

# FONOM

The Federation of Northern Ontario Municipalities

ROMA Conference

January 2018

**PRESENTED AT THE**

**ROMA CONFERENCE**

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<b><u>Issues</u></b>	<b><u>Page</u></b>
<i>Local Share (HST Increase).....</i>	1
<i>Railway Rights-of-Way Property Taxation.....</i>	2
<i>Cannabis Legalization.....</i>	2
<i>Tax Registration Procedures (out of court payments).....</i>	3
<i>Electricity Prices.....</i>	3
<i>Public Health Units.....</i>	4
<i>Expanded Medical Services ("Fire-Medics").....</i>	4
<i>Endangered Species Act.....</i>	5
<i>Connecting Links.....</i>	6
<i>Ring of Fire.....</i>	6

The Federation of Northern Ontario Municipalities (FONOM) is a membership-based association that is the unified voice of Northeastern Ontario, representing and advocating on behalf of 110 cities, towns and municipalities. Our mission is to improve the economic and social quality of life for all Northerners and to ensure the future of our youth.

During the 2017 FONOM/MMA Northeastern Municipal Conference in North Bay, the Premier made a commitment to invite the five large Mayors and Chairs of FONOM and NOMA to work with the Premier and Cabinet on economic development opportunities in Northern Ontario. The government has yet to fulfill this commitment.

**We ask that the government fulfill the commitment to work with Northern leaders by taking immediate action.**

### **Local Share (HST Increase)**

FONOM supports the initiative taken by the Association of Municipalities of Ontario (AMO), calling on the provincial government to increase the Harmonized Sales Tax (HST) by 1 percent to be dedicated to municipal infrastructure.

While this action may not address the infrastructure deficit in its entirety, which is estimated to be \$4.9 billion, it would allow for a consistent source of revenue that would be dedicated to municipalities. Dedicated funding from the HST would also provided consistency as the dedicated funding would not shift based on upper levels of government's position of the day. Further, it would give more authority to local governments to invest in the projects that are most needed rather than being tied to programs. Municipal governments deserve their fair share.

**We ask that the government increase the HST by 1 percent that would be dedicated to municipal infrastructure given that all three parties have not provided any concrete alternative.**

## **Railway Rights-of-Way Property Taxation**

FONOM maintains the position that the Ministry of Finance should reconsider its approach taken to address the system of municipal taxation for railway rights-of-way so that it is based on assessed value and tonnage. This would also include an exemption for short-line. We recognize the important role short-line plays in our economy and also recognize that they do not enjoy the same level of profitability as does long track.

We appreciate that the province has taken steps to address the significant variations, particularly the much lower, outdated rates in Northern Ontario. However, the discrepancy across the province remains significant. For example, previous rates per acre were as low as \$35.26 in some areas of Northern Ontario while the City of Toronto, Regional Municipalities of Durham, Halton, Peel and York enjoyed rates of \$611.33 per acre. With the adjusted rates, the lowest rate is now \$80. Comparing over \$600 per acre to \$80 per acre in Northern Ontario remains quite unchanged. The same goods are travelling through our communities, whether you live in Hornepayne or Toronto and this should be reflected.

**FONOM requests that the Ministry of Finance reconsider the approach to municipal property taxation for railway rights-of-way and adjust the unfair regional differences.**

## **Cannabis Legalization**

While the Federal government maintains its position to legalize cannabis by July 1, 2018, provinces are pushing legislation through in order to meet the deadline. Ontario has taken a government run approach to cannabis, which would see 49 stores open by July 1, 2018, and 150 by 2019.

The successful implementation of cannabis legalization will be as a result of the efforts of municipalities. Municipal governments will be responsible for enforcement and providing other resources such as community supports. Municipalities did not ask for or pass this legislation, yet will be the level of government burdened by it.

**The province must commit to providing adequate resources and funding to municipalities for law enforcement and community support.**

## **Tax Registration Procedures (out of court payments)**

Changes to Bill 68, Modernizing Ontario's Municipal Legislation Act, specifically the amendment to Section 380 (8) and (9) was a concern for many of our municipal members. This amendment will see out of court payments forfeited to the Crown should no person apply and municipalities will no longer have an opportunity to apply for payments out of court.

Tax sale proceedings involve a significant portion of staff time and resources and any opportunity to access tax sale revenues would assist municipalities with various municipal expenditures.

**While we appreciated the Minister of Municipal Affairs' letter to Heads of Council stating that the government recognized that there are areas of the legislation that would require more time for municipalities to prepare, we ask that it be reconsidered and the tax sale provisions be reversed.**

## **Electricity Prices**

While the province has taken dramatic steps to reduce energy costs within the industrial, commercial and residential sector through a number programs and initiatives such as the Northern Industrial Electricity Rate (NIER) program and the 25 percent reduction in hydro bill costs, the province has yet to address electricity costs for the municipal sector.

Operating municipal facilities such as recreation centres and wastewater facilities, particularly for communities that do not have access to natural gas, has become financially unsustainable. In some communities, this has resulted in reduced operations for non-essential services and higher user fees.

**FONOM appreciates the government's recognition of the energy crisis in Ontario by taking steps to reduce high costs, however, more needs to be done, particularly for the municipal sector.**

## Public Health Units

Potential changes to public health units as outlined in the *Public Health Within an Integrated Health System*, which was a report released by the Minister of Health and Long-Term Care's Expert Panel on Public Health is a concern to FONOM. The recommendation to reduce the number of health units from 36 to 14 poses risks to local decision-making as it pertains to public health, regionalizing the system.

**We ask that the government ensure that the numbers of public health units are not reduced.**

## Expanded Medical Services ("Fire-Medics")

FONOM maintains its opposition to the pilot projects announced by the Ontario government to expand medical responses by firefighters who are Primary Care Paramedics while on fire duty. There is no evidence that this initiative would improve patient outcomes.

The province maintains the position that the pilot project is voluntary. However, it is evident based on past practice, that this will likely not be the case. The 24 hour shift pilot for fire services was initially voluntary, however, given the current interest arbitration system, the 24 hour shift was imposed throughout the province.

**Should the government move forward with the pilot project, we demand the government address the interest arbitration system so that arbitrators cannot replicate across the municipal sector.**

## Endangered Species Act

As Endangered Species Act (ESA) and Species at Risk (SAR) policy is developed, we are asking the government to engage and consult with municipalities and Indigenous communities and have meaningful discussions on the right approach moving forward – an approach that takes into consideration economic, social and environmental factors.

The way in which Ontario's ESA and SAR policy is written, it takes the well-being of wildlife species into consideration to the detriment of not only the people who live there but the long-term health of the forest. We maintain our position that the Crown Forest Sustainability Act (CFSA) is the most appropriate legislation in which forest companies must operate under as it balances sustainability objectives as well as the overall health of forests and climate change.

FONOM, along with other stakeholders, have been requesting the government create a stakeholder panel as committed to in 2013 and to not proceed with CFSA-ESA integration until there is a better understanding of the impacts of climate change and the socio-economic implications.

While we continue to hear the government make statements of working together, we need a serious commitment to listening to stakeholders through concrete action. The government has knowledgeable partners in the North that are committed to developing workable solutions that will benefit all.

**FONOM continues to request that the stakeholder panel be established immediately while also extending the current Section 55 Rules in Regulation for another 5 years.**

## Connecting Links

FONOM appreciated the government reintroducing the Connecting Links program in 2015 and committing to doubling the funding provided to \$30 million by 2018-2019. However, it is evident that \$30 million will not appropriately address the 352 kilometres of connecting links, with 70 bridges in 77 Ontario municipalities.

There is a need to allow multi-year funding and develop partnerships for major projects that cannot be addressed by the \$3 million maximum per project. Further, given that there is a significant backlog from years with no Connecting Link funding, municipalities should be able to use capital funding from other application programs if that project is deemed a priority.

**We ask that the government increase the funding and also implement changes to allow for more flexibility to support vital infrastructure projects.**

## Ring of Fire

FONOM has continuously brought forward our concerns with the apparent lack of progress on the Ring of Fire. The government is more than aware of the socio-economic potential that this mining opportunity for communities across the north. While we understand the challenges associated with the development of a project of this magnitude, we are left wondering how invested the Ontario government truly is in seeing it through.

We are seeking an update on the progress of development, beyond the announcements to move ahead with an all season road into the Ring of Fire and the joint investment between Ontario and the federal government to provide high speed internet to the region through the installation of 880 km of new fibre-optic cable.

The mandate letter to the Minister of Northern Development and Mines dated September 23, 2016 provided direction to have shovels in the ground by 2018. Now, Environmental Assessments are set to begin in January 2018 and statements have been made that shovels in the ground will not take place until 2019. Is this just another delay?

**FONOM requests a commitment to not delay having shovels in the ground any further for the Ring of Fire.**