

**REPORT OF THE COMMITTEE OF THE WHOLE
MEETING HELD IN THE MUNICIPAL COUNCIL
CHAMBERS ON THURSDAY, DECEMBER 15, 2016
AT 5:05 P.M.**

Chair C. Leclerc presided. Members present were S. Bujtas, L. Christiansen, J. Cordeiro, B. Downie, M. Prevost, and S. Tyers. 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, C. Didier, Director of Leisure Services, S. Jones, Information Systems Manager, S. Lecky, Officer-in-Charge (entered at 5:15 p.m.), R.C.M.P., L. Greenlaw, Deputy Financial Administrator, B. Doddridge, Communications & Business Development Intern, A. Thompson, Clerk, and L. Wilson, Executive Assistant.

Also present at the meeting for the Regional District of the Kitimat-Stikine was Jessica McCallum-Miller, Director, Electoral Area C.

The Finance, Personnel & Administration Component of the Committee of the Whole meeting commenced at 5:05 p.m.

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

1. 2017-2021 PROVISIONAL BUDGET

The Chair called the meeting to order and explained the purpose of the meeting was to review the provisional budget for 2017-2021. The Chair turned the meeting over to the Chief Administrative Officer (CAO) who explained that staff, following Council's direction, prepared this provisional budget. The provisional budget includes a proposed 3% tax increase for 2017 and 2018. The increase is due to increased costs and lower non-market change revenues than originally anticipated. The City works to maintain a budget surplus of approximately \$800,000 and for 2017 the anticipated budget surplus is \$623,344.

The anticipated surplus for 2017 may change, depending on grants, landfill closure costs, costs of the Terrace Aquatic Centre upgrade, and the actual non-market change value for 2017.

Financial Administrator addressed the Committee. The General Fund 5 Year Plan shows a smaller surplus for 2017.

Two of the Community Partner organizations requested increases in their budgets for 2017.

Member Bujtas declared a possible conflict of interest due to a personal relationship and vacated Chambers. Member Prevost declared a possible conflict of interest due to a business relationship and vacated Chambers.

Heritage Park Museum requested 2% increase in their operating and archiving budgets. Staff recommended the 2% increase for the operational budget only. Director McCallum-Miller advised that the RDKS could not support anything over \$95,000 and the RDKS would not provide increased funding for the archival or capital projects.

Members Bujtas and Prevost returned to the meeting.

The Terrace Public Library requested a 9.5% increase in their 2017 budget, an increase equaling approximately \$60,500. This was to cover the increased wages, benefits, and custodial costs for the library, and to increase the hours for one employee to offer more programming. The cost for the wage, benefit, and janitorial increases alone were approximately \$50,000.

Director McCallum-Miller left the meeting at 5:40 p.m.

a. Provisional Budget Comparisons

Changes to wage expenses for 2017 include the addition of one full time employee to work in Information Technology department.

Each manager explained any significant changes to their operating budgets.

Inspector Lecky presented. The contract for the R.C.M.P. shows some increases for 2017, including for salaries. There was also a \$12,000 increase in prisoner meals and blankets as the detachment changed to a suicide safety blankets in the cells.

The Financial Administrator presented. The increase in the finance salary line covers a second information technology staff member. There have also been transfers from the Capital budget to the Operational budget for items such as computer replacement. The changes in the BC Transit line are partially due to the increases in the Skeena Valley Regional bus service to include Saturday service between Terrace and Kitimat and increased service hours to ensure timely delivery, especially in the winter months.

The insurance costs for the Greater Terrace Beautification Society and the Model Railroad Society have been moved from the Community Grants section of the budget to the Operational budget. Insurance is required by the City for these organizations to operate on City owned property so the City contributes to the costs.

Some debts will be repaid in full by the end of 2017. The increase in Reserve Transfers is due to interest earned with the joint venture with Kitselas at the Skeena Industrial Development Park.

The Corporate Administrator explained the Administration Department. Some new line item increases included Council's special meetings budget, the Youth Advisory Committee, Terrace's 90th anniversary, Reconciliation Workshop, a booth in the Terrace and District Chamber of Commerce Business Expo, membership in the BC Not-for-Profit Housing Association, and the staff BBQ. Presentation expenses have been reduced. Council unbudgeted was reduced from \$20,000 to \$10,000. This is used for unanticipated requests that come before Council throughout the year. The Budget for Council's travel and training was reviewed. Council's unallocated travel line was reduced to \$5,000. New lines have been added for two to attend the BC Not-for-Profit Housing Association conference and for 1 trip to Victoria in 2017.

The budget for the Federation of Canadian Municipalities Annual Convention will be increased for 6 people to attend. The City will also have the Communications and Business Development Intern position extend to the end of 2017.

The CAO spoke about the Optimal Governance Workshop planned for Smithers in 2017. The Committee decided not to take part in this workshop.

Inspector Lecky left the meeting at 6:15 p.m.

Fire Chief Klie addressed the Committee. There was an increase in the vehicle allocation budget because the Fire Department will need to purchase two new vehicles within the next 5 years. The increase in the small equipment budget was due to reallocating from the Capital to the Operational budget. The Emergency Social Services Coordinator position, which is split 50/50 with the RDKS had an increase for salary and training. Terrace Search and Rescue's budget also increased due to a rent increase for their facility.

The Director of Leisure Services presented. Each year the City sees \$920,000 - \$1.1 million in revenue from Leisure Services. With the pool closure revenues are expected to decrease by approximately \$300,000. There was also a decrease in the cemetery budget for 2017 because a project was moved to later in the 5 year plan.

Operations costs for Leisure Services were \$2.9 million for 2016 and are anticipated to be \$2.3 million in 2017. This includes training for staff as the Terrace Aquatic Centre re-opens. The arena budget increased because the HVAC compressor will need to be replaced in 2017.

Solid waste costs for this department will be increasing by \$22,000 due to tipping fees and costs from contractors that remove bins.

The City has received containers for returnable items that can be installed with the public garbage bins.

A recess was called at 6:30 p.m. and the meeting reconvened at 6:45 p.m. the Communications & Business Development Intern left the meeting at this time.

The Director of Public Works addressed the Committee. 2017 shows some revenue decreases because the organic carts have been purchased and will be distributed. There was a decrease in shop wages due to re-allocation of duties for the shop foreman. The building maintenance budget has been decreased because the 2016 renovations have been completed at Public Works. There was also a decrease in the wages for the Purchasing Agent due to staffing levels.

The Visitor Information Centre has an increased maintenance budget for 2017 because the roof needs to be reaffixed to the building and the exterior needs to be painted. The George Little House front stairs need to be redone.

The roads and drainage and the summer sidewalk maintenance budgets will increase by \$10,000. There was an increase to the traffic signals budget to upgrade some pavement marking and improve pedestrian signage.

There is work to be done at the Terrace landfill site as part of the closure.

There will also be increased costs associated with tipping fees at the new transfer station.

There were no changes to sewer revenue for 2017. Additional testing required by Federal Government has led to increased costs. There were also no changes to the water revenue for 2017. The water license fee has increased to \$9,000 due to changes to the Provincial Sustainable Water Act and additional royalties are being collected provincially.

The Director of Development Services addressed the Committee. Revenues had decreased in 2016 and the budget for 2017 reflects this. Wage changes are due to the City Planner's salary being moved 100% into Development Services. Some sustainability projects were moved from the Capital budget to the Operational budget. Development Services will be working with Terrace Downtown Improvement Area (TDIA) Society to host some events in Spirit Square and Brolly Square in 2017. Legal expenses were previously separate line items. These have been combined in the 2017 budget to reflect all legal works for Development Services.

The CAO explained that Economic Development showed a decrease in wages due to a leave of absence for Economic Development staff.

b. General Fund 5 Year Plan

\$719,000 was the projected forecast for the end of 2016. There were some savings anticipated in Administration as well as some anticipated building starts for 2017. With an increase in taxation (\$390,000) and the non-market change increase (\$189,000) there will be a total increase of revenues of \$570,000 in 2017.

The utility fee will decrease for 2017 and the grant in lieu from BC Hydro will also decrease.

It is anticipated that the Sale of Services revenues will also see a slight decrease. The Terrace Community Forest revenue is based on previous expectations as their year-end has not been completed. Gaming revenues are also anticipated to decrease in 2017. Grant information is detailed for 2017, but not known beyond this because grant opportunities are rarely posted in advance. There will be a decrease in cost-sharing for the Terrace Aquatic Centre for 2017. The RDKS will provide their annual funds to go directly to the Terrace Aquatic Centre upgrade.

The Investment Income increase is due to the joint venture for the SIDP.

The repair of the roof at the Arena will come from the Capital Works reserve and will be paid back to that reserve in the future.

There are still some small projects identified on the Capital Projects list. This is due to offsetting funding opportunities for the projects so they cannot be moved to the Operational budget.

The major projects for 2017 include the Terrace Aquatic Centre upgrade, the upgrades to the playground at George Little Park, changes to Munroe Street, and roof upgrades for the Main Arena.

The City will continue its commitment to the Resource Benefits Alliance for 2017.

The carry-over projects from Public Works include completing Loen Avenue, which has come in under budget, and distribution of the organics carts. New projects for Public Works include upgrades to Munroe Street from Highway 16 to Walsh Avenue, and will pulverize and pave the 4700 block of Tuck Avenue. The Landfill closure project will be funded from reserves. The plan is to define the works that need to be done in early 2017 and complete the work over 2 years.

There will be some reshaping and contouring work done and some leachate collection upgrades in 2017.

The Lakelse Avenue lane configuration is tentative for 2017 pending grant approval. The Kenney/Keith project with a possible 4-way stop may later be revised for a lane reconfiguration as a future project.

The Terrace Public Library canopy extension was included in the draft 2017 Budget. This extension will provide a safer entrance for patrons and will decrease snow removal costs for the library. The Visitor Information Centre needs to have the front entrance repaired. There are two options available. One is to repair the vestibule while the other is to properly enclose the vestibule to create additional space in the visitor centre and then create a new entrance in front of that new space.

A discussion took place regarding the design of Lanfear Hill and the ability to move it up in the 5 Year Plan.

The Director of Leisure Services described repairs planned for Riverside Park. As these were identified through a Municipal Insurance Agency (MIA) audit, applications will be made for funding these repairs.

Repairs for the skate park and Howe Creek Trail were also identified in the MIA audit and funding will be sought for those as well. There is a carry-over item from previous years to complete the Frank Trail looping from the cemetery.

If there are upgrades to the concession within the arena, the costs would be shared with the contractor.

The pool renewal cost of \$5.5 million has been listed on Construction BC and will be open for bids. The Operational budget savings from the City and the RDKS will be used for the project in addition to the gas tax funding.

As several organizations are involved in the playground upgrade at George Little Park, progress will hinge on funding approvals.

The City will continue with leveling the soccer fields at Christy Park.

Leisure Services recommends the purchase of a tandem trailer. The cost savings would be realised in the future through savings in vehicle use and numbers of trips taken to move debris and waste. It will also purchase and install new software to manage its programming to replace the obsolete program currently being used.

The Director of Development Services further addressed the Committee. The Official Community Plan (OCP) final draft is nearing completion. The remediation report for the property at Keith Avenue and Kenney Street is with the Ministry of Environment for final review.

The former Co-op property has additional remediation work planned for 2017. The work has been completed on the subdivided portion and it is waiting for an environmental certificate. There is a Green Municipal Fund application submitted to fund some of the remaining work.

Development Services is also working on a subdivision development bylaw. This process will continue in 2017.

The Downtown Parking Study is half way through phase 1. Rural Dividend funding is in place for phase 2. The City and the TDIA have applied to Northern Development Initiative Trust (Northern Development) for funding for the Façade Improvement program. The funding will be allocated in February. Development Services is reviewing replacing the transit bus shelters at Mills Memorial Hospital and in front of Safeway. Funding may be available through BC Transit for a portion of the construction costs of these new shelters.

Development Services' digital reporting program is tied to the new IT position.

The Overpass Feasibility Study is tied to funding. The study would look at feasibility, location and design of a possible pedestrian overpass. The Downtown Plan Update design will be done through a community land use planning grant, and will tie into the revised OCP.

The Grow Local Program proposed for 2017 uses a BC Agricultural grant to promote residential gardening, education, and outreach.

Some of the projects identified by the Terrace & District Chamber of Commerce have been included in the budget for 2017. These include additional street sweeping, the weed pull, and additional winter cleanup. The downtown boulevard enhancement projects will be spread over two years (2019 and 2020). The CN Right-of-way fencing is planned for 2017. Grant applications are being put together.

The Fire Chief explained that the 3 year program to replace their 30 minutes Self-Contained Breathing Apparatus (SCBA) bottles with 60 minutes bottles will continue for 2017. Fire trucks are scheduled for replacement in 2018 and in 2019.

The Financial Administrator explained that the Vadim software upgrade will continue and that the IT Manager will explore upgrading the public Wi-Fi for some City owned buildings.

c. Sewer Fund 5 Year Plan.

A real-time monitoring system is being installed at the waste water treatment plant. It will monitor levels of dissolved oxygen so adjustments can be made effectively. Other monitoring expansions have also been proposed over the next 5 years to further enhance the operations.

A Clean Water and Wastewater Fund grant application is in place combining several projects at the treatment plant, as well as replacing sections of under-sized collection mains at 2 locations on the South Side.

A lot of training and resources went into confined space entry in 2016. This will continue in 2017 due to Worksafe BC requirements.

d. Water Fund 5 Year Plan

A Water Supervisory Control and Data Acquisition system (SCADA) has led to some cost savings to pumping costs in 2016. Further enhancements will hopefully lead to more savings in 2017.

The grant application has been submitted to complete the lower grid reservoir design. The design will enable the project to be shelf ready if funding comes available to develop the project.

It was recommended that the Terrace Public Library receive an increase of

\$50,000 in funding, and the Terrace & District Museum Society receive a 2% increase to their operating budget; and the Provisional Budget for 2017-2021 be approved;

The December 15, 2016 Finance, Personnel & Administration Component of the Committee of the Whole meeting adjourned at 8:45 p.m.

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Chair

Clerk