

**Notes from the Draft Financial Plan Overview Public Meeting  
held Tuesday, January 12, 2010 at 7:00 pm at the Capitol Theatre**

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

241 people in attendance.

Theresa Kingston, Moderator, welcomed the public, provided introductions and reviewed public safety in the theatre. She then reviewed the agenda for the evening.

Mayor McRae provided opening remarks, welcoming the public and describing the challenges for Council. He welcomed public input and comment and stated Council was here to listen.

Ken Watson, City Manager, provided a PowerPoint presentation which outlined Council's direction for the financial plan, the challenges the City is facing, a description of property taxes, fees and charges and an outline of proposed tax rates and service reductions.

Theresa Kingston outlined the procedure for public input and then provided an opportunity for questions and comments on the proposed financial plan.

**Jerry Dicastri, 2482 15<sup>th</sup> Avenue**, asked how the City's residential tax rates would compare to other municipalities if increased by 23.6%. Ken Watson referred to a slide from his presentation indicating that currently the average home in Port Alberni pays 16% less property tax than the provincial average for municipalities the same size as Port Alberni.

**Robert Gunn, 5115 Gordon Avenue**, congratulated staff for proposing a relatively painless level of reductions. He asked why residential taxes would pay an extra \$2 million with new monies allocated to reserve. Ken Watson explained that the City anticipates Catalyst not paying their full taxes in 2010 in which case the contribution to reserve would not be made – the money would pay for operating expenses.

**Matt Rivers, 4076 Clegg Crescent**, stated he was opposed to reductions in the frequency of residential garbage collection. He asked Council to maintain current service levels.

**Greg Taylor, A-3276 - 9<sup>th</sup> Avenue**, asked about the school tax rate. Theresa Kingston stated the City does not control the SD #70 budget and suggested he share his concerns with them.

**Kelly Drybrough, 4155 Clegg Crescent**, President of the Port Alberni District Labour Council asked if it was the City's intent to contract out its services given the proposal to

sell off equipment and pursue cooperation with other agencies. Ken Watson explained that Council is seeking value for services but respects its collective agreements.

**Vern Barnett, 2122 Gibson Road**, asked about the City's contribution to the Alberni Clayoquot Regional District – what do we get for this? Ken Watson explained that the region maintains the landfill and provides other services for the benefit of the region. Mayor McRae stated that he and Councillor Chopra will be asking the Alberni Clayoquot Regional District to reduce the City's costs during their budget considerations. Mr. Barnett asked who maintains the new trails developed throughout the region. Ken Watson explained the City will be responsible for only those trails within City boundaries.

**Wayne Crowley, 8295 Cameron Road**, asked why the City does not control the China Creek Marina and Clutesi Haven Marina and benefit from the revenues of those facilities. Mayor McRae explained that only Clutesi Haven Marina is within the City and the Port Authority has demonstrated that the cost of development and maintenance outweighs the annual revenues.

**Maryllyn Rivers, 4076 Clegg Crescent**, asked why revitalization of the uptown is on hold when we are trying to attract tourists. She said the area, as well as the Alberni Harbour Quay are a mess – they are not well maintained. Ken Watson explained that the project was dependent upon the City receiving an infrastructure grant from the provincial and federal governments. The grant was not approved, however, the City will proceed with improvements at Alberni Harbour Quay in the spring.

**Dave Warrender, 2874 - 6<sup>th</sup> Avenue**, a member of the Port Alberni District Labour Council, asked if Council is considering a volunteer Fire Department. The Mayor explained that Prince Rupert reduced its complement of Fire Fighters to a crew of 3 with the Deputy and Chief arriving on a scene to enable the crew to satisfy Worksafe requirements to enter burning buildings.

**Paul McMillan, 3818 Bruce Street**, asked if the industrial tax rate reduction of \$425,000/yr apply to just Catalyst? Ken Watson explained that it applies to all major industry – this includes Western Forest Products and Catalyst.

**Jen Fisher-Bradley, 2667 - 4<sup>th</sup> Avenue**, stated Council has a difficult job and the proposal looks fairly balanced at first glance. She asked that Council maintain service levels at the Fire Department and RCMP.

**Brian Povey, 2141 Cameron**, stated that he is the City employee that drives the commercial garbage truck. He asked how eliminating this service and getting rid of the truck is saving money. Ken Watson referred to a staff report outlining the costs and revenues for the service. He stated the service was not considered as a core City service.

**Ralph Spencer, 4022 Scott Street**, stated the RCMP provides good value to the community. He asked who pays for ambulance service. Ken Watson indicated it was a provincial service. Mr. Spencer asked whether the City has done a cost analysis for first responder service. Ken Watson stated that the Fire Chief has done this for Council and it is available in a report from City Hall.

**Wayne Creelman, 5769 River Road**, stated Council has done a good job scratching the surface but they need to look beyond just 2010 and implement bigger reductions. He asked Council to stop dancing around union contracts. Mayor McRae stated that the Alberni Valley needs one level of government.

**Kevin Wright**, stated that he was new to the City having moved from Qualicum. He is concerned about the loss of container garbage service. He cited problems with contract services in Qualicum and asked Council not to eliminate the service.

**Amar Giri, CUPE Local 118 Vice President**, asked how the City will respond to public works emergencies when equipment is sold off. Ken Watson explained the financial plan reduces capital works and some equipment will no longer be required or will be used far less. Mr. Giri stated the benefits of eliminating the commercial container collection are modest. He asked why no management is being cut in the plan when there are 15 union positions to be impacted. Ken Watson stated one of the 15 reductions is in the Fire Department and that 2 union positions were created from management positions as a result of recent attrition. Further there are 23% less Managers than in 2000.

**Rich Wilkins, 4480 Burde Street**, asked what will happen if the City received payment from Catalyst. Ken Watson stated that the plan outlines the full recovery of taxes allocated to Catalyst with additional revenues placed in reserve.

**Resident of Maitland Street**, asked why City workers have such high wages when the City is facing a revenue shortfall. He expressed a concern that the City will reduce tax exemptions to charitable organizations when they are helping the poor.

**Mr. McConnell, not a City resident**, asked what steps Council is taking to ensure Catalyst pays. Ken Watson explained the court action launched by the City for outstanding 2009 taxes and the penalties and interest that applies. The Mayor explained that Council has presented a responsible financial plan that addresses the potential revenue shortfalls. He stated the City cannot expect assistance from the province. The Premier made it clear they are broke. The Mayor expressed concern for the future of the Western Forest Products local mill operations if Catalyst closed, as the operations are interdependent.

**Carolyn Jasken, 4041 Warnock**, asked whether the City or Catalyst is acting upon the development of the lands across from the Barclay Hotel. These are prime for development and could bring new revenue to the City. She also asked about the City's

proposed Development Cost Charges. The Mayor indicated that the City's Economic Development Manager will be working with the Catalyst Mill Manager to facilitate the sale and development of the Catalyst land at Roger Street. Ken Watson explained the Development Cost Charges bylaw requires approval of the Ministry of Community Development before final adoption by Council and it includes a one year grace period for projects underway.

**Monique Begg, 5401 Westporte Place**, asked who would pay for the clean-up of Catalyst's property if they closed operations. Ken Watson explained the polluter is responsible, however, in other communities where the company has gone bankrupt the municipality has inherited the property through tax sale.

**Bill Markin, 8182 Halpenny Road**, asked Council to wait until there was certainty from the court case with Catalyst before reacting.

**A member of the public**, asked what the impact would be on tax rates if new businesses open in the City. He asked about reducing salaries for employees. He also asked whether an independent police force would be viable. Ken Watson explained that new commercial construction leads to an increased assessment value and the potential for new tax revenue. He referred to a report provided at the last Regular Council meeting which compared the City's wage levels to other municipalities. In general, the City's rates are lower. Mr. Watson explained that few municipalities the size of Port Alberni have independent police forces. Those that do, experience higher costs.

**Don Fortais, 5442 Woodland Crescent E.**, said the community has made many sacrifices and asked that Council sharpen their pencils and cut services further.

**Richard Pesik, 2851 - 8<sup>th</sup> Avenue**, asked why Council did not foresee this problem coming. The Mayor responded that he based his first campaign on this issue and the headlines in the paper stated not to vote for him. The Mayor explained that Council has reduced industrial taxes in a reasonable manner.

**Richard Berg, 3077 – 9<sup>th</sup> Avenue**, said he had some proposals but would not be revealing them tonight. He indicated Catalyst should pay \$755,000/yr for taxes, this would be fair. He said the City should charge them only 1.5 million. If Catalyst folds, the City will get nothing.

**Ron McCurrie**, stated he was not a resident, but owned property in the City. He asked if Receptionists are reduced at recreation facilities, will you be able to book facilities in other locations? Theresa Kingston confirmed you could. He asked what the Economic Development Manager had done to encourage new business. Ken Watson explained that the grants received by the Economic Development Manager far exceed the City's costs for his service.

**Stephen Fisher-Bradley, 2667 - 4<sup>th</sup> Avenue**, proposed that the City continue with commercial garbage container service and increase rates by 50%. He discouraged the sale of equipment as the City may have to respond to more weather events with climate change. He also proposed a 3% across the board reduction to salaries in each of the next 3 years.

**Derek Haracka, 4110 Scott Street**, said the City needs to cut deeper. Taxes on new residential construction would have a dramatically higher impact because the values are substantially higher than average.

**Art Shambrooke, 4082 Craig Road**, encouraged Council to reduce salaries or reduce staff numbers by attrition and distribute the workload. He stated that Council has done a good job. Ken Watson explained that all vacancies will be reviewed.

**Lynne Schroeder, 4062 Exton Street**, asked Council to make decisions as a household would, that is, travel and expenses, as well as ceremonies and awards would be eliminated, not reduced. She suggested that most residents cannot afford a tax increase.

The meeting was adjourned at approximately 8:55 pm.