



CITY OF PORT ALBERNI

2018-2022 DRAFT FINANCIAL PLAN

January 15 2018 Discussion



... creating a vibrant waterfront community ...

- Delivering high quality core services and programs
- Being fiscally responsible
- Supporting development to ensure a thriving economy
- Maintaining sustainable infrastructure
- Leading and partnering



3 Critical Issues

- 1. Tax Base and Population**
- 2. Inadequate funding for infrastructure renewal**
- 3. Reliance on Industrial tax base**



Direction From Council August 14 2017

- Stay the course on budget direction set in 2017:
 1. Gradual **redirection** of heavy industry tax revenue to infrastructure and reserve funds
 2. Tax at 3%, hold cost increases to 1% for an anticipated approximate shift of 2% per year in “operational dependency” on industrial taxation
 3. Sustained direction over a 12 year period



2018 Budget Process - like 2017, but different than years previous

- Draft budget reflects Council's direction
- No planned departmental presentations -- Council determines what information they need
- **Imperative that Council ask questions**
- Use of collaborative “round table” sessions ... Council and senior staff
- Public input via an E-town Hall meeting



Draft 5 Year Plan Highlights

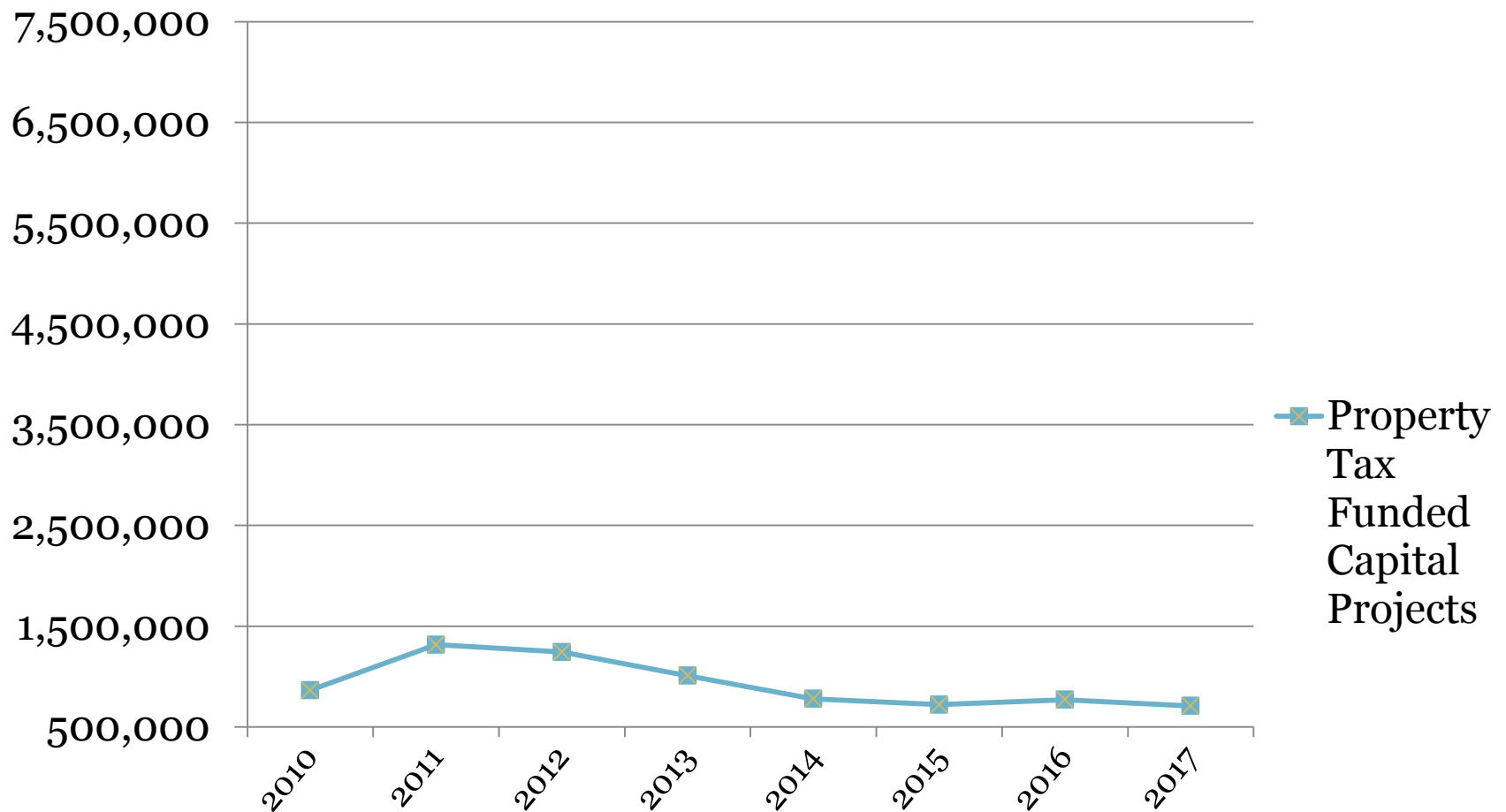
- All departments held to the budget commitments made in 2017 for years 2018 – 2021
- In 2022 all but 3 departments held to 1% increases (Police, Fire and Ec. Dev. held to service status quo service delivery in 2022)
- City infrastructure expenditures (from taxation) increase over 300% over 5 years (from \$708,000 in 2017 to \$2,867,234 in 2022)
- Annual taxation increases of 3% (all classes)

Annual Infrastructure Expenditures From Taxation

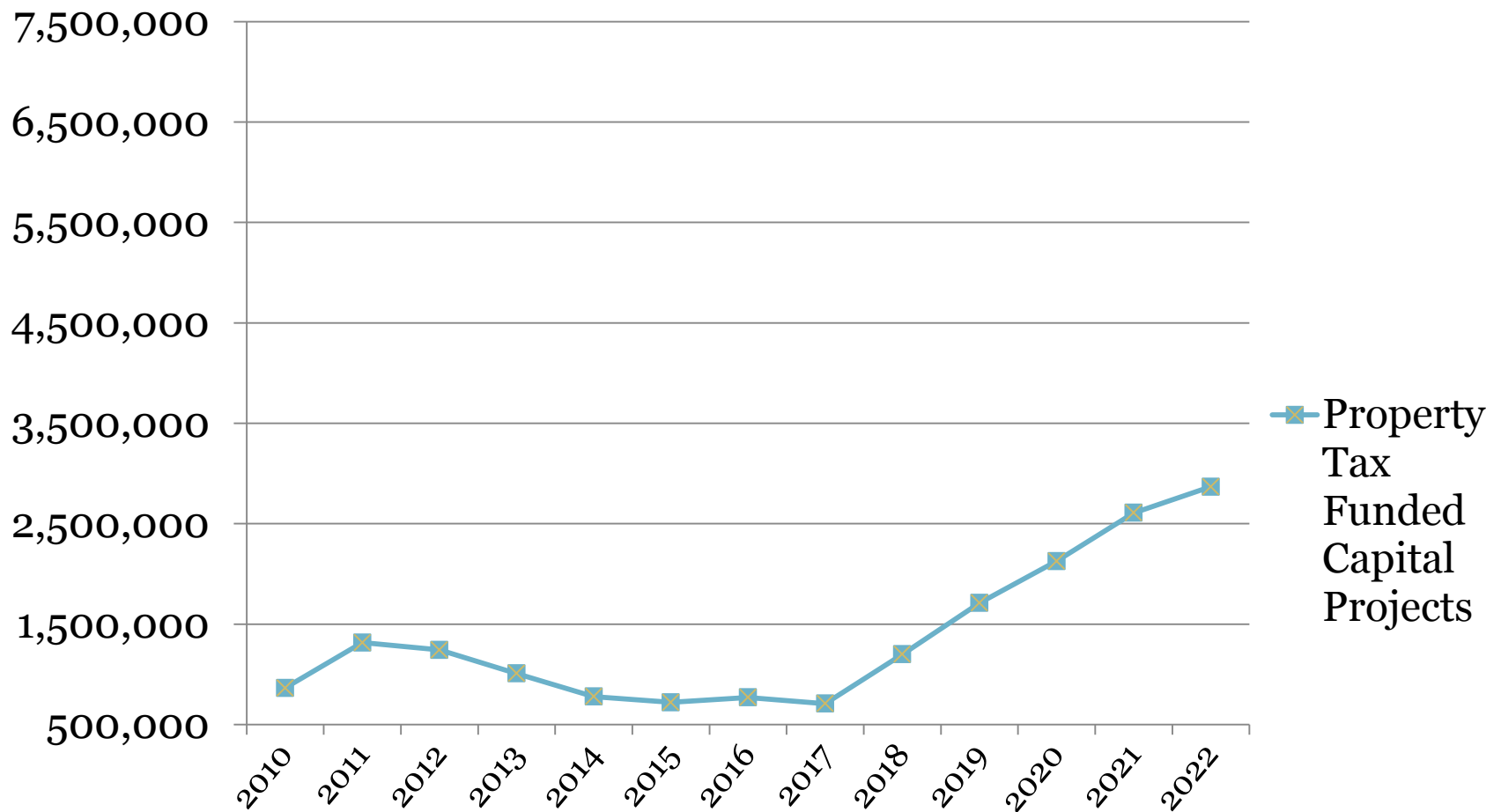


YEAR	TAX INCREASE	\$ FOR INFRASTRUCTURE
2016	2.7%*	\$770,294
2017	3%*	\$708,000
2018	3%	\$1,199,624
2019	3%	\$1,709,930
2020	3%	\$2,126,812
2021	3%	\$2,608,742
2022	3%	\$2,867,234
5 Years	15%	\$10,432,342

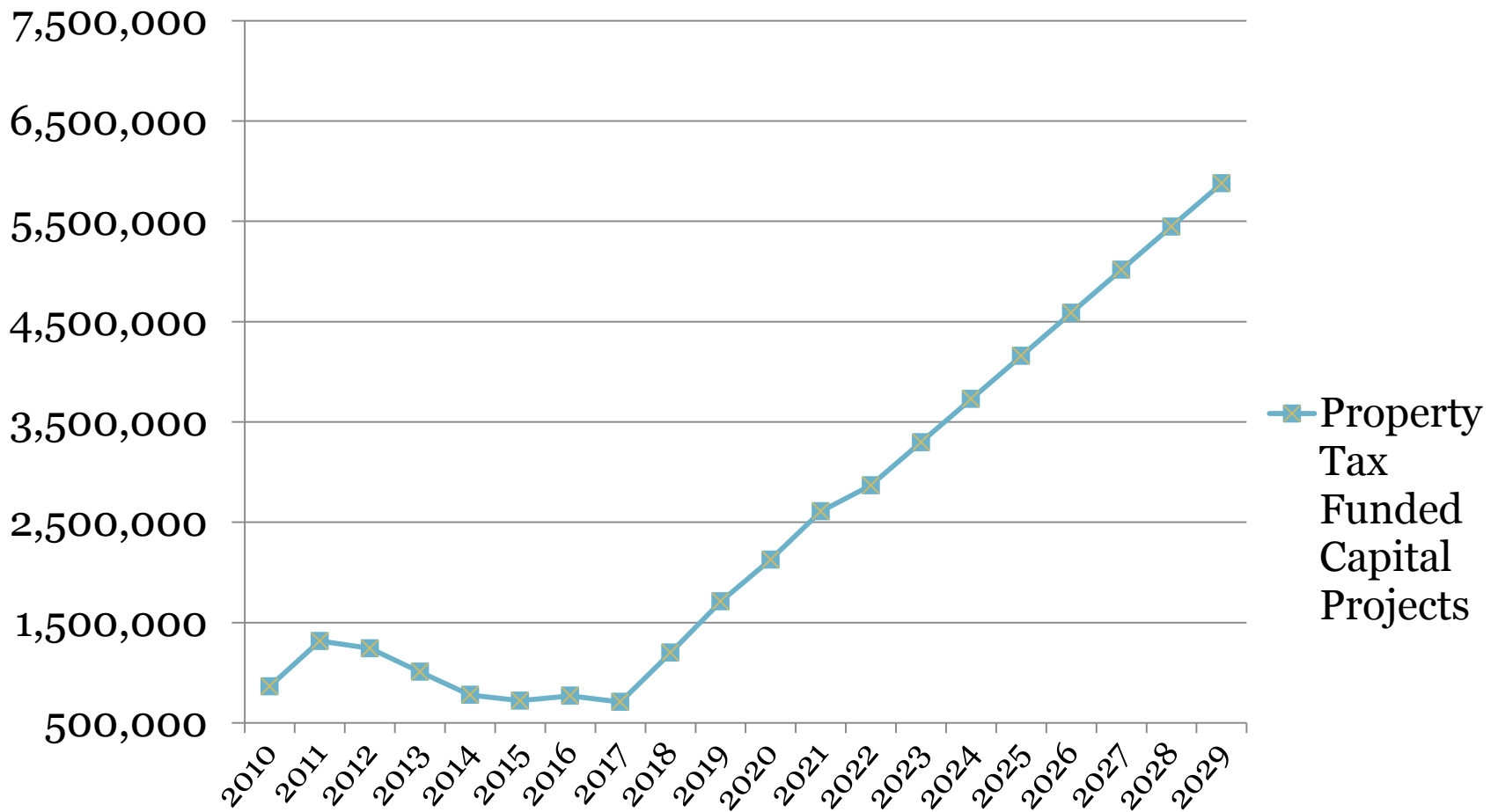
Infrastructure Capital From Taxes



Infrastructure Capital From Taxes



Infrastructure Capital From Taxes





Animal Control & Protection

	2017	2018	2019	2020	2021	2022
Projected Cost	\$141,200	\$141,212	\$141,220	\$141,228	\$141,237	\$141,245
\$ +/-	-\$3,788	\$12	\$8	\$8	\$9	\$8
% +/-	-2.6%	0.0%	0.0%	0.0%	0.0%	0.0%

Five Year Net Increase: \$45 or 0.0%

Planning, Bylaw & Building (Development Services)



	2017	2018	2019	2020	2021	2022
Projected Cost	\$252,001	\$266,152	\$273,357	\$280,266	\$288,471	\$292,046
\$ +/-	-\$9,659	\$14,151	\$7,205	\$6,909	\$8,205	\$3,575
% +/-	-3.7%	+5.6%	+2.7%	+2.5%	+2.9%	+1.2%

Five Year Net Increase: \$40,045 or +15.9%



Planning (Development Services)

- Planning includes Planning/Development Services, Bylaw Enforcement and Building Inspection
- A significant reduction in consulting fees in 2017 and subsequent years resulted in a 5% overall increase over the 5 Year Plan 2017 – 2021
- 11% (\$2,500) reduction in Consulting Services



Economic Development

	2017	2018	2019	2020	2021	2022
Projected Cost	\$447,638	\$458,191	\$458,689	\$462,007	\$460,411	\$467,444
\$ +/-	\$47,929	\$10,553	\$498	\$3,318	-\$1,596	\$7,033
% +/-	+12.0%	+2.4%	+0.1%	+0.7%	-0.3%	+1.5%

Five Year Net Increase: \$19,806 or +4.4%



Economic Development

- Significant budget increase (12%) in 2017
- 10% (\$4,300) reduction in Consulting Fees
- 1% (\$1,160) decrease in Marketing
- 10% (\$2,000) decrease in Trade Show budget line
- Zero increase in many non-labour costs
- Council directed that Economic Development not be subject to the 1% increase target set for other departments in 2022
- 1.5% increase in 2022



Engineering & Administration

	2017	2018	2019	2020	2021	2022
Projected Cost	\$521,513	\$510,203	\$497,313	\$482,676	\$492,826	\$497,283
\$ +/-	\$30,604	-\$11,310	-\$12,890	-14,637	\$10,150	\$4,457
% +/-	+6.2%	-2.2%	-2.5%	-2.9%	+2.1%	+0.9%

Five Year Net Increase: -\$24,230 or -4.6%



Engineering

- Engineering is now a function of Development Services
- Engineering Dept staffing is 5.5 personnel
- Engineering is responsible for capital project design work, oversight of capital projects, long term infrastructure renewal, GIS mapping
- Engineering budget is primarily salaries and wages with limited equipment and consultation costs
- Engineering work is tied closely with infrastructure projects. As more infrastructure renewal occurs, the City will rely more heavily on Engineering.



Engineering cont'd

- 5 Year Plan gradually transfers the costs of the City's 2.5 Engineering Technologists to Capital budget. In 2021 30% of Tech costs is reflected in Capital.
- 50% (\$20,000) reduction in Consulting Services



Heritage & Culture

	2017	2018	2019	2020	2021	2022
Projected Cost	\$653,571	\$568,497	\$543,619	\$514,331	\$482,663	\$486,390
\$ +/-	\$67,275	-\$85,074	-\$24,878	-\$29,288	-\$31,668	\$3,727
% +/-	+11.5%	-13.0%	-4.4%	-5.4%	-6.2%	+0.8%

Five Year Net Increase: -\$167,181 or -25.6%



Heritage (Museum and McLean Mill)

- The City operates the AV museum, provides educational heritage programs including outreach, and provides professional staff to create exhibits, deliver education and programs, and provide support to other arts, culture and heritage groups
- City-owned McLean Mill and Train Station are operated by the McLean Mill Society
- City-owned heritage trains, trucks, equipment and other facilities are maintained and operated by WVIIHS

Heritage cont'd

- Projected increase in museum admission revenues beginning in 2019 (\$32,913)
- Anticipated reduction in City payment of utility costs for Industrial Heritage Centre, Train Station, Round House
- Anticipated 50% (\$112,500) reduction in McLean Mill operating subsidy



General Administration

	2017	2018	2019	2020	2021	2022
Projected Cost	\$1,667,797	\$1,539,932	\$1,619,811	\$1,656,884	\$1,526,497	\$1,608,961
\$ +/-	\$144,123	-\$127,865	\$79,879	\$37,073	-\$130,387	\$82,464
% +/-	+9.5%	-7.7%	+5.2%	+2.3%	-7.9%	+5.4%

Five Year Net Increase: -\$58,836 or -3.5%



General Administration

- General Government includes Administration, Finance, Information Services, Human Resources and Clerk's Departments
- General government is an internal service, providing support to other City departments



General Administration cont'd

- 2017 – reorganized Clerk's Dept to enhance Communications capacity (no increase in cost)
- 2017 – reduced 1/2 FTE by attrition in HR -- work absorbed by Clerk's Dept
- 2018 – cost increase (\$52,928) due to election
- 2019 – reduction of 0.4 FTE by attrition
- 2022 – cost increase (\$48,928) due to election
- Discontinued ERRF contributions for Server replacement – will transition to cloud-based data storage in 2022



Parks & Recreation

	2017	2018	2019	2020	2021	2022
Projected Cost	\$2,532,636	\$2,624,599	\$2,606,282	\$2,636,104	\$2,623,430	\$2,650,406
\$ +/-	\$7,259	\$91,963	-\$18,317	\$29,822	-\$12,674	\$26,976
% +/-	+0.3%	+3.6%	-0.7%	+1.1%	-0.5%	+1.0%

Five Year Net Increase: \$117,770 or +4.7%



Parks and Recreation

- Responsible for maintaining and programming a wide array of recreation facilities in the City which are utilized by people of all ages and abilities.
- Local socio-economic conditions drive high demand for publicly-funded services
- Department generates revenues of over \$1.6 million.
- Supports the work of nonprofits and volunteers in all sectors via the Community Investment Program and capacity building programs.

Parks and Recreation cont'd

- 2017 – elimination of one exempt position resulting in 0.8 FTE net reduction
- Increased revenues from leases, facility rentals, user fees, concessions
- Scheduling reorganization upon retirements to reduce some use of casual employees
- Working with ACRD to explore regionally-led Aquatics services model



Fire

	2017	2018	2019	2020	2021	2022
Projected Cost	\$3,231,210	\$3,320,355	\$3,405,120	\$3,466,878	\$3,555,853	\$3,674,365
\$ +/-	\$74,160	\$89,145	\$84,765	\$61,758	\$88,975	\$118,512
% +/-	+2.3%	+2.8%	+2.6%	+1.8%	+2.6%	+3.3%

Five Year Net Increase: \$443,155 or +13.7%



Fire

- Port Alberni Fire Department staffed by two chief officers, one fire prevention officer, and 20 firefighters
- Port Alberni experiences more fires than other similar-sized communities in BC
- The City provides fire protection to several areas outside of the City, for which revenue is received
- \$182,932 revenue anticipated in 2018
- The City is an active participant in an Alberni Valley Automatic Aid Agreement, which involves four fire departments co-responding to fire emergencies



Fire cont'd

- ERRF contributions increase 32% (\$45,808) over 5 years to \$190,547 in 2022
- Council directed that Fire not be subject to the 1% increase target set for other departments in 2022
- 3.3% increase in 2022



Public Works (Operations)

	2017	2018	2019	2020	2021	2022
Projected Cost	\$3,918,625	\$3,842,579	\$3,830,471	\$3,864,841	\$3,901,874	\$3,948,395
\$ +/-	-\$49,137	-\$76,046	-\$12,108	\$34,370	\$37,033	\$46,521
% +/-	-1.2%	-1.9%	-0.3%	+0.9%	+1.0%	+1.2%

Five Year Net Increase: \$29,770 or +0.8%



Public Works (Operations)

- The City Works department provides services including water, sewer, storm water, streets, solid waste (garbage) pick up, facility and parks maintenance.
- City Works performs maintenance of infrastructure, service delivery and undertakes some capital renewal works.
- Water, sewer and garbage services are funded via specific fees for service.



Public Works (Operations) cont'd

- In 2016 garbage collection fees were \$37,500 lower than actual costs. The previous 5 Year Plan gradually increases garbage fees to equal service costs by 2021.
- Increase in cemetery fees to cover costs
- Reduction in annual power costs as a result of LED streetlight upgrades in 2017
- 16% (\$50,000) reduction in 2018 in Road Surface Maintenance – Contract Services



Policing

	2017	2018	2019	2020	2021	2022
Projected Cost	\$6,625,711	\$6,653,638	\$6,708,903	\$6,850,339	\$7,019,461	\$7,189,641
\$ +/-	\$159,103	\$27,927	\$55,265	\$141,436	\$169,122	\$170,180
% +/-	+2.5%	+0.4%	+0.8%	+2.1%	+2.5%	+2.4%

Five Year Net Increase: \$563,930 or +8.5%



Policing

- The City contracts RCMP to provide policing services
- The City funds 34 member positions
- The City under-funds by the equivalent cost of two officers (\$340,680), relying on under-expenditure due to temporary vacancies
- In Port Alberni calls for policing services per capita, and policing costs per capita are among the highest in BC
- In BC, communities with populations over 15,000 pay 90% of community policing costs.



Policing cont'd

2017 – Hired one City-employed manager
(\$100,000)

2018 – Anticipated reduction in cost of support
staff (\$80,000)

2019 – Reduction of one RCMP member position
(\$173,747)



... creating a vibrant waterfront community ...

- Delivering high quality core services and programs
- Being fiscally responsible
- Supporting development to ensure a thriving economy
- Maintaining sustainable infrastructure
- Leading and partnering