



RURAL ACTION PLAN

Submission to Premier Doug Ford, and to the Honourable Ministers of: Agriculture, Food and Rural Affairs; Children, Community and Social Services; Community Safety and Correctional Services; Economic Development, Job Creation & Trade; Education; Energy, Northern Development & Mines; Environment, Conservation & Parks; Finance; Health and Long Term Care; Indigenous Affairs; Infrastructure; Municipal Affairs & Housing; Natural Resources and Forestry; Transportation; and the Red Tape and Regulatory Burden Reduction Office.

August, 2018

THE LAKEHEAD RURAL MUNICIPAL COALITION

Preface

The Lakehead Rural Municipal Coalition ("LRMC") was formed several years ago by the heads of the councils of the six rural municipalities around the City of Thunder Bay. Members meet monthly, together with our chief administrative professionals, and consult with one another regularly on matters of mutual concern, in order to raise those matters with one voice. We also share best practices and information. Our member municipalities are: The Corporation of the Municipality of Shuniah, The Corporation of the Municipality of Oliver Paipoonge, The Corporation of the Township of Conmee, The Corporation of the Township of O'Connor, The Corporation of the Township of Gillies and The Corporation of the Municipality of Neebing.

Our members are all rural, northern and small (in terms of population). As such, three of the new government's ministries hold important portfolios that directly relate to all of our concerns. These are: the Ministry of Agriculture, Food and Rural Affairs (rural); the Ministry of Energy, Northern Development and Mines (northern) and the Ministry of Municipal Affairs and Housing (municipal). Other concerns fall directly under the auspices of one or more of the other ministries that form the new Ontario government, but we respectfully request that all Ministers review this Action Plan, so as to be familiar with all of the issues, particularly, the Ministers of Agriculture, Food and Rural Affairs; Energy, Northern Development and Mines, and Municipal Affairs and Housing.

The LRMC has compiled this Rural Action Plan for presentation to Ministers, as well as relevant municipal associations. As the Ministers are all new to their roles since the election held this past June, the LRMC trusts that this document will prove useful in introducing you to Northwestern, rural, small municipal concerns. Should you require any clarification or further information relating to any of the matters outlined in the plan, please contact the LRMC via its secretary, Rosalie Evans (Solicitor-Clerk, Municipality of Neebing). We look forward to meeting with Ministers at the Association of Municipalities of Ontario ("AMO") conference, or, even better, in person when work brings the Ministers to the Thunder Bay District. We respectfully request that each Minister please include time in your visiting schedules to meet with the LRMC.

This August, 2018 edition is prepared in contemplation of the AMO conference, held in Ottawa from August 19th through the 22nd, 2018. Prior editions of this document are available upon request. Again, please contact the LRMC secretary, Rosalie Evans, at the Municipality of Neebing. Contact information for Mrs. Evans, as well as all member municipalities, is provided in the Appendix to this document.

Our matters are presented in this Action Plan alphabetically by Ministry. The order in which they appear is not a reflection of priority. All issues outlined in this document are of equal magnitude to all members of the LRMC.

Please note that there are some issues that cross Ministry jurisdictional silos. We have cross-referenced such issues for the attention of the relevant Ministers. Members of the

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LRMC feel that the three Ministers whose portfolios directly reflect our members, should understand *all* of the issues reviewed in the Plan.

Because we are aware that the new Provincial Government shares the LRMC's concerns about curbing governmental costs and cutting "red tape", we have highlighted, wherever appropriate, recommendations in this Action Plan that, if implemented, would further these agendaae.

Thank you, in advance, for your commitment to working through this Action Plan with the LRMC to our mutual benefit.

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TAB

ONE

Ministry of Agriculture, Food and Rural Affairs

THE LAKEHEAD RURAL MUNICIPAL COALITION'S RURAL ACTION PLAN

MINISTRY OF AGRICULTURE, FOOD AND RURAL AFFAIRS

The LRMC welcomes and congratulates The Honourable Minister Ernie Hardeman to his new role.

In his past role as official opposition for Municipal Affairs, Minister Hardeman was always open to meeting with the LRMC representatives, and has received historic copies of this Rural Action Plan (recently re-named as such). Our members have sincerely appreciated Minister Hardeman's attention to, and understanding of, LRMC issues.

General Assistance

The Ministry of Agriculture, Food and Rural Affairs is our "rural" representative at Queen's Park. As he is our rural representative, we look forward to working with Minister Hardeman on *all* of the issues outlined in this Action Plan.

As small, rural municipalities, our members are well versed in stretching dollars and working with "shoestring" budgets.

We further **look forward to working with the new Provincial government in reducing duplication, inefficiencies and over-regulation, to our mutual benefit.**

TAB

TWO

Ministry of Children, Community and Social Services

THE LAKEHEAD RURAL MUNICIPAL COALITION'S RURAL ACTION PLAN

MINISTRY OF CHILDREN, COMMUNITY AND SOCIAL SERVICES

The LRMC welcomes and congratulates The Honourable Minister Lisa MacLeod to her new role. This is an extremely important portfolio as far as the LRMC is concerned, as you will come to learn. The LRMC looks forward to working with the Province to solve problems that have been mired in bureaucracy for at least a decade.

A) Provincial District Social Services Administration Board Review

The new Minister may or may not be aware, that the LRMC has been working for a decade now to achieve equity for our communities in terms of the funding and operation of the Thunder Bay District Social Services Administration Board ("TBDSSAB"). To that end, our members welcomed the Province-wide review of Social Services Administration Boards that was undertaken in 2017. We brought to the review the issues that we had set out in previous versions of this action plan. Unfortunately, the results have not been made public, or even shared on a confidential basis with members.

The LRMC members are more convinced now than ever before that our municipalities can together administer and deliver relevant social services to our constituents separately from the TBDSSAB **at a significant cost savings to our members as well as the Province**. This is a win-win situation that is "ready to go" and could prove to be a substantial success story for the new government in 2018-19.

The LRMC submitted correspondence to the Province's review consultants asking that the LRMC municipalities be permitted to create our own Social Services Administration Board as a pilot project. This request was supported by a self-funded, independent, consultant study. Sadly, our correspondence is, to date, unanswered.

The LRMC has requested (without response) the results of the Province-wide review of Social Services Administration.

We respectfully request that the new government review our past correspondence and submissions, and take prompt action to redress the inequities that were imposed upon our members by prior governments.

Any/all historic information (meeting notes, correspondence, Consultants' reports, etc.) is available upon request. Please contact Rosalie Evans, LRMC secretary. Contact information is in the Appendix to this Action Plan.

Primary Request:

Recommendation: Allow the Lakehead Rural Municipal Coalition members to form their own Social Services Administration Board, **as it has clearly demonstrated would be feasible, equitable, efficient and cost-saving**.

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Secondary/Alternate Request:

Alternate Recommendation: Split the Thunder Bay District Social Services Administration Board into two boards: one for the urban center, and one for the balance of the member municipalities, in a structure similar to that which is operated in Sault Ste Marie. **This solution is also feasible, equitable, efficient and cost-saving.**

If neither the primary nor secondary requests will be honoured, there are alternate recommendations.

Alternate Recommendation: Delete the requirement for a double majority vote that currently applies to the TBDSSAB for certain decision-making, as it creates a "veto" for the City of Thunder Bay. The double majority is patently unfair, as it allows the City to hold all of the other member municipalities hostage to any change that is equitable for their constituents, but not to the City. The double majority requirement allows the City to, unfairly, use rural dollars to subsidize urban initiatives.

Alternate Recommendation: Because the double majority rule makes it impossible to change the levy apportionment structure at the TBDSSAB table, and because the current levy apportionment structure is inequitable, undertake a thorough and proper review of the issue and impose a fair system that allocates levy apportionment to member municipalities of the TBDSSAB in a manner that reflects value received for the levies paid. **This review should result in significant savings to the Province.**

Alternate Recommendation: Because each member municipality, regardless of population or assessment, has a significant financial interest in the TBDSSAB, restructure the Board so that each member municipality has one representative, with one vote. If this restructuring occurred, the double majority rule would still need to be addressed, as the City of Thunder Bay's population greatly exceeds that of the other member municipalities.

If none of the above recommendations is acceptable, the LRMC has one final, alternate recommendation:

Alternate Recommendation: The Province should assume the LRMC members' obligations to fund the TBDSSAB and, in return, delete any funding currently provided to the LRMC members that is associated with Social Services Administration re-imburement.

Additional Request:

Recommendation: Release the Consultant's report resulting from the 2017 Ontario-wide consultation relating to the structure and function of Social Service Administration Boards. **The LRMC member municipalities believe that the Consultants included cost-saving recommendations in the report, and if so, implementing them would save Provincial dollars.**

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B) Ontario Works & Ontario Disability Support Program Shelter Rates

LPMC member municipalities form "Area One" of the Thunder Bay District Social Services Administration Board ("TBDSSAB"). As such, members must pay levies to the TBDSSAB, which are impacted by the TBDSSAB budget, as well as other factors. Any cost savings or revenue enhancements for the TBDSSAB results in cost savings to LPMC members.

The TBDSSAB administers both Ontario Works ("OW") benefits and Ontario Disability Support Program ("ODSP") benefits.

LPMC is advised by TBDSSAB that Ontario legislation (the Housing Services Act, 2011, S.O. 2011, c. 6, Sched 1, as amended), limits the amount of the rent scales for social housing tenants, including OW and ODSP recipients, and that the limits have not been adjusted *since the year 2000*. It is trite to say that rents have increased significantly since then, as has the general cost of living. As such, with each passing year, the TBDSSAB loses more and more potential rent money, which it must recoup from its member municipalities.

Further compounding the issue is the fact that social assistance rates are insufficient to cover the actual cost of housing. Average rents in Thunder Bay are significantly higher than the shelter allowance provides.

There are two critical end results of these issues. The first is the impact to vulnerable OW and ODSP recipients. They have to "juggle" their income, in effect "robbing Peter to pay Paul", by using some of their food (or other necessities) allowance to pay rent. This means increased reliance on food banks or other charitable organizations, and can result in loss of rental accommodation, increasing emergency shelter use.

The second is that Thunder Bay District municipalities, including LPMC member municipalities, are forced to pay more than their fair share to cover the shortfalls.

The "fix" for these issues is twofold.

Recommendation: Amend the Housing Services Act, 2011 to allow social housing providers to charge "maximum shelter allowance" identified in the OW and ODSP rate scales, and, adjust the shelter rates to reasonable levels commensurate with 2018 realities, rather than 2000 levels.

While this represents an increased cost to the Province, the LPMC members submit that these types of social assistance programs are more properly charged against an income tax (which inherently addresses "ability to pay") than a property tax (where one's ability to pay has no bearing on one's tax obligations).

TAB

THREE

Ministry of Community Safety and Correctional Services

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MINISTRY OF COMMUNITY SAFETY AND CORRECTIONAL SERVICES

The LRMC congratulates and welcomes The Honourable Minister Michael Tibollo to his new role. The two sides of community safety in this portfolio – Fire and Police Services – both have impact on the day to day lives of our constituents. They are “top of mind” services when the general public is asked what a municipality gives the community in return for tax dollars. Each involves a huge portion of the operating and capital budgets for small, northern and rural municipalities. LRMC members strive to demonstrate “value for dollar” to its residents and taxpayers, and our concerns with respect to this portfolio reflect that goal.

A) Police Services Act – Replacement in 2019

In 2017, four of the member municipalities of the LRMC (Neebing, Gillies, O'Connor and Conmee) formed a Joint Police Service Board as permitted under the *Police Services Act* (R.S.O. 1990, c. P.15, as amended). (The Municipality of Shuniah has had its own Police Service Board for some time and is under a contract with the Ontario Provincial Police. The Municipality of Oliver Paipoonge purchases police services from the City of Thunder Bay.)

The *Police Services Act* provides for joint police service boards, but the provisions for the composition of the membership on a joint police service board do not allow each participating municipality to appoint a member. The accountability and transparency of participating councils to their constituents, in relation to police service spending, is considerably reduced if one cannot appoint a member to the board.

In each case, the payments (required by legislation) by the member municipalities to the Ontario Provincial Police make up a significant proportion (approximately 10%) of our rural municipalities' operating budgets. To be required to expend these funds without Board representation is unfair.

The 4 member municipalities of the Lakehead Police Service Board each wish to have the ability to appoint a member of their councils to the board. As the municipalities pay 100% of the costs of the board, this expansion will have no impact on the Province. During the consultations regarding the *Police Services Act* replacement, enacted in early May of 2018, the Lakehead Police Service Board requested amendments to provide that each member municipality of a *joint* Police Service Board appoint a member of its council to the Board. Unfortunately, that input was not accepted. Unless the replacement legislation (*Police Services Act, 2018*, S.O. 2018, c.3, Sched. 1) is amended prior to its proclamation (January 1, 2019 for some sections, and January 1, 2020 for the balance), special legislation would now be required to allow the Lakehead Police Service Board this flexibility.

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Recommendation: Amend the *Police Services Act, 2018*, or, alternatively, provide special legislation, to allow the Lakehead Police Service Board (or any other joint municipal police service board) to have one elected official from each of the participating municipalities, appointed to the Board.

The *Police Services Act, 2018*, when proclaimed in force, will provide for one police service board for each service detachment. While this makes sense in Southern Ontario for a variety of reasons, the vast distances between communities in the Northwest, together with the vast number of unincorporated townships served by the Ontario Provincial Police, make this change problematic.

Recommendation: "Grandfather" the existing Lakehead Police Service Board and Shuniah Police Service Board and allow them to continue to serve their communities and the Ontario Provincial Police in the Thunder Bay Detachment area.

B) New Fire Department Training/Certification Regulations

Just prior to the election, the former government passed three new regulations under the *Fire Protection and Prevention Act, 1997* (S.O. 1997, c. 4, as amended). Members of the Lakehead Rural Municipal Coalition were not consulted during the significant review that took place before the draft regulations were posted for public comment in early 2018. The LRMC submitted comments to the posting of the proposed regulations, but our comments appear to have been ignored. No response or explanation was provided with respect to those submissions.

The consulting team utilized by the Province did not benefit from input from small, rural, northern volunteer fire team operators like those of the members of the Lakehead Rural Municipal Coalition. As a result, the regulations are inappropriate, damaging, costly and, for the most part, were completely unnecessary and uncalled for, at least for small, rural, northern, volunteer fire teams.

While LRMC members have concerns with respect to all three of those regulations, the most significant, with the most damaging impact, is Regulation 379/18, which involves new training and certification requirements. (The other two are further examples of "make work" reporting projects that the Province continues to heap onto municipal backbones, as addressed on pages 56-57 of this Action Plan.)

Despite its touting of its "technical table" input, the prior Ontario government did not benefit from appropriate input from *purely volunteer* fire services. The technical table participants did not consult with volunteer forces. Quite frankly, our volunteer fire chiefs were taken by complete surprise when the regulations were posted (in draft) for public comment.

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The prior Ontario government committed to providing municipalities with funding to cover additional training costs, but there was no outline of what was (or was not) covered. *Financial costs are an important negative impact on our communities, but there are far greater impacts of this new regulation on our volunteer departments.*

What's more, this cost, whether borne by municipalities or the Province, in whole or in part, is avoidable and unnecessary.

The new government can fix this.

As anyone with any common sense would recognize, members of northern, rural, volunteer fire teams have lives outside of the teams they so devotedly dedicate their time to. Most have full time jobs in other areas of life. Most have families, including young families. The training of a firefighter cannot be achieved on a completely on-line basis. There must be practical training as part of any training and/or certification system. Practical training courses are rarely, if ever, offered in the Thunder Bay District, meaning that, in order to take training and/or practical testing required for "certification", a volunteer fire fighter must:

- a) travel;
- b) remain away from his/her family for the duration of the course or test period; and
- c) tailor his/her vacation periods (from his/her "regular" job) to dates and times when courses or tests are scheduled - robbing his/her family of "together" time during vacation periods.

Estimates of the time that will be required by a new recruit to meet the now-mandated minimum training is in excess of 300 hours, not including travel time. These hours are in addition to other ongoing department training activities or the requirements of other agencies to meet training obligations for their mandated services (for example, Emergency First Responder training or, for most northern communities SP103 training, to meet contractual obligations with the Ministry of Natural Resources and Forestry for essential wildfire training). For officers, inspectors and trainers, additional hours of training will be required to achieve certification. For a Fire Chief, it is estimated that an additional 500 hours of training will be required.

Recruitment and retention of volunteers in small rural communities is already becoming increasingly difficult and the reality of matching available course offerings to volunteer time within a restricted time frame is poised to make recruitment and retention of future volunteers even more difficult. Why would Ontario impose such problems on small, rural municipalities?

Small, northern, rural municipalities like the LRMC members cannot afford to have full-time, staffed, career professional fire departments. It is insulting to the dedicated volunteers that do serve our communities, to require them to make further personal sacrifice in order to continue in service.

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Currently, NFPA course offerings are limited in northwest Ontario. The new Regulation will almost certainly create situations where small rural communities will find themselves in unwanted non compliance with the regulation requirements. This exposes these municipalities to significant liability risk.

For small rural communities, the ability to sustain an emergency service system that is dependent on 'community minded' volunteers will be severely threatened, in large part due to systemic limitations including:

- a) lack of ready access to suitable training opportunities,
- b) limited time frames to complete the transition,
- c) limited short term dollars to direct at compliance within such a short term; and
- d) limited allowance to 'grandfather' past experience for the existing crew.

The costs associated with additional training and certification required by the new Regulation are prohibitive for small, rural, northern municipalities with volunteer services. This is particularly true due to the tight time frame within which compliance must be achieved. Training all of the crew members, up front, quickly, creates an immediate financial hardship.

If every volunteer in Lakehead Rural Municipal Coalition municipal members had to undertake the training and certification merely as a new recruit, and (in the unlikely scenario that) each of the following assumptions were true:

- a) training was made available in the Thunder Bay District;
- b) all of the volunteers were able to re-schedule their personal and business/employment lives to be able to take the training on the dates and at the times in which it was offered; and
- c) wages paid to these volunteers for attending training equaled the hourly wage paid to the municipality's lowest paid employees,

the estimated costs for each municipality, even the smallest, will exceed \$100,000.00, and for some, it will be as high as \$300,000.00. Keep in mind, that because these assumptions will likely not come to fruition, the actual costs will be far higher. This cost is not affordable, especially in a very short time period.

Recruiting for, and retaining, volunteers to small, rural, northern, volunteer fire services has always been challenging. Mandatory training and certification, especially given the obstacles outlined above, will make it nearly, if not absolutely, impossible. This will place rural residents in an unacceptable health and safety risk situation.

Volunteer fire forces have been operating successfully for years without these additional cost and time burdens. When the National Fire Protection Association ("NFPA") standards were first introduced in Ontario in 2014, it was recognized that small, rural and northern volunteer forces could not easily meet the full training requirements.

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Courses were not available without travel outside of the area. Accordingly, a revised course, providing the essentials of the NFPA standard training for safe and effective work as a fire fighter, was created. It is called the "Rural Firefighter" course. The existence of this program is absolutely necessary in order to achieve compliance. The Province is purporting to make certification under NFPA standards compulsory without providing a modified rural, local training course. Completion of the existing Rural Firefighter course would not meet the requirements of the regulation.

Lack of compliance with such mandatory requirements is a significant liability risk for small, rural, northern municipalities.

Lakehead Rural Municipal Coalition has seen no evidence that certification leads to greater safety for residents or fire fighters. Forcing every volunteer fire fighter to be "certified" is time consuming, cost prohibitive, and un-necessary.

Our members cannot understand why the Province appears to want to "punish" volunteers. Our volunteer fire departments do far more than protect our communities from disaster. They are present at all community events and most volunteer in other capacities beyond their very significant fire safety responsibilities.

The introduction of this regulation came in the absence of the broader context, such as exists in the Province of British Columbia through its "Office of the Fire Commissioner Strategic Plan". This makes it difficult for small, rural, northern volunteer fire services to envision and prepare for their roles, now and in the future.

Recommendation: Repeal the training/certification Regulation and undertake *meaningful and complete* municipal consultation, that involves purely volunteer departments, and includes a complete cost-benefit analysis, and an appropriate transition plan.

Alternative Recommendation: If the Province refuses to provide additional consultation, analysis and review, amend the Regulation to provide an exemption for any Municipality with a population smaller than 10,000 persons and any Municipality which utilizes and relies upon a volunteer fire service.

Further Recommendation: If the Regulation is not repealed, the Province must develop a modified training and/or certification model for northern, rural and volunteer fire services, similar to the "Rural Firefighter" course, recognizing the significant obstacles in these services to achieving compliance with the Regulation.

(continues next page)

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Further Recommendation: Amend the Regulation to significantly extend the time frame within which all Municipalities, or, at the very least, Municipalities with populations less than 10,000 persons and/or relying solely on volunteer fire services, must comply.

By removing the training/certification requirements for northern, rural, volunteer firefighters, the Province will not have to pay money to municipalities to compensate for all of the additional training expenses, and will be able to put that money to better/other use.

TAB

FOUR

Ministry of Economic Development, Job Creation & Trade

THE LAKEHEAD RURAL MUNICIPAL COALITION'S RURAL ACTION PLAN

MINISTRY OF ECONOMIC DEVELOPMENT, TRADE AND JOB CREATION

The LRMC congratulates and welcomes The Honourable Minister Jim Wilson to his new role. The topic outlined in this section of the Rural Action Plan is cross-jurisdictional. It originates with the Ministry of Municipal Affairs and Housing, through its Planning function. It should be examined carefully by the office of Red Tape and Regulatory Burden Reduction as well. In addition, because our members are "northern", the Ministry of Energy, Northern Development and Mines is also impacted. However, the impact to economic development and job creation is considerable, hence the issue is outlined in this chapter of the Rural Action Plan.

A) Development Constraints

Development constraints are imposed by the Provincial Policy Statement ("PPS", implemented by the Ministry of Municipal Affairs and Housing). While this chapter could have been included under that Ministry's chapter in this Action Plan, the LRMC municipalities believe that the constraints prevent economic development and job creation in our communities, and that this Ministry should intervene on our behalves.

The PPS creates unnecessary hurdles for development in rural communities. Here in Northwestern Ontario, we see that the PPS were devised and developed by people in Southern Ontario and apply appropriately there, but are out-of-place and over-regulatory in our communities.

No one wants to protect the land and its ecosystems more than rural taxpayers and their elected officials: there is a reason people choose a rural lifestyle.

No northern rural municipality will ever let development run amok within its borders. The rural members of council are the ones who know what makes a strong and protected rural environment. That having been said, some development is necessary to allow for assessment growth and sustainability.

This is a challenging balancing act, however, the development constraints within the Provincial Policy Statement do not recognize the balance. Development, even minor and sustainable development, is prohibited or discouraged. The policies in the Provincial Policy Statement are overly restrictive for rural municipalities. The LRMC municipalities believe this to be unnecessary.

Recent changes to the planning tribunal appeal process recognize the relevance and strength of municipal council planning abilities. Development constraints need to be lifted or significantly relaxed in the same spirit.

The Northern Growth Policy recognizes and promotes sustainable northern development. It is supposed to take precedence over the Provincial Policy Statement,

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but there are too many exceptions to that precedence to make the Northern Growth Policy helpful for rural development.

Recommendation: Work with northern rural municipalities to create a Northern Development Policy Statement that is consistent with the planning and environmental principles we believe in, yet lets our municipalities survive and thrive.

Recommendation: Provide a greater co-relation between the Northern Growth Policy and the Provincial Policy Statement.

B) Forest Fire Mitigation Requirements

This is a primary example of the constraints referenced in Part "A" of this chapter.

Section 3.1.8 of the Provincial Policy Statement states:

Development shall generally be directed to areas outside of lands that are unsafe for development due to the presence of hazardous forest types for wildland fire.

Development may however be permitted in lands with hazardous forest types for wildland fire where the risk is mitigated in accordance with wildland fire assessment and mitigation standards.

It is the understanding of our member municipalities that the Ministry of Municipal Affairs and Housing is now *requiring* that policies be included in Official Plans regarding wildland fire hazards. Because municipal zoning by-laws must conform to Official Plans, this will make it mandatory for fire mitigation to be part of zoning by-law and/or building by-law requirements.

The LRMC members are concerned with enforcement of these requirements. For example, one mitigation factor is the control of ignitable fuel around developments such as housing. The FireSmart® program provides illustrations of suggested fuel loads such as no vegetation within 10 feet of a structure, minimal and/or short (less than 3 feet) vegetation within 30 feet of a structure, etc. While these requirements can be made part of a building permit application, what happens years down the way, when the vegetation has been allowed to grow? What is the municipality's liability to continue to enforce any such restrictions?

Another mitigation factor is simply to not allow development in high hazard areas, but since high hazard areas are considered only around "sensitive" development, ie: a structure that can burn, this would not allow any future development since any new structures automatically create the higher hazard if high hazard fuel is present (specific

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species such as evergreens). Since most of our municipalities consist of large areas of high hazard species, this has the potential to significantly reduce our ability to grow.

There is currently a grant available, which some of our members have received, for up to \$15,000.00 towards the development of a community wildfire plan, along with mapping of the high hazard areas. This can also be used to help develop and inform our HIRA's, (Hazard Identification and Risk Assessment) which is required for our emergency plans. The concern remains regarding future liability for ongoing enforcement.

Recommendation: Do not require municipalities to include fire mitigation measures in Official Plans or Zoning By-laws. Encouragement of developers to implement FireSmart ® guidelines should be sufficient.

C) Red Tape and Regulatory Burdens

The LRMC was pleased to see the creation of the "Red Tape and Regulatory Burden Reduction Office" under the Honourable Deputy Minister Giles Gherson.

Bureaucratic requirements for excessive reporting, complex regulations and holding business owners and managers responsible for things beyond their reasonable controls, together with excessive fees and levies, have all been known to dis-incentivize economic development and private investment.

The LRMC members encourage Minister Wilson to work closely with Deputy Minister Gherson to unravel the overly burdensome and complex business barriers that exist in Ontario.

TAB

FIVE

Ministry of Education

THE LAKEHEAD RURAL MUNICIPAL COALITION'S RURAL ACTION PLAN

MINISTRY OF EDUCATION

The LRMC congratulates and welcomes The Honourable Minister Lisa Thompson to her new role. Some of the LRMC members are also members of the Community Schools Alliance, which strives to demonstrate the value of rural schools to their communities. Municipalities have been instrumental in working with the Ministry of Education to make community schools viable. As a primary example, the Township of Gillies, an LRMC member, rents its office space from the Lakehead Board of Education in the Whitefish Valley Public School building. The issue in this Action Plan does not deal with community school viability, but with early child care services, largely funded by municipalities (through the Social Services Administration Boards).

Financial Thresholds for Child Care Subsidies

Affordable child care was an issue in the Provincial Election. Each party offered a different solution or position on the matter. At present, whether or not a family qualifies for subsidies relating to child care depends on a variety of factors, including family size, number of child care days required, and family income.

The LRMC member municipalities are advised by the Thunder Bay District Social Services Administration Board ("TBDSSAB") that research shows that dollars invested in early child care will multiply in benefits associated with early learning outcomes and the ability of parents to enter the workforce. This is especially valuable when a single-parent is enabled to work rather than remain on public assistance. The recommendation of the TBDSSAB is to increase the financial thresholds for qualification to match the "Low Income Measure After-Tax" ("LIM-AT") thresholds, adjusted for family size. It is also recommended that these limits be indexed annually by inflation.

Recommendation: That the financial thresholds for qualification for child care fee subsidies be increased as follows (based on the 2015 LIM-AT figures, adjusted for inflation & family size):

Household Size	After-Tax Income
2 persons	\$ 32,212
3 persons	\$ 39,450
4 persons	\$ 45,554
5 persons	\$ 50,931
6 persons	\$ 55,793
7 persons	\$ 60,262

Further Recommendation: That the cost savings realized through this process be tracked in order to demonstrate return on investment.

TAB

SIX

Ministry of Energy, Northern Development & Mines

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MINISTRY OF ENERGY, NORTHERN DEVELOPMENT AND MINES

The LRMC congratulates and welcomes The Honourable Minister Greg Rickford to his new role. It is heartening to see that this northern portfolio will be serviced by a northern representative. Our members anticipate working with Minister Rickford to further our mutual goals of a prosperous and healthy Northwestern Ontario with a vibrant rural community element.

The Ministry of Energy, Northern Development and Mines is our "northern development" representative at Queen's Park. As he is our rural representative, we look forward to working with Minister Rickford on *all* of the issues outlined in this Action Plan.

Part One: Northern Development Portfolio

A) General Assistance

The Ministry of Energy, Northern Development and Mines is our "northern development" representative at Queen's Park. As he is our rural representative, we look forward to working with Minister Rickford on *all* of the issues outlined in this Action Plan.

As small, rural municipalities, our members are well versed in stretching dollars and working with "shoestring" budgets. We further **look forward to working with the new Provincial government in reducing duplication, inefficiencies and over-regulation, to our mutual benefit.**

B) Crippling, Overwhelming Regulatory and Reporting Obligations

This matter, equally applicable to the Ministry of Energy, Northern Development & Mines as it is to the Red Tape and Regulatory Burden Reduction Office, is addressed on pages 56-57 of this Action Plan.

Part Two: Energy Portfolio

A) Hydro Rates

The Lakehead Rural Municipal Coalition is grateful to the Province for the steps that have been taken to reduce the Hydro rate burden for our residents, however more must be done. Whether the recent change in decision-makers at the institution makes a meaningful difference or not, remains to be seen. The LRMC member municipalities are seeing increased usage of social services such as food banks, as well as defaults on payment of property tax liabilities. One significant reason is the high cost of electrical service.

Northwestern Ontario is subject to bitterly cold, long, and dark winters. There are very few options for heat/light energy sources, and Hydro-electric power is often the only

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realistic alternative. This makes Hydro a priority requirement for our residents. Those who heat their homes with electricity, are having to make difficult choices between paying Hydro bills and buying food each month.

Distribution charges continue to be the highest cost on rural, northern Hydro bills. Most of the time, these costs exceed the cost of the customer's energy use exponentially. No matter what a consumer does to save energy, and despite the Province's recent efforts, Hydro bills remain unaffordable. This is particularly true for people on fixed incomes.

Distribution charges must be removed from consumers' electrical bills or should, at the very least, bear some relation to the amount of energy actually being used. Residents who unplug appliances, turn off the lights and even shut off main breakers are still being assessed exorbitant delivery charges for electricity not even used.

Making natural gas available to Northwestern Ontario rural municipalities would also go a long way to solving this problem. The Northwestern Ontario Municipal Association ("NOMA"), the Northwestern Ontario Associated Chambers of Commerce ("NOACC") and Common Voice Northwest ("CVNW"), who are together referred to as the "NOACC Coalition", have taken the position that, firstly, the cost of expanding natural gas service to communities without it should be shared by all gas rate payers in the Province of Ontario, and, secondly, that the Ontario Energy Board should implement new ratemaking mechanisms, including changes to current economic tests, for the expansion of natural gas distribution on that basis.

The LRMC member municipalities support all facets of the position adopted by the NOACC Coalition and request that the Province consider the following:

Recommendation: Remove or significantly reduce distribution charges from Ontario's Hydro bills.

Recommendation: The Ontario Energy Board should implement new ratemaking mechanisms, including changes to current economic tests, for the expansion of natural gas distribution on the basis that expansion of natural gas service to communities without gas service should be shared by all gas rate payers in the Province.

B) Hydro Pole Replacement Cost Equity

Hydro One is responsible for the electricity distribution system in rural Ontario, including the jurisdictions of LRMC members. The LRMC was advised by Hydro One that a component of every Hydro bill involves charges for eventual replacement of the distribution system infrastructure. This includes Hydro poles and wires, transformers, fencing, any underground assets, etc.

As the Minister is aware, Hydro poles may be shared with other utility service providers, including telecommunication providers, lighting providers, etc.

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It is Hydro One's policy that, when another utility provider seeks to share a pole, it will assess the pole, and, if it determines that the pole must be replaced or significantly repaired, the entity seeking to use the pole must bear 100% of that cost. Not only is this unfair, it is also "double dipping", since they already collect money for infrastructure maintenance and replacement, as noted previously.

It is in the best interests of Hydro One to require the pole to be replaced in every instance, whether or not it is truly required. There is a conflict of interest inherent in the position that Hydro One has taken.

The federal government has placed significant importance on rural internet availability. Telephone and internet service providers need to share Hydro poles in order to expand or enhance telecommunications service to rural Canada. Hydro One's policy of making these agencies pay for pole replacement, which can cost between \$2,000 and \$5,000 dollars *per pole*, is a significant barrier to the provision of broadband through fibre-optic cables to the rural areas of Ontario. Even the municipal governments themselves face significant difficulties without fibre-optic capability, due to the Province's move to completely online submissions for grant applications and reporting requirements. (Please refer to pages 42-43 of this Action Plan for more information on telecommunication barriers faced by Rural Ontarians.)

Internet providers must try to recoup these costs through the transfer of those expenses to the users, and the lack of concentrated population means that the service becomes unaffordable for the agency – and thus unavailable to rural residents.

The LRMC is of the opinion that Hydro One is unfairly "double-dipping" in this regard. It already collects infrastructure repair funding from consumers, yet also wishes to force other utility service providers to pay 100% of the costs when the need is established.

Recommendation: The Minister should use his influence to require that Hydro One alter its policy in this regard, and that Hydro One fully fund the cost, or, at a minimum, fund a significant portion of the cost, of Hydro pole replacement when another service provider requests permission to use the infrastructure.

TAB

SEVEN

Ministry of Environment, Conservation & Parks

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MINISTRY OF ENVIRONMENT, CONSERVATION AND PARKS

The LRMC congratulates and welcomes The Honourable Minister Rod Phillips to his new role. Our members, like other Ontario municipalities, are looking forward to sorting out which elements of this Action Plan fall within this Ministry, as opposed to others (such as, for example, that Ministry of Natural Resources and Forestry).

An extremely important juggling act in our modern day and age is the balance between development and the preservation of the environment. As northern, rural communities, our members value both. We look forward to working with the Province to balance these interests to our mutual benefit.

Part One: Environment Portfolio

A) Landfill Management & Financing of Closure/Post-Closure Costs

Municipal and provincial authorities are clearly aware that our landfills are filling up quickly and space for waste is a growing concern. The authorities are also aware that much of the material going into landfills should not be going there and recyclables make up a large portion of that material.

It is clear that while well-intentioned, provincial recycling programs set up in the last 10 to 15 years have failed. They proved to be administratively unworkable, financially unsustainable and not effective enough to keep recyclables out of landfills.

Distance to market in Northwestern Ontario is also a considerable barrier. The remoteness of the location, coupled with the relatively smaller volume of material, means that it is uneconomical to recycle most of the products and/or packaging that can be recycled in Southern Ontario. Recycling is becoming even more challenging as China, for example, announced in January 2018, that it would no longer import recyclable materials – and it has historically been a significant purchaser.

New recycling solutions are quickly needed. Landfill opening and closing costs are huge burdens for any municipality, particularly the small, so recyclables need to stay out of landfills to extend landfill lifespans.

One definite solution is increasing our utilization of paper, cardboard and wood for packaging and moving away from plastics. Paper, cardboard and wood are all biodegradable, while plastics take a long time to breakdown, and many release toxins as they decay. Discarded plastics are polluting waterways and fields, and prove hazardous to wildlife.

Recommendation: Increase investment in recycling science and technology to expand the types of products and packaging that can be recycled, and to make it

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economical to do so. Create jobs in Ontario for this research, development, and ultimately, for recycling industries.

Recommendation: Support the development of recycling businesses in Northwestern Ontario so that the “distance to market” issue is erased.

Recommendation: Incentivize the use of paper, wood and cardboard for commercial packaging and discourage the continued use of plastics.

As briefly referenced above, small rural townships with low population bases cannot fund landfill closure costs. These costs form a significant part of the “infrastructure gap” in Ontario.

Changing engineering practices over the years, together with the consumer-driven “throw-away” economy, mean that landfill life spans have become considerably shorter, which exacerbates the issue.

Recommendation: Make the process to expand an existing landfill site (where there is appropriate space to do so) more affordable for municipalities.

Further Recommendation: Provide leadership and financial resources to assist in landfill management and closure/post-closure costs.

While the Legislature had good intentions when it passed the *Resource Recovery and Circular Economy Act, 2016* (also known as the “Waste-Free Ontario Act”, S.O. 2016, c. 12, Sched. 1, as amended), even when the legislation is fully implemented (which will take significant time), it will not solve Ontario’s waste management problems.

Ontario’s municipalities need to hear from the new government its intentions with respect to the *Resource Recovery and Circular Economy Act, 2016*. Our member municipalities continue to be confused as to what the future holds under this legislation. Transitioning from the old “stewardship” programs to the new system has proven to be overly complex, and insufficient information has been provided to municipalities to allow them to prepare.

The Province’s timeline for transition under this legislation provides that the “food and organic waste action plan” will be planned and developed, and that consultation will take place, during 2017. It was supposed to have been implemented in 2018. Municipalities have yet to see this plan, or be consulted about it, despite its obvious impact on landfill site operations and on daily habits of constituents.

Recommendation: Advise the public, as soon as possible, as to the new government’s plans for waste management.

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Further Recommendation: Provide our member municipalities with information on what costs they will no longer incur for recycling, and when those costs will be removed. This information is needed immediately to facilitate the 2018 budget process.

Further Recommendation: Provide our member municipalities with direct and accessible information on how the transitions will be undertaken so that all know their roles, responsibilities and obligations, as well as those of the other “players” in the new waste management regime.

Further Recommendation: Amend the timelines with respect to the “food and organic waste action plan” as they have become un-achievable.

B) Rural Water Systems

This topic, equally as applicable to this Ministry as it is to the Ministry of Infrastructure, is addressed on pages 45-46 of this Action Plan.

Part Two: Conservation Portfolio

A) Amendments to Regulation 342//08 under the Endangered Species Act

Subsection 9(1)(a) of the *Endangered Species Act, 2007* (S.O. 2007, c. 6, as amended) provides as follows:

9. (1) No person shall,
 - (a) kill, harm, harass, capture or take a living member of a species that is listed on the Species at Risk in Ontario List as an extirpated, endangered or threatened species; ...

Subsection 10(1) of the *Endangered Species Act, 2007* provides as follows:

10. (1) No person shall damage or destroy the habitat of,
 - (a) a species that is listed on the Species at Risk in Ontario List as an endangered or threatened species; or
 - (b) a species that is listed on the species at Risk in Ontario List as an extirpated species, if the species is prescribed by the regulations for the purpose of this clause.

Section 22.1 of Ontario Regulation 342/08 passed under the authority of the *Endangered Species Act, 2007*, provided that the provisions of Subsections 9(1)(a) and 10(1), cited above, do not apply to forest operations conducted in managed Crown forests prior to July 1, 2018.

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The (then) Ministry of Environment and Climate Change posted proposed amendments to Regulation 342/08 on the Environmental Bill of Rights registry in 2017. One of these amendments proposed to change the date in Section 22.1 to read "July 1, 2020" in place of "July 1, 2018", effectively extending the period of time for which the exemptions from compliance with Subsections 9(1)(a) and 10(1) of the legislation will exist for forestry sector work for a two year period. Although LRMC member municipalities, the Northwestern Association of Municipalities of Ontario, and other municipalities and municipal associations urged the Province to allow more than 2 years for this extension, it was ultimately implemented as originally announced.

During the two-year period between July 1, 2018 and July 1, 2020, which is rapidly advancing, it is proposed that an "independent panel" be formed. It will be asked to provide advice to the Province outlining how to consider species at risk in Crown forest management. The Province is seeking "innovative local approaches" and "potential pilot projects". This panel will also examine, and co-ordinate, an interest expressed by the Federal Government (under the federal *Species at Risk Act* (S.C. 2002, c. 29, as amended), to use conservation agreements for caribou under that legislation.

Has this panel been formed? What has transpired to date?

Forest operations conducted in managed Crown forests are not undertaken in a manner which is irreverent of species habitat. Section 22.1 of Regulation 242/08 merely allows the forestry sector operators to provide for species at risk under the *Crown Forest Sustainability Act, 1994* (S.O. 1994, c. 25, as amended) rather than under the regulatory framework of the *Endangered Species Act, 2007*.

Ontario's forestry sector is extremely important to the economic well-being of municipalities in Northwestern Ontario, including the District of Thunder Bay. Many residents and taxpayers of Lakehead Rural Municipal Coalition members are employed either directly or indirectly as a result of the forestry sector. As such, stability in the operation of the forestry sector is a primary concern to Coalition members.

In our comments to the posted proposed regulation, we had requested that the proposal be amended to change the date "July 1, 2020" to the date "July 1, 2023", providing a full five year term. This would allow for the proposed independent panel to undertake its important work. Time will be needed for the panel to be recruited. In addition, its workload is daunting, and includes:

- a) Consideration of the impact of climate change on species habitat;
- b) Consideration of the cumulative impacts of all Endangered Species Act policies on the forestry sector and the communities it supports;
- c) Socio-economic impact analyses for each of the policies under the Endangered Species Act and how they interact with other forestry sector policies in Ontario; and

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- d) community, industry, indigenous and municipal consultations;

A longer time frame is also important to provide more stability and certainty to the forestry sector.

Although the former Ontario government did not see fit to agree that five years would be better than two, the LRMC member municipalities continue to recommend this. The *Crown Forest Sustainability Act, 1994* should take priority over the *Endangered Species Act, 2007*.

Recommendation: Ensure that the independent panel, if not already constituted, contains representation from all of the following:

- a) Impacted Indigenous communities;
- b) Impacted municipalities;
- c) Impacted businesses (of a cross-section of sizes) working in the forestry sector;
- d) Knowledgeable individuals in forestry industry associations; and
- e) Ecological and environmental experts.

Further Recommendation: Pass another regulation to change the date in Section 22.1 of Regulation 242/08, which currently reads "July 1, 2020" to "July 1, 2023", in order to provide stability to the industry and to provide sufficient time for complete and appropriate study of the issues.

B) Conservation Land Tax Incentive Program

The conservation land tax incentive program ("CLTIP") falls under the authority of the Ministry of Finance, as it arises through the *Assessment Act* (R.S.O. 1990, c. A.31, as amended). Under the former Provincial government, it was administered by the Ministry of Natural Resources and Forestry, in that the MNRF decides whether or not a particular property meets the eligibility requirements to become property tax exempt under the program. LRMC members are not sure whether this will remain an MNRF function, or whether this will be transferred to the Ministry of Environment, Conservation and Parks, under the "conservation" portfolio.

Both the Ministry of Finance and the Ministry of Natural Resources and Forestry have been approached by the LRMC to voice our concerns. No resolution has to date been offered, and no explanation provided as to why these real issues are falling on deaf ears. LRMC members trust that the new government will be more receptive. Other municipal members of the LRMC, as well as municipalities across Ontario, are starting to feel the strain of being required to absorb 100% of the cost of this provincial program.

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With Canada coming closer and closer to its international treaty deadline to convert 17% of Canadian land into conservation reserves, and not being near that target yet, our members fear that they will be required to fund the rest of Canada's obligations – or at least a significant part of them.

Neening has been repeatedly told that Ontario re-imburses its municipalities for their lost property tax revenue under the CLTIP through the Ontario Municipal Partnership Fund ("OMPF"). This fund is also supposed to compensate municipalities for their lost property tax revenues through the farmland and managed forest programs. Neening's calculations relating to the OMPF it receives indicate that the fund does not, in fact, reimburse the Municipality for its lost revenue under these programs. On top of all of that, despite significantly more developable land being lost to the CLTIP, OMPF funding for 2018 has been significantly decreased for all of our member municipalities. (Refer to pages 26-32 of this Action Plan for more information in that regard.)

The residential tax rate in our municipalities exceeds the rates in urban centres by a significant margin. While we recognize that many things factor into this, the Province needs to understand that it is becoming unaffordable for people to live in Rural Ontario. Urban-centric policies and programs like the CLTIP, are being implemented at the expense of the rural residents of Ontario. Our ratepayers simply cannot afford to keep bearing the burden. Rural Ontario is an essential part of Ontario's life blood.

Our member municipalities are not "anti-conservation". We enjoy breathtaking natural scenery in our communities, and it is appreciated by everyone. Our point is that some of our members already have enough protected natural land areas.

Recommendation: Clearly set out in the OMPF funding statements, line by line, amounts being provided to municipalities to reimburse them for the revenues lost to them through Provincial programs which reduce or eliminate property taxes.

Recommendation: Provide a cap on the number of hectares of land in any one municipality that can be designated under the Conservation Land Tax Incentive Program.

Recommendation: Set aside some of the vast acreages owned by the Province as Conservation reserve in order to assist Canada in meeting its treaty objectives without placing the financial burden for doing so on municipalities.

Alternative Recommendation: Reimburse municipalities who host CLTIP properties for lost tax revenue and/or lost development potential through a per-acre payment based on the acreage within their jurisdictions which has been accepted in the CLTIP.

Alternative Recommendation: Allow Municipalities to participate in the process that approves land for acceptance into the CLTIP.

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C) Conservation Authorities Act

LRMC member municipalities struggle to pay for their own capital and operational costs while keeping property taxes to a reasonable level. At the same time, they are mandated at law to provide funding to various agencies (including the Lakehead Conservation Authority) over whose budgets and spending they have no control.

The changes made to the *Conservation Authorities Act* (R.S.O. 1990, c. C27, as amended) through Schedule 4 to Bill 139 (2017) exacerbate this problem for our members.

Through the changes, the scope of activity of the Authority is significantly expanded (at municipal cost) and municipalities' already limited means to challenge costs is curtailed to the point of ineffectiveness.

Recommendation: Provide a definition (with a very limited scope) of the term "natural resources" as used in Section 0.1 of the legislation.

Recommendation: Amend the legislation to provide a mechanism for municipalities to challenge all aspects of both operational and capital costs and projects proposed by a conservation authority as the only mechanism by which member municipalities have any input into the budgets they must fund.

The Lakehead Region Conservation Authority is the only conservation authority in existence in all of Northwestern Ontario. LRMC members are all required to contribute to its expenses. In every other part of Northwestern Ontario, the services that the conservation authority provides to LRMC members has historically been provided to municipalities by the Ministry of Natural Resources and Forestry, at provincial expense. This creates significant inequity among municipalities.

Recommendation: The province should absorb the full cost of the operation and capital expenses of the Lakehead Region Conservation Authority within the ambit of the Ministry of Environment, Conservation and Parks and/or the Ministry of Natural Resources and Forestry (as applicable) so that the municipalities in its watershed are treated equally to other municipalities in Northwestern Ontario.

Alternate Recommendation: Allow municipalities who are currently members of the Lakehead Region Conservation Authority to opt out of membership, and receive services directly from the Ministry.

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Part Three: Parks Portfolio

Provincial Underutilized Land

Municipalities, being the order of government “closest to the people” are mandated to provide parks and recreation opportunities for their constituents. Parks and opens spaces are attractions for increased tourism.

The Provincial Policy Statement recognizes the importance of parks, open space and recreation. It expressly favours public access to waterways.

The Province owns acres of land which is left to run wild, adjacent to beautiful shorelines. Some member Municipalities want to take these properties over and convert them to maintained parkland, however, the Province is unwilling to part with them, despite the obvious advantages and benefits for the greater public good.

Recommendation: Where there is a municipality willing to develop under utilized Provincial land for the benefit of the public, the Province should transfer ownership of the land to the municipality. Since “the taxpayers of Ontario” only have one tax-paying pocket, and since they already paid for the property at some point in history, the transfer should be undertaken for nominal consideration.

Transferring ownership of under-utilized land reduces the Province’s exposure to Occupier’s liability for those acreages.

Parkland Development is in everyone’s best interests.

TAB

EIGHT

Ministry of Finance

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MINISTRY OF FINANCE

The LRMC congratulates and welcomes The Honourable Minister Vic Fedeli to his new role. Prior to the 2018 provincial election, and Minister Fedeli's appointment to cabinet, Mayor Holland (of the Township of Conmee, LRMC Member) had an opportunity to discuss with him some of the issues that are set out in this Rural Action Plan. All of the LRMC members look forward to open dialogue regarding municipal fiscal challenges and their potential and mutually beneficial resolutions.

This chapter in our Rural Action Plan is the longest. Fiscal challenges are day-to-day in small, northern, rural municipalities. Please consider carefully the important issues outlined in this Action Plan. Note that we propose solutions in every case, which we believe will further the goals of the Province as well as our member municipalities.

A) OMPF: Formula, Reductions, Offsetting "Uploads"

The Problematic OMPF Formula:

The Ontario Municipal Partnership Fund ("OMPF") is the Province's main transfer payment program to support Ontario's municipalities. It features components designed to provide additional assistance to northern and rural communities.

Unfortunately, the formula for grant calculation is complex and difficult to understand, which generates criticism that the OMPF lacks transparency and leads to questions about the fairness of OMPF allocations. LRMC members were often told by the former Ontario government, that the OMPF off-sets certain costs that municipalities are mandated to pay for provincial programs. When asked by our members to demonstrate exactly where and how any particular program costs are off-set, Provincial representatives were unable to respond. This lack of transparency leads to distrust.

The LRMC contends the complexity of the formula is masking the unfairness of OMPF allocations. This is based on our review of the Ministry's OMPF 2018 Technical Guide and our analysis of municipal FIR data from twelve OMPF recipients in Northwestern Ontario, including the six LRMC municipalities. Our calculations demonstrate that the criteria used to determine allocations is flawed and results in unfairness to certain communities, particularly rural communities like the six LRMC members. As shown Figure One on the following page, the 2018 OMPF allocation for every one of the LRMC municipalities has been cut.

After identifying problems with the allocation formula criteria, we are suggesting some changes to improve the fairness of OMPF allocations.

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Figure One:
Comparison of OMPF Allocations for a Sample of Northern Ontario Municipalities

Name	2018 OMPF	2017 OMPF	Dollar Amount Change	Percent Change
Neebing	664,500	738,300	-73,800	-10.0%
O'Connor	196,100	217,800	-21,700	-10.0%
Oliver Paipoonge	1,095,600	1,217,300	-121,700	-10.0%
Shuniah	969,600	1,077,300	-107,700	-10.0%
Conmee	225,200	246,100	-20,900	-8.5%
Gillies	190,600	204,900	-14,300	-7.0%
Dryden	2,553,800	2,693,800	-140,000	-5.2%
Greenstone	2,252,200	2,244,100	+8,100	+0.40%
Ignace	921,100	914,800	+6,300	+0.70%
Marathon	1,853,300	1,835,000	+18,300	+1.0%
Rainy River	631,000	599,200	+31,800	+5.3%
Fort Frances	3,342,100	3,106,500	+235,600	+7.6%

The use of assessment as a criterion (i.e., the assessment equalization grant) is a significant flaw. In the OMPF formula, a high assessment value is viewed as an advantage to a municipality, since it supposedly indicates more tax revenue potential. *High property assessment does not equate to an ability to pay for the property owners.* There is no correlation between property value and ability to pay.

When properly examined, one can see that there are also other negative consequences of high assessment values. One is that the higher cost of housing for residents, equating to higher mortgage payments and residential rental rates, means they actually have *less* money available for household costs (like municipal taxes).

Another significant disadvantage to high assessment values in a municipality is that they result in increases to the levies from organizations that calculate levy allocations based on assessment and/or weighted assessment. Three organizations using assessment to calculate levies charged to LRMC municipalities are: the Thunder Bay District Social Service Board, the Lakehead Regional Conservation Authority and the Superior North Emergency Management Services (operated by the City of Thunder Bay).

In 2017, the Township of Conmee, an LRMC municipality, with a population of 819 persons, paid \$68,955 to the Thunder Bay District Social Service Board, while the Town of Rainy River, with a population of 801, paid \$38,549 to the Rainy River District Social Service Board. Because of high assessment, Conmee paid almost double what Rainy River paid, despite having an almost identical number of residents.

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The Provincial definition of a rural and small community is inappropriate. On page 18 of the OMPF 2018 Technical Guide, the Statistics Canada definition of a "rural community" is set out. To that definition, the Province adds any municipality with a population under 10,000 to come up with the "Rural and Small Community Measure" (RSCM).

This is also a flaw. While they may be small, some municipalities with populations under 10,000 are more urban in character rather than rural. True rural communities, like the six LRMC members, have distinct disadvantages. For example, there are considerable lengths of road networks servicing fewer homes that are separated by large distances, little commercial or industrial tax base, no communal water and/or sewer treatment services, high fire insurance rates, poor access to hi-speed (or any) Internet, lack of natural gas service, no public transit, high electricity delivery rates, no home mail delivery, etc. These disadvantages are not present in communities under 10,000 in population if they are urban in character. Those urban small communities should not be entitled to a rural community grant.

The Northern and Rural Fiscal Circumstances Grant formula is overly complex and uses some inappropriate indicators. Assessment is already used in the OMPF formula and this criterion, which, as previously pointed out, has nothing to do with ability to pay municipal taxes, should not be used again. Household income is a useful measure, but even it is not as meaningful as *per capita income*. Household income is an inferior measure since it does not take into account the number of people in a household who are dependent on the household income.

Another criterion used by the Province, the Employment Rate, does not take into account other sources of income, e.g., pensions.

We question the use of Ratio of Working Age to Dependent Population as an indicator of financial hardship. This Ratio considers seniors to be dependents, but many seniors have independent income.

Finally, New Construction is seen as a source of new property tax revenue. While that has validity, growth also generates new, long-term costs for municipalities to counter the new revenue. Given the many issues with the Northern and Rural Fiscal Circumstances Grant, it should be re-constituted in a more appropriate way.

Figure Two, on the following page, shows data for the same twelve municipalities that were used to develop Figure One. This table demonstrates some of the points outlined above and some other peculiarities of OMPF that also indicate allocation inequity. Data was processed in various ways to be able to show certain characteristics and correlation analysis was employed to look at relationships within the data.

Column B in Figure Two shows that there is a huge range in the OMPF allocations per capita. The correlation coefficient shows there is no relationship between the OMPF allocation and population, i.e., the per capita OMPF. There is a relatively strong direct

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relationship between taxation per household from all sources (Column E) and OMPF and a relatively strong *inverse* relationship between residential taxation's percentage of total taxation (Column G) and OMPF.

What this means is that municipalities like Greenstone, Marathon and Dryden, that collect tax revenue from mills and pipelines (and thereby do not have to tax residential property owners so heavily) end up getting *more* OMPF grant money than LRMC municipalities like Conmee, O'Connor and Gillies that have virtually no industrial or commercial tax base and therefore have to rely on residential property owners for tax revenue. That is patently inequitable.

Figure Two
Comparison of OMPF, Census and FIR Information

	Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H
Name	2018 OMPF	OMPF per capita	Median Gross per capita	Res. & Multi-res. Assmt per hshld	Total taxation per hshld	Res & Multi-res taxation per hshld	Res & Multi-res taxation as % of total tax	Total lane kms of road
Oliver Paipoonge	1,095,600	185	38,638	213,424	2,748	2,311	84.11%	600
Conmee	225,200	275	35,942	140,520	2,233	2,194	98.24%	238
O'Connor	196,100	296	36,826	167,209	2,515	2,455	97.61%	136
Dryden	2,553,800	330	32,189	127,256	3,885	2,124	54.68%	255
Neebing	664,500	335	48,301	204,905	2,065	2,038	98.67%	496
Shuniah	969,600	347	73,999	247,151	1,980	1,825	92.16%	238
Fort Frances	3,342,100	432	30,999	111,635	2,780	1,943	69.87%	170
Gillies	190,600	475	32,497	127,620	1,977	1,916	96.93%	105
Greenstone	2,252,200	486	40,182	48,819	4,667	1,310	28.06%	314
Ignace	921,100	766	30,162	76,673	2,941	1,868	63.51%	52
Marathon	1,853,300	566	41,616	57,562	3,171	1,751	55.22%	75
Rainy River	631,000	782	32,000	54,153	1,368	1,108	81.00%	27
Correlation Coefficient with Column A		0.0253 (1)	-0.1346 (2)	-0.3182 (4)	0.6545 (5)	-0.1886 (3)	-0.7289 (6)	0.0450 (1)

Notes: The correlation coefficient measures the strength of a relationship between two numbers, and varies between -1 and +1. The explanation is as follows:

A value of -1 means there is an "inverse" relationship – one number increases the same percentage as the other decreases.

A value of 0 means there is no relationship between the two numbers

A value of +1 means there is a direct relationship – each variable increases or decreases by the same percentage value.

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Observations Relating to Figure Two:

- (1) Correlation coefficient near zero means there is no relationship between these variables.
- (2) Slight negative value means weak inverse relationship: higher per capita income means less OMPF funding.
- (3) Slight negative value means weak inverse relationship: higher household tax burden means less OMPF funding.
- (4) Moderate negative value means some inverse relationship: higher household assessment means less OMPF funding.
- (5) Significant positive value means inverse relationship: the more tax that is collected from all property owners (industrial, commercial and institutional besides residential) means more OMPF funding.
- (6) Significant negative value means inverse relationship: the more tax collected from residential taxpayers; the less the OMPF funding.

Note the inter-relationship between (5) and (6): municipalities that have more commercial or industrial taxpayers (like mills or pipelines) taking a share of the tax burden off of the residential tax payer receive more OMPF grant funding.

As the final demonstration of the inequities of the OMPF formula, Figure Three is a comparison between one LRMC municipality (the Township of Gillies) with another northwestern Ontario municipality (the Town of Rainy River).

Figure Three: Comparing Rainy River and Gillies

Factor	Town of Rainy River	Township of Gillies	Comments
Population	807	401	Rainy River has only twice the population but over three times as much OMPF income
2018 OMPF	\$631,000	\$190,600	
\$ Change from 2017	\$31,800	(\$14,300)	Rainy river saw an increase in 2018, while Gillies saw a significant decrease.
Median Gross Income per Capita	\$32,000	\$32,497	Virtually the same; this stat is good measure of ability to pay municipal taxes
Municipal Tax per Household	\$1,368	\$1,977	A higher OMPF grant is a clear factor enabling lower tax burden in Rainy River
Residential Tax % of Total	81%	97%	Rainy River has a tax base besides residential carrying the tax burden
Total Roads Lane km	27	105	With less than half the population, Gillies has nearly four times as much road to maintain
Communal Water and Sewer	Yes	No	Communal services are eligible for senior government grants unlike private services in true rural communities; In 2015 Rainy River received \$702,000 to do a watermain project from OCIF
Hi-Speed Internet	Yes	No	Important factor for modern life and economic development missing in most truly rural communities
Natural Gas	Yes	No	Low-cost energy alternative lacking for residences and businesses in the LRMC rural areas

These demonstrated inequities need to be addressed by the Ministry.

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Recommendation: Review and revise the OMPF formula to make it more understandable and to make it more equitable. The following changes are strongly recommended:

1. Eliminate the Assessment Equalization Component. High assessment does not mean residents can pay more municipal tax, and high assessment generates higher levies payable to outside agencies.
2. Maintain the Northern Community Component.
3. Modify Rural Communities Grant to focus only on rural communities, i.e., remove eligibility for small urban communities.
4. Eliminate Northern and Rural Fiscal Circumstances Grant. This component is far too complex and does not result in fair treatment, but rather unfair treatment.
5. Add a Per Capita Component. Allocating money on this basis is (1) easy to understand and apply, (2) transparent, and (3) equitable. The Federal Gas Tax and the Ontario Community Infrastructure Fund Formula Component are allocated on this basis.

To summarize, funding allocation based on (1) northern location, (2) rural nature and (3) population would more fair and more effective at targeting OMPF funding to municipalities that are truly needy.

Recommendation: Provide municipalities with a statement that clearly demonstrates how their OMPF grant is determined, and the proportionate amounts of the grant that apply to the provincial programs operated at municipal expense.

OMPF: Reductions and "Offsetting" Uploads

As noted in this section, all six municipal members of the LRMC experienced deep cuts to their OMPF grants from the 2017 level to the 2018 level. Whenever municipalities seek redress for these reductions, they are told that the Province undertook "uploads" of service cost that more than pay for any reductions in grants. There is a significant flaw in this argument. Because Provincial "uploads" involve services that are only *indirectly* funded by municipalities, individual municipalities do not see any benefit (or, where a benefit is seen, it is significantly less than the value of the "upload"). The most recent "uploads" were for services delivered by Social Service Administration Boards. The levies to the LRMC member municipalities from their local Social Service Administration Board *were not reduced by the same amount as their OMPF grants were reduced*. Individual municipalities cannot force Social Service Administration Boards to pass through the savings that they achieve through Provincial "uploading". Accordingly, municipalities do not benefit from the uploads as was apparently intended by the former Ontario government.

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Recommendation: Require agencies that receive the benefit of a Provincial service upload to pass through 100% of the cost savings associated with that upload to their member municipalities, or, alternatively, compensate municipalities directly for the financial benefits from “uploads”.

Alternative Recommendation: Recognize the reality that municipalities are not compensated for OMPF reductions by Provincial service “uploads”.

B) Assessment Links to Agency Payments

In all of our LRMC member municipalities, the assessed value of properties has had an overall increase. Unfortunately, as referenced in “A” above, this also means that payments municipalities are required to make to third party agencies (such as the District Health Unit, the local Conservation Authority, the Social Service Administration Board and land ambulance services, as well as others) have increased. These payments are based on formulae that include assessment.

When the value of a property owner’s land increases, his or her net wealth may appear to have gone up, but that does not mean that his or her income has gone up such that he or she can afford to pay more in property taxes.

A municipality’s assessment base is also part of the formula used to determine a municipality’s Ontario Municipal Partnership Fund (“OMPF”) grant, as set out above.

These two factors work in opposition to one another. The municipality’s expenses go up, and its revenues go down.

Recommendation: Undertake a review/study of the method by which municipalities are levied to make payments to external agencies (whether funded in whole or in part by municipalities), with a goal to finding a more equitable funding formula.

Further Recommendation: Do not decrease the level of funding through the OMPF grant for any of the LRMC Member Municipalities from the 2017 levels, or, alternatively, provide financial compensation to LRMC municipalities whose levies to external agencies increase because of increased assessment values, to fully cover the cost of those levy increases.

C) Cannabis Taxation/Liquor Taxation Revenue

The cost for small rural municipalities to provide policing is one of the largest components of our operating budgets. The legalization of Cannabis is forecast to increase the need for policing and to create the need for programs similar to that called “RIDE” to apprehend and/or prevent drug-impaired driving.

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The former Ontario government envisioned a sharing of the anticipated Provincial share of cannabis taxation revenue between the Province and its municipalities. This was intended to offset increased enforcement costs that will be experienced by municipalities.

While LRMC members welcome this concept, and hope that the portion of Cannabis tax revenue shared with municipalities is substantial, the concept that tax revenue should be directed to the costs associated with the product being taxed begs the question of why Ontario municipalities do not receive a share of the taxes the Province collects on the sales of liquor.

Many studies have shown that police and ambulance service costs skyrocket in communities where addictions levels are high. Intoxicated persons can create local disturbances, and expensive resources (funded by municipalities) end up being deployed to assist. Sharing the tax revenue with municipalities would involve a revenue loss to the Province, however, a new tax on liquor **would provide much-needed funding to municipalities with no cost whatsoever to the Province.**

Recommendation: Share with municipalities, *liberally*, the portion of the Cannabis tax revenue provided to the Province by the Federal government, in recognition of the significant costs that will be experienced by municipalities for law enforcement purposes as a result of legalization of recreational Cannabis use.

Further Recommendation: Consider sharing liquor tax revenue (existing or new) with municipalities in recognition of the significant costs that are experienced by municipalities for law enforcement and first response/ambulance purposes as a result of liquor addiction.

D) Conservation Land Tax Incentive Program

The conservation land tax incentive program ("CLTIP") falls under the authority of the Ministry of Finance, as it arises through the *Assessment Act* (R.S.O. 1990, c. A.31, as amended). Until this year, it was administered by the Ministry of Natural Resources and Forestry, in that the MNR decided whether or not a particular property meets the eligibility requirements to become property tax exempt under the program. LRMC is not clear on whether or not this function will be transferred to the Ministry of Environment, Conservation & Parks, due to the "conservation" element, however, that is where the write-up on this issue has been placed within the Action Plan.

Please refer to pages 22-23 of this Action Plan for the detail.

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E) Funding for Rural Volunteer Fire Fighters and First Responders

All six LRMC member municipalities depend on volunteers to provide fire and first response services to our residents and business. As the Minister is aware, these services are becoming increasingly costly to provide due to the significant training, equipment and facilities required. Given their unique and challenging circumstances northern rural municipalities in particular are finding it extremely difficult to provide adequate fire and first response services.

A considerable operational issue for fire and first response services in rural municipalities is the low density of population over large geographical areas. Provincial standards require properly resourced responses to emergencies within short time periods. Property insurers also require reasonably prompt and adequately-resourced responses as a pre-requisite to offering affordable fire insurance to private property owners. In order to provide such services in their vast territories, rural municipalities need to have more fire stations, more firefighting equipment (including pumpers, tankers and rescue vehicles), and more firefighters and first responders than urban municipalities with comparable populations. Data from the rural LRMC municipalities demonstrates this reality. Although it has a population of only 5,922 people, since its area is 351 square kilometers, the Municipality of Oliver Paipoonge has six fire stations with six pumpers, four tankers, eight rescue vehicles and nearly sixty volunteer firefighters and first responders. An urban municipality with a similar population will have one fire station with far fewer vehicles and personnel.

Training firefighters and first responders is costly, and there are three major reasons why the cost issue is greater for rural municipalities, like the six LRMC members, than for urban municipalities. As noted above, rural municipalities need more personnel to provide adequate coverage, so training costs are correspondingly magnified. The second issue is the lack of basic training of new recruits to volunteer fire and first responder services. In 2001, Ontario established the "Pre-Service Education and Firefighter Training Program," which is the basic training any firefighter requires. Community colleges like the Confederation College in Thunder Bay offer this program and tuition is approximately \$10,000. In larger municipalities job candidates compete to get hired into permanent, full time, well-compensated positions, and urban fire departments won't even consider applicants who have not completed the Pre-Service Education and Firefighter Training Program. Understandably, no one is competing to get hired as a casual fire or first responder on a volunteer fire department where an individual may earn a few hundred honoraria dollars in a year, and no one is going to pay \$10,000 in tuition for basic fire training to join a volunteer service. It is up to the rural municipalities to invest the time and money to get raw recruits the training they need to provide the service. (When college-trained individuals do join the volunteer forces in their communities, the combination of the training and volunteer experience make them prime candidates to be "hired away" by neighbouring urban municipalities with full time, professional forces.) The third major cost factor is lack of training options in the north for rural municipalities. The Ontario Fire College at one time had a training

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program facility in Thunder Bay that LRMC municipalities could access. Unfortunately, it was closed many years ago. To fill the training vacuum, LRMC municipalities have had to resort to spending the money to set up their own training programs and facilities. For example, the Municipality of Oliver Paipouge, with its own resources, built a training facility at one of its fire stations and built a live fire training prop using sea cans at one of its landfills. Other LRMC member municipalities have made similar investments.

Training costs will be multiplied if the new Training/Certification regulation is not modified. This is set out in pages 6-10 of this Action Plan.

A new fire pumper truck can cost more than \$400,000. Pricy equipment like that is beyond the capacity of most rural municipalities. Even used pumpers, tankers and rescue vehicles can be prohibitively expensive. Again, needing several units to ensure prompt and adequate responses is a further burden for low-population density, rural municipalities. Despite the fact that these vehicles see relatively low annual mileage, Insurers require fire-fighting equipment to remain "new" in order to insure constituents of the municipality. This forces municipalities to replace equipment sooner than is necessary, impacting optimum asset management policies.

Fire stations are other significant assets needed to provide service, and rural municipalities require more of them than their urban counterparts. Several fire stations of LRMC municipalities are past their due dates. They are also under-sized, minimally heated, and provide few comforts for tired fire-fighters after battling a winter fire in sub-zero temperatures. Basically "glorified garages", they function to house equipment, and very little else.

The infrastructure programs of provincial and federal governments do not fund fire vehicles, equipment or stations, so rural municipalities are on their own trying to rehabilitate or replace their fire protection and prevention assets.

It goes without saying that a volunteer fire and first responder service is critical for the health and safety of a rural Ontario municipality. With significant weather events becoming more frequent due to climate change, first responders are being called out more and more often, and wildfire activity across the country is increasing.

Recommendation: Provide financial assistance and/or programs and facilities in the north to help rural municipalities meet their training requirements.

Recommendation: Recognize municipal fire services as critical infrastructure for the purposes of qualifying for infrastructure grant programs.

Recommendation: Include funding for Fire Department infrastructure in the Provincial government's "infrastructure strategy", recognizing all of: equipment and

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buildings (construction, renovation and maintenance), training and operating requirements.

F) Provincial Gas Tax

At present, rural municipalities are ineligible to receive any portion of provincial gas tax, because they do not operate municipal transit systems. It is clearly not possible to efficiently and effectively run a transit system in a rural municipality.

The rationale for this requirement is that gas tax dollars are directed to programs that reduce greenhouse gas ("GHG") emissions, such as mass transit. There are many rural programs that serve to reduce greenhouse gas emissions, however, those programs are not recognized. A share of the provincial gas tax could be used for even more GHG reduction projects. It is inequitable that rural taxpayers cannot benefit from the provincial gas tax the way that urban taxpayers do. (When it comes right down to it, the benefit of the gas tax is going to transit riders, most of whom, not being vehicle owners, do not pay gas tax.)

Rural municipalities must keep their roads and bridges in operational order, and a stream of reliable funding is critical for that purpose. In essence, the roads and bridges of rural municipalities are their "transit systems".

Excluding rural municipalities from the benefits of Provincial Gas Tax funding is inequitable. These funds are required for transportation infrastructure and associated maintenance equipment.

Recommendation: Expand the Provincial Gas Tax program beyond municipalities who operate transit systems. Provide Provincial Gas Tax money to rural municipalities.

G) Asset Management Planning

Since 2012, the Province has made it a requirement for municipalities in Ontario to have "asset management plans". Every year sees more changes and more requirements relating to asset management plans, referred to as "AMP"s. The ever-increasing obligation on municipalities in this regard is a huge workload burden, particularly for small, rural communities such as the LRMC members.

The Ministry of Infrastructure posted a draft regulation last June, imposing more requirements on municipalities relating to their AMPs. The Regulation was passed in December, with very few changes. While the LRMC municipalities appreciate that some of the timelines were extended, and some reporting and preparation obligations removed (including the expensive requirement to have an AMP reviewed by a professional engineer), the fact remains that the regulation creates obligations that are significant "overkill" for small, rural municipalities.

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The LRMC municipalities recognize the value of an AMP. These plans assist with important financial decision-making and help the Council, the staff and the public to understand and plan to reduce any "infrastructure gap" that may exist.

Unfortunately, as more and more obligations are imposed, the costs to comply are adding up. Meanwhile, OMPF payments to LRMC members have dropped for 2018, and eligibility for a large number of other available grant funding programs remains elusive. (See pages 26-32 of this Action Plan for further information in that regard.)

The AMP plan, strategy and program requirements have become a set of handcuffs rather than an important financial planning tool.

Many of the activities being mandated have relevance for large, urban municipalities, but are not relevant or applicable, in many cases, for small, northern and rural municipalities like LRMC members.

Further, the obligations imposed under Asset Management regulations duplicate responsibilities under Public Sector Accounting Board obligations, but the duplication is just different enough to require two separate processes and two separate reports, both of which are onerous and time consuming to complete. The two areas of financial management conflict in other regards as well. For example, Ontario Regulation 284/09 allows municipalities to exclude amortization costs from annual budgeting, yet the Asset Management regulations require budgets to conform to Asset Management Plans and indicate how depreciating capital assets will be replaced.

While funding provided by the Province can be used to fund consultants, studies and software purchases, the LRMC respectfully submits that *these dollars would have a far better value to the public if they were spent on infrastructure needs directly*. Professional consultants and complex software solutions should not be necessary for small, rural municipalities to understand and implement basic asset management.

A basic set of standards for asset management planning is appropriate, however, the rules need to be flexible enough to recognize the reality of rural municipal government and to reduce the costs associated with over-planning and over-studying.

Urban municipalities have whole departments staffed with people who work on nothing but asset management. Rural municipalities cannot afford to do that.

It is the understanding of the LRMC members that Provincial Ministry requirements for AMPs and programs are far less onerous and allow for much more flexibility than those for municipalities. It is unfair to force small rural municipalities to undertake more work than is undertaken in Provincial ministries.

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Another issue is that the former Ontario government had begun to tie grant eligibility to the progress of one's (over-complex and over-detailed) asset management plan. Well-deserving small, rural and northern municipalities are excluded from consideration for infrastructure grant funding in this regard. This is patently unfair. The status of one's paperwork does not correlate to the need for asset maintenance and replenishment.

Recommendation: Reduce the number of mandatory requirements associated with creation and ongoing maintenance of asset management plans and programs for small, rural and northern municipalities. The plan needs to be a tool for the local council to utilize, without requiring expensive consulting for every decision that needs to be made through the tool.

Recommendation: Provide templates, tools, guidelines, formulae and formats for use in asset management plans and programs to avoid the necessity for municipalities to waste significant dollars on new software products and/or consulting fees.

Recommendation: Cease the practice of eliminating eligibility for infrastructure grant funding on the basis of the status of a municipal asset management plan.

H) Taxation of Municipal Landfill Sites

The Province requires Municipalities to tax themselves on their municipal landfill sites. This is an inane practice.

Subsection 3(1) of the Assessment Act provides exemptions from municipal taxation. Paragraph 9 of that subsection provides:

9. Subject to section 27, land owned by a municipality, including an upper-tier municipality, a public commission or a local board as defined in the *Municipal Affairs Act*. The land is not exempt if occupied by a tenant who would be taxable if the tenant owned the land, except land owned by a harbour commission and used for parking vehicles for which a fee is charged.

Section 27 of the Assessment Act, to which paragraph 9 is subject, does not contain any requirements that would limit the application of paragraph 3(1)(9) providing landfill sites with exemptions from taxation.

Accordingly, it appears that the obligation for a municipality to tax its own landfill site is contrary to legislation.

Besides being contrary to legislation, the requirement to "tax oneself" is an unnecessary waste of time. Municipalities must now undertake the paperwork to annually "write off" the taxes associated with their landfill sites.

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Further, the assignment of an assessment value to a municipal landfill site increases that municipality's "weighted assessment" for the purposes of levy funding obligations to external agencies. This is an indirect mechanism to force municipalities to pay more to provincially mandated programs.

Assessment is based on market value. Who would pay to buy a municipal landfill site? Landfill site closure and post-closure costs make them more of a liability than an asset.

Please see pages 26-32 of this Action Plan for more information on the damaging impact of increased assessment to municipal budgets.

Municipalities understand and appreciate the requirement to assess and collect taxes for *private* landfill sites. The requirement to assess *municipal* landfill sites is unnecessary, harmful and illegal.

Recommendation: Discontinue requiring municipalities to "tax themselves" on landfill sites or any other municipal property. These properties are exempt under Paragraph 3(1)(9) of the Assessment Act.

This recommendation is cost neutral to the Province.

TAB

NINE

Ministry of Health & Long Term Care

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MINISTRY OF HEALTH AND LONG TERM CARE

The LRMC congratulates and welcomes The Honourable Minister Christine Elliot to her new role. Although the "health" aspects of this portfolio are largely provincially funded (with the exception of District Health Units/Local Boards of Health), many urban municipalities play a significant role in the provision of long-term care facilities. As the LRMC is made up of small, rural, northern municipalities, our members are not mandated to provide and fund long term care facilities.

Organization of Local Boards of Health

The former Ontario government proposed to reduce the number of Boards of Health in Ontario, and to match their boundaries to the boundaries of the Local Health Integration Networks ("LHIN"s). This is based upon recommendations from an "expert panel" commissioned by the Ministry to review Boards of Health.

The LRMC municipalities support this re-structuring, but only with the caveat that municipalities no longer be obligated to fund District Health Units/Local Boards of Health. Making the jurisdictions more broad takes the "local" out of the picture.

The only property-related services provided by these entities relate to septic system approvals and lake water testing for public swimming areas. All of the other services relate to the prevention and treatment of disease/illness.

As these are non-local services, and are "people" services (rather than "property" services), they should be funded by the income tax revenue stream, and not by the municipal property tax revenue stream.

Recommendation: As Boards of Health/District Health Units provide people-related services rather than property-related services, the Province should assume the majority of the cost of funding them.

Although this recommendation would result in increased costs to the Province, the LRMC municipalities respectfully suggest that efficiencies could be found by right-sizing the entities and by rationalizing the services delivered through these entities as opposed to the other health service delivery organizations.

TAB

TEN

Ministry of Indigenous Affairs

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MINISTRY OF INDIGENOUS AFFAIRS

The LRMC again congratulates and welcomes The Honourable Minister Greg Rickford to this new and very important role. Reconciliation with Indigenous Peoples is a worthy and challenging goal. LRMC members look forward to working with the Province in this endeavour.

Consultation Obligations

Some member municipalities of the LRMC were surprised when, in the wrap-up reporting requirements for the Clean Water and Wastewater Fund ("CWWF") grants for 2017, we were told to provide the Province with proof that consultation with First Nations and Métis on our various projects had taken place. In some cases, the projects that had been funded through the grant, and completed during the construction season, involved very simple maintenance, such as the replacement of culverts and/or application of gravel on rural roads. No mention had been made of such consultation prior to the projects being completed.

At law, the Province of Ontario is the legal entity which has a duty to consult with First Nations and Métis. *Municipalities do not have that obligation.* Faced with the threat that the previously approved grant funding would not be provided without proof of consultation, member municipalities were forced to send letters out to First Nations and the Métis Nation as "consultation", well after-the-fact. Such correspondence is neither meaningful nor respectful, and falls well short of a proper consultation process. Still later, two of our member municipalities were contacted again, and advised that *further* consultation was necessary as there was another Métis organization that should have been, but had not been, consulted. Thus another supposed "consultation" letter had to be sent even further "after the fact".

The Province's obligation to consult with First Nations has been known for many years. Municipalities cannot be expected to undertake this consultation on the Province's behalf. Municipalities do not have the necessary knowledge or resources for this undertaking. The Ministry of Indigenous Affairs should be instructing other Ministries on their consultation obligations, and providing them with appropriate education as to when, how and with whom to consult. If the Province intends to download this obligation to municipalities, it must provide associated training and financial resources.

Recommendation: The Province, and not its municipalities, must recognize and step up to its obligation to consult with First Nations and Métis.

Alternative Recommendation: If the Province expects Municipalities to undertake consultation with First Nations and Métis, it must first provide training and financial resources to enable municipalities to do this properly and respectfully.

TAB

ELEVEN

Ministry of Infrastructure

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MINISTRY OF INFRASTRUCTURE

The LRMC congratulates and welcomes The Honourable Minister Monte McNaughton to his new role. Significant infrastructure funding opportunities from the Federal Government have of late been made available, and the fair and proportionate distribution of those funds to all municipalities, not the least of which are small, northern and rural municipalities like those who make up the LRMC, is critical. Our members look forward to seeing a more equitable allocation of infrastructure grant money than we had seen with the former provincial government.

C) Broadband for Rural Ontario

Member municipalities of the LRMC continue to be extremely frustrated with the level of provision of telecommunication services in our municipalities. This is a "number one" complaint from our constituents. Calls come in on a daily basis. Service is either poor or, in many cases, non-existent. Despite the fact that each of our member municipalities is in very close proximity to the City of Thunder Bay, where residents enjoy fast, reliable and economical telecommunication services, users in our rural municipalities put up with slow, unreliable, expensive and or non-existent services. In some cases, a constituent is told he or she has purchased "high speed" internet service (at an accompanying rate), yet the service is "anything but", and complaints to the telecommunication suppliers fall on deaf ears.

In December of 2016, the CRTC made a huge policy announcement regarding Internet service for all Canadians. By the end of 2021, the CRTC expects that 90% of Canadian homes and businesses will have access to broadband speeds of at least 50 Mbps for downloads and 10 Mbps for uploads. A \$750 million fund to help achieve this objective was announced.

Almost two years have passed, the end of 2021 is now less than four years away, and our member municipalities have not seen progress toward the CRTC's objectives.

There have been several recent announcements of major government investments, sometimes partnering with private interests, to bring high speed Internet to some remote and rural communities. Although the vast majority of our municipalities' 10,000 residents live less than an hour's drive from the fully-serviced City of Thunder Bay, they are not seeing either government investment or private money to improve Internet and/or cellular phone service.

Given the extremely high costs involved with physically extending fibre optic cable, it is unlikely that the CRTC goals will be met, at least not in that manner.

Meanwhile, it appears that satellite internet service providers have been improving their services and speeds, while reducing their prices. Instead of spending millions and millions of dollars on servicing very few households who can benefit from the fibre optic extensions, it would seem to make more financial sense to provide access to high

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speed internet by subsidizing the cost of satellite internet access in remote and rural areas. Even if the long-term goal is fibre optic cable for everyone; satellite access would increase speeds and availability of internet for hundreds of thousands of users "in the meantime".

Recommendation: Partner with the Federal government and/or private partners to provide funding for high speed internet and reliable cellular telephone services for rural Ontarians, including those in our member municipalities. **Any money the Federal Government can provide will save Ontario taxpayers.**

Further Recommendation: Use some of the money set aside for fiber optic cable expansion to expand access to satellite internet service for remote and rural Canadians, either as a permanent solution, or a temporary solution. This will allow more residents to obtain high speed internet in a far shorter period of time.

These recommendations will result in more efficient use of available dollars to benefit a far larger number of people with far fewer dollars.

Enabling Rural Broadband access enables entrepreneurship and economic development, to the financial benefit of all orders of government.

B) Asset Management Planning

This topic, equally applicable to this Ministry as to the Ministry of Finance, is addressed in detail on pages 36-38 of this Action Plan.

C) Funding for Rural Volunteer Fire Fighters and First Responders

Some additional relevant information on this topic is provided on pages 34-36 of this Action Plan. In this section, the focus is on one particular funding application.

Under the *Fire Protection and Prevention Act, 1997* (S.O. 1997, c. 4, as amended), municipalities are required to establish the types and levels of service that are provided to ratepayers, and are responsible for 100% of the funding to deliver those services. One such service is advanced level Auto Extrication using (heavy or hydraulic) Jaws of Life for motor vehicle accidents and many other types of rescues within the municipality, as well as unorganized areas within the Thunder Bay District. Our member Municipality of Shuniah provides such services.

Shuniah is also called upon to provide this service in the unincorporated municipalities adjacent to it. These "territories without municipal organization" are supposed to be looked after by the Province, but distance is a factor, and Shuniah is the closest entity that can (and does) respond.

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Shuniah requires funding to be able to continue to provide services to these large geographical areas that are outside of the limits of the Municipality of Shuniah, without putting its own service area at risk.

The areas supported by Shuniah are often remote, under-serviced and encompass significant distances along provincial highways. Along with First Nation Communities, these areas are travelled by tourists for camping, fishing and hunting as well as pulp and paper facilities. Shuniah Fire and Emergency Services is often requested to respond to emergencies and are typically first on the scene of serious accidents on these highways.

Shuniah may not be able continue to respond in the future outside of its geographical boundaries without additional funding.

For your reference the following will give you an overview of the areas outside of the Municipality of Shuniah where the Shuniah Fire and Emergency Services are called upon to provide essential life saving services:

Hwy 527 – This is a major 238-km stretch of highway that runs from Highway 11/17 to Armstrong, Gull Bay, Obonga Lake and White Sands First Nation Reserve. North American Palladium Mine at Lac des Iles is accessed via this highway. Only the first 12 kilometers of this highway run through Shuniah, and the rest is within unincorporated municipalities with no other fire department that is capable of providing extrication services. Shuniah Fire and Emergency Services respond, if requested by the OPP, or if the Superior North Emergency Medical Service (land ambulance) confirms that Shuniah's specialized services are required to save lives.

Hwy 587 – This is a 48 kilometer stretch of highway that runs from Hwy 11/17 through a portion of Shuniah, and continuing beyond Shuniah's boundaries to the unincorporated municipalities of Silver Islet and Sibley. Most of the highway runs through the Ontario's Sleeping Giant Provincial Park. There is a 10 kilometer piece of highway that runs through Sibley and is serviced by the Pass Lake Fire Department. That Department is not capable of providing heavy auto extrication services, as it has only basic hand tools.

Shuniah Fire and Emergency Services have to call in extra crews when responding to calls outside of its boundaries. The longest response involved travel 231 kilometers north to provide extrication services, as a driver was trapped in a logging truck. The response time was 1 hour and 40 minutes after all the crews and equipment were organized – and in the summer time in daylight hours. With no radio or cellular communication in those areas, Shuniah's satellite phones provided the only links to dispatch other agencies.

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When Shuniah has to leave its own boundaries with its volunteers and extrication equipment to assist the province, it leaves Shuniah at risk. Fewer personnel, and no "jaws of life" remain available to Shuniah residents. Shuniah has applied for a grant that would cover one additional pumper/rescue truck with another set of Jaws of Life equipment for the Shuniah truck that is stationed nearest to Highway 527.

Recommendation: That the Ministry approve a grant application from Shuniah to cover the cost of one set of auto extrication (Jaws of Life) equipment for its emergency response vehicle stationed nearest to Highway 527, in order that Shuniah may continue providing life saving measures on Provincial Highways outside of Shuniah.

This grant will enable Shuniah to continue to assist the Province. Residents of the unincorporated municipalities, and users of the Provincial highways, will lose service otherwise. **It would not be cost-effective for the Province to supply these services directly.**

D) Rural Water Systems

Small water systems are becoming increasingly unaffordable for their users due to excessive provincial legislation and regulations creating additional costs. Following a "one size fits all" approach in the application of the rules, the Ministry is forcing unsustainable water rates in the Municipality of Oliver Paipoonge.

The Rosslyn Village Water System in Oliver Paipoonge was established in the mid-70s. It currently has 32 users and in the past never had many more than that. Twelve years ago the monthly charge was \$50.00, but since then it is jumped 160% to \$130.00. Provincial legislation and regulations aimed at ensuring safe drinking water have added operating activities and capital costs that have driven up the charges, and the trend is continuing. While all can agree the objective of ensuring safe water is worthy, the rules in place are overdoing it. To prepare for a recent Ministry water inspection, the water operator in Oliver Paipoonge had a twenty-eight item to do list, and many of those items had several components. The impact of these requirements on a small water system is considerable. With only 32 users to absorb these "overhead" compliance costs, the charge per user is too great.

Groundwater wells in Oliver Paipoonge have been identified as non-GUDI drawing raw water more than 35m below grade from an aquifer that has a comprehensive source protection plan. There is no history of pathogenic contamination. It would be justifiable to reduce the regulatory burden on systems that have no threat of contamination and have a track record to prove it.

Since closing the infrastructure deficit and asset management planning became the cornerstones of provincial policy regarding municipal infrastructure, "new" infrastructure

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has not been eligible for funding programs. This ignores the reality that, in some circumstances, *something new is what is required to solve a problem*. That is the case for the Rosslyn Village Water System.

Over the years, several residents in the vicinity of the Rosslyn Village Water System have shown interest in joining the system. It certainly has the capacity to supply water to three or four times as many users as it currently serves. The cost of expanding the water distribution system has been the obstacle preventing this from happening.

Being able to secure funding to add users to the system would generate various benefits currently not considered in funding programs. First, residences not on the system who are enabled to join it, would be assured of getting safe drinking water. Many of these residences were built over 40 years ago, outfitted with wells and septic systems, and understandably there are growing concerns about contamination of wells from the septic systems. Secondly, more users of the system would reduce the burden of fixed costs, including those incurred for regulatory compliance, per user and provide financial relief for the 32 current users.

The provincial government employs measures to reduce costs to users for necessities like electricity and gas, so it is legitimate to take actions to reduce costs to users on small water systems.

Recommendation: Reduce the regulatory requirements imposed on small, proven water systems, or, alternatively, provide the operating municipalities who have small-user systems, with financial compensation to avoid unsustainable increased user fees.

Recommendation: Expand infrastructure grant programs to allow *expansion* of small infrastructure systems, such as the Rosslyn Village water system, in order to allow for more users so that costs can be more broadly distributed and become more affordable.

E) Recognizing Private Water and Septic Systems

Privately owned water and/or septic systems are of as much value to their users as are municipally owned systems. Users on communal public systems enjoy a significant financial benefit based on government infrastructure funding programs.

In 2014, the Township of Ignace (with 596 households) received a two million dollar OCIF grant to rehabilitate its sewage treatment plant. This represents value to the homeowner of \$2,857 per household. In 2016, the Town of Rainy River, with 434 households, received a 702,000 OCIF grant to replace watermains. This equates to a benefit of \$1,618 per household.

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It can be expensive for private owners to maintain and improve their wells and septic systems, but the environmental benefit is huge. Communal systems are rarely an option in rural municipalities due to the decreased density of development. Many of the smaller northern towns who have communal systems have infrastructure that was developed when the town had a much larger population.

It is recognized that a fair program to provide funding to assist in the costs associated with infrastructure maintenance, repair and replacement for private wells and septic systems would be difficult to establish. Despite this, our member municipalities feel that it is important to develop something to remove the current discrimination that exists between a resident in a small town on a communal system, and a resident in a small town without a communal system.

Recommendation: Remove the inherent discrimination that exists between urban and rural municipalities in terms of the availability of infrastructure dollars for communal water and septic systems by either:

- (a) Studying the issue and developing an appropriate program to provide grant funding to private septic/well owners/operators; or
- (b) Ceasing to provide infrastructure funding to urban municipalities for communal water and sewage treatment system upgrades; or
- (c) Compensating for this inherent discrimination by providing funding at the same level as is provided to urban municipalities for communal water and sewage treatment system upgrades, to be used for rural road networks or other rural infrastructure systems.

TAB

TWELVE

Ministry of Municipal Affairs and Housing

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MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING

The LRMC congratulates and welcomes The Honourable Minister Steve Clark to his new role.

General Assistance

The Ministry of Municipal Affairs and Housing is our "Municipal" representative at Queen's Park. As he is our rural representative, we look forward to working with Minister Clark on *all* of the issues outlined in this Action Plan.

Part One: Issues Relating to the Housing Portfolio

A) Affordable Housing/Senior Housing

The need for affordable housing and senior housing in the Lakehead Rural Municipal Coalition municipalities is growing. The *Promoting Affordable Housing Act, 2016* (S.O. 2016, c. 25, as amended) passed in December of 2016, and (relatively) recent provincial budget provisions show that the former Ontario government planned to continue to commit to make progress on affordable housing and senior housing. Canada's National Housing Strategy announced November, 2017 by the Federal Government, and the funding plans within in, indicate the Province will have strong support from the Federal Government to improve affordable housing and senior housing throughout Ontario.

Within the LRMC municipalities, there are very few affordable housing or senior housing options for our residents. Historically, affordable housing and senior housing development has been concentrated in the City of Thunder Bay. Rural residents have to leave the communities they care about and move to the City to access these facilities.

Nearly 20 years ago, provincial funding enabled the establishment of a housing facility in the hamlet of Kakabeka, which is located in the Municipality of Oliver Paipoonge. The facilities are owned and operated by the Kay Bee Seniors Non Profit Housing Corporation. Additional provincial help in recent years has allowed the addition of some more units. Currently, there are 34 apartments in 4 separate buildings, which primarily accommodate seniors. Construction of another building with 6 units was recently completed.

The Kay Bee housing facilities give an excellent example of affordable housing and senior housing in a rural community. The member municipalities of the LRMC would like to see more such housing located rurally, and wish to point out why the Provincial Government should be interested in the same goal.

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The primary reason to encourage rural affordable/senior housing is to allow people more freedom of choice in where they want or need to live. It is well known that seniors live and age better in their home communities. Being forced to leave communities, family members, social groups (churches, book clubs, volunteer opportunities, quilting bees, etc.) is not a happy moment for anyone involved. Lower income individuals also need and want accommodation in rural areas. The businesses within our communities employ local workers, and many can only afford wages on the lower end of a pay scale. Allowing for affordable housing near to where they work will provide these workers with additional support by removing the cost of the commute.

Another solid reason to support rural affordable/senior housing development is the lower cost of land in rural communities. More land is available, and there is less demand for it. Land can be a major cost in establishing new housing facilities, and this cost will be lower as one moves away from an urban center.

Recommendation: Ensure that rural communities are included in future provincial affordable housing and senior housing programs.

This recommendation does not require additional provincial spending. It merely requests a more equitable distribution of existing levels of spending.

B) Cancellation of Operating Agreements

In recent years, operating agreements for housing projects funded by the federal and provincial governments have expired, and in future years more operating agreements will be expiring. When operating agreements for housing projects expire, federal and provincial financial support ceases, leaving municipalities as the sole funders for the projects. This situation is a recipe for disaster for social housing.

Housing projects realized under these operating agreements would not have happened without the financial support of both the federal and provincial governments. Federal money paid the mortgages while provincial money paid a portion of the operating costs. Unfortunately shortsightedness resulted in the rule that once the mortgages were paid, the federal and provincial funding ended. This rule ignores the fact that capital needs and operating costs continue long after mortgage debt has been retired.

Requiring municipalities to fund both the capital renewal needs *and* to pay a portion of the operating costs doesn't make any sense. In the first place, municipalities relying on their own resources were incapable of starting these housing projects, so it is inconceivable that municipalities will be able to properly sustain them. The federal and provincial governments need to continue their financial support to ensure these housing projects remain.

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Recommendation: Continue to provide provincial financial support for housing projects undertaken under various past housing programs, and lobby the federal government to continue its financial support.

This recommendation does not require additional provincial spending. It merely requests continuation of existing levels of spending.

Part Two: Municipal Affairs Portfolio

A) Asset Management Planning

This topic, equally as applicable to this Ministry as to the Ministry of Finance, is addressed on pages 36-38 of this Action Plan.

B) Development Constraints & forest Fire Mitigation Requirements

This topic, equally as applicable to this Ministry as to the Ministry of Economic Development, Job Creation & Trade (if not moreso), is addressed on pages 11-13 of this Action Plan.

C) Crippling, Overwhelming Regulatory and Reporting Obligations

This topic, equally as applicable to this Ministry as to the Office of Red Tape and Regulatory Burden Reduction, is addressed on pages 56-57 of this Action Plan.

D) The Lakehead Rural Planning Board

The Lakehead Rural Planning Board ("LRPB") provides planning services to five incorporated municipalities and three rural areas that are unincorporated municipalities. Of late, it is experiencing a significant increase in workload, driven primarily by the expansion of aggregate controls into the unincorporated areas. Planning questions, applications and legal proceedings (in Superior Court and the Ontario Municipal Board) have significantly increased, as have public inquiries and complaints. Dealing with all of these measures is costly, as it often involves the need for professional consulting assistance from planners, lawyers, geo-technical specialists, etc.

The LRPB has not seen an increase in its annual Provincial Funding for 20 years. This funding pays for services of two personnel, office space, supplies and equipment, insurance, legal and other professional fees, mileage and honoraria, and mapping costs. The significant increase in the work load, seen in the past three years, merits an increase in Provincial funding.

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This issue impacts our organized township members as well. The Township of Conmee was required to spend over \$5,000 in consulting fees relating to an aggregate development proposal within its boundaries.

The LRPB members are committed to doing their planning work to the best of their abilities but are finding themselves overwhelmed with the costs of these hearings. Because they relate primarily to the unincorporated areas under the LRPB's jurisdiction, these costs should be borne by the Province. The Board members need to know that the Province completely supports their efforts.

Without that support, the members may have no choice but to dissolve the LRPB. This would be a great blow to the unincorporated areas, whose residents are happy to see planning controls in place. In addition, all Plans of Subdivision in the incorporated areas, which are presently approved by the LRPB, will have to be forwarded back to the Province for approvals. This will see an increased work load for the local office of the Ministry of Municipal Affairs and Housing.

Recommendation: Increase the funding for the Lakehead Rural Planning Board, in recognition of the additional workload it has seen since the Aggregate Resources Act territory was expanded into unincorporated areas of Northwestern Ontario.

While this recommendation results in additional spending, it is spending that ultimately saves the Ministry the costs associated with undertaking the work directly.

TAB

THIRTEEN

Ministry of Natural Resources and Forestry

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MINISTRY OF NATURAL RESOURCES AND FORESTRY

The LRMC congratulates and welcomes The Honourable Minister Jeff Yurek to his new role. Both natural resources and forestry are important facets of northern, rural life and very important to LRMC members.

LRMC members are not sure as yet which functions of Provincial government will remain in this Ministry, and which will be transferred to the Ministry of Environment, Conservation and Parks, under the "conservation" or "parks" portfolios.

A) Aggregate Resources Act Requirements

The *Aggregates Resources Act* (R.S.O. 1990, c. A.8, as amended) governs the operations of pits and quarries in the regulated portions of the Province. Its geographic application was recently amended to include some territories in the Thunder Bay District without municipal organization. Other amendments included adjustments to royalty fee payments and their distribution.

Municipalities, particularly small rural municipalities, are faced with ever-increasing uncontrollable costs (such as mandatory payments to government agencies over whose budgets there is no municipal control), as well as ever-dwindling sources of revenue. In this climate, it is respectfully suggested that Municipal holders of aggregate permits or licenses should be exempt from royalty fees where the pits exist within their own municipal boundaries. Royalty fees are intended to compensate the municipality for road damage. The municipality should not have to pay these fees out, only to receive a portion of them back again. A waiver of the royalties would be an excellent demonstration of understanding of the partnership that needs to exist between municipalities and the Province. This is of even more importance now, given the recent rate increase.

In Southern Ontario, as we understand it, municipalities who operate gravel pits sell the gravel to the private sector. That may be the rationale for imposing the royalty fees. In Northern Ontario, however, this does not occur. Municipalities who operate gravel pits do so for their own infrastructure repair and/or replacement and/or enhancement needs.

Recommendation: Waive royalty fees for Northwestern Ontario municipalities hauling their own material for their own roads.

Last year's increase in the proportion of the royalty fee being provided to the local municipality is appreciated, however, it is respectfully suggested that the Ministry should take this opportunity to increase the royalty fees overall. While it is true that "every little bit helps", the current level of income received by road authorities from royalties makes very little dent in the cost to them to repair the damage to roads that is caused by heavy aggregate hauling.

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Recommendation: Increase the proportion of the royalty fees paid to municipalities, and/or increase the royalty fees paid by road users overall.

Municipalities are not compensated through royalty payments when the Province hauls aggregate from Pits within (or in unincorporated townships adjacent to) their geographic boundaries. This hauling has a direct impact to the road infrastructure. If the private sector has to contribute royalties for the purposes of assisting the Municipality in maintenance of its roads, then the Province should also do the same.

Recommendation: Royalty fees should be paid by the Province when it extracts aggregate within an incorporated municipality and/or hauls that aggregate over municipal roads.

Due to the dramatic increases in possible fine levels for legislative or regulatory violations, the LRMC municipalities recommend that there be a transparent, accountable and widely disseminated investigation process with strict requirements that alleged offenders receive notice of pending charges with an opportunity to comply prior to being formally charged with a violation.

Recommendation: Create and publicize enforcement procedures that include a requirement to provide notice of an alleged offence, together with an opportunity to voluntarily correct it, prior to taking enforcement action.

The LRMC municipalities strongly recommend that an obligation be imposed on all operators of licensed or permitted aggregate resource sites to require them to have and to use scales to accurately weigh the material in vehicles that are leaving or entering their sites. Vehicles should be required to carry with them the weight, recorded through these scales, and to provide the weight evidence to law enforcement officers upon request. This will prevent pit operators from under-estimating and/or under-reporting the tonnage of material that leaves their sites and/or short changing a customer. Without scales, there is no way to confirm whether or not this is the case. One of our members has investigated the cost of weigh scales, and they are not onerous. Portable scales can be purchased at a fraction of the cost that permanent scale installations impose. It behooves the regulators and the operators to ensure accurate and timely record of the aggregate tonnage in all circumstances.

Recommendation: Make weigh scales obligatory in all operating pits.

There is a proposal to increase record-keeping requirements on the pit operators. LRMC municipalities are opposed to this when it relates to the pits that we operate for our own purposes. Imposing more record-keeping requirements on our road department staff causes difficulties and inefficiencies which interfere with our ability to "get the job done". Ontario's municipalities are, and have been for some time, under

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significant pressure to “do more with less”, yet increased record keeping and reporting obligations keep interfering with our ability to do just that. Provided that proper weight measuring and recording is undertaken, that should be sufficient for the Ministry's requirements.

Recommendation: Do not require increased record-keeping for municipally operated pits and quarries.

B) Conservation Land Tax Incentive Program

This topic, equally as applicable to this Ministry as to the Ministry of the Environment, Conservation and Parks, is addressed on pages 22-23 of this Action Plan.

C) Conservation Authorities Act

This topic, equally as applicable to this Ministry as to the Ministry of the Environment, Conservation and Parks, is addressed on page 24 of this Action Plan.

TAB

FOURTEEN

Ministry of Transportation

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MINISTRY OF TRANSPORTATION

The LRMC congratulates and welcomes The Honourable Minister John Yakabuski to his new role. Provincial transportation networks intersect with the municipal road networks in all of the LRMC member municipalities. To that end, we interact with our colleagues at MTO on a regular basis.

Distracted Driving – 2-Way Radios

Northern and rural municipalities have small populations, with large geographic areas. Many are within very rugged terrain, which impedes cellular telephone and/or internet communications. Public Works crews use and rely on 2-way radio systems to speak with one another. This is essential, not only for efficient workdays, but also from a health and safety perspective.

Ontario Regulation 366/09 provides an exemption for Municipal Staff from the general prohibition under the *Highway Traffic Act's* (R.S.O. 1990, c. H.8, as amended) for the use of hand-held communication devices while driving. The exemption, however, is time-limited. It had been due to expire at the end of December, 2017, but was amended to provide that the exemption will remain in place for a further three years.

Believe it or not, there is at present no reasonable alternative technology available for our Public Works teams to be able to rely on for communications.

With the greatest respect, what is required for our member municipalities is a permanent exemption. Should another technological "fix" be developed, the Regulation can be amended at that time. It does not make sense to have to keep following up with time extensions to the exemption.

Recommendation: Delete Subsections 11(3) and 13(2) of Ontario Regulation 366/09, providing a permanent exemption which will allow municipal road works crews in rural northwestern Ontario to use hand-held 2-way radios for essential communications in road maintenance and repair vehicles and equipment.

TAB

FIFTEEN

Red Tape & Regulatory Burden Reduction Office

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RED TAPE AND REGULATORY BURDEN REDUCTION OFFICE

The LRMC congratulates and welcomes Deputy Minister Giles Gherson to his new role. We are especially pleased that a portfolio was established for this important function. While red tape, bureaucracy and regulations work to impede the private sector from economic development initiatives in Ontario, there are many policies, rules and codes of practice that impede the proper operation of municipal government as well.

Crippling, Overwhelming Regulatory Reporting Obligations

This is an ongoing issue and continues to be a significant problem. Although the LRMC brought this to the attention of the former Ontario government on many, many occasions, the over-regulation continues and the government laid on more requirements on top of those that were crippling us in the past. This is overwhelming for small rural municipalities with limited staffing.

The most recent example of (yet more) reporting obligations came with new regulations under the *Fire Prevention and Protection Act, 1997* (S.O. 1997, c. 4, as amended). Municipalities and their Fire Departments are already obligated to report to the Province on many issues, and the latest regulations created "yet more" reporting obligations.

The Provincial government ministries operate independently and their rules and structures often cause issues for municipalities, particularly small rural municipalities. In addition, each ministry imposes upon municipalities its own reporting obligations on various matters under municipal jurisdiction, and all of these reports involve different web-based (or otherwise) software, different forms, different information and significant workload. There is a great deal of duplication in these reporting requirements – some that is direct, and some that is "slightly" different, depending on which Ministry is seeking the information.

The Association of Municipal Managers, Clerks and Treasurers of Ontario ("AMCTO") released a study – some time ago now - on the reporting burden upon Ontario's municipalities. The LRMC adopts the following conclusions of AMCTO in that report:

1. Reporting negatively impacts service delivery and prevents municipalities from innovating and preparing for the future;
2. Reporting is excessive and onerous;
3. The purpose of reporting is often unclear;
4. Municipal-provincial reporting is highly fragmented; and
5. Municipalities think reporting is important.

The LRMC recommends that the Province centralize data collection to a "one-window" function with a consistent software and format for any and all reports required by the

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Province. Municipalities can post information to this single window, and the various Provincial Ministries or agencies that require the information can download it and use it for their own purposes.

If all Provincial reporting obligations were centralized to a single data-entry report system, this would save time and be far more efficient for municipalities, and would involve fewer Provincial staff time associated with reviewing multiple (and duplicative) information formats.

Without listing all of the reports that our members are forced to provide to the Province on a regular basis, a read-through of this Action Plan highlights only some of these problematic requirements, such as:

- New and onerous fire department reporting requirements
- Asset management reporting requirements
- Indigenous consultation requirements
- Aggregate Resources Act proposed new reporting requirements
- Taxation of municipal landfill sites
- Water treatment facility reporting requirements

Readers are referred to the AMCTO study, which identified close to 100 reports sought by various arms of the Province. Since that report is now dated, and since no reporting requirements have been deleted, and many more have been layered on, the number has surely climbed since then.

As this Action Plan demonstrates, rural municipalities are seeing more and more red tape and reporting obligations, with less and less revenue (decreased OMPF grant funding, removal of land from assessment under the Conservation Land Tax Incentive Program, development constraints restricting assessment growth, etc. etc.).

Think of all the valuable work that could be undertaken, and services provided, if this bureaucratic red tape could be reduced or eliminated.

Recommendation: Work with all ministries that require municipal reporting to evaluate the reports as to their utility and continued relevance.

Further Recommendation: Create a one-window reporting system for all municipal data that is required, in order to ease the reporting burden and **provide greater operating efficiencies for both municipalities and the Province.** Entering our data once in a format that any/all Ministries can access if and when needed is far more efficient for both levels of government.

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APPENDIX: Contact information

Please note some elected official contact information may change after November 30, 2018, based on the result of the Municipal elections scheduled for October 22.

All telephone/facsimile numbers have area code 807.

The Corporation of the Municipality of Neebing

4766 Highway 61, Neebing, P7L 0B5
Phone: 474-5331 Fax: 474-5332
Email: neebing@neebing.org
Website: www.neebing.org

Mayor: Ziggy Polkowski
Email: Mayor@neebing.org
Solicitor-Clerk: Rosalie Evans
Email: clerk@neebing.org (office)
Treasurer/Deputy Clerk: Erika Kromm
Email: deputyct@neebing.org

The Corporation of the Township of Gillies

Mail: R.R.#1 Kakabeka Falls, P0T 1W0
Physical: 1092 Highway 595 in Hymers
(inside Whitefish Valley Public School)
Phone: 475-3185 Fax: 473-0767
Email: gillies@tbaytel.net
Website: www.gilliestownship.com

Reeve: Rick Kieri
Clerk: Jenna Hakala
(same email as the main office)
Treasurer/Deputy Clerk: Laura Jones
(same email as the main office)

The Corporation of the Township of O'Connor

Mail: R.R.#1 Kakabeka Falls, P0T 1W0
Physical: 330 Highway 595
Phone: 476-1451 Fax: 473-0891
Email: twpoconn@tbaytel.net
Website: www.oconnortownship.ca

Mayor: Jim Vezina
Email: jmvs@tbaytel.net (home: confidential)
Clerk-Treasurer: Lorna Buob
Email: twpoconn@tbaytel.net
Deputy Clerk-Treasurer: Linda Racicot
Email: (same)

The Corporation of the Township of Conmee

Mail: R.R.#1 Kakabeka Falls, P0T 1W0
Physical: 19 Holland Road West
Phone: 475-5229 Fax: 475-4793
Email: info@conmee.com
Website: www.conmee.com

Mayor: Kevin Holland
(Vice Chair of LRMC)
Email: mayorholland@conmee.com
CAO/Clerk: Pat Maxwell
Email: conmee@tbaytel.net
Treasurer: Laura Bruni
Email: conmeelaura@tbaytel.net

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The Corporation of the Municipality of Oliver Paipoonge

3250 Highway 130, Rosslyn, P7K 0B1
Phone: 935-2613 Fax: 935-2161
Email: (no generic email)
Website: www.oliverpaipoonge.ca

Mayor: Lucy Kloosterhuis
(Chair of LRMC)
Email: mayor.lucy@tbaytel.net
CAO/Clerk: Wayne Hanchard
Email:
wayne.hanchard@oliverpaipoonge.on.ca
Deputy CAO: (vacant)

The Corporation of the Municipality of Shuniah

420 Leslie Avenue, Thunder Bay, P7A 1X8
Phone: 683-4545 Fax: 683-6982
Email: shuniah@shuniah.org
Website: www.shuniah.org

Mayor: Wendy Landry (cell: 626-6686)
Email: wlandry@shuniah.org
CAO: Paul Greenwood (cell: 708-0199)
Email: pgreenwood@shuniah.org
Clerk: Nadine Hunley-Johansen
Email: nhunley@shuniah.org