



City of Kenora
Committee of the Whole
Minutes
Tuesday, August 10, 2021
9:00 a.m.

Council met electronically as permitted by the City of Kenora Procedural bylaw. Citizens and our Media Partners are encouraged to view the public meeting via the Public Live Stream Event at:

<https://video.isilive.ca/kenora/2021-08-10-COTW.html>

Present:

Mayor Daniel Reynard
Councillor Graham Chaze
Councillor Mort Goss
Councillor Rory McMillan
Councillor Andrew Poirier
Councillor Sharon Smith
Councillor Chris Van Wallegem

Staff: Kyle Attanasio, CAO, Heather Pihulak, Director of Corporate Services/City Clerk, Charlotte Edie, Director of Finance, Kevin Gannon, Director of Engineering & Infrastructure, Adam Smith, Director of Development Services, Stace Gander, Director of Community Services, Roberta Marsh, Director of Human Resources, Shaun Clifford, Parks & Facilities Manager

A. Public Information Notices

As required under Notice By-law #144 -2007, the public is advised of Council's intention to adopt the following at its August 24, 2021 meeting:-

- Amend the 2020 Operating & Capital Budgets with the following amendments:
 - an additional allocation of \$25,050 to the Parking Pay Station capital purchase, to be funded through the Anicinabe, KRC and KMA capital purchases
 - an additional allocation of \$725 to the Recycle Truck capital purchase, to be funded through the Co-mingle Truck capital purchase
 - an additional allocation of \$1,799 to the Mower capital purchase, to be funded through the Used Roads Crew Cab capital purchase
 - an additional allocation of \$162 to the Tommy Gate for the Parks Vehicle, to be funded through the Used Roads Crew Cab capital purchase
 - an additional allocation of \$15,508 to the KRC flooring project, to be funded through the Pool Electrical Pump/System project
 - an additional allocation of \$7,400 to the ¾ Ton Truck with Hoist purchase, to be funded through the Rock Hammer purchase
 - an additional allocation of \$108,051 to the Water Main Program, to be funded through the Wastewater Collection Program
 - an additional allocation of \$59,413 to the WTP Window Replacement, to be funded

- through the WTP Roof Replacement project
- an additional allocation of \$6,656 to the Transfer Facility Canopy Paving project, to be funded through the Extension of the Scale Building project
- Amend the 2021 Operating & Capital Budgets for the following:
 - an additional allocation of \$66,500 (plus HST) of which \$19,843.38 is to be funded through the Bearwise Funding Reserve and \$46,656.62 to be funded from the Solid Waste Reserve, for a municipal subsidized purchase of 250 FoodCycler Units, in order to implement a FoodCycler Pilot Program in partnership with Food Cycle Science Corporation
 - an allocation of \$80,900 from Contingency Reserves for E-Permitting and Process Modernization
 - an allocation of \$370,000 to be taken from the Police Station Replacement Reserves to provide an additional funding stream to the Central Community Club project

Blessing & Land Acknowledgment

Councillor Chaze

As we gather, we recognize that we are on Treaty Three Lands which are steeped in rich Indigenous history and home to many First Nations and Metis people today. We continue to be thankful for the partnerships with our Indigenous people.

We give thanks for the many blessings we enjoy in the City of Kenora. We seek wisdom in our minds, clearness in our thinking, truth in our speaking and always love in our hearts, so that we may try always to unite the Citizens of Kenora. Let these principles guide us in our decision making.

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 Previous Committee Minutes

Resolution #1 - Moved by Councillor Poirier, Seconded by R. McMillan & Carried:

That the Minutes from the last regular Committee of the Whole Meeting held July 13, 2021 and July 29, 2021 Special Committee of the Whole be confirmed as written and filed.

D. Deputations/Presentations

Wake Marketing, Mike Greaves

Mike was present to give an update on the Branding, Strategy and Website project. He thanked City Senior Leadership for the opportunity to engage on this project. Kenora is home for the Wake team and want the best for the City and the community we live in. This project is important to Wake Marketing and they are looking forward to the opportunity to work on this project.

E. Reports:

1. Administration & Finance

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1.1 2020 Annual Report

Recommendation:

That Council approves the 2020 City of Kenora Annual Report including the 2020 audited financial statements for the City; and further

That a copy of this report be made available for public viewing.

1.2 2020 Budget Amendments Authorized by Finance

Recommendation:

That Council approve the 2020 Budget Amendments Approved by the Director of Finance or Deputy Treasurer from January 1 to December 31, 2020.

Discussion: There is no low threshold in the existing procurement policy. Administration is looking at updating the policy to incorporate several changes to include a low threshold so these don't need to come to Council.

1.3 2020 COVID Financial Impacts

The report provided Council with the financial impacts of the COVID-19 outbreak on the City of Kenora in 2020. Although the exact impact is difficult to quantify, the report outlines areas where we have seen major financial repercussions.

Most of the amounts were determined by comparing actual to budget. While there may have been other factors at play besides COVID-19 it is believed that a significant portion of the budget variances in the two attachments we due to the pandemic.

40% of the negative impact to the City comes from revenue losses in Recreation and Cultural Services with the closing of the Kenora Recreation Centre and the Keewatin Arena. Parking was the second highest loss resulting from government imposed business closures and free parking initiatives.

The cost savings the City realized came from a reduction in wages when employees impacted by the closures were able to utilize the SUB program. Training and conferences were either cancelled to moved to virtual platforms which resulted in a significant realization of savings. The savings in repairs, maintenance, supplies and cleaning to a large extent represent recreation facility shut downs.

The net financial impact of COVID-19 in 2020 is just over \$600,000. The City received \$911,600 in Safe Recovery funding to cover this impact. Funding not required in 2020 is carried forward to 2021. The carry forward has been appropriated to the City's contingency reserve. This carry forward, along with subsequent funding announcements for further 2021 COVID grants in the amounts of \$183,000 and \$228,640, will be used to support cost pressures and revenue losses in the current year.

Transit impacts are not included in this analysis. Transit Safe Recovery funding was provided under a separate program. The City of Kenora realized \$35,812 in transit COVID funding. In addition, the Library and the Muse received additional funding under separate programs. This list is not exhaustive however it highlights the major COVID-19 impacts.

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1.4 2021 Capital & Unusual Spending

Recommendation:

That Council hereby accepts the 2021 Capital and Unusual Spending report.

1.5 2021 Q2 Contracts

Recommendation:

That Council hereby accepts the 2021 April – June Contracts & Expenditures Approved report.

1.6 Section 357 Approval

Recommendation:

That Council hereby approves Section 357 tax adjustments with potential refunds totaling \$10,193.50.

1.7 June 2021 Financial Statements

Recommendation:

That Council hereby accepts the monthly Financial Statements of the Corporation of the City of Kenora at June 30, 2021.

Charlotte provided Council information on how much was appropriated to contingency reserves for the year based on the surpluses. After our appropriation of our surplus to the contingency reserve as well as our appropriation of water and sewer, and solid waste reserves we estimate what is left. Only speaking to the revenue/operating fund. \$2.3M was appropriated to contingency reserve. Of that \$2.3M, \$1.6M is a result of gains on investments that we liquidated that we moved to prudent investor. Almost \$2M was a gain in the prosperity fund which has nothing to do with our transfer to the contingency reserve, but there is \$1.5M/\$1.6M that we realized in the revenue/operating fund and that went into our investment income account. This is a one-time large amount and we probably won't see the magnitude of this in one year. We did have excess funding of about \$300,000 that we recognized of that \$2.3M just over \$300,000 that was due to the funding for COVID. That leaves us with \$400,000 of that appropriation to account for. \$280,000 of that is an over budget in our investment income by about \$285,000 in just an increase in our investment income which has a lot to do with moving to our prudent investor. The prudent investor had earned about 7.4%. That leaves \$120,000 which is not accounted for which is primarily staffing vacancies. This is the story of what went into contingency reserves.

Terry in GIS has done extensive work in comparing our actual assets to what is in the GIS and we need to add a net of \$880,000 of assets into the GIS. This will make us 100% accurate and many projects in the early 2000's are not included in the system. This will help a great deal.

2. Fire & Emergency Services

No Reports

3. Operations & Infrastructure

3.1 Crossing Guard Contract Extension

Recommendation:

That Council hereby approves an extension to a contract agreement between the City of Kenora and Alpine Janitorial (Kenora) Inc. as established in the original Agreement authorized by By-law number 126-2019 for School Crossing Guard Services for the school seasons of 2021-2022 and 2022-2023 in the amount of \$117,249.00 (plus HST).

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3.2 Township of Machin Water & Wastewater Reciprocal Agreement

Recommendation:

That three readings be given to a by-law to execute a reciprocal Agreement for services related to the Water & Wastewater Division between the Township of Machin and the Corporation of the City of Kenora; and further

That the Mayor & Clerk be authorized to execute this agreement.

4. Community Services

4.1 The Muse Community Museum Operating Grant Application

Recommendation:

That Council hereby approves an application by The Muse to the Community Museum Operating Grant to assist with operational expenses at the Lake of the Woods Museum.

4.2 The Muse Seniors Community Grant Application

Recommendation:

That Council hereby approves an application by The Muse to the Seniors Community Grant to provide funding for free arts/heritage programming at the Lake of the Woods Museum and the Douglas Family Art Centre from October 2021-March 2022.

4.3 Central Community Club Project Options

Recommendation:

Stace Gander, Director of Community Services provided Council with a presentation on the Central Community Club project to date.

In March 2021, the Central Community Club Board received \$596,000 of funding from the provincial and federal governments to construct a new community club building and ice surface. During the conceptualization of this project, Council voted to contribute \$100,000 to the project and the Board has undertaken a number of fundraising activities raising approximately \$101,800 (this number has been updated since our last report to Council as a result of additional Club fundraising). Altogether, the total amount currently secured for the project is approximately \$797,800.

To enhance the project, Council agreed to repurpose a portion of land that has previously been used as a baseball diamond. This has effectively tripled the footprint previously being conceived by the Central Community Club for the project. As part of the vision for the project, additional amenities are being considered including bocce ball, beach volley ball, public green space, and pathways.

In conjunction with the Central Community Club Board, City staff initiated a procurement process in accordance with the grant funding requirements of the provincial and federal governments for the Central Community Club project. Initial bids significantly exceeded budget. In accordance with the City's procurement processes, staff have been negotiating with two contractors who submitted the lowest bids in an effort to reduce the overall cost of the project. However, the project remains significantly over budget.

City staff are now in a position to present options for Council's consideration.

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Option 1 – Increase the City’s contribution up to a maximum of \$370,000 using City reserves in addition to the \$100,000 the City has already committed

Under this option, the City can enter into a contract with one of the proponents and commence work in late summer-early fall 2021 once the civil infrastructure on the site has been replaced. Civil work is anticipated to be completed no later than mid-September. City staff and the successful proponent would strive to have concrete poured and cured prior to freeze-up this fall. The project budget will not exceed \$1,167,800.00. The contract is anticipated to be awarded at the August 24th Council meeting.

Regardless of Council’s decision, there is no budget for concrete hoarding and heating in either of the two low bids being evaluated. An early freeze or delays due to weather or supply chain challenges caused by the pandemic could create a situation where the ice rink may not be completed for use in the 2021/2022 winter season. Work on the boards could begin after the concrete is properly cured with ice to follow. After the rink is complete, work will begin on the clubhouse which would be carried out through the winter months as weather permits. If time and weather permit, there is potential for ice this winter.

This option will provide an aesthetically enhanced public space for the Community Club and for local residents beyond what was conceived in the Club’s initial application.

The following reserve funds can be accessed at Council’s discretion:

Contingencies Reserve - \$4,591,362.00 (approximately)

Police Station Replacement Reserve - \$380,254.24 (no longer required given the disposal of the former police station in July 2021)

Community Club Reserve - \$134,694.76 (\$100,000 of this reserve has already been committed to this project; \$15,000 will be added to this reserve in 2022)

There is a financial risk to this option. While there is enough money in reserves to support this project, Council would be depleting reserve accounts that could be used to fund other projects or initiatives in the future.

Option 2 – Increase the City’s contribution up to a maximum of \$370,000 by incorporating additional costs into the 2022 budget in addition to the \$100,000 the City has already committed

Under this scenario, the City can enter into a contract with one of the proponents commencing work in late summer-early fall 2021 once the civil infrastructure on the site has been replaced. Civil work is anticipated to be completed no later than mid-September. City staff and the successful proponent would strive to have concrete poured prior to freeze-up this fall. The project budget will not exceed \$1,167,800.00. The contract will be awarded at the August 24th Council meeting.

This option will provide an aesthetically enhanced public space for the Community Club and for local residents.

Regardless of Council’s decision, there is no budget for concrete hoarding and heating in either of the two low bids being evaluated. An early freeze or delays due to weather or COVID supply chain challenges could create a situation where the ice rink may not be completed for use in the 2021/2022 winter season. Work on the boards could begin after the concrete is properly cured with ice to follow. After the rink is complete, work will begin on the clubhouse which would be carried out through the winter months and as weather permits. If time allows, there

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is potential for ice this winter.

Administration will ensure that the additional contribution required is included in the 2022 Capital and Unusual Spend Budget thus placing no pressure on our current reserve accounts.

Administration staff will look to leverage other funding opportunities to reduce the burden to the City.

There is a financial risk to this option. Given that MPAC has elected to freeze property assessment values for the 2022 tax year and the strain on the budget caused by the COVID-19 pandemic, Administration anticipates a challenging budget year for the City. By budgeting for this project in 2022, there is a risk that revenues will not support additional capital work, which will result in the shifting of a planned 2022 capital project to 2023 or beyond, or will result in a need to increase the tax rate to support the project. That said, this option will preserve the City's reserves for future use.

Option 3 – Increase the City's contribution up to a maximum of \$270,000 by removing all additional costs beyond the hockey rink and building using City reserves in addition to the \$100,000 the City has already committed

Under this option, the City will remove the additional costs not required for the construction of the hockey rink and building and enter into a contract with one of the proponents commencing work in late summer-early fall 2021 once the civil infrastructure on the site has been replaced. Civil work is anticipated to be completed no later than mid-September. City staff and the successful proponent would strive to have concrete poured prior to freeze-up this fall. The project budget will not exceed \$1,067,800.00. The contract will be awarded at the August 24th Council meeting.

Regardless of Council's decision, there is no budget for concrete hoarding and heating in either of the two low bids being evaluated. An early freeze or delays due to weather or COVID supply chain challenges could create a situation where the ice rink may not be completed for use in the 2021/2022 winter season. Work on the boards could begin after the concrete is properly cured with ice to follow. After the rink is complete, work will begin on the clubhouse which would be carried out through the winter months and as weather permits. If time allows, there is potential for ice this winter.

The Central Park Community Club will get the infrastructure contemplated in their initial grant application with no upgrades to the sites aesthetics beyond the rink and building.

The following reserve funds can be accessed at Council's discretion:

Contingencies Reserve - \$4,591,362.00 (approximately)

Police Station Replacement Reserve - \$380,254.24 (no longer required given the disposal of the former police station in July 2021)

Community Club Reserve - \$134,694.76 (\$100,000 of this reserve has already been committed to this project; \$15,000 will be added to this reserve in 2022)

There is a financial risk to this option. While there is enough money in reserves to support this project, Council would be depleting reserve accounts that could be used to fund other projects or initiatives in the future. That said, this option will reduce the depletion of the City's reserve funds when compared to Option 1.

There is also a risk that, once completed, the new infrastructure at Central Park will not be as aesthetically linked into the surrounding site resulting in a less aesthetically pleasing landscape.

Option 4 – Increase the City’s contribution up to a maximum of \$270,000 by removing all additional costs beyond the hockey rink and building by incorporating additional costs into the 2022 budget in addition to the \$100,000 the City has already committed

Under this option, the City will remove the additional costs not required for the construction of the hockey rink and building and enter into a contract with one of the proponents commencing work in late summer-early fall 2021 once the civil infrastructure on the site has been replaced. Civil work is anticipated to be completed no later than mid-September. City staff and the successful proponent would strive to have concrete poured prior to freeze-up this fall. The project budget will not exceed \$1,067,800.00. The contract will be awarded at the August 24th Council meeting.

Regardless of Council’s decision, there is no budget for concrete hoarding and heating in either of the two low bids being evaluated. An early freeze or delays due to weather or COVID supply chain challenges could create a situation where the ice rink may not be completed for use in the 2021/2022 winter season. Work on the boards could begin after the concrete is properly cured with ice to follow. After the rink is complete, work will begin on the clubhouse which would be carried out through the winter months and as weather permits. If time allows, there is potential for ice this winter.

The Central Park Community Club will get the infrastructure contemplated in their initial grant application with no upgrades to the sites aesthetics beyond the rink and building.

Administration will ensure that the additional contribution required is included in the 2022 Capital and Unusual Spend Budget thus placing no pressure on our current reserve accounts.

Administration staff will look to leverage other funding opportunities to reduce the burden to the City.

There is a financial risk to this option. Given that MPAC has elected to freeze property assessment values for the 2022 tax year and the strain on the budget caused by the COVID-19 pandemic, Administration anticipates a challenging budget year for the City. By budgeting for this project in 2022, there is a risk that revenues will not support additional capital work, which will result in the shifting of a planned 2022 capital project to 2023 or beyond, or will result in a need to increase the tax rate to support the project. That said, this option will preserve the City’s reserves for future use. This option will also result in less funding being budgeted for in the 2022 capital budget when compared to Option 2.

There is also a risk that, once completed, the new infrastructure at Central Park will not be as aesthetically linked into the surrounding site resulting in a less aesthetically pleasing landscape.

Option 5 – Cease the procurement process immediately and postpone the project until 2022

Under this option, staff would cease negotiations with the current proponents and plan to issue a new request for proposal in early 2022. This is permitted by the City’s request for proposal documents. Work would not begin until frost is out of the ground which is typically around early May. This option would allow City staff and the Board more time to raise additional funds to help fund the project and seek other ways to reduce potential costs.

There is a financial risk to this option. It is difficult to predict how the economy will affect material and supply costs particularly as we continue to navigate the COVID-19 pandemic. While costs may come down, they may also go up, which will only serve to exacerbate the financial pressures of this project.

There is also a significant risk of burnout for the volunteers of the Central Community Club. The Board has put a tremendous amount of effort into this project and the delays in getting things off the ground have been challenging for the volunteers. Postponing this project further will only serve to exacerbate the strain placed on the volunteers as they seek to get this project completed.

There is also a financial risk from a granting perspective. Not only has the Board received significant funding from the provincial and federal governments, they have also secured funding from various local agencies and groups. While these funders may be patient, funding may be jeopardized in the event that this project does not get completed within the original delivery timelines.

Option 6 – Not fund the additional work with City resources

Under this option, Council would require the Central Community Club Board to work to raise additional funds required to construct the ice rink and building with no additional municipal funding.

There is also a significant risk of burnout for the volunteers of the Central Community Club. The Board has put a tremendous amount of effort into this project and the delays in getting things off the ground have been challenging for the volunteers. Postponing this project further will only serve to exacerbate the strain placed on the volunteers as they seek to get this project completed.

There is also a financial risk from a granting perspective. Not only has the Board received significant funding from the provincial and federal governments, they have also secured funding from various local agencies and groups. While these funders may be patient given the challenges presented by the COVID-19 pandemic, funding may be jeopardized in the event that this project does not get completed within the original delivery timelines.

There is also a significant political risk should the project not have sufficient funding to proceed. Many residents are excited by this project and eager for its completion. Further delays will likely serve to frustrate those individuals and groups that are passionate about this project.

Discussion: The priority is to get the concrete slab poured this year to ensure there is ice. We also need to ensure we have a heated water line to flood the rink so getting the shell of the building up this year would also be a key element to the project. Council discussed the various options and the consensus of direction of the options will to proceed with a motion before Council on the 24th reflecting option #1. A preferred design can be provided to Council by administration to detail the layout of the project.

Recommendation:

That Council hereby authorizes a budget amendment in the amount of \$370,000 to be taken from the Police Station Replacement Reserves to provide an additional funding stream to the Central Community Club project; and further

The budget for the Central Community Club project will not exceed \$1,167,800.00 which is inclusive of all funding streams and will provide an aesthetically enhanced public space for the Community Club and for local residents beyond what was conceived in the Club's initial vision for the area; and further

That in accordance with Notice By-law Number 144-2007, public notice is hereby given that Council intends to amend its 2021 Operating and Capital Budgets at its August 24, 2021 meeting to withdraw funds from the Police Station Reserves for a total amount of \$370,000 to complete the Central Community Club project; and further

That Council give three readings to a By-law to amend the 2021 Operating & Capital Budgets for this purpose.

5. Development Services

5.1 Application to the CMHC Housing Supply Challenge

Recommendation:

That Council supports an application to the Canada Mortgage and Housing Corporation (CMHC) Housing Supply Challenge for the development of an innovative communications package and social marketing strategy to address challenges in the pre-development phase of affordable housing.

5.2 Budget Amendment - FoodCycler Household Organic Waste Division Pilot Project – Impact Canada Food Waste Reduction Challenge

Recommendation:

That Council hereby approves an additional allocation of \$66,500 (plus HST) of which \$19,843.38 is to be funded through the Bearwise Funding Reserve and \$46,656.62 to be funded from the Solid Waste Reserve, for a municipal subsidized purchase of 250 FoodCycler Units, in order to implement a FoodCycler Pilot Program in partnership with Food Cycle Science Corporation; and further

That in accordance with Notice By-law Number 144-2007, public notice is hereby given that Council intends to amend its 2021 Operating & Capital Budget at its August 24, 2021 meeting to withdraw funds from the identified Reserves for a total amount of \$66,500 (plus HST) to complete this project; and further

That Council give three readings to a By-law to amend the 2021 Operating & Capital Budgets for this purpose.

Discussion: This project is supported by Council and it is important for people to start to understand the value of removing food waste from our garbage system. There are limited options to compost meat and there are a lot of people don't care to compost but this is a great project and will have great benefits to the community. Currently the recommendation to Council does not include the filter replacements. Administration is recommending the support for just the purchase of the units and the filter replacements would be the responsibility of the public.

5.3 Budget Amendment – E-Permitting and Process Improvements

Recommendation:

That Council hereby approves a budget amendment in the amount of \$80,900 in which \$28,315 will come from Contingency Reserves and \$52,585 from the Ontario Government for E-Permitting and Process Modernization; and further

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That Council hereby authorizes the Mayor and Clerk to enter into a Transfer Payment Agreement with the Government of Ontario to support total eligible project costs up to a maximum of \$52,585; and further

That in accordance with Notice By-law Number 144-2007, public notice is hereby given that Council intends to amend its 2021 Operating & Capital Budget at its August 24, 2021 meeting to withdraw funds from Contingency Reserves in the amount of \$28,315; and further

That Council give three readings to a By-law to amend the 2021 Operating & Capital Budgets for this purpose.

Discussion: This is a great step forward in efficiency for the public in applying for permits. It is intended that in alignment with the modernization program, this system will be operational and available to the public by the end of 2022.

12:00 p.m. Public Zoning Amendment Meeting
D14-21-06 Zoning Bylaw Amendment - 865 East Melick Road
Recommendation:

That the Application for Zoning By-law Amendment, File No. D14-21-06, to change the zoning of a portion of the subject property from "RU" Rural Zone to "HC" Highway Commercial Zone be hereby approved; and further

That three readings be given to a bylaw for this purpose.

F. Proclamations

None

G. Other

- Councillor Chaze thanked staff and community member volunteers for the information regarding Central Community Club
- Mayor Reynard recognized that businesses are doing the best they can to have adequate staffing and these businesses have gone above and beyond over the past 18 months to provide services. There will be an additional open air market this Saturday and encourage everyone to attend.

H. Next Meeting

- Tuesday, September 14 , 2021

K. Close Meeting

Meeting adjourned at 11:23 a.m.