

# Ontario Municipal Partnership Fund

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Presented by Sandra Jonasson  
and Mark Mieto  
Finance Committee Meeting  
April 13, 2005

# Purpose of Presentation

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- Update on new grant that replaces the CRF
- Impact on CGS
- Option for Council's consideration

# “Old” Community Reinvestment Fund (CRF)

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- Introduced in 1998 to offset the net effect of downloaded services, the elimination of grants, a required savings target and increased education room
- No Logic to the amount received by each municipality – just a “plug”
- Introduced with the concept of revenue neutrality which was eroded over time
- Even with reconciliation, by 2004 the City’s levy was carrying \$2.4 million for ambulance, social housing, provincial offences net of assessment savings

# “New” Ontario Municipal Partnership Fund (OMPF)

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- Not intended to provide “revenue neutrality” for former downloaded services
- New grant designed to:
  - Help address the burden social programs place on municipalities with limited funds
  - Respond to policing issues in small communities, and
  - Address unique challenges in northern, rural and small communities

# OMPF Grant Components

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Social Programs Grant	\$179 million
Equalization Grant	\$170 million
▪ Assessment equalization	
▪ Farmland & managed forest	
Northern & Rural Communities Grant	\$249 million
▪ Rural communities	
▪ Northern communities	
▪ Northern & rural social programs	
▪ Stabilization	
Police Services Grant	<u>\$ 58 million</u>
<b>Total 2005 allocation</b>	<b>\$656 million</b>

# OMPF Grant Subject to Reconciliation

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- 2005 grant estimated using some “live” data such as social program costs
- 2005 actual grant amount will not be known until 2006
- Each year grant will be estimated in the fall and adjusted afterwards

# Special One Time Funding

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- Transition assistance for municipalities seeing a decrease in funding from 2004 cash flow
- 2003 reconciliation
- 2004 reconciliation

# Impact on CGS

## OMPF 2005 Funding (millions)

Social Programs Grant		\$24.1
Equalization Grant		
▪ Assessment equalization	\$15.1	
▪ Farmland & managed forest	0	\$15.1
Northern & Rural Communities Grant		
▪ Rural communities	0	
▪ Northern communities	\$15.8	
▪ Northern & rural social programs	.1	
▪ Stabilization	0	\$15.9
Police Services Grant		<u>0</u>
<b>2005 Estimated Allocation(subject to reconciliation)</b>		<b>\$55.1</b>



# Impact on CGS

## One Time Funding

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- No transition funding (2005 allocation is \$500,000 more than 2004 cash flow)
- \$3.4 million for outstanding 2003 and 2004 CRF reconciliations

# Impact on CGS

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- One time funding received for 2003 and 2004 is \$1.5 million more than anticipated and will contribute to year end surplus position
- Estimated grant for 2005 is \$2.7 million short compared to amount budgeted in 2005
- 2005 grant is an indication of future years' grants – grant amounts unknown but will be less than budgeted in 2005

# Immediate Actions – Finance Division

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- Will continue to gather more information through technical briefings and direct contact with Ministry staff to get a better handle on 2005 grant and prepare for the 2006 budget

# Options for Council's Consideration

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## Option 1a – Reopen 2005 budget and reverse capital levy of \$3.2 million

- Would reduce roads program
- Would not meet goal of doubling roads program by 2007
- Potentially affect COMRIF program
- **Not recommended**

# Options for Council's Consideration

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## Option 1b – Reopen 2005 budget and find expenditure reductions of \$2.7 million

- Already into the second quarter of the year; work programs underway
- Would delay issuing the tax bills, impact on investment revenue
- **Not recommended**

# Options for Council's Consideration

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## Option 2 – Petition the Province to provide transition funding for 2005 to 2008 and fund any remaining shortfall for 2005 from reserves

- City just identified efficiencies and cost savings that won't be fully realized until 2008
- Transition funding would help minimize the budget impact of change in grant funding
- Any remaining 2005 shortfall would be funded from tax rate stabilization reserve and capital financing reserve fund - general
- No impact on roads capital program
- **Recommended option**

# Addressing the Funding Gap - Action Plan

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Ontario Municipal  
Partnership Fund



# Our Vision and Priorities

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- **Vision:** The City of Greater Sudbury is a growing world-class community, bringing talent, technology, and a greater northern lifestyle together
- **Mission:** We provide excellent access to quality municipal services and leadership in the social, environment, and economic development of the City of Greater Sudbury



# Our Vision and Priorities

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## ■ Corporate Priorities:

- Road maintenance
- Infrastructure renewal financing strategy
- Healthy communities strategy
- Economic development focus

# Our Action Plan (2 – 3 Year Horizon)

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- **Internal Efficiencies:** CIP, mgt. reorganization, solution teams
- **Northern Mayors:** Will review impacts of new grant on the north and costs of social programs on municipal ratepayers
- **Pursue Upload of Provincial Services:** Work with AMO to remove Health and Social Services programs (such as ODSP) off property taxes over longer term

# Our Action Plan (2 – 3 Year Horizon)

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- **Pursue New Revenues:**
  - Greater Sudbury Utilities: Increased Return on Investment
  - Property Management: Sale of municipally owned properties
  - Property Assessment: Review Opportunities
- **Capital Investment:** Utilize future provincial and federal funding (e.g. federal gas tax) for investment in our capital and infrastructure needs.

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