



Date:	January 27, 2016		
Time:	4:00 PM		
Location:	Front Boardroom, 945 Princess Street at Innovation Park		
Attended:	Michael Harris	Judith Hay	Heather Ford
	Bo Wandschneider	Judith Pineault	Donna Gillespie
	Gerard Hunt	Councillor M ^c Laren	Councillor Candon
Staff:	Emily McCracken	Brock Dickinson	
Regrets:	Debi Wells		

1. Call to Order – 4:00 PM
 - Judith Pineault, Co-Chair called the meeting to order – 4:00 PM.
2. Approval of Agenda
 - Motion to “approve the agenda as amended;” moved by Heather Ford, seconded by Judith Hay. Carried.
 - Agenda emended to have delegations present prior to addressing Business Arising.
3. Disclosure of Conflict of Interest
 - None declared.
4. Approval of the Minutes
 - i. Review Committee Meeting – January 6, 2016
 - Motion to "approve the minutes of January 6, 2016 as presented;" moved by Judith Hay, seconded by Heather Ford. Carried.
5. Delegations
 - Judith Pineault welcomed the first delegation to the floor, Nadine Lollar.
- I. Delegation: Nadine Lollar
 - Nadine Lollar stated that the January 20 Town Hall meeting was very encouraging in confirming that the dismantling of KEDCO was on the table for the Committee. She asked if this was brought to City Council to be added as an option in the mandate.
 - Councillor Candon noted that this was not added as an option.



- Donna Gillespie suggested that this item be added to business arising from the minutes as to not take up Nadine Lollar's presentation time.
- Nadine Lollar stated that it was more than three months ago, that she had written an open letter in the Kingston Whig Standard, it was signed by more than 100 concerned Kingston citizens. She posed the question as to why KEDCO is funded by tax dollars with no accountability. She noted that the Review Committee is not objective, which was brought forward at the January 20 Town Hall. The Committee is overwhelmingly made up of individuals who have a conflict of interest; stating that KEDCO Board members are not unbiased. She requested clarification on the criteria used for selection of the Committee members. Noted that the review should be unbiased and involve experts from the field. Tax payers need to know where their money is going. She suggested that Committee members be professionals that are involved in auditing, requesting that a professional company do a forensic audit of the Corporation for the last four years. Nadine Lollar stated that the publicly released financial reports are lacking in communication and the budget numbers are in general categories which do not show where the monies are being spent. She stated that the salaries and severance packages of three key members of KEDCO that left recently have yet to be published. Nadine Lollar was surprised to learn that KEDCO is continuing to hire during the review process, questioning if this is appropriate when the number of staff at the Corporation is in question. She stated that accountability requires justification for actions and decisions; financial accountability requires tough questions on how and why things are being spent. KEDCO has a use of the communities tax money, yet is at an arm's length from the City of Kingston. She stated that the public wants KEDCO's information not their clients information, confidentiality can be maintained. The more that the community is asking and are not getting answers for the more they question the organization.
 - Judith Pineault stated that the Review Committee is receiving all the community feedback first. Committee members wish to take on board all the actionable items from the community to find out what a 360 degree review looks like. It is very important for member's to not only to answer all questions, but to understand what constitutes a satisfactory answer for the community. The Review Committee is looking at an immense amount of information, at the January 20 Town Hall they heard some extremely diverse opinions. As they



work through the review and compile the final report, the Committee will take all opinions into consideration.

- Nadine Lollar asked if there was expertise on the Committee to perform a forensic audit of KEDCO.
Judith Pineault stated that this expertise was not on the Committee.
- Michael Harris stated, as a community member coming onto the Review Committee he was not aware that performing a forensic audit was part of the responsibilities. He noted that the Committee's mandate was to identify the vision for economic development in Kingston and how it was to be executed and achieved. He did not feel that a forensic audit is what this Committee has been charged to accomplish.
- Councillor McLaren stated that the Committee will be making recommendations to Council and the KEDCO Board, one of those may be to perform a forensic audit on the Corporation. This recommendation will be found at the end of the report and is something that we will be discussing.
- Nadine Lollar asked if Committee members felt that the timelines they have been given are realistic for the work at hand.
 - Judith Pineault stated that they were reasonable. Judith Pineault noted that if members felt that the outcome would be in question due to the timeline they would request an extension.
- Nadine Lollar stated that she was still questioning the impartiality of Committee members and how can they be objective. How can the review process plan for the future without knowing the past?
- Nadine Lollar thanked the Committee for listening to her delegation.
 - Councillor Candon stated that the community concerns are being heard frequently and the Committee was created based on the feedback that Council has heard. Councillor Candon noted the feedback is appreciated. The Review Committee's makeup was established based on the best way the group could move forward; members were selected by the City of Kingston Nominations Committee, made up of Councillors that the community elected. He reminded the group that everyone is in the process together, whether a member of KEDCO, Councillor, resident, or business owner. The goals are all the same and the community's thoughts are valuable.

II. Delegation: Michael Tkautz and Ewen MacKinnon

- Michael Tkautz stated that he was attending the meeting as a born and raised Kingstonian, here to voice his opinion.



He noted that conversations really started after the Kingston First delegation to City Council in the fall.

- Michal Tkautz posed six questions to the Committee:
 1. How is it possible for KEDCO to objectively review itself?
 2. What are the criteria for selecting KEDCO review members?
 3. How can you start with a clean slate if you have not addressed the issues from the past so they don't happen again?
 4. City Council has endorsed an open government, why are our question continuously ignored? What do you have to hide?
 5. Why is the City so afraid to let the tax payers review KEDCO's financials for the years of 2012, 2013 and 2014 and the first year of the new five year plan (2015)?
 6. Given that KEDCO has not performed in the past, is one of the options to shut it down if there is no improvement?
- Michael Tkautz noted that the public had voiced their opinions on how objective the Review Committee really is, stating that from the outside it looks like smoke and mirrors. He noted that a forensic audit can be expensive, however it can very well show irregularities of what has gone on in the past and how to move forward. KEDCO has the opportunity to be the voice of reason to stand up and make sure that there is a vibrant city and graduates stay.
- Ewen MacKinnon stated that one of the things he had heard during the January 20 Town Hall was a question on the integrity of the review process. He stated that the Committee is not objective, and it cannot be objective in its evaluation. He noted that one of the members of the KEDCO Board got up and talked about his personal investment in the Corporation; stating that behavior shows that there is a bias on the Review Committee. He stated Council and KEDCO members on the Committee, cannot be objective out of the gate, and this is a very strong perspective in the community. He stated "to be truly objective you need to be independent."

Ewen MacKinnon stated that there is an idea that the integrity of the process is paramount, yet here sits a Committee that by definition is not objective; in order for these recommendations to have any merit, the six people on the Committee that have ties with KEDCO need to remove themselves.

Ewen MacKinnon stated that City Council has heard that there should be the option to disband KEDCO with the Review Committee and it is not made clear in the mandate. He proceeded to ask Councillors to go back to Council and make that a clearly defined part of the mandate.



Ewen MacKinnon asked what the criteria for selecting Committee members was.

- Councillor Candon asked how a Councillor who has no affiliation with KEDCO is being viewed as subjective or biased.

Ewen MacKinnon stated because a Councillor is on Council and pays for KEDCO, s/he is not perceived as objective. He recommended that independent people form the Committee. He stated that the Committee cannot manage the perception the second they start trying to demonstrate the perception.

- Michael Tkautz noted that numerous individuals applied to the Committee who were objective and had incredible backgrounds, yet were not selected.

6. Business Arising from the Minutes

- Public Town Hall meeting – January 20, 2016.
- Donna Gillespie noted that there have been questions received during the Town Hall and the Committee should discuss on how they appropriately respond to these; questions can be directed to the appropriate organizations if they are deemed unanswerable by this Committee. The committee was in agreement.
- Donna Gillespie noted that there was correspondence submitted to Mayor Paterson by a community member who requested clarification on how to respond to this item.
- Gerard Hunt stated that correspondence to the Mayor and Council should be addressed by them.
- Donna Gillespie stated that a response should be sent back to the Mayor to make the decision of responding or directing to the community member.
- Donna Gillespie noted a letter sent from Councillor Osanic for the purpose of enlightening the Committee. The questions in the letter will be posted online and addressed.
- Gerard Hunt noted that one of the things the Committee needs to think about are that the questions, in a lot of cases, are very similar. He suggested that the best approach would be to consolidate the questions into themes and formulate concise answers to address all concerns. He noted that the Committee should look at a communications plan that would be ongoing to satisfy the public.
- Councillor McLaren noted that he disagreed; all the questions posed by the public need to be answered in full. He stated that it is important to engage with the public and answer each question, should the Committee fail to do so it would look bad.



- Bo Wandschneider stated that he agreed with the similarity of questions and the method of addressing themes for concise and detailed response.
- Judith Pineault noted that individuals that have written an email to the Committee should be addressed in an email.
- Donna Gillespie stated that the Committee should ensure delegations are responded to directly. She requested that a timeline be implemented on responses following the meetings.
- Michael Harris noted his confusion with some of the question responses, stating that there is some that the working group can respond to, however there are some that be directed to City Council or the KEDCO Board. For example the legitimacy of the Review Committee needs to be addressed by the City.
- Gerard Hunt noted that there are some questions that cannot be answered in three weeks' time, as stated previously. Some questions need to be considered in the final report, after the research has been completed.
- A public member posed a question regarding the Committees transparency: will the Review Committee share a work plan with the public. Can the public see the detailed plan and package to better understand what the Committee is trying to achieve.
Judith Pineault stated that this question would be addressed under item nine (Structure of the Report) on the agenda.
- A public member brought forward a question that was asked a year ago regarding where KEDCO's funding is being spent and the benefits it has to the community. It was noted that when these questions were left unanswered, it created a lack of trust in the community; the community will not be satisfied if there are no answers given.
- Gerard Hunt provided an overview on his position with the City of Kingston as CAO, and the Review Committee. He noted that his role on the Committee was put forward by Council; and that KEDCO is a separate Corporation
- A public member requested clarification on the role of the KEDCO Board of Directors.
- Michael Harris stated that the Directors are the owners of the Corporation and they are liable to the actions of the Corporation. There has been a discussion about disbanding KEDCO, the Committee has no authority to do this. The City of Kingston can choose to not fund KEDCO, but they are an incorporated body. It is important to understand KEDCO is an entity of itself as opposed to a branch of the City.
- Bernie Robinson, a member of the public in attendance, noted that he was at the meeting to observe and to ensure that the Committee is working on



the wellness of the community in Kingston. He noted he was a previous KEDCO Board member and a previous Chair and he understood the framework of KEDCO. He stated his concerns regarding tax payer's dollars. Throughout his time as Chair, KEDCO had Finance, Human Resources and Strategic Planning Committees.

- Gerard Hunt noted that all feedback will be considered and included in the final review with analysis and recommendations.
- A public member stated that bringing new jobs and investment to the city is a single focus. Economic development needs to make the private sector great.
- Judith Pineault reminded members that Brock Dickinson would be addressing these questions in agenda item number eight, Identification of Next Steps.
- Brock Dickinson stated that based on the feedback from the January 20 Town Hall meeting, is the community needs clarity on some questions during the review process and the Committee needs to address these. Councillor McLaren drafted a report outline for the previous meeting, Brock Dickinson built on that draft and provided more detail on how the Committee can move forward in coming meetings. In the Committee package there is a two page report that shows the first attempt to capture the outline. At the front end of the report, there is a series of introductory materials with an identification of issues that will be addressed throughout the process. He suggested that at the February 17 meeting the Committee begin with some of the big picture items. Brock Dickinson gave an overview of the structure going forward.
- A public member stated that the Review Committee should be looking at previous year's results at KEDCO and bringing that forward in the report.
- A public member noted their desire to see all the Corporate expenditures online.

Judith Pineault stated that the Corporation's Financial statements are online.

- A public member stated there are a lot of measurable situations that the community doesn't hear that KEDCO has been doing. In 2012 she approached KEDCO, looking for Small Business Development Centre support. She stated that there is a great support system for entrepreneurs at the Corporation. KEDCO has helped her business numerous times; she noted that her business would not be where it is today without the services that KEDCO provides.
- Bo Wandschnieder noted that Brock Dickinson has been very helpful and the background information he is continuing to provide will be great. He stated his support for the draft report outline presented earlier.



- Donna Gillespie stated that she had no concerns with structure and timelines going forward. She noted that the Finance Committee is interested in providing input on their duties to the Review Committee, if the members are interested in having this done during a meeting.
- Judith Pineault felt this would be very helpful for the group.
- Judith Pineault stated that high level topics of interest (item seven on the agenda) are addressed in the outline that Brock Dickinson provided.
- Councillor Candon stated that the feedback the Committee is receiving is related to communication or results, most comments can be compiled into those categories.
- Councillor McLaren raised a point regarding the legitimacy issue. He asked if the Committee will be taking this to Council?
- Councillor Candon noted that the issue of legitimacy needs to be resolved and addressed as soon as possible.
- Councillor McLaren stated that he had talked to other City Councillors who noted that they prefer that the Review Committee solves these problems internally and they not be involved.
- Gerard Hunt stated that the terms of reference have been set; the Committee can and should proceed based on those terms of reference. Members can take the issue back to Council to have them affirm it or can proceed with the direction the Committee has been given and submit a report.
- Councillor McLaren stated that the Committee has the legal mandate to complete the work, however he does not feel that the Committee has the public good will to do this.
- Judith Pineault asked if the Committee could agree as a group that members have a conversation to look at a way to alleviate some of the community concerns.
- Michael Harris noted that the members do not have the authority to restructure this Committee at this time. He volunteered to be on this Committee to ensure that Kingston has the best economic development model possible.
- Donna Gillespie noted that the forensic audit issue could potentially be a recommendation that is made in the report.
- Councillor Candon stated that the role of this group is to come up with solutions and best practices to be used going forward in economic development. He noted that there are valid criticisms in the community, but the appropriate process has to be followed to answer them. The feedback is great, it helps us in making decisions.



- Judith Hay suggested that once questions are answered, the disconnect with the community go away. Everyone's goal is to have Kingston move forward.
- Gerard Hunt asked the members if a decision had been made that the Committee will forge ahead with the mandate given.
Judith Pineault stated that yes the Committee will move forward.
- A public member stated their concerns that the Committee is going to do the review and KEDCO will be going in the same direction.
Judith Pineault stated that Brock Dickinson is here to assist the group with analyzing all models of economic development. They will all be considered in terms for the recommendation going forward. The Committee needs to come together and provide this information and it will be transparent.
- A public member asked what value tax payers are getting for the money invested with KEDCO. The community wants to see what they are getting and how it is measured. How is this value being delivered, how are the members measuring KEDCO.
- Judith Pineault stated that the information that community members are seeking is or will be made available.
- Councillor Candon noted that his main interest stems from the number of jobs being created and the Corporation is not showing where they are coming from. His understanding is that KEDCO has metrics that confuse people.
- A public member asked what value KEDCO is producing for its funding being given.
- Judith Pineault stated that the Committee will be answering that question.
- A public member noted that KEDCO has been doing this for a decade and there has yet to be an answer.
- Judith Pineault stated that there are many things published on the KEDCO website. Perhaps the way that has been communicated isn't relatable for all community members. That communication strategy is the area that the Committee is going to address and correct so members can satisfy the public's very legitimate questions.
- A public member stated that there are lots of people who don't have access to these devices (ie. computers and mobile phones) and these individuals need hard copies of things to be available.
- Judith Pineault suggested a brief recess break at 6:00 PM.
- Judith Pineault ended the recess at 6:21 PM.
- Councillor Candon clarified that a forensic audit is searching for criminal activity.
- Brock Dickinson stated that often when MDB Insights works with municipalities, the average citizen does not know how to build a bridge so



they don't judge it. The Committee needs to recognize the fact there is an entire community that is not present at the review meetings. Feedback should be received within this larger context. The input may not always be as sophisticated as desired, and should be taken within larger process involved.

- Gerard Hunt noted that one of this things Committee members need to get their minds around is to dissect the elements of operations and services that the KEDCO is providing. Staff presented their portfolios here at the previous meeting; half the budget is tourism and the remaining amount is divided between Small Business Development Centre and Business Development (recruitment and attraction). The Committee needs to split the Corporation into different pieces to better understand the component costs for the operation. He also noted the need to manage the public meetings more effectively as they are working meetings. Going forward the Committee needs a process for hearing delegations so that work is accomplished.
- Judith Hay stated that the Committee has decided to host delegations for a set time during the meeting and the public cannot be received outside of the delegation time, although the Committee appreciates the input.
- Heather Ford asked Committee members if a decision could be made on the number of delegates that any one meeting can host.
- Gerard Hunt suggested that there will be three delegations per meeting, with five minutes for presenting, as discussed previously.
- Councillor Candon stated, in reference to the public input throughout the meeting, due to how passionate this process has become, this had to happen at some point.
- Councillor McLaren requested that the Committee should not respond to the questions or interruptions from the public during meetings.
- Gerard Hunt noted that delegations should be given five minutes to present, followed by a two minute grace period should they go over; members don't want to cut them off, but there needs to be consistency.
- Michael Harris stated that there was value in the public input during the meeting. After speaking with individuals, during the recess, they appreciated that they were heard.
- Donna Gillespie asked Committee members if the KEDCO Board needs to take the opportunity to present answers to the questions that were heard from the Review Committee.
- Councillor Candon asked if the members could solve the objectivity issue. Brock Dickinson noted his concern with the Committee attempting to resolve it, stating that this should be raised by the Mayor's office or Council. On the communications issue, it is not incumbent on the



Committee to answer all the questions raised by the public, this may be an opportunity for the Corporation to address some of the issues at hand.

- Bo Wandschneider noted that the application process for the Review Committee was valid, public and well communicated. He noted that the skill sets members have around this table are all imperative to the process.
- Councillor McLaren felt that the Committee application process and structure was not widely communicated and he was under the understanding that this Committee was part of the City, led by Council.
- Donna Gillespie suggested that the Committee members add more information to the website providing an overview of the experience that each individual brings to the Committee.
- Judith Pineault asked that the Committee to consider another Town Hall.
- Donna Gillespie referenced a summary report of the online survey results, requested in the previous Review Committee meeting by Judith Hay. She stated that Brock Dickinson had created the executive summary which was included in the Committee package.
- Donna Gillespie stated that there were summary documents in the Committee package that outlined the January 20 Town Hall, noting that the minutes are being finalized this week. She stated that the video of the proceedings was available for viewing on the Review Committee website.
- Bo Wandschneider suggested that the Committee bring in another party to provide the facilitation for the next town hall meeting. He also stated that the survey and the public consultation results should be discussed at this public meeting.
- Donna Gillespie noted that at least three weeks minimum was needed before a Town Hall could be organized to ensure the appropriate bookings and communications.
- Michael Harris suggested that a more interactive structure also be visited; working breakout groups could focus on specific topics.
- Brock Dickinson suggested that Erik Lockhart at the Queen's Executive Decision Centre (QEDC), may be able to provide a different focus for the town hall and feedback on the structure.
- Judith Pineault noted that the Committee can also involve a group of senior business persons from the city who can help address the focus groups and fulfill some of the roles.
- The Committee was in agreement with approaching Erik Lockart to facilitate the next town hall.
- The Committee held a discussion regarding the funds available to continue with expenditures involved in the Review Committee meeting



processes. This is being left with the Co-Chairs to get the information from Brock Dickinson regarding the monies available in his contract.

7. Adjournment

- Motion to “adjourn the meeting;” moved by Gerard Hunt, seconded by Bo Wandschneider. Carried. 7:35 PM

The below questions were sent to the Mayor and City Councillors in an email letter on January 19, 2016 by Bev McCormick. The questions were referred to the KEDCO Review Committee who requested response the KEDCO Board of Directors.

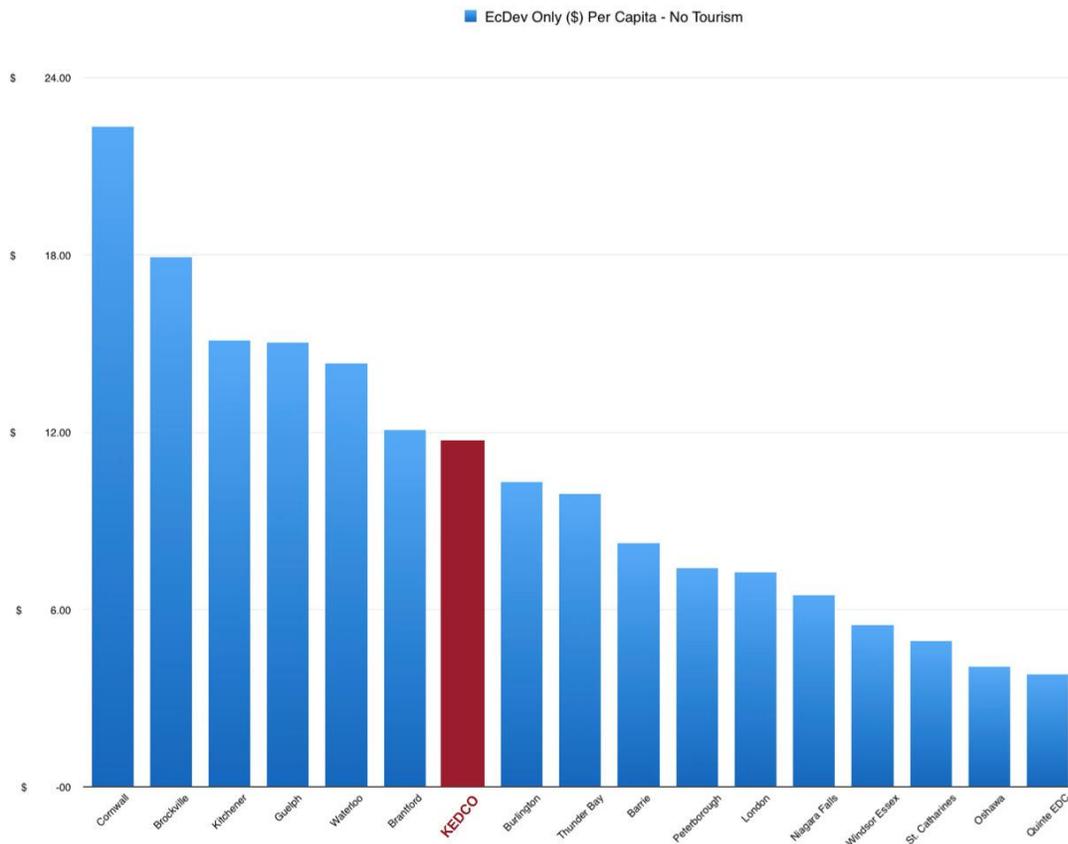
KEDCO Funding Comparators

Question: Why is so much money given to KEDCO in this City when Kitchener with approximately 220,000 population and Oshawa with 600,000 population. Guelph with 122,000 (below Kingston's population) has less money and I would image doing the same thing. Doesn't make sense.

Answer: Answer: Economic development services are delivered and funded in different ways in different communities. The KEDCO Board of Directors engaged Jay Amer from Amer and Associates to conduct a scan of economic development service delivery costs in a variety of communities across the province.

http://business.kingstoncanada.com/en/about-us/resources/Report_EcDev_Cost_Comparisons_-_Jay_Amer_Report_FINAL_20150916.pdf

When comparing business development investment levels (not including tourism marketing investment), KEDCO is in line with other communities per capita investment.



Public Accountability for Tax Dollars

Question: Why can't we find out why KEDCO gets increasing funds, paid by our tax dollars with no accountability as to where the funds are spent.

Answer: As a municipally funded external agency, KEDCO is required to submit a budget request to City Council every year. All external agencies including the Kingston Frontenac Public Library, Cataraqui Region Conservation Authority and Kingston Police Force also present budget requests to Council annually. Council budget presentations and deliberations are open to the public.

The Corporation has put forth budget requests in line with inflation or lower since 2008. For 2016, KEDCO requested a 3.4 per cent reduction in municipal funding.

KEDCO Budget Requests to the City of Kingston, 2008 - 2016

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Municipal Contribution	\$2,369,000	\$2,416,380	\$2,464,708	\$2,514,002	2,564,282	\$2,589,925	\$2,654,673	\$2,707,766	\$2,615,902
% Increase over previous year	3%	2%	2%	2%	2%	1%	2.5%	2%	-3.4%

The public can access KEDCO's financial statements from 1999 through to 2014 online, <http://business.kingstoncanada.com/en/about-us/kedcofinancials.asp>

KEDCO's audited financial statements are presented annually at its Annual General Meeting which is open to the public. KEDCO's 2015 financial statements will be audited by the local accounting firm Secker, Ross & Perry. The 2015 audited financial statements will be posted online.

KEDCO's Relationship with the City of Kingston

Question: Most of the community thinks that KEDCO is under City control and it should be along with tourism.

Answer: KEDCO is an external agency of the City of Kingston which is separately incorporated, not-for-profit and overseen by a Board of Directors. While KEDCO is not under direct control of the City like an internal department, KEDCO's governance, funding and policies are closely tied to the municipality.

The KEDCO Board of Directors is comprised of twelve volunteer members – eight of whom are members of the public. The remaining four members of the Board include the elected Mayor and three Councillors. Members of the public apply to serve on the KEDCO Board by submitting application to the City of Kingston Nominations Committee. The KEDCO HR Nominations Committee reviews these applications and interviews a short list of candidates who best match skills and experience required for the Board. The KEDCO HR Nominations Committee proposes a roster of candidates to the City Nominations Committee for consideration and final selection. The City Nominations Committee presents its recommendations to City Council. Members of the public and Councillors serving on the KEDCO Board of Directors are approved by City Council.

KEDCO annually makes a request to City Council for municipal funding. This funding covers both KEDCO's business development and tourism marketing and development portfolios.

KEDCO works closely with City staff in a variety of departments and contracts services from the municipality including financial management, technology and telephony systems and leases space for a Visitor Information Centre.

Question: Why can't the current Mayor, who sat on the KEDCO board for the past six years not be able to tell us about KEDCO.

Answer: Mayor Bryan Paterson has served on the KEDCO Board of Directors for five years (one as the Mayor and four as an appointed City Councillor). During his time on the KEDCO Board, Mayor Paterson has been involved in the KEDCO Finance and Strategic Planning Committees.

KEDCO Board Meetings

Question: Why does KEDCO not have meetings open to the public and have ample notice to the public and not only on the internet etc.

Answer: The KEDCO Board of Directors meets on a monthly basis from September through June, with a special strategic planning session organized in August of each year to review activities and set new priorities. Public notice of KEDCO Board Meeting dates and location are issued by the City of Kingston in the same manner in which they issue all Committee notices.

KEDCO Human Resources

Question: Is Jeff Garrah consulting with the City and KEDCO since he resigned and if so why.

Answer: KEDCO has not engaged Jeff Garrah for consulting or paid work since he left the Corporation.

KEDCO Review Committee Composition

Question: Is the person who led the 2007 review, which failed, involved in this review. If so why, doesn't make sense.

Answer: The person that led the 2007 review is not involved in this review.

Question: When looking over the list of members, it seems to me and I am sure many others that there is a conflict of interest with most of the members and community members have ties or have had ties with KEDCO. Would it not be better to have independent individuals with no ties to KEDCO.

Answer: The composition of the KEDCO Review Committee which includes two KEDCO Board Members and the Interim CEO as well as two City Councillors and the City CAO was approved by City Council. The City of Kingston Nominations Committee selected the individuals from the KEDCO Board, City Council and four members of the public to serve on the KEDCO Review Committee, which was in turn approved by City Council.

Question: Why are there no members with experience in independent business or economic development and not affiliated with KEDCO or the City on this review.

Answer: There are four private sector, independent business owners on the KEDCO Review Committee. The City of Kingston Nominations Committee selected the individuals from the KEDCO Board, City Council and four members of the public to serve on the KEDCO Review Committee, which was in turn approved by City Council.

KEDCO Metrics

Question: How many businesses or jobs have been brought to the City by KEDCO.

Answer: New jobs may result from the growth of existing businesses or the attraction of new businesses to the city. KEDCO reports on the number of new jobs only where KEDCO staff have played a direct role in supporting the business(es) creating the jobs.

KEDCO publishes metrics on new jobs in its Annual Report which is presented at the Annual General Meeting and posted online.

<http://business.kingstoncanada.com/en/about-us/reportsandstudies.asp>

The number of jobs brought since 2010 are posted on the KEDCO website. Prior to 2010, KEDCO does not have record of published Annual Reports. In 2008 and 2009, KEDCO presented metrics directly to City Council during mid-year reports.

Year	New Jobs Supported
2010	908
2011	648
2012	834
2013	723
2014	868

The below questions were posed to the KEDCO Review Committee on Wednesday, January 27, 2016 by delegation Nadine Lollar accompanied by Bev McCormick. The KEDCO Review Committee referred the questions to the KEDCO Board of Directors for response.

Public Accountability for Tax Dollars

Question: Why, if KEDCO is funded by our tax dollars, are they not publically accountable for their spending?

Answer: KEDCO is accountable for its spending of municipal, provincial, federal and privately generated funds.

The KEDCO Board of Directors is comprised of twelve members – eight of whom are members of the public. The remaining four members of the Board include the elected Mayor and three Councillors.

The KEDCO Finance Committee, which is currently chaired by a chartered accountant, meets on a monthly basis to review all of KEDCO's revenues and expenditures with reports prepared by the City of Kingston Financial Services department. Comprehensive financial policies are in place and available for the public to review online. Monthly Finance Committee reports are presented to the KEDCO Board of Directors on a monthly basis for acceptance. The KEDCO Board of Directors retains an independent accounting firm to audit its finances (currently Secker, Ross & Perry).

Audited financial statements are annually presented at the Annual General Meeting of the KEDCO Board of Directors which is open to the public.

KEDCO annually makes a request to City Council for municipal funding. City Council budget presentations and deliberations are open to the public. Budget documentation provided to City Council is also made available to the public.

KEDCO Review Committee Selection

Question: What were the criteria used for selection of any of the members (Review Committee)?

Answer: The City of Kingston Nominations Committee received, reviewed and selected members of the Review Committee (with the exception of designated staff positions of KEDCO's Interim CEO and City CAO) for approval by City Council. Skill criterion which was publically advertised for requested: "Applicants will have an interest in local economic development issues to foster investment, job creation, assessment growth and community prosperity. Experience in business, site location, tourism, labour

relations, entrepreneurship and community economic development are considered an asset. Previous participation on Boards and Committees is valuable.”

In addition, to serve on any municipal committee individuals must be over the age of 18 years old and a resident of the City of Kingston.

Professional Audit

Question: Why can we not have an independent professional auditing company do a forensic audit of the last three or four years. Then we could have the information that would help decide if KEDCO is an asset or liability for our city taxpayers.

Answer: The independent professional firm of Secker, Ross & Perry has undertaken audits KEDCO’s finances since 2008. From 1998-2007, the independent professional company of Collins Blay undertook annual auditing of KEDCO’s finances. KEDCO’s financial statements are available online and are presented publically at KEDCO’s Annual General Meeting each year.

There are strict legal requirements around the independence of annual audits to ensure impartiality and validity. The following quote was taken from the Auditors’ letter of March 9, 2015: “During the course of our audit of the financial statements for the year ended December 31, 2014, we did not identify any of the following matters:

- Misstatements, other than trivial errors;
- Fraud;
- Misstatements that may cause future financial statements to be materially misstated; or
- Significant weaknesses in internal control.”

Forensic audits are conducted to identify and gather financial information for use as evidence in court; prosecute a party for fraud, embezzlement or other misuse of finances; or investigate allegations of misappropriation of funds or assets, reported fraud, reported tax evasion or specific allegations on the part of the organization or individual.

Based on KEDCO’s financial policies and financial management by the City of Kingston Financial Services department, monthly reviews by the KEDCO Finance Committee and annual independent, professional audits, the KEDCO Board of Directors does not believe that a forensic audit is necessary at this time. All members of the KEDCO Board of Directors have a fiduciary responsibility to investigate and act if there is any criminal or fraudulent activity within the organization’s finances.

KEDCO Human Resources

Question: Is this an appropriate time for hiring, since staff size has been questioned?

Answer: KEDCO has been funded for 2016 by the municipality and province to deliver services outlined in its Sales & Operating Plan which can be viewed online. Recent recruitment activities have been for two time-specific, contract positions to support provincially funded programs; and a third full-time, regular position which fills a vacancy. All KEDCO staff contracts state that positions are subject to annual funding. The KEDCO Board of Directors has committed to Council that service delivery will continue while the KEDCO Review Committee undertakes its work.

Economic Development Models

Question: Was any other economic development company ever considered in Kingston? What other options are available?

Answer: For the past 18 years, the City has chosen to fund KEDCO as an external agency to undertake economic development activities. Prior to 1998, the City of Kingston along with its two neighbouring townships chose to fund the Kingston Area Economic Development Commission (KAEDC) as an external agency to deliver economic development activities.

The delivery of economic development services would have been reviewed and considered by the City and two townships during amalgamation planning which came into effect in 1998. At amalgamation on January 1, 1998 KAEDC ceased to exist and KEDCO began.

We are not aware if another agency was considered and we do not have information on how economic development for the City of Kingston/townships was delivered thirty plus years ago prior to KAEDC. It is an interesting question that KEDCO will research.

Other options besides an externally funded agency such as KEDCO for the delivery of economic development in a community include:

- Internal city departments charged with economic development activities such as Planning or Recreation & Leisure;
- Regional agencies funded by multiple municipalities;
- Separate agencies municipally funded to deliver small business support, business retention and expansion, tourism marketing and development, and business attraction;
- Or a combination of the above.

The KEDCO Review Committee is looking at different models communities use to deliver economic development services. Consideration for an internal city department to deliver economic development activities is among the models being reviewed.

Question: Can the city itself implement an economic development department of its own that can be directly and openly transparent and accountable for money used?

Answer: The City of Kingston could establish an in-house economic development department.

KEDCO Financial Records

Question: We want KEDCO's information, not its clients' information. Do you intend to make their financial records for the past three years public?

Answer: The public can access KEDCO's financial statements from 1999 through to 2014 online, <http://business.kingstoncanada.com/en/about-us/kedcofinancials.asp>

KEDCO's audited financial statements are presented annually at its Annual General Meeting which is open to the public. KEDCO's 2015 financial statements will be audited by the local accounting firm Secker, Ross & Perry. The 2015 audited financial statements will be posted online.

The below questions were posed to the KEDCO Review Committee on Wednesday, January 27, 2016 by delegation Michael Tkautz accompanied by Ewen MacKinnon. The KEDCO Review Committee referred the questions to the KEDCO Board of Directors for response.

KEDCO Objectivity

Question: How is it possible for KEDCO to objectively review itself?

Answer: The KEDCO Board of Directors has the responsibility of reviewing its operations, setting new priorities and engaging in continuous improvement programs and activities on an ongoing basis. This would be similar to the responsibilities of private business owners or Board Directors of any corporation.

To encourage objectivity and diversity, the KEDCO Board of Directors is comprised of twelve members – eight of whom are members of the public. The remaining four members of the Board include the elected Mayor and three Councillors. Members of the public apply to serve on the KEDCO Board following City of Kingston Nominations Committee processes. Members of the public and councillors serving on the KEDCO Board of Directors are approved by City Council. In addition, KEDCO Bylaws limit the length of term any one member of the public can serve to a maximum of six total years.

The composition of the KEDCO Review Committee which includes two KEDCO Board Members and the Interim CEO as well as two City Councillors and the City CAO was approved by City Council. The City of Kingston Nominations Committee selected the individuals from the KEDCO Board, City Council and four members of the public to serve on the KEDCO Review Committee, which was in turn approved by City Council.

KEDCO Review Committee Selection & Mandate

Question: What are the criteria for selecting KEDCO review members?

Answer: The City of Kingston Nominations Committee received, reviewed and selected members of the Review Committee (with the exception of designated staff positions of KEDCO's Interim CEO and City CAO) for approval by City Council. Skill criterion which was publically advertised for requested: "Applicants will have an interest in local economic development issues to foster investment, job creation, assessment growth and community prosperity. Experience in business, site location, tourism, labour relations, entrepreneurship and community economic development are considered an asset. Previous participation on Boards and Committees is valuable."

In addition, to serve on any municipal committee individuals must be over the age of 18 years old and a resident of the City of Kingston.

Question: How can you start with a clean slate if you have not addressed the issues from the past so they don't happen again?

Answer: The KEDCO Review Committee was struck to undertake a full corporate review to ensure KEDCO is delivering strategies that are of value to the community and are aligned with City of Kingston priorities. The Committee will provide a review of KEDCO's governance and operations and offer a recommendation on how to best position Kingston's economy for future generations. This review will address organizational structure and transparency. It will review KEDCO's capabilities to undertake, promote and fund economic development activities and Key Performance Indicators to gauge community and organizational success.

In order for the KEDCO Review Committee to meet its objectives, a review of current and past activities and their evolution will be required.

Transparency & Open Government

Question: City Council has endorsed an open government, why are our question continuously ignored? What do you have to hide?

Answer: KEDCO supports Council's strategic priority of open government and belief that engagement and communication are keys to success. Since July 2015, in response to Council and community questions, the KEDCO Board of Directors has:

- made financial statements since KEDCO's inception in 1998 to date available online;
- disclosed staff salaries over \$100,000 and posted all staff salary bands and job descriptions online;
- posted KEDCO's HR & Policy Manual and annual Sales & Operating Plans online;
- struck a Review Committee with the support of Council to undertake a full corporate review; and,
- supported the Mayor's Office and Review Committee in public consultation and outreach activities.

KEDCO Financial Records

Question: Why is the City so afraid to let the tax payers review KEDCO's financials for the years of 2012, 2013 and 2014 and the first year of the new five year plan (2015)?

Answer: The public can access KEDCO's financial statements from 1999 through to 2014 online, <http://business.kingstoncanada.com/en/about-us/kedcofinancials.asp>

KEDCO's audited financial statements are presented annually at its Annual General Meeting which is open to the public. KEDCO's 2015 financial statements will be audited by the local accounting firm Secker, Ross & Perry. The 2015 audited financial statements will be posted online.

Review Committee Recommendations

Question: Given that KEDCO has not performed in the past, is one of the options to shut it down if there is no improvement?

Answer: The KEDCO Board of Directors proposed a Review Committee to undertake a full corporate review to ensure KEDCO is delivering strategies that are of value to the community and are aligned with City of Kingston priorities. City Council approved this process on October 6, 2015.

This Committee will provide a review of KEDCO's governance and operations and offer a recommendation on how to best position Kingston's economy for future generations. This review will address organizational structure and transparency. It will review KEDCO's capabilities to undertake, promote and fund economic development activities and Key Performance Indicators to gauge community and organizational success.

The KEDCO Board of Directors has the ability to wind down the Corporation. The KEDCO Board of Directors is interested to hear the Review Committee's findings and recommendations.