

Allocation of 2006 Ontario Municipal Partnership Fund Increase

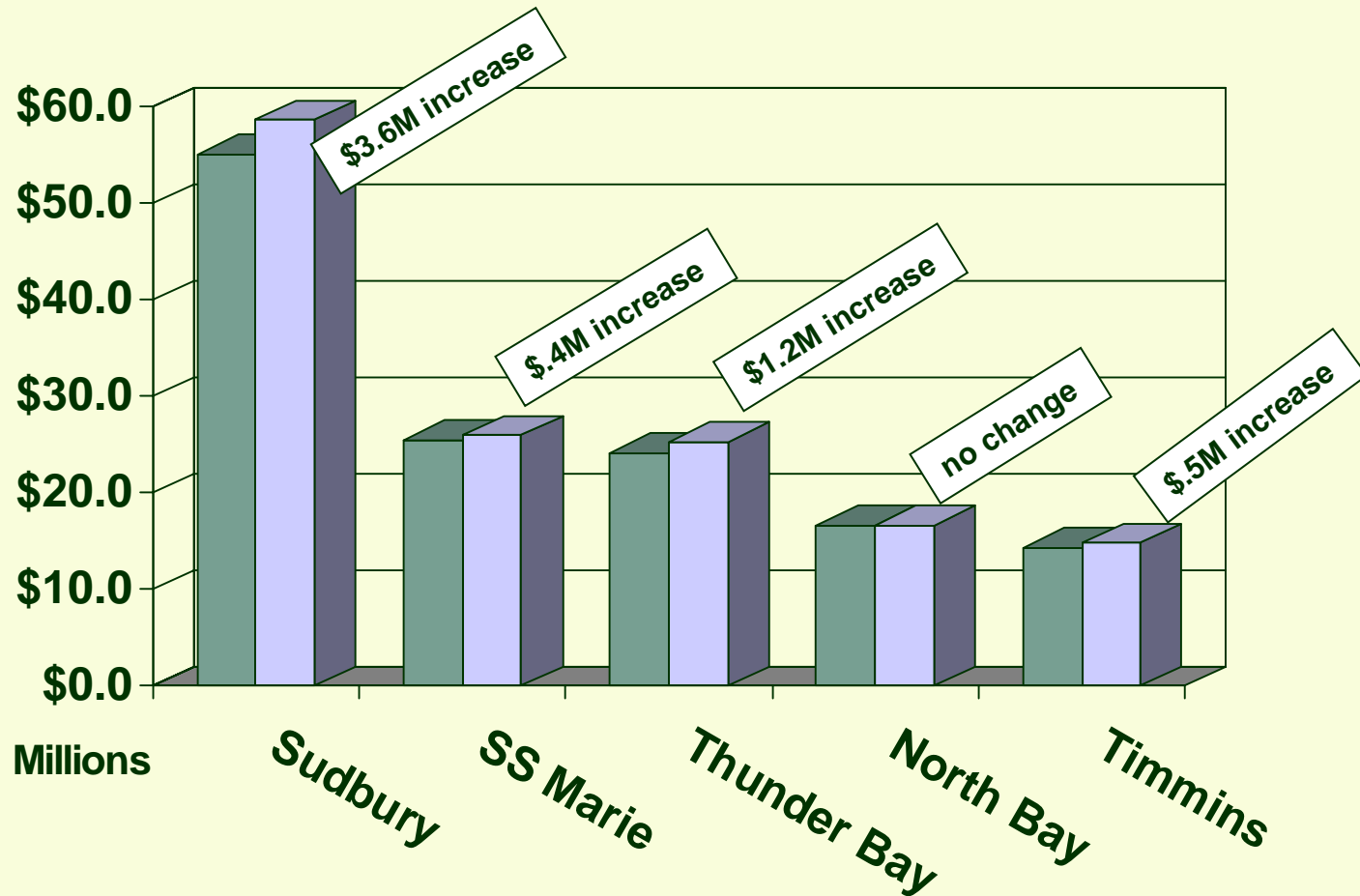


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OMPF Grant

- Unanticipated increase in OMFP 2006 grant - \$3.6M
- Remaining portion to be allocated \$3.0M

OMPF Grants - Northern Municipalities



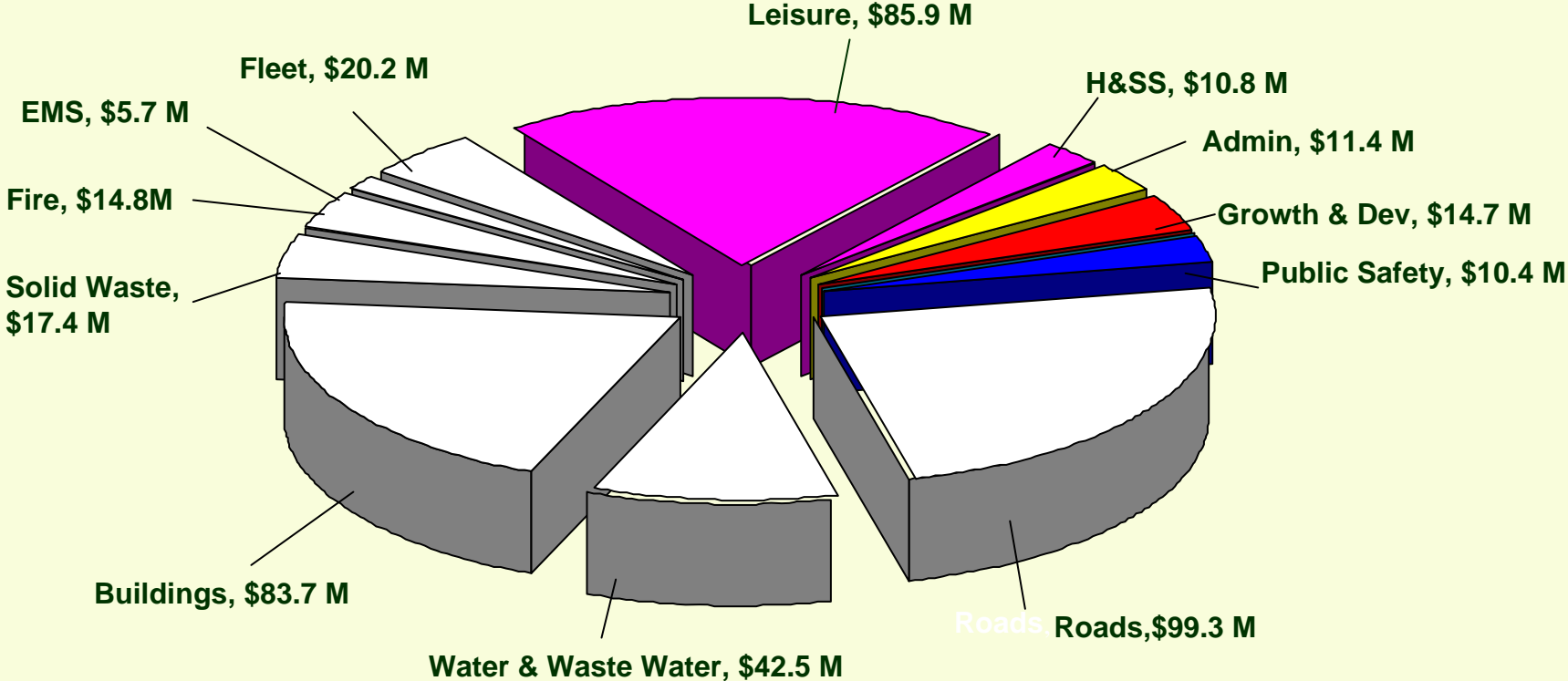
Positive Revenue Sources

Roads and Bridges Funding - 2006 one-time	\$9.8M
OMPF Grant - 2006 & beyond	\$3.6M
Increased Land Ambulance Funding - 2007 & beyond cost sharing	50% / 50%
Provincial Gas Tax - 2007 <ul style="list-style-type: none"> ▪ Allowed to spend on transit operating costs ▪ Permanent annual transfer of 2 cents 	To be determined \$2.7M
Federal Gas Tax <ul style="list-style-type: none"> ▪ \$22M for fiscals 2007 to 2010 	\$3M – 2007
Health Unit – 2007 cost sharing	75% / 25%

2007 Budget Pressures

- Negotiated wage settlements
- Energy costs
- Other inflation pressures
- Capital Levy – 2.3%
- Capital Financing Gap - \$395M

Capital Financing Gap by Envelopes



OMPF Grant

Total Provincial Allocation	\$ 763M
Total Provincial Increase 2006	\$ 107M (1)
CGS increase	\$ 3.6M (2)

- (1) Includes new Income Threshold Component of \$56M announced in 2006 Provincial Budget
- (2) CGS still remains largest recipient of this fund

Recap

Revised 2006 OMPF Allocation	\$ 58,701,182
Less: Budgeted 2006 OMPF Allocation	< <u>\$ 55,122,714</u> >
Additional grant revenue	\$ 3,578,468
Less: Allocation to Winter Roads	< <u>\$ 620,000</u> >
Unbudgeted 2006 OMPF grant	\$ 2,958,468

Three Options

- Option 1
 - Tax levy reduction - \$1.5M or (1%)
 - Contribution to Roads reserve (COMRIF) \$1.5M

- Option 2
 - Contribution to Capital Reserves
 - Roads (COMRIF) - \$1.5M
 - Buildings - \$0.75M
 - Leisure - \$0.75M

- Option 3
 - Re-open budget - Council voting on list of options

Option 1

1 (a)	Tax Levy Reduction (1%)	\$1,476,000
1 (b)	Contribution to Capital Reserve Fund Roads (COMRIF)	<u>\$1,482,468</u>
Total		\$2,958,468

Recommended Option

Option – 1(a) Tax Levy Reduction – 1%

	Status Quo	Option 1(a)
Tax Levy Reduction		\$1,476.000
Breakdown:		
Municipal Operating Levy Increase	2.9%	1.9%
Municipal Capital Levy Increase	2.3%	2.3%
Total Municipal Tax Increase	5.2%	4.2%
Impact of Education Levy on Municipal Tax Increase	(1.5%)	(1.4%)
Total Estimated Municipal and Education Tax Increase	3.7%	2.8%

Option 1(a) – Impact to Homeowner

Municipal and Education Taxes	Status Quo	Option 1	Reduction
Residential Home Assessed at \$120,000	\$2,261	\$2,243	\$18
Residential Home Assessed at \$180,000	\$3,391	\$3,364	\$27

Option 2 – Capital Reserves

Contribution to Capital Reserves - Roads (COMRIF)	\$1,458,468
Contribution to Capital Reserve Fund - Buildings	\$ 750,000
Contribution to Capital Reserve Fund - Leisure	<u>\$ 750,000</u>
Total	\$2,958,468

COMRIF – Option 1 and 2

- Application to COMRIF Intake 2 - \$110.6M
- Municipal share would amount to \$44.9M (1/3 of eligible costs plus ineligible costs)
- No announcements have been released
- Option 1 and 2 include an opportunity to set aside \$1.5M for the unfunded municipal share

Option 3 – Re-open Budget

- List of budget enhancements prepared
- Special meeting would be scheduled
 - May 2006
- Council voting on list of enhancements

Questions?