

**REPORT OF THE COMMITTEE OF THE WHOLE
MEETING HELD IN THE MUNICIPAL COUNCIL
CHAMBERS ON TUESDAY, APRIL 9, 2019 AT
5:10 P.M.**

Chair C. Leclerc presided. Members present were L. Christiansen, J. Cordeiro, B. Downie, J. McCallum-Miller, and E. Ramsay. Member S. Bujtas was absent. Also in attendance were H. Avison, Chief Administrative Officer, L. Greenlaw, Director of Finance, R. Schibli, Director of Public Works, D. Block, Director of Development Services, C. Didier, Director of Leisure Services, J. Klie, Fire Chief, D. Myles, Economic Development Manager, D. Powell, Information Systems Manager, A. Thompson, Clerk, and A. Poole, Executive Assistant.

The Finance, Personnel & Administration Component of the Committee of the Whole meeting commenced at 5:10 p.m.

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

1. 2019-2023 FINAL BUDGET

The Chief Administrative Officer addressed the Committee and explained that the purpose of the meeting was to review the changes to the provisional budget presented in December 2018 and to get a recommendation from Council to proceed with the preparation of the 5 Year Financial Plan and Tax Rate bylaws.

The City received \$8.197 million dollars from the Provincial Government on April 1, 2019. The Director of Finance will establish a reserve fund for these funds. This will be brought forward to Council for discussion at a later date.

The General Levy increased by approximately \$24,000 due to non-market change. At the provisional budget meeting the non-market change was estimated at \$100,000. The actual non-market change is just under \$125,000.

The Director of Finance reviewed the General Budget comparison and highlighted notable changes between the 2019 Provisional Budget and the 2019 Final Budget.

The PNG franchise fee decreased by based on PNG's revenues in the previous year.

Notable changes to the General Budget revenue were an increase of \$120,000 from public swimming revenues, return on investments was increased by \$50,000, minor changes to the Small Communities Protection grant and traffic fine revenue sharing, an increase of \$200,000 in grants operating provincial due to adjustments in the capital project program, an increase of approximately \$28,000 for Regional District of Kitimat-Stikine (RDKS) cost sharing due in part to the Terrace & District Aquatic Centre budget being restored to its full budget as well as some capital projects that are shared with the RDKS, and gaming revenue was increased by \$25,000 based on 2018 actual amounts.

Council indemnity was increased by approximately \$18,000 due to wage increases.

There was an increase to bylaw wages of approximately \$32,000 to add a 4-month temporary/seasonal Bylaw Compliance Officer position. This will be a pilot initiative that will be reassessed after the 4-month period is over. This position will be working on weekends and evening.

Notable increases in the Leisure Services budgets were an increase of \$47,000 for administrative fees due to the installation of a new software system known as ACTIVE Net, \$20,000 for arena building and repairs in order to repair the elevator, \$11,500 for arena plant maintenance in order to complete repairs to the refrigeration system which were identified by the service contractor, approximately \$42,000 for the flower basket contract, approximately \$42,000 in pool operator wages due the position now being operative, and approximately \$10,000 to pool administrative costs due to the amount of time the receptionists are working. Since the re-opening of the Terrace & District Aquatic Centre, the required time for maintenance, life guarding, and receptionists continues to be assessed as the operating hours of the aquatic have increased from its previous operating hours.

\$12,000 was added to the R.E.M. Lee Theatre budget. This was approved by Council after the Provisional Budget meeting.

The interest on debt decreased by approximately \$27,000.

At the Provisional Budget meeting the estimated surplus was approximately \$1.2 million. The City now has an actual surplus of approximately \$1.7 million. This surplus is mostly due to a savings in salary budgets that had not been factored into the Provisional Budget. All departments had some positions that remained unfilled in 2018.

The property tax and increased tax revenue included the \$125,000 non-market change and the 2% tax increase.

The 5 year plan estimated for \$100,000 in non-market change as well as a 2% tax increase.

The majority of the revenue budgets did not significantly change. The investment income, cost sharing, and grant revenue budgets increased slightly.

The City aims for a surplus of approximately \$800,000 each year. There is a budgeted surplus of just over \$800,000 for 2019.

The Director of Finance addressed the Capital Projects general fund.

Notable changes since the Provisional Budget meeting included the addition of the Skeena Industrial Investment Attraction project for which the City received grant funding from Global Affairs Canada and the Prince Rupert Port Authority, an increase of \$55,000 to completely replace the Kin Park, an increase of \$20,000 to remove the old outhouses at Ferry Island and install new accessible outhouses as well as repaint the showerhouse, an increase to the Leisure Services pool extras budget in order to complete change orders for the air handling units, fans, exterior signage, etc. which are outstanding from the Terrace & District Aquatic Centre upgrade project, a budget to hire a consultant for Christy Park and make repairs to the soccer fields, an increase of \$20,000 in pavement overlays, an addition of \$10,000 to install 2 vehicle charging stations in the community, a \$100,000 addition in order to pulverize and pave Westview Drive from Munthe Avenue to Morris Avenue, and an increase of \$60,000 to the Downtown Boulevard Enhancement Project budgets as the previous budget was not adequate.

Member L. Christiansen left the meeting at this time.

Other notable changes to the Capital Projects general fund included the addition of \$25,000 for a Development Services and Public Works shared truck, the addition of a Firesmart and Fire Prevention Preparedness Program for which the City received a grant of approximately \$98,000, and the addition of \$50,000 to purchase a sufficient new washer and dryer for the Firehall which includes a minor renovation to increase the amount of space around the appliances.

Member L. Christiansen returned to the meeting.

Some additional notable changes to the Capital Projects general fund included the addition of the Community Childcare Planning for which the City received a grant for \$25,000 to cover the full cost, and an increase of \$16,000 for various server upgrades which includes database servers and contract work from VADIM.

The only future notable item to the Capital Projects general fund is in 2020, with the addition of \$100,000 for an upgrade to the Terra Map, Mapping, and GIS software.

There was a decrease in grant revenue in the Sewer Budget comparison due to a 2018 capital project being carried forward to 2019. The only change within the sewer expense budgets was an increase of \$5,000 to utility costs related to BC Hydro rate increases.

The only change to the Sewer Fund 5 year plan was an adjustment to the 2018 surplus. At the Provisional Budget meeting the estimated unbudgeted surplus was \$43,000. The actual surplus is \$113,000.

The 2019 Sewer Fund projected surplus is approximately \$437,000. The City aims to budget for approximately \$300,000 surplus in the Sewer Fund each year.

There was a decrease of \$32,000 in the Water Budget revenue due to a project that was anticipated to be carried forward to 2019, but was completed in 2018.

In the Water Fund expenses there were two adjustments to the budget. A one-time increase of \$17,000 to water license fees relating to a ground water license, and a \$15,000 increase due to increased BC Hydro costs.

The projected surplus for 2019 is \$432,000. The surplus decreases in 2022 and 2023 due to larger capital projects in those years.

There were no changes to the Water Fund Capital Projects budget or the Sewer Fund Capital Projects budget.

It was recommended that the 2019-2023 budget be approved as amended and that the 2019-2023 Financial Plan Bylaw proceed to Council for first, second, and third reading; and

that the 2019 Tax Rates Bylaw be prepared with a 2% increase for all classes proceed to Council for first, second, and third reading.

The April 9, 2019 Finance, Personnel & Administration Component of the Committee of the Whole meeting adjourned at 6:05 p.m.

CERTIFIED CORRECT

Chair

Clerk