

**Committee of the Whole
Meeting Number 2019-03
Addendum
November 25, 26 and 27, 2019**

Communications

The consent of Council is requested for the **addition** of the following Communication:

Referred to All Members of Council

- 03-01 Correspondence from Karen Cross, Executive Director, Greater Kingston Chamber of Commerce dated November 18, 2019 with respect to considering tax increase targets/recommendations for the City of Kingston's 2020 budget.
(Distributed to all members of Council on November 22, 2019)
(File Number CSU-F05-000-2019)
(See Pages 1-2 attached to the addendum)



November 18, 2019

Re: Considering tax increase targets/recommendations for the City of Kingston's 2020 budget

Dear Mayor Paterson and Members of Council,

I'm writing to you to share our preliminary recommendations on the 2020 City of Kingston Budget. Specifically, to encourage council to stay the course with its tax increase targets as you begin budget planning.

Operating a successful business is challenging. The collaborative approach between the municipality and the business community is crucial, given that we both share growing financial pressures from various levels of government and changing economic realities. We also recognize that Kingston is a unique municipality given its strong social institutions which support our community and provide well-paying jobs. It is small and medium sized business, however, that drives Kingston's economic engine and supports entrepreneurship in our region.

We are encouraged by the City's commitment to limit future tax increases to below 2.5% as follows:

	2020	2021	2022	2023
Tax levy	2.5%*	2.4%*	2.4%*	2.3%*

* Increases include one per cent earmarked for infrastructure spending. City council continued to endorse limiting future tax increases to 2.5 per cent or less.

Each year, the Greater Kingston Chamber of Commerce follows the budget process and informs our membership on the details before, during and after adoption. The Chamber supports the current process. It meets the needs of the Kingston business community and helps Council to make informed decisions.

TAX INCREASE COMPONENTS	City of Kingston Target Forecast	Chamber Recommendation	Rationale for Chamber Recommendation
Infrastructure Levy	1.0%	1.0%	This is enough, given the City's track-record.
Total Forecast Increase (Municipal Portion)	2.5%	2.5%	This increase is consistent with inflation

The Chamber recommends holding the line on limiting future tax increases to below 2.5%: our members, who form a vast portion of Kingston's business community, have and will have planned accordingly. For the 2020 to 2023 budget cycle, the overall increase in the City's portion of the tax levy should be set at no more than 2.5%. This increase is both reasonable and responsible for a growing community. The components of that increase are comprised of 1.0% for the "infrastructure levy".

With that in mind, fiscal pressures can arise from provincial policy changes and therefore the City needs to be mindful of new spending initiatives which can become suddenly unaffordable. There will also be a new MPAC assessments in 2020. Any additional revenue generated by the City such as that recouped by the phased-out Vacancy Rate Rebate should be used to target debt reduction or to further lower possible tax increases.

Thank you for your consideration to these recommendations as Council begins budget planning. Please feel free to contact us if we can provide any further detail.

Sincerely,

Karen Cross,
Executive Director
Greater Kingston Chamber of Commerce

**CITY COUNCIL
MEETING OF:**

COW - November 25-27, 2019

COMMUNICATION
No: 03-01