

**REPORT OF THE COMMITTEE OF THE WHOLE
MEETING HELD IN THE MUNICIPAL COUNCIL
CHAMBERS ON TUESDAY JUNE 22, 2021 AT 5:00
P.M.**

Chair C. Leclerc presided. Members present were S. Bujtas (via videoconference), L. Christiansen (via videoconference), J. Cordeiro (via videoconference), B. Downie (via videoconference), and E. Ramsay (via videoconference). Also in attendance were K. Boland, Chief Administrative Officer, L. Greenlaw, Director of Finance, T. Irwin, Director of Leisure Services (via videoconference), D. Block, Director of Development Services (via videoconference), J. Lambert, Director of Engineering and Public Works (via videoconference), J. Lucash, RCMP Office in Charge (via videoconference), J. Klie, Fire Chief (via videoconference), D. Powell, Information Systems Manager (via videoconference), K. Genereaux, Deputy Director of Finance (via videoconference), D. Corstanje, Economic Development Manager (via videoconference), C. Baker, RCMP Executive Assistant/Office Supervisor (via videoconference at 5:55 p.m.), K. Lautens, Communications Advisor (via videoconference), A. Thompson, Clerk, and A. Poole, Executive Assistant.

The Finance, Personnel & Administration Component of the Committee of the Whole meeting commenced at 5:00 p.m.

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

1. 2022 PRELIMINARY BUDGET DISCUSSION

Chair Leclerc called the meeting to order. The purpose of the meeting was to discuss the 2022 preliminary budget.

Chair Leclerc acknowledged that the meeting was being held on the traditional unceded homelands and territory of the Tsimshian First Nation. She also noted that due to the latest public health orders prohibiting the public from

attending Council meetings in person and that public participation could be had by joining the virtual Microsoft Teams meeting through a computer, mobile device, or regular telephone call. The information on how to take part in the question portion of the meeting could be found at terrace.ca/participate.

The following budget schedule was proposed:

- September 1 & 2: Community partner presentations;
- September 23: General operating and capital budgets;
- October 14: Sewer and Water operating and capital budgets and updated General budget;
- October 29: Optional meeting to discuss status of the budget;
- November 8: Community budget consultation (Regular Council Meeting);
- December 1: Final 2022 budget discussions;
- December 13: First three readings of the 2022-2026 Financial Plan Bylaw (Regular Council Meeting); and
- January 10, 2022: Final adoption of the 2022-2026 Financial Plan Bylaw (Regular Council Meeting).

The schedule will allow for the adoption of the 2022-2026 Financial Plan Bylaw by January 2022. This budget schedule can be flexible, an extra optional meeting has been built in if required, and adjustments can be made to the meeting schedule should the need arise. As per legislation, the City has until May 2022 for the 2022-2026 Financial Plan Bylaw to be adopted.

Based on the proposed schedule, the budget will be finalized in January 2022; however, amendments can be made at any time.

A Community Budget Consultation document will be presented at the community budget consultation meeting in November. The document will be made available to inform stakeholders about the proposed budget in advance of the public consultation process.

Staff will begin reviewing their 2022 budgets as of June 25, 2021. Staff were looking for direction and/or for the Committee to set priorities for staff to be prepared for budget discussions commencing in September 2021. Staff were also looking for the Committee's input on taxation levels and direction for community partner funding levels for 2022.

There are several issues that will impact the 2022 budget. The known budget impacts to date total \$914,443 and represent an estimated 5.83% increase in property taxes in 2022. Departments have not yet reviewed their budgets for potential budget savings. Draft 2022 budget documents assumed funding would be restored to 2019 levels for all community partners and for City travel and training budgets. The budget also assumed a 2% inflationary increase for many items to allow the City to maintain existing services. There are still many unknown potential budget impacts that staff continue to monitor.

For the 2022 budget, a 1 % increase in property taxes would generate approximately \$157,000 in revenue. Based on the average home value in Terrace for 2020 of \$377,938, a 1 % increase in property taxes would increase the 2022 tax notice by approximately \$16.21.

The Terrace Public Library (Library) was able to reduce their funding request for 2021 by \$75,000. This was possible because the Library had a prior year surplus of \$60,000 that they were able to use to fund their operations in 2021, and by reducing the \$15,000 allocation for capital expenditures.

Heritage Park reduced their funding request for 2021 by \$8,000 by reducing their annual archiving allocation.

The City reduced funding in 2021 to the Terrace Community Foundation from \$50,000 to \$25,000. The Terrace Community Foundation requested \$2,000 in 2022 to assist with their administration costs. They can often raise this amount through fundraising efforts, but COVID-19 has made that difficult. It was noted that Council could consider increasing the Terrace Community Foundation's annual budget by \$2,000 or by maintaining the annual budget and reducing the grant funding by \$2,000 to allow for the administrative costs in 2022.

The community partners required direction from the City prior to beginning work on their 2022 budgets.

Staff will be working this summer to create an unfunded capital needs list to identify needs and requirements that are not included in the current funded five-year capital plan. Staff will review all master plans and will add to the list the recommendations found within the plans that have not yet been completed. Having this greater capital needs list will help the City to prioritize projects by offering a greater picture of the needs of the organization as a whole. The list will also assist in identifying the projects best suited for future grant opportunities and for allocating funding from grants such as the Northern Capital & Planning Grant. The unfunded capital list will be brought forward for discussion with Council at a meeting

tentatively scheduled for September 23, 2021.

The sewer and water funds are not currently anticipating increases in 2022 for operations but a 5% increase in fees for both funds is scheduled for 2022 based on the five-year plan for asset management purposes. Staff have been exploring ways to generate revenue in these funds by the collection of bulk wastewater and from bulk water sales. As these revenues will be inconsistent and possibly not long-term, staff will recommend allocating these revenues to capital reserves. When these revenues have been established, the possibility could be explored of decelerating the proposed asset management fee increases in these funds, to be determined by the upcoming capital needs and the reserve balances.

The increased cost of replacing, operating, and maintaining vehicles in the City's fleet is having an impact on the Machinery & Equipment Reserve. An analysis of this is underway and a recommendation will be brought forward to increase the transfers to this reserve.

A General operating budget summary was provided to the Committee. It contained the same items that Council approved for 2022 at the final 2021 budget meeting, with a few new items approved since final adoption. The new items included software and the loss of the Climate Action Revenue Incentive Program funding.

A list of 2022 "unknowns" with their potential budget impacts was provided to the Committee. As the impacts of the items were unknown, they were not included in the potential 5.83% tax increase.

The Committee would like to see a tax increase comparison for a selection of commercial properties so they could have an accurate idea of how a potential tax increase would affect the business community.

With regards to the community partners, the Committee agreed that they should all be as cost-efficient as possible moving forward; however, it would be unreasonable to assume that they would be able to continue to reduce their budgets with the pandemic seemingly slowing down and services ramping up. It was noted that it should be mentioned to the community partners again that they need to attempt to create their own sources of revenue as much as possible to achieve their individual goals.

The Library is having issues with regards to the safety of their staff. If the Library decides that they need to hire security, their budget will increase. They also feel that having only two staff members working at a time on certain shifts is not sufficient or safe. The Library may wish to hire additional staff which will also increase their budget. They are assessing whether they will remain open during the hours that the majority of incidents are occurring. The Library is likely not looking to cut service levels or programs if they have to fund security. They are close to being back to their original operating hours prior to the pandemic.

The Committee agreed that the City should be accelerating the rate at which the Northern Capital and Planning Grant (NCPG) funds are being used; however, the NCPG needs to be allocated carefully. Having a large portion of the NCPG unspent makes it difficult to effectively lobby the Province for funding. Once staff have further built the unfunded capital needs list, there will be a better idea of where the NCPG could effectively be used.

A discussion took place regarding bike patrol police officers to create additional police presence in the downtown. The RCMP have the equipment available for this; however, they have been unable to undertake training due to the pandemic. There are also several logistical issues that arise with bike patrol police officers.

Within every department's operating budget is a contribution to the Machinery & Equipment Fund reserve. These funds pay for the replacement, operations, and maintenance of the department's fleet. This is part of the operations budget. The possibility of moving to electric or hybrid vehicles was mentioned.

The RCMP detachment is waiting for new members from depot. Inspector Lucash is optimistic that there will be an additional member in place soon at the Terrace detachment.

The City has made significant progress in last few months with regards to the landfill closure. Consultants and contractors are undertaking some of the work to get more accurate costings so that the City can meet its legislative requirements for the landfill closure. The Ministry has given some aggressive timelines. In September, the City will have updated costing and options for the closure of the landfill. In the past, the City was offered some flexibility on the state of the landfill closure. The Ministry has reneged on that flexibility and is now holding the City to a higher standard of closure.

Staff are preparing a report to bring to Council with regards to options and cost considerations for continuing with the weekly yard waste collection program.

There are two proposed locations for the Portland Loo: the corner of the Co-op property or the corner of Lakelse Avenue and Kalum Street. The cost of maintenance for the Portland Loo hasn't been discussed yet. Staff are recommending that there be a high standard of maintenance for at least the first year of the Portland Loo's operation. The same high level of maintenance may not be necessary after the first year. The Portland Loo will likely be shipped in fall 2021 and installed shortly thereafter.

The financial plan objectives and policies will be brought to Council during the last budget discussion meeting for inclusion into the 2022-2026 Financial Plan Bylaw.

Under Section 165(3.1) of the Community Charter, when preparing a financial plan local governments must set out the objectives and policies of the municipality for the planning period in relation to the following:

- a) For each of the funding sources described in subsection (7), the proportion of total revenue that is proposed to come from that funding source;
- b) The distribution of property value taxes among the property classes that may be subject to the taxes; and
- c) The use of permissive tax exemptions.

Staff had no suggested updates.

Should Council wish to alter any of financial plan objectives and policies, staff would need to begin working on the alterations soon. The changes will need to be in place prior to the 2022-2026 Financial Plan Bylaw being presented to Council for consideration.

Applications for permissive tax exemptions are due on June 30, 2021.

The Committee had no concerns or suggested updates.

According to the Community Charter Section 166, local government is required to undertake the process of public consultation regarding the proposed financial plan before it is adopted by Council.

For the first time, staff are planning a citizen satisfaction survey as a precursor to the usual budget consultation process. The responses will help Council and staff understand the priorities and opinions on the services the City of Terrace provides. This information will be a foundation to help better plan the 2022 budget. The results will also help rate the municipality's performance and track priorities over time.

The goal will be to use a standardized set of citizen satisfaction measures each year. The current draft survey provided below contains questions frequently used by other municipalities that can be used for Terrace, or Council can advise staff if any modifications are required.

The survey will be available primarily online through Bang the Table, the online engagement platform recently approved by Council, which will be set up in the coming weeks. However, residents will also be able to pick up a copy of the survey from any municipal building as well as through local community organizations (which have not yet been determined). Staff will also explore other communication and engagement opportunities to support broad public participation, such as setting up a booth at the Farmers Market.

The survey will launch by mid-July and close at the end of August to allow for ample time for data collection.

The data collected in this survey will be organized and presented for Council, staff, and the public prior to the preliminary budget meeting to allow staff time to consider the responses in preparation for that meeting.

Training will be beginning this week for Bang the Table. Bang the Table will likely be available in the next few weeks. Depending on the capabilities of the online engagement platform, a test will be conducted before it goes live.

A discussion took place with regards to asking the gender of the survey participant and if that information would be useful. Staff will determine how certain data would or would not be useful.

A discussion took place with regards to using the wording "Keith Estates" alongside "Southside" on the questionnaire, as well as including the option to choose locations outside of municipal boundaries, or a "not a resident" option for the participants' home location.

An operational review of the Library was suggested. An operational review may help the Library find efficiencies in their budget. It could also justify where budget increases may need to happen, and where possible savings could be found. It was noted that if the City was requesting an operational review, the City should also pay for it. The Committee agreed that this should be done in the near future, and that the Mayor should reach out to the Library Board to gauge their interest in an operational review.

It was noted that if the cost was minimal, it may be worth while to conduct operational reviews of all community partner organizations.

The Committee agreed that it would be reasonable to restore the Terrace Community Foundation's budget back to \$50,000, plus \$2,000 to cover administration costs in 2022.

Chair Leclerc asked if there were any questions from the public. There were no members of the public virtually present.

It was recommended that the following 2022 budget schedule be approved:

- September 1 & 2: Community partner presentations;
- September 23: General operating and capital budgets;
- October 14: Sewer and Water operating and capital budgets and updated General budget;
- October 29: Optional meeting to discuss status of the budget;
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- December 13: First three readings of the 2022-2026 Financial Plan Bylaw (Regular Council Meeting); and
- January 10, 2022: Final adoption of the 2022-2026 Financial Plan Bylaw (Regular Council Meeting).

It was recommended that the Mayor send a letter to the Terrace Public Library Board to seek their interest in having an operational review of the Terrace Public Library conducted.

The June 22, 2021 Finance Personnel and Administration Component of the Committee of the Whole meeting adjourned at 6:20 p.m.

CERTIFIED CORRECT

Chair

Clerk