



Eastern Ontario Wardens' Caucus

## **2011 PRIORITIES**

## **Executive Summary**

Each year the Eastern Ontario Wardens' Caucus Inc. meets to set its strategic priorities for the coming year. On January 13 and 14, 2011 the thirteen member municipalities of the EOWC Inc. met and agreed upon a number of key issues and directions for the year ahead. Those priorities are captured in three main categories:

- ✓ **Fiscal Issues**
- ✓ **Economic Development Matters**
- ✓ **New Research and Analysis**

### **Fiscal Issues:**

#### **#1. *Farm and Managed Forests Lands***

Rural property taxpayers are being saddled with an unaffordable financial burden because of two provincially-mandated programs, the Farmland Tax Program and the Managed Forest Tax Incentive Program, which the Province requires municipalities to fund through property taxes. The burden was shifted onto rural municipalities in 1998, when the Province downloaded the cost of the programs.

In 2008, the download cost municipalities more than \$257 million, but the Province reimbursed only \$50 million. The net cost to property taxpayers was \$207 million in that one year alone.

In the face of these shortfalls, local councils in rural areas have no choice but to raise property taxes. In these municipalities, the financial burden falls largely on homeowners, farmers and other private landowners – many of whom are supposed to be benefiting from the programs, not helping to pay for them. Property taxes are as much as 20% higher than they would be with fair funding for these necessary provincial programs. In one municipality alone, the annual loss in revenues is \$18 million a year.

#### **#2. *Continuation of Eastern Ontario Development Fund***

Ontario's four year EODF will have invested \$80 million directly into growing Eastern Ontario's business to create new jobs and help restructure sector to meet the challenges of a changing

local and world economy. This program is scheduled to come to an end in 2011 and the EOWC which led the drive to create this Fund in the first place will make it a priority to ensure it becomes a permanent feature for Eastern Ontario. The EOWC will press its position with the current Government as well as the other provincial parties.

### *#3. Continuation and Enhancement of Eastern Ontario Development Program*

The Government of Canada is also in the midst of reviewing its program, the Eastern Ontario Development Program (EODP). The EODP was created in 2004 in response to active campaign several years ago led by the EOWC and Community Futures Corporations from around the region. The Program has been very successful in creating new small businesses and the jobs that go along with them. Since its creation the EODP has invested more than \$46 million in businesses across Eastern Ontario and that has resulted in a further \$147 million of private sector spending.

The EOWC will put its resources and efforts into convincing the Federal Government to enhance the program and make it a permanent part of its new development agency for Southern Ontario, FedDev Ontario.

### *#4. Access to Provincial Gas Tax for Municipal Roads*

Across Eastern Ontario the financial pressure to maintain local roads and bridges continues to be one of the most significant concerns to municipal taxpayers and elected officials. Tens of millions of dollars are required on an ongoing basis just to maintain existing roads and new sources of revenue at the local level are urgently required.

The Province of Ontario provides municipalities with transit systems additional revenues through the sharing of a portion of the provincial revenues gained from taxes on fuel. The EOWC has advocated for a fair share of these revenues for use on local roads and bridges. These are essentially our “transit system” and warrant sustained, ongoing financial support from gas tax revenues.

It should be noted that Eastern Ontario was forced to take over financial responsibility for nearly 40% of former provincial highways downloaded in 1995 and 1997. This burden remains a major stress on municipal road budgets.

### *#5. Sustained Investment in Infrastructure*

The Provincial-Municipal Fiscal Services Delivery Review concluded in 2008 that a \$6 billion annual gap existed between what municipalities were able to spend on infrastructure including roads, bridges, sewer and water and what was required just to maintain it to acceptable standards. One time programs that inject money into infrastructure are welcome however municipalities across our region require stable, secure and sustainable funding in order to properly plan expenditures.

The EOWC will continue to work with the Association of Municipalities of Ontario and any other organization to urge both the Federal and Provincial Governments to establish funding arrangements that can be counted on from year to year.

#### *#6. Crown Land*

There are over 2 million acres of Crown owned land in Eastern Ontario that produce no tax revenues for local municipalities. In some of municipalities these lands make up to 75% of all land. The municipalities' ability to raise revenues through property taxes is significantly constrained as a result.

The lack of revenue generation combined with the necessity to provide local and county services (police, fire, ambulance, roads, bridges etc) to activities on Crown lands produces a major burden on property taxpayers. The EOWC has identified this as a key priority for a number of years and remains committed to finding alternatives for consideration by the Province. In 2011 the EOWC will be researching a new approach and new suggestions that will be communicated to the appropriate provincial authorities particularly the Ministry of Natural Resources.

### **Economic Development Matters**

#### *#1. Growth Plan for Eastern Ontario*

The EOWC has been pressing the Province for several years now to create a Growth Plan for the region. This is a key ingredient in developing a master plan for future investment in all types of infrastructure including roads, bridges, health and educational institutions to support economic development and future growth in Eastern Ontario.

With the recent completion of a Northern Ontario plan the EOWC strongly believes the Province needs to immediately begin working with municipalities, educators, the business community and health care institutions on a Plan specifically designed for the region. It intends to advocate for this work at every opportunity with the current Government as well as the opposition parties.

#### *#2. Support for Nuclear Industry in Eastern Ontario*

The EOWC recognizes the importance of existing infrastructure that supports the nuclear industry in the region, particularly in Northumberland and Renfrew counties. This infrastructure needs to be fully utilized and supported by the federal and provincial governments in order to maintain its viability.

Additionally, the EOWC believes that the experience, skills and knowledge that exists in the region makes it attractive for any new provincial investments in nuclear generation activities. The Caucus intends to make known to federal and provincial decision makers that new

investments in this sector should seriously consider these attributes as they make their choices for new generation facilities.

### *#3. Eastern Ontario Regional Network (EORN)*

The EOWC Inc. is the proponent of this new \$170million high-speed, high-capacity regional broadband network. It will cover an area of some 50,000 square miles in order to provide access for residents and businesses to the Internet with speeds and capacities that currently are not available. Some 300,000 people either have little or no access to the Internet and the EOWC Inc. firmly believes that this is unacceptable.

The Project is being funded through federal and provincial grants totaling \$110 million, \$10 million from the EOWC Inc. itself and the remaining \$50 million is coming from private sector partners. The project must be fully completed by the first quarter of 2014.

The EOWC Inc. will continue to keep this project as one of its key priorities. It has created a wholly-owned non-profit company, EORN Inc., to manage all contracts and ensure the building of the network is completed on time and on budget. For more information on the project go to [www.eorn.ca](http://www.eorn.ca)

### *#4. Promotion and Improvement of Border Crossings in Eastern Ontario*

Eastern Ontario is well situated to take better advantage of the three main border crossing into the United States of America (Thousand Islands, Ogdensburg and Cornwall). However, the EOWC Inc. is recommending that the federal and provincial governments undertake any necessary improvements that will facilitate the transfer of goods and services between the region and the USA.

The Caucus also intends to discuss with Canada and Ontario ways to promote these crossings as logical alternatives to crossing points that continue to become more and more congested in other parts of the province.

## **New Research and Analysis**

### *#1 Revising "Future Directions"*

The advocacy efforts by the EOWC Inc. on all annual priorities has been greatly enhanced by a commitment to detailed analysis, annual financial assessments and research that looks at economic, social and other trends affecting Eastern Ontario. The foundation document that the Caucus has used year by year is called "Future Directions". The Caucus employed outside experts including a well recognized independent accounting firm to study the situation of each member of the Caucus and provide a regional picture of the current financial situation and assess where pressures on the property tax base may be expected.

The EOWC Inc. has determined that a fresh new look at not only the financial situation but other contributing factors needs to be done. It will commission an independent analysis of factors that affect the municipal property tax base including.

The EOWC Inc. will also continue to review, monitor, changes in the following areas to ensure that any new costs accompanying provincial actions in these services receive adequate provincial/federal financial support:

- ✓ Police Costs
- ✓ Long Term Care
- ✓ Land ambulance funding
- ✓ Social Housing
- ✓ Health Units