



City of Kenora
Committee of the Whole
Minutes
Tuesday, December 11, 2018
9:00 a.m.
City Hall Council Chambers

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

Staff: Karen Brown, CAO, Heather Kasprick, City Clerk, Jeff Hawley, Manager of Operations & Infrastructure

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 December 18, 2018 meeting:-

- Council will approve the 2019 Capital, Solid Waste and Water/Wastewater Budgets
 - Council will establish their 2019 Meeting dates

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.**

Councillor Ralko declared an indirect pecuniary interest as it relates to the deputations regarding the multi-unit water rates as it relates to her employment and therefore her obligations under the law society of Ontario's Rules of Professional Conduct.

Councillor Poirier declared an indirect pecuniary interest as it relates to agenda item 1.6 regarding the 2019 capital budget approval as his spouse is a member of the Kenora Public Library Board.

Councillor McMillan declared a direct pecuniary interest as it relates to agenda item 4.3 regarding the Agreement with the Pines/Kenora Harbourfront Joint Services as he is a member of the Board of the Pines/KHS.

C. Confirmation of Previous Committee Minutes

Resolution #1 - Moved by Councillor R. McMillan, Seconded by K. Ralko & Carried:

That the Minutes from the last regular Committee of the Whole Meeting held September 11, 2018 be confirmed as written and filed.

D. Deputations/Presentations

Don Parfitt, Multi Unit Water Rates

Mr. Parfitt owns a commercial property in the community and is questioning the notice provided on this matter along with documentation on this matter to date. He provided a documentation package to Council and explained each area of concern within the package. Mr. Parfitt requested that Council put this decision on hold and engage citizens in the process. Mr. Parfitt provided a draft resolution for Council's consideration.

A copy of Mr. Parfitt's deputation presentation was left with Council and the Clerk.

Wes Siemens, Multi Unit Water Rates

Mr. Siemens started buying apartment buildings in Kenora over 10 years ago and owns a number of investment properties in Kenora and elsewhere. He tries to keep his buildings in good shape, pays his taxes, hires lots of local trade firms and spends significant money at local hardware stores. He treats his tenants the way that he wants to be treated, with quality housing and respect. But when the very City that he has bet everything on and has taken significant financial risk for attacks my business he can't sit by and say nothing, especially when apparently the City wants to attract people to Kenora to invest money in real estate.

When Mr. Siemens purchases a building, he plans for vacancies, repairs, interest rate raises but never considered city council would form a plan to kill his industry by imposing a rate increase like this. This is about all landlords that own apartments here and tenants that desperately rely on landlords to provide housing here.

City staff have repeated multiple times that landlords can have the tenants pay for this. Landlords are not allowed to pass this cost immediately onto tenants, they can only do it upon units turning over. Landlords are only allowed to raise the rent 1.8% in 2019. According to the LTB there are only three reasons for an above guideline rent increase. They are: The landlord's costs for municipal taxes and charges have increased by an "extraordinary" amount; the landlord did extraordinary or significant renovations, repairs, replacements or new additions to the building or to individual units; the landlord's costs for security services increased, or the landlord began providing security services for the first time. The 1.8% increase landlords are allowed for 2019 doesn't cover their existing increase of expenses or a new water meter tax. In order to raise this money he will need to increase rents substantially on turnover and new tenants in Kenora would be subjected to substantially higher rents. Ancillary income such as coin operated laundry would have to be doubled almost right away. This will make people leave this city as it will be unaffordable. Even if this cost could be passed on immediately it directly contradicts affordable housing that everyone keeps referencing.

This has nothing to do with fairness. If it's about fairness go back to the three condo buildings that complained about how their buildings are metered and fix them instead of punishing the other 80. Jubilee Church has nine apartments in their building. Their costs are going up \$8,000 per year. This organization does more for the community than almost anyone in this room. They feed the homeless, help people trying to get out of poverty and provide housing to people that can't find it anywhere else. Is that fair?

This reckless action by the city blindsides owners that have bought buildings decades ago. We all bought our building based on the financials at the time and the city decided to change the rules after the game had started. I'm sure that council gets complaints when water rates are raised 5-10%, any thoughts on a home owner getting a 1000% increase, what do you think they would say? Lots of seniors don't have pensions from large companies or government to provide for their retirement. They need to plan for themselves.

Mr. Siemens has investment properties in other cities, if this policy is not changed he will have to raise his rents and start selling some buildings and reduce my portfolio in Kenora. He does not see investing in another building in Kenora again as he would never know what is coming next. This would be his single greatest expense behind his mortgage payments and while he may not move from Kenora, his investment dollars will.

This will drastically affect building values since investment properties are primarily worth the money they make. Investors own buildings, fix them up, refinance and buy or build more. That will stop in Kenora. Property values will plummet because apartment buildings are worth the net operating income they make. This city needs to take a proactive approach and encourage development. This will make Kenora uncompetitive when developers are choosing communities to invest in. No other city in Canada bills this way

Mr. Siemens believes that city council voted on this topic and didn't have all the facts and weren't advised of any of the potential unintended consequences. Each council member thought they made the right decision with the information they had at the time but when new information comes forward you need to look at, research it and if you agree you need to change your mind. If Council has listened to everything that was said today and still goes ahead with this then this is on council 2018. You either care about affordable housing in Kenora or you don't.

A copy of Mr. Siemen's deputation was left with Council and the Clerk.

Don Kinger, Needles in Kenora

Mr. Kinger is concerned about the needles in Kenora. Mr. Kinger would like to see a one for one on the needle exchange. He is concerned with all the drugs in Kenora and wants Council to change the zoning bylaws which mandates one for one in the needle exchange program. He would like the City to install blue lighting in all public washrooms.

Don McDougall, Kenora Airport Authority

Mr. McDougall has been chair of the Kenora Airport Authority since 1996 when the Airport was downloaded by Transport Canada. The Kenora Airport is an integral part of the municipal infrastructure and is operated by a not-for-profit corporation with 10 board members. These are all non-paid positions.

Mr. McDougall is seeking Council support regarding the recent construction of the new terminal and apron expansion. This was a \$6.2 million project with 2/3 of the funding to come from a combined contribution from the Federal and Provincial Governments that left the Board to come up with \$2.2 million.

The Board requested Council at that time for support to proceed with the expansion project. After discussions Council decided to donate \$500,000 towards the project. Kenora Airport had set aside \$700,000 from our accumulated reserve, leaving a short fall of \$1,000,000 that the

Airport was in favour of mortgaging over a period of time. It was discussed to great length and the airport was lead to believe that the City would provide the mortgage at a reasonable rate of 3% if we were unable to obtain from commercial sources at a favourable rate. The Board is now back before the new Council as interpretations have been misunderstood. It is and has been their interpretation of the resolution presented and passed that Council will guarantee the airport external financing with the terms as laid out.

Mr. McDougall left a copy of his deputation with the Clerk.

E. Reports:

1. Administration & Finance

1.1 Airport Authority Request

Recommendation:

That Council hereby reconfirms the City's commitment to provide a guarantee for external financing for the Kenora Airport Authority up to a maximum of \$1 million with a maximum term of thirteen years, with no more than the first three years being on an interest only basis, and thereafter amortized over a 10 year period; and further

That City administration be directed to continue to work with the KAA to obtain the most suitable terms for the required debt from an external financial organization, while ensuring no costs are incurred by the City for guaranteeing said debt.

Discussion: CAO Karen Brown referenced the history on the discussion of the Kenora Airport development. In 2017, the Kenora Airport Authority requested support from City Council for the construction a new terminal building. The original request made was for a loan from the City of \$750,000, plus funding of an additional \$750,000. Following discussion, Council approved a combined grant of \$500,000, payable in equal payments over 2017 and 2018, funded through the City's contingency reserve. Council further approved a loan guarantee up to a maximum of \$1 million, with a maximum term of thirteen years, with no more than the first three years being on an interest only basis. The information brought to Council did not include an interest rate and that discussion was not with Council.

It was questioned if there was urgency on this request and Karen explained that the interest rates are rising. When the City issues debt we do lock the in the term so urgency would be just the unknown on the interest rates. It was questioned what options are out there. There is an offer out there by two financial institutions to the Kenora Airport Authority. The one is very attractive and close to bank prime 3.95 plus .3. Council requested to know the lending rate from Infrastructure Ontario before their decision next week.

1.2 ROMA/OGRA Conference Delegations

The report is to provide background information and proposed delegation requests for Council consideration to enable staff to submit the delegation requests for the upcoming ROMA and OGRA Conferences.

Council directed Adam to make some amendments to the delegation requests and the packages will be sent out to Council in advance.

1.3 October 2018 Financial Statements

Recommendation:

That Council hereby accepts the monthly Financial Statements of the Corporation of the City of Kenora at October 31, 2018.

1.4 Citizens Prosperity Trust Fund Third Quarter Report

Recommendation:

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

1.5 Tax Appeals Under Section 357

Recommendation:

That Council hereby approves Section 357 tax adjustments with potential refunds totaling \$18,081.27.

1.6 2019 Capital Budget Approval

Recommendation:

That Council hereby approves the 2019 Municipal Capital Budget, including Unusual Spending, as amended; and further

That Council hereby directs staff to actively proceed with the projects included in that budget in accordance with the provisions of the City procurement bylaw; and further

That in accordance with Notice Bylaw 144-2007, public notice is hereby given that Council intends to adopt its 2019 Municipal Capital and Unusual Spending Budget at its December 18, 2018 Council meeting; and further

That Council hereby gives three readings to a bylaw for this purpose.

Councillor Poirier declared an indirect Pecuniary Interest and left the meeting.

1.7 2019 Solid Waste Utility Budget Approval

Recommendation:

That Council hereby approves the 2019 Solid Waste Utility Budget; and further

That Council hereby authorizes City administration to proceed with the implementation of all budget related decisions in accordance with those reflected within the Solid Waste Budgets; and further

That in accordance with Notice By-law Number 144-2007, public notice is hereby given that Council intends to formally adopt the 2019 Solid Waste Utility Budget by bylaw at its December 18th Council Meeting; and further

That the appropriate bylaw be passed for this purpose.

1.8 2019 Water & Wastewater Utility Budget Approval

Recommendation:

That Council hereby approves the 2019 Water and Sewer Utility Budget; and further

That Council hereby authorizes City administration to proceed with the implementation of all

budget related decisions in accordance with those reflected within the Water & Sewer Budgets; and further

That in accordance with Notice By-law Number 144-2007, public notice is hereby given that Council intends to formally adopt the 2019 Water and Sewer Utility Budget by bylaw at its December 18th Council Meeting; and further

That the appropriate bylaw be passed for this purpose.

1.9 2018 Election Survey Results

Recommendation:

That Council hereby accepts the report of the 2018 Election Survey results including community priority questions as compiled by Nicole Goodman, Director, Centre for e-Democracy.

1.10 2019 Council Meeting Calendar

Recommendation:

That Council hereby accepts the 2019 Council meeting calendar as presented.

Discussion: This schedule is not conducive to anyone who works. We need to look at this going forward. Having a Council meeting at noon on Tuesday is not good. We need to be cognizant of this. They can't always be during the day. Staff can bring forward other options for 2020 meeting calendar for meeting times.

1.11 Joint Appointment to the NWHU Board

Recommendation:

That Council hereby appoint Bill Thompson to the Northwestern Health Unit Board of Directors as supported by the Township of Sioux Narrows-Nestor Falls for a term at the pleasure of Council no later than November 14, 2022.

1.12 Planning Advisory Additional Member Appointments

Recommendation:

That Council hereby authorizes an amendment to bylaw number 34-2014 being a bylaw establish a Terms of Reference and Rules of Order and Procedure for the City of Kenora Planning Advisory Committee to increase the size of membership for the committee; and further

That section 3.0, membership, be amended to include five (5) to nine (9) members appointed by resolution replacing the existing five (5) to seven (7) members; and further

That John McDougall and Tanis McIntosh be hereby appointed to the Planning Advisory Committee at the term at the pleasure of Council no later than November 14, 2022; and further

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

1.13 Council/CAO Covenant

Recommendation:

That Council hereby adopts an amended Council/CAO Covenant Policy #CC 1-1 to the City of Kenora Comprehensive Policy Manual which reflects the new members of Council; and further

That the appropriate bylaws be passed for this purpose.

Discussion: This is a commitment by the CAO and Council to adhere to the respective roles of each and demonstrate true governance when performing their roles. This is important at the beginning of the term that we focus on good governance and puts good processes and guidelines in place.

1.14 Cannabis Retail Outlets

Recommendation:

That Council hereby supports the retail sales of recreational cannabis in the City of Kenora; and further

That applications for retail outlets will follow the AGCO cannabis licensing process which will require notice of a proposed cannabis store site be posted for comments from area residents and businesses before a site authorization is made; and further

That Council directs administration to draft a municipal policy statement which may address local sensitive uses and principles for cannabis Retail Store Locations.

2. Fire & Emergency Services

No Reports

3. Operations & Infrastructure

3.1 TBay Tel Agreement – Use & Maintenance of City Infrastructure

Recommendation:

That Council gives three readings to a bylaw to authorize an amended agreement with regard to the use and maintenance of City infrastructure with TBayTel a municipal service board established by the Corporation of the City of Thunder Bay; and further

That The Mayor and the Clerk be hereby authorized to execute this agreement.

4. Community & Development Services

4.1 Anicinabe Park Contract

Recommendation:

That further to the City receiving three (3) submittals in response to the Anicinabe Park Contract tender 2019-2023, the Council of the Corporation of the City of Kenora hereby enters into an agreement with Middle Lake Enterprises (MLE) for the operation and maintenance of Anicinabe Park, on the terms and conditions as contained in the said contract, a copy of which is annexed to the By-law, to be effective for the period January 1, 2019 to October 31st, 2023; and further

That the land known as Anicinabe Park be exempt from taxation for municipal and school purposes, from this date until November 1, 2023; and further

That Council give three readings to a by-law for this purpose, and authorizes the Mayor and Clerk to execute all documents related to this Agreement on behalf of the Corporation of the City of Kenora; and further

That By-law Number 098-2013 is hereby repealed.

Discussion: This is for the management of the park and if we were not outsourcing to an

outside contractor we would have to manage it in house with our own staff. It has been managed by a contractor for over 20 years. They run the store, take reservations, take payments, collect garbage, keep clean, maintained, provide firewood, and advertise for community recreational tourism needs. They keep the profits, but during the tender there is a component to rent the space.

4.2 Janitorial Services Contract

Recommendation:

That the City of Kenora received five tender submissions for the Janitorial Services Contract for City Facilities for 2019-2021; and further

That the tender submitted by Bee-Clean, in the amount of \$555,824.95 (plus HST) be hereby accepted.

Discussion: This is a 3 year contract and expires December 31, 2018.

4.3 Pines / Kenora Harbourfront Services Contract

Recommendation:

That Council gives three readings to a by-law authorizing a contract between the Pines/Kenora Harbourfront Services (Pines/KHS) and the City of Kenora for provision of services at the Harbourfront and related areas for the period January 1, 2019 through December 31, 2019; and further

That by-law Number 96-2018 be hereby repealed.

Councillor McMillan declared a direct pecuniary interest

F. Proclamations

None

G. Other

- Mayor Reynard reminded the public that tomorrow evening is the meet and greet for Dave Canfield at the Discovery Centre

H. Next Meeting

- Tuesday, January 8, 2019

I. Close Meeting

Meeting adjourned at 10:54 a.m.