



THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT

To: Council
From: Interim Chief Administrative Officer
Subject: 2021–2025 General Operating Financial Plan

File No.: 1705-20/1715-20

Date: March 10, 2021

PURPOSE:

The purpose of this report is for Council to consider the proposed 2021-2025 General Operating Financial Plan.

POLICY ANALYSIS:

Section 165 of the *Community Charter* requires a municipality to have a five year financial plan adopted annually by May 15 each year. The 2021-2025 General Operating Financial Plan is the largest and final document to be incorporated into the City's 2021-2025 Consolidated Financial Plan.

The 2021-2025 General Operating Financial Plan has been guided by Council's Asset Management Bylaw, which was adopted in December, 2019. Sound Asset Management practices enable sustainable service delivery by integrating community values, priorities and an informed understanding of the trade-offs between risks, costs, service levels, and the public's willingness to pay.

Section 166 of the *Community Charter* requires that "A council must undertake a process of public consultation regarding the proposed financial plan before it is adopted".

EXECUTIVE SUMMARY:

The proposed 2021 General Operating Financial Plan includes a total of \$47.1 million in planned City expenditures, inclusive of transfers to reserves and other funds such as the transfer to general capital fund and amortization.

The proposed financial plan for 2021 proposes an increase of 1.86% in municipal property taxation for general operations and debt. This includes \$36.5 million for general operating expenditures, \$1.5 million in funding for capital expenditures and \$1.3 million for debt payments. The proposed General Operating Financial Plan also includes a contribution of \$3.1 million to various reserves for future utilization and \$4.8 million of amortization.

BC Assessment states that the average assessed value of a single-family residential property in Courtenay is \$488,000 for 2021. The annual impact of a 1.86% property tax increase to the property owner of this home is estimated to be approximately \$50.

It's important to note that expenditures are not all funded from taxation. For the proposed 2021 General Operating Financial Plan, taxation is planned to contribute \$27.7 million of a \$42.3 million operating revenue budget, and fees for services are forecast to contribute \$7.1 million. Additional details on General Operating Revenues are outlined in Table 10 of this report on page 14.

CAO RECOMMENDATIONS:

That based on the March 10, 2021 staff report “2021-2025 General Operating Financial Plan”, Council approve OPTION 1, and proceed with the recommended 2021-2025 General Operating Financial Plan; and

That Council approve a 1.86% property tax increase for 2021.

Respectfully submitted,



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

BACKGROUND:

Consideration and approval of a five year financial plan is an annual requirement under the BC *Community Charter*. The proposed 2021-2025 General Operating Financial Plan defines and seeks Council approval for the service priorities and operating budget for each City department for the current year, and presents the projection for the following next four years.

Once the General Operating Budget receives Council’s approval, all budget documents for the Water, Sewer, and General Fund will be incorporated into the City’s 2021-2025 Consolidated Financial Plan.

DISCUSSION:

The operating budget is one of the most important public documents a local government produces, as it establishes the government’s taxing and spending ability. It is Council’s primary policy document and establishes explicit service priorities. As an operation guide, it identifies departments that will be responsible for achieving the service priorities and that will be accountable for spending. It is also a communication tool that strives to make all of the foregoing transparent to public officials and citizens alike. Finally, the budget establishes how Council will meet the community’s needs and maintain expected levels of service.

2021 General Operating Fund

Similar to the Water and Sewer Budgets, the 2021 General Operating Budget was prepared from departmental submissions as well as consideration of multiple external sources, cost drivers and spending patterns. The City’s Asset Management Bylaw also assisted with the definition of sustainable operation and maintenance needs of the City. General Operating Fund revenues and expenditures were evaluated on the basis of public acceptance, sustainable delivery, corporate risk, financial risk and staff capacity.

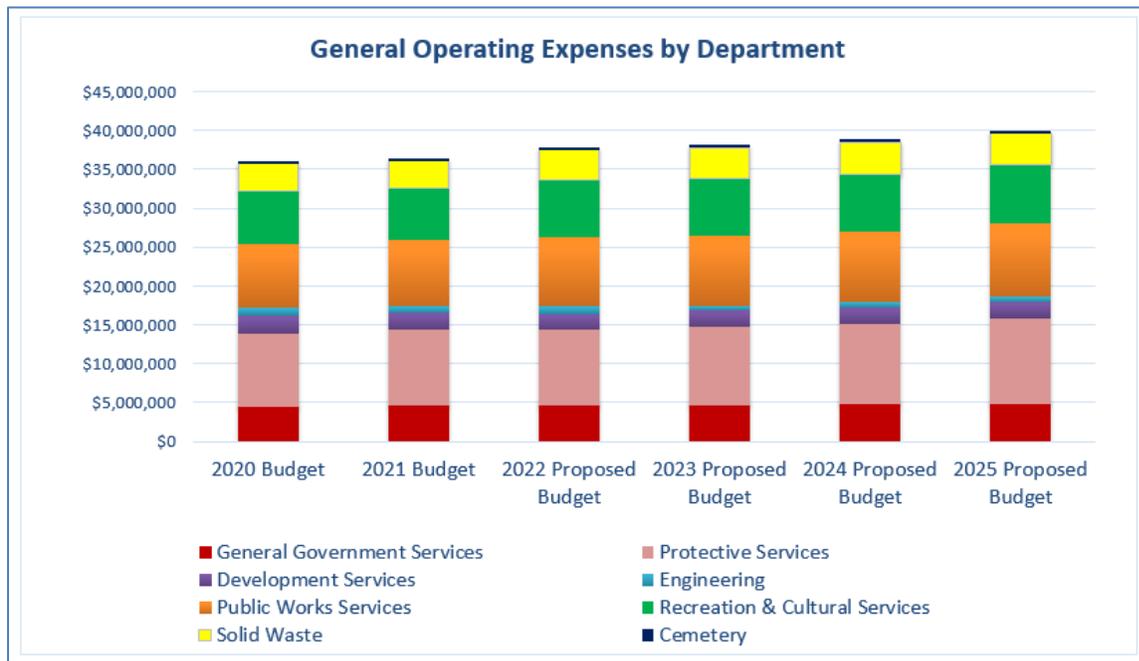
The ongoing COVID-19 pandemic was also taken into consideration while developing the 2021 General Operating Budget, to produce a realistic financial plan that minimizes the financial impact to residents and businesses. Reduced services and revenues, predominantly in the Recreation Department, and the use of the COVID-19 Safe Restart Grant funding were included for the year 2021. Where possible, operating projects were delayed to future years. For the purpose of the 2021-2025 Financial Plan, the general assumption is that the pandemic will only impact the year 2021 and normal operations will resume in

2022.

General Operating Expenses

The proposed general operating expenses budget totals \$36.5 million for 2021, an increase of \$368,700 from the 2020 budget, which represents a 1.0% increase. Graph 1 illustrates the budget per department from 2020 to 2025. The detailed expenses by department is provided in Schedule 3.

Graph 1: General Operating Expenses by Department 2020 – 2025 Budget



The 2021 General Operating Expenses are detailed by departments in Table 1.

Cost Drivers

Various internal and external cost drivers have an impact on the different department budgets. The main cost drivers are: contractual salary and wage increases, BC Provincial minimum wages, increases in insurance and utilities, Consumer Price Index (CPI) and current COVID-19 public health orders.

Contract Salary and Benefit Increases

The impact relating to annual contractual salary and wage increases for unionized, exempt staff, Volunteer Firefighters, and Council amounts to approximately \$225,000 in 2021 in the General Fund. This increase also proportionally impacts benefit costs, raising them by about \$70,000.

Increase in minimum wage

The Province of British Columbia is increasing the minimum wage from \$14.60 to \$15.20 an hour as of June 1, 2021. This impacts significantly the wages for instructors and summer staff working for Recreation Services, with an estimated impact of \$20,000.

Insurance and Utilities

An average increase of 10% is included for the 2021 insurance expenses. This is largely related to increased insured value of City assets and market conditions, for an overall impact of \$30,000.

Electricity cost is increasing in 2021 by 6% or \$43,000. This is mostly to account for the planned BC Hydro LED light conversion project, impacting the Street Lighting 2021 budget by \$28,000.

Consumer Price Index (CPI)

The average CPI increase for the Province of British Columbia for 2020 is estimated at 0.8%. Some budget for goods and services were adjusted to reflect this increase in 2021.

COVID-19 Public Health Orders

The impact of the current public health orders were considered and as such, a \$112,200 reduction in travel and hotel expenses is included for 2021. The budget for some services offered to the public was also adjusted to reflect those restrictions.

Table 1: General Operating Expenses by Department

Department	2020 BUDGET	2021 BUDGET	Variance	
			2021 Budget 2020 Budget	Variance %
General Government Services	4,494,100	4,659,700	165,600	3.7%
Protective Services	9,418,000	9,679,700	261,700	2.8%
Development Services	2,331,900	2,232,600	(99,300)	-4.3%
Public Works Services	8,180,000	8,577,200	397,200	4.9%
Engineering	904,000	810,400	(93,600)	-10.4%
Recreation & Cultural Services	6,976,800	6,529,300	(447,500)	-6.4%
Solid Waste	3,432,900	3,627,100	194,200	5.7%
Cemetery	355,700	346,100	(9,600)	-2.7%
Grand Total	36,093,400	36,462,100	368,700	1.0%

General Government Services

The General Government Services are the centralized services common to all functions of the organization. This includes the offices of Council, the CAO, Legislative and Corporate Services, Communications, Human Resources, Financial Services, Purchasing, Information Technology, and other general services.

Table 2: General Government Services Budget by Sub Departments

Sub Department	2020 BUDGET	2021 BUDGET	Variance	
			2021 Budget 2020 Budget	Variance %
City Council	324,800	307,300	(17,500)	-5.4%
Corporate Services	872,700	1,145,200	272,500	31.2%
Corporate Communications	251,200	256,400	5,200	2.1%
Finance	1,574,400	1,603,600	29,200	1.9%
Business Performance	160,700	123,800	(36,900)	-23.0%
Purchasing	290,600	296,200	5,600	1.9%
Human Resources	537,200	568,000	30,800	5.7%
Occupational Health Safety	211,700	220,500	8,800	4.2%
IT	1,449,600	1,519,300	69,700	4.8%
Strategic Initiatives	181,500		(181,500)	-100.0%
Other General Government	67,900	62,800	(5,100)	-7.5%
City Hall Property Maintenance	157,200	168,000	10,800	6.9%
Interfund Allocation	(1,585,400)	(1,611,400)	(26,000)	1.6%
Grand Total	4,494,100	4,659,700	165,600	3.7%

The key variances between the 2020 and 2021 budget are detailed below.

City Council

A reduction of \$18,000 is included for City Council travel and hotel expenses budgeted for 2021.

Corporate Services

A new amount of \$50,000 is included to prepare business cases for a new Public Works building and a new Firehall. The remainder of the increase is related to the new General Manager of Operations position which is largely offset with the amalgamation of the Strategic Initiatives sub-department with Corporate Services and other contractual salary expenses.

Finance and Business Performance

The Finance department includes the contractual salary, wage and benefit increases representing about \$27,000. The budget for Business Performance was adjusted to reflect the combination of two positions after the completion of a successful pilot project in 2020.

Human Resources

The budget includes \$20,000 for a Fire Department and exempt staff compensation review and \$10,000 to assist with educating staff on the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). The amount of \$25,000 budgeted in 2020 for consulting services to help with Union Bargaining is also carried forward to 2021.

Information Technologies

The increase is mainly related to software license fees for new programs such as Active Net, Zoom, and Laserfiche.

Strategic Initiatives

This area has been incorporated into Corporate Services.

City Hall Property Maintenance

In order to provide adequate space for staff, the rental of a trailer is now required for Bylaw Enforcement. This additional rental charge is now included in this section for the 2021 budget.

Internal Allocations

Internal allocations represent a percentage of the General Government expenses transferred to the Water and Sewer Funds for administrative and operational support of these services. The intent is to transfer a reasonable amount for General Government expenditures (personnel, utilities, materials, insurance, contracted services and fleet costs) that support the provision of water and sewer services.

Protective Services

Protective Services includes policing, fire, emergency measures, bylaw enforcement and animal control. Table 3 shows the Protective Services budget for each sub-department.

Table 3: Protective Services Budget by Sub Departments

Sub Department	2020 BUDGET	2021 BUDGET	Variance	
			2021 Budget 2020 Budget	Variance %
Fire Protection	1,830,300	1,881,600	51,300	2.8%
Other Protective Services	333,000	473,100	140,100	42.1%
Police Protection	7,170,400	7,243,600	73,200	1.0%
Fire Protection Fleet	84,300	81,400	(2,900)	-3.4%
Grand Total	9,418,000	9,679,700	261,700	2.8%

Fire Protection Services

The fire protection budget includes \$16,600 for salary increases and \$23,600 for Volunteer Firefighter contractual increases. The remainder of the variance is related to increases in safety clothing and insurance costs.

Other Protective Services

The budget reflects an increase of \$35,900 for the Comox Valley Regional District Emergency Program, and \$84,000 for a Bylaw Enforcement temporary position for 2021, which is funded entirely by the COVID-19 Safe Restart Grant for Local Governments.

Policing Services

The policing budget is based on Council's approval in principle, on June 15, 2020, for the City's 2021/2022 RCMP contract for 31.4 members, which includes an estimated vacancy of 2 members, which is the same vacancy estimate used in 2020. The budget includes an increase of \$115,000 for the RCMP contract.

In 2020, an amount of \$57,800 was included in the Policing budget for the Comox Valley Overdose Working Group which was entirely grant funded. A balance of \$8,700 is carried forward to 2021, which translates in a budget reduction of \$49,100.

The Finance Select Committee also reviewed the Gaming fund on January 15, 2021 and approved to use \$405,000 from the COVID-19 Safe Restart Grant to fund the portion of the RCMP contract normally funded by lost gaming revenues in 2021 due to the COVID-19 pandemic. Council passed a resolution on November 2, 2020 to consider reducing reliance on gaming revenues to fund policing and transition to general taxation in the future. This was discussed and considered by the Finance Select Committee on January 15, 2020 and it was agreed that the 2021-2025 financial plan would not reflect this change, however staff would provide the taxation impact to Council based on moving \$25,000 per year over to general operating for information. Transitioning \$25,000 to general taxation would represent the equivalent of a 0.10% increase on the tax levy.

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. Table 4 shows the Development Services budget by Division.

Table 4: Development Services Budget by Sub Departments

Sub Department	2020 BUDGET	2021 BUDGET	Variance	
			2021 Budget 2020 Budget	Variance %
Building Inspections	653,200	655,100	1,900	0.3%
Planning and Zoning	640,000	629,700	(10,300)	-1.6%
Subdivision and Development Servicing	562,900	519,800	(43,100)	-7.7%
Community and Sustainability Planning	450,300	422,900	(27,400)	-6.1%
Heritage Committee	25,500	5,100	(20,400)	-80.0%
Grand Total	2,331,900	2,232,600	(99,300)	-4.3%

Subdivision and Development Servicing

The budget for new connection projects has been shifted to Public Works Services as they provide the service, creating a favorable variance of \$50,000.

Community and Sustainability Planning

The Official Community Plan update is underway and expected to be completed in 2021. The budget estimate needed in 2021 for this project is \$175,000, which is \$25,000 lower than 2020.

Heritage Committee

The 2020 budget included a one-time clock refurbishment project funded by Gaming.

Public Works Services and Engineering

Public Works Services is responsible for operations and maintenance for the majority of in-service assets, including the water and sewer utility infrastructure, storm water collection, civic facilities, parks, and transportation network for the City. Services include maintenance of trails, transit, water, sewer and solid waste collection, capital projects, cemetery maintenance, fleet maintenance, flood protection and dike maintenance. Public Works Administration now also includes Stores, which has been moved from General Government Services - Purchasing. This section has been adjusted for prior years to reflect this interdepartmental change.

Engineering oversees the renewal of all major civic infrastructures, such as water, waste water, drainage, flood protection structures and transportation services. Table 5 provides the Public Works and Engineering budget.

Table 5: Public Works and Engineering Services Budget by Sub Departments

Sub Department	2020 BUDGET	2021 BUDGET	Variance	
			2021 Budget 2020 Budget	Variance %
Public Works Administration	569,900	638,000	68,100	11.9%
Public Works Operations	954,300	967,900	13,600	1.4%
Asset Management	605,300	396,500	(208,800)	-34.5%
Transportation Services	3,098,000	3,444,700	346,700	11.2%
Storm Sewer	535,100	584,700	49,600	9.3%
Parks	2,577,700	2,713,600	135,900	5.3%
Parks - Cultural Facilities Grounds Maintenance	6,000	6,200	200	3.3%
Parks - Recreation Facilities Grounds Maintenance	27,800	28,100	300	1.1%
Property Maintenance	272,100	303,200	31,100	11.4%
Property Maintenance - Carpentry Shop	34,700	35,400	700	2.0%
Property Maintenance - Recreation Facilities	616,500	635,000	18,500	3.0%
Property Maintenance - Cultural Facilities	293,000	284,100	(8,900)	-3.0%
Property Maintenance - Miscellaneous Buildings	109,100	161,500	52,400	48.0%
Property Maintenance - Park Buildings	81,100	84,200	3,100	3.8%
Public Works Interfund Allocation	(1,600,600)	(1,705,900)	(105,300)	6.6%
Public Works Services Total	8,180,000	8,577,200	397,200	4.9%
Engineering Total	904,000	810,400	(93,600)	-10.4%

Public Works Administration

The increase is mostly for the \$50,000 budget for new connections moved from Subdivision and Development Servicing as Public Works provides the service. A variance of about \$15,700 is also included for the contractual salary and wage increases for Public Works Administrative Staff.

Public Works Operations

The increase for higher fleet insurance costs is included for \$10,000.

Asset Management

The reduction in the Asset Management budget is due to the completion of most of the storm sewer condition assessments in 2020. This project was funded by Gas Tax.

Transportation Services

In Roads and Streets, \$40,000 was originally budgeted in 2020 for a Downtown Parking study approved by Council on Oct 28, 2019. While there was some thought of initiating some parts (survey) of this study in 2021, Staff feel it is more appropriate to focus our limited resources on the 5th Street Bridge project and traffic management and restart this project in 2022. Therefore this project is now postponed to 2022.

The budget for Roadway Surfaces includes an increase of \$90,000 for labour and an increase of \$50,000 for material to align with prior year actuals and current levels of service. A new budget amount of \$17,000 is included for vehicle rental.

The Brush Cutting budget includes an additional \$8,000 to reflect current service levels.

The Traffic Signal budget includes an additional \$40,000 based on increases for labour and material of \$20,000 each to align with actual levels of service. The Street Lighting budget includes an additional \$20,000 for material for the Re-lamp Program and includes an increase in electricity cost of \$28,000 for the street lighting.

The Street Signs and Lines budget includes \$40,000 for Wayfinding signs (Downtown playbook obligation) carried forward from 2020 and an additional \$40,000 to maintain the newly constructed bike lane lines, in a phased approach.

The Snow and Ice Control budget has been increased by an additional \$89,000 based on prior years actual.

The budgeted amount for \$50,000 for Dike Maintenance and Creek Crossing have been moved to Storm Sewers.

An increase of about \$17,000 is also included in Transportation Services for contractual salary, wage and benefit increases.

Parks

The Parks budget includes the following increases: \$40,000 for the Boulevard Maintenance contract, \$14,000 for vehicle rental to be used by park staff and \$7,500 for additional labour to manage the site remediation contract.

The budget also includes \$24,000 for the New Tree Program, of which \$20,000 is funded by the Tree Reserve and \$4,000 by the BC Tree Grant.

A variance of \$30,000 in Parks Services is included for the contractual salary, wage and benefit increases.

Property Maintenance

The Property Maintenance budget includes \$28,000 for the site remediation of the property recently acquired adjacent to the existing Public Works.

Recreation Facilities includes \$40,000 for the Native Sons exterior re-staining project, of which \$20,000 is carried forward from 2020.

Cultural Facilities includes some projects carried forward from 2020: the exterior paint for the Sid Williams Theatre for \$50,000, which includes an additional \$15,000 for 2021, and the repair of the Museum crumbling exterior mortar for \$25,000. The reduction in the section is attributable to the Museum floor resurfacing project completed in 2020. All these projects were identified in the 2019 Civic Buildings Condition Assessments.

The Property Maintenance budget for Miscellaneous Buildings includes new funds of \$30,000 for the demolition of the building located at 243-249 4th Street and \$17,000 for the new downtown public washroom maintenance approved by Council Resolution on December 9, 2020. The 2021 budget also includes \$12,600 for the maintenance of the Warming Centre approved by Council Resolution on October 19, 2020.

Internal Allocations

Similar to the General Government internal allocations, a percentage of the Public Works and fleet expenses is transferred to the Water and Sewer Funds. The intent is to transfer a reasonable amount of expenditures (personnel, utilities, materials, insurance, contracted services and fleet costs) as recognition of the administrative costs necessary to provide those services.

Engineering

The reduction in the Engineering budget is explained by the reclassification of a Management position and a \$25,000 reduction in the Dike Replacement and Flood Protection Strategy project expected to be completed in late 2021.

\$165,000 is carried forward from 2020 for the continuation of the Integrated Rain Water Master Plan. This project is partly funded by Gas tax and is expected to be completed in 2022.

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 long term planning for parks, recreation and cultural services to meet the diverse interests of the community. Table 6 presents the Recreation and Cultural Services budget.

Table 6: Recreation and Cultural Services Budget by Division

Sub Department	Activity	2020	2021	Variance	
		BUDGET	BUDGET	2021 Budget 2020 Budget	Variance %
Recreation Admin	Recreation Admin	1,260,900	1,147,700	(113,200)	-9.0%
	July 1st Commission	63,600	23,000	(40,600)	-63.8%
	Special Events	41,200	30,000	(11,200)	-27.2%
Recreation Admin Total		1,365,700	1,200,700	(165,000)	-12.1%
Recreation Services - Programming	Adults Programs	545,900	490,300	(55,600)	-10.2%
	Childrens Programs	439,900	304,600	(135,300)	-30.8%
	Youth Centre Programs	270,800	165,000	(105,800)	-39.1%
	Adapted Programs	232,300	194,500	(37,800)	-16.3%
	Summer Programs	226,700	175,400	(51,300)	-22.6%
	Pool Programs	147,800	141,900	(5,900)	-4.0%
	Preschool Programs	103,000	96,700	(6,300)	-6.1%
	Childrens Programs - Volunteer Development	4,200	2,000	(2,200)	-52.4%
Recreation Services - Programming Total		1,970,600	1,570,400	(400,200)	-20.3%
Recreation Services - Operations	Lewis Centre Operations	1,090,100	1,071,000	(19,100)	-1.8%
	Filberg Operations	630,200	599,600	(30,600)	-4.9%
	Pool Operations	59,100	63,700	4,600	7.8%
	Youth Centre Operations	42,900	43,100	200	0.5%
	Native Sons Operations	7,700	7,500	(200)	-2.6%
	Washrooms	6,000	16,000	10,000	166.7%
Recreation Services - Operations Total		1,836,000	1,800,900	(35,100)	-1.9%
Cultural Services - Administration	Library Administration	1,411,000	1,455,500	44,500	3.2%
	Sid Williams Theatre Administration	235,200	241,800	6,600	2.8%
	Museum Administration	148,400	152,200	3,800	2.6%
	Arts Centre Administration	9,900	52,800	42,900	433.3%
	CV Arts Council	-	55,000	55,000	0.0%
Cultural Services - Administration Total		1,804,500	1,957,300	152,800	8.5%
Recreation & Cultural Services Total		6,976,800	6,529,300	(447,500)	-6.4%

Recreation Administration

The Recreation Administration 2021 budget includes \$5,000 for the completion of the Recreation Fees and Charges Review started in 2020 and about \$35,000 for salary and benefits increase.

The budget reduction is mostly due to the delay of three operating projects originally budgeted for 2020: the Marketing Plan and Sponsorship Policy, both for \$30,000 are postponed to 2022 and the Greenway Connectivity Study, also for \$30,000 is postponed to 2023. An amount of \$46,000 was also budgeted in 2020 for the new Recreation Active Net software license fee and reallocated to the IT budget for 2021.

The budget for the July 1st Commission and Special Events have been adjusted to reflect reduced activities due to the ongoing COVID-19 pandemic.

Recreation Services – Programming

The 2021 budget for Recreation Programming was carefully reviewed and adjusted to reflect a reduction in services offered to the public, given the ongoing pandemic and current public health orders and

restrictions. Children and youth programs are mostly impacted. An increase is also factored in the 2021 budget for additional measures in place to protect the public and City staff. A consequent reduction was included in the Recreation Programming revenues budgeted for 2021. For the purpose of the 2021-2025 budget, staff are budgeting for normal activities to resume in 2022.

Recreation Services – Operations

The 2021 budget for Recreation Operations was also reviewed and adjusted to reflect a reduction in services offered to the public, although the expenses included in this section are mostly fixed costs. The main variance comes from a reduction of \$43,500 for equipment and supplies purchase for the Lewis Centre and Filberg Centre.

This budget also includes an increase of \$10,000 for janitorial supplies needed for the new downtown public washroom approved by Council Resolution on December 9, 2020.

Cultural Services

The requisition to the Vancouver Island Regional Library is increasing by 3.1% or \$44,200 in 2021. This increase is recovered by an equivalent increase in the library tax levy revenue.

The budget for Cultural Services includes the annual grants to be paid per the new agreements with the Comox Valley Arts Council for \$55,000 and a \$42,100 increase for the Art Gallery. These grants were funded from the Gaming Fund in 2020 and from general taxation in 2021. The Art Gallery total grant for 2021 is \$107,100 and the other portion of \$65,000 remains funded from Gaming revenue.

Solid Waste, Recyclables, and Yard Waste

Through contract with a private Contractor, 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. Although this service is included in the general operating budget, it is fully funded by other revenues and user fees and has no impact on taxation.

The solid waste 2021 budget, shown in Table 7, reflects that the regional landfill tipping fees for disposal of mixed waste will remain at \$140 per tonne which was increased from \$130 per tonne on September 1, 2020. The cost of the solid waste and recyclables collection contract has increased by 5.0% in 2021. This is largely due to increased labour, fuel, and insurance costs faced by the contractor. Council reviewed and approved the detailed 2021-2025 Solid Waste Financial Plan on October 19, 2020, which includes a 5.0% increase to the user fee for 2021.

Table 7: Solid Waste Budget by Activity

Activity	2020 BUDGET	2021 BUDGET	Variance 2021 Budget	
			2020 Budget	Variance %
Solid Waste	3,304,300	3,497,400	193,100	5.8%
Dog Stations/Bags	28,500	28,700	200	0.7%
Pesticide Awareness	5,000	5,100	100	2.0%
Trash Cleanup	95,100	95,900	800	0.8%
Grand Total	3,432,900	3,627,100	194,200	5.7%

Cemetery

This includes the cost of the cemetery administration, maintenance, grave preparation, niche wall maintenance and new construction at the City's cemetery. The 2021 budget presented in Table 8 has been adjusted for the contractual increase in salaries, wages and benefits and has decreased slightly from last year due to a lower allocation of administration salary. In 2020, the Public Works Parks Group along with Business Performance Group completed a thorough review of the cemetery operating budget and updated the activities used to plan and track operations and expenses. As such, Cemetery Graves has been combined with Cemetery Maintenance for 2021.

Table 8: Cemetery Budget by Activity

Activity	2020 BUDGET	2021 BUDGET	Variance	
			2021 Budget 2020 Budget	Variance %
Cemetery Administration	86,100	74,700	(11,400)	-13.2%
Cemetery Maintenance	176,700	243,800	67,100	38.0%
Cemetery Building - R & M	4,400	4,400	-	0.0%
Cemetery Vehicle Charges	7,000	7,400	400	5.7%
Cemetery Building Utilities	22,000	15,800	(6,200)	-28.2%
Cemetery Graves - OLD	59,500	-	(59,500)	-100.0%
Grand Total	355,700	346,100	(9,600)	-2.7%

Transfers to Reserves

Contributions are made every year to the various reserves, such as the machinery and equipment, the new works and the infrastructure renewal reserves. Those reserves provide funding for capital projects and in some cases for operating projects.

Staff recommend increasing the transfers to maintain the reserves and provide sufficient funds for future projects. An increase of \$50,000 to the New Works Reserve and \$25,000 to the Machinery & Equipment Reserve is included for 2021. The reduction in the Transfer to New Works Reserves is attributable to the elimination, only for 2021, of the contribution to the capital infrastructure renewal reserve funded by tax levy, which was \$116,200 for 2020. A reduction of the inter-fund interest has been included in 2021 due to anticipated lower interest rates. The transfers to reserves total is just under \$3.1 million for 2021 as listed in Table 9. Schedule 4 provides an estimate of the surplus and reserve balances for the next five years.

On February 18th 2020 Council approved an extension to the term and mandate of the City's Finance Select Committee, including the review of policies on surpluses and reserves.

Table 9: Transfers to General Fund Reserves

Transfers to Reserves	2020 BUDGET	2021 BUDGET	Variance	
			2021 Budget - 2020 Budget	Variance %
CARBON OFFSETS	18,800	18,800	-	0.0%
CEMETERY CARE FUND	15,000	15,000	-	0.0%
TRANSFER TO GENERAL PUBLIC PARKING	5,100	5,200	100	2.0%
TRANS TO MFA RESERVE	6,600	6,800	200	3.0%
TRANSFER TO GENERAL MACH. & EQUIP. RESERVE	675,000	700,000	25,000	3.7%
TRANSFER TO GENERAL NEW WORKS RESERVES	791,200	725,000	(66,200)	-8.4%
TRANSFER TO RESERVES	1,406,800	1,440,000	33,200	2.4%
TRANSFER TO INTERFUND INTEREST	300,000	150,000	(150,000)	-50.0%
Grand Total	3,218,500	3,060,800	(157,700)	-4.9%

General Revenues

Property Taxes

The proposed increase in property tax for general municipal and debt purposes, excluding new construction revenues, is **1.86%** for 2021.

Unlike the 2020 budget, the proposed budget for 2021 doesn't include an increase for the capital infrastructure renewal levy. This is intended to provide additional relief to taxpayers during the COVID-19 pandemic and is planned to resume in 2022.

Other Revenue Sources

Table 10 provides a summary of the revenue included in the 2021 Budget. Further detail is available in Schedule 2.

Table 10: General Operating Revenues

General Operating Revenues	2020 BUDGET	2021 BUDGET	Variance	
			2021 Budget - 2020 Budget	Variance %
Taxation - Municipal Purposes	26,482,300	27,703,600	1,221,300	4.6%
Portion of Grants in place of Taxes	(169,200)	(174,200)	(5,000)	3.0%
Net Municipal Taxes	26,313,100	27,529,400	1,216,300	4.6%
Grants-in-Lieu of Taxes	493,500	493,500	-	0.0%
1 % Revenue Tax	415,700	409,400	(6,300)	-1.5%
Taxes for Municipal Purposes	27,222,300	28,432,300	1,210,000	4.4%
Revenue from Own Sources	7,663,300	7,143,900	(519,400)	-6.8%
Revenue from Other Governments & Agencies	2,135,700	2,080,900	(54,800)	-2.6%
Investment and Penalty Revenue	996,800	822,200	(174,600)	-17.5%
Revenue from Other Sources	139,000	149,700	10,700	7.7%
Transfer from Reserve	1,894,700	2,340,000	445,300	23.5%
Transfer from Surplus	1,717,400	1,334,800	(382,600)	-22.3%
Grand Total	41,769,200	42,303,800	534,600	1.3%

Community Works Fund – Gas Tax Grant Revenues

The City of Courtenay receives approximately \$1.1 million per year in Federal Gas Tax revenue through the Community Works Fund administered by the Union of BC Municipalities (UBCM). These funds are deposited into a reserve and used to fund eligible capital and operating projects as required. In 2021, \$50,000 of Gas Tax Funds are being utilized to fund the Integrated Rain Water Master Plan and about \$2.5M is used to fund various capital projects.

This will leave an estimated balance of \$1,168,500 in the Gas Tax Reserve at December 31, 2021.

COVID-19 Safe Restart Grant for Local Governments

On November 2, 2020, the City of Courtenay received notification from the Ministry of Municipal Affairs and Housing that Courtenay will receive a \$4,149,000 grant under the COVID-19 Safe Restart Grant for Local Governments funding stream to assist with the increased operating costs and lower revenue as a result of the pandemic. The Finance Select Committee met on January 15, 2021 to review the use of these funds in 2020, and the upcoming 2021-2025 Financial Plan. On January 25, 2021, Council approved the recommended use of funds, presented in Schedule 5. The following 2021 operating items were identified to be funded with the Restart Grant instead of general taxation or gaming revenue:

- Funding for the Police contract (due to the anticipated loss of gaming revenue): \$405,000
- Funding for the Infrastructure Reserve contribution (due to the anticipated loss of gaming revenue): \$320,000
- Additional support for Bylaw Enforcement: \$84,000
- Fund the loss in various Community Services revenues: \$696,200 (includes unused 2020 allocation as well)
- Other unexpected costs / revenue reduction: \$200,000

Gaming Funds

As a host local government of a gaming facility, the City receives a 10% share of the net gaming revenues every year, which may be used for “any purpose within their legal authority”. As a result of the COVID-19 pandemic, the local Casino has been closed since March 2020. To consider this loss of revenue, the gaming fund distribution matrix was reviewed on January 15, 2021 by the Finance Select Committee. As recommended by the Committee, Council approved on January 25, 2021 using \$725,000 in 2020 and \$725,000 in 2021 of the COVID-19 Safe Restart Grant for Local Government to compensate the anticipated loss of gaming revenue for 2020 and 2021 and fund the annual policing contract and infrastructure reserve contribution. In addition, Council made the difficult decision to cancel the grant in aid program in 2020 and 2021, historically funded by the gaming revenue.

Schedule 6 provides a summary of the recommended use of these funds over the next five years.

The gaming fund has an unaudited surplus balance of \$1,682,800 at the end of December 31, 2020. Past practice has been to leave one year worth of revenue in the fund.

Other Funding Sources

The City of Courtenay receives approximately \$270,000 of Traffic Fine Revenue each year from the Province. These funds go directly towards funding the cost of policing.

Non Market Change and Supplementary Adjustments

Based on the latest Non Market Change report provided by BC Assessment for 2021, the City is expecting to receive approximately \$750,000 in additional taxation revenues from new construction. BC Assessment is also projecting potential supplementary adjustments in 2021, which staff estimate could result in a reduction to taxation revenue of approximately \$50,000.

Additional annual tax revenue from new construction has increased by \$550,000 since 2016. This additional annual revenue is accumulative and is used to support the cost of new City infrastructure, services and staff necessary to operate and maintain these levels of service due to growth.

Operating Surplus

Unlike the federal and provincial governments in Canada, municipalities are not permitted to operate with a deficit. In order to balance the 2021 General Budget and keep property tax rates reasonable, staff are recommending the use of \$1,066,600 in prior year surplus. Pending the final 2020 audited balances, the remaining surplus funds held in 2020 for the general operating fund are projected to total approximately \$6.4 million. This includes an estimated surplus of \$1.5 million coming from the COVID-19 Safe Restart Grant funding utilized in 2020 to offset the loss of revenue and projected to be used in 2021 and 2022.

The proposed 2021-2025 Financial Plan uses \$3.8 million of this balance over the next four years to assist with keeping property tax rates within a reasonable range. Schedule 4 provides an estimate of the surplus balance for the next five years.

Prior year surplus is accumulated from past years where the city operations have been under-budget, more revenue was received than anticipated, or capital budgets have been deferred or cancelled pending prioritization based on condition assessment data. Under-budget situations can occur for a variety of reasons such as unanticipated staff vacancies and insufficient capacity to complete projects, years where anticipated snow and ice control resources have been budgeted but have not been needed, or the receipt of higher or unanticipated departmental revenues or grants. Currently the City takes a precautionary approach to avoid the risk of potential cash flow and deficit situations.

Staff recommends that policy guidance be adopted by Council in regards to the prior year surplus and reserves management. Ideally, a surplus and reserves policy would define the appropriate level and use of surplus and reserves in order to maintain funds available for contingency and provide stable funding for anticipated capital renewal needs. Council has established "Financial Policies" as one of their Financial Services operational strategic priorities. The Finance Select Committee will be working with staff to develop these policies for Council consideration during the course of 2021.

FINANCIAL IMPLICATIONS:

In order to balance the proposed 2021-2025 General Operating Financial Plan, a 1.86% increase to property taxation is included to cover 2021 expenses, which represents \$478,500 in additional revenue.

ASSET MANAGEMENT IMPLICATIONS:

The Asset Management Working Group collects and analyses information provided by condition and risk assessments of the City's infrastructure. Preventative maintenance programs extend the life of the infrastructure and future years capital costs can be deferred. The financial plan includes use of general operating funds for renewal projects prioritized by the Asset Management Working Group, and as approved by the Interim Chief Administrative Officer.

STRATEGIC PLAN REFERENCE:

In preparing the 2021 General Fund Operating budget staff considered Council's 2019-2022 Strategic Priorities, the capacity of staff to deliver services and projects in a timely manner, and also considered the public's willingness to pay. The following strategic priorities informed the preparation of the proposed 2021 General Fund Operating budget.

We focus on organizational and governance excellence

- Support and encourage initiatives to improve efficiencies
- Recognize staff capacity is a finite resource and support staff training and development
- Communicate appropriately with our community in all decisions we make
- Responsibly provide services at levels which the people we serve are willing to pay
- ▲ Value community safety and support our protective services

We proactively plan and invest in our natural and built environment

- Focus on asset management for sustainable service delivery
- ▲ Look for regional infrastructure solutions for shared services

We actively pursue vibrant economic development

- ▲ Continue to support Arts and Culture

We plan and invest in methods of multi-modal transportation

- Move forward with implementing the City's Transportation Master Plan
- ▲■ Collaborate with regional and senior government partners to provide cost-effective transportation solutions
- ▲ Explore opportunities for Electric Vehicle Charging Stations

We support diversity in housing and reasoned land use planning

- Complete an update of the City's OCP and Zoning Bylaws
- Continue to develop and revisit all infrastructure master plans

We continually invest in our key relationships

- Value and recognize the importance of our volunteers

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

OFFICIAL COMMUNITY PLAN REFERENCE:

The 2021-2025 General Fund Operating Financial Plan touches several of the OCP Goals including:

- ❖ Balanced growth
- ❖ Parks and publicly accessible natural open spaces
- ❖ Sustainable development
- ❖ Provision of community services including fire/rescue and policing
- ❖ An effective transportation system

REGIONAL GROWTH STRATEGY REFERENCE:

The 2021-2025 General Fund Operating Financial Plan is presented to encourage sound financial management of City assets in order to provide services to all residents within the municipality and region. It touches on:

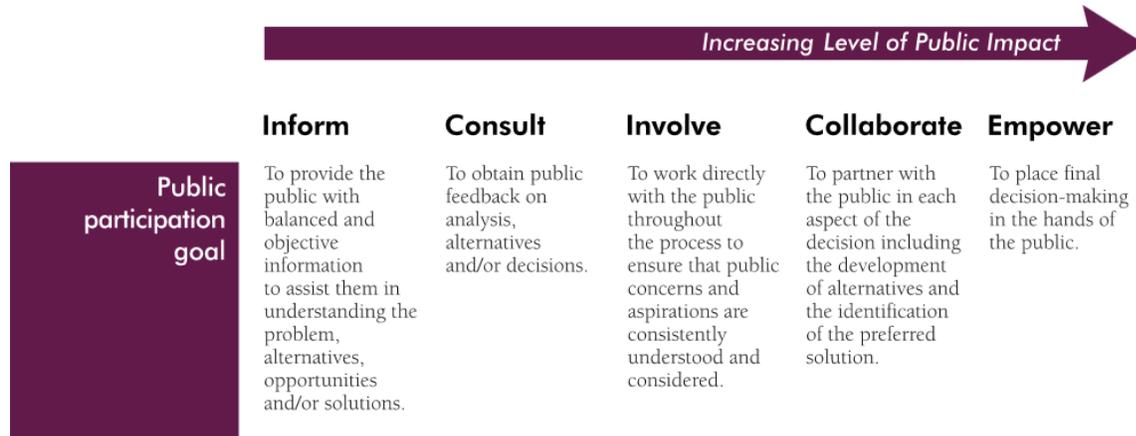
- ❖ Ecosystems, Natural Areas and Parks
- ❖ Transportation and Infrastructure
- ❖ Local Economic Development
- ❖ Climate Change

CITIZEN/PUBLIC ENGAGEMENT:

Section 166 of the Community Charter requires that “A council must undertake a process of public consultation regarding the proposed financial plan before it is adopted”.

The City of Courtenay will ‘inform’ the public about the 2021-2025 Financial Plan through regular and special council meetings, media webcasts, and information posted on the City’s website. In addition, the City will ‘consult’ the public prior to final adoption of the 2021-2025 Financial Plan Bylaw.

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



OPTIONS:

- OPTION 1: That Council approves the 2021-2025 General Operating Financial Plan as proposed, and directs staff to include the schedules in the 2021-2025 Financial Plan Bylaw.
- OPTION 2: That Council amends the proposed 2021-2025 General Operating Financial Plan, and directs staff to include the amended schedules in the 2021-2025 Financial Plan Bylaw.
- OPTION 3: That Council defer the endorsement of the proposed 2021-2025 General Operating Financial Plan for further discussion at a later Council meeting.

It should be noted that deferring endorsement of this financial plan may hinder Council’s ability to meet the May 15, 2021 deadline to adopt a five year financial plan and therefore impact the City’s ability to generate tax notices on time.

Prepared by:

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

Reviewed by:

Jennifer Nelson, CPA, CGA
 Director of Financial Services

Concurrence by:

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

Attachments:

- Schedule 1 – General Operating Fund Summary 2021-2025
- Schedule 2 – General Operating Revenues Detail 2021-2025
- Schedule 3 – General Operating Expenses by Department 2021-2025
- Schedule 4 – General Surplus, Reserves and DCC 2021-2025
- Schedule 5 – 2020-2021 Proposed Use of COVID-19 Safe Restart Grant for Local Governments
- Schedule 6 – 2021-2025 Proposed Schedule of Annual Gaming Funds Distribution

General Operating Fund	Budget	Budget	Proposed Budget			
	2020	2021	2022	2023	2024	2025
Tax rate increase						
General Taxation	2.72%	2.00%	2.00%	2.50%	2.75%	2.75%
Debt Levy	0.00%	-0.14%	0.74%	0.24%	0.89%	0.99%
Infrastructure Reserve Levy	0.50%	0.00%	0.50%	0.75%	1.00%	1.00%
	3.22%	1.86%	3.24%	3.49%	4.64%	4.74%
REVENUES						
Taxes						
General Municipal Taxes	26,482,300	27,703,600	29,184,300	30,640,000	32,264,500	33,902,600
Collections for Other Governments (Estimate)	22,876,600	23,972,800	24,451,100	24,938,900	25,436,500	25,944,000
Total Taxes Collected	49,358,900	51,676,400	53,635,400	55,578,900	57,701,000	59,846,600
Less:						
Property Taxes for Other Governments (Estimate)	(22,876,600)	(23,972,800)	(24,451,100)	(24,938,900)	(25,436,500)	(25,944,000)
Portion of Grants in Place of Taxes	(169,200)	(174,200)	(177,700)	(181,200)	(184,700)	(188,400)
	(23,045,800)	(24,147,000)	(24,628,800)	(25,120,100)	(25,621,200)	(26,132,400)
Net Municipal Taxes	26,313,100	27,529,400	29,006,600	30,458,800	32,079,800	33,714,200
Grants in Lieu of Taxes	493,500	493,500	503,500	513,500	523,800	534,200
% of Revenue Tax	415,700	409,400	409,400	409,400	409,400	409,400
Taxes for Municipal Purposes	27,222,300	28,432,300	29,919,500	31,381,700	33,013,000	34,657,800
Fees and Charges	7,663,300	7,143,900	7,837,500	8,039,500	8,195,200	8,214,800
Revenue from Other Sources	1,135,800	971,900	1,067,100	1,070,400	1,072,700	1,072,700
Transfers from Other Govt & Agencies	2,135,700	2,080,900	2,051,400	2,066,600	2,083,100	2,100,600
Transfers-Reserves	1,894,700	2,340,000	1,078,500	1,078,500	1,118,500	1,118,500
Transfers-Surplus	1,717,400	1,334,800	1,681,400	695,300	62,500	25,000
General Operating Revenues	41,769,200	42,303,800	43,635,400	44,332,000	45,545,000	47,189,400
Equity in Capital Assets	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000
	46,569,200	47,103,800	48,435,400	49,132,000	50,345,000	51,989,400
EXPENDITURES						
Operating Expenditures						
General Government	4,494,100	4,659,700	4,680,900	4,690,700	4,821,200	4,817,500
Protective Services	9,418,000	9,679,700	9,705,500	10,031,300	10,314,900	11,058,000
Public Works Services	9,084,000	9,387,600	9,906,400	9,669,000	9,676,500	9,958,300
Environmental Health Services	3,432,900	3,627,100	3,812,000	3,940,100	4,071,400	4,071,400
Public Health Services	355,700	346,100	351,100	356,400	361,500	366,800
Development Services	2,331,900	2,232,600	2,037,000	2,074,200	2,109,400	2,146,400
Recreation & Cultural Services	6,976,800	6,529,300	7,330,500	7,383,300	7,473,900	7,600,800
Total Operating Expenses	36,093,400	36,462,100	37,823,400	38,145,000	38,828,800	40,019,200
Amortization	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000
Debt Servicing Costs	1,303,900	1,268,700	1,343,900	1,408,900	1,665,300	1,967,200
	42,197,300	42,530,800	43,967,300	44,353,900	45,294,100	46,786,400
Transfer to Capital Fund	1,153,400	1,512,200	1,178,800	1,366,000	1,348,700	758,900
Transfer to Reserve Funds	3,218,500	3,060,800	3,289,300	3,412,100	3,541,900	3,604,500
Transfer to Surplus	-	-	-	-	160,300	839,600
	4,371,900	4,573,000	4,468,100	4,778,100	5,050,900	5,203,000
	46,569,200	47,103,800	48,435,400	49,132,000	50,345,000	51,989,400

General Operating Fund Revenues	Budget	Budget	Proposed Budget			
	2020	2021	2022	2023	2024	2025
REVENUES						
Property Taxes						
General Property Taxes	23,373,700	24,402,200	25,781,000	27,069,500	28,327,600	29,620,400
General Property Taxes - New Construction	550,000	750,000	500,000	500,000	500,000	500,000
Infrastructure & Asset Management Levy	116,200	-	128,300	200,900	280,700	293,300
Debt Levy	1,184,500	1,149,300	1,343,900	1,408,900	1,665,300	1,967,200
General Tax Supplementary Adjustment	(150,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Library	1,407,900	1,452,100	1,481,100	1,510,700	1,540,900	1,571,700
Total Municipal Property Taxes	26,482,300	27,703,600	29,184,300	30,640,000	32,264,500	33,902,600
Collections for Other Governments (Estimate)	22,876,600	23,972,800	24,451,100	24,938,900	25,436,500	25,944,000
Total Property Taxes	49,358,900	51,676,400	53,635,400	55,578,900	57,701,000	59,846,600
Less:						
Property Taxes for Other Governments (Estimate)	(22,876,600)	(23,972,800)	(24,451,100)	(24,938,900)	(25,436,500)	(25,944,000)
Portion of Grants in Place of Taxes	(169,200)	(174,200)	(177,700)	(181,200)	(184,700)	(188,400)
	(23,045,800)	(24,147,000)	(24,628,800)	(25,120,100)	(25,621,200)	(26,132,400)
Net Municipal Taxes	26,313,100	27,529,400	29,006,600	30,458,800	32,079,800	33,714,200
Grants in Lieu of Taxes	493,500	493,500	503,500	513,500	523,800	534,200
% of Revenue Tax	415,700	409,400	409,400	409,400	409,400	409,400
Taxes for Municipal Purposes	27,222,300	28,432,300	29,919,500	31,381,700	33,013,000	34,657,800
Fees and Charges						
Cemetery	174,000	175,200	175,600	176,100	176,100	176,100
Development Services	1,033,400	1,015,600	1,025,800	1,035,900	1,038,400	1,041,000
General Government Services	588,500	624,700	639,400	651,000	658,600	666,300
Protective Services	839,300	829,100	583,300	593,600	602,700	612,000
Public Works Services	17,000	7,100	17,100	17,100	17,100	17,100
Recreation & Cultural Services	1,822,500	1,127,700	1,863,100	1,900,700	1,904,600	1,904,600
Solid Waste	3,188,600	3,364,500	3,533,200	3,665,100	3,797,700	3,797,700
Total Fees and Charges	7,663,300	7,143,900	7,837,500	8,039,500	8,195,200	8,214,800
Interests and Penalties	996,800	822,200	922,500	922,800	922,800	922,800
Revenue from Other Sources	139,000	149,700	144,600	147,600	149,900	149,900
Transfers from Other Govt & Agencies	2,135,700	2,080,900	2,051,400	2,066,600	2,083,100	2,100,600
Transfers from Other Funds						
Transfers-Reserves	1,894,700	2,340,000	1,078,500	1,078,500	1,118,500	1,118,500
Transfers-Reserves for Future Expenditures	602,300	268,200	190,000	11,800	-	-
Transfers-Prior Year Surplus	1,115,100	1,066,600	1,491,400	683,500	62,500	25,000
Total Transfers from Other Funds	3,612,100	3,674,800	2,759,900	1,773,800	1,181,000	1,143,500
	41,769,200	42,303,800	43,635,400	44,332,000	45,545,000	47,189,400
Equity in Capital Assets	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000
	46,569,200	47,103,800	48,435,400	49,132,000	50,345,000	51,989,400

General Operating Fund Operating Expenses	Budget	Budget	Proposed Budget			
	2020	2021	2022	2023	2024	2025
OPERATING EXPENDITURES						
General Government						
City Council	324,800	307,300	326,200	348,600	333,800	339,000
Corporate Services	872,700	1,145,200	1,137,900	1,156,100	1,173,800	1,191,800
Corporate Communications	251,200	256,400	260,600	264,900	269,300	273,800
Finance	1,574,400	1,603,600	1,640,400	1,669,500	1,698,400	1,728,400
Business Performance	160,700	123,800	126,700	129,000	131,300	133,600
Elections	-	-	61,500	-	-	-
Purchasing	290,600	296,200	305,600	311,300	317,100	323,100
Human Resources	537,200	568,000	515,000	522,500	554,900	572,400
Occupational Health Safety	211,700	220,500	218,100	221,600	233,400	223,900
IT	1,449,600	1,519,300	1,498,100	1,482,600	1,572,500	1,517,300
Strategic Initiatives	181,500	-	-	-	-	-
Other General Government	67,900	62,800	68,600	68,900	69,000	69,100
City Hall Property Maintenance	157,200	168,000	169,600	172,000	172,900	173,800
Sub-total	6,079,500	6,271,100	6,328,300	6,347,000	6,526,400	6,546,200
Interfund Allocation	(1,585,400)	(1,611,400)	(1,647,400)	(1,656,300)	(1,705,200)	(1,728,700)
Total General Government	4,494,100	4,659,700	4,680,900	4,690,700	4,821,200	4,817,500
Protective Services						
Police Protection	7,170,400	7,243,600	7,333,100	7,598,500	7,866,500	8,154,300
Fire Protection	1,914,600	1,963,000	2,004,200	2,039,800	2,074,100	2,506,500
Animal Control	71,100	72,600	74,200	75,700	75,800	75,900
Bylaw Enforcement	99,400	200,800	93,000	115,000	96,000	118,800
Emergency Programs	96,800	132,700	132,800	132,800	132,800	132,800
Parking Control	65,700	67,000	68,200	69,500	69,700	69,700
Total Protective Services	9,418,000	9,679,700	9,705,500	10,031,300	10,314,900	11,058,000
Public Works Services						
Public Works Administration	569,900	638,000	648,900	659,900	670,100	680,600
Public Works Operations	954,300	967,900	1,022,600	1,034,800	1,041,900	1,049,300
Asset Management	605,300	396,500	425,200	572,100	439,400	586,800
Transportation Services	3,098,000	3,444,700	3,649,400	3,669,600	3,732,200	3,797,300
Storm Sewer	535,100	584,700	591,200	597,900	604,800	611,700
Property Maintenance	272,100	303,200	318,800	283,700	286,400	288,900
Property Maintenance - Carpentry Shop	34,700	35,400	35,900	36,700	36,900	37,100
Property Maintenance - Miscellaneous Buildings	109,100	161,500	220,200	118,000	120,000	122,000
Property Maintenance - Park Buildings	81,100	84,200	79,700	80,600	80,700	80,800
Property Maintenance - Recreation Facilities	616,500	635,000	690,800	632,300	640,000	647,700
Property Maintenance - Cultural Facilities	293,000	284,100	211,800	214,400	214,600	214,600
Parks	2,577,700	2,713,600	2,742,400	2,775,900	2,808,900	2,839,000
Parks - Cultural Facilities Grounds Maintenance	6,000	6,200	6,300	6,400	6,400	6,400
Parks - Recreation Facilities Grounds Maintenance	27,800	28,100	28,500	29,000	29,000	29,000
Sub-Total	9,780,600	10,283,100	10,671,700	10,711,300	10,711,300	10,991,200
Public Works Interfund Allocation	(1,600,600)	(1,705,900)	(1,708,600)	(1,713,500)	(1,717,300)	(1,721,100)
Total Public Works Services	8,180,000	8,577,200	8,963,100	8,997,800	8,994,000	9,270,100
Engineering	904,000	810,400	943,300	671,200	682,500	688,200
Development Services						
Building Inspections	653,200	655,100	653,800	667,400	678,500	690,800
Planning and Zoning	640,000	629,700	627,800	639,700	651,800	664,200
Subdivision and Development Servicing	562,900	519,800	429,900	436,900	444,100	451,500
Community and Sustainability Planning	450,300	422,900	320,400	325,100	329,900	334,800
Heritage Committee	25,500	5,100	5,100	5,100	5,100	5,100
Total Development Services	2,331,900	2,232,600	2,037,000	2,074,200	2,109,400	2,146,400

General Operating Fund Operating Expenses	Budget	Budget	Proposed Budget			
	2020	2021	2022	2023	2024	2025
Recreation & Cultural Services						
Recreation Admin						
Recreation Admin	1,260,900	1,147,700	1,227,400	1,215,700	1,204,500	1,223,700
July 1st Commission	63,600	23,000	86,900	88,700	90,200	90,200
Special Events	41,200	30,000	41,600	41,800	42,100	42,100
Recreation Admin Total	1,365,700	1,200,700	1,355,900	1,346,200	1,336,800	1,356,000
Recreation Services - Operations						
Lewis Centre Operations	1,090,100	1,071,000	1,117,300	1,139,400	1,165,400	1,187,800
Filberg Operations	630,200	599,600	646,700	660,600	671,600	683,500
Youth Centre Operations	42,900	43,100	43,900	45,400	45,900	47,400
Pool Operations	59,100	63,700	64,400	65,500	66,200	67,800
Washrooms	6,000	16,000	16,000	16,000	16,000	16,000
Native Sons Operations	7,700	7,500	7,500	8,400	8,500	9,100
Recreation Services - Operations Total	1,836,000	1,800,900	1,895,800	1,935,300	1,973,600	2,011,600
Recreation Services - Programming						
Childrens Programs	439,900	304,600	452,900	457,800	464,100	470,500
Summer Programs	226,700	175,400	231,100	235,100	237,600	240,100
Youth Centre Programs	270,800	165,000	263,200	267,600	269,000	273,500
Adults Programs	545,900	490,300	564,700	574,500	583,200	593,300
Adapted Programs	232,300	194,500	242,600	245,800	249,900	254,700
Preschool Programs	103,000	96,700	106,800	108,700	110,700	112,800
Pool Programs	147,800	141,900	154,300	156,500	159,500	162,600
Childrens Programs - Volunteer Development	4,200	2,000	4,200	4,200	4,200	4,200
Recreation Services - Programming Total	1,970,600	1,570,400	2,019,800	2,050,200	2,078,200	2,111,700
Cultural Services - Administration						
Museum Administration	148,400	152,200	170,600	161,500	162,600	163,300
Sid Williams Theatre Administration	235,200	241,800	262,300	255,400	258,700	260,500
Arts Centre Administration	9,900	52,800	70,300	60,500	60,700	62,200
Library Administration	1,411,000	1,455,500	1,484,700	1,514,500	1,544,900	1,575,900
Comox Valley Arts Council Administration	-	55,000	71,100	59,700	58,400	59,600
Cultural Services - Administration Total	1,804,500	1,957,300	2,059,000	2,051,600	2,085,300	2,121,500
Total Recreation & Cultural Services	6,976,800	6,529,300	7,330,500	7,383,300	7,473,900	7,600,800
Environmental Health Services (Solid Waste)						
Solid Waste	3,304,300	3,497,400	3,680,900	3,807,800	3,939,100	3,939,100
Dog Stations/Bags	28,500	28,700	29,100	29,300	29,300	29,300
Pesticide Awareness	5,000	5,100	5,100	5,100	5,100	5,100
Trash Cleanup	95,100	95,900	96,900	97,900	97,900	97,900
Total Environmental Health Services	3,432,900	3,627,100	3,812,000	3,940,100	4,071,400	4,071,400
Public Health Services (Cemetery)						
Cemetery Administration	93,100	82,100	83,200	84,400	85,600	86,800
Cemetery Maintenance	236,200	243,800	247,600	251,500	255,400	259,500
Cemetery Building - R & M	4,400	4,400	4,500	4,500	4,500	4,500
Cemetery Building Utilities	22,000	15,800	15,800	16,000	16,000	16,000
Total Public Health Services	355,700	346,100	351,100	356,400	361,500	366,800
Total Operating Expenses	36,093,400	36,462,100	37,823,400	38,145,000	38,828,800	40,019,200

City of Courtenay
for the Years 2021 - 2025

GENERAL	Estimated	Budget	Proposed Budget			
Surplus, Reserves and DCC Summary	Actual					
Estimated Closing Balances	2020	2021	2022	2023	2024	2025
General Operating Surplus						
Prior Year Surplus	6,410,400	5,343,800	3,726,700	2,782,900	2,613,300	3,153,100
Gaming Funds	1,682,800	1,444,300	1,353,300	1,262,300	1,171,300	1,080,300
	<u>8,093,200</u>	<u>6,788,100</u>	<u>5,080,000</u>	<u>4,045,200</u>	<u>3,784,600</u>	<u>4,233,400</u>
General Capital Surplus						
Reserve For Future Expenditure (Unspent Capital 2020)	470,000	201,800	11,800	-	-	-
Unexpended Debt	1,203,500	720,800	539,700	539,700	475,500	475,500
	<u>1,673,500</u>	<u>922,600</u>	<u>551,500</u>	<u>539,700</u>	<u>475,500</u>	<u>475,500</u>
Total General Surplus	<u>9,766,700</u>	<u>7,710,700</u>	<u>5,631,500</u>	<u>4,584,900</u>	<u>4,260,100</u>	<u>4,708,900</u>
General Operating Reserves						
Risk Reserve	104,500	104,500	104,500	104,500	104,500	104,500
Assessment Appeals	319,400	319,400	319,400	319,400	319,400	319,400
Police Contingency	511,400	511,400	511,400	511,400	511,400	511,400
Trees	94,700	74,700	54,700	34,700	19,700	4,700
	<u>1,030,000</u>	<u>1,010,000</u>	<u>990,000</u>	<u>970,000</u>	<u>955,000</u>	<u>940,000</u>
General Capital Reserves						
Machinery and Equipment	1,597,600	1,103,300	1,228,300	1,238,300	1,413,300	1,533,300
Land Sale	778,900	778,900	778,900	778,900	778,900	778,900
New Works and Equipment	3,547,200	3,515,400	3,376,900	3,253,400	3,274,100	3,470,600
New Works - Community Gas Tax Funds	2,551,000	1,168,500	938,500	708,500	478,500	248,500
New Works - COVID Safe Restart Grant	2,005,200	-	-	-	-	-
Infrastructure Reserve	697,300	364,300	432,600	615,000	534,800	1,145,400
Housing Amenity	876,500	772,800	772,800	772,800	772,800	772,800
Parks Amenity	563,400	393,200	393,200	193,200	193,200	93,200
Public Parking	61,200	64,700	70,000	75,400	80,800	86,200
Parkland Acquisition	311,300	311,300	311,300	311,300	311,300	311,300
	<u>12,989,600</u>	<u>8,472,400</u>	<u>8,302,500</u>	<u>7,946,800</u>	<u>7,837,700</u>	<u>8,440,200</u>
Total General Reserves	<u>14,019,600</u>	<u>9,482,400</u>	<u>9,292,500</u>	<u>8,916,800</u>	<u>8,792,700</u>	<u>9,380,200</u>
Total General Surplus and Reserves	<u>23,786,300</u>	<u>17,193,100</u>	<u>14,924,000</u>	<u>13,501,700</u>	<u>13,052,800</u>	<u>14,089,100</u>
BYLAW #2755 RESERVE						
Highways Facilities	4,470,900	4,008,200	3,808,200	3,608,200	3,276,000	3,076,000
Storm Drain Facilities	2,028,300	2,028,300	2,028,300	2,004,300	2,004,300	2,004,300
Park Land Acquisition	691,900	679,500	679,500	679,500	544,400	518,300
Total DCC	<u>7,191,100</u>	<u>6,716,000</u>	<u>6,516,000</u>	<u>6,292,000</u>	<u>5,824,700</u>	<u>5,598,600</u>

Funds Received - November, 2020	\$	4,149,000
---------------------------------	----	-----------

Eligible Cost Categories		2020 Actual Forecast	2021 Proposed	2022 Proposed
Revenue Shortfalls	Investment Income	65,000		
	Community Services Revenue (Recreation, Parks, Rental)	1,500,000	550,000	
	Gaming- Police Contract Funding	405,000	405,000	
	Gaming - Infrastructure Reserve Contribution Funding	320,000	320,000	
		2,290,000	1,275,000	-
Facility Reopening and Operating Costs	City Hall Renovations - To allow for reopening		100,000	
		-	100,000	-
Bylaw Enforcement and Protective Services	RCMP Contract Funding - (<i>Gaming Revenue Shortfall above</i>) Additional Bylaw Enforcement Support		84,000	
		-	84,000	-
Services to Vulnerable Persons/Other Related Costs	Downtown Washroom for Public and Vulnerable Other unexpected reopen costs/revenue losses		200,000	
		-	400,000	-
Total Annual Distribution		2,290,000	1,859,000	-
Projected Grant Balance		1,859,000	-	-

Gaming Funds Balance, December 31, 2019	\$	1,831,238
--	----	-----------

New Option 1 2020-2025 Revised (Use of Restart Funds)

Distribution: Major Categories		2020 Approved	2020 Actual	2021 Proposed	2022 Proposed	2023 Proposed	2024 Proposed	2025 Proposed
Estimated Annual Funds Available		1,000,000	247,730	250,000	1,000,000	1,000,000	1,000,000	1,000,000
Support Downtown Arts and Culture	Annual Grants:							
	CV Art Gallery	65,000	65,000	65,000	65,000	65,000	65,000	65,000
	Comox Valley Art Gallery Community Education and Outreach		30,000					
	Comox Valley Arts Council Community Cultural Service Coordination		48,750					
	Ctny & Dist Historical Society	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	Sid Williams Theatre Society	105,000	105,000	105,000	105,000	105,000	105,000	105,000
Downtown cultural events	5,000	5,000	5,000	5,000	5,000	5,000	5,000	
		225,000	303,750	225,000	225,000	225,000	225,000	225,000
Council Initiatives & Projects	Purple ribbon Campaign	3,500	3,500	3,500	3,500	3,500	3,500	3,500
	Feb 19, 2019 Resolution - LUSH Community Garden Annual Grant	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	Nov 19, 2018 Resolution - Heritage Refurbish Clocks (2018 carry forward)							
	July 2, 2019 Resolution - Down Town Event Traffic Control							
	Annual Grants-in-Aid	50,000			50,000	50,000	50,000	50,000
	COVID requests - Emergency Support		17,500					
	Annual Grants-in-Aid (Management Fee to Comox Valley Community Foundation)			-	2,500	2,500	2,500	2,500
	Other Council Initiatives/Projects	75,000		75,000	75,000	75,000	75,000	75,000
	Feb 18, 2020 Resolution - CV Youth Leadership Summit		500					
	Boys and Girls Club - 75% Rent Forgiven (COVID)		2,339					
Kus Kus Sum Fields Sawmill Property Taxes 2020		58,580						
Electric Charging Stations - Committed 2019-2023 Fin Plan	175,000		175,000					
		313,500	92,419	263,500	141,000	141,000	141,000	141,000
Public Safety / Security	RCMP Contract Funding	405,000	Restart	Restart	405,000	405,000	405,000	405,000
Infrastructure Works	Annual Provision to Infrastructure Reserve	100,000	Restart	Restart	100,000	100,000	100,000	100,000
	Infrastructure Levy Reduction (Approx 1%)	220,000	Restart	Restart	220,000	220,000	220,000	220,000
		320,000	-	-	320,000	320,000	320,000	320,000
Total Annual Distribution		1,263,500	396,169	488,500	1,091,000	1,091,000	1,091,000	1,091,000
Projected Gaming Fund Balance		1,567,738	1,682,799	1,444,299	1,353,299	1,262,299	1,171,299	1,080,299