

Ministry of Finance

Office of the
Deputy Minister

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Ministry of Municipal
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December 15, 2008

Dear Treasurer/Clerk-Treasurer:

This letter follows the recent letter to Heads of Council, from the Ministers of Finance and Municipal Affairs and Housing, announcing the 2009 Ontario Municipal Partnership Fund (OMPF) and provides your municipality with its detailed 2009 OMPF allocation.

As outlined in our November 14th letter, the Combined Benefit Stable Funding Guarantee (CBSFG) will ensure that your municipality's *combined benefit* of your 2009 OMPF plus the reduced costs from the ODB and ODSP administration uploads, will be equal to or greater than your March 2007 OMPF. The combined benefit approach was agreed to by both AMO and the City of Toronto as part of the Provincial-Municipal Fiscal and Service Delivery Review (PMFSDR) and included in the consensus Report tabled October 31, 2008.

The November 14th Interim Notice was an early notification of the minimum OMPF funding your municipality should expect to receive in 2009 and an estimate of the projected reduction in your social programs costs resulting from the upload of Ontario Drug Benefits (ODB) and Ontario Disability Support Program (ODSP) administration.

No municipality will receive less than the CBSFG amount on Line A of the November 14th Interim Notice.

Details of the 2009 OMPF Release

Ministry staff have incorporated updated data elements and completed the analysis required to determine the detailed 2009 OMPF allocations. The results for your municipality are reflected in the enclosed *2009 OMPF Allocation Notice*.

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Consistent with the key principle that the OMPF should remain responsive to changes in municipal circumstances, the 2009 OMPF social programs grants for upper- and single-tier municipalities have been adjusted to reflect the reduction in municipal costs for ODB and ODSP administration. The attached Notice also identifies the direct benefit to single- and upper-tier municipalities from the upload of ODB and ODSP administration.

Similarly, changes in assessment, households or policing costs are also reflected in the respective grants.

While the basic structure of the OMPF grants will remain the same in 2009, further refinements to OMPF grant parameters have been introduced in order to continue to provide support to municipalities. The specific refinements to the grant parameters incorporated in the 2009 OMPF are as follows:

- The weighted assessment eligibility benchmark for the Social Programs Assessment Threshold Component has been adjusted to 0.165% in 2009 (from 0.176% in 2008), to respond to municipal assessment growth.
- Under the Assessment Equalization Grant Component, municipalities will receive funding if their total assessment per household is less than \$202,000 (adjusted from \$190,000 in 2008), in response to assessment changes.
- The tax revenue benchmark for Northern and Rural Social Programs Grant Component has been adjusted to 12.0% in 2009 (from 12.5% in 2008) to reflect changes in tax revenue.
- The Total Household Income used to determine the level of funding under the Income Threshold Component of the OMPF Social Programs Grant reflects the 2006 Census data. The threshold has been reduced to 0.60% of the total household incomes (from 0.75% in 2008).

2009 OMPF Allocation Notice and Insert

The results for your municipality are reflected in the enclosed *2009 OMPF Allocation Notice*. Your municipality's 2009 OMPF funding allocation is identified on Line C, *Total 2009 OMPF Funding*.

The additional benefit to your municipality of the reduced costs attributable to the ODB and ODSP administration uploads in 2009 are identified on Lines D2 and D3 of the Notice, and summarized in the Chart Data of the *Insert*.

2009 Special One-Time Assistance

Delivering on the November 14th Combined Benefit Stable Funding Guarantee (CBSFG), the *Total 2009 OMPF Funding* (Line C) includes special one-time assistance for those municipalities that would otherwise see a reduction in their OMPF because of the phase-out of transitional assistance received in the past, and the reduced costs from the ODB and ODSP administration upload.

The Special One-Time Assistance (Line B on the attached Allocation Notice) ensures your municipality's 2009 OMPF allocation is equal to the CBSFG amount on Line A of the November 14th Interim Notice.

In 2009, the Ministry of Finance will also work with AMO and the City of Toronto to review OMPF mitigation in advance of the release of 2010 allocations.

2009 Cash Flow

The attached *2009 Cash Flow Notice* identifies each of the 2009 OMPF quarterly payments. The remaining quarterly payments to municipalities will be processed at the end of April, July and October 2009.

2009 Reporting Requirements

Municipalities are required to submit the following to the Ministry of Municipal Affairs and Housing:

- their 2008 Financial Information Returns (FIRs) by **June 1, 2009**;
- their 2009 tax rate by-laws by **September 30, 2009**; and
- any outstanding 2007 Financial Information Returns (if applicable).

Failure to meet these deadlines may result in the withholding of 2009 OMPF payments until these documents have been provided to the Province.

All of the *2009 OMPF Allocation Notices (with Inserts)* will be posted on the Ministry of Finance websites below. The *2009 Ontario Municipal Partnership Fund Technical Guide* is only available on the Ministry's websites and can be downloaded in PDF format from:

<http://www.fin.gov.on.ca/english/budget/ompf/>
<http://www.fin.gov.on.ca/french/budget/ompf/>

If you require additional information, you may contact your local Municipal Services Office of the Ministry of Municipal Affairs and Housing, or e-mail your inquiries and your contact phone number to: info.ompf@ontario.ca.

Sincerely,



Peter Wallace
Deputy Minister
Ministry of Finance



Fareed Amin
Deputy Minister
Ministry of Municipal Affairs and Housing

Attachments