



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.

Economic Development

A call to support Regional Economic Development

The Greater Toronto Area (GTA) is projected to be the fastest growing region of the province, accounting for over 65 per cent of Ontario's net population growth to 2041. The GTA's population is projected to increase from 6.9 million in 2017 to 9.7 million in 2041.

In response to this rapid growth, the Ontario government has committed over \$160 billion to developing new transit in 2014. Despite this, road congestion and housing prices will continue to impact the competitiveness of the GTA, and it will continue to be the 6th worst commute of any major city on the world.

FONOM is of the view that it is time for the senior levels of government to do some futuristic thinking about growth in Ontario beyond the GTA, and to assist in relocating manufacturing and distribution businesses to the North to address two issues; the south's congestion and the north's declining population.

To achieve this, FONOM is recommending a Provincial initiative to offer incentives to business and industry to relocate to the North. For example, the relocation of 10,000 jobs out of the GTA results in 20,000 vehicles daily off the 400 system and less people using transit.

Recommendation

The Federation of Northern Ontario Municipalities respectfully requests the Ministries of Finance and Economic Development and Job Creation to undertake a Provincial initiative to offer incentives to business and industry to relocate to the North.

Notes:

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Finance

Ontario Municipal Partnership Fund (OMPF)

The OMPF is the major funding source for northern municipalities. A decrease in OMPF would mean an increase in municipal tax rates or a decrease in service levels, or both, which northern municipalities currently cannot withstand.

FONOM would like to thank the government and Minister Phillips for announcing the 2020 allocations in a timely manner allowing municipalities enough time to begin their 2020 municipal budget process.

When we last met at the 2019 AMO conference, we reminded the Minister of the commitment made by his predecessor, to consult with FONOM and the Northern Municipalities before the OMPF formula for 2021 and beyond is announced. At this point in time, FONOM has not been part of any OMPF consultations.

Recommendation:

That the government provide a dedicated and consistent allocation of funds under the Ontario Municipal Partnership Fund; and that FONOM be provided a seat at the Ministry of Finance consultation's regarding the Ontario Municipal Partnership Fund.

Notes:



Seniors School Tax Rebate

Municipalities in Ontario are faced with an ever-increasing amount of responsibility as legislated by the Province and are mandated to participate in the funding of social, health and mental health services over and above their core municipal services. Yet, as municipal participation and responsibilities increase, the benefit of a single tax dollar for municipalities remains at just nine cents.

Municipalities in northern Ontario are also faced with an aging and declining population. Both have an impact on tax revenues as seniors facing financial difficulties are having a harder time affording home ownership and are looking to their municipal council to provide seniors and geared to income housing and municipalities cannot afford to provide tax credits for the services that seniors are using.

It is well known that seniors face a healthier, less stressful lifestyle and remain a smaller burden and an active participant in their community if able to retain ownership of their private residence.

In recognition of the benefits of allowing seniors, over the age of 65, to remain in their homes, the Province of Manitoba in 2019, implemented the Seniors School Tax Rebate Program. This system allows seniors in Manitoba to claim a portion of their education levy.

While the impact of a rebate may only apply to +/- 30% of any municipality's senior population, this same +/- 30% would reduce the number of requests for seniors housing, and enable seniors to use the proceeds from the rebate to cut their lawn, remove excess snow from rooftops, assist with heating costs, the conversion to LED lighting and other home maintenance items.

Recommendation:

The Federation of Northern Ontario Municipalities respectfully requests The Minister of Seniors and Accessibility, The Minister of Finance and the Minister of Municipal Affairs and Housing, to investigate the opportunities and benefits that may be realized for seniors in Ontario with the implementation of a Seniors Education Tax Rebate Program.

Notes:



Provincial Land Tax Reform (PLT)

The government announced a review of the PLT in 2013 in response to concerns raised by northern municipalities about significant inequities between their property taxes and PLT. At the time the Province committed to addressing the concerns of northerners in a fair and balanced way.

Prior to the PLT reforms, PLT revenue was approximately \$11 million annually. This means that there was a gap of more than \$50 million between PLT revenue and the \$65 million in additional funding the Province contributed in unincorporated areas.

Specific concerns about PLT raised by Northern municipalities included

- The inequity between property taxes paid by municipal residents and PLT paid in unincorporated areas;
- Lower PLT rates, which encouraged development in unincorporated areas, just beyond municipal boundaries;
- Residents in unincorporated areas using municipal services without making a financial contribution; and,
- Property owners in unincorporated areas not being required to pay for several important services that municipal residents must pay for through property taxes (e.g., policing, land ambulance, public health and other District Social Services Board (DSSAB) costs).

The final phase of PLT reform was announced in 2017. This included confirming that the tax rate for all unincorporated residential properties, both inside and outside school board areas, would be \$250 per \$100,000 of assessed value. The remaining PLT rate adjustments are being phased-in over four years, beginning in 2018.

Annual changes to residential PLT rates over the next four years are outlined in the table below:

2018 – 2021 Changes to PLT Rates (Per \$100,000 of Assessed Value)				
Residential Property Class	2018	2019	2020	2021
Inside School Board	\$5	\$5	\$5	\$3
Outside School Board	\$40	\$40	\$40	\$15

Managed forest and farm properties will continue to be taxed at 25 per cent of the residential PLT rate. The PLT rate changes for business properties will continue to be in line with the percentage change for residential properties in areas outside school boards.

Source:(MOF)



Provincial Land Tax Reform (PLT) Continued

FONOM is the view that PLT Reform has not gone far enough and that more needs to be done to address the following:

- Continue to reduce the gap between the tax rates in unincorporated areas and adjacent municipalities as well as the gap between PLT revenues and the funding the Province contributes in unincorporated areas.
- Address the impact that resource development companies have on local Infrastructure both within organized and unorganized territories. Currently, municipalities or Local Road Boards in unorganized areas are unable to levy fees for damages to local roads, bridges and culverts.
- Prohibit residential, commercial and industrial development in unincorporated areas immediately beyond municipal boundaries and make it easier for municipalities to expand their boundaries to include unincorporated properties currently on their fringe.

Recommendation:

The Federation of Northern Ontario Municipalities respectfully requests the Minister of Finance and the Minister of Municipal Affairs and Housing, to revisit PLT reform to address FONOM's current concerns.

Notes:



Housing

The new path for Building services

Municipalities in northeastern Ontario have voiced concerns regarding the proposed transformation and modernization plan for the delivery of Building Code Services.

Primary among the concerns is the establishment of Administrative Authorities (AA's) to administer an undefined number of functions which may include building sector service delivery, consumer protection, and the protection of public safety.

This is followed by proposed methods of building code enforcement that do not eliminate any of the associated responsibility or liability of municipalities.

However, the biggest concern is with the proposed fee-for-service revenue model where approximately 90% of the funds required to operate the AA is to come from a provincial tax applied to the building permit fees and collected by municipalities. There is also concern that the AA's in the north will not be able to operate on a cost recovery basis and that the cost of funding the AA's will ultimately fall to municipalities.

Recommendation:

FONOM requests that prior to the government formalizing its proposed transformation of the Ontario Building Code that the Ministry of Municipal Affairs and Housing consult with Northern municipalities on how the implementation would occur and consider undertaking a pilot project as a first step.

Notes:



Affordable Housing in the North

Affordable housing continues to be a major issue due to changing demographics and local economies. Aging populations, limited support services or assisted living options for seniors plus an increase in indigenous adults migrating to urban centres are all contributing to housing and homelessness needs in northeastern Ontario.

This coupled with tighter rental markets and rising rents means there are fewer options for people migrating to urban centres who are more at risk of arrears, eviction, and homelessness. A significant part of the chronic homeless population in northern communities also have mental illness or addiction issues, and opioid drug use is on the rise.

What action does the Ministry of Municipal Affairs and Housing propose to undertake to address these issues in the North?

Recommendation:

That the Ministry of Municipal Affairs and Housing host a northern housing summit to hear directly from FONOM, NOMA, the District Social Services Boards, the new health teams and the mental health providers to hear about the complexity of this situation in order to develop programs and provide adequate funding for communities in Northern Ontario.

Notes:



Infrastructure

Broadband and Cellular Service

As part of the 2019 Ontario budget, the government announced its intentions to invest \$315 million over the next five years for broadband and cellular expansion.

The investment included a \$150-million commitment for a new broadband fund intended to leverage private-sector funding along with support from other levels of government.

The fund, set to begin between 2020 and 2021, intends to drive investment and expansion to the communities targeted by the service improvement plan.

Other parts of the plan include a \$71-million commitment to a network improvement project for eastern Ontario as well as up to \$63.7 million in funding for a regional broadband project in southwestern Ontario.

FONOM would like an update from the Minister on the efforts the government is undertaking to improve Broadband and cellular service across the north east and to find out what FONOM can do to assist the government to make this a reality.

Recommendation:

FONOM considers broadband and cellular service across northern Ontario an essential service to enable future economic development and employment opportunities and requests the Ministry of Infrastructure to include FONOM as the Province works to generate private sector involvement.

Notes:



Transportation

Provincial Oversight of the Ontario Northland Transportation Commission

Of the issues that have a direct impact in northeastern Ontario, transportation is a constant topic of concern and FONOM believes, an opportunity. The Ontario Northland Transportation Commission (ONTC) provides vital rail and highway connections across the north with rail having a predominant presence in the northeast.

FONOM has in the past supported by resolution any action that would see the ONTC moved from the Ministry of Energy Northern Development and Mines (ENDM) to the Ministry of Transportation (MTO).

It is FONOM's belief that such a move would open financial benefits currently not available to the ONTC as well as allowing the rail service to assist in recharging our forestry sector and maintaining and growing our mining sector. Further, FONOM sees benefit in aligning passenger transportation services within the MTO and allowing coordinated planning with Metrolinx.

The MTO has a history of experience in northern transportation needs, as well as staff and equipment to engineer and construct transportation links. This engineering expertise and equipment resources could be of benefit to both the MTO and the ONTC and eliminate the duplication of resources. A sharing of tendering processes could also potentially reap further financial benefits.

FONOM was pleased to hear that the government is moving forward to transfer provincial oversight of the ONTC from the Ministry ENDM to the Ministry of Transportation.

Recommendation:

Once provincial oversight of the ONTC has been transferred from ENDM to MTO, the government move quickly on its promise to reinstate ONTC passenger rail service between southern and northern Ontario.

Notes:



Going the Extra Mile for Safety (GEMS) Committee Pilot Project Proposal

For many years there have been calls for significant improvements to Highway 11 in Northern Ontario. The Solution is a 2+1 highway where there are 2 lanes in one direction and one lane in the other direction separated by a median barrier. This road profile changes from side to side allowing for passing opportunities for both directions on a regular basis.

The cost of this type of project is not prohibitive especially if implemented in an area already selected for normal upgrading and resurfacing. GEMS is promoting a pilot project of 20 to 25 km.

THE Country of Ireland began their 2+1 program with 4 separate pilot projects (total of 48kms) in various parts of the country.

The 2+1 model reduces fatalities and serious injuries in countries where it has been implemented. It is a model that is financially responsible and is very flexible to the geography of the road. It is a model that will improve the efficiency of the road and will reduce the number of road closures due to fatality investigations. It is a model that could be used in other parts of Ontario where similar traffic safety issues are present and a properly implemented pilot project on Highway 11 will give the entire province an opportunity to see the benefits of the 2+1 model.

The proposal is to implement a pilot project on Highway 11 at a suitable location between North Bay and Cochrane has been provided to the MTO and presentations have been given at a variety of Municipal Conferences across the Province, where it has received overwhelming support.

As a result of the Ministry of Transportation commissioned study conducted by the WSP Group, it is clear that a "Pilot Project" be implemented along the highway 11 corridor to best gather and evaluate relevant data.

Recommendation:

That the Ministry of Transportation commit to constructing a 2+1 highway improvement pilot project on Highway 11 at a suitable location between North Bay and Cochrane as a step toward improving road safety in northern Ontario.

Notes:



Other Items Important to FONOM

FONOM Operational Funding Request

FONOM wants to express our appreciation for the annual financial support that the Ministry of Energy, Northern Development and Mines has provided to offset travel and meeting expenses of the Board. This funding enables FONOM to serve as a sounding board on provincial government initiatives and a vehicle to consult with the 110 municipalities in northeastern Ontario.

As indicated in Minister Rickford's letter to FONOM on August 28, 2019, it is acknowledged that FONOM is instrumental in bringing municipal leaders together to address common challenges facing communities in Northern Ontario and developing solutions for the benefit of all Northerners. Based on the Minister's direction, and with the assistance of your Ministry's staff, our annual funding request was redirected to the Northern Ontario Heritage Fund (NOHFC).

Associated with the redirected funding request, ENDM staff asked FONOM to provide audited financial statements for 2017/18 and 2018/19; an outline of project management experience for our Executive Director; a copy of our 2019-20 draft budget and a copy of resolutions from our 2019-20 annual conference. The audit of the 2017/18 and 2018/19 Financial statements are currently under way and are expected to be completed by March 2020.

On December 18, 2019, FONOM received a letter from the Executive Director for the NOHFC indicating that our funding request for 2019 had been declined by the NOHFC Board of Directors without providing any explanation rational or the criteria used in reaching this decision.

The loss of \$50,000 represents almost 50% of FONOM's annual operating costs which had been budgeted for and comes when there is just three months remaining in FONOM's 2019/20 fiscal year.

On December 19, 2019 FONOM President, Danny Whalen wrote to Minister Rickford asking him to revisit this decision. NO response has been received at this point in time.

Recommendation:

That the Ministry Energy Development and Mines provide FONOM with an interim allocation before the end of this fiscal year and discuss with FONOM how it might develop a funding request that meets NOHFC's criteria for 2020/21 and beyond.

Notes:

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FONOM Conference 2020

FONOM would like to invite the Premier and all members of cabinet to attend the 2020 FONOM Conference. This annual conference is attended by municipal delegates from the 110 municipalities in Northeastern Ontario who use this opportunity to network, learn about municipal best practices and discuss issues important to Northerners.

The FONOM Conference held in Sudbury in 2019, was only attended by Minister's Clark and Tibollo.

The 2020 conference entitled "*Connecting the North*" marks the 60th anniversary of the conference which is being cohosted by the City of Timmins on May 13-15, 2020.

A portion of the conference is reserved for a Ministers Forum. This is an opportunity for the government to talk about their accomplishments; plans for Northeastern Ontario and to take questions from delegates.

Request

That all members of Cabinet commit to attending the Minister's forum planned for May 15th, 2020, in Timmins.

Notes: