

**CITY OF KENORA MINUTES
OF A PUBLIC BUDGET MEETING
Committee of the Whole of Council
Tuesday, April 14, 2009
At 4:00 p.m.**

PRESENT:

Mayor Compton, Councillor Cuthbert, Councillor Drinkwalter, Councillor McCann, Councillor McMillan, Councillor Poirier, Councillor Van Wallegghem,

Staff Members in Attendance:

Bill Preisentanz, CAO
Karen Brown, Manager of Finance & Administration
Sharen McDowall, Human Resources Manager
Warren Brinkman, Fire & Emergency Services Manager
Lori Nelson, Museum Director
Joanne L. McMillin, City Clerk

Also:

Reg Clayton, Kenora Miner & News
Tim Davidson, CJRL

Councillor Rory McMillan, Chair, called the meeting to order and advised that Karen Brown, Manager of Finance & Administration would be providing a PowerPoint presentation of the City of Kenora 2009 Operating Budget and Five Year Capital Plan, attached to and forming part of these Minutes.

Questions:

1. Councillor McMillan – Advised a member of the public had made an inquiry on sewer and water rates and if a home is on a septic system what they would have to pay and it was clarified they would only have to pay the municipal water rate. It was further clarified that with respect to water delivery rates, these rates are being reviewed separately through the Operations Committee and will appear on an upcoming agenda; these rates were not reflected in the budget process.
2. Reg Clayton of the Kenora Miner & News requested detailed information regarding the Provincial Land Tax Reform (PLT) and assessment rates, etc. Karen Brown indicated she would address this inquiry with him following the meeting.

As there were no further questions, or presentations, the meeting closed at 4:30 p.m.

City Of Kenora

2009 Operating Budget

2009 Five Year Capital Plan

Public Meeting: 14 April 2009

City of Kenora

2009 City Budgets

Purpose of Today's Meeting

- This meeting / presentation is intended to present the 2009 municipal budget
 - ◆ Highlight on the challenges the City faced in 2009
- Opportunity for feedback into the 2010 budget process is welcome.

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2009 City Budgets

Public Meeting Agenda

- City Budgets vs. Utility Budgets
- Council Direction
- Budget Highlights
- Major Budget Impacts
- Budget Reductions
- Municipal Tax Rates & Residential Taxes
- Looking to the Future
- Q & A's
- Public Input
 - ◆ 2010 & Beyond

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2009 City Budgets

City Budgets vs. Utility Budgets

- City Budgets do not include costs for City Utilities:
 - ◆ Water & Sewer
 - ◆ Solid Waste (excluding recycling)
 - ◆ Kenora Hydro
- The utilities are fully funded through user pay and grants from senior levels of government as available
- Water & Sewer – 2.1% rate increase – July 1, 2009
 - ◆ Based on 2008 CPI Change for NW Ontario
- Solid Waste – no rate changes for 2009 budget

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2009 City Budgets

Council Direction

- Minimize impacts to the taxpayer
- Maintain existing service levels wherever possible
- Maintain focus on economic development
- Adhere to the principles set out in the City's Strategic Plan
- Maintain opportunities for public input

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2009 City Budgets

Overall Highlights

- Combined Operating, Capital and Reserve Expenditures - \$33.7 million, represented by:
 - ◆ Operating expenditures - \$25.6 million
 - ◆ Reserve appropriations - \$1.8 million
 - ◆ Capital expenditures - \$5.7 million
 - ◆ Non-Capital special spending - \$.6 million
- Tax Levy - \$18.9 million
 - ◆ Tax revenues are City's primary source of funding

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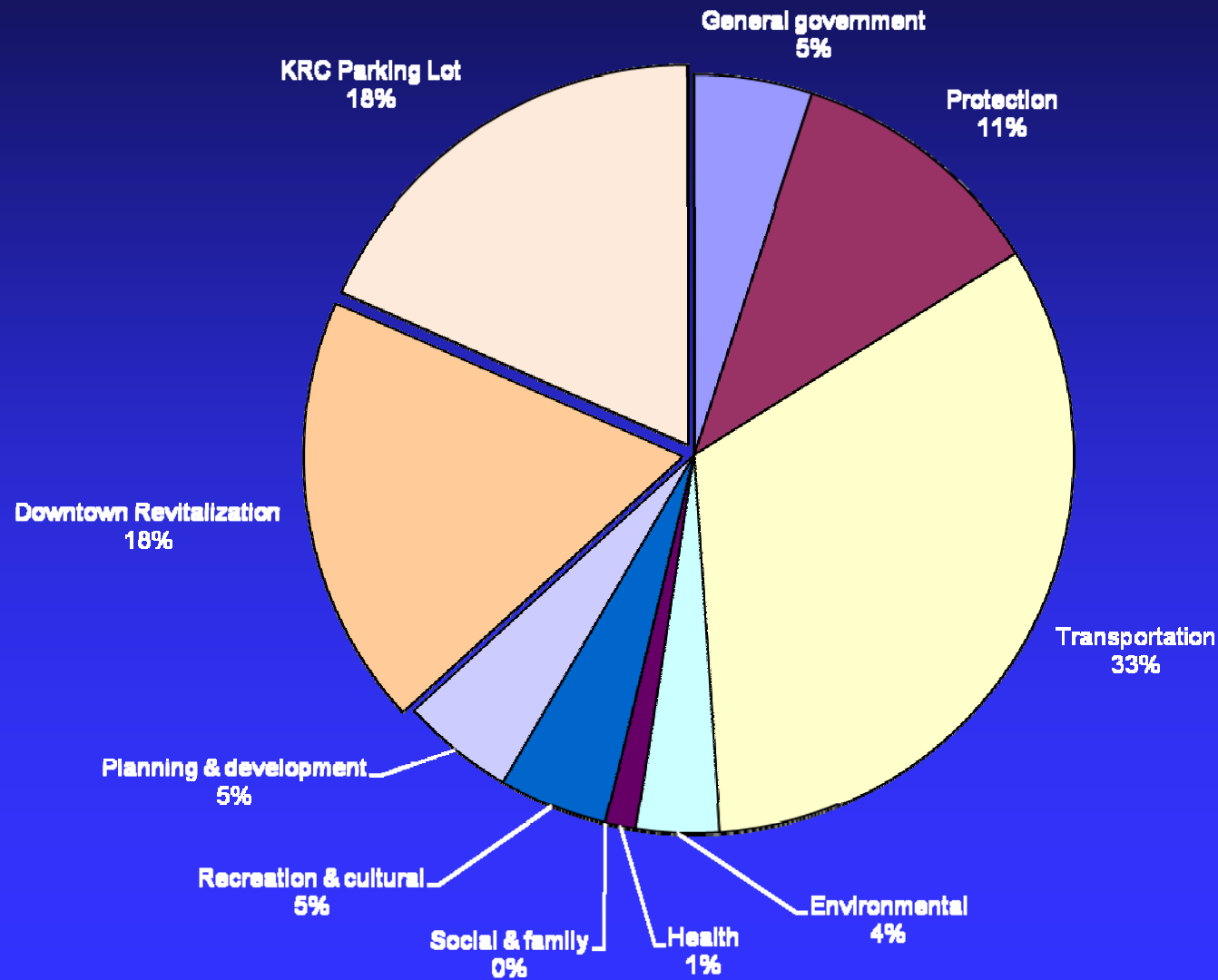
2009 Five Year Capital Plan

Highlights

- Draft plan projects gross expenditures of:
 - ◆ \$5.7 million in 2009
 - ◆ \$3.5 million in 2010
 - ◆ \$2.9 million in 2011
 - ◆ \$2.4 million in 2012
 - ◆ \$2.9 million in 2013

2009 Total Capital Expenditures

TOTAL: \$5.7 (in millions of dollars)



Potential Higher Value 2009 Capital Projects

(in thousands of dollars)

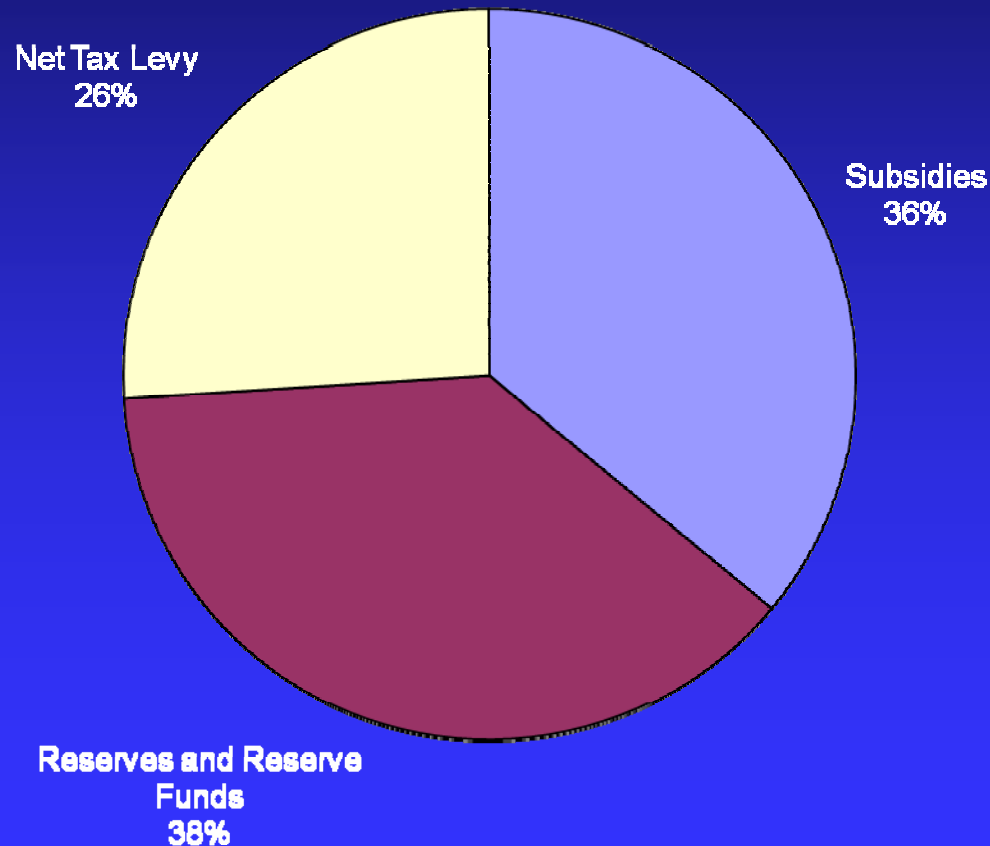
		Total Cost	Net Tax Levy
Protection			
Fire - Pumper Replacement	\$	375	\$ -
Fire - Radio Communications Upgr		200	-
Transportation			
Municipal Paving Program		749	556
Sidewalks		110	110
Sedesky Road		100	100
Environmental			
Redesign Recycle Facility		135	-

Potential Higher Value 2009 Capital Projects (in thousands of dollars) – Cont.

	Total Cost	Net Tax Levy
Recreation & Cultural		
Thistle Arena - Board & Glass	161	-
Planning & Development		
Downtown Revitalization	1,050	-
KRC Parking Lot / Infrastructure	1,257	-
Total Significant Projects	4,137	766
Projects less than \$100K	1,574	718
Total Planned 2009 Capital	\$ 5,711	\$ 1,484

2009 Sources of Capital Funding

TOTAL: \$5.7 (in millions of dollars, including tax levy)



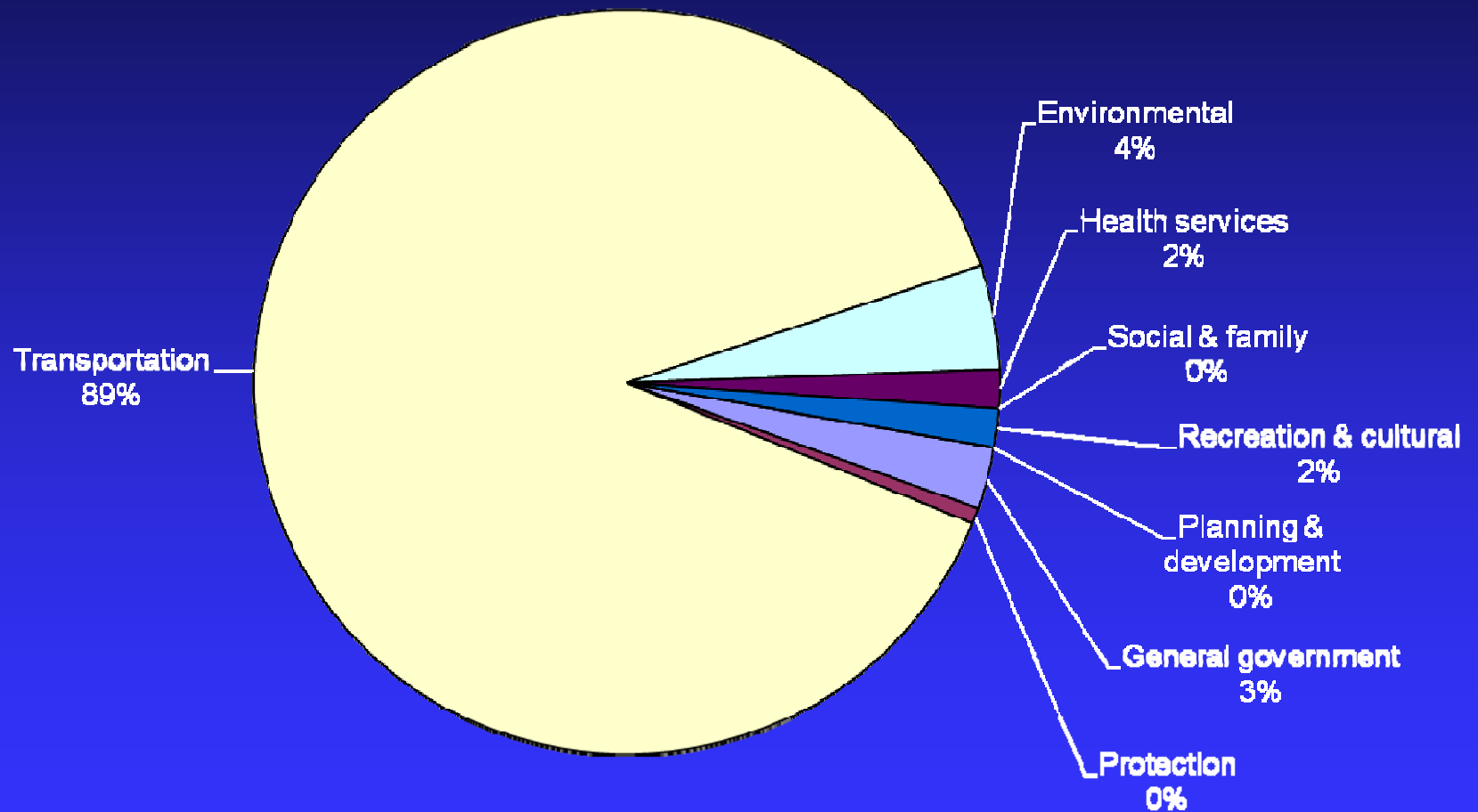
The City's most significant proposed funding source for the 2009 draft capital plan is funding from reserves (\$2.2 million).

The next most significant funding source proposed is subsidies from senior government (\$2.0 million)

This is followed by net tax levy allocation (\$1.5 million).

2009 Tax Levy Allocation to Capital

TOTAL: \$1.5 (in millions of dollars)



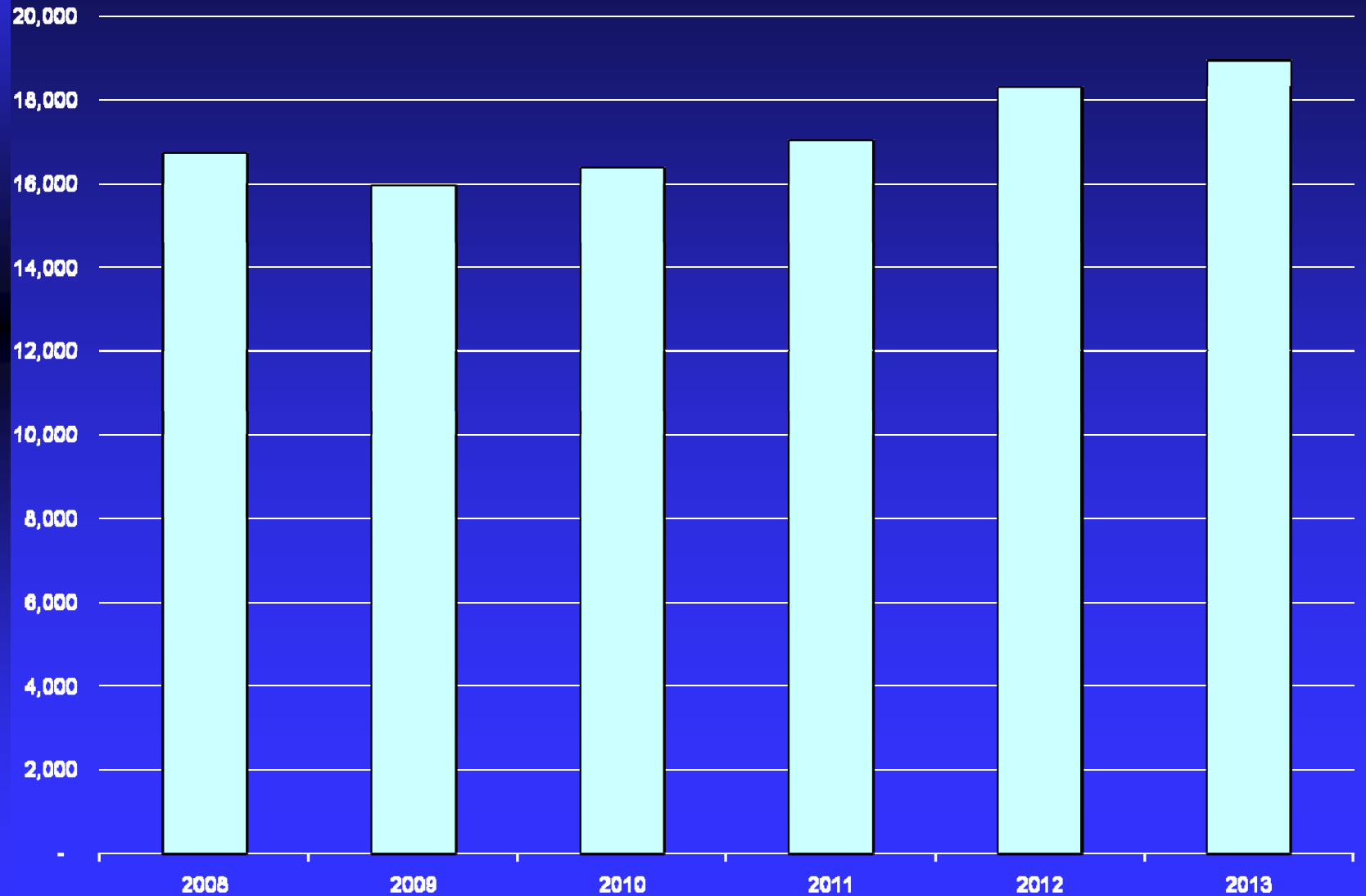
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2009 Budget Highlights - Reserves

- City reserves do not include reserves from various utilities
- Reserves are funds earmarked for certain purposes
- Reserves are established to stabilize certain annual capital expenditures
- \$1.8 million into City reserves in the 2009 budget

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2009 Budget Highlights – Projected Reserves



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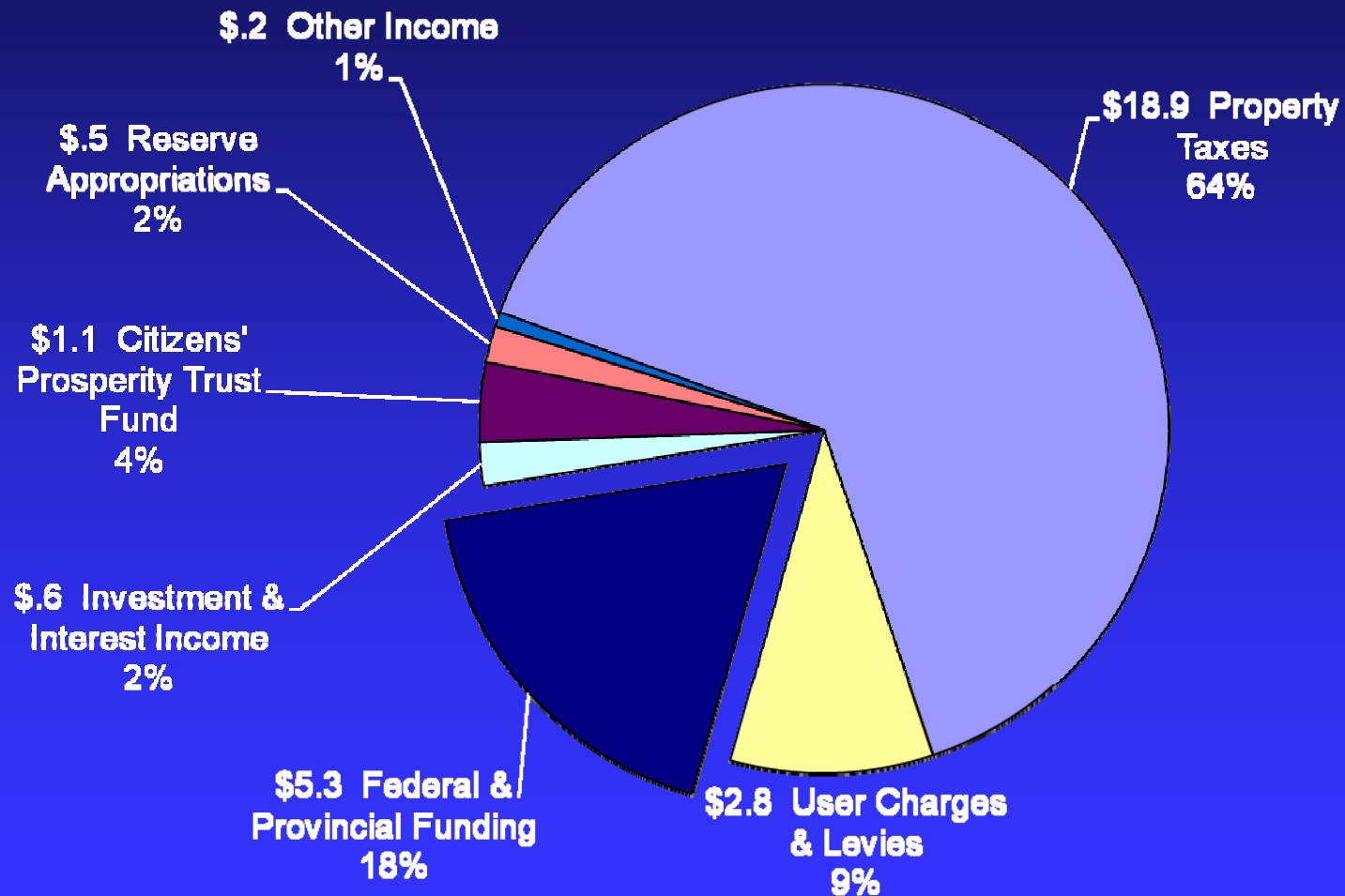
2009 Operating Budget

Highlights

- Draft budget projects operating expenditures of \$25.6 million, not including net tax allocations to capital and reserves of:
 - ◆ \$1.8 million in reserve appropriations
 - ◆ \$1.5 million in net capital allocations
 - ◆ \$.2 million in net non-capital special projects
- Combined operating revenues total \$29.1 million

2009 Municipal Operating Revenues

TOTAL: \$29.1 (in millions of dollars)



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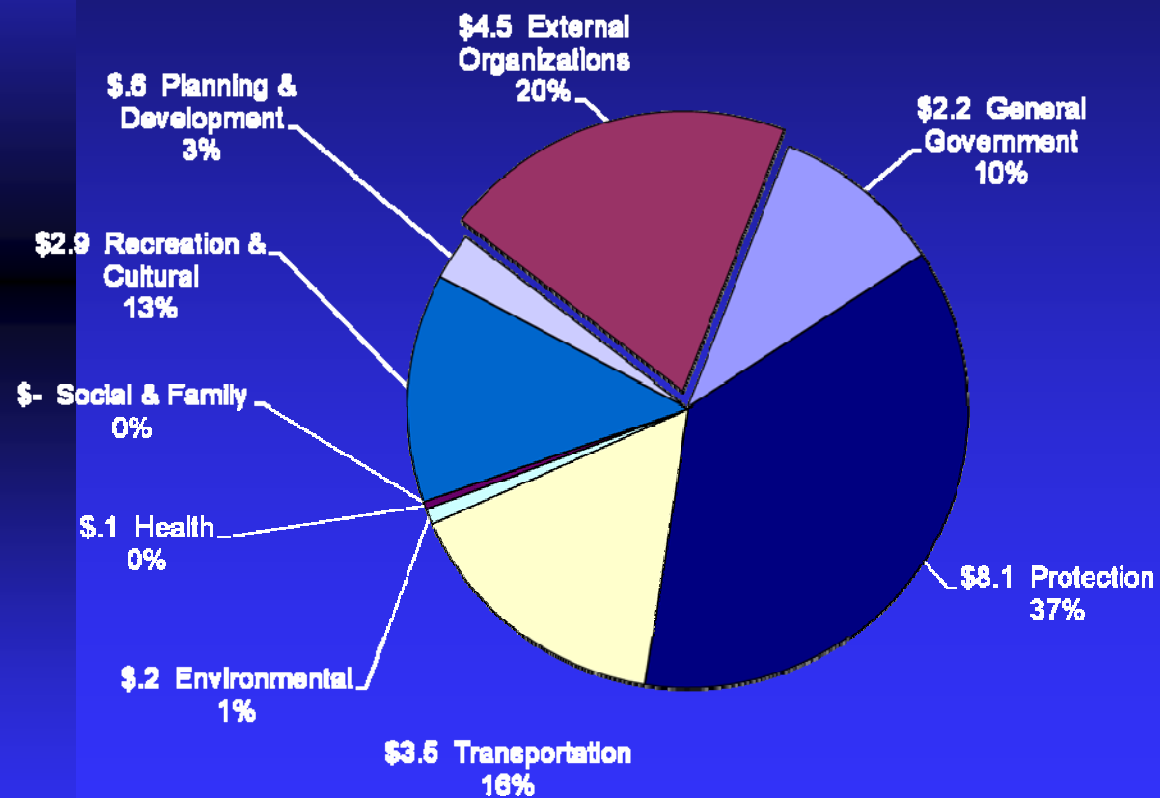
2009 Operating Budget

Highlights – Net Program Costs

- Net Program Costs = Net Operating Expenditures
- Do not include:
 - ◆ Capital expenditures;
 - ◆ Non-capital special projects; or
 - ◆ reserve appropriations
- Planned Net Program Costs - \$22.1 million
 - ◆ Protection - \$8.1 million (37%)
 - ◆ External Organizations - \$4.5 million (20%)
 - ◆ Transportation - \$3.5 million (16%)

2009 Net Program Costs

TOTAL: \$22.1 (in millions of dollars)



External Organizations

- NWHU
- KDSB
 - ◆ Land Amb.
 - ◆ OW
 - ◆ Child Care
 - ◆ Social Housing
- Pincrest

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2009 Major Budget Impacts

(in thousands of dollars)

		Budget Impact	% Impact on Tax Rate
Major Tax Rate Impacts			
Policing	\$	(516)	3.1%
Recycling		(157)	0.9%
Recreation Facility		(200)	1.2%
External Organizations			
Mandated		840	-5.0%
Handi Transit / Library / Museum / Dev Comm.		(78)	0.5%
Wage Impacts		(233)	1.4%
Lost Interest / Investment Income due to Rate Decline		(782)	4.6%
O.M.P.F. Provincial Funding Loss		(168)	1.0%
KMTS Jan / 08 Dividend		(166)	1.0%
	\$	(1,460)	8.7%

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2009 Major Budget Impacts

(in thousands of dollars)

	Budget Impact	% Impact on Tax Rate
Offsetting Incremental Revenues / Cost Reductions		
Incremental tax room due to new assessment	\$ 347	-2.1%
Net residual operating budget impacts	161	-1.0%
Reduction in net capital spending	429	-2.5%
	\$ 937	-5.6%
Combined Major Impacts	\$ (523)	3.1%

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2009 Budget – Service Level Reductions

- 4 Week Pool Closure (mid-July to mid-August)
 - ◆ An Extension of the customary 2 week pool closure
- Reduce Pool Hours to 4 hours on Sundays
- Close Child Minding Centre

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Municipal Tax Rates & Residential Taxes

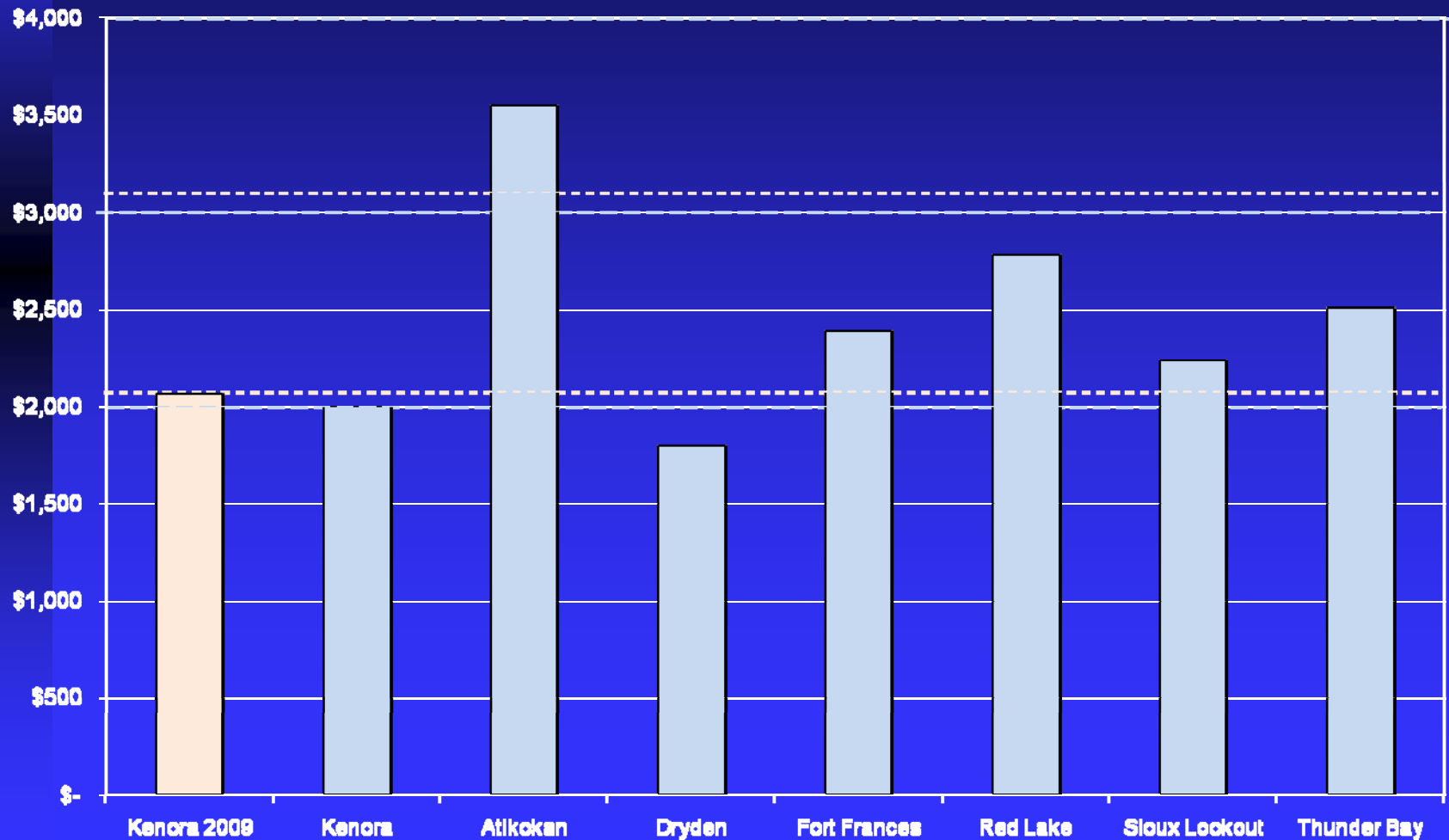
Where Does Kenora Stand?

- Final rate impact for 2009 – 3.1% increase
 - ◆ 1% Increase = \$169K in incremental tax revenues
- Industrial and Large Industrial rates reduced 1.74%
- Kenora's rates remain low in comparison with other Northwestern Ontario municipalities

Municipal Tax Rate Comparisons

2008 Residential Tax Rates

Residential Property Taxes - Municipal Portion Only - \$150K Home
Based on 2008 Tax Rates



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Looking to the Future

- Projected reductions in Provincial Funding through the Ontario Municipal Partnership Fund (OMPF)
- Infrastructure Deficit
- External Organization Demands
- Global Economy / Investment Income
 - ◆ Kenora Citizens' Prosperity Trust Fund
- Anticipated Policing Savings in 2010
- Continued phase in of new assessment
- Continued focus on Economic Development

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Looking to the Future

Next Steps – Where do we Go From Here?

- Economic Development Diversification and Recovery Plan
- Update City Strategic Plan
- Continued Service Delivery Reviews
- Continued opportunities for public input in the municipal budget process

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2009 City Budgets

Public Meeting

- Q & A's
- Public Input Session
 - ◆ Looking Ahead to 2010 & Beyond