

REPORT OF THE ACTING DIRECTOR OF PUBLIC WORKS FOR THE CONSIDERATION OF COUNCIL

DESCRIPTION

Re: Ministry of Transportation – Dedicated Gas Tax Agreement

RECOMMENDATION

That Staff Report dated March 9th, 2023 of the Director of Public Works be received;

and that the Corporation of the City of Elliot Lake enter into a Funding Agreement with the Province of Ontario as represented by the Minister of Transportation with respect to the Dedicated Gas Tax Funds for Public Transportation Program which sets out the terms and conditions for the use of dedicated gas tax funds by the Municipality;

BACKGROUND

The Dedicated Gas Tax Funds for Public Transportation Program was established by the Province of Ontario and is administered by the Ministry of Transportation. The purpose of the program is to encourage economic growth, while reducing Municipal congestion and pollution through the financial support of public transit systems. The program is initiated annually through a process which includes a signed agreement between the Municipality and the Province which is supported by a Bylaw.

This year, the province is providing \$299.6 million through the gas tax program to expand and improve public transit. For 2022/2023, 144 municipalities will receive funding.

Pursuant to the *Dedicated Funding for Public Transportation Act, 2013, S.O. 2013*, (the “DFPTA”), a portion of the Provincial gasoline tax revenue equaling two cents per litre of fuel is dedicated to this program.

The appended letter of agreement sets out the terms and conditions associated with the use of gas tax funds provided for the Municipality by the Province of Ontario. Signed copies of the appended agreement, and the supporting Bylaw are required to be submitted to the Ministry of Transportation no later than March 17th, 2023.

ANALYSIS

The calculation of eligible funds received is based on the 2022/2023 annual Canadian Urban Transit Association (CUTA) report submitted by the Municipality. Receipt of the funding is contingent on the Municipality having successfully completed the 2022/2023 Gas Tax reporting forms which are submitted to the Ministry annually.

The funds must be used to offset transit costs beyond the Municipalities baseline operating expenses. The funds can be spent in any of the following areas;

- Promotional efforts designed to increase ridership;
- Operating expenditures, including extension of operating hours, that are beyond baseline;
- Capital expenses associated with replacement of vehicles, provided that Canadian content criteria is met in the procurement process;
- Improvement initiated to increase or enhance public safety;
- Major refurbishment of units beyond baseline budgeted amounts;

Qualifying expenses are calculated and submitted to the Ministry of Transportation on an annual basis to ensure that all reporting and accountability measures required under the agreement are complied with.

FINANCIAL IMPACT

The City of Elliot Lake is eligible to receive an allocation of **\$140,817.00** for this fiscal year with **\$105,613.00** payable upon receipt of the signed letter of agreement and authorizing by-law.

LINKS TO STRATEGIC PLAN

- Continued Investment into Infrastructure
- Ensure an appropriate level of reserves

SUMMARY

Entering into this funding agreement is necessary in order for the Municipality to gain access to funds made available through the Dedicated Funding for Public Transportation Act. The initial payment of **\$105,613.00** will be payable on receipt of a signed copy of the appended agreement and the associated bylaw.

