

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 for core grant recipients 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:

[www.ontario.ca/document/2025-ontario-municipal-partnership-fund](http://www.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:

<b>Submissions</b>	<b>Due Date</b>
2023 FIRs	By December 31, 2024
2024 FIRs	By May 31, 2025
2025 tax-rates	By August 31, 2025

As of October 28, 2024, your municipality's 2023 and/or previous year's Financial Information Returns (FIRs) continue to remain outstanding.

Your municipality's outstanding FIRs should be submitted as soon as possible to avoid future holdback of payments. Additional details will be provided as part of the upcoming 2025 Q1 payment issuance.

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](mailto: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,



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