



MINUTES

SPECIAL COMMITTEE OF THE WHOLE

Monday, January 30, 2023

City Hall Council Chambers

8:40 a.m.

Live Stream Recording: <https://kenora.civicweb.net/Portal/>

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**With** Mayor A. Poirier in the Chair, Councillor B. Bernie, Councillor G. Chaze, Councillor L. Koch, Councillor B. Manson, Councillor K. Van Belleghem, Councillor L. Moncrief (Virtual)

**Staff:** Kyle Attanasio, CAO, Roberta Marsh, Director of Human Resources, Risk & Insurance, Stace Gander, Director of Economic Growth & Recovery, Marco Vogrig, Acting Director of Engineering & Infrastructure, Ryan Marsh, Director of Finance, David Pratt, Director of Fire & Emergency Services, Andrew Smith, General Manager of Recreation and Culture, Kelly Galbraith, Deputy Clerk/Customer Services Manager

### A. Call to Order

Mayor Poirier called the meeting to order at 8:40 a.m.

### B. Blessing & Land Acknowledgment

#### Delivered by Councillor Manson

As we gather, we recognize that we are on Treaty Three Lands which are steeped in rich Indigenous history and home to many First Nations and Metis people today. We continue to be thankful for the partnerships with Indigenous people.

We give thanks for the many blessings we enjoy in the City of Kenora. We seek wisdom in our minds, clearness in our thinking, truth in our speaking and always love in our hearts, so that we may try always to unite the Citizens of Kenora. Let these principles guide us in our decision making.

### C. Public Information Notices as per By-law Number 160-2022

Mayor Poirier then read the following notices:-

As required under Notice By-law #160-2022, Council hereby advises the public of its intention to adopt the following at today's meeting:-

N/A

## **D. Declaration of Pecuniary Interest & General Nature Thereof**

Mayor Poirier then asked if any Member of Council had any Declarations of Pecuniary Interest and the General Nature Thereof pertaining to any items as follows:-

- i) On Today's Agenda or from a previous Meeting
- ii) From a Meeting at which a Member was not in Attendance

Councillor Manson declared indirect pecuniary interest on all matters relating to NOHFC funding as her child manages the NOHFC funding program.

### **1. DRAFT 2023 Budgets**

The DRAFT five year capital plan was presented to Council by Ryan Marsh, Director of Finance. Through the budget planning process staff adheres to a capital prioritization process that adhere to certain capital budget principals to help guide the City's Capital budgeting process. The guiding principles include:

- Fiscally Responsible – mindful of the financial implications
- Sustainable – supports the long-term financial viability of the City
- Proactive – planning, prevention, and protection to mitigate risk and address complex challenges.
- Prudent, accountable, and transparent – comprehensive view of City services and the investment required to support delivery.
- Deliver on Strategic Focus Areas

Staff prepares the budget on Council's forecast from the previous year's adopted budget. Staff then reviews the capital projects and prioritizes them while considering asset risk management and operating service levels. The preliminary budget is updated with new cost estimates, inflationary increases and contracting increases. Council then reviews the proposed budget. Upon review of the budget and providing staff direction on changes to the proposed budget, Council will then adopt the budget.

#### Operating budget revenue highlights include:

##### 2023 Revenue

|                                    |            |
|------------------------------------|------------|
| Property Taxes (76%)               | 32,244,736 |
| Federal & Provincial Funding (10%) | 4,314,394  |
| User Charges & Levies (7%)         | 3,031,125  |
| Investment & Interest Income (3%)  | 1,130,000  |
| Other Income (2%)                  | 882,144    |
| Reserve Appropriations (2%)        | 715,766    |

|       |            |
|-------|------------|
| Total | 42,318,165 |
|-------|------------|

Operating budget expense highlights include:

2023 Expense

|                             |            |
|-----------------------------|------------|
| Operating Expense (54%)     | 23,276,542 |
| Salary and Benefits (36%)   | 15,743,144 |
| Transfer to Capital (6%)    | 2,546,305  |
| Reserve Appropriations (4%) | 1,852,164  |

|       |            |
|-------|------------|
| Total | 43,418,155 |
|-------|------------|

Capital Budget Highlights include:

|                              |           |
|------------------------------|-----------|
| Transportation (49%)         | 8,189,455 |
| Recreation & Culture (36%)   | 6,049,913 |
| Planning & Development (10%) | 1,639,500 |
| Storm Sewer (3%)             | 500,000   |
| General Government (1%)      | 117,000   |
| Protection (1%)              | 95,000    |

|       |            |
|-------|------------|
| Total | 16,590,858 |
|-------|------------|

Capital Funding Sources include:

|              |           |
|--------------|-----------|
| Provincial   | 5,082,460 |
| Reserve      | 4,746,318 |
| Federal      | 3,806,930 |
| Net Tax Levy | 307,352   |
| Debt         | 101,493   |
| Other        |           |

The City of Kenora Capital Budget consists of a 2023 investment of \$16.590 million dollars and a five (5) year plan of \$70.488 million dollars. The Net Tax Levy allocation to the capital is \$2.546 million dollars. Additional funding sources support the capital plan: Provincial \$7.907 million dollars, Federal \$3.806 million dollars, Reserves \$4.746 million dollars, Debt \$0.307, \$0.104 Other/Recovery.

Reserves are utilized to stabilize and fund annual capital expenditures, the City has established a number of reserves and reserve funds for specific purposes.

The City budget includes the functional costs with the External organizations representing the largest portion followed by Transportation and Recreation. Transfers to external organizations mandated by the Province of Ontario include:

- Ontario Provincial Police (OPP)
- Northwestern Health Unit
- Kenora District Services Board (KDSB)
- The District of Kenora Home for the Aged (Pinecrest)

**Mayor Poirier stepped away from the Chair at 12:55pm. Deputy Mayor Bernie stepped into the chair.**

Additional external Organizations receive amounts whereby budget allocations are at the discretion of the City, specifically Kenora Handy-Transit, the Kenora Public Library, and the Lake of the Woods Museum and Arts Centre.

**Mayor Poirier resumed the chair at 1:25pm.**

Members of the Senior Leadership Team (SLT) presented their department's capital budgets to Council. A background on each capital project was provided by staff and the projects were discussed at length. Additional impacts to the budget such as salaries and benefits, user fees, transfers to reserves and debt financing were discussed. It was noted while the budget is a five year plan, the focus should be on 2023. The additional years are not set in stone, they are fluid and provide guidance for the Finance Department and Administration. The impacts to the net tax levy and the implications to services were also discussed at length.

It was questioned if reserve contributions are defined year over year. At this time contributions to reserves are discretionary. There are some reserves which are deficient such as storm sewer and fire. Some municipalities have policies on reserves which outline annual contributions and that is a future decision that Council can make.

**Councillor Moncrief left the meeting at 3:45 p.m.**

Council thanked staff for their background on the departmental projects and budgeting. Council will meet on February 1<sup>st</sup> and February 2<sup>nd</sup> to further discuss the budgets.

## **2. Adjournment**

The meeting adjourned at 3:51 p.m. The closed meeting was not required.