



Photo: Boomer Jerritt



# City of Courtenay

## 2008 Annual Report



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# Message from the Mayor

Dear fellow Courtenay residents,

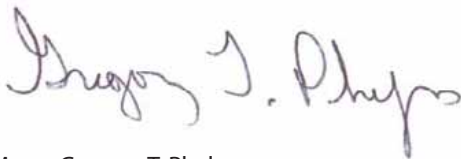
Although we made great strides on many of our goals as a City in 2008, the year may be best remembered as a tale of two economies. Up until about June of last year, the future looked bright with housing starts around the Valley running at near record levels. However, the second half of the year saw development plunge to near record lows. Although the City of Courtenay is in better shape than many Island communities, the downturn hit us as well, as investment dollars dried up and resource workers lost their jobs. As a City, we reviewed our service delivery plans and reorganized our senior management team to do more with less. As we headed into our annual budget deliberations, we were also mindful of our fiscal responsibility and kept our property tax rate increase to 3.06%, one of the lowest increases on Vancouver Island.

Some of the highlights for 2008 were the development of a Corporate Climate Action Plan as the City signed on to the B.C. Climate Action Charter, pledging to be carbon neutral by 2012. Staff also formed a Green Team to find ways for the City to become a better steward of our own resources such as buildings, vehicles and parks. The City also implemented a bylaw regulating the cosmetic use of pesticides.

The year also saw major progress on long range planning with the completion of several projects such as the Old Orchard Local Area Plan; the South Courtenay Local Area Plan; the Regional Cycling Plan; Affordable Housing and amendments to the City's Official Community Plan.

2008 was a challenging year, but I believe that Courtenay Council and our dedicated employees are up to the task of moving our community forward in a fiscally responsible manner while providing the services needed to help protect the unique character of the Valley.

Sincerely,



Mayor Gregory T. Phelps



# Mission

City Council and staff see the following as their mission:

- **To lead** the Courtenay community in building and implementing a vision of the City of Courtenay as a great place to live and do business;
- **To listen** to the citizens of Courtenay on their ideas, needs and dreams as the foundation for decision making;
- **To consider, discuss and educate residents** and stakeholders on the full scope of social, economic, environmental and governance issues related to any decision and the long term well-being of Courtenay;
- **To be strategic** in their considerations of all decisions, considering both short and long term needs and priorities;
- **To make decisions** in a fair, just and wise manner;
- **To support** the community in its work to make the city and their neighbourhoods better places to live;
- **To encourage** residents and businesses to work together in helping Courtenay reach its potential;
- **To build cooperative relationships** with other agencies, stakeholders and levels of government to achieve the City's goals in the most efficient manner;
- **To look after Courtenay's best overall interests** in all dealings with other governments, businesses or institutions; and
- **To be accountable** for promises and decisions that Council make.



Photo: Boomer Jerritt

# Planning Services

## Services

- Long range planning; Official Community Plan; Local Area Plans; zoning; development permits; development variance permits; heritage conservation; tree management and protection; riparian areas and streamside protection; parks and greenways design and planning; bicycle planning strategy; boundary extensions.

Phone - 250-334-4441

E-mail - [planning@courtenay.ca](mailto:planning@courtenay.ca)



Photo: Boomer Jerritt

## Old Orchard Local Area Plan

The Old Orchard and Area Local Area Plan was adopted by Council on September 15, 2008. The overall intent of this Local Area Plan was to bring all community stakeholders and residents together to develop a plan that would benefit the entire neighbourhood and create a vision to guide land use decision making in the area.

The central goal of this local area plan was to create higher density in-fill, which would suit the neighbourhood's proximity to the downtown core, while retaining the heritage character and charm of the area.

## South Courtenay Local Area Plan

In November 2007, an area of 217 hectares of land south of the Comox Valley Parkway in the vicinity of Fraser Road was approved by the Ministry of Community Services for inclusion into the City of Courtenay. Approximately 90 hectares are in the ALR, 80 hectares are undeveloped and the rest are residential and industrial properties.

A small part of the developed area receives community water supply from the City but there presently are no community sanitary sewer services. There are opportunities for new residential development on the undeveloped lands and expansion of the existing commercial and industrial areas in the vicinity of Christie Parkway following the provision of water and sanitary sewer systems.

In the spring of 2008, a consulting firm was engaged to prepare a draft Local Area Plan that would introduce environmentally sustainable principles, strategies and developments. This included energy conservation, greenhouse gas reductions and low-impact development standards.

Public hearings for the South Area Local Area Plan will take place in 2009.

## Official Community Plan Amendments

A significant amendment to the City's Official Community Plan saw the introduction of a height increase up to 8 stories for selected sites throughout the City. Also under review is an application for rezoning for the re-development of the Former Courtenay Hotel site and we are waiting for updated plans from the applicant. Other areas for consideration are along the Courtenay River, Mission and Arden Roads and at Crown Isle and Raven Ridge (Block 71).

Policies on Affordable Housing and Sustainability Checklist for development were adopted in 2007/2008 and are now being implemented.

## Regional Cycling Plan

The Comox Valley Cycling Task Force initiated and completed the CV Cycling plan over the past year. The Plan deals with cycling issues from the Ministry of Transportation, Comox Strathcona Regional District, City of Courtenay, Town of Comox and Village of Cumberland.

It is recommended that all jurisdictions recognize and promote cycling as a viable mode of transportation. A technical committee will work towards this goal in consultation with the Ministry, established cycling groups and the cycling public.

The E & N Rails with Trails project from the Trent River to downtown Courtenay has been identified as the top priority for the Task Force. A further feasibility study to determine costs will be done in the upcoming year. Similar projects are occurring throughout Vancouver Island, and local government officials are working closely with other jurisdictions on a possible joint funding project.

# Corporate Climate Action

The City of Courtenay is responding to local and global environmental concerns and making the issue of climate change a priority. In 2008, the City embarked upon a thorough review of all municipal operations to determine ways to reduce the City's impact on the environment. The City has signed onto the B.C. Climate Action Charter, pledging to become carbon neutral by 2012.

## What exactly are carbon neutral operations?

Carbon neutral means the City will reduce green house gas (GHG) emissions as much as possible, and will offset remaining emissions by investing in projects such as renewable energy, energy efficiency and reforestation. The Province of B.C. has set up the Pacific Carbon Trust for this purpose, to identify GHG offset projects in B.C.

The City completed the first step towards becoming carbon neutral in October 2008, with a Corporate Energy and GHG Emissions Inventory. This Inventory determined that the City's Corporate GHG emissions are estimated at 869 tonnes.

## Corporate Climate Action Strategy

The City established a "Green Team" comprised of representatives from all City departments, to brainstorm ideas and determine how to best meet the targets of the B.C. Climate Action Charter. City staff produced a Corporate Climate Action Strategy document, which details the steps the City will take to reach the goal of carbon neutrality.

The City's Corporate Climate Action Strategy will deal with Corporate GHG emissions. These are the emissions generated by energy consumed during the delivery of municipal operations, such as City facilities, vehicles and infrastructure. In this way,

the City will have the opportunity to get its own "house in order", and lead by example before tackling emission reductions in the broader community.

In addition to becoming carbon neutral by 2012, the B.C. Climate Action Charter sets the following goals:

- To develop strategies and take actions aimed at reducing GHG emissions
- To remove barriers such as existing policies and procedures that impede taking action on climate change
- To encourage infrastructure and a built environment that supports economic and social needs while minimizing environmental impacts

## Corporate Climate Action Targets

Establishing clear, measurable, specific targets will allow the City to provide the support and commitment necessary to achieve these targets.

**Target 1:** A 33 percent reduction of corporate GHG emissions from 2007 levels by 2020

**Target 2:** All new City buildings must meet the requirements of LEED™ Silver (or equivalent) and demonstrate energy performance that is 25 percent better than the Model National Energy Code for Buildings.



**Target 3:** To decrease the annual energy consumption of the City's large energy consuming facilities by a minimum of 20 percent from 2007 levels by 2012.

## Areas for Corporate Climate Action

The City will take action on the following priorities:

- Fuel-efficiency, green fleet management
- Energy efficient retrofits for facilities
- Green design for new and replacement City buildings
- Behavioural change to reduce energy demands
- Energy efficient street and park lighting

Reducing energy consumption in the City's major facilities and reducing the fuel consumption of our fleet have been identified as the highest priorities. The City's major facilities, including the Lewis Centre recreation facilities, are responsible for 53 percent of GHG emissions. The City's vehicle fleet produces 42 percent of GHG emissions.

Climate change has been identified as one of the greatest challenges facing British Columbia and the world. The City of Courtenay is proud to be taking these important steps toward protecting our environment for our citizens and for future generations.

# Operational Services



## Engineering Division

- Design; mapping; drafting; subdivision control; traffic and transportation planning; infrastructure planning; design and contract management; solid waste management.

Phone - 250-334-4441

E-mail - [engineering@courtenay.ca](mailto:engineering@courtenay.ca)

## Public Works Division

### Utility Section:

- Water distribution; sanitary sewer and storm drainage collection, cemetery maintenance.

### Transportation Section:

- Roads; sidewalks; equipment and vehicle maintenance; stores;
- Traffic marking; street lighting; traffic signals.

Phone - 250-338-1525

E-mail - [publicworks@courtenay.ca](mailto:publicworks@courtenay.ca)

## Building Services Division

### Building Inspection

- Building code, plumbing code and permits

### Property Management

- Repairs, maintenance and capital upgrading of City owned buildings.

Phone - 250-334-4441

E-mail - [building@courtenay.ca](mailto:building@courtenay.ca)

A number of sewer and water, storm drainage and transportation projects took place in Courtenay in 2008. These projects addressed issues with aging infrastructure, as well as rapid growth in the City. As in previous years, the City worked with Comox Valley accessibility organizations to improve wheelchair access on City sidewalks. Several new pedestrian signals were also installed.

The City continues to require new and upgrading of existing developments to incorporate the guidelines in the Water balance Model for BC. In 2008 the City hosted a series of three Learning Lunches which focused on water to develop a more holistic approach to water as an asset. This involved working with the other municipalities and the Comox Valley Regional District in developing the content of the Learning Lunch Series of presentations. This program is to continue in 2009 and will be hosted by the Comox Valley Regional District.

Courtenay is a member municipality in the Regional Water and Sewer functions. In 2008 it was agreed that master plans were required for the long range planning of these infrastructure systems. The City continues to be represented both administratively and politically in the master planning process for these important services for both the City and the Comox Valley.

The 2005 City Transportation Study provided recommendations in how the transportation network should be changed and augmented to accommodate the 4% annual growth that is anticipated to occur over the 20 year period up to 2025. The plan laid out the proposed changes for the period 2006 to 2010, 2010 to 2015 and 2015 to 2025. In 2008 several road improvement projects were initiated that had been recommended in the report, i.e. traffic signals

at 26th Street/ Kilpatrick Avenue, special crosswalks at 8th Street / England Ave and Lerwick Road / Inverclyde Way, and Traffic signals at McDonald Road / Lerwick Road.

Traffic calming devices were put in place in East Courtenay and further studies were completed in the Glacier View area. No new traffic calming was required in the Old Orchard area in 2008. These traffic calming reviews and installations have all been beneficial in providing speed reduction within each area.

City Council was provided with a report on the recommended option for the Third River Crossing of the Courtenay River which was discussed and received. The decision on the location was not made in 2008 and will be considered in 2009.

## Building and Property Services

Building Services was reorganized in 2008 following the departures of two staff members. Subsequently it became part of the Operational Services Department. With the downturn in the economy building permit applications were considerably lower toward the later part of the year. The three remaining staff members in the Division were able to address the workload from existing and new building and plumbing permit applications.

Property Services also became part of Operational Services and a new property management coordinator was employed to manage the workload. There are four employees in this Division that attend to property maintenance, operations and capital work on City buildings. The Native Sons Hall and the Sid Williams Theatre were the two main capital work design projects undertaken in 2008, with renovations to take place in 2009.



# Fire and Emergency Services

## Fire and Emergency Services

- Fire and rescue services; fire preventions and inspections; burning permits.

Phone – 250-334-2513

E-mail – fire@courtenay.ca



In 2008 the Courtenay Fire Department responded to 761 incidents in the City of Courtenay and fire protection districts with 487 of these responses being to emergency incidents. The remaining 274 responses were non emergency incidents. We are pleased to announce that while our members did report a small number of injuries while performing their fire fighting duties during these incidents, there were no serious injuries or worker fatalities to report in 2008.

The new Engine 15 was delivered in December 2008, bringing to a close the engine replacement project that was started earlier in the year. The new engine features an 800 gallon water tank, a pump that can distribute 1900 imperial gallons of water per minute, improved scene and emergency lighting as well as state-of-the-art safety equipment to protect our members driving to and from emergency scenes. This unit replaces our 1979 Engine, which was traded in to help offset the cost of the new truck. Engine 15 will respond to all emergency incidents within the City of Courtenay, and we are very excited to have the truck in service.

Our members continued to participate in weeknight and weekend training sessions throughout 2008. In total, they contributed over 2600 hours to our weekly training sessions learning and practicing the skills required for this job.

The number of firefighters that have obtained their N.F.P.A. 1001 Level 2 Certification has grown from 16 to 22 this past year, and 4 people are working towards completing the Basic Firefighter Certification for the Province of B.C. Once completed, they will be eligible to join the regular membership once spots become available.

We are very fortunate in the City to have such a large group of dedicated individuals. With our 42 members, this community en-

joys the security of knowing that their safety is our number one concern. Our members on average are away from their families 123 hours each in training time alone, not to mention their responses 24/7/365.

Difficult economic times have impacted our volunteers resulting in the retirement of five active members in 2008, putting a strain on the remaining members and training resources. Our fire department is not unique in this phenomenon. Volunteer fire departments all over North America are finding recruitment and retention of volunteers their number one issue. Retirements and early leaves are expected to continue to increase in the up coming years.

The Courtenay Fire Department Fire Prevention Program was once again an area of high activity over the past year. Our full time staff inspected 1250 businesses in the city and another 163 in the fire protection districts, most of which were found to be free of any major fire code or life safety violations. We continued to utilize these inspections as an educational tool, and once again found the public to be very supportive of the program.

Along with inspecting over 1400 properties in 2008, our prevention staff also provided the public with numerous public education opportunities. Events such as the RBC Life Safety Expo, fire extinguisher training, fire hall tours, car seat inspections, as well as running every grade three class through the fire safety house were put on last year by our staff. These events provide the department with an opportunity to spread fire and life safety messages, and have been very successful to date.



## Award for Bravery

Three Courtenay firefighters risked their lives on June 11, 2008 to rescue a man from a propane-filled trailer. Lt. Rick Euper, firefighter Terry Savin and Capt. Dennis Henderson volunteered to enter the trailer to rescue the unconscious man inside, despite the extreme danger. The smallest spark could have resulted in an explosion.

Because of their bravery, the victim's life was saved and he was transported safely to hospital.

The three men received a Mayor's Commendation, the first-ever such award issued in Courtenay.

# Community Services

## General Enquiries:

- Partners in Parks; CRA Advisory Board;

Phone - 250-334-4441

E-mail - recreation@courtenay.ca

## Recreation Division:

- Program registrations; facility memberships and rentals; information on leisure services and community events; playing field bookings.

Phone - 250-338-5371

E-mail - lewis@courtenay.ca

- CRA Evergreen Seniors and other fitness and leisure programs; conference hall and meeting room rentals.

Phone - 250-338-1000

E-mail - filberg@courtenay.ca

## Parks Division:

- Parks maintenance, construction.

Phone - 250-338-1525

E-mail - filberg@courtenay.ca

## Sid Williams Theatre:

- Show information; ticket purchase; theatre rental.

Phone - 250-338-2420

E-mail - admin@sidwilliamstheatre.com  
website - sidwilliamstheatre.com

## Cultural Capitals of Canada

The Comox Valley's Cultural Capitals of Canada festivities wrapped up in the spring of 2008. The Cultural Capitals designation came with \$750,000 in federal funding for various local events and cultural activities.

In February and March 2008, the grant funded an Artist in Residence at the Comox Valley Art Gallery. After doing extensive research on the Comox Valley and the surrounding area, artist Harvey Fix created a clay tile mural. This mural is now on permanent display in front of the Comox Valley Centre for the Arts. Thanks to Cultural Capitals funding, the Comox Valley will implement an entire cultural development and cultural marketing plan.

## Courtenay's Pesticide Bylaw

On January 1, 2008, the City implemented a bylaw regulating the use of pesticides in the City, with a goal of reducing overall pesticide use in gardens and green spaces.

Pesticides move through the air, land and water and can potentially cause serious harm. There are many safer alternatives to pesticides that will ensure a healthier environment for our citizens and our environment. For a list of allowed pesticides, view the Pesticide bylaw at [www.courtenay.ca](http://www.courtenay.ca).

The Town of Comox and Village of Cumberland have enacted similar bylaws, along with many other communities across Canada, including the Provinces of Ontario and Quebec.

The ban on pesticides could become a provincial responsibility here as well. In late 2008, the Union of British Columbia Municipalities, representing cities and towns across B.C., voted to ask the province of B.C. to ban lawn and garden pesticides.



## Hawk Greenway - Sheraton Bikeway

The official opening of the Sheraton Bike-way Phase 2 took place in July 2008.

The paved, 3 metre wide, separated bike path along Sheraton Road in East Courtenay provides a key transportation corridor for cyclists and pedestrians, providing a safe and efficient pathway for those commuting between Courtenay and Comox.

The 1.2 km Hawk Greenway is accessible from the intersection of Hawk Drive and Sheraton Road in East Courtenay, as well as the corner of Lerwick Drive and McDonald Road.

## City of Courtenay Bursaries

The City of Courtenay provides \$250 bursaries for 20 students annually at Isfeld, Vanier and Lake Trail schools. These bursaries recognize the positive contribution our youth make to the community.

Congratulations to the winners of a City of Courtenay Bursary in 2008:

### Vanier Secondary

Andrea Daugherty	Dinah Ayre
Michael Oliphant	Kayla Funk
Tayla Wiebe	Magdalena Taylor

### Lake Trail

Megan Lindquist  
Katie Strain  
Braeden Fairbairn

### Mark Isfeld Secondary

Hilary Hodge	Stephanie Govier
Meghan Yamagishi	Charlotte Smith
Kelly George	Katelyn Anderson
Erica Govier	Jade Leblanc



### New Park on Sussex Drive

Neighbours in the Sussex Drive area have a new green space. Sussex Park is a small neighbourhood park that was completed in the fall of 2008. This park is located in east Courtenay, and is accessible from Sussex Drive and St. Andrews Place.

Due to the park's size, the possibilities for play equipment were limited, however area residents agreed that natural play features, including a climbing rock, should be included. Other features requested by the neighbourhood included; native vegetation, colourful planting areas, and that the park be as handicapped accessible as possible.

The City will be working with the Piercy-Stewart residents on the development of that neighbourhood park in 2009.

### Active Comox Valley

Active Comox Valley (ACV) is one of over 150 'Active Communities' in British Columbia. This initiative began in September 2005, and is aimed at promoting healthy lifestyles and invigorating community spirit through physical activity. Their goal is to increasing the rate of physical activity in the Comox Valley by 20%.



As part of Active Comox Valley's 2008 strategy to partner with existing events and initiatives that share the same mandate to keep citizens of the Comox Valley active and healthy, they've been able to reach special populations and the general population via their popular pedometer campaign, the Spring Meltdown, and by distributing trail maps at local events such as the Mini Tri-K, the Walk for MS and the Lighthouse Beach Bash volleyball tournament.

Visit [activecomoxvalley.ca](http://activecomoxvalley.ca) for information.

### 2010 Olympic Torch Relay

The Comox Valley Community Spirit Committee worked hard in 2008 to bring the Olympic Torch to the Comox Valley. Their hard work paid off: on November 21, 2008, it was announced that the the Olympic Torch is coming to Courtenay on November 2, 2009. A community celebration will welcome the torch and cheer on the torchbearers as they weave their way through our community.

### Riverway Heritage Walk

In August 2008, the City of Courtenay, the Heritage Advisory Committee and the Comox Valley Economic Development Association launched the "Courtenay Riverway Heritage Walk," featuring a number of heritage interpretive signs located at various locations along the historic Courtenay River. Each sign highlights both past uses of the River as well as the central figures who have made a lasting impression on the area. This initiative is part of the "Comox Valley Heritage Experience," which features several walking and driving tours promoting Comox Valley Heritage.



Photo: Boomer Jerritt



### New Outdoor Basketball Court

The City of Courtenay partnered with the C.V. Youth Basketball Association to develop the highly anticipated outdoor basketball court at The Linc Youth Centre. The courts were made possible by the generous contributions of many local businesses, who donated over \$30,000 in services. The basketball courts will provide more opportunities for the Basketball Association, who plan on holding tournaments, clinics, leagues and special events.

The basketball courts will be a good complement to the Linc Youth Centre, which recently had phase 3 of its renovation completed. An indoor skatepark, games room and concession, meeting and resource room are available for Comox Valley youth. Programs, workshops, classes and drop-in activities are just some of the services offered. Contact Courtenay Recreation at 250-338-5371 for more information on youth programs.

# Human Resources



- In 2008, Human Resources developed a Respectful Workplace Policy. Creating Solutions provided all City staff with training to help build awareness of Bullying and Harassment in the workplace. The new Respectful Workplace Policy ensures early intervention and provides a comprehensive approach to dealing with bullying and harassment in the workplace. A new Conflict of Interest Policy was also implemented.
- Human Resources worked on the development of a new employee orientation program which includes a comprehensive safety orientation component. New recruitment guidelines have also been developed to ensure a standardized, consistent and fair approach to all of our recruitment and hiring processes. This included standardization of guidelines for short-listing, interviewing and reference checking. New and departing employee checklists were streamlined to better assist Managers through the hiring and termination processes. Human Resources implemented a new metric for use in calculating the overall costs of staff turnover in each City department.
- Human Resources continue to monitor the effectiveness and efficiency of the newly implemented Performance Management program. Ongoing auditing continues to determine effectiveness and revisions are implemented as identified. A comprehensive report on Succession Planning was provided to the senior leadership team for review and implementation. Successors were then identified and the process for building individualized developmental succession frameworks began. These succession programs developed with continue for a period of at least 3-5 years.
- Human Resources provided Managers with opportunities to participate in Lancaster House “Labour In the Courts” Audio Conferences. The following topics were offered: Health & Safety, Workers Compensation Law; Disability Case Management; Accommodations and the law; Drugs & Alcohol in the Workplace; Cyberlaw in the Workplace; Safety & Discipline; Violence, Bullying and Harassment in the Workplace; Update on Privacy Laws; Medical Information in Accommodations and Return to Work; Dealing with the most difficult cases.
- Towards the end of 2008 the City hired an Occupational Health & Safety Coordinator. The coordinator will continue working towards building a comprehensive OHS program. The Coordinator will also take on the role of Disability Case Manager for all City employees.
- The City continues to grow its Workplace Health & Wellness Program with great success. The committee surveyed employees and the results showed a 90% level of satisfaction with the program. In 2008, the Committee organized Bike to Work Week; Healthy Workplace Week and Yoga Classes, and distributed a monthly wellness newsletter. The committee coordinated “Community Citizenship” events that resulted in a total of \$1,503.00 raised for various charities in the community.
- The Collective Agreement between the City of Courtenay and CUPE local 556 expired on December 31, 2007. By mid 2008 the employer and union had successfully concluded its negotiations and a new Collective Agreement was signed in early October 2008. The current agreement will remain in effect January 1, 2008 to December 31, 2010.

# Financial Services

## Financial Services

- Collection of revenue including property taxes and utility fees; purchasing; processing of all expenditures; preparation of financial plans; information systems; preparation of financial statements.

Phone - 250-334-4441

E-mail - finance@courtenay.ca

Financial Services includes long-term financial planning, annual budget development, investments, accounting, treasury and cash management and all statutory financial reporting. All purchasing requirements such as tendering and purchase orders are coordinated through this division. Financial Services staff also calculate and levy property taxes, water and sewer billing and collection of other payments to the City.

The Information Technology Division is also part of the Financial Services Department. The IT staff support all of the City's integrated software applications, network hardware and software, and coordinate telecommunications requirements such as telephones, cell phones and pagers.

During 2008 and early 2009, purchasing and fleet replacement policies were aligned with the City's new Corporate Climate Action Strategy, and will provide guiding operational tools for reducing the City's carbon footprint and reaching

the targets set out in the strategy. For example, replacement of fleet focuses on acquiring the "cleanest" vehicles possible and now includes a full life cycle costing as part of the replacement analysis.

The identification and valuation of all City tangible capital assets to determine value, age, and depreciation, was completed in 2008 and the asset data collected will be reported in compliance with the new public sector standard (PS3150) on the City's 2009 yearend financial statements.



## 2009 Important Property Tax Dates

*May 25th, 2009 (week of)*

- 2009 Property Tax Notices mailed

*July 2nd, 2009*

- Tax payments due
- Provincial Home Owner Grant applications due
- Tax Deferment applications due
- Last day to avoid 10% penalty on unpaid current taxes and unclaimed grants

*July 3rd, 2009*

- 10% penalty added to all unpaid current taxes and unclaimed grants

*August 1st, 2009*

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

*September 28th, 2009*

- Statutory property tax sale for all properties three years in arrears of taxes.

*December 31st, 2009*

- Last day to pay current year taxes prior to rollover into arrears category

# Permissive Tax Exemptions

## 2008 Churches Tax Exemption

Property	Roll #	Address	Proposed Exemption Level for 2008	Value of 2008 Portion of Taxes if not exempt	Estimated 2009 Portion of Taxes if not exempt	Estimated 2010 Portion of Taxes if not exempt
Grace Baptist Church	143-000	467 - 4th St.	100%	\$205	\$212	\$218
Anglican Synod Diocese of B.C.	313-100	591 - 5th St.	100%	\$1,936	\$1,994	\$2,054
Central Evangelical Free Church	336-000	505 Fitzgerald Ave.	100%	\$586	\$604	\$622
Elim Gospel Hall	341-000	575 - 5th St.	100%	\$804	\$828	\$853
Elim Gospel Hall	342-000	575 - 5th St.	100%	\$462	\$476	\$490
St. George's Church	346-000	505 - 6th St.	100%	\$1,281	\$1,320	\$1,359
Calvary Community Church	618-220	2201 Robert Lang Dr.	100%	\$1,027	\$1,058	\$1,089
Salvation Army Canada West	1074-050	1580,1590 Fitzgerald Ave.	100%	\$555	\$572	\$589
Lutheran Church	1166-000	771 - 17th St.	100%	\$1,054	\$1,086	\$1,118
Valley United Pentacostal Church of B.C.	1211-004	1814 Fitzgerald Ave.	100%	\$691	\$711	\$733
Bishop of Victoria Catholic Church	1524-102	1599 Tunner Dr.	100%	\$1,609	\$1,657	\$1,707
Kingdom Hall of Jehova Witnesses	1594-000	1581 Dingwall Rd.	100%	\$872	\$898	\$925
Seventh Day Adventist Church	1691-030	4660 Headquarters Rd	100%	\$636	\$655	\$675
Anglican Synod Diocese of B.C.	1691-044	1514 Dingwall Rd.	100%	\$553	\$569	\$586
LDS Church	2005-000	1901 - 20th St.	100%	\$1,390	\$1,432	\$1,475
Foursquare Gospel Church of Canada	2017-034	1640 Burgess Rd.	100%	\$10,378	\$10,690	\$11,010

## 2008 Other Non-Profit Organizations Tax Exemption

Property	Roll #	Address	Proposed Exemption Level for 2008	Value of 2008 Portion of Taxes if not exempt	Estimated 2009 Portion of Taxes if not exempt	Estimated 2010 Portion of Taxes if not exempt
Courtenay Mental Health Patients Assoc.	49-000	280 4th St.	100%	\$4,633	\$4,772	\$4,915
Royal Canadian Legion Courtenay Branch 17	122-000	367 Cliffe Ave	100%	\$13,366	\$13,767	\$14,181
Comox Valley Child Development Assoc.	163-000	237 3rd St.	100%	\$16,499	\$16,994	\$17,504
Alano Club of Courtenay	348-000	543 6th St.	100%	\$4,119	\$4,242	\$4,369
Old Church Theatre Society	513-000	755 Harmston Ave.	100%	\$10,785	\$11,108	\$11,442
C.V. Pregnancy Care Centre	540-000	785 6th St.	100%	\$1,614	\$1,663	\$1,713
Comox Valley Recovery Centre Society	750-020	641 Menzies Ave.	100%	\$7,281	\$7,500	\$7,725
C.V. Boys and Girls Club	828-000	367 11th St.	100%	\$4,833	\$4,978	\$5,128
Comox Valley Family Services Association	1037-000	1415 Cliffe Ave.	100%	\$7,000	\$7,210	\$7,427
Glacier View Lodge Soc.	1494-000	2470 Back Rd.	100%	\$3,445	\$3,549	\$3,655
Glacier View Lodge Soc.	1494-010	2470 Back Rd.	100%	\$3,484	\$3,588	\$3,696
Glacier View Lodge Soc.	1494-050	2450 Back Rd.	100%	\$62,132	\$63,996	\$65,916
Courtenay & District Historical Society in Trust	2200-044	2564 Cumberland Rd.	100%	\$3,660	\$3,770	\$3,883
Comox Figure Skating Club	3200-009	3001 Vanier Dr	100%	\$307	\$316	\$325
C.V. Curling Club	3200-072	4835 Headquarters Rd.	100%	\$23,549	\$24,255	\$24,983
Island Corridor Fndn.	467-000	Railway Corridor	100%	\$361	\$371	\$383
Island Corridor Fndn.	467-100	Railway Corridor	100%	\$75	\$78	\$80
Island Corridor Fndn.	613-100	Railway Corridor	100%	\$62	\$64	\$66
Island Corridor Fndn.	2154-000	Railway Corridor	100%	\$3,735	\$3,847	\$3,963
Island Corridor Fndn.	2154-001	Railway Corridor	100%	\$3,562	\$3,669	\$3,779
Island Corridor Fndn.	2154-003	Railway Corridor	100%	\$5,937	\$6,115	\$6,298
St John the Divine Abbeyfield House Society	750-100	994 8th Street	75%	\$6,145	\$6,329	\$6,519
C.V. KiwanisVilage Soc.	757-000	635 Pidcock Ave.	75%	\$705	\$726	\$748
C.V. KiwanisVilage Soc.	757-001	635 Pidcock Ave.	75%	\$7,589	\$7,816	\$8,051
C.V. KiwanisVilage Soc.	758-000	635 Pidcock Ave.	75%	\$2,550	\$2,627	\$2705
L'Arche Comox Valley	1286-045	534 19th Street	75%	\$1,538	\$1,584	\$1,631



**THE CORPORATION OF  
THE CITY OF COURTENAY**

*Financial Statements*

*Year Ending December 31, 2008*



## THE CORPORATION OF THE CITY OF COURTENAY

### Management's Responsibility for Financial Reporting

The preparation of information in these Financial Statements is the responsibility of management. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted for British Columbia municipalities and are outlined under "Significant Accounting Policies" in the notes to the financial statements.


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

Meyers Norris Penny LLP, the City's independent auditors, have audited the accompanying financial statements. Their reports accompany this statement.



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T. Manthey, BA, CGA  
Director of Financial Services



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Greg Phelps  
Mayor

To the Mayor and Council of the Corporation of the City of Courtenay:

We have audited the consolidated statement of financial position of The Corporation of the City of Courtenay as at December 31, 2008 and the consolidated statements of financial activities, change in equity in capital assets, change in financial position and consolidated schedule of segment disclosure by service for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2008 and the results of its operations and its changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

*Meyers Ronni Perry LLP.*

Chartered Accountants


Courtenay, British Columbia  
March 13, 2009



**THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2008**

**STATEMENT A**

	2008	2007
<b>FINANCIAL ASSETS</b>		
Cash on hand and on deposit (Schedule C)	\$ 23,089,673	\$ 22,519,242
Receivables	3,003,961	2,405,251
	26,093,634	24,924,493
<b>LIABILITIES</b>		
Accounts Payable	5,818,681	4,922,124
Trust and Other Deposits	2,431,944	2,610,843
Deferred Revenue - Federal Gas Tax (Note 5)	1,201,776	925,579
Deferred Revenue - Development Cost Charges (Note 7)	4,247,763	3,793,314
Deferred Revenue - Other (Note 10)	596,556	683,685
Long-Term Debt (Schedule B)	16,772,545	16,658,054
	31,069,265	29,593,599
<b>NET FINANCIAL LIABILITIES</b>	(4,975,631)	(4,669,106)
<b>PHYSICAL ASSETS</b>		
Inventories	218,629	210,741
Prepaid Expenses	357,967	-
Capital Assets (Schedule A)	107,381,323	101,456,556
	107,957,919	101,667,297
<b>NET POSITION</b>	\$ 102,982,288	\$ 96,998,191
<b>MUNICIPAL POSITION</b>		
Fund Balances		
Operating surplus funds	4,098,895	3,725,988
Operating surplus funds Reserve for Future Expenditure	1,498,888	1,432,266
Capital surplus funds	1,451,869	1,296,498
Reserve funds	5,323,858	5,744,937
Total Fund Balances (Statement B)	12,373,510	12,199,689
Equity in Capital Assets (Statement C)	90,608,778	84,798,502
	\$ 102,982,288	\$ 96,998,191


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 T. Manthey, BA, CGA  
 Director of Financial Services

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

**THE CORPORATION OF THE CITY OF COURTENAY**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2008**

**STATEMENT B**

**Page 1 of 2**

<b>REVENUE</b>	2008 Budget (Unaudited)	2008	2007
Taxes for Municipal Purposes	\$ 18,542,089	\$ 18,640,263	\$ 17,303,258
Sale of Services	7,788,895	7,739,394	6,733,351
Revenue from own sources	3,236,222	3,028,528	3,169,206
Federal transfers	57,500	395,347	659,276
Provincial transfers	428,073	978,230	363,096
Other local government transfers	182,500	160,869	158,832
Contributions	309,943	641,061	803,803
DCC Revenue	-	692,966	636,061
Investment income and taxation penalties	871,875	1,042,046	1,048,595
Other	243,500	265,477	233,293
Actuarial adjustment	-	238,017	191,590
Proceeds on sale of capital assets	-	31,720	699,132
<b>TOTAL REVENUE</b>	<b>31,660,597</b>	<b>33,853,918</b>	<b>31,999,493</b>
<b>EXPENDITURE</b>			
General government services	3,052,983	2,712,166	2,598,348
Protective services	7,931,080	7,644,416	6,197,147
Transportation services	7,762,027	6,144,873	5,602,540
Sewer and water facilities	8,663,717	6,934,218	5,697,540
Environmental health services	1,915,000	1,983,508	1,778,119
Public health and welfare services	174,500	175,533	166,833
Environmental development services	406,750	368,991	329,999
Recreational and cultural services	9,584,421	8,196,738	7,230,906
<b>TOTAL EXPENDITURE</b>	<b>39,490,478</b>	<b>34,160,443</b>	<b>29,601,432</b>
<b>EXCESS REVENUE OVER EXPENDITURE</b>	<b>\$ (7,829,881)</b>	<b>\$ (306,525)</b>	<b>\$ 2,398,061</b>
(Change in Net Financial Liabilities)			

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

**THE CORPORATION OF THE CITY OF COURTENAY**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

**YEAR ENDED DECEMBER 31, 2008**

**Page 2 of 2**

	<u>2008</u>	<u>2008</u>	<u>2007</u>
	<u>Budget</u>		
	(Unaudited)		
<b>EXCESS REVENUE OVER EXPENDITURE</b>	<u>\$ (7,829,881)</u>	<u>\$ (306,525)</u>	<u>\$ 2,398,061</u>
Actuarial adjustment	-	(238,017)	(191,590)
Valuation adjustment - inventory/Prepays	-	365,855	13,369
Debt issued	3,191,410	1,564,506	1,575,000
Principal Repaid	<u>(1,035,305)</u>	<u>(1,211,998)</u>	<u>(2,203,690)</u>
	<u>2,156,105</u>	<u>480,346</u>	<u>(806,911)</u>
<b>INCREASE (DECREASE) IN FUND BALANCE</b>	<u>(5,673,776)</u>	<u>173,821</u>	<u>1,591,150</u>
<b>BEGINNING FUND BALANCES</b>	<u>11,418,646</u>	<u>12,199,689</u>	<u>10,608,539</u>
<b>ENDING CONSOLIDATED FUND BALANCES</b>	<u>\$ 5,744,870</u>	<u>\$ 12,373,510</u>	<u>\$ 12,199,689</u>

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

**THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED STATEMENT OF CHANGE IN EQUITY IN CAPITAL ASSETS  
YEAR ENDED DECEMBER 31, 2008**

**STATEMENT C**

	2008	2007
<b>BEGINNING EQUITY IN CAPITAL ASSETS</b>	\$ 84,798,502	\$ 79,418,735
<b>CHANGES IN CAPITAL ASSETS</b>		
Purchases of Capital Assets	6,364,597	4,897,792
Disposals of Capital Assets (at cost)	(439,830)	(338,304)
<b>CHANGES IN RELATED LIABILITIES</b>		
Principal payment of debenture (to sinking fund)	880,822	801,655
Actuarial earnings on debenture sinking fund	238,017	191,590
Loan proceeds on capital assets	(1,564,506)	(1,575,000)
Other debt retirement	323,699	1,288,350
Repayments of lease principal	7,477	113,684
<b>ENDING EQUITY IN CAPITAL ASSETS</b>	<b>\$ 90,608,778</b>	<b>\$ 84,798,502</b>

The accompanying notes are an integral part of these financial statements

**THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED STATEMENT OF CHANGE  
IN FINANCIAL POSITION  
YEAR ENDED DECEMBER 31, 2008**

**STATEMENT D**

	2008	2007
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Net before financing activities	\$ (306,525)	\$ 2,398,061
Changes in non-cash balances		
Increase in receivables	(598,710)	1,057,126
Increase in accounts payable	896,557	736,121
Decrease in trust and other deposits	(178,899)	(689,470)
Increase in deferred revenue	643,517	831,673
	455,940	4,333,511
<b>FINANCING ACTIVITIES</b>		
Repayment of long-term debt	(1,211,998)	(2,203,690)
Actuarial adjustment	(238,017)	(191,590)
Long-term debt proceeds	1,564,506	1,575,000
	114,491	(820,280)
<b>NET CHANGE IN CASH ON HAND AND ON DEPOSIT</b>	<b>570,431</b>	<b>3,513,231</b>
<b>BEGINNING CASH ON HAND AND ON DEPOSIT</b>	<b>22,519,242</b>	<b>19,006,011</b>
<b>ENDING CASH ON HAND AND ON DEPOSIT</b>	<b>\$ 23,089,673</b>	<b>\$ 22,519,242</b>

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

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2008**

**PAGE 1 OF 9**

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

**1. SIGNIFICANT ACCOUNTING POLICIES**

(a) **Basis of Presentation**

It is the policy of the City to follow accounting principles accepted for British Columbia municipalities and to apply such principles consistently. The consolidated financial statements include the operations of General, Water Utility, Sewer, Capital, Reserve Funds, and the Sid Williams Theatre Society. They have been prepared using guidelines issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The financial resources and operations of the City have been consolidated for financial statement purposes and include the accounts of all of the funds and equity in capital assets of the City totalling \$102,982,288. As part of the supplementary information, the resources and operation of the City are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the stewardship of the assets allocated to it.

(b) **Accrual Accounting**

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

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

Taxes for Municipal Purposes are recognized in the year levied.

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

Government Transfers are recognized as revenues in the period in which the events giving rise to the transfer occur and only recorded once authorized, eligibility criteria is met, and the amount can be reasonably estimated.

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

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

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

Proceeds on the Sale of Assets are recorded in the year that ownership transfers to the purchaser.



**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2008**

**PAGE 2 OF 9**

(c) **Accrued Payroll Benefits**

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

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

(d) **Use of Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accounts Receivable are stated after evaluation of their collectibility. Post employment benefits are calculated by an Actuary. These estimates and assumptions are reviewed periodically and as adjustments become necessary they are reported in earnings in the periods in which they become known.

(e) **Inventories**

Inventories are valued at the lower of cost and net realizable value.

(f) **Capital Assets**

Capital Assets consist of Land, Buildings, Engineering Structures, Machinery, and Equipment. Capital Assets are measured at cost. No amortization is recorded.

The Public Sector Accounting Board of the Canadian Institute of Chartered Accountants has recently revised the standards for accounting and reporting of Tangible Capital Assets. As of January 1, 2009 it will be mandatory for the City to comply with these new standards and report all Tangible Capital Assets at historical cost with related accumulated amortization as outlined in Section 3150 of the Public Sector Accounting Handbook.

The City of Courtenay is currently in the data collection phase of the project. An appraisal service has been contracted to assist with the accurate valuation of the assets and the City will be fully compliant for 2009 financial statement reporting.

(g) **Financial Instruments**

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

(h) **Debt Charges**

Debt charges, including principal and interest, are charged against current fund balances in the period as they accrue. Interest payable on debt has been accrued to December 31, 2008.

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2008**

**2. CONTINGENT LIABILITIES AND COMMITMENTS**

(a) Regional District debt is, under the provisions of the Local Government Act (Section 836), a direct, joint and several liability of the District and each member municipality within the District, including the Corporation of the City of Courtenay.

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

2009	\$	1,011,899
2010		951,971
2011		1,047,735
2012		1,719,370
2013		<u>1,719,370</u>
	\$	6,450,345

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

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

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

(d) As at December 31, 2008, there existed outstanding claims against the City. These claims have been referred to legal council and to the City's liability insurers. It is not possible to determine the City's potential liability, if any, with respect to these matters. Management has determined that any potential liabilities arising from these outstanding claims are not significant.

(e) As at December 31, 2008, the City has guaranteed a loan, with an outstanding balance of \$178,743, for the Community Futures Development Corporation for the purposes of renovating the Comox Valley Centre for the Arts. Payment under this guarantee is required if the debt holder becomes no longer able to make the required monthly payments. As at December 31, 2008, no liability has been recorded associated with this guarantee.

(f) As at December 31, 2008, there exists an outstanding loan payable of \$930,307 to PT Courtenay Enterprises Ltd. representing the expenses incurred by the company to complete the required off site works around the Chances Courtenay Gaming Centre. This amount is to be reimbursed interest free by the City at the greater of \$150,000 per year or one-third of the gross gaming revenue transferred from the Province of British Columbia annually until the amount is paid in full.

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2008**

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**3. PENSION LIABILITY**

The municipality and its employees contribute to the Municipal Pension Plan (the plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 150,000 active members and approximately 54,000 retired members. Active members include approximately 32,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the surplus to individual employers. The City of Courtenay paid \$485,644 for employer contributions to the plan in fiscal 2008 (\$448,072 in 2007).

**4. HOST FINANCIAL ASSISTANCE AGREEMENT**

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

**THE CORPORATION OF THE CITY OF COURTENAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2008**

PAGE 5 OF 9

**5. FEDERAL GAS TAX AGREEMENT FUNDS**

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

The City of Courtenay received the first contribution of Gas Tax funding in 2005 and reports the balance as deferred revenue until it is used to fund the specified projects outlined in the funding agreement. Interest is accrued and allocated monthly to the balance.

Following is a schedule of Gas Tax receipts and disbursements received in 2008 with comparatives to 2007.

	<u>2008</u>	<u>2007</u>
<b>Opening Balance of Unspent Funds</b>	<b>\$ 925,579</b>	<b>\$ 544,883</b>
Additions:		
Amounts Received During the Year	468,989	356,034
Interest Earned	27,208	24,662
Deductions:		
Amount Spent on Projects	(220,000)	-
Amount Spent on Administration	-	-
<b>Closing Balance of Unspent Funds</b>	<b><u>\$ 1,201,776</u></b>	<b><u>\$ 925,579</u></b>

**6. DEBENTURE AND OTHER LONG-TERM DEBT**

Funding of certain general debenture and other long-term principal and interest debt repayment is provided by sources other than general taxation. Other sources include short term loan proceeds used to bridge the gap for debenture debt proceeds, and lease and rental revenues, which reduce the requirement to fund debt repayment from general taxation revenues. This source of funding detail at the time of the annual tax levy, with 2007 comparatives, is as follows:

	<u>2008</u>	<u>2007</u>
Municipal debt levy, general taxation	\$1,612,487	\$1,711,887
Loan Proceeds	-	1,000,000
Lease and rental revenues	<u>301,329</u>	<u>319,661</u>
<b>Total funding required – general debt repayment</b>	<b><u>\$1,913,816</u></b>	<b><u>\$3,031,548</u></b>

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2008**

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**7. DEFERRED REVENUE - DEVELOPMENT COST CHARGES**

In order to conform with the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, the unspent development cost charges in the following financial statements have been recorded as a liability. Following is a breakdown of cash increases and decreases for the General, Water, and Sewer development costs charge reserves for 2007 and 2008.

	General Reserve DCC BL #2017	Water Utility Reserve DCC BL #2017	2008 Sewer Utility Reserve DCC BL #2017	Sewer Utility Reserve DCC BL #1638	2008 Total
<b>Balance Forward</b>	\$ 2,825,367	\$ 176,478	\$ 760,087	\$ 31,382	\$ 3,793,314
<b>Increases</b>					
Interest	87,226	5,470	21,494	839	115,029
Other Contributions	841,672	76,874	113,840	-	1,032,386
	<u>928,898</u>	<u>82,344</u>	<u>135,334</u>	<u>839</u>	<u>1,147,415</u>
<b>Decreases</b>					
Revenue Recognized to Fund Capital Projects	(476,605)	-	(216,361)	-	(692,966)
Reclassifications, redemptions, refunds	-	-	-	-	-
	<u>(476,605)</u>	<u>-</u>	<u>(216,361)</u>	<u>-</u>	<u>(692,966)</u>
<b>Ending Balance Deferred Revenue - DCC</b>	<u>\$ 3,277,660</u>	<u>\$ 258,822</u>	<u>\$ 679,060</u>	<u>\$ 32,221</u>	<u>\$ 4,247,763</u>

	General Reserve DCC BL #2017	Water Utility Reserve DCC BL #2017	2007 Sewer Utility Reserve DCC BL #2017	Sewer Utility Reserve DCC BL #1638	2007 Total
<b>Balance Forward</b>	\$ 2,426,187	\$ 222,133	\$ 649,462	\$ 30,212	\$ 3,327,994
<b>Increases</b>					
Interest	102,293	10,548	28,463	1,170	142,474
Other Contributions	660,936	113,786	184,185	-	958,907
	<u>763,229</u>	<u>124,334</u>	<u>212,648</u>	<u>1,170</u>	<u>1,101,381</u>
<b>Decreases</b>					
Revenue Recognized to Fund Capital Projects	(286,943)	(169,989)	(102,023)	-	(558,955)
Reclassifications, redemptions, refunds	(77,106)	-	-	-	(77,106)
	<u>(364,049)</u>	<u>(169,989)</u>	<u>(102,023)</u>	<u>-</u>	<u>(636,061)</u>
<b>Ending Balance Deferred Revenue - DCC</b>	<u>\$ 2,825,367</u>	<u>\$ 176,478</u>	<u>\$ 760,087</u>	<u>\$ 31,382</u>	<u>\$ 3,793,314</u>

**THE CORPORATION OF THE CITY OF COURTENAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2008**

**8. ENVIRONMENTAL REGULATIONS**

The City makes every reasonable effort to comply with all environmental regulations that apply to its operations. These regulations may require future expenditures to meet applicable standards. Amounts required to meet these obligations will be charged to operations when incurred or set aside as future reserves when they can be reasonably estimated.

**9. TRUST AND ENDOWMENT FUNDS**

- (a) The Cemetery Perpetual Care Fund has been assigned to the City to be administered as directed by statute. The City holds the assets for the benefit of, and stands in fiduciary relationship to, the beneficiary. Following is a summary of the financial position and activities for 2007 and 2008, which has been excluded from the City's financial statements.

<b>CEMETERY PERPETUAL CARE FUND FINANCIAL POSITION</b>	<u>2008</u>	<u>2007</u>	<b>CEMETERY PERPETUAL CARE FUND FINANCIAL ACTIVITIES</b>	<u>2008</u>	<u>2007</u>
<b>Financial Assets</b>			<b>Revenue</b>		
Cash on Hand	\$ 12,683	\$ 222,659	Fees Levied	\$ 7,074	\$ 6,359
Investments - MFA	<u>218,068</u>	<u>-</u>	Interest Revenue	<u>7,437</u>	<u>6,419</u>
<b>Liabilities</b>			<b>Expenditure</b>		
Interest Payable to City	<u>7,437</u>	<u>6,419</u>	Interest Expense	<u>7,437</u>	<u>6,419</u>
<b>Net Financial Position</b>	<u><u>\$223,314</u></u>	<u><u>\$216,240</u></u>	<b>Excess Revenue over Expenditure</b>	<u><u>\$ 7,074</u></u>	<u><u>\$ 6,359</u></u>

- (b) The Sid Williams Theatre has endowment funds on deposit with the Comox Valley Community Foundation in the amount of \$179,334. The principal amount of this endowment cannot be utilized or withdrawn and as such are not considered assets of the City of Courtenay. The endowment funds are not reported as an asset on the balance sheet.

**THE CORPORATION OF THE CITY OF COURTENAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2008**

**10. DEFERRED REVENUE – OTHER**

Other Deferred Revenue recorded in the Liability section of the City’s Financial Statements consists of the revenues related to Development Cost Charge instalment payments owing from Developers and to be received in future years, business license revenue levied and to be recognized in future years, sewer connection instalment payments owing from property owners and to be recognized in future years, Government transfers received prior to revenue recognition criteria being met, gift certificates issued and to be redeemed in future years at the Sid Williams Theatre, and Surcharge revenue to be recognized in future years at the Sid Williams Theatre. Following is a breakdown of the change in this balance for 2007 and 2008:

	<b>2008</b>	<b>2007</b>
<b>Opening Balance</b>	<b>\$ 683,685</b>	<b>\$ 698,028</b>
Additions to Deferred Revenue	574,134	593,259
Payments Collected/Revenue Recognized	(661,263)	(607,602)
	<b>\$ 596,556</b>	<b>\$ 683,685</b>

**11. MFA DEBT RESERVE FUNDS**

The City secures its long term borrowing through the Municipal Finance Authority. As a condition of these borrowings a portion of the debenture proceeds are retained by the Authority as a debt reserve fund. These funds are reported in the schedules of the City’s financial statements and eliminated upon consolidation. As at December 31, 2008 the City had debt reserve funds of \$1,093,442 (\$1,058,913 in 2007).

**12. EMPLOYEE RETIREMENT BENEFIT LIABILITY**

Employees with 10 years of continuous service retiring under the terms of the Municipal Superannuation Act are entitled to a payout of up to 72 days of their accumulated unused sick leave bank and up to a maximum of 8 additional severance days for each year of service in which the employee used no sick leave. Additionally, upon death of the employee, the bank, up to a maximum of 72 days, will be payable to the employee’s life benefit beneficiary. The value of this liability is calculated by an Actuary engaged by the City and reflects the likelihood that all eligible City employees will become entitled to this benefit. Actuarial valuation assumptions for 2008 were based on an interest (discount) rate of 5.00% per annum and inflation rate of 2.50% per annum. The unfunded portion of the estimated employee retirement benefit liability at December 31, 2008 is nil. (nil, 2007). The total estimated employee retirement benefit liability at December 31, 2008 is \$611,908 (\$552,217 in 2007) and is included in the accounts payable balance on statement A. Employee retirement benefit payments are funded with a monthly accrual charged to wage expense throughout the year.

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2008**

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**13. CONSOLIDATED SEGMENT DISCLOSURE BY SERVICE**

The City of Courtenay Consolidated Financial Statements includes the financial activities of various services made available to the community. Following is a description of the types of services included in each of the main service segments of the City's financial statements. A detailed summary of the 2008 revenues and expenses with 2007 comparatives for each segment can be found in Schedule E of the accompanying financial statements.

**General Government Services**

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

**Protective Services**

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

**Transportation Services**

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

**Environmental Health Services**

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

**Public Health and Welfare Services**

Includes cemetery services.

**Environmental Development Services**

Includes services related to planning, zoning, and sustainability.

**Recreational and Cultural Services**

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

**Water Utility Services**

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

**Sewer Utility Services**

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

**Other Services**

Includes the operations of the Sid Williams Theatre.



**THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE  
YEAR ENDED DECEMBER 31, 2008  
(Audited)**

SCHEDULE E  
(Note 13)

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	General Government Services		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services		Environmental Development Services	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
<b>REVENUE:</b>												
Taxation	\$ 18,640,263	\$ 17,303,258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales of Services	-	-	755,370	751,551	-	-	1,990,835	1,849,911	-	-	-	-
Revenue from Own Sources	-	-	557,980	913,598	271,208	283,970	-	-	-	-	437,029	389,435
Government Transfers	814,408	266,273	13,505	19,005	114,845	74,185	-	-	-	45,668	6,498	12,868
Transfer from Other Funds	-	-	-	-	125,000	125,000	-	-	-	-	-	-
Other Revenue	72,186	744,642	-	3,456	-	6,357	-	-	83,260	75,080	-	-
Other Contributions	-	-	-	-	583,880	658,718	-	-	-	-	1,000	-
Interest Earned	920,675	889,553	32,178	42,371	28,482	32,413	-	-	-	-	4,033	6,272
Actuarial Adjustment	230,385	188,987	-	-	-	-	-	-	-	-	-	-
Proceeds on sale of Assets	500	-	11,485	-	7,490	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>20,678,417</b>	<b>19,391,813</b>	<b>1,370,518</b>	<b>1,729,981</b>	<b>1,130,905</b>	<b>1,180,643</b>	<b>1,990,835</b>	<b>1,849,911</b>	<b>83,260</b>	<b>120,748</b>	<b>448,560</b>	<b>408,575</b>
<b>EXPENDITURE:</b>												
Salaries and Benefits	1,028,408	1,110,912	1,581,142	1,614,373	1,651,204	1,429,852	70,631	54,710	117,728	101,959	297,936	223,551
Goods and Services	402,511	340,189	4,555,782	3,731,807	857,609	672,159	1,262,624	1,082,597	52,883	55,734	48,343	99,015
Capital Expenditures	131,266	259,021	1,085,114	541,897	2,713,510	2,616,397	-	-	-	-	-	-
Debt Servicing	46,557	46,995	225,535	225,432	364,317	350,372	-	-	-	-	-	-
Transfer to Other Funds	(2,475,336)	(2,424,199)	-	-	-	-	-	-	-	-	-	-
Other Expenditures	261,750	157,448	103,315	108,637	222,039	316,549	650,253	640,842	4,921	9,140	22,713	7,434
<b>Total Expenditures</b>	<b>(604,844)</b>	<b>(509,634)</b>	<b>7,550,888</b>	<b>6,222,146</b>	<b>5,808,679</b>	<b>5,385,329</b>	<b>1,983,508</b>	<b>1,778,149</b>	<b>175,532</b>	<b>166,833</b>	<b>368,992</b>	<b>330,000</b>
<b>Excess (Deficiency) of Revenue over Expenditure</b>	<b>21,283,261</b>	<b>19,901,447</b>	<b>(6,180,370)</b>	<b>(4,492,165)</b>	<b>(4,677,774)</b>	<b>(4,204,686)</b>	<b>7,327</b>	<b>71,762</b>	<b>(92,272)</b>	<b>(46,085)</b>	<b>79,568</b>	<b>78,575</b>
Actuarial Adjustment	(230,385)	(188,987)	-	-	-	-	-	-	-	-	-	-
Valuation Adjustment	-	-	-	-	365,855	13,369	-	-	-	-	-	-
Debt Issued	-	-	-	-	1,564,506	1,575,000	-	-	-	-	-	-
<b>Principal Repaid</b>	<b>(226,627)</b>	<b>(53,757)</b>	<b>(163,861)</b>	<b>(163,861)</b>	<b>(372,596)</b>	<b>(1,537,157)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Increase (Decrease) to Fund Balances</b>	<b>\$ 20,826,249</b>	<b>\$ 19,659,603</b>	<b>\$ (6,344,231)</b>	<b>\$ (4,656,026)</b>	<b>\$ (3,120,009)</b>	<b>\$ (4,153,474)</b>	<b>\$ 7,327</b>	<b>\$ 71,762</b>	<b>\$ (92,272)</b>	<b>\$ (46,085)</b>	<b>\$ 79,568</b>	<b>\$ 78,575</b>

THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE  
YEAR ENDED DECEMBER 31, 2008  
(Audited)

	Recreational and Cultural Services		Water Utility Services		Sewer Utility Services		Other Services		Inter-segment Eliminations		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
<b>REVENUE:</b>												
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,640,263	\$ 17,303,258
Sales of Services	-	-	3,161,075	2,526,666	1,832,114	1,605,223	-	-	-	-	7,739,394	6,733,351
Revenue from Own Sources	1,186,136	1,075,391	101,176	103,242	5,500	33,872	569,499	469,698	(100,000)	(100,000)	3,028,528	3,169,206
Government Transfers	289,795	679,980	-	-	223,120	5,500	72,275	77,725	-	-	1,534,446	1,181,204
Transfer from Other Funds	-	-	635,305	621,500	1,840,031	1,802,699	130,000	125,000	(2,730,336)	(2,674,199)	-	-
Other Revenue	34,940	27,748	75,091	75,142	-	-	-	-	-	-	265,477	932,425
Other Contributions	294,389	144,785	-	186,528	384,397	410,436	70,361	39,397	-	-	1,334,027	1,439,864
Interest Earned	12,425	14,764	4,903	5,245	39,350	57,977	-	-	-	-	1,042,046	1,048,595
Actuarial Adjustment	-	-	806	-	6,826	3,503	-	-	-	-	238,017	191,590
Proceeds on sale of Assets	-	-	-	-	-	-	-	-	-	-	31,720	-
<b>Total Revenues</b>	<b>1,829,930</b>	<b>1,942,668</b>	<b>3,978,356</b>	<b>3,518,323</b>	<b>4,331,338</b>	<b>3,919,210</b>	<b>842,135</b>	<b>711,820</b>	<b>(2,830,336)</b>	<b>(2,774,199)</b>	<b>33,853,918</b>	<b>31,999,493</b>
<b>EXPENDITURE:</b>												
Salaries and Benefits	2,813,199	2,549,618	346,344	284,807	249,583	216,928	350,806	330,197	-	-	8,506,981	7,916,907
Goods and Services	1,927,650	1,601,453	2,968,515	2,370,098	629,541	561,394	473,980	345,103	265,855	(86,628)	13,445,293	10,772,921
Capital Expenditures	976,383	658,993	106,092	337,510	1,352,232	483,974	-	-	-	-	6,364,597	4,897,792
Debt Servicing	340,289	352,483	27,960	27,960	144,509	144,485	-	-	-	-	1,149,167	1,147,727
Transfer to Other Funds	(130,000)	(125,000)	(75,000)	(75,000)	(50,000)	(50,000)	-	-	2,730,336	2,674,199	-	-
Other Expenditures	1,288,103	1,483,758	28,147	45,781	2,105,809	2,086,714	7,355	9,782	-	-	4,694,405	4,866,085
<b>Total Expenditures</b>	<b>7,215,624</b>	<b>6,521,305</b>	<b>3,402,058</b>	<b>2,991,156</b>	<b>4,431,674</b>	<b>3,443,495</b>	<b>832,141</b>	<b>685,082</b>	<b>2,996,191</b>	<b>2,587,571</b>	<b>34,160,443</b>	<b>29,601,432</b>
<b>Excess (Deficiency) of Revenue over Expenditure</b>	<b>(5,385,694)</b>	<b>(4,578,637)</b>	<b>576,298</b>	<b>527,167</b>	<b>(100,336)</b>	<b>475,715</b>	<b>9,994</b>	<b>26,738</b>	<b>(5,826,527)</b>	<b>(5,361,770)</b>	<b>(306,525)</b>	<b>2,398,061</b>
Actuarial Adjustment	-	-	(806)	-	(6,826)	(3,503)	-	-	-	-	(238,017)	(191,590)
Valuation Adjustment	-	-	-	-	-	-	-	-	-	-	365,855	13,369
Debt Issued	-	-	-	-	-	-	-	-	-	-	1,564,506	1,575,000
<b>Principal Repaid</b>	<b>(353,523)</b>	<b>(353,523)</b>	<b>(20,149)</b>	<b>(20,149)</b>	<b>(75,242)</b>	<b>(75,243)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,211,998)</b>	<b>(2,203,690)</b>
<b>Increase (Decrease) in Fund Balances</b>	<b>(5,739,217)</b>	<b>(4,932,160)</b>	<b>555,343</b>	<b>507,018</b>	<b>(182,404)</b>	<b>396,969</b>	<b>9,994</b>	<b>26,738</b>	<b>(5,826,527)</b>	<b>(5,361,770)</b>	<b>173,821</b>	<b>1,591,150</b>

# A Vision for the Future

All effective action leads toward a vision. The vision for the City of Courtenay held by Mayor and Council includes the following:

The City of Courtenay will be a highly desirable community as the largest city in the Comox Valley. The City will promote the character for the Valley and maintain and celebrate its diverse legacy of parklands, natural areas and agricultural lands. The City will be safe, open and inclusive, offering homes that are affordable for all levels of income. A full complement of infrastructure and a rich array of community amenities will be available to provide a great quality of life for all residents, including seniors. The City will be pedestrian friendly and its transportation system will provide many choices for mobility. The City will have a thriving economy that offers jobs and business opportunities for all its residents, and the City will be seen as a destination for culture, arts, education and healthy, active lifestyles on Vancouver Island.

The City's government will be seen as a leader on Vancouver Island in accountability, openness, effective governance, fiscal responsibility, effective service delivery, intergovernmental cooperation, and smart regional growth management.



Photo: Boomer Jerritt



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