



## MINUTES

### SPECIAL COMMITTEE OF THE WHOLE

Wednesday, March 1, 2023

4:00 p.m.

City Hall Council Chambers

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

**Present:** Mayor A. Poirier  
Councillor G. Chaze  
Councillor L. Koch  
Councillor B. Manson  
Councillor L. Moncrief  
Councillor K. Van Belleghem

**Regrets:** Councillor R. Bernie

**Staff:** Kyle Attanasio, CAO, Heather Pihulak, Director of Corporate Services/City Clerk, Dave Mellor, General Manager of Engineering, Stace Gander, Director of Economic Growth and Recovery, Marco Vogrig, Municipal Engineer, Roberta Marsh, Director of Human Resources, Risk and Insurance

#### Call Meeting to Order

Mayor Poirier called the meeting to order at 4:00 p.m.

#### Blessing & Land Acknowledgement

##### *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.

#### Public Notices

Take Notice that as required under Notice By-law #144-2007, Council intends to adopt the following items at this Special Meeting of Council:

N/A

#### Declaration of Pecuniary Interest & General Nature thereof

i) On Today's Agenda

- ii) From a Meeting at which a Member was not in Attendance  
There were none declared.

**Deputations**  
None

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**1. Solid Waste Utility Budget**

The budgets we are discussing today are stand-alone utilities which means that no tax dollars are contributed to these budgets. If in business you want your revenues higher than your expenses and we need to keep that in mind. What happens when revenues are higher than expenses, we have a surplus, we never want to have a loss. You will see as you go through there is a surplus, and these flow through to the reserve. It helps to fund our capital and financial risks and fluctuations that may occur. The layout is similar to that of the tax supported budgets. They are consistent with best practices of the MFOA of Ontario, multiyear views, functional views and comparisons.

Solid Waste operations are responsible for the collection and disposal of non-hazardous waste for the City of Kenora and surrounding area. Solid waste is directed through the transfer station located on Mellick Avenue with final disposal occurring at the Kenora area landfill located on Jones Road.

The establishment of an adequate Solid Waste reserve ensures financial stabilization, the ability to manage potential risks, manage reserve fluctuations and is the primarily source of capital financing. The principle responsibility of the reserve is to ensure the future financial obligations the landfill closure are met along with financing the construction of a new site. You can never have enough reserves as there are long term costs to a utility like this. The new site will cost a lot more than the current site with the environmental issues that will need to be considered.

The first large capital project which is a continuation that started in 2021. It is a requirement that we are required to have a perimeter road around it. We started it in 2021 with the first third and now looking to complete to satisfy the requirement.

The last capital project is regarding the Solid Waste Fleet, including the landfill packer which is over half million dollars. It is instrumental to ensure that it is working at maximum capacity. The others are small normal retirements of equipment.

**2. Water and Wastewater Utility Budget**

The City's water and wastewater operations provide clean drinking water and treatment of wastewater to the City residents. The water and wastewater operation is a separate utility funded solely through user fees. A long range Financial Plan for the Drinking Water System has been prepared in accordance with Ontario Regulation 453/07 to direct fiscal planning and rate setting.

The City's residential drinking water system is Municipal Drinking Water Licensed in accordance with Ontario Regulation 188/07 under the Safe Drinking Water Act (SDWA), 2002.

Through this year's budget process we have found that the plan is somewhat outdated specifically the assumptions. The inflationary increases are undervalued and the capital investment assumption does not match the current assessment needs. In order to bring a prudent and balanced budget there is an impact to the reserves. As well there has been an impact to the capital works. There will be further discussion on the long range financial plan and keep in mind that what you are seeing is an impact to that. Administration does not feel this is a significant issue to stop the budget as it stands now, but do anticipate doing work this year to get a better handle on what this means moving forward.

Currently in the budget we have around \$349,000 per year in revenues and the amount of debt we are looking to add is \$179,000. We need to be cautious about how much we are adding to the reduction in reserves and debt.

Council would like to have a process identified moving into the 2024 budget process around reserves and debt financing. There could be considerations for the next budget process on how we could better prepare for the budget presentations for next round.

Council reviewed the draft capital projects in the water and wastewater division.

Council would like to have a conversation around the multi-unit water program understanding it ties into our revenue piece. It is only targeting residential multi-unit buildings and not commercial buildings. This issue has been raised with multiple people in regards to the multi-unit rates. It is not feasible to review as part of the 2023 budget, but something to consider reviewing in the coming months. Information that would be helpful is the revenue impacts, and some background details. What are best practices, and what are our options. Council feels this is something that needs to be looked at. The CAO will take this away to discuss with the SLT. The priority at this time is the current budgets and getting these budgets complete before moving onto this project.

### **3. 2023 Operating Budget Overview**

Ryan Marsh, Director of Finance then moved onto the overview of the 2023 operating budget. This current draft budget includes the first Council to deliver on police cost reductions which are being returned to citizens. \$16.5 Million investment in infrastructure including Bridges, Roads Rural Roads, and Facilities. Maximized external funding to make our dollars go further. Balance the importance of saving for the future with the need to continue to invest in our community. Investment in Community Safety and Wellbeing, and Environmental Sustainability 2023 Operating Budget.

The Capital Budget was approved February 15<sup>th</sup> and the presentation of Water & Wastewater and Solid Waste Utility Budget today. The next step is to present a report at Committee of the Whole on March 8<sup>th</sup>. Water & Wastewater, and Solid Waste Utility Budget Preliminary Operating Budget is 7.16%, the reduction of policing costs is \$511,474 (1.8%) for a 5.36% budget.

A 1% Tax Impact = \$285,454

Net Tax Levy Percent Increase	5.36%		7.16%	
	Annual	Month	Annual	Month
\$2,550/Year Property Tax ( <i>Median</i> )	\$136.68	\$11.39	\$182.58	\$15.22
\$5,000 / Year Property Tax	\$268	\$22.33	\$358	\$29.83
\$10,000 / Year Property Tax	\$536	\$44.66	\$716	\$59.67
<b>Increase to Tax Revenue</b>	<b>\$1,530,033</b>		<b>2,043,851</b>	

Council will see all budgets presented at the March 8 Committee of the Whole meeting.

Meeting adjourned at 7:57 p.m.