

THE CORPORATION OF THE CITY OF COURTENAY

NOTICE OF COMMITTEE OF THE WHOLE MEETING

DATE: Monday, March 27, 2017
PLACE: City Hall Council Chambers
TIME: 4:00 p.m.

AGENDA

1.00 STAFF REPORTS/PRESENTATIONS

1. Staff Presentation – City Water Distribution System Overview
2. 2017 – 2021 Water and Sewer Financial Plans Supplementary Report
3. Grants-in-Aid Supplemental Report

2.00 RESOLUTIONS OF COUNCIL

1. **In Camera Meeting:**

That notice is hereby given that a Special In-Camera meeting closed to the public will be held March 27, 2017 at the conclusion of the Committee of the Whole Meeting pursuant to the following sub-sections of the *Community Charter*:

- 90 (1)(g) litigation or potential litigation affecting the municipality.

3.00 ADJOURNMENT



THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT

To: Council – Committee of the Whole

File No.: 1705-20/1715-20

From: Chief Administrative Officer

Date: March 27, 2017

Subject: 2017 – 2021 Water and Sewer Financial Plans Supplementary Report

PURPOSE:

The purpose of this report is to provide supplementary information regarding the 2017 – 2021 Water and Sewer Financial plans.

POLICY ANALYSIS:

The following motion was passed at the March 20, 2017 Council meeting:

.03	Moved by Hillian and seconded by Wells that the March 20, 2017
2017–2021	Staff Report “2017 – 2021 Water Fund Financial Plan and Rate
WATER FUND	Increases” be postponed to a future Council meeting along with
FINANCIAL PLAN	additional information from staff.
1705-20/	Carried
1715-20	

EXECUTIVE SUMMARY:

On March 20th, 2017 Council was presented with the 2017 – 2021 Sewer and Water Financial Plans. Council requested information with respect to the blended impact of water rate changes on residents of the City. This report addressed this request and identifies funding changes for three Water and Sewer capital items after the City’s Clean Water and WasteWater Fund (CWWF) grant application was denied.

CAO RECOMMENDATIONS:

That based on the March 27th, 2017 staff report “2017 – 2021 Water and Sewer Financial Plans Supplementary Report”, Council approve the 2017 – 2021 Water Fund Financial Plan and changes to the 2017 Sewer Fund Financial Plan Capital projects;

That water user fees be increased by 15% for 2017 and 10% for 2018; and,

That water frontage rates be increased annually by 25% for 2017 and 2018; and,

That staff be directed to amend the “City of Courtenay Fees and Charges Bylaw No. 1673, 1992” and “Water Service Frontage Tax Amendment Bylaw No. 2766, 2013 to reflect the proposed increases.

(Recommended)

Respectfully submitted,

David Allen, BES, CLGEM, SCLGM

Chief Administrative Officer

BACKGROUND:

At the March 20, 2017 Council meeting, the 2017 – 2021 Water and Sewer Financial Plans were provided for Council’s review and approval. Council requested further information regarding the utility rates for the water fund.

On Friday, March 17, 2017 Staff was notified of the status of the Clean Water and Wastewater Fund (CWWF) grant applications for water and sewer capital projects. Council reports were completed and distributed by that time so they could not be modified prior to the March 20th Council meeting.

DISCUSSION:

Changes to Capital Projects:

The City applied for CWWF grant funding for:

- the Supervisory Control and Data Acquisition System (SCADA) System implementation - \$780,000; Grant amount \$647,400 (Sewer Fund Capital);
- the Sandwick Conversion to City of Courtenay system - \$1,593,000; Grant amount of \$905,000 (Water Fund Capital); and,
- Watermain on Willemar Avenue (17th to 26th Street) - \$1,064,600; Grant amount of \$883,600 (Water Fund Capital).

These grants were not approved.

Staff suggests that the SCADA system proceed since it can be funded from Gas Tax dollars (external funding source) and has the potential to generate operational savings. Total Capital spending for the Sewer Fund will remain at \$1,393,500.

The City is required to complete the Sandwick conversion based on letters patent and in order to meet these legal requirements, staff recommend that this project be funded from Water Capital Reserve dollars. There is no impact to the Transfer from Operating since this project will be funded from Reserve dollars. Based on information from the Asset Management program, the Willemar capital project can be delayed until a later date. Total Capital spending for the Water Fund is being reduced from \$5,131,100 to \$4,066,600.

Water Utility Rate Changes:

Externally imposed regulations necessitating higher levels of service, and increases to the bulk water rates as set by the CVRD are impacting the provision of the water operations to the public. If the service is to be self-sufficient, larger rate increases are necessary for operations to provide the level of service required by the City’s operating permit.

As well, Frontage fees need to increase so that there is sufficient revenue to cover capital renewal needs of the City. The City has a network of 170.5 kilometres of water infrastructure. The average life of water

infrastructure is 45 years. Each year, based on condition assessments of the existing infrastructure approximately 3.8 kilometres of water infrastructure should be replaced. It currently costs \$600 per metre to replace water infrastructure. Replacing 3.8 kilometres at \$600 per meter costs \$2.28M.

Historically, several kilometres of infrastructure would be installed in a new development and would exceed the renewal number of 3.8 kilometres (for example, Old Orchard area or the building boom of 2006), whereas in other years much less would be constructed (the building slump of 2008/9). Planning for larger renewal projects requires raising frontage fees so that reserves can be created to reduce or avoid future long-term debt. This is the primary driver for raising water frontage rates to a level equivalent or near that of the sewer frontage rate.

FINANCIAL IMPLICATIONS:

Council requested information with respect to how increases to the Water User fees and the Frontage Fees would impact an average residential consumer. Table 1 identifies the blended impact of the recommended 2017 rate changes - 15% increase to User Fees plus 25% increase to Frontage Fees.

Table 1:

		2016		2017	
		Dollars		15%	
User Fees			\$ 369.59		\$ 425.03
Frontage		Rate / m		Rate / m	
<i>Average lot size</i>					
21.83 metres		\$ 3.74	\$ 81.64		
	25%			\$ 4.68	\$ 102.06
Total of User Fees and Frontage			\$ 451.23		\$ 527.08
		<i>dollar increase</i>		\$ 75.85	
		<i>Blended % Increase</i>		16.81%	
				Monthly	\$ 6.32
				Daily	\$ 0.21

By blending the recommended increases to User fees and Frontage Fees, the average residential consumer will experience a net dollar increase of \$75.85 or a 16.81% to their annual water service rates. This is equivalent to a monthly increase of \$6.32 or \$0.21 per day.

Attachment # 1 provides a comprehensive review of different combinations of changes to the rates and the impact to an average residential property.

Attachment # 2 identifies the potential revenues when the Frontage Rate is increased annually by 25%, 20%, 15% or 10% for the next five years.

As identified in the March 20, 2017 report to Council, increasing water User Fees by 15% in 2017 and 10% in 2018 will provide the City with the opportunity to be in a surplus position of \$215,510.

Increasing the Frontage Rates by 25% in 2017 adds \$178,700 to the capital program, and if increased by 25% in 2018, an additional \$410,000. These significant increases will be beneficial when trying to build reserves to meet the annual infrastructure renewal target of \$2.28M.

ADMINISTRATIVE IMPLICATIONS:

Once Council approves a rate increase, staff will incorporate that into the necessary Bylaws and present them for review at the April 3, 2017 Council meeting. The Water and Sewer Financial Plans will be incorporated into the consolidated Five year Financial Plan due prior to May 15, 2017.

ASSET MANAGEMENT IMPLICATIONS:

Utilities are essential services that everyone participates in and continuously depend upon. They differ from other services in that they are structured from the outset to be self-sustaining. This is possible because all the operating and capital renewal costs of providing them are unique to that particular service and so the long-term future costs of sustainable service are reasonably predictable. Therefore, it is possible to also predict the amount of future charges necessary to sustain the service. In some years large amounts of utility infrastructure is constructed and in others fairly little. Consequently the assets do not come to the end of their service life in a conveniently equal way each year, so in times when relatively little renewal is necessary, it is prudent to continue charging for renewal costs and set the funds aside for a time when they will be predictably required. In this way funds from other services need not be unpredictably used at short notice to avoid or repair utility asset failures.

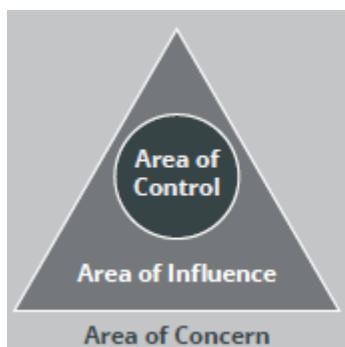
STRATEGIC PRIORITIES REFERENCE:

We focus on organizational and governance excellence

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

We proactively plan and invest in our natural and built environment

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



● **Area of Control**

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

▲ **Area of Influence**

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

■ **Area of Concern**

Matters of interest outside Council's jurisdictional authority to act.

OFFICIAL COMMUNITY PLAN REFERENCE:

N/A

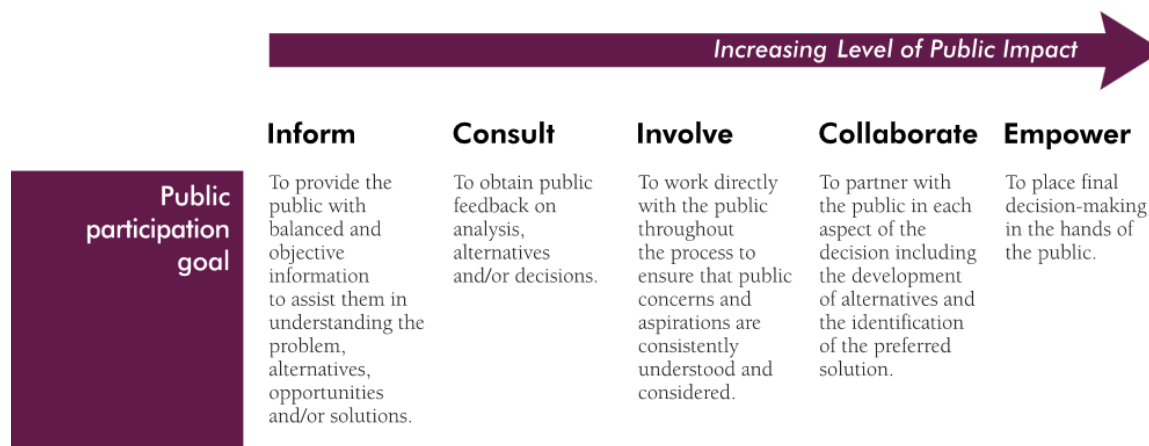
REGIONAL GROWTH STRATEGY REFERENCE:

N/A

CITIZEN/PUBLIC ENGAGEMENT:

As per Section 166 of the *Community Charter*, Staff would **consult** with the public based on the IAP2 Spectrum of Public Participation:

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



OPTIONS:

Option 1:

That Council approve the 2017 – 2021 Water Fund Financial Plan and changes to the Sewer Fund Financial Plan 2017 Capital projects;

That water user fee revenue be increased by 15% for 2017 and 10% for 2018; and,

That water frontage rates be increased annually by 25% for 2017 and 2018; and,

That staff be directed to amend the “City of Courtenay Fees and Charges Bylaw No. 1673, 1992” and “Water Service Frontage Tax Amendment Bylaw No. 2766, 2013 to reflect the proposed increases.

(Recommended)

Option 2:

That Council approve the 2017 -2021 Water Fund Financial Plan and changes to the Sewer Fund Financial Plan 2017 Capital projects;

That water user fee revenue be increased by 10% for 2017 and 10% for 2018; and,

That water frontage fees be increased annually by 20% for 2017 and 2018; and,

That staff be directed to amend the “City of Courtenay Fees and Charges Bylaw No. 1673, 1992” and “Water Service Frontage Tax Amendment Bylaw No. 2766, 2013 to reflect the proposed increases.

Option 3:

That Council approve the 2017 -2021 Water Fund Financial Plan and changes to the Sewer Fund Financial Plan 2017 Capital projects;

That water user fee revenue be increased by 10% for 2017 and 10% for 2018; and,

That water frontage fees be increased annually by a rate determined by Council for 2017 and 2018; and,
That staff be directed to amend the “City of Courtenay Fees and Charges Bylaw No. 1673, 1992” and
“Water Service Frontage Tax Amendment Bylaw No. 2766, 2013 to reflect the proposed increases.

Prepared by:



Brian Parschauer, BA, CPA-CMA
Director of Finance

Attachments:

- 1: Blended Review of Water Rate Increases*
- 2: Frontage Rate Analysis Reviews*
- 3: Revised 2017 – 2021 Sewer Fund Financial Plan Capital Details*
- 4: Revised 2017 – 2021 Water Fund Financial Plan Capital Details*
- 5: 2017 – 2021 Water Fund Financial Plan Report*

		2016		2017			2018		
		Dollars		15%	10%	3%	10%	10%	
User Fees		\$ 369.59		\$ 425.03	\$ 406.55	\$ 380.68	\$ 467.53	\$ 447.20	
Frontage		Rate / m		Rate / m					
<i>Average lot size</i>									
21.83 metres		\$ 3.74	\$ 81.64						
25%			\$ 4.68	\$ 102.06	\$ 102.06	\$ 102.06	\$ 5.84	127.57 \$ 127.57	
Total of User Fees and Frontage		\$ 451.23		\$ 527.08	\$ 508.60	\$ 482.73		\$ 595.10 \$ 574.77	
		<i>dollar increase</i>		\$ 75.85	\$ 57.37	\$ 31.50		\$ 68.02 \$ 66.17	
		<i>Blended % Increase</i>		16.81%	12.71%	6.98%		12.90% 9.05%	
				Monthly	\$ 6.32	\$ 4.78	\$ 2.62	\$ 5.67 \$ 5.51	
				Daily	\$ 0.21	\$ 0.16	\$ 0.09	\$ 0.19 \$ 0.18	
20%			\$ 4.49	\$ 97.97	\$ 97.97	\$ 97.97	\$ 5.39	\$ 117.57 \$ 117.57	
Total of User Fees and Frontage		\$ 451.23		\$ 523.00	\$ 504.52	\$ 478.65		\$ 585.10 \$ 564.77	
		<i>dollar increase</i>		\$ 71.77	\$ 53.29	\$ 27.42		\$ 62.10 \$ 60.25	
		<i>Blended % Increase</i>		15.90%	11.81%	6.08%		11.01% 7.15%	
				Monthly	\$ 5.98	\$ 4.44	\$ 2.28	\$ 5.17 \$ 5.02	
				Daily	\$ 0.20	\$ 0.15	\$ 0.08	\$ 0.17 \$ 0.17	
15%			\$ 4.30	\$ 93.89	\$ 93.89	\$ 93.89	\$ 4.95	\$ 107.97 \$ 107.97	
Total of User Fees and Frontage		\$ 451.23		\$ 518.92	\$ 500.44	\$ 474.57		\$ 575.51 \$ 555.18	
		<i>dollar increase</i>		\$ 67.69	\$ 49.21	\$ 23.33		\$ 56.59 \$ 54.74	
		<i>Blended % Increase</i>		15.00%	10.90%	5.17%		9.19% 5.33%	
				Monthly	\$ 5.64	\$ 4.10	\$ 1.94	\$ 4.72 \$ 4.56	
				Daily	\$ 0.19	\$ 0.13	\$ 0.06	\$ 0.16 \$ 0.15	
10%			\$ 4.11	\$ 89.81	\$ 89.81	\$ 89.81	\$ 4.53	\$ 98.79 \$ 98.79	
Total of User Fees and Frontage		\$ 451.23		\$ 514.84	\$ 496.36	\$ 470.49		\$ 566.32 \$ 545.99	
		<i>dollar increase</i>		\$ 63.60	\$ 45.12	\$ 19.25		\$ 51.48 \$ 49.64	
		<i>Blended % Increase</i>		14.10%	10.00%	4.27%		7.44% 3.59%	
				Monthly	\$ 5.30	\$ 3.76	\$ 1.60	\$ 4.29 \$ 4.14	
				Daily	\$ 0.17	\$ 0.12	\$ 0.05	\$ 0.14 \$ 0.14	

Attachment # 2 - Frontage Rate Analysis Review

Frontage Rate Analysis

	2016	2017	2018	2019	2020	2021
Metres Growth Rate	2.00%					
Metres	187,346	191,093	194,915	198,813	202,789	206,845
Frontage Rate	\$ 3.74	\$ 3.74	\$ 3.74	\$ 3.74	\$ 3.74	\$ 3.74
2016 Frontage Revenue	\$ 700,674.04	\$ 714,687.52	\$ 728,981.27	\$ 743,560.90	\$ 758,432.11	\$ 773,600.76
Rate Increase	25%	\$ 4.68	\$ 5.84	\$ 7.30	\$ 9.13	\$ 11.41
Net Revenue	\$ 893,359.40	\$ 1,139,033.24	\$ 1,452,267.38	\$ 1,851,640.90	\$ 2,360,842.15	
Additional Revenue Increase - 2017	\$ 178,671.88	\$ 178,671.88	\$ 178,671.88	\$ 178,671.88	\$ 178,671.88	\$ 178,671.88
2018		\$ 231,380.08	\$ 231,380.08	\$ 231,380.08	\$ 231,380.08	\$ 231,380.08
2019			\$ 298,654.51	\$ 298,654.51	\$ 298,654.51	\$ 298,654.51
2020				\$ 384,502.31	\$ 384,502.31	\$ 384,502.31
2021					\$ 494,032.61	\$ 494,032.61
Full Year Additional Revenue	\$ 178,671.88	\$ 410,051.97	\$ 708,706.48	\$ 1,093,208.79	\$ 1,587,241.40	\$ 1,587,241.40

Frontage Rate Analysis

	2016	2017	2018	2019	2020	2021
Metres Growth Rate	2.00%					
Metres	187,346	191,093	194,915	198,813	202,789	206,845
Frontage Rate	\$ 3.74	\$ 3.74	\$ 3.74	\$ 3.74	\$ 3.74	\$ 3.74
2016 Frontage Revenue	\$ 700,674.04	\$ 714,687.52	\$ 728,981.27	\$ 743,560.90	\$ 758,432.11	\$ 773,600.76
Rate Increase	20%	\$ 4.49	\$ 5.39	\$ 6.46	\$ 7.76	\$ 9.31
Net Revenue	\$ 857,625.02	\$ 1,049,733.03	\$ 1,284,873.23	\$ 1,572,684.83	\$ 1,924,966.24	\$ 1,924,966.24
Additional Revenue Increase - 2017	\$ 142,937.50	\$ 142,937.50	\$ 142,937.50	\$ 142,937.50	\$ 142,937.50	\$ 142,937.50
2018		\$ 177,814.26	\$ 177,814.26	\$ 177,814.26	\$ 177,814.26	\$ 177,814.26
2019			\$ 220,560.57	\$ 220,560.57	\$ 220,560.57	\$ 220,560.57
2020				\$ 272,940.39	\$ 272,940.39	\$ 272,940.39
2021					\$ 337,112.76	\$ 337,112.76
Full Year Additional Revenue	\$ 142,937.50	\$ 320,751.76	\$ 541,312.33	\$ 814,252.72	\$ 1,151,365.48	\$ 1,151,365.48

Frontage Rate Analysis

	2016	2017	2018	2019	2020	2021
Metres Growth Rate	2.00%					
Metres	187,346	191,093	194,915	198,813	202,789	206,845
Frontage Rate	\$ 3.74	\$ 3.74	\$ 3.74	\$ 3.74	\$ 3.74	\$ 3.74
2016 Frontage Revenue	\$ 700,674.04	\$ 714,687.52	\$ 728,981.27	\$ 743,560.90	\$ 758,432.11	\$ 773,600.76
Rate Increase	15%	\$ 4.30	\$ 4.95	\$ 5.69	\$ 6.54	\$ 7.52
Net Revenue	\$ 821,890.65	\$ 964,077.73	\$ 1,130,863.18	\$ 1,326,502.51	\$ 1,555,987.44	
Additional Revenue Increase - 2017	\$ 107,203.13	\$ 107,203.13	\$ 107,203.13	\$ 107,203.13	\$ 107,203.13	\$ 107,203.13
2018			\$ 127,893.33	\$ 127,893.33	\$ 127,893.33	\$ 127,893.33
2019				\$ 152,205.82	\$ 152,205.82	\$ 152,205.82
2020					\$ 180,768.11	\$ 180,768.11
2021						\$ 214,316.29
Full Year Additional Revenue	\$ 107,203.13	\$ 235,096.46	\$ 387,302.28	\$ 568,070.39	\$ 782,386.69	

Frontage Rate Analysis

	2016	2017	2018	2019	2020	2021
Metres Growth Rate	2.00%					
Metres	187,346	191,093	194,915	198,813	202,789	206,845
Frontage Rate	\$ 3.74	\$ 3.74	\$ 3.74	\$ 3.74	\$ 3.74	\$ 3.74
2016 Frontage Revenue	\$ 700,674.04	\$ 714,687.52	\$ 728,981.27	\$ 743,560.90	\$ 758,432.11	\$ 773,600.76
Rate Increase	10%	\$ 4.11	\$ 4.53	\$ 4.98	\$ 5.48	\$ 6.02
Net Revenue	\$ 786,156.27	\$ 882,067.34	\$ 989,679.55	\$ 1,110,420.46	\$ 1,245,891.75	
Additional Revenue Increase - 2017	\$ 71,468.75	\$ 71,468.75	\$ 71,468.75	\$ 71,468.75	\$ 71,468.75	\$ 71,468.75
2018			\$ 81,617.31	\$ 81,617.31	\$ 81,617.31	\$ 81,617.31
2019				\$ 93,032.59	\$ 93,032.59	\$ 93,032.59
2020					\$ 105,869.69	\$ 105,869.69
2021						\$ 120,302.65
Full Year Additional Revenue	\$ 71,468.75	\$ 153,086.07	\$ 246,118.66	\$ 351,988.34	\$ 472,291.00	

Attachment # 3 - Revised 2017 Sewer Capital Program

2017 - 2021 FIVE YEAR FINANCIAL PLAN		2016	2016	2017	2018	2019	2020	2021
		Final	Actual	Final	Proposed	Proposed	Proposed	Proposed
		Budget	Unaudited	Budget	Budget	Budget	Budget	Budget
Sewer CAPITAL FUND								
Revenue								
Other Revenues								
	9 Contributions from Developers	-	-	-	-	-	-	-
	040-80-5-350-0000-14550-0070 Sewer Connection Fees - Capital	-	-	-	-	-	-	-
	040-80-5-350-0000-19212-0130 Transfer from DCC Deferred Revenue Reserve	15,800	638	-	-	-	-	-
	CWWF Grant	-	-	-	-	-	-	-
		15,800	638	-	-	-	-	-
Transfers from Sewer Operating Fund								
	080-80-5-350-0000-19120-0120 Transfer from Sewer Operating Fund	514,300	270,922	305,100	771,800	1,231,800	1,231,800	1,231,800
	080-80-5-350-0000-19120-0120 Transfer from Operating - Appropriated Surplus (RFE)	110,500	-	183,300	160,000	-	-	-
		624,800	270,922	488,400	931,800	1,231,800	1,231,800	1,231,800
Transfer from Reserve Funds								
	040-80-5-350-0000-19302-0140 Transfer from Sewer Equity - unexpended funds	21,700	-	-	-	-	-	-
	080-80-5-350-0000-19213-0130 Transfer from Reserve Funds	-	-	-	700,000	250,000	250,000	250,000
	040-80-5-350-0000-18702-0040 Federal Gas Tax Grant Reserve	75,000	-	905,000	1,000,000	-	-	-
	CWWF Grant	-	-	-	-	-	-	-
		96,700	-	905,000	1,700,000	250,000	250,000	250,000
Funding from Debt								
	040-80-5-350-0000-17050-0180 Funding From Debt	-	-	-	1,400,000	-	-	-
		-	-	-	1,400,000	-	-	-
Transfer from Equity								
	040-80-5-350-0000-19300-0140 Trans from Cap Equity - Loss on Disposition of Assets	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		737,300	271,560	1,393,400	4,031,800	1,481,800	1,481,800	1,481,800
EXPENSES								
DEBT								
	080-21-2-500-5000-64102-8030 PR - L/T BL 2305 SEWER EXT	15,700	15,714	15,700	15,700	15,700	15,700	15,700
	080-21-2-500-5000-64129-8030 PR - L/T BL2353 SEWER EXT 2005	47,300	47,304	47,300	47,300	47,300	47,300	47,300
	080-21-2-500-5000-64130-8030 PR - L/T BL2423 SEWER EXT 06	12,200	12,224	12,200	12,200	12,200	12,200	12,200
	080-21-2-500-5000-64199-8030 New Debt	-	-	-	52,100	52,100	52,100	52,100
		75,200	75,242	75,200	127,300	127,300	127,300	127,300
	080-21-2-500-5000-64202-8040 INT - L/T BL2305 SEWER EXT	18,000	18,000	18,000	18,000	18,000	18,000	18,000
	080-21-2-500-5000-64229-8040 INT BL 2353 SEWER EXTENTION	30,500	30,535	30,500	30,500	30,500	30,500	30,500
	080-21-2-500-5000-64230-8040 INT - L/T BL2423 SEWER EXT 06	17,000	9,548	6,400	6,400	6,400	6,400	6,400
	080-21-2-500-5000-64299-8040 New Debt	-	-	-	49,600	49,600	49,600	49,600
		65,500	58,083	54,900	104,500	104,500	104,500	104,500
	Total Debt	140,700	133,324	130,100	231,800	231,800	231,800	231,800
CAPITAL ASSETS								
Equipment								
	040-80-6-350-0000-88058-6180 Sewer - Equipment > \$5000	-	-	-	-	-	-	-
	040-80-6-350-0000-88047 Capital Equipment	58,000	4,006	54,000	-	-	-	-
	040-80-6-350-0000-88049 Scada System Implementation	-	-	780,000	-	-	-	-
	040-80-6-350-0000-88077 Sewer flow meters	75,000	-	75,000	-	-	-	-
	040-80-6-350-0000-97061 Capital Vehicles	-	-	-	-	-	-	-
		133,000	4,006	909,000	-	-	-	-
Engineering Structures - Renewal								
	040-80-6-350-0000-88056 Sewer - Anderton Lift Station	-	-	125,000	2,000,000	-	-	-
	040-80-6-350-0000-88059 Sewer -Piercy Ave - 17th St to 26th St	-	-	-	-	-	-	-
	040-80-6-350-0000-88060 Sewer -Willemar Ave - 17th Street to 26th Street	-	-	-	-	-	-	-
	040-80-6-350-0000-88073 Sewer - Projects identified through Asset Management Strategy	-	-	-	-	1,250,000	1,250,000	1,250,000
	040-80-6-350-0000-8807x Sewer - Main Pipe Replacement Comox Rd, Lewis Park, River Crossing	-	-	100,000	500,000	-	-	-
		243,100	126,583	225,000	2,500,000	1,250,000	1,250,000	1,250,000
Engineering Structures - New								
	040-80-6-350-0000-88042 Sewer - South Courtenay Sewer Planning/Capacity Provisions	40,000	-	-	1,000,000	-	-	-
	040-80-6-350-0000-88052 Sewer -Headquarters Road Replacement	-	-	-	-	-	-	-
	040-80-6-350-0000-88054 Sewer - Sandpiper Dr Sewer	15,000	-	-	300,000	-	-	-
	040-80-6-350-0000-88065 North Courtenay Sanitary Extension	-	-	-	-	-	-	-
	040-80-6-350-0000-88074 Sewer Vanier Drive Watermain/Pebernat Road Sewer	137,000	7,646	129,400	-	-	-	-
		220,500	7,646	129,400	1,300,000	-	-	-
		-	-	-	-	-	-	-
	Total Assets	596,600	138,236	1,263,400	3,800,000	1,250,000	1,250,000	1,250,000
		737,300	271,560	1,393,500	4,031,800	1,481,800	1,481,800	1,481,800

Attachment # 4 - Revised 2017 Water Capital

2017 - 2021 FIVE YEAR FINANCIAL PLAN		2016 Final Budget	2016 Actual Unaudited	2017 Final Budget	2018 Proposed Budget	2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget
WATER CAPITAL FUND								
Revenue								
Other Revenues								
040-40-5-340-0000-14000-0070	Developer contributed Assets	-	-	-	-	-	-	-
040-40-5-340-0000-14403-0070	Outside contributions	-	-	567,000	-	-	-	-
080-40-5-340-0000-19202-0130	From DCC Deferred Revenue Reserve	9,300	9,300	-	-	-	-	-
	CWWF Grant	-	-	-	-	-	-	-
		9,300	9,300	567,000	-	-	-	-
Transfers from Sewer Operating Fund								
080-40-5-340-0000-19130-0120	From Water Operating Fund	408,909	316,522	80,600	630,600	1,230,600	1,730,600	1,730,600
080-40-5-340-0000-19130-0120	From Appropriated Surplus	18,100	17,143	-	-	-	-	-
		427,009	333,665	80,600	630,600	1,230,600	1,730,600	1,730,600
Transfer from Reserve Funds								
080-40-5-340-0000-19206-0130	New Works Reserve	1,169,300	-	1,026,000	699,200	-	-	-
040-40-5-340-0000-18705-0040	From Gas Tax Reserve	250,000	-	2,100,000	-	-	-	-
	Asset Management Reserve	-	677,163	293,000	-	300,000	300,000	300,000
		1,419,300	677,163	3,419,000	699,200	300,000	300,000	300,000
Funding from Debt								
040-40-5-350-0000-17050-0180	From Debt	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Transfer from Equity								
040-40-5-340-0000-19300-0140	Loss on disposal of TCA	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		1,855,609	1,020,128	4,066,600	1,329,800	1,530,600	2,030,600	2,030,600
Capital expenditures								
DEBT								
080-31-2-500-5000-64231-8040	INT - BL 2424 LERWICK WATERMAIN MFA 97	27,960	15,738	10,500	10,500	10,500	10,500	10,500
		27,960	15,738	10,500	10,500	10,500	10,500	10,500
080-31-2-500-5000-64131-8030	PR - L/T BL 2424 LERWICK RD WATERMAIN MFA 97	20,149	20,149	20,100	20,100	20,100	20,100	20,100
		20,149	20,149	20,100	20,100	20,100	20,100	20,100
TOTAL DEBT		48,109	35,887	30,600	30,600	30,600	30,600	30,600
Infrastructure Renewal								
Water Main Replacement								
040-40-6-340-0000-87535	Willemar Ave - 17th to 26th	39,000	34,979	-	-	-	-	-
040-40-6-340-0000-87547	Water - Main Replacement - 2nd Street (cliffe to Engl	4,500	763	-	-	-	-	-
040-40-6-340-0000-87548	Water - Main Replacement - 12th St (Stewart to Urqu	4,100	6,880	-	-	-	-	-
040-40-6-340-0000-87553	Water - 1000 M of Main Replacement	250,000	-	-	-	-	-	-
040-40-6-340-0000-87599	Projects Identified Through Asset Management Strate	-	-	-	600,000	1,500,000	2,000,000	2,000,000
040-40-6-340-0000-87554	3rd st - Cliffe to England	211,200	136,985	-	-	-	-	-
040-40-6-340-0000-87555	Anderton Ave - 5th - 6th	195,000	107,340	-	-	-	-	-
040-40-6-340-0000-87556	Dingwall Road - Western Road to McLaughlin Dr	464,100	331,618	-	-	-	-	-
040-40-6-340-0000-87557	Duncan Ave - 4th - 6th	342,000	338,527	-	-	-	-	-
040-40-6-340-0000-87558	Willemar Ave - 5th - 10th	-	-	-	-	-	-	-
040-40-6-340-0000-87559	Old Highway Watermain Replacement	2,600	-	-	-	-	-	-
040-40-6-340-0000-87567	Comox Road Water Replacement	-	-	2,100,000	-	-	-	-
040-40-6-340-0000-87568	Buckstone Water Pump Station	-	-	50,000	-	-	-	-
		1,512,500	957,093	2,150,000	600,000	1,500,000	2,000,000	2,000,000
New Water Infrastructure								
040-40-6-340-0000-87521	Sandwick Conversion	-	25,129	1,593,000	-	-	-	-
040-40-6-340-0000-87546	Water Main Installation - Vanier Drive	295,000	2,019	293,000	-	-	-	-
040-40-6-340-0000-87566	Zone metering	-	-	-	699,200	-	-	-
		295,000	27,148	1,886,000	699,200	-	-	-
Other	Loss on Disposal of Assets	-	-	-	-	-	-	-
		1,807,500	984,240	4,036,000	1,299,200	1,500,000	2,000,000	2,000,000
		1,855,609	1,020,127	4,066,600	1,329,800	1,530,600	2,030,600	2,030,600



THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT

To: Council

File No.: 1705-20 / 1830-05

From: Chief Administrative Officer

Date: March 20, 2017

Subject: 2017 – 2021 Water Fund Financial Plan and Rate Increases

PURPOSE:

The purpose of this report is for Council to consider the 2017 – 2021 Water Fund Financial Plan and proposed water user fee and frontage rate revenue increases.

POLICY ANALYSIS:

Section 165 of the *Community Charter* requires a municipality to have a five year financial plan. The 2017 – 2021 Water Fund Financial budget plan is a component of the City's annual five year plan. A key component of the Financial Plan is the levying of fees to cover the cost of the delivery of a service as authorized under Section 194 of the *Community Charter*.

During 2016 Staff continued to develop the Asset Management Plan for the water network. Condition assessments, life-cycle analysis and risk management information were entered to develop a list of the water system infrastructure that required the highest level of attention. The 2017 - 2021 Financial Plan uses this refined information to guide the development of this five year program.

EXECUTIVE SUMMARY:

The five year financial plan is prepared annually. The water service is funded using User Fees and Frontage taxes and not from general property taxation dollars.

The water system has a regional and a municipal component and each plays a vital role in providing water services to the residents of Courtenay. The 2017 – 2021 Financial Plan incorporates several external factors impacting the City's water system - primarily higher bulk water rates and advanced health standards and regulations dictating a necessity to review rates and fees as well as staffing needs required to provide a sustainable service to the community.

In order to meet the higher operating costs, the recommended 2017 Financial Plan incorporates a 15% blended user fee increase as well as a 25% increase to frontage fees in order to fund ongoing operational and capital needs. For a single family residence with an average frontage of 21.83 meters, the combined increase to water operating revenues is an increase of \$65.65, which translates to \$5.47 monthly or \$0.18 per day.

CAO RECOMMENDATIONS:

That based on the March 20, 2017 staff report "2017 – 2021 Water Fund Financial Plan and Rate Increases", Council approve the 2017 – 2021 Water Fund Financial Plan; and,

That the water user fee revenue be increased by 15% for 2017 and 10% for 2018; and,

That water frontage rates be increased annually by 25% for 2017 through to 2021; and,
That staff be directed to amend the “City of Courtenay Fees and Charges Bylaw No. 1673, 1992” and
“Water Service Frontage Tax Amendment Bylaw No. 2766, 2013 to reflect the proposed increases.

Respectfully submitted,



David Allen, BES, CLGEM, SCLGM
Chief Administrative Officer

BACKGROUND:

Consideration and approval of a five year financial plan is an annual requirement under Section 165 of the Community Charter. This financial plan covers the period of 2017 - 2021.

The Comox Valley Regional District (CVRD) is the source supply and transmits water from Comox Lake to the City boundaries where it is then distributed to property owners using a combination of CVRD transmission mains and the City’s municipal water distribution infrastructure.

The water utility service is designed to be self-funding with no reliance on funding from the general property tax levy. Bylaw 2845, 2016 approved the increase of water user fees. The increase was approved in anticipation of CVRD bulk water rates increasing by \$0.02/m³ effective January 1, 2018. Table # 1 shows what the City’s user fee and frontage rates have been since 2014 and what they are for the next two years using the existing bylaw rates for 2017 and 2018.

Table # 1

	User Fees		Frontage	
	One-time	Change	Per meter	Change
2014	\$ 348.38		\$ 3.74	
2015	\$ 358.83	\$ 10.45	\$ 3.74	\$ -
2016	\$ 369.59	\$ 10.76	\$ 3.74	\$ -
2017	\$ 380.68	\$ 11.09	\$ 3.74	\$ -
2018	\$ 392.10	\$ 11.42	\$ 3.74	\$ -

DISCUSSION:

City of Courtenay 2017 – 2021 Water Financial Plan

2017 Operating Budget

For 2017 multiple department managers were involved in the development of the Water Financial Plan. Attachment # 1 is the Water Operating budget summary. Total 2017 revenues and expenditures equal \$7,093,900 with contributions to reserves and capital of \$488,300.

2017 Operating Budget Expenditure Sources:

Over the past year, the City of Courtenay Water System Asset Management plan has been refined and is providing guidance with respect to the sustainable operation, maintenance, and the long-term infrastructure renewal needs of the City.

The total change between the 2016 and 2017 Budgets (excluding Transfers to Reserves and to the Capital Fund) is \$931,800.

TABLE 2:

WATER FUND		2016 Final Budget	2017 Budget	2016-2017 Budget Variance	% of Total 2017 Budget	Breakdown of 2017 Current User Fee Rate
Expenditures by Economic Segments						\$380.68
	Personnel	788,700	680,000	(108,700)	10.78%	\$ 41.05
	General Services	242,300	673,700	431,400	10.68%	\$ 40.67
	Insurance	10,500	10,700	200	0.17%	\$ 0.65
	Internal Allocations	919,100	1,072,500	153,400	17.01%	\$ 64.75
	Purchased Services - Other Govts	3,163,500	3,598,400	434,900	57.07%	\$ 217.24
	Goods	248,700	265,300	16,600	4.21%	\$ 16.02
	Utilities	-	4,000	4,000	0.06%	\$ 0.24
	Transfer Payments	1,000	1,000	-	0.02%	\$ 0.06
	Sub-Totals	5,373,800	6,305,600	931,800	100.00%	\$ 380.68

- “Personnel costs” have decreased from \$788,700 in 2016 to \$680,000 in 2017. Four factors have collectively resulted in Personnel costs **decreasing by \$108,700**.
 - Salaries, wages and benefits of staff working of Public Works, Engineering and Finance have been strategically reviewed and proportionally allocated in the following way:
 - Engineering managerial and Engineering Technologist staff - 20%
 - Public Works managerial staff – 30% and
 - One Finance Clerk – 25%
 - The departure of the Director of Engineering has resulted in cost savings of approximately \$10,000.
 - The departmental reviews of Engineering and Public Works resulted in the refinement of duties and responsibilities between these two areas. This separation contributed to a reduction in personnel costs which resulted in a budgetary reduction of approximately \$163,000 between 2016 and 2017.
 - A 2% increase from the collective bargaining contract for unionized personnel is included in 2017 personnel costs.

- Changing Island Health permit requirements and re-Classification of the Water System from a Class 1 to a Class IV Facility raises the level of management and monitoring required to ensure the water system complies with regulatory guidelines when providing potable water to the community. The City’s updated operating permit requires the City to have in place:
 1. Weekly sampling program
 2. Cross Connection control program
 3. Unidirectional flushing program
 4. Annual Water report
 5. Level 4 Operator Training Program

In comparison, Comox and Cumberland are Class 2 water distribution systems which allows them to operate at a less cost than Courtenay. The City is required to have at least one Level IV operator and sufficient staff to comply with these regulatory requirements. Additional staff is estimated to cost approximately \$95,000 in 2017 (a partial year) and is included in current personnel costs.

- “General Services” in 2017 is **increasing by \$431,400** due to the following:
 - Loop watermains through nine (9) private properties - \$400,000 – one-time expenditure;
 - Valve, hydrant and water meter repairs at various locations - \$82,000 – one-time expenditures;
 - Removal of one-time miscellaneous cost for Water plans – (\$143,400);
 - Updating of Water Master Plan - \$75,000 in 2017, declining to \$25,000 in 2018;
 - Water capital projects – warranty costs - \$9,000;
 - Creation of new account to track legal costs - \$5,000; and,
 - Inflationary increases - \$3,800.
- “Internal Allocations” represent a percentage allocation (17.5%) of operational costs from other City departments. This includes staff costs from Financial Services, Information Technology, Corporate Services, Human Resources, and Development Services. The **increase of \$153,400** recognizes an overall increase from general government contributing to the functioning of the water service.
- “Purchased Services – Other Governments” relates to the bulk water purchased from the Comox Valley Regional District (CVRD) and is the largest cost driver for this Fund, **increasing by \$434,900**.
 - In 2016, the CVRD increased January 1, 2017 bulk water rates from \$0.66/m³ to \$0.71/m³. Rate increases have been approved to continue until 2021 when they will be \$0.85/m³. This rate increase adds \$250,000 to the 2017 operating costs and by 2021 will increase to over \$900,000.
 - \$50,000 relates to the cost of additional water for the CVRD Local Service Area – formerly known as the Sandwick Water Improvement District.
 - The remaining \$135,000 increase is due to a budget to actual adjustment from higher 2016 water consumption than contemplated during the creation of the 2016 budget.
- “Goods” is consumable items such as fuel, materials, supplies and parts required by operations. This budgetary **increase of \$16,600** will be used to repair faulty water meters or to install meters

when necessary.

- “Utilities” is for electricity incurred at the City’s water booster stations. Past budgets have not shown this cost as a separate line item. In 2017 it represents a **\$4,000** expenditure matching 2016 actuals plus adding BC Hydro’s 4% electricity rate increase.

These are the operating expenditure cost impacts for the Water Fund Operations.

2017 Operating Budget Revenue Sources:

Revenues in the Water Fund cover operating and capital budget requirements. Municipal water system costs are typically funded in two ways. Capital costs related to the renewal of existing water system infrastructure are funded through Frontage Fees or Parcel Taxes, and operating costs through User Fees. The City of Courtenay funds its water system in the following manner:

- Frontage Fees – The 2017 rate is \$3.74 per meter and is expected to generate \$714,700. It is typically assigned to cover capital expenditures and the rate has not increased since prior to 2014.

For 2017, staff recommend that the Frontage Fees be increased over an extended period of time to build funds to facilitate a capital renewal program for the existing water distribution network. The Asset Management (AM) Plan for the water system is being developed to identify what level of annual financial funding will be required for capital renewal. The 2017 capital renewal program is \$5.1M in 2017 due to the Ministry of Transportation announcement earlier this year to complete the Comox Road project. This changed the original 2017 program by adding a \$2.1M project into the list. At present, the 2018 capital program is currently set to be \$1.3M. Capital renewal for 2019 – 2021 is expected to be around \$1.5M to \$2.0M annually. The capital renewal values recorded in 2019 to 2021 will become more refined as more detailed condition assessments are incorporated into the AM Plan.

The Asset Management Plan states that it costs approximately \$600 per linear metre to replace water infrastructure. The City currently collects \$3.74 per meter, which in 2016 generated about \$701,000 for capital renewal. The costs to install water and sewer infrastructure is very similar yet the water frontage fees are only \$3.74/metre in comparison to the sewer service which is \$10.24/metre. Table 3 identifies the impact of raising frontage rates by 25% in the next five years.

Table 3:

Frontage Rate Analysis						
	2016	2017	2018	2019	2020	2021
Metres Growth Rate	2.00%					
Metres	187,346	191,093	194,915	198,813	202,789	206,845
Frontage Rate	\$ 3.74	\$ 3.74	\$ 3.74	\$ 3.74	\$ 3.74	\$ 3.74
2016 Frontage Revenue	\$ 700,674.04	\$ 714,687.52	\$ 728,981.27	\$ 743,560.90	\$ 758,432.11	\$ 773,600.76
Rate Increase	25%	\$ 4.68	\$ 5.84	\$ 7.30	\$ 9.13	\$ 11.41
Net Revenue	\$ 893,359.40	\$ 1,139,033.24	\$ 1,452,267.38	\$ 1,851,640.90	\$ 2,360,842.15	
Additional Revenue Increase - 2017	\$ 178,671.88	\$ 178,671.88	\$ 178,671.88	\$ 178,671.88	\$ 178,671.88	\$ 178,671.88
	2018	\$ 231,380.08	\$ 231,380.08	\$ 231,380.08	\$ 231,380.08	\$ 231,380.08
	2019		\$ 298,654.51	\$ 298,654.51	\$ 298,654.51	\$ 298,654.51
	2020			\$ 384,502.31	\$ 384,502.31	\$ 384,502.31
	2021				\$ 494,032.61	\$ 494,032.61
Full Year Additional Revenue	\$ 178,671.88	\$ 410,051.97	\$ 708,706.48	\$ 1,093,208.79	\$ 1,587,241.40	

- User Fees - The 2017 User Fee is \$380.68, an increase of \$11.09 from the 2016 fee. It is budgeted to generate \$5,299,200 and is used to cover operating expenditures.

Three external factors necessitate an increase to existing 2017 user fees:

- Bulk water rate increases from \$0.66 to \$0.71 as noted in the CVRD's 2017 – 2021 Financial plan. The City's User fee rates of \$360.68 for 2017 were initially able to absorb a \$0.66/m³ rate plus increased water consumption by the City. However, raising the rate to \$0.71/m³ is a significant adjustment of over \$250,000.
- Vancouver Island Health Authority's (VIHA) new operating permit for the City's water system requires increases to training and certification for water system staff, as well as to monitoring and operating procedures.
- Re-classification of the City's water distribution system from Class 1 to Class 4.

Attachment number 2 identifies a review of several user fee rate options to address the additional costs created by these external factors.

Revenue – Additional:

In the latter part of 2017 approximately \$29,600 of additional billing revenue is estimated to be received from the conclusion of negotiations with the CVRD for the transition of the Sandwick water system to the City of Courtenay. The full impact of the revenue will only be realized at the conclusion of the transition of the Sandwick Local Service Area to the City from the CVRD. In 2018, revenues are expected to increase by \$90,000 annually.

Water Reserves and Surplus Balances:

Attachment number 3 relates to the Water Reserves and Surpluses. There are five primary reserve and surplus accounts. The balances within those reserves and surpluses changes depending on how much surplus or deficit is created from the Operating Budget and is reduced depending on how much money is required to pay for the City's operating and capital budget needs.

2017 Capital Budget

Attachments 4 (summary) and 5 (details) is the Water Capital Budget comprised of the following:

2017 New Projects:

- Renewal of 2 kilometres of water infrastructure along Comox Road in the amount of **\$2.1M** in preparation for the Ministry of Transportation grinding and paving the road. This was pre-approved by Council on January 30, 2017. This project will be paid from the Gas Tax Reserve.
- Sandwick Conversion in the amount of **\$1,593,000** to conclude the transition of the Sandwick water authority to the City of Courtenay. Funding for this project is intended to come from:
 - Asset Management Reserve - \$443,100
 - CVRD - \$244,900
 - CWWF (Clean Water and Wastewater Fund) Grant - \$905,000 (announcement pending)

- Repair of the existing valving at the Buckstone Water Pump station in response to a risk assessment noting its deficiency. Total cost is **\$50,000** to be funded from a Transfer from Operating.

Items previously approved in 2016 but listed for completion in 2017 include:

- **\$294,200** for the installation of watermain on Vanier Drive from Headquarters Road to Comox Valley Sports Centre. The service needs to be up-sized and upgraded due to Vanier High School seismic concerns. Construction is to occur in 2017 in conjunction with the Sewer capital work in the area. Funding is to come from the Asset Management Reserve.
- Renewal of the watermain on Willemar Avenue from 17th to 26th Street in the amount of **\$1,064,600**. Funding for this project is to come from:
 - DCC Reserves - \$169,500
 - CWWF (Clean Water and Wastewater Fund) Grant - \$883,600 (announcement pending); and
 - Asset Management Reserve - \$11,400

This area is noted for heaving and reduced capacity and pipe structure issues. It was originally planned for 2015 but was delayed in anticipation of the Transportation Network Plan. Completion is expected in 2018 at an additional cost of \$10,000 (warranty period).

- **\$30,600** is required for the servicing of the Long-Term Debt principal (\$20,100) and interest (\$10,500) payments that relates to Bylaw 2424. The principal balance as of December 31, 2016 for this long-term debt instrument is \$358,088.

To summarize, Capital Expenditures are as follows:

Table 4:

CAPITAL EXPENDITURES	
DEBT	
Interest - Debenture Debt	10,500
Principal - Debenture Debt	20,100
	30,600
ASSETS	
Engineering Structures - Renew al	3,214,500
Engineering Structures - New	1,886,000
Other Charges	-
	5,100,500
Total Water Capital Expenditures	5,131,100

Funding for these capital expenditures is coming from a combination of:

1. Transfer from Operating to Capital-----	\$80,600
2. DCC Revenues -----	\$169,500
3. CVRD (Comox Valley Regional District)-----	\$244,900
4. Transfer From Asset Management Reserve-----	\$747,500
5. Clean Water and Wastewater Fund Grant -----	\$1,788,600
6. Gas Tax Reserve-----	<u>\$2,100,000</u>
	<u>\$5,131,100</u>

FINANCIAL IMPLICATIONS:

User Fees:

Bylaw 2845, 2016 approved 2017 and 2018 User fees prior to the bulk water rates increasing by \$0.05/m³ and VIHA upgrading the City's operating permit from a Level 1 to Level 4. A number of funding options were reviewed and identified in Attachment number 2. It provides a summary of the impact on the operating surplus dependent on which User Fee Rate structure is selected. If User Fees remain at 3% for the next two to five years, the impact is a rising deficit with a need to rely on external funding sources or service delivery changes in order to cover shortfalls. Keeping rates at 3% will also limit the City's ability to place funding into reserves or build reserves to assist with funding capital renewal programs. User fees at 3% results in the City incurring a deficit of \$1,006,408. Raising fees in 2017 to a blended rate of 15% results in a deficit of \$413,919, but by 2018, it will record a surplus of \$215,510 for use in subsequent years. It is suggested that User Fee rates should be increased from \$369.59 (2016 rate) to \$425.03 (blended rate at 15%). For 2017 this equates to an annual increase of \$55.44 or \$4.62 monthly (\$0.15 per day).

Frontage Fees:

The rate for Frontage fees has remained at \$3.74 per meter since 2014. Inflation and the availability of contractors has driven the price for infrastructure renewal to approximately \$600 per linear meter. The City has about 191 kilometres of water utility infrastructure which generates revenue of approximately \$701,000 for capital renewal. It is recommended that these rates be increased by 25% for each of the next five years in order to generate sufficient capital renewal revenues. At the conclusion of the five year rate increase, the water frontage fees in 2021 would be \$11.41/metre which is slightly higher than the 2017 sewer frontage fees of \$10.24/metre. In 2017 Fees applying a 25% increase would change rates from \$3.74 to \$4.68 per meter. The impact of this increase on an average residential property with a frontage of 21.83 meters would be an additional **\$20**, which equates to \$1.67 or a small cup of coffee once per month.

Other Sources:

Staff is also suggesting that the City's metered water sale rates be increased by the same percentage as the CVRD's annual bulk water sale price rate changes in order to ensure all consumers of the water distribution system contribute to operating costs incurred.

Staff will continue to utilize federal or provincial funding programs to help offset operating costs, capital renewals and new construction.

ADMINISTRATIVE IMPLICATIONS:

Following direction from Council, Staff will prepare revisions to Section III, Appendix I, of the Rates and Fees Bylaw as well as the Water Frontage-Parcel Fees bylaw for presentation to Council.

Similar to the Sewer Financial Plan, the Water Financial plan will be incorporated into the 2017 Consolidated Five Year Financial Bylaw which is required to be adopted prior to May 15th, 2017.

ASSET MANAGEMENT IMPLICATIONS:

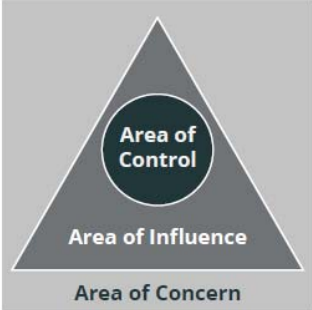
Unlike other services, a Utility (such as water or sewer) is designed to be independent and fully self-sustaining from both operating and long-term capital renewal perspectives. The operating costs are funded by User Fees and the operating costs to provide potable water to the entire community are about to rise by a known amount. The capital renewal costs – replacing water infrastructure at its end of life – are paid by Frontage Tax (based on the length of property frontage) so the individual water customer pays a fair share related to the amount of the total network consumed to provide the service to their property (smaller property, less length of pipe and vice versa). Despite the total length of the water and sewer networks are approximately the same, the water system is under pressure whereas nearly all the sewer network is not pressurized. This means the water network wears out more than twice as quickly as the sewer. Yet we are not charging twice as much Frontage Tax for water infrastructure. If these known future shortfalls are not

made-up by water fees and taxes, funds will have to be diverted from other services or the water utility will become unsustainable.

STRATEGIC PRIORITIES REFERENCE:

We proactively plan and invest in our natural and built environment

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



- **Area of Control**
The policy, works and programming matters that fall within Council's jurisdictional authority to act.
- ▲ **Area of Influence**
Matters that fall within shared or agreed jurisdiction between Council and another government or party.
- **Area of Concern**
Matters of interest outside Council's jurisdictional authority to act.

OFFICIAL COMMUNITY PLAN REFERENCE:

Section 6.2 Water Supply

6.2.1 to ensure a high level of water quality is maintained,

6.2.2 to protect the watershed of the Comox Lake and thereby protect the City's source of water.

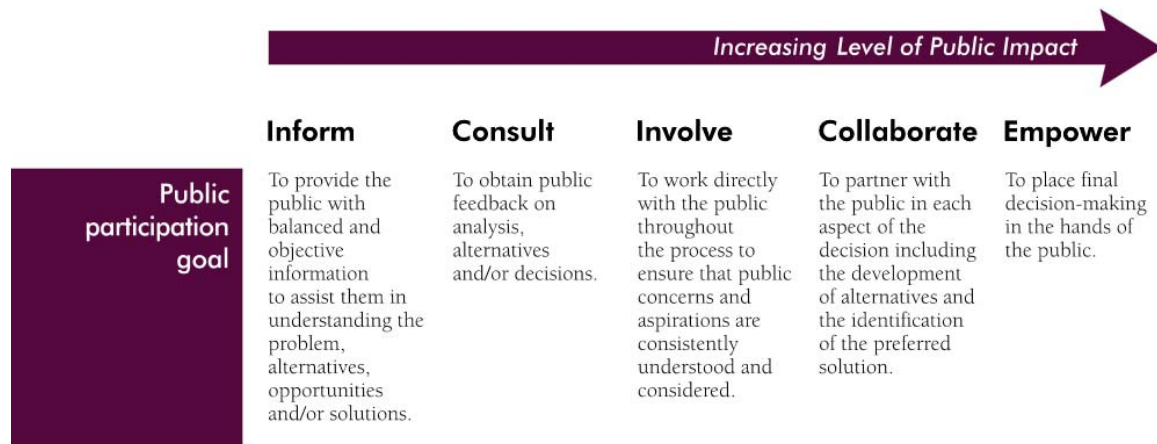
REGIONAL GROWTH STRATEGY REFERENCE:

This budget is presented with the intent of encouraging water management approaches and the use of processes and technologies that provide the public with infrastructure that addresses public health needs and concerns and provides equal service to all residents within the municipality and region. It is presented with the intent to protect the quality of water sources (5-B) as well as to promote water conservation and efficiency throughout the Comox Valley (5-A).

CITIZEN/PUBLIC ENGAGEMENT:

The *Community Charter* (sec 166) requires the City to consult with the public regarding the proposed financial plan before it is adopted. Staff will consult the public based on the IAP2 Spectrum of Public Participation:

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



OPTIONS:

Option 1:

That Council approve the 2017 – 2021 Water Fund Financial Plan;
That water user fee revenue be increased by 15% for 2017 and 10% for 2018; and,
That water frontage rates be increased annually by 25% for 2017 through to 2021; and,
That staff be directed to amend the “City of Courtenay Fees and Charges Bylaw No. 1673, 1992” and
“Water Service Frontage Tax Amendment Bylaw No. 2766, 2013 to reflect the proposed increases.
(Recommended)

Option 2:

That Council approve the 2017 -2021 Water Fund Financial Plan;
That water user fee revenue be increased by 10% for 2017 and 10% for 2018; and,
That water frontage fees be increased annually increased by a rate determined by Council for 2017 and
2018; and,
That staff be directed to amend the “City of Courtenay Fees and Charges Bylaw No. 1673, 1992” and
“Water Service Frontage Tax Amendment Bylaw No. 2766, 2013 to reflect the proposed increases.

Option 3:

That Council defer the endorsement of the proposed 2017 – 2021 Water Fund Financial Plan and the
proposed increases to the 2017 water user and frontage fees for further discussion at a subsequent Council
meeting.

Prepared by:



Brian Parschauer, BA, CPA-CMA
Director of Finance

Attachments:

- *Attachment # 1 – Water Operating Budget Overview*
- *Attachment # 2 – Water Reserves and Surpluses*
- *Attachment # 3 – Comparison of Funding Options*
- *Attachment # 4 – Water Capital Expenditures Summary*
- *Attachment # 5 – Water Capital Expenditures - Detailed*

WATER OPERATING FUND						
	2016 Final Budget	2017 Final Budget	2018 Proposed Budget	2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget
REVENUES						
Operating						
Frontage & Parcel Taxes	709,100	902,700	1,146,700	1,459,700	1,859,900	2,368,500
Sale of Services	4,975,500	5,743,000	6,365,700	7,020,000	7,742,700	8,540,200
Revenue from Own Sources	113,900	124,700	132,500	141,200	144,400	147,600
	5,798,500	6,770,400	7,644,900	8,620,900	9,747,000	11,056,300
From Reserves						
Future Expenditure	143,400	-	-	-	-	-
Water Efficiency	6,500	23,500	23,900	24,400	24,900	25,400
Water Utility	-	-	-	-	-	-
Gas Tax	-	-	-	-	-	-
	149,900	23,500	23,900	24,400	24,900	25,400
From Surplus						
Surplus	1,870,000	-	-	-	-	-
	1,870,000	-	-	-	-	-
Total Transfers from Reserves & Surplus	2,019,900	23,500	23,900	24,400	24,900	25,400
Equity in Capital Assets	300,000	300,000	300,000	300,000	300,000	300,000
	7,818,400	7,093,900	7,968,800	8,945,300	10,071,900	11,381,700
EXPENDITURES						
Operating						
General Administration	1,474,500	1,453,400	1,471,300	1,457,600	1,501,200	1,569,800
CVRD - Supply	3,163,500	3,598,400	4,022,600	4,495,300	4,889,600	5,251,500
Transmission and Distribution	735,800	1,253,800	813,200	827,900	843,100	858,400
	5,373,800	6,305,600	6,307,100	6,780,800	7,233,900	7,679,700
Amortization	300,000	300,000	300,000	300,000	300,000	300,000
	5,373,800	6,605,600	6,607,100	7,080,800	7,533,900	7,979,700
To Other Funds and Reserves						
Other Funds						
General Fund	-	-	-	-	-	-
Water Capital Fund	408,900	80,600	630,600	1,230,600	1,730,600	1,730,600
	408,900	80,600	630,600	1,230,600	1,730,600	1,730,600
Reserves						
Asset Management	300,000	300,000	300,000	300,000	500,000	750,000
Water Utility	1,700,000	34,100	37,500	41,300	42,300	43,300
Water Machinery & Equip	30,000	30,000	30,000	30,000	30,000	30,000
MFA	200	200	100	100	100	100
Carbon Offsets	5,500	5,500	5,500	5,500	5,500	5,500
	2,035,700	369,800	373,100	376,900	577,900	828,900
Total to Reserves						
	-	37,900	358,000	257,000	229,500	842,500
Appropriated Surplus	2,444,600	488,300	1,361,700	1,864,500	2,538,000	3,402,000
Contingency	-	-	-	-	-	-
Total to Other Funds and Reserves	7,818,400	7,093,900	7,968,800	8,945,300	10,071,900	11,381,700
Total Expenditures						
	-	-	-	-	-	-
Net Surplus (deficit)	-	-	-	-	-	-

Attachment # 2 - Water Rates Comparison

User Fee Rate Comparison

	2017	2018	2019	2020	2021
	Operating	Operating	Operating	Operating	Operating
Existing Fees - Option 1					
User Fees					
<i>Percentage Increase</i>	15%	10%	10%	10%	10%
<i>User Fee</i>	\$ 425.03	\$ 467.53	\$ 514.28	\$ 565.71	\$ 622.28
<i>Dollar Increase</i>	\$ 55.44	\$ 42.50	\$ 46.75	\$ 51.43	\$ 56.57
<i>Total User Fees - Option 1</i>	5,891,681	6,522,610	7,186,161	7,912,617	8,713,879
Existing Fees - Option 2					
User Fees					
<i>Percentage Increase</i>	10%	10%	10%	10%	10%
<i>User Fee</i>	\$ 406.55	\$ 447.21	\$ 491.93	\$ 541.12	\$ 595.23
<i>Dollar Increase</i>	\$ 36.96	\$ 40.66	\$ 44.72	\$ 49.19	\$ 54.11
<i>Total User Fees - Option 2</i>	5,644,844	6,248,688	6,883,437	7,578,490	8,345,149
Existing Fees - Option 3					
User Fees					
<i>Percentage Increase</i>	3%	3%	3%	3%	3%
<i>User Fee</i>	\$ 380.68	\$ 392.10	\$ 403.86	\$ 415.98	\$ 428.46
<i>Dollar Increase</i>	\$ 11.09	\$ 11.42	\$ 11.76	\$ 12.12	\$ 12.48
<i>Total User Fees - Option 3</i>	5,299,192	5,505,204	5,690,016	5,881,228	6,078,441
Water Expenditures					
<i>Expenditure Sub-Totals</i>	6,305,600	6,307,100	6,780,800	7,233,900	7,679,700
<i>Option 1 - Surplus/(Deficit)</i>	(413,919)	215,510	405,361	678,717	1,034,179
<i>Option 2 - Surplus/(Deficit)</i>	(660,756)	(58,412)	102,637	344,590	665,449
<i>Option 3 - Surplus/(Deficit)</i>	(1,006,408)	(801,896)	(1,090,784)	(1,352,672)	(1,601,259)

Attachment # 3 - Reserves and Surplus

WATER RESERVES AND SURPLUS		2015	2016	2017	2018	2019	2020	2021
		Actual	Actual Unaudited	Final Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
Operating Surpluses	Dec 31 prior year	1,671,030	2,066,423	366,423	366,423	366,423	366,423	366,423
	For Operations	-	(1,700,000)	-	-	-	-	-
	Annual Transfers	395,393	(0)	-	-	-	-	-
	Projected balance Dec 31	2,066,423	366,423	366,423	366,423	366,423	366,423	366,423
SURPLUS RESERVE FOR FUTURE EXP								
	Dec 31 prior year	558,810	183,100	-	-	-	-	-
	For Operations							
	For Capital Projects	(558,810)	(183,100)	-	-	-	-	-
	Appropriated Surplus	183,100	-	-	-	-	-	-
	Projected balance Dec 31	183,100	-	-	-	-	-	-
TOTAL OPERATING RESERVES		2,249,523	366,423	366,423	366,423	366,423	366,423	366,423
capital reserves	WATER RESERVE							
	Dec 31 prior year	1,500,061	1,499,008	1,499,008	1,533,108	871,408	912,708	955,008
	Transfers to	(1,053)		34,100	37,500	41,300	42,300	43,300
	For Capital Projects		-	-	(699,200)	-	-	-
	Projected balance Dec 31	1,499,008	1,499,008	1,533,108	871,408	912,708	955,008	998,308
ASSET MANAGEMENT RESERVE								
Dec 31 prior year	-	-	1,322,837	875,337	1,167,837	1,167,837	1,167,837	1,367,837
Transfer to		2,000,000	300,000	300,000	300,000	300,000	500,000	750,000
For capital projects		(677,163)	(747,500)	(7,500)	(7,500)	(300,000)	(300,000)	(300,000)
	Projected balance Dec 31	-	1,322,837	875,337	1,167,837	1,167,837	1,367,837	1,817,837
WATER MACHINERY AND EQUIPMENT								
Dec 31 prior year	191,151	222,109	252,109	282,109	312,109	342,109	372,109	372,109
Annual Transfer	30,958	30,000	30,000	30,000	30,000	30,000	30,000	30,000
For capital projects								
	Projected balance Dec 31	222,109	252,109	282,109	312,109	342,109	372,109	402,109
TOTAL CAPITAL RESERVES		1,721,117	3,073,954	2,690,554	2,351,354	2,422,654	2,694,954	3,218,254

2017 - 2021 FIVE YEAR FINANCIAL PLAN

WATER CAPITAL FUND	2016 Final Budget	2017 Final Budget	2018 Proposed Budget	2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget
CAPITAL REVENUES						
Other Revenues						
Developer Contributions & Other	-	244,900	-	-	-	-
Development Cost Charges	9,300	169,500	2,500	-	-	-
CWWF Grant	-	1,788,600	-	-	-	-
	9,300	2,203,000	2,500	-	-	-
Funding from Operating Fund, Reserves and Surplus						
Water Operating Fund	408,909	80,600	630,600	1,230,600	1,730,600	1,730,600
Water Surplus	18,100	-	-	-	-	-
From Operating Revenues	427,009	80,600	630,600	1,230,600	1,730,600	1,730,600
Community Works (Gas Tax)	250,000	2,100,000	-	-	-	-
Other Reserves	1,169,300	-	699,200	-	-	-
Asset Management Reserve	-	747,500	7,500	300,000	300,000	300,000
From Reserves	1,419,300	2,847,500	706,700	300,000	300,000	300,000
	1,846,309	2,928,100	1,337,300	1,530,600	2,030,600	2,030,600
Funding from Debt	-	-	-	-	-	-
Transfer from Equity	-	-	-	-	-	-
Total Funding for Capital	1,855,609	5,131,100	1,339,800	1,530,600	2,030,600	2,030,600
CAPITAL EXPENDITURES						
DEBT						
Interest - Debenture Debt	27,960	10,500	10,500	10,500	10,500	10,500
Principal - Debenture Debt	20,149	20,100	20,100	20,100	20,100	20,100
	48,109	30,600	30,600	30,600	30,600	30,600
ASSETS						
Engineering Structures - Renewal	1,512,500	3,214,500	610,000	1,500,000	2,000,000	2,000,000
Engineering Structures - New	295,000	1,886,000	699,200	-	-	-
Other Charges	-	-	-	-	-	-
	1,807,500	5,100,500	1,309,200	1,500,000	2,000,000	2,000,000
Total Water Capital Expenditures	1,855,609	5,131,100	1,339,800	1,530,600	2,030,600	2,030,600

2017 - 2021 FIVE YEAR FINANCIAL PLAN		2016 Final Budget	2016 Actual Unaudited	2017 Final Budget	2018 Proposed Budget	2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget
WATER CAPITAL FUND								
Revenue								
Other Revenues								
040-40-5-340-0000-14000-0070	Developer contributed Assets	-	-	-	-	-	-	-
040-40-5-340-0000-14403-0070	Outside contributions	-	-	244,900	-	-	-	-
080-40-5-340-0000-19202-0130	From DCC Deferred Revenue Reserve	9,300	9,300	169,500	2,500	-	-	-
	CWWF Grant	-	-	1,788,600	-	-	-	-
		9,300	9,300	2,203,000	2,500	-	-	-
Transfers from Sewer Operating Fund								
080-40-5-340-0000-19130-0120	From Water Operating Fund	408,909	316,522	80,600	630,600	1,230,600	1,730,600	1,730,600
080-40-5-340-0000-19130-0120	From Appropriated Surplus	18,100	17,143	-	-	-	-	-
		427,009	333,665	80,600	630,600	1,230,600	1,730,600	1,730,600
Transfer from Reserve Funds								
080-40-5-340-0000-19206-0130	New Works Reserve	1,169,300	-	-	699,200	-	-	-
040-40-5-340-0000-18705-0040	From Gas Tax Reserve	250,000	-	2,100,000	-	-	-	-
	Asset Management Reserve	-	677,163	747,500	7,500	300,000	300,000	300,000
		1,419,300	677,163	2,847,500	706,700	300,000	300,000	300,000
Funding from Debt								
040-40-5-350-0000-17050-0180	From Debt	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Transfer from Equity								
040-40-5-340-0000-19300-0140	Loss on disposal of TCA	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		1,855,609	1,020,128	5,131,100	1,339,800	1,530,600	2,030,600	2,030,600
Capital expenditures								
DEBT								
080-31-2-500-5000-64231-8040	INT - BL 2424 LERWICK WATERMAIN MFA 97	27,960	15,738	10,500	10,500	10,500	10,500	10,500
		27,960	15,738	10,500	10,500	10,500	10,500	10,500
080-31-2-500-5000-64131-8030	PR - L/T BL 2424 LERWICK RD WATERMAIN MFA 97	20,149	20,149	20,100	20,100	20,100	20,100	20,100
		20,149	20,149	20,100	20,100	20,100	20,100	20,100
TOTAL DEBT		48,109	35,887	30,600	30,600	30,600	30,600	30,600
Infrastructure Renewal								
Water Main Replacement								
040-40-6-340-0000-87535	Willemar Ave - 17th to 26th	39,000	34,979	1,064,500	10,000	-	-	-
040-40-6-340-0000-87547	Water - Main Replacement - 2nd Street (cliffe to Engl	4,500	763	-	-	-	-	-
040-40-6-340-0000-87548	Water - Main Replacement - 12th St (Stewart to Urqu	4,100	6,880	-	-	-	-	-
040-40-6-340-0000-87553	Water - 1000 M of Main Replacement	250,000	-	-	-	-	-	-
040-40-6-340-0000-87599	Projects Identified Through Asset Management Strate	-	-	-	600,000	1,500,000	2,000,000	2,000,000
040-40-6-340-0000-87554	3rd st - Cliffe to England	211,200	136,985	-	-	-	-	-
040-40-6-340-0000-87555	Anderton Ave - 5th - 6th	195,000	107,340	-	-	-	-	-
040-40-6-340-0000-87556	Dingwall Road - Western Road to McLaughlin Dr	464,100	331,618	-	-	-	-	-
040-40-6-340-0000-87557	Duncan Ave - 4th - 6th	342,000	338,527	-	-	-	-	-
040-40-6-340-0000-87558	Willemar Ave - 5th - 10th	-	-	-	-	-	-	-
040-40-6-340-0000-87559	Old Highway Watermain Replacement	2,600	-	-	-	-	-	-
040-40-6-340-0000-87567	Comox Road Water Replacement	-	-	2,100,000	-	-	-	-
040-40-6-340-0000-87568	Buckstone Water Pump Station	-	-	50,000	-	-	-	-
		1,512,500	957,093	3,214,500	610,000	1,500,000	2,000,000	2,000,000
New Water Infrastructure								
040-40-6-340-0000-87521	Sandwich Conversion	-	25,129	1,593,000	-	-	-	-
040-40-6-340-0000-87546	Water Main Installation - Vanier Drive	295,000	2,019	293,000	-	-	-	-
040-40-6-340-0000-87566	Zone metering	-	-	-	699,200	-	-	-
		295,000	27,148	1,886,000	699,200	-	-	-
Other	Loss on Disposal of Assets	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		1,807,500	984,240	5,100,500	1,309,200	1,500,000	2,000,000	2,000,000
		1,855,609	1,020,127	5,131,100	1,339,800	1,530,600	2,030,600	2,030,600



THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT

To: Council
From: Chief Administrative Officer
Subject: Grants-in-Aid Supplemental Report

File No.: 1850-01
Date: March 27, 2017

PURPOSE:

The purpose of this report is to address key Council questions following an initial review of the list of Grants-in-Aid requests submitted on March 6, 2017.

POLICY ANALYSIS:

This supplemental report is presented as per the March 6, 2017 Council resolution and as well in compliance with the October 2016 Grants-in-Aid policy:

.03

GRANTS-IN AID REQUESTS

1850-01

Moved by Hillian and seconded by Wells that the March 6th 2017 staff report, “List of Grants-in-Aid Requests” be postponed to a future Council meeting along with additional information from staff.

EXECUTIVE SUMMARY:

In 2016, the City revised and adopted a Grants-in-Aid Policy to respond to requests from Comox Valley community organizations seeking financial assistance in a variety of different forms. To create a transparent and efficient process, the policy was updated and a deadline set for the receipt of applications. This supplemental report is submitted to provide Council with the revised list of entities requesting Grants-in-Aid from the City and assist Council in determining which requests to approve.

CAO RECOMMENDATIONS:

That based on the March 27, 2017 staff report, “Grants-in-Aid Supplemental Report, Council approve Option 1 to direct Staff to remit Grant-in-Aid payments to all applicants as noted in the Grants-in-Aid list and that no additional Grant-in-Aid or Financial Aid requests be further considered until 2018.

Respectfully submitted,

David Allen, BES, CLGEM, SCLGM
Chief Administrative Officer

BACKGROUND:

On March 6, 2017 Council was presented with a list of community organizations requesting financial assistance from the City. Upon review of the list, Council requested a reconciliation of the unspent Gaming Fund dollars for the categories of Council Initiatives and Projects, Social/Societal Initiatives, Green Capital Projects and Innovation.

DISCUSSION:

The March 6, 2017 report noted there was approximately \$400,000 of unspent Gaming Fund dollars. This accumulation occurred from the following categories over the past three years.

	Gaming Fund			Accum
	Budget	Actual	Difference	Surplus
Social/Societal Initiatives				
2016	50,000	-	50,000	
2015	50,000	-	50,000	
2014	50,000	-	50,000	
				150,000
Green Capital Projects				
2016	50,000	-	50,000	
2015	35,000	25,800	9,200	
2014	35,000		35,000	
				94,200
Council Initiatives/Projects				
2016	75,000	18,820	56,180	
2015	75,000	10,500	64,500	
2014	75,000	40,968	34,032	
				154,712
			Unspent	398,912

When adjudicating grant applications, Staff followed the Grant-in-Aid policy, the City’s 2016-2018 Strategic Priorities as well as provincial legislation with respect to the provision of grants for businesses.

Section 25 (1) of the Community Charter states the following:

- “**25** (1) Unless expressly authorized under this or another Act, a council must not provide a grant, benefit, advantage or other form of assistance to a business, including
- (a) any form of assistance referred to in section 24 (1) [*publication of intention to provide certain kinds of assistance*], or
 - (b) an exemption from a tax or fee.

The Community Charter defines “business” as:

"business" means

- (a) carrying on a commercial or industrial activity or undertaking of any kind, and

(b) providing professional, personal or other services for the purpose of gain or profit, but does not include an activity carried on by the Provincial government, by corporations owned by the Provincial government, by agencies of the Provincial government or by the South Coast British Columbia Transportation Authority or any of its subsidiaries.”

Subsections 271-274 of the Local Government Act provide further guidance with respect to whom the City can provide grant funding.

To re-iterate from the March 6, 2017 report, the use of Gaming Funds for local government is unrestricted, payments assigned to Grants-In-Aid could be allocated for other City priorities such as:

- Capital renewal via the Asset Management program;
- Cost reduction for increased capacity to address sustainable service delivery;
- Cost reduction for rising RCMP staffing or investigation costs incurred over the course of a year;
- Financial resource for subsequent strategic land purchases or,
- Tax reductions for residents of the community.

In 2012 there was only 1 request for funding. Since that time, the number of requests has increased to 10 in 2016 and 12 in 2017.

Two organizations (The Royal Canadian Legion and Indigenous Women Sharing Society) submitted late grant funding requests but did not meet the 2017 submission deadline. Staff provided information to each organization so that they have the opportunity to apply for funding in 2018. At the March 20th 2017 Regular Open Council meeting representatives from the Indigenous Women Sharing Society appeared as a delegation requesting funding.

For 2018, the deadline for applications will be **August 1, 2017**.

FINANCIAL IMPLICATIONS:

The breakdown of the unused portion of Gaming Funds (~\$400,000) is from the categories of Council Initiatives and Projects, Social/Societal Initiatives, plus Green Capital Projects and Innovation.

Attachment # 1 is the list of grant-in-aid applicants separated by Gaming Fund category. The total amount of Grant-In-Aid requests for additional or new funding is \$289,556. Council can use the above Table and the Attachment to identify those organizations it wishes to submit funding to in 2017.

As noted above, any amount used for Grants-In-Aid can be directed for use in other local government areas, such as contribution to reserves, or any other legal municipal purpose.

ADMINISTRATIVE IMPLICATIONS:

Staff will process payments to those organizations Council selects from the list noted in Attachment # 1. Correspondence will be submitted with the cheque issued to the group noting key dates required for the upcoming grant application process. It is expected that a minimum of 3 hours will be required to complete this process in 2017.

ASSET MANAGEMENT IMPLICATIONS:

Utilization of Gaming Funds for Grants-in-Aid reduces the amount of revenues available for the renewal of the City's assets and infrastructure.

STRATEGIC PRIORITIES REFERENCE:

Providing financial resources to organizations in the community and the Valley is a means for the City to follow its strategic priorities of supporting housing diversity and investing in key relationships as noted in its 2016-2018 Strategic Priorities.

<p>We support diversity in housing and reasoned land use planning</p> <ul style="list-style-type: none">● Support densification aligned with community input and regional growth strategy● Assess how city-owned lands can support our strategic land acquisitions and disposals▲ Support initiatives and incentives to encourage lower cost housing■ Proactively pursue housing diversity and advocate for senior government support	<p>We invest in our key relationships</p> <ul style="list-style-type: none">○ We value and recognize the importance of our volunteers○ We will continue to engage and partner with service organizations for community benefit▲ We actively engage with our K'ómoks First Nation neighbours on issues of mutual interest and concern▲ We advocate and cooperate with other local governments and senior governments on regional issues affecting our city
	<ul style="list-style-type: none">● Area of Control The policy, works and programming matters that fall within Council's jurisdictional authority to act.▲ Area of Influence Matters that fall within shared or agreed jurisdiction between Council and another government or party.■ Area of Concern Matters of interest outside Council's jurisdictional authority to act.

OFFICIAL COMMUNITY PLAN REFERENCE:

N/A

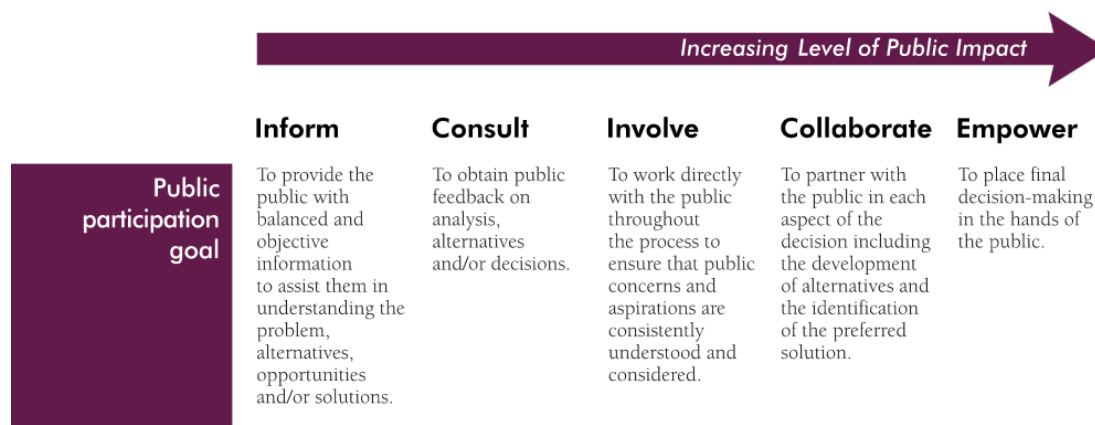
REGIONAL GROWTH STRATEGY REFERENCE:

N/A

CITIZEN/PUBLIC ENGAGEMENT:

Staff would **inform** the public based on the IAP2 Spectrum of Public Participation:

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



OPTIONS:

1. That Staff be directed to remit Grant-in-Aid payments to all applicants noted in the Grants-in-Aid list and that no additional Grant-in-Aid or Financial Aid requests be considered until 2018.
2. That Staff be directed to remit Grant-in-Aid payments to select applicants up to a maximum of \$200,000 and that no additional Grant-in-Aid or Financial Aid requests be considered until 2018 with unallocated Gaming Funds to be applied to future 2018 Council strategic initiatives; or,
3. That Staff be directed to remit Grant-in-Aid payments to all applicants up to a maximum of \$200,000 and that any unspent Gaming Funding be used for some other purpose as outlined in the "Discussion" section of this report.

Prepared by:

Brian Parschauer, BA, CPA-CMA
Director of Financial Services

Attachments:

1. *Revised List of Grant Applicants*
2. *SR-DFS 2017-03-06 Grant in Aid Report*

City of Courtenay
2017 Grant Applications

Name of Organization / Society	Purpose	Additional / New Amount Requested	Gaming Fund Category	Other forms of subsidy requested	Current Gaming Contribution	Other Financial support provided by the City	Total Financial Support
		Gaming Fund		Tax dollars	Gaming Fund	Tax dollars	
Courtenay July 1st Committee	City of Courtenay's Canada Festival -Other forms of subsidy up to a value of 20k (funded by tax dollars) and 5k to cover insurance (Gaming Fund)	\$ 25,000	Council Initiatives/Projects	-Use of staff time -Use of City's facilities, grounds and equipment -Road closure & signage -Marketing support (contact at the City : Scott Mossing)	\$ 5,000	\$ 20,000	\$ 50,000
Comox Valley Youth Music Centre	50th CYMC anniversary Immersion Summer Camp (lodging, food, signage, travel and facility rentals)	\$ 4,500	Council Initiatives/Projects	-Rental of Simms Park -Rental of Native Sons Hall			\$ 4,500
L'Arche Comox Valley	Construction of the 'I Belong Centre', a 6 units of supportive housing. L'Arche also benefits from a permissive tax exemption	\$ 40,000	Social/Societal Initiatives	No		\$ 7,032	\$ 47,032
Comox Valley Art Gallery Society	Annual Grant Funding (Dec.19 2016 Council resolution to consider additional funding for 2017). Request for an additional 20k (from 65k to 85k) - Staff suggest 10k only	\$ 10,000	Downtown Arts and Culture	No	\$ 65,000		\$ 75,000
Comox Valley Multicultural & Immigrant Support Society	-Lunar Festival Celebration (Feb 12) \$1200 -CV Multicultural Festival special for Canada 150 years celebration (Jun 30) \$1000 -Children after school culture program \$800	\$ 3,000	Council Initiatives/Projects	No			\$ 3,000
Back to the Fibre Event	2 day gathering featuring local artists, small local textile businesses & indigenous fibres (Mar 11-12) No amount specified - additional information to be provided	not specified	Council Initiatives/Projects				
The Alberni Project (TAP)	Support HMCS Alberni Museum and Memorial in Courtenay and The Alberni Project (TAP) mobile memorial and exhibit: -Museum Operations \$6000 -'BC at war' 4 month exhibit \$2000 -Host ANZAC Day \$1500	\$ 9,500	Council Initiatives/Projects	No			\$ 9,500
Comox Valley Nature (CVN) for the Wetland Restoration Project	Encourage the study of nature, stimulate the active interest in ecology and the protection, conservation and wise utilization of natural resources: Control and replacement of invasive plants (purchase of plants, fertilizer, soil and associated materials) \$3000	\$ 3,000	Green Capital Projects/Innovation	No			\$ 3,000
Downtown Courtenay Business Improvement Association	Weekly night market 4th Street : \$2500 (new) Downtown Wayfinding signage & BIA signage (banners): \$20,000 (new) Website revitalization : \$5000 (new) Support events and festivals (2016 agreement - already approved, year 2 of 3) : \$5000	\$ 27,500	Council Initiatives/Projects	No	\$ 5,000	\$ -	\$ 32,500
CVEDS - Tech Incubator Planning	Develop a detail business case analysis for hub	\$ 15,000	Council Initiatives/Projects	No			\$ 15,000
CVEDS - Facility specific start up costs	Communications, Connectivity & Related I.T.	\$ 50,000	Council Initiatives/Projects	No			\$ 50,000
CVEDS - Marketing and Tech Attraction	Matching funds (50% dollars) for tech attraction	\$ 25,000	Council Initiatives/Projects	No			\$ 25,000
CVEDS - Policy and Legislative	Collaboration on strategic project development			in-kind			\$ -
Habitat for Humanity Vancouver Island North Society	First phase of a 10-unit project : DCC Fees - Unit 1 : \$4,278 DCC Fees - Unit 2 : \$4,278 On site Servicing for 1330 Lake Trail Road : \$40,000 The Society also benefits from a permissive tax exemption.	\$ 48,556	Social/Societal Initiatives	No		\$ 590	\$ 49,146
Comox Valley Arts	Operational support : \$12,500 Poet Laureate : \$1000 Mural Program : \$10,000 Cultural Inventory Elevate Details : \$5000	\$ 28,500	Downtown Arts and Culture	na			\$ 28,500
Total Grant requested for 2017		\$ 289,556			\$ 75,000	\$ 27,622	\$ 392,178



THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT

To: Council
From: Chief Administrative Officer
Subject: List of Grants-in-Aid Requests

File No.: 1850-01
Date: March 6, 2017

PURPOSE:

The purpose of this report is to present Council with a list of groups requesting grant funding from the City under the Grants in Aid Policy.

POLICY ANALYSIS:

This report is presented as per Council's guidelines approved in the October 2016 Grants-in-Aid policy:

GRANT POLICY
 1850-00

Moved by Hillian and seconded by Lennox that based on the October 31, 2016 staff report "Grants in Aid and Matching Grant Program – Affordable Housing Initiatives", Council select Option 1 approving the Provision of Grant-in-Aid and Other Forms of Financial Support Policy #1850.00.04 as presented; and further that the Grants-in-Aid policy #1850.00.02 and Matching Grant Program-Affordable Housing Initiatives policy #1850.00.03 be rescinded.

EXECUTIVE SUMMARY:

In 2016, the City revised and adopted a Grants-in-Aid Policy to respond to requests from Comox Valley community organizations seeking financial assistance in a variety of different forms. To create a transparent and efficient process, the policy was updated and a deadline set for the receipt of applications. This report is submitted to provide Council with the list of entities requesting Grants-in-Aid from the City and assist Council in determining which requests to approve.

CAO RECOMMENDATIONS:

That based on the March 6, 2017 staff report, "List of Grants-in-Aid Requests", Council approve Option 1 to direct Staff to remit Grant-in-Aid payments to all applicants as noted in the Grants-in-Aid list and that no additional Grant-in-Aid or Financial Aid requests be further considered until 2018.

Respectfully submitted,

David Allen, BES, CLGEM, SCLGM
 Chief Administrative Officer

BACKGROUND:

In response to requests from the City for financial aid and grant assistance in the Comox Valley and City of Courtenay, a Grants-in-Aid Policy was created and adopted by Council. The previous policies dated back to 2001 and 2006 and were outdated in relation to current circumstances. In late October 2016, Council approved an updated and consolidated Grants-in-Aid policy for the public to follow. The deadline for receipt of 2017 Grants-in-Aid applications was set at January 31, 2017.

DISCUSSION:

The intent of the policy is to provide a process and criteria that applicants follow when requesting financial assistance from the City (see Attachment # 1 – Grants-In-Aid Policy). Attachment number 2 is the current 2016 – 2018 Gaming Fund allocation policy. Attachment number 3 shows the list of community organizations applying for grant funding or additional funding from the City. The dollar amount of requests varies from \$3,000 to \$50,000 and the reasons for the requests vary from funding for youth music summer camp to assistance for supportive housing projects in Courtenay.

The Comox Valley Art Gallery presented to council on December 19, 2016 to request an additional \$20,000 to their existing \$65,000 per year allocation, and they submitted a business case to staff on February 6, 2017. Based on this business case, and in consultation with the gallery, staff recommends increasing the annual grant amount of \$10,000 to supplement their core funding. Further, through the City budget process staff will be recommending an allocation of \$15,000 to business planning for the art gallery and the other cultural groups currently funded by the City, which include the Courtenay & District Historical Society, and the Sid Williams Theatre Society. The resulting business plans will clarify the rationale and sustainability of the funding and services delivered by each organization.

When adjudicating grant applications, the City follows its Grant-in-Aid policy, its 2016-2018 Strategic Priorities as well as provincial legislation. One applicant (Comox Valley Economic Development Society, a non-profit society) is requesting \$90,000 of funding from the City for the promotion of a tech incubator project in the City's downtown core. They are seeking financial support for the planning process of this incubator, start-up related tenant improvements, marketing and attraction efforts which includes legislative support. The Downtown Courtenay Business Improvement Association, a non-profit organization, is requesting \$25,000 of new funding for BIA signage (banners), wayfinding and website revitalization.

Sections 25 (1) of the Community Charter states the following:

- “25 (1) Unless expressly authorized under this or another Act, a council must not provide a grant, benefit, advantage or other form of assistance to a business, including
- (a) any form of assistance referred to in section 24 (1) [*publication of intention to provide certain kinds of assistance*], or
 - (b) an exemption from a tax or fee.

The Community Charter defines “business” as:

“**business**” means

- (a) carrying on a commercial or industrial activity or undertaking of any kind, and
- (b) providing professional, personal or other services for the purpose of gain or profit,

but does not include an activity carried on by the Provincial government, by corporations owned by the Provincial government, by agencies of the Provincial government or by the South Coast British Columbia Transportation Authority or any of its subsidiaries.”

Subsections 271-274 of the Local Government Act provide further guidance with respect to whom the City can provide grant funding.

Based on the information noted above, the City should not provide a Grant-in-Aid for tenant improvements proposed by CVEDS, but could provide funding for the remaining two pieces of their request. All other entities would be eligible to receive a grant if Council so chooses.

The funding source for Grants-In-Aid Policy is the City’s Gaming Funds. The BC Government allows host local governments to use Gaming Fund revenues for “any purpose within their legal authority”. As a host local government, during the period of 2014/2015 Courtenay received on average over \$900,000 of the total \$95.8M provided to host governments province wide (see BC Government, Gambling Revenue distributed in Fiscal Year 2014/2015).

The attached list of applicants can also apply to the provincial government for grants via the “non-profit community organizations” category. In 2014/2015, the province provided \$134.8 M of grants to various organizations as noted in the list below:

Category of Applications	Community Gaming Grants		Special One Time Grants		Total	
	Qty*	Amount	Qty*	Amount	Qty*	Amount
Arts and Culture	674	\$17,178,880.00	3	\$305,000.00	677	\$17,483,880.00
Environment	110	3,399,325.00		0.00	110	\$3,399,325.00
Human and Social Services	1,647	66,274,244.00	3	348,500.00	1,650	\$66,622,744.00
PAC and DPAC •	1,507	11,483,980.00		0.00	1,507	\$11,483,980.00
Public Safety	136	7,159,251.00	1	208,000.00	137	\$7,367,251.00
Sport	894	27,710,620.00	4	850,000.00	898	\$28,560,620.00
Total (paid grants)	4,968	\$133,206,300.00	11	\$1,711,500.00	4,979	\$134,917,800.00

The provincial government restricts itself to particular gaming revenue categories but local host governments are completely unrestricted and can use those funds in any capacity necessary. Historically, the City’s use of categories was devised as a means to provide a guide to spending the gaming funds. Since the use of Gaming Funds for local government is unrestricted, payments assigned to Grants-In-Aid could be allocated for other City priorities such as:

- Capital renewal via the Asset Management program;
- Cost reduction for increased capacity to address sustainable service delivery;
- Cost reduction for rising RCMP staffing or investigation costs incurred over the course of a year;
- Financial resource for subsequent strategic land purchases or,
- Tax reductions for residents of the community.

In 2012 there was only 1 request for funding. Since that time, the number of requests has increased to 10 in 2016 and 12 in 2017. The trend appears to be that there will be more and more demand for Grant-in-Aid payments in future years. It may be advantageous for Council to set a fixed annual ceiling for Grant-in-Aid payments in order to limit the amount of revenue being distributed. As well, once Grants are assigned,

no subsequent or new requests should be entertained until the following year. Any deviation from the current process will undermine the authority of the existing policy.

For 2018, the deadline for applications will be **August 1, 2017**.

FINANCIAL IMPLICATIONS:

The City's practice has been to only distribute Gaming funds collected from a previous year, following pre-defined categories (Arts and Culture, Public Safety/Security, Infrastructure Works, Council Initiatives and Projects, Social/Societal Initiatives, Green Capital Projects and Innovation). The latter three categories have typically been under-utilized, but in 2016 those residual dollars were used to purchase a strategic property in Courtenay. As of December 31, 2016 the Gaming Fund account had \$1,373,174 which includes 2016's allotment. If that amount is removed, the remaining dollars available for 2017 Grant-in-Aid applications is \$400,000.

For 2017, the total amount of Grant-In-Aid requests for additional or new funding is \$289,556. Back to the Fibre Event has not requested a specific dollar amount and whatever Council decides, will be added to the total request.

As noted above, any amount used for Grants-In-Aid can be directed for use in other local government areas, such as contribution to reserves, or any other legal municipal purpose.

ADMINISTRATIVE IMPLICATIONS:

Staff will process payments to those organizations Council selects from the list noted in attachment # 2. Correspondence will be submitted with the cheque issued to the group noting key dates required for the upcoming grant application process. It is expected that a minimum of 3 hours will be required to complete this process in 2017.

Once this process becomes common knowledge in the community, there will be higher demand placed on Staff time and resources when processing applications and approved payments to successful applicants. It is too early to predict the amount of future resources that will be required.

ASSET MANAGEMENT IMPLICATIONS:

Utilization of Gaming Funds for Grants-in-Aid reduces the amount of revenues available for the renewal of the City's assets and infrastructure.

STRATEGIC PRIORITIES REFERENCE:

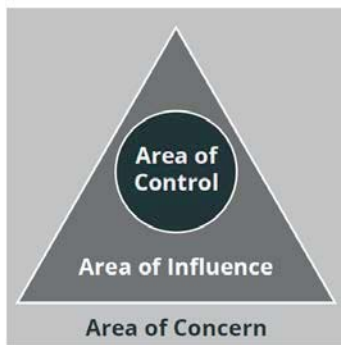
Providing financial resources to organizations in the community and the Valley is a means for the City to follow its strategic priorities of supporting housing diversity and investing in key relationships as noted in its 2016-2018 Strategic Priorities.

We support diversity in housing and reasoned land use planning

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

We invest in our key relationships

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



● **Area of Control**

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

▲ **Area of Influence**

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

■ **Area of Concern**

Matters of interest outside Council's jurisdictional authority to act.

OFFICIAL COMMUNITY PLAN REFERENCE:

N/A

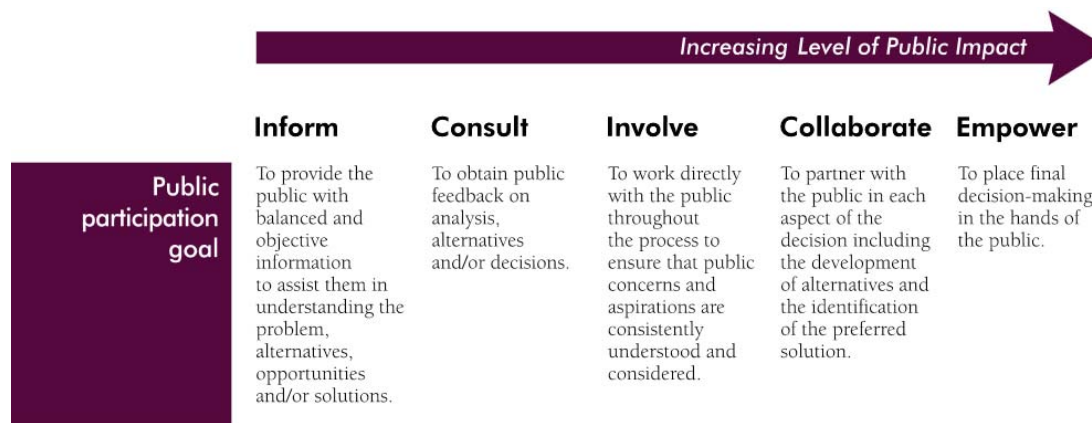
REGIONAL GROWTH STRATEGY REFERENCE:

N/A

CITIZEN/PUBLIC ENGAGEMENT:

Staff would inform the public based on the IAP2 Spectrum of Public Participation:


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



OPTIONS:

1. That Staff be directed to remit Grant-in-Aid payments to all applicants noted in the Grants-in-Aid list and that no additional Grant-in-Aid or Financial Aid requests will be considered until 2018.
2. That Staff be directed to remit Grant-in-Aid payments to select applicants up to a maximum of \$200,000 and that no additional Grant-in-Aid or Financial Aid requests be considered until 2018 with unallocated Gaming Funds to be applied to future 2018 Council strategic initiatives; or,
3. That Staff be directed to remit Grant-in-Aid payments to all applicants up to a maximum of \$200,000 and that any unspent Gaming Funding be applied to offset 2017 tax increases.

Prepared by:



Brian Parschauer, BA, CPA-CMA
Director of Financial Services

Attachments:

1. Grants-in-Aid Policy 1850.00.04
2. 2016 – 2018 Annual Gaming Fund Distribution
3. List of Grant Applicants

City of Courtenay**Policy**

Page 1 of 3

Section: 5 - Finance	Policy # 1850.00.04
Subject: Provision of Grant-in-Aid and other Forms of Financial Support	Revision #

PURPOSE:

The purpose of this policy is for Council to provide criteria to identify the appropriateness and suitability of applications from organizations requesting Grants-in-Aid and other forms of financial support from the City of Courtenay. Council decisions with respect to the provision of these forms of support will be made after carefully reviewing all applications and in conjunction with annual budgetary planning.

POLICY:

The City has limited financial resources available for the provision of Grants-in-Aid or other forms of financial support to special interest groups. In order to be consistent and fair to all applicants, the following criteria must be met:

1. **Entity must complete the Application and provide correspondence to City Council:**
 - a. **identifying who they are and whether they are a “for-profit” or “not-for-profit” organization,**
 - b. **what special interest they represent and a demonstrated financial need,**
 - c. **how much grant-in-aid or other financial commitments from the City they are requesting,**
 - d. **describe what project the resources will be used for,**
 - e. **describe how the project will benefit the community of the City of Courtenay and the greater Comox Valley region,**
 - f. **provide the project business case in terms of confirmation of need and demand, project sustainability, capital budget plan and operating budget plan if applicable, (exclude if request is below \$10,000),**
 - g. **provide the organization’s audited financial statements for the past three years, (provide prior year financial information if request is below \$10,000),**
 - h. **identify projects in the Comox Valley they have successfully completed, (exclude if request is below \$10,000),**
 - i. **identify whether they are receiving or soliciting any other form of supplementary City funding, subsidy or fee reductions relative to the application;**
 - j. **identify other requests or receipt of funding from other organizations and Comox Valley local governments; and,**
 - k. **identify what City support they have received in the past five years and how it has been used.**

AUTHORIZATION: CoW 1.00.03	DATE: October 31, 2016 CoW
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Section: 5 - Finance	Policy # 1850.00.04
Subject: Provision of Grant-in-Aid and other Forms of Financial Support	Revision #

2. Organizations must be based in the City of Courtenay. Funding is **not** available for individuals.
3. Organizations must identify and provide proof of supplementary funding payments or agreements from external sources supporting their initiative. Provincial and Federal funding agreements or correspondence identifying dollar amounts must be provided for Council information.
4. A Council resolution must authorize and determine the grant in aid payment or any other financial commitment from the City.
5. Grants-in-Aid and other commitments must be used for the purpose intended. City resources cannot be used to provide any type of assistance to other organization(s) working in tandem with the applicant.
6. Payments will only be issued upon direction provided by the Chief Administrative Officer or Director of Finance.
7. **Gaming Funds will be the primary funding source for all monetary commitments to organizations or entities requesting assistance.**
8. Grants or other City resources cannot be used for illegal purposes or anything disallowed by the Community Charter.
9. Applicants must publicly acknowledge the City of Courtenay's contribution.
10. Applications must be submitted by **August 1st of each year**, to the Director of Finance using the prescribed application form. The Director will review the applications for completeness and arrange contact with applicants for additional information as necessary.
11. The Director of Finance will present a summary report of the applications, relative to the eligibility criteria, to Council and arrange for delegations to Council as necessary.
12. Within one year of the date of receipt of the grant, entities must provide an independent reporting of how the grant was utilized and the outcomes of the dollars received.

AUTHORIZATION: CoW 1.00.03	DATE: October 31, 2016 CoW
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Section: 5 - Finance	Policy # 1850.00.04
Subject: Provision of Grant-in-Aid and other Forms of Financial Support	Revision #

13. Grants-in-Aid shall be considered on a year-to-year basis and continuing support should not be anticipated.

SCOPE:

This policy applies to all grant-in-aid and financial requests submitted to the City of Courtenay. Authority for, and restrictions on the provision of, any form of assistance is provided under The Community Charter, Sections 8(1), 24 and 25. Preference will be given to organizations who can demonstrate a request that promotes the City’s strategic priorities as identified in the Strategic Priorities found on the City’s webpage.

RELATED DOCUMENTS:

RESPONSIBILITY:

City of Courtenay council members are responsible for adopting policies that manage the financial resources of the community. These policies must recognize the budgetary demands of City operations as a whole and be responsive to public perceptions and constraints. There is a limited sum of tax dollars and external revenue sources available for grants to organizations.

The Chief Administrative Officer or Director of Finance has responsibility for processing all payments.

REVIEW DATE:

This policy has an intended life of 20 years, or less dependent on the discretion of Council of-the-day.

AUTHORIZATION: CoW 1.00.03	DATE: October 31, 2016 CoW
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City of Courtenay Grant Application Form

Financial Services Department
830 Cliffe Avenue, Courtenay V9N 2J7
250-334-4441 | finance@courtenay.ca

Full Name of Corporation, Association, Society or Organization:	
Your Name:	
Position Held With the Organization:	
Your Mailing Address:	
Phone #:	Email:
Mailing Address of Organization (if different):	
Two Other Officials in Organization (i.e. President, Manager, Etc.)	
A. Name:	B. Name:
Title:	Title:
Day Phone #:	Day Phone #:
Email:	Email:
Date Org. (or Chapter) established:	Societies Act Registration No.:
Are you registered as a charity? <input type="radio"/> Yes <input type="radio"/> No	Charitable Registration No.:
INFORMATION FOR REVIEW OF GRANT APPLICATION:	
Please provide details of the activities of your organization:	
Describe what target group this will benefit and the opportunities that will be provided to the community or the region:	
If your request will be used for affordable housing, how many affordable units will your initiative create? If your request will be used for other reasons, identify what community efforts or initiatives will benefit from the resources provided to your organization.	

If this grant application for affordable housing, what is the location of your housing initiative?

Street Address:	Legal Description:
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List the grant amount or various forms of support requested:

EVENT	REQUEST TYPE	AMOUNT	DETAILS
<i>e.g. July 1st Parade</i>	<i>Grant</i>	<i>\$5,000</i>	

Attach other information pertinent to your application:

- a. Copy of Business Case for project being completed in Courtenay;
- b. Copy of Organization’s Audited Financial Statements;
- c. List of other similarly related projects completed in the Comox Valley region;
- d. List of other requests or receipt of funding from other Organizations and Comox Valley local governments;
- e. List of other forms of support requested from the City of Courtenay (Provide a list & dollar amount requested); and,
- f. List of other provincial, federal, regional funding being pursued to support this project.

Provide a spreadsheet that identifies, within the past five years, what size of grant has been provided to the organization/entity and what outcomes were achieved as a result of receipt of the funding.

By signing below the applicant confirms the following:

I certify that I am authorized to complete this form on behalf of the applicant, and have knowledge of the facts used herein.

Applicant Signature:		Date:
Witness Signature:		Date:

NOTE:

- The personal information on this form is collected for the purpose of an operating program of the City of Courtenay as noted in Section 26(c) of the *Freedom of Information and Privacy Act*. If you have any questions about the collection and use of this information, please contact the Director of Financial Services at 250-334-4441.
- To request a grant for the 2017 budget year, please complete and submit this form by January 31, 2017.**
For future years, the application must be received by August 1st in the year PRIOR to the taxation year for which the grant is requested. For example, to be considered in the 2018 budget, please submit the form by August 1, 2017.
- Grant Applications are to be submitted to:
City of Courtenay, attention Director of Financial Services
830 Cliffe Avenue, Courtenay, B.C. V9N 2J7

Office Use Only: Authorized City of Courtenay Approval	Name:	Signature:	Date:
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2016 - 2018 Approved Schedule of Annual Gaming Funds Distribution

Distribution: Major Categories	Distributions -2016		Distributions -2017		Distributions -2018	
	Estimated Annual Funds Available	\$ 875,000	Estimated Annual Funds Available	\$ 885,000	Estimated Annual Funds Available	\$ 895,000
Support Downtown Arts and Culture	CV Art Gallery	\$ 65,000	CV Art Gallery	\$ 65,000	CV Art Gallery	\$ 65,000
	Ctny & Dist Historical Society	\$ 50,000	Ctny & Dist Historical Society	\$ 50,000	Ctny & Dist Historical Society	\$ 50,000
	Sid Williams Theatre Society	\$ 105,000	Sid Williams Theatre Society	\$ 105,000	Sid Williams Theatre Society	\$ 105,000
	Downtown cultural events	\$ 5,000	Downtown cultural events	\$ 5,000	Downtown cultural events	\$ 5,000
		<u>\$ 225,000</u>		<u>\$ 225,000</u>		<u>\$ 225,000</u>
Council Initiatives & Projects	Purple ribbon Campaign	\$ 3,500	Purple ribbon Campaign	\$ 3,500	Purple ribbon Campaign	\$ 3,500
	Bus shelters - 3 per year	\$ 30,000	Bus shelters - 3 per year	\$ 30,000	Bus shelters - 3 per year	\$ 30,000
	Other projects and initiatives	\$ 41,500	Other projects and initiatives	\$ 41,500	Other projects and initiatives	\$ 41,500
		<u>\$ 75,000</u>		<u>\$ 75,000</u>		<u>\$ 75,000</u>
Public Safety / Security	Policing - fund two officers	\$ 375,000	Policing - fund two officers	\$ 385,000	Policing - fund two officers	\$ 395,000
Social / Societal Initiatives	Council supported supportive housing initiatives	\$ 50,000	Council supported supportive housing initiatives	\$ 50,000	Council supported supportive housing initiatives	\$ 50,000
Infrastructure Works	Reserve funds for third bridge crossing	\$ 100,000	Reserve funds for third bridge crossing	\$ 100,000	Reserve funds for third bridge crossing	\$ 100,000
Green Capital Projects / Innovation	Council supported initiatives to achieve outcomes of reduced greenhouse gas emissions, cleaner air, cleaner water	\$ 50,000	Council supported initiatives to achieve outcomes of reduced greenhouse gas emissions, cleaner air, cleaner water	\$ 50,000	Council supported initiatives to achieve outcomes of reduced greenhouse gas emissions, cleaner air, cleaner water	\$ 50,000
Total Annual Distribution		<u>\$ 875,000</u>	<u>\$ 885,000</u>		<u>\$ 895,000</u>	

City of Courtenay
2017 Grant Applications

Name of Organization / Society	Purpose	Additional / New Amount Requested	Other forms of subsidy requested	Current Gaming Contribution	Other Financial support provided by the City	Total Financial Support
		Gaming Fund	Tax dollars	Gaming Fund	Tax dollars	
Courtenay July 1st Committee	City of Courtenay's Canada Festival -Other forms of subsidy up to a value of 20k (funded by tax dollars) and 5k to cover insurance (Gaming Fund)	\$ 25,000	-Use of staff time -Use of City's facilities, grounds and equipment -Road closure & signage -Marketing support (contact at the City : Scott Mossing)	\$ 5,000	\$ 20,000	\$ 50,000
Comox Valley Youth Music Centre	50th CYMC anniversary Immersion Summer Camp (lodging, food, signage, travel and facility rentals)	\$ 4,500	-Rental of Simms Park -Rental of Native Sons Hall			\$ 4,500
L'Arche Comox Valley	Construction of the 'I Belong Centre', a 6 units of supportive housing. L'Arche also benefits from a permissive tax exemption	\$ 40,000	No		\$ 7,032	\$ 47,032
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CVEDS - Tech Incubator Planning	Develop a detail business case analysis for hub	\$ 15,000	No			\$ 15,000
CVEDS - Facility specific start up costs	Communications, Connectivity & Related I.T.	\$ 50,000	No			\$ 50,000
CVEDS - Marketing and Tech Attraction	Matching funds (50% dollars) for tech attraction	\$ 25,000	No			\$ 25,000
CVEDS - Policy and Legislative	Collaboration on strategic project development		in-kind			\$ -
Habitat for Humanity Vancouver Island North Society	First phase of a 10-unit project : DCC Fees - Unit 1 : \$4,278 DCC Fees - Unit 2 : \$4,278 On site Servicing for 1330 Lake Trail Road : \$40,000 The Society also benefits from a permissive tax exemption.	\$ 48,556	No		\$ 590	\$ 49,146
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Total Grant requested for 2017		\$ 289,556		\$ 75,000	\$ 27,622	\$ 392,178

