



Budget Committee Meeting Minutes

April 1, 2011
10:00 a.m.
City Council Chambers

ACTION

PRESENT: Mayor D. Canfield
Councillor C. Drinkwalter
Councillor R. Lunny
Councillor R. McKay
Councillor R. McMillan
Councillor L. Roussin
Councillor S. Smith
K. Brown, CAO
R. Perchuk, Operations Manager
W. Brinkman, Emergency Services Manager
C. Neil, Recreation Services Manager
S. McDowall, HR Manager
P. Derouard, Budget/Auditor General
J. McMillin, City Clerk

Councillor Lunny, Chair, called the meeting to order.

A. Public information Notices as per By-law Number 144-2007
N/A

B. Declaration of Pecuniary Interest & the General Nature Thereof
1) On Today's Agenda

2) From a Meeting at which a Member was not in Attendance

Councillor McMillan made a Declaration of Pecuniary Interest related to budget matters discussed today pertaining to the Kenora Police Services Board as his spouse is Chair of the Board.

Councillor Roussin made a Declaration of Pecuniary Interest at two meetings which he was not in attendance, March 17 Budget Meeting dealing with the Kenora Public Library Board budget as his wife is an employee of Library, as well as at the March 21 Council meeting where he was not in attendance the Library Board's Minutes were received. He also made a Declaration of Pecuniary Interest related to budget matters discussed today pertaining to the Kenora Public Library Board as his wife is an employee of the Library.

C. Confirmation of Budget Minutes
Moved by Councillor R. McMillan, Seconded by Councillor
Drinkwalter & Carried:-

That the Minutes of the last meeting of the Budget Committee held March 22, 2011 be confirmed as written and filed.

**D. Budget Presentation:-
Lake of the Woods Development Commission**

Jennifer Findlay, EDO, Dennis Wallace,
Commission Chair and Members Randy Nickle, Geordie McEwen and Don
Denver, as well as Mike Greaves, General Manager of the NW Business
Centre, were in attendance for the presentation.

Dennis Wallace spoke to Committee on the five-year trends from 2007 to 2011, noting that in 2010, the City contribution accounted for approx. 50% of Commission activity and 50% came from outside sources.

2011 Operating Principles – Revenue Generation:

The Commission's 2011 Business Plan states that revenue generation through funding sources and exploring permanent revenue generators is a key operating principle and that staff increases will be through contract and internships.

It was noted the 2011 Commission budget request includes two (2) one year contract positions: tourism services and special events coordinator and incremental costs for the Discovery Centre. It was noted that with the use of 2010 reserve balances, the 2011 budget request is virtually budget neutral from last year.

Tourism has leveraged over \$200,000 in marketing monies in first quarter of 2011 (exceeds 2010 funds leveraged). Tourism has successfully accessed \$40,000 for the Celebrate Summer Event for 2011.

Geordie spoke to the Business Development & Attraction (Education and training) section of the budget while Randy Nickle addressed the tourism items.

A discussion ensued on numbers of hotel/motel rooms during the winter and that the Commission should have factual information. Randy noted that some things are already being tracked however hotels do not have a reporting system from year to year for measuring purposes and it is difficult to get meaningful measurements due to lack of staff for the most part. Councillor McKay indicated he would like to see what the return on investment is and if there are increases in tourism.

Jennifer mentioned there are some stats available for the Kenora District and not specifically by community, or for Kenora but the Commission has used web hits regarding these inquiries and where heads have turned into beds. She noted that during their first quarter report to Council the Commission will have numbers to share from their online tracking.

Councillor Roussin indicated it is time we start working towards Strat Planning and get into action planning to start generating some jobs and it sounds like we are heading in that direction. He noted he has been through the Committee structure and feels there is a lack of appropriate Committees as most of them are geared to tourism and there should be

others in the area of commerce for example. Mr. Wallace reviewed the structure and explained that business enhancement is working closely with mining for example, and a sponsored event involving forestry and value added forestry, also dealing with the former Abitibi property, and he also referred to Wincrief as well as the work being carried out by the Training and Development Committee; working with Confederation College, and new programs with other post secondary institutions. Mr. Wallace believes the concerns expressed are addressed through the work of these Committees. Geordie added that potential growth opportunities are being worked on as well.

Councillor McMillan commented that things are being done and part of the framework of the Commission is partnerships, and he referred to those with the First Nations and other business sectors both in and outside of the community, including post secondary's and he referred to Mike Greaves' Small Business program that is also important.

Councillor Drinkwater referred to the additional positions and questioned if there are grants to cover them and Jennifer responded that they are a one year contract request from the City; not looking for grants and that these will create revenue generation eventually on a forward basis.

Councillor Drinkwater also asked if there is anything done for welcoming new businesses to our area, such as the welcome wagon. Jennifer explained they are working on a new program for this purpose, and they want to include the City with this participation, such as a ribbon cutting ceremony when a new business opens its doors.

Councillor Smith indicated she is pleased the Commission took a good look at their budget and heard the City's comments regarding constraints and commended the Commission on their work.

Mayor Canfield mentioned we are all on the same team and no matter how the budget turns out the City will look at the changes and the payback from the changes move forward continually as a team to get to the same goal.

Councillor Lunny thanked Dennis Wallace and the other Members of the Commission for attending and they left the meeting at 10:45 a.m.

E. Reports:-

1. General Purpose Tax Levy Requirement

It was noted the tax increase as indicated is not quite accurate, as there has already been an increase of 2.5% through MPAC so with taking into consideration the approx. 3.28% put us up initially to about a 6% increase overall (prior to going through the operating budget today).

2. Review of Major Impacts

It was noted there are certain impacts the City can and cannot control and the 'big three' were referred to, i.e. Northwestern Health Unit, Kenora District Services Board and District of Kenora Home for the Aged.

A number of options will have to be considered to address reducing the impact and Karen advised that with Paul, the Managers have reviewed the budget and made changes where possible without affecting service levels.

Paul then reviewed the Preliminary Major Budget Impacts Summary as follows: proposed staffing changes, unconditional funding, policing costs, wage related impacts, external organizations, remaining impacts, combined major impacts, anticipated property tax changes, impact on tax rate prior to adjustments, recommended adjustments and finally the tax rate impact.

It was noted that in terms of the KDSB salaries the City only has a dollar amount and not a breakdown as to what the percentage increase represents.

Committee reviewed the Summary of Budget Options for consideration (already included in the draft budget) and the discussion included:

Triple P.L.A.Y.

It was mentioned this budget as presented was an optimistic one on the revenue side and there may or may not be funding coming their way; it was mentioned this is the Co-coordinator's first budget year as well. It was suggested we should confirm what funds the various groups have prior to committing budget dollars.

It was suggested the City provide funding on an as required basis rather than committing 'x' dollars to Triple P.L.A.Y.; however Committee agreed to include the requested \$15,000 based on need and that we receive some type of reconciliation before providing the funding, then advance it based on necessity. It was agreed the administering of this program should be moved to the Recreation Department.

PDerouard

CNeil

LOTW Community Foundation

It was suggested we could reduce this amount by \$5,000 each year for the next five years. Committee agreed to the \$25,000 this year and to look at an exit strategy commencing in 2012 and on a forward basis with a reduction each year.

PDerouard

Councillor Roussin left the meeting at 11:43 a.m. while the Library budget was reviewed.

Library Increase

Karen explained the changes to the cleaning contract and it was agreed to leave the contract increase in as is.

The \$76,000 increase was discussed. With respect to staffing, Sharen sees more of a need for staffing outside workers than inside workers.

Succession planning was discussed and it was noted it is required at the Library level; need a staff assessment and while it is a Local Board

governed by separate legislation we do have control in terms of budget dollars.

Committee agreed to an additional one-third of the budget request (approx. \$26,000) which can be used for a part-time staff position, recognizing that while the City can approve the allocation we cannot tell the Board how to allocate it.

PDerouard

At 11:55 a.m., Councillor Roussin returned to the meeting.

Museum Director – Hours of Work

Committee agreed to an increase to 75 hours.

PDerouard

LOWDC Increase

It was noted the Budget request is \$290,000 higher than in 2010. The Commission will need to access their Reserves in the amount of \$100,000. A discussion ensued on staffing, the current model and the need for additional staff. It was noted the Commission staff is part of the City staff complement. The Commission originally requested an additional four (4) positions and Karen explained the Commission needs to take a better look at what they need and the job outline for each position. The Commission amended their budget request to reduce the number of positions requested to two positions, both being one year contracts, plus an intern position, which would be contingent on external funding approval. Sharen noted any new positions would be unionized positions and governed by the CUPE contract with the City.

PDerouard

It was discussed the Commission should come back with some indicators as to how these positions will continue. It was noted these contract positions will have to be re-visited as an aside from the budget process and that Administration has to work out the contract positions to determine how they will work in the organization.

At 12:15 p.m., Committee adjourned for the Special Council Meeting and reconvened at 1:11 p.m.

Internal Options:

The following items were approved as presented:

Trash Receptacles, School Crossing Guards, Trails Maintenance, Bedding and Flowers.

PDerouard

Councillor McMillan left the meeting at 1:22 p.m. during discussion of the Kenora Police Services Board.

Committee agreed to the Police Services Board allocation as presented.

PDerouard

Councillor McMillan returned to the meeting at 1:26 p.m.

Wage Considerations:

Part-time Fitness Consultant

It was noted the one Fitness Consultant cannot accommodate the demand at the Recreation Centre and there is a lengthy waiting list. Committee agreed to leave this position in the budget on a one year trial, contingent on it generating sufficient incremental user fees to offset the costs and that the need be reviewed to determine if there are sufficient offsetting revenues to continue this position beyond one year.

PDerouard

POA Assistant – Part-time

Reference was made to the increase in the number of tickets being handled, for example in 2007 5,300 tickets were processed compared to 2010 with over 8,700. With the increase in ticket volumes we can justify an additional part-time staff, it was noted that in the past there was an additional POA position and it is necessary to re-instate another staff on a part-time basis for say 3 days per week; this would be a Union position.

PDerouard

Staffing Increase to 80 Hours of Work

Karen provided the background and workload details pertaining to the following three positions being recommended for 80 hours (from 72.50), noting that staff in these positions have agreed to the recommended change:

- City Clerk
- Collections & Customer Services Coordinator
- Payroll & Benefits Coordinator

Committee agreed to the recommendation to move these positions to 80 hours.

PDerouard

Debt Phase-In Items

A discussion ensued on whether or not this should be deferred this year however it would result in being more to finance next year. Following the remainder of budget discussions, it was agreed to leave this item in.

PDerouard

Options for consideration:

Restore Capital Spending Levels in the amount of \$387,000, not recommended at this time.

PDerouard

A discussion ensued on the need for some capital improvements at the Keewatin Memorial Arena and that if we don't keep up with repairs the facility will continue to deteriorate; may be a long time before we twin the arenas and it is a known fact we need three sheets of ice in the community. It was noted this is simply an observation at this time, and a report will come forward independent from capital budget discussions.

Council Remuneration

It was agreed a survey be conducted to see where Kenora stands, noting

Remuneration has not changed since the year 2000. It was noted that over the years there have been reviews done and Kenora is very low compared to other municipalities.

Committee recommended a review, and it was suggested increases could be tied to Non-Union economic adjustments. Committee agreed to conduct an area survey this year and make recommendations for January, 2012.

SMcDowall

Council Travel & Meal Allowance

It was agreed to proceed with the recommended increase as set out in the budget, however it was further agreed that a meeting of say the Finance Committee get together to review Council travel and meal allowance, with Administration providing a report to form the basis of such discussion, i.e. comparisons with other municipalities.

SMcDowall

IPads for Council

It was suggested while IPads would replace laptops and Members' laptops deployed through the organization, this item will not proceed. It was noted there could be savings as a result, however in the meantime the IT Department is ordering 2 IPads for a trial period, and perhaps interested Members could try one to see if they prefer it to their laptop.

Council

At 2:19 p.m. Councillor Roussin left the meeting while the following wage considerations were discussed:

Committee recommended approval of the following:

Non-Union 2011 Wage Considerations:

Economic adjustment of 2.7%;
Grid Advancements, based on performance.

PDerouard

Councillor Roussin returned to the meeting at 2:25 p.m.

Part-time Administration Support – Kenora Recreation Centre
Not recommended.

PDerouard

Administration Support – City Hall/Fire & Emergency Services
Not recommended.

PDerouard

Kenora Heritage Committee – Support
Not recommended.

PDerouard

Discussion ensued on the needs of other Committees requiring support and which are not funded with City dollars; these Committees are expected to fundraise and find dollars through other means.

Thistle Arena Sound System

It was mentioned if the sound system is a portable one it could be used under the tent at the Harbourfront as well, but a suggestion was made as an option that a retailer in the area may want to look at sponsoring a sound system. It was agreed if this is required it could come forward as a budget

<p>amendment following a review by staff (Colleen) as this item is currently not included in the budget.</p>	<p>CNeil</p>
<p>Ball Field Repairs It is recommended this item be included in the budget and would be taken from Reserves.</p>	<p>PDerouard</p>
<p>Tractor for Ball Fields It was discussed this is more of a capital item, it is recommended to be included in the budget and taken from Reserves however it was discussed we could do an assessment of what we have, so it was agreed to not include in the budget and it could come back as a potential budget amendment.</p>	<p>PDerouard</p>
<p>KPS Disbandment Costs Not recommended (could come out of Reserves).</p>	<p>PDerouard</p>
<p>PAC Board Training It was discussed with new Members on the Committee it would be beneficial for their participation, however it was noted this is not mandatory training. It was agreed that for the nominal cost that it remain in the budget which would cover training for one Member.</p>	<p>PDerouard</p>
<p>Solicitor General Funding It was explained this item relates to the funding we get for policing programs and that the funding entitlement might change, but we have not heard what our entitlement will be. Committee agreed to leave in as until we determine what is being provided.</p>	<p>PDerouard</p>
<p>3. Discussion Items:</p>	
<p>At 2:55 p.m. Councillor McKay made a Declaration of Pecuniary Interest as he was not aware of this item on the Agenda and left the meeting while the following item was discussed:</p>	
<p>Industrial Tax Levy</p>	
<p>It was explained this item provides an opportunity for City to pass on an increase to the industrial class. Karen gave the history on this class, noting that previously we could not pass on this type of increase, and now that we have the option, a slight increase could be reflected in the budget. It was mentioned the industrial rate could in effect be higher than the commercial rate. It was further advised that these rates can be changed at anytime, noting we could reduce it next year, provided we do not try to move away from the range of fairness except as allowed under the Municipal Act and related regulations; however as soon as it is adjusted down it trickles down to the residential class.</p>	
<p>Committee agreed to proceed with the slight increase to the Industrial class. While the majority of Committee approved, Councillor Roussin indicated he is not in favour of imposing this rate.</p>	<p>PDerouard</p>

<p>Paul was asked to provide a list of industrial users and the tax implications, or could go by the assessment information and calculate the tax rate.</p>	<p>PDerouard</p>
<p>At 3:10 p.m., Councillor McKay returned to the meeting.</p>	
<p>4. Discussion of Options</p>	
<p>Motion to adjourn to Closed Meeting:</p>	
<p>1) Moved by S. Smith, Seconded by R. Lunny & Carried:-</p>	
<p>That this meeting be now declared closed at 3:10 p.m.; and further</p>	
<p>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:-</p>	
<p>i) Labour Relations Matter</p>	
<p>ii) Personal Matter about an Identifiable Individual</p>	
<p>Motion to reconvene to Open Meeting:</p>	
<p>2) Moved by R. Lunny, Seconded by Smith & Carried:-</p>	
<p>That Committee hereby reconvenes to the Open Session of this Budget Committee Meeting at 3:50 p.m. with the following direction from its Closed Meeting:-</p>	
<ul style="list-style-type: none"> - Direction given to the Budget/Auditor General to include the staffing positions as discussed, in the 2011 Operating Budget. 	<p>PDerouard</p>
<p>5. Council Direction/Discussion</p>	
<p>Paul indicated he would re-calculate the final budget impact based on today's discussions and Committee agreed a Media Release be prepared for this purpose at the time the budget is presented.</p>	<p>PDerouard</p>
<p>6. Consultation Policy/Public Meeting</p>	
<p>The Public Consultation Policy had been circulated to Members of Council earlier and Committee agreed a public presentation be held prior to the April Committee of the Whole Meeting.</p>	<p>PDerouard</p>
<p>It was noted in the past there has been a lack of public participation during the budget presentation process, however Committee agreed to schedule the review for Monday, April 11, 2011 between 2:30 p.m. and 3:30 p.m. in Council Chambers. The Clerk will give notice of this meeting.</p>	<p>JMcMillin</p>
<p>7. Other Business</p>	
<p>N/A</p>	
<p>8. The meeting closed at 4:15 p.m.</p>	