



TOWN OF FORT FRANCES
ADMINISTRATION & FINANCE DIVISION
TREASURY REPORT 2013/74

TO: Mayor Avis & Members of Council
FROM: Laurie Witherspoon, Treasurer
DATE: July 16, 2013
SUBJECT: MTO Dedicated Gas Tax Public Transit Funding

BACKGROUND

Please find attached the letter dated July 8, 2013 and the annual Dedicated Gas Tax Funding Agreement for Public Transportation received Tuesday, July 16, 2013 from the Ministry of Transportation (MTO) for the 2012/2013 program year in an amount up to \$73,763.

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

RECOMMENDATION

Administration recommends that Council authorize the Mayor and Treasurer to sign the Dedicated Gas Tax Funding Agreement for Public Transportation with the Ministry of Transportation for the 2012/2013 Program year in an amount up to \$73,763.

Council Approval of This Report Will Authorize the Mayor and the Treasurer to sign the Dedicated Gas Tax Funding Agreement for Public Transportation with the Ministry of Transportation for the 2012/2013 Program year in an amount up to \$73,763. Further, that a supporting by-law be brought forward to endorse the Letter of Agreement.

**Ministry of
Transportation**

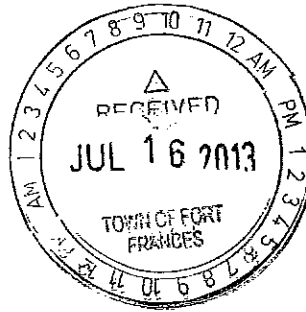
Office of the Minister

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
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July 8, 2013

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 \$16.1 billion in public transit in Ontario. These investments are paying off – in 2011, public transit ridership in Ontario increased by more than 171 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 2 cents per litre of provincial gas tax to improve and expand transit. As announced in Budget 2013, Ontario is moving forward with our commitment to make Gas Tax funding permanent. Since 2004, we have committed \$2.6 billion for municipal transit through the Gas Tax Program, including \$324 million for this, the ninth year of the program.

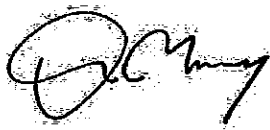
The Town of Fort Frances will be eligible to receive an allocation of \$73,763 for this program year.

Enclosed are Letters of Agreement and the 2012/2013 Program Guidelines and Requirements. Please return two copies of the signed Letter of Agreement, the supporting by-law and the 2012 Reporting Forms by July 18, 2013 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 Rita De Bartolo, Team Leader, Division Services and Program Management Office at (416) 585-7141.

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Murray', with a stylized flourish at the end.

Glen Murray
Minister

Encl.

c: Sarah Campbell, MPP, Kenora-Rainy River

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July 8, 2013

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.

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 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:

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 \$73,763 in accordance with, and subject to, the terms set out in this Letter of Agreement, and the guidelines and requirements, with \$36,882 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 discretion, to adjustment to reflect final gas tax receipts and any other adjustments as set out in the guidelines and requirements, including those related to annual appropriations or dedication, as applicable, of funds by the Legislative Assembly of Ontario.
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 only in accordance with the guidelines and requirements.

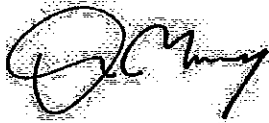
5. The Municipality shall adhere to the reporting and accountability measures set out in the guidelines and requirements, and shall provide all requested documents to the Ministry.
6. The Municipality understands and agrees that the funding provided under this Letter of Agreement represents the full 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 2012/2013 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. If the Legislature fails to appropriate sufficient funds for the Program, the Ministry may terminate this Letter of Agreement immediately by giving written notice to the Municipality. In such instance, the Ministry may cancel all further dedicated gas tax fund payments.
9. 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.
10. 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, the last signature of which shall be the effective date of this Letter of Agreement, together with 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,



Glen Murray
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.

The Corporation of the Town of Fort Frances

Per: _____ Date: _____
Mayor

Per: _____ Date: _____
Chief Financial Officer/Treasurer