



AGENDA

Committee of the Whole - Finance, Personnel and Administration Meeting

12:00 PM - Tuesday, June 23, 2026

Municipal Council Chambers

Please participate in the meeting by observing or listening in one of the following ways:

1. Attend in person at City Hall (Council Chambers) – 3215 Eby Street
2. [Watch through our website](#)
3. [Watch through Facebook](#)
4. Join Teams by Desktop Computer or Mobile Device
 - [Click here to join on Teams](#)
5. Join Teams by Regular Phone Call:
 - 1-236-599-4533 (long-distance charges may apply)
 - Conference ID: 528 315 180#

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City of Terrace
COMMITTEE OF THE WHOLE REPORT
Committee of the Whole - Finance, Personnel and
Administration

MEETING: Committee of the Whole - Finance, Personnel and Administration - 23 Jun 2026
TO: Maggie Arruda, City Manager for Mayor & Council
FROM: Lori Greenlaw, Interim City Manager

SUBJECT: **Draft 2027 Budget Schedule**

ATTACHED: [2027 Draft Budget Schedule June 23 2026](#)

RECOMMENDATION(S):

That Council approve the 2027 Draft Budget Schedule dated June 23, 2026, as attached.

PURPOSE:

Pre-approval of the Draft Budget Schedule allows for planning and scheduling of staff's time to review and update the budget, for scheduling meetings with Council to discuss the budget, and to allow for public consultation.

BACKGROUND INFORMATION:

The proposed 2027 Budget Schedule anticipates that detailed budget discussions with Council will begin in December 2026. The attached schedule provides a summary of key meetings, dates, and their intended outcomes. Senior staff will attend these sessions to present information and respond to Council inquiries as needed.

In recognition of the municipal election scheduled for October 2026, budget meetings will not commence until December for the 2027 budget cycle, rather than taking place in October and November as in previous years.

The budget schedule is intended to remain flexible and may be adjusted as required. Additional meetings may be scheduled to ensure Council is satisfied with the proposed budget. In accordance with legislative requirements, the City must adopt the Financial Plan Bylaw by May 2027.

DISCUSSION AND ANALYSIS:

Listed below is the proposed Council Meeting schedule for consideration and discussion. These meetings will be Committee of the Whole meetings except where otherwise noted.

November 10, 2026 or November 12, 2026	Community partner presentations
December 3, 2026	General, sewer, and water capital budgets
December 17, 2026	General, sewer, and water operating budgets
January 14, 2027	Optional meeting for budget discussion, if required
February 18, 2027	Final 2027 budget discussions
March 8, 2027	First three readings of the 2027-2031 Financial Plan Bylaw (Regular Council Meeting)
March 22, 2027	Final adoption of the 2027-2031 Financial Plan Bylaw (Regular Council Meeting)

Following Council’s budget deliberations, a Community Budget Consultation document will be prepared and made available to inform stakeholders of the proposed budget and to gather feedback, with public engagement occurring throughout the budget process. Feedback received will be presented to Council in early 2027 for final consideration of the 2027 budget, prior to preparation of the Financial Plan Bylaw.

FINANCIAL IMPLICATIONS:

There are no financial implications associated with this report.

COUNCIL STRATEGIC FOCUS AREA(S):

- Livable Community
- Community Wellness
- Organizational Strength and Cultural Awareness
- Responsible Asset Management
- Grow Revenues and Economic Development
- Not Applicable

COMMUNICATIONS:

Once approved, the 2027 Budget Schedule will be made available to the public.

SUMMARY AND CONCLUSION:

Pre-approval of the 2027 Budget Schedule allows for planning and scheduling of staff’s time to review and update the budget and for scheduling meetings with Council discussion. The schedule allows for public consultation and for the public to be aware, in advance, of the upcoming budget meeting dates.

RELEVANT GUIDING DOCUMENTS:

Prepared by:
Lori Greenlaw

Approved by
Cristina Fleischbein, Legislative Clerk
Tatiana Block, Executive Assistant
Maggie Arruda, City Manager

Status:
Approved - 18 Jun 2026
Approved - 18 Jun 2026
Approved - 18 Jun 2026

2027 Draft Budget Schedule (June 23, 2026)

DATES	EVENT	EXPECTED OUTCOMES	COMMENTS
Committee of the Whole Council Meeting Tuesday June 23, 2026 12:00 PM	Introduction of the 2027 budget including budget timeline, known budget impacts, and other issues.	Introduction to Council on budget process (incl consultation process), where we are at, approval of timelines.	An opportunity for Council to set the tone and direction for the budget.
Committee of the Whole Council Meeting 12:00 PM Wed Nov 10 & Thurs Nov 12	Community Partner Presentations	Community Partners to discuss their year to date and upcoming 2027 budget requests.	Community Partner budgets due by October 1, 2026.
Committee of the Whole Council Meeting Thursday Dec 3, 2026 5:00 PM	Council discussion of general, sewer, and water capital budgets (2nd meeting)	Introduction of the capital budget plans and unfunded capital list.	Departments will be on hand to answer questions.
Committee of the Whole Council Meeting Thursday Dec 17, 2026 5:00 PM	Council discussion of general, sewer and water operating budgets. (3rd meeting)	Introduction of the general, sewer and water operating budgets.	Departments will be on hand to answer questions. A preliminary property tax impact will be presented.
<i>Optional meeting if required:</i> Committee of the Whole Council Meeting Thursday Jan 14, 2027 12:00 PM or 5:00 PM	<i>Optional meeting if required:</i> Council discussion of updated operating and capital budgets. May be required if budget changes since the previous meeting need to be reviewed before the community budget consultation. (3rd meeting)	Update provided on operating and capital budgets.	Departments will be on hand to answer questions.
TBD	Community Budget Consultation	Public consultation on the draft budget	Present budget document for feedback.
Committee of the Whole Council Meeting Thursday Feb 18, 2027 12:00 PM	Council discussion on Financial Plan (Final budget meeting)	Discussion of input from public consultation. Refine the budget to meet Council's goals.	
Regular Council Meeting March 8, 2027	First three readings of the 2027-2031 Financial Plan Bylaw.	First three reading given to the financial plan bylaw.	
Regular Council Meeting March 22, 2027	Final adoption of the 2027-2031 Financial Plan Bylaw	Final adoption of the financial plan bylaw.	



City of Terrace
COMMITTEE OF THE WHOLE REPORT
Committee of the Whole - Finance, Personnel and Administration

MEETING: Committee of the Whole - Finance, Personnel and Administration - 23 Jun 2026
TO: Maggie Arruda, City Manager for Mayor & Council
FROM: Lori Greenlaw, Director of Finance

SUBJECT: **Preliminary 2027 Budget Status**

ATTACHED: [2027 Draft General Operating Budget - Summary of Changes](#)
[2027 Budget Considerations](#)

RECOMMENDATION(S):

That the Preliminary 2027 Budget Status report dated June 23, 2026 be received for information.

PURPOSE:

To provide Council with a preliminary update on the 2027 budget, including known and anticipated impacts, and to allow Council the opportunity to provide direction and input on taxation, and set priorities for staff prior to work commencing on the budget.

BACKGROUND INFORMATION:

Staff are set to begin reviewing their 2027 budgets and are seeking Council’s direction, including any clarification on priorities, to prepare for budget discussions commencing in December 2026.

DISCUSSION AND ANALYSIS:

General Operating Budget

The 2027 budget cycle is set to commence, and staff are aware of a number of issues that will impact the 2027 budget. The attached 2027 Draft General Operating Budget: Summary of Changes outlines these impacts including items required to maintain existing service levels.

Actuals and estimates reflected in the attached budget summary include:

- CUPE collective agreement wage increases, which have been estimated as the agreement expires as of December 31, 2026, with new rates yet to be determined;
- IAFF (firefighters) wage increases, currently estimated and based on the Vancouver Firefighters Agreement which expires as of December 31, 2026, with new rates yet to be determined;

- 3% inflationary estimate across all departments (excluding wages);
- Establishing an operating budget for the Skeena Industrial Development Park based on 2026 taxation levels to support anticipated development related costs; and
- 1% increase for asset management.

These impacts have been offset by estimated new non-market change (new construction) revenue for 2027, as well as higher than budgeted non-market change realized in 2026. The 2026 variance was driven by increased construction activity and/or changes in use across both residential and commercial property classes, contributing to higher assessment growth. Additionally, approximately \$65,000 of the increased 2026 non-market change is attributable to the effect of the funding cap established for permissive tax exemptions.

Considering these factors, the new net increase required is \$1,065,495, representing an estimated 4.64% increase in the general property tax levy. However, this does not yet consider many of the 2027 budget impacts that require more detailed analysis and are referenced further in this report.

2027 Budget Considerations

Staff have identified a number of potential budget pressures to be assessed as part of the 2027 budget process. The attached 2027 Budget Considerations outlines key items that may impact the 2027 budget, including collective bargaining agreements, computer hardware lifecycle costs, and future requirements related to the Skeena Industrial Development Park.

Increased Taxation Impact

For the 2027 budget, a 1% increase in property taxes will generate approximately \$229,551 in revenue. Based on the average home value in Terrace for 2025 of \$492,883, a 1% increase in property taxes will increase the 2027 tax notice by approximately \$24.50.

Table 1. Impact of a 1% tax increase on Residential properties

2025 Assessed Value	General Municipal and Transit Tax Rate	Annual Municipal Taxes	Tax Increase	Total Municipal Taxation	Impact of Tax Increase
492,883	4.971	\$ 2,450.12	1.00%	\$ 2,474.62	\$ 24.50
500,000	4.971	\$ 2,485.50	1.00%	\$ 2,510.36	\$ 24.86
600,000	4.971	\$ 2,982.60	1.00%	\$ 3,012.43	\$ 29.83

Does NOT include taxes levied on behalf of other taxing authorities

Table 2. Impact of a 1% tax increase on sample Business properties

Size	2026 Assessed Value	General Municipal and Transit Tax Rate	Annual Municipal Taxes	Tax Increase	Total Municipal Taxation	Impact of Tax Increase	Example
High	15,500,000	24.122	\$ 373,891.00	1.00%	\$ 377,629.91	\$ 3,738.91	Big Box Retail
Mid	8,700,000	24.122	\$ 209,861.40	1.00%	\$ 211,960.01	\$ 2,098.61	Stand-Alone Franchise
Mid	1,575,000	24.122	\$ 37,992.15	1.00%	\$ 38,372.07	\$ 379.92	Stand-Alone Franchise
Low	430,000	24.122	\$ 10,372.46	1.00%	\$ 10,476.18	\$ 103.72	Space in Strip Mall

Does NOT include taxes levied on behalf of other taxing authorities

Capital

Staff will undertake a review and update of the capital plan over the summer, beginning with the previously approved Five-Year Capital Plan. This review will include updating projected costs, evaluating the timing and readiness of existing projects to ensure they are positioned to move forward as scheduled, identifying new project requirements, and assessing staff capacity to support project scheduling and delivery.

Sewer and Water Utilities

Based on the 2026-2030 Financial Plan, the Sewer fund is scheduled for a 4.5% increase in fees in 2027 and the Water fund is scheduled for a 3.5% increase in fees in 2027 to fund inflationary items in the operating budgets and ongoing increases for asset management purposes. A 4.5% increase to sewer fees will increase the average residential taxpayer’s sewer costs by \$8.84 per year, for total annual sewer costs of \$205.24. A 3.5% increase to water fees will increase the average residential taxpayer’s water costs by \$9.63 per year, for total annual water costs of \$284.83.

FINANCIAL IMPLICATIONS:

There are no financial implications directly associated with this report. Future financial implications will depend largely on Council's direction and are discussed throughout.

COUNCIL STRATEGIC FOCUS AREA(S):

- Livable Community
- Community Wellness
- Organizational Strength and Cultural Awareness
- Responsible Asset Management
- Grow Revenues and Economic Development
- Not Applicable

COMMUNICATIONS:

Council's priorities and direction will be reviewed with staff prior to work commencing on the 2027 budget. All budget meeting dates and related information will be communicated to the public.

SUMMARY AND CONCLUSION:

Staff are set to begin reviewing their 2027 budgets and are seeking Council's direction, including any clarification on priorities, to prepare for budget discussions commencing in December 2026.

RELEVANT GUIDING DOCUMENTS:

Prepared by:

Lori Greenlaw

Approved by

Cristina Fleischbein, Legislative Clerk

Tatiana Block, Executive Assistant

Maggie Arruda, City Manager

Status:

Approved - 22 Jun 2026

Approved - 22 Jun 2026

Approved - 22 Jun 2026

2027 Draft General Operating Budget: Summary of Changes

	Budget Dollars	Potential Tax Impact	
Revenue Increases (-) or Decreases (+)			
Non-market change (new construction) estimate	(100,000)	-0.44%	<i>Estimated for 2027 tax roll</i>
Non-market change (2026)	(149,000)	-0.65%	<i>2026 NMC actuals higher than budgeted less 2026 appeals to date</i>
Total Revenue Increases over Prior Year	(249,000)	-1.08%	
Expenditures			
Transfer to Asset Management Reserve	229,551	1.00%	
CUPE wages	259,480	1.13%	<i>Estimate pending settlement of Collective Agreement</i>
IAFF (Firefighters) wages	95,214	0.41%	<i>Estimate pending settlement of Vanc. Agreement</i>
Exempt wages	115,250	0.50%	<i>Estimate for consideration</i>
Inflationary increases all departments (excl wages)	510,000	2.22%	<i>Estimate</i>
Skeena Industrial Development Park	105,000	0.46%	<i>Reallocate Prop Tax collected at SIDP to establish operating budgets</i>
Total Expenditures	1,314,495	5.73%	
Total	1,065,495	4.64%	

2027 Budget Considerations

- CUPE collective agreement wage increases, currently estimated as the agreement (expires as of December 31, 2026), with new rates and other bargaining items yet to be determined.
- IAFF (firefighters) wage increases, currently estimated and based on the Vancouver Firefighters Agreement (expires as of December 31, 2026), with new rates not yet finalized.
- PST-related cost impacts, including an estimated 7% increase in external audit fees and a 7% increase on approximately 30% of engineering costs.
- Implications of the Council Remuneration Task Force outcome.
- Replacement of the Fire Department's legacy FDM records management software (unsupported since 2010), with a modern system estimated at approximately \$19,000 annually.
- Lifecycle costs for desktop and laptop devices have increased by 77% in 2026, significantly impacting our ability to replace aging equipment. This increase is partially driven by supply and demand pressures on chipsets across the IT sector, including growth related to AI.
- Costs associated with potential development at the Skeena Industrial Development Park, including future water system installation, may include:
 - Assessment of long-term operating, maintenance, and lifecycle costs associated with a potential water system, including treatment, distribution, and staffing
 - Engineering and planning resource requirements
 - Emergency management infrastructure and staffing consideration
 - Fleet and equipment needs