March 23, 2006

His Worship Larry Di Ianni
Mayor
City of Hamilton
City Hall
71 Main Street West
Hamilton, Ontario
L8P 4Y5

Dear Mayor Di Ianni:

On behalf of the McGuinty government, I am pleased to inform you that one-time funding in the amount of $17,000,000 will be provided to the City of Hamilton to help address its 2006 budget pressures.

I am also pleased to advise you that the City’s 2006 allocation under the Ontario Municipal Partnership Fund (OMPF) will increase by approximately $2.9 million to $33,120,850, as a result of the introduction of a new grant component which targets funding to municipalities that have high social program costs relative to their residents’ household incomes.

The City of Hamilton will also benefit from a wide range of recently announced initiatives that provide targeted support to local communities:

- Move Ontario, the government’s major new investment of $1.2 billion, including $400 million in 2006 to help municipalities primarily outside the GTA – with emphasis on rural and northern communities – invest in municipal roads and bridges;

- Investment of $300M over the next three years to move towards a 50:50 partnership for the cost of municipal land ambulance services by 2008;

- Increased funding of $107M to the Ontario Municipal Partnership Fund in 2006 (totalling $763M); and

- Increased flexibility for municipalities to direct 100 per cent of provincial gas tax revenues to operating expenditures, as well as capital projects.

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These new initiatives will complement the government's overall strategy in providing ongoing support to local communities, which includes:

- More than $1.4 billion in provincial gas tax revenues to municipalities over five years;
- Increase in the provincial share of funding for public health to 75 per cent by 2007;
- $298 million toward the $900 million fund for the Canada-Ontario Municipal Rural Infrastructure Fund; and
- Assistance to more than 190 municipalities with up to $2.4 billion in low-cost, longer-term loans, for more than 1,200 critical public infrastructure projects, through the Ontario Strategic Infrastructure Financing Authority.

Sincerely,

Dwight Duncan
Minister

c: The Honourable John Gerretsen, Minister of Municipal Affairs and Housing
The Honourable Marie Bountrogianni, MPP, Hamilton Mountain
Judy Marsales, MPP, Hamilton West
Ted McMeekin, MPP, Ancaster-Dundas-Flamborough-Aldershot
Jennifer F. Mossop, MPP, Stoney Creek