



Report

To: Mayor and Members of Council

From: Ruth Orton, Director of Legal and Legislative Services

Date: January 2, 2018

Re: Dedicated Gas Tax Funds for Public Transportation Program

Recommendation:

It is recommended that:

1. The Municipality of Leamington accepts any designation of host municipality by collecting the Dedicated Gas Tax Funds for Public Transportation Program funds on behalf of the Municipality of Leamington and the Town of Kingsville.
2. The Mayor and Treasurer for the Municipality of Leamington be authorized to execute the 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 under the Dedicated Gas Tax Funds for Public Transportation Program and the Municipality be bound to the terms of the said agreement.
(Report LLS-01-18)

Background:

Funding up to \$195,645 for 2017/18 (\$177,066 for 2016/17) has been approved through the Province of Ontario, under the Dedicated Gas Tax Funds for a Public Transportation Program. This funding is to be used 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. The Ministry of Transportation provides two cents per litre of provincial gas tax as transit funding, which is allocated based on 70% transit ridership (conventional and specialized) and 30% municipal population.

Council has acknowledged the 'Gas Tax Funding' allocation methodology includes statistics from both Leamington's conventional transit system and the specialized transit system delivered by the South Essex Community Council, which is funded by the Municipality of Leamington and the Town of Kingsville. Council has confirmed its commitment to utilizing dedicated gas tax funds for the benefit of both the conventional

transit system and the Erie Shore Community Transit service, which includes service to the Town of Kingsville.

Comments:

The Province requires that every year the Municipality of Leamington authorize the Letter of Agreement for the Dedicated Gas Tax Funds for Public Transportation Program which sets out the terms and conditions for the use of the dedicated gas tax funds by municipalities for public transportation. The Province requires a by-law and signed agreement from the Municipality prior to sending the funds for the 2017-2018 year, being April 1, 2017 to March 31, 2018.


Financial Impact:

Up to \$195,645 in Ontario Dedicated Gas Tax funding will be available to support conventional transit in Leamington and specialized transit in Leamington and Kingsville. These funds are dedicated and set aside in a reserve fund (40-3-0240-0334-000240), along with any related interest earned on the fund, and are used for eligible transit related costs allowed under the funding agreement.

In the 2018 budget, \$16,000 in dedicated gas tax funding has been earmarked for capital projects and approximately \$150,000 is budgeted to support expenditures for transit operations. It is anticipated that \$1,001,311 will remain in the reserve fund at the end of 2018.

Respectfully submitted,

Ruth Orton
Director of Legal and Legislative Services



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