

March 1, 2021

Report To: Mayor and Council

From: Aaron Bisson, Manager of Recreation and Culture

**RE: MTO Gas Tax Dedicated Funding**

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Please find attached a copy of the letter dated January 14, 2021 from the Ministry of Transportation. Also attached is a copy of the annual Dedicated Gas Tax Funds for Public Transportation Program agreement between the Town of Fort Frances and Her Majesty the Queen in the right of the Province of Ontario, represented by the Minister of Transportation.

The Letter of Agreement sets out the terms and conditions for use of dedicated gas tax funds by municipalities for public transportation. The funding amount for 2020-2021 under the program is up to \$72,298.00. A supporting by-law authorized by the Mayor and Clerk is also a requirement to obtain the funding.

**Recommendation**

The Community Service Division recommends to Mayor & Council to authorize the Mayor and Clerk to sign the Dedicated Gas Tax Funding Agreement for Public Transportation with the Ministry of Transportation for the 2020-2021 Program year in an amount of up to \$72,298.00. Further, that a supporting by-law be brought forward to endorse the Letter of Agreement.

Respectfully Submitted,

*Aaron Bisson*

Aaron Bisson  
Manager of Recreation and Culture

<p><b>Council approval of this report will agree to the recommendation of the Community Service Division to enter into an agreement with the Ministry of Transportation. Further, that a supporting by-law be brought forward to endorse the Letter of Agreement.</b></p>
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**Ministry of  
Transportation**

Office of the Minister

777 Bay Street, 5<sup>th</sup> Floor  
Toronto ON M7A 1Z8  
416 327-9200  
[www.ontario.ca/transportation](http://www.ontario.ca/transportation)

**Ministère des  
Transports**

Bureau de la ministre

777, rue Bay, 5<sup>e</sup> étage  
Toronto ON M7A 1Z8  
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January 14, 2021

107-2020-5060

Mayor June Caul  
Town of Fort Frances  
320 Portage Avenue  
Fort Frances ON P9A 3P9

Dear Mayor Caul:

I am pleased to announce the launch of the 2020-21 Gas Tax Program and to advise you of your funding allocation.

Our government is committed to working with municipalities to improve Ontario's transportation network and support economic growth. Investing in transit will reduce traffic congestion, create jobs and help businesses to develop and prosper.

The Town of Fort Frances will be eligible to receive an allocation of **\$72,298** for this program year.

In the coming days, we will forward the electronic versions of your Letter of Agreement, along with program guidelines, reporting forms and the Canadian Content for Transit Vehicle Procurement policy to the primary contact at the Town of Fort Frances.

Please return a scanned copy of the signed Letter of Agreement in pdf format, the required supporting by-law (if applicable) and the 2020 Reporting Forms to **MTO-PGT@ontario.ca**.

In the 2019 Budget, the province committed to reviewing the current program, in consultation with municipalities, to identify opportunities for improvement. Following a careful consideration of municipal and transit stakeholder feedback, the ministry implemented two changes that were identified as areas for improvement to the 2019-20 program:

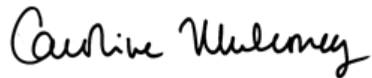
- The baseline spending requirement was removed; and
- Municipalities were permitted to submit a scanned copy of the municipal by-law instead of a certified copy.

The review of the Gas Tax program has been completed and no additional changes are being considered for the 2020-21 program.

The ministry recognizes the impact that COVID-19 has had on municipal transit systems in 2020. We will continue to monitor the impacts to key elements, such as municipal transit ridership and the availability of funding that is generated from the sale of gasoline, as these influence the Gas Tax allocations for the 2021-22 program.

If you have any questions regarding the program, please contact Jamie Pearce, Director, Municipal Programs Branch, at (437) 218-1788.

Sincerely,

A handwritten signature in black ink, reading "Caroline Mulroney". The signature is written in a cursive, flowing style.

Caroline Mulroney  
Minister of Transportation

c. The Honourable Greg Rickford, MPP, Kenora—Rainy River

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January 14, 2021

Mayor June Caul  
Town of Fort Frances  
320 Portage Avenue  
Fort Frances ON P9A 3P9

Dear Mayor Caul:

**RE: Dedicated Gas Tax Funds for Public Transportation Program**

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This Letter of Agreement between the **Town of Fort Frances** (the “Municipality”) and Her Majesty the Queen in right of the Province of Ontario, as represented by the Minister of Transportation for the Province of Ontario (the “Ministry”), sets out the terms and conditions for the provision and use of dedicated gas tax funds under the Dedicated Gas Tax Funds for Public Transportation Program (the “Program”). Under the Program, the Province of Ontario provides two cents out of the provincial gas tax to municipalities to improve Ontario’s transportation network and support economic development in communities for public transportation expenditures.

The Ministry intends to provide dedicated gas tax funds to the Municipality 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 2020-21 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 the Municipality has reviewed and understands and are hereby incorporated by reference, and other good and valuable consideration, the receipt and sufficiency of which are expressly acknowledged, the Ministry and the Municipality agree as follows:

1. To support local public transportation services in the Municipality, the Ministry agrees to provide funding to the Municipality under the Program to a maximum amount of up to **\$72,298** (“the “Maximum Funds”) in accordance with, and subject to, the terms and conditions set out in this Letter of Agreement and, for greater clarity, the guidelines and requirements.
2. Subject to Section 1, the Ministry will, upon receipt of a fully signed copy of this Letter of Agreement and a copy of the authorizing municipal by-law(s) and, if applicable, resolution(s) for the Municipality to enter into this Letter of Agreement, provide the Municipality with **\$54,224**; and any remaining payment(s) will be provided thereafter.

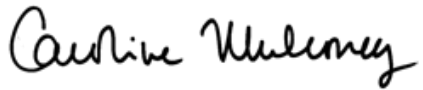
3. If another municipality authorizes the Municipality to provide local public transportation services on its behalf and authorizes the Municipality to request and receive dedicated gas tax funds for those services also on its behalf, the Municipality will in the by-law(s) and, if applicable, resolution(s) described in Section 2 confirm that the Municipality has the authority to provide those services and request and receive those funds.
4. The Municipality agrees that any amount payable under this Letter of Agreement may be subject, at the Ministry's sole discretion, to any other adjustments as set out in the guidelines and requirements.
5. The Municipality will 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.
6. The Municipality will adhere to the reporting and accountability measures set out in the guidelines and requirements, and will provide all requested documents to the Ministry.
7. The Municipality agrees that the funding provided to the Municipality pursuant to this Letter of Agreement represents the full extent of the financial contribution from the Ministry and the Province of Ontario under the Program for the 2020-21 Program year.
8. The Ministry may terminate this Letter of Agreement at any time, without liability, penalty or costs upon giving at least thirty (30) days written notice to the Municipality. If the Ministry terminates this Letter of Agreement, the Ministry may take one or more of the following actions: (a) cancel all further payments of dedicated gas tax funds; (b) demand the payment of any dedicated gas tax funds remaining in the possession or under the control of the Municipality; and (c) determine the reasonable costs for the Municipality to terminate any binding agreement(s) for the acquisition of eligible public transportation services acquired, or to be acquired, with dedicated gas tax funds provided under this Letter of Agreement, and do either or both of the following: (i) permit the Municipality to offset such costs against the amount the Municipality owes pursuant to paragraph 8(b); and (ii) subject to Section 1, provide the Municipality with funding to cover, in whole or in part, such costs. The funding may be provided only if there is an appropriation for this purpose, and in no event will the funding result in the Maximum Funding exceeding the amount specified under Section 1.
9. Any provisions which by their nature are intended to survive the termination or expiration of this Letter of Agreement including, without limitation, those related to disposition, accountability, records, audit, inspection, reporting, communication, liability, indemnity, and rights and remedies will survive its termination or expiration.
10. This Letter of Agreement may only be amended by a written agreement duly executed by the Ministry and the Municipality.
11. The Municipality agrees that it will not assign any of its rights or obligations, or both, under this Letter of Agreement.

12. The invalidity or unenforceability of any provision of this Letter of Agreement will not affect the validity or enforceability of any other provision of this Letter of Agreement. Any invalid or unenforceable provision will be deemed to be severed.
13. The term of this Letter of Agreement will commence on the date of the last signature of this Letter of Agreement.
14. 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 print and secure the required signatures, and then deliver a fully signed pdf copy to the Ministry at the email account below. Subject to the province's prior written consent, including any terms and conditions the Ministry may attach to the consent, the Municipality may execute and deliver the Letter of Agreement to the Ministry electronically. In addition, all program documents are also to be sent to the following email account:

[MTO-PGT@ontario.ca](mailto:MTO-PGT@ontario.ca)

Sincerely,



Caroline Mulroney  
Minister of Transportation

I have read and understand the terms and conditions 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 and conditions.

**Municipality**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name (print):  
Title (head of council or  
authorized delegate):

I have authority to bind the Municipality.

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Name (print):  
Title (clerk or authorized delegate):

I have authority to bind the Municipality.