

# Area Services Board Working Group

Minutes

**Thursday, May 24, 2001**  
**5.00 pm**  
**City of Elliot Lake - Council Chambers**  
**45 Hillside Drive North**

**Note:** The Area Services Board meeting began at 5.00 pm and preceded the regular meeting of the Algoma District Services Administration Board which followed at the same location

ASB Working Group Members in attendance:

L. Aelick  
R. Capillo  
G. Farkouh  
B. Gallagher  
R. Hamilton  
H. Pelky  
G. Tremblay  
S. Reinhardt  
A. Swanson  
P. Wesselius  
H. Whent

ASB Working Group Members absent with regrets: K. Currie

ASB Working Group Members absent: none

## 1. Opening of meeting

Mr. George Farkouh, Vice Chair of the Algoma District Services Administration Board chaired the meeting in the absence of Mr. Keith Currie, Chair. He noted that Mr. Currie had indicated that he would be resigning but had not yet done so. The selection of a Chair of the Algoma District Services Administration Board and the Area Services Board Working Group will occur at the next meeting on June 28.

Mr. Farkouh welcome those in attendance and those watching the meeting on the local cable channel. He also recognized Dr. Allan Northan of the Algoma Health Unit. For the audience he provided a brief overview of Area Services Boards and the relationship to the Health Unit and Homes for the Aged Board.

## 2. Opportunity for Declaration of Pecuniary Interest

Mr. Farkouh explained to the audience the applicability of the Municipal Conflict of Interest Act on the ASB Working Group. There were no declarations of pecuniary interest.

### 3. Minutes

The minutes of the March 29, 2001 ASB Working Group meeting were passed as distributed.

### 4. Correspondence

#### 4.1 ASB - Clarifications related to Representation and Cost

#### Apportionment

A letter was sent to Mr. Aime Dimatteo Director Northern Services Improvement Project to seek clarification on two issues:

Representation : Could representation on the ASB be based on a combination of population and assessment. Mr. Dimatteo in his reply noted that:

*"You questioned if the proposed Algoma ASB representation model could be based on factors other than population. The Northern Services Board Act (NSBA) does not specify what a local representation model for an Area Services Board should be; however, the NSBA Section 37 (1) (a) (iii) states that a proposal requires the number of board members, and the municipality, municipalities or unorganized territory to be represented by a member to be specified. The Algoma ASB Stage One proposal sent to the Ministry of Northern Development and Mines November 17, 2000 outlined the representation model which was voted on by Algoma municipalities and unorganized territory residents. The model requested is based on representation by population."*

Cost Apportionment: Could methods of apportionment other than weighted assessment utilizing a set of tax ratios be considered?

Mr. Dimatteo in his reply noted that :

*"I would like to clarify the comments I made at NOSDA on the matter of cost apportionment. The NSBA foresees that an ASB will move to Model 2, direct taxation based on weighted assessment to apportion costs after a transitional period in Model 1. During the transitional period, the Province will set the apportionment formula. My comments were to suggest that*

*while you may have input to the choice of a transitional apportionment formula, any proposal for a transitional formula must consider that the ultimate formula will be based on weighted assessment under Model 2. I trust this clarifies my comments."*

A lengthy discussion followed:

It was clarified that the financial projections included in the Draft Stage #2 and Stage #3 plan were very preliminary. They will be impacted by the final tax ratios for 2001, Provincial Land Tax reform in the unincorporated, proposed amalgamations and the decision related to the taxation of power plants in the unincorporated (Bill #140). Due to those uncertainties the draft financial projections would not be distributed. It was agreed that there would be detailed financial projections completed and distributed once the above issues have been clarified. It was noted that the full financial implications were not available at the time of the original vote.

It was agreed that planning should proceed. The overriding importance of the decision related to the taxation of power plants in the unincorporated (Bill #140) was stressed. (See following correspondence)

It was agreed that when the Stage #2 and Stage#3 plan had been finalized they would be distributed to all member municipalities and the unincorporated.

It was agreed that the ASB plan would then be submitted only if there was a double majority support by resolution from all member municipalities and the unincorporated.

There was agreement that financial impacts must be considered in depth and over the long run. It was noted that any change to apportionment must still recognize ability to pay. Concern was expressed as to the appropriateness of moving to a uniform tax ratio under an ASB.

## 4.2 ASB Working Group Invitation to Consultants - Randolph Group and ADMM Public Affairs

On April 26, the ASB Working Group members discussed the response from the two consultants who had been approached. The Randolph Group after careful review declined to bid. They did suggest a name of another consultant who could only do the portion of the plan related to assessments. ADMM Consulting did bid on the full requirements and was within \$5,000. of the budgeted amount. Direction was given to the ADSAB CAO to engage that firm for the bid price. On April 30, 2001, the CAO advised MNM of the direction being taken. Subsequently a contract was

signed. A resolution confirming this selection was passed later in the meeting.

### 4.3 Bill 140 impacts on ASB and unincorporated assessment

The ADSAB CAO wrote to Mr. Dimatteo on April 30, to clarify the impact of Bill 140 on the assessment of power dams in both incorporated and unincorporated areas. Bill 140 removes power generation facilities from the assessment base of incorporated municipalities effective January 1, 2001. There is a significant impact on incorporated municipalities and their ability to fund the programs under the existing DSSAB. It appears that offsetting grants will assist those municipalities in 2001, it is not yet clear if such grants will continue beyond 2002. Nor is it clear how such grants if they continue will be considered when setting DSSAB apportionments. The letter requested written clarification on this issue as part of the ASB planning process.

Written clarification was sought of how this assessment change will impact on those power generation facilities that are located in the unincorporated and if there would be an offsetting grant that the ASB can access similar to assessment

There was no response by the date of the ASB Working group meeting.

Ms. Cathy Jensen of the Ministry of Northern Development and Mines noted that the correspondence was forwarded to the Ministry of Finance. It was noted that this issue had been brought forward at the recent conference of the Federation of Northern Ontario Municipalities (FONOM) and that no reply was received.

### 5. Resolution - Confirmation of Terms of Reference

The terms of reference were distributed as a draft in February for comments. By error these were not passed at the March ASB Working Group meeting. The CAO noted that we have been following the content of the terms of reference in the ASB planning process. A resolution confirming the Terms of Reference was passed.

It was confirmed that the agreement to distribute the Stage #2 and Stage #3 plan to all member municipalities and the unincorporated for double majority support / non support did not need to be included in these terms of reference since that commitment would be

included in the minutes of this meeting.

6. Resolution - Confirmation of selection of consulting firm

As set out in 4.2 a resolution confirming this selection was passed.

7. Service Contract Discussion Update

The consultant - ADMM Public Affairs met with the Homes for the Aged Board representatives and then the Algoma Health Unit Board representatives. Members of each ASB Working Group subcommittee were also in attendance at each meeting. The two separate meetings took place on May 15. The process to develop service contracts to get underway was discussed at that time.

The CAO noted he was expecting a written report from the consultant but it had not arrived by the date of the meeting. Dr. Northan gave a brief review of the meeting with the Health Unit. Ms. Lorraine Aelick provided a summary of the meeting with the Homes for the Aged Board. There was a consensus that in both cases cordial discussions had occurred. However, progress was stymied by lack of direction from the Ministry of Northern Development and Mines (MNDM) as to the required components of the service contracts. The CAO will ask the consultant to pursue this with MNDM staff.

8. First Draft ASB Stage #2 and Stage # 3 plan (portions completed by staff of Algoma District Services Administration Board)

A lengthy presentation was made on the first draft of the ASB Stage #2 and Stage # 3 plan.

The CAO noted that section titled " ASB Plan Synopsis" found on page #2 of the document captures the essence of the plan.

As agreed earlier in the meeting the draft financial impacts will be distributed once finalized. A number of grammatical and numerical errors were identified and amendments made. The amended document will be placed on the ASB section of the public website.

9. Communications Update

The CAO noted he had several positive comments about being able to access the ASB information and minutes from the public website. This method also facilitated the work of the consultants and supports communications with other service delivery agents.

10. Open Questions and Answers

There were no additional questions.

**11. Next Steps / Next Meeting**

The meeting was adjourned. The next meeting of the ASB Working Group will occur on

Thursday, June 28, 2001 at the Algoma District Services Administration Board Head Office at Little Rapids. The ASB Working Group meeting will begin at 5.00 pm and precede the regular meeting of the Algoma District Services Administration Board which will follow at the same location.

## Resolutions

Moved By: Rick Hamilton

Seconded By: Rosario Capillo

Resolve That: The minutes of the March 29, 2001 ASB Working Group meeting be passed as distributed.

Moved By: Peggy Wesselius

Seconded By: Heather Pelky

Resolve That: The Terms of Reference for the Area Services Board working group be approved as presented.

Moved By: Rick Hamilton

Seconded By: Lorraine Aelick

Resolve That: The contract with ADMM Consulting be confirmed.

Moved By: Rosario Capillo

Seconded By: Peggy Wesselius

Resolve That: The first Draft of the Area Service Board plan be supported as amended.

Moved By: Gabriel Tremblay

Seconded By: Heather Pelky

Resolve That: The May 24<sup>th</sup> meeting of the Area Service Board Working Group be adjourned.