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December 18, 2006

Dear Head of Council:

We are pleased to announce the release of the Ontario Municipal Partnership Fund (OMPF) allocations for 2007.

The government is increasing OMPF funding to \$824 million in 2007, \$61 million or 8% more than the 2006 OMPF funding announced last March, and a \$206 million or 33.3% increase over funding received in 2004. This increase reflects our government's commitment to supporting municipalities.

As you know, the OMPF is the Province's main transfer payment to municipalities. The OMPF assists municipalities with their social program costs, includes equalization measures, addresses challenges faced by northern and rural communities, and responds to policing costs in rural communities.

While the basic structure of the OMPF will remain unchanged in 2007, we have introduced further refinements to ensure that the OMPF grants continue to remain up to date and responsive to municipal financial needs.

We are also pleased to advise that additional assistance will be available to municipalities to ensure that the 2007 funding is not less than the funding levels announced in March 2006. The Deputy Ministers of Finance and Municipal Affairs and Housing will provide the details of this additional assistance for affected municipalities.

Municipal Treasurers and Clerk-Treasurers will also be provided with the details of all OMPF grant enhancements along with *2007 Allocation Notices* and *2007 Cash Flow Notices*. This information and other supporting materials will be posted in both English and French on the Ministry of Finance website:

<http://www.fin.gov.on.ca/english/community/ompf/>  
<http://www.fin.gov.on.ca/french/community/ompf/>

For your reference, we have enclosed a brochure, the *Ontario Municipal Partnership Fund 2007*, which provides general information on OMPF grant refinements. The *OMPF Technical Guide* will also be revised to reflect all data updates and specific grant modifications. Any queries can also be directed to the OMPF e-mail address at [info.ompf@ontario.ca](mailto:info.ompf@ontario.ca).

The OMPF is a key component of the government's overall program to support municipalities. Other components include:

- Delivering more than \$1.6 billion in provincial gas tax revenues to municipalities by 2010;
- Investing \$1.2 billion in public transit, roads, and bridges through Move Ontario, which includes \$400 million in 2006 for municipal roads and bridges, with an emphasis on rural and northern communities;
- Increasing the provincial share of public health funding to 75% in 2007;
- Investing \$300M between 2006 and 2008 to move towards a 50:50 partnership for the cost of municipal land ambulance services by 2008;
- Providing \$298 million toward the \$900 million fund for the Canada-Ontario Municipal Rural Infrastructure Fund;
- Assisting more than 200 municipalities with up to \$2.8 billion in low-cost, longer term loans, for more than 1,200 local projects, through Infrastructure Ontario's OSIFA loan program; and
- Providing \$70 million in 2007 to support investments in local infrastructure in rural and small municipalities across Ontario.

Finally, as you know, the government has recently expanded its partnership with the municipal sector to examine a better arrangement for delivering and funding municipal services. The OMPF will be included in this Provincial-Municipal Fiscal and Service Delivery Review, which will look broadly at funding, service delivery, accountability, and governance issues to ensure that the best possible services can be delivered in an affordable way.

We remain committed to our partnership with municipalities, and we believe that by working together on shared challenges, we will develop a plan to make sure communities across the province continue to prosper in the years to come.

Yours sincerely,



Greg Sorbara  
Minister of Finance



John Gerretsen  
Minister of Municipal Affairs and Housing