

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



December 15, 2010

Dear Head of Council:

We are writing to announce the release of the Ontario Municipal Partnership Fund (OMPF) allocations for 2011.

As outlined in the Fall Economic Statement delivered on November 18, 2010, there are clear signs that an economic recovery is taking shape in Ontario. We are strengthening our economy and creating more jobs by investing in infrastructure projects within your communities and improving the quality of life for all Ontarians. These investments require our continued prudent and responsible approach to fiscal management.

Despite the province's fiscal challenges, municipalities are continuing to benefit from our decision to upload social assistance benefit program costs. We understand the importance of this commitment to our municipal partners. Once fully implemented, these uploads, along with the upload of up to \$125 million annually in court security costs, will result in a net benefit to municipalities of \$1.5 billion annually.

We will complete the upload of the Ontario Disability Support Program (ODSP) and continue to phase in the upload of Ontario Works (OW) benefit costs in 2011. This builds on our previous uploads of Ontario Drug Benefits (ODB) in 2008 and the administration component of ODSP in 2009.

In 2011, we will provide over \$1.5 billion in support to 405 municipalities through the combined benefit of both the OMPF and the provincial uploads. The OMPF will total \$577 million in 2011. Combined with the \$947 million in provincial uploads, this represents a 28 per cent increase over the support provided in 2010 and more than double the funding provided in 2004.

Given the province's fiscal challenges as well as our significant ongoing investments in the municipal sector, full mitigation was discontinued beyond 2009. However, in 2010 municipalities were provided with \$25 million in transitional assistance.

For 2011 transitional assistance will be reduced to \$20 million. This reduction reflects the increased number of municipalities receiving funding at, or close to, actual OMPF entitlements.

..../cont'd

While the OMPF transitional assistance guarantee for 2011 again remains at the higher level for northern municipalities, other regions of the province will also benefit from an enhancement to their guarantee.

We are also pleased to confirm that the 2009 OMPF will be reconciled in the coming months.

The Ministry of Finance's (MOF) Provincial-Local Finance Division will be providing your municipal Treasurers and Clerk-Treasurers with further details on the 2011 OMPF, including the transitional assistance. This information and other supporting materials will be posted in both English and French on the MOF website:

<http://www.fin.gov.on.ca/en/budget/ompf/2011/>
<http://www.fin.gov.on.ca/fr/budget/ompf/2011/>

Our record on supporting municipalities speaks for itself. Together with other provincial initiatives, we will have increased ongoing annual support to municipalities to more than \$3.8 billion by 2018, an increase of over 250 per cent compared to 2003.

Ontario's economy is emerging from the global recession. Our government is introducing measures to improve the economy and we are focused on working with municipalities to help secure Ontarians' future over the longer term.

Yours sincerely,

Information copy
Original signed by

Dwight Duncan
Minister
Ministry of Finance

Information copy
Original signed by

Rick Bartolucci
Minister
Ministry of Municipal Affairs and Housing