

# City of Kenora 2022 Operating Budget



The Corporation of the City of Kenora  
Kenora, Ontario  
Canada

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## Kenora City Council



From left to right:

Councilor Andrew Poirier

Councillor Mort Goss

Councillor Sharon Smith

Councillor Chris Van Wallegem

Mayor Daniel Reynard

Councillor Rory McMillan

Councillor Graham Chaze



# City Strategic Plan and Guiding Principles

The City's Corporate Strategic Plan lays the foundation for the City's future. We call our Strategic Plan, Charting Our Course 2027. The cornerstones of our Strategic Plan are the Vision and Mission Statements.

## Vision Statement

Kenora provides a high quality of life for residents and unforgettable experiences for visitors by celebrating and embracing the community's rich heritage, diversity, and natural environment.

## Mission Statement

To be an accountable, collaborative, and informed team that takes pride in delivering value-added municipal services.

## Corporate Values

The City's values as defined in its Strategic Plan, provide the City with guidelines for evaluating and determining its actions. To ensure that the City budget considerations are done in conjunction with these values as presented within the strategic plan, they are reviewed in conjunction with the budget deliberations, and have been set out below:

- Collaboration: We are a key partner, connector, and voice in addressing complex community needs.
- Communication: We ensure respectful and inclusive communications with our staff, community and partners.
- Citizen and Customer Service: We put people at the forefront when delivering services.
- Environmental Sustainability: We are committed to being respectful of our natural environment to ensure it can continue to enrich future generations.
- Fiscal Responsibility: We administer municipal finances in a prudent, accountable, and transparent manner that is mindful of our financial implications of our daily decisions.
- Innovation: We strive for continuous service improvements through curiosity, leadership, and implementing best practices.
- Readiness: We actively engage in planning, prevention, and protection to mitigate risk and address complex challenges.
- Trust and Respect: We act with integrity, honesty and fairness in all our actions, fostering a corporate culture that promotes trust and respect of our staff, our community and our partners.



## Kenora at a Glance

- Kenora's population of approximately 15,000 residents is bolstered by a seasonal resident population estimated to be two to three times larger than the permanent resident population.
- Kenora is an internationally recognized visitor destination and gateway for the world renowned Lake of the Woods. Visitors and residents are provided access to a limitless range of recreation, leisure, and adventure opportunities.
- The region's original inhabitants, the Anishinaabe, have resided in the Kenora and Northwest Ontario region for millennia. Three neighbouring communities include Anishinaabe Wauzhushk Onigum Nation, Niisaachewan Anishinaabe Nation, and Washagamis Bay First Nation.
- Kenora has evolved from its traditional resource-based economy into a modern and thriving service-based economy that includes strong tourism, health care, retail, hospitality, education, and government services sectors.
- Kenora is an active community where residents have access to eight municipal parks, five beaches, 30 kilometers of trails, and recreational facilities that include hockey rinks, indoor and outdoor soccer pitches, ball diamonds, swimming pool, dog park and much more!
- Kenora has a vibrant arts and cultural community supported by key facilities such as the MUSE, two municipal libraries and countless special events, festivals, and other activities.



## Operating Budget Principles

In developing and reviewing the municipal operating budget for 2022, the City has adhered to certain operating budget principles that it has established to guide overall spending within the budget process. These principles are as follows:

- Kenora will adhere to and uphold the guiding principles laid out in the City's Strategic Plan.
- Kenora will ensure that the budget will maintain the long-term financial viability of the City.
- Kenora will maintain the integrity of its reserves.
- Kenora will carefully consider projects dependent on funding through the issuance of long term debt on a case by case basis to ensure that there is sufficient benefit to the taxpayer to justify approving those projects.

The City Water & Sewer and Solid Waste operations do not form part of the overall City budgets. Rather, a separate budget has been developed for each of these entities, eliminating them from the general budget process. This is done to recognize that these operations are independent, self-supporting utilities, funded through user fees and not through City tax dollars.

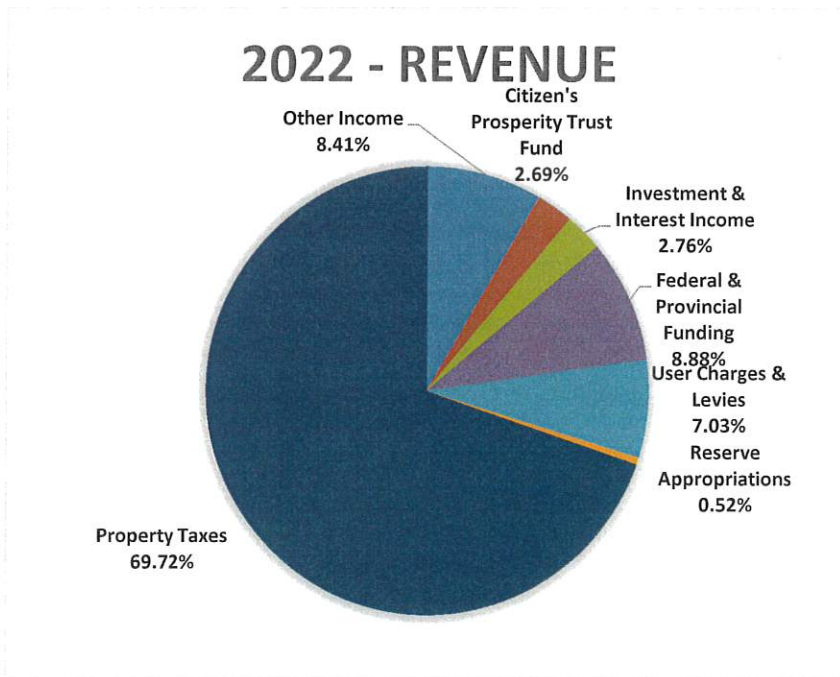
## 2022 Operating Budget Highlights

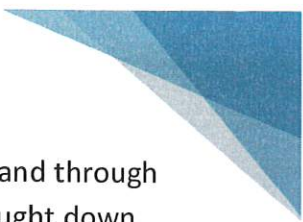
The 2022 operating budget projects total operating expenditures of \$34.5 million, before capital expenditures and reserve appropriations. Combined operating, capital and reserve requirements total \$52.5 million.

In 2022, the City will raise \$28.5 million through general tax dollars. Tax dollars continue to be the City's most significant funding source, representing 69.72% of combined operating revenues. The next most significant funding sources for 2022 are projected to be federal and provincial funding of 8.88% and user charges and levies of 7.03% (excluding those for the utilities). In 2022, the City continues to rely heavily on investment and interest income, representing a combined 5.45% of the City's overall operating revenues between income from the Citizens' Prosperity Trust Fund and other interest and investment income. The pie chart below provides an overview of the City's operating budget revenue.

This does not reflect any revenues for capital expenditures or other non-capital special projects/unusual spending.

Figure 1 2022 Operating Budget Revenue





The 2022 budget process started with significant increases to the levy requirement and through the hard work of the management team and Council, the levy requirement was brought down to a 2.92% increase over the 2021 budgeted tax levy requirement.

In tandem with the Operating Budget approval, Council approves the 2022 tax rates. The residential tax rate will increase by 2.17%. This is lower than some other tax rate classes such as industrial.

It is noteworthy that the impact of the increase in contributions to external organizations is 1.21% of the budgeted; the City has no control over the levies ordered by the agencies. External organizations include: the OPP, the Northwestern Health Unit, the Kenora District Services Board, and the Home for the Aged.

When factoring in an increase of 2.17% to the residential tax rate and subtracting the 1.21% increase driven by external agencies that is out of the City's control, this means the City is only driving an increase of 0.96% to residential home owners from decisions within the City's control.



## Net Program Cost and External Organizations

The net costs of the combined operating programs, before capital expenditures and reserve appropriations, are projected at \$28.1 million for 2022, including transfers to external organizations. The most significant portion relates to External Organizations (including OPP), representing \$12.34 million, or 43.91% of combined net program expenditures. The next most significant net program cost relates to funds given to Transportation at \$5.3 million (18.76% of combined net program expenditures), followed by Recreation & Culture at \$4.5 million (16.03% of combined net program expenditures). You will notice this year that Planning & Development is showing as revenues exceeding expenditures which is caused by a large land sale expected in 2022. This is offset by a corresponding transfer to reserve for the same amount. The following chart provides more detailed information on net program expenditure by function:

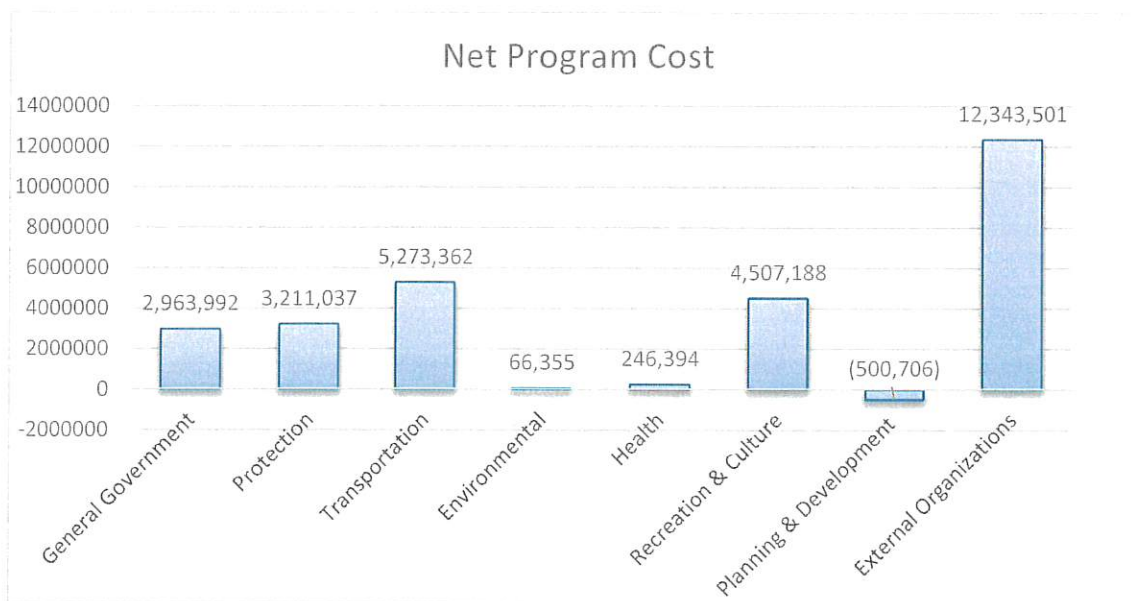
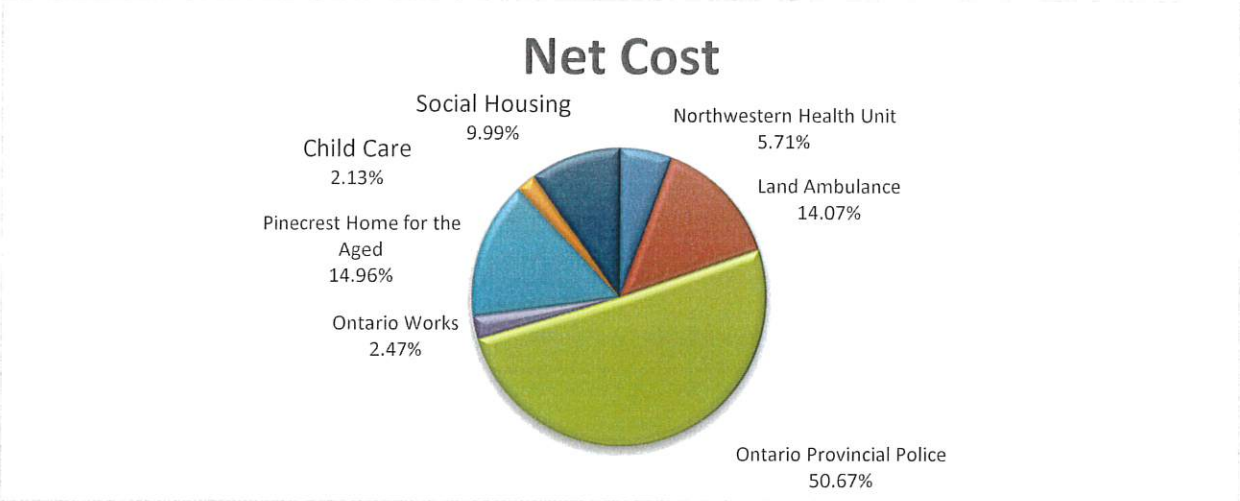


Figure 2 Net Program Expenditure by Function

The Province mandates 100% of the funds that are transferred to external organizations; the City has no control over these levies. Our external organizations include: the Ontario Provincial Police; the Northwestern Health Unit; the Kenora District Services Board (KDSB); and the District of Kenora Home for the Aged (Pinecrest).

There are transfers to other external organizations whereby budget allocations are at the discretion of the City, specifically Kenora Handi-Transit, the Kenora Public Library, and the Lake of the Woods Museum and Arts Centre. These organizations are not included within the external organizations' information.

# Mandated Transfers to Other Agencies



Total 2022 transfer costs to 3<sup>rd</sup> party agencies of \$12,343,501 up \$334,348 or 2.8% over 2021.

<b>1</b>	<b>General Purpose Tax Levy</b>
<b>2</b>	<b>2022 Preliminary Municipal Tax Rates</b>
<b>3</b>	<b>Tax Rate Comparison</b>
<b>4</b>	<b>Preliminary Assessment Comparison: 2022-2021</b>
<b>5</b>	<b>Staffing Compliment History</b>
<b>6</b>	<b>Program Net Cost Summary</b>
<b>7</b>	<b>Program Information</b>
<b>8</b>	<b>Expenditure Summaries</b>
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