

CERTIFIED to be a true and correct copy of
by-law No. 2131-2017 as adopted
by Council on May 10, 2017.

CITY OF TERRACE


Alisa Thompson, Clerk

BYLAW NO. 2131 – 2017

"A BYLAW TO ADOPT THE 2017 – 2021 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, 2021.
- 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 "2017-2021 Financial Plan Bylaw No. 2131 – 2017".

READ a first time this 8th day of May, 2017.

READ a second time this 8th day of May, 2017.

READ a third time this 8th day of May, 2017.

ADOPTED this 10th day of May, 2017.



Mayor



Clerk

SCHEDULE "A"
CITY OF TERRACE FINANCIAL PLAN FOR THE YEARS 2017 – 2021

	2017	2018	2019	2020	2021
REVENUES					
Residential, Class 1	\$6,198,411	\$6,449,490	\$6,599,490	\$6,749,490	\$6,899,490
Utilities, Class 2	312,470	312,470	312,470	312,470	312,470
Major Industry, Class 4	407,640	407,640	407,640	407,640	407,640
Light Industry, Class 5	380,017	380,017	380,017	380,017	380,017
Business/Other, Class 6	6,208,342	6,459,421	6,609,421	6,759,421	6,909,421
Recreation/Non-Profit, Class 8	6,873	6,873	6,873	6,873	6,873
Farm, Class 9	1,497	1,497	1,497	1,497	1,497
Grants in Lieu	788,942	788,942	788,942	788,942	788,942
Taxation	14,304,192	14,806,349	15,106,349	15,406,349	15,706,349
General Fees and Charges	2,821,410	3,114,710	3,114,710	3,114,710	3,114,710
Sewer	788,500	788,500	788,500	788,500	788,500
Water	1,246,200	1,246,200	1,246,200	1,246,200	1,246,200
Grants	10,156,175	2,525,326	2,525,326	2,525,326	2,525,326
Other Revenue	650,000	650,000	650,000	650,000	650,000
TOTAL REVENUE	29,966,477	23,131,085	23,431,085	23,731,085	24,031,085
EXPENSES					
General Municipal	17,379,200	18,223,234	18,231,234	18,231,234	18,231,234
Sewer	561,876	541,376	541,376	541,376	541,376
Water	834,112	834,112	834,112	834,112	834,112
Amortization of Assets	3,446,533	3,446,533	3,446,533	3,446,533	3,446,533
Asset Loss on Disposal/ Asset Write-down	52,843	52,843	52,843	52,843	52,843
TOTAL EXPENSES	22,274,564	23,098,098	23,106,098	23,106,098	23,106,098
SURPLUS	7,691,913	32,987	324,987	624,987	924,987
ADJUST FOR NON-CASH ITEMS					
Amortization	-3,446,533	-3,446,533	-3,446,533	-3,446,533	-3,446,533
TCA Loss on Disposal/ TCA Write-down	-52,843	-52,843	-52,843	-52,843	-52,843
ADJUST FOR CASH ITEMS NON-PSAB					
TCA expenditures	15,874,646	2,249,150	3,129,251	3,412,251	3,702,250
Proceeds from sale of TCA	0	0	0	0	0
Debt Principal Payment	256,502	323,719	323,719	323,719	323,719
Debt Proceeds	-3,837,434	0	0	0	0
Transfer to (from) Reserves	643,000	843,000	368,000	668,000	368,000
Transfer to (from) Operating Surplus	(1,745,425)	116,494	3,393	(279,607)	30,394
	7,691,913	32,987	324,987	624,987	924,987
FINANCIAL PLAN BALANCE	0	0	0	0	0
CUMMULATIVE OPERATING SURPLUS	1,677,263	1,793,755	1,797,147	1,517,540	1,547,935

SCHEDULE "A" (cont'd)
CITY OF TERRACE FINANCIAL PLAN FOR THE YEARS 2017 – 2021

PERMISSIVE TAX EXEMPTIONS	2017	2018	2019	2020	2021
City of Terrace-Visitor Information Centre	5,790	5,790	5,790	5,790	5,790
Congregation of Jehovah's Witnesses	680	680	680	680	680
Trustees of Kingdom Hall	683	683	683	683	683
Zion Baptist Church	821	821	821	821	821
Terrace Evangelical Free Church	4,182	4,182	4,182	4,182	4,182
Terrace & District Council for Social Resources	2,118	2,118	2,118	2,118	2,118
Skeena Gursikh Society	1,157	1,157	1,157	1,157	1,157
Pentecostal Assemblies	930	930	930	930	930
Christian Reformed Church	841	841	841	841	841
Christian Reformed Church	54	54	54	54	54
Parking (next to Kwinitza House)	2,082	2,082	2,082	2,082	2,082
Terrace Calvin Christian School	3,850	3,850	3,850	3,850	3,850
Terrace Gospel Hall	651	651	651	651	651
Knox United Church	1,008	1,008	1,008	1,008	1,008
Pentecostal Assemblies	1,793	1,793	1,793	1,793	1,793
Roman Catholic Episcopal Corp.	2,284	2,284	2,284	2,284	2,284
Roman Catholic Episcopal Corp.	609	609	609	609	609
Salvation Army	604	604	604	604	604
Anglican Synod Diocese	739	739	739	739	739
BC Old Age Pensioners (Happy Gang)	1,400	1,400	1,400	1,400	1,400
George Little House	1,181	1,181	1,181	1,181	1,181
Skeena Valley Guru Nanak Soc.	1,582	1,582	1,582	1,582	1,582
Christian and Missionary Alliance	997	997	997	997	997
Uplands Baptist Church	666	666	666	666	666
Skeena Valley Baptist Church	1,016	1,016	1,016	1,016	1,016
Seventh-Day Adventist Church	915	915	915	915	915
Fisherman's Park	1,503	1,503	1,503	1,503	1,503
Terrace Beautification Society (Lease)	183	183	183	183	183
Terrace Kitimat Airport Society	3,679	3,679	3,679	3,679	3,679
Terrace Kitimat Airport Society	160,145	160,145	160,145	160,145	160,145
Terrace Kitimat Airport Society	265	265	265	265	265
Governing Council of the Salvation Army	4,294	4,294	4,294	4,294	4,294
Kermode Friendship Society	1,184	1,184	1,184	1,184	1,184
Kermode Friendship Society	3,497	3,497	3,497	3,497	3,497
K'San House Society	7,694	7,694	7,694	7,694	7,694
K'San House Society	5,065	5,065	5,065	5,065	5,065
K'San House Society	6,436	6,436	6,436	6,436	6,436
K'San House Society	1,003	1,003	1,003	1,003	1,003
K'San House Society	2,732	2,732	2,732	2,732	2,732
My Recreational Mountain Co-op	1,209	1,209	1,209	1,209	1,209
Seventh Day Adventists (All Nations Centre)	1,380	1,380	1,380	1,380	1,380
Terrace Cerebral Palsy Assoc. (T.Child Dev)	68	68	68	68	68
Terrace Cerebral Palsy Assoc. (T.Child Dev)	6,830	6,830	6,830	6,830	6,830
Terrace Child Development Centre	4,676	4,676	4,676	4,676	4,676
Terrace Curling Association	12,252	12,252	12,252	12,252	12,252
Terrace Elks Lodge	1,092	1,092	1,092	1,092	1,092
Terrace Little Theatre Society	3,680	3,680	3,680	3,680	3,680
Terrace & District Community Serv	1,385	1,385	1,385	1,385	1,385
Terrace & District Community Serv	1,421	1,421	1,421	1,421	1,421
Terrace & District Community Serv	6,299	6,299	6,299	6,299	6,299
Terrace & District Community Serv	14,894	14,894	14,894	14,894	14,894
Terrace & District Community Serv	1,616	1,616	1,616	1,616	1,616
Terrace & District Community Serv	7,134	7,134	7,134	7,134	7,134
Terrace & District Community Serv	1,314	1,314	1,314	1,314	1,314
Terrace & District Community Serv	1,281	1,281	1,281	1,281	1,281
Terrace & District Community Serv	1,120	1,120	1,120	1,120	1,120
Womens' Aux to Hospital	2,077	2,077	2,077	2,077	2,077
TOTAL CITY OF TERRACE TAXES	306,042	306,042	306,042	306,042	306,042

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 2017. 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 also form a large 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
Taxation	40 %	\$14,304,192
User Fees & Charges	14 %	\$4,856,110
Other Sources	2 %	\$650,000
Grants	28 %	\$10,156,175
Borrowing	11 %	\$3,837,434
Reserves & Surplus	5 %	\$1,970,425
TOTAL	100%	\$ 35,774,336

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
Residential	43 %	\$6,198,411
Utilities	2 %	\$312,470
Major Industrial	3 %	\$407,640
Light Industrial	3 %	\$380,017
Business and Other	43 %	\$6,208,342
Recreation/Non-Profit	0 %	\$6,873
Farmland	0 %	\$1,497
Grants in Lieu	6 %	\$788,942
TOTAL	100%	\$14,304,192

TABLE 2

Objectives

Maintain the property tax levy distribution for 2017 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.