

County of Middlesex, 399 Ridout Street North, London Ontario N6A 2P1 warden@middlesex.ca

Mayor Joe Fontana Sent by e-mail and fax

April 18th, 2012

RE: CMSM Services Funding Meeting

Dear Mayor Fontana,

I am writing today to draw your attention to a very important funding issue and to invite you to a special meeting of County Council which will address this issue on May 22nd.

As you know, in 2011, the administration for the County of Middlesex notified the administration for the City of London that the County would like to pursue a "user pay" model for the distribution of social housing costs. In recognition that there was a growing list of recently arbitrated decisions that supported the "user pay" model, both our administrations agreed to phase in this new funding model in 2012.

Recently, the City of London administration completed an administrative review of the proposed social housing funding model and determined that they could no longer support the "user pay" model. As well, your administration concluded that a consistent funding model based upon weighted assessment should be utilized for all Consolidated Municipal Service Manager services (Ontario Works, Land Ambulance, Social Housing, Childcare). As a result of these differing administrative principles for funding inter-municipal services, our administrations have reached an impasse that can only be solved with political involvement.

To ensure that our Council is fully apprised of the City's viewpoint and the inherent risks associated with putting this issue in the hands of an arbitrator, I have organized a special meeting of our Council on May 22nd. I am writing to invite you and your senior administration to this important meeting to gain a better understanding of our Council's position, recent arbitrated settlements and the potential liabilities of the various potential funding models.

I am hopeful that through continued dialogue we will be able to come to a solution to this issue that is based upon the principles of cooperation and fairness that are the backbone of the multitude of agreements that we have developed over the past 15 years.

If you have any questions in regard to our proposed meeting, please do not hesitate to ask.

Yours truly,

Jim Maudsley Middlesex County Warden