

Ministry of Finance
Provincial-Local
Finance Division
10th Floor
777 Bay Street
Toronto ON M5G 2C8
Tel (416) 327-0264
Fax (416) 325-7644

Ministère des Finances
Division des relations provinciales-
municipales en matière de finances
10^e étage
777 rue Bay
Toronto ON M5G 2C8
Télé. (416) 327-0264
Télééc. (416) 325-7644



November 2013

Dear Treasurer/Clerk-Treasurer:

In their November 14th letter to Heads of Council, the Ministers of Finance and Municipal Affairs and Housing announced the redesigned 2014 Ontario Municipal Partnership Fund (OMPF). I am writing to provide you with more details regarding your 2014 allocation.

In 2014, the Province will provide a total of \$550 million in unconditional funding through the OMPF to 388 municipalities across the province. This funding, combined with the municipal benefit resulting from the provincial uploads, will total over \$2 billion in 2014. This is more than three times the level of funding provided in 2004.

As noted in the joint Ministers' letter to Heads of Council, for 2014, the Province will ensure that municipalities receive a guaranteed level of support based on their 2013 OMPF allocation. Municipalities in the north will receive at least 90 per cent of their 2013 OMPF allocation, while municipalities in other regions of the province will receive at least 85 per cent. These minimum levels of support will be enhanced, up to 100 per cent, for eligible northern and rural municipalities with more challenging fiscal circumstances.

REDESIGNED 2014 OMPF

The Province has been working with the Association of Municipalities of Ontario and municipal representatives over the past 18 months to review the OMPF program.

The 2014 OMPF reflects feedback the government received from municipalities with respect to the program redesign over the course of these consultations.

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The redesigned 2014 OMPF is composed of four core grants and transitional support as outlined below.

Redesigned 2014 OMPF (\$550 million)	
1. Assessment Equalization Grant (\$149 million)	Provides funding to municipalities with limited property assessment
2. Northern Communities Grant (\$79 million)	Provides funding to northern communities in recognition of unique challenges they face
3. Rural Communities Grant (\$138 million)	Provides funding to rural communities in recognition of unique challenges they face
4. Northern and Rural Fiscal Circumstances Grant (\$50 million)	Provides additional, targeted funding to northern and rural municipalities based on their individual municipal fiscal circumstances
5. Transitional Assistance (\$134 million)	Provides support to municipalities as they transition to the redesigned OMPF

The 2014 OMPF continues to provide support to municipalities through the *Assessment Equalization, Northern Communities, and Rural Communities* Grants, which have been in place since the introduction of the program in 2005.

In addition, as part of the redesign of the program, the Province is introducing a new grant – the Northern and Rural Fiscal Circumstances Grant – in 2014. This new grant is provided to municipalities eligible for funding through the Northern Communities and/or Rural Communities Grants.

Furthermore, the 2014 OMPF also includes a significant amount of transitional support in order to assist municipalities as they transition to the redesigned program.

The four grants and Transitional Assistance will remain the core elements of the redesigned program in future years. As indicated in the joint Ministers' letter to Heads of Council, the government will continue to consult with municipalities in the coming months on how best to support their needs through the OMPF, while also adhering to the scheduled phase-down of the program.

Given the significant amount of Transitional Assistance provided in 2014, these consultations will focus on whether the program should further enhance targeted support or include other objectives beyond those announced as part of the redesign.

2014 OMPF – SUPPORTING MATERIAL

In order to assist municipalities in understanding the redesign of the OMPF and their individual 2014 allocations, the Ministry of Finance has prepared detailed as well as customized supporting documentation:

- A.** 2014 OMPF Technical Guide
- B.** 2014 OMPF Allocation Notice and Inserts
- C.** Municipal Workbooks and Upload Benefit Report

A. 2014 OMPF Technical Guide

The attached *2014 OMPF Technical Guide* provides information with respect to individual grant thresholds, parameters and data sources.

B. 2014 OMPF Allocation Notice and Inserts

The *OMPF Allocation Notice* and *Insert* outline individual municipal OMPF allocations by grant, and also provide a summary of key data inputs for 2014. Your municipality's funding allocation is noted on line A.

The additional benefit to your municipality from the provincial uploads is presented in the accompanying *2014 Upload Notice Insert*.

C. 2014 Municipal Workbooks and Upload Benefit Report

The *2014 OMPF Workbook and the 2014 Northern and Rural MFCI Workbook* (if applicable) provide detailed calculations of the 2014 OMPF grants, the determination of the northern and rural MFCI, and outline all underlying data elements.

The *2014 Upload Benefit Report* presents a detailed breakdown of each municipality's estimated benefit resulting from the provincial uploads.

These documents will be provided electronically to municipal treasurers and clerk-treasurers in the coming weeks.

The *2014 OMPF Technical Guide* as well as individual municipal *OMPF Allocation Notices* are also available electronically on the Ministry of Finance website:

<http://www.fin.gov.on.ca/en/budget/ompf/2014/>
<http://www.fin.gov.on.ca/fr/budget/ompf/2014/>

Finally, to further assist municipalities, the Ministry of Finance will be hosting information sessions over the next several months. Specifics regarding these sessions will be shared with you shortly.

2014 PAYMENT SCHEDULE

Also enclosed is a *Cash Flow Notice* that identifies your municipality's 2014 quarterly payment schedule. The quarterly payments will be processed at the end of January, April, July, and October 2014.

2014 REPORTING OBLIGATIONS

I would also like to remind you that, as in previous years, municipalities continue to be required to submit the following to the Ministry of Municipal Affairs and Housing:

- 2013 Financial Information Return by **June 2, 2014**; and
- 2014 tax rate by-laws by **September 30, 2014**.

Payments for municipalities that do not meet these reporting obligations will be subject to holdback until these documents have been filed.

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In closing, I would like to thank the members of the OMPF Municipal Reference Group and all municipalities we have heard from during the consultation process for their valuable input and advice. I look forward to continuing the dialogue with municipalities as we consider refinements to the 2015 program.

If you require additional information, you may e-mail your inquiries and contact information to: info.ompf@ontario.ca.

Sincerely,

Information Copy - Original Signed By

Allan Doheny
Assistant Deputy Minister (A)
Provincial Local Finance Division

Enclosure

c. Janet Mason
Assistant Deputy Minister
Local Government and Planning Policy Division
Ministry of Municipal Affairs and Housing

Elizabeth Harding
Assistant Deputy Minister
Municipal Services Division
Ministry of Municipal Affairs and Housing