

**Ministry of
Municipal Affairs
and Housing**

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June 11, 2008

08-41234

Ms. Margaret McCarthy
Councillor, Ward 15 (Flamborough)
City of Hamilton
Hamilton City Centre
77 James Street North
Suite 230
Hamilton ON L8R 2K3

Dear Councillor McCarthy:

The Honourable Dalton McGuinty, Premier of Ontario, has asked me to respond to your letter of May 2, 2008, regarding residential property-tax increases for the community of Flamborough within the City of Hamilton. I appreciate receiving your letter and have noted your concerns.

The Ministry of Municipal Affairs and Housing makes every effort to ensure that municipalities across the province are viable, financially sustainable and capable of delivering services in the public interest. Since the beginning of our mandate, this government has been working with – and investing in – our municipal partners to build strong, vibrant communities. Over the last two years alone, our government has made the following commitments to the City of Hamilton:

- \$35.7 million from the Ontario Municipal Partnership Fund in both 2007 and 2008
- \$30 million in additional funding to assist with the cleanup of Randle Reef
- \$14 million from the Municipal Infrastructure Investment Initiative
- A one-time grant of \$12 million to help the city alleviate its 2007 budget pressures
- \$12 million to enable the city to proceed with strategic investments in 2008
- \$8.8 million from the 2008 Ontario Budget for the upkeep of roads and bridges

That being said, under the *Municipal Act, 2001* and other pieces of legislation, the Province recognizes municipalities as responsible and accountable governments within their areas of jurisdiction. The legislation grants each municipality powers and duties for the purpose of providing good government.

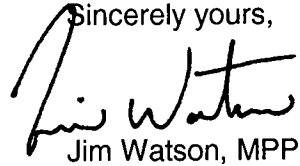
Being a local councillor, you are no doubt aware that council has the authority to make decisions dealing with matters within its jurisdiction, including property-tax rates. These and other areas of authority can be found in the *Municipal Act, 2001* at www.e-laws.gov.on.ca.

In addition to general tax rating, the legislation provides municipalities with the option of establishing area rates, which are different tax rates for services provided at different levels in different geographic areas within the municipality. However, it is strictly a municipal decision to use the area-rating provisions.

Ms. Margaret McCarthy

I encourage you to continue discussions with your colleagues from Hamilton Council in order to seek a mutually satisfactory resolution to this matter.

Once again, thank you for bringing your concerns to my attention.

Sincerely yours,

Jim Watson, MPP
Minister

c: The Honourable Dalton McGuinty, Premier of Ontario
The Honourable Ted McMeekin, MPP, Ancaster–Dundas–Flamborough–Westdale
Ms. Sophia Aggelonitis, MPP, Hamilton Mountain
Mayor Fred Eisenberger and Council, City of Hamilton