



Minister of Finance | Ministre des Finances
PETER BETHLENFALVY

October 31, 2025

Dear Head of Council:

I am writing to provide you with an update on the 2026 Ontario Municipal Partnership Fund (OMPF).

We understand the importance of the Ontario Municipal Partnership Fund to communities across Ontario. The government is committed to supporting the economic vitality and sustainability of Ontario's small, northern, and rural municipalities.

To support these objectives, as announced in Fall 2024, the government will invest a further \$50 million into the OMPF for the payment cycle beginning in January 2026. This brings the two-year incremental investment to \$100 million, and increases the total funding envelope to \$600 million. This continued enhancement for 2026 will once again be targeted towards small, northern, and rural municipalities, as well as those with a limited property tax base. This funding will assist municipalities in providing critical services to people across the province.

With the further \$50 million enhancement to the OMPF, each of the program's core grant components will again increase in 2026. The program will remain responsive to changing circumstances of individual core grant recipient municipalities through annual data updates and related adjustments. Transitional assistance will also ensure that core grant recipient municipalities in northern Ontario receive at least 90 per cent of their 2025 OMPF allocation, while those in southern Ontario receive at least 85 per cent.

In addition, starting in 2026, municipalities who are ineligible for core grants will be gradually phased-out of Transitional Assistance over a five-year period. This adjustment will allow for further investment in municipalities with measurable challenges, through the OMPF's four core grant components.

The enhancement to the OMPF builds on the significant increases in support that the government is providing to municipalities, including:

- An additional \$1.6 billion investment through the Municipal Housing Infrastructure Program (MHIP), increasing the total investment to \$4 billion;

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- A further \$1 billion investment through the Ontario Community Infrastructure Fund (OCIF) over five years, initiated in 2022; and
- An increase in annual funding for Connecting Links from \$30 million to \$45 million to support municipalities in addressing critical road and bridge improvement needs, extending the life cycle of their assets and advancing local development.

We have always been committed to working closely with our municipal partners and recognize how important the OMPF is for many municipalities. During consultations with municipalities over this past summer, the government heard perspectives and advice on municipal priorities for the program. We want to thank our municipal partners for their input on the future of the OMPF. In early 2026, the ministry will be engaging municipalities through a short survey to better understand how the OMPF is supporting local communities.

The Ministry of Finance's Provincial-Local Finance Division will be providing your municipal treasurers and clerk-treasurers with further details on your 2026 OMPF allocation. Supporting materials on the 2026 program are available on the ministry's website at Ontario.ca/document/2026-ontario-municipal-partnership-fund.

As we continue to work together to build up our communities and move Ontario's economy forward, maintaining a close relationship with our municipal partners remains critical. I look forward to our continued collaboration in building a stronger future for our province.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter Bethlenfalvy". The signature is fluid and cursive, with a prominent initial "P" and a long, sweeping underline.

Peter Bethlenfalvy
Minister of Finance

c: The Honourable Rob Flack, Minister of Municipal Affairs and Housing
The Honourable Lisa M. Thompson, Minister of Rural Affairs