



MINUTES
SPECIAL COMMITTEE OF THE WHOLE
Monday, May 15, 2017
8:00 a.m.
City Hall Council Chambers

- Present:** Mayor D. Canfield
Councillor M. Goss
Councillor R. McMillan
Councillor D. Reynard
Councillor L. Roussin
Councillor S. Smith
- Regrets:** Councillor C. Wasacase
- Staff:** Karen Brown, CAO, Heather Kasprick, City Clerk, Jon Ranger, Budget & Special Projects Officer, Todd Skene, Fire & Emergency Services Manager (left meeting at 8:50 a.m.)

Call Meeting to order – Mayor Canfield

Mayor Canfield called the meeting to order at 8:00 a.m.

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

Councillor McMillan declared an indirect pecuniary interest as it relates to agenda item number 1 regarding those budget items related to policing services. His spouse is a member of the Kenora Police Services Board and receives remuneration.

Deputations

None.

1. 2017 Operating Budget Review

Karen Brown, CAO, reviewed the initial list of preliminary major budget impacts with Council.

The OMPF allocation funding has decreased and affects our budget in the reduction of revenue to \$333,100. Policing costs has decreased by \$317,700. The Kenora Citizens Prosperity Trust Fund will see a reduction in interest by \$40,000.

The external organizations remain the same with no changes to the Northwestern Health Unit. The total net impact from the Kenora District Services Board is \$132,000 and the Pinecrest Home for the Aged increase is \$70,200. Total net impact to the budget from external organizations is \$202,200.

Other external organizations are Lake of the Woods Museum is \$1,400 and Lake of the Woods Development Commission for \$40,600 for a total net overall impact to the budget of \$42,000.

City impacts include a correction to the 2016 capital budget error for \$105,000 and a 1.6% tax increase to capital for \$384,200 for a total of \$489,200.

Staff related impacts include the fire arbitration award net of 2016 reserve allocation adds \$68,000. The CUPE (non utility) impacts adds \$99,100 to the budget along with the non-union (non utility) economic adjustment & steps for \$116,300. Council salary increase includes \$4,100. City hall restructuring includes \$14,200 and other staff related impacts for \$25,000 for a total of \$326,700.

Other City impacts include a net increase to Provincial Offences revenues for \$111,300. Assessment impacts total a decrease of \$150,500. The estimated interest income increase is \$90,000 for a total other City impacts of an addition to the budget of \$50,800.

Council was provided with the details to the Mayor and Council budget. Direction was given to provide the Health Care Working Group \$25,000 for 3 years so the second year is included in their budget. The total Mayor & Council budget is \$159,920.

Council clarified that when we prepare a budget and there are surplus funds we take that surplus amount and we put that amount into contingency reserves. If every year we have a significant amount of surplus maybe we are over budgeting. Under the Municipal Act if you put money in reserves you need to adjust for it in the following year.

When looking at the wages, were they calculated with the positions full? The wages and benefits were budgeted at the positions being full. It makes a conscious decision to reduce the budget for savings, but it would need to be realized next year and will then show as an increase to the budget next year when the positions are full.

Council questioned the impact on utility decreases and how that was budgeted. We are converting both arenas to the LED in 2017 but the budget was not reduced as it is difficult to predict the energy savings.

Council moved to 121 budget and Karen explained that the recruitment cost was allocated to Karen's budget. The leadership exercise was budgeted there and \$25,000 is included for strategic plan implementation. Council expressed interest in discussion on the Harbourfront development and indigenous relationships and that money was there for these items.

Question is 122 legal budget which is significant. City Clerk explained that she has had significant FOI requests which require legal attention as well as several bylaw reviews which were included. It is difficult to predict what will come forward in 2017 but we hope that this amount will be sufficient for 2017.

In 124 there were questions pertaining to Human Resources wages and Karen explained the split between human resources and payroll duties. It reflects in the human resources budget for splitting the wage between the two departments. It reflects where the employees cost centre is.

Under 229 we will be searching for a new lease partner where these costs would not be borne by the City.

Under 311 Council questioned if the increase to Ministry of Transportation for higher charges for responses has been reflected.

Under 225 the OPP Provincial MCSCS it was clarified what that money consists of. The 1,000 Officer program, the court security upload and the "Ride" funding which is included.

361 there is a significant reduction in street lighting reflected in the budget which is positive.

Motion to Adjourn to Closed Session

Moved by Councillor R. McMillan, Seconded by L. Roussin & Carried:-

That pursuant to Section 239 of the Municipal Act, 2001, as amended, authorization is hereby given for Committee to move into a Closed Session at 10:45 a.m. to discuss the following item:

Labour Relations (1 matter)

Reconvene to Open Meeting

Council reconvenes to open session at 11:26 a.m. with no reports from its closed session.

Council resumed budget discussion with questions pertaining to the different departments.

The paving budget was discussed and the Norman Drive paving project. There are parts of that road that are right up against the CPR right-away. Karen will speak with Operations and options for that project (Norman Drive).

Karen referenced that there is likely some funding missing from the human resources department which is estimated at \$30,000. This will be an improvement to the budget.

Karen distributed some budget options for Council consideration.

Heritage Kenora has not spent their budget and Karen suggests that we cut \$1,000 for the budget.

Council discussed the LOWDC budget increase request of \$41,600. Council agreed that there would be no increase to the LOWDC budget in 2017.

Karen advised that through our capital program we normally contract out the sidewalk services to do the sidewalk program. This year we are hiring two seasonal labourers to do the work this is a reflection of a \$10,000 budget impact to contract out portions that may not get completed.

The computer for road patrol data is a \$3,000 budget impact and Council directed to leave it in.

There is \$3,000 worth of broken mirrors in the fitness centre that need to be replaced and Council directed to leave it in.

Teranet is the new land registry program and the subscription for that program. It will allow us to search the registry and determine who owns property. Planning feels this is a very valuable program which requires an annual subscription of \$4,100. Council directed to leave it in.

Economic Development McSweeney site selection is a new program that allows developers to search for properties that are available. Council questioned if this is something we can manage ourselves and if we need the software to manage it. Council asked for more details on this one before approving.

Karen distributed a draft budget options for consideration list. She outlined that we are short on our equipment replacement reserve. If you put nothing in, it is an issue and we don't have enough going in to address the deficit in this area. The consensus is that nothing will be included in 2017 for this purpose.

The Kenora Substance Abuse and Mental Health Task Force request of \$100,000 was not approved, however, they need to come back to Council with a partnership plan along with government funding. The Task Force is doing great work, but there needs to be other partners at the table and not sole source financed by the City. The KDSB has already identified a huge amount of duplication in agencies especially when it comes to housing.

The JM ball fields request Council felt that they need to go back and reassess their plan and work with the new manager on their plan and the completion of the works.

Council supported the memorial stone request.

Bridge audit review is going to be just under \$4,000 to present to Council. Council agreed they would like this presented by the consultant.

We are currently at 3.45% tax increase. The tax rate would not increase by 3.45 but we would have a levy change of 3.45%.

Some members of Council felt that the increases reflected in the budget were necessary and it is time to accept the increases that are necessary. The communication part will be the most important.

Karen then reviewed the property tax process and explained the taxation process. She then discussed the notional ratios and advised Council can include the payments in lieu, or not. She did an analysis on all the options for Council and was presented to them.

The special council meeting of Council will be held on June 6 at 12 noon to pass the bylaws to accept the budget with amendments directed today at which time we will also set the tax rate for 2017.

Meeting adjourned at 2:10 p.m.