



MINUTES
of the
Budget Committee
Of Council

ACTION

Held Thursday, April 3, 2008
City Council Chambers
9:00 a.m.

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PRESENT: Councillor R. McMillan, Chair
Councillor D. McCann
Councillor W. Cuthbert
Councillor C. Drinkwater
Councillor A. Poirier
Councillor C. Van Walleghem
Mayor Compton
B. Preisntanz, CAO
W. Brinkman, Emergency Services Manager
S. McDowall, Human Resources Manager
C. Neil, Recreation Manager
R. Perchuk, Operations Mgr (arrived 9:45 a.m.)
K. Brown, Finance & Administration Manager

A. PUBLIC INFORMATION NOTICES AS PER BY-LAW
NUMBER 144-2007

Take Notice that in keeping with Notice By-law #144-2007 Council intends to approve the following at its April 14 Meeting:

N/A

B. DECLARATION OF PECUNIARY INTEREST

- 1) On Today's Agenda
 - 2) From a Meeting at which a Member was not in Attendance
- There were none declared.**

C. CONFIRMATION OF MINUTES

Moved by C. Van Walleghem, Seconded by W. Cuthbert & Carried:

THAT the Minutes from the last regular meetings held:

March 13, 2008; and

March 17, 2008

be confirmed as written and filed.

D. DEPUTATIONS:-

Maureen Witherspoon – Lake of the Woods Museum

Ms. Witherspoon presented the Museum's strategic plan to Council and provided Council with an overview of that plan and the five strategic goals contained therein. She made reference to the commitment made previously by the Museum to develop a strategic plan. Ms. Witherspoon's deputation is attached to and forms part of these Minutes.

E. REPORTS:

1. 2008 Draft Operating Budget Detailed Review

It was noted that the target date for setting the tax rates continues to be April 30th. It was discussed that the certain By-laws, such as the tax ratios By-law, must be set by April 30th, although the actual tax rates may be set following that date, provided they are done in accordance with the ratios as approved by Council.

Karen Brown distributed the current tax levy shortfall analysis based on the draft budget before Council, and reviewed two requests for changes received since the draft budget was prepared. Current tax rate impact is 6.9%.

Council and the Managers engaged in a detailed review of the program budget sheets and reconciliations included in Index #7 of the draft budget, including the impact of the two changes discussed. Council also requested clarification on line items included in the detailed department budget requests included in Index #9.

2. Council Discussion / Amendment

Council engaged in an extended discussion on the draft budget and resulting tax rate impacts.

RECOMMENDATION

Council directed staff to update the draft 2008 operating budget as follows:

- Eliminate the Japanese Exchange budget - \$500
- Amend the Kenora Police Services (KPS) budget as per the recent submission from Chief Dan Jorgensen, reflecting net costs of \$4,210,738 for that department, with the following provisions:
 - Maintain the KPS budget for the entire year for 2008
 - No economic adjustments are to be included
 - KPS capital program to be stripped out of the capital plan
- Incorporate additional request from the Handi Transit Board for \$1,840 in additional funding, but reduce amended City request by \$5,000 to reflect funding opportunity from the Kenora and Lake of the Woods District Community Foundation (the Foundation) for funding in 2008
- Eliminate \$4,000 in funding to the LOTW Soccer Club. Staff were directed to send a letter to the soccer club to request support from the Foundation.

**KBrown
KBrown**

KBrown

**KBrown /
CNeil**

Other specific direction from Council during the discussion included the following:

- Investigate code access by individual staff members for City hall copiers to help encourage reduction in copying costs. **KBrown**
- Review the October 2007 budget submission from RAFT with regards to the note on increased costs for the City's Finance & Administration department, and report back to Council. **KBrown**
- Ensure that the net impacts from the KMTS transaction in 2008, currently shown as adjustments within Index #6 of the draft operating budget, be more clearly emphasized in the budget document to help clearly communicate this information to the public. **KBrown**
- Proceed with the hiring of the Recreation Programmer in 2008. **CNeil**

The meeting broke at 11:45 a.m. for lunch.

Warren Brinkman, Sharen McDowall, Colleen Neil and Rick Perchuk left the meeting.

The meeting resumed at 1:00 p.m.

2. Council Discussion / Amendment (Cont.)

RECOMMENDATION

Council directed staff to update the draft 2008 operating budget as follows:

- Kenora Public Library grant to be amended to \$491,195, based on a 3% increase over the City's 2007 contribution level, plus an amount equal to the request for wage impacts and increased audit fees. **KBrown**
- Lake of the Woods Museum grant to be amended to \$185,435, based on a 3% increase over the City's 2007 contribution level, plus an amount equal to the request for wage impacts and increased audit fees. **KBrown**
- Council Donations to be amended as follows:
 - Triple Play request amended to \$12,000 following confirmation that funds were required for administrative purposes and not program support. This donation will be conditional upon receipt of satisfactory statements from the Triple Play organization that clearly demonstrate the need for the City's support **KBrown / CNeil**
 - The Foundation request was approved at \$25,000, but Council requested a longer term plan clarifying future support requirements and looking towards a phase out of funding support, with funding possibly based on a specific formula **KBrown / BPreisentanz**
 - Elimination of the request for funding towards the Keewatin 100th Anniversary celebration, and the committee to be advised that the City is willing to advance them a repayable loan, and that the loan must be paid in full before any proceeds are donated to any other cause **KBrown / CNeil**

Following the detailed review / amendments, the Committee reviewed the status of the current draft and the amended net tax rate impacts, currently at 6.4%. It was noted that in addition to regular operating and external organization impacts, the City was facing a few major issues in the 2008 budget, namely:

- Wage impacts – representing \$437K or about 3.1%. It was noted that Council had received significant support from the community to avert a potential labour dispute, and the resulting settlement was an impact of 6.1% on wages.
- Special Circumstances Funding received – this was one time funding of \$585K received in 2007 that is not available for the 2008 budget process. Net impacts to the budget in 2008 are about \$315K, or about 2%.

Bill Preisenzantz noted that administration was still investigating some final issues on the budget and that there may be some further reductions on some budget lines that could provide some minor relief. Council directed administration to investigate these items, and further reduce the tax rate impact if at all possible.

**KBrown /
BPreisenzantz**

3. Council Direction

TAX RATE IMPACT

Council acknowledged the current tax rate impact of 6.4%, based on amendments made by Council, but redirected administration to attempt to reduce this impact if at all possible. A preference was noted to bring the impact below 6% if at all possible.

A majority of Council agreed to move the budget and resulting tax rate impact forward, net of any final impacts determined by City administration

TIMELINES / NEXT MEETING

The following meeting schedule was set:

- Public Meeting / Presentation – April 15th at 7:00 p.m.
- Special Meeting of Council for budget approvals – April 28th at 4:00 p.m.

4. Public Meeting

It was agreed that the public meeting / presentation is intended to advise the public of the 2008 budget, based on the challenges the City faced in 2008, and it not intended for feedback purposes into the 2008 draft budget. Feedback into the 2009 budget process is welcome.

ITEMS ON HOLD:

N/A

OTHER BUSINESS

ROADS / BRIDGES FUNDING

Council acknowledged the new funding of \$463,040 for the City of Kenora as part of the recent Provincial budget announcements. A general discussion ensued as to how this funding should be spent. The City will not receive the detailed funding program requirements until June 2008. A preference was noted to spend this funding on infrastructure initiatives other than downtown revitalization.

COMMUNITY WORKBOOK / BUDGET SURVEY RESULTS

Council engaged in a general discussion with regards to the report on the budget survey results resulting from the two budget surveys. No further action is required on this item.

WATER & SEWER MAINS DEBT FINANCING

Council reviewed the report on debt financing the proposed incremental water & sewer main rehabilitation program commencing in 2009. Council agreed that, given the tax rate impact for 2008, they could not support any impacts to the water & sewer rates, and directed staff to eliminate the increased water & sewer mains rehabilitation program from that budget.

KBrown

NEXT MEETING

- Public Meeting / Presentation – April 15th at 7:00 p.m.
- Special Meeting of Council – April 28th at 4:00 p.m.

Moved by Councillor Cuthbert, Seconded by Councilor McCann & Carried:-

THAT this meeting be now declared closed at 3:00 p.m.; and further

THAT pursuant to Section 239 of the Municipal Act, 2001, as amended, authorization is hereby given for Council to move into a Closed Session to discuss items pertaining to the following: -

i) Labour Relations

Committee reconvened at 3:45 p.m. with the following report:

Non-Union Salary Grid Movement

Council supported movement on the non-union salary grid for 2008 in accordance with current City Policy.

The meeting adjourned at 3:46 p.m.