



**MINUTES**  
**SPECIAL COMMITTEE OF THE WHOLE**  
**Monday, December 10, 2018**  
**8:30 a.m.**  
**City Hall Council Chambers**

---

**Present:** Mayor D. Reynard  
Councillor M. Goss  
Councillor R. McMillan  
Councillor A. Poirier  
Councillor K. Ralko  
Councillor S. Smith  
Councillor C. Van Wallegghem

**Staff:** Karen Brown, CAO, Heather Kasprick, City Clerk, Jon Ranger, Deputy Treasurer, Charlotte Edie, Treasurer

---

**Call Meeting to Order**

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

**Public Notices**

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

N/A

**Declaration of Pecuniary Interest & General Nature thereof**

- i) On Today's Agenda
- ii) From a Meeting at which a Member was not in Attendance

At 12:37 p.m. Councillor Poirier declared an indirect pecuniary interest on the portion of the budget discussion pertaining to the roof repairs and accessible upgrade at the Kenora Public Library. His wife is a board member of the Kenora Public Library Board.

**Deputations**

None

---

**1. Sewer & Water Operating & Capital Budget Review**

Jon Ranger, Deputy Treasurer, explained the process for Capital and budgeting process for Council.

Jon moved into the sewer & water operating and capital budget review. Total projected 2019 net revenue is \$3,637,082. Currently we are relatively close to being in line with the BMA study and the projections that were anticipated for the study. Mayor Reynard requested a comparison for projection – comparative from 2014 when the BMA made the recommendations to current. Charlotte Edie, Treasurer, has done a comparison to the operating but not the capital and that can be sent out to Council.

Council then moved into the detail of the various budgets in the various water and wastewater department budgets. In the past we have allocated all of the electrician's wages to water & sewer but we have changed that so that 20% of their wages are now allocated to other departments they work in. There is a phase in for the multi-unit flat charges, out of projected revenue for 2019, \$86,000 is the increase for 2019 in the phase in.

In department 412 we used to try and allocated to the various lift stations and so we took that out and put it into general materials and supplies in general idea of what we think we will need. Our 64 pumping stations we group them into several small groups. It is hard to break down the several costs. The budget would be for the overall but the actual costs will be charged out to the individual line items as the expenses occur during the year but we can still see the individual expenditures for each pumping station.

Under 431 we allocate finance services along with customer services to water/sewer to water/sewer for services of that department. Wages for the department are already negotiated union wages with the exception of non-union so these are actuals.

Based on the information that has been presented for operating water/wastewater Council had no further questions.

Council then moved into Capital & Unusual Spend for Water & Wastewater Operations. The Wastewater Collection Program there have been several areas identified that needs to have work done to them. Closed circuit television puts cameras down our sewer lines as opposed to a linear estimate based on age. When we look at the sewer lines we prioritize based on the condition and it is then based on the budget projections. Because of the CWWF funding that was available to us, we were able to do a great deal of the inspections but did key areas and we are setting aside dollars to be able to do this more regular and then by the time we have made it through the City we will be able to continue with the evaluations. Lakeside is very critical and we want to keep this program in an annual basis and ensure we continue these inspections.

The next project, First Street extension, is to be used through debt financing. The intent was to take out of the Citizen's Prosperity Trust fund at the current rate. We get the rates from Infrastructure Ontario, we would finance out of water & sewer for 20 years we issue it at 3% when the rates were below 3% and we won't take it out for less than 3%. It is unknown at this time but will be based at the time we value it. The amount allocated for sewer and water work is the reflection here not the full project.

Under the four columns 'subsidy' is for any funding we can apply for. 'Recovery' is usually reserved for things like local improvement charges, trade-ins. 'Other' is specifically debt financing and system funding is using our reserve dollars. 'Reserve' is system.

Manhole covers is for roads that are sinking and the manhole covers remain. This is significant necessary capital work.

Sanitary Sewer CCTV work will continue our sewer line inspections for \$100,000. Council questioned how much area that will cover. It is difficult to give that number but it would only be a few blocks at the most for \$100,000. It was questioned if we should be spending more upfront and identifying these critical areas and spend more upfront and doing more rather than waiting and costs go up.

Based on what has been suggested we would add two projects \$200,000 and \$180,000 with a payback of a determined number of years. When we look at return on investment Council believes we should be putting that in. Karen recommends that we build the two projects into 2019 coming out of system funding or how it would be phased in unless Council has otherwise.

SCADA upgrades allows us to evaluate the system when we have pumps or infrastructure set up it allows us to monitor. We have a control aspect on our SCADA and it allows us to change a pump from the plant. All of our water activity is monitored by the SCADA system and when we have our annual inspection report because the Ministry asks for this. By the end of the year we will know the exact value of what we need.

It was suggested that if there are other roofing projects they should be looked at during the same time in order for efficiencies to take place.

Council suggested that we need to look at projects and it is critical that Council reflects on the infrastructure deficit. Perhaps it is slowly growing and if I recall we are likely not spending enough. There is a willingness on Council part to take a larger chunk on the infrastructure deficit look at approval of this and let staff take away the larger budget and come back with a plan for Council. We will look at an additional plan to bring back for Council consideration. We continue to struggle with this ongoing increase we have this plan that was given to us how many years ago in 2014, that identifies how much our revenue is, this is how much we need to invest in capital. It hasn't factored in our agreement with WON and the additional revenues we will get for that. Should we not roll in the additional revenues and will change. We also have additional increases there was additional staff identified and there has been adjustments on both sides. There will be a need to reevaluate where we are at. We need to get a good communication plan out to the public as all the public sees is the increases but may not understand that we reinvest that money into the system. We need to continually get that message out there that these are the things we are doing in order to get the things done and address the aging infrastructure and reinvest in the system. It was questioned if the Rat Portage agreement is going to increase our usage and revenues. There will be increased revenues but we can't reasonably predict what those revenues will be. It is possible there could be some increased expenses as well such as increased pump sizes. There could be inconsequential expenses versus revenues. Once the agreements are set and we know what the overall is we will have a better idea. We are still looking at 5.5% increases based on the financial plan and we don't think the additional users on the system will recognize huge revenues.

At 10:30 a.m. Council moved onto the Solid Waste Budget. We will put in comparative numbers on page 3 of the introductory information.

When looking at the reserve budget we would suggest that the reserve budget is low. The levels we are maintaining now is around the \$2M mark.

Jeff Hawley, Operations & Infrastructure Manager explained the Solid Waste material process to the landfill.

There are no changes to the Solid Waste budget.

At 11:00 a.m. Council moved to the Five Year Capital Plan.

Council reviewed each department line by line.

It was questioned if our rental roof and HVAC replacement should be invested given that there is no income on rental. Council is concerned about the operating cost for this building and there are environmental concerns with this building. The consensus of Council is not to go forward with this project and will delete the roofing project and come back with a plan for that building.

Coker Baily Bridge construction \$1.5 M will give us the potential replacement of the bridge. It is the worst bridge left in our system. The engineering study done previously identified this bridge as the most in need and was also identified by Dave Canfield for a possible wood bridge. A modular bridge was chosen and a wood bridge is not being considered at this time. It was questioned if there is anywhere a wood bridge would be considered? It is very challenging for a wood bridge to be competitive with modern bridge development. There is usually more involved with wood bridges and we certainly wouldn't rule it out if it made more sense. Don't see anything on the near horizon. The next one in line is the Portage Bay bridge in Keewatin but there is 6-10 years of life left on that one. In the short term being 5-10 years we don't see any bridge replacements occurring. As we look for engineering proposals we would ask the consults to look at a wood alternative. We have had the consultants look at the Coker bridge to consider wood and we chose a modular bridge which is similar to the one there which is steel and was more cost effective and access to that bridge was better. The subsidy is coming from Federal Gas tax.

The Engineering department tries to offset our projects and come up with a five year plan on bridges. We decide a year in advance the current calendar year is too compressed to evaluate the bridge, we put a tender out and complete it in the same year. The \$100,000 in 2019 we will hire engineering firms for work in 2020. It helps us prepare with design for the next year project. We just received the 2018 bridge inspection projects. We will hire a consultant in 2019 to come up with tender documents for 2020 works.

The live burn cells are to purchase sea cans and establishing them behind fire station 3 and creating access doors and live fire training. Fire is looking at offering training for surrounding departments which will draw revenue for training other departments.

Street lighting with the change of hydro happening we are losing some of our capabilities of having work done in-house. Certain regulations that Kenora Hydro can do with regards to street lights we need to address internally. We want to upgrade the current street light system to certain switching, metering and distribution wiring that needs to be upgraded that makes the system safe to turn off systems which won't require a bucket truck. Contractors that we are looking at this upgrade is needed for safety purposes. This is the last of the reserves we had in reserves for street lighting. The city owns the infrastructure

for street lights but Kenora Hydro will be coming out of it now with the merger. Our electricians will only be able to work on certain aspects of the street lights but when it gets to pole line works where you need bucket trucks there are only 2-3 companies in town that can provide this level of work. Depending on the nature of the incident, the contractor may be on site on their own or in conjunction with our own staff. Depending on how much we can do ourselves or require contractor. The OEB establishes what works that Kenora Hydro can do in regards to street lighting, so they are limited on these works. The \$200,000 is a one-time upgrade and we have had our electricians take a look at it but it won't be an annual cost by any means but there could be some other issues that arise where the system needs to be changes. There may be lingering capital cost or unusual spend but we will prioritize the worst spots.

General Wharf Repairs in Keewatin we received funding of \$85,400 that needs to be spent in 2019. It is funding from Fisheries Canada but they are gifting us the Keewatin wharf and this is funding to hand it over.

The underground fuel tank removal at the t-intersection at Water Street and they will be going with an above ground tank. The new tank is at their cost.

Fuel Depot - has been identified that the ground is moving so this is moving the location of the pumps and is tied in with building security. Moving access of the pumps this needs to move forward with more serious issues with the fuel depot.

For the vehicles and equipment any money we get from the older equipment would go back into reserves.

We have developed the capital budget on the premise of give us what we had last year. When we get to the operating budget we are going to start talking about the infrastructure deficit. There is a 1.1% tax levy – the operating budget is currently a challenge. There will be a conversation to have when we get there.

The recycle truck for 2019 is a tough decision because we may have changes coming to our service with garbage. It would have good value if we did need to sell it.

The cemetery dump truck is for roads to have another dump truck. The columbarium is adding another section as the volume of cremations is increasing.

The pickle ball group moved forward with an application to Trillium grant to resurface the tennis courts to be pickle ball courts. It is subsidy and donations and no tax dollars are going into it for capital.

Central Community Club rehab – there needs to be a group set up to discuss community clubs and the direction of community clubs. The money won't come out of reserves until there is a plan developed.

Council discussed the JM SportsPlex mezzanine. Council suggested that James could look at doing some of the work that there is money currently available for. The costs will only keep increasing.

At 12:37 p.m. Councillor Poirier declared a pecuniary interest on this portion of the budget discussion for Roof repairs and accessible upgrade at the Library. His wife is a member of the board of the Kenora Public library.

Council discussed the Museum Annex accessibility for the Art centre project. Changes need to be made with accessibility to include a universal washroom for wider door for studio.

First Street Development is the next phase of DTR. There are a few streets involved including Chipman Street from Second Street to CPR; First Street S, McClellan on the north side of the Kenora Legion. The new proposed road connecting Chipman Street to Park Street which connects the two. The proposed roundabout would be located at the current mall entrance. In addition to all the current surface works, curbs, landscaping it also includes all the sewer/water storm system replacements. The current budget of \$6.255 million there is also money for the sewer water works. Supplemented by \$630 and \$635 budget water/wastewater. Total cost of project is \$6.85M. It would get under way in 2019 and the hope is we are waiting on confirmation of funding. We have applied to NOHFC and FedNor with balance coming out of sewer and water and debt financing. We remain optimistic but no formal funding has been confirmed as of today. We are at a 90% stage of being tender ready. Most drawings were ready years ago with DTR. We could be tender ready in January/February so the project could happen in 2019. It would be a more robust road. If we don't get the funding it was questioned what happens with this project. The previous Council had a lot of debate about this project near the end of their term and staff felt a sense that they were very supportive of this project and wanted to see it going forward. It is suggested we would finance this and we have reduced future years spend associated with it.

The roundabout will take up a lot of property. The roundabout needs a small sliver of land from the mall that we have talked to the property owner already about and they have agreed to donate it to the City to make it happen. The mall in our previous discussions with them they were open to the idea of the land donation to make it happen.

This project is time sensitive as it is a large project. The earlier to tender the better. WE need further discussion with funding the partners to get a sense of possibility of approval and timelines of that approval. Karen suggested that if we wait for either a decision of Council or funding approval much past February we are digging ourselves in a hole to get decent pricing back. Contractors fill their schedules in and we put a risk to starting a job too late for completing for favourable weather in the fall. Council supported moving forward.

Council then moved to the 2019 non-capital projects and unusual spending. Council felt that we should be looking at removing the brick in the sidewalks and installing concrete sidewalks.

Council supports the growth management/vacant land supply project and feels strongly that this project needs to go ahead regardless of funding. The Harbourfront business development redesign is just a carry over.

Council discussed the tugboat project. They supported keeping the \$25,000 in the budget for the tug boat project, however, Council would not consider any further funding so it is imperative that the repairs and movement need to be all done within that budget or change

the scope of the project and don't relocate the boat if it all cannot be done with that amount. Council does not want the department coming back for additional funds.

Council then moved to the potential capital projects for long term debt financing at 2:07 p.m.

The Railway Street project would look at drainage issues but would not include paved shoulders. It would address the CP issues, the crossing, things like that. That would not include a sidewalk, but would not ensure a paved shoulder either. This is strictly 2 lanes all the way through and try to address the drainage issue and address the upgrade at the crossing.

Twin design, twinning we have an extension for the funding to move from stage 1 to stage 2 for the design work for the twinning. The design work won't be in there. Council could walk away from the \$375,000 but Council will need to look at a serious decision on this whether you want to pursue or not pursue.

Council feels that the Beaches, Parks and Trails plan needs to be refreshed. There is some very high level pie in the sky stuff that is never going to happen. Karen will have the Tourism and Economic Development staff look at this and have a more reasonable plan. She will get them to take a look at it and identify priorities. It is a placeholder for an item on the list and leave it with an understanding the dollar amounts are low. We will leave it here and we will put the work in to come back with a plan for 2022.

The twinning is also tied to the fitness expansion project. A decision needs to be made on the twinning as other recreational changes can be linked or tied to the project. If the twinning is not supported, the fitness expansion is coming back as our priority and then the fourplex baseball diamond. Staff need to bring back the priorities. Council asked again if it is a detriment for us to have healthy reserves or do we spend some of our reserves and invest in projects. The Ministry of Finance has assured us over and over that we are not penalized for being fiscally responsible. However, funding agencies have identified that we are not in dire need when we apply for funding. Have never got that sense from FedNor or NOHFC. A lot of the funding that we use right now is formula based so we get it regardless. When you are talking about the direness of the project, we talked to someone from OCIF which is need basis. We didn't make it sound like enough of an emergency. But when it comes to projects like CWWF those are formula based. We have received a lot of little funding but for big infrastructure projects it needs to be more emergent. Collapsing the reserves would do it. Strategic investment of our reserve dollars could be considered. There are two types of reserves where we build and keep those reserves. We built a pretty large reserve but some of them do have to be built.

Council then moved to the deleted projects list for review at 2:42 p.m.

Council discussed the next steps in the budget process including the operating budget which will take place on Monday, January 7th.

The meeting adjourned at 3:05 p.m.