September 3, 2008

TO ALL MUNICIPALITIES IN ONTARIO WITH UNIVERSITIES OR COLLEGES OR HOSPITALS

RE: MOTION (7), KINGSTON CITY COUNCIL SEPTEMBER 2, 2008

I would confirm that at the regular meeting of Kingston City Council held on September 2, 2008, the following Motion (7), was approved:

(Motion 7) Moved by Councillor Schmolka
Seconded by Councillor MacLeod-Kane

WHEREAS post-secondary institutions and hospitals are exempt from paying property taxes to municipalities under provincial law and instead pay a fixed amount, set by the provincial government, for each student (“head”) or patient (“bed”) in their institutions; and

WHEREAS the amount of the “heads and beds” payment is $75 per student or patient and this amount has not been changed by the province since 1987, and

WHEREAS at this time the city receives the following amounts as “heads and beds” payments instead of property taxes:

- Queen’s University and Theological College – 17,217 “heads” = $1,291,275
- St. Lawrence College – 3,668 “heads” = $275,100
- Hotel Dieu Hospital – 264 “beds” = $19,800
- Kingston General Hospital – 538 “beds” = $40,350
- Providence Continuing Care – 448 “beds” = $33,600, and

WHEREAS increasing the “heads and beds” amount to match the rate of inflation over the last 21 years would result in a minimum estimated increase from $75 to $126.35 and would bring in an estimated minimum additional payment in lieu of property taxes of $1.1 million to the City of Kingston, and

WHEREAS Council passed a motion on August 14, 2007 with respect to the “heads” payment asking the provincial government to increase the amount it sets for this payment with the objective of making this amount equivalent to the taxes that would be collected if the properties were taxable by the municipality, and

WHEREAS efforts to have the provincial government review the “heads and beds” amount and approach have not met with any positive responses to date,

THEREFORE BE IT RESOLVED THAT the Province of Ontario be requested to:

- increase the “heads and beds” payment immediately to at least match the rate of inflation since 1987 and build in an automatic annual adjustment for inflation from now on, and

...continued on Page 2
• 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 because of property tax exemption rules for post-secondary institutions and hospitals under provincial law.

And further

THAT this motion be circulated to all municipalities in Ontario with Universities, or Colleges, or Hospitals, requesting their support.

CARRIED AS AMENDED

As requested by our Chief Administrative Officer, for your information, I am also enclosing a copy of a similar Motion which was passed by our Council on August 14, 2007.

Yours truly,

Carolyn Downs
City Clerk

Enclosure
Cc: Councillor V. Schmolka

Our File No.
AUDIT AND ADMINISTRATION COMMITTEE REPORT 08-001(b)

(Pearson/Powers)
That REPORT 08-001(b) of the Audit and Administration Committee be adopted and the information section received. CARRIED

MOTIONS

7.1 “Heads and Beds” Rate

(McHattie/Merulla)
Whereas, in legislation, Provincial institutions in Ontario such as hospitals, universities, colleges and correctional facilities, are not liable to assessment and taxation in its real property, rather make payment on a prescribed per-capacity rate, referred as the “heads and beds”;

Whereas, the Province last adjusted the “heads and beds” rate 20 years ago (1987), and through this period the increases in inflation has not been reflected in the “heads and beds” rate;

Whereas, based on the increase in inflation, the cost to the City of Hamilton to provide services to area institutions has risen by over 50% since that time, and;

Whereas, the City of Hamilton continues to have budget challenges, with revenue sources not keeping up with costs.

Therefore,

That the Minister of Finance for the Province of Ontario be requested to:

(a) amend the current prescribed “heads and beds” rate used to calculate payment-in-lieu of taxes on public hospitals, universities, colleges and correctional facilities to an equivalent rate that would be raised were these public institutions using current value assessment (CVA) times tax rate methodology;

(b) and ensure that the “heads and beds” rate thereafter is adjusted regularly to reflect changes in current value assessment on public institutions and municipal tax rates; or,

(c) Alternatively, introduce legislative amendments to the Assessment Act and the Municipal Act 2001, that would require payment-in-lieu amounts to be calculated on equivalent taxation using full Current Value Assessment (CVA) time appropriate municipal tax rates.
(McHattie/Merulla)
That the motion be amended to add sub-section (d) as follows;

(d) That a copy of this motion be forwarded to A.M.O. for their consideration.

AMENDMENT CARRIED

MOTION AS AMENDED CARRIED.

NOTICES OF MOTION

None

STATEMENT BY MEMBERS

Members of Council used this opportunity to discuss matters of general interest.

PRIVATE AND CONFIDENTIAL

10.1 Closed Session Minutes of January 9, 2008

(Mitchell/Duvall)
(a) That the Closed Session Minutes of the January 9, 2008 meeting of Council be approved, as presented.

(b) That the January 9, 2008 minutes, of Council, remain confidential and restricted from public disclosure, in accordance with exemptions provided in the Municipal Freedom of Information and Protection of Privacy Act."

CARRIED

BY-LAWS

(Powers/ Pearson)
That Bill Nos. 08-009 to 08-026 attached hereto be passed, that the corporate seal be affixed thereto and the By-laws be signed by the Mayor and the City Clerk, and numbered as 08-00x to 08-0xx:

<table>
<thead>
<tr>
<th>Bill No.</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>08-009</td>
<td>009 To Authorize an Interim Tax Levy for 2008</td>
</tr>
<tr>
<td>08-010</td>
<td>010 To Authorize the Temporary Borrowing of Monies to Meet Current Expenditures Pending Receipt of Current Revenues</td>
</tr>
<tr>
<td>08-011</td>
<td>011 Respecting Removal of Part Lot Control, Bridgeport Phase 2, Blocks 12, 13 and 14, Registered Plan No. 62M-1082</td>
</tr>
<tr>
<td>08-012</td>
<td>012 Respecting Removal of Part Lot Control, Bridgeport Phase 1 and Bridgeport Phase 2, Block 119, Registered Plan No. 6M-1073 and Block 3, Registered Plan No. 62M-1082</td>
</tr>
<tr>
<td>08-013</td>
<td>013 Respecting Removal of Part Lot Control, Fifty Road Joint</td>
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