

CITY OF TERRACE

BYLAW NO. 1966 – 2010

"A BYLAW TO ADOPT THE 2010-2014 FINANCIAL PLAN."

WHEREAS pursuant to Section 165 of the Community Charter, being Chapter 26 of the Statutes of British Columbia, 2003, a Municipality must have a Financial Plan that is adopted annually, by Bylaw, before the Annual Property Tax Bylaw is adopted;

NOW THEREFORE the Council of the City of Terrace in open meeting assembled enacts as follows:

- 1.0 Schedule "A", attached hereto and forming part of this Bylaw, is hereby adopted as the Financial Plan for the 5 years ending December 31, 2014.
- 2.0 Schedule "B", attached hereto and forming part of this Bylaw, is hereby adopted as the Statement of Objectives and Policies.
- 3.0 This Bylaw may be cited as "2010-2014 Financial Plan Bylaw No. 1966 – 2010".

READ a first time this 26th day of April, 2010.

READ a second time this 26th day of April, 2010.

READ a third time this 26th day of April, 2010.

ADOPTED this 10th day of May, 2010.



Mayor



Clerk

SCHEDULE "A"**CITY OF TERRACE FINANCIAL PLAN FOR THE YEARS 2010 – 2014**

	2010	2011	2012	2013	2014
REVENUES					
Taxes					
Residential, Class 1	4,947,397	5,046,345	5,147,272	5,250,217	5,355,222
Utilities, Class 2	199,498	203,488	207,558	211,709	215,943
Major Industry, Class 4	299,661	305,654	311,767	318,003	324,363
Light Industry, Class 5	272,857	278,314	283,880	289,558	295,349
Business/Other, Class 6	4,760,260	4,855,465	4,952,575	5,051,626	5,152,659
Recreation/Non-Profit, Class 8	2,323	2,369	2,417	2,465	2,514
Farm, Class 9	1,554	1,585	1,617	1,649	1,682
Local Area Services	55,786	56,902	58,040	59,201	60,385
Utility Fees	466,550	465,681	474,995	484,495	494,184
Grants in Lieu	280,000	285,600	291,312	297,138	303,081
Total Taxation	11,275,886	11,501,404	11,731,432	11,966,060	12,205,382
Fees and Charges	2,028,767	2,051,597	2,092,629	2,134,482	2,177,172
Sewer	757,511	772,662	788,115	803,877	819,955
Water	1,272,314	1,297,760	1,323,715	1,350,190	1,377,194
Grants	2,359,794	1,955,584	1,984,695	2,014,389	2,044,677
Other Revenue	914,123	836,937	853,675	870,749	888,164
TOTAL REVENUE	18,608,395	18,415,943	18,774,262	19,139,747	19,512,542
EXPENSES					
General Municipal	14,823,748	14,726,648	15,004,461	15,293,204	15,587,278
Sewer	573,309	498,993	512,237	525,746	539,525
Water	844,144	730,904	748,379	766,202	784,382
Amorlization	2,968,000	2,968,000	2,968,000	2,968,000	2,968,000
TCA Loss on Disposal/ TCA Write-down	0	0	0	0	0
TOTAL EXPENSES	19,209,201	18,924,546	19,233,077	19,553,151	19,879,185
SURPLUS	-600,805	-508,603	-458,815	-413,404	-366,643
ADJUST FOR NON-CASH ITEMS					
Amorlization	-2,968,000	-2,968,000	-2,968,000	-2,968,000	-2,968,000
TCA Loss on Disposal/ TCA Write-down	0	0	0	0	0
ADJUST FOR CASH ITEMS NON-PSAB					
TCA expenditures	4,454,709	2,085,390	1,929,121	2,471,603	1,778,319
Proceeds from sale of TCA	0	0	0	0	0
Debt Principle Payment	305,868	302,730	295,321	295,496	295,039
Debt Proceeds	-113,341	0	0	0	0
Transfer to/from Reserves	-1,075,364	0	0	0	0
Transfer to/from Operating Surplus	-1,204,678	71,277	284,744	-212,504	527,998
	-600,806	-508,603	-458,815	-413,404	-366,643
FINANCIAL PLAN BALANCE	0	0	0	0	0

SCHEDULE "A" (cont'd)**CITY OF TERRACE FINANCIAL PLAN FOR THE YEARS 2010 – 2014****PERMISSIVE TAX EXEMPTIONS**

	2010	2011	2012	2013	2014
Congression of Jehovah's Witness Church	627	640	652	665	679
Trustees of Kingdom Hall	626	639	651	664	678
Pentecostal Assemblies	1,216	1240	1265	1290	1316
Anglican Synod Diocese	216	220	225	229	234
Anglican Synod Diocese	971	990	1010	1030	1051
Knox United Church	675	689	702	716	731
Christian and Missionary Alliance	29	30	30	31	31
Seventh-Day Adventist Church	1,008	1028	1049	1070	1091
Terrace Evangelical Free Church	203	207	211	215	220
Terrace Evangelical Free Church	924	942	961	981	1000
Uplands Baptist Church	334	341	347	354	362
Christian Reformed Church	551	562	573	585	596
Terrace Gospel Hall	255	260	265	271	276
Zion Baptist Church	930	949	968	987	1007
Christ Lutheran Church	522	532	543	554	565
Pentecostal Assemblies	373	380	388	396	404
Skeena Valley Guru Nanak Soc.	899	917	935	954	973
Skeena Gursikh Society	691	705	719	733	748
Skeena Valley Baptist Church	125	128	130	133	135
United Pentecostal Church of BC	188	192	196	200	203
United Pentecostal Church of BC	219	223	228	232	237
Salvation Army	870	887	905	923	942
Terrace Church of Christ	401	409	417	426	434
Terrace & Dist Council for Soc Res	940	959	978	998	1017
Northern Health Council	4,011	4091	4173	4257	4342
Northern Health Council	4,640	4733	4827	4924	5022
Roman Catholic Episcopal Corp.	3,132	3195	3259	3324	3390
Terrace Calvin Christian School	4,087	4169	4252	4337	4424
Fisherman's Park	207	211	215	220	224
Parking (next to Kwinitza House)	1,890	1928	1966	2006	2046
George Little House	5,256	5361	5468	5578	5689
Tourist Information Center	4,357	4444	4533	4624	4716
Terrace Curling Association	11,171	11394	11622	11855	12092
Terrace Little Theatre	2,661	2714	2769	2824	2880
Terrace Little Theatre	907	925	944	963	982
Terrace Little Theatre	661	674	688	701	715
Womens' Aux to Hospital	2,399	2447	2496	2546	2597
Terrace Elks	1,181	1205	1229	1253	1278
Terrace Child Development Center	7,384	7532	7682	7836	7993
Kermode Friendship	4,796	4892	4990	5090	5191
Terrace Kitimat Airport Society	50	51	52	53	54
Terrace Kitimat Airport Society	116,062	118383	120751	123166	125629
Terrace Kitimat Airport Society	1,302	1328	1355	1382	1409
Terrace Kitimat Airport Society	37	38	38	39	40
Terrace Kitimat Airport Society	1,424	1452	1482	1511	1541
K'San House Society	4,496	4586	4678	4771	4867
K'San House Society	5,466	5575	5687	5801	5917
K'San House Society	1,105	1127	1150	1173	1196
TEDA (Lease)	1,948	1987	2027	2067	2109
Terrace Child Development Center	3,531	3602	3674	3747	3822
All Nations Centre	807	823	840	856	874

SCHEDULE "B"

STATEMENT OF OBJECTIVES AND POLICIES

In accordance with Section 165(3.1) of the Community Charter, the City of Terrace (City) is required to include in the Five Year Financial Plan, objectives and policies regarding each of the following:

- 1. The proportion of total revenue that comes from each of the funding sources described in Section 165(7) of the Community Charter;*
- 2. The distribution of property taxes among the property classes, and*
- 3. The use of permissive tax exemptions.*

Funding Sources

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2010. Property taxes form the greatest proportion of revenue. As a revenue source, property taxation offers a number of advantages, for example, it is simple to administer and it is fairly easy for residents to understand. It offers a stable and reliable source of revenue for services that are difficult or undesirable to fund on a user-pay basis. These include services such as general administration, fire protection, police services, bylaw enforcement and street lighting.

User fees and charges form the second largest portion of planned revenue. Many services can be measured and charged on a user-pay basis. Services where fees and charges can be easily administered include water and sewer usage, building permits, business licenses, and sale of services – these are charged on a user pay basis. User fees attempt to apportion the value of a service to those who use the service.

Objective

Over the next five years, the City will review the proportion of revenue that is received from user fees and charges.

Policy

The City will review all user fee levels to ensure they are adequately meeting both the capital and delivery costs of the service.

REVENUE SOURCE	% TOTAL REVENUE	DOLLAR VALUE
<i>Property Taxes</i>	<i>56.72%</i>	<i>\$ 11,909,833</i>
<i>User Fees & Charges</i>	<i>16.29%</i>	<i>\$ 3,421,645</i>
<i>Other Sources</i>	<i>4.35%</i>	<i>\$ 914,123</i>
<i>Grants</i>	<i>8.86%</i>	<i>\$ 1,859,794</i>
<i>Borrowing</i>	<i>.54%</i>	<i>\$ 113,341</i>
<i>Reserves & Surplus</i>	<i>13.24%</i>	<i>\$ 2,780,042</i>
TOTAL	100.00%	\$ 20,998,778

Distribution of Property Taxes

Table 2 outlines the distribution of property taxes among the property classes. The residential and business property classes provide the largest proportions of property tax revenue. This is primarily due to a very small industrial class within the City.

PROPERTY CLASS	% OF TOTAL PROPERTY TAXATION	DOLLAR VALUE
<i>Residential</i>	47.20%	4,947,336
<i>Utilities</i>	1.90%	199,498
<i>Major Industrial</i>	2.86%	299,661
<i>Light Industrial</i>	2.60%	272,857
<i>Business and Other</i>	45.41%	4,760,260
<i>Recreation/Non-Profit</i>	.02%	2,323
<i>Farmland</i>	.01%	1,554
TOTAL	100.00%	10,483,489

Objectives

Maintain the property tax rate multiples for 2010 at the current level.

Policies

Continue to maintain and encourage economic development initiatives designed to attract more retail and commercial businesses to invest in the community.

Regularly review and compare the City's distributions of tax burden relative to other municipalities in British Columbia.

Permissive Tax Exemptions

The City has an existing permissive tax exemption policy which guides the administration and approval of permissive tax exemptions.

Objectives

Continue to provide permissive tax exemptions to non-profit societies.

Review the permissive tax exemption policy in 2010.

Policy

Develop a revitalization tax exemption program for the downtown commercial core to support the ongoing redevelopment and revitalization of the downtown and to secure the future economic and social health of the City. This would foster a vibrant downtown commercial area which is considered vital to the success of the local economy and the enhancement of business, social and cultural, government and residential activities in the City.