

# FONNOM

The Federation of Northern Ontario Municipalities

Association of Municipalities of Ontario  
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**PRESENTED AT THE**  
**ASSOCIATION OF MUNICIPALITIES OF ONTARIO**  
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## Provincial Standing Committees

Provincial Standing Committees provide an opportunity for the public to have their voices heard when legislation is given detailed consideration by Members of Provincial Parliament. The public can participate by providing a written submission or appearing before the Committee. However, Northern Ontarians continue to be challenged by the lack of geographic consideration given to those outside the GTA and are often forced to participate through written submissions which are arguably less engaging and effective than appearing in person before the Committee.

Two major challenges that create barriers for Northerners to participate in person are the geographic distances to Queen's Park to appear before a Committee and that there is often a lack of sufficient advance notice of hearings. To address these challenges, FONOM suggests holding more hearings outside of Queen's Park to ensure Northerners have an opportunity to participate fully and to give priority consideration to Northerners when scheduling speakers to address the Committee at Queen's Park. Holding more Committee hearings across the Province will reduce the geographic barriers to attend and will likely result in a broader range of voices and views being heard.

Furthermore, giving priority to Northerners when scheduling speakers to address Committees at Queen's Park will assist in making travel arrangements to attend. There have been cases where a stakeholder who expressed an interest to present was given a limited timeframe to confirm and when they were given a choice of two dates to attend, the only date which would allow the presenter to attend, given the distance to travel, was already full from those attending from within the GTA.

**FONOM requests that more Committee hearings be held in Northern Ontario, particularly when the legislation could have significant impacts on the region and to consider extending scheduling priority to Northerners.**

# Forest Management Planning Manual

In January 2016, the Ministry of Natural Resources and Forestry (MNRF) released *Proposed Revisions to the Forest Management Planning Manual for Crown Forests in Ontario, Forest Information Manual and Forest Operations and Silviculture Manual*.

The proposed revisions were posted on the Environmental Registry for a second time which closed on July 28, 2016. FONOM addressed its concerns with the revisions by providing a written submission during the first and second time the EBR was posted. FONOM also communicated concerns directly to the Minister of Natural Resources and Forestry and the Premier.

The concerns that FONOM has with the revisions, are focused on changes to the Forest Management Planning Manual (FMPM) which include inserting the Endangered Species Act (ESA) language into the FMPM which is part of the Crown Forest Sustainability Act (CFSA). These changes signal that the ESA will take primacy over the CFSA. This is indirect conflict with a 2007 commitment from the Ministry of Natural Resources that made these two acts equivalent. It was understood that the protection of an individual species at risk and its habitat at the expense of other forest management objectives would not be considered sustainable under the CFSA.

In 2013, the government made a commitment to establish a panel to review the linkages between the ESA and the CFSA with members from Aboriginal communities, the forest industry, municipalities, and environmental organizations. However, this panel has never been created. As important stakeholders, it is imperative that we be consulted to ensure that any proposed changes to the Forest Management Planning Manual (FMPM) will not negatively impact the forest sector and the Northern and rural communities that rely on it.

In addition to our request to remove all ESA language in the proposed revisions to the FMPM and to establish a multi-stakeholder panel to review the linkages between the Endangered Species Act (ESA) and the Crown Forest Sustainability Act (CFSA), we also ask that the government extend the current Section 55 Rules in Regulation (“the exemption”) for another five years. The current framework provides certainty and is supported by the forest industry.

Furthermore, we believe that there should be a discussion on climate change within the document to address both the role that forestry plays in combatting the negative effects of climate change but also as it relates to the ESA. Managing climate change requires us to look into the future and determine what kind of forest we need to grow. However, operating under the ESA will require us to grow a forest to manage the current environment. This policy direction will result in misdirected regeneration efforts trying to establish forest conditions that will ultimately fail. For example, it would seem illogical to grow a forest that suits caribou in a specific region, even though we anticipate in fifty years, it would be impossible to achieve that region.

Minister, we must ensure that this does not become another example of a change to legislation or regulation that will have unintended consequences on municipalities and the forest industry. Inserting the ESA into the FMPM will force forestry companies to manage landscapes to suit species at risk, not by what's good for the landscape over time.

**FONOM requests an extensions of the current Section 55 Rules in Regulation for another five years, the removal of ESA language within the revisions to the FMPM and to immediately establish a stakeholder working group.**

# Energy Costs

## *Fuel Price Regulation*

Fuel price volatility is a concern to residents and businesses across the Province where prices can fluctuate dramatically and inconsistently. In Northern Ontario, fuel prices are often substantially higher than 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 has passed several resolutions as they relate to addressing fuel price volatility. Ontarians are being trampled by energy costs. In addition to volatile and unfair fuel costs, energy users are faced with skyrocketing electricity costs as well as an inequity amongst communities with respect to natural gas accessibility. It is time that fuel price volatility between Northern Ontario and Southern Ontario be investigated and critically reviewed.

**FONOM requests that the Ontario Energy Board (OEB) be directed to implement some form of fuel price regulation to address the volatile and unfair regional price differences negatively impacting Northern Ontario.**

# Energy Costs

## *Electricity Costs*

Across Ontario, high electricity costs are hurting families, businesses and communities. Particularly in Northern Ontario, many communities are often economically dependent on industries that are high energy users, such as forestry and mining, which are struggling to remain competitive.

The high cost of electricity is threatening the Northern economy and if action is not taken to address this issue, loss of business activity and investment will continue to occur. Lowering distribution costs for Northern Ontario would ensure a more affordable electricity bill.

As well, expanding programs such as the Northern Industrial Electricity Rate (NIER) program and the Industrial Electricity Incentive (IEI) program will benefit more companies that are currently operating in the region or are looking to expand into the region. FONOM has praised the government for implementing programs that assist industries in managing their energy costs permanent. However, there are several companies on the “waitlist” that cannot access these programs. As well, they are only available to the large companies. These programs should be expanded to ensure a greater number of companies are able to access these important programs.

**FONOM requests the Province to ensure electricity is affordable by lowering distribution costs for users and expanding programs such as NIER and IEI for industries operating in Northern Ontario.**

## **Policing**

In response to escalating costs, aging legislation, demographic shifts and immediate challenges, the Association of Municipalities of Ontario (AMO) established a Policing Modernization Task Force. In 2015, the Task Force released a report with priority recommendations to update the Police Services Act which included: make changes to the interest arbitration system, improve the quality of the existing governance and civilian oversight system, and make legislative changes to permit the greater transfer of specific functions to civilians or other security providers where appropriate.

Changes to the interest arbitration system is of vital importance to municipalities to address escalating costs of providing emergency services and to ensure it is a fair and predictable system moving forward. Since emergency service workers cannot strike, interest arbitration is used to settle collective agreements when municipalities and emergency services workers cannot agree on wage and benefit increases. However, wages and benefits are increasing at a much higher rate in comparison to other public sector employees in Ontario or compared to the rate of inflation. This is having a significant impact on municipal governments' ability to provide programs and services.

Legislation states that a number of factors must be taken into consideration by the arbitrator when making a decision, including, the employer's ability to pay in light of its fiscal situation. The use of more reliable measures to accurately reflect a municipality's fiscal health and their ability to pay is needed.

**FONOM requests the government to implement the priority recommendations outlined in AMO's Policing Modernization Report during the review of the Police Services Act to ensure policing is effective and affordable for communities.**



## **Climate Change Action Plan**

FONOM is supportive of the government's goal of reducing greenhouse gas emissions in Ontario and addressing climate change to ensure a clean environment for generations to come. We are also supportive of a system that will allow for investments into climate change resilient infrastructure within communities.

Ontario's Climate Change Action Plan recognized the agriculture, forestry, and resource recovery sectors and their ability to remove carbon from the atmosphere and their role in improving climate change resiliency. We were also appreciative of the province for highlighting the need to develop a forestry carbon policy framework that will help to better understand the role of forests in storing carbon.

However, we are concerned that the cap and trade system that was discussed in the Climate Change Action Plan will come at a cost to the economy and sustainability of Northern Ontario. Carbon emissions could have a considerable impact on business plans and investment decisions, both in the short-term and long-term. Electricity costs in particular, continue to be a major challenge in the North and we fear that the cap and trade system will result in increases to these already high costs. This could have the potential to create a significant burden on industries and their ability to compete and likely any cost to businesses will be passed on to the consumer. Much of the region remains dependent upon the resource sector as economic drivers in our communities. Industries such as forestry and mining support thousands of jobs across the North and they are, as you are aware, heavily reliant on energy to operate.

Finally, FONOM believes that municipalities should have access to revenues that will be generated from a cap and trade system for the purpose of investing in infrastructure. Municipalities are at the forefront of building infrastructure that contributes to lower greenhouse gas emissions and ensuring climate change resilient infrastructure. Their leadership at the local level must be acknowledged and be given greater financial capacity to achieve the Plan's goals.

**FONOM requests confirmation that the Climate Change Action Plan will not cause undue financial burdens on municipalities and industry. We also ask that the province ensures that revenues generated by a cap and trade system are accessible to municipalities to help fund infrastructure projects.**

## **Healthcare**

### ***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 and lengthening response times, 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), local hospitals, 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.

Based on the success of the pilot projects, the North East LHIN has developed a proposed funding strategy for non-urgent patient transfers which would take a staged implementation approach. The strategy has gained the support of many local hospitals as they recognize the potential cost savings by not having to send an escort and costs associated with protective standby coverage. Municipalities are also supportive as it will improve the healthcare provided in the community by ensuring greater availability of emergency vehicles and improved patient experience. However, in the long-term, municipalities firmly believe that the provincial government should be funding non-urgent patient transfers in its entirety as municipalities should not be responsible for funding healthcare at the local government level.

There is an opportunity for the province to assist with the implementation of this initiative by making an exemption to the Ambulance Act that would allow for funding to be directed towards the project. The province provides a grant for 50 percent of the cost of 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 system could be implemented across 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 take over the responsibility of funding non-urgent patient transfers in the long-term and in the short-term, make an exemption to the Ambulance Act that would allow funding for non-ambulatory services in Northern Ontario.**

# Healthcare

## *Small and Rural Hospitals*

Northern Ontario faces ongoing challenges when it comes to providing quality healthcare to its residents, particularly in small and rural communities. Aside from the distances patients often have to travel to obtain critical or specialty care, access to a family physician for basic healthcare needs can be limited. As you are aware, a shortfall in physicians in a community leaves many residents without a family doctor and therefore dependent upon other methods of obtaining healthcare services such as utilizing emergency rooms for non-emergency matters.

The challenges noted above are exacerbated further with the underfunding of small and rural hospitals in comparison to larger, urban centered hospitals. FONOM recognizes the Province's current fiscal situation and the continuous pressure to increase funding to healthcare from healthcare professionals and by the public at large. However, it is important that dedicated efforts are undertaken to ensure that basic quality patient care is available to all Ontarians. Northerners living in small and rural communities are in a constant state of fear of a hospital closure. Local hospitals, as part of a regional healthcare system, are a vital component to a community's social and economic well-being and often the only primary care provider within the community.

**FONOM requests that the Ministry close funding gaps between hospitals and commit to ensuring that all hospitals are funded in an equitable manner.**

## **Healthcare**

### ***Northern Ontario School of Medicine***

The Northern Ontario School of Medicine (NOSM), which welcomed its first MD graduates in 2005, has contributed to Northern Ontario's quality of healthcare significantly. Recent statistics demonstrate that 94 percent of doctors who have completed their undergraduate and postgraduate education with NOSM are practicing in Northern Ontario. This includes 33 percent in remote and rural communities. FONOM remains thankful to the government for increasing the number of residency positions for NOSM which will undoubtedly assist in continuing to achieve these high rates.

While NOSM has exceeded the expectations of many with a high percentage of graduates practicing in Northern Ontario, they are currently facing financial challenges that will affect the school's future sustainability and ultimately have a negative impact on healthcare in our communities if not addressed.

NOSM has been proactive with recognizing their financial sustainability concerns and undertook an organization review which was funded by the Ministry of Training, Colleges and Universities to determine how NOSM could reduce costs while maintaining its social accountability mandate. The review highlighted that even if NOSM reduced costs through a number of recommendations, they will still face an annual deficit. With revenues essentially frozen and expenses growing each year, it is evident that a new funding formula is needed.

We recognize the current fiscal situation that the provincial government is currently in, however, an increase in base funding is required over the long-term to ensure long-term sustainability. In the short-term, we ask that the government consider making NOSM eligible for the Northern Ontario Grant. This grant is already available to four other universities in Northern Ontario, including Lakehead University, Laurentian University, Université de Hearst, and Nipissing University and would help offset NOSM's structural deficit.

**FONOM requests the government to increase base funding for NOSM and to make the necessary changes that would allow NOSM to be eligible for the Northern Ontario Grant.**

## **Intercommunity Bus Modernization**

The Province is consulting on modernizing the intercommunity bus system to address the regulatory framework guiding intercommunity bus transportation in Ontario. It is our understanding that the Ministry of Transportation sees a regime that allows for competition and a need to update the system to develop a way for a company to exit the market. FONOM supports modernizing the regulations as they have not been substantially updated since the 1920s. However, any changes to the current regulatory regime must not jeopardize the sustainability of public bus transportation services in Northern Ontario.

Intercommunity bus transportation is often a more affordable transportation option also provides a travel option where air or passenger rail is not available. In many areas across the North, there are communities that need this service but as a result of low population densities, providing that service would not be profitable. Without the role of public transportation, these communities would likely not be served.

As a result, there are concerns that should steps be taken to deregulate the system, it will create a framework where market demand will determine routes and scheduling. Those utilizing public transportation such as Ontario Northland, depend on this service to provide connections particularly between Northern Ontario and Southern Ontario as well as for parcel service including blood shipments.

There are many risks associated with deregulating the industry. It is important to note and must be taken into consideration that past experiences of deregulation of the industry within other provinces have demonstrated a significant loss of service to many communities. Furthermore, deregulating the industry will hurt users that use Ontario Northland which has developed interlining agreements with other carriers such as Greyhound. These agreements provide a seamless connection process for users, in terms of ticketing and scheduling and could not be quickly replicated with other carriers, if at all.



There also needs to be recognition between scheduled passenger/cargo bus service and chartered bus services as well as recognition that intercommunity transportation varies within the province, particularly within Northern Ontario in comparison to Southern Ontario. There is an opportunity for Ontario Northland to service intercommunity routes in Northern Ontario and permit private operators to enter into the charter business.

**FONOM requests the Ministry of Transportation to ensure that any regulatory changes will not negatively impact public bus transportation in Northeastern Ontario.**