

June 1, 2010



City Council Committee Report

To: Mayor & Council

Fr: Tara Rickaby, Planning Administrator

Re: Amendment of agreement with Province of Ontario - RED

Recommendation:

THAT the City of Kenora authorizes the Mayor and Clerk to enter into an amending agreement with the Province of Ontario for funding under the "Rural Economic Development Program"; and

THAT By-law No. 53-2010 be amended by the addition of the amending agreement.

Background:

The City of Kenora and the Harbourtown Centre Business Improvement Zone (BIZ) entered into an agreement for funding with the Province of Ontario, for the Rural Economic Development Program" in March of 2010. The impact of the HST (harmonized sales tax) on future agreements was not considered at the time. The Province requires that the City and BIZ sign an amending agreement to ensure that services provided under the terms of the agreement, on or after July 1, 2010 shall be charged, collected and remitted in accordance with the Provincial and Federal tax laws, including HST. The Province requires that:

The Agreement shall be amended as follows:

(a) The Agreement is amended by deleting the definition of GST in the Definition section of the Agreement;

(b) Section 4.9 of the Agreement shall be amended by replacing:
GST. The Recipient shall not use the Funds for any GST cost.

With the following: The Recipient shall not use the Funds for any tax amounts to be paid by the recipient pursuant to the Excise Tax Act (Canada).

(c) Within any Schedule, or tables or forms attached to the Agreement or to any amendment to the Agreement prior to this amending agreement, where the term GST or "Goods and Services Tax(es)" is found, the term shall be deleted and shall be replaced with the term "Tax such as HST"; including but not limited to Table 2 under Schedule C "Claims Submission Part 2 -Claims Report" and Notes under Schedule E "Expenditure Forecast Report" of the Agreement.

Budget: N/A

Communication Plan/Notice By-law Requirements: Notice by agenda of Property and Planning Committee and Council, Finance Department.