

# 2018 Five Year Financial Plan



*photo by:  
Kim Stallknecht*



CITY OF  
**COURTENAY**  
Financial Services

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# 2018 – 2022 Five-Year Financial Plan draft

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## City of Courtenay – Quick Facts



Official City Crest

Coordinates-City Hall  
UTM Zone 10:  
X: 356077 | Y: 5506012

Long: -124°59' 44" W  
Lat: 49° 41' 22" N

- **Incorporated:** January 1, 1915
- **Population:** 25,599 (2016 Census) | Comox Valley RD: 66,527 (2016 Census)
- **City Area:** 33.7 km<sup>2</sup> | 3,369 ha. | 8,324 acres
- **City Land Area (not incl. Courtenay R. or Harbour):** 32.7 km<sup>2</sup> | 3,267 ha. | 8,075 acres
- **Private Dwellings:** 12,013 (2016 Census)
- **Private Dwellings occupied by usual residents:** 11,704 (2016 Census)
- **Density per km<sup>2</sup>:** 783
- **Population Growth (2011 – 2016):** +5.7%

Courtenay is a city on the east coast of Vancouver Island in the province of British Columbia, Canada. The city was named after the Courtenay River, which in turn, was named after George William Courtenay, captain of the British ship HMS Constance, which was stationed in the area between 1846 and 1849. Courtenay has the largest population and is the only city within the townships and municipalities that make up the Comox Valley Regional District.

### Statistics

#### Utilities

##### Sanitary

- Sanitary Sewer Mains: 154.3 km (Jan 2018)
- Sanitary Sewer Connections: 6,926 (Estimate, based on Water)
- Sanitary Lift Stations: 12 Stations (23 Pumps)

##### Storm

- Storm Sewer Mains: 161.5 km (Jan 2018)
- Storm Catch basins: 4,062 (Jan 2018)
- Storm Sewer Connections\*\*: 7,550 (Jan 2017)

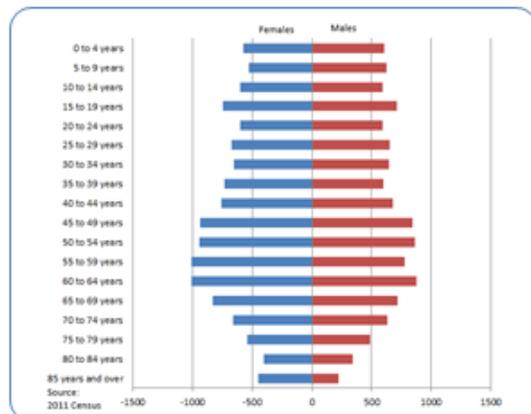
##### Water

- Water Mains\*: 173.3 (Jan 2018)
- Water Service Connections: 6,926 (Dec 2016)
- Water Meters Setters: 1,782 (Dec 2016)
- Fire Hydrants: 755 (Jan 2018) Blow-off Valves: 127 (Jan 2018)
- Mainline Valves: 2,066 (Jan 2018) Air Valves: 82 (Jan 2018)
- Booster Station: 5 pumps PRV's: 3 (Jan 2018)

##### Transportation

- Roads: 161 km | 341 lane km (Jan 2018)  
Aerial: 64 lane km, Collector: 81 lane km | Local: 196 lane km
- Sidewalks: 166km (2018) Paved Walkways: 11.3 km (2017)
- Streetlights: 1,316 (Jan 2018, incl. 174 Ornamental)
- Signalized Intersect's: 19 + 2 Flashing 4-Way Beacon (Mar 2017)
- Traffic Signals (individual): 84 Ped Controlled Crossings: 11

### Age Pyramid for Courtenay, BC (Census 2011)



### Environment

- Oceanfront: 3.1 km
- Riverfront: 12.0 km
- Max Elevation: 94m (Waters Pt Reservoirs)
- Min Elevation: 0m (Comox Harbour)

#### Notes:

\*\*Storm Connections based on number of parcels in area with Storm utilities, where connections area known to have been installed.  
\*The Comox Valley Regional District transmission water mains throughout the City of Courtenay not included in the numbers posted.  
Numbers posted included the Sandwick water district mains and hydrants.

All Data compiled by the City of Courtenay AMTS (2017-02-01)

## Introduction

The five year financial plan provides a framework for planning and managing the City's resources, revenues and expenditures each year under the auspices of the City's strategic priorities and long-term asset management plans.

This 2018-2022 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 as presented on the next page. 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.

The *Community Charter* outlines the purposes and fundamental powers of a municipality under sections 6 and 7, and establishes Council as the governing body.

- Municipal purposes include:
  - a. Providing for good government of its community;
  - b. Providing for services, laws and matters of community benefit;
  - c. Providing for the stewardship of the public assets of its community; and,
  - d. Fostering the economic, social and environmental well-being of its community.

Section 165 of the *Community Charter* requires that a local government adopt an annual five-year balanced financial plan bylaw before the annual tax rate bylaw is adopted each year prior to May 15.

Section 166 of the *Community Charter* states that Council must undertake a process of public consultation regarding the proposed financial plan before it is adopted.

Spending for service provision or for capital programs cannot move forward without Council's approval and direction. While the Financial Plan lays the groundwork for the organization and is the City's principal document, nothing is accomplished without Council approving or directing how finite resources will be allocated to pay for operational costs and capital programs.

## 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

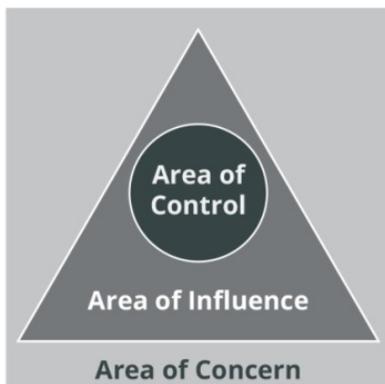
- Support densification aligned with community input and regional growth strategy
- Assess how city-owned lands can support our strategic land acquisitions and disposals
- ▲ Support initiatives and incentives to encourage lower cost housing
- Proactively pursue housing diversity and advocate for senior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

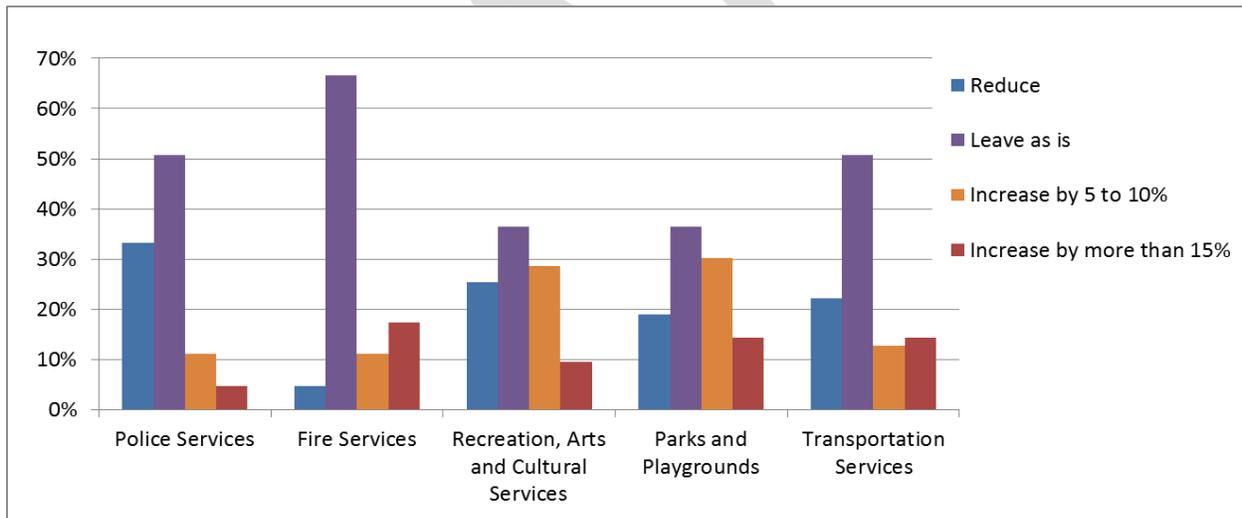
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## Public consultation

Public input is important for the City and has been considered for the 2018-2022 Five-Year Financial Plan using the results and comments gathered from the 2018 Citizen Budget Survey that ran from October 11 to November 1, 2017. This was the fifth year the City consulted the community using an online Citizen Budget Survey. 63 responses were received.



The table below is an extract from the 2018 Citizen Budget survey results and reports how respondents wanted their property taxes adjusted for the various service areas.

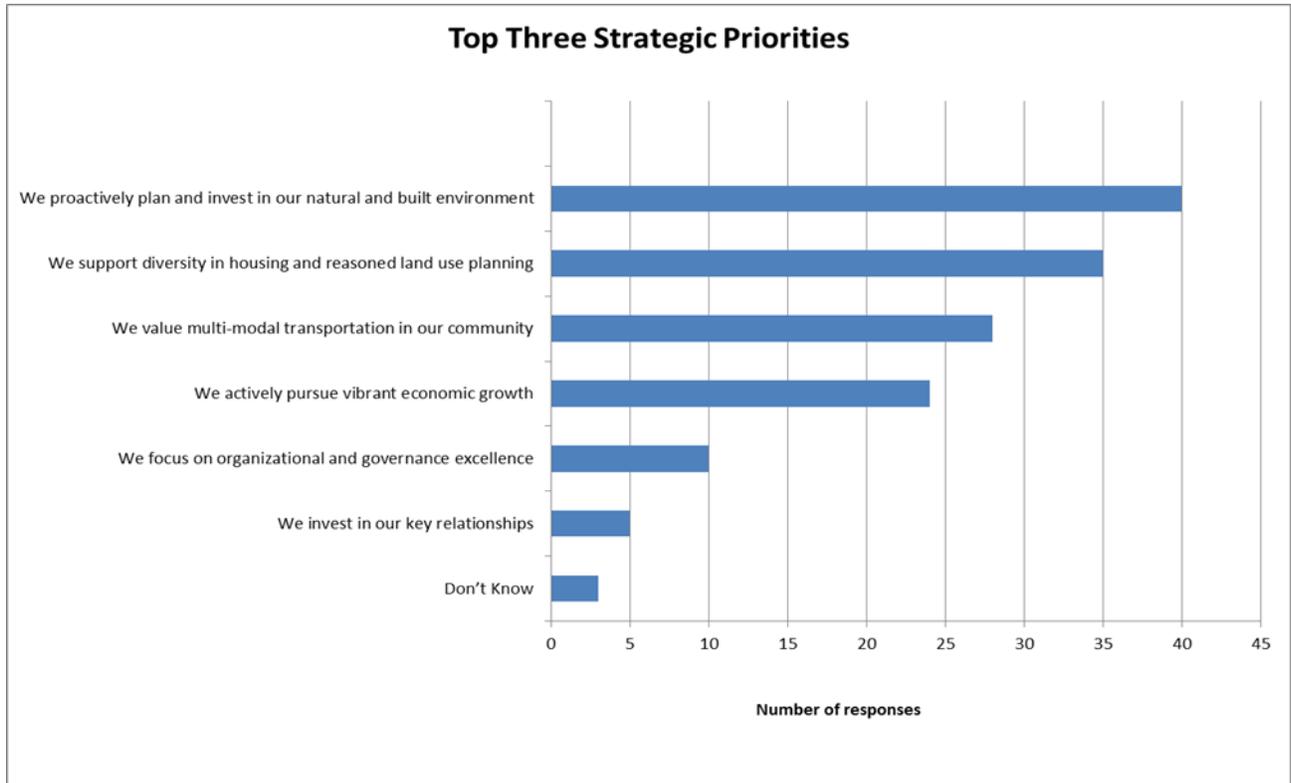


The majority of the respondents were supportive of a 1-2 percent or greater increase for water and sewer user fees. Of the 60 respondents, the majority (38) were in favour of an increase to property taxes and 22 preferred maintaining property taxes at the current level as indicated in the table below.

	Total Responses	Leave as is		Increase by 1-2%		Increase by 3-4%		Increase by more than 5-6%		Increase by more than 7-8%	
		Number	%	Number	%	Number	%	Number	%	Number	%
General Municipal Property Taxes	60	22	37%	21	35%	8	13%	9	15%	0	0%
Water Infrastructures	61	16	26%	22	36%	13	21%	5	8%	5	8%
Sewer Infrastructures	61	22	36%	26	43%	7	11%	2	3%	4	7%

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Respondents were also asked to choose the top three strategic priorities that should receive the greatest attention from municipal leaders. The graph below lists the 2016-2018 City of Courtenay strategic priorities in order of the number of votes received.



Demographic information is as follows:

- 47 homeowners, 4 renters and 2 non-resident property owners
- 48 respondents are older than 35; 26 are older than 55
- 45 respondents have lived in the City for more than 2 years and 28 for 10 years or more

Based on the July 1<sup>st</sup>, 2016 BC STATS estimate, the City of Courtenay's population was estimated at 26,056. Assuming 80% of the population is within voting age, 63 responses to this consultation represents only 0.3% of the voting population of Courtenay.

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## Asset Management

In accordance with Council's Strategic Priorities and Asset Management Policy, the 2018-2022 Capital Financial Plan was guided by the principles of Asset Management. Two concepts explain its purpose and scope: first, the objective of Asset Management is to meet a required level of service, in the most cost effective manner, through the management of assets for present and future users. Second, lifecycle asset management encompasses all practices associated with considering management strategies as part of the asset lifecycle by looking at the lowest long-term cost when making decisions.

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



## Financial Plan Overview

The Financial Plan information in this report is presented in four separate sections:

- Consolidated Financial Plan
- General Fund
- Sewer Fund
- Water Fund

It is intended to provide the reader with a perspective of what the City is working toward over the next five years and provide incremental improvements in reporting to the annual financial report issued each year.

### ***Budgeting by Funds***

The City provides a variety of services that are budgeted through three different operating funds, and three different capital funds. Annual property taxation and most other types of revenue are recognized in the General Fund whereas the Water and Sewer utility operating funds are intended to be self-supporting through separate and specific user fees and taxes.

### **The General Fund**

The General Fund is divided into seven standard divisions utilized by most local governments. Within each division is the plan for each department and functional area. These plans are presented in a summarized format that is intended to facilitate the budget decision-making process.

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, 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, and reduce the reliance on property taxes; 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 fund 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 Courtenay for water based on bulk water utilized and sewer services based on recorded 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 General Fund to the water and sewer utility funds that represents the administrative costs associated with general government and public works providing services to each of these respective areas. Administrative costs are essentially the staff time and other resources required to provide support for each service.

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## 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

Unlike federal and provincial levels of government in Canada, municipal governments are not allowed to run deficits. Each year, they must balance their budgets, as required under the provincial legislation that governs their operations. The City's debt servicing costs in 2018 is estimated at about \$1,552,600.

The ceiling for the City's allowable annual debt payment servicing capacity is 25% of its prior year's operating revenue from all funds (general, water and sewer), a value of approximately \$11,800,000. The City currently only uses approximately 13.2% of the \$11.8M payment servicing limit, leaving the City in a strong position to determine future opportunities to borrow.

## Capital Assets

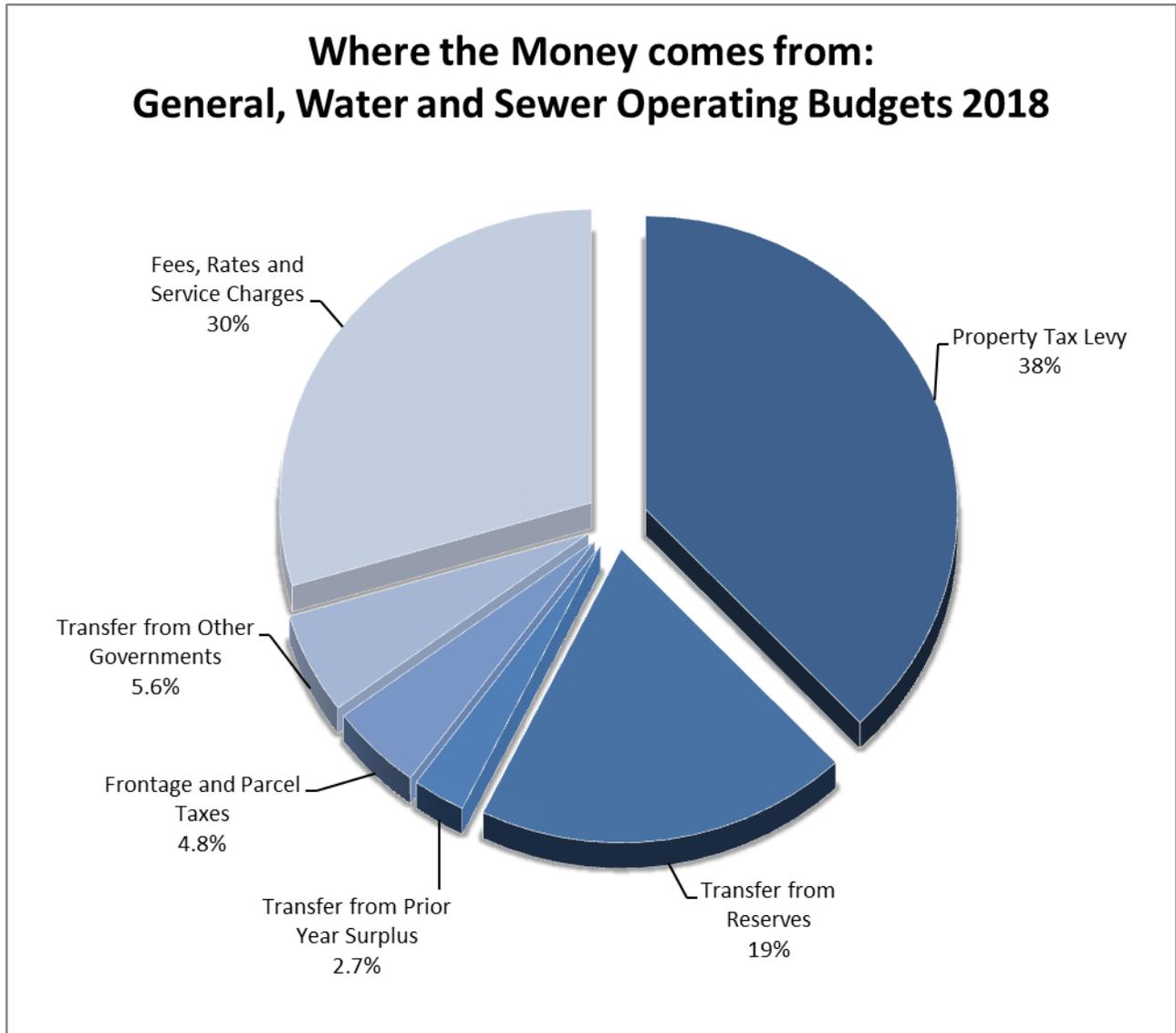
The Capital budget proposals have been developed based on the City's Asset Management Program. These were collectively devised by the Asset Management Working Group and developed from an organization-wide perspective while also considering existing staff capacity and making best efforts to reduce the risk of in-service failures that might potentially lead to service disruption(s). A summary and more detailed list of capital spending are available later in this document. Total capital spending in 2018 is projected to be \$16,280,300.

## Consolidated Financial Plan Table

<b>Consolidated Summary</b> (without amortization)	<b>2018</b> Budget	<b>2019</b> Proposed Budget	<b>2020</b> Proposed Budget	<b>2021</b> Proposed Budget	<b>2022</b> Proposed Budget
<b>Revenues</b>					
Operating Revenues	\$ 50 795 000	\$ 53 393 500	\$ 55 975 500	\$ 58 781 000	\$ 62 318 500
Reserves & Surplus	14 413 100	10 201 500	5 056 300	4 011 400	3 300 800
New Debt Financing	-	4 291 400	9 422 100	7 300 000	3 650 000
	<b>\$ 65 208 100</b>	<b>\$ 67 886 400</b>	<b>\$ 70 453 900</b>	<b>\$ 70 092 400</b>	<b>\$ 69 269 300</b>
<b>Expenses</b>					
Operating Expenses	\$ 45 534 200	\$ 46 370 400	\$ 47 471 400	\$ 48 833 500	\$ 50 149 700
Capital Assets	14 727 700	16 436 400	16 688 400	14 036 000	11 131 100
Capital Debt Payments	1 552 600	1 890 700	2 694 000	3 264 100	3 440 800
Transfers to Reserves & Surplus	3 393 600	3 188 900	3 600 100	3 958 800	4 547 700
	<b>\$ 65 208 100</b>	<b>\$ 67 886 400</b>	<b>\$ 70 453 900</b>	<b>\$ 70 092 400</b>	<b>\$ 69 269 300</b>

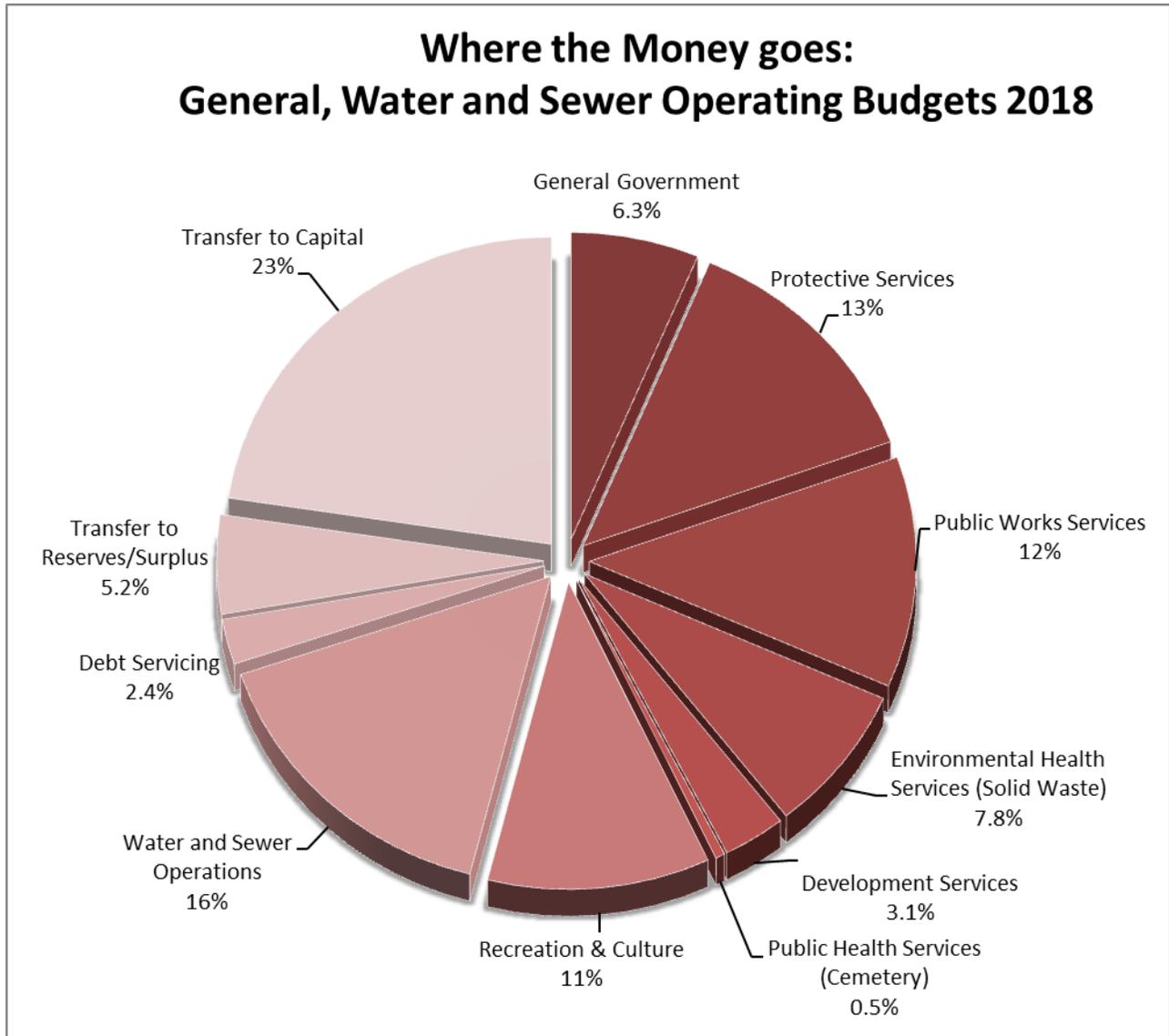
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## Consolidated Financial Plan – Source of Funds Chart



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## Consolidated Financial Plan – Use of Funds Chart



# Consolidated Financial Plan

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## 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 2924 to meet the reporting requirements of the BC *Community Charter*, the primary Provincial legislation that governs the financial operations of municipalities.

The consolidated Financial Plan identifies 2018 revenue sources. The following table summarizes revenue sources. A detailed listing of these is presented further in this section.

### Consolidated Financial Plan – Revenues Table

Consolidated Revenues	2017 Final Budget	2018 Budget	2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget	2022 Proposed Budget
<b>Taxes</b>						
General Property Taxes	\$ 23 366 800	\$ 24 024 400	\$ 25 403 000	\$ 26 768 900	\$ 28 275 600	\$ 31 173 700
Collections for Other Governments	20 574 100	21 021 800	21 931 200	22 448 300	22 950 100	23 333 900
Total Property Taxes	43 940 900	45 046 200	47 334 200	49 217 200	51 225 700	54 507 600
Frontage & Parcel Taxes	2 858 000	3 133 400	3 728 800	4 113 000	4 601 600	4 634 700
Grants in Place of Property Taxes	415 100	462 400	469 900	477 100	484 800	492 700
% of Revenue Tax	403 400	399 500	407 500	415 700	423 900	432 400
Total Taxes Collected	47 617 400	49 041 500	51 940 400	54 223 000	56 736 000	60 067 400
Less: Transfers to Other Governments	(20 703 100)	(21 165 500)	(22 077 300)	(22 596 600)	(23 100 900)	(23 487 100)
<b>Net Taxes for Municipal Purposes</b>	<b>26 914 300</b>	<b>27 876 000</b>	<b>29 863 100</b>	<b>31 626 400</b>	<b>33 635 100</b>	<b>36 580 300</b>
<b>Other Revenues</b>						
Fees and Charges	17 424 000	18 612 300	19 671 800	20 612 800	21 351 800	21 966 000
Revenue from Other Sources	2 871 700	1 754 800	1 279 100	1 279 100	1 379 400	1 401 700
Other Contributions	739 000	671 000	664 900	504 600	423 400	339 400
Transfers from Other Govt & Agencies	1 873 300	1 880 900	1 914 600	1 952 600	1 991 300	2 031 100
Total Other Revenues	22 908 000	22 919 000	23 530 400	24 349 100	25 145 900	25 738 200
<b>Total Operating Revenues</b>	<b>49 822 300</b>	<b>50 795 000</b>	<b>53 393 500</b>	<b>55 975 500</b>	<b>58 781 000</b>	<b>62 318 500</b>
<b>Transfers From Reserves and Surplus</b>						
From Reserves	10 163 000	12 621 400	9 424 400	4 481 100	3 501 400	3 300 800
From Surplus	1 397 200	1 791 700	777 100	575 200	510 000	-
<b>Total from Reserves and Surplus</b>	<b>11 560 200</b>	<b>14 413 100</b>	<b>10 201 500</b>	<b>5 056 300</b>	<b>4 011 400</b>	<b>3 300 800</b>
<b>Funding from Debt</b>						
	-	-	4 291 400	9 422 100	7 300 000	3 650 000
<b>Total Revenues</b>	<b>61 382 500</b>	<b>\$65 208 100</b>	<b>\$67 886 400</b>	<b>\$70 453 900</b>	<b>\$70 092 400</b>	<b>\$69 269 300</b>

### Property value taxes and parcel taxes

Close to 51% of the City's total operating revenues are obtained through property value taxation. When reviewing the level of funding from taxation, the City first identifies the amount of expenditures required to provide all of the desired municipal services to users. It then quantifies the amount of revenue from other sources (other than property taxes) that the City can expect to receive through fees and charges, federal and provincial government grants, transfers from reserves and surplus, etc. The difference between budgeted expenditures and other revenue sources is the amount of property tax revenue the City must collect to provide services and balance the budget.

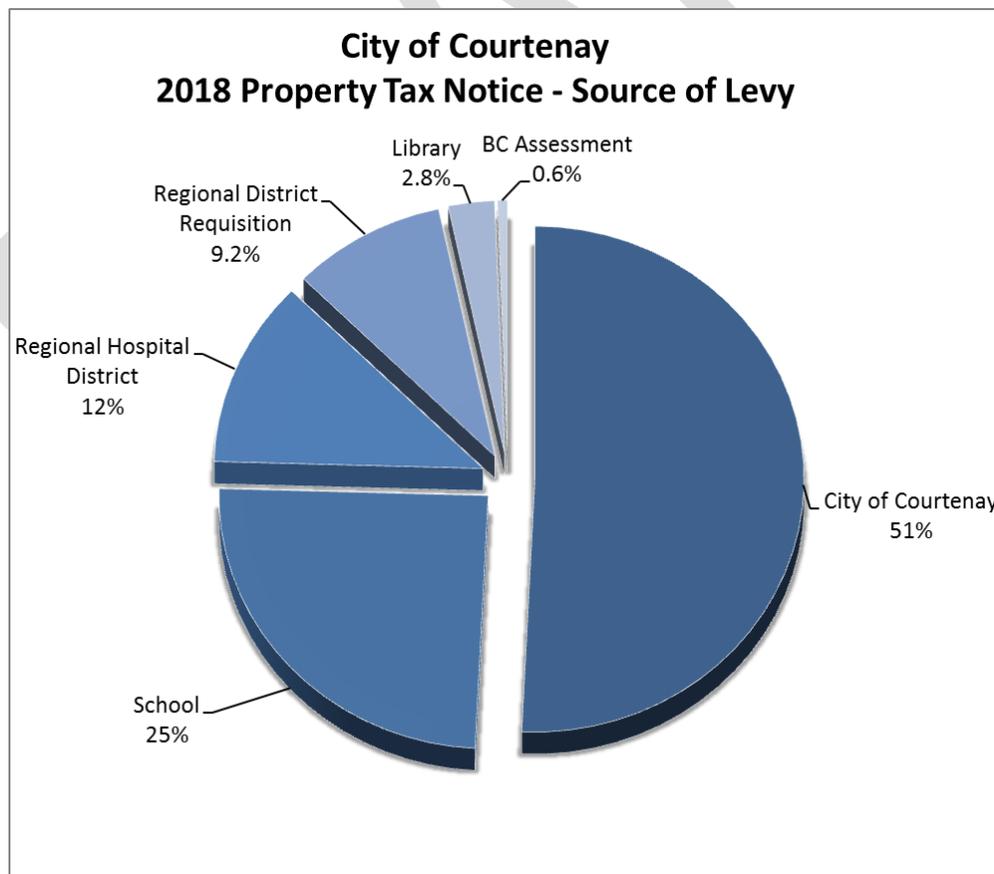
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The City is challenged to maintain stable or reduced taxation levels, while maintaining or increasing service levels. When the cost of providing a service increases (e.g. through inflation, changes in statutory requirements, or increases to demand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

The City's policy is to utilize new sources of revenue from senior governments whenever it is available in order to reduce its dependency on property tax resources. For example, if a specific area receives a local infrastructure improvement, the City is legislatively authorized to impose a parcel tax to those properties benefiting from the receipt of the local improvement. Sections 200 – 204 of the *Community Charter* outline the process to be followed.

The City also collects property value taxes on behalf of other agencies. As can be seen in the graphic below, these costs make up almost half of the annual property tax bill, and are clearly outside Council's Area of Control: "The policy, works and programming matters that fall within Council's jurisdictional authority to act". In these instances, the City is mandated by legislation to act as the collection agent on behalf of the other agencies entitled to collect funds from property value taxation and the City must then convey the funds to them. The City receives no fees for carrying-out these functions and with the exception of representation at the Comox Valley Regional District, Council has no influence over how all these other funds are calculated or expended.

## 2018 Sources of Property Tax Levy Chart



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## Property Tax Increases

The 2018 budget for municipal property taxes reflects an overall increase of 1.5% over prior year taxes to fund general operations. This increase is to ensure levels of service are maintained in response to a number of cost drivers that directly impact the City's operations. A more detailed list of specific external cost drivers is outlined in the "Cost Drivers" section of this report.

The infrastructure levy was originally established in 2016 at 1.5%. After a pause in 2017, it is recommended to keep the levy at 0% for 2018. The levy is proposed to be gradually reinstated to 1.0% in 2019, 1.5% in 2020 and 2% in both 2021 and 2022 to maintain a reserve for the long-term renewal program. This levy will be reviewed annually and informed by the development and refinement of specific asset management plans.

## Projected Taxes for Municipal Purposes Table

Taxes for Municipal Purposes	2017	2018	2019	2020	2020	2022
	Final Budget	Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
<b>REVENUES</b>						
<b>Annual increase</b>						
General Operations	2.0%	1.5%	2.5%	2.5%	2.5%	2.5%
Special Levy - Infrastructure Renewal	0.0%	0.0%	1.0%	1.5%	2.0%	2.0%
	2.5%	1.5%	3.5%	4.0%	4.5%	4.5%
<b>General Property Taxes</b>						
General Purpose	\$ 20 364 500	\$ 21 111 900	\$ 22 049 700	\$ 23 021 200	\$ 24 027 500	\$ 25 069 700
Property Tax Estimation New Construction	435 400	400 000	410 000	420 300	430 800	441 500
Infrastructure & Asset Management Levy	-	-	219 100	343 000	477 200	497 800
Boundary Extension Tax Adjustment	-	-	-	-	-	-
BIA	60 000	60 000	60 000	60 000	60 000	60 000
Debt Levy	1 309 000	1 272 500	1 459 100	1 693 700	2 023 300	3 821 200
General Tax Supplementary Adjustment	(32 500)	(75 000)	(75 000)	(75 000)	(75 000)	(75 000)
Library	1 230 400	1 255 000	1 280 100	1 305 700	1 331 800	1 358 500
Total General Property Taxes	23 366 800	24 024 400	25 403 000	26 768 900	28 275 600	31 173 700
Collections for Other Governments	20 574 100	21 021 800	21 931 200	22 448 300	22 950 100	23 333 900
Total Property Taxes	43 940 900	45 046 200	47 334 200	49 217 200	51 225 700	54 507 600
Frontage & Parcel Taxes	2 858 000	3 133 400	3 728 800	4 113 000	4 601 600	4 634 700
Grants in Lieu of Property Taxes	415 100	462 400	469 900	477 100	484 800	492 700
% of Revenue Tax	403 400	399 500	407 500	415 700	423 900	432 400
Total Taxes Collected	47 617 400	49 041 500	51 940 400	54 223 000	56 736 000	60 067 400
Less Transfer to Other Governments	(20 703 100)	(21 165 500)	(22 077 300)	(22 596 600)	(23 100 900)	(23 487 100)
<b>Taxes for Municipal Purposes</b>	<b>\$ 26 914 300</b>	<b>\$ 27 876 000</b>	<b>\$ 29 863 100</b>	<b>\$ 31 626 400</b>	<b>\$ 33 635 100</b>	<b>\$ 36 580 300</b>

# 2018 – 2022 Five-Year Financial Plan draft

## Frontage and Parcel Taxes

The City levies frontage taxes on all properties whether they are, or could be, connected to the City's water and sewer services. The purpose of these rates is to provide resources to support infrastructure maintenance and capital renewal for the water and sewer utilities. In 2018, the frontage tax rate for the sewer utility is the same as 2017 at \$10.24 per meter of frontage. The 2018 frontage tax rate for the water utility is \$5.84 per meter. This represents an increase of \$1.16 per meter and is intended to bring the rate closer to the actual cost of renewing and replacing the water utility lines and other infrastructure.

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

The total revenue from parcel and frontage taxes in 2018 is \$3,133,400.

## Permissive Tax Exemptions

The City grants permissive tax exemptions to qualifying organizations, as authorized by the *Community Charter*. A permissive tax exemption is approved at the discretion of Council. After careful consideration of all applications, Council may approve a full, partial, or zero 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 Table

Permissive Property Tax Exemptions	2016 (\$)	2017 (\$)	2018(\$)
City owned properties / managed by not-for-profit groups	175,040	182,352	176,946
Not-for Profit Organizations	133,867	136,224	144,990
Churches	15,486	15,760	16,052
<b>TOTAL</b>	<b>324,393</b>	<b>334,336</b>	<b>337,988</b>
Prior year tax levy for municipal purposes	21,106,452	21,951,300	22,108,900
As a percentage of municipal tax levy	<b>1.54%</b>	<b>1.52%</b>	<b>1.53%</b>

# 2018 – 2022 Five-Year Financial Plan draft

## Transfers to other governments

The City is required to collect and remit property taxes for other taxing authorities. In addition, a portion of the grants in place of property taxes received from federal and provincial Crown agencies are transferred to these agencies.

## Taxes Collected for Other Governments Table

Taxes for Other Authorities	2017	2018	2019	2020	2021	2022
	Final Budget	Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
School - Non-residential	\$ 3 976 500	\$ 4 056 000	\$ 4 137 100	\$ 4 219 900	\$ 4 304 300	\$ 4 390 400
School - Residential	6 964 300	7 103 600	7 245 700	7 390 600	7 538 400	7 689 100
Regional District Requisition	4 102 100	4 184 100	4 267 800	4 353 200	4 440 200	4 529 000
Municipal Finance Authority	1 100	1 100	1 100	1 100	1 100	1 100
Regional Hospital District	5 264 700	5 406 300	6 003 400	6 201 900	6 378 800	6 431 300
BC Assessment	265 400	270 700	276 100	281 600	287 300	293 000
	<b>\$20 574 100</b>	<b>\$21 021 800</b>	<b>\$21 931 200</b>	<b>\$22 448 300</b>	<b>\$22 950 100</b>	<b>\$23 333 900</b>

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# 2018 – 2022 Five-Year Financial Plan draft

## 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 1700.00.01 Revenue and Tax Policy, adopted in 2008 and summarized in Appendix 1, Schedule A of the Financial Plan Bylaw 2924, 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 respect to the nature of the service provided.

## 2018-2022 Projected Fees and Charges

The following table provides a summary of the fees and charges the City levies by function, as well as the revenues from other sources and transfers from other Governments.

### Fees and Charges, and Other Revenues Table

<b>Fees and Charges, and Other Revenues</b>	<b>2017</b> Final Budget	<b>2018</b> Budget	<b>2019</b> Proposed Budget	<b>2020</b> Proposed Budget	<b>2021</b> Proposed Budget	<b>2022</b> Proposed Budget
<b>Fees and Charges</b>						
General Government Services	\$ 73 500	\$ 62 000	\$ 63 100	\$ 64 100	\$ 65 300	\$ 66 500
Protective Services	921 900	869 500	886 800	904 400	922 400	940 900
Public Works Services	49 100	37 300	37 900	38 500	39 100	39 800
Environmental Health Services						
Solid Waste	3 092 700	3 198 600	3 276 700	3 323 900	3 373 600	3 423 200
Sewer	4 282 100	4 767 900	5 027 200	5 299 300	5 582 200	5 880 200
Water	5 743 000	6 409 100	7 058 800	7 607 000	7 938 000	8 127 900
Total Environmental Health Services	13 117 800	14 375 600	15 362 700	16 230 200	16 893 800	17 431 300
Public Health Services	143 200	149 000	152 000	155 000	158 100	161 200
Development Services	1 574 800	1 350 100	1 366 900	1 384 200	1 401 900	1 419 800
Parks, Recreation, & Cultural Services	1 543 700	1 768 800	1 802 400	1 836 400	1 871 200	1 906 500
	17 424 000	18 612 300	19 671 800	20 612 800	21 351 800	21 966 000
<b>Revenue from Own Sources</b>						
General Revenue	1 039 700	156 800	159 700	162 600	165 600	168 700
Investment & Penalty Revenue	911 600	893 300	907 100	921 100	1 015 400	1 031 600
General Capital	966 800	721 000	684 900	504 600	423 400	339 400
Sewer	1 100	50 900	50 800	50 700	50 700	50 700
Water	124 500	132 800	141 500	144 700	147 700	150 700
	3 043 700	1 954 800	1 944 000	1 783 700	1 802 800	1 741 100
<b>Other Contributions</b>						
Sewer - Capital	-	66 800	-	-	-	-
Water - Capital	567 000	404 200	-	-	-	-
	567 000	471 000	-	-	-	-
<b>Transfers from Other Govt &amp; Agencies</b>						
Federal Government & Agencies	1 458 100	1 415 800	1 444 100	1 473 000	1 502 400	1 532 500
Provincial Government & Agencies	299 100	368 200	372 000	379 400	386 900	394 500
Local Government & Other Agencies	116 100	96 900	98 500	100 200	102 000	104 100
	1 873 300	1 880 900	1 914 600	1 952 600	1 991 300	2 031 100
	<b>\$22 908 000</b>	<b>\$22 919 000</b>	<b>\$23 530 400</b>	<b>\$24 349 100</b>	<b>\$25 145 900</b>	<b>\$25 738 200</b>

# 2018 – 2022 Five-Year Financial Plan draft

## Environmental Services - Utilities

The primary revenue source for Solid Waste and the Water and Sewer utilities are user fees. In order to provide sufficient funding for utilities, the sewer user fee increases by 10% in 2018 and then by 5% from 2019 to 2022. The water utility increases 10% in 2018 and 2019, 7.5% in 2020, 4% in 2021 and 2% in 2022. These increases have been approved by City Council in order to ensure that the water and sewer utilities remain self-funded and provide sustainable service delivery. Tipping fees at the Regional District are currently set at \$130.00 per tonne and are not expected to increase for 2018. However, the City has increased solid waste rates by 3.75% to provide additional revenue for rising contractor costs due to the City's continued growth.

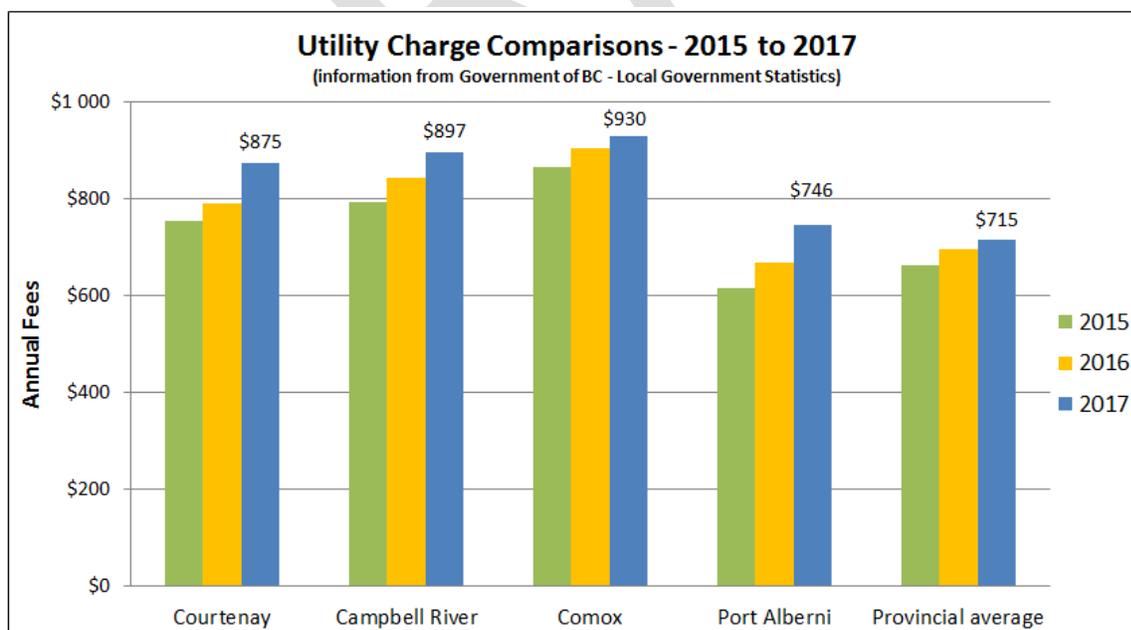
For 2018, the increase to residential consumers is \$29.47 for sewer, \$42.50 for water and \$5.83 for solid waste. The 2018 utility rate for a single family dwelling:

Sewer	\$324.17
Water	\$467.53
Solid Waste	<u>\$161.40</u>
Total	<u>\$953.10</u>



The following graph provides a comparison of the 2015-2017 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 average for all municipalities in BC.

## Utility User Fees on Single Family Dwelling Graph



# 2018 – 2022 Five-Year Financial Plan draft

## Revenue from other sources

The City also receives 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 Fees and Charges section of this report.

## Borrowing

Borrowing is typically utilized to fund 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. For 2018, long-term debt payments total \$1,552,600.

The City follows *Community Charter* guidelines to determine long term debt capacity. Based on these guidelines, a municipality's long-term debt capacity is based on the total of all annual debt payments up to 25% of the municipality's prior year operating revenue from all funds (general, water and sewer).

For the City of Courtenay, this total annual payment ceiling would be \$11,800,000. This means the City could borrow up to a total of \$47,200,000 in long-term debt and still meet *Community Charter* guidelines.

As of December 31, 2017, the City's total outstanding debt is \$12,851,800.

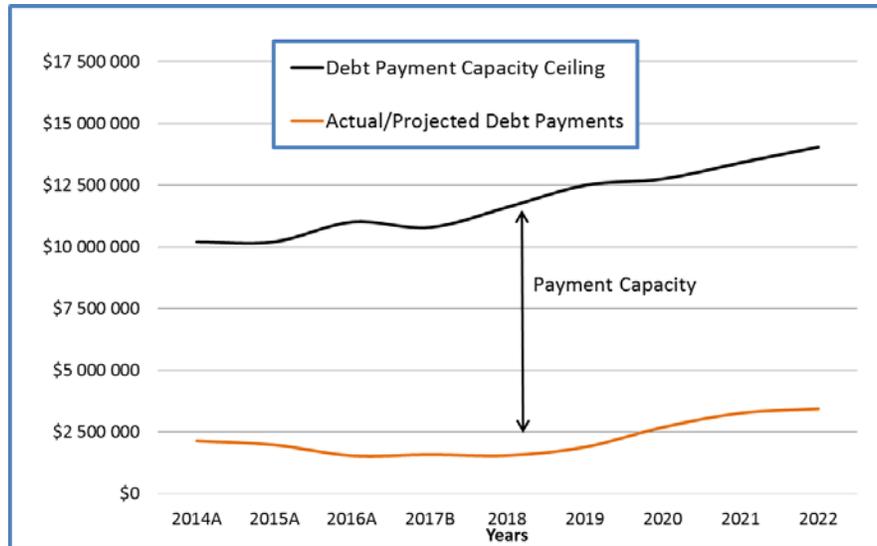
Therefore, the City's long-term borrowing capacity is \$34,348,200 (\$47,200,000 - \$12,851,800) for future capital projects.

With the objective of proactively managing the City's capital assets through the Asset Management program, the City will need to consider borrowing 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, new borrowing will be needed in future years. This will become more clear as the City continues to progress in developing its Asset Management Program.

# 2018 – 2022 Five-Year Financial Plan draft

The following graph depicts the City's borrowing capacity.

## Borrowing Capacity Graph



## 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.

The 2018 Financial Plan requires \$14.4 Million to fund projects, initiatives, and operations.

# 2018 – 2022 Five-Year Financial Plan draft

## Transfer from Reserves and Surplus Table

<b>Surplus and Reserves Summary</b>		<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
		Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
<b>TRANSFERS FROM RESERVES</b>						
<b>Transfers from Operating Reserves</b>						
General Operating	Gaming Funds	475 000	420 000	420 000	420 000	420 000
	Community Gas Tax Funds	953 600	515 000	515 000	515 000	515 000
	Police Contingency / Traffic Fines	300 000	300 000	300 000	300 000	300 000
	Cemetery Fund	3 000	3 000	3 000	3 000	3 000
Sewer Operating	Reserve for Future Expenditure	307 600				
	Community Gas Tax Funds	75 000				
Water Operating	Reserve for Future Expenditure	20 500				
Water Operating	Reserve for Water Efficiency	15 500	15 800	16 100	16 400	16 800
	Community Gas Tax Funds	110 000				
Total Transfers from Operating Funds		2 260 200	1 253 800	1 254 100	1 254 400	1 254 800
<b>Transfers from Surplus</b>						
General	Reserve for Future Expenditure					
General	Prior Years Surplus	1 791 700	777 100	575 200	510 000	-
Total Transfers from Surplus		1 791 700	777 100	575 200	510 000	-
Total Transfers from Operating Funds and Surplus		4 051 900	2 030 900	1 829 300	1 764 400	1 254 800
<b>Transfers from Capital Reserves</b>						
General Capital	Gaming Funds					
General Capital	Reserve for Future Expenditure	225 300	-	-	-	-
	Machinery & Equipment Reserve	760 000	981 000	608 000	515 000	515 000
	New Works Reserve	1 448 300	556 000	391 500	251 000	251 000
	Community Gas Tax Funds	1 116 500	1 290 000	1 200 000	800 000	800 000
	Building Canada Fund	2 977 800	1 964 900	-	-	-
	Infrastructure Reserve	57 500	410 000	742 500	300 000	-
	Housing Amenity	132 000	-	-	-	-
	Amenity Reserve	39 600	-	-	101 000	100 000
	Capital Equity - Unexpended Funds	208 700	933 700			
	Sid Theatre Equipment Reserve	40 000	35 000	35 000	30 000	30 000
Sewer Capital	Sewer Capital - General Reserve	307 600	-	-	-	-
	Asset Management Reserve	100 000	2 000 000	250 000	250 000	250 000
	Sewer Capital - Machinery & Equipment	487 500	-	-	-	-
	Sewer Capital - Community Gas Tax	502 400	-	-	-	-
Water Capital	Water Capital - New Works Reserve	20 500	-	-	-	-
	Asset Management Reserve	1 275 000	-	-	-	-
	Water Capital - Machinery & Equipment	162 500	-	-	-	-
	Water Capital - Community Gas Tax	500 000	-	-	-	-
Total Transfers from Capital Reserves		10 361 200	8 170 600	3 227 000	2 247 000	1 946 000
<b>Total Transfers from Reserves and Surplus</b>		<b>\$14 413 100</b>	<b>\$10 201 500</b>	<b>\$ 5 056 300</b>	<b>\$ 4 011 400</b>	<b>\$ 3 200 800</b>



General Fund  
Operating Expenses  
Capital Transactions  
Reserves and Surplus



# 2018 – 2022 Five-Year Financial Plan draft

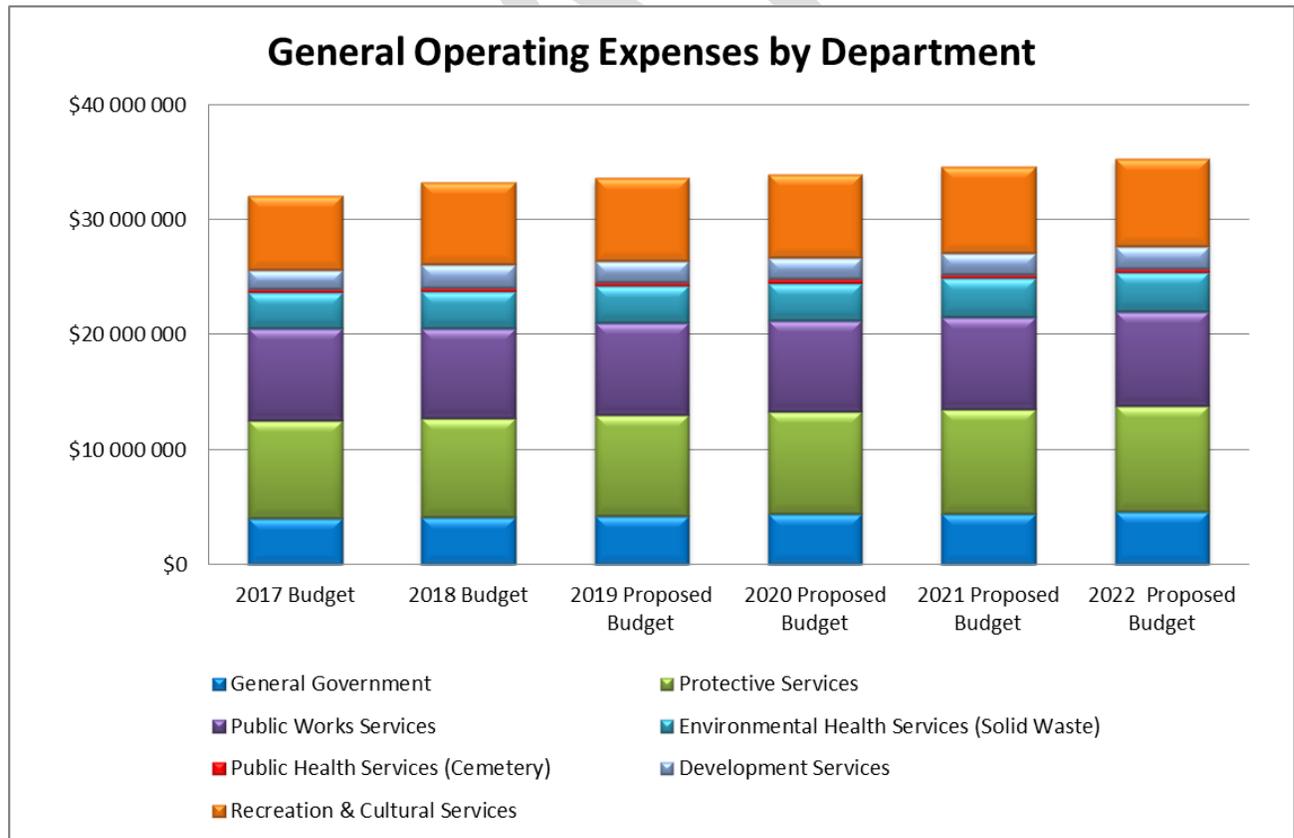
## General Fund

### General Operating Expenses

This section includes budget details on the operational functions of City Services. Operating expenses are separated into seven distinct service areas:

- General Government, providing governance and internal support for the entire organization
- Protective Services includes Police, Fire and Bylaw Enforcement services
- Public Works Services includes Roads, Walkways, Storm Sewer, Street Lighting services, Civic Properties Maintenance and Parks
- Environmental Health includes Solid Waste
- Public Health includes Cemetery services
- Development Services includes Land Use Planning, Subdivision Development and Building Inspection services
- Recreation and Cultural Services includes Recreation Facilities and Program services as well as buildings leased to various cultural and leisure activity providers.

### General Operating - Expenses by Department Graph



# 2018 – 2022 Five-Year Financial Plan draft

## 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 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
  - Full year impact of hiring of new staff to address staffing capacity gap to maintain current levels of services, in the face of significant growth of households, infrastructure, and related service demands. Details outlined in April 18, 2017 staff report “Human Resources Action Plan 2017”.
  - MSP rate reduction offset by employer health care benefit increases
- Protective Services:
  - Police protection is budgeted at 31.4 members with an anticipated vacancy of 4 members (based on 2017 actual contract costs)
- Goods and Services Increases :
  - 2.1% Consumer Price increases for purchased goods and services
  - Energy cost increases – fuel and hydroelectricity
  - CVRD fees and solid waste contractor increases
- Revenue Increases:
  - New construction – estimated tax impact for 2018 is \$400,000



# 2018 – 2022 Five-Year Financial Plan draft

## General Operating - Expenses by Function Table

Operating Expenses (excluding amortization)	2017 Budget	2018 Budget	2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget	2022 Proposed Budget
General Government	\$ 4 052 100	\$ 4 132 200	\$ 4 266 200	\$ 4 371 900	\$ 4 449 800	\$ 4 582 500
Protective Services	8 500 000	8 579 100	8 739 400	8 912 700	9 090 700	9 272 000
Public Works Services	8 061 200	7 925 000	8 005 800	7 933 700	8 037 200	8 189 400
Environmental Health Services (Solid Waste)	3 102 000	3 197 400	3 261 400	3 291 300	3 357 100	3 423 800
Public Health Services (Cemetery)	232 200	305 600	311 600	317 900	324 200	330 900
Development Services	1 717 600	2 021 600	1 882 000	1 867 000	1 901 500	1 937 300
Recreation & Cultural Services	6 495 900	7 167 800	7 170 600	7 314 800	7 463 500	7 613 900
<b>Total</b>	<b>\$32 161 000</b>	<b>\$33 328 700</b>	<b>\$33 637 000</b>	<b>\$34 009 300</b>	<b>\$34 624 000</b>	<b>\$35 349 800</b>

## General Operating - Expenses by Economic Segment Table

Operating Expenditures by Economic Segment	2017 Budget	2018 Budget	2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget	2022 Proposed Budget
Council Indemnity, Allowance, Benefits	\$ 210 100	\$ 208 400	\$ 212 600	\$ 216 800	\$ 221 100	\$ 225 600
Personnel	13 195 400	14 313 900	14 784 600	15 081 000	15 383 200	15 751 200
General Services	13 685 600	13 973 600	13 669 500	13 698 800	13 896 000	14 155 600
Insurance	470 000	509 900	519 700	529 000	539 700	550 200
Goods	1 778 400	1 857 600	1 894 600	1 876 500	1 914 500	1 952 400
Utilities	954 900	1 029 500	1 034 600	1 064 100	1 093 500	1 123 800
Grants	465 300	483 200	491 000	499 700	508 200	517 300
Transfers / Interdepartment Charges	977 200	786 700	802 200	818 100	834 600	851 200
Other Government - CVRD	1 374 100	1 408 200	1 436 400	1 465 100	1 494 400	1 524 300
Library Requisition	1 230 400	1 255 000	1 280 100	1 305 700	1 331 800	1 358 500
Other Transactions	47 500	48 500	49 500	50 400	51 500	52 500
Sub-total	34 388 900	35 874 500	36 174 800	36 605 200	37 268 500	38 062 600
Interfund charges	(2 227 900)	(2 545 800)	(2 537 800)	(2 595 900)	(2 644 500)	(2 712 800)
<b>Total</b>	<b>\$32 161 000</b>	<b>\$33 328 700</b>	<b>\$33 637 000</b>	<b>\$34 009 300</b>	<b>\$34 624 000</b>	<b>\$35 349 800</b>

# 2018 – 2022 Five-Year Financial Plan draft

## General Government Services

General Government Services are the centralized services 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 Municipalities annual convention, and the Federation of Canadian Municipalities annual convention, etc.), indemnity insurance and miscellaneous supplies.

## Corporate Administration

Corporate Administration includes the office of the CAO, the Corporate Officer, Human Resources, Corporate Communications, Occupational Health and Safety and Strategic Initiatives. The 2018 budget also includes the new Business Performance group.

The 2018 budget was adjusted to include the cost of the CUPE collective agreement renewal.

## Financial Services

The Financial Services Department is responsible for overseeing the City’s financial assets and long term financial planning. The department provides support to all other City departments and communicates financial information to Council, the general public, and other government agencies.

The Purchasing Division is part of Financial Services and provides supply management and risk management services to the various City departments to ensure goods and services are sourced and provided in an ethical, transparent and efficient manner.

The Financial Services 2018 budget is impacted by two changes:

- Two payroll employees, previously under Human Resources, will now report to the Finance Department.
- Council approval in 2017 to hire two additional Finance Clerks and one Cashier.

## Information Technology / Geographical Information System

The IT/GIS division provides computer systems and technology to support organization-wide administrative and technical processes, including the financial information system and the work order management system. Work is continuing on systems for Development Services, Recreation Services, and the Geographical Information System (GIS).

# 2018 – 2022 Five-Year Financial Plan draft

## Other Services

This section includes general expenses related to City Hall, the 2018 Elections, Insurance, and legal services. General government costs are also partially allocated to the water and sewer utilities.

In 2017, \$500,000 was approved to address a lack of staffing to maintain levels of service during a period when the City underwent significant growth. This coincided with the completion of an organizational review that resulted in realigning a number of City Departments to improve efficiencies and implement a corporate-wide asset management program.

Due to recruitment and operational challenges, including the completion of renovations at City Hall to provide additional office spaces, most of the new staff were not hired in 2017, leaving most of the \$500,000 unspent.

The new positions have now been budgeted in their appropriate departments for 2018.

## General Government Services - Expenses by Function Table

General Government Services	2017 Budget	2018 Budget	Budget increase (decrease)
Legislative Services	265 200 \$	269 900 \$	4 700 \$
Corporate Administration	1 925 500	2 172 700	247 200
Financial Services	1 453 500	1 906 400	452 900
Information Technology	984 400	1 140 600	156 200
Common Services	151 900	159 500	7 600
Other General Government *	709 700	(51 400)	(761 100)
Sub-Total	5 490 200	5 597 700	107 500
Allocation to Water and Sewer	(1 438 100)	(1 465 500)	(27 400)
<b>Net Cost General Government</b>	<b>4 052 100 \$</b>	<b>4 132 200 \$</b>	<b>80 100 \$</b>

## General Government Services - Expenses by Economic Segment Table

General Government Services Expenses by Economic Segments	2017 Budget	2018 Budget	Budget increase (decrease)
Council Indemnity, Allowance, Benefits	210 100	208 400	(1 700)
Personnel	3 727 900	3 604 900	(123 000)
General Services	1 301 100	1 479 900	178 800
Insurance	48 200	73 900	25 700
Goods	124 100	146 800	22 700
Utilities	44 100	44 500	400
Transfer	28 700	33 300	4 600
Grants	6 000	6 000	-
Total Cost - General Government	5 490 200	5 597 700	107 500
Allocation to Water and Sewer Fund	(1 438 100)	(1 465 500)	(27 400)
<b>Net Cost General Government</b>	<b>4 052 100</b>	<b>4 132 200</b>	<b>80 100</b>

# 2018 – 2022 Five-Year Financial Plan draft

## Protective Services

Protective Services covers a wide spectrum including policing, fire, emergency measures, building inspections, bylaw enforcement and animal control. In 2018, over \$8.5 million is being directed to these various functions.

## Police Protection

The City contracts the RCMP to provide policing services within the City. The RCMP contract is 73% of the overall budgeted dollars under Protective Services.

Specific cost drivers affecting the contract include increasing payroll labour and benefit costs. The City uses Gaming funds and Traffic Fine revenues to help offset the cost of policing. The balance is funded from general tax 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.



The Courtenay Fire Department provides a cost effective mix of full-time and volunteer firefighters.

### Number of Volunteers - 2017

- Full Time Firefighters: 6
- Total Volunteers: up to 50

The 2018 budget also incorporates increased funding of 2% for compensation to the Firefighter's society as per the agreement with the Firefighters Association. A casual training assistant has been added to support the Deputy Chief and Training Officer to deliver and maintain an effective fire training program.

# 2018 – 2022 Five-Year Financial Plan draft

## Emergency Measures

This function supports the municipality in responding to emergency events and is relatively stable. The Comox Valley Regional District provides regional emergency services under contract with the City.

## Bylaw Enforcement, Animal Control, Parking Control

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.

## Protective Services - Expenses by Function Table

Protective Services	2017 Budget	2018 Budget	Budget increase (decrease)
<b>Police Protection</b>	6 521 600	6 439 900	(81 700)
<b>Fire Protection</b>	1 698 100	1 836 300	138 200
<b>Other Protective Services</b>			
Emergency Management	75 500	78 100	2 600
Animal Control	66 900	68 200	1 300
Bylaw Enforcement	91 600	92 900	1 300
Parking Control	46 300	63 700	17 400
<b>Total Other Protective Services</b>	<b>280 300</b>	<b>302 900</b>	<b>22 600</b>
<b>Total</b>	<b>8 500 000</b>	<b>8 579 100</b>	<b>79 100</b>

## Protective Services - Expenses by Economic Segment Table

Protective Services by Economic Segments	2017 Budget	2018 Budget	Budget increase (decrease)
Personnel	1 392 400	1 542 800	150 400
General Services	6 623 700	6 552 100	(71 600)
Insurance	43 800	43 500	(300)
Goods	240 100	237 000	(3 100)
Utilities	38 800	39 100	300
Transfer	64 000	64 400	400
Grants	97 200	100 200	3 000
<b>Total</b>	<b>8 500 000</b>	<b>8 579 100</b>	<b>79 100</b>

# 2018 – 2022 Five-Year Financial Plan draft

## Public Work Services

Public Works Services is responsible for the water and sewer utility infrastructure, storm water collection, civic facilities, parks, and transportation network for the community. Services include maintenance of trails, transit, water, sewer and solid waste collection, capital projects, cemetery maintenance, fleet maintenance, and flood protection and dike maintenance.

## Public Works is supported by a Director and four division Managers as well as public works administration staff. Engineering Services

Engineering Services is supported by a Director, one senior staff, three engineering technologists and one support staff. The team provides technical support and project management oversight for all civic infrastructure capital projects within the framework of asset management. A request is made in 2018 for additional temporary support to help with project management and master plans.

- Gas Tax funding is being utilized for:
  - Transportation Master Plan - \$150,000
  - Storm Sewer Master Plan - \$150,000
  - Dike Replacement Strategy - \$93,500
  - Cycling Network plan - \$10,000
- The Gaming Fund is being used to fund the concept design of a safe pathway on Lake Trail Road - \$25,000

## Asset Management

The Asset Management Technical Services division resides in Public Works and includes a Manager and two engineering technologists. Their role is to provide technical support and perform asset condition assessment, which determines asset management needs, infrastructure replacement and renewal and maintenance programs.

- Gas Tax funding of \$490,000 is being utilized for various asset condition assessments:
  - Asphalt Assessment - \$30,000
  - Camera inspection of storm sewers - \$175,000
  - Sidewalk Assessment - \$40,000
  - Fuel System Assessment - \$20,000
  - Traffic Signal Assessment - \$25,000
  - Parks Buildings Inventory Assessment - \$150,000
  - Creek Crossing Assessment - \$50,000

## Streets and Roads

The City maintains paved roads, as well as streets and lanes for vehicle and multi-modal traffic by:

- Streets and road maintenance, including pothole and crack sealing, milling or patching
- Street sweeping
- Snow and Ice Control
- Sidewalk inspection and maintenance
- Traffic signal maintenance



Additional budget funding is included for City's streets and roads, to keep up with new development, and support improvements to preventative maintenance programs:

- Crack sealing program - \$50,000
- Sidewalk maintenance program - \$28,000

#### **Streets & Roads Quick Facts**

- Roads: 161 km | 341 lane km (*Jan 2018*)
- Sidewalks: 166km (*2018*)
- Paved Walkways: 11.3 km (*2017*)
- Streetlights: 1,316 (*Jan 2018*)

### **Storm Sewers**

Public Works Services maintains the storm sewer collection system throughout the City which is 161.5 km and includes 4,062 catch basins and 7,550 storm sewer connections (as of January 2018). The reduction in the storm sewer budget is due to creek crossing repairs being delayed until the finalization of the City's Integrated Storm Water Management Plan.

### **Street Lighting – Signs & Lines**

This service includes street lighting maintenance and electricity cost, as well as street signs and lines maintenance. The City maintains 1,316 streetlights (as of January 2018). Additional funds (\$35,000) are requested in 2018 for the paving marking program, as a result of growth and increase in contributed assets.

### **Civic Properties Maintenance**

The City owns and maintains a number of buildings, including City Hall, the Fire Hall, Public Works offices and shops, Recreation and Cultural facilities, the Marina, the Chamber of Commerce and a number of smaller buildings. The expenses of the Civic Properties Maintenance division are captured in this group as well as the maintenance costs related to the smaller buildings.

### **Parks and Playgrounds**

Parks and playgrounds are found throughout the community's green spaces. Additional funds (\$25,000) are requested in 2018 for increased contractor clean-up service in parks and maintenance of contributed assets.



#### **Parks and Playgrounds Quick Facts**

The City maintains over 217 acres of green space, including 34 parks, sports fields, playground equipment, greenways, and picnic areas as well as the trail system across the City.

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## Public Works Services - Expenses by Function Table

Public Works Services	2017 Budget	2018 Budget	Budget increase (decrease)
Public Works Yard	1 351 100	1 280 000	(71 100)
Engineering Services	1 030 400	924 600	(105 800)
Asset Management	737 700	818 600	80 900
Roads and Streets	1 433 500	1 634 100	200 600
Storm Sewers	636 900	629 400	(7 500)
Bridges	63 000	67 000	4 000
Transit Shelters	6 700	6 900	200
Street Lighting	689 600	727 400	37 800
Traffic Signals	108 100	95 100	(13 000)
Airpark	3 800	3 900	100
Civic Properties Maintenance	393 200	405 000	11 800
Parks	2 397 000	2 413 300	16 300
<b>Sub-total</b>	<b>8 851 000</b>	<b>9 005 300</b>	<b>154 300</b>
Internal Allocation / Fleet Recovery	(789 800)	(1 080 300)	(290 500)
<b>Total Public Works Expenses</b>	<b>8 061 200</b>	<b>7 925 000</b>	<b>(136 200)</b>

## Public Works Services - Expenses by Economic Segment Table

Public Works Services by Economic Segments	2017 Budget	2018 Budget	Budget increase (decrease)
Personnel	3 550 300	3 730 900	180 600
General Services	2 714 200	2 857 000	142 800
Insurance	202 400	215 600	13 200
Goods	970 600	993 500	22 900
Utilities	587 500	588 500	1 000
Transfer	804 500	600 800	(203 700)
Property Taxes	21 500	19 000	(2 500)
Total Expenditures	8 851 000	9 005 300	154 300
Interdept charges / Fleet Recovery	(789 800)	(1 080 300)	(290 500)
<b>Net Cost</b>	<b>8 061 200</b>	<b>7 925 000</b>	<b>(136 200)</b>

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## Environmental Health (Solid Waste)

Through contract with a private sector provider, the City provides weekly curbside pickup of Municipal Solid Waste (MSW) and yard waste, bi-weekly pickup of recyclables for residential properties, and scheduled MSW/cardboard pickup for commercial properties. The fees collected for this service cover the following two costs:

- The annual increase in the cost of the solid waste and recyclables collection calculated based on a formula which includes the annual change to the Consumer Price Index Vancouver (weighted 90%), and the Price Index of Diesel in BC (weighted 10%).
- The regional landfill fees for disposal of the mixed waste.

In 2014, the City signed an agreement with Multi-Material BC (MMBC) to provide recycling services to residents in Courtenay. Since that date, the City has received \$194,462 (2014-Partial year); \$322,711 (2015); \$366,198 (2016) and \$366,394 (2017) for recycled materials. MMBC also provides the City with an annual educational grant that is used to offset the costs of educating the public on residential recycling.

With the City continuing to grow, the MSW contract also increases. Rates at the local regional landfill are expected to remain constant at \$130 per tonne, but with the annual CVRD requisition projected to increase significantly over the next several years, the City has increased the 2018 solid waste utility rates by 3.75% to ensure this program remains self-funding. This rate increase is expected to generate approximately \$99,500 of additional revenue.

## Environmental Health – Revenues and Expenses by Function Table

Environmental Health (Solid Waste)	2017 Budget	2018 Budget	Budget increase (decrease)
<b>Revenues</b>			
From Solid Waste pick up	2 728 000	2 827 400	99 400
For Recycled materials (MMBC)	326 700	333 200	6 500
MMBC Residential Education Grant	38 000	38 000	-
<b>Solid Waste Revenues</b>	<b>3 092 700</b>	<b>3 198 600</b>	<b>105 900</b>
<b>Expenses</b>			
Residential Collection	2 931 500	3 024 500	93 000
Dog Stations	32 100	32 300	200
Miscellaneous	9 500	9 000	(500)
Litter Baskets	128 900	131 600	2 700
<b>Total Expenses</b>	<b>3 102 000</b>	<b>3 197 400</b>	<b>95 400</b>
<b>Expenses Net Revenues</b>	<b>9 300</b>	<b>(1 200)</b>	

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## Public Health Services (Cemetery)

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

The Legislative Services Department is responsible for the administration of the services provided at the cemetery, including customer service, the sales of niches and plots and the interment authorizations. Legislative Services staff also works with operations staff, funeral service companies, maintain the cemetery software records and mapping in accordance with government legislation.

The City's Parks employees are responsible for the maintenance and operations of the cemetery. Personnel costs have increased in accordance with the Collective Agreement. The cemetery operating and maintenance costs have also increased in response to additional demand for cemetery services. The new Cemetery Master Plan is being implemented in order to develop a sustainable service to the public.

## Public Health Table - Expenses by Economic Segment Table

Public Health (Cemetery) by Economic Segments	2017 Budget	2018 Budget	Budget increase
Personnel	163 400	213 300	49 900
General Services	12 200	12 500	300
Goods	35 000	35 800	800
Utilities	3 200	12 200	9 000
Transfer	18 400	31 800	13 400
<b>Total</b>	<b>232 200</b>	<b>305 600</b>	<b>73 400</b>



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## Development Services

The Development Services Department provides current and long range planning, building inspection, business licensing, subdivision and the servicing of land development. Providing guidance to City Council, applicants and to the general public, the Development Services Department ensures that land development reflects the public's interest and follows the City's adopted land development policies and regulatory documents.

Prior to 2018, the 2% Hotel Tax was paid to the City and recorded under other community development services and transferred to the Comox Valley Economic Development Society (CVEDS) to support tourism development. This program is now directly managed by CVEDS. The tax revenue collected for the Business Improvement Area (BIA) is still expensed in other community development services.

## Planning Division

The Planning Division is responsible for processing development related applications such as rezoning, development permits, development variance permits, board of variance permits, tree permits, boundary extensions, sign permits, as well as keeping the related bylaws and policies up to date including long range planning.

The current staffing budget for the Planning Division includes the Director of Development Services, the Manager of Planning, an Environmental Planner, a Land Use Planner and Planner 1. A new Policy Planner position was approved in 2017.



The 2018 budget includes funds to begin undertaking an Official Community Plan review, and to develop an Urban Forest Management Plan.

## Subdivision and Development Servicing Division

The subdivision and Development Servicing Division reviews subdivision and land development servicing within the City of Courtenay to ensure municipal bylaws, policies and operational concerns are followed, as well as applicable provincial policies and regulations. The staffing budget for this group includes a Development Engineer (including the Approving Officer function) and an Engineering Technologist. The 2017 budget included hiring of a second technologist, but this position was not filled until 2018.

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## Building Inspection Division

The Building Inspection Division is responsible for the enforcement of the British Columbia Building and Plumbing Codes and municipal bylaws relating to building construction, business licence administration, the review and investigation of complaints on building matters and the technical review of development applications.

The current staffing budget in the Building Inspection Division includes a Manager of Building and Administrative Services, a level 3 Building Inspector, a Plan Checker and three Department Clerks.

## Development Services – Revenues and Expenses by Function Table

Development Services	2017 Budget	2018 Budget	Budget increase (decrease)
<b>Revenues</b>	<b>1 574 800</b>	<b>1 350 100</b>	<b>(224 700)</b>
<b>Expenses</b>			
Planning and Zoning	724 600	861 800	137 200
Subdivision Development & Servicing	288 800	506 000	217 200
Building Inspection	400 200	591 200	191 000
Other Community Development	304 000	62 600	(241 400)
<b>Total Expenses</b>	<b>1 717 600</b>	<b>2 021 600</b>	<b>304 000</b>
<b>Expenses Net Revenues</b>	<b>142 800</b>	<b>671 500</b>	<b>528 700</b>

## Development Services - Expenses by Economic Segment Table

Development Services by Economic Segments	2017 Budget	2018 Budget	Budget increase (decrease)
Personnel	1 176 600	1 516 100	339 500
General Services	504 700	468 200	(36 500)
Insurance	8 000	8 300	300
Goods	17 100	17 500	400
Transfer	11 200	11 500	300
<b>Total</b>	<b>1 717 600</b>	<b>2 021 600</b>	<b>304 000</b>

## Recreation and Cultural Services

The Recreation and Cultural Services Department is responsible for providing quality recreation, leisure and cultural opportunities in a healthy and safe environment. Recreation and cultural services also oversees inclusive programming, special events, park and sport field bookings, recreation facility bookings and is responsible for the long term planning for parks, recreation and cultural services to meet the diverse interests of the community.

The Department is comprised of the Recreation Facility Operations Division and the Recreation Programming Division. The department is also the liaison with the City's cultural partners such as the Comox Valley Art Gallery Society, Sid Williams Theatre Society and the Courtenay and District Historical Society through the Business Administration Division. Recreation and Cultural Services also liaises with associated organizations including the Drug Strategy Committee, the Arts Council, the Parks & Recreation Advisory Commission, the Courtenay Recreation Association (CRA) and the Evergreen Club.

The Recreation and Culture budget considerations for 2018 are:

- The costs and revenues relative to two new programs (Adapted Programs and Summer Camp programs) previously administered by the CRA are now being administered by the City.
- A reduction of \$25k in consultant fees for the transition with CRA.
- A 2% increase proposed to core operating expenses.
- An increase of \$106k between 2017 and 2018 in Recreation Administration, mostly due to the new Assistant Manager position and the staff salary increase.

## Recreation Programming

The Recreation Programming Division is responsible for the provision of programs and leisure opportunities for all age groups. Program management staff oversees the delivery of programs through both contracted and staff instructors as well as volunteers. The Division promotes healthy lifestyles and works with individuals and community groups through the work of recreation programmers, coordinators, pre-school and pool staff.

Significant variances in the programming expenses for 2018 include:

- An increase for adult programs instructors due to higher demand, mostly offset by program revenue
- A realignment between children and adult programs expenses
- An increase for more coverage at the Wellness Centre as a risk management initiative
- A 2% increase in pool staff salary to offer competitive wages
- An increase in program expenses due to the addition of former CRA programs, however these will be entirely offset by program revenues.

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## Recreation Facility Operations

The Recreation Facility Operations Division is responsible for the operation, booking and safe use of City owned facilities. This division oversees the reception staff, custodial staff, special event coordination, facility agreements and the marketing of facilities. Recreation services are provided in a variety of locations, as summarized below.

### Lewis Centre

The Lewis Centre offers a variety of recreational programs and bookable meeting spaces for the general public to utilize. Its focus is the promotion of wellness and health for all ages and abilities in Courtenay, and includes a 4,000 square foot Wellness Centre, two gymnasiums, activity rooms, preschool, craft rooms, meeting rooms, and four squash courts. Adjacent to the Lewis Centre is the Courtenay Memorial Outdoor Pool, outdoor stage, Rotary Water Park and playground.



The overall budget for the Lewis Centre Building operations and maintenance increased by approximately \$24k between 2017 and 2018, mainly due to the cost of water used at the water park now charged to the Lewis Operations.

### Florence Filberg Centre

The Florence Filberg Centre is a multi-use facility that features larger spaces for weddings, conferences, seminars and special events. In addition to banquet and meeting room space, the facility is host to the CRA Evergreen Club.

The overall increase to the Filberg Centre operations budget is \$8k between 2017 and 2018.

### Native Sons Hall

The historic Native Sons Hall is the largest free span log building in Canada. Built in 1928 as Courtenay's original Recreation Centre, it has hosted numerous weddings, dances, concerts, and community events.

### LINC Youth Centre



The LINC Youth Centre provides healthy recreational opportunities for youth in the Comox Valley. The facility offers youth programs, low cost drop-in prices, out trips, skate programs, youth council, arts and technology programs. It includes an indoor skateboard park, concession, games room, digital arts lab, meeting room, and an outdoor basketball court.

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## Courtenay & District Memorial Pool

The Memorial Pool, wading pool and Rotary Water Park are located across from the Lewis Centre and are open throughout the summer.

The building and grounds operating budget was increased by \$11k in 2018 to include the cost of water usage now charged to the pool.



## Business Administration

The Recreation and Cultural Business Administrative Services Division provides supports, guidance and analysis to the Recreation divisions and provides planning and performance management of the Cultural partners who operate and manage cultural facilities on behalf of the City. This new division was developed from internal resources to improve the business practices of both internal and partner services. The manager of this division oversees the agreements with the City's cultural partners.

## Cultural groups

The Sid Williams Civic Theatre has been serving the Comox Valley for over 25 years as a performing arts facility, and has had professional administration since 1992. The Sid Williams Theatre Society operates the theatre for the benefit of all residents of the Comox Valley on behalf of the City and strives to be inclusive and accessible for all. The Sid Williams is dedicated to the stimulation and enhancement of artistic, cultural, and recreation activities in the Comox Valley and surrounding regions through its operations.



The Courtenay and District Museum was established in 1961 as a non-profit organization with the mandate to collect, preserve and interpret natural and cultural heritage of the Comox Valley region. Throughout the year, the museum offers on-site and outdoor programming suitable for all age groups. Program subjects include fossils, geology, First Nations history, pioneer settlement history, social history of the Comox Valley, logging and lumber history, riverway study, as well as a series of changing exhibitions spanning over 80 million years.

The Comox Valley Art Gallery was established in 1974 and since 2005 through a partnership with the City of Courtenay has occupied the main and lower level of the Comox Valley Centre of the Arts located at 580 Duncan Ave. The Comox Valley Art Gallery is a public art gallery featuring contemporary, experimental and applied art by regional, national and international artists presenting contemporary art issues and practices. CVAG actively engages the public, draws visitors, and enlivens the community through public events, performances, community collaborations, all-ages make art projects, youth training and mentorship programs, as well as a gift shop that sells the work of hundreds of local artists.

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The budget proposes a 2% increase to management fees for the Courtenay Museum and the Sid Williams Theatre as well as a \$10k allocation for business planning for all of the cultural facilities. \$10k is also included for the museum floor refurbishing in 2018.

## Courtenay Library

The library provides a literary centre for the public and is managed by the Vancouver Island Regional Library. The 2018 annual requisition is \$1,255,000, a 2% increase of \$25,000 from 2017.

## Recreation and Cultural Services – Revenues and Expenses Summary Table

Recreation and Cultural Services	2017 Budget	2018 Budget	Budget increase
<b>Recreation Revenues</b>	<b>1 626 200</b>	<b>1 909 400</b>	<b>283 200</b>
<b>Expenses</b>			
Recreation	4 637 200	5 257 000	619 800
Cultural Services	1 858 700	1 910 800	52 100
<b>Total Expenses</b>	<b>6 495 900</b>	<b>7 167 800</b>	<b>671 900</b>
<b>Net Recreation and Cultural Services</b>	<b>4 869 700</b>	<b>5 258 400</b>	<b>388 700</b>

## Recreation and Cultural Services - Expenses by Economic Segment Table

Recreation and Cultural Services by Economic Segments	2017 Budget	2018 Budget	Budget increase (decrease)
Personnel	3 120 800	3 641 600	520 800
General Services	947 800	961 500	13 700
Insurance	132 600	132 800	200
Goods	355 000	390 800	35 800
Utilities	281 300	345 200	63 900
Financial Charges	47 500	48 500	1 000
Grants	362 100	377 000	14 900
Interdepartment Charges	18 400	15 400	(3 000)
Library Requisition	1 230 400	1 255 000	24 600
<b>Total</b>	<b>6 495 900</b>	<b>7 167 800</b>	<b>671 900</b>

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## Recreation and Cultural Services - Expenses by Function Table

Recreation Administration and Programs	2017 Budget	2018 Budget	Budget increase (decrease)
<b>Recreation Administration</b>	<b>1 018 000</b>	<b>1 123 600</b>	<b>105 600</b>
<b>Recreation Programs</b>			
Childrens Programs	499 700	419 800	(79 900)
Adults Programs	352 300	496 300	144 000
Youth Programs	214 000	233 200	19 200
Outdoor Pool Programs	107 600	117 500	9 900
Preschool Programs	84 100	86 000	1 900
July 1st Commission	48 500	50 500	2 000
Special Events	42 700	42 600	(100)
Courtenay Recreation Association	100 800	75 800	(25 000)
Adapted Programs *	-	118 900	118 900
Summer Camps Programs *	-	279 100	279 100
<b>Total Recreation Programs</b>	<b>1 449 700</b>	<b>1 919 700</b>	<b>470 000</b>
<b>Recreation Facilities</b>			
Lewis Centre	1 212 700	1 236 300	23 600
Filberg Centre	701 300	709 200	7 900
Outdoor Pool	116 000	126 500	10 500
Youth Centre	71 200	73 800	2 600
Native Sons Hall	68 300	67 900	(400)
<b>Total Recreation Facilities Expenses</b>	<b>2 169 500</b>	<b>2 213 700</b>	<b>44 200</b>
<b>Cultural Services</b>			
Sid Williams Theatre	317 800	320 100	2 300
Museum	209 500	228 100	18 600
Library	1 260 600	1 285 800	25 200
Art Gallery	60 300	66 000	5 700
Civic Square & Heritage Church	10 500	10 800	300
<b>Total Cultural Services Expenses</b>	<b>1 858 700</b>	<b>1 910 800</b>	<b>52 100</b>
<b>Services Expenses</b>	<b>6 495 900</b>	<b>7 167 800</b>	<b>671 900</b>

\* Programs managed by CRA until 2018

# 2018 – 2022 Five-Year Financial Plan draft

## General 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 summary table provides a high level overview of the capital programs for the five year period.

## General Capital Summary Table

General Capital Fund	Budget				
	2018	2019	2020	2021	2022
<b>Expenditures</b>					
<b>Capital Assets</b>					
Land and improvements	493 900	389 000	614 000	752 000	967 000
Buildings	1 858 500	904 300	6 662 100	5 925 700	1 105 800
Equipments / Furnitures / Vehicles	1 703 300	1 212 000	794 000	701 000	2 201 000
Engineering Structures - Renewal	5 333 100	6 876 100	5 528 300	3 342 300	3 542 300
Engineering Structures - New	110 000	-	-	-	-
Other Tangible Capital Assets	275 000	55 000	90 000	65 000	65 000
Loss of disposal of assets					
	9 773 800	9 436 400	13 688 400	10 786 000	7 881 100
<b>Debt</b>					
Interest	535 400	\$ 582 800	\$ 878 800	\$ 1 106 100	\$ 1 161 400
Principal	856 500	935 800	1 443 100	1 785 900	1 907 300
	1 391 900	1 518 600	2 321 900	2 892 000	3 068 700
<b>Total Expenditures</b>	<b>\$11 165 700</b>	<b>\$10 955 000</b>	<b>\$16 010 300</b>	<b>\$13 678 000</b>	<b>\$10 949 800</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 and the acquisition of new capital items.

# 2018 – 2022 Five-Year Financial Plan draft

## General Capital Assets Detail Table

Category	Department	2018 Final Budget	2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget	2022 Proposed Budget
⊖ Buildings	Art Gallery	38 000	11 500	86 300		
	City Hall	390 000				
	Filberg Centre	45 000	34 500	222 000		300 000
	Fire			60 000	5 500 000	
	Lewis Centre	280 000	240 000	100 000	250 000	100 000
	Library	14 000		55 500		
	Memorial Pool	63 500	45 000	70 000	80 000	60 000
	Museum	-	90 300	178 300		50 000
	Native Sons Hall	100 000	250 000			
	Parks			25 000	45 000	45 000
	Police					250 000
	Public Works	450 000		5 700 000		150 000
	Rental Properties	280 000	75 000			
	Sid Theatre	128 000	80 000	35 000	50 700	150 800
	Walkways & Bikeways			30 000		
	Youth Centre	70 000	78 000	100 000		
<b>Buildings Total</b>		<b>1 858 500</b>	<b>904 300</b>	<b>6 662 100</b>	<b>5 925 700</b>	<b>1 105 800</b>
⊖ Equipment	Fire	65 000	65 000	-	-	1 500 000
	Fleet	1 345 000	916 000	608 000	515 000	515 000
	IT	228 300	186 000	141 000	141 000	141 000
	Lewis Centre	65 000	45 000	45 000	45 000	45 000
<b>Equipment Total</b>		<b>1 703 300</b>	<b>1 212 000</b>	<b>794 000</b>	<b>701 000</b>	<b>2 201 000</b>
⊖ Land and improvements	Cemetery	146 000	124 000	122 000	92 000	127 000
	Parks	269 500	210 000	362 000	410 000	640 000
	Walkways & Bikeways	78 400	55 000	130 000	250 000	200 000
<b>Land and improvements Total</b>		<b>493 900</b>	<b>389 000</b>	<b>614 000</b>	<b>752 000</b>	<b>967 000</b>
⊖ New	Storm Drainage	110 000				
<b>New Total</b>		<b>110 000</b>				
⊖ Other Tangible Assets	IT	275 000	55 000	90 000	65 000	65 000
<b>Other Tangible Assets Total</b>		<b>275 000</b>	<b>55 000</b>	<b>90 000</b>	<b>65 000</b>	<b>65 000</b>
⊖ Renewal	Road Paving	1 135 000	1 270 000	1 100 000	1 100 000	1 300 000
	Storm Drainage	538 000	1 190 000	547 500	300 000	300 000
	Traffic Projects		380 000	295 000	100 000	100 000
	Major Road Construction	3 317 800	3 693 800	3 243 500	1 500 000	1 500 000
	DCC Projects	342 300	342 300	342 300	342 300	342 300
<b>Renewal Total</b>		<b>5 333 100</b>	<b>6 876 100</b>	<b>5 528 300</b>	<b>3 342 300</b>	<b>3 542 300</b>
⊖ Debt	Debt Interest	535 400	582 800	878 800	1 106 100	1 161 400
	Debt Principal	856 500	935 800	1 443 100	1 785 900	1 907 300
<b>Debt Total</b>		<b>1 391 900</b>	<b>1 518 600</b>	<b>2 321 900</b>	<b>2 892 000</b>	<b>3 068 700</b>
<b>Grand Total</b>		<b>11 165 700</b>	<b>10 955 000</b>	<b>16 010 300</b>	<b>13 678 000</b>	<b>10 949 800</b>



# 2018 – 2022 Five-Year Financial Plan draft

## General Capital Funding

This table summarizes the planned source of funding for the 2018 to 2022 general capital projects.

### General Capital Funding Table

General Capital Fund	Budget				
	2018	2019	2020	2021	2022
<b>Revenues</b>					
<b>Revenues</b>					
Other Revenues	\$ 50 000	\$ 20 000	\$ -	\$ -	\$ -
Grant and Contributions	671 000	664 900	504 600	423 400	339 400
	721 000	684 900	504 600	423 400	339 400
<b>Transfers</b>					
Operating Funds	2 811 000	2 308 100	3 106 600	3 957 600	5 164 400
	2 811 000	2 308 100	3 106 600	3 957 600	5 164 400
<b>Reserves</b>					
Community Works Reserve	4 094 300	3 254 900	1 200 000	800 000	800 000
Other Reserve Funds	3 539 400	2 915 700	1 777 000	1 197 000	996 000
	7 633 700	6 170 600	2 977 000	1 997 000	1 796 000
Total Transfers	10 444 700	8 478 700	6 083 600	5 954 600	6 960 400
<b>Funding from Debt</b>	-	1 791 400	9 422 100	7 300 000	3 650 000
<b>Total Revenues</b>	<b>\$11 165 700</b>	<b>\$10 955 000</b>	<b>\$16 010 300</b>	<b>\$13 678 000</b>	<b>\$10 949 800</b>

The 2018 General Fund Capital budget uses reserves, grants and surplus funds in order to keep the municipal tax levy at a rate deemed palatable for the general public and Council.

- o Community Works Fund (CWF) – Gas Tax Grant Revenues:
  - CWF – Gas Tax grant funding of approximately \$2,070,000 is proposed in the 2018 budget year - \$953,600 for various infrastructure condition assessments and Transportation, Storm Sewer and Dyke Master plans, as well as \$1,165,500 for capital projects.
- o Building Canada grant money has been provided to the City for:
  - Complete Streets project - just under \$3.0 million to be spent in 2018; and,
  - 5th Street Bridge project - approximately \$2.0 million to be spent in 2019.

# 2018 – 2022 Five-Year Financial Plan draft

## Long Term Debt - All Funds

The City has used long term 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 new debt for capital assets. The debt payments are approximately \$1,552,600 for 2018.

The financial plan projects new debt may be required in future years starting in 2019. For planning purposes, the following long term debt has been included in this financial plan:

- Infrastructure development, renewal and replacement in areas such as:
  - Street and road
  - Storm drainage
  - Sewer project
- New Public Works facility
- Satellite Fire Hall facility in East Courtenay
- Roof and elevator replacements
- Fire ladder truck replacement

## New Debt Table

Funding from Debt					
Fund	2018 Budget	2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget	2022 Proposed Budget
General	-	1 791 400	9 422 100	7 300 000	3 650 000
Sewer	-	2 500 000	-	-	-
Water	-	-	-	-	-
<b>Grand Total</b>	<b>-</b>	<b>4 291 400</b>	<b>9 422 100</b>	<b>7 300 000</b>	<b>3 650 000</b>

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

# 2018 – 2022 Five-Year Financial Plan draft

## Debt Payments Table

Debt payments		2018 Budget	2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget	2022 Proposed Budget
<b>General</b>	Debt Interest	535 400	582 800	878 800	1 106 100	1 161 400
	Debt Principal	856 500	935 800	1 443 100	1 785 900	1 907 300
<b>General Total</b>		<b>1 391 900</b>	<b>1 518 600</b>	<b>2 321 900</b>	<b>2 892 000</b>	<b>3 068 700</b>
<b>Sewer</b>	Debt Interest	54 900	131 900	131 900	131 900	131 900
	Debt Principal	75 200	209 600	209 600	209 600	209 600
<b>Sewer Total</b>		<b>130 100</b>	<b>341 500</b>	<b>341 500</b>	<b>341 500</b>	<b>341 500</b>
<b>Water</b>	Debt Interest	20 100	20 100	20 100	20 100	20 100
	Debt Principal	10 500	10 500	10 500	10 500	10 500
<b>Water Total</b>		<b>30 600</b>	<b>30 600</b>	<b>30 600</b>	<b>30 600</b>	<b>30 600</b>
<b>Grand Total</b>		<b>1 552 600</b>	<b>1 890 700</b>	<b>2 694 000</b>	<b>3 264 100</b>	<b>3 440 800</b>

### ***Transfers to Reserves and Surplus – All Funds***

Annually the City plans for future projects. The City typically has a surplus from unspent funds at the end of each budget year, partly due to:

- Incomplete projects
- Weather constraints
- Capacity issues
- Priority changes
- Additional unanticipated external revenue sources (Federal / Provincial grants, donations)
- Staff turnover and attrition

Reserve and surplus funds are used for current and future operating and capital projects. In 2017, Council approved using surplus funds for 2017 and 2018 to fund the new staff positions created to maintain service levels in response to significant growth over the last several years. The following table summarizes the planned transfers to reserve accounts and funds, while the table on the next page summarizes the balances in the reserve funds and surplus accounts at the end of each budget year of this financial plan.

The City of Courtenay invests cash (operating and capital surplus and/or reserves) to minimize risk, provide flexibility, and maximize returns while meeting the short and long term cash flow demands of the municipality. Any investing must also comply with the statutory requirements of Section 183 of the *Community Charter* legislation.

# 2018 – 2022 Five-Year Financial Plan draft

## Transfers to Reserve and Surplus Table

<b>Surplus and Reserves Summary</b>	<b>2018</b> Budget	<b>2019</b> Proposed Budget	<b>2020</b> Proposed Budget	<b>2021</b> Proposed Budget	<b>2022</b> Proposed Budget
<b>Transfer to Reserve Funds</b>					
General					
Machinery & Equipment Reserve	\$ 600 000	\$ 600 000	\$ 650 000	\$ 700 000	\$ 750 000
New Works & Other Reserves	405 000	626 200	751 200	944 300	1 447 400
Public Parking	6 600	6 600	6 700	6 800	6 800
MFA Reserve	8 300	8 500	8 600	8 800	9 000
Reserve Future Expenditures	-	-	-	-	-
Interfund Interest	80 800	81 600	82 400	83 200	84 100
New Works BYLAW 1835	1 362 000	1 418 800	1 424 800	1 430 900	1 437 100
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
	2 492 500	2 771 500	2 953 500	3 203 800	3 764 200
Sewer					
Asset Management Reserve	300 000	200 000	200 000	200 000	200 000
Machinery/Equip Reserve	75 000	75 000	75 000	75 000	75 000
MFA Reserve Fund	700	600	500	500	500
Future Expenditure	307 600	-	-	-	-
Carbon Offsets Reserve	5 500	5 500	5 500	5 500	5 500
	688 800	281 100	281 000	281 000	281 000
Water					
Asset Management	100 000	-	250 000	350 000	300 000
Water Utility	37 700	41 400	42 400	43 400	44 300
Water Machinery & Equip	30 000	30 000	30 000	30 000	30 000
MFA	100	100	100	100	100
Future Expenditure	20 500	-	-	-	-
Carbon Offsets	5 500	5 500	5 500	5 500	5 500
	193 800	77 000	328 000	429 000	379 900
<b>Total Transfer to Reserve Funds</b>	<b>3 375 100</b>	<b>3 129 600</b>	<b>3 562 500</b>	<b>3 913 800</b>	<b>4 425 100</b>
<b>Transfer to Surplus</b>					
General	-	-	-	-	94 500
Sewer	3 600	29 500	21 500	18 500	9 400
Water	14 900	29 800	16 100	26 500	18 700
<b>Total Transfer to Surplus</b>	<b>18 500</b>	<b>59 300</b>	<b>37 600</b>	<b>45 000</b>	<b>122 600</b>
<b>Total Transfer to Reserves and Surplus</b>	<b>\$ 3 393 600</b>	<b>\$ 3 188 900</b>	<b>\$ 3 600 100</b>	<b>\$ 3 958 800</b>	<b>\$ 4 547 700</b>

# 2018 – 2022 Five-Year Financial Plan draft

## Reserve and Surplus Projected Closing Balances Table (Unaudited)

Surplus and Reserves Unaudited Balance Summary	2018 Budget	2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget	2022 Proposed Budget
<b>CLOSING BALANCE</b>					
<b>General</b>					
General Operating Surplus					
Surplus	\$ 2 186 000	\$ 1 408 900	\$ 833 700	\$ 323 700	\$ 418 200
Sid Williams Theatre Society	209 900	199 900	189 900	184 900	179 900
Gaming Funds	1 656 500	1 656 500	1 656 500	1 656 500	1 656 500
	4 052 400	3 265 300	2 680 100	2 165 100	2 254 600
General Capital Reserves					
Machinery and Equipment	1 392 000	1 011 000	1 053 000	1 238 000	1 473 000
Land Sale	150 600	150 600	150 600	150 600	150 600
New Works and Equipment	2 393 900	2 267 900	2 306 400	2 485 400	2 664 400
New Works - Community Gas Tax I	1 511 900	855 700	320 500	191 400	68 500
Infrastructure Reserve	596 800	405 900	6 400	183 600	681 400
Risk Reserve	101 000	101 000	101 000	101 000	101 000
Housing Amenity	360 400	360 400	360 400	360 400	360 400
Amenity	259 900	259 900	259 900	158 900	58 900
Public Parking	48 800	55 400	62 100	68 900	75 700
Parkland Acquisition	210 300	210 300	210 300	210 300	110 300
Trees	4 500	4 500	4 500	4 500	4 500
Assessment Appeals - New	50 000	50 000	50 000	50 000	50 000
Police Contingency - New	387 600	357 600	327 600	297 600	267 600
	7 467 700	6 090 200	5 212 700	5 500 600	6 066 300
Total General Surplus and Reserves	11 520 100	9 355 500	7 892 800	7 665 700	8 320 900
<b>Sewer</b>					
Sewer Operating Surplus					
Surplus	763 924	763 924	763 924	763 924	763 924
	763 924	763 924	763 924	763 924	763 924
Sewer Capital Reserves					
Sewer Reserve	476 139	476 139	476 139	476 139	476 139
Asset Management Reserve	2 625 000	825 000	775 000	725 000	675 000
Sewer Machinery and Equipment	290 083	365 083	440 083	515 083	590 083
	3 391 222	1 666 222	1 691 222	1 716 222	1 741 222
Total Sewer Surplus and Reserves	4 155 146	2 430 146	2 455 146	2 480 146	2 505 146
<b>Water</b>					
Water Operating Surplus					
Surplus	677 363	707 163	723 263	749 763	768 463
	677 363	707 163	723 263	749 763	768 463
Water Capital Reserves					
Water Reserve	1 454 003	1 495 403	1 537 803	1 581 203	1 625 503
Asset Management Reserve	212 837	212 837	462 837	812 837	1 112 837
Water Machinery and Equipment	150 554	180 554	210 554	240 554	270 554
	1 817 395	1 888 795	2 211 195	2 634 595	3 008 895
Total Water Surplus and Reserves	2 494 758	2 595 958	2 934 458	3 384 358	3 777 358
<b>Total Operating Surplus</b>	<b>5 493 687</b>	<b>4 736 387</b>	<b>4 167 287</b>	<b>3 678 787</b>	<b>3 786 987</b>
<b>Total Capital Reserves</b>	<b>12 676 317</b>	<b>9 645 217</b>	<b>9 115 117</b>	<b>9 851 417</b>	<b>10 816 417</b>
<b>Total Surplus and Reserves</b>	<b>\$18 170 004</b>	<b>\$14 381 604</b>	<b>\$13 282 404</b>	<b>\$13 530 204</b>	<b>\$14 603 404</b>

# 2018 – 2022 Five-Year Financial Plan draft

## Gaming Fund

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

In October 2016, the City Council adopted a revised Grants-in-Aid policy in order to provide a single process for organizations to follow when requesting financial assistance. Council agreed to use the funds on some specific projects and initiatives and leave some funds available to be distributed, by Council discretion, to eligible organizations applying for financial support every year.

The table below shows the proposed distribution of the funds for 2018.

**City of Courtenay**  
**2016 - 2018 Proposed Schedule of Annual Gaming Funds Distribution**

Distribution: Major Categories	Distributions -2018 Estimated Annual Funds Available	\$ 895 000
<i>Support Downtown Arts and Culture</i>	CV Art Gallery	65 000
	Ctny & Dist Historical Society	50 000
	Sid Williams Theatre Society	105 000
	Downtown cultural events	5 000
		<b>225 000</b>
<i>Council Initiatives &amp; Projects</i>	Purple ribbon Campaign	3 500
	Bus shelters - 3 per year	30 000
	Other projects and initiatives	41 500
	<b>75 000</b>	
<i>Public Safety / Security</i>	Policing - fund two officers	<b>395 000</b>
<i>Social / Societal Initiatives</i>	Council supported supportive housing initiatives	<b>50 000</b>
<i>Infrastructure Works</i>	Reserve funds for third bridge crossing	<b>100 000</b>
<i>Green Capital Projects / Innovation</i>	Council supported initiatives to achieve outcomes of reduced greenhouse gas emissions, cleaner air, cleaner water	<b>50 000</b>
<i>Total Annual Distribution</i>		<b>\$ 895 000</b>



**Sewer Fund**  
Operating Revenues and Expenses  
Capital Transactions  
Reserves and Surplus



## Sewer Fund

### Overview

The sewer utility service is a self-funding utility. The service collects and conveys effluent to the regional district service for disposal.

Sewer services are provided to property owners through two systems:

- Municipal sewer collection infrastructure owned and operated by the City.
- Regional infrastructure including sewer force mains, pumping stations and a wastewater treatment plant that is owned, operated, and managed by the Comox Valley Regional District.

The City of Courtenay and the Town of Comox share costs for this regional infrastructure based on their respective sewer flows to the water treatment plant.

#### Quick Facts

- Sanitary Sewer Mains: 154.3 km (*Jan 2018*)
- Sanitary Sewer Connections: 6,926 (*Estimate, based on Water*)
- Sanitary Lift Stations: 12 Stations (*23 Pumps*)

### Operating and Capital Revenues

There are two key sources of revenue for the Water and Sewer Funds:

- User Fees: typically used to fund operational costs. These are fees that are paid by anyone within the municipality currently connected to the sewer and water infrastructure in order to recover the cost of bulk wastewater processing or water purchases, chemicals, power-gas-telephone charges, chemicals, monitoring, general payroll and maintenance of the service.
- Frontage and Parcel Taxes: used to fund capital programs. These are taxes that are levied on all properties whether they are or could be serviced by the City's water and sewer services. Municipal residents can connect to the utility if and when the property is developed since the capital infrastructure currently exists past their respective property.

User Fee Rates:

The Sewer User Fee rates are set by Bylaw. The 2017 Sewer User Fee rate was set at \$294.70. For 2018, the user fees increase to \$324.10 and is expected to generate \$4,767,900 to cover operating expenditures.

No rate increase is planned for the frontage and parcel taxes in 2018. The frontage fees will remain constant at \$10.24 per meter and are expected to generate \$1,973,500 for capital renewal.

# 2018 – 2022 Five-Year Financial Plan draft

## Operating Expenses

The table below provides a synopsis of the Operating Budget expenditures incurred by Economic Segments.

### Sewer Operating Budget - Expenses by Economic Segment Table

Sewer Operating	2017 Final Budget	2018 Final Budget	Dollar Change 2017-18 Budget	% of Total 2018 Budget	Breakdown of 2018 User Fee Bylaw Rate
<b>Expenditures by Economic Segments</b>					<b>324.17</b>
Personnel	503 600	615 900	112 300	11.1%	\$ 36.03
General Services	211 400	262 300	50 900	4.7%	\$ 15.35
Insurance	9 900	10 700	800	0.2%	\$ 0.63
Internal Allocations	789 500	648 300	(141 200)	11.7%	\$ 37.93
Purchased Services - Other Govts	3 670 700	3 890 900	220 200	70.2%	\$ 227.65
Goods	63 700	87 100	23 400	1.6%	\$ 5.10
Utilities	24 700	25 500	800	0.5%	\$ 1.49
Sub-Totals	5 273 500	5 540 700	267 200	100.0%	\$ 324.17

- “Personnel costs” are increasing due to the addition of temporary project management personnel, to support completion of the capital program. These temporary personnel will be hired on short term (2-3 years) employment contracts at a cost of \$81,000.
- “General Services” in 2018 is increasing by \$50,900 primarily due to additional funding for continued work on the Sewer Master Plan and for general consultant engineering and legal services.
- “Internal Allocations” is a percentage transfer of General Fund and fleet costs to the Sewer Utility Fund. The intent is to transfer funds for General Government and Public Works expenditures (personnel, utilities, materials and supplies, insurance, contracted services and building costs) in recognition of the administrative costs necessary to support the sewer utility service. A transfer for engineering staff time when working on capital projects is also included. The variance of all internal allocations represents a decrease of \$141,200.
- “Purchased Services – Other Governments” relates to the Comox Valley Regional District’s (CVRD) annual sewer requisition. It is based on sewer flows from the prior year and a dollar rate applied to that flow. Table 2 identifies the CVRD’s actual and 2018-2022 Financial Plan sewer requisition and apportionment to the City.

# 2018 – 2022 Five-Year Financial Plan draft

## 2014 – 2022 Annual CVRD Sewer Requisition Table

	Year	CVRD Requisition	Courtenay portion of Requisition	% change
Actuals	2014	\$ 4 303 482	\$ 2 730 129	
	2015	\$ 4 776 865	\$ 3 061 970	12%
	2016	\$ 5 063 477	\$ 3 484 685	14%
	2017	\$ 5 367 286	\$ 3 670 687	5%
CVRD Budget	2018	\$ 5 689 323	\$ 3 890 928	6.0%
	2019	\$ 6 030 682	\$ 4 124 383	6.0%
	2020	\$ 6 392 523	\$ 4 371 846	6.0%
	2021	\$ 6 800 000	\$ 4 650 520	6.4%
	2022	\$ 7 200 000	\$ 4 924 080	5.9%

In 2018 the CVRD sewer requisition is increasing by 6% or \$220,200, which represents the single largest operating cost (69%) of this Fund.



# 2018 – 2022 Five-Year Financial Plan draft

## Capital Transactions

The 2018 Sewer Capital Budget has considered an asset management planning process involving planning, engineering and finance. These processes will effectively manage existing and new municipal infrastructure in a sustainable manner to maximize benefits, reduce risk and provide satisfactory levels of service to the community in an environmentally responsible manner.

The table below provides an overall summary of the Sewer Capital Budget.

## Sewer Capital Budget Table

SEWER CAPITAL FUND	2017 Final Budget	2018 Final Budget
<b>CAPITAL EXPENDITURES</b>		
<b>DEBT</b>		
Interest - Debenture Debt	54 900	54 900
Principal - Debenture Debt	75 200	75 200
	<b>130 100</b>	<b>130 100</b>
<b>ASSETS</b>		
Equipment - Flow meters and Scada	<b>909 000</b>	<b>585 000</b>
Engineering Structures - Renewal	225 000	
1 St Lift Station Replacement		220 000
Comox Rd, Lewis Park, River Crossing - Sanitary Main Replacement		112 500
Riverside Sanitary Trunk - 8 St to 19 St - Trunk Main Upgrade		267 500
Braidwood Rd - Road & Utility Reconstruction - Sanitary		43 500
	<b>225 000</b>	<b>643 500</b>
Engineering Structures - New	129 400	
Hudson Trunk Main Connection	-	255 000
20 St & Riverside Lane - Trunk Main Realignment	-	215 000
Greenwood Trunk Connection	-	90 000
Braidwood Affordable Housing - Sewer Servicing		10 000
	<b>129 400</b>	<b>570 000</b>
	1 263 400	1 798 500
<b>Total Sewer Capital Expenditures</b>	<b>1 393 500</b>	<b>1 928 600</b>

The 2018 Sewer Capital Budget is \$1,928,600 and will be funded using:

- Gas Tax funds \$502,400
- Reserve for Future Expenditures \$307,600
- Transfer from Operations \$941,800
- Transfer from Reserve \$110,000
- Development Cost Charges (DCC) \$66,800



# 2018 – 2022 Five-Year Financial Plan draft

The Asset Management Working Group (AMWG) has identified capital needs of over \$5.0 million for three key projects in 2019:

- Renewal of 1st Street Lift Station at an estimate of \$2.0M;
- Sewer Infrastructure upgrade for Project 1919 on 20th Street at an estimate of \$1.0M; and,
- Sewer Infrastructure upgrade for Cliffe Avenue from 8th to 19th Street at an estimate of \$2.0M.

To prepare for these large capital expenditures any excess financial resources should be assigned to the Sewer Asset Management reserve. Long-Term debt will be necessary for the large 2019 capital projects.

## Debt payments

\$130,100 is required for the servicing of the Long-Term Debt principal (\$75,200) and interest (\$54,900) payments relate to Bylaw 2305, 2353 and 2423. The principal balance as of December 31, 2018 for this long-term debt instrument is \$1,805,800.

## Reserves and Surplus

The unaudited projected balance at the end of 2017 is \$1,071,500 for the Sewer Operating Surplus and \$3,603,700 for the Sewer Capital Reserves.

## Sewer Reserves and Surplus Table

Sewer Reserves and Surplus	Unaudited Balances
	Dec.31, 2017
Operating Surplus	
Surplus	601 600
Surplus Reserve for Future Expenditures	469 900
<b>Total</b>	<b>1 071 500</b>
Capital Reserves	
Sewer Reserve	476 100
Asset Management	2 425 000
Sewer Machinery and Equipment	702 600
<b>Total</b>	<b>3 603 700</b>
<b>Total Surplus and Reserves</b>	<b>4 675 200</b>
DCC	
Sewer DCC Bylaw #1638/2755 'northeast zone'	33 600
Sewer DCC Bylaw #2426/2755	467 400
<b>Total Sewer DCC</b>	<b>501 000</b>



Water Fund  
Operating Revenues and Expenses  
Capital Transactions  
Reserves and Surplus



## Water Fund

### Overview

The water utility service is a self-funding utility. This service is provided to property owners who use the City's municipal water network. Water services are not funded by property taxes. Citizens pay for these services through user fees listed on their annual tax notice. The water utility service is provided to property owners through two systems:

- Municipal water infrastructure owned and operated by the City.
- Regional water infrastructure which transports and treats the water supply from the Comox Lake Reservoir and transports it to the City's boundary.

The City of Courtenay purchases bulk water from the Comox Valley Regional District (CVRD) for water consumed within its distribution system. This bulk water purchase is a major component of the City's water budget.

#### Quick Facts

- Water Mains: 173.3km (Jan 2018)
- Water Service Connections: 6,926 (Dec 2016)
- Water Meters Setters: 1,782 (Dec 2016)
- Fire Hydrants: 755 (Jan 2018)
- Mainline Valves: 2,066 (Jan 2018)
- Booster Station : 5 pumps

### Operating and Capital Revenues

Similar to the Sewer Fund, there are two primary sources of revenue for the Water Fund:

- User Fees: used to fund operational costs, such as personnel, bulk water purchases, power-gas-telephone charges, chemicals, monitoring and maintenance of the water distribution service. These fees are paid by anyone within the municipality who is connected to the water and sewer infrastructure.
- Frontage and Parcel Taxes: used to fund capital programs. These are taxes levied on all properties whether they are, or could be, serviced by the City's water and sewer services. Municipal residents can connect to the utility if and when their property is developed since the capital infrastructure exists past their respective property.

Revenues in the Water Fund are pooled together and not split into segmented parts.



# 2018 – 2022 Five-Year Financial Plan draft

## Revenue User Fee Rates

**Frontage Fees** – The 2018 rate is increasing from \$4.68 to \$5.84 per meter and is expected to generate an additional \$410,000. The total projected revenue from Frontage Fees is \$1,159,900 for 2018. The purpose for this increase is to support the capital renewal program for the existing water distribution network.

**User Fees** - The 2018 User Fee is \$467.53, an increase of 10% from 2017. It is used to cover operating expenditures. In 2017, Bylaw 2873, 2017 approved increasing water user fees to account for escalating CVRD bulk water rate increases.

Three external factors necessitate an increase in user fees:

- Bulk water rate increases from \$0.71 to \$0.75 as noted in the CVRD's 2018 – 2022 Financial plan, which is a significant adjustment of over \$210,000.
- Vancouver Island Health Authority's (VIHA) new operating permit for the City's water system requires increases to training and certification for water system staff, as well as to monitoring and operating procedures.
- Re-classification of the City's water distribution system from Class 1 to Class 4.

**Revenue additional** – Meter rental fees and hydrant rentals are the primary sources of revenue in this category. The projected revenue increase is \$8,000.

**Additional Revenue - Sandwich** - In 2017, the City began negotiations with the CVRD for the transition of the Sandwich water system to the City of Courtenay. These negotiations are continuing and it is expected that once the transition is complete, revenues will increase by \$90,000 annually.



# 2018 – 2022 Five-Year Financial Plan draft

## Operating Expenses

Over the past year, the City of Courtenay Water System Asset Management plan has been refined and is providing guidance with respect to the sustainable operation, maintenance, and the long-term infrastructure renewal needs of the City. The total change between the 2017 and 2018 Budgets (excluding Transfers to Reserves and to the Capital Fund) is \$359,400.

## Water Operating Budget - Expenses by Economic Segment Table

WATER FUND	2017 Final Budget	2018 Budget	2017-2018 Budget Variance	% of Total 2018 Budget	Breakdown of Current User Fee
<b>Expenditures by Economic Segments</b>					
Personnel	679,800	1,017,200	337,400	15.3%	\$ 71.36
General Services	673,700	289,400	(384,300)	4.3%	\$ 20.30
Insurance	10,700	12,000	1,300	0.2%	\$ 0.84
Internal Allocations	1,072,500	1,020,200	(52,300)	15.3%	\$ 71.57
Purchased Services - Other Govts	3,598,400	4,022,600	424,200	60.4%	\$ 282.18
Goods	265,300	299,300	34,000	4.5%	\$ 21.00
Transfer payments (rebates)	1,000	-	(1,000)	0.0%	\$ -
Utilities	4,000	4,100	100	0.1%	\$ 0.29
<b>Sub-Total Operating costs</b>	<b>6,305,400</b>	<b>6,664,800</b>	<b>359,400</b>	<b>100.0%</b>	<b>\$ 467.53</b>

1. "Personnel costs" are increasing due to multiple factors:

- Vancouver Island Health Authority (VIHA) permit requirements and water system classification changes from a Class 1 to a Class 4 facility necessitating more operators to comply with these guidelines.
- CUPE contractual commitments are increasing personnel costs.
- Proportional distribution of the Asset Manager's salary and benefits in recognition of time spent working on water fund operations.
- Recognition of a full year's budget costing for the Director of Engineering Services position previously vacant for part of 2017.
- Higher utility service connection costs due to new development and community growth. In the past, the identification of utility service connection costs was offset by the deposits paid by developers and the public. These costs are being separated to provide a more accurate depiction of all costs and revenues required for the service.
- Request for temporary project management personnel (2-3 year employment contracts) to assist with completing various capital projects.

# 2018 – 2022 Five-Year Financial Plan draft

2. “General Services” in 2018 budget dollars **decrease by \$384,300** in this area due to:

- Removal of one-time 2017 expenditures totals \$424,500:
  - hydrant and water meter repairs at various locations;
  - looping watermains through nine (9) properties by external contractors;
  - removing a water meter chamber by Hamilton Logging
  - Decommissioning existing buried and abandoned valves on 5th Street - east side of the river, and removing a hydrant out of the floodplain.

Offsetting the above decreases is a budget increase of \$35,000 for continued work on the Water Master Plan in 2018 and \$15,000 related to utility service connections.

3. “Purchased Services – Other Governments” relates to the bulk water purchased from the Comox Valley Regional District (CVRD) and represents the largest cost driver for this Fund – 60.5%. The **increase of \$424,200 is due to:**

- CVRD bulk water rate increasing from \$0.71/m<sup>3</sup> in 2017 to \$0.75/m<sup>3</sup> in 2018.
- Community growth and historical weather patterns increasing the volume of water consumed from one year to the next; and
- The City’s updated operating permit requiring a unidirectional flushing program and a cross connection control program.



# 2018 – 2022 Five-Year Financial Plan draft

## Capital Transactions

The 2018 Water Capital Budget has considered an asset management planning process involving planning, engineering and finance to effectively manage existing and new municipal infrastructure in a sustainable manner. This will maximize benefits, reduce risk and provide satisfactory levels of service to the community user in an environmentally and ecologically responsible manner.

## Water Capital Budget Table

2018 - 2022 FIVE YEAR FINANCIAL PLAN			
WATER CAPITAL FUND		2017 Final Budget	2018 Final Budget
<b>CAPITAL EXPENDITURES</b>			
<b>DEBT</b>			
Interest - Debenture Debt		10 500	10 500
Principal - Debenture Debt		20 100	20 100
		<b>30 600</b>	<b>30 600</b>
<b>ASSETS</b>			
Engineering Structures - Renewal			
Comox Road Water Replacement		2 100 000	-
Buckstone Water Booster Pump Station - Improvements		50 000	250 000
Comox Rd Fire Chamber Removal		-	125 000
Old Island Hwy & 5 St - Water Valve Replacement		-	75 000
Lerwick Rd - Valve Replacement		-	75 000
Willemar Ave - 17 St to 21 St - Watermain Replacement		-	1 025 000
Braidwood Rd - Road & Utility Reconstruction - Water			43 500
	Renewal	<b>2 150 000</b>	<b>1 593 500</b>
Engineering Structures - New			
Sandwich Conversion		1 886 000	1 549 900
Braidwood Affordable Housing - Water Servicing			12 000
	New	<b>1 886 000</b>	<b>1 561 900</b>
	Total Assets	<b>4 036 000</b>	<b>3 155 400</b>
<b>Total Water Capital Expenditures</b>		<b>4 066 600</b>	<b>3 186 000</b>

The 2018 Water Capital Budget is \$3,186,000 and will be funded using:

- Gas Tax funds \$500,000
- Reserve for Future Expenditures \$20,500
- Transfer from Operations \$974,300
- Transfer from Reserve \$1,287,000
- Other contributions \$244,900
- Development Cost Charges (DCC) \$159,300

Capital renewal for 2019 – 2022 is budgeted at \$1.50M in 2019 and increases to \$2.0M in 2022.



# 2018 – 2022 Five-Year Financial Plan draft

## Debt payments

\$30,600 is required for the servicing of the Long-Term Debt principal (\$20,100) and interest (\$10,500) payments that relates to Bylaw 2424. The principal balance as of December 31, 2018 for this long-term debt instrument is \$297,200.

## Reserves and Surplus

The unaudited projected balance at the end of 2017 is \$698,000 for the Water Operating Surplus and \$3,087,000 for the Water Capital Reserves.

## Water Reserves and Surplus Table

<b>Water Reserves and Surplus</b>		<b>Unaudited Balances</b>
Operating Surplus		Dec.31, 2017
	Surplus	677 000
	Surplus Reserve for Future Expenditures	21 000
	<b>Total</b>	<b>698 000</b>
Capital Reserves		
	Water Reserve	1 416 000
	Asset Management	1 388 000
	Water Machinery and Equipment	283 000
	<b>Total</b>	<b>3 087 000</b>
<b>Total Surplus and Reserves</b>		<b>3 785 000</b>
DCC	Water DCC Bylaw #2426/2755	530 000



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# Appendix

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## Appendix

The appendix provides the information used to prepare the Bylaw for the 2018 – 2022 Five Year Financial Plan, and includes the following.

1. OBJECTIVES AND POLICIES FOR SCHEDULE "A" BYLAW 2924
2. OBJECTIVES AND POLICIES FOR SCHEDULE "B" BYLAW 2924
3. OBJECTIVES AND POLICIES FOR SCHEDULE "C" BYLAW 2924
4. CONSOLIDATED SUMMARY FOR SCHEDULE "D" BYLAW 2924
5. GENERAL OPERATING FUND SUMMARY FOR SCHEDULE "E" BYLAW 2924
6. SEWER OPERATING FUND SUMMARY FOR SCHEDULE "F" BYLAW 2924
7. WATER OPERATING FUND SUMMARY FOR SCHEDULE "G" BYLAW 2924
8. GENERAL CAPITAL FUND SUMMARY FOR SCHEDULE "H" BYLAW 2924
9. SEWER CAPITAL FUND SUMMARY FOR SCHEDULE "I" BYLAW 2924
10. WATER CAPITAL FUND SUMMARY FOR SCHEDULE "J" BYLAW 2924

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# 2018 – 2022 Five-Year Financial Plan draft

## 1. Objectives and Policies for Schedule “A” Bylaw 2924

### Proportion of Revenue by Source

#### City of Courtenay Revenue and Tax Policy 1700.00.01, 2008

##### 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	2016		2017		2018	
	Amount	% Total Revenue	Amount	% Total Revenue	Amount	% Total Revenue
Property Value Taxes	\$22,677,200	35.4%	24,056,300	39.2%	24,742,600	37.9%
Parcel Taxes	2,655,500	4.2%	2,858,000	4.7%	3,133,400	4.8%
Fees and Charges	16,077,600	19.3%	17,424,000	28.4%	18,612,300	28.6%
Other Sources	4,504,400	15.8%	5,484,000	8.9%	4,306,700	6.6%
Reserves/Surpluses	13,648,600	25.3%	11,560,200	18.8%	14,413,100	22.1%
Borrowing	-	0.0%	-	0.0%	-	0.0%
<b>TOTAL</b>	<b>\$59,563,300</b>	<b>100.0%</b>	<b>\$61,382,700</b>	<b>100.0%</b>	<b>65,208,100</b>	<b>100.0%</b>



# 2018 – 2022 Five-Year Financial Plan draft

## 2. Objectives and Policies for Schedule “B” Bylaw 2924

### 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.

Permissive Property Tax Exemptions	2016 (\$)	2017 (\$)	2018(\$)
City owned properties / managed by not-for-profit groups	175,040	182,352	176,946
Not-for Profit Organizations	133,867	136,224	144,990
Churches	15,486	15,760	16,052
<b>TOTAL</b>	<b>324,393</b>	<b>334,336</b>	<b>337,988</b>
Prior year tax levy for municipal purposes	21,106,452	21,951,300	22,108,900
As a percentage of municipal tax levy	<b>1.54%</b>	<b>1.52%</b>	<b>1.53%</b>



# 2018 – 2022 Five-Year Financial Plan draft

## 3. Consolidated Summary for Schedule "C" Bylaw 2924

Consolidated Financial Plan	Budget				
	2018	2019	2020	2021	2022
<b>Revenues</b>					
<b>Taxes</b>					
General Property Taxes	\$ 24 024 400	\$ 25 403 000	\$ 26 768 900	\$ 28 275 600	\$ 31 173 700
Collections for Other Governments	21 021 800	21 931 200	22 448 300	22 950 100	23 333 900
Total Property Taxes	45 046 200	47 334 200	49 217 200	51 225 700	54 507 600
Frontage & Parcel Taxes	3 133 400	3 728 800	4 113 000	4 601 600	4 634 700
Grants in Place of Property Taxes	462 400	469 900	477 100	484 800	492 700
% of Revenue Tax	399 500	407 500	415 700	423 900	432 400
Total Taxes Collected	49 041 500	51 940 400	54 223 000	56 736 000	60 067 400
Less: Transfers to Other Governments	(21 165 500)	(22 077 300)	(22 596 600)	(23 100 900)	(23 487 100)
<b>Net Taxes for Municipal Purposes</b>	<b>27 876 000</b>	<b>29 863 100</b>	<b>31 626 400</b>	<b>33 635 100</b>	<b>36 580 300</b>
<b>Other Revenues</b>					
Fees and Charges	18 612 300	19 671 800	20 612 800	21 351 800	21 966 000
Revenue from Other Sources	1 754 800	1 279 100	1 279 100	1 379 400	1 401 700
Other Contributions	671 000	664 900	504 600	423 400	339 400
Transfers from Other Govt & Agencies	1 880 900	1 914 600	1 952 600	1 991 300	2 031 100
Total Other Revenues	22 919 000	23 530 400	24 349 100	25 145 900	25 738 200
<b>Total Operating Revenues</b>	<b>50 795 000</b>	<b>53 393 500</b>	<b>55 975 500</b>	<b>58 781 000</b>	<b>62 318 500</b>
<b>Transfers From Reserves and Surplus</b>					
From Reserves	12 621 400	9 424 400	4 481 100	3 501 400	3 300 800
From Surplus	1 791 700	777 100	575 200	510 000	-
<b>Total from Reserves and Surplus</b>	<b>14 413 100</b>	<b>10 201 500</b>	<b>5 056 300</b>	<b>4 011 400</b>	<b>3 300 800</b>
<b>Funding from Debt</b>					
	-	4 291 400	9 422 100	7 300 000	3 650 000
<b>Total Revenues</b>	<b>65 208 100</b>	<b>67 886 400</b>	<b>70 453 900</b>	<b>70 092 400</b>	<b>69 269 300</b>
<b>Equity in Capital Assets</b>	4 425 000	4 425 000	4 425 000	4 425 000	4 425 000
	<b>\$69 633 100</b>	<b>\$72 311 400</b>	<b>\$74 878 900</b>	<b>\$74 517 400</b>	<b>\$73 694 300</b>
<b>Expenses</b>					
<b>Operating Expenses</b>					
General Government	\$ 4 132 200	\$ 4 266 200	\$ 4 371 900	\$ 4 449 800	\$ 4 582 500
Protective Services	8 579 100	8 739 400	8 912 700	9 090 700	9 272 000
Public Works Services	7 925 000	8 005 800	7 933 700	8 037 200	8 189 400
Environmental Health Services	15 402 900	15 994 800	16 753 400	17 566 600	18 223 700
Public Health Services	305 600	311 600	317 900	324 200	330 900
Development Services	2 021 600	1 882 000	1 867 000	1 901 500	1 937 300
Recreation & Cultural Services	7 167 800	7 170 600	7 314 800	7 463 500	7 613 900
Amortization	45 534 200	46 370 400	47 471 400	48 833 500	50 149 700
	4 425 000	4 425 000	4 425 000	4 425 000	4 425 000
<b>Total Operating Expenses</b>	<b>49 959 200</b>	<b>50 795 400</b>	<b>51 896 400</b>	<b>53 258 500</b>	<b>54 574 700</b>
<b>Capital Transactions</b>					
Capital Assets					
Land and Improvements	493 900	389 000	614 000	752 000	967 000
Buildings	1 858 500	904 300	6 662 100	5 925 700	1 105 800
Equipment	2 288 300	1 212 000	794 000	701 000	2 201 000
Engineering Structures - Renewal	7 570 100	12 876 100	8 528 300	6 592 300	6 792 300
Engineering Structures - New	2 241 900	1 000 000	-	-	-
Other Capital Assets	275 000	55 000	90 000	65 000	65 000
	14 727 700	16 436 400	16 688 400	14 036 000	11 131 100
Debt for Capital Assets					
Interest	600 800	725 200	1 021 200	1 248 500	1 303 800
Principal	951 800	1 165 500	1 672 800	2 015 600	2 137 000
	1 552 600	1 890 700	2 694 000	3 264 100	3 440 800
<b>Total Capital Transactions</b>	<b>16 280 300</b>	<b>18 327 100</b>	<b>19 382 400</b>	<b>17 300 100</b>	<b>14 571 900</b>
<b>Transfers to Reserves &amp; Surplus</b>					
To Reserves	3 375 100	3 129 600	3 562 500	3 913 800	4 425 100
To Appropriated Surplus	18 500	59 300	37 600	45 000	122 600
<b>Total to Reserves and Surplus</b>	<b>3 393 600</b>	<b>3 188 900</b>	<b>3 600 100</b>	<b>3 958 800</b>	<b>4 547 700</b>
	<b>\$69 633 100</b>	<b>\$72 311 400</b>	<b>\$74 878 900</b>	<b>\$74 517 400</b>	<b>\$73 694 300</b>

# 2018 – 2022 Five-Year Financial Plan draft

## 4. General Operating Fund Summary for Schedule “D” Bylaw 2924

General Operating Fund	Budget				
	2018	2019	2020	2021	2022
<b>REVENUES</b>					
<b>Taxes</b>					
General Municipal Taxes	\$ 24 024 400	\$ 25 403 000	\$ 26 768 900	\$ 28 275 600	\$ 31 173 700
Collections for Other Governments	21 021 800	21 931 200	22 448 300	22 950 100	23 333 900
<b>Total Taxes Collected</b>	<b>45 046 200</b>	<b>47 334 200</b>	<b>49 217 200</b>	<b>51 225 700</b>	<b>54 507 600</b>
<b>Less:</b>					
Property Taxes for Other Governments	(21 021 800)	(21 931 200)	(22 448 300)	(22 950 100)	(23 333 900)
	(21 165 500)	(22 077 300)	(22 596 600)	(23 100 900)	(23 487 100)
<b>Net Municipal Taxes</b>	<b>23 880 700</b>	<b>25 256 900</b>	<b>26 620 600</b>	<b>28 124 800</b>	<b>31 020 500</b>
Grants in Lieu of Taxes	462 400	469 900	477 100	484 800	492 700
% of Revenue Tax	399 500	407 500	415 700	423 900	432 400
<b>Taxes for Municipal Purposes</b>	<b>24 742 600</b>	<b>26 134 300</b>	<b>27 513 400</b>	<b>29 033 500</b>	<b>31 945 600</b>
<b>Fees and Charges</b>	<b>7 435 300</b>	<b>7 585 800</b>	<b>7 706 500</b>	<b>7 831 600</b>	<b>7 957 900</b>
<b>Revenue from Other Sources</b>	<b>1 050 100</b>	<b>1 066 800</b>	<b>1 083 700</b>	<b>1 181 000</b>	<b>1 200 300</b>
<b>Transfers from Other Govt &amp; Agencies</b>	<b>1 880 900</b>	<b>1 914 600</b>	<b>1 952 600</b>	<b>1 991 300</b>	<b>2 031 100</b>
<b>Transfers-Reserves</b>	<b>1 731 600</b>	<b>1 238 000</b>	<b>1 238 000</b>	<b>1 238 000</b>	<b>1 238 000</b>
<b>Transfers-Surplus</b>	<b>1 791 700</b>	<b>777 100</b>	<b>575 200</b>	<b>510 000</b>	<b>-</b>
<b>Equity in Capital Assets</b>	<b>4 000 000</b>				
	<b>\$42 632 200</b>	<b>\$42 716 600</b>	<b>\$44 069 400</b>	<b>\$45 785 400</b>	<b>\$48 372 900</b>
<b>EXPENDITURES</b>					
<b>Operating Expenditures</b>					
General Government	\$ 4 132 200	\$ 4 266 200	\$ 4 371 900	\$ 4 449 800	\$ 4 582 500
Protective Services	8 579 100	8 739 400	8 912 700	9 090 700	9 272 000
Public Works Services	7 925 000	8 005 800	7 933 700	8 037 200	8 189 400
Environmental Health Services	3 197 400	3 261 400	3 291 300	3 357 100	3 423 800
Public Health Services	305 600	311 600	317 900	324 200	330 900
Development Services	2 021 600	1 882 000	1 867 000	1 901 500	1 937 300
Parks, Recreation & Cultural Services	7 167 800	7 170 600	7 314 800	7 463 500	7 613 900
Total Operating Expenses	33 328 700	33 637 000	34 009 300	34 624 000	35 349 800
<b>Amortization</b>	<b>4 000 000</b>				
Total Expenses	37 328 700	37 637 000	38 009 300	38 624 000	39 349 800
<b>Transfer to Capital Fund</b>	<b>2 811 000</b>	<b>2 308 100</b>	<b>3 106 600</b>	<b>3 957 600</b>	<b>5 164 400</b>
<b>Transfer to Reserve Funds</b>	<b>2 492 500</b>	<b>2 771 500</b>	<b>2 953 500</b>	<b>3 203 800</b>	<b>3 764 200</b>
<b>Transfer to Surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>94 500</b>
	<b>5 303 500</b>	<b>5 079 600</b>	<b>6 060 100</b>	<b>7 161 400</b>	<b>9 023 100</b>
	<b>\$42 632 200</b>	<b>\$42 716 600</b>	<b>\$44 069 400</b>	<b>\$45 785 400</b>	<b>\$48 372 900</b>

# 2018 – 2022 Five-Year Financial Plan draft

## 5. Sewer Operating Fund Summary for Schedule "E" Bylaw 2924

Sewer Operating Fund	Budget				
	2018	2019	2020	2021	2022
<b>Revenues</b>					
<b>Operating</b>					
Frontage & Parcel Taxes	\$ 1 973 500	\$ 2 266 600	\$ 2 268 200	\$ 2 275 300	\$ 2 285 200
Sale of Services	4 767 900	5 027 200	5 299 300	5 582 200	5 880 200
Revenue from Own Sources	50 900	50 800	50 700	50 700	50 700
Total Operating Revenues	6 792 300	7 344 600	7 618 200	7 908 200	8 216 100
<b>Reserves &amp; Surplus</b>					
Future Expenditure Reserve	307 600	-	-	-	-
Gas Tax Fund	75 000	-	-	-	-
Total Reserves & Surplus	382 600	-	-	-	-
<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>\$ 7 299 900</b>	<b>\$ 7 469 600</b>	<b>\$ 7 743 200</b>	<b>\$ 8 033 200</b>	<b>\$ 8 341 100</b>
<b>Expenses</b>					
<b>Operating</b>					
General Administration	\$ 1 118 800	\$ 1 026 000	\$ 1 049 100	\$ 1 068 500	\$ 1 096 000
CVRD	3 890 900	4 124 400	4 371 800	4 634 200	4 912 200
Collection	531 000	542 100	553 300	564 500	576 000
	5 540 700	5 692 500	5 974 200	6 267 200	6 584 200
Amortization	125 000	125 000	125 000	125 000	125 000
Total Operating Expenses	5 665 700	5 817 500	6 099 200	6 392 200	6 709 200
<b>Transfers to Other Funds</b>					
General Fund					
Sewer Capital Fund	941 800	1 341 500	1 341 500	1 341 500	1 341 500
	941 800	1 341 500	1 341 500	1 341 500	1 341 500
<b>Transfers to Reserves</b>					
Asset Management Reserve	300 000	200 000	200 000	200 000	200 000
Machinery/Equip Reserve	75 000	75 000	75 000	75 000	75 000
MFA Reserve Fund	700	600	500	500	500
Future Expenditure	307 600	-	-	-	-
Carbon Offsets Reserve	5 500	5 500	5 500	5 500	5 500
Total Transfers	688 800	281 100	281 000	281 000	281 000
<b>Transfer to Appropriated Surplus</b>					
Surplus contingency	3 600	29 500	21 500	18 500	9 400
	3 600	29 500	21 500	18 500	9 400
<b>Total Expenses</b>	<b>\$ 7 299 900</b>	<b>\$ 7 469 600</b>	<b>\$ 7 743 200</b>	<b>\$ 8 033 200</b>	<b>\$ 8 341 100</b>

# 2018 – 2022 Five-Year Financial Plan draft

## 6. Water Operating Fund Summary for Schedule "F" Bylaw 2924

Water Operating Fund	Budget				
	2018	2019	2020	2021	2022
<b>Revenues</b>					
<b>Operating</b>					
Frontage & Parcel Taxes	\$ 1 159 900	\$ 1 462 200	\$ 1 844 800	\$ 2 326 300	\$ 2 349 500
Sale of Services	6 409 100	7 058 800	7 607 000	7 938 000	8 127 900
Revenue from Own Sources	132 800	141 500	144 700	147 700	150 700
Total Operating Revenues	7 701 800	8 662 500	9 596 500	10 412 000	10 628 100
<b>Reserves &amp; Surplus</b>					
Future Expenditure	20 500	-	-	-	-
Water Efficiency	15 500	15 800	16 100	16 400	16 800
Gas Tax	110 000	-	-	-	-
Total Transfers	146 000	15 800	16 100	16 400	16 800
<b>Equity in Assets</b>					
	300 000	300 000	300 000	300 000	300 000
<b>Total Revenues</b>	<b>\$ 8 147 800</b>	<b>\$ 8 978 300</b>	<b>\$ 9 912 600</b>	<b>\$10 728 400</b>	<b>\$10 944 900</b>
<b>Expenses</b>					
<b>Operating</b>					
General Administration	\$ 1 627 300	\$ 1 512 000	\$ 1 545 400	\$ 1 618 800	\$ 1 613 500
CVRD - Supply	4 022 600	4 495 300	4 889 600	5 251 500	5 509 900
Transmission and Distribution	1 014 900	1 033 600	1 052 900	1 072 000	1 092 300
	6 664 800	7 040 900	7 487 900	7 942 300	8 215 700
Amortization	300 000	300 000	300 000	300 000	300 000
Total Operating Expenses	6 964 800	7 340 900	7 787 900	8 242 300	8 515 700
<b>Transfers to Other Funds</b>					
Water Capital Fund	974 300	1 530 600	1 780 600	2 030 600	2 030 600
	974 300	1 530 600	1 780 600	2 030 600	2 030 600
<b>Transfers to Reserves</b>					
Asset Management	100 000	-	250 000	350 000	300 000
Water Utility	37 700	41 400	42 400	43 400	44 300
Water Machinery & Equip	30 000	30 000	30 000	30 000	30 000
MFA	100	100	100	100	100
Future Expenditure	20 500	-	-	-	-
Carbon Offsets	5 500	5 500	5 500	5 500	5 500
	193 800	77 000	328 000	429 000	379 900
<b>Transfer to Appropriated Surplus</b>					
Contingency	14 900	29 800	16 100	26 500	18 700
Total Transfers	208 700	106 800	344 100	455 500	398 600
<b>Total Expenses</b>	<b>\$ 8 147 800</b>	<b>\$ 8 978 300</b>	<b>\$ 9 912 600</b>	<b>\$10 728 400</b>	<b>\$10 944 900</b>



# 2018 – 2022 Five-Year Financial Plan draft

## 7. General Capital Fund Summary for Schedule "G" Bylaw 2924

General Capital Fund	Budget				
	2018	2019	2020	2021	2022
<b>Revenues</b>					
<b>Revenues</b>					
Other Revenues	\$ 50 000	\$ 20 000	\$ -	\$ -	\$ -
Grant and Contributions	671 000	664 900	504 600	423 400	339 400
	721 000	684 900	504 600	423 400	339 400
<b>Transfers</b>					
Operating Funds	2 811 000	2 308 100	3 106 600	3 957 600	5 164 400
	2 811 000	2 308 100	3 106 600	3 957 600	5 164 400
<b>Reserves</b>					
Community Works Reserve	4 094 300	3 254 900	1 200 000	800 000	800 000
Other Reserve Funds	3 539 400	2 915 700	1 777 000	1 197 000	996 000
	7 633 700	6 170 600	2 977 000	1 997 000	1 796 000
Total Transfers	10 444 700	8 478 700	6 083 600	5 954 600	6 960 400
<b>Funding from Debt</b>	-	1 791 400	9 422 100	7 300 000	3 650 000
<b>Total Revenues</b>	<b>\$11 165 700</b>	<b>\$10 955 000</b>	<b>\$16 010 300</b>	<b>\$13 678 000</b>	<b>\$10 949 800</b>
<b>Expenditures</b>					
<b>Capital Assets</b>					
Land and improvements	493 900	389 000	614 000	752 000	967 000
Buildings	1 858 500	904 300	6 662 100	5 925 700	1 105 800
Equipments / Furnitures / Vehicles	1 703 300	1 212 000	794 000	701 000	2 201 000
Engineering Structures - Renewal	5 333 100	6 876 100	5 528 300	3 342 300	3 542 300
Engineering Structures - New	110 000	-	-	-	-
Other Tangible Capital Assets	275 000	55 000	90 000	65 000	65 000
	9 773 800	9 436 400	13 688 400	10 786 000	7 881 100
<b>Debt</b>					
Interest	535 400	\$ 582 800	\$ 878 800	\$ 1 106 100	\$ 1 161 400
Principal	856 500	935 800	1 443 100	1 785 900	1 907 300
	1 391 900	1 518 600	2 321 900	2 892 000	3 068 700
<b>Total Expenditures</b>	<b>\$11 165 700</b>	<b>\$10 955 000</b>	<b>\$16 010 300</b>	<b>\$13 678 000</b>	<b>\$10 949 800</b>



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## 8. Sewer Capital Fund Summary for Schedule "H" Bylaw 2924

Sewer Capital Fund	Budget				
	2018	2019	2020	2021	2022
<b>Revenues</b>					
<b>Funding from Operating Fund</b>					
Other Revenues	66 800	-	-	-	-
Sewer Operating Fund	941 800	1 341 500	1 341 500	1 341 500	1 341 500
	1 008 600	1 341 500	1 341 500	1 341 500	1 341 500
<b>Reserves &amp; Surplus</b>					
Sewer Operating Surplus	307 600	-	-	-	-
General Reserve Funds	110 000	2 000 000	250 000	250 000	250 000
Gas Tax Reserve Fund	502 400	-	-	-	-
	920 000	2 000 000	250 000	250 000	250 000
<b>Funding from Debt</b>					
	-	2 500 000	-	-	-
<b>Total Revenues</b>	<b>\$1 928 600</b>	<b>\$5 841 500</b>	<b>\$1 591 500</b>	<b>\$1 591 500</b>	<b>\$1 591 500</b>
<b>Expenditures</b>					
<b>Debt</b>					
Interest - Debenture Debt	54 900	131 900	131 900	131 900	131 900
Principal - Debenture Debt	75 200	209 600	209 600	209 600	209 600
	130 100	341 500	341 500	341 500	341 500
<b>Capital Assets</b>					
Equipment	585 000	-	-	-	-
Engineering Structures - Renewal	643 500	4 500 000	1 250 000	1 250 000	1 250 000
Engineering Structures - New	570 000	1 000 000	-	-	-
	1 798 500	5 500 000	1 250 000	1 250 000	1 250 000
<b>Total Expenditures</b>	<b>\$1 928 600</b>	<b>\$5 841 500</b>	<b>\$1 591 500</b>	<b>\$1 591 500</b>	<b>\$1 591 500</b>



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## 9. Water Capital Fund Summary for Schedule "I" Bylaw 2924

Water Capital Fund	Budget				
	2018	2019	2020	2021	2022
<b>Revenues</b>					
<b>Funding from Operating Fund</b>					
Other Revenues	\$ 404 200	\$ -	\$ -	\$ -	\$ -
Water Operating Fund	974 300	1 530 600	1 780 600	2 030 600	2 030 600
	1 378 500	1 530 600	1 780 600	2 030 600	2 030 600
<b>Reserves &amp; Surplus</b>					
Water Surplus	20 500	-	-	-	-
Community Works (Gas Tax)	500 000	-	-	-	-
Other Reserves	1 287 000	-	-	-	-
	1 807 500	-	-	-	-
<b>Total Revenues</b>	<b>\$3 186 000</b>	<b>\$1 530 600</b>	<b>\$1 780 600</b>	<b>\$2 030 600</b>	<b>\$2 030 600</b>
<b>Expenditures</b>					
<b>Debt</b>					
Interest - Debenture Debt	\$ 10 500	\$ 10 500	\$ 10 500	\$ 10 500	\$ 10 500
Principal - Debenture Debt	20 100	20 100	20 100	20 100	20 100
	30 600	30 600	30 600	30 600	30 600
<b>Capital Assets</b>					
Engineering Structures - Renewal	1 593 500	1 500 000	1 750 000	2 000 000	2 000 000
Engineering Structures - New	1 561 900	-	-	-	-
	3 155 400	1 500 000	1 750 000	2 000 000	2 000 000
<b>Total Expenditures</b>	<b>\$3 186 000</b>	<b>\$1 530 600</b>	<b>\$1 780 600</b>	<b>\$2 030 600</b>	<b>\$2 030 600</b>





photo by:  
Craig Carson



CITY OF  
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Financial Services