



# City of Terrace

# 2024 BUDGET CONSULTATION

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## THE CITY OF TERRACE IS DEVELOPING THE 2024 BUDGET AND WOULD LIKE TO HEAR FROM THE COMMUNITY!

Council is currently considering the 2024 to 2028 Financial Plan, with a focus on the 2024 Budget.

### Your feedback is important.

Read through the information provided in this document for information on the City’s budget and provide comment:

- **ONLINE:** Visit [engage.terrace.ca/budget2024](https://engage.terrace.ca/budget2024) to provide comment.
- **ON PAPER:** Printed copies are available at:
  - » Terrace City Hall: 3215 Eby St
  - » Terrace Public Library: 4610 Park Ave
  - » Happy Gang Centre: 3226 Kalum St
- **IN PERSON:** Provide comment in person at the regular council meeting on Monday, January 8, 2024.

The consultation period opens on Wednesday, November 29, 2023. All online and on-paper comments must be received by Friday, December 22, 2023. Please return paper comments to City Hall, 3215 Eby St, V8G 2X8.

All online and on-paper comments will be compiled and presented to Council on Monday, January 8, 2024.



Learn more about the 2024 Budget by visiting our website:

[engage.terrace.ca/budget2024](https://engage.terrace.ca/budget2024)

# BUDGET BASICS

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. Developing this budget involves making difficult decisions between essential programs, infrastructure demands, and the wants and needs of residents.

Legislation requires that the City prepares a five-year financial plan setting out the municipal expenditures, funding sources, and transfers to, from, or between reserves on an annual basis. Within this five-year plan is the annual budget which incorporates all operating and capital plans.

At a high level, the budget combines the following elements:



**General Operating Fund:** The day-to-day operational expenses, such as recreation, inspections, and protective services. Any proposed changes to this budget allow the municipality to continue to provide the same services, at the same level.



**Sewer & Water Operating Fund:** These expenses are funded through user fees and levies and are included on your municipal tax notice.



**Capital Plan – General, Sewer and Water:** For capital projects such as playground equipment, road reconstruction, facility improvements, and life-cycle equipment replacement.



**Reserves and Debt:** Reserves and debt are mechanisms in place to ensure funds are available for future capital expenditures. Establishing ongoing transfers to our capital reserves is vital to maintaining our current service levels and maintaining and replacing our infrastructure.

Further details on each element and the processes will be provided in this report.

The City of Terrace needs to ensure it is budgeting adequately to maintain long-term financial stability for the future of the community, while also focusing on the wants and needs of today. Growth in the community requires expansion of existing infrastructure to provide municipal services for new residents and businesses. 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.

## Where we're at for 2024

Council is currently considering the 2024 to 2028 Financial Plan, with a focus on the 2024 Budget.

The preliminary budget discussion started at the end of June, then in October, Council and senior management continued compiling and deliberating the draft Financial Plan with a focus on the 2024 budget.

A period of public community budget consultation will be held from November 29 to December 22, 2023, to collect feedback and comment from the community.



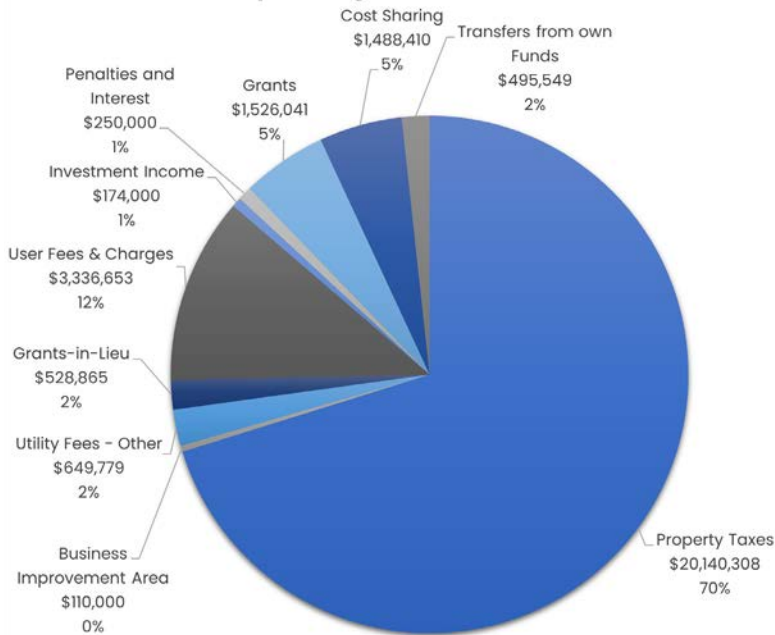
Learn more about the 2024 Budget by visiting our website:  
[engage.terrace.ca/budget2024](https://engage.terrace.ca/budget2024).

# GENERAL OPERATING FUND



## REVENUE

General Operating Fund Revenue \$28.7 Million



## Sources

Property taxes are the main revenue source for the General Operating Fund. Other sources of revenue include user fees and charges, cost sharing, and investment income.

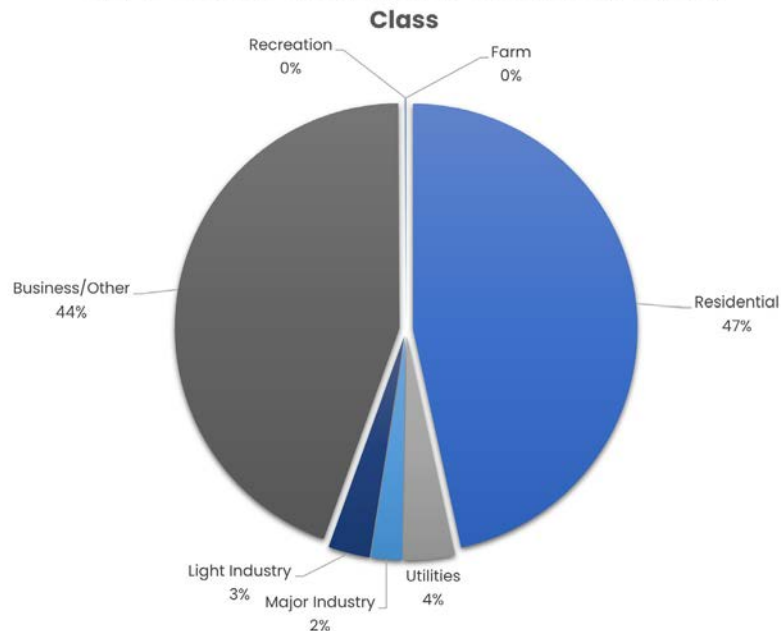
### FACT!

Investment Income is income generated on any surplus or timing of cash flows. Interest earned on reserves is contributed back to the reserve it was generated from.

## Distribution of Property Taxes

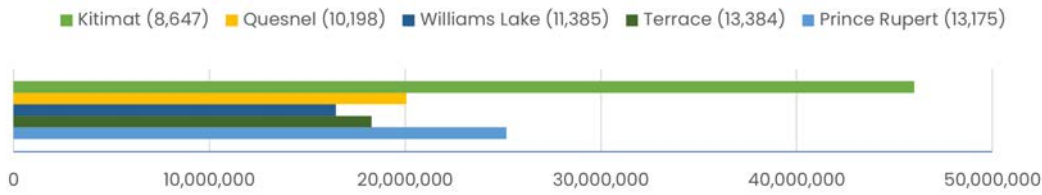
The residential and business property classes provide the largest proportion of property tax revenue. This is primarily due to a very small industrial tax base within the City.

City of Terrace 2023 Municipal Taxation By Property Class



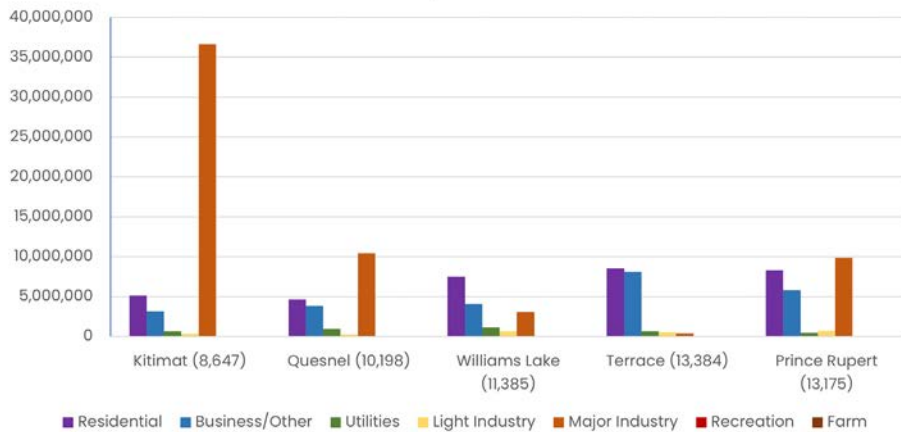
# REVENUE

2023 Municipal Property Tax Comparison (Population)



Other communities in the Northwest with similar population bases have much higher revenue from major industry; therefore, they are able to spread the tax burden to major industry and relieve pressure on residents and businesses.

2023 Municipal Taxation Comparison By Property Class (Population)



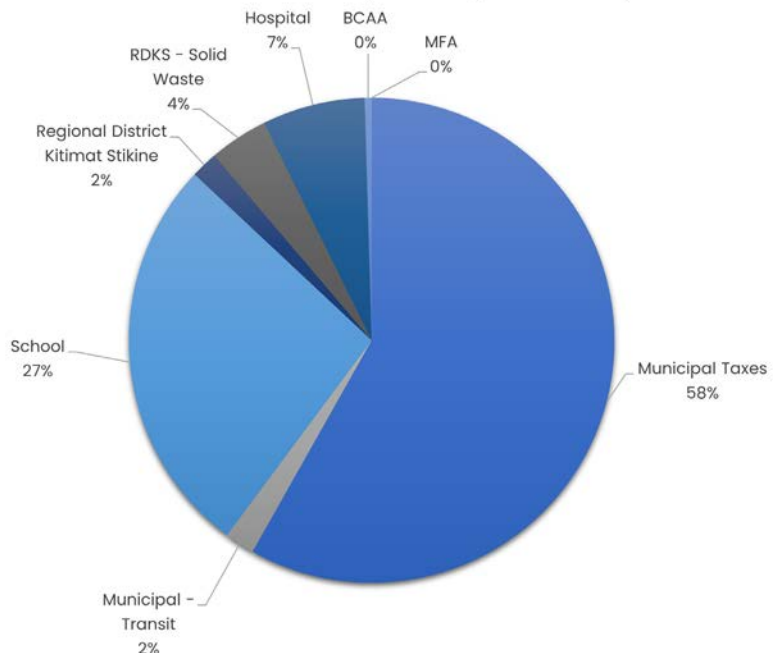
**FACT!**  
In 2023, 60% of your tax bill was made up of taxes collected by the municipality, with 40% going to other taxation authorities.

## Municipal Services Funded by Taxation

Property taxation is the main source of revenue for the City's General Operating Fund. The property tax notices, mailed out by the end of May each year, include taxes collected for municipal services, charges for municipal utilities, and taxes collected on behalf of various other taxing authorities.

In 2023, the average assessed home in Terrace paid \$4,030 in taxes. Of this total, \$2,004 was for municipal general services, \$68 for transit services, and \$580 for municipal utilities. The remaining \$1,378 was for taxes levied on behalf of other taxing authorities. The other taxation authorities the City collects taxes for are School Tax, Hospital Tax, Regional District of Kitimat Stikine, BC Assessment, and the Municipal Finance Authority.


2023 Taxation By Taxing Authority



# REVENUE

Here is an example of a 2023 property tax notice issued by the City of Terrace:

**2023 PROPERTY TAX NOTICE**



**CITY OF TERRACE**  
3215 EBV STREET  
TERRACE, B.C. V8G 2X8  
Phone: (250) 635-6311  
Fax: (250) 638-4777  
www.terrace.ca

Jurisdiction: Roll:  
Civic Address:  
Legal Desc: Plan: Lot: Block:  
DL#:

Mortgage Code: Access Code:  
Mortgage Name:

DUE DATE  
JULY 4, 2023

**Penalties & Interest**  
10% Penalty on taxes unpaid after July 4, 2023.  
Interest on arrears and delinquent calculated to July 4, 2023.

If the property has been sold please forward this notice to the purchaser.

Taxable Assessed Value	Class	Land	Improvements	
Hospital	01	141,000	328,000	
General	01	141,000	328,000	
School	01	141,000	328,000	
Tax Levies	Class	Taxable Value	Rate	Amount
SCHOOL - RESIDENTIAL	01	469,000	1.971100	924.45
GEN.MUN.-RESIDENTIAL	01	469,000	4.272800	2,003.85
GEN.MUN.TRANSIT-RESIDENTIAL	01	469,000	0.146000	68.47
REG.DIST.-RESIDENTIAL	01	469,000	0.132200	62.00
HOSPITAL-RESIDENTIAL	01	469,000	0.502900	235.86
RDKS-RES-SOLID WASTE	01	328,000	0.425800	139.66
BCAA-RESIDENTIAL	01	469,000	0.033600	15.76
MFA-RESIDENTIAL	01	469,000	0.000200	0.09
Local Services Taxes - Bylaw				
GARBAGE - UTILITIES	00	1.00	150.000000	150.00
SEWER - UTILITIES	00	1.00	87.960000	87.96
SEWER FRONTAGE REGULAR	00	100.00	0.880000	88.00
WATER - UTILITIES	00	1.00	181.320000	181.32
WATER FRONTAGE REGULAR	00	100.00	0.730000	73.00
<b>Total Current Taxes</b>				<b>4,030.42</b>

Note: The breakdown of "Municipal Services" and "Utilities" below are based on 2024 taxes on an average assessed home. "Other Taxing Authorities" is based on actuals for 2023. They are for illustrative purposes only as we will not know the actual values for 2024 until all taxing authorities have submitted their requests.

**The highlighted tax levies are what the municipality receives.**




**Here is a breakdown of where that money goes on an annual and monthly basis:**

MUNICIPAL SERVICES	ANNUAL	MONTHLY	UTILITIES (LOCAL SERVICES)	ANNUAL	MONTHLY
Police	\$458	\$38	Garbage	\$150	\$13
Public Works	\$405	\$34	Sewer - Frontage/User Fees	\$180	\$15
Parks & Recreation	\$325	\$27	Water - Frontage/User Fees	\$259	\$22
Fire	\$255	\$21	<b>TOTAL UTILITIES</b>	<b>\$590</b>	<b>\$49</b>
Development Services	\$176	\$15	<b>OTHER TAXING AUTHORITIES (2023)</b>	<b>ANNUAL</b>	<b>MONTHLY</b>
Finance	\$130	\$11	School	\$924	\$77
Transfer to Reserve	\$145	\$12	Regional District of Kitimat-Stikine	\$62	\$5
General Administration	\$107	\$9	RDKS - Solid Waste	\$140	\$12
Transit	\$73	\$6	Hospital	\$236	\$20
Library	\$65	\$5	BCAA	\$16	\$1
Economic Development	\$31	\$3	Municipal Finance Authority	\$0	\$0
Debt	\$38	\$3	<b>TOTAL OTHER TAXES</b>	<b>\$1,378</b>	<b>\$115</b>
Cultural/Community Partners	\$33	\$3			
Social Development Program	\$12	\$1			
Cemetery	\$10	\$1			
<b>TOTAL MUNICIPAL TAXES</b>	<b>\$2,265</b>	<b>\$189</b>			
<b>GRAND TOTAL</b>	<b>\$4,233 ANNUALLY</b>	<b>\$353 MONTHLY</b>			

# REVENUE

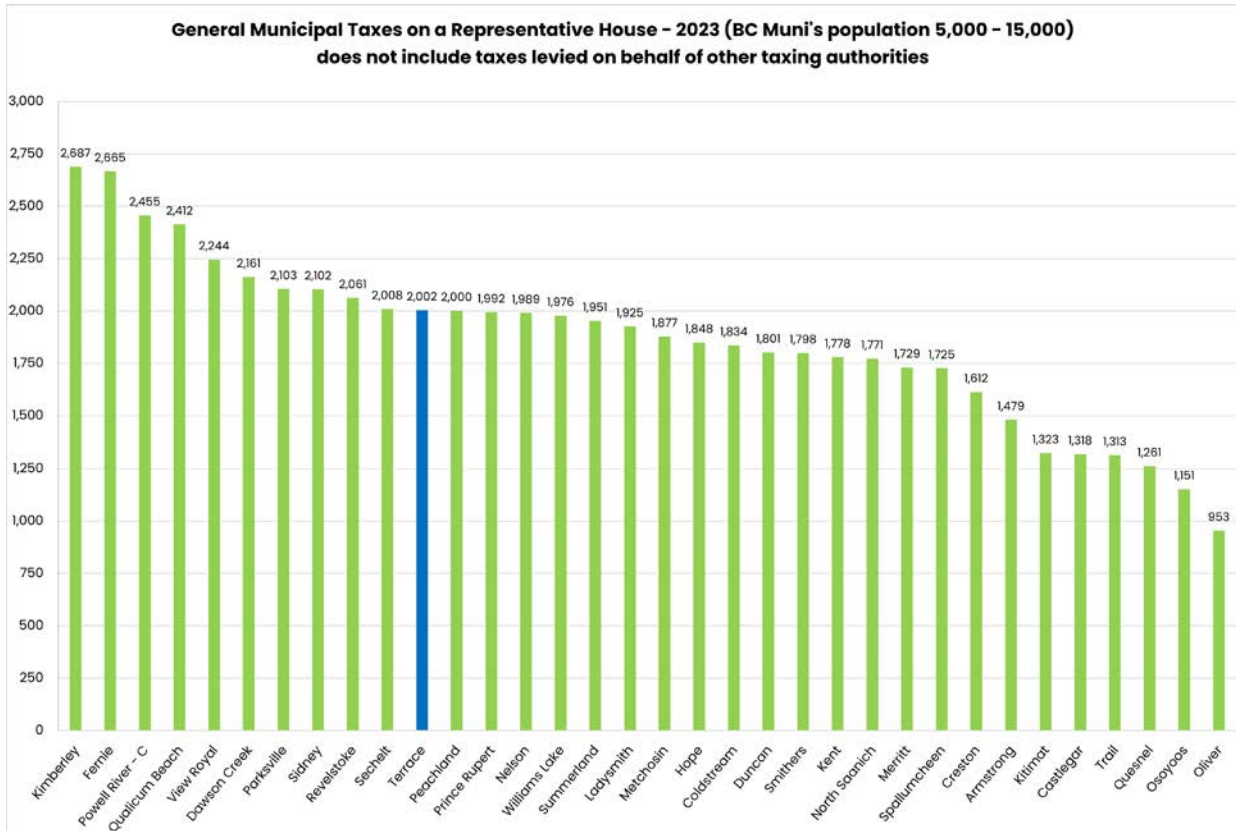
## Let's Compare

When understanding taxes rates, is it helpful to see how we compare to other communities of our size.

Note: this is based on population only and does not reflect the services or service levels being offered.

## FACT!

This graph shows the municipal property taxes on an average assessed home in BC and compares municipalities with an estimated population between 5,000 and 15,000.



## FACT!

How much are your utilities? The average household spends about \$4,836 on electricity, gas, internet, cable, and home phones per year in BC. That's more than the 2024 average total tax bill in our municipality.

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### Residential Users

Billed annually for...



for a flat fee charged to everyone.

### Commercial Users

Billed quarterly for...



based on consumption.



Did you know? Recycling pickup is not a charge to residents. The City receives funding through RecycleBC to cover costs.

## User Fees & Charges

User fees are established to generate revenue to offset the costs of services provided. User fees, as opposed to property taxes, are generally preferred when specific users of a service can be easily identified, and the amount of the service provided can be measured. Most services are not full cost recovery and are supplemented by property taxation.

User Fees & Charges	2024 Budget
Planning Permits and Licenses	\$58,900
Business Licenses	\$190,000
Building Permits	\$267,000
Animal Shelter Licenses/Fees/Crematorium	\$168,000
RCMP Criminal Record Checks/Fingerprints	\$25,000
False Alarms/Permits/Municipal Tickets	\$8,650
Garbage Collection and Disposal	\$586,050
BC Transit Fees and Passes	\$214,942
Cemetery Fees	\$77,060
Ferry Island and Park Fees	\$64,150
Leisure Services Programs (Youth/Adult/Fitness)	\$93,625
Arena:	
Advertising and Concession	\$33,243
Rentals (Ice/Banquet/Other)	\$315,764
Public Skating	\$21,420
Aquatic Center:	
Lockers and Vending Machines	\$23,500
Public Swim and Swim Lessons	\$373,300
Pool Rental and Merchandise	\$69,750
<b>TOTAL</b>	<b>\$2,590,354</b>

Sale of Service - Other Revenue	2024 Budget
Fire Department - EMBC Reimbursement	\$15,000
RCMP Prisoner Costs Reimbursement - Provincial	\$175,000
RCMP Victims Assistance - Provincial	\$89,778
Recycle BC	\$145,044
Finance Administration Fees	\$31,800
Building Lease	\$289,677
<b>TOTAL</b>	<b>\$746,299</b>

## Cost Sharing – Regional District of Kitimat-Stikine

The Regional District of Kitimat Stikine 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, as well as cost sharing in contributions made to Riverboat Days Society and Terrace Search & Rescue.



RECREATION



CEMETERY



TRANSIT



VICTIMS' ASSISTANCE



TERRACE PUBLIC LIBRARY



RIVERBOAT DAYS SOCIETY



TERRACE SEARCH & RESCUE

# EXPENDITURES

## Proposed Budget Changes

Starting in the summer of 2023 and over the course of the fall, Council and staff compiled and deliberated the draft 2024 General Fund Operating budget, resulting in a budget increase of 9.31%. The following table outlines the changes from the 2023 budget to the 2024 budget.

	BUDGET DOLLARS	POTENTIAL TAX IMPACT	
<b>REVENUE INCREASES (-) OR DECREASES (+)</b>			
Non-market change (new construction) estimate	(100,000)	-0.54%	Estimated for 2024 tax roll
Utility fees and grants-in-lieu	(79,524)	-0.43%	
Regional District cost sharing	(87,409)	-0.47%	
Regional District cost sharing	28,500	0.15%	Removal of Heritage Park funding
Other revenues: penalties on taxes, fees, and charges	(122,906)	-0.67%	
Loss of taxation at SIDP	142,050	0.77%	Buyback of previously owned properties
<b>Total Revenue Increases over Prior Year</b>	<b>(219,289)</b>	<b>-1.19%</b>	
<b>EXPENDITURES</b>			
<b>Non-discretionary items to maintain existing services:</b>			<b>All wages include increased overhead due to benefit contributions, EI, CPP, and Worksafe</b>
CUPE wages	391,891	2.12%	Settlement of Collective Agreement: 2022-2026
IAFF (firefighters) wages	200,565	1.09%	IAFF settlement of Vancouver agreement
Exempt wages overhead rate increase	48,907	0.26%	
Deputy City Manager restructure	(38,263)	-0.21%	
Victim's Services employees	18,177	0.10%	Net cost to bring VSA employees in-house
Council remuneration	12,734	0.07%	Est CPI
RCMP contract	274,458	1.49%	Increased contract rate
Transfer to Asset Management Reserve	184,624	1.00%	1% AM tax increase
Insurance premiums	11,692	0.06%	Increased premiums based on 2023 actuals
Transit including HandyDART	34,331	0.19%	HandyDART service increase
Pavement patching	13,600	0.07%	8.5% increase to materials and contractor costs
Lakelse Gateway planting and maintenance	10,580	0.06%	Annual planting, watering, weeding, and seasonal installation/removal of planter boxes



# EXPENDITURES

	BUDGET DOLLARS	POTENTIAL TAX IMPACT	
Inflationary increases in all departments (excluding wages)	151,496	0.82%	Legal, dues & licensing, laptop and cell replacement
Council travel & training budget reduction	(6,555)	-0.04%	
<b>FOR CONSIDERATION:</b>			
Exempt wages	72,991	0.40%	Recommended in the 2022 Management Compensation Review
Community partners:			
-Terrace & District Museum Society - Heritage Park	2,607	0.01%	
-Terrace Public Library	34,260	0.19%	Primarily due to wages and benefits
-George Little House contract	(46,300)	-0.25%	Annual contract
IVC increase due to increased cost of replacements of new vehicles in the fleet	103,759	0.56%	Separate report on Oct 12/23 agenda
RCMP member x 1.5	242,250	1.31%	3 additional members endorsed by Council: staff recommend consideration of phase-in due to budget impact and availability of new members
Fire Department volunteer paid per call	50,000	0.27%	Move to a paid per call system for volunteers
Fire Department x 2 firefighters	171,470	0.93%	2 career firefighters requested: net increase adjusted to reflect lower standby costs
<b>Total Expenditures</b>	<b>1,939,274</b>	<b>10.5%</b>	
<b>TOTAL</b>	<b>1,719,985</b>	<b>9.31%</b>	

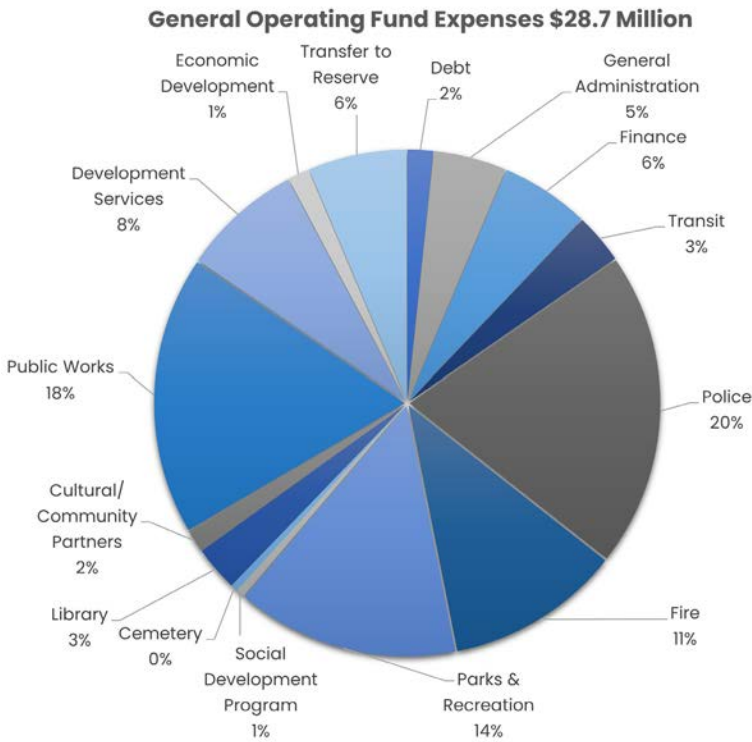
The net impact of the proposed 2024 General Operating Budget is \$1,719,985. The resulting increase to property taxes of 9.31% will have an impact of \$192.93 on the average home in Terrace with an assessed value of \$468,655 (2023 value).



The following pages break down the proposed operating expenditures by department.

# EXPENDITURES

Operating expenditures are used to pay for the day-to-day activities of the various community programs and services.



## FACT!

Grant money is a great way to fund capital projects; however, it is also important for us to consider how we will pay for the ongoing operating expenditures required for a capital project. For example, getting a grant for a public washroom would help us build the facility, but any ongoing maintenance and cleaning would need to be included in our ongoing operating expenditures in subsequent years.

## Operating expenditures by department

### PUBLIC WORKS DEPARTMENT

The City's Public Works Department is responsible for a wide range of services including engineering (prepare designs, specifications, and cost estimates for City infrastructure construction projects), roads (maintain roads, boulevards, sidewalks, and fire hydrants and snow removal on roads, boulevards, sidewalks, and right-of-ways), residential solid waste collection (garbage, recycling, organics, and yard waste), mechanical shop (maintain City's fleet of vehicles and equipment), building/electrical (maintain and upgrade all building systems for most City-owned structures excluding the Sportsplex and Aquatic Centre; street lights; traffic control; street signs; and ornamental lighting), and purchasing (procure and manage inventory for all City departments).

Public Works Department	2024 Budget
Administration	\$498,989
Engineering	\$444,840
Shop	\$108,276
Building Maintenance	\$782,321
Roads & Street	\$1,854,040
Electrical	\$401,993
Traffic Lights	\$167,740
Purchasing/Inventory Control	\$221,129
Solid Waste	\$658,379
<b>18% of Budget</b>	<b>\$5,137,707</b>

## FIRE DEPARTMENT

The Terrace Fire Department is committed to safeguarding lives, property, and the environment within the jurisdiction of the municipality. Comprehensive services extend beyond traditional fire suppression to include fire safety inspections, public education initiatives, community outreach programs, technical rescue operations, and hazardous materials response. The Terrace Fire Department oversees and coordinates emergency management for the municipality, ensuring a seamless and integrated response to various types of emergencies.

Fire Department	2024 Budget
Administration	\$535,378
Operations	\$2,647,901
Emergency Services	\$48,500
<b>11% of Budget</b>	<b>\$3,231,779</b>

## RCMP

Terrace Detachment of the Royal Canadian Mounted Police serves the area approximately 50 km north on the Nass Road (leading to New Aiyansh), 24 km south towards Kitimat, 70 km east towards Cedarvale, and 70 km west towards Prince Rupert. Municipal policing mandates include crime prevention and investigation, keeping the peace, keeping communities safe, and enforcing federal, provincial/territorial, and municipal law.

RCMP	2024 Budget
Police	\$4,431,952
Administration	\$727,389
Victims Assistance	\$160,345
Prisoner Maintenance	\$490,358
<b>20% of Budget</b>	<b>\$5,810,044</b>

## FINANCE DEPARTMENT

The Finance Department is responsible for safeguarding the City's financial assets and planning to ensure the financial stability and viability of the City. Key functions include executing the City budget

and preparing the five-year financial plan; calculation and collection of property taxes; preparation of the annual financial statements; investing funds; and securing and managing debt. Also, this department is responsible for front counter services at City Hall; administration of all IT systems; and other general accounting functions such as payroll, accounts payable, accounts receivable, insurance, and risk management.

Finance Department	2024 Budget
Finance	\$1,257,335
Common Services (IT Systems)	\$218,104
Insurance (Liability and Property)	\$174,367
<b>6% of Budget</b>	<b>\$1,649,806</b>

Other Expenditures	2024 Budget
Debt (2%)	\$476,660
Transfer to Reserve (6%)	\$1,832,339
Transit (3%)	\$928,677
<b>6% of Budget</b>	<b>\$3,237,676</b>

## ADMINISTRATION DEPARTMENT

The City's Administration Department oversees the City's operations and provides legislative support to Mayor and Council. Council meetings and functions are coordinated through Administration, and this department is responsible for the maintenance and retention of bylaws and council minutes. This Administration department is also responsible for inquiries under the City's Access to Information Bylaw, and Freedom of Information and Protection of Privacy Legislation. Other functions that fall under the Administration Department include human resources, communications, corporate land management, and economic development, with staff dedicated to these areas.

Administration Department	2024 Budget
Legislative (Mayor and Council)	\$339,990
General Administration	\$1,017,074
Economic Development (1%)	\$396,417
<b>5% of Budget</b>	<b>\$1,753,481</b>

# EXPENDITURES

## OPERATING EXPENDITURES BY DEPARTMENT (CONT'D)

### PARKS, RECREATION, AND CULTURE DEPARTMENT

The Parks, Recreation, and Culture Department supports active lifestyles and a culturally vibrant community through developing, maintaining, and promoting recreational and cultural programs and assets. The Department delivers a diverse array of services, programs, and events that serve to enrich the quality of life in our community for all ages and abilities. This Department is responsible for the management, maintenance, and operation of the Sportsplex, Aquatic Centre, two cemeteries, community playgrounds, and over 100 hectares of parks, trails, and open spaces throughout the community. User fees generated at the Aquatic Centre and the Arena fund between 30 and 40% of the costs of operating these facilities, with the remaining 60–70% supplemented through property taxation.

In 2021 Council approved the development of a Social Development Program supported by a full-time Social Development Coordinator position. This program is grant funded for a period of three years. This staff position and related program work to address the complex socioeconomic trends and challenges in the City of Terrace, including homelessness, community safety, and mental health and addictions.

In 2023 the City of Terrace received provincial funding to renovate the multipurpose room at the Sportsplex to begin offering licensed child care programming. The Department is currently offering before and after school care and will continue to expand the child care programming offered.

Parks, Recreation & Culture Department	2024 Budget
Administration	\$541,445
Arena	\$1,060,175
Parks	\$820,815
Recreation Programs	\$202,281
Pool	\$1,488,121
<b>14% of Budget</b>	<b>\$4,112,837</b>

Other Expenditures	2024 Budget
Social Development Program (1%)	\$159,222
Cemetery (<1%)	\$124,885
Library (3%)	\$830,528
Cultural/Community Partners (2%)	\$420,089
<b>8% of Budget</b>	<b>\$1,534,724</b>

### DEVELOPMENT SERVICES DEPARTMENT

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

Development Services Department	2024 Budget
Building Inspection	\$390,764
Licensing Operations	\$9,700
Bylaw Enforcement	\$437,440
Animal Control	\$363,897
Planning	\$590,122
Drafting	\$215,286
Development Services	\$224,342
<b>8% of Budget</b>	<b>\$2,231,551</b>

#### FACT!

User fees generated at the Aquatic Centre and Sportsplex fund between 30 to 40% of the projected costs of operating these facilities, with the remaining 60 to 70% supplemented through property taxation.



# SEWER AND WATER OPERATING FUND

## Sewer Operating Fund

The City owns and operates over 89 km of sanitary sewer mains in the local sewer system that serves Terrace.

Under direction of the Public Works Department, the Environmental Services department is responsible for:

- Wastewater treatment plant operation, monitoring, and maintenance, including screening, pumping, aeration, and discharge systems;
- Operation of the City’s five sewer lift stations as well as the Kitsumkalum sanitary lift station;
- Daily and monthly sampling and testing of wastewater to ensure compliance with permit requirements;
- All permit reporting to Federal and Provincial governments and Northern Health.

Highlights of the 2024 sewer operating budget include:

- Frontage/User Fees are estimated at \$975,600, 83% of all revenue collected;
- Transferring \$317,615 to reserves will support future capital upgrades (\$137,615 from frontage/user fees and \$180,000 from the collection of bulk wastewater). This is a new service in place in response to demand from industrial camps in the area.

To build up our reserves to support capital requirements, Council is considering a 2.5% increase in sewer frontage and user fees. This will increase a residential taxpayer’s sewer costs by \$4.40 per year, which is 37 cents per month. Total sewer costs will be \$180.36 per year, which is \$15.03 per month.

<b>Sewer Revenue</b>	<b>2024 Budget</b>
Frontage Taxes/User Fees	\$975,600
Lateral Installs and Inspection Fees	\$500
Bulk Wastewater Collection	\$200,000
<b>Total Sewer Revenues</b>	<b>\$1,176,100</b>
<b>Sewer Expenditures</b>	<b>2024 Budget</b>
Operating Expenses	\$858,484
Transfer to Reserve	\$317,616
<b>Total Sewer Expenditures</b>	<b>\$1,176,100</b>

## Water Operating Fund

The City owns and operates over 115 km of water mains in the local water system that serves Terrace.

Under direction of the Public Works Department, the Environmental Services Department is responsible for:

- The operation, monitoring, and maintenance of the community’s three production water wells and associated chlorine and fluoride systems;
- Maintenance of the City’s two surface water emergency backup sources at Deep Creek and Little Island;
- The operation and maintenance of the water reservoir, pumping station, and booster station;
- Daily, monthly, and annual water quality testing and analysis, including testing of water in the RDKS’s North Terrace water network.

Highlights of the 2024 water operating budget include:

- Frontage/User Fees are estimated at \$1,539,059, 94% of all revenue collected.
- Transferring \$405,157 to reserves will support future capital upgrades (\$389,157 from frontage/user fees and \$16,000 from bulk water sales). This is a newer service put in place in response to the increased industrial activity in the area.

To build up our reserves to support capital requirements, Council is considering a 2% increase in water frontage and user fees, which is a 1.5% increase for asset management and a 0.50% increase for operations. This will increase a residential taxpayer’s water costs by \$5.09 per year, or 42 cents per month. Total water costs will be \$259.41 per year, and \$21.62 per month.

<b>Water Revenue</b>	<b>2024 Budget</b>
Frontage Taxes/User Fees	\$1,539,059
Lateral Installs and Inspection Fees	\$97,500
<b>Total Water Revenues</b>	<b>\$1,636,559</b>
<b>Water Expenditures</b>	<b>2024 Budget</b>
Operating Expenses	\$1,231,402
Transfer to Reserve	\$405,157
<b>Total Water Expenditures</b>	<b>\$1,636,559</b>

# CAPITAL PLAN: GENERAL, SEWER, AND WATER 2024–2028



The capital budget is for new or replacement infrastructure, such as upgrades to aging facilities, road reconstruction, or the replacement of essential equipment. A 1% tax increase is included in the draft 2024 budget, as well as increases to sewer and water user fees, to help fund these necessary projects. The starting point for the draft capital plan is the previous year’s approved five-year plan. Staff review the capital projects in the capital plan annually to update projected costs and determine if any items should be postponed or advanced.

has over \$23.5 million worth of capital projects. These projects are fully funded either through grants or reserve transfers. As grants are not guaranteed income, the City needs to ensure that reserves are available to fund necessary projects.

Like operations, capital is broken out in General, Sewer, and Water. Examples of key projects are included on the following pages.

If you would like to see a more comprehensive list of the 2024–2028 Draft Capital Plan, it can be found at [engage.terrace.ca/budget2024](https://engage.terrace.ca/budget2024).

Over the next five years the City’s Capital Plan

## GENERAL CAPITAL PROJECTS:

**\$21**

**million spent in 2024–2028,**

including projects from the following departments:

### Development Services: \$900,000

- Official Community Plan (OCP) Review and Update: **\$50,000 (2024)**
- Development Cost Charges (DCC) Review and Update: **\$50,000 (2026)**
- Animal Shelter Crematorium Replacement: **\$500,000 (2028)**

### Public Works: \$13.5 million

- Road Reconstructions: **\$8.8 million (years 2024–2028)**
- Landfill Closure: **\$673,778 (2024)**
- Cooper/Lanfear/McConnell Roundabout: **\$1.9 million (2024)**

### Parks & Recreation: \$3.4 million

- Arena Refrigeration Plant Replacement: **\$1.1 million (2024)**
- Elks Playground Upgrades: **\$200,000 (2025)**
- Arena Banquet Room Flooring Replacement: **\$150,000 (2026)**
- Playground Renewal – Mike Buday Park: **\$150,000 (2027)**

### Fire Department: \$683,017

- Self-Contained Breathing Apparatus: **\$411,017 (2024)**
- Fire Services Master Plan Study: **\$60,000 (2024)**
- Replacement Firefighter Portable Radios: **\$100,000 (2025)**

Vehicle and Equipment Purchases 2024–28: \$2.3 million | Other Projects: \$253,500

## Major road projects proposed for the next 5 years:

2024	4600 Scott Avenue Reconstruction
2024–2026	5300 Mountain Vista Drive Reconstruction
2025	Thomas Street Reconstruction: McConnell to Halliwell
2025	Labelle Avenue Reconstruction
2027	4800 Davis Avenue Reconstruction
2027	4700 Haugland Avenue Reconstruction
2028	4900 Park Avenue Reconstruction
2028	4800 Olson Avenue Reconstruction


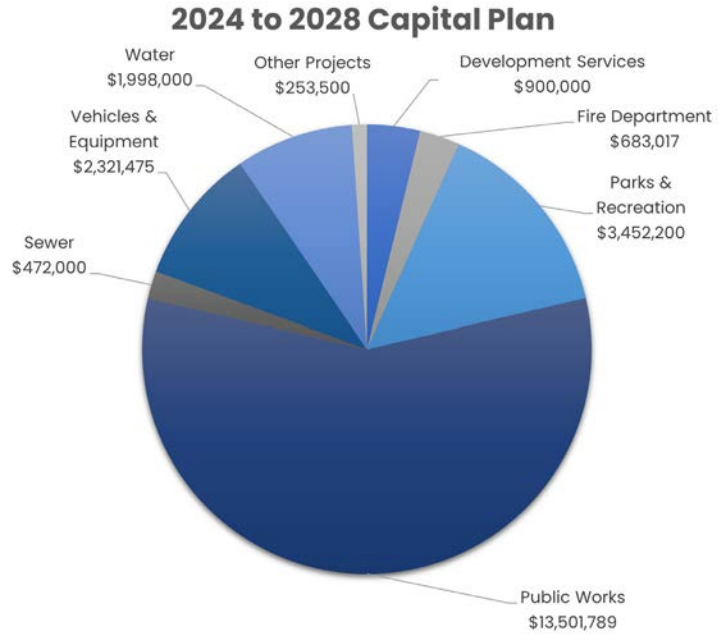
CAPITAL PLAN (CONT'D)

**SEWER CAPITAL PROJECTS: \$472,000**

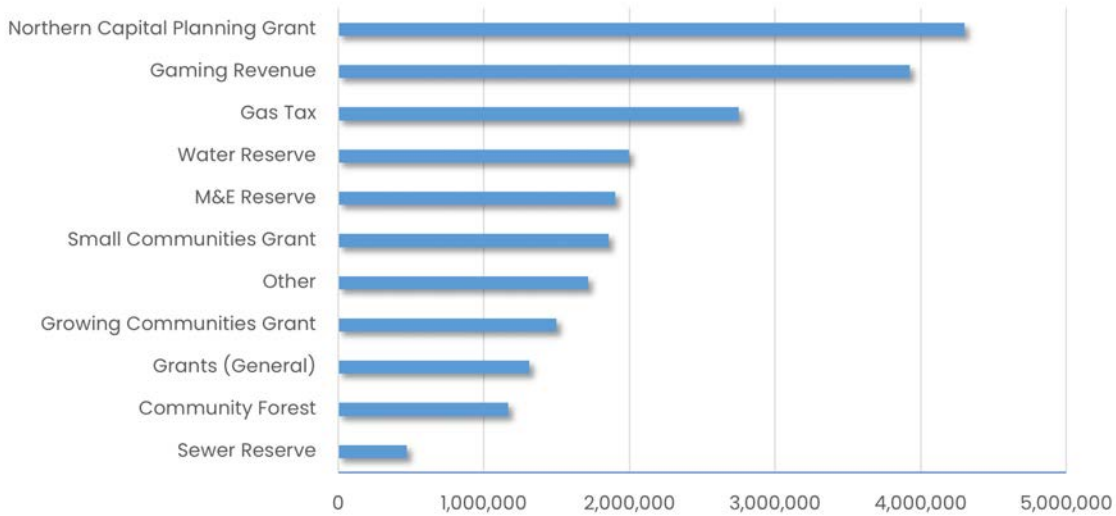
Sewer Treatment Plant – Cell Two Baffle Curtain: **\$125,000 (2024)**  
 Portable Emergency Generator Replacement: **\$100,000 (2024)**  
 Sanitary Master Plan & Model Update: **\$65,000 (2024)**

**WATER CAPITAL PROJECTS: \$1.9 million**

The majority of these projects are water lines supporting the road projects listed on the previous page.

2024 to 2028 Capital Funding Sources



Here is a list of 2023/2024 projects that are made possible due to grant opportunities:

2024-2025 CAPITAL PROJECTS	COST	FUNDING
Development Permit Review Support	\$222,222	90% Grant Funded (2024-2025)
Project Management Consulting	\$222,222	90% Grant Funded (2024-2025)
Engineering Project Management/ Design Consulting	\$222,222	90% Grant Funded (2024-2025)
Lanfeear Crosswalk	\$50,000	60% Grant Funded (pending approval)
Social Services Capacity Support	\$180,000	90% Grant Funded (2024-2025)
Housing and Development Planning and Support	\$180,000	90% Grant Funded (2024-2025)
EOC: Conference System Upgrade	\$35,000	86% Grant Funded (pending approval)
<b>TOTAL</b>	<b>\$1,111,666</b>	

# RESERVES AND DEBT



## Reserves

In 2024 the City is budgeting to transfer \$1,028,822 from operations by way of taxation and fees into capital reserves to ensure funds are available for future capital expenditures. Establishing ongoing transfers to our capital reserves is vital to maintaining our current service levels and maintaining and replacing our infrastructure.

### TRANSFERS TO CAPITAL RESERVES

General Fund	\$507,839
Sewer Fund	\$133,883
Water Fund	\$387,100

RESERVE PROJECTIONS	2024	2025	2026	2027	2028
Active Transportation	\$17,193	\$17,193	\$17,193	\$17,193	\$17,193
Affordable Housing	83,127	83,127	83,127	83,127	83,127
Animal Shelter Crematorium Reserve	20,000	30,000	40,000	50,000	60,000
Community Forest	1,203,931	829,431	702,431	455,431	393,431
Covid Safe Restart Grant	-	-	-	-	-
Gaming	238,914	468,914	673,914	553,914	283,914
Community Building Fund (Gas Tax)	602,260	597,260	892,260	737,260	732,260
General Capital*	1,918,061	2,623,447	3,528,356	4,634,783	5,344,743
Growing Communities	4,633,000	3,133,000	3,133,000	3,133,000	3,133,000
Land Acquisition	533,752	533,752	533,752	533,752	533,752
Landfill Closure	903,158	903,158	903,158	903,158	903,158
Local Gov't Climate Adaptation Program	239,391	169,391	169,391	169,391	169,391
Machinery & Equipment	3,364,449	3,078,749	3,444,999	3,704,249	4,094,249
Northern Capital and Planning Grant	2,439,692	36,042	36,042	36,042	36,042
Parking Space	20,659	20,659	20,659	20,659	20,659
Parkland	257,962	257,962	257,962	257,962	257,962
Sewer Capital**	17,166	125,439	284,078	494,224	731,937
Water Capital**	424,501	165,687	499,651	443,226	542,150
<b>TOTAL PROJECTIONS</b>	<b>16,917,216</b>	<b>\$13,073,211</b>	<b>\$15,219,973</b>	<b>\$16,227,371</b>	<b>\$17,336,968</b>

\*Includes the proposed 1% asset management increase in years 2024-2028

\*\*Includes proposed fee increases for asset management purposes for years 2024-2028

## Debt

The City uses debt occasionally to finance large capital projects that provide long-term benefits to residents. All borrowing is done through the Municipal Finance Authority. The City must make annual principal payments and semi-annual interest payments on these loans.

DEBT PRINCIPLE BALANCES	2024	2025	2026	2027	2028
General Fund Outstanding Debt:					
Sportsplex Retrofit - 2008	\$320,512	\$245,035	\$166,538	\$84,901	\$-
Sportsplex Retrofit - 2009	561,789	458,068	350,198	238,013	121,341
Aquatic Centre Renewal - 2019	2,512,075	2,274,678	2,030,159	1,778,305	1,518,894
<b>TOTAL OUTSTANDING DEBT</b>	<b>\$3,394,376</b>	<b>\$2,977,780</b>	<b>\$2,546,894</b>	<b>\$2,101,219</b>	<b>\$1,640,235</b>



DEBT PAYMENTS	2024	2025	2026	2027	2028
General Fund Debt Payments (including interest)					
Sportsplex Retrofit - 2008	\$85,778	\$85,778	\$85,778	\$85,778	\$63,038
Sportsplex Retrofit - 2009	96,180	96,180	96,180	96,180	96,180
Aquatic Centre Renewal - 2019	308,383	308,383	308,383	308,383	308,383
<b>TOTAL DEBT PAYMENTS</b>	<b>\$490,341</b>	<b>\$490,341</b>	<b>490,341</b>	<b>\$490,341</b>	<b>\$467,601</b>

Sewer and Water Funds have no outstanding debt.

### DEBT BORROWING CAPACITY

The City's borrowing capacity is defined in legislation as 25% of the prior year's prescribed revenue, and 5% of prior year's prescribed revenue can be borrowed without the assent of the electorate.

The City's external borrowing limit is approximately \$81 million, based on legislated limits, current estimated interest rates, and assuming 20-year terms on average. The City's current outstanding long-term debt will be \$3.4 million as of December 31, 2024.

Outstanding Debt vs Borrowing Limit (in millions)



### FACT!

According to the Community Charter, which governs municipalities, a municipality cannot run a deficit (unlike provincial and federal governments, which can and often do). If actual expenditures end up exceeding revenues by year-end, the resulting deficit must be included in the next year's financial plan as an expenditure.



### Your feedback is important.

Please provide your comments on this document.

- ONLINE: [engage.terrace.ca/budget2024](https://engage.terrace.ca/budget2024)
- ON PAPER: Pick up a printed copy at Terrace City Hall, Terrace Public Library, or the Happy Gang Centre
- IN PERSON: Provide comment in person at the regular council meeting on Monday, January 8, 2024

The consultation period opens on Wednesday, November 29, 2023. All online and on-paper comments must be received by Friday, December 22, 2023. Please return paper comments to City Hall, 3215 Eby St.

All online and on-paper comments will be compiled and presented to Council on Monday, January 8, 2024.

[Learn more: engage.terrace.ca/budget2024](https://engage.terrace.ca/budget2024)