



Budget Committee Meeting Minutes

February 7, 2012
9:30 a.m.
City Council Chambers

ACTION

PRESENT: Councillor C. Drinkwalter
Councillor R. Lunny
Councillor R. McMillan
Councillor R. McKay
Councillor L. Roussin
Councillor S. Smith
K. Brown, CAO
L. Oakes, Budget/Auditor General
R. Perchuk, Manager of Operations
S. McDowall, Human Resources Manager
W. Brinkman, Fire & Emergency Svcs Manager
C. Neil, Recreation Services Manager
H. Kasprick, Deputy Clerk

REGRETS: Mayor D. Canfield

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 with respect to the capital budget presentation that may reference anything to the Police Services Board budget as his wife is paid remuneration through the Police Services Board.

Councillor Roussin made a Declaration with respect to the capital budget discussion that may reference the Library budget as his wife is an employee of the Library.

C. Confirmation of Budget Minutes

Moved by S. Smith, Seconded by C. Drinkwalter & Carried:-

That the Minutes of the meeting of the Budget Committee held December 13, 2011 and February 1, 2012 be confirmed as written and filed.

D. Budget Committee Deputations:-

None requested.

E. Presentations:-

None Requested.

1. General Purpose Tax Levy Requirement

Net Program Costs (Operations) is the costs of operating the programs net of any offsetting revenues that we collect of those users. This amount for 2012 comes in at \$24,511,103 up from 2011 amount of \$23,282,269. The budgeted special projects or unusual spending is \$295,000 and the capital expenditures are \$1,497,000. Appropriation of reserves is what we are targeting for reserves in the amount of \$1,758,223.

At this point the net tax levy requirement before the long term debt obligations is approximately \$20.9 million with combined levy requirement of \$21.5 million for an anticipated 0% levy. The additional requirement of \$126,250 would result in a 0.60% impact on tax rates.

The required adjustments include an appropriation from reserve pertaining to the Allan Cup sponsorship that was budgeted for in 2010, but not paid until 2011 in the amount of \$10,000 that should have been removed from the 2012 budget. The Police Building on Hwy 17E cost for janitorial is higher resulting in a \$14,000 impact. With Evergreen School staying open, we need to add to the Crossing Guards budget to reflect the remainder of year of \$4,000. With a contractual agreement for street lighting, there were reductions achieved in 2010, however, we need an additional \$20,000 in street lighting for 2012. We are reducing the parking insurance item by \$2,007 as there used to be insurance for the parkade that needs to be removed. Under the KDSB, interest on general funds was a carry forward of \$8,707. Long term debt payments is based on the actual issuance of Council and there is a \$19,410 savings here. Not included in the budget was the long term debt for the Harbourdome for \$52,573.

The recommended per lists are options for Council to look at when giving final review in the budget. Some things that administration recommends that could reduce the budget overall by \$129,500 and a lessened tax impact to 0.40%.

2. Review of Major Impacts

Unconditional Funding

O.M.P.F. Decrease Allocation – We received \$432,000 less in our O.M.P.F. funding due to the KPS disbandment costs. In 2011 it was agreed we would take the \$742,000 and put it in reserves because the policing costs were higher. As a result, we will see a \$310,000 reduction in the unconditional funding.

Policing Costs

Consolidated Policing Costs in the amount of \$124,000.

Wage Related Impacts

All wage related impacts including CUPE pay equity settlements and economic adjustments, KPFFA increase, departing staffing and restructuring

as well as non-union grid movement and increases results in approximately 800,000 on the City budget impact.

External Organizations

The Northwestern Health Unit has brought in a 0% increase and staff and Council were thankful to the Health Unit for this request.

The Kenora District Services Board overall combined with all areas including Ambulance, Ontario Works, Child Care and Social Housing also sees a reduction of \$136,000.

Pinecrest Home for the Aged does not have final budget numbers to present at this time, so it is estimated with a 2% increase which would result in an impact of \$28,000. The combined total impact for mandated external organizations sees an overall reduction of \$108,000.

The Kenora Handi Transit has also brought a 0% increase to Council with the Kenora Public Library requesting an increased budget of \$55,000.

Triple Play through various efforts has brought a request of \$3,000 less than 2011 as well as the Lake of the Woods Regional Community Foundation is showing a \$5,000 reduction in their request.

The Lake of the Woods Museum is requesting a \$16,000 increase which is primarily due to staffing.

The final external organization is the Lake of the Woods Development Commission that is requesting a \$114,000 increase. In 2011, they included an appropriation from reserves of approximately \$130,000 and the organization was advised that they are pushing the problem to the next year, being 2012.

The net External organization impact is \$69,000 which combines both the mandated organizations as well as the other.

Remaining City Impacts, residual net City impact of approximately \$292,000 from various departments. The combined major impacts is \$977,000.

Wage reviews for union settlements – depending on what is negotiated for next year – will determine what's in the budget. The only one you won't see is the \$33,000 for the pay equity settlements.

Council reviewed the Mayor and Council budget in detail discussing the various department impacts. Council questioned the membership to Sunset Country and the benefits of that membership. There may be partnership arrangements with Tourism that we are unaware of and Council suggested that we transfer the money over to LOWDC budget for membership rather than through Council. It was also questioned if there is possible duplication in membership with Tourism and the City. It was

agreed to leave the \$3,800 in budget but it will not be paid until we confirm the benefits and if the Commission is also paying a membership.

Budget Options for Council Consideration:

The following items for consideration have already been included in the draft budget, however, these are optional items that Council can review to consider a reduction or removal to change the tax rate impact and overall budget.

External Organizations:

Triple Play of \$12,000, LOW Community Foundation \$20,000, Museum increase of \$16,000 and LOWDC increase \$45,000 which would result in an overall savings of \$93,000. Council agreed to move forward with these amounts, however, it was requested that they meet again with LOWDC on their increase and review their budget request thoroughly again.

Internal Options:

Council felt that it is very useful for Council to have the iPads and did not recommend this cut.

The Risk Management Program Implementation for \$40,000 was discussed and it was recommended that we fund it through insurance reserves.

The Physical Assessment program was discussed with the HR Manager explaining the need for this assessment on various physical laboring positions. It is a physical demands analysis to see what physical requirements are of the various positions. Council felt that this should be performed in house, however, HR Manager Sharen McDowall explained that hit is very time consuming and under the Workwell Audit it needs to get done. It was agreed to remove the Physical Assessment Program, however, to leave \$2,000 under this area for emergencies that we require these assessments.

Sharen McDowall advised Council that we inherited the hearing booth from the Abitibi Mill, however, we have not had it operational as we do not have the assessments in place to evaluate the hearing. The Workplace Noise Level Assessment Contract would measure all the noise decibels in each work space. We do have a lot of hearing claims and when WSIB asks us what is the noise survey is for the area that the worker is in, we do not have any on file. This assessment would give us levels for each work area. We have the hearing booth and can do regular hearing testing, however, we need the next piece which is the evaluations of each area. As soon as the assessments are complete, we would implement a program where an employee's hearing is tested as soon as they start and we would then perform annual hearing testing on each employee. These identifiers and annual tests would give us the ability to be able to defend the workplace claims that are coming forward.

Trails Maintenance – Council agreed to keep this item which is \$5,000 in the budget.

Recycle Calendar – There was a great deal of discussion on the recycling calendar and other options for recycling schedules. It was agreed that this \$10,000 item would be removed from the budget.

Business and ICI Public Education Program – This is a \$5,000 program through recycling that Council was supportive of moving forward to incorporating the other components of the program into. This item will remain in the 2012 budget.

Coney Island Shuttle service – Staff advised Council that this item could be reduced from the \$5,000 to \$2,500.

Kenora Recreation Centre iPad – Council agreed to leave this item in the budget for \$1,000.

Exhaust fans for Thistle Arena – Colleen Neil explained that these exhaust fans are for the west side of arena as there are no exhaust fans in the change rooms. This would be a much improved ventilation system for this area, as currently it will set off the fire alarms when the showers are running constantly. Council agreed to leave this item in.

Diving Board – Colleen Neil advised that this is the original diving board from 1972 and it is starting to rust with the salt water. They have looked at many options and have tried replacing the actual board but are now looking at the whole structure as the department is wondering if it is coming to a point where it may be unsafe. Council agreed to leave the \$20,000 in the 2012 budget.

Replace Pool Door – Colleen Neil explained this expenditure as they are having significant issues with the door freezing in the winter and it will not seal. This is an original door from prior to the construction that serves as the emergency door to the outside if you are in the lane pool area. It was questioned the significant cost of the door at \$8,000, however, Colleen assured Council this was the pricing that was submitted from the Maintenance Supervisor.

Ventilation in Kenora Recreation Centre basement – Colleen Neil explained that this is for the ventilation under the pool which is a sand storage area that currently has a lot of moisture. Staff are down there frequently as this is one of the only storage areas in the building.

Kenora Recreation Centre External Benches – Colleen Neil explained that they often get requests from the public to have benches outside the Rec Centre. Council discussed the bench sponsorships that we often received from businesses so Colleen will contact Barb Manson who is the lead on the bench program to discuss opportunities for the Rec Centre. This item will be removed from the budget and we will try to achieve this item through sponsorships.

Heritage Kenora – This is funding to support the Heritage Kenora

committee for things such as the Doors Open event that takes place in Kenora. Council was supportive to leave this item in.

Black Sturgeon Water Study – Ryan Haines recommended to do a smaller annual study and a larger one every 4-5 years. The larger study is in the capital budget for 2014. The budgeted \$6,000 is for the smaller study for 2012 and Council recommends it be removed.

Wage/staffing Considerations - Council was supportive of leaving in the economic adjustments and grid advances for the non-union staff for the City as well as the Library and Museum departments.

School Crossing Guards – Karen Brown made Council aware that the crossing guard service for an annual amount of \$54,000 is not a mandatory service, and is at Council’s discretion. It was agreed that this amount would be left in.

Budget Options for Council Consideration – Open Items
These items would add to the current budget as presented:

Karen Brown, CAO recommends that Council direct Administration to address infrastructure spending by developing a plan for how we are going to address the necessary funds through an increase in our capital budget. She reminded Council that a 1% increase is \$210,000 and a 2% is \$420,000 tax increase impact.

Karen Brown further recommends that we put \$75,000 into contingency reserves as we could lose a portion of the OMPF funding in the future.

Karen is making Council aware that they have the option for Early Debt Repayment, however, she is not recommending this, just making Council aware of the options. To reduce the Fire Hall debt from 17 to 15 years, would be an annualized impact of \$34,000 and to reduce the Hwy 17 E & W repairs would reduce from 20 to 15 years resulting in an annualized impact of \$38,000. Council was not supportive of moving this forward and thanked Karen for the information.

Motion - Adjournment to Closed Meeting:

1. Moved by C. Drinkwalter, Seconded by L. Roussin & Carried:-

That this meeting be now declared closed at 12:41; 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 matters:-

i) Personal Matter about an Identifiable Individual

Reconvene to Open Session:

2. Moved by L. Roussin, Seconded by C. Drinkwalter & Carried:-

That the Budget Committee hereby reconvenes to the Open Session of this Committee Meeting at 3:50 p.m. with no reports from its Closed Meeting.

5. Council Direction/Discussion

Councillor Lunny announced that after the deliberations during this meeting we are at a 0% budget increase, however, Councillor Lunny recommends a 1% tax rate increase (\$209,000) that we put into reserves to start building it back up. All three budgets should be brought to Council Monday, February 13th for approval.

6. Consultation Policy/Public Meeting

The City has gone through varying public consultations over the years and have not been overly successful with public feedback for budget meetings. Last year there was a brief public presentation prior to the passing of the budget and was also not well attended. It was suggested that we could post good summary of the information on our website and a presentation prior to the February 13th Council meeting. Lisa Oakes will arrange for the presentation and information to be posted.

7. Other Business

Capital Budget Questions

Council questioned a few items on the capital budget list and if removed, would take \$580,000 out of the capital projects. Councillor McKay questioned the relocation of the basketball court and the desk renovations (\$170,000) at the Kenora Recreation Centre. It was discussed that these projects could possibly wait with the potential in twinning the rink. He would also like to see further discussion on the loader for the Rec Centre prior to the purchasing as he feels that fleet is being decentralized and we should look at other options before moving forward. Councillor McKay also requested Operations Manager Rick Perchuk to look at the door replacement in the solid waste department before moving forward with this project.

8. Close Meeting

Moved by S. Smith, Seconded by R. McKay & Carried:

That this meeting be now declared closed at 4:10 p.m.

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