



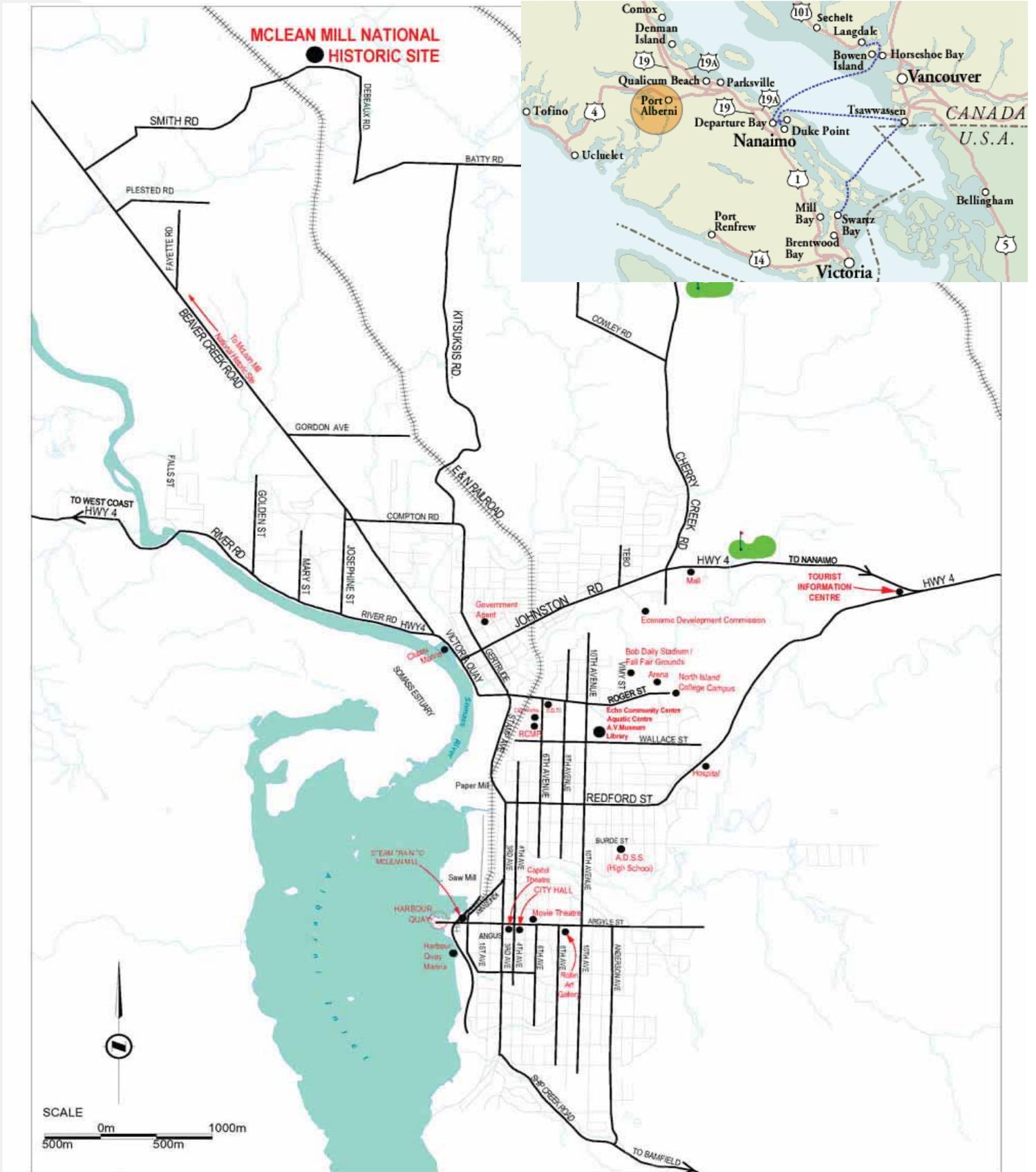
THE CITY OF

Port Alberni

ANNUAL REPORT 2006



PORT ALBERNI BRITISH COLUMBIA



Map of Port Alberni.....	2
Message from the Mayor, Ken McRae	4
Directory of Officials	5
Community/Population Information.....	6
City Manager’s Report, Ken Watson.....	7
Strategic Plan - Vision, Mission, Values	8
Strategic Priorities.....	9
Organization Chart.....	15
Department Reports.....	16
The Year In Review	18
Department Reports.....	20
Canadian Award for Financial Planning.....	28
Financial Statement - Schedule A.....	29
Financial Statement - Schedule B	30
Permissive Tax Exemptions	31
Financial - Charts/Tables.....	32
Financial Overview.....	33
Contact List.....	35



Over the past year Port Alberni has experienced considerable economic growth, particularly in its commercial and residential sectors. This includes continued development of the Pacific Rim Mall, commencement of the expansion and renovation of the Alberni Mall as well as construction of significant new residential subdivisions.

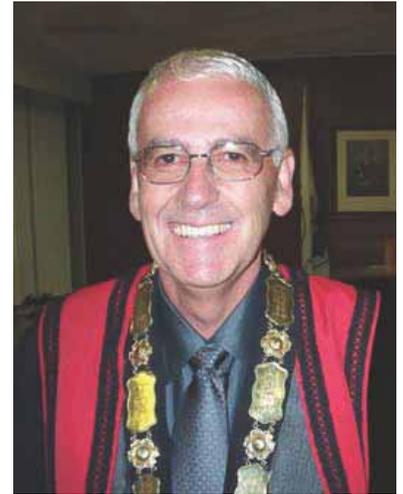
The completion of the new RCMP station in 2006 is something the City is very proud of, as well as renovations completed in the Alberni Valley Multiplex and plans to begin construction of a new Library complex. All of these positive steps continue to move the City forward towards achieving its Vision for the City of Port Alberni to become the most vibrant, healthy and united community in British Columbia.

The City recognizes and celebrates its heritage and proudly supports our Heritage Network of attractions which include the McLean Mill, Maritime Discovery Centre and the Alberni Pacific Steam Railway. These are all key attractions driving diversification of our economy.

I am optimistic that the trend of increased economic activity in the Alberni Valley will continue in the year ahead. Establishment of the City's Economic Development function in the coming year will only strengthen our position and place us firmly on the map.

Council appreciates any comments or suggestions members of the public might have. Please contact me directly at City Hall, 4850 Argyle Street, Port Alberni, BC V9Y 1V8.

Mayor Ken McRae



The Mayor and Council of the City of Port Alberni were each elected for a three year term in the Municipal election held in November 2005. Each member is appointed to portfolios and committees.

<p>Hira Chopra Portfolio: Administration, Personnel, Finance, Land Sale and Purchase, Legislative Services . Director of Alberni-Clayoquot Regional District . Member Personnel Committee . Chair Audit Committee . Chamber of Commerce Representative</p>	<p>Jack McLeman Portfolio: Streets, Traffic, Transit, Water, Sewer, Cemetery, Garbage Collection, Forestry . Liaison with the Advisory Traffic Committee, Transit Operations Committee . Member of the Audit Committee . Member of Community Forestry Advisory Committee . Member of Weyerhaeuser Certification Committee . Catalyst Advisory Committee</p>	<p>Charles Mealey Portfolio: Planning, Zoning, Environmental Issues . Liaison with the Advisory Planning Commission . Liaison with Air Quality Control . Liaison with Outdoor 20/20 Committee . Liaison with the Twinning Society</p>	<p>Mayor McRae . Director of the Alberni Clayoquot Regional District . Chair of the Personnel Committee . Chair of the Community Forest Advisory Committee . Director of Island Corridor Foundation . Director of Upnit Power Corporation . Director of the Association of Vancouver Island and Coastal Communities . Catalyst Advisory Committee</p>
<p>Ike Patterson Portfolio: Museum, McLean Mill, Heritage and Library . Liaison with McLean Mill Advisory Committee . Liaison with Alberni Clayoquot Film Commission . Member of Vancouver Island Library Board . Liaison with Heritage Commission</p>	<p>Cindy Solda Portfolio: Fire, Police, Animal Control, Building Inspection, Seniors, Continuing Care, Land Claims . Member of the Law Enforcement Consultative Group . Liaison with Continuing Care Societies, Port Alberni Hostel, Association for Community Living . Member of the Emergency Program . Member of Personnel Committee</p>	<p>Kenn Whiteman Portfolio: Parks and Recreation, Youth, First Nations, Economic Development, Tourism . Crystal Meth Task Force Member . First Nations Liaison . Member of the Pacific Rim Tourism Association . Member of Audit Committee</p>	

Declaration and Identification of Disqualified Council Members

In accordance with Section 98(2)(3) of the Community Charter, there were no declarations of disqualification made under Section 111 of the Community Charter in the year 2006.

Elected Officials 2006 - 2008

Mayor Ken McRae

Councillors -

Hira Chopra

Jack McLeman

Charles Mealey

Ike Patterson

Cindy Solda

Kenn Whiteman

Appointed Officials

City Manager	Ken Watson
City Clerk/Deputy City Manager	Russell Dyson
Director of Finance	Ann Hopkins
City Engineer	Guy Cicon P.Eng
Director of Parks and Recreation	Scott Kenny
Fire Chief	Larry McGifford
City Planner	Scott Smith
Chief Building Inspector	Bill Bjornson
Manager of Information Services	Janis Hamilton
Licence Inspector/Bylaw Enforcement Officer	Jack Payne
Area Assessor - B.C. Assessment Authority	Bill MacGougan
Solicitor	Beckingham & Co.
Officer Commanding RCMP Detachment	Gordon Wellar
Emergency Program Coordinator	Bob Harper
Chair-V.I. Health Region	Jack Kruet
Auditors	Evancic Perrault Robertson
Bankers	Bank of Montreal

Economic Condition and Outlook

Since the 1970's the population in Port Alberni has been relatively static. Although there has been significant residential development in the City over the last three years, the release of the 2006 Federal census indicates that the City's population has experienced a slight decrease of 1.1%. Building activity in the City has been increasing steadily over the past five years fueled by attractive property costs and a demand for retirement housing on Vancouver Island. Total new residential construction value in 2006 was \$13,583,000 up 76.5% from 2005. This construction value represents new single family and new multi family. Housing starts remain at their highest level since 1996. A total of 62 construction permits were issued in 2006 for a total of 105 dwelling units. These numbers represent building permits issued for new single family as well as new multi family construction.

In Port Alberni the lumber and paper industries are the largest employers and the largest taxpayers. These industries have a tremendously positive local impact. However, the B.C. Coastal Forest Industry is currently facing serious economic challenges. The Softwood Lumber Dispute between Canada and the United States, the strong Canadian Dollar, higher than average local taxes and increasing competition from emerging foreign producers have all played a role in challenging the local forestry industry. Local industry is endeavoring to remain sustainable under these difficult conditions. One of three paper machines at the local Catalyst paper mill was closed in 2006 resulting in significant layoff at their plant. Two Western Forest Products sawmills, Somass Division and Alberni Pacific Division continue to run and strive for increased operating efficiencies.

Port Alberni like other local governments in B.C. is legislated to predominately rely on property tax for operating revenue. Residential taxation in Port Alberni is very comparable to cities of similar size in the province. On the other hand, industrial taxation is relatively high compared to the rest of British Columbia. City Council has recognized that this situation adds to the local industry's difficulty in competing in the world market and in recent years has provided for decreasing levels of Major Industrial taxes. Following discussions with the Major Industry and the community Council approved of accelerated tax reductions totaling \$1.5 million to be implemented over the next five years (2007-2011). These reductions will be

achieved through a combination of expenditure reductions, increased revenues and a shift of the tax burden toward the residential sector.

In 2005 the Province announced that doubling, over the next four years, of the unconditional local grant for small communities would begin in 2006. The City also received further Federal Gas Tax revenues to be used for specific types of environmental infrastructure upgrades. The announcement of increased revenue streams and continued funding from the senior levels of government are very welcome given the current pressures to reduce Industrial and Commercial property tax rates, hold increases in residential tax rates to below inflation levels and provide sustained or improved levels of service.

Maintaining the City's infrastructure and continuing to deliver quality services while providing property tax reductions to industry may well be the challenge of the decade. This environment has necessitated that the City find more effective and efficient ways to provide services. More senior government support is required, especially in rural British Columbia in order to ensure our cities and towns are healthy and sustainable. Increased revenue sharing from the senior levels of government is a step in the right direction.

Port Alberni has a relatively stable financial position. Overall operating reserves have increased due to surpluses in both the General Revenue Fund and the Water Revenue Fund. These surpluses, well-managed reserves and reserve funds, prudent investment and efficient cash management have aided the City in maintaining a long standing "pay as you go" policy for financing major capital expenditures. Port Alberni, like many Canadian local governments, faces significant financial challenges in funding badly needed upgrades of aging infrastructure. In 2006 work totaling \$7.9 million was completed on the construction of a new RCMP facility and construction of a major sewer project. Funding for these projects included \$1.6 million in infrastructure grants, \$2.6 million in contributions from City reserves and \$3.7 million in funds borrowed. This borrowing increased the total debt per capita from \$54.17 in 2005 to \$267.63 in 2006. Port Alberni's debt per capita is ranked seventy-eight of the 130 B.C. municipalities with outstanding debt.

Mayor McRae and Members of Council,

For 2006, we have adopted a more “reader friendly” format for the City’s Annual Report with the intention of making it more clear, concise and interesting. The Annual Report provides information regarding the City’s organization, operations and finances in 2006. An overview of our Strategic Plan and progress made in 2006 on Municipal Objectives is also provided along with statistical data regarding our community. The report’s content meets the requirements of the Community Charter and is intended to promote greater citizen understanding of the City’s activities.

More detailed information regarding City objectives, services and operations is available on our website at www.portalberni.ca. Detailed financial information is available in the Finance Department’s “2006 Comprehensive Annual Financial Report” also available on the website or in hard copy at City Hall.

I welcome input from citizens regarding the format and content of the report. Please feel free to contact me at 720-2824 with any questions or suggestions you may have.

Yours Truly

Ken Watson
City Manager



*Our Vision is for the City of Port Alberni
to become the most vibrant,
healthy and united community
in British Columbia.*

Our Mission is to enhance the quality of life of residents and taxpayers by creating a vibrant, healthy and united community through:

- Providing or facilitating the delivery of high quality core municipal services and programs;
- Being fiscally responsible;
- Planning and encouraging development to ensure a thriving economy and a strong tax base;
- Maintaining infrastructure to support the challenges of growth and economic diversification;
- Providing leadership and building partnerships (internal/external), which will be of benefit to the City.

City Council, municipal staff and volunteers are committed to the following values:

- Service to Others – providing high quality, reliable and friendly customer service.
- Respect – consideration for the beliefs and needs of others.
- Integrity – honesty in all dealings and the courage to act and live by these values.
- Innovation – open to change and learning in order to improve effectiveness and efficiency.
- Contribution – pride in one's work and the recognition and appreciation of skills and accomplishments.

Achievement of the City's Vision and execution of our Mission is planned through attention to the following Strategic Priorities:

1. Programs and Services

Provide or facilitate core municipal programs and services which are needed and valued in our community.

2. Infrastructure

Maintain and upgrade existing infrastructure effectively and efficiently (streets, sewers and water systems, parks, public buildings) to provide a healthy, safe environment within our community.

3. Taxation

Provide stability in residential tax levies with minimal increases to offset existing service cost increases. Due to identification of high industrial tax rates, continue to provide for tax share reductions to the industrial tax payer.

4. Economic Growth and Diversification

Provide a business friendly environment at all levels of our local government with the minimum of 'red tape' consistent with adequate protection of neighbouring interests.

Support economic growth via our Heritage Tourism network, Economic Development Commission, and Chamber of Commerce.

Welcome with enthusiasm new industrial, residential and commercial development providing required servicing costs are paid by the developer.

5. Personnel

Deliver top quality customer focused service at all levels of the organization through training and recruitment of competent, people oriented staff.

Provide or facilitate core municipal programs and services which are needed and valued in our community.

Issues and Trends

Public input received by the City indicates that in general taxpayers are satisfied with the level of services and programs that are provided by the City. The public does not generally support any significant cuts to traditional service levels but also does not want residential tax rates to increase significantly to maintain service levels. This challenges the City to deliver services more effectively as tax revenues arising from Industry are anticipated to reduce significantly in future years.

Successes

Core Service levels in all areas of City Operations were maintained at traditional levels in 2006 while tax increases were held below cost of living levels.

Partnership achieved with Alberni Clayoquot Regional District on cost sharing Recycling service and working together on provision of improved service

Snow and Ice control program was made more effective and efficient through implementation of liquid de-icing technology.

Emergency Response program was tested in earnest during the November 2006 storm events and found to be very effective

Performance

Measures	Results
Public feedback satisfaction with services provided	Satisfaction generally high
Increased attendance to Parks and Recreation programs	Achieved
Increased attendance at McLean Mill National Historic Site	Achieved

Looking Forward - 2007

Reduced property tax revenue from Industrial class will necessitate some reductions and modification of service levels provided as well as re-evaluation of Fees and Charges currently in place for services.

Recycling Service upgrades are currently being planned jointly with the Alberni Clayoquot Regional District. Solid Waste Management Plan currently under development should be adopted in mid 2007 providing direction for improved recycling services to the Alberni Valley.

Maintain and upgrade existing infrastructure effectively and efficiently (streets, sewers and water systems, parks, public buildings) to provide a healthy, safe environment within our community.

Issues and Trends

Aging City infrastructure; roads, sewers, watermains, and facilities require significant upgrades and capital construction funding to function as required and meet increasing environmental and safety standards. Currently levels of infrastructure replacement funded are not sustainable particularly for roads and sewers. Some increases in funding from Provincial and Federal Government have been realized but considerably more will be needed to achieve sustainable infrastructure replacement levels.

Successes

Completion of the Northport Sewer Upgrade project has alleviated sewer overflows into Rogers Creek

Completion of the new RCMP Detachment.

Completion of Upgrades to the Multiplex Lounge

Construction of Phase I replacement of the China Creek Main water supply pipeline.

Performance

Measures	Results
Compliance with Provincial Sewer Discharge Criteria	Improvement needed
Road reconstruction at sustainable levels	Improvement needed
Drinking water quality meets Provincial Standards	Meets standards

Looking Forward - 2007

Expansion of Library at Echo Centre to be completed in 2007

Planned construction of China Creek Phase II Pipeline replacement in 2007/08

Adoption of Stage 2 Liquid Waste Management Plan in 2007 to provide schedule and budgets for long-term sewerage needs.

Planned replacement of Argyle Street Main Sewage Pumping Station urgently needed and awaiting Federal/Provincial Funding Approval.

Planned Uptown Street Upgrades identified in Uptown and Waterfront Redevelopment Plan scheduled pending grant funding approval

Provide stability in residential tax levies with minimal increases to offset existing service cost increases. Due to identification of high Industrial tax rates, continue to provide for tax share reductions to the Industrial tax payer.

Issues and Trends

Continuing downturns in the Coastal Forest Industry coupled with identified higher than average municipal tax rates for industry in Port Alberni motivated Council to accelerate planned industrial tax reductions over the next five years. It is anticipated that these reductions will be only slightly offset by modest growth in the City's commercial and residential tax base. To accommodate this gap in future years the City will pursue a combination of increased efficiencies and service cuts to decrease expenditures as well as increased fees and charges, development of new revenue sources, and tax increases to other categories to increase revenues.

Successes

More equitable financing of Sewer service adopted. Funding is now via utility bill for each connection rather than from property tax.

Revitalization Tax Exemption Area established for Industrial Waterfront to encourage re-investment and new industrial development.

Incremental tax reductions committed to Industry of 4% per year over 5 year plan for total 20% reduction in five years. (\$1,500,000)

Performance

Measures	Results
Industrial Tax Bill reduced in 2006	Achieved
Overall Tax Requisition increase for 2006 below CPI rate	Achieved

Looking Forward - 2007

Industrial taxpayers will continue to push for additional tax reductions. Significant service reductions and/or significant increases to tax levels for other tax categories will be required to facilitate this.

Growth in the Commercial and Residential sectors will continue providing some tax base increases somewhat offsetting industrial reductions.

Opportunities for new industrial development on the waterfront may be realized due to the revitalization tax exemption and lands currently becoming available for development.

Provide a business friendly environment at all levels of our local government with the minimum of 'red tape' consistent with adequate protection of neighbouring interests.

Support economic growth via our Heritage Tourism network, Economic Development Commission, and Chamber of Commerce.

Welcome with enthusiasm new industrial, residential and commercial development providing required servicing costs are paid by the developer.

Issues and Trends

Economic growth in the commercial and residential sectors is currently relatively strong in Port Alberni due to strong economic conditions on Vancouver Island. There is little growth in the industrial sector. Provision of a formal Economic Development service by the City and implementation of the City/Port Authority Uptown & Waterfront Redevelopment plan have the potential to increase economic activity considerably from the current levels. Industrially zoned lands currently being marketed along with the Revitalization Tax exemption now in place for the industrial waterfront may spur new waterfront related industrial development.

Successes

City partnered with the Chamber of Commerce and Accommodations industry in creation of Tourism Alberni Valley agency.

City partnered with Port Alberni Port Authority in commissioning the Uptown & Waterfront Redevelopment Plan.

Council approved implementation of a City Economic Development Service.

Revitalization Tax Exemption Area established for Industrial Waterfront to encourage re-investment and new industrial development.

Performance

Measures	Results
Tourism promotion agency created	Achieved
Economic Development Service provided	In-Progress
Community Forest License Acquired	In-Progress

Looking Forward - 2007

A formal Economic Development Service will be in place by mid 2007

Implementation of the Uptown and Waterfront Redevelopment Plan will commence 2007. Uptown Streetscape improvements planned to commence in late 2007.

Marketing of key parcels of City owned land will be undertaken to stimulate economic diversification.

Community Forest License application process will commence including public involvement and business plan development.

Deliver quality customer focused service at all levels of the organization through recruitment and training of competent, people oriented staff.

Issues and Trends

An aging workforce creating challenges for retaining employees and maintaining corporate knowledge.

Pressure to control costs while maintaining and improving services and infrastructure. Reductions through attrition will result in changes in our service delivery.

2006 Successes

Review of WCB Costs – resulted in signing a Letter of Commitment with WCB to participate in the Focus on Safety program.

Successful completion of contract negotiations – signed a three year contract with CUPE. Firefighter negotiations are still in progress.

More effective use of casual employees – casual employees working in reception were cross trained to work in more than one department.

Implement wellness initiatives – Wellness Committee established; Critical Incident Stress Management System implemented.

Improved probationary review process implemented in every department.

Performance

Measures	Results
Increase revenue from selling spaces in Staff Training Program	Increased revenue 29%
Provide supervisory training for all management and employees responsible for supervision.	90% have successfully completed Level 1 Supervisory Training
Formal Probationary Review completed prior to end of probationary period for all new hires.	100% completed on time
Formal Trial Period Review completed prior to end of trial period for new postings.	69% completed on time

Looking Forward - 2007

Reduce WCB costs through implementation of the Focus on Safety program and dedicating resources to improved health and safety in all workplaces.

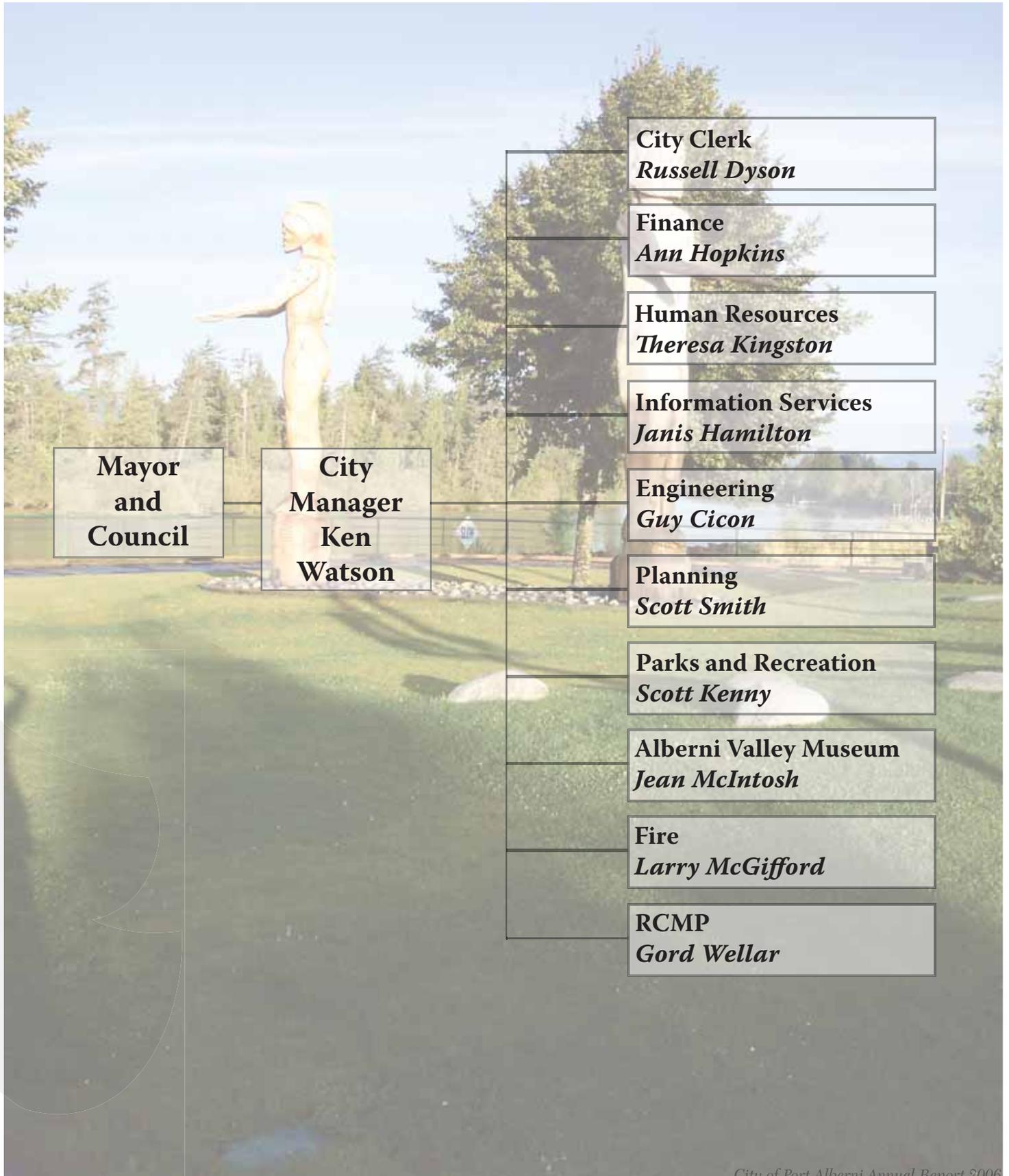
Evaluate all vacant positions to determine if the position will be filled or changed to better achieve the City's mandate and objectives.

Review workload issues through analysis of workplace systems and processes and implementing changes which result in increased efficiencies.

Increase access for employees to human resources information through the Intranet.

Conduct employee satisfaction survey to set baseline information for monitoring and evaluating future workplace initiatives.

Develop and implement improved customer service strategies based on review of workplace systems and processes.



**Mayor
and
Council**

**City
Manager
Ken
Watson**

City Clerk
Russell Dyson

Finance
Ann Hopkins

Human Resources
Theresa Kingston

Information Services
Janis Hamilton

Engineering
Guy Cicon

Planning
Scott Smith

Parks and Recreation
Scott Kenny

Alberni Valley Museum
Jean McIntosh

Fire
Larry McGifford

RCMP
Gord Wellar



- The Administration Department includes the offices of the City Manager and the City Clerk.

- The City Manager is the chief administrative officer of the City and undertakes overall management and administration of City operations. The City Manager ensures that the policies and direction of the City Council are implemented and is responsible to inform and advise Council on the operations and affairs of the City. The City Manager is the leader of the City's management group and direct supervisor of the Department Heads.

- The City Clerk oversees records management, bylaw enforcement and licensing, conduct of elections and execution of legal documentation on behalf of the City. The City Clerk provides administrative services to Council, and its committees, to all municipal departments and to the citizens of Port Alberni.

- The goal of the Administration Department is to provide service that supports informed, responsive and effective municipal government. Please assist us to achieve our goal by providing your input and ideas.

2007 Focus

- Economic Development Source Launch
- Fees, Charges and new revenue sources development
- Community Forest License acquisition
- Municipal Ticket Information System adoption

at a glance

- Six City properties were sold in 2006 and are in the midst of development, increasing the community's tax base.
- A comprehensive review of industrial taxes resulted in the adoption of the revitalization tax exemption for industry and transfer of sewer costs to tolls.
- Two clean up orders for private buildings were issued, including the remediation of a rat infested home and closure of an apartment building on account of fire hazards.
- Business license activity increased with 254 new businesses in 2006.
- City Manger Ken Watson completed two missions to Batticaloa, Sri Lanka to continue with the efforts to help them rebuild sewer and drainage works following the 2005 Tsunami.



■ Information Services provides support in the area of computer technology for all departments and staff of the City of Port Alberni.

■ By providing current software and hardware technologies to staff, the City is able to provide answers to the wide range of inquiries from the public, with confidence.

■ In the ever-changing environment of Information Services, I.S. staff constantly research technology updates and investigate the implications of those updates on the City's computer network.

■ Information Services provides the network security required to protect the City's computer systems and maintain the integrity of the data on those systems.

2007 Focus

- Phase II of Network Optimization Plan
- Implement a "Fail-Safe" network

at a glance

- Completed phase 1 of network optimization plan for City-wide computer network
- Significant improvements in server loads as a result of network optimization
- Centralized e-mail system to reduce administration and improve customer service
- Implemented new software to improve the production and availability of Agendas and Minutes

The Year in Review 2006

JANUARY

- Maritime Discovery Centre "Ken Hutcheson Gallery" officially opened
- Vaudeville Exhibit opens at Museum

FEBRUARY

- Joint City and Port Authority Uptown and Waterfront Redevelopment Study commissioned
- Budget public presentations regarding the 5 Year Financial Plan held

MARCH

- Public Input session and panel presentations on the 5 Year Financial plan held at Echo Centre
- AA Peewee Provincial Hockey Championships held at Multiplex
- Mary Carswell Collinge, A Lady of Paisely in house exhibit opened at AV Museum
- Heritage Commission Open House hosted for Heritage Registry development
- City and Region host Environmental Best Practices Workshop jointly with the Ministry of Environment

APRIL

- Multiplex upgrades to the Lounge and Multipurpose room started

MAY

- New Hammer throw cage completed at Bob Dailey Stadium jointly funded by AV Track Club, BC Winter Games Legacy and the City
- Heritage Fair hosted by AV Museum for Vancouver Island elementary level children
- College View Estates development at east end of Roger Street commenced construction
- Appointment of the new Officer in Charge of the Detachment. Inspector Gord Wellar began duties on May 1

JUNE

- Hockeyville competition finished with Port Alberni in the top 10 of communities across Canada competing
- Mayor of Abashiri and delegation was received in celebration of the 20th Anniversary of the Sister City relationship between Port Alberni and Abashiri
- City hosted the City Engineer from Batticaloa, Sri Lanka. Engineering Dept shared operational and technical knowledge to be put to use in Sri Lanka as part of their Tsunami recovery
- Computer access enabled to Museum's photo collection
- Ships chandlery exhibit and a display featuring artists in a variety of mediums interpreting historical maritime photographs opened at the Maritime Discovery Centre
- The ceremonial opening of the new detachment building on Morton Street was conducted on June 21st. Celebrations included VIPs from the political and social fabric of the Alberni Valley. Deputy Commissioner Bev Busson (now Commissioner of the RCMP) attended and assisted in the ribbon cutting



The Year in Review 2006



**Vibrant,
Healthy
and United**



JULY

- First Nations Elders Conference hosting approximately 3000 participants Held at Multiplex
- The City of Port Alberni and the Vancouver Island Health Authority partnered in the development of a new temporary Medical Clinic
- Communities in Bloom Tour held with Port Alberni receiving a 3 blooms designation
- City and Region agree to jointly fund ongoing recycling programs and to update the current Solid Waste Management Plan regarding enhanced recycling service

AUGUST

- Western Canada Softball Championships held in Port Alberni
- The late Art Thompson's mural was restored by Tim Paul and placed on permanent exhibit inside the museum where it now forms a striking entrance piece

SEPTEMBER

- Road reconstruction works on Marpole and Cedar Streets was undertaken by the Engineering and Public Works Department
- Industrial Tax Exemption bylaw adopted providing tax relief to new or upgrading industrial developments on the waterfront

OCTOBER

- China Creek main water supply pipeline replacement commenced by Fournier Contracting. This project jointly funded by the Federal, Provincial Govts and the City
- Rogers Creek Park Bridge replacement completed funded jointly by the City and Lions Club
- Heritage Commission unveils new Heritage Registry plan
- The Merchant Navy Plaque was unveiled at Harbour Quay
- Sewer Fees implemented to fund the Sewer system formerly funded through property taxes
- Official moving in to the new detachment from the old building on 6th Avenue. The move was seamless with no disruption of operational integrity

NOVEMBER

- City and CUPE 118 successfully negotiated a new 3 year term collective agreement renewal
- Extreme storm event of November 15th consisting of extended intense rainfall, very high winds and high tides caused extensive flooding, wind damage, downed trees and prolonged power failures in the City. Storm generated sediment entering our water supply caused the City to be on a boil order advisory for several days
- Faces First in house Museum exhibit of Ron Hamilton's art opens at the AV Museum
- The massive storm on the 16th tested the capacity of the Port Alberni RCMP to manage a significant event. The design features of the new building and included equipment proved perfect to manage this event and confidence is high that it will be suitable to manage any emergency. The building was used as a meeting place for Alberni Valley emergency coordinators

DECEMBER

- More storm events in early December caused additional wind damage and power failures. Public works also responded to snow and ice problems
- Museum hosts the CBC radio reading of Dickens a Christmas Carol at the Capitol Theatre
- The Port Alberni Kidsport Chapter got off to a great start in 2006 raising \$14,000 and assisting 40 children in the Valley
- West Coast Winter Wonderland - Dec 10 - 26, 2006. The always festive Winter Wonderland event attracted more than 7000 participants to the Multiplex over a two week period



Mission: To ensure a qualified, motivated workforce in a healthy work environment in order to deliver high quality programs and services to the residents and taxpayers of Port Alberni.

Human Resources provides the following services for all departments and staff of the City of Port Alberni.

- Recruitment and Selection
- Advising and Support
- Training and Development
- Performance Management
- Job Evaluation
- Health and Safety
- Labour Relations
- Policy Development
- Employee Recognition
- Wellness Program

2007 Focus

- Succession Planning
- Employee Wellness
- Health and Safety Improvements

at a glance

- Provided City employees with a comprehensive annual training program including 40 courses with 584 attendees. New for 2006 was the introduction of the Prevention of Workplace Violence program with 139 staff being trained.
- Incorporated Emergency Management training into the staff training program to ensure that City employees are trained to assist in a declared emergency. 99 people participated in the training offered.
- Negotiated a three year Collective Agreement with CUPE Local 118.
- Implemented a Critical Incident Stress Management program and trained 18 peer defusers.
- Increased revenue by 29% through selling training 'seats' to other employers.



The Planning Department develops and administers land use regulations to ensure an orderly and well planned community. The following services are provided by the Planning Department:

- Land use information to the general public and development industry
- Processing of development applications including, Official Community Plan & Zoning amendments, Development Variance Permits, Development Permits and Subdivision
- Upgrade and maintain the City of Port Alberni Geographic Information System & Mapping
- Coordinate the Advisory Planning Commission for the City of Port Alberni

2007 Focus

- Strategic Sign Plan Implementation
- Sign Bylaw Update
- Implementation of Uptown and Waterfront Redevelopment Study

at a glance

- A new Official Community Plan was completed and adopted by City Council
- A joint Uptown and Waterfront Redevelopment Study between the Port Authority and the City of Port Alberni was undertaken
- The Planning Department processed 21 subdivision applications, including a 22 lot subdivision at the East end of Roger Street
- Several development applications were approved to allow for the construction of 26 unit assisted living facility
- The construction of the new Pacific Rim Shopping Centre continued and a major redevelopment of the Alberni Mall began



Mission: The Engineering Department exists to provide a healthy, safe, and high quality of life to the citizens by ensuring safe and adequate Water Supply, Streets, Buildings, Wastewater Collection/Treatment, and Solid Waste Collection.

- Services provided by the Engineering Department relate to Municipal Infrastructure and Development in the City.
- Streets Maintenance and Upgrading
 - Snow and ice removal
 - Street sweeping
 - Sidewalk maintenance
 - Street lighting and Traffic Control Signals
 - Signage
 - Road Reconstruction
- Water System Operation
 - Provision of water supply and distribution network
 - Water quality monitoring
- Sewage and Drainage System Operation
 - Provision of sanitary and storm sewer collection and treatment systems.
- Garbage Collection
 - Pick up of residential and commercial solid waste.
- Cemetery Administration
- Building Inspection Service

2007 Focus

- Uptown Street Scape Improvements
- Development Cost Change Implementation
- Argyle Pump Station Upgrade
- China Creek Waterline replacement Phase 2
- Liquid Waste Management Plan Stage 2

at a glance

- Began work on Phase 1 of the China Creek Water Supply Main replacement, a \$1.75 million project with 2/3 infrastructure grant funding approved
- Provided emergency response and recovery to City infrastructure during the November 15th flooding and December 11th wind storm
- Significant improvements to the City's infrastructure through major street projects in the Mar Street, Bute Street and Cedar/Marpole Streets areas
- Replaced a number of sidewalks and storm/sanitary sewers throughout the City



The mission of the City of Port Alberni Parks and Recreation Department is to enrich the quality of life of residents and visitors through:

- Developing and maintaining efficiently operated parks and facilities
- Ensuring full and equitable access to a wide range of leisure opportunities
- Promoting an appreciation of the environment
- Facilitating partnerships with the volunteer, public and private sector
- Providing leadership and personal development opportunities, and
- Promoting positive community values

2007 Focus

- Library expansion
- Harbour Quay Spirit Square
- Energy conservation
- Special community events
- Service level reductions
- Forest management
- Major facility repair

at a glance

- Kidsport helped 40 children play sports in the Alberni Valley in 2007
- Major winter storms caused severe tree blow downs in natural areas
- The City and VIHA partnered in the development of a temporary medical clinic
- The PA Lions Club provided \$7,500 to assist in the redevelopment of the Rogers Creek bridge
- Expansion and upgrades to the upper lounge of the Alberni Valley Multiplex were undertaken with financial assistance from the Province.



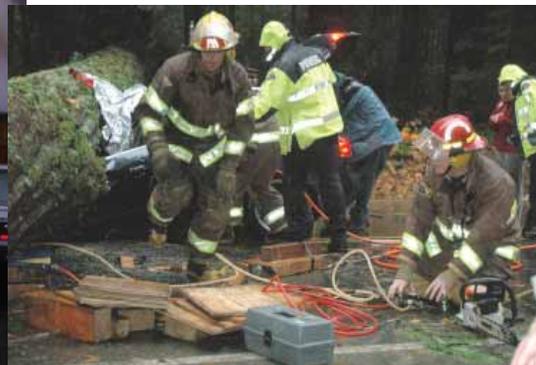
- The Alberni Valley Museum works with the community to collect, document, preserve and present all aspects of the cultural heritage of the Alberni Valley and West Coast of Vancouver Island.
- Heritage resources held in the public trust will be made fully accessible to increase public understanding and appreciation of the region's distinct cultural heritage.
- The Museum coordinates the heritage resources which make up the Heritage Network of tourist attractions.
- Museum staff facilitates the work of volunteers in the specialized heritage organizations who work with artifacts and operate the heritage attractions.
- The Museum provides life long learning opportunities for all ages plus offers small group, hands on approach to education through curriculum related school programs and the regional Heritage Fair.

2007 Focus

- Increase attendance at McLean Mill through new programming
- Collections: backlog installed, analysis for growth, policy development
- Strong exhibits: Rocket Richard, Ha Shilth sa, heritage network theme
- Up date heritage network promotions (funded)
- Maintain service while implementing budget reductions

at a glance

- Port Alberni's Community Heritage Register implemented, consistent with national standards
- Public access to historic photograph collection provided via in-gallery computer
- Summer exhibits on the theme of currency linked the heritage network attractions
- Two major in-house exhibits presented: Mary Carswell Collinge: A Lady of Paisley in the Alberni Valley 1911- 1914, and Faces First, Portraits by Ron Hamilton
- 26,254 attendance at the Museum; 14,774 attendance at the McLean Mill National Historic Site
- At the McLean Mill, new musical revue by theatre troupe, 7 cruise ship tours, 24 special event days, new exhibit on the sawmill restoration, first ever 100 % steam train operation
- Increase in grant from BC Arts Council; funding received for Heritage Fair, Heritage Registry, Faces First exhibit
- Permanent gallery improvements: Art Thompson mural at entrance, Szachiv exhibit space repaired, basket conservation and exhibit improved, lighting upgraded
- Timberwest incorporated a term of sale of the Martin Mars Flying Tankers that on retirement one remain in the Alberni Valley due to local heritage significance



Vision: In sharing the vision of the City of Port Alberni as a vibrant, healthy and united community, the Fire Department promises to be a proactive leader in fire prevention, protection and other emergency services to meet the diverse needs of our community. We will provide high quality and caring services to those who live in, work in and visit our City - in a safe, effective, and efficient manner.

The Fire Department provides the following services for its citizens:

- Structural Fire fighting – residential, commercial, industrial
- Rescue/extrication coverage throughout the Alberni Valley and beyond
- Medical 1st Responder coverage (within City Limits) with AED – supplementing the BCAS
- Structural High Angle Technical Rope Rescue Service
- Confined space rescue service
- Basic Hazardous Material response
- Marine firefighting – harbour based fire boat
- Fire Prevention, Inspection, Education and Code enforcement
- Mutual Aid to Regional Volunteer Fire Departments
- Contract Fire Suppression to two First Nations Reserves
- Regional Emergency Preparedness Planning including the Tsunami Warning System Operation

2007 Focus

- Continued quality service delivery
- Cost control measures
- More standard based training of personnel
- Protect and upgrade infrastructure as necessary

at a glance

- May – Fire in sawdust collection system at Western Forest Products Somass Sawmill
- July – Fire in large multi-family apartment building. Fire contained to suite of origin.
- September – Fire in automobile parts retail store
- November – Death of an active firefighter due to cancer.
- December – Major wind and rain events causing flooding. Trees on houses, power lines and vehicles, power outage



The RCMP is Canada's national police service. Proud of our traditions and confident in meeting future challenges, we commit to preserve the peace, uphold the law and provide quality service in partnership with our communities.

2007 Focus

- Reductions to meet budget targets
- Increase in Regular member strength by 1 to 35 members
- Implementation of the Crime Reduction Strategy on October 1
- Emphasis and more focused approach to partnerships in the fight against crime

at a glance

- New RCMP detachment officially opened June 28
- Community Policing Program supported by 70 volunteers totalling more than 10,000 volunteer hours
- Preparation began for the implementation of PRIME BC, a computer dispatch system
- Research began on a Crime Reduction Strategy for the City of Port Alberni
- Total calls for service for Port Alberni and environs increased from 15,945 in 2005 to 16,600 in 2007
- Prisoners held increased to 2100 from 1921 in 2005

Mission Statement: to maintain the City's high standard of financial excellence by providing the citizens, elected officials, staff, and vendors with professional customer service through the collection and disbursement of funds, financial reporting, and management of assets.



■ The Finance Department is responsible for the financial well-being of our City, through the provision of effective and reliable financial advice, services and information to Council, staff and the public. Over \$30 million is collected annually from various sources including property taxes, utility payments, service charges, and senior government grants. The Finance Department oversees the expenditure of these funds through the annual budget process.

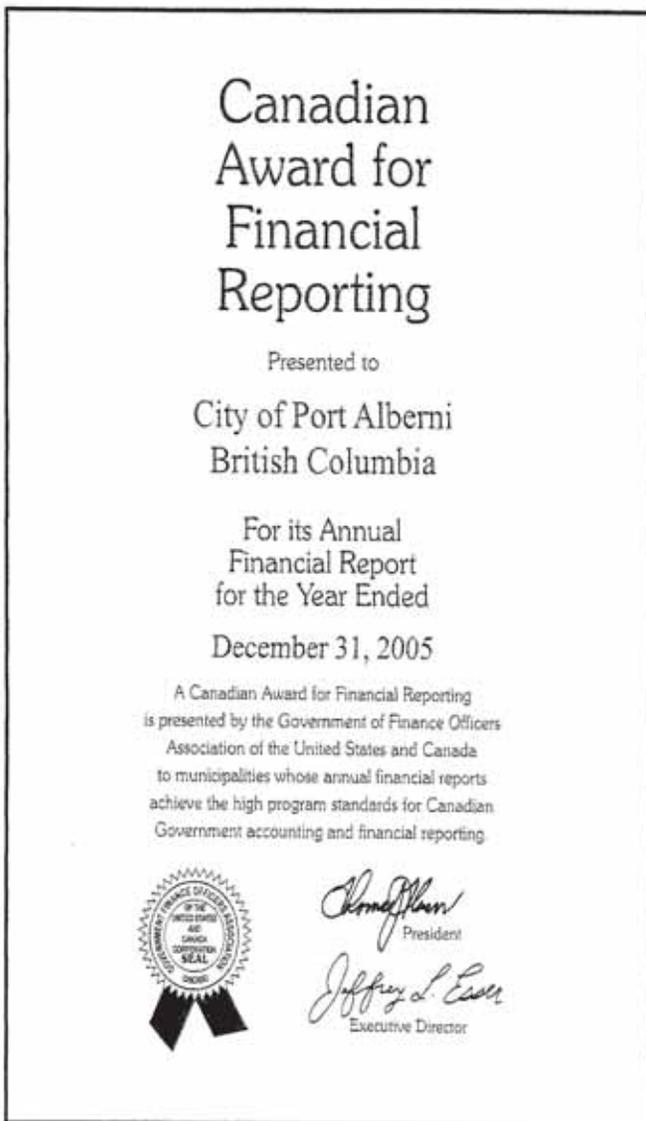
■ Financial functions also include accounts payable, purchasing goods and services, controlling inventory, payroll, the provision of property tax information, treasury services, insurance, and risk management.

2007 Focus

- Continue to reduce dependency on taxation from Major Industry
- Review fee structures to provide for better cost recovery
- Selection of asset management tools to prepare for reporting compliance in 2009

at a glance

- Prepared award winning 2005 Annual Financial Statement
- Proposed changes to sewer funding from a property tax based charge to a sewer user fee to be implemented beginning in 2007
- Provided assistance in the ongoing development of strategies to reduce dependency on taxation from Major Industry



The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the City of Port Alberni for our annual financial report for the fiscal year ended December 31, 2005. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting Program requirements, and we are submitting it to the GFOA.

The award we received for our 2005 Annual Financial Report was the thirteenth time we have received the award.

**Consolidated Statement of Financial Activities
Unaudited
For the year ended December 31, 2006**

	2006 Budget	2006 Actual	2005 Actual
REVENUES			
Taxes	\$18,769,023	\$18,768,388	\$18,223,216
Sales of services	5,395,059	6,667,782	6,689,358
Other revenue from own sources	509,067	747,834	622,722
Investment income	152,907	779,252	492,654
Grants	6,112,798	2,416,741	685,148
Parkland dedication deposits	-	33,782	-
Sale of property and equipment	-	764,396	184,765
	<u>30,938,854</u>	<u>30,178,175</u>	<u>26,897,863</u>
EXPENDITURES			
General government services	2,791,597	2,920,244	2,558,818
Protective services	13,538,121	11,864,510	8,852,916
Transportation services	4,526,397	4,441,956	4,998,467
Environmental health services	1,181,954	1,356,017	1,205,450
Environmental development	607,651	492,914	407,693
Recreation and cultural services	8,843,204	7,138,203	6,998,139
Interest	295,080	187,038	51,503
Debt reserve	28,180	1,845	445
Water utility	5,305,473	2,016,850	1,493,037
Sewer utility	5,162,149	1,423,585	3,142,786
Cost of sales and service	-	12,630	20,712
	<u>42,279,806</u>	<u>31,855,792</u>	<u>29,729,966</u>
NET REVENUES (EXPENDITURES)	(11,340,952)	(1,677,617)	(2,832,103)
Debt financing	<u>5,050,492</u>	<u>3,710,289</u>	<u>736,681</u>
CHANGE IN FINANCIAL EQUITY	(6,290,460)	2,032,672	(2,095,422)
Financial equity, beginning of year	<u>12,679,104</u>	<u>12,679,104</u>	<u>14,774,526</u>
FINANCIAL EQUITY, END OF YEAR	<u>\$ 6,388,644</u>	<u>\$14,711,776</u>	<u>\$12,679,104</u>

Copies of the City's 2006 Audited Consolidated Financial Statements are available at the City Hall and on the City's website at www.portalberni.ca

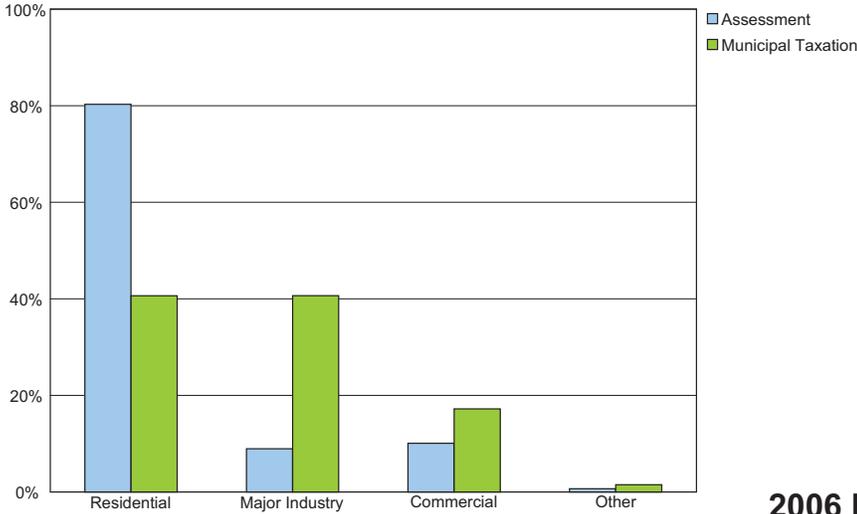
**Consolidated Statement of Financial Position
Unaudited
As at December 31, 2006**

	2006	2005
FINANCIAL ASSETS		
Cash and short term investments	\$19,050,886	\$16,920,904
Accounts receivable	2,186,418	2,192,692
Inventory for resale	47,423	17,363
	<u>21,284,727</u>	<u>19,130,959</u>
 LIABILITIES		
Interim capital financing	-	25,000
Accounts payable and accrued liabilities	4,021,619	4,155,093
Deferred revenue	1,879,048	1,645,252
Refundable deposits	471,709	452,370
Debenture debt	4,696,431	961,141
	<u>11,068,807</u>	<u>7,238,856</u>
 NET FINANCIAL ASSETS	<u>10,215,920</u>	<u>11,892,103</u>
 MUNICIPAL POSITION		
Financial equity		
Capital fund	\$(1,164,283)	\$(3,748,081)
Operating fund	5,794,501	4,525,229
Reserve accounts	2,815,206	3,088,487
Reserve fund	7,266,353	8,813,467
	<u>\$14,711,777</u>	<u>\$12,679,102</u>

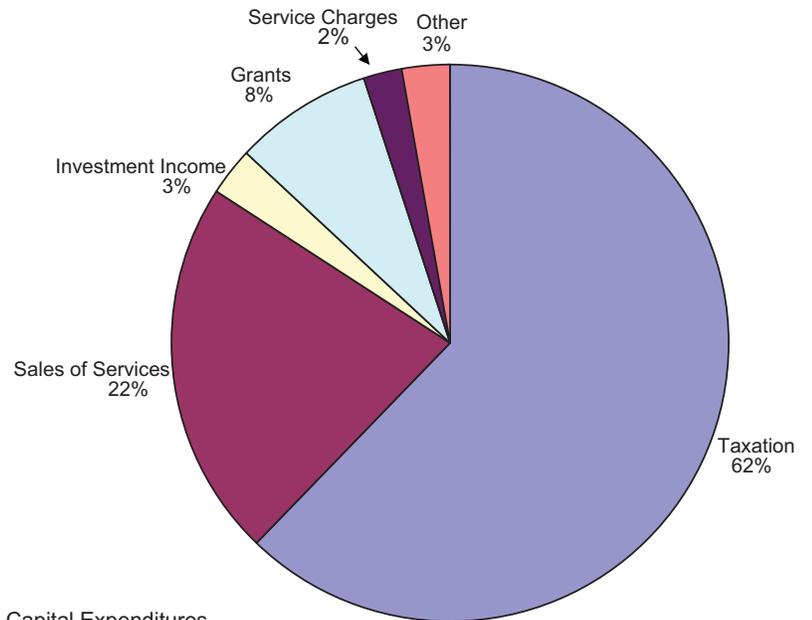
**Copies of the City's 2006 Audited Consolidated Financial
Statements are available at the City Hall and on the
City's website at www.portalberni.ca**

Permissive Tax Exemptions	
Registered Owner	Exemption
Alberni Athletic Association	9,464.50
Alberni District Fall Fair	24,552.02
Alberni Valley Childcare Society	1,266.55
Alberni Valley Curling Club	7,489.41
Alberni Valley Junior Baseball Association	281.02
Alberni Valley Minor Hockey Association	2,075.83
Alberni Valley Minor Softball Association	705.20
Alberni Valley Rescue Squad	7,794.29
Alberni Valley Youth Soccer Association	3,801.71
Alberni-Clayoquot Continuing Care Society	14,577.18
BC SPCA	11,770.97
Bread of Life Centre	3,218.46
C.T.H. Management Association	12,141.62
Canadian Mental Health Association, Port Alberni Branch	1,502.56
Canadian Red Cross, BC Coastal Region	959.71
Catholic Independent Schools, Diocese of Victoria	15,084.87
Community Arts Council of the Alberni Valley	4,925.78
Echo Sunshine Club	5,705.21
Mount Arrowsmith Skating Club	2,168.62
Navy League of Canada	6,174.46
Port Alberni Aquatic - Tsunami Swim Club	957.05
Port Alberni Association for Community Living	1,746.43
Port Alberni Black Sheep Rugby Club	14,954.97
Port Alberni Gymnastics Assoc.	20,784.78
Port Alberni Lawn Bowling Club	7,889.73
Port Alberni Maritime Heritage Society	12,330.36
Port Alberni Women's Resources Society	1,736.20
Portal Players Dramatic Society	7,486.76
Ty Watson Home Foundation	1,029.76
Western Vancouver Island Industrial Heritage Society	14,117.21

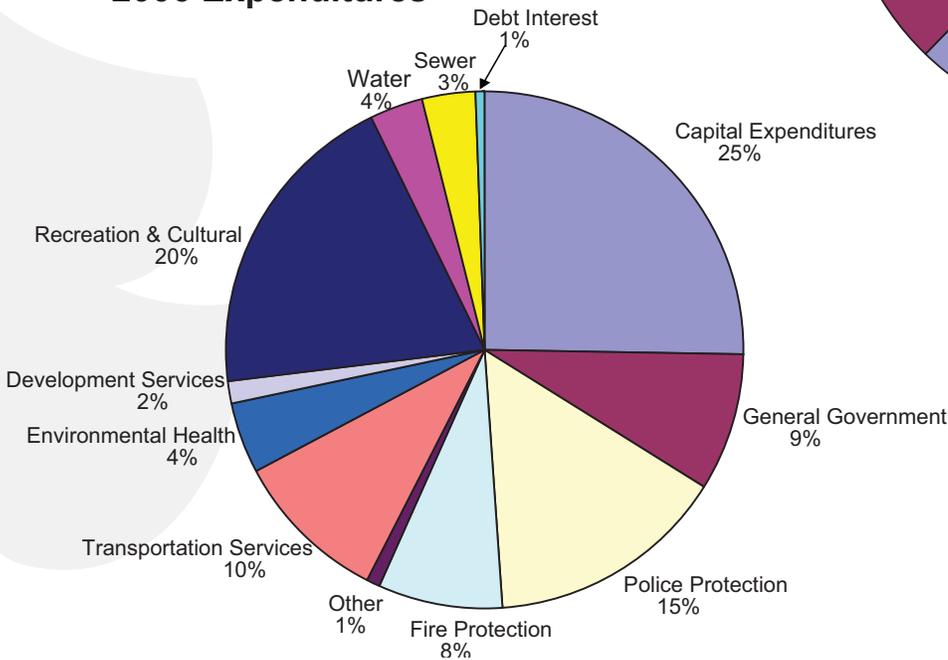
2006 Assessment and Taxation By Property Class



2006 Revenue Sources



2006 Expenditures



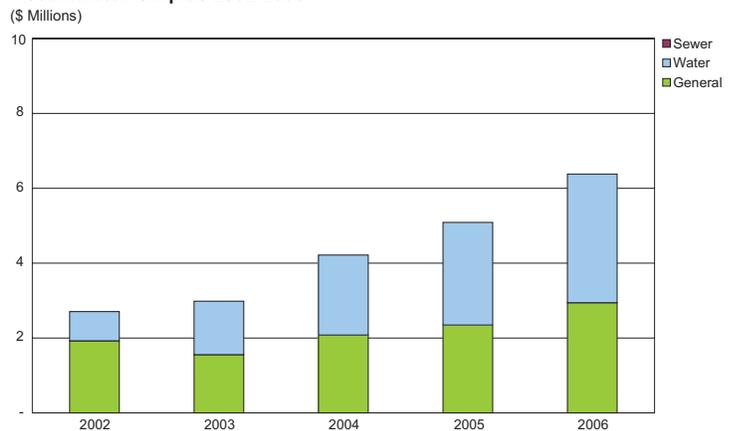
The City of Port Alberni completed the 2006 fiscal year with an increase in the consolidated fund balance of \$2,032,672.

A summary of the 2006 overall fund balance increases (decreases) are as follows:

Operating Fund	\$ 1,269,271
Capital Fund	2,583,797
Reserve Accounts	(273,282)
Statutory Reserve Fund Operations	<u>(1,547,114)</u>
	\$ 2,032,672

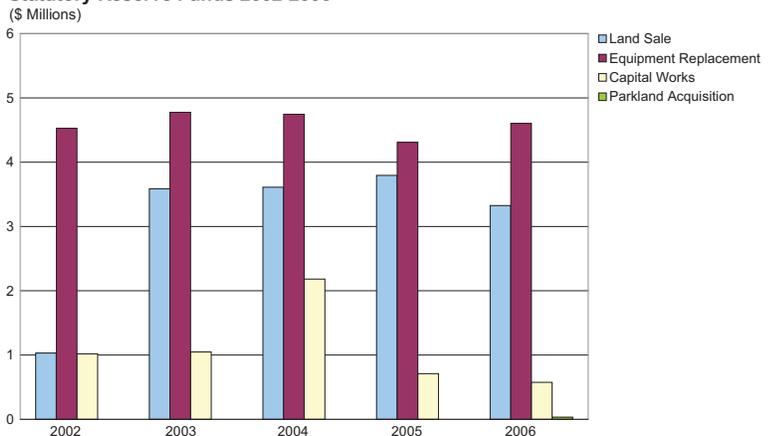
The increase in the Operating Fund balance is due primarily to increased revenues from sales of services including water charges and recreation fees. Investment earnings were higher than budgeted. The City's cash management policies maximize interest-bearing investment of cash and minimize idle and non-productive cash balances. Building permit revenues were greater than budgeted due to the increasing level of development in the community. Protective services came in under budget due to cost savings realized in the RCMP contract.

Accumulated Surplus 2002-2006



The City's 2006 capital program of \$8,088,371 includes expenditures funded \$3,391,594 from current revenue, grants and donations, \$3,526,256 from Reserves, \$3,746,502 from borrowing and a decrease in Work In Progress of \$2,575,981 which was funded from equity in prior years.

Statutory Reserve Funds 2002-2006

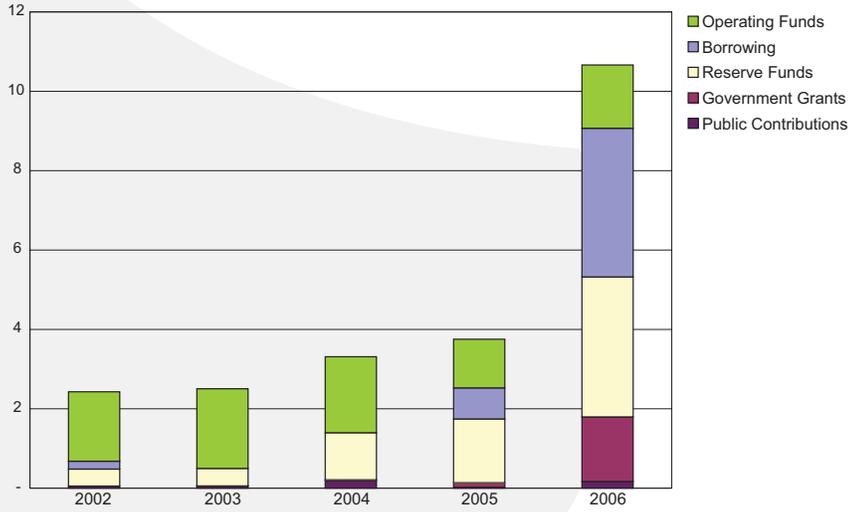


The 2006 capital program expenditures included the completion of the new RCMP Detachment at a cost of \$4.3 million; streets and drainage upgrades of \$0.9 million; recreation facility upgrades, \$0.8 million; \$0.9 million in water system upgrades; completion of the North Port sewer upgrade, \$0.4 million; and, equipment replacement totaling \$0.7 million.

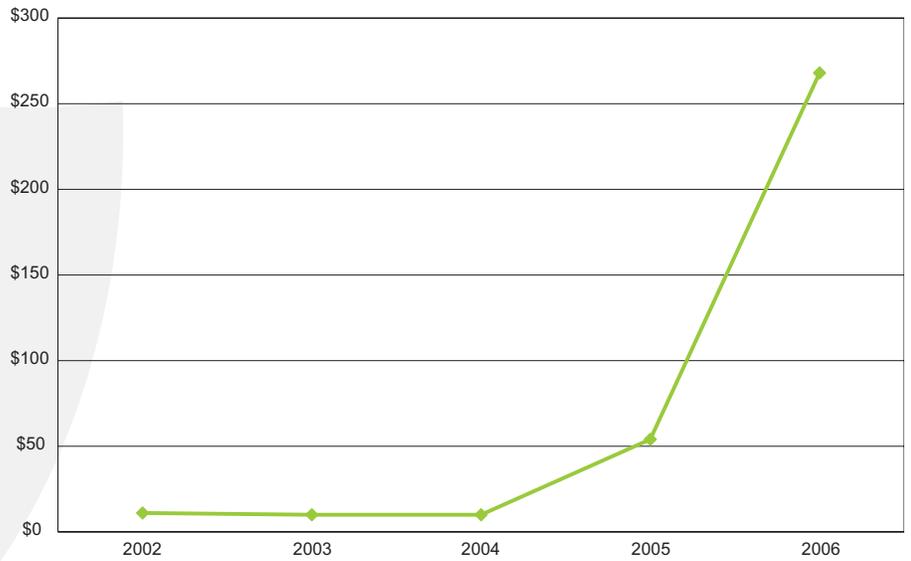
Changes in the fund balances for Reserve accounts and statutory Reserve Funds are the net of funds received for projects and amounts transferred contributed to operating and capital expenditures.

Capital Expenditures by Revenue Source

(\$ Millions)

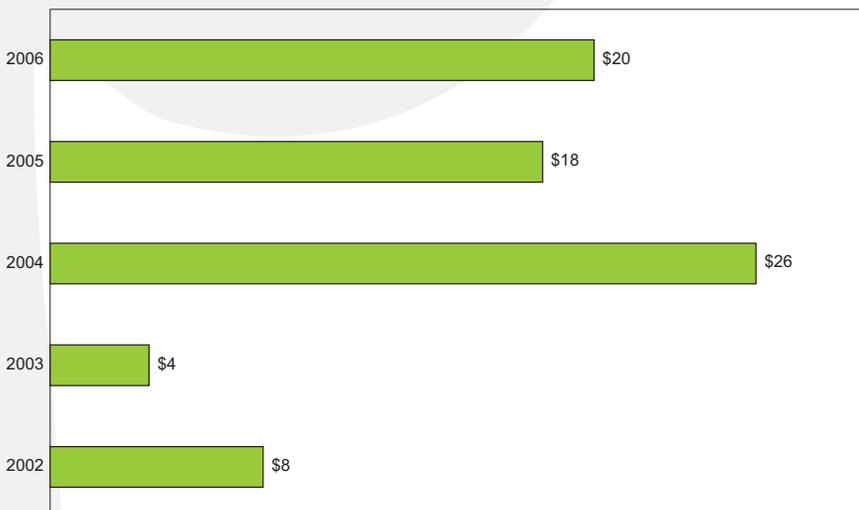


Debt Per Capita 2002-2006



Total Value of Building Permits 2002-2006

(\$ Millions)



Mayor and Council		Common Community Numbers	
Mayor Ken McRae	720-2822	Alberni Valley Bulldogs	723-4412
Councillor Hira Chopra	723-7629	Alberni Valley Times	723-8171
Councillor Jack McLeman	723-5851	Assessment Authority (Nanaimo)	1-800-977-2775
Councillor Charles Mealey	720-4999	Chamber of Commerce	724-6535
Councillor Ike Patterson	724-2234	Courthouse	720-2424
Councillor Cindy Solda	723-7139	Employment (Federal Govt)	724-0151
Councillor Kenn Whiteman	724-3984	Government Agent Office	724-9200
City Hall	723-2146	Harbour Quay (Scott Kenny)	723-2181
Ken Watson, City Manager	720-2824	Health Unit	724-1281
Russell Dyson, City Clerk	720-2810	Hupacasath	724-4041
Ann Hopkins, Director of Finance	720-2821	Landfill (RDAC)	723-1059
Theresa Kingston, Mgr of Hum. Res. & C.D.	720-2506	Library	723-9511
Bill Bjornson, Bldg/Plumbing Inspector	720-2832	MLA, Scott Fraser	720-4515
Guy Cicon, City Engineer	720-2838	Peak FM	723-2455
Works Yard	720-2840	Port Authority	723-5312
Wayne Cheveldave, Mech. Services Sup.	720-2846	Post Office	723-5411
Randy Fraser, Streets Sup.	720-2845	RCMP (non-emergency)	723-2424
Norm Meunier, Utilities Sup.	720-2849	Regional District	720-2700
Parks and Recreation	723-2181	School Board	723-3565
Scott Kenny, Director of Parks and Recreation	720-2509	Shaw Cable (Program)	723-4647
Alberni Valley Multiplex	720-2518	SPCA	723-5269
Ron Doetzel, Mgr. Recreation Services	720-2519	Sunbird Disposal	724-0987
Echo Aquatic Centre	720-2514	Train Station	723-2118
Lawrie MacNaughton, Aquatics Prog. Sup.	720-2504	Tseshat	724-1225
Parks Yard	723-2181	Western Bus Lines	723-3341
Roy Egger, Facility Operations Supervisor	720-2511	Youth Health Centre	723-4488
Jacob Colyn, Horticulture/Parks Oper. Sup.	720-2516		
Fire Department	724-1351		
Larry McGifford, Fire Chief	720-2540		
Alberni Valley Museum	723-2181		
Jean McIntosh, Director	720-2501		
McLean Mill	723-1376		

email: citypa@portalberni.ca

web page: www.portalberni.ca



©. Nichole Portrait Studio

