



**March 31, 2024**

## **City Council Committee Report**

**To: Kyle Attanasio, CAO**

**Fr: Ryan Marsh, Director of Finance**

**Re: Budget Amendment – Keewatin Library Roof Replacement**

### **Recommendation:**

That Council hereby approves a budget amendment in the amount of \$500,000 for the Keewatin Library roof replacement as directed by Council at the March 18, 2025 meeting; and further

That in accordance with Notice By-law Number 160-2022, public notice is hereby given that Council intends to amend its 2025 Capital budget at its April 15, 2025 Council meeting for this purpose; and further

That Council gives three readings to a By-law to amend the 2025 Capital budget for this purpose.

### **Background:**

The Keewatin Library was closed June 28, 2024 as a result of inspections of the roof structure that indicated the roof structure was compromised due to:

- having been constructed, in part, from salvaged lumber;
- having damaged truss members; and
- excessive moisture retention

Interim operations continued during the closure including borrowing services, home deliveries, access to e-services, programming and school visits remained available at the Kenora Library. The City rented space to ensure continued operations of the Senior Centre.

The insurer's third-party engineer completed their inspection on July 17th, 2024, and provided a report to the insurer for their review on August 13, 2024.

On September 11th, 2024, the City was advised by its insurer that repairs to the Keewatin Library roof would not be covered by insurance.

On October 1st, 2024, Council directed Administration to undertake a comprehensive structural assessment to determine if the building can support a new roof structure and to develop preliminary costing.

On December 19th, 2024, Stantec Engineering attended the Keewatin Library building to complete the on-site inspection and selective demolition to ensure that the walls, floor, and foundation maintained the structural integrity to support the weight loads of a new roof structure.

On January 28th, 2025, the City of Kenora received a final structural report that confirmed that the current building structure could support a new roof. The findings of this report were shared with both City Council and the Kenora Library Board in February 2025.

On February 26th, 2025, the Kenora Public Library Board passed a resolution at their regular meeting stating the following:

*That the Kenora Public Library Board supports the continuation of the delivery of library services in Keewatin and requests that the City of Kenora proceed with the necessary repairs to the existing facility as per the Structural Assessment Report provided to the City and shared with the Board. The Kenora Public Library Board is committed to ensuring that all repairs are made so that the building will be safe to enjoy.*

The Kenora Public Library Board attended Council's Committee of the Whole Meeting on March 4th, 2025, formally requesting that Council fund a roof replacement project to ensure services can continue at the Keewatin Library Building.

The following options were provided to Council on March 18, 2025:

1. The City proceeds with the repairs to the Keewatin Library Building roof and applies to NOHFC to offset costs.
2. The City can proceed with the repairs to the Keewatin Library Building roof by financing the project using the City's reserves.
3. The City can elect not to replace the roof structure and explore alternate uses for the current property.

**Budget / Financial Implications:**

**Option 2** was selected as the preferred option, requiring \$500,000 to be entirely financed by the City through a draw on the City of Kenora's Contingency Reserve Fund. The budget amendment will create a 2025 Capital Budget of \$500,000 for the Keewatin Library Roof Replacement project.

**Risk Analysis:**

There is a high financial and asset management risk associated with failing to proceed with a facility project. It is anticipated that the existing roof will continue to deteriorate, leading to further damage to the facility (rainwater infiltration) and escalating repair costs, which will further depreciate the asset's value.

There is a medium financial risk associated with the impact on the City's budget and reserve funds. Funding for this roof replacement project would be withdrawn from the City's reserve accounts, which depletes the balance of the Contingency Reserve.

There is a high reputational risk associated with this project as the decision may result in a significant change to the City's library levels of service.

There is a low operational risk associated with this report. If the City does not proceed with a roof replacement, services will continue to be provided through an alternative service delivery model.

**Communication Plan/Notice By-law Requirements:** Bylaw and public notice required.

**Strategic Plan or other Guiding Documents:**

Charting Our Course 2027 – Strategic Plan

Goal 1.2 Ensure well maintained and sustainably financed City Infrastructure.

Goal 3.1 Deliver coordinated four-season cultural and recreational infrastructure, programs and events

Parks and Recreation Master Plan