

**CITY COUNCIL ORGANIZATIONAL MEETING
DECEMBER 7, 2009**

City Council Annual Address (presented by Mayor McRae)

Acknowledgements

We are entering the second year of Council's three year term. Each year brings new challenges for Council and the upcoming term will be the most challenging yet. I would like to acknowledge the contributions of my fellow Councillors Hira Chopra, John Douglas, Jack McLeman, Ike Patterson, Cindy Solda and Kenn Whiteman.

I would also like to acknowledge the contributions of the many citizens who volunteer their valuable time to serve on the City's Boards, Commissions, and Committees. I thank them all for their continued commitment to our community.

In addition to the volunteers, I would like to recognize the following members of our dedicated staff who have retired in the past year:

- Bruce Kendall
- Garry Cormack
- Nelis Pater
- Richard Lang
- Donald Holmes
- Lawrence Zaplotinsky
- Norm Meunier
- Lawrie MacNaughton

Economic Growth

The City continues to invest in initiatives to diversify the economy and retain existing businesses.

Council has donated a 3.5 acre parcel of land for the construction of the Pacific Coast University for Workplace Health Sciences. The creation of the university was a goal of the National Institute for Disability Management and Research (NIDMAR) and was authorized in 2007 by the Legislative Assembly of the Province of British Columbia, with unanimous bi-partisan support. The City is also working with NIDMAR to leverage the funding it has in place, for additional dollars to transition the university from 'accredited' to 'degree-granting' status and to accelerate its capacity to teach full-time students.

In the last year, the City has assisted several organizations with their grant applications and business plans for projects with significant economic benefit. For example, the City was able to access two funding sources outside the community and then contract the Tseshaht First Nation to build the Runners Trail in partnership with the City and the Regional District.

The City also continues to provide Wood Tech 21 with some assistance for the implementation of its nine-point vision for an integrated forest industrial complex in Port Alberni. This year, a small amount of City staff time contributed for strategic planning and funding applications assisted in getting a \$20,000 grant. The organization is making considerable headway on its proposed 'Culture of Wood Institute' and is also focused on securing a non-toxic wood modification technology for hemlock.

Progress continues to be made implementing the recommendations contained in the '*Uptown and Waterfront Redevelopment Study*' and the '*Review of the Port Alberni Forest Industry*'. Five of the nine major recommendations in the Waterfront Study are in various stages of completion while eleven of the thirteen recommendations in the Forest Study within the City's control are in varying stages of completion.

Despite the economic downturn, Port Alberni continues to experience some economic growth, particularly in its commercial and residential sectors.

Several new residential subdivisions were finished in 2009 and housing is now being constructed on these. The largest of these are the Uplands subdivision on Burde Street with 55 lots and Redford Estates subdivision with 39 lots. In the Fall of 2009, B.C. Hydro began construction of a \$10 million new Operations Centre, the first development in our community to be built to LEEDS standards. The value of building permits has increased from \$18 million in 2008 to \$20.5 million in 2009.

The Pacific Rim Mall completed its building construction with the majority being leased. The existing Alberni Mall continues with its redevelopment.

The Best Western Barclay Hotel is just completing some exterior renovations to enhance its appearance and interior renovations that will add significant conference and business centre space.

In order to promote economic growth and diversity in our community Council has marketed for sale key City owned sites. Currently listed through Coast Realty is the old RCMP building and land on Cherry Creek Road between the Alberni Mall and BC Forests.

Council has also partnered with the Port Authority in a plan for development of the City's Plywoods lands into a marine industrial park. Background work including geotechnical testing, market study and funding applications are currently underway to make this project a reality.

Several Port Alberni corporations and organizations are doing business or exploring a business relationship in China, Japan and India. They include Western Forest Products, the Coulson Group, Chalwood, North Island College, School District 70 and Wood Tech 21.

A number of BC and Asian agencies have also noted the tour group from Port Alberni that visited China to see Travis Cross compete in the Beijing Olympics was the largest foreign contingent, and that the City has won a Federation of Canadian Municipalities award for its staff contributions to projects in China and Sri Lanka. As a result, several of these agencies have asked the City of Port Alberni to partner in one or more trade initiatives.

Accordingly, the City is in the very early stages of determining whether a more formal relationship with Asia could benefit local industry, academic institutions and tourism.

Also as a result of our visit to the Beijing Olympics, we have been contacted by a delegation from China looking at future sports exchanges between our countries. We have now extended a formal invitation for the delegation to visit at the end of February.

Financial Plan

We are still awaiting the decision of the judge in Catalyst's challenge of our Tax Rate Bylaw. Council committed in previous financial plans to reduce major industry property taxes by \$2 million by the year 2012. This was not soon enough or deep enough for Catalyst and their refusal to pay the full amount levied on their tax bill has left the City with a \$3.3 million shortfall in the current year. This puts tremendous pressure on Council to be able to respond to the overall needs of the community, determine appropriate levels of expenditure and taxation while delivering its services in a manner that is responsive to community needs.

The City is now faced with the significant challenge of developing a financial plan that will provide essential services while recognizing the ability for taxpayers in all categories to fund these services.

Staff is currently preparing the draft five year financial plan for 2010-2014. Presentation of the draft plan will be made at a public meeting in January. The Plan will be introduced and the public provided an opportunity for input. Additional public meetings will be held to review departmental plans. Council will carefully consider the input of all taxpayers prior to adopting the Five Year Financial Plan. Please take the opportunity to let Council know your views on the services provided by the City and the taxes and fees required to fund them.

Fire Service Initiatives

The Port Alberni Fire Department continues to provide a high level of fire protection services. Several initiatives are helping to ensure that the costs of fire protection services are controlled.

The recent provision of fire protection services outside of the City to the Franklin River Road Service Area provides new revenues to offset operational costs while at the same time providing a much-desired service to valley residents.

The Port Alberni Fire Department has partnered with North Island College to jointly host fire training at the Port Alberni campus. This is another example of mutual benefit through partnering. Firefighters from the Alberni Valley and beyond are taking advantage of the availability of quality fire training in the community.

The City's fire boat, the *Frank Harrison II* has reached the end of its service life in the Port Alberni Harbour. By partnering with the Port Alberni Port Authority to jointly operate a retrofitted fire boat, the *Harbour Chieftain*, the City has secured marine fire protection for the next twenty years for a fraction of the cost of replacing the *Frank Harrison II*.

The City of Port Alberni supports the Alberni-Clayoquot Regional District's commitment to fund a valley-wide Fire Strategic Plan to look at providing fire protection services in partnership with our regional neighbours.

Other Initiatives

Also following Council's direction to investigate cost sharing measures to ensure fiscal responsibility, the City of Port Alberni Information Services Department and the Port Alberni Port Authority recently reached an agreement regarding integration of technical services and support. The Port Authority will cost share with licensing, hardware updates and network costs required to support the Port Authority on the City's network.

The City will continue to pursue these types of agreements.

Water Study

The City is participating in an update to the Alberni Valley Water Study with Beaver Creek, Cherry Creek and Sproat Lake regional areas.

The original study is 15 years old and several factors have developed that will influence our approach to supplying water to the City. The most significant factor triggering the review is the Vancouver Island Health Authorities new rigorous surface water treatment policy known as "4321". The rigorous requirements of this policy will require major capital improvements for all water purveyors on Vancouver Island to meet the water quality objectives. Water conservation measures will be prominent in our new water supply plan to keep the costs down. The Study is expected to be completed early in the New Year.

2009 Projects Completed or Underway

The Argyle Street Sewage Pump station was completed in 2009. This 40 year old station which conveys sewage from 40% of the City to our lagoons was badly in need of replacement. Approval of a longstanding provincial funding application in early 2008 allowed this project to proceed.

A major improvement to the water supply system was the completion of the second phase of the China Creek Waterline replacement. This \$1.75 million project was funded equally by the City and the Provincial and Federal governments. Sewer works included system replacements on Johnston Road, 10th Avenue and Melrose Street. In addition, in 2009, improvements were made to our road, water and sewage systems. Road works included segments of Redford Street, 10th Avenue, Cherry Creek Road and Melrose Street. Waterworks included distribution upgrades to Morton Street, Hillgrass Place and Neill Street.

In June of 2008 the Provincial Government announced funding for our Spirit Square project at Harbour Quay in the amount of \$440,000. The City of Port Alberni has provided an additional \$500,000 in matching funding for much needed improvements which include expansion of the Farmer's Market, a new boardwalk and wharf, new washrooms, improved lighting and additional retail space. The City also received a grant from Western Economic Diversification for the improvements to Harbour Quay. Work is planned to be undertaken during the fall and winter of 2009 and ready for the summer 2010.

As part of the development of the new High School on the Echo Park site, the existing baseball fields at Seredick Place will be relocated to Klitsa Park. Work on the development of the Klitsa baseball fields, undertaken by local contractor Bowerman Excavating, started in the spring and has progressed to the point where the fields will be available for play in the spring of 2010. The City, School District 70 and the Federal Government have each contributed \$620,000 towards the project which will not only provide new baseball fields but also improve neighbourhood park amenities for local residents.

The Federal Government provided \$520,000 to the City to hire 18 staff under the direction of the City of Port Alberni Parks and Recreation Department to upgrade and develop trails in the City and Regional District. The project focused on the development of trails in the City and in particular the development of a new trail from the southern boundary of the City at Ship Creek Road to the end of the Log Train Trail at Burde Street. The key to this trail was the crossing of Dry Creek using a steel catwalk donated by local businessman, Mike Surrell of Lady Rose Marine Services.

Uptown and Waterfront Revitalization was identified as a priority of Council and in 2009 we completed improvements to the Uptown Business district including lighting and landscape upgrades with 50% funding from the Island Coastal Economic Trust. This initiative complements the revitalization tax exemption bylaw which applies to the Uptown. . Several applications have already been made to take advantage of this bylaw which provides exemptions from tax increases due to new construction or improvements on land in the Uptown.

2010 Looking Forward

The City's main Public Works projects in 2010 will focus on renewal of existing aging infrastructure throughout the City.

The City looks forward to continuing to work with the School District to build the best secondary school for the community and we await the official announcement regarding the successful proponent and commencement of construction on the site in 2010.

Island Corridor Foundation

The Island Corridor Foundation which owns the rail line on Vancouver Island from Victoria to Courtenay and Parksville to Port Alberni, has been working with the provincial government on a \$50,000 study to do with the future of rail on Vancouver Island. The results of this study should be known by the end of December. A community open house will be held at the Barclay Hotel in April regarding the future of rail and freight on the Alberni line. I am the Vice-Chairman of the Island Corridor Foundation

Island Coastal Economic Trust

Island Coastal Economic Trust is now lobbying the provincial government for another \$50 million dollars for economic development on Vancouver Island north of Victoria. In our discussions with the Cabinet Minister responsible for making that decision, Minister Bennett, he said we are the most successful of all BC trusts. Since inception in 2009, the Board has approved over 40 projects with an ICET contribution value of \$32 million dollars with matching funds from other levels of government for a total value of over \$200 million dollars. On this month's agenda will be funding for the Pacific Coast University.

Community Forest

A community forest agreement was issued to the Alberni Valley Community Forest Corporation by Minister of Forests and Range, Pat Bell, on November 2nd. The City has been working towards this for some time and we are pleased to now have the opportunity to move ahead with this significant initiative in our community which will help rejuvenate the forest industry in our area as well as provide employment and other economic benefits. The community forest agreement is for a 25 year term and grants the right to harvest more than 18,000 cubic metres of timber per year from about 6,400 hectares of Crown land near Sproat Lake. The next steps will be focusing on the appointment of Directors for the Corporation and on recruitment of operating staff.

Western Forest Products

We are in confidential discussions with Western Forest Products to kick start forestry operations at Franklin River Logging Division and Somass Sawmill - approximately 150 jobs.

Relationship with First Nations

Our relationship with our First Nations is very important and we are working with them to ensure community progress on social, economic and environmental matters.

The first joint meeting between the City, the Regional District, Hupacasath First Nation and Tseshaht First Nation was held in October. This was a very productive session and it is planned to continue these on a regular and ongoing basis.

The City and the Tseshaht First Nation have recently negotiated a Cooperative Protocol. This Protocol was developed as a sign of respect and an acknowledgement of the positive working relationship that exists between the two parties. The document has been approved by Council and we are hopeful that it will be signed early in 2010.

The City will be working towards a similar agreement with the Hupacasath First Nation during the upcoming year.

Climate Change & Sustainability

Council recognized that our natural surrounding must be sustainably maintained and managed to help ensure quality and healthy living now and for the future.

In 2008 Council appointed a Climate Change Committee which recommended several actions for the City and community to undertake to help reduce the negative impacts of climate change.

One of those actions was hosting of a Climate Change community forum held in March 2009 which included presentations by sustainability experts Bruce Sampson and Nola Kate-Seymoar of the International Institute for Sustainable Cities.

In consultation with the Canadian Cancer Society, City Council approved the Pesticide Reduction Bylaw for implementation on January 1, 2010. This new bylaw will help reduce the use of harmful pesticides but still allows for the use of many materials to control plants and insects in and around the home.

One of our most exciting projects to begin early in the New Year will be our Integrated Resource Recovery Feasibility Study which will look at energy saving opportunities, district energy and alternative power-generation ideas. This study, which is partly funded by the Province, will provide information needed to move ahead with energy conservation projects including our Pool and Fire Hall.

Council recognizes that we need to focus more attention and resources on sustainability issues and recently resolved to redouble our efforts to address the remaining recommendations of the Climate Change Committee.

Closing Remarks

Thank you to the Grade 5 class from 8th Avenue Elementary School who came last week to once again decorate the Christmas Tree at City Hall with their own hand-made decorations.

At this time of year especially, we need to remember those less fortunate among us and to spend time with our families, friends and neighbours. On behalf of City Council I would like to extend to everyone our best wishes for a safe and happy holiday season and for a healthy and prosperous year ahead.