



Minister of Finance | Ministre des Finances
PETER BETHLENFALVY

October 30, 2024

Dear Head of Council:

I am writing to provide you with an update on the Ontario Municipal Partnership Fund (OMPF).

We understand the importance of the Ontario Municipal Partnership Fund (OMPF) to communities across Ontario. We are listening to municipalities and have heard, particularly from small, northern, and rural municipalities, that they are facing financial challenges in delivering services to their communities.

To assist them with these challenges, I am pleased to announce that the Province will be increasing the OMPF by \$100 million over two years, bringing the total funding envelope to \$600 million by 2026. In 2025, municipalities will benefit from an immediate \$50 million increase in funding through the program. This enhancement will be targeted to small, northern and rural municipalities and those with a limited property tax base. This funding will assist municipalities in providing critical services to people across the province.

With the introduction of the enhancement to the program in 2025, all of the program's core grant components will increase. In addition, Transitional Assistance funding guarantees have been enhanced to 100% of a municipality's 2024 OMPF allocation, ensuring that all OMPF core recipients will receive at least the same level of funding as they did in 2024.

The \$100 million enhancement to the OMPF builds on the significant increases in support that the government is providing to municipalities, including investing an additional \$1 billion through the Ontario Community Infrastructure Fund (OCIF) over five years, starting in 2022, the introduction of the Northern Ontario Resource Development Support Fund and the nearly \$2 billion in housing-enabling infrastructure programs, which include funding specifically dedicated to small, northern and rural municipalities.

We have always been committed to working closely with our municipal partners and know how important the OMPF is for many municipalities. This is why in the coming months the Ministry of Finance will be consulting with municipalities to hear their perspective, advice, and

priorities for the program. Through the ministry's discussions with your treasurers and clerk treasurers, we look forward to discussing how to implement a reporting framework in order to gain a better understanding of how the OMPF is supporting your communities.

The Ministry of Finance's Provincial-Local Finance Division will be providing your municipal treasurers and clerk-treasurers with further details on your 2025 OMPF allocation. Details regarding the consultation process will also be provided. Supporting materials on the 2025 program are available on the ministry's web site at www.ontario.ca/document/2025-ontario-municipal-partnership-fund.

As we continue to work together to build up our communities and move Ontario's economy forward, maintaining a close relationship with our municipal partners remains critical. I look forward to our continued collaboration as we move forward with building a strong future for our province.

Sincerely,

Original signed by

Peter Bethlenfalvy
Minister of Finance

c. c. The Honourable Paul Calandra, Minister of Municipal Affairs and Housing

Ministry of Finance
Provincial-Local Finance
Division
Frost Building North
95 Grosvenor Street
Toronto, ON M7A 1Y7

Ministère des Finances
Division des relations provinciales
municipales en matière de finances
Édifice Frost Nord
95 rue Grosvenor
Toronto, ON M7A 1Y7



October 30, 2024

Dear Treasurer/Clerk-Treasurer:

In the October 30 letter to Heads of Council, the Minister of Finance announced that the Province will be increasing the Ontario Municipal Partnership Fund (OMPF) by \$100 million over two years, bringing the total funding envelope to \$600 million by 2026. For 2025, the program will provide \$550 million. This letter provides information regarding your municipality's 2025 OMPF allocation.

I am pleased to advise that in 2025 your municipality will benefit from an increase in OMPF funding compared to 2024.

2025 OMPF

As part of the phased-in increase to the OMPF, the program will provide \$550 million to recipient municipalities in 2025.

Details of the enhancement to the core grant components of the program and Transitional Assistance include:

Core Grant Component Enhancements:

- The **Assessment Equalization Grant component** will increase to \$155 million from \$149 million to better support municipalities with limited property assessment.
- The **Rural Communities Grant component** will increase to \$171 million from \$155 million in recognition of the challenges of rural municipalities, including rural farming communities.
- The **Northern Communities Grant component** will increase to \$105 million from \$90 million in recognition of the challenges of northern municipalities.
- New for 2025 is the introduction of **Minimum Base Top-Up funding**, which will ensure that small, northern and rural municipalities with fewer than 1,000 households receive at least \$100,000 in combined base funding through the Northern Communities and Rural Communities core grant components.

- The **Northern and Rural Fiscal Circumstances Grant component** will increase to \$109 million from \$94 million to support northern and rural municipalities with the more challenging fiscal circumstances.

Details related to grant parameters are outlined in the 2025 OMPF Technical Guide and individual municipal workbooks.

Transitional Assistance:

Transitional Assistance funding guarantees will be enhanced to 100% of the 2024 allocation in 2025 only, as part of the introduction of program enhancements. This will ensure that all OMPF core grant recipients receive at least the same level of funding as they did in 2024.

Consultations on the OMPF

As the Minister noted in his October 30 letter, the ministry will be consulting with municipal treasurers and clerk treasurers on the OMPF in the winter of 2025. The government wants to hear about your priorities for the program and how to implement a reporting framework to gain a better understanding of the use of funds and how the OMPF is supporting local communities.

The Ministry will be working with the Association of Municipalities of Ontario to reestablish the OMPF Municipal Reference Group to support this consultation. We will be communicating more information about the consultation process in the coming months.

2025 OMPF – SUPPORTING MATERIAL

To assist municipalities in understanding the OMPF and their individual 2025 allocations, the Ministry of Finance provides detailed and customized supporting documentation:

- A. 2025 OMPF Allocation Notice and Inserts**
- B. 2025 OMPF Technical Guide**
- C. Municipal Workbooks**

A. 2025 OMPF Allocation Notice and Inserts

The *OMPF Allocation Notice and Inserts* outline individual municipal OMPF allocations by grant component, and also provide a summary of 2025 key data inputs. A municipality's 2025 allocation is noted on line A.

B. 2025 OMPF Technical Guide

The *2025 OMPF Technical Guide* provides information with respect to individual grant thresholds, parameters and data sources.

C. 2025 Municipal Workbooks

The *2025 OMPF Workbook and the 2025 Northern and Rural Municipal Fiscal Circumstances Index (MFCI) Workbook* (if applicable) provide detailed calculations of the 2025 OMPF grant components, the determination of the Northern and Rural MFCI, and outline all underlying data elements.

These workbooks will be provided electronically to municipal treasurers and clerk-treasurers in the coming weeks.

The *2025 OMPF Technical Guide*, as well as municipal allocations, are also available electronically on the Ministry’s website:

<https://ontario.ca/document/2025-ontario-municipal-partnership-fund>

2025 PAYMENT SCHEDULE

The *2025 Cash Flow Notice* identifies your municipality’s quarterly payment schedule. Payments will be processed at the end of January, April, July, and October 2025. As outlined in the following section, OMPF payments are subject to holdback for municipalities that do not comply with applicable reporting requirements.

2025 REPORTING OBLIGATIONS

As you know, OMPF payments are subject to compliance with the program’s reporting obligations.

Specifically, municipalities are required to submit Financial Information Returns (FIR) to the Ministry of Municipal Affairs and Housing (MMAH) and tax-rate bylaws through the Online Property Tax Analysis (OPTA) system or to MMAH as outlined in the following schedule:

Submissions	Due Date
2024 FIRs	By May 31, 2025
2025 Tax-rates	By August 31, 2025

Payments for municipalities that do not meet their 2025 reporting obligations will be subject to holdback, beginning with the 2025 fourth quarterly payment, until these documents have been filed.

If you require additional information regarding the OMPF, you may e-mail your inquiries and contact information to: info.ompf@ontario.ca.

In closing, we would like to thank you for your ongoing partnership. We look forward to continuing to work with you on the OMPF.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ian Freeman".

Ian Freeman, CPA, CMA
Assistant Deputy Minister
Provincial-Local Finance Division

c. Caspar Hall
Assistant Deputy Minister
Local Government Division
Ministry of Municipal Affairs and Housing

Hannah Evans
Assistant Deputy Minister
Municipal Services Division
Ministry of Municipal Affairs and Housing

2025 Allocation Notice**Town of Shelburne**

2221

County of Dufferin

The Town of Shelburne will receive \$496,300 through the OMPF in 2025, which represents an increase of \$39,200 compared to 2024.

A Total 2025 OMPF	\$496,300
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1. Core Grant Components	\$496,300
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a. Assessment Equalization Grant Component	-
b. Northern Communities Grant Component	-
c. Rural Communities Grant Component	\$457,100
d. Northern and Rural Fiscal Circumstances Grant Component	\$39,200

2. Transitional Assistance	n/a
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B Key OMPF Data Inputs

1. Households	3,265
2. Total Weighted Assessment per Household	\$370,029
3. Rural and Small Community Measure (RSCM)	100.0%
4. Farm Area Measure (FAM)	n/a
5. Northern and Rural Municipal Fiscal Circumstances Index (MFCI)	1.2
6. 2025 Guaranteed Level of Support	100.0%
7. 2024 OMPF	\$457,100

Note: See line item descriptions on the following page.

2025 Allocation Notice**Town of Shelburne**

2221

County of Dufferin

2025 OMPF Allocation Notice - Line Item Descriptions

A	Sum of 2025 OMPF core grant components and Transitional Assistance, which are described in the 2025 OMPF Technical Guide. This document can be accessed at: https://www.ontario.ca/document/2025-ontario-municipal-partnership-fund/technical-guide .
A2	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.
B1	Based on the 2024 returned roll from the Municipal Property Assessment Corporation (MPAC), including applicable updates.
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.
B3	Represents the proportion of a municipality's population residing in rural areas and/or small communities. For additional information, see the 2025 OMPF Technical Guide, Appendix A.
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 2025 OMPF Technical Guide, Appendix B.
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 MFCl corresponds to relatively positive fiscal circumstances, whereas a higher MFCl corresponds to more challenging fiscal circumstances. For additional information, see the enclosed MFCl Insert, and the 2025 OMPF Technical Guide, Appendix D.
B6	Represents the guaranteed level of support the municipality will receive through the 2025 OMPF. For additional information, see the 2025 OMPF Technical Guide.
B7	Line A of 2024 OMPF Allocation Notice.

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

2025 Northern and Rural Municipal Fiscal Circumstances Index**Town of Shelburne**

2221

County of Dufferin

A Northern and Rural Municipal Fiscal Circumstances Index (MFCI)**1.2**

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 Northern and Rural MFCI - Indicators

Primary Indicators	Town of Shelburne	<i>Northern and Rural Median</i>
1. Weighted Assessment per Household	\$370,029	\$292,000
2. Median Household Income	\$99,000	\$82,000
Secondary Indicators		
3. Average Annual Change in Assessment (New Construction)	3.6%	1.2%
4. Employment Rate	63.0%	53.0%
5. Ratio of Working Age to Dependent Population	174.8%	152.0%
6. Per cent of Population Above Low-Income Threshold	91.3%	88.0%

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 2025 OMPF Technical Guide, as well as in the customized 2025 Northern and Rural MFCI Workbook.

Note: See line item descriptions on the following page.

2025 Northern and Rural Municipal Fiscal Circumstances Index**Town of Shelburne**

2221

County of Dufferin

2025 Northern and Rural Municipal Fiscal Circumstances Index - Line Item Descriptions

A	The municipality's 2025 Northern and Rural MFCI. Additional details are provided in the municipality's customized 2025 Northern and Rural MFCI Workbook.
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.
B2	Statistics Canada's measure of median income for all private households in 2020.
B3	Measures the five-year (2019 - 2024) 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.
B4	Statistics Canada's measure of number of employed persons, divided by persons aged 15 and over.
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).
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.

2025 Transitional Assistance Calculation Insert

Town of Shelburne

2221

County of Dufferin

A 2025 OMPF Transitional Assistance (Line B2 - Line B1, if positive)	n/a
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As the municipality's 2025 OMPF identified on line B1 exceeds the guaranteed support identified on line B2, Transitional Assistance is not required.

B Supporting Details

1. Sum of 2025 OMPF Core Grant Components (excluding Transitional Assistance)	\$496,300
2. 2025 Guaranteed Support (Line B2a x Line B2b)	\$457,100
a. 2024 OMPF	\$457,100
b. 2025 Guaranteed Level of Support	100%

Note: See line item descriptions on the following page.

2025 Transitional Assistance Calculation Insert

Town of Shelburne

2221

County of Dufferin

2025 Transitional Assistance Calculation Insert - Line Item Descriptions

A	In 2025 only, as part of the introduction of program enhancements, Transitional Assistance funding guarantees for core grant recipients have been enhanced to 100 per cent of their 2024 OMPF allocation. The Town of Shelburne's 2025 OMPF exceeds their guaranteed level. As a result, Transitional Assistance is not required.
B1	Line A1 of 2025 OMPF Allocation Notice, sum of the following OMPF core grant components: Assessment Equalization, Northern Communities, Rural Communities, and Northern and Rural Fiscal Circumstances Grant Components.
B2	Guaranteed amount of funding through the 2025 OMPF.
B2a	Line A of 2024 OMPF Allocation Notice.
B2b	Represents the guaranteed level of support the municipality will receive through the 2025 OMPF. For additional information, see the 2025 OMPF Technical Guide.

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