JUN 2 3 2008

His Worship Fred Eisenberger
Mayor
City of Hamilton
Hamilton City Centre
77 James Street North
Hamilton, Ontario
L8R 2K3

Dear Mayor Eisenberger:

Further to our letter of March 31, 2008, please be advised that funding of $8,806,309 is being provided to your municipality either through electronic funds transfer or cheque, depending on the established funding arrangement with the province.

The Ministry of Transportation is pleased to be able to provide the above-noted funds for the purpose of funding municipal road and bridge capital investment needs.

Addressing municipal road and bridge capital investment needs is an important part of maintaining and improving the province’s transportation network, economic success and Ontarians’ quality of life.

As referenced in my earlier correspondence, please note the following reporting and accountability provisions which apply to this transfer:

Types of eligible expenditures:

- Rehabilitation of municipal road and bridge capital infrastructure, specifically, these are capital funds to be used for rehabilitation of municipal roads and bridges, rather than ongoing and routine maintenance.
- Expenditures should be limited to those types of capital rehabilitation expenditures that alter (improve) or extend the life of the road or bridge asset as opposed to general maintenance.

- Examples of eligible expenditures:
  - gravel purchases
  - surface treatment of roads that hadn’t been completed yet
  - culverts

- Examples of non-eligible expenditures:
  - winter maintenance (snow plowing, sanding, etc.)
  - summer maintenance (litter pick-up, grass cutting, marking)
  - municipal sewers
  - traffic lights
  - any expense paid for by another funding source
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- direct operating costs
- entertainment expense
- alcoholic beverages
- taxes and fines
- interest

Requirement for future reporting:
- A final summary report detailing total costs, types of expenditures, use of provincial funding, and specific outcomes achieved shall be submitted to the ministry within three months of program completion or complete use of funds. This report should be submitted to:

Ministry of Transportation
Controllership Office
301 St. Paul Street – 6th Floor
St. Catharines, Ontario
L2R 7R4

- Other written periodic reports and information as may be requested by the Province of Ontario.

Right to independent verification/audit:
- The province reserves the right to verify or audit any information submitted for completeness and accuracy, and to ensure that funds were used on eligible expenditures and for the purpose intended.

Right to recover funds:
- The province reserves the right to recover up to and including the amount of funds provided, if it is determined that the funds provided were not used, or will not be used, for the intended purpose(s).

We wish the City of Hamilton much success in its endeavours. We look forward to receiving additional information on how the above grant was used and the outcomes achieved. Should you have any questions, please call the ministry at (905) 704-2741.

Yours sincerely,

Jim Bradley
Minister

c: Bruce McCuaig, Deputy Minister, Ministry of Transportation
   Andrea Horwath, MPP, Hamilton-Centre
   Paul Miller, MPP, Hamilton East-Stoney Creek
   Sophia Aggelontis, MPP, Hamilton Mountain
   The Honourable Ted McMeekin, MPP, Ancaster-Dundas-Flamborough-Westdale
Tim Hudak, MPP, Niagara West-Glanbrook
Joyce Savoline, MPP, Burlington
Municipal Clerk's Office