

CITY OF TERRACE

BYLAW NO. 2145 – 2018

"A BYLAW TO ADOPT THE 2018 - 2022 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, 2022.
- 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 "**2018-2022 Financial Plan Bylaw No. 2145 – 2018**".

READ a first time this 11th day of May, 2018.

READ a second time this 11th day of May, 2018.

READ a third time this 11th day of May, 2018.

ADOPTED this 14th day of May, 2018.

Deputy Mayor

Clerk

SCHEDULE "A"
CITY OF TERRACE FINANCIAL PLAN FOR THE YEARS 2018 – 2022

	2018	2019	2020	2021	2022
REVENUES					
Residential, Class 1	\$6,404,678	\$6,592,562	\$6,784,203	\$6,979,677	\$7,179,060
Utilities, Class 2	323,360	323,360	323,360	323,360	323,360
Major Industry, Class 4	416,038	416,038	416,038	416,038	416,038
Light Industry, Class 5	387,942	387,942	387,942	387,942	387,942
Business/Other, Class 6	6,350,159	6,538,043	\$6,729,684	\$6,925,158	\$7,124,541
Recreation/Non-Profit, Class 8	14,579	14,579	14,579	14,579	14,579
Farm, Class 9	1,598	1,598	1,598	1,598	1,598
Grants in Lieu	847,367	847,367	847,367	847,367	847,367
Taxation	14,745,721	15,121,488	15,504,770	15,895,718	16,294,485
General Fees and Charges	2,986,560	3,096,560	3,096,560	3,096,560	3,096,560
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	4,289,886	2,734,860	2,734,860	2,734,860	2,734,860
Other Revenue	650,000	650,000	650,000	650,000	650,000
TOTAL REVENUE	24,706,867	23,637,608	24,020,890	24,411,838	24,810,605
EXPENSES					
General Municipal	18,831,923	18,972,520	18,972,520	18,972,520	18,972,520
Sewer	556,521	556,521	556,521	556,521	556,521
Water	856,012	856,013	856,013	856,013	856,013
Amortization of Assets	3,590,215	3,590,215	3,590,215	3,590,215	3,590,215
Asset Loss on Disposal/ Asset Write-down	14,935	14,935	14,935	14,935	14,935
TOTAL EXPENSES	23,849,606	23,990,204	23,990,204	23,990,204	23,990,204
SURPLUS	857,261	-352,596	30,686	421,634	820,401
ADJUST FOR NON-CASH ITEMS					
Amortization	-3,590,215	-3,590,215	-3,590,215	-3,590,215	-3,590,215
TCA Loss on Disposal/ TCA Write-down	-14,935	-14,935	-14,935	-14,935	-14,935
ADJUST FOR CASH ITEMS NON-PSAB					
TCA expenditures	10,095,512	2,535,850	2,925,250	3,742,250	3,247,250
Proceeds from sale of TCA	0	0	0	0	0
Debt Principal Payment	106,502	320,415	320,415	320,415	320,415
Debt Proceeds	-3,837,434	0	0	0	0
Transfer to (from) Reserves	586,116	370,000	370,000	370,000	570,000
Transfer to (from) Operating Surplus	-2,488,285	26,289	20,171	-405,881	287,886
	857,261	-352,596	30,686	421,634	820,401
FINANCIAL PLAN BALANCE	0	0	0	0	0
CUMMULATIVE OPERATING SURPLUS	1,601,892	1,628,178	1,648,349	1,242,468	1,530,354

SCHEDULE "A" (cont'd)
CITY OF TERRACE FINANCIAL PLAN FOR THE YEARS 2018 – 2022

PERMISSIVE TAX EXEMPTIONS	2018	2019	2020	2021	2022
City of Terrace-Visitor Information Centre	5,763	5,763	5,763	5,763	5,763
Congregation of Jehovah's Witnesses	663	663	663	663	663
Trustees of Kingdom Hall	663	663	663	663	663
Zion Baptist Church	1,905	1,905	1,905	1,905	1,905
Terrace Evangelical Free Church	4,223	4,223	4,223	4,223	4,223
Terrace & District Council for Social Resources	2,194	2,194	2,194	2,194	2,194
Skeena Gursikh Society	1,077	1,077	1,077	1,077	1,077
Pentecostal Assemblies	867	867	867	867	867
Christian Reformed Church	833	833	833	833	833
Christian Reformed Church	54	54	54	54	54
Parking (next to Kwinitsa House)	2,901	2,901	2,901	2,901	2,901
Terrace Calvin Christian School	3,832	3,832	3,832	3,832	3,832
Terrace Gospel Hall	645	645	645	645	645
Knox United Church	2,113	2,113	2,113	2,113	2,113
Pentecostal Assemblies	1,776	1,776	1,776	1,776	1,776
Roman Catholic Episcopal Corp.	2,273	2,273	2,273	2,273	2,273
Roman Catholic Episcopal Corp.	603	603	603	603	603
Salvation Army	648	648	648	648	648
Anglican Synod Diocese	2,647	2,647	2,647	2,647	2,647
BC Old Age Pensioners (Happy Gang)	1,488	1,488	1,488	1,488	1,488
George Little House	1,119	1,119	1,119	1,119	1,119
Skeena Valley Guru Nanak Soc.	941	941	941	941	941
Christian and Missionary Alliance	791	791	791	791	791
Uplands Baptist Church	660	660	660	660	660
Skeena Valley Baptist Church	1,006	1,006	1,006	1,006	1,006
Seventh-Day Adventist Church	906	906	906	906	906
Fisherman's Park	1,320	1,320	1,320	1,320	1,320
Terrace Beautification Society (Lease)	284	284	284	284	284
Terrace Kitimat Airport Society	3,734	3,734	3,734	3,734	3,734
Terrace Kitimat Airport Society	157,549	157,549	157,549	157,549	157,549
Governing Council of the Salvation Army	4,514	4,514	4,514	4,514	4,514
Womens' Aux to Hospital	2,193	2,193	2,193	2,193	2,193
Seventh Day Adventists (All Nations Centre)	1,422	1,422	1,422	1,422	1,422
Terrace Cerebral Palsy Assoc. (T.Child Dev)	69	69	69	69	69
Terrace Cerebral Palsy Assoc. (T.Child Dev)	6,971	6,971	6,971	6,971	6,971
Terrace Child Development Centre	4,850	4,850	4,850	4,850	4,850
Terrace Curling Association	12,802	12,802	12,802	12,802	12,802
Terrace Little Theatre Society	5,023	5,023	5,023	5,023	5,023
Terrace & District Community Serv	14,971	14,971	14,971	14,971	14,971
Terrace & District Community Serv	7,710	7,710	7,710	7,710	7,710
Terrace & District Community Serv	6,642	6,642	6,642	6,642	6,642
Terrace & District Community Serv	1,603	1,603	1,603	1,603	1,603
Terrace & District Community Serv	1,452	1,452	1,452	1,452	1,452
Terrace & District Community Serv	1,441	1,441	1,441	1,441	1,441
Terrace & District Community Serv	1,383	1,383	1,383	1,383	1,383
Terrace & District Community Serv	1,383	1,383	1,383	1,383	1,383
Terrace & District Community Serv	1,178	1,178	1,178	1,178	1,178
TOTAL CITY OF TERRACE TAXES	281,087	281,087	281,087	281,087	281,087

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 2018. 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	48 %	\$14,745,721
User Fees & Charges	16 %	\$5,021,260
Other Sources	2 %	\$650,000
Grants	14 %	\$4,289,886
Borrowing	12 %	\$3,837,434
Reserves & Surplus	8 %	\$2,588,285
TOTAL	100%	\$ 31,132,586

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 %	\$6,404,678
<i>Utilities</i>	2 %	\$323,360
<i>Major Industrial</i>	3 %	\$416,038
<i>Light Industrial</i>	3 %	\$387,942
<i>Business and Other</i>	43 %	\$6,350,159
<i>Recreation/Non-Profit</i>	0 %	\$14,579
<i>Farmland</i>	0 %	\$1,598
<i>Grants in Lieu</i>	6 %	\$788,942
TOTAL	100%	\$14,745,721

TABLE 2

Objectives

Maintain the property tax levy distribution for 2018 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.