

Ministry of Finance
Office of the
Deputy Minister

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October 25, 2005

Dear Treasurer/Clerk Treasurer:

I am pleased to inform you that the fourth quarter payment of your 2005 Ontario Municipal Partnership Fund (OMPF) allocation will be processed during the week of October 26, 2005 for those municipalities that have met the 2005 OMPF reporting requirements. The payment will be made by electronic funds transfer and is in respect of the period October through December, 2005.

As you were advised in my July 25th third quarter payment notification, the 2005 OMPF grant for each municipality will be adjusted to reflect data refinements, and to incorporate the impact of the first reconciliation of "live" data elements, including:

- projected social program costs (Ontario Works, Ontario Drug Benefits and Ontario Disability Support Program) based on 8 months of actual data;
- final contracts for Child Care;
- the most current inter-municipal cost sharing agreements; and/or
- updated police costs based on new/revised OPP contracts, and updated municipal police cost data.

The impact of the adjustments on your 2005 OMPF allocation, if any, is captured on the enclosed 2005 OMPF Allocation Notice - October Update. Any increases to the 2005 OMPF Allocation (with phase-in adjustment) are identified as adjustments to 2005 OMPF Allocation in the enclosed 2005 Cash Flow Notice and are included in the fourth quarter payments.

As this is the inaugural year for the new OMPF and the first reconciliation, the government is implementing a one-time measure to ensure that no municipality's 2005 OMPF allocation will be adjusted below the levels announced in March. Where the October reconciliation results in a reduction in the OMPF grants below the levels announced in March, one-time funding will be provided for 2005 (Row B6 on the enclosed Allocation Notice) to maintain the March level of funding.

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Reconciliations will continue on a regular basis until the final 2005 cost data has been incorporated.

Municipalities are reminded that the government remains committed to regularly reconciling social programs and police costs in future years, which may result in upward and downward adjustments to the Social Programs Grant, the Northern and Rural Social Programs Grant Component, and the Police Services Grant.

In this regard, I am also pleased to advise that the Ministries of Finance, Community and Social Services, Children and Youth Services will work together to provide regular reports to municipalities to assist them in anticipating potential changes that will occur as a result of future OMPF reconciliations.

The reports will be issued monthly, beginning in November to municipal service providers by the respective ministries and will provide clear outlines of the types of costs included in the OMPF, the original projections, and actual year-to-date costs. This same cost data will also be provided by the Ministry of Finance in a regular report to municipalities to reflect their inter-municipal cost sharing agreements.

I would also like to confirm the government's plan to announce the 2006 OMPF allocations in the fall.

For additional information on the OMPF, please visit the Ministry of Finance web site at <http://www.fin.gov.on.ca/english/community/ompf/>. You may also e-mail your inquiries with a return address to: info.ompf@fin.gov.on.ca.

Yours sincerely,



Colin Andersen
Deputy Minister

Treasurer
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 Deputy Minister
 Ministry of Community and Social Services

Judith Wright
Deputy Minister
Ministry of Children and Youth Services

Deborah Newman
Deputy Minister, Community Safety
Ministry of Community Safety and Correctional Services

John Burke
Deputy Minister
Ministry of Municipal Affairs and Housing

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