



Wednesday, April 15, 2015

Mayor and Council
City of Port Alberni
4850 Argyle Street
Port Alberni, BC, V9Y 1V8

Dear Mayor and Council,

The Alberni Valley Chamber of Commerce provides the following comments on the 2015-2019 Five Year Financial Plan with emphasis on the first year – 2015.

The Chamber fully recognizes the challenges before Council in developing this Financial Plan.

The City of Port Alberni is a large geographic area with considerable road, water and sewer infrastructure yet with a relatively small population to support the operations and maintenance of this infrastructure. Further, the City must maintain this infrastructure and community services that are used and enjoyed by non-city residents who do not contribute tax revenue in support of these assets and services.

Comments:

The Financial Plan Summary (page 1 of the plan) shows operating expenses (total less debt and capital) slightly less than the 2014 plan. However we note that the Contingency is a mere \$150,000 which seems to us to be inadequate to meet any unforeseen cost.

We note that the Business Assessment is increased 3.3%, Business Tax Share is increased from 16.6% to 16.7% or \$96,000, and as a result of the increased Assessment the Business Tax Rate is reduced from 15.4923 to 15.4150.

Recommendation - While these amounts and rates may be minimal, because the Port Alberni business sector remains fragile, we recommend that the tax collected from business remain as in 2014 namely \$3,389,010.

We analyzed data from 8 comparable communities; Campbell River, Courtenay, Cranbrook, Nanaimo, North Cowichan, Parksville, Prince Rupert and Squamish. From a business tax perspective, Port Alberni is not out as out of line with these communities. Some observations; Squamish has the highest residential tax per population at \$778.10, Port Alberni is 5th at \$715.99,

The percentage of business tax over residential tax is the highest in Prince Rupert at 65.6%, Port Alberni is 7th at 28.23%,

The business tax rate compared to the residential tax rate is highest in Prince Rupert at 3.31 while Port Alberni is the lowest at 1.70, and

The business tax collected as a percentage of total tax collected is highest in Courtenay at 38.9% while Port Alberni is 8th or second lowest at 16.6%.

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We compared payroll data using published 2013 SOFI reports from the same communities except Cranbrook. Observations;

Port Alberni has the 3rd highest total remuneration per population at \$649.93 while Courtenay at \$376.28 is the lowest,

Port Alberni has the 2nd highest remuneration per \$1,000 of residential assessment at \$8.69 while Parksville is the lowest at \$2.71,

A review of some salaries of benchmark jobs in a few communities indicates that Port Alberni is not vastly out of line.

Recommendation – The City undertake a wage and salary review to establish a policy of where the City wants to be positioned with comparable communities.

We reviewed staffing history and plans. Observations;

Port Alberni is to be commended for reducing the number of Full Time Employees from 165 in 1997 to 137 in 2015.

Recommendation – The City should review the staffing of Parks and recreation to ensure that all positions are critical to the operation of the department. Some concerns include the need for 5 FT reception positions, 5 FT and 17 PT in recreation and 9 FT in facilities. In this day of networked computers, we believe that reception positions at the Pool, Echo centre and Multiplex can be shared.

The RCMP contract is a major concern. It is our understanding that the City pays for 34 of the total 47 RCMP members while the province and federal governments pay for the other 13. This seems disproportionate for the population and area that the detachment serves. Plus the City provides the building and pays for all of the support staff.

Recommendation – the City renegotiate a more City taxpayer favorable contract for police services.

Port Alberni enjoys an excellent fire department. However, the cost of operating the department based on low population and the weak business sector results in a considerable tax burden to homeowners and businesses. Noted are the recent news stories of the urgencies of the rural fire departments to attract and maintain a full complement of volunteer firefighters.

Recommendation – The City undertake a thorough analysis of the cost benefit and effectiveness of an Alberni Valley Fire Department to serve the City, Sproat Lake, Beaver Creek and Cherry Creek with a combined professional and volunteer force.

Of the 2015 Capital Expenditures we have one recommendation.

Recommendation – Fully review the need for the City to continue in the commercial garbage collection and save \$315,000 to be spent elsewhere or saved for future needs. There are many private companies in Port Alberni able to provide this price competitive commercial garbage service, thus we do not believe there is a need for the City to provide the service.

Following a review of the Additional Items for Council Consideration we offer the following comments;

We support the addition of a second Bylaw enforcement officer. We believe enforcement is critical for the success of recent bylaws such as derelict buildings etc. While we note the need for a dedicated vehicle, we suggest that the City consider leasing or renting vehicles rather than purchasing.

We support the addition of staff to the Economic Development department. The ED department has the potential to enhance the City unlike many other departments who serve the existing population and economic activity.

While not on the “Wish List” we request consideration of the Chambers proposal for a \$30,000 contract to provide external tourism promotion.

We support the Telephone Replacement as it is viewed as an essential component of reliable communication in the City and in cases of emergency becomes vital.

Similarly, we support the City Hall Generator which will provide vital services in the case of an emergency.

We support the upgrade to the Tsunami Warning system as is a critical part of our community emergency system.

We also encourage the City to publicize the excellent Tsunami Warning system on the city web site as a means to

inform visitors and potential residents that while in a tsunami zone, we have an effective warning system and emergency procedures in place.

We support the installation of planters on lower Johnston Road. Each year, the City should make improvements to beautify our business districts. We look forward to future plans to improve 3rd Avenue, Stamp Avenue etc.

While we support the above additional items, we do not support the Canal Beach Pier Reconstruction. We do not believe the estimated \$250,000 will offer any return on the investment. Best to remove underwater obstacles and leave the area as an enjoyable beach with improvements such as picnic tables, washrooms and shade areas.

Following are some additional thoughts:

We encourage the City to make use of some Industrial Heritage assets at focal points of the City. Perhaps the caboose can be reconditioned and parked somewhere as a visitor attraction, perhaps a flat car loaded with timber can be parked somewhere, perhaps former logging vehicles can be on display on City Streets during specific business and visitor events.

We are dismayed to learn of the recently renewed lease between the City and the Industrial Heritage Society for the train station for a minimal rent. The McLean Mill Advisory Committee has just been formed and a considerable asset in their inventory has been locked up for 5 years. We would have preferred that there be a public invitation to lease the train station with the intent to turn the station into a revenue generating asset for the City, perhaps as a restaurant or pub with an historical theme as a base.

The City owns, operates and maintains the many excellent recreation facilities at a cost to the City taxpayers. It seems to us that the adjacent areas of our community, while Port Alberni is their mailing address, do not contribute a reasonable share of the costs of these facilities. The perhaps "tongue in cheek" comment that the City should sell the Multiplex, Echo Center and Pool to the Regional District for \$1.00 should be given more in depth consideration. The City is paying a disproportionate share of these costs while all residents of the Alberni Valley enjoy the benefits.

Conclusion

We understand that Council is challenged to develop a cost effective budget on behalf of the City residents and taxpayers. There are few, if any, opportunities for increased revenues. Tax payers do not want to pay more in property taxes.

Thus, we believe tax savings can realistically only be found in the expenditure plans. Close scrutiny of the departmental plans is a must. Council must closely review staffing plans of departments. Council must look to methods to better share the cost of operating City owned facilities that are enjoyed by all residents of the Alberni Valley.

Summary

For your convenience, a summary page is attached.

Yours truly,
ALBERNI VALLEY CHAMBER OF COMMERCE

Bob Kanngiesser
Chair – Civic Affairs Committee

