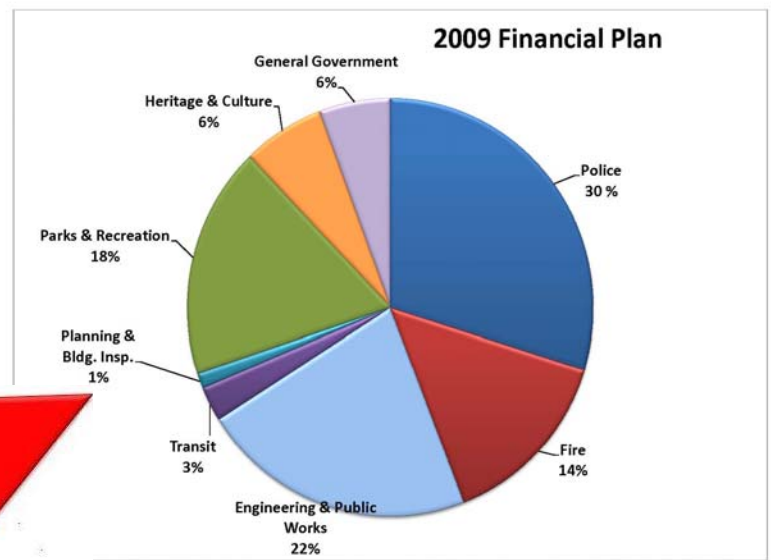


City of Port Alberni 2010 – 2014 Five Year Financial Plan

Unprecedented Financial Challenge

The City of Port Alberni is facing unprecedented financial challenges with the failure of Catalyst Paper Corporation to pay its full taxes in 2009. The challenge is magnified with the potential for subsequent year's taxes to be unpaid. While the City will pursue legal avenues for the collection of outstanding taxes, Council realizes the revenue shortfall must be planned for and addressed.

Taxes - Catalyst Withheld 13.7%



City Council's Direction

Through the fall Council has considered the revenue shortfall and its implications regarding services, staffing and taxation levels. Action must be taken to responsibly manage the City's services and resources. Council's direction has been as follows:

- Pursue collection of outstanding 2009 taxes.
- Continue with planned tax reductions to industry by \$425,000 per year until 2012.
- Assume that we will not collect full industrial taxes levied in 2010, budget accordingly.
- Develop a draft financial plan for public comment which includes a balance of service reductions and residential tax increases.

Staff has prepared a detailed DRAFT 2010 – 2014 Five Year Financial Plan for public discussion through the series of four meetings in January. Implications of this plan will be described and public input received before Council adopts the 2010 – 2014 Five Year Financial Plan.

The Dilemma

Municipalities are not permitted to run a deficit or borrow beyond one year for operating costs. Therefore a blend of service reductions, tax and rate increases are proposed to offset the loss in revenue.



Possible Service Reductions

- ❖ Reduced road maintenance
- ❖ Residential Garbage collection reductions
- ❖ Elimination of commercial garbage service
- ❖ Recreation facility closures
- ❖ Reduced financial aid to nonprofit groups
- ❖ Police and Fire response capabilities

Possible Tax & Fee Increases

- ❖ 25% increase in residential property taxes
- ❖ Implementation of development cost charges
- ❖ Increased user fees for recreational programs and facilities
- ❖ Increased fees for public works callouts
- ❖ General increase in fees for services

What does the local residential tax payer pay for City taxes?

The average homeowner pays \$99 per month. Port Alberni residential tax rates are 16% lower than the average for BC municipalities between 10,000 and 25,000 population.

Municipal Taxes Where does it go?

City Council does not control your total tax bill. The property taxes that the City collects include your payment to the provincial government and regional taxing authorities. The municipal services funded with tax revenues retained by the City of Port Alberni include:

- Police
- Engineering & Public Works
- Parks & Recreation
- Bylaws and Enforcement
- Fire Department
- Heritage & Culture
- Transit
- Planning & Building Insp.
- Economic Development

Your Input is Important - Financial Plan Meetings

The following are the specific times and dates for the Financial Plan meetings:

Tuesday January 12, 7:00 pm	Capitol Theatre	Draft Financial Plan Overview
Monday January 18, 7:00 pm	City Hall	City Departmental Budget details
Tuesday January 19, 7:00 pm	City Hall	City Departmental Budget details continued
Wednesday January 20, 7:00 pm	City Hall	City Departmental Budget details concluded
Monday February 8, 2:00pm	City Hall	Receipt of public input and Council direction for the financial plan

Where can you get more information?

Various documents and budget presentations may be found on our website at www.portalberni.ca. These documents will be updated throughout the budget process so please check back regularly. Copies of these documents are available at City reception desks at City Hall, the AV Multiplex and Echo Centre. Please do not hesitate to call for further information.

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The public is invited to submit additional written feedback.
Deadline for public feedback is Wednesday, February 3rd at 4:00 pm.