



OFFICE OF THE MAYOR

September 29, 2011

Dear LUMCO Member:

I wanted to bring to your attention an issue that is very important in the Provincial election being held on October 6. In 2008, an agreement was struck between the provincial government and Ontario municipalities to remove a total of \$1.5 billion in social services and other costs from the property tax and transfer them back to the Province of Ontario over a number of years, to be completed in 2018. We refer to this transfer as "uploading". This issue is important because it affects municipalities and taxpayers and, more importantly, property taxes right across Ontario.

So far, the current provincial government has uploaded almost \$950 million in costs from cities. Costs associated with social services like the Ontario Drug Benefit for social assistance recipients (\$181 million), the Ontario Disability Support Program costs (\$737 million) and Ontario Works (\$29 million). These are all costs that are more appropriately covered by progressive provincial taxation policy, not municipal property taxes.

At the August annual meeting of the Association of Municipalities of Ontario, a simple question was asked of all political parties: Do you support the completion of the \$1.5 billion provincial uploading project that was commenced in 2008?

Both Premier Dalton McGuinty and NDP Leader Andrea Horwath were very clear in their support of fully honouring the agreement. Conservative leader Tim Hudak stopped short, saying, "The billion dollars that has been taken up to the provincial level to date, we will honour that." When pressed he refused to commit to honouring the signed agreement to upload the full \$1.5 billion by 2018.

These dollar savings represent significant amounts to each and every city. Municipal governments have been able to use the new flexibility in many ways. Some have been holding the line on municipal taxes for their residents, while others have been investing in affordable housing or local infrastructure improvements. Most importantly, what they do with the money is up to local councils and they use the fiscal freedom in ways they see as appropriate.



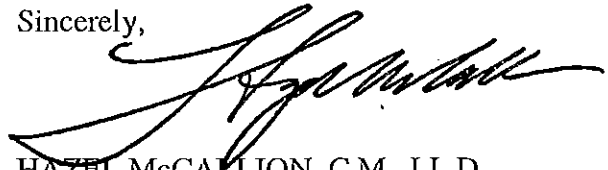
But, the program is not finished. Between now and 2018, the agreement will see the provincial government absorb an even fairer share of costs. They will finish the uploading of the Ontario Works benefits to a total of \$430 million annually and they will also lift \$125 million annually in Court security costs from the backs of municipal taxpayers.

Not completing the upload program would hurt communities in every part of Ontario. For example, in Peel Region (including Mississauga) we would lose \$29 million annually plus its share of the Court security cost upload. These numbers are not small. The dollars mean a lot to local councils and taxpayers. And that is why a clear and concise answer from politicians and their political parties is so important.

Councils that have planned on receiving the increased funds deserve an answer. Taxpayers in every community in Ontario who will see property taxes impacted if the program is not completed deserve a clear yes or no.

Mr. Hudak needs to speak out now and commit to completing this important project and honouring a signed agreement made in good faith as the other party leaders have done. A simple yes or no will suffice.

Sincerely,

A handwritten signature in black ink, appearing to read 'Hazel McCallion', written in a cursive style.

HAZEL McCALLION, C.M., LL.D.
MAYOR