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# City of Campbell River 2016-2025 Financial Plan

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## Executive Summary

The City has faced significant financial challenges in past years. The City is rich in forestry history and is the home to many of British Columbia's (BC's) leaders in the logging sector. In early 2000's, BC's coastal forestry economy took a steep dive which for Campbell River, culminated with the closure of its pulp and paper mill in 2012. The community lost many high-paying jobs and the City itself dealt with the 25% loss in property taxation. Residential property owners took on some of this burden, but the remainder involved an internal review of the City's operations and related cuts to service levels, cuts to capital funding and the use of existing reserve funds to balance the budget. Since 2012 the City has continued to hold the line on the budget while continuing to review the budget for reductions where possible. This has led to a strained and highly publicized Financial Planning process with pressure on City Council and staff to maintain service with little to no tax increase followed by large one-time increases to offset the ongoing increases to costs.

The 2016 Financial Plan was a strategic and foundational process that was focused on developing long-term financial stability for the City. The City could no longer continue to hold taxation and maintain services and infrastructure; reserves continued to be depleted with minimal annual replenishment, therefore the City decided to forge a new path. This included an assessment of the current financial realities and developing a program that would provide for long-term stability and resiliency for the City's citizens and eliminate the volatility in the annual tax increases.

Many new initiatives were undertaken in the 2016 Financial Planning process which resulted in a comprehensive program the City has named the *Financial Resilience and Stability Program*. This program includes many foundational components that ensure the City is using its resources in the most efficient manner and produces a stable annual tax increase. The key components include: a ten year financial plan, annual budget parameters, reserve restructure and net funding model, reserve waterfall structure, business case decision making, and zero based operational budgeting.

The City's commitment to developing a long-term sustainable path included expanding the financial plan from a five year to a ten year plan. This resulted in more realistic budgets; therefore, reducing the pressure of finding funding, while providing a long-term financial planning focus.

Out of the long-term plan and the focus on stability, annual budget parameters were developed for each component of the City's Financial Plan. The parameters consider base operating budget, service level increases, and capital investment. The base operating budget tax increase is at 1.5-2% annual tax increase, which is to cover base inflationary costs such as wage contract settlements, fuel, and insurance. There is pressure for local governments to maintain services at a 0 or 1% tax increase, which ultimately results in spikes in taxes every few years to catch up to the annual cost increases or results in cuts to service. Therefore, the base operating budget parameter is key to long-term stability in the budget. There are many demands for new or enhanced services on local governments however in order

to maintain stability in the budget the City had to make some tough decisions as it relates to deciding which services would be added while maintaining the annual budget parameter of 0-0.5% tax increase. Lastly, the annual parameter for capital funding is 0.5-1% tax increase which in itself is not a significant amount of funding in any one year; however the annual capital funding will continue to build. The budget parameters developed, and approved by Council, ensure that the City has adequate funding to maintain services with slight enhancements, including the maintenance of capital infrastructure, with a 2.5-3.5% annual tax increase over the ten year plan. This provides ongoing stability and certainty for Council, staff and the citizens moving away from the annual financial pressure and uncertainty the City has faced during Financial Planning in recent years.

The City has many reserve accounts set aside for specific purposes which has been a significant benefit in the financial constraints of recent years; however, the reserves established were done on an ad hoc basis and the City did not have a reserve policy to manage these reserves. A reserve policy development and reserve restructure was undertaken in the fall of 2015. The restructure established minimum and maximum balances and resulted in the categorization of four main categories of reserves: accumulated surplus, operating & opportunity reserves, capital reserves and mandatory reserves. The core change was reducing the number of risk related reserves including insurance, legal, snow clearing into a financial stabilization reserve that covers off any emergent or unplanned risk issue in any one year. The efficient use of reserve funds is also encompassed in the net funding model where annual reserve contributions are allocated where needed as it relates to capital to ensure funds are not sitting idle and the City can complete works as necessary.

The waterfall system developed in the reserve restructure ensures the annual surplus is utilized to cover key financial needs of the City through the reserve structure. The annual surplus flows into the accumulated surplus account to cover working capital or cash flow to pay bills until taxation revenue is collected, any excess is then transferred to the financial stabilization reserve in the event of an emergent issue, then excess is transferred to the capital reserves net funding model to fund the infrastructure deficit.

2016 Financial Planning was the first year that the business case development was used to analyze key capital projects. Debt funded or key revenue generation projects were reviewed with full analysis on alternatives, with both operational and financial impacts. This aids Council's decision making during Financial Planning and ensures the City is allocating scarce resources to the best outcome.

The major wins for the City are the stability provided by a long-term planning horizon coupled with the consistency, surety and risk reduction regarding future services. For our elected officials the *Financial Resilience and Stability program* offers huge political wins as the local government is viewed as a leader in sound fiscal practices. Impact on public confidence cannot be understated. Internally, good governance goes a long way to increase staff morale and promotes the local government as a great employer. The 2016 Financial Planning process was a pivotal year for the City setting a new path and a new way of doing business that sets the City up for long-term success and to moving past its past challenges and instead focusing on successful future.

## City of Campbell River Community Profile

Named one of the top five quality of life destinations in North America by Foreign Direct Investment Magazine, Campbell River offers a balanced lifestyle surrounded by nature. With the waters of Discovery Passage at our shoreline and majestic mountains as a backdrop, Campbell River is located at the 50th parallel on the east coast of northern Vancouver Island. We are the third largest city on the island, with a population of 32,000, and the urban service centre and hub community for approximately 60,000 people living and working in our region.

Campbell River is located midway along Vancouver Island's eastern shore. Natural beauty and community amenities here offer an unparalleled lifestyle that gives residents, businesses and visitors room to grow and space to breathe.

From eco-adventures and internationally renowned salmon fishing to skiing at Mount Washington, safe streets to cultural treasures, fine dining to golfing, boutique shopping to advanced educational opportunities, community festivals to parks and trails for all ages and abilities, Campbell River has it all!

As the thriving central hub of the northern Vancouver Island and central coast region, Campbell River is a city with friendly small-town character. Which makes us a natural home for companies looking for a highly accessible location, abundant natural resources and first-class transportation and communication networks. Add a skilled labour force and a talented pool of experienced managers, and this is one of the most advantageous environments in the Pacific Northwest

### Employment by Sector

Sector	Number	% of Population
Agriculture and Other Resource Industries	1,970	12.9%
Construction	985	6.5%
Manufacturing	1,505	9.8%
Wholesale Trade	335	2.2%
Retail Trade	2,210	14.5%
Finance and Real Estate	645	4.2%
Health Care and Social Services	1,305	8.6%
Educational Services	875	5.7%
Business Services	4,635	30.4%
Other Services	775	5.0%
Total	15,240	100.0%

Source: Financial Post Canadian Market Demographics, 2011 (Economic Development sourced document)

## Historical Highlights





Incorporated as a Village in 1947 and later designated a Municipal District, Campbell River became a City in 2005. In 1948, the Elk Falls John Hart Dam hydro development project changed the landscape of Campbell River, enabling the growing community to prosper.

In 1958, a national heritage event “rocked” Campbell River. The Ripple Rock explosion removed the top of a marine hazard in Seymour Narrows that had claimed at least 114 lives. The spectacular blast moved 100,000 tons of rock and water, allowing larger vessels through the passage. At the time, the Ripple Rock blast was the world’s largest man-made explosion.

These and other interesting historical facts are showcased on more than 20 information panels found around the Museum and in the downtown area of the city.



Photograph by R.E. Olsen

Campbell River’s motto “Enriched by Land and Sea” describes the city’s spectacular setting and abundant natural resources: the ocean, river, forests and earth that have helped build our community for more than a century. Campbell River is accessible by land, sea and air and is a great base for recreation and industry throughout the North Island and Central Coast. With our rich natural resource background, integrated social services, a number of stewardship firsts, award winning drinking water quality and a world-class reputation as a tourism destination, the city’s economy is set for high levels of investment and even more diversity.



## Demographics

Selected Census Characteristics	
Campbell River	
Characteristics	2011 Census Data
<b>Total population in private households by citizenship</b>	30,725
Canadian citizens	30,075
Canadian citizens aged under 18	6,135
Canadian citizens aged 18 and over	23,940
Not Canadian citizens	650
<b>Labour Force (15+years)</b>	15,810
Employed	14,365
Unemployed	1,440
Participation rate (ppt.=percentage points)	61.5%
Employment rate	55.9%
Unemployment rate	9.1%
<b>Total Population 25 to 64 years by education</b>	17,220
No certificate, diploma, or degree	2,270
High school certificate or equivalent	5,090
Post-secondary certificate, diploma or degree	9,855
Apprenticeship/trades certificate or diploma	3,015
College, CEGEP or other certificate or diploma	4,140
Certificate or diploma below bachelor level	590
University certificate, diploma or degree	2,100
Bachelor's degree	1,365
Certificate diploma or degree above bachelor	735
<b>Median Income (2010)</b>	28,329
Males	39,201
Females	21,537
Median Family Income of economic families (2010)	69,484
<b>Dwellings</b>	13,425
Owned	9,975
Rented	3,450

2011 Census Profiles can be found at [www12.statcan.gc.ca](http://www12.statcan.gc.ca)

Source: Statistics Canada. Notes: statistics are from the 2011 Census

<http://www12.statcan.gc.ca/nhs-enm/2011/dp->

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=Count&SearchText=CAMPBELL%20RIVER&SearchType=Begins&SearchPR=01&A1=All&B1=All&Custom=&TABID=

## Non-Financial Goals

### Corporate Vision, Values and Mission

***“This is what we strive to achieve as we move towards 2025”***

### **Vision 2025**

#### **ECONOMIC PROSPERITY**

Looking back over our history, Campbell River needs economic prosperity in order for the community to thrive and grow. That means diversification and growth of industry, with business opportunities supported by an appreciation that we have come from a background of resource extraction and must now find ways to seek economic prosperity through sustainable economic directions and trends.

#### **NATURAL ENVIRONMENT**

Throughout the visioning exercise, the one thing that all people brought forward was the element that sets Campbell River apart: our natural environment. The recently completed Strategic Parks Plan references that we are the gateway to the wilderness. We cherish those values that support a thriving natural environment.

#### **RECREATION**

In order to be a healthy, thriving and safe community, we need to provide recreation opportunities for our residents. This is something that we have to continue to pursue in the future.

#### **INCLUSIVITY AND DIVERSITY**

We need to be inclusive of all peoples, types and ages in Campbell River to make it a dynamic community that reaches its full potential. We must expand our opportunities for inclusivity and work with all social elements to improve the lives of all Campbell Riverites, no matter their economic station, ethnic background or when they came to the community. We must simultaneously support and nurture our diversity.

#### **CULTURE AND HERITAGE**

Campbell River has an interesting and unique culture and heritage that needs to be nurtured and supported. This must be a focus in our vision for the future. We need to build from our past strengths as we create a new future for Campbell River, thus enriching our culture and heritage.

#### **HEALTH AND SAFETY**

Campbell River has a vision to be the major urban centre on North Vancouver Island. To do that, we need to ensure that we are a healthy and safe community. This means provisions for health care and public safety through community effort to make this the safest and healthiest community on Vancouver Island.

#### **EXCELLENCE IN LOCAL GOVERNMENT**

Seeking excellence in the provision of local government sets a high standard for the future, and we should aspire to provide the best local government based on our resources that we can. This will ensure that we are open, responsive, responsible and accountable.

#### **DYNAMIC FAMILIES**

A community and business culture in Campbell River that attracts, supports and retains families will be integral to the future prosperity of our City. We need to ensure all of our families have the opportunity to thrive. By including child and family priorities in policies, planning, services and programs, we will ensure all of our children have the best possible start. Dynamic families are created through social connectedness, promoting diversity and economic security and providing healthy and safe home and work environments.

## MISSION STATEMENT

The mission of the Corporation of the City of Campbell River is to deliver quality services in a fiscally responsible manner that promotes prosperity and social, economic and environmental health for current and future generations.

## CORPORATE VISION STATEMENT

The Corporation of the City of Campbell River is:  
well run  
results oriented  
accountable  
inclusive  
responsive  
innovative  
an adaptive organization  
a great place to work and work with



## CORPORATE VALUES

**Communication** | Both internal and external communication that is timely, constructive, concise, honest, clear and respectful is valued.

**Ethics** | Integrity, honesty and professionalism are valued.

**Empowerment** | Staff is empowered to innovate and be creative in performing duties. Effort and achievement are appreciated and recognized.

**Teamwork** | Teamwork, including mentoring, cooperation, support and participation is valued.

**Respect** | Council and staff respect and value the democratic process and each other's contribution to it, the corporation and the community.

**Professionalism** | Learning, professional development and mentoring are valued and supported by both Council and staff.

**Safe and Healthy Workplace** | A safe and healthy workplace is promoted and supported.





## Strategic Plan 2015-2019

**“EACH AND EVERY DECISION COUNCIL MAKES WILL BE APPROACHED IN A FISCALLY RESPONSIBLE MANNER THAT PROMOTES PROSPERITY AND SOCIAL, ECONOMIC AND ENVIRONMENTAL HEALTH FOR CURRENT AND FUTURE GENERATIONS.”**



### FOCUS ON RELATIONSHIPS

- We recognize our role as a regional hub and offer services to neighbouring communities in a manner that is financially responsible and sustainable for our residents.
- We value our first nations neighbours and seek alignment and opportunities to work together
- We understand that a community is strengthened through diversity and is defined by how it treats its most vulnerable.



### FOCUS ON ECONOMIC GROWTH

- We will align our internal processes in support of economic health within the community.
- We want a vibrant and prosperous downtown core.
- We support our tourism industry in attracting visitors and business to the city.



### FOCUS ON LIVABILITY

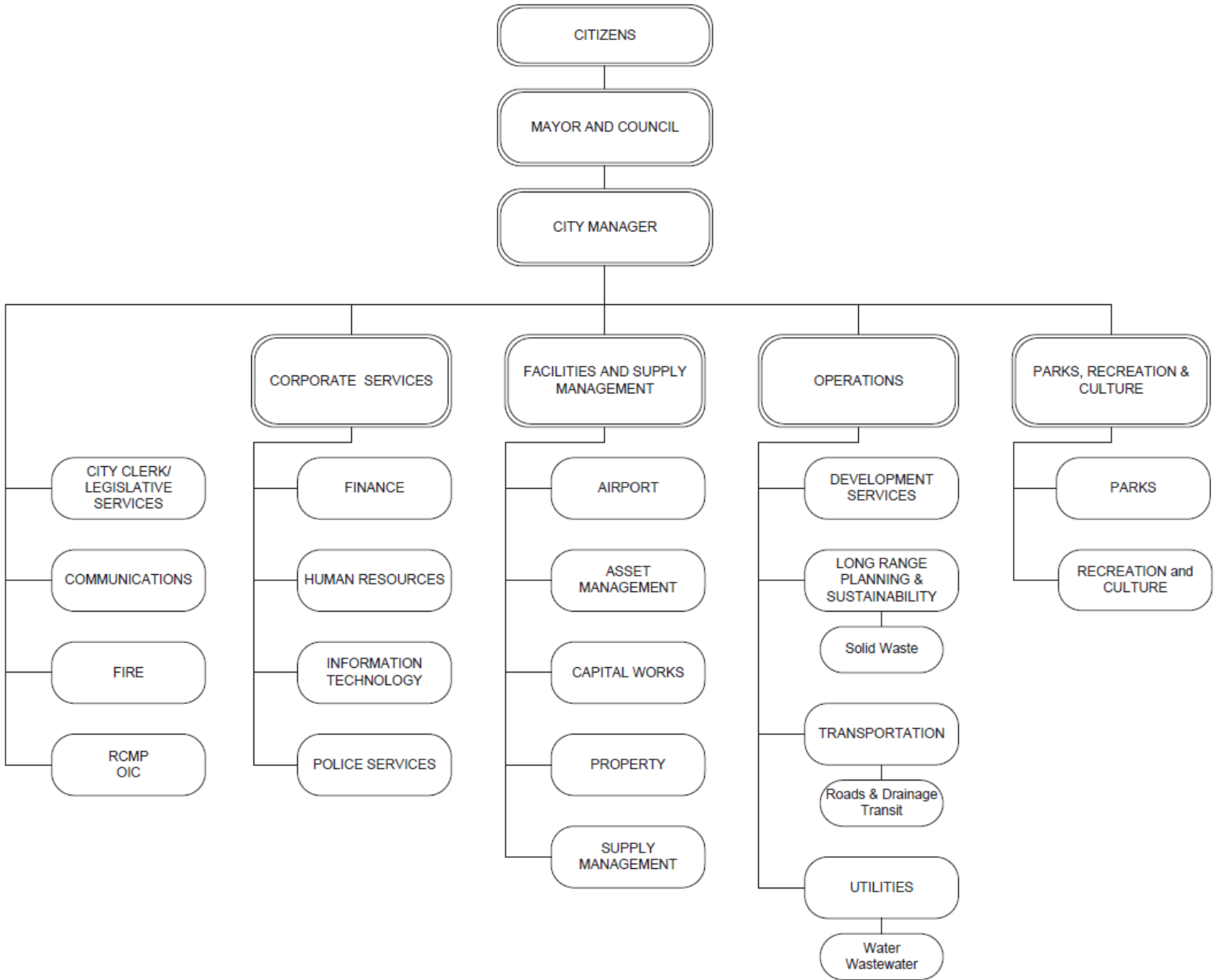
- We will address community safety issues for transportation and infrastructure in campbell river
- We recognize access to recreational and cultural amenities as key to a healthy, vibrant and livable community.
- We will ensure a marine and river waterfront that is open and accessible.



### FOCUS ON MANAGEMENT AND GOVERNANCE

- We actively support a regional solution for management and reduction of solid waste.
- We plan proactively for the long term costs of maintaining our critical infrastructure.
- We value community input and will be disciplined in defining the scope of advisory groups etc.

# Organization Chart





## Departmental Reviews and Goals

The City Manager assists Council in establishing its strategic direction for the City, promotes Council teambuilding and acts as the liaison for the Mayor. The City Manager also provides recommendations to Council that reflects relevant facts, options and professional opinion pertaining to issues considered by Council.

The City Manager's Office takes the lead role in managing the implementation of policy direction that has been established by Council. It provides managerial leadership, control and direction to all City departments and operations. It is responsible for planning and implementing policies necessary for sustaining excellence in City operations and staffing.

### Legislative Services & Bylaw Enforcement

Legislative Services serves as the communication hub between Council, its advisory bodies, staff and the public. The department also serves as the City's historian, responsible for maintaining the City's official records. Legislative Services manages the City's liability claim files and provides risk management advice to all City departments. Bylaw Enforcement is responsible for administering and enforcing the City's regulatory bylaws, including management of the animal control and parking enforcement contracts.

#### Legislative Services

- City Hall reception and switchboard
- Preparation, administration, maintenance and execution of official City records
- Agendas, minutes and action reports
- Bylaws
- Contracts and agreements
- Policies and procedures
- Corporate records management and access to information
- Commission/committee staff support
- 



#### Bylaw Enforcement/Animal Control

- Respond to complaints
- Education and advice
- Enforcement, including remedial action and prosecution
- Parking enforcement
- Animal control
- Pound services



### **Risk Claims Management**

- Risk management advice to all City departments
- Claims management
- Insurance administration

### **2015-2016 Objectives**

- Implement paperless agendas for senior management and council
- Ongoing revision/improvements to regulatory bylaws
- Ongoing preparation of new policies and agreements as identified
- Provide ongoing support for Council's commissions and committees
- Assist the Mayor's office with the creation and support of three new task forces
- Phase 2 evaluation and recommendations for the City's corporate records management system
- Recruit second bylaw enforcement officer
- Implement new vacant building regulations
- Update the Regional District contract for animal control in Area D
- Renew the City's five-year property equipment break down and fidelity insurance brokerage agreement

### **Communications Department**

This department is responsible for corporate communications initiatives, including corporate branding, news releases and citizen surveys, and ensuring that information is distributed to employees and community members, using multiple methods, to promote positive working relationships.

Working with other City departments, Communications helps research, plan and develop materials to provide clear, consistent and complete information about City programs, events and initiatives as well as the local government decision-making process. The goal: to share information with Campbell River citizens – and to encourage valuable feedback that helps us improve City services.

### **2015-2016 Objectives**

- Launch last of the series online promotional videos
- Crisis Communications team training
- E-newsletter for community
- Plan for information sharing through screens in facilities, on-hold messages
- Review and update advertising policy
- Downtown Revitalization video

### **Fire Department**

The Fire Department strives to deliver quality services in a fiscally responsible manner to citizens of Campbell River and under contract with the three local First Nation communities and the area south of Campbell River in the Strathcona Regional District. Service delivery is supported through a well-established safety and training program.

**Services provided:**

- Fire suppression; vehicle extrication; hazardous material mitigation; environmental protection; confined space rescue, technical rope rescue, structural collapse rescue and pre-hospital medical emergency care
- Fire inspections of multi-residential, public assembly, industrial and commercial properties; promotion of compliance to the Provincial Fire and Building Codes and local Municipal Bylaws
- Public education and awareness
- Dispatching of 51 fire departments through a cost-sharing contract with the North Island 911 Corporation

**2015-2016 Objectives**

- Council approval of Fire Services Plan
- Acquire property for relocation of No. 1 Fire Hall
- Implement new records management system
- Implement bar code system for asset management
- Provide Leadership Insights training to City staff
- Assist with online Material Safety Data Sheet system implementation
- Train and certify staff to National Fire Protection Association Aerial Operations Standard.
- Auxiliary recruitment to maintain membership at No. 1 & No. 2 halls
- Negotiate and sign mutual aid agreement with all Strathcona Regional District fire departments
- Take delivery of 100-foot ladder truck aerial apparatus
- Update Fire Services Bylaw

Led by the General Manager, the Corporate Services division consists of the following departments:

- Finance
- Human Resources
- Information Technology
- Police Services

**Finance Department**

The core services provided by the Finance Department are:

- Financial reporting
- Financial planning and budgeting
- Investments
- Debt management
- Grant management
- Tangible capital assets
- Property taxes levy and collection



- Utility billing
- Accounts receivable
- Accounts payable
- Payroll

### **2015-2016 Objectives**

Implementation of electronic funds transfer system for payment of suppliers and contractors

Implementation of electronic remittance of payroll source deductions and GST/PST

Reserve restructuring and analysis to ensure reserve levels and structure are appropriate

Develop a 10-year capital plan for financial planning

Manage cash flows and debt levels with significant capital projects including, water supply system

### **Human Resources**

The Human Resources Department is responsible for providing a variety of services, including:

- Workforce planning, including staffing and recruitment, to meet current and anticipated workforce needs
- Maintaining effective relationships between the organization and its employees including the collective bargaining process and union relations
- Ensuring competitive alignment and internal equity of employee benefits and compensation
- Facilitation of training and development opportunities to meet current and future organization needs
- Continuous focus on occupational health and safety

### **2015-2016 Objectives**

- Collaborate actively with all City departments to optimize organizational structure and performance
- Successfully negotiate renewal of IAFF collective agreement (expires Dec. 31, 2015)
- Utilize HRIS technology to improve efficiency and enhance value-added service
- Develop corporate and department plans to address issues identified in the HR department review
- Continue to enhance workplace health & safety program, utilizing Certification of Recognition (COR) framework and implementation of audit recommendations

### **Information Technology**

This department delivers the following services to the City and taxpayers:

- Provides strategic planning and coordination for all City of Campbell River technology initiatives

- Keeps all network services operational so that staff can communicate internally and with residents
- Keeps the major business applications operational to meet City's business requirements
- Keep current with new technology and implement to improve efficiency and cost-reduction
- Supports City websites and interactive maps

### 2015-2016 Objectives

- Replace internet gateway
- Complete agreement for access to City infrastructure for TELUS Mini-Cell rollout
- Implement new phone system at Sportsplex
- Expand virtualization of server environment
- Relocate Water department
- Replace Citrix with VM View
- Complete Mobility Request for Proposal (RFP)
- Complete CLASS replacement RFP
- Implement Mobile Device Management solution
- Implement Council paperless agendas
- Complete implementation of Human Resources Information System (InfoHR)
- Implement new Tempest Business Licensing module
- Complete Public Sector Accounting Board statement of assets
- Complete documentation of Standard Operating Procedures for all GIS Functions
- Implement citizen engagement mobile application
- Establish Data Sharing Policy
- Complete Cartegraph, Vadim and Tempest application data integration and collaboration



### Police Services

Policing and protective services address crimes related to substance abuse, property and traffic law enforcement, as well as crime reduction strategies and initiatives. Services include, but are not limited to:

- Community Policing
- Victim Services
- Restorative Justice Program
- Crime Stoppers
- First Nations Policing
- School Liaison
- Summer Bike Patrol



- D.A.R.E. Program
- Citizens on Patrol
- Auxiliary Constable Program
- Crime-Free Multi-Housing Program
- Community Response Unit (CRU)

### **2015-2016 Objectives**

- **Police/Community Relations:** The RCMP is committed to continue to be active within the community by participating in as many events as possible.
- **Drug Enforcement:** The RCMP is committed to combatting the negative effects of alcohol/drug use within the community. This will be achieved by teaching DARE to all Grade 6-7 students. In addition, police are committed to targeting those individuals within the community who sell drugs.
- **Traffic Enforcement:** The RCMP is committed to making our roads safer by focusing on distracted driving as well as impaired driving throughout Campbell River.
- **First Nations Policing:** The RCMP has the objective to contribute to safer and healthier First Nation Communities. This will be achieved through both proactive enforcement as well as cultural sensitivity training.
- **Crime Reduction:** The RCMP will continue to focus on crime reduction strategies specifically targeting the downtown core of Campbell River. The RCMP will try to decrease the effects of alcohol abuse in this area by decreasing the number of incidents of Cause Disturbance/ Drunk in a Public Place. This will be achieved through a number of initiatives, including foot and bike patrols.
- **Implementation of Live Scan criminal fingerprint system.**
- **Civil forfeiture of property believed to represent the proceeds of crime and other unlawful activity.**
- **Continued Crime Reduction Strategies and crime analysis forecasting to proactively reduce calls for service.**

The Facilities and Supply Management Division works closely with all City departments and building tenants.

- Campbell River's YBL is a safe and cost-effective airport.
- Asset Management manages the City's facilities and fleet.
- Capital Works handles all capital projects.

- Property Services manages real estate transactions and civic properties.
- Supply Management manages all major purchasing and contracting competitions for City goods and services.

## Airport

The Campbell River Airport is governed by a City Council appointed Airport Authority. The Airport Authority has implemented a governance policy framework that sets out the guiding principles for the operation of the airport.

The Campbell River Airport Authority provides a safe and efficient airport for the general benefit of the public at a cost similar to airports of comparable size and service characteristics.

The Campbell River airport (YBL) operates 24 hours a day, seven days per week.

Maintenance staff is on site from 5:30 a.m. to 11 p.m. daily, and are responsible for ensuring the airport operates in compliance with Canadian Aviation Regulations.

Services include:

### Runway maintenance

- Snow and ice control
- Pavement sweeping, painting and edging
- Runway lighting
- Wildlife control

### Field maintenance

- Mowing
- Ditch maintenance
- Drainage management

### Safety and Security

- Security for commercial apron and airside lands
- Field checks

### Airport Buildings

- Terminal building



- Airport administration and maintenance shops

### 2015-2016 Objectives

- Complete new low visibility lighting system for aircraft
- Promote expanded passenger service
- Review opportunity for increased charter flights
- Continue to actively market the YBL advantage
- Prepare Request for Proposal for aviation fuel facility
- Prepare Master Plan

### Asset Management Department

The Asset Management Department ensures City facilities and fleet vehicle assets are managed and maintained in a safe, efficient, cost-effective and sustainable manner. The department is also responsible for Stores inventory and central dispatch out of the Dogwood Operations Centre.

City facilities include:

- City Hall
- Centennial Building (Art Gallery, Visitor Info Centre)
- Centennial Pool
- Community Centre
- Cultural Buildings
- Discovery Pier
- Dogwood Operations Centre
- Enterprise Centre
- Fire Halls No. 1 & 2
- Maritime Heritage Centre
- Museum
- Parks Outbuildings
- RCMP Building
- Pound
- Sportsplex
- Sybil Andrews Cottage
- Tidemark Theatre



The City's fleet consists of approximately 110 pieces of rolling stock (General Fleet – 74, Airport – 20, Fire Dept. – 16) as well as approximately 100 additional pieces of auxiliary equipment, trailers, small engines, pumps, tow-behind equipment and small tools.

The City's Stores operation stocks approximately 1600 SKUs (stock keeping units) at an approximate value of \$250,000, providing goods, materials and services to many City departments.

### **2015-2016 Objectives**

- Centralize fleet maintenance and management activities across the City's entire vehicle and equipment portfolio
- Work with a variety of City departments to develop long-term asset management strategy for physical assets including all City facilities
- Implement a GPS tracking system for the general fleet providing improved response times, fleet management and staff safety
- Undertake a number of capital projects including a new digital surveillance system within the Police and Public Safety Building, emergency power systems at City Hall, the Community Centre, and Sportsplex and the acquisition of a new sewer/vacuum truck

### **Capital Works Department**

The Capital Works Department focuses on the consistent delivery of all of the major capital projects approved for construction in the City's Long Range Capital Plan.

Services provided by the department align with the phases of major project delivery, evolving from a support role early on in the project life cycle to the lead role when the project goes into design and construction, followed by support during the maintenance period. The department work effort peaks during the construction process to ensure all necessary support and controls are in place and that the project is delivered in accordance with the objectives and constraints.

Department tasks can generally be described as:

- Long-range strategic planning: identifying project priorities and aligning with overall delivery schedule in coordinated effort with departmental project sponsors
- Design development: increasingly the department is being relied upon to manage the design development process ensuring project objectives are clearly understood and translated into effective and efficient design packages.
- Development of project completion plans describing methodology to be used delivering the work. The project completion plans are then used in refining and updating budget estimates and act as a means of evaluating a project's readiness to advance.
- Financial controls: defined, implemented and managed by the department, ensuring accurate cost tracking, records management and reporting is maintained through the design and construction phases.
- Contract administration: securing and management of all contracts associated with the construction phase, including the design and contract administrators and their associated

teams, the general contractors and their related subcontractors and all associated miscellaneous support contracts. For smaller projects (<\$1M), the contract administrator function has now been delivered entirely with in-house resources.

- Site inspection: continuous on-site presence during construction activities to assist in ensuring project objectives are met in an efficient manner and to provide contact and information to affected area residents and partners
- Communications: development and implementation of project communications plans ensuring all affected stakeholders are provided with timely and accurate information on project impacts and progress
- Progress reporting: accurate and timely reporting to all stakeholders within and outside the organization
- Project close-out: requires final acceptance and assurance that objectives have been achieved and all necessary reporting and external partner claims have been completed and all project record information has been received, validated and incorporated into the City's records management system.
- Maintenance period: once a project is complete and in service, the department manages the maintenance period requirements and supports the project sponsor.
- This department also provides a significant amount of support to operational departments throughout the organization; including updating and maintaining all base mapping information with project digital records. This department is also relied upon to support the procurement process with heavy reliance on reviewing contract and procurement terms for other areas of the organization to ensure compliance and best practices.

### **2015-2016 Objectives**

Complete design and construction for the following projects:

- Campbell River Water Supply Phase 1
- Campbell River Water Supply Phase 2
- NVEC upgrade: Phase 2
- Water Treatment Facility Project
- Robron Park Artificial Turf Project
- Lift Station No.11
- Highway 28 Water Service Renewal

### **Property Services Department**

This department strives to create and maintain sustainable land based resources, both land inventory and land reserve funds. This is done by strategic acquisition and disposition of land in a way that ensures



maximum benefit to the community now and in the future. Management of these real estate assets and civic properties includes: leases, operating agreements, purchase and sale negotiations, rights-of-way, easements, and acquisitions/disposal of real property as well as addressing issues arising from occupants of City-owned property and managing all property issues that arise from City capital projects.

### **2015-2016 Objectives**

- Complete waterfront acquisition strategy
- Complete downtown parking strategy
- Continue internal review of lease agreements for City-owned property
- Continue transition of records to an electronic format to streamline department workflow
- Create digital catalogue of City property for website
- Continue to identify and market surplus City properties
- Coordinate land acquisitions in support of capital projects and key waterfront sites
- Continue to negotiate land access agreements to facilitate the capital project for City water treatment centre

### **Supply Management Department**

Supply Management is an essential professional service tasked with ensuring that best value is found and that purchasing decisions are made without bias or favour. This department also manages the disposal of surplus equipment in a legally compliant, ethical and cost-effective manner. By maintaining and adhering to a strict purchasing policy and following bylaws and domestic and international trade agreements, the department ensures that purchases are accountable and maintains high standards for goods and services procured using public funds.

### **2015-2016 Objectives**

- Consolidate the City's office supply and paper purchases with one supplier to achieve greater efficiencies and reduce costs
- Prepare an updated purchasing policy for Council's consideration
- Tender all approved major capital projects.
- Review current corporate purchasing card program, financial banking and audit services providers
- Review project requirements with staff members to ensure purchasing procedures deliver best value to all departments
- Centralize city-wide purchases with Stores operations to realize cost savings and improve supply requirements
- Review the purchasing process to improve approval requirements

The City's Operations Division consists of the:

Development Services Department  
 Long Range Planning and Sustainability Department  
 Transportation Department  
 Utilities Department



### Development Services Department

A single point of service related to:

- Business Licensing
- Development Engineering Review
- Current planning—Development Applications (Official Community Plan amendment, rezoning, subdivision, development permits, variance permits and Agricultural Land Reserve applications)
- Building Permits and Inspections

### 2015-2016 Objectives

- Complete Soil Deposition Bylaw update
- Complete further Building Bylaw updates
- Complete Planning Procedures Bylaw update
- Complete Subdivision & Development Servicing Bylaw update
- Complete Board of Variance Bylaw update
- Initiate Sign Bylaw Review
- Update Business Licence Bylaw, Policies and software
- Complete Zoning Bylaw update
- Complete Waterfront Development Permit Guidelines
- Undertake minor updates to the Official Community Plan
- Deliver the Downtown Façade Improvement Program
- Support the development of Campbellton Neighbourhood Association's community garden and Riverfront viewing platform projects

### Long Range Planning & Sustainability Department

The Long Range Planning & Sustainability Department's objectives are to ensure that the City's actions and decisions consider social, environmental and economic community values. While an important focus is the

City's corporate actions, the department also provides a support and educational role in influencing community actions and decisions.

Key duties include:

- Implementing and providing leadership around the City's Integrated Community Sustainability Plan
- Ensuring corporate Climate Action Charter compliance and greenhouse gas reduction planning
- Community-wide energy planning and conservation (including pursuit of alternative energy opportunities)
- Solid waste diversion, reduction and public education
- Management of the curbside garbage, recycling and yard waste collection programs
- Fostering and supporting community environmental stewardship groups in their initiatives
- Ensuring corporate alignment with environmental regulations and best management practices
- Participating in provincial sea level rise regulatory review and implementation
- Implementing the City's Agriculture Plan
- Corporate Green Team facilitation
- Pursuing funding opportunities for community and corporate sustainability and environmental projects
- Providing support, as required, for the City's Advisory Planning and Environment Commission
- Reviewing land use development applications
- Overseeing long range planning and social planning

#### **2015-2016 Objectives**

- Complete Annual Climate Action Charter Reporting
- Support the Parks Department in meeting the annual terms and conditions of the Foreshore agreement with the Department of Fisheries and Oceans (updated action plan, updated beach nourishment monitoring program and updated vegetation management plan)
- Begin climate adaptation planning for Campbell River
- Administer the Provincial Woodstove Exchange Program.
- Complete Invasive Plant Management Summary and five-Year Implementation Plan: City of Campbell River Municipal Lands and Environmentally Sensitive Areas
- Develop and implement an education program to support the Environmental Protection Bylaw
- Continue to address noxious weeds (knotweed and yellow flag iris) with project partners
- Continue to work with the stewardship community on the breadth of their programming from Canada Goose banding to stream and beaver management

- Provide ongoing development application review
- Continue participation in the Green Building Leaders Program
- Continue energy upgrades to City facilities
- Continue to increase waste diversion through education programs and service improvements
- Complete Phase 2 of the Urban Forest Management Plan with the Parks Department
- Continue to support the Youth Action Committee
- Develop and roll out Phase 2 of Power Down Campbell River community energy retrofit program

### Solid Waste

Responsible for curbside collection of garbage, recyclables and yard waste for single family and duplex residential properties, as well as optional services for triplexes and fourplexes, and the delivery of waste reduction education and programs.

#### 2015-2016 Objectives

- Apply to the Strategic Priorities Fund for development of an organics facility and move forward with development of a regional facility in Campbell River
- Expand the curbside yard waste collection program
- Increase waste diversion through the Multi-Material BC (MMBC) recycling program
- Continue to encourage diversion of material from the landfill through participation in curbside recycling, yard waste collection and yard waste drop-off centre
- Review options for expansion of curbside collection program to include curbside organics
- Begin to review and evaluate options for curbside collection services to ensure adequate consideration of available options prior to expiration of current collection contract at the end of 2016
- Participate in Regional Solid Waste Management Advisory Committee

### Transportation Department

Responsible for the overall coordinated management of the City's road network and public transit systems.



### Drainage

The Drainage Department manages storm water runoff in the city.

### 2015-2016 Objectives

- Complete the Woodburn/Park Road Drainage project
- Update the Integrated Storm Water Management Plans
- Establish a Storm Water Utility
- Continue to expand the storm pipe inspection and flushing program

### Public Transit

Public Transit is provided in Campbell River and portions of Electoral Area D of the Strathcona Regional District through partnership between BC Transit, Watson and Ash Transportation Ltd., the Strathcona Regional District (SRD) and the City of Campbell River. Service includes both conventional transit service and custom service for specialized transportation needs.

The central transit exchange is located in the downtown core, with seven bus bays on Cedar Street and 11th Avenue next to the Community Centre.



### 2015-2016 Objectives

- Continue to implement short-term recommendations of the Transit Futures Plan
- Initiate development of new transit routes, including local transit hubs in Campbellton and Willow Point
- Promote and market the Transit Pro-Pass
- Develop regional U-Pass
- Increase community awareness of transit services

### Roads

The City's Roads Department is responsible for maintenance of the City's road network. Duties include:

- Road and sidewalk maintenance
- Snow and ice control
- Regulatory signage
- Traffic signals
- Street lighting
- Public parking lot maintenance
- Provision of labour and equipment for sewer and water system repairs/upgrades
- Provision of day-to-day drainage maintenance and operations
- Miscellaneous small scale capital works projects

### 2015-2016 Objectives

- Develop an asphalt rehabilitation program



- Continue with the LED streetlight initiative
- Add additional solar pedestrian signals
- Review Winter Maintenance Policy
- Continue with the streetlight preventive re-lamping maintenance program
- Continue with the sidewalk infill program
- Undertake improvements and traffic calming along Alder Street

### Utilities Department

The Utilities Department is responsible for the overall coordinated management of the City's water and wastewater systems.

### Water Department

The City of Campbell River aims to consistently meet community service expectations with cost-effective and sustainable delivery of safe, adequate, secure, reliable and aesthetically pleasing potable water.

The City of Campbell River owns and operates a water distribution system that provides high-quality potable water and water flow for fire protection to more than 30,000 City residents. The City also provides bulk water delivery to three First Nations and Area D of the Strathcona Regional District.

The water system includes protection of a 1,800-square-kilometre watershed and dual disinfection methods (ultra violet [UV] and chlorination) to produce the highest quality water possible. Water is delivered to the community through more than 290 kilometres of watermain, including three reservoirs, two UV/chlorination stations, three pump stations, more than 30 pressure-reducing stations and many valves and fire hydrants.

### 2015-2016 Objectives

- Construction of new water supply main from John Hart Lake
- Construction of new on-site sodium hypochlorite generation system
- Watermain renewal on Highway 28 (north of Doyle)
- Programmable Logic Controllers (PLC) renewal program
- SCADA upgrades
- Design of new booster pump station

## Wastewater Department

This department provides both collection and treatment of sanitary sewage within the City of Campbell River and the three First Nations communities within City boundaries to protect public health and safety and minimize environmental impact. Wastewater treatment is provided via the Norm Wood Environmental Centre (NVEC) – a secondary treatment facility – and via the Industrial Park lagoon. Sewage collection is done through a series of 15 sewage pumping stations and more than 260 kilometres of sewer main.

### 2015-2016 Objectives

- Construction of headworks improvements at NVEC
- Complete design of waterfront sewer forcemain replacement (LS#7 to Hidden Harbour)
- Electrical Upgrades at lift station #11
- Odour control upgrades at Maritime Heritage Centre
- Aesthetic improvements at sewer facilities adjacent to Maritime Heritage Centre
- Pump replacements at Lift Stations #10 and #12
- Replacement of sewer combination sewer flushing/ vacuum truck
- Upgrades to the two original clarifiers at NVEC
- New automated wet well cleaning system in Lift Station #14
- Installation of online analyzers for process monitoring at NVEC
- Installation of generators at multiple sewage lift stations

Parks, Recreation and Culture oversees the operation of the Sportsplex, Community Centre, Centennial Pool, McIvor Lake and all of Campbell River's parks, sports fields, trails, dog parks, public open spaces and cemeteries. This City division works to enhance the lifestyle and health of people in the community through a variety of quality programs and services based on public consultation.

Parks, Recreation and Culture is committed to providing recreation and parks services for people of all ages, stages and abilities. To meet this goal in 2015, the division worked with the Community Services, Recreation and Culture Commission, Campbell River Access Awareness Committee, 50-plus Club, Greenways Land Trust, community sports groups, community service associations and a variety of focus groups specific to program interests.

## Parks Department

The Parks Operations function within the Parks Department is responsible for the day-to-day management of parks, sports fields, trails, public open spaces and cemetery operations.

The Parks Projects function within the Parks Department is responsible for the implementation of the Strategic Parks Plan, parks and green space planning, implementation of Parks Parcel Tax projects as approved by City Council and liaison with various community members, groups and committees regarding matters relating to parks.

### 2016 Objectives

- Continue to implement Strategic Parks Plan
- Complete annual foreshore restoration project
- Develop two dog off-leash areas
- Complete Frank James Park Master Plan
- Complete Seawalk upgrade & repairs
- Complete Walter Morgan Shed refurbishment
- Facilitate development of the Willow Point bike park
- Facilitate fundraising for and construction of the Robron Park Field House
- Install Light Canopy at Tidemark/Library courtyard
- Complete installation shade sails at Willow Point Splash Park
- Complete detailed design and construction of phase 1 of the Elk Falls Cemetery upgrade project
- Complete Nunns Park Master Plan
- Develop 2017 Action Plan Active Plan for the Urban Forest Management Plan
- Complete Robron Park artificial turf project
- Complete construction of the Maryland Neighborhood Park and trail project
- Complete construction of the Dogwood Street Trail
- Install new swings at Campbellton Neighborhood Park
- Complete installation of new Ostler Park playground
- Complete detailed design for the Ostler Park upgrade project
- Install Spirit Square flag poles
- Install permanent outdoor washrooms at Baikie Island Park
- Complete upgrade of Nunns Creek Park electrical system
- Complete replacement of Logger Mike

## Recreation and Culture Department

Providing a wide variety of recreation and culture services for people of all ages, stages and abilities, we focus on community engagement and partners with many different organizations to provide services to keep residents active and healthy.

### 2015-2016 Objectives

- Hire Marketing and Administration Supervisor.
- Implement marketing plan
- Develop customer service enhancement plan
- User Rates and Fees review
- Research potential for weight room expansion
- Conduct group RFP process for recreation management software replacement
- Establish public art sub-committee and develop financing strategy for Public Art Policy
- Develop policies to secure financial contribution for recreation and cultural facilities from outlying areas



## 2015 Strategic Planning Calendar

APRIL	MAY	JUNE
		<b>June 1</b> Finance begins preparation on 2016 budget labour model documents.
JULY	AUGUST	SEPTEMBER
<b>July 2</b> Finance begins preparation on 2016 budget base model documents.	<b>Aug. 1</b> Finance begins preparation on 2016 all capital plans and service level change request (SLCR) documents. <b>Aug. 20</b> Council Survey due	<b>Sept. 1</b> All budget documents distributed to management (base budgets, labour models, capital plans and SLCRs). <b>Sept. 8</b> Finance - Budget preparation presentation to management. <b>Sept. 25</b> Base and labour models due to Finance.
OCTOBER	NOVEMBER	DECEMBER
<b>Oct. 9</b> SLCR requests due to Finance. <b>Oct. 23</b> 10-Year Capital models due to Finance.	<b>Nov. 2</b> Operating and capital cfwd's due to Finance. <b>Nov. 3</b> Council Pre-Budget Workshop #1. <b>Nov. 9</b> Management Budget Review - Base Budget. <b>Nov. 10</b> Management Budget Review - SLCRs. <b>Nov. 12</b> Management Budget Review – Capital. <b>Nov. 16</b> SMT Final Budget Review with General Managers. <b>Nov. 24</b> Council Pre-Budget Workshop #2. <b>Nov. 30</b> Budget package distributed to Council.	<b>Dec. 7-9</b> Financial Planning Deliberations.



## Council Survey

Council was surveyed in August 2015 to ensure that Council was satisfied with the Financial Planning process. Below are the results that set the foundation for 2016 Financial Planning.

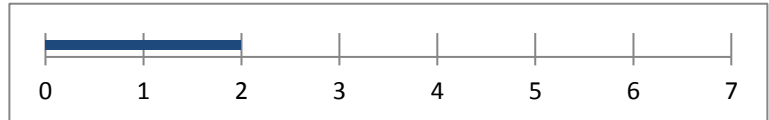
### 2016 Financial Planning Survey Summary of Results from Council

**1. Would you prefer to have more, less or the same quantity of information provided for each of the following:**

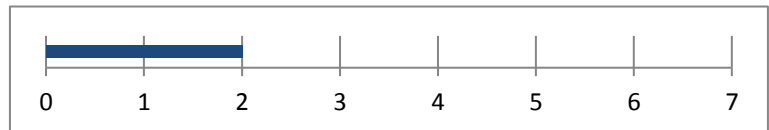
	Less	Same	More	No response
Base Budget	-	4	2	1
Capital Projects	-	3	4	-
Service Level Change Requests (SLCRs)	-	4	3	-
Comments:				
	<i>"More detail by department as to what work plan drives the budget."</i>			
	<i>"Relevant comparisons so we can make good judgment decisions for the future."</i>			

## 2. How do you prefer the budget information/package to be presented?

Summarized – all projects listed together on one page in consolidated format (similar to 2015 Financial Planning).



Segmented by department – budgets and projects grouped together by department (similar to 2014 Financial Planning).



Each project displayed on one page (to include more information).



Presented by priority (these include business case, improved services, legislative, repair and maintenance).



Segmented by Council's strategic plan key priorities (relationships, economic growth, livability, management and governance).



### Comments:

*"I would also like to see some segmentation by Council strategic priorities."*

*"Would like to see where funding is combined from different reserves, utilities, etc. that are being used for one larger project. (there have been occasions where Council is not given the full picture of a project)."*

*"Need to see examples before deciding."*

### 3. Overall, how would you rate each of the following:

	Exceeds Expecta- tions	Satisfactory	Needs Improvement	Poor
Timeliness of information	1	6	-	-
Comments:	<i>"There are times when the budgets are amalgamated to complete a project which goes beyond the Council allocation but has been approved within segmented budget lines. These should come before Council prior to proceeding."</i>			
Layout of information	1	6	-	-
Usefulness of information	2	5	-	-
Accuracy	2	5	-	-
Comments:	<i>"I expect accurate information with no mistakes." "Very good."</i>			
Written communication of information (i.e. Reports to Council)	-	7	-	-
Comments:	<i>"Need to be simple to understand and easy to compare data." "Some require clarity on use of funding."</i>			
Staff delivery of information during Financial Planning	3	3	1	-
Comments:	<i>"Would be useful to have the people who actually do the work to explain why they feel their part of the budget is important."</i>			
Opportunities for discussion during deliberations	-	6	1	-
Opportunities for public input throughout Financial Planning process	-	6	1	-
Alignment of budget information to Council's strategic plan	-	5	2	-

Overall ease of understanding 2015 budget

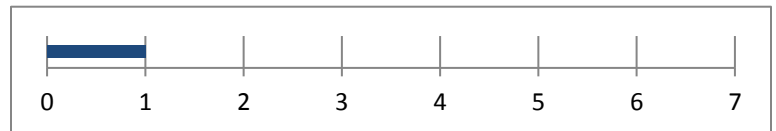
- 7 - -

Comments:

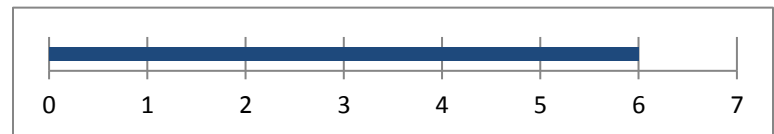
*"I would like to see additional opportunities for discussion they could include a set time each week for any Council member(s) who want to come in and meet with staff to discuss an item or receive additional clarification."*

**4. Would you prefer to focus less on day-to-day operations (Base budget), while focusing more on long term strategic decisions that relate to Council's strategic plan (SLCRs and Capital projects)? This includes community safety issues for transportation and infrastructure, recreation and cultural amenities, marine and river waterfront accessibility, maintenance of critical infrastructure, reduction of solid waste and recognition as a regional hub with a focus on diversity, supporting those most vulnerable and obtaining community input and alignment with First Nations and other advisory groups.**

Yes



Status Quo



Comments:

*"No neither of the above. But survey require an answer. Need to ensure base budget aligns with council strategic goals and is not padded once that is done then move on to nice to do. We need to have a separate financial planning process that looks at long term financial requirements for infrastructure and base budget."*

*"I've left it at status quo but we need to be doing both. This needs to be a balance where we are making very strategic decisions that will impact future projects but at the same time have confidence in the base budget decision making process."*

*"Need to understand base budget AND SLCRs and Capital projects."*

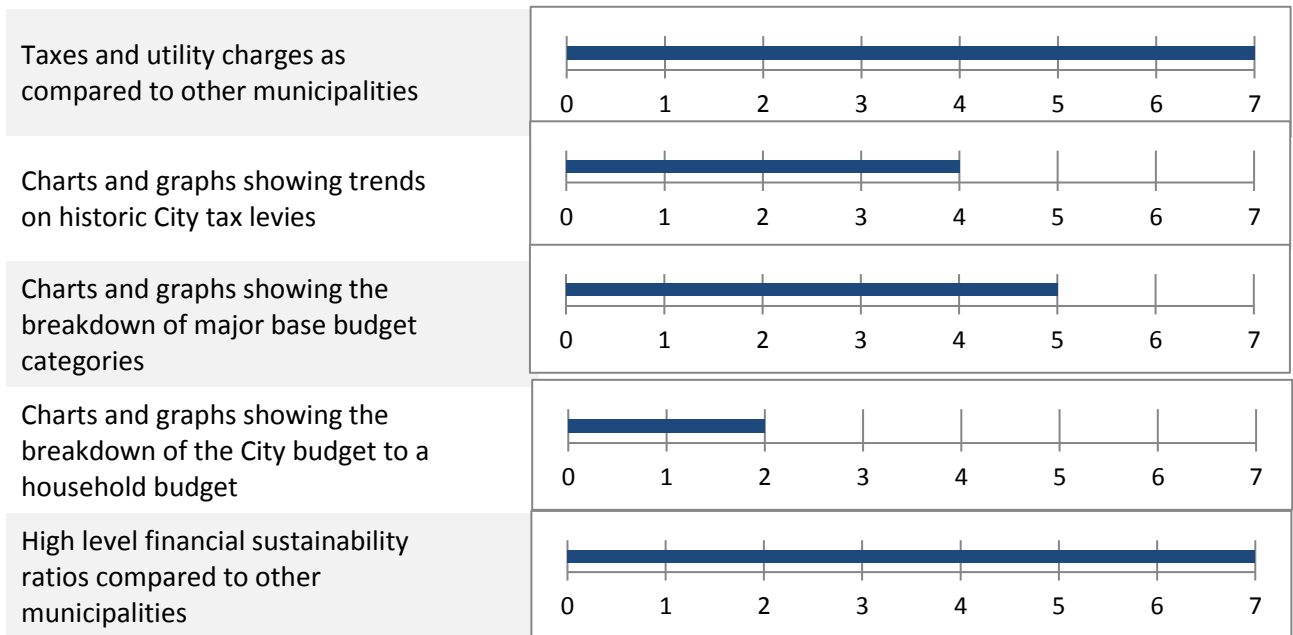
*"Like to see a little more talk on the base budget."*

**5. Which of the following would be useful to you for 2016 pre-Financial Planning?**

<p>Budget basics (the process and steps of Financial Planning and what to expect)</p>	
<p>Theory based educational workshops (i.e. reserves, debt, capital vs operating, etc.)</p>	
<p>Strategic discussions on key issues (i.e. Fire hall, 16th Ave, Willis Rd, land purchases, social housing and programs, etc.)</p>	
<p>Strategic discussions on Council priorities and projects</p>	
<p>Comments:  <i>"Key issues should be the same as council priorities though they seldom are."</i></p>	



**6. As a key decision maker for our community, are there specific financial indicators or trends that you would find helpful in making informed decisions during budget deliberations?**

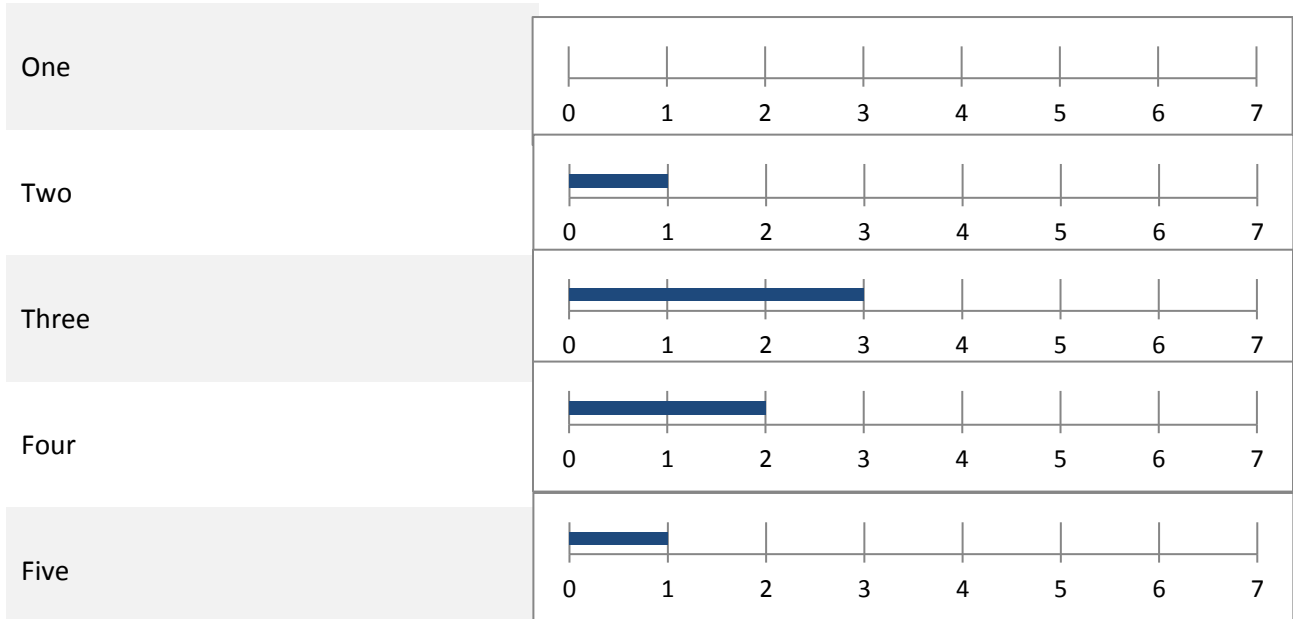


Comments:

*"Actuals compared to budget and budget expenses per capita over time."*

*"I like to have access to information that I can choose how in-depth I need to go for specific items to make an informed decision."*

**7. How many days should formal budget deliberations in 2016 take? (2015 Financial Planning took 3 days)**



Comments:

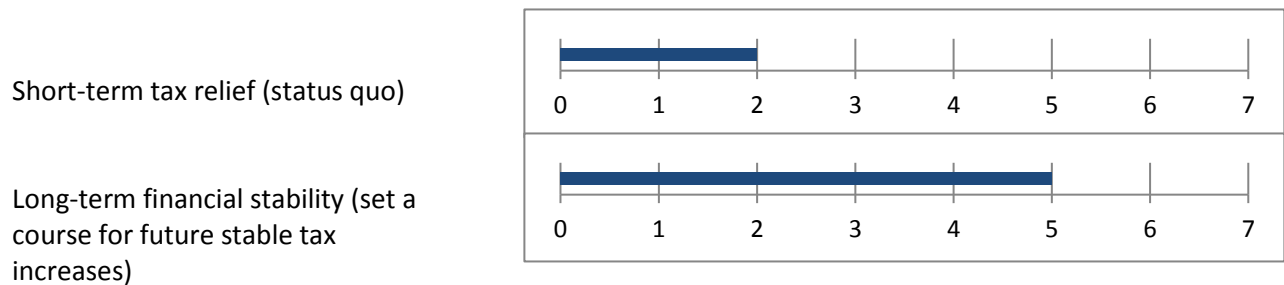
*"Let's look at something different. As much time as required to get it right. Rather spend more time than less. Spread it out so it is not a marathon. Tired people don't make good decisions."*

*"As long as it takes to fulfill our role as a Council but typically 3-4 days should provide that."*

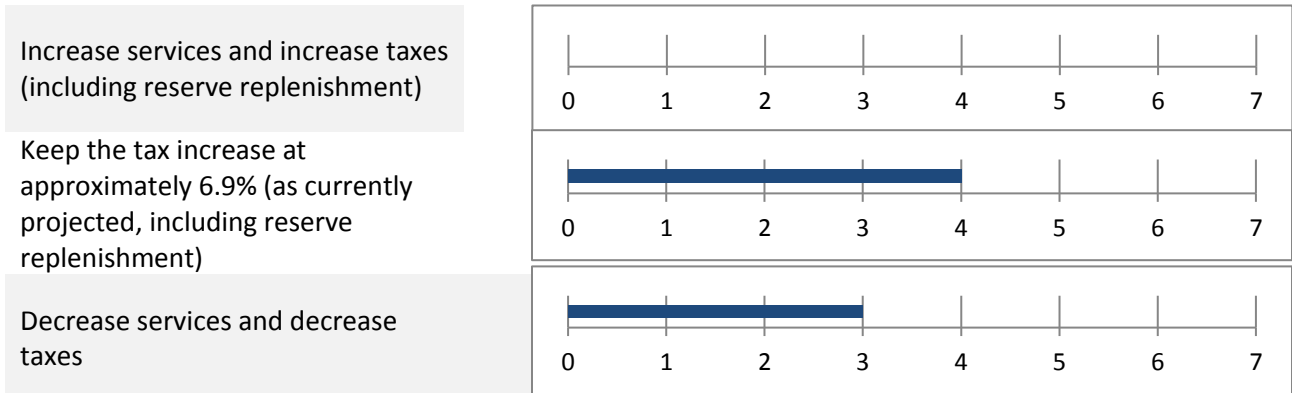
*"2 to 3 max."*

*"3 max."*

**8. For 2016, should the budget focus on:**



**9. The five-year Financial Plan currently has a 6.9% tax increase for 2016. Which of these options do you consider the highest priority?**



Comments:

*"Staff need to be creative and innovative. Learn to deliver high quality services for less cost. Increase revenues from outside sources. "*

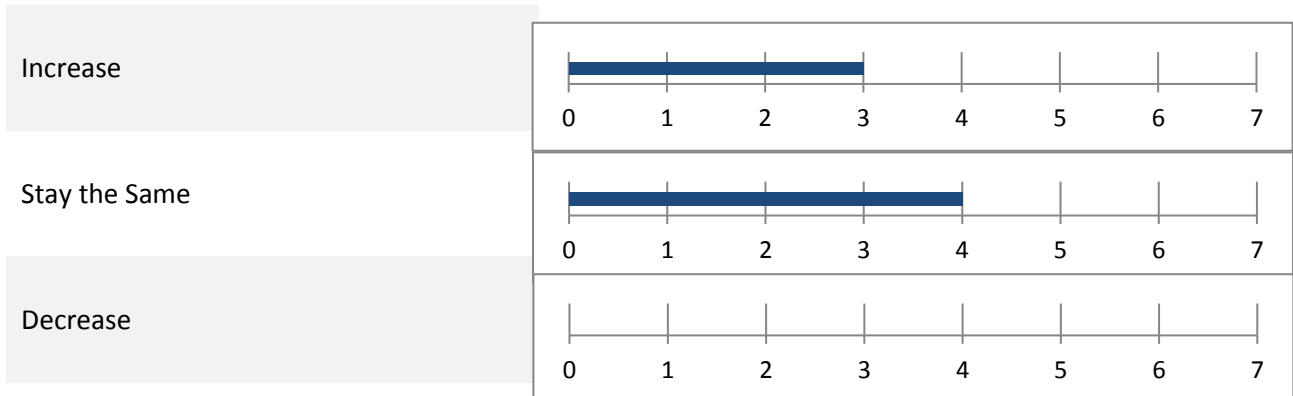
*"There are significant infrastructure needs that the public needs to be informed of to ensure we can move towards long-term financial stability and future stable tax increases starting 2017."*

*"6.9% is not an option. Need a breakdown what is the makeup of this and where new revenues are being allocated."*

*"6.9% is not realistic. Capital Projects will have to be deferred."*

*"Increase services and keep taxes around 2%."*

**10. To assist with Financial Planning, the City invites public feedback via OCP engagement, Ipsos Reid citizen satisfaction surveys, Council meeting delegation opportunities and open Financial Planning meetings, to name a few. We also actively share information (through advertising, news releases and website documents and FAQs). The level of public involvement and communication related to Financial Planning should:**



Comments:

*"Suggest publicizing charts & graphs of how we compare to other municipalities."*

**11. Please share any other feedback to be considered for 2016 Financial Planning. Thank you!**

Comments:

*"I believe we need to move towards long term financial stability but the timing and process for how that happens needs to be a separate and well-deliberated discussion in addition to the annual financial planning process for 2016. I would appreciate having a schedule 'hour' set aside during the financial planning process that I know I can bring my questions to staff for input and support. I can then schedule my time around those dedicated resource times. Thank you."*

*"Base budget to be approved by early December with Capital and SLCR to be done by mid January."*

*"You did a great job on the 2015 Budget."*

*"I felt that the 2015 Financial Planning was well done. Thanks. We do need to look at the longer term to ensure a sustainable City."*

## 2016 Financial Planning Overview

The City must prepare a five year financial plan each year based on the following legislation in the *Community Charter*.

- Section 165 of the *Community Charter* states that “The total of the proposed expenditures and transfers to other funds for a year must not exceed the total of the proposed funding sources and transfers from other funds for the year,” meaning that Municipal budgets are required to be balanced.
- Section 165 of the *Community Charter* also states that “A municipality must have a financial plan that is adopted annually, by bylaw, before the annual property tax bylaw is adopted.” The financial plan bylaw can be adopted at any time in the fiscal year.
- 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.”
- Section 197 of the *Community Charter* states that, after the adoption of the financial plan, Council must adopt the Tax Rates by Bylaw before May 15<sup>th</sup> of each year.

In addition to legislation, the City must follow its finance policy, which includes additional direction for debt, reserves, tangible capital assets and various other guiding principles to ensure the City is in compliance with its Bylaw (see Appendix 2).

### Budget Process

As the above Strategic Planning Calendar for 2015 outlines, the Finance department begins preparing budget documents early in 2015 for management input in the fall. Once management has set their budgets it goes through a review process with finance and senior management. Finance and senior management want to ensure that zero budget increases occur, with the exception of inflationary items. Service level change requests and capital projects are discussed as a management team, which allows for collaboration between departments on relating projects. This aids in the delivery of Council’s strategic plan. Council will deliberate the 2016 financial plan in December, prior to the next fiscal year. The financial plan bylaw must be adopted prior to the adoption of the annual property tax bylaw before May 15, 2016. Section 165(9) of the *Community Charter* commonly referred to as the “no deficit rule,” requires that the total of proposed expenditures and transfers to funds must not exceed the total of funding sources and transfers from funds. Upon Council’s approval, the appropriate reporting will be provided to the Province. At any time subsequent to the original adoption, an amended to the financial plan can be adopted by Council that year.

## Budget Parameters

The focus for 2016 financial planning is moving to long-term strategic planning from a short-term year by year focus. A financial plan has been developed that provides stability for the City's citizens while providing adequate funding for all levels of City services.

The 2016 Council Financial Planning Survey identified that Council would like to focus on long-term financial stability versus short-term tax relief for the 2016 budget process. The question was also asked whether the current 2015-2019 financial plan which included a 6.9% tax increase for 2016, which includes reserve replenishment, was palatable to Council. The overall feedback received was 6.9% was not an option or realistic. Therefore, budget parameters were developed as they relate to the different components of the budget which focus on a long-term strategy that will maintain service levels and invest in infrastructure on a gradual process.

The financial plan for the City is presented based on different components of the budget; base operating budget, service level increases and capital investment. Prior to Financial Planning, Staff proposed budget parameters, which Council approved to guide Financial Planning:

### **Budget Parameter 1 (a) – Taxation Base Inflation**

In order to maintain services in the base operating budget the total estimated tax increase for base inflationary costs for contractual increases is estimated at 2% or approximately \$500,000 annually.

### **Budget Parameter 1 (b) – Taxation Service Level Changes (SLCR's)**

The City has many requests from the public for increased service levels, however to ensure costs are maintained an annual cap on increased services of approximately 0% to 0.5% annual tax increase or up to \$125,000 per year for new service. In order to manage the demands and requests for new services while managing the budget, the City will also perform ongoing service level reviews to ensure that resources are being allocated where Council priorities and community needs are.

### **Budget Parameter 1 (c) – Taxation Capital Infrastructure Deficit**

The City has an inventory of specialized machinery, equipment, technology and infrastructure that are necessary for efficient delivery of service. Adequate reserve contributions allow the City to provide ongoing spending to invest to maintain and upgrade our infrastructure. It is well documented by Federation of Canadian Municipalities that North America has a significant infrastructure deficit; Campbell River is one of those cities that also faces the need to complete significant upgrades to its capital infrastructure. However, considering the impact to the citizens on large one-time tax increases, an annual 0.5% to 1% increase to taxation will gradually undertake the deficit. Part of effective delivery of service is the investment and maintenance in the capital investment program.

### **Budget Parameter 2 – Net Funding to Capital**

As per direction from Council to be strategic with any additional revenue sources, any new revenue outside of base operating are allocated to the capital investment program. This is assuming the base operating budget inflationary increases can be managed within the 2% parameter. Therefore, including the annual tax increase capital investment suggestion, Forts BC revenues, Downtown Revitalization Exemptions and Debt Servicing Retirement Costs estimates the annual capital investment will gradually increase and result in significant dollars in the long-term without requiring significant one-time tax increases that could overburden the citizens (see the Net Funding Schedule in Appendix 3).



### Budget Parameter 3 – One-time Operating Projects

Operating projects or one-time Service Level Increases (SLCR's) are for one-time projects therefore they currently exist in the budget and do not have any tax increase effect if the amount invested annually is capped by a parameter. The parameter is 0.5% of a tax increase or \$125,000.

By developing parameters around the different components of the budget for base operating, service level increases and capital investment as it relates to the tax increase, staff can prioritize projects and services based on these parameters and adjust their work plans and expectations given suggested parameters. This significantly aids the budget process to ensure that staff present a financial plan that meets Council's strategic and financial goals.

As a result, budget parameters have been used to provide fiscal stability and maintain service levels. These parameters provide stability while providing an annual budget to account for inflationary costs to maintain base service levels, moderate service level increases and ongoing investment in the City's capital infrastructure. Further, by implementing the discussed long-term budget parameters it provides stability to the citizens and help remove the volatility in the annual budget process. Setting budget parameters demonstrates to Campbell River that it is continuously working towards financial health and stability which supports overall economic growth and investment in the community.

### Financial Planning Presentation and Timeline

The budget has been broken down into three distinct phases:

- Base Operating Budget
- Capital Budget
- Service Level Change Requests (SLCRs)

The budget deliberations schedule has been established as follows:

Date	Time	Topic
Monday, December 7 <sup>th</sup>	9-3pm	<ul style="list-style-type: none"> <li>• Public Presentations (5 minutes each)</li> <li>• Financial Planning Overview</li> <li>• Base Budget Presentation</li> </ul>
Tuesday, December 8 <sup>th</sup>	9-3pm	<ul style="list-style-type: none"> <li>• Public Presentations (5 minutes each)</li> <li>• Capital Budget Presentation</li> </ul>
Wednesday, December 9 <sup>th</sup>	9-11:30am 1:30-3pm	<ul style="list-style-type: none"> <li>• SLCR Budget Presentation <i>(Afternoon Optional)</i></li> </ul>
Thursday, December 10 <sup>th</sup>	9-2pm	<ul style="list-style-type: none"> <li>• Financial Planning Summary <i>(Optional Meeting)</i></li> </ul>

## Taxation

The primary funding sources for local governments to maintain service levels are taxation and user fees. There are other available funding sources the City can utilize, including other revenues, grants and debt. Reserves are a key funding source for maintaining and upgrading the City's capital infrastructure. This capital infrastructure allows the City to sustain and enhance service levels, and the funding sources for reserves are transfers from taxation and grants. Sound financial management focuses on ongoing investment in City infrastructure from own source funds without the reliance on external grant funding. The City is moving to long-term financial planning, which will support a stable and sound financial path.

Over the past few years the City has been recovering from the closure of the Catalyst mill and the resulting significant decrease in taxation for the major industrial tax class. As can be seen in the below table, Class 4 (Industrial) used to make up a significant portion of the overall tax levy with gradual decreases from 2009 to 2011, and a large decrease from 2011 to 2012 upon closure of the mill site. This resulted in some base service cuts and reduction in funding for the capital program, in addition to a significant residential tax class increase in 2012.

<b>Year</b>	<b>Tax Levy Residential Class 1</b>	<b>Tax Levy Utilities Class 2</b>	<b>Tax Levy Industrial Class 4</b>	<b>Tax Levy Business Class 6</b>	<b>Tax Levy Managed Forest Class 7</b>	<b>Total Tax Levy All Classes</b>
<b>2009</b>	\$12,874,994	\$1,009,524	\$4,650,477	\$4,971,988	\$1,026,445	<b>\$24,825,940</b>
<b>2010</b>	\$14,209,599	\$563,148	\$3,534,262	\$4,903,185	\$4,211	<b>\$23,528,740</b>
<b>2011</b>	\$15,049,279	\$569,448	\$2,161,149	\$4,876,910	\$22,320	<b>\$23,049,305</b>
<b>2012</b>	\$17,278,427	\$554,765	\$74,645	\$5,106,562	\$23,583	<b>\$23,398,368</b>
<b>2013</b>	\$18,203,724	\$545,755	\$54,429	\$5,060,310	\$29,058	<b>\$24,294,640</b>
<b>2014</b>	\$19,067,471	\$593,843	\$53,919	\$5,327,649	\$52,880	<b>\$25,498,854</b>
<b>2015</b>	\$19,654,397	\$743,467	\$54,788	\$5,525,725	\$101,351	<b>\$26,486,131</b>

In 2014, Council made the decision to increase property tax rates for Class 2 (Utility) and Class 7 (Managed Forest) in order to bring the rates in effect for those two classes in line with the provincial average rates. Class 2 is being increased over four years (2014-2017) and Class 7 over three year (2014-2016). The increases in taxation revenue from this decision has provided additional funding outside of the annual tax increase.

Year	Class 2 (Utilities) Additional Revenue	Class 7 (Managed Forest) Additional Revenue	Total Increase in Property Tax Revenues
2014	\$60,000	\$35,000	\$95,000
2015	120,000	35,000	\$155,000
2016	120,000	35,000	\$155,000
2017	120,000	-	\$120,000
<b>Total</b>	<b>\$420,00</b>	<b>\$105,000</b>	<b>\$525,000</b>

Non-market changes in the tax assessment base are related primarily to growth and development in the community. Campbell River has seen significant growth in recent years, both residentially and commercially. The residential non-market change has been the primary driver of additional tax revenues from new development in recent years, with 2014 as a peak year; however, there has been a gradual decrease since 2014.

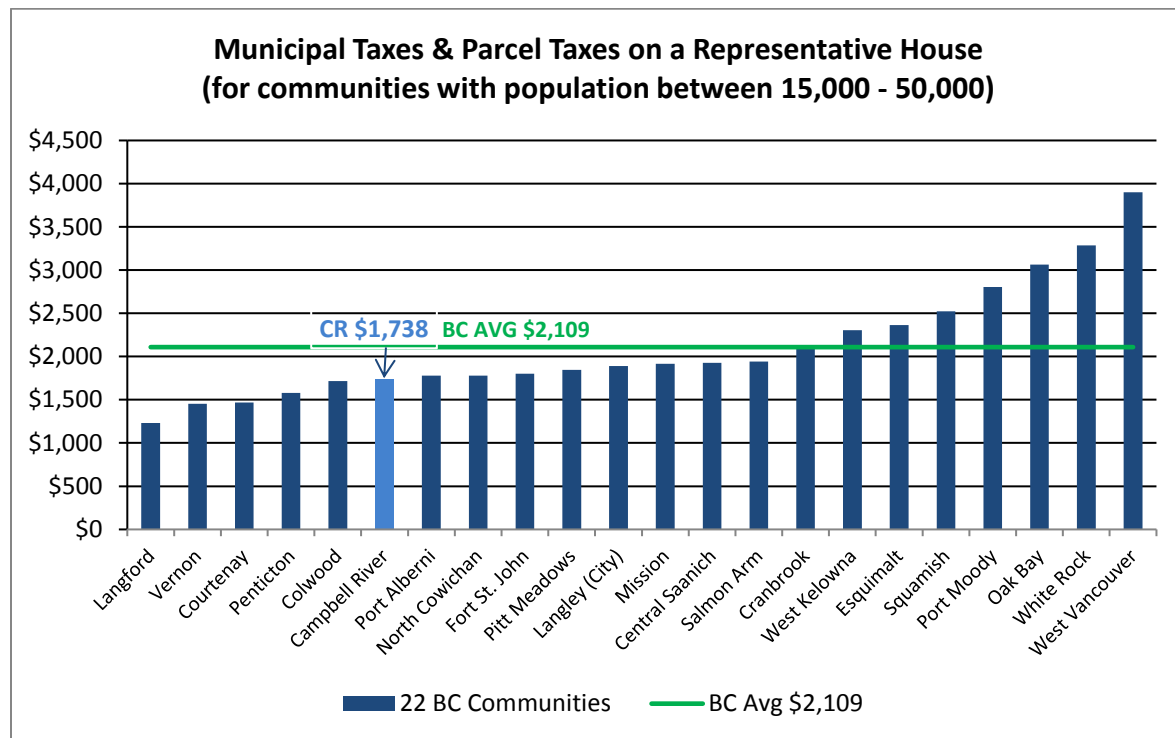
As can be seen in the table below, the 2016 estimated non-market change is much lower than in past years due to a slight decrease in residential construction as well as a couple of key changes in the business class 6; one related to the hotel moving to the downtown revitalization exemption bylaw for five years starting in 2016, in addition to a significant loss in assessment related to a large commercial store closure (the former Target) in the City.

Year	Non-Market Change Increased Tax Revenue
2013	\$253,000
2014	\$467,000
2015	\$316,000
2016	\$170,000

A 1% tax rate increase in 2016 provides for an estimated increase in taxation revenues of approximately \$250,000.

Since 2012, the City has struggled to maintain and enhance services with increased demand for services by the community and with downloading from senior governments. The annual tax percentage increase in recent years has been:

Year	Annual Tax Increase
2011	4.1%
2012	13.6%
2013	3.9%
2014	2.9%
2015	1.7%



The focus for 2016 financial planning has been to stabilize the annual tax rate increase for current and future years, while providing ongoing funding to maintain base service levels, allowing for moderate increases in service levels and also to provide funding for ongoing maintenance and investment in capital infrastructure. As such, the budget parameters include a conservative annual allocation for each component of the City's budget and replaces the large swings in tax increases with consistent and predictable values.

The move to long-term financial planning and providing stability in the annual budget and tax increase will ensure citizens can appropriately budget their finances and will allow the City to maintain expected service levels and funding needed to sustain and enhance the City's amenities and necessary infrastructure. This will help ensure that Campbell River continues to grow and prosper as a community

and be a place that residents feel proud to live in; in turn, promoting construction and economic development that provides economic returns for all citizens, as well as the City.

### Reserve Restructure

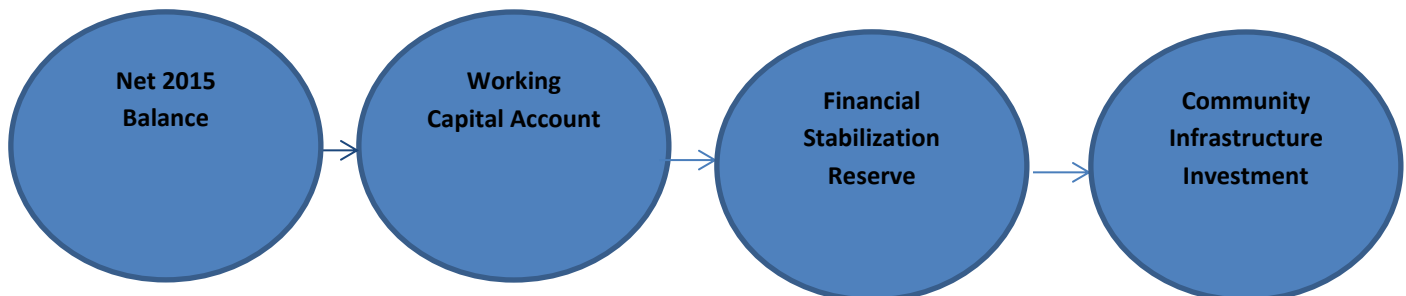
As part of the move to long-term financial planning and per request of Council, staff developed and presented to Council a Reserves and Surplus Policy (see Appendix 2), which includes a restructure of some of the reserves. Reserves are internal funds which have been set aside for a specific purpose.

The policy as presented to Council in early November does not provide a structure that is significantly different from what is currently in place. However, the key outcome of the review undertaken by staff is that this policy provides guidance on what reserves are needed, their purpose and adequate balances to be maintained. This policy also ensures the City can proactively plan to fund our service delivery needs in a cost effective manner.

### Financial Stabilization Reserve

The key transfers between reserves were in the financial stabilization reserve. As per the policy, the financial stabilization reserve has been categorized as a risk mitigation and opportunity reserve. This reserves main purpose is to stabilize the annual tax increase by buffering the impacts of emergent risk issues and offset unrealized or significant decreases in revenue in any one year. Additionally, if funding allows this reserve can be used to fund one-time initiatives and projects that will not affect the annual tax increase.

Included in the policy is a waterfall system where the net revenue and expense balance for the year transfers into the accumulated surplus working capital account. The working capital account that is used to pay for operating expenses before property taxes and other revenues are collected. It is recommended a balance of \$4,000,000 is maintained; therefore, any excess is transferred to the financial stabilization reserve. The recommended balance for the financial stabilization reserve is \$1,900,000. Any excess of the maximum recommended balance is transferred to the capital reserves as required to fund the capital program. This model ensures that funds are not sitting idle in any one account and all funds are maximized to their needed source.



### Gaming Reserve

The gaming reserve is funded by 10% of gross casino revenues and is used to support Council’s strategic priorities and other social initiatives. Annual ongoing commitments to this reserve are:

<b>Program</b>	<b>Amount</b>
Centennial Pool Operations / Recreation Summer Programs	\$300,000
Council Contingency	150,000
Downtown Façade Program	25,000
Carbon Offset Reserve Contribution	40,000
Cleanliness Grants	40,000
<b>Total Gaming Reserve Annual Allocation</b>	<b>\$555,000</b>

The annual funding received for gaming is approximately \$650,000 therefore this provides approximately \$100,000 annually for Council to use for other initiatives. Staff have focused on not relying on this reserve to fund the capital program, however it is recommended using this reserve for a couple of other programs that appear to fall in line with Council strategic priorities including public art and other downtown initiatives. This reserve has an accumulated opening balance therefore this provides some additional funding for these initiatives outside of the annual allocation for Council.

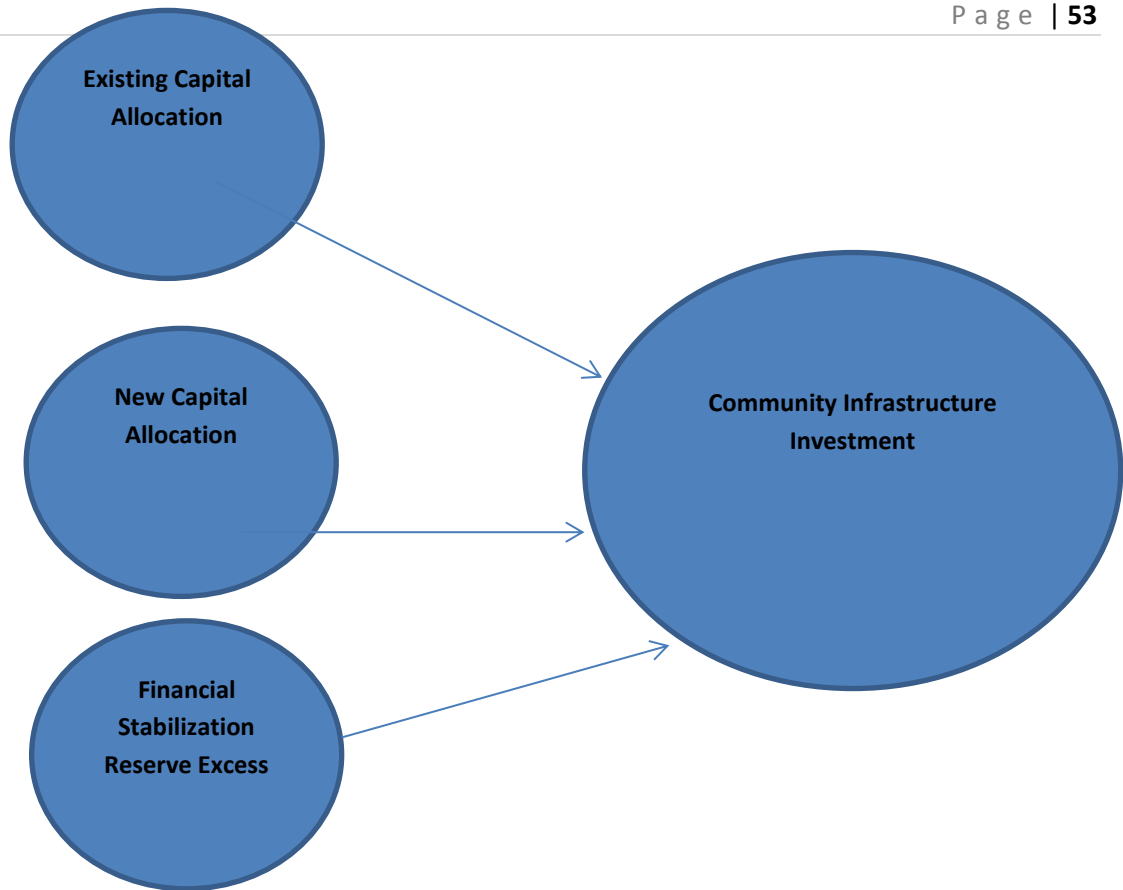
### Community Works Fund

Community works fund is another reserve to not be used for ongoing capital maintenance activities, but instead used this reserve for ongoing community enhancement and green initiatives in the capital program.

### Capital Reserves

The capital reserves of the City fund the ongoing maintenance and upgrades to existing City infrastructure. The reserves have been set up to match the asset categories. Ongoing capital funding allocations ensure the capital program can be funded on an ongoing basis. Funding has been allocated to each capital reserve on an as needed basis to ensure funding is not sitting idle in each reserve and is instead used to fund the overall capital program. The 2016 capital plan is funded by existing capital allocations, new capital allocations and excess balance from the financial stabilization reserve.





The financial plan for 2016 has focused on some new initiatives that provide parameters, a long-term outlook and ensuring that the City is maximizing funding available through stable and strategic budgets. The three components that build the budget, which are base operating, service level change requests (SLCR's) and capital plan have been allocated an ongoing stable funding parameter to ensure the City is providing for current and future prosperity across the City.

## Issues turned into Opportunity: Financial Resilience and Stability Program

In early 2015, a newly elected City Council stated in its Strategic Plan “We plan proactively for the long-term costs of maintaining our critical infrastructure.” In a subsequent planning session presentation Council authorized the creation of a new financial path for the City; one that results in neither a reduction of services nor large tax increase, while tackling a growing infrastructure deficit. The culmination of a series of financial policies and practices – collectively known as the *Financial Resilience and Stability Program* has accomplished this challenging directive. The success of this program is particularly astounding given the financial constraints imposed on City operations.

In early 2000's, BC's coastal forestry economy took a steep dive which for Campbell River, culminated with the closure of its pulp and paper mill in 2009. The community lost many high-paying jobs as the City itself dealt with a 25% loss in property taxation. Residential property owners took on some of this burden but the remainder involved an internal review of the City's operations. For a period,

accumulated reserves allowed the City time to reflect on its finances. After an initial cut-the-fat program, the traditional decision of cut services or raise taxes was contemplated. Faced with tough choices the City began, instead, to forge an alternative path.

The City of Campbell River's *Financial Resilience and Stability Program* is the sum of various 2015 initiatives and addresses many issues the community was facing in prior budget years:

- 1) **Long-Term Budgeting** – The 2016 financial plan was a significant year moving from a five year, short-term focused budget, to a ten year plan. Staff spent a significant amount of time reviewing the base budget to ensure all areas were reviewed for spikes or volatility in the future to no one-time tax increase would come unplanned in the future. New service levels and capital projects over a long horizon required managers to review their work plans and prioritize projects. “Below the line” concept was introduced which allowed managers and Council to create a realistic financial plan that put items that required additional information or were unfunded to be on the radar but not included in the financial plan. Moving to a ten year horizon really provided for more strategic budgeting and making more stable and sound decisions.
- 2) **Budget Parameters** – Moving from a short-term budget process focused on the current year tax increase to long-term stability, the City developed budget parameters as they relate to the different components of the budget which maintain service levels and invest in infrastructure on a gradual process.

In order to maintain services in the base operating budget the total estimated tax increase for base inflationary costs was estimated at a 1.5-2% annual tax increase. The City has many requests from the public for increased service levels, however to ensure costs are maintained An annual cap on increased services of approximately 0% to 0.5% annual tax increase per year or \$125,000 is recommended. Lastly, the last parameter is 0.5% to 1% annually into the capital investment program.

These parameters provide funding for all components of the budget to ensure ongoing sustainability to maintain service levels today and in the future. The budget parameters also ensure ongoing stability in the annual tax increase and removes annual volatility and uncertainty; this in turn provides stability for citizens and investors alike to live and build businesses in our community.

- 3) **Property Taxation Smoothing** – Previously, the City had variable tax rates. The 10 year financial plan for 2016-2025, using budget parameters, provides a stable annual tax increase between 2.5%-3.5%. The bubble that has been following the City since the closure of the Catalyst Mill has been removed; instead the City has smoothed out the annual increases to palatable increases that the citizens can understand and stand behind knowing Council is making sound and stable decisions.

Property taxation smoothing is not new to municipal government; however, the City Council's commitment has three distinctive outcomes:

- 1) It helps remove the politics from setting tax levels;
  - 2) It provides surety to taxpayers for their business or personal financial planning; and
  - 3) It provides the City an ability to accurately plan for future service levels and risk.
- 4) **Zero-Base Operational Budgeting** – The base operating budget provides annual funding to ongoing City services. The City had a long standing policy since 2012, to maintain base zero increase in the departmental operating budgets, excluding contractual increases mainly related to collective agreements and other significant contracts. Direction provided to management when building their budgets is to be fiscally conservative. The new way of business is to be leaner, more efficient, do less with more and to become innovative to manage costs.
- 5) **Capital Asset Investment Commitment (see Appendix 3)** –The City had previously made limited contributions to capital reserves and infrastructure renewal. Adequate reserve contributions allow the City to provide ongoing spending to invest to maintain and upgrade our infrastructure. However, considering the impact to the citizens on large, one-time tax increases, it is recommended that an annual 0.5% to 1% increase to taxation will gradually undertake the City's infrastructure deficit. This does not provide significant funding to the capital program in any one year but cumulatively this will result in significant ongoing investment in the capital program to ensure effective delivery of service. Further, any new found revenue is targeted towards the capital program.
- 6) **Reserve Waterfall Structure**– In Fall 2015 the City developed a reserve policy (see Appendix 2), which includes a waterfall system where the current year surplus is transferred into the working capital accumulated surplus account, excess balances are transferred to the financial stabilization reserve account and then any excesses flow into the capital reserves to fund the capital program. The working capital account is used to pay for operating expenses before property taxes and other revenues are collected. The financial stabilization reserves' main purpose is to stabilize the annual tax increase by buffering the impacts of emergent risk issues and offset unrealized or significant decreases in revenue in any one year. This waterfall structure ensures that funds are not sitting idle in any one account and all funds are maximized to their needed source.
- 7) **Business Case Decision Making** – All requests for new service and capital projects require a description and justification which essentially a mini business case which explains what each request is and the justification or implication of not approving which aides Council in reviewing the many requests during budget. Starting in 2016, key projects required a detailed full business case analysis which were presented to Council in a pre-budget workshop. The skills and tools learned by staff during this process will be utilized in subsequent budget cycles as well as ongoing review of analyzing City initiatives for best outcomes with limited funding available. The City will continue to develop business cases as part of financial planning to ensure sound financial and operational decisions are made with limited available resources. See Appendix 4 for a sample business case presented to Council during a pre-budget workshop as part of the financial planning process.

- 8) **Asset Infrastructure Management Strategy** – The local government industry has recently become aware of the upward trend of the municipal infrastructure deficit<sup>1</sup>. Developing an asset management plan is a common strategy to ensure science-based decisions are used to protect critical infrastructure and maximize the use of scarce financial resources. A particular obstacle in implementing an asset management plan in Campbell River was the hierarchical culture of City’s functions. To break down these barriers the City created a staff-lead team to lead the charge. The Asset and Infrastructure Management (AIM) Committee is made up of department heads with large capital asset responsibilities and a finance representative. With less than six months under their belt, the AIM Committee has created an AIM Strategy to implement a corporate-wide, integrated asset management plan and long-term financing strategy by 2021.

This program has changed the outlook of the City and the annual pressure on the financial planning process and related community focus on the annual tax increase. Council and staff can now plan for the future with a positive outlook and strategically set priorities based on the vision for the community moving forward. Campbell River has had some significant financial challenges since one of its main taxpayers and employers left the community and the future of the City was unknown. The 2016 financial planning process and *Financial Resilience and Stability Program* has moved the City from a backward looking organization to a proactive and forward looking organization and community. This sets the tone for the City to be successful in the future as it redefines itself from the “mill town” it once was.

The next step in the City’s *Financial Resilience and Stability Program* is to develop a debt policy. The debt policy will establish parameters for the total debt the City is willing to take on, the related debt servicing the City can bear given annual budget parameters and the type of projects the City will borrow for. The City has been consistently paying down its debt in recent years and currently has very little long-term debt; however, there are a few significant capital projects on the horizon that will require debt financing, therefore, a debt review and policy will ensure Council feels comfortable borrowing for these needed projects and that the City does not over burden itself with significant debt payments affecting future funding availability and stability.

In and of themselves the initiatives that make up the *Financial Resilience and Stability Program* are not particularly unique. How they have been used, the change brought on and their collective impact is where innovation is prevalent.

The practice of committing new funding sources to tackling the infrastructure deficit is an innovative practice that provides positive impact without upset taxpayers.

Making capital investment decisions using formal business cases requires both management and Council to consider all options, including lifecycle costing, before making a commitment. This new decision tool is forging great decision making.

The small planning window of mandated five-year budgeting does not produce sustainable financial plans i.e. it is too easy to put that mandatory project in year six where it is unfunded. Moving to a ten or fifteen year plan forces discussion on critical infrastructure needs versus “nice to haves.”

Establishing budget parameters has allowed City management to “pull the band-aid off” from the 2009 mill closure. Budgets can now be crafted knowing what funding is going to be available instead of the prior practice of hoping Council will finally approve “x” project. This surety facilitates a changed way of budgeting and managing.

Local governments have traditionally been conservative regarding taking on debt. This was a good practice when infrastructure was new; however, the long-term infrastructure outlook is for a heavy replacement schedule in the coming 10 to 20 years. The City’s new policy will change our current conservative debt policy with a proactive public engagement process.

Initially, the City’s zero-base budgeting practice was to trim out excess budgets – and it was successful. Continuing this practice under less restrictive rules is seeking efficiencies. It is sparking innovation, use of technology and other science-based decisions.

## Base Budgeting

The focus for 2016 financial planning is moving to long-term strategic planning from a short-term year by year focus. Staff have been developing a financial plan that provides stability for the City’s citizens while providing adequate funding for all levels of City services. This includes funding for:

- Base operating inflationary costs,
- Moderate increases to service levels,
- One time operating projects and initiatives, and
- The City’s capital program.

As a result, budget parameters have been used to provide fiscal stability and maintain service levels. The budget parameters established to maintain service levels in the general operating budget are within an approximate 2% of a general taxation increase per year or \$500,000. This provides stability while providing an annual budget to account for inflationary costs for contractual obligations.

The City provides a variety of services to the community including:

- Drinking water and sewer services
- Garbage, recycling and yard waste collection
- Flood protection
- Streets, sidewalks and traffic control
- Transit and airport services
- Parks, recreation and culture programs and facilities
- Planning, development and building inspection
- Policing and fire protection services
- Sustainability and green initiatives
- Economic development and downtown revitalization

### Base Budget Service Levels

During this phase of budget deliberations, Council is being asked to provide guidance and direction with regards to the assessment of current service levels provided to the community. Council should consider:

- What services to provide?
- What level of service does Council wish to provide?
- What are the costs of providing these levels of service?

These considerations need to be balanced with Council's strategic priorities, the increased demand for services from citizens, and the increased services due to downloading from the Province, as well as region wide services that are paid for by the City.

### Base Budget Principles

The base operating budget provides annual funding to ongoing City services. There has been an increased demand on service levels while the City has maintained base zero increases in the departmental operating budgets, excluding the contractual increases mainly related to collective agreements and other significant contracts such as Transit, RCMP and Solid Waste.

Direction provided to staff when building their budgets was to be fiscally conservative. No new or altered services were to be included and any increases were to be confined to:

- Wage and benefit,
- Contractual,
- Utility,
- Changes imposed on the City through legislation,
- Obligations that the City does not have every year (such as collective agreement negotiations and the municipal election that occurs every four years).

The basis of budgeting uses modified accrual accounting methods. Year-end financial statements reconcile the difference between the statement of operations and the financial plan by reconciling non-cash items, debt proceeds, principal repayments, transfers to and from reserves and unappropriated surplus exist above. The financial statements use accrual basis of accounting, which recognizes the effect of transactions and events in the period in which they occur, regardless of whether there has been a receipt or payment of cash or its equivalent. These methods for budgeting and financial statements minimize reconciliations at year-end that are required from the financial plan bylaw (see Appendix 5).

In 2016, the focus was setting long-term financial stability, which included developing parameters for all components of the budget. For the base operating budget, the focus was isolating the operating revenues and expenses which relate primarily to maintaining the operating budget.

With an emphasis on sound sustainable financial management, any ongoing service level is recommended to be funded by ongoing operating revenues, such as taxation rather than using reserve or other one-time funds to provide these services.



Another principle within the base budget is that the Solid Waste function will be operated as a utility; therefore, any departmental surpluses will be transferred to the Solid Waste Reserve to offset future rate increases to balance the departmental budget.

### **Funding for Base Budget**

The primary funding source for the base operating budget is taxation, and as such, there is a significant focus on the annual tax increase. There are other funding sources that balance the operating budget including user fees, sale of services, grants and other revenue.

A summary of the recommended funding sources for departmental operating budgets are:

<b>Fund</b>	<b>Recommended Funding</b>
General	Taxation, Sale of Services, User Fees, Grants, Other Revenue
Airport	User Fees, Sale of Services, Fuel Sales, Other Revenue
Sewer	Utility Fees, Parcel Taxes, Grants
Water	Utility Fees, Other Revenues, Grants

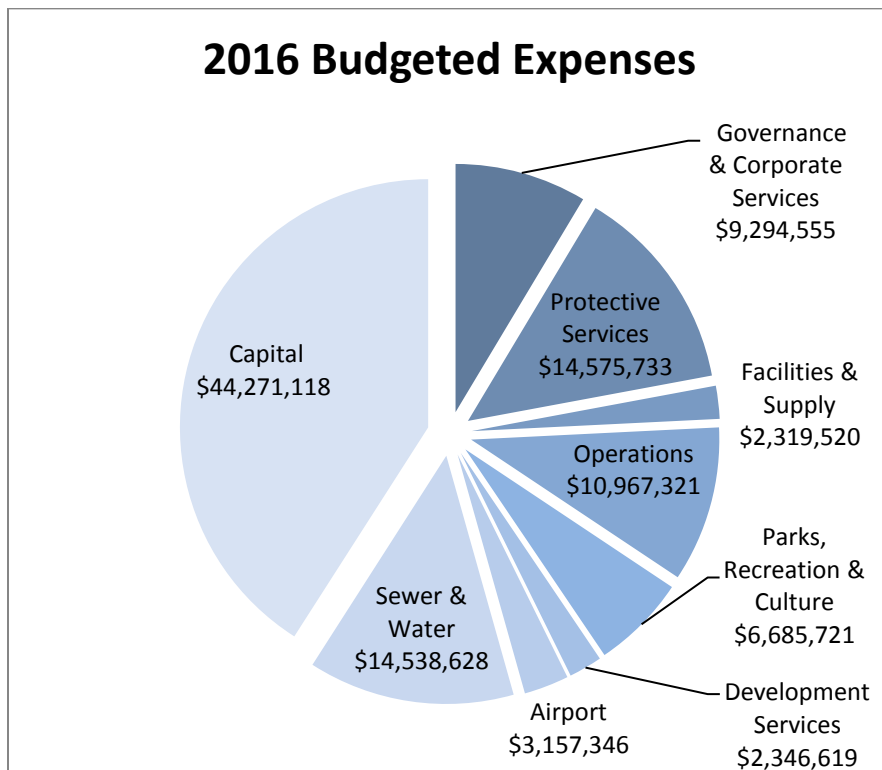
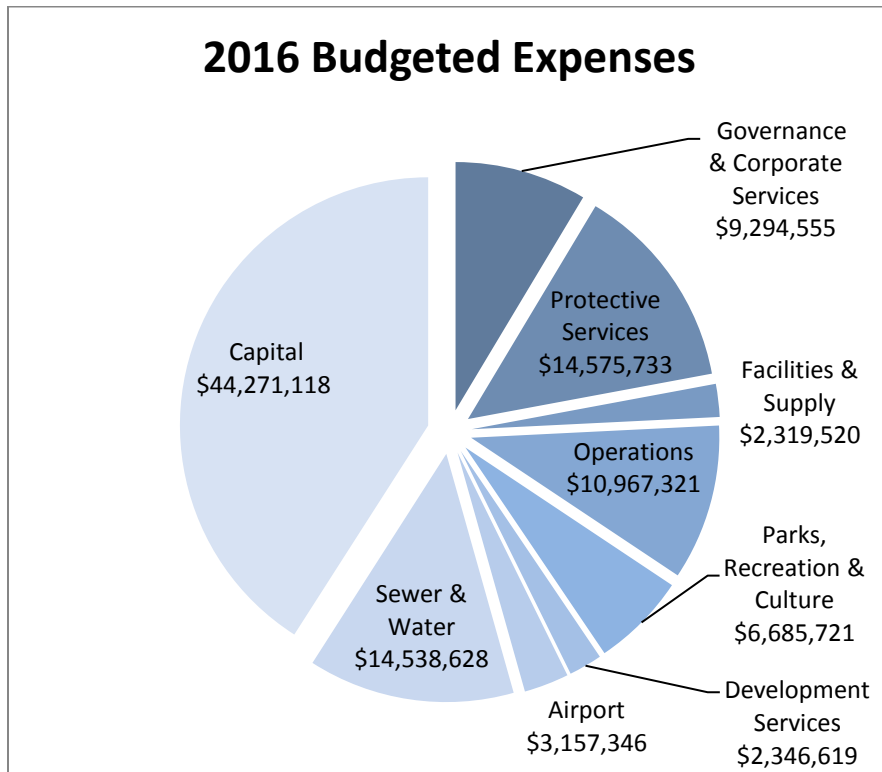
### **Accumulated Surpluses (Unappropriated Surplus)**

The City needs to maintain accumulated surplus balances in its four operating funds (general, airport, sewer, and water) for working capital or cash flow purposes. Maintaining minimum working capital funds eliminates the need to borrow externally and/or internally to cover operating expenses before property taxes, user fees and other revenues are collected.

Surplus funds in excess of adequate levels of the finance reserve policy will be transferred to a reserve fund. For general fund, excess will be transferred to the financial stabilization reserve. The airport is funded by general fund therefore the accumulated surplus will be maintained in general accumulated surplus. For sewer and water accumulated surplus; excess funds will be transferred to the respective capital reserves for these funds. See Appendices 2 and 3 for further details and fund balances.

### **Analysis of Base Operating Budget Results**

The City's 2016 operating budget is approximately \$63.4 million, which is comprised of the general, airport, water and sewer funds. This has increased slightly from 2015 from \$63.3 million.



## General Fund

The general operating fund encompasses the majority of the City's services, including governance, RCMP, fire, corporate services, general fiscal services, facilities and supply management, operations and parks and recreation and culture segments.

The overall net increase in the general fund base operating budget as presented is \$355,440 or a 1.4% tax increase as summarized in below.

Additional tax revenue projected for 2016 included in the net operating budget are:

<b>Additional Tax Revenue</b>	<b>Amount</b>
Class 2 – Utility (4 year transition, ending 2017)	\$120,000
Class 7 – Managed Forests (3 year transition, ending 2016)	35,000
Non-Market Change Estimated	170,000
<b>Total Additional Tax Revenue for 2016</b>	<b>\$325,000</b>

The 2016 budget also includes the grants-in-aid and permissive tax exemptions that Council has already approved:

<b>City CPC Programs</b>	<b>2015</b>	<b>2016</b>
Grants in Aid	\$603,479	\$644,043
Permissive Exemptions	\$456,690	\$406,263

Overall costs have been maintained at 2015 levels; increases in expenses relate to contractual obligations primarily related to collective agreements. Major contracts such as RCMP and Transit can also be drivers of the budget; however for 2016 these contract budgets have been maintained. Transit is up for renewal in 2017, therefore the budget will be re-evaluated at that time. RCMP has been within or under budget in recent years; consequently, the budget has been maintained for 2016.

The additional tax revenues, as noted above, as well as the maintained costs for key contracts, has resulted in a general operating budget well within the 2% annual tax increase parameter.

## Airport Fund

The Airport, managed by the Airport Authority, has been striving to become a profit driven operation and maintain its operations without the need for support from the City's general fund to balance its budget. The Airport charges landing fees, passenger fees, and property leases to assist with offsetting the department's operating expenses. Currently, to accomplish budget neutrality, a subsidy is required from the General Operating Fund to balance the Airport's budget. The subsidy required for 2016 to balance the Airport operating budget is \$66,716. The subsidy in the past two years has decreased significantly from

\$241,316 in 2014 due to increased jet fuel sales mainly related to the Ministry of Forests fire tanker base at the Airport. The Airport continues to focus on obtaining a balanced budget and becoming a net profit entity.

### Sewer and Water Operating Funds

Sewer and Water operations are generally funded through user fees and parcel taxes levied on properties within the City's boundaries. It is important to note that these funds are self-balancing and segregated for purposes of carrying on specific activities in accordance with specific regulations, restrictions and limitations.

Both funds are showing large surpluses with large transfers to the capital funds. Sewer and water are in significant need of infrastructure upgrades and therefore user fees were increased by 6% for sewer and 10% for water for each year from 2013-2017 to fund these infrastructure upgrades as well as pay for long-term debt repayments.

### Carry Forwards (CFwd)

Included in the capital plan (see Appendix 6) and in the below base budget section there are listings of projects and initiatives that were committed to, but not yet complete within 2015 fiscal year; therefore, staff have requested to carry the related funding into 2016 to complete these projects.

## THREE YEAR CONSOLIDATED AND FUND FINANCIAL SCHEDULES

	2016 Budget	2015 Budget	2015 Actual	2014 Budget	2014 Actual	2013 Budget	2013 Actual
<b>REVENUE</b>							
Taxes & parcel taxes	29,347,784	28,103,863	28,391,778	27,015,270	27,227,568	25,981,440	26,005,255
Payments in lieu of taxes	521,400	517,764	590,540	499,000	569,140	506,000	568,115
Sale of services	21,087,275	19,678,569	20,710,274	18,250,320	19,287,076	16,487,526	17,497,894
Services provided to other governments	1,229,376	1,567,449	1,624,517	1,502,654	1,510,112	1,440,509	1,422,977
Transfers from other governments	1,306,049	1,044,022	1,237,933	1,180,459	1,156,518	801,599	1,062,139
Investment and other income	506,000	521,408	771,521	493,493	1,080,288	375,400	964,224
Other revenue	286,000	224,500	272,134	465,500	429,516	1,891,760	890,378
Gain/(loss) on disposal of tangible capital assets	-	-	268,994	-	(24,925)	-	(500,634)
	54,283,884	51,657,575	53,867,691	49,406,696	51,235,293	47,484,234	47,910,348

**EXPENSES**

General government	6,720,471	5,865,563	5,693,530	6,595,548	5,529,108	6,649,962	5,448,781
Protective services	15,411,642	15,182,892	14,753,271	14,289,475	14,941,469	13,711,176	13,329,484
Transportation services	12,483,895	12,203,250	12,110,793	12,259,523	12,140,483	11,704,415	11,575,139
Environmental health services	2,366,749	2,308,143	2,264,760	2,015,964	2,051,050	1,689,878	1,863,417
Public health services	167,824	162,120	151,203	160,397	152,762	162,957	111,867
Development services	1,738,912	1,430,495	1,573,849	1,522,724	1,454,792	1,654,895	1,530,670
Parks, recreation and cultural services	7,837,052	7,459,166	7,437,259	6,681,720	7,312,246	6,319,401	6,253,243
Sewer utility services	4,188,863	4,045,332	3,728,203	3,758,427	3,531,645	3,325,793	3,152,298
Water utility services	4,751,395	4,293,304	3,963,008	4,296,972	3,796,049	3,883,662	3,716,868
	55,666,803	52,950,265	51,675,876	51,580,750	50,909,604	49,102,139	46,981,767

\*Note: Funds do not reconcile as some non-cash items, debt proceeds, principal repayments, transfers to and from reserves and unappropriated surplus exist above. Year-end financial statements reconcile the difference between statement of operations and the financial plan.



**Department / Fund Relationship**

<b>General Fund</b>	City Manager Mayor & Council Legislative Services Risk Management Bylaw Enforcement Animal Control
	RCMP Police Protection Victim Services
	Fire Protection E911
	Communications Human Resources Finance Information Technology GM Corporate Services
	Reserves Fiscal Services Taxation Corporate Services
	GM Facilities & Supply Management Supply Management Property Management Fleet Capital Works Stores Facilities
	GM Operations Transportation Roads Public Transit Storm Drains Solid Waste
	GM Parks, Recreation & Culture Parks Recreation & Culture Management Recreation & Culture Cemeteries
	Economic Development Community Planning & Development Services
	<b>AIRPORT FUND</b>
<b>SEWER FUND</b>	Sewer



<b>WATER FUND</b>	Water
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## 2016 BASE OPERATING BUDGET SUMMARY

The focus of the 2016 financial planning process was developing parameters for each component of the budget, including the base operating budget, and providing for inflationary cost increases to maintain service levels. The net general operating budget increase for 2016 is well below the parameter of a 2% overall tax increase, at 1.4%. This is mainly due to additional tax revenues to be received in 2016 as well as static costs for the City's major contracts in the coming year including RCMP and Transit.

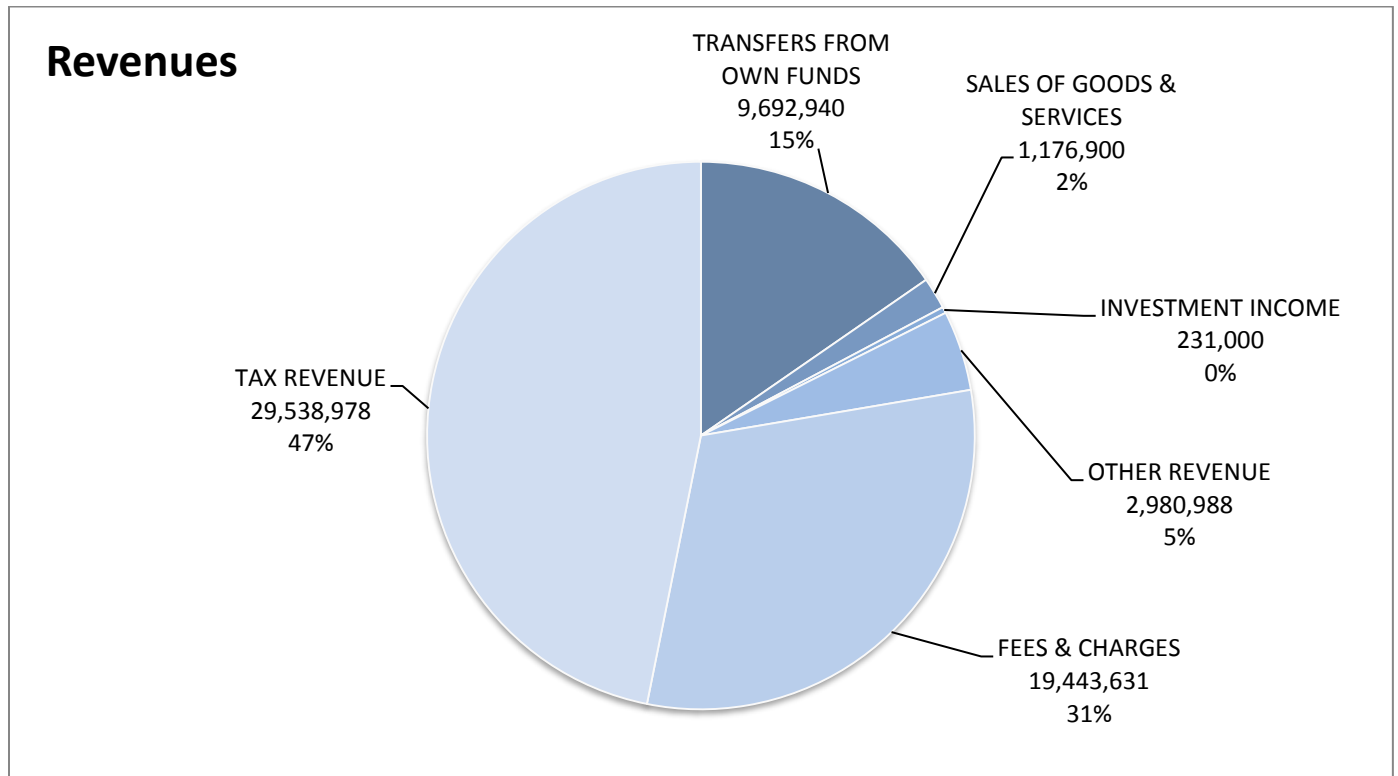
Providing for base budget inflationary costs ensures financial stability for all taxpayers, while maintaining existing service levels to ensure long term prosperity for this community.

### Consolidated Budget by Fund:

	2015 Final Budget	2016 Final Budget
<b>1 - Revenue</b>		
AIRPORT OPERATING	(3,203,424)	(3,157,346)
GENERAL OPERATING	(46,284,055)	(45,368,463)
SEWER OPERATING	(6,928,185)	(7,042,421)
WATER OPERATING	(6,882,841)	(7,496,207)
<b>1 - Revenue Total</b>	<b>(63,298,505)</b>	<b>(63,064,437)</b>
<b>2 - Expense</b>		
AIRPORT OPERATING	3,203,424	3,157,346
GENERAL OPERATING	46,284,055	45,723,903
SEWER OPERATING	6,928,185	7,042,421
WATER OPERATING	6,882,841	7,496,207
<b>2 - Expense Total</b>	<b>63,298,505</b>	<b>63,419,877</b>
<b>Grand Total</b>	<b>-</b>	<b>355,440</b>

### Revenue

Revenue is budgeted based upon trend analysis from prior years and estimates based on analysis of projected activity. Main sources of revenue for the City include taxation and fees and charges. The budgets key assumption is that user fees will grow by an estimated 0.5%. Water and sewer rates are also increasing 10% and 6% respectively until 2017 per the User Fee and Charges bylaw, with no known increase after 2017.



## Expenses

The base operating budget provides annual funding to ongoing City services. There has been an increased demand on service levels while the City has maintained base zero increases in the departmental operating budgets, excluding the contractual increases mainly related to collective agreements and other significant contracts such as Transit, RCMP and Solid Waste.

No new or altered services were to be included and any increases were confined to:

- Wage and benefit,
- Contractual,
- Utility,
- Changes imposed on the City through legislation,
- Obligations that the City does not have every year (such as collective agreement negotiations and the municipal election that occurs every four years).

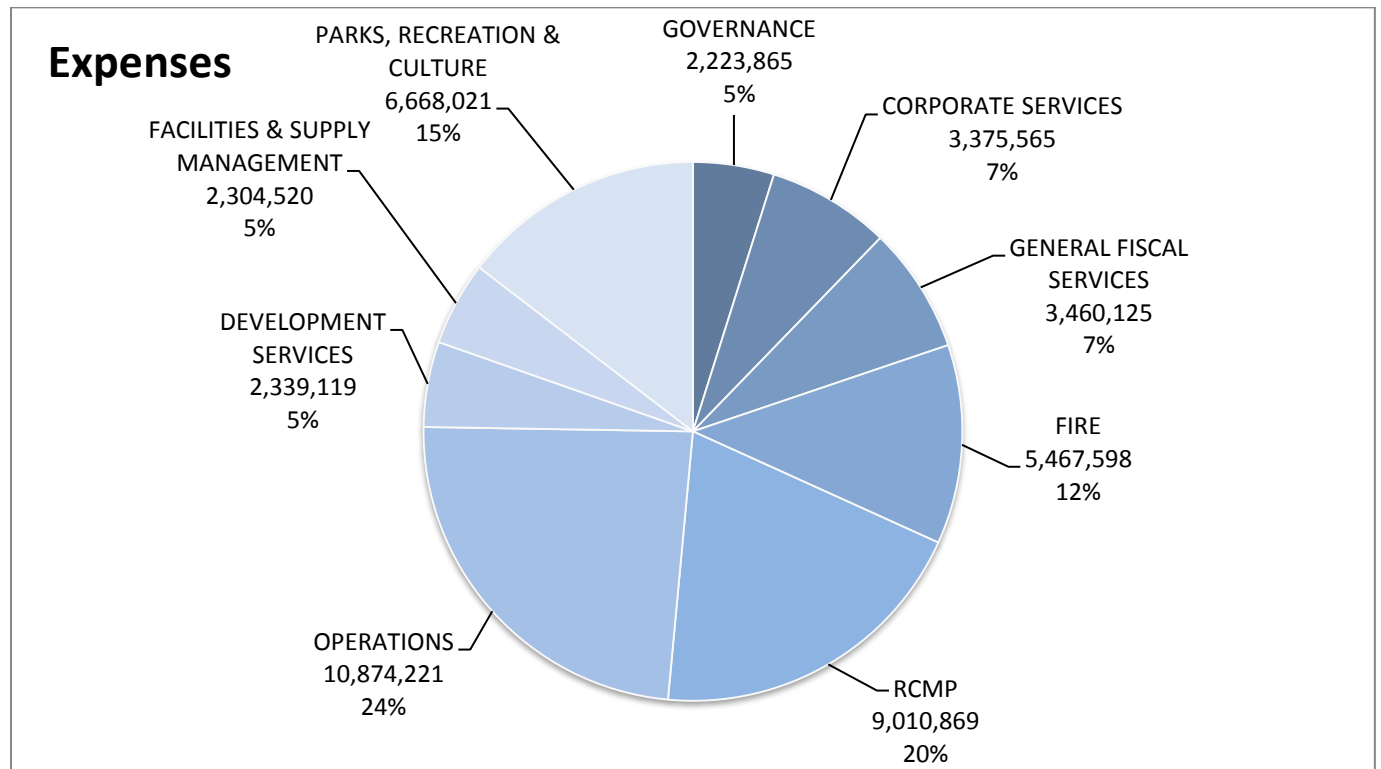
The City has maintained the significant demand to increase service levels with our growing community with the following FTE counts:

	2013 FTE	2014 FTE	2015 FTE	Projected 2016 FTE
Total	207.1	208.2	211.5	214.98

The FTE count has been relatively stable since 2011 which is very positive given the growth and change our community has gone through, as well as the increased initiatives and demand for services. Changes for staffing levels in 2016 are for service level change requests relating to:

- 0.57 FTE for police information check services
- 0.4 FTE for major crime services
- 0.51 FTE for video analysis services
- 2 FTEs utility services

Detailed variance descriptions are identified below for each segment.



The 2016 Council Budget Survey identified that Council would like the same or more information on the base operating budget; therefore, staff have provided departmental budgets at the function level, accompanied by a detailed narrative of the service levels and activities performed by the departments. These items serve to provide Council a more comprehensive picture of the services provided by the City.

Division	2015	2016	Variance
Governance	\$ 2,017,832	\$ 2,092,515	\$ 74,683
RCMP	8,296,567	8,343,524	46,957
Fire	3,820,576	3,858,909	38,333
Corporate Services	2,950,517	3,199,605	249,088
General Fiscal Services	(33,489,387)	(33,758,332)	(268,945)
Facilities & Supply Management	2,033,190	1,914,921	(118,269)
Operations	7,482,675	7,570,808	88,133
Parks, Recreation & Culture	5,518,719	5,766,171	247,452
Development Services	1,369,311	1,367,319	(1,992)
<b>Overall Variance (Net Increase)</b>			<b>\$355,440</b>

## Department Budget by Function

### GOVERNANCE SEGMENT

*Includes the following departments: City Manager, Mayor & Council, Legislative Services, Risk Management, Bylaw Enforcement and Animal Control.*

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>GOVERNANCE SEGMENT</b>	<b>2,017,832</b>	<b>2,092,515</b>	<b>74,683</b>	
<b>1 - Revenue</b>				
<b>Fees &amp; Charges</b>	(100,636)	(113,850)	(13,214)	13.13%
<b>Investment Income</b>	(18,108)	(15,000)	3,108	-17.16%
<b>Other Revenue</b>	(5,000)	(2,500)	2,500	-50.00%
<b>1 - Revenue Total</b>	<b>(123,744)</b>	<b>(131,350)</b>	<b>(7,606)</b>	<b>6.15%</b>
<b>2 - Expense</b>				
<b>Amortization Expense</b>	5,200	5,000	(200)	-3.85%
<b>Contracted Services</b>	240,250	238,425	(1,825)	-0.76%
<b>Insurance</b>	135,180	144,790	9,610	7.11%
<b>Other Operating Expenses</b>	607,376	604,608	(2,768)	-0.46%
<b>Utilities</b>	59,850	59,610	(240)	-0.40%

<b>Wages &amp; Benefits</b>	1,093,720	1,171,432	77,712	7.11%
<b>2 - Expense Total</b>	<b>2,141,576</b>	<b>2,223,865</b>	<b>82,289</b>	<b>3.84%</b>

<b>2016 Variance Description</b>	<b>Amount</b>
Increase to license fees and alarm/parking fine revenue	\$ (13,214)
Net decrease to MIA insurance dividends and bylaw enforcement remedial action recoveries	5,608
Increase for wages & benefits	77,712
Increase to public liability and building insurance	9,610
Net decrease for amortization, utilities and other operating expenses	(5,033)
<b>Overall Divisional Variance - net increase</b>	<b>\$ 74,683</b>

### Department 101 – City Manager

The City Manager assists Council in establishing its strategic direction for the City, promotes Council teambuilding, and acts as the liaison for the Mayor. The City Manager provides recommendations to Council that reflects relevant facts, options and professional opinion pertaining to issues considered by Council. The City Manager's Office takes the lead role in managing the implementation of policy direction, which has been established by Council. It provides managerial leadership, control and direction to all City departments and operations. The department is responsible for planning and implementing policies necessary for sustaining excellence in City operations and staffing.

	<b>2015 Budget</b>	<b>2016 Budget</b>	<b>Variance (\$)</b>	<b>Variance (%)</b>
<b>101 - CITY MANAGER</b>				
<b>2 - Expense</b>				
<b>111395 - CITY MANAGER</b>	277,205	407,409	130,204	46.97%
<b>2 - Expense Total</b>	277,205	407,409	130,204	46.97%
<b>101 - CITY MANAGER Total</b>	<b>277,205</b>	<b>407,409</b>	<b>130,204</b>	<b>46.97%</b>

### Department 310 – Mayor & Council

Encompasses Council's budget which includes statutory notification requirements, webcasting council meetings, travel and conferences, training and development and memberships to various external organizations, such as FCM, UBCM and AVICC. This department also includes Council's contingency budget which allows expenditures for additional initiatives.

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>310 - MAYOR &amp; COUNCIL</b>				
<b>2 - Expense</b>				
<b>101725 - COUNCIL REPRESENTATION</b>	67,900	67,900	-	0.00%
<b>101755 - COUNCILLORS</b>	200,211	172,870	(27,341)	-13.66%
<b>104500 - MAYOR</b>	79,983	79,521	(462)	-0.58%
<b>111680 - CONTINGENCY</b>	150,000	150,000	-	0.00%
<b>111690 - COMMUNITY LAND DEV</b>	100,000	100,000	-	0.00%
<b>2 - Expense Total</b>	598,094	570,291	(27,803)	-4.65%
<b>310 - MAYOR &amp; COUNCIL Total</b>	<b>598,094</b>	<b>570,291</b>	<b>(27,803)</b>	<b>-4.65%</b>

#### Department 311 – Legislative Services

Oversees City Hall Reception, Risk/Claims Management, Bylaw Enforcement, Animal Control, and acts as the communication hub between Council, its advisory bodies, staff and the public. Legislative Services staff are responsible for the preparation, maintenance and execution of agendas and minutes, bylaws, contracts, policies and procedures, corporate records management and access to information. Staff provides support for an average of 35 Council and Committee of the Whole meetings and 34 Council commission and committee meetings annually, including the Advisory Planning & Environment Commission, Community Services, Recreation & Culture Commission, Community Partnership Commission, Public Safety Sub-Committee and School Board/City Joint Liaison Committee.

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>311 - LEGISLATIVE SERVICES</b>				
<b>2 - Expense</b>				
<b>111365 - CLERK</b>	244,439	245,181	742	0.30%
<b>114150 - LEGAL</b>	52,000	67,000	15,000	28.85%
<b>150130 - ADMIN SUPPORT CITY HALL</b>	317,182	247,635	(69,547)	-21.93%
<b>151440 - CIVIC OFFICES SHARED SER</b>	69,300	68,700	(600)	-0.87%
<b>163065 - ELECTIONS</b>	200	215	15	7.50%
<b>2 - Expense Total</b>	683,121	628,731	(54,390)	-7.96%
<b>311 - LEGISLATIVE SERVICES Total</b>	<b>683,121</b>	<b>628,731</b>	<b>(54,390)</b>	<b>-7.96%</b>

#### Department 316 – Risk Management

Coordinates the City's response to all property and liability claims by utilizing City staff, private adjusters, legal counsel and the City's insurers. Provides advice to all City departments on insurance requirements and agreement wording. Responsible to develop and implement policies and procedures aimed at reducing exposure to the City. The City averages approximately 25-30 claims per year.

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>316 - RISK MANAGEMENT</b>				
<b>1 - Revenue</b>				
415670 – LIABILITY INSURANCE	(18,108 )	(15,000)	3,108	-17.16%
<b>1 - Revenue Total</b>	<b>(18,108)</b>	<b>(15,000)</b>	<b>3,108</b>	<b>-17.16%</b>
<b>2 - Expense</b>				
155670 - PUBLIC LIABILITY INSURANCE	202,380	227,813	25,433	12.57%
<b>2 - Expense Total</b>	<b>202,380</b>	<b>227,813</b>	<b>25,433</b>	<b>12.57%</b>
<b>316 - RISK MANAGEMENT Total</b>	<b>184,272</b>	<b>212,813</b>	<b>28,541</b>	<b>15.49%</b>

#### Department 327 – Bylaw Enforcement

The Bylaw Enforcement Department is responsible for the investigation and enforcement of a number of regulatory bylaws. Enforcement of bylaws is complaint generated, with the exception of infractions regarding health or safety issues. The goal of Bylaw Enforcement is to gain compliance with City regulatory bylaw requirements using the following means: inform, educate, and as a last resort, enforce. The bylaw enforcement department averages approximately 500 new files per year and administers the City's downtown parking enforcement contract with Robbins Parking.

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>327 - BYLAW ENFORCEMENT</b>				
<b>1 - Revenue</b>				
220910 - BYLAW ENFORCEMENT	(14,000)	(25,600)	(11,600)	82.86%
220930 - BYLAW REMEDIAL ACTION	(5,000)	(2,500)	2,500	-50.00%
<b>1 - Revenue Total</b>	<b>(19,000)</b>	<b>(28,100)</b>	<b>(9,100)</b>	<b>47.89%</b>
<b>2 - Expense</b>				
270910 - BYLAW ENFORCEMENT	188,367	190,150	1,783	0.95%
270930 - BYLAW REMEDIAL ACTION	5,000	5,000	-	0.00%
<b>2 - Expense Total</b>	<b>193,367</b>	<b>195,150</b>	<b>1,783</b>	<b>0.92%</b>
<b>327 - BYLAW ENFORCEMENT Total</b>	<b>174,367</b>	<b>167,050</b>	<b>(7,317)</b>	<b>-4.20%</b>



### Department 328 – Animal Control

Responsible for the administration of the City's animal control and pound services contract with Coastal Animal Control Services of BC. Deals with inquiries, concerns and complaints include barking and noisy dogs, dogs running at large, unleashed dogs, impounded dogs, vicious or dangerous dogs, deceased animals on City roads. In 2014, 2,200 dog licenses were processed.

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>328 - ANIMAL CONTROL</b>				
<b>1 - Revenue</b>				
220430 - ANIMAL CONTROL	(86,636)	(88,250)	(1,614)	1.86%
<b>1 - Revenue Total</b>	<b>(86,636)</b>	<b>(88,250)</b>	<b>(1,614)</b>	<b>1.86%</b>
<b>2 - Expense</b>				
280430 - ANIMAL CONTROL	175,101	182,363	7,262	4.15%
280439 - ANIMAL COST RECOVERY	7,108	7,108	-	0.00%
289100 - ANIMAL SHELTER TCA	5,200	5,000	(200)	-3.85%
<b>2 - Expense Total</b>	<b>187,409</b>	<b>194,471</b>	<b>7,062</b>	<b>3.77%</b>
<b>328 - ANIMAL CONTROL Total</b>	<b>100,773</b>	<b>106,221</b>	<b>5,448</b>	<b>5.41%</b>

### RCMP SEGMENT

*Includes the following departments: RCMP, Police Protection and Victim Services.*

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>RCMP SEGMENT</b>	<b>8,296,567</b>	<b>8,343,524</b>	<b>46,957</b>	
<b>1 - Revenue</b>				
Fees & Charges	(62,656)	(62,056)	600	-0.96%
Other Revenue	(568,734)	(580,789)	(12,055)	2.12%
Sales of Goods & Services	(26,500)	(24,500)	2,000	-7.55%
<b>1 - Revenue Total</b>	<b>(657,890)</b>	<b>(667,345)</b>	<b>(9,455)</b>	<b>1.44%</b>
<b>2 - Expense</b>				
Amortization Expense	212,000	207,000	(5,000)	-2.36%
Contracted Services	6,683,753	7,073,972	390,219	5.84%
Insurance	11,600	13,503	1,903	16.41%

<b>Other Operating Expenses</b>	115,675	113,075	(2,600)	-2.25%
<b>Utilities</b>	55,650	54,165	(1,485)	-2.67%
<b>Wages &amp; Benefits</b>	1,875,779	1,549,154	(326,625)	-17.41%
<b>2 - Expense Total</b>	<b>8,954,457</b>	<b>9,010,869</b>	<b>56,412</b>	<b>0.63%</b>

<b>2016 Variance Description</b>	<b>Amount</b>
Net increase to police protection revenues	\$ (9,455)
Net decrease to MIA insurance, utilities and other operating expenses	(2,182)
Net decrease for wages & benefits due to guard changes	(326,625)
Increase to contracted services for Commissionaires contract	390,219
Decrease to amortization expense	(5,000)
<b>Overall Divisional Variance - net increase</b>	<b>\$ 46,957</b>

### Department 320 – RCMP

The City contracts the RCMP for police protection services through a Municipal Police Unit Agreement with the Province. The RCMP, through policing initiatives, address crimes related to substance abuse, property and traffic law enforcement, as well as crime reduction strategies. The City pays 90% of policing costs and the federal government funds the other 10%.

	<b>2015 Budget</b>	<b>2016 Budget</b>	<b>Variance (\$)</b>	<b>Variance (%)</b>
<b>320 - RCMP</b>				
<b>1 - Revenue</b>				
<b>323621 - SCIF</b>	(303,512)	(308,549)	(5,037)	1.66%
<b>1 - Revenue Total</b>	<b>(303,512)</b>	<b>(308,549)</b>	<b>(5,037)</b>	<b>1.66%</b>
<b>2 - Expense</b>				
<b>215285 - POLICE PROTECTION</b>	6,665,603	6,665,603	-	0.00%
<b>2 - Expense Total</b>	<b>6,665,603</b>	<b>6,665,603</b>	<b>-</b>	<b>0.00%</b>
<b>320 - RCMP Total</b>	<b>6,362,091</b>	<b>6,357,054</b>	<b>(5,037)</b>	<b>-0.08%</b>

### Department 321 – Police Protection

As required by the Municipal Police Unit Agreement, the Police Services Department provides services to the RCMP, supporting their administrative and operational needs to provide effective police services to the citizens of Campbell River at 100% of the cost. Administrative support services include court liaison, records, exhibits, typing, and quality assurance as required for provincial and federal statistical reporting.

As at October 31, 2015, approximately 1,380 police statements have been transcribed by staff in 2015 for a total of approximately 1,600 hours of typing.

The department also provides and maintains jail and lock-up facilities for the care and keeping of municipal, provincial, and federal prisoners, inclusive of custodial services, as well as supports the RCMP's overall custodial and building maintenance needs. In 2014, the jail processed 1,955 prisoners: 86.5% municipal, 13.2% provincial, and .3% federal. As at June 2015, the jail processed 1,012 prisoners: 86.4% municipal, 13.5% provincial, and 0.1% federal. The City recovers approximately \$6.94 per hour of remand from the Province for provincial prisoners processed in its jail facility.

Quality customer service is provided to the citizens of Campbell River and community partners in relation to general inquiries, Police Information Checks, requests for information, and other general administrative services, as well as police support programs such as Restorative Justice and Crime Stoppers. The department processes an average of 1,760 Police Information Checks annually: 35% paid and 65% volunteer.

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>321 - POLICE PROTECTION</b>				
<b>1 - Revenue</b>				
225285 - POLICE PROTECTION	(294,822)	(299,240)	(4,418)	1.50%
<b>1 - Revenue Total</b>	<b>(294,822)</b>	<b>(299,240)</b>	<b>(4,418)</b>	<b>1.50%</b>
<b>2 - Expense</b>				
210115 - POLICE PROTECTION	1,186,169	1,277,764	91,595	7.72%
<b>ADMIN</b>				
211605 - COMMUNITY POLICING	104,214	104,680	466	0.45%
215296 - POLICE BUILDING	278,037	246,311	(31,726)	-11.41%
<b>OPERATIONS</b>				
215345 - PRISONER DETENTION &	409,538	408,869	(669)	-0.16%
<b>CUST</b>				
219100 - POLICE PROTECTION TCA	212,000	207,000	(5,000)	-2.36%
<b>2 - Expense Total</b>	<b>2,189,958</b>	<b>2,244,624</b>	<b>54,666</b>	<b>2.50%</b>
<b>321 - POLICE PROTECTION Total</b>	<b>1,895,136</b>	<b>1,945,384</b>	<b>50,248</b>	<b>2.65%</b>

### Department 356 – Victim Services

The City partners with the Ministry of Justice for joint funding to provide a Victim Services Program to the community. The Victim Services personnel provide crisis intervention, and immediate follow-up assistance to victims and witnesses of crime and trauma in accordance with the service deliverables established from time to time by the Minister of Justice and Attorney General.

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
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<b>356 - VICTIM SERVICES</b>				
<b>1 - Revenue</b>				
258205 - CONTRACT FEES	(59,556)	(59,556)	-	0.00%
<b>1 - Revenue Total</b>	<b>(59,556)</b>	<b>(59,556)</b>	<b>-</b>	<b>0.00%</b>
<b>2 - Expense</b>				
568205 - VICTIMS SERVICES	98,896	100,642	1,746	1.77%
<b>2 - Expense Total</b>	<b>98,896</b>	<b>100,642</b>	<b>1,746</b>	<b>1.77%</b>
<b>356 - VICTIM SERVICES Total</b>	<b>39,340</b>	<b>41,086</b>	<b>1,746</b>	<b>4.44%</b>

## FIRE SEGMENT

*Includes the following departments: Fire Protection and E-911.*

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>FIRE SEGMENT</b>	<b>3,820,576</b>	<b>3,858,909</b>	<b>38,333</b>	
<b>1 - Revenue</b>				
Fees & Charges	(1,521,651)	(1,592,309)	(70,658)	4.64%
Other Revenue	(16,568)	(16,380)	188	-1.13%
<b>1 - Revenue Total</b>	<b>(1,538,219)</b>	<b>(1,608,689)</b>	<b>(70,470)</b>	<b>4.58%</b>
<b>2 - Expense</b>				
Amortization Expense	162,000	150,000	(12,000)	-7.41%
Contracted Services	233,300	233,550	250	0.11%
Insurance	36,514	41,816	5,302	14.52%
Other Operating Expenses	497,569	505,892	8,323	1.67%
Utilities	17,990	18,050	60	0.33%
Wages & Benefits	4,411,422	4,518,290	106,868	2.42%
<b>2 - Expense Total</b>	<b>5,358,795</b>	<b>5,467,598</b>	<b>108,803</b>	<b>2.03%</b>

Description	Amount
Net increase to fire protection revenues for shared services contracts	\$ (70,658)
Net increase to auxiliary training per regulation	8,323
Increase for wages & benefits	106,868
Net increase for utilities, ICBC/MIA insurance and miscellaneous expenses	5,800
Decrease to amortization expense	(12,000)
<b>Overall Divisional Variance - net increase</b>	<b>\$ 38,333</b>

## Department 322 – Fire Protection

Campbell River Fire Department delivers quality efficient services that promote a safe and vibrant community. These services are delivered to the citizens of Campbell River, including three First Nation communities and the area of the Strathcona Regional District south of Campbell River to Oyster Bay.

### Services provided:

- Fire Suppression, Emergency Management, Vehicle Extrication, Hazardous Material Response, Environmental Protection, Pre-Hospital Emergency Medical Care, Confined Space Rescue, Technical High Angle Rope Rescue, Structural Collapse Rescue and Shore-based Swift Water Rescue.
- Fire Inspections & Code Enforcement.
- Public Fire & Life Safety Education.
- Enforcement of Fire Services Bylaw 2612, Clean Air Bylaw 3293, and Fireworks Regulation Bylaw 3297.
- After hours call taking & callout of City Operations Division.
- Fire Protection Services are maintained 24 hours a day and are currently handled by 20 Career Firefighters, 1 Fire Prevention Officer.

### Achievements:

- We estimate for 2015 the department will have responded to 2,900 incidents for an increase of 13% over 2014.
- To date, the City has saved \$1,806,000 of property value at risk in 2015.
- For 2013, the most recent data available, the avoided cost of insurance due to our fire services was \$5,195,656. This extrapolates to a cost benefit of \$1.52 for every \$1.00 spent on fire protection, or a savings of \$164 per person for our community.
- On target to complete 929 of 1397 inspections in 2015.
- Attended 51 Public Education events in 2015 with outreach to 1,286 citizens.
- Received over \$500,000 in revenue for contracted provision of fire services to First Nations and Strathcona Regional District.

### Focus areas for 2016 are:

- A fire services plan that addresses service levels to the citizens of Campbell River.
- Auxiliary firefighter training & compensation.
- Fleet mechanical services.

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>322 - FIRE PROTECTION</b>				
<b>1 - Revenue</b>				
<b>223285 - FIRE PROTECTION</b>	(445,188)	(519,680)	(74,492)	16.73%
<b>1 - Revenue Total</b>	<b>(445,188)</b>	<b>(519,680)</b>	<b>(74,492)</b>	<b>16.73%</b>
<b>2 - Expense</b>				
<b>220115 - FIRE PROTECTION ADMIN</b>	456,354	468,025	11,671	2.56%

<b>221515 - FIRE COM &amp; DISPATCH</b>	178,414	180,654	2,240	1.26%
<b>223215 - FIRE TRAINING FACILITY</b>	3,840	3,600	(240)	-6.25%
<b>223285 - FIRE PROTECT &amp; SUPPRESS</b>	2,687,873	2,781,725	93,852	3.49%
<b>223295 - FIRE FIGHTING EQUIPMENT</b>	84,000	84,000	-	0.00%
<b>223315 - FIRE TECHNICAL SERVICES</b>	188,213	203,462	15,249	8.10%
<b>223375 - FIRE FLEET &amp; EQUIPMENT</b>	186,624	190,764	4,140	2.22%
<b>223975 - FIRE INVEST &amp; PREVENTION</b>	146,023	143,936	(2,087)	-1.43%
<b>229100 - FIRE PROTECTION TCA</b>	162,000	150,000	(12,000)	-7.41%
<b>229990 - FIRE PROTECT W&amp;B ALLOC</b>	192,423	192,423	-	0.00%
<b>2 - Expense Total</b>	<b>4,285,764</b>	<b>4,398,589</b>	<b>112,825</b>	<b>2.63%</b>
<b>322 - FIRE PROTECTION Total</b>	<b>3,840,576</b>	<b>3,878,909</b>	<b>38,333</b>	<b>1.00%</b>

### Department 323 – E-911 Fire Dispatch

Campbell River Fire Department continues to deliver effective and highly regarded fire dispatch services to communities throughout the North Island and Powell River region. The City is engaged in a contract with the North Island 9-1-1 Corporation (NI 911) to provide this service to six regional governments and has done so since 1995.

#### Services provided:

- The delivery of "Full Service" Fire Dispatch operations to 50 Fire departments through a cost sharing agreement with the North Island 911 Corporation.
- Fire Dispatch operations are maintained 24 hours a day and are delivered by 10 Dispatch staff managed by a deputy fire chief.

#### Achievements:

- The dispatch of estimated 9,500 emergency incidents for NI 911 Fire Departments for an increase of 5% over 2014 dispatched incidents.
- Continued compliance with National Fire Protection Association (NFPA) Standard 1221 - Standard for the Installation, Maintenance, and Use of Emergency Services Communications Systems, as well as, NFPA Standard 1061 - Professional Qualifications for Public Safety Telecommunications Personnel.

#### Focus areas for 2016 are:

- Increased fiscal efficiency using existing staffing model.
- Increase the number of fire departments within current service delivery area.
- Expanded service delivery area.

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>323 - E-911</b>				
<b>1 - Revenue</b>				
222500 - E-911	(1,093,031)	(1,089,009)	4,022	-0.37%
<b>1 - Revenue Total</b>	<b>(1,093,031)</b>	<b>(1,089,009)</b>	<b>4,022</b>	<b>-0.37%</b>
<b>2 - Expense</b>				
230115 - E911 ADMINISTRATION	138,266	139,657	1,391	1.01%
231515 - E911 COM & DISPATCH	917,000	908,687	(8,313)	-0.91%
233315 - E911 FIRE TECH	17,765	20,665	2,900	16.32%
<b>SERVICES</b>				
<b>2 - Expense Total</b>	<b>1,073,031</b>	<b>1,069,009</b>	<b>(4,022)</b>	<b>-0.37%</b>
<b>323 - E-911 Total</b>	<b>(20,000)</b>	<b>(20,000)</b>	<b>-</b>	<b>0.00%</b>

#### CORPORATE SERVICES SEGMENT

*Includes the following departments: Communications, Human Resources, Finance, Information Technology and GM Corporate Services.*

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>CORPORATE SERVICES SEGMENT</b>	<b>2,950,517</b>	<b>3,199,605</b>	<b>249,088</b>	
<b>1 - Revenue</b>				
Fees & Charges	(156,500)	(154,570)	1,930	-1.23%
Other Revenue	(26,660)	(21,390)	5,270	-19.77%
<b>1 - Revenue Total</b>	<b>(183,160)</b>	<b>(175,960)</b>	<b>7,200</b>	<b>-3.93%</b>
<b>2 - Expense</b>				
Contracted Services	160,200	172,500	12,300	7.68%
Other Operating Expenses	465,253	609,965	144,712	31.10%
Utilities	47,456	32,951	(14,505)	-30.57%
Wages & Benefits	2,460,768	2,560,149	99,381	4.04%
<b>2 - Expense Total</b>	<b>3,133,677</b>	<b>3,375,565</b>	<b>241,888</b>	<b>7.72%</b>

2016 Variance Description	Amount
Net decrease to admin fees and recoverable IT work orders	\$ 7,200
Increase for community survey (approved 2013 SLCR)	8,000
Increase to legal fees for human resources	74,000



Increase in human resources for union contract negotiations, survey, and disability management	24,500
Increase for printing of tax notices, bank charges, PAWs advertising and postage	13,507
Increase in IT software licenses and network support	37,000
Decrease for IT telecommunications	(14,500)
Increase in wages & benefits	99,381
<b>Overall Divisional Variance - net increase</b>	<b>\$ 249,088</b>

### Department 111 – Communications

The Communications department is responsible for corporate communications initiatives, including news releases, website and social media postings, advertising, citizen surveys and branding, and ensures that information is distributed to employees and community members to promote positive working relationships. Working with other City departments, Communications helps research, plan and develop materials to provide clear, consistent and complete information about City programs, events and initiatives, as well as the local government decision-making process. Our goal: to share information with Campbell River citizens – and to encourage valuable feedback that helps improve City services.

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>111 - COMMUNICATIONS</b>				
<b>2 - Expense</b>				
<b>111514 - COMMUNICATIONS</b>	134,859	150,405	15,546	11.53%
<b>2 - Expense Total</b>	134,859	150,405	15,546	11.53%
<b>111 - COMMUNICATIONS Total</b>	<b>134,859</b>	<b>150,405</b>	<b>15,546</b>	<b>11.53%</b>

### Department 114 – Human Resources

The Human Resources department provides professional services in order to attract, retain, support, and develop City employees so that they can serve the public in a way that earns the trust, respect and confidence of our community. Key Human Resource services include workforce planning; recruitment and retention; labour and employee relations; compensation and benefits administration; health and safety; ability management; learning and development; policy development; records management; and organizational relationships.

Over the past 5 years the City has experienced 45% staff turnover and welcomed over 100 new faces to our team. The City currently employs 224 people in permanent positions with 69% represented by CUPE and 14% by the IAFF. In addition, there are approximately 100 support/seasonal CUPE staff working in auxiliary roles throughout the year. The diverse staffing needs in a local government setting adds complexity to the recruitment process, particularly with competitive markets for specialized positions.

In 2016 the Human Resources team will continue to focus on the strategic needs of the organization in order to create a resilient and responsive workforce to deliver on the priorities of Council and the community.

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>114 - HUMAN RESOURCES</b>				
<b>2 - Expense</b>				
140115 - HUMAN RESOURCES	418,143	452,718	34,575	8.27%
143085 - EMPLOYEE PROGRAMS	53,000	53,000	-	0.00%
146430 - SAFETY	6,500	6,500	-	0.00%
148110 - UNION NEGOTIATIONS	19,500	103,500	84,000	430.77%
<b>2 - Expense Total</b>	<b>497,143</b>	<b>615,718</b>	<b>118,575</b>	<b>23.85%</b>
<b>114 - HUMAN RESOURCES Total</b>	<b>497,143</b>	<b>615,718</b>	<b>118,575</b>	<b>23.85%</b>

#### Department 212 – Finance

The Finance department delivers services to both the public and all 50 City departments. The department oversees a \$63 million annual operating budget and the annual capital budget (2015 - \$27 million for 106 capital projects). A key function of the department is regular financial reporting which aides in decision making and managing the City's finances according to budget; financial reporting generated from the departments includes monthly reporting to management, quarterly reporting to Council, and annual reporting to statutory authorities. Annual reporting includes preparing the audited financial statements and the Ministry required LGDE and SOFI filings. The department currently manages 22 grant files for funds received from external organizations, as well as the internal reserve and investment funds. Tangible Capital Asset ledger maintenance is under the responsibility of finance as well as the management of external debt financing.

The department manages payroll for 3 pay groups: Exempt, CUPE and IAFF. Payroll and benefit administration totals \$20 million annually. The City is the tax collector for many other governments such as the Regional District, School and Hospital resulting in taxes collected of \$63 million annually for which 15,000 tax notices are prepared. The department administers the provincial tax deferral program and provincial Home Owner Grant (HOG) programs. Customers served at the finance front counter average 150-200 per week, and up to 1,500-2,000 per week during tax time in May and June. 2,000 utility bills for metered customers are prepared, processed and delivered annually. The City issues and collects approximately 250 general receivable invoices annually, and processes approximately 10,000 accounts payable annually.

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>212 - FINANCE</b>				
<b>2 - Expense</b>				
123185 - EXTERNAL AUDIT	57,500	50,300	(7,200)	-12.52%

<b>123255 - FINANCE</b>	1,168,771	1,233,513	64,742	5.54%
<b>ADMINISTRATION</b>				
<b>2 - Expense Total</b>	1,226,271	1,283,813	57,542	4.69%
<b>212 - FINANCE Total</b>	<b>1,226,271</b>	<b>1,283,813</b>	<b>57,542</b>	<b>4.69%</b>

### Department 213 Information Technology

The Information Technology department delivers the following services to the City and taxpayers:

- Provides strategic planning and coordination for all City of Campbell River technology initiatives;
- Supports all network operational services to allow electronic internal and external communication;
- Supports all operational business applications to meet City's business requirements.
- Implements new technology to improve efficiency and cost-reduction;
- Supports City websites and Geographical Information Systems;
- Technical support for Royal Canadian Mounted Police – Campbell River detachment;
- Supports cost sharing agreement with the SRD.

The Information Technology department has seen a significant increase in support requirements between 2009 and 2015. Tangible statistics are detailed below:

- Helpdesk support requests: 2009 - 1826, 2015 - 4224
- Workstations: 2009 - 286, 2015 - 401
- Peripheral devices: 2009 - 143, 2015 - 581

	<b>2015 Budget</b>	<b>2016 Budget</b>	<b>Variance (\$)</b>	<b>Variance (%)</b>
<b>213 - INFORMATION TECHNOLOGY</b>				
<b>1 - Revenue</b>				
<b>213900 - ADMIN FEES-IT</b>	(176,260)	(174,330)	1,930	-1.09%
<b>215900 - RECOVERABLE WORK</b>	(6,900)	(1,630)	5,270	-76.38%
<b>ORDERS</b>				
<b>1 - Revenue Total</b>	<b>(183,160)</b>	<b>(175,960)</b>	<b>7,200</b>	<b>-3.93%</b>
<b>2 - Expense</b>				
<b>130115 - INFORMATION SERVICES</b>	428,815	431,790	2,975	0.69%
<b>ADMIN</b>				
<b>130820 - BUSINESS APPLICATIONS</b>	8,000	8,500	500	6.25%
<b>133560 - GIS SUPPORT</b>	168,514	173,574	5,060	3.00%
<b>134700 - NETWORK SUPPORT</b>	486,992	517,436	30,444	6.25%
<b>135900 - RECOVERABLE WORK</b>	900	660	(240)	-26.67%
<b>ORDERS</b>				
<b>2 - Expense Total</b>	<b>1,093,221</b>	<b>1,131,960</b>	<b>38,739</b>	<b>3.54%</b>

<b>213 - INFORMATION TECHNOLOGY Total</b>	<b>910,061</b>	<b>956,000</b>	<b>45,939</b>	<b>5.05%</b>
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### Department 300 – GM Corporate Services

Oversight of the Corporate Services division and member of the senior management team.

	<b>2015 Budget</b>	<b>2016 Budget</b>	<b>Variance (\$)</b>	<b>Variance (%)</b>
<b>300 - GM CORPORATE SERVICES</b>				
<b>2 - Expense</b>				
<b>113500 - GM CORPORATE SERVICES</b>	182,183	193,669	11,486	6.30%
<b>2 - Expense Total</b>	<b>182,183</b>	<b>193,669</b>	<b>11,486</b>	<b>6.30%</b>

### GENERAL FISCAL SERVICES SEGMENT

*Includes the following departments: Reserves, Fiscal Services, Taxation and Corporate Services.*

	<b>2015 Budget</b>	<b>2016 Budget</b>	<b>Variance (\$)</b>	<b>Variance (%)</b>
<b>GENERAL FISCAL SERVICES SEGMENT</b>	<b>(33,489,387)</b>	<b>(33,758,332)</b>	<b>(268,945)</b>	
<b>1 - Revenue</b>				
<b>Fees &amp; Charges</b>	(973,000)	(1,015,000)	(42,000)	4.32%
<b>Investment Income</b>	(135,000)	(130,000)	5,000	-3.70%
<b>Other Revenue</b>	(641,800)	(849,300)	(207,500)	32.33%
<b>Tax Revenue</b>	(28,223,627)	(28,829,933)	(606,306)	2.15%
<b>Transfers from own funds</b>	(8,294,196)	(6,394,224)	1,899,972	-22.91%
<b>1 - Revenue Total</b>	<b>(38,267,623)</b>	<b>(37,218,457)</b>	<b>1,049,166</b>	<b>-2.74%</b>
<b>2 - Expense</b>				
<b>Contracted Services</b>	40,000	45,000	5,000	12.50%
<b>Debt Servicing</b>	1,038,001	766,900	(271,101)	-26.12%
<b>Other Operating Expenses</b>	(474,535)	(448,376)	26,159	-5.51%
<b>Transfers from own funds</b>	4,074,770	3,041,601	(1,033,169)	-25.36%
<b>Wages &amp; Benefits</b>	100,000	55,000	(45,000)	-45.00%
<b>2 - Expense Total</b>	<b>4,778,236</b>	<b>3,460,125</b>	<b>(1,318,111)</b>	<b>-27.59%</b>

<b>2016 Variance Description</b>	<b>Amount</b>
Net increase to investment income and CRIB contract	\$ (35,000)
Decrease in transfer from Facility reserve to fund SLCRs	106,000

Increase for repayment of Robron Artificial Turf	(200,000)
Net decrease for transfer to capital lending reserve	550,000
Net increase in property taxes, PILTS, PPT and BIA	(585,000)
Decrease for employee sick reserve transfer	(150,000)
Increase for allocation to capital reserves	320,000
Decrease for wage adjustment allocations	(45,000)
Decrease to operating contingency	(79,000)
Increase to transfer rental income to Parkland Aq.	37,000
Net reduction in debt servicing	(271,000)
Net increase grants in aid budget	41,000
Increase transfer to Airport Fund to balance deficit	46,000
Decrease to various other reserve transfers	(3,945)
<b>Overall Divisional Variance (net decrease)</b>	<b>\$ (268,945)</b>

#### Department 218 – Reserves

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>218 - RESERVES</b>				
<b>1 - Revenue</b>				
906110 - MMBC	(124,000)	(34,674)	89,326	-72.04%
907961 - FACILITY	(106,284)	-	106,284	-100.00%
907962 - FLEET	(200,000)	(200,000)	-	0.00%
907963 - FD REPAY	(3,784)	-	3,784	-100.00%
<b>FLEET</b>				
908023 - PARKS PRCL	(110,550)	(205,550)	(95,000)	85.93%
<b>TAX</b>				
908025 - STORM PRCL	(25,000)	-	25,000	-100.00%
<b>TAX</b>				
908051 - CEMETERY	(5,600)	(5,600)	-	0.00%
917930 - GAMING REV	(659,913)	(555,000)	104,913	-15.90%
<b>1 - Revenue Total</b>	<b>(1,235,131)</b>	<b>(1,000,824)</b>	<b>234,307</b>	<b>-18.97%</b>
<b>2 - Expense</b>				
097971 - GENERAL	-	15,000	15,000	
<b>FUTURE</b>				
227962 – EQUIPMENT	3,784	-	(3,784)	-100.00%
902002 - CARBON	40,000	40,000	-	0.00%
<b>OFFSETS</b>				

906110 - MMBC	124,000	-	(124,000)	-100.00%
907900 - CAPITAL	332,765	220,000	(112,765)	-33.89%
<b>WORKS</b>				
907901 - CAPITAL	1,405,550	359,085	(1,046,465	-74.45%
<b>LENDING</b>			)	
907961 - FACILITIES	190,000	190,000	-	0.00%
907962 - FLEET EQUIP	400,000	400,000	-	0.00%
907963 - EQUIP	3,784	-	(3,784)	-100.00%
<b>POOLFLEET</b>				
907964 - IT RESERVE	51,000	51,000	-	0.00%
907966 - LEISURE	15,000	15,000	-	0.00%
<b>EQPT</b>				
907967 - ISHIKARI	5,000	5,000	-	0.00%
<b>RESERVE</b>				
908023 - PARKS	495,500	511,200	15,700	3.17%
<b>PARCEL</b>				
908025 - STORM	159,900	163,000	3,100	1.94%
<b>DRAIN</b>				
917920 - EMPLOYEE	150,000	-	(150,000)	-100.00%
<b>SICK</b>				
917930 - CAPITAL	600,000	650,000	50,000	8.33%
<b>GAMING</b>				
917950 - INSURANCE	-	35,600	35,600	-
917951 - CAPITAL	-	320,000	320,000	-
<b>ALLOC</b>				
2 - Expense Total	3,976,283	2,974,885	(1,001,398	-25.18%
			)	
218 - RESERVES Total	2,741,152	1,974,061	(767,091)	-27.98%

#### Department 219 – Fiscal Services

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>219 - FISCAL SERVICES</b>				
<b>1 - Revenue</b>				
907901 - ACC SURPLUS GEN OP	(1,687,400)	-	1,687,400	-100.00%
999998 - TRSF FROM EQUITY TCA	(5,371,665)	(5,393,400)	(21,735)	0.40%
<b>1 - Revenue Total</b>	<b>(7,059,065)</b>	<b>(5,393,400)</b>	<b>1,665,665</b>	<b>-23.60%</b>
<b>2 - Expense</b>				
098003 - AIRPORT OPERATING	20,509	66,716	46,207	225.30%
999999 - ACCUMULATED	77,978	-	(77,978)	-100.00%
<b>SURPLUS</b>				
<b>2 - Expense Total</b>	<b>98,487</b>	<b>66,716</b>	<b>(31,771)</b>	<b>-32.26%</b>

<b>219 - FISCAL SERVICES Total</b>	<b>(6,960,578)</b>	<b>(5,326,684)</b>	<b>1,633,894</b>	<b>-23.47%</b>
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**Department 230 – Taxation**

	<b>2015 Budget</b>	<b>2016 Budget</b>	<b>Variance (\$)</b>	<b>Variance (%)</b>
<b>230 - TAXATION</b>				
<b>1 - Revenue</b>				
<b>017500 - TAX LEVY-GENERAL</b>	(26,186,563)	(26,791,433)	(604,870)	2.31%
<b>PURPOSES</b>			)	
<b>017530 - TAX LEVY-1% UTILITY</b>	(478,900)	(482,700)	(3,800)	0.79%
<b>REVENUE</b>				
<b>034345 - LOCAL SERVICE TAXES</b>	(23,500)	(19,800)	3,700	-15.74%
<b>034870 - PARCEL TAXES-STORM</b>	(159,900)	(163,000)	(3,100)	1.94%
<b>DRAIN</b>				
<b>064285 - LOCAL SERVICE TAXES-BIA</b>	(61,500)	(65,400)	(3,900)	6.34%
<b>074850 - PARCEL TAXES-PARKS</b>	(495,500)	(511,200)	(15,700)	3.17%
<b>115080 - PAYMENTS IN LIEU-</b>	(31,500)	(33,700)	(2,200)	6.98%
<b>FEDERAL</b>				
<b>115095 - PAYMENTS IN LIEU-</b>	(486,264)	(487,700)	(1,436)	0.30%
<b>PROVINCIAL</b>				
<b>1 - Revenue Total</b>	<b>(27,923,627)</b>	<b>(28,554,933)</b>	<b>(631,306)</b>	<b>2.26%</b>
			)	
<b>2 - Expense</b>				
<b>193750 - HEART OF THE CITY BIA</b>	41,790	44,715	2,925	7.00%
<b>198800 - WILLOW POINT BIA</b>	19,710	20,651	941	4.77%
<b>2 - Expense Total</b>	<b>61,500</b>	<b>65,366</b>	<b>3,866</b>	<b>6.29%</b>
<b>230 - TAXATION Total</b>	<b>(27,862,127)</b>	<b>(28,489,567)</b>	<b>(627,440)</b>	<b>2.25%</b>
			)	

**Department 231 – Corporate Services**

	<b>2015 Budget</b>	<b>2016 Budget</b>	<b>Variance (\$)</b>	<b>Variance (%)</b>
<b>1 - Revenue</b>				
<b>210940 - CR INDIAN BAND</b>	(895,000)	(940,000)	(45,000)	5.03%
<b>CONTRACT</b>				
<b>213255 – ADMIN FEES-FINANCE</b>	(79,800)	(76,800)	3,000	-3.76%
<b>213500 - ADMINISTRATION FEES</b>	(40,000)	(25,000)	15,000	-37.50%
<b>213505 – ADMIN FEES-CITY MERCH</b>	-	(2,500)	(2,500)	
<b>313620 - PROVINCIAL GRANTS</b>	(600,000)	(650,000)	(50,000)	8.33%
<b>414000 - INVESTMENTS</b>	(105,000)	(100,000)	5,000	-4.76%
<b>417600 - TAXES-CURRENT</b>	(300,000)	(275,000)	25,000	-8.33%
<b>PENALTIES</b>				



<b>417630 - TAXES-ARREARS</b>	(30,000)	(30,000)	-	0.00%
<b>417631 – FORTIS FRANCHISE FEES</b>	-	(55,000)	(55,000)	-
<b>735375 - COMMUNITY WORKS</b>	-	(115,000)	(115,000)	-
<b>FUNDS</b>				
<b>1 - Revenue Total</b>	<b>(2,049,800)</b>	<b>(2,269,300)</b>	<b>(219,500)</b>	<b>10.71%</b>
<b>2 - Expense</b>				
<b>193350 - FISCAL SERVICES</b>	3,000	-	(3,000)	-100.00%
<b>193510 - GRANTS IN AID</b>	603,749	629,043	25,294	4.19%
<b>193650 - CORPORATE SERVICES</b>	80,000	85,000	5,000	6.25%
<b>197540 - TAX PREPAYMENTS</b>	6,000	-	(6,000)	-100.00%
<b>199985 - COST ALLOC RECOVERIES</b>	(1,182,784)	(1,182,785)	(1)	0.00%
<b>917960 - GENERAL FUTURE</b>	100,000	55,000	(45,000)	-45.00%
<b>OPERATING</b>				
<b>2 - Expense Total</b>	<b>(390,035)</b>	<b>(413,742)</b>	<b>(23,707)</b>	<b>6.08%</b>
<b>231 - CORPORATE SERVICES Total</b>	<b>(2,439,835)</b>	<b>(2,683,042)</b>	<b>(243,207)</b>	<b>9.97%</b>

#### FACILITIES & SUPPLY MANAGEMENT SEGMENT

*Includes the following departments: GM Facilities & Supply Management, Supply Management, Property Management, Fleet, Capital Works, Stores and Facilities.*

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>FACILITIES &amp; SUPPLY MGMT SEGMENT</b>	2,033,190	1,914,921	(118,269)	
<b>1 - Revenue</b>				
<b>Other Revenue</b>	(334,534)	(389,599)	(55,065)	16.46%
<b>1 - Revenue Total</b>	<b>(334,534)</b>	<b>(389,599)</b>	<b>(55,065)</b>	<b>16.46%</b>
<b>2 - Expense</b>				
<b>Amortization Expense</b>	456,515	419,000	(37,515)	-8.22%
<b>Contracted Services</b>	814,317	854,976	40,659	4.99%
<b>Insurance</b>	100,473	112,011	11,538	11.48%
<b>Other Operating Expenses</b>	(519,212)	(676,140)	(156,928)	30.22%
<b>Utilities</b>	163,392	174,491	11,099	6.79%
<b>Wages &amp; Benefits</b>	1,352,239	1,420,182	67,943	5.02%
<b>2 - Expense Total</b>	<b>2,367,724</b>	<b>2,304,520</b>	<b>(63,204)</b>	<b>-2.67%</b>

2016 Variance Description	Amount

Increase to property rental income	\$ (55,000)
Increase to wages & benefits	67,943
Net increase to utilities & building insurance	22,637
Increase for GPS on fleet	24,000
Increase to various facility contracted services	16,000
Decrease for one-time SLCRs and Carry Forwards	(91,000)
Increase to fleet recovery costs	(54,000)
Net decrease to supplies, postage and various other operating expenses	(13,334)
Decrease to amortization expense	(37,515)
<b>Overall Divisional Variance (net decrease)</b>	<b>\$ (118,269)</b>

#### Department 400 – GM Facilities & Supply Management

Oversight of the Facilities & Supply Management division and member of the senior management team.

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>400 - GM FACILITIES &amp; SUPPLY MANAGEMENT</b>				
<b>2 - Expense</b>				
<b>153500 - GM FACILITIES &amp; SUPPLY MGMT</b>	175,905	188,226	12,321	7.00%
<b>2 - Expense Total</b>	175,905	188,226	12,321	7.00%
<b>400 - GM FACILITIES &amp; SUPPLY MGMT Total</b>	<b>175,905</b>	<b>188,226</b>	<b>12,321</b>	<b>7.00%</b>

#### Department 445 – Supply Management

Supply Management is an essential professional service to ensure best value is found and that purchasing decisions are made without bias or favour while managing the disposal of surplus equipment in an ethical and cost-effective manner. By maintaining a strict purchasing policy and following domestic and international trade agreements this ensures that purchases are accountable, and maintains high standards for goods and services that are procured using public funds thus ensuring the best possible value.

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>445 - SUPPLY MANAGEMENT</b>				
<b>2 - Expense</b>				

<b>155850 - PURCHASING OPS</b>	136,762	137,675	913	0.67%
<b>2 - Expense Total</b>	136,762	137,675	913	0.67%
<b>445 - SUPPLY MANAGEMENT Total</b>	<b>136,762</b>	<b>137,675</b>	<b>913</b>	<b>0.67%</b>

### Department 446 – Property Management

The Property Services department is responsible for the management of real estate assets and civic properties, including road closures, leases, purchase and sale negotiations, rights-of-way, and acquisition of and disposal of real estate, issues arising from occupants of City-owned property, and manages all property issues that arise from City capital projects. Each Land Disposition involves:

- Extensive historical research;
- Consultation with legal counsel;
- Consultation with staff and local stakeholders;
- Consideration of the Community Charter effects and constraints;
- Consideration of the Land Titles Act effects and constraints;
- Consideration of Council Policies and Procedures effects and constraints;
- Council Reports;
- Purchase and Sale, or Land Transfer Agreements standard clauses and conditions precedent;
- Follow-up with legal counsel, staff, stakeholders, Purchaser / Vendor / Agent.

	<b>2015 Budget</b>	<b>2016 Budget</b>	<b>Variance (\$)</b>	<b>Variance (%)</b>
<b>446 - PROPERTY MANAGEMENT</b>				
<b>1 - Revenue</b>				
<b>211425 - ENTERPRISE CENTRE LEASE</b>	(16,387)	(16,387)	-	0.00%
<b>213500 - ADMINISTRATION FEES</b>	(10,050)	(10,050)	-	0.00%
<b>228065 - TYEE SPIT LEASES</b>	(119,366)	(119,366)	-	0.00%
<b>266210 - RENTAL HOUSING</b>	(21,600)	(74,400)	(52,800)	244.44%
<b>271575 - COMMUNITY CENTRE</b>	(14,894)	(14,896)	(2)	0.01%
<b>271895 - DISCOVERY PIER</b>	(16,675)	(15,500)	1,175	-7.05%
<b>273500 - LIBRARY</b>	(135,562)	(139,000)	(3,438)	2.54%
<b>1 - Revenue Total</b>	<b>(334,534)</b>	<b>(389,599)</b>	<b>(55,065)</b>	<b>16.46%</b>
<b>2 - Expense</b>				
<b>155210 - PROPERTIES ADMIN</b>	261,949	269,132	7,183	2.74%
<b>2 - Expense Total</b>	<b>261,949</b>	<b>269,132</b>	<b>7,183</b>	<b>2.74%</b>
<b>446 - PROPERTY MANAGEMENT Total</b>	<b>(72,585)</b>	<b>(120,467)</b>	<b>(47,882)</b>	<b>65.97%</b>

### Department 447 – Fleet

The Fleet department ensures that City fleet vehicle assets are operated and maintained in a safe, efficient, cost-effective and sustainable manner.

The City's fleet consists of approximately 127 pieces of rolling stock (General Fleet–89, Airport–22, Fire Department–16), as well as approximately 100 additional pieces of auxiliary equipment, small engines, pumps, tow-behind equipment and small tools with a total replacement value of approximately \$15 million. The department also services and maintains the City's various back-up power systems for the Utilities and Facilities departments. The department continually explores options to green and seek efficiencies within the fleet. The City currently operates two electric vehicles and 6 hybrids while the number of vehicles/equipment in the general equipment pool has actually decreased by two (91 to 89) since 2006.

The department's primary focus for 2016 will be to continue efforts to centralize management of the City's three distinct (General, Fire, Airport) vehicle and equipment fleets.

	<b>2015 Budget</b>	<b>2016 Budget</b>	<b>Variance (\$)</b>	<b>Variance (%)</b>
<b>447 - FLEET</b>				
<b>2 - Expense</b>				
<b>153323 - ROADS SERVICE FLEET</b>	13,108	13,633	525	4.01%
<b>153376 - FLEET &amp; EQUIPMENT OPS</b>	834,537	869,014	34,477	4.13%
<b>153390 - FLEET COST ALLOCATION</b>	(1,144,500)	(1,196,400)	(51,900)	4.53%
<b>306930 - COMMON SVCS</b>	11,387	11,378	(9)	-0.08%
<b>SMTOOLS</b>				
<b>319100 - FLEET TCA</b>	152,875	138,000	(14,875)	-9.73%
<b>2 - Expense Total</b>	<b>(132,593)</b>	<b>(164,375)</b>	<b>(31,782)</b>	<b>23.97%</b>
<b>447 - FLEET Total</b>	<b>(132,593)</b>	<b>(164,375)</b>	<b>(31,782)</b>	<b>23.97%</b>

### Department 448 – Capital Works

The Capital Works Department focuses on the consistent delivery of all of the major capital projects approved for construction in the City's Long Range Capital Plan.

Services provided by the department align with the phases of major project delivery, evolving from a support role early on in the project life cycle to the lead role when the project goes into design and construction, followed by support during the maintenance period. The department work effort peaks during the design/construction process to ensure all necessary support and controls are in place and that the project is delivered in accordance with its objectives and constraints.

Since completion of the first major projects in 2011, which included the most recent Highway 19A upgrades and Airport Runway and Terminal Building expansions, the department has successfully

completed 23 major capital projects with cumulative total value of work delivered exceeding \$41.5 million. Projects range in nature from municipal infrastructure renewals to unique initiatives such as the Sybil Andrews Cottage restoration and also include community partner projects such as the splash park and lacrosse box. To date all projects have been delivered on or ahead of schedule and on or under budget with total cumulative savings of approximately \$2.0M equalling a combined project budget under run of approximately 4.5%.

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>448 - CAPITAL WORKS</b>				
<b>2 - Expense</b>				
<b>151110 - CAPITAL WORKS MGMT</b>	148,238	166,599	18,361	12.39%
<b>2 - Expense Total</b>	148,238	166,599	18,361	12.39%
<b>448 - CAPITAL WORKS Total</b>	<b>148,238</b>	<b>166,599</b>	<b>18,361</b>	<b>12.39%</b>

#### Department 449 – Stores

The City's Stores operation stocks approximately 1600 SKU's (stock keeping units) at a value of \$250,000, providing goods, materials and services to many City departments. This department is responsible for managing the City's internal parts and materials inventory which are critical to the City's operations, particularly in the stocking of repair clamps, pipes, and fittings that are used in emergency repair and which are not readily available locally. The function allows the City to save costs through bulk purchasing as well as saving departmental staff time by having a centralized and focused buyer.

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>449 - STORES</b>				
<b>2 - Expense</b>				
<b>157050 - STORES</b>	87,429	90,795	3,366	3.85%
<b>159985 - COST ALLOCATION</b>	(32,795)	(32,795)	-	0.00%
<b>2 - Expense Total</b>	54,634	58,000	3,366	6.16%
<b>449 - STORES Total</b>	<b>54,634</b>	<b>58,000</b>	<b>3,366</b>	<b>6.16%</b>

#### Department 450 – Facilities

The Facilities department ensures that all staffed/public use City facilities are operated and maintained in a safe, efficient, cost-effective and sustainable manner while considering the long-term lifespan of the asset. The department manages a portfolio of 30+ mixed use office, recreational, operational, cultural and residential structures with a total replacement value of approximately \$80 million totaling approximately 300,000 sq. ft. The department also works closely to manage relationships and support external (non-profit) tenants in City owned facilities.

Major City owned buildings include:

- City Hall and the Enterprise Centre
- Dogwood Operations Centre
- Fire Halls No. 1 & 2
- RCMP Building
- Animal Control Building
- Heritage Buildings including Sybil Andrews Cottage, Haig Brown House, the Big House Pavilion and others.
- Centennial Building (Art Gallery, Visitor Info Centre)
- Community Centre , Sportsplex and Centennial Pool
- Discovery Pier and the Maritime Heritage Centre
- Cultural buildings including the Tidemark Theatre, Museum and Library

This department also manages Station 1 dispatch at the Dogwood Operations Centre, which acts as the City's primary operations reporting line handling approximately 6500 public calls per year and 4500 requests for service.

The department's focus for 2016 will be on major condition renewals as well as the beginning steps towards a robust facilities asset management program.

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>450 - FACILITIES</b>				
<b>2 - Expense</b>				
<b>151426 - CIVIC OFFICES OPERATIONS</b>	162,510	171,141	8,631	5.31%
<b>151428 - CIVIC OFFICES R&amp;M</b>	81,294	90,227	8,933	10.99%
<b>153210 - FACILITIES ADMINISTRATION</b>	209,131	171,968	(37,163)	-17.77%
<b>153216 - SOCIAL FACILITIES</b>	7,500	5,000	(2,500)	-33.33%
<b>156470 - DWNTWN SECURITY PATROL</b>	48,000	48,000	-	0.00%
<b>158068 - TYEE SPIT LEASED REPAIRS</b>	7,121	7,094	(27)	-0.38%
<b>159100 - GEN GOVT TCA</b>	303,640	281,000	(22,640)	-7.46%
<b>215297 - POLICE BUILDING GROUNDS</b>	8,130	8,951	821	10.10%
<b>215298 - POLICE BUILDING REPAIRS</b>	119,160	50,864	(68,296)	-57.31%
<b>223216 - FIRE FACILITIES OPERATIONS</b>	61,664	63,715	2,051	3.33%
<b>223218 - FIRE FACILITIES R&amp;M</b>	41,399	45,231	3,832	9.26%
<b>280436 - ANIMAL SHELTER</b>	8,050	8,836	786	9.76%
<b>OPERATIONS</b>				
<b>280438 - ANIMAL SHELTER REPAIRS</b>	12,119	14,593	2,474	20.41%
<b>303216 - COMMON SVCS FACILITIES</b>	78,652	80,287	1,635	2.08%
<b>OPS</b>				

303217 - COMMON SVCS FAC	6,193	5,644	(549)	-8.86%
<b>GROUPS</b>				
303218 - COMMON SVCS FAC REPAIRS	68,889	53,186	(15,703)	-22.79%
626210 - RENTAL HOUSING	22,719	31,531	8,812	38.79%
741308 - CENTENNIAL POOL REPAIRS	26,684	34,104	7,420	27.81%
741578 - COMMUNITY CENTRE	32,740	33,214	474	1.45%
<b>REPAIRS</b>				
741896 - DISCOVERY PIER OPERATIONS	11,412	12,282	870	7.62%
741898 - DISCOVERY PIER REPAIRS	45,119	18,093	(27,026)	-59.90%
746978 - SPORTSPLEX REPAIRS &	43,533	48,008	4,475	10.28%
<b>MAINT</b>				
781276 - CENTENNIAL BUILDING (VIC)	7,468	8,357	889	11.90%
781278 - CENTENNIAL BUILDING	13,059	6,546	(6,513)	-49.87%
<b>REPAIR</b>				
781796 - CULTURAL BUILDINGS-OTHER	125	387	262	209.60%
781798 - CULTURAL BUILDINGS-	15,000	15,000	-	0.00%
<b>REPAIRS</b>				
783736 - HAIG BROWN HOUSE OPS	28,250	12,250	(16,000)	-56.64%
784176 - LIBRARY BUILDING	4,358	4,668	310	7.11%
784178 - LIBRARY BUILDING REPAIRS	26,060	52,547	26,487	101.64%
784436 - MARITIME HERITAGE CENTRE	13,024	10,823	(2,201)	-16.90%
784438 - MHC BUILDING R&M	18,758	17,545	(1,213)	-6.47%
784666 - MUSEUM BUILDING OPS	119,200	120,093	893	0.75%
784668 - MUSEUM BUILDING REPAIRS	29,057	57,044	27,987	96.32%
787686 - TIDEMARK THEATRE OPS	8,748	9,486	738	8.44%
787688 - TIDEMARK THEATRE REPAIRS	34,063	51,548	17,485	51.33%
2 - Expense Total	<b>1,722,829</b>	<b>1,649,263</b>	<b>(73,566)</b>	<b>-4.27%</b>
450 - FACILITIES Total	<b>1,722,829</b>	<b>1,649,263</b>	<b>(73,566)</b>	<b>-4.27%</b>

## OPERATIONS SEGMENT

*Includes the following departments: General Manager of Operations, Transportation, Roads, Public Transit, Storm Drains and Solid Waste.*

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>OPERATIONS SEGMENT</b>	7,482,675	7,570,808	88,133	
1 - Revenue				



<b>Fees &amp; Charges</b>	(2,766,711)	(2,786,913)	(20,202)	0.73%
<b>Investment Income</b>	(1,000)	(1,000)	-	0.00%
<b>Other Revenue</b>	(481,400)	(485,500)	(4,100)	0.85%
<b>Sales of Goods &amp; Services</b>	(28,000)	(30,000)	(2,000)	7.14%
<b>1 - Revenue Total</b>	<b>(3,277,111)</b>	<b>(3,303,413)</b>	<b>(26,302)</b>	<b>0.80%</b>
<b>2 - Expense</b>				
<b>Amortization Expense</b>	3,344,510	3,386,000	41,490	1.24%
<b>Contracted Services</b>	4,062,839	4,044,876	(17,963)	-0.44%
<b>Insurance</b>	500	400	(100)	-20.00%
<b>Other Operating Expenses</b>	876,595	857,777	(18,818)	-2.15%
<b>Utilities</b>	915,600	979,306	63,706	6.96%
<b>Wages &amp; Benefits</b>	1,559,742	1,605,862	46,120	2.96%
<b>2 - Expense Total</b>	<b>10,759,786</b>	<b>10,874,221</b>	<b>114,435</b>	<b>1.06%</b>

<b>2016 Variance Description</b>	<b>Amount</b>
Increase for solid waste collection revenue	\$ (15,000)
Increase for Transit fees, garbage tags and other revenue	(11,000)
Increase to yard waste, garbage and recycling contract	20,000
Decrease for one-time storm drains SLCR and CFwd	(52,000)
Net decrease to catch basin cleaning and brushing contracted services	(25,477)
Increase to wages & benefits	46,120
Net increase to various operating expenses	9,000
Increase to solid waste tipping fees	45,000
Increase to utilities (electricity)	17,000
Increase to amortization expense	41,490
<b>Overall Divisional Variance - net increase</b>	<b>\$ 88,133</b>

### Department 500 – General Manager of Operations

Oversight of the Operations division, member of the senior management team and Deputy City Manager.

	<b>2015 Budget</b>	<b>2016 Budget</b>	<b>Variance (\$)</b>	<b>Variance (%)</b>
<b>500 - GM OPERATIONS</b>				
<b>2 - Expense</b>				
<b>303500 - GM OPERATIONS</b>	105,417	104,229	(1,188)	-1.13%

<b>2 - Expense Total</b>	105,417	104,229	(1,188)	-1.13%
<b>500 - GM OPERATIONS Total</b>	<b>105,417</b>	<b>104,229</b>	<b>(1,188)</b>	<b>-1.13%</b>

### Department 501 – Transportation

The Transportation Department is responsible for the overall coordination and management of the City's road networks, pedestrian and cycling networks, storm drainage, and the public transit systems.

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>501 - TRANSPORTATION</b>				
<b>2 - Expense</b>				
<b>300115 - TRANSPORTATION</b>	208,286	219,453	11,167	5.36%
<b>2 - Expense Total</b>	208,286	219,453	11,167	5.36%
<b>501 - TRANSPORTATION Total</b>	<b>208,286</b>	<b>219,453</b>	<b>11,167</b>	<b>5.36%</b>

### Department 532 – Roads

The City's Roads Department is responsible for maintenance of the City's roads and transportation networks. This department maintains over 265 km of paved road surfaces, 47 km of sidewalk, 56 km of active cycling lanes, 37 traffic lights, 25 pedestrian crossing lights, 3,600 street lights, 1,200 downtown parking spaces, 5,000 signs, and paints up to 200 km of road markings annually.

Duties include:

- Roads, sidewalks, laneways and cycling network maintenance
- Winter road maintenance
- Street sweeping
- Bridge inspection and maintenance
- Transit stops and shelter maintenance
- Regulatory and informational signage, road markings
- Traffic signals, pedestrian signals and street lighting
- Public parking and parks facilities parking lot maintenance
- Provision of labour and equipment for facilities, parks, sewer and water system repairs/upgrades
- Small scale capital works projects.

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>532 - ROADS</b>				
<b>1 - Revenue</b>				
<b>233500 - GENERAL ADMINISTRATION</b>	(1,000)	(1,000)	-	0.00%

235900 - RECOVERABLE WORK ORDERS	(40,000)	(40,000)	-	0.00%
333640 - TRANSFERS REGIONAL	(50,000)	(50,000)	-	0.00%
<b>DISTRICT</b>				
1 - Revenue Total	<b>(91,000)</b>	<b>(91,000)</b>	-	<b>0.00%</b>
<b>2 - Expense</b>				
306430 - COMMON SVCS SAFETY	57,020	58,083	1,063	1.86%
309100 - WORKSHOPS & YARDS TCA	236,500	208,000	(28,500)	-12.05%
<b>EXP</b>				
320115 - ROADS ADMINISTRATION	669,190	676,738	7,548	1.13%
320120 - FOREMAN OH & ADMIN	26,732	27,791	1,059	3.96%
320125 - ROADS SURFACE MGMT	286,828	290,895	4,067	1.42%
320130 - ROADSIDE MGMT	73,874	76,463	2,589	3.50%
320700 - BRIDGES	40,888	41,661	773	1.89%
320730 - BRUSHING	115,908	98,023	(17,885)	-15.43%
324910 - PARKING LOTS RENEWAL	16,134	27,254	11,120	68.92%
325900 - RECOVERABLE WORK ORDERS	29,175	29,708	533	1.83%
326260 - ROAD MARKING	145,882	147,696	1,814	1.24%
326290 - ROAD SHOULDERING	68,368	70,588	2,220	3.25%
326380 - ROADS-LANES MAINTENANCE	20,572	24,332	3,760	18.28%
326915 - SIDEWALK/CURBS/WALLS	143,733	148,062	4,329	3.01%
<b>REP</b>				
326940 - SNOW CLEARING	110,017	112,980	2,963	2.69%
327230 - STREET CLEANING & SEALING	54,131	56,185	2,054	3.79%
327320 - ROADS STUDIES & PLANNING	20,000	20,000	-	0.00%
329100 - ROADS & SIDEWALKS TCA EXP	2,133,380	2,167,000	33,620	1.58%
344205 - LIGHTING-CITY OWNED	186,190	190,868	4,678	2.51%
344215 - LIGHTING-BC HYDRO LEASED	335,563	348,985	13,422	4.00%
347240 - STREET SIGNS	69,211	71,065	1,854	2.68%
347840 - TRAFFIC SIGNALS	52,881	53,471	590	1.12%
347870 - TRAFFIC SIGNALS-SENS LOOPS	126	131	5	3.97%
349100 - LIGHTING-OVERHEAD TCA EXP	384,830	390,000	5,170	1.34%
365748 - PUBLIC TRANSIT STOP MAINT	24,275	25,689	1,414	5.82%
2 - Expense Total	<b>5,301,408</b>	<b>5,361,668</b>	<b>60,260</b>	<b>1.14%</b>
532 - ROADS Total	<b>5,210,408</b>	<b>5,270,668</b>	<b>60,260</b>	<b>1.16%</b>

Department 536 – Public Transit

Public Transit is provided throughout the City of Campbell River and portions of Electoral Area D of the Strathcona Regional District through partnerships between BC Transit, Watson and Ash Transportation Ltd., the Strathcona Regional District and the City of Campbell River. Service includes both conventional transit service (scheduled routes) and custom service (non-scheduled handi-dart service) for specialized transportation needs. The central transit exchange is located in the downtown core, with seven bus bays on both Cedar Street and 11th Avenue, next to the Community Centre. Inter-regional transit service is also provided to the Comox Valley transit system with connections at the Oyster River.

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>536 - PUBLIC TRANSIT</b>				
<b>1 - Revenue</b>				
235700 - PUBLIC TRANSIT	(875,936)	(878,338)	(2,402)	0.27%
<b>1 - Revenue Total</b>	<b>(875,936)</b>	<b>(878,338)</b>	<b>(2,402)</b>	<b>0.27%</b>
<b>2 - Expense</b>				
360115 - PUBLIC TRANSIT ADMIN	1,555,526	1,556,396	870	0.06%
365790 - PUBLIC TRANSIT-CUST SERV	225,000	225,000	-	0.00%
369100 - TRANSIT SHELTERS TCA	16,800	17,000	200	1.19%
369990 - PUBLIC TRANSIT COST	49,932	49,932	-	0.00%
<b>CHARGES</b>				
<b>2 - Expense Total</b>	<b>1,847,258</b>	<b>1,848,328</b>	<b>1,070</b>	<b>0.06%</b>
<b>536 - PUBLIC TRANSIT Total</b>	<b>971,322</b>	<b>969,990</b>	<b>(1,332)</b>	<b>-0.14%</b>

### Department 539 – Solid Waste

The City's Solid Waste function is managed by the Community Planning & Development Services Department. Services include curbside recycling; yard waste and garbage collection; new initiatives to promote waste diversion and public education. The City's diversion rate from the landfill is currently 54%. Through a contractor, curbside collection services are provided to 10,035 homes. Approximately 3,700 tonnes of garbage, 1,300 tonnes of recycling and 3,200 tonnes of yard waste are collected annually.

Citizens currently receive:

- Weekly garbage and recycling collection
- Yard waste collection (March 1 to November 30)
- Year round yard waste drop off centre
- Information on recycling for large items, appliances and materials not accepted at the curbside (see - [www.campbellriverrecycles.ca](http://www.campbellriverrecycles.ca))
- Waste reduction tips provided in local media, brochures, and via social media.
- Liaison with Regional District Solid Waste Management Service
- Participation in Multi-Material BC recycling incentive program

The City is also working on development of a curbside organics collection program and in 2015 submitted a funding application to the Strategic Priorities Fund for development of a regional scaled Organics Facility at Norm Wood Environmental Centre.

2016 Initiatives include:

- Development of new solid waste contract
- Roll out of requirements for multi-family buildings to provide recycling (in partnership with MMBC recycling incentive program)
- Next steps for Organics Facility Development

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>539 - SOLID WASTE</b>				
<b>1 - Revenue</b>				
243470 - GARBAGE COLLECTION	(1,155,400)	(1,168,600)	(13,200)	1.14%
246110 - RECYCLING COLLECTION	(776,775)	(784,475)	(7,700)	0.99%
246130 - MMBC PROGRAM	(376,000)	(379,000)	(3,000)	0.80%
<b>1 - Revenue Total</b>	<b>(2,308,175)</b>	<b>(2,332,075)</b>	<b>(23,900)</b>	<b>1.04%</b>
<b>2 - Expense</b>				
423470 - GARBAGE COLLECTION	1,188,067	1,239,323	51,256	4.31%
466110 - RECYCLING COLLECTION	397,750	402,750	5,000	1.26%
466130 - MMBC RECYCLING	106,078	106,678	600	0.57%
468900 - YARD WASTE COLLECTION	539,750	541,500	1,750	0.32%
499990 - COST ALLOCATION	76,498	76,498	-	0.00%
<b>2 - Expense Total</b>	<b>2,308,143</b>	<b>2,366,749</b>	<b>58,606</b>	<b>2.54%</b>
<b>539 - SOLID WASTE Total</b>	<b>(32)</b>	<b>34,674</b>	<b>34,706</b>	

### Department 550 – Storm Drains

The City's Storm Drain Department is responsible for maintenance of the City's storm drainage networks. This department is responsible for over 169 km of storm pipe, 35 km of ditches, 3,675 catch basins, 2,510 storm manholes, 12 detention ponds, 1,275 culverts, 3 dissipation chambers, and 54 storm outfalls. Work (maintenance and rehabilitations) in a number of areas is affected by fish habitat.

Duties include:

- Repair and maintenance of storm lines
- Annual maintenance of storm ditches
- Line inspections and flushing of lines
- Cleaning and maintaining storm ponds

- Cleaning and maintaining storm catch basins

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>550 - STORM DRAINS</b>				
<b>1 - Revenue</b>				
237165 - STORM DRAINS	(1,000)	(1,000)	-	0.00%
437165 - STORM DRAINS INTEREST	(1,000)	(1,000)	-	0.00%
<b>1 - Revenue Total</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>-</b>	<b>0.00%</b>
<b>2 - Expense</b>				
330125 - STORM DRAINS ADMIN	77,507	51,724	(25,783)	-33.27%
331160 - CATCH BASINS CLEANING	71,881	60,181	(11,700)	-16.28%
331170 - CATCH BASIN REPAIR	27,117	27,827	710	2.62%
331180 - CULVERTS	37,361	38,534	1,173	3.14%
334375 - STORM DRAINS CLEAN & VIDEO	56,967	29,844	(27,123)	-47.61%
335900 - RECOVERABLE WORK	912	707	(205)	-22.48%
<b>ORDERS</b>				
337070 - STORM DETENTION PONDS	13,479	25,816	12,337	91.53%
337168 - STORM DRAINS REPAIRS	127,550	129,361	1,811	1.42%
337320 - STORM DRAINS STUDIES	3,500	5,800	2,300	65.71%
339100 - DRAINAGE TCA EXP	573,000	604,000	31,000	5.41%
<b>2 - Expense Total</b>	<b>989,274</b>	<b>973,794</b>	<b>(15,480)</b>	<b>-1.56%</b>
<b>550 - STORM DRAINS Total</b>	<b>987,274</b>	<b>971,794</b>	<b>(15,480)</b>	<b>-1.57%</b>

## PARKS, RECREATION & CULTURE SEGMENT

*Includes the following departments: GM Parks, Recreation & Culture, Parks, Recreation & Culture Management, Recreation & Culture and Cemeteries.*

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>PARKS, REC &amp; CULTURE SEGMENT</b>	<b>5,518,719</b>	<b>5,766,171</b>	<b>247,452</b>	
<b>1 - Revenue</b>				
Fees & Charges	(680,200)	(646,550)	33,650	-4.95%
Other Revenue	(177,264)	(187,900)	(10,636)	6.00%
Sales of Goods & Services	(65,800)	(67,400)	(1,600)	2.43%
<b>1 - Revenue Total</b>	<b>(923,264)</b>	<b>(901,850)</b>	<b>21,414</b>	<b>-2.32%</b>
<b>2 - Expense</b>				
Amortization Expense	1,191,440	1,226,400	34,960	2.93%
Contracted Services	585,690	468,260	(117,430)	-20.05%

<b>Insurance</b>	17,130	19,316	2,186	12.76%
<b>Other Operating Expenses</b>	768,792	807,422	38,630	5.02%
<b>Utilities</b>	199,783	209,279	9,496	4.75%
<b>Wages &amp; Benefits</b>	3,679,148	3,937,344	258,196	7.02%
<b>2 - Expense Total</b>	<b>6,441,983</b>	<b>6,668,021</b>	<b>226,038</b>	<b>3.51%</b>

<b>2016 Variance Description</b>	<b>Amount</b>
Decrease to legacy landmark revenue	27,500
Increase to building insurance and utilities	11,682
Increase to amortization expense	34,960
Contracted services for parks and cemeteries moved to in-house labour	(93,100)
Net increase to wages & benefits	258,196
Decrease in recreation programming expenses and for old Class software operating costs	(25,500)
Increase for recreation advertising (includes summer guide)	11,000
2015 approved operating expense increase for Robron	28,000
Net decreases to contracted services	(5,286)
<b>Overall Divisional Variance - net increase</b>	<b>\$ 247,452</b>

#### Department 700 – GM Parks, Recreation & Culture

Oversight of the GM Parks, Recreation & Culture division, member of the senior management team.

	<b>2015 Budget</b>	<b>2016 Budget</b>	<b>Variance (\$)</b>	<b>Variance (%)</b>
<b>700 - GM PARKS, RECREATION &amp; CULTURE</b>				
<b>2 - Expense</b>				
<b>703500 - GM PARKS REC &amp; CULTURE</b>	158,969	173,933	14,964	9.41%
<b>2 - Expense Total</b>	158,969	173,933	14,964	9.41%
<b>700 - GM PARKS, REC &amp; CULTURE Total</b>	<b>158,969</b>	<b>173,933</b>	<b>14,964</b>	<b>9.41%</b>

**Department 720 – Parks and  
Department 752 – Cemeteries**

The Parks department is responsible for the day-to-day management of 337 acres of parks, sports fields, trails, public open spaces, and cemetery operations. Along with the management of the 337 acres, the Parks department is responsible for the following:

- banner program
- decorative lighting
- maintenance of 24 permanent washrooms and oversee the cleaning contract of the washrooms
- maintenance of 209 garbage receptacles and overseeing the contract of their collection
- Parks facilities (splash park, playgrounds, tennis courts, Robron Park, Willow Point Park etc.)
- 2 boat ramps
- 43 km of pedestrian walkways within subdivisions and trails
- sea walk
- marine foreshore restoration program
- burials at the two cemeteries
- legacy landmarks program
- City's Urban Forest which also consists of over 3,000 street trees to date

Within the 337 acres there are 74 active parks and two cemeteries that require a maintenance program in turf, irrigation, horticulture and general appearance. The department also manages the implementation of the Strategic Parks Plan, parks and green space planning, implementation of Parks Parcel Tax projects as approved by City Council, participation and liaison with various community members, users groups and committees regarding matters relating to parks.

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>720 - PARKS</b>				
<b>1 - Revenue</b>				
275040 - PARKS-SPORTSFIELDS	(40,000)	(34,000)	6,000	-15.00%
674120 - LEGACY LANDMARK	(37,500)	(10,000)	27,500	-73.33%
<b>1 - Revenue Total</b>	<b>(77,500)</b>	<b>(44,000)</b>	<b>33,500</b>	<b>-43.23%</b>
<b>2 - Expense</b>				
720115 - PARKS	319,736	359,349	39,613	12.39%
<b>ADMINISTRATION</b>				
720120 - COMMUNITY	139,196	127,515	(11,681)	-8.39%
<b>AMENITIES</b>				
720125 - PARKS FACILITIES	162,147	170,534	8,387	5.17%
720130- GARBAGE COLLECTION	87,584	95,033	7,449	8.50%
720135 - GREEN SPACE	762,314	836,387	74,073	9.72%
720140 - HORTICULTURE	399,112	401,091	1,979	0.50%
720145 - PEDESTRIAN	56,274	33,084	(23,190)	-41.21%
<b>WALKWAYS</b>				
720150 - URBAN FORESTRY	26,013	27,312	1,299	4.99%
720990 - PARKS AMORTIZATION	543,160	584,000	40,840	7.52%
721123 - ROADS SVC PARKS	2,621	2,727	106	4.04%



<b>2 - Expense Total</b>	<b>2,498,157</b>	<b>2,637,032</b>	<b>138,875</b>	<b>5.56%</b>
<b>720 - PARKS Total</b>	<b>2,420,657</b>	<b>2,593,032</b>	<b>172,375</b>	<b>7.12%</b>

	<b>2015 Budget</b>	<b>2016 Budget</b>	<b>Variance (\$)</b>	<b>Variance (%)</b>
<b>752 - CEMETERIES</b>				
<b>1 - Revenue</b>				
<b>251200 - CEMETERY-HWY 19</b>	(2,800)	(2,600)	200	-7.14%
<b>251230 - CEMETERY-HWY 28</b>	(61,764)	(63,200)	(1,436)	2.32%
<b>1 - Revenue Total</b>	<b>(64,564)</b>	<b>(65,800)</b>	<b>(1,236)</b>	<b>1.91%</b>
<b>2 - Expense</b>				
<b>520115 - CEMETERY ADMIN</b>	800	800	-	0.00%
<b>521204 - CEMETERY-HWY 19</b>	2,376	2,399	23	0.97%
<b>BURIAL</b>				
<b>521208 - CEMETERY-HWY 19 R&amp;M</b>	20,663	19,594	(1,069)	-5.17%
<b>521234 - CEMETERY-HWY 28</b>	18,648	19,150	502	2.69%
<b>BURIAL</b>				
<b>521238 - CEMETERY-HWY 28 R&amp;M</b>	20,337	20,839	502	2.47%
<b>529100 - CEMETERY TCA</b>	400	400	-	0.00%
<b>2 - Expense Total</b>	<b>63,224</b>	<b>63,182</b>	<b>(42)</b>	<b>-0.07%</b>
<b>752 - CEMETERIES Total</b>	<b>(1,340)</b>	<b>(2,618)</b>	<b>(1,278)</b>	<b>95.37%</b>

**Department 740 – Recreation & Culture and  
Department 730 – Recreation & Culture Management**

The Recreation and Culture Department is all about people and our mission is; *“To inspire and support our community and individual well-being by working in collaboration to provide diverse recreation and culture opportunities for all ages, stages and abilities”*. These opportunities are provided at the Community Centre (30,020 sq. ft.), the Sportsplex (33,035 sq. ft.), Centennial Outdoor Pool, Spirit Square, and throughout the community. A staff of 75-110 (depending on the season), provide services in the areas of programming, administration and facility services (custodial). In addition to the recreation facilities, the department is also responsible for facility services at City Hall and the Enterprise Centre, which is the addition of 37,600 square feet, one labourer, and 50+ internal clients.

The department operates 7 days/week, 355 days/year and has two front desks open to the public 124 hours/week. Programs, special events and rentals generate more than 250,000 visits/year (700+ visits/day), and almost \$800,000 in revenue. Program staff work with over 50 community partners (i.e.: VIHA, Success by Six, Senior’s Society, BC Housing, etc.) to provide programs and special events throughout the community. Staff also work with committees such as: Campbell River Access Awareness, Youth Advisory, Senior’s Advisory, Canada Day, Community Special Events and Public Art. There are 39 private renters that book regular space in our facilities (i.e.: Tae Kwon Do, Tai Chi, Toastmasters, etc.) and there were 77 large city/community events held in our facilities in the past year (i.e.: Blood Donor Clinics, National Child Day, Fireman’s Ball, Cameron’s Cause, Toy & Craft Sale, etc.). The department also takes

care of city and school district park and field bookings which totaled 1,589 bookings last year. There are currently 1,254 fitness, weight room and court memberships, 770 50+ memberships, and 794 LIFE (A program for people who are financially challenged) memberships, which entitle clients to 52 free drop-in passes and three 50% off programs/year. New this September is a Tots to Teens Pass which offers 10 drop-in visits to many child and youth programs for \$25 (\$2.50/visit) and it is proving popular with 236 passes sold within two months.

Serving all facets of the community is challenging and recent efforts to maintain our relevancy included a large scale public consultation, realignment of program staff positions, the creation of a marketing plan, and the addition of a marketing position. Recent increases in program registration, facility bookings and revenue indicate that our work to provide relevant service delivery to the community is on track.

Challenges for 2016 will include transitioning to new Recreation Management software, completing a comprehensive user fees and charges review, supporting increased facility usage, assessing how to meet changing service priorities for the community (i.e.: the need for more fitness space and programming, the desire for more mid-week rentals and programming at the Sportsplex), and providing enhanced customer service.

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>740 - RECREATION &amp; CULTURE</b>				
<b>1 - Revenue</b>				
270115 - ADMINISTRATION FEES-REC	(9,000)	(11,000)	(2,000)	22.22%
271305 - CENTENNIAL POOL	(33,000)	(39,500)	(6,500)	19.70%
271575 - COMMUNITY CENTRE	(74,000)	(80,500)	(6,500)	8.78%
276010 - REC PROGRAMS-ADULT	(227,000)	(249,450)	(22,450)	9.89%
	)			
276030 - REC PROGRAMS-CHILDREN	(183,000)	(152,000)	31,000	-16.94%
	)			
276050 - REC PROGRAMS-SENIOR	(44,000)	(43,000)	1,000	-2.27%
276060 - REC PROGRAMS-SPECIAL	(16,000)	(20,000)	(4,000)	25.00%
<b>NEEDS</b>				
276080 - RECREATION PROGRAMS-	(101,000)	(97,900)	3,100	-3.07%
<b>TEENS</b>	)			
276975 - SPORTSPLEX	(87,200)	(93,700)	(6,500)	7.45%
373620 - PROV GRANTS-PARKS REC &	(7,000)	(5,000)	2,000	-28.57%
<b>CUL</b>				
<b>1 - Revenue Total</b>	<b>(781,200)</b>	<b>(792,050)</b>	<b>(10,850)</b>	<b>1.39%</b>
	)			
<b>2 - Expense</b>				
724220 - SP SQ MGT & PRGRMING	54,000	54,000	-	0.00%
740115 - RECREATION	1,341,89	1,385,306	43,412	3.24%
<b>ADMINISTRATION</b>	<b>4</b>			

<b>741306 - CENTENNIAL POOL OPERATIONS</b>	152,850	164,133	11,283	7.38%
<b>741576 - COMMUNITY CENTRE OPS</b>	394,848	420,660	25,812	6.54%
<b>741579 - COMMUNITY CENTRE EQP REPAIR</b>	7,500	7,500	-	0.00%
<b>746010 - RECREATION PROGRAMS-ADULT</b>	190,574	206,744	16,170	8.48%
<b>746030 - RECREATION PROGRAMS-CHILD</b>	241,541	224,599	(16,942)	-7.01%
<b>746050 - RECREATION PROGRAMS-SR</b>	34,222	32,406	(1,816)	-5.31%
<b>746060 - RECREATION PROGRAMS-SPECIAL</b>	31,124	37,450	6,326	20.33%
<b>746080 - RECREATION PROGRAMS-TEENS</b>	152,191	131,980	(20,211)	-13.28%
<b>746950 - RECREATION SPECIAL EVENTS</b>	12,192	10,757	(1,435)	-11.77%
<b>746976 - SPORTSPLEX OPERATIONS</b>	302,591	309,417	6,826	2.26%
<b>746979 - SPORTSPLEX EQUIPMENT REPAIRS</b>	10,500	10,500	-	0.00%
<b>747320 - RECREATION STUDIES</b>	5,000	5,000	-	0.00%
<b>749100 - RECREATION ASSETS TCA</b>	412,160	420,000	7,840	1.90%
<b>780970 - CANADA DAY CELEBRATION</b>	12,500	12,500	-	0.00%
<b>789100 - CULTURAL ASSETS TCA</b>	235,720	222,000	(13,720)	-5.82%
<b>730115 - REC &amp; CULTURE MGMT</b>	130,226	138,922	8,696	6.68%
<b>2 - Expense Total</b>	<b>3,721,633</b>	<b>3,793,874</b>	<b>72,241</b>	<b>1.90%</b>
<b>740 - RECREATION &amp; CULTURE Total</b>	<b>2,940,433</b>	<b>3,001,824</b>	<b>61,391</b>	<b>2.05%</b>

### Development Services Segment

*Includes the following departments: Economic Development and Community Planning and Development Services.*

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>DEVELOPMENT SERVICES SEGMENT</b>	1,369,311	1,367,319	(1,992)	
<b>1 - Revenue</b>				
<b>Fees &amp; Charges</b>	(769,800)	(763,300)	6,500	-0.84%
<b>Other Revenue</b>	(186,210)	(198,500)	(12,290)	6.60%
<b>Sales of Goods &amp; Services</b>	(22,500)	(10,000)	12,500	-55.56%
<b>1 - Revenue Total</b>	<b>(978,510)</b>	<b>(971,800)</b>	<b>6,710</b>	<b>-0.69%</b>

<b>2 - Expense</b>				
<b>Contracted Services</b>	721,180	745,680	24,500	3.40%
<b>Other Operating Expenses</b>	226,695	151,605	(75,090)	-33.12%
<b>Utilities</b>	5,200	5,300	100	1.92%
<b>Wages &amp; Benefits</b>	1,394,746	1,436,534	41,788	3.00%
<b>2 - Expense Total</b>	<b>2,347,821</b>	<b>2,339,119</b>	<b>(8,702)</b>	<b>-0.37%</b>

<b>2016 Variance Description</b>	<b>Amount</b>
Increase for building permit fees	\$ (20,000)
Net decrease for subdivision, plumbing, sign, property access and storm drain permit fees	27,220
Decrease for 2015 one-time approved LiDAR and Campbellton SLCR	(51,000)
Increase to wages & benefits	41,788
<b>Overall Divisional Variance (net decrease)</b>	<b>\$ (1,992)</b>

### Department 264 – Economic Development

Economic development and tourism service delivery which is currently being restructured.

	<b>2015 Budget</b>	<b>2016 Budget</b>	<b>Variance (\$)</b>	<b>Variance (%)</b>
<b>264 - ECONOMIC DEVELOPMENT</b>				
<b>2 - Expense</b>				
<b>643005 - ECONOMIC DEVELOPMENT</b>	576,180	576,180	-	0.00%
<b>2 - Expense Total</b>	576,180	576,180	-	0.00%
<b>264 - ECONOMIC DEVELOPMENT Total</b>	<b>576,180</b>	<b>576,180</b>	<b>-</b>	<b>0.00%</b>

### Department 502 – Community Planning & Development Services

The Community Planning & Development Services department provides a single point of service related to uses of private property, development and building projects, environmental services, and the City's sustainability and long range planning initiatives. Services provided include:

- Business Licensing
- Building Permits and Inspections
- Development Servicing

- Current planning —Development Applications (OCP amendment, rezoning, subdivision, development permits, variance permits and ALR applications)
- Long Range Planning
- Climate Action Charter compliance and energy/greenhouse gas reduction planning
- Environmental management, stewardship and protection of natural resources
- Management of solid waste program
- Implementation of the City’s Integrated Community Sustainability Plan

Highlights of our services/initiatives include:

- Supported Front Counter Inquiries:
  - 200 property file requests (monthly)
  - 60 cash transactions (monthly)
  - 350 general counter inquiries (monthly)
  - 700 phone calls (monthly)
- Wrote 105 Council/Commission/Minor Development Permit Reports
- Processed 190 building permits (2015 estimate to year end)
- Performed 1,395 building inspections (2015 estimate to year end)
- Processed 76 development applications (2015 estimate to year end)
- Of interest: the total construction value in the community for 2015 is approx. \$152,111,000.
- Hosted building and development forums
- Bylaw updates/development: Planning Procedures; Building; Environmental Protection; Soil Deposition;
- Special Programs: Woodstove Exchange Program; Downtown Façade Improvement Program; Youth Action Committee; Climate Action Charter Reporting
- Plan Development: Invasive Species Management Plan; Urban Forest Management Plan (supporting Parks);
- Updated Business Licensing software
- Support Council with Downtown Strategic Planning
- Highlights of 2016 initiatives include a review of the City’s OCP/Zoning Bylaw; update to the Sign Bylaw; Business License Review; Downtown Strategic Planning; Energy Retrofit Programs

This department was created from an amalgamation of the Development Services and Sustainability Departments.

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>502 - COMMUNITY PLAN &amp; DEV SVCS</b>				
<b>1 - Revenue</b>				
<b>213500 - ADMIN FEES</b>	(1,000)	(3,000)	(2,000)	200.00%
<b>260790 - BUILDING PERMITS</b>	(380,000)	(400,000)	(20,000)	5.26%

260880 - BUSINESS LICENCES	(280,000)	(280,000)	-	0.00%
261590 - DEVELOPMENT FEES	(134,000)	(94,800)	39,200	-29.25%
261610 - COM LAND DEV FEES	(100,000)	(100,000)	-	0.00%
333601 - TRANSFERS-CWF	(16,510)	-	16,510	-100.00%
333621 - TRANSFERS CARIP	(27,000)	(59,000)	(32,000)	118.52%
343620 - PROV GRANTS-ENVIRO	(40,000)	(10,000)	30,000	-75.00%
643610 - GRANTS- ENVIRO	-	(25,000)	(25,000)	-
<b>1 - Revenue Total</b>	<b>(978,510)</b>	<b>(971,800)</b>	<b>6,710</b>	<b>-0.69%</b>
<b>2 - Expense</b>				
153115 - SUSTAINABILITY ADMIN	462,767	447,233	(15,534)	-3.36%
153120 - SUSTAINABILITY STUDIES	35,000	-	(35,000)	-100.00%
153155 - SUSTAINABILITY PRGMS	105,040	118,165	13,125	12.50%
260760 - BUILDING INSPECTIONS	337,238	346,340	9,102	2.70%
620115 - DEV SERVICES MGMT	266,667	233,435	(33,232)	-12.46%
620116 -DEV SERVICES ADMIN	169,269	192,358	23,089	13.64%
621885 - DEV SERVICING	103,538	118,507	14,969	14.46%
625225 - CURRENT PLANNING	197,477	199,601	2,124	1.08%
625255 - LONG RANGE PLANNING	91,345	104,000	12,655	13.85%
670880 - BUSINESS LICENCES	3,300	3,300	-	0.00%
<b>2 - Expense Total</b>	<b>1,771,641</b>	<b>1,762,939</b>	<b>(8,702)</b>	<b>-0.49%</b>
<b>502 - COMMUNITY PLAN &amp; DEV SVCS Total</b>	<b>793,131</b>	<b>791,139</b>	<b>(1,992)</b>	<b>-0.25%</b>

## AIRPORT SEGMENT

*Includes the following departments: Airport and Airport Fiscal Services.*

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>AIRPORT SEGMENT</b>	-	-	-	
<b>1 - Revenue</b>				
Fees & Charges	(810,500)	(815,500)	(5,000)	0.62%
Other Revenue	(247,730)	(246,130)	1,600	-0.65%
Sales of Goods & Services	(1,045,000)	(1,045,000)	-	0.00%
Transfers from own funds	(1,100,194)	(1,050,716)	49,478	-4.50%
<b>1 - Revenue Total</b>	<b>(3,203,424)</b>	<b>(3,157,346)</b>	<b>46,078</b>	<b>-1.44%</b>
<b>2 - Expense</b>				
Amortization Expense	986,684	984,000	(2,684)	-0.27%
Contracted Services	100,280	100,280	-	0.00%
Insurance	31,300	36,770	5,470	17.48%

<b>Other Operating Expenses</b>	1,212,881	1,136,631	(76,250)	-6.29%
<b>Transfers from own funds</b>	120,000	120,000	-	0.00%
<b>Utilities</b>	64,068	64,068	-	0.00%
<b>Wages &amp; Benefits</b>	688,211	715,597	27,386	3.98%
<b>2 - Expense Total</b>	<b>3,203,424</b>	<b>3,157,346</b>	<b>(46,078)</b>	<b>-1.44%</b>

<b>Description</b>	<b>Amount</b>
Net increase to landing fees and misc. revenues	\$ (3,400)
Increase to electrical, surface structures R&M, and fleet supplies for aging equipment	20,000
Decrease to various operating expenses	(2,663)
Increase to wages & benefits	27,386
Decrease to one-time SLCRs for runway crack sealing, line painting and business opportunity fund	(93,000)
Increase for Aon Insurance	5,470
Increase in transfer from General Operating Fund	46,207
<b>Overall Divisional Variance</b>	<b>\$ 0</b>

### Department 570 – Airport

The Campbell River airport (YBL) operates 24 hours a day, seven days per week. Maintenance staff is on-site from 5:30 a.m. to 11 p.m. daily, responsible for ensuring the airport operates in compliance with Canadian Aviation Regulations. Duties include:

- Runway maintenance
- Snow and ice control
- Aircraft refueling
- Pavement sweeping, painting and edging
- Runway lighting
- Wildlife control
- Field maintenance and mowing
- Ditch maintenance
- Drainage management
- Safety and Security
- Security for commercial apron and airside lands
- Field checks
- Airport Buildings
- Terminal building
- Airport administration and maintenance shops.

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>570 - AIRPORT</b>				
<b>1 - Revenue</b>				
230115 - AIRPORT ADMINISTRATION	(1,300)	(1,300)	-	0.00%
230220 - AIRPORT CONCESSIONS	(127,100)	(126,500)	600	-0.47%
230250 - AIRPORT FUEL SALES	(1,045,000)	(1,045,000)	-	0.00%
230320 - AIRPORT INDUSTRIAL LAND	(138,000)	(138,000)	-	0.00%
230360 - AIRPORT SERVICE FEES	(745,830)	(750,830)	(5,000)	0.67%
230405 - AIRPORT TERMINAL	(46,000)	(45,000)	1,000	-2.17%
<b>BUILDING</b>				
<b>1 - Revenue Total</b>	<b>(2,103,230)</b>	<b>(2,106,630)</b>	<b>(3,400)</b>	<b>0.16%</b>
<b>2 - Expense</b>				
380115 - AIRPORT ADMINISTRATION	238,074	254,072	15,998	6.72%
380145 - AIRPORT AUTHORITY	4,250	4,250	-	0.00%
380250 - AIRPORT FUEL SALES	762,371	783,990	21,619	2.84%
380406 - AIRPORT BUILDINGS	156,068	156,068	-	0.00%
<b>OPERATIONS</b>				
383070 - ELECTRICAL SYSTEMS	90,047	94,100	4,053	4.50%
383375 - AIRPORT FLEET &	140,065	94,264	(45,801)	-32.70%
<b>EQUIPMENT</b>				
384465 - AIRPORT MARKETING	68,500	500	(68,000)	-99.27%
386406 - SURFACE STRUCTURES	375,326	419,146	43,820	11.68%
386408 - SURFACE STRUCTURES	7,000	12,000	5,000	71.43%
<b>REPAIRS</b>				
386940 - SNOW CLEARING	46,362	26,279	(20,083)	-43.32%
389100 - AIRPORT ASSETS AMORT	986,684	984,000	(2,684)	-0.27%
<b>EXP</b>				
389990 - COST ALLOCATION CHARGES	208,677	208,677	-	0.00%
<b>2 - Expense Total</b>	<b>3,083,424</b>	<b>3,037,346</b>	<b>(46,078)</b>	<b>-1.49%</b>
<b>570 - AIRPORT Total</b>	<b>980,194</b>	<b>930,716</b>	<b>(49,478)</b>	<b>-5.05%</b>

#### Department 570 – Airport Fiscal Services

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>579 - AIRPORT FISCAL SERVICES</b>				
<b>1 - Revenue</b>				
907981 - AIRPORT IMPROVEMENT	(93,000)	-	93,000	-100.00%
<b>FEE</b>				
908001 - GENERAL OPERATING	(20,509)	(66,716)	(46,207)	225.30%



999998 - TRSF FROM EQUITY IN TCA	(986,685)	(984,000)	2,685	-0.27%
<b>1 - Revenue Total</b>	<b>(1,100,194</b>	<b>(1,050,716)</b>	<b>49,478</b>	<b>-4.50%</b>
)				
<b>2 - Expense</b>				
907981 - AIRPORT IMPROVEMENT FEE	120,000	120,000	-	0.00%
<b>2 - Expense Total</b>	<b>120,000</b>	<b>120,000</b>	<b>-</b>	<b>0.00%</b>
<b>579 - AIRPORT FISCAL SERVICES Total</b>	<b>(980,194)</b>	<b>(930,716)</b>	<b>49,478</b>	<b>-5.05%</b>

## SEWER SEGMENT

*Includes the following departments: Sewer, Sewer Debt and Sewer Fiscal Services.*

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>SEWER SEGMENT</b>	-	-	-	-
<b>1 - Revenue</b>				
Fees & Charges	(4,879,200)	(5,193,676)	(314,476)	6.45%
Investment Income	(51,300)	(65,000)	(13,700)	26.71%
Other Revenue	(203,000)	(3,000)	200,000	-98.52%
Tax Revenue	(702,000)	(704,745)	(2,745)	0.39%
Transfers from own funds	(1,092,685)	(1,076,000)	16,685	-1.53%
<b>1 - Revenue Total</b>	<b>(6,928,185)</b>	<b>(7,042,421)</b>	<b>(114,236)</b>	<b>1.65%</b>
<b>2 - Expense</b>				
Amortization Expense	967,145	1,076,000	108,855	11.26%
Contracted Services	724,950	699,000	(25,950)	-3.58%
Debt Servicing	90,519	84,519	(6,000)	-6.63%
Insurance	33,909	37,041	3,132	9.24%
Other Operating Expenses	1,014,174	679,527	(334,647)	-33.00%
Transfers from own funds	2,832,962	3,137,486	304,524	10.75%
Utilities	325,700	348,629	22,929	7.04%
Wages & Benefits	938,826	980,219	41,393	4.41%
<b>2 - Expense Total</b>	<b>6,928,185</b>	<b>7,042,421</b>	<b>114,236</b>	<b>1.65%</b>

<b>2016 Variance Description</b>	<b>Amount</b>
Increase to sewer user fees	\$ (314,476)
Net increase to investment interest and other rev.	(16,475)
Increase for utilities and insurance	26,061
Net increase for amortization expense	92,170
Increase to wages & benefits	41,393
Decrease for NWECC upgrades (delayed)	(100,000)
Increase for pump repairs/inspections and 2015 approved op. costs for SCADA and auto-cleaning	60,000
Decrease for approved one-time SLCRs and CFWDs	(109,500)
Increase for 2015 Council approved operating expenses for SCADA and lift station auto cleaning	25,000
Net decrease in debt servicing and other expenses	(8,697)
Increase in transfer to sewer capital funds	304,524
<b>Overall Divisional Variance</b>	<b>\$ 0</b>

### Department 580 – Sewer

The Sewer department is responsible for the collection and treatment of sanitary sewage from properties within the City of Campbell River and from three First Nations communities. The collections system includes more than 260 kilometres of sewer main, 15 sewage pumping stations, 3038 manholes, and 14,209 service connections. The waste is treated at either the Norm Wood Environmental Centre or the Industrial Park Sewage Lagoon before being discharged to the marine environment. Trucked septic waste is also accepted for treatment at the Norm Wood Environmental Centre.

Departmental duties include:

- Operation and maintenance of sewage collection and treatment systems
  - Flushed 52km of sewer main in 2015 (28km in 2014)
  - Inspected 22km of sewer main and 323 manholes in 2015
  - Cut roots in 1,500m of sewer main in 2015
  - 1,200m of sewer mains grouted in 2015
  - Responded to 77 sewer facility alarms (to Nov. 11) in 2015
  - Sampling, testing, and monitoring throughout treatment process
  - Quarterly reporting of effluent quality and quantity to provincial and federal agencies
- Wastewater source control
- Investigating problems in the sewer system (sewage backups, odour, etc.)
  - 290 service requested created in 2015 (to Nov 11) compared to 221 for all of 2014
  - Investigated 43 plugged services in 2015 (to Nov. 11)
- Providing vac truck services to other City departments (450 hours in 2015)

- Input and operational support in the design, construction and commissioning of sewer capital and development projects.
  - Pulled plugs from 40 new services in 2015 (22 in 2014)

In addition to regular operation and maintenance duties, the sewer department will focus on the following areas in 2016:

- Updating the Liquid Waste Management Plan
- Inspection of the Industrial Park Lagoon marine outfall (required every 5 years)
- Receiving Environment Monitoring for the NWECC outfall (required every 3 years)
- Odour Control Study

Operational support for the construction and commissioning of several large capital projects (NWECC Upgrades Phase 2, Lift Station #11 Upgrade).

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>SEWER</b>	-	-	-	-
<b>580 - SEWER</b>				
<b>1 - Revenue</b>				
084860 - PARCEL TAXES	(698,000)	(700,745)	(2,745)	0.39%
280115 - OTHER REVENUE	(203,000)	(3,000)	200,000	-98.52%
288140 - UTILITY USER FEES	(4,883,200)	(5,197,676)	(314,476)	6.44%
484000 - INVESTMENTS	(51,300)	(65,000)	(13,700)	26.71%
<b>1 - Revenue Total</b>	<b>(5,835,500)</b>	<b>(5,966,421)</b>	<b>(130,921)</b>	<b>2.24%</b>
<b>2 - Expense</b>				
800115 - SEWER ADMINISTRATION	1,155,196	1,289,331	134,135	11.61%
800120 - UTILITIES	278,953	207,314	(71,639)	-25.68%
807320 - SEWER STUDIES &	44,000	40,000	(4,000)	-9.09%
<b>PLANNING</b>				
826520 - SEWER CLEANING	4,000	5,500	1,500	37.50%
826550 - SEWER SYSTEM	192,000	222,000	30,000	15.63%
<b>INFILTRATION</b>				
826580 - SEWER SYSTEM	140,590	70,000	(70,590)	-50.21%
<b>INSPECTIONS</b>				
826718 - SEWER SYSTEM REPAIRS	45,000	45,000	-	0.00%
827320 - STUDIES & PLANNING	200,000	-	(200,000)	-100.00%
829100 - SEWER COLLECTION SYS	967,145	1,076,000	108,855	11.26%
<b>AMORT</b>				
846656 - SEWER SYSTEM LIFT	87,050	151,600	64,550	74.15%
<b>STATIONS</b>				
866750 - SEWER TREATMENT	82,035	96,062	14,027	17.10%
<b>BIOSOLIDS</b>				

<b>OPS</b>	<b>866786 - SEWER TREATMENT PLANT</b>	401,290	228,793	(172,497)	-42.99%
	<b>866787 - SEWER TREATMENT PLANT</b>	2,000	500	(1,500)	-75.00%
<b>GRDS</b>	<b>866788 - SEWER TRTMT FACIL</b>	16,300	16,000	(300)	-1.84%
<b>REPAIRS</b>	<b>868578 - METER COST ALLOCATION</b>	44,934	27,894	(17,040)	-37.92%
	<b>870123 - ROADS SVC WASTEWATER</b>	5,244	5,454	210	4.00%
	<b>899990 - COST ALLOCATION CHARGES</b>	338,967	338,968	1	0.00%
	<b>2 - Expense Total</b>	<b>4,004,704</b>	<b>3,820,416</b>	<b>(184,288)</b>	<b>-4.60%</b>
	<b>580 - SEWER Total</b>	<b>(1,830,796)</b>	<b>(2,146,005)</b>	<b>(315,209)</b>	<b>17.22%</b>

#### Department 585 – Sewer Debt

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>585 - SEWER DEBT</b>				
<b>2 - Expense</b>				
<b>894570 - MFA DEBENTURES</b>	90,519	84,519	(6,000)	-6.63%
<b>2 - Expense Total</b>	90,519	84,519	(6,000)	-6.63%
<b>585 - SEWER DEBT Total</b>	<b>90,519</b>	<b>84,519</b>	<b>(6,000)</b>	<b>-6.63%</b>

#### Department 589 – Sewer Fiscal Services

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>589 - SEWER FISCAL SERVICES</b>				
<b>1 - Revenue</b>				
<b>907905 - ACC SURPLUS SEW OP</b>	(125,540)	-	125,540	-100.00%
<b>999998 - TRSF FROM EQUITY IN</b>	(967,145)	(1,076,000)	(108,855)	11.26%
<b>TCA</b>				
<b>1 - Revenue Total</b>	<b>(1,092,685)</b>	<b>(1,076,000)</b>	<b>16,685</b>	<b>-1.53%</b>
<b>2 - Expense</b>				
<b>098006 - SEWER CAPITAL</b>	2,832,962	3,137,486	304,524	10.75%
<b>2 - Expense Total</b>	2,832,962	3,137,486	304,524	10.75%
<b>589 - SEWER FISCAL SERVICES Total</b>	<b>1,740,277</b>	<b>2,061,486</b>	<b>321,209</b>	<b>18.46%</b>

#### WATER SEGMENT

*Includes the following departments: Water, Water Debt and Water Fiscal Services.*

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>WATER SEGMENT</b>	-	-	-	-
<b>1 - Revenue</b>				
<b>Fees &amp; Charges</b>	(5,709,686)	(6,299,907)	(590,221)	10.34%
<b>Investment Income</b>	(16,000)	(20,000)	(4,000)	25.00%
<b>Other Revenue</b>	(600)	-	600	-100.00%
<b>Tax Revenue</b>	(2,700)	(4,300)	(1,600)	59.26%
<b>Transfers from own funds</b>	(1,153,855)	(1,172,000)	(18,145)	1.57%
<b>1 - Revenue Total</b>	<b>(6,882,841)</b>	<b>(7,496,207)</b>	<b>(613,366)</b>	<b>8.91%</b>
<b>2 - Expense</b>				
<b>Amortization Expense</b>	1,153,855	1,172,000	18,145	1.57%
<b>Contracted Services</b>	461,276	342,740	(118,536)	-25.70%
<b>Debt Servicing</b>	142,924	-	(142,924)	-100.00%
<b>Insurance</b>	35,317	38,938	3,621	10.25%
<b>Other Operating Expenses</b>	1,147,188	1,241,086	93,898	8.19%
<b>Transfers from own funds</b>	2,524,613	3,042,209	517,596	20.50%
<b>Utilities</b>	137,955	166,473	28,518	20.67%
<b>Wages &amp; Benefits</b>	1,279,713	1,492,761	213,048	16.65%
<b>2 - Expense Total</b>	<b>6,882,841</b>	<b>7,496,207</b>	<b>613,366</b>	<b>8.91%</b>

2016 Variance Description	Amount
Increase to water user fees	\$ (590,221)
Net increase to investment income and other revenue	(6,200)
Increase for approved hypochlorite generation operating expenses	25,000
Increase to wages & benefits	213,048
Increase to utilities and insurance	32,139
Decrease in water debt servicing costs	(142,924)
Decrease for delayed watermain inspection program (to occur in 2018)	(50,000)
Net change to other operating expenses	1,562
Increase in transfer to water capital fund	517,596
<b>Overall Divisional Variance</b>	<b>\$ 0</b>

### Department 590 – Water

The Water department is responsible for the treatment and distribution of potable water to meet drinking water standards and fire protection needs to properties within the City of Campbell River and to three

First Nations communities and Area D of the Strathcona Regional District. The City's water system includes a 1,800-square-kilometre watershed, 2 ultra-violet disinfection facilities, 3 chlorine disinfection facilities, 290 kilometres of watermain, 3 reservoirs, 3 pump stations, 51 pressure-reducing valves, 12,106 valves, 14,304 service connections, 586 water meters, and 1,222 fire hydrants. The City also provides operational and maintenance services to Area D through a servicing contract.

Departmental duties include:

- Management of the community's watershed to maintain high quality raw water and avoid the requirement for filtration
  - In 2014, quarterly sampling was done at 9 sample points within the watershed
- Operation and maintenance of the water disinfection and distribution systems
  - In 2014, 815 service requests were created.
    - 685 for water services (includes investigations and repairs)
    - 41 for Area D
    - 58 for water facility maintenance
    - 31 for water facility alarms
  - In 2015, we are projecting 1,832 service requests will have been created
    - 1,072 for water services
    - 52 for Area D
    - 627 for water facility maintenance
    - 57 for water facility alarms
- Investigating problems in the water system (leaks, breaks, water quality, etc.)
  - In 2014, the water Department received 121 call-outs
  - In 2015, the water Department is projecting 141 call-outs
- Water quality assurance and control through effective monitoring
  - In 2014 within the two water distribution systems,
    - 440 samples were collected and tested for total coliform and *E.coli*
    - 624 samples were collected and tested for free Chlorine, pH, turbidity, and other indicators
- Management of the peak water demand through watering restrictions
  - In 2014, 28 watering permits were issued and 22 courtesy letters were delivered
  - In 2015, 94 watering permits were issued and 91 courtesy letters were delivered
- Meter repair/replacement (non-capital)
  - In 2014, 6 water meter replacements and 24 repair service requests
  - In 2015, 10 water meter replacements and 26 repair service requests
- Management of the SCADA system for sewer and water
  - In 2015, 108 service requests were created:
    - 55 for the Water Department
    - 38 for the Waste Water Department
    - 6 for Capital work
    - 9 for Utilities (SCADA server fails)

In addition to regular operation and maintenance duties, the water department will focus on the following areas in 2016:

- Increased focus on preventative maintenance

- Completion of the Watershed Management Plan
- Operational support for the construction and commissioning of the new water supply project

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>590 - WATER</b>				
<b>1 - Revenue</b>				
280115 - OTHER REVENUE	(600)	-	600	-100.00%
291685 - CONTRACTED SERVICES	(78,786)	(81,149)	(2,363)	3.00%
298140 - UTILITY USER FEES	(5,633,600)	(6,223,058)	(589,458)	10.46%
494000 - INVESTMENTS	(16,000)	(20,000)	(4,000)	25.00%
<b>1 - Revenue Total</b>	<b>(5,728,986)</b>	<b>(6,324,207)</b>	<b>(595,221)</b>	<b>10.39%</b>
<b>2 - Expense</b>				
900112 - WATER CUPE LABOUR	-	91,802	91,802	-
<b>SUSPENSE</b>				
900115 - WATER GENERAL	1,225,974	1,565,831	339,857	27.72%
900120 - UTILITIES	354,590	217,039	(137,551)	-38.79%
907320 - WATER SYSTEM STUDIES	90,000	10,000	(80,000)	-88.89%
920900 - WATERSHED MGT	47,324	34,982	(12,342)	-26.08%
<b>OPERATIONS</b>				
927320 - WATERSHED MGT STUDIES	10,000	10,000	-	0.00%
928660 - WATER PURCHASE	170,000	170,000	-	0.00%
940900 - WATER TREATMENT OPS	70,500	95,000	24,500	34.75%
948386 - WATER TREATMENT	180,000	180,000	-	0.00%
<b>FACILITIES</b>				
949100 - WATER TREATMENT AMORT	1,153,855	1,172,000	18,145	1.57%
960900 - WATER DISTRIBUTION OPS	145,000	165,000	20,000	13.79%
968290 - CATHODIC PROTECTION	7,500	7,500	-	0.00%
968355 - CROSS CONNECTION	13,500	13,500	-	0.00%
<b>CONTROL</b>				
968420 - HYDRANTS	53,652	53,652	-	0.00%
968488 - MAINS/SERVICE REPAIR	85,000	65,000	(20,000)	-23.53%
968520 - VALVES	10,000	10,000	-	0.00%
968578 - METERS	44,933	27,894	(17,039)	-37.92%
968690 - WATER QUALITY	70,600	70,600	-	0.00%
<b>MONITORING</b>				
970123 - ROADS SVC WATER	102,239	102,260	21	0.02%
980900 - WATER DEMAND MGT OPS	36,662	49,963	13,301	36.28%
987320 - WATER DEMAND MGT	2,000	-	(2,000)	-100.00%
<b>STUDIES</b>				
999990 - COST ALLOCATION CHARGES	341,975	341,975	-	0.00%
<b>2 - Expense Total</b>	<b>4,215,304</b>	<b>4,453,998</b>	<b>238,694</b>	<b>5.66%</b>

<b>590 - WATER Total</b>	<b>(1,513,682)</b>	<b>(1,870,209)</b>	<b>(356,527)</b>	<b>23.55%</b>
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#### Department 595 – Water Debt

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>595 - WATER DEBT</b>				
<b>2 - Expense</b>				
<b>994570 - MFA DEBENTURES</b>	142,924	-	(142,924)	-100.00%
<b>2 - Expense Total</b>	142,924	-	(142,924)	-100.00%
<b>595 - WATER DEBT Total</b>	<b>142,924</b>	<b>-</b>	<b>(142,924)</b>	<b>-100.00%</b>

#### Department 599 – Water Fiscal Services

	2015 Budget	2016 Budget	Variance (\$)	Variance (%)
<b>599 - WATER FISCAL SERVICES</b>				
<b>1 - Revenue</b>				
<b>999998 - TRSF FROM EQUITY TCA</b>	(1,153,855)	(1,172,000)	(18,145)	1.57%
<b>1 - Revenue Total</b>	<b>(1,153,855)</b>	<b>(1,172,000)</b>	<b>(18,145)</b>	<b>1.57%</b>
<b>2 - Expense</b>				
<b>098008 - WATER CAPITAL</b>	2,524,613	3,042,209	517,596	20.50%
<b>2 - Expense Total</b>	<b>2,524,613</b>	<b>3,042,209</b>	<b>517,596</b>	<b>20.50%</b>
<b>599 - WATER FISCAL SERVICES Total</b>	<b>1,370,758</b>	<b>1,870,209</b>	<b>499,451</b>	<b>36.44%</b>

#### Carry Forward Requests from 2015 Budget

Department	Project Name / Description	CFwd Request	Reason for CFwd Request
<b>213 - Information Technology</b>	Downtown Fibre Optics	\$20,000	Council approved business development initiative commitment to be fulfilled in 2016.
<b>310 - Mayor and Council</b>	Council Three New Task Forces	\$30,000	SLCR approved in 2015, Task Forces still to be formed.
<b>310 - Mayor and Council</b>	Council Contingency	\$60,000	Carry forward for funds already committed from 2014/15 projects.



<b>450 - Facilities</b>	MHC Deck Repairs	\$30,000	Unanticipated repair, work to be complete in Dec. but may not be complete prior to Dec. 31. RFQ 15-36 awarded.
<b>502 - Planning &amp; Development</b>	Downtown Façade Improvement Program	\$19,000	Performance Agreements signed, work to be completed in 2016 due to winter weather.
<b>502 - Planning &amp; Development</b>	Campbellton Neighbourhood Association	\$7,500	Campbellton is still in process of securing funding and plans to do a project with VIU in 2016 and has requested this money for use in 2016. No formal proposal submitted yet.
<b>502 - Planning &amp; Development</b>	Building Review	\$18,000	Building Review deferred by Council, but award anticipated to be issued following Nov 25 COW meeting.
<b>502 - Planning &amp; Development</b>	Fire Separation Building Code Compliance	\$30,000	Bringing two houses into compliance with new fire separation set-back requirements. City is responsible for costs due to timing of building permits. Construction will carry over into 2016.
<b>502 - Planning &amp; Development</b>	OCP/Zoning Bylaw Update - Part A	\$50,000	RFP is issued and will be awarded before end of year. Delayed due to Council review and staff resource shortages.
<b>502 - Planning &amp; Development</b>	Pacific Institute for Climate Solutions COOP Funding	\$10,000	COOP student being recruited for a Jan 1 start date and the project was delayed due to labour resource shortages in department.
<b>502 - Planning &amp; Development</b>	OCP/Zoning Bylaw Update - Part B	\$27,500	RFP is issued and will be awarded before end of year. Delayed due to Council review and staff resource shortages altering work plan.
<b>532 - Roads</b>	Surface Improvement - Asphalt Patching	\$120,000	There are a number of locations ready to be repaired, but are being delayed by the City's paving contractor. The has an exclusive contact with Tayco and we are at their whim related to scheduling and weather delay.

<b>532 - Roads</b>	Bridge Inspection Program	\$19,670	This work was budgeted in 2015 but will now be done in the spring of 2016.
<b>550 - Storm Drains</b>	ISWMP Update	\$25,000	The work will be completed in 2016. The RFQ for this project has been delayed and will be issued early in 2016.
<b>580 - Sewer</b>	Liquid Waste Management Plan	\$200,000	Grant received; revenue and associated expenses to be brought forward in 2016.

## Reserve Restructure

Council has been requesting a reserves policy for many years to provide direction and guidance on the maintenance and use of the City's reserve funds. After extensive research and review of other local government policies and Government Finance Officers Association materials to determine best practice as well as meet the needs of the City, staff presented a reserves and surplus policy to Council at a 2016 pre-budget workshop in early November (see Appendix 2 for policy).

The 2016 budget process incorporated the proposed policy with the restructure included in the 2016-2025 financial plan package (see Appendix 3 for restructured reserves). The policy provided for efficient and straightforward funding for operational and capital needs of the City during budget deliberations. The reserve restructure, as well as the budget parameters and waterfall funding model, ensured that all funds available were used in an efficient and cost effective manner.

The key outcome of this policy is it provides guidance on what reserves are needed, their purpose and adequate balances to be maintained. This policy also ensures the City can proactively plan to fund our service delivery needs in a cost effective manner.

### Council Strategic Priority Reserves

Gaming reserve has been recommended for Council strategic priority and social initiatives related to operating. Staff had proposed approximately \$100,000 per year available for new Council operating initiatives.

Community works gas tax reserve has been recommended for ongoing capital programs that provide enhancements or betterments to the community for livability and green initiatives such as cycling upgrades, pedestrian signal crossing, LED light conversion program, and marine foreshore restoration. Additionally, staff proposed this fund be used for capital projects related to Council's strategic priorities. Staff had proposed approximately \$650,000 per year available for new Council capital initiatives.

**Risk Reserve**

The financial stabilization reserve has been categorized as a risk mitigation and opportunity reserve. This reserve's main purpose is to stabilize the annual tax increase by buffering the impacts of emergent risk issues and offset unrealized or significant decreases in revenue in any one year. Additionally, if funding allows this reserve can be used to fund one-time initiatives and projects that will not affect the annual tax increase. Staff proposed approximately \$125,000 per year available for one-time operational projects. It is recommended that this reserve is maintained at the maximum balance to ensure adequate funding is maintained to avoid a one-time large tax increase to replenish this reserve in the instance of a significant event.

**Capital Reserves**

A capital reserve structure is based on asset category. This ensures that there are no orphan assets and all services of the City are considered. And moving forward this will ensure that adequate funding is obtained for all service needs.

Capital works reserve has been maintained in the final reserves and surplus policy; staff had originally proposed this be changed to the roads reserve as that is the asset category that this reserve primarily funds. However, during the finalization of the budget it was determined that it is preferable to maintain one capital reserve that has flexibility in what it can fund for unusual or unexpected opportunities.

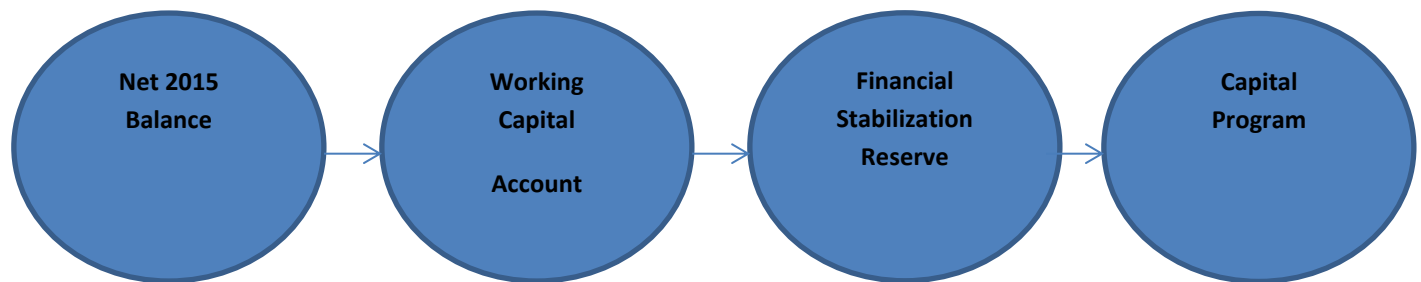
Note that the capital reserves have flexibility in that operational projects related to maintaining the asset categories can be funded by said reserves.

**Mandatory Reserves**

The Community Charter is very specific when it comes to the use of funds received on the sale of land, whether parkland or other parcels. For parcels other than parkland, the Charter states that these proceeds must be used to purchase land, improvements, or other capital assets. Staff had originally proposed to allocate 50% of land proceeds to the existing capital lending reserve with the remaining 50% to a newly created land reserve which was to allow Council flexibility in the sale and purchase of City parcels. However, it was identified during the budget process that with the new capital funding model developed in 2016 budget, that the flexibility was provided for in the existing system and a land reserve was not required. Council can sell and purchase land with the existing capital lending reserve and consider payback either through existing or future capital allocations. As such, the land reserve has been deleted from the final proposed policy.

## Waterfall System

Included in the policy is a waterfall system where the net revenue and expense balance for the year transfers into the accumulated surplus working capital account. The working capital account that is used to pay for operating expenses before property taxes and other revenues are collected. The staff recommended balance is \$4,000,000 therefore any excess is transferred to the financial stabilization reserve. The recommended balance for the financial stabilization reserve is \$1,900,000. Any excess of the maximum recommended balance is transferred to the capital reserves as required to fund the capital program. This model ensures that funds are not sitting idle in any one account and all funds are maximized to their needed source. This system worked well during financial planning by utilizing all available funding, particularly in 2016 when available capital funding was limited.



Additionally, having a policy ensures that reserve funds are being used efficiently by the use of minimum and optimum balances and the waterfall system with any excess from the accumulated surplus accounts transferred to cover our risk in the financial stabilization reserve, while any excess is then transferred to the capital reserves to fund the capital program which ensures no funds are sitting idle and all funds available are maximized.

Lastly, this reserve policy is the start of the asset management process in ensuring the City has adequate funding available for all asset categories and service needs. This policy is a key step in moving towards long-term financial planning.

## Departmental Business Plans

Council identified in the 2016 Council Budget Survey that they would like pre-budget workshops on key capital projects. After review of many capital projects in the proposed capital plan for 2016-2025, staff identified projects in 2016 that required additional analysis for alternative review and additional information for Council to make decisions during deliberation week.

Significant time was invested in incorporating business cases with detailed analysis and alternatives for projects as part of 2016 Financial Planning. This is another key initiative in moving to long-term financial planning. The intent is to provide Council with greater clarity and alternatives in decision making to ensure sound financial and community impact decisions are made during Financial Planning. The skills and tools learned by staff during this process will be utilized in subsequent budget cycles as well as ongoing review of analyzing City initiatives for best outcomes with limited funding allocated.

Business cases as a part of financial planning are gaining momentum within local governments due to the lack of financial resources for funding and many demands for increasing municipal service levels. Business cases are considered best practice and is something the AGLG (Auditors for Local Government) have enquired about in their capital procurement and asset management audit process of which the City is part of. The City expects a final report on this audit in 2016. Therefore, the business cases provided for 2016 Financial Planning are a significant step forward to strategic financial management. See Appendix 4 for sample business cases presented to Council during the pre-budget workshops.

## Fund Balances

The new Reserves and Surplus Policy has consolidated a few of the reserves, however for the most part the structure is not significantly different. The key outcome of this policy is that it defines what the purpose of the different funds are whether for cash flow, risk coverage, opportunity or capital needs. Additionally, having a policy ensures that reserve funds are being used efficiently by the use of minimum and optimum balances and the waterfall system with any excess from the accumulated surplus accounts transferred to cover our risk in the financial stabilization reserve, while any excess is then transferred to the capital reserves to fund the capital program which ensures no funds are sitting idle and all funds available are maximized.

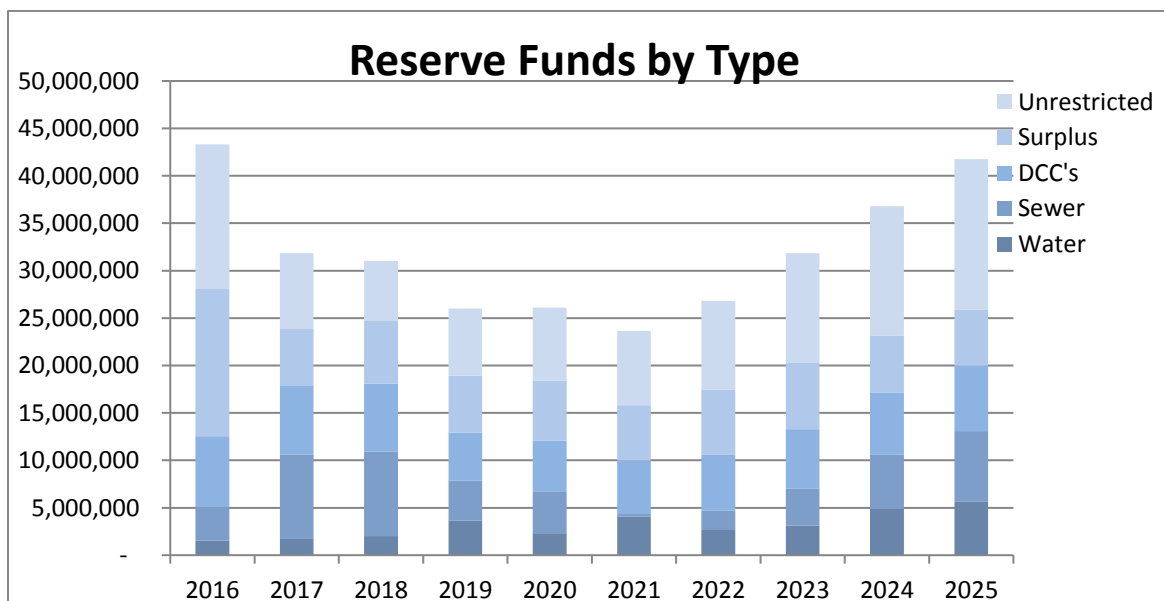
As of 2015, fund balances were as follows:

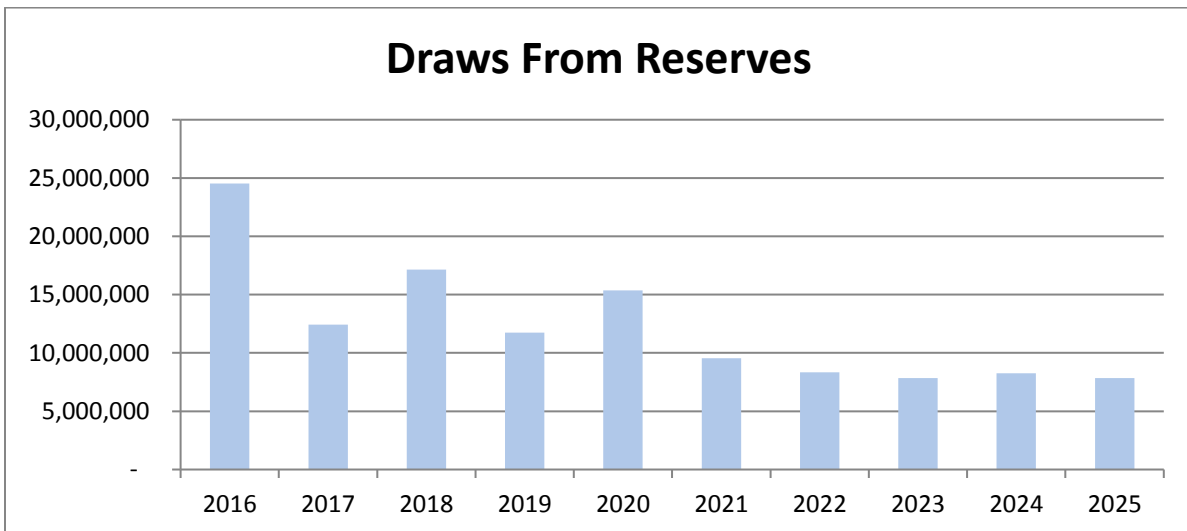
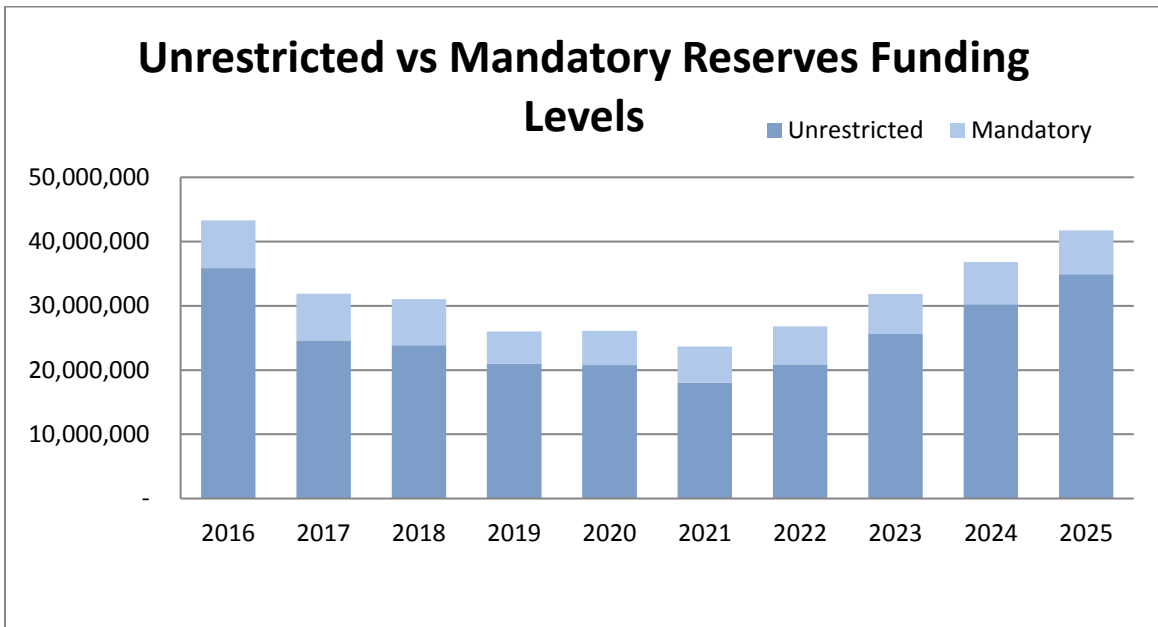
<b>Accumulated surplus</b>	<b>2015</b>	<b>2014</b>
Unappropriated surplus		
General	7,067,379	5,418,936
Sewer	12,339,728	9,443,402
Water	6,688,619	5,131,410
	<b>26,095,726</b>	<b>19,993,748</b>
Non-statutory reserves		
General	8,536,375	9,184,042
Airport	441,704	441,440
Sewer	901,724	928,614
Water	270,459	270,143

	<b>10,150,262</b>	10,824,240
Statutory reserves		
Capital lending	<b>2,043,282</b>	2,538,438
Parkland acquisition & development Facility	<b>514,808</b>	866,225
	-	18,655
	<b>2,558,090</b>	3,423,318
Investment in tangible capital assets		
General	<b>136,979,685</b>	134,652,191
Airport	<b>11,742,498</b>	12,099,682
Sewer	<b>36,689,229</b>	37,477,159
Water	<b>41,426,093</b>	36,514,900
	<b>226,837,505</b>	220,743,931
Total	<b>265,641,583</b>	254,985,237

Detailed fund balances and the City's fund structure for 2016-2025 Financial Planning, can be seen in Appendix 3. Funds that have major decreases are related to major capital projects planned from 2016-2025, especially in water and sewer (see Appendix 6 for a detailed list of capital projects and funding sources).

The Financial Resilience and Stability program allocates 1% of taxation to capital projects starting in 2016; this accumulation of these funds can be seen below as unrestricted reserve funds grow (see Appendix 3 for detail on future reserve contributions).





## Debt Management Strategy

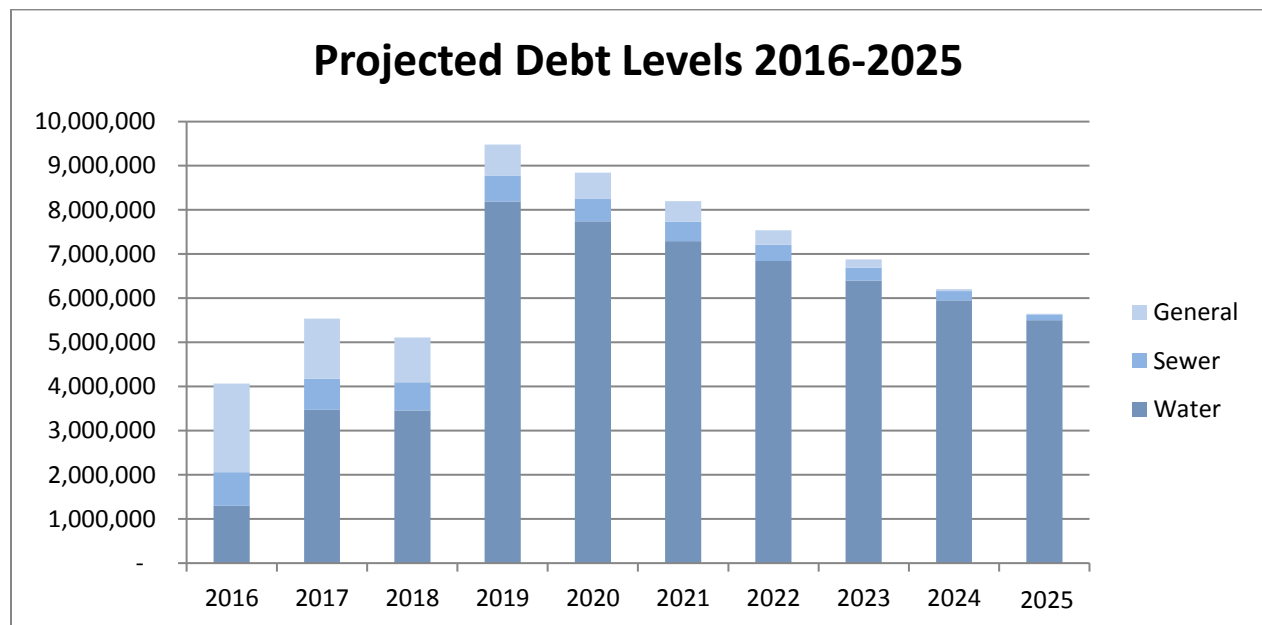
Debt charges (principle and interest) of the General Revenue Fund are considered to be an acceptable cost when contained at no more than 20% of its net revenues. Should debt charges of the General Revenue Fund at any time exceed 20% of net revenues the Chief Financial Officer must report, in writing, to Council, advising of the current situation along with options as to how Council can correct the current policy violation.

Debt servicing costs of the water and sewer utility revenue funds or any other operational enterprise of the City should not exceed 50% of the total revenues of each utility or enterprise. All proposed capital

construction works that require financing through external borrowing should be considered suspended whenever interest rates exceed 13%.

Short-term financing is secured through the Municipal Finance Authority of BC for capital initiatives approved under loan authorizations. Interest is calculated daily on a variable rate basis at prime less 1.28%. In 2015 the rate was 1.59%. Short-term borrowing is replaced by long-term debt periodically when balances and interest rates are considered appropriate.

All long-term debt is borrowed from the Municipal Finance Authority of BC (MFA). Interest payments and actuarial earnings related to long-term debt obligations are recorded on an accrual basis. Actuarial revenue is investment earnings on the City's principal payments made to, and invested by, the MFA, prior to the MFA using these funds to retire the related debt. The actuarial interest rate is set when the debt is issued to the City and may be adjusted by MFA during the term of the debt if market conditions dictate that the rate can no longer be achieved. The rates of interest on outstanding debt are 3.25% to 5.15% as disclosed on Schedule 1.



**General Fund**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Interest	293,677	180,391	159,314	82,527	82,527	82,527	82,527	78,005	12,430	6,916
Principal	473,223	258,265	209,033	84,846	84,846	84,846	84,846	84,846	15,928	9,260



**Airport Fund**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Interest	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-

**Sewer Fund**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Interest	34,628	34,628	34,628	34,628	34,628	34,628	34,628	34,628	34,628	17,843
Principal	49,891	49,891	49,891	49,891	49,891	49,891	49,891	49,891	49,891	27,418

**Water Fund**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Interest	18,500	111,978	251,454	251,454	251,454	251,454	251,454	251,454	251,454	251,454
Principal	-	180,092	448,805	448,805	448,805	448,805	448,805	448,805	448,805	448,805

## Capital Planning

The focus for 2016 financial planning is moving to long-term strategic planning from a short-term year by year focus (see Appendix 6 the 2016-2025 capital plan and capital project narratives). The 2016 financial plan provides stability for the City's citizens while providing adequate funding for all levels of City services. This includes funding for:

- Base operating inflationary costs,
- Moderate increases to service levels,
- One time operating projects and initiatives, and
- The City's capital program.

As a result, budget parameters have been used to provide fiscal stability and maintain service levels. Due to ongoing budget constraints since 2012, increases in funding for the capital plan have been minimal. This has compounded the infrastructure deficit due to aging infrastructure in the City, as is

faced by most other local governments. Therefore, a main focus of the 2016 Financial Plan was identifying sources of funding for capital that would not have significant impact on taxpayers either through large one-time tax increases or significant increases in the base budget.

The budget parameter established for providing ongoing capital funding for the capital plan in the general fund is approximately 0.75% of a general taxation increase per year, or approximately \$190,000 per year of increased funding. This amount in any one year is not significant; however, cumulatively this \$190,000 increase per year will provide a stable, dedicated funding source for the capital plan (see Appendix 3). Investing regularly in maintaining City infrastructure ensures that service levels can be maintained, and also provides for slight increases to service levels through new asset inventory.

The City's capital plan includes the purchase of capital assets, construction of facilities and infrastructure, as well as the upgrade and replacement of existing capital assets.

The City's tangible capital asset (TCA) Policy defines capital as non-financial assets having physical substance that (see Appendix 2):

- Are held for use in production or supply of goods and services,
- Have useful economic lives extending beyond one year,
- Are to be used on a continuing basis, and
- Are not for sale in the ordinary course of City operations.

Additionally, one of the key criteria staff use when determining whether a purchase is operating or capital is the dollar value of the purchase. Per the TCA Policy, the thresholds used to determine whether a purchase is capital are:

<b>Asset Category</b>	<b>\$ Thresholds</b>
Land	Capitalize Only
Land Improvements	\$10,000
Buildings	\$50,000
Building Improvements	\$10,000
Machinery and Equipment	\$5,000
Vehicles	\$10,000
Information Technology Infrastructure	\$5,000
Infrastructure (e.g. Roads, Storm Water, Sewer, Water)	\$50,000

### **2016-2025 Capital Plan**

In the City's move to long-term financial planning, the 2016 financial plan includes a 10-year capital plan. This is a significant step in providing stability for work plans, funding resource allocations, and most importantly facilitating long-term strategic decisions.

Appendix 6 includes all capital project submissions summarized in a consolidated format for all departments, as well as includes detailed descriptions and justifications for projects in the capital plan. For 2016 the Capital Plan totals \$44,157,198. A break-down of projects and funding sources can be seen in Appendix 6. One of Council’s key strategic priorities is downtown revitalization; as such, capital projects related to downtown revitalization have been grouped at the top of the capital plan by area of downtown to aid Council in tying the projects together. The proposed capital plan includes many projects that will have substantial impact on the look and feel of downtown during Council’s remaining term from 2016 to 2018.

It is important to note that some capital projects have an associated operating cost to maintain and / or operate these asset inventory additions. These costs are identified in Appendix 6 on the right hand of the schedule per applicable project. The operating costs of recommended capital projects that result in increases to departmental base budgets are:

<b>Fund</b>	<b>Amount</b>
General	\$56,600
Sewer	186,065
Water	23,065
<b>Total</b>	<b>\$265,730</b>

In addition to the 10-year capital plan from 2016 – 2025, carry-forwards from the 2015 financial plan have been included. These projects have been started but not completed in 2015; contractual obligations and financial commitments are outstanding for these projects.

Included with the capital plan is the recommended funding source for each request. This provides some direction on the type of funding that staff recommend as most appropriate for each request. For 2016 the focus is to not rely on Community Works Funds for capital maintenance projects wherever possible and have instead used the fund for ongoing capital project programs that provide enhancements to livability or green initiatives with the City.

### **Below the Line**

Another new initiative developed in 2016 financial planning is “Below the Line,” which is identified at the bottom of Appendix 6. Below the line requests are those that are important to the City, but fall outside the annual capital funding allocation.

Projects below the line include those that do not currently have adequate funding or require additional discussion and/or analysis. Significant projects requiring debt or unsecured grant funding have been presented below the line. Other more strategic projects that are outside of regular maintenance

activities have been included below the line for Council to consider for inclusion in the capital plan by using the annual community works fund reserve allocation.

The 2016-2025 capital plan provides Council a long-term picture of projects and the impact on services and enhancements throughout the City, particularly in the downtown. Ongoing investment in the capital program will ensure the City can maintain and enhance service levels to the community within stable taxation parameters. Amenities and upgraded infrastructure are a key indicator of financial and community health and will ensure ongoing investment in the community by residents and businesses alike.

## Service Level Change Requests

As a result, budget parameters have been used to provide fiscal stability and maintain service levels. The budget parameters established for general fund SLCRs are an approximate 0.5% of a general taxation increase per year or \$125,000. This provides stability while providing an annual budget for demands on service levels.

There are many demands for increases in service that the City provides to its citizens. The requests listed for 2016 Financial Planning SLCRs have been separated into:

- One-time Projects
- Ongoing / New Services

A detailed listing and description of all SLCRs can be found in Appendix 7.

### **One-time Projects**

One-time projects are operating projects that are for a particular initiative or outcome. Requests can be for strategic initiatives, maintenance activities, or multi-year operating projects. Once these projects have been completed they are removed from the departmental operating budgets.

### **Downtown Initiatives – One-time Projects**

Downtown is a key strategic priority for Council therefore at the top of Appendix 7 it is grouped downtown initiatives with the main focus on downtown concept plans and reviews for major infrastructure works to ensure the City is ready for the next steps in downtown revitalization and can respond strategically to any future developments.

### Financial Stabilization – One-time Projects

Using the budget parameter of \$125,000 per year the Financial Stabilization Reserve is used for funding one-time projects in the general fund. The purpose of the Financial Stabilization Reserve is to stabilize the tax increase. As such, if the City has a significant risk event in one year or does not have adequate annual surplus, then funding for one-time projects would not be available.

### Other Funds – One-time Projects

For other funds outside of general, specific funding parameters have not been established.

In addition to downtown revitalization, staff are focusing on asset management, determining the condition of assets, and how to provide adequate service levels with aging assets; thus 2016, 2017 and 2018 include condition and space assessments, as well as resource management plans.

### Below the Line – One-time Projects

Another new initiative developed in 2016 financial planning is “Below the Line,” which is identified at the bottom of the SLCR Appendix 7. Below the line requests are those that are important to the City, but fall outside the annual funding parameters.

### Summary of Funding – One-time Projects

A summary of the recommended funding sources for one-time projects are:

One-time Project Funding Sources	Recommended Use of Funding
Financial Stabilization Reserve	\$125,000 Annual General Fund One-time Projects
Gaming Reserve	Council Strategic Priority One-time Projects
Asset Type Capital Reserves	One-time Projects for Studies / Assessments Related to Assets (IT, Airport, Storm Drain, Sewer, Water)
CWF / Carbon Neutral Reserves	Green / Energy Efficient Initiatives
Taxation	Requests Over and Above Annual Parameter

### Ongoing / New Services

Ongoing / new services are increases to base budget for increased or new service levels. Once approved, these requests become part of the base budget and are therefore considered ongoing.

### **Taxation – New Services**

Approved ongoing / new service SLCRs are typically funded by taxation in the general fund, because these requests are increases to departmental operating budgets. In order to maintain a stable tax increase, an annual parameter of 0.5% of a tax increase or approximately \$125,000 per year for new or increased services has been budgeted.

Staff had difficult decisions to make when determining the recommended new services funded by taxation for 2016, 2017 and into 2018. In order to fulfill Council’s strategic priorities and service the public, internal support positions are to be funded in 2016 and 2017. These positions are expected to provide internal efficiencies which will allow many staff to spend additional resources servicing the community. In 2018, focus for new or increased services is on beautification and increasing livability across the City.

For 2019 and future years it is difficult to determine the needs of the City for new or increased services, therefore in order to provide stability for the budget bylaw, \$125,000 of new or increased services is included and funded by taxation annually to allow for future expected increases to service levels.

### **Other Funds – New Services**

In some cases, Community Works Funds would be appropriate for ongoing services if the programs relate to green or energy efficient initiatives.

For other funds these ongoing base increase requests would be funded by utility fees in sewer and water; specific parameters have not been established for other funds, however the same policy of maintaining stability and fiscal responsibility has been used. The SLCRs recommended for utility fees are to fulfill the operating costs of capital projects, as previously discussed by Council. Utility user fees have approved annual increases from 2013-2017, 10% water and 6% sewer. As a result, the recommended SLCRs would not result in a user fee rate increase, but would reduce the available funding for future capital projects.

### **Below the Line – New Services**

“Below the Line” identified at the bottom of Appendix 7 are requests that are important to the City needs, but fall outside the annual funding parameters.

### **Summary of Funding – Ongoing / New Services**

A summary of the recommended funding sources for ongoing / new services are:

<b>Ongoing / New Services Funding Sources</b>	<b>Recommended Use of Funding</b>
Taxation	Ongoing Base Service Increases to General Fund
Utility Fees	Ongoing Base Service Increases to Sewer / Water

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CWF	Green / Energy Efficient Initiatives
Airport Reserve	Annual Business Opportunity Fund

## Performance Measures

Once Financial Planning is completed, the management team identifies specific strategic initiatives and associated reporting measures to ensure that staff meet goals and work towards achieving the City's strategic plan. Strategic initiatives are isolated from management's work plan and reported on directly in quarterly progress reporting. In addition to performance measures associated with ongoing strategic initiatives, operating financials and all approved capital and operating projects approved during Financial Planning are reported to Council. For a sample of quarterly progress reports see Appendix 8 (performance measures are specifically reported in the on-going strategic initiatives appendix of this report).

## Appendix 1 – Definitions and Acronyms

**Accumulated Surplus**

Means the accumulated excess of revenues over expenses from prior years which has not been set aside for specific purposes.

**AIM**

Asset and Infrastructure Management.

**AM**

Asset management.

**Annual Surplus**

Means the accumulated excess of revenues over expenses for the current year.

**Assets**

Resources owned or held by the City which have monetary value.

**BC Assessment**

The organization responsible for the assessed property values in British Columbia.

**CARIP**

Climate action revenue incentive program. This is a conditional grant program that provides funding to BC Climate Action Charter signatories.

**Community Charter**

British Columbia Act that governs municipalities.

**Carry Forward**

An operating or capital project that was not completed in the previous year, where funds are required to finish the project so that work can continue to be carried out.

**CUPE**

The Canadian Union of Public Employees.

**CWF**

Community Works Funds, which is a grant provided by the Union of BC Municipalities.

**DCC**

Development cost charges, which is a fee imposed on new development. This fee helps to fund future services required from the growth resulting from the new development.



**Debt Servicing**

Annual principal and interest payments on debt.

**FCM**

Federation of Canadian Municipalities.

**Financial Plan**

Under Section 165 of the *Community Charter*, Council must adopt a five-year financial plan bylaw before May 15<sup>th</sup> each year.

**FTE**

Full time equivalent.

**Fund**

A fund is a self-balancing set of accounts which records assets and liabilities, residual equity balances and resulting changes. Funds are segregated to carry out specific purposes in accordance with legislation.

**Grant**

A monetary contribution to or from governments.

**IAFF**

International Association of Fire Fighters.

**LGMA**

Local Government Act, which provides the legal framework for local governments.

**Mandatory Reserve Funds**

Means funds set aside for specified purposes as required by and pursuant to specific legislation. These reserves are established via City bylaws and are nondiscretionary on the part of Council.

**MHC**

Maritime Heritage Centre.

**PILTs**

Payment in Lieu of Taxes. These payments are received in lieu of paying property taxes.

**PSAB**

Public sector accounting board.

## **Reserves**

Means all of the City's reserve funds and mandatory reserve funds.

## **Reserve Funds**

Means funds that are set aside for a specified purpose by Council pursuant to section 188 (1) of the *Community Charter*. These reserves are established via City bylaws and are discretionary on the part of Council.

## **Tax Rates**

Annual charges for levying property taxes to properties within the City. Rates are applied against each \$1,000 of assessed value.

## **TCA**

Tangible Capital Assets

## **SLCR**

Service Level Change Request.

## **UBCM**

Union of BC Municipalities.

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