

**REPORT OF THE COMMITTEE OF THE WHOLE
MEETING HELD IN THE MUNICIPAL COUNCIL
CHAMBERS ON THURSDAY, APRIL 20, 2016 AT
5:20 P.M.**

Chair C. Leclerc presided. Members present were S. Bujtas, M. Prevost, and S. Tyers. Councillors L. Christiansen, J. Cordeiro, and B. Downie were absent. Also in attendance were H. Avison, Chief Administrative Officer, P. Proteau, Financial Administrator, J. Klie, Fire Chief, R. Schibli, Director of Public Works, D. Block, Director of Development Services, L. Greenlaw, Deputy Financial Administrator, A. Thompson, Clerk, and L. Wilson, Executive Assistant.

The Finance, Personnel & Administration Component of the Committee of the Whole meeting commenced at 5:20 p.m.

**A. FINANCE, PERSONNEL & ADMINISTRATION
COMPONENT**

**1. 2017-2021 BUDGET UPDATE, INCLUDING
BORROWING AND TAX RATES**

The Chief Administrative Officer addressed the Committee and explained that the purpose of the meeting was to review some changes to the provisional budget presented in December 2016 and to get a recommendation from Council to proceed with the preparation of the Five Year Financial Plan and Tax Rate bylaws. The Financial Administrator outlined the details of the changes.

The 2016 surplus came in higher than anticipated, which increased the projected future surplus for 2017 to \$794,518.

Property tax revenues for 2017 are projected to be \$12,941,984, including non-market change and the 3% tax increase previously approved by Council. Refined tax revenue projections since December result in a reduction to the figure then presented of \$11,000, including a reduction in the non-market change projection from BC Assessment.

Utility Fee revenues are expected to decrease by \$ 20,000 due to a reduction in our franchise fee payment from Pacific Northern Gas.

A change in billing to Emergency Management BC for highway rescue is expected to result in \$9,000 less revenue for the City.

There was a \$15,000 decrease in grant funding since December due to an unsuccessful grant application to Northern Development.

Budget information from various departments with cost-sharing partners led to an increase of over \$90,000 in the cost-sharing revenue budget. This revenue was also impacted by the pool closure. This value will increase again in 2018 due to the Regional District of Kitimat-Stikine (RDKS) agreement to cost-share debt repayment for the Aquatic Centre.

Negotiations with the IAFF led to a \$61,000 increase to the Fire Department's expense budget.

The Public Works budget was increased for outdoor structures and also to accommodate for increased solid waste collection services in the downtown.

Transfers to reserves show a net change of \$100,000. This allows for final internal debt repayment to the Machinery and Equipment Reserve Fund for a roadworks loan borrowed in 2012/2013 for McConnell Avenue reconstruction. \$561,000 in 2018 includes repayment of the arena roof and Loen Avenue roadwork internal borrowing, which will both be fully repaid in 2018.

The main changes in the Capital Plan came from Public Works.

Council approved a total budget of \$8,651,519 for the Terrace and District Aquatic Centre upgrades. The City's 2017 portion is budgeted at \$300,000 with another \$44,980 carried over from the 2016 budget. The remaining \$8.3 million will come from the Gas Tax grant, RDKS contribution, and through other donors as well as borrowing.

Staff recommended a 15 year amortization period in regards to borrowing for the Aquatic Centre project as it is deemed to be the most equitable way to repay the debt. The City's net obligation for the debt repayment will be \$259,000 annually.

The George Little Park upgrades and development of the Rotary Splash Park are budgeted for a total of \$813,000. The City will fund \$250,000 of this. Sources of other funding include the Rotary Club of Terrace, the Kinsmen Club of Terrace, and other unnamed donors.

A reduction was made to the budget for the fencing project slated for the property along the CN Rail line.

The Director of Public Works addressed the Committee. The Adam Street pathway was added to the 2017 budget for paving. The storm water drainage on the 4800 block of Park Avenue will be addressed in 2017.

The Clean Water and Wastewater Works project will proceed for the 2400-2600 blocks of Kalum Street. The budget does account for some costs that may not be covered under the funding and these have been accounted for under ineligible works. The grant funding is in place to March 31, 2018 so the scope of work was altered to reflect this timeline. The change of scope is currently with the Provincial Government awaiting review and approval.

The grant for the sewer program will allow for the installation of a new screening system, security fencing, curtain baffle, and other improvements.

The 2017 operating budget for sewer has increased by \$20,000 in order to replace a blower that is required for the sewage lagoon.

The projected surpluses for water and sewer are anticipated to be above the \$300,000 target at the end of 2017.

A new fire truck will be ordered in 2017 for arrival in 2018.

It was recommended that the 2017-2021 budget be approved as amended and that the 2017-2021 Financial Plan Bylaw proceed to Council for first, second, and third reading; and

that the 2017 Tax Rates Bylaw be prepared with a 3% increase for all classes and proceed to Council for first, second, and third reading.

The April 20 Finance, Personnel & Administration Component of the Committee of the Whole meeting adjourned at 6:30 p.m.

CERTIFIED CORRECT

Chair

Clerk