



CITY OF KENORA
2006 OPERATING BUDGET
"The Public Challenge" – "6 & 6"

Public Meeting Notes
Wednesday, May 10, 2006
Rotary Room - 7:00 p.m.

PRESENT:

Mayor D. Canfield
Councillor L. Compton
Councillor R. McMillan
Councillor A. Poirier
Councillor T. Szajewski
Councillor C. Wasacase
Bill Preisentanz, CAO
Karen Brown, Manager, Finance & Administration
Richard Perchuk, Manager, Operations
Barry Reynard, Manager, Community Services
Sharen McDowall, HR Manager
Chief Jorgensen, Kenora Police Service
Joanne McMillin, City Clerk
Various City Staff, Media, and Citizens

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Councillor McMillan opened the meeting and welcomed those in attendance, as well as introduced City Staff and Members of Council. He advised of several housekeeping rules for the meeting with respect to order and decorum, and the question and answer period. Councillor McMillan gave an overview of the Agenda and that the presentation by Ms Brown will be approximately 30 minutes and the meeting will conclude at the advertised time of 9:00 p.m. Written submissions are also welcome either by hard copy or through the Portal on any suggestions the public may have with respect to this matter.

Ms Brown then gave her power point presentation as set out on the handout provided to everyone in attendance. Councillor McMillan then opened the floor for the 'question and answer' period.

Emily Tacknyk-Roulston questioned if the City ran out of money as her area of town (Beggs Road) was not done by the brusher; she asked if there were repairs made to it; how much did it cost and where was it sent for repairs? Rick Perchuk advised that both machines broke down and he does not have

the financial information available at this evening's meeting; however he will get the requested information to her.

Don Kinger questioned why we continue to employ the OPP to patrol Keewatin and JM if the costs are not reflected in the figures of tonight's presentation? He further asked why we have two police Forces. Councillor McMillan advised that through the service delivery review, policing is being looked at and this is going to be something that this Council as well as the new Council will have to consider.

Bill Preisenz gave a brief history from 2000 at that time the two police forces existed and that there were dollars given to municipalities at that time for maintaining the status-quo. However the rules changed in 2005 and therefore Council agreed to review this item in 2006. He indicated that it is not a pretty situation when you pit one police force against the other.

Mayor Canfield requested clarification from KPS Chief Dan Jorgensen with respect to two-man cars for the KPS. Chief Jorgensen explained that in the Collective Agreement there is a stipulation that there be one two-man cars on duty due to health and safety issues during the evening shifts.

Carole Bruneau referred to the closing of the Mill and questioned what about the tax increases that have occurred for instance by having Trus Joist in our community now and the proposed expansion of Kenora Forest Products, and indicating there is potential for more jobs. She referred to a number of cosmetic changes in the city such as new looks for various vehicle dealerships and other new big buildings that must provide good tax base. She feels we should take Abitibi out of the picture now that they have closed their doors and move forward and away from the doom and gloom of its closure. Ms Brown gave a brief highlight with respect to Trust Joist coming onto municipal records in late 2003, and that the City incurred substantial expense to assist with funding the sewer and water project and those taxes are being used to pay down that debt even though government funding was provided. She advised there are no major increases in assessment as some properties go up but some also go down. Reference was made to the proposed new Forest Products assessment and that it will not make any difference to the City in 2006, perhaps not until 2007 or beyond. Ms Bruneau further asked if Wal-Mart and Canadian Tire haven't provided value to the City in terms of taxes, however it was clarified that as these projects related to the Operations Centre re-location, the increased revenues are assisting in paying down the long-term debt of that project.

Bill Burbank of RAFT (Residents After Fair Taxation) questioned the need for a business case relative to the new funding, and that any long-term

borrowing is to be supported by a business case; he asked if there was a business case for the Operations Centre and the Recreation Centre projects? Barry Reynard responded that under the Government 'Superbuild' application a business case was required and did go forward to support the funding request for the \$2.1 million debenture for the Kenora Recreation Centre project.

Rick Perchuk indicated there are two main parts to the Operations project with respect to where the actual development is and that there was an agreement with the developer for the construction works that took place. He advised all roads work was 6 million dollars and was taken through reserves from connecting link roads. He advised there was a business case put forth with respect to the tax income from the new stores to reflect a payment for construction. Tax incomes were not as high and expenditures were up, and he advised he would have to go back to the actual financial information. Councillor McMillan advised Mr. Burbank that we would follow up on this matter, and mentioned that perhaps he would like to further address this question with Karen Brown at the end of the meeting.

Bert Alcock commented that it would have been helpful to the public if the 2005 expenditures had been made available so we could have seen the impact of the increases for 2006 as there is no comparison in the hand-out. He referred to the identified 9 positions for elimination and asked if this has already taken place and if so, those savings should be reflected in the package so we can understand what the savings are. Councillor McMillan confirmed the affected staff has been notified. Ms Brown advised that while we cannot release personnel information as it relates to this matter, we could provide a total dollar amount and she could make available the 2005 actuals with the 2006 figures but the comparison is not available this evening.

Jack Young of RAFT introduced himself and stated the taxpayer cannot afford the budget with the assessment increase. He believes the City is going to force residents out of the City and Northwestern Ontario, noting the rural taxpayer is paying 33% in taxes. He has observed a number of houses for sale in the area and stated that something has to change; the City has to cut its costs, or otherwise residents have no option but to cut their losses and leave town. In closing he stated the taxpayer has always been the 'cash cow' for the municipality but that they can no longer afford the City.

Lauri Morrell asked how the taxpayer is going to get better service when the cuts are being made by the City. For example, what about snowplowing and snow removal with the loss of roads positions? How can services be improved? Bill Preisenz asked if the City should continue to provide the

services or are there alternatives, or do we just cut services we cannot afford. He noted that if what Ms Brown says comes to fruition with respect to our financial forecast, we will have a tough time and if we can't provide services at a lower cost we have to further reduce staff. Mrs. Morrell stated the City does not have enough staff to do this, and this action will put us into an overtime situation that will cost more resulting in having to hire contractors that will amount to an even greater cost.

Bill Burbank explained he had attended a November meeting regarding the Roads Review and he asked what the result was. He referred to 'better effectiveness and efficiencies' and what was the outcome? Rick Perchuk noted that his report was circulated to Council with five recommendations and there was an action plan put forth with recommendations and that service levels are going to be reflected in the budget. He will be working towards completing those recommendations now that the budget has been adopted. Bill Burbank mentioned that those who attended that meeting, including the Press, were promised a report and they didn't receive it. He stated that Kenora citizens need to receive better performance, planning and forward thinking from City Council and Administration and feels this is not acceptable. Reference was made to the cross benefit analysis and it was asked if it is a good deal and at what cost?

Emily Tacknyk-Roulston explained her taxes are approximately \$3,000 and they only get inconsistent garbage and blue box pick-up. She feels they should get a bit more for their roads as they drive on a lot of mud especially when it rains and that north of School Road, those taxpayers do not get very much in terms of road work for what they pay.

Carole Bruneau stated she is affected in many ways in terms of the budget as she is a city employee with a wage reduction (however this was reinstated); she is a property owner as well as a business owner. She mentioned her In-laws and that they may have to rent somewhere or leave town as senior citizens cannot afford the property taxes. Ms Bruneau then asked about capital expenditures and whether or not the City is prepared to cancel the \$50,000 for the new summer service at the Cemetery? She believes this to be over exaggerated, but regardless, she questioned the value behind the expense? She further asked if the City is prepared to cancel non-essential capital items. Councillor McMillan advised that since the Capital Budget is a fluid document it can be revisited many times together with any project, and he explained the number of different ways this can be done.

Don Kinger mentioned that taxes are the biggest part of our budget and referred to the increases since amalgamation. He believes local businesses are being gouged and questioned what the City is doing to attract business

due to high taxes? Bill Preisentanz referred to the City's new Economic Development Committee and that their focus is to attract new business and maintain what we currently have. He explained there have been more dollars allocated to this year's budget to attract business and to work with the senior levels of government in an attempt to obtain funding for this purpose. Bill Preisentanz stated if anyone has ideas or an interest, we welcome the input and their attendance at the meetings of the Economic Committee. Anyone may contact Bill Preisentanz and he will advise when the next meeting will be held. Councillor McMillan re-enforced those comments, stating it is definitely a focus to attract more business to Kenora.

Bert Alcock referred to property assessments noting they have gone way up so whether it is the assessment or the mill rates that increase it is the taxpayer that has to bear the cost.

Jamie Craven questioned the cuts made to the Library budget; stating that facility is likely used as much if not more by residents as the Wellness Centre. She asked why there were such severe cuts to the Library and yet the Museum is only closing over Christmas. She questioned how does the City justify where and how these cuts are made. Barry Reynard explained the process with the initial 'wish list' that was brought forward under Community Services as a whole based on quality of life programs with an initial total of about 3 million dollars. He referred to the significant utility increases to all facilities under his department and while it looks like the Museum went up in fact their costs went down, partly due to the closure of the Museum Annex building (Youth Drop-in Centre). He explained the Library did take a bit of a hit and that it was a difficult exercise to examine piece by piece. Ms Craven questioned a comparison on usage and numbers however Barry Reynard explained they had to be fair and not to pit one department against the other as they both have good quality of life programs. Council has had very difficult decisions to make, and Community Services reduced its total budget request by 4.09% to meet the cuts directed by Council.

Carole Bruneau discussed the Harbourtown Committee and its function, mentioning that she believes it's a great idea and great for downtown but she is concerned on how it is operating. She is disappointed that all purchases for their improvements were purchased down east for benches and garbage cans for a cost of about \$32,000.00. She can't believe that this would be allowed and she is not blaming anyone in particular as we can all share the blame. She went on to comment that when we go forward with these Committees it is extremely important to buy locally and start promoting locally with our own natural resources. Councillor McMillan gave an explanation of the function and structure of this Committee together with the other Committee with similar interests in downtown which is the BIA.

It was explained that the BIA would have purchased the items in question and Bill Preisenz explained the City does not make these decisions as the BIA is governed by a Board. Councillor McMillan sits on this Board and will take this information forward as addressed by Ms Bruneau.

Ren Amell thanked Council and staff for all the work they have had to do for this year's budget and the tough decisions they had to make. On behalf of Triple PLAY, he thanked the City for supporting his group and this very worthwhile program as it attempts to maintain kids in a healthy social program, and he hopes the new Council will continue to support this program as well.

Audrey Toews questioned the need for the Harbourfront Contractor position and paying some \$33,000 a year? Bill Preisenz advised this is one area that will be looked at and the value of having that individual at the lot. He noted there are two sides to it, questioning if patrons come if no-one is there to co-ordinate the parking as it has always been somewhat of an ambassador-like position on behalf of the City. But nonetheless, it will be reviewed this year. Ms Toews then questioned the unrealistic expectations of service; when you have taxpayers calling due to snow banks in the downtown area and the BIA calling for snow removal; it is a huge expense. She referred to homeowners who can't cross the street because of the snow banks and what she has seen again and again as people are angry and they make calls and they are reacted to. She noted that Council responds to the calls put on them, and the same goes for roads and their condition; everyone wants everything and they want it now. Ms Toews indicated she hasn't seen a real plan from Council for providing a realistic plan for service. Councillor McMillan agreed Ms Toews has identified a couple of issues that we hear from the residents in the rural area on a regular basis; high taxes for next to no services, and with what Ms Toews is referring to in the urban and other areas there is a high demand for service. It was explained that Council will be looking at service delivery through the service review and what level of service is going to be provided and this will be addressed as a Council, including what is the impact on cost; how to do more with less, etc. Ms Toews explained that staff is told what to do and they know the budget and they know what it costs and they don't always agree with what to do or not to do, but when the order comes down, they do it, yet they are the same staff that is being lashed out at in the media, by the public, and by Council.

For clarification, Bill Preisenz advised it was the Harbortown Centre and not the City that cleared their snow and it costs the City \$10,000 a day and we didn't do it and yet we are criticized for it.

Jack Young referred to the snow removal in rural areas and that it is non-existent for \$4,000 per year in taxes.

Wendy Cuthbert also referred to snow removal on roads and ditching, noting that it's not so much a waste of time it's the doing it twice and lack of doing it, and it could be done more efficiently, and same with the road work and grading and following a schedule. Councillor McMillan and Rick Perchuk advised this will be addressed in the service delivery review and the roads review.

Rick Perchuk explained the Roads Department has been the hardest hit from 25 staff down to 20, noting that staff is very concerned, and they wonder how the work is going to get done. Rick Perchuk explained that priorities will be looked at, but the public has to expect the snow banks will be higher as it can't work both ways; the public wants us to spend less but do more. He stated is proud of the efforts of his staff that do the snow removal.

Jim Tooke asked why the City doesn't plow to the centre lane and remove it rather than handling it twice.

Don Kinger stated we have gone from one end of the spectrum to the other from the condition of the former Keewatin Public Works Yard to a brand new Operations Centre. He questioned if the City will be seeking legal help as every project the City does goes over budget and he used the new Operations Centre as an example and this might save the City many dollars. He feels the City requires better Engineering staff as we are not qualified to take on jobs worth millions of dollars. Bill Preisenz referred to his report on the cost and the review in planning for the new Operations Centre and how we arrived at the 12 million dollars and that it was not over budget. Bill Preisenz noted that he has the report and it can be reviewed by anyone wishing to see it. Rick Perchuk referred to the low bid contractors and that nothing went over budget in the tenders that were awarded.

Bill Burbank commended the City on the basis of getting into economic development and looking outward and towards the future as opposed to inward, and focusing on bigger matters than Council travel. He encourages the City and hopes the service reviews will be done and if they can't be done internally the City should hire someone to help as we've been saying it since 2000. He referred to the Mill closure and asked what is going to happen to the property; and will we be left with a mess, or will it be replaced? Councillor McMillan advised that discussions are underway with Abitibi regarding their property. Mayor Canfield explained the priority from the City and the Mill's point of view is to sell the Mill and have it up and running for producing some type of product/process; he noted there is a lot of infrastructure that is very good and very new, and huge investments have been made in the infrastructure. He explained the Economic Development Committee wants to determine what industry could possibly make use of this type of infrastructure and that contact has already been made with a

company in Toronto. Mayor Canfield would like to see it used rather than torn down.

Audrey Toews asked about the Jaffray Melick arena and what does it cost, and is it worth it? It was noted there is a \$25,000 cost attached to it, but that it can't be quantified at this time. It was asked on average, how much use does it make and it was noted the partnership is accountable for this program.

Mayor Canfield referred to the very good feedback that has been discussed tonight and that we are all in this together, noting that we are all taxpayers and he referred to the OMPF funding and the downloading of the many kilometers of highway as well as bridges that we got from the province. He explained we could not afford the downloading at that time and we have struggled since then, and we need any help the public can give. Erin Roussin asked if there could be something put on the website that the public could either sign or download and send letters to the province regarding this matter of the downloaded costs. It was mentioned this would be a great idea.

Wendy Voth stated she agrees with a service delivery review and that Council should make this information very public and to widely communicate it as best they can.

Carole Bruneau asked if the City is pursuing the Abitibi dam issue and is the City planning on taking them over? Councillor McMillan advised we are in negotiations and discussions on this matter.

Don Kinger referred to Abitibi's taxation situation and how they are being taxed, including their prime lakefront property. It was explained that each property is being taxed as when it was in full operation but that Abitibi has applied for a vacancy rate rebate and this will change once that application is approved likely not until this October.

In closing, Councillor McMillan gave an overview of the questions and answers that were discussed, and advised these Minutes will be made available on the City portal.

Bill Preisenz thanked the public for being fair in their inquiries and thanked Council and Managers for attending and that we will be back in a couple months with further information for the public.

The meeting adjourned at 9:00 p.m.