



MINUTES
SPECIAL COMMITTEE OF THE WHOLE
Tuesday, February 21, 2017
8:30 a.m.
City Hall Council Chambers

Present: Mayor D. Canfield
Councillor M. Goss
Councillor R. McMillan
Councillor L. Roussin
Councillor S. Smith
Councillor C. Wasacase (arrived at 9:00 a.m.)

Regrets: Councillor D. Reynard

Staff: Karen Brown, CAO, Heather Kasprick, Natalie Pearson, Deputy Treasurer, Jeff Hawley, Operations & Infrastructure Manager

Call Meeting to order – Mayor Canfield

Mayor Canfield called the meeting to order at 8:30 a.m.

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.

1. Kenora Airport Authority Request

Councillor McMillan clarified that the request is a \$750,000 grant and a \$750,000 loan is what is requested from the Kenora Airport and if the grant could be spread over two years for \$375,000 each year.

Mayor Canfield expressed that if the airport authority disappears the City will be running the airport and we won't be running it the same as it is today. We are the second largest community in Northwestern Ontario and the proposed terminal is very modest. Mayor Canfield expressed that we do not want to be the Council that has to take this service over.

Councillor Smith noted that she is more apt to give them a loan than a grant as where will we pull money from in the City's budget or it would result in a tax increase.

This discussion was put on hold to review the remainder of the capital budget.

2. 2017 Capital Budget Summary

Karen Brown, City CAO expressed that in recent years, the City's capital & unusual spending budget process seems to have become increasingly arduous, with staff relying more heavily on the use of reserves each year to get many projects approved. More recently, debt issuance has also become a method of moving some projects forward, although the debt payments impact future years' available tax room. During this same time, Council has approved increases in capital budget spending through an increased percentage allocation in the tax rate, with the understanding that the increased allocation would be used for roads and bridges. This was done in an effort to work to reduce the annual infrastructure gap on the City's largest municipally funded asset group.

While preparing the 2017 budget there was an error discovered in the 2016 capital accounts. Wherever we could access reserves, we took the remaining projects from these accounts and if it was important in 2017 to complete, that is our starting point today.

Karen then reviewed the capital budget sections with Council.

General Government – City Hall windows \$200,000 with the entire amount coming from reserves. Under information technology there is \$156,000 with all coming from reserves except for \$16,000 coming from net tax levy. Under building rentals, Ottawa Street Building envelope repairs, Keewatin PW building demolition and former JM Town office retaining wall amounts to \$95,000 all coming from reserves. We need to review City facilities and determine if this is the business the City should be in when it comes to some facilities.

Protection – Bunker suits have a life expectancy and we have to replace on a regular basis in the amount of \$14,000 is from reserves, a storage shed for \$7,500 and a tanker truck for \$360,000. Karen spoke to Todd about the needs of the fire department and he was asked to review his equipment and his levels of equipment. Todd advised that we may be able to look at pumpers but we need the tanker as we are on a 25 year rotation with fire equipment.

Transportation – Roads, Bridges and Transit – all projects were spent in 2016. The additional 1% we are putting into the reserves is not addressing the deficit in reserves. The roads reserve has been built up simply on the percentages that council gives annually and we then build into next year's capital budget. Jeff has a priority list for sidewalks and roads with the funds that are outlined in the budget.

It was noted by Councillor Roussin that we need to focus on what our core services are and what was approved in the strategic plan. It is difficult for Council to move forward with funding other projects that is not our own when we have so many challenges in so many areas that are our core services.

Transportation – Transit – bus shelters for \$305,000 which is funded by gas tax for \$239,750 and additional is taken from reserves of \$62,250.00.

We are not putting away enough in reserves to sustain our equipment reserves but we do have the dollars in reserves to address what is in the budget now.

Transportation – Other – The Coney Island board walk is on the deleted list right now.

Environment – it was questioned that we are not spending enough on storm sewers and if we should be spending what is in reserves to address deficiencies in this area. The storm sewers have been underspent over the years and Councillor Smith indicates that she receives calls on a regular basis that we are not maintaining them enough. Councillor Roussin noted that we have had some significant issues with storm sewers in the past with collapsing areas and it is up to administration to determine what is needed.

Recreation & Cultural – The west dressing room flooring was related to a sewer back up that we had in this room.

Planning & Development – Wayfinding signage will get done this year or we will lose our funding of \$215,356. \$124,644 will come from reserves.

Non Capital Special Projects & Unusual spend – under the community improvement plan the \$100,000 is coming from net tax levy. All three CIPs would access this pool of money. There just isn't enough money to add more to this area. Most of the funds in 2016 went to the Keewatin area. With allocations going to Kenora and Keewatin plus the former mill property it puts an additional stressor on the fund. Council supported the other areas in unusual spend.

The long term debt list is what the city feels are priority projects but not approved for projects. The water street t-intersection will be removed from the 2017 budget area as per the discussions at the February 14, 2017 Committee of the Whole meeting, however, it will remain on the 5 year plan for Council to have further discussions on.

The Railway Street construction is not a project ready project and it appears to be a priority for Council. A separate plan would have to come back to Council on this.

The twinning project - \$17 M was estimated by a newer company who has come forward. PCL was a company who contacted the City engineer with a suggestion for solutions to the development.

Councillor McMillan asked Council for support of the twinning. We have debated a larger event centre project and would like support to proceed with preliminary work such as twinning and checking into grant options. Working with a staff committee to plan for the needs whether it be the Sprung type development or a stand-alone suggestion to see what is more cost efficient. Realistically we could not start until the end of 2017 or into

2018. A twinning brings many opportunities to the community and is an opportunity for significant events. Councillor McMillan asked to bring this one step forward and look into next steps with funding and the options for twinning.

Councillor Smith noted she is not ready to proceed. She wants to see what kind of money will come from the casino. She is not convinced that this is a project that we should be moving forward on.

Councillor McMillan explained that if we continue to wait this can be an opportunity we lose. If both Federal and Provincial government say we have no funding for these types of projects it can be a clear answer. Keeping it on the project list is important.

Councillor Roussin expressed that when the Stantec Nelson report came back there was an opportunity for a private development of some sort, possibly a hotel. There were questions asked about that site which has to be serviced and registration of right away to get to the site. Who would maintain that access and what would the city do to bring the services to the site. At least we would have the opportunity for revenue and how would it tie into the complex. There are opportunities out there before we commit to a twinning. It has to be done in a way that it is financially responsible. The construction, the type of twinning that is going to take place. If doing preliminary work those are things that have to be considered. It was noted that sound bleed coming from the Sprung system is a concern as they have those issues.

Direction from Council was to leave the twinning on this list and the event centre should come right off the list. Council will now defer to staff for coming back with design work needs for the twinning.

The four plex ball diamonds design will move forward.

The Black Sturgeon boat launch was deleted but it was suggested we could do some small work there without it being very costly to the regular operating budget.

Councillor McMillan requested that somewhere in the future budget could a kiosk be included for the Lake of the Woods Cemetery for people to be able to search for plots. Karen noted that we do have a tool that people can do that and it was suggested that we could put up signage in the cemetery to promote people being able to search for plots.

Kenora SportsPlex – It was questioned if we could look at finding funding for completing this project? There is potential for use and revenue up there as the services are already there and in the past this was noted as a safety issue. Councillor Roussin advised he has had two different engineers advise him that there are no safety issues as they have looked at it and there is no issue. Some kind of funding could come forward.

Direction of Council is to find something going forward to find a 50% funding source or someone that wants to jump in and be part of it. Council is in support of getting the project finished of \$100,000 to finish and this will come out of contingency. It was noted that the Kenora Construction Association has looked for projects they can get involved in and this may be a good one they would assist with. Heather Kasprick expressed that the committee has a plan for future development in the complex and this funding to complete the upstairs would help with the funding to add to the development for activity in the complex. The board will develop their plan and bring it back to Council for a partnership in the development.

Council is relatively happy with 2017 capital budget with amendments as discussed with moving \$100,000 for the Sportsplex viewing area and to continue to search for funding to offset some of these costs. Council supported moving the capital budget as presented to the March 2017 Council meetings for approval and directs the CAO, at her discretion to start the capital projects.

Councillor Roussin expressed that we did not get into committing any funds for housing for assisted living housing and market rent housing t. Discussion should take place with the KDSB and the City on the housing needs. Municipalities are going to have to have site ready land areas for developers as we desperately need housing. City staff did identify several properties that were sent to the KDSB several years ago that are not serviced. Council had agreed to make some lands available for development and with the state of housing report that the EDO and the Special Projects and Research Officer are working on and developing a housing strategy.

It was questioned where the Coney Island walkway canopy is as it was talked about in the 2016 budget deliberations. Administration is not recommending it as a priority but Council could say it is a priority. The City has approached citizens in the area with interest in fundraising or partnerships but this concept was not supported by the citizens.

Mayor Canfield questioned if the Harbourfront docks reinstallation was included and Karen confirmed the \$25,000 in docking is for that project to get those docks back in for 2017.

Karen advised that there are some final adjustments we still may have some with some funding dollars on some projects but we will make sure any changes in the budget are captured in the report that comes to Committee of the Whole from today to the final document for March.

Karen expressed that this is an odd year and we never normally move forward with projects coming from contingency. Karen's recommendation is strong to Council that if we are going to pay a grant that we take that money from contingency. Eventually you will need the money for something else and the intent of the contingency use is to not impact tax payers.

The airport needs these dollars to move this significant project forward. If our airport gets handed back to us, we can't afford to run it. There has been a ton of work done there with people who don't get paid. This would have cost us a lot of money. If we fool around with this we will be on the hook for this service.

Councillor McMillan noted that we have a volunteer group running this. If he is going to make a decision on this, he's making a decision based on investment in our community. Just want to ensure we make a decision that is in the best decision for the community and for the airport. What decision makes most sense for our community. Would like to take a bit of what everybody says and guarantee a loan of \$1M and work with the airport authority to access anymore out of their capital reserves. If more can be taken out of that and we provide a \$250,000 grant with guarantee of loan and revisit for 2018.

Council supported the \$1M loan with the preference to guarantee, or to come from Citizens Prosperity Trust fund if need be, and further support a \$250,000 grant for 2017 and a \$250,000 grant for 2018 for the development of the new terminal at the Kenora Airport.

Meeting adjourned at 11:49 a.m.