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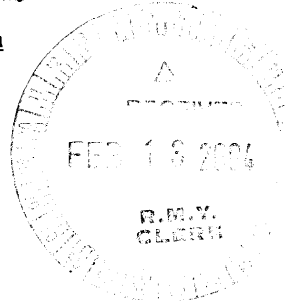
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Ontario



February 10, 2004

Mrs. Ann Mulvale  
President

Association of Municipalities of Ontario  
393 University Avenue, Suite 1701  
Toronto ON M5G 1E6

REGION OF YORK  
CLERK'S OFFICE

FILE No. -

p04 → Chair  
CAO  
S. Cartwright

Dear Mrs. Mulvale:

I am writing today to reaffirm the provincial position on the GST rebate for municipalities announced in the federal throne speech.

My colleague, Finance Minister Greg Sorbara, has said quite clearly that the Ontario government has no intention of clawing back the rebate. Any speculation along those lines is simply misinformed and inaccurate.

We are very pleased about the federal government's willingness to commit financial support to municipalities through the GST rebate. That funding will help Ontario's municipalities meet the fiscal challenges they face.

As I said at the recent Memorandum of Understanding meeting, the Ontario government is committed to a new way of doing business, and an agenda for positive change. We recognize that Ontario municipalities need a new deal that will restore their ability to plan, manage and invest for the future.

We know action is needed to ensure fiscal sustainability for municipalities. Our goal is to find ways to really bring the three levels of government together as partners.

We are still in the early stages. Ontario's current fiscal challenges dictate a measured, responsible approach to implementing a new deal. But we are committed to moving ahead, and we look forward to beginning the process with you.

Sincerely,

John Gerretsen  
Minister

c. Heads of Council

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FAX NO. 416 971 6191

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The Provincial budget is an opportunity for change. As stated in the AMO submission, "Municipal governments have their own fiscal challenges and simply want the cooperation of federal and provincial governments to help us with the machinery to get the job done. With commitment, with leadership, with trust, we can get the job done." AMO's submission is available at:

[www.amo.on.ca/whats\\_new/whats\\_new.html](http://www.amo.on.ca/whats_new/whats_new.html).

**Action:** AMO will keep members informed regarding the provincial budget and any progress on the "New Deal" to renew our communities.

*This information is available through AMO's subscription based MUNICOM network at [www.municom.com](http://www.municom.com).*

**For more information, contact:** Pat Vanini, AMO Executive Director, at 416-971-9855 ext. 316