

Title: A.F. & P. 36/2026 - Support for Permanent Doubling of the Ontario Community Infrastructure Fund (OCIF) - Motion Required

Date: Tuesday, September 22, 2026

Moved by: Lori Sebben

Seconded by: Shelley Wagner

WHEREAS recent municipal infrastructure funding programs by the Government of Canada and Province of Ontario have tended to prioritize growth-related or housing-enabling infrastructure projects over infrastructure renewal needs;

AND WHEREAS the Government of Ontario has regulated municipal infrastructure asset management through O. Reg 588/17 (Asset Management Planning for Municipal Infrastructure) under the *Infrastructure for Jobs and Prosperity Act, 2015*;

AND WHEREAS municipal asset management plans and the Financial Accountability Office of Ontario have identified that municipalities have significant state-of-good-repair backlogs and renewal needs for infrastructure;

AND WHEREAS the Government of Ontario doubled the Ontario Community Infrastructure Fund (OCIF) from \$200M/year to \$400M/year for 2021-2026 but has not publicly committed to maintaining this level of funding beyond 2026;

AND WHEREAS the OCIF has become a vital and indispensable resource for municipalities, assisting them with improving their asset management programs and meeting community-preserving infrastructure renewal needs;

AND WHEREAS increased geopolitical uncertainty is threatening the economic prosperity of Canada, Ontario, and every municipality;

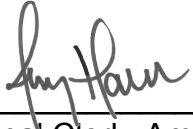
AND WHEREAS municipal infrastructure is a key enabler and preserver of economic prosperity;

AND WHEREAS the Municipal Finance Officers' Association of Ontario (MFOA) has heard from its members and their municipalities concerns regarding the potential erosion of existing municipal infrastructure and thus service levels in light of the ongoing focus on housing-enabling infrastructure by grant funding programs;

NOW THEREFORE BE IT RESOLVED THAT Council support the Municipal Finance Officers' Association of Ontario (MFOA) request to the Ministry of Infrastructure that the permanent doubling of the Ontario Community Infrastructure Fund (OCIF) be maintained beyond 2026; and further THAT Council request the Province of Ontario expand OCIF funding beyond the current doubled funding level and consider enhancements to the funding formula that recognize the unique infrastructure challenges faced by small, rural municipalities with large geographic areas, small population bases, and agricultural land comprising a significant majority of the municipal land area; and further

THAT a copy of the resolution and the supporting letter from the Municipal Finance Officers' Association of Ontario be circulated to Minister of Municipal Affairs and Housing, the Minister of Finance, the Ministry of Infrastructure, MPP Mike Harris, the Association of Municipalities of Ontario (AMO), and all Municipalities in Ontario.

CARRIED

A handwritten signature in cursive script, appearing to read "Amy Harron".

Municipal Clerk, Amy Harron



STAFF REPORT
Corporate Services

Subject: Support for Permanent Doubling of the Ontario Community Infrastructure Fund (OCIF)

Report No.: A. F. & P. 36/2026

To: Council

Meeting Date: September 22, 2026

Prepared by: Jeff Dyck, Director of Corporate Services

Recommendation

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THAT a copy of the resolution and the supporting letter from the Municipal Finance Officers' Association of Ontario be circulated to Minister of Municipal Affairs and Housing, the Minister of Finance, the Ministry of Infrastructure, MPP Mike Harris, the Association of Municipalities of Ontario (AMO), and all Municipalities in Ontario.

Executive Summary

The purpose of this report is to seek Council's support for a resolution requesting the Province of Ontario to permanently maintain the Ontario Community Infrastructure Fund (OCIF) at its current doubled funding level beyond 2026. The Municipal Finance Officers' Association of Ontario (MFOA) is advocating on behalf of municipalities across Ontario to secure continued investment in municipal infrastructure renewal. Municipal asset management plans continue to identify significant infrastructure replacement and rehabilitation needs, while recent provincial and federal infrastructure funding programs have largely focused on growth-related and housing-enabling projects. Maintaining the enhanced OCIF funding level would assist municipalities in addressing state-of-good-repair infrastructure needs, preserving service levels, supporting economic prosperity, and continuing to deliver housing-enabling infrastructure investments.

Report

1. Background

The Ontario Community Infrastructure Fund (OCIF) provides predictable and formula-based funding to municipalities for critical infrastructure projects. In response to growing municipal infrastructure needs, the Province of Ontario increased annual OCIF funding from \$200 million to \$400 million for the period 2021 through 2026.

The Municipal Finance Officers' Association of Ontario (MFOA) has requested municipal support for advocacy efforts directed to the Ministry of Infrastructure seeking a permanent commitment to maintaining the doubled OCIF funding level beyond 2026.

Municipalities across Ontario are subject to asset management requirements established under Ontario Regulation 588/17, Asset Management Planning for Municipal Infrastructure, enacted under the Infrastructure for Jobs and Prosperity Act,

2015. These regulations require municipalities to identify infrastructure assets, assess asset condition, and develop long-term plans for maintaining service levels.

Asset management plans throughout Ontario, as well as reports from the Financial Accountability Office of Ontario, have identified significant infrastructure renewal requirements and state-of-good-repair backlogs.

2. Analysis

Municipal infrastructure networks including roads, bridges, water systems, wastewater systems, and stormwater infrastructure represent significant public investments that require ongoing rehabilitation and replacement. Municipal asset management plans consistently demonstrate that available funding sources are insufficient to fully address long-term infrastructure renewal needs.

Small, rural municipalities face additional infrastructure funding challenges that are not fully reflected in population-based funding formulas. Municipalities with extensive geographic areas and significant agricultural land holdings are responsible for maintaining large road and bridge networks that support agricultural production, goods movement, and rural economic activity. These municipalities often have limited population growth and a smaller tax base over which to distribute infrastructure costs, resulting in disproportionately higher infrastructure costs on a per-capita basis.

In recent years, infrastructure funding programs offered by senior levels of government have generally focused on growth-related and housing-enabling infrastructure projects. While those investments are important, municipalities continue to face considerable challenges in funding the rehabilitation and replacement of existing infrastructure assets.

The enhanced OCIF allocation has become a critical funding source for municipalities by:

- Supporting infrastructure rehabilitation and replacement projects;
- Assisting municipalities in meeting regulatory asset management requirements;
- Helping maintain municipal service levels;
- Preserving existing community infrastructure assets; and
- Complementing local capital funding strategies.

MFOA has noted concerns from municipal finance professionals regarding the potential deterioration of municipal infrastructure and service levels if the enhanced OCIF funding level is not maintained.

Further, current geopolitical and economic uncertainties have increased the importance of maintaining public infrastructure investments that support economic activity, community resilience, and long-term growth. Municipal infrastructure serves as a foundational component of local and provincial economic prosperity.

Without a commitment to continue the doubled OCIF funding beyond 2026, municipalities may face increased challenges in closing infrastructure funding gaps, potentially requiring the deferral of capital renewal projects or increased reliance on property taxation and debt financing.

3. Recommendations and Rationale

It is recommended that Council support the MFOA request for the permanent doubling of the Ontario Community Infrastructure Fund beyond 2026.

Continued enhanced OCIF funding would provide municipalities with greater certainty in long-term capital planning and support efforts to address infrastructure renewal requirements identified through asset management planning processes. Maintaining the current funding level would help municipalities continue investing in housing-enabling infrastructure while simultaneously preserving and renewing existing public assets that support economic development and community well-being.

While maintaining the current enhanced OCIF funding level is important, Council may also wish to advocate for a more equitable allocation approach that recognizes the realities of rural Ontario. Municipalities with large geographic areas, low population density, and agricultural land comprising more than 50 percent of the municipal land base maintain infrastructure that is critical to Ontario's agricultural economy. Additional provincial investment targeted to these communities would help address longstanding infrastructure funding gaps and support the sustainability of rural transportation networks and municipal services.

Supporting the resolution aligns with municipal interests across Ontario and reinforces the importance of sustainable infrastructure funding programs that address both growth and state-of-good-repair infrastructure needs.

4. Implementation Plan

Should Council approve the recommendation:

1. Council will adopt the attached resolution supporting MFOA's advocacy initiative.
2. The Clerk's Office will forward the adopted resolution to MFOA, the Ministry of Infrastructure, AMO, and other interested municipalities.
3. Staff will monitor future provincial announcements regarding OCIF funding allocations and update Council as necessary.

4. Staff will continue incorporating anticipated OCIF funding into long-term capital planning and asset management strategies.

Township Strategic Plan Alignment

Supporting stable and predictable infrastructure funding aligns with the Township's strategic objectives related to:

- Responsible asset management;
- Long-term financial sustainability;
- Infrastructure stewardship;
- Service delivery excellence; and
- Economic development and community prosperity.

The continued availability of enhanced OCIF funding supports the Township's ability to maintain and renew critical infrastructure assets in a financially sustainable manner.

Financial Implications

The continuation of the enhanced OCIF funding program beyond 2026 would positively impact municipal capital planning by providing ongoing support for infrastructure rehabilitation and replacement projects. Predictable infrastructure funding assists municipalities in managing asset renewal pressures while reducing reliance on taxation and debt financing.

Other Departments/Agency Comments

The Municipal Finance Officers' Association of Ontario has requested municipal support for this advocacy initiative.

No additional departmental concerns have been identified.

Legal Considerations

N/A

Attachments

1. MFOA Letter to MOI permanent doubling of OCIF
2. History of OCIF

Previous Reports on this Topic

N/A

Reviewed by

Senior Management

Administration/Finance & Personnel Committee

Approved by

Rik Louwagie, Chief Administrative Officer



MUNICIPAL FINANCE
OFFICERS' ASSOCIATION
OF ONTARIO

Hon. Todd McCarthy
Acting Minister of Infrastructure
5th Floor
777 Bay St.
Toronto, ON M7A 2J3

June 25, 2026

Dear Minister McCarthy,

RE: Making permanent the doubling of the Ontario Community Infrastructure Fund (OCIF) that is scheduled to end after the 2026 allocation

I am writing on behalf of the Municipal Finance Officers' Association of Ontario, and the municipalities it serves, to request that the Government of Ontario make permanent the five-year doubling of the Ontario Community Infrastructure Fund (OCIF) from \$200 million/year to \$400 million/year in advance of the 2027 OCIF allocation calculations.

The Municipal Finance Officers' Association of Ontario (MFOA) is the professional association of municipal finance officers with more than 2,300 individual members. We represent individuals who are responsible for handling the financial affairs of municipalities and who are key advisors to councils. MFOA is a strong advocate for best practices that encourage long-term fiscal sustainability, including long-term financial planning and asset management planning.

In recent years, governments at all levels have reoriented their priorities to address the ongoing housing crisis, with heightened attention on growth-related infrastructure and increasing housing production. Application-based or incentive-based funding programs for municipalities have placed greater emphasis on growth-related or housing-enabling capital projects (e.g., Development Charge Reduction Program, Building Communities Strong Fund – Community Stream, Municipal Housing Infrastructure Program, Building Faster Fund). OCIF remains one of the few federal or provincial funding programs where the focus remains primarily on the preservation and renewal of existing infrastructure to maintain or improve municipal service levels.

With support from the Government of Ontario and MFOA, municipalities have made significant improvements to their municipal asset management plans and programs. The Government of Ontario introduced O. Reg 588/17 (Asset Management Planning for Municipal Infrastructure) in late 2017, which provided a standard framework for infrastructure planning. To support the transition to O. Reg. 588/17, MFOA has partnered with the Government of Ontario on many asset management initiatives, including guides, workshops, direct consulting support and other resources. As a result of these and significant municipal efforts, most municipalities in Ontario have an asset management inventory that identifies their infrastructure assets, including conditions, replacement costs and renewal schedules of those assets.

By leveraging municipal asset management plans in 2020, the Financial Accountability Office of Ontario estimated the state-of-good-repair backlog to be \$52.1 billion for core municipal infrastructure. That is an estimated cost of restoring such infrastructure to a 'good' condition. The report notably focused primarily on core assets and thus likely understated the full extent of the backlog. Addressing this should not be a priority that falls by the wayside due to an increased focus on growth-related capital projects by other funding programs. OCIF's flexible design provides municipalities with the opportunity to fund asset management staff, which can improve data and analysis quality, and it provides a critical means by which municipalities address the infrastructure funding challenges identified in their asset management plans.

In 2021, the Government of Ontario doubled OCIF for a five-year period. Minister Surma, in announcing that initiative, commented that the Government of Ontario was "providing stability and predictability to small, rural and northern communities as they repair, upgrade and modernize their critical infrastructure so that they are safer, healthier and more reliable for all." And Minister Bethlenfalvy said that "by nearly doubling our investment in the Ontario Community Infrastructure Fund, our government is supporting public safety, job creation and economic growth." In the current climate of geopolitical uncertainty, tariffs and the resulting economic shocks and instability, the need to provide municipalities predictability and to preserve and enhance the economic activity and benefits provided by well-supported and well-maintained municipal infrastructure is as imperative as it was in 2021.

We have also heard from our members on this matter. Municipalities outside of high-growth regions have expressed concern about the diminishing level of grant funding opportunities for municipalities trying to preserve the economic value of their existing infrastructure. Additionally, while growing municipalities have made significant efforts to emplace new, housing-enabling infrastructure, which has been rewarded through the Building Faster Fund, many of their state-of-good-repair capital plans remain underfunded. To maximize the economic potential of federal and provincial investment in infrastructure, all orders of government must work together to preserve service levels and the public value of existing infrastructure, and permanently doubling OCIF to \$400 million/year will especially help small and rural municipalities preserve that economic foundation throughout Ontario.

By adopting a Team Ontario approach during recent and ongoing economic challenges, we have seen how significant progress can be made when municipalities and the provincial government work together to achieve a common goal. Should you wish to follow up on this letter, please contact MFOA Executive Director, Donna Herridge (donna@mfoa.on.ca).

Sincerely,



Dr. Adam Found, Ph.D., PLE
President and Chair

cc. Hon. Rob Flack, Minister of Municipal Affairs and Housing
cc. Hon. Peter Bethlenfalvy, Minister of Finance

History and Timeline of the Ontario Community Infrastructure Fund

The Ontario Community Infrastructure Fund (OCIF) was announced in 2014 to support core infrastructure needs in small, rural and northern municipalities. The program was initially designed to provide \$100 million annually for local road, bridge, water and wastewater projects. At the time, half of the funding was distributed through a formula-based allocation, intended to reflect differences in municipal infrastructure and fiscal needs, while the remaining \$50 million was delivered through an application-based stream. Eligibility was focused on municipalities with populations under 100,000, as well as municipalities located in northern or rural Ontario.¹

OCIF was later expanded through the 2016 Ontario Budget, which committed to increasing the program to \$300 million annually by 2018–19 to further support infrastructure projects in small, rural and northern communities.² Under this expanded structure, formula-based funding increased to \$200 million annually, while the application-based stream was expected to increase to \$100 million annually. However, in 2019, the Province indicated that fiscal circumstances prevented the full expansion of OCIF, resulting in the cancellation of the top-up application component, while maintaining the increase in formula-based funding to \$200 million for that year.³

In 2021, the Province announced a further expansion of OCIF through the Fall Economic Statement, committing an additional \$1 billion over five years. This brought the total OCIF investment to nearly \$2 billion over the 2022-2026 period, or about \$400 million per year. Beginning in 2022, allocations continued to be based on a formula recognizing the different needs and economic conditions of communities across Ontario, with the minimum annual allocation increasing from \$50,000 to \$100,000 per community.⁴

Starting with the 2023 allocations, the Ministry of Infrastructure (MOI) updated the OCIF formula to incorporate current replacement values for eligible core infrastructure, shifting from the use of historic cost data to CRVs. A municipality's core infrastructure was calculated using either asset management plan CRV estimates or MOI's CRV estimates for eligible core infrastructure categories. Starting with the 2024 OCIF cycle, the Ministry introduced a standardized Excel-based CRV template to collect municipal CRV data more consistently, building on the initial 2023 shift from historic cost data to current

¹ [Province Supporting the Infrastructure Needs of Small Communities | Ontario Newsroom](#)

² [2016 Ontario Budget | Background: Building Tomorrow's Infrastructure Now](#)

³ [Association of Municipalities of Ontario \(AMO\). *Ontario Dedicated Gas Tax Funds for Public Transportation Program Review and the Ontario Community Infrastructure Fund, 2019.*](#)

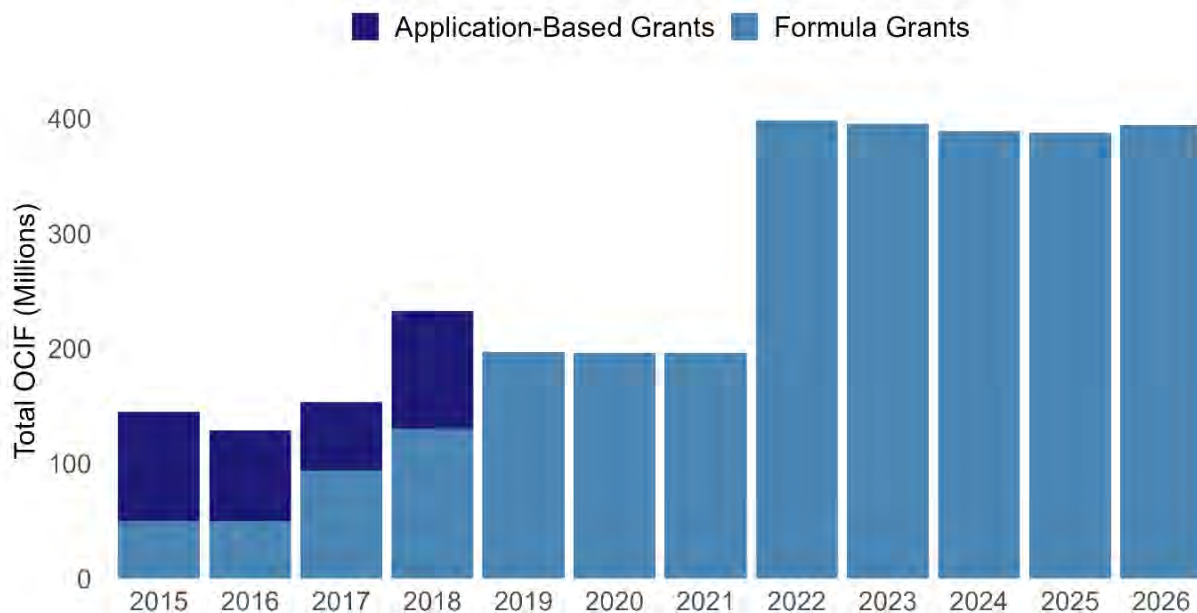
⁴ [Building Ontario with Investments in Critical Infrastructure for Small, Rural and Northern Communities | Ontario Newsroom](#)

replacement values.⁵ A smoothing mechanism was also implemented to generally limit changes in 2023 funding to within ± 15 percent of prior year's allocations.⁶

In 2026, 423 small, rural and northern communities across Ontario are receiving approximately \$400 million in OCIF funding to renew and rehabilitate critical infrastructure. Starting this year, the minimum grant amount has increased from \$100,000 to \$125,000. The smoothing mechanism has also been adjusted, generally limiting year-over-year changes in 2026 allocations to within ± 10 percent of 2025 grants.⁷ However, as 2026 is the final year of the current five-year funding commitment, municipalities are seeking greater clarity on the future of the program.

The graph below shows annual OCIF grants to Ontario municipalities from 2015 to 2026, including both formula-based and application-based grants where applicable. Totals are based on actual approved yearly grants from MOI data and may not fully match announced OCIF allocation amounts.

OCIF Grants to Ontario Municipalities



Source: MFOA chart, based on data from Ontario's Ministry of Infrastructure.

⁵ Ministry of Infrastructure, *Ministry of Infrastructure – Update*, presentation at the 2024 Municipal Finance Officers' Association Annual Conference, September 2024.

⁶ Ministry of Infrastructure, *Information Session: 2023 Ontario Community Infrastructure Fund (OCIF) Formula Calculation*, 2023.

⁷ [Ontario Community Infrastructure Fund recipients - Dataset - Ontario Data Catalogue](#)