



## **Staff Report FIN2021-033**

**Title of Report:** **FIN2021-033 2022 Ontario Municipal Partnership Fund**

**Department:** **Finance**

**Council Date:** November 3, 2021

**Recommendation:**

**Be it resolved that** Council receive Staff Report FIN2021-033 2022 Ontario Municipal Partnership Fund as information.

**Background:**

On October 21, 2021, the Province of Ontario announced the 2022 funding allocations under the Ontario Municipal Partnership Fund (OMPF).

The key data inputs for the OMPF allocations are households, total weighted average assessment per household, rural and small community measure, farm area measure, Northern and Rural Municipal Fiscal circumstances index, guaranteed level of support, and the prior year's OMPF allocation.

**Staff Comments:**

Southgate's 2022 allocation is \$611,200, or \$185 per household, an increase of \$20,900 (3.5%) over the 2021 allocation of \$590,300.

For 2022, the government is maintaining the overall structure of the OMPF and the program envelope at the same level as 2021, providing a total of \$500 million to 389 municipalities.

The OMPF constitutes five grant components:

- |   |               |
|---|---------------|
| • Assessment Equalization Grant Component                 | \$149 million |
| • Northern Communities Grant Component                    | \$89 million  |
| • Rural Communities Grant Component                       | \$153 million |
| • Northern and Rural Fiscal Circumstances Grant Component | \$93 million  |
| • Transitional Assistance Grant Component                 | \$16 million  |

The Assessment Equalization component is a per household grant based on a municipality's total weighted assessment per household. For municipalities with a weighted assessment per household below the provincial median per-household threshold of \$303,000 receive \$29 per household for every \$10,000 in the total assessment differential. Southgate's weighted assessment per household figure of \$308,662, therefore, disqualifies Southgate from receiving this benefit.

The single largest grant component for municipalities in Grey County, and indeed all municipalities that receive funds through the OMPF, is the Rural Communities Grant Component. This component "recognizes the unique challenges of rural municipalities and particularly those of rural farming communities." Funding is provided on a per household basis based on the proportion of population residing in rural areas and/or small communities, as measured by the Rural and Small

Community Measure (RSCM). Every municipality with an RSCM score of over 75% receives \$131 per household.

The rural communities grant component is further enhanced for municipalities where over 70% of the land area is represented by farmland. Municipalities receive an enhancement of \$10.50 per household for every 2% increase to the Farm Area Measure (FAM) between 70%-90%. With the enhancement, Southgate's portion of the Rural Communities Grant Component comes to \$156 per household. It should be noted that Southgate is the only Grey County municipality to receive the FAM enhancement.

Finally, the Northern and Rural Municipal Fiscal Circumstances Grant Component is provided to municipalities that qualify for either the Northern Communities Grant Component or the Rural Communities Grant Component. This component aims to recognize that not all northern/rural communities deal with the same fiscal circumstances. Funding is provided based on the relative fiscal circumstances as measured by the Northern and Rural Municipal Fiscal Circumstances Index (MCFI). Municipalities are assigned a score in the range of 0 (relatively positive fiscal circumstances) to 10 (relatively challenging fiscal circumstances). The MCFI is calculated based on socio-economic and demographic indicators. Southgate's MCFI score of 2.9 indicates that Southgate is performing relatively well against the provincial medians on the indicators. Southgate's score of 2.9 is the second lowest in Grey County, with only Town of The Blue Mountains (2.5) recording a lower score. Southgate receives \$29 per household under the Northern and Rural Fiscal Circumstances Grant Component.

The cumulative funding per household received by the township is, therefore, \$185 – which represents an increase of \$2 per household over 2021.

Although the Township of Southgate received the least of total funding compared to other Grey County municipalities, Southgate's per household amount (\$185) is comparable to the other municipalities in Grey County with weighted assessment values higher than the provincial median. The average per household amount for such municipalities was \$180 while the median figure was \$185. In Grey County, only Chatsworth has fewer households (3,157) than Southgate (3,309). As the components of the OMPF grant are based on the number of households, Southgate's lower OMPF grant amount can be attributed to having fewer households. Attachment 1 compares the allocation amounts for all the Grey County lower-tier municipalities.

### **Financial Implications:**

The 2022 Budget will reflect the 2022 OMPF allocation of \$611,200, an increase of \$20,900 over the 2021 allocation.

**Communications & Community Action Plan Impact:**

This report has been written and presented to Council in accordance with the Southgate Community Action Plan:

**Mission Statement Pillars**

- Trusted Government
- Economic Prosperity.

**Themes:**

- Municipal Services
- Public Communications

**Core Values:**

- Integrity
- Stewardship

**Concluding Comments:**

The 2022 OMPF allocation is \$611,200, an increase of \$20,900 over the 2021 allocation.

Respectfully Submitted,

**Dept. Head:**                      **Original Signed By**  
William Gott, CPA, CA, Treasurer

**CAO Approval:**                **Original Signed By**  
Dave Milliner, CAO

**Attachment:**

1. 2022 OMPF – Letter to Heads of Council
2. 2022 OMPF – Letter to Treasurer and Clerk-Treasurers
3. 2022 OMPF Allocation Notice – Southgate
4. 2022 OMPF Technical Guide
5. Summary 2022 OMPF Allocations to Grey County lower-tier Municipalities