



City of Kenora

Committee of the Whole Agenda

Tuesday, August 7, 2018

9:00 a.m.

City Hall Council Chambers

***NOTE:** Special Committee of the Whole Meeting at 8:00 a.m. for the auditors to present the 2017 audited financial statements

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 14, 2018 meeting:-

- Amend the 2018 Operating & Capital Budget for the following:
 - to withdraw funds from the wages for the Manager of Community & Development Services in the amount of \$18,000 plus applicable taxes to offset the cost of the preliminary drawings for the twinning at the Kenora Recreation Centre project
 - An additional allocation of \$15,547 to the Coney Wharf rehabilitation project, to be funded through the Docks Relocation project
 - An additional allocation of \$11,583 to the Street Sweeper capital purchase, to be funded through the Asphalt Equipment capital purchase
 - An additional allocation of \$10,882 to the Road Reclaimer capital purchase, to be funded through the budget for the Roads Dump Truck capital purchase
 - An additional allocation of \$12,211 to the Bunny St. project, to be funded through the Crawford Pumping Station project
 - An additional allocation of \$105,377 to the Pool Painting and surge tank repair project, to be funded through the Pool Deck Tile project
 - An additional allocation of \$35,513 to the KRC Flat Roof Replacement project, to be funded through the KRC AHU and dressing room floor projects
- Approve the 2017 City of Kenora Annual Report including the 2017 audited financial statements for the City of Kenora

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.

C. Confirmation of Previous Committee Minutes

Motion:

That the Minutes from the last regular Committee of the Whole Meeting held July 10, 2018 and Special Committee of the Whole Meeting held July 17, 2018 be confirmed as written and filed.

D. Deputations/Presentations

Councillor Ron Lunny will take his oath of office for the vacancy appointment to Council

E. Reports:

1. Finance & Administration

Item	Subject	Pages
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- | | | |
|------|---------------------------------|--|
| 1.1. | 2018 Capital & Unusual Spending | |
| 1.2. | 2018 Q2 Investments | |
| 1.3. | 2018 Q2 Contracts | |
| 1.4. | 2017 Annual Report | |
| 1.5. | June 2018 Financial Statements | |

2. Fire & Emergency Services

Item	Subject	Pages
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- | | | |
|-----|------------|--|
| 2.1 | No Reports | |
|-----|------------|--|

3. Operations & Infrastructure

Item	Subject	Pages
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- | | | |
|-----|--|--|
| 3.1 | West Bay Road Traffic Amendment to Parking | |
| 3.2 | Winter Maintenance Policy Amendment | |

4. Community & Development Services

Item	Subject	Pages
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- | | | |
|-----|--|--|
| 4.1 | Budget Amendment – Twinning Preliminary Drawings | |
| 4.2 | D11-18-01 Kings Landing Site Plan Agreement | |
| 4.3 | Harbourfront Development Steering Committee Member Request | |
| 4.4 | Garrow Park Playground Cover Material | |

Other:

Next Meeting

- Tuesday, September 11, 2018

Adjournment



July 30, 2018

City Council Committee Report

To: Mayor and Council

Fr: Jon Ranger, Budget/Special Projects Officer/Deputy Treasurer

Re: 2018 January to June Capital and Unusual Spending

Recommendation:

That Council hereby accepts the 2018 January to June Capital and Unusual Spending report.

Background:

Attached for your information, please find the June 2018 summary expenses for Capital and Unusual spending by project. Actual outcomes are compared to the Capital and Unusual Spending budget for 2018. Budget amendments have also been recorded in the report. The funding of the budget overages have been explained in the report as well.

Budget:

There is no expected budget impact as a result of this report.

Risk Analysis:

The risk is positive in that the Capital and Unusual Spending budgets are being monitored and that overages are covered in a fiscally responsible manner.

Communication Plan/Notice By-Law Requirements:

For information only.

Strategic Plan or other Guiding Document:

Fiscal Responsibility: We manage the municipal finances in a responsible, prudent and transparent manner.



July 27, 2018

City Council Committee Report

TO: Mayor and Council

FR: Charlotte Edie, Treasurer

**RE: Investment Report including Kenora Citizens' Prosperity Trust Fund –
Quarter 2**

Recommendation:

That Council hereby accepts the 2018 second quarter investment report that includes details of the Kenora Citizens' Prosperity Trust Fund and other City of Kenora investments.

Background Information:

Kenora Citizen's Prosperity Trust Fund (KCPTF):

In 2008, City Council approved the establishment of the Kenora Citizens' Prosperity Trust Fund. The proceeds of disposition from the sale of the KMTS entities of \$40,896,446 were transferred to this Fund.

In order to offset lost net revenues as a result of the sale of the KMTS entities, the City requires an annual return of \$1,100,000 in income from the Trust, in addition to the elimination of long term debt payments which occurred in 2007. This transfer has not been deducted from the investment values below. Any erosion of the balance of the Trust will result in an additional burden on City taxpayers.

The first KCPTF portfolio is with the ONE Public Sector Group of Funds and accounts for over 30% of the Trust Fund. The market value of this investment at June 30, 2018 is \$12,977,091.90 (March 2018 \$12,549,566.93). This portfolio is held in bond, universal corporate bond and equity funds that are all monitored to ensure that they remain within the Ontario Provincial legislation for municipal investments. The year to date actual return on these ONE fund investments for 2018 is 1.08% (March 2018 -11.51%). This rate reflects the total return including market impact. The return on book value for year to date 2018 is .85% (March 2018 .82%). Currently the universal bond fund is generating .53% and the equity fund is generating 1.4% on a cumulative basis (including market impact). Market values turned around significantly in the second quarter of 2018.

The second and largest KCPTF portfolio is managed by Manulife Asset Management with RBC Dexia Investor Services as custodians. The City receives quarterly reports and information. The June 30, 2018 report is attached. The market value of these investments is \$25,382,401 (\$69,516 higher than the value at the end of March 2018). Securities held in this portfolio are largely bank and federal and provincial government issues. The year to date return on these funds is .47%. The rate of return since inception is 2.46%. These returns also take the market impact into account.

In addition, the KCPTF holds \$8,169,071 in debt from the City of Kenora. The rate of return on this debt is 3%. New debt has been issued for the streetlighting and Keewatin Arena roof projects at the end of 2017.

Other Investments:

The City of Kenora maintains investment portfolios separate from the Kenora Citizen's Prosperity Trust Fund. These investments are entirely held in the ONE Public Sector Group of Funds and the market value at June 30, 2018 is \$15,835,736 (\$271,609 higher than March 2018). This portfolio is held in bond, universal corporate bond and equity funds that are all monitored to ensure that they remain within the Ontario Provincial legislation for municipal investments. The year to date return for this portfolio is .77%. The year to date return on book value is 1.63%.

Budget:

There is no expected budget impact as a result of this report.

Risk analysis:

The risk associated with this report is moderate. The risk impact is that the Funds do not earn the required 3% on investments. The shortfall of investment income is within the moderate range.

Communication Plan/Notice By-law Requirements:

For information only

Strategic Plan or other Guiding Document:

Report is required per policy CS 4-2.



July 26, 2018

City Council Committee Report

To: Mayor and Council

Fr: Jon Ranger, Budget/Special Projects Officer/Deputy Treasurer

Re: Contracts & Expenditures Approved April – June 2018

Recommendation:

That Council hereby accepts the 2018 April – June Contracts & Expenditures Approved report.

Background:

Per the Procurement Policy, the Budget/Special Projects Officer/Deputy Treasurer (Treasurer in the absence of the Budget/Special Projects Officer/Deputy Treasurer) may award a tender, contract or purchase for greater than \$30,000 provided that:

- a) The purchase is included in the City's budgets, and is within the budgeted amount;
- b) The total cost of the contract does not exceed the following authority limits:
 - i. Operating expenditures not exceeding \$100,000;
 - ii. Capital expenditures not exceeding \$250,000, with the exception of;
 - iii. Capital expenditures for equipment outlined specifically in the capital budget not exceeding \$500,000;
- c) The award is made to the bidder whose bid achieves the highest score as a result of the evaluation;
- d) The term of the contract does not exceed the lesser of either the current operating year or the remainder of the term of Council; and
- e) The award is made to the bidder submitting the lowest end cost, compliant bid.

A report shall be submitted quarterly to Council to advise of the award of any tenders, contract or purchases under this section. This report is attached.

Budget:

There is no expected budget impact as a result of this report.

Risk Analysis:

The risk associated with this report is low. Internal controls have been established to ensure that these payments are legitimate and conform to the City's procurement policy.

Communication Plan/Notice By-Law Requirements: N/A

Strategic Plan or other Guiding Document:

Fiscal Responsibility: We manage the municipal finances in a responsible, prudent and transparent manner.



July 31, 2018

City Council Committee Report

To: Mayor Canfield and Members of Council

Fr: Charlotte Edie, Treasurer

Re: 2017 Annual Report and Audited Financial Statements

Recommendation:

That Council approves the 2017 City of Kenora Annual Report including the 2017 audited financial statements for the City of Kenora; and further

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

Background:

A copy of the Annual Report and audited financial statements is attached to this report for your reference. The report is incomplete in that the Auditors' Report will not be signed until Council has formally approved the financial statements.

In 2009 there was a significant change to the City's financial statements from previous years, due to the new requirement to record Tangible Capital Assets and related amortization, with capital works no longer being expensed as performed. Under this new requirement, the City is required to record the value of all tangible assets net of amortization. As a result of this, the City's financial statements reflect a significant surplus due to the net result of the Tangible Capital Asset implementation. It should be noted that this surplus is comprised of all the accumulated surpluses and deficits of the funds, reserves and organizations that are included in the statements as well as the current amortized value of all City owned assets.

Budget:

There is no expected budget impact as a result of this report.

Communication Plan/Notice By-law Requirements:

A press release will be prepared for the annual report and statements. This press release will be distributed to Council. The annual report will be made available on the city's portal, as well as at the front desk at City Hall. In accordance with the City's requirements under the Municipal Act, extracts of the audited financial statements will also be printed in the local newspaper.

Strategic Plan or other Guiding Document:

Fiscal Responsibility: We manage the municipal finances in a responsible, prudent and transparent manner.

ERM Assessment:

Risk assessment is positive in that the 2016 financial results have been audited.



Annual Report 2017



The City of Kenora, Ontario, Canada



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Introductory Information

City Council



From left to Right:

- ~ Councillor Dan Reynard
- ~ Councillor Mort Goss
- ~ Mayor David Canfield
- ~ Councillor Rory McMillan
- ~ Councillor Sharon Smith
- ~ Councillor Colin Wasacase
- ~ Councillor Louis Roussin



Senior Leadership Team

- ~ Karen Brown, CAO
- ~ Jeff Hawley, Manager of Operations & Infrastructure
- ~ Todd Skene, Manager of Fire & Emergency Services
- ~ Charlotte Edie, Treasurer
- ~ Heather Kasprick, City Clerk



Mayor's Message

2017 was a showcase year for Kenora where National attention was the focus for two major events that we were fortunate enough to host.

Through our continued remarkable volunteers we have in our community, the City was host to the famous Hockey Day in Canada in February, where we held a first class national event that was quoted as "the best event they have ever seen". City staff and volunteers worked diligently to put Kenora on the map to hundreds of thousands of hockey fans. The memories that this event will hold for the hundreds of children that participated in the clinics, fans who filled the Thistle arena for two talented hockey games and the spectators under the Whitecap will forever be remembered.

Coming off the success of the Hockey Day in Canada event, staff and volunteers quickly moved into summer mode preparing to host the Canada Summer Games hosting the rowing portion of the Games. Through successful grant submissions to the Federal and Provincial government, the City enhanced the Rabbit Lake and Garrow Park area with extensive works to beautify and develop the area to host a first class event. Again, Kenora was showcased nationally and has since been deemed as a world class rowing venue with the ideal natural surroundings for rowing.

What these two national events clearly demonstrated was that working together and developing partnerships will always give the City an advantage to other communities and that visioning our long term goals of growth and development through our existing strengths will get us there. Council continues to commit to funding applications which will provide the financial assistance we require to keep the progressive developments moving ahead.

Growth and development continues to be on the forefront for Council with a commitment to the new airport development. This improved facility will allow the airport to expand the market to larger airlines which will connect more people to getting to our community. Also expanding by purchasing key property in the downtown area for strategic future downtown revitalization expansion and developing further much needed parking in the downtown area. The release of the new wayfinding signage helps visitors move through our community and ensure they stay in the vibrant downtown area we have all worked so hard to enhance.

I have served as Mayor or a member of Council for this community for many years, and my whole-hearted passion for Kenora will always remain as I truly believe we live in the most beautiful place on earth. Thank you for your part in making Kenora what it is.

Mayor David S. Canfield



CAO's Message

Year end is a time we can both reflect back on our successes and the challenges of the past year, as well as look ahead towards the future. Our achievements are a credit to the hard work done by our dedicated City Team, striving to meet our Vision of municipal excellence. Thank you to all of our City staff for everything that you do every day to make Council's direction a reality. It is also a credit to our Partners, the Citizens and Businesses of Kenora, and the role that each of you plays in making our successes a reality.

In 2017, new excitement came to Kenora. In February of 2017, Kenora's passion for hockey was evident when Kenora hosted the 17th Annual Scotiabank Hockey Day in Canada. According to the Hockey Blog in Canada, it was "Nothing short of magical..." In August of 2017, Kenora, in partnership with the City of Winnipeg and the Kenora Rowing Club, hosted the rowing component of the Canada Summer Games. The venue, Rabbit Lake, is touted by many to be one of the best rowing locations in Canada. Neither of these events would have been possible without the tireless efforts of their organizing committees, countless dedicated volunteers, local businesses, and City staff. Thanks to every one of you. Kenora truly shone in 2017 as a result of all of your efforts!

Also in 2017, the City actively moved forward on a number of initiatives. The City's new Corporate Communications Strategy and Policy was approved, and our three Community Improvement Programs were updated. The City purchased just over 2.2 acres of land in the heart of the City. This purchase was a strategic opportunity for potential future development within the Harbourtown Centre. Council directed the Board of the Kenora Hydro Electric Corporation Ltd. to engage in merger discussions with Thunder Bay Hydro. The Lake of the Woods Museum launched the Big Picture campaign, aimed at fundraising to develop an Art Gallery in Kenora. The City began work on a Municipal Energy Plan, as well as implementing climate risks into an updated Asset Management Plan. In accordance with the City's strategic direction of reducing red tape, the City initiated an investment readiness audit in late 2017.

As we move into 2018, the City's Investment Readiness Audit was finalized, and a roadmap was developed to take the recommendations and make them a reality. New wayfinding signage was put in place, which included Ojibwe translations for City facilities based on the efforts of the City's Common Ground group with guidance from the Community Elders. Together with Council, the Leadership Team and all City staff will continue to work together to implement the priorities and actions as identified within the City's strategic plan, ensuring the City actively moves forward with its vision of Kenora being a City of choice, renowned as a sustainable, lifestyle community, supported by a Municipality committed to excellence. The City puts out a report annually outlining progress made under our strategic plan. For additional information on the City's strategic plan, including the plan itself, the City's Vision, Mission and Values, together with the progress reports for 2015, 2016 and 2017, please visit <http://kenora.ca/government/about-the-city-of-kenora/>.

The City of Kenora's annual report covers the City's fiscal year, which runs from January 01 to December 31. On behalf of City administration, it is our pleasure to present highlights of our activities for 2017.

Karen Brown, CAO



Strategic Direction for the Corporation

The City of Kenora's current corporate Strategic Plan, adopted mid 2014 is called *Our Vision is 20/20*. The plan is established to provide the City with guidelines for evaluating and determining its actions, making decisions and setting the budget.

In 2017, the City made significant progress on a number of action items in its Strategic Plan. Among the most significant includes the beginning of the Lake of the Woods Development Commission's strategic plan developed in alignment with the City of Kenora.

To ensure that we are maintaining the momentum in realizing the goals and actions under the Strategic Plan, the City has committed to tracking and communicating our results on an annual basis. The 2017 Strategic Plan Progress Report offers a glimpse into how well we are doing in fulfilling our vision and achieving our mission.

Our Vision:

Kenora is a City of choice, renowned as a sustainable lifestyle community supported by a Municipality committed to excellence.

Our Mission:

To deliver quality, cost-effective Municipal services.



City Profile

The Towns of Kenora, Keewatin and Jaffray Melick amalgamated on 1 January 2000 to form the City of Kenora, forming the second largest center in Northwestern Ontario. The City of Kenora is the largest municipality within the District of Kenora, and represents a commercial hub for the region. With an "open for business" approach, the City has been recognized by senior levels of government as "forward thinking", and continues to actively and aggressively pursue development opportunities as available.

The forestry sector continues to be a component of the City's economic base, despite the significant challenges currently facing this sector. The City currently is home to a Weyerhaeuser iLevel Mill, one of the largest value added facilities in the Ontario forest industry, and the Kenora Forest Products Ltd. lumber mill.

Located on famous Lake of the Woods, Kenora also represents a major tourist destination, and hosts a significant number of tourism related businesses, either within the City or in the surrounding area. Kenora's population more than doubles in the summer because of tourists and seasonal residents. The retail sector is also a significant contributor to the local economy.



Interesting Statistics – “2017 by the Numbers”

Kenora’s population.....	15,096
Youth population	3,240
Number of dwellings.....	7,376
Total property assessment	1.66 billion
Tonnes of waste collected	31,004
Tonnes of solid waste diverted (recycled)	1,472
Tonnes of curbside collection	729
Wastewater treated (megalitres)	2241
Drinking water treated (megalitres)	2340
Water Main breaks	18
Total KM of water distribution/transmission pipes.....	135.6 km
Total KM of waste water mains	128.6 km
City-owned roads	
Total paved	330 km
Total unpaved	280 km
Total maintained in winter	610 km
Total km of city-owned trails	90 km
Total number of regular service passenger trips on conventional transit....	39,546
Total number of bridges	21
Total number of culverts.....	714



Look What's New in 2017

2017 was an exciting year for the City of Kenora, noting the efforts in promoting the city as a tourist destination. The Hockey Day in Canada and the rowing events as part of the Canada Summer Games, showcased Kenora on the national stage.

To enhance communication with the public, and provide a much needed redesign, the new Kenora.ca website was launched on February 14, 2017. This also came with increased usage of social media channels for City communications.

As part of the Develop Our Economy guiding principle of the City's strategic plan, the city made a commitment to being 'Open for Business' by securing provincial funding and a consultant to carry out an investment readiness audit.

On National Aboriginal Day in 2017, a traditional ceremony was held outside City Hall which led to the Treaty 3 flag being raised, and the flag is to fly permanently alongside the City of Kenora, Ontario and Canada flags, symbolizing the reaffirmation of the treaty that was signed in 1873. This showed the City's commitment to building partnerships and honoring the Truth and Reconciliation Committee Calls to Action.

Expansions to all three Community Improvement Plans were adopted by Council in March 2017. The three Community Improvement Plans consist of the Harbourtown Centre, the Fomer Mill Site project area, and Keewatin. The expansion was to include housing incentives, and grants for both planning and implementation projects.



Looking Ahead to 2018

The 2015-2020 Strategic Plan is intended to be a living document and as such, will be regularly updated to reflect the changing internal and external context of the City. As we look to 2018, the City will conduct a review of the Strategic Plan to ensure it still aligns with current Council priorities.

2018 marks the final year of the four year term for the current Mayor and Council. Looking forward to 2018 and beyond, the city will prepare for their municipal election.

Kenora also is looking forward to the following events and undertakings in 2018:

- Kenora and Thunder Bay Hydro signing of the Memorandum of understanding for merger.
- Replacement of the Seventh Ave South Bridge
- Launching of the Choose Kenora Campaign
- New downtown wayfinding and gateway signage including Ojibway greetings
- Kenora's Art Centre groundbreaking
- New aerial platform fire truck becomes part of the fleet
- Splash park ground breaking



City Council and Committee Structure

City Council represents the elected decision making authority for the City. Council is comprised of the Mayor and six Councillors, all elected at large within the City. Council exercises its legislative authority through the passing of City By-laws and resolutions.

The City operates through a Committee of the Whole structure. All Council members are members of the Committee of the Whole. The Committee of the Whole is for the purpose of conducting municipal business and forwarding recommendations to Council for enacting final approval and by-laws. There is no recommendation acted upon without prior concurrence of Council. Committee of the Whole meets on a monthly basis one week prior to Council meetings.

In 2015 Council eliminated the Councillor portfolios that were based on six standing committees. Each department will still be broken down as per the senior manager responsibility for reporting purposes, however there will no longer be a lead Councillor for each area. Without portfolios all members of Council are involved and engaged as a whole with respect to all facets of the City's operations.

In addition, the City has various boards, commissions and committees responsible for various components of its overall operations, as well as independent boards and committees. The members of Council are appointed to these committees to represent the City.



Financial Highlights

2017 Financial Report

The financial report for the City of Kenora includes financial information and analysis as well as financial statements for the year ended December 31, 2017. These financial statements are prepared in accordance with the Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of Chartered Professional Accountants Canada.

The preparation and presentation of the financial statements and related information contained in this report is the responsibility of the management of the City of Kenora. Included in the consolidated financial statements are those entities that are accountable to or controlled by the City of Kenora and are outlined in the significant accounting policies in the audited financial statements.

City Council appointed the accounting firm of MNP LLP to perform an independent audit of the City's 2017 financial statements, and its report is included herein. The accuracy and reliability of the financial information is ensured by the City's system of internal controls.



Current Operations

The current operations (excluding funding for capital projects) are broken into eight main functional areas. These areas, together with some examples of the types of expenditures that are incurred in these areas are as follows:

- ~ General Government (Mayor and Council, City Administration)
- ~ Protection to Persons and Property (Fire, Police, By-law Enforcement, 911 Services)
- ~ Transportation Services (Roads, Transit)
- ~ Environmental Services (Water and Waste water, Garbage, Recycling)
- ~ Health Services (Northwestern Health Unit, Cemeteries, Ambulance)
- ~ Social and Family Services (Ontario Works, Day Care, District of Kenora Home for the Aged, Social Housing)
- ~ Recreation and Cultural Services (Parks, Recreation Facilities, Library, Museum)
- ~ Planning and Development (Planning, Northwest Business Centre, Tourism, Economic Development)

Total current operations revenues were \$45.5 million in 2017 of the total revenues of \$46.4 million. Funding for capital projects was an additional \$0.9 million. The City also utilized \$6.3 million in reserves and reserve funds in 2017 for capital and operations. As in previous years, taxation accounts for the largest source of current operations revenues, providing 52.9% of total revenues. Fees and user charges represent another 31.3% of total revenues. An analysis of total revenues by source in graph form follows on page 14.

Overall current operations expenditures in the various functional areas listed above, were \$45 million in 2017, before changes in City surplus. An analysis of current expenditures by functions in graph form follows on page 15.

This discussion does not include capital activity of the City.



**The Corporation of the City of Kenora
Current Fund Operations
Comparison of Actual to Budget**

Category	2017 Budget	2017 Actual	Variance Fav (Unfav)	% Variance Fav (Unfav)
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Revenues	\$48,033,340	\$46,387,286	(\$ 1,646,054)	(3.4%)
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Revenue Main impacts include:

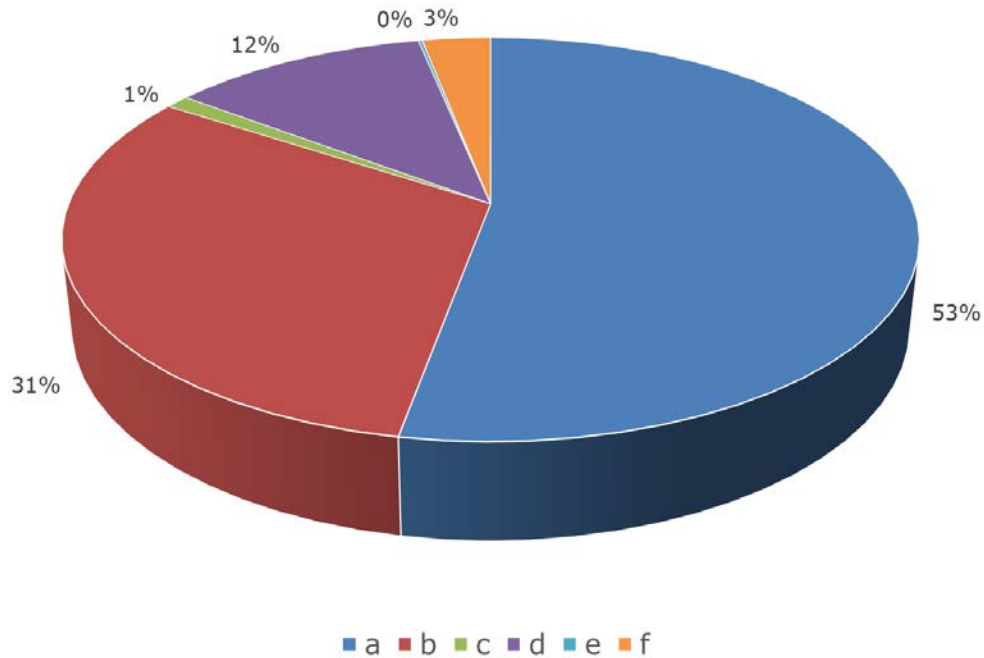
- Canada and Ontario grants were lower than expected for the year as three budgeted projects (7th Avenue Bridge, T Intersection and Coker/Bailey Bridge) were not started in 2017

Expenses	\$45,501,697	\$44,964,180	\$537,517	1.2%
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Expense Main impacts include:

- Transportation services came in over budget due partially to the early winter which meant more snow removal. Also there were some additional costs in vehicles repairs and maintenance this year due to an aging fleet.
- Environmental services expenses were below budget as Water and Waste water materials and supplies in several departments were under budget for the year.

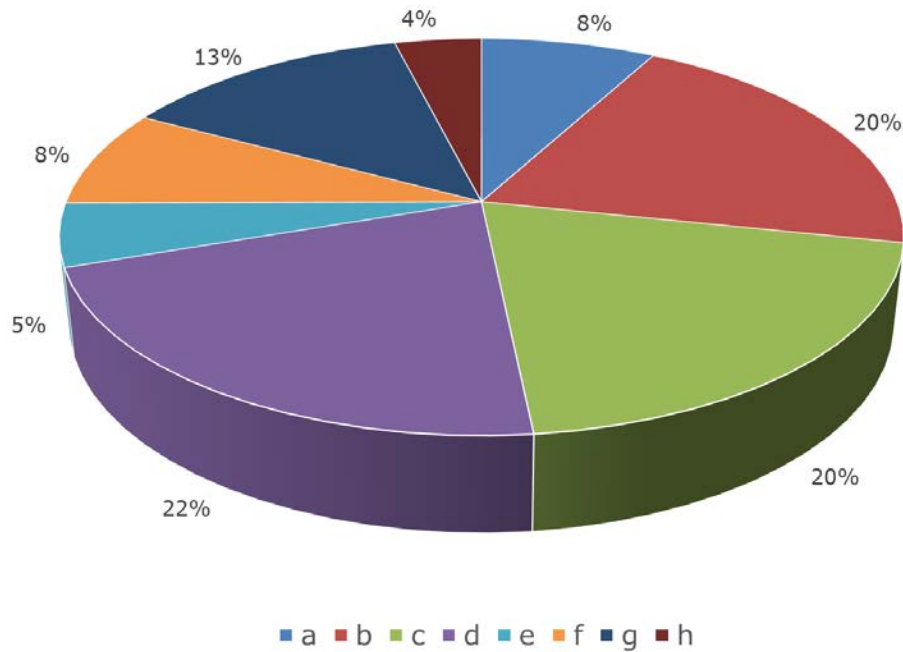
Revenues, Financing and Transfers



Revenues, Financing and Transfers (in thousands of dollars)

a	Taxation	\$ 24,534	52.9%
b	Fees and user charges	14,520	31.3%
c	Canada grants	496	1.0%
d	Ontario grants	5,343	11.5%
e	Government business enterprise	75	0.2%
f	Other	1,419	3.1%
		\$ 46,387	100.0%

Expenditures, Financing and Transfers



Expenditures, Financing and Transfers (in thousands of dollars)

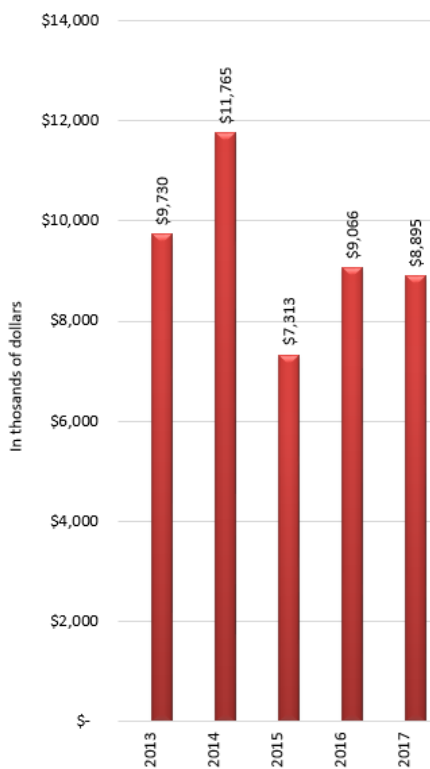
a General government	\$ 3,564	8.0%
b Protection services	\$ 9,162	20.4%
c Transportation services	\$ 9,012	20.0%
d Environmental services	\$ 9,629	21.4%
e Health services	\$ 2,307	5.1%
f Social and family services	\$ 3,586	8.0%
g Recreational and cultural services	\$ 5,930	13.2%
h Planning and development	\$ 1,774	3.9%
	\$ 44,964	100.0%

Capital Projects

The City's significant expenditures relating to major projects are described in the statement of financial position as tangible capital assets. These expenditures generally provide the City with a long-term benefit, either through the purchase of capital assets, improvements to existing capital assets, or the extension of the life of existing capital assets.

Overall tangible capital asset purchases in 2017 were \$8.9 million.

Major capital projects for 2017 included:

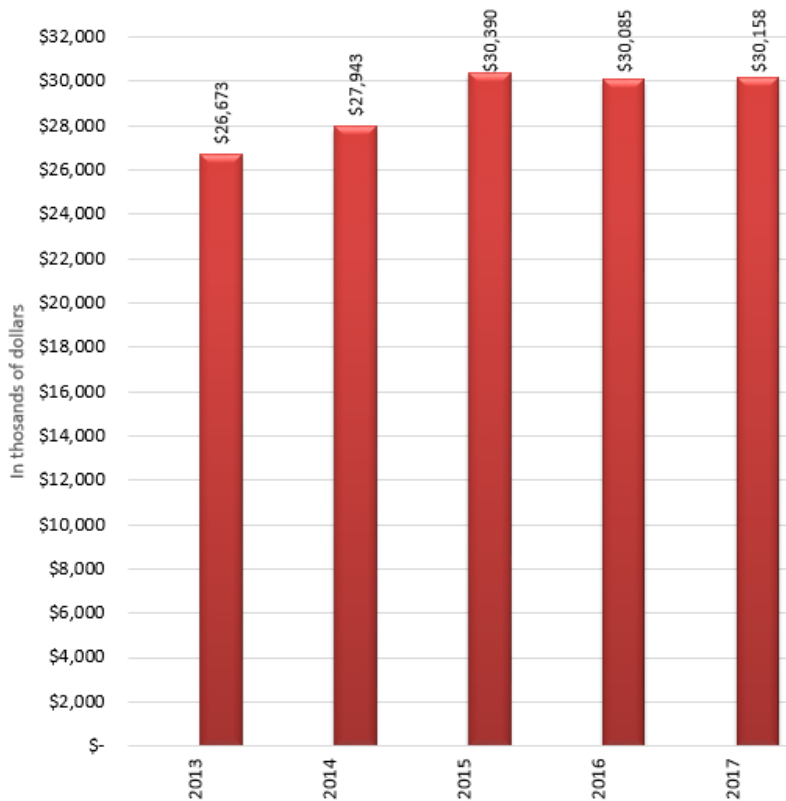


- ~ Municipal Roads program: \$1.5 million
- ~ Fleet purchases: \$1.4 million – including dump truck, GPS and radio system, street sweeper, grader blade, half ton trucks, vacuum truck, and a roll off truck
- ~ Pumping/lift Station upgrades: \$.73 million
- ~ Mall Parking lot purchase: \$.5 million
- ~ Pool upgrades: \$.5 million
- ~ Storm sewer upgrades \$.5 million
- ~ City hall windows: \$.25 million
- ~ Streetlight additions: \$.2 million

Reserves and Reserve Funds

The City maintains reserves and reserve funds designed to offset future costs related to specific expenditures, as approved by Council. While the reserves are primarily intended for capital expenditures, the City also holds significant working capital (\$4.5 million) and consolidated contingency (\$8.0 million) reserves.

The reserve and reserve fund balance at the end of 2017 was \$30.2 million. This chart below outlines the consolidated reserve and reserve fund combined balances for the last five years. These balances exclude any equity related to the Kenora Hydro Electric Corporation Ltd. This equity is reflected separately as net equity in government business enterprises. These balances also exclude any balance related to the Kenora Citizens' Prosperity Trust Fund.

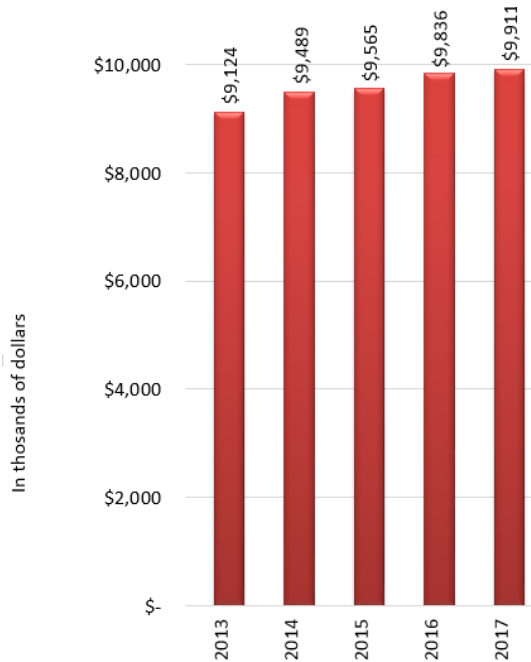




Government Business Enterprise

The government business enterprise (GBE) is a separate municipal operation or legal entity that reports independently to a separate Board or Commission and does not rely on the City for funding.

This page includes a chart outlining the City's comparative net equity in government business enterprises for the past five years.



The Kenora Hydro Electric Corporation Ltd. (Kenora Hydro), the City's only Government Business Enterprise, is a Local Distribution Company (LDC), incorporated under the Ontario Business Corporation Act in compliance with Hydro Deregulation. Kenora Hydro provides hydro distribution services to residents within the boundaries of the former Towns of Kenora and Keewatin. Kenora Hydro operates as an independent corporation under a Board of Directors appointed by the City as the sole shareholder.



Kenora Citizens' Prosperity Trust Fund

On January 31, 2008, the City of Kenora sold the KMTS Entities to Bell Aliant. Up to this point, the KMTS entities had been a GBE like Kenora Hydro and had contributed to the City's bottom line.

In an effort to ensure there was no impact to property taxes as a result of this sale, the decision was made to transfer the proceeds of disposition from the sale, together with the cash and investments that were excluded from the sale, to a trust fund that would safeguard the funds. Thus, the Kenora Citizens' Prosperity Trust Fund (Trust Fund) was established in 2008, and had a balance of \$41 million at the end of 2017. In order to offset lost net revenues as a result of the sale of the KMTS Entities, the City requires an annual return of \$1.1 million in income from the trust. Any erosion of the balance of the trust will result in an additional burden on the City taxpayer.

Since the inception of this Trust Fund, the City of Kenora has issued internal debt totaling \$12.1 million owing to the Trust Fund to finance the Fire Hall, the Discovery Centre, the Highway 17 Rehabilitation project, the Whitecap Pavilion, the marine waterline, the street lighting project and the Keewatin Arena upgrades. This debt is being paid back to the Trust Fund on the established schedule with 3% interest.

The Trust Fund is reported on the City's financial statements at \$32.8 million because the Canadian generally accepted accounting principles, as established by the Public Sector Accounting Board, dictate that such inter-organizational transactions be eliminated on consolidation. As a result the balance of \$32.8 million reflected on the consolidated statement of financial position does not reflect the balance of the debentures and interfund balances at 31 December 2017 of \$8.2 million.



Financial Statements

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Management's Responsibility for the Financial Statements

The accompanying financial statements of the Corporation of the City of Kenora are the responsibility of the City's management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of Chartered Professional Accountants Canada. A summary of the significant accounting policies are described in the notes to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgments, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The City's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

City Council meets with management to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by MNP LLP, independent external auditors appointed by City Council. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the City's financial statements.

Karen Brown, CPA, CA, CAO
Kenora, Ontario

THE CORPORATION OF THE CITY OF KENORA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2017

	2017	2016
Financial Assets		
Cash (Note 1)	\$ 22,016,413	\$ 19,170,733
Temporary investments (Note 2)	14,977,719	15,932,261
Taxes receivable	289,469	385,372
Trade and other receivables	4,794,034	4,711,986
Inventory held for resale	61,276	54,476
Long term notes receivable (Note 3)	36,830	53,601
Citizens' Prosperity Trust Fund investments (Note 4)	32,844,723	33,415,336
Investment in government business enterprise (Note 5)	9,911,000	9,836,000
	84,931,464	83,559,765
Liabilities		
Accounts payable and accrued liabilities	5,942,191	6,715,935
Deferred revenue (Note 6)	3,976,059	1,701,320
Employee future benefits payable (Note 16)	2,658,153	2,620,892
	12,576,403	11,038,147
NET FINANCIAL ASSETS	72,355,061	72,521,618
Non Financial Assets		
Tangible capital assets (Note 8)	154,722,219	152,556,817
Inventories of consumables and prepaids	997,149	1,572,888
	155,719,368	154,129,705
ACCUMULATED SURPLUS (Note 7)	\$ 228,074,429	\$ 226,651,323

See Accompanying Notes

Mayor

Treasurer

THE CORPORATION OF THE CITY OF KENORA
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the year ended 31 December 2017

	2017 Budget (Note 12)	2017 Actual	2016 Actual
Revenues			
Taxation	\$ 24,683,852	\$ 24,534,202	\$ 23,463,618
Fees and user charges	14,329,066	14,519,761	13,952,259
Canada grants	1,289,327	496,342	2,723,648
Ontario grants	6,283,179	5,343,459	5,376,835
Net income from government business enterprise (Note 5)	75,000	75,000	271,000
Other (Note 9)	1,372,916	1,418,522	2,031,773
	<u>48,033,340</u>	<u>46,387,286</u>	<u>47,819,133</u>
Expenses			
General government	3,577,005	3,564,495	3,567,836
Protection services	9,323,957	9,161,588	9,538,479
Transportation services	8,623,098	9,011,713	8,319,997
Environmental services	10,219,426	9,629,407	9,837,813
Health services	2,275,036	2,307,176	2,166,835
Social and family services	3,585,262	3,585,797	3,492,376
Recreation and cultural services	6,001,201	5,929,092	5,989,273
Planning and development	1,896,712	1,774,912	1,735,281
	<u>45,501,697</u>	<u>44,964,180</u>	<u>44,647,890</u>
Annual surplus	<u>2,531,643</u>	1,423,106	3,171,243
Accumulated surplus, beginning of year		226,651,323	223,480,080
Accumulated surplus, end of year		\$ 228,074,429	\$ 226,651,323

See Accompanying Notes

THE CORPORATION OF THE CITY OF KENORA
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the year ended 31 December 2017

	2017 Budget (Note 12)	2017 Actual	2016 Actual
Annual surplus	\$ 2,531,643	\$ 1,423,106	\$ 3,171,243
Acquisition of tangible capital assets	(13,491,824)	(8,895,235)	(9,065,512)
Amortization of tangible capital assets	6,576,190	6,576,190	6,471,739
Loss on sale of tangible capital assets	-	56,853	35,806
Proceeds on sale of tangible capital assets	-	96,790	48,771
	(4,383,991)	(742,296)	662,047
Acquisition of prepaid expenses and inventory of supplies	(1,638,898)	(1,638,898)	(2,173,811)
Net use/consumption of inventories of consumables and prepaids	2,214,637	2,214,637	1,610,131
	575,739	575,739	(563,680)
Net change in net financial assets (debt)	(3,808,252)	(166,557)	98,367
Net financial assets, beginning of year	72,521,618	72,521,618	72,423,251
Net financial assets, end of year	\$ 68,713,366	\$ 72,355,061	\$ 72,521,618

See Accompanying Notes

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THE CORPORATION OF THE CITY OF KENORA
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2017

	2017	2016
Operating transactions		
Annual surplus	\$ 1,423,106	\$ 3,171,243
Items not involving cash		
Amortization	6,576,190	6,471,739
Loss on disposal of tangible capital assets	56,853	35,806
Income from government business enterprise	(75,000)	(271,000)
	7,981,149	9,407,788
Change in non-cash working capital balances		
Decrease in taxes receivable	95,903	40,267
Decrease (Increase) in trade and other receivables	(82,048)	709,784
Decrease (Increase) in other assets	568,939	(569,754)
Increase (Decrease) in accounts payable and accrued liabilities	(773,744)	1,375,673
Increase (Decrease) in deferred revenue	2,274,739	(1,345,076)
Increase (Decrease) in employee benefits payable	37,261	(62,466)
	10,102,199	9,556,216
Capital transactions		
Acquisition of tangible capital assets	(8,895,235)	(9,065,512)
Proceeds on sale of tangible capital assets	96,790	48,771
	(8,798,445)	(9,016,741)
Investing transactions		
Decrease in long term investments	16,771	15,963
Decrease (Increase) in Citizens' Prosperity Trust Fund	570,613	(590,108)
	587,384	(574,145)
Net change in cash and equivalents	1,891,138	(34,670)
Cash and equivalents, beginning of year	35,102,994	35,137,664
Cash and equivalents, end of year	\$ 36,994,132	\$ 35,102,994
Represented by		
Cash	\$ 22,016,413	\$ 19,170,733
Temporary investments	14,977,719	15,932,261
	\$ 36,994,132	\$ 35,102,994

See Accompanying Notes

THE CORPORATION OF THE CITY OF KENORA
SIGNIFICANT ACCOUNTING POLICIES
For the year ended 31 December 2017

The consolidated financial statements of the Municipality are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of Chartered Professional Accountants Canada. The Municipality provides municipal services such as fire, public works, planning, parks, recreation and other government services. Significant aspects of the accounting policies adopted by the Municipality are as follows:

a) Basis of Accounting

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

b) Basis of Consolidation

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the current fund, capital fund, reserves and reserve funds of all municipal organizations, committees and boards and internally restricted entities which are owned or controlled by the Municipality. All interfund assets, liabilities, revenues and expenses have been eliminated on consolidation.

The following boards and municipal enterprises owned or controlled by the Municipality have been consolidated:

Kenora Public Library
Lake of the Woods Cemetery
Lake of the Woods Museum

The Provincial Offences Fund is a government partnership where the Municipality has shared control over the board / entity. The Municipality's pro rata share of the assets, liabilities, revenues and expenses are reflected in the financial statements using the proportionate consolidation method. The Municipality's proportionate interest of 69.27% of the Provincial Offences Fund is reflected in the consolidated financial statements.

The government business enterprise is a separate legal entity which does not rely on the municipality for funding. The investment in the government business enterprise is accounted for using the modified equity method. Under this method, the government business enterprise's accounting policies, which follow International Financial Reporting Standards for rate-regulated industries, are not adjusted to conform with Public Sector Accounting Standards and inter-entity transactions and balances are not eliminated. The Kenora Hydro Electric Corporation Ltd. is the only government business enterprise reflected in the consolidated statements.

c) Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

THE CORPORATION OF THE CITY OF KENORA
SIGNIFICANT ACCOUNTING POLICIES
For the year ended 31 December 2017

d) Government Transfers

Government transfers are recognized in the year in which events give rise to the transfer, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

e) Revenue Recognition

Revenues are recognized as follows:

- i Tax revenue is recognized in the calendar year to which the tax assessment applies and the assessment is known.
- ii Fees and user charges are recognized on a monthly basis as services are provided.
- iii Other revenues are recorded when collected or when collection is reasonably assured.
- iv Grants for the acquisition of tangible capital assets are recognized in the period in which the eligible expenditures are made.

f) Investments

Temporary investments are recorded at the lower of cost or market. Portfolio investments are recorded at cost unless there has been a decline in the market value which is other than temporary in nature in which case the investments are written down to market value.

g) Inventory

Inventory is recorded at the lower of cost and net realizable value. Cost is determined on the average cost basis.

h) Collection of Taxes on Behalf of Other Taxation Authorities

The municipality collects taxation revenue on behalf of the school boards. The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in these financial statements.

i) Trust Funds

Trust funds administered by the City for the benefit of external parties are not included in these financial statements. The financial activity and position of the trust funds are reported separately.

j) Deferred Revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.

THE CORPORATION OF THE CITY OF KENORA
SIGNIFICANT ACCOUNTING POLICIES
For the year ended 31 December 2017

k) Pension and Other Post-Employment Benefits

The City accounts for its participation in the Ontario Municipal Employees Retirement System (OMERS), a multi-employer public sector pension fund, as a defined contribution plan. Standards issued by Chartered Professional Accountants Canada with respect to accounting for employee future benefits require the City to accrue for its obligations under other employee benefit plans and related costs, net of plan assets.

The cost of other post-employment benefits offered to employees are actuarially determined using the projected benefit method, prorated on service and based on management's best estimate assumptions. Under this method, the projected post-retirement benefit is deemed to be earned on pro-rata basis over the years of service in the attribution period commencing at date of hire, and ending at the earliest age the employee could retire and qualify for benefits.

l) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital assets including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital assets commencing once the asset is available for productive use as follows:

Site improvements	25 years
Buildings	10 to 125 years
Equipment	3 to 25 years
Fleet	7 to 25 years
Docks and wharfs	10 to 50 years
Roads and bridges	10 to 50 years
Water	15 to 75 years
Sewer	15 to 100 years
Other	5 to 75 years

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THE CORPORATION OF THE CITY OF KENORA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2017

1. CASH

	2017	2016
Unrestricted	\$ 18,296,382	\$ 15,761,033
Restricted	3,720,031	3,409,700
	\$ 22,016,413	\$ 19,170,733

The City has a revolving demand facility to a maximum of \$5,000,000 by way of prime rate based loans bearing interest at prime less 1.9% and letters of credit bearing interest at 0.5% per annum. As at 31 December 2017, \$ - (2016 - \$ -) was drawn under this facility. This facility is unsecured. Availability is subject to financial criteria and is at the discretion of the bank.

2. TEMPORARY INVESTMENTS

	Market Value	2017	2016
Unrestricted	\$ 14,223,887	\$ 13,233,444	\$ 14,095,492
Restricted	1,744,275	1,744,275	1,836,769
	\$ 15,968,162	\$ 14,977,719	\$ 15,932,261

99% of the temporary investments are held in the One Fund - Public Sector Group of Funds. The investments are bond funds with rates of return between -0.14% and 9.72%.

3. LONG TERM NOTE RECEIVABLE

	2017	2016
Loan receivable, Ontario Power Generation, repayable \$1,587 monthly including interest at 5%, secured by leasehold improvements, matures 2020.	\$ 36,830	\$ 53,601

4. CITIZENS' PROSPERITY TRUST FUND INVESTMENTS

	2017	2016
Cash	\$ 13,950	\$ 13,812
Temporary Investments	32,830,773	33,401,524
	\$ 32,844,723	\$ 33,415,336

The market value of the temporary investments is \$34,323,602 at the end of the year. The proceeds from the sale of the Kenora Municipal Telephone System, KMTS Mobility and KMTS Net were transferred to the Citizens' Prosperity Trust Fund in 2008. 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.

37% of the temporary investments are held in the One Fund - Public Sector Group of Funds. The investments are held in bond funds with interest rates of -0.14%, 2.47% and 9.72%. The remaining investments are managed by Manulife Asset Management and held with RBC Dexia. The investments are held in various government and bank bonds and debentures. Interest rates range from 1.58% to 4.5%. These investments mature between 2019 and 2022.

Debentures receivable in the amount of \$8,169,071 have been eliminated on consolidation. These debentures are due from the City of Kenora and were used to finance a number of capital projects. The interest rate on these debentures is 3%. They mature between 2020 and 2032.

THE CORPORATION OF THE CITY OF KENORA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2017

5. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISE (in thousands of dollars)

The Kenora Hydro Electric Corporation Ltd. is owned and controlled by the City of Kenora and as a business enterprise of the City, is accounted for on a modified equity basis in these consolidated financial statements. The following information provides condensed supplementary information for the enterprise for the year ended 31 December 2017.

i) Financial Position, Results of Operations and Changes in Net Assets

	2017	2016
Current assets	\$ 5,018	\$ 5,714
Non-current assets	8,725	8,805
Regulatory deferral account debit balances and related deferred tax	38	37
Total assets and regulatory deferral account balances	13,781	14,556
Current liabilities	1,641	2,253
Non-current liabilities	2,229	2,467
Total Liabilities	3,870	4,720
Net Assets	\$ 9,911	\$ 9,836
Revenue	\$ 14,488	\$ 15,761
Expenses	14,511	15,037
Income from operating activities	(23)	724
Finance income	61	65
Finance cost	(148)	(149)
Income before provision for payment in lieu taxes	(110)	640
Provision for payments in lieu taxes	(1)	36
Profit for the year before net movements in regulatory deferral account balances	(109)	604
Net movement in regulatory deferral account balances related to profit or loss and the related deferred tax movement	184	(333)
Total comprehensive income for the year	\$ 75	\$ 271

THE CORPORATION OF THE CITY OF KENORA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2017

5. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISE (in thousands of dollars) - continued

	2017	2016
ii) Balances with other organizations		
Due from City of Kenora	\$ 1,077	\$ 879

iii) Transactions with other organizations

Administration charges by City of Kenora	\$ 297	\$ 205
Interest charged to Kenora Hydro	92	92

Purchases from and sales to the City of Kenora and its business enterprises in the normal course of operations are recorded at amounts approximating those charged to unrelated parties and total approximately \$1.84 million in 2017 (2016 - \$1.9 million).

iv) Subsequent Event

On November 24, 2017, the KHEC Board of Directors and the Corporation of the City of Kenora signed a Merger Participation Agreement with Thunder Bay Hydro Corporation, Thunder Bay Hydro Electricity Inc. to amalgamate and continue as a corporation under the Laws of Ontario. In April 2018, an application was sent to the Ontario Energy Board seeking approval for the merger.

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THE CORPORATION OF THE CITY OF KENORA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2017

6. DEFERRED REVENUE

	2017					
	Opening balance	Contributions received	Externally restricted investment income	Revenue recognized	Ending balance	
Federal gas tax	\$ 18,444	\$ 949,778	\$ 3,783	\$ -	\$ 972,005	
Dedicated gas tax	662,958	148,031	6,641	138,711	678,919	
Miscellaneous transit funding	245,019	-	-	11,520	233,499	
Roads deposits	48,705	-	488	-	49,193	
Other deferred revenue	726,194	1,427,686	5,452	116,889	2,042,443	
	\$ 1,701,320	\$ 2,525,495	\$ 16,364	\$ 267,120	\$ 3,976,059	

Federal gas tax

Gas tax revenue is provided by the Government of Canada. The use of funding is established by a funding agreement between the City and the Association of Municipalities of Ontario. Gas tax funding may be used towards designated public transit, water, wastewater, solid waste, community energy systems, roads and capacity building projects as specified in the funding agreements.

Dedicated gas tax

The Provincial Ministry of Transportation provides municipalities with \$0.02 per litre of provincial gas tax to improve and expand transit. The funds can only be used to support municipal public transportation expenditures above a municipality's baseline spending.

7. ACCUMULATED SURPLUS

Accumulated surplus consists of individual fund surplus, reserves and reserve funds and internally restricted entities as follows:

	2017	2016
Current funds	\$ 491,309	\$ 856,984
Investment in tangible capital assets	154,722,219	152,556,817
Less: Capital assets to be financed by long term debt	-	(88,903)
Government business enterprise	9,911,000	9,836,000
	165,124,528	163,160,898
Reserves and Reserve Funds		
Working capital	4,461,465	4,311,465
Contingencies	7,966,562	8,592,819
Capital expenditure purposes	14,153,492	14,184,535
Replacement of equipment	700,913	1,016,925
Museum	437,163	430,299
Cemetery Columbarium	186,152	155,700
Current expenditures purposes	2,252,291	1,393,038
Total Reserves and Reserve Funds	30,158,038	30,084,781
Internally Restricted Entity		
Citizens' Prosperity Trust Fund	32,791,863	33,405,644
ACCUMULATED SURPLUS	\$ 228,074,429	\$ 226,651,323

The investment in tangible capital assets represents amounts already spent and invested in infrastructure and other non-financial assets.

THE CORPORATION OF THE CITY OF KENORA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2017

8. TANGIBLE CAPITAL ASSETS

	Land	Site Improve- ments	Buildings	Equipment	Fleet	Docks and Wharfs	Roads and Bridges	Water	Sewer	Work in Progress and Other	2017
Cost, beginning of year	\$ 11,043,743	\$ 6,384,591	\$ 34,814,934	\$ 5,620,503	\$ 16,328,420	\$ 2,181,181	\$ 108,285,061	\$ 38,573,649	\$ 50,676,506	\$ 8,183,885	\$ 282,092,473
Additions	590,992	29,994	1,937,653	398,834	1,485,701	110,766	1,412,332	328,824	1,647,772	952,367	8,895,235
Disposals/transfers	-	-	235,905	(5,463)	(698,646)	-	-	(2,126)	(173,352)	(276,637)	(920,318)
Cost, end of year	\$ 11,634,735	\$ 6,414,585	\$ 36,988,493	\$ 6,013,874	\$ 17,115,475	\$ 2,291,947	\$ 109,697,393	\$ 38,900,347	\$ 52,150,926	\$ 8,859,615	\$ 290,067,390
Accumulated amortization, beginning of year	\$ -	\$ 1,664,573	\$ 6,957,145	\$ 3,996,439	\$ 8,580,468	\$ 461,414	\$ 67,135,857	\$ 14,414,295	\$ 21,840,793	\$ 4,484,672	\$ 129,535,656
Amortization	-	250,413	876,264	330,907	839,857	76,505	2,543,637	556,402	833,979	268,225	6,576,190
Disposals	-	-	(7,356)	(5,463)	(585,217)	-	-	(2,126)	(166,514)	-	(766,676)
Accumulated amortization, end of year	\$ -	\$ 1,914,986	\$ 7,826,053	\$ 4,321,884	\$ 8,835,108	\$ 537,919	\$ 69,679,495	\$ 14,968,571	\$ 22,508,258	\$ 4,752,897	\$ 135,345,171
Net carrying amounts, end of year	\$ 11,634,735	\$ 4,499,599	\$ 29,162,440	\$ 1,691,990	\$ 8,280,367	\$ 1,754,028	\$ 40,017,898	\$ 23,931,776	\$ 29,642,669	\$ 4,106,718	\$ 154,722,219

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THE CORPORATION OF THE CITY OF KENORA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2017

8. TANGIBLE CAPITAL ASSETS

	Land	Site Improve- ments	Buildings	Equipment	Fleet	Docks and Wharfs	Roads and Bridges	Water	Sewer	Work in Progress and Other	2016 *Restated
Cost, beginning of year	\$ 11,043,743	\$ 6,302,985	\$ 33,741,057	\$ 5,323,352	\$ 14,892,338	\$ 1,999,835	\$ 103,786,687	\$ 38,471,220	\$ 50,079,180	\$ 7,772,093	\$ 273,412,490
Additions	-	81,606	1,073,877	303,329	1,653,442	181,346	4,583,940	102,429	512,971	772,572	9,065,512
Disposals/transfers	-	-	-	(6,178)	(217,360)	-	114,434	-	84,355	(360,780)	(385,529)
Cost, end of year	\$ 11,043,743	\$ 6,384,591	\$ 34,814,934	\$ 5,620,503	\$ 16,328,420	\$ 2,181,181	\$ 108,285,061	\$ 38,573,649	\$ 50,676,506	\$ 8,183,885	\$ 282,092,473
Accumulated amortization, beginning of year	\$ -	\$ 1,416,392	\$ 6,131,321	\$ 3,674,186	\$ 8,032,034	\$ 388,367	\$ 64,613,930	\$ 13,851,100	\$ 21,037,787	\$ 4,219,755	\$ 123,364,872
Amortization	-	248,181	825,824	339,103	820,233	73,047	2,521,927	563,195	815,312	264,917	6,471,739
Disposals	-	-	-	(16,850)	(271,799)	-	-	-	(12,306)	-	(300,955)
Accumulated amortization, end of year	\$ -	\$ 1,664,573	\$ 6,957,145	\$ 3,996,439	\$ 8,580,468	\$ 461,414	\$ 67,135,857	\$ 14,414,295	\$ 21,840,793	\$ 4,484,672	\$ 129,535,656
Net carrying amounts, end of year	\$ 11,043,743	\$ 4,720,018	\$ 27,857,789	\$ 1,624,063	\$ 7,747,952	\$ 1,719,767	\$ 41,149,204	\$ 24,159,354	\$ 28,835,713	\$ 3,699,213	\$ 152,556,817

The net book value of tangible capital assets not being amortized because they are under construction (or development or have been removed from services) is \$1,108,621 (2016 - \$659,788). The municipality holds various works of art and historical treasures pertaining to the Lake of the Woods Museum. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

*In 2016, work in progress that was completed throughout the year was not allocated to the proper asset class through the transfers line. This note has been restated to reflect these changes which did not affect the total tangible capital asset balance.

THE CORPORATION OF THE CITY OF KENORA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2017

9. OTHER INCOME

	2017	2016
Penalties and interest on taxation	\$ 285,804	\$ 289,627
Investment income	529,876	1,118,239
Donations	98,865	27,998
Miscellaneous	503,977	595,909
	\$ 1,418,522	\$ 2,031,773

10. PENSION AGREEMENTS

The municipality and its employees contribute to the Ontario Municipal Employees Retirement System ("OMERS"), a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is jointly responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has approximately 470,000 active, deferred and retired members.

Each year an independent actuary determines the Plan's funded status by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. On December 31, 2017, the estimated accrued pension obligation for all members (including survivors) of the Plan was \$93,614 million (2016 - \$86,959 million). The Plan had net assets available for benefits of \$95,198 million at the end of 2017 (2016 - \$85,360 million). The resulting funding surplus was \$605 million as at December 31, 2017 (2016 - \$2,341 million deficit). The actuary does not attribute portions of the unfunded liability to individual employers. The Corporation of the City of Kenora paid \$917,010 for employer contributions to the plan in 2017 (2016 - \$890,502).

11. PUBLIC SECTOR SALARY DISCLOSURE

For 2017, the following employees were paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more:

Name	Position	Salary Paid	Taxable Benefits
Karen Brown	Chief Administrative Officer	\$ 168,623	\$ 1,882
Jeff Hawley	Operations Manager	\$ 129,628	\$ 1,561
Larry Cottam	Captain, Firefighter	\$ 124,621	\$ 1,236
Sharen McDowall	Human Resources Strategist	\$ 118,856	\$ 1,459
Donald Skene	Fire and Emergency Services Manager	\$ 115,369	\$ 1,386
William Chmeliuk	Firefighter	\$ 111,538	\$ 1,084
Heather Kasprick	City Clerk	\$ 108,797	\$ 1,310
Charlotte Edie	Treasurer	\$ 108,797	\$ 1,338
Marco Vogrig	Municipal Engineer	\$ 108,797	\$ 1,343
Gary Sinclair	Firefighter	\$ 106,399	\$ 1,071
John Martin	Captain, Firefighter	\$ 106,201	\$ 1,236
Michael Mostow	Fleet Supervisor	\$ 101,905	\$ 1,253
Biman Paudel	Water and Wastewater Division Lead	\$ 101,904	\$ 1,241
Brian Birch	Captain, Firefighter	\$ 100,152	\$ 1,094

THE CORPORATION OF THE CITY OF KENORA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2017

12. BUDGET

The Financial Plan (Budget) By-Law adopted by Council on 6 June 2017 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use of surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues is \$nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and changes in net financial assets represent the Financial Plan adopted by Council on 6 June 2017 with adjustments as follows:

	2017
Financial plan (budget) by-law surplus for the year	\$ (546,201)
Add:	
Capital expenditures	13,491,824
Debt principal repayments	718,541
Less:	
Debenture financing of capital expenditures	(746,500)
Budgeted transfers from accumulated surplus	(3,809,831)
Amortization	(6,576,190)
Budget surplus per statement of operations	\$ 2,531,643

13. COLLECTION OF TAXES ON BEHALF OF OTHER TAXATION AUTHORITIES

During the year, taxation revenue of \$4,831,190 (2016 - \$5,298,913) was raised and remitted to the school boards.

14. TRUST FUNDS

The trust funds administered by the municipality for the benefit of external parties have not been included in the statement of financial position nor have the operations been included in the statement of operations. At 31 December, the trust funds balances are as follows:

	2017	2016
Lake of the Woods Cemetery		
Land Fund	\$ 6,239	\$ 4,676
Perpetual Care Fund	618,733	590,569
Langford Estate	56,309	55,750
	\$ 681,281	\$ 650,995

15. EMPLOYEE FUTURE BENEFITS

The City of Kenora pays certain health and dental benefits on behalf of its retired employees. Active employees are also eligible to receive non-vesting sick leave benefits. The City recognizes post-employment and non-vesting sick leave costs in the period in which the employees rendered the services. The expense for the twelve months ended 31 December 2017 was \$42,866 (2016 recovery - \$45,919), and the resulting future employee benefit liability was \$2,441,191 at 31 December 2017 (2016 - \$2,439,742).

The main assumptions employed for the calculation of employee future benefits are as follows:

1. Interest (Discount) Rate

The interest (discount) rate used for fiscal 31 December 2017 expense and accrued obligation is 2.90%.

2. Medical Costs

Medical costs were assumed to increase 6.25% in 2017 grading down by .25% per annum to 4.5% thereafter.

3. Dental Costs

Dental costs were assumed to increase 2.75% per year.

4. Non-Vesting Sick Leave Costs

Salary rates were assumed to increase 1.5% per year to 2019 and 2.15% per year thereafter.

THE CORPORATION OF THE CITY OF KENORA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2017

16. EMPLOYEE FUTURE BENEFITS PAYABLE

	2017	2016
Employee future benefits (Note 15)	\$ 2,441,191	\$ 2,439,742
Vested sick leave	94,084	85,042
Lieu time accrual	122,878	96,109
	\$ 2,658,153	\$ 2,620,892

17. CONTINGENT LIABILITIES AND COMMITMENTS

At 31 December 2017, the Corporation of the City of Kenora has guaranteed bank indebtedness of the following: Kenora Golf and Country Club in the amount of \$260,012 (2016 - \$303,344) (the maximum amount of the guarantee is \$650,000), the Kenora Health Care Centre in the amount of \$6,271,453 (2016 - \$6,448,179) and the Kenora Airport Authority Inc. in the amount of \$0 (the maximum amount of the guarantee is \$1,000,000).

The Corporation of the City of Kenora's pro-rata share of the cumulative operating deficit of the District of Kenora Home for the Aged is \$1,440,888 for 2017 (2016 - \$1,677,578). The Home's management expects to recover this deficit from projected future operating surpluses. A billing to municipalities for their respective share of the deficit is not anticipated.

The Corporation of the City of Kenora has several claims and possible claims pending against it. The outcome of these claims is not yet determined and no amounts have been recorded in the accounts relating to these claims and possible claims.

18. LANDFILL CLOSURE AND POST-CLOSURE LIABILITIES

The Ontario Environmental Protection Act sets out regulatory requirements for the closure and maintenance of landfill sites. Under this Act, the City is required to provide for closure and post-closure care of solid waste landfill sites. The costs related to these obligations are provided over the estimated remaining life of active landfill sites based upon usage.

The City has one inactive landfill site. It has previously incurred all costs relating to the closure and retains responsibility for all costs relating to post-closure care which are recorded annually as they are incurred.

The City maintains one active landfill site which has an estimated remaining useful life of approximately 40 years. Based on an environmental assessment performed by consultants \$18,963 has been accrued relating to the closure & post-closure care for this landfill site at 31 December 2017.

THE CORPORATION OF THE CITY OF KENORA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2017

19. SEGMENTED INFORMATION

The City of Kenora is a diversified municipal government institution that provides a wide range of services to its citizens, including fire, public transit, solid waste, water and waste water and recreation. For management reporting purposes the City's operations and activities are organized and reported by Segment. Segments were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

City services are provided by departments and their activities are reported in these functions. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General Government

General government encompasses all the City's administration including Council, the Administrator's office, finance and administration and human resources.

Protection to Persons and Property

This segment encompasses contracted police services, fire services and by-law enforcement. The fire department is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection or extinguishment of fires. The by-law department is responsible for animal control and for enforcing by-laws passed by council. The building inspectors ensure an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards and by-laws.

Transportation Services

Transportation services are the responsibility of the public works department. This department delivers municipal public works services related to the planning, development and maintenance of roadway systems, transit, docks, wharfs and street lighting.

Environmental Services

The environmental services segment consists of three areas - water, wastewater and solid waste. The department provides drinking water and treats wastewater to a portion of the City. It also provides collection, disposal and waste minimization programs and facilities for solid waste.

Health Services

Health services includes contributions to the Northwestern Health Unit, the Kenora District Services Board for ambulance services and to the Lake of the Woods Cemetery.

THE CORPORATION OF THE CITY OF KENORA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2017

19. SEGMENTED INFORMATION (continued)

Social and Family Services

The social and family services segment provides Ontario Works services, day care services and includes contributions to the District of Kenora Home for the Aged and to the Kenora District Services Board for social housing.

Recreation and Cultural Services

Recreation and cultural services is responsible for the maintenance of parks and open space. Also included in this segment are the Kenora Recreation Centre (ice surface, swimming pools and workout facilities) and the Keewatin Memorial Arena (ice surface). The operations of the Kenora Library and the Lake of the Woods Museum are also in this segment.

Planning and Development

The planning and development segment includes planning, economic development and tourism. It provides services for the approval of all land development plans and the application and enforcement of zoning by-laws.

In addition, as noted in significant accounting policies, these financial statements consolidate the revenue and expenses of various entities. These entities have been separately disclosed in the segmented information which follows.

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THE CORPORATION OF THE CITY OF KENORA
SCHEDULE OF CONSOLIDATED SEGMENT DISCLOSURE
For the year ended 31 December 2017

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Eliminations	2017 Total
Revenues										
Taxation	\$ 3,184,539	\$ 6,712,558	\$ 5,419,605	\$ 409,721	\$ 1,675,686	\$ 2,858,235	\$ 3,292,490	\$ 981,368	\$ -	\$ 24,534,202
Fees and user charges	129,608	567,654	927,713	10,910,078	175,602	-	1,546,514	262,592	-	14,519,761
Government grants	572,699	1,681,429	1,288,819	346,009	447,407	466,926	1,570,745	588,653	(1,122,886)	5,839,801
Net government business enterprise earnings	75,000	-	-	-	-	-	-	-	-	75,000
Other	256,931	230,083	185,765	291,661	58,211	97,970	252,831	45,070	-	1,418,522
	4,218,777	9,191,724	7,821,902	11,957,469	2,356,906	3,423,131	6,662,580	1,877,683	(1,122,886)	46,387,286
Expenses										
Salaries and benefits	2,326,076	2,436,852	2,966,217	3,468,868	214,465	539	3,040,117	845,189	-	15,298,323
Materials and supplies	1,125,634	6,345,733	2,250,324	4,379,513	105,123	-	2,071,868	754,562	-	17,032,758
External transfer	(18,268)	-	331,800	-	2,156,284	3,585,258	1,076,735	47,987	(1,122,886)	6,056,910
Amortization	131,055	379,002	3,463,371	1,781,026	4,968	-	641,608	175,161	-	6,576,190
	3,564,496	9,161,587	9,011,713	9,629,407	2,480,840	3,585,797	6,830,328	1,822,898	(1,122,886)	44,964,180
Net surplus (deficit)	\$ 654,281	\$ 30,137	\$ (1,189,811)	\$ 2,328,062	\$ (123,934)	\$ (162,666)	\$ (167,748)	\$ 54,785	\$ -	\$ 1,423,106

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Eliminations	2016 Total
Revenues										
Taxation	\$ 2,928,260	\$ 6,691,823	\$ 5,265,236	\$ 244,022	\$ 1,548,599	\$ 2,691,277	\$ 3,165,242	\$ 929,159	\$ -	\$ 23,463,618
Fees and user charges	75,299	571,316	915,358	10,369,913	158,565	-	1,456,918	404,890	-	13,952,259
Government grants	557,869	1,647,032	3,770,737	45,147	422,464	497,918	1,847,470	397,258	(1,085,412)	8,100,483
Net government business enterprise earnings	271,000	-	-	-	-	-	-	-	-	271,000
Other	792,940	281,748	221,684	296,382	67,782	113,312	200,443	57,482	-	2,031,773
	4,625,368	9,191,919	10,173,015	10,955,464	2,197,410	3,302,507	6,670,073	1,788,789	(1,085,412)	47,819,133
Expenses										
Salaries and benefits	2,267,003	2,422,518	2,891,598	3,376,162	201,300	534	3,152,999	1,001,680	-	15,313,793
Materials and supplies	1,174,397	6,735,719	1,943,949	4,694,615	78,218	-	2,085,314	611,035	-	17,323,247
External transfer	(6,729)	-	78,229	-	2,009,879	3,491,842	1,051,301	-	(1,085,412)	5,539,110
Amortization	133,034	380,368	3,406,221	1,767,037	13,394	-	599,463	172,222	-	6,471,739
	3,567,704	9,538,605	8,319,997	9,837,814	2,302,791	3,492,376	6,889,077	1,784,937	(1,085,412)	44,647,890
Net surplus (deficit)	\$ 1,057,664	\$ (346,686)	\$ 1,853,018	\$ 1,117,650	\$ (105,381)	\$ (189,869)	\$ (219,004)	\$ 3,852	\$ -	\$ 3,171,243

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes, certain government grants and interest income have been apportioned based on a percentage of budgeted expenses.

THE CORPORATION OF THE CITY OF KENORA
SCHEDULE OF CONSOLIDATED SEGMENT DISCLOSURE BY ENTITY
For the year ended 31 December 2017

	City	Lake of the Woods Museum	Kenora Public Library	Provincial Offences	LOW Development Corporation	2017 Total
Revenues						
Taxation	\$ 24,534,202	\$ -	\$ -	\$ -	\$ -	24,534,202
Fees and user charges	13,918,332	104,761	39,929	342,390	114,349	14,519,761
Government grants	5,720,372	29,966	70,364	-	19,099	5,839,801
Net government business enterprise earnings	75,000	-	-	-	-	75,000
Other	1,323,018	93,708	5,357	-	(4,561)	1,418,522
	45,570,924	228,435	115,650	342,390	128,887	46,387,286
Expenses						
Salaries and benefits	14,374,220	301,862	485,202	137,099	-	15,298,323
Materials and supplies	16,413,326	174,476	145,669	122,413	176,874	17,032,758
External transfer	7,006,132	(286,601)	(614,634)	-	(47,987)	6,056,910
Amortization	6,516,746	-	59,444	-	-	6,576,190
	44,310,423	189,677	75,681	259,512	128,887	44,964,180
Net surplus (deficit)	\$ 1,260,501	\$ 38,758	\$ 40,969	\$ 82,878	\$ -	\$ 1,423,106

	City	Lake of the Woods Museum	Kenora Public Library	Provincial Offences	LOW Development Corporation	2016 Total
Revenues						
Taxation	\$ 23,463,618	\$ -	\$ -	\$ -	\$ -	23,463,618
Fees and user charges	13,226,544	92,827	42,433	456,515	133,940	13,952,259
Government grants	7,974,812	51,907	63,764	-	10,000	8,100,483
Net government business enterprise earnings	271,000	-	-	-	-	271,000
Other	1,964,704	39,416	12,792	-	14,861	2,031,773
	46,900,678	184,150	118,989	456,515	158,801	47,819,133
Expenses						
Salaries and benefits	14,381,088	310,292	492,078	130,335	-	15,313,793
Materials and supplies	16,699,110	143,304	165,077	107,299	208,457	17,323,247
External transfer	6,488,567	(285,167)	(614,634)	-	(49,656)	5,539,110
Amortization	6,410,225	-	61,514	-	-	6,471,739
	43,978,991	168,429	104,035	237,634	158,801	44,647,890
Net surplus (deficit)	\$ 2,921,687	\$ 15,721	\$ 14,954	\$ 218,881	\$ -	\$ 3,171,243

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes, certain government grants and interest income have been apportioned based on a percentage of budgeted expenses.



July 31, 2018

City Council Committee Report

To: Mayor and Council

Fr: Jon Ranger, Budget/Special Projects Officer/Deputy Treasurer

Re: June 2018 Financial Statements

Recommendation:

That Council hereby accepts the monthly Financial Statements of the Corporation of the City of Kenora at June 30, 2018.

Background:

Attached for your information, please find the June 2018 summary expense and user fee statements for the City of Kenora and the Council department. Also Expenses & User fees for Water & Sewer and Solid Waste have been separated. At the end of June, the year is 50% complete, so not including any seasonal or timing differences, there should be 50% of the budget remaining.

Overall:

- Expenses at the end of June 2018 were close to budget with 51.48% remaining to be spent. Water & Sewer 58.32% left in the budget and Solid Waste 56.52% left in the budget.
- User fee revenues to the end of June 2018 are close to budget with 52.70% left to collect. Water & Sewer 58.46% left to collect and Solid Waste by the end of June had 57.44% left to collect.

Expenditures:

- **General Government** - The General Government expenses to date are slightly below budget with 52.81% of the expense budget unspent.
 - **Municipal Elections** – Staff time has been budgeted to this department however it is currently less than budgeted, more wages expected as we come closer to the election date.
 - **Administrator's Office** – In June, 96k of the 125k legal budget has already been spent. These were anticipated expenses in the budget, and this is the main reason for this department being over budget in June.
 - **Building & Grounds Maintenance** – Utilities and repairs & maintenance are currently under budget.
- **Protection** – The Protection Department expenses to date are close to budget with 51.04% remaining in the budget.
 - **911 Emergency Access** – Annual payment has not yet been made for 2018.

- **Transportation** – The Transportation Department expenses to date are below budget with 55.93% remaining in the budget.
 - **Surface Treated Roads** – Purchase of hot mix materials and A gravel currently under budget. Purchases expected to increase throughout summer months.
 - **Loosetop Roads Maintenance** – Washout and resurfacing materials currently under budget. Expected to increase throughout summer months.
 - **Winter Control Maintenance** – Expenses over budget as this is a seasonal department that will not have any more expenses until November/December.
 - **Docks** – Under budget as PIL property taxes were posted on the final tax due date of July 20, 2018.
 - **Garage & Shop** – Over budget currently as parts are initially coded to garage before they are allocated out to specific vehicles. Also wages are over budget currently as more time is being allocated to department 392 then budgeted for. As an average, 20.4% of mechanics wages were budgeted for in department 392, the rest of the wages were budgeted for in various vehicles & equipment departments.

- **Environmental** – The Environmental Department expenditures have exceeded budget with 46.54% left in the budget. 58.32% left in the budget in Water & Sewer and 56.52% remaining in Solid Waste.
 - **Storm Sewers** – Department is currently over budget – more work has been done on storm sewers than anticipated and wage allocations are higher than expected.
 - **Recycling facility** – Slightly over budget due to wages, and rental of own equipment. Rental of own equipment represents the recycling facilities use of Solid Waste equipment.

Water & Sewer

- **Sanitary System** –Property taxes were recorded on July 20, 2018 so they are not reflected in these statements. Also note that our sanitary system employees have more time working on storm sewers this year than expected.
- **Sewage Treatment Plant & Water Treatment Plant** – Property taxes were recorded on July 20, 2018 so they are not reflected in these statements.
- **General Water Standpipe & Booster** – Under budget as very little materials and supplies have been purchased to date.

Solid Waste

- **Hazardous Waste Day** – Expenses under budget as a hazardous waste day has not yet occurred for 2018.
- **Kenora Area Landfill** – Expenses under budget as wage allocation is less than expected and repairs and maintenance is currently under budget.

- **Health Services** – Health expenditures are right on budget with only payments for the cemetery to be made.

- **Social and Family Services** – Social and Family Expenditures are close to budget to the end of June. Home for the aged is over budget as this is paid in 3 installments, the second of which was paid June 1, 2018.

- **Community Services** – Overall Community Services expenses are slightly under budget with 52.24% remaining to be spent.
 - **Parks** – All parks departments including ballfields are under budget as these are seasonal departments with most of the expenses to occur in the summer months.
 - **KRC Complex & Thistle Arena** – Actual wages based on management's estimates for maintenance operators, have been reallocated to thistle arena. However budgets appear to be higher than actuals and budget allocations will be reviewed for 2019 to better represent actuals.
 - **Teams and Clubs** – Grants have not yet been paid out to the 3 community clubs as they have not filled out their grant application forms.
- **Planning & Development** – Planning & Development expenses are slightly under budget with 56.06% left in the budget.
 - **Tourism** – Below budget as expected. Many Tourism activities take place throughout the summer months, including the summer student wages.

User Fees:

- Overall, user fees are close to budget projections with 52.70% of the budget still to be collected. 58.46% of Water & Sewer User fees are also still to be collected and Solid Waste has 57.44% left to collect.
- **General Government**
General Government is ahead of budget with 47.11% remaining to be collected.
- **Protection to Persons and Property**
Protection to Persons and Property is below budget with 73.69% still remaining to be collected.
 - **Provincial Offences** revenue is dependent on the fines assessed in this area. No revenue has been recorded to date. The first and second quarter are to be completed in August.
 - **Building Inspection** – Revenue is below budget as expected as much of the construction work is completed throughout the summer months.
- **Transportation Services**
Transportation user fees are right on budget with 50.24% remaining to be collected.
 - **Metered Parking** below budget as expected with the summer months being the busiest time for metered parking revenue.
 - **Docks and Wharfs** – revenues have exceeded budget expectations for the year.
 - **Mall Parking Lot** –behind budget at the end of June, expected to pick up during July and August.
 - **Garage and Shop** – No work order billings have been completed to date.
- **Environmental Services**
Environmental services user fees are below budget with 56.77% remaining to be collected. 58.46% of Water & Sewer User fees are also still to be collected and Solid Waste has 57.44% remaining to be collected.
 - **Recycling Facility** – Currently below budget, dependent on recycled materials. Revenues received from Ontario Electronic Stewardship.

Water & Sewer

- **Water and Sewer** user fees are one month behind budget with 58.52% and 58.39% not yet collected respectively.

Solid Waste

- **Transfer Facility** user fees currently below budget however it should be noted that with tourism and summer residents the transfer facility is significantly busier during the summer months.

- **Community Services**

Community Services user fees are right on budget with 49.41% remaining to be collected.

- **Parks and Ball fields** – User fees are below budget. Anicinabe revenues have not yet been billed for the summer.
- **MSFC Pool** – User fees have exceeded budget however it should be noted that with the closure in the summer, user fees should level out by the end of the summer.

- **Planning and Development**

Planning and Development user fees are below budget with 64.62% remaining to be collected.

- **Tourism, Tourism Facilities and Strategy, and Events** – With many of our Tourism programs taking place during the summer months it was expected that our Tourism related departments would be below budget at the end of June.

Please let me know if you have any questions, or would like to see any of the department statements in further detail.

Strategic Plan or other Guiding Document:

Fiscal Responsibility: We manage the municipal finances in a responsible, prudent and transparent manner.

ERM Assessment: Monitoring financial statements on a monthly basis mitigates some of the uncertainty related to projected costs vs actual expenditures.



July 20, 2018

City Council Committee Report

To: Mayor and Council

Fr: Jeff Hawley, Operations & Infrastructure Manager

Re: Traffic Amendment No Parking Zone– West Bay Road

Recommendation:

That Council authorizes an amendment to the City of Kenora Traffic Regulation By-law Number 180-2015 to include changes to Schedule “B” – No Parking – Tow Away Zone for West Bay Road, for the entire length on the north side; and further

That three readings be given to an amending by-law for this purpose.

Background Information:

As per Council discussion and direction at the July 17, 2018 Council Meeting, the Operations and Infrastructure Division have investigated options for a permanent solution to alleviate parking congestion along West Bay Road during sporting events at Portage Bay Ball Diamonds.

This topic was circulated internally to various departments within the City of Kenora. The idea of creating a new parking area off Rockcliffe was also explored. However, due to the cost (estimated at over \$100,000.00) this is not considered a feasible option.

Notwithstanding, based on comments from the Fire Chief over emergency access, it is recommended that no parking be implemented along the entirety of West Bay Road, along the north side.

It is recommended that Schedule “B” No Parking – Tow Away Zone, to Traffic Regulation By-law No. 180-2015, be amended to the current restrictions along the north side of West Bay Road as follows: -

Schedule “B” No Parking – Tow Away Zone

<u>Column 1</u> STREET/HIGHWAY	<u>Column 2</u> LOCATION	<u>Column 3</u> SIDE	<u>Column 4</u> TIME
<u>Delete:</u> West Bay Rd	From Ottawa St to Rockcliffe Rd	North	Anytime
<u>ADD:</u> West Bay Road	Entire Length	North	Anytime

Budget: N/A

Risk Analysis: There is a moderate to minor operational risk involved with not pursuing the recommendation to implement a no parking zone in this area. It is the City’s intention to create an incident free environment by reducing parking congestion along West Bay Road during sporting events held at Portage Bay Ball Diamonds. By Council approving this recommendation the hazard to motorists and pedestrians alike will be mitigated, as discussed with senior management.

Communication Plan/Notice By-law Requirements:

Resolution and By-law required. J. Hawley, M. Vogrig, K. Koralalage, T. Garbachewski, H. Kasprick, H. Lajeunesse, By-law Enforcement.

Strategic Plan or other Guiding Document:

Goal #2: Strengthen Our Foundations

2-4 - The City will act as the catalyst for continuous improvements to the public realm.



Proposed section of No Parking

Existing Sections of No Parking

1st West Bay Rd

2nd West Bay Rd

Rockcliffe Rd

West Bay Rd

Keewatin St

Ottawa St

— Schedule B - No Parking

City of Kenora
Engineering
60 Fourteenth St N
Kenora, ON P9N 4M9



July 24, 2018

City Council Committee Report

To: Mayor and Council

Fr: Jeff Hawley, Operations & Infrastructure Manager

Re: Winter Maintenance Policy Amendment

Recommendation:

That Council authorizes an amendment to the City of Kenora Winter Maintenance Policy #OP-4-1 with revisions reflecting the new Maintenance Standards as per O.Reg 366/18 under the Municipal Act, 2001, SO 2001, c.25; and further

That bylaw number 173-2010 be hereby repealed; and further

That three readings be given to a by-law to amend the Comprehensive Policy Manual for this purpose.

Background Information:

The Policy is designed as a guide for conducting winter maintenance and is a means of establishing the process and level of service for the winter season. As of May 3, 2018, Ontario Reg 366/18 came into force, amending O.Reg 239/02 under the Municipal Act, 2001, SO 2001, c.25 which established the minimum standards for the maintenance of municipal highways in Ontario.

In July, Council was presented with a detailed report outlining our obligations and approved a budget amendment which will reflect the costs associated with these changes. We have now reviewed the winter maintenance policy and the appropriate changes have also been made to reflect what is required in the policy for our day to day operations. The current Winter Maintenance Policy reflects a turn-around time of 72 hours to clear snow accumulated on City sidewalks to a depth of 8cm or less, which needs to be amended to a turn-around time of 48 hours which was discussed at the July 17, 2018 Council Meeting.

Budget: While there is no direct cost associated with this administrative policy change, the actual costs for the change were reflected in a previous report that was before Council in July 2018.

Risk Analysis: As per the requirements in the City's ERM Policy, there is a critical external regulatory and legislative risk which requires that senior management, CAO and Council be informed, all of which have been. By adopting the new minimum maintenance standards into our Winter Maintenance Policy, this risk will be mitigated through day to day operations complying with this new legislation.

Communication Plan/Notice By-law Requirements:

Resolution and By-law required. J. Hawley, M. Vogrig, K. Koralalage, H. Kasprick, H. Lajeunesse, By-law Enforcement, CAO, Council, B. Graham.

Strategic Plan or other Guiding Document:

Goal #2: Strengthen Our Foundations

2-1 – The City will ensure that our municipal infrastructure is maintained using available resources with the intent of moving towards all City infrastructure being in a good state of repair to ensure certainty, security and long-term stability of our systems.

2-4 - The City will act as the catalyst for continuous improvements to the public realm.

Winter Maintenance Policy



Section	Date	By-law Number	Page	Of
Operations	September 13, 2010	173-2010	1	9
Subsection	Repeals By-law Number		Policy Number	
Winter Maintenance	169-2008		OP-4-1	

Policy Statement

This policy is intended to be a guide as to how the Roads Department conducts its winter maintenance program. At least one of the following which may delay all or some of the services provided may affect all or parts of this policy:

- Equipment breakdown or manpower shortage
- Vehicle disabled in the snow
- Weather so severe as to cause crews to be called in from the streets
- Equipment rendered inadequate by the depth of snow and drifts
- Crew breaks, breaks required for refueling, refilling of abrasive materials, changing of blades
- Unforeseen conditions and emergencies
- Shift breaks as required by applicable regulations (CVOR/Employment Standards Act)

Purpose

The purpose of this Winter Maintenance Policy and Procedure is to establish the process and level of service for the winter season.

General Objectives

The following are the objectives of the City of Kenora Winter Maintenance Program:

- (a) To reduce the hazards of icy road conditions to motorists as well as maintain safe possible routes for buses, emergency vehicles as well as for commercial and passenger vehicles;
- (b) To maintain safe visibility for the operation of motor vehicles at driveways and intersections as well as to allow access to sidewalks from those exiting from parked vehicles and to provide space for plowughing snow.

Winter Maintenance Policy

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Procedures:

1. Implementation:

- 1.1 In order to meet these objectives, the following standards shall be adhered to (as closely as possible) by the Roads Department. It must be noted that because no two winter storms are alike, it may not always be feasible to achieve the standards below due to insufficient equipment, manpower or severity of a storm, however, these standards should act as a guide to be followed wherever possible.
- 1.2 The following policies and procedures outlined herein will be in effect when the weather conditions could cause accumulations of frost, sleet, ice or snow on Municipal roadways and lots and will be in effect during the normal winter season.
- 1.3 The normal winter season for the City of Kenora is to be considered from November 15 to April 15 of the following year.

2. Monitoring and Notification of Snow/ Ice Events

- 2.1 During normal hours, 8:00 a.m. to 4:30 p.m., Monday to Friday, the observations of City employees and / or police may alert the first response for snow ~~ploughing~~plowing. During after hours, police officers may direct the police dispatchers to contact the Roads Supervisor regarding street conditions. The Roads Supervisor will make the necessary arrangements to begin the sanding and snow ~~ploughing-plowing~~ operations.
- 2.2 The Roads Supervisor will monitor weather conditions when inclement weather is approaching.

3. Winter Parking Bans

- 3.1 A Permanent Ban remains in effect on downtown streets between 2:00 a.m. and 6:00 a.m. The permanent ban means that there is no parking on any signed street between the hours of 2:00 a.m. and 6:00 a.m. for maintenance purposes.
- 3.2 Also, no motorized vehicles shall park or be positioned in a manner so as to interfere with snow ~~ploughing~~plowing/ removal by the Roads Department.

Any vehicle parked in violation of this section can be ticketed and towed at the expense of the owner.

Winter Maintenance Policy

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- 3.3 Temporary Snow Removal signage is placed out the night before in area to be cleared. Any person failing to remove their vehicle from the street can be towed at the owner's expense.
- 3.4 Our goal is to restore safe road conditions quickly and this can be done more efficiently when roads are free of traffic and illegally parked vehicles.

4. Abandoned Vehicles

All abandoned vehicles left more than 48 hours along the roadway can be towed at the owner's expense.

5. Illegally ~~Ploughed~~ Plowed Snow

- 5.1 -No person shall take snow from their property or driveway and deposit it on a highway or roadway within the Municipality.
- 5.2 Every person having deposited snow or permitted snow to be deposited on a municipal highway or roadway shall be responsible to remove the snow from the highway or roadway.
- 5.3 No person shall clear or remove snow from a municipal highway or roadway in front of their residence and stock pile it on a municipal highway or roadway.
- 5.4 No person shall take snow and deposit it on a municipal highway or roadway or private property that abuts a municipal highway or roadway in such a way as to obstruct the safe flow of traffic, for example impaired site lines when exiting private driveways or causing people to park in a traveled portion of highway or roadway.

6. Snow ~~Ploughing~~ Plowing and Sanding Operations

- 6.1 All storm conditions are dictated by temperature, the amount of —moisture present in the storm, wind speed and duration. The combination of these factors is directly related to the conditions that dictate how a storm will be dealt with. Freezing rain, sleet, wet snow, dry snow, amount of snow, wind condition and time of day contribute to storm conditions.

Winter Maintenance Policy

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Snow ~~Ploughing-Plowing~~ and Sanding Operations (cont'd)

- 6.2 During major storms, crews will continuously ~~plough-plow~~ and sand the higher priority routes to ensure proper traffic flow.
- ~~6.3 Sidewalks are ploughed and sanded during the storm event. All sidewalks could take up to three (3) days to complete.~~
- 6.3 For snowfall events exceeding 8cm, sidewalks will be cleared to a depth of 8cm or less within two (2) days (48hrs) of the end of the snowfall event.
- 6.4 ~~Ploughing-Plowing~~ and sanding operations priority routes are based on the roads classifications (Class 1-6) as described in the Municipal Act 2001. The City of Kenora has no Class 1 or 2 roads. Class 3, 4 and 5 roads are outlined in the attached Appendix "A". All the remaining roads not mentioned are deemed as Class 6 roads.
- 6.5 Roads Department to Determine Routes:
- The residential road surfaces shall be bared as time and equipment permit, or at the discretion of the Roads Supervisor. Subject to policy, the Roads Supervisor shall determine when the ~~ploughs-plows~~ and sanders should be called out.
- 6.6 The goal of the City is to open streets as quickly as possible and keep them open throughout the storm. After heavy storms all roads will be pushed back to as close as the curb as possible and corners widened. Since the City uses different types of ~~snowplough-snowplow~~ equipment it is sometimes necessary to have larger equipment go back after each heavy snow to push snow banks back on some roads. Residents need to be aware that snow banks will be pushed back and end up into driveways. The City will not be responsible for nor will the Department clear driveways.
- 6.7 Before or after season storms on an equipment available basis. Equipment normally used for the winter season might not be available for the storm event. The City of Kenora will make every effort to achieve the Standard Levels as outlined.

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7. Snow Removal

The level of service for snow removal shall be in accordance with the following:

7.1 Downtown Core

Snow banks in the downtown core shall be removed using graders, loaders, blowers and dump trucks when the bank is 600 millimeters high from the curb, as staff and resources are available.

7.2 Collectors, Arterial and Intersections

Snow shall be picked up using graders, loaders, blowers and dump trucks when the bank is one meter in height from the curb, as staff and resources are available.

7.3 Residential Streets

- (i) Snow shall be picked up if and when it reaches a height of 1.2 meters, as staff and resources are available.
- (ii) On rural municipal roads snow will only be picked up on bridge decks and in areas where the boulevard space will not accommodate a bank of 1.2 meters in height (intersections and areas with sidewalks).

7.4 Railway Crossings

Snow shall be picked up as required to ensure that the bank does not exceed 800 millimeters in height within 50 meters of the crossing.

8. Winter Sanding and Salting

8.1 –Screened sand is stockpiled at the Public Works Yard located at 60 Fourteenth Street North by the 31st of October each year. Salt is added to the sand at a rate of 40 kg/ tonne to prevent freezing.

8.2 Police shall contact the Roads Supervisor or designate to call out sanding trucks after hours and on weekends in the event that unpredicted working weather conditions are causing a road hazard.

Winter Maintenance Policy

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Winter Sanding and Salting (cont'd)

8.3 Priority routes shall be sanded first, followed by ~~arterial streets~~arterial streets. Special attention will be paid to hills and intersections.

9. Municipal Lots

The Roads Department is responsible to maintain municipal parking lots. The lots will receive a priority lower than the streets and will be ~~ploughed~~plowed and sanded as equipment becomes available and the storm conditions allow. Depending on the time of the storm and normal operating hours of each municipal building will dictate the priority for ~~ploughing~~plowing each lot.

10. Cemetery

The cemetery will only be ~~ploughed~~plowed after all streets, sidewalks and parking lots have been cleared from snow unless a burial is scheduled in which case only those laneways needed to adequately serve the funeral service and grave site area will be cleaned and sanded. In most cases, other than after large snow events, all roadways will be cleared within five (5) days.

11. Claims for Damage

11.1 Mailboxes

The Department will not be responsible for any damages to objects located in the highway right of way including mail boxes, utility poles, garbage boxes, bus shelters and commercial signs. Mailboxes installed in the Right-of-Way are placed at the owners' risk. Each mailbox installation should be sufficiently solid to withstand snow clearing efforts by the City. The rolling action of the snow may damage mailboxes and posts. Residents may want to place a second post to act as a brace or place reflectors on the box and post for visibility in poor conditions.

11.2 Windshields

The Department will not accept any claims from the public for windshield or vehicle paint chip damage resulting from snow and ice control during winter operations of snow equipment.

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12. Driveways

City equipment and contracted snow ~~ploughs~~plows will not clear private driveways or other private property. Snow placed in a driveway or on a sidewalk where the driveway or sidewalk meets the Right-of-Way is the responsibility of the property owner to remove.

13. Sand Boxes

Sand boxes are strategically placed on steep hilled streets for residents to utilize as determined by the Roads Supervisor.

14. Complaints

A phone line has been established to register complaints. Calls for service should be avoided early in a storm event since it may take several hours for ~~ploughs~~plows to make their way to certain streets. If there is an immediate emergency or feel that a street was missed, please call the snow number.

Summary

Driving in winter snowstorms should be avoided whenever possible. In every storm event there are, at times, when road conditions become too hazardous despite all efforts.

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Appendix "A"

Class 3 Roads:

Highway 17 East	Lakeview Drive	2 nd Street South
Highway 17 West	Main Street South	Veterans Drive

Class 4 Roads:

Airport Road	May Avenue	7 th Avenue South
Chipman Street	McLellan Avenue	16 th Avenue North
Darlington Drive	Miikana Way	6 th Avenue South
8 th Avenue South	9 th Street North	6 th Street
5 th Street South	Norman Drive	6 th Street North
14 th Avenue North	Ottawa Street	6 th Street South
4 th Avenue South	Park Street	10 th Street
Government Road	Parsons Street	12 th Avenue North
Jones Road	Railway Street	Valley Drive
Matheson Street South	Rabbit Lake Road	

Class 5 Roads:

Agate Bay	Dowsett Street	14 th Street North
Agur Street	Duffus Road	4 th Avenue North
Amethyst Street	East Melick Road	4 th Avenue South
Anderson Road	18 th Avenue North	4 th Street
Bay Street	8 th Avenue North	4 th Street North
Bayview Drive	8 th Avenue South	4 th Street South
Beach Road	8 th Street	Front Street
Belle Avenue	8 th Street North	Gerald Street
Bernier Drive	11 th Avenue North	Golf Course Road
Beryl Winder Road	11 th Street North	Gould Road
Brinkman Road	Erie Street	Granite Court
Bunny Street	Essex Road	Guelph Street
Cambrian Drive	15 th Avenue North	Guernsey Street
Carlton Road	5 th Avenue South	Gunne Crescent
Charles Street	5 th Street	Heenan Place
Clarence Avenue	1 st Avenue South	Hennepen Lane
Coker Road	5 th Street	Hillside Crescent
Colonization Road	5 th Street North	Homestake Road
Crestview Street	1 st Avenue West	Huron Street
Currie Road	1 st Street North	James Road
Darren Avenue	1 st Street South	Kay Street
Donbrock Drive	Florence Avenue	Kirkpatrick Avenue
Doner Avenue	14 th Street	Lake Street

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Class 5 Roads (cont'd):

Lakeshore Drive	North Hamilton Street	Shauna Crescent
Lakeside Crescent	Ocean Avenue	Silverstone Drive
Laurenson Lane	Old Chalet Lane	16 th Avenue North
Lyndale Avenue	Ontario Street	6 th Avenue South
Main Street	Pearl Avenue	6 th Street
Main Street North	Peterson Road	6 th Street North
Main Street Rideout	Pine Portage Road	6 th Street South
Maple Street	Pine Ridge Drive	South Park Drive
Mary Lou Street	Poplar Lane	Spruce Street
Mascott Avenue	Poplar Street	Street A
Matheson Street North	Portage Street	Superior Street
May Avenue	Preston Street	Sylvan Street
McLean Avenue	Pump Avenue	10 th Avenue South
McQuillan Avenue	Rat Portage Road	10 th Street
Mellick Avenue	Regina Avenue	10 th Street North
Miikado Avenue	Ritchie Road	3 rd Avenue South
Mill Street	River Drive	3 rd Avenue West
Minnesota Street	River Street	3 rd Street
Minto Avenue	Robertson Street	3 rd Street North
Minto Crescent	Rocky Heights Road	3 rd Street South
Minto Drive	Rupert Road	13 th Avenue North
Minto Street	Sandstone Place	13 th Street North
Narin Avenue	School Road	Transmitter Road
Nelson Street	Scramble Avenue	Trojan Street
Nethercutt Drive	2 nd Avenue East	12 th Avenue North
19 th Avenue North	2 nd Avenue South	12 th Street
19 th Avenue South	2 nd Avenue West	12 th Street North
9 th Avenue North	2 nd Street North	Water Street
9 th Avenue South	17 th Avenue North	Wharf Street
9 th Street	7 th Avenue North	Wolsley Street
9 th Street North	7 th Avenue South	Woodfield Drive
9 th Street South	7 th Street	Woods Drive
Norman Drive	7 th Street North	
North Campbell Street	7 th Street South	



July 31, 2018

City Council Committee Report

To: Mayor and Council

Fr: Heather Kasprick, City Clerk

Re: Budget Amendment – KRC Twinning Preliminary Drawings

Recommendation:

That Council hereby approves an allocation of \$18,000.00 plus applicable taxes to be funded through wages for the Manager of Community & Development Services for payment of the preliminary drawings for the Kenora Recreation Centre expansion; and further

That in accordance with Notice By-law Number 144-2007, public notice is hereby given that Council intends to amend its 2018 Operating & Capital Budget at its August 14, 2018 meeting to allocate funds from the Manager of Community & Development Services wages in the amount of \$18,000.00 plus applicable taxes to offset the preliminary drawings cost for the Kenora Recreation Centre expansion; and further

That Council give three readings to a by-law to amend the 2018 budget for this purpose.

Background:

In April 2018, the Manager of Community and Development Services presented Council with a report on consideration for a twinning project for the Kenora Recreation Centre. At the time the report was released, it contained a portion of a recommendation which included a budget amendment to authorize the cost of preliminary drawings for the project. At the time the report was written, it was thought that the works had been completed in 2017, and the budget amendment recommendation for these preliminary drawings was removed at the Committee of the Whole meeting as a budget amendment was no longer required. It was later determined that the works had taken place in 2018. Unfortunately due to staff changes, the budget amendment did not come back to Council for payment of this outstanding invoice. While Council did not approve the financial commitment for the tender ready drawings for the detailed design process, this work for the preliminary drawings have already been completed and delivered to the City and therefore this balance remains outstanding and due.

Due to the vacancy in the Manager of Community & Development Services position, there are dollars available in the wages line that could be allocated to this invoice, rather than taking from contingency or other reserves.

Budget: \$18,000.00 plus applicable taxes to be funded through the Manager of Community & Development Services wages

Risk Analysis: This is an outstanding balance owed to a consulting firm which leaves a high risk to the City for bad debt.

Communication Plan/Notice By-law Requirements: bylaw required

Strategic Plan or Other Guiding Document: Administrative only



July 30th, 2018

Staff Report

To: Mayor and Council

Fr: Devon McCloskey, City Planner

Re: Application for Site Plan Approval – 1731 Railway Street

File No.: D11-18-01

Owners: Kings Landing (Kenora) Development Corporation

Recommendation:

That the Mayor and Clerk be authorized to execute a site plan agreement between the City of Kenora and Kings Landing (Kenora) Development Corporation, to allow for the development of roads, services, and associated facilities for lighting, drainage, paving, and landscaping, to support the development of a 22 lot plan of common elements condominium, as shown on the site plans; and further

That the appropriate bylaw be passed for this purpose.

Background:

The Planning Department, has been working with the developer since the fall of 2017, to set out the necessary approvals towards development of the 22 lot common elements condominium.

In April 2018, the application for site plan and all associated drawings were reviewed by the Site Plan Committee. Comments were provided and the necessary revisions were completed. There are no outstanding concerns.

In May 2018, the property was rezoned to R3[39] a site specific Third Density Zone, to grant relief from provisions of the Zoning By-law including the interior side yard provisions of 2.5 to 0 metres; exterior side yard from 4 metres to 0.35 metres; to increase lot coverage from 40% to 55%; to amend the definition of a "Street" as it pertains to the subject lot, to allow for frontage on a private road, as a site specific provision.

On July 17th, 2018, Council gave approval to a Part Lot Control By-law to enable the separation of stage 1 and 2 condominiums and to ensure that the property line is established along the wall between dwellings units.

Also on July 17th, the Planning Advisory Committee gave Draft Plan Approval to the 22 lot plan of Common Elements Condominium. Registration of the Site Plan Agreement was a condition of approval.

Public notice was given for the Zoning By-law Amendment as well as the Condominium, in accordance with the Planning Act.

As displayed on the Site Plans, the condominium development includes the creation of 22 buildable "parcels of tied lands" (POTLS) with groupings of 5 and 6 buildable

lots within 4 blocks. Common elements would include an internal, private road from Railway Street that would be constructed upon private lands to access the lots.

Services for municipal sewer and water will be extended, existing easements for Hydro and access would remain and would also constitute part of the common elements. Lands to the South would be retained and separately dealt with for a stage 2 condominium.

Refer to the site plans for drawings which display the facilities and services as approved by the Site Plan Review Committee.

Budget: No impact. Application fees paid in accordance with the Tariff of Fees By-law. All remaining costs for registration, etc. will be the responsibility of the developer.

Communication Plan/Notice By-law Requirements: Notice of meetings, of the Committee of a Whole, and Council provided as per the Notice By-law.

Please provide circulation of decision to: Community and Development Services Department, Operations Department, Property Owner, Filing.

Risk Analysis: Analysis of planning applications is accomplished in accordance with the legislation provided through the Planning Act. Applications are required to be consistent with the Provincial Policy Statement, and meet the criteria listed in the Official Plan.

Strategic Plan or Other Guiding Document: The Official Plan, Designation By-law (189-2010) and City Policy (PP-5-1), provides criteria for the evaluation of Applications for Site Plan Approval.



July 25, 2018

City Council Committee Report

To: Mayor and Council

Fr: Megan Dokuchie, Economic Development Officer

**Re: Steering Committee Member Request – Harbourfront Business
Development Plan**

Recommendation:

That Council hereby appoints Councillor _____ to participate on the Steering Committee for the Harbourfront Business Development Plan project.

Background:

The City of Kenora has identified the delivery of a Harbourfront Business Development Plan as a priority project in the 2018 capital budget.

HTFC Planning and Design was selected as the successful proponent through a Request for Proposals process in June 2018. A contract has been executed to deliver the project and work is ready to begin. The consultant is proposing that the initiative be lead by a Steering Committee comprised of City of Kenora staff, local business representatives, partner organizations and Council.

Budget:

Total project costs are \$71,435 plus HST, which is below the original cost estimate. The project has been approved through the 2018 capital budget process. Applications have been submitted to the Northern Ontario Heritage Fund Corporation (NOHFC) and Federal Economic Development Initiative for Northern Ontario (FedNor) for 66.66 percent of total project costs. NOHFC has confirmed funding support and a decision from FedNor is outstanding. City Council approved a budget amendment through the contingency reserve in July 2018 so that the project can proceed with a FedNor decision pending.

Risk Analysis: There is moderate financial risk in the event that FedNor does not approve the project and the work has already begun. The City would then be responsible for 66.67 percent of total project costs, with the remaining percentage to be funded by NOHFC. Staff have decided to accept this risk as indicated by the recommendation and this was accepted by Council in July 2018 through the approval of a budget amendment.

Communication Plan/Notice By-law Requirements: None.

Strategic Plan or other Guiding Document:

1-1 The City will provide clear and decisive leadership on all matters of economic growth in Kenora and the surrounding district;

- 2-1 The City will ensure that our municipal infrastructure is maintained using available resources with the intent of moving towards all City infrastructure being in a good state of repair to ensure certainty, security and long-term stability of our systems;
- 2-4 The City will act as the catalyst for continuous improvements to the public realm.



August 1, 2018

City Council Committee Report

TO: Mayor and Council

FR: Bruce Graham

RE: Garrow Play Structure Surface Material

Recommendation:

Whereas at the July 17, 2018 Regular meeting of Council administration was directed to proceed with the informal recommendation made by the Accessibility Advisory Committee to install artificial turf as the new playground cover for the Garrow Park Play Structure; and

Whereas Council directed that the Engineered Wood Fibre remain in place until such time as the contract to replace the ground cover at the Garrow Park Play Structure was awarded and the works are actively moving forward; and

Whereas Council authorized a budget amendment to withdraw funds from the Accessibility Reserve in the amount of \$75,000 to offset the cost of this work; and

Whereas the Accessibility Advisory Committee has met further to discuss the limited funds available for addressing accessibility issues within the community;

Now Therefore let it be Resolved That Council directes administration to put a hold on the direction that was provided to administration at the July 17, 2018 Council meeting to replace the engineered wood fibre (EWF) with artificial turf, to allow the Accessibility Advisory Committee time to review options and establish priorities.

Background:

In July, a citizens' group brought concerns to council about the engineered wood fibre that was installed as the protective surfacing at the Garrow play structure. These concerns related to perceived safety and comfort issues in that it was felt the material caused splinters for the children using the play structure. It was pointed out at the time that the engineered wood fibre was chosen because it met the requirements for an accessible play surface. The decision to remove one accessible surface material and replace it with another may not necessarily address the perceived safety and comfort issues. The manufacturer of both surfaces has indicated that shoes should be worn while playing on the surfaces.

Budget:

An amount not to exceed \$75,000 was approved at the July Council meeting.

Risk Analysis:

Engineered wood fibre is recognized as one of the safest choices for protective surfacing material as it provides the best shock attenuation in the event of a fall. It requires very little maintenance to continually meet its protective properties. If an area becomes contaminated in any way, it is easy to remove that section and replace it with fresh material. Engineered

wood fibre also meets the requirements for an accessible surface. Engineered wood fibre is used extensively in play structures throughout North America.

Turf grass, or artificial turf, is not widely utilized in Canada. It will require more maintenance than the engineered wood fibre and has a shorter, overall life-span (10 years versus 20 years). If an area becomes contaminated it is not as easy to correct the situation and replacement of the entire surface area may be required.

The risks then of removing the engineered wood fibre and replacing them with turf grass are as follows:

- The perceived safety and comfort issues are not necessarily addressed
- There will be increased costs to maintain and replace the turf grass
- There will be no significant improvement in terms of accessibility
- Funds that have been spent to purchase the engineered wood fibre will be lost

Communication Plan/Notice By-law Requirements: N/A

Strategic Plan or Other Guiding Documents:

1-10 The City will promote and leverage its recreation and leisure amenities as a means to support local economic activity, tourism and to strengthen community ties with our regional neighbours

2-1 The City will ensure that our municipal infrastructure is maintained using available resources with the intent of moving towards all City infrastructure being in a good state of repair to ensure certainty, security and long-term stability of our systems

2-4 The City will act as the catalyst for continuous improvements to the public realm

2-9 The City will support continuous improvements to recreation and leisure amenities, particularly those that support the quality of life

2-10 The City will continue to explore opportunities to develop and improve our beaches, parks & trails