

City of Kingston

Property Listing - Section 357(1) Tax Adjustments

Application Number	Roll Number	Property Location	From	To	Reason for Adjustment	Property Tax Class	Assessed Value	Amount of Tax Cancellation
Section 357(1) Applications								
1482	080.184.01200.0000	641 Davis Dr.	1-Jan-16	31-Dec-16	357 (1)(c) Became Exempt	RTEP E N	397,000 (397,000)	\$ 5,105.17
1489	080.010.12300.0000	21 Point Cres.	30-May-17	31-Dec-17	357(1)(d) Fire, Demo	RTEP	139,000	\$ 1,056.10
1491	080.230.04910.0000	3715 Unity Rd. - Sharpton	1-Jan-17	31-Dec-17	357 (1)(a) Property Class Change	CTN RTES	14,175 (14,159)	\$ 321.47
1492	080.180.05000.0000	700 Gardiners Rd.	23-Jun-17	31-Dec-17	357(1)(d) Fire, Demo	CTN CUN IXN	1,919,985 1,712,515 (2,201,872)	\$ 26,175.97
1493	050.050.07500.0000	857-861 Princess St.	30-Sep-16	31-Dec-16	357(1)(d) Fire, Demo	CTN CXN	729,000 (359,000)	\$ 4,540.46
1496	080.200.02100.0000	1143 Midland Ave.	18-Jun-17	31-Dec-17	357(1)(d) Substantially Unusable	RTEP	30,000	\$ 207.88
Section 358(1) Applications								
1501	040.150.11733.0000	0 Conacher Dr	1-Jan-13	31-Dec-13	358(1) Clerical Error	RTEP	525,900	\$ 7,659.93
1502	040.150.11732.0000	0 Conacher Dr	1-Jan-13	31-Dec-13	358(1) Clerical Error	RTEP	524,800	\$ 7,643.91
1503	040.150.11734.0000	0 Conacher Dr	1-Jan-13	31-Dec-13	358(1) Clerical Error	RTEP	362,350	\$ 5,277.76
							Total	\$ 57,988.65
Distribution of Amounts								
							Municipal Portion	\$ 39,860.51
							School Portion	\$ 18,128.14
							Total	\$ 57,988.65



Corporation of the City of Kingston

**Audit Planning Report
For the year ended December 31, 2017**

KPMG LLP

November 9, 2017

kpmg.ca/audit



The contacts at KPMG in connection with this report are:

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At KPMG, we are **passionate** about earning your **trust**. We take deep **personal accountability**, individually and as a team, to deliver **exceptional service and value** in all our dealings with you.

At the end of the day, we measure our success from the **only perspective that matters – yours**.

Executive summary

Audit and business risk

Our audit of the Corporation of the City of Kingston (the “City”) is risk-focused. As part of our audit planning, we identify the significant financial reporting risks that, by their nature, require special audit consideration. By focusing on these risks, we establish an overall audit strategy and effectively target our audit procedures. Based on our assessment of the City’s operations as well as our experience with the organization in the past, we have not identified any unique significant financial reporting risks. This initial assessment will be re-evaluated upon completion of our interim and year-end audit procedures.

Areas of focus

In planning our audit, we have identified areas of focus including revenue recognition and deferral policies including government grants; tangible capital assets; Employee Future Benefit obligations and expenses including Payroll.

See page 7.

KPMG team

The KPMG team will be led by Lori Huber, CPA, CA, Licensed Public Accountant. She will be supported by local regional partners and a number of other professionals in the Kingston office. Subject matter experts will be involved to ensure our approach is appropriate and robust.

Effective communication

We are committed to transparent and thorough reporting of issues to the senior management team and the Administrative Policies Committee. We have planned our work to closely co-ordinate and communicate amongst our teams.

This Audit Planning Report should not be used for any other purpose or by anyone other than the Administrative Policies Committee. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Planning Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Audit Materiality

Materiality has been determined based on Fiscal 2016 total expenses. We have reviewed the scope of work across segments and businesses across the group. Materiality will be set at lower thresholds where necessary to meet component financial statement audit requirements. We have determined group materiality to be \$10,000,000 for the year ending December 31, 2017.

See page 5.

A collective audit approach

We have planned the audit to coordinate our work with the component audits to reduce overlap and leverage the audit work performed.

Independence

We are independent and have extensive quality control and conflict checking processes in place. We provide complete transparency on all services and follow Administrative Policies Committee approved protocols.

Current developments

Please refer to Appendix 7 for relevant accounting and auditing changes relevant to the City.

Audit plan considerations

We have prepared this audit plan to inform you of the planned scope and timing of the audit for the purpose of carrying out and discharging your responsibilities and exercising oversight over our audit of the consolidated financial statements of the Corporation of the City of Kingston (the “City”).

What has changed from last year

We have set out below a summary of changes that have been taken into consideration in planning the audit for the current period:

Your organization

- We have met with management as part of our audit planning process and have not identified any specific changes to the operations of the City that would result in significant change to our audit approach from the prior year.
- Our 2017 audit will also include a conversion audit of the financial data during the year to the new financial reporting software, Microsoft Dynamics AX as the City's new Financial Management System, replacing the legacy Oracle PeopleSoft Financials.

Regulatory environment

- No significant changes.

Canadian Accounting standards

- There are no significant changes in Canadian Accounting Standards for the current audit periods.

Canadian Auditing standards

- There are no significant changes in Canadian Auditing Standards for the current audit period.

Materiality

The determination of materiality requires professional judgment and is based on a combination of quantitative and qualitative assessments including the nature of account balances and financial statement disclosures.

The first step is the determination of the amounts used for planning purposes as follows:

Materiality determination	Comments						Group amount
Metrics	Relevant metrics included total expenses, total revenues, and accumulated surplus.						
Benchmark	Based on total expenses for the year ended December 31, 2016.						\$443,343,000
Materiality	Determined to plan and perform the audit and to evaluate the effects of identified misstatements on the audit and of any uncorrected misstatements on the consolidated financial statements. The corresponding amount for the prior year's audit was \$10,000,000.						\$10,000,000
% of Benchmark	The corresponding percentage for the prior year's audit was 2%.						2%
Performance materiality	Used 75% of materiality, and used primarily to determine the nature, timing and extent of audit procedures. The corresponding amount for the prior year's audit was \$7,500,000.						\$7,500,000
Audit Misstatement Posting Threshold (AMPT)	Threshold used to accumulate misstatements identified during the audit. The corresponding amount for the previous year's audit was \$500,000.						\$500,000
	Component 1	Component 2	Component 3	Component 4	Component 5	Component 6	
Component Materiality	\$650,000	\$830,000	\$48,000	\$350,000	\$690,000	\$230,000	

Professional standards require us to re-assess materiality at the completion of our audit based on period-end results or new information in order to confirm whether the amount determined for planning purposes remains appropriate. Our assessment of misstatements, if any, in amounts or disclosures at the completion of our audit will include the consideration of both quantitative and qualitative factors.

Audit scope

Professional standards require that we obtain an understanding of the City's organizational structure, including its components and their environments that is sufficient to identify those components that are financially significant or that contain specific risks that must be addressed during our audit.

Group auditors are required to be involved in the component auditors' risk assessment in order to identify significant risks to the group financial statements. If such significant risks are identified, the group auditor is required to evaluate the appropriateness of the audit procedures to be performed to respond to the identified risk.

KPMG as the Group Auditor is also the Auditor of the various City components.

The components over which we plan to perform audit procedures are as follows:

Components	Why	Our audit approach
Component 1 1425445 Ontario Limited	Individually financially significant	<ul style="list-style-type: none"> – Statutory audit of component financial statements – Audit team composed of KPMG Kingston Staff, and KPMG Waterloo Partner – Component auditor's work will be conducted at a materiality lower than the Corporation of the City of Kingston's materiality, and under the supervision of a Senior Manager that will be involved in both the Corporation of the City of Kingston's audit, and the component's audit.
Component 2 Kingston Hydro Corporation	Individually financially significant	<ul style="list-style-type: none"> – Statutory audit of component financial statements – Audit team composed of KPMG Kingston Staff, and KPMG Waterloo Partner – Component auditor's work will be conducted at a materiality lower than the Corporation of the City of Kingston's materiality, and under the supervision of a Senior Manager that will be involved in both the Corporation of the City of Kingston's audit, and the component's audit.
Component 3 Downtown Business Improvement Area	Non-significant component; however a separate audit is completed	<ul style="list-style-type: none"> – Statutory audit of component financial statements – Audit team composed of KPMG Kingston Staff and Partner
Component 4 Kingston & Frontenac Housing Corporation	Non-significant component; however a separate audit is completed	<ul style="list-style-type: none"> – Statutory audit of component financial statements – Audit team composed of KPMG Kingston Staff and Partner
Component 5 Kingston, Frontenac and Lennox & Addington Public Health	Non-significant component; however a separate audit is completed	<ul style="list-style-type: none"> – Statutory audit of component financial statements – Audit team composed of KPMG Kingston Staff and Partner
Component 6 Kingston-Frontenac Public Library Board	Non-significant component; however a separate audit is completed	<ul style="list-style-type: none"> – Statutory audit of component financial statements – Audit team composed of KPMG Kingston Staff and Partner

Audit approach

Inherent risk is the susceptibility of an assertion related to a significant account or disclosure to a misstatement which could be material, individually or when aggregated with other misstatements, assuming that there are no related controls.

Our assessment of inherent risk is based on various factors, including the size of the balance, its inherent complexity, the level of uncertainty in measurements, as well as significant external market factors or those particular to the internal environment of the entity.

Area of focus	Why	Our audit approach
Cash	Risk of material misstatement related to the completeness, existence and accuracy of cash.	<ul style="list-style-type: none"> – Direct confirmation of balances with third parties. – Review of bank reconciliations. – Vouch a test sample of reconciling items.
Investments and Investment Income	Risk of material misstatement related to the completeness, existence and accuracy of investments and investment income.	<ul style="list-style-type: none"> – Direct confirmation of balances and annual income with the investment managers. – Perform testing over compliance with the City's Investment Policy.
Tangible Capital Assets	Risk of material misstatement related to the classification of tangible capital assets between operating and capital, as well as the completeness of assets.	<ul style="list-style-type: none"> – We will complete substantive audit procedures to address the relevant assertions. – Vouch significant additions and disposals to supporting documentation. – Review of repair and maintenance expenses for proper accounting treatment. – Review the existence of the capital assets schedule with capital assets inventory maintained by management. – Perform analytical audit procedures to ensure adequacy of amortization.
Short-term and Long-term Debt	Risk of material misstatement related to the completeness, existence and accuracy of short-term and long-term debt.	<ul style="list-style-type: none"> – Direct confirmation of long-term debt including terms with third parties. – Review of debt agreements and covenant compliance with external sources. – Review of presentation of long-term versus current debt to ensure current portion is accurately presented.
Employee Future Benefit Obligations	Risk of material misstatement related to the completeness and accuracy of the liability and related expenses.	<ul style="list-style-type: none"> – We will perform substantive procedures, including review and application of assumptions as well as the use of management's expert – the Actuary.
Property taxation	Risk of material misstatement related to the completeness, existence and accuracy of property taxation revenue.	<ul style="list-style-type: none"> – We will complete substantive audit procedures to address the relevant assertions.

Area of focus	Why	Our audit approach
Government Grants	Risk of material misstatement related to the completeness of grant revenue (including related receivables and deferred contributions) and accuracy of timing of revenue recognition.	<ul style="list-style-type: none"> - We will complete substantive audit procedures to address the relevant assertions including: <ul style="list-style-type: none"> o Review the year-end reconciliation of closing grant balances, and obtain supporting documentation for significant reconciling items. o Confirm or test cash receipts for significant grant funds received by the City during the year. o Perform a search for unrecorded receipts.
Payroll Expenses (including related payables)	Risk of material misstatement related to the completeness, existence and accuracy of payroll expenses (including related payables).	<ul style="list-style-type: none"> - Test and evaluate design and operating effectiveness of controls over payroll, budgetary oversight and monitoring. - We will complete substantive audit procedures to address the relevant assertions. - Recalculate significant accruals and review collective agreements for liabilities related to retro pay. - Perform substantive analytical procedures.
Operating Expenses	Risk of material misstatement related to the completeness and accuracy of expenses	<ul style="list-style-type: none"> - We will perform substantive procedures over operating expenses and accounts payable. - Perform a search for unrecorded liabilities and recalculate significant accruals. - Vouch a sample of expenses to supporting documentation.
Financial Reporting	Risk of material misstatement related to the presentation and disclosures of the financial statements.	<ul style="list-style-type: none"> - Review by the engagement partner to ensure the disclosure is consistent with current public sector accounting, disclosure requirements and industry practice.

Audit approach

Professional standards presume the risk of fraudulent revenue recognition and the risk of management override of controls exist in all entities. The risk of fraudulent revenue recognition can be rebutted, but the risk of management override of control cannot, since management is typically in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Professional requirements	Why	Our audit approach
<p>Fraud risk from revenue recognition</p>	<p>This is a presumed fraud risk. Audit standards require us to assume there are generally pressures/incentives on management to commit fraudulent financial reporting through inappropriate revenue recognition. This can be penetrated through revenue cut-off or manual journal entries and other adjustments related to revenue recognition.</p>	<p>Although there is a presumption that there are risks of fraud in revenue recognition, this presumption may be rebutted. We have exercised professional judgment and have rebutted this presumed risk. We have done this primarily because no risk factors have been identified. Revenues are not complex and they do not involve elements of significant judgment.</p>
<p>Fraud risk from management override of controls</p>	<p>This is a presumed fraud risk. We have not identified any specific additional risks of management override relating to this audit.</p>	<p>As the risk is not rebuttable, our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include testing of journal entries and other adjustments, performing a retrospective review of estimates and evaluating the business rationale of significant unusual transactions.</p>

Data & analytics in the audit

We will be integrating Data & Analytics (D&A) procedures into our planned audit approach. Use of innovative D&A allows us to analyze greater quantities of data, dig deeper and deliver more value from our audit.

We believe that D&A will improve both the quality and effectiveness of our audit by allowing us to analyze large volumes of financial information quickly, enhancing our understanding of your business as well as enabling us to design procedures that better target risks.




Area of focus	Planned D&A routines
Journal Entry Testing	<ul style="list-style-type: none"> <li data-bbox="655 594 1917 651">– Utilizing KPMG application software (IDEA) to evaluate the completeness of the journal entry population through a roll-forward of all accounts. <li data-bbox="655 662 1917 719">– Utilizing computer-assisted audit techniques (CAATs) to analyze journal entries and apply certain criteria to identify potential high-risk journal entries for further testing)

Detailed results and summary insights gained from D&A will be shared with management and presented in our Audit Findings Report.

How we deliver audit quality



Highly talented and experienced team

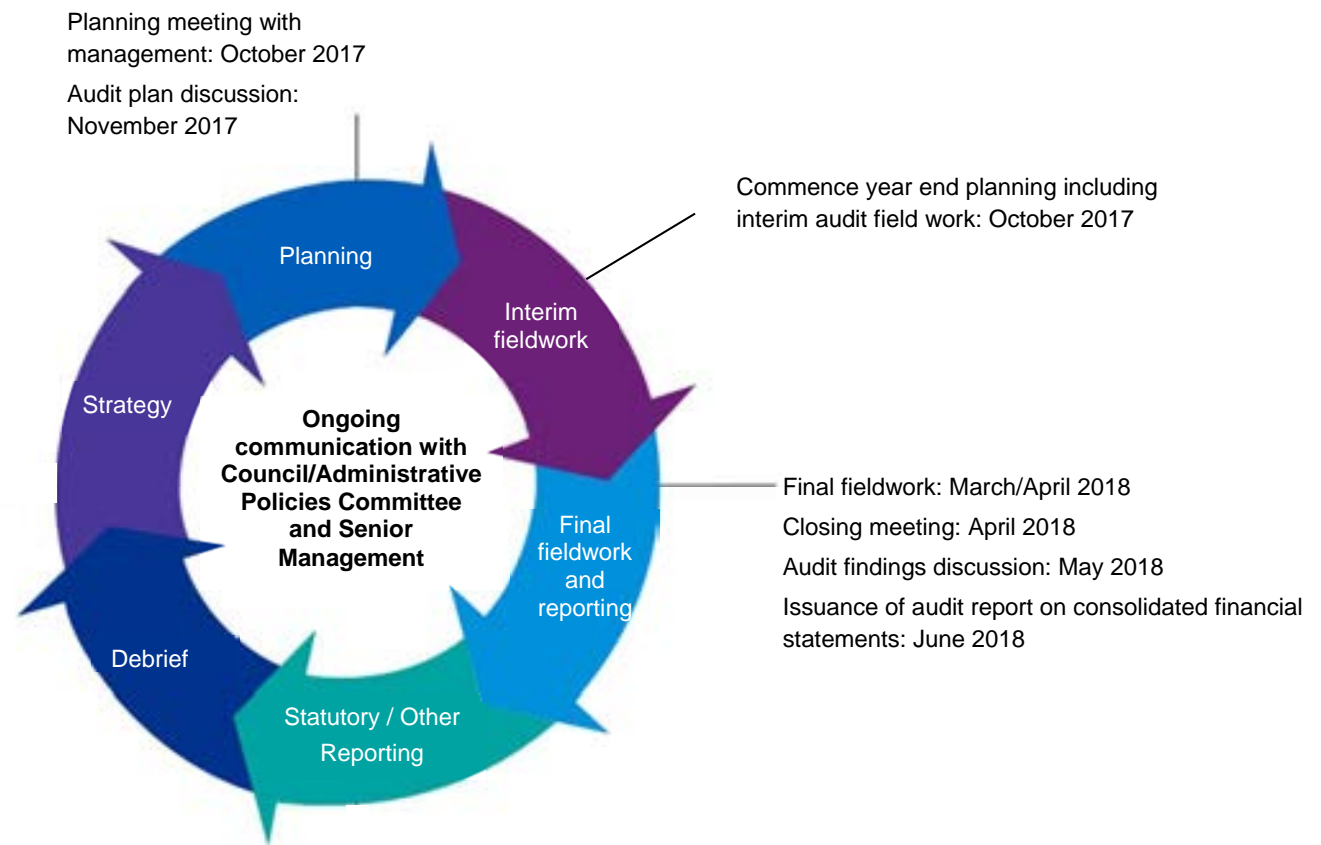
	Team member	Background / experience	Discussion of role
	<p>Lori Huber, CPA, CA, LPA Lead Audit Engagement Partner lahuber@kpmg.ca 613-541-7320</p>	<ul style="list-style-type: none"> Lori is the Lead Engagement Partner for 9 municipalities across Eastern Ontario. Lori has more than 18 years of public accounting experience, including extensive expertise auditing public sector and non-profit organizations. Her experience involves leading all aspects of audit planning, control and reporting. 	<ul style="list-style-type: none"> Lori will lead our audit for the year ending December 31, 2017 and be responsible for the quality and timeliness of everything we do. She will often be onsite with the team and will always be available and accessible to you.
	<p>Rebecca Prophet, CPA, CA, LPA Senior Manager, Audit rprophet@kpmg.ca 613-541-7341</p>	<ul style="list-style-type: none"> Rebecca is a Senior Manager in KPMG's Kingston, Ontario, Canada office in the audit practice. She has 8 years of experience providing assurance services for public sector, private sector, and not-for-profit clients. Rebecca has experience working with a variety of municipal audit clients, including the Corporation of the City of Kingston. 	<ul style="list-style-type: none"> Rebecca will supervise staff field work, including delegation and managing requests for information. She will be onsite and directly oversee and manage our audit field team and work closely with your management team.
	<p>Caitlyn Cox, CPA, CA Senior Accountant, Audit caitlyncox@kpmg.ca 613-541-7406</p>	<ul style="list-style-type: none"> Caitlyn is a Senior Accountant in the audit practice and has successfully completed her professional examinations. She has three years of experience providing professional audit and other assurance services to public sector clients including the City of Kingston. 	<ul style="list-style-type: none"> Caitlyn will work closely with Lori and Rebecca in the development and execution of the audit strategy. Caitlyn will be responsible for the direct supervision of the audit, including delegating and managing requests for information; the execution of the detailed audit approach; the identification of financial reporting and operational efficiency issues, as well as an implementation of all phases of the audit and audit working papers prepared by the engagement staff. Caitlyn will be your primary contact – on site – throughout the audit as she leads KPMG's on-site audit team.

Audit cycle and timetable

Our key activities during the year are designed to achieve our one principal objective:

- To provide a robust audit, efficiently delivered by a high quality team focused on key issues.

Our timeline is in line with prior year, with areas of audit focus discussed before field work to avoid any last minute surprises.



Appendices

Appendix 1: Audit quality and risk management

Appendix 2: KPMG's audit approach and methodology

Appendix 3: Required communications

Appendix 4: Lean in Audit™

Appendix 5: New Auditor Reporting

Appendix 6: Current developments

Appendix 1: Audit quality and risk management

KPMG maintains a system of quality control designed to reflect our drive and determination to deliver independent, unbiased advice and opinions, and also meet the requirements of Canadian professional standards.

Quality control is fundamental to our business and is the responsibility of every partner and employee. The following diagram summarises the six key elements of our quality control systems.

Visit our [Audit Quality Resources](#) page for more information including access to our audit quality report, [Audit quality: Our hands-on process](#).

- Other controls include:
 - Before the firm issues its audit report, Engagement Quality Control Reviewer reviews the appropriateness of key elements of publicly listed client audits.
 - Technical department and specialist resources provide real-time support to audit teams in the field.
- We conduct regular reviews of engagements and partners. Review teams are independent and the work of every audit partner is reviewed at least once every three years.
- We have policies and guidance to ensure that work performed by engagement personnel meets applicable professional standards, regulatory requirements and the firm's standards of quality.



- All KPMG partners and staff are required to act with integrity and objectivity and comply with applicable laws, regulations and professional standards at all times.
- We do not offer services that would impair our independence.
- The processes we employ to help retain and develop people include:
 - Assignment based on skills and experience;
 - Rotation of partners;
 - Performance evaluation;
 - Development and training; and
 - Appropriate supervision and coaching.
- We have policies and procedures for deciding whether to accept or continue a client relationship or to perform a specific engagement for that client.
- Existing audit relationships are reviewed annually and evaluated to identify instances where we should discontinue our professional association with the client.

Appendix 2: KPMG's audit approach and methodology

Technology-enabled audit workflow (eAudit)

Engagement Setup

- Tailor the eAudit workflow to your circumstances
- Access global knowledge specific to your industry
- Team selection and timetable

Completion

- Tailor the eAudit workflow to your circumstances
- Update risk assessment
- Perform completion procedures and overall evaluation of results and financial statements
- Form and issue audit opinion on financial statements
- Obtain written representation from management
- Required Audit Committee communications
- Debrief audit process



Risk Assessment

- Tailor the eAudit workflow to your circumstances
- Understand your business and financial processes
- Identify significant risks
- Plan the use of KPMG specialists and others including auditor's external experts, management experts, internal auditors, service organizations auditors and component auditors
- Determine audit approach
- Evaluate design and implementation of internal controls (as required or considered necessary)

Testing

- Tailor the eAudit workflow to your circumstances
- Perform tests of operating effectiveness of internal controls (as required or considered necessary)
- Perform substantive tests

Appendix 3: Required communications

In accordance with professional standards, there are a number of communications that are required during the course of our audit. These include:

- **Engagement letter** – the objectives of the audit, our responsibilities in carrying out our audit, as well as management’s responsibilities, are set out in the engagement letter and any subsequent amendment letters as attached.
- **Audit planning report** – as attached
- **Required inquiries** – professional standards require that during the planning of our audit we obtain your views on risk of fraud and other matters. We make similar inquiries to management as part of our planning process; responses to these will assist us in planning our overall audit strategy and audit approach accordingly:
 1. *Are you aware of, or have you identified any instances of, actual, suspected, possible, or alleged non-compliance of laws and regulations or fraud, including misconduct or unethical behaviour related to financial reporting or misappropriation of assets? If so, have the instances been appropriately addressed and how have they been addressed?*
 2. *What are your views about fraud risks in the entity?*
 3. *How do you exercise effective oversight of management’s processes for identifying and responding to the risk of fraud in the entity and internal controls that management has established to mitigate these fraud risks?*
- **Management representation letter** – we will obtain from management certain representations at the completion of the annual audit. In accordance with professional standards, copies of the representation letter will be provided to the Administrative Policies Committee
- **Audit findings report** – at the completion of our audit, we will provide a report to the Administrative Policies Committee



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PRIVATE & CONFIDENTIAL

Mr. Gerard Hunt
Chief Administrative Officer
Corporation of the City of Kingston
216 Ontario St.
Kingston, Ontario K7L 2Z3

November 9, 2017

Dear Mr. Hunt,

The purpose of this letter is to outline the terms of our engagement to audit the consolidated annual financial statements of the Corporation of the City of Kingston (“the Entity”), commencing for the period ending December 31, 2017.

This letter supersedes our previous letter to the Entity dated October 18, 2016.

The terms of the engagement outlined in this letter will continue in effect from period to period, unless amended or terminated in writing. The attached Terms and Conditions and any exhibits, attachments and appendices hereto and subsequent amendments form an integral part of the terms of this engagement and are incorporated herein by reference (collectively the “Engagement Letter”).

We will examine and report upon:

- Corporation of the City of Kingston
- The Trust Funds of the Corporation of the City of Kingston
- Long-Term Care Home Annual Report of Rideaucrest Home for the Aged
- Kingston - Frontenac Public Library Board
- Downtown Business Improvement Area.

Financial reporting framework for the financial statements

The annual financial statements will be prepared and presented in accordance with Canadian public sector accounting standards (hereinafter referred to as the “financial reporting framework”).

The annual financial statements will include an adequate description of the financial reporting framework (hereinafter referred to as the “financial statements” or “annual financial statements”).

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. KPMG Canada provides services to KPMG LLP.

Management's responsibilities

Management responsibilities are described in [Appendix A – Management's Responsibilities](#).

An audit does not relieve management or those charged with governance of their responsibilities.

Auditor's responsibilities

Our responsibilities are described in [Appendix B – Auditor's Responsibilities](#).

If management does not fulfill the responsibilities above, we cannot complete our audit.

Auditor's deliverables

The expected form and content of our report(s) is provided in [Appendix C – Expected Form of Report](#). However, there may be circumstances in which a report may differ from its expected form and content.

In addition, if we become aware of information that relates to the financial statements after we have issued our audit report, but which was not known to us at the date of our audit report, and which is of such a nature and from such a source that we would have investigated that information had it come to our attention during the course of our audit, we will, as soon as practicable: (1) communicate such an occurrence to those charged with governance; and (2) undertake an investigation to determine whether the information is reliable and whether the facts existed at the date of our audit report. Further, management agrees that in conducting that investigation, we will have the full cooperation of the Entity's personnel. If the subsequently discovered information is found to be of such a nature that: (a) our audit report would have been affected if the information had been known as of the date of our audit report; and (b) we believe that the audit report is currently being relied upon or is likely to be relied upon by someone who would attach importance to the information, appropriate steps will be taken by KPMG, and appropriate steps will also be taken by the Entity, to prevent further reliance on our audit report. Such steps include, but may not be limited to, appropriate disclosures by the Entity to the users of the financial statements and audit report thereon of the newly discovered facts and the impact to the financial statements.

Income tax compliance and advisory services

Tax compliance and advisory services are outside the scope of this letter. These services will be subject to the terms and conditions of a separate engagement letter.

Fees

[Appendix D – Fees for Professional Services](#) to this letter lists our fees for professional services to be performed under this Engagement Letter.

We are available to provide a wide range of services beyond those outlined above. Additional services are subject to separate terms and arrangements.

We are proud to provide you with the services outlined above and we appreciate your confidence in our work. We shall be pleased to discuss this letter with you at any time. If the arrangements and terms are acceptable, please sign the duplicate of this letter in the space provided and return it to us.

Yours very truly,

Handwritten signature of KPMG LLP in black ink, with a horizontal line underneath.

Lori Huber, CPA, CA, Licensed Public Accountant
Partner responsible for the engagement and its performance, and for the report that is issued on behalf of KPMG LLP, and who, where required, has the appropriate authority from a professional, legal or regulatory body.
613-541-7320

Enclosure

cc: Administrative Policies Committee

The terms of the engagement set out are as agreed:

Gerard Hunt, Chief Administrative Officer

Date (dd/mm/yy)

Appendix A – Management’s Responsibilities

Management acknowledges and understands that they are responsible for:

- (a) the preparation and fair presentation of the financial statements in accordance with the financial reporting framework referred to above
- (b) providing us with access to all information of which management is aware that is relevant to the preparation of the financial statements such as financial records, documentation and other matters, including the names of all related parties and information regarding all relationships and transactions with related parties and including complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors, and committees of the board of directors that may affect the financial statements
- (c) providing us with additional information that we may request from management for the purpose of the engagement
- (d) providing us with unrestricted access to persons within the Entity from whom we determine it necessary to obtain audit evidence
- (e) such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Management also acknowledges and understands that they are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud
- (f) ensuring that all transactions have been recorded and are reflected in the financial statements
- (g) providing us with written representations required to be obtained under professional standards and written representations that we determine are necessary. Management also acknowledges and understands that, as required by professional standards, we may disclaim an audit opinion when management does not provide certain written representations required.

Appendix B – Auditor’s Responsibilities

Our function as auditors of the Entity is:

- to express an opinion on whether the Entity's annual financial statements, prepared by management with the oversight of those charged with governance, are, in all material respects, in accordance with the financial reporting framework referred to above
- to report on the annual financial statements

We will conduct the audit of the Entity's annual financial statements in accordance with Canadian generally accepted auditing standards and relevant ethical requirements, including those pertaining to independence (hereinafter referred to as applicable “professional standards”).

We will plan and perform the audit to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error. Accordingly, we will, among other things:

- identify and assess risks of material misstatement, whether due to fraud or error, based on an understanding of the Entity and its environment, including the Entity's internal control. In making those risk assessments, we consider internal control relevant to the Entity's preparation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control
- obtain sufficient appropriate audit evidence about whether material misstatements exist, through designing and implementing appropriate responses to the assessed risks
- form an opinion on the Entity's annual financial statements based on conclusions drawn from the audit evidence obtained
- communicate matters required by professional standards, to the extent that such matters come to our attention, to the appropriate level of management, those charged with governance and/or the council. The form (oral or in writing) and the timing will depend on the importance of the matter and the requirements under professional standards.

Appendix C – Expected Form of Report

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Kingston

We have audited the accompanying consolidated financial statements of the Corporation of the City of Kingston, which comprise the consolidated statement of financial position as at December 31, 2017 and the consolidated statements of operations, change in net assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation of the City of Kingston as at December 31, 2017, and its consolidated results of operations and the changes in its consolidated net assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Appendix D – Fees for Professional Services

The Entity and KPMG agree to a fee based on actual hours incurred at mutually agreed-upon rates for the audit. The estimated fees for the audits are as follows:

- \$84,000 for financial statement audit services for the Entity including our audit report on the consolidated financial statements, our letter to management on significant internal control weaknesses, and our communications to the Council Members;
- \$7,600 for financial statement audit services of the Downtown Business Improvement Area;
- \$7,600 for financial statements audit services of the Kingston-Frontenac Public Library Board;
- \$4,950 for the audit of specific sections of the Long-Term Care Facility Annual Report for Rideaucrest Home for the Aged; and
- \$3,100 for the audit of the lease operating cost statements of claim for Ontario Realty Corporation (2 leases).

Additional fees may be required to form an opinion and/or report on other certification work as may be required from time to time by certain federal or provincial agencies. These fees will be based upon hours required to complete the engagement.

Our fees will be billed as the work progresses.

Interest on overdue invoices as described in the terms and conditions ("Fee Arrangements") shall be (1)% per month, calculated and compounded monthly (effective annual rate of (12.683)%).

Appendix 4: Lean in Audit™

An innovative approach leading to enhanced value and quality

Our new innovative audit approach, Lean in Audit, further improves audit value and productivity to help deliver real insight to you. Lean in Audit is process-oriented, directly engaging organizational stakeholders and employing hands-on tools, such as walkthroughs and flowcharts of actual financial processes.

By embedding Lean techniques into our core audit delivery process, our teams are able to enhance their understanding of the business processes and control environment within your organization – allowing us to provide actionable quality and productivity improvement observations.

Any insights gathered through the course of the audit will be available to both engagement teams and yourselves. For example, we may identify control gaps and potential process improvement areas, while entities have the opportunity to apply such insights to streamline processes, inform business decisions, improve compliance, lower costs, increase productivity, strengthen customer service and satisfaction and drive overall performance.

How it works

Lean in Audit employs three key Lean techniques:

1. Lean training

- Provide basic Lean training and equip our teams with a new Lean mindset to improve quality, value and productivity.

2. Interactive workshops

- Perform interactive workshops to conduct walkthroughs of selected financial processes providing end to end transparency and understanding of process and control quality and effectiveness.

3. Insight reporting

- Quick and pragmatic insight report including your team's immediate quick win actions and prioritized opportunities to realize benefit.

Appendix 5: New Auditor Reporting

In response to investors demanding more than a binary pass/fail opinion from the auditors' report, the new and revised auditor reporting standards have introduced significant changes to the traditional auditors' report we provide.

In April 2017, the Auditing and Assurance Standards Board (AASB) in Canada approved the new and revised auditor reporting standards as Canadian Auditing Standards (CASs).

What's new?

Highlights of the new auditors' report include:

Change	Applicability
Re-ordering of the auditors' report, including moving opinion to the first section	Listed and non-listed entities
Expanded descriptions of management's, those charged with governance and auditors' responsibilities	Listed and non-listed entities
Disclosure of name of the engagement partner	Listed entities
Description of key audit matters	Applicable only when required by law or regulation or when the auditors is engaged to do so

When are the new requirements effective?

The new and revised standards in Canada will be effective for audits of financial statements for periods ending on or after December 15, 2018 with early application permitted.

U.S. developments

In June 2017, the Public Company Accounting Oversight Board (PCAOB) adopted their enhanced auditor reporting standards which includes, among other requirements, discussion of critical audit matters (CAMs) (similar to key audit matters) and tenure of the auditor. Highlights and effective dates of the new U.S. standards are:

- New auditors' report format, tenure and other information: audits for fiscal years ending on or after December 15, 2017
- Communication of CAMs for audits of large accelerated filers: audits for fiscal years ending on or after June 30, 2019
- Communication of CAMs for audits of all other companies: audits for fiscal years ending on or after December 15, 2020.

Impact to Foreign Private Issuers in Canada

Auditors of foreign private issuers ("FPIs") are trying to address whether they can still issue a "combined" report (which most FPIs in Canada issue today) that meets both the CAS and PCAOB standards for:

- 2017 year-end engagements
- 2018 year-end engagements, when the revised CAS reporting standards are effective.

Determining the feasibility of a "combined" report is currently under review by the AASB. At this time, the major accounting firms in Canada have tentatively concluded that a combined report is possible and we believe the AASB will also conclude the same shortly. However, even if the firms and the AASB conclude that a combined report is possible, the matter of having a combined report will require the approval of the SEC and PCAOB, which may take until the fall of 2017. If the SEC and PCAOB determine that a combined report is not possible, auditors of FPIs may need to issue two reports; one referring to the CASs and one referring to the standards of the PCAOB.

Appendix 6: Current developments

Please visit the Audit Committee Institute / [Current Developments](#) page for current developments in IFRS, Canadian securities matters, Canadian auditing and other professional standards.

The following is a summary of the current developments that are relevant to the City:

Standard	Summary and implications
PS 3210 - Assets	<p>This standard provides a definition of assets and further expands that definition as it relates to control. Assets are defined as follows:</p> <ul style="list-style-type: none"> – They embody future economic benefits that involve a capacity, singly or in combination with other assets, to provide goods and services, to provide future cash inflows, or to reduce cash outflows. – The public sector entity can control the economic resource and access to the future economic benefits. – The transaction or event giving rise to the public sector entity's control has already occurred. <p>The standard also includes some disclosure requirements related to economic resources that are not recorded as assets to provide the user with better information about the types of resources available to the public section entity. This standard is effective for fiscal periods beginning on or after April 1, 2017 (the City's December 31, 2018 year end).</p> <p>Implications: Assets will have to be reviewed to determine if they meet this definition</p>
PS 3320 – Contingent Assets	<p>This standard is a disclosure standard and defines a contingent asset. They have two basis characteristics:</p> <ul style="list-style-type: none"> – An existing condition or situation that is unresolved at the financial statement date. – An expected future event that will resolve the uncertainty as to whether an asset exists. <p>The standard also has specific disclosure requirements for contingent assets when the occurrence of the confirming event is likely. This standard is effective for fiscal periods beginning on or after April 1, 2017 (the City's December 31, 2018 year end).</p> <p>Implications: Additional disclosures may be required if contingent assets exist.</p>
PS 3380 – Contractual Rights	<p>This standard is a disclosure standard which defines contractual rights to future assets and revenue and sets out the required disclosures. Information about a public sector entity's contractual rights should be disclosed in notes or schedules to the financial statements and should include descriptions about their nature and extent and the timing. The standard also indicates that the exercise of professional judgment would be required when determining contractual rights that would be disclosed. Factors to consider include, but are not limited to:</p>

Standard	Summary and implications
	<ul style="list-style-type: none"> - contractual rights to revenue that are abnormal in relation to the financial position or usual business operations; and - contractual rights that will govern the level of certain type of revenue for a considerable period into the future. <p>This standard is effective for fiscal periods beginning on or after April 1, 2017 (the City's December 31, 2018 year end).</p> <p>Implications: Additional disclosures may be required if contractual rights to assets or revenue exist</p>
PS 2200 Related Party Disclosures	<p>This standard relates to related party disclosures and defines related parties. Related parties could be either an entity or an individual. Related parties exist when one party has the ability to control or has shared control over another party. Individuals that are key management personnel or close family members may also be related parties.</p> <p>Disclosure is only required when the transactions or events between related parties occur at a value different from what would have been recorded if they were not related and the transactions could have a material financial impact on the financial statements. Material financial impact would be based on an assessment of the terms and conditions underlying the transaction, the financial materiality of the transaction, the relevance of the information and the need for the information to enable the users to understand the financial statements and make comparisons.</p> <p>This standard also specifies the information required to be disclosed including the type of transactions, amounts classified by financial statement category, the basis of measurement, and the amounts of any outstanding items, any contractual obligations and any contingent liabilities. The standard also requires disclosure of related party transactions that have occurred where no amounts has been recognized.</p> <p>This standard is effective for fiscal periods beginning on or after April 1, 2017 (the City's December 31, 2018 year end).</p> <p>Implications: Related parties will have to be identified. Additional disclosures may be required with respect to transactions with related parties.</p>
PS 3430 Restructuring Transactions	<p>This standard prescribes measurement standards and disclosure requirements when a restructuring transaction exists. A restructuring transaction in the public sector differs from an acquisition as they generally include either no or nominal payment. It also differs from a government transfer as the recipient would be required to assume the related program or operating responsibilities.</p> <p>The standard requires that assets and liabilities are to be measured at their carrying amount. It also prescribes financial statement presentation and disclosure requirements.</p> <p>This standard is effective for fiscal periods beginning on or after April 1, 2018 (the City's December 31, 2019 year end).</p> <p>Implications: Not likely to impact the City.</p>
PS 3420 Inter-entity Transactions	<p>This standard relates to the measurement of transactions between public sector entities that comprise the government's reporting entity.</p> <p>Transactions are recorded at carrying amounts with the exception of the following:</p>

Standard	Summary and implications
	<ul style="list-style-type: none"> - In the normal course of business – use exchange amount - Fair value consideration – use exchange amount - No or nominal amount – provider to use carrying amount; recipient choice of either carrying amount or fair value. - Cost allocation – use exchange amount <p>This standard is effective for fiscal periods beginning on or after April 1, 2018 (the City’s December 31, 2019 year end).</p> <p>Implications: The City will have to identify these transactions and determine if they have been measured at the carrying amount if required.</p>
Financial Instruments	<p>A standard has been issued, establishing a standard on accounting for and reporting all types of financial instruments including derivatives. The effective date of this standard has recently been deferred and it is now effective for fiscal periods beginning on or after April 1, 2019 (the City’s December 31, 2020 year-end).</p> <p>Implications: This standard will require the City to identify any contracts that have embedded derivatives and recognize these on the consolidated statement of financial position at fair value. Portfolio investments in equity instruments are required to be recorded at fair value. Changes in fair value will be reported in a new financial statement – statement of remeasurement gains and losses. This standard sets out a number of disclosures in the financial statements designed to give the user an understanding of the significance of financial instruments to the City. These disclosures include classes of financial instruments and qualitative and quantitative risk disclosures describing the nature and extent of risk by type. The risks to be considered include credit, currency, interest rate, liquidity, and market risk.</p>
Revised Standard on Foreign Currency Translation	<p>A revised standard has been issued establishing standards on accounting for and reporting transactions that are denominated in a foreign currency.</p> <p>The effective date of this standard has been deferred and is effective for fiscal periods beginning on or after April 1, 2019 (the City’s December 31, 2020 year-end). Earlier adoption is permitted. An entity early adopting this standard must also adopt the new financial instruments standard.</p> <p>Implications: Exchange gains and losses arising prior to settlement are recognized in a new statement of remeasurement gains and losses.</p>

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City of Kingston
Report to Administrative Policies Committee
Report Number AP-17-021

To: Chair and Members of the Administrative Policies Committee
From: Desirée Kennedy, Chief Financial Officer and City Treasurer
Resource Staff: Stephen Dickey, Director of Financial Services
Jeff Walker, Manager of Taxation and Revenue
Date of Meeting: November 09, 2017
Subject: Commercial and Industrial Vacancy Rebate Program

Executive Summary:

Since 1998, the vacant unit rebate and vacant/excess land subclasses have provided tax rebates and reductions to property owners who have vacancies in commercial and industrial buildings or land. From 1998 to 2000 owners made application to the Municipal Property Assessment Corporation (MPAC) to have vacancies reflected in the returned assessment roll. From 2001 onward, the *Municipal Act, 2001* prescribed a vacancy rebate program to be followed by municipalities, utilizing an application process.

Beginning in 2017 and future years, the Province is providing municipalities with more flexibility to tailor the vacancy rebate and reduction programs to reflect community needs and circumstances, while considering the interests of local businesses. This report will:

- Provide Council with background information on the current vacancy rebate program which provides annual property tax rebates to vacant commercial and industrial properties;
- Provide Council with information on policy changes to the vacancy rebate and reduction programs, as per the Province's 2016 Ontario Economic Outlook and Fiscal Review;
- Provide Council with potential options available to tailor the vacancy rebate and reduction programs; and
- Recommend that staff consult with the general public, including the business community as required by the Province, prior to recommending any changes to the vacancy rebate and reduction programs.

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Recommendation:

That Council approve the recommendations outlined in the Administrative Policies Committee Report Number AP-17-021 dated November 09, 2017 as follows:

- a) **That** Council considers the options available in this report.
- b) **That** staff consult with the general public, including the business community, and report back to Council on the final recommendation as a result of these consultations by the second quarter of 2018.

November 9, 2017

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Authorizing Signatures:

**Desirée Kennedy, Chief Financial Officer and
City Treasurer**

Gerard Hunt, Chief Administrative Officer

Consultation with the following Members of the Corporate Management Team:

Lanie Hurdle, Commissioner, Community Services	Not required
Denis Leger, Commissioner, Corporate & Emergency Services	Not required
Mark Van Buren, Acting Commissioner, Transportation & Infrastructure Services	Not required

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Options/Discussion:**Background**

Historically, prior to 1998, property taxes were separated into two streams: i) real property tax and ii) business occupancy tax.

- i) Real property tax was levied on property and billed to property owners. The municipality was given security in collecting the tax through a special lien on the land and the ability to recover unpaid taxes by selling the land for tax arrears.
- ii) Business occupancy tax was levied on the business occupying the property. The assessment for business occupancy tax was determined according to the *Assessment Act*, which set out the percentage of real property assessed value that a business was liable. On average, commercial business occupancy tax was approximately 30% of the real property tax. Business occupancy tax was unsecured and municipalities hired staff to collect amounts owing through use of collection agencies and bailiffs. As well, many tax adjustments were required to cancel taxes no longer liable when a business vacated the space or a write-off when the business and/or business owner skipped and could not be collected.

As the province moved to disentangle and reduce overlap of services between itself and municipalities, it became apparent that municipal reliance on the property tax would require that the tax be stable and secure. This resulted in significant assessment and taxation reforms, bringing about the abolition of business occupancy tax effective December 31, 1997.

As a result of the abolition of business occupancy tax municipalities were now required to have a Vacancy Rebate Program (the program), as set out under Section 364 of the *Municipal Act, 2001(Act)* together with Ontario Regulation 325/01. The program provides property tax relief through a rebate of property taxes to owners of commercial and industrial buildings. There is no rebate program available to owners of vacant residential or multi-residential properties. The Vacancy Rebate Program is subsidized by all property classes.

Currently, owners of commercial properties may apply for a 30% rebate of the property taxes attributable to vacant space, with industrial properties receiving a 35% rebate. In order to qualify for a rebate there are a number of eligibility requirements that must be met, including:

- the area(s) must be vacant for a minimum of 90 consecutive days;
- the area(s) must be physically separated from the used portions of the building;
- the business must not be seasonal in nature; and
- the area(s) must be capable of being leased for immediate occupation or undergoing renovations.

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The table below indicates the total number of properties with approved applications since 2011 along with the cost to the Municipality. In 2017, approximately 10% of the commercial/industrial properties in Kingston received tax relief under this program.

Municipal Rebates Approved for Taxation Years 2011-2017:

Year	Total Municipal Rebate	Number of Properties
2011	465,814	174
2012	468,294	161
2013	657,819	173
2014	667,394	195
2015	944,444	208
2016	930,603	187
2017 (year to date)	734,911	173

Proposed Changes to Existing Program

In response to municipal and stakeholder requests, the Province has reviewed the vacancy rebate program and is providing municipalities with flexibility for 2017 and future years to make changes to the program. The 2016 Ontario Economic Outlook and Fiscal Review released by the Province announced a legislative framework to facilitate potential program changes. In addition to the vacant units program, the Province is also considering changes to the vacant land subclass tax reductions.

In January 2017, the Ministry of Finance provided a Vacant Rebate and Reduction Programs Bulletin and Checklist which provided background information regarding the new municipal flexibility and a checklist to be followed prior to submitting proposed changes to the Ministry. These documents are attached as Exhibit A. Under these changes, the Province is now providing municipalities broad flexibility to modify the vacancy rebate and reduction programs to meet local circumstances, while considering the impact of such changes on the business community. Details of proposed changes must be submitted to the Province along with a Council resolution to ensure amendments are included in a regulation.

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In June 2017 the Ministry of Finance provided a Vacancy Rebate and Reduction Programs Update which includes examples of program changes that have been presented to the Ministry of Finance for consideration (see Exhibit B).

Several options have been proposed:

1. Adjusting the rebate and/or reduction rates to increase or decrease the value by class to reflect local circumstances.

An example would be to reduce the value of the industrial vacant unit rebate from 35% to 30% to align with the rebate for commercial properties.

2. Applying declining rebate or reduction values for consecutive applications.

An example would be to amend the vacant unit rebate eligibility to limit the eligibility period for properties to three years in a ten-year cycle.

3. Tailoring eligibility requirements to include or exclude specific property uses, property types, and/or a property based on its adherence to local property standards by-laws.

An example would be to include eligibility criteria to exclude vacancies due to labour disruption.

4. Phasing-out or ending the programs, where the rebate or reduction is eliminated in the municipality by a specific year or over a period of years.

An example for a 3 year phase out from a vacancy rebate program may be structured as follows:

- Applications received for the 2017 tax year will be processed as normal with a letter sent to each successful applicant advising them of the phasing out of the program.
- Applications received for the 2018 tax year will be eligible for a rebate of 20%.
- Applications received for the 2019 tax year will be eligible for a rebate of 10%.
- No rebate will be offered for the 2020 tax year and subsequent years.

The examples above are not comprehensive of the possible program changes nor should they be taken as the only changes or consultation plans municipalities are considering. In addition to the above, a municipality may create and submit other alternatives for the Minister's consideration or simply opt for the status quo with no changes to the current program.

Implementation

Municipalities that have decided to modify the vacant unit rebate and the vacant/excess land subclasses must notify the Minister of Finance of their intent to utilize this flexibility and provide details of the proposed changes along with a Council resolution. Changes to the rebate and reduction programs will be implemented through regulation for each municipality. The Province

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has expressed an interest in continuing to ensure tax competitiveness and consistency for taxpayers and as such, the Minister will consider proposed program changes within this context.

Notifications to the Minister of Finance for changes applicable to 2017 were being accepted until August 1, 2017. An email was distributed to the Mayor and Council earlier this year outlining the potential changes to the Vacancy Rebate Program, suggesting a motion as an appropriate way to initiate the review and analysis of any policy changes; however, staff felt the initial timeline was not sufficient to properly engage the business community, review and recommend program changes and provide suitable notice. An update at a recent Ontario Regional and Single Tier Treasurers meeting confirmed that a number of municipalities have not made changes for 2017 and are currently proceeding with a consultation phase at this point in time.

There will be the opportunity to propose changes to the programs for 2018 and future years with applicable deadlines after August 1, 2017. Changes to the 2018 rebate program will affect the applications for the 2018 tax year received by the February 28, 2019 deadline.

To implement changes to the program the Province has outlined specific requirements:

- The local business community must be engaged and the City must communicate potential impacts of proposed changes to the business community.
- Details regarding how the local business community has been engaged must be included in the proposal to the Province.

In order to meet the requirement to engage the local business community, Financial Services staff will work with Communications and Customer Experience to develop a public engagement plan in accordance with the City's Public Engagement Framework. This plan will include various engagement techniques that will ensure a comprehensive consultation process and feedback on proposed options for changing the vacancy rebate and reduction programs.

Council endorsement of this report will provide staff with the direction to engage the general public, including the business community, and to formalize a recommendation for Council to consider in 2018.

Existing Policy/By-Law:

Municipal Act, 2001, S.O. 2001, c. 25, as amended

Notice Provisions:

There are no notice provisions for this report.

Accessibility Considerations:

Exhibits A and B to this report are available in an alternate format upon request.

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Financial Considerations:

No changes to 2017 or 2018 budgets will result from this report. An amount of \$800,000 has been included in the 2017 Operating Budget for the Vacancy Rebate Program, which will be paid in respect of applications received for vacancies occurring primarily in 2016.

Contacts:

Stephen Dickey, Director of Financial Services, Extension 2370

Jeff Walker, Manager Taxation and Revenue, Extension 2484

Other City of Kingston Staff Consulted:

Debbi Miller, Manager, Communications and Public Engagement

Exhibits Attached:

Exhibit A: Ministry of Finance January 2017 Vacant Unit Rebate and Vacant/Excess Land Subclasses notice and checklist

Exhibit B: Ministry of Finance June 2017 Vacancy Rebate and Reduction Programs Update



VACANT UNIT REBATE AND VACANT/EXCESS LAND SUBCLASSES

January 2017

Since 1998, the Vacant Unit Rebate and Vacant/Excess Land Subclasses have provided tax rebates and reductions to property owners who have vacancies in commercial and industrial buildings or land.

- **Vacant Unit Rebates:** The Vacant Unit Rebate provides a tax rebate to property owners who have vacancies in commercial and industrial buildings. This application-based program is administered by municipalities. The current rebate is 30% of the property tax for vacant commercial space and 35% for vacant industrial space.
- **Vacant and Excess Land Property Tax Subclass:** Commercial and industrial properties or portions of these properties in the Vacant and Excess Land Property Tax Subclasses are taxed at a fixed percentage rate below the tax rate of the broad class. These properties are discounted at 30% to 35% of the full Commercial and/or Industrial rate.

Currently, upper- and single-tier municipalities may choose to apply the same percentage of relief (between 30% - 35%) to both the commercial and industrial property classes.

NEW MUNICIPAL FLEXIBILITY FOR 2017 AND FUTURE YEARS

The Province has reviewed the Vacant Unit Rebate and the Vacant/Excess Land Subclasses in consultation with municipal and business stakeholders.

In response to municipal and other stakeholders' requests, the Province is now moving forward with providing municipalities broad flexibility for 2017 and future years. This change, announced in November 2016, is intended to allow municipalities to tailor the vacant rebate and reduction programs to reflect community needs and circumstances, while considering the interests of local businesses.

In order to provide the most flexibility for municipalities, changes to the rebate and reduction programs will be implemented through regulation. Upper- and single-tier municipalities that have decided to change the programs can notify the Minister of their intent to utilize this flexibility and provide details of the proposed changes along with a council resolution.

To support implementation of changes to the vacant rebate and reduction programs, municipalities should review the attached checklist prior to submitting a request for changes to the Minister.

IMPLEMENTATION

Municipalities wishing to utilize the flexibility available to them must submit details of proposed changes to the Minister along with a council resolution by one of the following dates to ensure amendments are included in a regulation as soon as possible.

- March 1, 2017
- April 1, 2017
- July 1, 2017

Municipalities will be notified when the regulation implementing the requested changes has been enacted.

Note that in two-tiered municipalities, any program changes to be implemented will be an upper-tier municipal decision, consistent with the flexibility currently available to upper-tier municipalities, to determine the rebate and reduction percentage between 30% and 35%.

The Province has an interest in continuing to ensure tax competitiveness and consistency for taxpayers and as such, the Minister will consider proposed program changes within this context.

FURTHER INFORMATION

For general information about the vacant rebate and reduction programs, please contact the Ministry of Finance at info.propertytax@ontario.ca.

**VACANCY REBATE AND REDUCTION PROGRAM CHANGES
CHECKLIST
January 2017**

BUSINESS COMMUNITY ENGAGEMENT

- ✓ Have you engaged the local business community?
- ✓ Can you provide details on how and when you have engaged the local business community?
- ✓ Have you considered the potential impacts the proposed changes may have on local businesses?
- ✓ Have you communicated potential impacts of proposed changes to the business community?
- ✓ Has Council been made aware of the potential impacts on the business community?

PROGRAM DETAILS

- ✓ Have you outlined details of program changes in your submission?
- ✓ For municipalities in a two-tiered system, have you discussed proposed changes with lower-tier municipalities?
- ✓ Have you considered how you will implement or administer any potential changes to the vacancy programs?
- ✓ Have you considered these changes as part of a multi-year strategy?
- ✓ Has Council passed a resolution indicating approval of these changes?

FURTHER INFORMATION

If you have any questions about implementation of changes to the vacant rebate and reduction programs, please contact the Ministry of Finance at info.propertytax@ontario.ca.



THE VACANCY REBATE AND REDUCTION PROGRAMS UPDATE

June 2017

Programs Update

As announced in the *2016 Ontario Economic Outlook and Fiscal Review*, municipalities now have broad flexibility to modify the vacant rebate and reduction programs to meet local circumstances, while considering the impact of such changes on the business community. The Province has an interest in continuing to ensure tax competitiveness and consistency for taxpayers and as such, has encouraged municipalities to engage with their local business community when considering program changes.

As the flexibility for the vacancy rebate and reduction programs is new for 2017, municipalities have requested additional information on the program changes being considered and the consultations being conducted in support. In response, the Ministry has completed a scan of municipal council resolutions related to this flexibility.

The Ministry provided municipalities with a bulletin and checklist in January 2017 (for copies, email info.propertytax@ontario.ca), which focus largely on municipal engagement with the business community, to assist municipalities considering changes to the programs. In support of the implementation process, the Ministry also coordinated two joint Municipal and Business Reference Group meetings to facilitate discussions between members of the business community and municipalities on the announced flexibility for the programs.

Examples of Consultations and Program Changes

Consultations

In addition to open council meetings and debates, municipalities have engaged businesses and the public using a variety of approaches, including public meetings/open houses, mail/email solicitation and online surveys. The following provides specific municipal examples.

▪ **Public Meetings/Open Houses**

- Parry Sound: The Town held two open houses for the business community and the general public. The Town also shared the details of their proposed changes to the Downtown Business Association and Chamber of Commerce.
- Peel Region: The Region held meetings with business owners in Caledon, Brampton and Mississauga and posted a questionnaire on the website to solicit feedback.
- Toronto: The City held meetings with representatives from large commercial and industrial property owners, along with representatives from the City's Business Improvement Areas. Public consultation sessions were open to all interested parties and an on-line survey was available through the City's web site.

- **Mail/Email Solicitation**

- Hamilton: Hamilton invited business owners to make written submissions and to appear in person at the General Issue Committee meeting. The municipality also met with the Business Improvement Area associations, the Chamber of Commerce, and circulated an information report to Community Hubs. The City also engaged through their website, as well as traditional and social media.
- Kawartha Lakes: The municipality held two public meetings and sent personalized letters to property owners receiving rebates since 2010. Details of the meetings were sent to community groups, advertised in the media, Facebook and website and included in Council agenda.
- Espanola: The municipality issued a press release to seek feedback on proposed changes to the vacancy rebate and reduction programs. This was in addition to letters mailed to businesses that received the vacancy rebate in 2015, outlining the details of the proposed changes.

- **Online Survey**

- Ottawa: The municipality used a survey tool and conducted public meetings to seek feedback from the retail, industrial community and/or office space property owners. Information was posted on the website and consultations were held with property owners and their representatives who benefited from the vacant unit rebate.
- Sault Ste. Marie: The municipality's engagement process included an online survey, stakeholder meetings with the Chamber of Commerce and Downtown Association, an open house and email correspondence.

Program Changes

Municipalities now have broad flexibility to modify the vacancy rebate and reduction programs to meet local circumstances, while considering the impact of such changes on the business community. The following provides specific municipal examples of proposed program changes.

- **Adjusting the rebate and/or reduction rates to increase or decrease the value by class to reflect local circumstances. For example:**
 - Fort Frances: Council passed a resolution to reduce the value of the industrial vacant unit rebate from 35% to 30% to align with the rebate for commercial properties.
- **Applying declining rebate or reduction values for consecutive applications. For example:**
 - Peel Region: The Region issued a news release that it would be consulting with business owners on proposed changes to the vacant unit rebate program, which include introducing eligibility criteria in 2017 to exclude recipients of the rebate in the last three consecutive years, as well as specific types of taxable non-permanent structures and property types, labour disruptions and fixturing periods. The program is proposed to be eliminated in 2020.

- Sault Ste. Marie: Council passed a resolution to amend the vacant unit rebate eligibility to exclude industrial and shopping centre properties and limit the eligibility period to three years in a ten-year cycle for all other commercial properties.
- **Tailoring eligibility requirements to include or exclude specific property uses, property types, and/or a property based on its adherence to local property standards by-laws. For example:**
 - Kawartha Lakes: For 2017, the municipality proposes to include eligibility criteria to exclude vacancies due to labour disruption, minimum square footage and adherence to property standards. Council passed a resolution to eliminate the vacant unit rebate in 2018.
 - Ottawa: For 2017, the municipality proposes to include eligibility criteria such as minimum square footage, adherence to property standards, excluding vacancies due to labour disruption, and limiting to one application per year. Council passed a resolution to phase-out the vacant unit rebate program over two years, with the rebate percentage reduced to 15% in 2017 and eliminated in 2018.
- **Phasing-out or ending the programs, where the rebate or reduction is eliminated in the municipality by a specific year or over a period of years. For example:**
 - Belleville: Council passed a resolution to eliminate the vacant unit rebate program effective 2018.
 - Charlton and Dack: Council passed a resolution to eliminate the vacant unit rebate for the 2017 tax year.
 - Espanola: Council passed a resolution to reduce the vacant unit rebate percentage for 2017 to 15% for the commercial and industrial classes and eliminate the rebate for 2018 and thereafter. For the vacant and excess land subclasses, the municipality would reduce the discount to 15% for the commercial and industrial classes for 2017 and eliminate the program in 2018 and thereafter.
 - London: Council passed a resolution to phase out the vacant unit rebate program and eliminate the subclass tax reductions on vacant/excess commercial and industrial land in 2018, or phase-out over a two-year period beginning in the year 2018. Final decisions on timing would be determined after consultation with the business community.
 - Oxford County: Through the County's online "town hall" forum, the municipality outlined a proposal to phase out the vacant unit rebate program over a three year period, beginning in 2018. Council will give final consideration to a locally designed vacant rebate policy based on feedback received from the business community
 - Parry Sound: Council passed a resolution to eliminate the rebate program as of January 1, 2017.
 - Peterborough: Council passed a resolution to eliminate the vacant unit rebate for the 2017 tax year.

- St. Marys: Council passed a resolution to reduce the vacant unit rebate to 20% in 2018 and to 10% in 2019 for the commercial and industrial classes and eliminate the rebate in 2020 and thereafter. For the vacant and excess land subclasses, the municipality would reduce the discount to 20% in 2018 and to 10% in 2019 for the commercial and industrial classes and eliminate the discount in 2020 and thereafter.
- Toronto: Council passed a resolution to reduce the vacant unit rebate percentage for commercial properties to 15% for 2017 effective July 1, 2017, and to eliminate the rebate for commercial and industrial properties effective July 1, 2018.

Important Note: The examples above are not comprehensive of the possible program changes or kinds of consultations conducted nor should they be taken as the only changes or consultation plans municipalities are considering. Where there may be differences between the information provided in this update and the local municipal source (i.e. by-law, council resolution), the municipal source should be taken as authoritative. For more information on specific municipal consultations or program changes, please contact the local municipality.

Implementation

Municipalities that have decided to modify the vacant unit rebate and the vacant/excess land subclasses can notify the Minister of their intent to utilize this flexibility and provide details of the proposed changes along with a council resolution. Changes to the rebate and reduction programs will be implemented through regulation for each municipality. However, the Province has an interest in continuing to ensure tax competitiveness and consistency for taxpayers and as such, the Minister will consider proposed program changes within this context.

Notifications to the Minister for changes applicable to 2017 were being accepted until July 1, 2017. However, the Province is **extending the submission deadline to August 1, 2017**.

Please note that changes to the 2017 rebate program affect the applications for the 2017 tax year received by the February 28, 2018 deadline. Municipalities planning to make changes to the programs for future years will have the opportunity to do so after August 1, 2017. Municipalities will be notified when the regulation implementing the requested changes has been enacted.

Please copy info.propertytax@ontario.ca when submitting notifications to the Minister.

Questions?

If you have questions regarding potential program changes and consultations, please contact your local municipality. For questions related to the implementation and regulatory process, email info.propertytax@ontario.ca.

Property Listing – Uncollectible Taxes Pursuant to Section 354 (2) (a)

Item	Roll Number	Address	City Taxes	Penalty & Interest	Costs	Education Taxes	Total Write-off	Number of Years	Reason
1	030.110.07740.0000	0 Wellington St.	\$ 1,138.87	\$ 1,205.33	\$ -	\$ 606.44	\$ 2,950.64	7	1
2	050.120.12005.0000	0 Carleton St.	1,399.32	385.33	28.95	224.42	2,038.02	5	1
3	040.130.13500.0000	No municipal address	2,669.80	6,225.31	3,565.05	507.91	12,968.07	12	2
4	050.120.12010.0000	0 Carleton St.	3,779.09	6,990.70	3,365.05	701.15	14,835.99	14	2
5	040.010.03600.0000	819 1/2 Montreal St.	11,032.47	13,792.51	3,342.48	1,964.26	30,131.72	8	3
6	040.130.16800.0000	1121 Montreal St.	19,912.95	29,533.96	4,502.32	9,352.51	63,301.74	5	3
7	080.220.04100.0000	3842 - 3850 Princess St.	36,665.21	49,159.60	3,215.94	24,074.13	113,114.88	5	3
8	040.120.01625.0000	0 Day St.	458.81	1,161.92	-	111.00	1,731.73	1	4
9	080.230.25325.0000	0 Bur Brook Rd.	744.86	2,079.84	-	246.18	3,070.88	2	4
10	080.250.22402.0000	Mclvor Rd.	86.96	206.08	-	22.20	315.24	1	4
11	090.030.04318.0000	0 Channelview Rd.	1,110.45	1,067.85	25.75	219.98	2,424.03	1	4
12	090.010.14811.0010	No municipal address	125.57	295.16	-	32.18	452.91	3	4
13	090.050.15750.0000	0 Kingston Mills Rd.	1,019.80	2,027.08	-	237.60	3,284.48	1	4
Total Uncollectible Taxes			<u>\$ 80,144.16</u>	<u>\$ 114,130.67</u>	<u>\$ 18,045.54</u>	<u>\$ 38,299.96</u>	<u>\$ 250,620.33</u>		

Breakdown of taxes by reason category

1. Inappropriate to conduct tax sale
2. Failed - full write-off – inappropriate for future tax sale
3. Failed - partial write-off – register for new tax sale
4. Duplicate assessment - roll invalid

By-Law Number 2017-XX

A By-Law to Amend By-Law Number 2005-99 “A By-Law to Provide for the Construction, Demolition, Change of Use and Transfer of Permits and Inspections”

Passed: [Meeting Date]

The Council of The Corporation of the City of Kingston hereby enacts as follows:

By-Law Number 2005-99 of the Corporation of the City of Kingston entitled “A By-Law to Provide for the Construction, Demolition, Change of Use and Transfer of Permits and Inspections”, is hereby amended as follows:

1.1 **Add** subsection 1.1 as follows:

1.1 In this by-law:

1.2 **Delete** the Definition for Architect and replace it with the following:

Architect means the holder of a license, certificate of practice or a temporary license issued under the *Architects Act* as defined in the Building Code;

1.3 **Add** the Definition for Building as follows:

Building means a “building” as defined in subsection 1(1) of the Act;

1.4 **Delete** the Definition for Chief Building Official and replace it with the following:

Chief Building Official means the Chief Building Official appointed pursuant to subsection 3(2) of the Act and by by-law of the City for the purposes of enforcement of the Act;

1.5 **Delete** the Definition for Corporation and replace it with the following:

City means the Corporation of the City of Kingston;

1.6 **Delete** the Definition for Construct and replace it with the following:

Construct means Construct as defined in Subsection 1(1) of the Act, and Construction shall have a corresponding meaning;

1.7 **Add** the Definition for Construction Site as follows:

Construction Site means the part of the parcel of land on which Construction or Demolition related activities are occurring, and includes any area for materials and equipment appurtenant to any Construction or Demolition activities. The Construction Site may occupy the entire parcel of land or a portion of the land parcel;

- 1.8 **Delete** the Definition for Demolish and replace it with the following:

Demolish means Demolish as defined in Subsection 1(1) of the Act, and Demolition shall have a corresponding meaning;

- 1.9 **Delete** the Definition for Designer and replace with the following:

Designer means an Architect, Engineer or Designer qualified to carry out design activities under the Act;

- 1.10 **Add** definitions for Fees and Charges By-Law and Gross Floor Area as follows:

Fees and Charges By-Law means By-Law Number 2005-10, A By-Law to Establish Fees and Charges to be Collected by the City of Kingston, as it reads at the time of Permit application;

Gross Floor Area means the area of the proposed Work measured to the outer face of exterior walls and to the centreline of party walls or demising walls and shall include mechanical penthouses and floors, mezzanines, lofts, habitable attics, interior balconies, openings within floor areas (stairs, elevators, shafts, etc.) with the exception of interconnected floor areas, but not unfinished basements and attached garages for single detached, semi- detached, duplex, and townhouse dwellings. Where there is no floor or walls, the Gross Floor Area shall be the greatest horizontal area of the structure.

- 1.11 **Delete** the Definition for Inspector and replace it with the following:

Inspector means an employee of the City appointed pursuant to subsection 3(2) of the Act and by by-law of the City for the purposes of enforcement of the Act;

- 1.12 **Delete** the Definition for Owner and replace it with the following:

Owner means the registered Owner of the property on which the Work will take place and includes a lessee, mortgagee in possession, and the authorized agent in lawful control of the property;

- 1.13 **Delete** the Definition for Professional Engineer and replace it with the following:

Professional Engineer or “**Engineer**” means a person who holds a license or temporary license under the *Professional Engineers Act*, as defined in the Building Code;

- 1.14 **Add** the Definition for Public Way as follows:

Public Way means “public way” as defined in Ontario Regulation 213/91, as amended;

- 1.15 **Delete** the Definition for Rates and Fees By-Law.
- 1.16 **Delete** the Definition for Sewage System and replace it with the following:
Sewage System means a Sewage System as defined in Article 1.4.1.2. of Division A of the Building Code;
- 1.17 **Delete** the Definition for “Work” and replace it with the following:
Work means Construction or Demolition or change of use or plumbing for a Building which is regulated by the Act and the Building Code;
- 1.18 **Add** subsection 1.2 as follows:
1.2 Any word or term not defined in this by-law, that is defined in the Act or Building Code shall have the meaning ascribed to it in the Act or the Building Code.
- 1.19 Where definitions are referenced throughout the by-law, capitalize the first letter.
- 1.20 **Remove** quotation marks “ ” from all definitions.
- 1.21 **Delete** subsection 3.1 and replace it with the following:
3.1 To obtain a Permit, the Owner or an agent authorized in writing by the Owner shall first pay the required fee and shall file an application in writing, or where applicable, electronically in the case of an online application by completing a prescribed form.
- 1.22 **Delete** subsection 3.2 (1) and replace it with the following:
(1) **Application for Permit to Construct**
Where application is made for a Construction Permit under Subsection 8(1) of the Act, the Applicant shall:
(a) use the provincial application form, “Application for a Permit to Construct or Demolish”; and
(b) include complete plans and specifications, documents and other information as required by Article 1.3.1.3 of Division C of the Building Code and as described in this by-law for the Work to be covered by the Permit.
- 1.23 Add heading to subsection 3.2 (2) as follows:
(2) **Application for Permit to Demolish**

1.24 **Delete** subsection 3.2 (2) (c) (ii) and replace it with the following:

- (ii) written confirmation on the City's prescribed form that the site will be backfilled and graded with clean fill material to his or her satisfaction and that all private drain connections will be excavated and properly sealed at the property line.

1.25 **Delete** subsection 3.2 (3) and replace it with the following:

(3) Request for Conditional Permit

Where a request is made for a conditional Permit in association with a pending application for a Permit to Construct under Subsection 8(3) of the Act, the Applicant shall:

- (a) use the conditional Permit application form authorized by the Chief Building Official;
- (b) include complete plans and specifications, documents and other information as required by the Building Code and as described in this by-law for the Work to be covered by the Permit;
- (c) submit in writing the reasons why the Applicant believes that unreasonable delays in Construction would occur if a conditional Permit is not granted;
- (d) submit a written list of the necessary approvals which must be obtained in respect of the proposed Building and the time in which such approvals will be obtained;
- (e) provide the date by which plans and specifications of the complete Building will be filed with the Chief Building Official; and
- (f) shall pay the non-refundable conditional Permit fee in addition to any other fees.

1.26 **Delete** subsection 3.2 (4) and replace it with the following:

(4) Application for Change of Use Permit

Where application is made for a change of use Permit under Subsection 10(1) of the Act the Applicant shall:

- (a) use the Provincial application form, "Application for a Permit to Construct or Demolish";

- (b) identify and describe in detail the current and proposed occupancies of the building or part of a building for which the application is made; and
- (c) include complete plans and specifications showing the current and proposed occupancy of all parts of the building, and which contain sufficient information to establish compliance with the requirements of the Building Code, including: floor plans; details of wall, ceiling and roof assemblies identifying required fire resistance ratings and load bearing capacities; details of the existing Sewage System, if any; and any other drawings, documentation and other information required by the Chief Building Official to issue a Building Permit.

1.27 **Add** heading to subsection 3.2 (5) as follows:

(5) **Application for Sewage Permit**

1.28 Add heading to subsection 3.2 (6) as follows:

(6) **Application for Transfer of Application or Permit**

1.29 **Delete** subsection 3.2 (6) (a) and replace it with the following:

- (a) make such request in writing to the City;

1.30 **Add** subsection 3.2 (6) (h) as follows:

- (h) upon the transfer of the Permit by the Chief Building Official, the new Owner shall be the Permit Holder for the purpose of this by-law, the Act and the Building Code.

1.31 **Add** subsection 3.2 (7) and (8) as follows:

(7) **Request for Partial Occupancy Permit**

Where a request is made for a partial occupancy Permit under Section 11 of the Act and the Building Code where applicable, the Applicant shall:

- (a) use the application for partial occupancy form authorized by the Chief Building Official;
- (b) include complete plans and specifications, documents and other information as required by Article 1.3.3 of Division C of the Building Code;
- (c) include a statement indicating the expected occupancy dates, and the portions of the Building to be occupied; and

- (d) obtain all necessary Permits and approvals from other Municipal departments or outside agencies having jurisdiction.

(8) Request for Alternative Solution Approval

Where a request is made for approval of an alternative solution under Section 9 of the Act and the Building Code where applicable, the Applicant shall:

- (a) Use the application for an alternative solution form prescribed by the Chief Building Official; and
- (b) Include supporting documentation and test methods demonstrating that the proposed alternative solution will provide the level of safety and performance required by the Building Code.
- (c) Equivalents which are accepted under this subsection shall be applicable only to the location to which the approval is given and are not transferable to any other Permit to Construct.
- (d) In addition to the minimum non-refundable fee, the Owner or Permit Holder shall pay any additional costs that may be incurred by the City in relation to the evaluation process as determined by the Chief Building Official.

1.32 **Add** subsections 3.6, 3.7, 3.8 and 3.9 as follows:

- 3.6 Where the Chief Building Official determines that an application is incomplete, the Chief Building Official may commence to process the application if the Applicant acknowledges that the application is incomplete and submits the acknowledgement of incomplete application form authorized by the Chief Building Official.
- 3.7 A Permit to Construct a temporary Building may be issued by the Chief Building Official authorizing, for a limited time only, the erection and existence of a Building or part thereof.
- 3.8 No person shall make a material change or cause a material change to be made to a plan, specification, document or other information on the basis of which a Permit was issued without notifying, filing details with and obtaining the authorization of the Chief Building Official. Substantial changes may constitute a revised submission and additional fees may be charged as per the Fees and Charges By-Law and Schedule "A" of this by-law.
- 3.9 The Chief Building Official may, as the Chief Building Official deems appropriate, provide prescribed forms in an electronic format and may allow for the electronic submission of completed Permit application forms.

- 1.33 **Delete** subsections 4.2, 4.3, 4.4, 4.5, 4.6 and 4.7 and replace with the following:
- 4.2 Each application shall, unless otherwise specified by the Chief Building Official, be accompanied by two complete sets of all plans and specifications and shall include the nature and extent of the Work and proposed use and occupancy.
 - 4.3 Plans shall be drawn to scale on paper, electronic media approved by the City or other durable material and shall be legible.
 - 4.4 Site plans shall be referenced to an up-to-date survey and, when required to demonstrate compliance with the Act, the Building Code or other applicable law, a copy of the survey certified by a Registered Ontario Land Surveyor shall be submitted to the Chief Building Official. Site plans shall show the following:
 - (1) Lot size and the dimensions of property lines and setbacks to any existing or proposed Buildings;
 - (2) Existing and finished ground levels or grades;
 - (3) Existing rights-of-way, easements, private services and municipal services; and
 - (4) Location of fire access routes.
 - 4.5 On completion of the Construction of a Building, the Chief Building Official may require the Owner to provide a set of as constructed plans, including a plan of survey, by a registered Ontario Land Surveyor, showing the location of the Building, at the Owners cost.
 - 4.6 Upon completion of the foundation, the Applicant shall submit and have approved, a Building location survey prepared by a registered Ontario Land Surveyor, including the top of foundation prior to the commencement of framing or above grade Works where required by the Chief Building Official.
 - 4.7 Plans and specifications furnished according to this by-law or otherwise required by the Act become the property of the City and will be disposed of or retained in accordance with relevant legislation and the City's Records By-Law.
- 1.34 **Add** subsection 4.8 and 4.9 as follows:
- 4.8 The Chief Building Official may require additional information to be provided at any time prior to the completion of the Work.

- 4.9 The issuance of a Permit, the review of the drawings and specifications, or inspections made by the Chief Building Official shall not in any way relieve the Owner of a Building from full responsibility for carrying out the Work or having the Work carried out in accordance with the requirements of this by-law and the Building Code, including ensuring that the occupancy of the Building, or any part thereof, is in accordance with the terms of this by-law and the Building Code.
- 1.35 **Delete** subsections 6.1, 6.2 and 6.3 and replace with the following:
- 6.1 The Chief Building Official shall determine the required fees for the Work proposed calculated in accordance with the Fees and Charges By-Law and Schedule "A" of this by-law and no Permit shall be issued until the fees are paid. For classes of Permits not described in the Fees and Charges By-Law or Schedule "A" of this by-law, a reasonable Permit fee shall be applied by the Chief Building Official.
- 6.2 Any person or Corporation who commences Construction, Demolition or changes the use of a Building prior to issuance of a Permit, shall in addition to any other penalty under this Act, Building Code, or in this by-law pay an additional non-refundable fee in order to compensate the City for the additional Work incurred by such early start of Work. The additional fee shall be equal to Forty Percent (40%) of the amount calculated as the regular Permit fee but in no case shall the additional fee exceed Ten Thousand (\$10,000.00) Dollars, or be less than the minimum fee.
- 6.3 In the case of withdrawal of an application, or the abandonment of all or a portion of the Work, or refusal of a Permit, or the non-commencement of any project, the Chief Building Official shall determine the amount of paid Permit fees that may be refunded to the Applicant, if any, in accordance with the Fees and Charges By-Law and Schedule "A" of this by-law. No refund shall be applied where the Permit has been revoked, except where the Permit was issued in error. Any request for a Permit refund must be made by the Applicant in writing within twelve months of the date of Permit application. Refunds requested after this time will not be considered.
- 1.36 **Add** subsections 6.4, 6.5, 6.6 and 6.7 as follows:
- 6.4 The amount of Permit fees to Construct or Demolish that may be refunded shall be the total fees paid less the cumulative percentage of fees applicable to the administration, review and inspection functions undertaken prior to receipt of the written request to the Chief Building Official as follows:
- (1) Eighty (80) percent if administrative functions only have been performed;

- (2) Seventy (70) percent if administrative and zoning functions only have been performed;
- (3) Forty-Five (45) percent if administrative, zoning and plan examination functions have been performed;
- (4) Thirty-Five (35) percent if the Permit has been issued and no field inspections have been performed subsequent to Permit issuance;
- (5) Five (5) percent shall be deducted for each field inspection that has been performed after the Permit has been issued;
- (6) No refund shall be made for an amount less than the minimum Permit fee.
- (7) No refund shall be made for a limiting distance agreement, conditional Permit or authorization of an alternative solution.

6.5 Refunds shall be paid to the person named on the fee receipt issued by the City upon payment of the fee, unless the person directs in writing that the fee be refunded to another person.

6.6 Where the Chief Building Official determines that a limiting distance agreement is required pursuant to the Act and the Building Code, the Owner shall pay the fee as set out in the Fees and Charges By-Law and Schedule "A" of this by-law prior to execution of the agreement by the Chief Building Official.

6.7 Permit Fees will be calculated at the time of application based upon the information provided on the application form and adjustments will be made, as required, during the review process. The balance of fees owing and adjustments as a result of corrected information, shall be paid upon Permit issuance.

- (1) The method of payment for Permit fees may be cheque, credit card or debit card. Cheques returned for non-sufficient funds shall be replaced by a certified cheque in the amount of the Permit fee plus the administrative charges. Replacement fees not provided within the specified time will result in revocation of the Permit.

1.37 **Delete** subsection 8.3 and replace it with the following:

8.3 Where notice is served personally, electronically or by registered mail, the Permit Holder shall be conclusively deemed for all purposes to have been served with the notice on the fifth day after the notice is served.

1.38 **Delete** subsection 9.2 and 9.3 and replace with the following:

9.2 A notice pursuant to this Part of the by-law is not effective until notice is actually received by the Chief Building Official or the Registered Code Agency and the Permit Holder receives confirmation by the City or the Registered Code Agency.

9.3 Upon receipt of written notice, the Inspector or a Registered Code Agency, if one is appointed, shall undertake a site inspection of the Building to which the notice relates in accordance with the time periods stated in the Building Code and Section 11 of the Act.

1.39 **Add** subsection 9.4 as follows:

9.4 Where an Inspection has been made, and the Applicant, Owner or contractor is made aware of any Building Code contraventions, and a re-inspection has been requested and carried out by the City and it is determined that the contraventions have not been remedied, the cost of carrying out any further inspections shall be charged to the Applicant, Owner or contractor at the rate outlined in the Fees and Charges By-Law and Schedule "A" of this by-law.

1.40 **Add** section 10. Construction Site Fencing and Signage as follows:

10. Construction Site Fencing and Signage

10.1 The Permit Holder shall, prior to the commencement of any Construction or Demolition or placement of any materials or equipment at the Construction Site, erect or cause to be erected and maintain a fence enclosing the Construction Site in accordance with this section for the purpose of protecting the public by preventing unauthorized entry to the Construction Site.

(1) The Chief Building Official may grant an exemption from any of the requirements in this section if the Chief Building Official is satisfied that conditions at the Construction Site would not present an unreasonable hazard to the public after considering:

- (a) The proximity of the Construction Site to occupied dwellings;
- (b) The proximity of the Construction Site to places frequented by the public, including but not limited to Public Ways, streets, parks, schools, businesses, and workplaces;
- (c) The effectiveness of any existing fencing at or near the Construction Site;

- (d) Any security measures or proposed security measures to deter entry to the Construction Site, or entry to the structure where Work is occurring;
 - (e) The gravity of the hazard presented by the Work occurring and the materials used at the Construction Site;
 - (f) The expected duration of the hazard;
 - (g) The feasibility of and likely effectiveness of fencing the Construction Site; and
 - (h) Any other public safety considerations.
- (2) The Chief Building Official may revoke an exemption granted under subsection (1) by giving written notice of the revocation by personal service or registered mail to the Permit Holder where:
- (a) Work on a Construction Site is substantially suspended or abandoned; or
 - (b) Where any of the considerations enumerated in subsection (1) have changed, or where the Permit Holder has not implemented any proposed security measures to deter entry to the Construction Site.

10.2 Every fence shall be erected in accordance with the following:

- (1) Be located between the Construction Site and the Public Way or the open sides of the Construction Site to fully enclose the Construction Site;
- (2) Have an unobstructed fence height above grade when measured from outside the enclosure of at least:
 - (a) 1.8 metres high for the Construction or Demolition of any type of Building that is located 3.0 metres or less from a Public Way, or
 - (b) 1.2 metres high for the Construction or Demolition of a residential Building of no more than 3 storeys that is located more than 3.0 metres from an adjacent Public Way;
- (3) Where Ontario Regulation 213/91 requires that a covered way be Constructed over the part of the Public Way that is adjacent to a Construction Site, the covered way may be constructed in addition to, or as part of, the fencing required by this section,

provided that it is constructed in accordance with the requirements of sections 64 and 65 of Ontario Regulation 213/91, as amended.

- (4) Fencing is deemed to comply with this section, if it is constructed in accordance with the following:
- (a) The fence material shall be not less than:
 - i. 12.5 millimetres thick exterior grade plywood or wafer board or oriented strand board (OSB) fence, that is close-boarded,
 - ii. Poly-Vinyl-Chloride (PVC) plastic mesh safety-fence type supported top and bottom,
 - iii. Galvanized chain link Construction of 38 millimetre mesh,
 - iv. Prefabricated modular fencing of welded metal frame with wire mesh infill, or
 - v. A combination of the above materials if it can achieve an equivalent performance level.
 - (b) The surface facing the exterior side of the enclosed area shall be smooth so as to deter climbing;
 - (c) Openings through and under any part of the fence shall be of a size so as to prevent the passage of a spherical object having a diameter of 100 millimetres, and
 - (d) The fence shall be erected with adequate supports and maintained in a sturdy, upright condition such that the effective height of the protection is not reduced.
- (5) Fencing shall be Constructed and maintained so that access to the Construction Site for firefighting and fire protection equipment is not restricted.
- (6) Every access opening in a fence shall be equipped with a gate that shall be:
- (a) Constructed of materials equivalent to the performance of the fence,
 - (b) Identified clearly as the point of access into or exit from the Construction Site, and

- (c) Securely closed and locked when the Construction Site is unattended.

10.3 Signage shall be installed in accordance with the following:

- (1) Signage shall conform to the City’s Sign By-Law Number 2009-140 for construction site signs and exempt signs.
- (2) Signage shall be provided on the outside of the fencing to indicate the address of the Construction Site for fire department information and provide key emergency contact information.

1.41 **Renumber** Section 10. Validity to Section 11. Validity

1.42 **Renumber** Section 11. Short Title to Section 12. Short Title

1.43 **Renumber** Section 12. Commencement to Section 13. Commencement

1.44 **Delete** subsection 1. from Schedule “A” and replace it with the following:

1. Classes of Permits and Fees

- 1.1 Classes of Permits and Permit fees shall be based on the rates outlined in the current “Fees and Charges By-Law” for the Corporation of the City of Kingston.
- 1.2 Where Permit fees are calculated based on square metres, the fee shall be based on the rate outlined in the current Fees and Charges By-Law multiplied by the Gross Floor Area for each major occupancy.
- 1.3 Classes of Permits correspond with the major occupancy classifications in the Ontario Building Code and as per the following table:

Classes of Permits
Minimum Permit Fee (all Permits)
Group A: Assembly Buildings
Shell Permit
New and Additions
Alterations and Renovations
Group B: Institutional Buildings
Shell Permit
New and Additions
Alterations and Renovations
Group C: Residential Buildings
New and Additions (Single Detached, Semi-Detached and Row House)

New and Additions (Multi-Unit Buildings, Motels, Hotels)
Alterations and Renovations
Secondary Suites (Single Detached, Semi-Detached and Row House)
Swimming Pools
Accessory Structures (Garage/Carport, Shed)
Solar Panels (any area)
Group D: Business and Personal Services Buildings
Shell Permit
New and Additions
Alterations and Renovations
Group E: Mercantile Buildings
Shell Permit
New and Additions
Alterations and Renovations
Group F: Industrial and Agricultural Buildings
Shell Permit
New and Additions
Alterations and Renovations
Other Permit Classes:
Decks/Patios (each)
Solar panels (Non-Residential) – per application
Temporary Structures - per application
Demolitions (each)
Wood Burning Appliances (each)
Designated Structures (each)
Signs (per application)
Mechanical and Fire Protection Systems: (independent of Building Permit)
HVAC Permit (Residential and Non-Residential per suite)
New and Alterations to Sprinkler System, Standpipe System or Fire Suppression
Commercial Kitchen Exhaust Systems, Spray Booths, Dust Collectors
New and Alterations to Fire Alarm System
Electromagnetic Locks, Hold Open Devices, Emergency Lighting (per application)
Plumbing Permits: (independent of Building Permit)
New and Alterations (Residential per fixture)
New and Alterations (Non-Residential per fixture)
Backflow Prevention Devices (per application)
Sewer Lateral (each)
Back Water Valve (each)
Administration Fees:
Conditional Permit Fee (10% of the required Permit fee)

Pre Inspection (prior to Permit issuance) or Re-Inspection Fee (per inspection or suite)
Expedited Plan Review (per hour)
Fence and Sign By-law Appeal (each)
Alternative Solution proposal
Preliminary project review and Revisions to an issued Permit (per hour)
Limiting Distance Agreement (each)
Change of use Permit (no Construction)
Construction prior to Permit issuance (40% of the required Permit fee)

1.45 **Delete** subsection 2, 3 and 4 from Schedule “A” and replace with the following:

2. Interpretation

The following explanatory notes are to be observed in the calculation of Permit fees:

- (1) In the case of interior finishes, alterations or renovations, area of proposed Work is the actual space receiving the Work, e.g. room, tenant suite etc.
- (2) Where Demolition of partitions or alterations to existing ceilings are part of an alteration or renovation Permit, no additional charge is applicable.
- (3) Corridors, lobbies, washrooms, lounges, etc. are to be included and classified according to the major occupancy for the floor area on which they are located.
- (4) For multiple occupancy floor areas, the Permit fees for each of the applicable Permit classes may be used, except where an occupancy category is less than 10% of the floor area.

2. This by-law shall come into force and take effect upon the date of its passing.

Given First and Second Readings [Meeting Date]

Given Third Reading and Passed [Meeting Date]

John Bolognone
City Clerk

Bryan Paterson
Mayor

By-Law Number 2017-XX

A By-Law to Amend By-Law Number 2006-213 “A By-Law to License, Regulate and Govern Certain Businesses”

Passed: [Meeting Date]

The Council of The Corporation of the City of Kingston enacts as follows:

1. By-Law Number 2006-213 of the Corporation of the City of Kingston entitled “A By-Law to License, Regulate and Govern Certain Businesses”, as amended, is hereby further amended as follows:

1.1 Index is hereby amended by removing the following therefrom:

Alarm Installation Schedule A-1

Alarm Monitoring Schedule A-2

1.2 Index is hereby amended by adding the following hereto:

Alarm Installation and Alarm Monitoring Schedule A-2

1.3 Section 1.0 Definitions, is hereby amended by removing the following therefrom:

“**Alarm System**” means any device installed in a building, structure or premises to detect unauthorized entry or criminal activity which, when activated, emits an audible sound or transmits a signal or message to an alarm monitoring business, and includes a bank automated teller machine and a holdup or panic alarm, for example, a device to report that a robbery is in progress, but does not include a medical alert alarm or a fire alarm system;

“**Building and Licensing Division**” and “**Division**” means the Licensing and Enforcement Section, Department of Community Development Services Group or, in the event of organizational changes, another unit designated by Council to carry out the Division’s responsibilities for the administration and enforcement of this by-law;

“**False Alarm**” means any signal or message from an alarm system to an alarm monitoring business that is reported to the Kingston Police, where there is no evidence that unauthorized entry or criminal activity was made or attempted and where the alarm system appears to have been activated unnecessarily, improperly, accidentally or for a purpose other than that for which it was installed, including:

- (a) By testing an alarm system without the prior knowledge and approval of the Kingston Police;
- (b) By reporting an attempted or completed criminal act or an emergency situation where there is no evidence that such an act took place or that such a situation existed;
- (c) As a result of mechanical failure, malfunction or faulty equipment;
- (d) As a result of negligence, error or carelessness on the part of the owner of the system, for example, by permitting authorized persons to be on the premises without alarm passwords; or
- (e) As a result of atmospheric conditions, excessive vibrations or a power failure;

1.4 Section 1.0 Definitions is hereby amended by adding the following hereto:

“Alarm Coordinator” means the person designated to administer the provisions of this by-law;

“Alarm Registration” means a record of an alarm system which has been registered with the Alarm Coordinator pursuant to the provisions of this by-law;

“Alarm Reinstatement” means that suspension of police response to an alarm from an Alarm System has been lifted and police response to the alarm system is reinstated;

“Alarm Reinstatement Notice” means the written notification given to an alarm monitoring company advising that alarm response has been reinstated to an alarm system;

“Alarm Renewal” means the process of paying a fee (if applicable) per Alarm System to the Kingston Police Alarm Coordinator annually for Alarm Registration renewal;

“Alarm Service Technician” means a person who is employed by an alarm installation company or an alarm monitoring company;

“Alarm System” means any device installed in a building, structure or premise to detect unauthorized entry or criminal activity which, when activated, transmits a wireless, electronic, video signal and/or emits an audible or silent signal or message to an alarm monitoring company, and includes an automated bank machine and a holdup or panic alarm: for example, a device to report that a robbery is in progress, but does not include a medical alert alarm or a fire alarm system;

“Alarm System Inspection Report” means a report detailing the operating condition of an Alarm System completed by an Alarm Service Technician;

“Cancellation of Police Response” means the process or request to terminate response by the Kingston Police after an alarm dispatch request and prior to Police Officers’ arrival on scene;

“Caution Notice” means the written notification given to an alarm monitoring company advising that an Alarm System has had three (3) False Alarms in a calendar year;

“Excessive False Alarms” means the reporting to the Kingston Police of four (4) or more False Alarms within a calendar year;

“False Alarm” means any signal or message from an Alarm System to an alarm monitoring company that is reported to the Kingston Police, where there is no evidence that unauthorized entry was made or attempted or that criminal activity has occurred and where the Alarm System appears to have been activated unnecessarily, improperly, accidentally or for a purpose other than that for which it was installed, including:

- (a) By testing an Alarm System without the prior knowledge and approval of the Kingston Police;
- (b) By reporting an attempted or completed criminal act or an emergency situation where there is no evidence that such an act took place or that such a situation existed;
- (c) As a result of mechanical failure, malfunction or faulty equipment;
- (d) As a result of negligence, error or carelessness on the part of the owner of the system, for example, by permitting authorized persons to be on the premises without alarm passwords; or
- (e) As a result of atmospheric conditions, excessive vibrations or a power failure;

“Licensing and Enforcement Division” and **“Division”** means the Licensing and Enforcement Division, Planning, Building, Licensing & Enforcement Department, Community Services Group or, in the event of organizational changes, another unit designated by Council to carry out the Division’s responsibilities for the administration and enforcement of this by-law;

“Suspension Notice” means written notification issued to an alarm monitoring company advising that there will be no police response to an alarm from an Alarm System;

“Suspended Alarm System” means an Alarm System for which a Suspension Notice has been issued, advising that there will be no police response to an alarm from the Alarm System;

“Unregistered False Alarm” means a False Alarm from an Alarm System that is not registered with the Alarm Coordinator;

- 1.5 Section 3.0 Administration is hereby amended by removing the following therefrom:

The Building and Licensing and Enforcement Divisions are responsible for the administration and enforcement of this by-law.

- 1.6 Section 3.0 Administration is hereby amended by adding the following hereto:

The Licensing and Enforcement Division and the Kingston Police are responsible for the administration and enforcement of this by-law.

- 1.7 Administration, Section 3.2 is hereby amended by removing the following therefrom:

Every application for a new license or a renewal or extension of a license shall be accompanied by the full license fee, as set out in the applicable schedule.

- 1.8 Administration, Section 3.2 is hereby amended by adding the following hereto:

Every application for a new license or a renewal or extension of an existing license shall be accompanied by the full license fee, as set out in the Fees and Charges By-Law Number 2005-10, as amended.

- 1.9 Administration, Section 3.5 is hereby amended by removing the following therefrom:

Despite sections to the contrary, the full license fee shall be paid, regardless of the date of application, if a person begins to carry on the business before submitting an application for a new license.

- 1.10 Administration, Section 3.5 is hereby amended by adding the following hereto:

Despite any sections to the contrary, the full license fee shall be paid, regardless of the date of application, if a Person begins to carry on the business before submitting an application for a new license.

- 1.11 Administration, Section 3.6 is hereby amended by removing the following therefrom:

And any other rates for “A By-Law to License, Regulate and Govern Certain Businesses” are as prescribed by By-Law Number 2005-10, as amended, being

“A By-Law to Establish Fees and Charges to be collected by The Corporation of The City of Kingston”.

- 1.12 Administration, Section 3.6 is hereby amended by adding the following hereto:

All fees set out in By-Law Number 2006-213, “A By-Law to License, Regulate and Govern Certain Businesses”, as amended, are as prescribed by By-Law Number 2005-10, as amended, being “A By-Law to Establish Fees and Charges to be collected by The Corporation of The City of Kingston”.

- 1.13 General Regulations, Section 4.3 is hereby amended by removing the following therefrom:

A person is not eligible for a license unless his or her application is accompanied by the full license fee for that business, as set out in the applicable schedule or as determined under Sections 3.3 and 3.4.

- 1.14 General Regulations, Section 4.3 is hereby amended by adding the following hereto:

A Person is not eligible for a license unless his or her application is accompanied by the full license fee for that business, as prescribed by the Fees and Charges By-Law Number 2005-10, as amended, or as determined under Sections 3.3 and 3.4 of this by-law.

- 1.15 General Regulations, Section 4.5 is hereby amended by removing the following therefrom:

A licensee is not eligible for the renewal or extension of an existing license unless the licensee has paid the full license fee for that business, as set out in the applicable schedule.

- 1.16 General Regulations, Section 4.5 is hereby amended by adding the following hereto:

A Licensee is not eligible for the renewal or extension of an existing License unless the Licensee has paid the full License fee for that business and any other fees charged under the provisions of this by-law, as prescribed by the Fees and Charges By-Law Number 2005-10, as amended.

- 1.17 General Regulations is hereby amended by adding the following new section, 4.27, hereto:

All notices required to be issued under the provisions of this by-law shall be in a form authorized by the Manager of Licensing and Enforcement.

1.18 Schedules: Additional Conditions for Individual Businesses, Section 6.1, General Businesses, is hereby amended by removing the following therefrom:

Schedule A-1: Alarm Installation

Schedule A-2: Alarm Monitoring

1.19 Schedules: Additional Conditions for Individual Businesses, Section 6.1, General Businesses, is hereby amended by adding the following hereto:

Schedule A-2: Alarm Installation and Alarm Monitoring

1.20 Schedule A-1, Alarm Installation, is hereby removed in its entirety.

1.21 Schedule A-2, Alarm Monitoring, is hereby removed in its entirety and replaced with the following hereto:

Schedule A-2

Alarm Installation and Alarm Monitoring

Applicable to:	Every business which sells, leases, installs, replaces, maintains, services, repairs, or monitors security Alarm Systems which notifies the Kingston Police when an Alarm System has been activated.
Exemptions:	None
Reason for Licensing/Conditions:	Consumer protection – adequate responses to legitimate alarms Nuisance control - reduce unnecessary use of police resources
Annual License Fees:	As prescribed by By-Law Number 2005-10, as amended. Annual Alarm System monitoring fee for new Alarm System registrations will be pro-rated by month, except that the provisions of Section 3.4 of this by-law shall also apply. (By-Law Number 2006-213; 2008-16)
Additional Fees for Police Response to Alarms:	A company monitoring an Alarm System will be required to pay the fees as prescribed by By-Law Number 2005-10, as amended, when: <ol style="list-style-type: none"> (1) Kingston Police respond to a False Alarm from a registered Alarm System or an Unregistered Alarm System; (2) Kingston Police’s respond to a founded alarm from an unlicensed alarm monitoring company; (3) Kingston Police’ response to an alarm from an Unregistered

	<p>Alarm System is cancelled;</p> <p>(4) Kingston Police respond to a False Alarm or a founded alarm from an Unregistered Alarm System.</p> <p>(By-law Number 2006-213; 2008-16)</p>
<p>Application Circulated to:</p>	<p>Kingston Police</p>
<p>Special Conditions:</p>	<p>In addition to the General Regulations set out in Part 4 of this by-law, the following special conditions apply to every alarm installation company and every alarm monitoring company:</p> <ol style="list-style-type: none"> (1) Kingston Police shall designate an Alarm Coordinator to administer the provisions of this Schedule; (2) Kingston Police may not respond to an alarm if the alarm monitoring company or the Alarm System are not registered; (3) Every application for a License shall include a register which identifies the name and address of the owner and the registration number of every Alarm System that is to be monitored. It is the responsibility of the Licensee to ensure Kingston Police has current key holder contact information; (4) Every Licensee shall maintain this register and inform the Kingston Police promptly of any changes to the information; (5) Every alarm installation company and every alarm monitoring company shall pay the annual License fee to the Kingston Police Alarm Coordinator within 30 days of the date of the invoice and if a Licensee fails to do so, the Alarm Coordinator may suspend, revoke or refuse to renew the alarm installation company's License or the alarm monitoring company's License; (6) If an alarm monitoring company fails to provide its current contact information to the Kingston Police, all invoices and notices will be deemed served to the business's last known address; (7) If Kingston Police are dispatched to an alarm from an unlicensed alarm monitoring company, the alarm monitoring company shall pay the annual license fee and an administrative fee for failing to obtain a license, as prescribed by the Fees and Charges By-Law Number 2005-10, as amended; (8) Every alarm monitoring company shall pay the fee for a False Alarm and an administrative fee to the Kingston Police Alarm Coordinator within 30 days of date of invoice, and if the alarm monitoring company fails to do so after 60 days from the due

date on the invoice, Kingston Police response to the Alarm System may be suspended upon issuance of a Suspension Notice indicating alarm response is suspended to the Alarm System until all fees have been paid in full. Upon payment of all fees, an Alarm Reinstatement Notice will be issued;

- (9) Kingston Police may suspend police response to an alarm from an Alarm System that has had Excessive False Alarms. In the event that police response to an Alarm System is suspended, a Suspension Notice shall be issued to the alarm monitoring company. Police response to an Alarm System shall not be reinstated until an Alarm System Inspection Report from an Alarm Service Technician has been received and accepted by the Alarm Coordinator. Upon issuance of an Alarm Reinstatement Notice, the False Alarm count for the Alarm System shall be reset to zero;
- (10) Every alarm monitoring company shall submit alarm registration and payment of fees for each Alarm System it monitors. Failure to do so prior to a call for alarm response will result in the Alarm System not to be considered registered with Kingston Police;
- (11) Only a licensed alarm monitoring company may request police response to an alarm and the licensed alarm monitoring company shall provide all contact numbers for the alarm monitoring station, and shall provide its own business name and not the name of a second party alarm company;
- (12) A Cancellation of Police Response will not incur a fee if the Alarm System is registered. If the Alarm System is not registered, the alarm monitoring company shall pay the annual Alarm System registration fee and an administrative fee for failing to register an Alarm System, as prescribed by the Fees and Charges By-Law Number 2005-10, as amended;
- (13) After an Alarm System has incurred three (3) False Alarms in a calendar year, Kingston Police will issue a Caution Notice to the alarm monitoring company warning that police response may be suspended if a fourth or subsequent False Alarm occurs within the calendar year;
- (14) Receipt of an invoice, a Caution Notice, Suspension Notice or an Alarm Reinstatement Notice shall be deemed to have occurred:
 - a) On the date of delivery, if delivered personally;
 - b) Three (3) business days after the date of mailing, if delivered by

registered mail to an address within the City of Kingston;

c) Five (5) days after the date of mailing, if delivered by registered mail to an address outside of the City of Kingston;

d) Five (5) days after the date of mailing if delivered by regular mail to an address within the City of Kingston; and

e) Seven (7) days after the date of mailing if delivered by regular mail to an address outside of the City of Kingston.

(15) Receipt of an invoice, a Caution Notice, a Suspension Notice, or an Alarm Reinstatement Notice shall be deemed to have occurred if delivered personally or to the last known address of the alarm monitoring company;

(16) If Kingston Police respond to a False Alarm or a founded alarm from an Unregistered Alarm System, the alarm monitoring company shall pay the annual Alarm System registration fee and an administrative fee for failing to register an Alarm System, as prescribed by the Fees and Charges By-Law Number 2005-10, as amended;

(17) Kingston Police shall not respond to automatic dialing systems activated by alarms; and

(18) An appeal of a False Alarm invoice must be submitted in writing to the Kingston Police Alarm Coordinator by the alarm monitoring company within 30 days of the invoice. A decision on the appeal will be sent to the alarm monitoring company, which will be responsible for notifying the alarm system customer of the outcome. The decision of the Kingston Police Alarm Coordinator shall be final.

2. This by-law shall come into force and take effect January 1, 2018.

Given All Three Readings and Passed [Meeting Date]

John Bolognone

City Clerk

Bryan Paterson
Mayor

Draft Access without Fear Policy

Policy Number: TBD

Effective Date: TBD

Status: Draft

Final Approval: Council

1.0 Purpose

The purpose of this policy is to ensure that all residents have access to municipal services regardless of immigration status.

2.0 Persons Affected

This policy applies to all employees and volunteers.

3.0 Policy Statement

It is the policy of the city to ensure that:

3.1 All residents will have meaningful access to city services without fear and are treated with dignity and respect;

3.2 Enquiries about a person's immigration status will only be made when legally required to do so to access specific services provided by the City;

3.3 No reporting of a resident's immigration status will be made to the Canada Border Services or Police; and

3.4 Any records of a resident's immigration status will only be kept in an anonymous and confidential format; and only in circumstances where record keeping is required by law for specific programs.

4.0 Responsibilities

4.1 CMT members are collectively and individually responsible for directing compliance with this policy;

4.2 Supervisors/Managers/Directors are responsible for ensuring staff are aware and compliant with this policy and that no other policies or procedures are developed that contravene this policy; and

4.3 Employees are responsible for providing services to all residents in a respectful and meaningful manner and not enquiring about immigration status directly or indirectly unless legally required to do so as an eligibility requirement for access to specific services.

5.0 Approval Authority

5.1 Legal Review: Senior Legal Council

5.2 Management Review: CMT

5.3 Final Approval: Council

6.0 Revision History

Not applicable

7.0 Appendix

Not applicable

8.0 Attachments

Not applicable