



City of Prince Rupert

MINUTES

For the **REGULAR MEETING** of Council held on Monday, March 9th, 2015 at 7:00 p.m. in the Performing Arts Centre, Prince Rupert, B.C.

PRESENT: Mayor L. Brain
Councillor B. Mirau
Councillor B. Cunningham
Councillor W. Niesh
Councillor G. Randhawa
Councillor N. Kinney
Councillor J, Thorkelson

STAFF: C. Bomben, Chief Financial Officer and Deputy Chief Administrative Officer
R. Mandryk, Corporate Administrator

1. CALL TO ORDER

The Mayor called the Regular Meeting of Council to order at 7:00 p.m.

2. ADOPTION OF AGENDA

MOVED by Councillor Kinney and seconded by Councillor Niesh that the Agenda for the Regular Council Meeting of March 9, 2015 be adopted as circulated.

CARRIED

3. MINUTES

a) MOVED by Councillor Randhawa, Seconded by Councillor Niesh that the Minutes of the Special Council Meeting of February 23, 2015 be adopted.

CARRIED

b) MOVED by Councillor Kinney, Seconded by Councillor Randhawa that the Minutes of the Regular Council Meeting of February 23, 2015 be adopted.

CARRIED

c) MOVED by Councillor Cunningham, Seconded by Councillor Niesh that the Minutes of the Committee of the Whole Meeting of February 23, 2015 be received.

CARRIED

4. PETITIONS AND DELEGATIONS

a) Presentation from the Chief Financial Officer – Re: 2015 Budget

The Chief Financial Officer presented the financial report for the 2015 Budget.

b) Opportunity for Public Comment and Input – Re: 2015 Budget

The Mayor asked the public to keep questions to only those surrounding the budget. The Mayor read out the procedures for Public Hearing and then called a first time for any speakers to come forward

The Mayor called a second time for any speakers to come forward to speak

Mr. A. Ferreira, 920 Prince Rupert Blvd, is self employed as a contractor. He believes that houses are difficult to sell as property taxes are too high, as well, those in retirement can't afford the high taxes and want to move where taxes are cheaper, but have difficulty selling. The gentleman was against any increase to residential taxes.

Ms. Gina Garon, 1157 Ambrose Avenue, spoke with regards to the increase in energy costs, she asked if there are any measures or initiatives in place to reduce future energy costs in the City. In addition she requested clarification with regards to 'staffing succession' and 'staffing needs'.

The CFO clarified various staffing positions being in transition including staffing needs for new the GIS system, purchased through government grants and being implemented to streamline a number of the inquiries within the City's operations.

Energy reduction cost initiatives includes replacing street lamps with LED bulbs and upgrading the old boiler system to a more energy efficient one at the Recreation Centre.

The Mayor called for additional speakers.

Ms. Barbara. Kuhl of 1085 Ambrose Avenue, requested clarification in regard to the 2% mill rate increase.

The CFO clarified that this was 2% percent of the existing 7% mill rate.

Gina Garon - 1157 Ambrose Avenue, asked if it was possible to take money from the Legacy fund for the GIS costs.

The Mayor clarified that Legacy Inc. was created to fund the future of the City of Prince Rupert including its future infrastructure needs, especially all of the growth needs associated with an economic influx of activity. The funds for the new GIS system will be considered in this regard. The CFO clarified that the GIS system is not specific to any industrial growth.

The Mayor clarified that the current operating budget has been established in the event that no major projects such as LNG reach a final investment decision.

The Mayor called for other speakers.

Ms. Khul – 1085 Ambrose Avenue came forward again to ask if the interest of the money currently in Legacy Inc. could be used for investment purposes.

The CFO spoke to the fact that the monies are currently invested in a six month GIC.

The speaker asked for more information regarding Legacy Inc. be provisioned to the public and how this money could be utilized for the benefit of decreasing taxes.

The Mayor spoke to the facts that we need to put money away for various projects, Water dam, road improvement and repair. Grants are and will be applied for. Specifically for this budget we need more resources and staffing to manage the potential LNG developments. The focus is to build a bank account within Legacy so that the City has a fund to help with improvements that are going to be required in the future and is currently being used for business arrangements and infrastructure related projects. The Mayor spoke to the infrastructure deficiencies and the report from Stantec. The Mayor suggested that if LNG is brought in then taxes would be looked at being brought down.

The Mayor called for other questions.

A short term resident (grey haired gentleman) came forward to address Council but did not present his name for the record, asked if Council has considered alternatives to replacing the bridges such as other access roadways which might prove less costly, rather than raising taxes.

Councillor Cunningham confirmed that alternative more cost effective ways prior to doing major work is always sought out by our Engineering Department.

The Mayor spoke to the fact that the City is severely capped by the provincially legislated tax cap leaving the City with zero ability to regulate taxes on every single large industry currently operating within the City, such as the pellet plant. This is the number one reason why commercial and residential taxes are being effected. The City is working diligently toward making changes to this moving forward, such as a 7-year sunset clause on provincial tax caps to be removed after the 7 years to allow for full taxation by the City. This would allow for residential taxes to decrease.

The Mayor stated that the Council is looking at all possible solutions regarding how we bring in extra revenues into the City and how we lower the taxation burden on residents.

Gina Garon – 1157 Ambrose Avenue asked in regard to a new RCMP building if the current budget contained any fees for architect plans or if the old plans were to be used.

The CFO stated that the current budget does not contain any architect or designer fees for the proposed new RCMP building.

The Mayor called for further questions from the audience.

Gina Garon - 1157 Ambrose Avenue came forward again to advocate on keeping recyclables out of the landfill and recommended that Council work towards landfill programs suggesting that the City is far behind in recycling programs. The regional district recycling program laid out last year is not working.

The Mayor addressed possible changes to the Regional Districts' recycling program which would possibly include closing the self-serve operation during the day and make it only an after-hours operations with additional staff employed on Sundays to assist with the volume that occurs on weekend days. The Mayor agreed with keeping things out of the landfill. Industrial waste will require an additional cell to be created within the landfill given the potential size of industrial waste that may be added to the current service level.

Councillor Thorkelson suggested that if we want our taxes to go down we will not be able to do it by cutting city services any further. The increase in taxes proposed for the 2015 budget really only covers the cost of living increase.

We have a chance now to do two things, to politically gate the provincial and federal governments to change the City's port cap. (Kitimat doesn't have a port cap and can charge Alcan a decent industrial rate.) At this time, Exxon is the only LNG proponent currently within the City's jurisdiction that we are able to not have a port cap on enabling the City to be in a position to charge a reasonable industrial tax rate. All other LNG proponents within the area would have a provincial and federal tax cap.

Councillor Thorkelson recommended that residents contact and write letters to their provincial and federal government Finance Ministers and make a request to remove these tax caps; secondly, to enter into a revenue sharing agreement with the provincial government such as the Columbia Treaty, the Peace River Treaty, etc., which are revenue sharing agreements to ensure monies go directly to communities.

She encouraged at least 20 more people from Prince Rupert to write the provincial and federal finance leaders about these 2 issues, suggesting it would add 20 more letters in support of City Council's initiatives.

Councillor Thorkelson stated that if LNG does not go through the City will still be required to replace all of the aging infrastructure. Changing the provincial and federal tax cap on industries and entering into provincial revenue sharing agreements are the only 2 current viable means of accessing more money so we don't have to increase residential and commercial taxes.

In addition to the liquid waste management treatment facility that is being legislated; the RCMP building requirements are also being legislated by the government; these new requirements contain numerous restrictions that create the need for a larger land footprint than the existing location.

The Mayor thanked Councillor Thorkelson, and reiterated that tomorrow is the 105th birthday of the City of Prince Rupert.

The Mayor discussed that the Resource Benefits Alliance, which is a revenue sharing agreement between all of the communities within the North West BC region, is currently being developed to target the \$18-32 billion dollars of new revenue that is potentially coming to the North West BC region through mining, LNG, etc.

Barbara Khul – 1085 Ambrose came forward again in regard to increasing the stipend for each Councillor and the Mayor. At the December 2014 Regular Council meeting this issue was set over until the budget process, however the resident does not see anything in the budget about this.

Councillor Cunningham informed the public that this was looked at however there is no money in the budget for increasing the Councillors stipend. Councillor Cunningham would like to see a full time mayor with a salary at the same level it was previously for past full-time Mayors, being a salary of \$60k which is only a \$17k increase. This has been discussed but it is not a budgeted item as yet.

Councillor Cunningham also stated that Marr terminals is capped at 11.5% tax rate, the Port is capped at 22.5% tax rate, local light industry pays more than the Port. “We have to sustain this town from within by getting the province to change the tax cap to provide increased revenue sharing with this community. The local Port supplies good paying jobs, but the Port tax cap is a provincial issue. The new Port initiatives are receiving tax breaks in order to generate business, however there needs to be a sunset clause in the tax cap agreement within a timeframe that brings their taxation level to one that offers proper support to the community.”

The Mayor called for further questions.

The Mayor called for further questions a second time.

A resident came forward to address Council indicating that he is not opposed to raising taxes every year to meet the needs of all the people within the City.

The Mayor called for further questions.

The Mayor called a final time for questions from the attendees.

Adjourned the public question period.

The Mayor expressed that he hoped more clarity was brought forward of the City's current budgetary situation within this community forum. The Mayor is optimistic about the team, with the current Council coming together, the great staff, increased morale that is taking place, the launching of a new marina that will generate the more revenue through vessel traffic. The focus is on waterfront, downtown revitalization, removal of tax caps, airport improvements, etc. "We are absolutely being proactive in every aspect of the community, recreation etc. and Council has a deep understanding of all of the community's needs, having an inventory of infrastructure needs as well as a report from KPMG that is being utilized to better predict the costs surrounding this. This is a team effort and we want to be a community team."

c) Live questions to be asked of the public

The Mayor took the public through the website digital voting system. Paper copies of the pole was made available. Four questions were asked of the public through 3 opportunities; voting live, by telephone or over the City's website.

The results were as follows:

1. Do you consider a 1.9% increase to the mill rate reasonable?
Yes – 26 votes
No – 9 votes
2. Do you agree that the City needs an asset management plan?
Yes – 30 votes
No – 1 votes
3. Do you support using Legacy Inc. funds to provide the capacity the City needs to plan for major projects?
Yes – 30 votes
No – 3 votes
Don't know – 1 vote
4. Do you support a full time mayor?
Yes – 28 votes
No – 5 votes

Another public consultation on March 23rd during the Regular Council Meeting regarding Budget will be held in the City's Council Chambers.

Beginning in April, 2015 a monthly informal meeting with the public will be held in the community and will be hosted by the Mayor and any members of Council who choose to join in.

5. UNFINISHED BUSINESS

6. REPORTS AND RECOMMENDATION

7. REQUESTS

8. CORRESPONDENCE FOR ACTION

9. RESOLUTIONS FROM CLOSED MEETINGS

10. BYLAWS

11. ADDITIONAL ITEMS

12. REPORTS, QUESTIONS AND INQUIRIES FROM MEMBERS OF COUNCIL

13. ADJOURNMENT

MOVED by Councillor Kinney and seconded by Councillor Randhawa that the Regular meeting be adjourned at 8:29 p.m.

CARRIED

Confirmed:

These meeting Minutes were adopted by Council. To view signed original, visit City Hall Administration or contact via phone 250-627-0934 or email Cityhall@princerupert.ca

MAYOR

Certified Correct:

CORPORATE ADMINISTRATOR