

COUNCIL AGENDA  
JUN 22 2011

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Ministry of Finance  
Office of the Minister

Ministère des Finances  
Bureau du ministre



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MAYORS OFFICE

7<sup>th</sup> Floor, Frost Building South  
7 Queen's Park Crescent  
Toronto ON M7A 1Y7  
Telephone: 416 325-0400  
Facsimile: 416 325-0374

7<sup>e</sup> étage, Édifice Frost sud  
7, Queen's Park Crescent  
Toronto ON M7A 1Y7  
Téléphone: 416 325-0400  
Télécopieur: 416 325-0374

JUN 01 2011

Her Worship Hazel McCallion  
Mayor  
City of Mississauga  
300 City Centre Drive  
Mississauga, Ontario  
L5B 3C1

Dear Mayor McCallion:

Thank you for your letter regarding the heads and beds rate for payments in lieu (PIL) of taxes on hospitals, universities, and colleges.

The total provincial payment to municipalities under this program is approximately \$43.5 million annually. This amount is retained by municipalities and not shared with school boards. It is important to note that municipalities also receive a significant economic benefit from these provincially-supported institutions including the impact of staff expenditures, and the use of facilities for community purposes.

I am certain you will agree that our government has a very strong record of supporting and working with municipalities. Despite the province's fiscal challenges, we remain committed to our decision to upload social assistance benefit program costs from the property tax base. We understand the importance of this commitment to our municipal partners.

As you may know, the current PIL program was discussed as a part of the Provincial-Municipal Fiscal and Service Delivery Review (PMFSDR). However, municipal representatives and the Association of Municipalities of Ontario (AMO) identified the upload of social assistance benefit program costs from the property tax base as their top priority. Once fully implemented, these uploads, along with the upload of up to \$125 million annually in court security costs, will result in a net benefit to municipalities of \$1.5 billion annually. The removal of these costs from the property tax base will benefit all taxpayers, including those residing in the City of Mississauga.

<input checked="" type="checkbox"/> Receive	<input type="checkbox"/> Resolution
<input type="checkbox"/> Direction Required	<input type="checkbox"/> Resolution / By-Law
<input type="checkbox"/> Community Services <input checked="" type="checkbox"/> Corporate Services <u>Finance</u> <input type="checkbox"/> Planning & Building <input type="checkbox"/> Transportation & Works	For <input checked="" type="checkbox"/> Appropriate Action <input type="checkbox"/> Information <input type="checkbox"/> Reply <input type="checkbox"/> Report

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It is important to note that by 2018, we will have increased ongoing annual support to municipalities to \$4 billion, an increase of more than 270 per cent compared to 2003.

While I appreciate the time you have taken to keep me informed about this matter as it concerns the City of Mississauga, given the province's fiscal situation, the government is not contemplating a further review of our policies in this area at this time. Please be assured, however, that your comments will be taken under advisement during any future deliberations.

Thank you again for writing.

Sincerely,

A handwritten signature in black ink, appearing to read "Dwight Duncan", written over a horizontal line.

Dwight Duncan  
Minister

c: The Honourable Dalton McGuinty, Premier of Ontario  
The Honourable Rick Bartolucci, Minister of Municipal Affairs and Housing