



AGENDA

Special Meeting of Council of the City of Kenora

**Friday, May 4, 2018
2:00 p.m.
City Hall Council Chambers**

1. Call to Order

2. Public Information Notices

As required under Notice By-law #144-2007, the public is advised of Council's intention to adopt the following at today's meeting:

- Amend the 2018 Capital Budget in the amount of \$229,696 for the Lake of the Woods Arts Centre Expansion Project to make the total project cost \$4,029,696, representing an increase in the budgeted cost of \$229,696

3. Declaration of Pecuniary Interest and the General Nature Thereof

The Mayor will ask if any Member of Council has any Declarations of Pecuniary Interest and the General Nature Thereof pertaining to any items as follows:

- i) On today's agenda or from a previous meeting;
- ii) From a meeting at which a Member was not in Attendance

4. Presentations/Deputations

Approximately five (5) minutes per person/group.

5. Special Items

- Lake of the Woods Art Centre Project Budget Amendment
- Lake of the Woods Art Centre NOHFC Funding Agreement Execution
- Lake of the Woods Art Centre Tender Award & Contract Execution

6. By-laws

Council will give three readings to the following by-laws:-

- Budget Amendment – Art Centre Project
- NOHFC Funding Agreement Execution
- Contract Agreement with Solid Construction Inc.

7. Announcements (non-action)

8. Adjourn Meeting

Information on Voting by Mayor & Council under The Municipal Act, 2001

243. Except as otherwise provided, **every member** of a council shall have **one** vote;

245. Any question on which there is a **tie vote shall be deemed to be lost**, except where otherwise provided by any Act;

246. (1) If a member present at a meeting at the time of a vote requests immediately before or after the taking of the vote that the vote be recorded, each member present, except a member who is disqualified from voting by any Act, shall announce his or her vote openly and the clerk shall record each vote;

(2) A **failure to vote** under subsection (1) by a member who is present at the meeting at the time of the vote and who is qualified to vote shall be **deemed to be a negative vote**.



April 18, 2018

City Council Committee Report

To: Mayor and Council

Fr: Matt Boscarior, Manager of Community and Development Services

**Re: Lake of the Woods Art Centre Project Budget Amendment and
NOHFC Funding Agreement Execution**

Recommendation:

That Council hereby approves an amendment to the 2018 Capital Budget to increase the Lake of the Woods Arts Centre Expansion Project total cost to \$4,029,696, representing an increase in the budgeted cost of \$229,696; and further

That this cost increase and resulting total project cost continue to be solely funded through a combination of funding from Senior Government and donations made to this project; and further

That in accordance with Notice By-law Number 144-2007, public notice is hereby given that Council intends to amend its 2018 Capital Budget at its May 4, 2018 Special Council meeting; and further

That Council give three readings to a by-law to amend the 2018 Capital Budget for this purpose; and further

That Council gives three readings to a bylaw to execute the funding agreement between the Corporation of the City of Kenora and Northern Ontario Heritage Fund Corporation (NOHFC) for this project.

Background:

In 2016, public meetings were held with the arts community to gauge interest, support, concerns and ideas surrounding a public art gallery. That gallery would house a significant art collection donated by a local donor, the "W.J Phillips art collection", together with other pieces and various exhibits that would be held throughout the year.

An application to the Ontario Trillium Foundation for a seed grant to assist with the funding of a Feasibility/Technical Study was made in the amount of \$30,200. This application was successful and this study was presented in December, 2016. The study provided two options – use of the existing Museum Annex, or the construction of a new 5,100 square foot, uniquely designed facility. This facility would incorporate a ground floor gallery, second floor gallery, catering kitchen, lounge space, accessible washrooms and a climate controlled storage component. The museum annex would be utilized for studio, programming, and administrative functions. Ultimately, the decision was made to move forward with the construction of this facility.

Significant fundraising efforts have been achieved thus far, in the amount \$2.24 million from private sector donors, as well as two application submissions to NOHFC and Cultural

Spaces for \$1 million each. In addition to the \$2.24 million raised from the private sector donors, \$1 million has been generated from the private sector for a "Legacy Fund", which will be used for special operational expenses. This fund ensures that the Art Centre operates sustainably well into the future. It also acts as a contingency fund should the capital dollars raised fall short.

There were five submissions received to the request for tenders: Solid Construction \$3,960,000.00; Janel Construction \$4,244,000.00; Sierra Construction \$5,124,765.00; Tom Jones Corp. \$5,655,000.00; Bird Construction \$8,248,000.00. The successful, lowest bidder came forth at \$3.96 million (plus applicable taxes), representing an all-in bid to construct the Lake of the Woods Art Centre. The City of Kenora capital budget includes the Arts Centre project with a total cost of \$3.8 million. In order to proceed with the award of the tender, a budget amendment totaling \$229,696 is required, representing the total costs of the project, including the net impact of HST.

The NOHFC funding agreement was received by the Lake of the Woods Museum on May 1st and immediate execution is desired to ensure this funding agreement is in place moving forward.

Budget:

In order to award the tender, a budget amendment is required to increase the total cost of the Arts Centre project by \$229,696.

Risk Analysis: There is an extreme financial risk, however this has been mitigated by the applications for funding to senior government, together with a significant fundraising effort, which between these two areas has already generated the majority of the costs related to this endeavor. This has been further mitigated by the commitment from the Lake of the Woods Arts Centre Expansion Project Committee that the City of Kenora will not be required to support the capital costs related to these works.

There is an extreme governance risk, with the failure to pursue this budget amendment potentially resulting in the erosion of public confidence and trust in Council. There is a large component of the community already vested into this project through donations and ongoing fundraising efforts. Council commitment to the concept of a new Arts Centre project was previously approved.

Communication Plan/Notice By-law Requirements: Notice in accordance with the City's notice bylaw.

Strategic Plan or other Guiding Document:

1.10 - The City will promote and leverage its recreation and leisure amenities to support local economic activity, tourism and to strength community ties with our regional neighbours.

2.9 - The City will support continuous improvements to recreation and leisure amenities particularly those that support quality of life.

City of Kenora's Municipal Cultural Plan 2011 re: addressing cultural facility and gathering space needs; expanding lifelong learning and professional development opportunities; building cultural tourism; investing in cultural development;

Lake of the Woods Economic Development Plan re: tourism and infrastructure development, specifically the development of a public arts space and venue attractions;

Lake of the Woods Museum Strategic Plan re: builds on and optimizes the capacity and efficiency of existing infrastructure;

Northern Ontario Growth Plan re: growth and development of the arts and culture sector and celebrating the unique cultures and histories of Northern Ontario.



April 18, 2018

City Council Committee Report

To: Mayor and Council

Fr: Matt Boscarior, Manager of Community and Development Services

Re: Tender Award for Lake of the Woods Art Centre project

Recommendation:

That Council of the City of Kenora hereby accepts the submitted tender from Solid Construction for the Lake of the Woods Art Centre project; and further

That authorization is hereby given for the Mayor and Clerk to execute an agreement between the Corporation of the City of Kenora and Solid Construction Inc. for construction of the Lake of the Woods Art Centre project; and further

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

Background:

The tender for this project was by invitation only. There were eight firms were invited to submit in total. Two firms were from Winnipeg, two were from Thunder Bay, one from Dryden, and three were local firms. The tender closing date was on April the 12, 2018, and five bids were received (three local firms – Solid Construction, Jarnel Contracting, and Sierra Construction), Bird Construction from Winnipeg, and Tom Jones Corp. located in Thunder Bay.

The Tender closed on Thursday, April 12, 2018. Present at the tender opening: Two Museum Board Members (Joyce Blyth and Rita Boutette), Lisa Moncrief (Co-Chair of the fundraising campaign), David Nelson and Tim Fleury (Nelson Architecture) and Lori Nelson (Museum Director). The opening was done at Nelson Architecture's office. In addition, representatives from the three local firms were present. The bids were opened in no specific order, checked for completeness, and the amounts were read out loud and documented. Submissions tender amounts were: Solid Construction \$3,960,000.00; Jarnel Construction \$4,244,000.00; Sierra Construction \$5,124,765.00; Tom Jones Corp. \$5,655,000.00; Bird Construction \$8,248,000.00. Solid Construction of Kenora was the lowest bid.

Following the evaluation, Nelson Architecture contacted Solid Construction to review the bid to ensure completeness and accuracy as the lowest bidder. The bid was complete as per Solid Construction. The tender process was done in conformance with CCDC 23 – A Guide to Calling Bids and Awarding Construction Contracts.

It is of the opinion of the consultant for the Art Gallery project team that Solid Construction Inc. is capable of performing the work as defined by the tender documents.

Budget:

A separate report recommending an amendment to amend the 2018 Capital Budget for a total cost of \$4,029,696 has been provided to Council. Award of this tender is conditional upon approval of that budget amendment.

Risk Analysis: There is an extreme financial risk, however this has been mitigated by the applications for funding to senior government, together with a significant fundraising effort, which between these two areas has already generated the majority of the costs related to this endeavor. This has been further mitigated by the commitment from the Lake of the Woods Arts Centre Expansion Project Committee that the City of Kenora will not be required to support the capital costs related to these works.

There is an extreme governance risk, with the failure to pursue this budget amendment potentially resulting in the erosion of public confidence and trust in Council. There is a large component of the community already well vested into this project through donations and ongoing fundraising efforts. Council commitment to the concept of a new Arts Centre project was previously approved.

Communication Plan/Notice By-law Requirements:

The successful respondent will be notified of the tender award.

The Lake of the Woods Arts Centre Expansion Project Committee should develop a press release advising the public that the tender has been awarded, and outlining next steps

Strategic Plan or other Guiding Document:

1.10 The City will promote and leverage its recreation and leisure amenities to support local economic activity, tourism and to strength community ties with our regional neighbours.

2.9 The City will support continuous improvements to recreation and leisure amenities particularly those that support quality of life.

City of Kenora's Municipal Cultural Plan 2011 re: addressing cultural facility and gathering space needs; expanding lifelong learning and professional development opportunities; building cultural tourism; investing in cultural development;

Lake of the Woods Economic Development Plan re: tourism and infrastructure development, specifically the development of a public arts space and venue attractions;
Lake of the Woods Museum Strategic Plan re: builds on and optimizes the capacity and efficiency of existing infrastructure;

Northern Ontario Growth Plan re: growth and development of the arts and culture sector and celebrating the unique cultures and histories of Northern Ontario.



LAKE OF THE WOODS MUSEUM

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April 20, 2018

Mayor and Council
City of Kenora
1 Main Street South
Kenora, ON P9N 3X2

Re: CAPITAL PROJECT: Lake of the Woods Art Centre

Dear Mayor Canfield and Councillors of the City of Kenora:

As the Art Centre project moves into the construction phase, I wanted to reiterate the Museum Board's initial commitment to Council back in February 2017 when permission was granted to pursue funding, both private and public, to finance this project. The commitment was that the Museum Board and its Art Centre Committee would raise the necessary funds without any requirement of the City of Kenora to contribute funds to the capital project.

As you are aware the Museum has made application to both NOHFC and Canadian Heritage's Cultural Spaces fund, each for \$1 million. The funding from NOHFC has been confirmed and we anticipate hearing in September, at the latest, on the Cultural Spaces application. In addition, a cabinet of local and lake residents has already secured \$2,817,721 in funds (capital and legacy funds combined) with a further verbal commitment for \$407,500 and are committed to raising the remaining \$274,779 for a total of \$3.5 million from the private sector, \$1 million of which will be directed to a Legacy Fund to ensure the sustainability of the Art Centre well into the future. We are confident all monies will be raised by the end of this summer. As outlined in the attached Project Cost sheet, the monies for the Legacy Fund will be re-directed to that fund at the end of the project.

In the event that we are unsuccessful with the Cultural Spaces application or the amount granted is not what we hope, the donors to the Legacy Fund will be approached to see if they would re-direct their donations to the capital fund. Should that be a necessity and knowing the particular donors to that fund, I am confident that this would be agreeable to them.

It is also important to note that we have been very fortunate in having some significant lead donors who are extremely supportive of this project. I have indications from them that the capital funding **will be** in place even if it requires a further donation on their part.

This letter confirms that no additional funding will be sought from the City for the Art Centre capital project.

Sincerely,

Lori Nelson
Director

cc. Matt Boscariol, Manager of Community and Development Services