

# 2016 Five Year Financial Plan

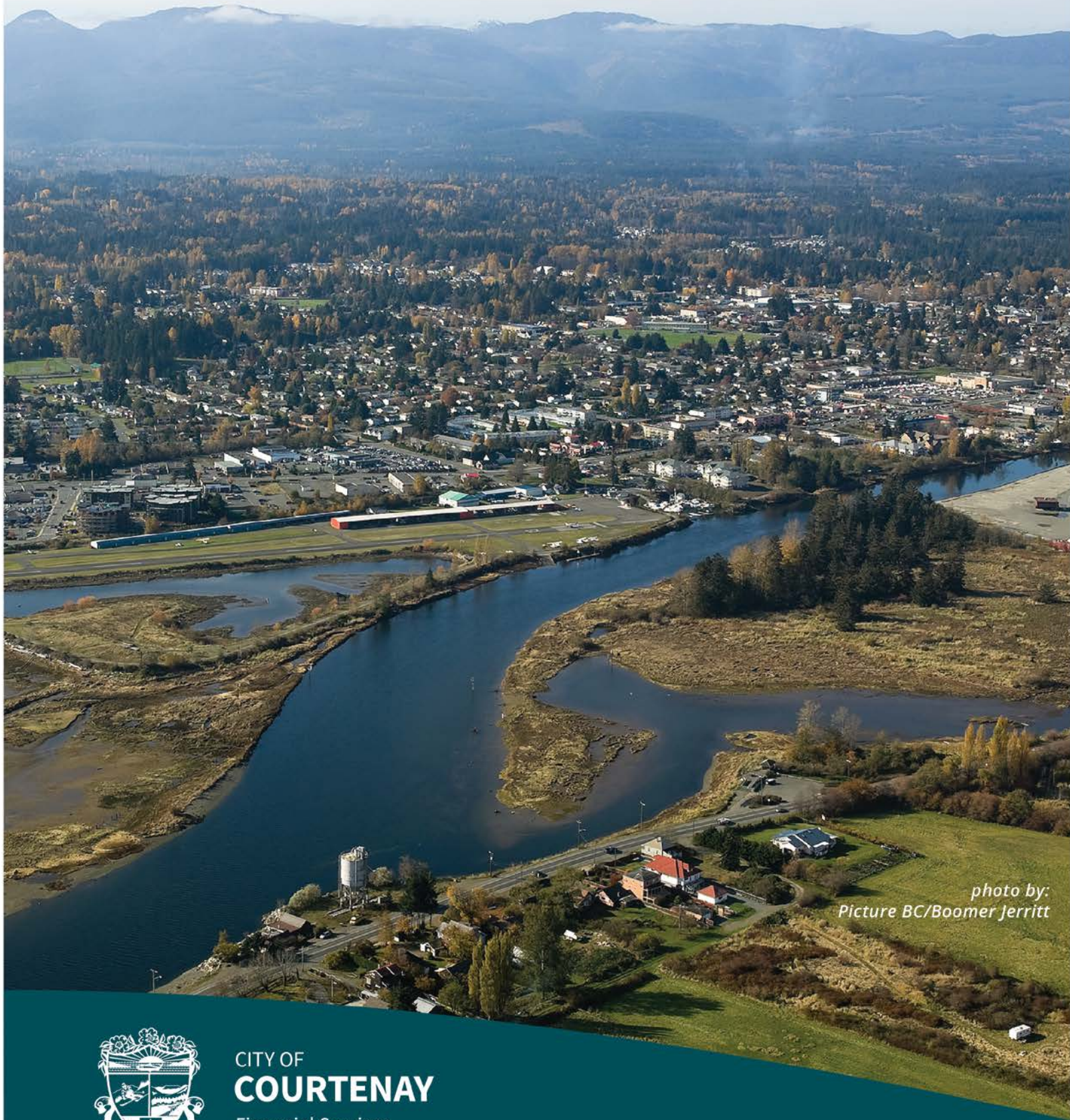


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CITY OF  
**COURTENAY**  
Financial Services

# 2016 – 2020 Five-Year Financial Plan





# 2016 – 2020 Five-Year Financial Plan

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# 2016 – 2020 Five-Year Financial Plan

## Introduction

The *Community Charter* requires that a local government adopt an annual five-year financial plan bylaw before the annual tax rate bylaw is adopted each year (before May 15). It is respectfully suggested that this submission, including the previously reviewed Water and Sewer Operating and Capital draft financial plans (CoW March 29, 2016), will meet the statutory requirements.

This draft financial plan was developed as a broad-based, collective effort and was strongly influenced by the six Themes of Council's 2016-2018 Strategic Priorities:

- ✓ Vibrant economic growth
- ✓ Investment in our natural and built environment
- ✓ Multi-modal transportation
- ✓ Diversity in housing and reasoned land use planning
- ✓ Organizational and governance excellence
- ✓ Investment in key relationships

Efforts were also made to remain within Council's "Area of Control", "Area of Influence" and "Area of Concern" as defined in the adopted strategic priorities document (provided below).

Additionally, the aim of Sustainable Service Delivery was emphasised by continuing to improve the level of Asset Management best-practices. This focus is summarized by the following out-take from Council's Asset Management Policy adopted in June of 2015:

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

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

# 2016 – 2020 Five-Year Financial Plan

## Strategic Priorities chart

### City of Courtenay Strategic Priorities 2016 – 2018

#### We actively pursue vibrant economic growth

- Revitalizing our downtown is critical to our economic future
- Continue to improve our relationship with business in our community
- ▲ Our investment in economic development is measurable
- ▲ Continue to explore innovative economic options
- The regional airport is a key economic driver

#### We proactively plan and invest in our natural and built environment

- Continued focus on asset management for sustainable service delivery
- Focus on infrastructure renewal rather than upgrades
- Continued support for social, economic and environmental sustainability solutions
- ▲ We look for regional infrastructure solutions for shared services to our community

#### We value multi-modal transportation in our community

- We support developing multi-modal transportation network plans
- As we build new or replace existing transportation infrastructure, we are consistent with what we learn from our Complete Streets Pilot Project
- ▲ Support our regional transit service while balancing service improvements with costs

#### We support diversity in housing and reasoned land use planning

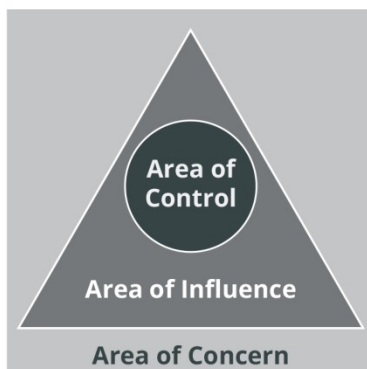
- Support densification aligned with community input and regional growth strategy
- Assess how city-owned lands can support our strategic land acquisitions and disposals
- ▲ Support initiatives and incentives to encourage lower cost housing
- Proactively pursue housing diversity and advocate for senior government support

#### We focus on organizational and governance excellence

- We support and encourage initiatives to improve efficiencies
- We support meeting the fundamental corporate and statutory obligations
- We recognize staff capacity is a finite resource
- Communication with our community is a priority, and is considered in all decisions we make
- We responsibly provide services at a level which the people we serve are willing to pay

#### We invest in our key relationships

- We value and recognize the importance of our volunteers
- We will continue to engage and partner with service organizations for community benefit
- ▲ We actively engage with our K'ómoks First Nation neighbours on issues of mutual interest and concern
- ▲ We advocate and cooperate with other local governments and senior governments on regional issues affecting our city



#### ● 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.

# 2016 – 2020 Five-Year Financial Plan

## Budget Overview

The Financial Plan information in this report is presented in four distinct sections: Revenues and Funding Sources, Operating Expenses, Capital Transactions, and Reserves and Surpluses.

The section on operating expenses is divided into the seven standard divisions that most local governments use to report, which enables comparisons to other local governments. Within each division are the plans for each department and functional areas. Those plans are presented in a summarized format that is intended to facilitate the budget decision-making process.

This document presents a consolidated view of the organization, as opposed to a department by department view. It is intended to provide the reader with a perspective of what the organization is working toward over the next five years. It is also intended to provide a better comparison to the annual financial report issued at the end of the year.

The new budget process and this report are a work in progress. As we progress, this report will be refined in subsequent years to make it a more fluid commentary on the budget process and plans.

## ***Budgeting by Funds***

The City provides a variety of services that are budgeted through three different operating funds, and three different capital funds. It is important to note that taxation and most miscellaneous revenue is recognized in the General Fund whereas the utility operating funds are essentially self-supporting.

## **The General Fund**

The General Fund accounts for the widest variety of City activities. The costs of policing, fire and emergency services, streets and roads, planning and development, parks, recreation and culture, building maintenance, animal control, bylaw enforcement, solid waste services, and the majority of administrative costs of the City are shown in this fund. Most service areas generate additional revenue sources that are used to offset the cost of the service provided, however the largest revenue source continues to be property taxes.

## **The Water and Sewer Utility Funds**

The Water Utility fund accounts for the City's activities in distributing potable water to the community while the Sewer Utility accounts for the removal of the waste water generated by residents. The Comox Valley Regional District (CVRD) provides bulk water and waste water treatment to Courtenay and surrounding regional partners. The CVRD bills benefitting entities for water and sewer services based on proportional flows.

The activities in the Water and Sewer funds are paid via User Fees and Frontage-Parcel taxes on properties. There is a budgeted transfer from the water and sewer utility funds to the General Fund that represents the administrative costs associated with general government costs related to issues relative to these respective areas.

# 2016 – 2020 Five-Year Financial Plan

## Important Notes

### Operating Budget Surplus

This budget follows generally accepted accounting principles by recording all revenues as operating revenues and only operating expenses as expenses. The result is a surplus from operations that is allocated to Capital purchases and projects, loan payments and contributions to reserves.

### Debt

The City's debt servicing costs in 2016 total about \$1,709,400 which represents a reduction of approximately \$362,400 from the prior year.

### Capital Assets

The department Capital budget proposals have been developed using Asset Management practices in their preliminary form. These were collectively reviewed to ensure an organization-wide perspective that will best remain within existing staff capacity and making best efforts to avoid in-service failures that will lead to service disruption(s). A summary list and a more detailed list of capital spending are available within this document. Total capital spending in 2016 is projected to be \$9,676,700.

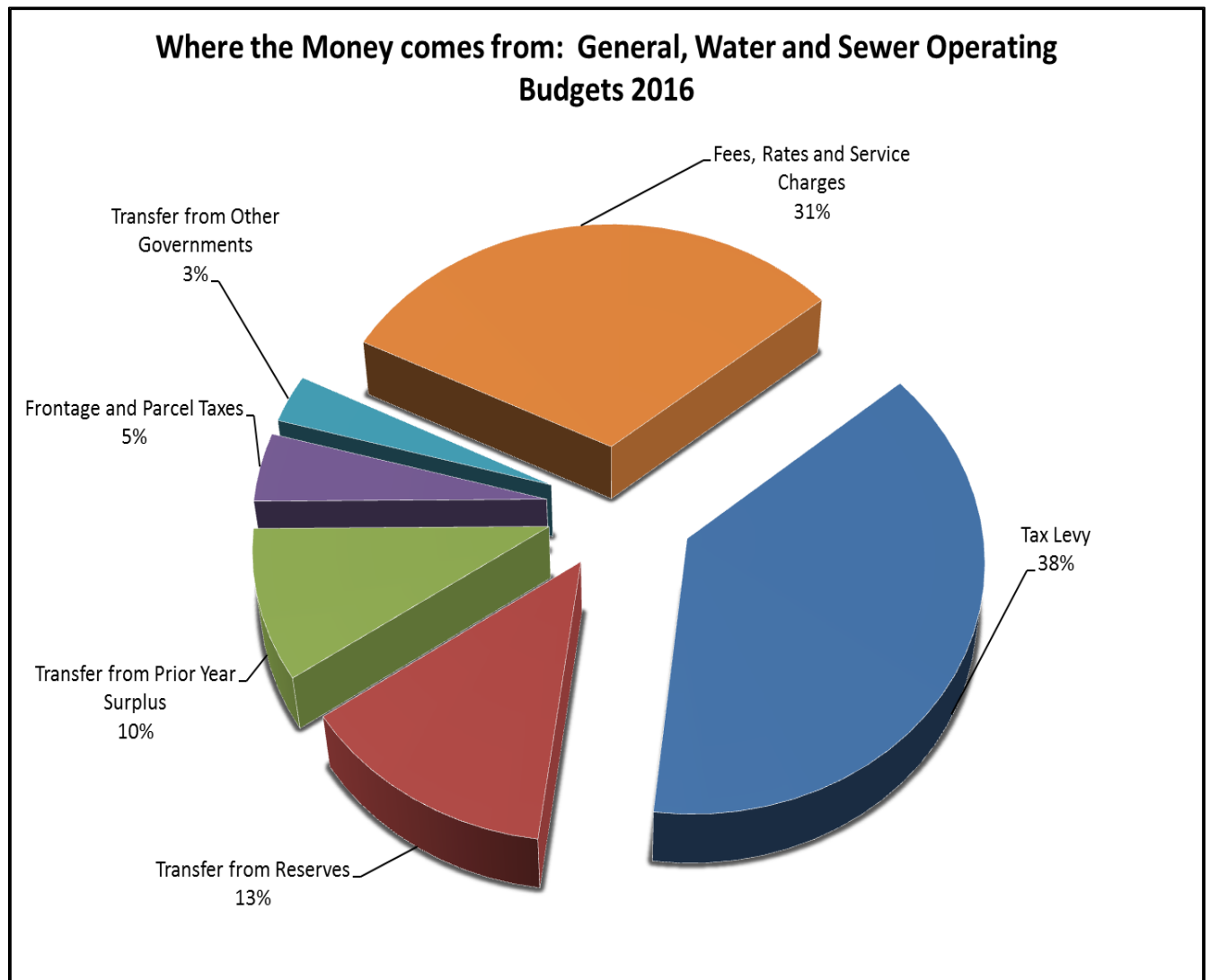
### Consolidated Financial Plan (without amortization)

City of Courtenay					
2016 - 2020 Consolidated Financial Plan Summary					
(without amortization)					
Revenues	2016	2017	2018	2019	2020
Operating Revenues	45,914,700	50,926,100	54,009,700	53,285,300	55,450,500
Reserves & Surplus	13,648,600	7,427,200	10,245,800	5,197,400	4,118,500
New Debt Financing	-	1,926,500	15,012,000	9,567,800	32,018,700
	<b>59,563,300</b>	<b>60,279,800</b>	<b>79,267,500</b>	<b>68,050,500</b>	<b>91,587,700</b>
Expenses					
Operating Expenses	\$ 40,360,600	\$ 40,168,800	\$ 41,341,200	\$ 42,194,500	\$ 43,326,800
Capital Assets	9,676,700	13,306,500	30,595,900	16,536,600	37,495,300
Capital Debt Payments	1,709,400	1,708,800	2,222,300	3,204,600	3,917,300
Transfers to Reserves & Surplus	7,816,600	5,095,700	5,108,100	6,114,800	6,848,300
	<b>\$ 59,563,300</b>	<b>\$ 60,279,800</b>	<b>\$ 79,267,500</b>	<b>\$ 68,050,500</b>	<b>\$ 91,587,700</b>



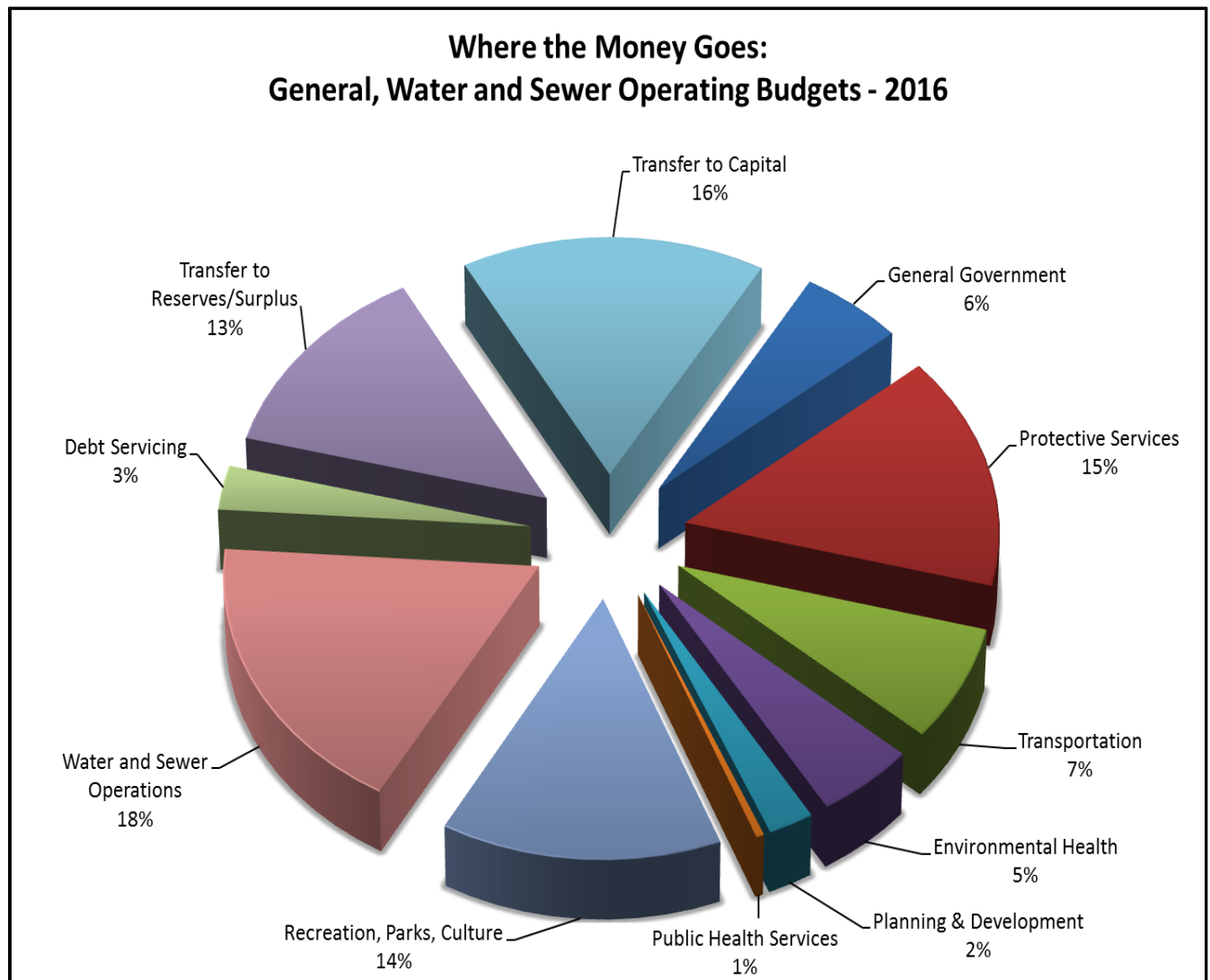
# 2016 – 2020 Five-Year Financial Plan

## Consolidated Financial Plan – Source of funds graph



# 2016 – 2020 Five-Year Financial Plan

## Consolidated Financial Plan – Use of funds graph

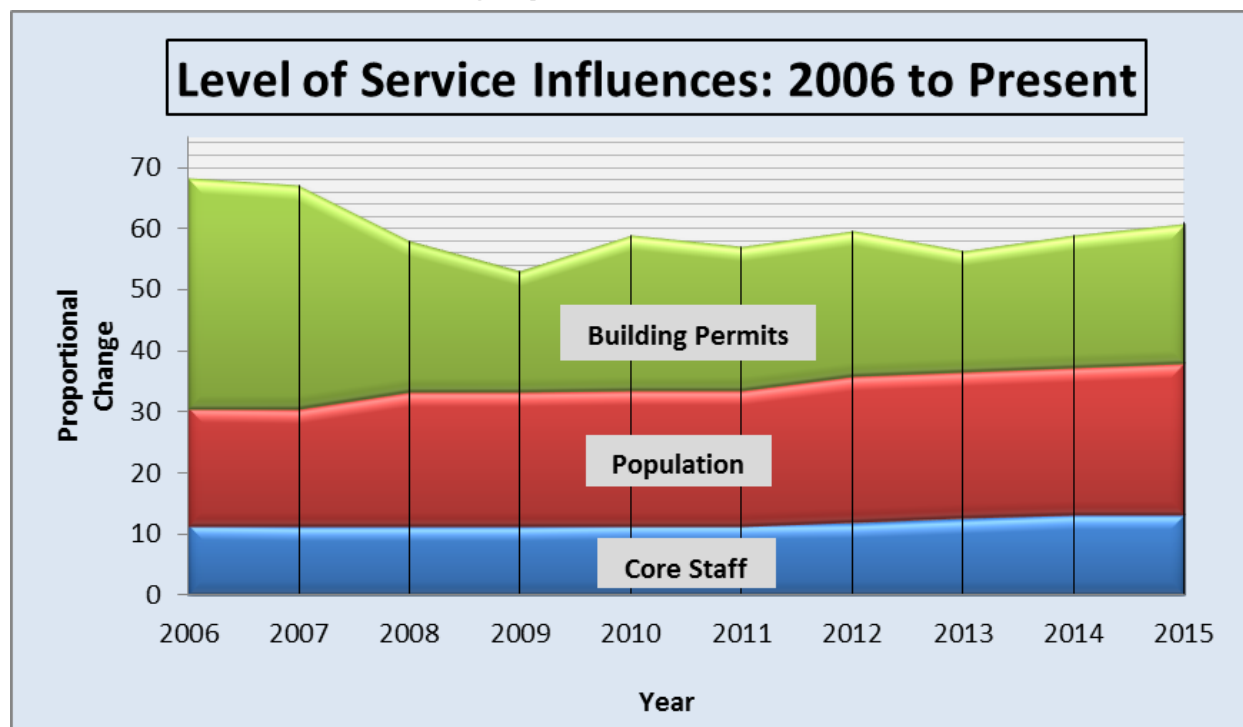


# 2016 – 2020 Five-Year Financial Plan

This graph is intended to demonstrate the capacity relationship between community economic activity, population and the number of full-time staff over the past ten years.

- The number of Building Permits per year directly affects capacity needs in Development Services, Engineering, Public Works, Finance and General Government functions;
- The change in population indicates the number of Courtenay residents receiving all City Services, which directly affects demand on organization-wide capacity; and
- Core Staff is the number of full-time positions (i.e. this does not include the seasonal surge or level of service increases generally associated with costs for part-time and contract staff hired principally for parks, recreation and cultural activities).

## Level of Service Influences graph



# Revenue and Funding Sources



# 2016 – 2020 Five-Year Financial Plan

## Revenue and Funding Sources

The City's activities are supported by revenues from a variety of sources. This section provides information on the City's objectives and policies as established by Revenue and Tax Policy # 1700.00.01, and includes information in light of these policies. Some of the information reported in this section is included in Schedule A of the Financial Plan Bylaw 2848 to meet the reporting requirements of the Community Charter.

The following graph shows where the 2016 revenue comes in the consolidated Financial Plan. More detail is provided in this section of the specific revenue sources, including comparisons to other local governments, and to prior years. The following chart summarizes the specific revenue source, with detail on the specific revenue sources presented further in this section.

### Consolidated Financial Plan – Revenues Chart

Consolidated Financial Plan					
Revenues	2016	2017	2018	2019	2020
<b>Taxes</b>					
General Property Taxes	\$ 22,011,300	\$ 22,988,000	\$ 24,133,500	\$ 26,155,900	\$ 27,941,500
Collections for Other Governments	20,783,500	21,748,900	22,635,600	23,039,200	23,441,800
Total Property Taxes	42,794,800	44,736,900	46,769,100	49,195,100	51,383,300
Frontage & Parcel Taxes	2,655,500	2,668,600	2,965,100	2,978,300	2,991,700
Grants in Place of Property Taxes	406,900	415,100	423,300	431,700	440,400
% of Revenue Tax	385,500	393,200	401,100	409,100	417,300
Total Taxes Collected	46,242,700	48,213,800	50,558,600	53,014,200	55,232,700
Less: Transfers to Other Governments	(20,910,000)	(21,877,900)	(22,767,300)	(23,173,500)	(23,578,800)
<b>Net Taxes for Municipal Purposes</b>	<b>25,332,700</b>	<b>26,335,900</b>	<b>27,791,300</b>	<b>29,840,700</b>	<b>31,653,900</b>
<b>Other Revenues</b>					
Fees and Charges	16,077,600	16,841,500	17,735,800	18,414,200	19,123,100
Revenue from Other Sources	2,611,500	5,466,500	6,264,100	3,042,300	2,654,200
Other Contributions	25,100	377,700	276,500	7,900	-
Transfers from Other Govt & Agencies	1,867,800	1,904,500	1,942,000	1,980,200	2,019,300
Total Other Revenues	20,582,000	24,590,200	26,218,400	23,444,600	23,796,600
<b>Total Operating Revenues</b>	<b>45,914,700</b>	<b>50,926,100</b>	<b>54,009,700</b>	<b>53,285,300</b>	<b>55,450,500</b>
<b>Transfers From Reserves and Surplus</b>					
From Reserves	7,921,200	6,767,600	10,144,200	4,947,400	4,116,500
From Surplus	5,727,400	659,600	101,600	250,000	2,000
<b>Total from Reserves and Surplus</b>	<b>13,648,600</b>	<b>7,427,200</b>	<b>10,245,800</b>	<b>5,197,400</b>	<b>4,118,500</b>
<b>Funding from Debt</b>	<b>-</b>	<b>1,926,500</b>	<b>15,012,000</b>	<b>9,567,800</b>	<b>32,018,700</b>
<b>Total Revenues</b>	<b>59,563,300</b>	<b>60,279,800</b>	<b>79,267,500</b>	<b>68,050,500</b>	<b>91,587,700</b>

### Property value taxes and parcel taxes

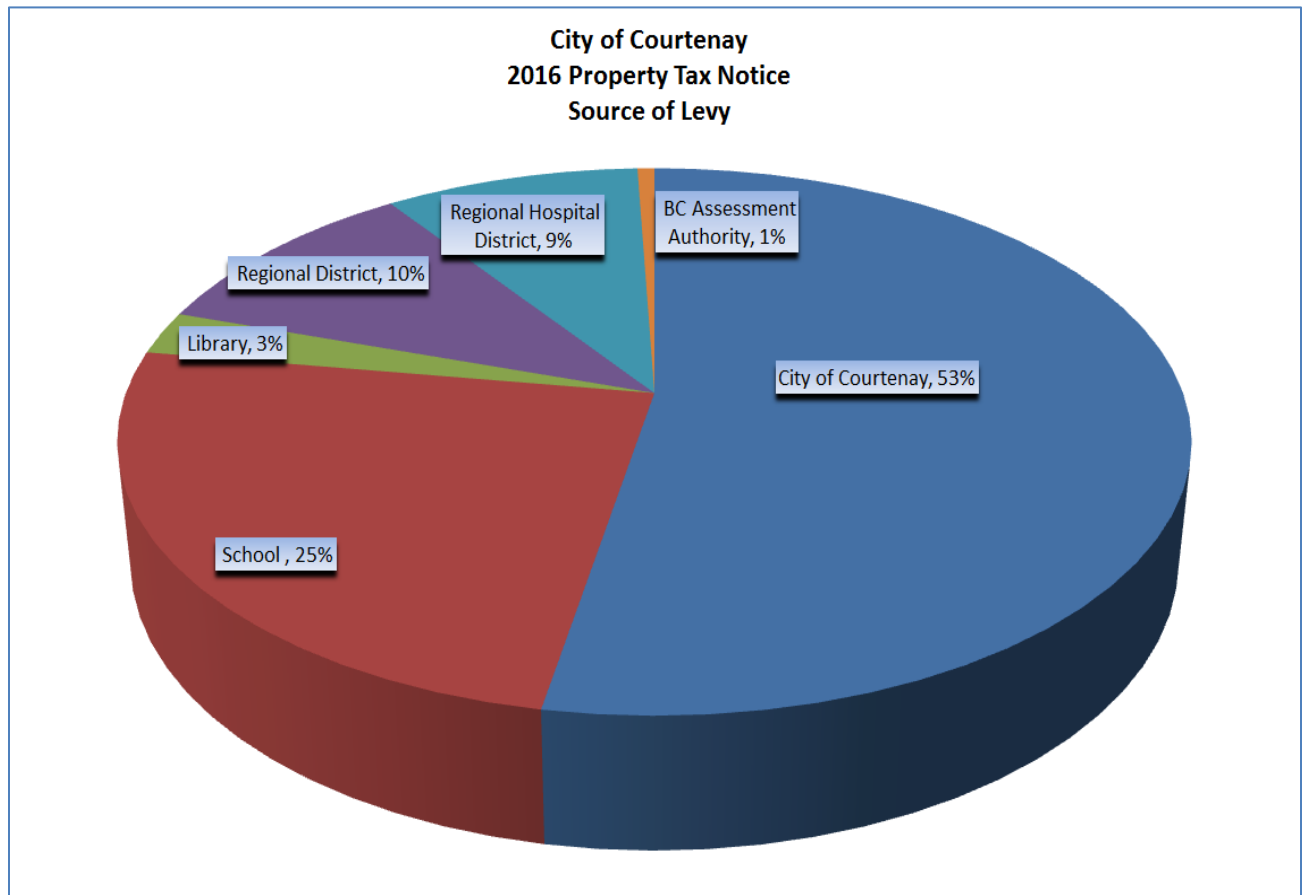
Close to 40% of the City's total revenues are obtained through property value taxes. In reviewing the level of funding coming from taxation, the City determines the amount of expenditures required to provide all the desired municipal services to residents, then the amount of revenue (other than property taxes) the City can expect to receive through fees and charges, federal and provincial government grants, transfers from reserves and surplus, etc. The difference between the budgeted expenditures and the other revenue is the amount of property tax revenue the City must collect to provide services.

# 2016 – 2020 Five-Year Financial Plan

The City is challenged to maintain stable or reduced taxation levels, while maintaining or increasing service levels. When the cost of providing a service increases (e.g. through inflation, changes in statutory requirements or product cost or increases to capacity), the City must either raise more revenue to provide the same level of service or reduce the level of service provided to maintain the same level of funding.

The City's policy is that where new sources of revenue are made available to the City from senior governments, wherever possible these revenues will be used to reduce dependency on property taxation revenue. In addition, the City's policy regarding parcel taxes is that they will be used whenever Council determines that they are more appropriate than property taxes. In addition to municipal property value taxes, the City also collects property value taxes on behalf of other agencies.

## 2016 Sources of Property Tax Levy



# 2016 – 2020 Five-Year Financial Plan

## Property Tax Increases

The budget for municipal property taxes reflects a general increase of 2% over prior year taxes for general operations (including the collective agreement, energy costs and the levy for debt payments), an increase for growth in the assessment base, and the levy for the library. For 2016 the infrastructure levy is also set at 2% over the prior year for future infrastructure renewals and contributions to reserves.

## Taxes for Municipal Purposes chart

Taxes for Municipal Purposes	2014	2015	2016	2017	2018	2019	2020
	Actual	Unaudited Actual	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
<b>REVENUES</b>							
<b>Annual increase</b>							
General Operations			2.0%	2.0%	2.0%	2.0%	2.0%
Capital Purposes							
Capital Projects			0.5%	0.5%	0.0%	0.0%	0.0%
Special Levy - Infrastructure Renewal			1.5%	1.5%	2.0%	2.0%	2.0%
			4.0%	4.0%	4.0%	4.0%	4.0%
<b>General Property Taxes</b>							
General Purpose	\$ 17,318,456	\$ 18,132,007	\$ 18,675,500	\$ 19,248,100	\$ 19,832,200	\$ 20,427,900	\$ 21,035,600
Property Tax Estimation New Construction	-	-	195,200	195,200	195,200	195,200	195,200
Infrastructure & Asset Management Levy	-	43,000	406,500	788,100	1,188,800	1,609,200	2,049,900
Boundary Extension Tax Adjustment	159,902	162,508	-	-	-	-	-
	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Debt Levy	1,811,805	1,654,293	1,520,600	1,520,000	1,657,200	2,639,500	3,352,300
General Tax Supplementary Adjustment	(30,265)	(31,263)	(31,900)	(32,500)	(33,200)	(33,900)	(34,600)
Library	1,085,184	1,145,907	1,185,400	1,209,100	1,233,300	1,258,000	1,283,100
Total General Property Taxes	20,405,082	21,166,452	22,011,300	22,988,000	24,133,500	26,155,900	27,941,500
Collections for Other Governments	19,944,900	20,062,704	20,783,500	21,748,900	22,635,600	23,039,200	23,441,800
Total Property Taxes	40,349,982	41,229,156	42,794,800	44,736,900	46,769,100	49,195,100	51,383,300
Frontage & Parcel Taxes	2,621,084	2,646,953	2,655,500	2,668,600	2,965,100	2,978,300	2,991,700
Grants in Lieu of Property Taxes	420,658	401,737	406,900	415,100	423,300	431,700	440,400
% of Revenue Tax	385,251	384,082	385,500	393,200	401,100	409,100	417,300
Total Taxes Collected	43,776,975	44,661,928	46,242,700	48,213,800	50,558,600	53,014,200	55,232,700
Less Transfer to Other Governments	(20,074,863)	(20,183,207)	(20,910,000)	(21,877,900)	(22,767,300)	(23,173,500)	(23,578,800)
<b>Taxes for Municipal Purposes</b>	<b>\$ 23,702,112</b>	<b>\$ 24,478,721</b>	<b>\$ 25,332,700</b>	<b>\$ 26,335,900</b>	<b>\$ 27,791,300</b>	<b>\$ 29,840,700</b>	<b>\$ 31,653,900</b>



# 2016 – 2020 Five-Year Financial Plan

## Distribution of property value taxes

The *Community Charter* requires the municipality to report on the objectives and policies with respect to the distribution of property value taxes among the property classes. The variable tax rate system in BC enables the City to vary the amount of taxes collected from the various property classes, based on the City's goals and objectives. The City's policies regarding property tax distribution are:

- ❖ The City of Courtenay will attempt to keep the percentage of property taxes received from residential taxpayers at a level comparable to the average of similar municipalities;
- ❖ The City has set tax rates in order to maintain tax stability, by maintaining the proportionate relationship between the property classes. This practice allows the various taxpayers in the municipality to be confident that, in any year, their property tax bill will only increase as much as their proportion of the increase in tax revenue required year over year;
- ❖ The City will attempt, over time, to reduce the commercial tax rate where necessary to ensure that Courtenay remains a competitive location for commercial activity;
- ❖ Each year, Council has considered whether to reduce the commercial rate multiple, which effectively shifts tax load from the commercial class to the residential class taxpayer.

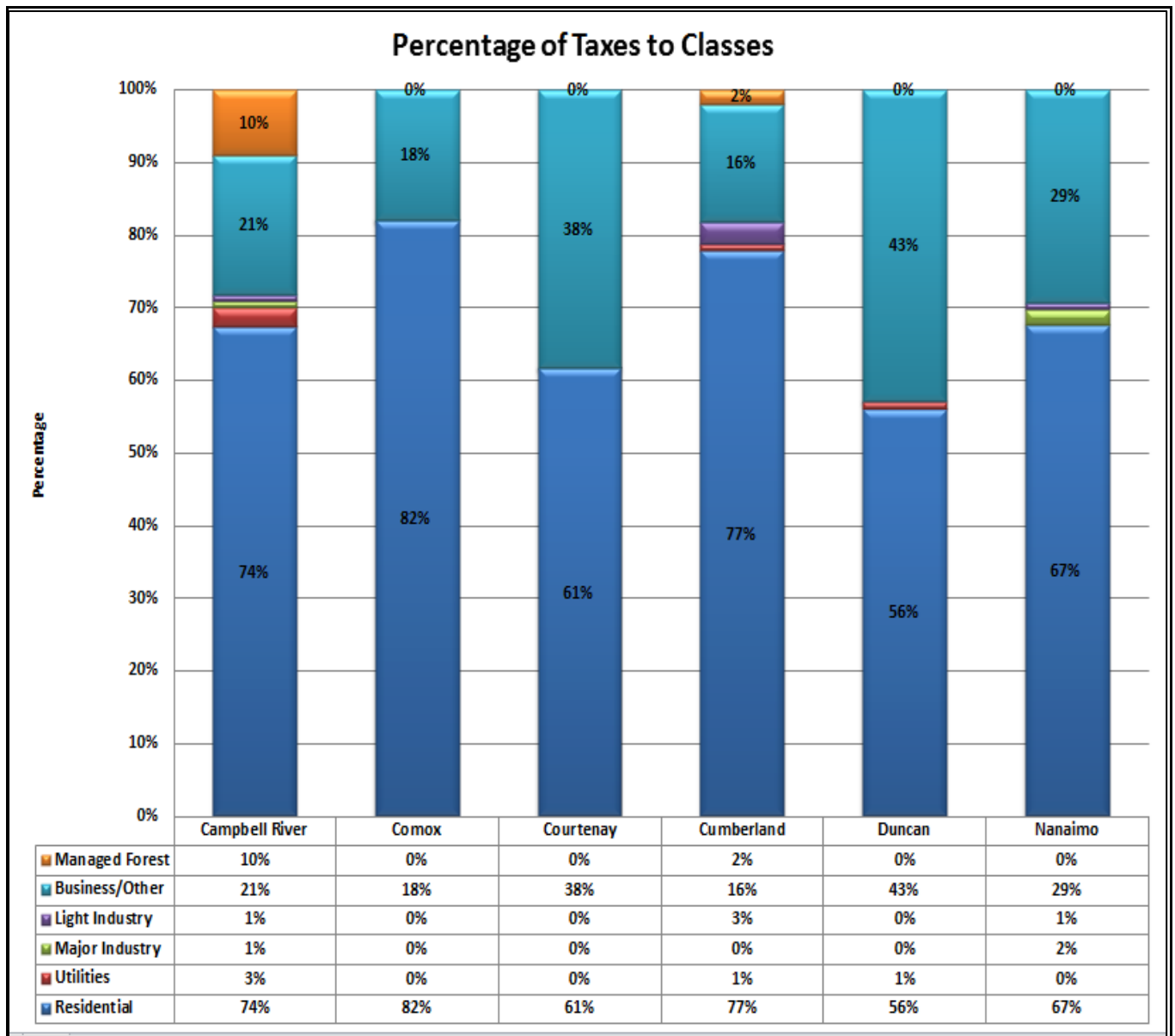
## 2014 – 2016 distribution amongst the classes chart

Property Class	2014		2015		2016	
	Rate Multiple	Property Value Tax	Rate Multiple	Property Value Tax	Rate Multiple	Property Value Tax
01 Residential	1.00	60.10%	1.00	60.60%	1.00	61.80%
02 Utilities	7.00	0.27%	7.00	0.27%	7.00	0.27%
04 Major Industry	3.90	0.00%	3.90	0.00%	3.90	0.00%
05 Light Industry	3.90	0.33%	3.90	0.36%	3.90	0.38%
06 Business	2.80	39.19%	2.80	38.65%	2.80	37.45%
08 Recreation/Non-Profit	1.00	0.08%	1.00	0.08%	1.00	0.08%
09 Farm	1.00	0.03%	1.00	0.03%	1.00	0.03%
<b>TOTAL</b>		<b>100.00%</b>		<b>100.00%</b>		<b>100.00%</b>



# 2016 – 2020 Five-Year Financial Plan

## 2015 Percentage of Taxes to Classes comparison graph



# 2016 – 2020 Five-Year Financial Plan

## Property Tax Rates

The City determines the “tax rate” (a charge per \$1,000 of assessed property value) by dividing the sum of all the assessed property values in the City by the amount of property tax revenue that must be collected. The “tax rate” is simply a means of determining the proportional amount each individual property owner must pay to receive the package of services provided by the City.

The variable tax rate system in BC levies more of the property tax to owners of more valuable properties than to owners of less valuable properties, as individuals owning more valuable properties, in general, have an ability to pay more than those in lesser valued properties. The tax rate each year is based on the revenue the City budgets to collect and the assessed values of all the properties in the City at that time. Changes in the total assessed property values in the City will cause the tax rate to change, but on its own, it has no effect on the amount each property owner must pay unless his/her assessed value change is different from the average change in value.

## 2013 - 2016 Property Tax Rates chart

Class		2016 Rate	2015 Rate	2014 Rate	2013 Rate
01	Residential	4.0414	3.9404	3.8286	3.7322
02	Utilities	28.2899	27.5831	26.8001	26.1249
03	Supportive Housing	4.0414	3.9404	3.8286	3.7322
04	Major Industry	15.7615	15.3677	14.9314	14.5553
05	Light Industry	15.7615	15.3677	14.9314	14.5553
06	Business	11.3160	11.0333	10.7201	10.6365
08	Recreation/Non-Profit	4.0414	3.9404	3.8286	3.7322
09	Farm	4.0414	3.9404	3.8286	3.7322
<b>Total</b>		<b>87.2945</b>	<b>85.1134</b>	<b>82.6974</b>	<b>80.8008</b>
<i>Percentage Change between Current Year and Prior Year Municipal Tax Rates</i>		2.56%	2.92%	2.35%	3.84%

# 2016 – 2020 Five-Year Financial Plan

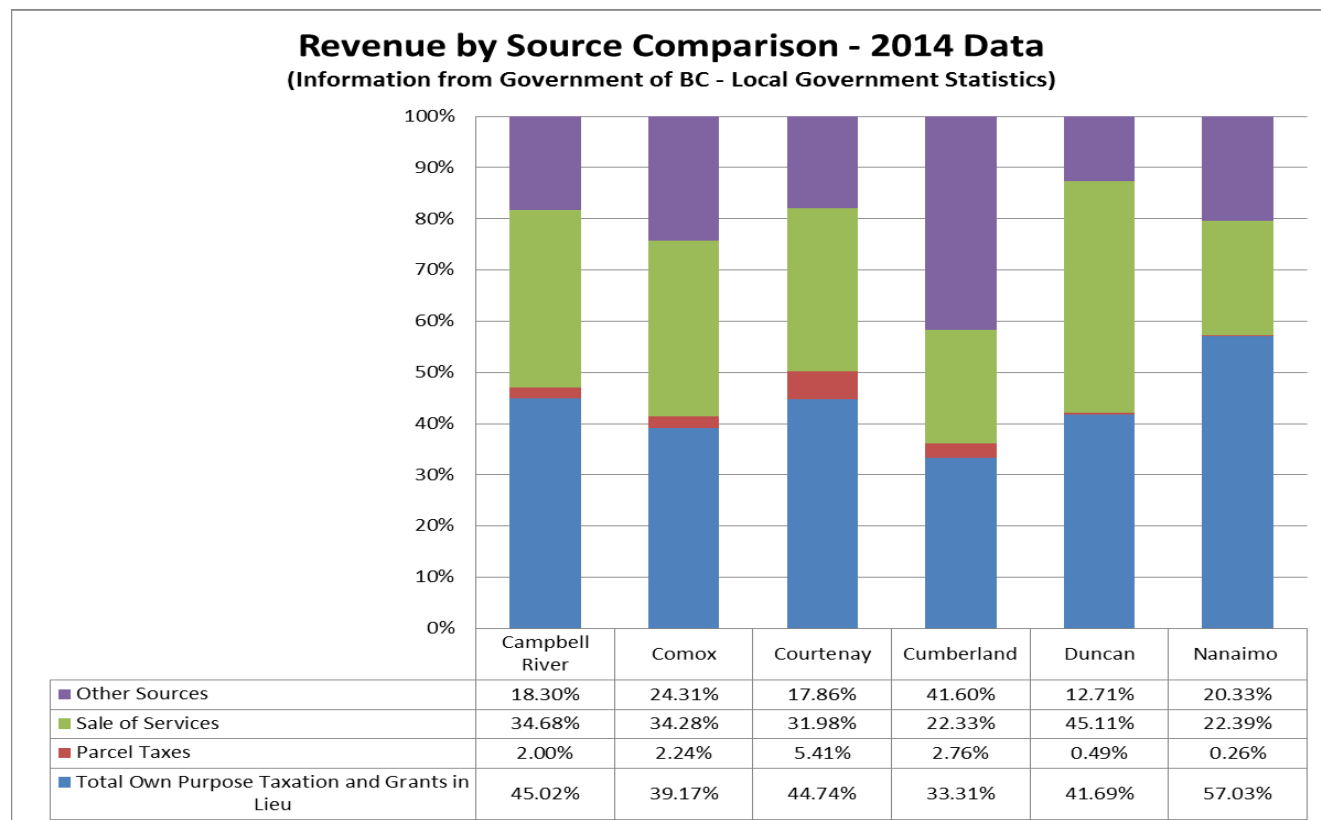
## Proportion of revenue by source

The City's policy is to try to keep the proportional share of revenue from property taxes at a level similar to the average of comparable municipalities. The following table provides a summary of the total dollars and the percentage of revenue from the various sources, and the comparison of these values and percentages over the past three years.

## 2014 – 2016 Proportion of revenue by source chart

Revenue Source	2014		2015		2016	
	Amount	% Total Revenue	Amount	% Total Revenue	Amount	% Total Revenue
Property Value Taxes	21,095,354	39.5%	21,920,748	35.4%	22,677,200	38.0%
Parcel Taxes	2,523,322	4.7%	2,592,311	4.2%	2,655,500	4.5%
Fees and Charges	11,224,107	21.0%	11,942,340	19.3%	16,077,600	27.0%
Other Sources	8,206,268	15.4%	9,769,237	15.8%	4,504,400	7.6%
Borrowing	-	0.0%	-	0.0%	-	0.0%
Reserves/Surpluses	10,363,192	19.4%	15,650,558	25.3%	13,648,600	22.9%
<b>TOTAL</b>	<b>53,412,243</b>	<b>100.0%</b>	<b>61,875,194</b>	<b>100.0%</b>	<b>59,563,300</b>	<b>100.0%</b>

## Comparison to other jurisdictions graph



# 2016 – 2020 Five-Year Financial Plan

## Frontage and Parcel Taxes

The City levies frontage taxes to support infrastructure maintenance and replacement in the water and sewer utility. In 2016, the frontage tax rate for the sewer utility is the same as 2015 at \$10.24 per meter of frontage. The Water Frontage-Parcel Taxes are \$3.74 per meter and are not increasing in 2016.

The City also levies parcel taxes for local area improvements on specific properties that have financed the cost to connect to the City's services over time, as opposed to paying a one-time fee.

The total revenue from parcel and frontage taxes in 2016 is \$2,655,500.

## Permissive Tax Exemptions

The City grants permissive tax exemptions to qualifying organizations, as authorized by the Community Charter. A permissive tax exemption is strictly at the discretion of Council. After careful consideration of all applications, Council may approve a full, a partial, or no tax exemption. The tax exemption may vary for different applicants.

The City's policy 1960.00.01 regarding permissive tax exemptions is that the cumulative value of permissive tax exemptions shall not exceed 2% of the total tax levy of the previous year.

## Permissive Property Tax Exemptions chart

<b>Permissive Property Tax Exemptions</b>	<b>2014 Property Tax Revenue Exempted</b>	<b>2015 Property Tax Revenue Exempted</b>	<b>2016 Property Tax Revenue Exempted</b>
City owned properties / managed by not-for-profit groups	\$ 171,609	\$ 173,376	\$ 175,040
Not-for Profit Organizations	158,505	149,925	133,867
Churches	14,224	15,184	15,486
<b>TOTAL</b>	<b>344,338</b>	<b>\$338,485</b>	<b>324,393</b>
Prior year tax levy for municipal purposes	20,289,153	20,345,082	21,106,452
<b>As a percentage of municipal tax levy</b>	<b>1.70%</b>	<b>1.66%</b>	<b>1.54%</b>



# 2016 – 2020 Five-Year Financial Plan

## Tax Comparisons

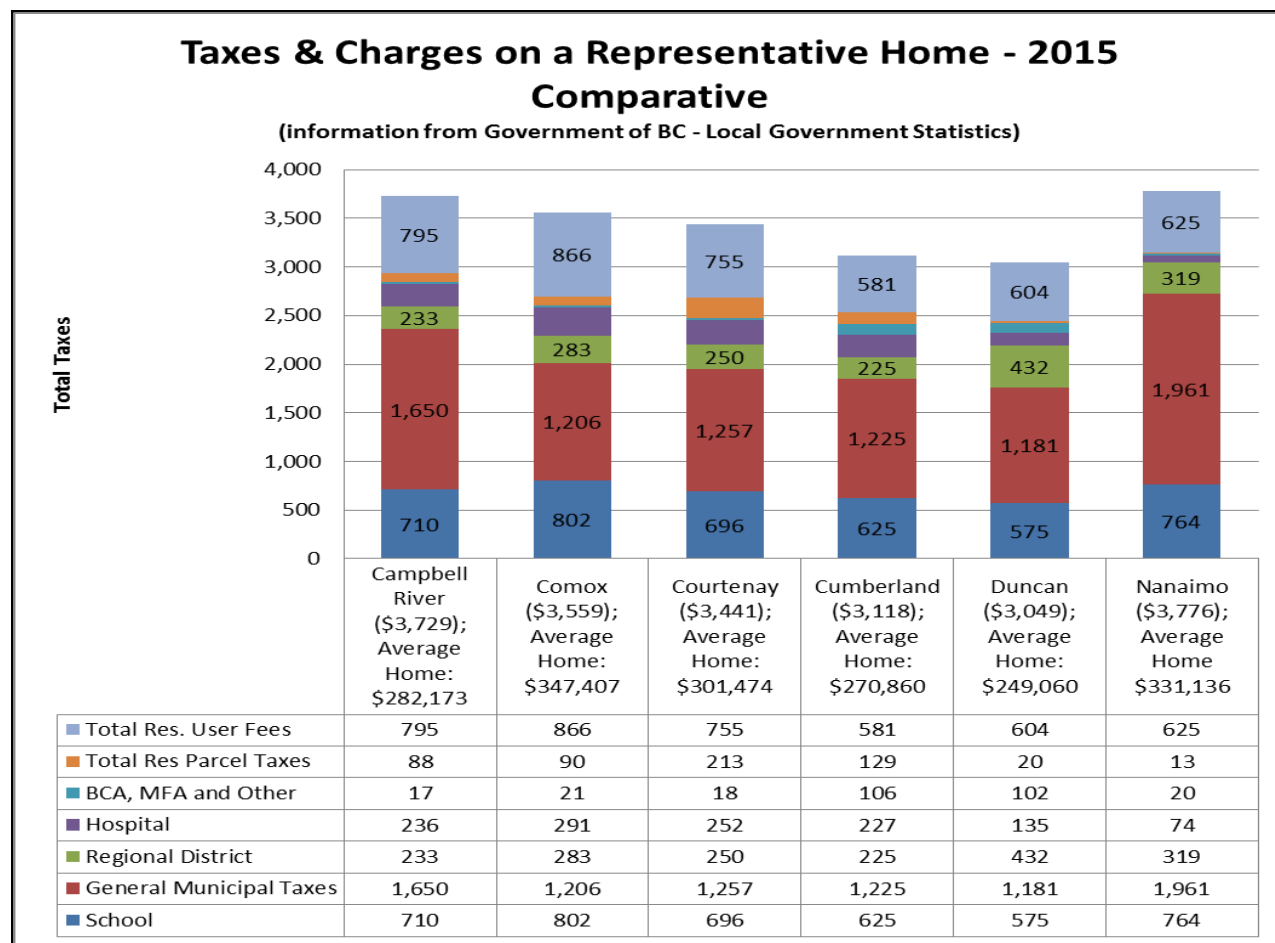
This section provides comparisons on the property value taxes and other taxes. These comparisons include a representative house, commercial taxes, and comparisons with other local governments. These comparisons are based on projected budgets.

### 2016 Property tax on a representative home

The property tax increase for an “average” residential property, valued at \$301,500 is estimated to be an increase of \$48 for the municipal taxation portion of the tax notice. This is equivalent to \$4.00 per month or **\$0.13 per day**.

The same average property inclusive of all user fees (Water, Sewer and Garbage) plus tax rates collected for other entities (BC Hospital District, Regional District, BC Assessment, Library and School), and adjusting for the home owner grant, will result in a property tax increase of \$121 or \$10.08 per month or \$0.34 per day.

### 2015 Taxes on a representative house graph



# 2016 – 2020 Five-Year Financial Plan

## 2016 Property tax on a representative business

The Commercial taxes are based on a rate multiple of 2.80 times the residential tax rate. Considering the “average” commercial property, valued at \$689,600, the 2016 municipal annual property taxes are estimated to increase \$184 (\$15.37 per month or \$0.51 per day) - a 2.4% increase over the prior year. The Commercial Class includes a wide range of businesses, with a wide range of assessment valuations.

## Transfers to other governments

The City is required to collect property taxes for other taxing authorities. These taxes transfer of taxes collected on behalf of other authorities. In addition, a portion of the grants in place of property taxes received from federal and provincial Crown agencies are transferred to these other agencies as well, in proportion to the amount of taxes collected for these other taxing authorities.

## Property value taxes collected for other governments chart

Taxes for Other Authorities	2014 Actual	2015 Final Budget	2015 Actual Unaudited	2016 Budget	2017 Proposed Budget	2018 Proposed Budget	2019 Proposed Budget	2020 Proposed Budget
SCHOOL - NON-RES	4,654,643	4,510,972	4,502,328	4,592,400	4,684,200	4,777,900	4,873,500	4,971,000
SCHOOL-RESIDENTIAL	7,047,614	7,105,225	7,098,282	7,240,200	7,385,000	7,532,700	7,683,400	7,837,100
REG DIST REQUISITION	3,871,682	4,080,050	4,080,050	4,618,800	5,261,000	5,818,000	5,885,100	5,944,600
REGIONAL HOSP DISTRICT	4,050,023	4,071,163	4,071,163	4,039,900	4,120,700	4,203,100	4,287,200	4,372,900
MUN FINANCE AUTHORITY	972	980	979	1,000	1,000	1,000	1,000	1,000
B C ASSESSMENT	319,966	310,331	309,902	291,200	297,000	302,900	309,000	315,200
	<b>19,944,900</b>	<b>20,078,721</b>	<b>20,062,704</b>	<b>20,783,500</b>	<b>21,748,900</b>	<b>22,635,600</b>	<b>23,039,200</b>	<b>23,441,800</b>

## Taxes for other governments including share of grants in place chart

Fiscal Services - Transfers	Actual	Actual Unaudited	Budgets				
	2014	2015	2016	2017	2018	2019	2020
<b>COLLECTIONS FOR OTHER GOVERNMENTS</b>							
Property Taxes	\$ 19,944,900	\$ 20,062,704	\$ 20,783,500	\$ 21,748,900	\$ 22,635,600	\$ 23,039,200	\$ 23,441,800
Grants in Place of Taxes	129,963	120,503	126,500	129,000	131,700	134,300	137,000
	<b>\$ 20,074,863</b>	<b>\$ 20,183,207</b>	<b>\$ 20,910,000</b>	<b>\$ 21,877,900</b>	<b>\$ 22,767,300</b>	<b>\$ 23,173,500</b>	<b>\$ 23,578,800</b>

# 2016 – 2020 Five-Year Financial Plan

## ***Fees and Charges***

The City charges fees and levies for a number of services and activities, including charges for water, sewer and solid waste utilities, fees for recreation activities, fees for fire protection for other jurisdictions, charges for building, development and other permits, as well as fine revenue.

The City's policy is that wherever possible, fees & charges will be used to assign costs to those who benefit from the service provided. The proportion of costs recovered by fees and charges will vary by Council policy decisions with the nature of the service provided.

## **2016 -2020 Projected Fees and Charges**

The following table provides a summary of the fees and charges the City levies, by function. Most of the budgets for fees and charges are set to increase at an inflationary rate of 2%. Details on the fees and charges for utilities are summarized on the next page. The following chart also provides detail on the revenues from other sources, and transfers from other Governments.

## **Environmental Services - Utilities**

A primary revenue source for Solid Waste and the Water and Sewer utilities are user fees. In order to provide sufficient financial resources for the utilities, the sewer user fee increases 10% each year for the next three years, and the water utility increases 3% per year. Although the Regional District has projected significant increases to the tipping fees for solid waste, the 2016 residential garbage rates are not increasing. For 2016 the impact to residential consumers is \$10.76 for water, \$24.36 for sewer. The 2016 utility rate for a single family dwelling:

Sewer	\$267.91
Water	369.59
Solid Waste	<u>152.50</u>
Total	<u>\$790.00</u>

The following graph provides a comparison of the user fees for utilities with other local governments. The graph demonstrates that the City's utility charges are close to the average among the group of Vancouver Island Communities, and above the average for all municipalities in BC.

# 2016 – 2020 Five-Year Financial Plan

## Fees and Charges, and Other Revenues Chart

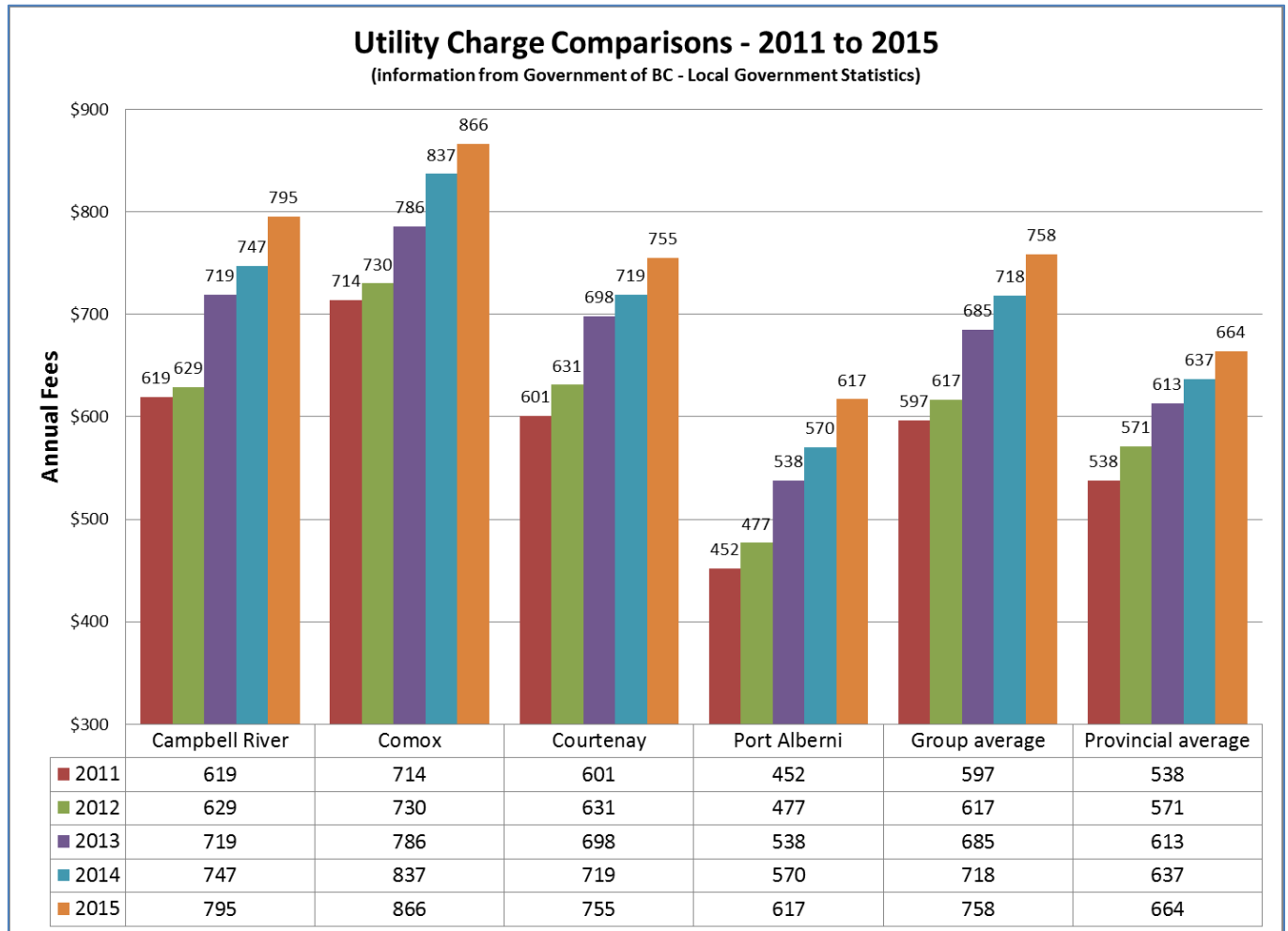
Other Revenues	2014	2015	2016	2017	2018	2019	2020
	Actual	Unaudited Actual	Budget	Budget	Budget	Budget	Budget
<b>Fees and Charges</b>							
General Government Services	63,663	121,113	71,900	73,200	74,500	75,800	77,100
Protective Services	1,640,483	2,423,526	1,741,700	1,704,700	1,728,600	1,753,000	1,777,900
Transportation Services	154,970	69,989	78,300	79,500	80,700	82,000	83,300
Environmental Health Services							
Solid Waste	2,794,230	2,986,272	2,985,000	3,154,900	3,345,200	3,547,700	3,763,000
Sewer	3,136,413	3,542,132	3,895,700	4,299,500	4,745,400	4,955,100	5,174,100
Water	4,657,325	4,739,871	4,975,500	5,154,000	5,338,400	5,529,400	5,727,200
Total Environmental Health Services	10,587,968	11,268,275	11,856,200	12,608,400	13,429,000	14,032,200	14,664,300
Public Health Services	148,921	141,239	144,100	147,000	150,000	153,000	156,100
Development Services	698,957	674,456	700,200	714,000	728,200	742,800	757,600
Parks, Recreation, & Cultural Services	1,454,101	1,424,456	1,485,200	1,514,700	1,544,800	1,575,400	1,606,800
	<b>14,749,063</b>	<b>16,123,054</b>	<b>16,077,600</b>	<b>16,841,500</b>	<b>17,735,800</b>	<b>18,414,200</b>	<b>19,123,100</b>
<b>Revenues from Other Sources</b>							
General Revenue	19,993	18,915	894,300	904,700	914,800	915,200	915,600
Investment & Penalty Revenue	915,387	902,822	897,700	911,600	925,700	940,100	954,800
General Capital	1,247,924	649,383	704,400	3,531,800	4,301,800	1,061,700	654,900
Sewer	9,748	1,134	1,200	1,100	1,100	1,000	900
Water	109,208	110,685	113,900	117,300	120,700	124,300	128,000
	<b>2,302,260</b>	<b>1,682,939</b>	<b>2,611,500</b>	<b>5,466,500</b>	<b>6,264,100</b>	<b>3,042,300</b>	<b>2,654,200</b>
<b>Other Contributions</b>	<b>941,419</b>	<b>4,265</b>	<b>25,100</b>	<b>377,700</b>	<b>276,500</b>	<b>7,900</b>	<b>-</b>
<b>Transfers from Other Governments</b>							
Federal Government & Agencies	1,317,879	1,401,533	1,429,500	1,458,100	1,487,300	1,517,000	1,547,400
Provincial Government & Agencies	230,397	284,408	291,000	296,700	302,500	308,500	314,600
Local Government & Other Agencies	152,877	142,391	147,300	149,700	152,200	154,700	157,300
	<b>1,701,153</b>	<b>1,828,332</b>	<b>1,867,800</b>	<b>1,904,500</b>	<b>1,942,000</b>	<b>1,980,200</b>	<b>2,019,300</b>
	<b>19,693,895</b>	<b>19,638,590</b>	<b>20,582,000</b>	<b>24,590,200</b>	<b>26,218,400</b>	<b>23,444,600</b>	<b>23,796,600</b>





# 2016 – 2020 Five-Year Financial Plan

## Utility User Fees on Single Family Dwelling Graph



# 2016 – 2020 Five-Year Financial Plan

## ***Revenue from other sources***

The City also receives interest revenue on the following:

- a) investment of reserves and surplus funds
- b) penalties and interest on taxes and utilities
- c) other contributions
- d) grants
- e) donations

The anticipated revenues from these sources are outlined in the graph in the Fees and Charges section above.

# 2016 – 2020 Five-Year Financial Plan

## Borrowing

The City's policy regarding borrowing is that borrowing will be considered when determining the funding sources of large capital projects that provide benefits to taxpayers over a long-period of time.

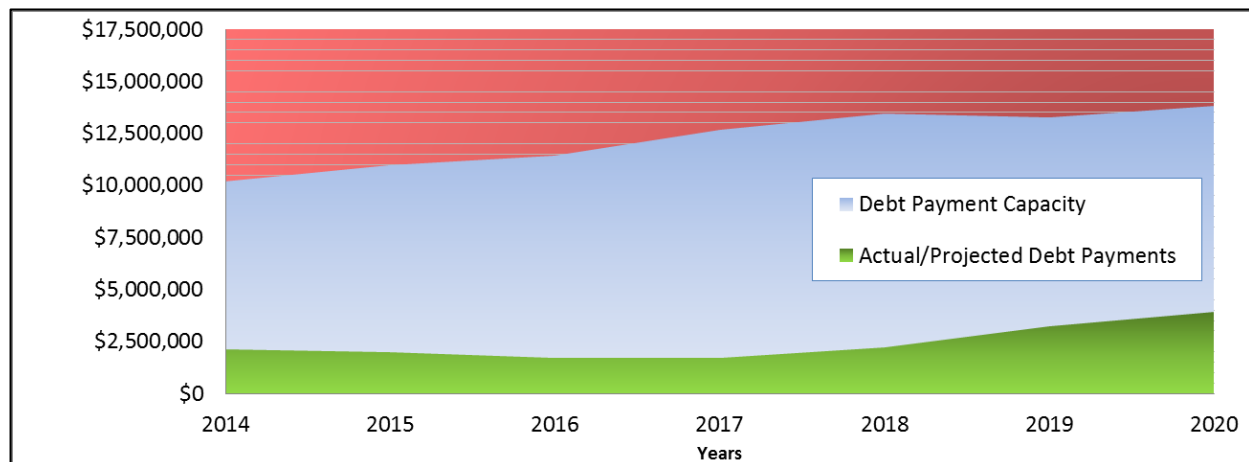
The City has not incurred any new borrowing in the past few years. However, with the objective of proactively managing the City's capital assets through the Asset Management program, the City will need to borrow funds to facilitate future capital renewal. While some major capital renewal may be funded using grants and contributions from other sources, such as developer contributions through Development Cost Charges, a significant portion will need to be funded with debt. As the practice of Asset Management matures during 2016, all debt draws are planned for years 2017 – 2020. However, the use of debt will be reevaluated pending completion of asset management plans in the fall of 2016.

The following chart and graph depicts the use of previously approved borrowing in this financial plan, the City's borrowing capacity, and the anticipated debt payments based on the planned debt.

## Borrowing Chart

	2016	2017	2018	2019	2020
Funding From Debt	Budget	Budget	Budget	Budget	Budget
General	-	1,426,500	10,557,000	9,567,800	31,260,100
Sewer	-	500,000	4,455,000	-	-
Water	-	-	-	-	758,600
	-	1,926,500	15,012,000	9,567,800	32,018,700

## Borrowing capacity graph



# 2016 – 2020 Five-Year Financial Plan

## Transfers from Reserves and Surplus

The City plans for future projects by creating reserve funds for projects requiring significant capital investment. This section summarizes the use of reserve and surplus funds. The Transfer to Reserves and Surplus section of this report provides a detailed summary of the anticipated balances in the various reserves and surplus accounts.

In addition to drawing from reserves and surplus for capital and carry forward activities, the 2016 Financial Plan draws just over \$2 M to fund projects, initiatives, and operations.

Ideally the City will develop detailed policies for the management of the reserve and surplus accounts for contingent purposes, in order to streamline the accounting and use of these funds.

## Transfer from reserves and surplus chart

Transfers from Reserves and Surplus		2016 Budget	2017 Proposed Budget	2018 Proposed Budget	2019 Proposed Budget	2020 Proposed Budget
<b>Operating Reserves</b>						
General	Gaming Funds	\$ 836,000	\$ 836,000	\$ 836,000	\$ 836,000	\$ 836,000
	New Works / Carbon Offsets	525,500	-	-	-	-
	Cemetery Fund	3,000	3,000	3,000	3,000	3,000
Sewer	for Future Expenditure	260,000	-	-	-	-
Water	for Future Expenditure	143,400	12,100	-	-	-
	for Water Efficiency	6,500	6,500	6,500	6,500	6,500
	Total from Operating Reserves	1,774,400	857,600	845,500	845,500	845,500
<b>Surplus</b>						
General	for Future Expenditure	56,800	-	-	-	-
	Prior Years Surplus	1,650,300	380,000	-	-	-
Sewer	Sewer	2,000,000	-	-	-	-
	Sewer Capital - operations	110,500	255,300	101,600	87,000	-
	Capital Equity - Unexpended Funds	21,700	-	-	-	-
Water	Water	1,870,000	24,300	-	-	-
	Water Capital	18,100	-	-	163,000	2,000
	Total from Surplus	5,727,400	659,600	101,600	250,000	2,000
	Total from Operating Funds and Surplus	7,501,800	1,517,200	947,100	1,095,500	847,500
<b>Capital Reserves</b>						
General	Gaming Funds	435,000	20,000	-	-	-
	for Future Expenditure	518,800	61,400	-	-	-
	New Works RSV-Machinery & Eq	757,000	1,088,000	884,500	678,000	608,000
	New Works Reserve	1,076,000	1,958,400	1,572,100	770,000	163,000
	Capital Equity - Unexpended Funds	1,865,700	589,300	34,800	-	-
Sewer	General Reserve	-	50,000	1,150,000	-	700,000
	Gas Tax	75,000	246,000	2,900,000	281,300	-
Water	New Works Reserve	1,169,300	696,900	805,300	1,170,100	600,000
	Gas Tax	250,000	1,200,000	1,952,000	1,202,500	1,200,000
	Total from Capital Reserves	6,146,800	5,910,000	9,298,700	4,101,900	3,271,000
<b>Total from Reserves and Surplus</b>		<b>\$ 13,648,600</b>	<b>\$ 7,427,200</b>	<b>\$ 10,245,800</b>	<b>\$ 5,197,400</b>	<b>\$ 4,118,500</b>

# 2016 – 2020 Five-Year Financial Plan



# Operating Expenses





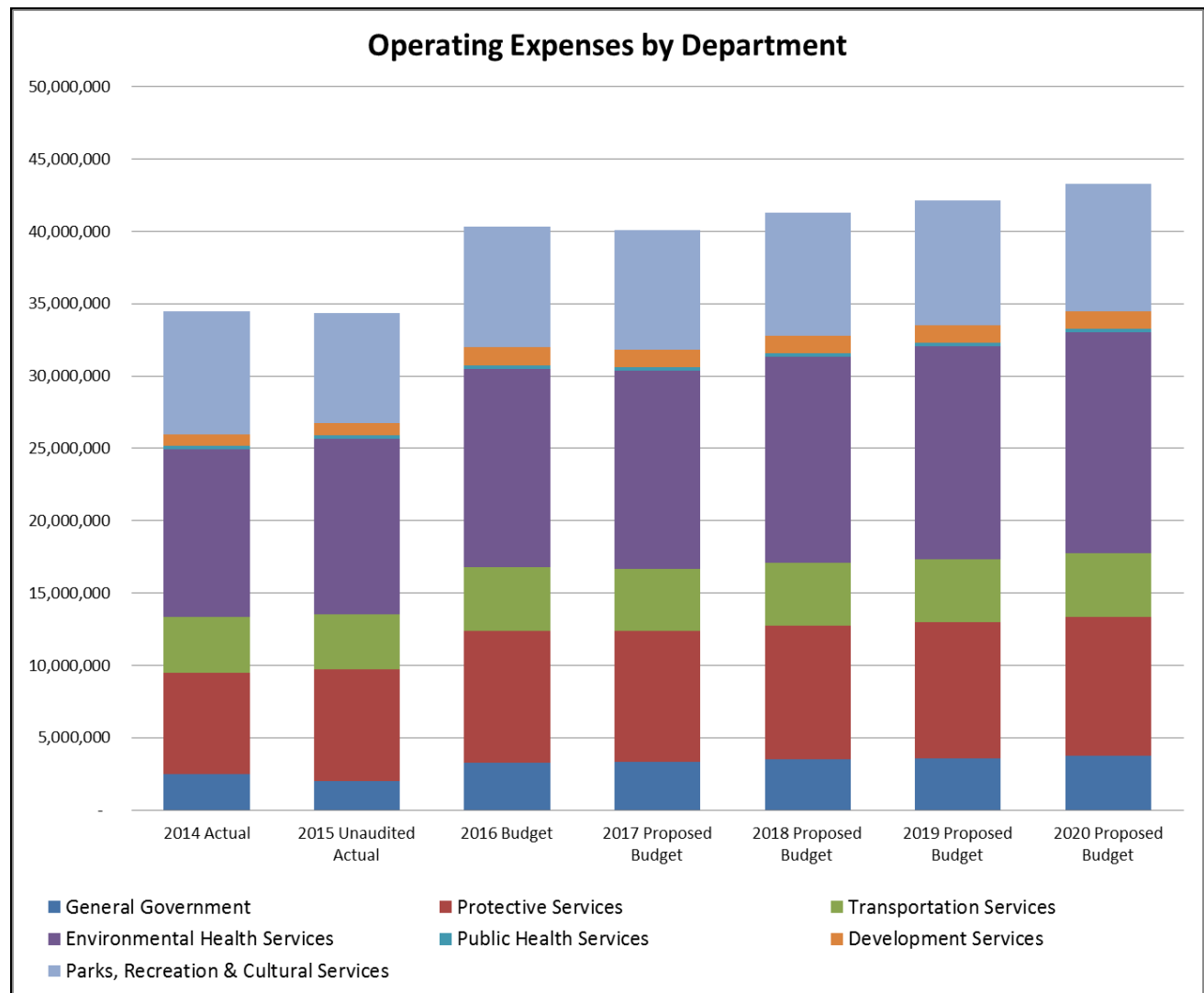
# 2016 – 2020 Five-Year Financial Plan

## Operating Expenses

This section includes budget details on the operational functions of City Services. Operating expenses are separated into seven distinct service areas, utilizing 70% of revenue in 2016. The seven service areas are:

- General Government, providing governance and internal support for the organization
- Protective Services, includes Police, Fire, Building Inspection and Bylaw Enforcement services
- Transportation Services, includes Roads, walkways, storm sewer, and Street lighting services
- Environmental Health, includes Solid Waste, Water and Sewer services
- Public Health, includes Cemetery services
- Development Services, includes land use planning and subdivision development services
- Park, Recreation, and Cultural Services, includes recreation facilities and programs, parks and buildings leased to various cultural and leisure activity providers

### Operating expenses by department graph



# 2016 – 2020 Five-Year Financial Plan

## **Cost Drivers**

External cost drivers are those that are outside of the direct control of the City, and typically represent energy costs, labour costs, and external contracts such as the RCMP contract, and shared services such as the utilities and waste management.

The City's operating costs are impacted by the following External Cost Drivers. The impacts are reflected in the proposed budgets.

- Personnel costs:
  - Collective Agreement – 2% for unionized employees
  - WCB rate increase and maximum earnings limit increase
- Utility Rates:
  - BC Hydro's rate increase of 6% effective January 1, 2016
- RCMP Contract:
  - Potential pay increases for all employees of 2.5% related to CPP, EI and Pension costs – estimated to be \$155,000
  - Severance liquidation costs estimated to be \$36,000
  - Vehicle replacements at \$27,000
  - DNA Analysis costs – impact uncertain
- Regional District Services:
  - Waste Management Fees at the regional landfill - increase from \$120/tonne to \$130/tonne
  - Solid Waste Requisition increase from \$170,000 to \$476,000
  - Bulk water rate charges increasing from \$0.64 to \$0.66 per cubic metre
  - Changes to the sewer flow rates allocation is transferring more costs to the City
- Revenue Increases:
  - New Construction – estimated tax impact is \$195,200
  - South Courtenay taxation Phase-in period expired - projected tax increase is \$22,000

The most significant increases in the 2016 operating budget are in general government (\$1.27M), protective services (\$1.35M), and environmental services (\$1.6 M solid waste, water and sewer). Information on the specific changes are noted in the narratives for each major service area.

# 2016 – 2020 Five-Year Financial Plan

## Consolidated operating expenses by function – chart

Operating Expenditures	2014	2015	2016	2017	2018	2019	2020
	Actual	Unaudited Actual	Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
General Government	\$ 2,492,706	\$ 2,001,241	\$ 3,273,300	\$ 3,316,500	\$ 3,521,400	\$ 3,572,300	\$ 3,738,000
Protective Services	6,990,862	8,042,249	9,086,300	9,046,700	9,217,500	9,401,000	9,587,700
Transportation Services	3,864,931	3,790,758	4,398,700	4,299,600	4,356,400	4,346,600	4,437,900
Environmental Health Services	11,585,264	12,106,662	13,704,000	13,682,200	14,249,300	14,737,700	15,235,500
Public Health Services	225,168	233,954	239,800	244,400	249,200	254,000	259,500
Development Services	889,606	953,257	1,357,400	1,256,100	1,263,600	1,273,100	1,296,300
Parks, Recreation & Cultural Service	8,466,817	7,588,060	8,301,100	8,323,300	8,483,800	8,609,800	8,771,900
<b>Total Operating Expenditures Before Amortization</b>	<b>\$ 34,515,354</b>	<b>\$ 34,716,182</b>	<b>\$ 40,360,600</b>	<b>\$ 40,168,800</b>	<b>\$ 41,341,200</b>	<b>\$ 42,194,500</b>	<b>\$ 43,326,800</b>

## Consolidated operating expenses by economic function – chart

Operating Expenditures	2014	2015	2016	2017	2018	2019	2020
	Actual	Unaudited Actual	Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
<b>Expenditures by Economic Segments</b>							
Council Indemnity, Allowance, Benefits	\$ 183,010	\$ 187,683	\$ 193,000	\$ 196,900	\$ 200,800	\$ 204,800	\$ 208,900
Personnel	11,741,903	11,567,574	13,094,300	13,419,800	13,691,300	13,957,800	14,232,000
General Services	10,993,305	12,125,906	14,699,700	13,731,600	14,005,000	14,047,400	14,315,800
Insurance	371,307	456,169	438,500	447,000	456,900	466,300	475,300
Goods	1,821,219	1,505,154	1,953,500	1,953,700	2,002,000	2,028,700	2,065,600
Utilities	895,842	844,257	955,300	987,000	1,019,300	1,054,300	1,090,100
Financial Charges / Amortization	41,835	46,623	44,000	44,900	45,800	46,700	47,600
Transfers / Grants	358,525	375,173	384,500	390,900	397,300	403,900	410,600
Interdepartment Charges	- 994,641	- 780,761	- 560,300	- 571,600	- 583,000	- 594,500	- 606,500
Other Government - CVRD	7,817,295	7,238,098	7,967,300	8,353,900	8,866,800	9,315,300	9,798,400
Library Requisition	1,085,184	1,145,420	1,185,400	1,209,100	1,233,300	1,258,000	1,283,100
Other Transactions	200,571	4,885	5,400	5,600	5,700	5,800	5,900
<b>Total Operating Expenses</b>	<b>\$ 34,515,354</b>	<b>\$ 34,716,182</b>	<b>\$ 40,360,600</b>	<b>\$ 40,168,800</b>	<b>\$ 41,341,200</b>	<b>\$ 42,194,500</b>	<b>\$ 43,326,800</b>

# 2016 – 2020 Five-Year Financial Plan

## **General Government Services**

General Government Services are the centralized services that are common to all functions of the organization. This includes the offices of Council, the CAO, corporate services, communications, human resources, financial services, purchasing, stores, information technology, GIS, and other general services.

## **Legislative Services**

The Legislative Services budget supports the 'offices' of Council. It includes Council indemnity and expenses, travel costs, attendance at conferences (the Union of BC annual convention, and the Federation of Canadian Municipalities annual convention, etc.), indemnity insurance and miscellaneous supplies. Mayor and Councillor remuneration increased by \$5,500 in 2016.

## **Corporate Administration**

The Corporate Administration includes the office of the CAO, the Corporate Officer, Human Resources, Corporate Communications, and the implementation of strategic initiatives of Council and the CAO.

In 2015, a position in Human Resources that was vacant for much of the year was filled, restoring the staffing level to its normal operating capacity. A second position in Communications was added. 2016 is the first year of full costing for these positions.

The 2016 budget includes \$90K to review the organizational structure, and look for other operating efficiencies. The recommendations of this review will be incorporated in future operating budgets.

## **Financial Services**

Financial Services manages the financial systems of the City and is responsible for the financial plan and financial reports. In 2015, three senior management positions changed due to retirement, maternity leave, and a career change. In consideration of the staffing challenges, consulting services were used to help develop this budget, and casual assistance supported the department. The consulting and casual costs have a minor impact on the 2016 budget.

In 2015, a previously approved new position was filled in the purchasing division. The full budget impact of this position is recorded in 2016.

## **Information Technology**

The IT/GIS division provides computer systems and technology to support the organization-wide administrative and technical processes, including the financial information system and the work order management system. New programs are planned for the Human Resources Information System, development services, recreation and facility bookings, and the Geographical Information System (GIS).

# 2016 – 2020 Five-Year Financial Plan

## Other Services

This section includes general expenses related to City Hall, Elections, Insurance, and legal services. The general government costs are also partially allocated to the water and sewer utilities. These costs are expected to decrease in 2016.

## General Government Services chart – expenses by function

Operating Expenditures	2014	2015	2016	2017	2018	2019	2020
	Actual	Unaudited Actual	Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
<b>General Government</b>							
Legislative Services	\$ 210,962	\$ 225,311	\$ 247,800	\$ 252,000	\$ 256,400	\$ 260,900	\$ 265,400
Corporate Administration	1,297,307	1,529,059	1,720,500	1,698,400	1,748,400	1,766,700	1,801,700
Financial Services	1,185,790	970,095	1,364,200	1,388,100	1,415,500	1,443,800	1,472,700
Information Technology	831,770	541,400	1,030,700	1,031,600	1,078,400	1,075,200	1,096,800
Common Services	144,869	85,296	151,800	140,100	143,000	146,300	150,100
Other General Government	139,512	256,850	75,100	76,700	123,400	80,100	82,000
Sub total	3,810,210	3,608,011	4,590,100	4,586,900	4,765,100	4,773,000	4,868,700
Allocation to Sewer and W -	1,317,504	1,606,770	1,316,800	1,270,400	1,243,700	1,200,700	1,130,700
	<b>\$2,492,706</b>	<b>\$2,001,241</b>	<b>\$3,273,300</b>	<b>\$3,316,500</b>	<b>\$3,521,400</b>	<b>\$3,572,300</b>	<b>\$3,738,000</b>

## General Government Services chart – expenses by economic object

General Government Services Expenses	Actual	Actual Unaudited	Budgets				
	2014	2015	2016	2017	2018	2019	2020
Expenditures by Economic Segments							
Council Indemnity, Allowance, Benefits	\$ 183,010	\$ 187,683	\$ 193,000	\$ 196,900	\$ 200,800	\$ 204,800	\$ 208,900
Personnel	2,452,590	2,484,942	2,961,500	3,043,000	3,109,300	3,165,300	3,228,600
General Services	904,197	793,087	1,168,800	1,094,000	1,186,100	1,137,900	1,159,700
Insurance	12,307	46,347	40,600	42,300	44,200	46,000	48,100
Goods	189,369	46,821	152,400	135,400	148,100	141,000	143,400
Utilities	47,693	26,876	48,800	50,300	51,600	53,000	55,000
Grants	21,044	22,255	25,000	25,000	25,000	25,000	25,000
Total Cost - General Government	3,810,210	3,608,011	4,590,100	4,586,900	4,765,100	4,773,000	4,868,700
Allocation to Water and Sewer Fund	(1,317,504)	(1,606,770)	(1,316,800)	(1,270,400)	(1,243,700)	(1,200,700)	(1,130,700)
<b>Net Cost General Government</b>	<b>\$ 2,492,706</b>	<b>\$ 2,001,241</b>	<b>\$ 3,273,300</b>	<b>\$ 3,316,500</b>	<b>\$ 3,521,400</b>	<b>\$ 3,572,300</b>	<b>\$ 3,738,000</b>

# 2016 – 2020 Five-Year Financial Plan

## ***Protective Services***

Protective Services covers a wide spectrum that includes policing, fire, emergency measures, building inspections, bylaw enforcement and animal control. In 2016, over \$9.0 million is being directed to these various functions.

### **Police Protection**

The City contracts the RCMP to provide policing services within the City, providing 30.4 police officers. The RCMP contract is 71% of the overall budgeted dollars under Protective Services.

Specific cost drivers affecting the contract include increasing payroll labour and benefit costs, employee severance liquidation cost, and shifting the DNA Analysis costs to municipalities. The City uses Gaming funds and Traffic Fine revenues to help offset the cost of policing. The balance is funded from general revenue.

### **Fire Protection**

The Courtenay Fire Department provides fire protection and first responder services, including fire protection, prevention, suppression, and investigative services. The department conducts over 1,500 fire inspections annually.

An additional \$50k has been budgeted for the operation of the new W. A Lane Fire Training Centre, which was completed in 2015, in addition to increased funding for compensation to the Firefighter's society for the 2016 – 2018 agreement. The Courtenay Fire Department provides a cost effective mix of full-time and volunteer firefighters.

Number of Volunteers – Full-time equivalent	2013	2014	2015
Full-Time Firefighters	6	6	6
Total Volunteers	48	48	50

### **Emergency Measures**

This function supports the municipality in responding to emergency events. The 2016 budget includes an emergency measures project that has offsetting funding from the EMBC. Otherwise the funding required for this function is relatively stable.

### **Building Inspections**

The City employs two level three inspectors and a plan checker to provide building inspections. Costs have increased approximately \$70 over the 2015 costs.

### **Animal Control / Bylaw Enforcement**

Animal control is contracted to a third party and the City supports the SPCA for costs incurred for a “spay and neuter” program.

The Bylaw Enforcement program encourages people to adhere to Bylaws, policies, procedures and guidelines set either by federal, provincial or municipal legislation held within the confines of the municipality. This budget provides funding that supports this particular function.



# 2016 – 2020 Five-Year Financial Plan

## Protective Services chart – by function

	2014	2015	2016	2017	2018	2019	2020
Operating Expenditures	Actual	Unaudited Actual	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
<b>Protective Services</b>							
Police Protection	\$ 4,620,112	\$ 6,025,444	\$ 6,380,400	\$ 6,496,100	\$ 6,614,300	\$ 6,746,000	\$ 6,879,900
Fire Protection	1,676,772	1,384,623	1,698,100	1,737,400	1,772,800	1,808,600	1,845,200
Emergency Management	52,728	60,674	128,500	77,200	80,000	81,200	82,100
Building Inspection	317,749	314,328	399,400	399,400	407,300	415,400	423,600
Property Management	207,754	131,491	329,200	183,100	186,500	189,900	193,700
Animal Control	31,953	47,440	59,900	61,100	62,200	63,600	64,900
Bylaw Enforcement	83,794	78,249	90,800	92,400	94,400	96,300	98,300
	<b>\$ 6,990,862</b>	<b>\$ 8,042,249</b>	<b>\$ 9,086,300</b>	<b>\$ 9,046,700</b>	<b>\$ 9,217,500</b>	<b>\$ 9,401,000</b>	<b>\$ 9,587,700</b>

## Protective Services chart – by economic segments

Protective Services	Actual	Actual Unaudited	Budgets				
	2014	2015	2016	2017	2018	2019	2020
<b>Expenditures by Economic Segments</b>							
Personnel	\$ 1,702,862	\$ 1,656,550	\$ 1,849,000	\$ 1,886,000	\$ 1,923,500	\$ 1,962,000	\$ 2,001,400
General Services	4,677,535	6,118,610	6,756,400	6,673,600	6,797,400	6,933,100	7,070,500
Insurance	43,229	35,083	52,400	52,900	54,200	54,800	55,400
Goods	310,043	169,631	359,200	363,200	369,700	376,400	383,600
Utilities	40,193	40,375	47,300	49,000	50,700	52,700	54,800
Grants	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Financial Charges - Amortization	195,000	-	-	-	-	-	-
<b>Total</b>	<b>\$ 6,990,862</b>	<b>\$ 8,042,249</b>	<b>\$ 9,086,300</b>	<b>\$ 9,046,700</b>	<b>\$ 9,217,500</b>	<b>\$ 9,401,000</b>	<b>\$ 9,587,700</b>



# 2016 – 2020 Five-Year Financial Plan

## ***Transportation Services***

Engineering Services and Public Works Services Departments support the network of roads throughout the City. The service includes fleet management, street cleaning, street maintenance and snow removal, sidewalk maintenance, water runoff and drainage, street lighting and signage. The City continues to develop condition reports for all of its linear assets such as roads, sewers storm water drainage and other assets required to support the community.

## **Engineering Services / Public Works Services**

This function was recently restructured into two areas; Public Works for the ongoing daily maintenance of the City's infrastructure, and Engineering Services to manage the City's infrastructure within the framework of asset management.

Public Works is supported by three senior managers and three support staff, while Engineering Services is supported by three senior staff, six engineering technologists and one support staff. The budgets reflect these changes to the allocation of salary and wages considering the changes.

Fleet costs were increased by 2% to reflect inflationary factors. Staff will be completing a comprehensive review of the fleet function in 2016 to ensure the fleet charges provide sufficient revenue to fund future fleet replacements.

## **Asset Management**

In 2015 and 2016, completing the condition assessments are the primary focus of the Asset Management Program. These assessments will determine asset management needs and the infrastructure replacements, renewals and maintenance programs. In 2016 \$185,000 is budgeted for assessments, which are funded from the Community Works Fund-Gas Tax grant.

## **Streets and Roads**

The City maintains approximately 180 km of paved road, as well as streets and lanes for vehicle and multi-modal traffic by:

- Inspecting streets on a regular basis
- Street sweeping
- Street and road pothole and Crack sealing, milling or patching
- Traffic line painting
- Traffic Signal

## **Street Lighting**

The cost for this service is tied to the increases implemented by BC Hydro. The budget was adjusted to reflect actual consumption in previous years with modest increases.

## **Parking**

The principal cost driver in this area is parking control. This includes the costs of towing and the utilization of bailiffs and commissioners to assist whenever required.

# 2016 – 2020 Five-Year Financial Plan

## Transportation Services chart – by function

Operating Expenditures	2014	2015	2016	2017	2018	2019	2020
	Actual	Unaudited Actual	Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
<b>Transportation Services</b>							
Public Works	\$ 522,734	\$ 185,054	\$ 564,100	\$ 574,000	\$ 584,600	\$ 596,600	\$ 608,400
Engineering	974,359	1,135,443	1,526,400	1,327,900	1,316,000	1,234,500	1,252,100
Roads & Streets	1,238,308	997,408	1,088,800	1,132,300	1,155,100	1,178,100	1,201,800
Storm Sewers	351,333	713,761	395,600	423,900	432,400	441,000	449,900
Bridges	72,626	58,313	65,000	66,300	67,700	69,100	70,500
Transit Shelters	4,575	5,609	6,100	6,200	6,300	6,400	6,500
Street Lighting	581,922	606,677	634,000	647,900	670,800	694,900	720,200
Traffic Services	69,854	42,204	68,500	69,900	71,300	72,700	74,100
Parking Control	44,716	43,119	46,200	47,100	48,000	49,000	50,000
Airpark	4,504	3,170	4,000	4,100	4,200	4,300	4,400
	<b>\$3,864,931</b>	<b>\$3,790,758</b>	<b>\$4,398,700</b>	<b>\$4,299,600</b>	<b>\$4,356,400</b>	<b>\$4,346,600</b>	<b>\$4,437,900</b>

## Transportation Services chart – by economic segments

Transportation Services	Actual	Actual Unaudited	Budgets				
	2014	2015	2016	2017	2018	2019	2020
<b>Expenditures by Economic Segments</b>							
Personnel	\$ 2,133,719	\$ 1,979,852	\$ 2,009,600	\$ 2,090,700	\$ 2,132,600	\$ 2,175,100	\$ 2,219,100
General Services	1,802,572	1,631,366	1,992,800	1,794,600	1,787,900	1,716,300	1,742,900
Insurance	133,110	193,433	147,600	150,400	153,600	156,700	159,800
Goods	503,323	445,047	487,900	495,800	506,400	513,700	521,700
Utilities	459,632	439,801	471,500	493,000	515,400	539,000	563,700
Total Expenditures	5,032,356	4,689,499	5,109,400	5,024,500	5,095,900	5,100,800	5,207,200
Transfer	(1,167,425)	(898,741)	(710,700)	(724,900)	(739,500)	(754,200)	(769,300)
<b>Net Cost</b>	<b>\$ 3,864,931</b>	<b>\$ 3,790,758</b>	<b>\$ 4,398,700</b>	<b>\$ 4,299,600</b>	<b>\$ 4,356,400</b>	<b>\$ 4,346,600</b>	<b>\$ 4,437,900</b>

# 2016 – 2020 Five-Year Financial Plan

## Environmental Health Services

Solid waste collection is a service provided by a third party. Solid waste tipping fees at the regional landfill have increased by 8.3%, from \$0.120/tonne to \$0.130/tonne. The Comox Valley Regional District (CVRD) requisition increased from approximately \$170,000 to \$476,000 for future capital improvements.

The sewer utility service is a self-funding utility. The service collects and conveys effluent to the regional district service for disposal. The City of Courtenay and the Town of Comox proportionately share the costs associated with the regional service based on relative sewer flows.

The water utility service is a self-funding utility. This service is provided to property owners who use the City's municipal water network. Bulk water is purchased from the Comox Valley Regional District. On April 1, 2016 the regional bulk water rate increased from \$0.64 per cubic meter to \$0.66 per cubic meter and in 2017 the rate is scheduled to increase to \$0.68 per cubic meter in order to provide funding for the Regional District's future capital works program (i.e. water treatment).

## Environmental Health chart – by function

Operating Expenditures	2014	2015	2016	2017	2018	2019	2020
	Actual	Unaudited Actual	Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
<b>Environmental Health Services</b>							
Solid Waste	\$ 2,642,282	\$ 2,636,745	\$ 2,972,000	\$ 3,151,500	\$ 3,347,500	\$ 3,562,600	\$ 3,798,200
Sewer	3,990,366	4,329,500	5,358,200	5,252,000	5,473,100	5,699,900	5,921,800
Water	4,952,616	5,140,417	5,373,800	5,278,700	5,428,700	5,475,200	5,515,500
	<b>\$ 11,585,264</b>	<b>\$ 12,106,662</b>	<b>\$ 13,704,000</b>	<b>\$ 13,682,200</b>	<b>\$ 14,249,300</b>	<b>\$ 14,737,700</b>	<b>\$ 15,235,500</b>

## Environmental Health chart – by economic segment

Environmental Health	Actual	Actual Unaudited	Budgets				
	2014	2015	2016	2017	2018	2019	2020
<b>Expenditures by Economic Segments</b>							
Personnel	\$ 962,154	\$ 1,001,762	\$ 1,450,100	\$ 1,479,400	\$ 1,508,500	\$ 1,538,600	\$ 1,569,500
General Services	1,839,423	1,821,939	2,495,200	2,094,100	2,136,100	2,178,500	2,222,000
Goods	358,244	312,976	316,500	322,800	329,100	335,800	342,200
CVRD	6,945,017	7,238,098	7,967,300	8,353,900	8,866,800	9,315,300	9,798,400
Insurance	19,460	19,283	19,100	19,500	19,800	20,300	20,700
Internal Allocations	1,454,847	1,694,778	1,437,200	1,393,100	1,369,000	1,328,600	1,261,000
Utilities	6,119	17,826	18,600	19,400	20,000	20,600	21,700
<b>Total</b>	<b>\$11,585,264</b>	<b>\$12,106,662</b>	<b>\$13,704,000</b>	<b>\$13,682,200</b>	<b>\$14,249,300</b>	<b>\$14,737,700</b>	<b>\$15,235,500</b>

# 2016 – 2020 Five-Year Financial Plan

## Public Health Services

This includes the cost of maintenance, grave digging, niche wall maintenance and new construction at the City's cemetery.

## Cemetery

Personnel costs have increased in accordance with the Collective Agreement. All other expenditures were held at prior years' historical actual operating costs. A new Cemetery Master Plan is being developed in 2016, to identify long-term levels of operating and capital costs, to develop a sustainable service delivery model.

## Public Health: Cemetery – by economic segments

Public Health (Cemetery)	Actual	Actual Unaudited	Budgets				
	2014	2015	2016	2017	2018	2019	2020
<b>Expenditures by Economic Segments</b>							
Personnel	\$ 145,206	\$ 156,635	\$ 164,900	\$ 168,100	\$ 171,400	\$ 174,700	\$ 178,400
General Services	34,139	37,436	34,500	35,100	35,800	36,500	37,300
Goods	43,187	37,772	38,100	38,800	39,600	40,400	41,200
Utilities	2,636	2,111	2,300	2,400	2,400	2,400	2,600
<b>Total</b>	<b>\$ 225,168</b>	<b>\$ 233,954</b>	<b>\$ 239,800</b>	<b>\$ 244,400</b>	<b>\$ 249,200</b>	<b>\$ 254,000</b>	<b>\$ 259,500</b>



# 2016 – 2020 Five-Year Financial Plan

## Development Services

Community development encompasses a broad range of services from land use planning and zoning, economic development, tourism services, and community enhancement. This function also supports the visitors information centre, community events, and grants to community organizations.

A review of the department was completed in 2015, to enhance customer service and realign department functions with Asset Management practices. The staffing complement in Planning and Development includes the Director, a Planning Manager, an Environmental Planner, a Land Use Planner and a Department Clerk. The Development and Servicing sub-division consists of a Development Engineer (including the Approving Officer function) and a Development Technician.

The 2% Hotel Tax is paid to the City and is transferred to the Comox Valley Economic Development Society to support tourism development. In addition, the tax revenue collected for the Business Improvement Area is expensed in other community development services.

## Planning and Zoning

The Planning and Zoning budget includes a one-time expenditure of \$100,000 for the Downtown Charrette.

## Subdivision Development and Servicing

The subdivision service was transferred to this service area from engineering, and expanded in order to provide better support for development activities.

## Development Services chart – by function

Operating Expenditures	2014	2015	2016	2017	2018	2019	2020
	Actual	Unaudited Actual	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
<b>Development Services</b>							
Property for Development	\$ 33,241	\$ 15,999	\$ 35,000	\$ 35,600	\$ 36,200	\$ 36,800	\$ 37,400
Planning and Zoning	568,000	578,954	698,000	626,500	638,500	650,700	663,200
Subdivision Development & Servicing	-	69,938	326,600	291,400	281,500	273,300	278,300
Other Community Development	288,365	288,366	297,800	302,600	307,400	312,300	317,400
	<b>\$ 889,606</b>	<b>\$ 953,257</b>	<b>\$ 1,357,400</b>	<b>\$ 1,256,100</b>	<b>\$ 1,263,600</b>	<b>\$ 1,273,100</b>	<b>\$ 1,296,300</b>





# 2016 – 2020 Five-Year Financial Plan

## Development Service chart – by economic segments

Development Services	Actual	Actual Unaudited	Budgets				
	2014	2015	2016	2017	2018	2019	2020
<b>Expenditures by Economic Segments</b>							
Personnel	\$ 549,029	\$ 617,025	\$ 772,000	\$ 777,300	\$ 792,900	\$ 808,600	\$ 824,700
General Services	317,191	321,132	539,100	431,600	422,600	415,400	421,700
Insurance	2,826	3,085	3,500	3,600	3,600	3,700	3,700
Goods	10,289	4,590	28,100	28,700	29,200	29,800	30,300
Utilities	7,884	2,540	9,300	9,300	9,600	9,800	10,000
Other Transactions	5,571	4,885	5,400	5,600	5,700	5,800	5,900
Grants	(3,184)	-	-	-	-	-	-
<b>Total</b>	<b>\$ 889,606</b>	<b>\$ 953,257</b>	<b>\$ 1,357,400</b>	<b>\$ 1,256,100</b>	<b>\$ 1,263,600</b>	<b>\$ 1,273,100</b>	<b>\$ 1,296,300</b>



# 2016 – 2020 Five-Year Financial Plan

## ***Parks, Recreation and Cultural Services***

This department is responsible for the City's facilities, parks and recreational programming, and working with cultural and leisure organizations to provide various services and programs to meet the diverse interests of the community.

In conjunction with the functional review of the Engineering and Public Works Departments, a functional review of this department realigned staff. It is anticipated that in future years, this Department's budget will be better refined and cost management improvements made as staff become more familiar with the new functional responsibilities assigned to them.

The 2016 budget increases include a 2% increase to personnel costs, additional funding for instructors, additional funding for contracted services for various programs, and a 6% increase to hydro costs.

## **Parks and Playgrounds**

The parks and playgrounds include buildings and operations found throughout the community. Overall the Parks and Playgrounds budget is increasing by 1.5% or \$29,713 primarily due to labour costs.

## **Recreation Administration and Programs**

The City provides many recreation and program facilities that contribute to quality of life that Courtenay residents enjoy. Recreation services are provided in a variety of locations, as summarized below.

In an effort to obtain a clearer perspective of the administrative costs related to the provision of programming for the community, general costs related to the Recreation and Culture department are being separated and reported under an umbrella account.

## **Lewis Centre**

The Lewis Centre offers a variety of recreational programs and meeting spaces for the general public to utilize. Its focus is the promotion of wellness and health, and includes an outdoor pool, water park and playground, tennis courts, play fields and outdoor park buildings.

The overall budget for the Lewis Centre operations and programming increases approximately \$58,120 between 2016 and 2015. The building and grounds maintenance costs are slightly lower by approximately \$8,000.

# 2016 – 2020 Five-Year Financial Plan

## **Florence Filberg Centre**

The Florence Filberg centre provides healthy recreational opportunities tailored more specifically to seniors in the Comox Valley.

Overall increase to the Budget for the Filberg Centre operations and programming is an increase of \$49,300 between 2016 and 2015 budgeted numbers. However, the Building and grounds budgetary costs have decreased significantly by \$185,700 as numbers in the budget for this area were overly high in 2015.

## **Linc Youth Centre**

The Linc youth centre provides healthy recreational opportunities for youth in the Comox Valley. It includes an indoor skateboard park, outdoor basketball court, foosball, ping pong, air hockey, video game consoles and nightly events.

The primary cost driver is the 2% increase to labour. The overall cost increase for operations at this location is \$4,150. Building and Grounds costs decreased significantly reflecting a reduction of approximately \$59,400.

## **Pool and Marina**

The outdoor pool and spray park is included within this area. Overall costs are increasing by approximately \$7,000 with the majority of costs related to the 2% increased labour costs. Building and Grounds maintenance costs for this facility are not changing in 2016.

## **Cultural Services**

Cultural services are supported both by the City, and by partnering agencies. The funding for cultural services is summarized below.

## **Cultural Buildings and Facilities**

This includes the Native Sons, Sid Williams, Art Gallery, Library, Museum and Civic Square and Heritage Church. Budgeted expenses for these facilities have been kept at 2015 levels.

## **Library**

The library provides a literary centre for the public. The annual requisition is increasing by approximately \$40,000 in 2016.

## **Other Buildings**

The City owns a number of buildings. Costs increases are primarily due to labour increases, and utility charges from BC Hydro and Fortis.

# 2016 – 2020 Five-Year Financial Plan

## Parks, Recreation, and Cultural Services chart – by function

Operating Expenditures	2014	2015	2016	2017	2018	2019	2020
	Actual	Unaudited Actual	Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
<b>Parks, Recreation &amp; Cultural Services</b>							
Recreation	3,799,981	3,870,486	4,250,400	4,314,300	4,395,700	4,438,100	4,517,400
Parks	3,026,988	2,073,449	2,221,700	2,185,500	2,228,300	2,274,300	2,319,400
Cultural Services	1,639,848	1,644,125	1,829,000	1,823,500	1,859,800	1,897,400	1,935,100
	<b>\$8,466,817</b>	<b>\$7,588,060</b>	<b>\$8,301,100</b>	<b>\$8,323,300</b>	<b>\$8,483,800</b>	<b>\$8,609,800</b>	<b>\$8,771,900</b>

## Parks, Recreation, and Cultural Services chart – by economic segments

Parks, Recreation and Cultural Services	Actual	Actual Unaudited	Budgets				
	2014	2015	2016	2017	2018	2019	2020
<b>Expenditures by Economic Segments</b>							
Personnel	\$ 3,796,343	\$ 3,670,808	\$ 3,887,200	\$ 3,975,300	\$ 4,053,100	\$ 4,133,500	\$ 4,210,300
General Services	1,418,249	1,402,336	1,712,900	1,608,600	1,639,100	1,629,700	1,661,700
Insurance	160,375	158,938	175,300	178,300	181,500	184,800	187,600
Goods	406,763	488,317	571,300	569,000	579,900	591,600	603,200
Utilities	331,685	314,728	357,500	363,600	369,600	376,800	382,300
Financial Charges	41,835	46,623	44,000	44,900	45,800	46,700	47,600
Transfers / Grants	318,665	330,918	337,500	343,900	350,300	356,900	363,600
Interdepartment Charges	35,441	29,972	30,000	30,600	31,200	31,800	32,500
Other Government - CVR	872,278	-	-	-	-	-	-
Library Requisition	1,085,184	1,145,420	1,185,400	1,209,100	1,233,300	1,258,000	1,283,100
<b>Total</b>	<b>\$ 8,466,817</b>	<b>\$ 7,588,060</b>	<b>\$ 8,301,100</b>	<b>\$ 8,323,300</b>	<b>\$ 8,483,800</b>	<b>\$ 8,609,800</b>	<b>\$ 8,771,900</b>



# Capital Transactions



# 2016 – 2020 Five-Year Financial Plan

## Capital Transactions

The Capital section of the budget summarizes both the capital works planned each year, and any related debt servicing costs. This section summarizes the capital plans for general operations, the sewer utility and the water utility.

The summary chart provides a high level overview of the total cost of the capital programs for the five year period. Details are listed in the Asset and Debt sections.

### Capital summary - chart

Capital Transactions		2016	2017	2018	2019	2020
		Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
<b>Assets</b>						
Land and Improvements	\$	830,900	\$ 541,000	\$ 476,500	\$ 450,000	\$ 410,000
Buildings		798,800	622,000	4,111,000	6,167,000	30,086,000
Equipment / Furniture / Vehicles						
Equipment / Furniture / Vehicles		1,020,000	1,218,000	1,014,500	778,000	708,000
Engineering Structures - Renewal		5,846,500	9,696,000	22,215,900	9,111,600	6,241,300
Engineering Structures - New		515,500	979,500	2,663,000	-	-
Information Systems		665,000	250,000	115,000	30,000	50,000
<b>Total Expenditures</b>		<b>\$ 9,676,700</b>	<b>\$ 13,306,500</b>	<b>\$ 30,595,900</b>	<b>\$ 16,536,600</b>	<b>\$ 37,495,300</b>
<b>Debt</b>						
Interest		758,900	757,600	910,800	1,213,600	1,495,700
Principal		950,500	951,200	1,311,500	1,991,000	2,421,600
<b>Total Debt</b>		<b>\$ 1,709,400</b>	<b>\$ 1,708,800</b>	<b>\$ 2,222,300</b>	<b>\$ 3,204,600</b>	<b>\$ 3,917,300</b>
<b>Total Capital Transactions</b>		<b>\$ 11,386,100</b>	<b>\$ 15,015,300</b>	<b>\$ 32,818,200</b>	<b>\$ 19,741,200</b>	<b>\$ 41,412,600</b>

## Assets

The capital projects are listed by the type of capital asset, as reported in the financial statement. The City's capital works program includes the renewal of existing capital assets or the acquisition of new capital items.

This section summarizes the transactions by the type of asset acquired and provides general information on the projects for the five year plan.

# 2016 – 2020 Five-Year Financial Plan

## Capital Assets detail chart

Capital Assets	2016	2017	2018	2019	2020
	Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
<b>Land and Improvements</b>					
General Government	\$ 410,000	\$ -	\$ -	\$ -	\$ -
Parks	329,200	330,000	345,000	355,000	355,000
Cemetery	-	125,000	100,000	-	-
Other	91,700	86,000	31,500	95,000	55,000
	<b>\$ 830,900</b>	<b>\$ 541,000</b>	<b>\$ 476,500</b>	<b>\$ 450,000</b>	<b>\$ 410,000</b>
<b>Buildings</b>					
Art Gallery	\$ 21,500	\$ -	\$ -	\$ -	\$ -
Building Equipment	10,000	-	-	-	-
Carpentry Shop	170,000	-	-	-	-
Cemetery	98,700	22,000	81,000	22,000	56,000
City Hall	51,300	100,000	-	-	-
Filberg Centre	-	345,000	-	-	-
Fire Station	-	-	-	5,500,000	30,000,000
Lewis Centre	111,300	125,000	-	-	-
Memorial Pool	63,500	30,000	30,000	45,000	30,000
Museum	-	-	-	100,000	-
Native Sons Hall	50,000	-	-	-	-
Youth Services	-	-	-	-	-
Parks Buildings	70,000	-	-	-	-
Public Works	95,000	-	4,000,000	500,000	-
Rental Properties	20,000	-	-	-	-
Sid Theatre	37,500	-	-	-	-
	<b>\$ 798,800</b>	<b>\$ 622,000</b>	<b>\$ 4,111,000</b>	<b>\$ 6,167,000</b>	<b>\$ 30,086,000</b>
<b>Equipment / Furniture / Vehicles</b>					
Fire Department	\$ 95,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ -
Information Systems	100,000	130,000	130,000	100,000	100,000
Public Works	692,000	1,023,000	819,500	613,000	608,000
Sewer	133,000	-	-	-	-
	<b>\$ 1,020,000</b>	<b>\$ 1,218,000</b>	<b>\$ 1,014,500</b>	<b>\$ 778,000</b>	<b>\$ 708,000</b>
<b>Engineering Structures - Renewal</b>					
Roads	\$ 4,090,900	\$ 6,889,500	\$ 12,169,100	\$ 5,154,700	\$ 2,444,000
Sewer	243,100	401,500	6,733,300	1,046,800	861,700
Water	1,512,500	2,405,000	3,313,500	2,910,100	2,935,600
	<b>5,846,500</b>	<b>9,696,000</b>	<b>22,215,900</b>	<b>9,111,600</b>	<b>6,241,300</b>
<b>Engineering Structures - New</b>					
Roads	-	-	-	-	-
Sewer	220,500	971,900	2,663,000	-	-
Water	295,000	7,600	-	-	-
	<b>515,500</b>	<b>979,500</b>	<b>2,663,000</b>	<b>-</b>	<b>-</b>
<b>Totl Engineering Structures</b>	<b>\$ 6,362,000</b>	<b>\$ 10,675,500</b>	<b>\$ 24,878,900</b>	<b>\$ 9,111,600</b>	<b>\$ 6,241,300</b>
<b>Other Tangible Capital Assets</b>					
Information Systems	\$ 665,000	\$ 250,000	\$ 115,000	\$ 30,000	\$ 50,000
<b>Total Expenditures</b>	<b>\$ 9,676,700</b>	<b>\$ 13,306,500</b>	<b>\$ 30,595,900</b>	<b>\$ 16,536,600</b>	<b>\$ 37,495,300</b>



# 2016 – 2020 Five-Year Financial Plan

## Capital Funding

This table summarizes the planned source of funding for the 2016 to 2020 capital projects.

Capital Funding Summary	2016 Proposed Budget	2017 Proposed Budget	2018 Proposed Budget	2019 Proposed Budget	2020 Proposed Budget
<b>General, Sewer and Water</b>					
Transfers from Operating Funds	\$ 4,359,500	\$ 3,269,300	\$ 3,929,200	\$ 5,001,900	\$ 5,468,000
External Funds	729,500	3,909,500	4,578,300	1,069,600	654,900
Reserves	6,297,100	5,910,000	9,298,700	4,101,900	3,271,000
Debt	-	1,926,500	15,012,000	9,567,800	32,018,700
	<b>\$ 11,386,100</b>	<b>\$ 15,015,300</b>	<b>\$ 32,818,200</b>	<b>\$ 19,741,200</b>	<b>\$ 41,412,600</b>



# 2016 – 2020 Five-Year Financial Plan

## Debt

The City has used debt to fund capital assets, in accordance with the borrowing requirements outlined in the Community Charter. The City must gain the assent of the electors prior to incurring a new debt for capital assets. The current debt payments are approximately \$1,709,400.

The financial plan projects new debt will be required in each of the years 2017 to 2020. The plan for the use of debt is expected to change prior to the 2017 plan being adopted; as several of the projects may be funded from other sources, such as grants, or from reserves. For planning purposes, the following is the new debt in this financial plan.

## New debt chart

		2016	2017	2018	2019	2020
Funding From Debt		Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
	General	\$ -	\$ 1,426,500	\$ 10,557,000	\$ 9,567,800	\$ 31,260,100
	Sewer	-	500,000	4,455,000	-	-
	Water	-	-	-	-	758,600
		<b>\$ -</b>	<b>\$ 1,926,500</b>	<b>\$ 15,012,000</b>	<b>\$ 9,567,800</b>	<b>\$ 32,018,700</b>

The planned use of debt funding results in an increase to the debt payments beginning the year following the year the debt is incurred. This following table summarizes the change to the debt payments.

## Debt payments chart

		2016	2017	2018	2019	2020
Capital Assets		Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
	<b>Debt</b>					
	Interest	\$ 758,900	\$ 757,600	\$ 910,800	\$ 1,213,600	\$ 1,495,700
	Principal	950,500	951,200	1,311,500	1,991,000	2,421,600
	<b>Total Debt</b>	<b>\$ 1,709,400</b>	<b>\$ 1,708,800</b>	<b>\$ 2,222,300</b>	<b>\$ 3,204,600</b>	<b>\$ 3,917,300</b>

# Reserves and Surplus



# 2016 – 2020 Five-Year Financial Plan

## Transfers to Reserves and Surplus

Annually the City plans for future projects and reserves funds for those activities. In addition, the City usually has a surplus from unspent funds at the end of each budget year, partly due to staff turnover or attrition, projects not being completed and partly due to activities not occurring, such as travel or training. Reserve and surplus funds are used for future projects – both operating and capital projects. The following chart summarizes the planned transfers to reserve accounts and funds, while the chart on the next page summarizes the balances in the reserve funds and surplus accounts at the end of each budget year.

### Transfers to reserve and surplus chart

Transfer to Reserve Funds and Surplus		2016	2017	2018	2019	2020
		Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
<b>Transfer to Reserve Funds</b>						
General						
Machinery & Equipment Reserve	\$	600,000	\$ 606,000	\$ 612,100	\$ 618,200	\$ 624,400
New Works & Other Reserves		1,779,500	2,171,100	2,581,800	3,002,200	3,442,900
Public Parking		6,500	6,600	6,600	6,700	6,800
MFA Reserve		9,200	9,400	9,600	9,800	10,000
Reserve Future Expenditures		-	-	-	-	-
Interfund Interest		56,000	99,900	107,300	121,500	122,700
New Works BYLAW 1835		1,069,100	1,069,100	1,120,000	1,120,000	1,120,000
Cemetery Care Fund		11,000	11,000	11,000	11,000	11,000
Carbon Offsets		18,800	18,800	18,800	18,800	18,800
		3,550,100	3,991,900	4,467,200	4,908,200	5,356,600
Sewer						
Asset Management Reserve		2,125,000	332,100	125,000	125,000	388,700
Machinery/Equip Reserve		75,000	75,000	75,000	75,000	75,000
MFA Reserve Fund		800	700	700	600	500
Carbon Offsets Reserve		5,500	5,500	5,500	5,500	5,500
		2,206,300	413,300	206,200	206,100	469,700
Water						
Asset Management		300,000	300,000	300,000	300,000	300,000
Water Utility		1,700,000	-	-	-	-
Water Machinery & Equip		30,000	30,000	30,000	30,000	30,000
MFA		200	100	100	100	100
Carbon Offsets		5,500	5,500	5,500	5,500	5,500
		2,035,700	335,600	335,600	335,600	335,600
Total Transfer to Reserve Funds		7,792,100	4,740,800	5,009,000	5,449,900	6,161,900
<b>Transfer to Surplus</b>						
General		-	-	-	397,300	2,300
Sewer		24,500	354,900	97,700	118,100	373,400
Water		-	-	1,400	149,500	310,700
Total Transfer to Surplus		24,500	354,900	99,100	664,900	686,400
<b>Total to Reserves and Surplus</b>		<b>\$7,816,600</b>	<b>\$5,095,700</b>	<b>\$5,108,100</b>	<b>\$6,114,800</b>	<b>\$6,848,300</b>



# 2016 – 2020 Five-Year Financial Plan

## Reserves and surplus balances chart

Surplus and Reserves Closing Summary	2016 Budget	2017 Proposed Budget	2018 Proposed Budget	2019 Proposed Budget	2020 Proposed Budget
<b>General</b>					
General Operating Surplus					
Unappropriated Surplus	\$ 994,076	\$ 614,076	\$ 614,076	\$ 1,011,376	\$ 1,013,676
Surplus for Future Expenditures	297,800	236,400	236,400	236,400	236,400
Sid Williams Theatre Society	129,320	129,320	129,320	129,320	129,320
Gaming Funds	1,276,672	1,305,672	1,364,672	1,423,672	1,482,672
	2,697,868	2,285,468	2,344,468	2,800,768	2,862,068
General Capital Reserves					
Unexpended Reserve	948,769	359,469	324,669	324,669	324,669
Machinery and Equipment	1,308,639	826,639	554,239	494,439	510,839
Land Sale	159,013	159,013	159,013	159,013	159,013
New Works and Equipment	3,007,352	2,799,052	3,021,852	3,390,152	3,866,652
Community Gas Tax Funds	4,104,528	3,727,628	- 4,372	- 368,172	- 448,172
Infrasctructure Reserve	649,500	304,200	322,200	1,431,400	3,481,300
Risk Reserve	100,000	100,000	100,000	100,000	100,000
Housing Amenity	342,143	342,143	342,143	342,143	342,143
Amenity	180,375	180,375	180,375	180,375	180,375
Public Parking	43,379	49,979	56,579	63,279	70,079
Parkland Acquisition	208,186	208,186	208,186	208,186	208,186
	11,051,883	9,056,683	5,264,883	6,325,483	8,795,083
Total General Surplus and Reserves	<b>13,749,751</b>	<b>11,342,151</b>	<b>7,609,351</b>	<b>9,126,251</b>	<b>11,657,151</b>
<b>Sewer</b>					
Sewer Operating Surplus					
Unappropriated Surplus	571,643	926,543	1,024,243	1,142,343	1,515,743
Surplus for Future Expenditures	443,900	188,600	87,000	-	-
	1,015,543	1,115,143	1,111,243	1,142,343	1,515,743
Sewer Capital Reserves					
Sewer Reserve	471,948	421,948	271,948	271,948	271,948
Asset Management Reserve	2,125,000	2,457,100	1,582,100	1,707,100	1,395,800
Sewer Machinery and Equipment	625,240	700,240	775,240	850,240	925,240
	3,222,188	3,579,288	2,629,288	2,829,288	2,592,988
Total Sewer Surplus and Reserves	<b>4,237,731</b>	<b>4,694,431</b>	<b>3,740,531</b>	<b>3,971,631</b>	<b>4,108,731</b>
<b>Water</b>					
Water Operating Surplus					
Unappropriated Surplus	444,362	420,062	421,462	570,962	881,662
Surplus for Future Expenditures	177,100	165,000	165,000	2,000	-
	621,462	585,062	586,462	572,962	881,662
Water Capital Reserves					
Water Reserve	2,030,761	1,333,861	528,561	158,461	158,461
Asset Management Reserve	300,000	600,000	900,000	400,000	100,000
Water Machinery and Equipment	221,151	251,151	281,151	311,151	341,151
	2,551,912	2,185,012	1,709,712	869,612	599,612
Total Water Surplus and Reserves	<b>3,173,374</b>	<b>2,770,074</b>	<b>2,296,174</b>	<b>1,442,574</b>	<b>1,481,274</b>
<b>Total Operating Surplus</b>	<b>4,334,873</b>	<b>3,985,673</b>	<b>4,042,173</b>	<b>4,516,073</b>	<b>5,259,473</b>
<b>Total Capital Reserves</b>	<b>16,825,982</b>	<b>14,820,982</b>	<b>9,603,882</b>	<b>10,024,382</b>	<b>11,987,682</b>
<b>Total Surplus and Reserves</b>	<b>\$ 21,160,855</b>	<b>\$ 18,806,655</b>	<b>\$ 13,646,055</b>	<b>\$ 14,540,455</b>	<b>\$ 17,247,155</b>

## Appendix



# 2016 – 2020 Five-Year Financial Plan

## Appendix

The appendix provides the information used to prepare the Bylaw for the 2016 – 2020 Five Year Financial Plan, and includes the following.

1. OBJECTIVES AND POLICIES FOR SCHEDULE "A" BYLAW 2848
2. OBJECTIVES AND POLICIES FOR SCHEDULE "B" BYLAW 2848
3. OBJECTIVES AND POLICIES FOR SCHEDULE "C" BYLAW 2848
4. CONSOLIDATED SUMMARY FOR SCHEDULE "D" BYLAW 2848
5. GENERAL FUND SUMMARY FOR SCHEDULE "E" BYLAW 2848
6. SEWER OPERATING FUND SUMMARY FOR SCHEDULE "F" BYLAW 2848
7. WATER OPERATING FUND SUMMARY FOR SCHEDULE "G" BYLAW 2848
8. GENERAL CAPITAL FUND SUMMARY FOR SCHEDULE "H" BYLAW 2848
9. SEWER CAPITAL FUND SUMMARY FOR SCHEDULE "I" BYLAW 2848
10. WATER CAPITAL FUND SUMMARY FOR SCHEDULE "J" BYLAW 2848



# 2016 – 2020 Five-Year Financial Plan

## 1. Objectives and Policies for Schedule “A” Bylaw 2848

### Proportion of Revenue by Source

#### Property Tax Policies

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

#### Parcel Tax Policies

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

#### Fees & Charges

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

#### Proceeds of Borrowing

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

#### Other Sources of Revenue

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

Revenue Source	2014		2015		2016	
	Amount	% Total Revenue	Amount	% Total Revenue	Amount	% Total Revenue
Property Value Taxes	21,095,354	39.5%	21,920,748	35.4%	22,677,200	38.0%
Parcel Taxes	2,523,322	4.7%	2,592,311	4.2%	2,655,500	4.5%
Fees and Charges	11,224,107	21.0%	11,942,340	19.3%	16,077,600	27.0%
Other Sources	8,206,268	15.4%	9,769,237	15.8%	4,504,400	7.6%
Borrowing	-	0.0%	-	0.0%	-	0.0%
Reserves/Surpluses	10,363,192	19.4%	15,650,558	25.3%	13,648,600	22.9%
<b>TOTAL</b>	<b>53,412,243</b>	<b>100.0%</b>	<b>61,875,194</b>	<b>100.0%</b>	<b>59,563,300</b>	<b>100.0%</b>



# 2016 – 2020 Five-Year Financial Plan

## 2. Objectives and Policies for Schedule “B” Bylaw 2848

### Distribution of property value taxes among the property classes

- ❖ The City of Courtenay will attempt to keep the percentage of property taxes received from residential taxpayers at a level comparable to the average of similar municipalities.

The City has set tax rates in order to maintain tax stability, by maintaining the proportionate relationship between the property classes. This practice allows the various taxpayers in the municipality to be confident that, in any year, their property tax bill will only increase as much as their proportion of the increase in tax revenue required year over year.

- ❖ The City will attempt, over time, to reduce the commercial tax rate where necessary to ensure that Courtenay remains a competitive location for commercial activity.

Each year, Council has considered whether to reduce the commercial rate multiple, which effectively shifts tax load from the commercial class to the residential class taxpayer.

Property Class	2014		2015		2016	
	Rate Multiple	% Property Value Tax	Rate Multiple	% Property Value Tax	Rate Multiple	% Property Value Tax
01 Residential	1.00	60.10%	1.00	60.60%	1.00	61.80%
02 Utilities	7.00	0.27%	7.00	0.27%	7.00	0.27%
04 Major Industry	3.90	0.00%	3.90	0.00%	3.90	0.00%
05 Light Industry	3.90	0.33%	3.90	0.36%	3.90	0.38%
06 Business	2.80	39.19%	2.80	38.65%	2.80	37.45%
08 Recreation/Non-Profit	1.00	0.08%	1.00	0.08%	1.00	0.08%
09 Farm	1.00	0.03%	1.00	0.03%	1.00	0.03%
<b>TOTAL</b>		<b>100.00%</b>		<b>100.00%</b>		<b>100.00%</b>

# 2016 – 2020 Five-Year Financial Plan

## 3. Objectives and Policies for Schedule “C” Bylaw 2848

### Permissive Tax Exemptions

- ❖ 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.
- ❖ The cumulative value of permissive tax exemptions shall not exceed 2% of the total tax levy of the previous year.

<b>Permissive Property Tax Exemptions</b>	<b>2014 Property Tax Revenue Exempted</b>	<b>2015 Property Tax Revenue Exempted</b>	<b>2016 Property Tax Revenue Exempted</b>
City owned properties/managed by not-for-profit groups	\$ 171,609	\$ 173,376	\$ 175,040
Not-for Profit Organizations	158,505	149,925	133,867
Churches	14,224	15,184	15,486
TOTAL	344,338	\$338,485	324,393
Prior year total tax levy for municipal purposes	20,289,153	21,095,354	21,920,748
Exemptions as a percentage of total tax levy	1.7%	1.6%	1.5%

# 2016 – 2020 Five-Year Financial Plan

## 4. Consolidated Summary for Schedule “D” Bylaw 2848

Consolidated Financial Plan					
Revenues	2016	2017	2018	2019	2020
<b>Taxes</b>					
General Property Taxes	\$ 22,011,300	\$ 22,988,000	\$ 24,133,500	\$ 26,155,900	\$ 27,941,500
Collections for Other Governments	20,783,500	21,748,900	22,635,600	23,039,200	23,441,800
Total Property Taxes	42,794,800	44,736,900	46,769,100	49,195,100	51,383,300
Frontage & Parcel Taxes	2,655,500	2,668,600	2,965,100	2,978,300	2,991,700
Grants in Place of Property Taxes	406,900	415,100	423,300	431,700	440,400
% of Revenue Tax	385,500	393,200	401,100	409,100	417,300
Total Taxes Collected	46,242,700	48,213,800	50,558,600	53,014,200	55,232,700
Less: Transfers to Other Governments	(20,910,000)	(21,877,900)	(22,767,300)	(23,173,500)	(23,578,800)
<b>Net Taxes for Municipal Purposes</b>	<b>25,332,700</b>	<b>26,335,900</b>	<b>27,791,300</b>	<b>29,840,700</b>	<b>31,653,900</b>
<b>Other Revenues</b>					
Fees and Charges	16,077,600	16,841,500	17,735,800	18,414,200	19,123,100
Revenue from Other Sources	2,611,500	5,466,500	6,264,100	3,042,300	2,654,200
Other Contributions	25,100	377,700	276,500	7,900	-
Transfers from Other Govt & Agencies	1,867,800	1,904,500	1,942,000	1,980,200	2,019,300
Total Other Revenues	20,582,000	24,590,200	26,218,400	23,444,600	23,796,600
<b>Total Operating Revenues</b>	<b>45,914,700</b>	<b>50,926,100</b>	<b>54,009,700</b>	<b>53,285,300</b>	<b>55,450,500</b>
<b>Transfers From Reserves and Surplus</b>					
From Reserves	7,921,200	6,767,600	10,144,200	4,947,400	4,116,500
From Surplus	5,727,400	659,600	101,600	250,000	2,000
<b>Total from Reserves and Surplus</b>	<b>13,648,600</b>	<b>7,427,200</b>	<b>10,245,800</b>	<b>5,197,400</b>	<b>4,118,500</b>
<b>Funding from Debt</b>	<b>-</b>	<b>1,926,500</b>	<b>15,012,000</b>	<b>9,567,800</b>	<b>32,018,700</b>
<b>Total Revenues</b>	<b>59,563,300</b>	<b>60,279,800</b>	<b>79,267,500</b>	<b>68,050,500</b>	<b>91,587,700</b>
<b>Equity in Capital Assets</b>	<b>4,425,000</b>	<b>4,425,000</b>	<b>4,425,000</b>	<b>4,425,000</b>	<b>4,425,000</b>
	<b>\$ 63,988,300</b>	<b>\$ 64,704,800</b>	<b>\$ 83,692,500</b>	<b>\$ 72,475,500</b>	<b>\$ 96,012,700</b>
<b>Expenses</b>					
<b>Operating Expenses</b>					
General Government	\$ 3,273,300	\$ 3,316,500	\$ 3,521,400	\$ 3,572,300	\$ 3,738,000
Protective Services	9,086,300	9,046,700	9,217,500	9,401,000	9,587,700
Transportation Services	4,398,700	4,299,600	4,356,400	4,346,600	4,437,900
Environmental Health Services	13,704,000	13,682,200	14,249,300	14,737,700	15,235,500
Public Health Services	239,800	244,400	249,200	254,000	259,500
Development Services	1,357,400	1,256,100	1,263,600	1,273,100	1,296,300
Parks, Recreation & Cultural Services	8,301,100	8,323,300	8,483,800	8,609,800	8,771,900
	40,360,600	40,168,800	41,341,200	42,194,500	43,326,800
Amortization	4,425,000	4,425,000	4,425,000	4,425,000	4,425,000
<b>Total Operating Expenses</b>	<b>44,785,600</b>	<b>44,593,800</b>	<b>45,766,200</b>	<b>46,619,500</b>	<b>47,751,800</b>
<b>Capital Transactions</b>					
Capital Assets					
Land and Improvements	830,900	541,000	476,500	450,000	410,000
Buildings	798,800	622,000	4,111,000	6,167,000	30,086,000
Equipment	1,020,000	1,218,000	1,014,500	778,000	708,000
Engineering Structures - Renewal	5,846,500	9,696,000	22,215,900	9,111,600	6,241,300
Engineering Structures - New	515,500	979,500	2,663,000	-	-
Other Capital Assets	665,000	250,000	115,000	30,000	50,000
	9,676,700	13,306,500	30,595,900	16,536,600	37,495,300
Debt for Capital Assets					
Interest	758,900	757,600	910,800	1,213,600	1,495,700
Principal	950,500	951,200	1,311,500	1,991,000	2,421,600
	1,709,400	1,708,800	2,222,300	3,204,600	3,917,300
<b>Total Capital Transactions</b>	<b>11,386,100</b>	<b>15,015,300</b>	<b>32,818,200</b>	<b>19,741,200</b>	<b>41,412,600</b>
<b>Transfers to Reserves &amp; Surplus</b>					
To Reserves	7,792,100	4,740,800	5,009,000	5,449,900	6,161,900
To Appropriated Surplus	24,500	354,900	99,100	664,900	686,400
<b>Total to Reserves and Surplus</b>	<b>7,816,600</b>	<b>5,095,700</b>	<b>5,108,100</b>	<b>6,114,800</b>	<b>6,848,300</b>
	<b>\$ 63,988,300</b>	<b>\$ 64,704,800</b>	<b>\$ 83,692,500</b>	<b>\$ 72,475,500</b>	<b>\$ 96,012,700</b>



# 2016 – 2020 Five-Year Financial Plan

## 5. General Fund Summary for Schedule “E” Bylaw 2848

General Fund Summary					
	2016	2017	2018	2019	2020
<b>REVENUES</b>					
<b>Taxes</b>					
General Municipal Taxes	\$ 22,011,300	\$ 22,988,000	\$ 24,133,500	\$ 26,155,900	\$ 27,941,500
Collections for Other Governments	20,783,500	21,748,900	22,635,600	23,039,200	23,441,800
<b>Total Taxes Collected</b>	<b>42,794,800</b>	<b>44,736,900</b>	<b>46,769,100</b>	<b>49,195,100</b>	<b>51,383,300</b>
<b>Less:</b>					
Property Taxes for Other Governments	(20,783,500)	(21,748,900)	(22,635,600)	(23,039,200)	(23,441,800)
Portion of Grants in Place of Taxes	(126,500)	(129,000)	(131,700)	(134,300)	(137,000)
	(20,910,000)	(21,877,900)	(22,767,300)	(23,173,500)	(23,578,800)
<b>Net Municipal Taxes</b>	<b>21,884,800</b>	<b>22,859,000</b>	<b>24,001,800</b>	<b>26,021,600</b>	<b>27,804,500</b>
Grants in Lieu of Taxes	406,900	415,100	423,300	431,700	440,400
% of Revenue Tax	385,500	393,200	401,100	409,100	417,300
<b>Taxes for Municipal Purposes</b>	<b>22,677,200</b>	<b>23,667,300</b>	<b>24,826,200</b>	<b>26,862,400</b>	<b>28,662,200</b>
<b>Fees and Charges</b>	<b>7,206,400</b>	<b>7,388,000</b>	<b>7,652,000</b>	<b>7,929,700</b>	<b>8,221,800</b>
<b>Revenue from Other Sources</b>	<b>1,792,000</b>	<b>1,816,300</b>	<b>1,840,500</b>	<b>1,855,300</b>	<b>1,870,400</b>
<b>Transfers from Other Govt &amp; Agencies</b>	<b>1,867,800</b>	<b>1,904,500</b>	<b>1,942,000</b>	<b>1,980,200</b>	<b>2,019,300</b>
<b>Transfers-Reserves</b>	<b>1,364,500</b>	<b>839,000</b>	<b>839,000</b>	<b>839,000</b>	<b>839,000</b>
<b>Transfers-Surplus</b>	<b>1,707,100</b>	<b>380,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Equity in Capital Assets</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>
	<b>\$ 40,615,000</b>	<b>\$ 39,995,100</b>	<b>\$ 41,099,700</b>	<b>\$ 43,466,600</b>	<b>\$ 45,612,700</b>
<b>EXPENDITURES</b>					
<b>Operating Expenditures</b>					
General Government	\$ 3,273,300	\$ 3,316,500	\$ 3,521,400	\$ 3,572,300	\$ 3,738,000
Protective Services	9,086,300	9,046,700	9,217,500	9,401,000	9,587,700
Transportation Services	4,398,700	4,299,600	4,356,400	4,346,600	4,437,900
Environmental Health Services	2,972,000	3,151,500	3,347,500	3,562,600	3,798,200
Public Health Services	239,800	244,400	249,200	254,000	259,500
Development Services	1,357,400	1,256,100	1,263,600	1,273,100	1,296,300
Parks, Recreation & Cultural Services	8,301,100	8,323,300	8,483,800	8,609,800	8,771,900
<b>Total Operating Expenses</b>	<b>29,628,600</b>	<b>29,638,100</b>	<b>30,439,400</b>	<b>31,019,400</b>	<b>31,889,500</b>
<b>Amortization</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>
<b>Total Expenses</b>	<b>33,628,600</b>	<b>33,638,100</b>	<b>34,439,400</b>	<b>35,019,400</b>	<b>35,889,500</b>
<b>Transfer to Capital Fund</b>	<b>3,436,300</b>	<b>2,365,100</b>	<b>2,193,100</b>	<b>3,141,700</b>	<b>4,364,300</b>
<b>Transfer to Reserve Funds</b>	<b>3,550,100</b>	<b>3,991,900</b>	<b>4,467,200</b>	<b>4,908,200</b>	<b>5,356,600</b>
<b>Transfer to Surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>397,300</b>	<b>2,300</b>
	<b>6,986,400</b>	<b>6,357,000</b>	<b>6,660,300</b>	<b>8,447,200</b>	<b>9,723,200</b>
	<b>\$ 40,615,000</b>	<b>\$ 39,995,100</b>	<b>\$ 41,099,700</b>	<b>\$ 43,466,600</b>	<b>\$ 45,612,700</b>

# 2016 – 2020 Five-Year Financial Plan

## 6. Sewer Operating Fund Summary for Schedule "F" Bylaw 2848

Sewer Operating Fund	2016	2017	2018	2019	2020
<b>Revenues</b>					
<b>Operating</b>					
Frontage & Parcel Taxes	\$ 1,946,400	\$ 1,956,000	\$ 2,249,000	\$ 2,258,700	\$ 2,268,500
Sale of Services	3,895,700	4,299,500	4,745,400	4,955,100	5,174,100
Revenue from Own Sources	1,200	1,100	1,100	1,000	900
	5,843,300	6,256,600	6,995,500	7,214,800	7,443,500
<b>Reserves &amp; Surplus</b>					
Future Expenditure Reserve	260,000	-	-	-	-
Surplus	2,000,000	-	-	-	-
	2,260,000	-	-	-	-
<b>Equity in Capital Assets</b>	125,000	125,000	125,000	125,000	125,000
	125,000	125,000	125,000	125,000	125,000
<b>Total Revenues</b>	<b>\$ 8,228,300</b>	<b>\$ 6,381,600</b>	<b>\$ 7,120,500</b>	<b>\$ 7,339,800</b>	<b>\$ 7,568,500</b>
<b>Expenses</b>					
<b>Operating</b>					
General Administration	1,391,800	1,118,000	1,108,400	1,091,300	1,054,100
CVRD	3,484,700	3,693,800	3,915,400	4,150,300	4,399,300
Collection	481,700	440,200	449,300	458,300	468,400
	5,358,200	5,252,000	5,473,100	5,699,900	5,921,800
Amortization	125,000	125,000	125,000	125,000	125,000
<b>Total Expenses</b>	<b>5,483,200</b>	<b>5,377,000</b>	<b>5,598,100</b>	<b>5,824,900</b>	<b>6,046,800</b>
<b>Transfers to Other Funds</b>					
Sewer Capital Fund	514,300	236,400	1,218,500	1,190,700	678,600
	514,300	236,400	1,218,500	1,190,700	678,600
<b>Transfers to Reserves</b>					
Asset Management Reserve	2,125,000	332,100	125,000	125,000	388,700
Machinery/Equip Reserve	75,000	75,000	75,000	75,000	75,000
MFA Reserve Fund	800	700	700	600	500
Carbon Offsets Reserve	5,500	5,500	5,500	5,500	5,500
<b>Total Transfers</b>	<b>2,206,300</b>	<b>413,300</b>	<b>206,200</b>	<b>206,100</b>	<b>469,700</b>
<b>Transfer to Appropriated Surplus</b>					
Surplus contingency	24,500	354,900	97,700	118,100	373,400
	24,500	354,900	97,700	118,100	373,400
<b>Total Expenses</b>	<b>\$ 8,228,300</b>	<b>\$ 6,381,600</b>	<b>\$ 7,120,500</b>	<b>\$ 7,339,800</b>	<b>\$ 7,568,500</b>
<b>Surplus (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# 2016 – 2020 Five-Year Financial Plan

## 7. Water Operating Fund Summary for Schedule “G” Bylaw 2848

Water Operating Fund	Budget				
	2016	2017	2018	2019	2020
<b>Revenues</b>					
<b>Operating</b>					
Frontage & Parcel Taxes	\$ 709,100	\$ 712,600	\$ 716,100	\$ 719,600	\$ 723,200
Sale of Services	4,975,500	5,154,000	5,338,400	5,529,400	5,727,200
Revenue from Own Sources	113,900	117,300	120,700	124,300	128,000
	5,798,500	5,983,900	6,175,200	6,373,300	6,578,400
<b>Reserves</b>					
Future Expenditure	143,400	12,100	-	-	-
Water Efficiency	6,500	6,500	6,500	6,500	6,500
	149,900	18,600	6,500	6,500	6,500
<b>Surplus</b>					
Surplus	1,870,000	24,300	-	-	-
Total Transfers	2,019,900	42,900	6,500	6,500	6,500
<b>Equity in Assets</b>	300,000	300,000	300,000	300,000	300,000
<b>Total Revenues</b>	<b>8,118,400</b>	<b>6,326,800</b>	<b>6,481,700</b>	<b>6,679,800</b>	<b>6,884,900</b>
<b>Expenses</b>					
<b>Operating</b>					
General Administration	1,474,500	1,333,800	1,340,000	1,338,600	1,330,000
CVRD - Supply	3,163,500	3,194,600	3,323,200	3,356,100	3,389,400
Transmission and Distributio	735,800	750,300	765,500	780,500	796,100
	5,373,800	5,278,700	5,428,700	5,475,200	5,515,500
Amortization	300,000	300,000	300,000	300,000	300,000
Total Operating Expenses	5,673,800	5,578,700	5,728,700	5,775,200	5,815,500
<b>Transfers to Other Funds</b>					
General Fund	-	-	-	-	-
Water Capital Fund	408,900	412,500	416,000	419,500	423,100
	408,900	412,500	416,000	419,500	423,100
<b>Transfers to Reserves</b>					
Asset Management	300,000	300,000	300,000	300,000	300,000
Water Utility	1,700,000	-	-	-	-
Water Machinery & Equip	30,000	30,000	30,000	30,000	30,000
MFA	200	100	100	100	100
Carbon Offsets	5,500	5,500	5,500	5,500	5,500
	2,035,700	335,600	335,600	335,600	335,600
<b>Transfer to Appropriated Surplus</b>					
Contingency	-	-	1,400	149,500	310,700
Total Transfers	2,035,700	335,600	337,000	485,100	646,300
<b>Total Expenses</b>	<b>\$ 8,118,400</b>	<b>\$ 6,326,800</b>	<b>\$ 6,481,700</b>	<b>\$ 6,679,800</b>	<b>\$ 6,884,900</b>
<b>Surplus (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# 2016 – 2020 Five-Year Financial Plan

## 8. General Capital Fund Summary for Schedule “H” Bylaw 2848

General Capital Fund	Budget				
	2016	2017	2018	2019	2020
<b>Revenues</b>					
Other Revenues	\$ 324,500	\$ 1,311,000	\$ 1,318,300	\$ 876,800	\$ 513,900
Grant and Contributions	379,900	2,220,800	2,983,500	184,900	141,000
	704,400	3,531,800	4,301,800	1,061,700	654,900
<b>Transfers</b>					
Operating Funds	3,436,300	2,365,100	2,193,100	3,141,700	4,364,300
	3,436,300	2,365,100	2,193,100	3,141,700	4,364,300
<b>Reserves</b>					
Gaming Funds Reserve	435,000	20,000	-	-	-
Other Reserve Funds	4,217,500	3,697,100	2,491,400	1,448,000	771,000
	4,652,500	3,717,100	2,491,400	1,448,000	771,000
Total Transfers	8,088,800	6,082,200	4,684,500	4,589,700	5,135,300
Debt	-	1,426,500	10,557,000	9,567,800	31,260,100
<b>Total Revenues</b>	<b>\$ 8,793,200</b>	<b>\$11,040,500</b>	<b>\$19,543,300</b>	<b>\$15,219,200</b>	<b>\$37,050,300</b>
<b>Debt</b>					
Interest	\$ 665,400	\$ 664,100	\$ 705,600	\$ 1,008,400	\$ 1,290,600
Principal	855,200	855,900	951,600	1,631,100	2,061,700
	1,520,600	1,520,000	1,657,200	2,639,500	3,352,300
<b>Capital Assets</b>					
Land and improvements	830,900	541,000	476,500	450,000	410,000
Buildings	798,800	622,000	4,111,000	6,167,000	30,086,000
Equipments / Furnitures / Vehicles	887,000	1,218,000	1,014,500	778,000	708,000
Engineering Structures - Renewal	4,090,900	6,889,500	12,169,100	5,154,700	2,444,000
Other Tangible Capital Assets	665,000	250,000	115,000	30,000	50,000
	7,272,600	9,520,500	17,886,100	12,579,700	33,698,000
<b>Total Expenditures</b>	<b>\$ 8,793,200</b>	<b>\$11,040,500</b>	<b>\$19,543,300</b>	<b>\$15,219,200</b>	<b>\$37,050,300</b>
<b>Surplus (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# 2016 – 2020 Five-Year Financial Plan

## 9. Sewer Capital Fund Summary for Schedule "I" Bylaw 2848

Sewer Capital Fund					
	2016	2017	2018	2019	2020
<b>Revenues</b>					
<b>Funding from Revenue &amp; Operating Fund</b>					
Other Revenues	15,800	226,400	88,200	4,800	-
Sewer Operating Fund	514,300	236,400	1,218,500	1,190,700	678,600
	530,100	462,800	1,306,700	1,195,500	678,600
<b>Reserves &amp; Surplus</b>					
Sewer Operating Surplus	110,500	255,300	101,600	87,000	-
Sewer Capital Surplus	21,700	-	-	-	-
General Reserve Funds	-	50,000	1,150,000	-	700,000
Gas Tax Reserve Fund	75,000	246,000	2,900,000	281,300	-
	207,200	551,300	4,151,600	368,300	700,000
	737,300	1,014,100	5,458,300	1,563,800	1,378,600
<b>Funding from Debt</b>					
	-	500,000	4,455,000	-	-
<b>Total Revenues</b>	<b>\$ 737,300</b>	<b>\$ 1,514,100</b>	<b>\$ 9,913,300</b>	<b>\$ 1,563,800</b>	<b>\$ 1,378,600</b>
<b>Debt</b>					
Interest - Debenture Debt	65,500	65,500	177,200	177,200	177,100
Principal - Debenture Debt	75,200	75,200	339,800	339,800	339,800
	140,700	140,700	517,000	517,000	516,900
<b>Capital Assets</b>					
Equipment	133,000	-	-	-	-
Engineering Structures - Renewal	243,100	401,500	6,733,300	1,046,800	861,700
Engineering Structures - New	220,500	971,900	2,663,000	-	-
	596,600	1,373,400	9,396,300	1,046,800	861,700
<b>Total Expenditures</b>	<b>\$ 737,300</b>	<b>\$ 1,514,100</b>	<b>\$ 9,913,300</b>	<b>\$ 1,563,800</b>	<b>\$ 1,378,600</b>
<b>Surplus (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>





# 2016 – 2020 Five-Year Financial Plan

## 10. Water Capital Fund Summary for Schedule “J” Bylaw 2848

Water Capital Fund					
	2016	2017	2018	2019	2020
<b>Revenues</b>					
<b>Funding from Operating Fund, Reserves and Surplus</b>					
Other Revenues	\$ 9,300	\$ 151,300	\$ 188,300	\$ 3,100	\$ -
Water Operating Fund	408,900	412,500	416,000	419,500	423,100
	418,200	563,800	604,300	422,600	423,100
<b>Reserves &amp; Surplus</b>					
Water Surplus	18,100	-	-	163,000	2,000
Community Works (Gas Tax)	250,000	1,200,000	1,952,000	1,202,500	1,200,000
Other Reserves	1,169,300	696,900	805,300	1,170,100	600,000
	1,437,400	1,896,900	2,757,300	2,535,600	1,802,000
	1,855,600	2,460,700	3,361,600	2,958,200	2,225,100
<b>Funding from Debt</b>					
	-	-	-	-	758,600
<b>Total Revenues</b>	<b>\$ 1,855,600</b>	<b>\$ 2,460,700</b>	<b>\$ 3,361,600</b>	<b>\$ 2,958,200</b>	<b>\$ 2,983,700</b>
<b>Debt</b>					
Interest - Debenture Debt	\$ 28,000	\$ 28,000	\$ 28,000	\$ 28,000	\$ 28,000
Principal - Debenture Debt	20,100	20,100	20,100	20,100	20,100
	48,100	48,100	48,100	48,100	48,100
<b>Capital Assets</b>					
Engineering Structures - Renew	1,512,500	2,405,000	3,313,500	2,910,100	2,935,600
Engineering Structures - New	295,000	7,600	-	-	-
	1,807,500	2,412,600	3,313,500	2,910,100	2,935,600
<b>Total Expenditures</b>	<b>\$ 1,855,600</b>	<b>\$ 2,460,700</b>	<b>\$ 3,361,600</b>	<b>\$ 2,958,200</b>	<b>\$ 2,983,700</b>
<b>Surplus (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



# 2016 Five Year Financial Plan

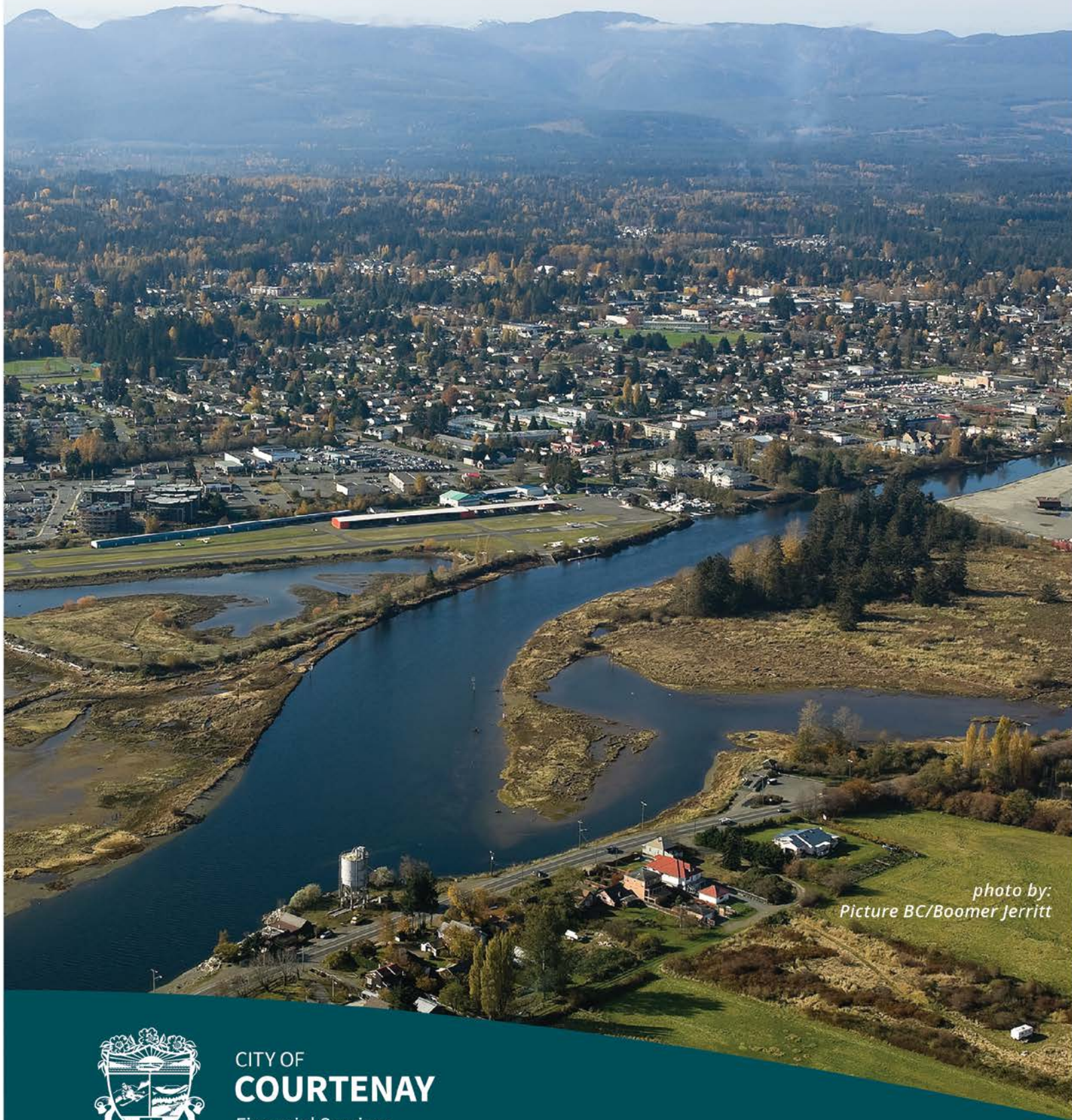


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