



**MINUTES**  
**SPECIAL**  
**COMMITTEE OF THE WHOLE**

**Tuesday, February 3, 2015**

**8:30 a.m.**

**City Council Chambers**

**Action**

**Present:** Mayor D. Canfield  
Councillor R. McMillan  
Councillor D. Reynard  
Councillor L. Roussin  
Councillor S. Smith  
Councillor C. Wasacase (arrived at 9:00 a.m.)  
K. Brown, CAO  
R. Perchuk, Manager of Operations  
C. Neil, Manager of Recreation Services  
L. D'Argis, Corporate Services Manager  
C. Caron, Manager of Property & Planning  
H. Kasprick, Manager of Legislative Services  
W. Brinkman, Manager of Emergency Services

**Regrets:** Councillor M. Goss

**Declaration of Pecuniary Interest & the General Nature Thereof**

- i) On today's agenda;
- ii) From a meeting at which a Member was not in attendance.

Councillor McMillan declared a pecuniary interest as it relates to any discussions regarding policing costs as his spouse is a member of the Police Services Board and receives remuneration.

**1. Budget Presentations:**

**8:30 a.m. – Kenora & LOW Regional Community Foundation**

Darlene McGilvery and Don Parfitt were present on behalf of the Community Foundation to present to Council. Don highlighted the new activities for the Foundation this year. The 10 hour giving challenge raised over \$75,000 in one day. A leadership gift was received from Wauzhushk Onigum for First Nations scholarships and bursaries. The Royal Lake of the Woods Yacht Club Support to Women's Shelter Saakaate House and PUFF

established an Agency Endowment Fund. The Community Foundation finished the year with \$4.1 million in endowments and distributed \$231,000 in grants to over fifty charities in the Kenora and Lake of the Woods Region. To date the Community Foundation distributed \$1.4 million in grants and received \$317,000 in new endowments benefitting all aspects of the region's charities. The establishment of all sectors of funds achieved 11.74% rate of return since inception, May 2006, achieved 6.7 % rate of return. There have been significant marketing initiatives including the 10 Hour Giving Challenge, Successful Granting Ceremonies, Revamped Festival of Trees. The Foundation employs one contract employee, working with over 100 dedicated volunteers and one intern marketing student. The endowment funds are successful but the Community Foundation challenge remains the operating budget as the operation/administration costs cannot be taken from endowment funds. The 2015 budget includes a projected revenue and expenditures of \$105,000 which includes the City of Kenora contribution of \$5,000. Mr. Parfitt expressed the importance of retaining the annual City contribution to the Community Foundation for years to come to ensure the operation of the Foundation.

Council thanked Don for his presentation and the work of the Board for this important organization in our community.

#### **8:45 a.m. - Kenora Public Library**

Maureen Wasacase, Board Chair presented the Library budget to Council. Ms Wasacase noted that the library is community meeting place that supports the City's Strategic Plan through the support we provide for local economic and cultural activity. Highlights from 2014 include: a summer student to provide assistance to technology users within the library and to reach out during the local markets to demonstrate the availability and ease of use of the library's many digital assets. Rotary Club funding was used to purchase prizes for the 2014 Summer Reading Program, and grants from the Kenora and Lake of the Woods Regional Community Foundation were used for the recovering of worn toddler seating, and the purchase of new and safer, chairs in the Children's Area. A \$2,000 grant to assist with operating costs was also received through the Foundation from Hartley and Heather Richardson. The teen area was updated with re-upholstered bench seating and new café tables and chairs using a grant from TransCanada Pipeline. Approximately \$18,000 was raised through grants to offset the costs of improving the services they were able to offer in our community. The provision of current technologies is paramount in meeting the community's resource, information and leisure reading needs. The library provides books and magazines in multiple formats and for various devices. Total circulation, including traditional print, audio visual, and electronic resources in 2014 was more than 293,000 which is more than 1,200 uses of the library and its materials, in one form or another, per day.

The Library Board's updated Strategic Plan for 2014-2019 was launched during Ontario Public Library Week and each Board member has taken on, and will champion, one of the six areas identified. Our vision, mission, and values, remain unchanged as we continue to provide our community with essential and innovative services that enrich lives by ensuring access to

resources that inspire and encourage cultural expression and lifelong learning. In the coming years the Board plans to aim at developing strong partnerships that will help engage our community; promote and maintain a safe and welcoming facility; expand access to technology and online services; ensure that staff have all of the skills necessary to provide training and instruction on new equipment and software; developing effective policies and practices that promote stewardship of our environment.

Use of digital materials and resources increased by more than 125% from 2012 to 2013 and that growth trend is expected to continue. The library has just recently started a small collection of eMagazines that are now available to library card holders.

In reviewing the 2015 Library Budget request a few changes are the result of shuffling line items to more accurately reflect the purpose of the expenditure.

Council thanked Ms. Wasacase for her presentation and the work of the Board for this important service in our community.

#### **9:00 a.m. – Lake of the Woods Museum**

Lori Nelson, Museum Director presented her budget request to Council. She highlighted that 2014 was a year of celebration for the Museum and they experienced increases in visitation, memberships, and new people through the door. They continue to add to the collection through the generous donation of artifacts and archival material. A major project for staff this year will be the continuation of a 3-year Collections Plan. They have reached maximum capacity in the artifact storage area. The purpose of the Collection Plan is to maximize the on-site storage space they have and this will be achieved by various means, but will require a significant commitment of staff resources. The ultimate goal is the better conservation of a strong and valuable collection of the community's material culture. They are looking to hire an intern for this project which will have budget impacts of \$3,807 for salaries and benefits that are not covered by the funding they receive for the intern. The remaining budget increase is to account for salary increases but no additional dollars are requested for operating costs.

Council thanked Lori for her presentation and the work of the Board for this important service in our community.

#### **9:10 a.m. – Handi Transit**

Jackie McAllister Chairperson of the Handi Transit Board presented to Council the 2015 Board request for funding. 2014 ended under budget again this year and Ms. McAllister requested that any funds left over from the prior year go to a bus replacement fund. One contributing factor to coming in under budget is an increase in ridership saw \$8,600 which was unexpected. Another contributing factor to the 2014 success is the partnership with 89.5 the Lake. In exchange for their company logo on the

bus they have given Handi Transit \$9,000 in advertising. LOW Community Foundation Endowment fund will be drawing approximately \$1,000 a year in interest in the future which will be helpful to the operation. She noted that there are mechanical and lift issues with the current bus. They are not asking for an increase to their budget and are keeping their budget at \$81,800.

Council thanked Ms. McAllister for her presentation and the work of the Board for this important service in our community.

**9:15 a.m. – Triple P.L.A.Y.**

Debbie Novak, Triple Play Coordinator presented their budget to Council. They continue to work and improve the process for children and families for those in need in the community have the opportunity to participate in an activity of their choice. Program costs are up by approximately \$5,000 which is due to the newest program which is the grade 7/8 shop class at Beaver Brae and Mike Kraynyk called the "Bike Shop". Beaver Brae receives the found bikes from the OPP and donated bikes from the community. These students are assessing the repairs, preparing work orders, ordering parts and repairing the bikes. This is a fantastic program and kids who are receiving these bikes are very appreciative. Triple Play is asking for \$12,000 in a grant for 2015.

Council thanked Ms. Novak for her presentation and the work that is being done in our community.

**9:25 a.m. – Lake of the Woods Development Commission**

Mike Greaves and Robert Kitowski were present to present the Lake of the Woods Development Commission budget along with staff Heather Gropp and Charlotte Caron. Mike thanked Council for the appointment to the Board and how excited they are to get started and move the Commission forward. There is a lot of learning taking place with several new board members. The budget request is exactly the same as 2014 of \$77,448. The surplus in 2014 they are hoping to keep in reserves. In 2014 the Tourism Committee took a different approach with the event grants by providing 12 different events with funding. In the past it was the larger events that received this funding. 360% has been leveraged by dollars that the Development Commission – every dollar in is putting out 3 times or more for the money you are putting in. Mike noted that the Commission is excited that the recent release of the Strategic Plan addresses the Commission work and involvement in the plan at such length. Their number one priority is to develop the economy and the Commission plays a huge role in that. He noted that as a board they are looking at this as their priority and in 2020 when the Strategic Plan is evaluated they can look back and be proud of the achievements they have accomplished.

Council thanked Mr. Greeves for his presentation and the work that this Board is doing in Kenora.

## **2. Solid Waste Budget (9:50 a.m.)**

Operations Manager Rick Perchuk along with Solid Waste Supervisor Mukesh Pokharel presented the City's solid waste budget to Council. The City's solid waste operations are responsible for the collection and disposal of solid waste for the City of Kenora. In 2014, the City processed approximately 26,362 tons of waste, including recycling. The quantities of municipal solid waste collected in 2014 were 17% higher than those collected in 2013. We collected 7,417 tons of garbage; 10,130 tons of construction and demolition materials; 153 tons of scrap metals; 1,492 tons of recycle material; 293 tons of brush, yard waste, wood chips; 1,250 tons of approved contaminated waste; 2,823 tons of industrial ash; 17 tons of asbestos; 2,677 tons of sewer sludge; and 111 tons of electronics.

The City's current solid waste operations are staffed by a complement of 13 full time employees, 2 part time employees and 3 seasonal students. Staff are also deployed as needed in other departments such as roads during high demand periods.

The blue box recycle program is provided at no cost to the residential users and commercial users are charged a user fee for recycling. Costs for recycling are supported through property taxes and do not impact the City's solid waste budget. In 2014, the transfer station shipped 1,492 tonnes of recyclables to Winnipeg and the City has collected 465 tonnes of recyclable waste materials from the curbside which is 31% of all recycle materials handled by the department.

Data has been collected to better understand the reduced amounts of refuse placed for curbside collection. Presently the municipal curbside collection operation only collects 4.5% by weight of residential waste and recycling that is handled through the waste transfer facility. This is in contrast to 100% previously collected in 1999. The curbside collection routes currently average 1,800 pick-ups per cycle, with the average household producing one blue box and one garbage bag per week.

The trend of a reduction in solid waste, offset by an increase in recycled materials, is positive and the City wants to continue to encourage this type of shift from an environmental standpoint. There is as a result, however, a loss of revenue which ultimately impacts the bottom line of the solid waste department. Consequently, the City is reviewing its tipping fees and is anticipating an increase by mid 2015.

Major infrastructure related to the City's solid waste operations includes the Kenora Area Landfill (put into operation in 2000) and the Kenora Area Solid Waste Transfer Station. The City operates both these facilities under a Certificate of Approval (C of A) from the Ministry of Environment. The C of A for each site imposes stringent standards for the operations of each facility.

The City continues to monitor the closed Tri-Municipal landfill site, related to a post-closure plan. Costs related to this post-closure care will continue for a minimum of twenty-five years following the closure of the site in

2000. There is approximately 30 years left at the current landfill site. We are anticipating a \$5M capital cost to construct a new site.

It was questioned why we do not recycle our glass. Manager Rick Perchuk noted that the only place that accepts glass for recycle is Hamilton. For Kenora to take a load of glass to Hamilton would cost about \$5,000 and this is not feasible for what we would get in return. Currently the glass is smashed and it goes to Jones Road landfill.

The 2015 operating budget projects total combined revenues of \$1.96M and expenditures of \$1.57M resulting in a system operating surplus of approximately \$.42 M before capital expenditures. Proposed capital expenditures for 2015 are \$.56 M. Larger value projects included in the 2015 capital expenditures are purchase of a wood grinder (\$.3M), construction of a hazardous waste building (\$.1M), continued construction of the peripheral road at Jones (\$.1M).

Rick and Mukesh are currently conducting a rate review for the Transfer Station and Solid Waste department. We need to ensure that we are looking at adequately putting away enough in reserves to fund a new landfill that will be required in approximately 30 years.

### **3. Water & Sewer Budget (10:40 a.m.)**

Operations Manager Rick Perchuk reviewed the water and sewer budget and commented that it is a mirrored budget from solid waste. Rick noted that there are significant pockets of the City that remain un-serviced by these operations. Extension of these services to the whole City is too costly with the City's own resources due to the size of the community. Provision of extending to these areas is possible only with funding through senior levels of government. For 2014, the City's water operations treated and distributed about 2.78 million cubic meters of clean water with a sewage treatment volume of 3.18 million cubic meters for the same period.

Infrastructure related to the City's water and sewer operations include over 140 kms of water mains and services and 136 kms of sanitary sewer mains as well as both water and sewage treatment plants. Unique to Kenora from many other northern municipalities, the City's topological layout requires 5 water booster pumping stations for different pressure zones, 64 sewage pumping stations and maintenance of about 350 residential and business grinder pumps, adding both to the complexity and costs related to maintaining the Kenora wastewater collection systems. In addition, the City is also responsible for the ongoing repair and maintenance as well as eventual replacement of about 4,908 water service and about 4,846 sewer service connections within its water system.

### **4. Capital Budget Update**

Lauren D'Argis presented council and senior management with a change to the 2015 draft that was presented to them.

The net costs of the combined operating programs, before capital expenditures and reserve appropriations are projected at \$25.0 M for 2015,

including transfers to external organizations. The most significant portion relates to protection.

## **5. Operating Budget**

Lauren noted that management is bringing the budget to Council at a minus 2.8%. Council discussed the preliminary major budget impacts and what areas could be looked at within the budget. It was outlined that the OMPF allocation to the municipality was decreased which affects us by \$394,000 and there is a reduction in our policing cost by \$324,000. Council discussed the increase to the NWHU budget which Councillor Smith clarified is a direct result of the population increase. The cost of programs and delivering the services have not gone up, but the population census has shown an increase which directly reflects an increase in the budget as it is based on population. The external organization impact to the budget is \$24,000 added. Wage related impacts include \$353,000 and other City impacts include \$133,000 for a combined major impact of \$672,000 which means a minus 3.1% impact on tax rate.

Council reviewed their section of the budget with notes. Council then reviewed the budget options for Council consideration which are already included in the draft budget.

### **1. Moved by L. Roussin, Seconded by R. McMillan & Carried:-**

That pursuant to Section 239 of the Municipal Act, 2001, as amended, authorization is hereby given for Committee to move into a Closed Session at 12:14 p.m. this date for the purpose of:

- Labour Relations Matter

At 12:23 p.m. Committee resumed from its closed session with no direction from its closed session.

Councillor McMillan abstained from discussions pertaining to OPP cost savings.

Council resumed the open session to continue with budget discussions for options. Council discussed the tax increase and impacts related to the OPP cost savings. If we were to split the cost savings from the OPP at \$162,000 to drop the tax rate and \$162,000 in reserves for the organizational review. Lauren will update the budget according to this direction.

Lauren D'Argis will prepare a report for February 10<sup>th</sup> Committee of the Whole to adopt the 2015 budgets as amended.

### **2. Moved by L. Roussin, Seconded by R. McMillan & Carried:-**

That this meeting be declared closed at 1:31 p.m.