



MINUTES

**Of a Meeting of the Council of the City of Kenora
Monday, March 24, 2014 – City Council Chambers
12:00 p.m.**



**WITH Mayor D. Canfield, Councillor C. Gallivan, Councillor R. Lunny,
Councillor R. McKay, Councillor R. McMillan,
Councillor S. Smith.**

Regrets: Councillor L. Roussin

Staff: Karen Brown, CAO, Warren Brinkman, Fire & Emergency Services Manager, Rick Perchuk, Operations Manager, Lauren D'Argis, Corporate Services Manager, Charlotte Caron, Property & Planning Manager, Joanne L. McMillin, City Clerk, and Heather Lajeunesse, Deputy Clerk.

Call to Order

Mayor Canfield called the meeting to order.

Public Information Notices as per By-law Number 144-2007

Mayor Canfield then read the following notices:-

As required under Notice By-law #144 -2007, Council hereby advises the public of its intention to adopt the following at today's meeting:-

- **2014 Municipal Operating Budget and Municipal Five Year Capital Plan**
- **2014 Water & Sewer Utility Budget**
- **2014 Waste Utility Budget**

Declaration of Pecuniary Interest & General Nature Thereof

Mayor Canfield then asked if any Member of Council had any Declarations of Pecuniary Interest and the General Nature Thereof pertaining to any items as follows:-

- i) On Today's Agenda or from a previous Meeting
- ii) From a Meeting at which a Member was not in Attendance.

Councillor McMillan made a Declaration referring to Motion number 1 and Motion number 4 on today's agenda in relation to the Kenora Police Services Board, to which his spouse is a Member, and receives remuneration.

Deputations

N/A

Approval of the 2014 Municipal Budget & Capital Plan

1. Moved by R. Lunny, Seconded by C. Gallivan & Carried:-

That the City of Kenora 2014 Municipal Operating Budget and Five Year Capital Plan as reviewed and amended by Council be approved; and

That Council authorize City administration to proceed with the implementation of all budget related decisions in accordance with those reflected within the amended budgets; and

That in accordance with Notice By-law Number 144-2007, public notice was previously given that Council intends to formally adopt the 2014 Municipal Operating Budget and Municipal Five Year Capital Plan by by-law at its March 24th Special Council Meeting; and further

That Council give three readings to By-law Number 35-2014, being a By-law to approve the 2014 Municipal Operating Budget and the Municipal Five Year Capital Plan.

Abstention: Councillor McMillan

Approval of the 2014 Water and Sewer Utility Budget

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

That the City of Kenora 2014 Water & Sewer Utility Budget and Five Year Plan as reviewed by Council be approved; and

That Council authorize City administration to proceed with the implementation of all budget related decisions in accordance with those reflected within the amended budgets; and

That By-law Number 36-2014, a By-law to approve the 2014 Water & Sewer Utility Budget and Five Year Plan be approved; and

That in accordance with Notice By-law Number 144-2007, public notice is hereby given that Council intends to formally adopt the 2014 Water & Sewer Utility Budget and Five Year Plan by by-law at its March 24, 2014 Special Council Meeting.

Approval of 2014 Solid Waste Utility Budget

3. Moved by C. Gallivan, Seconded by R. Lunny & Carried:-

That in accordance with Notice By-law Number 144-2007, public notice was previously given that Council intends to formally adopt the 2014 Solid Waste Utility Budget at its March 24th Special Council Meeting; and

That Council authorize City administration to proceed with the implementation of all budget related decisions in accordance with those reflected within the amended budgets; and

That Council hereby approves the 2014 Solid Waste Operating Budget and Five Year Capital Plan; and further

That Council gives three readings to By-Law Number 37-2014 being a By-Law to approve the 2014 Solid Waste Utility Budget.

Approval of By-laws

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

That the following By-law be now read a **First & Second Time**, and approved in its present form and presented for **Third & Final** Reading:~

#35-2014 – To approve the 2014 Municipal Operating Budget and Five Year Capital Plan

Abstention: Councillor McMillan

Approval of By-laws

5. Moved by R. McMillan, Seconded by & Carried:-

That the following By-laws be now read a **First & Second Time**, and approved in their present form and presented for **Third & Final** Reading:~

#36-2014 – To approve the 2014 Water and Sewer Utility Budget

#37-2014 – To approve the 2014 Solid Waste Utility Budget

Councillor Lunny read today’s media release “Council Approves 2014 Budgets” attached hereto and forming part of the minutes.

Close of Meeting

6. Moved by R. McMillan, Seconded by S. Smith & Carried:-

That this meeting be now declared closed at 12:27 p.m.

The Corporation of the City of Kenora:

Confirmed As Written ThisDay

Of.....2014

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Mayor

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Deputy Clerk



Media Release

Council Approves 2014 Budgets

March 24, 2014 – Kenora – Council, with the recommendations from City Staff, have finalized the 2014 budgets for the City of Kenora. These budgets include the Five Year Capital, Operating, Solid Waste and Water and Sewer.

"Our City remains financially strong in a region suffering from many financial and social challenges and we will strive to stay the course. This budget is one we feel merits ready acceptance, with an optimistic view of the future of Kenora and hopefully, our Province. Our City has suffered increased taxation that is not sustainable or acceptable to this Council and this budget is a message to further Councils and to the Citizens of this Great City, we must hold the line" states Councillor Ron Lunny, Finance Chair.

Council directed staff to make it a priority to help reduce the impact on the average homeowner. In 2014, Council elected to use Revenue Neutral Tax Ratios. This is a tax tool that maintains the tax burden by category, regardless of where the assessments raised the most. This was done to avoid shifting more of the tax burden onto the residential category.

The 2014 reassessment provided the City with both incremental tax room, but not without some challenges. The residential tax base saw an overall increase of 7.2%. Of this, 6.6% related to increased values on existing homes, with the balance of the increase resulting from new construction.

Today's budget represents a 4% reduction in the City's residential municipal tax rate.

What does this mean for the average homeowner? For a property with no changes (changes such as a new garage or an addition), on average, the assessment rose by 6.6% but the municipal property tax rate dropped by 4%. A property worth \$130,000 in 2013 would have paid \$1,833 in taxes. In 2014, this same property, on average, is assessed at \$139,000 and will pay \$1,876 in taxes.

Council believes this budget, in conjunction with the strong financial management by City Council over recent years, will continue to maintain the City's financial strength, in spite of the ongoing turmoil in the economy and forestry industries over the same period.

Some of the more significant impacts the City had to face in developing the 2014 budgets include:

- Loss of Provincial funding of \$354,000
- Increased requests from Mandated External Organizations totalling \$123,000
- Increased requests from local boards and commissions, with the final approved budgets coming in at a combined increase of \$30,000 following reductions made during the budget process
- Combined wage impacts of \$214,000
- Continued necessity to work to address the City's significant roads infrastructure deficit

The net tax levy allocation to capital spending in 2014 increased by \$111,000 from 2013. This was based on Council direction to divert an additional \$111,000 in 2013 towards the City's roads infrastructure deficit. This amount was built into the 2013 levy, and was added to the roads capital spending program commencing in 2014.

- Major capital projects planned for 2014 include:
 - Completion of Downtown Revitalization (Phase 3) construction (\$4.5 million)
 - Combined Roads Capital Program (\$2.2 million, before storm sewers)
 - Phase II of Winnipeg River West Branch Bridge (\$.7 million)
 - The beginning of Streetlight conversion to LED (\$.6 million)
 - Fire Rescue Vehicle (\$.3 million)

Other projects of interest in the 2014 budget include:

- Coney Island Beaches, Parks & Trails upgrades
- Street Sweeper
- Deck Tile at Kenora Recreation Centre Pool
- Model Shoreline project at the Discovery Centre

Overall financial highlights of the approved 2014 budget include:

- \$42.8 million in combined operating, capital, non-capital special projects / unusual spending and reserve appropriations, broken out as follows:
 - \$28.8 million in operating expenses;
 - \$2.1 million in reserve appropriations;
 - \$11.2 million in capital expenses; and
 - \$.7 million in non-capital special projects / unusual spending
- Combined this represents \$22.8 million in net tax levy requirement

In addition to the combined Municipal Operating budget and Five Year Capital Plan, the City's Water & Sewer and Solid Waste budgets were also approved. The City has included the 10% rate increase in water & sewer rates effective January 1st, 2014, in accordance with the proposed rate increases under the BMA Consulting Inc. financial plan developed for the City and approved by Council in November 2011. This rate increase was required to start addressing current shortfalls in capital spending for the water and sewer operations for replacement of existing assets as they come due for replacement.

There are no rate changes reflected for the solid waste utility rates.

Mayor Canfield states "I would like to thank my fellow Councillors, as well as City staff and management, who worked so diligently towards minimizing the potentially significant impacts to our taxpayers. Solid fiscal management continues to be a priority for this Council and working together to face the uncontrollable challenges we have faced has proven to be effective in the direct financial impacts to our tax payers".