

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

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

Changes to Council Meetings Due to Coronavirus COVID-19 Pandemic

Due to the Coronavirus COVID-19 emergency, the City of Courtenay with the authority of Ministerial Order No. MO83 *Local Government Meetings & Bylaw Process COVID-19*; has implemented changes to its open Council meetings.

In the interest of public health and safety, public in-person attendance at Council meetings will be prohibited until further notice. Council meetings will be presided by the Mayor or Acting Mayor with electronic participation by Council and staff. Meetings are available for viewing via live web streaming or video recording on the City of Courtenay website and will start at 1:00 p.m. during this period.

**DATE: May 11, 2020
PLACE: City Hall
TIME: 1:00 p.m.**

K'OMOKS FIRST NATION ACKNOWLEDGEMENT

1.00 ADOPTION OF MINUTES

- 1 1. Adopt May 4th, 2020 Regular Council meeting minutes

2.00 INTRODUCTION OF LATE ITEMS

3.00 DELEGATIONS

4.00 STAFF REPORTS/PRESENTATIONS

(a) Financial Services

- 5 1. 2019 Audited Financial Statements and Presentation Facilitated by Cory Vanderhorst, MNP

(b) Development Services

- 45 2. Official Community Plan (OCP) - Consultation Requirements
- 53 3. Structural Change to Liquor Licence Application (Ace Brewing Company Limited) - 150 Mansfield Drive
- 75 4. Building Amendment Bylaw No. 3004, 2020 Solid Fuel Burning Appliances

5.00 EXTERNAL REPORTS AND CORRESPONDENCE FOR INFORMATION

6.00 INTERNAL REPORTS AND CORRESPONDENCE FOR INFORMATION

- 79 1. Briefing Note - 2020 Canada Day Celebrations Cancelled Due to COVID-19
- 81 2. Briefing Note - 2020 Heritage BC Award for Lawrence Burns
- 83 3. Briefing Note - 5th Street Bridge Rehabilitation Update
- 87 4. Parks & Recreation Advisory Commission Meeting Minutes - February 6th, 2020

7.00 REPORTS/UPDATES FROM COUNCIL MEMBERS INCLUDING REPORTS FROM COMMITTEES

- Councillor Cole-Hamilton
- Councillor Frisch
- Councillor Hillian
- Councillor McCollum
- Councillor Morin
- Councillor Theos
- Mayor Wells

8.00 RESOLUTIONS OF COUNCIL

1. In Camera Meeting

That notice is hereby given that a Special In-Camera meeting closed to the public will be held May 11th, 2020 at the conclusion of the Regular Council Meeting pursuant to the following sub-sections of the *Community Charter*:

- 90 (1) (c) labour relations or other employee relations;
- 90 (1) (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.

9.00 UNFINISHED BUSINESS

10.00 NOTICE OF MOTION

11.00 NEW BUSINESS

12.00 BYLAWS

For First, Second and Third Reading

- 89 1. “Building Bylaw Amendment Bylaw No. 3004, 2020”
(A bylaw to amend City of Courtenay Building Bylaw No. 3001, 2020 to regulate solid fuel burning appliances)

For Final Adoption

- 89 1. “Building Bylaw Amendment Bylaw No. 3004, 2020”
(A bylaw to amend City of Courtenay Building Bylaw No. 3001, 2020 to regulate solid fuel burning appliances)

13.00 ADJOURNMENT

R10/2020 - May 04, 2020

Minutes of a Regular Council Meeting held at City Hall, Courtenay B.C., on Monday, May 04, 2020 at 1:00 p.m.

Due to the Coronavirus COVID-19 emergency, the City of Courtenay with the authority of Ministerial Order No. MO83 *Local Government Meetings & Bylaw Process COVID-19*; implemented changes to its open Council meetings.

In the interest of public health and safety, public in-person attendance at Council meetings is prohibited until further notice. Council meetings are presided over by the Mayor or Acting Mayor with electronic participation by Council and staff via live web streaming and start at 1:00 p.m. during this period.

Attending:

Mayor: B. Wells via video/audio conference
Councillors: W. Cole-Hamilton via video/audio conference
D. Frisch via video/audio conference
D. Hillian via video/audio conference
M. McCollum via video/audio conference
W. Morin via video/audio conference
M. Theos via video/audio conference

Staff:

D. Allen, CAO via video/audio conference
J. Ward, Director of Legislative and Corporate Services/Deputy CAO via video/audio conference
W. Sorichta, Manager of Legislative & Corporate Administrative Services via video/audio conference
T. Kushner, Deputy CAO via video/audio conference
I. Buck, Director of Development Services via video/audio conference
J. Nelson, Director of Financial Services via video/audio conference
M. Fitzgerald, Manager of Development Planning via video/audio conference
E. Gavelin, Network Technician via video/audio conference

1.00 ADOPTION OF MINUTES

.01 Moved by Cole-Hamilton and seconded by Frisch that the April
MINUTES 27th, 2020 Regular Council meeting minutes be adopted.
Carried

2.00 ADOPTION OF LATE ITEMS

3.00 DELEGATIONS

4.00 STAFF REPORTS/PRESENTATIONS

.01
DEVELOPMENT
VARIANCE PERMIT
NO. 2001 -
1435 GRIFFIN DRIVE
3090-20-2001

Moved by McCollum and seconded by Hillian that based on the May 4th, 2020 staff report “Development Variance Permit No. 2001 - 1435 Griffin Drive”, Council approve OPTION 1 and proceed with issuing Development Variance Permit No. 2001.

Carried

.02
DEVELOPMENT
PERMIT WITH
VARIANCES NO. 1908
2800 ARDEN ROAD
3060-20-1908

Moved by Morin and seconded by Theos that based on the May 4th, 2020 staff report “Development Permit with Variances No. 1908 - 2800 Arden Road” Council approve OPTION 1 and complete the following steps:

1. That Council direct staff to schedule a Public Hearing for the requested modifications to Covenant CA6752450 when regular Council meetings resume or an alternative Public Hearing format is authorized by the Province and approved by Council; and,
2. That a final decision on “Development Permit with Variances No. 1908 - 2800 Arden Road” be withheld until Covenant CA6752450 is modified to permit the proposed development.

Carried

.03
SECURITY ISSUING
RESOLUTION - LONG
TERM DEBENTURE
LOAN
AUTHORIZATION
BYLAW 2985, 2019
(2020 GREENWOOD
TRUNK CONNECTION
SANITARY SEWER
CAPITAL PROJECT)
1760-02

Moved by Frisch and seconded by Cole-Hamilton that based on the May 4th, 2020 staff report “Security Issuing Resolution - Long Term Debenture Loan Authorization Bylaw 2985, 2019”, Council approve OPTION 1 and approve borrowing from the Municipal Finance Authority of British Columbia, as part of the 2020 Fall borrowing session, \$3,000,000 as authorized through the 2020 Greenwood Trunk Connection Sanitary Sewer Capital Loan Authorization Bylaw No. 2985, 2019 and;

That the Comox Valley Regional District be requested to consent to the borrowing over a 25 year term and include the borrowing in a Security Issuing Bylaw.

Carried

5.00 EXTERNAL REPORTS AND CORRESPONDENCE FOR INFORMATION

6.00 INTERNAL REPORTS AND CORRESPONDENCE FOR INFORMATION

7.00 REPORTS/UPDATES FROM COUNCIL MEMBERS INCLUDING REPORTS FROM COMMITTEES

.01 Council agreed to skip discussion related to Item 7 *Reports/Updates from Council Members Including Reports from Committees* at the May 4th, 2020 Council agenda in the interest of time; and agreed that each Council member may submit a written summary of their events to staff for inclusion in the meeting minutes.

REPORTS/UPDATES FROM COUNCIL MEMBERS
0530-01

8.00 RESOLUTIONS OF COUNCIL

.01 Moved by Hillian and seconded by McCollum that whereas there continues to be a significant homeless population in the Courtenay area whose presence in unsupported settings and unsanctioned campsites creates risks related to health and safety, including fire, environmental hazards and unhygienic conditions that, according to health officials, increase the risk of COVID-19 transmission;

COUNCILLOR HILLIAN - TEMPORARY HOUSING & SUPPORT SERVICES (COVID-19) PROPOSAL TO PROVINCE IN PARTNERSHIP WITH CV COALITION TO END HOMELESSNESS
0400-20/0410-20

Therefore be it resolved that the City of Courtenay work with the Comox Valley Coalition to End Homelessness to present a proposal to the provincial government for funding to address these risks through the provision of temporary housing and related support services.

Carried

9.00 UNFINISHED BUSINESS

10.00 NOTICE OF MOTION

11.00 NEW BUSINESS

.01 Moved by Theos and seconded by Frisch that the correspondence dated March 12th, 2020 from Mr. Wendel Lamb requesting the City of Courtenay to consider a recreational vehicle sani-dump sewage waste disposal site in Courtenay, be received for information.

REQUEST TO CONSIDER A RECREATIONAL VEHICLE SANI-DUMP SEWAGE WASTE DISPOSAL SITE IN COURTENAY
5340-01

Carried

New motion:

Moved by Hillian and seconded by Theos that Council direct staff to contact the Comox Valley Sewage Commission to investigate options and implications for the provision of a recreational vehicle sanitary sewage waste disposal site in the Comox Valley.

Carried

12.00 BYLAWS

13.00 ADJOURNMENT

.01 Moved by Frisch and seconded by Cole-Hamilton that the meeting now adjourn at 2:24 p.m.
Carried

CERTIFIED CORRECT

Corporate Officer

Adopted this 11th day of May, 2020

Mayor



THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT

To: Council
From: Chief Administrative Officer
Subject: 2019 Audited Financial Statements

File No.: 1870-02 [2019]
Date: May 11, 2020

PURPOSE:

The purpose of this report is to request approval of the audited financial statements for the year ended December 31, 2019.

POLICY ANALYSIS:

Section 171 of the *Community Charter* requires that the municipal auditor report to Council on the annual financial statements. Council is responsible for the review and approval of the financial statements. This is one of the key roles that Council fulfils to ensure that the City's financial and organizational resources are sound.

EXECUTIVE SUMMARY:

The firm of MNP LLP was appointed by Council to undertake the independent audit for the 2019 year. Under the terms of their engagement, the interim audit work was performed in October 2019, and final audit work undertaken in March 2020. Presentation of the financial statements and auditor's report will take place on May 11, 2020.

CAO RECOMMENDATIONS:

That based on the May 11, 2020 staff report "2019 Audited Financial Statements" Council approve OPTION 1 which approves the Audited Financial Statements for the year ended December 31, 2019.

Respectfully submitted,

David Allen, BES, CLGEM, SCLGM
Chief Administrative Officer

BACKGROUND:

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

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

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

DISCUSSION:

The firm of MNP LLP was appointed by Council to undertake the annual independent financial audit of the City for the 2019 calendar year. In October, MNP communicated their Audit Service Plan to Council, and audit staff were on site in October to perform the interim audit process. The final 2019 audit procedures were carried in March 2020.

At the regular meeting of Council May 11, 2020, MNP will provide Council with their 2019 Audit Findings Report, as well as present an overview of the City's financial position.

Attached are the following documents for Council's reference:

1. Independent Auditor's Report, MNP LLP
2. Audit Findings Report for the year ended December 31, 2019
3. City of Courtenay, Audited Financial Statements for the year ended December 31, 2019

We are pleased to report that the audit is complete, and that the firm of MNP LLP will be providing approval of, and an unqualified opinion on, the 2019 consolidated financial statements.

FINANCIAL IMPLICATIONS:

Audit Service Fees for the 2019 year end cost \$34,230 as identified in the Audit Service Plan presented to Council in October 2019.

ADMINISTRATIVE IMPLICATIONS:

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

STRATEGIC PLAN REFERENCE:

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

OFFICIAL COMMUNITY PLAN REFERENCE:

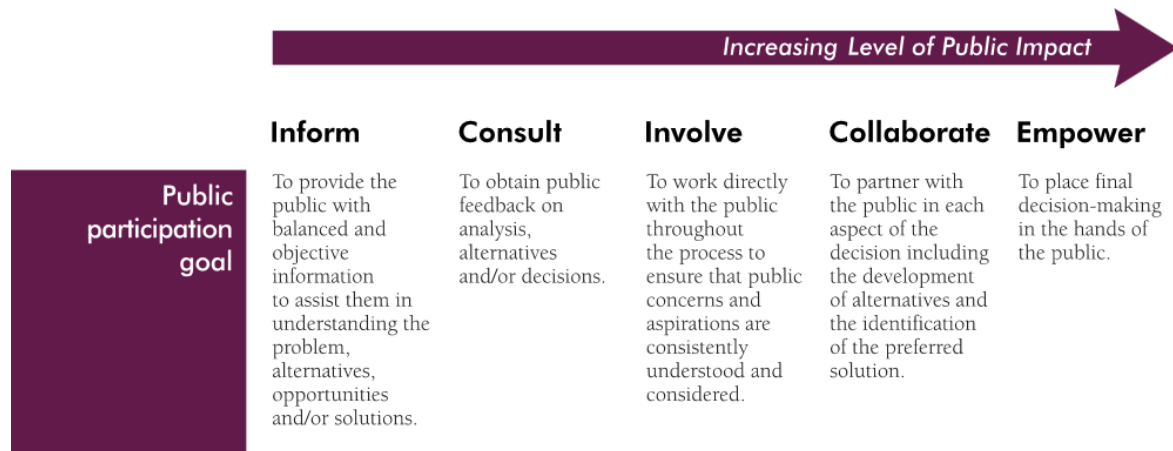
Not applicable

REGIONAL GROWTH STRATEGY REFERENCE:

Not applicable

CITIZEN/PUBLIC ENGAGEMENT:

The public will be **informed** of the outcome of Council’s consideration of the 2019 Audited Financial Statements. This is based on level one of the IAP2 Spectrum of Public Participation adopted as an element of Sound Project Design for the Corporate Workplan.



OPTIONS:

- OPTION 1: That Council approves the City of Courtenay Audited Financial Statements for the year ended December 31, 2019.
- OPTION 2: That Council does not approve the Audited Financial Statements for the year ended December 31, 2019.

Prepared by:

Renata Wyka, CPA, CGA
Manager of Finance

Concurrence:

Jennifer Nelson, CPA, CGA
Director of Financial Services

Attachments:

- 1. Independent Auditor’s Report, MNP LLP
- 2. 2019 Audit Findings Report
- 3. Consolidated Financial Statements for Year Ended December 31, 2019

Independent Auditor's Report

To the Mayor and Council of the City of Courtenay:

Opinion

We have audited the consolidated financial statements of the City of Courtenay (the "City"), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations, accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2019, and the results of its consolidated operations, changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

Courtenay, British Columbia

May 11, 2020

Chartered Professional Accountants

DRAFT - For Discussion Purposes Only



City of Courtenay

2019 Audit Findings
Report to Council
December 31, 2019

Cory Vanderhorst, CPA, CA
T: 250.753.8251
E: Cory.Vanderhorst@mnp.ca



May 11, 2020

Members of Council of City of Courtenay

Dear Sirs/Mesdames:

We are pleased to submit to you this report for discussion of our audit of the consolidated financial statements of the City of Courtenay (the "City") as at December 31, 2019 and for the year then ended. In this report we cover those significant matters which, in our opinion, you should be aware of as members of Council.

We have substantially completed our audit of the consolidated financial statements of the City which has been carried out in accordance with Canadian generally accepted auditing standards.

Unless unforeseen complications arise, our Independent Auditor's Report will provide an unmodified opinion to the Mayor and Council of the City.

This report is intended solely for the information and use of Council and management and should not be distributed to or used by any other parties than these specified parties.

The matters raised in this and other reports that will flow from the audit are only those which have come to our attention arising from or relevant to our audit that we believe need to be brought to your attention. They are not a comprehensive record of all the matters arising, and in particular we cannot be held responsible for reporting all risks in your business or all control weaknesses. This report has been prepared solely for your use and should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared for, and is not intended for, any other purpose.

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

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

Sincerely,



MNP LLP
Chartered Professional Accountants

INTRODUCTION

As auditors, we report to the Mayor and Council on the results of our examination of the consolidated financial statements of the City of Courtenay (the "City") as at and for the year ended December 31, 2019. The purpose of this Audit Findings Report is to assist you, as members of Council, in your review of the results of our audit. To facilitate in your understanding of our findings, Appendix A to this report summarizes our audit process.

Our report will discuss the status of our engagement, as well as communicate to you significant audit, accounting and reporting matters arising from our procedures. We hope that this report is of assistance to you, and we look forward to discussing our findings and answering your questions.

ENGAGEMENT STATUS

We have substantially completed our audit of the consolidated financial statements of the City and are prepared to sign our Independent Auditor's Report subsequent to completion of the following procedures:

- Mayor and Council's review and approval of the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

We expect to have the above procedures completed and to release our Independent Auditor's Report on May 11, 2020.

Unless unforeseen complications arise, our Independent Auditor's Report will provide an unmodified opinion to the Mayor and Council of the City.

SIGNIFICANT AUDIT, ACCOUNTING AND REPORTING MATTERS

AUDIT AND REPORTING MATTERS

The following significant matters arose during the course of audit that we wish to bring to your attention.

| AREA | COMMENTS |
|--|--|
| CHANGES FROM AUDIT SERVICE PLAN | There were no deviations from the Audit Service Plan previously presented to you. |
| FINAL MATERIALITY | Materiality is a concept used to assess the significance of misstatements or omissions that are identified during the audit and is used to determine the level of audit testing that is carried out. The scope of our audit work is tailored to reflect the relative size of operations of the City, and is affected by our assessment of materiality and audit risk. Final materiality used for our audit was \$2,000,000 for December 31, 2019 and \$1,800,000 for December 31, 2018. |
| DIFFICULTIES ENCOUNTERED | No significant limitations were placed on the scope or timing of our audit. |

| AREA | COMMENTS |
|---|--|
| IDENTIFIED OR SUSPECTED FRAUD | <p>Due to the inherent limitations of an audit and the nature of fraud, including attempts at concealment through forgery or collusion, an audit conducted in accordance with Canadian generally accepted auditing standards cannot be relied upon to detect fraud.</p> <p>While our audit cannot be relied upon to detect all instances of fraud, no incidents of fraud, or suspected fraud, came to our attention in the course of our audit.</p> |
| IDENTIFIED OR SUSPECTED NON-COMPLIANCE WITH LAWS AND REGULATIONS | <p>Nothing has come to our attention that would suggest any non-compliance with laws and regulations that would have a material effect on the consolidated financial statements.</p> |
| MATTERS ARISING IN CONNECTION WITH RELATED PARTIES | <p>No significant matters arose during the course of our audit in connection with related parties of the City.</p> |
| SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL | <p>Our audit process focuses on understanding the controls utilized in management's reporting systems to the extent necessary to identify overall and specific financial reporting risks. This risk assessment allows us to concentrate our audit procedures on high risk areas and, where possible, place reliance on controls within the financial reporting system to reduce the extent of our testing.</p> <p>It is important to note that our assessment was not, nor was it intended to be, sufficient to comment or conclude on the sufficiency of internal controls.</p> <p>We are required under Canadian generally accepted auditing standards to communicate all significant deficiencies identified during an audit to Council on a timely basis. However, we may not be aware of all significant deficiencies that do, in fact, exist.</p> <p>While our review of controls was not sufficient to express an opinion as to their effectiveness or efficiency, no significant deficiencies in internal control have come to our attention</p> |
| GOING CONCERN | <p>We have not identified any material uncertainties related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern.</p> <p>We are of the opinion that the going concern assumption is appropriate in preparation of the consolidated financial statements.</p> |
| MATTERS ARISING FROM DISCUSSIONS WITH MANAGEMENT | <p>We would like to formally acknowledge the cooperation and assistance we received from the management and staff of the City.</p> <p>There were no significant matters discussed, or subject to correspondence, with management that in our judgment need be brought to your attention.</p> |
| SIGNIFICANT DIFFERENCES | <p>No significant differences were proposed to management with respect to the December 31, 2019 consolidated financial statements.</p> |

AUDITOR'S VIEWS OF SIGNIFICANT ACCOUNTING PRACTICES

The application of Canadian public sector accounting standards allows and requires the City to make accounting estimates and judgments regarding accounting policies and financial statement disclosures.

As auditors, we are uniquely positioned to provide open and objective feedback regarding your City's accounting practices, and have noted the following items during the course of our audit that we wish to bring to your attention.

| AREA | COMMENTS |
|--|--|
| ACCOUNTING POLICIES | The accounting policies used by the City are appropriate and have been consistently applied. |
| ACCOUNTING ESTIMATES | Employee future benefits Management prepares estimates for employee future benefits by using George & Bell Consulting to determine the future employee benefit estimate. The City uses an actuary to mitigate risks of material misstatement and eliminate possible management bias in making the estimate. |
| FINANCIAL STATEMENT DISCLOSURES | The disclosures made in the notes to the consolidated financial statements appear clear, neutral and consistent with our understanding of the entity and the amounts presented in the consolidated financial statements. |

OTHER MATTERS

MANAGEMENT REPRESENTATIONS

We have requested certain written representations from management, which represent a confirmation of certain oral representations given to us during the course of our audit. This letter, provided by management, has been included as additional material to this report.

AUDITOR INDEPENDENCE

We confirm to Council that we are independent of the City. Our letter to Council discussing our independence is attached to this report.

APPENDIX A – MNP AUDIT PROCESS

Our audit was carried out in accordance with Canadian generally accepted auditing standards, and included a review of all significant accounting and management reporting systems, with each material year end balance, key transaction and other events considered significant to the consolidated financial statements considered separately.

Our audit process focused on understanding the controls utilized in management's reporting systems to the extent necessary to identify overall and specific financial reporting risks. This risk assessment enabled us to concentrate our audit procedures on the areas where differences were most likely to arise. Our assessment was not, nor was it intended to be, sufficient to conclude on the effectiveness or efficiency of internal controls.

During the course of our audit, we have:

- Examined, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements;
- Assessed the accounting principles used and significant estimates made by management;
- Obtained an understanding of the City and its environment, including management internal controls (regardless of whether we relied on them for the purpose of the audit), sufficient to identify and assess the risks of material misstatement of the consolidated financial statements and to design and perform audit procedures;
- Reviewed and assessed those accounting systems deemed necessary to support our audit opinion;
- Evaluated the overall consolidated financial statement presentation;
- Performed a subsequent events review with management;
- Reviewed and assessed the status of contingencies, commitments and guarantees; and
- Reviewed and assessed exposure to environmental liabilities.

We have obtained written representations from management, included as additional materials following this report, in order to confirm oral representations given to us and reduce the possibility of misunderstanding. Specifically, we have obtained written confirmation of significant representations provided on matters that are:

- Directly related to items that are material, either individually or in the aggregate, to the consolidated financial statements;
- Not directly related to items that are material to the consolidated financial statements, but are significant, either individually or in the aggregate, to the engagement; and
- Matters relevant to management judgments or estimates that are material, either individually or in the aggregate, to the consolidated financial statements.

Independence Communication

May 11, 2020

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

Dear Mayor and Council:

We have been engaged to audit the consolidated financial statements of the City of Courtenay (the "City") as at December 31, 2019 and for the year then ended.

CAS 260 *Communication With Those Charged With Governance* requires that we communicate with you matters that are significant to our engagement. One such matter is relationships between the City and its related entities or persons in financial reporting oversight roles at the City and MNP LLP and any affiliates ("MNP") that, in our professional judgment, may reasonably be thought to bear on our independence. In determining which relationships to report, the Standard requires us to consider relevant rules and related interpretations prescribed by the appropriate professional accounting body and applicable legislation, covering such matters as:

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

We are aware of the following relationships between the City and MNP that, in our professional judgment, may reasonably be thought to bear on our independence. The following relationships represent matters that have occurred from January 1, 2019 to the date of this letter.

During the audit period, MNP was engaged to perform other consulting services.

In order to mitigate the independence risk, separate teams were used for the consulting engagements and the audit of the financial statements. In addition, the final quality control review of the audit was performed by a MNP partner from our Abbotsford office.

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

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

Sincerely,



MNP LLP

Chartered Professional Accountants

MNP LLP – Wherever Business Takes You

Assurance › Consulting › Tax

About MNP LLP

MNP is a leading national accounting, tax and business consulting firm in Canada. We proudly serve and respond to the needs of our clients in the public, private and not-for-profit sectors. Through partner-led engagements, we provide a collaborative, cost-effective approach to doing business and personalized strategies to help organizations succeed across the country and around the world.





**THE CORPORATION OF
THE CITY OF COURTENAY**

Consolidated Financial Statements

Year Ending December 31, 2019

THE CORPORATION OF THE CITY OF COURTENAY
Consolidated Financial Statements
Year Ended December 31, 2019

Management's Responsibility for Financial Reporting

Independent Auditor's Report

Consolidated Statements

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

Notes to Consolidated Financial Statements

Supporting Schedules

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

THE CORPORATION OF THE CITY OF COURTENAY

Management's Responsibility for Financial Reporting

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

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

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

Jennifer Nelson, CPA, CGA
Director of Financial Services

**THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019**

STATEMENT A

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

CONTINGENT LIABILITIES AND COMMITMENTS (NOTE 2)

SUBSEQUENT EVENT (NOTE 15)

Jennifer Nelson, CPA, CGA
Director of Financial Services

**THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

**THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019**

STATEMENT C

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

The accompanying notes are an integral part of these consolidated financial statements

**THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2019**

STATEMENT D

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

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

PAGE 1 OF 14

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.

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

PAGE 2 OF 14

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(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.

**THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Tangible Capital Assets

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

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

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

(h) Financial Instruments

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

(i) Debt Charges

Interest payments are charged against current fund balances in the period they become payable and have been accrued to December 31, 2019. Actuarial adjustments are offset against interest charged. Principal payments are applied directly to loan balances in the period they accrue.

**THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Receivables

Following is a breakdown of receivables outstanding at December 31, 2019 with 2018 comparatives:

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

(k) Accounts Payable

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

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

(l) Liability for Contaminated Sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when; contamination exceeding an environmental standard exists, the City of Courtenay is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2019.

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

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

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2. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Regional District debt is, under the provisions of the Local Government Act (Section 836), a direct, joint and several liability of the District and each member municipality within the District, including the Corporation of the City of Courtenay. Readers are referred to the Comox Valley Regional District 2019 Audited Financial Statements for specific information and detail.

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

| | | |
|------|----|-----------|
| 2020 | \$ | 935,534 |
| 2021 | | 885,800 |
| 2022 | | 810,918 |
| 2023 | | 733,004 |
| 2024 | | 710,918 |
| | | <hr/> |
| | \$ | 4,076,174 |

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

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

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

(d) As at December 31, 2019, there existed outstanding claims against the City. These claims have been referred to legal counsel and to the City's liability insurers. It is not possible to determine the City's potential liability, if any, with respect to these matters. Management has determined that any potential liabilities arising from these outstanding claims are not significant.

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

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3. PENSION LIABILITY

The employer and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of the assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from local government.

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

The most recent valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2.866 billion funding surplus for basic pension benefits on a going concern basis.

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

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

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

4. HOST FINANCIAL ASSISTANCE AGREEMENT

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

**THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

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5. FEDERAL GAS TAX AGREEMENT FUNDS

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

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

Following is a schedule of Gas Tax receipts and disbursements received in 2019 with comparatives to 2018.

| | 2019 | 2018 |
|----------------------------------|--------------|--------------|
| Opening Balance of Unspent Funds | \$ 1,954,704 | \$ 3,517,375 |
| Additions: | | |
| Amounts Received During the Year | 2,252,626 | 1,119,960 |
| Interest Earned | 44,193 | 48,701 |
| Deductions: | | |
| Amount Spent on Projects | (1,454,924) | (2,731,332) |
| Closing Balance of Unspent Funds | \$ 2,796,599 | \$ 1,954,704 |

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

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6. DEFERRED REVENUE - DEVELOPMENT COST CHARGES

In order to conform with the Public Sector Accounting Standards of CPA Canada, the unspent development cost charges have been recorded as a liability. Following is a breakdown of cash increases and decreases for the General, Water, and Sewer development costs charge reserves for 2019 and 2018.

| | 2019 | | | | |
|--|---------------------------------------|--|--|--|---------------------|
| | General Reserve DCC BL #2840 | Water Utility Reserve DCC BL #2840 | Sewer Utility Reserve DCC BL #2840 | Sewer Utility Reserve DCC BL #1638 | 2019 Total |
| Balance Forward | \$ 5,115,312 | \$ 489,706 | \$ 619,834 | \$ 34,254 | \$ 6,259,106 |
| Increases | | | | | |
| Interest | 94,671 | 8,629 | 13,943 | 569 | 117,813 |
| Other Contributions | 1,104,938 | 118,567 | 360,427 | | 1,583,932 |
| | <u>1,199,609</u> | <u>127,196</u> | <u>374,370</u> | <u>569</u> | <u>1,701,744</u> |
| Decreases | | | | | |
| Revenue Recognized to Fund Capital Projects | (281,411) | | (112,700) | - | (394,111) |
| Reclassifications, redemptions, refunds | (184,954) | (240,466) | (3,060) | - | (428,479) |
| | <u>(466,365)</u> | <u>(240,466)</u> | <u>(115,760)</u> | <u>-</u> | <u>(822,590)</u> |
| Ending Balance Deferred Revenue - DCC | <u>\$ 5,848,556</u> | <u>\$ 376,436</u> | <u>\$ 878,444</u> | <u>\$ 34,823</u> | <u>\$ 7,138,260</u> |
| | 2018 | | | | |
| | General Reserve DCC BL #2840 | Water Utility Reserve DCC BL #2840 | Sewer Utility Reserve DCC BL #2840 | Sewer Utility Reserve DCC 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 |
| | <u>1,047,279</u> | <u>54,453</u> | <u>154,203</u> | <u>448</u> | <u>1,256,383</u> |
| Decreases | | | | | |
| Revenue Recognized to Fund Capital Projects | (246,866) | (159,300) | (137,307) | - | (543,473) |
| Reclassifications, redemptions, refunds | - | - | - | - | - |
| | <u>(246,866)</u> | <u>(159,300)</u> | <u>(137,307)</u> | <u>-</u> | <u>(543,473)</u> |
| Ending Balance Deferred Revenue - DCC | <u>\$ 5,115,312</u> | <u>\$ 489,706</u> | <u>\$ 619,834</u> | <u>\$ 34,254</u> | <u>\$ 6,259,106</u> |

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

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7. TRUST AND ENDOWMENT FUNDS

- (a) The Cemetery Perpetual Care Fund has been assigned to the City to be administered as directed by statute. The City holds the assets for the benefit of, and stands in fiduciary relationship to, the beneficiary. Following is a summary of the financial position and activities for 2019 and 2018, which has been excluded from the City's consolidated financial statements.

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

- (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 2019 and 2018:

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

**THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

9. MFA DEBT RESERVE FUNDS

The City secures its long term borrowing through the Municipal Finance Authority. As a condition of these borrowings a portion of the debenture proceeds are retained by the Authority as a debt reserve fund. These funds are not reported in the financial statements as they are eliminated upon consolidation. As at December 31, 2019 the City had debt reserve funds of \$342,394 (\$334,600 in 2018).

10. EMPLOYEE RETIREMENT BENEFIT LIABILITY

Employees with 10 years of continuous service retiring under the terms of the Municipal Superannuation Act are entitled to a payout of up to 72 days of their accumulated unused sick leave bank and up to a maximum of 8 additional severance days for each year of service in which the employee used no sick leave. Additionally, upon death of the employee, the bank, up to a maximum of 72 days, will be payable to the employee's life benefit beneficiary. The value of this liability is calculated by an Actuary engaged by the City and reflects the likelihood that all eligible City employees will become entitled to this benefit. Actuarial valuation assumptions for 2019 were based on an interest (discount) rate of 2.60% per annum (2018 - 3.20%) and an inflation rate of 2.5% for both 2019 and 2018. The total estimated employee retirement benefit liability at December 31, 2019 is \$1,138,000 (\$1,023,500 in 2018) and is included in the accounts payable balance on Statement A. Following is a breakdown of the benefit liability:

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

**THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

PAGE 11 OF 14

11. CONSOLIDATED SEGMENT DISCLOSURE BY SERVICE

The City of Courtenay Consolidated Financial Statements includes the financial activities of various services made available to the community. Following is a description of the types of services included in each of the main service segments of the City's financial statements. A detailed summary of the 2019 revenues and expenses with 2018 comparatives for each segment can be found in Schedule 1 of the accompanying financial statements.

General Government Services

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

Protective Services

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

Transportation Services

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

Environmental Health Services

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

Public Health and Welfare Services

Includes cemetery services.

Environmental Development Services

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

Recreational and Cultural Services

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

Water Utility Services

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

Sewer Utility Services

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

**THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

PAGE 12 OF 14

12. TANGIBLE CAPITAL ASSET DETAILS

(See Schedule 3 for further details)

Contributed capital assets received and recognized in the year from developers, for various infrastructure works and related land and parks, and recorded in the consolidated financial statements in 2019 is \$9,601,154 (\$4,087,948 in 2018).

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

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

**THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

13. RESTATEMENT OF 2019 BUDGET

The budget amounts presented throughout these consolidated financial statements are based upon the Five Year Financial Plan approved by Council on May 6, 2019 except in regard to budget amounts for amortization, tangible capital assets, and the use of debt, reserves and prior year surpluses.

The summary below shows the adjustments to the May 6, 2019 budget approved by Council and reflected in these consolidated financial statements:

Adjustments to 2019 Budgeted Annual Surplus

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

**THE CORPORATION OF THE CITY OF COURTENAY
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

14. CONTRACTUAL RIGHTS

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

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

15. SUBSEQUENT EVENT

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

**THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE
YEAR ENDED DECEMBER 31, 2019
(Audited)**

SCHEDULE 1
(Note 11)
Page 1 of 2

| | General Government Services | | Protective Services | | Transportation Services | | Environmental Health Services | | Public Health and Welfare Services | |
|---------------------------|-----------------------------|----------------------|-----------------------|-----------------------|-------------------------|---------------------|-------------------------------|---------------------|------------------------------------|---------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| REVENUE | | | | | | | | | | |
| Taxation | 24,761,750 | 23,742,557 | - | - | - | - | - | - | - | - |
| Sales of Services | - | - | 845,895 | 880,487 | - | - | 3,437,934 | 3,385,701 | - | - |
| Revenue from Own Sources | - | - | 1,006,190 | 969,042 | 146,581 | 97,016 | - | - | - | - |
| Government Transfers | 1,442,553 | 1,311,012 | 19,700 | 19,200 | 2,285,588 | 4,105,692 | - | - | 178,200 | 79,604 |
| Transfer from Other Funds | - | - | - | - | - | - | - | - | - | - |
| Other Revenue | 83,439 | 81,430 | - | - | - | - | - | - | - | - |
| Other Contributions | 1,000 | - | - | - | 134,623 | 121,061 | - | - | 162,720 | 138,828 |
| Interest Earned | 1,208,264 | 919,980 | 25,106 | 14,898 | 9,371,824 | 2,824,512 | - | - | - | - |
| Gain on sale of TCA | 445 | 900 | - | 300 | 368,856 | 17,737 | - | - | - | - |
| Total Revenues | 27,497,451 | 26,055,879 | 1,896,891 | 1,883,927 | 12,398,965 | 7,258,943 | 3,437,934 | 3,385,701 | 340,920 | 218,432 |
| EXPENSES | | | | | | | | | | |
| Salaries and Benefits | 3,998,399 | 3,862,230 | 2,328,039 | 2,028,793 | 2,872,417 | 2,470,821 | 76,722 | 66,410 | 231,953 | 250,400 |
| Goods and Services | 1,341,527 | 1,212,412 | 6,740,553 | 6,482,558 | 2,515,574 | 2,431,965 | 3,242,629 | 3,126,043 | 100,244 | 85,777 |
| Amortization Expense | 310,475 | 303,689 | 340,679 | 352,734 | 3,063,889 | 2,816,126 | 345,952 | 319,600 | 34,811 | 30,929 |
| Debt Servicing | (17,523) | (41,366) | (3,348) | (433) | 87,422 | 146,989 | - | - | - | - |
| Other Expenditures | 305,201 | 246,982 | 6,810 | 1,477 | 296 | 1,019 | 26,050 | 152,200 | - | - |
| Loss on Disposal of TCA | - | 827,018 | - | 28,612 | 64,900 | 196,034 | - | 336 | - | - |
| Total Expenses | 5,938,079 | 6,410,965 | 9,412,733 | 8,893,741 | 8,604,498 | 8,062,954 | 3,691,353 | 3,664,589 | 367,008 | 367,106 |
| ANNUAL SURPLUS | \$ 21,559,372 | \$ 19,644,914 | \$ (7,515,842) | \$ (7,009,814) | \$ 3,794,467 | \$ (804,011) | \$ (253,419) | \$ (278,888) | \$ (26,088) | \$ (148,674) |

THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE
YEAR ENDED DECEMBER 31, 2019
(Audited)

SCHEDULE 1
 (Note 11)
 Page 2 of 2

| | Environmental Development Services | | Recreational and Cultural Services | | Water Utility Services | | Sewer Utility Services | | Consolidated | |
|---------------------------|--|---------------------|--|-----------------------|---------------------------|---------------------|---------------------------|---------------------|----------------------|---------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| REVENUE | | | | | | | | | | |
| Taxation | - | - | - | - | 1,175,166 | 1,164,158 | 2,031,036 | 1,998,334 | 27,967,952 | 26,905,048 |
| Sales of Services | - | - | - | - | 7,043,027 | 6,505,181 | 5,267,571 | 4,865,289 | 16,594,427 | 15,636,658 |
| Revenue from Own Sources | 607,291 | 561,481 | 2,003,554 | 2,048,292 | 369,231 | 255,072 | 61,893 | 26,551 | 4,194,740 | 3,957,453 |
| Government Transfers | 52,797 | 52,621 | 124,665 | 129,310 | 10,000 | 99,129 | - | 18,140 | 4,113,503 | 5,814,708 |
| Transfer from Other Funds | - | - | - | - | - | - | - | - | - | - |
| Other Revenue | - | 137,759 | - | 20,000 | - | - | - | - | 380,782 | 499,078 |
| Other Contributions | 116,608 | 223,889 | 112,063 | 354,501 | 1,205,524 | 566,455 | 1,111,340 | 732,514 | 11,918,359 | 4,701,871 |
| Interest Earned | 18,959 | 13,053 | 20,503 | 14,317 | 49,549 | 42,445 | 71,779 | 51,750 | 1,485,653 | 1,149,368 |
| Gain on sale of TCA | - | - | 1,189 | 15,413 | - | - | - | - | 370,490 | 34,350 |
| Total Revenues | 795,655 | 988,803 | 2,261,974 | 2,581,833 | 9,852,497 | 8,632,440 | 8,543,619 | 7,692,578 | 67,025,906 | 58,698,534 |
| EXPENSES | | | | | | | | | | |
| Salaries and Benefits | 1,040,755 | 899,836 | 5,206,229 | 4,921,832 | 989,438 | 972,987 | 583,588 | 511,384 | 17,327,540 | 15,984,693 |
| Goods and Services | 237,863 | 314,705 | 3,236,955 | 2,954,328 | 5,490,460 | 5,049,174 | 731,676 | 591,012 | 23,637,481 | 22,247,974 |
| Amortization Expense | 2,533 | 2,533 | 973,555 | 898,864 | 478,666 | 427,823 | 348,982 | 298,581 | 5,899,542 | 5,450,879 |
| Debt Servicing | - | - | 30,617 | 50,444 | (1,399) | (369) | 4,167 | 6,998 | 99,936 | 162,263 |
| Other Expenditures | 192,787 | 70,255 | 314,338 | 322,655 | - | - | 4,145,491 | 3,890,928 | 4,990,973 | 4,685,516 |
| Loss on Disposal of TCA | - | - | 146 | 1,490 | 2,636 | 2,585 | 244,450 | 568 | 312,132 | 1,056,643 |
| Total Expenses | 1,473,938 | 1,287,329 | 9,761,840 | 9,149,613 | 6,959,801 | 6,452,200 | 6,058,354 | 5,299,471 | 52,267,604 | 49,587,968 |
| ANNUAL SURPLUS | \$ (678,283) | \$ (298,526) | \$ (7,499,866) | \$ (6,567,780) | \$ 2,892,696 | \$ 2,180,240 | \$ 2,485,265 | \$ 2,393,107 | \$ 14,758,302 | \$ 9,110,566 |

**THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS & RESERVES
YEAR ENDED DECEMBER 31, 2019**

SCHEDULE 2

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

**THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Audited)**

SCHEDULE 3

| | Land | Land Improvements | Buildings | Equipment/ Furniture/ Vehicles | Engineering Structures | | | | Other Tangible Capital Assets | Total | 2018 |
|--|----------------------|---------------------|----------------------|--------------------------------------|------------------------|----------------------|----------------------|----------------------|-------------------------------------|-----------------------|-----------------------|
| | | | | | Roads | Water | Sewer | Other | | | |
| COST | | | | | | | | | | | |
| Opening Balance Construction-in-progress (CIP) | - | 60,411 | 493,570 | 18,093 | 3,688,835 | 1,490,291 | 284,462 | 133,789 | 28,242 | \$ 6,197,693 | 1,358,665 |
| Add: Construction-in-progress (CIP) | - | 100,566 | 418,677 | 25,737 | 454,655 | 47,567 | 172,880 | 199,439 | 51,448 | 1,470,968 | 5,116,804 |
| Less: Transfers into Service | - | (13,222) | (125,907) | (38,335) | (3,276,880) | (1,482,567) | (73,245) | (174,457) | | (5,184,613) | (277,776) |
| Less: Writedowns & Reallocations | - | (47,189) | 9,726 | 20,242 | (138,784) | | 37,464 | 146,783 | (28,242) | 0 | - |
| Closing Balance Construction-in-progress | - | 100,566 | 796,066 | 25,737 | 727,826 | 55,291 | 421,561 | 305,554 | 51,448 | 2,484,048 | 6,197,693 |
| Opening Balance Tangible Capital Assets | 22,029,129 | 7,170,786 | 31,626,276 | 18,605,276 | 94,623,803 | 21,770,590 | 11,686,385 | 22,986,681 | 1,092,975 | 231,591,901 | 225,162,223 |
| Add: Additions (including Transfers into Service) | 1,108,516 | 421,408 | 808,529 | 1,357,868 | 9,774,293 | 4,587,540 | 2,487,788 | 3,022,439 | - | 23,568,382 | 8,027,432 |
| Less: Disposals | (222) | (26,500) | | (826,718) | (329,543) | (17,187) | (265,000) | (1,194) | | (1,466,363) | (1,597,754) |
| Closing Balance Tangible Capital Assets and CIP | 23,137,423 | 7,666,260 | 32,700,349 | 19,697,885 | 104,783,306 | 26,288,334 | 14,287,081 | 26,478,106 | 1,139,223 | 256,177,967 | 237,789,594 |
| ACCUMULATED AMORTIZATION | | | | | | | | | | | |
| Opening Balance | - | 3,063,018 | 11,970,167 | 11,014,688 | 47,135,502 | 7,150,432 | 2,092,481 | 8,703,029 | 782,136 | 91,911,453 | 86,961,449 |
| Add: Amortization | - | 275,755 | 732,739 | 975,326 | 2,449,470 | 445,254 | 232,959 | 691,711 | 96,329 | 5,899,542 | 5,450,879 |
| Less: Reallocations | - | | (66,147) | 109,715 | (226,796) | 3,850 | | 226,796 | (47,418) | - | - |
| Less: Accum Amortization on Disposals | - | (26,500) | | (750,259) | (268,554) | (14,550) | (20,550) | (1,194) | | (1,081,607) | (500,874) |
| | - | 3,312,273 | 12,636,759 | 11,349,470 | 49,089,621 | 7,584,985 | 2,304,890 | 9,620,342 | 831,047 | 96,729,388 | 91,911,454 |
| Net Book Value for year ended December 31, 2019 | \$ 23,137,423 | \$ 4,353,987 | \$ 20,063,590 | \$ 8,348,415 | \$ 55,693,685 | \$ 18,703,349 | \$ 11,982,191 | \$ 16,857,764 | \$ 308,176 | \$ 159,448,579 | \$ 145,878,140 |

THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED SCHEDULE OF DEBENTURE AND OTHER LONG-TERM DEBT
YEAR ENDED DECEMBER 31, 2019
(Audited)

SCHEDULE 4

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

**THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Audited)**

SCHEDULE 5

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



STAFF REPORT

To: Council

File No.: 6480-00

From: Chief Administrative Officer

Date: May 11, 2020

Subject: Official Community Plan (OCP) - Consultation Requirements

PURPOSE:

The purpose of this report is to obtain direction from Council on the opportunities it considers appropriate for consultation with the people, organizations and authorities that Council considers will be affected by the OCP.

CAO RECOMMENDATION:

THAT based on the May 11, 2020 staff report “Official Community Plan (OCP) – Consultation Requirements”, Council approve OPTION 1 as follows:

- (1) That Council give consideration to the requirements of Section 475 of the *Local Government Act*;
- (2) That Council direct staff to consult with:
 - a. Comox Valley Regional District;
 - b. Town of Comox;
 - c. Village of Cumberland;
 - d. K’ómoks First Nation
 - e. School District No. 71;
 - f. Ministry of Transportation and Infrastructure
 - g. Ministry of Environment and Climate Change Strategy
 - h. Ministry of Forests, Lands, Natural Resource and Operations, and Rural Development;
 - i. Department of Fisheries and Oceans; and
 - j. Island Health
- (3) That consultation with K’ómoks First Nation include no less than two meetings between K’ómoks Chief and Council and City Council in addition to referral of a draft copy of the OCP with sixty (60) days for written comment prior to bylaw adoption;
- (4) That Council direct City staff to engage in regular meetings with staff from K’ómoks First Nation throughout the development of the OCP;
- (5) That consultation with the Laich-Kwil-Tach Council of Chiefs, the Wei Wai Kum/Kwiakah First Nations and the Homalco Indian Band occur through a notice of the OCP review process and referral of a draft copy of the OCP with sixty (60) days for written comment prior to bylaw adoption; and

- (6) That consultation methods with the ministries, agencies and local governments identified follow the recommendations in this report. **(Recommended)**

Respectfully submitted,



David Allen, BES, CLGEM, SCLGM
Chief Administrative Officer

BACKGROUND:

Section 475 of the *Local Government Act* (the 'Act') requires local governments to provide consultation during the development of an official community plan, or the repeal or amendment of an official community plan. The Act requires local government to provide one or more opportunities it considers appropriate for consultation with persons, organizations and authorities it considers will be affected by the OCP. Under the *Act*, the local government must:

- (a) consider whether the opportunities for consultation with one or more of the persons, organizations and authorities should be early and ongoing;
- (b) specifically consider whether consultation is required with the following:
 - i) the board of the regional district in which the area covered by the plan is located, in the case of a municipal official community plan;
 - ii) the board of any regional district that is adjacent to the area covered by the plan;
 - iii) the council of any municipality that is adjacent to the area covered by the plan;
 - iv) first nations;
 - v) boards of education, greater boards and improvement district boards;
 - vi) the Provincial and federal governments and their agencies; and
- (c) in relation to boards of education the City must seek input on the following:
 - i) the actual and anticipated needs for school facilities and support services in the school districts;
 - ii) the size, number and location of the sites anticipated to be required for the school facilities referred to in paragraph (i);
 - iii) the type of school anticipated to be required on the sites referred to in paragraph (ii);
 - iv) when the school facilities and support services referred to in paragraph (i) are anticipated to be required;
 - v) how the existing and proposed school facilities relate to existing or proposed community facilities in the area.

DISCUSSION:

Staff identified stakeholders including senior and local governments and their agencies that it anticipates will be affected by the OCP early in the project. The following section of the report outlines recommendation for Council's consideration for each of the groups identified by the *Local Government Act*. Other stakeholder groups and the public will be consulted through open houses, surveys, neighbourhood engagement and the OCP Advisory Committee.

The board of the regional district in which the area covered by the plan is located

As there is a Regional Growth Strategy in the area covered by the plan, the Comox Valley Regional District (CVRD) will be consulted. The OCP must include a Regional Context Statement that outlines how the OCP is consistent with the CVRD's Regional Growth Strategy. CVRD staff will be given opportunities to review materials and provide feedback throughout the process. CVRD staff will liaise with the CVRD Board as they deem necessary throughout the process. The final draft of the Regional Context Statement must be accepted by the CVRD Board.

The board of any regional district that is adjacent to the area covered by the plan

The City of Courtenay's boundaries are entirely within the Comox Valley Regional District. Accordingly, there are no other regional districts adjacent to the City that require consideration.

The Council of any municipality that is adjacent to the area covered by the plan

It is recommended that the Town of Comox and Village of Cumberland be consulted throughout the process. Staff of these municipalities will be given opportunities to review materials and provide feedback on policies that may affect their jurisdiction or to seek opportunities for consistency in policies. Staff of the municipalities will liaise with their Council on the final draft as well as provide regular updates as they deem necessary.

First Nations

Staff has conducted research using Provincial mapping sources to identify First Nations who may have interests within the City boundary. Information provided indicates that the City of Courtenay is located in an area where four First Nations territories overlap. These are: K'ómoks First Nation, Laich-Kwil-Tach Council of Chiefs, Homalco Indian Band, and Wei Wai Kum/Kwiakah First Nations.

The K'ómoks First Nation has two Indian Reserves (IR 1 and IR 2) immediately adjacent to City boundaries. Traditionally the City works closely with K'ómoks First Nation, and Council has identified continuing to build on its good relationship with K'ómoks First Nation and practicing reconciliation as a strategic priority. In addition, the City acknowledges at formal gatherings that it is meeting on the unceded traditional territory of the K'ómoks First Nation.

In recognition of this strong relationship it is recommended that consultation meetings between City Council and K'ómoks First Nation Chief and Council occur during development of the OCP. Initial dialogue between City staff and K'ómoks First Nation staff suggests that a minimum of two meetings may be preferred – the first in the next 6 weeks to overview the OCP project and receive initial comment and, the second toward the end of the project when policy is in draft form. Additional meetings are possible as the project unfolds should either party request one. Given the current COVID-19 pandemic it is anticipated the meetings will need to be conducted electronically, pending any easing of restrictions related to social distancing and gatherings.

It is also recommended that City staff meet regularly with K'ómoks First Nation staff during the development of the OCP. These meetings will not only help to build understanding and relationships but will also allow staff to explore ways to find consistency between the land use policies of each government.

Finally, the draft OCP will be provided to the K'ómoks First Nation with a sixty (60) day referral for written comment.

It is recommended that consultation with the Laich-Kwil-Tach Council of Chiefs, Homalco Indian Band and Wei Wai Kum/Kwiakah First Nations be focused on the referral of the draft OCP with a request for written comment within sixty (60) days. City staff support sharing information with, and responding to queries from staff of these first nations as the OCP process.

The Provincial and Federal Governments and their agencies

Consultation with the Ministry of Highways and Infrastructure is recommended as there are multiple ministry roads within the City's boundaries. The ministry is required to approve subdivision adjacent to ministry roads. Additionally, they are required to approve all rezoning applications or permits for the construction of commercial and industrial buildings exceeding 4,500 square metres where the rezoning or permit is within 800 meters of a controlled access highway. Accordingly, it is important to obtain their input on land use and transportation policies.

In recognition of the new OCP goal to focus on climate adaptation and mitigation, staff recommend consultation with the provincial Ministry of Environment and Climate Change Strategy.

In recognition of the relationship that exists between health and land use planning staff recommend consultation with Island Health staff who are involved in their Healthy Built Environment program.

It is recommended that consultation occur with the Ministry of Forests, Lands, Natural Resource Operations and Rural Development in relation to Environmental Development Permit Guidelines and policies.

As the City is adjacent to the Courtenay River and estuary, consultation with the Federal Department of Fisheries and Oceans is recommended in relation to Environmental Development Permit Guidelines and policies.

The above noted ministries and agencies will be consulted at a staff level during development of the plan and circulated a final draft for written comment with a thirty (30) day response period.

The Board of Education

School District No.71 will be consulted throughout the process to ensure there is a mutual understanding of how the OCP could impact or adapt to enrolment capacity at various school sites. Additionally, there may be opportunities to partner in relation to recreational needs, community needs and land development as both the School District and City are large land holders. It is envisioned this consultation will continue through the long standing staff liaison meetings, in addition to referral of the draft OCP to the School Board for written comment with a thirty (30) day response period. In addition it is noted that one of the OCP Advisory Committee members is also a School Board Trustee. The member is expected to provide updates to the Board, while being a community ambassador of the project.

ADMINISTRATIVE IMPLICATIONS:

Public consultation is an essential part of the OCP update project. Development Services department staff are responsible for initiating, planning, scheduling, and all other associated activities related to

consultation. This work is accounted for in the OCP project work plan. Given the current COVID-19 pandemic it is anticipated there may be unexpected changes in the overall project schedule in the future.

FINANCIAL IMPLICATIONS:

Consultation costs with the organizations and authorities including First Nations are included in the approved 2020 Community and Sustainability Planning department operation budget. The overall budget for the OCP in the 2020 Financial Plan is \$200,500.

ASSET MANAGEMENT IMPLICATIONS:

There are no direct asset management implications with respect to the OCP consultation process. However, land use planning policies in the new OCP will be guided by asset management principles of sustainable service delivery and reducing infrastructure lifecycle costs.

2019 - 2022 STRATEGIC PRIORITIES REFERENCE:

November 2019 Strategic Priority Chart: Number 1 (NOW) Priority

- OCP – Consultation Process (public input/consult report)

Strategic Priorities 2019 - 2022

We continually invest in our key relationships

We support diversity in housing & reasoned land use planning

- Complete an update of the City’s OCP and Zoning Bylaw
- ■ Build on our good relations with K’ómoks First Nation and practice Reconciliation
- ▲ ■ Advocate and cooperate with local and senior governments on regional issues affecting our community

OFFICIAL COMMUNITY PLAN REFERENCE:

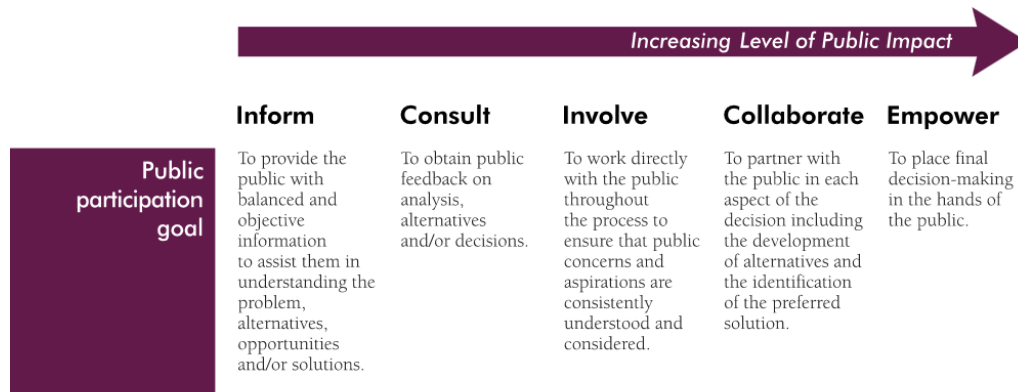
Not specifically referenced in the plan. However, consultation during development of official community plan is required by the Local Government Act.

REGIONAL GROWTH STRATEGY REFERENCE:

Not referenced.

CITIZEN/PUBLIC ENGAGEMENT:

Staff will “**involve**” the community based on the IAP2 Spectrum of Public Participation during the development of the OCP.



Staff note the consultation outlined in this report is over and above the public consultation that will occur through public forums, surveys, and neighbourhood meetings that have previously been outlined to Council. It is also in addition to consultation occurring through the OCP Advisory Committee that Council appointed to provide topic specific feedback as process and policy is developed.

OPTIONS:

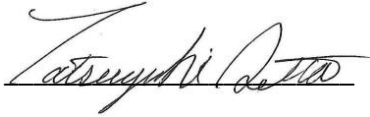
OPTION 1:

- (1) That Council give consideration to the requirements of Section 475 of the *Local Government Act*;
- (2) The Council direct staff to consult with:
 - k. Comox Valley Regional District;
 - l. Town of Comox;
 - m. Village of Cumberland;
 - n. K’ómoks First Nation
 - o. School District No. 71;
 - p. Ministry of Transportation and Infrastructure
 - q. Ministry of Environment and Climate Change Strategy
 - r. Ministry of Forests, Lands, Natural Resource and Operations, and Rural Development;
 - s. Department of Fisheries and Oceans; and
 - t. Island Health
- (3) That consultation with K’ómoks First Nation include no less than two meetings between K’ómoks Chief and Council and City Council in addition to referral of a draft copy of the OCP with sixty (60) days for written comment prior to bylaw adoption;
- (4) That Council direct City staff to engage in regular meetings with staff from K’ómoks First Nation throughout the development of the OCP;

- (5) That consultation with the Laich-Kwil-Tach Council of Chiefs, the Wei Wai Kum/Kwiakah First Nations and the Homalco Indian Band occur through a notice of the OCP review process and referral of a draft copy of the OCP with sixty (60) days for written comment prior to bylaw adoption; and
- (6) That consultation methods with the ministries, agencies and local governments identified follow the recommendations in this report. **(Recommended)**

OPTION 2: That Council provide staff with alternative direction.

Prepared by:



Tatsuyuki Setta, MCIP, RPP
Manager of Community and Sustainability Planning

Reviewed by:



Ian Buck, MCIP, RPP
Director of Development Services



STAFF REPORT

To: Council

File No.: 4320-20

From: Chief Administrative Officer

Date: May 11th, 2020

Subject: Structural Change to Liquor Licence Application (Ace Brewing Company Limited) – 150 Mansfield Drive

PURPOSE:

The purpose of the report is to provide Council with the results of the public notification of Ace Brewing Company Limited's application made to the Liquor & Cannabis Regulation Branch (LCRB) for a structural change to their liquor licence at the above referenced location.

CAO RECOMMENDATIONS:

THAT, based on the May 11th, 2020 staff report, 'Structural Change to Liquor Licence Application (Ace Brewing Company Limited) – 150 Mansfield Drive', Council approve OPTION 1 as follows:

- 1) The Council of the City of Courtenay recommends the LCRB approve the application for Ace Brewing Company Limited's structural change to a liquor licence.
- 2) Council's comments on the prescribed considerations are as follows:
 - (a) If the amendment application is approved, it would not result in an increase of noise in the area;
 - (b) If the application is approved, it would not negatively impact the community based on the submissions received from the public;
 - (c) In order to gather the views of residents, the City of Courtenay posted a notice on the City's website outlining the application. Additionally, the RCMP was contacted for comment and indicated having no concerns.

Respectfully submitted,

David Allen, BES, CLGEM, SCLGM

Chief Administrative Officer

BACKGROUND:

The applicant is making application for a structural change to their existing liquor licence to the Liquor & Cannabis Regulation Branch (LCRB) for the property at 150 Mansfield Drive. The existing licence is a manufacturing licence with a 72-person capacity lounge endorsement approved by City Council January

2019. The applicant wishes to expand to include a liquor primary outdoor patio with a capacity of 68 persons on the western side of the building, facing other commercial properties, licenced to operate from 11:00 a.m. to 11:00 p.m. daily.

DISCUSSION:

The subject property is zoned Commercial Two (C-2), which permits the proposed use. The applicant is not proposing to make significant changes to the exterior of the building and is not subject to development permit requirements. Siting and landscaping would minimize noise and patio seating for this microbrewery would increase nightlife opportunities for residents and tourists in a convenient location between Cliffe Avenue and the Courtenay Riverway trail. **Staff supports this application.**

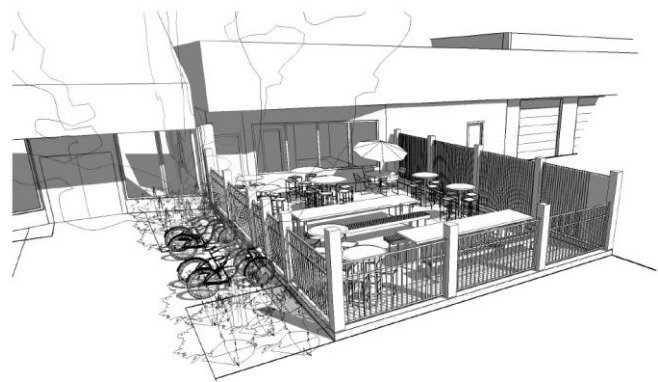


Figure 1. Proposed patio



Figure 2. Context

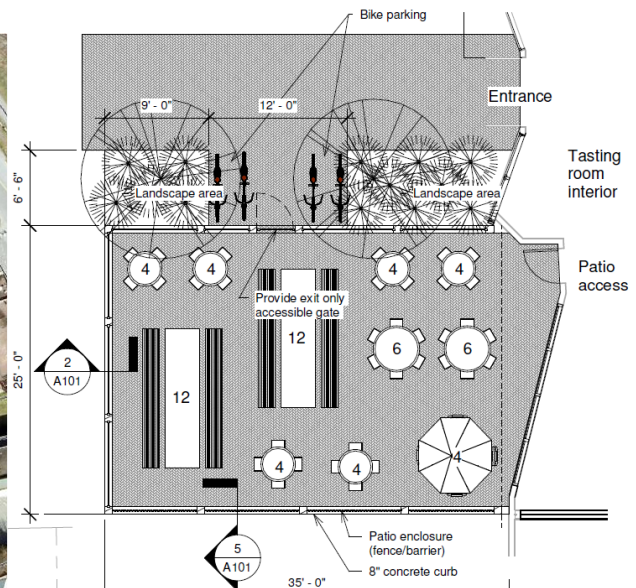


Figure 3. Patio Plan

The application has been posted on the City's website for comment and neighbours were notified by mail. The City has received a total of fourteen comments at the time this report was written including one from the applicant: seven in favour, seven opposed. Seven comments noted being from residents of Trumpeters Landing (TL) across Mansfield Drive: six opposed and one in favour. The comments not indicating being from Trumpeters Landing were six in favour, one opposed.

Noise was the main concern (6 total mentions; 5 from TL), while social/community impact (4; 0), employment (4; 1) and benefit to local business (4; 1) were the main positive points. Other topics included outdoor/weather interaction (3; 0), tourism (2; 0), growth expectations in a busy area (2; 0), traffic (2; 2), parking/parking lot (2; 2), child and senior safety (1; 1), aesthetic benefit (1; 1), and requested dog amenities (1; 1) and screening improvements (1; 1).

Considering that this is a primarily commercial area and between Cliffe Avenue and the Courtenay Air Park, and that a neighbouring property has a licenced patio, minimal overall noise impact is expected from the proposal. However, neighbours' concerns that impacts would be more significant for nearby residents on upper floors or hot south-facing units, as well as at later hours, may merit investigation and potential mitigation measures beyond the use of orientation and vegetation in the application – such as perhaps a solid noise barrier wall as directed by an acoustic engineer or possibly reduced patio hours. These comments are attached in the report, along with the applicant's rationale. The Comox Valley RCMP has been contacted during the standard referral period and the RCMP has no issue with the proposal.

FINANCIAL IMPLICATIONS:

There are no direct financial implications related to this application.

ADMINISTRATIVE IMPLICATIONS:

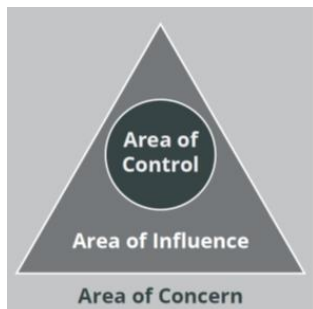
Administration of liquor licencing is included in the City's general statutory duties. To date, staff has spent ten hours to process the application.

ASSET MANAGEMENT IMPLICATIONS:

There are no direct asset management implications related to this application.

2019 – 2022 STRATEGIC PRIORITIES REFERENCE:

The November 2019 Strategic Priorities Check-in does not include any additional relevant references.



We focus on organizational & governance excellence

- Communicate appropriately with our community in all decisions we make
- Responsibly provide services at levels which the people we serve are willing to pay

● **Area of Control**

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

OFFICIAL COMMUNITY PLAN REFERENCE:

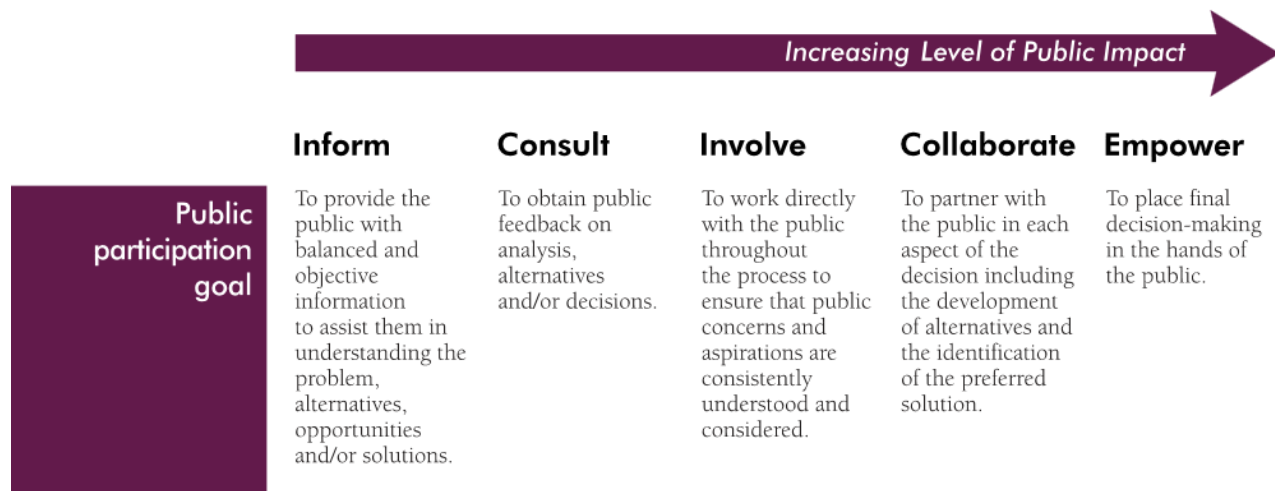
There is no direct reference related to this application.

REGIONAL GROWTH STRATEGY REFERENCE:

There is no direct reference related to this application.

CITIZEN/PUBLIC ENGAGEMENT:

Staff will **consult** members of the public based on the IAP2 Spectrum of Public Participation:



The public comment gathering period is open on the City’s web page from April 9th to May 11th, 2020. Additionally, a notice was mailed April 21, 2020, to owners and occupants of properties located within 30m of the subject property. The City has received a total of fourteen comments at the time this report was written. Any comments received immediately before the Council meeting will be forwarded to Council for their consideration.

OPTIONS:

- Option 1:
 - 1) The Council of the City of Courtenay recommends the LCRB approve the application for Ace Brewing Company Limited’s structural change to a liquor licence.
 - 2) Council’s comments on the prescribed considerations are as follows:
 - (a) If the amendment application is approved, it would not result in an increase of noise in the area;
 - (b) If the application is approved, it would not negatively impact the community based on the submissions received from the public;
 - (c) In order to gather the views of residents, the City of Courtenay posted a notice on the City’s website outlining the application. Additionally, the RCMP was contacted and indicated having no concerns (**Recommended**)
- Option 2:
 - 1) That Council defer approval of the application with a request for additional information or alternative conditions of approval.
- Option 3:
 - 1) That Council not recommend approval of the application.

Prepared by:



Mike Grimsrud
Planner 2

Reviewed by:



Ian Buck, MCIP, RPP
Director of Development Services

Attachments:

Attachment No.1: Letter of Intent and Public Comments



Letter of Intent for Patio Application

Ace Brewing Company, 150 Mansfield Drive Courtenay, opened its doors September 13th 2019 with it's Manufacturing License and Lounge Appendix. We have been embraced not only by the local Brewing industry but by the Community which we have been able to contribute with local Fundraisers and donations. Ace is a point of interest of many patrons including local residence, tourists/visitors, current and retired Airforce Members. With nearby Mt. Washington, The River Walkway, hiking/walking trails, oceanside, adding mild seasons and warm summers, Comox Valley is noted for its outdoor activities. The Valley attracts

people who enjoy being outdoors during every season throughout the year. We have been asked numerous times if we will be putting in a patio area, our patrons have expressed they want the opportunity to be seated in an exterior space, as available at other Breweries in the Valley, therefore we're applying for our Patio Licence through the Liquor Board.

From Servers, Sales, Kitchen staff, to our back of house staff including our Brew Master, Ace already employs over 20 part-time, full-time and salary persons. With the addition of a patio we'll be increasing this number, giving employees another employment opportunity within the Valley.

The patio will be South facing, extending into our large parking lot to the front of the Brewery, access is through the Brewery, will be fully fenced, with Mountain views, surrounded with potted trees and shrubbery for an inviting, tranquil setting. For our fur friends we'll have a dog friendly, covered area to the side of the patio. The patio area will break up the open parking area, will add to the all-around look of the building and be more visually pleasant.

We are very proud to be part of the Comox Valley Ale Trail which is a leg of the B.C. Ale Trail. The B.C. Ale Trail has recognized the Comox Valley, with the newest Breweries recently open including Ace, to be a Brewery destination and they are noting the Valley as a must have stopping point for Brewery enthusiasts. There are many people who plan holidays and vacations around Brewery areas, there is a huge Microbrewery following, which for the Island has been centered in Victoria, now the Valley with it's five Breweries is making that shift to Central Vancouver Island.

We hope you recognize the positive effect the addition of our patio area will have within Comox Valley and indorse our Patio Application.

Regards,

Jo-Anne Landolt

Owner/Manager.

Grimsrud, Michael

From: [REDACTED]
Sent: April 10, 2020 10:46 PM
To: PlanningAlias
Subject: Ace Patio

To whom this may concern,

I believe a patio at Ace would be excellent idea and opportunity for Courtenay and provide an amazing place for the community to congregate and socialize. Ace Brewing Co is a growing business and giving them the platform to grow and expand would provide an avenue for more employment for people in the area as well as growing tourism.

I hope the council realizes this opportunity and utilizes it.

Thanks for your time,

[REDACTED]

[REDACTED]

Grimsrud, Michael

From: [REDACTED]
Sent: April 13, 2020 9:21 PM
To: PlanningAlias
Subject: Ace Brewing - Patio

Importance: High

Hello Mr. Grimsrud,

My name is [REDACTED]. I live at 2300 Mansfield Drive - Trumpeters Landing, just north of Ace Brewing. I fully support Ace Brewing and their application for a structural change to their existing liquor licence for their property at 150 Mansfield Drive.

I base my support on the following 3 items:

- Increased serving capacity and revenue for a small business
- Increased local employment
- Aesthetic improvement to the west section of the property

If you have any questions, feel free to ask me.

Regards,

[REDACTED]

Grimsrud, Michael

From: [REDACTED]
Sent: April 11, 2020 8:34 AM
To: PlanningAlias
Subject: Ace brewing patio

Hi Michael,

As a proud Comox Valley resident and beer aficionado, I very much think an outdoor patio at Ace Brewing would be great idea for the community! Hope this can go through.

Cheers,

Grimsrud, Michael

From: [REDACTED]
Sent: April 16, 2020 1:42 PM
To: PlanningAlias
Subject: Aces Brewing patio expansion

Hi, I'm writing to express my support for the expansion of Ace Brewing to include an outdoor patio.

I am a huge supporter of all local breweries and I think it's important that our community support local business expansion.

With the evergrowing popularity of craft breweries you may notice that other Local breweries have lines of people waiting for a space on the patio during the warmer months.

Not only would we be encouraging people to enjoy the great weather we have and get some fresh air but we would also be allowing for more seating in these establishments promoting the local economy. More seating also means more employees are needed thus providing much needed jobs during a time when many have been laid off.

Part of what drives our Valleys tourism is our great selection of breweries. Aces is modelled after the wonderful air force base close by and I think their theme alone promotes a great image to tourists of the Valley.

On a beautiful day tourists want to be outside enjoying what BC has to offer, by preventing Ace brewing from serving this market we would be severely limiting their ability to serve this demographic.

With the current events (COVID19) limiting profits in every sector, now more than ever, it is important that we do our best to support all local business.

Thank you kindly for your time,

Grimsrud, Michael

From: [REDACTED]
Sent: April 22, 2020 12:17 PM
To: PlanningAlias
Subject: Ace Brewing Licence Application

Hi there,

Please consider this email my support as a resident of Courtney for Ace Brewing's liquor licence application change. Allowing a local brewery to include an outdoor lounge is a great way to support a local business and social interaction in the community (post-pandemic). This is a busy commercial area and any residents within the general vicinity would have known as much when they purchased (or rented) their property, and so expanded commercial activity should be considered a foreseeable event.

Thanks.

Grimsrud, Michael

From: [REDACTED]
Sent: April 22, 2020 1:02 PM
To: PlanningAlias
Subject: Ace Brewing Licence Application

Hi there,

Please consider this email my support as a resident of Courtney for Ace Brewing's liquor licence application change. Allowing a local brewery to include an outdoor lounge is a great way to support a local business and social interaction in the community (post-pandemic). This is a busy commercial area and any residents within the general vicinity would have known as much when they purchased (or rented) their property, and so expanded commercial activity should be considered a foreseeable event.

Thanks.

Grimsrud, Michael

From: [REDACTED]
Sent: April 24, 2020 11:49 AM
To: PlanningAlias
Subject: LL000013 - 150 Mansfield Drive

Hello Planning and Council,

I live across the street from Ace Brewing Company, and I am opposed to the current application to accommodate an outdoor patio area. Nights, especially summer nights, are filled with the sounds of cars peeling out and drunk pub-goers hanging out in the parking lot. Although the brewery closes at 10 or 11pm, patrons stay in the parking lot for much longer playing music and shouting and singing. I fear that the proposed patio will greatly increase the nuisance in the area. The brewery is already very busy, but with a patio that will rival Gladstone's in size, there is the potential that summers will become unbearable. Thank you for the opportunity to voice my opinion.

[REDACTED]
446-2300 Mansfield Drive

Grimsrud, Michael

From: [REDACTED]
Sent: April 29, 2020 1:20 PM
To: PlanningAlias
Subject: File LL000013 150 Mansfield Drive Outdoor Patio

We live at 2300 Mansfield Drive, Trumpeters Landing. Our Suite #334 faces the applicant pub. It impacts us already, the proposed patio will increase the impact and contribute to the adjacent Whistle Stop Pub's outdoor patio impact of late night shouting, drunken bon-homme, occasional brawling, wheel screeching exits and exuberant horn honking and farewells at closing time (way past most peoples' bed times).

The existing landscape buffer cited in the staff report is all on our property (Trumpeters). There is a narrow planting space on the applicant's property bordering Mansfield Drive which could be developed with tall dense cedar hedging, obscuring and buffering the street, the sidewalk, our residences and our only communal outdoor gathering space.

The proposed patio addition would be more attractive to locals if it incorporated an adjacent/attached dog enclosure so that the significant number of river walkway users with dogs could enjoy a UK Style pub accompaniment. Folks who walk their dogs tend to be less raucous, more considerate of others, aware of their environment and impact.

Bylaw enforcement at present has not mitigated ACE contractor who cans product using an outdoor compressor, outdoor parking lot loading of cans on the conveyor belt, etc. beginning at 7AM. My calls to by-law enforcement remain unreturned.

Sent from [REDACTED]

Grimsrud, Michael

From: [REDACTED]
Sent: April 28, 2020 3:55 PM
To: PlanningAlias
Subject: Aces brewing application

I live across the street and I do not feel it's a good fit for the neighbour.

Thank you

[REDACTED]

Grimsrud, Michael

From: [REDACTED]
Sent: April 29, 2020 6:05 PM
To: PlanningAlias
Subject: File LL000013 150 Mansfield Drive Outdoor Patio

Hello,

I would like to say that I strongly disapprove of an outdoor beer patio proposal for the above noted location. Two alcohol establishments side by side on Mansfield across the street from four +50 condo buildings is too much. The noise, screeching tires, whooping and hollering at the wees hours is hard to take at the best of times let alone adding to the already stretch of our basic rights to peace & quiet in our homes.

Thank you,

[REDACTED]
2300 Mansfield Drive

Grimsrud, Michael

From: [REDACTED]
Sent: April 29, 2020 11:40 PM
To: PlanningAlias
Subject: Ace Brewery patio

I strongly oppose granting Ace Brewery permission to proceed with their plans to build a patio. The clientele that will be attracted to the patio may, while and after consuming the provided beverage be loud and reckless. There is a children's playground nearby, a well used walking trail frequently used by both young and old and high density housing just across the road. Please consider denying this request

[REDACTED]
232B Archery Cr
Courtenay,
V9N 8Y1

Grimsrud, Michael

From: [REDACTED]
Sent: April 30, 2020 12:37 PM
To: PlanningAlias
Subject: Ace Brewing proposal for outdoor patio file#LL000013

Being a resident of Trumpeters Landing for 15 years and particular since our suite is directly across from the proposed outdoor

patio, I strongly oppose the granting of the license for the patio.

A few decorative shrubs will not attenuate the noise from "68 people" particularly at night when voices (laughing and excited chatter) travel more.

They have proposed putting bicycle racks in front of the patio deck with shrubs either side to help with noise attenuation, but from the drawings I see, no shrubs between the patio and the bicycle rack leaving a wide open space with no sound attenuation.

We have noticed a significant increase in noise and traffic on Mansfield since Ace Brewery opened as our observation is they have been extremely busy with the Brewery being full on most days as indeed is their parking lot!!

In the summer months when our patio doors are open in the evening the sound is amplified, I foresee it will not be pleasant to relax on our patio in the evening.

On warm sunny days Mansfield drive has been the "overflow" parking for the Airpark parking area, Whistlestop Pub and Ace Brewery with cars parked in legal and non legal areas from one end of Mansfield Drive to the other.

The very loud motorcycles have not arrived in "droves" as yet but when the lockdown is relaxed they will be back on the roads and why are the police not ticketing these individuals for excessive noise? taking their motorcycles off the road until they comply with the noise regulations.

(this situation is not within the City's perview, refusing to grant a license for an outdoor patio is!)

I would suggest to evaluate a fair understanding of the issues, City staff need to spend some time observing the relevant issues affecting our area.

While we regularly see and hear vehicles particularly large motorcycles accelerate up and down Mansfield Drive, I have never observed police speed checks on Mansfield Drive.

We have a commercial card lock station on Cliffe Avenue and we have noticed the increase in Semi Trailers who use the back alleyway off Mansfield Drive to access the station with their accompanying noise pollution.

I noted this paragraph on the City of Courtenay website:

"Ace Brewing Company's previous application that was approved by Council for the lounge endorsement had seven public comments, one in favour and six opposed – siting potential competition for a nearby pub, noise and traffic as concerns.

Staff found none of these issues to be problematic but noted that any future patios would require a separate application and re-examination"

No, Staff did not find any of the issues "problematic" because Staff don't live in our complex!! and especially adjacent to the Whistlestop Pub and Ace Brewery.

What does staff define as problematic?

We have tolerated the Whistlestop Pub's traffic and bands playing over the years, after all they were here before our complex was built and we knew that when we bought our unit....

The Garbage Trucks arrive anywhere from 6:40am to 7:15am in the morning with their accompanying noise and I begrudgingly accept that they are a fact of life and tolerate them.

I do not want to see or hear an outside Patio full of essentially beer drinkers from potentially 11am-11pm every day.....I am not against small business succeeding and the noise from the patrons is tolerable when they are inside the Ace Brewery building, the cars and Mansfield vehicular traffic at this moment in time is not.

All the other craft breweries in the Comox Valley have outside Patios but this proposal is the only one that is so close to residential neighbours.

An outdoor patio in this location will not enhance our neighbourhood.

These are the issues as I see them after 15 years living on Mansfield Drive.

Please do not approve this application!!

Your Truly [REDACTED]



To the City of Courtenay,

I would like to introduce myself, Jo-Anne Landolt, my husband Kent and I are owners of Ace Brewing Company. I wanted to email and explain as to why we decided to apply for a Patio Licence and encourage the City of Courtenay to approve our application.

Ace Brewing opened its doors to the public September 13th 2019, since this time there has been no known noise complaints, police incidents or disturbances.

We have met many of our neighbours, while visiting the Brewery through our build and when we opened. As we envisioned Ace Brewing being a hub for the community, a place where people walk or ride their bikes to meet with family and friends, we have appreciated all the support!

Input from the public and most importantly the neighbouring residences is part of the process of our application for a Patio Licence through the BC Liquor Board, we appreciate the feedback, positive or in respect of concerns. We understand some concerns are an increase in noise due to an establishment's patio being open nearby. This is the main reason we decided to plan our patio towards the West side of the building instead of the North side closer to the residential buildings. We are also going to be planting shrubbery around the patio and potted planters for not only cosmetic reasons but as a noise barrier. As Comox Valley is a four seasons community we have been asked constantly if we are going to building a patio? People who reside and visit the Valley love to be outdoors anytime of the year and our customers are extremely excited about our patio application. I myself like to use patios especially on a warm day but I don't like a noisy atmosphere which we believe is the thinking of our targeted market of patrons.

Our current hours of operation are Monday-Thursday 12pm-10pm, Friday & Saturday 12pm-11pm and Sunday 12pm-9pm, the patio would also reflect these hours. Being an owner of Ace Brewing I take pride in operating a comfortably, clean, welcoming, pleasant and safe establishment. Myself and our staff do not condone any unruly behaviour and feel these hours are a perfect fit for our patrons.

In these times of COVID-19 social distancing is a way of life and will continue to be for some time. An addition of a patio will increase the space we have to enable to keep social distancing and being in the fresh open air is an added positive element. To say COVID-19 has had an impact to our business is an understatement. March 18th we had to lay off all our Employees which included salary, full-time and part-time employees, therefor myself and my husband are the only people at the Brewery. Now having take out sales and selling cans to Liquor Stores is the only way of an income, therefore we have had to can more than usual (approximately once a month), resulting in declining profit. Saying this we are staying positive, adapting to the changes, and hoping there is a light at the end of the tunnel. We are looking forward to our employees coming back to work and an edition of a patio means more hours and or more hired staff.

If our application is passed, we will be training our staff on measures set in place to ensure our neighbours concerns are at the forefront, we will be mindful and respectful of increased noise due to the patio. We hope to continue having a positive and professional relationship with our residential neighbours.

Best Regards,

Jo-Anne Landolt

Ace Brewing Company

Grimsrud, Michael

From: [REDACTED]
Sent: April 30, 2020 12:58 PM
To: PlanningAlias
Subject: City of Courtenay

City of Courtenay
Ace brewery company expansion file number LL000013

As a long-term resident of Mansfield Drive we have seen increasing traffic noise and speeding on Mansfield. (We understand that the change due to Covid19, retail outlets have altered behaviour) I have previously sent a letter to the city in regards to the ongoing high-speed traffic on the street, have seen no changes. I would personally like to see speed bumps to slow the acceleration of people leaving and going to the two pubs, so to say that there has been no noise and traffic complaints isn't true!

I cannot imagine the seniors trying to sleep when the outdoor area is open until 11 o'clock at night. Most seniors are trying to go to sleep long before then. There is a multitude of proof that noise goes up in elevation, and this complex has four stories. The noise will not be decreased for those residents by the owners putting a few bushes around the 68 drinking people sitting outside. Noise goes up in elevation!! The residents in this area already deal with far too much gunning of cars motorcycles and speeding vehicles as they head to and leave from one of the two pubs. There is also the semi's turning from Mansfield drive into the back Alley to access Cliff Avenue Cardlock . And the industrial noise from the already existent commercial facilities such as the repair shops!

Since trumpeters Landing is a dominant seniors complex it seems unfair for these people to have their lifestyle impacted more than it already is by the high noise of traffic. There is excess speeding on Mansfield Drive regularly to the point where I had a motorhome totalled when it was rear ended after someone left the pub and collided with my vehicle on Mansfield. I cannot imagine the speed that that person was travelling to do this amount of damage.

The part of Trumpeters Landing facing the proposed outdoor 68 person seating area is south facing. It is incredibly hot for the higher units as you will see all the blinds being closed in the summertime. With this proposed extension it will become impossible for the seniors to open up their door to get some crossflow of air and will turn their units into cells.

One of the Brewery owners has already stated that they know noise will be a problem. Knowing that noise was going to be a problem I have to ask why did they choose to start a business there that makes noise and why do they need to increase the noise further? Why do they need to double capacity??.

I would like to know what other city brew pub has a 68 person outdoor drinking area in a residential area?

Respectfully

[REDACTED]

Stay well

[REDACTED]

Grimsrud, Michael

From: [REDACTED]
Sent: April 30, 2020 1:50 PM
To: PlanningAlias
Subject: Fwd: Mansfield Drive - PI#42434

Continued
from previous

Please include the attached to my recent comment on the expansion of East brewery

Stay well
[REDACTED]

Begin forwarded message:

From: [REDACTED]
Date: February 26, 2020 at 12:30:20 PM PST
To: [REDACTED]
Subject: Fwd: Mansfield Drive - PI#42434




Cheers
[REDACTED]

Begin forwarded message:

From: PublicWorksAlias <publicworks@courtenay.ca>
Date: February 21, 2020 at 10:07:48 AM PST
To: [REDACTED]
Subject: RE: Mansfield Drive - PI#42434

Good Morning [REDACTED]

Your inquiry has been received in the Public Works Department and has been entered into our Public Inquiry System to the attention of the Traffic Department. They will be in contact with you directly.

Regards,
Public Works Administration
City of Courtenay
1000 Piercy Ave., Courtenay, BC V9N 3E6
250-338-1525
www.courtenay.ca
  

-----Original Message-----

From: EngineeringAlias
Sent: Thursday, February 20, 2020 3:29 PM
To: [REDACTED]
Cc: PublicWorksAlias <publicworks@courtenay.ca>
Subject: RE: Mansfield Drive - PI#42434

Good afternoon [REDACTED]

Continued
from previous

Thank you for your inquiry regarding traffic on Mansfield Drive.

Because your inquiry relates to the operation of in-service assets (existing roads, speed bumps and signs), I have directed your inquiry to Public Works Services for follow up. Someone should be in contact with you directly. If you would like to follow up with your concerns, Public Works Services may be contacted by calling 250-338-1525 or by emailing publicworks@courtenay.ca.

I confirmed with the City Bylaw Officer that the noise from the motorcycle is considered a moving vehicle violation and falls under the jurisdiction of the RCMP. Speeding is also an enforcement issue, I would advise contacting the RCMP to report these incidents.

Sincerely,

Cammy Dallamore
Engineering Clerk
City of Courtenay
830 Cliffe Ave., Courtenay, BC V9N 2J7
Work: 250-703-4838
cdallamore@courtenay.ca | www.courtenay.ca

-----Original Message-----

From: [REDACTED]
Sent: Thursday, February 20, 2020 2:02 PM
To: EngineeringAlias <engineering@courtenay.ca>
Subject: Mansfield Drive

Having lived at Trumpeters Landing on Mansfield Drive for 15 years I am increasingly concerned over the speed of the traffic on Mansfield. The Airpark walkway, !!wonderfully!!, is becoming busier, as it should be. The number of children in the complex is gradually growing, as well as the number of seniors with mobility issues. The traffic speed along our little stretch of the road can be clocked at 70 km an hour. (This is not an exaggeration) The screeching and high acceleration rate, in particular those leaving the pub has become a problem. We had a motorhome parked outside on the complex side of the street that was hit at such a speed that it was totalled. It is alarming that somebody could pick up enough speed to cause that amount of damage. There has been also a substantial increase in traffic since the brewpub opened. We are requesting speed bumps to slow the acceleration on the north portion of Mansfield drive.

Perhaps it is time to talk about a 30 km an hour speed limit along this high traffic street prior to someone getting hit.

I'm also wondering about the enforcement of noise bylaw's for the motorcyclist. The rate of revving and high speed acceleration when leaving the pub is destructive for the neighbourhood and we do not see any policing of that going on. It seems unreasonable for a small portion of the population to destroy the liveability of a neighborhood.

Look forward to hearing your response.

Respectfully



Continued
from previous

This e-mail communication may be confidential and legally privileged. If you are not the intended recipient, please notify me by return e-mail and delete this communication and attachment, and any copy, immediately. Thank you.

Grimsrud, Michael

From: [REDACTED]
Sent: April 30, 2020 1:50 PM
To: PlanningAlias
Subject: Fwd: Mansfield Drive Traffic Calming

Continued
from previous

Stay well
[REDACTED]

Begin forwarded message:

From: "Miller, Carrie" <cmiller@courtenay.ca>
Date: February 21, 2020 at 11:37:26 AM PST
To: [REDACTED]
Subject: Mansfield Drive Traffic Calming

Hello [REDACTED]

Thank you for taking the time to contact the City with your concerns regarding speeding on Mansfield Drive.

Unfortunately the City does not have a traffic calming program. If you are interested in pursuing traffic calming, please feel free to get in touch with City Council to make that request. The contact information for Mayor and Council can be found on our website at:
<https://www.courtenay.ca/EN/main/city-hall/mayor-council/contact-mayor-council.html>.

Engineering measures, such as traffic calming, are only one way to influence vehicle speeds. Other effective measures are education and enforcement. You may wish to contact the local Speed Watch Program through the RCMP to further discuss your concerns regarding vehicle speeds. The Speed Watch program, which serves an educational role, uses trained volunteers with radar guns to measure vehicle speeds and display them on large signboards.

Enforcement is the most effective way to influence driver behaviour, particularly speeding and reckless driving. In addition to the Speed Watch program City staff will ask the RCMP to undertake some enforcement in your area, as and when their resources allow. The RCMP recommends that you report any dangerous driving to them at 250-338-1321.

If you have further questions, please do not hesitate to contact me.

Regards,
Carrie

Carrie Miller, ASCT
Traffic Engineering Technologist

City of Courtenay
Public Works Services



250-338-1525

OUR CORE VALUES: People Matter | Be Accountable | Depend on Each Other | Pursue
Excellence | Celebrate Success

Continued
from previous

This e-mail communication may be confidential and legally privileged. If you are not the intended recipient, please notify me by return e-mail and delete this communication and attachment, and any copy, immediately. Thank you.



STAFF REPORT

To: Council

File No.: 3900-00

From: Chief Administrative Officer

Date: May 11th, 2020

Subject: Building Amendment Bylaw No. 3004, 2020 Solid Fuel Burning Appliances

PURPOSE:

The purpose of this report is to bring forward for Council's consideration an amendment to the Building Bylaw to include provisions that would regulate solid fuel burning appliance installations in new and existing construction.

CAO RECOMMENDATIONS:

That based on the May 11th Staff Report "Building Amendment Bylaw No. 3004, 2020 Solid Fuel Burning Appliances" Council approve OPTION 1 and proceed to first, second, and third readings and final adoption of Building Amendment Bylaw No. 3004, 2020 Solid Fuel Burning Appliances.

Respectfully submitted,

David Allen, BES, CLGEM, SCLGM

Chief Administrative Officer

DISCUSSION:

Smoke from solid fuel stoves and fireplaces is a significant source of air pollution in the Comox Valley because of the valley's frequent temperature inversions and mild winds in winter when residents burn wood as their primary source of heat. The Canadian Council of Ministers of the Environment have identified the burning of wood can have negative health and environmental effects. The fine particulates found in wood smoke can have negative effects on young children and older adults, especially those with underlying cardiovascular and respiratory conditions. Environmentally, wood burning produces black carbon which is part of a group of short lived climate forcers that are considered to be contributory to climate change.

Some neighbouring local governments have adopted bylaws regulating solid fuel burning appliances in recent years. These bylaws typically restrict the installation of solid fuel burning appliances in new construction and provide for specific requirements when retrofitting newer higher efficiency appliances in place of older appliances that have outlived their usefulness in existing construction. The proposed bylaw shows consistencies with the neighbouring municipalities, as well as Environment Canada's Model Municipal Bylaw for Regulating Wood Burning Appliances. Specifically, the proposed bylaw restricts the installation of solid fuel burning appliances in new construction and requires that any existing appliances proposed for replacement must meet the emission standards of the CSA or EPA.

FINANCIAL IMPLICATIONS:

No additional financial implications are expected from the regulation of wood burning appliances. The building bylaw currently has fees to address the administration of permits associated with wood burning appliances.

ADMINISTRATIVE IMPLICATIONS:

This report and associated bylaw took approximately 3 hours of staff time to prepare. There are no additional administrative implications as processing building permits is included within existing staff resources.

ASSET MANAGEMENT IMPLICATIONS:

N/A

STRATEGIC PRIORITIES REFERENCE:

November 2019 Strategic Priorities Check-in:

- Council Priorities Advocacy / Partnerships – Regional Air Quality Initiative

2019 – 2022 Strategic Priorities

We proactively plan and invest in our natural and built environment

- ▲ Advocate, collaborate and act to reduce air quality contaminants
- ▲■ Support actions to address Climate Change mitigation and adaptation
- Make progress on the objectives of the BC Climate Action Charter

OFFICIAL COMMUNITY PLAN REFERENCE:

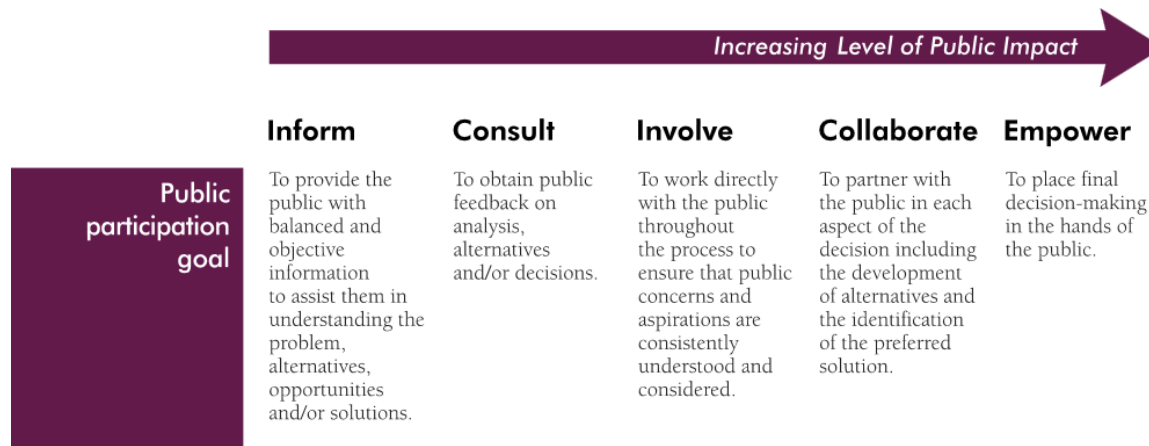
N/A

REGIONAL GROWTH STRATEGY REFERENCE:

Regulating of solid fuel burning appliances in the city is in alignment with Goal 8 of the RGS that references minimizing regional greenhouse gas emissions.

CITIZEN/PUBLIC ENGAGEMENT:

Staff would **inform** the public based on the IAP2 Spectrum of Public Participation:



OPTIONS:

Option 1, (Recommended) That Council approve OPTION 1 and proceed to first, second, third readings and final adoption of Building Amendment Bylaw No. 3004, 2020

Option 2, That Council defer decision on Building Amendment Bylaw No. 3004, 2020 and refer it back to staff with a list of specific requirements.

Option 3, That Council not consider implementing Building Amendment Bylaw No. 3004, 2020 at this time.

Prepared by:

Trevor Sweeney, RBO
Manager or Building and Administrative Services

Reviewed by:

Ian Buck, RPP, MCIP
Director of Development Services



THE CORPORATION OF THE CITY OF COURTENAY

BRIEFING NOTE

To: Council
From: Director of Recreation and Cultural Services
Subject: Canada Day Celebrations Cancelled Due to COVID-19

File No.: 08100-20 Canada

Date: May 5, 2020

ISSUE:

The Canada Day celebrations for 2020 have been cancelled due to the COVID-19 pandemic.

BACKGROUND:

The Canada Day celebrations are one of the Valley's largest public gatherings. On March 16, 2020 a Ministerial Order was issued by the Province of B.C.'s Medical Health Officer prohibiting the gathering of people in excess of 50 people. This order remains in effect.

The Canada Day event is hosted by Courtenay and is among the list of Comox Valley events that have been cancelled due to COVID-19. This list includes, Nautical Days, Island Music Fest and the Filberg Festival.

KEY CONSIDERATIONS:

On April 21, 2020 the organizing team unanimously agreed that the event, in its current form, should be cancelled. Most members were not in favour of a virtual event, but rather propose that the City consider carrying some funds forward so that the 2021 celebrations could be expanded if appropriate. Staff will consider this as the budgetary impacts of COVID-19 are fully known.

The event budget is \$63,600 and there's annual anticipated revenues totalling \$10,600 comprised of a federal grant of \$3,800 and vendor fees totally approximately \$5,800. There are no contractual relationships that are impacted by the cancellation of the event. Although revenues will be lost for 2020, the budget will not be impacted by this cancellation.

Over 35 city staff are involved in the execution of the event. The cancellation will ensure that staff resources are available to focus on community health and recovery.

Staff will update Council if there are innovative event possibilities to consider based on situation updates from health authorities.

Respectfully submitted,

Dave Snider *MBCSLA*
Director of Recreation and Cultural Services



BRIEFING NOTE

To: Council
From: Chief Administrative Officer
Subject: 2020 Heritage BC Award for Lawrence Burns

File No.: 6800-01
Date: May 11, 2020

POLICY IMPLICATIONS:

City of Courtenay Strategic Priorities 2019 - 2022

We continually invest in our key relationships

- Value and recognize the importance of our volunteers

ISSUE:

Lawrence Burns, former Fire Chief, Chair of the Heritage Advisory Commission, has received the Heritage BC's Award of Recognition in the Distinguished Service category this year for his life-long volunteer commitment to Courtenay's heritage conservation through participation, research, education and interpretation, and public awareness as well as many community-wide heritage events including the Centenary Committee. Due to the COVID-19 pandemic, the award ceremony, which was originally scheduled at the annual conference in Chilliwack on May 8, has been regrettably cancelled. Our community would like to congratulate Lawrence on his achievement.

BACKGROUND:

The following short description was written by Judy Hagen and prepared for the award presentation.

"Living all his life in the Comox Valley on Vancouver Island, Lawrence Burns, now aged 90 plus years, still has a great love and passion for local history. His years as a volunteer for the City of Courtenay Fire Department and later as Fire Chief, ensured Lawrence was always front and centre in every major event in the life of the City. This makes him a living encyclopedia able to provide "chapter and verse" to confirm City history. When he joined the Heritage Commission and later became Chairman, he always had a story to add to the conversation. Without him the heritage of Comox Valley would not be told so completely".

KEY CONSIDERATIONS/NEXT STEPS:

- Staff suggest it would be appropriate at this time for Mayor and Council to publicly thank and acknowledge Lawrence for the great service he continues to provide to the City of Courtenay and arrange a formal presentation of his certificate of distinguished service at a future council meeting or public event.

Prepared by:

Tatsuyuki Setta, RPP, MCIP
Manager of Community and Sustainability Planning

Reviewed by:

Ian Buck, RPP, MCIP
Director of Development Services



AWARD

2020

The Board of Directors of Heritage BC wishes to recognize the contributions and accomplishments with an award of

Distinguished Service



Award of Recognition

has been conferred on

Lawrence Burns
Member/Former Chair,
City of Courtenay Heritage Advisory
Commission

A handwritten signature in black ink, appearing to read 'Gord Macdonald'.

Gord Macdonald
Board Chair, Heritage BC

A handwritten signature in black ink, appearing to read 'Lynda Lafleur'.

Lynda Lafleur
Vice-Chair, Heritage BC

May 8, 2020

Heritage BC





THE CORPORATION OF THE CITY OF COURTENAY

BRIEFING NOTE TO COUNCIL

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

File No.: 5335-20 / 5400-02

Date: May 11, 2020

PURPOSE:

The purpose of this briefing note is to provide an update on the status of the 5th Street Bridge Rehabilitation project and the upcoming steps to move the project forward to completion in 2021.

BACKGROUND:

The following Council resolutions regarding the 5th Street Bridge Project have provided direction to staff.

June 24th, 2019

That based on the June 24th, 2019 staff report “5th Street Bridge Rehabilitation Project” Council approve 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.

Following a period of extensive community and stakeholder engagement and the refinement of project options, Council passed the following subsequent motion.

February 3rd, 2020

That Council direct staff not to include cantilevers in the final design of the 5th Street Bridge Rehabilitation Project; and,

That based on the January 27th, 2020 staff report “5th Street Bridge Rehabilitation” that Council direct staff to obtain elector approval for a loan authorization bylaw for the 5th Street Bridge Rehabilitation Project through the Alternate Approval Process.

The 5th Street Bridge plays an important role in the entire Comox Valley transportation network serving 20,000 vehicles, 650 pedestrians and 500 cyclists each day. Completed in 1957, the 72-metre steel truss bridge has two vehicle lanes and 1.5 metre sidewalks on both sides of the bridge.

The City was successful in receiving \$1.96 million in funding from the New Building Canada – Small Communities Fund, which requires rehabilitation of the bridge to occur by March 31, 2022. This was an extension from the original March 2020 deadline, and we have previously been advised that no further extensions will be provided. Construction is planned for 2021.

To address the structural condition and safety of the current bridge, the original scope of the 5th St Bridge Rehabilitation Project includes:

- Bridge deck replacement and cathodic protection systems,
- Structural repairs to the steel bridge structure,
- New handrails,
- Removal of rust and existing lead-based coating, and
- Recoating of all steel to prevent corrosion

Recognizing the important role the bridge plays in the City's transportation network, there are several elements to consider when planning how best to safely rehabilitate the bridge in a timely manner while maintaining access for all modes of traffic.

UPDATE AND NEXT STEPS:

1. BORROWING BYLAW

- a. With the first three readings of the bylaw on Monday April 20th, the borrowing process is now underway.
- b. The Inspector of Municipalities has already provided statutory approval on May 5th allowing this bylaw to proceed to electoral approval when necessary. This is the fastest turnaround on a borrowing bylaw the City has ever experienced.
- c. Electoral approval, in the form of an Alternate Approval Process, is scheduled to advance this summer. Council will have an opportunity to establish the number of electors and deadline prior to commencing this process

2. TRAFFIC MANAGEMENT PLAN AND STAKEHOLDER ENGAGEMENT

The City appreciates the concerns of the business community, particularly in the downtown core, over the impacts of bridge maintenance. These concerns have been heightened by the COVID-19 pandemic which has dealt an unprecedented blow to many businesses who have been forced to close or limit services, with no clear end in sight. At the same time this necessary maintenance on the 5th Street Bridge must be completed to protect this essential infrastructure which plays an important part in the community's traffic network. The project team is keenly aware of these concerns and will make every effort to maintain the highest possible level of traffic flow while protecting workers and the public.

- a. The draft Traffic Management Plan (TMP) is currently being developed by the City’s consulting Engineers and City Staff with the goal of being reviewed with key stakeholders (BC Transit, DCBIA, MoTI and others) this summer. The intent is to consensus-build with stakeholders to help mitigate the potential impacts of the project while ensuring the City receives the best value for construction.
- b. The TMP will define how best to manage the planned single-lane alternating traffic, with the goal of minimizing the impact to businesses, other stakeholders and the community as much as possible.
- c. Some innovative strategies that will be evaluated include:
 - i. Slip/priority lane potential for transit and emergency vehicles,
 - ii. Reduction of single-lane alternating traffic where possible,
 - iii. Optimized traffic signal timing for downtown access,
 - iv. Shuttle services or park and ride,
 - v. Relaxed parking options

3. DETAILED DESIGN/TENDER PACKAGE DEVELOPMENT

- a. Detailed design is continuing to advance. Both design and tender package are on schedule to be ready for an early fall procurement process.

PROJECT SCHEDULE

The project is progressing as per the below schedule. While the on-going COVID pandemic has delayed some items by a few months, overall the project is still on track to meet the original schedule for procurement and construction.

| City of Courtenay Fifth Street Bridge - Summary Schedule | | | | | | | | |
|---|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2020 | | | 2021 | | | 2022 | |
| | Apr-Jun | Jul-Sep | Oct-Dec | Jan-Mar | Apr-Jun | Jul-Sep | Oct-Dec | Jan-Mar |
| Communications and Public Consultation | | | | | | | | |
| Complete Traffic Management Plan | | | | | | | | |
| Complete Design | | | | | | | | |
| Borrowing Bylaw | | | | | | | | |
| Procurement | | | | | | | | |
| Contractor Submittals | | | | | | | | |
| Construction | | | | | | | | |
| Project Close-out | | | | | | | | |

PROJECT BUDGET

| Project Element | Estimated Cost |
|---|---|
| Outcome | Rehabilitated crossing with 20-year updated useful service life with full utilization of the grant and cathodic protection versus deck replacement. |
| Bridge Recoating & Deck Renewal | \$4.1 million |
| Structural and Traffic | \$2.2 million |
| Total | \$6.3 million |
| Fed/Provincial Grant | \$1.96 million |
| Reserves | \$0.94 million |
| City Borrowing Amount | \$3.4 million |
| Tax Implications (based on 2019 assessments and tax rates) | Average residential property \$13 per year Average commercial property \$82 per year |

Engineers have determined that the 5th Street Bridge has not reached the end of its useful life, and it would be premature and costly to consider replacing it at this time. Rehabilitation is required to maximize the life of the 5th Street Bridge, and it is one of the City’s fundamental responsibilities to maintain the integrity of our infrastructure assets for the benefit of our community as per the City’s Asset Management Plan. It is estimated that the current rehabilitation work will result in at least 20 years of extended life before additional bridge refurbishment is required. In addition, the visual appearance will be improved once painting is complete.

Engineers specializing in new bridge construction have estimated replacement costs to be in the \$25 - \$30 million for a new structure and abutments. This amount does not include significant additional costs surrounding the relocation of utilities (City water, CVRD water, sewer, gas, fiber optics) that are affixed to the underside of the existing bridge.

Furthermore, a full replacement bridge project would require a complete closure of 5th Street for approximately one full year.

Prepared by:



Chris Davidson, P.Eng.
 Director of Engineering Services

**Minutes of a Parks & Recreation Advisory Commission Meeting
Held at Lewis Park – Tsolum Building, February 6, 2020 at 6:30 p.m.**

Attending: Michael Lynch
Carolyn Janes
Mary Crowley
Allan Douglas
Tom Demeo
Dave Snider (Ex Officio)
Manno Theos (Council Representative)

Regrets: Sébastien Braconnier
Erik Eriksson
Iris Churchill
Bill Green

Call to Order

The meeting was called to order at 6:30 p.m.

Adoption of Previous Meeting Minutes

MINUTES Moved by Mary and seconded by Michael that the minutes of the Parks & Recreation Advisory Commission meeting on Thursday, December 5, 2019, to be adopted as read. **Carried**

New Business

POOL FUTURE PRESENTATION Dave to present to CVRD Board on Tuesday, February 11 to request that they fund an options analysis study on the future of the Courtenay & District Memorial Outdoor Pool.

RECREATION VANS The Variety Bus has written off. Staff are proposing that it be replaced with two 16-passenger vans. Commission recommends that we consult with SD71 staff on the best vehicles based on their experience.

RECREATION ACCESS PROGRAM Dave shared a Briefing Note that was presented to Mayor and Council on the Recreation Access Program. With the launch of Active Net, changes will be made in how patrons utilize the Recreation Access Program, however similar subsidies will be available.

ANNUAL WELLNESS CENTRE MEMBERSHIPS Information was provided on the impacts that our software change has had on annual memberships. Staff are adapting user options to ease the transition.

FOOD IN THE COMMUNITY Manno Theos requested feedback from the Commission on requests he’s received for the use of public lands for community gardening. The Commission recommends that a guardian like LUSH be used as a partner to ensure success.

FFC RENOVATION Manno Theos identified that several civic buildings have been renovated but not the Florence Filberg Centre. He asked for advice to affirm this need. The Commission affirmed that the facility was built in the '80s and was sized appropriately for the community at that time. Expansion and renovation will be needed. Dave is working on a business case to support changes.

Old Business

LAWRENCE BURNS PARK Staff are continuing to evaluate options.

COURTHOUSE TABLES Resolution: That commission members pursue a provincial representative individually if they feel that advocacy is warranted. Moved by Tom seconded by Carolyn. **Carried**

PHYSICAL LITERACY Update submitted with the agenda.

REGIONAL RECREATION PASS UPDATE Update given by Dave.

CAPITAL PROGRAM Update given by Dave.

FEES AND CHARGES Draft survey was distributed for comment.

Next Meeting

Thursday, April 2nd, location to be determined.

Adjournment

The meeting was adjourned at 8:12 p.m.

**THE CORPORATION OF THE CITY OF
COURTENAY BYLAW**

NO. 3004, 2020

A bylaw to amend City of Courtenay Building Bylaw No. 3001, 2020

The Council of the Corporation of the City of Courtenay in open meeting assembled enacts as follows:

1. This bylaw may be cited for all purposes as **“Building Bylaw Amendment Bylaw No. 3004, 2020.”**

2. That “City of Courtenay Building Bylaw No. 3001, 2020” be amended as follows:

(1) Adding the following to Part 2.5 Definitions:

“*Solid Fuel Burning Appliance*” an appliance, such as but not limited to a wood stove, fireplace, furnace, or pellet stove, in which solid fuel is burned and which discharges combustion products.

“*Solid Fuel*” (a) untreated, seasoned wood or wood products, including, without limitation, cordwood, woodchips, sawdust and wood left over from cutting lumber to length,
(b) manufactured firelogs,
(c) pelletized fuel, and
(d) corn kernels and seed hulls;

(2) Replacing the term “wood burning appliance” with “solid fuel burning appliance” throughout the bylaw

(3) Inserting a new “PART 19: SOLID FUEL BURNING APPLIANCE” as follows:

19.1 No person shall design or construct a new building nor add to or renovate to an existing building where the heating system or service water heating system relies in whole or part on the use of a *solid fuel burning appliance*.

19.2 Despite section 19.1, a solid fuel burning appliance may be installed in a building that existed prior to May 31, 2020, in replacement for an existing solid fuel burning appliance provided that the replacement appliance complies with 19.4.

19.3 No person shall construct a masonry fireplace, install a solid fuel burning appliance or chimney, without first obtaining a building permit.

19.4 Every solid fuel burning appliance must display a permanent label indicating that is has been tested to and meets the EPA standards for clean burning or CSA B415.10, as amended or replaced from time to time.

19.5 Before receiving a building permit for a solid fuel burning appliance, the owner must pay to the City the applicable building permit fee set out in Appendix B.

(4) By making such consequential changes as are required to reflect the foregoing amendment, including without limitation changes in the numbering and order of sections of the bylaw.

3. This bylaw shall come into effect upon final adoption hereof.

Read a first time this day of May, 2020

Read a second time this day of May, 2020

Read a third time this day of May, 2020

Finally passed and adopted this day of May, 2020

Mayor

Corporate Officer