Dear Mayor Bratina:

I am writing in response to your letter to the Honourable Dalton McGuinty, Premier of Ontario, regarding a request for special assistance for the City of Hamilton for 2011.

I am certain you will agree that our government has a very strong record of supporting and working with municipalities. Despite the province's fiscal challenges, we remain committed to our decision to upload social assistance benefit program costs from the property tax base. Our government understands the importance of this commitment to the residents of Hamilton.

Once fully implemented, these uploads, along with the upload of up to $125 million annually in court security costs, will result in a net benefit to municipalities of $1.5 billion annually. This is an example of the strong partnership our government has had with the City of Hamilton and all municipalities since 2003.

In 2011, the City of Hamilton is estimated to see a total benefit of $59.5 million as a result of these uploads. This represents an increase of 26 per cent, or $12.1 million compared to the support provided in 2010 through both the Ontario Municipal Partnership Fund (OMPF) and provincial uploads. In addition, by 2018, the city's annual net benefit is estimated to exceed its 2007 OMPF allocation by $71.9 million.

In 2010, the province provided Hamilton with $14.2 million in special assistance and this year alone the ongoing support to the City of Hamilton has increased by $69.9 million (or 159 per cent) since 2003. Also, I understand that the city has identified an expected surplus of $14.5 million for 2010.

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Furthermore, as announced on March 23, 2011, the city also received an additional payment of $8.15 million as a result of the final reconciliation of the 2009 OMPF. I understand that this funding is significantly more than was expected by the city in respect of the 2009 reconciliation. This additional funding is also twice the amount you identified in your letter.

As you may know, the OMPF is the province’s main transfer payment to municipalities and all OMPF allocations are provided as unconditional grants. One of the government’s key objectives for the program is to assist municipalities with their share of social program costs. In fact, the Social Programs Grants under the OMPF are specifically designed for that purpose.

Given the significant increase in provincial support to the city and the province’s current fiscal situation, no new additional special assistance will be provided to the city beyond what has already been announced.

In closing, I would also like to note that the City of Hamilton has had incredibly strong advocates in Sophia Aggelonitis and Ted McMeekin and has benefited from significant provincial infrastructure investment in recent years, including $64.8 million under the Infrastructure Stimulus Fund and an announced $100 million to help upgrade the Woodward Avenue Wastewater Treatment Plant. Recently, the province announced that it would provide $22.5 million to renovate the Ivor Wynne Stadium for the Pan Am games and for future athletic events.

We will continue to work together with Hamilton and other municipalities to secure Ontarians’ future over the long-term.

Sincerely,

Dwight Duncan
Minister

C: The Honourable Sophia Aggelonitis, MPP, Hamilton Mountain
Ted McMeekin, MPP, Ancaster – Dundas – Flamborough – Westdale

OFFICE OF THE CITY CLERK

APR 1 9 2011

[Handwritten note: Calc./Chie, Mike 2, Tim H.]