



June 24, 2026

To: Ontario municipalities affected by the Heads and Beds Payment-in-Lieu of Taxes Program

RE: Heads and Beds Payment-in-Lieu of Taxes Program – Municipal Collaboration Opportunity

On behalf of the Town of Penetanguishene, I am writing to share the enclosed Council resolution regarding the Heads and Beds Payment-in-Lieu of Taxes (PILT) program and to invite your municipality to participate in a collective discussion on this matter.

The Heads and Beds PILT program, originally established in 1970 and last updated in 1987, to \$75 per head/bed for provincially owned institutional facilities. As you may be aware, this rate has remained unchanged for nearly four decades and has not kept pace with inflation, municipal service responsibilities, or other Provincial PILT programs.

As a result, municipalities hosting these facilities continue to experience growing financial pressures, as the funding received does not reflect the true cost of providing essential municipal services.

The Town of Penetanguishene has made continuous efforts over several years to seek a fair and reasonable resolution to this matter, including multiple delegations with the Ministry of Finance. Despite these efforts, the current system remains, in our view, both outdated and inequitable.

We recognize that Penetanguishene is not alone in facing these challenges. Other municipalities across Ontario may be experiencing similar financial impacts as a result of this outdated program. As part of our ongoing advocacy efforts, we are reaching out to municipalities that receive Heads and Beds PILT funding to gauge interest in participating in a collective discussion. The intent is to determine whether there is a shared municipal interest in pursuing a collaborative advocacy approach with the Provincial Government to seek a complete review of the program and a fair and equitable solution.

If your municipality is interested in taking part in a joint discussion, or if you wish to share your experience on this issue, we welcome the opportunity to connect. Please confirm your municipalities interest by emailing our Executive Assistant, Emily Dermott-Simpson at edermott-simpson@penetanguishene.ca.

Thank you for your time and consideration. We appreciate your leadership and look forward to hearing from you.



Sincerely,

THE CORPORATION OF THE TOWN OF PENETANGUISHENE

Doug Rawson, Mayor
Town of Penetanguishene





COUNCIL RESOLUTION FORM

Date: May 5, 2026 **Disposition:** CARRIED

Moved by: Deputy Mayor D. La Rose **Item No.:** 10 vi.

Seconded by: Councillor G. Vadeboncoeur

Description: Resolution – Heads and Beds In-Lieu of Taxes

RESOLUTION:

WHEREAS the Heads and Beds Payment-in-Lieu of Taxes program was established in 1970 at a fixed rate of \$25 per full-time university student, increased to \$50 in 1973 when hospitals and provincial correctional facilities were included, and last increased in 1987 to \$75 per head/bed; and

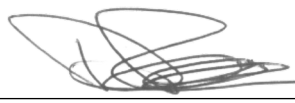
WHEREAS the fixed rate has remained unchanged for nearly four decades and has not kept pace with inflation, which would place the rate at approximately \$180 today; and

WHEREAS the Heads and Beds Payment-in-Lieu of Taxes has also not kept pace with provincially mandated municipal service responsibilities or other Provincial payment-in-lieu programs that are based on property assessment and municipal tax rates; and

WHEREAS the Town of Penetanguishene has formally requested regulatory amendments through multiple delegations with the Ministry of Finance, seeking a fair and reasonable resolution to the current situation, which the Town considers to be unfair and unreasonable; and

WHEREAS the Town is of the opinion that a complete and thorough review of the Heads and Beds Payment-in-Lieu of Taxes program is necessary to ensure municipalities and

Recorded Vote Requested by:		
.....		
	Yea	Nay
S. Marchand		
B. Waters		
G. Vadeboncoeur		
D. La Rose		
B. Desroches		
D. Leroux		
D. Rawson		



MAYOR

Declaration of Pecuniary Interest:

.....
Disclosed his/her/their interest(s), vacated
he/her/their seat(s) abstained from
discussion and did not vote.



local taxpayers are treated fairly and equitably in relation to the costs associated with provincially owned facilities;

NOW THEREFORE BE IT RESOLVED that the Council of the Town of Penetanguishene direct staff to circulate this resolution to affected municipalities across the Province of Ontario to gauge interest in participating in a collective lobbying initiative regarding the Heads and Beds Payment-in-Lieu of Taxes;

AND BE IT FURTHER RESOLVED that the purpose of this outreach is to determine whether there is shared municipal interest in pursuing collaborative advocacy with the Provincial Government to seek a fair and equitable approach to the Heads and Beds Payment-in-Lieu of Taxes program.

Recorded Vote Requested by:		
	Yea	Nay
S. Marchand		
B. Waters		
G. Vadeboncoeur		
D. La Rose		
B. Desroches		
D. Leroux		
D. Rawson		


MAYOR

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