

**THE CORPORATION OF THE TOWNSHIP OF WELLINGTON NORTH
SUPPLEMENTARY MEETING AGENDA OF COUNCIL
DECEMBER 4, 2017 @ 2:00 P.M.
MUNICIPAL OFFICE COUNCIL CHAMBERS, KENILWORTH**

**PAGE
NUMBER**

ITEMS FOR CONSIDERATION

3. FINANCE

- b. Report TR2017-014 being a report on the 2018 Ontario Municipal Partnership Fund (OMPF) Allocation



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**TO: MAYOR AND MEMBERS OF COUNCIL
MEETING OF DECEMBER 4, 2017**

FROM: ADAM MCNABB – DIRECTOR OF FINANCE & TREASURY

**SUBJECT: REPORT TR2017-014 BEING A REPORT ON THE 2018 ONTARIO
MUNICIPAL PARTNERSHIP FUND (OMPF) ALLOCATION**

THAT Report TR2017-014 being a report on the 2018 Ontario Municipal Partnership Fund (OMPF) Allocation be received for information;

PREVIOUS REPORTS PERTINENT TO THIS MATTER

TREASURER'S REPORT TR2012-09 2013 OMPF Allocation
TREASURER'S REPORT TR2014-13 2015 Ontario Municipal Partnership Fund –
Funding Announcement

BACKGROUND

The OMPF is the Province's main transfer to municipalities. In 2018, the Province will maintain OMPF funding at \$510 million, which will provide unconditional support to 389 municipalities across the province. This represents a \$5M increase year over year, and the addition of one municipality. Based on the guidance provided, the additional \$5M beginning in 2018 was added to further support northern municipalities. The Province will continue to provide unconditional funding in 2018 and beyond. The OMPF, combined with the municipal benefit resulting from the provincial uploads, will total over \$2.6 billion in 2018, which is equivalent to 14 per cent of municipal property tax revenue in the province.

OMPF Review and Redesign

The OMPF was redesigned in 2014 following consultations with municipalities from across the province. A key component of the redesigned OMPF is that it better targets funding to northern and rural municipalities with challenging fiscal circumstances. Consultations with municipalities and the Association of Municipalities of Ontario

(AMO) have continued over the past year and have focused on refining the program to ensure it meets the long-term priorities of municipalities.

The program is comprised of four core grant components as well as Transitional Assistance that reflect the following objectives:

- Support areas with limited property assessment;
- Recognize the challenges of northern and rural municipalities, while targeting funding to those with more challenging fiscal circumstances; and
- Assist municipalities as they transition to the redesigned program

2018 OMPF

The 2018 OMPF reflects the core objectives of the redesigned program, while balancing the range of views expressed by municipalities through this year's consultations. The 2018 program will:

- Further target support to municipalities with more challenging fiscal circumstances by increasing the Northern and Rural Fiscal Circumstances Grant to \$89 million from \$82 million in 2017.
- Increase the Northern Communities Grant component of the OMPF program by \$5M to \$89M in 2018 to further recognize the challenges of northern municipalities.
- Enhance the Rural Communities Grant to \$150 million from \$148 million in 2017. This builds upon the enhancement for farming communities introduced in 2016, and
- The farm enhancement of the Rural Communities grant will grow to \$15M from \$10M in 2017 to further support municipalities with the highest levels of farm land, and

FINANCIAL CONSIDERATIONS

The Township has been subject to a funding decrease of \$62,700 (4.5%) in OMPF funding over 2017. This decrease will be reflected in the Draft budget to be presented to Council once compiled.

The following chart provides the year-over-year change in each of the core grant components and Transitional Assistance:

	<u>2018</u>	<u>2017</u>	<u>Change</u>	<u>Change</u> <u>%</u>
Assessment Equalization Grant	-	87,400	(87,400)	-100%
Northern Communities Grant	-	-	0	0%
Rural Communities Gran	955,900	917,200	38,700	4%
Northern and Rural Fiscal Circumstances Grant	361,100	375,100	(14,000)	-4%
Transitional Assistance	-	-	0	0%
Total OMPF	1,317,000	1,379,700	(62,700)	-5%

Additional details specific to the Township's 2018 allocation are outlined in the attached 2018 OMPF Allocation Notice from the Province, Appendix A.

STRATEGIC PLAN

Do the report's recommendations advance the Strategy's implementation?

Yes No X N/A

Which pillars does this report support?

- | | |
|---|--|
| <input type="checkbox"/> Community Growth Plan | <input type="checkbox"/> Community Service Review |
| <input type="checkbox"/> Human Resource Plan | <input type="checkbox"/> Corporate Communication Plan |
| <input type="checkbox"/> Brand and Identity | <input type="checkbox"/> Positive Healthy Work Environment |
| <input type="checkbox"/> Strategic Partnerships | |

PREPARED BY:

RECOMMENDED BY:

Adam McNabb

Michael Givens, CAO

**ADAM MCNABB
DIRECTOR OF FINANCE & TREASURY**

**MICHAEL GIVENS
CHIEF ADMINISTRATIVE OFFICER**

**Ontario Municipal Partnership Fund (OMPF)
2018 Allocation Notice**



**Township of Wellington North
County of Wellington**

2349

2018 Highlights for the Township of Wellington North

- The Township of Wellington North's 2018 OMPF allocation is \$1,317,000, which is the equivalent of 19% of the Township's municipal property tax revenue.
- This exceeds the payments received in 2004 by \$32,000.
- The estimated total benefit of the 2018 provincial uploads for the County of Wellington is \$6,093,700, which is the equivalent of 5% of all municipal property tax revenue in the County.

A Total 2018 OMPF	\$1,317,000
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1. Assessment Equalization Grant	-
2. Northern Communities Grant	-
3. Rural Communities Grant	\$955,900
4. Northern and Rural Fiscal Circumstances Grant	\$361,100
5. Transitional Assistance	-

B Upper-Tier 2018 Provincial Uploads

The estimated total benefit of the 2018 provincial uploads for the County of Wellington is \$6,093,700.

The removal of these costs off the property tax base benefits all taxpayers within the County of Wellington, including those residing in the Township of Wellington North.

Information regarding the 2018 provincial uploads for the County of Wellington can be found in the accompanying 2018 Upload Notice Insert.

C Other Ongoing Provincial Support

1. Public Health	n/a
2. Land Ambulance	n/a

D Key OMPF Data Inputs

1. Households	5,015
2. Total Weighted Assessment per Household	\$290,492
3. Rural and Small Community Measure	100.0%
4. Farm Area Measure	82.8%
5. Northern and Rural Municipal Fiscal Circumstances Index	5.4
6. 2018 Guaranteed Level of Support	89.2%
7. 2017 OMPF (Line A from 2017 Allocation Notice)	\$1,379,700

Note: See line item descriptions on the following page.

Issued: November 2017

Ontario Municipal Partnership Fund (OMPF) 2018 Allocation Notice



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Township of Wellington North County of Wellington

2018 OMPF Allocation Notice - Line Item Descriptions

- A** The OMPF grants are described in detail in the 2018 OMPF Technical Guide - this document can be found on the Ministry of Finance's website at: <http://www.fin.gov.on.ca/en/budget/ompf/2018>
- A5** If applicable, reflects the amount of transitional support provided to assist the municipality in adjusting to the redesigned OMPF program, and/or changes in municipal circumstances. See the enclosed Transitional Assistance Calculation Insert for further details.
- B** Information regarding the 2018 provincial uploads for the County of Wellington can be found in the accompanying 2018 Upload Notice Insert.
- C1** The estimated 2018 municipal benefit resulting from the upload of public health costs from a provincial share of 50 per cent in 2004 to 75 per cent in 2007. In two-tier systems, this benefit is identified at the upper-tier level. Actual municipal savings may not correspond with the Allocation Notice due to budget approvals made by the local Board of Health. Municipalities may provide additional funding beyond their obligated cost share or receive additional savings through other provincial grants for public health programs and initiatives. Any additional municipal funding or savings are not included in the calculation of the public health figure.
- C2** The estimated 2018 municipal benefit of the Province's 50 per cent share of land ambulance funding relative to its share in 2005. This incremental increase in land ambulance funding delivers on the Province's commitment to strengthen land ambulance services and maintain the 50:50 sharing of land ambulance costs. In two-tier systems, this benefit is identified at the upper-tier level.
- D2** 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.
- D3** Represents the proportion of a municipality's population residing in rural areas or small communities. For additional information, see the 2018 OMPF Technical Guide.
- D4** 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 2018 OMPF Technical Guide.
- D5** 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, 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 2018 OMPF Technical Guide.
- D6** Represents the guaranteed level of support the municipality will receive from the Province through the 2018 OMPF. For additional information, see the 2018 OMPF Technical Guide.
- D7** 2017 OMPF allocation

Note: Provincial funding and other ongoing provincial support initiatives rounded to multiples of \$100.

**Ontario Municipal Partnership Fund (OMPF)
2018 Transitional Assistance Calculation Insert**



**Township of Wellington North
County of Wellington**

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A 2018 OMPF Transitional Assistance (Line B2 - Line B1 if positive)

n/a

As the municipality's 2018 OMPF identified on line B1 exceeds the guaranteed support identified on line B2, Transitional Assistance is not required.

B Supporting Details

1. Sum of 2018 OMPF Grants, excluding Transitional Assistance

\$1,317,000

2. 2018 Guaranteed Support (Line B2a x Line B2b)

\$1,230,700

a. 2017 OMPF (Line A from 2017 Allocation Notice)

\$1,379,700

b. 2018 Guaranteed Level of Support (Line C)

89.2%

C 2018 Guaranteed Level of Support (Line C1 + Line C2)

89.2%

1. 2018 OMPF Minimum Guarantee

85.0%

2. Enhancement Based on Northern and Rural Municipal Fiscal Circumstances Index

4.2%

Note: See line item descriptions on the following page.

**Ontario Municipal Partnership Fund (OMPF)
2018 Transitional Assistance Calculation Insert**



**Township of Wellington North
County of Wellington**

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2018 Transitional Assistance Calculation Insert - Line Item Descriptions

A Transitional Assistance ensures that in 2018, southern municipalities will receive a minimum of 85 per cent of the support they received through the OMPF in 2017. The Township of Wellington North's 2018 OMPF exceeds this level. As a result, Transitional Assistance is not required.

B1 Sum of 2018 Assessment Equalization, Northern Communities, Rural Communities, and Northern and Rural Fiscal Circumstances Grants.

B2 Guaranteed amount of funding through the 2018 OMPF

B2a 2017 OMPF allocation

B2b Represents the guaranteed level of support the municipality will receive from the Province through the 2018 OMPF. For additional information, see the 2018 OMPF Technical Guide.

C1 Reflects the minimum level of support for southern municipalities.

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

Note: Provincial funding and other ongoing provincial support initiatives rounded to multiples of \$100.

Ontario Municipal Partnership Fund (OMPF)
2018 Northern and Rural Municipal Fiscal Circumstances Index



Township of Wellington North
County of Wellington

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A	Northern and Rural MFCI - Township of Wellington North	5.4
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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 by 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 Township to the median for northern and rural municipalities.

B Northern and Rural MFCI - Indicators		
	Wellington North Tp	<i>Median</i>
Primary Indicators		
1. Weighted Assessment per Household	\$290,492	\$261,000
2. Median Household Income	\$63,712	\$69,000
Secondary Indicators		
3. Average Annual Change in Assessment (New Construction)	1.1%	1.1%
4. Employment Rate	63.2%	58.0%
5. Ratio of Working Age to Dependent Population	154.3%	170.0%
6. Per cent of Population Above Low-Income Threshold	84.5%	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 2018 OMPF Technical Guide, as well as in the customized municipal 2018 Northern and Rural MFCI Workbook.

Ontario Municipal Partnership Fund (OMPF)
2018 Northern and Rural Municipal Fiscal Circumstances Index



Township of Wellington North
County of Wellington

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2018 Northern and Rural Municipal Fiscal Circumstances Index - Line Item Descriptions

- A** The municipality's 2018 Northern and Rural MFCI. Additional details are provided in the municipality's customized 2018 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 2015.

- B3** Measures the five-year (2012 - 2017) 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, 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.

**Ontario Municipal Partnership Fund (OMPF)
2018 Farm Area Measure Insert**



**Township of Wellington North
County of Wellington**

2349

A	Farm Area Measure (Line B1 / Line B2)	82.8%
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The Farm Area Measure (FAM) represents the percentage of a municipality's land area comprised of farm land.

$$\frac{\text{Farm Land Area}}{\text{Municipal Land Area}} = \text{Farm Area Measure}$$

B Supporting Details

1. Farm Land Area		107,653 acres
2. Municipal Land Area		130,029 acres

In 2018, per household funding provided through the Rural Communities Grant will be enhanced for municipalities with a Farm Area Measure of more than 70 per cent, based on a sliding scale. Eligible municipalities receive this enhancement as part of their Rural Communities Grant allocation. Additional details regarding the calculation of the Farm Area Measure are provided in the 2018 OMPF Technical Guide, as well as in the municipality's customized 2018 OMPF Workbook.

Note: See line item descriptions on the following page.

**Ontario Municipal Partnership Fund (OMPF)
2018 Farm Area Measure Insert**



**Township of Wellington North
County of Wellington**

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2018 Farm Area Measure Insert - Line Item Descriptions

A 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 2018 OMPF Technical Guide.

B1 The number of acres of land for properties in the farm property tax class.

B2 The total number of acres of land in the municipality.

**Ontario Municipal Partnership Fund (OMPF)
2018 Upload Notice Insert**



County of Wellington

2300

A Estimated 2018 Provincial Uploads	\$6,093,700
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1. Ontario Drug Benefits	\$887,400
2. Ontario Disability Support Program - Administration Component	\$277,900
3. Ontario Disability Support Program - Benefits Component	\$2,962,800
4. Ontario Works - Benefits Component	\$1,163,500
5. Ontario Works - Administration Component (Additional Support)	\$736,600
6. Court Security and Prisoner Transportation	\$65,500

B 2017 Provincial Uploads	\$5,845,900
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C Increase in Provincial Uploads Compared to 2017 (Line A - Line B)	\$247,800
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The removal of these costs off the property tax base benefits all taxpayers within the County of Wellington, including those residing in the Township of Wellington North.

Note: See line item descriptions on the following page.

**Ontario Municipal Partnership Fund (OMPF)
2018 Upload Notice Insert**



County of Wellington

2300

2018 Upload Notice - Line Item Descriptions

- A** Estimated 2018 municipal benefit resulting from the provincial upload of social assistance benefit programs and court security and prisoner transportation (CSPT) costs. CSPT allocations to be confirmed by the Ontario Provincial Police (OPP) in 2018.
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- B** 2017 Social Programs Cost. Equal to Line A of the 2017 Upload Notice.

Note: Provincial funding and other ongoing provincial support initiatives rounded to multiples of \$100.