



CLERKS DEPARTMENT

Action Req'd	<input type="checkbox"/>	Council Agenda	<input type="checkbox"/>
Info Only	<input type="checkbox"/>	Standing Cite Agenda	<input type="checkbox"/>
Reply to Clerk	<input type="checkbox"/>	Council Information Pkg	<input checked="" type="checkbox"/>

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City Office	<input type="checkbox"/>	Legal	<input type="checkbox"/>
City Office	<input type="checkbox"/>	Mayor's Office	<input type="checkbox"/>
City Office	<input type="checkbox"/>	Parks & Recreation	<input type="checkbox"/>
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December 22, 2010

TO: Ontario Municipalities with Population over 50,000

Dear Sir:

RE: CITY OF KINGSTON – DECEMBER 21, 2010 – MOTION (2) – HEADS AND BEDS / 100
PAYMENT

I would confirm that Kingston City Council, at its regular Council meeting held on December 21, 2010, approved the following Motion (2):

(2) Moved Councillor Glover
Seconded Councillor Hector

WHEREAS many Kingston residents believe their property taxes are significantly higher than other communities in Ontario, when they compare their own experience with what is reported, for example, in the "Done Deals" column of the Globe & Mail; and,

WHEREAS approximately 75% of Kingston property assessment revenues is derived from the residential base, and this is widely regarded as being significantly out of balance with other Ontario communities; and,

WHEREAS Kingston has an exceptionally large number of exempt properties, owned either federally, provincially, or by post secondary education institutions and hospitals; and,

WHEREAS the payment in lieu of taxes made by the Province of Ontario on behalf of post secondary education institutions and hospitals was \$50 per student and hospital bed in 1973, which changed to \$75 in 1987 and remains at that rate; and,

WHEREAS when Kingston City Council on August 14, 2007, adopted a motion about payments in lieu of taxes, staff had found that "in Kingston, the maximum payment-in-lieu of tax for 2007 is \$1,544,400 (20,592 students @ \$75 ea), which represents just under 25% of the amount of taxes that would be levied (\$6,288,319) if the property had been classified and taxed pursuant to its use"; and,

WHEREAS if the 1973 flat rate was adjusted for inflation the current rate would be \$240 per student and hospital bed, resulting in a payment to Kingston of approximately \$5.0 million; and,

WHEREAS if the 1987 flat rate was adjusted for inflation the current payment would be approximately \$2.5 million; and,

WHEREAS on August 12, 2008, Kingston City Council adopted a motion calling on the Province of Ontario to raise the "heads and beds" rate at least to match the inflation since 1987, and "to meet with officials from Kingston and other municipalities affected by this law to discuss a fairer way that is closer to the fair market value of the properties to compensate for the loss of property taxes ..."; and,

WHEREAS on May 25, 2010, subsequent to the Supreme Court of Canada's ruling that the federal government regulations "require that the [federal] tax rate be calculated as if the federal property were taxable property belonging to a private owner," Kingston City Council again adopted a motion calling on the Province of Ontario to review the "heads and beds" payments in lieu of taxes; and,

WHEREAS the Province of Ontario has taken no action on the motions of August 14, 2007, August 12, 2008, and May 25, 2010;

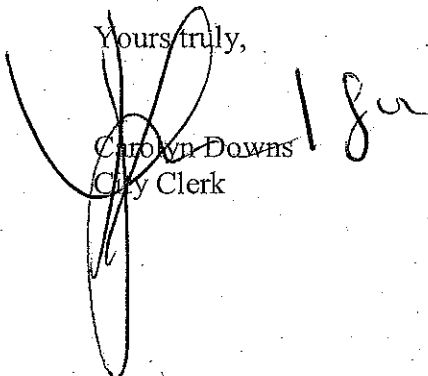
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THEREFORE BE IT RESOLVED THAT:

1. The City pursue with the province, together with other municipalities, an increase in the "heads and beds" payment; and,
2. The CAO provide Council with periodic updates, and at least not later than the end of June 2011, on progress made; and,
3. Copies this motion be sent to all Ontario municipalities; the Association of Municipalities of Ontario; the Honourable Dalton McGuinty, Premier of Ontario; the Honourable Dwight Duncan, Minister of Finance; the Honourable Rick Bartolucci, Minister of Municipal Affairs and Housing, and the Honourable John Gerretsen, MPP for Kingston and the Islands.

CARRIED

Yours truly,



Carolyn Downs
City Clerk

/ki

Cc: Councillor B. Glover

File No.