

THE TOWN OF STRATFORD

RESOLUTION

CW005-2008 - Emergency Resolution for FPEIM Annual Meeting regarding the Provincial Decision to Replace the CUSA tax credit with a grant

Motion Carried /
Motion Lost _____
Motion Withdrawn _____

Council Chambers
Town Hall
April 25, 2008

Committee
Moved by Councillor
Seconded by Councillor

Committee of the Whole
Emile Gallant
Diane Griffin

WHEREAS the Province has introduced a number of measures in the 2008 Provincial budget that relate to municipalities which includes:

- the removal of the tax collection fee;
- the funding and distribution of the equalization program in accordance with the formula;
- the transfer of property tax revenue to municipalities on a monthly basis;
- the funding of equalization programs and establishment of a the Island Community Fund; and
- the replacement of municipal tax credits for streets and policing with a grant which will increase annually by inflation.

AND WHEREAS the Federation of P.E.I. Municipalities is on record as supporting: the removal of the tax collection fee;

- the funding and distribution of the equalization program in accordance with the formula;
- a better mechanism to transfer the property tax revenue to municipalities;
- the funding of equalization programs and the transfer of a portion of the equal mper jurisdiction funding
- the elimination of Provincial property tax in full service municipalities.
- and the Federation of P.E.I. Municipalities has made representations to Government to implement these changes; and

WHEREAS the Province is to be commended for the decisions to remove the tax collection fee, the funding and distribution of the equalization program, the transfer of property tax revenue to municipalities on a monthly basis, the funding of equalization programs and establishment of the Island Community Fund, all of which will have significant benefits for municipalities across the Province; and

WHEREAS the Town of Stratford fully supports the FPEIM recommendations including the funding and distribution of the equalization program in accordance with the formula, even

though Stratford would lose revenue from the change; and

WHEREAS the decision to replace the municipal tax credits for streets and policing with a grant which increases annually by inflation has grave implications for future revenues for the four largest municipalities who provide the most services to their residents and who had tax credits transferred for streets and policing, the implications being:

- the removal of the ability of the municipalities to meet their own needs through taxation measures and the transfer to a system of dependence on Provincial Government grants to meet those needs which can be easily altered in any Provincial Budget; and
- the significant loss of future revenues from all new assessment and any assessment growth that exceeds inflation if there is no formula to account for assessment growth, which there does not appear to be.

AND WHEREAS the assessment growth in the four largest municipalities significantly exceeded inflation in the past due to new development and a strong real estate market and this measure will result in future losses of millions of dollars annually to the four largest municipalities; and

WHEREAS this decision may also negatively impact other municipalities who receive street and/or police grants; and

WHEREAS the impact of this decision is not acceptable to the Town of Stratford as it will severely compromise our ability to provide services to our new residents and properties; and

WHEREAS the Province has indicated that it is appointing a Commissioner on Land and Local Governance to conduct a thorough review of municipal governance and land use issues including, in accordance with the budget speech, “a broad examination of the fairness, equity and transparency of the provincial/municipal framework”; and

BE IT RESOLVED that the Federation of P.E.I. Municipalities make representations to the Province of Prince Edward Island to:

- thank the Province for the decision to remove the tax collection fee, the funding and distribution of the equalization program, the transfer of property tax revenue to municipalities on a monthly basis, the funding of equalization programs and establishment of the Island Community Fund; and
- ask the Province to reverse the decision to replace the municipal tax credits for streets and policing with a grant and to allow the Commissioner on Land and Local Governance to conduct the review and make recommendations on the matter.