



# Staff Report

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## Finance and IT Services

**Report To:** Committee of the Whole - REVISED  
**Meeting Date:** November 18, 2019  
**Report Number:** FAF.19.236  
**Subject:** Ontario Municipal Partnership Funding  
**Prepared by:** Ruth Prince, Director of Finance and IT Services

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### A. Recommendations

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THAT Council receive Staff Report FAF.19.236, entitled "Ontario Municipal Partnership Funding" for information purposes.

### B. Overview

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This report identifies the amount of Ontario Municipal Partnership Funding that The Blue Mountains will receive in 2020.

### C. Background

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The Ontario Municipal Partnership Funding (OMPF) is the Province's main general assistance to municipalities. For 2020, the government is maintaining the current structure of OMPF. The program is remaining the same as in 2019, while allowing for annual data updates and related grant parameter adjustments. The 2020 OMPF will provide a total of \$500 million to 389 municipalities across the province.

### D. Analysis

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The OMPF objectives are to:

- Recognize the challenge of northern and rural municipalities, while targeting funding to those with more challenging fiscal circumstances;
- Support areas with limited property assessment; and
- Assist municipalities that are adjusting to year-over-year funding changes.

There are four core grant components of the 2020 OMPF plus transitional assistance.

#### Assessment Equalization Grant

This grant provides funding to single tier and lower tier municipalities with limited property assessment due to lower property values and limited non-residential assessment. The Blue

Mountains does not receive any funding under this grant, as our total weighted assessment per household is \$539,193 and the provincial median per-household is \$298,500.

#### Northern Communities Grant

This grant provides northern municipalities funding in recognition of the unique challenges they face. The Blue Mountains does not receive any funding under this grant.

#### Rural Communities Grant

This grant provides funding to single tier and lower tier municipalities based on a proportion of their population residing in rural areas or small communities.

Municipalities with a Rural and Small Communities Measure (RSCM) of 75% or more receive the full per-household amount of \$131.00. Municipalities with less than 75% receive a portion of the funding based on a sliding scale. Since The Blue Mountains is 100% on the RSCM, the Town receives \$131.00 per household. For 2020 this amount is  $\$131.00 \times 7,925$  (households) = \$1,038,200.

#### Northern and Rural Fiscal Circumstances Grant

This grant is provided to municipalities that are eligible for funding under the Northern Communities Grant and/or the Rural Communities Grant. This grant provides targeted funding to eligible municipalities based on their relative fiscal circumstance, as measured by the Municipal Fiscal Circumstances Index (MFCI). The MFCI is determined by six indicators; weighted assessment by household and median household income are the two primary indicators. Average annual change in assessment, employment rate, ratio of working age to dependent population and percent of population above the low-income threshold are secondary indicators. The northern and rural MFCI is measured on a scale of 0 to 10. A lower MFCI corresponds to a relatively positive fiscal circumstance, while a higher MFCI corresponds to a more challenging fiscal circumstance. The Blue Mountains received a 3.3 on the MFCI. The Blue Mountains receives  $\$33.00 \times 7,925$  (households) = \$261,600.

#### Transitional Assistance

Transitional assistance has been designed to assist municipalities in adjusting to year-over-year funding changes. In 2020, minimum funding guarantees have been maintained at 85% for southern Ontario and 90% for northern Ontario. This means that municipalities in southern Ontario will receive at least 85% of their 2019 OMPF allocation. The transitional assistance for 2020 in The Blue Mountains is zero since the funding formula provides the Town with more than 86.6% of 2019 OMPF allocation ( $\$1,289,000 \times 86.6\% = \$1,116,274$ ).

#### Summary

The Blue Mountains will see a slight increase in OMPF of \$10,800 over the 2019 OMPF allocation. This is due to the increase in households.

## E. The Blue Mountains Strategic Plan

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Goal #4: Promote a Culture of Organizational and Operational Excellence

Objective #4: To Be a Financially Responsible Organization

## F. Environmental Impacts

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N/A

## G. Financial Impact

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The 2020 OMPF Funding for The Blue Mountains is as follows:

Funding Source	2020 OMPF	2019 OMPF	2018 OMPF
Assessment Equalization Grant	\$ 0	\$ 0	\$ 0
Northern Communities Grant	\$ 0	\$ 0	\$ 0
Rural Communities Grant	\$ 1,038,200	\$ 1,031,200	\$ 1,023,100
Northern and Rural Fiscal Circumstances Grant	\$ 261,600	\$ 257,800	\$ 246,200
Transitional Assistance	\$ 0	\$ 0	\$ 0
<b>Total</b>	<b>\$ 1,299,800</b>	<b>\$ 1,289,000</b>	<b>\$ 1,269,300</b>

Key OMPF Data Inputs	2020 Key Inputs	2019 Key Inputs	2018 Key Inputs
Households	7,925	7,812	7,692
Total Weighted Assessment per Household	\$539,193	\$526,571	\$512,228
Rural and Small Community Measure	100%	100%	100%
Farm Area Measure	n/a	n/a	n/a
Northern and Rural Municipal Fiscal Circumstances Index	3.3	3.3	3.2
2020 Guaranteed Level of Support	86.6%	86.6%	85.3%

## H. In consultation with

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Katherine Dabrowa, Budget Analyst

## **I. Public Engagement**

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The topic of this Staff Report has not been subject to a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. Comments regarding this report should be submitted to Ruth Prince at [directorfit@thebluemountains.ca](mailto:directorfit@thebluemountains.ca).

## **J. Attached**

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1. Grey County OMPF Funding Summary
2. 2020 OMPF Allocation Notice – The Blue Mountains

Respectfully Submitted,

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Ruth Prince  
Director of Finance and IT Services

For more information, please contact:  
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## Grey County OMPF Funding Summary

Key Data	Blue Mountains	Owen Sound	Hanover	Meaford	Grey Highlands	West Grey	Chatsworth	Georgian Bluffs	Southgate
Assessment Equalization Grant	\$ 0	\$ 1,756,000	\$ 837,300	\$ 0	\$ 0	\$ 334,800	n/a	\$ 0	\$ 300
Northern Communities Grant Component	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	n/a	\$ 0	\$ 0
Rural Communities Grant Component	\$ 1,038,200	\$ 0	\$ 477,200	\$ 754,100	\$ 725,000	\$ 772,800	n/a	\$ 681,500	\$ 483,200
Northern and Rural Fiscal Circumstances Grant Component	\$ 261,600	\$ 0	\$ 637,400	\$ 500,800	\$ 310,000	\$ 477,900	n/a	\$ 176,900	\$ 110,900
Transitional Assistance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	n/a	\$ 0	\$ 0
<b>Total 2020 OMPF</b>	<b>\$ 1,299,800</b>	<b>\$ 1,756,000</b>	<b>\$ 1,951,900</b>	<b>\$ 1,254,900</b>	<b>\$ 1,035,000</b>	<b>\$ 1,585,500</b>	<b>\$ 853,700</b>	<b>\$ 858,400</b>	<b>\$ 594,400</b>
Households	7,925	10,255	3,642	5,756	5,534	5,899	n/a	5,202	3,166
Total Weighted Assessment per Household	\$ 539,193	\$ 241,614	\$ 222,128	\$ 331,340	\$ 354,057	\$ 279,645	n/a	\$ 335,612	\$ 298,477
Rural and Small Community Measure	100.0%	1.2%	100.0%	100.0%	100.0%	100.0%	n/a	91.0%	100.0%
Farm Area Measure	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 74.80
Northern and Rural Municipal Fiscal Circumstances Index	3.3	n/a	8.1	5.9	4.8	5.7	n/a	3.4	3.5
2020 Guaranteed Level of Support	86.6%	85.0%	97.8%	92.3%	89.6%	91.8%	n/a	86.8%	87.0%
<b>2019 OMPF</b>	<b>\$ 1,289,000</b>	<b>\$ 1,409,000</b>	<b>\$ 1,912,700</b>	<b>\$ 1,234,100</b>	<b>\$ 1,047,200</b>	<b>\$ 1,505,100</b>	<b>\$ 827,100</b>	<b>\$ 843,900</b>	<b>\$ 591,600</b>
<b>Increase (Decrease) \$</b>	<b>\$ 10,800</b>	<b>\$ 347,000</b>	<b>\$ 39,200</b>	<b>\$ 20,800</b>	<b>\$ (12,200)</b>	<b>\$ 80,400</b>	<b>\$ 26,600</b>	<b>\$ 14,500</b>	<b>\$ 2,800</b>
<b>Increase (Decrease) %</b>	<b>0.84%</b>	<b>24.63%</b>	<b>2.05%</b>	<b>1.69%</b>	<b>-1.17%</b>	<b>5.34%</b>	<b>3.22%</b>	<b>1.72%</b>	<b>0.47%</b>

**Notes:**

Chatsworth was late in filing its 2018 Financial Information Return (FIR), and therefore key data is not yet available for this Township.  
Grey County is not a recipient of the Ontario Municipal Partnership Fund.

**Ontario Municipal Partnership Fund (OMPF)  
2020 Allocation Notice**



**Town of The Blue Mountains  
County of Grey**

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In 2020, the Province is providing the Town of The Blue Mountains with \$1,299,800 in funding through the OMPF, which is the equivalent of \$164 per household.

<b>A</b>	<b>Total 2020 OMPF</b>	<b>\$1,299,800</b>
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1. Assessment Equalization Grant Component	-
2. Northern Communities Grant Component	-
3. Rural Communities Grant Component	\$1,038,200
4. Northern and Rural Fiscal Circumstances Grant Component	\$261,600
5. Transitional Assistance	-

**B Key OMPF Data Inputs**

1. Households	7,925
2. Total Weighted Assessment per Household	\$539,193
3. Rural and Small Community Measure	100.0%
4. Farm Area Measure	n/a
5. Northern and Rural Municipal Fiscal Circumstances Index	3.3
6. 2020 Guaranteed Level of Support	86.6%
7. 2019 OMPF	\$1,289,000

*Note: See line item descriptions on the following page.*

# Ontario Municipal Partnership Fund (OMPF)

## 2020 Allocation Notice

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Town of The Blue Mountains  
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### 2020 OMPF Allocation Notice - Line Item Descriptions

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Sum of 2020 OMPF grant components and Transitional Assistance, which are described in the 2020 OMPF

- A** Technical Guide. This document can be accessed on the Ministry of Finance's website at:  
<http://www.fin.gov.on.ca/en/budget/ompf/2020>
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- A5** If applicable, reflects the amount of transitional support provided to assist the municipality in adjusting to year-over-year funding changes. See the enclosed Transitional Assistance Calculation Insert for further details.
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- B1** Based on the 2019 returned roll from the Municipal Property Assessment Corporation (MPAC).
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- B2** Refers to the total assessment for a municipality weighted by the tax ratio for each class of property (including payments in lieu of property taxes retained by the municipality) divided by the total number of households.
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- B3** Represents the proportion of a municipality's population residing in rural areas and/or small communities. For additional information, see the 2020 OMPF Technical Guide, Appendix A.
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- B4** Represents the percentage of a municipality's land area comprised of farm land. Additional details regarding the calculation of the Farm Area Measure are provided in the 2020 OMPF Technical Guide, Appendix B.
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- B5** Measures a municipality's fiscal circumstances relative to other northern and rural municipalities in the province, and ranges from 0 to 10. A lower MFCI corresponds to relatively positive fiscal circumstances, whereas a higher MFCI corresponds to more challenging fiscal circumstances. For additional information, see the enclosed MFCI Insert, and the 2020 OMPF Technical Guide, Appendix D.
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- B6** Represents the guaranteed level of support the municipality will receive through the 2020 OMPF. For additional information, see the 2020 OMPF Technical Guide.
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- B7** 2019 OMPF Allocation Notice (Line A).

*Note: Grant components and Transitional Assistance are rounded up to multiples of \$100.*

**Ontario Municipal Partnership Fund (OMPF)  
2020 Transitional Assistance Calculation Insert**



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<b>A 2020 OMPF Transitional Assistance (Line B2 - Line B1, if positive)</b>	<b>n/a</b>
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*As the municipality's 2020 OMPF identified on line B1 exceeds the guaranteed support identified on line B2, Transitional Assistance is not required.*

<b>B Supporting Details</b>	
<b>1. Sum of 2020 OMPF Grant Components (excluding Transitional Assistance)</b>	<b>\$1,299,800</b>
<b>2. 2020 Guaranteed Support (Line B2a x Line B2b)</b>	<b>\$1,116,300</b>
a. 2019 OMPF	\$1,289,000
b. 2020 Guaranteed Level of Support (Line C)	86.6%

<b>C 2020 Guaranteed Level of Support (Line C1 + Line C2)</b>	<b>86.6%</b>
1. 2020 OMPF Minimum Guarantee	85.0%
2. Enhancement Based on Northern and Rural Municipal Fiscal Circumstances Index	1.6%

*Note: See line item descriptions on the following page.*



# Ontario Municipal Partnership Fund (OMPF)

## 2020 Transitional Assistance Calculation Insert

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### 2020 Transitional Assistance Calculation Insert - Line Item Descriptions

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**A** Transitional Assistance ensures that in 2020, southern municipalities will receive a minimum of 85 per cent of the support they received through the OMPF in 2019. The Town of The Blue Mountains' 2020 OMPF exceeds this level. As a result, Transitional Assistance is not required.

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**B1** Sum of the following 2020 OMPF grant components: Assessment Equalization, Northern Communities, Rural Communities, and Northern and Rural Fiscal Circumstances Grant Components.

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**B2** Guaranteed amount of funding through the 2020 OMPF.

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**B2a** 2019 OMPF Allocation Notice (Line A).

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**B2b** Represents the guaranteed level of support the municipality will receive through the 2020 OMPF. For additional information, see the 2020 OMPF Technical Guide.

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**C1** Reflects the minimum level of support for southern municipalities through the 2020 OMPF.

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**C2** Reflects the enhancement to the minimum level of support based on the municipality's Northern and Rural MFCI.

*Note: Grant components and Transitional Assistance are rounded up to multiples of \$100.*

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**A Northern and Rural Municipal Fiscal Circumstances Index 3.3**

The Northern and Rural Municipal Fiscal Circumstances Index (MFCI) measures a municipality's fiscal circumstances relative to other northern and rural municipalities in the province on a scale of 0 to 10. A lower MFCI corresponds to relatively positive fiscal circumstances, whereas a higher MFCI corresponds to more challenging fiscal circumstances.

The Northern and Rural MFCI is determined based on six indicators that are classified as either primary or secondary, to reflect their relative importance in determining a municipality's fiscal circumstances.

The table below provides a comparison of the indicator values for the Town to the median for northern and rural municipalities.

<b>B Northern and Rural MFCI - Indicators</b>	Town of The Blue Mountains	<i>Median</i>
<b>Primary Indicators</b>		
1. Weighted Assessment per Household	\$539,193	\$284,000
2. Median Household Income	\$78,490	\$69,000
<b>Secondary Indicators</b>		
3. Average Annual Change in Assessment (New Construction)	1.5%	1.0%
4. Employment Rate	53.4%	56.0%
5. Ratio of Working Age to Dependent Population	134.1%	170.0%
6. Per cent of Population Above Low-Income Threshold	87.7%	86.0%

*Note: An indicator value that is higher than the median corresponds to relatively positive fiscal circumstances, while a value below the median corresponds to more challenging fiscal circumstances.*

Additional details regarding the calculation of the Northern and Rural MFCI are provided in the 2020 OMPF Technical Guide, as well as in the customized 2020 Northern and Rural MFCI Workbook.

# Ontario Municipal Partnership Fund (OMPF)

## 2020 Northern and Rural Municipal Fiscal Circumstances Index

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Town of The Blue Mountains  
County of Grey

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### 2020 Northern and Rural Municipal Fiscal Circumstances Index - Line Item Descriptions

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**A** The municipality's 2020 Northern and Rural MFCI. Additional details are provided in the municipality's customized 2020 Northern and Rural MFCI Workbook.

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**B1** Refers to the total assessment for a municipality weighted by the tax ratio for each class of property (including payments in lieu of property taxes retained by the municipality) divided by the total number of households.

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**B2** Statistics Canada's measure of median income for all private households in 2015.

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**B3** Measures the five-year (2014 - 2019) average annual change in a municipality's assessment, for example, as a result of new construction or business property closures, excluding the impact of reassessment.

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**B4** Statistics Canada's measure of number of employed persons, divided by persons aged 15 and over.

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**B5** Statistics Canada's measure of working age population (aged 15 to 64), divided by youth (aged 14 and under) and senior population (aged 65 and over).

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**B6** Statistics Canada's measure of the population in private households above the low-income threshold for Ontario compared to the total population in private households.