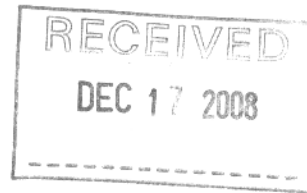


**Ministry of
Municipal Affairs
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December 12, 2008

08-43480

Mr. Michael Walker
Councillor – Ward 22
St. Paul's
City of Toronto
100 Queen Street West
2nd Floor, Suite B26
Toronto ON M5H 2N2

Dear Mr. Walker:

Thank you for your letter of November 26, 2008 regarding the reform of election campaign financing. I appreciated the opportunity to meet with you and to hear your concerns regarding municipal elections in the City of Toronto.

As I indicated during our meeting, I hope to discuss these issues with my colleagues in the coming weeks. Please be assured that I am well aware of the implications that the timing of any reforms may have on municipalities for conducting the 2010 election.

Regarding the issue of the rebate program and retention of surplus, I am advised that the optional nature of Toronto's program is a product of the city's by-law rather than the legislation, and that it is within the authority of the City of Toronto to alter the program. Therefore, you may wish to discuss this issue further with the city clerk or legal staff.

Once again, thank you for sharing your concerns on this important matter.

Sincerely yours,

A handwritten signature in black ink, appearing to be "Jim Watson".

Jim Watson, MPP
Minister