MAR 25 2010

His Worship Fred Eisenberger
Mayor
City of Hamilton
City Hall
1 Main Street West
Hamilton, Ontario
L8P 4Y5

Dear Mayor Eisenberger:

On behalf of the McGuinty government, I am pleased to inform you that the province will provide a one-time grant of $14,200,000 in 2010 to the City of Hamilton.

We recognize and acknowledge the fact that the City of Hamilton is faced with financial challenges. Hamilton has benefited from a variety of programs undertaken by our government. Since 2003 the province has more than doubled ongoing support to the City of Hamilton.

Municipalities are benefiting from the government's decision to upload social assistance benefit program costs. In 2010, the province began the phased upload of the Ontario Disability Support Program (ODSP) and Ontario Works benefit costs. This builds on the government's previous uploads of Ontario Drug Benefits in 2008 and the administration component of ODSP in 2009. When all of the uploads are fully implemented, including up to $125 million annually in court security costs, the net benefit to municipalities will be $1.5 billion annually.

The City of Hamilton will directly benefit from the upload of these social assistance benefit program costs. By 2018, the City of Hamilton's net annual benefit is estimated to exceed its 2007 Ontario Municipal Partnership Fund (OMPF) allocation by $71.9 million. The City of Hamilton will also benefit from the upload of court security costs.

In 2010 the Ontario government is providing the City of Hamilton with a combined benefit through OMPF and provincial uploads of $47.3 million. This is $6 million higher than the support provided in 2009.

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In 2009, the City of Hamilton received a total of $15.1 million in land ambulance 50:50 cost-shared funding — $3.5 million more than 2008 under this initiative. By 2010 the cumulative benefit to the City of Hamilton resulting from the upload of the public health funding is estimated at $9.8 million. When our Business Education Tax (BET) cuts are fully implemented in 2014, commercial and industrial businesses in Hamilton will benefit from a projected $8.8 million, or average 10 per cent, reduction in BET rates. In 2008, the city received $48 million of the $1.1 billion provided under the Investing in Ontario Act.

Significant support has also been provided for all Ontario communities through a joint federal and provincial investment totaling more than $380 million for 766 projects under the Recreational Infrastructure Canada program in Ontario and the Ontario Recreation Program.

These initiatives will help your efforts to put the City of Hamilton on a sustainable financial footing over the long term.

Ministry of Finance officials will be in contact with city staff to confirm details of the 2010 payment.

Sincerely,

[Signature]

Dwight Duncan
Minister

c: The Honourable Jim Bradley, Minister of Municipal Affairs and Housing
The Honourable Sophia Aggelonitis, Minister of Consumer Services
Ted McMeekin, MPP, Ancaster-Dundas-Flamborough-Westdale