

City supports hospital funds - in principle

Posted 8 hours ago

Residents could see a levy on their tax bill for the next decade to pay for projects at Kingston's hospitals, a move that is one vote away from becoming city policy.

Last night, councillors agreed in principle to a request from the University Hospitals Kingston Foundation for a \$16-million donation to construction projects at city hospitals. The move is subject to final approval from council.

City staff will now bring back options about how to have residents pay for the donation. Whatever decision councillors make about how to have residents cover the \$16 million, it will increase the amount of money taxpayers are billed for.

Councillors decided to deal with the hospital request at the start of deliberations.

"It is worthwhile getting an acknowledgement of whether or not we are going to provide money," said deputy mayor Bill Glover. "That ultimately will shape what we do with everything else [in the budget]."

Earlier this year, the fundraising foundation approached the city about donating to its campaign.

The foundation is attempting to raise approximately \$50 million for construction projects that are estimated to cost more than \$370 million.

In its first pitch earlier this year, the foundation asked the city to donate \$10 million in cash and waive \$6 million in development fees. Foundation officials came back to council a second time during the first night of budget talks. Hospital officials gathered in Memorial Hall and filled the council chamber during the presentation.

Last night, no one from the foundation was in the chamber to hear that a majority of councillors weren't interested in seeing the donation attached to tax increases for next year. Instead, they said a levy was more appropriate.

"I really don't feel that - because our mandate is not health care - it should be in our budget," said Councillor Leonore Foster.

The special levy would be a separate line on each tax bill. "I think that's the only way I could accept that," she said.

Money for the donation couldn't come from one of the city's reserve funds, which are the city's savings accounts. Finance commissioner Gerard Hunt said money from those funds can only be used if the city somehow has ownership of a project, which is not the case with the hospitals.

Hunt said the levy could be phased in over a few years and remain on the tax bill for years afterwards, until the city has paid off the entire donation.

Councillor Rob Hutchison said council needs to deal with its own spending issues before dealing with the hospital request.

"We should look after our business, not the province's, first," he said.

Hector said putting off a decision wouldn't change which way councillors vote on the issue.

"We can't debate what the province has set as the guidelines. If we want this community to be healthy ... then this is it. This is the thing we can make a big change on," Hector said. "I think this is what we need to do now."

The province gives \$9 for every \$1 the foundation raises for capital projects.

Councillor Vicki Schmolka said she was troubled by heavy lobbying of councillors by foundation officials last month, and again last night.

"We've never seen from the hospital why it's a \$16-million ask," she said. "We don't need to do this right now."

Councillors voted 8-3 to agree in principle to the donation. Councillors Schmolka, Rob Matheson and Joyce MacLeod-Kane dissented. Councillors Garrison and Lisa Osanic declared a conflict of interest on the matter and did not vote.

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