

**MINUTES OF THE SPECIAL COUNCIL MEETING
2007-2011 FIVE YEAR FINANCIAL PLAN
HELD MARCH 15, 2007 AT 3:00 PM IN COUNCIL CHAMBERS**

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

1. Call to Order and Adoption of Agenda

Mealey/Patterson

That the agenda be adopted as circulated.

Carried

2. City Manager – Overview and Presentation of Tax Rates

Ken Watson, City Manger, provided Council with the Working Papers for the 2007-2011 Five Year Financial Plan, changed to reflect Council's direction to reduce the Museum budget by \$50,000 by the year 2011 and to maintain the City's Commercial Garbage Container service. He outlined the direction of the plan and presented the tax rates required to implement the Plan.

3. Council Discussion on Public Input of the 2007 – 2011 Five Year Financial Plan

Councillor McLeman stated he would like to see increases in the revenues at the McLean Mill in order that the City's contribution would be lowered. He asked about revenues included in the plan in general, to which the City Manager responded that the plan must reflect conservative revenues only. The City cannot speculate about possible revenues.

There was discussion regarding the tax rates projected throughout the 5 years of the plan, to which the City Clerk responded that Council will adopt by separate bylaw the tax rates which apply to the year 2007 only. Subsequent year's tax rates will be determined in those years.

In response to a question regarding the City reducing expenditures through reduced casual employee costs, the City Manager stated that all departments will reduce casual employee use but how it is implemented will vary depending upon necessity.

In response to a question of Council, the City Manager explained that the Museum will reduce costs by \$50,000 as directed by council by reducing advertising and marketing costs and reducing hours of operation.

In response to a question from Councillor Chopra, the City Manager stated that all departments did not reduce expenditures by 20%. Council's direction was to reduce industrial taxes by 20%, this amounts to an overall decrease of 8% and this decrease was realized by reductions in all departments but not by equal amounts. The reduction for the McLean Mill was determined in consultation with the IHS who operate the Mill on a volunteer basis.

Councillor Patterson requested that staff assess possible reductions to the Equipment Replacement Reserve Fund and the impact. Council directed staff to provide them with a report outlining various scenarios for the Equipment Replacement Reserve Fund.

In response to a question from Council, the City Manager stated that if Council is concerned about the tax rates of years 2008 – 2011, they will have the opportunity to amend the budget for those years before the tax rates are set. He indicated that the anticipated revenues in the Five Year Plan are conservative. If revenues from gaming or increased development are realized, Council will be able to reduce tax rates in subsequent years without reducing services.

Councillor Solda requested that the City ask the Alberni Clayoquot Regional District to look into changes to the way that overhead and administration costs are charged in order to reduce the City's financial contribution to the Alberni Clayoquot Regional District.

In response to a question of Councillor McLeman, the City Engineer stated that the reduced snow removal budget means residential streets will not be plowed until there is 6 inches of snow or more. Arterial routes will receive the same level of service.

The City Manager stated that Council will receive a report to approve each and every vehicle purchase and that hybrids will be included in requests for quotes when practical.

Chopra/Mealey

That Council for the City of Port Alberni accept the Five Year Financial Plan 2007 – 2011 as circulated and direct staff to prepare the necessary budget bylaw to implement the plan.

Carried

4. Public Input Process

Council agreed that the public input process was well done this year. They requested that staff organize a similar process for the next Five Year Financial Plan to commence in the early fall of 2007.

Council requested staff to develop options for the next financial plan (2008 – 2012) in order to maintain residential tax increases at or below the cost of living.

5. Adjournment

*Mealey/Whiteman
That the meeting adjourn at 4:30 pm.*

Carried

Mayor

Clerk