



Eastern Ontario Wardens' Caucus

**Eastern Ontario Wardens' Caucus  
MINUTES  
Friday, July 15<sup>th</sup>, 2011  
1:00 p.m.  
Council Chambers, Administration Building  
26 Pitt Street, Cornwall  
United Counties of Stormont, Dundas and Glengarry**

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**1. Call Meeting to Order / Welcome**

The meeting was called to order at 1:00 p.m.

Present: Chair Jones, Vice Chair Mel Campbell, Members Jo-Anne Albert, Steven Byvelds, Gary Davison, Henry Hogg, Jean-Yves Lalonde, Mark Lovshin, Sharon Mousseau and Bob Sweet.

Regrets: Murray Fearrey, Ric McGee and Peter Mertens.

**2. Declaration of Pecuniary Interest**

There were no declarations of pecuniary interest made at this time.

**3. Approval of Agenda**

Moved by: Warden Hogg  
Seconded by: Warden Albert

Be it resolved that EOWC adopt the agenda with the following additions:

That a Financial Sustainability Update be given under Item 6. h.  
That the correspondence from Sir Sandford Fleming College and Trent University in support for the Marmorata Pumped Storage Project be added to Incoming Correspondence

Carried

**4. Approval of Minutes**

Moved by: Warden Lovshin  
Seconded by: Warden Davison

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Be it resolved that the minutes of the EOWC meeting of June 17<sup>th</sup>, 2011 be approved as circulated.

Carried

Items 8, 9 and 10 b. were addressed at this point during the meeting, but the minutes reflect the order of the Agenda.

**5. Delegations, Petitions and Presentations**

- a. Standing Item  
David Fell, CEO, EORN  
Re: EORN contract By-law

Mr. Fell presented on this item during closed session as it dealt with confidential client information.

- b. Standing Item  
David Fell, CEO, EORN  
Re: EORN Status Update (update provided via email) (see Appendix "A")

Mr. Fell highlighted that approximately 9 million has been saved in building the backbone from Bell/Bell Aliant, and he is working with the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) to use those savings in the access project. The project has 32 Points of Presence (POPs) in service. It was requested that EORN provide the POP locations to the Caucus members. Jim Pine presented a map which depicted the project schedule. Mr. Pine updated the Caucus on the progress to-date with each of the First Nations.

Moved by:           Warden Albert  
Seconded by:       Warden Davison

Be it resolved that EOWC receive the delegation of Mr. Fell.

Carried

Steve Seller, Municipal Advisor for the Ministry of Municipal Affairs and Housing, reported that the Ministry has just hired a new Assistant Deputy Minister, Elizabeth Harding. Ms. Harding will begin her new role on August 8<sup>th</sup>, 2011.

- c. Jim Pine, Project Co-lead, EORN  
Re: EORN Strategy for Press Releases related to the EORN Access RFP Awards

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Jim Pine reviewed the strategy as provided in the Agenda package. He also distributed documents, Key Messages and Q&A (see Appendix "B") and Broadband Access via Satellite (see Appendix "C"), to assist Caucus members and staff in responding to citizen inquiries. Mr. Pine noted that EORN are communicating with Cottage Associations, and encouraged the Caucus to bring the EORN pamphlets to all meetings they are attending and in contact with the public.

Moved by: Warden Mousseau  
Seconded by: Warden Lalonde

Be it resolved that EOWC receive the delegation of Mr. Pine and approve the EORN Strategy for Press Releases related to the EORN Access RFP Awards.

Carried

- d. John Wright, Executive Director, Business Development and Tim Richardson, General Manager, Water Power Development; Northland Power Inc.  
Re: Marmora Pumped Storage Project

Warden Albert introduced Mr. Wright, as well as Reeve Terry Clements, CAO Ron Chittick and Typhany Choinard, Economic Development/Tourism officer from the municipality of Marmora and Lake. John Wright presented his presentation on the Marmora Pumped Storage Project. He confirmed that the project will go through the requirements of the Electricity Act, which includes environmental requirements. They have completed a study on transmission lines and determined the project will not affect micro-fits. The book "Seducing the Vote" by John Fenik was presented to Mr. Wright in appreciation of his presentation.

Moved by: Warden Albert  
Seconded by: Warden Mousseau

Be it resolved that EOWC receive the delegation of John Wright, provide a letter of support for the Marmora Pumped Storage Project, and support the Municipality of Marmora and Lake resolution regarding same.

Carried

### 6. Reports for Review / Discussion

- a. Eastern Ontario Transition Council Update

Gary King shared the contents of an email from Andrew Wallen of the Kawartha Lakes CFDC, received on July 14, which outlined the tentative

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steps the Eastern Ontario Transition Council might take to form a corporation, goals and objectives. Mr. Wallen hopes to hold a meeting in September to confirm these steps.

Moved by: Warden Sweet  
Seconded by: Warden Hogg

Be it resolved that EOWC receive the update from Gary King.  
Carried

b. Draft Eastern Ontario Priorities  
Where Do You and Your Party Stand?

Jim Pine explained where the document had been revised from the first draft. He suggested a title change to "Working Together for Regional Prosperity."

Moved by: Warden Davison  
Seconded by: Warden Albert

Be it resolved that EOWC approve the draft Eastern Ontario Priorities document, titled "Working Together for Regional Prosperity," for presentation to the political parties at the 2011 AMO Conference.  
Carried

c. Farm Tax Update

Stéphane Parisien shared with the Caucus the discussion that the CAOs had conducted earlier that morning, with the recommendation that revisions be made to the draft report to clarify the conclusion and recommendations to the Province. Mr. Parisien also recommended that the report accompany the Working Together for Regional Prosperity document to be presented to the political parties at the 2011 AMO Conference, as well as incorporate it into the Financial Sustainability Report being developed.

Chair Jones updated the Caucus on the meeting conducted with a few members of the Caucus and the Ontario Federation of Agriculture (OFA) on July 12<sup>th</sup>. He reported that the meeting ended positively, with support from the OFA for appropriate Provincial funding to municipalities. Gary King will be drafting a joint letter of support for the EOWC and OFA to sign and send to the Minister of Finance. The OFA will contact the Ontario Forestry Association for their support on the matter as well.

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Moved by: Warden Sweet  
Seconded by: Warden Davison

Be it resolved that staff continue to revise the Farm Tax report with Allan and Partners Inc, and include the final report in the Financial Sustainability report.

Carried

d. AMO Ministry Delegations

Chair Jones informed the Caucus that the meeting with the Minister's Panel has been set for Monday, August 22<sup>nd</sup>, 4:30 – 5:30 p.m. Requests for delegations have been submitted to the Ministry of Finance and the Ministry of Agriculture, Food and Rural Affairs regarding the Farm Tax and Managed Forest Rebate Program, as well as the Progressive Conservative and New Democrat Parties.

e. WOWC Joint meeting at AMO

Chair Jones reported that the meeting with the WOWC has been set for Sunday, August 21<sup>st</sup>, 1:30 – 3:30 p.m. The Caucus was requested to forward any issues they would like placed on the Joint Agenda to Gary King.

f. FONOM and NOMA meetings at AMO

Chair Jones reported that the meeting with the Northern Ontario Municipalities Association (NOMA) and the Federation of Northern Ontario Municipalities (FONOM) has been set for Sunday, August 21<sup>st</sup>, 4:30 – 5:30 p.m., following the EOWC meeting. Gary King reviewed the draft list of questions he had prepared for this meeting.

Moved by: Warden Mousseau  
Seconded by: Warden Lovshin

Be it resolved that EOWC approve the draft list of questions prepared for the meeting with NOMA and FONOM.

Carried

g. Conducting EOWC meetings via Video – Tele-conference

Gary King reviewed the report, which detailed the reasons why it was recommended that the EOWC conduct their meetings in person and not via Video-Teleconference.

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Moved by: Warden Davison  
Seconded by: Warden Hogg

Be it resolved that EOWC receive the report.

Carried

h. Financial Sustainability Update

Larry Keech distributed a draft email that staff intends to send to all Eastern Ontario townships, requesting information for the Financial Sustainability report (see Appendix "D"). The email also details the process and timeline of the project. Mr. Keech stressed that it was critical that the project have 10 years of roads and bridges data. It was requested that, once the email is finalized and sent to EOWC CAOs, that the CAOs distribute it to their townships.

Moved by: Warden Albert  
Seconded by: Warden Campbell

Be it resolved that EOWC receive the update and draft process and timeline.

Carried

i. Social Housing Insurance

Jim Pine distributed the resolution from the Region of Waterloo (see Appendix "E") and reviewed the situation arising regarding social housing insurance.

Moved by: Warden Hogg  
Seconded by: Warden Lovshin

Whereas the Social Housing Services Corporation has announced the elimination of all competition for the provision of insurance coverage outside of its exclusive Group Insurance Program for all prescribed social housing providers:

And Whereas the removal of local choice to acquire insurance coverage will lead to unnecessary additional costs to local property taxpayers through substantially higher premiums;

Now Therefore be it resolved that the EOWC Inc. supports the Region of Waterloo's demand for the Social Housing Services Corporation to immediately reverse its decision and in the absence of such action the

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Provincial Government be requested to intervene and restore local, lower cost options;

And Finally That this resolution be shared with the Association of Municipalities of Ontario, all M.P.P.s in Eastern Ontario and the Western Wardens' Caucus.

Carried

**7. Correspondence**

Moved by: Warden Davison  
Seconded by: Warden Lalonde

Be it resolved that the Outgoing and Incoming Correspondence be received for information.

Carried

**8. Closed Session**

Moved by: Warden Campbell  
Seconded by: Warden Byvelds

Be it resolved that under the authority of the Municipal Act, S.O.2001, c. 25, s. 239 (2) the EOWC move into closed session at 1:06 pm to discuss "personal matters about an identifiable individual, including municipal or local board employees;"

Carried

**9. Rise from Closed Without a Report**

Moved by: Warden Campbell  
Seconded by: Warden Lovshin

Be it resolved that EOWC rise from closed session at 1:22 pm without a report.

Carried

**10. By-laws**

a. By-law #11-10

Moved by: Warden Byvelds  
Seconded by: Warden Sweet

Be it resolved that EOWC authorize the Chair and Secretary/Treasurer to authorize the payment of \$7,128.04 to Allan &

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Partners Inc. for services rendered in regards to OMPF funding and farm tax rebate.

Carried

b. By-law #11-11

Moved by: Warden Sweet  
Seconded by: Warden Hogg

Be it resolved that EOWC authorize the Chair and Secretary/Treasurer to execute an Agreement between the EOWC and Xplornet Communications Inc. for Access RFP P-02-2010 Quinte/Loyalist.

Carried

**11. Notice of Motions**

There was no Notice of Motion.

**12. Confirmation By-Law #11-12**

Moved by: Warden Albert  
Seconded by: Warden Lalonde

Motion:

The Board of Directors of the Eastern Ontario Wardens' Caucus hereby enacts as follows:

1. THAT the action of the Board of Directors at its meeting held on the 15<sup>th</sup> day of July 2011 in respect to each motion, resolution, by-law and other action passed and taken by the Board of Directors at its said meeting, except where prior approval of any other body or agency is required, is hereby adopted, ratified and confirmed.
2. THAT the Chair and the proper officers of the Corporation of the Eastern Ontario Wardens' Caucus Inc. are hereby authorized and directed to do all things necessary to give effect to the said action or to obtain approvals where required, and to execute all documents as may be necessary in that behalf and the Secretary is hereby authorized and directed to affix the Corporate Seal to all such documents.

Carried



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**13. Adjournment**

Moved by: Warden Lovshin  
Seconded by: Warden Davison

Be it resolved that the EOWC meeting adjourn at 3:21 p.m.

Carried

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J. Murray Jones, Chair

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Gary King, Secretary-Treasurer



Monday, July 11, 2011

## EORN Monthly update for EOWC CAO's

- Backbone build is ahead of schedule and as of July 11<sup>th</sup> 2011, 35 of our 160 POPs and 11 of our 41 systems are now "IN SERVICE." The implementation schedule did not anticipate that there would be 35 POP's In-service until the end of December 2011. Bell Aliant has indicated that they anticipate that construction will slow down later in the summer and that the build schedule will drop back closer to the actual projected numbers by the end of the year but remain at or ahead of schedule.
- After many years of negotiation Bell Canada has finally reached an agreement for fulfillment of their obligations to the CRTC with regard to spending of deferral account funding. EORN anticipated this in our contract with Bell/BA as there are some deferral account areas within the EOWC region. Bell has proposed that they will be spending approximately \$9million less on development of the backbone in areas of the EOWC region because these will be funded through their commitments under deferral. Bell/BA has issued one letter already to EORN to indicate that our backbone budget will officially cost \$3million less which translates into a savings of \$2million in eligible funding. Two similar letters are anticipated (end of August 2011 and end of December 2011) over the course of the year to confirm the anticipated \$9million in savings as these costs become locked in by Bell/BA. EORN has met with OMAFRA to formally request that the potential \$9million (\$6million in eligible costs) in savings on the backbone project be transferred into the Access budget in support of maximizing the Federal/Provincial contributions to extending access to as many residents as possible.
- The Ontario Ministry of Government Services (MGS) broadband impact research project with the Monieson Centre at Queen's University is on track and a final report is due out in August 2011. The report will contain a literature review of the economic and social impact of rural broadband as well as a program logic model for developing a longer term research project. The report will also contain a summary of the feedback received from stakeholders at a series of Community outreach sessions held in Kingston, Kemptville and Keene.
- Satellite services under Phase 1 of our agreement with Xplornet are available to citizens of EOWC. Any customers that sign contracts now will be able to convert to Phase 2 pricing and access to increase speeds by end of January 2012. If EORN access services become available in the future in a satellite subscribers area, the satellite customer will be able to cancel their satellite contract with six months' notice to Xplornet.
- The Access RFP process is moving forward in a timeline manner. Embrun Zone 1 was awarded to Xplornet and the contract has been signed and is currently being implemented. Quinte Loyalist Zone 2 has also been awarded to Xplornet and is being brought to the EOWC BOD for approval and signing on Friday July 15th. Responses to access zone three will be received on July 12<sup>th</sup> and the EORN RFP review team will be reviewing and evaluating through July and August. The Zone three RFP includes three geographical sub-zones: Northumberland; Highlands and South Nation.

- Barrett Xplornet recently went through a major round of financing to secure up to \$230million to support their ongoing growth and rollout of their national broadband network. In conjunction with this financing the corporate name was changed to Xplornet Communications Inc. (XCI). Xplornet also announced in early
- Financial Claims submission update: EORN has been submitting monthly claims for satellite, backbone and EORN administrative costs since the start of the project last August. The claims are complicated and require substantive review by EORN staff as well as OMAFRA. Payments of satellite and backbone claims have required lengthy processes with frequent follow up to OMAFRA but no interest penalties have been incurred to date. The EORN expenses have not yet been approved by the Federal INFC staff due to what has been identified as a gap in the original contract approval process (apparently was not taken to Treasury Board for final approval) but we continue to ask for and request an update on this issue. At present time this is not a cash flow issue and is manageable thanks to the prepayment option that was exercised by most of the municipalities. Interest payments to the municipalities on the prepaid amounts have been initiated and are occurring on a semiannual basis
- Budget forecast update is in progress and due to OMAFRA/INFC by end of August 2011. This update will include substantive changes and updates to the original budget that was submitted to the government and EORN staff have met with INFC/OMAFRA staff to brief them on the anticipated changes. These changes are a result of many factors including: transfer of deferral account savings from backbone to access; ongoing treatment of HST nonrefundable expenses; reduced costs for First Nations that have opted out of EORN access build; etc. EORN is in the process of completing a financial audit and results of the audit and budget update will be presented to the EORN BOD early in the fall 2011
- The Environmental Assessment process is currently in compliance with the screening checklist that was request by the Federal government and EORN continues to submit updates of Schedule A and any construction route changes as per the agreed upon process
- EORN has retained the services of Redbrick Communications to assist in the development of promotional material for the project. A general brochure has been created and is in distribution now. Further material such as a satellite fact sheet, key messages speaking points, press releases and MP and MPP updates are anticipated to be completed by August 31, 2011. Redbrick will also assist in issue management as needed. Community Information Sessions have begun in Lennox and Addington, Prince Edward and Hastings Counties. Nine sessions have been completed to date and have been successful. Further sessions in those areas will take place later this summer.
- Consultation with the six First Nation communities in Eastern Ontario is ongoing. Five of the six have been visited and offered the opportunity to participate in the project. The Mohawks of the Bay of Quinte have decided not participate as they have a fibre to the home initiative already underway. The Algonquins of Pikwakanangan have indicated through a band council resolution that they will participate in the Highlands RFP Zone. Alderville and Curve Lake First Nations will be finalizing their option to participate in the near future. Hiawatha First Nation has not yet indicated if they wish to participate.



## Key Messages and Q&A

### Core messages

- Access to better bandwidth and connectivity is essential to the future prosperity of Eastern Ontario.
- Too many people and business across the region currently have poor or no connectivity, while such access continues to grow in urban areas. Rural areas risk being left behind.
- The Eastern Ontario Regional Network (EORN) will improve access to the Internet with higher speeds and bandwidth to at least 95% of homes and businesses in Eastern Ontario, a majority of which will see up to 10 Mbps.
- Connecting to the Internet needs to be affordable and EORN will seek to ensure that rates are similar to urban dwellers.
- The Eastern Ontario Wardens' Caucus is overseeing the project, which includes federal, provincial and municipal dollars, as well as public sector investment.
- EORN is being built big enough to serve current and future demands for bandwidth. It will be scalable as demand grows over the next 14 years, the term of the agreement with all levels of government and service providers.
- This is the largest single broadband project in Canada covering an area of some 50,000 square kilometres and reaching more than 1 million people.

### Additional project detail

- The \$170 million project is funded by federal, provincial and municipal dollars as well as private sector contributions.
- The project involves creating a core backbone network of 5,500 km of new and existing fibre optic cable. Local access will be via wired, fixed wireless and satellite Internet access, depending on the location.
- As a result of this project, high speed internet access via satellite is available throughout Eastern Ontario right now through Xplornet, which is offering reduced pricing based on a competitive bidding process. To learn more, contact Xplornet directly at [www.xplornet.com](http://www.xplornet.com).
- Residents and businesses will connect to the Internet by dealing directly with an Internet service provider (ISP) and choosing the service package that works best for their needs.
- Work is well underway to build the fibre optic network and the first of several local access contracts has also been secured. The project is to be completed by 2014. Additional project information is available at [www.eorn.ca](http://www.eorn.ca)

### For more information, contact:

Lisa Severson  
Communications and stakeholder relations officer  
Tel: 613-213-8520  
E-mail: [seversonl@eorn.ca](mailto:seversonl@eorn.ca)

Website: [www.eorn.ca](http://www.eorn.ca)

## **Q&A**

### **What is high-speed?**

High-speed simply means being able to transfer high volumes of data and video quickly and efficiently to your computer. Today, 1.5 Mbps represents the minimum end of high-speed. EORN's goal is to push transfer rates up to 10 Mbps or more for as much of the region as is financially possible.

### **Why is a broadband network important?**

A broadband network is critical infrastructure that will improve quality of life and increase opportunities for innovation and economic growth.

The network will enable users to stream video and other innovative applications that will support various sectors, including business, health and education.

### **What is EORN?**

EORN stands for the Eastern Ontario Regional Network. The Eastern Ontario Wardens' Caucus created EORN to manage creating a regional high-speed Internet network. It is staffed by municipal employees from members of the EOWC.

### **How much will Internet access cost?**

Rates will vary depending on the amount of bandwidth individuals wish to purchase and the type of access available in their area, but the goal is to help ensure rural customers pay rates similar to urban consumers.

### **When can I connect?**

Residents and businesses throughout eastern Ontario can connect right now to high speed through satellite services from Xplornet, which is offering reduced pricing as the result of a competitive bidding process.

Starting in 2012, people in different parts of the region will start to have either wired or wireless Internet access, as contracts are awarded and service comes on line. A brochure with estimated time frame is available on the EORN website, [www.eorn.ca](http://www.eorn.ca). The project is to be completed by 2014.

### **Will I have a choice of ISP?**

EORN has an open access policy so that consumers can choose to purchase services from the carrier of their choice. The purpose of the local access contracts is to improve access in underserved areas and to improve pricing in order to close the urban-rural gap.

**Can I get out of or switch from my current contract with Xplornet?**

EORN has negotiated an “out clause” for Xplornet satellite customers, if a wired or fixed wireless option becomes available in their area. If a customer lives in a member municipality of the EOWC and has more than 12 months left in their contract, they can provide six months notice to cancel their Xplornet contract without penalty.

**Why will some people have to rely on satellite service?**

EORN will choose technology based on the best fit for the needs of a particular area. Connecting to the Internet via satellite technology will be used in areas with low population density or where difficult topography means that neither wired nor wireless options are possible, for example where valleys or trees block the “line of sight” to Fixed Wireless towers.

In very sparsely populated areas, meaning fewer than three households per square kilometre, satellite is simply the most cost-effective means of delivering high-speed Internet services.







## Broadband Access via Satellite

### The Eastern Ontario Regional Network

The Eastern Ontario Wardens Caucus is spearheading a \$170 million broadband project that will see improved access to high-speed Internet which will be fully completed across the region by the spring of 2014. The project is supported through substantial investments from federal, provincial and local governments, along with private sector contributions.

Providing broadband access across Eastern Ontario – a region of more than one million people spread out over 50,000 square kilometres – may require a mix of technologies:

- wired
- fixed wireless
- broadband via satellite

Regardless of how difficult the terrain or how remote the location, EORN is committed to trying to ensure the delivery of high-speed Internet to households and businesses across the region, as economically as possible.

EORN will choose technology based on the best fit for the needs of a particular area and is negotiating improved rates from Internet service providers through a competitive proposal process.

For many people and businesses that today cannot access high-speed Internet this new arrangement makes access to broadband a reality.

#### What is broadband?

Broadband is a high-speed Internet connection that supports the audio, video and interactive applications that are now commonplace in the "Web 2.0" world. It is more capable of delivering innovative applications, like those used for health, education and business services, to the people of Eastern Ontario.

#### Who will get satellite?

Connecting to the Internet via satellite technology will be used in areas with low population density or where difficult topography means that neither wired nor wireless options are possible, for example where valleys or trees block the "line of sight" to fixed wireless towers.

In very sparsely populated areas, satellite is simply the most cost-effective means of delivering high-speed Internet services.

### **How does satellite work?**

The Internet feed is beamed from a ground station in Canada, to a satellite orbiting the earth, and back down to a dish installed at the subscriber's home. Current satellites can deliver a variety of speeds tailored to the needs of the subscriber. The current EORN package available through Xplornet is service of up to 1.5 Mbps (megabits per second), which is about 35 times faster than dial-up.

### **Is broadband satellite service dependable?**

Yes, satellite high-speed is very dependable. Each subscriber has a direct connection to the satellite, without wires through the ground or on poles that can be disrupted by digging, accidents, or weather events. While some minor degradation is possible in severe weather, satellite service is robust and reliable, much like satellite television service.

### **What's next for broadband satellite?**

Xplornet Communications Inc. (formerly Barrett Xplore) is rolling out a 4G satellite network based on high-throughput satellite (HTS) technology that will further close the gap between urban and rural Internet service in terms of speed, capacity and quality. The first of these new satellites is scheduled to be launched in summer 2011 and will be available to customers by the end of the year, followed by the second in 2012. These new satellites represent a five-year leap in advanced technologies that will be able to deliver significantly more capacity to the subscriber, something that has become essential to a successful subscriber experience.

### **What about latency (delays) and interference?**

Satellite broadband technology continues to evolve and improve. New acceleration technologies and additional capacity are helping to manage latency, which is the amount of time that it takes the signal to travel from the subscriber's computer to the end destination on the Internet, and back. While this sub-second latency can cause issues for customers playing some online video games that require immediate feedback, in normal online use, such as e-mail and browsing, this latency will not be very noticeable. In real time services, such as voice calling over the Internet, the delay may be slightly noticeable.

Modern satellite broadband is delivered using licensed frequencies in the "Ka" band, which is not used by other services, avoiding the possibility of radio frequency interference.

### **How much does satellite broadband cost?**

The EOWC and Xplornet have negotiated a new offering that provides for significant savings for subscribers. For 2011, residents and businesses can purchase a three-year, up to 1.5 Mbps package for \$69.99+HST per month with an upfront one-time installation cost of \$99. Over the three-year contract period, subscribers will save \$1,999.00 over previous pricing. By January 2012 that same package price will drop further and 3.0 Mbps and 5.0 Mbps packages will be available at prices comparable to fixed wireless service.

### **Why Xplornet?**

Xplornet was chosen through a competitive Request for Proposal process to provide broadband access via satellite, with improved pricing, to residents across Eastern Ontario. Xplornet is Canada's largest rural broadband provider, with customers across the country in every province and territory. Xplornet was able to provide robust, affordable broadband service to even the most sparsely populated areas of Eastern Ontario using existing and new satellite capacity.

### **How do I know what kind of package I need?**

To help determine what you need, consider how you use the Internet. You will choose both the speed at which you can download or upload information and the amount of data you can download.

It is helpful to know that each of these activities represents one gigabyte (1Gbps) of usage:

- View 26,000 Web pages OR
- Send 105,000 e-mails OR
- Attach over 2,000 Microsoft Word documents (of about 10 pages each) OR
- Receive up to 500 digital photos OR
- Download more than 200 songs OR
- Stream 18 hours of music from the Web OR
- Watch 3 hours of standard definition movies (or one hour in high-definition) OR
- Play games online for 240 hours (or 10 days)

### **How do I sign up for service?**

To find out more information about pricing or services, contact Xplornet directly at 1-866-841-6001 or by visiting [www.xplornet.com](http://www.xplornet.com)

## Draft Email Message to EOWC Members re: *Eastern Ontario Financial Sustainability Project*

### Subject Line: EOWC Launches Eastern Ontario Financial Sustainability Project

The Eastern Ontario Wardens' Caucus (EOWC) has launched a new project to **assess and devise strategies to support the financial sustainability of local governments** in our region. This Project will **probe** the factors that determine sustainability, **quantify** our infrastructure deficit and **calculate** current costs to close the gap, **analyse** current funding formulae and the implications of changes to them, and **produce** a range of other financial analyses associated with local governments in our region.

### Why Do This Now?

Nationally and provincially, our **economy is changing** – governments at all levels are **devising new strategies** to negotiate this new landscape. With a newly-elected federal government with a four-year mandate, and a provincial election taking place this fall, the EOWC considers it likely that our financial circumstances will continue to change. As a result, local governments have the opportunity - and the need – to **forge new or different relationships** with elected officials and cabinet ministers serving in Ottawa and Queen's Park.

Capitalizing on these opportunities to **shape our own financial future** requires that we understand our current financial position. From this base, we will **formulate practical, responsible funding and policy positions** to strengthen the financial position of local governments. This Project will also contribute to EOWC's efforts to ensure that **Eastern Ontario has a strong regional economy**, capable of **supporting our local governments**.

### Why Is the EOWC Taking This On?

In recent years, the EOWC has become **a strong advocate** on behalf of the citizens of Eastern Ontario and has earned substantial credibility with senior levels of government. The EOWC is **regularly invited to participate** in pre-budget consultations and provincial processes such as the 2007 provincial Fiscal Capacity-Service Delivery Review, the EOWC has also **made important contributions** to provincial policy and program funding decisions (example: business education taxes, Eastern Ontario Development Fund). Most recently, the EOWC is **leading the development and implementation** of the joint federal-provincial funded Eastern Ontario Regional Network (broadband). By **working together**, the EOWC can **engage talented people** from within its own ranks and **share the costs** of projects that will benefit all of us.

### What's in It for You?

Whenever available, the Project will gather information for both upper/single and lower tier municipalities. This information will be made available to individual municipalities. The Project will also build greater understanding of the consolidated financial position of local governments in Eastern Ontario and ultimately contribute to discussions about funding program and policy positions.

### What Would the EOWC Like Local Governments To Do To Help?

1. Share this information with your staff so that they are aware of the project's intent.
2. Suggest any public domain databases that could be helpful to the Project.
3. Assist our consultant (Natural Capital Resources Inc.) when you are called over the next several months. You may be asked to provide key pieces of data (eg. 2010 FIR data or costing data for specific services).

On behalf of the Project Steering Committee, thank you for your attention to this important work.

**Briefing Note for  
Eastern Ontario Wardens' Caucus  
Re: Eastern Ontario Financial Sustainability Project  
July 15, 2011**

- June 2011: Consulting firm selected via RFP process
- July 2011: first meeting of Steering Committee held and minuted (6<sup>th</sup>); contract to be executed over next week; next meeting of S/C on July 27
- Work Plan has eight stages to be completed over a seven month period:

Stage	Timing and Status	Direct CAO/staff Involvement
Confirmation of Assignment	Complete - meeting July 6	Yes - support for announcement of project template
Leveraging Strategy for EOWC	July-August 2011 - initiated	Yes - cross section of interviews and suggesting fed/prov names
Financial Sustainability Factors & Assessment of EO Status	July-August 2011 - initiated	No - report to be provided; comments welcomed
Future Directions Update	Aug-September 2011	Yes - confirmation of 2011 data; S/C obtaining historical data in electronic form
Capital (Infrastructure) Data	Sept-October 2011 - FIR data gathering initiated	Yes - provision of 2010 FIR returns or same data
Transportation Infrastructure Deficit & Current Costing Method	Sept-November 2011 - 2007 data being incorporated	Yes - cross-section of municipalities to be contacted
Operating Data	Oct-November 2011	Yes - all municipalities will be asked to provide/validate data
(Policy) Scenario Testing Tools	Oct-January 2012	Yes - suggest 3 options to be tested; link to pre-budget consult

**Five Main Project Deliverables:**

- **Strategy for leveraging EOWC reputation/credibility** on both federal and provincial fronts for the betterment of Eastern Ontario and local government in the region (To be received August)
- **Report on Financial Sustainability of Eastern Ontario's Local Governments;** based on most important determining factors, assessment of funding programs, and updated Future Directions (To be received July, Aug, Sept and Jan 2012)
- **Total Capital Infrastructure Deficit Estimate** based on FIR data and for transportation (roads, bridges and culverts), more current cost data; also, an analysis of implications of recent funding patterns on prospects for maintaining existing infrastructure (capital and operating funding); (To be received Oct and Nov)
- **Report on Operating Situation,** focusing on resource equalization and implications of FCSDR rollout; supported by financial model populated with best available data; (To be received(Nov)
- **Scenario Testing Tools** to allow the EOWC to "test drive" policy ideas for financial implications before taking them forward to upper levels of government. (To be received Jan 2012).

RC-11-005



**REGIONAL MUNICIPALITY OF WATERLOO**

**OFFICE OF THE REGIONAL CHAIR**

**COUNCIL REPORT**

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**TO:** Members of Regional Council

**DATE:** June 29, 2011

**SUBJECT:** Competitive Bidding for Community (Social) Housing Insurance

**RECOMMENDATION:**

**That the Regional Municipality of Waterloo object to the refusal of the Social Housing Services Corporation (SHSC) to allow for local competitive bidding for insurance by prescribed housing providers in the Region of Waterloo by adopting the following resolution:**

**Whereas the Social Housing Services Corporation, an entity created by the Province of Ontario, has announced the elimination of all competition for the provision of insurance coverage outside of its exclusive Group Insurance Program for prescribed community (social) housing providers;**

**And whereas the statutory mandate of the SHSC is limited to coordinating insurance programs for prescribed community housing providers;**

**And whereas the Region of Waterloo directly owns over 2800 units of community (social) housing and oversees more than 5000 additional units of community (social) housing as the Service Manager pursuant to the Provincial *Social Housing Reform Act*;**

**And whereas all community housing, including community housing in the Region of Waterloo, will not be permitted to seek quotations for insurance coverage outside of the SHSC's wholly-owned brokerage, as of November 2011;**

**And whereas SHSC – insured community housing providers are expected to incur a substantial increase in their upcoming insurance renewal premiums;**

**Be it resolved that the SHSC Board of Directors be requested to immediately reverse their decision to require all prescribed housing providers to only participate in their Insurance Program, and return to their current business practice;**

**And should the SHSC not reverse its decision, the Province of Ontario intervene accordingly to ensure a local open, competitive bidding process for insurance;**

**And that the Minister of Municipal Affairs and Housing issue a written consent or other remedy if necessary to the Region of Waterloo and its prescribed community housing providers, as well as any other Service Manager requesting such relief with the ability to not participate in the SHSC insurance program and other SHSC programs and services, if desired;**

**And that this resolution be forwarded to the Board of the SHSC, the Minister of Municipal Affairs and Housing, the Premier of Ontario, all prescribed housing providers in the Region of Waterloo, all Service Managers in Ontario, and the Association of Municipalities of Ontario.**

**BACKGROUND:**

A recent decision by the Social Housing Services Corporation will prohibit the Region and other housing providers from independently tendering insurance for their housing portfolios. Based on last year's premium quotes, removing any competition would have resulted in a \$73,000 increase for Regionally-owned units. It is anticipated that the SHSC insurance program costs for next year may increase for property insurance premiums in the range of 15% - 60%, which would be approximately \$42,000 - \$169,000 for Regionally-owned units. Council should be aware that an additional \$800,000 is also spent annually by prescribed community housing providers through the SHSC Insurance Program, which is subsidized by the Region of Waterloo (through the prescribed funding model) and will also be impacted by SHSC's recent decision. This is additional money which should go into supporting local affordable housing, not subsidizing the Provincial social housing insurance plan. The attached memo from Regional staff along with the letter from the Corporation sets out what is happening.

The above recommendation asks the Corporation or the Province to reverse this decision. It also asks that, if this is not done, the Minister provide an exemption so that funding for housing in the Region is not reduced by the actions of the Social Housing Services Corporation.

Respectfully Submitted,  
Ken Seiling, Regional Chair



Region of Waterloo

**PLANNING, HOUSING AND COMMUNITY SERVICES**  
**Housing**  
**FINANCE**  
**Administration**

Date: June 29, 2011

**MEMORANDUM**

**TO:** Chair Seiling and Members of Regional Council

**cc:** Corporate Leadership Team

**FROM:** Jennifer Murdoch, Manager, Housing Programs  
Craig Smith, Manager, Risk Management

**SUBJECT:** **EXPECTED MAJOR INCREASE IN INSURANCE PREMIUMS FOR  
COMMUNITY HOUSING**

The purpose of this memo is to update Regional Council on the ramifications of a recent decision from the Social Housing Services Corporation (SHSC) to eliminate a competitive process for the procurement of insurance services. This decision is expected to result in a significant increase in insurance costs for the Region's community housing portfolio. Given the recent emergence of this issue, this background is being forwarded to Regional Council for its' June 29, 2011 meeting.

The SHSC is a non-profit corporation created by the Province in 2002, having responsibility for administering certain programs relating to community housing, including insurance.

Since 2003, SHSC has administered an insurance program for community housing providers. Currently, community housing providers are permitted to secure insurance coverage through a broker other than the SHSC Program Broker, provided that the premium is lower for equivalent coverage. However, the Board of the SHSC has issued a decision described in a letter signed by the Chair of SHSC, Mr. Roger Maloney, dated June 10, 2011, and attached to this memo, stating:

- SHSC will no longer offer community housing providers the option to purchase insurance coverage outside of the SHSC Group Program;
- SHSC is requiring all prescribed community housing providers in the Province to participate in its insurance program on a mandatory basis, effective November 1, 2011, with the exception of co-ops and Federally-managed portfolios, which are not obligated to participate.

The SHSC has cited the "greatly changed insurance marketplace due to recent world events and a heightened perception of the risk of community (social) housing as a result of Toronto's Wellesley Street fire", as the principal reason for eliminating the long standing practice of competitive bidding for insurance services. This community housing building was owned by Toronto Community Housing Corporation, and insured by SHSC, when it suffered a major fire in 2010.

SHSC has cited the *Social Housing Reform Act*, and successor legislation, as its authority to compel mandatory participation in its insurance program; however, the statutory authority of the SHSC does not appear to be definitive.

This issue is significant to the Region from a number of perspectives, particularly the following;

- It eliminates competition for the procurement of liability and property insurance for community housing;
- The Region of Waterloo subsidizes Community Housing, including insurance. Annually, this costs over \$300,000 for Regionally-owned housing (expires on October 31, 2011) and over \$800,000 for other required community housing providers;
- Several community housing providers are currently insured outside of the SHSC Group Insurance Program broker due to cost savings that can be achieved elsewhere;
- A significant increase in premiums is anticipated over and above any annual increase in 2011/2012, and the SHSC decision to eliminate any competitive bidding may result in the Region of Waterloo substantially subsidizing portfolios in other communities.

Regional staff will continue to monitor this issue and will keep Regional Council apprised of any further developments.

Attachment