



Patricia Area Community Endeavours
ANNUAL REPORT
2020-2021



BOARD OF DIRECTORS

Michelle Price, Chair

Representing the City of Dryden
A Member of the Board since 2019

Richard Wetelainen, Vice Chair

Member at Large
A Member of the Board since 2005

Roger Gould, Secretary

Member at Large
A Member of the Board since 2019

John Bath, Treasurer

Representing the Municipality of Sioux Lookout
A Member of the Board since 2011

Debbie Hart, Director

Representing the Municipality of Ignace
A Member of the Board since 2019

Larry Fraser, Director

Member at Large
A Member of the Board 2011-2021

Rob McClendon, Director

Member at Large
A Member of the Board 2008-2021

Jeremy Millar, Director

Representing the Municipality of Pickle Lake
A Member of the Board since 2019

Garry Parkes, Director

Representing the Municipality of Machin
A Member of the Board 2009-2012 and 2019-2020

Dennis Peterson, Director

Representing the Municipality of Machin
A Member of the Board since 2021

Don Yurkiw, Director

Member at Large
A Member of the Board since 2016

Many thanks to Rob McClendon, Larry Fraser, Garry Parkes, and Richard Wetelainen who stepped down from the Board during the past year for their many years of service on the PACE Board of Directors .

COMPANY PROFILE

Patricia Area Community Endeavours Inc. (PACE) is a Community Futures Development Corporation committed to helping communities develop and implement local solutions to local problems by providing financial support to organizations that, in collaboration with others, support small and medium-sized enterprises and Social Enterprises and to undertake appropriate community economic development initiatives.

We are able to foster economic stability, growth and job creation; create diversified and competitive local rural economies; and build economically sustainable communities

through offering the following services:

- Business advice, counselling, support, and information
- Access to capital for small and medium-sized enterprises and social enterprises
- Strategic community planning and development
- Community economic development

Our services are made possible through a contribution from the Government of Canada through FedNor.

2020 -2021 Staff

Executive Director—Caroline Goulding (until September 2021)
carolineg@pace-cf.on.ca

Business Development Coordinator—Noreen Cox
noreenc@pace-cf.on.ca

Administrative Assistant— Sandra Ostman
reception@pace-cf.on.ca

Program Coordinator— Jeremy Dutton
February 2021—May 2021

Program Coordinator—Kerri Howarth (August 2021 onwards)
kerrih@pace-cf.on.ca

EXECUTIVE DIRECTOR'S REPORT



PACE has gone through a number of changes this fiscal year with both board members and staff, but has remained focused on promoting the loan programs, business counselling and access to financial relief and recovery during the ongoing COVID-19 pandemic.

Our board decreased in membership mostly due to the change in dynamic of the meetings being virtual and not in person. This has been a challenge to keep a diverse group and proper representation of the communities in the catchment area. Recruitment is a top priority in the new year to have a full board with better representation and hopefully more in person meetings as a better sense of normalcy is reached.

Caroline Goulding, the PACE Executive Director from July 2019 to September 2021 has taken on a new role with the City of Dryden as the public library CEO. PACE is grateful for her short time as the E.D. as she was an expert with updating policies, records management and implementing more technical communications within the organization.

Shannon Wogenstahl joined PACE as the new Executive Director in October 2021. She was the previous Business Development

Coordinator with PACE until April of 2010 . Shannon is happy to be back at PACE and is looking forward to her new role.

PACE was pleased to launch the Mentorship, Incubation and Remote Access program that was a long time in the making with final Fednor approval in the fall of 2020. Jeremy Dutton was the successful candidate for the position of Program Coordinator but sadly made the decision to leave Dryden and pursue other prospects. This left the position vacant for a short time but has been filled by Kerri Howarth a former Drydenite who has taken on the role with enthusiasm and commitment to fulfilling the mandate.

PACE continued to focus on business relief and recovery throughout the ongoing lockdowns and restrictions. PACE was able to distribute monetary non repayable contributions to a number of businesses and organizations to help with financial struggles. We partnered with other CFs to administer programs related to safety protocols and professional services along with the RRRF loans.

We look forward to assisting our businesses and communities in the upcoming year.

CHAIR'S REPORT

2021 came and went so fast, maybe because it turned out to be another challenging year. Covid continued into 2021 with hopes that it would end with each month, but this was not the case. There were many changes this year, board members resigned, and new ones joined. Our Executive Director Caroline decided to pursue another career in her field of study with the City of Dryden Library. After a lengthy job posting and several interviews, the board hired Shannon Wogenstahl to fill the position of Executive Director. Shannon brings many years of experience in the finance world as well as the experience she gained working with PACE previously as the Business Development Coordinator.

Kerri Howarth joined the PACE team this fall, replacing Jeremy Dutton who launched the new program for Mentorship, Incubation and Remote Access. Due to the length of time of the program receiving funding, Kerri quickly began reaching out to potential applicants who could benefit from the program to ensure the funding is disbursed. This is a three-year program with year one completed in November, so the push is on to promote it and have clients paired with mentors and hopefully a business incubator set up in early 2022. This program is an asset to the PACE catchment with great incentives for businesses to take advantage of.

The strategic plan was passed in November with a more streamlined document that will be used to continue to increase PACE visibility in our catchment over the next three years. We also continued to see new growth in entrepreneurial businesses having approved several new loans near the end of the fiscal year.

A continuation of reviewing RRRF (Regional Relief and Recovery Fund) loan applications, virtual board meetings, as well as in person meetings with the ED, once again made this a remarkably busy year. The RRRF committee saw several businesses reach out for the funding and a total of \$1,364,000 was disbursed in loans since the onset

of the pandemic. The committee also helped with approvals for Community Economic Development programs for COVID relief in the form of non-repayable contributions. PACE was able to help several businesses cover costs for increased safety protocols, PPE, and professional services. PACE also helped a few not-for-profit businesses with up to \$5000 for COVID relief as many government programs did not include the Not for Profits.

With 2021 behind us, I am hoping 2022 will bring focus to board recruitment with increased board membership once restrictions are lifted. The hope is to hold more in person events and meetings and create more exposure for the many programs and business assistance PACE can provide the catchment area.

Respectfully,
Michelle Price

COMMUNITY DEVELOPMENT

PACE had an unprecedented year in terms of community economic development, with numerous projects undertaken. In addition to the many in-kind supports offered to the communities we serve, PACE facilitated just over \$207,000 being given to local businesses and non-profit organizations.

Through the Regional Relief and Recovery Fund, PACE was able to continue to offer its PPE reimbursement program that had begun in 2019-2020. Through the same funds we were able to launch a Non-Profit COVID-19 Support Program, we gave non-repayable contributions to local non-profits to assist with COVID-19 Relief and Recovery.

PACE facilitated a number of programs that were administered by partner Community Futures Development Corporations. One through Kirkland & District Community Development Corporation, called the COVID-19 Safety Protocol Project allowed businesses to access up to \$5,000 of a non-repayable contribution in order to reimburse costs associated with safety modifications to their business.

Another project, the Post-COVID Professional Services Project, was administered by the Northwest Community Futures Network reimbursed businesses up to \$5,000 for costs associated with hiring professional services to help them weather

and recover from the pandemic. These services could include, lawyers or accountant fees, or website development..

PACE also helped the Non profits of the region with a non-repayable contribution as many of the programs available did not include not for profit organizations. PACE had enough funding to assist 20 not for profit organizations with up to \$5000 for COVID relief and recovery.

PACE provided direct funding to two additional projects. One was the "The Lookout" website and the was a broadband project spanning the entire Northwestern Ontario region that was lead by Treaty 3.

Staff sat on a number of working groups and committees over the past year. Two focussed on the tourism industry. ED, Caroline Goulding served on the steering committee for the new RV/Auto Touring Route that will be launching in 2022. The route will be a loop between Winnipeg and Thunder Bay. The tourism project was focussed on Tourism Modification. The project was conceived by the Municipality of Sioux Lookout, and involved partners from communities across the region and sector. PACE also participated on the steering committee for an infrastructure development project that took place in Pickle Lake.

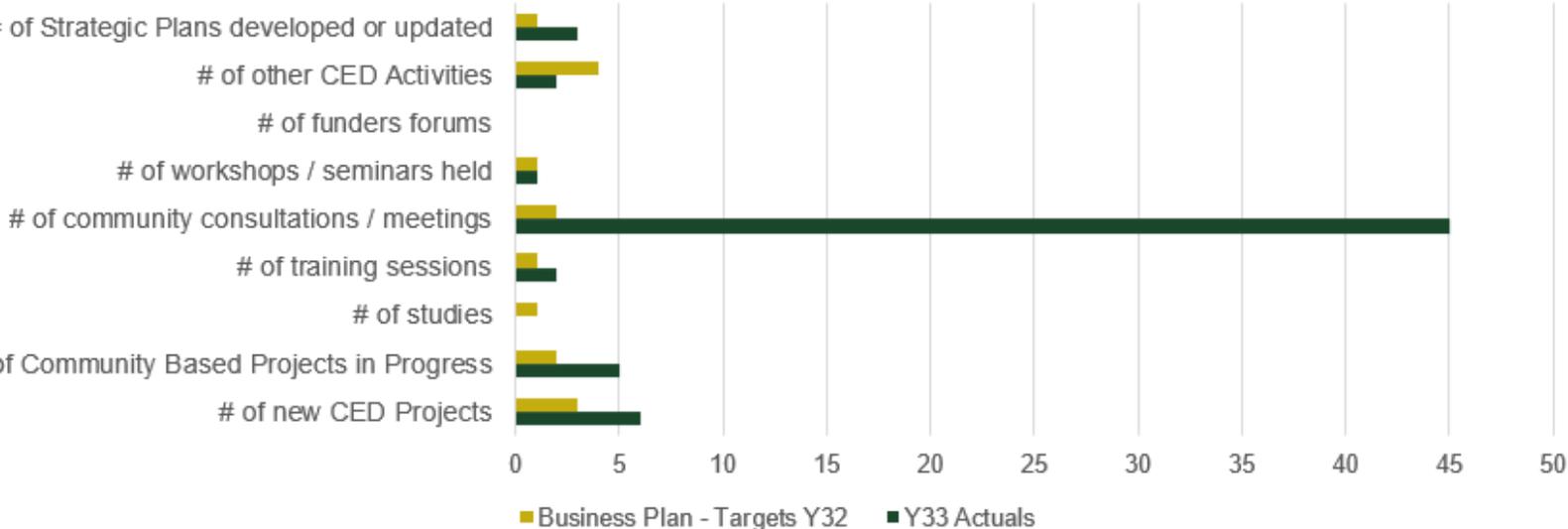
In addition to the many projects where PACE provided in-kind and financial supports, we also launched two programs of our own this year. One was a grant writing pilot, where PACE will assist up to 5 organizations with grant writing. The second was our Mentorship, Incubation, and Remote Access (MIRA) Program.

The MIRA Program was made possible by a contribution from the Government of Canada through FedNor's Regional Economic Growth through Innovation component. This three year program will see PACE develop three new programs, devoted to mentorship, incubation, and assisting businesses with adopting and adapting new technology in their business. PACE is very excited about

this new program and the possibilities it affords. We are through the first year of the program and were able to launch a new program to help off-set the costs of technology adoption for regional businesses. In the next year we will be focussing on developing the mentorship and incubation aspects of the program.

There will be a focus on getting the funders forums in our communities again since we were unable to hold in person events during the pandemic. It is the intention of PACE to become more known in the communities and provide updated information on the new and existing programs available.

Community Economic Development



REGIONAL RELIEF & RECOVERY FUND

The Regional Relief and Recovery Fund (RRRF) was extended until June 30th from original application deadline of March 31st. In addition to the extension the maximum loan limits and terms for forgiveness were also changed. Clients were able to access up to \$60,000 in funding, with 25% of the first \$40,000 eligible for forgiveness and 50% on amounts over that, if repaid by December 2022. PACE is very aware that the subsequent lockdowns, and in particular, the ongoing US border closure will make it difficult for some businesses to access the forgivable portion of RRRF. PACE will continue to advocate in support of repayment extensions.

While PACE lent the majority of the Regional Relief and Recovery Funds we received in our last fiscal, we made a number of loan topping businesses up to the new \$60,000 as well as some new loans. PACE loaned \$543,000 through the RRRF program in the last fiscal year. This amount brings the total lent through PACE in a 13 month period to \$1,367,500.

The RRRF required an extensive amount of staff and Board member time. PACE owes a great deal of thanks to the RRRF Committee members and staff who devoted an extraordinary amount of time and effort to administering this fund.

Overall, the vast majority of businesses who accessed the RRRF were a part of the tourism sector, which has been hit hard by the border closure. The remainder of businesses that accessed the fund were mostly from personal care services, which have been disproportionately impacted by lockdown measures. The tourism sector is facing a long road to recovery to pre-pandemic revenue levels. PACE is committed to supporting the sector any way it can.



INVESTMENT FUND

PACE provides the tools required to encourage job creation and small business ownership through Small Business Loans, micro loans, loan guarantees and equity investments.

Before COVID-19, new opportunities for PACE to invest were imminent. When businesses were forced to close their doors however, this changed and accounts for the smaller number of investment loans disbursed in Y32. This in turn affected the number of both jobs and businesses created, maintained or expanded for the fiscal year.

The direct investments that PACE makes in businesses help to underpin many economic chains. Using Statistics Canada indirect multiplier for jobs for each industry, we can forecast that new loans made this year lead to the creation of 38-54 indirect jobs and maintained 101-135 indirect jobs.

New investments help to stimulate growth, however prior investments can continue to provide a positive benefit to the community. Those loans had previously created or maintained 194 jobs. It can be argued that on an ongoing basis those investments have lead to the maintenance of an additional 135-214 indirect jobs within the region.

The fiscal year started strong with a sizeable investment to one of our communities in the first quarter. This loan also assisted with bringing leveraged funds above the business plan target. PACE partnered with PARO on two micro loans in early 2020, however once COVID-19 arrived things took a turn for investments and the focus shifted to relief and recovery for businesses to survive the pandemic. Prior the RRRF PACE assisted businesses through loans from the Investment Fund.

As the second wave of COVID-19 is rolling over the province, PACE is positioned to continue to help businesses through our Investment Fund and any additional relief and recovery funding from the Government of Canada. It should be noted that adding the debt burden of small businesses is not a sustainable recovery model. PACE will advocate for new non-loan supports from government.

INVESTMENT FUND

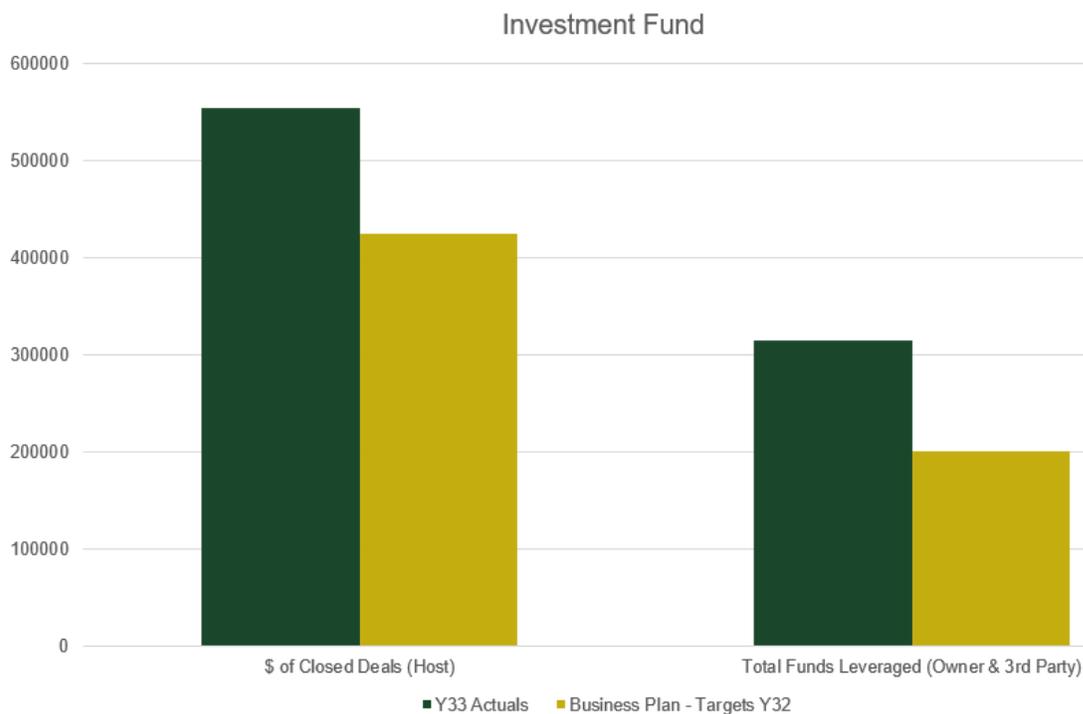
Pace had a successful year with the Investment Fund having a number of businesses approved for funding outside of the COVID RRRF program. It was encouraging to see businesses start up or expand even with the pandemic still affecting existing business operations. There has been a shift in how society is operating, with working from home, being more cautious of spending and being more self sufficient with food sources. The desire and push to shop local has given the communities hope that a business can survive if the support is given.

In the second quarter the option for a top up to the RRRF program was made available to those that still needed assistance for relief and recovery due to the continued lockdowns and restrictions. Out of the 33 RRRF clients with PACE less than half needed the top up loan for ongoing expenses. The majority of these were from the tourism sector which was hit hard due to the extended closures of the US border. Some tourist outfitters got creative and marketed to Canadians and locals to generate revenue and not rely on the US tourists. There are still struggles for this sector being seasonal and now having more debt to repay but there is hope for a full operating season in 2022.

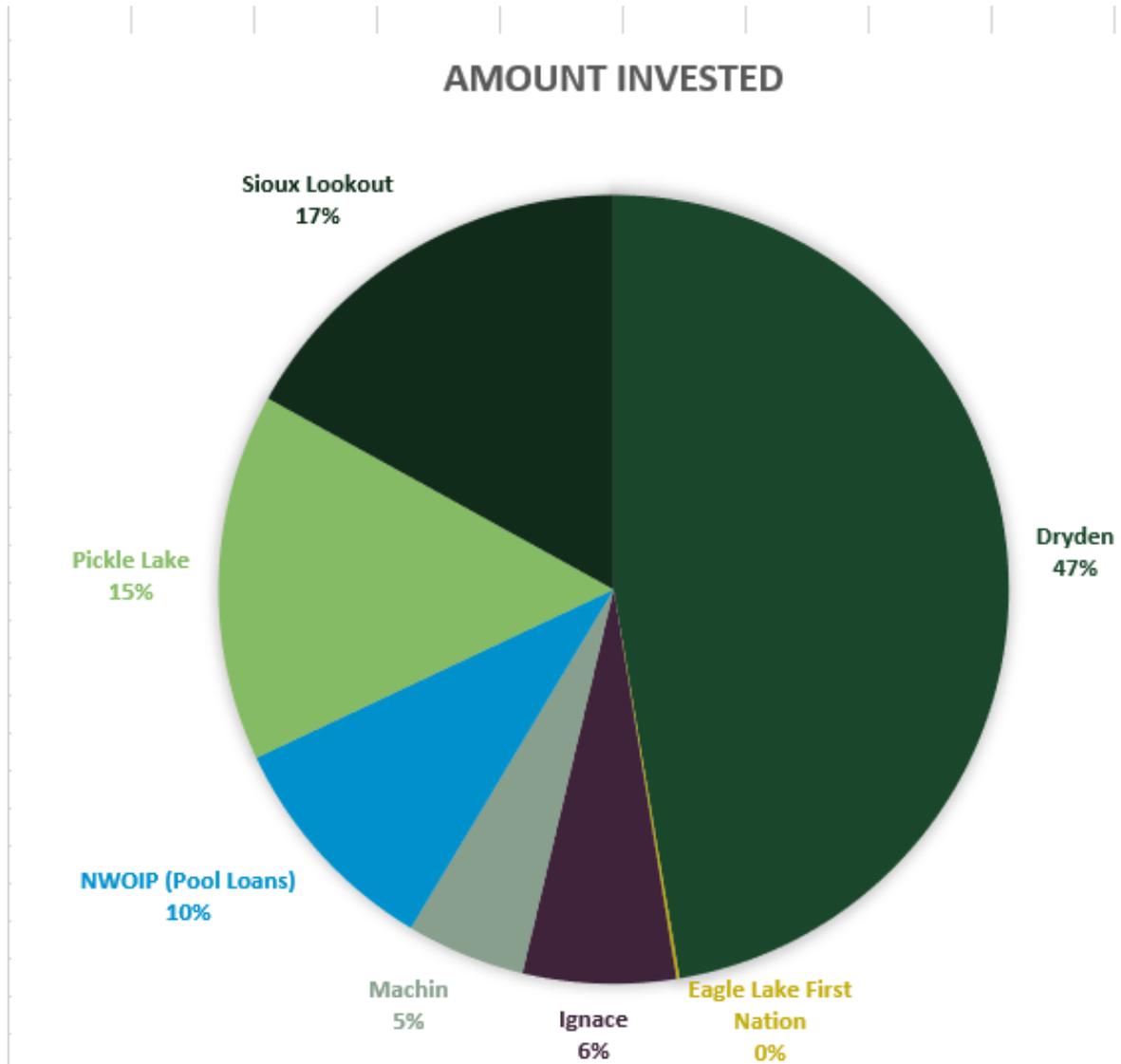
The regular Investment Fund saw some growth as well as several loans reach paid in full status despite the pandemic lockdowns and restrictions. PACE was also able to partner with MENDM (Ministry of Energy Northern Development and Mines) on a grant program that businesses could access under NOHFC called the Northern Ontario Recovery Program. This gave businesses up to

\$25,000 to adjust to the impacts of COVID-19 and improve their business to protect employees and customers. The money could be used to renovate spaces to abide by health regulations increasing customer and employee safety, new marketing strategies and equipment purchases. Many businesses did not have funds to purchase the items in advance to receive the grant so PACE was able to bridge finance so they could complete the work and the grant money repaid the loan. It was a win-win for the region and many businesses took advantage of the program. This program also helped to increase the Fednor metrics where we exceeded the target of the business plan in both closed deals and leveraged funds.

As the region begins to open up again and restrictions ease, PACE is well positioned to remain a source of assistance for businesses in the catchment area. There is optimism for new potential start ups in the area that will promote economic development and stimulate job creation. PACE will continue to advocate for small businesses in the area that struggle with staff shortages which is an ongoing concern in all regions.



Amount Invested by Community



<u>Community</u>	<u>Amount Invested</u>
Dryden	\$762,965.02
Eagle Lake First Nation	\$ 2,040.77
Ignace	\$100,803.88
Machin	\$ 78,382.53
NWOIP (Pool Loans)	\$ 151,599.93
Pickle Lake	\$ 242,834.63
<u>Sioux Lookout</u>	<u>\$ 273,248.14</u>
Total	\$ 1,611,874.80

BUSINESS COUNSELLING

Through business counselling, PACE offers advice on different business topics, including business planning, budgeting, government remittances, and any other inquiries related to starting up, maintaining, expanding, or purchasing a business. We offer this service through one on one meetings, email, by phone or virtual meets.

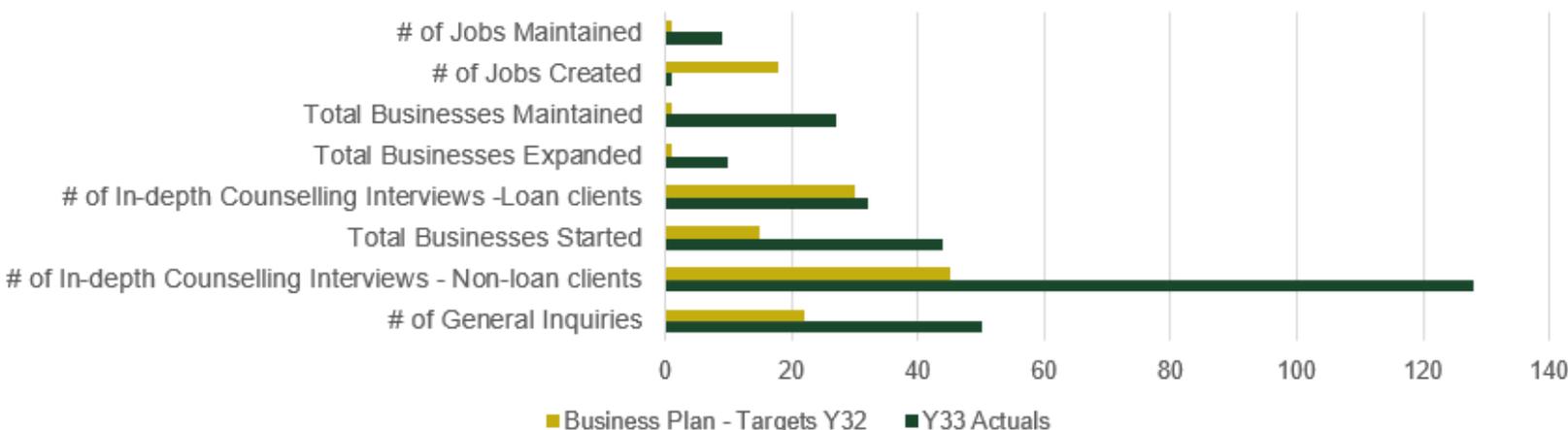
With the COVID-19 pandemic stretching through 2021, there was an increase in the number of in depth counselling once again. The ongoing lockdowns, restrictions as well as more business recovery programs available, PACE was able to assist businesses with inquiries, and help navigate them through these uncertain times. Although there were not as many jobs created, a greater number were maintained through business counselling which shows

the resiliency of small businesses in the area and the extra work they have had to tack on to an already challenging lifestyle.

It has however been more encouraging towards the end of the fiscal year seeing local businesses begin to bounce back from two years of lockdowns and see light at the end of the tunnel. PACE has seen several potential clients considering opening a business and have had new clients this year take the plunge and successfully open. While the pandemic is not fully over, there is hope for the area and new important projects emerging stimulating economic development, creating jobs and encouraging residents to shop local more now than ever before.

PACE will continue to foster relationships with the business community and increase our presence in the catchment area.

Business Counselling



COMMUNICATION PLAN UPDATE

Similar to the past year, the Communications Plan which was developed in non-pandemic times needed altering to reflect the needs of the past year. Many of our advertising efforts focused on new initiatives and programs that were launched during the pandemic.

We engaged in Facebook and direct marketing of many of the new programs. Direct marketing included calling or emailing some organizations directly to tell them about our services. We also utilized Chamber and BIA mailing lists to widely disseminate information about new funding programs.

In addition to digital advertising, PACE participated in radio interviews advertising new programs and services. These interviews had a wide audience and directly resulted in clients reaching out to access our services.

PACE had committed to sharing information regarding the RV/Auto Touring route that was being developed by a working group supported by Destination Northern Ontario and Tourism Manitoba. PACE participated as a member of the working group and ensured that information regarding tourism attractions was shared with the group and that regional communities were aware of the group as well. The route has been finalized and is prepared for launch as a part of Rendez-Vous Canada 2022.



STRATEGIC PLAN

All of the goals within PACE's 2019-2022 Strategic Plan are in progress or complete. Given that the majority of the plan is completed, the decision was made to move up PACE's next strategic plan. PACE's 2022-2024 Strategic Plan covers a three year period and focuses on four main areas; the Investment Fund, Business Counselling, Community Economic Development, and Governance.

The new Strategic plan seeks to balance the needs of our clients and stakeholders with the needs of the organization. It recognizes that the COVID-19 pandemic has had a significant and long-term impact on businesses within the region and it offers a framework for how PACE will support businesses as they recover. The plan also recognizes that the pandemic has had a significant impact on our loan portfolio, both by doubling its size and decreasing its diversity.

Business Counselling has been a consistent area of strength for PACE. The plan will build on this strength as PACE continues to establish itself as a strong supporter of businesses through every stage of their development

Community Economic Development is an important part of the role that PACE plays in the communities it serves. PACE's Board has acknowledged that they are still uncertain of how to change their approach to CED with the loss of the Local Initiatives Fund seven years ago. The new strategic plan will seek to refocus PACE and our stakeholders' understanding of our role supporting community economic development in

the region. PACE will also focus energy into workforce development. We have repeatedly heard from businesses and lenders that staff shortages are impacting businesses' ability to expand and start-up.

Two goals have been carried forward from the previous strategic plan, the successful completion of the Mentorship, Incubation, and Remote Access program as well as the grant writing pilot.

PACE has undergone significant changes over the past year. The Board is committed to leading PACE into the future. As such, within the new Strategic Plan the Board has committed to a review of its governance practices.

We are excited about our new Strategic Plan and a bright future for PACE!



OUTLOOK 2021-2022

As we start into our second year of the new operating contract, we have reflected on the past year and have exceeded a majority of the goals that were set out in the business plan. The RRRF funding as well as the PPE projects and Not for Profit non repayable contributions increased the number of clients that we assisted.

Moving forward we will continue to prioritize the tourism sector by actively participating in working groups and steering committees to support this industry's recovery.

PACE will launch a new marketing campaign through the updated website, and social media outlets to promote the Mentorship, Incubation and Remote Access Program as well as our existing loan programs, and community development initiatives.

PACE will partner with other organizations to look at the workforce issues that continue to challenge businesses. The goal is to develop a series of workshops on employee hiring and retention.

Organizations and businesses will continue to face challenges in the upcoming year with the ongoing pandemic. With our additional staff and expertise PACE can provide increased business counselling, assistance with grant writing, mentorship and support for any other

business needs.

This fiscal year PACE will actively recruit diverse board members to ensure increased representation from all communities we serve. Governance training for new and existing board members will also be a focus to maintain an understanding of the role of the board within the organization.

Staff and the board look forward to working alongside the business community as they navigate through the challenges of the past two years and continue to look towards a more positive future.



QUESTIONS ABOUT THIS REPORT? SEND THEM TO:
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Patricia Area Community Endeavours

A Community Futures Development Corporation

