



REPORT

TO: Mayor & Council

FROM: Jason Kabel, Manager of Community Services

DATE: December 4, 2014

RE: 2014/15 Provincial Dedicated Gas Tax Program

Background

For the past several years the Town of Fort Frances has benefited from the Ministry of Transportation's (MTO) 'Dedicated Gas Tax Funds Program' by receiving annual funding in excess of \$75,000 to subsidize public transportation offered by the Town through Handi-van & Dial-a-ride services.

Near the end of 2013 the Community Services Division received correspondence from the MTO indicating that new legislation has prompted changes to the program to align with the provincial fiscal year, April 1st to March 31. The Town had received notification that there was to be a six-month program to cover the time period from October 1, 2013 to March 31, 2014 that would bridge the time period between the 2012-13 program until the beginning of the 2014-15 program (April 1, 2014). With the six-month interim program the Town of Fort Frances was eligible to receive an allocation of \$35, 905.

The Town of Fort Frances received \$60,692.47 in 2013 through the program, down about \$15,000 from the budgeted number based on previous years. In 2015, the Community Services is budgeting \$65,000 to be received from the Provincial Gas Tax Program.

L. Witherspoon confirmed by email that the Town has received the hard copy package from MTO and has forwarded same to the Town Clerk – L. Slomke. The package includes the Letter of Agreement (four copies), program guidelines, and reporting forms.

Two fully signed copies of the Letter of Agreement, and a copy of the authorizing municipal by-law are to be returned to the Ministry by January 30, 2015.

The 2014 Reporting Forms are to be returned to the Ministry by February 27, 2015.

Recommendation

It is recommended to authorize two (2) Town signatories (e.g. Mayor and Treasurer) to sign all required copies of the Letter of Agreement with the Ministry of Transportation and endorse a supporting municipal by-law for submission to the MTO by January 30, 2015.

Respectfully Submitted,

Jason Kabel

Council approval of this report will authorize two (2) Town signatories to sign all required copies of the Letter of Agreement with the Ministry of Transportation and endorse a supporting municipal by-law for submission to the MTO by January 30, 2015.

Ministry of
Transportation

Office of the Minister

Ferguson Block, 3rd Floor
77 Wellesley St. West
Toronto, Ontario
M7A 1Z8
(416) 327-9200
www.mto.gov.on.ca

Ministère des
Transports

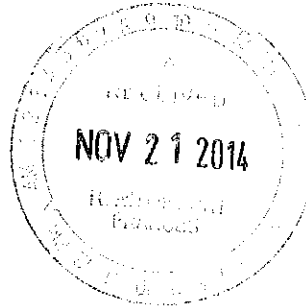
Bureau du ministre

Édifice Ferguson, 3^e étage
77, rue Wellesley ouest
Toronto (Ontario)
M7A 1Z8
(416) 327-9200
www.mto.gov.on.ca



November 13, 2014

His Worship Roy Avis
Mayor
Town of Fort Frances
320 Portage Avenue
Fort Frances, ON P9A 3P9



Dear Mayor Avis:

As you know, our government is committed to working with municipalities to reduce congestion, improve the environment, and support economic growth. Overall, since 2003, we have invested more than \$19.3 billion in public transit in Ontario. These investments are paying off – in 2013, public transit ridership in Ontario increased by more than 204 million passenger trips, compared to 2003.

We remain committed to providing a long-term, stable and predictable transit funding source for Ontario municipalities by providing two cents per litre of provincial gas tax to improve and expand transit. Ontario moved forward with our commitment to make gas tax funding permanent with the passage of the *Dedicated Funding for Public Transportation Act, 2013*.

Since 2004, we have committed \$3.1 billion for municipal transit through the Dedicated Gas Tax Funds for Public Transportation Program (the "Program"), including \$321.5 million for this, the eleventh year of the program.

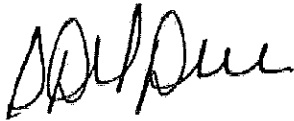
The Town of Fort Frances will be eligible to receive an allocation of \$65,058 for this program year.

Enclosed are four copies of a Letter of Agreement and the 2014/2015 Program Guidelines and Requirements. Please return two copies of the signed Letter of Agreement and the required supporting by-law by January 30, 2015, and the 2014 Reporting Forms by February 27, 2015 to:

Division Services and Program Management Office
Ministry of Transportation
27th Floor, Suite #2702
777 Bay Street
Toronto, Ontario
M7A 2J8

If you have any questions regarding the Dedicated Gas Tax Funds for Public Transportation Program, please contact Vinay Sharda, Director, Transit Policy Branch, at (416) 585-7347.

Sincerely,

A handwritten signature in black ink, appearing to read 'SD Duca', written in a cursive style.

Steven Del Duca
Minister

Encl.

c: Sarah Campbell, MPP, Kenora-Rainy River

**Ministry of
Transportation**

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November 13, 2014

His Worship Roy Avis
Mayor
Town of Fort Frances
320 Portage Avenue
Fort Frances, ON P9A 3P9

Dear Mayor Avis:

RE: Letter of Agreement between Her Majesty the Queen in right of the Province of Ontario, represented by the Minister of Transportation for the Province of Ontario (the "Ministry") and the Town of Fort Frances (the "Municipality") Related to Funding Provided by the Province of Ontario (the "Province") to the Municipality under the Dedicated Gas Tax Funds for Public Transportation Program (this "Letter of Agreement")

This Letter of Agreement sets out the terms and conditions for the use of dedicated gas tax funds by municipalities for public transportation.

As the Province desires to increase public transportation ridership to support the development of strong communities, the Ministry maintains a Dedicated Gas Tax Funds for Public Transportation Program (the "Program"), under which two cents of the existing provincial gas tax will be provided to municipalities for public transportation expenditures.

Following the passage of the *Dedicated Funding for Public Transportation Act, 2013* (the "DFPTA"), a portion of the tax that is paid to Ontario under the *Gasoline Tax Act* in each fiscal year is dedicated to the provision of grants, including those pursuant to the Program, to municipalities for public transportation. As a consequence, the Ministry has aligned the Program with the provincial fiscal year. For 2014/15, the Program will run from April 1, 2014 to March 31, 2015.

Any funding to the Municipality by the Ministry will be provided in accordance with the terms and conditions set out in this Letter of Agreement and the enclosed Dedicated Gas Tax Funds for Public Transportation Program 2014/2015 Guidelines and Requirements (the "guidelines and requirements").

In consideration of the mutual covenants and agreements contained in this Letter of Agreement and the guidelines and requirements, which have been reviewed and are understood by the Municipality and are hereby incorporated by reference, the Ministry and the Municipality covenant and agree as follows:

.../2

1. To support increased public transportation ridership in the Municipality, and in recognition of the Municipality's need for predictable and sustainable funding to support investments in the renewal and expansion of public transportation systems, the Ministry agrees to provide funding to the Municipality under the Program in an amount up to \$65,058 in accordance with, and subject to, the terms set out in this Letter of Agreement and the guidelines and requirements, with \$48,794 payable on receipt of this signed Letter of Agreement and related authorizing municipal by-law, and any remaining payment(s) payable thereafter.
2. Despite Section 1, the Municipality understands and agrees that any amount payable under this Letter of Agreement may be subject, at the Ministry's sole discretion, to adjustment to reflect final gas tax receipts and any other adjustments as set out in the guidelines and requirements.
3. If the Municipality receives dedicated gas tax funds on behalf of any other municipality, and the other municipality has agreed to the Municipality collecting the dedicated gas tax funds on its behalf, the Municipality shall provide, upon request and in compliance with the requirements set out in the guidelines and requirements, any applicable municipal by-law and legal agreement between the Municipality and the other municipality providing for such arrangement to the Ministry prior to the payment of any dedicated gas tax funds by the Ministry under this Letter of Agreement.
4. The Municipality shall deposit the funds received under this Letter of Agreement in a dedicated gas tax funds reserve account, and use such funds and any related interest only in accordance with the guidelines and requirements.
5. The Municipality shall adhere to the reporting and accountability measures set out in the guidelines and requirements, and shall provide all requested documents to the Ministry.
6. The Municipality understands and agrees that the funding provided under this Letter of Agreement represents the full extent of the Ministry's and Province's financial contribution under the Program, and that no additional funds will be provided by either the Ministry or the Province for such purposes to the Municipality for the 2014/2015 Program year.
7. The Ministry may terminate this Letter of Agreement at any time, without cause, upon giving at least sixty (60) days written notice to the Municipality. If the Ministry terminates this Letter of Agreement without cause, it may cancel all further dedicated gas tax funds payments. Where the Ministry has terminated this Letter of Agreement under this Section, the Ministry may, after determining the Municipality's reasonable costs to terminate any binding agreement for any eligible public transportation service acquired, or to be acquired, with dedicated gas tax funds provided under this Letter of Agreement, provide the Municipality with additional funding to offset, in whole or in part, such costs. The additional funding may be provided only if there is an appropriation for this purpose and in no event shall the additional funding result in the total funding under this Letter of Agreement exceeding the amount specified under Section 1.
8. Any provisions, including those in the guidelines and requirements, which by their nature are intended to survive the termination or expiration of this Letter of Agreement, shall survive its termination or expiration.

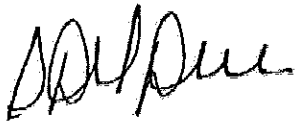
9. This Letter of Agreement may only be amended by a written agreement duly executed by the Ministry and the Municipality.
10. The Municipality agrees that it will not assign any of its rights or obligations under this Letter of Agreement.
11. The term of this Letter of Agreement will commence on the date of the last signature of this Letter of Agreement.
12. The Municipality hereby consents to the execution by the Ministry of this Letter of Agreement by means of an electronic signature.

If the Municipality is satisfied with and accepts the terms and conditions of this Letter of Agreement, please secure the required signatures for the four enclosed copies of this Letter of Agreement and return two fully signed copies to:

Ministry of Transportation
 Division Services and Program Management Office
 27th Floor, Suite #2702
 777 Bay Street,
 Toronto, Ontario
 M7A 2J8

Once the Ministry has received the signed copies of this Letter of Agreement and a copy of the authorizing municipal by-law, the Ministry will make arrangements for the payment of the dedicated gas tax funds to the Municipality.

Yours sincerely,



Steven Del Duca
 Minister of Transportation

I have read and understand the terms of this Letter of Agreement, as set out above, and, by signing below, I am signifying the Municipality's consent to be bound by these terms.

Town of Fort Frances

Per: _____
 Mayor

Date: _____

Per: _____
 Chief Financial Officer/Treasurer

Date: _____