

**REPORT OF THE COMMITTEE OF THE WHOLE
MEETING HELD IN THE MUNICIPAL COUNCIL
CHAMBERS ON WEDNESDAY, DECEMBER 13, 2017
AT 5:00 P.M.**

Chair C. Leclerc presided. Members present were S. Bujtas, L. Christiansen (entered at 5:05 p.m.), J. Cordeiro, B. Downie (entered at 5:05 p.m.), and M. Prevost. Member S. Tyers was absent. Also in attendance were H. Avison, Chief Administrative Officer, L. Greenlaw, Director of Finance, 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 RCMP Terrace Detachment (entered at 5:15 p.m.), B. Doddridge, Communications & Business Development Officer, A. Thompson, Clerk, and A. Poole, Executive Assistant.

Also present at the meeting representing the Regional District of Kitimat-Stikine (RDKS) were Verna Wickie, Treasurer/Deputy Administrator, Ted Ramsey, Area E Director, and Jessica McCallum-Miller, Area C Director.

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

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

1. 2018-2022 PROVISIONAL BUDGET

Chair Leclerc called the meeting to order and explained the purpose of the meeting was to review the provisional budget for 2018-2022. The Chair turned the meeting over to the Chief Administrative Officer (CAO) who explained that staff had prepared this provisional budget.

The Director of Finance addressed the Committee. Two of the Community Partner organizations, Heritage Park Museum and the Terrace Public Library, requested increases to their budgets for 2018.

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 a 2% increase in their operational funding for 2018, as well as the continuation of \$10,000 in archiving funds and \$20,000 for capital purchases. The RDKS advised that in prior years they had reached their maximum contribution level for Heritage Park Museum. Expenses accrued over \$95,000 are funded 100% by the City of Terrace. Director Ramsey noted that if the RDKS makes any more contribution they would have to go to referendum.

It was recommended that Heritage Park Museum receive \$85,479 in Operational Funding for 2018, \$10,000 in archiving funds, and \$20,000 for Capital projects in 2018.

Members Bujtas and Prevost returned to the meeting.

The Terrace Public Library requested a 1.4% increase to their operational funding. Their increase was mainly due to wage increases.

It was recommended that the Terrace Public Library receive \$689,460 in Operational Funding and \$15,000 for Capital Projects for 2018.

It was recommended that the Kermodei Tourism Society receive \$130,000 in Operational funding which includes \$45,000 for the Visitor Information Centre.

A. Provisional Budget Comparisons

The Director of Finance addressed the Committee. An estimate on non-market change was being used in the 2018 Provisional Budget but there could be a change in the numbers. The 2018 Provisional Budget included all approved wage increases.

Each department manager explained any significant changes to their operating budgets for 2018.

The Director of Finance addressed the Committee. Return on Investments was decreased by \$75,000. This was increased in 2017 due to significant prior earnings. The City is projecting the release of some of these deposits in 2018.

The Small Communities and Protection Grant was increased by \$13,000 as advised by the Provincial Government.

RDKS cost sharing was estimated based on the re-opening of the Terrace and District Aquatic Centre (TDAC) in 2018.

The one-time R.E.M. Lee Theatre funding was removed from the 2018 budget.

The Director of Public Works addressed the Committee. The Public Works administration salaries budget was increased by just under \$90,000 in order to retain a project management consultant for the Taisheng development at the Skeena Industrial Development Park (SIDP) lands.

The RCMP building maintenance budget was increased by approximately \$15,000 in order to add additional hard drives to the data storage.

The Visitor Information Centre maintenance budget was reduced by \$10,000 reverting to its regular yearly amount.

The Library Building maintenance budget was increased by approximately \$11,000.

This will be used to repair exterior rot of the building and install a water bottle filter fountain.

The Roads and Drainage summer maintenance budget had a significant increase for 2018 partly due to the Lakelse Avenue lane reconfiguration.

The Drainage Maintenance budget was increased by \$12,000 which was primarily a reflection of recent actual costs. This also reflected the impacts of the major rain event this fall.

The CAO addressed the Committee. She spoke to the Economic Development operational budget for 2018.

The Economic Development salaries budget was increased by \$112,000. This increase was due to the Economic Development Manager working full time in 2018 as well as the Communications & Business Development Officer position being transferred from the Administration budget to the Economic Development budget. There was also an increase of \$10,000 to the special projects budget related to the new position. A discussion took place regarding where the \$25,000 special projects funds would be allocated.

The Corporate Administrator addressed the Committee. There was an increase in the Council travel and training budget of \$9,000. The number of Councillors attending the Federation of Canadian Municipalities (FCM) for 2018 was reduced, and North Central Local Government Association (NCLGA) is projected to be more expensive in 2018 as it is not being held in Terrace.

The Director of Leisure Services addressed the Committee.

In Cemetery Operations the Cemetery Plot revenue was increased by \$10,000 to accommodate the increase in plot sales and services. On the expenditures side of cemetery operations the Director of Leisure Services is requesting a summer student to do maintenance at the cemeteries.

Pool operations will be difficult to plan in 2018 due to an unconfirmed opening date, new facility, and increased patron usage. The 2018 provisional budget was estimated with eight months of operation and a 15% increase in supplies and utilities.

The Parks operations department is hoping to receive a grant in order to hire an assistant to the gardener. Over the past few years, the gardener's duties have broadened substantially creating a fall back in maintenance.

In 2017 the transfer station tipping fees were unknown. An unnecessary increase of \$20,000 was added to the Solid Waste budget. In the 2018 provisional budget the tipping fees were dispersed amongst the Arena Utilities and Parks Utilities budgets and have been budgeted for \$6,000.

The pool operators' wages budget was based on the anticipated TDAC re-opening date of April 2018. An anticipated 15% increase in operating cost has been added to the budget.

The Director of Development Services addressed the Committee.

The Building Permits budget was decreased by \$50,000 as there were not as many building permits anticipated as last year. The Crematorium Operations budget was increased by \$20,000 as this service continued to be very well used.

Inspector Lecky addressed the Committee.

The RCMP member salaries are set externally. The RCMP is anticipating entering into collective bargaining this year.

The Fire Chief addressed the Committee.

The Clothing budget was increased by \$18,000. The Fire Department hopes to increase their volunteer members from 24 to 30. Each set of turnout gear costs \$3,000 and they have anticipated that 6 new sets will be required.

Verna Wickie, Director McCallum-Miller, and Director Ramsey left the meeting at 5:40 p.m.

B. General Fund 5 year Plan 2018-2022

The estimated 2017 surplus figure was \$1,835,085. The City aims to maintain a budget surplus of approximately \$800,000 so approximately \$782,000 was built into the budget. Additional surplus for 2017 is expected from the RCMP contract surplus, increased revenue from garbage collection, building permits, underspent expenses from the pool budgets due to the closure of the pool, underspending in capital projects, and capital project funds that were not spent and being carried forward.

The Insurance Corporation of BC (ICBC) contributed funds for the road improvements made on Munroe Avenue, and grant money from the Ministry of Transportation and Infrastructure was used for transit shelters.

The RCMP Inspector encouraged a budget of more than twenty-four members for the detachment. Twenty-five members is the current maximum and in order to go above twenty-five the contract with the RCMP would need to be changed.

The 2018 property tax is based on the 2017 property tax revenue plus an additional \$502,157. This amount is made up of a 3% tax increase (\$402,156) and an estimated non-market change of \$100,000.

The non-market change came in from BC Assessment at \$134,000 mainly due to the hotels furthering their completion in 2017.

For future years (2019-2022) an additional \$300,000 was built into the property taxes which could come from non-market change or a mix of non-market change and a tax increase.

The \$110,000 revenue in the Business Improvement Area Society is collected and given back to the Society.

The other grants revenue totalling \$1,385,181 consists of annual grant funding from Northern Development Initiative Trust (NDIT) as well as the Federal Gas Tax. It also contains close to \$800,000 in grant funding for projects that were not completed in 2017.

There is a total of \$3,837,434 revenue from borrowing. This amount was budgeted for the TDAC renewal project. The City will only borrow the amount that is required.

Cost sharing was increased from 2017 due to the increase in Leisure Services pool codes for the re-opening opening of the TDAC.

Transfers from reserves consist of landfill liability for landfill closure costs and money that will be borrowed from the capital works fund for a new fire truck in 2018.

The reserve transfers contain repayment to the capital works fund for completion of the arena roof as well as repayment for the Loen Avenue reconstruction in 2016.

There were three approved 2017 projects being carried forward into 2018, bringing

the capital expenditures to just over \$8,000,000.

The Director of Public works presented the Public Works Capital Budget. There were a number of items in the 2018 Capital budget that were addressed.

The RCMP is in their second stage of a new heating ventilation and air conditioning install.

Greig Avenue, from Emerson Street to Kalum Street, will be the first road reconstruction for 2018. A full reconstruction to bring this road up to downtown standards will be performed. The Pheasant Street reconstruction was advanced due to increased surplus for 2018. Intersection improvements will be made at the north end of the street as well as the addition of a storm drain pipe.

The storm relocation on McConnell Crescent will be brought over to 2018. Work has been completed for 2017 and will resume in 2018.

The roof of the Public Works building has been pushed up to 2018 as it is leaking and needs to be replaced. Repairs to the library roof are also scheduled for 2018.

The community events sign will be relocated and updated.

In 2019 the Drainage Master Plan will be undertaken. This was originally planned for 2018 but was pushed to 2019 due to under-capacity in the engineering department.

Other items in the 2019 Public Works capital budget were the purchase of a plow and sander for a 1-ton truck, a new trailer large enough to carry various equipment/materials, ongoing closure works of the landfill closure site, reinsulating and removing the cedar shaking from the Public Works building, replacing the RCMP board room furniture, upgrading the generator at City Hall, reconstruction of the 4700 block of Soucie Avenue, and a few additional pulverizing and paving jobs.

The 2020 Public Works capital budget includes the reconstruction of Weber Avenue, reconstruction of Munroe Street from Straume Avenue to McConnell Avenue, upgrading the change rooms in the RCMP detachment, and completing the final piece of the exterior wall at City Hall.

The 2021 Public Works capital budget includes reconstruction of the 5200 block of Mountain Vista, reconstruction of Graham Avenue from Eby Street to Kenney Street, a lane reconfiguration on Kalum Street from Park Avenue to Greig Avenue, and the commencement of the Lanfear Hill study.

The Communications & Business Development Officer left the meeting at 6:30 p.m.

The Information Systems Manager addressed the Committee.

In 2018 City Hall will be fibre linked to the TDAC and Sportsplex. The current system is showing more and more inadequacies. There is potential for the Library to benefit from this link in the future. This project has been moved up to 2018 as installers from down south will be doing other work in the area.

The third and final phase of the upgrade for the Finance Department accounting software will be completed. The current Laserfiche document management system will be upgraded. The upgrade to the electronic document management system will have the capability to assist with the Development Services field reporting in the future.

In 2019 all of the City's server operating systems will be upgraded in order to replace the current version that will no longer be supported. In 2020 the final workstations will be upgraded to the Windows 10 operating system which will cost approximately \$4,000.

The Corporate Administrator addressed the Committee. \$21,000 has been put into the 2018 general fund 5 year plan for the upcoming election in October.

The Director of Leisure Services addressed the Committee.

Key Leisure Services supervisors will be tied up with the pool re-opening and the new regulation requirements in the refrigeration plant. The amount of projects for 2018 has been limited in order to catch up on roll over projects from 2017.

Items for 2018 include upgrades to the upper Sportsplex washrooms that could be funded by grant money from NDIT if received, upgrading some of the various in-fields in partnership with the Minor Ball Association, various items for the TDAC, painting the basketball court and fixing the clubhouse at upper George Little Park, applying for funding for the Canada Day and Family Day annual celebrations, and finishing the parking lot repairs at the TDAC.

The Leisure Services Department relies heavily on grants. Typically when a grant is received the concurrent project commences making the capital projects difficult to forecast.

Projects for the remainder of the 5 year plan include creating cemetery scattering gardens, continuing with the soccer field repairs, replacing a bridge on the Howe Creek trail with the Municipal Insurance grant, and creation of the design for the Riverside parklands.

The Director of Development Services addressed the Committee regarding the operational budget. Several projects from 2017 will be carried forward to 2018. Two of these, the Downtown Plan Update and the Kalum Pedestrian Rail Overpass study, received grant funding approval late in 2017.

Funding was received for the pedestrian overpass concept study. This study will commence in early 2018.

A grant was received from the Ministry of Transportation and Infrastructure (MOTI) to install several new transit shelters, including Mills Memorial Hospital and outside of Safeway.

The building inspectors will be moving away from paper field reporting to technological field reporting.

The Greater Terrace/Thornhill Governance Study will occur in 2018. The City contributes \$10,000 to this.

In the 5 year plan in 2019 there will be a number sidewalk improvements made in the downtown core of the City by converting grass boulevard strips. An orthophoto update should be completed every five years so this will be done in 2019. The City will contribute \$5,000 for the Greater Terrace/Thornhill Governance Study in 2019, in addition to the 2018 funding.

In 2020 the downtown boulevard on Lazelle Avenue will be enhanced.

The Environmentally Sensitive Areas Study has not been updated since 1998. This will be updated in 2020.

The Fire Chief addressed the Committee.

In 2018 the Fire Department will be replacing their handheld and firetruck radios. These radios are 10 - 15 years old and replacement parts are difficult to find. The new radios will be a combination of analog and digital. They will also be replacing all three of their thermal imaging cameras over the next 3 years. These cameras are also 10 - 15 years old and replacement parts are difficult to find.

The Fire Department will be purchasing a new firetruck. \$360,000 will come from the Internal Vehicle Committee (IVC) fund and \$300,000 will be borrowed from reserves.

In 2020 the Fire Department will be replacing their rescue truck.

C. Sewer Fund 5 Year Plan

The only significant change to the sewer operating budgets was the \$19,000 reduction to the Sewer Treatment Plant Operations and Mechanical Maintenance.

The RCMP Officer-in-Charge left the meeting at 7:40 p.m.

The Sewer Fund capital budget for 2018 focused mainly on the Supervisory Control and Data Acquisition (SCADA) work on the wastewater treatment facility.

A large grant was received in 2016 for wastewater system improvements which allowed the City to fully reconstruct Kalum Street and advance all of the major recommendations from the condition and capacity assessment for 2018 and 2019. This grant was extended allowing the City to delay works and finish up in a more suitable construction season. The work will be completed by October 2018.

The sewer will be replaced at Greig Avenue, from Kalum Street to Emerson Street. This sewer has no capacity issues but is old and subject to plugging.

The surplus from 2017 has been rolled over creating a surplus of \$750,000 in 2018.

D. Water Fund 5 Year Plan

There were no significant changes to the water provisional budget.

Capital projects in the 2018 water fund included the water SCADA, the design for the lower bench reservoir which currently has a Request for Proposals out, the aquifer protection plan, the leak detection program, Emerson Street asphalt and cement replacement, and Pheasant Street asphalt and cement replacement.

There were a number of vehicles that will be replaced through the IVC fund. This reserve is self-funded. It is used to replace rolling equipment. The funds come from internal rental of the units to various departments.

The following vehicles will need replacement:

- Large loader for approximately \$240,000;
- Ice resurfacer for approximately \$150,000;
- Firetruck for approximately \$660,000;
- One-ton truck;
- Ride on lawnmower;
- Large backhoe; and
- Van currently in use by the Director of Leisure Services.

It was recommended that the 2018-2022 Provisional Budget be approved and Administration proceed with the Capital plan.

The December 13, 2017 Finance, Personnel & Administration Component of the Committee of the Whole meeting adjourned at 8:00 p.m.

CERTIFIED CORRECT

Chair

Clerk