



MINUTES
SPECIAL
COMMITTEE OF THE WHOLE

Wednesday, January 7, 2015

8:15 a.m.

City Council Chambers

Action

Present: Mayor D. Canfield
Councillor M. Goss
Councillor R. McMillan
Councillor D. Reynard
Councillor L. Roussin
Councillor S. Smith
Councillor C. Wasacase
K. Brown, CAO
R. Perchuk, Manager of Operations
C. Neil, Manager of Recreation Services
L. D'Argis, Corporate Services Manager
C. Caron, Manager of Property & Planning
H. Kasprick, Manager of Legislative Services
W. Brinkman, Manager of Emergency Services
(arrived at 8:37 a.m.)

1. Capital Budget Discussions

Lauren D'Argis explained the capital budgeting process and what has taken place with staff to date for the capital budget preparation. CAO Karen Brown clarified that we are not looking for capital budget approval at this meeting, but guidance for staff to move forward with the development of the operating budget based on capital discussions.

The City of Kenora 2015 Capital plan includes \$10.8 million in total cost of capital projects. The gross planned capital spending for 2015 by functional area include: General Government \$0.7 (7%); Protection \$0.4 (4%); Transportation \$3.6 (33%); Environmental \$0.2 (1%); Health \$0.1 (1%); Recreation & Culture \$0.4 (4%); Planning & Development \$3.9 (36%).

Transportation, or more specifically, roads and bridges continue to represent the largest demand on City capital resources as well as the most significant portion of the City's infrastructure funded through property tax dollars.

In 2015, there is \$3.8M in the Planning & Development category for Downtown Revitalization. This \$3.8M represents the construction portion for roads. The Water & Sewer portion is included in that budget.

The City's net tax levy allocation to capital spending is \$2.1M in 2015. Of this amount, 79%, or \$1.6M is allocated directly to spending on municipal roads. The five year capital plan allocates \$1.6M in property taxes annually for the next five years to roads capital spending. Overall, this represents close to 90% of the entire capital and unusual spending dollars spent on roads infrastructure alone each year.

The City's 2015 draft budget includes unusual spending of \$.5M in total costs with a net tax levy allocation of about \$.14M.

There are two proposed primary source of funding for the 2015 capital plan. They are use of reserves and funding from senior levels of government including a planned use of the City's Federal Gas Tax funding. Combined, this funding represents an anticipated 65% of the City's 2015 planned capital spending. The remaining funding sources for the 2015 capital plan are represented by issuing long term debt (\$1.7M) and net tax levy (\$2.1M). The following pie chart illustrates the breakdown of funding sources for capital spending planned in 2015. Long term debt \$1.7 (16%); Net Tax Levy \$2.1 (19%); Reserves \$3.7 (34%); Subsidies \$3.4 (31%).

The City has identified several significant projects for consideration of funding with long term debt. In 2015, the Keewatin arena projects are included in this section and in the 2015 capital budget. The following projects are being considered in the 2015 capital budget: Railway Street - \$2.6M; Event Centre Design - \$1.0M; Event Centre Construction \$25M; 4Plex Baseball Diamonds at the KRC - \$.8M; Keewatin Arena Projects - \$1.1M; Beaches, Parks & Trails - \$6.0M; Downtown Revitalization Next Steps \$5.8M. These projects are being held for Council consideration pending the development of a business plan that would support the associated long term debt issuance to fund the related project.

As with most municipalities, Kenora has a significant infrastructure deficit. The most significant portion of the non-utility infrastructure deficit is represented by the City's road and bridge infrastructure. The 2015 draft budget includes estimated capital and unusual expenditures of about \$5.5 million on City roads and bridges. In comparison, the City's entire tax levy allocation to capital and unusual spending is only \$2.1M for 2015.

Council reviewed the draft capital budget details. Under general government there is \$15,000 in the draft for new computer equipment for Council. City Hall is in desperate need of window replacement. \$35,000 has been included to start replacing a few each year as approved so that over time we will get them all replaced. The financial software was installed in 1992 and is in desperate need of replacement. The information technology replacements is necessary spend to keep up with changing hardware for a total of \$127,000. Our website is in need of a complete redesign. As the major communication tool with the public, we need to look at completely

redesigning this tool. \$250,000 has been included as a preliminary number for redesign.

Under protection the Chief explained that the vehicle extrication is tools that help to save lives in serious motor vehicle accidents. The \$15,000 is for a RAM tool that will lift a car in an accident. The rescue vehicle included for \$350,000 will be taken offside and discussed with the CAO. The building inspection vehicle is on replacement. The current vehicle has come from KPS and will be either auctioned or put into the parks department.

Under roads, bridges & transit sidewalk replacement/installation plan is budgeted for \$125,000 and paving program includes \$1,286,996 which you could spend significantly more, however, funds are not available.

Under transportation the dock program will see repairs to docks in Keewatin, Water Street and Norman Park dock for \$55,000. Funding has been applied for and if the funding comes in then additional works will be done with this money as the contribution to the funding. If not funding is approved, only this portion of the funds will be used for repairs. The roof at the Operations Centre needs to be replaced as birds have significantly damaged for \$200,000. Roads vehicles & equipment for a roads excavator, roads loader, roads pickup and scraper plows for \$559,000. The scraper plows is a new item which would improve efficiencies in plowing. The Operations scanner and large format plotter is a tool that they use regularly and is not currently working. Under Environment the storm sewer program includes an annual \$150,000 which is not sufficient.

Under Recreation & Cultural the Keewatin Memorial Arena has significant work that needs to be done. The work has to be done but we will need to find the area that the project will be funded through. These works would mean that summer ice would not be available to users and a communication strategy will need to be developed to deliver this message to users.

Council then reviewed the Capital spending deleted projects list.

Council reviewed the potential capital projects for long term debt financing.

Council then reviewed the five year analysis non capital special projects and unusual spending. This includes the 2015 projects.

Council questioned when we will look at the parking in the Tunnel Island area. Rick will bring a report back to Council on the plans for this development.

Councillor McMillan summarized that we have agreement to move forward with the capital budget as presented. The Keewatin Arena repairs will go forward and the one project under Fire will be put on hold for further discussion with the CAO. Rick Perchuk will also come back with any further funds he requires for storm sewer works in 2015 that is not included.

Council gave consensus that they were in agreement with the 2015 capital budget as presented with the exception of the fire truck submission and managers can move forward with tendering processes for projects at this time.

1. Moved by D. Reynard, Seconded by M. Goss & Carried:-

That pursuant to Section 239 of the Municipal Act, 2001, as amended, authorization is hereby given for Committee to move into a Closed Session at 11:40 a.m. this date for the purpose of:

- Labour Relations Matter

At 2:15 p.m. Committee resumed from its closed session with no direction from its closed session.