



Issues Paper

August 2014

ASSOCIATION OF MUNICIPALITIES OF ONTARIO

PRESENTED TO THE
ASSOCIATION OF MUNICIPALITIES OF ONTARIO
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Provincial Land Tax Review

Ministry of Municipal Affairs and Housing

Ministry of Finance

The Ministry of Municipal Affairs and Housing and the Ministry of Finance have put forward an effort to address the inequity between organized and unorganized townships by announcing the intention to review the Provincial Land Tax (PLT). PLT, as you are aware, is a property tax that applies to residents living in unorganized townships. The province, who is responsible for setting PLT rates, has not adjusted the rates for several decades. This has resulted in a great inequity between organized townships and unorganized townships, leaving those outside of municipal boundaries paying substantially less in property taxes.

While homeowners in unorganized townships pay significantly less in property taxes, they continue to utilize services that are provided by organized townships such as Highways, Transportation Systems other than Highways, Waste Management, Public Utilities, Culture, Parks, Recreation and Heritage, Economic Development, Police and Fire Protection Services, Ambulance Services, Planning, Public Health Services, Social Housing, Welfare Assistance, and Children's Services.

This has put a strain on organized municipalities who are required to provide these services with an increasingly constricted budget. There is also the concern that by having a much lower tax rate outside of municipal boundaries it will encourage development within unorganized areas while continuing to depend on services provided by municipalities.

The government has committed to reforming the Provincial Land Tax by consulting with municipalities, taxpayers and other northern stakeholders. However, FONOM requests that the Province make this issue an urgent matter in order to bring forward solutions that would address tax fairness in northern Ontario.

Ontario Building Code

Ministry of Municipal Affairs and Housing

FONOM acknowledges that your government has put forward proposed changes to the Ontario Building Code which would allow for wood frame buildings up to six storeys. It is important that Ontario builders have viable and alternative construction options that meet safety, health and structural requirements within the building code.

Amendments to the building code would provide significant benefits to the northern Ontario economy by creating a demand for Ontario's wood products which supports the forestry industry, a key economic sector of northern Ontario. By increasing opportunities to build with wood from Ontario's sustainably managed forests, the proposed code changes support forestry jobs and forestry dependent communities.

Furthermore, the use of wood products as a building material provides an opportunity to gain from the environmental benefits associated with wood. Wood as a 100% renewable and recyclable resource should be promoted and capitalized on where possible. The use of wood products also produces less air and water pollution and generates less greenhouse gases during the manufacturing process of building products. This demonstrates that the use of wood is beneficial not only to the northern economy but to the environment as well.

FONOM requests that your government re-introduce regulatory changes to Ontario Regulation 332/12 to allow for six-storey wood-frame buildings.

Long-term Social and Affordable Housing

Ministry of Municipal Affairs and Housing

Ensuring that residents have access to long-term social and affordable housing is important maintaining a superior quality of life. Research has demonstrated that housing is a key determinant of health. Although housing concerns such as homelessness or those at risk of homelessness may not be visibly prominent in the north, on a per capita basis, these issues are as much a concern in northern Ontario as they are in southern Ontario.

Northern Ontario provides its own unique set of challenges when providing social and affordable housing for residents where the need is high, yet the ability to provide is low. Across the north, residents have lower than average median household incomes and higher than average unemployment rates.

FONOM supports the Ontario government's request for a national housing strategy that includes the creation of new affordable housing and would maintain existing social housing units. Without sustained federal funding, facilities deteriorate and the current number of rent-geared-to-income tenancies cannot be continued, despite the growth in demand for social housing.

FONOM requests that your Ministry work with the federal government towards finding a solution to fund long-term social and affordable housing for our most vulnerable residents.

Ring of Fire

Ministry of Northern Development and Mines

The Ring of Fire demonstrates a significant opportunity for economic development that would benefit not only the northern region of Ontario but the province as a whole. As you are aware, the Ring of Fire currently represents a 5,120 square kilometer region within northern Ontario that is estimated to have significant deposits of nickel, copper, platinum, and chromite. Private sector investments have totaled billions of dollars and research has shown that the minerals that could be excavated could result in over \$50 billion in revenue and generate thousands of direct and indirect jobs.

To ensure that this project is developed responsibly and productively, it is important that all sectors are involved throughout the process including the public sector, private sector and First Nations. It is important that there is development of a transportation corridor that supports both material transfer and the transportation of people both to and from the Ring of Fire area. Transportation infrastructure could unlock additional mineral potential and benefit remote, fly-in First Nations communities and other northern municipalities.

Development of the Ring of Fire has been ongoing for a significant length of time, and although this opportunity is complex, with a number of stakeholders to engage and consult with, it is important that concrete action is taken in the immediate future.

FONOM requests that the government provide details on timelines and demonstrate their commitment to the 60 day implementation of a Ring of Fire development corporation.

Ontario Northland Transportation Commission

Ministry of Northern Development and Mines

FONOM has demonstrated their appreciation to the Province for making the decision to continue to operate the Ontario Northland Transportation Commission (ONTC) and invest in core infrastructure including freight rail and refurbishment, bus services and the Polar Bear Express. However, the sale of the ONTC's telecommunications division, Ontera was a great disappointment to the north.

The sale to Bell Aliant has the potential to affect employment, revenues, and service levels within northeastern Ontario. FONOM, along with other northern stakeholders fear that Ontera's service offerings for northern communities and businesses through infrastructure investments will be lessened rather than enhanced.

FONOM believes that Ontera should be retained as part of the whole ONTC unit and therefore requests that the Provincial Government to reconsider the sale of Ontera. Furthermore, FONOM requests a meeting to begin discussing a strategy to move forward with enhancing core ONTC infrastructure.

Forestry Industry

Ministry of Natural Resources and Forestry

As you are aware, the forestry industry in the north has been historically and continues to be a vital sector of our economy. The decision to include forestry into the Ministry of Natural Resources portfolio officially and now titled the Ministry of Natural Resources and Forestry, demonstrates that the industry is a significant focus of this Ministry and we hope that it will result in an increase in attention placed on forestry.

Responsibly managing the boreal forest represents an end goal that all northern stakeholders share. However, as a representative of many communities that rely heavily on the sustainable management of boreal forest resources, FONOM is concerned about the current state of the forestry industry in northern Ontario.

In the spring of 2014, Bill 83 was introduced that had the capability, if passed, to significantly impact many northern municipalities who are dependent upon the forestry industry. The legislation would have given groups the ability to continue to target and threaten industries that our communities and futures depend upon. Bill 83 did not take into account the potential socio-economic impacts that it would have on the forestry industry and municipalities across the north.

Currently, forestry operations are facing challenges in accessing wood fibre to operate which is threatening business operations, resulting in a loss of stability for current and future jobs. Accessibility to wood fibre is imperative for the forestry industry to function, grow and continue to be the economic foundation for many northern communities in Ontario. Furthermore, a lack of wood fibre discourages investment in the north by companies already operating in northern Ontario as well as operations from outside the province.

Finally, it is important that efforts be undertaken to modernize the forestry industry to ensure adaptability and efficiency of operations in the years to come. Engaging in modernization processes requires significant financial resources that many operations simply do not have. As you are aware, the forestry industry is slowly rebounding and therefore, in a fragile position to invest in major capital projects.

FONOM asks for your commitment to protect the future of the forestry industry, increase access to wood fibre, and implement innovative funding programs that will assist in the development of modernization projects.

Provincial Parks

*Ministry of Natural Resources and Forestry
Ministry of Northern Development and Mines*

The Ontario government has been vocal about the Growth Plan for Northern Ontario being a guide to ensuring the economic sustainability and growth of the north. The first step in ensuring that the Growth Plan is being implemented is to follow through with the commitments that were outlined. These commitments include investing in the provincial park system to improve the competitiveness of the tourism industry and enhance the visitor experience.

The pilot projects that saw three Provincial Parks in northern Ontario engage in, although they demonstrated success, FONOM believes the program was unfair. In the event of an operational deficit by a Park; the guarantor was required to assume the costs associated with the deficit, whereas, in the event of an operational surplus, such surplus was kept by the Province.

Ensuring that Ontario's Provincial Parks remain open for overnight camping does not only serve northerners' benefit but it also seeks to fulfill the promises made by the government within the Growth Plan for Northern Ontario.

FONOM asks that the Ministry of Natural Resources and Forestry continue to work with FONOM and NOMA to eliminate the financial liability being placed on municipalities in order to keep parks open.

Spring Bear Hunt

Ministry of Natural Resources and Forestry

FONOM continues to express their appreciation of the provincial government for implementing the Bear Management Pilot Program to address concerns about public safety resulting from human-bear conflicts.

The limited selection of Wildlife Management Units that have been chosen for the pilot project is of concern to FONOM as the majority of our members are not eligible to opt into the pilot program. It is important for the Ministry to utilize available information and apply the program to areas of high human-bear interactions. The exclusion of many rural communities' poses a significant threat as these are often the municipalities that are affected the greatest with the lowest ability to manage or address bears.

There is an opportunity to bring economic benefit to the north through the expansion of the Bear Management Pilot Program. In addition to safety concerns, the spring bear hunt could generate economic benefits through outfitters and surrounding businesses. In addition, the spring bear hunt generates revenues for the province in the form of land use permits and licensing. The pilot project should be expanded to include all Wildlife Management Units and be open to non-resident hunters which would boost the tourism industry and provide further benefits to the northern economy.

Furthermore, the Ministry should also implement the pilot program across the north as a result of damages to agricultural lands. FONOM appreciates that the Ministry of Natural Resources and Forestry administers the Ontario Wildlife Damage Compensation Program to provide funding to producers whose livestock has been damaged as a result of bears, however, it does not address damages to crops. Crop damage is a major concern to farmers in northern Ontario. Once grain begins to grow, should it become damaged, packed down or bent in any way, it does not revive and thus that area is lost to the farmer for the season.

It is imperative that policies taken by the Ministry of Natural Resources take into account the realities that northerners face. A holistic approach to addressing nuisance bears would include efforts to address residents across the north equally.

Small, Rural and Northern Municipal Infrastructure Fund

Ministry of Economic Development, Employment and Infrastructure

Ministry of Agriculture, Food and Rural Affairs

Ministry of Municipal Affairs and Housing

FONOM appreciates that the government acknowledged the requests from stakeholders regarding the Small, Rural and Northern Municipal Infrastructure Fund and will be transitioning to a per capita funding model for the allocation of funds. An application model which is currently in place now does not provide predictable and stable funding and provides challenges to long-term planning of municipal budgets.

A predictable model in place such as the per capita based model, municipalities can ensure that they will receive a known amount and be able to apply the funds to their budget and develop long-term infrastructure projects. It would also limit the competitiveness and ensure all municipalities who are eligible to receive funding are equal.

This structured approach would allow municipalities to spend finite financial resources, municipal staff and time, on local priorities and areas which demand attention rather than being spent on applications that may or may not be approved.

FONOM looks forward to the implementation of a per capita formula for sustainable funding that has been communicated by the majority of municipalities.

Resource Based Infrastructure

Ministry of Economic Development, Employment and Infrastructure

Forestry

An important aspect to ensuring that the forestry industry continues to rebound, sufficient infrastructure will encourage not only new operations to invest in northern Ontario but also for current operations to expand or maintain their existing operations. Infrastructure such as roads and bridges are critical to the forestry industry.

Ensuring that the current network of forest access roads is available for use in the long-term is imperative. In working with the Ministry of Natural Resources and Forestry, it is believed that concrete efforts can be undertaken in this regard. FONOM was pleased to see that your government is committed to working with the forestry industry to examine options that would provide greater certainty for long-term funding that improves and maintains forest access roads.

Mining

Along with investments into infrastructure for the forestry sector, investments are also needed for the mining sector. The Ring of Fire, as you are aware, is a primary focus for infrastructure development as large investments will be required to transport product. Your government committed \$1 billion in funding for this massive economic development initiative. FONOM looks forward to further communication regarding timelines for implementation and progress on the Ring of Fire and other mining initiatives.

Energy

FONOM would like to extend its appreciation to the Province for its recognition of increased transmission capacity needs; however, it is believed that greater attention towards expansion across the north is required. Transmission capacity expansion will assist in eliminating the bottle-neck currently being experienced and improve northern Ontario's competitive position in the energy market.

Making investments into particular projects such as the North-South energy transmission capacity would allow for many economic and power generation opportunities in northern Ontario that have not been able to progress as a result of a lack of transmission capacity.

Provincial Highways

Ministry of Transportation

Evaluation

Many northern municipalities are bounded and serviced by Provincial highways, which the Ministry of Transportation is responsible for maintaining through private contractors. These private contractors are penalized when their obligation for clearing provincial highways does not meet winter maintenance standards. Weather and road conditions in northern Ontario are more extreme than other parts of the province. Minimum standards must be re-evaluated on a regular basis to ensure public safety.

FONOM continues to request that the Ministry of Transportation undertake an evaluation of all Provincial highways in an effort to ensure adequate road maintenance.

Paved Shoulders/Passing Lanes

Paved shoulders and passing lanes will make travelling safer and more efficient for commercial and recreational traffic. Particularly on highways such as the TransCanada highway which sees a high level of commercial traffic, the construction of paved shoulders and passing lanes would greatly enhance safety. This construction, if implemented across the north, would improve traffic flow and provide better passing opportunities for travelers helping them to arrive safely at their destination. Paved shoulders and passing lanes will not only further enhance motorist safety but also cyclist safety which is becoming an increasingly important issue.

Connecting Link

The cancellation of the Connecting Link program and replacement with the Municipal Infrastructure Investment Initiative (MIII) as a single funding program for infrastructure projects remains a concern to many northern municipalities. The cancellation also forced municipalities to re-prioritize projects and those with the downloaded responsibility for connecting links had to shift their capital focus while other vital municipal infrastructure projects were set aside.

FONOM believes that the province should assume liability of the connecting links in order to remove the unfair burden placed on municipalities that have provincial highways that run through their jurisdiction.

Transmission Capacity

Ministry of Energy

FONOM extends its appreciation to the Province for the recognition of the need for increased transmission capacity in northern Ontario and committing to investments in major northern transmission projects. However, it is believed that greater attention towards expansion across the north is required.

Increasing transmission capacity will also improve northern Ontario's competitive position in the energy market. In order for the government to attain the goals stated within the Long-Term Energy Plan, it must develop increased transmission capacity between the north and south.

Particularly, FONOM is concerned with the lack of attention towards expansion of 'North-South' transmission capacity. Accelerating the development of this expansion will support growth in Ontario and eliminate the bottle-neck currently being experienced within mining and forestry operations.

Making investments into energy transmission capacity would allow for many economic and power generation opportunities in northern Ontario that have not been able to progress as a result of a lack of transmission capacity.

Electricity Rates

Ministry of Energy

High electricity rates diminish the ability for industries across the province to compete, but particularly in northern Ontario where there are already other structured challenges to compete. Resource industries such as forestry and mining, which are predominant in the north, are heavily dependent upon electricity to operate.

Research has shown that electricity rates in Ontario are among the highest of all provinces in Canada. Northern municipalities and businesses cannot afford any further increases in electricity costs. Any further increases would result in a threatened economy and potential loss of business activity and investments.

The Province needs to commit to addressing the continuous increases to energy costs. FONOM recommends that the Province investigate alternative options to energy accessibility that would result in lower costs of providing electricity in Ontario.

Fuel Price Volatility

Ministry of Energy

Fuel price volatility is a concern to residents across the Province, where prices can fluctuate dramatically and inconsistently. In northern Ontario, fuel prices are often substantially higher than fuel prices in southern Ontario. It is argued that the difference in price does not accurately represent the difference in transportation costs.

It is important that fuel price volatility be addressed and subsequently managed as high and unpredictable fuel prices threaten the stability of an economy. Several other provinces in Canada have regulations in place that reduce volatility in fuel prices. Research into potential strategies such as monitoring and price setting should be undertaken to see if there is a model that can be adopted within Ontario.

FONOM requests that the Ontario Energy Board (OEB) be mandated to monitor the price of fuel across the province to reduce unfair regional price differences and volatility.

Natural Gas Expansion

Ministry of Energy

Ministry of Agriculture, Food and Rural Affairs

FONOM wishes to express its concern on behalf of municipalities in northeastern Ontario that have limited options when it comes to heating homes and businesses.

It is important that all residents have equal opportunity to access varied sources of heating. It has been noted that customers who have access to natural gas report significant savings over other heating alternatives. However, many northern municipalities are unable to access this utility service due to restraints in distribution expansion regulatory requirements.

FONOM expresses its appreciation toward the government in acknowledging the need for funds to expand natural gas across the province, particularly for consumers in underserved communities. A \$200 million interest free Natural Gas Access Loan and a \$30 million Natural Gas Economic Development Grant will provide much needed assistance to rural and northern municipalities that lack funding to expand natural gas. However, it is important that the Province also address regulatory barriers to accessing natural gas.

Greater flexibility for gas utilities needs to be implemented so that all residents have the same opportunity to access alternative heating options. FONOM would be pleased to work with your Ministry on this matter to ensure that natural gas expansion is available to all municipalities across northeastern Ontario.

Power Dam Special Payment Program

Ministry of Finance

The Power Dam Special Payment Program was implemented to offset the lost property tax revenues for municipalities that host power dams when the right to tax power dam operations was rescinded in 2001. Currently, there are 110 municipalities in the province that host power dams, 30 located in northeastern Ontario.

The 2014 government budget highlights \$4.4 million in cuts to the program, transitioning from an \$18.7 million program to a \$14.3 million program by 2017. For some municipalities, these cuts are significant, representing a large portion of their revenue being lost. These cuts would not only impact the ability for municipalities' to fulfill their fiduciary responsibilities but would also impose additional financial strain on municipalities who are already trying to cope with other burdens such as accelerated cuts to OMPF and unknown aspects of a new OPP Billing model.

It is important to note that not only will municipalities that host power dams be affected but so will municipalities who do not participate in the compensatory payments program. District Social Services Administration Boards (DSSABs) will be affected as proceeds from the Power Dam Special Payment Program are included in their funding formula. As a result, all municipalities within that DSSAB whether or not the community hosts a power dam, will be affected.

Furthermore, there are legitimate concerns that once there is a precedent for cutting the program payments to municipalities, further cuts will be implemented after 2017 until the program is eliminated completely. The proposed cuts are devastating to many municipalities as they are. If the program was cut entirely without returning the right to tax property back to the community, the Province risks destroying these communities.

As mentioned, cuts to this important program are significant to some municipalities such as the Township of Fauquier-Strickland and the Municipality of Wawa who will be severely impacted by the proposed cuts. The preliminary figures for the Township of Fauquier-Strickland indicate that they would lose a total of \$81,481. The compensatory payment for the Municipality of Wawa in 2012 represented approximately 65 per cent of their own purpose taxation. Losing over 23 per cent of this revenue by 2017 will force the municipality to eliminate or considerably reduce services or increase property taxes by 12.6 per cent.

As you can see, a lack of impact analysis on municipalities can have severe consequences and should the potential impacts not be addressed, municipalities and their residents across the province will be the ones who lose.

Since these cuts were announced without consultation with affected municipalities, FONOM requests that the Province immediately halt the decision to cut the funding and consult with municipalities. FONOM appreciates that the province is currently in a deficit and that efforts are being made to address the fiscal situation. However, northerners are worried about the impact that it will have on many municipalities.

Municipal Property Assessment Corporation

Ministry of Finance

Ministry of Municipal Affairs and Housing

FONOM had been vocal with your Ministry with respect to northern municipalities' concerns regarding the Municipal Property Assessment Corporation (MPAC) and their inability to defend industrial reassessments, particularly in the case of mills.

Municipalities create long-term development plans on the basis of their annualized, budgeted property tax revenue. Industrial property reassessments have resulted in municipalities being forced to pay back substantial revenues that not only threaten current and future development but also set a precedent for other corporations to follow suit.

FONOM believes that once an assessment is made, it should not be subject to appeal. A more aggressive position should be taken by the Government of Ontario to defend MPAC assessments on industrial properties.

Ontario Municipal Partnership Fund

Ministry of Finance

Ministry of Municipal Affairs and Housing

The Ontario Municipal Partnership Fund (OMPF) represents the province's main transfer payment to municipalities to assist municipalities with challenging fiscal circumstances. The province is currently undergoing a transition in which OMPF annual funding is being reduced to \$500 million by 2016 from \$575 million in 2013. Municipalities were expecting these decreases as there was an agreement that social service and court security costs would be uploaded.

However, in the 2014 budget, the government announced accelerated cuts of an additional \$10 million for 2015 which took municipalities by surprise as there had been no previous discussion or consultation and no warning. As a result, municipalities were faced with the challenge of trying to make up for a decrease in funding that many were not prepared for.

The Province has maintained its commitment to continue to support areas with limited property assessment, recognizing the unique circumstances of northern and rural municipalities, and assisting municipalities as they transition through the OMPF phase down. Continued efforts need to be implemented to minimize the impacts on municipalities who may not have the capacity to raise property taxes or introduce other fiscal tools to make up the OMPF reduction.

There is also the concern that northern and rural municipalities will feel the accelerated cuts much more significantly because they are not the primary beneficiaries of the provincial uploads. Typically, rural municipalities do not share the same responsibility for the delivery of the social programs being uploaded to the province and court security costs as their larger counterparts. Therefore, these municipalities see little direct benefit from these uploads, and depend on the OMPF funding that much more. This is especially critical to FONOM, as the majority of our members are rural municipalities. Using the 2014 OMPF Allocation Notices to all municipalities, it is evident between the four urban centres and the rest of the membership where the uploads represent a large portion of the combined benefits in comparison to the rest of the membership.

Therefore, FONOM requests that the Province reverse its decision to accelerate the phase down of funding to municipalities so that the financial burdens that are already in effect are not magnified and passed on to taxpayers.

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Federation of Northern Ontario Municipalities

2014 AMO Conference

Non-Urgent Patient Transfers

Ministry of Health and Long-Term Care

In northern Ontario, emergency land ambulances provide non-emergency services such as patient transfers, which pose significant risks to residents and undermine quality patient care. Non-urgent patient transfers that are made by emergency land ambulances affect service levels by removing the emergency vehicle from a community, paramedics responding to emergency calls while a patient is on board, increased vehicle usage and costs, increased costs due to protective standby coverage and increased off load delays at hospitals due to patient movement.

It is important to note the vast geographic distances within northern Ontario and the distance that patient transfers often have to undergo. This poses a significant challenge to providing quality patient care to residents in the north. Furthermore, as the population ages, an added strain on non-urgent patient transfers will increase as more patients will be reliant on this method of transfer.

Municipalities are continually seeking long-term strategies to minimize the risks and burdens that are placed on District Social Services Administration Boards (DSSABs), municipalities and ultimately, northern residents. With funding from Local Health Integration Networks (LHINs), the proven success of a combination of Municipal EMS providers, local hospitals, health centres and DSSABs working together on pilot projects has allowed for a substantial increase of ambulances available for emergencies as well as a decrease in costs associated with the transfer of patients.

By working together, the development of innovative and creative solutions will address health care deficiencies in the north. We encourage the Ministry of Health & Long Term Care to continue to support and recognize the initiatives of LHINs on such a successful program and we look forward to seeing an expansion of this success throughout the North.

Joint and Several Liability

*Attorney General
Municipal Affairs and Housing*

Joint and several liability represents the primary contributor to rising insurance premiums for municipalities. Municipalities have become targets as insurers of last resort which results in municipalities suffering the greatest consequences as they are responsible for significant damage awards even if they are deemed to be just one per cent responsible.

It is important to remind your government that if reforms are not undertaken, municipalities will be forced to scale back on public services in order to limit liability exposure. FONOM asks that the government continue to work towards an alternate and sustainable model that does not threaten the stability of a municipality.

The issue of joint and several liability has been a concern for municipalities for several years, yet little has been done to address it until recently. Prior to the election call, a motion was brought forward in the Legislature to address joint and several liability. Since then, the government has committed to working with AMO to develop a practical and fair solution to joint and several liability. It is important that the government maintain its commitment and begin working with AMO at the earliest convenience.

FONOM, along with the Association of Municipalities of Ontario (AMO) have requested a comprehensive, long-term solution to reform joint and several liability in the form of the Combined Model which is a combination of the Saskatchewan Model and the Multiplier Model.

OPP Billing Model

Ministry of Community Safety and Correctional Services

As you are aware, there has been a great deal of attention placed on the proposed OPP billing model which impacts 324 municipalities across the province. The majority of FONOM's membership consists of small municipalities with a population of 5 000 or less. These municipalities are responsible for providing services as their larger counterparts, yet have a smaller and diminishing tax base in which to draw revenues from.

The model proposed in the fall of 2013 to be implemented in 2015 was developed in an attempt to provide some equality in the way municipalities were paying for policing services. It has been recognized that municipalities have been paying inequitable costs for years, both large and small, and given that smaller municipalities have been paying less, they do not believe that they will be beneficiaries of any proposed billing model. At the FONOM Annual General Meeting on May 9th, 2014, a resolution was passed by our membership in support of requesting that the Province of Ontario take back the responsibility for policing small municipalities with a population of 5,000 or less.

Through the work of the Association of Municipalities of Ontario (AMO), your government has committed to implementing a model that is fair and equitable to all municipalities and recognized that municipalities who will be seeing an increase will need transition support mitigation funding. However, this does not provide stability to ensure that smaller municipalities will be able to afford policing with the new model.

Therefore, FONOM believes that the best way to ensure municipalities with a population of 5 000 or less will be able to afford policing services in 2015 and beyond is for the Province to take back the responsibility.

Rising Costs of Policing

Ministry of Community Safety and Correctional Services

The costs of policing have risen exponentially in the Province of Ontario, surpassing the rate of other public sectors. Municipalities have been advocating for years that the Province address these concerns. As a result, your Ministry created the Future of Policing Advisory Committee (FPAC) to provide strategic direction and recommendations on changes to legislation and regulations of policing matters.

FONOM continues to request that the interim report on FPAC's activities and recommendations to date be released. The release of an interim report is imperative to ensure that municipalities are part of the consultation process prior to the final report being delivered.

The government had committed to addressing policing services by introducing a package of legislative or regulatory changes once the Future of Policing Advisory Committee report's recommendations are received. FONOM has requested that the interim report be released so that municipalities have an opportunity to evaluate before the final report is released.

Northern Agriculture Industry

Ministry of Agriculture, Food and Rural Affairs

The agriculture industry in northern Ontario is highly valued and believed to be a growing industry as the northern region continues to diversify its economy and temperatures rise as a result of climate change. FONOM is pleased that the agriculture industry was outlined as an existing and emerging priority economic sector in the Growth Plan for Northern Ontario.

Through projects such as the Regional Tile Drainage and Land Clearing Project, producers are able to ensure that expansion and further production in the north can be undertaken. These efforts will assist in providing a sustainable local food source and greater economic stability for northern Ontario residents.

FONOM asks that the government continue to recognize the strength of a growing agriculture industry through the expansion of programs that provide capital assistance.