



City of Terrace

# BUDGET 2021

## KEY ELEMENTS

### Provincial COVID-19 Safe Restart Grant funds

**Funds available: \$2,728,000**

Municipalities across BC received funding from the Province to assist with recovery from the pandemic. This funding is to support local governments as they deal with increased operating costs and lower revenues due to COVID-19.

### Revenue losses due to the pandemic

**Projected 2021 Losses: \$1,000,000**

We expect to suffer continued revenue losses in 2021 as a result of the ongoing pandemic due to limited operations of our facilities and the continued closure of casinos and gaming centres across the province. We will be using the provincial COVID-19 Safe Restart Grant funds to offset these revenue shortfalls and will budget a similar amount for use in 2022 as well.

**If we had not received the COVID-19 Safe Restart grant, we would be looking at a further 7% increase in taxes, or a \$1 million reduction in services.**

### Tax increase was reduced in 2020 to relieve the effects of COVID-19

**2020 increase reduced from 7.4% to 4.5%**

When it became clear the pandemic wouldn't be over anytime soon, we reduced our proposed tax increase, with the understanding there would be a 6% increase in 2021. We asked our departments to make cuts in 2020 to help offset the expected revenue losses due to the pandemic. These budgets are partially restored in 2021.

**Ongoing challenges include the lack of an industrial tax base and a historical desire to keep taxes low that is still impacting us today.**

**We are considering a tax increase of 7%.  
6% per the financial plan + 1% for new Asset Management reserves**

Homeowners would see an average increase of \$113 per year.

#### Did you know?

For municipalities with populations of 5,000-15,000, our residential property taxes fall somewhere in the middle. The average here is \$1,621, compared to \$1,706 in Prince Rupert and \$1,371 in Smithers.

### We want to hear your feedback and questions.

We welcome and appreciate public participation in our budget process. Check our website for our feedback form, which gives you the chance to share your views and ask questions. We'll be sharing some of those questions and providing answers on our website and social media pages.

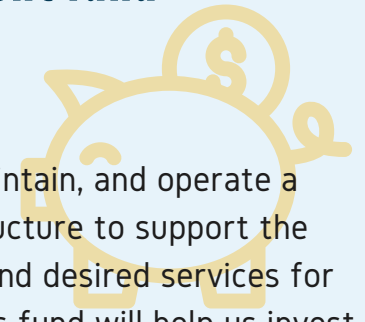
Please visit our website for an up-to-date schedule on opportunities to view budget meetings, participate via the survey, and more.



### Asset Management fund

**1% tax increase**

Municipalities own, maintain, and operate a wide range of infrastructure to support the provisions of needed and desired services for their communities. This fund will help us invest in the renewal of our aging infrastructure for items such as buildings, roads, storm drains, sewer, water, and treatment plants. A 1% tax increase is also included in years 2022-2025.



**We need to keep our assets healthy for future generations to enjoy.**

### Two new positions to support the Public Works and Engineering departments

We need to address capacity issues to make it possible to complete our planned infrastructure projects each year.

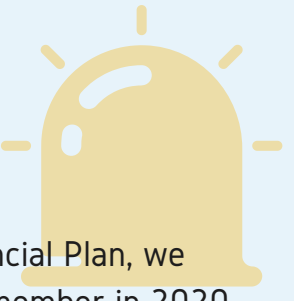
2021 capital projects include:

- Weber Ave reconstruction
- 4900 Straume Ave pulverize and pave
- Downtown boulevard enhancements
- Ferry Island trail upgrades
- Phase 3 of Howe Creek Trail upgrades
- 2020 carry-forward projects that are incomplete or were removed from the budget, both due to capacity challenges and to help find cost savings in 2020
- Preplanning to allow for more projects to be completed in 2022

**These new positions are vital to providing the services we need to complete our capital projects.**

### New RCMP member

As per our 2020-2024 Financial Plan, we intended to add this RCMP member in 2020 but this was postponed to 2021 due to the financial challenges faced in 2020.



**Safety of all citizens is important in our community.**