

Request for Decision United Townships of Head, Clara & Maria Council

Type of Decision									
Meeting Date	Friday, September 11, 2015				Report Date	Friday, August 28, 2015			
Decision Required		Yes	x	No	Priority	X	High		Low
Direction		Information Only		x	Type of Meeting	X	Open		Closed
<h2>Clerk's - Report #11/09/15/801-2</h2>									

Subject: Association and Legislative Reviews

The following reports are available on line or in printed versions in the office if you would like to review them.

1. AMO – What’s Next Ontario – Membership Engagement Study – dated August 17, 2015
 - a. <http://www.amo.on.ca/Advocacy.aspx?searchtext=what%27s+next+ontario+&searchmode=exactphrase&date=0;&issue=0;&category=0;>

AMO’s What’s Next Ontario is a concerted effort to survey Ontario municipalities in an attempt to create a foundation and case to sway the provincial government into making significant changes which will increase municipal revenues and ensure sustainability over the long term. Sessions took place during this summer with over 739 responses (HCM submitted on-line comments).

The challenge is that “assuming all other revenues remain stable and services remain unchanged, property taxes will need to increase by an estimated 8.35% per year for the next ten years to meet operating needs and close the estimated \$60 billion infrastructure investment gap.” With property taxes based on property values and the fixed incomes of many seniors increasing property taxes is not sustainable.

AMO is looking to expand upon 2005’s Municipal/Provincial Fiscal and Service Delivery Review where the province agreed to upload costs of social assistance costs which should have been on the provincial dime in the first place. These are still occurring. AMO is asking what’s next?

From the report “Despite the uploads, Ontarians still pay the highest property taxes in the country. At the same time, Ontarians also pay for services that are paid for by province in other parts of the country.”

Municipalities still only receive 9 cents of every tax dollar collected from Ontarians; yet we are required to do more and more as dictated by the province. OMPF reductions are not being offset, provincial clawbacks and failure to change arbitration and liability laws are further eroding the municipal property tax base.

The result of this first part of the process is that AMO will establish a committee, in September, to carefully explore potential options and their impacts on municipal fiscal sustainability with a goal of making the province more responsible for costs for services they demand or have downloaded to municipalities. We will likely be called upon to support this process moving forward prior to it being presented to the province for action.

2. What’s Next Ontario – A Fiscal Overview – June 2, 2015 (Revised)

This document outlines the financial tools available to municipalities for many areas of responsibility.

MTO documents indicate that Ontario municipalities operate 63 transportation systems and 81 specialized transit systems. These municipalities receive 2 cents per litre of gas sold in Ontario, through the Ontario Gas Tax program.

(Note***It is recommended that HCM make a submission to AMO for support to request that the province look at spending a similar amount of money to provide emergency auto extrication services along provincial highways.)

Waste Management is mainly a municipal responsibility with more than 50% of Blue Box programs, most of Household Hazardous waste programs and 100% of green bins, garbage collection and disposal.

Policing costs are the highest in the country with 86% of those costs being labour. Crime stats have been decreasing with officers responding to non-criminal situations most of the time. The province needs to do something to curb the continuing escalating costs of policing.

Fire services are in a similar situation with main costs in labour and benefits with the demand for fire suppression actually decreasing on a steady basis and despite a growth in population.

The growing population has undoubtedly affected the reduction in crime rates and is correspondingly contributing to the increased costs of emergency medical services. The health care system is a provincial responsibility with provincial dollars covering half of the costs of municipal ambulance services.

The report continues to discuss funding and cost sharing for social assistance, child care, infrastructure, roads and bridges, long-term care, public health and affordable housing.

The bottom line is that with normal growth and demand for services, all else remaining the same, property tax increases of 4.51% annually will be required for the next ten years just to meet demand, many services meeting provincially mandated levels. (A larger increase is required to meet the current infrastructure deficit.)

The report goes on to review existing revenues and financing systems noting once again the fact that only 9 cents of every Ontario tax dollar goes to municipalities. (Currently 44 cents is the provincial share with 47 cents going to the Federal level.)

They talk about how property tax rates are increasing in northern and rural Ontario at a rate higher than the provincial average and discuss the effects of OMPF reductions. They recognize that like HCM, in half of Ontario municipalities, a 1% rate increase earns less than \$50,000. I like the quote "a million dollar bridge is a million dollar bridge, no matter where it is located in the province. Many smaller municipalities have many such bridges."

They speak to the fact that property taxes are volatile, due to market fluctuations and regressive; how much you pay has no bearing on how much you have or earn but instead on the value of property. Although the property may increase in value, as people age, they are often in a position of fixed income making this visible tax unfair.

AMO discusses how many municipalities are now relying on federal and provincial infrastructure funding programs to complete necessary work; much of it replacement and expansion. Maintenance funds come from municipal revenue sources only.

Other funding sources discussed include the Ontario Municipal Partnership Fund, municipal borrowing and debt, development charges, user fees and the Federal Gas Tax program. The point of this review is to develop a proposal for moving forward to fiscal sustainability for the province as well as municipalities. The

province does not have the finances to meet its own needs let alone support all municipalities. AMO is suggesting that all alternatives be looked at including: property tax increases, service level reductions, grant programs, permanent taxation for municipalities – percentage of sales tax, gas tax from federal and/or provincial levels, uploading of more costs, and increased use of shared service agreements, development charges and other tax tools such as those in the City of Toronto Act.

3. Municipal Legislative Review – Municipal Financial Sustainability Webinar – Existing Financial Tools – MMAH

HCM was noted in the “Existing Financial Tools” Webinar in July 2015 as having the lowest 2013 Residential Municipal Taxes per Household for Eastern Ontario. The average was \$1,827, with Ottawa the highest at \$2,893.

We do need to recognize that this is in a large part due to our rural composition with no fire department, paved roads, water/sewer or other major infrastructure. Although we do strive to keep our taxes low, the services and level of services we offer certainly affect this rate.

Although not noted on their charts (used Stormont, Dundas etc. at \$1.15) HCM should also be recognized as having 0 debt per household.

The Existing Financial Tools webinar is a tool being used by MMAH to request thoughtful comment from municipalities as to how the Municipal Act might be changed to allow municipalities to become better fiscally sustainable. They want to know what is working, what isn't and more importantly what changes might be made to the act and the existing tools to make them more effective.

In reviewing these tools, it should be noted that many simply do not apply here. We do not have transit to apply fare increases or area rating. We do not have recreation facilities with which to increase user fees. We do not have significant development to warrant development charges. We have limited opportunity for shared services due to logistics and proximity to neighbours.

We have few licenses and permits and those we do have we currently charge fair fees. We have implemented user fees for garbage – some improvements might be made there. We have healthy reserves.

For all intents and purposes HCM is in decent financial shape. One area in which we might improve is by investing reserves which will not be required within 12 – 18 months. (Staff is working on finalizing administrative tasks to make these investments.)

Another financial tool touted by the provincial government is the creation of municipal corporations, with or without partners to jointly construct facilities and/or provide services. I believe that this might be a way to work with Deep River and Laurentian Hills on projects such as seniors housing/services, transportation, economic development and/or waste management however; the will needs to be there. This would not be a simple task and one which would depend on each municipality having its own priorities in place prior to working together.

For special projects of significant size and impact, capital levies are allowed. This would include a ‘special’ component of the property tax being implemented to raise funds for a specific purpose and time. At this point in time there does not seem to be any such use for this tool in HCM.

Although this is an important review, there does not seem to be much in the way of need or impact for HCM at this time. It appears that the tools we have, meet our current needs as would be accepted by our residents and ratepayers.

Outside of the scope of this review, the changes which would improve HCM's financial outlook would include: the province streamlining and reducing costs of OPP; changing arbitration rules so that policing and other emergency service costs do not continue to escalate at ridiculous rates; reforming municipal liability

and the continuance of the “deep pocket syndrome” lowering insurance costs and court/settlement awards; continuing to upload promised costs of social assistance, court costs, and land ambulance; assume responsibility for tax rebate incentives for farm lands and managed forests; stop clawbacks such as those being suggested for power dams; reduce Emergency management demands; and compensate municipalities such as HCM for vacant Crown land.

4. Building Ontario Up – Moving Ontario Forward – Outside the GTHA

The Minister of Economic Development, Employment and Infrastructure is looking to spend “a significant amount of funding” a component of \$15 billion, available to meet local needs and economic development “in our area”. The goal is to design infrastructure programs which will have a significant impact across Ontario. We have until September 18 to submit our responses electronically.

I have included the entire paper as an attachment to this report for your reference. More info may be located at <https://www.ontario.ca/page/infrastructure-consultation>.

RECOMMENDATION

WHEREAS The Minister of Economic Development, Employment and Infrastructure is requesting under the Building Ontario Up – Moving Ontario Forward – Outside the GTHA program responses from Ontario municipalities to the question where can we best spend infrastructure dollars to meet local needs and economic development “in our area”;

AND WHEREAS issues of concern for Head, Clara & Maria Council as described in their Strategic Priorities list and as a result of its public meeting concerning the dissolution of the North Renfrew Emergency Response Unit include the following;

THEREFORE BE IT RESOLVED THAT the Council of the United Townships of Head, Clara & Maria does hereby submit for ministry consideration the three priorities listed in the attached document as discussed and amended at its meeting of Friday, September 11, 2015;

AND FURTHER THAT it directs staff to forward this document to the Minister, the Premier and our local MPP Mr. John Yakabuski.

Priorities for HCM:

- High speed broadband – although the Eastern Ontario Regional Network was created to provide equitable reliable broadband service to most of Eastern Ontario, it stopped kilometres from our doorstep. Our residents do not have access to high speed and have to rely on inadequate and expensive service through satellite or mobile. Although your report indicates that it will dedicate funding to “next generation signature investments that enhance economic growth...ultra-high speed broadband” there are still some of us who do not have much more than dial up; or if our packages allow for more than that it comes at exorbitant monthly cost. This is a serious detriment to not only economic but also residential growth within our community.

Internet has moved from a “nice to have” to a “must have” with more and more government, financial and educational resources available only on-line. Simply because we have a sparse population we are restricted to deficient levels of service and high prices. As FCM reports “all orders of government need to continue working together to develop a long-term broadband plan for rural Canada.”

Upon completing some research, our levels of service meet those of Nunavit however; we are considered “southern Ontario” for most other purposes including OMPF allocations. Where is the fairness? We are willing to look at different/alternative solutions and contribute financially to a solution. We do require assistance from the provincial government in completing this task.

This project will meet many of your program objectives for our rural residents namely:

- a. improve the competitiveness of Ontario’s communities;
 - b. enhance productivity of local residents and businesses;
 - c. create jobs (many residents would like to work from home on consulting projects but are simply not able);
 - d. promote innovation by having someone develop an innovative solution to our problem;
 - e. develop new economic opportunities; and
 - f. address critical needs.
- 4 laning highway 17 into Chalk River. That while construction is continuing with 4-laning highway 17 to Renfrew (phase two of Highway 17 expansion from Division Street in Arnprior to Scheel Drive in McNab/Braeside Township...acquiring property for phase three, which will extend the four-laning another 17 kilometres, and phase four, which will add 5.3 kilometres to bring the freeway to just west of Bruce Street in Renfrew.) work continue to acquire property and plan for eventual expansion to Laurentian Hills at Chalk River to alleviate bottle necks and high traffic volumes due to travel to Garrison Petawawa and Chalk River Laboratories.
 - A third priority for HCM would be to have the province assume responsibility for emergency automobile extrication services for the entire underserved provincial highway system across Ontario. Currently, many kilometres of highway has no proper protection putting the lives of the travelling public at risk. Many small rural municipalities are in a position such as ours where our neighbours no longer wish to provide this service outside of their own municipalities. With increased liability, costs of staffing, training and equipment it is no longer feasible for municipalities to provide this service to their neighbours. Many locations then are without this service.

The travelling public assumes that this service is being provided by someone. More and more it is not. The province owns (or has downloaded) the highways, maintains them, performs construction, polices them etc. and should also provide auto-extrication services.

Financial Considerations/Budget Impact:

None at this time.

Policy Impact:

As per policy.

Others Consulted:

The above listed papers, Council’s list of Strategic priorities, Council minutes of previous meetings.

Approved and Recommended by the Clerk

Melinda Reith,

Municipal Clerk

Melinda Reith

