

**THE CORPORATION OF THE CITY OF COURTENAY**

**NOTICE OF SPECIAL COUNCIL MEETING**

*We respectfully acknowledge that the land on which we gather is the  
unceded traditional territory of the K'ómoks First Nation*

**DATE:** Wednesday, April 10, 2019  
**PLACE:** City Hall Council Chambers  
**TIME:** 4:00 p.m.

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**AGENDA**

**1.00 K'OMOKS FIRST NATION ACKNOWLEDGEMENT**

**2.00 UNFINISHED BUSINESS**

- 1 1. 2019 - 2023 General Capital Financial Plan
- 15 2. 2019 - 2023 General Operating Financial Plan

**3.00 ADJOURNMENT**



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John Ward, CMC  
Corporate Officer

**Posted April 9<sup>th</sup>, 2019**





THE CORPORATION OF THE CITY OF COURTENAY

## STAFF REPORT

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**To:** Council  
**From:** Chief Administrative Officer  
**Subject:** 2019-2023 General Capital Financial Plan

**File No.:** 1705-20  
**Date:** April 3, 2019

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### PURPOSE:

The purpose of this report is to consider the proposed 2019-2023 General Capital Financial Plan.

### POLICY ANALYSIS:

Section 165 of the *Community Charter* requires a municipality to have a five year financial plan. The 2019-2023 General Capital Financial Plan is a component of the annual City of Courtenay five year financial plan bylaw and has been prepared in accordance with Council's Asset Management Policy 1670.00.02.

The 2019-2023 General Capital Financial Plan has been guided by Council's Asset Management Policy. Sound Asset Management practices enable sustainable service delivery by integrating community values, priorities and an informed understanding of the trade-offs between risks, costs, service levels, and the public's willingness to pay.

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

### EXECUTIVE SUMMARY:

The five year general capital financial plan is prepared annually and sources of funding are determined each year. A determination of the level of funding required from general property taxation is important, as an increase in capital funding required from taxation results directly in an increase in property tax rates to supply the funds required.

The 2019 financial plan year proposes a total of \$9.2 million in planned capital expenditures, excluding debt servicing cost. Capital project funding sourced from taxation is \$939,200, which is a decrease of \$480,000 from the 2018 budget requirement of \$1,419,100.

### CAO RECOMMENDATIONS:

That based on the April 3, 2019 staff report "2019-2023 General Capital Financial Plan" Council approve the 2019-2023 General Capital Financial Plan", and

That staff be directed to include the 2019-2023 General Capital Financial Plan into the 2019-2023 Financial Plan Bylaw.

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 the *Community Charter*. The proposed Financial Plan for the general capital fund presented at the April 3<sup>rd</sup> Council Meeting provides detail for the 2019 year, as well as projections for the four years following.

The general capital financial plan is partially funded from the general property taxation levy. With Council's approval, the proposed capital projects will be included in the 2019-2023 Financial Plan Bylaw.

**DISCUSSION:**

The proposed 2019 – 2023 General Capital Financial Plan has been constrained to a scope and scale that recognizes the City's capacity to realistically complete the planned capital projects within existing staff and financial capacity, and with priority given to finalization of in-progress 2018 projects which complete in 2019. Other identified asset renewal projects or new capital projects have been identified and reviewed by the Asset Management Working Group, approved by the Chief Administrative Officer, and included in the proposed General Capital Financial Plan.

The 2019 financial plan year includes a total of \$9,173,400 in projected capital expenditures. Capital funding for the 2019 projects is sourced from a variety of reserves, prior year unexpended funds, grants, developer contributions, general taxation, and prior years surplus. Of the capital funding sources, approximately 10% is identified as being sourced from general taxation.

Attached are Schedule 1 – 2019-2023 General Capital Expenditures and Schedule 2 – General Capital Expenditures for 2019 with Source of Funding, providing with detailed capital project lists at the departmental level. Senior staff from each of the departments will be in attendance to speak and respond to queries for each of their respective areas of responsibility.

The following provides additional information in regards to special capital funding sources.

***Use of Community Works Fund – Gas Tax Grant Revenues***

The Community Works Fund – Gas Tax Grant Revenues are used to fund a variety of operating and capital projects. Staff propose to use those funds as primary source of funding for the capital projects listed in Table 1. In the general operating fund, Gas Tax Grant Revenues are also used for the asset management condition assessment and for the master plans.

Table 1: Use of the Gas Tax Grant funding proposed in the 2019 budget year:

2019 Gas Tax Fed Grant			Total
Department	Category	Project description	Total
☐ Parks	☐ Land and improvements	Rotary Trail Extension North 5th St to McPhee Meadows	7,000
<b>Parks Total</b>			<b>7,000</b>
☐ Road Paving	☐ Renewal	ROAD PAVING - Grind and Pave program	894,090
<b>Road Paving Total</b>			<b>894,090</b>
☐ Storm Drainage	☐ Renewal	STORM DRAINAGE - 200 Back Rd Storm Culvert improvement	27,534
		STORM DRAINAGE - Glacier View Plaza Drainage improvements	135,724
<b>Storm Drainage Total</b>			<b>163,258</b>
<b>Grand Total</b>			<b>1,064,348</b>

**Borrowing**

No new borrowing is proposed for the current 2019 budget year. The capital projects listed for 2020 in Table 2 are intended to be primary funded by borrowing, which requires a lengthy statutory process including public approval prior to proceeding. Staff recommend starting that process shortly after the 2019-2023 Financial Plan Bylaw has been adopted to ensure the funds are available when required.

Table 2: Use of borrowing in the proposed General Capital Financial Plan for 2020

2020 Debt			Total
Department	Project description		Total
☐ Fire	FIRE - NEW SATELLITE FIREHALL		483,000
☐ Major Road Construction	MAJOR ROAD CONS - 5th ST Bridge Updgrade - Deck renewal & Painting		4,000,000
☐ Public Works	PUBLIC WORKS - New Public Works Building		7,000,000
☐ Storm Drainage	Braidwood Road Design - Storm & Road		3,250,000
<b>Grand Total</b>			<b>14,733,000</b>

The City currently utilizes 12.3% of its total allowable debt servicing capacity. The total allowable debt servicing capacity represents 25% of the prior year operating revenues.

Borrowing is the principal source of funding for several large projects included in the general capital plan, for a total of \$30,242,300 over 4 years as detailed in Schedule 3. Including the new debt for Water (\$6 million) and Sewer (\$9.5 million) projects, the City would then be using 32% of its allowable debt servicing capacity.

Staff also watches for potential grant opportunity that could be used as alternative source of funding.

**FINANCIAL IMPLICATIONS:**

Capital project expenditures planned for 2019 total \$9.2 million dollars.

**ADMINISTRATIVE IMPLICATIONS:**

Subsequent to Council approval of the proposed 2019-2023 General Fund Capital Plan, the schedules will be included in the consolidated financial plan and form part of the 2019-2023 Financial Plan Bylaw which will be brought forward for Council consideration and adoption later in April 2019.

The financial plan information will be posted on the City’s website for review and comment, and all public feedback will be provided to Council prior to adoption of the Financial Plan bylaw.

### **ASSET MANAGEMENT IMPLICATIONS:**

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

### **STRATEGIC PLAN REFERENCE:**

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

#### **We focus on organizational and governance excellence**

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

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

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

#### **We plan and invest in methods of multi-modal transportation**

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

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

- Assess how city-owned lands can support our strategic land purchases and sales
- Continue to develop and revisit all infrastructure master plans

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

**OFFICIAL COMMUNITY PLAN REFERENCE:**

The 2019–2023 General Fund Capital Plan touches several of the OCP Goals including:

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

**REGIONAL GROWTH STRATEGY REFERENCE:**

The 2019–2023 General Fund Capital Plan is presented to encourage sound financial management of City assets in order to provide services to all residents within the municipality and region. It touches on:

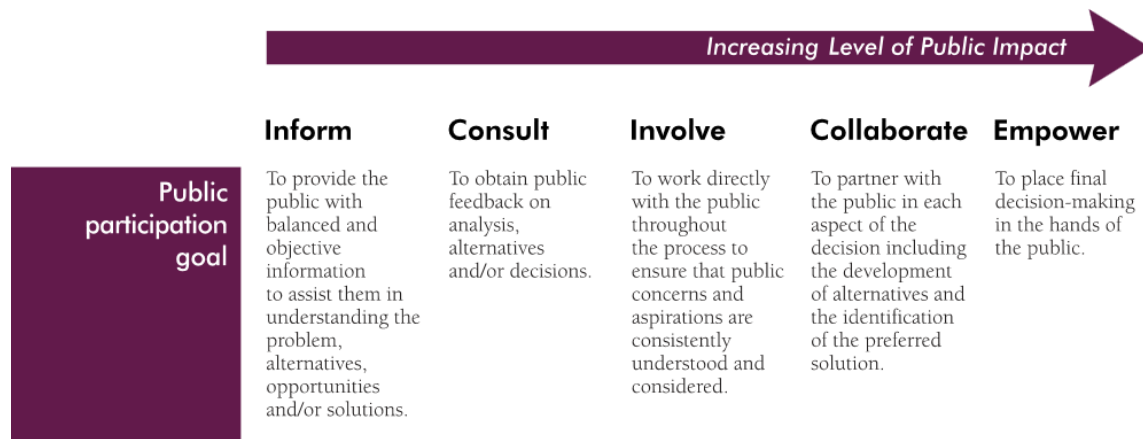
- ❖ Ecosystems, Natural Areas and Parks
- ❖ Transportation and Infrastructure
- ❖ Local Economic Development
- ❖ Climate Change

**CITIZEN/PUBLIC ENGAGEMENT:**

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

The City of Courtenay consults with the public about the 2019-2023 Financial Plan through regular and special council meetings, media webcasts, and information posted on the City’s website. In addition, further public consultation will occur prior to three readings of 2019-2023 Financial Plan Bylaw.

[http://c.ymcdn.com/sites/www.iap2.org/resource/resmgr/imported/IAP2%20Spectrum\\_vertical.pdf](http://c.ymcdn.com/sites/www.iap2.org/resource/resmgr/imported/IAP2%20Spectrum_vertical.pdf)



**OPTIONS:**

- OPTION 1: That Council approves the 2019-2023 General Capital Financial Plan as proposed, and directs staff to include the capital schedules in the 2019-2023 Financial Plan Bylaw.
- OPTION 2: That Council amends the proposed 2019-2023 General Capital Financial Plan, and directs staff to include the amended capital schedules in the 2019-2023 Financial Plan Bylaw.
- OPTION 3: That Council defer the endorsement of the proposed 2019-2023 General Capital Financial Plan for further discussion at a later Council meeting.

Prepared by:



Annie Bérard, CPA, MBA  
Manager of Financial Planning



Jennifer Nelson, CPA, CGA  
Director of Financial Services

- Attach:            Schedule 1 – General Capital Expenditures 2019-2023  
                      Schedule 2 – General Capital Expenditures for 2019 with Source of Funding  
                      Schedule 3 – General Capital Borrowing and Debt Servicing Costs  
                      Schedule 4 – General Capital Surplus and Reserves



Project Manager	Area	Category	Project description	Values					Total	
				2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget	2022 Proposed Budget	2023 Proposed Budget		
Public Works	Cemetery	Land and improvements	CEMETERY - NICHE DESIGN/DEVELOPMENT	108,000	35,000	40,000	40,000	40,000	263,000	
			CEMETERY - CEMETERY GENERAL WORK	50,000	50,000	40,000	60,000	50,000	250,000	
			CEMETERY - LAWN CRYPTS	32,000		35,000	35,000	35,000	137,000	
			CEMETERY - IRRIGATION	15,000	10,000			15,000	40,000	
			CEMETERY - NEW PLANTINGS		30,000				30,000	
			<b>Cemetery Total</b>			<b>205,000</b>	<b>125,000</b>	<b>115,000</b>	<b>135,000</b>	<b>140,000</b>
	Fleet	Equipment	FLEET MANAGEMENT - PW SERV - HEAVY VEHICLES	524,370	250,000	250,000	250,000	250,000	1,524,370	
			FLEET MANAGEMENT - PW SERV - LIGHT VEHICLES	248,481	125,000	125,000	125,000	125,000	748,481	
			FLEET MANAGEMENT - PARKS SERV- LIGHT VEHICLES	236,000	125,000	125,000	125,000	125,000	736,000	
			Electric car and charging station for Council use	75,000					75,000	
			2 Double Electric car charging stations Level 1 220V		100,000				100,000	
			2 Electric car charging stations EV DC Fast Charger 440V		200,000				200,000	
	<b>Fleet Total</b>			<b>1,083,851</b>	<b>800,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>3,383,851</b>	
	Infrastructure	Land and improvements	26 St & Rotary Rail Trail - Ped Crossing Lights 'Below' (East) of the tracks	30,000					30,000	
		New	Braidwood Affordable Housing - Storm & Road Servicing		103,695				103,695	
		Renewal	ROAD PAVING - Grind and Pave program	1,200,000	1,300,000	1,400,000	1,500,000	1,600,000	7,000,000	
			Lerwick Overlay project Grind & Pave	800,000					800,000	
			MAJOR ROAD CONS - Future years				1,500,000	2,000,000	3,500,000	
			STORM DRAINAGE - Future years				300,000	500,000	800,000	
	<b>Infrastructure Total</b>			<b>2,030,000</b>	<b>1,403,695</b>	<b>1,400,000</b>	<b>3,300,000</b>	<b>4,100,000</b>	<b>12,233,695</b>	
	Parks	Land and improvements	Buckstone to Island Hwy trail (PW project)	300,000					300,000	
			Misc Playground (1 replacement per year + next year design)	120,000	120,000	120,000	120,000	120,000	600,000	
			Puntledge Park Playground replacement and Bridge improvement	25,000					25,000	
			Valleyview Greenway Erosion Remediation (2018 quick fix Ops, 2019-20 long term)	25,000	150,000				175,000	
			Tarling Park (Lake Trail / Arden Trail construction)	5,000	50,000	50,000			105,000	
			Bill Moore - Irrigation System Replacement		150,000				150,000	
			Misc Parks (future year estimate)				140,000	140,000	280,000	
			WALKWAYS & BIKEWAYS (furtur year estimate)		20,000	20,000	20,000	20,000	80,000	
			Anderton Park Exercise equipment in Marine Env is susceptible to early deterioration				100,000		100,000	
			Woodcote - Irrigation System Replacement			80,000			80,000	
			Dingwall to Muir Road trail development - stairs		15,000		250,000		265,000	
			<b>Parks Total</b>			<b>475,000</b>	<b>505,000</b>	<b>520,000</b>	<b>380,000</b>	<b>280,000</b>
<b>Public Works Total</b>					<b>3,793,851</b>	<b>2,833,695</b>	<b>2,535,000</b>	<b>4,315,000</b>	<b>5,020,000</b>	<b>18,497,546</b>

Project Manager	Area	Category	Project description	Values					Total	
				2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget	2022 Proposed Budget	2023 Proposed Budget		
PW - Civic Properties	Cemetery	Buildings	Courtenay Civic Cemetery Building- Roof Replacement	35,000					35,000	
	<b>Cemetery Total</b>			<b>35,000</b>					<b>35,000</b>	
	Parks	Buildings	Woodcote Park - Roof Replacement			45,000			45,000	
			Park Café - Roof Replacement			75,000			75,000	
			Lagoon Walkway Lookouts - Roof Replacement			30,000			30,000	
			Lewis Washroom - Roof Replacement			25,000			25,000	
	<b>Parks Total</b>					<b>175,000</b>			<b>175,000</b>	
	Property Services	Buildings	CITY HALL - Building Energy Reduction (roof ventilation)	280,000					280,000	
			CITY HALL - Roof Replacement	220,500					220,500	
			Renovation of City Hall - Foyer area	100,000					100,000	
			FIRE HALL - Building Energy Reduction (replacement 4 roof top units)		60,000				60,000	
			Coop Building - Roof Replacement			75,000			75,000	
	<b>Property Services Total</b>			<b>600,500</b>	<b>60,000</b>	<b>75,000</b>			<b>735,500</b>	
	Public Works	Buildings	CARPENTRY SHOP - Carpenter / Electrician Bay	270,000					270,000	
			PUBLIC WORKS - New Public Works Building	102,967	7,000,000				7,102,967	
			PW Yard Admin - HVAC replacement				80,000		80,000	
			PW Yard Admin - Roof Replacement				150,000		150,000	
	<b>Public Works Total</b>			<b>372,967</b>	<b>7,000,000</b>		<b>230,000</b>		<b>7,602,967</b>	
	Rec & Culture	Buildings	NATIVE SONS HALL - Roof Replacement	200,000					200,000	
			NATIVE SONS HALL - Shingles replacement	120,985					120,985	
			YOUTH CENTRE - Heating System Replacement	53,913					53,913	
			FILBERG CENTRE - Building Energy Reduction	45,000					45,000	
			SID THEATRE - Building Energy Reduction	35,000					35,000	
			NATIVE SONS HALL - Building Energy Reduction	20,000					20,000	
			MEMORIAL POOL - REPAIR CRACKS MAIN POOL	20,000		50,000		20,000	90,000	
			MEMORIAL POOL - MECH/ELEC UPGRADES HEAT/CHEMICAL	15,000	15,000	15,000	20,000	25,000	90,000	
			MEMORIAL POOL - VIHA INFRA/STRUCTURE UPGRADES	15,000	15,000	15,000	20,000	25,000	90,000	
			FILBERG - Hydraulic Passenger Elevator replacement	11,500	92,000				103,500	
			ART GALLERY - Hydraulic Passenger Elevator replacement	11,500	86,300				97,800	
			ART GALLERY - Building Energy Reduction	7,500					7,500	
			SID THEATRE - Stage Lift replacement (elevator)			9,200	57,500		66,700	
			LIBRARY - Building Energy Reduction		55,500				55,500	
			YOUTH CENTRE - Roof Replacement (2023)					250,000	250,000	
			LEWIS CENTRE - Squash Court Wall Replacement		72,000				72,000	
			MUSEUM - Hydraulic Freight Elevator replacement	40,300		178,300			218,600	
			SID THEATRE - Hydraulic Vertical Platform Lift replacement (elevator)			11,500	63,300		74,800	
			MUSEUM - Replace windows	50,000		50,000			100,000	
			MEMORIAL POOL - INFRASTRUCTURE ASSESSMENT	40,000					40,000	
			FILBERG - Roof Top Units				200,000		200,000	
			LEWIS CENTRE - Squash Court Floor Replacement		80,000				80,000	
			MEMORIAL POOL - New Pool Covers				25,000		25,000	
	FILBERG - Roof Replacement		60,000				60,000			
	LEWIS CENTRE - Roof Replacement			200,000			200,000			
	<b>Rec &amp; Culture Total</b>			<b>555,398</b>	<b>606,100</b>	<b>529,000</b>	<b>385,800</b>	<b>320,000</b>	<b>2,396,298</b>	
	<b>PW - Civic Properties Total</b>				<b>1,563,865</b>	<b>7,666,100</b>	<b>779,000</b>	<b>615,800</b>	<b>320,000</b>	<b>10,944,765</b>

Project Manager	Area	Category	Project description	Values					Total			
				2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget	2022 Proposed Budget	2023 Proposed Budget				
Engineering	Infrastructure	Renewal	MAJOR ROAD CONS - 5th ST Bridge Updgrade - Deck renewal & Painting	423,000	7,302,945				7,725,945			
			MAJOR ROAD CONS - 5th Street - Fitzgerald to Mezies Complete Streets	212,500					212,500			
			STORM DRAINAGE - Glacier View Plaza Drainage improvements	146,149					146,149			
			Braidwood Road Design - Storm & Road	110,097	3,250,000				3,360,097			
			STORM DRAINAGE - Willemar Culvert	50,000	500,000				550,000			
			STORM DRAINAGE - 200 Back Rd Storm Culvert improvement	37,959	200,000				237,959			
			TRAFFIC PROJECTS - Advanced Warning Light - 8th and Fitzgerald		180,000				180,000			
			TRAFFIC PROJECTS - Signal Upgrade - Old Island Highway at Comox Road		20,000	75,000			95,000			
			STORM DRAINAGE - WOODS PARK STORM OUTFALL			617,500			617,500			
			MAJOR ROAD CONS - Cousins Ave - 20th to Willemar	-		3,224,000			3,224,000			
			MAJOR ROAD CONS - 13 St - Burgess to Willemar Road Reconstruction			570,000			570,000			
			TRAFFIC PROJECTS - Future years				200,000	200,000	400,000			
			STORM DRAINAGE - 13 St - Burgess to Willemar Storm Reconstruction				570,000		570,000			
			TRAFFIC PROJECTS - Signal Upgrade - 5th St and Cliffe Ave			20,000	220,000		240,000			
			TRAFFIC PROJECTS - Signal Upgrade - 8th St and Cliffe Ave				160,000		160,000			
			New			240,000			240,000			
			Bike Lane Fitzgerald Avenue (3 sections)			120,000			120,000			
			MAJOR ROAD CONS - Cowichan / Ryan crossing			100,000			100,000			
		<b>Infrastructure Total</b>		<b>1,439,705</b>	<b>11,632,945</b>	<b>5,276,500</b>	<b>200,000</b>	<b>200,000</b>	<b>18,749,150</b>			
	<b>Engineering Total</b>			<b>1,439,705</b>	<b>11,632,945</b>	<b>5,276,500</b>	<b>200,000</b>	<b>200,000</b>	<b>18,749,150</b>			
Rec & Culture	Parks	Land and improvements	Courtenay Riverway South Extension Sandpiper to Beachwood - Phase 1	30,000	200,000				230,000			
			Tarling Park gate, fencing and Hydro service	15,000					15,000			
			Park Development - McPhee Meadows	12,000	30,000	200,000			242,000			
			Rotary Trail Extension North 5th St to McPhee Meadows	7,000	20,000		180,000		207,000			
			Courtenay Riverway South Extension City Park to Regional Trail - Phase 3				30,000	200,000	230,000			
			Courtenay Riverway South Extension Beachwood to City Park - Phase 2		30,000	200,000			230,000			
			Access and Parking to McPhee Meadows			30,000	200,000		230,000			
			New			50,000	50,000	50,000	50,000	250,000		
						<b>114,000</b>	<b>330,000</b>	<b>510,000</b>	<b>630,000</b>	<b>50,000</b>	<b>1,634,000</b>	
			<b>Parks Total</b>									
			Rec & Culture	Buildings	LEWIS CENTRE - New AC system	330,000						330,000
					SID THEATRE - LIGHTING UPGRADE - LED THEATRE LIGHTS	25,000	25,000					50,000
	LEWIS CENTRE - Parking Lot Reconfiguration	20,000			100,000					120,000		
	NATIVE SONS HALL - Accessible Parking Spot	15,000			75,000					90,000		
	SID THEATRE - THEATRE CAPITAL EQUIPMENT	10,000			10,000	10,000	10,000			40,000		
	FILBERG CENTRE - Future year estimation								100,000	100,000		
	SID THEATRE - Future year estimation					20,000	20,000	20,000		60,000		
	LEWIS CENTRE - Future year estimation						100,000	100,000		200,000		
	YOUTH CENTRE - Freestanding sign & Exterior Facia sign		15,000	60,000				75,000				
	MUSEUM - Future year estimation					50,000	50,000	100,000				
FILBERG CENTRE - Accoustic upgrades			70,000				70,000					
LEWIS CENTRE - Shower Lift (accessibility funding)			20,000				20,000					
Equipment			45,000	45,000	45,000	45,000	45,000	225,000				
Land and improvements			50,000					50,000				
New					100,000			100,000				
Renewal			50,000	200,000				250,000				
	<b>Rec &amp; Culture Total</b>		<b>545,000</b>	<b>490,000</b>	<b>305,000</b>	<b>225,000</b>	<b>315,000</b>	<b>1,880,000</b>				
<b>Rec &amp; Culture Total</b>			<b>659,000</b>	<b>820,000</b>	<b>815,000</b>	<b>855,000</b>	<b>365,000</b>	<b>3,514,000</b>				

Project Manager	Area	Category	Project description	Values					Total
				2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget	2022 Proposed Budget	2023 Proposed Budget	
IT	Corporate Services	Other Tangible Assets	Recreation Software	105,000					105,000
			New softwares	50,000	50,000	50,000	50,000	50,000	250,000
			OFFSITE BACKUP DEVELOPMENT	36,000	36,000	40,000	40,000	40,000	192,000
			Disaster Recovery Plan - Phase 1	35,000					35,000
			*Hyper-Convergence Software (complement to back up solution)	30,000	30,000	35,000	35,000	35,000	165,000
		Equipment	IT security (PEN Test)	25,000					25,000
			MIS PC REPLACEMENT	60,000	60,000	60,000	60,000	60,000	300,000
			PHOTOCOPIERS	54,000	36,000	40,000	40,000	40,000	210,000
			LARGE FORMAT PLOTTER	30,000		30,000		30,000	90,000
			SERVER REPLACEMENT	20,000	20,000	20,000	20,000	20,000	100,000
			COUNCIL CHAMBERS AUDIO/VISUAL REPLACE	15,000					15,000
			Asset Management GIS/Tablets	5,000	6,000	6,000	7,000	7,000	31,000
			<b>Corporate Services Total</b>	<b>465,000</b>	<b>238,000</b>	<b>281,000</b>	<b>252,000</b>	<b>282,000</b>	<b>1,518,000</b>
			<b>IT Total</b>	<b>465,000</b>	<b>238,000</b>	<b>281,000</b>	<b>252,000</b>	<b>282,000</b>	<b>1,518,000</b>
			Strategic Initiatives / IT	Corporate Services	Other Tangible Assets	Organization objective setting and performance measurement Software	100,000		
<b>Strategic Initiatives / IT Total</b>				<b>100,000</b>					<b>100,000</b>
Fire Department	Fire Services	Equipment	FIRE DEPT LIGHT VEHICLES	87,000				140,000	227,000
	Property Services		FIRE DEPT - Ladder Truck (replacement truck #12)				1,500,000		1,500,000
		Buildings	FIRE - NEW SATELLITE FIREHALL	100,000	483,000	6,000,000			6,583,000
<b>Fire Department Total</b>				<b>187,000</b>	<b>483,000</b>	<b>6,000,000</b>	<b>1,500,000</b>	<b>140,000</b>	<b>8,310,000</b>
Finance / IT	Corporate Services	Other Tangible Assets	Finance Budget Software	50,000					50,000
			Great Plain Electronic Workflow	15,000					15,000
<b>Finance / IT Total</b>				<b>65,000</b>					<b>65,000</b>
Development Services	Infrastructure	Renewal	Road, Storm, Parks DCC Projects	400,000	400,000	400,000	400,000	400,000	2,000,000
<b>Development Services Total</b>				<b>400,000</b>	<b>400,000</b>	<b>400,000</b>	<b>400,000</b>	<b>400,000</b>	<b>2,000,000</b>
Corporate Services	Corporate Services	New	Strategic Land Acquisition	500,000					500,000
<b>Corporate Services Total</b>				<b>500,000</b>					<b>500,000</b>
<b>Grand Total</b>				<b>1,252,000</b>	<b>883,000</b>	<b>6,400,000</b>	<b>1,900,000</b>	<b>540,000</b>	<b>10,975,000</b>
<b>Grand Total</b>				<b>9,173,421</b>	<b>24,073,740</b>	<b>16,086,500</b>	<b>8,137,800</b>	<b>6,727,000</b>	<b>64,198,461</b>

Project Manager	Area	Category	Project description	Values														
				2019 Proposed Budget	2019 General Revenues	2019 New Works Reserve	2019 Reserve for Future	2019 Unexpended Funds	2019 DCC Reserve	2019 Fed / Prov Funding	2019 Gas Tax Fed Grant	2019 CVRD Grant	2019 Proceeds - Asset Sales	2019 Donation	2019 Debt			
Public Works	Cemetery	Land and improvements	CEMETERY - NICHE DESIGN/DEVELOPMENT	108,000									108,000					
			CEMETERY - CEMETERY GENERAL WORK	50,000										50,000				
			CEMETERY - LAWN CRYPTS	32,000											32,000			
			CEMETERY - IRRIGATION	15,000											15,000			
	<b>Cemetery Total</b>			<b>205,000</b>									<b>205,000</b>					
	Fleet	Equipment	FLEET MANAGEMENT - PW SERV - HEAVY VEHICLES	524,370		524,370												
			FLEET MANAGEMENT - PW SERV - LIGHT VEHICLES	248,481		248,481												
			FLEET MANAGEMENT - PARKS SERV- LIGHT VEHICLES	236,000		236,000												
			Electric car and charging station for Council use	75,000		75,000												
	<b>Fleet Total</b>			<b>1,083,851</b>		<b>1,083,851</b>												
	Infrastructure	Renewal	ROAD PAVING - Grind and Pav program	1,200,000							305,910		894,090					
			Lerwick Overlay project Grind & Pav	800,000	36,838						763,162							
		Land and improvements	26 St & Rotary Rail Trail - Ped Crossing Lights 'Below' (East) of the tracks	30,000		30,000												
	<b>Infrastructure Total</b>			<b>2,030,000</b>	<b>36,838</b>	<b>30,000</b>					<b>1,069,072</b>		<b>894,090</b>					
	Parks	Land and improvements	Buckstone to Island Hwy trail (PW project)	300,000			20,538											279,462
			Misc Playground (1 replacement per year + next year design)	120,000	120,000													
Puntledge Park Playground replacement and Bridge improvement			25,000					25,000										
Valleyview Greenway Erosion Remediation (2018 quick fix Ops, 2019-20 long term fix)			25,000	18,800							6,200							
Tarling Park (Lake Trail / Arden Trail construction)			5,000	5,000														
<b>Parks Total</b>			<b>475,000</b>	<b>143,800</b>	<b>20,538</b>	<b>25,000</b>				<b>6,200</b>						<b>279,462</b>		
<b>Public Works Total</b>			<b>3,793,851</b>	<b>180,638</b>	<b>1,134,389</b>	<b>25,000</b>				<b>1,075,272</b>		<b>894,090</b>	<b>205,000</b>			<b>279,462</b>		
PW - Civic Properties	Cemetery	Buildings	Courtenay Civic Cemetery Building- Roof Replacement	35,000		35,000												
			<b>Cemetery Total</b>	<b>35,000</b>		<b>35,000</b>												
	Property Services	Buildings	CITY HALL - Building Energy Reduction (roof ventilation)	280,000		280,000												
			CITY HALL - Roof Replacement	220,500		220,500												
			Renovation of City Hall - Foyer area	100,000	74,981		25,019											
			<b>Property Services Total</b>	<b>600,500</b>	<b>74,981</b>	<b>500,500</b>	<b>25,019</b>											
	Public Works	Buildings	CARPENTRY SHOP - Carpenter / Electrician Bay	270,000	3,981		266,019											
			PUBLIC WORKS - New Public Works Building	102,967	-		102,967											
	<b>Public Works Total</b>			<b>372,967</b>	<b>3,981</b>		<b>368,986</b>											
	Rec & Culture	Buildings	NATIVE SONS HALL - Roof Replacement	200,000		200,000												
			NATIVE SONS HALL - Shingles replacement	120,985	99,985		21,000											
			YOUTH CENTRE - Heating System Replacement	53,913	35,000		18,913											
			FILBERG CENTRE - Building Energy Reduction	45,000		45,000												
			SID THEATRE - Building Energy Reduction	35,000		35,000												
			NATIVE SONS HALL - Building Energy Reduction	20,000		20,000												
			MEMORIAL POOL - REPAIR CRACKS MAIN POOL	20,000										20,000				
			MEMORIAL POOL - VIHA INFRA/STRUCTURE UPGRADES	15,000										15,000				
			MEMORIAL POOL - MECH/ELEC UPGRADES HEAT/CHEMICAL	15,000										15,000				
			FILBERG - Hydraulic Passenger Elevator replacement	11,500		11,500												
			ART GALLERY - Hydraulic Passenger Elevator replacement	11,500		11,500												
ART GALLERY - Building Energy Reduction			7,500		7,500													
<b>Rec &amp; Culture Total</b>					<b>555,398</b>	<b>134,985</b>	<b>330,500</b>	<b>39,913</b>						<b>50,000</b>				
<b>PW - Civic Properties Total</b>					<b>1,563,865</b>	<b>213,947</b>	<b>866,000</b>	<b>433,918</b>						<b>50,000</b>				
Engineering	Infrastructure	Renewal	MAJOR ROAD CONS - 5th ST Bridge Updgrade - Deck renewal & Painting	423,000		342,348	80,652											
			MAJOR ROAD CONS - 5th Street - Fitzgerald to Mezies Complete Streets	212,500		120,510	72,973			19,017								
			STORM DRAINAGE - Glacier View Plaza Drainage improvements	146,149			10,425						135,724					
			Braidwood Road Design - Storm & Road	110,097			110,097											
			STORM DRAINAGE - Willemar Culvert	50,000		50,000												
			STORM DRAINAGE - 200 Back Rd Storm Culvert improvement	37,959			10,425										27,534	
			Bike Lane Fitzgerald Avenue (3 sections)	240,000		120,000						120,000						
			Bike Lane Hobson Neighbourhood Route	120,000		60,000						60,000						
			MAJOR ROAD CONS - Cowichan / Ryan crossing	100,000	75,250							24,750						
			<b>Infrastructure Total</b>			<b>1,439,705</b>	<b>75,250</b>	<b>692,858</b>	<b>284,572</b>			<b>24,750</b>	<b>199,017</b>	<b>163,258</b>				
			<b>Engineering Total</b>			<b>1,439,705</b>	<b>75,250</b>	<b>692,858</b>	<b>284,572</b>			<b>24,750</b>	<b>199,017</b>	<b>163,258</b>				

Project Manager	Area	Category	Project description	Values														
				2019 Proposed Budget	2019 General Revenues	2019 New Works Reserve	2019 Reserve for Future	2019 Unexpended Funds	2019 DCC Reserve	2019 Fed / Prov Funding	2019 Gas Tax Fed Grant	2019 CVRD Grant	2019 Proceeds - Asset Sales	2019 Donation	2019 Debt			
Rec & Culture	Parks	Land and improvements	Courtenay Riverway South Extension Sandpiper to Beachwood - Phase 1	30,000	30,000													
			Tarling Park gate, fencing and Hydro service	15,000	15,000													
			Park Development - McPhee Meadows	12,000	12,000													
			Rotary Trail Extension North 5th St to McPhee Meadows	7,000									7,000					
		New	Partners in Parks	50,000	40,000												10,000	
		<b>Parks Total</b>		<b>114,000</b>	<b>97,000</b>							<b>7,000</b>					<b>10,000</b>	
	Rec & Culture	Buildings	LEWIS CENTRE - New AC system	330,000				255,000									75,000	
			SID THEATRE - LIGHTING UPGRADE - LED THEATRE LIGHTS	25,000		25,000												
			LEWIS CENTRE - Parking Lot Reconfiguration	20,000		20,000												
			NATIVE SONS HALL - Accessible Parking Spot	15,000	15,000													
			SID THEATRE - THEATRE CAPITAL EQUIPMENT	10,000		10,000												
		Equipment	LEWIS CENTRE - Equipments > 5k	45,000		45,000												
		Land and improvements	Martin Park Lacrosse box repair - new pickleball courts	50,000	50,000													
		Renewal	FILBERG CENTRE - Drive Thru Repair	50,000	50,000													
	<b>Rec &amp; Culture Total</b>		<b>545,000</b>	<b>115,000</b>	<b>100,000</b>		<b>255,000</b>									<b>75,000</b>		
<b>Rec &amp; Culture Total</b>		<b>659,000</b>	<b>212,000</b>	<b>100,000</b>		<b>255,000</b>				<b>7,000</b>					<b>85,000</b>			
IT	Corporate Services	Other Tangible Assets	Recreation Software	105,000		105,000												
			New softwares	50,000		50,000												
			OFFSITE BACKUP DEVELOPMENT	36,000		36,000												
			Disaster Recovery Plan - Phase 1	35,000		35,000												
			*Hyper-Convergence Software (complement to back up solution)	30,000		30,000												
			IT security (PEN Test)	25,000		25,000												
			Equipment	MIS PC REPLACEMENT	60,000		60,000											
			PHOTOCOPIERS	54,000		54,000												
			LARGE FORMAT PLOTTER	30,000		30,000												
			SERVER REPLACEMENT	20,000		20,000												
			COUNCIL CHAMBERS AUDIO/VISUAL REPLACE	15,000		15,000												
			Asset Management GIS/Tablets	5,000		5,000												
			<b>Corporate Services Total</b>		<b>465,000</b>	<b>465,000</b>												
	<b>IT Total</b>			<b>465,000</b>	<b>465,000</b>													
Corporate Services	Corporate Services	New	Strategic Land Acquisition	500,000		83,471										416,529		
	<b>Corporate Services Total</b>			<b>500,000</b>		<b>83,471</b>										<b>416,529</b>		
<b>Corporate Services Total</b>				<b>500,000</b>		<b>83,471</b>										<b>416,529</b>		
Development Services	Infrastructure	Renewal	Road, Storm, Parks DCC Projects	400,000	248,000				152,000									
	<b>Infrastructure Total</b>			<b>400,000</b>	<b>248,000</b>				<b>152,000</b>									
<b>Development Services Total</b>				<b>400,000</b>	<b>248,000</b>				<b>152,000</b>									
Fire Department	Fire Services	Equipment	FIRE DEPT LIGHT VEHICLES	87,000		87,000												
	<b>Fire Services Total</b>			<b>87,000</b>		<b>87,000</b>												
	Property Services	Buildings	FIRE - NEW SATELLITE FIREHALL	100,000	9,414			90,586										
	<b>Property Services Total</b>			<b>100,000</b>	<b>9,414</b>			<b>90,586</b>										
<b>Fire Department Total</b>				<b>187,000</b>	<b>9,414</b>			<b>87,000</b>										
Strategic Initiatives / IT	Corporate Services	Other Tangible Assets	Organization objective setting and performance measurement Software	100,000		100,000												
	<b>Corporate Services Total</b>			<b>100,000</b>		<b>100,000</b>												
<b>Strategic Initiatives / IT Total</b>				<b>100,000</b>		<b>100,000</b>												
Finance / IT	Corporate Services	Other Tangible Assets	Finance Budget Software	50,000		50,000												
			Great Plain Electronic Workflow	15,000		15,000												
	<b>Corporate Services Total</b>			<b>65,000</b>		<b>65,000</b>												
<b>Finance / IT Total</b>				<b>65,000</b>		<b>65,000</b>												
<b>Grand Total</b>				<b>1,252,000</b>	<b>257,414</b>	<b>335,471</b>		<b>90,586</b>	<b>152,000</b>							<b>416,529</b>		
<b>Grand Total</b>				<b>9,173,421</b>	<b>939,249</b>	<b>3,593,718</b>	<b>743,490</b>	<b>345,586</b>	<b>1,252,022</b>	<b>199,017</b>	<b>1,064,348</b>	<b>255,000</b>	<b>416,529</b>	<b>364,462</b>				

General Capital Borrowing

Area	Project description	Values					Total Debt
		Total 2019-2023 Budget	2020 Debt	2021 Debt	2022 Debt	2023 Debt	
Infrastructure	Braidwood Road Design - Storm & Road	3,360,097	3,250,000				3,250,000
	MAJOR ROAD CONS - Future years	3,500,000	-	-	1,500,000	2,000,000	3,500,000
	STORM DRAINAGE - Future years	800,000	-	-	300,000	500,000	800,000
	STORM DRAINAGE - WOODS PARK STORM OUTFALL	617,500		617,500			617,500
	MAJOR ROAD CONS - 5th ST Bridge Updgrade - Deck renewal & Painting	7,725,945	4,000,000				4,000,000
	MAJOR ROAD CONS - Cousins Ave - 20th to Willemar	3,224,000		3,091,800			3,091,800
	MAJOR ROAD CONS - 13 St - Burgess to Willemar Road Reconstruction	570,000		500,000			500,000
	STORM DRAINAGE - 13 St - Burgess to Willemar Storm Reconstruction	570,000		500,000			500,000
<b>Infrastructure Total</b>		<b>20,367,542</b>	<b>7,250,000</b>	<b>4,709,300</b>	<b>1,800,000</b>	<b>2,500,000</b>	<b>16,259,300</b>
Public Works	PUBLIC WORKS - New Public Works Building	7,102,967	7,000,000				7,000,000
<b>Public Works Total</b>		<b>7,102,967</b>	<b>7,000,000</b>				<b>7,000,000</b>
Property Services	FIRE - NEW SATELLITE FIREHALL	6,583,000	483,000	6,000,000			6,483,000
<b>Property Services Total</b>		<b>6,583,000</b>	<b>483,000</b>	<b>6,000,000</b>			<b>6,483,000</b>
Fire Services	FIRE DEPT - Ladder Truck (replacement truck #12)	1,500,000			500,000		500,000
<b>Fire Services Total</b>		<b>1,500,000</b>			<b>500,000</b>		<b>500,000</b>
<b>Grand Total</b>		<b>35,553,509</b>	<b>14,733,000</b>	<b>10,709,300</b>	<b>2,300,000</b>	<b>2,500,000</b>	<b>30,242,300</b>

General Debt Servicing Costs

Department	Category	Values				
		2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget	2022 Proposed Budget	2023 Proposed Budget
Debt	Debt Interest	530,000	522,900	513,700	450,700	431,500
	Debt Principal	839,500	840,200	790,500	715,600	637,700
<b>Debt Total</b>		<b>1,369,500</b>	<b>1,363,100</b>	<b>1,304,200</b>	<b>1,166,300</b>	<b>1,069,200</b>
New Debt	Debt Interest		233,518	636,779	842,976	919,056
	Debt Principal		-	548,299	946,853	1,032,449
<b>New Debt Total</b>			<b>233,518</b>	<b>1,185,078</b>	<b>1,789,829</b>	<b>1,951,505</b>
<b>Grand Total</b>		<b>1,369,500</b>	<b>1,596,618</b>	<b>2,489,278</b>	<b>2,956,129</b>	<b>3,020,705</b>

<b>GENERAL</b>	Unaudited	Budget	Proposed Budget			
<b>Surplus, Reserves and DCC Summary</b>	Actual					
Estimated Closing Balances	2018	2019	2020	2021	2022	2023
<b>General Capital Surplus</b>						
Reserve For Future Expenditure (Unspent Capital 2018)	769,000	-	-	-	-	-
Unexpended Debt	1,668,464	1,322,878	70,492	6,293	6,293	6,293
	2,437,464	1,322,878	70,492	6,293	6,293	6,293
<b>General Capital Reserves</b>						
Machinery and Equipment	1,211,200	1,214,700	1,389,700	1,589,700	814,700	924,700
Land Sale	152,600	69,100	69,100	69,100	69,100	69,100
New Works and Equipment	3,577,800	2,026,900	1,570,400	1,486,800	1,472,700	1,630,300
New Works - Community Gas Tax Funds	1,954,700	1,425,300	1,030,300	885,300	550,200	310,200
Infrastructure Reserve	663,000	560,200	248,000	153,900	310,400	669,500
Housing Amenity	669,500	669,500	565,800	565,800	565,800	565,800
Park Amenity	554,800	554,800	454,800	254,800	54,800	54,800
Public Parking	53,700	60,300	67,000	73,800	80,600	87,500
Parkland Acquisition	271,700	271,700	271,700	271,700	271,700	271,700
	9,109,000	6,852,500	5,666,800	5,350,900	4,190,000	4,583,600
<b>Total General Capital Surplus and Reserves</b>	<b>11,546,464</b>	<b>8,175,378</b>	<b>5,737,292</b>	<b>5,357,193</b>	<b>4,196,293</b>	<b>4,589,893</b>
<b>Development Cost Charges (DCC)</b>						
Highways Facilities	3,239,800	2,757,200	2,147,500	1,653,300	1,276,300	884,300
Storm Drain Facilities	1,504,800	1,504,800	1,504,800	1,480,800	1,480,800	1,480,800
Park Land Acquisition	370,700	364,500	166,500	33,000	33,000	33,000
<b>Total DCC</b>	<b>5,115,300</b>	<b>4,626,500</b>	<b>3,818,800</b>	<b>3,167,100</b>	<b>2,790,100</b>	<b>2,398,100</b>





THE CORPORATION OF THE CITY OF COURTENAY

## STAFF REPORT

**To:** Council  
**From:** Chief Administrative Officer  
**Subject:** 2019–2023 General Operating Financial Plan

**File No.:** 1705-20/1715-20

**Date:** April 3, 2019

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### PURPOSE:

The purpose of this report is for Council to consider the proposed 2019–2023 General Operating Financial Plan.

### POLICY ANALYSIS:

Section 165 of the *Community Charter* requires a municipality to have a five year financial plan adopted annually by May 15 each year. The 2019–2023 General Operating Financial Plan is the largest and final document to be incorporated into the City's 2019–2023 Consolidated Financial Plan.

The 2019-2023 General Operating Financial Plan has been guided by Council's Asset Management Policy. Sound Asset Management practices enable sustainable service delivery by integrating community values, priorities and an informed understanding of the trade-offs between risks, costs, service levels, and the public's willingness to pay.

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

### EXECUTIVE SUMMARY:

The proposed 2019 General Operating Financial Plan includes a total of \$44.6 million in planned City expenditures, inclusive of transfers to reserves and other funds such as the general capital fund and amortization.

The current financial plan proposes an increase of 2.75% in municipal property taxation for general operations and debt, as well as a 1.0% increase for capital infrastructure renewal. The global proposed increase for 2019 is 3.75%. The proposed financial plan includes \$34.4 million for general operating expenditures and \$3.1 million in funding for capital expenditures and debt payments. The proposed General Operating Financial Plan also includes a contribution of \$2.9 million to various reserves for future utilization.

2019 BC Assessment information states that the average assessed value of a single-family residential property in Courtenay is \$436,000. The annual impact of a 3.75% property tax increase to the property owner of this home will be approximately \$52.

**CAO RECOMMENDATIONS:**

That based on the April 3, 2019 staff report “2019–2023 General Operating Financial Plan”, Council approve OPTION 1, and proceed with the recommended 2019-2023 General Operating Financial Plan; and

That Council approve a 3.75% property tax increase for 2019, which includes a 1% contribution to the infrastructure renewal reserve.

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 the *Community Charter*. The proposed 2019–2023 General Operating Financial Plan defines the service priorities and operating budget for each department for the current year and presents the projection for the following next four years.

Once the General Operating Budget receives Council’s approval, all budget documents for the Water, Sewer, and General Fund will be incorporated into the City’s 2019–2023 Consolidated Financial Plan.

**DISCUSSION:**

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

**2019 General Operating Fund**

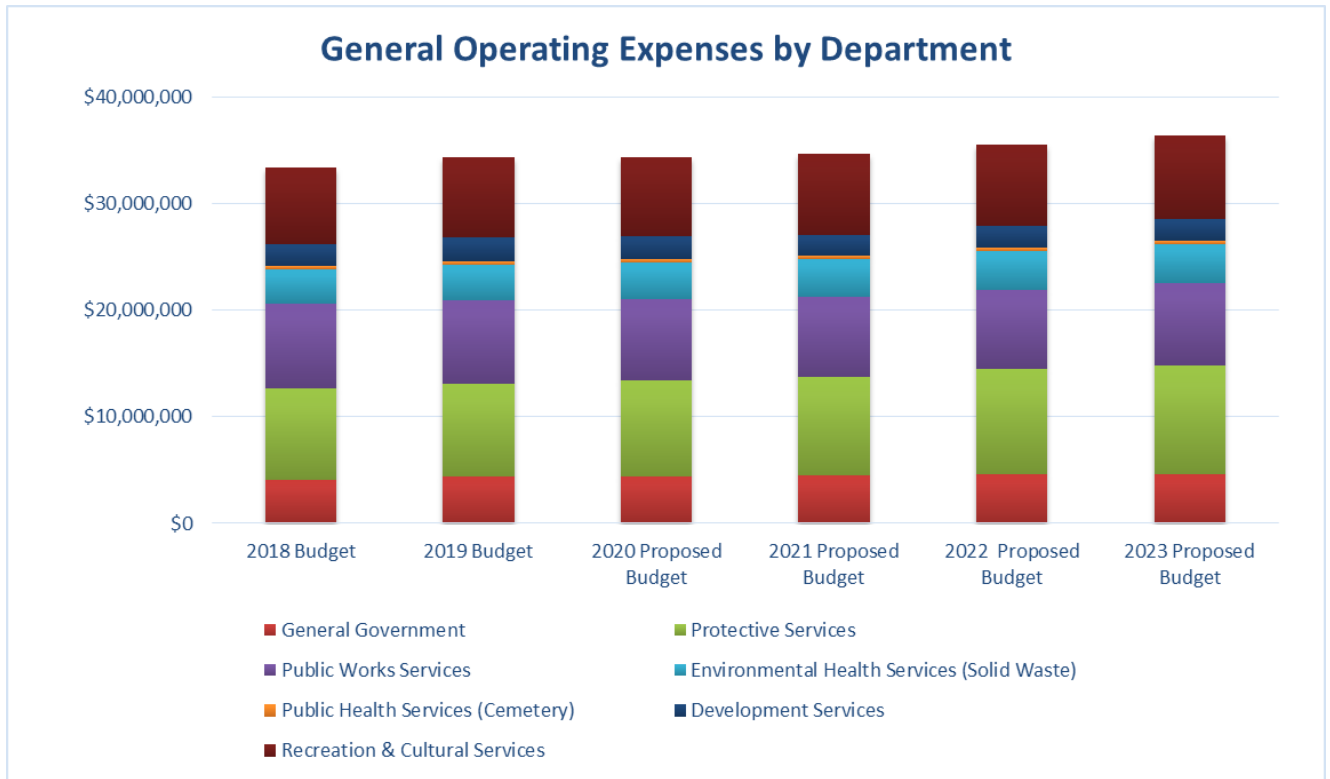
Similar to the Water and Sewer Budgets, the 2019 General Operating Budget was prepared from departmental submissions as well as from consideration of multiple external sources, cost drivers and spending patterns. The City’s Asset Management Policy also assisted with the definition of sustainable operation and maintenance needs of the City. General Operating Fund revenues and expenditures were evaluated on the basis of public acceptance, sustainable delivery, corporate risk, financial risk and staff capacity.

**General Operating Expenses**

The proposed general operating expenses budget totals \$34.4 million for 2019, an increase of \$1.0 million from the 2018 budget, which represents a 3.1% increase. Graph 1 illustrates the budget per department

from 2018 to 2023. The detailed expenses by department is provided in Schedule 3.

Graph 1: General Operating Expenses by Department 2018 – 2023 Budget



The 2019 General Operating Expenses are detailed by economic segment in Table 1.

Table 1: General Operating Expenses by Economic Segment

Operating Expenditures by Economic Segment (excluding amortization)	2018 Budget	2019 Budget	Variance	Variance %
Council Indemnity, Allowance, Benefits	208,400	231,000	22,600	10.8%
Personnel	14,313,800	15,424,900	1,111,100	7.8%
General Services	14,021,600	13,927,600	(94,000)	-0.7%
Insurance	509,900	524,000	14,100	2.8%
Goods	1,882,600	1,843,800	(38,800)	-2.1%
Utilities	1,030,000	1,061,600	31,600	3.1%
Grants	483,200	500,400	17,200	3.6%
Transfers / Interdepartment Charges	786,800	964,600	177,800	22.6%
Other Government - CVRD	1,408,200	1,407,000	(1,200)	-0.1%
Library Requisition	1,255,000	1,340,800	85,800	6.8%
Sub-total	35,899,500	37,225,700	1,326,200	3.7%
Interfund charges	(2,545,800)	(2,845,900)	(300,100)	11.8%
<b>Total</b>	<b>33,353,700</b>	<b>34,379,800</b>	<b>1,026,100</b>	<b>3.1%</b>

### *Personnel*

The increase to personnel costs in 2019 are related to the following factors:

**New Employer Health Tax** – The employer health tax is a new annual tax on an employer's B.C. remuneration paid to employees in a calendar year. Effective January 1, 2019 the City is responsible for paying 1.95% of total wages across the organization, which amounts to approximately \$250,000 in the general operating fund.

**Contract Salary and Benefit Increases** – The impact relating to annual contractual salary and wage increases for unionized, exempt staff, Volunteer firefighters, and Council amounts to approximately \$250,000 in 2019 in the General Fund. Mayor and Council salaries were also adjusted by \$22,600 in order to compensate for the loss of the one-third personal tax exemption allowance in 2019.

An increase of \$215,000 is also included related to benefits paid on behalf of employees such as extended health and dental, Pension contributions, WCB, MSP, CPP and EI premiums.

**Increased preventative maintenance** – As part of Asset Management for sustainable service delivery, the City has implemented a preventative maintenance program to extend the life of in-service assets and therefore reduce long term annual capital replacement expenditures. It is expected that programs such as these will extend the life of assets by 10-15% saving significant capital expenditures in future years. In addition, the City receives contributed assets through development which increases the number of assets to maintain. Labour is a significant component of preventative maintenance and the impact on the 2019 budget amounts to approximately \$161,000.

### **Filling Vacancies and Supporting Council Strategic Priorities**

In the 2018 Budget there were some position vacancies that are now filled in 2019. In addition, a new position has been incorporated into the Development Services budget to support community and sustainability planning. The total impact of filling these vacancies and the new position total approximately \$235,000.

### *General Services and Goods*

Overall general services are reduced in the general operating budget by \$94,000. This is related to a combination of a number of one time projects wrapping up from previous years such as the election, some asset condition assessments, Urban Forest Management Plan, and Land Use Strategy; offset by projects continuing on and starting in 2019 such as the OCP, Dike Replacement Strategy, Transportation Master Plan, and Integrated Rainwater Management Plan. Most of these projects are funded by Gas Tax revenue which has no impact on property taxes.

In addition the RCMP contract falls into this category and is expected to impact the 2019 general operating budget with an increase of \$86,500. This is based on Council's approval in principle for the 2019/2020 contract, which approves a strength of 31.4 members and takes into account a projected 4 member vacancy. The last few years the RCMP has experienced a 5 to 6 person actual vacancy rate. Council will have an opportunity to revisit the RCMP contract later in April and provide final approval to

the 2019/2020 contract. In recognition of the need to provide for unanticipated fluctuations in RCMP vacancies and special investigations, the City created a dedicated reserve in 2017.

### Solid Waste, Recyclables, and Yard Waste

Although this service is included in the general operating budget, it is fully funded by other revenues and user fees and has no impact on taxation. Council approved the 2019-2023 Municipal Solid Waste, Recyclables, and Yard Waste Financial Plan on January 21, 2019 and authorized a 2% increase to the user fee for 2019.

### Internal Allocations

Internal allocations is a percentage of the General Government, Public Works, and fleet expenses transferred to the Water and Sewer Funds. The intent is to transfer a reasonable amount for General Government and Public Works expenditures (personnel, utilities, materials, insurance, contracted services and fleet costs) as recognition of the administrative costs necessary to provide those services. A transfer for engineering staff time to capital projects is also included in this segment.

### Transfers to Reserves

Contributions are made every year to the various reserves, such as the machinery and equipment, the new works and the infrastructure renewal reserves. Those reserves provide funding for capital projects and in some cases for operating projects. Staff recommend increasing the transfers to maintain the reserves and provide sufficient funds for future projects. The transfers to reserves total \$2.9 million for 2019 as listed in Table 2. This includes reinstating the annual 1% special levy in 2019 for infrastructure renewal reserve. Schedule 4 provides an estimate of the surplus and reserve balances.

Table 2: Transfers to General Fund Reserves

General Operating Fund Transfers to Reserves		2018 Budget	2019 Budget	Variance	%
<b>To Reserves</b>					
	To Machinery and Equip Reserve Fund	600,000	650,000	50,000	8.3%
	To New Works	405,000	430,013	25,013	6.2%
	To Infrastructure Reserve (special levy)	-	220,787	220,787	
	To Public Parking Reserve	6,600	6,600	-	0.0%
	To MFA Reserve Fund	8,300	6,500	(1,800)	-21.7%
	To Reserve Funds - Interest	80,800	150,000	69,200	85.6%
	To New Works Bylaw 1835	1,362,000	1,405,000	43,000	3.2%
	To Cemetery Care Fund	11,000	11,000	-	0.0%
	To Carbon Offsets Reserve	18,800	18,800	-	0.0%
		<b>2,492,500</b>	<b>2,898,700</b>	<b>406,200</b>	<b>16.3%</b>

*Other Cost Drivers***Utilities and Insurance**

BC Hydro recently announced rate increases of an estimated 8.1% over the next five years which have been incorporated in this Financial Plan. In addition, the City recently underwent an insurance appraisal on its buildings and facilities in late 2018, which resulted in higher replacement costs and impacting insurance premiums in 2019. The overall impact to both amounts to \$45,700.

**Comox Valley Emergency and Vancouver Island Regional Library Requisitions**

The City's contribution to the Comox Valley Emergency Service is increasing by \$17,400 in 2019. This payment is made to the Comox Valley Regional District.

The requisition to Vancouver Island Regional Library is also increasing by \$85,800 in 2019. This increase is recovered by an equivalent increase in the library levy revenue.

**Innovation**

Implementation of a new Recreation software and new systems to streamline the financial processes in the organization also impact the general operating budget in 2019. Additional resources are required to either backfill frontline staff or provide support through consultation. The impact of these costs total approximately \$80,000. This excludes the software purchase cost included in the general capital budget.

*General Revenues**Property Taxes*

The proposed increase in property tax for general municipal and debt purposes, excluding new construction revenues, is 3.75% for 2019. This increase is comprised of funding for the following purposes:

General & Debt Levy	2.75%
Special Levy – Infrastructure Renewal Reserve	<u>1.00%</u>
Total	3.75%

Comparison to consumer price index CPI, average 2.7% for British Columbia for 2019.

*Other Revenue Sources*

Table 3 provides a summary of the revenue included in the 2019 Budget. Further detail is available in Schedule 2.

Table 3: General Operating Revenues

<b>General Operating Fund Revenue</b>	<b>Budget 2018</b>	<b>Budget 2019</b>	<b>Variance \$</b>
<b>Taxes</b>			
General Municipal Taxes	24,024,400	25,416,800	1,392,400
Portion of Grants in Place of Taxes	(143,700)	(165,800)	(22,100)
<b>Net Municipal Taxes</b>	<b>23,880,700</b>	<b>25,251,000</b>	<b>1,370,300</b>
Grants in Lieu of Taxes	462,400	489,000	26,600
% of Revenue Tax	399,500	410,000	10,500
<b>Taxes for Municipal Purposes</b>	<b>24,742,600</b>	<b>26,150,000</b>	<b>1,407,400</b>
<b>Fees and Charges</b>	<b>7,435,300</b>	<b>7,714,000</b>	<b>278,700</b>
<b>Revenue from Other Sources</b>	<b>1,050,100</b>	<b>1,178,500</b>	<b>128,400</b>
<b>Transfers from Other Govt &amp; Agencies</b>	<b>1,880,900</b>	<b>1,683,400</b>	<b>(197,500)</b>
<b>Transfers-Reserves</b>	<b>1,756,600</b>	<b>1,504,500</b>	<b>(252,100)</b>
<b>Transfers-Surplus</b>	<b>1,791,700</b>	<b>2,100,300</b>	<b>308,600</b>
	<b>38,657,200</b>	<b>40,330,700</b>	<b>1,673,500</b>

#### *Community Works Fund – Gas Tax Grant Revenues*

The City of Courtenay receives approximately \$1.1 million per year in Federal Gas Tax revenue through the Community Works Fund administered by the Union of BC Municipalities (UBCM). These funds are deposited into a reserve and used to fund eligible projects as required. In 2019, \$585,000 of Gas Tax Funds are being utilized to fund the following eligible projects that support Asset Management in the General Operating Fund:

Asset Condition Assessments	\$220,000
Transportation Master Plan	70,000
Dike Replacement Strategy	150,000
Integrated Rainwater Management Plan	<u>145,000</u>
Total	\$585,000

This will leave an estimated balance of \$1,425,300 in the Gas Tax Reserve at December 31, 2019.

#### *Gaming Funds*

As a host local government of a gaming facility, the City receives a 10% share of the net gaming revenues every year, which may be used for “any purpose within their legal authority”. Table 4 outlines the recommended use of the Gaming Funds for 2019 only. This funding pattern is based on the 2016-2018 approved spending matrix and takes into account funds that have already been committed by Council in 2019 through the Grant-in-Aid program and other Council resolutions.

Table 4: Proposed Use of Gaming Funds in 2019

	<b>2019 Proposed Budget</b>
<b>Revenues</b>	
Host gaming revenue 2019	1,000,000
Carry forward committed funds	46,000
<b>Total Revenues prior to distribution</b>	<b>1,046,000</b>
<b>Distribution Categories:</b>	
<b><u>Societies Managing City Arts/Culture Facilities</u></b>	
Courtenay & District Museum	(50,000)
CV Art Gallery Society	(65,000)
Sid Williams Theatre Society	(105,000)
Downtown cultural events (DCBIA-elevate the arts)	(5,000)
Sid Theatre, Art Gallery and Museum Strategic planning part of 2018-2019 budget	(21,000)
	<b>(246,000)</b>
<b><u>Council Initiatives/Projects</u></b>	
Purple Ribbon Campaign	(3,500)
Nov 19, 2018 Resolution - Heritage Refurbish Clocks	(25,000)
2019 Grants-in-Aid	(110,000)
Other Council Initiatives/Projects	(56,500)
	<b>(195,000)</b>
<b><u>Public Safety/Security</u></b>	
RCMP Contract Funding	<b>(405,000)</b>
<b><u>Social/Societal Initiatives</u></b>	
Supportive Housing	(15,000)
Jan7, 2019 Resolution CV Coalition to end Homelessness Delegation Request	(35,000)
	<b>(50,000)</b>
<b><u>Infrastructure Works</u></b>	<b>(100,000)</b>
<b><u>Green Capital Projects / Innovation</u></b>	<b>(50,000)</b>
<b>Total Distribution of Funds</b>	<b>(1,046,000)</b>

For financial planning purposes only, staff have continued a similar funding pattern in the general operating fund through the next four years. However, Council will have an opportunity to revisit the 2020-2023 Gaming Fund spending matrix and refine it in 2019 based on their 2019-2022 strategic priorities. The gaming fund has an unaudited surplus balance of \$1,762,200 at the end of December 31, 2018. Past practice has been to leave one year worth of revenue in the fund.

#### *Other Funding Sources*

The City of Courtenay receives approximately \$240,000 of Traffic Fine Revenue each year from the Province. These funds go directly towards funding the cost of policing.



### *Non Market Change and Supplementary Adjustments*

Based on the latest Non Market Change report provided by BC Assessment for 2019, the City is expecting to receive approximately \$450,000 in additional taxation revenues from new construction. BC Assessment is also projecting potential supplementary adjustments that the City might expect in 2019 which staff estimate could result in a reduction to taxation revenue of approximately \$150,000. Additional annual tax revenue from new construction has increased by \$270,000 since 2015. This additional annual revenue is accumulative and is used to support the cost of new City infrastructure, services and staff necessary to operate and maintain these services.

### *Operating Surplus*

Unlike the federal and provincial governments in Canada, municipalities are not permitted to operate with a deficit. In order to balance the 2019 General Budget and keep property tax rates reasonable, staff are recommending the use of \$1,331,300 in prior year surplus. The 2018-2022 Financial Plan identified the use of \$1,791,700 of prior year surplus in 2018, which staff are projecting based on unaudited year end balances, will not need to be utilized and will carry forward for use in 2019 and future years. Pending the final 2018 audited balances, the remaining surplus funds held in 2019 for the general operating fund are projected to total \$4 million. The proposed 2019-2023 Financial Plan uses \$3 million of this balance over the next three years to assist with keeping property tax rates within a reasonable range and phases out reliance by 2021. Schedule 4 provides an estimate of the surplus balance for the next five years.

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

Staff recommends that policy guidance be adopted by Council in regards to the prior year surplus and reserves management. Ideally, a surplus and reserves policy would define the appropriate level and use of surplus and reserves in order to maintain funds available for contingency and provide stable funding for anticipated capital renewal needs.

### **FINANCIAL IMPLICATIONS:**

In order to balance the proposed 2019-2023 General Operating Financial Plan, a 3.75% increase to property taxation is required amounting to approximately \$595,000 in additional revenue to cover 2019 expenses and \$220,000 to contribute to the infrastructure renewal reserve.

**Assessment Trends**

- Residential Assessment (Class 01)                      Average property value *increase* = 16.48%  
(from \$373,988 to \$435,616)
  
- Commercial Assessment (Class 06)                      Average property value *increase* = 5.13%  
(from \$779,382 to \$819,332)

**What this means to the Taxpayer:**

*Based on the City’s current tax rate methodology, the following impacts have been calculated:*

Residential Class

The annual property tax increase for an “average” 2019 residential property, valued at \$435,616, is estimated to be an increase of \$52 for the municipal taxation portion of the tax notice.

Table 5 provides the estimated impact of all rates, fees, and tax increases for the average Courtenay residential property assuming a 3.75% taxation increase for the City of Courtenay portion of the tax notice only.

Table 5: Impact of 3.75% tax increase on Average Residential Property assessed at \$435,616

<b>Total of All Increases:</b>	
<i>General Fund</i> Property Tax Increase	\$ 51.83
Water Fund User Fee Increase	\$ 30.39
Water Fund Frontage Increase	
Sewer Fund User Fee Increase	\$ 16.21
Sewer Fund Frontage Increase	\$ -
Solid Waste Utility Fee Increase	\$ 3.23
<b>Impact of All City Increases</b>	<b>\$ 101.66</b>

These are preliminary estimates based on the current rate methodology and assessment information. Council will still have the opportunity to review the commercial rate multiplier and finalize all tax rates in the near future once the total property tax revenue percentage increase has been approved.

**ADMINISTRATIVE IMPLICATIONS:**

Subsequent to Council endorsement of the proposed 2019-2023 General Operating Fund Financial Plan, the schedules will become part of the 2019-2023 Financial Plan Bylaw. This bylaw will be brought forward for Council consideration in mid-April 2019.

For the April 15, 2019 Council meeting, staff will bring forward information in regards to property tax rates and setting the commercial tax rate multiplier for 2019.

Both the 2019-2023 Financial Plan Bylaw and the 2019 Property Tax Rates Bylaw must be finally adopted no later than May 15, 2019.

**ASSET MANAGEMENT IMPLICATIONS:**

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

**STRATEGIC PLAN REFERENCE:**

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

**We focus on organizational and governance excellence**

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

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

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

**We actively pursue vibrant economic development**

- ▲ Continue to support Arts and Culture

**We plan and invest in methods of multi-modal transportation**

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

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

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

**We continually invest in our key relationships**

- Value and recognize the importance of our volunteers

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

**OFFICIAL COMMUNITY PLAN REFERENCE:**

The 2019–2023 General Fund Operating Financial Plan touches several of the OCP Goals including:

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

**REGIONAL GROWTH STRATEGY REFERENCE:**

The 2019–2023 General Fund Operating Financial Plan is presented to encourage sound financial management of City assets in order to provide services to all residents within the municipality and region. It touches on:

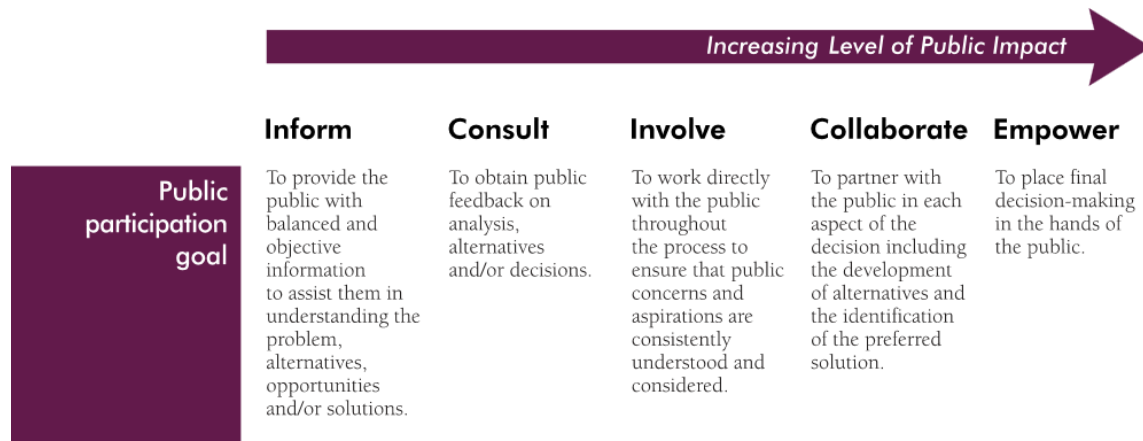
- ❖ Ecosystems, Natural Areas and Parks
- ❖ Transportation and Infrastructure
- ❖ Local Economic Development
- ❖ Climate Change

**CITIZEN/PUBLIC ENGAGEMENT:**

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

The City of Courtenay consults with the public about the 2019-2023 Financial Plan through regular and special council meetings, media webcasts, and information posted on the City’s website. In addition, further public consultation will occur prior to three readings of 2019-2023 Financial Plan Bylaw.

[http://c.ymcdn.com/sites/www.iap2.org/resource/resmgr/imported/IAP2%20Spectrum\\_vertical.pdf](http://c.ymcdn.com/sites/www.iap2.org/resource/resmgr/imported/IAP2%20Spectrum_vertical.pdf)



**OPTIONS:**

- OPTION 1: That Council approves the 2019-2023 General Operating Financial Plan as proposed, and directs staff to include the schedules in the 2019-2023 Financial Plan Bylaw.
- OPTION 2: That Council amends the proposed 2019-2023 General Operating Financial Plan, and directs staff to include the amended schedules in the 2019-2023 Financial Plan Bylaw.
- OPTION 3: That Council defer the endorsement of the proposed 2019-2023 General Operating Financial Plan for further discussion at a later Council meeting.

It should be noted that deferring endorsement of this financial plan may hinder Council’s ability to meet the May 15, 2019 deadline to adopt a five year financial plan and therefore impact the City’s ability to generate tax notices on time.

Prepared by:

Annie Bérard, CPA, MBA  
 Manager of Financial Planning

Jennifer Nelson, CPA, CGA  
 Director of Financial Services

*Attachments:*

- Schedule 1 – General Operating Fund Summary 2019-2023
- Schedule 2 – General Operating Revenues Detail 2019-2023
- Schedule 3 – General Operating Expenses by Department 2019-2023
- Schedule 4 – General Surplus, Reserves and DCC 2019-2023

General Operating Fund	Budget	Budget	2020	Proposed Budget		
	2018	2019		2021	2022	2023
<b>Tax rate increase</b>						
General Taxation	1.50%	2.75%	3.00%	3.25%	3.00%	2.50%
Debt Levy	0.00%	0.00%	0.95%	3.53%	2.15%	0.22%
	1.50%	2.75%	3.95%	6.78%	5.15%	2.72%
Infrastructure Reserve Levy	0.00%	1.00%	1.25%	1.25%	1.50%	1.75%
	1.50%	3.75%	5.20%	8.03%	6.65%	4.47%
<b>REVENUES</b>						
<b>Taxes</b>						
General Municipal Taxes	24,024,400	25,416,800	26,732,000	28,836,500	30,675,300	31,902,500
Collections for Other Governments (Estimate)	21,021,800	21,941,800	22,654,600	23,108,900	23,567,000	23,948,300
<b>Total Taxes Collected</b>	<b>45,046,200</b>	<b>47,358,600</b>	<b>49,386,600</b>	<b>51,945,400</b>	<b>54,242,300</b>	<b>55,850,800</b>
<b>Less:</b>						
Property Taxes for Other Governments (Estimate)	(21,021,800)	(21,941,800)	(22,654,600)	(23,108,900)	(23,567,000)	(23,948,300)
Portion of Grants in Place of Taxes	(143,700)	(165,800)	(169,200)	(172,500)	(176,000)	(179,600)
	(21,165,500)	(22,107,600)	(22,823,800)	(23,281,400)	(23,743,000)	(24,127,900)
<b>Net Municipal Taxes</b>	<b>23,880,700</b>	<b>25,251,000</b>	<b>26,562,800</b>	<b>28,664,000</b>	<b>30,499,300</b>	<b>31,722,900</b>
Grants in Lieu of Taxes	462,400	489,000	498,800	508,800	518,900	529,200
% of Revenue Tax	399,500	410,000	418,200	426,700	435,200	444,000
<b>Taxes for Municipal Purposes</b>	<b>24,742,600</b>	<b>26,150,000</b>	<b>27,479,800</b>	<b>29,599,500</b>	<b>31,453,400</b>	<b>32,696,100</b>
<b>Fees and Charges</b>	<b>7,435,300</b>	<b>7,714,000</b>	<b>7,866,800</b>	<b>8,035,000</b>	<b>8,207,400</b>	<b>8,382,700</b>
<b>Revenue from Other Sources</b>	<b>1,050,100</b>	<b>1,178,500</b>	<b>1,157,600</b>	<b>1,136,900</b>	<b>1,116,000</b>	<b>1,095,400</b>
<b>Transfers from Other Govt &amp; Agencies</b>	<b>1,880,900</b>	<b>1,683,400</b>	<b>1,719,200</b>	<b>1,755,700</b>	<b>1,793,200</b>	<b>1,830,900</b>
<b>Transfers-Reserves</b>	<b>1,756,600</b>	<b>1,504,500</b>	<b>1,063,500</b>	<b>748,500</b>	<b>673,500</b>	<b>673,500</b>
<b>Transfers-Surplus</b>	<b>1,791,700</b>	<b>2,100,300</b>	<b>1,140,800</b>	<b>553,800</b>	<b>150,000</b>	<b>150,000</b>
	38,657,200	40,330,700	40,427,700	41,829,400	43,393,500	44,828,600
<b>Equity in Capital Assets</b>	<b>4,000,000</b>	<b>4,250,000</b>	<b>4,250,000</b>	<b>4,250,000</b>	<b>4,250,000</b>	<b>4,250,000</b>
	<b>42,657,200</b>	<b>44,580,700</b>	<b>44,677,700</b>	<b>46,079,400</b>	<b>47,643,500</b>	<b>49,078,600</b>
<b>EXPENDITURES</b>						
<b>Operating Expenditures</b>						
General Government	4,132,200	4,392,500	4,412,400	4,471,300	4,618,500	4,628,900
Protective Services	8,579,100	8,735,100	9,003,400	9,266,000	9,932,600	10,241,500
Public Works Services	7,925,000	7,859,300	7,686,300	7,551,000	7,387,200	7,633,300
Environmental Health Services	3,197,400	3,296,700	3,385,700	3,481,800	3,581,200	3,683,700
Public Health Services	305,600	345,300	350,900	356,500	362,400	368,600
Development Services	2,021,600	2,239,900	2,101,100	1,984,600	2,019,400	2,054,500
Parks, Recreation & Cultural Services	7,192,800	7,511,000	7,423,500	7,549,300	7,674,100	7,805,200
<b>Total Operating Expenses</b>	<b>33,353,700</b>	<b>34,379,800</b>	<b>34,363,300</b>	<b>34,660,500</b>	<b>35,575,400</b>	<b>36,415,700</b>
<b>Amortization</b>	<b>4,000,000</b>	<b>4,250,000</b>	<b>4,250,000</b>	<b>4,250,000</b>	<b>4,250,000</b>	<b>4,250,000</b>
<b>Total Expenses</b>	<b>37,353,700</b>	<b>38,629,800</b>	<b>38,613,300</b>	<b>38,910,500</b>	<b>39,825,400</b>	<b>40,665,700</b>
<b>Transfer to Capital Fund</b>	<b>2,811,000</b>	<b>3,052,200</b>	<b>3,041,300</b>	<b>4,050,600</b>	<b>4,264,100</b>	<b>4,098,700</b>
<b>Transfer to Reserve Funds</b>	<b>2,492,500</b>	<b>2,898,700</b>	<b>3,023,100</b>	<b>3,118,300</b>	<b>3,252,900</b>	<b>3,418,200</b>
<b>Transfer to Surplus</b>	-	-	-	-	301,100	896,000
	5,303,500	5,950,900	6,064,400	7,168,900	7,818,100	8,412,900
	<b>42,657,200</b>	<b>44,580,700</b>	<b>44,677,700</b>	<b>46,079,400</b>	<b>47,643,500</b>	<b>49,078,600</b>

General Operating Revenues	2018 Budget	2019 Budget	2020 Proposed Budget	2021 Proposed Budget	2022 Proposed Budget	2023 Proposed Budget
<b>PROPERTY TAXES</b>						
GENERAL PROPERTY TAXES	21,111,900	22,245,100	23,376,000	24,548,700	25,697,200	26,749,600
GENERAL PROPERTY TAXES - New Construction	400,000	450,000	400,000	400,000	400,000	400,000
INFRASTRUCTURE & ASSET MANAGEMENT LEVY	-	220,800	288,700	302,200	380,200	463,700
B.I.A. TAX	60,000	60,000	60,000	60,000	60,000	60,000
DEBT LEVY	1,272,500	1,250,100	1,477,200	2,369,900	2,956,100	3,020,700
GEN TAX SUPPLEMENTARY ADJ	(75,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
LIBRARY	1,255,000	1,340,800	1,280,100	1,305,700	1,331,800	1,358,500
Total Municipal Property Taxes	24,024,400	25,416,800	26,732,000	28,836,500	30,675,300	31,902,500
TAXES COLLECTED FOR OTHER AUTHORITIES (Estimate)	21,021,800	21,941,800	22,654,600	23,108,900	23,567,000	23,948,300
Total Property Taxes	45,046,200	47,358,600	49,386,600	51,945,400	54,242,300	55,850,800
GRANTS IN PLACE OF PROPERTY TAXES	462,400	489,000	498,800	508,800	518,900	529,200
1% REVENUE TAX	399,500	410,000	418,200	426,700	435,200	444,000
Total Taxes	45,908,100	48,257,600	50,303,600	52,880,900	55,196,400	56,824,000
Less:						
TAXES COLLECTED FOR OTHER AUTHORITIES (Estimate)	(21,021,800)	(21,941,800)	(22,654,600)	(23,108,900)	(23,567,000)	(23,948,300)
PORTION OF GRANTS IN PLACE OF TAXES	(143,700)	(165,800)	(169,200)	(172,500)	(176,000)	(179,600)
	(21,165,500)	(22,107,600)	(22,823,800)	(23,281,400)	(23,743,000)	(24,127,900)
Net Municipal Taxes	<b>24,742,600</b>	<b>26,150,000</b>	<b>27,479,800</b>	<b>29,599,500</b>	<b>31,453,400</b>	<b>32,696,100</b>
<b>SALES OF SERVICES</b>						
GENERAL GOVERNMENT	18,000	20,000	20,400	20,800	21,200	21,600
PROTECTIVE SERVICES	740,500	728,200	742,700	757,500	772,700	788,000
PUBLIC WORKS SERVICES	2,000	2,000	2,000	2,000	2,000	2,000
ENVIRONMENTAL HEALTH (Solid waste)	2,827,400	2,999,100	3,088,000	3,180,800	3,276,200	3,373,400
PUBLIC HEALTH (Cemetery)	74,000	75,500	77,000	78,500	80,100	81,700
RECREATION & CULTURAL SERVICES	1,703,400	1,802,800	1,837,300	1,871,900	1,907,400	1,943,400
	<b>5,365,300</b>	<b>5,627,600</b>	<b>5,767,400</b>	<b>5,911,500</b>	<b>6,059,600</b>	<b>6,210,100</b>
<b>REVENUE FROM OWN SOURCES</b>						
GENERAL GOVERNMENT SERVICES	44,000	44,000	44,700	45,400	46,200	47,000
PROTECTIVE SERVICES	129,000	127,700	130,100	132,700	135,400	138,100
PUBLIC WORKS SERVICES	35,300	20,700	20,900	21,200	21,500	21,700
ENVIRONMENTAL HEALTH	371,200	385,000	385,000	385,000	385,000	385,000
PUBLIC HEALTH	75,000	76,500	78,000	79,600	81,100	82,800
DEVELOPMENT SERVICES	1,350,100	1,364,600	1,371,600	1,389,000	1,406,800	1,424,700
RECREATION & CULTURAL SERVICES	65,400	67,900	69,100	70,600	71,800	73,300
INVESTMENT, PENALTIES AND GENERAL REVENUE	1,050,100	1,178,500	1,157,600	1,136,900	1,116,000	1,095,400
	<b>3,120,100</b>	<b>3,264,900</b>	<b>3,257,000</b>	<b>3,260,400</b>	<b>3,263,800</b>	<b>3,268,000</b>
<b>TRANSFER FROM OTHER GOVERNMENTS AND AGENCIES</b>						
FEDERAL GOVERNMENT & AGENCIES	1,415,800	1,265,000	1,290,300	1,316,100	1,342,400	1,369,200
PROVINCIAL GOVERNMENTS & AGENCIES	368,200	316,000	322,300	328,700	335,300	341,900
LOCAL GOVERNMENT AND OTHER AGENCIES	96,900	102,400	106,600	110,900	115,500	119,800
	<b>1,880,900</b>	<b>1,683,400</b>	<b>1,719,200</b>	<b>1,755,700</b>	<b>1,793,200</b>	<b>1,830,900</b>
<b>TRANSFERS FROM OTHER FUNDS</b>						
RESERVES	1,756,600	1,504,500	1,063,500	748,500	673,500	673,500
PRIOR YEARS SURPLUS	1,791,700	1,331,300	1,140,800	553,800	150,000	150,000
RESERVE FOR FUTURE EXPENDITURE	-	769,000	-	-	-	-
Total Surplus	1,791,700	2,100,300	1,140,800	553,800	150,000	150,000
Total Other Funds	3,548,300	3,604,800	2,204,300	1,302,300	823,500	823,500
<b>TOTAL REVENUES</b>	<b>38,657,200</b>	<b>40,330,700</b>	<b>40,427,700</b>	<b>41,829,400</b>	<b>43,393,500</b>	<b>44,828,600</b>

General Operating Fund Expenses	2018	2019	2020	2021	2022	2023
	Final	Final	Proposed	Proposed	Proposed	Proposed
	Budget	Budget	Budget	Budget	Budget	Budget
<b>EXPENSES</b>						
<b>OPERATING &amp; OTHER EXPENDITURES</b>						
<b>General Government Services</b>						
Legislative Services	269,900	329,800	314,500	319,400	324,300	349,300
Corporate Administration	2,172,700	2,223,200	2,186,100	2,228,400	2,279,200	2,289,600
Financial Services	1,906,400	1,943,800	1,977,800	2,012,500	2,048,300	2,084,400
Information Technology	1,140,600	1,156,500	1,222,000	1,217,500	1,261,700	1,256,100
Common Services	159,500	157,900	159,100	160,900	162,300	164,300
Other General Government	(51,400)	79,200	68,400	68,600	130,300	69,000
Subtotal	5,597,700	5,890,400	5,927,900	6,007,300	6,206,100	6,212,700
Allocation to Water and Sewer Fund	(1,465,500)	(1,497,900)	(1,515,500)	(1,536,000)	(1,587,600)	(1,583,800)
	<b>4,132,200</b>	<b>4,392,500</b>	<b>4,412,400</b>	<b>4,471,300</b>	<b>4,618,500</b>	<b>4,628,900</b>
<b>Protective Services</b>						
Police Protection	6,439,900	6,523,800	6,772,100	6,997,300	7,227,700	7,494,300
Fire Protection	1,836,300	1,887,500	1,903,000	1,936,200	2,367,800	2,400,900
Emergency Management	78,100	97,800	97,800	97,800	97,900	102,700
Animal Control	68,200	69,500	70,900	72,300	73,900	75,300
Bylaw Enforcement	92,900	91,700	93,400	94,900	96,500	98,200
Parking Control	63,700	64,800	66,200	67,500	68,800	70,100
	<b>8,579,100</b>	<b>8,735,100</b>	<b>9,003,400</b>	<b>9,266,000</b>	<b>9,932,600</b>	<b>10,241,500</b>
<b>Public Works Services</b>						
Public Works	1,280,000	1,350,100	1,465,400	1,381,100	1,397,000	1,414,000
Engineering	924,600	1,094,700	1,011,300	775,500	709,200	718,100
Asset Management	818,600	574,100	375,300	361,600	368,000	539,600
Roads & Streets	1,634,100	1,737,100	1,729,100	1,742,100	1,754,800	1,767,800
Storm Sewers	629,400	633,700	640,500	647,700	654,800	662,000
Bridges	67,000	70,200	71,400	72,600	73,800	75,100
Transit Shelters	6,900	7,600	7,800	7,900	8,100	8,200
Street Lighting	727,400	742,600	749,900	763,900	768,200	787,400
Traffic Signals	95,100	91,500	91,900	92,200	92,500	93,100
Civic Properties Maintenance	408,900	334,500	356,700	481,500	335,600	341,100
Parks	2,413,300	2,571,200	2,597,300	2,626,000	2,653,500	2,683,300
Subtotal	9,005,300	9,207,300	9,096,600	8,952,100	8,815,500	9,089,700
Internal Allocation / Fleet Recovery	(1,080,300)	(1,348,000)	(1,410,300)	(1,401,100)	(1,428,300)	(1,456,400)
	<b>7,925,000</b>	<b>7,859,300</b>	<b>7,686,300</b>	<b>7,551,000</b>	<b>7,387,200</b>	<b>7,633,300</b>
<b>Environmental Health Services</b>						
Residential Collection	3,024,500	3,131,900	3,255,700	3,350,600	3,448,500	3,549,800
Dog Stations	32,300	28,200	28,500	28,700	29,100	29,300
Miscellaneous	9,000	6,500	6,500	6,600	6,700	6,700
Litter Baskets - City Crew	131,600	130,100	95,000	95,900	96,900	97,900
	<b>3,197,400</b>	<b>3,296,700</b>	<b>3,385,700</b>	<b>3,481,800</b>	<b>3,581,200</b>	<b>3,683,700</b>
<b>Public Health Services</b>						
Cemetery	305,600	345,300	350,900	356,500	362,400	368,600
	<b>305,600</b>	<b>345,300</b>	<b>350,900</b>	<b>356,500</b>	<b>362,400</b>	<b>368,600</b>
<b>Development Services</b>						
Planning and Zoning	861,800	1,083,400	1,029,100	894,800	911,300	927,700
Subdivision Development & Servicing	506,000	493,200	401,500	408,100	414,800	421,600
Building Inspection	591,200	600,700	607,900	619,100	630,700	642,600
Other Community Development	62,600	62,600	62,600	62,600	62,600	62,600
	<b>2,021,600</b>	<b>2,239,900</b>	<b>2,101,100</b>	<b>1,984,600</b>	<b>2,019,400</b>	<b>2,054,500</b>



General Operating Fund Expenses	2018	2019	2020	2021	2022	2023
	Final	Final	Proposed	Proposed	Proposed	Proposed
	Budget	Budget	Budget	Budget	Budget	Budget
<b>Recreation &amp; Culture</b>						
Recreation Administration	1,123,600	1,201,600	1,123,600	1,141,000	1,158,700	1,176,700
Childrens Programs	419,800	420,400	425,800	431,400	437,000	442,800
Adults Programs	496,300	500,400	508,700	517,400	526,200	535,100
Youth Programs	232,700	241,700	245,800	249,900	254,100	258,300
Outdoor Pool Programs	117,500	121,100	123,400	125,800	128,100	130,600
Preschool Programs	86,000	83,700	85,300	86,800	88,500	90,100
July 1st Commission	50,400	64,800	65,100	65,200	65,400	65,700
Special Events	42,700	39,900	40,200	40,400	40,700	40,900
Courtenay Recreation Association	75,800	48,300	48,300	48,300	48,300	48,300
Adapted Programs	118,900	121,600	123,800	125,900	128,000	130,200
Summer Camps Programs	279,100	302,400	306,200	310,200	314,200	318,300
Lewis Centre	1,236,300	1,351,200	1,314,200	1,339,500	1,363,700	1,390,800
Filberg Centre	709,200	716,600	727,800	739,700	751,000	763,700
Outdoor Pool	126,500	136,400	137,200	139,400	141,400	143,600
Youth Centre	74,300	86,900	87,300	88,600	89,600	90,800
Native Sons Hall	67,900	69,600	70,100	71,000	71,700	72,800
<b>Recreation</b>	<b>5,257,000</b>	<b>5,506,600</b>	<b>5,432,800</b>	<b>5,520,500</b>	<b>5,606,600</b>	<b>5,698,700</b>
Sid Williams Theatre	320,100	317,500	315,800	321,200	326,700	332,200
Museum	228,100	214,800	211,500	215,400	219,600	223,500
Library	1,285,800	1,367,100	1,394,000	1,421,800	1,449,800	1,478,500
Art Gallery	66,000	64,600	58,500	59,200	60,200	61,100
Civic Square & Heritage Church	35,800	40,400	10,900	11,200	11,200	11,200
<b>Cultural Services</b>	<b>1,935,800</b>	<b>2,004,400</b>	<b>1,990,700</b>	<b>2,028,800</b>	<b>2,067,500</b>	<b>2,106,500</b>
	<b>7,192,800</b>	<b>7,511,000</b>	<b>7,423,500</b>	<b>7,549,300</b>	<b>7,674,100</b>	<b>7,805,200</b>
<b>Total Operating Expenses</b>	<b>33,353,700</b>	<b>34,379,800</b>	<b>34,363,300</b>	<b>34,660,500</b>	<b>35,575,400</b>	<b>36,415,700</b>

GENERAL Surplus, Reserves and DCC Summary	Unaudited	Budget	Proposed Budget			
	2018	2019	2020	2021	2022	2023
<b>General Operating Surplus</b>						
Prior Year Surplus	4,072,800	2,741,500	1,600,700	1,046,900	1,198,000	1,944,000
Sid Williams Theatre Society	285,900	275,900	265,900	260,900	255,900	260,900
Gaming Funds	1,762,200	1,762,200	1,587,200	1,587,200	1,587,200	1,587,200
	6,120,900	4,779,600	3,453,800	2,895,000	3,041,100	3,792,100
<b>General Capital Surplus</b>						
Surplus Reserve for Future Expenditures	769,000	-	-	-	-	-
Unexpended Debt	1,668,464	1,322,878	70,492	6,293	6,293	6,293
	2,437,464	1,322,878	70,492	6,293	6,293	6,293
<b>Total General Surplus</b>	<b>8,558,364</b>	<b>6,102,478</b>	<b>3,524,292</b>	<b>2,901,293</b>	<b>3,047,393</b>	<b>3,798,393</b>
<b>General Operating Reserves</b>						
Risk Reserve	102,300	102,300	102,300	102,300	102,300	102,300
Assessment Appeals	50,700	50,700	50,700	50,700	50,700	50,700
Police Contingency	560,200	360,200	365,000	374,700	389,400	409,200
Trees	4,500	4,500	4,500	4,500	4,500	4,500
	717,700	517,700	522,500	532,200	546,900	566,700
<b>General Capital Reserves</b>						
Machinery and Equipment	1,211,200	1,214,700	1,389,700	1,589,700	814,700	924,700
Land Sale	152,600	69,100	69,100	69,100	69,100	69,100
New Works and Equipment	3,577,800	2,026,900	1,570,400	1,486,800	1,472,700	1,630,300
New Works - Community Gas Tax Funds	1,954,700	1,425,300	1,030,300	885,300	550,200	310,200
Infrastructure Reserve	663,000	560,200	248,000	153,900	310,400	669,500
Housing Amenity	669,500	669,500	565,800	565,800	565,800	565,800
Park Amenity	554,800	554,800	454,800	254,800	54,800	54,800
Public Parking	53,700	60,300	67,000	73,800	80,600	87,500
Parkland Acquisition	271,700	271,700	271,700	271,700	271,700	271,700
	9,109,000	6,852,500	5,666,800	5,350,900	4,190,000	4,583,600
<b>Total General Reserves</b>	<b>9,826,700</b>	<b>7,370,200</b>	<b>6,189,300</b>	<b>5,883,100</b>	<b>4,736,900</b>	<b>5,150,300</b>
<b>Total General Surplus and Reserves</b>	<b>18,385,064</b>	<b>13,472,678</b>	<b>9,713,592</b>	<b>8,784,393</b>	<b>7,784,293</b>	<b>8,948,693</b>
<b>Development Cost Charges (DCC)</b>						
Highways Facilities	3,239,800	2,757,200	2,147,500	1,653,300	1,276,300	884,300
Storm Drain Facilities	1,504,800	1,504,800	1,504,800	1,480,800	1,480,800	1,480,800
Park Land Acquisition	370,700	364,500	166,500	33,000	33,000	33,000
<b>Total DCC</b>	<b>5,115,300</b>	<b>4,626,500</b>	<b>3,818,800</b>	<b>3,167,100</b>	<b>2,790,100</b>	<b>2,398,100</b>