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 $16,500,000 in 2009 to the City of Hamilton.

This assistance is in addition to the significant support for all Ontario communities provided in the 2009 Ontario Budget. For example, the government will invest $32.5 billion for infrastructure projects over the next two years and provide $1.2 billion to renovate and build social housing.

Since 2003, our government has more than doubled ongoing support to the City of Hamilton.

As you know, the Provincial-Municipal Fiscal and Service Delivery Review (PMFSDR) announced the provincial upload of Ontario Drug Benefits (ODB), the Ontario Disability Support Program (ODSP), Ontario Works (OW) benefits and up to $125 million annually in Court Security costs. By 2018, when these uploads are completed, the net annual benefit to municipalities will be $1.5 billion compared to the announced March 2007 Ontario Municipal Partnership Fund (OMPF).

The City of Hamilton will directly benefit from the uploads of these social services. By 2018, the City of Hamilton’s net annual benefit is estimated to exceed its March 2007 OMPF allocation by $71.9 million.

In 2009, the Ontario government is providing the City of Hamilton with a combined benefit of $41.4 million: $26 million in funding under the OMPF and $15.4 million from the upload of ODB and ODSP administration. This is $5.6 million more than the announced March 2007 OMPF allocation.

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In 2009, the City of Hamilton will receive a total of $15.1 million in land ambulance cost-shared funding, $3.6 million more than in 2008. By 2009, the cumulative benefit to the City of Hamilton resulting from the upload of the public health funding is estimated at $9.9 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 reduction in BET rates, or 10 per cent on average.

Finally, Hamilton has also recently benefited from $48 million in capital funding through the Investing in Ontario Act, 2008, and $14 million through the 2008 Municipal Infrastructure Investment Initiative.

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 2009 payment.

Sincerely,

Dwight Duncan
Minister

c:  The Honourable Ted McMeekin, Minister of Government Services
    The Honourable Jim Watson, Minister of Municipal Affairs and Housing
    Sophia Aggelonitis, MPP, Hamilton Mountain