



Chris Wray  
<cwrap@wawa.cc>  
07/07/2014 06:54 PM

To "Allison Holtzhauer (aholtzhauer@greatermadawaska.com)"  
<aholtzhauer@greatermadawaska.com>, "Andrew Goldie  
(agoldie@centrewellington.ca)"  
"mmantha-co@ndp.on.ca" <mmantha-co@ndp.on.ca>,  
cc "lynn.buckham@ontario.ca" <lynn.buckham@ontario.ca>,  
"King, David (MAH)" <David.King@ontario.ca>, "Kathy  
bcc  
Subject Power Dam Special Payment Program - Ontario Budget

Dear Colleagues:

There are some communities across the Province of Ontario that are looking forward to the adoption of the current Provincial Budget; many more are not. Many communities are struggling with aspects of the current budget such as the accelerated cuts to the OMPF program, the unknown aspects of a new OPP billing model and questions about funding for aging infrastructure. If you are receiving this email it is because your community is also subject to a cut in the Power Dam Special Payment Program.

The proposed clawback of this program should be alarming for many communities. Implemented in 2001, the program was put in place to replace the taxation revenues associated with hydro-electrical plants, poles and wires when these properties were deemed exempt. In the case of the Municipality of Wawa, this meant that 47% of our property assessment base was declared exempt – can you imagine a change of this magnitude happening to your community?

We have attached a brief excerpt from the Provincial Budget document, yet somehow this does not do justice to the ramifications of the proposal. The following are few additional thoughts:

1. The program is very small (\$18.7 million in 2014) when compared the multi-billion annual budget yet the impact of the clawback is large for many of the communities.
2. Payments range from \$158 (0.002% own purpose taxation) to \$2,350,908 (66.512% own purpose taxation). These payments are significant contributions to the revenue base of many participating communities.
3. The program represents property that was previously taxable assessment. The right to tax the subject properties was removed in 2001.
4. The previous property taxation model was replaced with a gross receipts model wherein payments are now submitted to the Province of Ontario. The Province of Ontario has refused to release the amounts of these payments.
5. Since 2001, the payments have not kept pace with either inflation or the property taxation rates in any community. This has resulted in an unfair shift to the remaining assessment base.
6. Payments to MPAC still reflect a calculation that uses the now exempt assessment. Communities therefore pay MPAC for the assessment of property that is no longer assessed.

7. ARB cases that may have existed prior to 2001 would require taxation refunds from their remaining property assessment.
8. The only way for participating communities to recapture the subject revenue would be through a taxation increase to the remaining assessment. Alternatively, services could also be cut to compensate for the loss in revenue.
9. The clawback of this program affects 110 communities across the Province, many in a very significant way.
10. There is nothing that is fair or manageable about the reduction in this program.

Should the Province proceed ahead with this clawback, Wawa will be unable to meet financial obligations. Many services will need to be eliminated or reduced or a property taxation levy increase of 12.6% will need to be implemented. Either way, it is our ratepayers that lose.

Given the above, Wawa is prepared to host or co-host, in a central location, a joint meeting of interested and concerned communities to discuss how to best approach this matter before it is too late. To that end, we would appreciate hearing from you by way of return email (to this email address). If you require more information or wish to discuss this matter, you can call the following:

Linda Nowicki Mayor	Chris Wray CAO / Clerk-Treasurer
Phone – 705-852-0440	Phone – 705-856-2244 (ext. 223)
Email – <a href="mailto:lnowicki@wawa.cc">lnowicki@wawa.cc</a>	Email – <a href="mailto:cwray@wawa.cc">cwray@wawa.cc</a>

We look forward to hearing from you as soon as practicable.

Best Regards,

Linda Nowicki  
Mayor



Power Dam Payments.pdf



Premier Wynne.pdf



Minister Sousa.pdf

Chris Wray  
CAO / Clerk-Treasurer

## Power Dam Special Payment Program

The Province provides a special annual payment to municipalities hosting hydro-electric generating stations (power dams). Through this program, the Province has been providing municipalities with funding that reflects the amount of property tax revenue that each municipality received from these stations prior to 2001, when the stations became exempt from property taxation.

In 2013, the Province advised municipalities that this program would be reviewed as part of a broader examination to ensure government programs meet their policy objectives, while taking into account the government's ongoing effort to make responsible spending choices. Pending the outcome of the review, the Province committed to maintain a stable level of funding to municipalities under this program for the 2013 and 2014 taxation years.

As a result of the Province's review, and in the context of the government's commitment to continue to manage spending, the program will be phasing down to \$14.3 million by 2017.

**TABLE 1.10 Power Dam Special Payment Program Annual Funding  
(\$ Millions)**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Annual Payments to Municipalities</b>	18.7	18.1	16.8	14.3

The Province will work with municipalities on ways to implement the phase-down in a manner that is fair and manageable.





The Office of the Premier of the Province of Ontario  
Legislative Building  
Room 281  
Queen's Park  
Toronto, ON M7A 1A1

**Attention: The Honourable Kathleen Wynne - Premier**

July 3, 2014

Dear Premier Wynne:

**Re: Update – Municipality of Wawa**

I am so pleased that you are enjoying your Flood Mud mug. I ask that you pour yourself a mug of your favourite beverage while you consider the new dilemma faced by Mr. Sanders and his fellow Wawaites.

In 2001, the Municipality of Wawa lost the right to tax almost 50% of its assessment base when the Province of Ontario exempted power dams from property taxation. No other municipality in the Province has ever been stripped of such a large amount of property assessment through Provincial legislation. This was replaced with a program of compensatory payments. The budget that your government is now proposing to introduce proposes to reduce these compensatory payments by as much as 23%, financially crippling our community. This is all notwithstanding a decades old Assessment Review Board case concerning the power dams that could result in Wawa having to return in the area of \$7.5 million in past taxation.

In the past fifteen years, Wawa has had to deal with the loss of major employers including Algoma Ore and Weyerhaeuser while having to absorb the collapse of the forestry, mining and tourism industries. The loss of, employment, the ability to tax power dams and far too many public sector jobs to mention have left us questioning the sustainability of the community.



P.O. BOX 500, 40 BROADWAY AVENUE, WAWA, ONTARIO, P0S 1K0  
Telephone: (705) 856-2244, Fax: (705) 856-2120, Website: [www.wawa.cc](http://www.wawa.cc)



The present Provincial Budget document proposes to “clawback” approximately \$889,000 over the next four years and then approximately \$548,000 for every year thereafter; all on an annual payment of \$2,350,908 (received in 2013). In order to compensate for this loss, we will need to increase our municipal property tax levy by 12.6%, notwithstanding planned decreases in OMPF payments and a declining assessment base. Our community cannot afford this devastating blow; Mr. Sanders can't afford this.

Unfortunately the bad news does not stop there. Despite the assistance provided by the Province of Ontario through the ODRAP Program, and due to the cost of replacing two of the flood ravaged bridges, we still find ourselves over \$800,000 short in repairing the flood damage. The remainder of our infrastructure is also in desperate need of attention with our most pressing need being the re-build of our sewage system at \$1.3 million. How can we possibly manage any of this given the proposed cuts to the compensatory power dam payments?

A reduction in revenues of this size at any time will not allow us to meet our obligations, including those obligations to others. Our former Mayor, Howard Whent made the following point in a recent letter to the editors of local media outlets:

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*“This would not only impact Wawa, it would affect all 20 municipalities served by the Algoma District Services Administration Board (ambulance, child care, social housing, Ontario Works). This year (2014) Wawa will contribute \$870,879 of the \$2,326,051 power dam compensation to the operation of this Board. (Wawa will contribute an additional \$626,955 from the actual tax base). If Wawa gets less as power dam compensation, the contribution to this Board will be reduced and that means that all the municipalities would have to then pay for the difference. (I won't go through the calculations but the amount would be in the hundreds of thousands.)”*

The Province of Ontario went to great lengths to develop and legislatively adopt the Growth Plan for Northern Ontario (2011). How is asking small northern communities to give so much more than they can afford in keeping with this plan? I quote again from former Mayor Whent's letter:

*“This means then that in reality the “power dam payment” at the proposed \$1,767,636 would actually mean about a million dollar loss in “purchasing power” (i.e. to pay for the same services as the \$2 million brought in 2000). I know that the Municipality cannot possibly reduce costs or increase taxes to cover this magnitude of a financial hit.”*

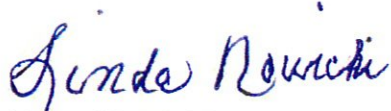


Further, Premier Wynne stated immediately after her election that the people of Ontario have chosen to look to the future with "*optimism*" and that your government will provide "*opportunities for their communities*". Wawa is facing the opposite.

The people of Ontario helped us through our natural disaster. Your budget will create a financial disaster. Our community is being asked to cut far more than any other. This is not fair and I am sure the taxpayers of Ontario would agree.

Mr. Sanders wants to stay here and make more Flood Mud pottery and the people of Wawa want to remain in their homes. Please leave the dam payments as they are and revisit the policy of CPI adjustments applied in past years.

**Best Regards,**



**Linda Nowicki**  
**Mayor**

Cc: The Hon. Michael Gravelle – Minister of Northern Development & Mines  
The Hon. Charles Sousa – Minister of Finance  
The Hon. Ted McMeekin – Minister of Municipal Affairs & Housing  
The Hon. Jeff Leal – Minister of Agriculture & Rural Affairs  
The Hon. Bob Chiarelli – Minister of Energy  
The Hon. Madeleine Meilleur – Attorney General & Minister of Francophone Affairs  
Michael Mantha – MPP, Algoma-Manitoulin  
Lynn Buckham – MMAH, Sudbury  
David King – MMAH, Sudbury  
Kathy Horgan – MMAH, Sudbury  
Paul Prosperi – MMAH, Sudbury  
Allan Doheny – ADM, Ministry of Finance  
AMO  
FONOM  
NOMA  
ADSAB  
Municipalities receiving power dam compensatory payments



The Ministry of Finance  
Frost Bldg South  
7th Floor  
7 Queen's Park Cres  
Toronto, ON M7A 1Y7

**Attention: The Honourable Charles Sousa - Minister**

July 3, 2014

Dear Minister Sousa:

**Re: Update – Municipality of Wawa**

On behalf of the Municipality of Wawa, congratulations of your recent re-election and appointment as Minister of Finance.

You may recall that during Wawa's disastrous rainfall and flooding in October 2012, our local potter, Jim Sanders, lost everything when the waters rose and his home and shop ended up in a deep gorge that was, prior to the flood, his driveway. With the assistance of the ODRAP fund, Mr. Sanders was able to relocate to a new home and re-establish his business.

Somehow, in the confusion of the above noted events, Mr. Sanders was able to return to his destroyed home, gather some of the mud and clay that now filled his living room and create a line of pottery he calls "Flood Mud". To that end, we are enclosing for you, a Flood Mud Mug designed by Mr. Sanders. I ask that you pour yourself a mug of your favourite beverage and consider the new dilemma faced by Mr. Sanders and his fellow Wawaites.

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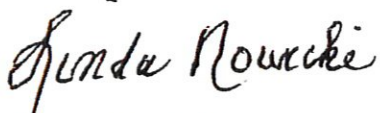
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**Best Regards,**



**Linda Nowicki**  
**Mayor**

cc: The Hon. Michael Gravelle – Minister of Northern Development & Mines  
The Hon. Ted McMeekin – Minister of Municipal Affairs & Housing  
The Hon. Jeff Leal – Minister of Agriculture & Rural Affairs  
The Hon. Bob Chiarelli – Minister of Energy  
The Hon. Madeleine Meilleur – Attorney General & Minister of Francophone Affairs  
Michael Mantha – MPP, Algoma-Manitoulin  
Lynn Buckham – MMAH, Sudbury  
David King – MMAH, Sudbury  
Kathy Horgan – MMAH, Sudbury  
Paul Prosperi – MMAH, Sudbury  
Allan Doheny – ADM, Ministry of Finance  
AMO  
FONOM  
NOMA  
ADSAB  
Municipalities receiving power dam compensatory payments



Peter Murphy  
<murphp@sympatico.ca>

08/07/2014 09:39 AM

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<mmantha-co@ndp.on.ca>, <lynn.buckham@ontario.ca>,  
cc "King, David \"(MAH)\" <David.King@ontario.ca>, "Kathy  
Horgan" <kathyhorgan@hotmail.ca>, "Prosperi, Paul  
bcc

Subject RE: Power Dam Special Payment Program - Ontario Budget

Hello Linda.

You tell me where and when you want to meet and I will be there.

We too are in the same situation.

In 2001, when the right to tax the subject properties was removed, our Clerk-treasurer and myself wrote the premier and finance minister at the time and told them if we lost all such revenue, then we would drive down to Queen's Park, put the keys to our Township Hall on their desks and they could try running our municipality without this revenue.

As you note, we did receive a form of continued payments, but as you also note, they have never reflected the real assessed value of these properties and they have never kept up with the costs of running the municipalities they are located in.

Thank you for offering to take the lead on this very important issue. Look forward to hearing more.

Take care,

Peter Murphy

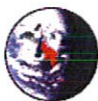
Mayor of Mattawan Township

**From:** Chris Wray [mailto:cwrap@wawa.cc]

**Sent:** Monday, July 07, 2014 7:54 PM

**To:** Allison Holtzhauer (aholtzhauer@greatermadawaska.com); Andrew Goldie (agoldie@centrewellington.ca); Andrew Van Oosten (township@ntl.sympatico.ca); Andy Brown (Andy.Brown@uclg.on.ca); Angela Sharbot (angela.sharbot@atikokan.ca); Betty De Haan (betty@southstormont.ca); Brian Horton (bhorton@peterborough.ca); Bryan Martin (bryanm@eganville.com); Charles Barton (admin@nipissingtownship.com); Charlie Murphy (charliem@quintewest.ca); Cheryl Robson (cao@northfrontenac.ca); Chris Murray (chris.murray@hamilton.ca); Chris Wray; Christine FitzSimons (cfitzsimons@whitewaterregion.ca); Cynthia Townsend (ctownsend@espanola.ca); Dan Carneegie (dcarneegie@stcatherines.ca); Dan Thibeault (dthibeault@charltonanddack.com); Daniel Best (bestd@greyhighlands.ca); Deborah Tonelli (email@huronshores.ca); Debra McKinstry (dmckinstry@twpec.ca); Diane Smithson (dsmithson@mississippimills.ca); Doug Nadorozny (doug.nadorozny@greatersudbury.ca); Elizabeth Savill (saville@northumberland.ca); Gary King (gking@county.peterborough.on.ca); Gerard Hunt (ghunt@cityofkingston.ca); Hazel Lambe (hlambe@bancroft.ca); James Pine (pinej@hastingscounty.com); Janice Lavalley (lavalley@nexicom.net); Jean-Pierre Barbeau (jbarbeau@westnipissing.ca); Jean-Pierre Ouellette (jp.ouellette@cochraneontario.com); Jill Armstrong (cao@merrickville-wolford.ca); Jim Hutton (jhutton@countyofrenfrew.on.ca); Jim Wilson (jwilson@county.haliburton.on.ca); Joe Torlone (joe.torlone@timmins.ca); John Hall (cao@terracebay.ca); John Sisson (jsisson@bracebridege.ca); Joseph Fratesi (j.fratesi@cityssm.on.ca); Karen Brown (kbrown@kenora.ca); Kelly Coulter (kcoulter@brucecounty.on.ca); Kelly Pender (kpender@frontenacounty.ca); Ken Todd (talktotheCAO@niagarafalls.ca); Kent Kirkpatrick (kent.kirkpatrick@ottawa.ca); Lance Thurston





Gilles Forget  
<mayor@iroquoisfalls.com>

09/07/2014 07:47 AM

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"mmantha-co@ndp.on.ca" <mmantha-co@ndp.on.ca>,  
cc "lynn.buckham@ontario.ca" <lynn.buckham@ontario.ca>,  
"King, David (MAH)" <David.King@ontario.ca>, "Kathy

bcc

Subject RE: Power Dam Special Payment Program - Ontario Budget

Good morning folks,

Iroquois Falls would certainly like to participate in any endeavor and would be pleased to meet at any chosen location. Count us in.

**From:** Chris Wray [mailto:cwray@wawa.cc]

**Sent:** Monday, July 07, 2014 7:54 PM

**To:** Allison Holtzhauer (aholtzhauer@greatermadawaska.com); Andrew Goldie (agoldie@centrewellington.ca); Andrew Van Oosten (township@ntl.sympatico.ca); Andy Brown (Andy.Brown@uclg.on.ca); Angela Sharbot (angela.sharbot@atikokan.ca); Betty De Haan (betty@southstormont.ca); Brian Horton (bhorton@peterborough.ca); Bryan Martin (bryanm@eganville.com); Charles Barton (admin@nipissingtownship.com); Charlie Murphy (charliem@quintewest.ca); Cheryl Robson (cao@northfrontenac.ca); Chris Murray (chris.murray@hamilton.ca); Chris Wray; Christine FitzSimons (cfitzsimons@whitewaterregion.ca); Cynthia Townsend (ctownsend@espanola.ca); Dan Carneegie (dcarneegie@stcatherines.ca); Dan Thibeault (dthibeault@charltonanddack.com); Daniel Best (bestd@greyhighlands.ca); Deborah Tonelli (email@huronshores.ca); Debra McKinstry (dmckinstry@twpec.ca); Diane Smithson (dsmithson@mississippimills.ca); Doug Nadorozny (doug.nadorozny@greatersudbury.ca); Elizabeth Savill (saville@northumberland.ca); Gary King (gking@county.peterborough.on.ca); Gerard Hunt (ghunt@cityofkingston.ca); Hazel Lambe (hlambe@bancroft.ca); James Pine (pinej@hastingscounty.com); Janice Lavalley (lavalley@nexicom.net); Jean-Pierre Barbeau (jbarbeau@westnipissing.ca); Jean-Pierre Ouellette (jp.ouellette@cochraneontario.com); Jill Armstrong (cao@merrickville-wolford.ca); Jim Hutton (jhutton@countyofrenfrew.on.ca); Jim Wilson (jwilson@county.haliburton.on.ca); Joe Torlone (joe.torlone@timmins.ca); John Hall (cao@terracebay.ca); John Sisson (jsisson@bracebridege.ca); Joseph Fratesi (j.fratesi@cityssm.on.ca); Karen Brown (kbrown@kenora.ca); Kelly Coulter (kcoulter@brucecounty.on.ca); Kelly Pender (kpender@frontenaccounty.ca); Ken Todd (talktotheCAO@niagarafalls.ca); Kent Kirkpatrick (kent.kirkpatrick@ottawa.ca); Lance Thurston (lance.thurston@grey.ca); Larry Adams (ladams@westgrey.com); Laurie Kennard (lkennard@gbtownship.ca); Lorna Hudder (lhudder@khrtownship.ca); Mackie McLaren (mjmhorton@xplornet.com); Marc Chenier (mchenier@casselman.ca); Mark Fisher (mfisher@city.kawarthalakes.on.ca); Mark McCraig (mmccraig@fort-frances.com); Melinda Reith (twpshcm@xplornet.com); Michael Duben (mduben@muskoka.on.ca); Michael Rutter (mike.rutter@trenthills.ca); Michael Wildman (mwildman@arnprior.ca); Michelle Larose; Michelle Mantifel (mmantifel@blrtownship.ca); Mike Dwyer (mdwyer@twprideaulakes.on.ca); Mike Galloway (mgalloway@notl.org); Noreen Mellema (nmellema@mcnabbraeside.com); Norm Levac (nlevac@cornwall.ca); Patricia Kemp (pkemp@hbmtpw.ca); Patricia Maxwell (conmee@tbaytel.net); Peggy Dupuis (peggy.dupuis@oliverpaipooe.on.ca); R. Carl Cannon (ccannon@porthope.ca); Richard Radford (rradford@brockton.ca); Robert Deschene (nairncentre@personainternet.com); Robert Mens (rmens@townofparrysound.com); Robert Small (rsmall@gananoque.ca); Robert Wittkie (rwittkie@lenarkhighlands.ca); Ronald Chittick (r.chittick@maomoralake.ca); Roy Sinclair (roy.sinclair@greenstone.ca); Scott Wilson (scottw@wellington.ca); Shannon Hunter (s.hunter@northkawartha.on.ca); Sharon Stoughton-Craig (sstocraig@highlandseast.ca); Stephane Parisien (sparisien@prescott-russell.on.ca); Stephen McDonald (smcdonald@southdundas.com); Steve