

**REPORT OF THE COMMITTEE OF THE WHOLE  
MEETING HELD IN THE MUNICIPAL COUNCIL  
CHAMBERS ON WEDNESDAY, DECEMBER 12, 2018  
AT 5:00 P.M.**

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Chair C. Leclerc presided. Members present were S. Bujtas, L. Christiansen, J. Cordeiro, B. Downie, J. McCallum-Miller, and E. Ramsay. Also in attendance were H. Avison, Chief Administrative Officer, L. Greenlaw, Director of Finance, J. Klie, Fire Chief, R. Schibli, Director of Public Works, D. Block, Director of Development Services, C. Didier, Director of Leisure Services, D. Powell, Information Systems Manager, D. Myles, Economic Development Manager, A. Thompson, Clerk, and A. Poole, Executive Assistant.

Also present at the meeting representing the Regional District of Kitimat-Stikine (RDKS) were Yvonne Koerner, Deputy Treasurer, Jeff Hammond, Area E Director, and Bruce Bidgood, Area C Director.

The Finance, Personnel & Administration Component of the Committee of the Whole meeting commenced at 5:00 p.m.

**A. FINANCE, PERSONNEL & ADMINISTRATION  
COMPONENT**

**1. 2019-2023 PROVISIONAL BUDGET**

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Chair Leclerc called the meeting to order and explained the purpose of the meeting was to review the provisional budget for 2019-2023. The Chair turned the meeting over to the Chief Administrative Officer (CAO) who explained that staff had prepared this provisional budget.

The Director of Finance addressed the Committee. Two of the Community Partner organizations, Terrace & District Museum Society and the Terrace Public Library, requested increases to their budgets for 2019.

Member Bujtas declared a possible conflict of interest due to a personal relationship and vacated Chambers.

The Terrace & District Museum Society requested a 3% increase in their operational funding for 2019, as well as a 3% increase to their \$10,000 archiving funds and \$20,000 capital funding. In the past the City provided inflationary increases to the Heritage Park's operational funding only. With the 3% increase their 2019 funding amounted to \$118,973 which is approximately \$3,000 more than 2018.

The RDKS indicated in prior years that they had reached their maximum contribution level for Heritage Park Museum. Additional increases are funded 100% by the City of Terrace.

The money that the RDKS contributes comes from a grant-in-aid. The maximum amount that can be raised under the grant-in-aid is \$90,000 per year for both Area C and Area D combined. As grant-in-aid money is intended for one-time occurrences and not intended to be provided annually, the RDKS has discussed the possibility of making Heritage Park Museum a service area with a tax requisition.

Members Bujtas returned to the meeting.

The Terrace Public Library requested a 3% increase to their operational funding. Their 2019 funding request amounted to \$724,331 which is approximately \$20,000 more than 2018. The requested amount included \$15,000 for capital purchases. The Terrace Public Library indicated that they may not require the full \$15,000 for capital purchases in 2019.

The Director of Finance indicated that the 2018 final budgets were projected and the 2018 surplus was calculated based on the projections. The numbers will continue to change slightly until the 2018 year end has been completed.

The budget comparison showed the changes between the 2018 Operating Budget and the 2019 Provisional Operating Budget. The only increase to wages was an approved increase as per the Collective Agreement. There were no increases to staffing levels in 2019.

Each Department Head explained the significant variances of over \$10,000 to their Operating Budgets for 2019.

The increase to the General Levy and Transit Levy included a 2% tax increase and a \$100,000 increase to non-market change. Information was received from BC Assessment that the non-market change could be approximately \$126,000.

The Pacific Northern Gas (PNG) 3% franchise fee and 1% levy increased slightly. PNG pays the levy and franchise fee based on their revenues earned in the previous year.

There was an increase in Building Permit revenues. In order to project the 2019 budget, past trends and current year building permit revenues are reviewed. 2019 is projected to be a busier year than 2018.

The Animal Shelter Crematorium revenues were increased by \$25,000 in the 2019 Budget as the utilization of the animal crematorium has risen consistently over the years.

The RCMP prisoner costs have consistently increased over the past few years. This budget was increased by \$25,000.

The Solid Waste Garbage Collection and Disposal Budget was increase to reflect the actual number of household serviced.

There was an increase in transit pass sales for 2018. The increase was reflected in BC Transit's 2019 draft budget.

The increase to the revenues from public swimming, swimming classes, and other programs in 2019 were due to the later than projected opening date of the Terrace & District Aquatic Centre (TDAC) in 2018. It was originally anticipated that the TDAC would be open for half of 2018.

The Arena Ice Rental revenues were increased by \$16,500 for 2019.

The City charges a 10% penalty on late payment of property taxes. There has been a rise on penalties and interest in past years. These budgets were increased slightly for 2019 to accommodate the rise.

The Grants Operating Provincial Budget fluctuates annually. It is based on specific capital projects being undertaken and grants related to those projects.

The Grants Capital revenues in the 2019 budget were decreased by \$17,000 due to the gas tax which is received annually. The City received notification that this would be going down slightly over the next couple of years.

The RDKS Cost Sharing Budget was increased slightly to restore pool budgets to their normal levels.

The Gaming Revenue Budget was increased by \$50,000 to bring it in line with what was received in 2018.

The General Budget comparison expenses were discussed.

The Council's Sundry Expenses Budget was decreased slightly as strategic planning was budgeted in 2018. There will be no strategic planning in 2019.

The RCMP Contract Budget was increased. The City budgeted for 24 members in 2019. The RCMP are currently going through contract negotiations.

The Fire Department Internal Vehicle Committee (IVC) budget was increased by \$21,000. The increase was mostly due to costs associated with the new firetruck. The increase was also due to the future replacement of a few fire department trucks.

The Fire Department Small Equipment Budget was increased by \$16,500. Funds were moved from other accounts into this account in order to replace some of the small equipment.

The Burn Grounds Upkeep Budget was increased by \$15,000. In previous years the Coast Mountain College partnered with City to provide a burn building on their property. Due to the recent expansion of the college, they requested that the City move the burn building to a new location.

At the December 10, 2018 Regular Council meeting the Emergency Support Services (ESS) Coordinator requested that the City's annual financial contribution of \$15,000 to ESS be increased by \$3,000. The additional \$3,000 would be used to enable members of the Skeena Valley ESS team to participate in the 2019 Northern Emergency Support Services Training (NESST) Conference in Prince George.

The Provincial Transit System and the Handy Dart System budgets were both increased. The BC Transit 2019 draft budget reflected these increases. The majority of the increase in expenses was due to fleet maintenance costs. The Director of Finance will ask BC Transit about the increased expenses due to fleet maintenance.

The Library Building Maintenance Budget was increased by approximately \$10,500. The increase was for additional LED lighting on the exterior of the building and to replace the automatic doors.

The Pavement Patching, Winter Road Maintenance, and Winter Sidewalk Maintenance budgets were all decreased. These budgets were increased in 2018 to account for the severe winter conditions. There will be no change to the service level regarding winter road and sidewalk maintenance.

The Leisure Services Special Events Budget was increased by approximately \$17,000. Approximately 50% of the costs to run these programs are recovered via donation or grant funding which is returned to general surplus. For the past few years special events like the Movie in the Park and Family Day have been added to this budget and require more funding. The 2019 budget reflects a more accurate dollar amount.

The Pool Wages Budget was increased based on the anticipated amount of hours required to operate at a 90 hour week operating schedule including, which includes 80 hours of reception time, 50 hours of pool operations maintenance, and 300 - 320 lifeguarding hours.

The Pool Utilities Budget was increased as the facility has increased in square footage and the water volumes have increased in all of the pools. Also, staff have been directed to keep the leisure pool at 90 degrees, which is 2 degree warmer than the temperature of the old leisure pool. In addition, a UV system was installed and it was estimated that the utilities costs will increase slightly due to the new UV system.

In 2017 and 2018, Council approved a one-time \$12,000 contribution to the REM Lee Theatre. This was not added to the 2019-2023 Provisional Budget as presented.

The City met with staff at the Coast Mountains School District #82 (CMSD82) to discuss how much it costs to operate the facility. The yearly cost to operate the REM Lee Theatre is \$109,000. Of the events that take place in the REM Lee Theatre, approximately 70% were considered to be community based. Staff recommended the Committee to consider an annual contribution to the theatre.

The CMSD82 agreed to report to Council annually should they be provided ongoing funding of \$12,000.

The Terrace Public Library Funding Budget was increased by 3% as per their request.

Ms. Koerner, Director Hammond, and Director Bidgood of the RDKS left the meeting.

The Finance Interest and Finance Principal budgets were increase in 2019 to reflect the pool borrowing.

The Transfer to Reserves Budget was decreased. In 2018, the final internal borrowing was repaid. There was no internal borrowing for 2019.

The 2019-2023 General Fund 5 year plan was addressed.

The estimated 2018 surplus figure was \$2,015,836. The surplus consisted of \$768,000 that was built into the 2018 budget as well as additional surplus identified in operations and capital. The additional \$1.2 million surplus is made up of \$100,000 from the Terrace Community Forest, \$150,000 from investment income, \$50,000 from penalties on taxes, \$200,000 from the RCMP contract, \$40,000 from garbage collection, \$170,000 from the Public Works department due to vacancies in staffing positions, \$170,000 from the building permits and crematorium revenue, \$25,000 from the Administration Department and \$25,000 from the Development Services Department due to vacancy and staffing as well as unspent travel and training budgets, \$30,000 from the Leisure Services Department in underspent pool expenses, and \$225,000 from underspending in capital projects being carried forward into the 2019 budget.

The City aims to maintain a budget surplus of approximately \$800,000. The projected 2019 budget surplus is approximately \$809,373. In 2018 the City budgeted for 24 full-time RCMP members and the estimated final member number is 22.5.

The 2019 property tax was based on the 2018 property tax revenue plus a 2% tax increase and an estimated non-market change of \$100,000.

The Business Improvement Area tax is collected from downtown businesses and forwarded to the Downtown Improvement Area Society (TDIA). This amounted to \$110,000.

Federal and Provincial governments are exempt from property taxation; however, the City collects grants-in-lieu of taxation from various properties such as Canada Post, BC Emergency Health Services, and ICBC.



Other revenue consisted of money from the Terrace Community Forest, interest earned on the investment of funds, penalties and interest on unpaid property taxes, annual funds received from the Province under their Small Communities Grant and Traffic Fine Revenue Sharing Agreements, net gaming income from casino gaming, annual grant funding from Northern Development Initiative Trust (NDIT) and the Federal Gas Tax, and cost-sharing with the RDKS.

Community partners funding included \$130,000 for Kermodei Tourism. Kermodei Tourism did not ask for an increase in funding for 2019. The community partners funding also included \$118,000 for Heritage Park, \$94,000 for the George Little House contractor, \$10,000 for the Terrace Community Foundation Endowment Fund and \$50,000 flow-through grant funding, \$10,500 for the Terrace Riverboat Days Society, and other small insurance items.

The Capital Projects for 2019-2023 were reviewed.

The total capital expenditure for 2019 is \$3,320,759.

There were 13 projects being carried forward into 2019 for completion.

The Information Systems Manager presented the I.T. Capital Budget.

The server operating systems will be upgraded on the older servers. The older servers will no longer receive security updates as of early 2020 if they are not upgraded.

Multifunction printers will be purchased for City Hall and Public Works. The general lifespan of these printers is 5 years. The current printers were purchased in 2012. A storage server will also be purchased in 2019.

In 2020 the current Office 2010 software system will be upgraded to Office 2019.

In 2021 there will be an upgrade to the physical server hardware at City Hall. The current servers were installed in 2014 and have a general lifespan of about 5 years. The upgrade will enable the servers to move forward with the applications they are currently running.

The Information Systems Manager left the meeting.

The Economic Development Manager presented the Economic Development Capital Budget.

The Transloading Facility Feasibility Study was successful in receiving \$100,000 in grant funding from the Rural Dividend. A consultant will be conducting phase two in 2019.

The Director of Development Services presented the Development Services Capital Budget.

The Building Inspectors will be moving away from paper field reporting to technological field reporting. Obtaining the appropriate electronic devices remains an ongoing item.

In 2019 the grass strips on the 4600 & 4700 Lakelse Avenue boulevards will be replaced with additional brick paving, outdoor furniture, trees, and a wider sidewalk. All maintenance issues around the challenging grass strips will be removed.

An updated orthophoto will be taken in 2019 as the last photo was taken back in 2013. The option of higher resolution contour data using lidar is being explored.

The Community Heritage Plan has been in the Capital Budget for a few years. A \$10,000 Rural Dividend grant application has been submitted and the City is waiting to hear back on the status of the grant. The Community Heritage Plan would provide clarity regarding what the community values for heritage and cultural resources as well as identify and assess various properties and sites to be considered for formal heritage designation.

A \$20,000 grant from NDIT was received for the TDIA Building Façade program.

In 2020 the 4700 block of Lazelle Avenue boulevard will be enhanced.

The Environmentally Sensitive Areas Study has not been updated since 1998. This will be updated in 2020.

In 2021 the 4600 block of Lazelle Avenue boulevard will be enhanced.

The Director of Leisure Services presented the Leisure Services Capital Budget.

Items being carried forward to 2019 included arena roof repairs, George Little Park playground enhancement, Active Net Software training, softball diamond scorekeeper box removals, pool vestibule completion, and possibilities for the newly acquired piece of land across from the Kitsumgallum Cemetery were discussed.

Other items discussed for 2019 included applying for funding for various annual celebrations, replacing the administration office entrance doors of the Sportsplex, adding a main feature (provided by the Kinsmen Club) to the Kin Park playground as well as other upgrades to the Park, painting various parking lot lines throughout the City, the purchase of a new floor scrubber, replacement of the existing outhouses and shower house on Ferry Island to bring them up to better service standard, addition of recycling bins at the playgrounds and sports fields, installation of concrete ribbon at the cemetery to hold upright headstones, hiring a professional to refinish the banquet room floor, repairing the roof of the TDAC steam sauna, and some additional funding for unforeseen challenges with the revitalized TDAC.

Projects in 2020 include consultation for a design of the Riverside Park lands ball diamond and surrounding area, the design for a new arena chiller, the purchase of a new columbarium, and upgrades to the Agar playground.

Notable projects in 2021, 2022, and 2023 included purchasing bear proof receptacles, possibly creating an outdoor patio area to the TDAC, replacement of the arena chiller, replacement of the arena score clocks, and a cemetery expansion design for the Terrace cemetery.

The only item in the Administration Capital Budget was for the election in 2022.

The Fire Chief addressed the Fire Department Capital Budget.

The Fire Department 2019 items included purchasing the second of three thermal imaging cameras, replacing some of the 2.5" hose on the firetrucks, and increasing the first 200 feet of the 4" hoses to 5".

In 2020 the third and final thermal imaging camera will be replaced and the remainder of the 2" hose will be replaced. The Fire Department is hoping to replace their rescue truck and wished to secure a price at today's dollar value that would be locked in until 2020.

The Director of Public Works addressed the Public Works Capital Budget.

Projects being brought forward from 2018 included the purchase of a new Public Works staff truck, completion of a small portion of the Grand Trunk Pathway that requires CN's approval, completion of the second phase of the RCMP building climate control system installation, completion of the Public Works building roof drainage work, and the Asset Management Plan which will be reported to Council in early 2019.

Other items in the 2019 Public Works Capital Budget included the drainage masterplan, reconstruction of the 4700 block of Soucie Avenue, replacement of the winter equipment on the one-tonne truck, continued efforts to obtain the closure certificate for the landfill, re-facing of the north wall of the Public Works building to close in the bay doors and install insulation, replacement of the RCMP boardroom furniture, generator and service upgrades at City Hall and Public Works, pulverize and pave Medeek Avenue, pulverize, pave, and update the drainage system at Beach Street, various pavement overlays, replacement of the Fire Hall roof, and creating additional filing space in the RCMP building for increased records storage.

Councillor Christiansen left the meeting.

More items in the 2019 Public Works Capital Budget included an overlay at Skeenaview Drive, reconstruction of Sparks Street from Halliwell Avenue to Gair Avenue which was identified by the Engineering Department as a priority, installation of an accessible washroom at the Terrace Art Gallery, and the installation of the RCMP generator transfer switch.

A new item for 2019 was the Skeena Channel Management project. This will include an assessment of the Skeena River and lower Kalum River to prioritize mitigation areas that are under threat of erosion or flooding. This project would likely involve new floodplain mapping. This project will be led by the RDKS as they received a large grant from the Federation of Canadian Municipalities (FCM) to undertake this work. The City is a stakeholder in this project.

A lot of paving was planned for 2019 due to the ramping up of LNG projects in 2020. The City will have better access to paving contractor services in 2019 than in later years.

Items in the 2020 Capital Budget included replacement of the boiler at City Hall, the purchase of a new roads trailer to move equipment and materials, concrete curb and gutter road reconstruction of Munroe Street from Straume Avenue to McConnell Avenue, upgrades to the main change room and female change room in the RCMP building, undertaking the Lanfear Hill concept study and design pending a grant application, and replacement of the rear entrance wall of City Hall.

The 2021 Public Works Capital Budget included reconstruction of the 5200 block of Mountain Vista Drive, reconstruction of Weber Avenue, various pavement overlays, and conducting a lane reconfiguration on Kalum Street from Park Avenue to Greig Avenue to match the remainder of Kalum Street and the work done on Lakelse Avenue last year.

Items in 2022 and 2023 included a detailed design of Lanfear Hill, reconstruction of the 5300 block of Mountain Vista Drive, reconstruction of the 4900 block of Park Avenue, reconstruction of the 4900 block of Straume Avenue, various pavement overlays, reconstruction of Labelle Avenue, reconstruction of Graham Avenue from Eby Street to Kenny Street, and upgrades to the entranceway at City Hall.

A discussion took place regarding the establishment of a Downtown Safety/Security Funding Program. A recommendation was made that Council incorporate \$10,000 into the 2019 budget to establish this program.

A discussion took place regarding a sign for the Skeena Industrial Development Park (SIDP). Staff will gather further information for the Committee before a decision is made regarding signage at the SIDP.

There were very few changes in sewer operations. The only significant change to the sewer operating budget was in the infrastructure grants. In 2018 the City received a large grant from the Clean Water and Waste Water Fund and a small portion of that will be carried forward into 2019. There were also some small increases in expenses related to wage increases for 2019.

The sewer 5 year plan had a surplus of \$459,470. \$417,000 of the surplus was built into the 2018 budget with the remaining amount relating to some small capital projects being carried forward to 2019.

The City budgets for approximately \$300,000 in surplus in the sewer fund each year.

The 2019 Sewer Fund Capital Projects included wastewater system improvements which includes completing the major grant project that was started in 2017, Wastewater Scada Integration project which is a project that was carried over from 2018, the Video Inspection Program which must be started in 2019, confined space equipment and training which was carried forward from 2018, sewer main relining, and upgrades to the video camera inspection equipment to inspect sewer lines and blockages.

The only other significant item in the Sewer Fund capital projects was the Graham Avenue upgrade in 2023.

There were few changes in water operations. The only significant change to the water operating budget was in the infrastructure grants related to capital projects where there is a small amount being carried into 2019.

The City budgets for approximately \$300,000 in surplus in the water fund each year.

The water 5 year plan had a surplus of \$518,798. The surplus included \$416,000 surplus that was built into the 2018 budget with the remaining amount relating to some small capital projects being carried forward to 2019.

The 2019 Water Fund capital projects included completion of the reservoir capacity improvement design carried over from 2018, the Aquafer Protection Program, the Leak Protection Program which identified approximately 18 leaks of which 2 were major leaks that were amounting to loss of approximately 1,000 cubic metres per day, the Park Avenue booster controls upgrade as some of the controls date back to the 1960's, and a few water replacement projects associated to road reconstruction projects.



The only other significant item in the Sewer Fund Capital Projects was the Wilson Cascade project to happen in 2020. The City received a \$200,000 grant which was used to model and design a new reservoir to add fire flow capacity to the Horseshoe and Keith Estates area of the city. A proponent provided a proposal which will allow the City to back feed water from the Halliwell reservoir to recharge the Wilson reservoir. This would allow the City to utilize both reservoirs for fire flows in the lower part of Terrace.

**It was recommended that** the 2019-2023 Provisional Budget be approved and Administration proceed with the Capital plan with following additions:

- \$3,000 be added to the Emergency Support Services budget, within the Fire Department budget, on an ongoing basis;
- \$12,000 be incorporated into the Leisure Services budget to support REM Lee Theatre operations on an ongoing basis; and
- \$10,000 be incorporated into the Development Services budget to establish a Downtown Safety/Security Funding Program.

**It was recommended that** staff be directed to further investigate signage for the SIDP.

The December 12, 2018 Finance, Personnel & Administration Component of the Committee of the Whole meeting adjourned at 7:45 p.m.

**CERTIFIED CORRECT**

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**Chair**

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**Clerk**