



Continued Priorities

2022 ROMA Delegation Briefing Note

The Eastern Ontario Warden's Caucus (EOWC) continues to identify issues of ongoing importance that the Caucus has identified in the past and will continue to support on an as-needed basis. These continued priorities include broadband / cellular services, COVID-19 municipal recovery, social assistance transformation, and insurance affordability and attainability.

Eastern Ontario Regional Network

The Eastern Ontario Regional Network (EORN) is a municipal not-for-profit company that was established to deliver fixed and mobile broadband solutions for the area covered by the Eastern Ontario Wardens' Caucus (EOWC). It was incorporated by the EOWC in 2010 and is governed by a 9-person Board of Directors.

Since its inception, EORN has or is in the process of delivering mobile and fixed broadband infrastructure to connect residents, businesses, and institutions mainly through two signature projects. Both projects follow the unique EORN model for design, procurement, and execution. These two public-private partnerships alone will result in more than \$500M worth of direct investment in the infrastructure needed to connect eastern Ontario to a modern world of high-speed internet services.

EORN's first broadband project was a \$175M effort to improve access to high-speed services across eastern Ontario. It began in 2010 and was completed in 2015. The project itself was designed to deliver at least 10 Mbps down and 1 Mbps up, speeds unheard of at that time. The project had two basic components; a 5,500-kilometre network of backhaul transport fibre and last mile technologies that connected consumers where they lived or worked. In addition to this work, the project also brought fibre-based services to 63 business parks across the region, a move that supported industry and business efforts to grow. The project was funded through contributions of \$55M each from Canada and Ontario along with \$10M from the EOWC and \$55M from EORN's private sector partners.

EORN's second signature effort, the Cell Gap project, is currently underway. It is a \$300 M + project to close the coverage gaps and boost capacity for cellular users across the 50,000 square kilometers of eastern Ontario. In 2014, as Project 1 was nearing completion, the EOWC turned to EORN to address the overwhelmingly poor mobile (cellular) situation the region was experiencing. After several years of research and advocacy, both the Federal and Provincial Governments agreed to provide \$71M in funding towards the project along with the EOWC and the Eastern Ontario Mayors' Caucus (EOMC) commitment of a further \$10 million.

In the summer and fall of 2020, EORN conducted a major procurement process that resulted in Rogers Communications Inc. being selected as EORN's technology partner. Rogers is investing \$150M of its own money towards the project.

The project entails the upgrading of some 300 existing cell towers and the construction of about 300 more new towers needed to close the coverage gaps. Work is already underway on the tower upgrades. Archaeological assessments on most of the proposed new towers are also being completed as part of EORN's Duty to Consult process with Indigenous organizations and First Nations. The Cell Gap project has a four-year construction timeline and needs to be completed by the end of 2025.

In addition to the work to create and execute the two major projects, EORN developed and delivered a region-wide contract with Bell Canada to support fibre optic connections to municipal buildings across eastern Ontario, at significantly reduced monthly pricing. This 10-year contract continues to provide municipalities with access to the fibre services they need to support their local and county operations.

COVID-19 Municipal Recovery

The EOWC has identified COVID-19 municipal recovery as a continued priority item. The EOWC would like to thank the Federal and Provincial Governments for their financial supports throughout the pandemic. The funding has enabled our municipalities to address extreme revenue losses and cost increases as a result of COVID-19.

This pandemic forced municipalities to respond quickly making financial, service delivery and infrastructure planning adjustments. While the pandemic situation continues to fluctuate, municipalities still require financial assistance from other orders of governments to continue providing adequate services to our residents and address the wide-ranging impacts that COVID-19 has had on our communities. The rise of the omicron variant will require additional support in 2022 and beyond enabling municipalities to rebuild and serve their communities as efficiently as possible. For example, the continuation of the Social Services Relief funding would enable municipalities to continue providing outreach and supports to vulnerable community members. The EOWC is committed to working collaboratively with the Province through municipal pandemic recovery in the short, medium, and long-term.

Social Assistance Transformation

The EOWC has also identified social assistance transformation as a continued priority item for 2022.

The Provincial Government is moving forward with Social Assistance Renewal and Recovery, which represents significant changes for the future of social assistance in Ontario. This realignment will change both provincial and municipal social assistance delivery roles. Topics explored in this co-design process include a new service operating model, accountability model, as well as a new funding model, new client service outcomes and planning for prototype implementation.

The EOWC welcomes the opportunity to work collaboratively with the Province as the COVID-19 pandemic has highlighted the need to improve economic and social recovery services for residents and communities. The EOWC supports the Province in its co-design approach with municipalities. Municipal Service Manager staff participate in various committees that are tasked with the transformation, and the Caucus will continue to monitor the progress of the co-design process. Finally, the EOWC agrees with AMO's position on the social assistance transformation and supports municipalities in participating in the decision-making consultation and collaboration with the Province in order to help implement this new vision, assuming there are no municipal cost increases and that quality service for clients of social assistance remains as the impetus for change.

Insurance Affordability and Attainability

The increase in municipal insurance premiums is a long-standing concern for EOWC member municipalities. Municipal insurance premiums have increased across the EOWC region by upwards of 25 percent over the last decade. These premiums continue to rise and presents fiscal challenges when EOWC member municipalities prepare and manage current and future budgets. The factors driving insurance increases are largely due to the impacts of climate change, market consolidation, as well as the joint and several liability regime.

Additionally, joint and several liability reforms has been a long-standing priority of the EOWC, and the Caucus believes that it is unfair for municipalities to carry the financial burden and associated damage award for another party's error (e.g., the 1% rule). The exponential rise in insurance claims and thus insurance costs is a result of plaintiffs that joint and several liability encourage to target "deep pocket" municipal defendants. Joint and several liability makes municipal governments the insurers of last resort in instances where they are not primarily responsible for an incident. This is often the result of lawyers knowing that municipalities must pay and therefore name municipalities regardless of fault. Counties have been hit hard with increases as they are responsible for the arterial roads – these roads have higher vehicle use, higher vehicle speeds and often result in more catastrophic injuries. Even if lawsuits are ultimately dismissed, the cost of defending against them puts an enormous burden on our budgets and ultimately the taxpayers.

Even if lawsuits are ultimately dismissed, the cost of defending against them puts an enormous burden on our budgets and ultimately the taxpayers. For example, a suit was brought against Hastings County several years ago related to road design issues. The suit asked for \$10 million in compensation and while Hastings County was ultimately removed from the lawsuit, it cost \$458,149 to defend the County.

Tackling the real issues of limiting liability, increasing personal responsibility by forcing drivers, etc. to maintain a more reasonable level of insurance, needs to be at the forefront. There are many models throughout Canada and the US, many of them hybrids, that are superior to Ontario's antiquated insurance model.

Finally, cybersecurity insurance premiums are increasing dramatically, and requirements are becoming more rigorous. This is of significant concern for EOWC members as cybersecurity threats continue to increase globally, and cyber-attacks are becoming more sophisticated, finding cyber insurance coverage and being able to afford the cost of premiums is adding to the financial burden in our budgets.

EOWC member municipalities cannot continue on a path of ever-increasing insurance costs because it is simply not financially sustainable. The EOWC will continue to advocate for insurance affordability and attainability and remains a willing partner to the Province in order to work through this complex issue in a meaningful way.