



**Northwestern Ontario Municipal Association
Kenora, Rainy River and Thunder Bay Districts**

**P.O. Box 10308
Thunder Bay, ON P7B 6T8
Phone: 807.683.6662
Email: admin@noma.on.ca**

**PRESENTATION TO THE STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

PRE-BUDGET CONSULTATIONS

**WEDNESDAY, JANUARY 27, 2010
BEST WESTERN MOTOR INN, DRYDEN, ON**

Good morning. My name is Michael Power. I am the Mayor of the Municipality of Greenstone and the Past President of the Northwestern Ontario Municipal Association. Our President, Mayor Anne Krassilowsky, regrets her absence but she was already committed to a meeting in another part of the Province today.

Our time today does not allow us to present all of the issues that bedevil Northwestern Ontario so we have chosen to focus on several key items. Please do not think these are our only issues.

We are well aware that the Province of Ontario is facing difficult economic times. The Municipal Order of Government is also facing extremely challenging times. It has been referenced that almost 48% of the workforce in Northwestern Ontario is out of work. In some of our communities, that translates into 60% unemployment.

Many northern communities are single industry towns and we have been facing the effects of the recession for almost five years now. This means that the mills are closed and in some cases demolished, leading to a total lack of industrial assessment. When you combine that with the lack of jobs you can easily translate that into declining tax revenues. This makes it exceedingly difficult to maintain the services that people need and want. We have also seen the dislocation that comes with one member of the family moving away to find work, thus disrupting the family unit.

We say this because we at the municipal order are always nervous that you will decide to 'give' us more responsibility without the corresponding revenue stream. Do not try to balance the Provincial books on the backs of Municipalities.

We appreciated the outcome of the Provincial Municipal Financial Review negotiations. We encourage the government to get on with the Ontario Municipal Partnership Fund negotiations as was promised at that time. In the interim, it is vital that the current OMPF and the Mitigation Fund remain in place for Northern Municipalities. We again ask for an increase in the Northern per Household of \$ 75.00.

We look forward to the increase in the Northern Ontario Heritage Fund budget to \$90 million in the 2010-2011 Provincial Budget. This is extremely important to us and any reduction in this commitment would have a significant impact.

We do not intend to deal with the HST. You are well aware of the views of the citizens of Ontario. We would ask again that you look at the impact on Northern Ontario that was never intended, especially as it will affect the cost of home heating in our usually long and cold winters.

A very important issue for all of Northern Ontario is the Grow North Plan. As you know, the draft plan has been released and consultations are being conducted to collect feedback that will be included in the final plan. We are pleased that the North is being made a priority for the Places to Grow process and we are currently finalizing the NOMA submission.

What is vital is to ensure that funding is in place, immediately, to implement the action items that will be contained in the Grow North Plan. We cannot afford to put the Grow North Plan on the shelf while we wait for money to get started. Budget 2010 must contain sufficient funds to continue to move the Grow North Plan forward.

An important part of the Grow North plan relates to energy. When the original Integrated Power System Plan was presented, there was virtually no mention of the Northwest. NOMA, Atikokan and the City of Thunder Bay intervened before the OEB and caught the attention of the OPA, Hydro One Networks and the Ontario Government. Minister Smitherman recognized our concerns and asked Hydro One Networks to come up with a plan for the upgrading and linking of transmission facilities in the Northwest. NOMA is generally supportive of the plan and has detailed our position in a resolution that is attached, as well as a map showing the options.

We raise this with you as this project requires significant financing. As noted in the Grow North Plan draft: "The Province, working with the Ontario Power Authority and Hydro One, will invest substantially to upgrade the transmission network and increase capacity for the development of renewable energy projects across Northern Ontario. \$2.3 billion in province-wide investment is already committed over the next three years, nearly half of which will be spent on projects which are in Northern Ontario."

It is essential that these upgrades be treated as a package not just a one-off for short term gain. It is also important to note that these upgrades, particularly those in the western portion of the region will facilitate transmission capacity sufficient to connect many remote First Nations to the grid.

The 2009 Ontario Budget provided \$32.5 billion dollars in Infrastructure Stimulus Funding over two years. This funding was greeted with excitement by municipalities across the province. However, due to one-third contribution requirements and shortened construction timeframes, some municipalities that were approved for funding have been unable to proceed with their proposed projects.

It is vital that these funds continue to be used for their original intent of infrastructure renewal – NOT returned to the government coffers! Many Northwestern Ontario municipalities continue to have “shovel-ready” projects that should be considered to ensure the best use of any remaining Infrastructure Stimulus Funds.

In addition, we would like to echo the concerns of the Federation of Canadian Municipalities relating to the time limit for completion of ISF projects. Despite best intentions, the majority of projects that were approved were not finalized until July 2009, as such valuable construction time was lost due to no fault of the municipalities. We therefore strongly recommend that the time frame for project completion be extended to October 31, 2011. This will ensure that all projects have two full construction seasons as promised when the Infrastructure Stimulus Fund program was announced.

Forestry and the Forest Sector Industry continue to be an important issue in Northwestern Ontario. We are heartened to see that the new Ministry of Northern Development, Mines and Forestry appears to be willing to look at this whole area with ‘new eyes and thoughts’. We do have to ensure that the allowable harvest is protected for the future. The fact that we are not currently harvesting the total allowable cut should not have the Provincial Government thinking it is not needed. When we change the forest industry from its historical basis to the new forest economy this total allowable cut will be needed. Reducing the allowable cut will then be seen to have been short sighted and detrimental to the sector and the economies of the Province of Ontario and Northwestern Ontario. A new Forest Tenure

system is vital - a system that takes into account the interests of communities, First Nations, contractors, tourism operators and environmental groups will go a long way to creating a viable and sustainable industry going forward. This commitment by the Ontario Government requires resources and the 2010-2011 budget needs to ensure that financial resources are in place to achieve this very desirable goal.

Non-Emergent Patient Transportation concerns have become increasingly frustrating and expensive for our members. Municipalities are currently directing and funding Emergency Medical Services (EMS) to provide emergency service that aligns with police and fire services.

At this time, EMS in Northwestern Ontario performs two types of patient calls: emergency and non-emergency. In both cases, patients are transported by paramedics using an ambulance. EMS are designed, mandated and funded to provide emergency assessment, treatment, and transportation services.

However, for communities outside of the City of Thunder Bay there is no alternative transportation service to provide non-emergent transportation. An example of non-emergent transportation would include transferring a patient who is in no immediate distress but needs expanded treatment from the hospital in Marathon to Thunder Bay Regional Health Sciences Centre - a 3 hour trip one-way. So, EMS is called to provide a "taxi service" to this patient to get him or her from point A to point B.

The problem is that each time a non-emergent transfer request is filled there is a compromise in the ability of EMS to provide emergency service. In many of the smaller rural communities, there is only one ambulance at any given time. As such, when paramedics are dispatched for a non-emergency call, there is no back-up ambulance available when a 911 call comes in. In many of these cases, an ambulance that is in transit with a non-emergent patient will be called back to the community to assist with the emergency, leading to significant delays for the emergency patient, and often leaving the non-emergent patient stranded. The provision of non-emergent transportation by EMS is not only highly inefficient and ineffective, but also unreliable, causing frustration on all sides. In some of our communities as much as 50% of their emergency service funds are being used to provide non-emergent transfers. This is unacceptable and unaffordable.

In Southern Ontario, this problem has been largely reconciled by private medical transportation organizations that provide service on a user-pay basis. These companies employ attendants with minimal training and the vehicles used are generally decommissioned ambulances or vans with scant medical equipment. Many Southern Ontario hospitals have set standards and expectations for their providers as the province does not regulate this industry. We believe this is an appropriate method to transport non-emergency patients.

The solution to this problem is a separate infrastructure, similar to those in Southern Ontario, which would focus on non-emergency transportation. The current system where EMS funds intended for emergency services are being used to provide non-emergency transportation is not in the best interest of either the patient or the taxpayer. We offer our knowledge and assistance to you to build a viable solution for the betterment and health of all concerned.

On behalf of all the organized municipalities in Northwestern Ontario I want to thank you for taking the time to hear some of our concerns today. I look forward to a fruitful question and answer session.

Appendices

1. Energy Transmission Option Map
2. NOMA Resolution: Ontario's Energy Transmission Plans

NOMA Board Resolution
Ontario Energy Board Application by Hydro One Networks

Whereas the production, transmission and distribution of electricity is a key part of the Northwestern Ontario economy, and

Whereas NOMA, Atikokan and the City of Thunder Bay have been interveners before the Ontario Energy Board on the matter of transmission plans for Northwestern Ontario, and

Whereas Hydro One Networks, on a request from the Ontario Minister of Energy has developed a plan for the upgrading and linking of transmission facilities in the Northwest, and

Whereas these same plans are referenced in the draft of the Grow North Plan,

Therefore be it resolved that NOMA endorse Hydro One Transmission's proposal to construct a line from East of Nipigon to Pickle Lake with connection to the Little Jackfish hydro-electric generating facility, and

That, in its intervention, NOMA indicate that the plan must be modified to provide, at Hydro One Network's expense, a transmission station or stations, designed to provide service to the Communities of Whitesand First Nation, Armstrong and Gull Bay First Nation, and that the station be designed to provide sufficient power to upgrade the existing line from Beardmore to the Longlac TS and to power the future line to the Ring of Fire.

Further be it resolved that NOMA register as an intervener and that prior to any commitment for the expenditure of funds, approval by the Board be obtained.

January 15, 2010

**NOMA Board Resolution
Ontario's Energy Transmission Plans**

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Whereas NOMA, Atikokan and the City of Thunder Bay have been interveners before the Ontario Energy Board on the matter of transmission plans for Northwestern Ontario, and

Whereas Hydro One Networks, on a request from the Ontario Minister of Energy has developed a plan for the upgrading and linking of transmission facilities in the Northwest, and

Whereas these same plans are referenced in the draft of the Grow North Plan,

Therefore be it resolved that NOMA endorse the East of Nipigon to Pickle Lake line as outlined in the Northern Ontario Growth Plan conditional on the following:

1. The Little Jackfish hydro-electric project being approved and constructed; and
2. that the plan be modified to provide, at Hydro One Network's expense, a transmission station or stations, designed to provide service to the Communities of Whitesand First Nation, Armstrong and Gull Bay First Nation; and
3. that the station be designed to provide sufficient power to upgrade the existing line from Beardmore to Longlac and Nakina and to power the future line to the Ring of Fire.

Further be it resolved that the Pickle Lake to Ear Falls lines be upgraded and a Pickle Lake to Dryden 230KV line be constructed within the next ten years, as per the assessment by Hydro One Networks, and that the proposed construction of the Thunder Bay-Kenora and Nipigon-Wawa lines proceed as outlined in the Hydro One Network Plan.

January 15, 2010