

**CITY OF TERRACE**

**BYLAW NO. 2162 – 2019**

**"A BYLAW TO ADOPT THE 2019 - 2023 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:

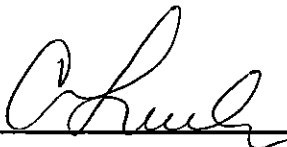
- 1.0 Schedule "A", attached hereto and forming part of this Bylaw, is hereby adopted as the Financial Plan for the 5 years ending December 31, 2023.
- 2.0 Schedule "B", attached hereto and forming part of this Bylaw, is hereby adopted as the Statement of Objectives and Policies.
- 3.0 This Bylaw may be cited as "**2019-2023 Financial Plan Bylaw No. 2162 – 2019**".

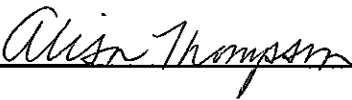
**READ a first time** this 3<sup>rd</sup> day of May, 2019.

**READ a second time** this 3<sup>rd</sup> day of May, 2019.

**READ a third time** this 3<sup>rd</sup> day of May, 2019.

**ADOPTED** this 13<sup>th</sup> day of May, 2019.

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Clerk

**CERTIFIED to be a true and correct copy of**  
by-law No. 2162-2019 **as adopted**  
by Council on May 13, 2019.

  
\_\_\_\_\_  
**Ashley Poole, Deputy Clerk**

**SCHEDULE "A"**  
**CITY OF TERRACE FINANCIAL PLAN FOR THE YEARS 2019 – 2023**

	2019	2020	2021	2022	2023
<b>REVENUES</b>					
Residential, Class 1	\$6,580,301	\$6,771,903	\$6,967,337	\$7,166,680	\$7,370,010
Utilities, Class 2	327,134	327,134	327,134	327,134	327,134
Major Industry, Class 4	373,099	373,099	373,099	373,099	373,099
Light Industry, Class 5	436,548	436,548	436,548	436,548	436,548
Business/Other, Class 6	6,536,858	\$6,728,460	\$6,923,894	\$7,123,237	\$7,326,567
Recreation/Non-Profit, Class 8	14,330	14,330	14,330	14,330	14,330
Farm, Class 9	1,948	1,948	1,948	1,948	1,948
Grants in Lieu	845,552	845,552	845,552	845,552	845,552
Taxation	15,115,770	15,498,974	15,889,842	16,288,528	16,695,188
General Fees and Charges	3,452,410	3,452,410	3,452,410	3,452,410	3,452,410
Sewer	788,500	788,500	788,500	788,500	788,500
Water	1,247,500	1,247,500	1,247,500	1,247,500	1,247,500
Grants	3,034,682	2,670,258	2,670,258	2,670,258	2,670,258
Other Revenue	725,000	725,000	725,000	725,000	725,000
<b>TOTAL REVENUE</b>	<b>24,363,862</b>	<b>24,382,642</b>	<b>24,773,510</b>	<b>25,172,196</b>	<b>25,578,856</b>
<b>EXPENSES</b>					
General Municipal	19,754,267	19,795,945	20,095,944	19,795,944	19,795,946
Sewer	579,795	579,796	579,796	579,796	579,796
Water	917,950	917,951	917,951	917,951	917,951
Amortization of Assets	3,966,168	3,966,168	3,966,168	3,966,168	3,966,168
Asset Gain/Loss on Disposal/ Asset Write-c	-39,870	-39,870	-39,870	-39,870	-39,870
<b>TOTAL EXPENSES</b>	<b>25,178,310</b>	<b>25,219,990</b>	<b>25,519,989</b>	<b>25,219,989</b>	<b>25,219,991</b>
<b>SURPLUS</b>	<b>-814,448</b>	<b>-837,348</b>	<b>-746,479</b>	<b>-47,793</b>	<b>358,865</b>
<b>ADJUST FOR NON-CASH ITEMS</b>					
Amortization	-3,966,168	-3,966,168	-3,966,168	-3,966,168	-3,966,168
TCA Gain/Loss on Disposal/ TCA Write-dov	39,870	39,870	39,870	39,870	39,870
<b>ADJUST FOR CASH ITEMS NON-PSAB</b>					
TCA expenditures	4,430,743	2,748,750	2,552,250	3,397,250	3,485,583
Proceeds from sale of TCA	0	0	0	0	0
Debt Principal Payment	237,615	303,945	303,945	303,945	303,945
Debt Proceeds	0	0	0	0	0
Transfer to (from) Reserves	270,000	370,000	370,000	370,000	370,000
Transfer to (from) Operating Surplus	-1,826,508	-333,745	-46,376	-192,690	125,635
	-814,448	-837,348	-746,479	-47,793	358,866
<b>FINANCIAL PLAN BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CUMMULATIVE OPERATING SURPLUS</b>	<b>1,693,938</b>	<b>1,360,191</b>	<b>1,313,816</b>	<b>1,121,126</b>	<b>1,246,760</b>

**SCHEDULE "A" (cont'd)**  
**CITY OF TERRACE FINANCIAL PLAN FOR THE YEARS 2019 – 2023**

<b>PERMISSIVE TAX EXEMPTIONS</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
City of Terrace-Visitor Information Centre	5,857	5,857	5,857	5,857	5,857
Congregation of Jehovah's Witnesses	643	643	643	643	643
Trustees of Kingdom Hall	643	643	643	643	643
Zion Baptist Church	1,944	1,944	1,944	1,944	1,944
Terrace Evangelical Free Church	4,310	4,310	4,310	4,310	4,310
Terrace & District Council for Social Resources	2,271	2,271	2,271	2,271	2,271
Skeena Gursikh Society	1,099	1,099	1,099	1,099	1,099
Pentecostal Assemblies	885	885	885	885	885
Christian Reformed Church	850	850	850	850	850
Christian Reformed Church	55	55	55	55	55
Parking (next to Kwinitsa House)	2,948	2,948	2,948	2,948	2,948
Terrace Calvin Christian School	3,894	3,894	3,894	3,894	3,894
Terrace Gospel Hall	724	724	724	724	724
Knox United Church	2,156	2,156	2,156	2,156	2,156
Pentecostal Assemblies	1,813	1,813	1,813	1,813	1,813
Roman Catholic Episcopal Corp.	2,310	2,310	2,310	2,310	2,310
Roman Catholic Episcopal Corp.	616	616	616	616	616
Salvation Army	246	246	246	246	246
Anglican Synod Diocese	2,701	2,701	2,701	2,701	2,701
BC Old Age Pensioners (Happy Gang)	1,519	1,519	1,519	1,519	1,519
George Little House	1,138	1,138	1,138	1,138	1,138
Skeena Valley Guru Nanak Soc.	960	960	960	960	960
Christian and Missionary Alliance	807	807	807	807	807
Uplands Baptist Church	641	641	641	641	641
Mountain View Christian Academy	1,024	1,024	1,024	1,024	1,024
Seventh-Day Adventist Church	880	880	880	880	880
Fisherman's Park	1,347	1,347	1,347	1,347	1,347
Terrace Beautification Society (Lease)	290	290	290	290	290
Terrace Kitimat Airport Society	162,531	162,531	162,531	162,531	162,531
Governing Council of the Salvation Army	6,799	6,799	6,799	6,799	6,799
645999 BC LTD (Salvation Army-Lease)	5,062	5,062	5,062	5,062	5,062
Seventh Day Adventists (All Nations Centre)	2,506	2,506	2,506	2,506	2,506
My Recreational Mountain Co-op	1,265	1,265	1,265	1,265	1,265
Terrace Cerebral Palsy Assoc. (T.Child Dev)	68	68	68	68	68
Terrace Cerebral Palsy Assoc. (T.Child Dev)	6,469	6,469	6,469	6,469	6,469
Terrace Child Development Centre	4,708	4,708	4,708	4,708	4,708
Terrace Curling Association	12,790	12,790	12,790	12,790	12,790
Terrace Elks Lodge	1,278	1,278	1,278	1,278	1,278

**SCHEDULE "A" (cont'd)**  
**CITY OF TERRACE FINANCIAL PLAN FOR THE YEARS 2019 – 2023**

<b>PERMISSIVE TAX EXEMPTIONS cont.</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Terrace & District Community Serv	6,554	6,554	6,554	6,554	6,554
Terrace & District Community Serv	15,215	15,215	15,215	15,215	15,215
Terrace & District Community Serv	7,615	7,615	7,615	7,615	7,615
Terrace & District Community Serv	1,654	1,654	1,654	1,654	1,654
Terrace & District Community Serv	1,493	1,493	1,493	1,493	1,493
Terrace & District Community Serv	1,445	1,445	1,445	1,445	1,445
Terrace & District Community Serv	1,421	1,421	1,421	1,421	1,421
Terrace & District Community Serv	1,343	1,343	1,343	1,343	1,343
Terrace & District Community Serv	1,153	1,153	1,153	1,153	1,153
645999 BC Ltd (Canadian Red Cross-Lease)	4,283	4,283	4,283	4,283	4,283
K'San House Society	8,451	8,451	8,451	8,451	8,451
K'San House Society	3,683	3,683	3,683	3,683	3,683
K'San House Society	15,160	15,160	15,160	15,160	15,160
K'San House Society	2,871	2,871	2,871	2,871	2,871
<b>TOTAL CITY OF TERRACE TAXES</b>	<b>320,388</b>	<b>320,388</b>	<b>320,388</b>	<b>320,388</b>	<b>320,388</b>

## 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 2019. 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.

<b>REVENUE SOURCE</b>	<b>% TOTAL REVENUE</b>	<b>DOLLAR VALUE</b>
Taxation	57 %	\$15,115,770
User Fees & Charges	21 %	\$5,488,410
Other Sources	3 %	\$725,000
Grants	12 %	\$3,034,682
Borrowing	0 %	\$0
Reserves & Surplus	7 %	\$1,926,508
<b>TOTAL</b>	<b>100%</b>	<b>\$ 26,290,370</b>

**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.

<b>PROPERTY CLASS</b>	<b>% OF TOTAL PROPERTY TAXATION</b>	<b>DOLLAR VALUE</b>
Residential	43 %	\$6,580,301
Utilities	2 %	\$327,134
Major Industrial	3 %	\$373,099
Light Industrial	3 %	\$436,548
Business and Other	43 %	\$6,536,858
Recreation/Non-Profit	0 %	\$14,330
Farmland	0 %	\$1,948
Grants in Lieu	6 %	\$845,552
<b>TOTAL</b>	<b>100%</b>	<b>\$15,115,770</b>

**TABLE 2**

### **Objectives**

Maintain the property tax levy distribution for 2019 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.*