

TOWNSHIP OF O'CONNOR – PUBLIC MEETING NOTES – SEPTEMBER 18, 2024

Notes of the Public Meeting held on Wednesday, September 18, 2024 at 7:00 p.m. in the O'Connor Community Centre.

Present: Mayor Vezina
Councillors Crane, Rea, and Sobolta
Deputy Clerk-Treasurer Laforest

Absent: Councillor Torkkeli

Visitors: Allan Scott (Sr.), Sharon Scott, Allan Scott (Jr.), Cheri Biloski, Janice Gratz, Linda Racicot, Tammy Cook, Anneli Roblin, Roy Roblin, Diana Bockus, Larry Bockus, Matt Henny, Kelly Morris, Carlie Andresen, Colin Andresen, Kaitlyn Medendorp, Julie Hansen, David Lemieux, Nicole Lemieux, Chris Fiorito, Rick Bodnar, Rod Allan, Gary Allan, Lianne Bolt, Alexandra Bolt, Leslie Scheuerman, and Bill Chambers.

Mayor Vezina called the Public Meeting to order at 7:01 p.m. Everyone was welcomed to the meeting and was asked to sign the attendance sheet if they had not already done so. Visitors were then instructed on the location of all exits and washrooms. Copies were made available at the entrance of the Final Budget, the 2024 Municipal Budget Expenses and Revenue pie chart, and information sheets on Reserves and Reserve Funds courtesy of the Municipal Finance Officers' Association of Ontario. Mayor Vezina provided a power point presentation to support his commentary explaining the goals of the meeting, the breakdown of the budget, the need for cost savings and efforts for the Township's sustainability.

Mayor Vezina clarified that passing a budget is mandated by law to document and track all dollars earned and spent.

First, he gave details on revenues and expenses made by the Township. Any money received by the Municipality is deemed a revenue, whether it be sales of history books, building permit application fees, or grants from the Federal or Provincial government groups such as the Ontario Trillium Foundation (OTF), Canada Community Building Fund (CCBF), Northern Ontario Resource Development Support (NORDS), Ontario Community Infrastructure Fund (OCIF), Municipal Disaster Recovery Assistance (MDRA). He then explained briefly what each government fund could be used for, as each one is specific. For example, NORDS can only be spent on resource development. Since Loghrin Road is the Township of O'Connor's only option for utilizing the funding, Council used the funding for paving Loghrin Road. He further explained that that the funding received thus far from the NORDS only covered 99.9% of the cost and that the remainder of the project would be levied from the Township's Reserves until the remaining funding is received in 2025 to pay back the levied amount from 2024. Next, he said that OCIF is used for culverts and bridges and CCBF for resurfacing the roads. Mayor Vezina then explained that expenses are any monies spent by the Township, whether it be Operating expenses such as, wages, building maintenance, hydro, gas, etc., or Capital expenses such as, equipment.

Second, Mayor Vezina explained Surplus and Deficit. A surplus will show up at the end of the year if the Township does not spend all the expenses budgeted for. Any surplus is to be put back to the residents for overtaxing. This can be done by putting the surplus funds into the Township's Reserve Funds. Deficits are when dollars were overspent on the Township's Budget. Deficits are not ideal, but they can happen in unforeseen circumstances. When there is a deficit, it becomes a line item on the next year's budget. He then referenced the line item on the Township's 2024 Budget and where Visitors could find it. To justify increases in the last two year's tax rates, Mayor Vezina explained that in the 2024 Budget, our deficit from 2023 was \$14,859.43 on and in the 2023 Budget, the deficit from 2022 was \$111,816.14. Mayor Vezina exclaimed that the increases of 12% and 10.9% in 2023 and 2024 respectively are startling, but reality.

Reasons for the deficits included first, purchasing a plow truck, which the Township took out a 10-year loan for, and improvements on the Township's Garage. The loans were obtained well into 2023, and due to only five months for the plow truck and four months for the Garage for payments to be made, the Township did not see a full year's worth of payments until 2024. Next, increases for the O'Connor Volunteer Fire Department

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Capital Expenses were then justified to explain that the department's infrastructure is aging, and Council needs to protect the Township's Volunteer Firefighters. Increases seen in the Capital expenses for the Fire Department were for equipment to be able to send our Volunteers on calls with the proper tools for the job.

Third, the pressures of Staff wages and succession planning were stressed. Mayor Vezina explained that the jobs that come with working for the Municipality are learned through mentoring, to which, there is no schooling for, thus taking time to learn the job. New Staff need to be trained to take over the senior positions. Hiring experienced personnel that don't need training was an alternative, however not an inexpensive one. To help offset the Township's expenses, funding was applied for and awarded from the Northern Ontario Heritage Fund Corporation (NOHFC). However, it was determined that hiring a more qualified person for the Office rather than training a brand-new person with the NOHFC was a better choice. Visitors were also advised and reminded that the Township used to have three Roads Department positions, until Road Superintendent Johnson took on the role of both Superintendent (Leadhand at the time) and Operator, allowing the Township to keep the budget expenses down.

Other expenses that were dramatically increased were the Township's insurance, seeing an increase of 30%, and auditing fees, doubling in price. These are necessary expenses.

Next, Mayor Vezina discussed the Government Mandated Programs. He explained that organized municipalities must pay the mandated programming while the unorganized municipalities do not have to pay for these services. This is a contention with Council. In comparison to last year's service delivery to this year's service delivery, there was an increase in paramedic services and a decrease in policing. He explained that anytime the police get a call to O'Connor, the Township incurs an expense. Public Health has increased 33% while program funding has moved from 100% to 80%. Council is made to be aware, but has little to no say in the budgeting of mandated programs. The Municipal Property Assessment Corporation (MPAC) assessment values are generally four years old, however MPAC has not done a reassessment since 2016, so no increases were seen from MPAC. For The District of Thunder Bay Social Services Administration Board (TBDSSAB), it is suspected that the Township uses less than \$10,000 in services, however incurs an expense of \$100,000 which makes the Lakehead Rural Municipal Coalition the second highest contributor next to City of Thunder Bay. Council sees this as unjust and although they are happy with the service, they are not happy with the funding model. Overall, the government mandated programs amounted to a 4% increase on the Township of O'Connor's 2024 Budget.

Other expenses include payments to the joint boards such as Lakehead Region Conservation Authority, Lakehead Rural Planning Board, Police Services Board. Services are provided to the residents for the Oliver Paipoonge Public Library through funding that the Township receives which is then forwarded to the library. This is not an expense to the taxpayers.

Mayor Vezina then explained that what Council does is to balance the expenses with the revenues. This has become increasingly difficult in recent years, since the Ontario Municipal Partnership Fund (OMPF) that the Township receives has decreased and all the expenses the Township incurs have increased. To help balance this, Council have been using money from the Levy Stabilization Fund, which was funding provided by the Provincial Government. The money that was saved in the Levy Stabilization Fund is now depleted, since it has been used over the last few years to help balance the 33% decrease in the OMPF. In previous years, the Township would have surplus money from the OMPF after paying the mandated programs. With the increases seen in mandated programming, the Township was using the Levy Stabilization Fund to pay the difference.

Lastly, Mayor Vezina stated that Council does their best to save money in every way possible, such as not attending expensive conferences and only attending local ones, and not taking a raise in Council's honorarium since 2018. He further explained that although most road projects were covered by funding, the Township must incur some cost for road maintenance projects to be eligible for this funding. The Township has been doing brushing and ditching on Township roads to meet this requirement. In 2024,

had the Township not had to pay for all the mandated programming, we could have been looking at a 2.147% decrease as opposed to a 10.9% increase. Council has looked at everything in the budget to make reductions. It is predicted that in 2025, the Township will need a newer sanding unit, as the current one will not likely pass a safety check by then. This will have to be addressed in next year's budget. He said that the residents will have to decide if they currently like the services they get from the Roads Department or would they prefer a more substandard care. As for the Volunteer Fire Department Services, he explained that the Township does not have to offer this protection, but rather offer education alone. This would then mean that homes would either go unprotected or pay expensive fees for services provided by other communities. In keeping the fire protection service, residents must understand that as infrastructure and equipment ages, it must be replaced. Insurance companies require that front line equipment not be older than twenty years. If a truck fails, an insurance company could sue the Township. If we offer the service, we must maintain the infrastructure.

In closing, Mayor Vezina said that Council is looking for input on the Budget from the residents. Everyone is welcome and all input is brought to the Council table. The formal presentation ended at 7:48 pm. He then turned the meeting over for questions.

Several questions were asked and answered.

The first question was can volunteers provide fundraising for the Township. The answer was yes. Council will support events, however the Staff at the Township Office do not have the time to organize and run these events.

The next question was, what is the point of having Council. It was explained that the Township of O'Connor is incorporated, and as a creation of the Province, it is mandated that the Township have a Council.

A comment was made that we should encourage more businesses in the Township, however they felt it is difficult to have a business with such large amounts of taxes having to be paid.

The next question was, has speaking to the Province accomplished anything. The answer was yes. In recent years, Council have accomplished getting 2 more seats on The District of Thunder Bay Social Services Board.

The next question was, can we refuse to pay the mandated programming. The answer was no. If the Township refused to pay, the Province would cut our funding and residents would end up paying more. It was stressed that residents need to address this issue with the Province and insist that the unorganized municipalities need to pay their fair share.

A concern was brought forward regarding affordable living for senior residents. Seniors are on a fixed income and while mandated programming is increasing, their income is not. A request for credit and reduction on taxes was made. Mayor Vezina said that the residents could come into the office to get more information and fill out an application for tax relief. A second question was asked as to whether the increases of mandated programming have been addressed with the province. The answer was yes.

The question of cutting back on dust control was raised. It was explained that dust control is necessary not just to keep the dust down, but it also prevents the roads from eroding.

The Loghrin Road project came to question. The first question was, will the maintenance of the Loghrin Road being paved cost us more money in the years to come. The question was answered with a cost comparison in that the longevity of the paved road would cost less in the same time frame than the maintenance cost of a gravel road. The next question on the Loghrin Road project was how much did the ratepayers contribute to the project. The answer was that any expenses incurred outside of funding was borrowed from the Township and will be paid back in 2025 from the remaining NORDS funding. It was added that \$60,000 was obtained each year from the funding over the last four years and maintenance costs would see a savings of

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\$6000 - \$8000 per year. A follow up question was then asked if the savings on Loghrin Road would be put into reserves. The answer was that the reserves do need to be built up and it is hopeful to put these savings into reserves, as we also pay off current loans and upcoming loans for larger capital.

A statement was made for the appreciation of Council and Staff and that it was their opinion that money was not spent foolishly. They commented on the roads being perfect compared to other municipalities and that if we don't have a fire department, each individual's home insurance rates would triple. It was felt that O'Connor is one of the best places to live and that if people don't like the way things are run, then they should run for Council. They feel that Council and Staff do the best they can to decrease the budget spending, but people need to address the Province on mandated programming.

Someone asked if the Garage renovations were complete now. The answer was yes, aside from drainage which would not be costly.

The question was asked if we are opening up tenders for local businesses and the answer was yes. It was also noted that tenders are posted in the local newsletter as well as on the Township Website. A follow up question was asked if volunteers could help build things (like a garage) for the Township. The answer was no, due to rules and regulations.

Questions regarding whether assistance for seniors and grants received are being advertised. The answer was yes, in the newsletter and on the Township Website.

Another question was asked if there are any big expenses foreseen for the next year. The answer was that Council hopes to not have any major expenses in the coming year, other than mentioned previously (sanding unit for the roads). Some larger expenses are foreseen for the future, such as a large culvert and wooden bridge.

It was asked if there are any predictions for next year's budget. It was answered that wages may see an increase with union negotiations coming soon and possibly a plow truck in the next few years. A follow up question was asked if we can get rid of the union. The answer was no.

The next question was, why does the Township pay so much for policing, and where does the money from the fines go. The answer was that there is a fee for every call made, in addition to the base cost, and the fees from the fines go into the court costs.

The next question was, will more houses lessen tax bills. The answer was that it would not help enough to solve the Township's tax issues. The mandated bills are based on CVA, so if more houses are built, then fees will go up.

Another question was, what is happening with the garbage truck at the Disposal Site. The answer was that we are waiting for the insurance company to get back to us on this matter still.

The next question was, can we encourage new business in O'Connor. The answer was that this is a difficult. The Province is pushing for renewable projects on Crown Land, however Council is fighting for municipalities to have these renewable projects and not have them on Crown Land.

The last question that was asked was if the logging on Connolly Road was profiting the Township. The answer was that the logging was saving \$35,000 on the taxes. As all questions were addressed, the Public Meeting adjourned at 9:15 p.m.

Mayor

Deputy Clerk-Treasurer