



**CITY OF HAMILTON**

**CORPORATE SERVICES DEPARTMENT**  
*Financial Planning and Policy Division*

**COMMUNITY SERVICES DEPARTMENT**  
*Housing and Homelessness Division*

<b>TO:</b> Chair and Members Emergency & Community Services Committee	<b>WARD(S) AFFECTED:</b> CITY WIDE
<b>COMMITTEE DATE:</b> March 2, 2011	
<b>SUBJECT/REPORT NO:</b> Ontario Municipal Partnership Fund Reconciliation Re-Investment FCS11027/CS11031 (City Wide) (Outstanding Business List Items N and O)	
<b>SUBMITTED BY:</b> Roberto Rossini General Manager Finance and Corporate Services  Joe-Anne Priel General Manager Community Services	<b>PREPARED BY:</b> Mike Zegarac (905) 546-2424 ext. 2739 Gillian Hendry (905) 546-2424 ext. 4818 Kerry Lubrick (905) 546-2424 ext. 4855
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That the Ontario Municipal Partnership Fund (OMPF) Reconciliation Re-Investment Policy as outlined in Appendix D of Report FCS11027/CS11031 and summarized below be approved:
  - (i) 50% transferred to the Social Services Initiative Fund (112214) to support one-time Social Services related costs;

- (ii) 50% transferred to the Unallocated Capital Reserve (108020) to address infrastructure projects that will address the City's infrastructure deficit;
- (b) That Report FCS11027/CS11031 be forwarded to the Premier of Ontario, the Minister of Municipal Affairs & Housing and the Minister of Finance;
- (c) That the Mayor correspond with the Honourable Dalton McGuinty, Premier of Ontario, the Honourable Dwight Duncan, Minister of Finance and the Honourable Rick Bartolucci, Minister of Municipal Affairs and Housing requesting that the Ontario Municipal Partnership Fund be amended to reflect the actual cost of evolving program responsibilities and legislated requirements including the full cost of social housing;
- (d) That the Mayor correspond with the Honourable Dalton McGuinty, Premier of Ontario, the Honourable Dwight Duncan, Minister of Finance and the Honourable Rick Bartolucci, Minister of Municipal Affairs and Housing requesting a commitment to a reconciliation of the 2010 Ontario Municipal Partnership Fund;
- (e) That staff prepare a Reserve Policy with respect to the potential disposition of Ontario Works surpluses to the Ontario Works Stabilization Reserve;
- (f) That item "N" concerning the feasibility of replenishing the \$3.1 million to the Social Services Budget be removed from the Emergency and Community Services Outstanding Business List;
- (g) That item "O" concerning policy for the use of any year-end surplus of the Ontario Municipal Partnership Fund be removed from the Emergency and Community Services Outstanding Business List.

## **EXECUTIVE SUMMARY**

At its meeting of June 16, 2010, the Emergency and Community Services Committee approved the following directions:

*"That staff be directed to review, on a go forward basis, the feasibility of replenishing the \$3.1 million, which has been allocated to capital projects, to the social services budget and report back to the Emergency and Community Services Committee."*

*"That staff develop a policy, with options, for the use of any year-end surplus of the Ontario Municipal Partnership Funds, and report back to the Emergency and Community Services Committee."*

For the period 2006 to 2008, the OMPF reconciliation payments to the City totalled approximately \$6.4 million, of which \$2 million was transferred to the Ontario Works Stabilization Reserve, \$1.4 million transferred to the Tax Stabilization Reserve and \$3.1 million directed to infrastructure improvements (refer to Report FCS09040 “**Tax and Rate Operating Budget Variance Report to December 31, 2008 (Unaudited) (City Wide)**”).

In December of 2010, the Ontario Minister of Finance committed to a similar reconciliation in 2011 with respect to the 2009 OMPF – Social Programs Grant component. In 2009, the City, similar to many municipalities in Ontario, faced increased costs associated to social programs in response to the economic downturn that began in 2007/08; therefore, a reconciliation of the Social Program Grant component is important to ensure the Provincial Government’s intent to uphold these costs is preserved and that the commitment to be responsive to changing municipal circumstances be upheld.

The recommended City of Hamilton Ontario Municipal Partnership Fund (OMPF) Reconciliation Re-Investment (Policy) and identified alternatives are premised on the City’s Strategic Plan focus areas of financial sustainability and social development.

With respect to the issue of replenishing the \$3.1 million which was allocated to capital projects rather than specifically to the social services budget, staff are not recommending a \$3.1 million enhancement to the social services budget related to the allocation of the 2007 and 2008 OMPF reconciliation. The information below provides the rationale for the staff recommendation:

- OMPF grant monies are totally unconditional and may be spent by a municipality for any purpose which Council decides;
- Social services programs, in general, did not report an unfavourable variance in 2007 and 2008 as the City appropriately budgeted for emerging trends in those years;
- Through Report FCS10073 “Capital Projects’ Status and Closing Report as of June 30th, 2010 (City Wide)”, Council did approve an investment of \$2 million for the Neighbourhood Strategies program;
- Appendix A to Report FCS11027/CS11031 provides a snapshot of the level of investment the City has supported for social services, in general, which totals \$153 million in 2010;
- Municipalities, with a similar profile to Hamilton, applied the reconciliation to corporate initiatives, other than social service investments, specifically; and
- That, through the year-end disposition of the 2010 surplus, the options identified in Report FCS11027/CS11031 will be considered for funding.

An informal survey of a few municipalities that also were recipients of OMPF reconciliations suggests that most, similar to Hamilton, applied the funding to support general or Corporate initiatives, recognizing that the social services or other OMPF related programs were previously funded and that the previously approved funding could have been applied to spending priorities, in general, (had the correct OMPF grant amount been provided prior to the reconciliation).

With respect to the 2011 OMPF forecast, it is not forecast that the City will be a recipient of further transfer payments under the Social Programs Grant component. As per the provincial granting methodology, the City's property assessment is deemed sufficient to support the City's share of social program costs, notwithstanding the fact that some of the definitions of eligible costs do not reflect actual costs funded by the taxpayers of the City. For instance, under the definition of eligible costs, Social Housing is identified as per the 2002 devolved budget of \$34.5 million rather than the City's 2010 actual budget of \$38.7 million. The draft 2011 budget for social housing is approximately \$42.2 million, a difference of approximately \$8.3 million versus the 2002 devolved budget.

Some of the challenges with respect to the OMPF grants are:

- Funding forecast is historically based and unresponsive to changes in key cost drivers, which leads to the requirement for reconciliations;
- Funding does not fully account for evolving program responsibilities and legislated requirements;
- Funding does not account for social housing costs over and above the 2002 devolved cost;
- Municipalities are required to approve balanced budgets and, therefore, must reflect forecasts responsive to emerging trends rather than budget from a historically based forecast.

Unlike Provincial or Federal Governments, legislation requires that Ontario municipalities have balanced budgets so that budgeted annual expenditures cannot exceed revenues. Furthermore, should a deficit occur, it must be recovered in the following year's budget. Had the City used social services actual costs, covered under OMPF in 2007 and 2008, according to the Provincial OMPF forecasts, the City would have experienced a deficit in these program areas during those years. As a consequence, the City would have had to budget the OMPF reconciliation amount which has lagged for a number of years, in the past, and for which there is no formal commitment from the Province of Ontario to extend to municipalities. The City followed a financially prudent and appropriate budgeting approach with respect to these programs by budgeting according to emerging trends. As a direct result, the City was not in a deficit position at year-end with respect to these programs and did not require the OMPF reconciliation or reserves to balance the City's year-end position. It is

important to note that setting the appropriate budgets for the affected program areas required the direction of financial resources away from competing needs.

Ontario municipalities have the highest municipal tax levels in Canada. In 2005, Ontario's per capita municipal tax was 16% higher than the Canadian average and 9% greater than the second highest province, Quebec. This is solely due to the large proportion of property taxes devoted to Health and Social Service programs. A number of years ago, the Association of Municipalities in Ontario (AMO) quantified that Ontario municipalities fund \$3 billion annually through property taxes for these programs and, more recently, AMO revised this figure upwards to \$3.9 billion.

While the uploading of these services, to a degree, will alleviate some of these pressures facing municipalities in Ontario, the funding requirements for other competing needs, such as, infrastructure continues to be an immense challenge. In November 2007, a study by McGill University's Civil Engineering and Applied Mechanics determined that the cost to eliminate the municipal infrastructure deficit, on a national scale, would be \$123 billion. In 2011, the City forecasts the annual infrastructure deficit at approximately \$195 million.

Furthermore, as the City's Employment and Income Support budget has been responsive to cost drivers over the past few years, specific to the economic downturn, the year-end actual costs have been favourable relative to budget. With respect to the 2011 budget, Employment and Income Support reflects a caseload assumption that is approximately 4% lower than 2010 Budget and 4% greater than 2010 average actual.

In 2004, the OW Stabilization Reserve was created for the purpose of funding caseload fluctuations not covered in the annual approved budgets and any subsidy adjustments for prior years. The principle focus of the reserve is to provide sufficient flexibility and protection against recession driven caseload increases. This reserve does not have a financial plan in place to ensure that there are sufficient funds in reserve to off-set any large fluctuations in caseload volumes. A minimum target reserve balance needs to be established. Therefore, Report FCS11027/CS11031 recommends the establishment of an Ontario Works Stabilization financial plan and target reserve balance.

Appendix A of Report FCS11027/CS11031 presents a list of social services initiatives and programs already funded through the municipal tax base.

Appendix B of Report FCS11027/CS11031 identifies the upload benefit to the City since 2004, which represented the last year of transfer payment to the City under the previous Provincial Community Reinvestment Fund. Since 2006, the City has benefited from upload savings, as well as, from special funding commitments.

Appendix C of Report FCS11027/CS11031 also distinguishes the level of annual local funding that support social services and social housing related costs. Requiring Ontario municipalities to fund these income re-distribution programs from the property tax base is regressive and places Ontario municipalities in a competitive disadvantage relative to municipalities in other Provinces. While the long term upload of social services costs by the Province of Ontario is benefiting local taxpayers, local taxpayers in 2011 are forecast to fund approximately \$86.7 million in Ontario Works administration and benefits, Child Care, and Social Housing costs.

### Social Services Investments Options

It is recognized that there is a need for a balanced approach in the investment of Hamilton's available resources to support the social infrastructure, the physical infrastructure and the economic development of our community. Local research data, reports and articles, such as, the Hamilton Spectator Code Red series highlight the need for increased funding and resources for the development of Hamilton's human services infrastructure.

The bottom line is that the needs of many Hamilton residents far outweigh the available resources. The OMPF reconciliation payment cannot be accurately forecast and should be applied to projects or programs without long-term costs. Therefore, allocations may not be applied to annualized operating budgets.

If Recommendation (a) to Report FCS11027/CS11031 is approved, the following options will be reviewed and recommendations will be brought back to Emergency and Community Services Committee for consideration when the amount of the 2009 OMPF reconciliation is announced:

- Allocate funding to the Social Services Initiative Reserve for short-term projects and future investments in the human infrastructure of the City. Allocations from the Social Services Initiative Reserve would be approved by Council through a report.
- Allocate funding for short-term projects and operational pressures. Allocations from the Social Services Initiative Reserve would be approved by Council through a report.

The 2009 OMPF reconciliation has been identified, as a possible source of funding, for the following:

- Emergency shelters and intensive case management services;
- Emergency food services, such as, food banks;
- Transportation costs for youth and/or Ontario Works participants;

- A nutritional supplement for Ontario Works participants;
- Housing allowances;
- Improved level of care at Macassa and Wentworth Lodges; and
- The enhancement of other services for seniors.

Key determinants will be utilized in determining recommended areas of investment as follows:

- Scope;
- Rationale;
- Cost analysis;
- Impact on the community;
- Return on investment;
- Time frame; and
- Potential risks.

***Alternatives for Consideration – refer to page 12.***

Options for consideration with respect to the disbursement of future OMPF reconciliations:

**Recommended Option: Social Services and Infrastructure Focus**

- **50% transferred to the Social Services Initiative Fund (112214) to support one-time Social Services related costs;**
- **50% transferred to the Unallocated Capital Reserve (108020) to address infrastructure projects that will address the City's infrastructure deficit.**

The Social Services Initiative Fund was established in 2006 through a one-time Provincial Grant. The purpose of the fund is to provide financial support to urgent temporary/finite program requirements and recommendations from the Poverty Roundtable. Currently, the Fund has only \$70,000 in this remaining.

**Option 1: Infrastructure Re-Investment**

- **100% transferred to the Unallocated Capital Reserve (108020) to address infrastructure projects that will address the City's infrastructure deficit.**

The City could apply all future OMPF reconciliation monies to address Hamilton's large infrastructure deficit (i.e., \$195 million).

## **Option 2: Increase Financial Capacity**

- **100% transfer to Tax Stabilization Reserve (110046)**

The Tax Stabilization Reserve is intended to provide sufficient flexibility and protection for any unforeseen events, the reserve balance should be around 5% of tax revenues. Based on the City of Hamilton's 2009 financial statements, 5% of taxation and payments-in-lieu amounts to approximately \$33.8 million. For comparison purposes, the forecast balance of the Tax Stabilization Reserve for 2010 is approximately \$8 million.

### **FINANCIAL / STAFFING / LEGAL IMPLICATIONS** (for Recommendation(s) only)

**Financial:** In December of 2010, the Ontario Minister of Finance committed to a reconciliation in 2011 with respect to the 2009 OMPF – Social Programs Grant. There is no current indication what the amount of the reconciliation will be for 2009. Also, there has been no announcement from the Minister of Finance with respect to a commitment to undertake a similar reconciliation for the 2010 grant year.

The options contained in Report FCS11027/CS11031 have no impact on the Tax Supported Operating Levy.

**Staffing: Not applicable.**

**Legal: Not applicable.**

### **HISTORICAL BACKGROUND** (Chronology of events)

In 2005, when the Provincial Government introduced the Ontario Municipal Partnership Fund (OMPF), replacing the previous transfer program, Community Reinvestment Fund (CRF), a commitment was made that the OMPF would be responsive to changing municipal circumstances. The majority of OMPF grant is based on social program costs including Ontario Works, social housing and child care services. The level of transfers accruing to the City, through the OMPF, has been declining with the corresponding uploading of the Ontario Drug Benefit (ODB) plan, Ontario Disability Social Program (ODSP) and Ontario Works (OW) program.

It should be noted that OMPF grant monies are totally unconditional and may be spent by a municipality for any purpose Council decides.



In 2008, the City incurred costs that exceeded Provincial forecasts related to programs that are recognized under the Social Programs Grant component of the Ontario Municipal Partnership Program (OMPF). The costs were borne by the City and reflected the demand for social services as a result of the economic downturn that began in the 4th quarter of 2008. Consequently, the City received a reconciliation payment from the Province of Ontario in the amount of \$3.1 million in 2010 recognizing the change in costs incurred, relative to forecast, in support of a series of social services related programs in 2008. It should be noted, in 2008, when the City encountered this increase in social services related program costs, it did not experience a funding shortfall, as the programs were appropriately funded. The costs in 2008 were, therefore, funded within the approved budget, a budget that experienced a number of pressures, including the need to address a significant infrastructure deficit. The 2008 OMPF reconciliation payment was not a conditional payment, it was related to costs that were incurred by the City and funded through the general levy in 2008.

The City of Hamilton, similar to Peel Region, the City of London and the Town of Ingersoll applied reconciliation payments to corporate initiatives.

#### **POLICY IMPLICATIONS**

That the Ontario Municipal Partnership Fund Reconciliation Re-Investment Policy, as outlined in Appendix D of Report FCS11027/CS11031, be approved.

#### **RELEVANT CONSULTATION**

The Hamilton Roundtable for Poverty Reduction was consulted in the preparation of this report. It is a tactic, under the Roundtable's plan to shift attitudes about poverty, to engage the new City Council about the importance of measuring and monitoring uploaded social service savings for social and human services priorities.

#### **ANALYSIS / RATIONALE FOR RECOMMENDATION**

(include Performance Measurement/Benchmarking Data, if applicable)

Some of the challenges with respect to the OMPF grants are:

- Funding forecast is historically based and unresponsive to changes in key cost drivers, which leads to the requirement for reconciliations;

- Funding does not fully account for evolving program responsibilities and legislated requirements;
- Funding does not account for social housing costs over and above the 2002 devolved cost; and
- Municipalities are required to approve balanced budgets and, therefore, must reflect forecasts responsive to emerging trends rather than budget from a historically based forecast.

Unlike Provincial or Federal Governments, legislation requires that Ontario municipalities have balanced budgets so that budgeted annual expenditures cannot exceed revenues. Furthermore, should a deficit occur, it must be recovered in the following year's budget. Had the City based social services actual costs covered under OMPF in 2007 and 2008, according to the Provincial OMPF forecasts, the City would have experienced a deficit in these program areas during those years. As a consequence, the City would have had to budget the OMPF reconciliation amount which has lagged for a number of years, in the past, and for which there is no formal commitment from the Province of Ontario to extend to municipalities. The City followed a financially prudent and appropriate budgeting approach with respect to these programs by budgeting according to emerging trends.

As a direct result, the City was not in a deficit position at year-end with respect to these programs and did not require the OMPF reconciliation or reserves to balance the City's year-end position. It is important to note that setting the appropriate budgets for the affected program areas required the direction of financial resources away from competing needs.

Ontario municipalities have the highest municipal tax levels in Canada. In 2005, Ontario's per capita municipal tax was 16% higher than the Canadian average and 9% greater than the second highest province, Quebec. This is solely due to the large proportion of property taxes devoted to health and social service programs. A number of years ago the Association of Municipalities in Ontario (AMO) quantified that Ontario municipalities fund \$3 billion annually through property taxes for these programs and more recently AMO revised this figure upwards to \$3.6 billion.

While the uploading of these services, to a degree, will alleviate some of these pressures facing municipalities in Ontario, the funding requirements for other competing needs such as infrastructure continues to be an immense challenge. In November 2007, a study by McGill University's Civil Engineering and Applied Mechanics determined that the cost to eliminate the municipal infrastructure deficit on a national

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scale would be \$123 billion. In 2011, the City forecasts the annual infrastructure deficit at approximately \$195 million.

Under the Social Programs Grant component of the OMPF, this grant provides additional assistance for municipalities who have high social program costs through two components:

1. **Assessment Threshold Component:** This component provides additional assistance for municipalities with limited property assessment to support the municipal share of eligible social program costs. Funding is provided to municipalities whose costs for these programs exceed the revenue that could be raised by levying a 0.156 per cent property tax rate on their assessment.

**2010 City of Hamilton OMPF Forecast - Assessment Threshold**

<b>A. Municipal Share of Eligible Social Program Costs:</b>	<b>\$</b>	<b>93,282,113</b>
ODSP Support	\$	19,175,149
OW Support	\$	23,347,355
OW Administration	\$	8,945,901
Childcare Support	\$	5,033,370
Childcare Administration	\$	721,054
NCB Reinvestment	\$	1,588,293
Social Housing	\$	34,470,991
<b>B. Total Weighted Assessment</b>	<b>\$</b>	<b>56,143,447,602</b>
<b>C. Revenue Potential from a 0.156% Tax Rate</b> (B x 0.156%)	<b>\$</b>	<b>87,583,778</b>
<b>D. Grant Entitlement (2010 Allocation Forecast)</b>	<b>\$</b>	<b>5,698,335</b>

2. **Income Threshold Component:** This component provides additional assistance for municipalities who have high social program costs relative to the household incomes of their residents. As with the other social program grant component, this component is designed to provide additional assistance to help municipalities that have social services costs and a low ability to pay.

Funding of up to \$80 per household is provided to municipalities whose net social program costs exceed 0.60 per cent of the total household incomes of their residents.

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2010 City of Hamilton OMPF - Income Threshold Component of the Social Program Grant

<b>A. Municipal Share of Eligible Social Program Costs</b>	<b>\$ 93,282,113</b>
<b>B. Funding Provided Through Assessment Threshold Component</b>	<b>\$ 5,698,500</b>
<b>C. Funding Provided Through Northern and Rural Social Programs Component</b>	<b>\$ -</b>
<b>D. Residual Social Program Grant (A - B - C)</b>	<b>\$ 87,583,613</b>
<b>E. Total Household Income of Residents</b>	<b>\$ 13,616,711,375</b>
<b>F. Income Threshold (E x 0.60%)</b>	<b>\$ 81,700,268</b>
<b>G. Grant Entitlement (D - F if positive)</b>	<b>\$ 5,883,400</b>

**ALTERNATIVES FOR CONSIDERATION**

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

**Alternative 1: Infrastructure Re-Investment**

- **100% transferred to the Unallocated Capital Reserve (108020) to address infrastructure projects that will address the City's infrastructure deficit.**

The City of Hamilton has an annual Infrastructure deficit of approximately \$195 million. The use of one-time OMPF reconciliation funding is appropriate in that it would be matching one-time funding to projects, in this case, existing assets that require improvements. The City's infrastructure deficit is broad in that it touches upon a number of program areas including social housing. The focus on infrastructure would not allow for investments in some of the social services options identified in the Executive Summary.

**Alternative 2: Increase Financial Capacity**

- **100% transfer to Tax Stabilization Reserve (110046)**

The Tax Stabilization Reserve is intended to provide sufficient flexibility and protection for any unforeseen events, the reserve balance should be around 5% of tax revenues. Based on the City of Hamilton's 2009 financial statements 5% of taxation and payments-in-lieu amounts to approximately \$33.8 million. For comparison purposes, the forecast balance of the Tax Stabilization Reserve for 2010 is approximately \$8 million.

In the past the Tax Stabilization Reserve had been utilized for organizational reviews, funding of temporary or phased-in programs and projects, temporary staffing, funding for community groups, to name a few areas of investment. As identified above, the purpose of this reserve is to provide financial capacity for any unforeseen events and not as a reserve for capital re-investment or program delivery.

**CORPORATE STRATEGIC PLAN (Linkage to Desired End Results)**

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability, 3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development, 6. Environmental Stewardship, 7. Healthy Community

***Intergovernmental Relationships***

- ◆ Influence federal and provincial policy development to benefit Hamilton

**APPENDICES / SCHEDULES**

Appendix A to Report FCS11027/CS11031 – 2010 Social Services Initiatives Funded from City Sources

Appendix B to Report FCS11027/CS11031 – Changes in Local Funding of Social Services Costs

Appendix C to Report FCS11027/CS11031 - Community Reinvestment Funding and Ontario Municipal Partnership Funding

Appendix D to Report FCS11027/CS11031 - Ontario Municipal Partnership Fund Reconciliation Re-Investment Policy

**2010 Social Services Initiatives Funded From City Sources**

<u>Description</u>	<u>Deptid</u>	<u>Reserve Name</u>	<u>Reserve Funded</u>	<u>Levy Funded</u>	<u>Total</u>
<b><u>Social Services Initiatives Funded From Reserve and Operating Fund</u></b>					
<b><u>From Reserves</u></b>					
Hamilton Food Banks	110046	Tax Stabilization Reserve	350,000		350,000
Greater Hamilton Food Share	112214	Social Services Initiative Fund	286,430		286,430
Immigration Strategy	112214	Social Services Initiative Fund	125,495		125,495
Affordable Transit Pass Program	112214	Social Services Initiative Fund	500,000		500,000
Grow Program-Youth Agency	112214	Social Services Initiative Fund	252,966		252,966
NCB Transitioning – New Choices, YSAN	112214	Social Services Initiative Fund	419,218		419,218
Neighbour to Neighbour	112214	Social Services Initiative Fund	39,716		39,716
Good Sheppard Support	112214	Social Services Initiative Fund	617,409		617,409
Homemakers Program	112214	Social Services Initiative Fund	68,035		68,035
Affordable Transit Pass Program	110044	OW Stabilization Reserve	200,000		200,000
OW Caseload Contingency plan	110044	OW Stabilization Reserve	1,400,000		1,400,000
Hamilton Affordable Housing Partnership Initiative	112247	Hamilton Future Fund B	255,618		255,618
Rent Supplement Program-From Business Tax Reduction	112247	Hamilton Future Fund B	1,000,000		1,000,000
Blue Print for Shelters	108022	Council Strategic Projects	150,000		150,000
Christmas Hamper Program	108022	Council Strategic Projects	55,000		55,000
Beasley Neighbourhood Community Centre	112004	Brownfields Program Reserve	3,097,000		3,097,000
<b><i>Sub-Total Reserve Funding</i></b>			<b>8,816,887</b>	<b>-</b>	<b>8,816,887</b>
<b><u>From Operating Fund or Program Surpluses</u></b>					
Ontario Disability Support Program - Eligibility *				19,700,000	
Ontario Works - Admin Component *				12,500,000	
Ontario Works - Benefits Component *				28,100,000	
Child Care - Support & Admin Components *				6,200,000	
Social Housing *				38,700,000	
Food Voucher Program		Surplus	200,000		200,000
Youth Centre transitional housing		Surplus	120,000		120,000
Snow Angels		Tax Levy	100,000		100,000
Hamilton Poverty Roundtable		Tax Levy	107,000		107,000
Neighbour to Neighbour		Tax Levy	80,000		80,000
Emergency Food Assistance		Tax Levy	135,000		135,000
Access to Subsidized Recreation Program		Tax Levy	400,000		400,000
Recreation (\$50k for Kiwanis and YWCA seniors)		Tax Levy	50,000		50,000
Utilities Arrears program \$500k - funded through WWW program		Rate Fees	500,000		500,000
heat/cold)		Tax Levy	-		-
Public Health - low income dental program and health bus		Tax Levy	-		-
		Tax Levy	582,000		582,000
<b><i>Sub-Total from Operating Fund</i></b>			<b>-</b>	<b>107,474,000</b>	<b>107,474,000</b>
<b><i>Total Funding</i></b>			<b>8,816,887</b>	<b>107,474,000</b>	<b>116,290,887</b>
* Detailed on Appendix "B" to report FCS11027/CS11031					
<b><u>Initiatives Funded From Council Strategic Fund/Housing Reserves</u></b>					
95 King E-Artist Apartments	108022	Council Strategic Projects	1,900,000		1,900,000
Housing Allowance Payments	112252	Reserve	1,098,434		1,098,434
<b><i>Total Housing</i></b>			<b>2,998,434</b>	<b>-</b>	<b>2,998,434</b>
<b>TOTAL</b>			<b>11,815,321</b>	<b>107,474,000</b>	<b>119,289,321</b>

Changes in Local Funding of Social Services Costs

\$ millions

	2004	2005	2006	2007	2008	2009	2010 Budget	(Oct 31) 2010 Forecast	2011 Budget
Ontario Drug Benefit	7.7	8.3	9.1	9.4	-	-	-	-	-
Ontario Disability Support Program - Admin Components	5.3	5.5	5.3	5.2	5.3	0.0	-	-	-
Ontario Disability Support Program - Benefits Components	27.0	28.9	30.6	32.8	34.6	37.2	19.7	19.9	-
Ontario Works - Admin Component	8.3	8.3	9.3	9.3	9.4	9.6	12.5	11.9	12.4
Ontario Works - Benefits Component	20.2	19.9	19.8	19.5	21.5	24.8	28.1	28.0	25.9
Child Care - Support and Admin Components	5.5	5.7	6.0	6.1	6.2	6.1	6.2	6.4	6.2
Social Housing	27.5	28.8	32.6	34.9	36.8	38.6	38.7	40.0	42.2
<b>Total</b>	<b>101.4</b>	<b>105.3</b>	<b>112.8</b>	<b>117.3</b>	<b>113.9</b>	<b>116.4</b>	<b>105.1</b>	<b>106.2</b>	<b>86.7</b>
 Annual Provincial Special Funding	 19.5	 11.7	 17.0	 12.0	 12.0	 16.5	 14.2	 14.2	 4.0

<b>Community Reinvestment Funding and Ontario Municipal Partnership Funding</b>								Provided by the Province	
	2004	2005	2006	2007	2008	2009	Based on 2009 Costs Estimate for 2010	Based on 2010 Costs Estimate for 2010	
CRF Payments	26.8	-	-	-	-	-	-	-	
Total OMPF Funding	-	30.2	36.4	38.5	32.3	26.0	11.2	-	
OMPf Reconciliation	-	-	0.6	2.7	3.1	-	-	-	
<b>Total Combined Benefits of OMPF Funding</b>	<b>26.8</b>	<b>30.2</b>	<b>37.0</b>	<b>41.2</b>	<b>35.4</b>	<b>26.0</b>	<b>11.2</b>	<b>-</b>	

Note: Prior to 1998, the Regional Municipality of Hamilton Wentworth and the six area municipalities received a total of \$54 million in Ontario Unconditional Grants, which has been eliminated.



**POLICY TITLE: Ontario Municipal Partnership Program Reconciliation Re-Investment – Social Programs component**

POSITION RESPONSIBLE FOR TASK: Director Financial Planning and Policy, Policy and Projects

POLICY NO: PP-XXXX

LAST REVISION DATE: March 2, 2011

EFFECTIVE DATE: March 9, 2011

MANAGER REVIEWED: Mike Zegarac

TO BE REVIEWED: 1/1/2013

MAINTENANCE RESPONSIBILITY: Senior Policy Advisor, Policy and Projects Section

## I GENERAL

The Ontario Municipal Partnership Program Reconciliation Re-Investment details the disposition of future Ontario Municipal Partnership Fund – Social Programs component reconciliations.

## II BACKGROUND

At its meeting of June 16, 2010, the Emergency and Community Services Committee approved the following directions:

“That staff develop a policy, with options, for the use of any year-end surplus of the Ontario Municipal Partnership Funds, and report back to the Emergency and Community Services Committee.”

For the period 2006 to 2008, the OMPF reconciliation payments to the City totaled approximately \$6.4 million, of which \$2 million was transferred to the Ontario Works Stabilization Reserve, \$1.4 million transferred to the Tax Stabilization Reserve and \$3.1 million directed to infrastructure improvements (refer to Report FCS09040).

In December of 2010, the Ontario Minister of Finance committed to a similar reconciliation in 2011 with respect to the 2009 OMPF – Social Programs Grant. In 2009, the City, similar to many municipalities in Ontario, faced increased costs associated to social programs in response to the economic downturn that began in 2007/08, therefore a reconciliation of the Social Program Grant component is important to ensure the Provincial government's intent to upload these costs is preserved and that the commitment to be responsive to changing municipal circumstances be upheld.

### III POLICY

**That future Ontario Municipal Partnership Fund – Social Program component be disbursed accordingly:**

- 50% transferred to the Social Services Initiative Fund (112214) to support one-time Social Services related costs;
- 50% transferred to the Unallocated Capital Reserve (108020) to address infrastructure projects that will address the City's infrastructure deficit.

The Social Services Initiative Fund was established in 2006 through a one-time Provincial grant. The purpose of the fund is to provide financial support to urgent temporary/finite program requirements and recommendation from the Poverty Roundtable.