Ontario Community Infrastructure Fund: Ensuring Equitable Funding for Single-Tier Municipalities

The Ontario Community Infrastructure Fund (OCIF) provides annual funding to small, rural and northern municipalities for building and repairing roads, bridges, water and wastewater infrastructure.

The amount received by each municipality is determined by the core infrastructure owned by the municipality and its economic conditions. The amount of funding per $100,000 of total core infrastructure is calculated using an infrastructure index, which ensures that municipalities with a higher infrastructure index receive a proportionally larger grant. However, municipalities whose calculated amount is more than $10 million are capped at that amount, the OCIF funding maximum.

In 2022, only three municipalities were capped at $10 million: the City of Greater Sudbury, the Municipality of Chatham-Kent and the City of Thunder Bay. Greater Sudbury and Chatham-Kent are amalgamated municipalities, and all three are single-tier municipalities with large rural and urban areas. Grants have been capped at $10 million for these municipalities in 2022, 2023 and 2024.

Greater Sudbury

Why is this important?

Greater Sudbury's unique geography and widely dispersed settlement areas, a result of provincial amalgamation, means that eight separate municipal water systems and 12 wastewater treatment systems are required to provide service to residents. When combined with the cost and complexity of constructing and maintaining underground piping systems in an area of exposed bedrock, it is evident that the property tax system requires provincial support to adequately address infrastructure requirements.

Removing the OCIF cap will help Greater Sudbury afford the critical infrastructure required to maintain an economically thriving community into the future.

Supporting information

Greater Sudbury has one of the largest infrastructure portfolios in Ontario, providing service across 3,600 square kilometres of urban and rural communities, with a replacement value of more than $10 billion. This includes more than 3,000 lane kilometres of paved roads, 600 lane kilometres of unpaved roads, 190 bridges and 5,000 road crossing culverts with spans less than three metres.

Inflation effects and higher construction costs in the north, combined with the OCIF funding cap, means Greater Sudbury is significantly constrained in its ability to fund known asset renewal and investment needs.

Greater Sudbury continues to be a leader in providing critical minerals and technical expertise to support the developing Battery Electric Vehicles industry. Timely, effective infrastructure renewal is critically important for sustaining this growth.

How can senior levels of government support us?

The City of Greater Sudbury is asking the Ontario government to take the following steps to help restore the municipality's ability to finance growth costs:

- Lift the OCIF $10 million cap for single-tier municipalities and allow the funding formula to determine the appropriate funding allocation for all recipients.
- Adjust the funding formula to ensure the needs identified in municipal asset management plans and the variables of geography, climate conditions and soil conditions on construction costs can be properly addressed.

Alignment with government policies/priorities

"Rebuilding Ontario's economy demands that we build the infrastructure needed to support our growing communities."

"To address Ontario's housing crisis, the provincial government is working with other levels of government and industry partners to help build at least 1.5 million homes by 2031. Building more homes is critical to rebuilding Ontario's economy. Building homes requires housing-enabling infrastructure."

– 2024 Ontario Budget

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