

# Presentation to the Standing Committee on Finance and Economic Affairs

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## The Corporation of the City of Timmins

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## **Welcome to the City of Timmins**

Timmins was founded in 1912 as a result of the Porcupine Gold Rush, which by the turn of the 21<sup>st</sup> Century has seen in excess of 67 million troy ounces of gold mined from the Porcupine area, making it by far the largest gold rush in terms of actual gold produced. For comparison, the well-known Klondike Gold Rush produced about 12 million troy ounces.

Municipal amalgamation in the early 1970s saw the towns in the area become the City of Timmins with a landmass of 3,185 km<sup>2</sup> and a population density of 14 people/ km<sup>2</sup>. Timmins remains a mining community and has seen the growth of secondary industries, such as lumbering, government and business services and tourism.

Timmins is at the centre of the Mushkegowuk Council territory and has seen a growing indigenous population in recent years. Timmins also boasts a strong and vibrant francophone community.

### **Infrastructure Challenges**

#### **1. Connecting Link**

For the City of Timmins, Highway 101 is an arterial highway that provides a link between the Trans-Canada Highway 11 to the east and Highway 11 to the west. The Timmins connecting link of Highway 101 extends from the former ONR crossing in Porcupine (easterly limit) to Kamiskotia Road (westerly limit). A total distance of 20.9 km is covered between both limits and provides an efficient corridor to normal traffic as well as heavy industrial traffic.

Until the Connecting Link program was reinstated, our focus had been towards using innovative techniques to extend the useful life of our road network. By taking advantage of rout and seal activities and shave and pave opportunities, we have managed to maintain a reasonable level of service on this stretch of highway.

In the last decade, Timmins has experienced a significant increase in industrial activities throughout the region and every available dollar has been well spent to maintain the safety and reliability of our road network in order to sustain this industrial growth. Suffice to say that our connecting link plays a major role in providing a reliable transportation corridor to this growth.

With the increase of wear and tear from heavy haulers, harsh climate changes and cost to re-construct in northern Ontario, our preliminary estimates reveal the need to invest between \$40 million to \$60 million on the travelled portions of the connecting link. An equal amount is estimated for the buried infrastructure, where many pipes are more than 75 years old making this a \$120 million infrastructure project.

The City of Timmins annual road budget consists of revenues received from our tax base (\$2.1 million), from the annual gas tax grant (\$2.6 million) and the OCIF Grant

(\$0.195 million). Together they amount to \$4.9 million of revenue available for road upgrades, repairs, and future growth.

The City of Timmins appreciates the grants of \$3 million in two of the last three years (the City financed construction in the year it did not receive the grant to ensure the asset continued to receive needed work); however, a long term financial commitment will be required to enable the City of Timmins to address this asset. **We recommend the Province consider the following in program design to ensure the most efficient expenditures:**

- **The \$3 million cap on funding does not allow for the best investment. The cost of construction in northeastern Ontario sees that those funds will only cover 1.2-1.5 km of roadway. Larger contracts would see better pricing and might incentivize competition in bidding.**
- **The Province should consider multi-year approvals. This would also help with pricing as bidders would have assurance of work year over year leading to a more competitive environment.**

## 2. Download of Provincial Highways

Between 1997 and 1998, numerous highways were transferred to the City of Timmins. In total, the transfer was 86.8 km which represents 80% of all highways transferred amongst the Northern Regional Hubs of Timmins, North Bay, Sudbury, Thunder Bay and Sault Ste. Marie.

At the time, it was foreseen that the transfers would create shortfalls in both the Operating and Capital Budgets of the Municipality. The magnitude of the download has become unmanageable for the municipality and the condition of our transferred highways is very poor and the inventory requires full replacement in the next 5-10 year period, as maintenance costs are escalating.

The City of Timmins wishes to report on some of the recent improvements that have been made to the 86.8 km of highway infrastructure that were transferred. With the support of recent provincial grants, Building Canada funding and gas tax revenue dollars, the City of Timmins has been able to direct funds to complete the following work;

- Complete a full shave and pave program on entire 10 km of roads to the Victor M. Power Airport (formerly Highway 629) - \$1.1 million
- Complete a full paving program 18 km of roads at Kamiskotia Highway along with shoulder repairs (formerly Highway 576) - \$1.9 million
- Complete surface treatment re-habilitation on 19 km of Highway 610 and repair two existing railway crossings - \$400k
- Undertake the reconstruction of Barber's Bay Bridge (formerly Highway 67) - \$5.2 million
- Re-construct Kraft Creek Bridge in 2017-2018 located on Airport Road (formerly Highway 629) - \$4.5 million

The impact of this large download of infrastructure has been to see the steady deterioration of the highways, as well as the deterioration of roads within the traditional municipal scope of responsibility. Furthermore, the city is falling behind on maintaining the other assets in its assets management plan as they age. **Continued funding from the Province for infrastructure is critical for the community and we anxiously await the roll-out of the Federal-Provincial bi-lateral infrastructure agreement.**

### 3. Energy Costs

Our discussions with industry partners in mining and mining related activities have led to an understanding of the impact of high energy costs on small and big business alike. Almost ten years ago, Timmins lost almost 800 jobs at the Kidd Creek mine (now Glencore) when it was determined that the cost of the metallurgical division was running too high due to energy costs and it would be cheaper to ship ore to Quebec for processing. Recently, both Noront and Goldcorp, who are contemplating a significant open pit “Century Project” have raised concerns about the viability of moving ahead with their projects with such high energy costs. **Reducing energy costs would have an immediate impact on smaller businesses and would spur investment in industry.**

## Indigenous Relations

### 1. A Path Towards Reconciliation

The City of Timmins proudly hangs the flags for the Nishnabi-Aski Nation, Mattagami First Nations, and the Metis Nation of Ontario at its City Hall alongside the Provincial and Municipal flags. The City is seeing a demographic change with the steadily growing indigenous population in the community as individuals choose to come to Timmins from coastal communities for services and to meet family, and decide to stay. Timmins has its challenges; however it is committed to meeting the challenges of racism and trauma with its residents. The City has established an Indigenous Advisory Committee to provide direct advice to Council and work is underway to build relationships with First Nations communities in the area. **Timmins has committed to working with those communities by hosting annual evacuations from the coast during the flooding that takes place as the ice breaks along the James Bay watershed.**

### 2. Economic Opportunities

The City of Timmins established a Memorandum of Understanding with Mushkegowuk Council to create an economic alliance in 2011. With the opportunity for increasing natural resource development in the north, Timmins and Mushkegowuk recognize the need to foster positive economic outcomes from resource development activities that will benefit the Timmins community and Mushkegowuk communities. With new leadership throughout the north, we are turning our attention towards renewing and updating this economic alliance. **Support in the development of mining related activities, resource development and in the extension of natural gas services would help this economic alliance to grow and yield benefits to First Nations communities and Timmins together. The City urges the Province to move ahead with its plan to explore revenue resource sharing.**

### 3. Homelessness

The City of Timmins has experienced a growing level of street homelessness that has reached crisis levels in 2019 with an extended cold weather event. Partnering with the Timmins Native Friendship Centre, the Cochrane District Social Services Administration Board (CDSSAB), Living Space and the Timmins Police Service, a warming shelter has opened in the City. Indigenous persons account for approximately 8-10% of the population and constitute almost 60% of the homeless population in Timmins according to a recent study by Laurentian University. We are learning that much of that homeless population has come to Timmins as a result of a lack of housing, services and supports in First Nations communities along the James Bay coast. While the CDSSAB received funding for the Community Homelessness Prevention Initiative, the need far outstrips the program funding and the City has had to back-stop the CDSSAB with funding. **Support to address homelessness in Timmins and to stabilize housing and housing supports in First Nations communities is crucial.**

### Financial Pressures

#### 1. Municipal Revenues

Some socio-economic factors have a direct impact on municipal revenues – Timmins has a population density of 14 people per km<sup>2</sup> compared to the Ontario municipal average of 551 people per km<sup>2</sup> recently reported by BMA. As well, Timmins has a declining population and a population on average that is older than Ontario. Geography and service demands see the City of Timmins having one of the highest levels of property taxes in Ontario. Recent decisions by the MPAC have seen property tax revenue from large industrial mines reduce by almost 50% - pushing more and more costs towards the residential tax base. The City has negotiated a number of tax agreements with the large mines in the area for the time being to reduce that impact; however this creates a situation where we lose our competitiveness for large industrial growth.

The Ontario Municipal Partnership Fund has been a key funding component for the City of Timmins and equates to 13% of its realty taxes. **Reductions to this funding would have immediate and significant impacts on an already over-taxed residential property owner.** While the upload of social benefits has been an important public policy decision, it has had different impacts in different jurisdictions. In the highly urbanized areas of Ontario, the upload has seen immediate savings for the municipalities that have been reinvested back into infrastructure programs since the first uploads began. The story in Timmins and other OMPF communities is different. Timmins saw offsetting reductions in its OMPF for every upload dollar, making the upload a revenue neutral exercise in the north. When the expenditure was no longer required for an upload benefit such as the Ontario Drug Formulary the OMPF was reduced accordingly making this a “zero-sum gain” for the City. This had the unintended consequence of allowing wealthier communities to reinvest in their infrastructure but seeing communities that already had economic challenges unable to do the same and has seen their infrastructure deficits grow at the same time.

## 2. Land Ambulance Costs

As stated earlier, Timmins has a large geography, an aging community and it also reports lower than provincial level health outcomes. According to the Northern Policy Institute, northeastern Ontario, and Timmins in particular are at the “epicenter” of the opioid crisis. All these things drive calls for service for land ambulance. This is also true for all the communities of the Cochrane District Social Services Administration Board who is responsible for the provision of land ambulance services. The funding arrangement for land ambulance is 50:50 between the municipal and provincial levels of government. As a result of the levy process of the DSSAB Act, the City of Timmins finds itself paying over \$1 million annually for land ambulance services in other communities of the Cochrane District based on any measure of service delivery – call volume, population, or access to service. With the economic challenges facing Timmins, it cannot afford to be subsidizing the service delivery of other towns and cities. **Timmins requests that the Province upload the cost of land ambulance or, failing that, fix the problems with DSSAB funding that see Timmins paying over 3% of its property taxes for services such as land ambulance and social housing in other towns or cities.**