line painting costs were not adjusted from 2008 costs.

\$125,000 was added to the estimate for the structural repairs to the deck beams for a total project cost of \$2,761,900.

2013 Report Summary

Year	Scope of Repairs	Costs	Changes in Scope from Previous Estimate	Cost Escalation from Previous Estimate	Apparent Development of Cost Estimates
2013	Complete removal of existing coating and recoating	\$2,405,000 Coating Costs	Addition of structural repairs to the deck beams	No escalation or inflation costs were considered. Cost increases were due to addition scope.	Use of previous cost estimates plus additional allowances.
	Deck repairs	\$231,900 for Deck Repairs			
	Structural repairs of deck beams on underside of the bridge	\$125,000 for Structural Repairs			

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5TH STREET BRIDGE – COST ESTIMATES – 2015

The 5th Street Bridge Cost Estimate – 2015 document contains an updated cost estimate not accompanied by a report. The document contains an update to cost estimate tables for recoating of the bridge and rehabilitation of the concrete decking.

Complete recoating and structural repair cost estimates were increased to \$2,631,000. The deck rehabilitation estimate was increased to \$241,200 for a total of \$2,716,900. The unit costs noted in the document are a 4% increase to the 2013 costs.

2015 Report Summary

Year	Scope of Repairs	Costs	Changes in Scope from Previous Estimate	Cost Escalation from Previous Estimate	Apparent Development of Cost Estimates
2015	Complete removal of existing coating and recoating Deck repairs Structural repairs of deck beams on underside of bridge	\$2,501,200 Coating Costs \$241,200 for Deck Repairs \$130,000 for Structural Repairs	none	4% increase from 2013 costs.	Use of previous estimates plus an inflation factor.

NBCF-SCF GRANT APPLICATION – FEBRUARY 2015

The grant application submitted in February 2015 for the bridge retrofit utilized costs from the “5th Street Bridge Cost Estimate – 2015 Dollars” document. The total project costs noted in the funding request is the value of the 2015 estimate, with an additional \$75,000 included under Design/Engineering Costs. This addition is assumed to be for a scope review exercise that was noted in the application document. The scope of repair work presented in the grant application includes:

- Bridge recoating:
 - Steel repairs to the end of the deck beams underneath the bridge (20 ea)
 - Recoating of all the steel (4,200 m²)
 - Removal of the handrails and hot dip galvanizing the railings and rub rails
- Deck re-surfacing
 - Removal of existing overlay
 - Deck concrete removal, partial depth
 - New concrete overlay
 - Line painting

The scope in the grant application is consistent with the scope of work presented in previous reports.

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2018 PROJECT SCOPE AND COSTING

The project scope currently includes all items included in the 2015 grant application noted above. In 2017, there was a scope confirmation exercise performed by the Urban Systems team to reconfirm the needs of the repairs. This review did not reveal any new deficiencies on the bridge but did acknowledge that the concerns are getting worse.

The concept for the deck repairs was recommended to be changed from a full deck replacement to a cathodic protection system that will provide future protection to the deck for the life of the bridge. This concept was chosen due to the lifecycle costs and lower traffic impacts, but does come at a slight cost premium over the originally proposed concrete deck removal concept.

2018 Report Summary

Year	Scope of Repairs	Costs	Changes in Scope from Previous Estimate	Cost Escalation from Previous Estimate	Apparent Development of Cost Estimates
2018	Complete removal of existing coating and recoating Deck repairs Structural repairs of deck beams on underside of the bridge	\$4,800,000 for Coating and structural repairs \$1,500,000 for Deck Rehabilitation	Increased traffic management and new deck replacement concept.	+/- 30% per year over 3 years from grant funding request date. +/- 9.9% per year over 10 years from 2008 Costs.	Detailed costs estimate and comparison based on similar projects on Vancouver Island

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 Subject: 5th Street Bridge Remediation – Cost Escalation Summary
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CONCLUSIONS

The table below provides a summary of the scope and costs presented in the reports above.

Bridge Remediation Cost Summary

Year	Scope of Repairs	Costs	Changes in Scope from Previous Estimate	Cost Escalation from Previous Estimate	Apparent Development of Cost Estimates
1999	Complete removal of existing coating and recoating	\$660,000.00	N/A	N/A	Detailed Cost Estimate
2002	Complete removal of existing coating and recoating	\$950,000.00	None	Approximately 13% per year for three years	Detailed Cost Estimate
2008	Bridge recoating and deck rehab	\$2,478,620.00	Addition deck rehabilitation	Approximately 15.5 % for 6 years	Detailed Cost Estimate
2013	Bridge recoating and deck rehab	\$2,761,900.00	Addition of structural repairs to the deck beams.	Cost increases were due to additional scope; no escalation costs were included from 2008 costs.	Updates to 2008 Costs
2015	Bridge recoating and deck rehab	\$2,872,400.00	None	2.1% per year for 2 years	Updates to 2013 Costs
2015	Grant application	\$2,947,400.00	None	N/A	2013 values plus an additional \$75,000 for scope confirmation activities
2018	Recoat all steel, structural repairs and deck rehabilitation	\$4,800,000 for Coating and structural repairs \$1,500,000 for Deck Rehabilitation	Increased traffic management and new deck replacement concept.	Approximately 30% for 3 years from grant funding request Approximately 9.9% for 10 years from 2008 costs	Detailed Cost estimate based on similar projects on Vancouver Island

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Based on the information presented above we can make the following conclusions:

- Cost estimates for the bridge have been prepared numerous times over the past 20 years, and cost escalation from previous estimates have been significant.
- Prior to the 2018 detailed estimate, the last detailed estimate was performed in 2008.
- From 2008 to 2015, when the grant was submitted, the cost increases were minimal and mostly associated with small inflation factors and small additions to the scope of the work. The base costs for the coating replacement and the deck repair work were not increased between 2008 and 2015.
- In 2014/2015 when the grant was prepared, the construction market on Vancouver Island was variable. Between 2014 and 2018, there have been record years for the value of construction on Vancouver Island, which has escalated costs significantly for many municipal projects.
- The costs presented previously did not consider major traffic shutdowns, and minimal traffic management costs were carried in the estimates. This implies that a full bridge shutdown was anticipated. The costs presented in 2018 include a concept of maintaining a single lane, alternating traffic pattern. This concept comes at a cost premium to the overall project costs.

Regards,



Eric Sears, P. Eng.
Project Leader
/eds

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MEMORANDUM

Date: January 31, 2019
To: Adam Pitcher, Engineering Technologist
cc: Ehren Lee, P.Eng
From: Eric Sears, P.Eng
File: 3222.0049.01
Subject: 6th Street Pedestrian and Cycling Bridge Cost Comparison Summary and Analysis

1. Introduction

In 2014, the 6th Street Bridge Steering Committee prepared a report outlining a conceptual design for a pedestrian and cycling bridge across the Courtenay River located at the foot of 6th Street which would connect to Simms Millennium Park. The report outlined a preferred design, community impact, constraints, opportunities, and costing information for a proposed 6th Street pedestrian bridge.

The cost presented in the 2014 report estimated \$1.3 million to \$1.5 million for the bridge construction, \$300,000 for engineering and construction management soft costs, and an allowance of \$150,000 for landscaping, a timber gateway feature, and lighting. A contingency of approximately 15% was also included to present a total cost estimate for the project of approximately \$2.0 million.

The concept of the 6th Street pedestrian bridge has recently been brought up as part of discussions around the potential scope of work for the 5th Street Bridge and the Transportation Management Plan regarding pedestrian and cycling connections across the river. In a presentation to council on November 26th, 2018 we noted that the expected costs for a pedestrian crossing could be \$3.5 to \$4.0 million.

2. Cost Estimate Discussion

Cost estimates prepared during the conceptual design stage are typically classified as Class D or Order-of-Magnitude cost estimates. Class D cost estimates typically carry a 35% to 50% contingency due to the level of uncertainty with the design and potential project risks during the conceptual design stage. Major factors that lead to this uncertainty is project scope, geotechnical considerations and market fluctuation. At the conceptual design phases, these items have not been confirmed and can fluctuate greatly by the time of construction.

All cost estimates, including Class D, should provide unit prices and/or allowances included for the project scope with the contingency applying to the total amount. Engineering and construction management fees are included at this stage at typically 15-20% of the construction budget (including contingency) to cover the detailed design, contract administration and inspection labour.

3. 2014 Concept Design and Cost Estimate

The 6th Street Steering Committee prepared a conceptual design report outlining the type of bridge, bridge deck width, and landscaping and urban design treatments for the 6th Street pedestrian and cycling bridge. The concept design of the bridge was well developed and a cable stayed type bridge was selected as the preferred design due to the expected relatively low cost and the iconic nature of the type of bridge. The

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Date: January 31, 2019
File: 3222.0049.01
Subject: 6th Street Pedestrian and Cycling Bridge Cost Comparison Summary and Analysis
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steering committee reached out to a bridge engineer to provide a conceptual cost estimate for the construction of the bridge, engineering and construction management. The costs discussed in the report are approximately \$2,000,000 for the project which includes the bridge, allowances landscaping and entry features along with engineering and contingency allowances. The cost estimate developed for the 2014 concept design report was provided with very little details so there is no way to review the unit costs used during the preparation of the cost estimate. A 15% contingency and allowances for Engineering Costs were included in the project costs.

Cost for bridge structures are often presented based on a price per m² of the structure. In 2014 the base bridge cost was presented at approximately \$4,600/m² assuming a 5m wide structure spanning 65 m. This would be for the construction of the bridge structure only at \$1,500,000.

4. 2019 Cost Considerations

Urban Systems has reviewed the previous costs for the 6th Street Pedestrian Bridge along with other pedestrian bridges that have been constructed on Vancouver Island in the past couple of years. Two highway pedestrian crossings in Victoria have recently been constructed at costs between \$3,000 and \$4,500 per m². Based on the comparison of these two projects we would expect the 6th Street Bridge to be costlier than these two bridge costs. Costs will be higher in Courtenay compared to Victoria and working across the River will add to the complexity of the project. Geotechnical considerations are also a major unknown at the location of the 6th Street crossing.

Based on the information in the 2014 design report there may be also a number of items that might not have been included in the cost estimates. These would include:

- Clearing, grubbing and stripping;
- Pathways tying into existing infrastructure;
- Bridge lighting;
- Landscaping;
- Environmental;
- Retaining Structures outside of bridge; and
- Associated roadworks upgrades.

5. Summary Discussion

Construction costs are usually expected to increase by 3% to 5% each year due to standard inflation and price escalation. However, over the past 5 years on Vancouver Island construction has increased dramatically with unit rates for standard construction material closely following. The Vancouver Island Construction Association release reports every year about the state of construction on Vancouver Island. The year 2014 according to these reports was a bit of a lull in the construction industry while the year 2018 was amongst the busiest years for construction on the Island. Prices tend to increase for construction work during boom years which would suggest a significant increase for the 6th Street Pedestrian and Cycling bridge from 2014.

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Date: January 31, 2019
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Subject: 6th Street Pedestrian and Cycling Bridge Cost Comparison Summary and Analysis
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Based on the above, If the City were to proceed with constructing a pedestrian bridge at 6th Street we would expect that a complete bridge structure with connections at either end of the span could be completed for \$3.5 to \$4.0 million, including contingencies, engineering and other associated costs.

In order to refine these costs and reduce potential risks, further preliminary design considerations, including geotechnical reviews would need to be prepared.

Sincerely,

URBAN SYSTEMS LTD.

A handwritten signature in blue ink, appearing to read "E.S.", with a horizontal line extending to the left.

Eric Sears, P.Eng
Municipal Engineer

/eds

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Figure 1: Fully Wrapped Bridge Accommodating Traffic



Figure 2: Conceptual Plan View of Cantilever-Pathway and Network