

TOWN OF FORT FRANCES

Community Services Executive Committee

AGENDA - January 3, 2017 10:30 AM

MEETING - Memorial Sports Centre - '52 Canadians Meeting Room

	Page
1. <u>CALL TO ORDER (Session # 039)</u>	
2. <u>DISCLOSURE OF CONFLICT OF INTEREST AND THE GENERAL NATURE THEREOF</u>	
3. <u>APPROVAL OF PREVIOUS COMMITTEE MINUTES</u>	
3.1 Community Services Executive Committee - December 5, 2016	2 - 3
4. <u>ITEMS REFERRED FROM COUNCIL</u>	
4.1 Dial-a-ride	4
5. <u>NEW BUSINESS</u>	
5.1 2016-2017 Dedicated Gas Tax Funds For Public Transportation Program	5 - 21
6. <u>IN-CAMERA</u>	
7. <u>NON-AGENDA ITEMS</u>	
8. <u>INFORMATION</u>	
8.1 Next meeting - January 16, 2017	
8.2 Community Services Budget Summary will be reviewed at the January 16th meeting.	
9. <u>CLOSING</u>	

TOWN OF FORT FRANCES

MINUTES

SESSION NO. # 038

December 5, 2016

The meeting of Community Services Executive Committee of the Town of Fort Frances was held in the Memorial Sports Centre - '52 Canadians Meeting Room on December 5, 2016 from 10:30 a.m. to 12:10 p.m.

PRESENT: Wendy Brunetta - Chairperson, John Albanese - Councillor, Doug Kitowski - Councillor, Doug Brown - CAO, Jason Kabel - Manager of Community Services

ALSO PRESENT: Leana Moffitt - MSC Program Manager, Ed Halvorsen, - Early Iron Car Club, Al Smith - Early Iron Car Club, Fred Laverdure - Early Iron Car Club

1 CALL TO ORDER (Session # 038)

- 1.1 J. Kabel called the meeting to order at 10:31am as the new committee had to elect a chair person and vice chair. Wendy Brunetta was elected as chairperson and presided over the meeting.

2 DISCLOSURE OF CONFLICT OF INTEREST AND THE GENERAL NATURE THEREOF

3 APPROVAL OF PREVIOUS COMMITTEE MINUTES

- 3.1 Community Services Executive Committee - November 21, 2016
- **Approved as circulated.**

4 ITEMS REFERRED FROM COUNCIL - NIL

5 NEW BUSINESS

- 5.1 International Early Iron Car Club Request - Al Smith, Ed Halvorsen, Fred Laverdure in attendance. The Community Services Executive Committee recommends to Mayor & Council to endorse the accommodations for the International Early Iron Car Club as stipulated in the report.
- 5.2 Dial-a-ride Contract - The Committee recommends to Mayor & Council to sanction the revised agreement renewal with 539989 ON LTD (North-Air Services) to provide Dial-a-ride services with zero percent (0%) increase to the existing fee structure as provided and endorse forthcoming bylaw. The new agreement will include a clause for early termination of the agreement and to be auto-renewed every three years. It was advised to have complaints/concerns instructions in the taxis for patrons.

- 5.3 Student Wages - Leana Moffitt - The Committee recommends to Mayor & Council to endorse the student wage table provided in response to increased minimum wages provincially.
- 5.4 CS Capital Budget - The Committee endorsed 2017 capital budget as amended to be forwarded to treasury for inclusion in the 2017 budget process.
- 5.5 MSC Summer Hours Report - The report was brought forward for informational purposes only and will be brought back before the committee again before the summer of 2017 for consideration.

6 IN-CAMERA

- 6.1 Appointments to Board & Committees - The Committee recommended to appoint the following applicants to each respective board or committee for a two-year term ending November 30, 2018:
- Sunny Cove Advisory Committee** (2 required), J. Albanese, P. Ryan
Robin Dennis, Nicke Paddock (Baird)
- Museum Advisory Committee** (5 required), P. Ryan
Mary Hickling, Robert Schulz, Caren Fagerdahl, Debbie Ballard, Bonny Montgomery – appointed in October
- Townshend Theatre Advisory Committee** (2 required), J. Caul
Caren Fagerdahl
- Sister Betty Kennedy Centre Board of Management** (5 required), J. Caul, D. Kitowski
Irene Laing, John Reader, Dalton Taylor, Ed Haglund, Diane Maxey

7 NON-AGENDA ITEMS

- NIL

8 INFORMATION

- 8.1 Next Meeting Date - January 3, 2016

9 CLOSING

There being no further matters before the committee at this time, the meeting was closed at 12:10pm.

W. Brunetta, Executive Committee Chair

J. Kabel, Manager of Community Services

REPORT

TO: Community Services Executive Committee

FROM: Jason Kabel, Manager of Community Services

DATE: December 30, 2016

RE: **Dial-A-Ride**

At the regular meeting of Town Council on December 12, 2016 there was a recommendation before Council from the Community Services Executive Committee as follows:

‘Council approval of this report will sanction the revised agreement renewal with 539989 ON LTD (North-Air Services) to provide Dial-a-ride services with zero percent (0%) increase to the existing fee structure as provided and endorse forthcoming bylaw.’


There was concern expressed that the Dial-a-ride agreement should not be renewed without tendering the contract as it had been several years. It was decided that it was best to send the item back to the Community Services Executive Committee for further discussion and direction.

Recommendation

The Community Services Division recommends to move forward with a competitive tendering process for the provision of door to door bus-type transportation services in the town of Fort Frances known as Dial-a-ride. Basic items included in the tender posting and evaluation criteria will be:

- Provide a door to door bus-type transportation service (regular hourly schedule for pickup throughout the community) known as dial-a-ride (the services), Monday to Friday 8:00 am to 5:00 pm and Saturday and Sunday 9:00 am to 1:00 pm except statutory holidays.
- Provide the service only within the geographic boundaries of the Town of Fort Frances.
- Make the service available on the basis of reservations only. Reservations to be made by phoning The Operator at least 15 minutes before the hour for the subsequent hour pickup. Return trip reservations are to be arranged directly with the driver or by phone to The Operator.
- The driver shall collect the approved fare in effect from the passenger/user of the service.
- The operator shall provide to the Town monthly statistical reports on the number of passengers/users itemized into categories of Seniors, Low income, Mobility Impaired and Other. This is a requirement of Canadian Urban Transit Association reporting for Gas Tax Funding that subsidizes the services. Evidence of similar past record keeping is desirable.
- Evidence of providing a similar service is considered desirable.
- The operator will modify services as recommended by the Town based on feedback from users.
- The contract will be for a term of 3 years with an option for renewals for further 3-year terms.

Respectfully Submitted,



Jason Kabel



REPORT

TO: Mayor & Council
FROM: Jason Kabel, Manager of Community Services
DATE: December 30, 2016
RE: 2016/17 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 to subsidize public transportation offered by the Town through Handi-van & Dial-a-ride services.

The Town of Fort Frances received \$58,487.18 in 2015 through the program. In 2016, the Community Services Division budgeted \$68,000 to be received from the Provincial Gas Tax Program.

Attached is email notification from the province that the Ministry has sent the hard copy Gas Tax package by regular mail to the municipal head of Council. The package requests the following:

Please return two fully signed copies of the Letter of Agreement, and a copy of the authorizing municipal by-law to the Ministry by January 31, 2017.

The 2016 Reporting Forms are to be returned to the Ministry by February 28, 2017.

Recommendation

The Community Services Executive Committee recommends to Mayor & Council to authorize full execution of the Letter of Agreement with the Ministry of Transportation and endorse a supporting municipal by-law for submission to the MTO by January 31, 2017.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Jason Kabel".

Jason Kabel

Council approval of this report will authorize full execution of the Letter of Agreement with the Ministry of Transportation and endorse a supporting municipal by-law for submission to the MTO by January 31, 2017.

From: De Bartolo, Rita (MTO)
To: [De Bartolo, Rita \(MTO\)](#)
Cc: [Rai, Zina \(MTO\)](#); [Adamkowski, Suzanne \(MTO\)](#); [Essaji, Tasneem \(MTO\)](#); [Dowling, Kevin \(MTO\)](#)
Subject: 2016/17 Provincial Dedicated Gas Tax program
Date: Monday, December 12, 2016 3:51:20 PM
Attachments: [MT-O-16E.pdf](#)
[MT-O-17E.pdf](#)
[MT-O-18E.pdf](#)
[1\) Canadian Content for Transit Vehicle Procurement Policy Document revised 2010 version.doc](#)
[Attachments to Policy Document.doc](#)
[2016-17 Guidelines Final.pdf](#)

The 2016/17 Provincial Dedicated Gas Tax program was announced today December 12, 2016. Please visit [our website for details about the announcement](#).

The Gas Tax package will be forwarded by regular mail to your municipal head of council on December 13, 2016. The package includes the Letter of Agreement (four copies), program guidelines, and reporting forms.

Please return two fully signed copies of the Letter of Agreement, and a copy of the authorizing municipal by-law to the Ministry **by January 31, 2017**.

The 2016 Reporting Forms are to be returned to the Ministry **by February 28, 2017**. Please provide these materials to:

Ministry of Transportation
Policy and Planning Division
Division Services and Program Management Office
27th Floor, Suite 2702
777 Bay Street,
Toronto, Ontario
M7A 2J8
c/o Rita De Bartolo

Attached are the electronic versions of the 2016/17 program guidelines, forms, and Canadian Content Policy for your reference.

If you are considering procuring new buses, Metrolinx's Transit Procurement Initiative (TPI) has an established procurement program that is mandated to facilitate joint procurements on behalf of Ontario's transit systems. It allows transit service providers to achieve savings through economies of scale and acquire additional benefits. To date, TPI has helped municipal agencies procure over 900 buses across Ontario. Currently, there are standing contracts for 8-metre specialized buses, 12 and 18-metre conventional transit buses that were procured through a competitive process. For more information, please contact Yolanda da Silva, Manager TPI, at 416-202-5604 or Yolanda.daSilva@metrolinx.com.

Rita De Bartolo
Team Leader
Division Services & Program Management Office
Policy and Planning Division



MINISTRY OF TRANSPORTATION

Dedicated Gas Tax Funds For Public Transportation Program

2016/2017 Guidelines and Requirements

TABLE OF CONTENTS

1. DEFINITIONS	2
2. INTRODUCTION	4
3. GENERAL ELIGIBILITY REQUIREMENTS AND CONDITIONS.....	4
4. GENERAL PROGRAM ALLOCATION METHODOLOGY AND PAYMENT PROCESS.....	6
4.1 General Program Allocation Methodologies	6
4.2 Payment Process.....	7
5. DEDICATED GAS TAX FUNDS RESERVE ACCOUNT AND INTEREST.....	8
5.1 Dedicated Gas Tax Funds Reserve Account.....	8
5.2 Interest.....	8
6. ACQUISITION OF GOODS OR SERVICES, AND DISPOSAL OF ASSETS	9
7. ADJUSTMENT, WITHHOLDING AND REPAYMENT OF DEDICATED GAS TAX FUNDS AND OTHER REMEDIES	9
8. ACCOUNTABILITY, RECORDS, AUDIT AND REPORTING REQUIREMENTS.....	10
8.1 Accountability.....	10
8.2 Records	11
8.3 Audit.....	11
8.4 Reporting	11
9. COMMUNICATIONS	12
10. CONFLICT OF INTEREST	12
11. FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT.....	13
12. LIABILITIES AND INDEMNITIES	13
13. COMPLIANCE WITH THE LAW	14
14. WHERE TO APPLY AND REQUEST OR PROVIDE INFORMATION	14
APPENDIX A: REPORTING FORMS	15
APPENDIX B: CANADIAN CONTENT POLICY	16
APPENDIX C: VISUAL IDENTITY SIGNAGE REQUIREMENTS	17

DEDICATED GAS TAX FUNDS FOR PUBLIC TRANSPORTATION PROGRAM

2016/2017 GUIDELINES & REQUIREMENTS

1. DEFINITIONS

When used in these guidelines and requirements, the words set out below that import the singular include the plural and vice versa:

“baseline spending” means a municipality’s spending level, which equals the average municipal own spending on public transportation for the years 2001 to 2003 and includes a rate of 2% per year for inflation. For new transit systems that were not operational from 2001 to 2003, the baseline will be determined at the Ministry’s discretion until the municipality has three years of operation, whereby the first three years of municipal spending will be averaged and a rate of 2% per year for inflation will be applied.

“Canadian Content Policy” means the Canadian Content for Transit Vehicle Procurement Policy, attached to these guidelines and requirements as Appendix B: Canadian Content Policy, which the Ministry may amend from time to time.

“dedicated gas tax funds” means the money provided by the Ministry to a municipality to be used strictly towards eligible expenditures that are reasonable, in the opinion of the Ministry, and related directly to the provision of public transportation services, and “dedicated gas tax funding” has the same meaning.

“dedicated gas tax funds reserve account” means an interest bearing account set up by a municipality, under its name and in a Canadian financial institution, where dedicated gas tax funds are deposited and tracked separately from any other funds.

“DFPTA” means the *Dedicated Funding for Public Transportation Act, 2013*, S.O. 2013, c. 2, Sched. 3.

“eligible expenditures” means expenditures made by a municipality in direct support of public transportation operating or capital, or both, costs in accordance with Article 3 of these guidelines and requirements.

“guidelines and requirements” means these guidelines and requirements entitled “Dedicated Gas Tax Funds for Public Transportation Program – 2016/2017 Guidelines and Requirements”, including Appendices A, B and C to these guidelines and requirements, which the Ministry may amend from time to time.

“host municipality” means a host municipality as described in Section 4.2.

“indemnified parties” means Her Majesty the Queen in right of Ontario, Her ministers, agents, appointees and employees.

“letter of agreement” means an agreement entered into between the Ministry and a municipality, including a host municipality, that sets out the terms and conditions under which the Ministry agrees to provide dedicated gas tax funds to the municipality, including those under these guidelines and requirements, and any amendments to the letter of agreement.

“losses” means any and all liability, loss, costs, damages or expenses (including legal, expert and consultant fees).

“major refurbishment” means: (a) for a subway car, light rail car, streetcar or trolley bus, the refurbishment where the life cycle is extended for a minimum of six years beyond the designed life cycle set out by the manufacturer; and (b) for a bus thirty feet in length or over, the refurbishment where, when the bus reaches a minimum age of nine years, the life cycle of the bus is extended for a minimum of six years.

“Ministry” and **“Minister”**, respectively, means the Ministry of Transportation, which is responsible for the administration of the Program and the Minister responsible for the Ministry.

“municipal own spending on public transportation” means the funds, including those received from total operating revenue and local public donations, that a municipality contributes towards public transportation expenditures, including funds it contributes for operating and capital expenditures.

“personnel” includes the advisors, appointees, directors, officers, employees, agents, partners, affiliates, volunteers or subcontractors of a municipality.

“proceeding” means any and all causes of action, actions, claims, demands, lawsuits or other proceedings.

“Program” means the Dedicated Gas Tax Funds for Public Transportation Program set up by the Ministry to provide municipalities with dedicated gas tax funds subject to, and in accordance with, these guidelines and requirements.

“PRESTO” means the fare payment system for which Metrolinx is responsible.

“public transportation” means any service for which a fare is charged for transporting the public by vehicles operated by or on behalf of a municipality or local board as defined in the *Municipal Affairs Act*, R.S.O. 1990, c. M. 46, as amended, or under an agreement between a municipality or local board, and a person, firm or corporation, and includes special transportation facilities for transporting persons with disabilities but does not include transportation by special purpose facilities, such as school buses or ambulances.

“public transportation vehicle” refers to a streetcar, bus, subway car, light rail car, specialized vehicles for transporting persons with disabilities or trolley bus used for public transportation.

“reporting forms” means the following forms attached as Appendix A (Reporting Forms) to these guidelines and requirements: 1) Dedicated Gas Tax Funds for Public Transportation 2016 Reporting Form (i.e. form MT-O-16); 2) Dedicated Gas Tax Program – 2016

Conventional Transit Reporting Form (i.e. form MT-O-17); and 3) Dedicated Gas Tax Program – 2016 Specialized Transit Reporting Form (i.e., form MT-O-18).

“subcontractor” means any contractor of a municipality or any of its subcontractors at any tier of subcontracting.

2. INTRODUCTION

The Province has a vision for a stronger Ontario built around strong communities, a vibrant economy and healthier, more liveable cities with increased access to public transportation, reduced commute times and cleaner air for all Ontarians. By providing a portion of the gas tax for public transportation, the Province assists municipalities to become more self-sustaining in that regard.

As of October 2004, the Province provided 1 cent/litre of gas tax funds to Ontario municipalities, increasing as of October 2005 to 1.5 cents/litre, and, since October 2006, has consistently provided 2 cents/litre annually.

As of 2013 and pursuant to the *Dedicated Funding for Public Transportation Act, 2013*, S.O. 2013, c. 2, Sched. 3 (“DFPTA”), a portion of the provincial gasoline tax revenue is dedicated to the provision of grants to municipalities for public transportation, including those pursuant to the Program. The portion of the gas tax that is dedicated in each fiscal year is an amount determined using a formula set out in the DFPTA.

Except for the interim six-month program to bridge the gap between the end of the 2012/13 Program year and the beginning of the 2014/15 Program year, prior to the passage of the DFPTA and for the first nine years, the Program has run from October to September. Starting with the 2014/15 Program year, the Program runs from April to March, with municipal allocations being available in late September at the earliest.

The 2016/17 Program runs from April 1, 2016 to March 31, 2017. The new allocation of funding for the Program for 99 public transit systems representing 134 municipalities will amount to approximately \$334.5 million.

The Program is an important element of the ongoing relationship between the Province and Ontario municipalities. Municipalities receiving dedicated gas tax funds must meet the requirements set out in these guidelines and requirements.

3. GENERAL ELIGIBILITY REQUIREMENTS AND CONDITIONS

The purpose of the Program is to provide dedicated gas tax funds to Ontario municipalities to ensure that local public transportation services continue, and to increase overall ridership through the expansion of public transportation capital infrastructure and levels of service. To be eligible to receive dedicated gas tax funds, a municipality must contribute financially towards its public transportation services.

For 2016/17 and unless otherwise approved in writing by the Ministry, only municipalities that have submitted their 2015 annual data survey to the Canadian Urban Transit Association

(CUTA), and their 2015 Gas Tax reporting forms to the Ministry, will be eligible to receive dedicated gas tax funds.

Subject to the provision of a municipal by-law indicating its intent to provide public transportation services, a municipality that is not currently providing public transportation services, but decides to begin providing such services, may be eligible for funding. Notification, prior to October 3, 2016, of the municipality's intent to provide public transportation services and specific commitment to annually fund such public transportation services is required. After the new public transportation services have been implemented and at the Ministry's sole discretion, dedicated gas tax funding may then be available.

A municipality receiving dedicated gas tax funds must ensure that all funds received and any related interest are used exclusively towards eligible expenditures, and, unless otherwise approved in writing by the Ministry, disbursement of dedicated gas tax funds and any related interest must be net of any rebate, credit or refund, for which the municipality has received, will receive, or is eligible to receive.

All public transportation services and public transportation vehicles must be fully accessible in accordance with the requirements set out under the following statutes and regulations, as may be amended from time to time: the *Accessibility for Ontarians with Disabilities Act, 2005*, S.O. 2005, c. 11 and the *Integrated Accessibility Standards*, O. Reg. 191/11 made under that *Act*; the *Highway Traffic Act*, R.S.O. 1990, c. H.8 and the *Accessible Vehicles*, R.R.O. 1990, Reg. 629 made under that *Act*; and the *Public Vehicles Act*, R.S.O. 1990, c. P. 54. In addition to the above, the acquisition of public transportation vehicles must comply with the Canadian Content Policy requirements.

Unless the Ministry otherwise approves in writing, in 2016/17, gas tax revenues and any related interest can only be used to support municipal public transportation expenditures above a municipality's baseline spending and not to reduce or replace current levels of municipal public transportation funding. External audit and financial reporting costs are not eligible expenditures to which dedicated gas tax funding can be applied or the Ministry may reimburse.

(a) Requirements for All Dedicated Gas Tax Funds Received in 2016/17 and Beyond

- Dedicated gas tax funds and any related interest must be spent on:
 - Public transportation capital expenditures that promote increased transit ridership, and are above a municipality's baseline spending;
 - Public transportation operating expenditures that are above a municipality's baseline spending;
 - Capital expenditures for the replacement of any public transportation vehicles that are above a municipality's baseline spending;
 - Capital expenditures that provide improvements to public transportation security and passenger safety, and are above a municipality's baseline spending; or

- Major refurbishment on any fully accessible, or to be made fully accessible, public transportation vehicle, with the exception of specialized vehicles used for the transportation of persons with disabilities, and are above a municipality's baseline spending.
- For municipalities that provide only specialized transit for persons with disabilities, dedicated gas tax funds can be spent on public transit initiatives that may not initially result in ridership growth but will provide increased accessibility.

(b) Additional Requirements for the following Municipalities: Regions of Durham and York, the Cities of Brampton, Burlington, Hamilton, Mississauga, Ottawa and Toronto, and the Town of Oakville.

Prior to the release of any dedicated gas tax funds, the municipalities listed under (b) above will, in addition to any other requirements in this Article 3, be required to:

- Participate in PRESTO and, as participants, will be required to meet their financial obligations for that system.

(c) Additional Requirements for GTA Municipalities: Regions of Durham, Halton, Peel and York, and Cities of Hamilton and Toronto.

Prior to the release of any dedicated gas tax funds, the municipalities listed under (c) above will, in addition to any other requirements in this Article 3, be required to:

- Demonstrate that they have met their responsibility for the payment of the growth and expansion capital costs of Metrolinx pursuant to the *Amendment to Greater Toronto Services Board By-law No. 40*, O. Reg. 446/04, made under the *Metrolinx Act, 2006*, S.O. 2006, c. 16, as amended.

The eligibility requirements for dedicated gas tax funds will be determined in accordance with these guidelines and requirements. The eligibility for any dedicated gas tax funds is at the sole discretion of the Ministry. Where a municipality relies on receiving dedicated gas tax funds for expenditure, a municipality should consider consulting with Ministry staff when in doubt as to whether it's proposed expenditure is an eligible expenditure prior to making or committing to make such an expenditure.

4. GENERAL PROGRAM ALLOCATION METHODOLOGY AND PAYMENT PROCESS

4.1 General Program Allocation Methodologies

Based on consultation with municipalities, public transportation operators and stakeholders, the Province recognizes the varying needs of public transportation in Ontario municipalities, including those related to large established public transportation systems and communities with different growth rates and levels of public transportation service. Consistent with the above, the Province has established an allocation formula based on a combination of ridership and population. This formula balances the needs of large established public transportation

systems, the growth needs of rapidly growing municipalities, and the needs of smaller municipalities that provide public transportation services.

The Province is implementing an allocation based on 70% transit ridership and 30% municipal population. Fully implemented, 70% of \$334.5 million (up to \$234.16 million) may be distributed to municipalities on the basis of their public transportation ridership levels. Thirty percent (30%) of \$334.5 million (up to \$100.35 million) may be distributed on the basis of population levels. Public transportation ridership will include the totals of both conventional and specialized public transportation services.

Both ridership and population figures are updated and revised annually for use in the calculation of dedicated gas tax funds.

CUTA annually collects and reproduces, on behalf of the Ministry, transit ridership data in its Ontario Urban Transit Fact Book and its Ontario Specialized Transit Services Fact Book (the "CUTA Fact Books"). The Ministry used the 2015 ridership data from the 2015 CUTA Fact Books for the above calculation. Where a municipality's ridership data have not been collected nor reproduced in the 2015 CUTA Fact Books, the Ministry used the 2015 transit ridership data received from the municipality.

The 2016/17 gas tax allocations were calculated using 2015 population estimates derived from the 2011 census data.

Dedicated gas tax funds provided to each municipality in 2016/17 are not to exceed, based on the 2015 municipal public transportation spending data set out in the CUTA Fact Books, 75% of municipal own spending on public transportation. The Ministry may re-allocate, in support of increasing public transportation ridership, any amounts of moneys dedicated for but that remains undistributed through the Program.

The Ministry may undertake an annual review of the dedicated gas tax allocation methodology and eligibility requirements to ensure these funds support the desired outcome of increased public transportation ridership. Municipal public transportation spending will be reviewed on an annual basis to determine if the limits of the dedicated gas tax funds need to be applied where the gas tax allocation may exceed 75% of municipal own spending on public transportation.

4.2 Payment Process

The Minister will advise each municipality that provides public transportation services of the amount of dedicated gas tax funds it is eligible to receive. The Minister will send a letter of agreement to each of these municipalities. The letter of agreement will set out the terms and conditions upon which the dedicated gas tax funds will be released to the municipality, and by which the municipality will have to agree to be bound.

The Ministry may, on a quarterly basis (or other basis, as the Ministry may decide from time to time), make payments of dedicated gas tax funds only after receipt of the following documents: i) the letter of agreement, provided by the Ministry to the municipality, signed in accordance with the by-law(s) and, if applicable, the resolution(s) described below; and ii) a certified copy of the by-law(s) and, if applicable, any resolution(s) authorizing the letter of agreement and naming municipal signing officers for the letter of agreement.

In addition, the Ministry may withhold payment of dedicated gas tax funds until the reporting requirements under Section 8.4 are met.

Any amount of dedicated gas tax funds provided to the municipality under the Program will be subject to the remedies set out under Article 7.

Any dedicated gas tax funds the Ministry provides to a municipality and any related interest, including those kept by the municipality in a dedicated gas tax funds reserve account, will have to be used by the municipality exclusively towards public transportation services and in accordance with the requirements set out in these guidelines and requirements including, without limitation, those related to eligibility and related conditions, acquisition, disposition, accountability, records, audit, reporting, liability, and indemnity requirements.

If a municipality agrees to provide public transportation services (a “host municipality”) for another municipality, the Ministry, at its sole discretion, may only provide the host municipality with dedicated gas tax funds. Prior to the Ministry making any payment of dedicated gas tax funds to the host municipality, the host municipality and the municipality on whose behalf the host municipality is providing transportation services will be required to provide the Ministry with certified copies of their respective by-laws designating the host municipality as a public transportation service provider for the municipality or authorizing the host municipality to provide public transportation services to the municipality. The host municipality will be required to enter into a dedicated gas tax funds letter of agreement with the Ministry and be in compliance with the terms and conditions set out in these guidelines and requirements.

5. DEDICATED GAS TAX FUNDS RESERVE ACCOUNT AND INTEREST

5.1 Dedicated Gas Tax Funds Reserve Account

Dedicated gas tax funds must be used only towards public transportation service eligible expenditures. If the Ministry provides dedicated gas tax funds to a municipality before the municipality’s immediate need for the funds, the municipality will be required to keep the funds, and all interest earned on such funds, in a dedicated gas tax funds reserve account. Dedicated gas tax funds received, and any related interest earned on such funds, must be reported annually, using the reporting forms, on a cash basis.

5.2 Interest

Interest must accrue on funds carried over the course of the Program reporting period in a dedicated gas tax funds reserve account. A municipality must calculate interest on its average annual balance of funds. The interest must also be reported annually, using the reporting forms, and can only be applied towards eligible expenditures.

6. ACQUISITION OF GOODS OR SERVICES, AND DISPOSAL OF ASSETS

If a municipality acquires goods, including supplies, materials, vehicles, equipment or services, or both, with dedicated gas tax funds, it must do so through a process that promotes the best value (with due regard for economy, efficiency and effectiveness) for the dedicated gas tax funds it spends.

The municipality must report, in writing, to the Ministry any funds accrued from the sale, lease or disposal of assets purchased with dedicated gas tax funds, and return such funds to a dedicated gas tax funds reserve account (see Article 5), with the exception that funds accrued from the sale, lease or disposal of transit buses beyond their useful economic life (12 years for conventional and 5 years for specialized), will not be required to be returned to a dedicated reserve account.

7. ADJUSTMENT, WITHHOLDING AND REPAYMENT OF DEDICATED GAS TAX FUNDS AND OTHER REMEDIES

If, in the opinion of the Ministry, a municipality: i) fails to comply with any term, condition or obligation set out in a letter of agreement, including these guidelines and requirements; ii) uses any of the dedicated gas tax funds or any related interest for a purpose not authorized without the prior written consent of the Ministry; iii) provides erroneous or misleading information; iv) fails to provide information, including requested audit information and required reports, to the Ministry for any reason whatsoever; or v) is unable to provide or acquire or has discontinued the provision or acquisition of any service or asset for which dedicated gas tax funds have been provided, or it is not reasonable for the municipality to continue to provide or acquire any service or asset for which such funds have been provided ("event of default"), the Ministry may, unless the Ministry provides the municipality with written notice of an opportunity to correct the event of default, take one or more of the following actions: i) immediately terminate the letter of agreement; ii) suspend dedicated gas tax funding for such period as the Ministry determines appropriate; iii) reduce the amount of any dedicated gas tax funds; and iv) initiate any action the Ministry considers necessary to ensure the successful provision or acquisition by the municipality of any service or asset provided or acquired with dedicated gas tax funds in accordance with the terms of the letter of agreement.

Where the Ministry gives the municipality an opportunity to correct an event of default by giving it notice of the particulars of the event of default and the date by which the municipality is required to remedy it, and: i) the municipality does not remedy the event of default by the date specified in the notice; ii) it becomes apparent to the Ministry that the municipality cannot completely remedy the event of default by the date specified in the notice; or iii) the municipality is not taking the steps to remedy the event of default in a way that is satisfactory to the Ministry, the Ministry may initiate any of the remedies for event of default available to it under this Article.

Upon termination of the letter of agreement pursuant to this Article, the Ministry may take one or more of the following actions: i) cancel all further dedicated gas tax payments; ii) demand the repayment of any dedicated gas tax funds remaining in the possession or under control of the municipality; and, iii) demand the repayment of an amount equal to any dedicated gas tax funds or any related interest that the municipality used for purposes not agreed upon by the

Ministry. In regards to paragraph iii) above, the Minister may not demand repayment of an aggregate amount greater than the dedicated gas tax funds that were received by the municipality.

Upon the Minister providing a municipality a written demand for repayment of dedicated gas tax funds or any related interest, or both, the amount of the demand shall constitute a debt due to the Crown of the Province of Ontario and may be recovered as such under applicable law, including, without limitation, the *Financial Administration Act*, R.S.O. 1990, c. F.12, as amended, ("FAA"). In addition to any remedy the Crown may have under the FAA, the Ministry may decide to withhold or adjust the amount of any current or future dedicated gas tax funding, or any other funding program, that may be provided to the municipality in an amount equal to such debt or have the amount of such debt deducted from financial assistance payable on any other project(s) of the municipality under any other initiative in which the Ministry is involved (either current or future).

If a municipality: i) has failed to comply (a "failure") with any term, condition or obligation under any other agreement with Her Majesty the Queen in right of Ontario or one of Her agencies; ii) has been provided with notice of such failure in accordance with the requirements of such agreement; iii) has, if applicable, failed to rectify such failure in accordance with the requirements of such other agreement; and iv) such failure is continuing, the Ministry may suspend the payment of dedicated gas tax funds for such period as the Ministry determines appropriate.

If a municipality fails to comply with any term of a letter of agreement, including these guidelines and requirements, the municipality could only rely on a waiver of the Ministry if the waiver was in writing. A waiver must refer to the specific failure to comply and will not have the effect of waiving any subsequent failures to comply.

Any decision made by the Minister regarding funding under the Program is final.

8. ACCOUNTABILITY, RECORDS, AUDIT AND REPORTING REQUIREMENTS

8.1 Accountability

A municipality receiving dedicated gas tax funds must use such funds, and any interest earned on such funds, exclusively towards public transportation service eligible expenditures and in accordance with these guidelines and requirements. The municipality will not be allowed to use dedicated gas tax funds and related interest to offset other municipal expenditures.

The municipality will also be required to provide such further assurances as the Ministry may request from time to time with respect to any matter to which a letter of agreement, including these guidelines and requirements, pertains, and will otherwise do or cause to be done all acts or things necessary to implement and carry into effect the terms and conditions of these documents to their full extent.

8.2 Records

A municipality receiving dedicated gas tax funds must keep and maintain separate records and documentation related to any dedicated gas tax funds and any related interest, including invoices and any other financially-related documents relating to the provision or acquisition of public transportation services for which dedicated gas tax funds and any related interest have been used. The records and documentation must be kept and maintained in accordance with generally accepted accounting principles. Records containing confidential information must be kept in accordance with all applicable legislation. No provision of these guidelines and requirements shall be construed so as to give the Ministry any control whatsoever over the municipality's records.

8.3 Audit

A municipality receiving dedicated gas tax funds may be subject to audit. The Ministry may, at its sole discretion, audit or have audited by any third party, any records and documentation of the municipality related to any public transportation services provided or acquired with dedicated gas tax funds or any related interest, and such funds. Such audit may require the Ministry, at the municipality's expense (except as provided in the Canadian Content Policy), to retain external auditors. In addition, the Auditor General may, pursuant to the *Auditor General Act*, R.S.O. 1990, c. A. 35, as amended, audit the accounts and records of the municipality relating to any expenditure of dedicated gas tax funds.

To assist in respect of the rights set out above, a municipality will be required to disclose any information requested by the Ministry, its authorized representatives or an independent auditor identified by the Ministry, and will do so in the form requested by the Ministry, its authorized representatives or an independent auditor.

In addition to any adjustments the Ministry may make to dedicated gas tax funding under these guidelines and requirements, the Ministry may, upon recommendation in an audit report, adjust future dedicated gas tax fund payments or other payments the Province may make to the municipality under any other program.

8.4 Reporting

Accuracy in the calculation and reporting of municipal transit ridership and dedicated gas tax funds and any related interest is paramount. When calculating ridership, municipalities must use one of the acceptable best practices identified in the 2008 Ontario Ridership Data Collection Review Report, published jointly by CUTA and iTrans Consultants (retained by CUTA).

A municipality will be accountable to use dedicated gas tax funds and any related interest towards public transportation expenditures that meet the Program eligibility requirements. Each municipality will be required to report on how dedicated gas tax funds and any related interest are spent on an annual basis, including the provision of its Canadian Content Policy declaration form(s), in accordance with the Canadian Content Policy, for any public transportation vehicle funded with dedicated gas tax funds.

For the purpose of the above reporting, municipalities will be required to use the reporting forms that have been developed in consultation with municipal public transportation stakeholders, and submit these reporting forms to the Ministry prior to February 28, 2017.

9. COMMUNICATIONS

Unless the Ministry otherwise approves in writing, a municipality receiving dedicated gas tax funds will be required to acknowledge the support of the Ministry in a form and manner as directed by the Ministry.

A municipality will be required to give a minimum of thirty (30) days written notice to the Ministry regarding any planned local dedicated gas tax funding communication or recognition event, or both. The municipality will also be required to provide the Ministry with detailed information regarding such communication or event, or both.

The Ministry and a municipality receiving dedicated gas tax funds will, at all times, remain independent of each other and will not represent themselves to be the agent, joint venturer, partner or employee of the other. Neither the municipality nor the Ministry will be allowed to make representations or take actions that could establish or imply any apparent relationship of agency, joint venture, partnership or employment. In addition, neither the municipality nor the Ministry will be bound in any manner whatsoever by any agreements, warranties or representations made by any of them to any other person or entity, with respect to any other action of the other.

If the municipality publishes any material of any kind, written or oral, relating to public transportation services provided or acquired with dedicated gas tax funds, the municipality will indicate in the material that the views expressed in the material are the views of the municipality and do not necessarily reflect those of the Ministry.

A municipality receiving gas tax funding must comply with the requirements for the installation and maintenance of visual identity signage set out in Appendix C.

10. CONFLICT OF INTEREST

A municipality and its contractors and any of their respective personnel must use dedicated gas tax funds and provide and acquire services and assets with such funds without an actual, potential or perceived conflict of interest.

A conflict of interest includes any circumstances where a municipality or any person with the capacity to influence the municipality's decisions has outside commitments, relationships or financial interests that could, or could be seen to, interfere with the municipality's objective, unbiased and impartial judgment relating to the provision or acquisition of services or assets provided or acquired with dedicated gas tax funds or the use of such funds, or both.

A municipality will disclose to the Ministry, without delay, any situation that a reasonable person would interpret as an actual, potential or perceived conflict of interest, and comply with any terms and conditions that the Ministry may prescribe as a result of the disclosure.

11. FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT

All applications submitted to the Ministry are subject to the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. F. 31, as amended ("FOIPPA"). The FOIPPA provides every person with a right of access to information in the custody or under the control of the Ministry, subject to a limited set of exemptions.

Municipalities are advised that the names of municipalities receiving dedicated gas tax funds, the amount of funds provided, and the purpose for which dedicated gas tax funds are provided, is information the Ministry makes available to the public.

12. LIABILITIES AND INDEMNITIES

A municipality receiving dedicated gas tax funds must agree that it is responsible for anything that may arise, directly or indirectly, in connection with the Program, including, without limitation, the provision and acquisition of services and assets with dedicated gas tax funds. The Ministry's involvement under the Program is for the sole purpose of, and is limited to, the provision of dedicated gas tax funds.

Furthermore, a municipality receiving dedicated gas tax funds must agree to indemnify and hold harmless the indemnified parties from and against any and all losses or proceedings, by whomever made, sustained, incurred, brought, or prosecuted, in any way arising out of, or in connection with anything done or omitted to be done by the municipality or any municipality on behalf of which the municipality receives dedicated gas tax funds, or any of their respective personnel, the Program or the letter of agreement, unless the loss or proceed is solely caused by the negligence or willful misconduct of the indemnified parties.

In the event of any proceeding against any indemnified parties and any negotiations for its settlement, a municipality will, at its expense and to the extent requested by the Ministry, participate in or conduct the defence of the proceeding and negotiations. The Ministry may elect to participate in or conduct the defence of any proceeding by providing notice to the municipality of such election without prejudice to any other rights or remedies of the Ministry under the letter of agreement, at law or in equity. Each of the municipality and the Ministry participating in the defence will do so by actively participating with the other's counsel. The municipality will not enter into a settlement of any proceeding against any indemnified parties unless the municipality has obtained the prior written approval of the Ministry. If the municipality is requested by the Ministry to participate in or conduct the defence of any proceeding, the Ministry will co-operate with and assist the municipality to the fullest extent possible in the proceeding and any related settlement negotiations. If the Ministry conducts the defence of any proceedings, the municipality will co-operate with and assist the Ministry to the fullest extent possible in the proceedings and any related settlement negotiations.

A municipality receiving dedicated gas tax funds is responsible for its own insurance and must carry, at its own costs and expense, and require the same from its subcontractors and any municipality on behalf of which it receives dedicated gas tax funds, all the necessary and appropriate insurance that a prudent municipality in similar circumstances would maintain in order to protect itself and the Ministry and support the indemnification, as set out above, provided to the Ministry. For greater certainty, the municipality is not covered by the Province

of Ontario's insurance program and no protection will be afforded to the municipality by the Government of Ontario for any losses or proceedings that may arise out of the Program or letter of agreement.

For greater certainty, the rights and remedies of the Ministry under a letter of agreement are cumulative and are in addition to, and not in substitution for, any of its rights and remedies provided by law or in equity.

13. COMPLIANCE WITH THE LAW

A municipality receiving dedicated gas tax funds must comply with all federal and provincial laws and regulations, all municipal by-laws, and any other orders, rules and by-laws applicable to any aspect of the services or assets provided or acquired with the dedicated gas tax funds.

For greater clarity, by receiving dedicated gas tax funds, a municipality may become subject to legislation applicable to organizations that receive funding from the Government of Ontario, including the *Public Sector Salary Disclosure Act*, 1996, S.O. 1996, c. 1, Sched. A and the *Auditor General Act*, R.S.O. 1990, c. A.35.

14. WHERE TO APPLY AND REQUEST OR PROVIDE INFORMATION

Any questions regarding the Program are to be directed to the Ministry Division Services and Program Management Office at (416) 585-7129.

All forms, agreements and supporting documentation must be forwarded to the following address:

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