

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

Date: August 17, 2020
Time: 4:00 p.m.
Location: City Hall Council Chambers

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

Amended Agenda

Due to the Coronavirus COVID-19 emergency, the City of Courtenay with the authority of Ministerial Order No. M192 *Local Government Meetings & Bylaw Process (COVID-19) Order No. 3* implemented changes to its open Council meetings.

In the interest of public health and safety, and in accordance with section 3(1) of Ministerial Order No. 3 M192, in-person attendance by members of the public at Council meetings will not be permitted 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.

K'OMOKS FIRST NATION ACKNOWLEDGEMENT

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- Helen Boyd, Comox Valley Nurses for Health and the Environment
- Lindsay Eason, EmotiveBC and Global Affinity Communications

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- 7.3 Councillor Hillian
- 7.4 Councillor McCollum
- 7.5 Councillor Morin
- 7.6 Councillor Theos
- 7.7 Mayor Wells

8. RESOLUTIONS OF COUNCIL

- 8.1 Councillor Hillian Resolution - Assertive Community Treatment (ACT) Team

That the City write to Island Health and the provincial government requesting that an Assertive Community Treatment (ACT) team be implemented in the Comox Valley to enhance mental health outreach and crisis intervention services.

- 8.2 Rise and Report - Chief Administrative Officer (CAO) Recruitment - PFM Executive Search

From the June 11th, 2020 Closed (Restricted In Camera) Meeting - Council Rises and Reports as follows:

"That Council commence a formal executive search process to hire a Chief Administrative Officer (CAO) for the City of Courtenay;

That based on quotes received from two professional executive search consulting firms, that PFM Executive Search be awarded the contract to provide executive recruitment services for the City's CAO search;

That the costs for these services be funded through the Human Resources Management Consulting budget; and,

That subject to approval of the terms of the consulting agreement that Council rise and report at a future open meeting as deemed appropriate by staff."

8.3 Councillor Cole-Hamilton Resolution - Nomination to the 2020 Union of BC Municipalities (UBCM) Executive

That City of Courtenay Mayor and Council endorse Councillor Will Cole-Hamilton's candidacy for the position of "Director at Large" on the Union of British Columbia Municipalities (UBCM) Executive; and,

That Council provide a letter addressed to "UBCM Members" in support of Councillor Cole-Hamilton's run for the UBCM Executive office prior to the September 2020 election.

8.4 In Camera Meeting

That a Special In-Camera meeting closed to the public will be held August 17th, 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) (e) the acquisition, disposition or expropriation of land or improvements, if the council considers that disclosure could reasonably be expected to harm the interests of the municipality.

9. UNFINISHED BUSINESS

10. NOTICE OF MOTION

10.1 Councillor Morin - Home Occupation Business

Whereas the onset of COVID-19 has created significant challenges for local businesses, and in some cases, has contributed to their permanent closures; and

Whereas businesses are adapting to these challenges by reducing costs such as rent by working from home, and the City's zoning bylaw is considered restrictive in the types of allowable home occupations, particularly in relation to other local jurisdictions; and

Whereas the City of Courtenay has joined with other local governments to implement a COVID-19 economic recovery task force, and has identified economic growth as a strategic priority;

Therefore be it resolved that Council expand support of small business by directing staff to look at options for an amendment to the zoning bylaw to expand permitted home occupations to include (but is not limited to) hairdressing, dog grooming, counselling, massage, and acupuncture; and other such businesses that do not create additional noise and parking challenges.

10.2 Councillor McCollum - Air Quality - Wood Burning

Whereas, the impact of wood smoke to local air quality and health is a major concern in our community; and

Whereas, the proper storage of wood and operation of a wood burning appliance significantly reduces the negative impacts on local air quality;

Therefore be it resolved, that Council direct staff to prepare a report to consider options for a bylaw to address nuisance wood burning and ensure responsible storage of wood and operation of wood burning appliances.

11. **NEW BUSINESS**

11.1 Council Appointment to "The Junction" Community Advisory Committee

Staff Note: In response to the Comox Valley Better at Home and Comox Valley Kiwanis Village's delegation to Council on June 8th, 2020; to select a Council liaison to work with the Kiwanis Village elders and participate in "The Junction" Community Advisory Committee meetings.

12. **BYLAWS**

13. **ADJOURNMENT**

Minutes of a Regular Council Meeting

Meeting #: R20/2020
Date: August 4, 2020
Time: 4:00 pm
Location: City Hall, Courtenay, BC, via video/audio conference

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: T. Kushner, Interim CAO, via video/audio conference
W. Sorichta, Corporate Officer, via video/audio conference
T. Setta, Manager of Community and Sustainability Planning, via video/audio conference
M. Fitzgerald, Manager of Development Planning, via video/audio conference
N. Gothard, Policy Planner, via video/audio conference
E. Gavelin, Network Technician, via video/audio conference
D. Salmon, Acting Manager of Information Systems

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1. ADOPTION OF MINUTES

1.1 Adopt July 20th, 2020 Regular Council meeting minutes

Moved By Theos

Seconded By Cole-Hamilton

That the July 20th, 2020 Regular Council meeting minutes be adopted.

Carried

1.2 Adopt July 30th, 2020 Special Council meeting minutes

Moved By Theos

Seconded By Cole-Hamilton

That the July 30th, 2020 Special Council meeting minutes be adopted.

Carried

2. INTRODUCTION OF LATE ITEMS

Moved By Hillian

Seconded By Theos

That the following items be added to the August 4th, 2020 Council agenda:

1. Follow-up discussion re: Comox Valley Better at Home and Comox Valley Kiwanis Village resident's June 8th, 2020 Delegation to Council, for consideration under section *9.0 Unfinished Business* of the August 4th agenda; and,
2. Notice of Motion - Island Health Assertive Community Treatment (ACT) team, to be considered under section *10.0 Notice of Motion* of the August 4th agenda.

Carried

3. DELEGATIONS

4. STAFF REPORTS/PRESENTATIONS

5. EXTERNAL REPORTS AND CORRESPONDENCE FOR INFORMATION

6. INTERNAL REPORTS AND CORRESPONDENCE FOR INFORMATION

6.1 Briefing Note - Official Community Plan (OCP) - Public Online Survey (6480-01)

Moved By Frisch

Seconded By McCollum

That the August 4th, 2020 Briefing Note, “Official Community Plan (OCP) - Public Online Survey”, be received for information.

Carried

7. REPORTS/UPDATES FROM COUNCIL MEMBERS INCLUDING REPORTS FROM COMMITTEES

7.1 Councillor Cole-Hamilton

Councillor Cole-Hamilton mentioned this upcoming event:

- Climate Caucus Virtual Climate Summit 2020 hosted August 6th & 7th, 2020:
 - Interested persons may register on-line
 - Local government resource document “Councillors Handbook” will be presented during the summit

7.2 Councillor Hillian

Councillor Hillian participated in the following events:

- LUSH Valley Food Action Society AGM
- K'omoks First Nation Treaty Main Table meeting
- Comox Valley Coalition to End Homelessness monthly meeting and leadership group meeting
- CVRD and Comox Valley Economic Development Society contract meeting
- Comox Valley Water Committee meeting
- Comox Valley Sports Centre Commission meeting
- CVRD Committee of the Whole meeting
- CVRD Board meeting

8. RESOLUTIONS OF COUNCIL

9. UNFINISHED BUSINESS

9.1 Comox Valley Better at Home and Comox Valley Kiwanis Village residents June 8th, 2020 Delegation Re: Neighbourhood Concerns - “The Junction” (988 - 8th Street) Supportive Housing

Moved By Hillian

Seconded By McCollum

That staff write a letter to the members of the delegation who presented on June 8th, 2020 on behalf of Comox Valley Better at Home and the Comox Valley Kiwanis Village residents to update them of Council’s progress in addressing their concerns about “The Junction” (988 - 8th Street) supportive housing, including that Council is gathering more information before determining a response.

Carried

10. NOTICE OF MOTION

10.1 Assertive Community Treatment (ACT) Team

That the City writes to Island Health and the provincial government requesting that an Assertive Community Treatment (ACT) team be implemented in the Comox Valley to enhance mental health outreach and crisis intervention services.

11. NEW BUSINESS

12. BYLAWS

12.1 For Third Reading

12.1.1 Zoning Amendment Bylaw No. 2992, 2020 (2459 Cousins Avenue)

Moved By Frisch

Seconded By Hillian

That "Zoning Amendment Bylaw No. 2992, 2020" pass third reading.

Carried

12.2 For Final Adoption

12.2.1 Zoning Amendment Bylaw No. 2992, 2020 (2459 Cousins Avenue)

Moved By Hillian
Seconded By McCollum

That "Zoning Amendment Bylaw No. 2992, 2020" be finally adopted.
Carried

13. ADJOURNMENT

Moved By Frisch
Seconded By Cole-Hamilton

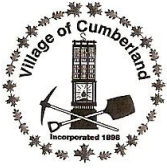
That the meeting now adjourn at 4:35 p.m.
Carried

CERTIFIED CORRECT

Corporate Officer

Adopted this 17th day of August, 2020

Mayor



Corporation of the Village of Cumberland

2673 Dunsmuir Avenue
PO Box 340
Cumberland, BC. V0R 1S0
Telephone: 250-336-2291
Fax: 250-336-2321
Email: info@cumberland.ca

Home Occupation Business License Application

This form is used to apply for Home Occupation and associated Inter-Community Business Licenses as defined below:

HOME OCCUPATION

means any trade, occupation, profession or craft for economic gain or support which is clearly incidental to the principal residential use of a parcel; but specifically excludes repair of automobiles not owned or operated by those living on the subject parcel.

INTER- COMMUNITY

means a business that is located on or in a property within the Village and where the activity takes place in the participating municipalities:

Participating Municipalities: Inter-Community Business Licenses

City of Campbell River	City of Duncan	District of Lantzville	City of Parksville
Town of Comox	Town of Ladysmith	City of Nanaimo	City of Port Alberni
City of Courtenay	Town of Lake Cowichan	District of North Cowichan	Town of Qualicum Beach
Village of Cumberland			

Step One: Preparation for Application

Before submitting an application, the general characteristics of the application should be discussed with municipal staff. This will help familiarize the applicant with the municipality's basic requirements with respect to zoning, public health and safety, and other considerations that may affect the application.

Step Two: Submit Your Application (which must be accompanied by the following information to be deemed complete)

1. The application form signed by the applicant(s). If the applicant is not the Owner of the property, a letter of agency which authorizes the applicant to operate a business is required.
2. If your business involves a specialized trade or a professional designations, a list of the names of employees and their trade or license number or designation.
3. Proof of Health Approval for personal service or food service is required or for Community Care Facilities application for daycare. Please noted that the approved CCFL will be required prior to the Village issuing a License.
4. As every application or renewal is unique, the applicant may be required to provide the following
 - a) copies of applicable certification or letters of approval by federal, provincial, municipal or other agencies, professional associations or societies
 - b) a Criminal Record report from the RCMP (for any business that deals with minors or other disadvantaged group of people)
 - c) proof of liability insurance coverage, in a form acceptable to the Village;
 - d) such other information, documents or materials as the Village may consider relevant to the consideration of the application.

Step Three: Application Process Overview

1. The complete application is received and processing begins.
2. Planning reviews the application pursuant to the land use requirements. When completed she may make a recommendation for approval, and may include conditions for approval.
3. When the application is for daycares, nursery school, adult care etc, the Fire Chief reviews the application from his perspective of the Fire Code requirements for the proposed use. He may, if he deems it appropriate carry out an inspection of the proposed premises. When completed he may make a recommendation for approval, and may include conditions for approval.
4. When the application is for daycares, nursery school, adult care etc, the Building Inspector reviews the application from his perspective of compliance with the BC Building Code requirements for the proposed use. He may, if he deems it appropriate carry out an inspection of the proposed premises. When completed he may make a recommendation for approval, and may include conditions for approval.
5. The CAO reviews the application, and any recommendations made by the staff. If he deems it appropriate, When completed he may approve, deny, or defer the application for further information for clarification. His approval may include conditions that have to be met, prior to the Business being opened to the public.
6. Administration staff advises the applicant that the Business License has been approved. They will tell you what the License fees are as required by Schedule A of the *Corporation of the Village of Cumberland Business License Bylaw No. 896, 2009* and in the *Inter-Community Business Licence Bylaw 2013, No. 995* (if applicable). When all fees are paid and conditions met, the License will be issued.
7. Business Licenses are valid for the calendar year. Renewal notices are sent out the beginning of December. Failure to pay for the next years' license means the License is no longer valid, expires, and a new application may have to be made.

Please note: During processing, applicants are notified by email or telephone of the outstanding item(s) or necessary upgrades etc. If there has been no return call/email or action within 15 days, a written notice outlining the deficiencies is sent to the applicant. If there is *Please note that this form can be used for individual applications as well as any combination ie. just a Home Occupation, or Home Occupation and Inter-Community* not satisfactory action for a further 15 days, the file is deemed to be abandoned and the file is put away.

Fees	Annual Home Occupation License (pro-rated July to December)	\$110/\$55
	Fire & Safety Inspection	\$100
	Criminal Record Check (if done by the Village)	\$40
	Building Inspection	\$50
	Annual Inter-Community License (no pro-ration)	\$150

4.7 Home Occupations

Home Occupation	means an <i>accessory</i> use within a <i>dwelling unit</i> operated by a resident of the <i>dwelling unit</i> , established and operating in accordance with Section 4.7.
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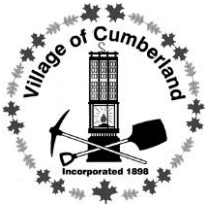
- a) The following are excluded as *home occupations*:
- i) the commercial repair of automobiles not owned or operated by those living on the subject *lot*;
 - ii) manufacturing, welding or any other *light industrial* use;
 - iii) *warehouse* or retail outlet;
 - iv) *animal kennel*;
 - v) any use that involves the use of mechanical equipment save as is similar to that ordinarily employed including purely private domestic and household use;
 - vi) any use or occupation, either by stored materials, displays, floodlighting or otherwise, which alters the character of the dwelling as a private residence; and
 - vii) any use which creates a nuisance such as noise, fumes, dust, odour, traffic or parking which would interfere with the enjoyment of the residential amenities of the neighbourhood.
- b) In *dwelling units* above or behind *commercial uses*, *home occupation* as a permitted use is restricted to *office space* for a business which is lawfully carried on at another location.
- c) The following *home occupations* are otherwise permitted:
- i) small scale home crafts including sewing, and hobby crafts such as woodworking, art, and pottery;
 - ii) private music, dancing, art and art lessons and academic tutoring providing that the number of pupils receiving instruction on the premises at any one time is four or less;
 - iii) *personal services*;
 - iv) *office use*, catering businesses and dog grooming;
 - v) *daycares*;
 - vi) repairs to small appliances and electronics where appliances serviced have a maximum volume of 0.23metres³ (8.0feet³); and
 - vii) *professional services*.
- d) Persons employed in a *home occupation* are limited to those residing on the property in the *dwelling unit* in which that *home occupation* is located and two non-resident *employees* to a maximum of four persons for any *home occupation*.
- e) Materials and commodities shall not be delivered to or from the residence in such bulk or quantity as to require regular or frequent delivery by commercial vehicle or trailer.
- f) All uses shall be conducted entirely within a completely enclosed *building* permitted in this Bylaw, except for *daycare* use.
- g) There shall be no external storage of materials, equipment, containers, or finished products, and no use of shipping containers.

- h) All articles sold through a *home occupation* must be produced or manufactured on site with an exception allowing for the incidental selling of goods not manufactured on site but directly related to another authorized *home occupation*.
- i) Articles manufactured off site may be sold through a *home occupation* provided that all distribution of articles will be carried out off site.
- j) In Residential Zones, the *home occupation* including its *accessory buildings* and *structures*, shall not occupy more than 50.0metres² (164.0feet²) or, 25% of the *GFA* of all *buildings* on the *lot*, whichever is less.
- k) In the case of *daycare* use, 14.0metres² (150.7feet²) of usable outdoor activity space per child in care shall be provided.
- l) Any person intending to carry out a *home occupation* shall hold a valid business license from the *Village* prior to commencing the *home occupation* on the *lot*.

4.14 Vacation Rental

Vacation Rental	means the use of a <i>dwelling unit</i> to provide for the accommodation of the travelling public, established and operating in accordance with Section 4.14.
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- a) No noise, vibration, smoke, dust, odors, heat, glare, electrical or radio disturbance detectable beyond the property boundary shall be produced by the *vacation rental*.
- b) The use of a principal *dwelling unit* and *accessory dwelling units* are permitted to operate as *vacation rental* instead of the principal *residential use*.
- c) Meals may be provided to customers of a *vacation rental* operation only and not the public.
- d) Any person intending to operate a *vacation rental* shall hold a valid business license from the *Village*.



Corporation of the Village of Cumberland

2673 Dunsmuir Avenue
PO Box 340
Cumberland, BC V0R 1S0
Telephone: 250-336-2291
Fax: 250-336-2321
Email: info@cumberland.ca

Application for a Home Occupation Business License

This is an application for			
<input type="checkbox"/> Home Occupation	Or <input type="checkbox"/> Home Occupation and Inter-Municipal		
Description of Property Affected			
Civic Address: _____			
Legal Description: _____			

PID: _____	Folio: _____		
Owner of Property Affected			
Name: _____			
Mailing Address: _____			
Postal Code: _____	Phone: _____		
Email: _____			
Applicant <input type="checkbox"/> Same as Owner <i>or if not, a letter of agency must be provided, found on last page of this application</i>			
Name: _____			
Business Mailing Address: _____			
Business Postal Code: _____	Business Phone: _____		
Business Email: _____			
Name & Type of Business			
Business Name: _____			
Description of Business: _____	Registered company? <input type="checkbox"/> Yes <input type="checkbox"/> No		
<input type="checkbox"/> Lessons or tutoring	<input type="checkbox"/> Small scale Home Crafts	<input type="checkbox"/> Daycare	<input type="checkbox"/> Dog grooming
<input type="checkbox"/> Personal Services	<input type="checkbox"/> Professional Services	<input type="checkbox"/> Office	<input type="checkbox"/> Catering
<input type="checkbox"/> Small Appliance repair	<input type="checkbox"/> Vacation Rental		
Floor Area Used by Home Occupation			
Total Gross Floor Area (GFA) of all Buildings on the Lot	<input type="text"/>	25% of the GFA	<input type="text"/>
<i>Maximum 50.0metres² (164.0feet²) or, 25% of all buildings on the lot, whichever is less.</i>			

Additional information required on next page

Number of People Employed by Home Occupation		
Number of People employed by the Home Occupation <input style="width: 60px;" type="text"/>		Number of People employed by the Home Occupation living at the residence? <input style="width: 60px;" type="text"/>
Days and Hours of Operation		
Days of the week: <input style="width: 280px;" type="text"/>	Hours: <input style="width: 230px;" type="text"/>	
Articles for sale <input type="checkbox"/> Not applicable		
Are all articles for sale produced on site? <input type="checkbox"/> Yes <input type="checkbox"/> No		
Parking & Loading	Minimum Visitor Parking	Maximum Visitor Parking
For Vacation Rental	1 space per room	1 space per room plus 1
For all other Home Occupations	0.5spaces per 100m ² Gross Floor Area of Home Occupation Use	2 spaces per 100m ² Gross Floor Area of Home Occupation Use
Floor Area used by Home Occupation? <input style="width: 60px;" type="text"/>	How many parking spaces are required? <input style="width: 60px;" type="text"/>	How many spaces are provided onsite? <input style="width: 60px;" type="text"/>
The size of a parking space as defined in Zoning Bylaw for residential purposes:	Minimum width: 2.5m (8.2ft) Minimum length: 5.4m (17.7ft)	Area per space: 13.5m ² (145.3ft ²)
Complete this Section for Daycare Use Only		
Number of unrelated children or adults in care? <i>(maximum 2 without a Community Care Facility License)</i>		<input style="width: 300px;" type="text"/>
Required usable outdoor activity space per child is 14.0metres ² (150.7feet ²)	<input style="width: 110px;" type="text"/>	Area of useable outdoor activity space provided? <input style="width: 110px;" type="text"/>
Complete this section for Vacation Rentals Only		
Are you providing vacation rentals:		How many bedrooms are:
Of the whole house? <input type="checkbox"/> Yes <input type="checkbox"/> No	In bedroom(s) of the house only? <input type="checkbox"/> Yes <input type="checkbox"/> No	In a secondary suite? <input type="checkbox"/> Yes <input type="checkbox"/> No
In an Accessory Dwelling Unit (ADU)? <input type="checkbox"/> Yes <input type="checkbox"/> No		in the house? <input style="width: 110px;" type="text"/>
		being rented? <input style="width: 110px;" type="text"/>
		in the suite? <input style="width: 110px;" type="text"/>
		in the ADU? <input style="width: 110px;" type="text"/>
Signature of Applicant		
Date of Application	Signature	

Authorization & Appointment of an Agent

I, _____ being the registered owner of property legally described as:

Civic Address: _____

Legal Description: _____

PID: _____ Folio: _____

hereby give authorization for _____

to act as my agent in the matter of Home Occupation Business License

It is understood that until the Village of Cumberland is advised otherwise, the Village shall deal **exclusively** with the above-noted person with respect to the matter noted above.

Date	Signature of Owner



MEMORANDUM

TO: The Council of the City of Courtenay

ACTION: Request for Letter of Support from the Courtenay Council for a Comox Valley Zero-Emission Vehicle Awareness Campaign

FROM: Comox Valley Nurses for Health and the Environment, Watershed Sentinel, Global Affinity Communications, EmotiveBC, and the Comox Valley Electric Vehicle Association

Summary: The organizations drafting this memorandum as listed above have identified a federal government matching-grant funding opportunity that we believe could leverage planned City spending on a current infrastructure project to provide at no cost to the City a valuable outreach and educational component. We seek a letter of support for our Zero-Emission Vehicle (ZEV) Public Awareness Campaign as detailed below as an integral part of the upcoming installation of electrical vehicle charging equipment on the streets of Courtenay.

Background: Attached as Addendum 1 is a Request for Expression of Interest (RFEOI) published on the website of Natural Resources Canada (NRCAN) just last month. It identifies a need and matching grant opportunity “*to increase awareness of ZEVs, and public charging and refueling infrastructure, through education and capacity-building activities to ultimately support a greater adoption of ZEVs by Canadians.*” The final proposal deadline for up to \$50,000 in matching funds is this September 8th, for a project to be completed by the end of March 2021.

In conversation with Courtenay City Councillors, we were made aware of a CleanBC-funded public charging infrastructure project to be initiated shortly.

The NRCAN RFEOI seeks outreach and public education projects with expenditures that may include “*Capital expenses, including informatics and other equipment or infrastructure*” and “*Professional services (e.g...contracting; engineering; construction; installation, testing, and commissioning of equipment...)*”.

Our Ask: We seek a partnership with the City to commit to the inclusion of some or all of the capital costs of this CleanBC project as an integral capital contribution toward a program to educate the local community about the need for and value of electrified transportation. Our combined community organizations are prepared to add funding of between \$5,000 and \$10,000 as a private sector cash contribution.

We believe that in partnership with the City and by pooling our resources we could secure up to approximately \$20,000 of NRCAN funding and deliver a comprehensive, multifaceted, multi-media public outreach and education program to support the roll-out of Courtenay’s new public charging infrastructure and accelerate the adoption of electrified transport in the City and the region. Our proposed program and budget are outlined on the following 1 1/2 pages.



Comox Valley Zero-Emission Vehicle Awareness Campaign 2020-2021

The Comox Valley Electric Vehicle Association (CVEVA) was founded in 2019 to bring electric vehicle owners and enthusiasts together, to exchange ideas and help educate the community about the benefits of electrified transportation, whether e-bike, electric car, electric boats, or even electric airplanes.

Last spring on May 18th, CVEVA partnered with EmotiveBC, Watershed Sentinel, the Comox Valley Nurses for Health and the Environment, and Global Affinity Communications to host the Move2Electric event, which brought together 1400 people interested in learning more about electric vehicles. This event offered test drives for EVs and e-bikes, a speaker series and information about rebates and incentives.

Due to the success of this event, a follow up event was held in September, an EV Show ‘n Shine with test rides by local car dealerships, which attracted nearly 700 people.

According to ICBC figures on electric vehicle registrations in Comox Valley from March 2019 to March 2020, the number of EVs on the road here increased by 267% in just this one year. This was among the highest growth rates in EV market share in North America over this period.

2020-2021 Plan and Budget

Awareness Campaign Task	Timeline	Budget	Expenses
Develop and implementing a targeted outreach and awareness campaign.	September, 2020	\$500	Wages
Host ride-and-drive events in conjunction with the dealerships similar to the Move2Electric event in 2019.	October, 2020	\$8,000	Includes wages, event supplies, banners, marketing, advertising, rentals, insurance, etc.
Implement an electric vehicle mentor program through CVEVA members where 2 times per year, they take people on a ride-along to educate them on EV ownership.	October and February 2021	\$200	\$100 in expenses to meet before/after at a coffee shop, plus car washes and cleaning for members who volunteer.
Promote employee participation in workplace charging infrastructure by presenting the benefits of purchasing an EV as their next vehicle.	January-March 2021	\$500	Wages for setting up meetings with large organizations and presenting/follow up.
Increase visibility of charging infrastructure with the help of municipal partners.	December-March, 2021	\$5,000	Design and install EV charging signs, social media posts/ management and press release.



Increasing knowledge of EV charging options and technologies among potential end-users using existing apps and websites.	November, 2020	\$2,000	Radio and social media campaign to get people to use the PlugShare App.
Developing best practices guides and educational tools to support targeted audiences	November, 2020	\$1,000	Wages for creating of a community guide pdf to EV ownership and marketing.
Create 4 videos that remove barriers to EV adoption featuring real EV owners. We are planning to produce a series of videos showing where people go with their EVs, how they charge them, how they work, how fun and relaxing they are to drive, and how much better for our environment and human health they are. We plan to use this multimedia, leveraged with social media, to create a vibe around EV adoption.	October, November, December, January.	\$6,000	Wages for video shoot, editing, social media management for all 4 videos.
Launch a province-wide initiative to design and promote a specialty car license plate just for electric vehicles.	September to March 2021	\$5000	Wages for promotion of the license plate through dealerships, ICBC locations, EV associations, etc. plus marketing.
Total		\$28,200	

To maintain this past year’s level of success in the rate of EV adoption in the Valley and especially in the face of public health-related restrictions on large public gatherings, CVEVA has been looking for funding opportunities for a broad awareness campaign with significant on-line content that aligns with local government EV adoption strategies and critical infrastructure planning.

In conclusion, we believe the synchronicity of this funding opportunity with a significant City infrastructure investment and the assets, skills and knowledge of City officials and community organizations working in partnership will greatly leverage and accelerate our collective goals and commitments toward a greener, cleaner, healthier, and sustainable environment.

Contact person: Randy Chatterjee
 Co-Founder, Comox Valley Electric Vehicle Association
 rchat@me.com
 604.617.8624

Addendum 1: NRCAN Zero-Emission Vehicle Awareness Initiative (next 4 pages)



Zero-Emission Vehicle Awareness Initiative

The Pan-Canadian Framework on Clean Growth and Climate Change (PCF) is Canada's plan to work with the provinces and territories to reduce GHG emissions by 30% from 2005 levels by 2030. Given that the transportation sector accounts for approximately 25% of Canada's GHG emissions, making it the second largest emitting sector in Canada, the PCF includes a dedicated transportation strategy that commits the Government of Canada to work with all levels of governments and industry stakeholders to lay the foundation for coordinated to put more zero-emission vehicles on the road.

Furthermore, the Generation Energy Council report outlines several pathways to transform Canada's energy sector, including through smarter use of energy and switching to cleaner power. The report states specific targets for the electrification of transport, that by 2030, 30% of new vehicle sales are EVs and a national charging network is in place.

Thus, the Government of Canada remains steadfast in its conviction that the electrification of transportation is key to decarbonizing the sector, transitioning to a low-carbon future and achieving our target of net zero emissions by 2050. That is why, the Government of Canada has set ambitious federal targets for zero-emission vehicles (ZEV) reaching 10% of new light-duty vehicles (LDV) sales per year by 2025, 30% by 2030 and 100% by 2040.

Natural Resources Canada supports the effort to transition transportation to lower-carbon options by delivering initiatives designed to increase awareness, availability and use of lower-carbon transportation options.

Buying a vehicle is one of the largest financial decisions that Canadians make. Broad uptake of ZEVs will require transformative societal change and concerted government efforts to address critical impediments. The lack of consumer awareness of ZEVs is one of the key barriers to adoption on a wider scale. Given that ZEVs are fuelled and maintained differently, consumers need to be sensitized to how they work, and have proof that a ZEV can provide an equal or better driving experience and value, compared to a conventional vehicle. Addressing consumers' awareness needs is critical in order to move Canadians through the consumer continuum to ZEV adoption.

To address these challenges, Natural Resources Canada's Zero-Emission Vehicle Awareness Initiative supports projects that aim to increase awareness of ZEVs, and public charging and refueling infrastructure, through education and capacity-building activities to ultimately support a greater adoption of ZEVs by Canadians.

Request for Proposals

Natural Resources Canada's Zero-Emission Vehicle Awareness Initiative is now accepting applications for funding until **September 8, 2020 at 23:59 (Eastern Daylight Time)** for projects to be completed no later than March 31, 2021.

This funding will be delivered through cost-sharing contribution agreements for new projects that aim to address awareness gaps among Canadians on ZEV technologies.

The maximum contribution amount payable per project will not exceed \$50,000. The Initiative will pay up to 50% of total project costs.

Application Package

To request the application package, please send an email to nrcan.zev-vze.nrcan@canada.ca with “Zero-Emission Vehicle Awareness Initiative – Request Application Package” in the subject line.

Please include the following information:

- Primary contact first and last name
- Organization
- Mailing address
- Primary contact telephone number
- Primary contact email address
- Project name
- Project Summary

Potential Applicants

Potential applicants should read the Applicant's Guide to learn more about eligibility and other requirements.

Eligibility Requirements

1. Eligible Recipients

Individuals and legal entities validly incorporated or registered in Canada including not-for-profit and for-profit organizations such as:

- Electricity or gas utilities
- Companies
- Industry associations
- Research associations
- Standards organizations
- Indigenous and community groups
- Academic institutions
- Provincial, territorial, regional or municipal governments or their departments or agencies where applicable

International legal entities validly incorporated or registered abroad including for-profit and not-for-profit organizations such as:

- Companies
- Industry associations
- Research associations
- Standards organizations
- Academic institutions.

2. Eligible Projects

The Initiative will provide funding for new or the expansion of existing activities that take place in Canada.

The following list is not exhaustive and is meant to simply illustrate the type of activities that could address Canadians' awareness gaps about ZEVs. The Initiative encourages innovative projects that address barriers to the adoption of ZEVs in Canada. Proposals could include the following activities, but are not limited to:

- Developing and implementing a targeted outreach and awareness campaign
- Establishing a web-based resource and information portal
- Implementing a test drive and trial program, e.g. ride-and-drive events
- Establishing showcase facilities including mobile showcases that display ZEVs
- Implementing an electric vehicle mentor or ambassador program
- Undertaking actions to increase workplace charging awareness among employees
- Undertaking actions to increase visibility of charging infrastructure
- Increasing knowledge of EV charging options and technologies among potential end-users
- Developing curriculum and/or training material for a target audience
- Developing best practices guides and educational tools to support targeted audiences
- Virtual meetings, presentations, technology demonstrations or other events with remote attendance options

3. Eligible Expenditures

Eligible expenditures for an approved project under the Initiative must be directly related to, and necessary for, the implementation and conduct of the project and will include:

- Salary and benefits;
- Professional services (e.g. scientific, technical, management; contracting; engineering; construction; installation, testing and commissioning of equipment; training; marketing; data collection; logistics; maintenance; printing; and distribution);
- Reasonable travel costs, including transportation, meals and accommodation;
- Capital expenses, including informatics and other equipment or infrastructure;
- Rental fees or leasing costs;
- License fees and permits;
- Costs associated with environmental assessments;
- GST, PST and HST net of any tax rebate to which the recipient is entitled; and
- Overhead expenses directly related to the project will be considered to a maximum of 15% of eligible expenditures.

4. Non-eligible Expenditures

Costs not considered eligible expenditures under this Initiative will include:

- In-kind*;
- Land costs;
- Legal costs; and
- Costs incurred outside the eligible expenditure period, including those for preparing this application.

* In-kind contributions from the proponent and its partners count towards the total project costs. If you choose to include In-kind support as part of the total project costs, it must be verifiable and directly in support of the project. Further details are available in Appendix 1 of this document.

How to Apply

NRCan prefers to receive your proposal in electronic format by email at nrcan.zev-vze.nrcan@canada.ca. The application form must be submitted as a Word file and the applicant must separately print and sign the attestation page, scanning and sending the signed version as a PDF. Additional supporting documentation, saved as Word, Excel or PDF formats, must also accompany the application.

Note: the maximum size of email attachments to Natural Resources Canada is 10MB. If the submission exceeds the maximum, the applicant may forward their files in a series of emails with the same subject line. Natural Resources Canada is not responsible for the security of the files during transmission.

Having Technical Problems

If you are having technical problems, please contact nrcan.zev-vze.nrcan@canada.ca and provide the following information:

- First and last name
- Telephone number
- Description of the problem or error message of the page where you are experiencing the problem
- Computer operating system and version
- Adobe Reader version
- Internet browser and version
- As much information as possible about the steps you took before you experienced the problem

Important note: The submission of an application creates no obligation on the part of Natural Resources Canada to provide funding for the proposed project.

Date modified:

2020-07-13



THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT

To: Council
From: Chief Administrative Officer
Subject: Lease Agreement Amendment for Courtenay Airpark

File No.: 2380-30 Lot 1
Date: August 17, 2020

PURPOSE:

The purpose of this report is for Council to consider an amendment to the lease agreement with the Courtenay Airpark Association.

CAO RECOMMENDATIONS:

That based on the August 17th, 2020 staff report "Lease Agreement Amendment for Courtenay Airpark" subsequent to the publication of notice, Council adopt OPTION 1 and authorize the attached lease between the Courtenay Airpark Association and the City of Courtenay for the property having a legal description of:

- PID: 000-892-149, Lot 1, Section 66, Comox District, Plan 14942 except any portion of the bed of the Courtenay River;
- PID: 000-892-068, Lot A, Section 66 and 67, Comox District, Plan 14521 except any portion of the bed of the Courtenay River;
- PID: 004-154-665, Lot 1, Section 68, Comox District, Plan 15512;
- Licence of Occupation, Crown License No. V933091 (Floatplane Ramp)
- Lease Area A Plan EPP99020 (Floatplane Dock); and,

That the Mayor and Corporate Officer be authorized to execute all documentation relating to the lease.

Respectfully submitted,

Trevor Kushner, BA, DLGM, CLGA
Interim Chief Administrative Officer

BACKGROUND:

On May 25, 2020 Council adopted the following resolution:

"That based on the May 25th, 2020 staff report "Lease Agreement for Courtenay Airpark", Council approve OPTION 2 and refer this item back to staff for further consideration."

DISCUSSION:

Council directed staff at the May 25th Council meeting to provide a clause within the proposed lease agreement that grants Council the right to approve any renewal of the lease. Council pointed out the proposed lease contained only the Tenant's right to renew the lease subject to providing six (6) months notice.

Staff initiated a request with the City's legal services to review the current renewal clause and provide a recommendation for a revised renewal clause, granting Council the right to approve any renewal to the lease. A recommendation was provided and staff has inserted the revision into *Section 3 Renewal* of the lease.

Staff requested the Courtenay Airpark Association approve the lease amendment above and they did so, however in addition requested a delay in bringing the Report to Council in order to conduct a financial implications review of the lease by the Courtenay Airpark Association.

The following Sections of the lease were reviewed and further negotiated by the CAA with staff, resulting in consensus to initiate the following changes to the lease:

1. Section 7 Payment of Taxes: ADDITION *...the Tenant shall have the right to appeal the assessed value of the property and premises through B.C. Assessment Authority. (by Lidstone & Co.)*
2. Section 14 Zoning: ADDITION *...the City will work with the Tenant to zone the property appropriately for the existing uses. (by Lidstone & Co.)*
3. Section 22 Interceptors: REMOVED. *If requested by the City, the Tenant at the cost of the Tenant shall provide grease, oil, and sand interceptors. All interceptors shall be of a type and capacity approved by the City and shall be readily accessible for cleaning and inspection. The Tenant, at the expense of the Tenant, shall maintain the interceptors in continuous, efficient operation at all times. (recommendation by Director of Utilities)*

A written notice from the Courtenay Airpark Association confirming acceptance of the changes above and the original amendment has been received. All amendments have been incorporated into the attached lease.

FINANCIAL IMPLICATIONS:

There are no additional financial resources required.

ADMINISTRATIVE IMPLICATIONS:

No administrative implications.

ASSET MANAGEMENT IMPLICATIONS:

No asset management implications.

STRATEGIC PRIORITIES REFERENCE:

We focus on organizational and governance excellence

- Responsibly provide services at levels which the people we serve are willing to pay

We actively pursue vibrant economic development

- ▲ Work with the business and development sectors to mutually improve efficiencies
- ▲ Continue to explore innovative and effective economic development opportunities

We continually invest in our key relationships

- Consider effective ways to engage with and partner for the health and safety of the community

- **AREA OF CONTROL:** The policy, works and programming matters that fall within Council's jurisdictional authority to act
- ▲ **AREA OF INFLUENCE:** Matters that fall within shared or agreed jurisdiction between Council and another government or party
- **AREA OF CONCERN:** Matters of interest that are outside Council's jurisdictional authority to act

OFFICIAL COMMUNITY PLAN REFERENCE:

The Official Community Plan states Council acknowledges the Courtenay Airpark serves an important role to the City and Council will support limited expansion of airport oriented commercial uses.

The Official Community Plan Update project consultant has requested reference documentation such as Airpark area, fuel usage, and facilities on site.

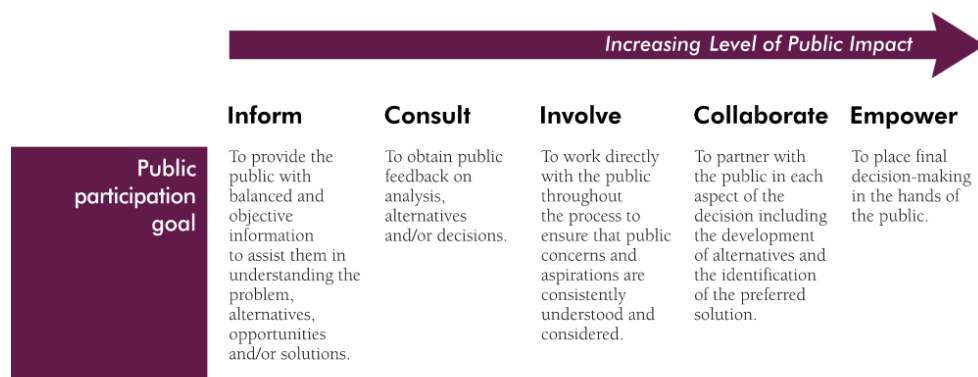
REGIONAL GROWTH STRATEGY REFERENCE:

No specific reference.

CITIZEN/PUBLIC ENGAGEMENT:

Section 26 of the *Community Charter* for municipalities requires that notice be given prior to the disposition. The notice must also be published in a newspaper that is published at least weekly in the area affected by the subject matter of the notice.

In addition, notice must be published for the difference in market value of the lease vs the Airpark lease pursuant to section 24 of the *Charter*.



OPTIONS:

OPTION 1: That based on the August 17th, 2020 staff report "Lease Agreement Amendment for Courtenay Airpark" subsequent to the publication of notice, Council approve OPTION 1 and authorize the attached lease between the City of Courtenay and the Courtenay Airpark Association for the property having a legal description of:

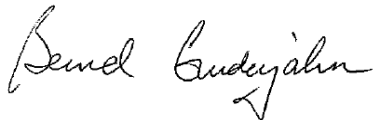
- PID: 000-892-149, Lot 1, Section 66, Comox District, Plan 14942 except any portion of the bed of the Courtenay River;
- PID: 000-892-068, Lot A, Section 66 and 67, Comox District, Plan 14521 except any portion of the bed of the Courtenay River;
- PID: 004-154-665, Lot 1, Section 68, Comox District, Plan 15512;
- Licence of Occupation, Crown License No. V933091 (Floatplane Ramp)
- Lease Area A Plan EPP99020 (Floatplane Dock); and,

That the Mayor and Corporate Officer be authorized to execute all documentation relating to the lease. (Recommended)

OPTION 2: That Council refer this item back to staff for further consideration.

OPTION 3: That Council deny the lease request.

Prepared by:



Bernd Guderjahn, SCMP
Manager of Purchasing

Concurrence:



Trevor Kushner, BA, DLGM, CLGA
Interim Chief Administrative Officer

*Attachments: A - Revised Lease Document
B - May 25, 2020 Staff Report - Lease Agreement for Courtenay Airpark*

TERMS OF INSTRUMENT – PART 2

THIS AGREEMENT dated for reference January 1, 2020.

BETWEEN:

THE CORPORATION OF THE CITY OF COURTENAY, a municipal corporation incorporated pursuant to the *Community Charter* and having its offices at 830 Cliffe Avenue, Courtenay, B.C., V9N 2J7

(the "**City**")

AND:

COURTENAY AIRPARK ASSOCIATION (Inc. No. S-17439) a corporation incorporated under the laws of British Columbia and having its registered office at Unit A – 110 20th Street, Courtenay B.C. V9N 8B1

(the "**Tenant**")

WHEREAS:

- A. The City is the registered owner of lands and premises in the City of Courtenay more particularly described as follows:

PID: 000-892-149, Lot 1 of Section 66, Comox District, Plan 14942 except any portion of the bed of the Courtenay River

PID: 000-892-068, Lot A, Section 66 and 67, Comox District, Plan 14521 except any portion of the bed of the Courtenay River

PID: 004-154-665, Lot 1 Section 68, Comox District, Plan 15512

Licence of Occupation, Crown License No. V933091

Lease Area A Plan EPP99020

(hereinafter collectively called the "**Airpark**");

- B. The City has agreed to lease a portion of the Airpark including float plane ramp and float plane dock to the Tenant, and the Tenant has agreed to accept that lease, all on the terms and conditions herein set forth;
- C. In accordance with Section 26 of the *Community Charter*, the City has published notice in a newspaper of its intention to lease a portion of the Airpark to the Tenant.

- D. The City is authorized by section 24 of the Community Charter to lease land or improvements at less than market value and, in accordance with that section the City has published notice in a newspaper of its intention to provide assistance to the Tenant by leasing the portion of the Property at less than market value.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and of the mutual covenants and agreements herein set forth, the City and Tenant covenant and agree as follows:

1. PREMISES AND LICENCE OF OCCUPATION

- (a) The City hereby demises and leases to the Tenant that part of the Airpark identified as;
- 1) Lease Area B, Sections 66,67 and 68, Comox District, Plan VIP80002, having an area of 7.29 ha and attached as Schedule A hereto.
 - 2) Lease Area A, Section 68, Comox District Plan EPP99020, having an area of .56 ha and attached as Schedule C hereto.
- (b) The City hereby grants to the Tenant a licence of occupation over those lands identified in Schedule B (the “**Licence Area**”) subject to the following:
- (i) the Tenant’s rights and obligations are subject to the City’s rights and obligations under a licence of occupation granted by the Province of British Columbia for the Licence Area (the “**Crown Licence**”), an extract of which is attached to this Agreement as Schedule B;
 - (ii) the Tenant shall abide by all terms and conditions of the Crown Licence to maintain the Crown Licence in good standing;
 - (iii) all of the obligations of the Tenant under this Agreement in respect of the Premises shall also apply to the Licence Area;
 - (iv) subject to the Tenant performing its obligations under this Agreement, the City shall use reasonable efforts to maintain the Crown License in good standing; and

2. TERM

- (a) The Term of this Agreement shall be for a period of FIVE (5) YEARS commencing on January 1, 2020 and terminating on December 31, 2024 (the “**Term**”).
- (b) The Tenant shall, at the expiry or sooner determination of this Agreement or any renewal thereof peaceably surrender and yield unto the City the Premises together with all fixtures or erections which at any time during the Term of this Agreement or renewal thereof may be made thereon in good and substantial repair and condition and deliver to the City all keys to the Premises that the Tenant has in its possession.

3. RENEWAL

The Tenant, if not in default hereunder, may renew this Agreement for three additional terms of FIVE (5) YEARS each on the same terms and conditions contained herein, save and except for this covenant for renewal and except that the Rent to be paid during such renewal period shall be fixed and determined by the City at the time of the renewal at any greater or other rate than herein reserved (based on the applicable policies of the City in effect), subject to the following:

- (a) The Tenant shall exercise this renewal by giving written notice to the City in the manner provided herein not less than SIX (6) MONTHS prior to the expiry of the term; and
- (b) Any renewal granted under this section shall only be granted if approved by the municipal council of the City.

4. RENT

- (a) The Tenant shall pay to the City rent in the amount of ONE DOLLAR (\$1.00) per year, to be paid in advance on the first day of each year of the Term (the “**Base Rent**”).
- (b) In addition to the Base Rent payable under Subsection (a), the Tenant shall pay 50% of the parking fees levied by the Tenant for the parking of aircraft on the Premises in each year (“**Aircraft Parking Fees**”).
- (c) In addition to the Base Rent payable under Subsection (a), the Tenant shall pay to Landlord, from time to time upon demand, all other sums payable to the City pursuant to this Agreement (the “**Additional Rent**”).
- (d) The Tenant shall pay the City its share of the Aircraft Parking Fees by January 31st in each year of the Term in respect of Parking Fees collected during that year.
- (e) The Tenant shall set the Aircraft Parking Fees prior to January 1st of each year and shall only charge such Aircraft Parking Fees that are approved in writing by the City.
- (f) The Tenant shall charge an amount of annual Aircraft Parking Fees for the first year of the Term of **\$530**. In each year following this amount shall be increased by the Consumer Price Index for British Columbia.
- (g) The Tenant shall provide such documentation and financial records as the City may reasonably require each year during the Term to confirm the amount of Aircraft Parking Fees payable to the City under this Agreement.
- (h) The lease in this Agreement is a net lease to the City, and the Base Rent and Additional Rent provided to be paid to the City under this Agreement will be net to the City and will yield to the City the entire such rental during the Term without abatement for any cause whatsoever. Except as specifically provided in this Agreement, all costs, expenses, and obligations of every kind and nature whatsoever relating to the Premises, whether or not

referred to in this Agreement and whether or not of a kind now existing or within the contemplation of the parties, will be paid by the Tenant.

5. PURPOSE AND USE OF PREMISES

- (a) The Tenant will use the Premises for aviation purposes only and will operate a public aerodrome for use as such by the public, but no other uses or activities are permitted.
- (b) The rules and regulations with such reasonable variations, modifications, and additions as shall from time to time be made by the City, shall be observed and performed by the Tenant, its agents, employees, sub-tenants, licensees and invitees. All such rules and regulations shall be deemed to form a part of this Agreement.
- (c) Except as specifically provided herein, the Tenant shall not use or permit any part of the Premises to be used for or with respect to or in connection with the operation of any business, commercial or revenue generating enterprise without the prior written consent of the City. Notwithstanding this restriction, the Tenant is permitted to use, or authorize others to use, the premises to provide educational services related to pilot training or aviation safety, even if a fee is charged.
- (d) The Tenant shall comply with its constitution, bylaws and constating documents at all times and shall notify the City whenever a change in the Tenant's constitution or bylaws occurs.

6. QUIET POSSESSION

The City hereby covenants with the Tenant that the Tenant, upon paying the Rent hereby reserved and performing the covenants hereinbefore contained, may peaceably possess and enjoy the Premises for the term hereby granted without any interruption or disturbance from the City or any person lawfully claiming by, from or under the City.

7. PAYMENT OF TAXES

The Tenant shall promptly pay when due municipal, regional district, school, hospital district and other property taxes and all other taxes, charges, levies, assessments, and other fees which may be imposed or that may arise in respect of the Premises or the Tenant's use of the Premises. The Tenant shall pay to the City all taxes, charges, levies and other fees, including Goods and Services Tax or any replacement tax, which may be payable in respect of this Agreement. **The Tenant shall have the right to appeal the assessed value of the property and premises through B.C. Assessment Authority.**

8. COMPLIANCE WITH REGULATIONS

The Tenant shall, in all respects, at all times during the Term abide by and comply with all applicable statutes, laws, regulations and orders of any authority having jurisdiction and, without limiting the generality of the foregoing, all federal, provincial, or municipal laws or statutes or

bylaws relating to environmental matters and relating to the Airpark and its operation, including all the rules, regulations, policies, guidelines, criteria or the like made under or pursuant to any such laws.

9. ASSIGNMENT AND SUBLEASES

- (a) The Tenant shall not make any assignment of this Agreement, nor any transfer or sublease of the whole or any part of the Premises demised or leased hereunder, without obtaining the prior consent in writing of the City to such assignment, transfer or sublease. In requesting the City's consent to an assignment, sublease or licence, the Tenant must provide the City with all information requested by the City. The Tenant must, if required by the City, enter into sub-leases, assignment agreements or licences on terms required by the City, including requirements for insurance and indemnities.
- (b) The Tenant may sublet portions of the Premises for the purpose of the parking of aircraft provided that any form of sublease shall be approved by the City in writing, shall provide for the observance of terms, conditions, rules and regulations of this Agreement and shall provide for termination in writing for failure to observe same.

10. RIGHTS OF ACCESS

- (a) The City, its servants or agents shall have full and free access for inspection purposes during normal business hours and in the presence of the Tenant or a representative of the Tenant to any and every part of the Premises; it being expressly understood and agreed, however, that in cases of emergency, the City, its officers, servants or agents, shall at all times and for all purposes have full and free access to the Premises.
- (b) The City shall have the right to enter upon the Premises to install, maintain and repair buildings, pipes, wires, airducts, utilities or any other installations required by the City for the City's use of the Airpark and neighbouring lands.
- (c) Subject only to the provisions of this Agreement, the Tenant shall have the right of ingress and egress over the Airpark roadways crossing City Property subject to rules and regulations as may be established by the City respecting such use.
- (d) The Tenant shall not permit any vehicles belonging to the Tenant or to any sub-tenant, licensee, invitee, agent or employee to cause obstruction to any roads, driveways or common areas of the Premises, the Airpark or in the neighbourhood surrounding the Airpark, or prevent the ingress and egress to all other persons using the Airpark.

11. "AS IS" CONDITION

The Tenant accepts the Premises "as is" and acknowledges that it has had the opportunity to undertake such inspections, tests and surveys of the Premises as it considers necessary and that the City has made no representations or warranties respecting the Premises, and that by entering into this Agreement, it is satisfied that the Premises is suitable for its purposes.

12. OWNERSHIP OF BUILDINGS

- (a) The City and the Tenant agree that the title to and ownership of all structures or improvements constructed, erected or installed to be constructed, erected or installed on the Premises by the Tenant, together with all replacements, alterations, additions, changes, substitutions, improvements and repairs thereto (the “**Buildings**”), shall at all times during the Term be vested in the Tenant, notwithstanding any rule of law to the contrary.
- (b) At the expiration or early termination of the Term, the Tenant shall have the opportunity to remove the Buildings and any part of the Buildings not removed by the Tenant shall become the absolute property of the City free of all encumbrances, without payment of any compensation to the Tenant.

13. CONSTRUCTION

- (a) If the Tenant is not then in default under this Agreement and with the prior written consent of the City, the Tenant may construct, renovate or replace the Buildings. In giving its consent, the City may impose any conditions, including, without limitation, location requirements, parking and access requirements, construction requirements, design requirements, use restrictions, financial restrictions, and security obligations.
- (b) The Tenant acknowledges that prior to any construction on the Premises, including construction, renovation or replacement of the Buildings, the Tenant must obtain a building permit and a development permit and comply with all other bylaw requirements imposed by the City on construction within its boundaries.
- (c) The Tenant shall promptly pay all charges incurred by the Tenant for any work, materials or services that may be done, supplied or performed in respect of the Premises and shall forthwith discharge any liens in respect of same at any time filed against the Airpark.
- (d) The Tenant will not permit any liens, judgments or other charges to be registered against the Airpark. If any lien, judgment or other charge is registered, the Tenant will obtain its discharge within THIRTY (30) DAYS of the said registration.

14. ZONING

The Tenant acknowledges that the Tenant must not use the Premises or permit a use of the Premises in breach of the City of Courtenay zoning bylaw. **The City will work with the Tenant to zone the property appropriately for the existing uses.**

15. SAFETY

The Tenant shall take all possible precautions to ensure the safety of persons using the Premises and Building.

16. SIGNS AND NOTICES

The Tenant shall not display any signs or notices on the Premises without the prior written approval of the City with the exception of operationally required or safety related signs and notices. The Tenant shall inform the City about the installation of operationally required or safety related signs and notices.

17. ADDITIONAL RIGHTS OF THE CITY

The City reserves the right to grant leases or licences, rights of way or privileges to others on, over, under, through or across the Premises provided however that the granting of such rights of way or privileges will not damage or disrupt permanently the physical facilities of the Tenant, will not impose any cost upon the Tenant, and will not weaken, diminish or impair the rights and obligations of the parties under this Agreement.

18. UTILITIES

- (a) If applicable, the Tenant shall, at the cost and expense of the Tenant, be responsible for the installation and maintenance of the connecting system to the water, sanitary sewerage and storm sewerage systems at the Airpark, at the nearest point of connection. The Tenant shall not commence any such work without the prior written approval of the City. Prior to such approval being given, the Tenant will send copies of the plans and specifications for the connecting of such services to the City. Work will be performed under the supervision of a designated employee of the City.
- (b) The Tenant shall construct improvements on the Premises in such manner that the surface drainage water on the Premises will be discharged into the drainage system at the Airpark. Plans for the construction of storm drainage services shall be subject to the approval in writing of the City prior to installation of such services, for compatibility with the field drainage channels serving the Premises, all at the cost and expense of the Tenant.
- (c) The Tenant shall, at the cost and expense of the Tenant, provide complete and proper arrangements for the adequate sanitary handling and disposal away from the Premises and Airpark of all trash, garbage and other refuse on or in connection with the Tenant's operations under this Agreement, all to the satisfaction of the City. Piling crates, cartons, barrels or other similar items shall not be permitted in a public area on the Airpark, or on the Premises.
- (d) The Tenant shall pay all charges for water supply, sewage disposal, garbage removal, gas, heating fuel, telephone service, cablevision, electricity, power or other utility or communication service rendered in respect of the Premises.

19. NUISANCE

The Tenant shall not at any time during the Term of this Agreement or any renewal thereof, use, exercise or carry on or permit or suffer to be used, exercised or carried on, in or upon the Premises or any part thereof any noxious, noisome or offensive act, trade, business, occupation or calling, and no act, matter or thing whatsoever shall at any time during the said term be done in or upon the Premises or any part thereof which shall or may be or grow to the annoyance, nuisance, damage or disturbance of the occupiers or owners of the land or adjoining land and properties, provided that the reasonable use of the Premises for the maintenance, storage, landing and taking off of aircraft shall not be considered a nuisance.

20. WASTE

The Tenant will not commit, suffer, or permit any wilful or voluntary waste, spoil or destruction of the Premises.

21. ENVIRONMENTAL RESPONSIBILITIES

(a) For the purpose of this Part:

"Environmental Law" means all federal, provincial, municipal or local laws, statutes or ordinances relating to environmental matters, including all rules, regulations, policies, guidelines, criteria or the like promulgated under or pursuant to any such laws;

"Hazardous Substance" means a contaminant, pollutant, dangerous goods, waste, toxic substance, special waste or hazardous substance as defined in or pursuant to any Environmental Law;

"Notice" means any citation, directive, order, claim, litigation, investigation, proceedings, judgment, letter or other communication, written or oral, actual or threatened, from any person, including any governmental agency;

"Permit" means any authorization, permit licence, approval or administrative consent issued pursuant to Environmental Law.

(b) The Tenant will conduct its business and operation on the Premises in compliance with all Environmental Laws and all Permits.

(c) The Tenant will forthwith notify the City of the occurrence of any of the following and will provide the City with copies of all relevant documentation in connection therewith:

(i) a release of a Hazardous Substance on the Premises or the Airpark, except as is authorized under Environmental Law;

- (ii) the receipt by the Tenant of a Notice from any governmental agency of non-compliance pursuant to any Environmental Law, including a Notice of non-compliance respecting a Permit;
 - (iii) the receipt by the Tenant of a Notice of a claim by a third party relating to environmental concerns; or
 - (iv) the receipt by the Tenant of information which indicates that Hazardous Substances are present in or on the Premises.
- (d) The Tenant will not permit the storage, treatment or disposal of Hazardous Substances on the Premises except in accordance with all Environmental Laws.
- (e) The Tenant shall not cause or suffer or permit any oil or grease or any harmful, objectionable, dangerous, poisonous, or explosive matter or substance to be discharged on to the Premises or any building on the Premises and will take all reasonable measures for insuring that any effluent discharge will not be corrosive, poisonous or otherwise harmful, or cause obstruction, deposit or pollution on the Premises, or driveways, ditches, water courses, culverts, drains or sewers.
- (f) The Tenant will conduct such investigations, searches, testing, drilling and sampling (“**Investigations**”) as may at any time be required by the City where any reasonable evidence exists that the Tenant’s current or prior use or occupation of the Premises may be introducing or increasing the existence of any Hazardous Substance on the Premises. If the Tenant does not complete the Investigations to the satisfaction of the City, the City may enter on the property of the Tenant and take any actions necessary to complete the Investigations, the cost of which actions will be borne by the Tenant.
- (g) If Hazardous Substances are present on or in the Premises or the Airpark as a result of the Tenant's use or occupation of the Premises, the Tenant will take all necessary action, at the cost of the Tenant to remediate the Premises or the Airpark to a level acceptable to the City and to governmental authorities.
- (h) Prior to the termination of the lease, the Tenant will conduct all Investigations required by the City where any reasonable evidence exists that the Tenant's use or occupation of the Premises has introduced or increased the existence of any Hazardous Substance on or in the Land. The Tenant will provide the result of the Investigations to the City. Where any Hazardous Substance is found on or in the Premises or the Airpark as a result of the Tenant's use or occupation of the Premises, the Tenant will take all necessary action, at the cost of the Tenant, to remediate the Premises or the Airpark to a level acceptable to the City and to governmental authorities.
- (i) The Tenant will provide to the City satisfactory documentary evidence that all Permits are valid and in good standing as requested by the City from time to time.

- (j) The Tenant and the Indemnifier will, jointly and severally, indemnify and save harmless the City, its officers, directors, employees, agents and shareholders from and against any and all losses, claims, costs, expenses, damages and liabilities, including all costs of defending or denying the same, and all costs of investigation, monitoring, remedial response, removal, restoration or permit acquisition and including all solicitor's fees and disbursements in connection therewith which at any time may be paid or incurred by or claimed against the City, its officers, directors, employees, agents and shareholders arising, directly or indirectly, out of:
- (i) a breach by the Tenant of any of the covenants contained in this Agreement;
 - (ii) where the Tenant's use or occupancy of the Premises results in the presence, release or increase of any Hazardous Substance on the Premises or the Airpark (or on any other land by way of migration, seepage or otherwise);
 - (iii) any reasonable action taken by the City with respect of the existence of or remediation for any such Hazardous Substance on the Premises or the Airpark (or on any other land by way of migration, seepage or otherwise); or
 - (iv) any reasonable action taken by the City in compliance with any Notice of any governmental authority with respect to the existence of any such Hazardous Substance on the Premises or the Airpark (or on any other land by way of migration, seepage or otherwise).
- (k) The indemnities contained in this Agreement will survive the expiration or earlier termination of the Term.

~~22. INTERCEPTORS~~

~~If requested by the City, the Tenant at the cost of the Tenant shall provide grease, oil, and sand interceptors. All interceptors shall be of a type and capacity approved by the City and shall be readily accessible for cleaning and inspection. The Tenant, at the expense of the Tenant, shall maintain the interceptors in continuous, efficient operation at all times.~~

22. SECURITY AND FIRE SYSTEMS PROTECTION

The City shall not be responsible for providing fire systems protection to nor security of the Premises, the Buildings and any improvements.

23. FIRE PREVENTION

The Tenant shall, at the expense of the Tenant, take all precautions to prevent fire from occurring in or about the Premises, and shall observe and comply with all laws and regulations in force respecting fires at the said Airpark, and with all instructions given from time to time by the City with respect to fire risk mitigation and extinguishing of fires.

24. ADVERTISING

The Tenant shall not construct, erect, place or install on the outside of the Buildings or on the Premises any poster, advertising sign or display, electrical or otherwise, without first obtaining the consent, in writing, of the City.

25. INSURANCE

- (a) The Tenant shall obtain, at its own expense, and keep in force a policy of comprehensive/commercial general liability insurance providing coverage for death, bodily injury, property loss, property damage and other potential loss and damage arising out of the Tenant's use and occupation of the Premises in an amount of not less than FIVE MILLION (\$5,000,000.00) DOLLARS inclusive per occurrence.
- (b) In addition to the insurance under Subsection (a), the Tenant shall at its own expense, throughout the Term of this Agreement, secure and maintain in force during the Term of this Agreement or any renewal thereof product liability insurance to cover any liability that might arise out of the sale of aviation gasoline and any other products by the Tenant, with an inclusive limit of not less than FIVE MILLION DOLLARS (\$5,000,000.00) per occurrence for bodily injury and property damage.
- (c) On the first day of the Term and at other times upon demand by the City, the Tenant shall deliver to the City certified copies of the policies of insurance required to be maintained by the Tenant under this Agreement.
- (d) The City may, from time to time, notify the Tenant to change the amount of insurance required by this Agreement and the Tenant will, within FORTY-FIVE (45) DAYS of receiving such a notice, cause the amounts to be changed and deliver to the City a letter from its insurer certifying the change in the amount of insurance.
- (e) The Tenant shall ensure that all policies of insurance pursuant to this Agreement:
 - (i) are underwritten by a responsible insurance company or companies licensed to do business in the Province of British Columbia and that meet with the reasonable approval of the City;
 - (ii) are written in the name of the Tenant and the City with loss payable to them as their respective interests may appear;
 - (iii) list the City as an additional insured;
 - (iv) contain a cross liability clause and a waiver of subrogation clause in favour of the City;
 - (v) are primary and do not require the sharing of any loss by any insurer that insures the City;
 - (vi) contain a clause to the effect that any release from liability entered into by the

City prior to any loss shall not affect the right of the Tenant or the City to recover; and

- (vii) endorsed to provide the City with THIRTY (30) DAYS advance notice in writing of cancellation or material change.
- (f) The Tenant agrees that if it does not provide or maintain in force such insurance, the City may take out the necessary insurance and pay the premium therefore for periods of one year at a time, and the Tenant shall pay to the City as Additional Rent the amount of such premium immediately upon demand.
- (g) In the event that both the City and the Tenant have claims to be indemnified under any insurance, the indemnity shall be applied first to the settlement of claims of the City and the balance, if any, to the settlement of the claim of the Tenant.
- (h) The Tenant shall not do or permit to be done any act or things which may render void or voidable or conflict with the requirements of any policy or policies of insurance, including any regulations of fire insurance underwriter applicable to such policy or policies, whereby the Airpark or the Buildings or the contents of the premises of any tenant are insured or which may cause any increase in premium to be paid in respect of any such policy.

26. RELEASE AND INDEMNITY

- (a) The City shall not be responsible in any way for any injury to any person or for any loss or damage to any property belonging to the Tenant or to other occupants of the Premises or to their respective sub-tenants, invitees, licensees, agents, employees, or other persons from time to time attending at the Premises, including without limiting the foregoing, any loss of or damage caused by theft or breakage or failure to maintain and keep the Premises, the Buildings, or the land in good repair and free from refuse, obnoxious odours, vermin or other foreign matter, defective wiring, plumbing, gas, sprinkler, steam, running or clogging of the above pipes or fixtures, or otherwise, acts, or negligence of guests, invitees, or employees or the Tenant or any other occupants of the premises, or the acts or negligence of any owners or occupiers of adjacent or continuous property or their guests, invitees, or employees, act of God, acts or negligence of any person not in the employment of the City, or for any other loss whatsoever with respect to the Premises, the Airpark, or any business carried thereon.
- (b) The Tenant hereby releases the City and its elected officials, officers, employees, contractors, agents, successors and assigns from and against any and all liabilities, damages, costs, claims, suits, or actions, which the Tenant may have, now or in the future, in relation to this Agreement, the Premises or the Tenant's use or occupancy of the Premises.
- (c) Save and except for the negligence of the City, and its elected officials, offices, employees, contractors, agents, successors and assigns, the Tenant and the Indemnifier, jointly and severally, will and hereby do indemnify and save harmless the City from any

and all liabilities, damages, costs, claims, suits, or actions, (including without limitation, the full amount of all legal fees, costs, charges and expenses whatsoever) directly or indirectly arising from:

- (i) any breach, violation, or non-performance of any covenant, condition or agreement in this Agreement set forth and contained on the part of the Tenant to be fulfilled, kept, observed and performed;
- (ii) any act, omission, or negligence of the Tenant, its members, officers, directors, employees, agents, contractors, subcontractors, subtenants, licensees, invitees or others for whom it is responsible;
- (iii) any gas, oil or other such spill or leak caused from the use of the Premises which may cause contamination to the environment or otherwise contravene the Waste Management Act;
- (iv) any damage to property occasioned by the Tenant's use and occupation of the Premises and Building or any injury to person or persons, including death, resulting at any time from the Tenant's use and occupation of the Premises and Building; or
- (v) the granting of this Agreement,

and this indemnity shall survive the expiry or sooner determination of this Agreement.

27. TEMPORARY SUSPENSION OF SERVICE

Without limiting or restricting the generality of this Agreement, the Tenant shall not have nor make any claim or demand, nor bring any action or suit or petition against the City or any of its officers, servants or agents for any damage which the Tenant may sustain by reason of any temporary suspension, interruption or discontinuance, in whole or in part, from whatever cause arising in services supplied by the City hereunder.

28. REPAIRS AND MAINTENANCE

- (a) Throughout the Term at its own expense, the Tenant shall repair and maintain the Premises and the Buildings and keep the Premises and the Buildings in a state of good repair as a prudent owner would do. The City will not be obliged to repair, maintain, replace or alter the Premises, the Buildings, or any other Building or structure or any part thereof on the Premises during the Term or to supply any services or utilities thereto save and except for such services and utilities as the City may be required to provide strictly in its capacity as a municipality and not in its capacity as a landlord. The Tenant hereby assumes the full and sole responsibility for the condition, operation, maintenance, repair, replacement and management of the Premises and Building during the Term.
- (b) The Tenant shall upon written notice from the City, make any repairs that are, in the opinion of the City, necessary to the Premises within SIXTY (60) DAYS of receipt of

such notice.

- (c) The Tenant shall clear all ice and snow, cut grass, landscape, repair and replace as necessary all sidewalks, driveways, parking areas and other public areas on the Premises in a well maintained, clean, tidy and safe state as befits land used for an airport hangar adjacent to an airport and as a prudent owner would do.
- (d) The Tenant shall not allow any ashes, refuse, garbage or other loose or objectionable material to accumulate on the Premises and shall maintain receptacles for garbage disposal and for the disposal of oil and other waste products.
- (e) The Tenant shall not, without the prior written consent of the City, make any alterations to the landscaping and topography of the Premises.
- (f) The Tenant shall reimburse the City for expenses incurred by the City in repairing any damage caused to the Premises, the improvements thereon or any part thereof as a result of the negligence or wilful act of the Tenant, its invitees, licensees, agents or other persons from time to time in or about the Premises or the Airpark.

29. LANDLORD'S RIGHT TO PERFORM

If the Tenant shall fail to perform or cause to be performed each and every one of the covenants and obligations of the Tenant contained in this Agreement, on the part of the Tenant to be observed and performed, the City shall have the right (but shall not be obliged) to perform or cause the same to be performed and to do or cause to be done such things as may be necessary or incidental thereto (including without limiting the foregoing, the right to make repairs, installations, erection and expend monies) and all payments, expenses, charges, fees, (including all legal fees on solicitor and client basis) and disbursements incurred or paid by or on behalf of the City in respect thereof shall be paid by the Tenant to the City forthwith.

30. DEFAULT

- (a) If the Tenant defaults in the payment of any money payable under this Agreement or fails to observe, comply with or perform any of its covenants, agreements or obligations under this Agreement, the City may deliver to the Tenant a notice of default (in the manner required herein for giving notices) stipulating that the default must be rectified or cured within FIFTEEN (15) DAYS of the notice if the default is non-payment of Rent or Additional Rent and within THIRTY (30) DAYS of the notice for other defaults, but less or no notice is required to be given by the City in emergency or urgent circumstances, as determined by the City in its sole discretion, acting reasonably, or where the Tenant has failed to keep the Premises insured.
- (b) If the default (other than payment of money payable by the Tenant under this Agreement and other than failure to keep the Premises insured) reasonably requires more time to rectify or cure than THIRTY (30) DAYS, the Tenant will be deemed to have complied with the rectification or curing of it if the Tenant commences rectifying or curing the

default within THIRTY (30) DAYS after notice from the City and diligently completes the same.

31. CITY'S RIGHTS ON DEFAULT

Notwithstanding any other provisions of this Agreement, if the Rent or any part thereof shall be in arrears or unpaid for THIRTY (30) DAYS after the specified date of payment, whether or not the same shall have been in any manner demanded, or in the case default, breach or non-observance is made or suffered by the Tenant at any time, in or in respect of any of the covenants, which on the part of the Tenant ought to be observed or performed, then it shall be lawful for the City, its servants or agents to do any, all, or a combination of the following:

- (a) re-enter and thereafter to have, possess and enjoy the Premises and all improvements thereon; nevertheless, the City may, at his option, except as hereinafter set forth, compel the Tenant to remove from the Premises any improvements and any goods, chattels, materials, effects or things from the Premises all at risk of cost and expense of the Tenant;
- (b) terminate this Agreement; or
- (c) exercise or obtain such other rights as may be permitted by this Agreement or at law.

32. CREDITORS

If the Term of this Agreement or any renewal hereby granted shall at any time be seized or taken in execution or in attachment by any creditor of the Tenant or if the Tenant shall make any assignment for the benefit of creditors, or become bankrupt or insolvent, or if the Tenant takes the benefit of any Act or regulation that may be in force for bankrupt or insolvent debtors, then in any such case the Term of this Agreement or any renewal thereafter, shall at the option of the City, immediately become forfeited and void, and all Rent then due shall immediately become due and payable, and in such case it shall be lawful for the City for any time thereafter to enter into and upon the Premises, or any part thereof, and repossess the Premises or any portion thereof for its sole use, and anything herein contained to the contrary notwithstanding.

33. HOLDING OVER

If at the expiration of the Term the Tenant shall hold over with the consent of the City, the tenancy of the Tenant shall thereafter, in the absence of written agreement to the contrary, be from year to year, at the same rental as set out in this Agreement and shall be subject to all other terms and conditions of this Agreement.

34. DISTRESS

If and whenever the Tenant is in default of the payment of any money, including rent, whether expressly reserved by this Agreement or deemed as Rent, the City may without notice or any form of legal process whatsoever, enter the Premises and seize, remove and sell the Tenant's

goods, chattels and equipment and seize, remove, and sell any goods, chattels and equipment at any place to which the Tenant or any other person may have removed them in the same manner as if they had remained and been distrained in the Premises, notwithstanding any rule of law or equity to the contrary, and the Tenant hereby waives and renounces the benefit of any present or future statute or law limiting or eliminating the City's right of distress.

35. WAIVER OR NON-ACTION

Waiver by the City of any breach of any term, covenant or condition of this Agreement by the Tenant must not be deemed to be a waiver of any subsequent default by the Tenant. Failure by the City to take any action in respect of any breach of any term, covenant or condition of this Agreement by the Tenant must not be deemed to be a waiver of such term, covenant or condition.

36. NO ABATEMENT

The Tenant is not entitled to any abatement or reduction or deduction from the Rent or Additional Rent.

37. REMEDIES CUMULATIVE

No reference to or exercise of any specific right or remedy by the City prejudices or precludes the City from any other remedy, whether allowed at law or in equity or expressly provided for in this Agreement. No such remedy is exclusive or dependent upon any other such remedy, but the City may from time to time exercise any one or more of such remedies independently or in combination. Without limiting the generality of the foregoing, the City is entitled to commence and maintain an action against the Tenant to collect any rent not paid when due, without exercising the option to terminate this Agreement.

38. NO JOINT VENTURE

Nothing contained in this Agreement creates the relationship of principal and agent or of partnership, joint venture or business enterprise or entity between the parties or gives the Tenant any power or authority to bind the City in any way.

39. TERMINATION ON CHANGE OF USE OR DAMAGE TO PREMISES

- (a) If for any reason, other than regular maintenance or repair of the Premises, the Airpark ceases to be used for the take-off and landing of aircraft, the City or Tenant may terminate this Agreement by giving SIXTY (60) DAYS written notice of its intention to terminate this Agreement, and after the expiration of such period of notification, this Agreement shall be determined and ended without further notice or delay.
- (b) The parties hereto agree that if the Premises are damaged in any manner so as to render them unfit for the purposes of the Tenant, the City shall not be required to repair such damage or to make the Premises reasonably fit for the purposes of the Tenant, and the Tenant may at its option, exercised within SIXTY (60) DAYS of the occurrence of such

damage, elect to repair the damage or to terminate this Agreement and the election shall be by notice in writing to the City. If the Tenant elects to terminate this Agreement, then the Tenant shall immediately deliver possession of the Premises to the City.

40. ENUREMENT

This Agreement and everything herein contained shall enure to the benefit of and be binding upon the successors, assigns and other legal representatives, as the case may be of each of the parties hereto, and every reference herein to every party hereto shall include the successors, assigns and other legal representatives of such party.

41. INTERPRETATION

Any note appearing as a heading in this Agreement has been inserted for convenience and reference only, and of itself cannot define, limit or expand the scope of meaning of the present Lease or any of its provisions. Where there is a male, female or corporate party, the provisions hereof shall be read with all grammatical changes to gender and number required by the context. All covenants and obligations shall be deemed joint and several. The invalidity of any section for any reason whatsoever shall not invalidate any other section of this Agreement. Every reference to each party is deemed to include the heirs, executors, administrators, successors, directors, employees, members, servants, agents, officers, and invitees of such party where the context so permits or requires.

42. NO EFFECT ON LAWS OR POWERS

Nothing contained or implied herein prejudices or affects the City's rights and powers in the exercise of its functions pursuant to the *Community Charter* (British Columbia) or its rights and powers under any enactment to the extent the same are applicable to the Airpark or the Premises, all of which may be fully and effectively exercised in relation to the Airpark or the Premises as if this Agreement had not been fully executed and delivered.

43. NOTICES

- (a) Whenever in this Agreement it is required or permitted that notice or demand be given or served by either party of this Agreement to or on the other, such notice or demand will be in writing and will be validly given or sufficiently communicated if forwarded by express mail to the addresses set out at the beginning of this Agreement.
- (b) Such addresses may be changed from time to time by either party giving notice as above provided.
- (c) Notice shall be deemed to have been effectively communicated or given on the day received or on the FIFTH (5th) DAY after it was mailed or sent, whichever is the earlier.

44. AUTHORITY

The Tenant represents and warrants to the City that it has full authority to enter into this Agreement and to carry out the actions contemplated herein, that all resolutions and other preconditions to validity have been validly adopted, and that those signing this Agreement on its behalf are authorized to bind the Lessee by their signatures.

45. ENTIRE AGREEMENT

The provisions herein contained constitute the entire agreement between the parties and supersede all previous communications, representations, warranties, covenants and agreements whether verbal or written between the parties with respect to the subject matter hereof. This Agreement may not be modified or amended except by an instrument in writing signed by the parties.

46. COVENANTS AND CONDITIONS

All of the provisions of this Agreement shall be deemed and construed to be conditions as well as covenants as though the words specifically expressing or importing covenants and conditions were used in each separate section.

47. REGISTRATION

The Tenant shall be responsible for any costs of registering this Agreement in the Land Title Office, including the costs or any plan necessary for the registration of the lease and any modification of this Agreement.

48. TIME OF THE ESSENCE

Time shall be of the essence of this Agreement.

49. TENANT'S REPRESENTATIONS AND WARRANTIES

The Tenant represents and warrants that the Tenant:

- (a) is a not-for-profit society validly incorporated and in good standing under the laws of British Columbia and does not conduct its activities with a view to obtaining, and does not distribute, profit or financial gain for its members;
- (b) has the power and capacity to enter into and carry out the obligations under this Agreement; and
- (c) has completed all necessary resolutions and other preconditions to the validity of this Agreement.

50. FINANCIAL REPORTS

The Tenant will provide its yearly financial reports to the City within 8 weeks of the Tenant’s financial year-end.

51. LAWS OF BRITISH COLUMBIA

This Agreement shall be construed by the laws of the Province of British Columbia.

52. SEVERANCE

If any portion of this Agreement is held invalid by a court of competent jurisdiction, the invalid portion shall be severed and the decision that it is invalid will not affect the validity of the remainder of the lease.

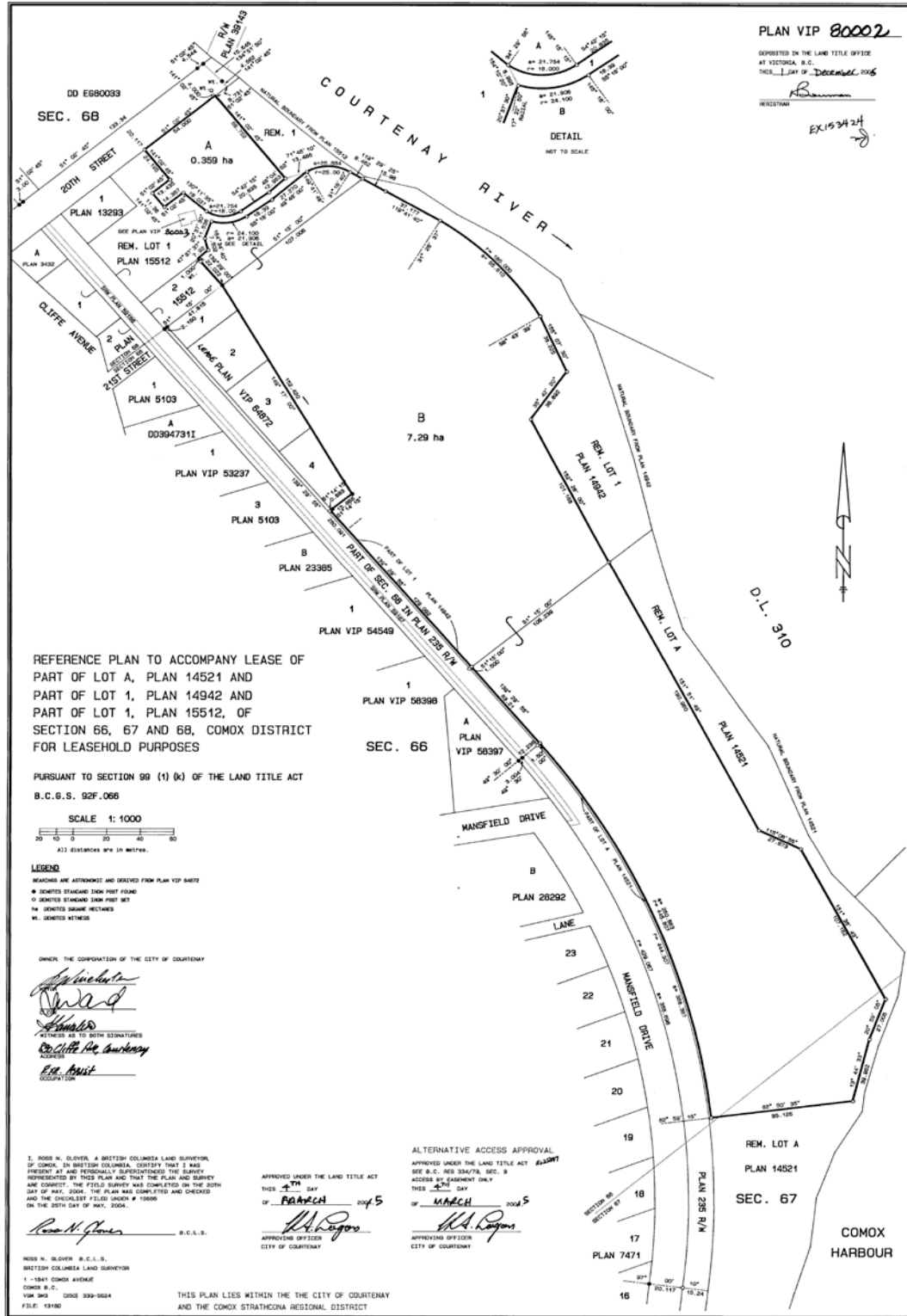
As evidence of their agreement to be bound by the above terms, the parties each have executed and delivered this Agreement under seal by executing Part 1 of the *Land Title Act* Form C which is attached hereto and forms part of this Agreement.

The Corporate Seal of THE CORPORATION)
 OF THE CITY OF COURTENAY was hereunto)
 affixed in the presence of:)
)
)
)
)
) c/s
 _____)
 Mayor)
)
)
 _____)
 Corporate Officer)

The Corporate Seal of COURTENAY AIRPARK)
 ASSOCIATION was hereunto affixed in the presence)
 of:)
)
)
)
) c/s
 _____)
 Name)
)
)
 _____)
 Name)

SCHEDULE A REGISTERED COPY OF PLAN VIP 80002

Status: Filed



Plan #: VIP80002 App #: N/A Cnt #:

RCVD: 2005-12-01 RCST: 2016-03-08 10:14:17

**SCHEDULE B
LICENCE AREA (CROWN LICENSE)**

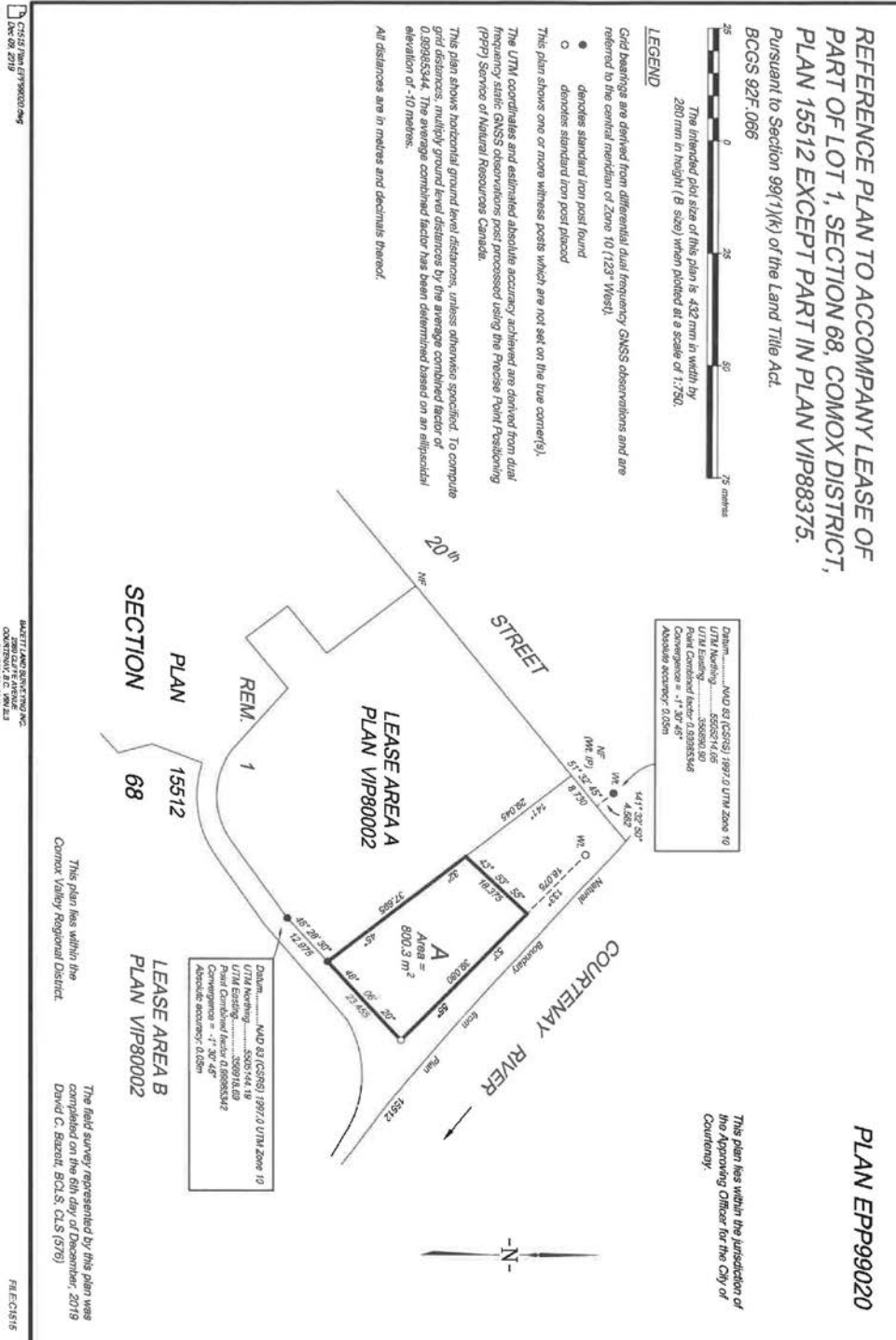
Licence	File No.: 1414807
	Disposition No.: 933091

LEGAL DESCRIPTION SCHEDULE

LEGAL DESCRIPTION: That parcel or tract of Crown land together with unsurveyed Crown Foreshore or land being part of the bed of Courtenay River, all within Comox District, as shown on sketch below, containing 0.56 hectares, more or less.



SCHEDULE C PLAN EPP99020





THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT**To:** Council**File No.:** 2380-30 Lot 1**From:** Chief Administrative Officer**Date:** May 25, 2020**Subject:** Lease Agreement for Courtenay Airpark**PURPOSE:**

The purpose of this report is for Council to consider entering into a lease agreement with the Courtenay Airpark Association.

CAO RECOMMENDATIONS:

That based on the May 25th, 2020 staff report "Lease Agreement for Courtenay Airpark", subsequent to the publication of notice, Council adopt OPTION 1 and authorize the attached lease between the Courtenay Airpark Association and the City of Courtenay for the property having a legal description of:

- PID: 000-892-149, Lot 1, Section 66, Comox District, Plan 14942 except any portion of the bed of the Courtenay River;
- PID: 000-892-068, Lot A, Section 66 and 67, Comox District, Plan 14521 except any portion of the bed of the Courtenay River;
- PID: 004-154-665, Lot 1, Section 68, Comox District, Plan 15512;
- Licence of Occupation, Crown License No. V933091 (Floatplane Ramp)
- Lease Area A Plan EPP99020 (Floatplane Dock)

That the Mayor and Corporate Officer be authorized to execute all documentation relating to the lease.

Respectfully submitted,

David Allen, BES, CLGEM, SCLGM
Chief Administrative Officer

BACKGROUND:

On September 4, 2018 Council adopted the following resolution:

“That based on the September 4th, 2018 staff report “Courtenay Airpark Lease Options”, Council approve OPTION 1 and direct staff to offer a new long term lease, prior to the expiration of the existing lease, of five years with three options to renew for a further five year term each and include the addition of the float plane dock and ramp as part of the lease area.”

The Courtenay Airpark Association provides Airpark management services, association member services as well as aviator visitor services for private and commercial aircraft owners. The Airpark provides 24/7 self-serve fuelling facilities, a float plane dock and dry land ramp.

The Courtenay Airpark Association operates an Airpark pilots lounge and rents 42 hanger spaces on an annual rental basis to members of the association for aircraft storage and non-commercial activities. Additional services to the community and aviators include flight training services, sight-seeing and medevac aircraft landing/take-off.

DISCUSSION:

The Courtenay Airpark Association has committed to leasing the Airpark for a minimum of five years with a renewal clause of three additional five year terms subject to City approvals. The initial lease term will be for a period of five years commencing on January 1, 2020 and terminating on December 31, 2024.

Staff have been in negotiations with the Courtenay Airpark Association for some time, and have reached agreement at the staff level.

The Courtenay Airpark Association provides Airpark operational maintenance and capital infrastructure upgrades partially through the fees charged for aircraft hangar rental.

The Airpark rent to be paid to the City by the Courtenay Airpark Association will be \$1.00 per year plus 50% of the aircraft hangar fees levied by the Courtenay Airpark Association for parking private aircraft in the 42 hangar locations. Based on rental fees of \$530 per hangar in year one and an estimated 2% CPI annual increase in subsequent years, the total annual income to the City for 42 aircraft hangar locations will be as follows:

Courtenay Airpark Association Annual City Income – Aircraft Hangar Fees	
2020	\$11,131
2021	\$11,353
2022	\$11,580
2023	\$11,812
2024	\$12,048

Note, comparable airports at Campbell River, Powell River and Qualicum Beach are municipality operated and 100% of aircraft hangar rental fees and landing fees are used for airport operational and capital infrastructure upgrade purposes by the municipality.

The lease revenue is less than market value due to the rental fee formula, therefore Council must provide notice pursuant to section 24 of the *Community Charter*:

Publication of intention to provide certain kinds of assistance

24 (1) A council must give notice in accordance with section 94 [*public notice*] of its intention to provide any of the following forms of assistance to a person or organization:

(a) disposing of land or improvements, or any interest or right in or with respect to them, for less than market value.

The difference in market value revenue, and the revenue in the agreement is estimated to be in the range of \$8,575 per year (compared to Campbell River). This is the amount that will be published; however comparisons are difficult due to the unusual structure of the Airpark.

FINANCIAL IMPLICATIONS:

There are no additional financial resources required.

ADMINISTRATIVE IMPLICATIONS:

Approximately 32 hours of staff time annually has been dedicated to the review of the lease, meet with the tenant to review compliance with the lease and inspection of the Premises for compliance with the lease.

ASSET MANAGEMENT IMPLICATIONS:

There are no asset management implications as the lease will not change any service levels within the Courtenay Airpark. The use conforms to existing airpark activities.

STRATEGIC PRIORITIES 2019-2022 REFERENCE:

We focus on organizational and governance excellence

● Responsibly provide services at levels which the people we serve are willing to pay

We actively pursue vibrant economic development

●▲ Work with the business and development sectors to mutually improve efficiencies

▲ Continue to explore innovative and effective economic development opportunities

We continually invest in our key relationships

●■ Consider effective ways to engage with and partner for the health and safety of the community

- **AREA OF CONTROL:** The policy, works and programming matters that fall within Council's jurisdictional authority to act
- ▲ **AREA OF INFLUENCE:** Matters that fall within shared or agreed jurisdiction between Council and another government or party
- **AREA OF CONCERN:** Matters of interest that are outside Council's jurisdictional authority to act

OFFICIAL COMMUNITY PLAN REFERENCE:

The Official Community Plan states Council acknowledges the Courtenay Airpark serves an important role to the City and Council will support limited expansion of airport oriented commercial uses.

The Official Community Plan Update project consultant has requested reference documentation such as Airpark area, fuel usage, and facilities on site.

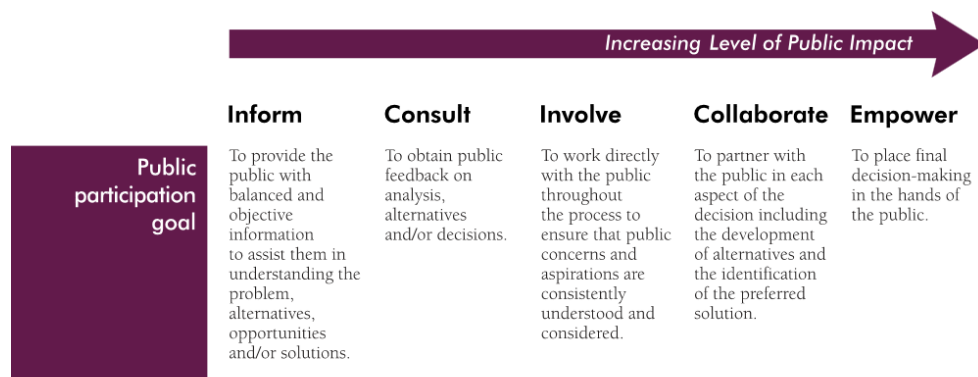
REGIONAL GROWTH STRATEGY REFERENCE:

No specific reference.

CITIZEN/PUBLIC ENGAGEMENT:

Section 26 of the *Community Charter* for municipalities requires that notice be given prior to the disposition. The notice must also be published in a newspaper that is published at least weekly in the area affected by the subject matter of the notice.

In addition, notice must be published for the difference in market value of the lease vs the Airpark lease pursuant to section 24 of the *Charter*.



OPTIONS:

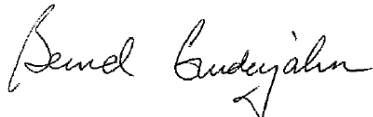
OPTION 1: That based on the May 25, 2020 staff report “**Lease Agreement for Courtenay Airpark**”, subsequent to the publication of notice, Council approve **OPTION 1** and authorize the lease between the City of Courtenay and the Courtenay Airpark Association for the property having a legal description of:

- PID: 000-892-149, Lot 1, Section 66, Comox District, Plan 14942 except any portion of the bed of the Courtenay River;
- PID: 000-892-068, Lot A, Section 66 and 67, Comox District, Plan 14521 except any portion of the bed of the Courtenay River;
- PID: 004-154-665, Lot 1, Section 68, Comox District, Plan 15512;
- Licence of Occupation, Crown License No. V933091 (Floatplane Ramp)
- Lease Area A Plan EPP99020 (Floatplane Dock)

That the Mayor and Director of Legislative and Corporate Services be authorized to execute all documentation relating to the lease. (Recommended)

OPTION 2: That Council refer this item back to staff for further consideration.

Prepared by:



Bernd Guderjahn, SCMP
Manager of Purchasing

Reviewed by:



John Ward, CMC
Director of Legislative and Corporate Services

Attachments: A – Lease Document

TERMS OF INSTRUMENT – PART 2

THIS AGREEMENT dated for reference January 1, 2020

BETWEEN:

THE CORPORATION OF THE CITY OF COURTENAY, a municipal corporation incorporated pursuant to the *Community Charter* and having its offices at 830 Cliffe Avenue, Courtenay, B.C., V9N 2J7

(the "**City**")

AND:

COURTENAY AIRPARK ASSOCIATION (Inc. No. S-17439) a corporation incorporated under the laws of British Columbia and having its registered office at Unit A – 110 20th Street, Courtenay B.C. V9N 8B1

(the "**Tenant**")

WHEREAS:

- A. The City is the registered owner of lands and premises in the City of Courtenay more particularly described as follows:

PID: 000-892-149, Lot 1 of Section 66, Comox District, Plan 14942 except any portion of the bed of the Courtenay River

PID: 000-892-068, Lot A, Section 66 and 67, Comox District, Plan 14521 except any portion of the bed of the Courtenay River

PID: 004-154-665, Lot 1 Section 68, Comox District, Plan 15512

Licence of Occupation, Crown License No. V933091

Lease Area A Plan EPP99020

(hereinafter collectively called the "**Airpark**");

- B. The City has agreed to lease a portion of the Airpark including float plane ramp and float plane dock to the Tenant, and the Tenant has agreed to accept that lease, all on the terms and conditions herein set forth;
- C. In accordance with Section 26 of the *Community Charter*, the City has published notice in a newspaper of its intention to lease a portion of the Airpark to the Tenant.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and of the mutual covenants and agreements herein set forth, the City and Tenant covenant and agree as follows:

1. PREMISES AND LICENCE OF OCCUPATION

- (a) The City hereby demises and leases to the Tenant that part of the Airpark identified as;
- 1) Lease Area B, Sections 66,67 and 68, Comox District, Plan VIP80002, having an area of 7.29 ha and attached as Schedule A hereto.
 - 2) Lease Area A, Section 68, Comox District Plan EPP99020, having an area of .56 ha and attached as Schedule C hereto.
- (b) The City hereby grants to the Tenant a licence of occupation over those lands identified in Schedule B (the “**Licence Area**”) subject to the following:
- (i) the Tenant’s rights and obligations are subject to the City’s rights and obligations under a licence of occupation granted by the Province of British Columbia for the Licence Area (the “**Crown Licence**”), an extract of which is attached to this Agreement as Schedule B;
 - (ii) the Tenant shall abide by all terms and conditions of the Crown Licence to maintain the Crown Licence in good standing;
 - (iii) all of the obligations of the Tenant under this Agreement in respect of the Premises shall also apply to the Licence Area;
 - (iv) subject to the Tenant performing its obligations under this Agreement, the City shall use reasonable efforts to maintain the Crown License in good standing; and

2. TERM

- (a) The Term of this Agreement shall be for a period of FIVE (5) YEARS commencing on January 1, 2020 and terminating on December 31, 2024 (the “**Term**”).
- (b) The Tenant shall, at the expiry or sooner determination of this Agreement or any renewal thereof peaceably surrender and yield unto the City the Premises together with all fixtures or erections which at any time during the Term of this Agreement or renewal thereof may be made thereon in good and substantial repair and condition and deliver to the City all keys to the Premises that the Tenant has in its possession.

3. RENEWAL

The Tenant, if not in default hereunder, may renew this Agreement for three additional terms of FIVE (5) YEARS each on the same terms and conditions contained herein, save and except for this covenant for renewal and except that the Rent to be paid during such renewal period shall be

fixed and determined by the City at the time of the renewal at any greater or other rate than herein reserved (based on the applicable policies of the City in effect). The Tenant shall exercise this renewal by giving written notice to the City in the manner provided herein not less than SIX (6) MONTHS prior to the expiry of the term.

4. RENT

- (a) The Tenant shall pay to the City rent in the amount of ONE DOLLAR (\$1.00) per year, to be paid in advance on the first day of each year of the Term (the “**Base Rent**”).
- (b) In addition to the Base Rent payable under Subsection (a), the Tenant shall pay 50% of the parking fees levied by the Tenant for the parking of aircraft on the Premises in each year (“**Aircraft Parking Fees**”).
- (c) In addition to the Base Rent payable under Subsection (a), the Tenant shall pay to Landlord, from time to time upon demand, all other sums payable to the City pursuant to this Agreement (the “**Additional Rent**”).
- (d) The Tenant shall pay the City its share of the Aircraft Parking Fees by January 31st in each year of the Term in respect of Parking Fees collected during that year.
- (e) The Tenant shall set the Aircraft Parking Fees prior to January 1st of each year and shall only charge such Aircraft Parking Fees that are approved in writing by the City.
- (f) The Tenant shall charge an amount of annual Aircraft Parking Fees for the first year of the Term of **\$530**. In each year following this amount shall be increased by the Consumer Price Index for British Columbia.
- (g) The Tenant shall provide such documentation and financial records as the City may reasonably require each year during the Term to confirm the amount of Aircraft Parking Fees payable to the City under this Agreement.
- (h) The lease in this Agreement is a net lease to the City, and the Base Rent and Additional Rent provided to be paid to the City under this Agreement will be net to the City and will yield to the City the entire such rental during the Term without abatement for any cause whatsoever. Except as specifically provided in this Agreement, all costs, expenses, and obligations of every kind and nature whatsoever relating to the Premises, whether or not referred to in this Agreement and whether or not of a kind now existing or within the contemplation of the parties, will be paid by the Tenant.

5. PURPOSE AND USE OF PREMISES

- (a) The Tenant will use the Premises for aviation purposes only and will operate a public aerodrome for use as such by the public, but no other uses or activities are permitted.

- (b) The rules and regulations attached as Schedule D with such reasonable variations, modifications, and additions as shall from time to time be made by the City, shall be observed and performed by the Tenant, its agents, employees, sub-tenants, licensees and invitees. All such rules and regulations shall be deemed to form a part of this Agreement.
- (c) Except as specifically provided herein, the Tenant shall not use or permit any part of the Premises to be used for or with respect to or in connection with the operation of any business, commercial or revenue generating enterprise without the prior written consent of the City. Notwithstanding this restriction, the Tenant is permitted to use, or authorize others to use, the premises to provide educational services related to pilot training or aviation safety, even if a fee is charged.
- (d) The Tenant shall comply with its constitution, bylaws and constating documents at all times and shall notify the City whenever a change in the Tenant's constitution or bylaws occurs.

6. QUIET POSSESSION

The City hereby covenants with the Tenant that the Tenant, upon paying the Rent hereby reserved and performing the covenants hereinbefore contained, may peaceably possess and enjoy the Premises for the term hereby granted without any interruption or disturbance from the City or any person lawfully claiming by, from or under the City.

7. PAYMENT OF TAXES

The Tenant shall promptly pay when due municipal, regional district, school, hospital district and other property taxes and all other taxes, charges, levies, assessments, and other fees which may be imposed or that may arise in respect of the Premises or the Tenant's use of the Premises. The Tenant shall pay to the City all taxes, charges, levies and other fees, including Goods and Services Tax or any replacement tax, which may be payable in respect of this Agreement. The Tenant shall have the right to appeal the assessed value of the property and premises through B.C. Assessment Authority.

8. COMPLIANCE WITH REGULATIONS

The Tenant shall, in all respects, at all times during the Term abide by and comply with all applicable statutes, laws, regulations and orders of any authority having jurisdiction and, without limiting the generality of the foregoing, all federal, provincial, or municipal laws or statutes or bylaws relating to environmental matters and relating to the Airpark and its operation, including all the rules, regulations, policies, guidelines, criteria or the like made under or pursuant to any such laws.

9. ASSIGNMENT AND SUBLEASES

- (a) The Tenant shall not make any assignment of this Agreement, nor any transfer or sublease of the whole or any part of the Premises demised or leased hereunder, without

obtaining the prior consent in writing of the City to such assignment, transfer or sublease. In requesting the City's consent to an assignment, sublease or licence, the Tenant must provide the City with all information requested by the City. The Tenant must, if required by the City, enter into sub-leases, assignment agreements or licences on terms required by the City, including requirements for insurance and indemnities.

- (b) The Tenant may sublet portions of the Premises for the purpose of the parking of aircraft provided that any form of sublease shall be approved by the City in writing, shall provide for the observance of terms, conditions, rules and regulations of this Agreement and shall provide for termination in writing for failure to observe same.

10. RIGHTS OF ACCESS

- (a) The City, its servants or agents shall have full and free access for inspection purposes during normal business hours and in the presence of the Tenant or a representative of the Tenant to any and every part of the Premises; it being expressly understood and agreed, however, that in cases of emergency, the City, its officers, servants or agents, shall at all times and for all purposes have full and free access to the Premises.
- (b) The City shall have the right to enter upon the Premises to install, maintain and repair buildings, pipes, wires, airducts, utilities or any other installations required by the City for the City's use of the Airpark and neighbouring lands.
- (c) Subject only to the provisions of this Agreement, the Tenant shall have the right of ingress and egress over the Airpark roadways crossing City Property subject to rules and regulations as may be established by the City respecting such use.
- (d) The Tenant shall not permit any vehicles belonging to the Tenant or to any sub-tenant, licensee, invitee, agent or employee to cause obstruction to any roads, driveways or common areas of the Premises, the Airpark or in the neighbourhood surrounding the Airpark, or prevent the ingress and egress to all other persons using the Airpark.

11. "AS IS" CONDITION

The Tenant accepts the Premises "as is" and acknowledges that it has had the opportunity to undertake such inspections, tests and surveys of the Premises as it considers necessary and that the City has made no representations or warranties respecting the Premises, and that by entering into this Agreement, it is satisfied that the Premises is suitable for its purposes.

12. OWNERSHIP OF BUILDINGS

- (a) The City and the Tenant agree that the title to and ownership of all structures or improvements constructed, erected or installed to be constructed, erected or installed on the Premises by the Tenant, together with all replacements, alterations, additions, changes, substitutions, improvements and repairs thereto (the "**Buildings**"), shall at all times during the Term be vested in the Tenant, notwithstanding any rule of law to the

contrary.

- (b) At the expiration or early termination of the Term, the Tenant shall have the opportunity to remove the Buildings and any part of the Buildings not removed by the Tenant shall become the absolute property of the City free of all encumbrances, without payment of any compensation to the Tenant.

13. CONSTRUCTION

- (a) If the Tenant is not then in default under this Agreement and with the prior written consent of the City, the Tenant may construct, renovate or replace the Buildings. In giving its consent, the City may impose any conditions, including, without limitation, location requirements, parking and access requirements, construction requirements, design requirements, use restrictions, financial restrictions, and security obligations.
- (b) The Tenant acknowledges that prior to any construction on the Premises, including construction, renovation or replacement of the Buildings, the Tenant must obtain a building permit and a development permit and comply with all other bylaw requirements imposed by the City on construction within its boundaries.
- (c) The Tenant shall promptly pay all charges incurred by the Tenant for any work, materials or services that may be done, supplied or performed in respect of the Premises and shall forthwith discharge any liens in respect of same at any time filed against the Airpark.
- (d) The Tenant will not permit any liens, judgments or other charges to be registered against the Airpark. If any lien, judgment or other charge is registered, the Tenant will obtain its discharge within THIRTY (30) DAYS of the said registration.

14. ZONING

The Tenant acknowledges that the Tenant must not use the Premises or permit a use of the Premises in breach of the City of Courtenay zoning bylaw. Without fettering the authority and discretion of the City, the parties agree to work cooperatively to address any issues with respect to zoning and permitted uses at the Airpark.

15. SAFETY

The Tenant shall take all possible precautions to ensure the safety of persons using the Premises and Building.

16. SIGNS AND NOTICES

The Tenant shall not display any signs or notices on the Premises without the prior written approval of the City with the exception of operationally required or safety related signs and notices. The Tenant shall inform the City about the installation of operationally required or safety related signs and notices.

17. ADDITIONAL RIGHTS OF THE CITY

The City reserves the right to grant leases or licences, rights of way or privileges to others on, over, under, through or across the Premises provided however that the granting of such rights of way or privileges will not damage or disrupt permanently the physical facilities of the Tenant, will not impose any cost upon the Tenant, and will not weaken, diminish or impair the rights and obligations of the parties under this Agreement.

18. UTILITIES

- (a) If applicable, the Tenant shall, at the cost and expense of the Tenant, be responsible for the installation and maintenance of the connecting system to the water, sanitary sewerage and storm sewerage systems at the Airpark, at the nearest point of connection. The Tenant shall not commence any such work without the prior written approval of the City. Prior to such approval being given, the Tenant will send copies of the plans and specifications for the connecting of such services to the City. Work will be performed under the supervision of a designated employee of the City.
- (b) The Tenant shall construct improvements on the Premises in such manner that the surface drainage water on the Premises will be discharged into the drainage system at the Airpark. Plans for the construction of storm drainage services shall be subject to the approval in writing of the City prior to installation of such services, for compatibility with the field drainage channels serving the Premises, all at the cost and expense of the Tenant.
- (c) The Tenant shall, at the cost and expense of the Tenant, provide complete and proper arrangements for the adequate sanitary handling and disposal away from the Premises and Airpark of all trash, garbage and other refuse on or in connection with the Tenant's operations under this Agreement, all to the satisfaction of the City. Piling crates, cartons, barrels or other similar items shall not be permitted in a public area on the Airpark, or on the Premises.
- (d) The Tenant shall pay all charges for water supply, sewage disposal, garbage removal, gas, heating fuel, telephone service, cablevision, electricity, power or other utility or communication service rendered in respect of the Premises.

19. NUISANCE

The Tenant shall not at any time during the Term of this Agreement or any renewal thereof, use, exercise or carry on or permit or suffer to be used, exercised or carried on, in or upon the Premises or any part thereof any noxious, noisome or offensive act, trade, business, occupation or calling, and no act, matter or thing whatsoever shall at any time during the said term be done in or upon the Premises or any part thereof which shall or may be or grow to the annoyance, nuisance, damage or disturbance of the occupiers or owners of the land or adjoining land and properties, provided that the reasonable use of the Premises for the maintenance, storage, landing

and taking off of aircraft shall not be considered a nuisance.

20. WASTE

The Tenant will not commit, suffer, or permit any wilful or voluntary waste, spoil or destruction of the Premises.

21. ENVIRONMENTAL RESPONSIBILITIES

(a) For the purpose of this Part:

"Environmental Law" means all federal, provincial, municipal or local laws, statutes or ordinances relating to environmental matters, including all rules, regulations, policies, guidelines, criteria or the like promulgated under or pursuant to any such laws;

"Hazardous Substance" means a contaminant, pollutant, dangerous goods, waste, toxic substance, special waste or hazardous substance as defined in or pursuant to any Environmental Law;

"Notice" means any citation, directive, order, claim, litigation, investigation, proceedings, judgment, letter or other communication, written or oral, actual or threatened, from any person, including any governmental agency;

"Permit" means any authorization, permit licence, approval or administrative consent issued pursuant to Environmental Law.

(b) The Tenant will conduct its business and operation on the Premises in compliance with all Environmental Laws and all Permits.

(c) The Tenant will forthwith notify the City of the occurrence of any of the following and will provide the City with copies of all relevant documentation in connection therewith:

(i) a release of a Hazardous Substance on the Premises or the Airpark, except as is authorized under Environmental Law;

(ii) the receipt by the Tenant of a Notice from any governmental agency of non-compliance pursuant to any Environmental Law, including a Notice of non-compliance respecting a Permit;

(iii) the receipt by the Tenant of a Notice of a claim by a third party relating to environmental concerns; or

(iv) the receipt by the Tenant of information which indicates that Hazardous Substances are present in or on the Premises.

- (d) The Tenant will not permit the storage, treatment or disposal of Hazardous Substances on the Premises except in accordance with all Environmental Laws.
- (e) The Tenant shall not cause or suffer or permit any oil or grease or any harmful, objectionable, dangerous, poisonous, or explosive matter or substance to be discharged on to the Premises or any building on the Premises and will take all reasonable measures for insuring that any effluent discharge will not be corrosive, poisonous or otherwise harmful, or cause obstruction, deposit or pollution on the Premises, or driveways, ditches, water courses, culverts, drains or sewers.
- (f) The Tenant will conduct such investigations, searches, testing, drilling and sampling (“**Investigations**”) as may at any time be required by the City where any reasonable evidence exists that the Tenant’s current or prior use or occupation of the Premises may be introducing or increasing the existence of any Hazardous Substance on the Premises. If the Tenant does not complete the Investigations to the satisfaction of the City, the City may enter on the property of the Tenant and take any actions necessary to complete the Investigations, the cost of which actions will be borne by the Tenant.
- (g) If Hazardous Substances are present on or in the Premises or the Airpark as a result of the Tenant's use or occupation of the Premises, the Tenant will take all necessary action, at the cost of the Tenant to remediate the Premises or the Airpark to a level acceptable to the City and to governmental authorities.
- (h) Prior to the termination of the lease, the Tenant will conduct all Investigations required by the City where any reasonable evidence exists that the Tenant's use or occupation of the Premises has introduced or increased the existence of any Hazardous Substance on or in the Land. The Tenant will provide the result of the Investigations to the City. Where any Hazardous Substance is found on or in the Premises or the Airpark as a result of the Tenant's use or occupation of the Premises, the Tenant will take all necessary action, at the cost of the Tenant, to remediate the Premises or the Airpark to a level acceptable to the City and to governmental authorities.
- (i) The Tenant will provide to the City satisfactory documentary evidence that all Permits are valid and in good standing as requested by the City from time to time.
- (j) The Tenant and the Indemnifier will, jointly and severally, indemnify and save harmless the City, its officers, directors, employees, agents and shareholders from and against any and all losses, claims, costs, expenses, damages and liabilities, including all costs of defending or denying the same, and all costs of investigation, monitoring, remedial response, removal, restoration or permit acquisition and including all solicitor's fees and disbursements in connection therewith which at any time may be paid or incurred by or claimed against the City, its officers, directors, employees, agents and shareholders arising, directly or indirectly, out of:
 - (i) a breach by the Tenant of any of the covenants contained in this Agreement;

- (ii) where the Tenant's use or occupancy of the Premises results in the presence, release or increase of any Hazardous Substance on the Premises or the Airpark (or on any other land by way of migration, seepage or otherwise);
 - (iii) any reasonable action taken by the City with respect of the existence of or remediation for any such Hazardous Substance on the Premises or the Airpark (or on any other land by way of migration, seepage or otherwise); or
 - (iv) any reasonable action taken by the City in compliance with any Notice of any governmental authority with respect to the existence of any such Hazardous Substance on the Premises or the Airpark (or on any other land by way of migration, seepage or otherwise).
- (k) The indemnities contained in this Agreement will survive the expiration or earlier termination of the Term.

22. INTERCEPTORS

If requested by the City, the Tenant at the cost of the Tenant shall provide grease, oil, and sand interceptors. All interceptors shall be of a type and capacity approved by the City and shall be readily accessible for cleaning and inspection. The Tenant, at the expense of the Tenant, shall maintain the interceptors in continuous, efficient operation at all times.

23. SECURITY AND FIRE SYSTEMS PROTECTION

The City shall not be responsible for providing fire systems protection to nor security of the Premises, the Buildings and any improvements.

24. FIRE PREVENTION

The Tenant shall, at the expense of the Tenant, take all precautions to prevent fire from occurring in or about the Premises, and shall observe and comply with all laws and regulations in force respecting fires at the said Airpark, and with all instructions given from time to time by the City with respect to fire risk mitigation and extinguishing of fires.

25. ADVERTISING

The Tenant shall not construct, erect, place or install on the outside of the Buildings or on the Premises any poster, advertising sign or display, electrical or otherwise, without first obtaining the consent, in writing, of the City.

26. INSURANCE

- (a) The Tenant shall obtain, at its own expense, and keep in force a policy of comprehensive/commercial general liability insurance providing coverage for death, bodily injury, property loss, property damage and other potential loss and damage arising out of the Tenant's use and occupation of the Premises in an amount of not less than

FIVE MILLION (\$5,000,000.00) DOLLARS inclusive per occurrence.

- (b) In addition to the insurance under Subsection (a), the Tenant shall at its own expense, throughout the Term of this Agreement, secure and maintain in force during the Term of this Agreement or any renewal thereof product liability insurance to cover any liability that might arise out of the sale of aviation gasoline and any other products by the Tenant, with an inclusive limit of not less than FIVE MILLION DOLLARS (\$5,000,000.00) per occurrence for bodily injury and property damage.
- (c) On the first day of the Term and at other times upon demand by the City, the Tenant shall deliver to the City certified copies of the policies of insurance required to be maintained by the Tenant under this Agreement.
- (d) The City may, from time to time, notify the Tenant to change the amount of insurance required by this Agreement and the Tenant will, within FORTY-FIVE (45) DAYS of receiving such a notice, cause the amounts to be changed and deliver to the City a letter from its insurer certifying the change in the amount of insurance.
- (e) The Tenant shall ensure that all policies of insurance pursuant to this Agreement:
 - (i) are underwritten by a responsible insurance company or companies licensed to do business in the Province of British Columbia and that meet with the reasonable approval of the City;
 - (ii) are written in the name of the Tenant and the City with loss payable to them as their respective interests may appear;
 - (iii) list the City as an additional insured;
 - (iv) contain a cross liability clause and a waiver of subrogation clause in favour of the City;
 - (v) are primary and do not require the sharing of any loss by any insurer that insures the City;
 - (vi) contain a clause to the effect that any release from liability entered into by the City prior to any loss shall not affect the right of the Tenant or the City to recover; and
 - (vii) endorsed to provide the City with THIRTY (30) DAYS advance notice in writing of cancellation or material change.
- (f) The Tenant agrees that if it does not provide or maintain in force such insurance, the City may take out the necessary insurance and pay the premium therefore for periods of one year at a time, and the Tenant shall pay to the City as Additional Rent the amount of such premium immediately upon demand.

- (g) In the event that both the City and the Tenant have claims to be indemnified under any insurance, the indemnity shall be applied first to the settlement of claims of the City and the balance, if any, to the settlement of the claim of the Tenant.
- (h) The Tenant shall not do or permit to be done any act or things which may render void or voidable or conflict with the requirements of any policy or policies of insurance, including any regulations of fire insurance underwriter applicable to such policy or policies, whereby the Airpark or the Buildings or the contents of the premises of any tenant are insured or which may cause any increase in premium to be paid in respect of any such policy.

27. RELEASE AND INDEMNITY

- (a) The City shall not be responsible in any way for any injury to any person or for any loss or damage to any property belonging to the Tenant or to other occupants of the Premises or to their respective sub-tenants, invitees, licensees, agents, employees, or other persons from time to time attending at the Premises, including without limiting the foregoing, any loss of or damage caused by theft or breakage or failure to maintain and keep the Premises, the Buildings, or the land in good repair and free from refuse, obnoxious odours, vermin or other foreign matter, defective wiring, plumbing, gas, sprinkler, steam, running or clogging of the above pipes or fixtures, or otherwise, acts, or negligence of guests, invitees, or employees or the Tenant or any other occupants of the premises, or the acts or negligence of any owners or occupiers of adjacent or continuous property or their guests, invitees, or employees, act of God, acts or negligence of any person not in the employment of the City, or for any other loss whatsoever with respect to the Premises, the Airpark, or any business carried thereon.
- (b) The Tenant hereby releases the City and its elected officials, officers, employees, contractors, agents, successors and assigns from and against any and all liabilities, damages, costs, claims, suits, or actions, which the Tenant may have, now or in the future, in relation to this Agreement, the Premises or the Tenant's use or occupancy of the Premises.
- (c) Save and except for the negligence of the City, and its elected officials, offices, employees, contractors, agents, successors and assigns, the Tenant and the Indemnifier, jointly and severally, will and hereby do indemnify and save harmless the City from any and all liabilities, damages, costs, claims, suits, or actions, (including without limitation, the full amount of all legal fees, costs, charges and expenses whatsoever) directly or indirectly arising from:
 - (i) any breach, violation, or non-performance of any covenant, condition or agreement in this Agreement set forth and contained on the part of the Tenant to be fulfilled, kept, observed and performed;
 - (ii) any act, omission, or negligence of the Tenant, its members, officers, directors, employees, agents, contractors, subcontractors, subtenants, licensees, invitees or others for whom it is responsible;

- (iii) any gas, oil or other such spill or leak caused from the use of the Premises which may cause contamination to the environment or otherwise contravene the Waste Management Act;
- (iv) any damage to property occasioned by the Tenant's use and occupation of the Premises and Building or any injury to person or persons, including death, resulting at any time from the Tenant's use and occupation of the Premises and Building; or
- (v) the granting of this Agreement,

and this indemnity shall survive the expiry or sooner determination of this Agreement.

28. TEMPORARY SUSPENSION OF SERVICE

Without limiting or restricting the generality of this Agreement, the Tenant shall not have nor make any claim or demand, nor bring any action or suit or petition against the City or any of its officers, servants or agents for any damage which the Tenant may sustain by reason of any temporary suspension, interruption or discontinuance, in whole or in part, from whatever cause arising in services supplied by the City hereunder.

29. REPAIRS AND MAINTENANCE

- (a) Throughout the Term at its own expense, the Tenant shall repair and maintain the Premises and the Buildings and keep the Premises and the Buildings in a state of good repair as a prudent owner would do. The City will not be obliged to repair, maintain, replace or alter the Premises, the Buildings, or any other Building or structure or any part thereof on the Premises during the Term or to supply any services or utilities thereto save and except for such services and utilities as the City may be required to provide strictly in its capacity as a municipality and not in its capacity as a landlord. The Tenant hereby assumes the full and sole responsibility for the condition, operation, maintenance, repair, replacement and management of the Premises and Building during the Term.
- (b) The Tenant shall upon written notice from the City, make any repairs that are, in the opinion of the City, necessary to the Premises within SIXTY (60) DAYS of receipt of such notice.
- (c) The Tenant shall clear all ice and snow, cut grass, landscape, repair and replace as necessary all sidewalks, driveways, parking areas and other public areas on or adjacent to the Premises in a well maintained, clean, tidy and safe state as befits land used for an airport hangar adjacent to an airport and as a prudent owner would do.
- (d) The Tenant shall not allow any ashes, refuse, garbage or other loose or objectionable material to accumulate on the Premises and shall maintain receptacles for garbage disposal and for the disposal of oil and other waste products.

- (e) The Tenant shall not, without the prior written consent of the City, make any alterations to the landscaping and topography of the Premises.
- (f) The Tenant shall reimburse the City for expenses incurred by the City in repairing any damage caused to the Premises, the improvements thereon or any part thereof as a result of the negligence or wilful act of the Tenant, its invitees, licensees, agents or other persons from time to time in or about the Premises or the Airpark.

30. LANDLORD'S RIGHT TO PERFORM

If the Tenant shall fail to perform or cause to be performed each and every one of the covenants and obligations of the Tenant contained in this Agreement, on the part of the Tenant to be observed and performed, the City shall have the right (but shall not be obliged) to perform or cause the same to be performed and to do or cause to be done such things as may be necessary or incidental thereto (including without limiting the foregoing, the right to make repairs, installations, erection and expend monies) and all payments, expenses, charges, fees, (including all legal fees on solicitor and client basis) and disbursements incurred or paid by or on behalf of the City in respect thereof shall be paid by the Tenant to the City forthwith.

31. DEFAULT

- (a) If the Tenant defaults in the payment of any money payable under this Agreement or fails to observe, comply with or perform any of its covenants, agreements or obligations under this Agreement, the City may deliver to the Tenant a notice of default (in the manner required herein for giving notices) stipulating that the default must be rectified or cured within FIFTEEN (15) DAYS of the notice if the default is non-payment of Rent or Additional Rent and within THIRTY (30) DAYS of the notice for other defaults, but less or no notice is required to be given by the City in emergency or urgent circumstances, as determined by the City in its sole discretion, acting reasonably, or where the Tenant has failed to keep the Premises insured.
- (b) If the default (other than payment of money payable by the Tenant under this Agreement and other than failure to keep the Premises insured) reasonably requires more time to rectify or cure than THIRTY (30) DAYS, the Tenant will be deemed to have complied with the rectification or curing of it if the Tenant commences rectifying or curing the default within THIRTY (30) DAYS after notice from the City and diligently completes the same.

32. CITY'S RIGHTS ON DEFAULT

Notwithstanding any other provisions of this Agreement, if the Rent or any part thereof shall be in arrears or unpaid for THIRTY (30) DAYS after the specified date of payment, whether or not the same shall have been in any manner demanded, or in the case default, breach or non-observance is made or suffered by the Tenant at any time, in or in respect of any of the covenants, which on the part of the Tenant ought to be observed or performed, then it shall be lawful for the City, its servants or agents to do any, all, or a combination of the following:

- (a) re-enter and thereafter to have, possess and enjoy the Premises and all improvements thereon; nevertheless, the City may, at his option, except as hereinafter set forth, compel the Tenant to remove from the Premises any improvements and any goods, chattels, materials, effects or things from the Premises all at risk of cost and expense of the Tenant;
- (b) terminate this Agreement; or
- (c) exercise or obtain such other rights as may be permitted by this Agreement or at law.

33. CREDITORS

If the Term of this Agreement or any renewal hereby granted shall at any time be seized or taken in execution or in attachment by any creditor of the Tenant or if the Tenant shall make any assignment for the benefit of creditors, or become bankrupt or insolvent, or if the Tenant takes the benefit of any Act or regulation that may be in force for bankrupt or insolvent debtors, then in any such case the Term of this Agreement or any renewal thereafter, shall at the option of the City, immediately become forfeited and void, and all Rent then due shall immediately become due and payable, and in such case it shall be lawful for the City for any time thereafter to enter into and upon the Premises, or any part thereof, and repossess the Premises or any portion thereof for its sole use, and anything herein contained to the contrary notwithstanding.

34. HOLDING OVER

If at the expiration of the Term the Tenant shall hold over with the consent of the City, the tenancy of the Tenant shall thereafter, in the absence of written agreement to the contrary, be from year to year, at the same rental as set out in this Agreement and shall be subject to all other terms and conditions of this Agreement.

35. DISTRESS

If and whenever the Tenant is in default of the payment of any money, including rent, whether expressly reserved by this Agreement or deemed as Rent, the City may without notice or any form of legal process whatsoever, enter the Premises and seize, remove and sell the Tenant's goods, chattels and equipment and seize, remove, and sell any goods, chattels and equipment at any place to which the Tenant or any other person may have removed them in the same manner as if they had remained and been distrained in the Premises, notwithstanding any rule of law or equity to the contrary, and the Tenant hereby waives and renounces the benefit of any present or future statute or law limiting or eliminating the City's right of distress.

36. WAIVER OR NON-ACTION

Waiver by the City of any breach of any term, covenant or condition of this Agreement by the Tenant must not be deemed to be a waiver of any subsequent default by the Tenant. Failure by the City to take any action in respect of any breach of any term, covenant or condition of this

Agreement by the Tenant must not be deemed to be a waiver of such term, covenant or condition.

37. NO ABATEMENT

The Tenant is not entitled to any abatement or reduction or deduction from the Rent or Additional Rent.

38. REMEDIES CUMULATIVE

No reference to or exercise of any specific right or remedy by the City prejudices or precludes the City from any other remedy, whether allowed at law or in equity or expressly provided for in this Agreement. No such remedy is exclusive or dependent upon any other such remedy, but the City may from time to time exercise any one or more of such remedies independently or in combination. Without limiting the generality of the foregoing, the City is entitled to commence and maintain an action against the Tenant to collect any rent not paid when due, without exercising the option to terminate this Agreement.

39. NO JOINT VENTURE

Nothing contained in this Agreement creates the relationship of principal and agent or of partnership, joint venture or business enterprise or entity between the parties or gives the Tenant any power or authority to bind the City in any way.

40. TERMINATION ON CHANGE OF USE OR DAMAGE TO PREMISES

- (a) If for any reason, other than regular maintenance or repair of the Premises, the Airpark ceases to be used for the take-off and landing of aircraft, the City or Tenant may terminate this Agreement by giving SIXTY (60) DAYS written notice of its intention to terminate this Agreement, and after the expiration of such period of notification, this Agreement shall be determined and ended without further notice or delay.
- (b) The parties hereto agree that if the Premises are damaged in any manner so as to render them unfit for the purposes of the Tenant, the City shall not be required to repair such damage or to make the Premises reasonably fit for the purposes of the Tenant, and the Tenant may at its option, exercised within SIXTY (60) DAYS of the occurrence of such damage, elect to repair the damage or to terminate this Agreement and the election shall be by notice in writing to the City. If the Tenant elects to terminate this Agreement, then the Tenant shall immediately deliver possession of the Premises to the City.

41. ENUREMENT

This Agreement and everything herein contained shall enure to the benefit of and be binding upon the successors, assigns and other legal representatives, as the case may be of each of the parties hereto, and every reference herein to every party hereto shall include the successors, assigns and other legal representatives of such party.

42. INTERPRETATION

Any note appearing as a heading in this Agreement has been inserted for convenience and reference only, and of itself cannot define, limit or expand the scope of meaning of the present Lease or any of its provisions. Where there is a male, female or corporate party, the provisions hereof shall be read with all grammatical changes to gender and number required by the context. All covenants and obligations shall be deemed joint and several. The invalidity of any section for any reason whatsoever shall not invalidate any other section of this Agreement. Every reference to each party is deemed to include the heirs, executors, administrators, successors, directors, employees, members, servants, agents, officers, and invitees of such party where the context so permits or requires.

43. NO EFFECT ON LAWS OR POWERS

Nothing contained or implied herein prejudices or affects the City's rights and powers in the exercise of its functions pursuant to the *Community Charter* (British Columbia) or its rights and powers under any enactment to the extent the same are applicable to the Airpark or the Premises, all of which may be fully and effectively exercised in relation to the Airpark or the Premises as if this Agreement had not been fully executed and delivered.

44. NOTICES

- (a) Whenever in this Agreement it is required or permitted that notice or demand be given or served by either party of this Agreement to or on the other, such notice or demand will be in writing and will be validly given or sufficiently communicated if forwarded by express mail to the addresses set out at the beginning of this Agreement.
- (b) Such addresses may be changed from time to time by either party giving notice as above provided.
- (c) Notice shall be deemed to have been effectively communicated or given on the day received or on the FIFTH (5th) DAY after it was mailed or sent, whichever is the earlier.

45. AUTHORITY

The Tenant represents and warrants to the City that it has full authority to enter into this Agreement and to carry out the actions contemplated herein, that all resolutions and other preconditions to validity have been validly adopted, and that those signing this Agreement on its behalf are authorized to bind the Lessee by their signatures.

46. ENTIRE AGREEMENT

The provisions herein contained constitute the entire agreement between the parties and supersede all previous communications, representations, warranties, covenants and agreements whether verbal or written between the parties with respect to the subject matter hereof. This Agreement may not be modified or amended except by an instrument in writing signed by the

parties.

47. COVENANTS AND CONDITIONS

All of the provisions of this Agreement shall be deemed and construed to be conditions as well as covenants as though the words specifically expressing or importing covenants and conditions were used in each separate section.

48. REGISTRATION

The Tenant shall be responsible for any costs of registering this Agreement in the Land Title Office, including the costs or any plan necessary for the registration of the lease and any modification of this Agreement.

49. TIME OF THE ESSENCE

Time shall be of the essence of this Agreement.

50. TENANT'S REPRESENTATIONS AND WARRANTIES

The Tenant represents and warrants that the Tenant:

- (a) is a not-for-profit society validly incorporated and in good standing under the laws of British Columbia and does not conduct its activities with a view to obtaining, and does not distribute, profit or financial gain for its members;
- (b) has the power and capacity to enter into and carry out the obligations under this Agreement; and
- (c) has completed all necessary resolutions and other preconditions to the validity of this Agreement.

51. FINANCIAL REPORTS

The Tenant will provide its yearly financial reports to the City within 8 weeks of the Tenant's financial year-end.

52. LAWS OF BRITISH COLUMBIA

This Agreement shall be construed by the laws of the Province of British Columbia.

53. SEVERANCE

If any portion of this Agreement is held invalid by a court of competent jurisdiction, the invalid portion shall be severed and the decision that it is invalid will not affect the validity of the remainder of the lease.

As evidence of their agreement to be bound by the above terms, the parties each have executed and delivered this Agreement under seal by executing Part 1 of the *Land Title Act* Form C which is attached hereto and forms part of this Agreement.

The Corporate Seal of THE CORPORATION)
OF THE CITY OF COURTENAY was hereunto)
affixed in the presence of:)
)
)
)
_____)
Mayor)
)
_____)
Director of Legislative & Corporate Services)

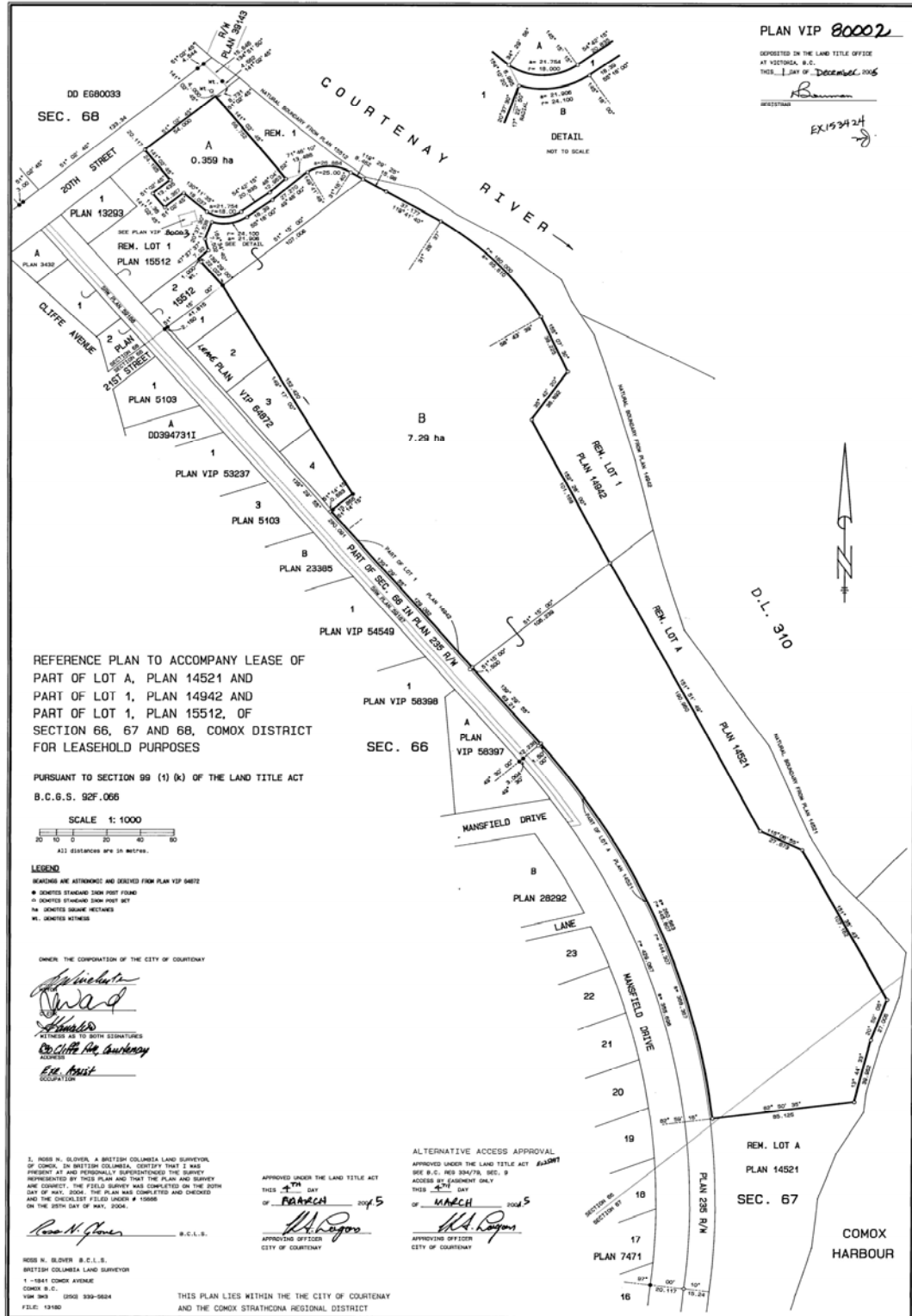
c/s

The Corporate Seal of COURTENAY AIRPARK)
ASSOCIATION was hereunto affixed in the presence)
of:)
)
)
_____)
Name)
)
_____)
Name)

c/s

SCHEDULE A REGISTERED COPY OF PLAN VIP 80002

Status: Filed



Plan #: VIP80002 App #: N/A Cnt #:

RCVD: 2006-12-01 ROST: 2016-03-08 10:14:17

**SCHEDULE B
LICENCE AREA (CROWN LICENSE)**

Licence	File No.: 1414807
	Disposition No.: 933091

LEGAL DESCRIPTION SCHEDULE

LEGAL DESCRIPTION: That parcel or tract of Crown land together with unsurveyed Crown Foreshore or land being part of the bed of Courtenay River, all within Comox District, as shown on sketch below, containing 0.56 hectares, more or less.



SCHEDULE C PLAN EPP99020

**REFERENCE PLAN TO ACCOMPANY LEASE OF
PART OF LOT 1, SECTION 68, COMOX DISTRICT,
PLAN 15512 EXCEPT PART IN PLAN VIP88375.**

Pursuant to Section 99(1)(k) of the Land Title Act.
BCGS 92F-066

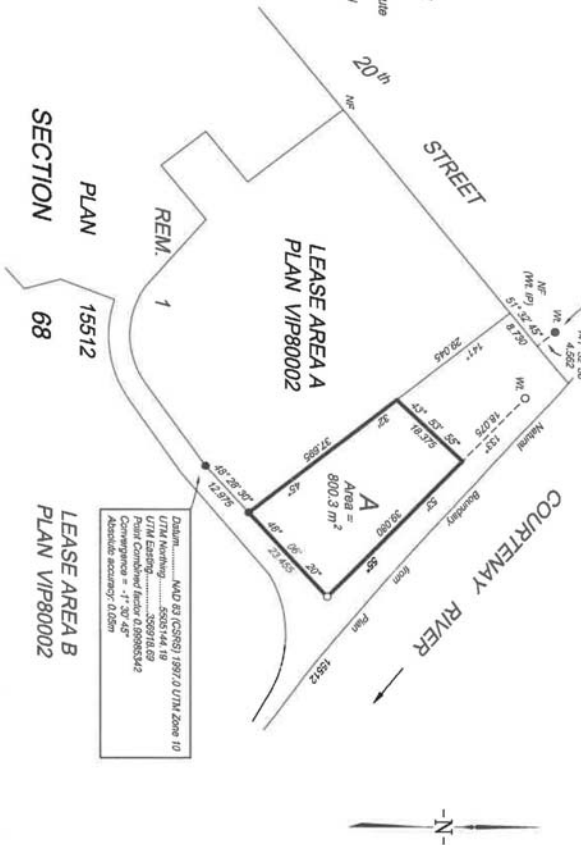


LEGEND

- denotes standard iron post found
- denotes standard iron post placed

This plan shows one or more witness posts which are not set on the true corner(s).
The UTM coordinates and estimated absolute accuracy achieved are derived from dual frequency static GNSS observations post processed using the Precise Point Positioning (PPP) Service of Natural Resources Canada.
This plan shows horizontal ground level distances, unless otherwise specified. To compute grid distances, multiply ground level distances by the average combined factor of 0.99985344. The average combined factor has been determined based on an ellipsoidal elevation of -10 metres.
All distances are in metres and decimals thereof.

Datum	NAD 83 (CSRS) 1987.0 UTM Zone 10
UTM Northing	5552714.65
UTM Easting	559590.80
Point Combined factor	0.99985344
Convergence	-1.30 deg
Absolute accuracy	0.05m



Datum	NAD 83 (CSRS) 1987.0 UTM Zone 10
UTM Northing	5595114.19
UTM Easting	559978.69
Point Combined factor	0.99985342
Convergence	-1.30 deg
Absolute accuracy	0.05m

This plan lies within the jurisdiction of the Approving Officer for the City of Courtenay.

This plan lies within the
Cormox Valley Regional District.

The field survey represented by this plan was
completed on the 6th day of December, 2019
David C. Bezell, B.C.S., C.L.S. (S79)

FILE: C1515
Dec 02, 2019

MAGNETI LAND SURVEYING INC.
3385 GLENVIEW AVENUE
SUITE 200
VICTORIA, BC V8N 3K4
WWW.MAGNETI.CO

FILE: C1515

2019 ANNUAL REPORT



CITY OF
COURTENAY



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

2019 Annual Report

January 1 - December 31, 2019

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

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

Courtenay, British Columbia, Canada



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Message from the Mayor

It is somewhat surreal looking at the pages of this Annual Report. With all of the changes to our lives we are experiencing as a result of the COVID-19 pandemic, 2019 feels like a very long time ago.

Council met with senior staff in November 2019 to review and update our Council's strategic priorities. Of course at the time we had no way of knowing that this global public health crisis was approaching – and how severely it would affect our own operations and plans.

By this time next year, we will have a better understanding of how COVID-19 has affected our organization's 2020 budget.

In the meantime, our staff is focused on maintaining the essential services our citizens rely on, as well as finding ways to reopen as many services as possible under the circumstances, under new health and safety protocols.

It may be too soon to call it nostalgia, but there is certainly a sense of achievement when reviewing the progress made last year at the City of Courtenay – the first full calendar year of our Council term.

Several important community planning documents were adopted by Council last year which will guide projects and decisions for years to come.

The Connecting Courtenay: Transportation Master Plan, including a Cycling Network Plan, outlines short, medium, and long term priorities for future transportation improvements. This was one of the most comprehensive consultation efforts the City has ever completed, through open houses, stakeholder meetings, surveys, and outreach in the

community. Thank you to everyone that contributed feedback towards this important document. We are already seeing positive results from this work: the funding the City received from BikeBC for the Fitzgerald Corridor Cycling Expansion project last year was a direct result of this plan.

Other major city-wide planning projects completed in 2019 were the Parks and Recreation Master Plan and the new Urban Forest Strategy.

Each of these individual plans represents significant, multi-year efforts by staff, and contributions from the community at large. Collectively, they represent a massive achievement.

All of these documents will help inform the update of Courtenay's Official Community Plan (OCP). An OCP is the most important, overarching planning document for any community. This OCP update process began in fall 2019, with a goal of adopting the new plan in 2021. While public consultation plans and timelines have been affected by the pandemic, staff are working hard on adapting this consultation process to ensure progress can continue, following current public health guidelines.

2019 also saw major progress on housing for low income or vulnerable members of our community. The Braidwood Affordable Housing Project represented efforts on behalf of Comox Valley local governments for over a decade, culminating in \$4.6 million in capital funding from the Province of BC to make this 35-unit affordable housing project a reality. The Junction Supportive Housing Project on 8th Street, by contrast, took less than a year from concept to completion, under the Province of



BC's Rapid Response to Homelessness initiative. The John Howard Society North Island is providing each of the residents at this 46-unit facility with the individualized supports they may need to thrive.

The City of Courtenay will continue to look for ways to identify and support opportunities for lower-cost housing, as well as advocate for senior government housing support in our community.

As we continue adapting to our "new normal", I want to highlight how proud I am of how our community has come together during this unprecedented public health emergency, under the steady and careful guidance of provincial health officials. I encourage each and every one of you to stay kind, and continue doing your part to protect yourself, your loved ones, and our community from COVID-19.

Mayor Bob Wells



Mayor and Council

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

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

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

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

Members of the public are encouraged to view and participate in the Council meeting process. The COVID-19 coronavirus emergency in 2020 has resulted in temporary changes to in-person participation in Council meetings.

Please visit courtenay.ca/councilmeetings for the latest information, including a link to the Council meeting live stream.

Council Meetings are generally held on the first and third Mondays of each month, and Strategic Planning/Committee of the Whole meetings occur on the last Monday of the month. For more information on City Council, including meeting agendas, minutes, and video, and appearing as a Council delegation, go to courtenay.ca/council

Contact Council

c/o Courtenay City Hall
830 Cliffe Avenue
Courtenay, B.C. V9N 2J7

Tel. 250-334-4441

Email council@courtenay.ca

Mayor Bob Wells

mayor@courtenay.ca

Councillor Will Cole-Hamilton

wcole-hamilton@courtenay.ca

Councillor David Frisch

dfrisch@courtenay.ca

Councillor Doug Hillian

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Councillor Melanie McCollum

mmccollum@courtenay.ca

Councillor Wendy Morin

wmorin@courtenay.ca

Councillor Manno Theos

mtheos@courtenay.ca

Message from the Chief Administrative Officer

2019 was an extremely busy year for the team at the City of Courtenay. Our City Council was elected in late 2018 and hit the ground running, moving swiftly to identify and make progress on a number of their strategic priorities.

Local governments play a huge role in the day to day services our communities enjoy. Water, sanitary services, roads, parks, arts and culture, recreation – it's safe to say that many of the things that directly affect our residents' lives are the responsibility of the City of Courtenay.

It's a responsibility our Council and staff take very seriously. COVID-19 has added an additional layer of complexity to our operations, a situation we know is shared by our residents and businesses as we collectively face these uncertain future impacts on our budgets, local economies, and services.

Regardless of external challenges – even during a global pandemic – we must continue making progress on the countless challenges and opportunities facing communities like ours.

Particularly in the face of continuing development growth in Courtenay, the City must manage the connection between land use planning, climate change, and sustainable service delivery; maintaining our built and natural assets to achieve their longest possible lifespan at the lowest long-term costs.

As a reflection of the importance of this responsibility, the City of Courtenay has become one of the first municipalities in Canada, and the very first in BC, to adopt an asset

management bylaw that commits to the consideration of the full life cycle costs of a project prior to making decisions on their renewal, upgrade, and acquisition. The City's decisions today will have impacts that last for decades, and it is our duty to ensure that they are made in the best interests of both current and future residents.

These decisions are guided by our community plans, including the City of Courtenay's new master plans for transportation, cycling, and parks and recreation, the new Urban Forest Strategy, and the ongoing update of our Official Community Plan.

As our community grows, we also remain focused on health and safety, both through our direct City protective services such as our fire department and bylaw enforcement, as well as our policing contract with the RCMP. At the same time the City is taking on an increasing role in affordable and supportive housing and other supports for vulnerable populations, including those experiencing homelessness.

In short, a great deal of time and effort goes into making sure the City makes the right decisions, with the best information available at the time. And while this annual report highlights many of our projects and services, there were countless other initiatives, legislative requirements, and unexpected 'zingers' keeping us busy throughout the year. Thank you for reading this report and getting a taste of our operations.



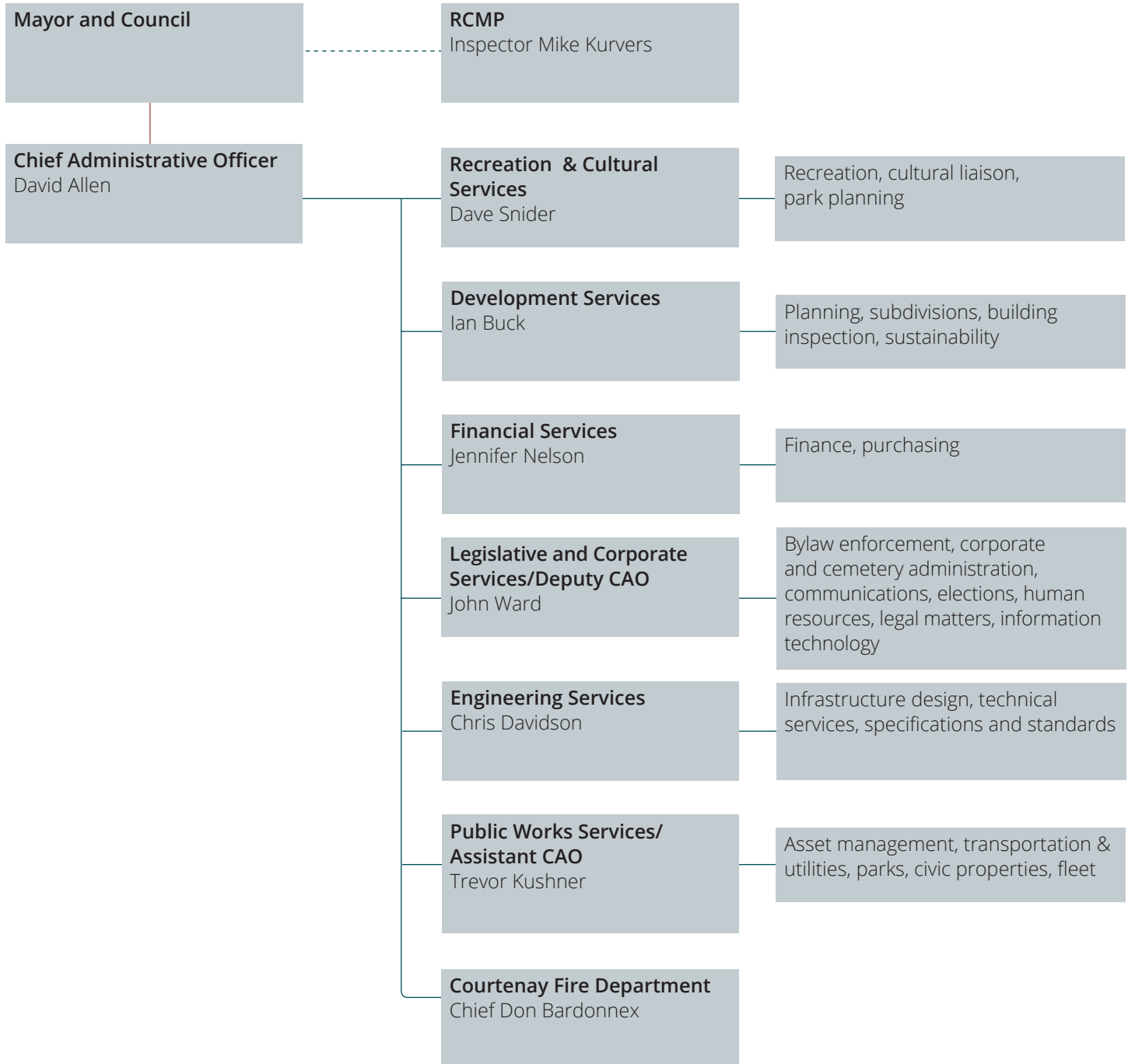
This will be my final message for the City of Courtenay's annual reports, as I approach retirement in September 2020.

It has been an honour to serve this community over the last seven years, in particular working with so many talented, dedicated, and caring staff at the City of Courtenay. I also appreciated the opportunity to support our Council, each of whom contributes their time, energy, and vision towards making Courtenay a better place. This is a truly amazing city, and I know I am leaving this organization in excellent hands as our Council and staff carry it forward into the future.

David Allen
Chief Administrative Officer

Organizational Chart

As of December 31, 2019



About Courtenay

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

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

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

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





Strategic Priorities 2019 to 2022



Area of Control

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



Area of Influence

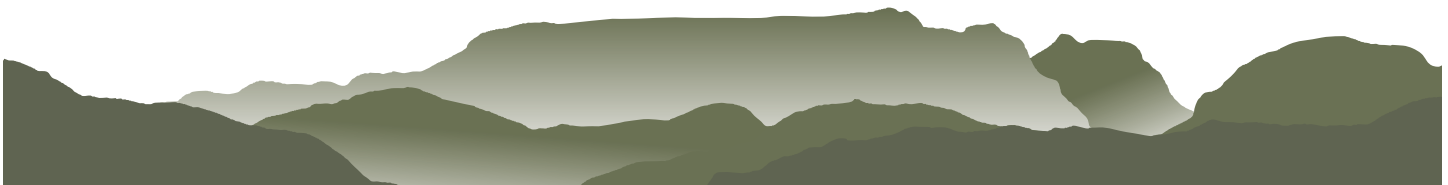
Matters that fall within shared or agreed jurisdiction between Council and another government or party



Area of Concern

Matters of interest outside Council's jurisdictional authority to act

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



Managing our Assets

4,600
street &
park trees

36 km
trails paved &
unpaved

40.8
hectares
(100+ acres)
mowed grass

145
park benches

25
playgrounds

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



165 km
roads

some with multiple lanes:

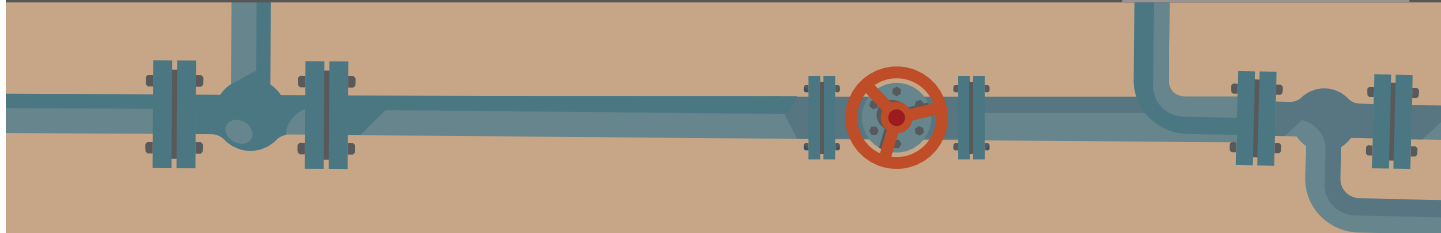
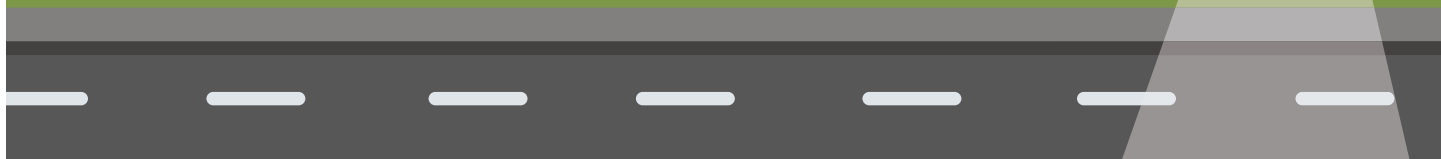
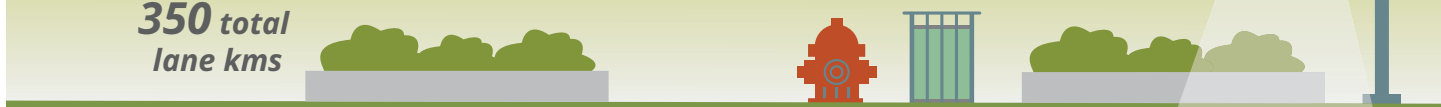
350 total
lane kms

170 km
sidewalks

791
fire hydrants

128
litter baskets

1,474
street lights



163.1 km
Sanitary Sewer Main

- Approximately 8,392 connections
(estimate based on water)
- 11 Sanitary Lift stations
- 20 pumps

172.9 km
Water Main

- 8,392 connections, 1,964 valves
- 2,385 water meter setters
- One booster station with five pumps
- Seven pressure reducing valves

165.3 km
Storm Main

- 7,550 connections (estimate)
- 4,194 catch basins

We focus on organizational and governance excellence

Preparations for New Recreation Software and Online Registration

Courtenay Recreation staff began planning in 2019 to move to new software in 2020. This move included one major and long-awaited new feature: online registration.

Online registration is a key component of the upgrade as it gives patrons more flexibility and convenience. It also helps alleviate line-ups on registration days.

The upcoming software transition was carefully planned and staff were not only trained on software use but were consulted also for feedback on improvements as the system was being set up.

New Account Creation

In order to be ready for this large software transition, Courtenay Recreation asked patrons to set up their online accounts in the new system starting in December 2019.

A video tutorial demonstrated how to set up an account, and a computer kiosk was stationed at the Lewis Centre for public use. Staff were also on hand to assist those who needed help creating an online account.

In total 3,763 new accounts were created prior to implementation of the software in March 2020.

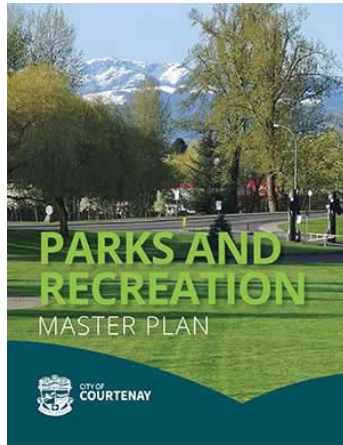




New Parks and Recreation Master Plan

The development of the Parks and Recreation master plan was a multi-year process that began in 2016 and continued until final adoption by Council in the fall of 2019. This was the first major parks and recreation plan update in over 20 years.

This master plan will inform planning and decision-making for our community's parks, trails, recreation facilities and programs for years to come.



- The compiled information was presented to the public through focus groups, an online survey and public open houses. The results of the analysis and community feedback were tabulated over the winter of 2017/2018, analysed and informed the draft plan.
- A draft plan was released in December of 2018 for public feedback.
- At the April 29, 2019 council meeting, Council reviewed the public feedback received and directed staff to include the requested changes within the master plan text. Staff incorporated the changes into the master plan and presented to Council for final adoption.

The Parks and Recreation master plan is an aspirational document. Some recommendations are for definitive action such as the construction of trail where gaps exist.

Other recommendations are less concrete, calling for further study, community consultation on issues or operational considerations moving forward.

A separate implementation plan anticipated for late 2020 will show the cost implications of key recommendations.

Project Timeline:

- In 2016 Urban Systems was engaged to develop the master plan.
- Park assets were inventoried and mapped. Thousands of data points were collected along with the condition of trails, parks, furnishings, buildings, sports fields, and playgrounds. This work was then used as a foundation for the next phases.
- The condition of each asset was assessed with a rating based on the National Asset Management Strategy (NAMS) methodology.
- The analysis phase included the identification of trail gaps, the quantity of parks in various classifications, as well as recreation programs and services.

The Master Plan informs the following processes:

- Capital planning and the Asset Management Working Group
- Parks and recreation staff decision making
- The preparation of the Official Community Plan
- Overlapping issues in other strategic documents



FireFit

The Courtenay Fire Department hosted the Pacific Regional FireFit Championships in May 2019. FireFit is a fast-paced competition based on firefighting tasks performed in emergency situations.

The event brought competitors from Whitehorse, Fort MacMurray, Edmonton, Delta, Everett in Washington State and many BC communities. The Comox Valley was represented by firefighters from Hornby Island, Oyster River, Cumberland and Courtenay.

The Courtenay Fire Department had 23 competitors in multiple categories. Courtenay firefighters took medals in all race categories.

Photos: Ajinkya Anil Chodankar



Courtenay Fire Department

Training

The Courtenay Fire Department Training Division provides quality instruction to both career and volunteer members using both contract and in-house instructors. In 2019, volunteer fire fighters documented over 4,500 training hours.

This training includes regular Tuesday night skills maintenance training, recruit training, Fire Officer training as well as continuing education for the Fire Prevention team, Emergency Vehicle Technician and administrative staff.

Firefighters were also focused on achieving industry certifications, including NFPA 1001, Firefighter 2, and Pro Board Seal certification. All Courtenay Volunteer firefighters will have successfully completed the NFPA 1001 level 2 certification program by fall 2020.

Joint training with mutual aid partners provided valuable opportunities for coordination and collaboration. Over 30 members attended various training exercises, including Fire Officer I & II, Swift Water Operations, Fire Service Instructor, Incident Safety Officer, and Hazardous Material Operations.

The training division also spent significant time refining two in-house training programs; NFPA 1041 Live Fire and Fire Fighter Awareness and Rescue Techniques. Both programs were delivered to new recruits in December.

Chief Officers, Fire Prevention and EVT Staff participated in a number of training initiatives, including conference attendance, Fire Service Leadership training, Emergency Preparedness training, Budget Management training and the City of Courtenay Health and Wellness Program.



Fire Prevention and Safety Programs

Full time staff conducted 1,608 fire inspections in the City of Courtenay and fire protection districts in 2019, most of which were found to be free of any major fire code or life safety violations.

The Courtenay Volunteer Fire Department was pleased with efforts made by local business to stay fire safe.

Both active and retired fire fighters participate in fire prevention public education, including:

- Fire Safety House
- Party Program - teaching high school students the dangers of driving while intoxicated
- Fire extinguisher training
- Mini fire boot camp
- Fire hall tours
- Car seat inspections
- Residential smoke alarm inspections

2019 Fire Department By the Numbers



6
full time
6 in 2018

46
paid-on-call
47 in 2018

10
recruits
14 in 2018

566
emergency calls
570 in 2018



240
duty calls
250 in 2018



We proactively invest in our natural and built environment

Asset Management Bylaw



Municipal asset management – the maintenance of infrastructure large and small, including roads, utilities, and facilities – is one of a local government’s most significant responsibilities. To recognize the central role of asset management in its operations, the City of Courtenay has become one of the first municipalities in Canada, and the very first in B.C., to enshrine its asset management program in a formal bylaw.

A number of Canadian jurisdictions have adopted plans and policies on asset management. The City of Courtenay previously adopted an asset management policy in 2015.

The bylaw takes the policy one step further, and formally stipulates that decisions on the renewal, upgrade, and acquisition of the City’s assets must consider the full cost throughout the expected lifespan of the asset. As infrastructure ages, maintenance costs typically increase. And failure to maintain assets can dramatically shorten their lifespans, potentially resulting in the need for costly upgrades.

The goal of asset management is achieving “sustainable service delivery”: ensuring that current community services are delivered in a socially, economically, and environmentally

responsible manner that does not compromise the ability of future generations to meet their own needs.

Senior government grants are increasingly focused on communities with sound asset management practices. In Courtenay, this has already helped achieve a \$1.01 million federal Gas Tax annual grant, \$3.253 for the 5th Street Complete Street project constructed in 2018, and \$1.965 million for the 5th Street Bridge renewal, planned for 2021.

Courtenay Participates in the Municipal Asset Initiative

Courtenay has also been selected to participate in a national pilot project that will help strengthen the City’s resilience to the effects of climate change through the Municipal Natural Asset Initiative (MNAI). Courtenay is using the pilot to develop an action plan for flood mitigation in the downtown core through a combination of natural assets and the built environment. Courtenay is also participating in a regional MNAI initiative with other Comox Valley local governments and the K’ómoks First Nation to help value natural assets in the Comox Lake watershed which provides safe, reliable drinking water, and environmental, cultural and economic benefits to the valley.



Preparing for Fifth Street Bridge Rehabilitation

The City of Courtenay is planning to rehabilitate the Fifth Street Bridge in 2021.

Originally constructed in 1960, the Fifth Street Bridge is an important piece of infrastructure spanning the Courtenay River. Although the bridge has had regular maintenance over the past decades, as with any major asset, periodic major maintenance and repairs are required throughout its lifespan.

As part of the necessary planning for traffic management during construction, public and stakeholder engagement occurred in the fall of 2019.

Public engagement included a drop-in open house and an online survey. Public input and technical analysis will inform the traffic management plan and construction methodology recommended to Courtenay City Council in 2020.

The rehabilitation work will include a new bridge deck, repairing structural steel deck beams, new hand rails, removing the lead paint and rust, recoating the steel structure, and new road markings. The new bridge coating will protect the bridge from rust and corrosion as well as improve its appearance.

Construction is expected to begin in spring 2021, and continue for approximately six months. The construction schedule will be informed by seasonal weather, regulatory requirements, and minimizing impacts to the public.

The governments of Canada and British Columbia are providing a combined \$1,964,932 in funding for the project through the Small Communities Fund. The total project cost is estimated at \$6.3 million.

Fifth Street Bridge facts:

- The bridge's condition is reassessed annually during inspections and maintenance
- The last major rehabilitation work was completed in 2012, with seismic upgrades and the application of a corrosion-resistant coating to the underside of the bridge. Areas of damaged concrete were replaced along with other bridge deck maintenance and sealing.
- There are an estimated 20,000 vehicle, 650 pedestrian, and 500 cyclist trips across the bridge daily.

Learn more:

Proactive communications will be an essential part of this project to ensure timely information is conveyed to the travelling public, business community, and residents living in, or travelling through, the area. Stay informed on the project webpage www.courtenay.ca/fifthstreetbridge

Water Smart Action Plan

In 2017, the City was awarded a \$10,000 matching Infrastructure Planning Grant from the former Ministry of Community, Sport and Cultural Development for the development of a Water Smart Action Plan for Courtenay. In 2019, the contract for this work was awarded to Water Street Engineering Ltd. The goal of the plan follows the CVRD Water Efficiency Plan, reducing non-agricultural per-capita consumption by 50% by 2050 from 2008 consumption levels.

The consultant worked with City of Courtenay Public Works staff to review the water distribution system, water usage patterns and existing operational programs. The final plan includes an analysis of current/historic water use, forecasted water use, and a summary of water conservation programs needed to meet the water consumption reduction targets and to reduce peak summer demand.

The Water Smart Action Plan is a conservation document that will provide framework and guidance to the Asset Management Working Group and Public Works Utilities Managers in developing Capital and Operational projects.

Sandwich Water Upgrades

The City of Courtenay and the Comox Valley Regional District (CVRD) worked together on transitioning an entire neighbourhood in north Courtenay to the Comox Valley water system. The former Sandwich Water Works District (SWWD) delivered potable water to the area from 1965 to 2016.

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

From 2016 to 2018, City of Courtenay properties within the former SWWD were serviced by the CVRD in preparation for a permanent transition to the City of Courtenay water system. Significant coordination was also required during the process of physically separating a large section of those properties within Courtenay's jurisdiction from the CVRD system. This work began in summer 2018.

The 2019 project costs were \$1,691,778, which came in under budget. This included upgrades to multiple water mains, residential water services and the installation of 3 new Pressure Reducing Valves. The project covered multiple sites spread across the former SWWD. As with any project without a centralized work site, logistics and planning were paramount to the success of the project. Substantial Completion was awarded on October 1, 2019.

Water Leak Detection

Proactive water leak detection in the water system helps reduce unnecessary water loss and prevents damage to public or private property.

As recommended in the Water Smart Action Plan, the City hired a contractor in 2019 to perform annual leak detection surveys in Courtenay over the next three years.

Specialized leak detection equipment such as loggers and ground microphones scan for leaks on city water mains, fire hydrants, valves, and service connections.

Suspected leaks identified in the preliminary leak survey in 2019 were located or disqualified. No substantial leaks were identified.

Beachwood Booster Station Upgrades

Booster stations help pump water through the City's water mains by increasing water pressure at points where the water flow decreases, usually due to elevation or distance.

The City hired Urban Systems to design and oversee mechanical upgrades at the Beachwood Booster Station in south Courtenay near "The Ridge" subdivision.

The work included installation of a new pressure reducing valve and recirculation line. A new programmable controller is connected to the City's remote monitoring (Supervisory Control and Data Acquisition, or SCADA) system, allowing crews to monitor and operate this equipment remotely, almost entirely eliminating the need for site visits.

City staff completed hydrant flow tests at three elevations (low, mid and high) at The Ridge to evaluate flow rates and pressure fluctuations following the upgrade to the Beachwood Booster Station's programming and equipment.



Safer Winter Roads

Courtenay has a new liquid de-icer, or brine system, working along the city's existing fleet of salting and sanding trucks on snow and ice control in the city.

The brine system means crews are able to pre-salt arterial routes more efficiently based on weather forecasts.

The liquid de-icer lowers long-term costs as well, reducing the amount of salt needed for ice control. This is because the brine stays within the road lanes where it is sprayed, compared to rock crystals which can bounce off the road. This means less salt entering our environment.

The liquid is a mixture of rock salt (sodium chloride) and water, and is prepared at the Public Works Yard. Research shows that brine solutions use on average 20 to 30 percent less salt over conventional rock salt. It's also 30 to 40 percent more effective.



Martin Park Court Resurfacing

A newly upgraded playing surface at Martin Park at 20th Street and Choquette Road includes lacrosse lines as well as six pickleball courts.

In addition to fresh paint, the work has smoothed the previously bumpy court surface, greatly improving the play experience for all users.

City staff worked with various sports groups that use the facility to accommodate their respective needs.

Smoke Testing

The City of Courtenay conducts annual "smoke" testing in the sanitary sewer system. Smoke testing is a commonly used method to evaluate sewer systems and identify or locate cross connections between sanitary and storm sewers.

The testing is performed by blowing a harmless vapour into a sewer. The "smoke" is not a real smoke, but rather a mist containing a large percentage of moisture that is highly visible at low concentrations.

The smoke is expected to exit from manholes, the sewer stack at the top of a house, catch basins and downspouts. A cross connection is identified when smoke exits from storm catch basins and storm manholes. These cross connections are prioritized for repair to prevent potential releases into the environment.

In 2019, the City of Courtenay completed smoke testing across a wide range of established and new residential and commercial areas in South Courtenay, extending from Mansfield Drive to The Ridge subdivision.

While the testing fortunately showed there were no cross connections in this area, 14 sources of rainwater entering the sanitary sewer system were identified on private property. The City worked with property owners to address these issues.

New Urban Forest Strategy, Tree Canopy Targets

For the first time in Courtenay's history, an Urban Forest Strategy is now in place to guide tree management across the City for years to come. The strategy was adopted by Courtenay City Council in July.

The strategy is a planning tool that identifies opportunities and challenges for trees and forest stands on public and private land. The document includes voices and photos from the community, and illustrative statistics about Courtenay's trees and forests.

Trees and forests are a big part of what makes Courtenay a vibrant and desirable place to live. Forests grace our City with scenic natural beauty, clean water and air, and wildlife, and provides places for people to recreate, cool off, and connect with nature. Our urban forest is the living, life-sustaining part of our human habitat and we plan to continue being a community with extensive parklands, natural areas, and agricultural lands.

A canopy cover target of 34-40% by 2050 has been enshrined in the adopted plan - an increase over Courtenay's current canopy cover of 33%. Tree canopy cover is a common metric used to describe the extent of a community's urban forest measuring tree leaves, branches and stems that cover the ground when viewed from above. The urban forest includes planted trees and natural forests growing across all land uses. Courtenay's canopy has been decreasing over time, with accelerating loss in the past four years as our community has grown.

The urban forest is unique among community assets because it is living infrastructure in both the public and private realm that the community can directly help grow, steward and protect. Because the City has limited land on which to plant trees, the success of the Urban Forest Strategy will depend on how well individuals take initiative and responsibility to play a vital part. For example, the plan contains planting targets for both private and public land in order to support the higher canopy target. On private land a target of 850 trees per year is recommended until 2040, and 300 for public land.

The plan also contains recommendations for numerous supportive actions for different audiences including the City, land developers, nurseries, arborists, stewardship organizations, and the general public. The City will focus on public tree care practices and will be developing partnerships and education strategies as part of the implementation.

See the Urban Forest Strategy: www.courtenay.ca/urbanforest



Caring for our Trees

With approximately 40 kilometers of trails, 152 hectares of parks, 106 hectares of greenspace buffers, and 2,500 inventoried street trees, City arborists spend a lot of time inspecting trees in public spaces to identify those at greatest risk of failure that could potentially be hazardous to people or cause property damage.

This work typically involves many kilometers of walking. Arborists have begun travelling by bicycle to cover significantly more area in a given day, improving the overall efficiency and effectiveness of this work.

Early detection of tree issues allows our arborists to find ways to reduce risks through techniques such as corrective structural pruning, creating a standing wildlife habitat, or if necessary, partial or complete tree removal. In some cases, the City may contract independent arborists to separately assess trees prior to performing tree risk mitigation work.



The City of Courtenay follows Best Management Practices for tree risk assessment set out by the International Society of Arboriculture. Eventually, all trees mature and reach the end of their safe and useful life expectancy. Our qualified staff arborists and contractors assess trees for safety risks with the primary goal of keeping park and trail users, as well as adjacent infrastructure and structures, safe.



New Playground at Hawk Glen Park

A new playground area at Hawk Glen Park in East Courtenay was completed in the summer of 2019. Courtenay Councillors officially opened the playground at a ribbon cutting event in late July.

The previous playground was over 20 years old, and had reached the end of its useful life.

The new playground features a friendship swing, belt hammock, chill spinner and panel maze as well as slides and climbing apparatus.

The new playground is a welcome addition to the neighbourhood and will be enjoyed by families for years to come.

We actively pursue vibrant economic growth

Development Application Tracker

Getting information and updates about development applications in the City of Courtenay has never been easier, thanks to the launch of a new online Development Tracker in 2019.

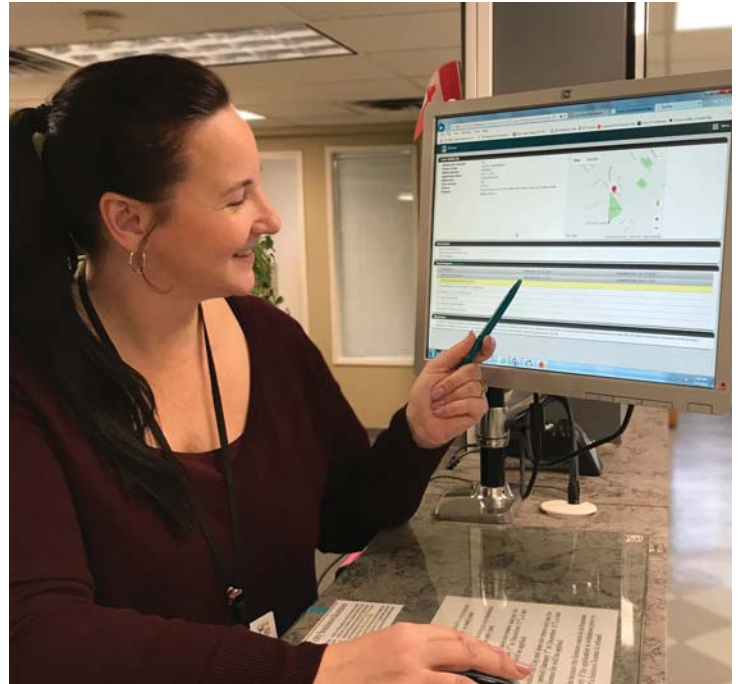
The tracker shows the application status and background documents for a variety of application types, including development permits, development variance permits, zoning bylaw amendments, official community plan amendments, and Board of Variance applications.

This tool enables the City to share development application information with the community. In the past, anyone interested in learning about development applications typically had to visit City Hall to see documents and background materials. Now it is easy to review this information from a desktop or mobile device.

The development tracker increases transparency and accessibility for developers, realtors, and any member of the public wishing to see what's happening in their neighbourhood and around the city.

The tracker includes maps, the application progress and current status, as well as any documents on file for the application, such as floor plans, landscape plans, and project descriptions.

View the tracker at www.courtenay.ca/devapptacker



2019 Courtenay Development Statistics



213 subdivision
lots approved
compared to 102 in 2018

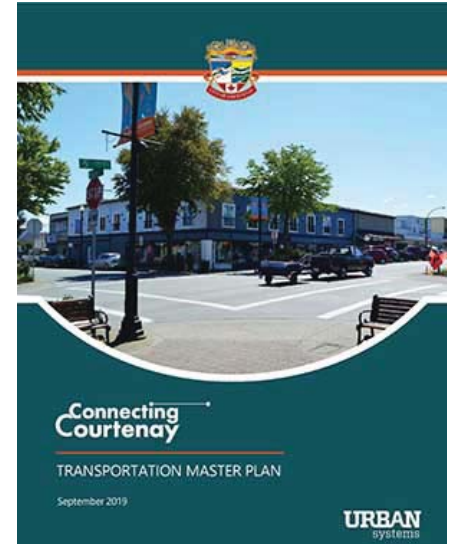


283 Building
Permits issued
compared to 305 in 2018



\$95.2 million in
total value of Building Permits
compared to 91.9 million in 2018

We value multi-modal transportation in our community



Connecting Courtenay: Transportation Master Plan

In September, City Council passed the **Connecting Courtenay: Transportation Master Plan**, guiding the development and implementation of transportation infrastructure, policies, programs, and activities in Courtenay. It looks both at long-term issues and recommends promising solutions, as well as prioritizes actions that should be implemented in the next ten years.

The development of the plan was a multi-year effort, including comprehensive data collection and technical analysis, public and stakeholder consultation, forecasting and assessment of future conditions, and development of medium and long-term plans for walking, cycling, transit, and vehicle connectivity.

The priorities identified in Connecting Courtenay will help ensure that future transportation-related services and initiatives are delivered in a socially, economically, and environmentally responsible manner while balancing the needs of the community now and into the future.

City Council also passed the **Connecting Courtenay: Cycling Network Plan**. Cycling accounts for four percent of all trips to/from work and school within Courtenay. Developing a safe and comprehensive bicycle network along with supporting education and promotional programs is an important way to encourage cycling as a viable and attractive mode of transportation.

Projects and costs presented in the Connecting Courtenay: Transportation Master Plan and the Cycling Network Plan do not represent a financial plan, and are for future consideration only. Future transportation projects and initiatives will be determined through the City of Courtenay's annual budget processes.

Learn more: www.courtenay.ca/connectingcourtenay

Road and Cycling Network Improvements

Every year, the City allocates funds towards repaving a portion of the 160 km in Courtenay roadways as part of a comprehensive Asset Management program. Streets are chosen for repaving based on a thorough condition assessment of the entire road network throughout the city.

During project planning, the City reviews current infrastructure and the condition of above-and below-ground infrastructure, in conjunction with recommendations from the City's Connecting Courtenay Transportation Master Plan and Cycling Network Plan.

- **Lake Trail Road:** Willemar Avenue to Arden Road, asphalt revitalization and shoulder improvements including new marked, buffered bike lanes
- **Cumberland Road:** Willemar Avenue to Piercy Creek Estates, asphalt revitalization and shoulder improvements including marked, buffered bike lanes
- **Piercy Avenue:** Cumberland Road to 17 Street, asphalt revitalization
- **Lerwick Road,** paving on Lerwick Road from Ryan Road to Mission Road added a second layer of asphalt, eliminating the ridges at the edge of the road along the gutter line which were a barrier for cyclists, plus marked bike lanes on Lerwick between Mission Road and Waters Place



Lake Trail Road



Lerwick Road

Intersection and Pedestrian Improvements

Courtenay completed pedestrian improvements at several intersections in Courtenay. Locations were prioritized for upgrades through School District 71's Hub for Active School Travel (HASTe) program.

Curbside extensions were installed at 4th Street and Duncan Avenue, shortening pedestrian crossings. The project included two new accessible parking spaces and sidewalk letdowns. Curbside extensions were also installed at all four corners of 6th Street and Fitzgerald Avenue.

- 1st Street at Rod & Gun Ave.
- 1st Street at Woods Ave.
- Mission Road at Queneesh School
- 4th Street at Duncan Ave.
- Fitzgerald Avenue at 6th St. (see page 25)
- Fitzgerald Avenue at 21st St.



1st Street at Woods Avenue



Fitzgerald Corridor Cycling Expansion Project

The Fitzgerald Corridor Cycling Expansion Project between 5th and 8th Streets has filled in the missing link between the protected bike lanes on 5th Street and the painted bike lanes on Fitzgerald Avenue at Cumberland Road.

Upgrades include:

- New painted bike lanes and road markings
- Signage
- New pedestrian-controlled flashing beacons across Fitzgerald Avenue at 6th Street
- New curb extensions to shorten the crossing distance for pedestrians
- Landscaping

Preparatory construction began in late August 2019, with work entering full swing in mid-September.

A second phase of the project extending the Fitzgerald bike lane from 21st to 26th Streets, as well as painted bike lanes on 19th Street, is also complete. The full Fitzgerald Corridor Cycling Expansion project provides critical connections from the City of Courtenay's downtown core to the Courtenay Riverway and Driftwood Mall, and a continuous north-south spine that forms the foundation of the cycling network on the west side of the City.

Courtenay received provincial funding for this project from the BikeBC program, a cost-sharing program that provides financial support for communities to create new cycling infrastructure and improve existing transportation networks, making local transportation safer, greener and more accessible.

We support diversity in housing and reasoned land use planning

Official Community Plan (OCP) Update

Courtenay's population is expected to grow by more than 15 percent to over 30,000 by 2031.

With this projected growth comes questions: Where will these new people live? Where will they work? How will new growth be serviced in a cost-effective and balanced way? And how can Courtenay adapt to anticipated local impacts of climate change, and minimize its carbon and environmental footprint in the process?

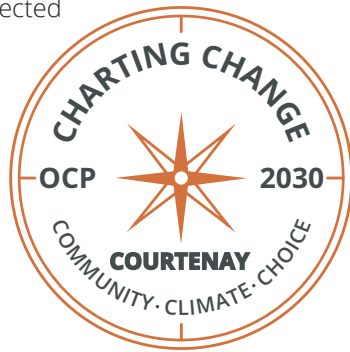
Courtenay's Official Community Plan (OCP) is being reviewed with these questions and many more in mind. The OCP update process began in fall 2019, with a goal for Council to consider the plan for adoption in 2021 (COVID-19 may affect project timelines).

The OCP is a tool for Council and citizens to establish a community vision and manage change in accordance with that vision. The last significant update for this document was in 2005. Council has directed that the updated OCP consider climate change mitigation and adaptation at all stages of its development.

The OCP applies to the entire municipality and is the principal policy document that Council uses to guide decisions on matters such as:

- Land use
- Growth management
- Design of the built environment
- Protection of the environment
- Climate change
- Transportation and mobility
- Economic development
- Infrastructure
- Housing needs

Learn more: www.courtenay.ca/ocpupdate



OCP Advisory Committee

To ensure this important document reflects Courtenay residents' expectations for future planning and land use management, the City sought applications from community members interested in participating in an OCP Advisory Committee, including:

- Environmental Stewardship Organizations
- Development Industry
- Business Community
- Economic Development
- Health and Social Services including Housing
- Arts and Culture
- Youth/young adult and older adult representatives

The Advisory Committee provides Council with technical input on a range of community issues, as well as guidance on long-term planning principles, policy development, ideas for partnership, and implementation strategies.

The Committee held its first meeting on November 1, 2019. Extensive public consultation began in 2020.



We invest in our key relationships

Grand Opening of The Junction Housing

In April, representatives from the Province of BC, City Council, and local support agencies attended the grand opening of The Junction a three-storey 46-unit supportive housing project at 988-8th Street.

The facility offers 24/7 support services, including meals, life and employment skills training, health and wellness support services, a commercial kitchen, shared dining area, and laundry facilities.

The City of Courtenay supported this project through the lease of this property to the BC Housing Management Commission. This lease is equivalent to nearly half a million dollars over the 25-year lease term. The facility is operated by the John Howard Society North Island.



Braidwood Affordable Housing Project

The Braidwood Apartments were years in the making, involving cooperation between regional local governments and service organizations, the Province of BC and BC Housing, and the Wachiay Friendship Centre and M'akola Housing Society, who partnered on the development and continue operating the facility as the property managers.

The completion of this project added 35 much-needed new units of affordable rental housing in a central location within walking distance to shops, services, and transit.

The project received \$4.6 million in capital funding from the Province of BC.

The City of Courtenay donated the land for the project, and offset municipal fees charges, levies and other associated costs. Additional financial support for this housing project came from the Comox Valley Regional District and Island Health. Combined, these local contributions add up to almost half a million dollars toward this project.





Share the Harvest Community Garden

Council signed a operating agreement renewal with Lush Valley in 2019 for the use of City-owned land for the Share the Harvest Community Garden. The community garden, located at 721 Grant Avenue, occupies approximately 19,400 square feet of land and is fully enclosed.

The project started out as a six-month pilot project in 2012. In 2013, Council approved the Community Garden Agreement with Dawn to Dawn Action on Homelessness Society. In 2015, the agreement was assigned to LUSH Valley Food Action Society whose organizational mandate was well-suited for this community initiative.

The Share the Harvest Community Garden provides space for members of the public to grow their own food for themselves and for their community. The primary focus of the project is to provide garden access to low-income residents and members of the community who may be experiencing food insecurity.

The garden provides a space for workshops, special events, and gardening mentorships, and strengthens partnerships with community organizations such as School District 71 Head Start Program, Brain Injury Society, VIHA Mental Health and Substance Abuse Use and the John Howard Society.

LUSH reports that the Share the Harvest Community Garden costs over \$20,000 to operate annually. This total includes coordination, some materials and supplies, while relying on donated materials and in-kind labour.



Collaboration for Kus-kus-sum

K'ómoks First Nation, the City of Courtenay, and Comox Valley Project Watershed Society continue working together on the restoration of the old Fields Sawmill property. The site has been renamed Kus-kus-sum in honour of its strong cultural significance to K'ómoks First Nation. Working with Interfor Corporation — the current owners of the property — the project would restore the site to natural habitat.

Learn more: www.kuskussum.ca



Opioid Awareness Display, Courtenay Airpark

In May 2019, this display organized by resident Judith Conway brought awareness of the drug overdose crisis in Canada to the Comox Valley. Each piece of yarn represents a life lost to overdose.

Photo: Comox Valley Record



Courtenay Recreation Association (CRA) Letter of Understanding

The Courtenay Recreation Association has a long history with providing recreation services in Courtenay. While the City of Courtenay took over most recreation services from the CRA in 1996, the CRA continues to deliver some services.

Council approved a letter of understanding in 2019 which clarifies service levels and responsibilities for both parties.

An initial agreement between the CRA and the City was approved by Council in 2016. This allowed the City to include CRA activities under its existing liability coverage through the Municipal Insurance Association of BC. This agreement included transitioning Summer Camps, Parktime and Adapted Programs from the CRA to the City. The Building Friendships program and Evergreen Club programs, activities, and events remained with the CRA.

As part of the the agreement, clerical and bookkeeping services moved from the City to the CRA.

With the transition completed, the 2016 agreement needed an amendment to reflect the understanding the current responsibilities of both parties and outline the current service levels that the City provides. This amendment was provided through the 2019 letter of understanding.

This includes:

- In-kind facility space use allocation for Evergreen Club primary (main floor) and non-primary use (upper floor) in the Florence Filberg Centre
- In-kind facility space use allocation for the Building Friendship office area in the Lewis Centre
- Reception
- Limited administrative support services including graphic design services and IT support
- Continued liability insurance associate member coverage under the City's plan

In addition, the letter of understanding outlines the cost which the City may recover from the CRA and the additional cost to the CRA should the CRA require an increased space and custodial service level over and above what has been outlined in the agreement.

New "40 Houses" Interpretive Sign

In May 2019, members of the Courtenay Heritage Advisory Commission unveiled a new interpretive sign at the entrance to the Rotary Trail at 17th Street near McPhee Avenue, highlighting the history of the "40 Houses" neighbourhood.

"After the war, there was a housing shortage, not just in Courtenay, but across Canada," said Lawrence Burns, commission member. "These houses provided a modest, affordable place to live for veterans and their families as they reestablished their lives back in Canada."

The 40 Houses neighbourhood was completed in 1949, with rents ranging from \$30 to \$37.80 monthly. Houses were between 713 to 891 square feet.

The successful applicants were judged based on need, their length of service in Canada and overseas, as well as their marital status and number of dependents.

The 40 houses are between the E&N Rail Line, 17th Street, Lewis Avenue, and 18th Street. Similar housing developments were created across the country.

Courtenay Recreation



Facility Operations

Recreation Facility Operations is responsible for ongoing maintenance and care of all facilities including the Lewis Centre, Florence Filberg Centre, The LINC Youth Centre, the Courtenay and District Memorial Outdoor Pool and various parks buildings.

Recreation facility operations also provides customer service (reception), custodial services, facility rentals and special events.

Recreation facility, sports field, and park rentals typically bring in about \$634,562 in revenues annually. Indoor rental spaces range from larger banquet rooms to small meeting rooms.

Free or low-cost special events are offered throughout the year for all ages. The goal is to offer inclusive community events with no barriers to attendance.

Special events in 2019 included Courtenay Canada Day, Simms Summer Concert Series, Family Day, Father's Day Kitefly, Halloween Party, Children's Christmas Party and the Easter Promenade.



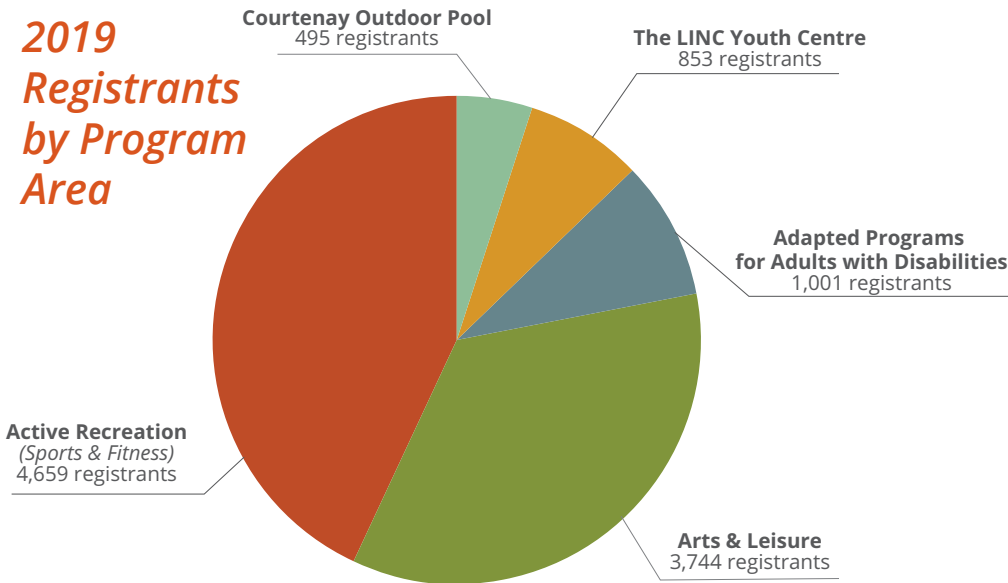
In 2019 a total of **12,476** people came to the **Courtenay and District Memorial Outdoor Pool** for open swims, aquafit and lessons.

Recreation Programming

The Recreation Programming Division is responsible for the programs that people enroll in at various facilities. Programs include:

- Arts and Leisure
- Adapted Programs for Adults
- Active Recreation (*sports and fitness*)
- Cozy Corner Preschool
- Youth Services – The LINC Youth Centre
- Recreation Access (*a program for Courtenay residents on low incomes*)
- Development of the quarterly Recreation Guide

2019 Registrants by Program Area



The LINC Youth Centre had **7,944** drop-ins and **853** registered participants in 2019.

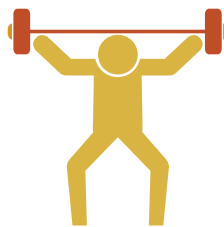


Cozy Corner Preschool **54** enrollments in 2019 out of a total of 60 spaces.

13,365  program registrations

1,909  activities offered

56,022 Wellness Centre drop-ins





Courtenay Canada Day

Thousands come out to celebrate in Downtown Courtenay and Lewis Park

2019 Parade Winners:

Best overall Float – The Gardens on Anderton
Runner Up – Comox Military Resource Centre

Best Themed Float – Comox Valley Child Development Centre
Runner up – CV Prostate Cancer Support Group

Best Commercial Float – My Tech Guys
Runner Up – Engels & Volkers Realtors

Best Organization Float – Comox Valley Youth Music Centre
Runner Up – Comox Valley United Soccer

Honorable Mention – Brick House Betty's Roller Derby
Runner up – Comox Valley Geek Society

Best Antique Car – 19 Wing Commander – Model T
Runner Up – Red Car with Coca Cola Trailer/Diner

Best Decorated Car – North Island College
Runner Up – Metropolitan with trailer of “zoo animals”



“Never Forget #9” Plaza in Lewis Park

A new plaza at Lewis Park near Diamond One was unveiled in a special ceremony in October. This project includes the insignia “Never Forget #9”, acknowledging the tragic event in August 2017 when local father, husband, son, brother, and friend, Chris Godfrey, sustained a head injury during a slo-pitch game at Lewis Park and later lost his life.

The plaza is also a permanent reminder of safety in the sport. Helmets are now mandatory in local slo-pitch leagues. This beautification project has also improved drainage, safety and accessibility in this well-used area in Lewis Park.

The project was partially funded by the former Comox Valley Fields of Dreams Society.

Both Tayco Paving and Cumberland Ready Mix discounted their work in memory of Chris.



Cultural Organizations

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



Comox Valley Art Gallery

Total visits: 26,000

Participants in school tours: 1,000

Participants in all-ages make art workshops: 500

Participants in Youth Media Project youth employability program: 18

Sid Williams Theatre

Front door attendance: 46,489

Stage door attendance: 5,892

Total usage/visits: 52,318

Courtenay & District Museum

Total visits: 31,000

Participants in school tours: 8,250

Special events participants: 1,630

BC Historical Federation Conference participants: 360



Cultural Services Review

The City of Courtenay recognizes arts and culture as essential to our community's health and strength.

In 2019, the City worked with a consultant and our key cultural partners to complete a review of arts and cultural services in Courtenay. The goal of the report is to ensure these organizations can sustainably deliver these important cultural services.

The City of Courtenay's Cultural Services Report takes a close look at four key cultural organizations in Courtenay

- Comox Valley Art Gallery
- Courtenay & District Museum
- Sid Williams Theatre
- Comox Valley Community Arts Council

Highlights of the Cultural Review

- Documents the core cultural service each cultural partner provides
- Reviews the operational and financial sustainability of core cultural partners
- Reviews the City's role in cultural development
- Provides short term, medium term and ongoing strategies and recommendations for cultural services development, including marketing, business planning, and collaboration.

View the report at www.courtenay.ca/culture

Financial Reporting

2019 Financial Plan

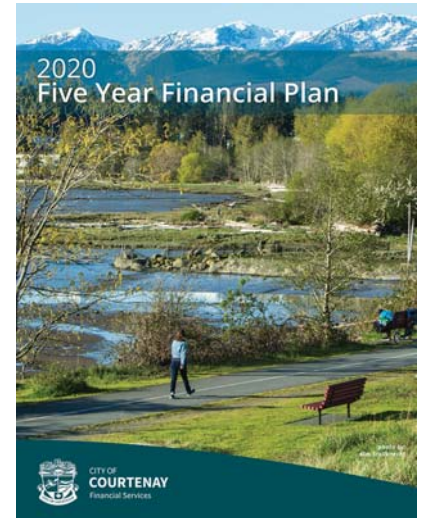
Municipalities are required by the Community Charter to adopt a balanced five year financial plan by May 15 every year.

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

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

Public feedback is sought through open Council budget sessions and the City website, prior to final adoption.

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



Important 2020 Property Tax Dates

courtenay.ca/tax

For payment options, visit:

courtenay.ca/billpayments

** indicates COVID-19 measures*

Late May 2020

- 2020 Property Tax Notices mailed

July 2, 2020

- Tax payments due
- Provincial Home Owner Grant applications due
- Tax Deferment applications due
- Last day to avoid 10% penalty on unpaid current taxes and unclaimed grants **(Class 1, 2, 3 & 9 only in 2020)*

July 3, 2020

- 10% penalty added to all unpaid current taxes and unclaimed grants **(Class 1, 2, 3 & 9 only in 2020)*

August 1, 2020

- Tax Installment Preauthorized Payment Plan (TIPP) deductions start for the next taxation year

September 28, 2020

- Statutory property tax sale for all properties three years in arrears of taxes.
**(As per July 20th, 2020 adopted Bylaw 3013, the 2020 Tax Sale has been deferred)*

October 1, 2020

- 10% penalty added to all unpaid current taxes for Class 4, 5, 6, 7, 8 properties due to provincial COVID-19 measures.*

December 31, 2020

- Last day to pay current year taxes prior to rollover into arrears category. *(Arrears and delinquent category taxes are subject to a daily interest penalty)*

Property Tax Exemptions

Every year, the City of Courtenay receives applications from non-profit organizations that qualify for tax exemption under the requirements of Provincial legislation. For 2019, the following exemptions were approved by Council.

Registered Owners	Exempt Amount of City Property Taxes
Aaron House Ministries	\$2,449
Alano Club of Courtenay	3,112
Canadian Red Cross Society	1,586
City of Courtenay - Leased Office Space	3,380
Comox Valley Boys and Girls Club	1,564
Comox Valley Child Development Association	13,167
Comox Valley Curling Club	12,587
Comox Valley Family Services Association	5,269
Comox Valley Kiwanis Village Society	10,744
Comox Valley Pregnancy Care Centre	1,690
Comox Valley Recovery Centre Society	3,757
Comox Valley Transition Society	5,205
Courtenay & District Historical Soc. In Trust	2,028
Courtenay Elks Lodge	2,075
Dawn to Dawn Action on Homelessness Society	338
Eureka Support Society	3,048
Glacier View Lodge Society	39,529
Habitat for Humanity V.I. North Society	384
John Howard Society of North Island	4,002
L'Arche Comox Valley	4,989
M'akola Housing Society	10,709
Nature Trust of B.C. - Sandpiper Park	5,756
Nature Trust of B.C. - Arden Rd	2,851
Old Church Theatre Society	6,138
Royal Cdn. Legion, Courtenay Br. (Pacific) No. 17	7,540
Salvation Army	2,189
Saltwater Education Society	1,997
Stepping Stones Recovery House for Women Soc.	1,246
Upper Island Women of Native Ancestry	714
Wachiay Friendship Centre	5,757
Youth for Christ Comox Valley	705
Total Non-Profit Annual Tax Exemptions	\$166,505

Council adopted a ten year Permissive Tax Bylaw to exempt the following City owned properties, managed/occupied by non-profit societies. The 2019 value of properties exempt is as follows:

Island Corridor Foundation	\$21,617
Total Island Corridor Foundation exemptions	\$21,617

Council adopted a five-year Permissive Tax Bylaw to exempt the following City owned properties, managed/occupied by non-profit societies. The 2019 value of properties exempt is as follows:

Comox Valley Centre of the Arts	\$26,194
Courtenay & District Museum	19,123
Courtenay Airpark	92,222
Courtenay Marina	10,229
Morrison Nature Park	2,101
Sid Williams Theatre	18,468
Total City owned properties	\$168,337

Provincial Legislation (the Community Charter) statutorily exempts the building and the land on which the building stands, for places of worship, specific seniors' housing, hospitals and private schools. Council may, by bylaw, permissively exempt the land surrounding the building. In 2019, Council adopted a bylaw to exempt the following surrounding lands:

Anglican Synod Diocese of BC	\$1,768
Bishop of Victoria-Catholic Church	817
Central Evangelical Free Church	2,135
Courtenay Baptist Church	871
Elim Gospel Hall	795
Foursquare Gospel Church of Canada	4,821
Grace Baptist Church	127
Kingdom Hall of Jehovah Witnesses	577
LDS Church	1,326
Lutheran Church	679
River Heights Church Society	932
Salvation Army Canada West	294
Seventh Day Adventist Church	516
St. George's Church	631
Valley United Pentecostal Church	506
Total Permissive Surrounding Statutory Land Tax Exemptions	\$16,795
Total Permissive Exemptions - Overall	\$373,254

The Corporation of the City of Courtenay


Management's Responsibility for Financial Reporting

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

Management maintains a system of internal accounting controls to provide reasonable assurance that assets are

safeguarded and that transactions are authorized, recorded, and reported properly. Management also maintains a program of proper business compliance.

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


Jennifer Nelson, CPA, CGA
Director of Financial Services

Meyers Norris Penny - Auditors Report

To the Mayor and Council of the City of Courtenay:

Opinion

We have audited the consolidated financial statements of the City of Courtenay (the "City"), which comprise the consolidated statement of financial position as at December 31, 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.

Meyers Norris Penny - Auditors Report - continued

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

MNP LLP

Chartered Professional Accountants

The Corporation of the City of Courtenay

Consolidated Statement Of Financial Position - Statement A

As at December 31, 2019

	2019	2018
FINANCIAL ASSETS		
Cash on Hand and on Deposit (Schedule 5)	\$23,580,932	\$20,373,559
Receivables (Note 1i)	3,512,739	4,903,482
Term Deposits (Schedule 5)	26,013,489	28,209,106
	53,107,160	53,486,147
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
	18,655,628	17,313,060
NET 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
	\$178,709,120	\$163,950,818
ACCUMULATED SURPLUS (Schedule 2)		

Contingent Liabilities and Commitments (Note 2)

Subsequent event (Note 15)

The accompanying notes are an integral part of these financial statements

The Corporation of the City of Courtenay

Consolidated Statement Of Operations - Statement B For the year ended December 31, 2019

	2019 Budget	2019	2018
	(Note 13)		
REVENUE			
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 IN 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 accompanying notes are an integral part of these financial statements

The Corporation of the City of Courtenay

Consolidated Statement Of Change in Net Financial Assets - Statement C For the year ended December 31, 2019

	2019 Budget	2019	2018
	(Note 13)		
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)
	(9,309,200)	(13,570,433)	(6,591,971)
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 surplus inventory and prepaid (Note 7b)	-	-	26,133
	-	154,699	(121,871)
CHANGE IN NET FINANCIAL ASSETS	(8,994,300)	1,342,568	2,396,724
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	17,313,060	17,313,060	14,916,336
NET FINANCIAL ASSETS AT END OF YEAR	\$8,318,760	\$18,655,628	\$17,313,060

The accompanying notes are an integral part of these financial statements

The Corporation of the City of Courtenay

Consolidated Statement Of Cash Flow - Statement D For the year ended December 31, 2019

	2019	2018
CASH PROVIDED BY (APPLIED TO) FINANCING TRANSACTIONS		
OPERATING TRANSACTIONS		
Annual Surplus	14,758,302	\$9,110,566
Changes in non-cash items including amortization		
Increase in 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)
Long-term debt proceeds	(934,846)	(951,900)
Cash applied to Financing Transactions	3,207,373	8,196,865
INCREASE (DECREASE) IN CASH ON HAND AND ON DEPOSIT	20,373,559	12,176,694
CASH ON HAND AND ON DEPOSIT AT BEGINNING OF YEAR	\$23,580,932	\$20,373,559
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 accompanying notes are an integral part of these financial statements

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

Year ended December 31, 2019

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

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

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

(b) Revenue and Expense Recognition

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

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

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

Taxes for Municipal Purposes are recognized in the year levied.

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

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

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

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

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

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

(c) Accrued Payroll Benefits

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

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

(d) Use of Estimates

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

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

Year ended December 31, 2019

(e) Non-Financial Assets

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

(f) Inventories

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

(g) Tangible Capital Assets

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

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.

(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

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

Year ended December 31, 2019

(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.

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
	\$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.

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

Year ended December 31, 2019

- (d) (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.

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.

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.

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

Year ended December 31, 2019

	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

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 Development Cost Charge Reserves

	General BL #2840	Water Utility BL #2840	Sewer Utility BL #2840	Sewer Utility 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
	1,199,609	127,196	374,370	569	1,701,744
Decreases					
Revenue Recognized to Fund Capital Projects	(281,411)		(112,700)	-	(394,111)
Reclassifications, redemptions, refunds	(184,954)	(240,466)	(3,060)	-	(428,479)
	(466,365)	(240,466)	(115,760)	-	(822,590)
Ending Balance Deferred Revenue - DCC	\$5,848,556	\$376,436	\$878,444	\$34,823	\$7,138,260

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

Year ended December 31, 2019

2018 Development Cost Charge Reserves

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

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	246,720	242,228	Interest Revenue	6,910	5,711
Liabilities			Expenditure		
Interest Payable to City	6,910	5,711	Interest Expense	6,910	5,711
Net Financial Position	\$354,141	\$337,809	Excess Revenue over Expenditure	\$16,331	\$14,299

- (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.

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

Year ended December 31, 2019

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:

	2019	2018
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)
Ending Balance Deferred Revenue Other	\$2,851,913	\$2,396,837

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

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.

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

Year ended December 31, 2019

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.

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..

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:

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

Year ended December 31, 2019

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

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 - Schedule 1 Year ended December 31, 2019 (Audited)

(Note 11)
Page 1 of 3

	General Government Services		Protective Services		Transportation Services		Environmental Health Services	
	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	-	-
Transfer from Other Funds	-	-	-	-	-	-	-	-
Other Revenue	83,439	81,430	-	-	134,623	121,061	-	-
Other Contributions	1,000	-	-	-	9,371,824	2,824,512	-	-
Interest Earned	1,208,264	919,980	25,106	14,898	91,493	92,925	-	-
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
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
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
Amortization Expense	310,475	303,689	340,679	352,734	3,063,889	2,816,126	345,952	319,600
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
ANNUAL SURPLUS	\$21,559,372	\$19,644,914	\$(7,515,842)	\$(7,009,814)	\$3,794,467	\$(804,011)	\$(253,419)	\$(278,888)

The Corporation of the City of Courtenay

Consolidated Schedule of Segment Disclosure by Service - Schedule 1 (continued) Year ended December 31, 2019 (Audited)

(Note 11)
Page 2 of 3

	Public Health & Welfare Services		Environmental Development Services		Recreational and Cultural Services		Water Utility Services	
	2019	2018	2019	2018	2019	2018	2019	2018
REVENUE								
Taxation	-	-	-	-	-	-	1,175,166	1,164,158
Sales of Services	-	-	-	-	-	-	7,043,027	6,505,181
Revenue from Own Sources	-	-	607,291	561,481	2,003,554	2,048,292	369,231	255,072
Government Transfers	178,200	79,604	52,797	52,621	124,665	129,310	10,000	99,129
Transfer from Other Funds	-	-	-	-	-	-	-	-
Other Revenue	162,720	138,828	-	137,759	-	20,000	-	-
Other Contributions	-	-	116,608	223,889	112,063	354,501	1,205,524	566,455
Interest Earned	-	-	18,959	13,053	20,503	14,317	49,549	42,445
Gain on sale of TCA	-	-	-	-	1,189	15,413	-	-
Total Revenues	340,920	218,432	795,655	988,803	2,261,974	2,581,833	9,852,497	8,632,440
EXPENSES								
Salaries and Benefits	231,953	250,400	1,040,755	899,836	5,206,229	4,921,832	989,438	972,987
Goods and Services	100,244	85,777	237,863	314,705	3,236,955	2,954,328	5,490,460	5,049,174
Amortization Expense	34,811	30,929	2,533	2,533	973,555	898,864	478,666	427,823
Debt Servicing	-	-	-	-	30,617	50,444	(1,399)	(369)
Other Expenditures	-	-	192,787	70,255	314,338	322,655	-	-
Loss on Disposal of TCA	-	-	-	-	146	1,490	2,636	2,585
Total Expenses	367,008	367,106	1,473,938	1,287,329	9,761,840	9,149,613	6,959,801	6,452,200
ANNUAL SURPLUS	\$(26,088)	\$(148,674)	\$(678,283)	\$(298,526)	\$(7,499,866)	\$(6,567,780)	\$2,892,696	\$2,180,240

The Corporation of the City of Courtenay

Consolidated Schedule of Segment Disclosure by Service - Schedule 1 (continued) Year ended December 31, 2019 (Audited)

(Note 11)
Page 3 of 3

	Sewer Utility Services		Consolidated	
	2019	2018	2019	2018
REVENUE				
Taxation	2,031,036	1,998,334	27,967,952	26,905,048
Sales of Services	5,267,571	4,865,289	16,594,427	15,636,658
Revenue from Own Sources	61,893	26,551	4,194,740	3,957,453
Government Transfers	-	18,140	4,113,503	5,814,708
Transfer from Other Funds	-	-	-	-
Other Revenue	-	-	380,782	499,078
Other Contributions	1,111,340	732,514	11,918,359	4,701,871
Interest Earned	71,779	51,750	1,485,653	1,149,368
Proceeds on sale of TCA	-	-	370,490	34,350
Total Revenues	8,543,619	7,692,578	67,025,906	58,698,534
EXPENSES				
Salaries and Benefits	583,588	511,384	17,327,540	15,984,693
Goods and Services	731,676	591,012	23,637,481	22,247,974
Amortization Expense	348,982	298,581	5,899,542	5,450,879
Debt Servicing	4,167	6,998	99,936	162,263
Other Expenditures	4,145,491	3,890,928	4,990,973	4,685,516
Loss on Disposal of TCA	244,450	568	312,132	1,056,643
Total Expenses	6,058,354	5,299,471	52,267,604	49,587,968
ANNUAL SURPLUS	\$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 - Schedule 2 Year ended December 31, 2019 (Unaudited)

	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 - Schedule 3 For the year ended December 31, 2019 (Audited)

COST	Land		Land Improvements		Buildings		Equipment/ Furniture/ Vehicles		Engineering Structures				Other Tangible Capital Assets		2018
	Land	Improvements	Buildings	Vehicles	Roads	Water	Sewer	Other	Total	2018					
Opening Balance	-	60,411	493,570	18,093	3,688,835	1,490,291	284,462	133,789	28,242	\$6,197,693	1,358,665				
Construction-in-progress (CIP)	-	-	-	-	-	-	-	-	-	-	-				
Add: Construction-in-progress	-	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: Write-downs & Reallocations	-	(47,189)	9,726	20,242	(138,784)	-	37,464	146,783	(28,242)	0	-				
Closing Balance	-	100,566	796,066	25,737	727,826	55,291	421,561	305,554	51,448	2,484,048	6,197,693				
Construction-in-progress	-	-	-	-	-	-	-	-	-	-	-				
Opening Balance	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				
Tangible Capital Assets	-	-	-	-	-	-	-	-	-	-	-				
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)				
Closing Balance	-	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 - Schedule 4 Year ended December 31, 2019 (Audited)

Bylaw Number	Maturity Date	Interest Rate	Principal Outstanding Dec 31/18	Current Year Borrowing	Actuarial Adjustment/ Princ. Reduct.	Principal Outstanding Dec 31/19	
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
TOTAL SEWER CAPITAL FUND				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 - Schedule 5

For the year ended December 31, 2019 (Audited)

	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 (Statement A)	\$49,594,421	\$48,582,665







THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT

To: Council

File No.: 1960-20 [2021]

From: Chief Administrative Officer

Date: August 17, 2020

Subject: Consideration of 2021 Permissive Property Tax Exemptions

PURPOSE:

To consider the 2021 permissive property tax exemptions.

POLICY ANALYSIS:

Section 224 of the *Community Charter* provides Council with the authority to exempt certain properties from property taxation. Policy 1960.01 (Rev #2) – Permissive Property Tax Exemption was prepared in accordance with Section 224 of the *Community Charter* and approved by Council in August, 2017.

EXECUTIVE SUMMARY:

The permissive property tax exemption bylaws are considered by Council on an annual basis and must be adopted before October 31st each year in order to take effect for the following taxation year. Staff have compiled and reviewed all applications received for the 2021 taxation year and have prepared a summary report for Council consideration.

CAO RECOMMENDATIONS:

That based on the August 17th, 2020 staff report “2021 Permissive Property Tax Exemptions”, Council approve OPTION 1 as follows:

1. That Council consider the list of new applications for permissive tax exemption for 2021 as detailed on Schedule A attached;
2. That Council approve exemptions for new applications as recommended in Schedule A;
3. That Council direct staff to prepare the applicable bylaws for permissive tax exemption in 2021 based on the attached schedules A, B, C, D and E; and
4. That statutory notice of the proposed permissive exemption bylaws pursuant to Section 227 of the *Community Charter* be published for two consecutive weeks prior to final adoption of the bylaws.

Respectfully submitted,

Trevor Kushner, BA, DLGM, CLGA
Interim Chief Administrative Officer

BACKGROUND:

Section 224 of the *Community Charter* provides Council with the authority to grant permissive exemption to land and improvements owned, or held by, certain other organizations that meet legislatively prescribed conditions.

Permissive Property Tax Exemption Policy 1960.01 (Rev #2) contains three provisions to note when considering new applications going forward:

1. The total value of all permissive exemptions must not exceed 2% of the total municipal portion of the property tax levy.
2. When the activities of an organization are not confined to the City of Courtenay, a maximum exemption of 40% applies.
3. Prescribed grandfathered permissive exemption percentages will not change in the event an organization re-locates within the municipality. However, a reduction of the exemption shall apply if the nature of the services provided by the organization changes at its new location.

DISCUSSION:

A permissive property tax exemption is a means for Council to support not-for-profit organizations within the community which furthers Council's objectives of enhancing quality of life for the citizens of the City while being responsible with municipal funding. Approval of an exemption or partial exemption is entirely within Council's discretion.

Each year there are requests from local organizations for funding assistance, either by way of requests for grants, or by way of requests for exemption from property taxation. While it is noted that the applicants all provide worthy services, provision of an exemption from taxation results in an increase of the tax burden for the remaining taxable property owners in the City and can become cost prohibitive.

The following schedules and information are provided for Council consideration.

Permissive Exemptions – Schedule Summary:

In accordance with Policy 1960.01, the exemption value limit for 2021 has been calculated as 2% of the value of the 2020 municipal property tax levy. The cumulative exemption value limit for 2021 is \$504,500.

Schedule A: New Applications

The City received three new applications for exemption from taxation for 2021. These are as follows:

Tax Roll #432.000 – Community Justice Centre of the Comox Valley – 450 8th Street, Units A & C

The Community Justice Centre delivers conflict resolution and restorative justice services for case referrals from various groups such as RCMP, municipal bylaw officers, School District #71, Downtown Courtenay Businesses, Island Health, etc. The centre also accepts files involving mental health and addictions issues and self-referrals from the general public, small businesses and community organizations for non-criminal matters. The organization estimates that 62% of the services were provided to Courtenay residents in 2018-2019.

The organization has entered into a five year lease agreement in June 2018 for Units A & C of the property located at 450 8th Street.

Staff recommend a 40% permissive tax exemption in keeping with the Permissive Property Tax Exemption policy.

Tax Roll #1175.034 – Dawn to Dawn Action on Homelessness Society – Affordable/Supportive Housing – #13-1520 Piercy Avenue

Dawn to Dawn Action on Homelessness Society is a local not-for-profit that houses Comox Valley residents who would otherwise be homeless. Their approach is to use a scattered housing model to house clients around the Comox Valley from Union Bay to Comox. Dawn to Dawn provides the accommodation, the clients contribute what they can and Dawn to Dawn covers the remaining costs for rent and utilities. The society was approved for the last two years for a 40% exemption for the two condos they own within the City of Courtenay. The society is now requesting an exemption for the new property purchased in 2019.

Staff recommend approval of a 40% exemption in keeping with the Permissive Property Tax Exemption policy.

Tax Roll #1376.000 – Comox Valley Children’s Day Care Society – 1000 Cumberland Road

For 2021, the Comox Valley Children’s Day Care Society has again submitted an application for exemption. This year, their application also refers to the completion of a Comox Valley Child Care Action Plan, which recommends an increase in municipal support and identifies the permissive tax exemption as a way to support child care programs.

Prior to 1999, the Comox Valley Children’s Day Care Society, as well as J. Puddleduck Parent’s Preschool Society received permissive tax exemptions. After an extensive review of the permissive exemption recipients, Council chose to phase out these exemptions since it was determined that daycare service was also provided by for-profit organizations.

Section 224 (2) (a) of the *Community Charter* states that:

“permissive tax exemptions may be provided to charitable, philanthropic or other not-for-profit corporations.”

It does not allow for an exemption to daycares operating for-profit. The City’s Permissive Property Tax Exemption Policy 1960.01 (Rev #1) requires confirmation that an organization’s activities does not compete with any other duly licensed business in the municipality. In order to avoid creating an unfair commercial advantage between for-profit and not-for-profit daycares, Council decided to eliminate any tax exemptions for the Children’s Day Care Society.

Staff recommend no exemption for this specific daycare on the basis that authorizing this exemption would contradict the existing policy as it competes with licensed for-profit daycare businesses in Courtenay.

Schedule B: Annual Bylaw – Not for Profit Organizations

Schedule B exemption recipients are those who have been previously approved in the annual permissive exemption bylaw. Updated applications, financial statements and other relevant documentation have been reviewed and verified by staff.

Schedule B provides a detailed list of the 2020 exemption recipients along with the estimated 2021 value of the approved exemptions.

Tax Roll #1171.005 & 1171.006 – Wachiay Friendship Centre Society – 1625 & 1679 McPhee Avenue

The Wachiay Friendship Centre Society currently benefits from a 40% exemption on the property located at 1625 McPhee Avenue where they provide accessible services for the provision of counselling, information, guidance, employment, referrals, programs and services for children, youth, men, women, elders and families. In addition, the society owns and operates the Wachiay Studio and Wachiay Multimedia programs from this location. The programs provide structured courses to community members interested in multimedia technology and industrial-commercial functional printing. The intent is to create education,

training and employment opportunities that improve Aboriginal wellbeing via increased presence in the economy. The Wachiay Studio is a revenue generating business with primary social objectives whose surplus funds are invested in the Wachiay Friendship Centre Society. The studio occupies 10% of the space utilized by the society.

The society also operates the Clever Raven Daycare that offers a service free of charge to urban dwelling Aboriginal families.

1679 McPhee Avenue is used as parking for the society and its members and was also approved for a 40% exemption since 2019.

For 2021, Wachiay Friendship Centre Society would like Council to reconsider their decision to exclude from the 40% permissive tax exemption the space used for the Wachiay Studio (10%) and daycare (16%).

Staff recommend maintaining the 40% exemption on the portion of the property used for non-profit activities only. The revenue generating business and daycare centre may compete with other duly licensed businesses in the City, therefore that portion would not qualify for exemption according to the policy.

Schedule C: Annual Bylaw – Churches

While church buildings and the footprint of the buildings receive a statutory exemption from taxation, all of the area surrounding the buildings would be taxable unless it is provided with a permissive exemption from taxation by Council. The portion of church property used in commercial activities or as a manse/residence is not eligible for exemption from taxes.

Schedule C details the church properties within the City, and the estimated value of the permissive exemption for 2021 on the lands surrounding the building.

Schedule D: Five Year Bylaw – City owned properties managed by Societies

This schedule details the value of taxation exemption for these properties and is authorized by a five-year exemption bylaw which expires in 2024.

Schedule E: Ten Year Bylaw – Island Corridor Foundation

The properties owned by the Island Corridor Foundation have been provided with a ten year exemption from taxation which expires in 2021. Schedule E provides a detailed list of the properties along with the estimated value of the exemptions for 2021.

FINANCIAL IMPLICATIONS:

The estimated cumulative value of the municipal portions of the new and grandfathered exemptions for the 2021 taxation year totals \$389,343. This is within the calculated 2021 limit of \$504,500 as prescribed in Policy 1960.01 - Permissive Exemption from Property Taxation.

Estimated value of exemptions for consideration for 2021 Grandfathered and Recommended				
Schedule		<u>City only</u>	<u>Other Authorities</u>	<u>Total</u>
(A)	New applications - as per recommendation	\$ 1,447	\$ 798	\$ 2,245
(B)	Annual bylaw - Not for profit organizations	\$ 177,283	\$ 126,638	\$ 303,921
(C)	Annual bylaw - Churches, land surrounding the building	\$ 17,646	\$ 11,469	\$ 29,115
(D)	Five year bylaw - City owned properties managed by societies (expires in 2024)	\$ 168,646	\$ 79,942	\$ 248,588
(E)	Ten year bylaw - Island Corridor Foundation (expires in 2021)	\$ 24,320	\$ 18,690	\$ 43,010
	Total estimated value of exemptions in 2021	\$ 389,343	\$ 237,536	\$ 626,879

It is important to note that any organizations added to the list or any additional percentages provided to applicants results in a reduction of revenue available for City operations.

Another thing to note this year is the reduced school tax rate provided by the Province to businesses for 2020 as a relief for COVID-19. This reduction is included in the 2020 rate used to estimate the 2021 Other Authorities value. The actual rate is expected to be higher for 2021.

ADMINISTRATIVE IMPLICATIONS:

Preparation of the annual tax exemption bylaws for consideration by Council is an annual task undertaken by staff in the Financial Services Department.

Subsequent to Council approval of the above recommended property tax exemptions, the next steps to complete include:

- a) Preparation of the required bylaws and providing them to Council for three readings
- b) Arranging for the statutory advertising of the proposed bylaws
- c) Returning the bylaws to Council for final adoption
- d) Preparation of letters of notification to the applicants
- e) Forwarding the bylaws to the BC Assessment Authority no later than October 31, 2020

ASSET MANAGEMENT IMPLICATIONS:

Any increase to the value of permissive property tax exemptions decreases the amount of funding available for asset management initiatives.

STRATEGIC PLAN REFERENCE:

In preparing the 2021 Permissive Tax Exemption, staff considered Council’s 2019-2022 Strategic Priorities:

We focus on organizational and governance excellence

- Communicate appropriately with our community in all decisions we make

We proactively plan and invest in our natural and built environment

- ▲ Support social, economic & environmental sustainability solutions

We actively pursue vibrant economic development

- ▲ Continue to support Arts & Culture

We support diversity in housing and reasoned land use planning

- ▲■ Identify and support opportunities for lower cost housing and advocate for senior government support
- ▲ Encourage and support housing diversity

We continually invest in our key relationships

- Build on our good relations with K'omoks First Nation and practice Reconciliation
- Consider effective ways to engage with and partner for the health and safety of the community
- ▲■ Advocate and cooperate with local and senior governments on regional issues affecting our community

- **AREA OF CONTROL:** The policy, works and programming matters that fall within Council's jurisdictional authority to act
- ▲ **AREA OF INFLUENCE:** Matters that fall within shared or agreed jurisdiction between Council and another government or party
- **AREA OF CONCERN:** Matters of interest that are outside Council's jurisdictional authority to act

OFFICIAL COMMUNITY PLAN REFERENCE:

Not applicable

REGIONAL GROWTH STRATEGY REFERENCE:

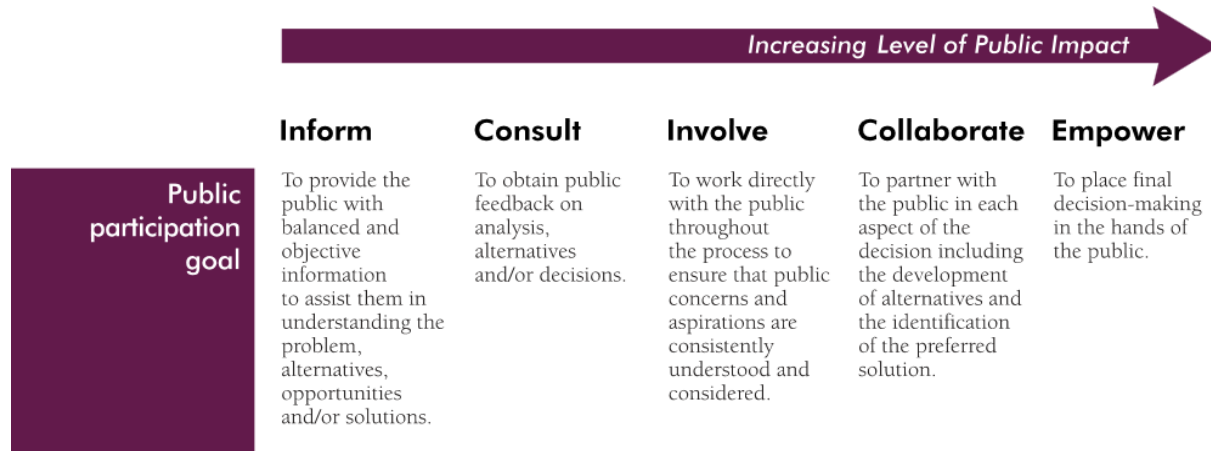
Not applicable

CITIZEN/PUBLIC ENGAGEMENT:

Pursuant to Section 227 of the *Community Charter*, statutory notice of the proposed permissive exemption bylaws must be published for two consecutive weeks prior to final adoption.

This is based on the “inform” level of the IAP2 Spectrum of Public Participation adopted as an element of Sound Project Design for the Corporate Workplan.

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



OPTIONS:

OPTION 1: That Council approve exemptions for new applicants as recommended in Schedule A; That Council direct staff to prepare the applicable bylaws for permissive tax exemption in 2021 based on the attached schedules A, B, C, D and E; and That statutory notice of the proposed permissive exemption bylaws pursuant to Section 227 of the *Community Charter* be published for two consecutive weeks prior to final adoption of the bylaws (recommended).

OPTION 2: That Council defer endorsing the proposed 2021 permissive tax exemptions for further discussion at a later Council meeting.

(While Option 2 provides time for further discussion, it also impacts the schedule required for the 2021 permissive tax exemption process. There is a statutory requirement to have the bylaws adopted by October 31st each year in order to take effect for the following taxation year.)

Prepared by:

Annie Bérard, CPA, CMA, MBA
Manager of Financial Planning,
Payroll and Business Performance

Reviewed by:

Jennifer Nelson, CPA, CGA
Director of Financial Services

Concurrence by:

Trevor Kushner, BA, DLGM, CLGA
Interim Chief Administrative Officer

Attachments:

1. Policy #1960.00.01
2. Schedules A-E

City of Courtenay Policy Page 1 of 4

Section 5 - Finance	Policy #	1960.00.01
Subject: Permissive Property Tax Exemption	Revision #	2

SCOPE:

A permissive tax exemption is a means for Council to support not-for-profit organizations within the community which further Council’s objectives of enhancing quality of life (economic, social, cultural) and delivering services economically. A permissive tax exemption is strictly at the discretion of the City of Courtenay Council. After careful consideration of all applications Council may approve a full, a partial, or no tax exemption. The tax exemption may vary for the different applicants. This policy guides identification of organizations meeting Council’s objectives.

POLICY

1. Overall Amount

A projected amount of revenue to be foregone by Permissive Tax Exemptions will be set by Council annually during the development of the Financial Plan. This amount will be used to calculate the following year’s tax exemption for approved organizations based on the current year’s assessment and tax rates. The actual amount of the exemption may vary according to the following year’s assessment and tax rates.

The cumulative estimated value of the exemptions may not exceed 2% of the total tax levy in the previous year. The bylaw for exemptions for any given year must be adopted and submitted before any assessment or tax rate information is available for that year. The 2% amount will therefore be calculated based on the previous year’s assessment and tax rate information.

2. Process

Council will consider applications for permissive tax exemptions annually. Reminder letters to re-apply will be mailed annually or as the term of the exemption expires to current tax exemption recipients. In addition, application packages will be available at any time from the Municipal Office or on our website at www.courtenay.ca.

Applications must be submitted to the Director of Financial Services, using the prescribed application form. The Director will review the applications for completeness, and arrange contact with applicants for additional information as necessary.

Application submissions must include:

- Copies of audited financial statements for last three (3) years for first time applicants, and for the last year for current tax exemption recipients.

AUTHORIZATION: Council R16.06/2017	DATE: August 21,2017
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Section 5 - Finance	Policy #	1960.00.01
Subject: Permissive Property Tax Exemption	Revision #	2

- Copy of state of title certificate or lease agreement, as applicable.
- In the case of a lease agreement for premises rather than ownership, documents are required which indicate that the applicant will benefit by the exemption. Documents should demonstrate that the lease is currently, or will, on approval of the exemption, be reduced by the amount of the exemption, or that other considerations will be provided by the landlord equivalent to the value of the exemption.
- Description of programs/services/benefits delivered from the subject lands/improvements including participant numbers, volunteer hours, benefiting groups/individuals/special needs populations, fees charged for participation
- Description of any 3rd party use of the subject land/improvements including user group names, fees charged conditions of use.
- Information as to the extent to which the activities of the applicant are regional or local (within the City of Courtenay) in nature.
- Financial information on how the tax exemption amount is put back into the community through charitable means or reduced fees paid by the general population of the City of Courtenay.
- Confirmation that the organization’s activities do not compete with any other duly licensed business in the Municipality.

The Director of Financial Services will present a summary report of the applications, relative to the eligibility criteria, to Council and arrange for delegations to Council by applicants as necessary.

3. Criteria

- a) Subject Property must be one of:
 - Land and/or improvements owned by the applicant
 - Land and/or improvements leased under an agreement
 - Land and/or improvements ancillary to a statutory exemption under section 220 of the *Community Charter (Statutory Exemptions)*

- b) Nature of Organization must meet the requirements of *Division 7* of the *Community Charter (Permissive Exemptions)* which includes:
 - Non-profit organization
 - Charitable/philanthropic organization
 - Athletic or Service Club/Association
 - Care facility/licensed private hospital

AUTHORIZATION: Council R16.06/2017	DATE: August 21,2017
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Section 5 - Finance	Policy #	1960.00.01
Subject: Permissive Property Tax Exemption	Revision #	2

- Partner of the municipality by agreement under s. 225 (Partnering, heritage, riparian and other special exemption authority) of the *Community Charter*
- Other local authority
- Organization eligible under *Section 220 of the Community Charter* statutory exemption (e.g. place of public worship, cemetery, library, Indian land, senior’s homes, hospital, etc.)

c) The applicant organization’s use of the land/improvements must benefit the community in one or more of the following ways:

- provides recreational facilities for public use
- provides recreation programs to the public
- provides programs to and/or facilities used by youth, seniors or other special needs groups
- preserves heritage important to the community character
- preserves an environmentally, ecologically significant area of the community
- offers cultural or educational programs to the public which promote community spirit, cohesiveness and/or tolerance
- offers services to the public in formal partnership with the municipality
- [other]

d) All accounts for fees and charges levied by the City of Courtenay to the applicant must be current.

4. Duration of Exemption

Eligible organizations may be considered for tax exemptions exceeding one year (to a maximum of 10 years) where it is demonstrated that the services/benefits they offer to the community are of a duration exceeding one year (i.e. for the period of the tax exemption).

5. Extent, Conditions, and Penalties

a) The following activities and circumstances will be not be considered as eligible for exemption by Council. Exemptions will exclude the portion of land/improvements where the following circumstances exist:

- land/improvements used by the private sector and/or organizations not meeting Council’s exemption criteria
- land/improvements used for commercial or for-profit activities by the not-for-profit organization

AUTHORIZATION: Council R16.06/2017	DATE: August 21,2017
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Section 5 - Finance	Policy #	1960.00.01
Subject: Permissive Property Tax Exemption	Revision #	2

- the activities of the organization are not confined to the City of Courtenay. Council has designated a maximum exemption of 40% for regional service organizations. This policy will not be applied retroactively, and regional service organizations that have previously been approved by bylaw will be grandfathered into the exemption bylaw at those prescribed percentages.
 - **prescribed grandfathered permissive exemption percentages will not change in the event an organization re-locates within the municipality. However, a reduction of the exemption shall apply if the nature of the services provided by the organization changes at its new location.**
 - The applicant already receives grant-in-aid from the municipality and/or other sources

- b) Council may impose conditions on the exempted land/improvements with the applicant organization, including but not limited to:
 - registration of a covenant restricting use of the property
 - an agreement committing the organization to continue a specific service/program
 - an agreement committing the organization to have field/facilities open for public use for certain times or a total amount of time
 - an agreement committing the organization to offer use of the field/facility to certain groups free of charge or at reduced rates
 - an agreement committing the organization to immediately disclose any substantial increase in the organization’s revenue or anticipated revenue or any change in the status of the property
 - [other]

- c) Council may impose **penalties** on an exempted organization for knowing breach of conditions of exemption, including but not limited to:
 - revoking exemption with notice
 - disqualifying any future application for exemption for specific time period
 - requiring repayment of monies equal to the foregone tax revenue
 - [other]

AUTHORIZATION: Council R16.06/2017	DATE: August 21,2017
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City of Courtenay

New Applications for 2021 consideration

Calculation based on 2020 Assessments and 2020 Rates

2020 Tax Rates			
	City	Other Auth.	Total
1	3.1931	3.0311	6.2242
2	22.3517	19.7216	42.0733
6	10.3776	4.8334	15.2110
8	3.1931	2.1581	5.3512

Roll #	Registered Owner	Leasee/Society Applying for Exemption	Civic Address	Use of Property	Requested Exemption	% of services Courtenay residents	Comm Charter	Class	2020 Assessed Value	% Occupied Space	2021 Property Tax with 100 % Exemption (estimated)			Recommended 2021 Exemption (estimated)				
											City	Other Authorities	Total	%	City	Other Authorities	Total	
432.000	1124430 BC LTD	Community Justice Centre of the Comox Valley	A & C 450 - 8th St	Resolution services & restorative justice. Referrals from RCMP, CFB Comox, SD 71, VIHA, MCFD, businesses, etc.	100%	62%	224(2)(a)	6	1,322,000	22%	2,974	1,385	4,360	40%	1,190	554	1,744	
1175.034	Dawn to Dawn Action on Homelessness Society	Dawn to Dawn Action on Homelessness Society	13-1520 Piercy	Affordable/Supportive Housing	100%	100%	224(2)(a)	1	201,400	100%	643	610	1,254	40%	257	244	501	
1376.000	Comox Valley Childrens Day Care Society	Comox Valley Childrens Day Care Society	1000 Cumberland Rd	Licensed group day care for children 2.5-5yrs Has been denied exemption in prior years as this is one of several for-profit and not-for-profit daycares within Courtenay	100%	95%	224(2)(a)	1	369,000	100%	1,178	1,118	2,297	0%	-	-	-	
											\$ 4,796	\$ 3,114	\$ 7,910	\$1,447	\$ 798	\$ 2,245		

City of Courtenay

2021 Annual Bylaw, based on 2020 exemptions approved

Calculation based on 2020 Assessments and 2020 Rates

2020 Tax Rates			
	City	Other Auth.	Total
1	3.1931	3.0311	6.2242
2	22.3517	19.7216	42.0733
6	10.3776	4.8334	15.2110
8	3.1931	2.1581	5.3512

												2021 PROPERTY TAXES (estimated)		
Roll #	Registered Owner	Civic Address	Use of Property	% of services - Courtenay residents	Comm Charter	Class	Net Assess before Exempt	% exempt	Grandfathered	Exempt Assessment	City	Other Authorities	Tax Levy	
100% Exemption														
49.000	Eureka Support Society	280-4th St	community facility for adults with mental illness)	95%	224(2)(a)	6	333,000	100%	grandfathered	333,000	3,456	1,610	5,065	
122.000	Royal Canadian Legion, Courtenay Branch (Pacific) No. 17	367 Cliffe Ave	facility to support veterans, promote remembrance, act in service of the community	90%	224(2)(a)	6	531,000	100%	grandfathered	531,000	5,511	2,567	8,077	
122.000	Royal Canadian Legion, Courtenay Branch (Pacific) No. 17	367 Cliffe Ave	facility to support veterans, promote remembrance, act in service of the community	90%	224(2)(a)	8	645,000	100%	grandfathered	645,000	2,060	1,392	3,452	
1650.000	Royal Canadian Legion, Courtenay Branch (Pacific) No.	101 Island Highway	Cenotaph		224(2)(a)	8	45,000	100%	grandfathered	45,000	144	97	241	
112.002	Boys and Girls Club (City of Courtenay)	243-4th Street	Youth Program Facilitator	65%	224(2)(a)	6	150,700	100%	grandfathered	150,700	1,564	728	2,292	
169.000	Comox Valley Child Development Association	237 - 3rd St	Office to serve children with special needs (consolidation in 2018 of lot 14, 17, 18, 21).	62%	224(2)(a)	6	1,346,000	100%	grandfathered	1,346,000	13,968	6,506	20,474	
170.002	Comox Valley Transition Society (Four Paws Investments LTD)		Residential stabilization and supportive recovery program for women.	75%	224(2)(a)	1	641,000	100%	Council Resolution Jun26.17	641,000	2,047	1,943	3,990	
348.000	Alano Club of Courtenay	543 - 6th St	community facility assisting recovering alcoholics and addicts	90%	224(2)(a)	6	348,000	100%	grandfathered	348,000	3,611	1,682	5,293	
400.000	West Island Capital Corp	A1-310 8th Street	leased to City of Courtenay for IT Office Space	100%	224(2)(b)	6	309,000	100%		309,000	3,207	1,494	4,700	
513.000	Old Church Theatre Society	755 Harmston Ave	Community theatre	majority	224(2)(a)	6	572,000	100%	grandfathered	572,000	5,936	2,765	8,701	
750.020	Comox Valley Recovery Centre Society (City of Courtenay)	641 Menzies Ave	Residential drug/alcohol recovery facility	75%	224(2)(a)	1	1,163,000	100%	grandfathered	1,163,000	3,714	3,525	7,239	
1037.000	Comox Valley Family Services Association	1415 Cliffe Ave	Child, youth & family community and victim services	90%	224(2)(a)	6	672,000	100%	grandfathered	672,000	6,974	3,248	10,222	
1494.000	Glacier View Lodge Society	2470 Back Road	Seniors long-term care	100%	224(2)(j)	1	1,493,000	100%	grandfathered	1,493,000	4,767	4,525	9,293	
1494.010	Glacier View Lodge Society	2470 Back Road	Seniors long-term care	100%	224(2)(j)	1	1,490,000	100%	grandfathered	1,490,000	4,758	4,516	9,274	
1494.050	Glacier View Lodge Society	2450 Back Road	Seniors long-term care	100%	224(2)(j)	1	10,239,000	100%	grandfathered	10,239,000	32,694	31,035	63,730	
1577.018	Comox Valley Pregnancy Care Centre	#4 - 204 Island Hwy N	Women's crisis pregnancy services	97%	224(2)(a)	6	171,900	100%	grandfathered	171,900	1,784	831	2,615	
1566.000	M'akola Housing Society	810 Braidwood Road	Affordable/Supportive Housing	100%	224(2)(a)	1	4,648,000	100%		4,648,000	14,842	14,089	28,930	
1960.300	The Nature Trust of British Columbia	Sandpiper Drive	Parkland - Was exempt in past years as ownership was incorrectly coded as Provincial lands by BCAA, corrected and recategorized by BCAA for 2013 and no longer receives "statutory exemption"	unknown	224(2)(a)	8	2,034,000	100%	grandfathered	2,034,000	6,495	4,390	10,884	
2023.014	The Nature Trust of British Columbia	656 Arden Road	Morrison Nature Park	100%	224(2)(b)	8	907,000	100%	grandfathered	907,000	2,896	1,957	4,854	
2016.007	Stepping Stones Recovery House for Women Society (Richard Pizzey)	1571 Burgess Rd	Leased by Stepping Stones Recovery House for Women Society	60%	224(2)(a)	1	377,000	100%	grandfathered	377,000	1,204	1,143	2,347	

City of Courtenay

2021 Annual Bylaw, based on 2020 exemptions approved

Calculation based on 2020 Assessments and 2020 Rates

2020 Tax Rates			
	City	Other Auth.	Total
1	3.1931	3.0311	6.2242
2	22.3517	19.7216	42.0733
6	10.3776	4.8334	15.2110
8	3.1931	2.1581	5.3512

2021 PROPERTY TAXES (estimated)													
Roll #	Registered Owner	Civic Address	Use of Property	% of services - Courtenay residents	Comm Charter	Class	Net Assess before Exempt	% exempt	Grandfathered	Exempt Assessment	City	Other Authorities	Tax Levy
2200.044	Courtenay & District Historical Society In Trust	2564 Cumberland Rd	Heritage Property	50%	224(2)(a)	1	695,000	100%	grandfathered	695,000	2,219	2,107	4,326
3200.072	Comox Valley Curling Club (CVRD)	4835 Headquarters Rd	Curling Club Recreation facility	60%	224(2)(i)	6	1,182,000	100%	grandfathered	1,182,000	12,266	5,713	17,979
75% Exemption													
757.000	Comox Valley Kiwanis Village Society	1061 8th Street	housing for low-income seniors	70%	224(2)(a)	1	1,211,100	75%	grandfathered	909,000	2,903	2,755	5,658
757.001	Comox Valley Kiwanis Village Society	1051 8th Street	housing for low-income seniors	70%	224(2)(a)	1	3,286,200	75%	grandfathered	2,465,000	7,871	7,472	15,343
758.000	Comox Valley Kiwanis Village Society	635 Pidcock Ave	housing for low-income seniors	70%	224(2)(a)	1	494,700	75%	grandfathered	371,000	1,185	1,125	2,309
1286.045	L'Arche Comox Valley	534 - 19th Street	Supported group home for adults with developmental disabilities	100%	224(2)(a)	1	447,200	75%	grandfathered	335,000	1,070	1,015	2,085
40% Exemption													
34.000	Courtenay Elks' Lodge No. 60 of the Benevolent and Protective Order of Elks Canada Inc. No. S4640	231 6th Street	Facility to promote and support community. Raises funds for several children and community charities	95%	224(2)(e)	6	414,100	40%		165,600	1,719	800	2,519
34.000	Courtenay Elks' Lodge No. 60 of the Benevolent and Protective Order of Elks Canada Inc. No. S4640	231 6th Street	Facility to promote and support community. Raises funds for several children and community charities	95%	224(2)(e)	8	276,100	40%		110,500	353	238	591
131.002	Comox Valley Transition Society		Fourplex - rental housing at rental rates geared to income (property bought with assistance of BC Housing, Town of Comox and mortgage). Target client group is single women and women with children.	75%	224(2)(a)	1	986,100	40%		396,800	1,267	1,203	2,470
409.000	Comox Valley Transition Society	625 England Ave	Community Offices. Secret Venture Holdings Ltd owned by CVTS	75%	224(2)(a)	6	661,100	40%		264,200	2,742	1,277	4,019
166.000	Comox Valley Child Development Association	267 - 3rd Street	1/3 Child play area, 2/3 handicap park for families (purch in 2011)	60%	224(2)(a)	1	275,000	40%		110,000	351	333	685
459.000	Upper Island Women of Native Ancestry	956 Grieve Ave	office; support worker; early childhood development and cultural awareness programs	85%	224(2)(a)	1	616,000	40%		246,000	786	746	1,531
750.100	John Howard Society of North Island	994 - 8th Street	Property gifted to John Howard Society from St. John the Divine Abbeyfield House Society. Now supportive transitional youth housing. Property received 75% exemption in 2018 when seniors supported living	66%	224(2)(a)	1	1,408,000	40%		563,000	1,798	1,707	3,504
1038.000	John Howard Society of North Island (Luck's Dental Laboratory Ltd.)	1455 Cliffe Avenue	New application for 2017. 100% occupied by the John Howard Society. Social Services Building.	66%	224(2)(a)	6	621,500	40%		248,500	2,579	1,201	3,780
1113.000	L'Arche Comox Valley	1465 Grieve Avenue	Additional location. The property will be used for the I Belong Centre which will hold L'Arche Office, the Outreach Centre (day programs for adults with disabilities) and 6 semi-independent community living residential suites. Used 100% by the L'Arche community however the day programs are offered to the public.	95%	224(2)(a)	1	701,500	40%		284,200	907	861	1,769

City of Courtenay

2021 Annual Bylaw, based on 2020 exemptions approved

Calculation based on 2020 Assessments and 2020 Rates

2020 Tax Rates			
	City	Other Auth.	Total
1	3.1931	3.0311	6.2242
2	22.3517	19.7216	42.0733
6	10.3776	4.8334	15.2110
8	3.1931	2.1581	5.3512

											2021 PROPERTY TAXES (estimated)		
Roll #	Registered Owner	Civic Address	Use of Property	% of services - Courtenay residents	Comm Charter	Class	Net Assess before Exempt	% exempt	Grandfathered	Exempt Assessment	2021 PROPERTY TAXES (estimated)		
											City	Other Authorities	Tax Levy
1113.000	L'Arche Comox Valley	1465 Grieve Avenue	Additional location. The property will be used for the I Belong Centre which will hold L'Arche Office, the Outreach Centre (day programs for adults with disabilities) and 6 semi-independent community living residential suites. Used 100% by the L'Arche community however the day programs are offered to the public.	95%	224(2)(a)	6	814,700	40%		325,700	3,380	1,574	4,954
1171.005	Wachiyai Friendship Centre Society	1625 McPhee Avenue	Provides over 40 free social programs to those living in poverty. Examples include legal aid, homeless outreach, literacy programs, food bank, senior and elder programs, children support. 10% of space is utilized for Wachiyai Studio and MultiMedia program which is run as a revenue generating business with the surplus funds invested into the Society. This is excluded from exemption as it could compete with local business Total space: 21,000 sf. Social enterprise: 2,000 sf. (9.5%) Daycare: 3,450 sf. (16.4%). Total exempt 26%	70%	224(2)(a)	6	787,508	40%		315,000	3,269	1,523	4,791
1171.006	Wachiyai Friendship Centre Society	1679 McPhee Avenue	Parking lot used by Wachiyai Friendship Centre Society members and staff	70%	224(2)(a)	6	202,020	40%		80,800	839	391	1,229
1224.080	Dawn to Dawn Action on Homelessness Society	#17 375 21st Street	Affordable/Supportive Housing	100%	224(2)(a)	1	148,400	40%		59,300	189	180	369
1288.060	Dawn to Dawn Action on Homelessness Society	#311 1015 Cumberland Road	Affordable/Supportive Housing	100%	224(2)(a)	1	163,500	40%		65,400	209	198	407
1700.332	The Canadian Red Cross Society (leased from 670431 BC LTD)	2683 Moray Avenue, Units 10-12	Moved from 464 Puntledge Road. Received 40% exemption on previous location. Leasing 25% of the space	75%	224(2)(a)	6	390,875	40%		154,500	1,603	747	2,350
1960.004	Salvation Army Cornerstone Community and Family Services (Lenco/Norco and Fernco Development LTD)	Unit 8, 468 29th Street	Emergency services to community members (Excludes thrift store operations)	80%	224(2)(a)	6	510,250	40%		204,100	2,118	986	3,105
1960.006	Aaron House Ministries (Leased from Fernco Development Ltd)	2966 Kilpatrick Ave	christian worship/teaching centre - occupy 12.7% of property	75%	224(2)(a)	6	600,000	40%		240,000	2,491	1,160	3,651
2016.006	Stepping Stones Recovery House for Women Society (Joshua Hope)	1534 Burgess Rd	Leased by Stepping Stones Recovery House for Women Society	60%	224(2)(a)	1	388,900	40%		155,900	498	473	970
2024.009	Habitat for Humanity Vancouver Island North Society	1755 - 13th Street	Restore (5,000 sf) and Administration (2,000 sf) for both Restore (60%) and H4H (40%)	(29% of space for Admin office used at 40% for H4H = 12% net exemption) - 100% serves City of Courtenay	224(2)(a)	6	89,500	40%		35,800	372	173	545
3200.032	Youth for Christ Comox Valley	4729 Headquarters Rd	occupy 97.5% of property	95%	224(2)(a)	1	526,500	40%		210,600	672	638	1,311
	Total						\$ 46,013,353			\$ 38,308,500	\$ 177,283	\$ 126,638	\$ 303,921

SCHEDULE C

City of Courtenay
Annual Bylaw - Church Properties

Calculation based on 2020 Assessments and 2020 Rates

	2020 Tax Rates		
	City	Other Auth.	Total
1	3.1931	3.0311	6.2242
6	10.3776	4.8334	15.2110
8	3.1931	2.1581	5.3512

Roll #	Registered Owner	Civic Address	Use of Property	Class	2020 Assessed Value	Sec 220 Statutory Exemption	Taxable Residence	Net Remain Assess	% exempt	2021 PROPERTY TAXES (estimated)		
										City	Other Auth.	Tax Levy
143.000	GRACE BAPTIST CHURCH	467 - 4th Street		8	231,400	(187,500)		43,900	100%	140	95	235
313.100	ANGLICAN SYNOD DIOCESE OF B.C.	579 - 5th Street		8	1,068,000	(767,000)		301,000	100%	961	650	1,611
341.000	ELIM GOSPEL HALL	566 - 5th Street		8	412,400	(241,400)		171,000	100%	546	369	915
342.000	ELIM GOSPEL HALL	578 - 5th Street		8	204,000	(100,000)	(100,000)	104,000	100%	332	224	557
346.000	ST. GEORGE'S CHURCH	505 - 6th Street		8	1,969,000	(1,751,000)		218,000	100%	696	470	1,167
568.000	CENTRAL EVANGELICAL FREE CHURCH	765 McPhee Ave	Rezoned in 2018 from Industrial to church and assembly hall. Moved from 505 Fitzgerald	6	647,000	(437,000)		210,000	100%	2,179	1,015	3,194
618.220	RIVER HEIGHTS CHURCH SOCIETY	2201 Robert Lang Drive	residential/commercial portion not exempt	8	657,400	(248,900)	(112,500)	296,000	100%	945	639	1,584
1074.050	SALVATION ARMY CANADA WEST	1580,1590 Fitzgerald Ave		8	574,600	(438,600)		136,000	100%	434	294	728
1166.000	LUTHERAN CHURCH	771 - 17th Street		8	617,700	(398,700)		219,000	100%	699	473	1,172
1211.004	VALLEY UNITED PENTACOSTAL CHURCH OF BC	1814 Fitzgerald Avenue		8	473,600	(310,600)		163,000	100%	520	352	872
1524.102	BISHOP OF VICTORIA - CATHOLIC CHURCH	1599 Tunner Drive		8	3,872,000	(3,589,000)		283,000	100%	904	611	1,514
1594.000	KINGDOM HALL OF JEHOVAH WITNESSES	1581 Dingwall Road	church only/residence not exempt	8	945,400	(664,100)	(101,300)	180,000	100%	575	388	963
1691.030	SEVENTH DAY ADVENTIST CHURCH	4660 Headquarters		8	387,900	(208,900)		179,000	100%	572	386	958
1691.044	ANGLICAN SYNOD DIOCESE OF B.C.	4634 Island Hwy		8	210,900	(96,900)		114,000	100%	364	246	610
1691.046	ANGLICAN SYNOD DIOCESE OF B.C.	1514 Dingwall Road	Cemetery	8	167,000			167,000	100%	533	360	894
2005.000	LDS CHURCH	1901 - 20th Street		8	1,795,100	(1,308,100)		487,000	100%	1,555	1,051	2,606
2005.000	LDS CHURCH-PRIVATE SCHOOL	1901 - 20th Street	private school (statutory exemption)	6	936,000	(936,000)		0	100%	-	-	-
2017.034	FOURSQUARE GOSPEL CHURCH OF CANADA	1640 Burgess Road		8	2,872,000	(1,367,000)		1,505,000	100%	4,806	3,248	8,054
2200.088	COURTENAY FELLOWSHIP BAPTIST CHURCH	2963 Lake Trail Rd		8	1,512,700	(1,235,700)		277,000	100%	884	598	1,482
					\$ 19,554,100	\$ (14,286,400)	\$ (313,800)	\$ 5,053,900		\$ 17,646	\$ 11,469	\$ 29,115

SCHEDULE D

City of Courtenay

5 Year Bylaw - City Owned Properties

Calculation based on 2020 Assessments and 2020 Rates

Bylaw No. 2976, 2019 in effect 2020-2024

2020 Tax Rates			
	City	Other Auth.	Total
1	3.1931	3.0311	6.2242
6	10.3776	4.8334	15.2110
8	3.1931	2.1581	5.3512

Roll #	Registered Owner	Civic Address	Use of Property	Comm Charter	Class	2020	S 220	Net	% exempt	Permiss Ex. Assess. Value	2021 PROPERTY TAXES (estimated)		
						Assessed Value	Statutory Exemp	2020 Assessed Value			City	Other Authorities	Tax Levy
City owned properties: Facilities operated for the City 100% Exemption													
29.002	City of Courtenay	580 Duncan Ave	Arts Centre/Gallery	224(2)(b)	6	2,443,000		2,443,000	100%	2,443,000	25,352	11,808	37,160
63.000	City of Courtenay	442 Cliffe Avenue	Sid Williams Theatre	224(2)(b)	6	1,775,000		1,775,000	100%	1,775,000	18,420	8,579	27,000
113.000	City of Courtenay	207 - 4th St	Courtenay & District Museum	224(2)(b)	6	1,674,000		1,674,000	100%	1,674,000	17,372	8,091	25,463
113.000	City of Courtenay	207 - 4th St	Courtenay & District Museum	224(2)(b)	8	401,000		401,000	100%	401,000	1,280	865	2,146
261.006	City of Courtenay/ Nature Trust of BC	559 3rd Street	McPhee Meadows	224(2)(b)	1	668,000		668,000	100%	668,000	2,133	2,025	4,158
1200.000	City of Courtenay	2040 Cliffe Ave	Courtenay Marina Society	224(2)(b)	6	1,004,000		1,004,000	100%	1,004,000	10,419	4,853	15,272
1200.000	City of Courtenay	2040 Cliffe Ave	Courtenay Marina Society	224(2)(b)	8	140,000		140,000	100%	140,000	447	302	749
1941.000	City of Courtenay	100 - 20th St	Courtenay Airpark Society	224(2)(b)	6	8,983,000		8,983,000	100%	8,983,000	93,222	43,418	136,640
						\$ 17,088,000		\$ 17,088,000		\$ 17,088,000	\$ 168,646	\$ 79,942	\$ 248,588

City of Courtenay
10 Year Bylaw - Island Corridor Foundation

Calculation based on 2020 Assessments and 2020 Rates

2020 Tax Rates			
	City	Other Auth.	Total
2	22.3517	19.7216	42.0733
6	10.3776	4.8334	15.2110

Current Bylaw in effect 2012-2021. Bylaw No. 2802, 2014

Roll #	Registered Owner	Civic Address	Use of Property	Comm Charter	LGA Ref:	Class	Net 2020 Assess	% exempt	Assessed Value of Exemption	2021 PROPERTY TAXES (estimated)		
										City	Other Authorities	Tax Levy
467.000	Island Corridor Foundation		railway corridor	224(2)(a)	341(2)(b)	2	46,800	100%	46,800	1,046	923	1,969
467.100	Island Corridor Foundation		railway corridor	224(2)(a)	341(2)(b)	2	10,000	100%	10,000	224	197	421
613.100	Island Corridor Foundation		railway corridor	224(2)(a)	341(2)(b)	2	8,200	100%	8,200	183	162	345
1012.205	Island Corridor Foundation	South Courtenay Boundary Extension 2013	railway corridor	224(2)(a)	341(2)(b)	2	330,500	100%	330,500	7,387	6,518	13,905
2154.000	Island Corridor Foundation	Cumberland Road	railway corridor	224(2)(a)	341(2)(b)	2	391,400	100%	391,400	8,748	7,719	16,467
2154.001	Island Corridor Foundation		railway corridor	224(2)(a)	341(2)(b)	6	8,300	100%	8,300	86	40	126
2154.003	Island Corridor Foundation		railway corridor	224(2)(a)	341(2)(b)	6	258,000	100%	258,000	2,677	1,247	3,924
2154.013	Island Corridor Foundation	Island Corridor Foundation	railway corridor / Train Station	224(2)(a)	341(2)(b)	2	3,800	100%	3,800	85	75	160
2154.013	Island Corridor Foundation	Island Corridor Foundation	railway corridor / Train Station	224(2)(a)	341(2)(b)	6	374,200	100%	374,200	3,883	1,809	5,692
							\$ 1,431,200		\$ 1,431,200	\$ 24,320	\$ 18,690	\$ 43,010



August 5, 2020

His Worship
Mayor Bob Wells
The Corporation of the City of Courtenay
830 Cliffe Avenue
Courtenay BC V9N 2J7

Reference: 294285
Your File: 0410-20

Dear Mayor Wells,

Re: 5th Street Bridge Rehabilitation

I am responding to the letter of May 26, 2020, sent to me on Council's behalf by Deputy Corporate Officer Wendy Sorichta, regarding the 5th Street Bridge Rehabilitation Project.

I recognize the importance of this project to the City, and I congratulate the City for securing funding for it under the New Building Canada Fund-Small Communities Fund (NBCF-SCF). I understand you have been in contact with our regional office about this matter, which is important as we coordinate projects even if we are unable to directly support them. My staff at the Infrastructure Development Branch have also been in contact with City staff regarding the cost-overrun and the stacking rule under the NBCF-SCF program, which specifies that the maximum federal or provincial contribution from all sources will be one-third (33.3 per cent) of the approved total eligible costs.

If you have other infrastructure projects that will support safe and accessible active transportation in alignment with the best practices outlined in the British Columbia Active Transportation Design Guide, I encourage you to apply for cost-share funding through the [B.C. Active Transportation Infrastructure Grants Program](#). The intake for the 2020/21 fiscal year recently closed, but you can connect with the director of the grants program, Jesse Skulmoski, regarding a submission for next year's intake. Mr. Skulmoski can be reached at 778 974-5274 or at Jesse.Skulmoski@gov.bc.ca and would be pleased to help you.

The British Columbia Active Transportation Design Guide is designed to help local governments build safe and effective active transportation infrastructure. The guide is available free of charge on the [ministry's website](#).

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The Ministry of Municipal Affairs and Housing has also launched another intake for their Community, Culture and Recreation Program and Rural and Northern Communities Program which will close in October 2020. For more information on these funding programs, please visit the [Investing in Canada Infrastructure Program website](#).

Thank you for taking the time to write.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Claire Trevena', with a long horizontal flourish extending to the right.

Claire Trevena
Minister

Copy to: Chris Davidson, Director of Engineering Services
City of Courtenay

Jesse Skulmoski, Director, Active Transportation Infrastructure Grants Program
Programs and Corporate Initiatives Branch

August 13, 2020

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

By email: info@courtenay.ca

RE: Application for 2020 Community Excellence Awards

Dear Mayor Wells and Council,

Thank you for submitting the following application(s) for the 2020 Community Excellence Awards:

- Excellence in Asset Management - Operationalizing Asset Management at the City of Courtenay

The Selection Committee will review all applications and the winners will be announced at the Community Excellence Awards ceremony held during UBCM's 2020 Convention which is being virtually this year.

This year, the awards ceremony will take place from 1:20 – 2:00 pm on Wednesday, September 23, 2020.

We hope you are able to participate in our virtual awards ceremony to celebrate this year's winners. If you have any questions, please contact 250 356-5193 or awards@ubcm.ca.

Sincerely,

A handwritten signature in blue ink that reads "Danyta Welch".

Danyta Welch
Manager, Local Government Program Services

cc: David Allen, CAO, City of Courtenay

