

# KINGSTON

— Economic Development —

## BOARD OF DIRECTORS MEETING MINUTES

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<b>Date:</b>	Monday, March 25, 2024	<b>Time:</b> 5:30 pm	
<b>Location:</b>	Delta Hotel Kingston – 1 Johnson Street, Kingston ON, K7L 5H7 – Grandview Room		
<b>Attended:</b>	Anne Vivian-Scott, Chair Peng-Sang Cau Shan Jhamandas	Cathy Campbell-Wilson Sanjay Jain Councillor Glenn	Yafan Huang Councillor Cinanni Councillor Oosterhof
<b>Staff:</b>	Donna Gillespie	Nour Mazloun	Abby Fitzhugh
<b>Guest:</b>	Katie Mahon - KPMG		
<b>Regrets:</b>	Mayor Paterson Patrick Egbunonu	Lanie Hurdle (ex-officio)	Megan Knott (ex-officio)

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### 1. Call to Order

The Board of Directors meeting was called to order by Chair, Anne Vivian-Scott at 5:36 pm.

### 2. Land Acknowledgment Statement

*Kingston Economic Development Corporation acknowledges that we are situated on the traditional homeland of the Anishinaabe, Haudenosaunee and the Huron-Wendat and thank these nations for their care and stewardship over this shared land. Kingston Economic Development Corporation is committed to improving and strengthening relationships with Indigenous peoples and all residents to pursue a united path of reconciliation and economic prosperity.*

### 3. Chair's Message

- Anne noted that the March 25 Board Meeting would allow members to resolve existing tasks before the April 22 Annual General Meeting.
- Anne made mention of the HR & Nominations Committee meeting as well as the Finance & Audit Committee meeting that were held in March.
- Anne thanked Donna and team for the successful Women's Day Brunch held at Northside Café, sponsored by Cunningham Swan.

### 4. Disclosure of Conflict of Interest.

- None.

### 5. Approval of Agenda

- Anne noted motions are requested for items 6, 10, and 11.

**Motion to "Approve Agenda"; Moved by Councillor Cinanni. Seconded by Peng-Sang Cau. Carried. 5:40pm. Carried.**

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### 6. Presentation of KPMG Review of 2023 Draft Audited Financial Statements

- Katie Mahon began the presentation highlighting key areas to note with regards to the 2023 Audited Financial statements. They are as follows:
  - The status of the 2023 Audited Financial Statements was substantially complete by the date of the March 25 Board meeting. To finalize the audit, KPMG required approval from the Board and a signed Manager's Representation letter from Donna.
  - Katie noted that KPMG's assessment of materiality had decreased compared to the 2022 Financial Audit due to lower-level expenditures. Kingston Economic Development's materiality remains at an acceptable benchmark of 2.96%.
  - No risks, including fraud or misstatements, were uncovered during the audit. A \$43,000 misstatement was identified in the 2022 audit related to a program deferral and was resolved in 2023.
  - Financial reporting for grants was flagged for attention. Katie suggested that Kingston Economic Development continue to track this area closely, as the Corporation continues to deliver increasing number of funded programs.
- Other matters mentioned:
  - Katie highlighted the unrestricted fund balance, which had increased from \$891,978 in 2022 to \$1,113,180 in 2023. Katie encouraged the Board to consider creating a long-term plan of use of internal reserve funds to support future projects and programs.
  - Katie highlighted Kingston Economic Development's investment in PARTEQ Angel Investment, holding 1% shareholder rights in SPARQ Systems Inc.
- Auditors Report
  - Kingston Economic Development's Cash Assets decreased from \$1,155,367 in 2022 to \$670,622 in 2023.
  - Account Receivable decreased due to grants receivable decrease. In part to Federal Government's need to be timelier with grant distribution.
  - Accounts Payable decreased due to a change in timing of payments made by the City of Kingston.
  - Deferred revenue from the Canada Digital Adoption Program saw a decrease in unspent monies from \$428,429 in 2022 to \$22,230 in 2023.
  - The Skills Development Fund saw the largest decrease in 2023.
  - The WSIB reimbursement, which had been back dated to 2017 due to the reclassification of the organization, was not flagged as there was no way to estimate date of retrieval or the total reimbursement before it was received. KPMG saw no reason to restate. Katie offered to take the WSIB reimbursement out of the recovery line in revenue and note it as "Other Income". Peng and Anne agreed that WISB funds should be separated from the revenue line, and all Board members agreed.
  - Due to post-pandemic resurgence in social gathering, Events, Meetings and Workshops had significantly increased 2023.
  - Peng requested a change to specifically state what Kingston Economic Development's investment into SPARQ Systems Inc., this change would provide clarity on shared interest to future Board Members.
  - The arrangement of a sub-audit was discussed for the Skills Development Fund.

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**Motion to** “Approve the audited financial statements as presented/prepared by KPMG as presented to the Board March 25, 2024, with the promise that the WSIB recovery be noted as other income, that the notes related to the investment in SPARQ systems be amended to be consistent and correct with our shared interest.”; Moved by Peng-Sang Cau. Seconded by Councillor Cinanni. Carried. 6:25pm.

### 7. Consent Agenda

All items listed on the Consent Agenda shall be the subject of one motion. Any member may ask for an item(s) to be separated from that motion to be dealt with separately.

- I. Approval of the February 26, 2024, Board of Directors Meeting Minutes
- II. Tourism Kingston March Report

**Motion to** “Accept Consent Agenda”; Moved by Councillor Glenn. Seconded by Sanjay Jain. Carried. 6:33pm.

### 8. Business Arising from Items in the Consent Agenda

- None.

### 9. CEO Report

- Donna began by celebrating the success of the Women’s Day event held at Northside Café on March 8, 2024.
- The Kingston - Syracuse Pathway Conference on April 9 and the Solar Eclipse Event on April 8 were mentioned, and the Board was reminded that their attendance was welcomed.
- Donna shared that the month of March had been a busy one with PDAC taking place at the beginning of the month, to which she shared that Shelley Hirstwood and Abdul Razak Jendi had the opportunity to meet Premier Ford.
- Increased funding from CanExport allowed Kingston Economic Development to hire a new Investment Outreach Coordinator, Ghazal Abdullah, who is taking over the position from Megan Baryluk.
- There has been an active schedule of manufacturing tours, which included Canada Royal Milk and IPG Photonics.
- The Kingston Economic Development team is saying good-bye to Sara Giraldo Hoyos, Digital Business Advisor, as the Digital Main Street program has concluded.
- Notable upcoming events include Bridges to Better Business: Indigenous Entrepreneurship, Ontario Centre of Innovation DiscoveryX Conference, Newcomer Entrepreneur Awards, and Black Entrepreneur Ecosystem Celebration.

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### 10. New Business

#### • Corporate Office Lease Renewal

- Donna noted that a second five-year term for the main office (unit 420) has been triggered. spoke with the Splinter Group on the topic of the second office space lease. The Splinter Group is willing to maintain the existing rent rate but has requested Kingston Economic Development pay any change in property taxes year/year/
- Donna noted that at this time, funding is not secure to rationalize maintaining the secondary office space (unit 460) beyond 2025. The Splinter Group has agreed to a 1-year extension of the space with no change in cost.

**Motion to** “Enter into a second 5-year office lease for suite 420 and a 1-year extension of office suite 460 with The Splinter Group”; Moved by Cathy Cambell-Wilson. Seconded by Shan Jhamandas. Carried.

### 11. Ongoing Business

#### • Reserve Fund Investment

- Donna reiterated KPMG’s suggestion to consider developing a framework for allocating reserves. She presented how she would recommend allocating surplus Reserves Fund after setting aside monies for shutdown considerations (leases, employee severance etc.).
- Donna proposed \$50,000 towards subsector research in advance of the 2025 IEDSP refresh. The research will serve a dual purpose of providing marketing content. She added that an additional commitment of \$25,000 towards support for the IEDSP refresh is recommended.
- The Board discussed investing \$250,000 into supporting early-stage scalable ventures in priority clusters. Cathy suggested specifically investing in small businesses that have restricted access to loans, for example underrepresented business owners. Peng suggested a shareholder investment/profit sharing model. Donna to investigate different types of funding options and report back later in the year.
- Donna proposed \$50,000 be allocated towards professional development for staff. It was noted that the Corporation has a long-standing commitment to staff development however the majority of available funds have been reallocated to programming since the pandemic.
- It was recommended that the remaining \$142,722 be left for future considerations for one-time expenses that cannot be absorbed by the regular annual operating budget.

**Motion to** “Commit \$75,000 towards IEDSP sector research and 2025 strategic plan refresh; invest \$250,000 towards supporting early-stage scalable ventures in priority sectors of health innovation and sustainable manufacturing; commit \$50,000 to be used for staff professional development over the next 3 years; and leave uncommitted reserves for future consideration.”; Moved by Councillor Oosterhof. Seconded by Sanjay Jain. Carried.

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### 12. In Camera

- **CEO Performance Review**

**Motion to “Move In Camera;”** Moved by Councillor Cinanni. Seconded by Peng-Sang Cau. Carried. 7:38 pm.

**Motion to “Exit In Camera;”** Moved by Councillor Cinanni, Seconded by Sanjay Jain. Carried. 7:45 pm.

### 13. Dates of Next Meetings

- Friday, April 12, 2024 – Finance & Audit Committee Meeting – 8:00 - 9:00 am
- Monday, April 22, 2024 – Board of Directors Annual General Meeting – 5:30 - 8:00 pm

### 14. Adjournment

**Motion to “Adjourn;”** Moved by Peng-Sang Cau. Carried. 7:51 pm.

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cinanni