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COUNTY OF RENFREW



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October 29, 2014

The Honourable Kathleen Wynne  
Premier of Ontario  
Room 281, Main Legislature Building  
Queen's Park  
Toronto, ON M7A 1A1  
[Premier@ontario.ca](mailto:Premier@ontario.ca)

Dear Honourable Wynne:

**RE: POWER DAM SPECIAL PAYMENT PROGRAM**

As part of the 2014 Ontario Budget delivered earlier this year, it was announced the Power Dam Special Payment Program would be phased-down to \$14.3 million by 2017. It was also mentioned within the budget document the Province will work with municipalities on ways to implement the phase-down in a manner that is fair and manageable.

Encouraged by your comments made at the AMO Annual Conference in London, Ontario to task the Ministry of Finance to revisit the option of again taxing these Power Dams, staff from the County of Renfrew and the Township of Greater Madawaska participated in a pre-arranged conference call with the Ministry on September 16, 2014.

Unfortunately, it would seem that your direction has not been properly communicated to staff from the Ministry of Finance. During the conference call with Mr. Allan Doheny, Assistant Deputy Minister, Ministry of Finance and other departmental staff, they offered two phase-down approaches to the proposed cuts. One option proposed was to alleviate the damage to the most seriously affected municipalities by taking more from the less affected and asked the municipal representatives on the call if this was fair and manageable. How fair and manageable is it to pit municipality against municipality resulting in "winners" and "losers"? The other option proposed was to proportionately reduce every Power Dam Special Payment Program recipient by the same percentage for the years 2015 through to 2017. Again I ask, is this fair and manageable for host municipalities of power dams to lose funding for municipal services such as fire, ambulance and road infrastructure to these locations? I draw the parallel to unpatented crown lands, the majority of which reside within the County of Renfrew, for which we receive no compensation and yet have to provide municipal services to them.

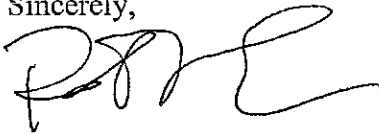
When AMO and municipal representatives on the teleconference call asked about the possibility of again taxing the power dams, Ministry of Finance staff indicated that this matter would not be discussed until some future point in time. When will that future point in time arrive? Municipalities are currently in the process of drafting their 2015 municipal budgets and have already concluded that they cannot take funding away from other municipal program expenditures to address this phase-down created by the Province of Ontario in any way that is fair or manageable.

One option available to the Province of Ontario that is revenue neutral for both the Province of Ontario and the municipal sector would be to phase-in the taxable assessment of power dams for municipal taxation purposes in the same proportion as the proposed phase-down of the Power Dam Special Payment Program.

Another option would be to postpone or completely cancel the decision to scale back the Power Dam Special Payment Program. Local governments need these funds to continue to provide efficient and cost effective services to all ratepayers.

Your positive response to these comments and the need for a permanent and predictable solution which does not increase the financial burden on the municipal sector would be appreciated.

Sincerely,



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PRE:rmg

c: Jim Hutton, Chief Administrative Officer, County of Renfrew  
James D. Kutschke, Treasurer/Deputy Clerk, County of Renfrew