

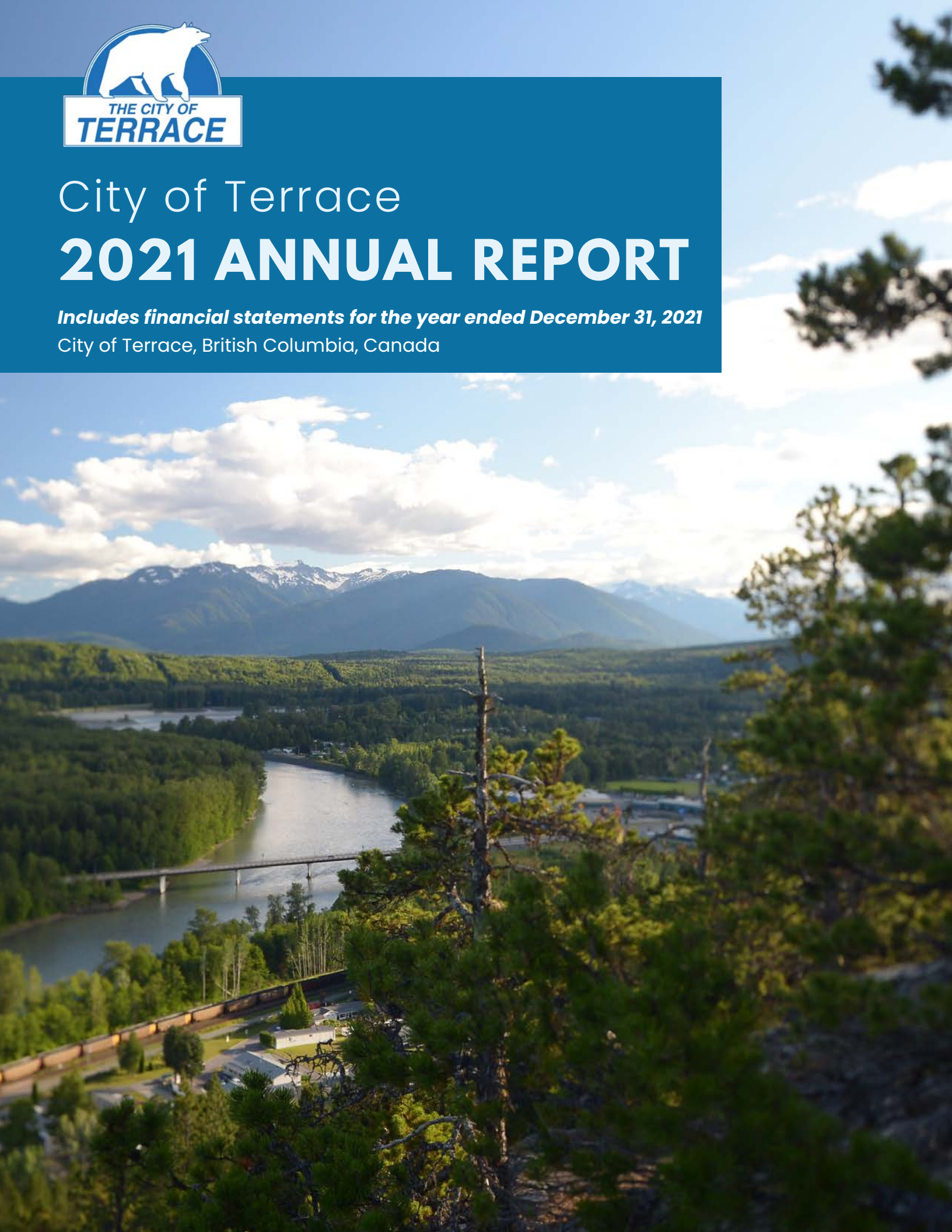


City of Terrace

2021 ANNUAL REPORT

Includes financial statements for the year ended December 31, 2021

City of Terrace, British Columbia, Canada





2021 Annual Report and Financial Statements

Includes financial statements for the year ended December 31, 2021
City of Terrace, British Columbia, Canada

Prepared and submitted by: Finance Department and
Administration Department, City of Terrace

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We acknowledge that it is an honour to live, work, and play on the Laxyuubm Tsimshian, Kitsumkalum and Kitselas, toyaxsuut nuusm.



INTRODUCTORY INFORMATION

MESSAGE FROM THE MAYOR



Carol Leclerc



The following is the City of Terrace's 2021 Annual Report. Each year, the City prepares an annual report which includes audited financial statements and other financial information, a report of the municipal services and operations for that year, and a description of our objectives to provide clear information to the public regarding our activities. Terrace is located on the traditional and unceded territories of the Tsimshian First Nations. We are fortunate to have positive working relationships with the Kitselas, Kitsumkalum, and Nisga'a First Nations.

Council identified six strategic focus areas in 2018 and directed staff to focus on these priorities. These focus areas include: increase City revenues, responsible asset management, value our natural assets and lifestyle, enhance civic pride, advocate for community, social, and environmental issues, and manage the impacts of growth.

The COVID-19 pandemic continued to affect many aspects of our everyday lives; however, staff implemented creative ways to continue to effectively conduct business throughout the ongoing pandemic. We continued to make sure that the needs of the community were met while continuing to follow all Provincial Health Orders.

Homelessness and downtown security continued to be an issue in 2021. A town hall meeting was held to hear from local business owners and citizens on the topic of social issues in the downtown. The City hired a Social Development Program Coordinator to work with local social service agencies and help assist with the social issues that impact our parks and public places. A Community Safety Officer was

also hired to engage with the homeless population in the downtown and to develop and foster positive relationships with those community members dealing with housing and addictions challenges. During UBCM, Council lobbied the provincial government to create a long-term strategy to eliminate homelessness, year-round day programming, drop-in spaces for the homeless demographic, and housing that includes wrap-around mental health and addictions supports. Council will continue to represent the needs of Terrace to all levels of government to ensure a healthy community in the future.



We continued to work on strengthening and advancing our relationships with local First Nations communities by way of formal and informal meetings. Unfortunately, we were unable to hold a Community to Community Forum in 2021; however, we very much look forward to hosting a forum soon!

Staff continued to work on the development of a long-term asset management plan. An Asset Management Leadership Team (AMLT) Terms of Reference was developed and the AMLT team signed off and committed to the development of the Asset Management Program. In October 2021, Council adopted the Asset Management Policy. This policy will help staff understand the overall health and needs of the City's valuable assets and enable them to make informed decisions for the future.

Despite the ongoing COVID-19 pandemic, large-scale economic activity remained positive in the region. We were pleased to see the long-awaited, state-of-the-art Mills Memorial Hospital replacement project break ground. At more than double the size of the existing facility, the hospital will address current and future patient care needs in the region. Council continued their pursuit to capture revenues from the major projects taking place just outside of City limits by way of lobbying the provincial government and continuing to work as an integral part of the Northwest

BC Resource Benefits Alliance. Council continues to pressure the provincial government for a funding agreement that will ensure that more of the revenue generated from Northwest BC remains in the region.

We always welcome the public at Council meetings and Committee of the Whole meetings, virtually or in-person. Follow us on Facebook and please share your ideas and feedback with us so we can continue to make Terrace the best it can be.

CAROL LECLERC
Mayor

MESSAGE FROM

THE CHIEF ADMINISTRATIVE
OFFICER



Kris Boland



2021 was a year of dealing with many challenging issues—the ongoing pandemic, grizzly discoveries at former residential schools, and Council declaring the downtown in “crisis” due to a variety of crime and public disorder issues. However, Council and staff remained steadfast in their roles and accomplished great things in these times of adversity.

In June, Council declared a crisis in the downtown. Mental health and addictions challenges are partly the cause for a significant amount of crime and unsavoury activity happening in the downtown area, and businesses downtown are bearing the brunt of it. Concerns around the effectiveness of the criminal justice system have community members feeling like we are in a lawless state, and there are seemingly little to no consequences for criminal behaviour. A community dialogue meeting was held July 14, which provided a forum for residents from all walks to have their concerns heard.

To combat the issues in the downtown, Council approved the creation of a Social Development Program, with funding support from LNG Canada and the Northern Development Initiative Trust. The new Social Development Program Coordinator started in the role in September.

In June, the City activated its very first cooling centre at the Sportsplex, in the midst of an unprecedented heat wave (aka heat dome). This led to also opening a warming centre in the midst of a real cold snap this past winter, with the generous support of Progressive Ventures and a number of service providers in the community.

A number of achievements were realized in 2021:

- The City secured funding for the first two off-leash dog parks in the community, with the support of the Rotary Club of Terrace and Coastal Gas Link. Both of these parks are on track to open in Spring 2022.

The community dialogue meeting also lined up with the launch of the City’s new public engagement platform, also known as Engage Terrace (engage.terrace.ca). This platform provides a common space for community members to learn and have their say in a number of City initiatives, and the feedback to date has been positive.

- Terrace was the first community in BC to implement Cloud Permit software, which brings our building permit and inspection processes online and provides a significant improvement in efficiency in terms of the developer and City staff communicating throughout the permitting and inspections process.
- Finalized and signed a new mutual aid agreement for fire and rescue services with the District of Kitimat and Regional District of Kitimat–Stikine.
- The City’s Economic Development department received the Economic Recovery and Resiliency Award from the BC Economic Development Association for the Shop Local Passport program.
- City staff implemented an Asset Management Leadership Team and followed up with an Asset Management Policy that was approved by Council in October.
- The City adopted a DCC bylaw in December to ensure the costs related to growth are paid by developers to the extent possible, rather than the taxpayer.
- The Finance department completed two annual budget processes in 2021, with the goal of having the 2022 budget in place for the beginning of the fiscal year. The 2022 Financial Plan Bylaw received first three readings in December 2021 and was adopted in January 2022. Additionally, the 2022 budget was accompanied by a top-notch budget consultation document, providing clear information to the public to facilitate and support the public’s input into Council’s proposed budget.

In terms of reconciliation, the City embarked on a number of initiatives during the year which served to set the foundation for future reconciliation activities. Council completed diversity and inclusion training, and Council and staff undertook cultural awareness training sessions from a number of local First Nations. Council approved a learning implementation plan for the Truth and

Reconciliation Commission’s Call to Action #57, which is intended to provide foundational knowledge to Council and staff on First Nations’ issues and history that will guide reconciliation activities.

Council released a Reconciliation Value Statement, which is intended to serve as a foundation to guide future decision-making and action related to reconciliation:

The City of Terrace values the Indigenous peoples of the area and seeks to build strong relationships founded in trust and respect. We are committed to reconciliation, founded on understandings of truths experienced through colonialism, residential schools, and systemic racism.

The City raised an orange flag at City Hall in honour of the National Day for Truth and Reconciliation on September 21, and kept the flag flying until the end of October in recognition of the atrocities at the former Kamloops Residential School and others that began to come to light following the discovery of the remains of children buried at the site. Our hearts go out to the members of Tk’emlúps te Secwépemc and the many other nations that are struggling to come to grips with these tragedies.

In closing, I want to recognize the contributions of City staff on a daily basis to make the community such a wonderful place. It’s a true privilege to have the opportunity to lead such a great team of dedicated staff. I look forward to continuing to work with Mayor and Council in the coming year, and I acknowledge the passion and care for the community that they bring to their roles as elected officials.



KRIS BOLAND

Chief Administrative Officer

CITY COUNCIL

WHO REPRESENTS THE CITIZENS OF TERRACE?



City Council is a legislative body representing the citizens of Terrace. Council provides leadership and establishes policies and priorities for the community.

The City of Terrace holds regular council meetings in the Municipal Council Chambers at City Hall on alternate Mondays. Want to take part? There are many ways to keep informed about what's happening with your local government (some were unavailable during the COVID-19 pandemic):

- Attend a council meeting in person at 7:30 pm—they are open to the public.
- Join the Teams meeting to participate virtually.
- Watch the webcast live on our Webcasts page. The recording is also available on this page within 48 hours of a meeting.
- Watch the webcast live (or later on) on our Facebook page.
- Read the minutes—which are a summary of the actions of Council during the meeting.

Learn more about public participation and find links to upcoming meeting agendas at terrace.ca/participate.

COUNCILLORS' AREAS OF RESPONSIBILITY IN 2021

Every year City Councillors serve as liaisons between various committees, community organizations, and City departments. The Councillors attended meetings for these groups and relayed information between Council and their respective organizations. Below is a list of each Councillor's areas of responsibility for 2021.



Mayor Carol Leclerc

- Government – Federal, Provincial, Municipal, and First Nations
- Northern Development – Northwest Regional Advisory Committee & Board Member
- Healthy Communities Committee
- Regional District of Kitimat-Stikine (alternate)
- Terrace Community Foundation
- Educational Services (SD#82/NWCC/UNBC)
- Terrace-Kitimat Airport Society



Councillor Sean Bujtas

- Regional District of Kitimat-Stikine



Councillor Lynne Christiansen

- Housing Committee
- Terrace & District Museum Society
- Regional District of Kitimat-Stikine (alternate)



Councillor James Cordeiro

- Regional District of Kitimat-Stikine



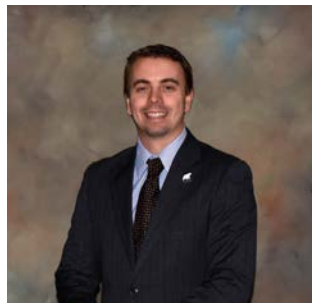
Councillor Brian Downie

- Kermodai Tourism Society
- Terrace Downtown Improvement Area Society
- Northern Medical Programs Trust
- Northern Development – Northwest Regional Advisory Committee (alternate)



Councillor Jessica McCallum-Miller (until February 22, 2021)

- Housing Committee
- Terrace Public Library



Councillor Evan Ramsay

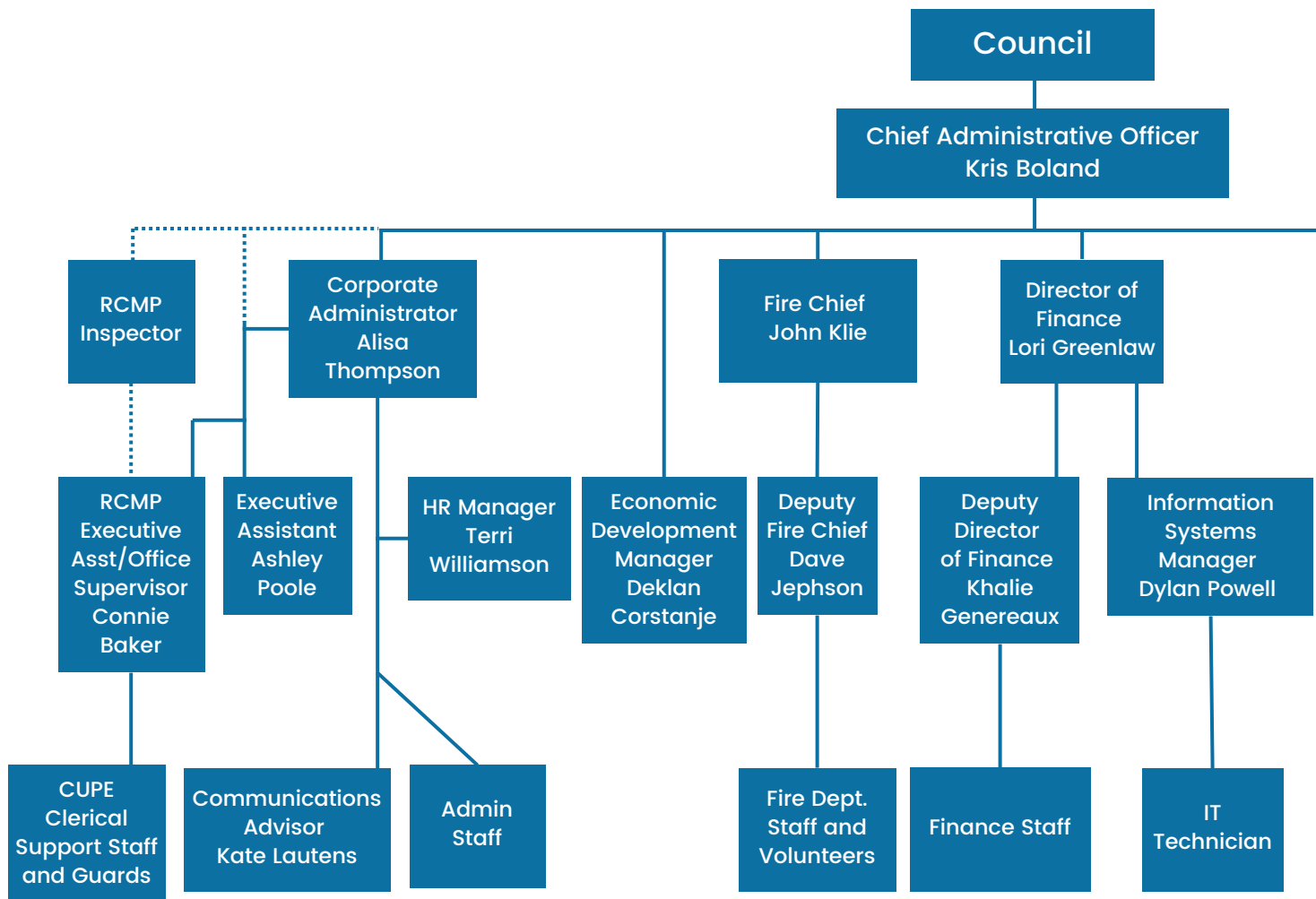
- Greater Terrace Beautification Society
- Terrace Public Library (alternate)



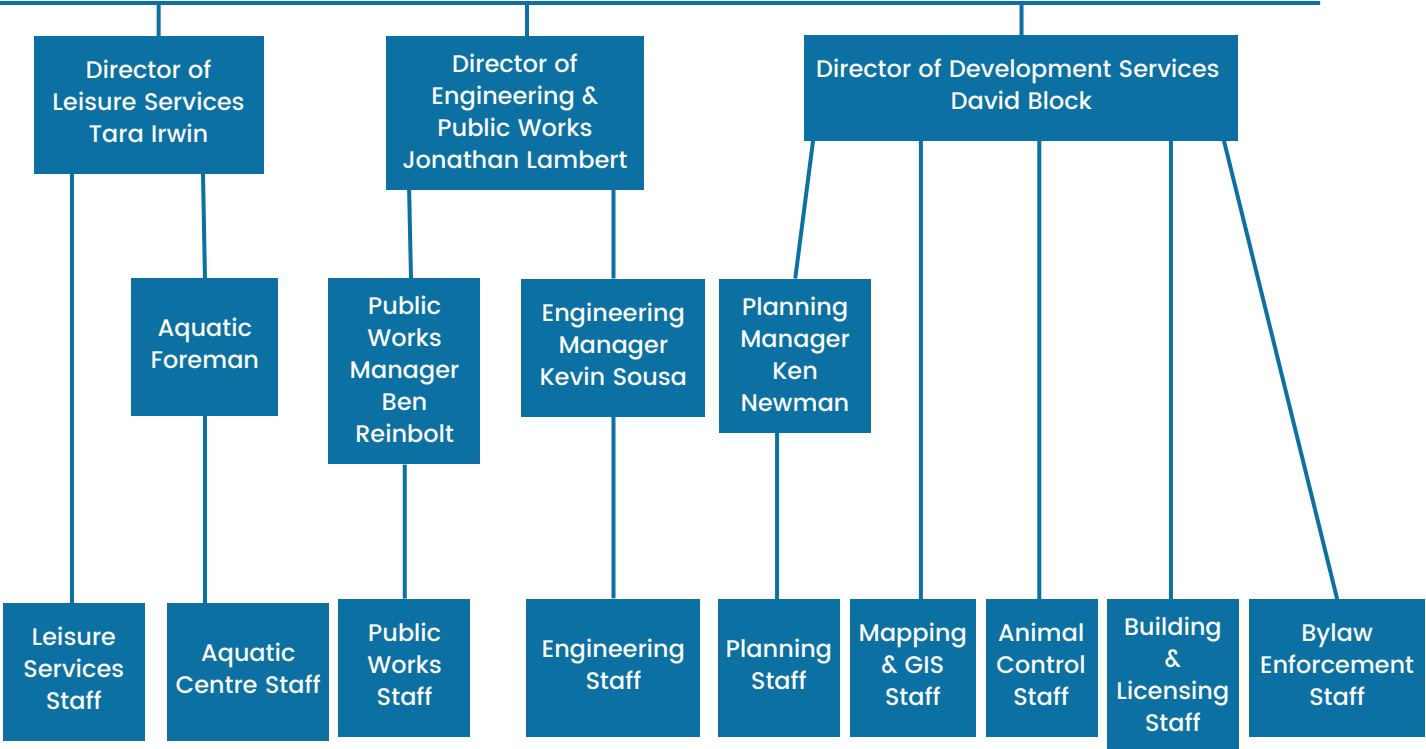
Councillor Dave Gordon (starting June 28, 2021)

- Housing Committee
- Terrace Public Library

ORGANIZATIONAL



CHART



STRATEGIC PLANNING

The City continued with the Strategic Plan for 2018–2022. Council attended many meetings and events throughout the year related to the six focus areas of the Strategic Plan:

- Increase City Revenues;
- Responsible Asset Management;
- Value Our Natural Assets and Lifestyle;
- Enhance Civic Pride;
- Advocate for Community, Social, and Environmental Issues; and
- Manage the Impacts of Growth.

Corporate Vision Statement

Terrace is an inclusive, affordable, and vibrant community with a strong, diverse economy; we provide a high quality of life with abundant recreational activities, easy access to outdoor adventures, and we celebrate our rich local culture and proud First Nations presence.

Corporate Mission Statement

Through strong leadership the City of Terrace provides effective delivery of core services to serve all residents of the community, fosters community pride and livability, and facilitates economic growth in the region as the service and supply centre of the Northwest.



A LOOK AT WHAT'S HAPPENING IN TERRACE

STRATEGIC PLAN

2 0 1 8 - 2 0 2 2

CORPORATE MISSION STATEMENT – Through strong leadership the City of Terrace provides effective delivery of core services to serve all residents of the community, fosters community pride and livability, and facilitates economic growth in the region as the service and supply centre of the Northwest.




CORPORATE VISION STATEMENT – Terrace is an inclusive, affordable, and vibrant community with a strong, diverse economy; we provide a high quality of life with abundant recreational activities, easy access to outdoor adventures, and we celebrate our rich local culture and proud First Nations presence.




THE WORK OF THE CITY OF TERRACE IS GUIDED BY THE FOLLOWING VALUES:


- Fiscal responsibility
- Progressive leadership
- Innovative and collaborative
- Diverse, inclusive, and responsive
- Ecologically conscious and environmentally responsible
- Ethical, honest, and with integrity
- Efficiency, effective, and service driven
- Accountable and transparent
- Just, fair, and balanced


STRATEGIC FOCUS AREAS


INCREASE CITY REVENUES  • Find new sources of revenue for the City of Terrace

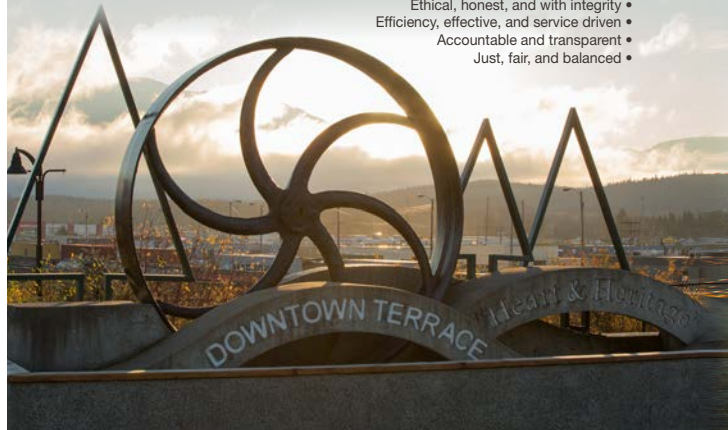
RESPONSIBLE ASSET MANAGEMENT  • Ensure City infrastructure is sound and resourced into the future
• Maintain and renew City capital assets

VALUE OUR NATURAL ASSETS AND LIFESTYLE  • Maintain our natural spaces and encourage an active outdoor lifestyle

ENHANCE CIVIC PRIDE  • Improve the appearance of the City overall, with emphasis placed on the entrances to the City and the downtown
• Foster a high quality of life

ADVOCATE FOR COMMUNITY, SOCIAL, AND ENVIRONMENTAL ISSUES  • Ensure Terrace is a safe and attractive city in which to live, work, and play
• Advocate for the provision of adequate services to meet social and health needs in the community
• Promote a healthy community

MANAGE THE IMPACTS OF GROWTH  • Prepare for anticipated growth pressures and future grant opportunities
• Emphasize the importance of truth and reconciliation



DEPARTMENT REPORTS

2021 DEPARTMENT HEADS

Chief Administrative Officer

Corporate Administrator/Deputy Chief Administrative Officer

Director of Finance

Fire Chief

Officer In Charge, Terrace RCMP Detachment

Director of Leisure Services

Director of Engineering & Public Works

Director of Development Services

Kris Boland

Alisa Thompson

Lori Greenlaw

John Klie

Jayson Lucash/
Mike Robinson

Tara Irwin

Jonathan Lambert

David Block



The following pages include the department reports outlining how activities in 2021 related to one or more of the six strategic focus areas.





ADMINISTRATION DEPARTMENT

terrace.ca/City-Hall

Administration maintains the records of the City and provides access to information. Communications prepares information for the media, responds to inquiries from the public, and manages the City's website and social media accounts.

Administration organizes events on behalf of Council throughout the year. It also manages leases for City-owned properties. The Administration Department includes Human Resources, Communications, and Economic Development as well as records management, protection of privacy, and Council support.

On a daily basis, the Administration Department is responsible for coordinating Council's schedule and correspondence from Council and Administration. Administration is usually either preparing for a Council or Committee of the Whole meeting or preparing minutes from a meeting.

STRATEGIC FOCUS AREAS IN 2021

VALUE OUR NATURAL ASSETS AND LIFESTYLE

- Conducted a citizen satisfaction survey with the Finance department.

ENHANCE CIVIC PRIDE

- Negotiated the renewal of a no-cost lease for the Terrace Art Gallery.

ADVOCATE FOR COMMUNITY, SOCIAL, AND ENVIRONMENTAL ISSUES

- Organized a town hall meeting to discuss social issues in the downtown.
- Launched new software for enhanced citizen engagement.
- Developed the Terms of Reference for a new Social Issues Advocacy Committee.

Administration
STRATEGIC FOCUS
AREAS FOR 2022

Responsible Asset Management

- Continue to negotiate lease renewals as they arise.

Value Our Natural Assets and Lifestyle

- Renew the Licence Agreement to operate the Terrace Community Gardens.
- Negotiate a new operating agreement and lease with Kermodoi Tourism Society.

Enhance Civic Pride

- As the COVID-19 pandemic subsides, Administration will be organizing an open house during National Volunteer Week and the annual volunteer

appreciation dinner to recognize the volunteers that work with the City.

- With the return of Riverboat Days, Administration staff will be organizing the Riverboat Days Opening Ceremonies and Council’s annual pancake breakfast in the park.

Advocate for Community, Social, and Environmental Issues

- Provide support for Council when advocating to other levels of government by arranging meetings, writing correspondence, preparing presentations, and issuing media releases.

Follow us:

facebook.com/CityofTerrace

twitter.com/CityofTerrace

engage.terrace.ca

Communications

2021 FACTS AND STATS



24 new followers
 1,438 followers
 as of December 31, 2021



4,725
 total followers
 as of December 31, 2021

375
 new page followers
 (net)

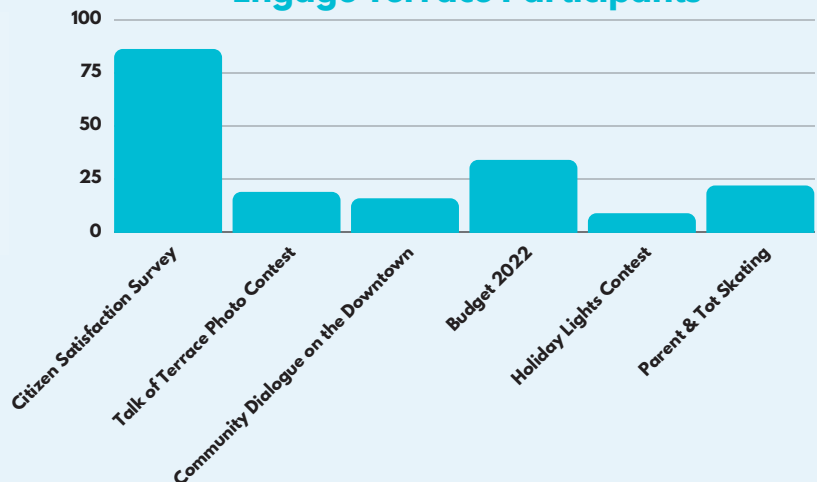
775
 posts
 covering all
 departments

NEW IN 2021:



207 people signed up
8 unique public surveys
41 blog posts

Engage Terrace Participants



Administration

2021 FACTS AND STATS



Did you know? These are open to the public to attend. In fact, all the meetings listed here except the two labelled "in-camera" meetings are open to the public. Join us and see what City Council is all about!

WHAT DOES "IN CAMERA" MEAN?

In camera means "in private." These closed meetings allow Council to meet about confidential topics. For example, a topic with legal implications would be discussed in camera.

What's a C/W?

That's a Committee of the Whole meeting. Committee of the Whole meetings allow for a detailed, but less formal review or discussion of a specific subject matter. They may involve presentations from staff departments (like Public Works) or delegations (like community groups or citizens).

23 BYLAWS ADOPTED

Conducted a by-election and assisted with orientation for the newly elected councillor

42 FOIPPA REQUESTS

FOIPPA = Freedom of Information and Protection of Privacy Act

FOIPPA is a formal process to request access to records in the custody and under the control of a public body.

2020: 8 requests	2018: 2 requests
2019: 12 requests	2017: 7 requests



Right: An aerial shot of Terrace also shows the Northwest Regional Airport and nearby Skeena Industrial Development Park (SIDP).



ECONOMIC DEVELOPMENT

terrace.ca/EcDev

Economic Development assists in the development and implementation of projects, programs, and policies that assist with the stimulation of the local economy through business attraction, retention, and expansion.

Economic development is a diverse and dynamic field where no day is the same. Day-to-day work can range from performing primary or secondary research to gain insights for program changes or implementation of a project, to liaising investors and site selectors to landowners or contractors, to management of various projects like marketing campaigns, policy reviews, or software implementation.

Economic Development
STRATEGIC FOCUS AREAS IN 2021

INCREASE CITY REVENUES

- Business Retention and Expansion
 - » Love Terrace Shop Local program
 - ◆ 6 new businesses
 - ◆ 256 Facebook page likes (+10%)
 - » #LoveLocalTerrace social media campaign
 - ◆ Over 8,000 people reached with high engagement
 - » Economic updates and support communications
 - ◆ 26 newsletters or mass emails sent to 3,300 recipients
 - ◆ Increased click rate over previous term
 - » Shop Local Passport contest
 - ◆ More participating businesses and more passport holders
 - ◆ \$7,000 more in consumer spend
 - ◆ High social media reach, engagement, and site visits (+53% to 95% increases)
 - ◆ \$350,000 in economic impact
- Development Approval Process Improvement project
 - » Goal: Examine operational steps and decision making in relation to approving development, from pre-application to permit award, with a focus on improving effectiveness, efficiency, and communication.
 - » Consultant procured for process mapping, performance benchmarking, bylaw review, communications materials and tools, software feasibility research, fee structure review, and training.
 - » Other elements to come: Digitization of paper-only documents for ease of access and storage, and implementation of incremental software or digital tools to support staff and applicants.
- 2022-2024 Economic Development Strategic Plan development
 - » Plan approved January 2022
 - » Gives staff structured guidance for improving business climate for Terrace.
 - » Has 3 main goals:
 - ◆ Optimize Terrace's Investment Readiness
 - ◆ Improve Terrace's Position as an Economic and Cultural Hub
 - ◆ Increase and Maintain Terrace's Industrial Tax Base

ENHANCE CIVIC PRIDE

- Workforce and Resident Attraction Initiative: Live Northwest BC
 - » Market research, visual identity for the region, website and social media channels, digital media assets
 - » Stakeholder engagement
 - » Recruitment tools and resources for employers
 - » Launched and ran the "What's Holding You Back?" campaign
 - ◆ 6M impressions on Facebook and YouTube
 - ◆ 573,000 video views
 - » Major employers engaged with the tools and resources: Coast Mountains School District, Rio Tinto, TC Energy, MNP, LNG Canada
- Grant writing assistance pilot program:
 - » Assistance to City, partners, and local community groups
 - » Applied for more than \$1M in grants
 - » Grants applied in previous/current year that were awarded = \$3M

ADVOCATE FOR COMMUNITY, SOCIAL, AND ENVIRONMENTAL ISSUES

- Participation or communication regarding industrial projects:
 - » LNG Canada Social Management Roundtable
 - » Coastal GasLink Socio-Economic Effects Management Plan (SEEMP)
 - » Kitimat LNG EAO Working Group
 - » Vopak EAO Technical Working Group

Economic Development

2021 FACTS AND STATS



Economic Development

STRATEGIC FOCUS AREAS FOR 2022

Increase City Revenues

- Investment attraction:
 - » Investment readiness
 - ◆ Industrial land inventory
 - ◆ Industrial business retention and expansion insights
 - » Sell and lease corporate lands
- Business Retention and Expansion:
 - » Improved business licensing system
 - ◆ Online application
 - ◆ Online payment
 - ◆ Improved information for business support program development
 - » Entrepreneurial development study
 - » Improving activity and uptake of the Love Terrace program from both a business and consumer perspective
- Continued support of the Workforce and Resident Attraction (WARA) Initiative:
 - » Marketing the northwest to people who would be a best fit with Terrace from a career and lifestyle standpoint will lend itself to better business

succession planning, community vibrancy, and stable economic growth.

- Supporting employers with accessing assets and information to amplify and optimize recruitment efforts.

Enhance Civic Pride

- Grant writer: the grant writer on contract to the City continues to be available to the City, its partners, and non-profits in the community, providing the opportunity for community improvement projects that will lead to enhanced civic pride and vibrancy.
- WARA: ongoing support to employers will help raise the profile of Northwest BC and attract talent that fit well with the jobs and lifestyle of the region, with the goal of longer-term residents setting down roots and making Terrace home.

Advocate for Community, Social, and Environmental Issues

- Liaise with our Social Development Program Coordinator and participate in socio-economic committee discussions with industry proponents.

FINANCE DEPARTMENT

terrace.ca/Finance

The Finance Department is responsible for safeguarding the City's financial assets and planning to ensure the financial stability and viability of the City. Those safeguards include monitoring, controlling, and allocating the City's financial resources to meet the short and long-term budgetary goals and objectives that Council has set out in the five-year Financial Plan. The Finance Department is also accountable for implementing and administrating the City's Information Technology (IT) systems. All financial transactions are completed in accordance with the Community Charter, the Local Government Act, and Canadian Generally Accepted Accounting Principles as set out by the Public Sector Accounting Board.

The Finance Department coordinates expenses through the annual budget process; prepares internal and external financial statements and reports for various stakeholders; maintains property records; and administers property tax collection. Also, this department is responsible for front counter service at City Hall; administration of all IT systems; and other general accounting functions such as payroll, accounts payable, accounts receivable, insurance and risk management, and securing and managing debt.

Below: There's still time for fun in the Finance Department, even during COVID-19. At Halloween, City Hall staff, including the Finance and Administration departments, dressed up like the characters from the Toy Story movies.



Finance

STRATEGIC FOCUS AREAS IN 2021

RESPONSIBLE ASSET MANAGEMENT

The Finance Department continued to work on the development of a long-term asset management plan. In early to mid-2021, the City developed their Asset Management Leadership Team (AMLT) Terms of Reference and had the team sign off and commit to the development of the Asset Management Program. This team is a combination of representatives from various departments with Finance leading the meetings and financial components of Asset Management. By October 2021, the City had their Asset Management Policy adopted by Council. The organization culture is shifting as they see the benefits of having a plan in place for future generations to follow, tweak, and adapt to changing environments. The AMLT is continuously seeking different learning opportunities to ensure that they are thinking about

Asset Management from many different lenses and are equipped with the tools necessary to move things in the right direction.

INCREASE CITY REVENUES

Similar to 2020, water and sewer user fees were increased by 5% in 2021 to ensure these funds remain self-sustainable. A review of cemetery fees was started in 2020 with anticipated acceptance and implementation in 2021; this has been deferred to 2022 or later. The Sewer Connection Rates Bylaw was updated to allow for collection of bulk wastewater at our treatment plant; the Water Distribution & Sale Bylaw was updated to allow for the sale of bulk water at our water loading station. This supplied and will continue to supply additional revenue to the sewer and water funds to assist with sewer and water infrastructure requirements.

Finance

STRATEGIC FOCUS AREAS FOR 2022

Responsible Asset Management

- The City continues to work towards a long-term plan of renewing capital in a sustainable manner. This means saving over time for capital requirements so that the funds are in place when the need arises. The water and sewer funds will be receiving a 4% and 5% increase, respectively, in 2022 dedicated to asset management. These amounts will be transferred annually to a dedicated water and sewer reserve and will be used to fund the future replacement of water and sewer capital assets. In 2022, a 1% tax increase will be set aside for asset management in the general fund. This amount will be transferred annually to a dedicated

asset management reserve and will be used to fund the future replacement of general assets. General assets include all assets other than water and sewer and vehicles; for example, buildings, roads, parks, storm, etc.

Advocate for Community, Social, and Environmental Issues

- Continuous monitoring of the Permissive Tax Exemption Policy and review of new applicants that meet the criteria.

Manage the Impacts of Growth

- Work with all departments to determine requirements to further our provision of online services, including advancing our options for

online payments.

- Provide support with cost-benefit analysis in pursuit of opportunities regarding cost sharing, profit sharing, and revenue generation to further grow our revenue base.
- Continue with the implementation of new budget software to allow for more efficient processes and better reporting capabilities.

Enhance Civic Pride

- Conduct ongoing review of the budget to find savings and continuous improvements to enhance services delivered to our citizens.
- Train and coach our staff to continue to provide the best solutions and service to our citizens.

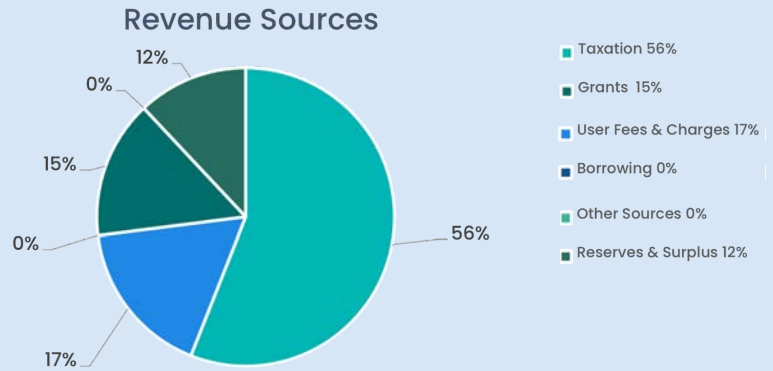
Finance Department

2021 FACTS AND STATS

CITY REVENUES

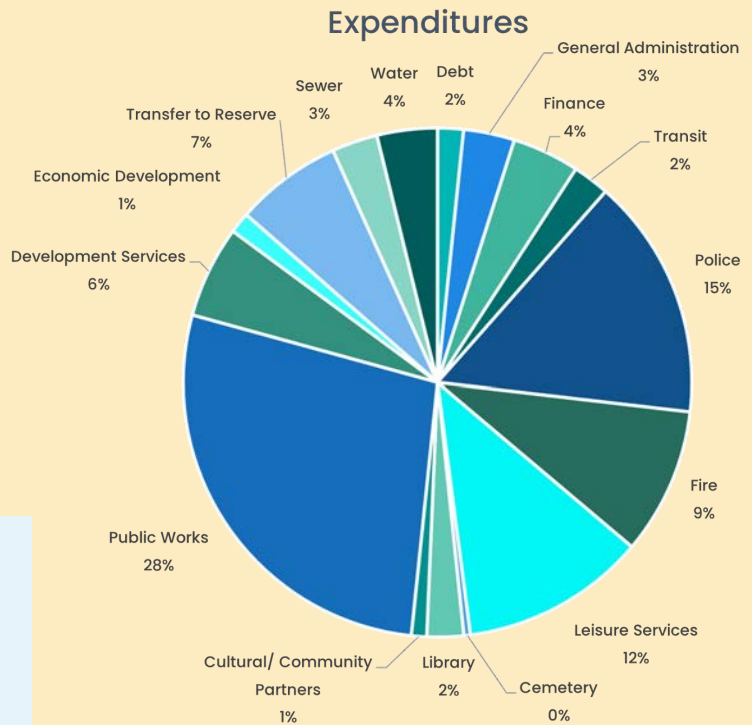


Grants were down by \$9 million due to the City receiving the Northern Capital and Planning Grant and Covid-19 Safe Restart Grant from the Province of BC in 2020.

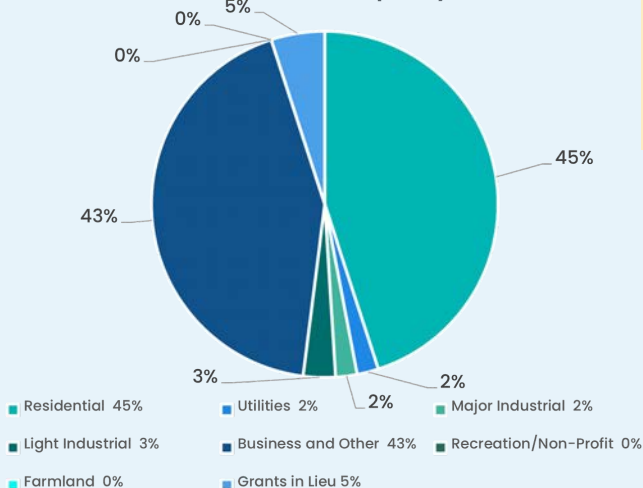


EXPENSES TOTALLED \$31.6 million
 which, when deducted from revenues, created the annual surplus of **\$148,689**

15.6% increase in expenses over 2020. In addition to facilities opening back up, significant costs and resources went into repairing the slopes on both the Lanfeer and Birch hills. A Manager of Public Works position was also created to help offset the workload in that department. In addition, the City was required to reevaluate the landfill closure liability and increase the funds in the liability account by \$3,265,281 to fulfill post-closure requirements.



Distribution of Property Taxes



Businesses and residents contribute



of the total property taxation

User fees and sale of goods + services up by **\$3.6 million** largely due to development permits and fees attributed to the construction of the new hospital and restrictions lifting for COVID-19.

Right: Façade changes on a property on Keith Avenue required a development permit to complete; the before and after is shown here.



DEVELOPMENT SERVICES DEPARTMENT

terrace.ca/DevelopmentServices

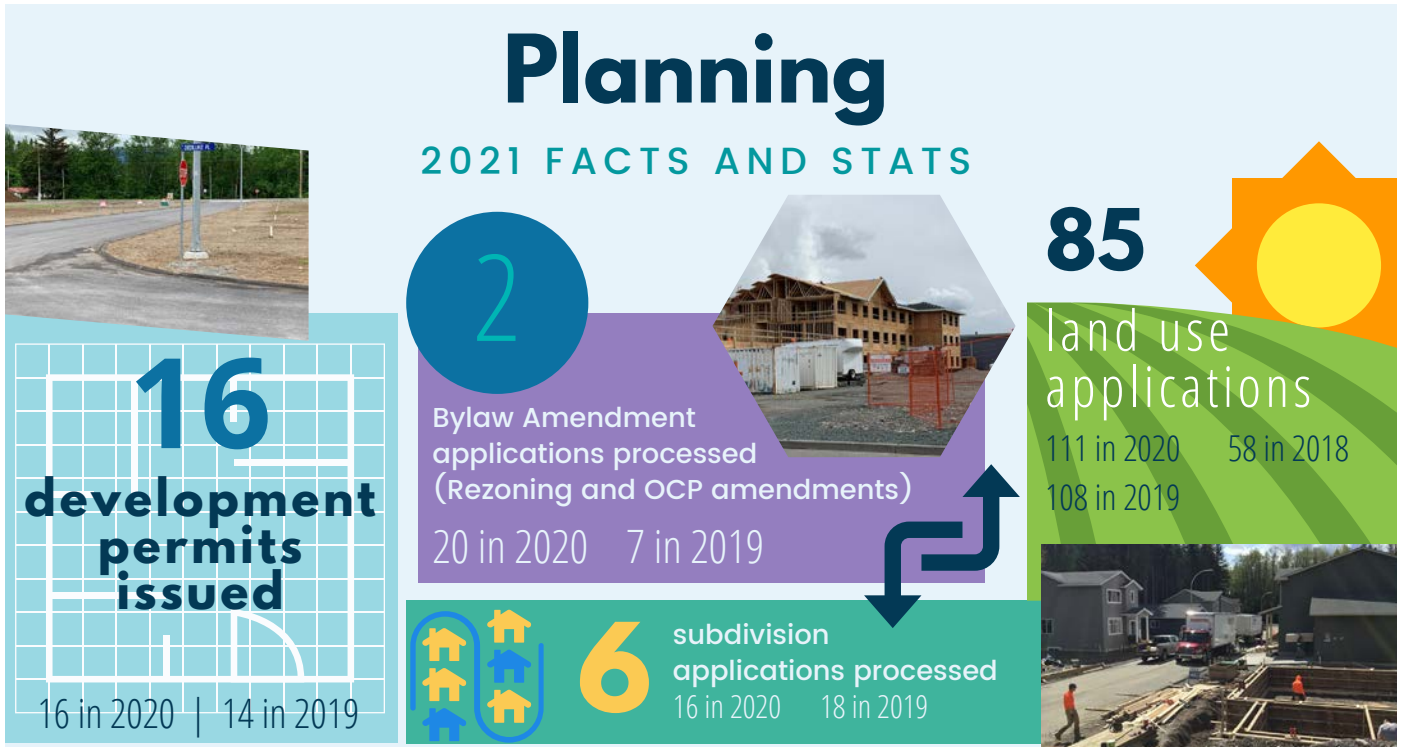
The Development Services Department oversees the many municipal processes that enable and support development in our growing community. We are responsible for all community and land use planning activities, from long range planning to the processing of subdivision, development permit, and development variance permit applications. The Development Services Department also oversees initiatives related to corporate and community sustainability. Other primary services include building inspection and business licensing, geographic information systems and mapping, as well as bylaw compliance and animal control.

What does Development Services do?

- Often serves as the first point of contact for land development information from residential to commercial development.
- Provides information and guides applicants through permit application processes.
- Undertakes long-range planning such as updates to our Official Community Plan Bylaw and Zoning Bylaw.
- Oversees community sustainability initiatives, including climate action commitments.
- Supports and collaborates with other levels of government and agencies to address social development issues such as housing and homelessness.



Read about Development Services' divisions on the following pages.



Planning

The Planning division oversees municipal planning. This primarily means the development of land use policies that support and organize the development of the community. It also includes long-range planning such as periodic updates of the Official Community Plan (OCP) and zoning bylaw that set policy and the regulatory scheme for community growth and development. Planning also prepares applications for various grant programs for policy and infrastructure development. A considerable amount of the department’s activities involve short-term planning, including responding to development inquiries and processing applications for zoning and OCP amendments, subdivisions, development permits, development variance permits, temporary use permits, and sign permits. The department is also involved in several other related community initiatives, including climate adaptation planning, social planning, and heritage conservation. Finally, the department is occasionally called upon to support other City departments, such as Leisure Services, Economic Development, and Engineering & Public Works in support of various projects.

Daily responsibilities

- Respond to public inquiries concerning land development policy and regulations.
- Process land development applications, providing information and guidance throughout the process.
- Review and update long-range planning policies and regulation documents as needed.
- Apply for grant programs for policy and infrastructure projects.
- Work with other City departments as required in support of their initiatives.
- Work collaboratively with external agencies in regional planning and social development.

Right: The Nash Drive/Dediluke Place subdivision commenced in 2021 following a subdivision application.



Planning - Development Services

STRATEGIC FOCUS AREAS IN 2021

INCREASE CITY REVENUES

- Earned revenues from land development applications that were down slightly from 2020 numbers.
- Processed applications in a timely fashion, well below the BC municipal average.
- Successfully applied for the NDIT Business Façade Grant Program.
- Worked with KPMG consulting to help streamline development processes.

VALUE OUR NATURAL ASSETS AND LIFESTYLE

- Hired a consultant to update the Environmentally Sensitive Area (ESA) Development Permit Area mapping and guideline polices of the OCP.
- Continued to support Leisure Services in park planning and infrastructure development as needed.

ENHANCE CIVIC PRIDE

- Provided support for the completion of Phase 1 of the Lazelle Boulevard Redevelopment Project.
- Assisted in the design of the Grand Trunk Pathway west extension, consulting with property owners and working with the City's Engineering Department and the BC Ministry of Transportation.
- Supported the design process of the Lakelse Gateway and active transportation project by preparing contracts to hire a design consultant.

- Worked with the Public Art Panel to facilitate public art projects downtown.
- Supported the Terrace Downtown Improvement Area (TDIA), the Downtown Business Façade Grant Program, and the downtown murals.
- Working with TDIA and Greater Terrace Beautification Society (GTBS) for future planning of the Lakelse 4600 block canopy replacement and improvements.
- Supported GTBS in their initiatives, including planning for Brolly Square.

ADVOCATE FOR COMMUNITY, SOCIAL, AND ENVIRONMENTAL ISSUES

- Facilitated the purchase of the Portland Loo public washroom and preliminary planning for installation in a downtown location.
- Completed research, consultation, and drafting of a Safer Streets Bylaw.
- Participated in and supported the annual homeless count.
- Continue to participate in BC Step Code implementation for energy efficiency of buildings.

MANAGE THE IMPACTS OF GROWTH

- Adopted and began the implementation of the Development Cost Charges (DCC) Bylaw for the collection of funds for new and upgrading infrastructure projects.

Planning - Development Services

STRATEGIC FOCUS AREAS FOR 2022

Increase City Revenues

- Continue to work with developers for processing applications and being a resource for land development inquiries.
- Continue the implementation of the DCC bylaw.
- Continue to work with consultant KPMG to help streamline application process and provide better information about the process to the development sector.

Value Our Natural Assets and Lifestyle

- Complete the Environmentally Sensitive Area (ESA) Development Permit Area mapping and guideline polices of the OCP, then present it to Council for adoption and amendment of the OCP.
- Prepare and submit federal grant application to update the Hazard Slope Protection DP Area mapping, land use regulations, and development guidelines.

Planning - Development Services

STRATEGIC FOCUS AREAS FOR 2022 (CONT'D)

Enhance Civic Pride

- Assist and support the completion of phase 2 of the Lazelle Boulevard Enhancement Project.
- Support the construction and completion of the Lakelse Gateway and active transportation project.
- Support the construction and completion of the Grand Trunk Pathway west extension project.

Manage the Impacts of Growth

- Monitor the Development Cost Charges (DCC) bylaw implementation.

Advocate for Community, Social, and Environmental Issues

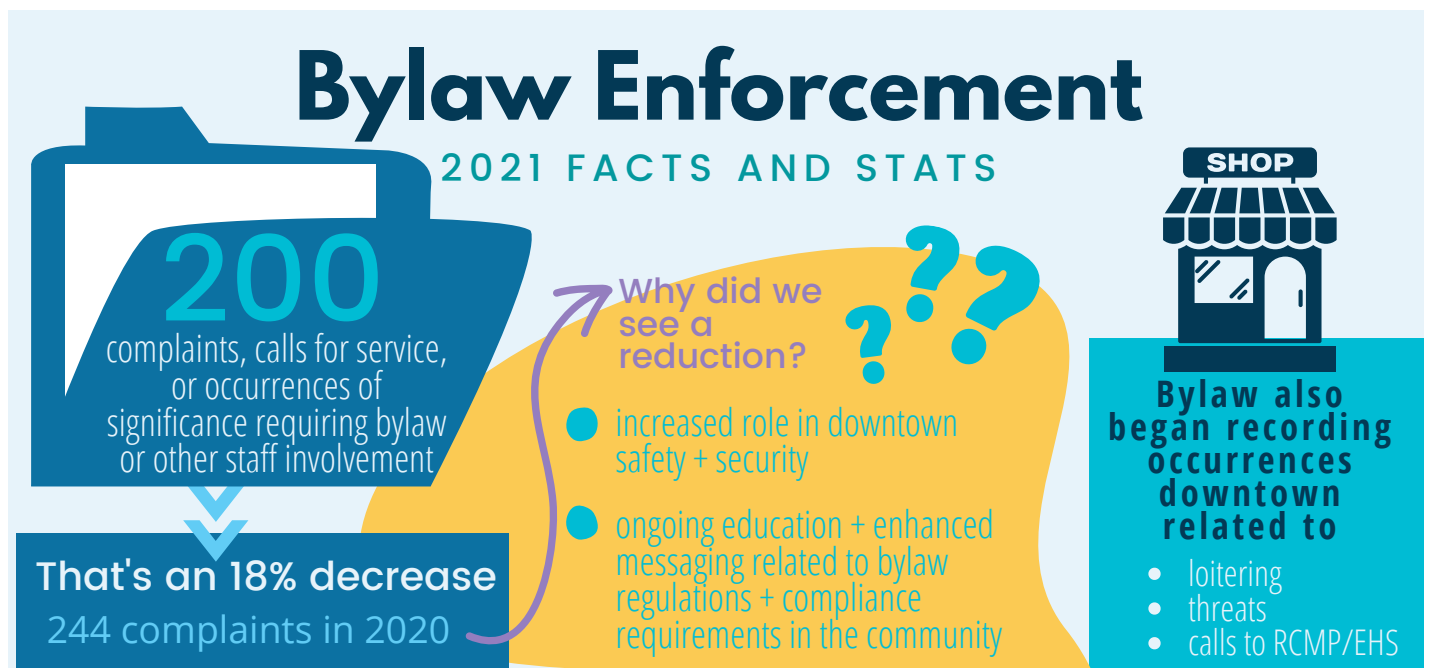
- Assist in coordinating and installing the Portland Loo public washroom.
- Continue to work toward the completion of a Safer Streets Bylaw for Council consideration.
- Apply to the Pacific Institute for Climate Solutions (PICS) to hire an intern to support completion of a climate adaptation plan.

Bylaw Enforcement

Bylaw Compliance Officers (BCOs) investigate complaints and monitor concerns related to 16 different municipal bylaws. Bylaw Compliance Officers are also trained to provide an important preventative enforcement presence in our community and work in close partnership with the Terrace Fire Department and the Terrace RCMP to promote public safety. BCOs support the downtown businesses and property owners as well as residents and vulnerable populations in ensuring safety and security for all. The department added a term contract Downtown Safety & Security Officer (CSO) position in 2021.

Daily responsibilities

- Enforce Parking regulations, ensure a healthy and safe downtown, and conduct public park and downtown foot patrols.
- Investigate property complaints and work with property owners to take corrective action towards compliance; address complaints from businesses.
- Interact with the public in a positive manner during street walks, both in the downtown and residential neighbourhoods.
- Monitor downtown activities to ensure safe and clean streets. Deal with drinking offences, loitering, panhandling, and other unwanted offences.



Bylaw - Development Services

STRATEGIC FOCUS AREAS IN 2021

ENHANCE CIVIC PRIDE

- In 2021, Bylaw Officers have recorded 50 pieces of tagging and graffiti, a slight increase from 2020 (47). The bylaw department works with business and property owners to remove these acts of mischief. In cases of small pieces of tagging/graffiti, Bylaw Officers may remove these with the permission of the property owner. Our goal is to notify the property owner immediately and get tagging/graffiti removed within 48 hours.

ADVOCATE FOR COMMUNITY, SOCIAL, AND ENVIRONMENTAL ISSUES

- Our Downtown Community Safety Officer (CSO) meets regularly with social service groups such as Northern Health, TDCSS, and Kermode Friendship Society. The CSO is involved in an "Outreach in the Park" program that meets weekly to provide information to vulnerable populations regarding housing, addiction services, and other resources. Food and other supplies are provided to people in need during this outreach session.

MANAGE THE IMPACTS OF GROWTH

- Bylaw Officers participated in a series of webinar training sessions related to Crime Prevention and Community Safety Planning in the Rural Context. This training will help identify starting points for those interested in learning more about crime prevention and community safety planning in rural settings.
- Bylaw department professional growth development includes regular training with Dominion GovLaw, a legal firm in Victoria. GovLaw specializes in municipal law, and their webinars and training educate bylaw officers regarding options in compliance, enforcement, and, if necessary, prosecution that are available to local governments and bylaw enforcement.

Bylaw - Development Services

STRATEGIC FOCUS AREAS FOR 2022

Enhance Civic Pride

- Bylaw continues to record details about each newly reported graffiti tag before it is removed. Information is entered into a database and the damage is photographed for future reference.

Advocate for Community, Social, and Environmental Issues

- The two City of Terrace Bylaw Officers currently sit on the Terrace Situation Table. Situation Tables (also known as Hubs) help frontline staff from the public safety, health, and social service sectors to identify vulnerable people and collaboratively and rapidly connect them to services before they experience a negative or

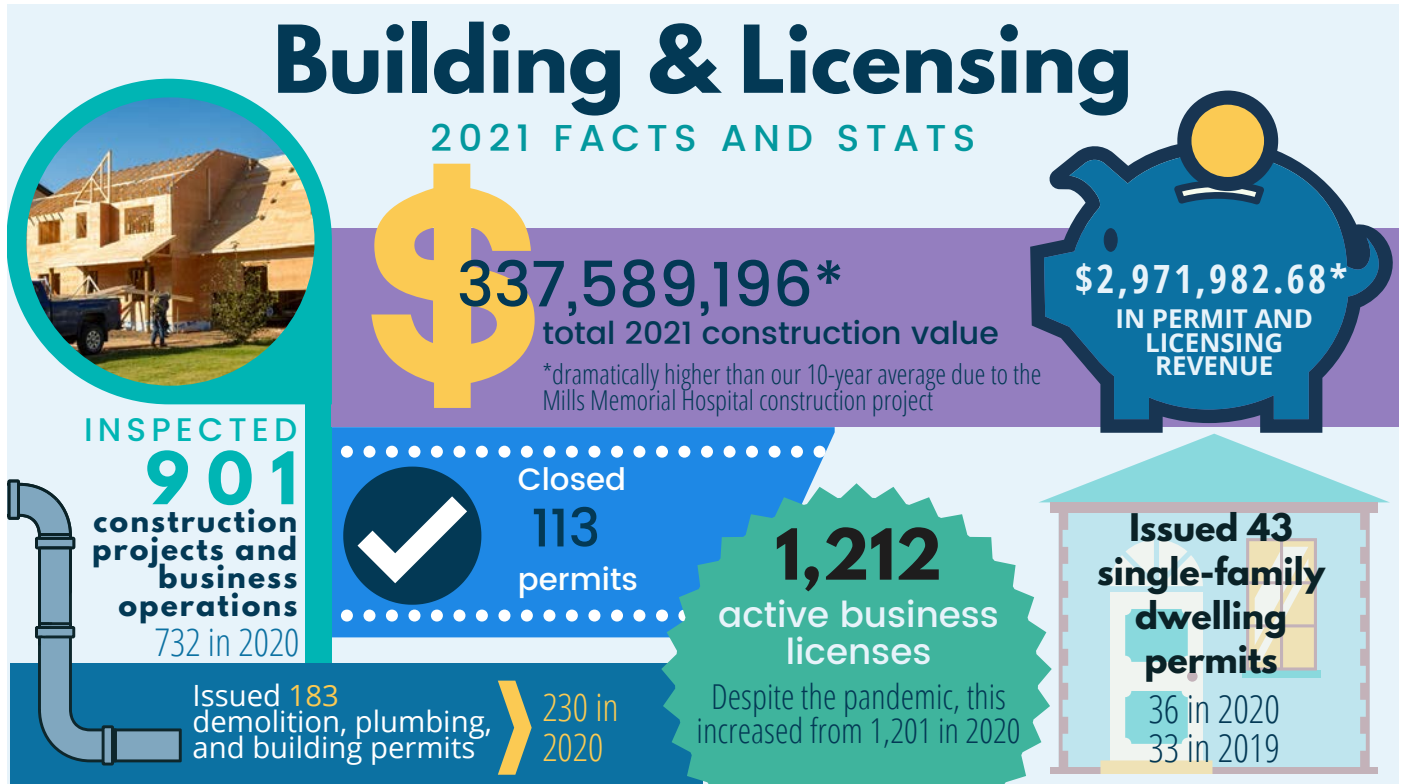
traumatic event (e.g. victimization, overdose, eviction, etc.). Situation Tables empower agencies to reduce a broad range of risks that can impact a person's well-being and safety. They meet on a weekly basis, and agencies can bring forward a person/people who may need assistance from social service groups in the area.

Manage the Impacts of Growth

- The Bylaw division will continue to function with three full-time positions in 2022 with the ongoing CSO position supported through UBCM grant funds. The additional staffing allows for a more proactive role to be taken in addressing social and safety

issues for our community residents and businesses in the downtown. This also supports opportunities to continue to educate the community on bylaw regulations and to achieve compliance without reduced necessity for enforcement.

- Working in close support of the City's newly added position of Social Development Coordinator, the bylaw department continues to play a key role in supporting vulnerable populations and homeless or marginalized members of the community by helping them access resources such as housing and supports from mental health and addictions services.



Building and Licensing

The Building and Licensing division is mandated to ensure that all building and business applications are code compliant. This department reviews and approves all building plans and specifications for compliance with municipal building and zoning regulations, BC Building, BC Plumbing, and Fire Code, as well as issuing building permits. The department performs technical work in enforcing a variety of provincial and municipal regulations governing building construction and alternation, including structural work and plumbing installations. It oversees business licensing and enforces miscellaneous bylaws within the City of Terrace.

Daily responsibilities

- Process new building permit applications using our Cloudpermit portal, from submission through the plan review and referral stages.
- Conduct site inspections for building construction, additions, and repair to existing buildings, including water and sewer connections, for conformance to BC Building Code.
- Assist to ensure compliance with municipal building and zoning regulations and development permit requirements.
- Issue building permits and occupancy permits.
- Administer and enforce the Building Regulations Bylaws.
- Administer and enforce the Business License Bylaw.
- Respond to inquiries relating to building construction and Building Code.
- Oversee the business license function.
- Prepare reports and maintain records and statistics.
- Prepare bylaws and resolutions that affect regulating buildings, new construction, and business licensing.

Building & Licensing – Development Services

STRATEGIC FOCUS AREA IN 2021

MANAGE THE IMPACTS OF GROWTH

- Building & Licensing has implemented an online electronic process for applications on Cloudpermit for 2021. This has enhanced communication with applicants/builders and enables a quick turnaround for permit review and issuance. It has supported the department to be more effective and consistent in handling permits as our community grows. Digitizing the building permit process has made Terrace a leader in the industry in this regard.
- The City also accumulated a remarkable income from building permit and plumbing permit fees, particularly on the recent projects of the new Mills Memorial Hospital and Seven Sisters facility for Northern Health, amounting to \$2,304,326. The City and all neighbouring communities will benefit from the new hospital construction.

Building & Licensing- Development Services

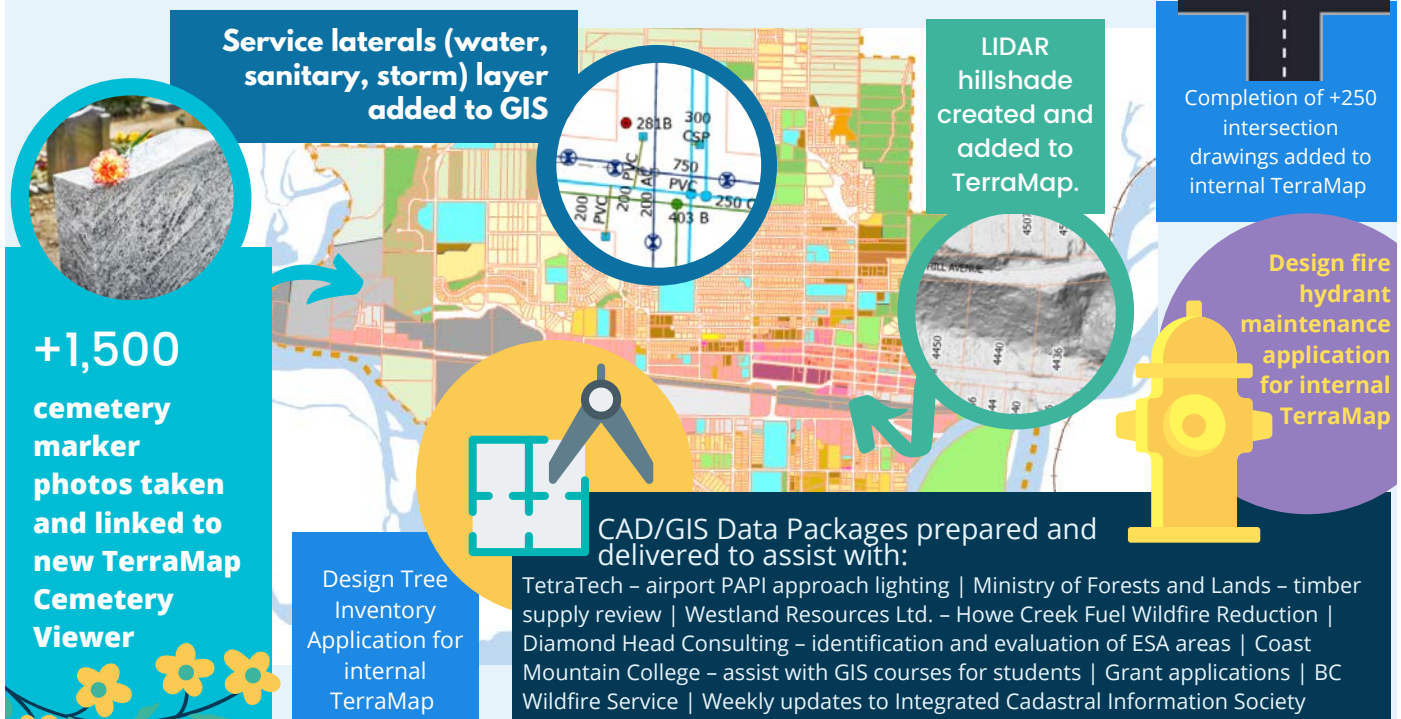
STRATEGIC FOCUS AREAS FOR 2022

Manage the Impacts of Growth

- Investigating online software options for applications and renewals of business licenses. An online application and renewal program will improve the process and allow online payments.
- Preparing for changes in the BC Building Code and the advanced energy efficiency requirements of the Energy Step Code.
- Completing an update of our municipal Building Regulations Bylaw.
- Promoting our building inspection services through further digitization of application and permit plans and records.

Mapping/GIS

2021 FACTS AND STATS



Mapping/GIS

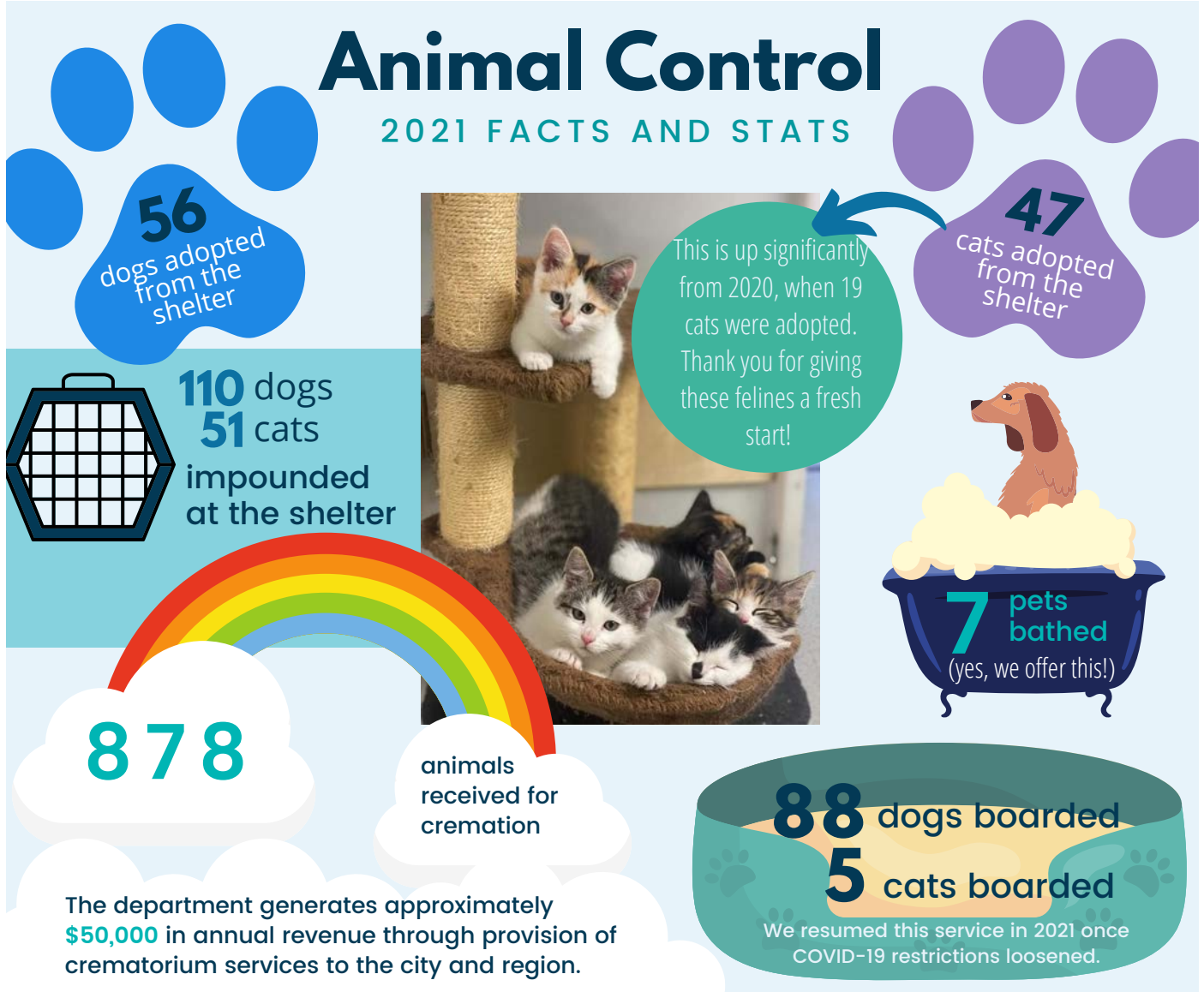
- Maintain all City mapping and GIS data (i.e.: Cadastral Parcels, Zoning, Administrative Boundaries, OCP, Trails, Addressing, Engineering, Imagery, Cemetery, etc.).
- Maintain and update GIS reports for internal and external users.
- Create custom GIS maps and databases as required by other departments.
- Maintain and update the City of Terrace online web mapping site (TerraMap) for internal and external users.

Daily responsibilities

- Maintain and update CAD/GIS files as required.
- Maintain and update engineering drawings and related GIS for water, sanitary, and storm infrastructure.
- Complete addressing assignments and upload addressing data to regional 911 system.
- Create custom maps/reports/analysis/calculations for other City departments and external users requiring or requesting City CAD/GIS data.
- Update existing and new service cards.
- Maintain and update TerraMap.
- Manage databases.

Animal Control

2021 FACTS AND STATS



Animal Control

The Animal Control Department helps to ensure that stray/abandoned/lost/injured animals are safely housed, fed, and cared for until such time as they are claimed or adopted. They also enforce the City Animal Control Bylaws, including but not limited to licensing, running at large, and barking. The department also provides information and education to the public regarding responsible animal ownership. In addition, they run a fully functioning animal shelter and operate a crematorium to safely and environmentally responsibly handle deceased animals. The department is led by the Animal Control Officer who is supported by Animal Shelter staff.

Daily responsibilities

- House and care for shelter animals.
- Daily cleaning and sanitation of the shelter.
- Cremate deceased pets/process remains.
- Investigate complaints.
- Reception duties including answering phone, collecting fees, and inputting data.
- Enforce animal control regulations and bylaws/issue dog licenses.
- Patrol and pick up dogs running loose.
- Board animals.
- Ship/receive animal cremations/cremains.
- Order and pick up supplies for the animal shelter.
- Interact with the public.
- Handle adoptions/impounds of animals.
- Transport animals for vetting.
- Complete other related duties as required.

Right: Leisure Services staff (and partners) pose for a group photo after the first annual City Golf Scramble.



LEISURE SERVICES DEPARTMENT

terrace.ca/Parks-Recreation

Leisure Services oversees the operations of all indoor and outdoor recreational amenities and facilities for the City of Terrace including facilities, cemeteries, and more than 100 hectares of parks, trails, and playgrounds throughout the community.

Facilities include:

- Sportsplex - Two sheets of ice, meeting rooms, banquet room
- Terrace and District Aquatic Centre

Parks and Trails include:

- Grand Trunk Pathway, Howe Creek Trail, Terrace Mountain trails

Amenities include:

- Ferry Island, Cemeteries (Kitsumgallum and Municipal), ball diamonds (Riverside, Kerr Rotary), skateboard park and pump track, tennis courts

DEPARTMENT OVERVIEW

Department Objectives

The Leisure Services Department seeks to provide opportunities, through recreation and sport, for all community residents to lead healthier and more active lives and to support and create opportunities for social connection.

From the Parks and Recreation Master Plan are the following additional objectives of our department:

1. Promote healthy living and provide opportunities for resident to live healthy lifestyles
2. Provide services that reflect the diversity of Terrace's population
3. Enhance the visual appearance of the parks and public spaces
4. Protect and enhance the natural environment
5. Provide a range of programs and facilities that meet the community's needs
6. Be financially accountable in the management and development of parks and recreation facilities
7. Retain the qualities of Terrace as a welcoming and safe community with a strong sense of place

Daily Responsibilities

Leisure Services manages, operates, and maintains the Sportsplex, Aquatic Centre, parks and playgrounds, sport courts and fields, cemeteries, and campground. It also creates programming and designs services that will support recreation and leisure for our community members.

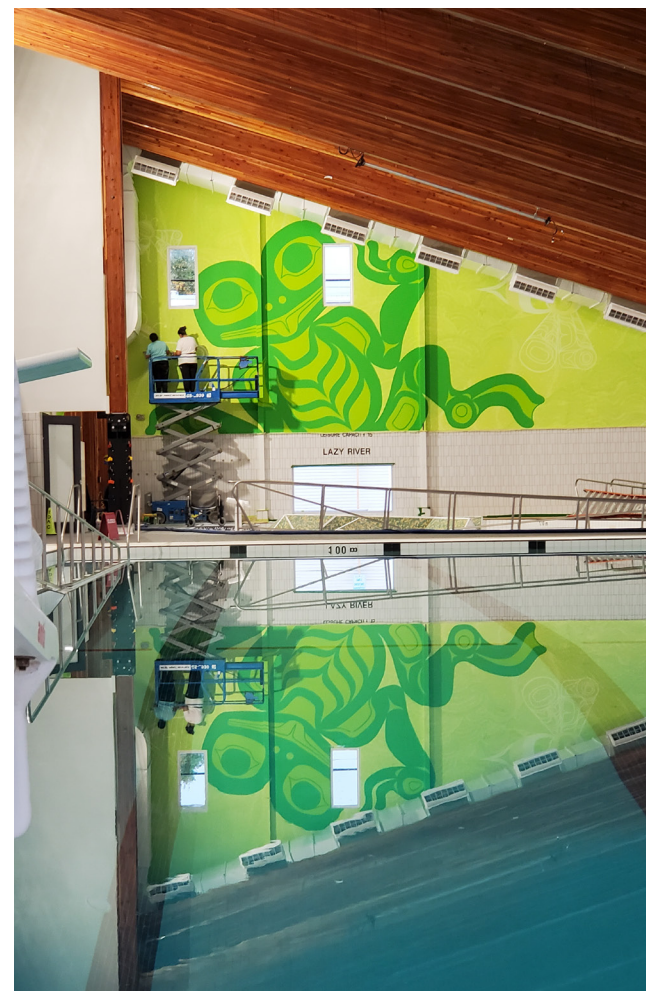
On a daily basis, Leisure Services will:

- Supervise facilities
- Enforce applicable safety codes and regulations for facilities
- Facilitate and work with community clubs and organizations to create and facilitate programming and events
- Create facility and staff schedules
- Rent and administer facility bookings
- Issue facility passes/memberships and registrations
- Organize and implement community activities and special events
- Purchase supplies
- Operate applicable office, arena, aquatic, and parks equipment
- Complete preventative equipment maintenance on plumbing, mechanical, and irrigation systems
- Maintain and oversee arena and pool mechanical
- Clean and maintain facilities
- Keep financial records
- Handle cash
- Fix equipment
- Answer public inquiries
- Instruct recreation programs
- And more!



Above: Day 1 of Northern Health's COVID-19 Vaccine Clinic, held on the dry floor of Hidber Arena.

Below: Artists Facundo Gastia, Amanda Hugon, and Stephanie Anderson of Raven-Tacuara painted this mural during the annual maintenance closure at the TDAC in September. This project was made possible thanks to full funding by the Skeena Salmon Arts Festival Society.



STRATEGIC FOCUS AREAS IN 2021

INCREASE CITY REVENUES

- Leisure Services' facilities operate on cost recovery. The goal is that user fees will make up 35% of the total cost of operations. It is understood that this investment in recreation services and facilities has direct and indirect benefits to the residents of Terrace and surrounding area. Direct benefits are easily quantified through usage, and indirect benefits are connected to the department's guiding statements. The challenge to sustain this cost recovery is in the addition of park facilities that do not generate user fees.

RESPONSIBLE ASSET MANAGEMENT

- The City of Terrace has made considerable investments in renewing and adding to its recreation infrastructure over the past 10 years, with the Sportsplex, Aquatic Centre, and splash park being the largest projects. In 2021, we continued to strive for responsible asset management with projects such as:
 - » Installing a vehicle compound to protect our vehicles and equipment
 - » Continuing to improve the new HuB/pump track area

VALUE OUR NATURAL ASSETS AND LIFESTYLE

- Leisure Services oversees more than 270 hectares of parks and green space and recognizes the value that these areas provide to foster an active and healthy lifestyle for residents. Leisure Services works with many community partners, from organizations to community volunteers, to enhance existing park assets and build new ones. Larger projects in 2021 included continuing Howe Creek trail upgrades, updates to Ferry Island trail network, and improvements at the cemetery.

ENHANCE CIVIC PRIDE

- Enhancing the visual appearance of City parks and public spaces fosters much community pride.

ADVOCATE FOR COMMUNITY, SOCIAL, AND ENVIRONMENTAL ISSUES

- Work is completed on an annual basis with the Northwest Invasive Species Council to reduce invasive species in parklands. Community weed pulls are used to educate the public.



Left: Teams shake hands after the annual Buck n Doe Tournament for adults.

Leisure Services

STRATEGIC FOCUS AREAS FOR 2022

- Gym floor being installed in Hidber Arena for May-July and then floor moving to Main Arena for All Nations Basketball Tournament in early August. This will allow for more indoor activities for the community throughout May, June, and July.
- 2 dog parks being built.
- Looking forward to 2021 and beyond, Leisure Services will continue to focus on offering as many recreational opportunities as possible for our residents, with a renewed focus on supporting residents to increase the amount of time they are recreating outside in the open air.
- We are also focusing on continuing to implement the recommendations of our Parks and Recreation Master Plan to ensure that projects and activities reflect previous planning and engagement work completed.

Increase City Revenues

- Complete admissions and rental rate review.
- Complete review to identify new opportunities for facility rentals.
- Undertake an advertising rate review and look for new advertising opportunities.

Enhance Civic Pride

- Continue to work with the Public Art Panel and community partners to install public art in key locations.
- 2022 public art projects include potential new installation art in the pump track and a new mural for the west wall of the tennis courts.
- In 2022 we are undertaking updates to our cemetery lands.

Responsible Asset Management

- Key Leisure Services staff will collaborate in asset managing training with other key City staff.
- Continue to work with key community partners such as Terrace Community Forest and TORCA to maintain our assets and identify assets that need maintenance and improvement.

Manage the Impacts of Growth

- Continue to work collaboratively with Development Services, and specifically Bylaw staff, to ensure that parks and public places are safe and welcoming for everyone.

Value Our Natural Assets and Lifestyle

- Continue trail rehabilitation to our key recreational destinations such as Ferry Island and Howe Creek Trail to ensure sustainability of these assets.

Advocate for Community, Social, and Environmental Issues

- The City of Terrace has funded a Social Development Program Coordinator position to help assist with the social issues that impact our parks and public places. This position will continue to develop and grow to serve our community over the course of 2022.



Left: Marcus Platzer (Chief Engineer) dresses up as Santa for a school's Christmas ice rental.

Leisure Services

2021 FACTS AND STATS

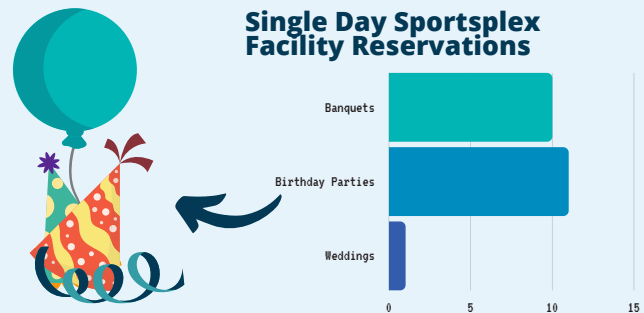
COMMUNITY PROGRAM PARTICIPATION

Little Olympians 84 (97% capacity)	Volleyball 12 teams (100% capacity)
Summer Daze 208 (99% capacity)	Babysitting 104 (81% capacity)
Pickleball 182 participants	Stay Safe 63 (75% capacity)

SPORTSPLEX FACILITY RESERVATIONS

Large block multi-day facility reservations: TSC Dryland for the season | CMSD elections | Free Elements Dance Studio | Northern Health COVID-19 clinics | Coroner's inquest | multiple pool-related courses | BCCSA safety courses | Infinite Ice Hockey Camp | Rotary auction | Farmer's Market Craft Fair

Single Day Sportsplex Facility Reservations



SKATING

Public Skates:
6,676 skaters

Free Public Skates
(4 public skates; 2 sponsored skates):
284 skaters

Lunchtime Activities:
3,273 skaters



Drop-in fitness participants

522
(pre-registrants only)

ARENA OPERATIONS

2,281 total ice hour reservations

Down 1% (2,306 in 2020)

6 hockey tournaments

1 large figure skating event

11 Northwest Division League games

5 Terrace River Kings games

1 Infinite Ice Hockey Camp

LEADERSHIP courses

Water Safety Instructor, National Lifeguarding Pool Option Full Course, Bronze Medallion, Bronze Cross, Junior Lifeguard Club

Terrace & District Aquatic Centre

2,973 membership scans
Aug 10-Dec 31, 2021

565 children registered in swimming lessons

427 people came to 12 free public swims (subject to capacity limits)

727 Aquafit attendance
July 6-Dec 29, 2021

6 New lifeguards hired

FERRY ISLAND CAMPGROUND
5,599 campers

That's a 14% increase over 2020. Most of the restrictions in place in 2020 were lifted.

CEMETERY SERVICES

Grave space reservations: 28 full body | 11 cremated remains

Niche reservations: 32

Interments: 14 full body | 34 cremated remains | 18 columbarium



Above: In 2021, Public Works crews completed road reconstruction on Weber Ave. and replaced aging water and storm mains.

ENGINEERING & PUBLIC WORKS DEPARTMENT

terrace.ca/City-Services

Public Works operates, maintains, and renews the community's water, sewer, drainage, and transportation infrastructure. It is also responsible for the City's mobile fleet, purchasing, solid waste collection, and many City buildings. Engineering provides capital project delivery, development reviews, technical planning, and support.

What does Public Works do?

Public Works includes five divisions:

Roads and Drainage

- Complete winter and summer maintenance of city streets, sidewalks, and boulevards.
- Operate, maintain, and repair the City's water distribution system, including hydrant and valve maintenance, service installations, and break repairs.
- Operate, maintain, and repair the City's wastewater collection system including line cleaning, manhole repairs, service installations, and blockage removals.
- Clean and maintain catch basin, storm piping, and ditches.
- Maintain and renew all street signage and pavement markings.
- Collect residential solid waste of four different material types as well as maintain street-side litter receptacles in the downtown.

PUBLIC WORKS DIVISIONS (CONT'D)

Environmental Services

- Operate, monitor, and maintain the community's three production water wells and associated treatment systems.
- Maintain the City's two surface water emergency backup sources at Deep Creek and Little Island.
- Operate and maintain water reservoir, pumping station, and booster station.
- Test and analyze water quality daily, monthly, and annually, including testing of water in the Regional District of Kitimat-Stikine's North Terrace water network.
- Operate, monitor, and maintain wastewater treatment plant, including screening, pumping, aeration, and discharge systems.
- Operate the City's five sewer lift stations as well as the Kitsumkalum Village sanitary lift station.
- Sample and test wastewater daily and monthly to ensure compliance with permit requirements.
- Operate, monitor, and maintain the landfill leachate treatment system.
- Complete all permit reporting to federal and provincial governments and Northern Health.

Building Maintenance and Electrical

- Maintain and upgrade all building systems for City-owned structures including City Hall, Public Works, Firehall, RCMP detachment, Library, Kwinitsa House, Visitor Info Centre, George Little House, and other small park and infrastructure-related structures.
- Maintain emergency alarm systems responses.
- Manage operations for street lights, traffic signals, and ornamental lighting.
- Maintain and upgrade monitoring systems such as SCADA for water, sewer, and leachate treatment facilities.

Mechanical Shop

- Maintain and repair all mobile equipment including light trucks, heavy equipment (graders, loaders, excavators, dump trucks), fire trucks, garbage trucks, and small engines.
- Fabricate steel and aluminum tools and infrastructure for other departments.
- Monitor and maintain the City's nine diesel emergency generators.
- Research and recommend purchases and disposal of City equipment.

Purchasing Department

- Procure and manage inventory of materials for all City operations.

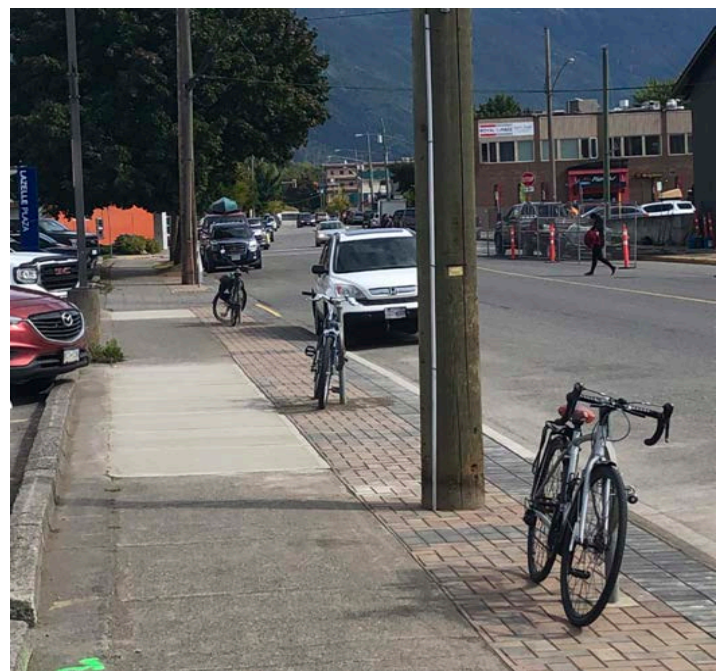
- Manage Hazardous Materials inventory and maintain WHMIS database.
- Research and make recommendations on new materials, suppliers, and supply chain management for City operations.

What does Engineering do?

Engineering includes one division:

Engineering Services

- Design, manage, and implement most Capital Works projects.
- Undertake long-term infrastructure master planning and project prioritization.
- Set infrastructure requirements for subdivisions and developments, and review and approve design submissions.
- Undertake quality control on major construction projects.
- Review and issue permits for works on City rights of way.
- Provide technical and CADD support to other departments.
- Identify and apply for grants to fund capital projects.
- Identify and manage projects that can be done in-house.



Above: In 2021, Public Works designed and oversaw construction of the Lazelle Boulevard Enhancement Project, Phase 1. Phase 2 is planned for 2022.

Engineering & Public Works
STRATEGIC FOCUS AREAS IN 2021

INCREASE CITY REVENUES

- Increased bulk water sales and bulk wastewater intake significantly. Improved facilities by constructing a kiosk at the hydrant and a truck turn-around.
- Updated the Water Distribution and Sale bylaw 1326-1993 to modernize rates.
- Adjusted City equipment rental costs to match industry standard bluebook rates.
- Created the Bulk Water Fill Station User Agreement and Application Process for bulk water sales.
- Utilized available grants to fund capital works projects.
- Auctioned obsolete and redundant equipment at the Public Works yard.

ENHANCE CIVIC PRIDE

- Increased the public's access to information regarding maintenance procedures such as snow clearing, pothole repairs, and street sweeping.
- Designed and oversaw construction of the Lazelle Boulevard Enhancement Project, Phase 1.
- Assisted with improvements to the Donald Road pathway.
- Participated in the City's downtown weed pull/garbage pickup initiative.
- Renovated several offices and upgraded video conferencing capabilities.

MANAGE THE IMPACTS OF GROWTH

- Revised staffing levels to increase efficiencies and balance workloads in Engineering & Public Works. New positions include a Public Works Manager and a Design Engineer.
- Revamped the employee performance program, added new training opportunities and PPE for staff, and worked on updates and improvements to the safety program. These activities keep our department current in an increasingly complex and changing construction environment.
- Updated and improved clarity to the Driveway and Accesses section in the Subdivision and Development Bylaw No. 2229-2021.
- Completed the Drainage Master Plan Project and prioritized projects as identified in the Existing and Future System Analysis.

RESPONSIBLE ASSET MANAGEMENT

- Reconstructed Weber Ave. and replaced aging water and storm mains.
- Made significant repairs to degrading and closed shoulders of Lanfear Hill and Birch Hill by installing gabion baskets and mechanical stabilization systems. City Engineering worked very closely with consultants and contractors on both projects, with the City Roads Crew undertaking the Lanfear construction in-house, resulting in significant cost savings.
- Repaired and upgraded to high-density polyethylene piping a broken storm drain on Skeenaview Drive that had caused major erosion to the bank. Also upgraded a section of storm drain on Birch Hill to PVC piping.
- Completed detailed design and initiated repairs to the damaged Sewage Treatment Plant outfall pipe.
- Continued the water leak detection program to identify and repair major leaks to increase the efficiency of the City's water distribution system.
- Completed video inspection and condition reports on approximately 800 m of major sanitary mains.
- Conducted approximately 350 m of sanitary main re-lining in the downtown core to extend the serviceable life of the pipes.
- Installed additional perimeter fencing around the Sewage Treatment Plant lot and grit chamber.
- Continued works to upgrade City-owned street lighting to LED for brighter and more efficient lighting.
- Constructed a water sampling station near Coast Mountain College.
- Undertook safety improvements at the Olson stormwater intake.
- Became involved in a formalized and multi-departmental internal asset management group.

VALUE OUR NATURAL ASSETS AND LIFESTYLE

- Constructed an approximately 1 km long powerline and leachate treatment system and continued ground water quality monitoring at the City's closed landfill. Also undertook several environmental studies and updated the closure plan. Staff undertook a significant portion of this



Above: In 2021, Public Works constructed an approximately 1 km long powerline and leachate treatment system and continued ground water quality monitoring at the City's closed landfill. They also undertook several environmental studies and updated the closure plan. Staff took on a significant portion of this work, resulting in substantial cost savings.

STRATEGIC FOCUS AREAS IN 2021 (CONT'D)

- work, resulting in substantial cost savings.
- Repaired a broken sewer line in the Eby storm drain main, successfully resolving long-standing odor complaints.
- Advanced several active transportation projects including the Grand Trunk Pathway, Lakelse Gateway, and Lanfear raised pathway designs.
- Assisted with the Kalum Flood Mitigation planning process.
- Assisted with post-flood cleanup at Fisherman's Memorial Park.

ADVOCATE FOR COMMUNITY, SOCIAL, AND ENVIRONMENTAL ISSUES

- Worked with the Northcoast Skeena First Nations Stewardship Society and the Skeena Fisheries Commission to install a fish tracking system at the Public Works yard for biologicistic data collection of chum salmon numbers in the Skeena River.
- Removed a steel barrier at the Spring Creek gate that was prohibitive for many trail users.
- Worked with MoTI to advocate for improvements for pedestrians using the Old Bridge walkway.
- Installed high-visibility safety markings at select pedestrian crossings.
- Joined the Regional District of Kitimat-Stikine Public and Technical Advisory Committee to discuss updates to the new Solid Waste Management Plan.
- Successfully applied for a grant for end-of-trip secure bike storage.

Engineering & Public Works

STRATEGIC FOCUS AREAS FOR 2022

Increase City Revenues

- Continue to accept additional bulk wastewater and bulk water sales.
- Advance designs on capital projects and supporting studies to be in a better position to apply for any upcoming grants.
- Pursue the possibility of a construction and demolition waste intake at the Old Landfill.
- Pursue the possibility of raw land leases.
- Leverage in-house design and construction capabilities to reduce the impacts on any realized revenues.

Responsible Asset Management

- Study the river water intake to determine if a boil water advisory could be removed when this emergency source is relied upon.
- Complete repairs to the Sewage Treatment Plant outfall pipe and erosion protection features.
- Undertake further study to address sanitary capacity issues as identified in updates to the sanitary master plan.
- Pulverize and repave the 4900 block of Straume Ave.
- Reconstruct Labelle Ave.
- Reconstruct the 4600 block of Scott Ave.
- Resurface the 3200 and 3300 blocks of Kenney St and the 3200 block of Eby St.
- Provide further improvements to the shoulders on Lanfear and Birch Hills.
- Repair a problematic storm drain at the top of Skenaview Drive.
- Undertake a condition inspection of the Eby storm system for future planning purposes.
- Prepare a detailed design for the Cooper/Lanfear/McConnell roundabout.
- Upgrade the RCMP boiler to a more efficient boiler and replace the backup generator.
- Upgrade the building envelope at the Sewage Treatment Plant building including enhanced insulation.

Value Our Natural Assets and Lifestyle

- Undertake improvements to the landfill and associated leachate treatment pond, including enhancements to the current treatment system, further environmental and revenue studies, and detailed design of the final closure.
- Advance studies and design work for improvements to active transportation on Lanfear Drive.
- Prepare a detailed design for a stairway from lower Eby St to upper Eby St.

DEPARTMENT OVERVIEW

Engineering & Public Works

STRATEGIC FOCUS AREAS FOR 2022 (CONT'D)

Enhance Civic Pride

- Construct the Grand Trunk Pathway extension from Frank St to the Kitsumkalum River bridge.
- Improve the downtown sidewalk network by completing the Lazelle Avenue Boulevard Enhancement Project – Phase Two.
- Complete construction of the Lakelse Gateway Project, which is a multi-use pathway between the old Skeena Bridge and Apsley Street.
- Demolish the dilapidated building at the former Co-Op lands.
- Replace the Welcome to Terrace sign at the Hwy 16/37 roundabout.
- Replace the Kermodé Bear lighting on the Old Bridge.

Advocate for Community, Social, and Environmental Issues

- Complete survey for and implement updates to the yard waste collection program.
- Renew service agreements with neighbouring communities.
- Support the installation of two electric vehicle charging stations at the Tourist Info Centre through financial contribution and staff planning time.
- Install secure bike storage at the Aquatic Centre, Library, City Hall, and Public Works.

Manage the Impacts of Growth

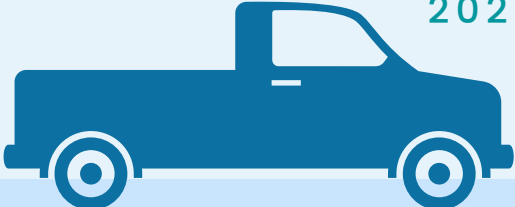
- Update the water master plan with fireflow testing.
- Upgrade identified and deficient water mains to improve fireflows.

Below: In 2021, Public Works made significant repairs to the degrading and closed shoulder of Lanfeer Hill by installing gabion baskets and mechanical stabilization systems. City Engineering worked very closely with consultants and contractors, with the City Roads Crew undertaking the construction in-house, resulting in significant cost savings.



Engineering and Public Works

2021 FACTS AND STATS

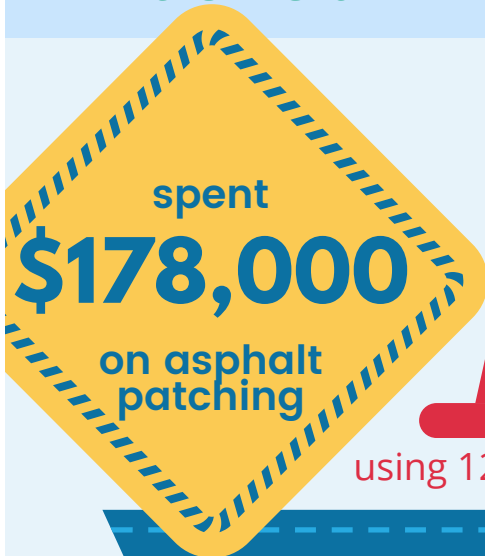


Serviced + repaired

99 vehicles, trailers + stationary generators

30 pieces of small equipment

from Public Works, Leisure Services, and the Firehall



spent

\$178,000

on asphalt patching



Spent over

2,740

worker hours patching potholes

using 125,000 kg of pothole mix

Provided over **2.4 MILLION**

cubic metres of potable water to the community



19

broken water lines repaired

Cleaned over **24,000** metres of sanitary sewer mains

Received, treated, and discharged over

1.43 MILLION

cubic metres of wastewater

Serviced

375

fire hydrants



COLLECTED:



611

tonnes of green bin organics



368

tonnes of recycling



1,382

tonnes of refuse



and a very large quantity of yard waste



341 KM

curbs swept



FIRE DEPARTMENT

terrace.ca/fire

In accordance with the Establishment Bylaw, the Department will respond to and take the lead role for responsibility for the following:

- a) Medical First Responder (EMA-EMR/FR level)
- b) Confined space rescue
- c) High angle rescue
- d) Motor vehicle incident rescue
- e) Fire prevention
- f) Fire suppression

The Department will respond to and assist with the Department's level of training for the following:

- a) Search and Rescue (SAR) operations
- b) Commercial/industrial dangerous goods incidents
- c) Trench rescue
- d) Water and swift water rescue
- e) Building collapse rescue
- f) Airport first responder (backup to BCAS)
- g) Floods
- h) Mudslides
- i) And other similar incidents

On a day-to-day basis, the Fire Department responds to emergencies and other non-emergency activities that include:

- Vehicle and equipment checks and repairs
- Commercial property inspection and other fire prevention activities
- Skills training
- Fire Hall cleaning and upkeep

Previous page and this page:
Firefighters take part in
various training exercises.

STRATEGIC FOCUS AREAS IN 2021

RESPONSIBLE ASSET MANAGEMENT

Planned for upkeep and replacement of equipment and vehicles as required. In 2021, we purchased and put into service a Stabilization Kit made by Paratech.

ADVOCATE FOR COMMUNITY, SOCIAL, AND ENVIRONMENTAL ISSUES

Secured funding, in cooperation with other departments, through the UBCM Community Resiliency Investment Program – FireSmart Community Funding in order to reduce the risk and impact of wildfire in our community.

MANAGE THE IMPACTS OF GROWTH

The Fire Department has worked hard over the last few years to try and stay ahead of the growth that is expected by the many projects in the region. The Fire Department meets regularly with the Planning department to discuss the many buildings that are being proposed in the city.

The Deputy Chief sits on committees that work with large local projects, including:

- Social Management Roundtable – LNG Canada
- Social Economic Management Committee – Emergency Services Sub-Group Meeting: Government overwatch for LNG Canada
- Emergency Traffic Committee: Hwy 37 – LNG Canada and Coastal Gaslink
- CN and Alta Gas – discussions about increased rail
- Northwest Fire Chiefs – discuss impacts with traffic, airlines, and training needs





Above: Training includes firefighting, hazmat, and confined space training, among other exercises.



Fire Department STRATEGIC FOCUS AREAS FOR 2022

Increase City Revenues

- The Fire Department was successful working with LNG Canada to secure funding support for the City of Terrace Highway Rescue program. Over a three-year period, the funds that were secured provided the replacement and upgrade to the Fire Department's heavy hydraulic tools as well as training for the members in Heavy Highway Rescue.

Responsible Asset Management

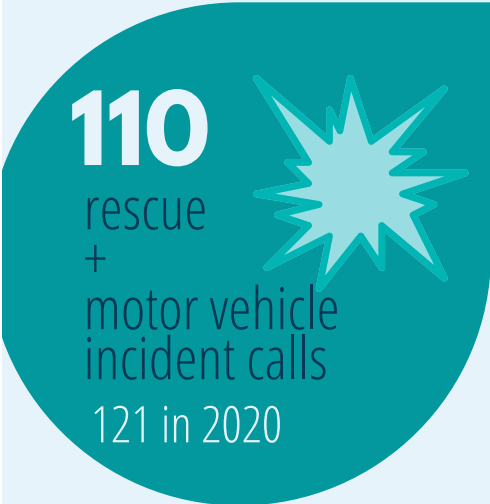
- Plan for the upkeep and replacement of equipment and vehicles as required. In 2022, this includes the purchase and replacement of NH3 gas detectors, wireless headset intercom, airbags, and a 21-ft multipurpose rescue shelter.

Advocate for Community, Social, and Environmental Issues

- Continue to secure funding in cooperation with other departments, through the UBCM Community Resiliency Investment Program– FireSmart Community Funding, in order to reduce the risk and impact of wildfire in our community.

Fire Department

2021 FACTS AND STATS



DEPARTMENT OVERVIEW

Right: Our Indigenous Police Officer embarks on a canoe journey with a happy crew.



TERRACE RCMP

terrace.ca/RCMP

For nearly 150 years, the Royal Canadian Mounted Police (RCMP) have been Canada's national police service. Municipal policing mandates include crime prevention and investigation, keeping the peace, keeping communities safe, and enforcing federal, provincial/territorial, and municipal law.

What does the RCMP do?

- The Terrace RCMP delivers high-quality police work that involves community outreach, prevention programs, assisting other agencies, and investigating crimes reported to our detachment.
- Police officers respond to all manner of calls throughout the day. Officers complete licensed premise checks, foot patrols, and curfew and street checks; author reports to Crown Counsel and document files; liaise with schools; and assist partner agencies such as ambulance services and the coroner.
- Crime reduction officers work together with other officers to identify and monitor prolific offenders, wanted persons, and individuals who have court-imposed conditions.
- Victims Services and Community Policing attend committee meetings for High-Risk Domestic Violence, Homeless Intervention Programs, Situation Table Meetings, and High-Risk Youth. Community Policing also drafts our media releases, liaises with schools, facilitates Speedwatch, talks to service clubs, works with business and community groups, and oversees the Restorative Justice and Police Auxiliary programs. Victims Services provides support to victims of crime and trauma and attends court cases.
- Detachment office staff provide daily support to police officers, manage police records systems and files, transcribe statements, process police information checks, answer phones, complete disclosure requests, manage exhibits, fulfill court liaison duties, and many more tasks. The Detachment Finance Clerk is responsible for financial records, mail, and all ordering for the detachment.

RCMP

STRATEGIC FOCUS AREAS IN 2021

INCREASE CITY REVENUES

- Application of Good Governance strong fiscal management of the municipal policing budget, resulting in the return of funds to the City of Terrace.

RESPONSIBLE ASSET MANAGEMENT

- Continued management and encouragement of Online Crime Reporting to help police better allocate resources and capture information that might otherwise go unreported.
- Priority screening of calls for service to better reflect what police need to be investigating, i.e. domestic violence, sexual assaults, drug trafficking, and stolen property offences, rather than the RCMP being a common go-to to solve daily or repetitive non-police matters or social and/or chronic occurrences and situations.
- Completion of virtual bail capabilities, thereby reducing efforts and costs needed to house and guard prisoners.

VALUE OUR NATURAL ASSETS AND LIFESTYLE

- Along with investigations and enforcement, members and employees of Terrace RCMP are involved in a wide variety of programs and activities. We are committed to making this region a safe and healthy place to live, work, and play. In addition to their regular duties, members and employees are dedicated volunteers involved in such organizations as Air Cadets, Scouts, Youth Sports, Big Brothers/Big Sisters, and the United Way.

ENHANCE CIVIC PRIDE

- Activities were greatly affected by COVID restrictions throughout the year.
 - » Participation in Remembrance Day ceremony
 - » Positive Ticketing Campaign
 - » Participation in Youth Sports Events
 - » Participation in Karl Meyer Firefighter Memorial

ADVOCATE FOR COMMUNITY, SOCIAL, AND ENVIRONMENTAL ISSUES

- Activities were greatly affected by COVID restrictions throughout the year.
 - » Virtual Tea and Bannock event
 - » Cram-A-Cruiser
 - » Moose Hide Campaign
 - » Pink Shirt Day
 - » 529 Garage bike registry
 - » Attend committee meetings for High-Risk Domestic Violence, Homeless Intervention Programs, Situation Table Meetings, and High Risk Youth
 - » Human resource support for provincial disaster response to fires and floods and industry-related protests Participation in the Newcomers Cultural Dinner
 - » Implementation of the 529 Garage bike registry
 - » Attend committee meetings for High-Risk Domestic Violence, Homeless Intervention Programs, Situation Table Meetings, and High Risk Youth



Above: General Duty A Watch is ready for their shift.

RCMP

STRATEGIC FOCUS AREAS FOR 2022

Responsible Asset Management

- Renewed crime reduction strategies to include a prolific offender management program, downtown presence, and partnership and project-based disruption investigations.
- Newly placed drug investigator(s) to focus on drug and property offences.
- Participation in the Situation Table Steering Committee.
- Continued creation of a "Car 30" program partnering RCMP members with ICMT and SRT Northern Health employees focused on proactive strategies to address mental health incidents.
- Mental health and wellness of detachment employees.
- Acting Officer in Charge community engagement with various community leaders.

Enhance Civic Pride

- Guns and Hoses hockey game
- Remembrance Day
- Riverboat Days 2022 and all its activities
- Bike Rodeos and Positive Ticketing Campaign
- Canada Day

Advocate for Community, Social, and Environmental Issues

- Trauma Informed Policing
- Initial Critical Incident Response
- United Against Racism
- School Liaison
- Attend committee meetings for High-Risk Domestic Violence, Situation Table Meetings, and High-Risk Youth
- Officer in Charge community engagement with various community leaders

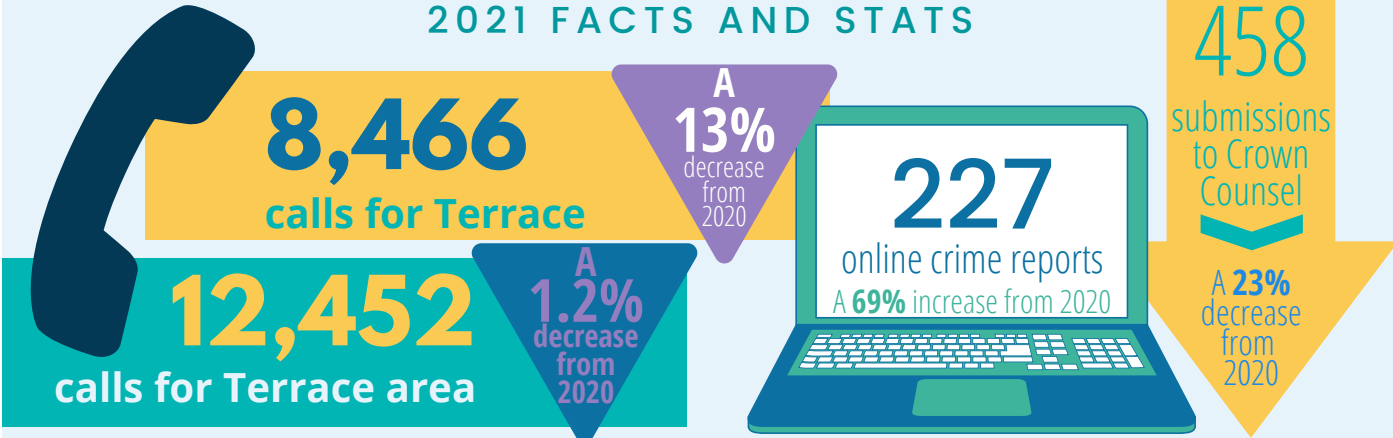


Above: Terrace Detachment's new Officer in Charge Staff Sergeant Terry Gillespie is expected to arrive in July 2022.

Left: The Speedwatch Program starts up with a special visit from Mayor Carol Leclerc.

RCMP

2021 FACTS AND STATS



Top left: Each year the Terrace Detachment participates in the Cram-a-Cruiser Event.

Bottom left: General Duty C Watch displaying their contribution to a reconciliation quilt being made by the Indian Residential School Survivors Society.





FINANCIAL INFORMATION



June 6, 2022

REPORT FROM THE DIRECTOR OF FINANCE

I am pleased to present the City of Terrace's audited 2021 financial statements. The purpose of this letter is to inform the reader on the City of Terrace's financial performance in 2021. The financial statements are the responsibility of management and have been prepared by City staff pursuant to Section 167 of the Community Charter, and in accordance with Canadian public sector accounting standards. Management's responsibilities include maintaining a system of internal controls for financial statement reliability purposes, and to ensure the safeguarding of the City's assets.

The City's independent external auditors, Carlyle Shepherd & Co., have audited the City's financial statements in accordance with Canadian generally accepted auditing standards. As expressed in their audit report, in their opinion the City's financial statements present fairly in all material respects, the financial position of the City of Terrace at December 31, 2021 and the results of operations, changes in net financial assets, and cash flows for the year then ended, in accordance with Canadian public sector accounting standards.

The financial statements include:

- Statement of Financial Position (a summary of year-end balances of financial assets, liabilities, and non-financial assets);
- Statement of Operations and Accumulated Surplus (a summary of the annual surplus for the year, which consists of revenues earned during the year, expenses incurred, and the estimated usage of tangible capital assets);
- Statement of Change in Net Financial Assets (a reconciliation of the annual surplus for the year to the change in value of net financial assets); and
- Statement of Cash Flows (a summary of how the City's cash and cash equivalents changed during the year, sorted into operating, investing, financing, and capital transactions).

Additionally, the notes and schedules to the financial statements provide a variety of explanations and details to assist the reader's understanding.

Entity

The City of Terrace owns, maintains, and operates a wide range of infrastructure to support the provisions of needed and desired services for our community. Examples of these assets include:

- Police and fire protection
- Roads and sidewalks
- Street lighting
- Pipes and facilities for disposal of sewer and storm water
- Arenas, pools, sports fields, and playgrounds

Whether your garbage is being collected, your street is being plowed, or you are visiting the splash park, you are witnessing your tax dollars at work. It is municipal budget decisions, at the direction of Mayor and Council, that set the funding levels for the programs and services that maintain our quality of life.

The City of Terrace is located in the Regional District of Kitimat Stikine (RDKS). The RDKS cost shares approximately 30% of the costs of several services provided by the City of Terrace. These shared services include recreation, cemetery, transit, victims' assistance, Terrace Public Library, Heritage Park, as well as cost sharing in contributions made to Riverboat Days Society and Terrace Search & Rescue.

Affiliates

Terrace Community Forest Limited Partnership manages the community forest license in three general areas around Terrace. The City of Terrace, as sole limited partner, has 99% partnership interest with the general partner, Terrace Community Forest Limited, holding the remaining 1%. The government business enterprise has been consolidated into the City's financial statements on a modified equity basis.

Financial Highlights

At the end of 2021, the City had net financial assets of \$29 million, based on the difference between its financial assets (\$56.2 million) and its liabilities (\$27.3 million). This compares to net financial assets of \$27.4 million at the end of 2020. Although there are fluctuations in different asset and liabilities accounts, the increase is largely due to the City's investment in affiliated entities which is the net income of \$1.7 million from the Terrace Community Forest Limited Partnership in 2021.

The City had non-financial assets of \$88.6 million, which largely consisted of the amortized historical cost of tangible capital assets. The City's net financial assets and non-financial assets together account for the \$117.6 million accumulated surplus as at December 31, 2021. Details of the composition of accumulated surplus, with comparable figures for the prior year, are as follows:

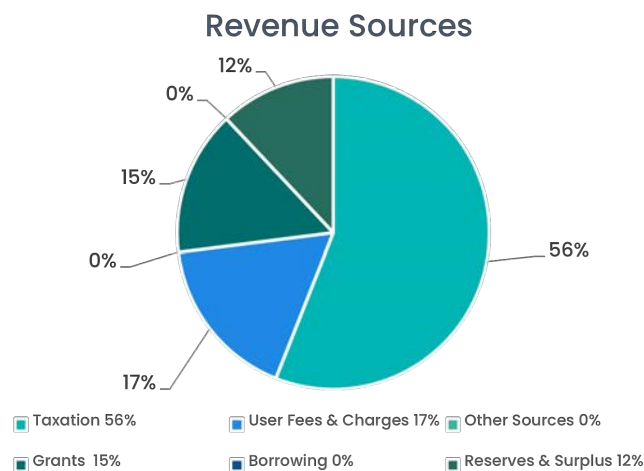
	2021 Accumulated Surplus	2020 Accumulated Surplus	Increase
Unrestricted surplus	\$7,767,587	\$5,164,645	\$5,079,622
Reserve funds	\$26,636,575	\$27,673,681	\$(1,037,106)
Investment in tangible capital assets	\$83,191,022	\$84,248,456	\$(1,057,434)
Total accumulated surplus	\$117,595,184	\$117,446,495	\$148,689

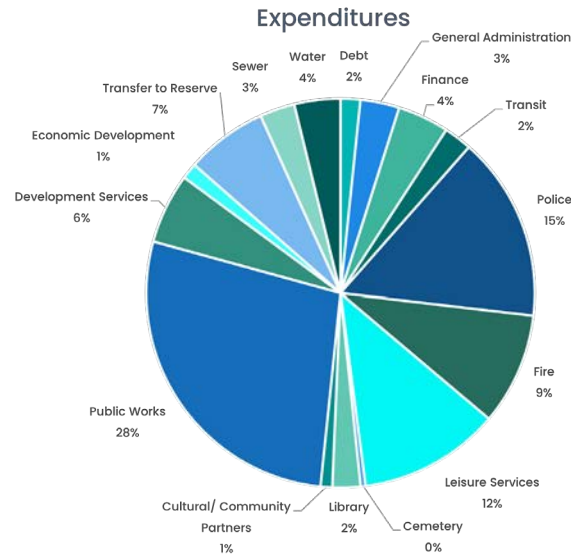
The small increase in accumulated surplus is due to unrestricted surplus increasing by \$2.2 million and being offset by a decrease in reserve funds of \$1 million and a decrease in investment in tangible capital assets of \$1.1 million. The decrease in investment in tangible capital assets means that the investments in 2021 were less than the total amortization of the assets for that year.

The City had revenues of \$31.7 million in 2021, down from \$35.3 million in 2020. Funds received from grants were down by \$9 million largely due to the City receiving the Northern Capital and Planning Grant and the COVID-19 Safe Restart Grant from the Province of British Columbia in 2020. User fees and sale of goods and services, however, were up by \$3.6 million in 2021 largely due to development permits and fees attributed to the construction of the new hospital and restrictions lifting for COVID-19.

Expenses totalled \$31.6 million in 2021, which when deducted from revenues created the annual surplus of \$148,689. Expenses increased by 15.6% over the prior year. In addition to facilities opening back up, significant costs and resources went into repairing the slopes on both the Lanfear and Birch hills. A Manager of Public Works position was also created to help offset the workload in that department. In addition, the City was required to reevaluate the landfill closure liability and increase the funds in the liability account by \$3,265,281 to fulfill post closure requirements.

Details of the composition of revenues and expenses are shown in the following charts:





Long-Term Debt

The City had \$4.6 million of long-term debt outstanding at the end of 2021, as compared to \$4.9 million at the end of 2020. The outstanding debt is related to the borrowing for the Hidber rink at the Sportsplex and the upgrades to the Terrace Aquatic Centre. The City has been making steady progress at paying down this debt and has significant borrowing capacity available to take on future debt should it choose to do so.

Internal Debt

Internal debt occurs when one City reserve fund borrows from another City reserve fund. The City does not have any internal debt.

Financial Indicators

The City tracks certain financial indicators in the form of ratios, which provide some insight into financial sustainability, flexibility, and vulnerability. Over time, these indicators are helpful as they can illustrate certain trends that are occurring.

Financial Indicators	2021	2020	2019	2018	2017
Sustainability indicators:					
Total assets to total liabilities	5.31	6.06	6.39	5.39	5.77
Financial assets to total liabilities	2.06	2.18	1.95	1.47	1.63
Flexibility indicators:					
Total debt servicing costs to total revenues	0.01	0.01	0.02	0.03	0.01
Vulnerability indicators:					
Total government transfers to total revenues	0.13	0.37	0.34	0.18	0.30

- **Sustainability indicators** provide a general indication of the City’s financial position. The City has seen a decline in its total assets to total liabilities and financial assets to total liabilities. Despite this decrease, these values indicate a general trend that the City does not necessarily rely on future revenues to discharge its liabilities, at this time.
- **Flexibility indicators** provide a general indication of the City’s reliance on long-term debt financing. The indicator shows that a very small portion of total revenues is typically committed to debt servicing costs.
- **Vulnerability indicators** provide a general indication of the City’s reliance on transfers from senior levels of government. In 2021, the City’s reliance on government transfer dropped primarily due not receiving the Northern Capital and Planning Grant and COVID-19 Safe Restart Grants it received in prior years.

Looking Forward

The City is committed to improving its financial position by:

- Diversifying the property tax base and increasing other sources of revenue, in order to reduce reliance on residential property taxes, such as:
 - » Reviewing current user fees within each department to ensure that they remain fair
 - » Continuing to collect bulk wastewater at our treatment plant and selling bulk water from our water loading station to supplement revenues in those functions
- Continuing to build reserve balances, and thus internal financing capacity, by increasing annual transfers to reserves;
- Gaining a better understanding of life-cycle costs of infrastructure through ongoing development of its asset management program.

The City continues to work towards a long-term plan of renewing capital in a sustainable manner. This means saving over time for capital requirements so that the funds are in place when the need arises. The water and sewer funds will be receiving fee increases of 4% and 5%, respectively, in 2022 dedicated to asset management. These amounts will be transferred annually to a dedicated water and sewer reserve and will be used to fund the future replacement of water and sewer capital assets. In 2022, a 1% tax increase will be set aside for asset management in the general fund. This amount will be transferred annually to a dedicated asset management reserve and will be used to fund the future replacement of general assets. General assets include all assets other than water, sewer and vehicles; for example, buildings, roads, parks, storm, etc.

In conclusion, the City of Terrace maintains a strong financial position. Councils are continually challenged to maintain current infrastructure and services while also addressing the demand for enhanced and new services—and keeping it all within affordable levels for our community. Growth in the community will require expansion to existing infrastructure to provide municipal services for new residents and businesses. Going forward, the City of Terrace will continue to budget with long-term financial stability for the future of the community as well as focusing on the wants and needs of today in mind. I look forward to working with Council and the community to implement their vision and thank staff for all their hard work and dedication to our City.



LORI GREENLAW

Director of Finance

City of Terrace

Consolidated Financial Statements

December 31, 2021

City of Terrace

December 31, 2021

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Consolidated Financial Statements

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MANAGEMENT'S REPORT

The management of the City of Terrace is responsible for the integrity of the accompanying consolidated financial statements. The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The preparation of the consolidated financial statements necessarily includes some amounts which are based on the best estimates and careful judgement of management.

To assist in meeting its responsibility, management maintains accounting, budget and other internal controls. These controls provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, in order that the integrity of financial records is maintained.

The consolidated financial statements have been audited by the independent firm of Carlyle Shepherd & Co. Their report to the Mayor and City Council, stating the scope of their examination and opinion on the consolidated financial statements accompanies this statement.

for 
KRIS BOLAND
CHIEF ADMINISTRATIVE OFFICER


LORI GREENLAW
DIRECTOR OF FINANCE

**CITY OF TERRACE
COUNCIL AND APPOINTED
OFFICIALS - 2021**

MAYOR
Carol Leclerc

COUNCILORS

Sean Bujtas
Lynne Christiansen
James Cordeiro
Brian Downie
David Gordon
Evan Ramsay

APPOINTED OFFICIALS - 2021

Chief Administrative Officer	K. Boland
Director of Finance	L. Greenlaw
Corporate Administrator	A. Thompson
Fire Chief	J. Klie
Director of Engineering & Public Works	J. Lambert
Director of Development Services	D. Block
Director of Parks, Recreation & Culture*	T. Irwin

The accompanying notes are an integral part of these financial statements.

2

*Department name changed from "Leisure Services" in 2022.

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council
City of Terrace

Opinion

We have audited the consolidated financial statements of the City of Terrace, which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net financial assets, cash flows and schedules 1 to 5 for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City of Terrace as at December 31, 2021 and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit.

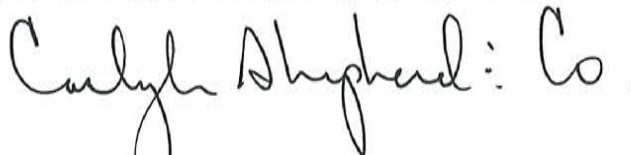
Responsibilities of Management and Council for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless conditions exist that do not allow for the going concern basis to be used.

Mayor and Council are responsible for overseeing the City's financial reporting process.

Terrace, BC
May 9, 2022



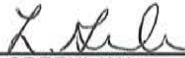
City of Terrace

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

	2021	2020
Financial Assets		
Cash and short-term investments (Notes 1 and 2)	\$ 49,425,426	\$ 45,806,487
Taxes receivable	1,721,810	1,925,873
Accounts receivable (Note 3)	1,430,171	908,442
Land held for resale (Note 1)	1,407,646	1,407,646
Municipal Finance Authority of BC - debt reserve fund (Note 4)	81,163	80,628
Investment in affiliated entities (Note 5)	2,169,754	510,970
	56,235,970	50,640,046
Liabilities		
Accounts payable and accrued liabilities	6,087,820	5,319,997
Deposits and prepayments	2,639,709	1,809,789
Accrued vacation	881,505	809,034
Care fund liability (Note 7)	233,162	226,718
Landfill closure liability (Note 8)	3,463,152	1,027,283
Skeena Industrial Development Park joint venture (Note 6)	9,408,015	9,102,020
Long term debt (Note 9)	4,563,172	4,934,832
	27,276,535	23,229,673
Net financial assets	28,959,435	27,410,373
Non-financial assets		
Inventory and other (Note 1)	881,555	852,834
Tangible capital assets (Note 1 and Schedule 2)	87,754,194	89,183,288
	88,635,749	90,036,122
City Position	117,595,184	117,446,495
City Position consists of:		
Operating fund	7,767,587	5,524,358
Reserves funds (Schedule 3)	26,636,575	27,673,681
Equity in tangible capital assets	83,191,022	84,248,456
	\$117,595,184	\$117,446,495

Approved by:


 CAROL LECLERC
 MAYOR


 LORI GREENLAW
 DIRECTOR OF FINANCE

The accompanying notes are an integral part of these financial statements.

City of Terrace
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2021 Unaudited Budget	2020
Revenues			
Net taxes available for municipal purposes (Note 11)	\$ 17,698,983	\$ 17,512,154	\$ 16,639,244
User fees and sale of goods and services	7,864,681	4,216,437	4,239,541
Grants and transfers (Note 12)	4,094,558	4,515,657	13,124,531
Investment income (loss)	(106,370)	200,000	1,305,721
Developer contributions	106,000	-	30,000
Affiliated entities (Note 5) and Other	2,066,070	26,600	(80,335)
	31,723,922	26,470,848	35,258,702
Expenses			
Protective services	7,057,808	7,380,317	6,938,333
Leisure services	4,183,259	4,565,467	3,773,185
Transportation and transit	5,280,471	4,784,182	4,327,417
Development services	2,403,970	2,443,889	2,457,006
General government	2,344,492	2,463,546	2,212,640
Waste management	4,008,349	1,028,380	1,359,769
Water operations	915,410	1,167,856	875,491
Sewer operations	818,971	964,397	684,986
Interest and bank charges	169,100	199,594	445,582
(Gain)/Loss on disposal of tangible capital assets	67,236	-	14,109
Other Services	92,413	133,715	79,310
Amortization of tangible capital assets	4,233,754	4,071,195	4,135,942
	31,575,233	29,202,538	27,303,770
Revenues over expenses	148,689	(2,731,690)	7,954,932
Opening position	117,446,495	117,446,495	109,491,563
Closing position	\$117,595,184	\$114,714,805	\$117,446,495

The accompanying notes are an integral part of these financial statements.

City of Terrace

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
Revenue over expenses	\$ 148,689	\$ 7,954,932
Capital acquisitions	(2,899,378)	(3,865,205)
Amortization of tangible capital assets	4,233,754	4,135,942
(Gain)/Loss on disposal of tangible capital assets	67,236	14,109
Proceeds on sale of tangible capital assets	27,482	50,824
Inventory and other	(28,721)	(71,892)
Increase (decrease) in net financial assets	1,549,062	8,218,710
Net financial assets - beginning of year	27,410,373	19,191,663
Net financial assets - end of year	\$28,959,435	\$27,410,373

The accompanying notes are an integral part of these financial statements.

City of Terrace

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
Operating transactions		
Revenues over expenses	\$ 148,689	\$ 7,954,932
Non-cash items:		
Amortization	4,233,754	4,135,942
(Gain)/Loss on the disposal of tangible capital assets	67,236	14,109
(Increase) decrease in inventory and other	(28,721)	(71,892)
(Increase) decrease in taxes receivable	204,063	(676,718)
(Increase) decrease in accounts receivable	(521,729)	1,584,144
Increase (decrease) in accounts payable and accrued liabilities	767,823	2,170,065
Increase (decrease) in deposits and prepayments	829,920	105,082
Increase (decrease) in accrued vacation	72,471	42,436
Increase (decrease) in care fund liability	6,444	5,760
Increase (decrease) in landfill closure liability	2,435,869	825,586
Cash provided (used) by operating transactions	8,215,819	16,089,446
Capital transactions		
Acquisition of tangible capital assets	(2,899,378)	(3,865,205)
Proceeds from the disposal of tangible capital assets	27,482	50,824
Cash applied to capital transactions	(2,871,896)	(3,814,381)
Financing and investing activities		
Debt repayment	(303,948)	(303,948)
(Increase) decrease in investment in affiliated entities	(1,658,784)	642,890
Increase (decrease) in Skeena Industrial Development Park Joint Venture	305,995	283,347
Actuarial adjustments	(67,712)	(55,387)
Increase in MFA debt reserve	(535)	(1,626)
Cash (provided) used in financing and investing activities	(1,724,984)	565,276
Increase (decrease) in cash position	3,618,939	12,840,341
Cash and cash equivalents - beginning of year	45,806,487	32,966,146
Cash and cash equivalents - end of year	\$ 49,425,426	\$ 45,806,487

The accompanying notes are an integral part of these financial statements.

City of Terrace

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

1. Significant Accounting Policies

The consolidated financial statements of the City of Terrace (the City) are prepared by management in accordance with Canadian generally accepted accounting principles for municipal governments established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. The significant accounting policies are summarized as follows:

a) Basis of accounting

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified. Expenditures are accounted for in the period the goods and services are acquired and a liability is incurred or transfers are due.

b) Fund accounting

Funds within the consolidated financial statements consists of the operating, capital and reserves funds. Transactions between funds are recorded as inter fund transfers.

Operating Fund	This fund, consisting of the general, water and sewer operating funds, comprises the operating results of the services provided by the City.
Capital Fund	This fund, consisting of the general, water and sewer capital funds, comprises tangible capital asset expenditures and related financing less accumulated amortization.
Reserves Fund	The reserves fund has been established to hold assets for specific future purposes as approved by City Council. Allowable transfers to and from these funds are defined in reserve fund establishment bylaws.

c) Tangible capital assets

Tangible capital assets, comprised of capital assets and capital work-in-progress, are recorded at cost less accumulated amortization and are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful life of the asset commencing the year the asset is put in to service. Donated tangible capital assets are reported at fair value at the time of donation. Estimated useful lives are as follows:

Land improvements	20 years
Buildings	20 to 50 years
Furniture, equipment and technology	5 to 20 years
Motor vehicles	13 to 20 years
Transportation infrastructure	25 to 50 years
Storm sewer	50 years
Dyke and erosion protection	25 years
Water infrastructure	50 years
Sanitary sewer infrastructure	50 years

City of Terrace

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

1. Significant Accounting Policies (continued)

d) **Inventory**

Inventory held for City services is recorded at average landed cost.

e) **Land held for resale**

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for sale.

f) **Non-financial assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services.

g) **Use of estimates**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. It is reasonably possible that circumstances may arise that cause actual results to differ from management estimates, however, management does not believe it is likely that such differences will materially affect the City's financial position. Adjustments, if any, will be reflected in operations in the period of settlement.

h) **Financial instruments**

The City's financial instruments consist of cash, short-term investments, accounts receivable, accounts payable and long-term debt. The City measures financial assets and liabilities at market value at the date of acquisition except for those investments quoted in an active market, which are reported at market value. Unless otherwise noted, it is management's opinion that the City is not exposed to significant interest, currency or credit risks arising from these financial instruments.

i) **Reporting entity and principles of financial reporting**

The City's reporting entity includes the municipal government and entities that are either controlled or owned by it. All controlled entities are fully consolidated on a line-by-line basis except for government business enterprises that are consolidated on a modified equity basis.

Under the modified equity basis, accounting policies are not adjusted to conform to the City, inter-organizational transactions and balances are not eliminated and the City recognizes annual earnings or losses in its statement of operations with a corresponding increase or decrease in the investment. Any distributions reduce the carrying value of the investment.

City of Terrace

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

1. Significant Accounting Policies (continued)

i) Reporting entity and principles of financial reporting (continued)

The City's reporting entity includes:

Terrace Community Forest LP	Government business enterprise	99%
Terrace Community Forest Limited	Government business enterprise	100%

2. Cash and short-term investments

Cash and short-term investments are comprised of cash on deposit and investments as follows:

	2021	2020
Municipal Finance Authority of BC investments:		
MFA Money market fund	\$ 3,753,429	\$ 6,253,754
MFA Short-term bond and intermediate funds	27,972,710	28,181,861
MFA Care fund investment	233,162	226,718
Scotiabank investments	10,028,000	10,028,000
	41,987,301	44,690,333
Cash	4,176,821	1,116,154
Funds held in legal trust	3,261,304	-
	\$ 49,425,426	\$ 45,806,487

3. Accounts receivable

	2021	2020
Government grants receivable:		
Provincial		
Ministry of Attorney General - Gaming revenue	\$ 163,116	\$ -
Emergency Management BC	1,928	-
UBCM - Asset Management, Community Resiliency and Housing	191,704	163,229
Northern Development Initiative Trust	273,865	45,503
Trade receivable - sewer and water	57,510	51,503
Other	742,048	648,207
Accounts receivable	\$ 1,430,171	\$ 908,442

City of Terrace

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

4. Municipal Finance Authority of BC - debt reserve fund

The Municipal Finance Authority of BC ("MFA") provides capital financing for regional districts and their member municipalities and with respect to this, is required to establish a Debt Reserve Fund. Each regional district and its member municipalities who share in the proceeds of a debt issue are required to pay into the Debt Reserve Fund certain amounts set out in the debt agreements. This fund is held in trust by MFA as protection against loan default. Upon the maturity of a debt issue the unused portion of the Debt Reserve Fund established for that issue, including interest earned on it, is discharged to the original contributors.

5. Investment in affiliated entities

Terrace Community Forest Limited Partnership manages the community forest licence in three general areas around Terrace. The City, as sole limited partner, has a 99% partnership interest with the general partner, Terrace Community Forest Limited, holding the remaining 1%.

The government business enterprise has been consolidated on a modified equity basis.

	2021	2020
Balance Sheet		
Cash and short term investments	\$ 2,283,176	\$ 640,831
Accounts and other receivables	151,279	191,625
Equipment	15,360	19,200
Total assets	<u>2,449,815</u>	<u>851,656</u>
Trade and other payables	110,501	190,566
Silviculture provision	169,560	150,120
Total liabilities	<u>280,061</u>	<u>340,686</u>
Partner capital	2,169,754	510,970
Total liabilities and partner capital	<u>2,449,815</u>	<u>851,656</u>
Statement of Comprehensive Income		
Revenue	4,544,002	37,920
Direct Costs	(2,837,429)	(80,561)
Expenses	(317,778)	(250,704)
Other income (expenses)	270,752	(98,228)
Net income (loss) for the year	<u>1,659,547</u>	<u>(391,573)</u>

City of Terrace

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

5. Investment in affiliated entities (continued)

	2021	2020
Summary of Investments in Affiliated Entities		
Owner equity in Terrace Community Forest Limited	\$ 24,174	\$ 8,342
Partnership capital in Terrace Community Forest Limited Partnership	2,145,580	502,628
Total investment in affiliated entities	2,169,754	510,970

6. Skeena Industrial Development Park joint venture

The City and the Kitselas First Nation have entered into a multi-year Joint Venture agreement for the sale of land know as the Skeena Industrial Development Park. The main purpose of the Joint Venture is to stimulate economic development in the area. The Joint Venture has an agreement with the Province of B.C. to purchase land as needed in the specified area. The profits, if any, are to be shared equally when all the land is sold. The joint venture has received \$12,792,894 and incurred expense totalling \$3,384,879. The Joint Venture is to provide road and water services to the site. The cost to provide these services is currently unknown.

7. Care fund liability

The use of perpetual care (cemetery) fund monies, together with any earnings thereon, is restricted by legislation.

8. Landfill closure liability

The landfill closure liability has been adjusted to reflect engineers estimates of total costs to close the Terrace landfill in accordance with a closure plan approved by the Ministry of Environment and Climate Change Strategy in 2021.

City of Terrace

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

9. Long term debt

	2021	2020
Municipal Finance Authority of BC ("MFA")		
Debenture debt matures in 2021 to 2034 and debenture debt annual interest rates range from 2.24% to 3.2%.	\$ 4,563,172	\$ 4,934,832

Principal repayments for the next five years are:

	2022	2023	2024	2025	2026
Principal payment	\$ 298,639	\$ 298,639	\$ 298,639	\$ 298,639	\$ 298,639
Actuarial addition	77,920	90,810	104,150	117,957	132,247
	\$ 376,559	\$ 389,449	\$ 402,789	\$ 416,596	\$ 430,886

10. Equity in tangible capital assets

Equity in tangible capital assets represents the net book value of total tangible capital assets less long term obligations assumed to acquire those assets. The change in consolidated equity in tangible capital assets is as follows:

	2021	2020
Increases:		
Capital acquisitions	\$ 2,899,378	\$ 3,865,205
Retirement of debt - principal repayment	303,948	303,948
Actuarial adjustment	67,712	55,387
Decreases:		
Dispositions at net book value	(94,718)	(64,933)
Amortization of tangible capital assets	(4,233,754)	(4,135,942)
Change in equity in tangible capital assets	(1,057,434)	23,665
Equity in tangible capital assets - beginning of year	84,248,456	84,224,791
Equity in tangible capital assets - end of year	\$ 83,191,022	\$ 84,248,456

City of Terrace

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

11. Net taxes available for municipal purposes

	2021	2020
Taxes:		
	\$ 24,001,637	\$ 22,133,182
Frontage	717,323	678,174
Utility fees	515,434	453,155
Revenue in lieu of taxes	413,792	403,437
Penalties and interest on taxes	276,841	206,216
	25,925,027	23,874,164
Less taxes on behalf of:		
Province of BC - School	5,481,439	4,542,173
North West Regional Hospital District	1,441,853	1,457,765
Regional District of Kitimat-Stikine	1,187,450	1,119,930
BC Assessment Authority	114,794	114,549
Municipal Finance Authority of BC	509	504
	8,226,045	7,234,921
Net taxes available for municipal purposes	\$ 17,698,983	\$ 16,639,244

12. Grants and Cost Sharing

The following grants and cost sharing have been included in revenues:

	2021	2020
Capital project grants		
- Provincial	\$ -	\$ 6,774,657
- Regional District / Other	1,479,492	1,104,755
	1,479,492	7,879,412
Operating grants and cost sharing		
- Federal	49,042	33,564
- Provincial	1,120,984	3,694,355
- Regional District / Other	1,445,040	1,517,200
	2,615,066	5,245,119
	4,094,558	13,124,531

13. Commitments and contingencies

City of Terrace

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

13. Commitments and contingencies (continued)

a) Pension plan

The City of Terrace and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of the assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2020 the plan has about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The City of Terrace paid \$861,454 for employer contributions to the Plan in fiscal 2021 (\$815,986 in 2020).

The next valuation will be as at December 31, 2021 with results available in 2022.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the plan.

b) Third party claims

The City is involved in certain legal actions, the outcome of which is uncertain at this time. Accordingly, no provision has been made in the accounts for these actions.

City of Terrace

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021

13. Commitments and contingencies (continued)

c) Contingent liabilities

- (i) The City, as a member of the Regional District of Kitimat-Stikine, is jointly and severally liable for their net capital liabilities.
- (ii) The loan agreements with the Municipal Finance Authority ("MFA") provide that if the MFA does not have sufficient funds to meet payments on its obligations it shall make payments from the Debt Reserve Fund which is established by contributions from all borrowing participants. If the Debt Reserve Fund is deficient the MFA's obligations become a liability of the Regional District and may become a liability of the participating municipalities.

14. Segmented Information

The City of Terrace is a municipal government that provides a wide range of services to its residents and taxpayers. The City operations and activities are organized and reported by segments. These segments include Protective Services, Leisure Services, Transportation and Transit, Development Services, General Government, Waste Management, Water Operations and Sewer Operations and Other Services. Revenues include government grants, user fees, investment income and property taxation; the latter being the largest source of funding. Operating results are reported by segment in Schedule 1. Property taxation, which funds many of the operations, is not allocated to a specific segment and is reported as unallocated.

Protective Services

Protective Services is comprised of fire protection and policing. The Fire Department is responsible for fire suppression, fire prevention, fire safety, highway rescue and emergency preparedness. The Royal Canadian Mounted Police operates under agreement to provide police services to the City.

Leisure Services

The Leisure Services department operates and provides services for the pool, arenas, parks, trails and open spaces and leisure programs. The Terrace Public Library and Heritage Park Museum are also reported under this segment.

Transportation and Transit

The Public Works department provides transportation service including street maintenance, snow removal, building maintenance, street lighting, traffic lights, fleet maintenance, storm sewer and inventory control. Transit services, also reported under this segment, are provided under contract with BC Transit.

Development Services

The Development Services department is responsible for land use, sustainable planning and general development services. This includes building inspection, business licensing, animal control, planning, mapping and bylaw enforcement. The Skeena Industrial Development Park Joint Venture with the Kitselas First Nation

City of Terrace

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021

14. Segmented Information (continued)

Development Services (continued)

is managed by the City and reported under this segment. Tourism services provided by Kermodei Tourism Society and economic development are also reported under this segment.

General Government

General government operations include legislative services, general administration, finance and information technology functions.

Waste Management

Waste management services are provided by the Public Works department and include the collection and treatment/disposal of solid waste, organics, yard waste and recycling.

Water Operations

This segment includes all operating activities related to pumping, treating and distributing water throughout the city and operates under the Public Works department.

Sewer Operations

This segment includes all operating activities related to collection and treatment of wastewater throughout the city and operates under the Public Works department.

Other Services

Other services include cemetery services.

City of Terrace

CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2021

(Schedule 1) Cont.

	Protective services	Leisure services	Transportation and transit	Development services	General government	Waste management
Revenues						
Net taxes available for municipal purposes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
User fees and sale of goods and services	264,745	846,707	548,997	3,366,410	-	726,990
Government grants and transfers	260,264	1,235,174	332,867	35,322	2,230,931	-
Investment income	-	-	-	-	-	-
Developer contributions	-	-	-	-	-	-
Other	-	-	-	-	407,286	-
	<u>525,009</u>	<u>2,081,881</u>	<u>881,864</u>	<u>3,401,732</u>	<u>2,638,217</u>	<u>726,990</u>
Expenses						
Salaries and wages	3,252,085	2,130,536	1,853,233	1,628,450	1,651,840	443,000
Goods and services	3,805,723	2,052,723	3,427,238	777,520	692,652	3,565,349
Interest and bank charges	-	177,568	2,072	6,711	(17,251)	-
Amortization of tangible capital assets	154,874	1,095,823	2,037,402	2,242	210,121	7,956
(Gain)/Loss on disposal of tangible capital assets	3,191	-	25,754	-	-	-
	<u>7,215,873</u>	<u>5,456,650</u>	<u>7,345,699</u>	<u>2,412,923</u>	<u>2,537,362</u>	<u>4,016,305</u>
Excess (deficiency) of revenues over expenses	\$ (6,690,864)	\$ (3,374,769)	\$ (6,463,835)	\$ 988,809	\$ 100,855	\$ (3,289,315)

The accompanying notes are an integral part of these financial statements.

City of Terrace

CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2021

(Schedule 1) Cont.

	Water operations	Sewer operations	Other services	Unallocated	2021 Unaudited Budget	2020 Unaudited Budget
	\$	\$	\$	\$	\$	\$
Revenues						
Net taxes available for municipal purposes	-	-	-	17,698,983	17,512,154	16,639,244
User fees and sale of goods and services	1,285,308	756,124	69,400	-	7,864,681	4,239,541
Government grants and transfers	-	-	-	-	4,094,558	13,124,531
Investment income	-	-	-	(106,370)	200,000	1,305,721
Developer contributions	-	-	-	106,000	106,000	30,000
Other	-	-	-	1,658,784	2,066,070	(80,335)
	1,285,308	756,124	69,400	19,357,397	31,723,922	35,258,702
Expenses						
Salaries and wages	561,001	289,532	79,334	-	11,887,011	11,271,595
Goods and services	354,409	529,439	13,079	-	15,218,132	11,436,542
Interest and bank charges	-	-	-	-	169,100	445,582
Amortization of tangible capital assets	338,519	386,817	-	-	4,233,754	4,135,942
(Gain)/Loss on disposal of tangible capital assets	37,444	847	-	-	67,236	14,109
	1,291,373	1,206,635	92,413	-	31,575,233	27,303,770
Excess (deficiency) of revenues over expenses	\$ (6,065)	\$ (450,511)	\$ (23,013)	\$ 19,357,397	\$ 148,689	\$ 7,954,932

The accompanying notes are an integral part of these financial statements.

City of Terrace

SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2021

(Schedule 2)

	Cost				Accumulated Amortization				Net book value 2021	Net book value 2020
	Opening Balance	Additions	Disposals	Ending balance	Opening Balance	Amortization	Accumulated amortization on disposals	Ending balance		
Land	\$ 10,146,365	\$ 608,587	\$ -	\$ 10,754,952	\$ -	\$ -	\$ -	\$ -	\$ 10,754,952	\$ 10,146,365
Land Improvements	5,116,584	401,447	-	5,518,031	3,008,306	196,492	-	3,204,798	2,313,233	2,108,278
Buildings	32,943,463	-	-	32,943,463	15,752,796	1,063,552	-	16,816,348	16,127,115	17,190,667
Motor Vehicles	8,630,777	415,115	(304,429)	8,741,463	3,613,809	427,843	(277,745)	3,763,907	4,977,556	5,016,969
Furniture, equipment and technology	2,759,180	181,862	(579,937)	2,361,105	1,718,901	168,699	(576,745)	1,310,855	1,050,250	1,040,278
Transportation infrastructure	55,940,003	1,572,963	(61,069)	57,451,897	30,684,266	1,360,637	(58,966)	31,995,937	25,455,960	25,245,737
Water infrastructure	18,341,557	321,261	(233,771)	18,429,047	8,547,368	338,519	(196,327)	8,689,560	9,739,487	9,794,189
Sanitary sewer infrastructure	17,828,570	47,613	(21,157)	17,855,026	9,109,413	386,817	(20,310)	9,475,920	8,379,106	8,719,157
Storm sewer	14,494,722	233,723	(80,487)	14,647,958	6,566,255	291,195	(56,039)	6,801,411	7,846,547	7,928,467
Assets under construction	1,993,181	(883,193)	-	1,109,988	-	-	-	-	1,109,988	1,993,181
	\$ 168,194,402	\$ 2,899,378	\$ (1,280,850)	\$ 169,812,930	\$ 79,011,114	\$ 4,233,754	\$ (1,186,132)	\$ 82,058,736	\$ 87,754,194	\$ 89,163,288

The accompanying notes are an integral part of these financial statements.

City of Terrace
CONSOLIDATED SCHEDULE OF RESERVE FUND ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

(Schedule 3)

	Machinery and equipment	Capital works	Land acquisition	Parking space	Community Works	Parks acquisition	Airport Lands Joint Venture	Affordable housing	Active transportation
Balance - Beginning of year	\$ 3,319,835	\$ 3,429,582	\$ 1,482,045	\$ 78,736	\$ 562,256	\$ 130,989	\$ 1,568,286	\$ 184,717	\$ 17,343
Investment income	(7,707)	(4,814)	(3,441)	(183)	(1,305)	(304)	-	(429)	(40)
Transfers in	606,067	217,980	-	-	616,933	-	60,732	-	-
Transfers out	(327,431)	-	(510,949)	-	(83,877)	-	-	-	-
Balance - End of year	\$ 3,590,764	\$ 3,642,748	\$ 967,655	\$ 78,553	\$1,094,007	\$ 130,685	\$ 1,629,018	\$ 184,288	\$ 17,303

	Northern Capital and Planning (Schedule 4)	Community Forest	Sewer Capital	Water Capital	Gaming	COVID-19 Safe Restart (Schedule 5)	Total
Balance - Beginning of year	\$ 13,988,034	\$ 183,858	\$ -	\$ -	\$ -	\$ 2,728,000	\$ 27,673,681
Investment income	(32,474)	(427)	-	-	-	(6,333)	(57,457)
Transfers in	-	-	274,506	357,051	400,562	-	2,533,831
Transfers out	(1,235,619)	(105,000)	-	-	-	(1,250,604)	(3,513,480)
Balance - End of year	\$ 12,719,941	\$ 78,431	\$ 274,506	\$ 357,051	\$ 400,562	\$ 1,471,063	\$ 26,636,575

The accompanying notes are an integral part of these financial statements.

City of Terrace

NORTHERN CAPITAL AND PLANNING GRANT RESERVE

(Schedule 4)

	2021	2020
Balance - Beginning of year	\$ 13,988,034	\$ 7,987,738
Investment income	(32,474)	315,184
Transfers in	-	6,531,000
Transfers out	(1,235,619)	(845,888)
Balance - End of year	\$ 12,719,941	\$ 13,988,034

The accompanying notes are an integral part of these financial statements.

City of Terrace
COVID-19 SAFE RESTART GRANT RESERVE

(Schedule 5)

	2021	2020
Balance - Beginning of year	\$ 2,728,000	\$ -
Investment income	(6,333)	-
Transfers in	-	2,728,000
Transfers out	(1,250,604)	-
Balance - End of year	\$ 1,471,063	\$ 2,728,000

The accompanying notes are an integral part of these financial statements.

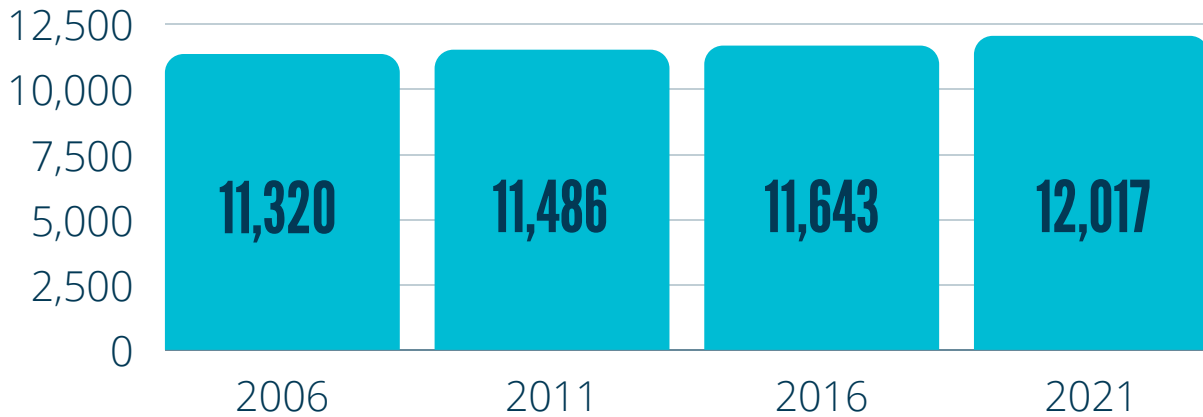


STATISTICAL INFORMATION

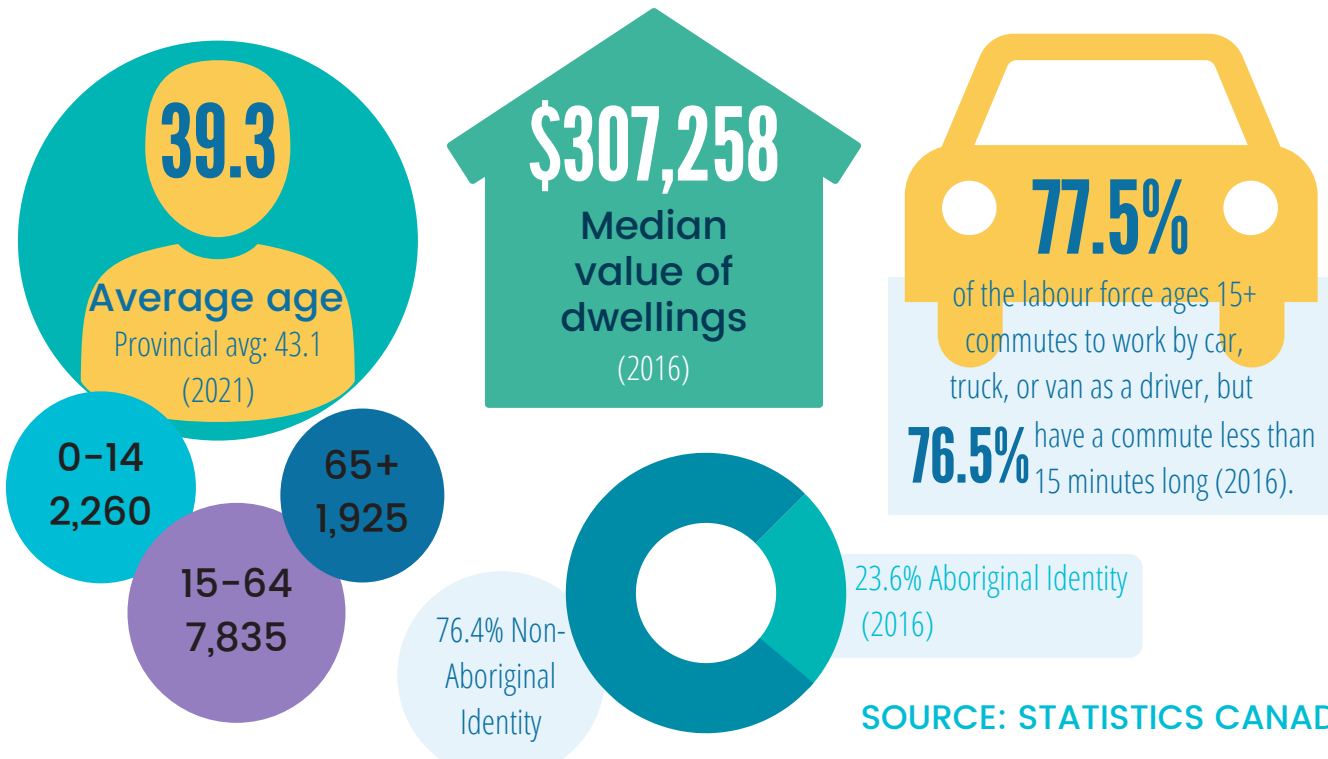
City of Terrace

AT A GLANCE

CITY OF TERRACE POPULATION

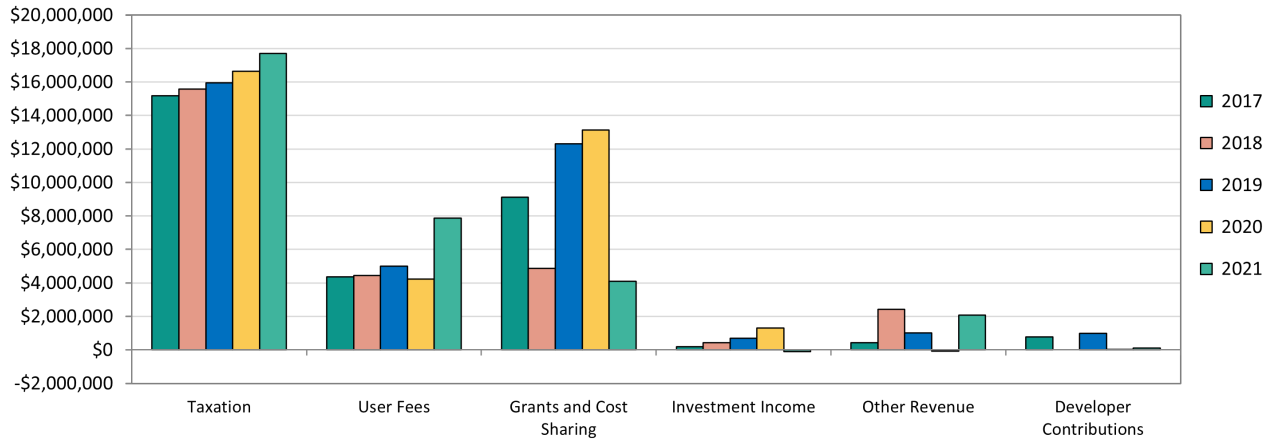


69.6% of private households are occupied by owners; 30.4% by renters (2016)

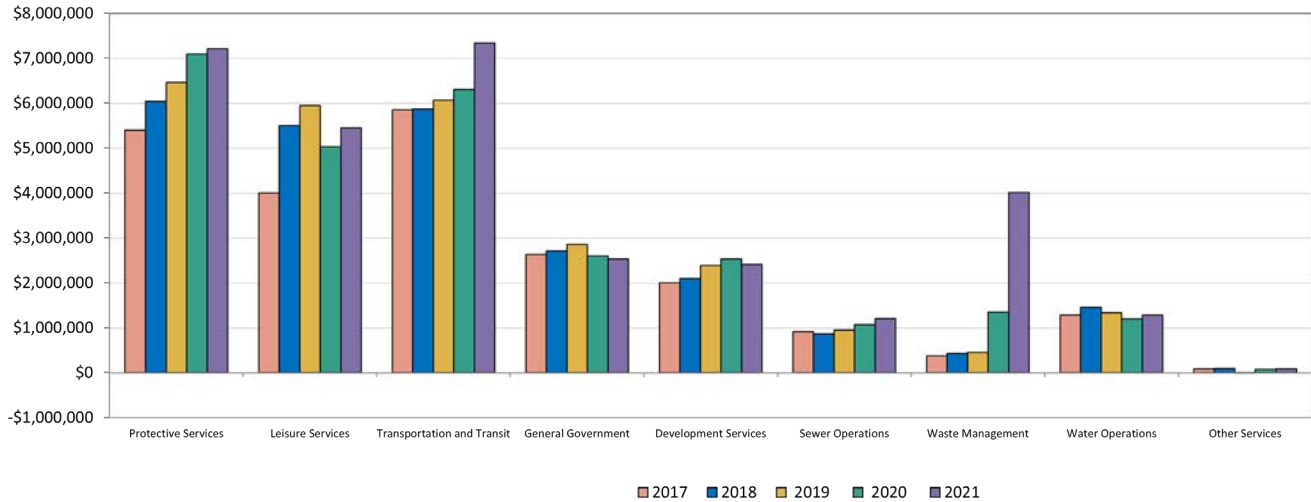


SOURCE: STATISTICS CANADA

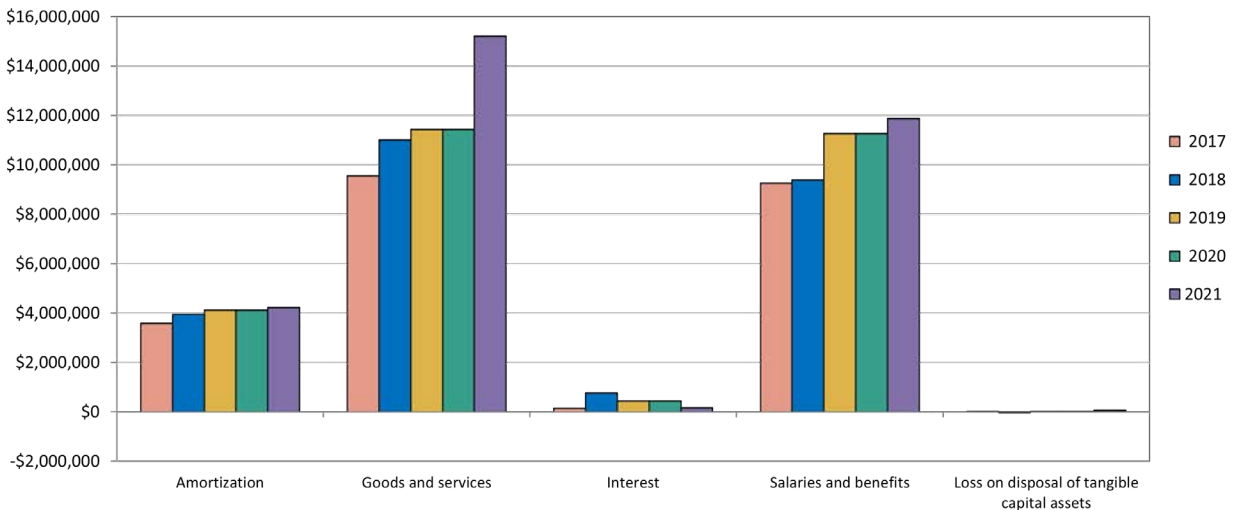
REVENUES BY SOURCE - LAST 5 FISCAL YEARS



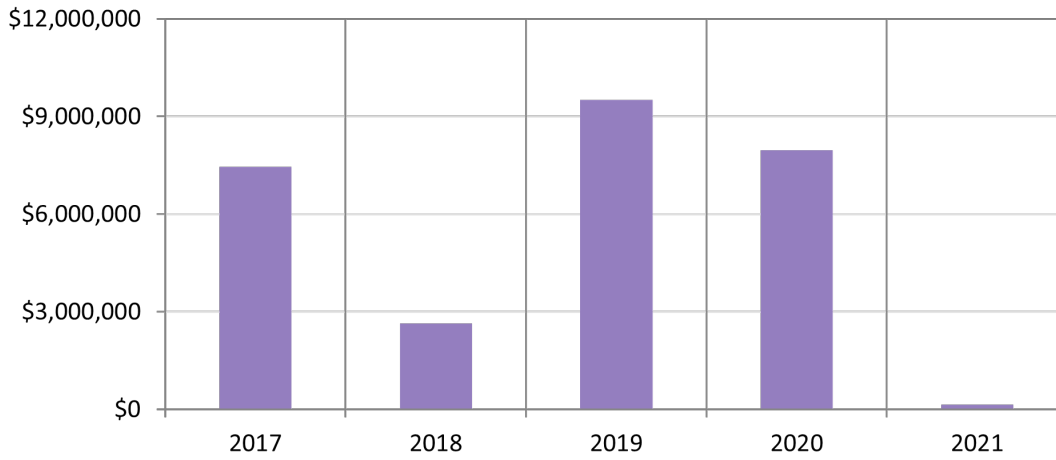
EXPENSES BY FUNCTION - LAST 5 FISCAL YEARS



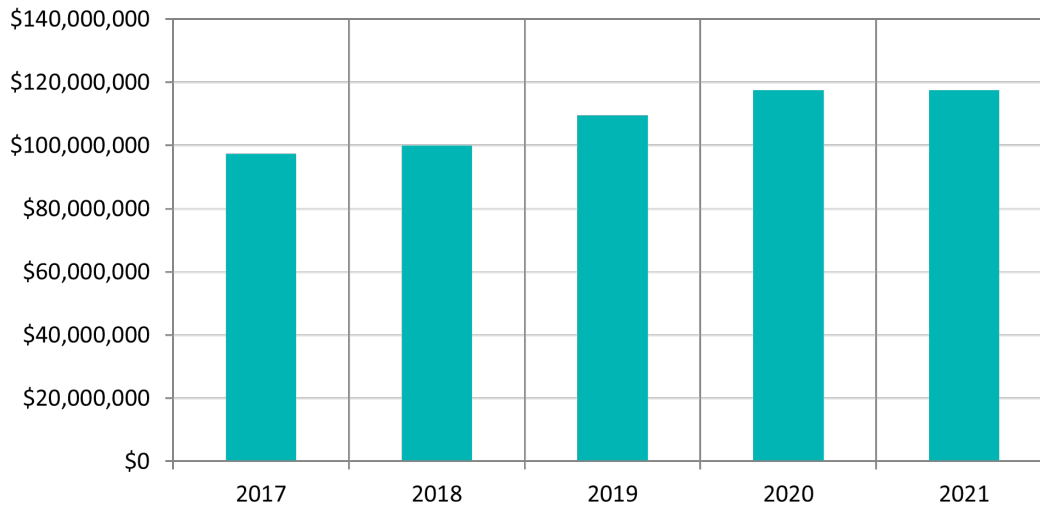
EXPENSES BY OBJECT - LAST 5 FISCAL YEARS



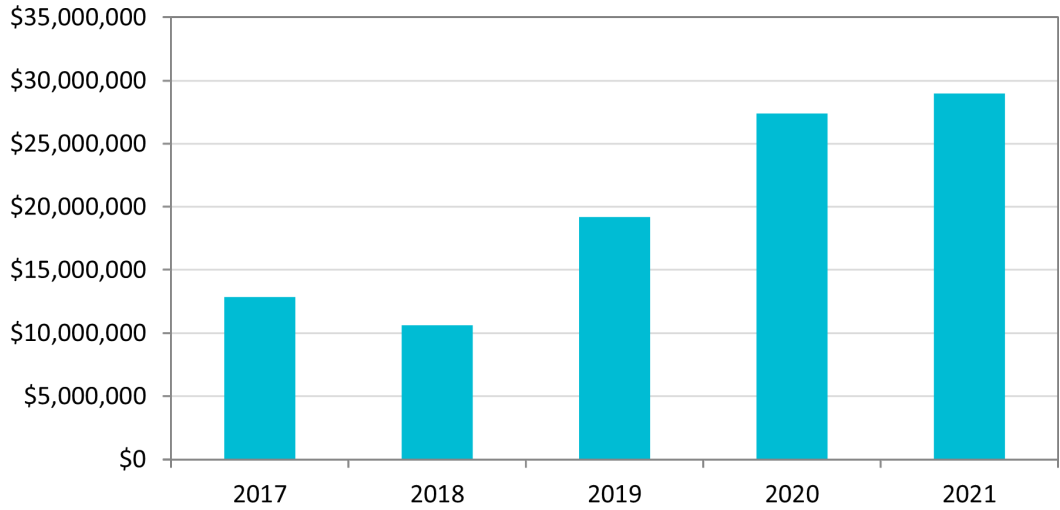
TOTAL ANNUAL SURPLUS



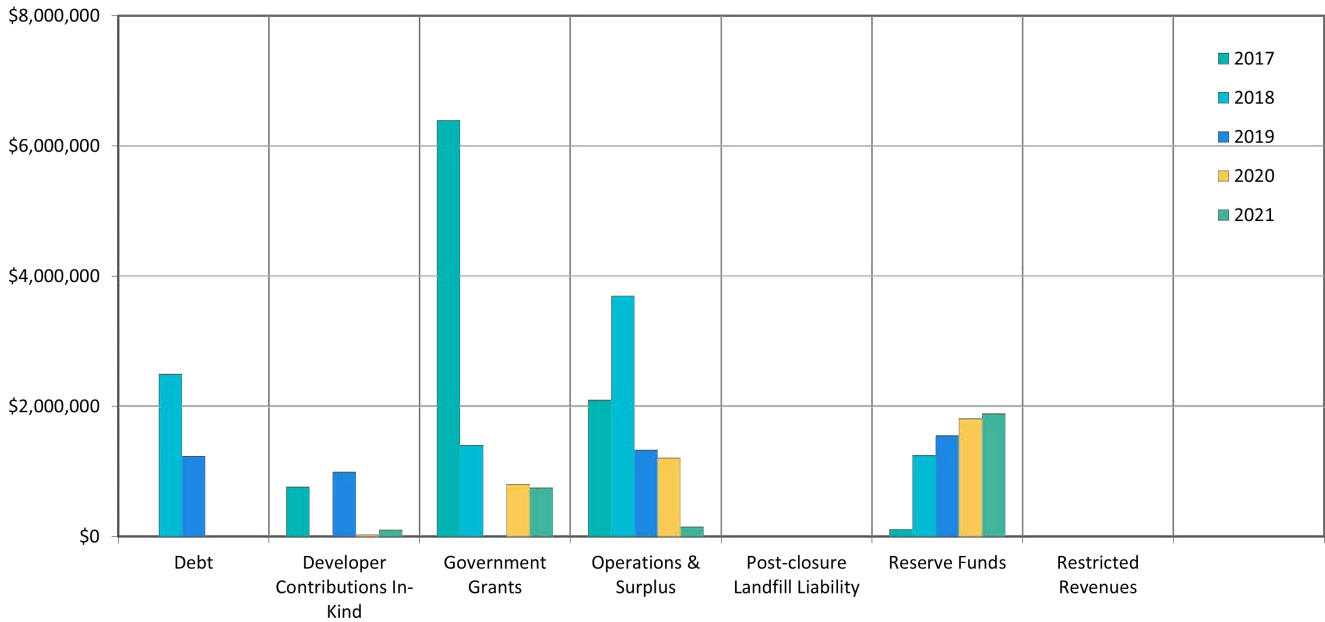
TOTAL ACCUMULATED SURPLUS



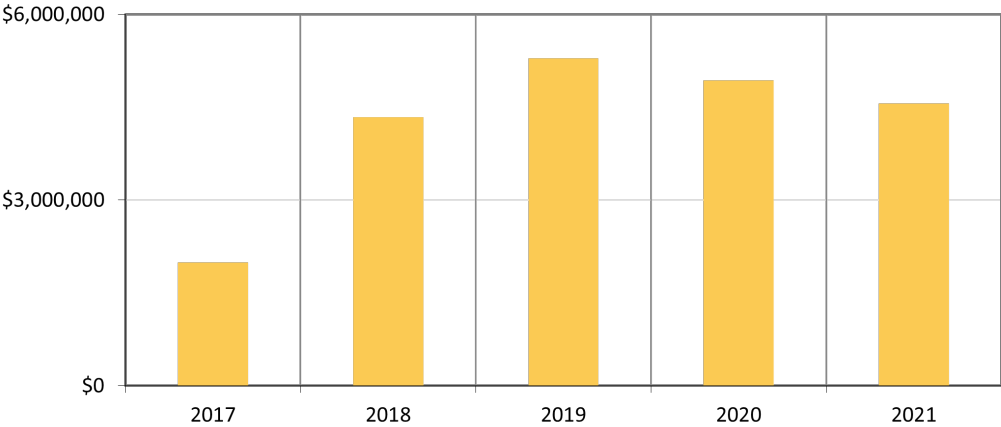
NET FINANCIAL ASSETS



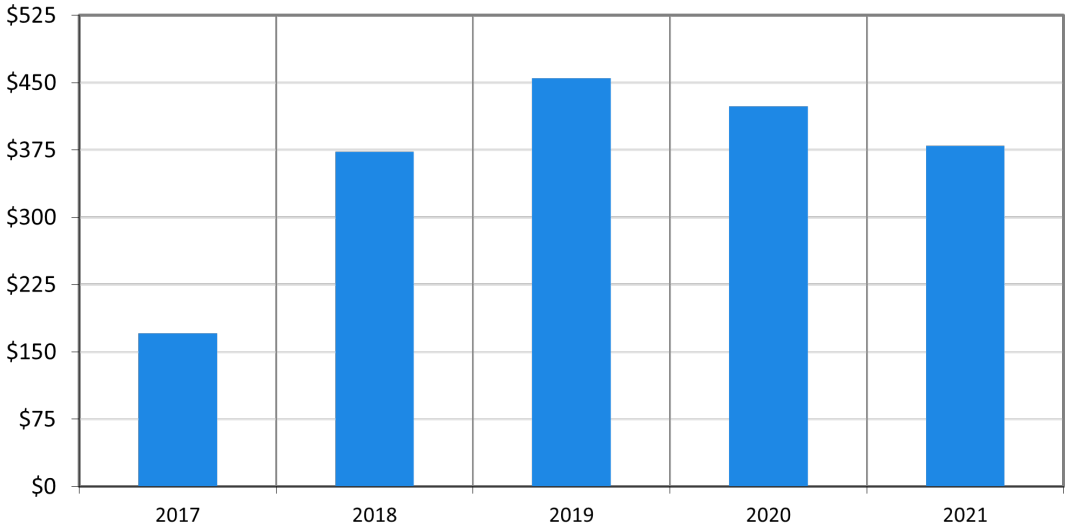
ACQUISITION OF TANGIBLE CAPITAL ASSETS



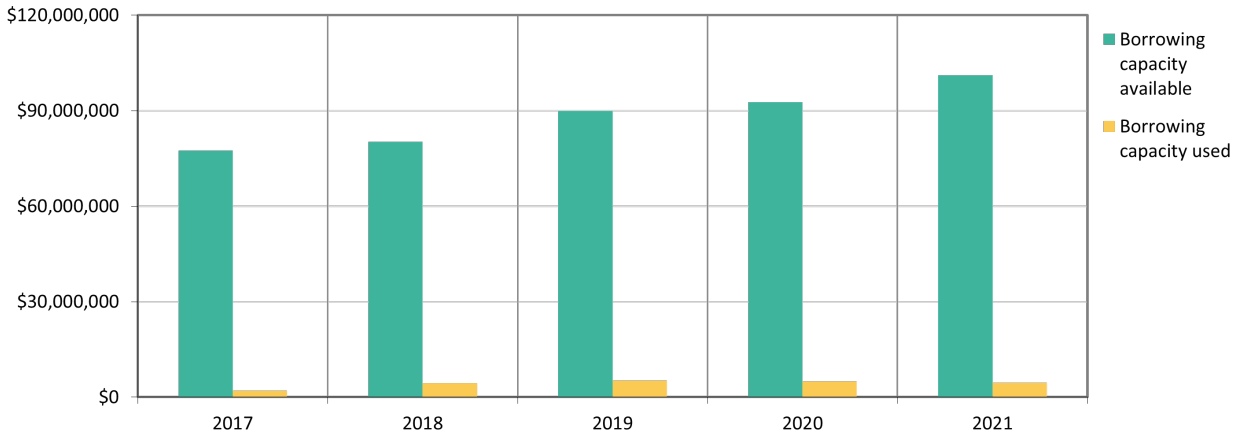
LONG-TERM GENERAL DEBT OUTSTANDING



LONG-TERM GENERAL DEBT PER CAPITA (SUPPORTED BY PROPERTY TAXES)



LEGISLATED BORROWING CAPACITY



Note: Borrowing capacity is estimated based on market interest rates at each year-end

PROPERTY TAX COLLECTIONS

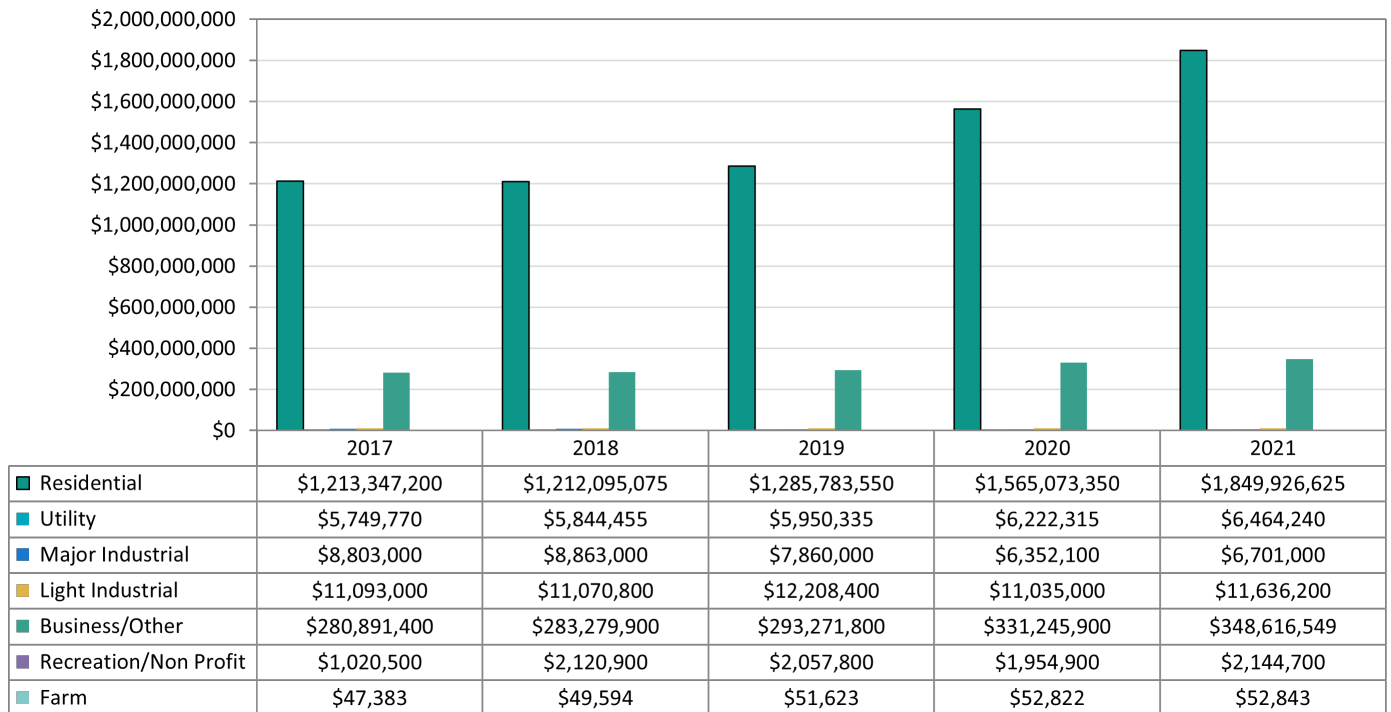
	2017	2018	2019	2020	2021
Current taxes levied ¹	22,752,820	22,994,433	23,380,535	23,470,727	25,234,394
Current taxes collected	22,433,146	22,500,634	22,302,071	22,246,088	24,146,300
Current taxes outstanding as at December 31	319,674	493,799	1,078,464	1,224,639	1,088,094
Percentage of current taxes collected	98.6%	97.9%	95.4%	94.8%	95.7%

¹ Includes residential flat rate utilities, collections for other authorities, and penalties; excludes grants in lieu of tax and interest

OTHER MAJOR TAX LEVIES AND COLLECTIONS

	2017	2018	2019	2020	2021
School District	5,220,825	5,164,645	5,079,622	4,542,173	5,481,439
Hospital District	1,385,052	1,317,500	1,373,136	1,457,765	1,441,853
Regional District	1,234,260	1,203,213	1,258,178	1,119,930	1,187,450
BCA/MFA	105,601	97,455	94,269	115,051	115,303

ASSESSED VALUES



PRINCIPAL CORPORATE TAXPAYERS

2021 MAJOR TAX REVENUE BASE (INCLUDES GENERAL MUNICIPAL TAXES ONLY; DOES NOT INCLUDE TRANSIT)	
ROC HOLDINGS LTD	\$427,075.50
WAL-MART CANADA CORP	\$325,363.87
PROGRESSIVE VENTURES LTD	\$263,487.44
LOON PROPERTIES (SKEENA) INC	\$188,519.90
CANADIAN TIRE REAL ESTATE LIMITED	\$183,720.22
TELUS COMMUNICATIONS (BC) INC.	\$174,265.67
CANADIAN NATIONAL RAILWAY CO. (VN119638)	\$166,515.60
SUNSHINE INN EXECUTIVE SUITES INC.	\$139,782.09
LOCA PROPERTIES (WESTNORTH) INC.	\$135,279.31
TAISHENG INTERNATIONAL INVESTMENT SERVICES INC.	\$123,480.96
TOTAL	\$2,127,490.56

NEW CONSTRUCTION

TYPE OF PERMIT	2021	2020	2019	2018	2017
Single Residential	12,759,000	11,528,000	10,863,300	9,072,000	5,162,000
Duplex Residential	799,200	960,000	380,000	450,000	
Multi-Residential	18,795,200		800,000	5,594,400	6,395,000
Commercial New	596,488	1,088,000	1,300,000		2,560,000
Industrial New	2,206,525	2,672,955	50,000		185,000
Institutional New	296,325,000	765,500		61,000	2,460,000
TOTALS	331,481,413	17,014,455	13,393,300	15,177,400	16,762,000

PERMISSIVE TAX EXEMPTIONS

In accordance with section 98(2)(b) of the Community Charter, the following properties in the City of Terrace were provided permissive property tax exemptions by Council for 2021 in addition to any statutory exemptions provided by the Chamber Charter.

Name	Address	2021 City Exempt Taxes (\$)	2021 Other Exempt Taxes (\$)
Governing Council of the Salvation Army	3236 Kalum	10,835	1,989
645999 BC LTD (Salvation Army-Lease)	3227-3229 Sparks	5,147	834
My Recreational Mountain Co-op	101-4805 Hwy 16 W	1,688	285
Terrace Child Development Centre	4665 Park	6,469	1,182
Terrace Cerebral Palsy Assoc. (T.Child Dev)	2510 Eby	6,875	1,263
Terrace Curling Association	3210 School	12,634	2,157
Terrace Elks Lodge	2822 Tetrault	1,357	408
Terrace & District Community Serv	2806 Eby	1,641	1,236
Terrace & District Community Serv	4530 Lakelse	8,874	1,528
Canadian Red Cross - 645999 BC Ltd (Lease)	124-4720 Lazelle	4,912	916
Kermode Friendship Society	4714 Park	32,809	6,317
Kermode Friendship Society	3313 Kalum	3,593	1,255
K'San House Society	4444 Lakelse	5,957	1,175
K'San House Society	2812 Hall	9,176	7,233
K'San House Society	4838 Lazelle	21,643	6,296
Mills Memorial Hospital Auxiliary	4544 Lazelle	2,391	394
Royal Canadian Legion Pacific #13	4425 Legion	3,113	572
Terrace Little Theatre Society	3625 Kalum	5,393	921
Terrace Search & Rescue Society	4455 Greig	2,143	325
City of Terrace-Visitor Information Centre	4511 Keith	8,174	2,407
Congregation of Jehovah's Witnesses	2908 Eby	947	434
Congregation of Jehovah's Witnesses	2906 Eby	945	433
Zion Baptist Church	2911 Sparks	2,306	1,056
Terrace Evangelical Free Church	4640 Park	4,443	2,035
Terrace & District Council for Social Resources	4623 Tuck	2,985	2,033
Skeena Gursikh Society	4634 Walsh	1,489	682
Pentecostal Assemblies	4643 Walsh	1,192	546
Christian Reformed Church	3602 Sparks	1,036	463
Terrace Gospel Hall	4802 Scott	827	379
Knox United Church	4907 Lazelle	2,407	1,102
Pentecostal Assemblies	3511 Eby	2,072	949

PERMISSIVE TAX EXEMPTIONS (CONT'D)

Name	Address	2021 City Exempt Taxes (\$)	2021 Other Exempt Taxes (\$)
Roman Catholic Episcopal Corp.	4836 Straume	3,284	1,018
Anglican Synod Diocese	4506 Lakelse	2,786	1,276
BC Old Age Pensioners (Happy Gang)	3266 Kalum	1,916	921
George Little House	3100 Kalum	986	266
Skeena Valley Guru Nanak Soc.	4916 Medeek	1,385	634
Christian and Missionary Alliance	4927 Agar	1,168	535
Uplands Baptist Church	5003 Halliwell	680	312
Seventh-Day Adventist Church	5401 McConnell	937	429
Seventh-Day Adventist (All Nations Centre)	3312 Sparks	3,202	863
Fisherman's Park	5831 Hwy 16 W	1,678	769
Terrace Beautification Society (Lease)	Greig Ave	150	69
Terrace Kitimat Airport Society	Bristol Road	397,021	105,841
	Totals	590,666	161,738

DECLARATION OF DISQUALIFICATIONS



There were no disqualifications made under Section 111 of the Community Charter in 2021.

Alisa Thompson,
Corporate Administrator



CITY OF TERRACE

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