

The Council for the Township of Killaloe, Hagarty and Richards held a Special Meeting on the above date with Councillors Isabel O'Reilly, John Jeffrey, Kathy Marion, Stanley Pecoskie, Carl Kuehl and Debbie Peplinskie present. Mayor Janice Visneskie chaired the meeting, which she opened and called to order.

Also in attendance:

Wil Barr, MacKillican & Associates, Auditors for the Township
Roy Reiche, Solicitor for the Township
Lee Lafont, Board Chair, Killaloe & District Public Library Board, and member of Planning Committee
John Gulland, Planning Committee Member
Eleta Kelley, Killaloe & District Public Library Board Member
Jude Cowan, Killaloe & District Public Library Board Member
Donna Mallette, Killaloe & District Public Library Board and Planning Committee Member
Cathy Lyons- Planning Committee Member
Megan Hazelton, Killaloe & District Public Library Board and Planning Committee Member
Rob Mallette – Planning Committee Member

Pecuniary/Financial Interest: No pecuniary/financial interest was declared by any of the Council members present.

Purpose of the Meeting: Mayor Visneskie opened the meeting and explained that the purpose of the meeting is to discuss various issues relating to the new library. She then turned the meeting over to Mr. Reiche Roy who explained his presentation outline; Current Information, Points to be Discussed and Process Moving Forward.

Current Information:

1. Mayor Visneskie confirmed that the land and building would be owned by the Township and utilized by the Library Board.
2. The source of funding is from government grants and donations.
3. In order to give confidence to donors that a subsequent Council will not change its position regarding a library, a long term lease has been identified as being an appropriate document to ensure that the building will be used as a library. The lease would be between the Township and the Library Board. Both the Township and the Library Board are separate legal corporate entities and have the power to enter this type of contract.
4. The Library board has formally established a new Library Planning Committee. This Planning Committee has three Sub-Committees: 1. Advocacy and Outreach Sub-Committee (publicity); 2. Fundraising Sub-Committee; 3. Building Sub-Committee.
5. Valid donation receipts are required to be issued for income tax purposes. The "Friends of the Library" is a charitable organization which has volunteered to issue tax receipts.
6. The process which is envisaged relating to the new library is summarized as follows:
 1. Soils and other investigations
 2. Public consultation and input (by the architect)
 3. Preliminary design
 4. Estimated budget
 5. Final design
 6. Final budget
 7. Building permit
 8. Tendering/Construction/Contracts
7. The procurement policy of the library board will be utilized through the course of pre-construction and construction.

Mr. Reiche advised that there have to be safeguards in place for both parties, and that this can be accomplished by entering into a lease. A lease would offer security to both partners in that the responsibilities and expectations relating to both parties are clearly spelled out. Mr. Reiche also advised that a lease would be binding on future councils, and that checks and balances would be incorporated into the lease to provide for it to be dissolved under specific circumstances. This meeting is being held to discuss the concept of what is required in the lease, and what actual lease documents will be developed to reflect these agreed to items.

POINTS TO BE DISCUSSED:

- 1) It is clear that a legal entity must be in charge of the project and must be accountable and be able to enter into contracts with various parties as the project proceeds. It appears that the appropriate legal entity for this role is the Library Board. If this concept is approved, any contracts would be signed by the signing officers of the Library Board.

When questioned whether this process would be approved by way of a resolution, Mr. Reiche advised that because the financial records of the library are audited with those of the Township, a specified process has to be followed. The alternative is to have someone contracted to build the new library. The Library Board would enter into the contract, and because their annual budget is to be approved by Council, they would have to follow the same process for this project. Mr. Barr advised that the financial records of the library are under the umbrella of the Township. If the Township owns the land where the building is located it will also own the building however, it will be operated by the Library Board. Mr. Barr inquired as to whether or not the Friends of the Library is incorporated and was told by Mr. Mallette that they are a registered charitable organization, but are not incorporated. Mr. Lafont advised that their research into funding indicates that a large number of the applications for funding would have to go through the municipality due to conditions of the grant itself.

Mr. Reiche pointed out that companies may be hesitant to enter into contracts with an unincorporated group, and that it could be very difficult to enforce a breach of contract because they are not considered a legal entity. He advised that the Library Board is a legal entity, and that there are controls in place under the Public Libraries Act, e.g. they are appointed by Council, and their budget is approved by Council. Mr. Mallette advised that the Friends of the Library were not planning to build the building, but they would issue receipts for donations to the project. Mr. Reiche responded that if this is the case, the Fundraising Committee may have to be constituted as part of the Friends of the Library, as the entity that is raising the money should be issuing tax receipts.

Mr. Lafont asked if, for the purposes of grants, signing contracts, etc. is it possible to keep the two entities involved, the Township and the Library Board. Mr. Reiche advised that Council did not want to be involved in the construction of the building, and that the contracts for that phase should be entered into by the Board. If grants are available that can be obtained for the project they could then be transferred to the Library Board. Mayor Visneskie advised that there are circumstances where grants become available and the municipality can only apply for one project. Since there may be many municipal projects that would benefit from grant funding, unless the grant is specific to library funding there is no guarantee that the application will be made for the library.

- 2) At some point, a budget is required to be established for the project, which would be approved by the Library Board and Council.
- 3) Upon approval of the final budget by the Library Board and Council, the Library Board would be in a position to pay all expenditures, provided the invoices are within the approved budget. "In kind" contributions by the Township should be identified as soon as possible in the process and value placed on the "in kind" contributions in order that the total project cost can be monitored.
- 4) The Building Sub-Committee is to be responsible for construction of the new library. It is suggested that the Building Sub-Committee nominate an individual who will be responsible for monitoring the project and reporting to Council and the Library Board. It is possible that this individual may be called a "Controller" or other appropriate title. A Terms of Reference for this individual will be included in a contract between the Township and the Library Board. Responsibilities will include budgetary updates on the project and communicating with project partners, including the architect, contractors, subcontractors and suppliers as required.
- 5) Terms of Reference are required for the Planning committee and all of the Sub-Committees. This will assist all of the volunteers in clarifying their roles and duties. As the Building Sub-Committee is responsible for the construction of the building, special attention should be given to the Terms of Reference. There should be a mechanism built into the approvals system so that the Building Sub-Committee can proceed with construction with a minimum of meetings or other approvals. As noted above, an approved budget will assist.

6. Although the Library Board and the Township are separate legal entities, the financial statement of the Library Board are part of the Township's financial statements pursuant to Provincial legislation. As such, if the Library Board is responsible for the contracts for the new building, there will be additional work for the Librarian who handles the on-going financial records for the Library Board and for the Township auditor, adding to the expense of these services.

Mr. Barr explained that the Librarian maintains the financial records of the library now, and she should also maintain the financial records for the building fund. This isn't an issue for 2012, however for 2013 and going forward it will be, as the financial statements will have to be consolidated into those of the township. The way the building fund will be set up is that the Friends of the Library will collect the donations, which they in turn will donate to the building fund and account for these donations on their books. Once the project starts there will also be HST rebates which can be filed through the financial records. These financial controls would ensure that acceptable accounting procedures are in place for the project. Mr. Barr also inquired as to what steps have been taken to determine what the ongoing operational costs of the library will be once it is built, and who will be responsible for these costs. Mayor Visneskie advised that Council requires this information before the building starts to ensure that the project is sustainable over the long term. Mr. Lafont advised that the board and committee agree that this information has to be provided prior to that start of construction of the building, and that this process must be publically transparent.

7. As noted above, valid donation receipts must be issued. The "Friends of the Library" ("FOL") have indicated that they are prepared to issue the receipts. The process would be that the FOL has a fundraising project for the new library and is committed to raise funds. If FOL will be issuing donation receipts, the Township auditor has suggested that the Fundraising Sub-Committee should be a Sub-Committee of FOL, rather than the Library Board.

Mr. Gulland advised that there is no corporate linkage between the FOL and the Library Board. Mr. Reiche reminded those present that commitments are being made both by the board and Council for the new library, and the only issue that he has for the FOL is that they have a sub-committee, raise money and turn the money over to the board. This is possible because the FOL has charitable status. Mr. Gulland expressed concern that the idea of a Fundraising Committee function under the umbrella of FOL could be problematic because it takes it away from the Sub-Committees. Mr. Barr advised that if the Fundraising Committee is a Sub-Committee of the Planning Committee, the FOL can't issue the charitable receipts because they are not under the umbrella of the Library Board. As the FOL raise funds for other library purposes as well, Mr. Reiche suggested that a resolution be passed by the FOL to indicate that the donations that are received for the new library are directed to the Building Fund.

PROCESS MOVING FORWARD:

1. The concepts in Section B above must be finalized.
2. A lease needs to be developed. Council needs to discuss the length of the lease and any expectations of the Library Board. Will the Library Board be responsible for maintenance and repair of the new building during the term of the lease? How is the insurance, utilities, snowplowing, etc. going to be handled? Are there any payment expectations from the Township on an on-going basis? If a building permit has not been issued and construction commenced by a certain date, then the lease is terminated. The expectations of both the Township and Library Board should be addressed at this time so that there are no miscommunication and surprise issues as the relationship between the Library Board and the Township moves forward.
3. A separate contract between the Township, the Library Board and FOL needs to be developed utilizing the relevant points in Section A and the agreed upon concepts in Section B. This contract will include the Terms of Reference of the various Committees and Sub-Committees and the responsibilities of each of the parties. Other issues may be identified by the parties as a result of discussions.

Mr. Lafont advised that until they get to the drawings, it will be difficult to ascertain the building and ongoing costs for maintenance and operation, but these costs will be provided to Council prior to construction.

Mr. Reiche advised that everyone seems to understand the concept very well, therefore once he gets approval to move forward, the lease should be a very standard document. The contract

for the structure itself might be a little more involved, but the main issue is to make certain that everyone is in agreement to move forward. Ms. Mallette reported that some of the potential donors have questioned whether or not there is a commitment from the Township for the land. Mr. Lafont reported that the site investigations are completed and the invoicing has been issued has been paid for from funds donated for the new library. The next step is to sign a contract for preliminary design with the architect, and funds are in place to do that now. He questioned whether or not to proceed with this stage of the project at this time. Mr. Reiche advised that all of the issues, e.g. the lease, financial responsibility, etc. are connected, but since Council has approved a commitment to the Library Board for the land to be used for the new library, from a legal standpoint it may be premature because all of the agreements are not in place, but from a practical standpoint, you could proceed on that basis.

Mayor Visneskie advised that she had been made aware of some extremely negative comments made about Council at a recent FOL meeting, and she reminded those present that Council has supported this project from its inception. She questioned why those comments were made and if this is the feeling of the board. Mr. Lafont assured her that this is not the feeling of the board, and that comments made were general in nature with relation to Conflict of Interest pertaining to being a member of Council sitting on the Library Board. The comments were not directed to the members of Council who sit on the board, however, the design of the Municipal Act would dictate that their commitment would be primarily to Council and not the board.

Council instructed Mr. Reiche to start the process of preparing the lease and other relevant documents as discussed in the meeting. Mr. Reiche advised that he will require clarification as to who is paying for what before he can complete all of the documents. Mr. Barr advised that what is currently in place for financial reporting is acceptable for 2012, and once the lease is signed in 2013 the required financial controls that he had outlined earlier in the meeting will be in place going forward. All Library Board, Planning Committee members and Council members present agreed to have Mr. Reiche prepare the lease for review and approval by both the Library Board and Council, then prepare subsequent documents as he had outlined once he has the required information. Council thanked Mr. Barr, and the members of the Library Board and Planning Committee for attending, at which time they left the meeting.

Committee of the Whole:

Moved by Debbie Peplinskie
Seconded by Carl Kuehl

BE IT RESOLVED THAT Council move into a closed meeting pursuant to Section 239 of the Municipal Act, 2001, as amended, for the following reason(s):

- The security of property of the municipality or local board;
- Personal matters about an identifiable individual, including employees;
- A proposed or pending acquisition or disposition of land;
- Labour relations or employee negotiations;
- Litigation or potential litigation;
- X Advice that is subject to solicitor-client privilege;
- A matter authorized by another provincial statute;
- The subject matter relates to the consideration of a request under the Municipal Freedom of Information and Protection of Privacy Act;
- For the purpose of educating or training members of Council.
Carried.

Moved by Stanley Pecoskie
Seconded by Carl Kuehl

Motion to come out of Committee of the Whole. Carried.

Adjournment:

Moved by Debbie Peplinski
Seconded by Carl Kuehl

Motion to adjourn Special Meeting dated January 9, 2013. Carried.

Janice Wisneski
Mayor

Jana Madden
CAE/Clerk-Treasurer