



Operating Budget

2016

The City of Kenora, Ontario, Canada

Lake of the Woods  
**KENORA**



*Table of Contents*

**Introductory Information**

City Council	3
City Strategic Plan and Guiding Principles	4
City Brand and Brand Promise	4
Capital Plan Principles	5
Acronym Listing	5

**Budget Highlights**

Operating Budget Highlights	6
Net Program Costs & External Organizations	7

**Budget Pressures**

2016 Major Budget Impacts	8
---------------------------	---

**Detailed Budget Schedules**

General Purpose Tax Levy	Index 1
2016 Preliminary Municipal Tax Rates	Index 2
Tax Rate Comparison	Index 3
Comparative Analysis of Assessment per Returned Roll	Index 4
Staffing Complement Analysis	Index 5
Program Net Cost Summary	Index 6
Program Information	Index 7
Expenditure Summaries	Index 8
Department Budgets	Index 9
Applications of Reserves & Reserve Funds	Index 10





*Introductory  
Information*

City Council

**Kenora City Council**

From Left to Right:

- ❑ Councillor Dan Reynard
- ❑ Councillor Mort Goss
- ❑ Mayor David Canfield
- ❑ Councillor Rory McMillan
- ❑ Councillor Sharon Smith
- ❑ Councillor Colin Wasacase
- ❑ Councillor Louis Roussin

## 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, *Kenora: Our Vision is 2020*. The cornerstones of our Strategic Plan are the Vision and Mission Statements.

### Vision Statement

Kenora is a City of choice, renowned as a sustainable, lifestyle community supported by a Municipality committed to excellence.

### Mission Statement

To deliver quality, cost-effective Municipal Services.

The City's values as defined in its Strategic Plan, as developed in 2014, provide the City with guidelines for evaluating and determining its actions. To help ensure 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:

- ❑ **Trust & Respect:** We demonstrate integrity, honesty, fairness, transparency and accountability in all of our actions, fostering a corporate culture intended to promote trust and respect of our staff, our community and our partners.
- ❑ **Communication:** We ensure respectful and inclusive communications with our staff, community and partners.
- ❑ **Commitment:** We value employees that are committed to service the interests of the community.
- ❑ **Innovation:** We strive for continuous service improvements through innovation, leadership and best practices.
- ❑ **Preparedness:** We consider community, public and workplace safety in every decision that we make.
- ❑ **Fiscal Responsibility:** We manage the municipal finances in a responsible, prudent and transparent manner.

## City Brand and Brand Promise

In 2013, Council officially adopted the City's new Brand recognizing Kenora as "North America's Premier Boating Destination".

Council further adopted the resulting Brand Promise, which reads as follows:

- ✓ *Kenora is North America's Premier Boating Destination. We are the connection to Lake of the Woods and its 14,522 Islands.*
- ✓ *Through our events and amenities we celebrate our history and build our future.*
- ✓ *We love our lake; we are its stewards and we nurture its pristine environment.*

Where possible, recognition of the Brand and Promise was given consideration in reviewing the City's proposed capital projects and unusual spending within this five year plan.



## Introductory Information

### City Strategic Plan and Guiding Principles

### City Brand and Brand Promise

## Operating Budget Principles

In developing and reviewing the municipal operating budget for 2016, 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, as well as recognize the City's Brand and Brand Promise.
- ❑ Kenora will ensure that the budget will maintain the long-term financial viability of the City.
- ❑ Kenora will maintain the integrity of its reserves, and will not fund regular operating expenses from those 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.

## Acronym Listing

Acronyms are used throughout the City's Department Budgets. The following is a list of commonly used acronyms, together with their meanings, that are used throughout the department budgets included in Index #9 of the City's operating budget:

- ❑ AP&B – Allocated Pay & Benefits
- ❑ CE&CS – Consulting / Engineering & Contracted Services
- ❑ DSL – Diesel
- ❑ M&S – Materials & Supplies
- ❑ REC – Recovery
- ❑ R&M – Repairs & Maintenance
- ❑ RNOE – Rental of Non-Owned Equipment
- ❑ ROE – Rental of Own Equipment

This list is intended to provide a quick reference guide for operating budget users for the various commonly used acronyms.



Operating Budget Principles

Acronym Listing

# City of Kenora 2016 Operating Budget

## Operating Budget Highlights

The 2016 operating budget projects total operating expenditures of \$29.4 million, before capital expenditures and reserve appropriations. Combined operating, capital and reserve requirements total \$44.3 million.

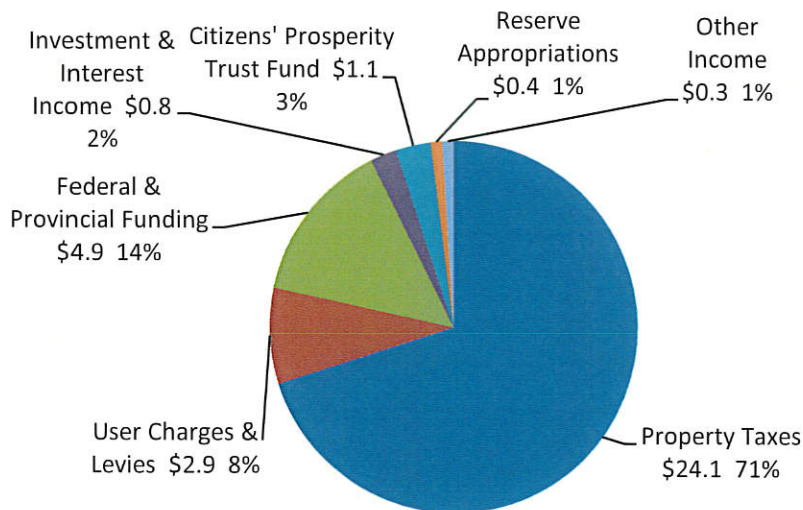
In 2016, the City will raise \$24.1 million through general tax dollars. Tax dollars continue to be the City's most significant funding source, representing 71% of combined operating revenues. The next most significant funding sources for 2016 are projected to be federal and provincial funding of 14% and user charges and levies of 8% (excluding those for the utilities). In 2016, the City continues to rely heavily on investment and interest income, representing a combined 5% of the City's overall operating revenues between income from the Citizens' Prosperity Trust Fund and other interest and investment income. The pie chart at the bottom of this page 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.



## Budget Highlights

### Operating Budget Highlights

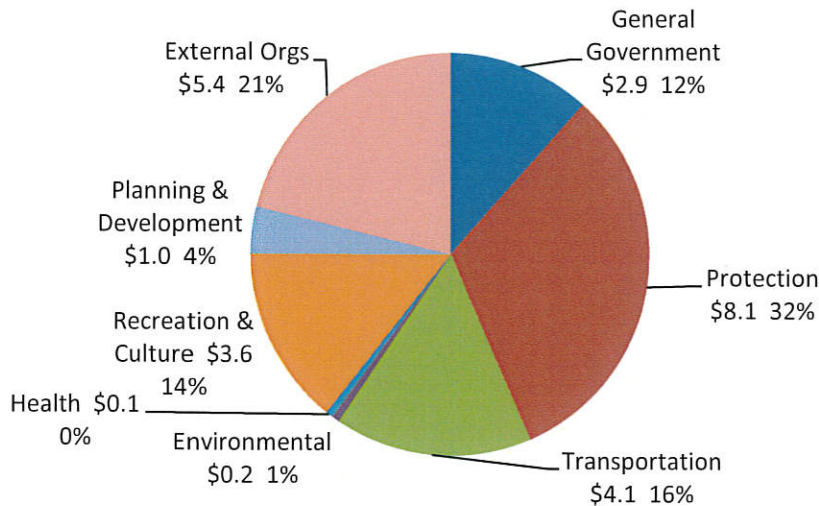


**Net Program Costs & External Organizations**

The net costs of the combined operating programs, before capital expenditures and reserve appropriations are projected at \$25.3 million for 2016, including transfers to external organizations. The most significant portion relates to Protection, representing \$8.1 million, or 32% of combined net program expenditures. This is a reduction from 2015 of \$0.4 million. The next most significant net program cost relates to funds given to external organizations at \$5.4 million (21% of combined net program expenditures), followed by Transportation at \$4.1 million (16% of combined net program expenditures). The following chart provides more detailed information on net program expenditure by function:



**Net Program Costs & External Organizations**



The Province mandates 100% of the funds that are transferred to external organizations. These organizations include: the Northwestern Health Unit; the Kenora District Services Board (KDSB); and the District of Kenora Home for the Aged (Pinecrest).

Transfers to other external organizations that remain at the discretion of the City in determining budget allocation, specifically the Ontario Provincial Police, the Kenora Handi Transit, the Kenora Public Library, the Lake of the Woods Museum, the Lake of the Woods Development Commission, and the Kenora Assembly of Resources, are included within the respective functional areas, and are not included within the external organizations information.



**2016 Major Budget Impacts**

Major factors impacting the City's 2016 budget deliberations (in thousands of dollars) included:



	<b>Budget Impact</b>	<b>% Impact on Tax Rate</b>
<b>Major Tax Rate Impacts</b>		
Wage Considerations (net of Organizational Review)	182	0.7%
Increased reserve allocation to capital (net of Organizational R	135	0.6%
Decreased Investment Revenue	45	0.2%
Utility Costs	156	0.6%
Net Residual City Impact	6	0.0%
	<b>524</b>	<b>2.1%</b>
<b>External impacts</b>		
O.M.P.F. Provincial Funding Decrease	364	1.5%
Policing Cost Reduction	(374)	-1.5%
External Organizations		
Mandated	171	0.7%
Handi Transit / Library / Museum / Dev Comm.	15	0.1%
	<b>176</b>	<b>0.7%</b>
<b>Combined Major Impacts</b>	<b>700</b>	<b>2.9%</b>

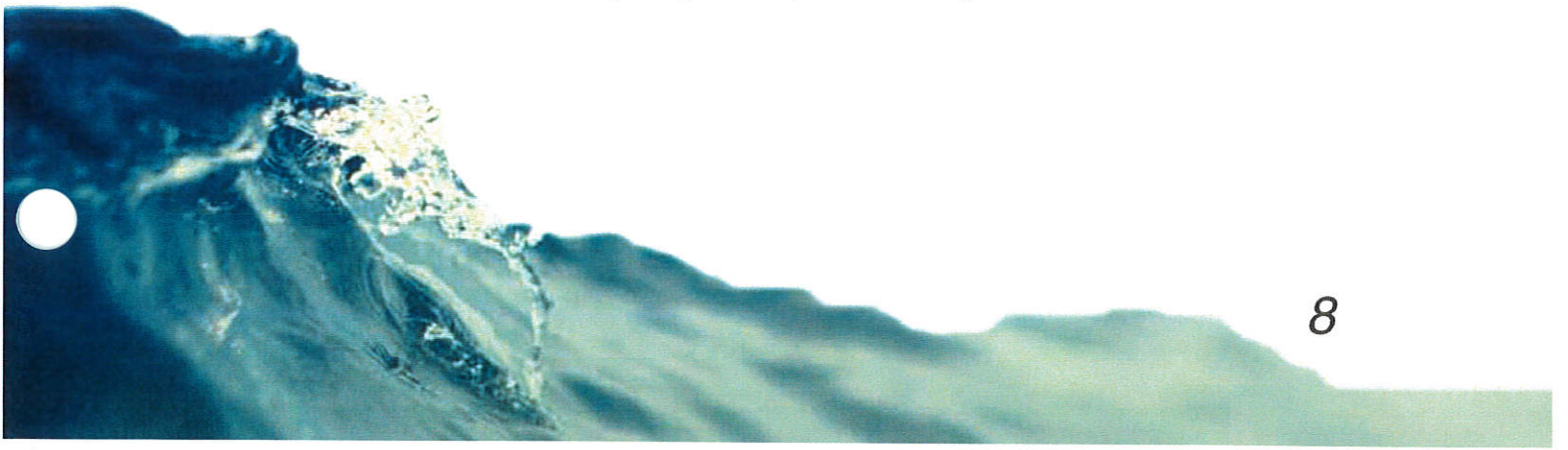
2016 Major Budget Impacts

1% Tax Impact 245

In the above table, negative numbers represent a reduction in required tax levy, and positive numbers represent an increase to the tax levy requirement. It should also be noted that the above table shows major impacts only. It does not break out any amounts related to other items. These impacts have been included in the "Net Residual City Impact". The following is some discussion on the major impacts within the table:

**Wage Considerations** – This represents the impacts related to some City staffing changes as approved by Council, four new summer students and any adjustment to non-union wages as per City policy. This number does not include the impacts of the recent organizational review as these were offset in previous years.

**Police Costs** – There is a decrease to the policing costs of \$374k for the City in





## City of Kenora 2016 Operating Budget

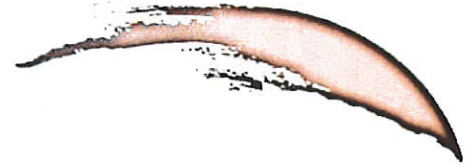
2016. Initially, the plan was for these funds to be transferred to reserves to fund future capital projects. However, given all of the other pressures on the 2016 budget, they have just been absorbed to offset some of the negative pressures on the net tax levy.

**External Organizations - Mandated** – In 2016, costs related to funding mandated to external organizations is anticipated to increase by \$171k. Both the Kenora District Services Board (KDSB) and the Pinecrest Home for the Aged have required increases. The KDSB have required an additional 4.5% or \$139k. Pinecrest has required an additional 2.2% or \$33k. The Northwestern Health Unit has requested the same amount as in 2015.

**Other External Organizations** – Overall, the impact related to the other external organizations (more specifically the Kenora Public Library, the Lake of the Woods Museum and the Lake of the Woods Development commission) represents increased costs of \$15k for 2016.

**Increased Reserve Allocation to Capital** – In 2016, there is an additional ½% net tax levy for additional capital spend as an effort to slowly address the immense infrastructure deficit.

**OMPF Provincial Funding Decrease** – The City received notice that its entitlement under the Ontario Municipal Partnership Fund (OMPF) is being reduced by \$364k in 2016. The City is continuing to lobby the Provincial Government for increases to the City OMPF funding as there are still inequalities in certain components of the OMPF funding when Kenora is compared to similar cities.



<b>1</b>	<b>General Purpose Tax Levy</b>
<b>2</b>	<b>2016 Preliminary Municipal Tax Rates</b>
<b>3</b>	<b>Tax Rate Comparison</b>
<b>4</b>	<b>Preliminary Assessment Comparison: 2016 - 2015</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>
<b>9</b>	<b>Department Budgets</b>
<b>10</b>	<b>Applications Of Reserves &amp; Reserve Funds</b>