

FONOM

The Federation of Northern Ontario Municipalities

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MINISTRY OF NORTHERN DEVELOPMENT AND MINES

Ring of Fire

On February 23, 2015, FONOM met with the Ministry of Northern Development and Mines to discuss the Ring of Fire and seek further information regarding its progress at the provincial level. While there was limited information beyond the creation of the Ring of Fire Development Corporation, we hope that since the last calendar year, the government would have more information to provide as an update.

As your government is more than aware, 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. Representing a 5,120 square kilometer region within Northern Ontario, the Ring of Fire 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.

In 2015, both the provincial and federal governments each contributed \$393,814 towards a study of a year round transportation corridor that would allow for mining operations and connect many remote, fly-in First Nation communities. The study, in partnership with local First Nations, had no timeline attached to it, and thus we fear that there is no sense of urgency to complete it. There has also been little to no communication regarding the study and any progress that has been made to date. In general, there has been little communication from the provincial or federal government in terms of Ring of Fire development. As of late, the only development announcements are through media reports of private industry activities, such as the recent report of a Canadian mineral exploration company reaching a preliminary agreement with a foreign engineering company to examine the possibility of a rail link.

Based on provincial government statements, that there is a willing federal partner that is to work towards moving the Ring of Fire project forward, we are hopeful that there will be a richer dialogue between the provincial and federal governments and a firm commitment to the development of the Ring of Fire at both levels. It is important for both orders of government to engage in greater communication on the Ring of Fire file in order to maintain public confidence in their ability to ensure that this significant opportunity comes to fruition.

It is no surprise that stakeholders and Northerners are concerned with the lack of apparent development on the Ring of Fire project especially with growing apprehension due to the fall in commodity prices. However, with statements from the province that the release of the Mineral Development Strategy was in part an effort to create an environment for a competitive and innovative industry that will be strong for when the sector rebounds is positive. The mining industry is cyclical in nature and we strongly believe the time is now to invest so when the sector is once again strong, the infrastructure and agreements are in place to support it.

Therefore, FONOM looks forward to new developments from the Ministry of Northern Development and Mines in the near future for the Ring of Fire.

MINISTRY OF FINANCE

Municipal Property Assessment Corporation (MPAC)

The Municipal Property Assessment Corporation (MPAC) has been undergoing significant organizational restructuring in the midst up the upcoming 2016 assessment cycle. As you are aware, efforts have been undertaken to complete assessments prior to the 2016 cycle to address issues or areas of concern early on and ultimately reduce the number of appeals.

It is our understanding that preliminary reports were shared with municipalities and special purpose business properties as part of its ongoing advance disclosure activities in support of the 2016 assessment update. This represents a positive step that MPAC has undertaken to provide advance disclosure. However, the effort falls short as the methodologies developed to provide the assessment are believed to be flawed, particularly for industrial assessments.

While we appreciate the Minister of Finance directing MPAC to implement advance disclosure for these particular properties for the 2016 province-wide reassessment, we feel that the advance disclosure is simply an early warning. If the methodology is flawed, then the advance disclosure will not reduce the displeasure of inaccurate assessments.

This leads to FONOM's primary concern – a lack of consultation during the development of the methodologies for the upcoming assessment cycle, particularly for mill assessments. Neither FONOM nor the Mills Working Group were consulted at any point during this process or leading up to it. The Mills Working Group in particular consisted of members that had significant experience in dealing with these types of assessments and have valuable knowledge that was not capitalized on or ignored altogether. It is our hope, that in the very least, municipalities will have their concerns taken into great consideration when the assessed values are determined for the assessment role.

Additionally, as FONOM has previously voiced, MPAC must be able to defend their assessments during the appeal process moving forward. Otherwise, the defence ultimately shifts to the municipality, which is grossly unfair. Municipalities create long-term development plans on the basis of their annualized, budgeted property tax revenue. Previous industrial property reassessments have resulted in municipalities being forced to pay back substantial revenues that not only threaten current and future development but have also set a precedent for other corporations to follow suit. The Ministry must ensure that these costly reassessments do not occur again for the upcoming assessment cycle.

MINISTRY OF HEALTH AND LONG-TERM CARE

Public Health Units

Front line health services, such as public health units, are vital to communities to be able to address health care needs and improve the quality of life for its residents. Particularly in Northern Ontario where many communities do not have readily access to physicians, public health units play a large role in the continuing health of the community.

The Ministry of Health and Long-Term care released on September 4, 2015, the 2013 report of the Funding Review Working Group with respect to a public health funding model for Mandatory Programs. Based on current information, the model indicates that approximately 80 percent of public health units in Ontario are overfunded, which calls into questions the validity of the model. FONOM is concerned that a new funding model will result in an inevitable and significant transfer of public health resources to the larger, more heavily populated urban centres and will cause reductions in public health resources in rural and Northern areas of the Province where they are badly needed. For example, under the model outlined in the report, health units who have been identified as being overfunded, may have many years of shrinking public health services to account for the loss of financial resources. This is at a time when providing health care is increasing in costs due to the complexity of health needs and an aging population, particularly in rural and Northern Ontario.

Furthermore, funding for public health services in Unorganized Territories will not be allocated in the same manner under this model. **This highlights the inequitable access to public health resources in the province since Northern health units are the only health units who have Unorganized Territory funding. The Ministry of Health and Long-Term Care has indicated that there will only be a one-time adjustment to that funding, which will prove to be particularly detrimental to those health units in the North.**

Therefore, FONOM opposes this funding model which would result in any long-term shifting of public health resources to wealthier, urban centres of the province at the expense of rural and Northern health units.

MINISTRY OF HEALTH AND LONG-TERM CARE

Non-Urgent Patient Transfers

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. 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 have continuously sought long-term strategies to minimize the risks and burdens that are placed on District Social Services Administration Boards (DSSABs), municipalities themselves and ultimately, Northern residents. Funding from Local Health Integration Networks (LHINs) has resulted in successful pilot projects that has allowed for a substantial increase of ambulance hours available for emergencies as well as a decrease in costs associated with the transfer of patients.

Currently, the province provides a grant for 50 percent of the cost for providing services required under legislated standards for Emergency Medical Services (EMS). However, under the Ambulance Act, only ambulatory services are eligible. Since the non-urgent patient transfers would not be completed by ambulances, they would not be eligible for grant funding. It would be no surprise that a major barrier to implementing this project across the North would be a result of lack of financial resources. Not only would having that funding available for non-urgent patient transfers assist in ensuring that a model could be developed for the Northeast, it is evident that it would be beneficial for the province as well through costs savings in ambulatory services.

Therefore, we ask the province to make an exemption to the Ambulance Act that would allow funding for non-ambulatory services in Northern Ontario.

MINISTRY OF NATURAL RESOURCES AND FORESTRY

Northern Industries

Many communities within Northern Ontario, depend on industries such as forestry and mining to provide employment. Although many are diversifying their economic base, resource industries will continue to be a driving force behind the economy in Northern Ontario for many years to come.

The abundant lakes, rivers, and forests are the foundations that contribute to the social quality of life for many Northerners which is why leaders, stakeholders and residents are concerned and frustrated by the environmental groups that sensationalize images of the environment being destroyed. They distribute and market images of landscapes that have seemingly become desolate and barren as a result of industrial activity. Not only do they often neglect to disclose the location the picture was taken from but they also neglect to share the pictures of rejuvenated landscapes.

For example, forestry operations in Ontario, must adhere to some of the highest standards in the world, operating under strict Sustainable Forest Licenses (SFLs). Responsible forestry management practices involve the removal of mature trees, replanting 3 trees for every 1 tree removed. The misconception that the forestry industry is wiping out forests in the region can be easily refuted by the fact that forestry operations harvest less than half of a percent of forests in Ontario each year.

There must be a balance that recognizes that industrial activity needs to occur not only to sustain communities in Northern Ontario, but the broader society. In the world we live in today, society could not function if all industrial activity ceased. Items that we use every day such as paper to write on, lumber to build with, and the utensils to eat our food with are all produced as a result of industrial activity.

Industries in Ontario operate under some of the highest and most developed standards within their respective industries and are also guided by provincial legislation and regulations. Therefore, the Province must play a critical role in protecting and defending their own legislation and regulations that industries must operate within.

The misinformation and minimal public awareness has resulted in misconceptions of many industries. This lack of knowledge about the very real benefits that industries such as forestry creates, not only for the economy but also the environment needs to be addressed.

This had lead FONOM to undertake the development of a new strategy to counteract the negative and inaccurate information of the forestry and agriculture industries in particular. Partnership with the Grain Farmers of Ontario (GFO) and the Northwestern Ontario Municipal Association (NOMA), with the support of the Rural Ontario Municipal Association (ROMA) and forestry stakeholders, FONOM will be part of a group highlighting and celebrating the innovation and contribution provided by the forestry and agriculture sectors to the economy of rural and Northern Ontario.

FONOM asks for the Ministry and the province to take a more coordinated effort to protect and defend industries that operate in and sustain Northern Ontario.

MINISTRY OF NATURAL RESOURCES AND FORESTRY

Spring Bear Hunt

In November 2015, FONOM submitted feedback to the government in response to the Ministry of Natural Resources and Forestry proposal to extend and expand the Black Bear Pilot Project in central and Northern Ontario for an additional five years and to regulate the baiting of black bears.

FONOM provides its full support for the proposed extension and expansion of the black bear pilot project to address safety concerns in Northern Ontario and bring much needed economic and tourism activity to the region.

As you are aware, municipalities in Northern Ontario, have been calling for the reinstatement of the spring hunt for several years to address the escalating issue of nuisance bears. FONOM welcomed the announcement in 2014 that permitted eight Wildlife Management Units (WMUs) to enter into a two year pilot spring bear hunt. However, with a limited hunt, it arguably did not allow for sufficient data collection to assess the pilot effectively. Lengthening the pilot by five years and to include all WMUs that currently have a fall bear hunt as well as allowing non-resident hunters to participate, we believe that the Ministry will be able to collect the much needed data to assess and justify the need for a permanent reinstatement. It will also ensure that all Northerners are offered the same opportunity to address safety concerns associated with human-bear interactions.

While ensuring public safety in Northern communities remains our top priority, we also recognize that the pilot expansion will provide economic and tourism benefits. By allowing non-resident hunters to participate in the pilot spring hunt, outfitters and surrounding businesses will financially benefit.

Furthermore, FONOM supports proposals to regulate the practice of black bear baiting for both spring and fall hunting seasons. Specifically, we support regulating the practice of black bear baiting for the purpose of ensuring public safety by permitting placement of bait a specified distance from locations where people could be engaged in other activities. As well, regulations that allow for easier identification and protection of females with cubs in the spring is also supported.

We take this opportunity to thank the Ministry and provide our full support to move forward with this pilot in the hopes that it will lead to permanency.

**MINISTRY OF NATURAL RESOURCES AND FORESTRY/
MINISTRY OF AGRICULTURE, FOOD AND RURAL AFFAIRS**

Crown Land for Agriculture Projects

Crown lands in Ontario which are under the administration and control of the Ministry of Natural Resources and Forestry (MNR) represents approximately 85 percent of Ontario's land mass. The majority of the province's Crown land is in Northern Ontario, where 95 percent is located within this jurisdictional region.

Crown lands in Ontario protect natural heritage, supply opportunities for renewable energy and resource based tourism as well as land for public recreational use. While we recognize that the MNR must maintain its obligations under policy and legislation which includes considerations of Aboriginal Treaty Rights, environmental concerns and future land uses, we also recognize that utilization of these lands can contribute to the local economy in a number of ways.

The agriculture industry in Northern Ontario, in particular, has seen significant investments and areas of growth over the last decade. As the region continues to diversify its economy and temperatures rise as a result of climate change, the North is becoming increasingly attractive to invest and grow the agriculture sector.

Making Crown lands available to farmers would promote many of the initiatives outlined in the Growth Plan for Northern Ontario, including agriculture which was outlined as an existing and emerging priority economic sector. It was also an opportunity that the government expressed it was willing to explore.

While we recognize the complexity of releasing Crown lands for development purposes, we are therefore asking the Province to implement an agriculture pilot project in the Northeast and in the Northwest. This will allow the Province to gather further information and evaluate the importance of this objective.

FONOM asks that the government implement pilot projects in the Northeast and Northwest that would allow Crown land to be developed for agricultural purposes.

**MINISTRY OF ECONOMIC DEVELOPMENT, EMPLOYMENT AND
INFRASTRUCTURE/
MINISTRY OF TRANSPORTATION**

Moving Ontario Forward – Outside the GTHA

Infrastructure funding remains a primary request of municipalities to upper levels of government as the infrastructure deficit continues to grow. It is evident that the Province recognizes this need, however, we want to ensure that the entire province benefits from future infrastructure funding announcements, not just the Greater Toronto and Hamilton Area (GTHA), where most of the investments are currently occurring. The discussion guide for *Moving Ontario Forward – Outside the GTHA*, provided an opportunity to submit feedback on how to disseminate the allotted \$15 billion in infrastructure dollars for outside of the GTHA. However, only a portion of the \$15 billion has been allocated to date. While it is believed that the investments for within the GTHA have been determined for some time, we encourage the Province to allocate funding to shovel ready projects and programs for outside the GTHA within this budget.

As the province is well aware, municipal governments own approximately 67 percent of all public infrastructure in Ontario. With all the efforts being undertaken by municipalities to address the infrastructure deficit which stands in the billions of dollars, municipalities need greater investments by the province. Infrastructure such as roads, bridges, water, and wastewater, to name a few, have shown to be aging and badly in need of repairs and maintenance to remain functional and meet their life expectancies. In many areas, the need for funding to undertake new capital projects such as roads, transit and social housing is also prevalent.

With a renewed relationship between the province and a federal government who have also committed to investing in infrastructure, we are hopeful that partnerships can be made to tackle the infrastructure deficit and build new roads, social housing and other important capital needs.

**MINISTRY OF ECONOMIC DEVELOPMENT, EMPLOYMENT AND
INFRASTRUCTURE/
MINISTRY OF TRANSPORTATION**

Northern Ontario Highways

Provincial highways are the vital transportation links that connect communities together. Ensuring that drivers can get from one community to the next is a concern for all, especially during the winter months.

Particularly in the North, many communities lack the transportation network of municipal and county roads as alternate routes for travel and thus are often bounded and serviced by Provincial highways. These communities depend on the Ministry of Transportation; through private contractors to ensure Provincial highways are maintained and safe during the winter months. Weather and road conditions in Northern Ontario are more extreme than other parts of the province; therefore, minimum standards must be re-evaluated on a regular basis to ensure public safety.

Lack of paved shoulders and passing lanes on Northern provincial highways adds to the risk of travelling on these roads, particularly in the winter. Heavy commercial truck traffic dominate highways, often forcing vehicles to drive on unpaved shoulders, which are less safe. Construction of paved shoulders at minimum would enhance driver safety during the winter months significantly.

FONOM appreciates the commitment by the province to work towards expanding major highways to four lanes from border to border to border. While we recognize that the federal government needs to be a partner, four-laning the TransCanada highway across the north should be a priority. As transportation across the North was listed as a major component of the Growth Plan for Northern Ontario, we look forward to significant investments to improve and expand to benefit the Northern economy and improve the transportation system.

Therefore, FONOM requests that the Province develop a long-term transportation strategy that would ensure adequate road maintenance and widening of highways.

MINISTRY OF ENERGY

Ontario Electricity Support Program

The Ontario Electricity Support Program (OESP) which came into effect on January 1, 2016 remains a concern to FONOM. During a regular meeting of the FONOM Board of Directors' held on July 16, 2015, the Board received a presentation from the Ontario Energy Board (OEB) in regards to the new program which is an ongoing, on-bill rate assistance program for low-income electricity customers and will be funded through a provincial charge.

The Board raised concerns with both the design of the program and the impacts that it will have. While it appears the program design concerns have been addressed through the inclusion and collaboration with District Social Services Administration Boards (DSSABs) for Northern Ontario, the impacts of this program on the North have not been addressed, clarified or communicated.

Since the funding for the program is based on consumption from industrial, commercial and residential users, there is cause for concern that Northerners will be paying a disproportionate share. Particularly within the forestry and mining sector, which are heavily energy dependent and intensive. Furthermore, the program is likely to offset the benefits received from the Northern Industrial Electricity Rate (NIER) program. At a time when energy prices are soaring and industries are struggling to remain competitive, removing any benefit obtained from the NIER program will only hinder their ability to compete further.

Worsening the situation, is the lack of effort to ensure that Northern industries will not be negatively impacted and no communication on the true cost to industry.

FONOM had requested both the Ministry of Energy and the Ontario Energy Board to halt the fast-tracked implementation of the OESP until the concerns raised were addressed appropriately. While this request did not appear to be considered, we respectfully ask that a dialogue be opened in the very least to discuss the program and the impacts that it will have and if any efforts will be undertaken to minimize the impacts.