



December 16<sup>th</sup> 2008

The Honourable Dwight Duncan  
Minister of Finance and Chair of Management Board of Cabinet  
7 Queen's Park Crescent, 7<sup>th</sup> floor  
Toronto, Ontario  
M7A 1Y7

Dear Minister Duncan:

**RE: Grant vs. Loan for Municipalities –Pending Social Services Uploading**

As per our previous correspondence, Hamilton Chamber of Commerce recognizes and indeed enthusiastically applauds your government's commitments to upload Social Services Costs funding from municipalities, to be completed by 2018; plus, your recently announced commitment of a further \$4.6 Million in interim grant to assist the City of Hamilton with Social Services funding in 2009. This totals a very impressive \$64 Million in similar funding that your government has provided to this City in the past few years to help address the issue, for which we are truly very grateful.

However, notwithstanding our genuine gratitude, we do note that the City of Hamilton estimates that they have a residual extraordinary financial burden estimated in the range of \$16.5 Million in 2009 with respect to the total direct social assistance and housing funding shortfalls due to downloading, albeit imposed by a previous government. As a result, the City of Hamilton still has to contribute a higher proportion of property tax revenues to fund social assistance and housing than most other jurisdictions in Ontario, certainly much more than neighbouring communities - thus leaving us in a difficult financial position, as well as a distinct competitive disadvantage in terms of attracting and retaining our fair share of economic development activities derived from business. Thus, a more expeditious uploading of such costs, particularly from Hamilton, would still seem to us be an appropriate course. This is now particularly made more urgent by the dynamics of our current recession, which will place inordinate burdens on local business and the City, as well as those in need of such services.

But, in the interim, and if the current schedule for uploading remains unchanged, we would endorse the concept of “bridging” loan(s) from the Province to the City sufficient to cover shortfalls caused by Social Services Costs, to be funded from the positive Cash Flows which will eventually accrue to City once uploading is fully complete. We feel that this is a highly innovative approach constituting a very creative way to addressing the shortfall responsibly, to the benefit of all concerned.

Please refer any comments or questions in this matter to either myself, or John Dolbec, who can be reached at (905) 522-1151 ext. #229 or [j.dolbec@hamiltonchamber.on.ca](mailto:j.dolbec@hamiltonchamber.on.ca)

Thank you for your ongoing attention to this important matter.

Sincerely,

Tyler MacLeod  
President, Hamilton Chamber of Commerce