

CITY OF TERRACE

BYLAW NO. 2107 – 2016

"A BYLAW TO ADOPT THE 2016 - 2020 FINANCIAL PLAN."

WHEREAS pursuant to Section 165 of the Community Charter, a Municipality must have a Financial Plan that is adopted annually, by Bylaw, before the Annual Property Tax Bylaw is adopted;

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

- 1.0 Schedule "A", attached hereto and forming part of this Bylaw, is hereby adopted as the Financial Plan for the 5 years ending December 31, 2020.
- 2.0 Schedule "B", attached hereto and forming part of this Bylaw, is hereby adopted as the Statement of Objectives and Policies.
- 3.0 This Bylaw may be cited as "2016-2020 Financial Plan Bylaw No. 2107 – 2016".

READ a first time this 25th day of April, 2016.

READ a second time this 25th day of April, 2016.

READ a third time this 25th day of April, 2016.

ADOPTED this 2nd day of May, 2016.



Deputy Mayor



Clerk

SCHEDULE "A"
CITY OF TERRACE FINANCIAL PLAN FOR THE YEARS 2016 – 2020

	2016	2017	2018	2019	2020
REVENUES					
Residential, Class 1	5,912,780 [†]	6,162,780 [†]	6,347,780	6,532,780	6,682,780
Utilities, Class 2	303,137	303,137	303,137	303,137	303,137
Major Industry, Class 4	396,424	396,424	396,424	396,424	396,424
Light Industry, Class 5	356,554	356,554	356,554	356,554	356,554
Business/Other, Class 6	5,911,059 [†]	6,161,059 [†]	6,346,059	6,531,059	6,681,059
Recreation/Non-Profit, Class 8	6,671	6,671	6,671	6,671	6,671
Farm, Class 9	1,375	1,375	1,375	1,375	1,375
Grants in Lieu	822,960	822,960	822,960	822,960	822,960
Taxation	\$ 13,710,960	\$ 14,210,960	\$ 14,580,960	\$ 14,950,960	\$ 15,250,960
General Fees and Charges	\$ 3,583,010	\$ 3,058,010	\$ 3,058,010	\$ 3,058,010	\$ 3,058,010
Sewer	\$ 772,712 [†]	\$ 772,712	\$ 772,712	\$ 772,712	\$ 772,712
Water	\$ 1,229,866 [†]	\$ 1,229,866	\$ 1,229,866	\$ 1,229,866	\$ 1,229,866
Grants	\$ 3,930,773 [†]	\$ 2,358,225	\$ 2,370,505	\$ 2,370,505	\$ 2,370,505
Other Revenue	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000
TOTAL REVENUE	23,927,321[†]	22,329,773	22,712,053	23,082,053	23,382,053
EXPENSES					
General Municipal	\$ 17,496,876 [†]	\$ 17,183,508	\$ 17,162,164	\$ 17,162,164	\$ 17,162,164
Sewer	\$ 520,547 [†]	\$ 520,547	\$ 520,547	\$ 520,547	\$ 520,547
Water	\$ 817,588 [†]	\$ 817,588	\$ 817,588	\$ 817,588	\$ 817,588
Amortization of Assets	3,216,806	3,216,806	3,216,806	3,216,806	3,216,806
Asset Loss on Disposal/ Asset Write-down	-63,100	-63,100	-63,100	-63,100	-63,100
TOTAL EXPENSES	21,988,717	21,675,349	21,654,005	21,654,005	21,654,005
SURPLUS	1,938,604	654,424	1,058,048	1,428,048	1,728,048
ADJUST FOR NON-CASH ITEMS					
Amortization	-3,216,806	-3,216,806	-3,216,806	-3,216,806	-3,216,806
TCA Loss on Disposal/ TCA Write-down	63,100	63,100	63,100	63,100	63,100
ADJUST FOR CASH ITEMS NON-PSAB					
TCA expenditures	5,672,415	3,171,810 [†]	3,326,000	4,304,000	4,713,000
Proceeds from sale of TCA	0	0	0	0	0
Debt Principal Payment	256,502	256,502	103,199	103,199	103,199
Debt Proceeds	0	0	0	0	0
Transfer to (from) Reserves	58,000	493,000	893,000	468,000	418,000
Transfer to (from) Operating Surplus	(894,607)	(113,182)	(110,445)	(293,445)	(352,445)
	1,938,604	654,424	1,058,048	1,428,048	1,728,048
FINANCIAL PLAN BALANCE	0	0	0	0	0
CUMMULATIVE OPERATING SURPLUS	1,835,445	1,722,260	1,611,819	1,318,378	965,937

SCHEDULE "A" (cont'd)
CITY OF TERRACE FINANCIAL PLAN FOR THE YEARS 2016 – 2020

PERMISSIVE TAX EXEMPTIONS	2016	2017	2018	2019	2020
City of Terrace-Visitor Info Centre-Kermodei Tourism	6,001	6,001	6,001	6,001	6,001
Congregation of Jehovah's Witnesses	601	601	601	601	601
Trustees of Kingdom Hall	2,752	2,752	2,752	2,752	2,752
Zion Baptist Church	857	857	857	857	857
Terrace Evangelical Free Church	4,077	4,077	4,077	4,077	4,077
Terrace & District Council for Social Resources	2,023	2,023	2,023	2,023	2,023
Skeena Gursikh Society	1,209	1,209	1,209	1,209	1,209
Pentecostal Assemblies	971	971	971	971	971
Christian Reformed Church	1,224	1,224	1,224	1,224	1,224
Parking (next to Kwinitza House)	2,202	2,202	2,202	2,202	2,202
Terrace Calvin Christian School	4,068	4,068	4,068	4,068	4,068
Terrace Gospel Hall	647	647	647	647	647
Knox United Church	1,053	1,053	1,053	1,053	1,053
Pentecostal Assemblies	1,873	1,873	1,873	1,873	1,873
Roman Catholic Episcopal Corp.	2,421	2,421	2,421	2,421	2,421
Roman Catholic Episcopal Corp.	636	636	636	636	636
Salvation Army	631	631	631	631	631
Anglican Synod Diocese	751	751	751	751	751
George Little House	1,558	1,558	1,558	1,558	1,558
Skeena Valley Guru Nanak Soc.	1,652	1,652	1,652	1,652	1,652
Christian and Missionary Alliance	1041	1041	1041	1041	1041
Uplands Baptist Church	626	626	626	626	626
Skeena Valley Baptist Church	875	875	875	875	875
Seventh-Day Adventist Church	1687	1687	1687	1687	1687
Fisherman's Park	1,087	1,087	1,087	1,087	1,087
Terrace Kitimat Airport Society	4,704	4,704	4,704	4,704	4,704
Terrace Kitimat Airport Society	297,528	297,528	297,528	297,528	297,528
Terrace Kitimat Airport Society	1,186	1,186	1,186	1,186	1,186
Terrace Curling Association	12,885	12,885	12,885	12,885	12,885
Womens' Aux to Hospital	2,124	2,124	2,124	2,124	2,124
Terrace Elks	1,092	1,092	1,092	1,092	1,092
Terrace Child Development Centre	7,340	7,340	7,340	7,340	7,340
Terrace Child Development Centre	4,947	4,947	4,947	4,947	4,947
K'San House Society	4,767	4,767	4,767	4,767	4,767
K'San House Society	6,763	6,763	6,763	6,763	6,763
K'San House Society	7,072	7,072	7,072	7,072	7,072
Seventh Day Adventists (All Nations Centre)	1,237	1,237	1,237	1,237	1,237
Terrace Beautification Society (Lease)	178	178	178	178	178
Terrace Little Theatre Society	3,893	3,893	3,893	3,893	3,893
Governing Council of the Salvation Army	4,450	4,450	4,450	4,450	4,450
Terrace & District Community Serv	1,164	1,164	1,164	1,164	1,164
Terrace & District Community Serv	1,468	1,468	1,468	1,468	1,468
Terrace & District Community Serv	1,474	1,474	1,474	1,474	1,474
Terrace & District Community Serv	1,396	1,396	1,396	1,396	1,396
Terrace & District Community Serv	1,244	1,244	1,244	1,244	1,244
Kermode Friendship Society	4,304	4,304	4,304	4,304	4,304
BC Old Age Pensioners	4,577	4,577	4,577	4,577	4,577
TOTAL CITY OF TERRACE TAXES	418,317	418,317	418,317	418,317	418,317

SCHEDULE "B"

STATEMENT OF OBJECTIVES AND POLICIES

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

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

Funding Sources

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2016. Property taxes form the greatest proportion of revenue. As a revenue source, property taxation offers a number of advantages, for example, it is simple to administer and it is fairly easy to understand. It offers a stable and reliable source of revenue for services that are difficult or undesirable to fund on a user-pay basis. These include services such as general administration, fire protection, police services, bylaw enforcement and street lighting.

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

Objective

The City will regularly review the proportion of revenue that is received from user fees and charges.

Policy

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

REVENUE SOURCE	% TOTAL REVENUE	DOLLAR VALUE
<i>Taxation</i>	<i>55 %</i>	<i>\$ 13,710,960</i>
<i>User Fees & Charges</i>	<i>23 %</i>	<i>5,585,588</i>
<i>Other Sources</i>	<i>3 %</i>	<i>700,000</i>
<i>Grants</i>	<i>16 %</i>	<i>\$ 3,930,773</i>
<i>Borrowing</i>	<i>0 %</i>	<i>\$ 0</i>
<i>Reserves & Surplus</i>	<i>3 %</i>	<i>\$ 836,607</i>
TOTAL	100%	\$ 24,763,928

TABLE 1

Distribution of Property Taxes

Table 2 outlines the distribution of property taxes amongst the property classes. The residential and business property classes provide the largest proportions of property tax revenue. This is primarily due to very small industrial classes within the City. Downtown Business Improvement Area Taxation is included in Business and Other Class.

PROPERTY CLASS	% OF TOTAL PROPERTY TAXATION	DOLLAR VALUE
<i>Residential</i>	43 %	5,912,780
<i>Utilities</i>	2 %	303,137
<i>Major Industrial</i>	3 %	396,424
<i>Light Industrial</i>	3 %	356,554
<i>Business and Other</i>	43 %	5,911,059
<i>Recreation/Non-Profit</i>	0 %	6,671
<i>Farmland</i>	0 %	1,375
<i>Grants in Lieu</i>	6 %	822,960
TOTAL	100%	13,710,960

TABLE 2

Objectives

Maintain the property tax levy distribution for 2016 at the prior levels, adjusted for the impact of changes to assessments. Utility class to be within the maximum allowable by Provincial statute (B.C. Reg. 329/96).

Policies

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

To review annually with a view to lowering both the Residential and Business property tax rates using new, non-market industrial assessment.

Permissive Tax Exemptions

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

Objectives

Continue to provide permissive tax exemptions to non-profit societies pursuant to City policy.

Policy

Continue the revitalization tax exemption program for the downtown commercial core to support the ongoing redevelopment and revitalization of the downtown and to secure the future economic and social health of the City. This fosters a vibrant downtown commercial area which is considered vital to the success of the local economy and the enhancement of business, social cultural, government and residential activities in the City. Also, continue the airport tax revitalization program to stimulate investment and job creation at the airport.