



City of Kenora M i n u t e s

**Of a Council in Committee of the Whole
Prior to the Regular February 13, 2012 Council Meeting
Held in Council Chambers
3:00 p.m.**

Present:

Deputy Mayor R. Lunny, Councillor C. Drinkwalter, Councillor R. McKay, Councillor R. McMillan, Councillor L. Roussin, Councillor S. Smith, Karen Brown, CAO, Richard Perchuk, Operations Manager, Warren Brinkman, Emergency Services Manager, Colleen Neil, Recreation Services Manager, Joanne McMillin, Lisa Oakes, Budget/Auditor General.

Regrets: Mayor D. Canfield

2012 Budget Presentation.

Lisa Oakes Budget/Auditor General gave an overview of what will be covered during today's PowerPoint presentation of the 2012 budget (attached hereto and forming part of these Minutes).

Deputy Mayor Lunny thanked Lisa for her presentation and she left the meeting at 3:30 p.m.

Meet and Greet with Sarah Campbell, MPP.

Ms Campbell attended and introduced herself to Members of Council and staff and advised that she has been attending various Councils in the Riding to hear any issues.

Ms Campbell referred to the much anticipated Drummond Report which she advised is expected to be released this Wednesday. She stated with a minority government there is lack of consultation on various matters before any vote is taken. She indicated she is attempting to compromise and be conciliatory but it has been difficult to operate in the absence of Committees and she's particularly concerned about the Drummond report as are many Councils in the Riding and across the province.

Ms Campbell advised she will be attending the upcoming Ontario Good Roads Conference and hopes to meet with Kenora representatives at that time for any updates.

Councillor McMillan referred to a critical area in our infrastructure with respect to bridges and mentioned that prior to the election the Liberal Government set aside funds for this purpose and he asked if she is privy to whether or not funds would be included in the budget for this purpose. Ms Campbell advised this information is not being shared and she feels they are operating in a vacuum and only hears things through the media.

Ms Campbell indicated with only three months into her term it has been a huge learning curve and she has to find the balance as she has been very busy and covering so much ground with meeting everyone, travelling and taking in all the information. She advised that her Critic Portfolio is Natural Resources and Aboriginal Affairs, and she just spent 8 days up north as well as being at Shoal Lake this afternoon. It was questioned if the City can help with the Shoal Lake/highway twinning issue and Ms Campbell indicated there needs to be representation from the Federal and Provincial levels of government and they need to meet in good faith and that's what Shoal Lake is looking for right now.

Chief Brinkman referred to provincial funding submissions for various funding matters as mutual aid and referred to costs associated with unincorporated areas and the disparity associated with same. He noted it is disproportionate in fire resources with First Nations across the province and not just in Kenora.

Councillor Drinkwater referred to health care and in particular the LHINs funding that is supposed to be coming to Northern Ontario through the Ministry of Health/Long Term Care and asked Ms Campbell if she is aware what is happening. Ms Campbell wished she had more answers to these types of questions but she doesn't, however she indicated she does have an upcoming meeting regarding LHINs and will try and get back to us following that meeting.

Colleen Neil expressed concern on the matter of child care and the cross over with various ministries for after school care for children and that everyone is waiting and nothing seems to be happening with it. She indicated municipalities are also waiting to find out what is going on and it is causing a lot of anxiety for parents.

Reference was made to the mining industry in the area and permitting. It was mentioned that reserve lands are identified and traditional lands are not, and Ear Falls/Red Lake and Sioux Lookout areas are still being held up. It was questioned if traditional lands will ever be identified as it makes it difficult for mining industries for permitting purposes. Ms Campbell noted there is reluctance on the part of the provincial government to meet with the First Nations and she mentioned the ring of fire and indicated the industry should know where they stand; it's a reasonable expectation. It was noted some communities have identified their traditional lands but they are back at the drawing board.

The dismantling of the Ornge Ambulance system was mentioned and it was asked how it affects the smaller airlines. Ms Campbell noted that she was recently surprised to learn that one small airline in Fort Frances that she has used in the past has gone out of business and moved to Winnipeg; she expressed the frustration with the ambulance system on taxpayers' dollars.

Ms Campbell thanked Council for allowing her to meet with them and explained she is always accessible even though she is not in Kenora.

Deputy Mayor Lunny made a presentation to Ms Campbell and thanked her for attending and she left the meeting at 4:50 p.m.

City Of Kenora

2012 Operating Budget

2012 Five Year Capital Plan

Public Meeting: 13 February 2012

City of Kenora

2012 City Budgets

Public Meeting Agenda

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

City of Kenora

2012 City Budgets

City Budgets vs. Utility Budgets

- City Budgets do not include costs for the following 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 – 10.0% rate increase – January 1, 2012
 - ◆ To address current shortfalls in capital spending
- Solid Waste – no rate changes for 2012 budget

City of Kenora

2012 City Budgets

Council Direction

- The guiding principles in the Strategic Plan
- Will maintain long term financial viability of City
- Will maintain integrity of its reserves & will not fund regular operating expenses from the reserves
- Access maximum infrastructure funding available
- Consider benefit to the taxpayer to justify issuance of long term debt

City of Kenora 2012 City Budgets Overall Highlights

- Combined Operating, Capital and Reserve Expenditures - \$35.6 million, represented by:
 - ◆ Operating expenditures - \$28.6 million
 - ◆ Reserve appropriations - \$2 million
 - ◆ Capital expenditures - \$4.1 million
 - ◆ Non-Capital special spending - \$.9 million
- Tax Levy - \$21.5 million
 - ◆ Tax revenues are City's primary source of funding
- Long Term Debt Obligations - \$.6 million

City of Kenora

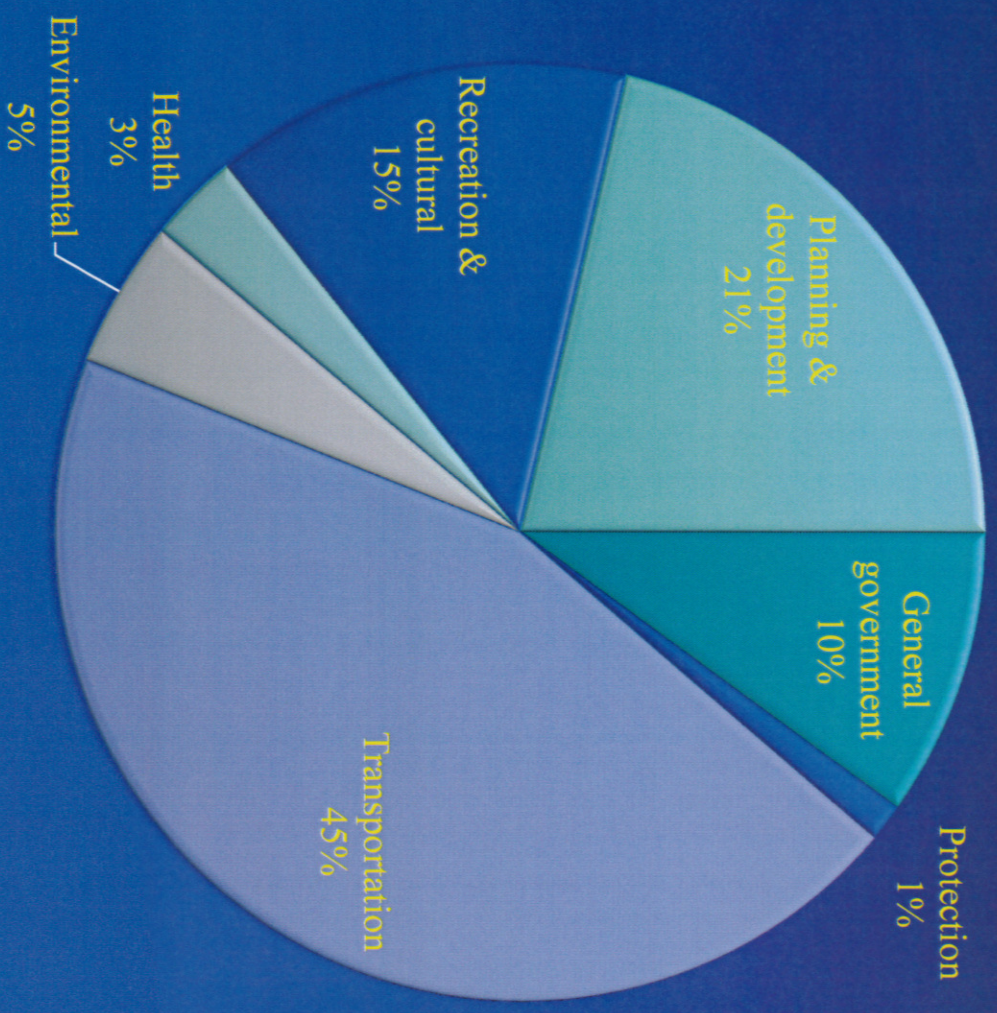
2012 Five Year Capital Plan

Highlights

- Draft plan projects gross capital spending of:
 - ◆ \$ 4.1 million in 2012
 - ◆ \$ 2.7 million in 2013
 - ◆ \$ 2.7 million in 2014
 - ◆ \$ 2.4 million in 2015
 - ◆ \$ 1.9 million in 2016

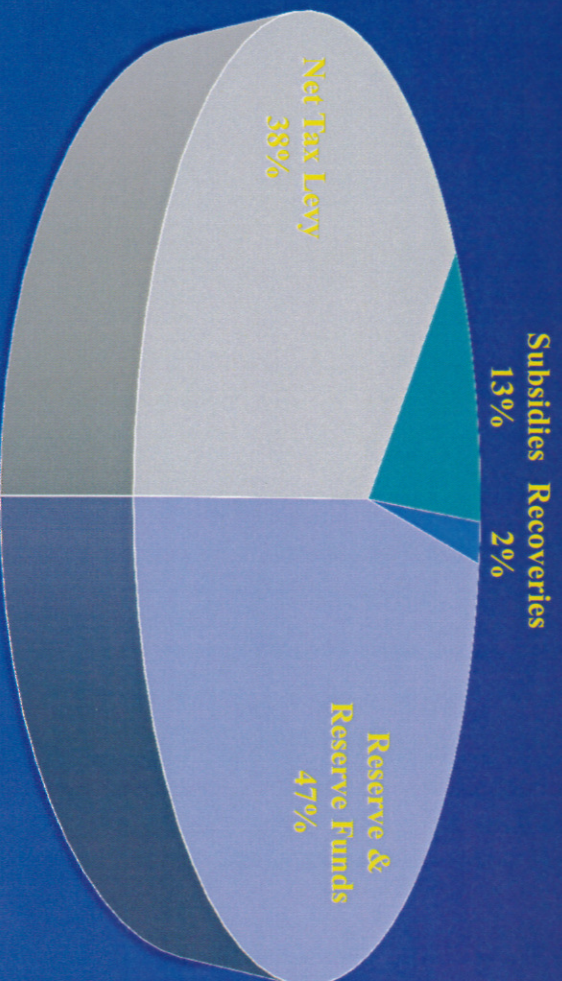
2012 Total Capital Expenditures

TOTAL: \$4.1 (million)



2012 Sources of Capital Funding

TOTAL: \$4.1 (million, including tax levy)



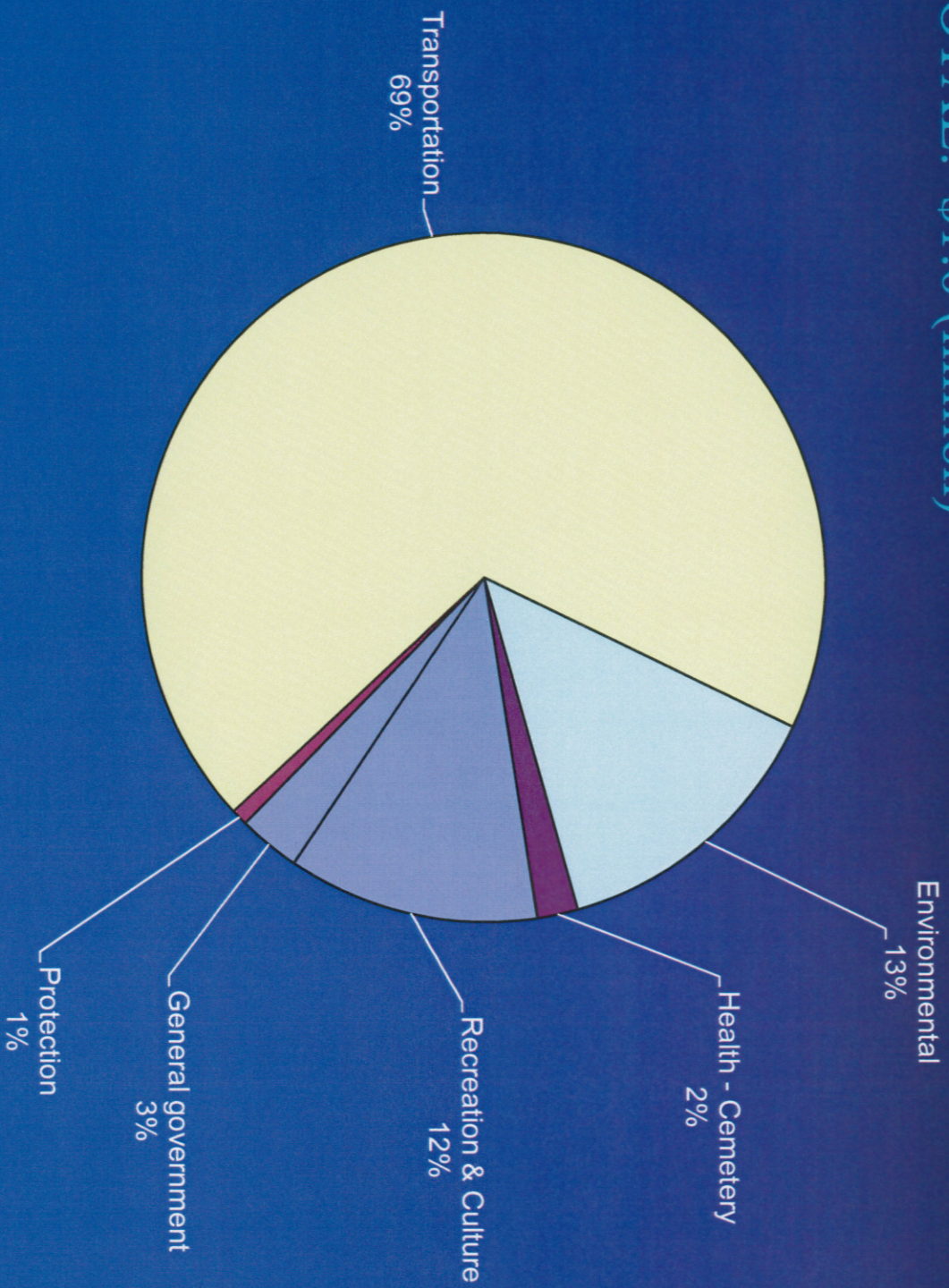
The City's most significant proposed funding source for the 2012 draft capital plan is appropriates from reserves and reserve funds (\$1.9 million)

The next most significant funding source is net tax levy (\$1.6 million)

This is followed by subsidies from senior government (\$.6 million).

2012 Tax Levy Allocation to Capital

TOTAL: \$1.6 (million)

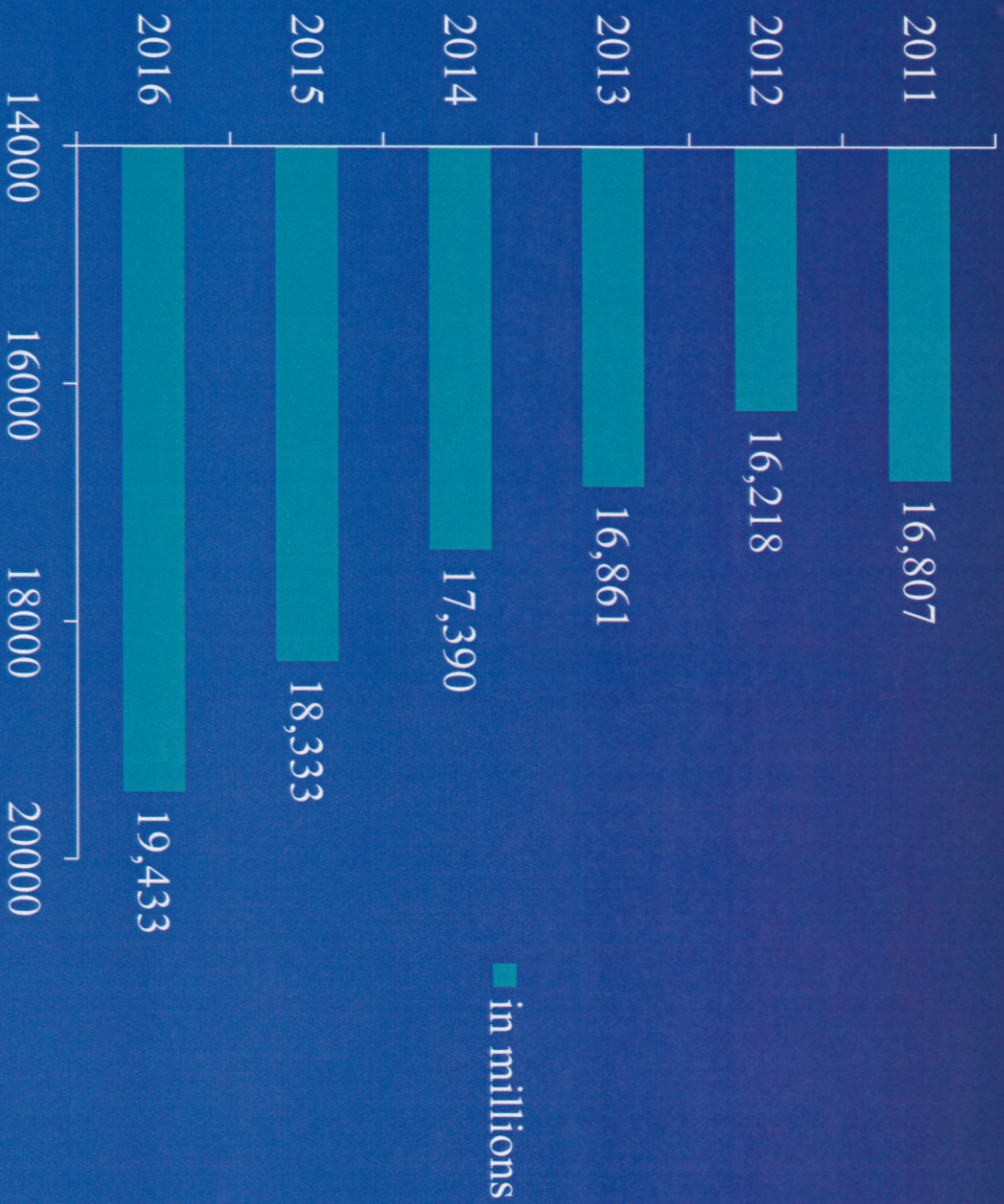


City of Kenora

2012 Budget Highlights – Reserves & Reserve Funds

- City reserves do not include reserves from various utilities
- Reserves are funds allocated for certain purposes
- Reserves are established to stabilize certain annual capital expenditures
- \$ 2 million into City reserves in the 2012 budget

City of Kenora 2012 Budget Highlights – Projected Reserves & Reserve funds



City of Kenora

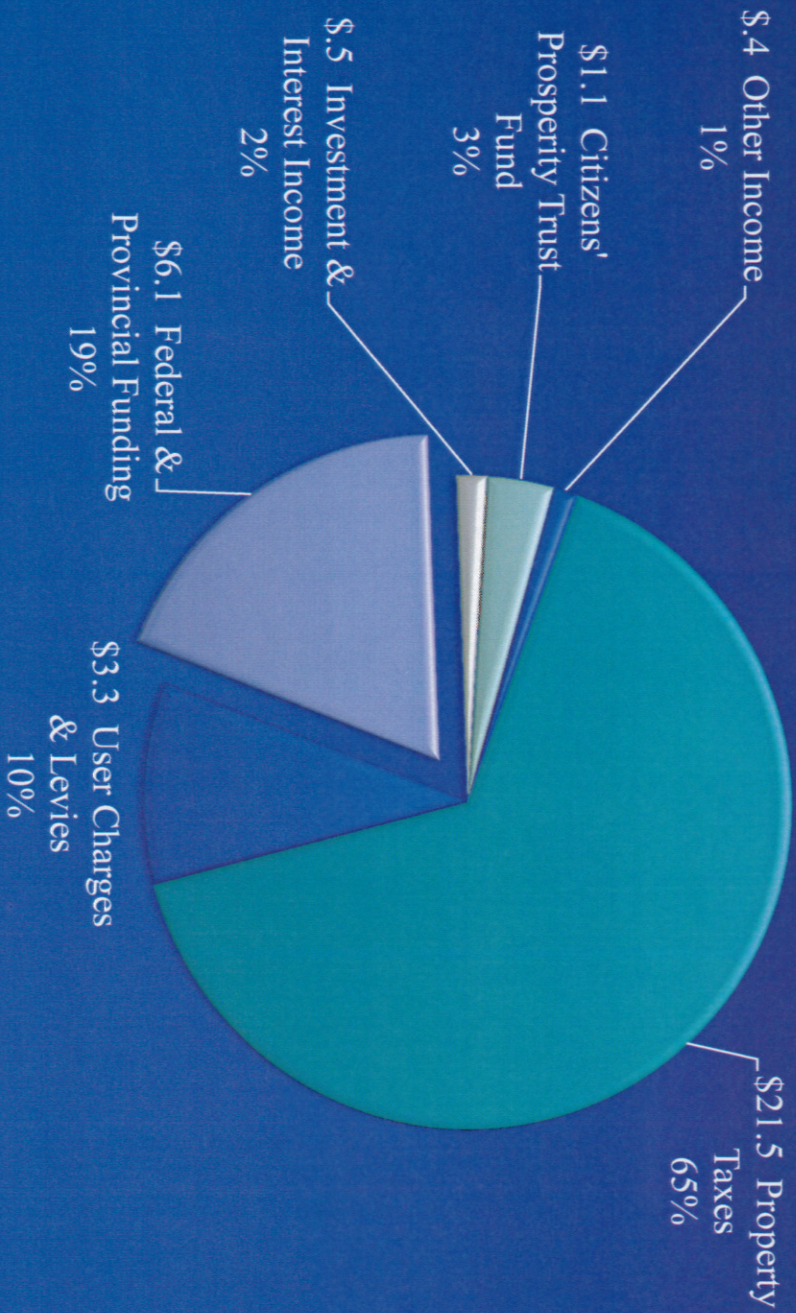
2012 Operating Budget

Highlights

- Draft budget projects operating expenditures of \$28.6 million, not including net tax allocations to capital and reserves of:
 - ◆ \$2 million in reserve appropriations
 - ◆ \$1.6 million in net capital allocations
 - ◆ \$.2 million in net non-capital special projects
- Combined operating revenues total \$32.9 million
- \$.6 million in long term debt obligations

2012 Municipal Operating Revenues

TOTAL: \$32.9 (million)



City of Kenora

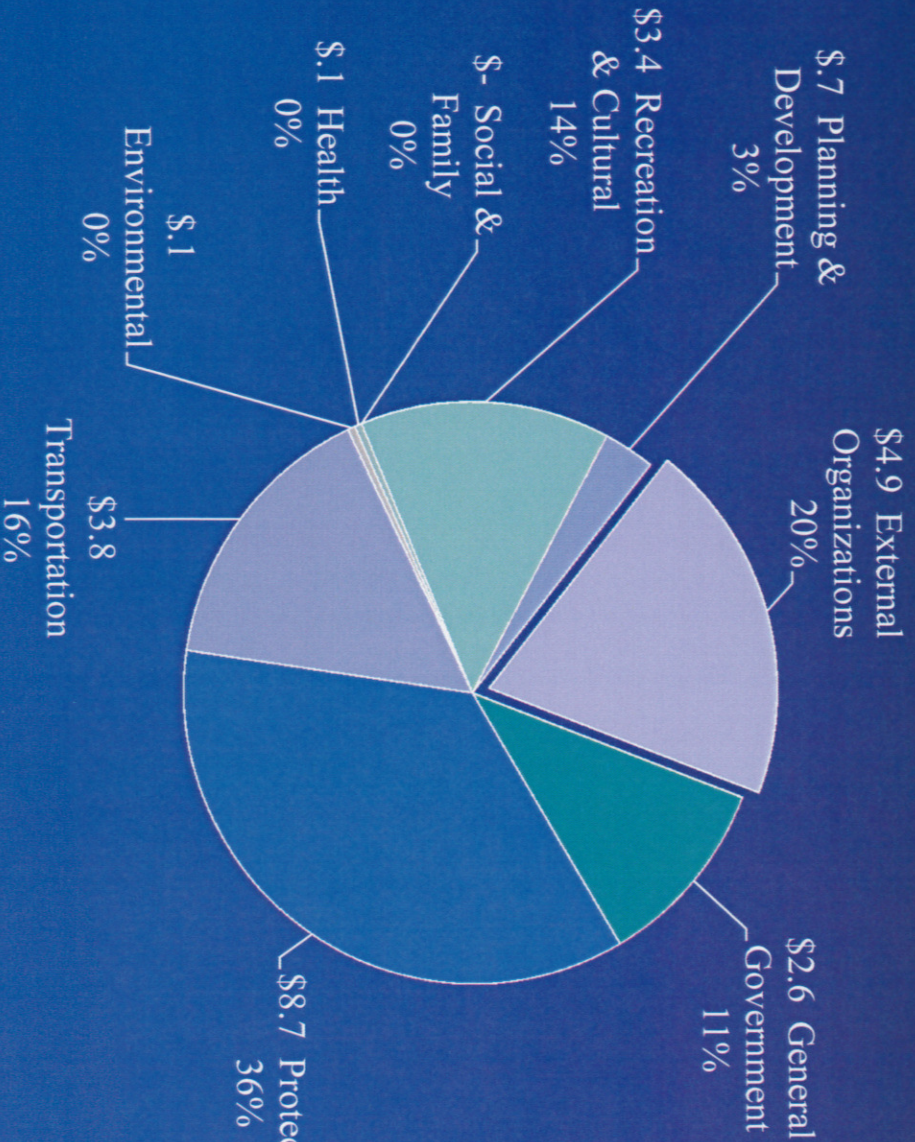
2012 Operating Budget

Highlights – Net Program Costs

- Net Program Costs = Net Operating Expenditures
- Do not include:
 - ◆ Capital expenditures;
 - ◆ Non-capital / special projects;
 - ◆ Reserve appropriations; or
 - ◆ Debt obligations
- Planned Net Program Costs – \$24.3 million
 - ◆ Protection - \$8.7 million (36%)
 - ◆ External Organizations - \$4.9 million (20%)
 - ◆ Transportation - \$3.8 million (15%)

2012 Net Program Costs

TOTAL: \$24.3 (million)



- External Organizations
- NWHU
 - KDSSB
 - ◆ Land Amb.
 - ◆ OW
 - ◆ Child Care
 - ◆ Social Housing
 - ◆ Pincrest Home for the Aged

City of Kenora

2012 Major Budget Impacts (in thousands)

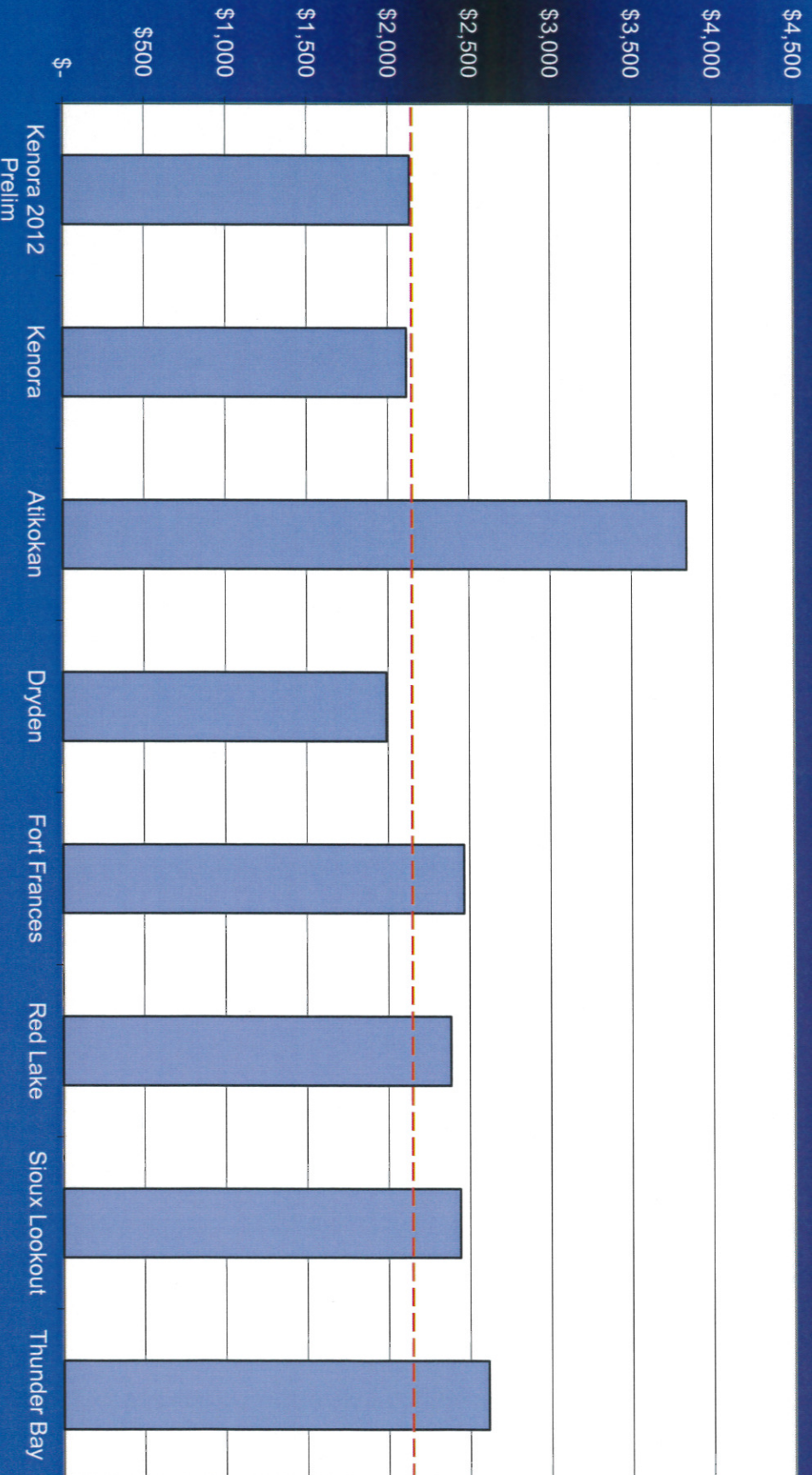
	Budget Impact	% Impact on Tax Rate
Major Tax Rate Impacts		
Wage Considerations	\$ 721	3.4%
Policing Cost	124	0.6%
External Organizations		
Mandated	(108)	-0.5%
Library / Museum / Dev. Comm.	124	0.6%
New Debt Payment Obligations	33	0.2%
Net Residual City Impact	179	0.8%
1% impact on tax rate to build capital reserve	210	1.0%
	\$ 1,283	6.1%
Offsetting Incremental Revenues/Cost Reductions		
O.M.P.F. Provincial Funding Decrease	\$ 432	2.0%
Offsetting Adjustment to Contingency Reserve	\$ (743)	-3.5%
Incremental tax room due to assessment	(763)	-3.6%
	\$ (1,073)	-5.1%
Combined Major Impacts	\$ 210	1.0%

City of Kenora Municipal Tax Rates & Residential Taxes Where Does Kenora Stand?

- Final rate impact for 2012 – 1% increase
 - ◆ 1% Increase = \$210K in incremental tax revenues
- Kenora's rates remain low in comparison with other Northwestern Ontario Municipalities

Municipal Tax Rate Comparisons

Residential Property Taxes - Municipal Portion Only - \$150K Home
Based on 2011 Tax Rates



City of Kenora

Looking to the Future

- We will continue to lobby the government for funding shortfall - Ontario Municipal Partnership Fund (OMPF)
- Work towards options to help the infrastructure deficit
- Continue to work on plans of action with the external organization demands
- Work closely on global economy / Investment Income
 - ◆ Kenora Citizens' Prosperity Trust Fund
- Continued phase in of new assessment
- Have continued focus in economic development

City of Kenora 2012 City Budgets Public Meeting

■ Q & A's