



February 11, 2010

Janet Peake
Mayor
Township of Lake of Bays
Municipal Offices,
Dwight, ON P0A 1H0

Dear Mayor Peake:

On September 3, 2008, AMO was pleased to sign an extension to the Agreement for the Transfer of Federal Gas Tax Revenues Under the New Deal for Cities and Communities with Minister Baird. The extension was contingent upon the completion of a program evaluation of the initial agreement, which is now successfully concluded.

As a result, Ontario municipalities can expect to receive a predictable and stable funding stream of \$746 million annually between 2010 and 2014. These funds are allocated to municipalities on a per-capita basis using the last census data (2006) which means each and every Ontarian benefits equally from this investment in environmentally sustainable municipal infrastructure.

Municipalities are required to enter into an amended Municipal Funding Agreement with AMO to enable this transfer. Please find enclosed two (2) copies of the amendment to the Municipal Funding Agreement for the transfer of Federal Gas Tax Funds, as well as a guide to the Municipal Funding Agreement. We need both copies of the amendment signed and returned to AMO to be fully executed.

With the first payment of the extension expected in July 2010, your municipality can expect uninterrupted payments of the Gas Tax Fund upon the timely execution of the amendment with AMO and the completion of the 2009 Gas Tax reporting requirements.

Over the term of the extension, AMO will continue to effectively and efficiently administer the Gas Tax Fund on behalf of Ontario's municipalities. This will be especially important as we work towards the Fund's permanency which was announced in the 2008 Federal Budget.

Should you have any questions please contact Judy Dezell, AMO's Manager of the Federal Gas Tax program, at jdezell@amo.on.ca or 416-971-9856 ext. 306.

Yours truly,

Peter Hume
President

Enclosures

C: Don Chevalier, CAO/Treasurer

