



## **Budget Committee Minutes**

**Tuesday, March 22, 2011**

**9:00 a.m.**

**City Hall Council Chambers**

**ACTION**

**PRESENT:** Mayor D. Canfield  
Councillor C. Drinkwalter  
Councillor R. Lunny  
Councillor R. McKay  
Councillor R. McMillan  
Councillor S. Smith  
K. Brown, CAO  
R. Perchuk, Operations Manager  
P. Derouard, Budget/Auditor General  
M. Mostow, Solid Waste/Fleet Supervisor  
J. McMillin, City Clerk

**REGRETS:** Councillor L. Roussin

**Councillor R. 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**  
There were none declared.

**C. Confirmation of Budget Minutes**

**Moved by C. Drinkwalter, Seconded by R. McMillan & Carried:**  
That the Minutes of the last Budget Committee Meeting held Thursday,  
March 17, 2011 be confirmed as written and ordered filed.

### **Budget Presentation:**

**1. 9:00 a.m. – Lake of the Woods Museum**

Jan Lindstrom of the Museum Board made the 2011 budget presentation to Committee (copy of which forms part of these Minutes), and provided a copy of the 2010 Annual Report to Committee as well as filed a copy with the Clerk.

The Museum is requesting funding in the amount of \$216,927.00, which is the same amount received from the City in 2010.

Ms Lindstrom explained to Committee that the Board is very proactive in seeking out other forms of funding such as grants, fundraising, etc.

There is also a growing support from the public through memberships, donations, rentals, gift shop sales and admissions. Further the Museum continues to partnership with volunteers, members, local businesses, organizations and City departments. In 2010 the Museum partnered, in one way or the other, with Kenora BIZ, First Nations, the University of Manitoba, and Kenora Fire Department to name a few.

A discussion ensued on the Museum staff's workload and potential changes in hours, and the Museum requests consideration of the City to cover additional expenses associated with non-union staff and/or economic increases for 2011.

Ms Lindstrom thanked the other Board Members for attending today in support of the Museum's budget presentation.

Councillor McMillan recognized the aboriginal partnerships that the Museum has formed in the community, noting this is a positive collaboration.

It was noted the increase for any wage adjustment/s would be over and above the budget request, and it was noted all Museum staff are non-union employees, (2 summer students in the request). The many volunteers were also recognized. It was explained the Museum applies for a variety of grants to cover the funding for summer students and these are often covered by about half the cost. Paul Derouard is to advise Council what the 2 hour increase in hours equates to in dollars, as set out in the Museum Board's presentation.

**PDerouard**

It was asked how the Annex is leased (old Museum) and it was explained Abundance leases it with lease payments to the Museum in the amount of \$12,000, annually.

Mayor Canfield thanked the Board for their presentation, noting we are proud of our Museum and the services it offers. Councillor Lunny thanked Ms Lindstrom and the Board for attending and they left the meeting at 9:25 a.m.

## **2. Solid Waste Budget Review**

Paul provided a power point presentation for purposes of reviewing the budget. He noted the City continues to comply with the legislation for waste diversion.

It was noted the projected landfill site will last approx 35 years.

It was discussed that a few operational changes made in 2010 helped with the overall operating of the facility, some of the changes included:

- New clearer and informative signage;
- Changes to the recycle drop off area;
- Relocation of construction/demolition disposal area
- Bin setups for the public to deposit directly
- Modifications to recycle building
- Modifications to the garbage building
- Rural garbage/recycle drop off depots.

The 2011 operating budget projects a net surplus from operations of \$648,265, and Committee reviewed the applicable chart outlining the proposed system capital expenditures over the next five years.

It was noted the City is not mandated by the province to be self-sufficient in terms of its solid waste operation.

A discussion ensued on recycling, and the various materials, i.e. scrap metal; tires; plastics, cans, cardboard and newsprint. The City gets 'x amount' of dollars from the recycling company for recyclables and glass is not recycled to Winnipeg; while it is gathered at the landfill site, it is hauled to the landfill and some is separated and used for road building, in various areas but is not mixed in with general waste. It is too expensive to ship down east; glass grinding is an option and the City is looking at options to re-use the glass since there is a stock pile of it at the transfer station.

It was explained that commercial businesses that drop off recycling (ICI users), have to pay while residents do not. It was also mentioned that Marinas for example receive garbage coming from the lake but likely the Marinas are charging a fee for that drop off.

The benefit of recycling is that it has extended the life of the landfill site and that its life expectancy is increasing every year.

Mention was made that other communities are looking for other options and would like the City of Kenora to take their garbage but this would reduce the life of the landfill and we have to minimize what we are putting into the site.

Committee then reviewed the Solid Waste Operations under Appendix One and it was noted the 2010 numbers are preliminary and are subject to change as they are still finalizing year-end figures.

Hazardous Collection Day was referred to and that it is only for residential use and not for businesses. When such things as paint, oil and tires are sold by a business they are responsible to looking after doing their own recycling/removal of those products.

Reference was made to recycling electronics (which basically includes anything electrical or battery powered) and this program is held once a year at the Transfer Station. The City ships the materials to Thunder Bay and in turn they ship to one of three plants in southern Ontario. There is a cost to the City however and the money we get back does not cover those costs.

It was asked if the Transfer Station has to be open 7 days/week and all winter, and Rick advised that Saturday and Sunday are very busy and that we are open with only one operator and one scale operator. He further indicated that the more the public uses the site, the less we have to collect in the field, otherwise we risk illegal dumping, dumping on side roads and in the bush, etc. if we don't make the site available.

Rick noted that the old landfill site is being used well by the Kenora Aeromodellers and they have done a wonderful job to fix the area up for their use.

Committee then reviewed the Five Year Capital Projections, and in particular those for 2011 as follows: transfer facility doors and roll off bins; an expanded footprint for the Kenora Area Landfill Site and three vehicles for the Sewer and Water Department.

### **3. Water and Sewer Budget Review**

It was noted the In-house electrician position has been included under the Water Department budget.

A discussion ensued on problems with water loss and that this is difficult to track. It was explained the Department measures the flow every day at noon but the figures are not matched up to those figures through the sewage treatment plant meters. It was noted with the implementation of water meters, the amount of flow has been reduced and there is no longer any requirement to impose watering restrictions during the summer due to the user pay system.

The 2011 budget highlights were reviewed as follows:

- Lift Station #913 (\$.5 million)
- Lift Station #905 (\$.1 million)
- Coney Island Water Main (\$0.4 million)
- Keewatin Standpipe (\$.5 million)
- Filter Console Upgrade at Water Treatment Plant (\$.1 million)

It was explained that capital and operating is taking a drain on our Reserves over the last few years.

Proposed Rate Structure:

There continues to be a shortfall in ongoing water and sewer system operations as a means of sufficiently funding ongoing capital requirements.

It was noted there are few options available; either reduce service levels and/or expenditures, or increase revenues.

Last year a 5% rate increase was implemented with proposed increases over the next 5 years and this budget reflects that structure/increase. The increase represents a balancing act in order to increase Reserves; however there is an impact on residents, particularly low income and given the province is not increasing income rates there is a concern to that income bracket. It was noted the increase does not make the system self-sufficient.

It was explained there are infrastructure projects that we may not be able to address as we do not have funds in Reserve we cannot increase water rates to cover infrastructure costs; rather we need to build Reserves.

Paul was asked to set out a list of the various acronyms in the narrative of the budget to illustrate what each item represents (it was noted these would not fit in the budget sheets with the account numbers).

**PDerouard**

It was explained that under Capital Projects there are few projects carried forward from 2010 budget.

The Fourth Street North water tower was referred to and that the City had previously received a bid in the amount of approx. \$250,000 to dismantle it but this was too expensive so it did not proceed. Rick explained that the tower is not serving any purpose; it used to house police communications but that is no longer required. It was suggested it could be used for scrap metal but Rick indicated it has corroded quite badly and may not be useable.

**Other Business:**

N/A

**Items on Hold:**

N/A

**Next Meeting:**

The Operational Budget Review will take place Friday, April 1 at 10:00 a.m., with the Lake of the Woods Economic Development Commission making a 25 minute presentation to Committee.

**Adjournment:**

The meeting adjourned at 12:10 p.m.

**LAKE OF THE WOODS MUSEUM**  
**BUDGET PRESENTATION TO CITY COUNCIL**  
for 2011 Budget

Mayor and Council:

Thank you for giving us this opportunity to speak to you about the Museum's proposed 2011 budget.

We have provided you with two documents, in addition to this one.

The first is the **Museum's 2010 Annual Report**. This provides you with a snapshot of the direction, work, achievements, relevance, and community involvement of the Museum over the past year. We provide this information for you so that when you consider our budget request for this year, you'll see the value that the City received for their grant last year, which, in the end, is what really needs to be considered at budget time – not just the dollar amount but the value received for that dollar amount.

The second document is our **2011 budget**.

The budget line which will be of greatest interest to you is under *Revenue - Municipal Government*, which is our funding request to you. It is in the amount of \$216,927, the same amount that the Museum received from the City in 2010. We have provided you with the complete budget so that you can get a sense of the City's contribution in the context of the whole.

**BUDGET CONSIDERATIONS**

Once again, there were several considerations and/or guiding principles as we developed the budget for 2011.

1 The first was the **Museum's 5-Year Strategic Plan**.

As we enter year 3 of our Strategic Plan, the Board and Staff have determined that the following strategic objectives will be the focus for 2011:

- Employ technology to create an innovative and interactive learning experience and to enhance the museum's research capabilities
- Improve customer service
- Develop educational programming, tours, projects, and displays that make our history more engaging and more accessible to the community.
- Review the museum's usage of space for greater efficiency and novel ideas
- Improve our levels of communication with our audience and the public in general
- Continue the development of our volunteer program.

All these objectives will have an impact on the budget, although we will endeavour to offset the impact by seeking out other sources of revenue, whether it be grants, donations, or sponsorships. Which leads us to the second point...

2 The second guiding principle is **increased self-sufficiency and financial sustainability**.

Each year the Museum endeavours to seek out new or build upon existing funding sources. We seek out project funding, employment funding and operating funding from various provincial, federal, and private sources. We also see a growing support from the public through museum memberships, donations, rentals, giftshop sales, and admissions.

3 The third guiding principle continues to be **partnerships** – with our volunteers, museum members, local businesses and organizations, funding agencies, and other City departments.

These partnerships provide us with a means of increasing our resources and, as a result, increasing our ability to more effectively serve the community in a cost effective way.

This past year, we have enjoyed the benefits of partnership, either formally or informally with: Kenora BIZ; Iskatewizaagegan No. 39 Independent First Nation; the University of Manitoba; the Kenora Fire Department; a strong contingent of volunteers; Heritage Kenora; Tourism Kenora; regional museums; the Community Foundation; and local businesses.

- 4 The final consideration was the museum staff's **workload**. As the museum continues to grow and develop in its services to the community, so grows the expectations placed upon it. This has had a considerable impact particularly on the Museum Director's workload. This has been impacted by the museum's increased community involvement, partnerships with other City departments, and outreach. As a result, the Museum Board made a recommendation to Council in December 2010 to consider an increase in the Director's weekly hours from 35 to 37.5. This would also allow for some flexibility in the work day, since museum staff members are occasionally called upon to work in the evenings for community programming or on their days off (e.g. Mondays) because of meeting schedules, etc. This increase in hours for the Museum Director does not translate into an increased request for City funding.

With these considerations and principles in mind, the Museum's budget for 2011 was drafted. There is an overall increase of 7% over last year, in the amount of \$24,449. Of that increase, the Museum is making no additional request to Council over last year.

That said, should Council approve a move on the salary grid for non-union staff and/or an economic increase for 2011, the Museum would ask the City to cover those expenses as indicated at the bottom of the budget.

#### VALUE TO THE CITY

We have explained the reasons for our request of \$216,927 this year. Now we would like to address the value that the community will be receiving for that money. For less than 1% of the City's entire operating budget, the Museum is able to offer the City a wealth of resources.

- 1 The museum is a **contributor to economic development** in such key City initiatives as:
  - Four-season tourism - Being that it is one of the few indoor tourist attractions that the City has to offer.
  - Downtown Revitalization and the Community Improvement Plan - Museum staff are involved in Heritage Kenora and the museum has been and will continue to be a valuable resource to building owners who are seeking out the "authentic Kenora" look which is the focus of The Big Spruce.
  - Population Attraction and Retention - The existing population and those we want to attract to Kenora are looking beyond good roads and suitable snow plowing, to all that this city has to offer, including an attractive quality of life. The museum is one of those assets that continues to impress visitors and residents and provides a sense of place, a sense of self and a sense of history which roots people to the city in which they live.
  
- 2 The museum is a **resource and contributing partner in building First Nation Partnerships**. As the keeper of the collective history of this area, the museum is a valued resource in bridge-building between the native and non-native communities. In the past few years a number of projects have been undertaken which have resulted in the development of relationships and partnerships between the Museum and the First Nations communities of the area:
  - *We Were Taught Differently: The Indian Residential School Experience* Exhibit - This exhibit was developed in partnership with the Ne-Chee Friendship Centre, the Lake of the Woods Ojibway Cultural Centre, and individual former residential school students, to present and examine the history and effect of the local and regional residential schools. It was the hope and intention of the exhibit committee and the Museum Board that the acknowledgement of this part of our history, would encourage understanding between the aboriginal and non-aboriginal communities and in doing so create an atmosphere where healing of the two communities can happen. This exhibit continues to be used in the healing gatherings that are

taking place, not only in this area, but nationally. As well the exhibit has been nominated for a number of awards from the Ontario Historical Society.

- *Miijim: Traditional Foods of the Lake of the Woods Anishinaabeg* Exhibit - This exhibit was done in partnership with Iskatewizaagagen #39 Independent First Nation (Shoal Lake 39) and the University of Manitoba. The exhibit not only focused on traditional foods and food gathering but also on the health benefits of the traditional diet in the face of growing health issues among our First Nations communities, i.e. diabetes, heart disease. This exhibit received funding and support from the Common Ground Research Forum.

- 3 The museum is a **learning and resource centre** for researchers and educators. - Each year we assist between 200 - 400 researchers, whether they are children doing research for history projects; film makers in search of images; writers of books or articles on the local area or on a local topic; genealogists; or newscasters looking for a historical point of view. We provide an opportunity for people of all ages to learn.
- 4 The museum **preserves and presents our collective history** and showcases who we are and what we value.
- 5 The museum is a **source of considerable pride** for the citizens of Kenora. Consider what people say about this museum:  
"One of the coolest little museums in Canada." - CAA Magazine  
"Never seen a better one." - Rockford, IL  
"Fantastic museum." - Boston, MA  
"Awesome (as always)." - Keewatin
- 6 The museum is a **community space that brings people together** for social events like the Festival of Trees; for educational opportunities like Common Ground: A Sharing of Our Stories and a variety of exhibits; and for personal celebrations like 100th birthdays and retirements.

As we look over the *Guiding Principles for the City of Kenora*, we see the following:

- Kenora will provide value for service to the ratepayer. We believe the museum does this.
- Kenora will ensure sound fiscal management. We believe the museum does this.
- Kenora will provide quality of life amenities and services for citizens and visitors. We believe that the museum makes a significant contribution to Kenora's quality of life.
- Kenora will explore and pursue new opportunities. We believe the museum does this.
- Kenora will value and be responsible to its employees. We believe that the Museum Board does this, with both paid staff and volunteers.
- Kenora will understand and respect its citizens. We believe the Museum endeavours to understand, honour, and respect all the citizens.
- Kenora will inform and engage its citizens. We believe the museum does this as well.

## CONCLUSION

We thank City Council for their continued support of one of Canada's premiere small museums – a comment we hear time and time again from our visitors. We're proud of our local museum and what it has contributed to this growing, healthy community and we look forward with anticipation and excitement to another successful year. Thank you for your consideration of our request. We welcome any questions that you may have.



**LAKE OF THE WOODS MUSEUM  
OPERATING BUDGET 2011**

**REVENUE**

Federal Government - Special	8,900
Provincial Government - Operating	29,096
<b>Municipal Government</b>	<b>216,927</b>
Donations	8,000
Memberships	23,000
Admissions	13,000
Community Education	4,000
Fundraising (net)	3,000
Rental - Facility	2,400
Rental - Parking	2,633
Rental - Annex	12,320
Rental - Temporary Exhibits	1,600
Gift Shop Sales	28,000
Interest	200
Miscellaneous	100
US Exchange	0
Freight/Postage	150

**TOTAL REVENUE** **353,326**

**COST OF SALES**

Gift Shop Purchases	16,000
Giftshop Supplies/Freight	1,500
Discounts Given	3,000
<b>Sub-total</b>	<b>20,500</b>

**EXPENSES**

Acquisitions	1,250
Advertising/Marketing	6,000
Audit	3,850
Bank Charges	1,200
Community Education	2,000
Conservation	3,000
Curatorial	1,500
Events and Activities	1,500
Exhibits - General	5,000
Exhibits - Temporary	12,801
Insurance	2,500
Maintenance - Cleaning	6,750
Maintenance - General	20,000
Office Expenses	6,000
Other	500
Postage	1,500
Salaries/Benefits	230,075
Telephone	500
Travel and Training	4,000
Utilities - Gas	2,500
Utilities - Electricity	15,600
Utilities - Sewer	400
Utilities - Water	400
Annex	4,000
<b>Sub-total</b>	<b>332,826</b>

**TOTAL EXPENSES** **353,326**

Addition if move on grid	4,710
Addition if economic increase (1.0%)	2,139