

**Ministry of Finance**  
Office of the Minister  
Frost Building South  
7 Queen's Park Cr  
Toronto ON M7A 1Y7  
Tel (416) 325-0400  
Fax (416) 325-0374  
www.fin.ontario.ca

**Ministry of Municipal Affairs  
and Housing**  
Office of the Minister  
777 Bay Street  
Toronto, ON M5G 2E5  
Tel (416) 585-7000  
Fax (416) 585-6470  
www.mah.ontario.ca



November 14, 2008

Dear Head of Council:

We are writing to you today to follow up on the recent release of the Report of the Provincial-Municipal Fiscal and Service Delivery Review (PMFSDR) and to provide you with information on the impact of its recommendations on the Ontario Municipal Partnership Fund (OMPF). We trust that this information will assist you as you prepare your 2009 municipal budget.

Together with our partners, the Association of Municipalities of Ontario (AMO) and the City of Toronto, we have produced a landmark agreement that will benefit municipalities for years to come. As a final result of the PMFSDR, the province is uploading not only the Ontario Drug Benefit (ODB) program and the Ontario Disability Support Program (ODSP), but also Ontario Works (OW) benefits as well as court security. By 2018, when these uploads are fully implemented, municipalities province-wide will receive \$1.5 billion more in annual benefits than they received in March 2007. As a result, we will have increased ongoing annual support to municipalities to over \$3.8 billion, an increase of more than \$2.7 billion, or over 250 per cent, compared to 2003.

The OMPF was included in the PMFSDR, and the review's recommendations will affect the program in future years. Our partners agreed to the key principle that the OMPF remain responsive to changes in municipal circumstances, such as the upload of ODB, and ODSP and OW benefits. Consistent with the normal operation of the OMPF, the social programs grants will be adjusted to reflect the reduction in municipal costs for these programs as the uploads are phased in.

Some municipalities would normally see a reduction in their OMPF allocations because of the phase-out of the one-time and transitional funding they have received in past years under the OMPF. In 2009, through the Combined Benefit Stable Funding Guarantee (CBSFG), we will ensure that your municipality's *combined benefit* of your 2009 OMPF plus the reduced costs from ODB and ODSP administration uploads, will be equal to or greater than your March 2007 OMPF. The special one-time assistance we are providing in 2009 to deliver on this Guarantee will allow you sufficient time to plan your 2010 spending in accordance with your actual OMPF entitlements.

.../cont'd

Further details of this OMPF Combined Benefit Stable Funding Guarantee for 2009 will be provided by the Deputy Ministers of Finance and Municipal Affairs and Housing to municipal Treasurers and Clerk –Treasurers.

The PMFSDR Report is available at: [www.ontario.ca/provinciamunicipalreview](http://www.ontario.ca/provinciamunicipalreview).

We will continue to build on the foundation of our forward-looking partnership to achieve our common goal of strong and vital communities.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Dwight Duncan", with a horizontal line underneath.

Dwight Duncan  
Minister  
Ministry of Finance

A handwritten signature in blue ink, appearing to read "Jim Watson".

Jim Watson  
Minister  
Ministry of Municipal Affairs and Housing