

Policy

Compendium

BACKGROUND:

Municipalities across Ontario are experiencing surging insurance costs. Northwestern Ontario municipalities have seen an average increase of 21.5% for 2021 over 2020 costs. This is unsustainable and has the potential to bankrupt some municipalities if left unbridled. Many communities in Northwestern Ontario are small and experience greater difficulty managing such increases. They are unable to cover additional costs and their only option is to make sacrifices in other areas by reduce services or increase municipal property taxes.

The higher rates, more restrictive coverage terms, and increased deductibles are largely due to a hardening of the insurance market from a shrinking pool of insurers, post-pandemic uncertainty, climate change, and cyberattacks. Climate change and cyberattacks have forced insurance companies to recalculate their rates in the face of a more uncertain future and further examination of these factors is needed to better calculate their actual risk. Additionally, low prime-interest rates and bond yields are diminishing investment returns for insurance companies, leading to premium hikes to meet shareholder demand. The legal requirement for municipalities to have joint and several liability is a factor in the increases, as these types of claims have intensified in recent years. The unfortunate reality is if one defendant is unable to pay, the other can be held wholly responsible for a particular incident and municipalities are often targeted deliberately as they have the deepest pockets.

RECOMMENDATION:

WHEREAS municipal governments provide essential services to their communities and their ability to provide those services is negatively impacted by the exorbitant rise in insurance costs;

AND WHEREAS one of the drivers of rising insurance costs is joint and several liability, which assigns disproportionate liability to the municipality for an incident relative to their responsibility for it;

AND WHEREAS the Government of Ontario has the authority and the responsibility for the legal framework of joint and several liability;

AND WHEREAS the Premier of Ontario committed to review the issue in 2018 with the view of helping municipal governments manage their risks and costs;

AND WHEREAS the Association of Municipalities of Ontario on behalf of municipal governments has provided seven recommendations in its report titled "Towards a Reasonable: Addressing growing municipal liability Page 9 of 19 Council Minutes January 26, 2022 and insurance costs" dated October 1, 2019 to align municipal liability with the proportionate responsibility for incidents and capping awards;

THEREFORE BE IT RESOLVED THAT the Northwestern Ontario Municipal Association hereby supports AMO's recommendations

FURTHER BE IT RESOLVED THAT the Northwestern Ontario Municipal Association does hereby call on the Attorney General of Ontario to work with municipal governments to put forward a plan of action to address joint and several liability before the end of the government's current term to that municipalities can continue to offer high quality services to their communities.

Adopted April 2022

Resolution 2022-02: Housing Development Support
SUBMITTED BY: Kenora District Municipal League

BACKGROUND:

The City of Kenora has demonstrated housing needs across the continuum; Current NOHFC programs do not consider support for residential projects to be an eligible activity;

The existing Province of Ontario Site Readiness and Investment Ready: Certified Site Programs support industrial lands only – could there be opportunity for new, similar programs to support investment readiness related to residential development.

RECOMMENDATION:

Whereas the City of Kenora and other Northwestern Ontario municipalities are currently experiencing a shortage across the housing continuum which is impacting community economic growth; and

Whereas the Northern Ontario Heritage Fund Corporation (NOHFC) has a mandate to promote and stimulate economic development initiatives in Northern Ontario by providing financial assistance to projects that stabilize, diversify, and foster economic growth in the region; and

Whereas current NOHFC guidelines do not support residential projects as eligible activities or core infrastructure that may enable such projects;

NOW THEREFORE MAY IT BE RESOLVED THAT the Kenora District Municipal Association requests that NOHFC review and revise its eligibility criteria to consider support for economic development projects related to housing development.

Adopted April 2022

Resolution 2022-03: Rural and Northern Immigration Pilot
SUBMITTED BY: Kenora District Municipal League

BACKGROUND:

Announced in January 2019 to support the attraction and retention of skilled immigrants to rural and northern communities as a three year pilot program.

The City of Kenora supported an application by LOWBIC to the program – municipalities were not eligible applicants;

Kenora was not selected as a host community – successful municipalities in Northern Ontario were Thunder Bay, SSM, Sudbury, North Bay, Timmins;

The City of Kenora would be interested in participating in future pilots should the program be extended or re-opened to new host communities to assist in addressing current gaps in the labour force.

RECOMMENDATION:

Whereas the Rural and Northern Immigration Pilot launched in January 2019 to assist in attracting and retaining skilled immigrants in Canada's rural and northern communities; and

Whereas the City of Kenora had supported an application to the program in 2019 but was not successful in becoming a host community; and

Whereas the City of Kenora and other rural and northern communities continue to face gaps in the labour force;

Now Therefore Be it Resolved That The Kenora District Municipal Association requests the Rural and Northern Immigration Pilot to be re-launched to accept new host communities.

Adopted April 2022

Resolution 2022-04: Reducing OPP Policing Costs
SUBMITTED BY: Kenora District Municipal League

BACKGROUND:

The City of Kenora and other municipalities in the Kenora District have a history of high policing costs, being some of the six communities in all of Ontario where the cost of policing is over \$600 per household. Over the last 6+ years, the municipalities have been advocating for reduced policing costs, which have included various meetings, letters, and delegations made to several Ministers. There are a number of risk factors that influence the presence of harm, victimization, and crime, which relate to the number of calls for service our local OPP detachment attends. These issues facing our community are complex and root causes have to be addressed in order to develop upstream solutions. It is clear that the City of Kenora and other municipalities in the Kenora District are facing a unique fiscal burden that is borne from systematic failures in provincial and federal policy relating to criminal justice and the current OPP billing model does not take this factor into account.

RECOMMENDATION:

Whereas the City of Kenora is one of the six communities in all of Ontario where policing costs are well above the provincial average and in 2019 were \$789 compared to \$359 per household provincially; and

Whereas the City now sits at \$833 per household which equates to over a 1% tax increase for citizens solely based on policing costs; and

Whereas the calls for service are the most significant driver in the continuing increases and the escalating costs are not sustainable to the taxpayers; and

Whereas the City of Kenora is the judicial hub of the District with individuals required to travel to Kenora for the judicial system, however, they are not provided with adequate supports to return to their home community or avoid re-offending while on bail; and

Whereas it is clear that the City of Kenora and other district Municipalities are facing a unique fiscal burden that is borne from systematic failures in provincial and federal policy relating to criminal justice and the current OPP billing model does not take this factor into account; and

Whereas the City of Kenora has advocated for several years for change to the billing model that accurately reflects the levels of service required for the community that are unrelated to judicial system failures;

NOW THEREFORE MAY IT BE RESOLVED THAT the Kenora District Municipal Association Request a meeting with the Solicitor General and Minister Rickford to begin negotiations on a contract with the Ministry that will provide a cap or subsidy on OPP billing.

Adopted April 2022

Resolution 2021-05: Northwestern Health Unit Funding
SUBMITTED BY: Kenora District Municipal League

BACKGROUND:

Beginning in 2022 municipalities in Northwestern Ontario will see a significant shift in the funding model for the Northwestern Health Unit due to changes made by the Government of Ontario.

The new cost sharing formula for cost shared programs will result in municipalities funding 30% of costs (up from 25%), and the Government of Ontario funding the remaining 70% (down from 75%). The municipal increase of 5 percentage points from 25 to 30 means an increase of 20% to the municipal cost of cost shared programs. Furthermore, the Province is moving approximately \$3 million in program expenses that were previously 100% Provincially funded into the package of programs being cost shared by municipalities. These two changes will result in a total approximate increase of 35% to the NWHU annual levy to municipalities.

RECOMMENDATION:

WHEREAS the Government of Ontario has mandated a change to the cost-shared funding formula to a 70% Provincial: 30% Municipal levy effective January 1, 2022; and

WHEREAS programs that were previously 100% provincially funded will now be included in the cost-shared formula thereby shifting approximately \$3 million in expenses into the cost-shared formula; and

WHEREAS the City of Kenora and municipalities in the Kenora District have identified that they cannot afford this 35% increase to their expenses for the provision of public health services due to affordability concerns in their communities:

NOW THEREFORE BE IT RESOLVED that the Kenora District Municipal Association lobby the Government of Ontario to reconsider the changes to the Public Health Unit Funding model to address the affordability concerns identified by municipalities, while recognizing the critical importance that decentralized public health services have on the communities in Northwestern Ontario

Adopted April 2022

Resolution 2022-06: Highway 17 – Kenora to Thunder Bay
SUBMITTED BY: Kenora District Municipal League

BACKGROUND:

WHEREAS Ontario Provincial Highway 17, between Kenora and Thunder Bay, is a major travel corridor for the residents of northwestern Ontario; and

WHEREAS there is a growing concern with the winter travel conditions of the highway; and

WHEREAS this winter season, there has been an unprecedented amount of road closures, as many as two (2) road closures in a single day; and

WHEREAS residents are so concerned with the safety of the roads, they are cancelling medical appointments as a result of poor winter road conditions; and

WHEREAS the roads have become progressively worse to travel; and

WHEREAS the highway from Kenora to Thunder Bay continues to be referenced as one of the worst and most dangerous highways in Canada to travel; and

WHEREAS in addition to the poor winter highway conditions, there are concerns with the level of training, skill and experience truck drivers have when it comes to driving in accordance with winter road conditions;

RECOMMENDATION:

NOW THEREFORE MAY IT BE RESOLVED THAT the Kenora District Municipal Association hereby petition the Ministry of Transportation as follows:

- a) to review the winter highway maintenance program of Highway 17 between Kenora and Thunder Bay, such as reducing the snow clearance time to 8 hour clearance, as opposed to the existing 16 hour clearance regulation.
- b) to review truck driver training for winter highway conditions; and
- c) to review alternative supply chain modes of transportation, such as railway; and

BE IT FURTHER RESOLVED that the Provincial Government plan twinning Highway 17 from Kenora to Thunder Bay to be consistent with the rest of the Trans-Canada Highway, for the safety of our residents and those travelling this portion of highway.

Adopted April 2022

BACKGROUND:

Municipalities are required by the Police Services Act to develop and adopt Community Safety and Well-Being Plans in partnership with a multi-sectoral Advisory Committee comprised of representation from the Police Services Board and other local service providers in health / mental health, education, community / social services, and children/youth services.

Additional requirements are also outlined in legislation pertaining to conducting consultations, contents of the Plan, and monitoring, evaluating, reporting, and publishing the Plan. This approach allows municipalities to take a leadership role in defining and addressing priority risks in the community through proactive, integrated strategies that ensure vulnerable populations receive the help they need from the providers best suited to support them.

Neither the development of the Plan nor its implementation are funded by the Province, leaving municipalities responsible for the costs associated with it. This is effectively a download of community safety responsibilities to municipalities without adequate financing to support it.

RECOMMENDATION:

WHEREAS municipalities are required by the Police Services Act to develop and adopt Community Safety and Well-Being Plans; and

WHEREAS the cost for development and implementation are the responsibility of municipalities;

NOW THEREFORE BE IT RESOLVED THAT the Kenora District Municipal Association urge the Government of Ontario to provide financial support to develop and implement Community Safety and Well-Being Plans.

Adopted April 2021

Resolution 2021-02: Resource Revenue Sharing

RECOMMENDATION:

WHEREAS the Kenora District Municipal Association (KDMA) supports the provincial government's commitment of sharing mining resource revenues with Indigenous communities to promote economic development opportunities to build healthy and prosperous communities across Ontario's north; and

WHEREAS since January 1996, member municipalities have been advocating for mining resource revenue sharing, as an alternative means for municipalities to generate revenue for community development and sustainability; and

WHEREAS the mining industry is a significant economic driver in Ontario, providing over 1,600 direct jobs in the community of Red Lake alone, and of those direct jobs, nearly \$500 million in income tax dollars has been collected by the Provincial and Federal governments over the last ten (10) years; while earnings for the Red Lake mining industry, for the same period, were over \$3.6 Billion US; and

WHEREAS municipalities whose economies rely on the mining resource industry are struggling to pave their streets and maintain infrastructure, but cannot continue to burden their residential and commercial taxpayers by paying more in property taxation; and

WHEREAS the KDMA is not requesting the mining industry pay more in taxation, but rather the Provincial government share the revenues it receives from the mining industry;

NOW THEREFORE BE IT RESOLVED that the Kenora District Municipal Association hereby requests the Provincial government share the benefits of mining and other natural resource revenues.

Adopted April 2021

Resolution 2021-03: Crown Land Development

BACKGROUND:

Municipalities in Northwestern Ontario are interested in pursuing crown land development on lands within their municipal boundaries as a means of increasing own-source property tax revenues. This is a tool that would be useful for streamlining development, revenue generation and municipal economic development within the guidelines of the Provincial Policy Statement, Official Plans, and Zoning By-Laws.

RECOMMENDATION:

WHEREAS municipalities in the Kenora District think that the development of crown land within their respective municipal boundaries is critical to the economic success in the region; and
WHEREAS existing tools, such as the Ministry of Natural Resources and Forestry's, A Guide to Cottage Lot Development on Crown Land and the Application Review and Land Disposition Process (MNRF Policy PL 4.02.01), have acceptable goals in principle, however the implementation by individual MNRF district offices have a number of subjective inequalities which negatively affect development projects; and
WHEREAS Ontario's Crown Land Use Policy Atlas (CLUPA) contains policies that disallow development completely within some municipalities, such as CLUPA Policy G2518 which disallows the disposition of crown land for cottage lot development, agricultural development, rural residential development and urban development (part of Dryden, Sioux Lookout and Red Lake districts); and
WHEREAS complex processes with limited visibility for Provincial land disposition as well as affordability barriers for smaller municipalities due to the Province's market value sale approach are resulting in commercial and housing development opportunities being missed; and
WHEREAS the Crown owns 77.34 % (48,390.94 hectares) of undeveloped land and Patent mining claims account for 19.17% (11,995.27 hectares) of undeveloped land within the Municipality of Red Lake boundary; and
WHEREAS the Municipality of Red Lake within its own Municipal borders only owns 3.42% (2,136.94 hectares) of the undeveloped land; and
WHEREAS the Municipality of Red Lake is inhibited in generating any meaningful organic growth due to the majority of undeveloped land owned by the Crown and Patent mining claims; and
WHEREAS Patent mining claims are difficult to obtain due to the "potential" subsurface values;

NOW THEREFORE BE IT RESOLVED THAT the Kenora District Municipal Association lobby the Government of Ontario to make meaningful changes to the land use development processes, policies and the Crown Land Use Policy Atlas to facilitate municipal development on Crown Land located within their municipal boundaries and request to have the Ministry of Infrastructure identify a clear approach for municipalities to inquire about undeveloped, underdeveloped or unused provincially owned properties within municipal boundaries, implement an efficient and transparent land disposition process designed to support municipal housing and commercial development, and recognize that selling land at market value is a development barrier for small northern municipalities and provide allowances in the land disposition process that allows for below market disposal of surplus lands; and
BE IT FURTHER RESOLVED that the Kenora District Municipal Association seek the written support of the Provincial government in Municipalities obtaining Patent mining claims.

Adopted April 2021

Resolution 2021-04: Tax Rate for Railway Rights-of-Way – Per Tonne-Mile Concept

RECOMMENDATION:

WHEREAS in 2018 the Province of Ontario adjusted the tax rate for acreage for railway rights of way throughout Ontario which specifically impacted Rainy River, Kenora and Thunder Bay Districts in a positive fashion; and

WHEREAS in other provinces and jurisdictions the railway companies remit a more equitable share of taxes to their local tax base using a per tonne-mile concept; and

WHEREAS rail traffic continues to increase, and the train length has more than doubled which results in rail traffic congestion, increased wait times, noise pollution, unknown environmental concerns, and causing small municipalities to keep open and maintain road allowances which only benefit the railroads, as well as crossing maintenance payments and inflationary costs; and

WHEREAS the Province of Ontario should review fees based on inflation and current conditions on an annual basis to ensure that Ontario does not continue to fall further behind in their approach to railway property taxation; and

WHEREAS fair and equitable taxation revenue on railway property based on the per tonne-mile will reduce the financial pressure especially during the COVID-19 pandemic and its recovery on the Province and provide financial support to municipalities taxation going forward;

THEREFORE BE IT RESOLVED THAT the Rainy River District Municipal Association call upon the Minister of Finance of the Province of Ontario to undertake ongoing consideration of municipal taxation for railroad rights of way properties based on a per tonne-mile concept; and

FURTHER BE IT RESOLVED THAT the Rainy River District Municipal Association send this resolution to every Municipal Council within the Province of Ontario seeking their support, the Premier of Ontario, the Minister of Finance of Ontario, Local MPP's, Local MP's, NOMA, ROMA and AMO.

Adopted April 2021