



Date 7 April 2011

City Council Committee Report

To: Mayor Canfield & Members of Council

Fr: Karen Brown

Re: Heads & Beds Levy

Recommendation:

Whereas Ontario municipalities with post-secondary institutions and hospitals receive transfer payments from the provincial government in lieu of property taxes; and

Whereas the payments are transferred to the municipalities based on the number of heads (students) in post-secondary institution campuses and the number of beds in their local hospitals and jails (also known as the Heads and Beds payment in lieu of taxes); and

Whereas the current amount of \$75 per head / bed has not been increased since 1987 when it was adjusted from \$50; and

Whereas it is our position that the current Heads and Beds rate does not reflect a fair compensation for providing the local resources necessary to support these provincial services; and

Whereas this rate, if indexed to inflation, would be approximately \$135 per head / bed;

Therefore be it resolved that the City of Kenora hereby requests that the provincial government of Ontario increase the Heads and Beds levy to at least the current rate of inflation and build in an automatic annual adjustment for inflation for future years; and further

That a copy of this resolution be forwarded to the Honourable Dwight Duncan, Minister of Finance, Howard Hampton, MPP (Kenora – Rainy River) and the City of Kingston.

Background:

Attached is a letter of request for support for increasing the annual Heads and Beds levy currently paid by the Province. As per the attached, this levy remains

unchanged since the rate was set in 1987, and does not reflect a fair compensation for providing the local resources necessary to support these provincial services.

It is recommended that the Kingston resolution be supported.

Budget:

If approved by the Province, this would represent additional revenues to the City of Kenora, estimated at \$22,800 by the City of Kingston based on inflation.

Communication Plan/Notice By-law Requirements:

A copy of the resolution will be sent to the Honourable Dwight Duncan, Minister of Finance, Howard Hampton, MPP (Kenora – Rainy River) and the City of Kingston.