

# Staff Report

Presented By: Daniel Waechter, Chief Financial Officer/Treasurer

Meeting Date: November 11, 2024

Subject: Ontario Community Infrastructure Fund (OCIF) Update

Attachment(s): 2025 OCIF Allocation Notice Letter  
Saugeen Shores OCIF Allocation Notice

---

## **Recommendation**

That Council receive the Ontario Community Infrastructure Fund (OCIF) Update report for information.

---

## **Report Summary**

The Town's Ontario Community Infrastructure Fund (OCIF) Allocation for 2025 has been received and is set at \$1,263,455. This represents a maximum 15% decrease from the 2024 Allocation of \$1,486,418.

## **Background/Analysis**

Council received an update on lower than expected OCIF allocations at the July 8, 2024 Committee of the Whole meeting ([OCIF Allocations Report](#)). Since that report was given, discussions have continued to follow up with Ministry staff to understand the reasoning behind the provincial calculation resulting in a lower allocation for the Town beginning in 2024.

Ministry staff responsible for the OCIF program have not provided specific answers on underlying causes for the decrease. The Ministry indicated they would not provide any response that refers to provincial data or trends, and in a recent response stated that they would not provide any further responses.

Wellington Dupont has been engaged on this issue. Wellington Dupont has been apprised of the situation, including the difficulty in obtaining clear and timely responses from Ministry staff, and is attempting to set up a meeting with staff in the Minister's office.

Since engaging Wellington Dupont, a more detailed response was received from Ministry staff, but there is still detail missing that would further help shed light on the exact causes of the decrease. Requests to the Ministry are still ongoing for this issue.

The 2025 OCIF Allocation shows that within the current formula, the 2025 Allocation would have equaled \$704,418 without the limit of a 15% decrease from the 2024 Allocation. This further drop in the calculation is derived from self-reported Current Replacement Values (CRV) that are lower than previous Financial Information Return (FIR) based estimates, a further decline in the median “core infrastructure multiplier”, and Town specific factors that reduce that “core infrastructure multiplier” even lower than the median. Specifically, the Town ranked 64<sup>th</sup> out of 413 recipients in terms of Median Household Income, and had the 92<sup>nd</sup> highest number of households, but only the 104<sup>th</sup> highest CRV.

An analysis of all 2023 through 2025 OCIF allocations has been completed. Publicly listed data reveals that of 426 recipients, 149 saw an increase in their allocation from 2023 to 2024 while 200 saw decreases. 138 recipients saw a maximum decrease of 15% in 2024, and 89 recipients have seen the maximum decrease of 15% in both their 2024 and 2025 allocations.

Though an exact reason for the decrease in the Town’s allocation is not yet identified, the methodology used by the Ministry has resulted in a significant number of municipalities whose self-reported Current Replacement Value (CRV) developed through Asset Management planning has fluctuated significantly from the previous FIR based estimates calculated by the Ministry. The FIR based estimates attempted to account for current asset age by a detailed formula, and depending on each municipality’s quality of data, depreciation methods, and Tangible Capital Asset policy, those estimates can vary significantly from the actual Current Replacement Value of assets. It is possible that the data in the Town’s FIR and the subsequent calculation made by Ministry staff may have been inflated relative to other municipalities.

## **Linkages**

- Strategic Plan Alignment: Pillar 1: Meeting the Needs of a Growing Community
- Business Plan Alignment: Corporate Services Business as Usual

## **Financial Impacts/Source of Funding**

Estimated reduction of revenue of approximately \$1 million per year associated with the Town’s provincial OCIF allocation will be included in the 2025 Business Plan for Council consideration

---

Prepared By: Daniel Waechter, Chief Financial Officer/Treasurer

Reviewed By: Jim Bundschuh, Director, Corporate Services

Approved By: Kara Van Myall, Chief Administrative Officer