

TOWNSHIP OF NAIRN AND HYMAN

64 McIntyre Street • Nairn Centre, Ontario • P0M 2L0 • (705) 869-4232 • Fax: (705) 869-5248
Established: March 7, 1896 Office of the Clerk Treasurer, CAO E-mail: nairncentre@personainternet.com
web page: www.nairncentre.ca

September 9th, 2014

The Honourable Kathleen Wynne
Premier of Ontario
Legislative Building
Queen's Park
Toronto, Ontario
M7A 1A1

Re: Power Dam Special Payment Program

Dear Premier Wynne:

Please be advised that our Council adopted the following motion at their meeting of September 2nd, 2014:

RESOLUTION# 2014-12-189

MOVED BY: Edward Mazey

SECONDED BY: Charlene Y. Martel

WHEREAS: in December 2000, the Province of Ontario passed the Continued Protection for Property Taxpayers Act, (Bill 140); and

WHEREAS: the Continued Protection for Property Taxpayers Act, among other matters, exempted certain hydro-electric stations and poles & wires from municipal taxation as of January 1, 2001; and

WHEREAS: the Continued Protection for Property Taxpayers Act removed the right and authority of affected municipalities across the Province to levy property tax notices to hydro-electric stations, poles & wires, representing significant taxable property assessment; and

WHEREAS: the Province of Ontario replaced the above noted rights and authority to tax hydro-electric stations, poles & wires with a compensatory payment, known as the Power Dam Special Payment Program, equivalent to the taxes levied on the subject structures in 2000; and

"Home of the Whispering Pines"

- WHEREAS: the amount of payments under the Power Dam Special Payment Program were adjusted for the Consumer Price Index in some but not all years, an adjustment which did not keep pace with either changes in municipal taxation rates or costs; and
- WHEREAS: the above noted changes resulted in an unfair shift in taxation to the remaining property assessment base, more specifically to residents and businesses alike; and
- WHEREAS: upon exempting from municipal property taxation, hydro-electric stations, poles & wires that had been subject to such taxation, the Province of Ontario amended the Electricity Act, 1998 requiring owners of the subject structures to pay to the Province of Ontario a Gross Revenue Charge (GRC) of three components:
- A Property tax component payable to the Minister of Finance
 - A property tax component payable to the Ontario Electricity Financial Corporation
 - A water rental component payable to the Minister of Finance;
- and;
- WHEREAS: in July 2014, the Province of Ontario introduced Bill 14, Building Opportunity and Securing Our Future Act (Budget Measures) which phases down or decreases the Power Dam Special Payment Program for hydro-electric stations, poles & wires by 23.53%, starting in 2015; and
- WHEREAS: the reduction in the Power Dam Special Payment Program will result in a reduction of annual revenues for affected municipalities by 2017; and
- WHEREAS: District Social Services Administration Board (DSSAB's) that use the proceeds of the Power Dam Special Payment Program as part of their funding formula will also be directly affected, thereby affecting municipalities who do not participate in the Power Dam Special Payment Program; and
- WHEREAS: many municipalities are already struggling as a result of accelerated cuts to the Ontario Municipal Partnership Fund (OMPF), the unknown aspects of a new OPP Billing Model, the elimination of the Connecting Link program and other cuts; and
- WHEREAS: as a result of reductions in the Power Dam Special Payment Program, affected municipalities may not be able to meet their fiduciary obligations; and
- WHEREAS: the reduction of the Power Dam Special Payment Program is punitive in nature; and

WHEREAS: the Power Dam Special Payment Program is very small when compared to the multi-billion dollar annual budget of the Province of Ontario yet the impact of the decreased funding is devastating for affected municipalities; and

WHEREAS: affected municipalities will have to increase property tax rates to the remaining property assessment base (assessment in some cases which is decreasing) to compensate for the loss of revenue or be forced to significantly compromise municipal services;

NOW THEREFORE BE IT RESOLVED:

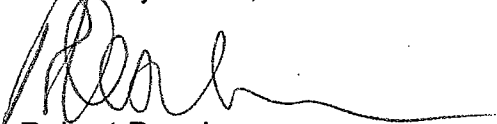
that the Township of Nairn and Hyman request that the Government of the Province of Ontario reverse the decision to decrease funding to the Power Dam Special Payment Program; and

FURTHER: that the Province of Ontario also be requested to annually increase the amount of funding by the amount of any change in the Consumer Price Index (CPI) to compensate for the increase in municipal costs; and

FURTHER: that a copy of this resolution be sent to the Premier of the Province of Ontario, the Minister of Finance, the Minister of Municipal Affairs and Housing, the Ministry of Northern Development and Mines, the Minister of Natural Resources, Michael Mantha, MPP, Algoma Manitoulin, the local DSSAB, FONOM, NOMA and AMO.

CARRIED

Sincerely Yours,



Robert Deschene,
CAO

LF/sw

cc: The Honourable Charles Sousa, Minister of Finance
The Honourable Ted McMeekin, Minister of Municipal Affairs & Housing
The Honourable Michael Gravelle, Minister of Northern Development & Mines
The Honourable Bill Mauro, Minister of Natural Resources & Forestry
The Corporation of the Municipality of Wawa
Michael Mantha, MPP, Algoma-Manitoulin
Sudbury Manitoulin District Services Board, Espanola ✓
Federation of Northern Ontario Municipalities
Northwestern Ontario Municipal Association
Association of Municipalities of Ontario