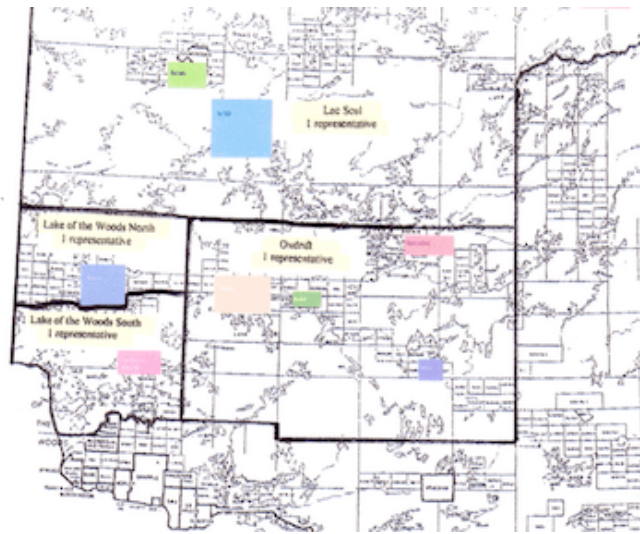


## Fiscal Challenges Face Kenora District

Budget season is upon us and municipalities in the District of Kenora are facing fiscal challenges on several fronts. Inflation has contributed significantly to the cost of infrastructure, equipment and general operating expenses. Upgrades to aging infrastructure at or near the end of its lifecycle can no longer be deferred. Policing costs, driven by calls for service, is rapidly surpassing what municipalities can afford to pass on to ratepayers. The cost of fire trucks, snow graders and plows has risen exponentially, as has the cost of consumable items such as salt, sand and pool chemicals.

Multiple and complex social issues are also significantly contributing to the pressures on communities. These should be investigated further, and all three levels of government should be collaborating on solutions aimed at alleviating these pressures. DoKURA supports the Association of Municipalities of Ontario (AMO) proposed resolution that the Province of Ontario commit to undertaking a comprehensive social and economic prosperity review to promote the stability and sustainability of municipal finances across Ontario.



In the Fall 2024 Economic Impact Statement, the Ford Government announced increases to the Ontario Municipal Partnership Fund (OMPF) – the province’s main general assistance grant to municipalities – by \$100 million over the next two years. This brings the total funding provided through this program to \$600 million by 2026. In 2025, municipalities will benefit from an immediate \$50 million increase to the OMPF. This should provide some relief to beleaguered municipalities.

What does all this mean to residents who live in the unincorporated territory? The City of Red Lake has already announced significant

increases to a variety of user fees ([www.redlake.ca/our-government/fees](http://www.redlake.ca/our-government/fees)) starting in January 2025 for non-residents. We’re anticipating that other municipalities could follow this same strategy.

In August, at the AMO conference, the Northern Ontario Municipal Association (NOMA) presented a paper entitled: *Taxation Reform – Unincorporated Areas*. From our standpoint, it is quite concerning. The premise of the briefing suggested that residents living in unincorporated areas benefit from municipal services, infrastructure and initiatives without contributing proportionally

to their costs and sharing the financial burden. Several suggestions were made to increase taxation for unincorporated residents in order to provide additional funding to municipalities. From our perspective, the data provided in the briefing did not support the proposal to implement additional taxes for unincorporated area residents.

Also announced in the Fall Economic Statement, property tax reassessments will continue to be deferred while the provincial property tax review is ongoing. "A review of the taxation system and property assessment will focus on fairness, affordability and business competitiveness. The province plans to seek input on the design of appropriate measures while also considering manageable timelines for introducing any changes," said Provincial Finance Minister Peter Bethlenfalvy.

DoKURA continues to support the need for a reassessment of property values given that there has been no general update since 2016. The Provincial Land Tax (PLT) reform conducted in 2014 and enacted in 2015/16 was an important initiative that led to the conclusion that there is equity in property taxation when comparing the unincorporated areas to municipalities in general.

We believe that a reassessment should trigger an adjustment of PLT rates to continue to ensure equity. We continue to advocate for an appropriate accounting of revenues and expenditures related to the PLT. We also believe that consideration should be given to provide some level of regional flexibility within the Territory Without Municipal Organization (TWOMO) as we would like to

see non-profit long-term care supported in the Kenora District.

Any discussion of reforms to the Provincial Land Tax system, or service delivery in unincorporated areas through regional organizations must include meaningful consultation and representation from people who live in the unincorporated areas. The District of Kenora comprises of municipalities,



first nation communities and residents who live in unincorporated areas (TWOMO). DoKURA believes that the Kenora District is best served when we collaborate and work together for the benefit of all residents. DoKURA remains committed to working

collaboratively to address matters that affect the residents of unincorporated areas. Residents living in the unincorporated territories need to have their voice heard as part of the process leading to any changes that might be contemplated.

Local Services Boards and Local Roads Boards are not immune to the pressure of rising costs. For example, the Local Services Board of Nolalu (in the Thunder Bay District) is considering a 7.5% levy increase to fund its firefighting and recreation services. TWOMO residents work together. Volunteer fire departments, Road Boards and Local Services Boards are but a few examples of how volunteerism gets work done. We pay for our own water and sewer services. We contribute to community projects in our areas and to municipalities by way of time and significant cash contributions that support hospitals, cultural institutions and activities, as well as some community needs. We pay our fair share.