

**MINUTES OF THE SPECIAL COUNCIL MEETING
2008-2012 FIVE YEAR FINANCIAL PLAN HELD
TUESDAY, JANUARY 29 AND WEDNESDAY, JANUARY 30, 2008 AT 6:30 PM**

Tuesday, January 29, 2008 at 6:30 pm in the Council Chambers

PRESENT: Mayor McRae, Councillors Chopra, Mealey, McLeman, Patterson, Solda and Whiteman.

There were approximately 6 members of the public in attendance.

A. APPROVAL OF AGENDA

1. Call to Order and Adoption of Agenda

*Mealey/Patterson
That the agenda be adopted as circulated.*

Carried

B. PRESENTATIONS

Introduction of the Plan and Presentations - City Manager

Ken Watson, City Manager, provided an introduction to the Five Year Financial Plan 2008 - 2012. A working paper was circulated to Council and members of the public itemizing the revenue and expenditures for all City departments.

Staff will provide Council with a hard copy of all budget presentations. These will also be available on the City's website.

1. Administration/Finance – City Manager, City Clerk and Director of Finance

The City Manager and City Clerk's Department budgets continue with the direction of last year's five year financial plan, staying the course in service levels and seeking opportunities for operational efficiencies and increased cost recovery. The budget for 2008 includes election expenses for the Municipal Election on November 15, at the same level of service as previous years – one polling station at Glenwood Centre. Business Licence fees are proposed to increase by 20% over the five year plan.

The Finance Department has reduced staffing levels but has assumed new reporting obligations with a direct cost to the City. The responsibility to implement the Tangible Capital Assets Program results in an increased work level over 2008. An information sheet was circulated regarding the City's reserves.

2. Information Technology - Manager of Information Services

Rich Wilkins provided an outline of Budget highlights. The Information Technology Department will be switching email services to Outlook in 2008. It provides comparable security, is easier to manage and is preferred by users. The Information Technology Department is faced with a number of challenges including future financial software needs. Improvements to web page access will be implemented in February.

3. Human Resources - Manager of Human Resources

Theresa Kingston provided an outline of activities and proposals for the year 2008. Human Resources has been responding to the City's duties and obligations to WorkSafe BC regulations. The objective is to reduce the City's workforce injuries. It is the right thing to do and will reduce costs. At the request of Council, a complete outline of conference and education costs will be circulated at a subsequent budget meeting.

4. Planning - City Planner

The City Planner highlighted projected revenues and expenditures of the department as well as work plans for the year 2008. The department will undertake a review of the Zoning Bylaw. This is an extensive project planned to be completed in house. There are no consultant's expenses anticipated at this time.

Staff indicated that the Development Cost Charges directed by Council are in the works. The City Engineer and Koers Engineering are completing the necessary background report and justification for the charges. A bylaw and ministerial approval are necessary to implement the charges.

5. Economic Development - Economic Development Manager

Pat Deakin described the Economic Development functions and the proposed budget. An increase in costs is proposed to account for direct expenses of the service. There is no change to the wage rate. A report will be presented to Council regarding the major industry tax rate for consideration in the budget process for 2008 at the January 30 meeting. Later in the year a proposal will be presented to utilize a percentage of land sale revenue for economic development projects.

There was discussion regarding the Uptown and the ability to establish second floor residences above businesses. There are proposals that have come forward to the Economic Development Manager.

6. Museum & McLean Mill - Museum Director

Jean McIntosh explained that the budget as presented reflects Council's direction for reduced expenditures from the budget process in 2007. The proposed service levels were described for Council.

The Mayor asked if the location of the Alberni Valley Museum was the best location to which the Museum Director responded yes.

Neil Malbon presented the McLean Mill budget and the operations for 2007 and projections for 2008. There was discussion regarding the steam engine from Woss Camp. Kevin Hunter agreed to investigate this.

C. CORRESPONDENCE FOR ACTION

1. Petition for Repaving and Upgrading of Boulevard on the 4000 Block of Craig Road

In response to a petition received January 15, 2008 from residents of the 4000 Block of Craig Road to have the boulevard repaved and upgraded, Council requested that the City Engineer meet with the residents of this area and explain the proposed works.

2. Winston Joseph

Council received an E-mail dated January 21, 2008 requesting to have the second treadmill back in the fitness room at Echo Centre.

D. PUBLIC INPUT

Robert Gunn, resident, asked about the City's gaming revenues. Ann Hopkins, Director of Finance, indicated that the financial plan includes conservative estimates for these values based on projections provided by the BC Lottery Corp. To date, the City's estimates have been accurate. These monies are to be set aside for specific purposes.

In response to another question of Mr. Gunn, the Director of Finance explained that the figures for the Alberni Clayoquot Regional District are estimates as they have not yet adopted their budget.

E. RECESS

Mealey/Patterson

That the meeting recess at 9:10 pm and reconvene January 30 at 6:30 pm in the Council Chambers.

Carried

Wednesday, January 30, 2008 at 6:30 pm in the Council Chambers

PRESENT: Mayor McRae, Councillors Chopra, Mealey, McLeman, Patterson and Whiteman.

ABSENT: Councillor Solda.

There were approximately 10 members of the public in attendance.

A. Call to Order and Continuation of Agenda

*Mealey/Patterson
That the meeting reconvene at 6:30 pm.*

Carried

B. PRESENTATIONS

1. Industrial Tax Relief – Report from Economic Development Manager – Pat Deakin

Pat Deakin outlined his report of January 30, 2008 proposing that Council budget for a further reduction in taxation to major industry of \$125,000 in each year of the Financial Plan. This would result in a reduction of \$2.125 million annually over the life of the Five Year Financial Plan when added to Council's commitment for \$400,000 per year as determined in the 2007 – 2011 plan.

Council discussed the implications of the proposed reduction and the need to address the high industrial tax rate in the community. There was discussion regarding Catalyst's plans to restart paper machine #4 and the local unions' commitments to the Company. On the one hand, Council agreed that reduced taxation would encourage investment, on the other hand, they realized they could not guarantee that Catalyst will invest in the Mill

PUBLIC INPUT

Mike MacKay, resident, stated Council does not have the ability to tie their decisions to jobs in a global economy. It is time to create a competitive climate for industry, there has been no new investment in industry in the last 15 years.

Wendy Kerr of the local Hospital Employees Union stated that the community has received empty promises from industry in the past and our resources have made industry money. She said enough is enough.

Whitman/Patterson

That Council for the City of Port Alberni endorse the recommendations of the Economic Development Manager in his January 30, 2008 report and reduce industrial taxation by a further \$125,000 to \$425,000 in each year of the Five Year Financial Plan for an overall reduction of \$2.125 million to be realized by 2012.

Carried

Patterson/Mealey

That Council for the City of Port Alberni direct the Economic Development Manager to develop a key stakeholders group to look at industry and competitiveness in the community.

Carried

2. Parks and Recreation - Director of Parks and Recreation

Scott Kenny outlined the Parks and Recreation budget including the changes to revenues, expenditures and services levels. He cited an extended closure to the pool this summer as one of several changes in order for the department to meet its targets.

Councillor McLeman suggested that changes to the refreshments offered at Bulldog Hockey games would improve revenues.

In response to a question from Council, Scott Kenny stated that the Alberni Clayoquot Regional District has been notified of the proposed changes to electoral area contributions to the Parks and Recreation budget.

There was discussion among Council regarding the Tebo Road site at North Island College. The City Clerk distributed the summary of lease payments.

3. Engineering and Public Works - City Engineer

Guy Cicon, City Engineer, presented the Public Works and Engineering Department budgets. He outlined the significant projects for 2008 including capital works and purchases. The present road works result in an average road replacement every 75 – 100 years which is not sustainable. Commercial garbage collection fees are paying for the service now that rates have been increased.

Council discussed Regional District tipping fees. To date the budget has assumed there would be a fee increase in January 2008. The Alberni Clayoquot Regional District now proposes a change starting in July. It was agreed by Council that fee increases should coincide with new recycling options being implemented.

In response to a question from Council, the City Engineer explained that reductions in the snow removal have not taken effect yet.

Whiteman/Patterson

That Council for the City of Port Alberni agree to amend the decision to realize a \$50,000 reduction of expenditures in the Museum Budget by the year 2011 and direct staff to amend the Five Year Financial Plan to reflect net museum costs as follows:

<i>Year 2008</i>	<i>\$450,001</i>
<i>Year 2009</i>	<i>\$454,082</i>
<i>Year 2010</i>	<i>\$447,772</i>
<i>Year 2011</i>	<i>\$429,776</i>
<i>Year 2012</i>	<i>\$439,571</i>

McLeman/Mealey

That the resolution re: the Museum budget be tabled.

Carried

It was agreed that the Fire Department and RCMP budgets would be presented at a Budget Meeting scheduled for 6:30 pm on February 7, 2008 in the Council Chambers.

E. ADJOURNMENT

Mealey/Patterson

That the meeting adjourn at 8:20 pm.

Carried

Mayor

Clerk