

2005 Resolutions Report

1-2005

Gas Tax

Resolution Carried

THEREFORE BE IT RESOLVED that the Newfoundland and Labrador Federation of Municipalities lobby the Provincial and Federal Governments to ensure that all monies allocated to municipalities from the Gasoline Tax Program by the Federal Government flow directly to municipalities.

Response from Minister Jack Byrne, Department of Municipal Affairs:

“I write at this time to provide you with the Department’s formal response to Resolution 1-2005 adopted at the 2005 Annual Convention which calls on the Newfoundland and Labrador Federation of Municipalities to lobby the Provincial Government to ensure that all monies allocated to municipalities from the Gas Tax rebate will flow directly to municipalities.

On August 10, 2006, the Federal and Provincial Governments announced the signing of the Gas Tax Agreement. The signing was officially witnessed by you, as the President of the Newfoundland and Labrador Federation of Municipalities (NLFM), on behalf of Newfoundland and Labrador’s municipalities. With this four-year funding agreement, municipalities in this province will receive \$82.3 million, for environmentally-sustainable municipal infrastructure. The agreement is retroactive to 2005, meaning Newfoundland and Labrador will immediately receive \$19.8 million in funding from the first two years of the agreement.

As you know, the provincial government worked in close cooperation with the Newfoundland and Labrador Federation of Municipalities throughout the gas tax negotiations. The NLFM supported the decision to dedicate \$21.9 million in gas tax funding towards implementing the province’s solid waste management strategy. The NLFM was also instrumental in bringing forth an allocation formula to distribute the remaining \$60.4 million in funding among municipalities. We believe that this approach represents the fairest possible way of ensuring all municipalities benefit from the gas tax rebate while also ensuring that a significant environmental issue in this province will be addressed.

As you are aware, waste management in this Province is a significant problem affecting all communities in the province. We have over 240 waste sites including many teepee style incinerators, none of which meet current national standards. Not only does this problem have serious environmental consequences, but economic, social and cultural consequences as well. To bring our waste management up to par with ‘modern’ waste management practices will require an investment of over \$200 million. In doing so, we will be able to ensure the closure of numerous dump sites and the creation of a regional waste management system.

In addition to finding solutions to our waste management issues, the largest portion of the Gas Tax revenues will be directed to municipalities for environmentally sustainable infrastructure projects. A formula has been developed for allocating the balance of the Gas Tax funding which has the full support of the NLFM.

The gas tax rebate will be a significant addition to other provincial and federal funding programs that help our municipalities meet their infrastructure needs. While I am pleased to see that the Government of Canada recognizes the importance of stable, long-term funding, the Province will continue to advance your concerns with the Federal Government and lobby for programs that effectively address the infrastructure needs of this province.”

2-2005 Policing Resolution Carried

THEREFORE BE IT RESOLVED that the Newfoundland and Labrador Federation of Municipalities lobby the Provincial Government adequately fund the RCMP to allow them to hire all staff identified to provide policing at the levels required in the province of Newfoundland and Labrador.

Response from Honourable Tom Marshall, Minister of Justice:

“The provision of an adequate level of RCMP resources for communities in Newfoundland and Labrador is a high priority for me and my senior officials. As you are aware we are currently in the final stages of the 2006-07 budget process. As a part of the Justice submission we have, and will continue to make a strong case for incremental RCMP resources. Our requests however have to be considered in view of other demands for incremental resources within the Province, primarily in the areas of Health and Education. I do note that Health has consistently been ranked as the number one priority by the majority of citizens of the Province of Newfoundland and Labrador. I will however advocate strongly for incremental police resources.”

3-2005 Newfoundland and Labrador Weather Centre Resolution Carried

THEREFORE BE IT RESOLVED that the Newfoundland and Labrador Federation of Municipalities lobby Environment Canada to reinstate weather forecasting services for this province to the Newfoundland and Labrador Weather Centre in Gander.

4-2005 Capping the HST on Fuel Costs Resolution Carried

THEREFORE BE IT RESOLVED that the Newfoundland and Labrador Federation of Municipalities immediately lobby the Provincial and Federal Governments to cap the Harmonized Sales Tax at a level consistent with normal fuel prices (as experienced during the past five years).

Response from Honourable Loyola Sullivan, Minister of Finance:

“The significant increase in the price of fuel has been driven by high crude oil prices in world markets. The Government of Newfoundland and Labrador has no control over those prices. Despite the fact that Government is unable to exercise any control over the world prices of oil, there is an expectation that Government should intervene by reducing or eliminating taxes on fuel. This view is not held by all taxpayers. It is an inappropriate policy response to adjust taxes up and down to try to smooth out market driven fluctuations in price. Given the extreme volatility, any tax reductions would be lost in the ebbs and flows in price.

I also want to briefly discuss the implementation and operation of the HST as it is relevant to the Federation’s request. The HST is administered on our behalf by the federal government. When the Province agreed to harmonize its provincial sales tax with the GST, we also agreed to adopt the same tax base and operating rules as the GST. The GST has been imposed on home heating fuel since the tax was introduced in 1991. The Province therefore cannot unilaterally remove or reduce HST on home heating fuel.

In summary, I am unable to support the resolution. The proposal is contrary to the scheme of the GST/HST, and there is no administrative flexibility for the Province to make the change without the unanimous consent of the federal government and participating provinces.”

5-2005 Pension Benefits for Elected Officials Resolution Defeated

6-2005 Fairer Distribution of Employment Insurance Resolution Carried

THEREFORE BE IT RESOLVED that the Newfoundland and Labrador Federation of Municipalities immediately lobby the Federal Government to have the divider rule eliminated, thereby treating all Newfoundlanders and Labradorians fairly.

Response from Honourable Diane Finely, Minister of Human Resources and Social Development:

“The resolution calls upon your Federation to lobby the Federal Government to have the Employment Insurance (EI) divisor rule eliminated. This rule promotes greater labour force attachment by encouraging EI claimants to work two weeks more than the minimum requirement in their region. Evidence from the EI Commission’s annual Monitoring and Assessment Report indicates that the divisor is working as intended, and that the vast majority of claimants (over 96%) establish their EI claims with at least two weeks more than the minimum required. For further information, the Monitoring and Assessment Report is available online at: http://www.hrsdc.gc.ca/en/ei/reports/eimar_2004.shtml.

It is recognized that the effect of the divisor may have been modified for some claimants in regions of high unemployment as a result of the implementation of the Best 14 Weeks pilot project. The possible different impacts on claimants in various situations will be assessed as part of the evaluation of the pilot project, though it is clear that the Best 14 Weeks pilot project makes EI benefits more generous for claimants in participating regions.

The Government of Canada is committed to ensuring that the EI Program continues to serve Canadians in an effective and timely manner. As such, I appreciate your taking the time to bring the Federation’s resolution to my attention.”

7-2005 Municipal Election Contributions - Tax Deductible Resolution Carried

THEREFORE BE IT RESOLVED that the Newfoundland and Labrador Federation of Municipalities immediately lobby our provincial government to allow monetary contributions made to municipal electoral candidates to be tax deductible.

AND BE IT FURTHER RESOLVED that the Newfoundland and Labrador Federation of Municipalities lobby the Federation of Canadian Municipalities to petition the federal government to allow monetary contributions made to the municipal electoral candidates to be tax deductible.

Response from Honourable Jack Byrne, Minister of Municipal Affairs:

“I write at this time to provide you with the Department’s formal response to Resolution 7-2005 adopted at the 2005 Annual Convention which calls on the Newfoundland and Labrador Federation of Municipalities to lobby the Provincial Government to allow monetary contributions made to municipal electoral candidates to be tax deductible and to lobby the FCM to petition the Federal Government to do the same with respect to federal income tax.

The suggestion to allow monetary contributions to municipal electoral candidates tax deductible could possibly improve and strengthen municipal elections. However, the implications of such a policy change need to be discussed within the provincial government, particularly with the Departments of Finance and Justice, as well as with officials in the federal system. I have therefore asked staff in my Department to follow-up on this proposal and to initiate discussions with appropriate provincial and federal officials.”

8-2005 ACOA Funding Resolution Carried

THEREFORE BE IT RESOLVED that the Newfoundland and Labrador Federation of Municipalities immediately lobby the Federal Government and specifically the Atlantic Canada Opportunity Agency to waive the 10% private sector requirement for those communities that do not have the necessary corporate entities.

Municipalities to lobby the Provincial Government to develop a policy to assist municipalities with time sensitive emergencies and situations after the fact.

Each year the Department of Municipal Affairs receives a number of requests from municipalities throughout the province for emergency funding. The circumstances surrounding each request and what might be described as an "emergency" vary considerably. Likewise, the ability of the town to find the necessary resources to deal effectively with the emergency also varies. Occasionally, municipalities experience legitimate emergencies which cannot be effectively addressed within the municipality's immediate financial capacity. In such circumstances, municipalities must therefore request financial assistance from the Department of Municipal Affairs. For this reason, the Department has a Special Assistance program which is intended to provide towns with financial assistance when emergency arise which demand expenditures beyond the town's capacity.

The Department recognizes that situations arise that require immediate action by towns involving unexpected expenditures, but before a town can receive financial assistance from this program, a request must be submitted to the Department and receive Ministerial approval. That is not to say towns should delay action, but should do so with the knowledge that there is a process in place for reviewing such requests. This is necessary to ensure that provincial funding is provided for legitimate emergencies and that no other source of funding is available at the time.

The Department endeavours to provide timely responses to requests for emergency financial assistance and will continue to do so in the future. "

13-2005 Cheques for Senior Citizens

Resolution Carried

THEREFORE BE IT RESOLVED that the Newfoundland and Labrador Federation of Municipalities lobby the provincial government and jointly lobby the federal government to have the Seniors receive their cheques bi-weekly.

Response from Honourable Tom Osborne, Minister of Health and Community Services:

"As indicated in your letter the Provincial Income Support Program does provide cheques twice per month (1st and 16th) and is the only jurisdiction in the country that provides payment in this manner.

The Department of Health and Community Services is actively exploring the broad senior's perspective on this issue through (1) seniors organizations; (2) Newfoundland and Labrador's representative on the National Advisory Council on Aging; (3) Provincial Advisory Council on Aging and Seniors; (4) input through the Healthy Aging consultations, and through (5) Federal OAS/GIS/PPP programs."

14-2005 Call to repeal Section 101(2) of the Municipalities Act

Resolution Carried

THEREFORE BE IT RESOLVED that the government repeal this amendment and return to the former clause to make it a fair system for all residents of a community.

Response from Honourable Jack Byrne, Minister of Municipal Affairs:

"I write at this time to provide you with the Department's formal response to Resolution 14-2005 adopted at the 2005 Annual Convention which calls on the Newfoundland and Labrador Federation of Municipalities to lobby the Provincial Government to repeal Section 101 (2) of the Municipalities Act, 1999 pertaining to the payment due date for taxes.

In May of this year, my Department sent a circular to all municipalities apprising them of changes to the Municipalities Act, 1999 and asking explaining aspects of the changes which had been of concern to some councils. One such amendment set June 30th each year as the latest date that a municipality could establish as its tax payment due date. Councils had expressed concern that this amendment removed their ability to offer monthly/quarterly or other payment arrangements to taxpayers. Let me clarify here that with the exception of councillors who must have their taxes paid by July 30th or earlier depending on the due date, there is nothing in this amendment to impair or limit a council's ability to provide taxpayers with alternate payment arrangements.

The establishment of a due date is a discretionary decision for each municipality and while its principle purpose is to encourage the early payment of taxes, it also establishes a date after which unpaid taxes become arrears, thus giving a municipality the discretionary authority to apply interest charges and/or to commence collection actions. Establishing a due date has no bearing on a municipality's ability to enter into payment arrangements with its taxpayers. In fact, some larger municipalities offer monthly payment plans to accommodate taxpayers and they also choose not to add interest charges unless the taxpayer concerned fails to adhere to the terms of his or her payment plan.

Clearly the establishment of a due date does not create an unfairness in the system for taxpayers and does not impede local residents who wish to become involved with council. People who wish to volunteer their time for Council have adequate opportunity to pay their taxes on reasonable terms.”