

Ministry + Sudbury Clips - Feb 7 2018

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Ministry News

Debt markets show approval for Fair Hydro Plan financing – QP Briefing

Debt markets show approval for Fair Hydro Plan financing 06.02.2018 Investors gave Ontario Power Generation a boost as they piled into bonds sold for the province's Fair Hydro Plan. OPG issued \$500 million worth of debt on Tuesday, earning a low interest rate of 3.357 per cent from markets hungry for a safe investment. Ratings agency DBRS gave the debt security a triple-A rating, while Moody's gave slightly less than its top grade, declaring it to be Aa2.

The debt issuance came amid a roller coaster market that saw the Dow Jones fall by more than 1,000 points yesterday, its largest one-day decline in six years. But OPG, which pitched the investment to investors last week on a road show that took them to Montreal, Toronto, Winnipeg and Vancouver, decided to pull the trigger to send the debt to market. The funds will help pay for the province's Fair Hydro Plan, which was passed by the majority Liberal government in June 2017.

A large part of the plan effectively reduced short-term hydro bills by deferring some costs to future bills. A complicated security was created to finance the plan, and it came in for criticism from Ontario's auditor general for, in her analysis, adding \$4 billion in costs in order to keep the proposal off of the government budget. Officials from the Treasury Board and Ministry of Energy said at the time that it was not the case, and they were being diligent about following proper procedure.

Energy Minister Glenn Thibeault praised the debt issuance and the government's hydro plan in a statement. "Today's announcement by Ontario Power Generation (OPG) regarding the successful issuance of secured debt in relation to Ontario's Fair Hydro Plan is a positive sign that our plan is working." The 3.357 per cent effective interest rate is a strong one for OPG, and bodes well for keeping the borrowing costs for the Fair Hydro Plan low. The rate is 15 basis points lower than Toronto Hydro, OPG noted, and more competitive than industry peers. In a conference call, OPG said that the final interest rate was slightly better than expectations.

The ministry of energy previously stated that they expect a 4.5 per cent average interest rate over the lifetime of the debt issuance for the security. OPG plans to issue debt tranches two to three times a year to secure \$300 million to \$500 million worth of debt each time. Bond durations will vary, but the first issuance is 15.25 years. A second round of financing is anticipated in the second quarter of 2018.

Sudbury News

Provincial Election - [Sudbury city councillors reject provincial election strategy](#) – CBC Sudbury

The City of Greater Sudbury's finance and administration committee voted soundly against a

proposal to develop a strategy for identifying the city's priorities ahead of the upcoming provincial election.

City staff recommended a plan to raise awareness and generate conversation with local provincial candidates about the city's needs and interests — something Sudbury has never done before, but other municipalities like London and Mississauga have implemented in the past.

"[The provincial] election provides a valuable opportunity to highlight the importance of the strong partnerships that have to exist between all orders of government for our municipal service needs and the community outcomes we all want to be addressed," Ed Archer, the city's chief administrative officer, explained at a meeting on Tuesday.

But the committee unanimously rejected the idea, with several councillors raising concerns that it might give the appearance of interfering in the election.

Ward 5 Councillor Robert Kirwan argued that the city could come off as partisan in the process.

"We may be getting into a situation where we're identifying candidates that we feel the public should prefer, because they're closer in line with the priorities the city has identified," Kirwan said.

"I think the best thing we can do is say that we are going to work with whatever party gets elected."

Ward 10 Councillor Fern Cormier echoed those concerns, adding that city council has already forged healthy relationships with representatives from senior levels of government.

"My priority as a municipal councillor is...conveying the priorities of this municipality to the government of the day, not the 26 candidates that are in the field seeking to be government of the day," Cormier said.

Some councillors also wondered if a similar strategy should be a regular practice rather than during an election.

That's something Archer wants the city to consider in the future, citing the need to further develop intergovernmental relationships.

"Whether it's tied to the election process or whether it's simply advocacy for the sake of making sure that we have a common conversation with our senior government peers...this is a good practice."

Education - [Rainbow School Board facing 'uphill battle' as closure plan unravels](#) — CBC Sudbury

It was one year ago that the Rainbow District School Board voted to close eight schools in the Sudbury area.

But its had trouble making that plan a reality.

The latest setback is a second rejection for provincial funding to build a new elementary school for the Donovan and Flour Mill neighbourhoods replacing Lansdowne and Queen Elizabeth schools.

Superintendent of business Dennis Bazinet said the board is "disappointed" by the rejection, but will look for some new solutions to use excess space at the two elementary schools, most likely by pursuing more daycare spots.

For Rebecca Coughlin, a mother of four, who has two daughters in Grade 2 at Lansdowne, it

was great news.

"I'm so excited. I'm really happy," she said on the steps of the school after picking up her girls after class.

"I think it was a short-sighted decision to be honest. I don't think it took into account the changing demographic in the neighbourhood."

Lansdowne was one of several schools slated for closure that saw a decrease in enrolment this school year, with the number of students dipping by 27 to 238.

Lively District Secondary School, which was spared from closure following an outpouring of public support, also saw its student population shrink by 19 students to 281.

The board kept Lively High open partly based on plans to rent out empty space to an outside tenant, but Bazinet said so far no lease has been signed.

The board is instead considering closing off unused rooms in the school, to save on electricity and cleaning bills.

Similarly, the Rainbow Board got provincial funding to demolish an empty section of Levack elementary school, a former high school, so the building would be "right-sized."

The board also landed funding for a new elementary school in New Sudbury, with four others in the neighbourhood closing, but its opening was pushed back until 2020.

And the plan to move Chelmsford elementary students and Grade 7s and 8s from Larchwood into Chelmsford Valley District Composite School is on track for 2019.

But Bazinet said the changes and delays to their plan come with a financial cost. The Rainbow board will once again have to look at dipping into reserves (after pulling out \$2.2 million last year) and possible staff cuts to balance the books.

"The board, given the delays on some of the consolidation, has an uphill battle in regards to its budgets," he said.

Other school boards in northeastern Ontario continue to look for ways to get rid of old buildings to save money.

The province has just approved the construction of a new school in Blind River that will see students from the English public elementary and high schools move into a new building to be shared with the French public board.

Algoma District School Board director of education Lucia Reece said this might raise questions about why Ontario has four competing school boards, but her focus is on doing what's best for students.

"I think people are recognizing sometimes we can't wait for the politicians to make decisions, we've got to make the right decisions for students," she said.

"I would hope that sometime in the near future the political will will be there to continue those conversations. We can't be afraid to have those conversations. We just have to enter them with an open mind."

Reece said that while boards are working together in smaller northern Ontario towns, there isn't the same pressure to share space in larger centres because there are still enough students to go around.

"It should happen anywhere where there's an opportunity to consolidate schools and joining boards," said David Thompson, the chair of the Near North District School Board.

"We've tried and tried and tried with the three other coterminous boards, and they refuse to meet with us or even talk to us. It's very frustrating."

Near North has voted to fold three North Bay elementary schools into one and is also closing one of its three high schools in the city.

Thompson knows that candidates in the upcoming provincial and municipal elections will run on the school closures issue, but he warns voters to be wary of those who have no other ideas on how to pay for the education system.

"On one hand you tell us, we're cutting your funding and you've got to make some tough decisions. Now they're stopping you from pretty well the only thing you can do. I find that pretty tough business to do. So, June 7th, hopefully whatever government gets in, really revisits the funding formula," Thompson said.

Environment - [Road salt is damaging Ramsey Lake and we aren't doing enough about it: panel](#) – Sudbury.com

The impact of road salt on watersheds — a topic of rising concern in community's across Ontario — was the topic of a well-attended and at times passionate panel discussion Monday evening at the Vale Living With Lakes Centre.

The message from the expert panel was clear: Road salt is compromising the projected health of Ramsey Lake and if conservation-wise management is not undertaken by the city promptly, the long-term health of the drinking water source for 50,000 Sudburians, not to mention the flora and fauna that call the lake and its environs home, will be in jeopardy.

The discussion was chaired by former Kirkland Lake mayor, long-time environmentalist and conservationist and retired physician Dr. Richard Denton. Filling out the panel was Dr. John Gunn, Canada Research Chair, Stressed Aquatic Systems and the director of the Vale Living with Lakes Centre; Dr. Charles Ramcharan, an associate professor in the School of Environment at Laurentian University; and Anoop Naik, a water resources specialist at [Conservation Sudbury](#).

The panelists agreed the presence of road salt is increasing in several of the city's waterways, but Ramsey Lake is of particular concern.

"There's very good evidence from testing the drinking water that Ramsey Lake in particular has been steadily going up for decades," said Gunn. "There's no reason not to expect that it will continue to

rise, but at what rate is another question."

Approximately 50,000 Sudburians rely on Ramsey Lake for their drinking water. Lake Wanapitei is another source of the city's water, but that lake contains considerably less salt than what has been found in Ramsey, panelists said.

While probably easier said than done, the only option for addressing Ramsey's high levels of salt is to stop adding it to the lake, panelists said. Road salt is the primary cause of deposits in the waterway and it can be difficult to remove, they said. Plus, Naik added, it doesn't appear municipal water treatment is doing the job.

"When I superimposed both the treated water from David's Creek Treatment Centre and the raw water (from Ramsey Lake), there's hardly any difference," he said. "On the contrary, the treated water actually adds a few milligrams per litre of sodium."

High salt content poses dangers to aquatic life in the lake, dangers to people with hypertension who get their drinking water from the lake and lowered property values on account of increased algal blooms. At 55 milligrams per litre, the salt content of the lake is at the point people should be concerned, Ramcharan said.

"We are in the yellow. We're already at a sodium level where there are human health concerns," Ramcharan said. "Doctors at the health unit will be telling their patients that they have to be careful drinking Ramsey Lake water if they are on a low-sodium diet. We are already at that level."

"Salt concentration is increasing in our drinking water," Denton said. "It needs to be addressed and now is the time to do it."

Alternatives to using salt on icy roads exist, the panelists said, mentioning treating roadways and sidewalks agricultural with things like beet juice, pickle juice or potato juice. Alternatively, substances that improve traction could include wood chips used in conjunction with salt. "Eco-traction" is a new technology that uses volcanic mineral that easily embeds itself into ice and snow.

"The city had an enormous vision around the [100-year Ramsey Lake Plan](#)," Gunn said, while motioning to the darkened sight of Lake Ramsey beyond the room's half enclosure of glass. "That plan is nearly a quarter of the way through. More than 25 years has gone by and we don't quite see the vision out the window that we imagined at the time."

"The same kind of investments as we are putting into the casino and the performance art centre, it needs that same scale of thinking and investment to make (Sudbury) this really attractive technology centre around clean water where quality of life and knowledge infrastructure is surrounded by lakes and a better place to live than say, Silicon Valley or a place called Toronto."

City News - [City imposes new hotel room tax, expected to bring in \\$1.6M](#) — Sudbury.com

Staying a hotel in Greater Sudbury just became a little more expensive. Meeting on Tuesday, members of the finance committee approved in principal a four-per-cent hotel room tax, a levy that should come into effect in July.

Ed Stankiewicz, the city's finance director, said legislation passed by the province last spring gave cities the power to impose the hotel tax, but half of the revenue has to be spent supporting the tourism industry.

In Sudbury's case, the tax is expected to bring in about \$1.6 million a year, based on an

estimate of 2,000 hotel rooms in the city.

"That's a conservative estimate," Stankiewicz said. "We think it will be more."

That's because the room count only included chain hotels, but independent operators will have to pay the tax, too.

Sudbury is the third city to impose the levy, Stankiewicz said.

"Toronto just approved it last Wednesday, a four-per-cent tax," he said. "Niagara Falls approved it in the fall."

The money earmarked for tourism will be handled by the Greater Sudbury Community Development Corp. It could be used to support local festivals, sporting tournaments, advertising or even bidding to host major sporting events.

"The rest will be used for the debt repayment for the arena/events centre," Stankiewicz said.

The total mortgage for the \$100-million centre is \$5.2 million a year for 30 years. In addition to the hotel tax, the city will use the \$1 million it had been paying to support the Northern Ontario School of Architecture that was coming off the books anyway.

There's also \$100,000 it had committed annually to the city's medical research facility, another \$100,000 it hopes to get through naming rights, and a 0.3-per-cent special arena tax levy from 2018 to 2021.

Health - [Study will outline pros and cons of opening safe injection site in Sudbury](#) — Sudbury.com

With some reluctance, members of the community services committee agreed Monday to proceed with a study that will look at setting up a safe injection site (SIS) for drug addicts.

The study will cost roughly \$200,000 and will be done through the Ministry of Health and the North East LHIN. If it becomes a reality, the capital and operational costs would be covered by the health ministry.

The safe injection site is part of an overall provincial harm reduction strategy aimed at addressing issues addicts and other vulnerable people face.

Other elements include the Out of the Cold shelter the city operates, and the so-called wet shelter, where hardcore alcoholics are given managed access to alcohol as part of an overall treatment program.

The first safe injection site opened in 2003 in Vancouver, says a staff report on the proposal. The community benefits include:

- Reduced overdose-related deaths;
- A decrease in public injecting and discarded needles, with no increase to related crimes;

- Increased referrals to health and social services, including detoxification and drug treatment programs; and,
- Associated with less risky injecting practices and a reduction in transmission rates of HIV and Hepatitis C.

While promoted by health-care and social services experts, Ward 5 Coun. Bob Kirwan said the public has some major concerns about the concept of the city operating a site where people can come and consume illegal drugs.

“Is this a place where someone off the street comes in with their own drugs?” Kirwan asked. “Are there age limits? Can a 14-year-old walk in?”

Tyler Campbell, the city's director of social services, said safe injection sites in other cities generally don't allow minors. Most commonly they are a place where people can come in with the drugs already in their possession and inject them under supervision. They stay there for a while to be sure they're OK, then leave.

The initiative is largely driven by the opioid crisis sweeping North America, a crisis that is a huge part of the 1.2 million used needles collected in Sudbury in 2017.

With that scale of a problem, Ward 8 Coun. Al Sizer said he hoped they can get the funding and conduct the study. But he said councillors will “have a lot of questions” once the study is completed.

Ward 7 Coun. Mike Jakubo said the idea of a safe injection site is controversial, but the alternative is to pretend there isn't a crisis.

“Whether we get an SIS or not, this is happening throughout our community, whether we want to admit it or not,” Jakubo said. “If we can make this happen in our city, we will see benefits not only here, in terms of a cleaner community, we will be helping the provincial strategy.”

Jakubo said it makes sense to consider something that would make the community safer and help protect addicts from themselves.

“Some people will just say we're creating a place for people to go and do this,” he said. “Well, they're doing it anyway.”

Ward 6 Coun. Rene Lapierre said he wanted to make it clear they weren't approving an injection site, just the study to determine whether it's something that would help.

“We're not even sure we're at that point yet” where it's something the city needs, he said. “This is just to decide whether we have a big boy city and whether we need this service.”

But Kirwan said he couldn't even support the feasibility study, because it will cause stress in the community and residents will worry it will be located near them.

Plus he said they would be helping people break the law.

“Giving out syringes is one thing,” he said. “We're not enabling them.”

But Lapierre said there were similar concerns about the wet shelter, but they were overcome. “And we've seen some successes,” he said. “So (the safe injection site) is worth at least looking into.”