



MINUTES
SPECIAL COMMITTEE OF THE WHOLE
Monday, February 28, 2021
1:00 p.m.

City Hall Council Chambers - (Council only)

*Due to COVID-19 and the requirement for physical distancing only Council and Administration were present in the Chambers. Public Access to the recorded live meeting can be found at:

<https://kenora.civicweb.net/Portal/>

Present: Mayor D. Reynard
Councillor G. Chaze
Councillor M. Goss
Councillor R. McMillan (virtual attendance)
Councillor A. Poirier
Councillor S. Smith (virtual attendance)
Councillor C. Van Walleggem (virtual attendance)

Staff: Kyle Attanasio, CAO, Heather Pihulak, Director of Corporate Services/City Clerk, Charlotte Edie, Director of Finance, Michelle Saunders, Finance, Kevin Gannon, Director of Engineering & Infrastructure

Call Meeting to Order

Mayor Reynard called the meeting to order at 1:05 p.m.

Blessing & Land Acknowledgement

Delivered by 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 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.

Public Notices

Take Notice that as required under Notice By-law #144-2007, Council intends to adopt the following items at this Special Meeting of Council:

N/A

Declaration of Pecuniary Interest & General Nature thereof

i) On Today's Agenda

ii) From a Meeting at which a Member was not in Attendance

There were none declared.

Deputations

None

Mayor Reynard opened the meeting and turned it over to administration to lead the discussion on the utility budget discussion. Kyle Attanasio advised that we are going to discuss the bag tag rate increases first before we move into reviewing the budgets.

1) 2022 Utility Budget Review

Background on Bag Tags:

Over twenty (20) years ago, the City of Kenora implemented a baggage tag program as a mechanism to fairly generate revenue through a user pay system that would be applied to the cost of providing the service. Over the past ten (10) years, inflation has increased in Ontario at a rate of approximately 1.51% compounded annually however the bag tag rate of \$2.00 has remained the same. The effective impact of this results in reducing purchasing power and therefore strains the City's ability to provide services on a cost recovery basis. In approximately 2015 the Environmental Services Division aligned its tipping fees to increase funding for its operation. Tipping fees have remained static since 2015.

The pressure of recent capital projects as well as future planned projects require the City to adjust its fees bag tag and tipping fees to ensure adequate funding is available. The proposed funding increases will provide the City with the required funding to adjust quickly to operational changes, explore waste reduction initiatives, as well as providing adequate reserves for future maintenance, growth and replacements of our facilities.

Administration is including options that include a tiered rate model, which would create a different rate for the residents of the City of Kenora and the non-residents; Administration is also presenting a non-tiered rate as an option. Non-residents are individuals who do not own property or live within the City of Kenora corporate boundaries. Administration has reviewed our funding to properly capture the impact on our system from all customers who utilize the service and to ensure there is adequate revenue in place to support long-term sustainability of the utility for the Municipality.

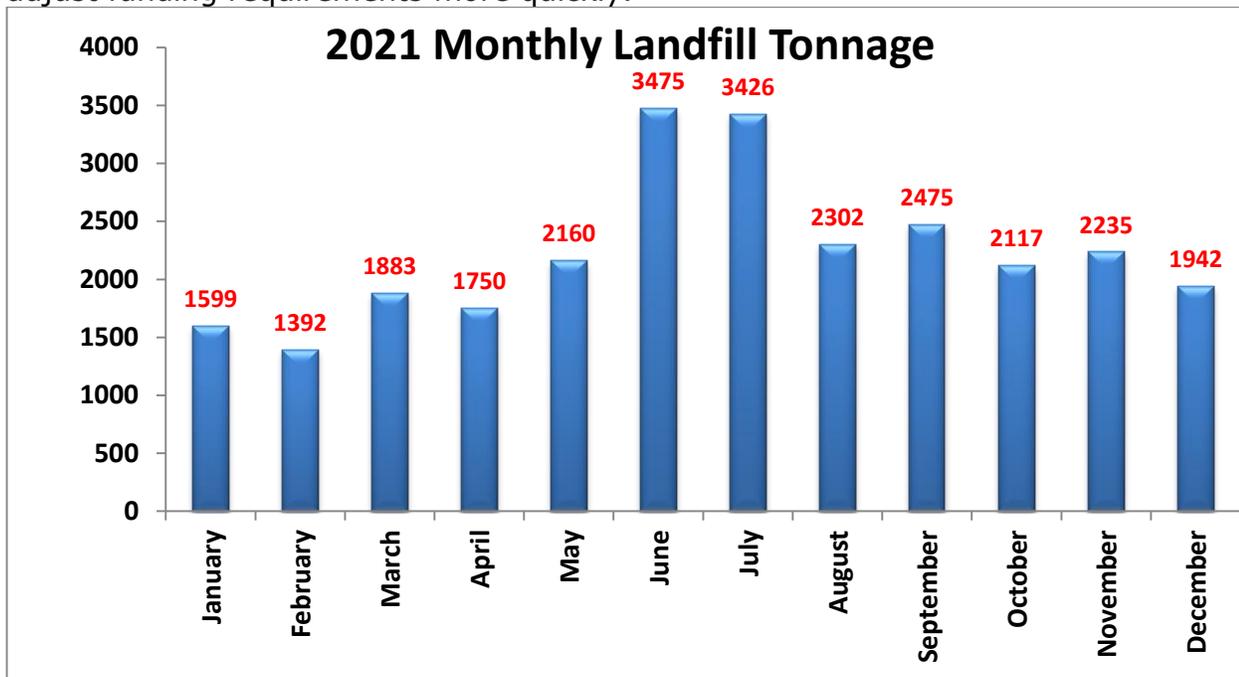
Multiple communities have adopted variations of the non-residential fee model some of which include The Town of Parry Sound, Town of Cochrane, Township of Ignace, Town of Kapuskasing, Town of Moosonee, Township of Pickle Lake, Town of Hearst, Township of Emo, and the City of Timiskaming Shores. By way of comparison, the Town of Hearst, Township of Ignace, Township of Emo and the City of Timiskaming Shores have been presented in Figure 2 to represent similar non-residential models. Administration has also found instances where some communities have chosen not to accept waste from anyone other than municipal residents.

The City's current landfill was built in 2000 and was designed for a lifespan of 40 years with a designed annual tonnage of 20,265. The cost to construct a new landfill is estimated at \$13-15 million dollars and an additional \$3-5 million is required for the decommissioning

February 28, 2022 Special Committee of the Whole Minutes

of the old landfill site. As we continue to accept additional waste streams from outside the City boundaries, the useful life of our facility decreases and the costs to operate increases. In 2021 our landfill accepted almost 34,000 tons of garbage which is approximately 167% of the designed annual tonnage. As a result, in a one year timeframe the City has reduced its landfills designed life by 1.67 years.

Administration’s statistics indicate a significant increase in waste generation in the summer months which we believe is driven by our seasonal customers. Canada’s 2021 Census of Kenora, Unorganized indicates a population of 7,475, which represents an increase of 11.6 percent over the 2016 census. Population increases within the Unorganized Kenora Region and the corresponding waste being generated will impact the life of the City’s landfill but to what extent is not yet determined and hard to predict. The proposed tiered rate option will allow the Administration to better evaluate those future impacts appropriately and adjust funding requirements more quickly.



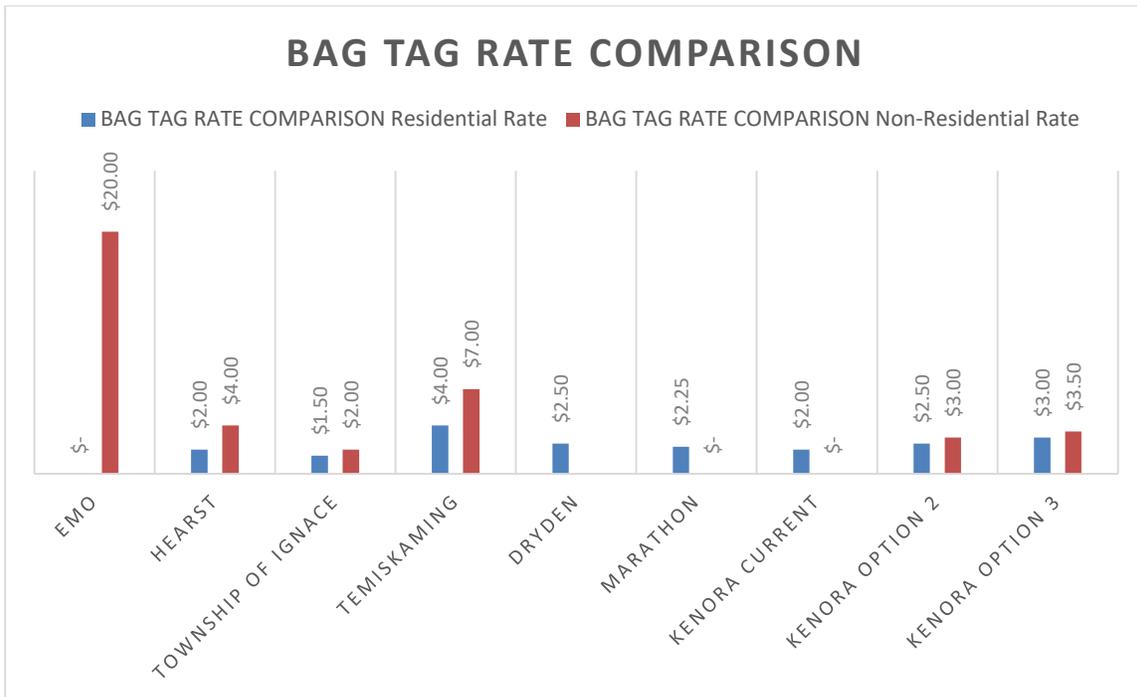
Proposed Garbage Bag Tag Rate Increase

As noted, the existing garbage bag tag rate of \$2.00 has not increased in over 20 years. This rate no longer provides the adequate funding to support the day-to-day operation of the utility. Administration proposes that a tiered rate be implemented for residential and non-residential customers. Further, Administration recommends Option 2 in Table 1.

Proposed Bag Tag Increase Options

Options	Residential	Non-Residential	Total Revenue Increase
Option 1	\$ 2.00	N/A	\$0 *status quo
Option 2	\$ 2.50	\$ 3.00	\$ 158,734.00
Option 3	\$ 3.00	\$ 3.50	\$ 278,322.00
Option 4	\$ 2.75	N/A	\$ 194,176.00

As part of this analysis, Administration has also benchmarked other community’s garbage bag tag rates to provide Council with a comparison of our proposed rates.



Please note that we have not been able to confirm if each individual landfill incorporates a full cost recovery fee model

Proposed Tipping Fee Rate Increase

The Environmental Services Division at this time is recommending to propose an increase to its tipping fees.

Proposed Tipping Fees Increase

Options	Minimum Charge	Commercial Garbage	Industrial Ash	Sewer Sludge	Jones Road Construction Contaminated Soli	Total Revenue Increase
Current Rate	\$ 15.00	\$ 90.00 Ton	\$ 35.00 Ton	\$ 90.00 Ton	\$ 65.00 Ton	\$ 0.00
Option 1						
Estimated Revenue	\$ 93,712.00	\$ 132,435.00	\$ 53,480.00	\$ 58,432.00	\$ 85,500.00	\$ 423,559.00
Customer Rate	\$ 19.00	\$ 112.00	\$ 35.00	\$ 112.50	\$ 80.00	
Option 2						
Estimated Revenue	\$ 77,312.00	\$ 101,532.00	\$ 26,740.00	\$ 38,955.00	\$ 65,550.00	\$ 310,089.00
Residential	\$ 18.00	\$ 105.00 Ton	\$ 45.00	\$ 105.00	\$ 75.00	
Non-Residential	\$ 20.00	\$ 120.00			\$ 85.00	

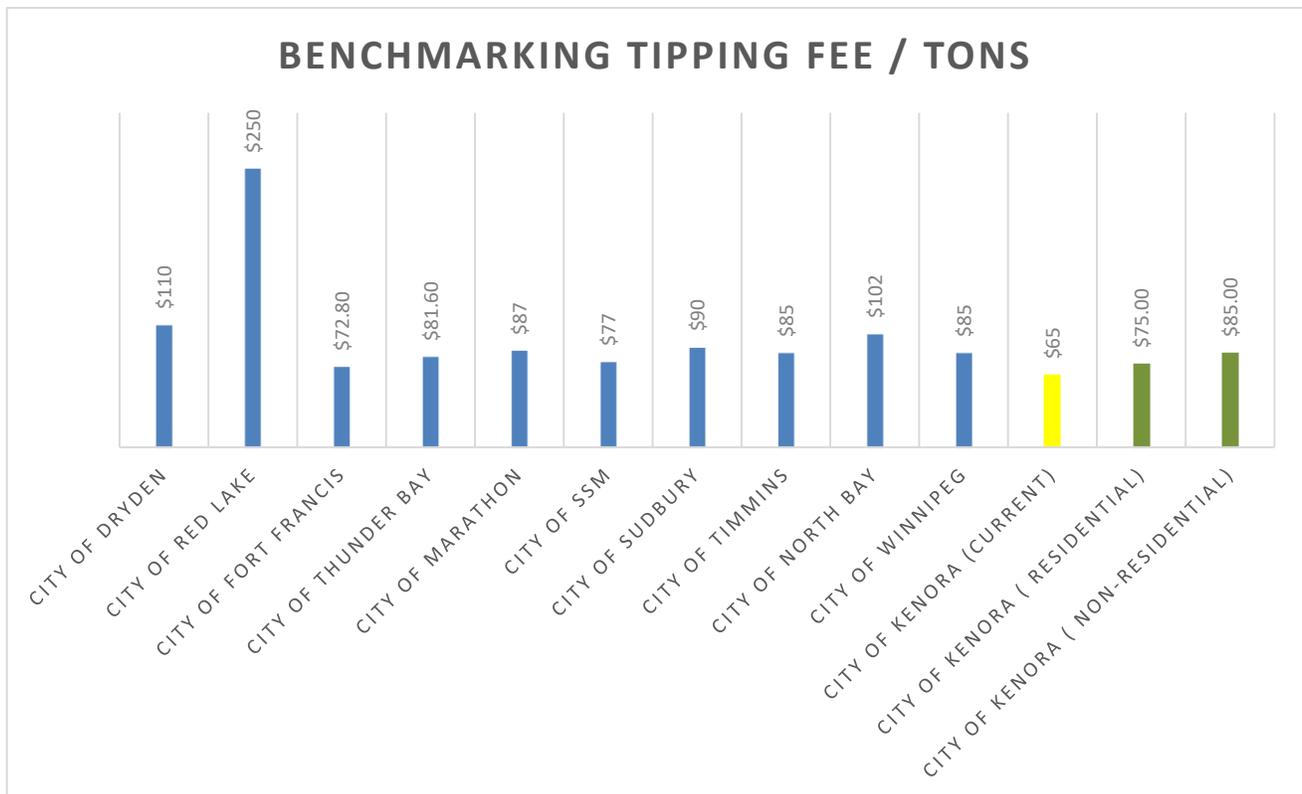
The current rates indicated above have not been increased in over seven (7) years and within this period the solid waste reserve has flat lined due to required capital improvements within the Landfill. Administration has determined that the current funding

structure is insufficient to capture the estimated \$500,000.00 per year that is required to be placed in our solid waste reserve for a future landfill.



**Projected Reserve Based on Option 2*

Administration has also benchmarked other community's Tipping Fees to provide Council with a comparison of our proposed rates with other communities.



*Please note that we have not been able to confirm if each individual landfill incorporates a full cost recovery fee model

Implementation Plan

Administration is recommending that proposed increases take effect July 4th, 2022. This will allow sufficient time to communicate the changes to our users. Administration also requires time to change our internal processes and order new bag tags for both the residential and non-residential customers. The Department feels confident in its ability to operationalize two separate colored bag tags that can quickly identified as residential and non-residential customers. This process would include periodic spot checks within the transfer site in order to ensure compliance with the rates.

As part of the administration of the new system patrons who purchase bag tags at the transfer station or to dispose of items through our scales, customers will be required to provide identification that clearly identifies their residency status. Properly identifying your residency can include providing your driver’s license, utility bill, or their individual City of Kenora tax bill. If customers use any other means than their driver’s license they must provide government issued picture identification with their paper documentation. Administration will monitor this proposed system and if necessary implement future changes as required to improve customer flows and adoption of the tiered rate model.

If Council deems it appropriate to not implement a tiered rate in its bag tag rates or tipping fees no additional spot checking or procedural changes will be required to implement.

Summary:

Administration is recommending increases to both bag tags and tipping fees with a start date of 4th July 2022.

	<i>Bag Tags</i>				<i>Tipping Fees</i>	
Total Estimated Revenue	Option 1	Option 2	Option 3	Option 4	Option 1	Option 2
	\$ 0	\$ 158,734	\$ 278,322	\$ 194,176	\$ 423,559	\$ 310,089

***Bold indicates Administration’s recommendation**

Councillor Poirier questioned the implementation plan and how we control the non-resident using resident bag tags. We do believe there will be challenges with the system and the use of the incorrect tags.

It was questioned if there are any additional staffing components required for this model. If we do see the need we will adjust our staffing accordingly. We do believe we have the staff in place to address it.

Councillor Chaze does not support splitting the residents and non-residents and does not feel there should be separate rates.

Councillor Smith feels the information is helpful and is prepared to move forward.

Charlotte Edie, Director of Finance/Treasurer presented the 2022 analysis and projected for the Solid Waste Division.

Mayor Reynard feels we need to look at the way we record financial information and allocations. Up until now, Finance was the only way we had to track these expenditures

but now we have a different tool we can use to address this. Finance will be looking at different ways to allocate this information moving forward.

To recap the solid waste direction you will see the same numbers presented in the draft budget today, with the exception of one project which will amend a capital project from \$170,000 to \$17,000 as this was an error.

Council took a 10 minute recess and resumed the meeting at 2:50 p.m. to discuss the water and wastewater budgets.

The rate increases have already been included in the water and wastewater budgets.

The new asset manager position and compliance position has been included in the water and wastewater budgets as these positions will perform a significant portion of their work in this area.

Council had no further direction on changes to the water and wastewater budget.

The budgets will be presented to Council on March 8, 2022 for further discussion and possible approval on March 22, 2022.

2. Adjourn to Closed Session

Moved by A. Poirier, Seconded by G. Chaze & 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 3:50 p.m. to discuss the following items:

- A trade secret or scientific, technical, commercial or financial information that belongs to the municipality or local board and has monetary value or potential monetary value (1 matter-development proposal)

2. Reconvene to Open Meeting

Council reconvenes to open session at 4:30 p.m. with no reports from its closed session.

Meeting adjourned at 4:31 p.m.