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January 23, 2012

CSC 12-2012

Dear Head of Council:

We are writing to announce the release of the Ontario Municipal Partnership Fund (OMPF) allocations for 2012.

We are pleased to confirm that we remain committed to the upload of municipal costs in accordance with the timetable agreed to through the Provincial-Municipal Fiscal and Service Delivery Review.

In 2012, we will continue the phased upload of Ontario Works (OW) benefit costs and begin to phase in the upload of court security and prisoner transportation costs. This builds on our previous uploads of Ontario Drug Benefits (ODB) and Ontario Disability Support Program (ODSP). In addition, we have also uploaded over \$170 million in support of municipal OW administration costs. These uploads have ensured that more property tax dollars are available for important municipal priorities, including investments in infrastructure and economic development.

In 2012, we will provide over \$1.8 billion to municipalities through the combined benefit of OMPF and provincial uploads. The OMPF will total \$583 million in 2012. Combined with the \$1.2 billion in provincial uploads, this is almost three times the level of funding provided under the previous program.

In addition, we will also provide \$15 million in transitional assistance to municipalities to ensure a guaranteed level of support for 2012.

The Ministry of Finance's (MOF) Provincial-Local Finance Division will be providing your municipal Treasurers and Clerk-Treasurers with further details on the 2012 OMPF, including the provision of 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/2012/ http://www.fin.gov.on.ca/fr/budget/ompf/2012/

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Given the current global economic uncertainty, the provincial economy faces significant challenges. We will meet these challenges through fundamental reforms to the way government works. In this context, the *Commission on the Reform of Ontario's Public Services*, chaired by Mr. Don Drummond, is expected to recommend that the target for spending growth should be one per cent or less.

The government will consider the Commission's recommendations along with other advice in the coming months. However, in order to address the province's fiscal situation, it is clear that we must remain committed to achieving greater efficiency and effectiveness in the provision of public services. This commitment will also be required from all our partners, including municipalities.

Our government has a very strong record of supporting and working with municipalities. Together with other provincial initiatives, we will provide municipalities with ongoing support of approximately \$3.2 billion in 2012 — almost three times the level provided in 2003. We look forward to building on our partnership with municipalities as we move forward to address our shared challenges.

Sincerely,

Dwight Duncan Deputy Premier Minister of Finance

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Kathleen Wynne Minister Ministry of Municipal Affairs and Housing