

# Town lands permanent doctor

BY CARL CLUTCHEY  
NORTH SHORE BUREAU

It used to be that a permanent doctor in Longlac was as rare as a logger who didn't know how to swear in both official languages.

That the francophone community now has fairly stable medical care at its Skinner Avenue clinic is mainly due to a willingness by a group of doctors from southern Ontario to try out the North.

"My wife and I have always liked small towns, but this is just a very nice place," Dr. Gerry Noone said yesterday from the

## LOGLAC

Longlac clinic.

Beginning in July, Noone will become the clinic's lone staff physician under a provincially-funded contract that is to last three years.

Noone normally practises in Sutton, about an hour's drive north of Toronto.

But for the past two years, Noone and three other doctors from the same southern clinic have worked in Longlac on a rotational basis.

That arrangement will cease when Noone becomes permanent full-time in

the summer.

Wendy Talbot, the clinic's Thunder Bay-based executive director, said the arrangement has worked well in a remote town with a history of being unable to get doctors to stay for long periods.

"If you can get a doctor to commit (to a remote community) for three years, you're doing well," said Talbot of Noone's contract.

Talbot said Noone was a natural fit because he knew the Longlac community before entering into a long-term contract.

That Longlac's clinic is relatively mod-

ern is a bonus. But Noone, who has also worked in Pickle Lake, said there's more to it than that.

His children are grown and he and his wife thought it would be a good time to live in the North for a few years.

And in Longlac, there's complementary medical services, such as foot care, that are available all the time because the community's provincially-funded clinic can afford them.

That's not always the case in a private practice, Noone said.

"It's nice to be in a clinic where all these services are funded," he said.

# Numbers tell Municipal Councils to Consider Smoke-free Bylaws

*Ignace Distwood - Feb 13/02*

A postcard return rate of more than 20 % indicates that communities in the Kenora-Rainy River District want their municipal councils to consider smoke-free bylaws. That is how Pete Sarsfield, the Medical Officer of Health for the district sees it. In January, Dr. Sarsfield sent a letter about second-hand smoke and a postage-paid postcard to every household in the district. After a month long campaign the tally of returned postcards indicates that there is overwhelming support for bylaws that will protect people from exposure to

second-hand smoke in enclosed spaces. "According to Canada Post, our expected return rate for postage-paid postcards containing personalized information would be around 8%" states Jennifer McKibbin, Health Promoter with the Northwestern Health Unit. "An overall return rate of 20.6% indicates that this is an issue of great concern to the people in our communities." The percentage of households who took the time to fill in personalized information and send in the postcards was the highest in

Dryden where the return rate was 27.5%. In other communities like Kenora and Atikokan, where the councils have already started to consider the issue, the return rates were 22.9% and 20.4% respectively. Municipal delegates to the recent district municipal association meetings were given a sample bylaw for their consideration. The sample "gold standard" bylaw is one that will create 100% smoke-free enclosed workplaces, with no exceptions. "This kind of smoke-free bylaw creates a level playing field for all businesses," says McKibbin "It

is actually an advantage for hospitality businesses because after a 100% bylaw they all compete equally on the basis of service, food and ambience."

# 30% tax hike shakes council

BY BRYAN MEADOWS  
NORTHWEST BUREAU

Dryden city council wants a couple of budget options that don't include a possible 30-per-cent tax increase.

Council asked administration last night to develop at least three options that propose a municipal tax hike somewhere between five and 30 per cent.

"We have to find the type of taxation level we're comfortable with," Coun. Bill Brown said.

The latest draft shows a deficit of more than \$1.4 million in capital (\$1.3-million) and operating (\$146,000) expenditures in the 2002 municipal budget.

City administration has also proposed a 20-per-cent hike in water and sewer charges, and an increase in tipping fees.

Coun. Brian England had wanted council to provide administration with a hard figure on what constituted an acceptable tax hike.

"I think a five-per-cent tax increase will move the community backwards," he said. "I'm looking at between eight and 10 per cent myself."

Coun. Brian Collins agreed.

"We're one of the leaders in North-western Ontario in terms of services and facilities," he said.

"You can't be dancing around four to five per cent because our city will go to the bottom of the pile.

"I'm worried about our infrastructure deteriorating," he said.

Collins suggested a tax hike around 10 per cent might be necessary.

Mayor Sid Wintle said he had "great

difficulty talking about tax increases" without seeing more options.

On the operational side, the city has to pay about \$122,000 more to Pinecrest's Home for the Aged for long-term care and another 1.8 per cent to the North-western Health Unit.

It also has a commitment to increase salaries for its unionized employees by 1.5 per cent this year.

The city's capital wish list includes: \$1.5 million to renovate the former Dryden hydro building and public safety building; \$750,000 for a new ladder-fir truck; and another \$5 million for road maintenance and construction.

Last year, Dryden ratepayers were hit with an eight-per-cent municipal tax increase.

Chronicle - Feb 19/02



## Hampton unveils alternative hydro privatization plan

CANADIAN PRESS

ONTARIO — Ontario NDP Leader Howard Hampton said taxpayers will be the big losers when the province deregulates its electricity market this week and yesterday unveiled his party's alternative plan.

Hampton said it doesn't make sense for Ontario to sell its electricity-generating assets to private companies when revenues from the power industry will rise sharply. "Ontario citizens don't want the government handing over their electricity assets to multinational energy corporations," he said. "What we need is a progressive approach to keeping public power in public hands." Hampton's plan would permanently end the sale of publicly owned electricity assets and cancel the creation of a deregulated market.

He also called for converting coal-fired plants to natural gas and the construction of new nuclear plants. The Ontario Energy Board would be required to approve all rate increases and construction of new power plants following public hearings. Under

the old system, Hampton said, Ontario Hydro was not required to follow the board's rulings and often ignored them.

Hampton said taxpayers are being left with all the debt from the old Ontario Hydro, but future revenues and profits from electricity will go to international corporations.

He called it "going the Enron route" and said private corporations will be more than willing to manipulate the market to maximize their profits.

The Conservative government had initially promised deregulation by November 2000, but got cold feet after initial deregulation attempts in Alberta and California led to doubling and tripling of rates, blackouts and, in the case of California, near-bankrupt utilities.

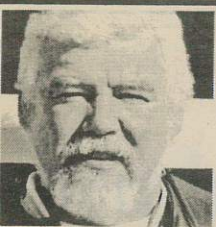
But in December, Premier Mike Harris, who is stepping down next month for personal reasons, announced the province would sell off Hydro One, a public remnant of the old Ontario Hydro utility, and allow private companies to sell electricity starting May 1.

Harris says consumers will be better off with deregulation.



Howard Hampton





## Pickle Lake

By Graeme Mackechnie

So many of us don't attend public meetings, don't fill out mail-backs and don't make our views heard. Why then do we whine about the results? We recently received two mail-back cards, one from our MPP concerning Hydro and another on smoking. I talked to a smoker who informed me that if town council passed a by-law making bars and restaurants non-smoking, he wouldn't be in there again. I asked him if he had made his views known (on the mail-back card) and of course the answer was no. Let's get with the program - whatever your views are - get out there and voice them!!!

The Kenora District Municipal Association's annual meeting was held in Pickle Lake Jan. 17-19. Our town staff did an excellent job and our host hotels went out of their way to accommodate our guests. I didn't hear one complaint other than how cold it was and

we're working on that. It's called spring.

Belated happy birthday wishes to Mike Robb (the big 50), to Cassie Hill, Miles Hoffman and Holly Bottenfield. Wasaya has experienced some downsizing of late. Approximately 20 jobs were cut in various locations. Bob Beliski, or Mr. Hawaii, is hoping Mr. Nault will stop his push to establish all-weather northern access roads until he can retire. In spite of what the MNR may say, Wunnummin Lake is pushing an all-weather road closer to the North road every week. Don't worry, Bob. The Glutis Principle states redundancy always starts at the bottom.

Kathy Koper is coming home and will be home by the time this article hits the paper - I hope Fred got his act together and housework done. Kathy will need her rest after such a prolonged illness. We are glad you got

a clean bill of health. We've missed you, so welcome back!

Our Official Plan has finally passed so shortly Council will be acting on zoning violations and non-compliance. I may have to move my fence.

Town Council has been able to field a doctor - he is coming to us via Steinbach. I guess we could consider it an exchange. Our Dr. Miller went to Steinbach. In any case we got a very nice letter from the doctor and his wife thanking Council and staff for their warm hospitality. This was followed by the doctor's letter of intent which has started the wheels moving...in the meantime OMA has found us two short term locums.

Ignace has given us two of their surplus computers with all the bells and whistles attached. Ozzie Besselt is going to check them out so we can set them up for use by our kids - perhaps Kids Fun Night. Thanks Ignace.

Pickle Lake is still looking for a Clerk Treasurer. We have had no luck. If you know anyone with accounting experience or an

AMCT designation tell them to call. As for jobs, MNR advertised for an Assistant Fire Management Clerk and, at Council's urging, posted it locally. Eric Hansen has told us not one response. Perhaps the location where it was posted was not ideal.

Kelyn's renovations are almost finished. The new kitchen drive-thru looks great. Drop in and have Kelvin give you a tour.

Old Pickle Laker Bob Elliot is back in school. Bob, who was badly injured in a mining accident, is taking an in depth computer course and to his surprise

he's enjoying it.

I'd like to thank our two new volunteers Clifford Hill and Ted Thorpe who have stepped in to fill the void created by carpenter Al's injury. They have both done a wonderful job working the Curling Club dances. The Club is looking into buying Ted an abacus in appreciation.

Canterra, the Pickle Crow mining group, will be in town for a public meeting on Sat. March 23 at 7:30 p.m. - meeting will be at the Community Hall. Fugro has been doing exploration work out of Pickle Lake as well. Actually the

girls who work for Fugro curled with a Rub in the mixed bonspiel. No doubt you've seen their specially rigged Casa plane at the airport.

Our Economic Development Committee has resumed the water bottling plant project. I'll keep you all posted as I'm sure they will be selling shares or looking for investment dollars.

Lots on Kapikichi are almost ready to sell. These 35 cottage lots will first be made available for sale through a draw process. Details can be obtained at the Township Office in Pickle Lake.





PHOTOS BY BRYAN MEADOWS/NORTHWEST BUREAU

Officials have begun the arduous process of combining the staff and departments of Sioux Lookout's two aging hospitals and planning the construction of the new Sioux Lookout Meno-Yah-Win Health Centre.



# Plan in the works

## 2 Sioux Lookout hospitals to become 1

BY BRYAN MEADOWS  
NORTHWEST BUREAU

While the bricks and mortar for Sioux Lookout's new amalgamated hospital are more than a year away, officials are planning for its development and amalgamation of staff and departments.

They are hoping for a construction start in 2003 for the \$30-million Sioux Lookout Meno-Yah-Win Health Centre, which will replace the aging Zone Hospital and Sioux Lookout District Health Centre.

"There's lot of work to do yet before you see buildings rising out of the ground," Meno-Yah-Win hospital spokesman Jim Harold said yesterday.

"We're right in the process of amalgamating the hospitals now," he said, and "at the same time progressing on the capital phase as well."

He said the hospital is working with the municipality to acquire land near an extended-care home in the town's north end.

"I can see the project moving ahead (quickly now)," said Sioux Lookout Mayor John McDonald.

"We're getting the land together and it appears it is not going to be a problem."

Harold said some clearing might be done this summer on the hospital site, with construction beginning in the spring of 2003.

Federal and provincial funding for the new facility was announced almost two years ago.

"Until we became a hospital board, we couldn't undertake an agreement" with the government to begin planning the project, Harold said.

The hospital board of directors was appointed in January.

Health Canada has said it will reinvest the money it saves due to the amalgamated hospital — about \$3 million a year — into community-based health programs in the North.

The board is to take over operation of the two hospitals by next year and be fully integrated by the opening of the new facility in 2005, Harold said.

In the meantime, area residents continue to cope with the two aging hospitals.

"We know the fabric is worn and tired, but we're still providing good and safe patient care," Harold said.

"I have no reservations about the care we're providing today (in the two hospitals), but it's just not sustainable."



# Sarsfield health hazard designation paves way for smoking fines up to \$5000

Nicholas Kohler

STAFF WRITER

**L**AST week, arriving by registered mail, the Municipality of Sioux Lookout received a letter with teeth – legally binding, pearly white, totally unblemished by nicotine.

Just how many and just how sharp those teeth may be, nobody knows. But they may eventually take \$5000 bites out of Sioux business owners who continue to allow smoking within their establishments – with or without a tobacco-regulating municipal bylaw.

"Nobody knows because it hasn't been tested," said Pete Sarsfield, Medical Officer of Health (MOH) for the region, of how successful his new initiative – in the works since last September – will be. "The courts will decide what level of teeth. Our legal advice is that we've got a full

set of dentures, uppers and lowers. Lots of teeth."

Dispatched by Sarsfield to the 19 Kenora-Rainy River municipalities that comprise the Northwestern Health Unit, the letter officially declares second-hand smoke a health hazard and demands that municipal councils act to prevent that hazard by creating bylaws regulating smoking.

The letter further requires the municipalities to inform the Northwestern Health Unit by May 31 of the details of their tobacco-curb-ing plans and asks that they provide a date within the 2002 calendar year when appropriate bylaws will be implemented.

The letter's teeth are enamelled with the official designation of second-hand smoke as a health hazard, which puts cigarette-smoking on the same level as a bug in restaurant soup and paves the way for the \$5000-a-day fines.

"What I'm pleading for the  
*See BYLAW on page 6*

# Funding program announced

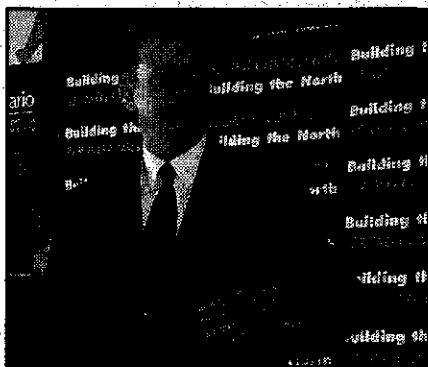
BY BRYAN MEADOWS  
NORTHWEST BUREAU

Remote First Nation communities and municipalities will benefit from a new provincial funding program announced Friday by Northern Development and Mines Minister Dan Newman.

"The Ontario government's new Far North Assistance Program will help our most northerly communities tap into the region's tremendous economic potential," Newman told about 40 First Nation and local dignitaries and others gathered for the announcement in Sioux Lookout.

A program of the Ontario Heritage Fund Corporation, the Far North Assistance Program will offer up to 50-per-cent capital assistance to build, or upgrade regional infrastructure such as hydroelectric projects, road construction and tourism projects in the Far North.

The program will also fund up to 75 per cent of the cost for studies into tourism and infrastructure development.



**Northern Development and Mines Minister Dan Newman speaks at a news conference in Sioux Lookout yesterday.**

Newman said the program would help "build strong, self-reliant communities in Northern Ontario."

"We look forward to seeing the benefits of this new program across our region," said Sandy Lake First Nation Chief Ennis Fiddler.



# Councillors, 'with a great deal of pain,' want tax increase

BY BRYAN MEADOWS  
NORTHWEST BUREAU

How does 10 per cent sound for a hike?

A majority of Dryden council have told city administration to come up with a municipal budget that raises taxes by that much.

"We are taxpayers too, and this is done with a great deal of pain," Coun. Brian England said following a budget discussion last week.

Treasurer Paul Heayn told council that there will have to be cuts in capital expenditures and a further \$225,000 in operating cuts made to meet council's objective.

Acting city manager Art Wellington noted that he's "not

sure what the budget will look like" when its brought to council in two weeks.

"If council can give us a clear direction on capital projects, that would help," he said.

Council is wrestling with four major projects: \$1 million for a new auditorium, \$1.5 million in renovations to public safety building and fire station, a \$750,000 fire truck and several thousand dollars in water, sewer and planning studies.

They are also faced with increases in long-term care, health unit, recycling costs and employ-

ee wages in the 2002 budget.

The city has to pay about \$122,000 more to Pinecrest's Home for the Aged for long-term care this year, another 1.8 per cent to the Northwestern Health Unit and has a commitment to increase salaries for the city's unionized employees by 1.5 per cent this year.

"We're getting bills from organizations that we have no control over," England said, noting that "we have to make the tough decisions. These problems are not going to go away."

Last year, Dryden ratepayers were hit with an eight-per-cent municipal tax increase.

Chronicle Mar 10/02

# City manager hired for Dryden

Dryden is getting a new city manager.

Council last Monday approved the hiring of Arie Hoogenboom to the position. He is expected to start no later than May 6.

Hoogenboom is currently the CAO and director of corporate services for the Town of Smith Falls, where he has worked since 1989. He has also held the title of economic development officer since 1996.

From 1976 to 1989, Hoogenboom worked for the Town of Prescott.

"We're happy to get him. I think when he gets here, we'll really move forward,"

Dryden Mayor Sid Wintle said.

The City of Dryden has spent the past 10 months looking for a replacement for its first city manager Jamie Umpleby, who moved to British Columbia last summer. Interim manager Art Wellington was hired last fall to handle the responsibilities until a full-time manager could be recruited.

"Art has done an excellent job and worked well to add to our success," Wintle stressed, adding it will be good to have more stability in the city manager position.

☆

Mar 12/02

Dryden Observer



# City attempts to delay MOE order for report

By Warner Bloomfield

The City of Dryden is attempting to delay a Ministry of Environment order to submit a professional engineer's report on sewage backup problems in the Wabigoon Drive area.

MOE official Drew Stajkowski last week confirmed he had issued a direction to the City of Dryden to provide an engineer's report looking at the status of its sanitary sewer system and its capacity.

"We're trying to see if there is a problem with the sewage system," he explained.

Stajkowski said there was some concern of possible discharge into Wabigoon Lake through the city's storm sewer system.

"I was alerted by city residents in that area. We received numerous written requests for action to be taken," he said.

The direction was issued in January and gave the city 60 days to comply. Dryden Mayor Sid Wintle, last week, said the city had requested a tribunal in its bid to delay the order.

Interim city manager Art Wellington explained the direction did not give adequate time to compile a proper report.

Wintle noted it was difficult to provide accurate water flow results in January. He added there are currently two engineering reports being conducted for insurance companies as part of an ongoing legal

action.

"Both insurance companies are doing significant engineering studies right now. Why do a third one?" he asked.

Wintle, however, did acknowledge results of those reports will not likely be available until after outstanding lawsuits are settled. There is still no time line for that case.

A date for the Ministry of the Environment tribunal is yet to be set.

## Coverage limited

Meanwhile, homeowners are finding they have limited, if any, insurance coverage for the problem.

Terry Korzinski, a home-

owner on Ingall Drive who has seen his basement flooded with sewage several times in the last five years, said last week his insurance company chose not to renew his home policy.

While he was able to find another insurer, he still cannot carry sewage backup coverage, he said.

"We're all going to be very anxious this summer," he stressed, referring to concerns more sewage problems are expected once heavy rains strike.

In a memo to insurance brokers, Wawanesa Insurance stated it was limiting coverage to several communities in northwestern Ontario due to losses suffered last summer.

Those communities

include Dryden, Sioux Lookout, Fort Frances, Kenora, Rainy River, Waldhof, Red Lake and Emo.

The company is demanding sump pump or back water valves to continue coverage for homes that have suffered previous losses to sewage backups. Additional information will be needed if that equipment was already in place.

Korzinski, who works in the real estate business, said the combination of high profile flooding problems and the lack of insurance coverage has made it almost impossible to sell homes in that area.

"We had an open house on Ingall Drive last week and nobody even showed up," he said. ☆

Dryden Observer - Mar 12/02



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***Regional approach***

# Nault suggests way to access funding

*By Doug Pronger*

MP Robert Nault is asking communities to get together as a region, to access funding for economic development and health care.

"There are \$2 billion plus in the budget for infrastructure programs that haven't been defined yet," Nault told an audience of government, aboriginal and business leaders of the north-west region, March 5, in Dryden.

"My interest is in building a regional economy," Nault said. "Studies have told us you really don't get a lot accomplished in economic development in a small community, when you don't have enough money, enough resources, enough synergies."

The Kenora-Rainy River MP sponsored an information-sharing seminar billed as "Building a diversified

economy in your community". Representatives from Industry Canada/FedNor, Canada Customs and Revenue, and Public Works and Government Services outlined programs and funding opportunities.

Nault responded to the health care issue after persistent questioning by Dryden city councillor Brian Collins, who said physician recruitment is a critical issue. "Can FedNor help?" he asked.

"I'm a big believer in giving agencies flexibility to do things and think about ways of helping our economy," Nault replied.

"It's my own opinion that the abilities for FedNor to do that already exist, if they want to look at health care as an initiative with the objective of making sure our economy is diversified. Having the right kind of professionals in your community has an impact on

economic development."

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## Need work plan

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Nault said the federal government has funded the health care issue in the past, spending a significant amount of money on a study on behalf of Laurentian and Lakehead Universities to establish a medical school in the north.

"I think municipalities, in partnership with FedNor and other agencies, should come up with a work plan to deal with health care issues," Nault said. "I would expect to see a meeting of minds between all communities and that one doesn't work against the other and that we would have one regional proposal."

He said the federal government is now looking at problems in health care with aboriginal people.

Because doctors and nurses are paid less in the federal system than in the provincial system, there is difficulty in attracting and retaining professionals in the far north.

"I've always said, partnership means that you come to the table with money," Nault commented. "If FedNor is going to participate, I expect municipalities will participate, and as Minister of Indian Affairs, I would be interested in working with you on the aboriginal component to deal with some of the health issues on behalf of those constituents and our responsibility for health care federally."

He added it was a matter that will have to be discussed between Northern Ontario caucus and the minister responsible for FedNor, Andy Mitchell. ☆



# *d be jettisoned into legal limbo*

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s...to take action  
the Health Protec-  
nd Promotion Act  
(A). If they don't do  
then we're going to

take action."

The HPPA, the same provincial legislation governing the regional health units, gives MOHs the power to designate health hazards and to levy fines – a power invoked as recently as three years ago, during which time Sarsfield has ordered a staggering 800 boil-water advisories across the region.

Sarsfield's letter arrives in Sioux Lookout only two weeks before Municipal Council is set to re-examine the possibility of enacting a bylaw regulating smoking. A potential lack of political will here – as in other municipalities in the area – may however jettison such a bylaw into legal

limbo, a situation that Sarsfield said would leave him no choice but to take an HPPA detour toward a smoke-free Sioux by the end of the year.

"Some municipalities have said to us they don't think they're gonna get it through their political process unless we force them to," Sarsfield said, adding, "We've tried this voluntarily too long."

The process of levying fines would begin with Northwestern Health Unit officials going business by business issuing orders to establishments that expose employees or the public to second-hand smoke. If the unit then received word that the business was violating the order, it could hand out fines – with \$5000-a-day the ceiling allowed under the HPPA.

Complicating the issue, however, is the lack of precedent in Ontario for treating second-hand smoke in the same way as other health hazards.

"There could be one lonely little bug in your water supply in Sioux Lookout and we'd take action – and nobody challenges our right to do so," said Sarsfield. "One little fecal coliform hanging on by his fingernails and we're going to take action. But envi-

ronmental tobacco smoke, with all kinds of cancer-causing agents at levels that are known to be a significant risk and which would lead to a closure of a municipal water supply if they were in the water, everybody says, well what right have you got to do that?"

Whether Sarsfield can treat fecal coliform and second-hand smoke interchangeably is a question that may only find an answer in the provincial courts, a decision that would come about if a business challenged a Northwestern Health Unit order.

"I'm hoping we go to court on this. I think we'll win – that's why I'm hoping," said Sarsfield, adding that legal advice received from the Ontario Campaign for Action on Tobacco (OCAT) and from independent lawyers hired by the unit put the chances of winning such a case at 80 to 90 per cent.

But other lawyers – though not ruling out the possibility – are less sanguine.

"I think it's anybody's guess as to what sort of results this will have," said Toronto-based lawyer Frank Williams, who helped draft Ontario's Tobacco Control Act. "I can't see why it shouldn't be any dif-

ferent from a boil-water advisory," he added.

Williams thinks the lack of precedence for Sarsfield's initiative is due to practical rather than legal concerns.

"I would suggest that the reason it's never been done before is because logistically and administratively it's a lot of work," he said, adding that merely issuing and dispatching orders to erring restaurants through the mail represents huge amounts of labour for the Northwestern Health Unit. "It's a practical issue – it's not a legal issue as much as I think just a simple practical issue."

And Municipal Council – Sarsfield's letter notwithstanding – still wants to follow due process in seeing a smoking bylaw through its political machinery.

"Our understanding is that it's still council's decision as to whether or not to pass a bylaw regulating smoking," said the Municipality's Chief Administrative Officer, John Baird, of Sarsfield's plans. "Council is very specific and definite that they want public input, they want businesses' input and so on," he added. "And I don't believe council is prepared to go and approve a bylaw without that kind of public consultation."



# Capital assistance announced for northern communities

Andrew Ryan Fox  
STAFF WRITER

THE provincial government announced a new funding plan for northern communities last week.

Minister of Northern Development and Mines Dan Newman unveiled the Far North Assistance Program at Sioux Lookout last Friday. The plan, developed by the Northern Ontario Heritage Fund Corporation (NOHFC), offers capital funding to build or upgrade infrastructure in the north, as well as assistance for tourism projects in the region.

"Basically, from the government's perspective, we want to see the north enjoy the same prosperity that the rest of the province has,"

said Newman, who's also chair of NOHFC.

The funding is available to communities in a region stretching across the northern part of the province from the Manitoba border north of Red Lake to just south of Moose Factory. All municipalities, First Nations, local services boards and non-profit organizations providing community services within the designated region are eligible to apply for funding. NOHFC will contribute up to \$5 million to approved projects.

Last year NOHFC worked in conjunction with community leaders from the north to identify capital needs in the region.

"Our community welcomed the opportunity to participate in the discus-

sion that shaped this new program, enabling us to speak to some of our most important community priorities," said Sandy Lake First Nation Chief Ennis Fiddler. "We're pleased that the government is responding so quickly to the issues we raised last fall and we look forward to seeing the benefits of this program across the region."

Up to 75 per cent of the costs for studies, business plans and research projects will be funded under the program, and up to 50 per cent of the costs of capital projects. Some examples given by NOHFC of possible projects include electrical grid extensions and hydroelectric projects, road systems, studies and research projects on develop-

ment, construction of tourism facilities and tour guide training. Newman stressed, however, that as long as projects fall under the two general categories of infrastructure or tourism, the sky's the limit for what kinds of plans will be approved.

"I encourage First Nations communities to be as creative as possible," he said.

The only caveat to attaining assistance under the plan is that communities must explore and access all other possible sources of funding. Communities will only be funded if the NOHFC investment is necessary. Applicants have until Dec. 31, 2003 to request funding.

Some criteria of the plan are that projects should demonstrate job creation, self-sustainability and com-

pliance with regulations from all levels of government. Preference is given to projects that use Ontario Works participants and that provide investment opportunities for other partners.

"I'm sure the announcement will greatly benefit the northern communities,"

said Fiddler after Newman spoke at the Forest Inn.

"The province has enjoyed a period of prosperity and success over the past several years," said Newman at the end of the conference. "We need to ensure that the far north is part of that success."



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## Budget on the horizon

# Council prepares for 14 per cent tax increase

By Warner Bloomfield

The City of Dryden's senior management team is now preparing a budget based on a 14 per cent increase in residential taxes.

If that budget is approved, it would mean a net increase of 9.5 per cent on residents' tax bills. Commercial rates are set to rise by 6.5 per cent.

"Municipal rates cover two-thirds of a tax bill and the school board is the other third," the city's finance chair Bill Brown explained.

Paul Heayn, director of corporate services, was directed at the March 18 com-

mittee of the whole meeting to prepare a budget based on those numbers. At last night's meeting, he provided some capital recommendations to defer debentures on a number of items over the next two years, while using reserves for interim financing to allow the city to meet that goal.

Council did not decide upon a date to formally approve this year's budget, but noted it could be as early as April 1 or at the April 15 meeting.

While the city is following council's guidance on that tax increase, not all councilors are happy with the direction. Most notable are Mayor Sid Wintle and Coun. Brown, an outspoken critic of such hefty

tax increases.

However, last night Brown said he would accept council's wishes.

"I'm not overjoyed with this, but the majority of council has spoken and I'll follow the wishes of council," he said.

Mayor Wintle agreed with Brown, stating the city's tax problems are just getting started.

The number of capital projects on the city's drawing board come with a steep price.

In order to meet the 14 per cent tax increase, council is deferring debentures on approximately \$3.8 million in spending. That equals 9.8 per cent in tax increases

over the next three years alone, Wintle observed.

## Debentures deferred

Under this plan, the city would start paying debentures on the \$1 million committed to the Adult Learning Centre's auditorium in 2003. Financing on a \$700,000 aerial fire truck would kick in by 2004, while a proposed \$2.1 million public safety building and new fire hall project would start the following year.

Not including the revenues from the sale  
(continued on page 2)



# Ex-mayor admits to breach of trust

BY CARL CLUTCHEY  
NORTH SHORE BUREAU

Former Marathon mayor Don McKay borrowed \$25,000 to prop up an ailing computer company owned by his friend, then voted in favour of the Town of Marathon giving the same company a lucrative contract.

Details of the eight-year-old case were revealed in Marathon court Thursday, when the 47-year-old McKay pleaded guilty to a charge of breach of trust that a judge termed "an obvious pecuniary interest."

Under conflict-of-interest rules, municipal politicians are not allowed to discuss or vote on a motion when they have a monetary interest in the subject at hand.

Though McKay was required to pay \$3,500 to charity as a result of pleading guilty, he left the courtroom with an absolute discharge.

The stocky McKay, who appeared glum-faced in a

gray suit, could barely be heard when he uttered his guilty plea in a courtroom that also serves as Marathon's council chambers.

The absolute discharge reflects McKay's "lack of criminality" said lawyer Gil Labine.

Labine said although McKay had a pecuniary (monetary) interest in the Nov. 7, 1994 council vote on the computer contract, he didn't benefit financially when his friend's company got the nod.

In 1999, the company McKay and three other people tried to help out went into default and McKay ended up losing \$10,000 in the deal, Labine told the court.

Sources say the contract awarded to the company was worth about \$60,000.

Marathon resident Rob Woito, who went to police about the incident, said he was surprised McKay wasn't aware of what appeared even then to be an obvious con-

flict of interest, given the university-educated McKay was by 1994 an experienced politician and former banker.

Julie Sparrow, who served on town council with McKay, said she and other councillors were aware of McKay's conflict but couldn't afford to challenge it under the Municipal Conflict of Interest Act.

"I was told I would have to pay for a lawyer out of my own pocket, and it could take up two or three years," said Sparrow.

Crown prosecutor Carl Busque said how the complaint surfaced "is neither here nor there."

"This type of behaviour is unacceptable, even if it is an error in judgment," Busque said.

McKay is currently manager of a federal business loan agency in Terrace Bay, which has a portfolio of \$5 million.

He has not been asked to step down from that position in wake of the breach of trust charge.

## MARATHON



# Hydro One privatization could mean higher bills

*Preliminary prospectus filed in Canada and U.S. shows this to be the case*

THE CANADIAN PRESS

TORONTO — A newly privatized Hydro One could mean higher electricity bills for power users as the company looks to boost the utilities' earnings higher than current levels, according a preliminary prospectus filed with securities authorities in Canada and the United States.

The prospectus also confirms previously announced plans to expand into the United States.

Hydro One's shares are expected to be offered for sale to the public later this year, and analysts expect the issue to raise about \$5 billion. The province will use the money to retire debt left by the former Ontario Hydro.

But the Communications, Energy and Paperworkers Union reaffirmed its opposition to the deal yesterday, and said its lawyers are examining the possibility of obtaining an injunction to halt the sale.

"We're absolutely astounded that this

sort of scam can be perpetrated on the citizens of Ontario," said Cec Makowski, the union's Ontario vice-president.

The union maintains that the privatization must be approved by the Ontario Energy Board, and has asked for a full hearing.

Hydro One, now wholly owned by the province, is one component of the former Ontario Hydro. It owns the main transmission grid in the province, which consists of high voltage lines that carry power from generating stations to cities, towns and big industries around the province. It earned a net profit last year of \$374 million on revenue of \$3.466 billion.

The prospectus notes that the Ontario Energy Board put a three-year restriction on rate increases in place through 2003. But it added that "commencing in 2004, we intend to advance a proposal that reflects our ongoing revenue requirement, including a full market-based rate of return."