



MINUTES
SPECIAL COMMITTEE OF THE WHOLE
(CAPITAL BUDGET)
Tuesday, January 16, 2018
8:00 a.m.
City Hall Council Chambers

Present: Mayor D. Canfield
Councillor R. McMillan
Councillor D. Reynard
Councillor S. Smith
Councillor C. Wasacase (arrived at 8:25 a.m.)

Regrets: Councillor M. Goss
Councillor L. Roussin

Staff: Karen Brown, CAO, Heather Kasprick, City Clerk, Jon Ranger, Budget & Special Projects, Todd Skene, Manager of Fire & Emergency Services, Matt Boscariol, Manager of Community & Development Services, Charlotte Edie, Treasurer, Biman Paudel, Water & Wastewater Division Lead, Marco Vogrig, Municipal Engineer

Call Meeting to Order

Mayor Canfield called the meeting to order at 8:00 a.m.

Public Notices

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

N/A

Declaration of Pecuniary Interest & General Nature thereof

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

There were none declared.

Deputations

None

1. Draft Five Year Capital Budget Review

Staff reviewed the draft five year capital budget with Council.

The prior year level we put in 2017 was \$2,064,859 and the unusual spending was \$135,000. The Keewatin retrofit debt payment was originally built into the operating budget and reduced from capital spend. It was realized the capital spend wouldn't happen until the following year. Staff advised Council and the additional authorized by Council of \$105,000 reflects that error. 1.3% asset management plan was taken from the asset management plan but the discussion with Council was the capital plan was in a bit of a difficult position as there was nominal dollars left to do anything with capital spend. The suggestion was made that we take the 1.3% and not put specifically to roads and bridges. There was generally little to no money left for other projects.

Current draft capital spend is \$2,153,504 with unusual spending of \$448,500 for a total of \$2,602,004 of projects with reductions required of \$8,999.

Council requested a detailed explanation on how the capital budget comes to be. Jon explained that staff input the capital projects into our internal system and staff then meet to discuss the projects. All the changes were then incorporated into the draft budget before Council today as a result of the meeting with staff.

Jon provided Council with a detailed list of closing balances for reserve accounts.

There is an IT project proposed for 2018 which adds additional cameras to the downtown area which is recommended by the OPP. Council feels it is important that we communicate to the public how many cameras are out there in the downtown area and that Council is working with the OPP to install cameras in areas that are high risk.

John advised Council that the Coker Bailey bridge project of \$25,000 and Keewatin Channel Bridge of \$54,000. The carry forward was to improve the commission of the bridge for Coker Bailey until the project moves forward for replacement. Keewatin Channel had funds left over from that project into 2017 as there were outstanding claims due to contractors that came under budget. We then used surplus funds for other bridges on maintenance items based on the 2 years inspection from 2016. We looked at three bridges, Norlen, Darlington and Bay street bridges for future repairs going into 2018. We applied for top up funding for 7th Avenue bridge and we didn't get it, but then we did receive notice we received funding 1,083,762.00 ONRAFRA funding. The remainder was Federal Gas Tax funding. The Coker bridge is going through OCIF.

There are two projects in unusual spend for bridges. Just before Christmas we spoke to ONRAFRA and told maintenance items could go through OCIF. Before we claim any, we want to talk to contact at OCIF to confirm this information and we want to go through Marco's bridge work and talk to what can be taken through that funding pool.

The lane program has increased \$50,000 the \$30,000 figure has been around for a decade without increases to it. In the last few tenders it has been above the annual budgeted \$30,000. The paving program has remained consistent.

In the last few years there was about a \$4M deficit in roads. We should always be looking for more funds for this program. We had previously supplemented this program with OCIF funding and have most recently shifted that funding to bridge funding. It was used in 2017 for Birchwood Crescent Canada Summer Games improvements.

The focus of this budget is to maintain the levels from last year but when Council looks at the operating budget they may decide to allocate some additional funds to capital.

Dufresne Island North Entrance construction they are working with the design consultant and hoping that it can be done in the 2018 construction season. Have made arrangements with property owners on the island and some cost sharing has been agreed to. The \$425,000 is based on a work program by the consultant for the design and development of the project.

Council questioned how much it costs per kilometer for surface treatment of a road. This is for curiosity and to have the information for the public.

Re-level paving stones and concrete slabs for \$80,000 was added to the capital with no net tax levy.

The electrical distribution upgrade is for Chipman Street South and Matheson Street South. Karen will confirm what the street lighting electrical distribution upgrade project is for in the amount of \$50,000.

Karen will confirm what the building controls upgrade is at Barsky Facility for \$25,000.

13,400 grader hours. It's a 1999 unit made by champion. In 2007 Volvo bought out Champion and Champion was no longer in existence. Slowly over the last few years 2016 Volvo cut the production of graders to zero and now they don't make them anymore and there are no parts available anymore. We have a solid waste bulldozer new in 2005 and have it up for replacement. It only has 6,000 hours on it, but trying to buy parts that are obsolete.

Sand trucks and plow trucks aren't up for replacement until 2023 but they likely won't make it. In reality, where we have pushed stuff out to where we can't continue to provide the level of service to the public with this equipment. We can't get parts and as they get older even worse. If you buy substandard equipment but you want it to go to work they don't stand up.

Reserved pool car is the Equinox which is being moved to another department. The engineering department keeps getting bigger and bigger and everyone is busy in the summer. There is not a vehicle to be found in the summer and we don't have enough vehicles. The car that is being replaced is the fleet travel car which is sitting at 100,000 kms as it is booked out quite frequently. We will move the Equinox over to engineering and the 2005 Dodge van we will put a newer vehicle in that department and the engineering department and a newer vehicle for moving around.

The new vehicle for the sidewalk crew is due to the rec centre requiring a vehicle for moving salt, etc. so that truck was put into the department. The salt is bought locally so they haven't utilized that truck. Roads advised that they needed a $\frac{3}{4}$ truck and the sidewalk crew used that truck. That project was successful and now need to budget for a truck for

this department. The truck they were using has gone to Dwayne and his truck is going to Aaron at Rec Centre.

The fleet reserves are not good and we have created a situation where it is going to be problematic in the long term as we keep pushing things out too far.

The recreation budget area was explained.

The Keewatin tennis courts should be communicated more and promote them more.

The splash park was discussed and the reserves for the accessibility portion of the project. Council considered taking some of the funds from the accessibility reserves.

The citizens prosperity trust fund was established to make up the \$1.1M we received in funds annually from KMTS. Unless it is debt financing from that fund, every dollar that you remove from that fund it will further diminish that fund and will impact tax dollars. Council needs to seriously consider. Karen seriously does not recommend removing funds from that fund without a plan for repayment.

The JM ballfield new backstop needs to be replaced and the Portage Bay and JM new bleachers need to be removed as they are not safe. The new bleachers would be mobile and could be moved should the fourplex development move forward or they are required at a special event.

Kenora Rec Centre design for fire alarm system is \$15,000 for the electrical engineer design and it is considered an assembly building and the design now requires replacement for 2019 so this is for the design.

The Kenora Rec Centre turnstiles upgrade is a project to reduce staffing as these turnstiles will reduce the staff needed for double staffing.

Max Galaxy is the current system used for bookings and they have advised that an upgrade is required. The new upgrade will have added features to the program for the public to access bookings.

Matt concluded and summarized the other capital projects.

Under Economic Development, the Harbourfront Business Development Plan & Design has been approved through (FedNor and NOHFC) have approved the funding through the first process, stage 1 for funding, and stage 2 is submitted. We don't have final confirmation and it won't proceed unless we receive funding. The Wayfinding project has also been confirmed. We received a two month extension for the funding to finish project.

The First Street Development plans were discussed and working with the funders on development of the First Street South area and they will not fund the Matheson Street project. The sewer and water on Chipman Street is a priority and Matheson Street we did align the sewer in the 90's the water main we haven't had many breaks as of late. Even the condition of the pavement we have overlaid and there are newer infrastructure on Matheson Street and that's why prioritizing Chipman over Matheson.

Councillor Smith wants a communication plan on what we plan to do with that area and if the street is going to be affected. The long term vision is to realign First Street but we control the lands and can then develop the downtown area with a clear vision.

Five year analysis of the non-capital special projects & Unusual spend.

Matt advised that a dock project for Coney Island needs to be added for \$60,000 which could be taken from reserves. This dock is the longest and the one that is most accessible for the public to park to access Coney Island. The report two years ago identified that we need to do the work to the docks with the other \$60,000 and that is a significant investment for 2018 for \$120,000.

It was reminded when replacing picnic tables that we keep accessible tables in mind and we should have one at every park.

Council then reviewed the deleted project list and potential Capital projects for long term debt financing.

In a provincial election year they typically come out with infrastructure projects. This year they have come out with prescription drug plan for under 25 and the minimum wage increase. The new cannabis project and usually there is good capital projects. It was questioned that if funding was announced tomorrow, what projects are we ready to move forward with immediately to access that funding.

Council discussed the list and the projects that could be shovel ready or project ready should funding become available. There are certain projects that could be moved forward quickly and others that would be much more involved.

The meeting was then put on hold at 11:45 a.m. to move to a scheduled open meeting of Council at 12:00 noon.

Meeting resumed at 1:05 p.m.

It was questioned on the fitness expansion. There has been public inquiry as to expanding the fitness area. A higher level design was provided that opened up the fitness hallway upstairs and connected the floor to the wall. We are keeping on radar on usage and will create more floor space opportunity for fitness.

Sportsplex item has been reduced to \$508,400 and that was the ask for support from the group within that scope of work. It was questioned what the options are. The plan is to spread it over 10 years. If everything is ready and set in the fall it won't get held up. Looking to have to see what they can do. Commit 50% funding to the project which the group pursues funding opportunities. Council would support them with the requirement to seek 50% funding through some other source of funding. Does that group have the ability to access funding that the City cannot.

Council then moved to the 2019-2022 discussion.

It was noted that there is a lot of money in contingency. There are no specific plans, but it is our security blanket.

Darlington Bay Road should be sent back to the province and it is a linking highway to the bypass. They downloaded it to the municipality on surface treatment and we need to make that part of our delegations to the Ministers.

Pickleball court resurfacing Council agreed to support their funding application in 2019 after the splash park. Asking for financial contribution in 2018. \$55,000 in 2018 and they are responsible for everything else.

Coney Island board walk replacement, Council noted we need to see information for the replacement. Council would like to have a report from James on the Coney Island boardwalk replacement.

Council noted that at the KRC we need to move the referees entrance ramp from 2020 to 2018 if it addresses a safety concern. Recreation reserve there is \$14,000 left and recreation machinery has reserves we could use this money for works in 2018.

Karen explained that they have been passionate about being cautious in spending over the past couple of decades and have worked very hard to build their reserves to the level they are now. Have tried to balance off to the existing allocation now. Traditionally we take a bit more into reserves than we take out. We generally budget for what we are going to put in not far out of what we take out.

Will raise the fact that we put in 1.3% for infrastructure but should we consider putting in a 1% provision with this budget.

The OCIF funding is going to go up more than the 1.3% and will be putting in for the next couple of years. Hopefully in the next couple of years there is a plan either 1% on HST or funding for roads and bridges. Other levels of government have to come up for guaranteed funding for infrastructure deficits. There are counties that don't have a lot of infrastructure. There are two tiered systems that don't need the funding. You can't use the money to offset the taxes. Our infrastructure deficit is minimal compared to others and some don't have money in the bank.

If Council is comfortable waiting for this to come forward in February, pending Council approval, we will start proceeding with capital projects with formal approval coming in February.

The meeting adjourned at 2:20 p.m.