

TOWN OF FORT FRANCES

MINUTES

SESSION NO. 008

February 25, 2019

The meeting of Council of the Town of Fort Frances was held in the Council Chambers , Civic Centre on February 25, 2019 from 6:27 p.m. to 7:45 p.m.

PRESENT: Mayor J. Caul, Chairperson; Councillors M. Behan, W. Brunetta, A. Hallikas, D. Judson and J. McTaggart.

ALSO PRESENT: D. Brown, CAO, K. Lawson, Deputy Clerk, D. Galusha, Treasurer, T. Rob, Manager of Operations & Facilities, J. Kabel, Manager of Community Services

1. COUNCIL MEETING

1.1 Call to Order at 6:27-6:57 pm and 7:25-7:45 pm

1.2 Prayer

1.3 Non-agenda items identified to be considered later in this meeting.

1.4 Disclosure of pecuniary interest and the general nature thereof.
Councillor Brunetta disclosed an interest in Item 8.1 from tonight's Committee of the Whole meeting as the per diem claim being considered is hers.
Councillor McTaggart disclosed an interest in Item 4.2 from tonight's Committee of the Whole meeting as he receives compensation from one of the Agency One bands.

2. Delegations/Deputations:

2.1 A presentation from C. Goulding, Chief Executive Officer and R. Schulz, Board Member, Fort Frances Library Board and Technology Centre was provided to Council re: The Value of Your Library - Social and Economic Return on Your Investment Report. (6:27-6:42 pm)

066 Judson-Brunetta: THAT the presentation from C. Goulding, Chief Executive Officer, Fort Frances Library Board and Technology Centre re: The Value of Your Library - Social and Economic Return on Your Investment Report be received.

CARRIED

2.2 A presentation from N. Paddock, Executive Director NCDS was provided to Council re: NCDS Community Involvement. (6:43-6:57 pm)

067 Judson-Brunetta: THAT the presentation from N. Paddock, Executive Director NCDS re: NCDS Community Involvement be received.

CARRIED

2.3 Public Meeting re: 357/358 Applications for Tax Adjustment re: 335 Scott Street (2018).
- approval of this report will agree to the recommendation of the Administration and Finance Executive Committee to approve the adjustment of 2018 taxes under Section 357/358 of the Municipal Act for property located at 335 Scott Street resulting from a demolition of a building to allow the land to be used as a parking lot.

No one came forward when invited by Mayor Caul to speak for or against this application.

068 Brunetta-Judson: THAT the report dated February 12, 2019 from D. Galusha, Treasurer re: 357/358 Applications for Tax Adjustment re: 335 Scott Street (2018) be approved to

agree to the recommendation of the Administration and Finance Executive Committee to approve the adjustment of 2018 taxes under Section 357/358 of the Municipal Act for property located at 335 Scott Street resulting from a demolition of a building to allow the land to be used as a parking lot.

CARRIED

3. Consent Agenda (7:25 pm)

3.1 Items Referred from Committee of the Whole

069 Brunetta-Behan: THAT the following Consent items be approved:

1. Committee of the Whole Consent items # 7.1, 7.2, 7.3, ~~7.4~~, 7.5 and 7.6.
2. Council Consent item # 3.2

CARRIED

- 3.2 Letter dated February 14, 2019 from T. Fitzgerald, CFO, Gillons Insurance Brokers Ltd.
re: Parking Passes 2019
- will be referred to the Planning & Development Executive Committee for recommendation.

4. Resolutions from tonight's Committee meeting

4.1 Council considered the following resolutions:

Councillor Brunetta disclosed an interest in resolution 072 below as the per diem claim being considered is hers. She did not speak to the matter nor vote on it.

070 Judson-Brunetta: **WHEREAS**:

1. The Town of Fort Frances ("**Fort Frances**") was founded in 1903 and has been the site of a paper mill (the "**Mill**") for over a century;
2. The current owner of the Mill is Resolute Forest Products ("**Resolute**");
3. The Mill is an irreplaceable key economic asset of Fort Frances that has been the recipient of significant public investment over its operational life, including as recently as 2009;
4. The Mill's future has been jeopardized by what appear to be dealings motivated by a desire to maintain control of the local wood supply or to hinder new entrants to the forest industry;
5. The wood fibre from the Crossroute Forest (the "**Crossroute**") is a publicly owned resource that has been designated to supply the Mill first and foremost, and this priority is clearly reflected in the Sustainable Forest License ("**SFL**") that was issued by the Ontario government to Resolute;
6. The Ontario Minister of Natural Resources (the "**Minister**") has the authority to vary, amend, or overlay the SFL so that another licensee is provided with access to wood fibre in the Crossroute, but the Minister has not yet publicly committed a proximate supply of wood to a buyer who wishes to acquire and operationalize the Mill;
7. Local forest resources should be sustainably managed to primarily support and create jobs and economic prosperity for their surrounding communities - a commitment reflected in the SFL policy regime and the successor Enhanced Sustainable Forest License (the "**eSFL**") regime;
8. There is enough wood supply in the Crossroute and surrounding forests to support multiple, operational facilities in the region - especially considering that up to a dozen mills in Northwestern Ontario have been closed over the past several years;
9. Resolute idled and permanently closed the mill in 2013 but continued to harvest wood from the Crossroute for use at its other facilities, hundreds of kilometres from Fort Frances, including to Resolute's Thunder Bay mill - a clear inconsistency with the SFL;
10. Fort Frances understands that the reason previous attempts to purchase the mill from Resolute and operate it have failed due to difficulties securing access to a sustainable, equitable, and cost-effective supply of wood fibre;
11. The previous provincial government - including the then-Minister who was MPP for a riding benefiting from the redirected Crossroute wood fibre - decline to assist Fort

Frances and its neighbouring communities to ensure that the Crossroute wood rights were prioritized for creating local jobs in the Fort Frances area;

12. A new potential buyer ("the **Buyer**") emerged in December 2018 with an interest in purchasing and operating the Mill, with the potential to create over 700 jobs for the surrounding communities;

13. The Buyer has engaged in discussions with Fort Frances and Rainy River District municipal and First Nations community leaders on its plans for the Mill, including its intent to enter into arrangements which economically empower area First Nations and facilitates their participation in the Buyer's business enterprise and related support services;

14. Fort Frances is concerned by any steps Resolute may take that create obstacles which prevent the Buyer from engaging in substantive negotiations to purchase the Mill or to secure access to wood in the Crossroute, particularly in light of the clear provisions in the SFL which favour an operating facility in Fort Frances;

15. Communicating with government officials is necessary to secure a wood supply and assess a number of regulatory matters related to the Mill and its return to operation and no potential buyer of the Mill should be prevented from doing so;

16. Resolute has recently informed Fort Frances that it now intends to open the future of the Mill to a competitive bidding process, which closes in less than one month - on March 15, 2019;

17. Resolute has announced a March 15, 2019 deadline for interested parties to submit bids on the assets of the Mill, but has not widely advertised this opportunity or indicated whether bids will be accepted for the Mill as a whole, or simply its parts;

18. On February 8, 2019, Resolute informed Fort Frances of its default intention to sell the mill to a "community redeveloper" - a company which would presumably dismantle the Mill and Fort Frances' key economic asset;

19. Fort Frances believes that Resolute's bidding process is designed to allow Resolute to reach an outcome which will result in the demolition of the Mill, followed by a permanent reallocation of rights to the Crossroute wood fibre to Resolute by default'

20. Fort Frances believes that the "community redeveloper" in question is the same firm which has purchased other shuttered industrial facilities in the province, and actually engages in demotion activities on the sites it acquires;

21. Fort Frances has concerns about this community redeveloper's record of successfully and fully rehabilitating and remediating former industrial properties; and

22. Fort Frances is firmly committed to the principle that its local forests are linked to its economic future, and moreover:

A. Has lost confidence in Resolute to administer a fair process for the sale of the Mill or to broker access to wood fibre in the Crossroute to a successful bidder, without the intervention of the provincial government or other regulatory bodies,

B. is of the view that Resolute's strategy, lobbying and engagement with the Buyer have not been aligned with the interests of Fort Frances or the public policy underlying the Crossroute SFL,

C. Believes that Resolute's representations of any intent to sell the Mill to a new operator have been insincere,

D. Believes that Resolute wishes to see the Mill demolished before Fort Frances and other impacted communities have a voice in the imminent eSFL management regime for the Crossroute, and

E. Believes that Resolute's actions and behaviour in respect of the SFL have been anti-competitive and are contrary to the intent of the SFL;

THEREFORE, BE IT RESOLVED THAT:

23. Fort Frances demands that Resolute:

A. Allow all bidders on the Mill the ability to engage in dialogue with government prior to submitting their bid so that they can reasonably prepare for a successful acquisition of the Mill,

B. Allow sufficient time for bids on the Mill to be prepared and submitted,

C. Inform Fort Frances, in confidence, of the identity of bidders so that Fort Frances may engage in discussions with them and provide information that is responsive to the bidders' plans for the Mill properties, and

D. Comply with the terms of the SFL and engage in a process to provide access to wood fibre in the Crossroute, reflecting such intention in any bid or tender package issued in respect of the sale of the Mill;

24. Fort Frances calls on the Premier of Ontario and the Minister to use all measures within their authority:

- A. To ensure the Mill is open for business,
- B. To provide access to fibre in the Crossroute to potential operators of the Mill, in keeping with the text of the SFL, and
- C. To support outcomes for the Mill which create jobs and prosperity in Fort Frances and surrounding municipalities and First Nations; and

25. Fort Frances shall issue a copy of this resolution forthwith to Resolute, the Premier of Ontario, the Minister, the Honourable Greg Rickford, MPP (Kenora-Rainy River), provincial Opposition Leaders and critics for natural resources, and all Rainy River District municipal and First Nation councils and representative bodies.

CARRIED

- 071 Behan-Judson: THAT the report dated February 20, 2019 from T. Rob, Manager of Operations & Facilities re: Report No. 3 - Establishing 2019 Water and Sewer Rates be approved to agree with the recommendation of the Operations and Facilities Executive Committee to approve Scenario 2 on Spreadsheet 1 as the preferred scenario and that the 2019 rates be approved as laid out in the report.

CARRIED

- 072 Behan-Judson: THAT the report dated February 19, 2019 from D. Galusha, Treasurer re: Councillor Wendy Brunetta - NOMA Executive Meeting Per Diem Claim be approved to agree with the recommendation of the Administration and Finance Executive Committee to approve the per diem claim in the amount of \$240.00 as submitted by Councillor Wendy Brunetta for her attendance at the Northern Ontario Municipal Association (NOMA) Executive Meeting held in Thunder Bay on February 5-6, 2019.

CARRIED

- 073 Brunetta-Behan: THAT the report dated February 20, 2019 from E. Slomke, Clerk re: Further Bill 68 Amendments - Code of Conduct / Integrity Commissioner be approved to agree to the recommendation of the Administration and Finance Executive Committee that 1) Council approve the implementation of a Code of Conduct with supporting Integrity Commissioner Inquiry Protocol; 2) that Paul S. Heayn be approved as Integrity Commissioner and further that 3) authorizing by-laws be brought forward for execution by Mayor and Clerk.

CARRIED

5. By-Laws:

- 5.1 By-law 04/19 being a by-law to adopt a Code of Conduct for Members of Council, Local Boards and Committees of the Corporation of the Town of Fort Frances.
- 5.2 By-law 05/19 being a by-law to appoint Paul S. Heayn as the Integrity Commissioner for the Corporation of the Town of Fort Frances.

- 074 Brunetta-Behan: THAT the following by-laws be introduced and read a first, second and third time, be finally passed, signed by the Mayor and Clerk, sealed with the Corporate Seal and become law forthwith:

- By-law 04/19 being a by-law to adopt a Code of Conduct for Members of Council, Local Boards and Committees of the Corporation of the Town of Fort Frances.
- By-law 05/19 being a by-law to appoint Paul S. Heayn as the Integrity Commissioner for the Corporation of the Town of Fort Frances.

CARRIED

6. New Items:

- 6.1 Resolution to authorize attendance at 'Essentials of Municipal Fire Protection' seminar - February 21, 2019
- Mayor June Caul and Councillor John McTaggart attended.

- 075 Brunetta-Behan: THAT the following be authorized to attend 'Essentials of Municipal Fire Protection' seminar - February 21, 2019
- Mayor June Caul and Councillor John McTaggart

CARRIED

7. Information Correspondence:

- 7.1 AMO Watchfile dated February 21, 2019.
Received.

8. Minutes:

The following five minutes were received.

- 8.1 Downtown Business Improvement Area Board (BIA) Board of Management Meeting dated November 14, 2018.
- 8.2 Community Services Executive Committee dated February 4, 2019.
- 8.3 Planning and Development Executive Committee dated February 4, 2019.
- 8.4 Administration and Finance Executive Committee dated February 5, 2019.
- 8.5 Operations and Facilities Executive Committee dated February 6, 2019.

9. Non-agenda Items - None.

10. ADJOURNMENT

- 10.1 The meeting adjourned at 7:45 p.m.

- 076 Brunetta-Behan: THAT this meeting of the Council of the Town of Fort Frances be now closed.

CARRIED

J. Caul, Mayor

A. Hallikas, Chairperson

K. Lawson, Deputy Clerk