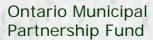
Ontario Municipal Partnership Fund



Presented by Sandra Jonasson and Mark Mieto Finance Committee Meeting April 13, 2005

Purpose of Presentation

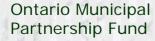
- Update on new grant that replaces the CRF
- Impact on CGS
- Option for Council's consideration





"Old" Community Reinvestment Fund (CRF)

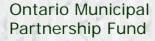
- Introduced in 1998 to offset the net effect of downloaded services, the elimination of grants, a required savings target and increased education room
- No Logic to the amount received by each municipality just a "plug"
- Introduced with the concept of revenue neutrality which was eroded over time
- Even with reconciliation, by 2004 the City's levy was carrying \$2.4 million for ambulance, social housing, provincial offences net of assessment savings





"New" Ontario Municipal Partnership Fund (OMPF)

- Not intended to provide "revenue neutrality" for former downloaded services
- New grant designed to:
 - Help address the burden social programs place on municipalities with limited funds
 - Respond to policing issues in small communities, and
 - Address unique challenges in northern, rural and small communities





OMPF Grant Components

Social Programs Grant \$179 million Equalization Grant \$170 million

- Assessment equalization
- Farmland & managed forest

Northern & Rural Communities Grant \$249 million

- Rural communities
- Northern communities
- Northern & rural social programs
- Stabilization

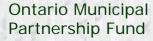
Police Services Grant \$ 58 million

Total 2005 allocation \$656 million



OMPF Grant Subject to Reconciliation

- 2005 grant estimated using some "live" data such as social program costs
- 2005 actual grant amount will not be known until 2006
- Each year grant will be estimated in the fall and adjusted afterwards





Special One Time Funding

- Transition assistance for municipalities seeing a decrease in funding from 2004 cash flow
- 2003 reconciliation
- 2004 reconciliation



Impact on CGS OMPF 2005 Funding (millions)

Social Programs Grant	\$24.1
Equalization Grant	
 Assessment equalization \$15.1 	
 Farmland & managed forest 	\$15.1
Northern & Rural Communities Grant	
 Rural communities 	
 Northern communities \$15.8 	
 Northern & rural social programs .1 	
 Stabilization 	\$15.9
Police Services Grant	0
2005 Estimated Allocation(subject to reconciliation)	\$55.1



Impact on CGS One Time Funding

- No transition funding (2005 allocation is \$500,000 more than 2004 cash flow)
- \$3.4 million for outstanding 2003 and 2004 CRF reconciliations





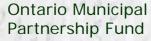
Impact on CGS

- One time funding received for 2003 and 2004 is \$1.5 million more than anticipated and will contribute to year end surplus position
- Estimated grant for 2005 is \$2.7 million short compared to amount budgeted in 2005
- 2005 grant is an indication of future years' grants – grant amounts unknown but will be less than budgeted in 2005



Immediate Actions – Finance Division

 Will continue to gather more information through technical briefings and direct contact with Ministry staff to get a better handle on 2005 grant and prepare for the 2006 budget





Options for Council's Consideration

Option 1a – Reopen 2005 budget and reverse capital levy of \$3.2 million

- Would reduce roads program
- Would not meet goal of doubling roads program by 2007
- Potentially affect COMRIF program
- Not recommended



Options for Council's Consideration

Option 1b – Reopen 2005 budget and find expenditure reductions of \$2.7 million

- Already into the second quarter of the year; work programs underway
- Would delay issuing the tax bills, impact on investment revenue
- Not recommended



Options for Council's Consideration

Option 2 – Petition the Province to provide transition funding for 2005 to 2008 and fund any remaining shortfall for 2005 from reserves

- City just identified efficiencies and cost savings that won't be fully realized until 2008
- Transition funding would help minimize the budget impact of change in grant funding
- Any remaining 2005 shortfall would be funded from tax rate stabilization reserve and capital financing reserve fund - general
- No impact on roads capital program
- Recommended option



Addressing the Funding Gap - Action Plan

Mark Mieto
Chief Administrative Officer
City of Greater Sudbury



Our Vision and Priorities

- Vision: The City of Greater Sudbury is a growing world-class community, bringing talent, technology, and a greater northern lifestyle together
- Mission: We provide excellent access to quality municipal services and leadership in the social, environment, and economic development of the City of Greater Sudbury



Our Vision and Priorities

■ Corporate Priorities:

- Road maintenance
- Infrastructure renewal financing strategy
- Healthy communities strategy
- Economic development focus



Our Action Plan (2 – 3 Year Horizon)

- Internal Efficiencies: CIP, mgt. reorganization, solution teams
- Northern Mayors: Will review impacts of new grant on the north and costs of social programs on municipal ratepayers
- Pursue Upload of Provincial Services: Work with AMO to remove Health and Social Services programs (such as ODSP) off property taxes over longer term



Our Action Plan (2 – 3 Year Horizon)

Pursue New Revenues:

- Greater Sudbury Utilities: Increased Return on Investment
- Property Management: Sale of municipally owned properties
- Property Assessment: Review Opportunities
- Capital Investment: Utilize future provincial and federal funding (e.g. federal gas tax) for investment in our capital and infrastructure needs.



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