



City of Kenora
Committee of the Whole
Minutes
Tuesday, June 8, 2021
9:00 a.m.
Virtual Attendance

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/2021-06-08-COTW.html>

Present: Mayor Daniel Reynard
Councillor Mort Goss
Councillor Rory McMillan
Councillor Andrew Poirier
Councillor Sharon Smith
Councillor Chris Van Wallegghem

Regrets: Councillor Kirsi Ralko

Staff: Kyle Attanasio, CAO, Heather Pihulak, Director of Corporate Services/City Clerk, Charlotte Edie, Director of Finance, Adam Smith, Director of Development Services, Stace Gander, Director of Community Services/Acting Director of Engineering & Infrastructure, Jon Ranger, Deputy Treasurer, Marco Vogrig, Municipal Engineer, Roberta Marsh, Director of Human Resources,

Blessing & Land Acknowledgment – Councillor Smith

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.

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 June 22, 2021 meeting:-

- ~~Council will appoint a replacement Councillor to City Council effective June 22, 2021 to fulfill the remaining term of Council (deferred)~~

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 Goss, Seconded by R. McMillan & Carried:

That the Minutes from the last regular Committee of the Whole Meeting held May 11, 2021 and the Special Committee of the Whole meeting held May 18, 2021 be confirmed as written and filed.

D. Deputations/Presentations

None

E. Reports:

1. Administration & Finance

1.1 Debt Financing Presentation

Kyle Attanasio advised staff have been working on this for quite some time as Council was looking for up to date information on financing and budgeting options.

Debt financing is an important tool used by all levels of government in delivering on priorities that support economic growth and meet the continually increasing expectations placed upon public services. However, unlike the provincial or federal levels, municipalities are faced with strict regulatory limitations on the use of debt. Municipal Act, 2001 Section 408(2.1): A municipality may issue a debenture or other financial instrument for long-term borrowing only to provide financing for a capital work.

The City of Kenora has utilized debt financing through the Prosperity Trust Fund for the purpose of large capital projects that have received funding support from other levels of government. The purpose of the Fund is to safeguard the principal while using the related investment income to eliminate the negative impacts resulting from the loss of the annual dividends from the telephone operations. In the past, the City has issued debt to itself through the Prosperity Trust Fund in order to help fund larger projects, where Provincial or Federal government funding could be leveraged. Current debt is almost 30% of the total value of the Prosperity Trust Fund. The fund is typically just over \$40M. The City does not start payments on debt issued until the project is completed. Interest rates in the past have been in line with Infrastructure Ontario with the minimum being 3%. 3% was chosen as a minimum as this maintains the \$1,100,000 required from the prosperity trust that is intended to eliminate the negative impacts resulting from the loss of the annual dividends from the telephone operations. Within the next 4 years we plan on issuing an additional \$10.1M in debt from our Prosperity Trust Fund. This will potentially lead to debt being more than 40% of the Prosperity Trust Fund.

Staff also require debt financing to support development objectives such as diversifying the local economy and attracting investment. In the coming years, the City is envisioning the following projects for debt financing: Fourplex Baseball Complex (\$~9 million); Downtown Revitalization – Matheson/1st St. South (\$~5 million); Implementation of Beaches, Parks and

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Trails Report (\$~2.7 million). Long-term projects of this nature include: Downtown Revitalization – ex. Water Street (\$~5 million); Servicing Expansion (\$3 million +); Downtown Commercial Space Infrastructure (N/A).

Staff have also been considering the following projects will require the issuance of debt. The timelines range from 5 to 30 years: Bridge Rehabilitation (\$14 - \$36 million); New Landfill (N/A); Replacement of Water/Sewer Facilities (N/A). This list has been determined by a prediction of useful life and condition assessments. Importantly, this does not consider the potential for emergency failures.

As we issue more debt, the City's operating budgets have to take on the interest payments until the debt is paid off. In the 2021 operating budget there is \$371,910 in interest budgeted including Water & Wastewater. The administration and delivery of capital projects typically financed by debt financing require significant staff resources. Opportunity cost associated with debt financing through the Prosperity Fund given current returns.

As in the past, debt financing should be utilized to take advantage of government funding, support community development and address critical infrastructure challenges. Example: Downtown Revitalization, Fire Hall, Railway Street Reconstruction. Assuming all projects go forward in our capital budget, by 2024 we will have tied up a significant portion of the approximately \$40M Prosperity Trust Fund with internal debt of almost \$18M. The limited flexibility remaining should account for unforeseen events that may require the use of debt as other government support is limited in these instances.

Council questioned having a policy in place. Charlotte Edie advised that a reserve policy in the works for us, however part of the purpose of the long term water wastewater financial plan is a tool that helps us determine the level of reserves required to meet the capital requirements. Life cycle is part of it and the maintenance of the assets are part of that. We have consultants tweaking our asset management plan and we do have a maintenance manager that is coming into its own, however a big piece of that puzzle and address that is an asset manager position will be an important part of what we need to answer some of those questions on when we do capital replacement, maintenance and need a body to lead that.

We are also looking at what we need for water/wastewater determining what the water wastewater plants are going to cost us in the future and try to tweak those numbers. It will help us determine what kind of funds we will need in the future and are prepared to finance what we need. The BMA is set on a set of assumptions but now have staff expertise which can review those assumptions and provide expertise to the area. The new Director of Engineering & Infrastructure also brings a great deal of expertise to the water & wastewater area. We will have done a deep dive in this area and have a strong plan moving forward.

Other strategic pieces that we will be working on larger policy pieces that need to be reviewed. We need to look at those and set some long term goals for those. When we sit down to work through the capital budget we will take a really good look at targets over the next five years and see if there is an opportunity to bundle projects we can bundle together to try and get contract mobilization contracts that are more appealing to larger contractor submissions.

We have received significant amounts of funding but have been turned down for some funding. Typically when we have been turned down it's been based on the sheer number of applications but we have been fortunate in receiving funding.

It was recommended that this information be included in future council orientation process.

Bridges are one of our biggest liabilities and there is a significant amount of money needing to be spent just to maintain these bridges, let alone replace them. We do strategic work on all our bridges and try to extend the useful life out of them. Bridges are a key factor going forward and how we have funding available for them.

We always look at the various rates when we are going to be issuing debt. Our Treasurer often looks at Infrastructure Ontario rates prior to issuing the debt and it is a good time to look at other opportunities.

Administration will bring a report back for Council consideration. We will look at everything that is debt financed now.

1.2 Q1 Investments

Recommendation:

That Council hereby accepts the 2021 first quarter investment report that includes details of the Kenora Citizens' Prosperity Trust Fund and other City of Kenora investments.

Discussion: The year to date since July 1, 2020 and we have moved over \$22M to the OneFund and accounts for over 51% of the trust fund. The return since inception is 5.7% on the 22M. We have a second portfolio that we moved from RBC Dexia to CIBC Mellon & Trust around \$5M. The treasurer moved about half the investments initially. We still have about \$4.6M with RBC Dexia. We have \$11.7M invested in debt with the City of Kenora. The City has investments in the ONE Fund in the amount of \$18.5M. The returns have been very good.

1.3 April 2021 Financial Statements

Recommendation:

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

1.4 Municipal Asset Manager Position

Recommendation:

That in accordance with City of Kenora Recruitment Policy HR-1-1, Council hereby approves the creation of a new position - Municipal Asset Manager, to lead the City of Kenora's Asset Management Program.

Discussion: This position is timely and something required by the municipality. It is an essential link between Operations and Finance. It is a very specialized process mandated by the Province and we will be able to meet our obligations. Asset Management has been developing as a core role and the market has a solid career pool of qualified candidates that would make an excellent candidate for this role.

1.5 Rotary Peace Park Tax Receipts Request

Recommendation:

That Council hereby authorizes the issuance of tax receipts for any donation of \$50 or greater made to the City of Kenora up to December 31, 2022, unless otherwise specified, to be used specifically towards the development of the Rotary Peace Park; and further

That the City will pay the invoice(s) for the actual expenses incurred, direct to the appropriate supplier(s) for the construction of the park to a maximum of the actual donations received; and

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further

That the issuance of tax receipts for donations for the peace park be restricted specifically to the 2021/2022 construction.

1.6 Municipal Insurance Renewal

Recommendation:

That Mayor and Council accept the proposal for renewal of Municipal Insurance as presented by Gillons and Intact Public Entities (formerly Frank Cowan Company) in the amount of \$445,365.00 excluding taxes; and further

That Council accept the proposal for Volunteer Firefighter Coverage as presented by VFIS in the amount of \$6,298.00 excluding taxes.

Discussion: Municipal Insurance has significantly increased in the province. We budgeted for an 18% increase in the 2021 budget. There is a great deal of variety of categories and not every category was increased as significantly. The premiums are going to continue to increase as the City grows.

1.7 Pay Equity Compensation Review Informational Report

The City of Kenora recognizes the importance of maintaining competitive compensation programs and, as such, surveys external market trends. March 19, 2019 Council approved the Salary Administration Policy #HR-3-1 and directed Administration to amend By-law 33-2019 to include the policy the Comprehensive Policy Manual accordingly.

The purpose of #HR-3-1 Salary Administration Policy is to define and outline the City of Kenora's salary administration policy, and provide for a fair and competitive compensation package for Non-Union staff. The Policy directs Administration to perform an external salary survey every five years or as requested by the CAO to compare the current salary levels for City of Kenora Non-Union staff to the external market and to provide report to Council for approval.

The City's Policy ensures compliance with the Province of Ontario's Pay Equity Act specifically the requirement to develop a gender-neutral methodology that brings clarity, objectivity and consistency to our compensation program. This further enables Administration to accurately compare against other job designs in the market and creates data-supported reward systems that are demonstrably "fair" – both internally and externally. In so doing, we strengthen the employer value proposition, significantly boost employee engagement and ensure an optimal return on reward investment.

Approximately 43% of the City's workforce have ages 50 or over and virtually all departments are facing pending retirements. The 2015 Organizational Review highlighted the risk to corporate memory loss is an issue that must be addressed. In addition to pending retirements the review identified gaps in key positions, and within the existing organization structure as in terms of providing adequate senior second in command positions in departments that possess the knowledge, skills, and experience for succession and to support development of existing staff. The report highlighted that in some cases conversion of existing resources is recommended in others injection of a net new is required.

Rationale

The City of Kenora is committed to a policy of salary administration which is internally and externally competitive and equitable, and that also recognizes and encourages individual

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performance through goal-setting and successful evaluation. The City of Kenora recognizes the importance of maintaining competitive compensation programs and, as such, surveys external market trends. Other factors such as internal labour agreement settlements, pay equity, and approved budget funding are also considered in determining the City of Kenora's compensation strategy.

Compensation serves a number of critical needs of both an organization and its employees. It enables the City of Kenora to attract qualified and experienced staff necessary to deliver on the level of service that citizens depend on and value. Attracting the right balance of external to internal candidates provides the City of Kenora with the opportunity to inject new experience, skills and knowledge marrying it with organizational memory and wisdom, strengthening service continuity, performance, and innovation, while fostering an exciting and knowledge enriched environment to grow internal talent development supporting succession.

Total compensation accounts for 48% of The City's operating budget. As a Public Service we have a responsibility to manage tax and payer-funded services efficiently and cost-effectively. Examining compensation demonstrates The City's commitment to ensuring that our salaries are appropriate and aligned with the market and the economic climate.

Compensation systems are not static. There are many critical factors driving this compensation review. Economic impacts such as frozen property assessment, increasing costs of living in our region, and our City's ability to generate new revenue, and the far reaching impacts of COVID-19 has renewed focus on our largest expenditure. Our compensation structure must be financially sustainable, internally equitable and gender-neutral, as well as competitive with the market. We must be able to manage cost containment while aligning with the market in terms of base salary and benefits, pensions, and perquisites such as flexible work, to remain a contender for talent.

Through a five (5) phase process the Pay Equity Compensation Review will develop and conduct compensation survey to collect and gain useful insights into how current salary bands and overall compensation packages may impact employee engagement, retention, productivity and growth. Understanding our market positioning against comparable public and private sector organizations with respect to total compensation including salaries, benefits, and pensions, will support Council in determining what actions should be taken to ensure that The City's total compensation program is competitive, affordable and financially sustainable.

The survey will go out over the summer months and hope good information will be available in October for Council. Have it back in time f

1.8 Civil Marriage Ceremony Contracts

Recommendation:

That three readings be given to a bylaw to execute an agreement between the Corporation of the City of Kenora and Jan M.M. Fletcher for the services of civil marriage commissioner for the City of Kenora on an as appointed basis effective January 1, 2021 ending September 30, 2021; and further

That three readings be given to a bylaw to execute an agreement between the Corporation of the City of Kenora and Rolanda Peacock for the services of civil marriage commissioner for the City of Kenora on an as appointed basis effective January 1, 2021 ending December 31, 2023; and further

That bylaw number 8-2018 be hereby repealed.

1.9 2022 Municipal Elections Voting Method

Recommendation:

That Council gives three readings to a bylaw authorizing the use of alternative voting methods, including internet and telephone voting for the 2022 Municipal Election; and further

That the Clerk be authorized to select vendors for the provision of the 2022 Municipal Election; and further

That the Clerk be delegated authority to execute any agreements necessary to implement the 2022 Municipal Election.

1.10 Council Vacancy

Kyle has received a number of questions from Council in regards to process and would like to defer this process to a later date to allow administration to answer questions pertaining to the process. Matter Deferred to a future date.

2. Fire & Emergency Services

2.1 CEMC Appointment

Recommendation:

That three readings be given to a bylaw to appoint Kevin Gannon as the Community Emergency Management Coordinator (CEMC) for the City of Kenora effective July 26, 2021; and further

That Council appoints Kent Readman, Fire Chief, as the Alternate Community Emergency Management Coordinator (CEMC) for the City of Kenora; and further

That By-Law Number 181-2015 be hereby repealed.

Discussion: Council is concerned about the workload for the new Director of Engineering & Infrastructure and whether Kevin has time in his schedule to also take this role.

3. Operations & Infrastructure

No Reports

4. Community Services

No Reports

5. Development Services

5.1 Planning Advisory Committee Terms of Reference

Recommendation:

That Council gives three readings to a bylaw to authorize amendments to the Rules of Order and Procedure for the City of Kenora Planning Advisory Committee (PAC); and further

That by-law number 73-2021 be hereby repealed.

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Discussion: We want our committees to have diversity and want to ensure the membership is well rounded. The intent is just that preference is given to persons who have planning knowledge. It's a preference but not limited to.

F. Proclamations

None.

G. Other

- Mayor Reynard noted the COVID situation in Kenora and everyone should be commended on the response to vaccine rates. We need to get our small businesses open and people back to work. It is very important to our community that the border reopens as soon as possible. We still have a lot of summer ahead of us and thank you to everyone who has done their part to make a difference.

12:00 p.m. – Public Zoning Bylaw Amendment Proceedings

D14-21-04 - 613 Ottawa Street Zoning Bylaw Amendment Recommendation

That application D14-21-04 for a zoning by-law amendment to change the zoning of 613 Ottawa Street from "GC" General Commercial Zone to "R2" Residential – Second Density Zone be hereby approved; and further

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

D14-21-05 - 321 First Avenue South Zoning Bylaw Amendment Recommendation

That application D14-21-05 for a zoning by-law amendment to change the zoning of the subject property from "GC[HL]" General Commercial Zone with a Hazard Land Zone exception to "GC" General Commercial Zone be hereby approved; and further

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

D14-21-03 - 96 Lakeside Crescent Zoning Bylaw Amendment Recommendation

That the application D14-21-03 for a zoning by-law amendment, to change the zoning of the subject property from "R2" Residential – Second Density Zone to "R3" Residential – Third Density Zone; to remove the "HL" Hazard Land Zone, and to allow the development of a stacked dwelling with a lot frontage of 3.8m/unit should be approved, in lieu of public comments that may yet to be received, with the following amendment and conditions:

- a) That the minimum lot frontage be amended to 5.7m/unit;
- b) That a registered easement be provided to the satisfaction of Synergy North Canada,
- c) That a legal survey be provided to the satisfaction Synergy North Canada, at the cost of the applicant,
- d) That the "HL" Hazard Land zone be reduced to correspond with that portion of the lot which is located below the elevation of 325m CGVD28; and further

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

H. Next Meeting

- Tuesday, July 13, 2021

I. Adjourn to Closed

Resolution #2 - Moved by Councillor McMillan, Seconded by A. Poirier & Carried:

That Council now adjourn to a closed session at 10:51 a.m.; and further

That pursuant to Section 239 of the Municipal Act, 2001, as amended, the Closed Session will discuss items pertaining to the following:-

- i) Educating & Training Members of Council (2 matters-KDSB updates, Team Kenora updates)
- ii) Personal Matters about an Identifiable Individual (1 matter-Pinecrest Board Appointment)

J. Reconvene to Open Meeting

Council reconvenes to open session at 11:45 a.m. with the following reports from its closed session:-

Pinecrest Board of Management Appointment Recommendation:

That Council hereby appoints Councillor Andrew Poirier to the District of Kenora Home for the Aged Board of Management for a term at the pleasure of Council no later than November 14, 2022.

K. Close Meeting

Meeting adjourned at 11:45 p.m.