



CITY OF HAMILTON
CORPORATE SERVICES
Financial Planning, Administration and Policy

TO:	Mayor and Members Committee of the Whole
COMMITTEE DATE:	May 20, 2020
SUBJECT/REPORT NO:	City of Hamilton / Ministry of Transportation 2019-2020 Dedicated Gas Tax Funding Agreement (FCS20037) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Craig Webb, CPA, CMA, (905) 546-2424, Ext. 1870
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

RECOMMENDATION(S)

- (a) That the Mayor and the General Manager, Finance and Corporate Services, be authorized and directed to enter into an Agreement between the City of Hamilton and the Province of Ontario related to the funding commitment made by the Province of Ontario to the municipality under the Dedicated Gas Tax Funds for Hamilton's Public Transportation Program;
- (b) That the Mayor and General Manager, Finance and Corporate Services, be authorized and directed to execute the Letter of Agreement attached as Appendix "A" to Report FCS20037;
- (c) That the By-law attached as Appendix "C" to Report FCS20037 authorizing and directing the Mayor and General Manager, Finance and Corporate Services, to sign a Letter of Agreement between the City of Hamilton and the Province of Ontario with respect to funding under the Dedicated Gas Tax Funds for Public Transportation Program, be passed;
- (d) That, upon being passed, a certified copy of the By-law, together with two copies of the signed Letter of Agreement, be forwarded to the Ministry of Transportation.

EXECUTIVE SUMMARY

The City of Hamilton is eligible to receive an estimated \$11,428,352 in provincial funding as part of the 2019-2020 Dedicated Gas Tax Funds for Public Transportation Program. This represents an increase of 0.2% over the previous 12-month total allocation of \$11,405,923.

The 2019 / 2020 Provincial Program year runs from April 1, 2019 to March 31, 2020. The new allocation of funding for the Program for 111 public transit systems representing 148 municipalities will amount to approximately \$368.5 million.

The By-law, accompanying Agreement, guidelines and requirements, attached to Report FCS20037, are provided as a condition of the transfer of funds, provided by the Province of Ontario to the City of Hamilton under this Program.

Under the terms and conditions of the attached Agreement, a by-law is required to authorize the Mayor and City Treasurer to sign 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 and the City of Hamilton related to Funding Provided by the Province of Ontario to the Municipality under the Dedicated Gas Tax Funds for Public Transportation Program”.

Municipalities receiving dedicated gas tax funds must meet the requirements set out in the “2019 / 2020 Guidelines and Requirements”, attached as Appendix “B” to Report FCS20037.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Ratification of the Letter of Agreement is a condition of the City of Hamilton becoming eligible for an estimated \$11,428,352 in provincial funding relating to 2019-2020 as part of the 2019-2020 Dedicated Gas Tax Funding program. This represents an increase of 0.2% over the previous 12-month total allocation of \$11,405,923. The 2020 approved Provincial gas tax funding in the City’s Operating and Capital Budget for eligible expenditures is \$11,049,000.

Staffing: None.

Legal: The enacting of the supporting By-law per Appendix “C” to Report FCS20037 is a requirement to receive funding under the Dedicated Gas Tax Funds for Public Transportation Program.

HISTORICAL BACKGROUND

In 2013, the Province of Ontario moved forward with its commitment to make Gas Tax funding permanent.

The Province of Ontario, under the above-noted program, will provide two cents of the existing provincial gas tax to municipalities to support public transportation. In this, the fifteenth year of the program, that is \$368.5 M in funding to 111 public transit systems representing 148 municipalities.

As part of that commitment, the Province of Ontario, under the Dedicated Gas Tax Funds for the Public Transportation Program, is providing funding in the amount of \$11,428,352 to the City of Hamilton for 2019/20 as per the Letter of Agreement attached as Appendix “A” to Report FCS20037.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

None.

RELEVANT CONSULTATION

None.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

Under the Dedicated Gas Tax Funds for the Public Transportation Program, funding allocated is based on 70% transit ridership and 30% municipal population.

The funding received is deposited into a dedicated reserve that is used to fund the expansion of public transit in terms of capital infrastructure and operating budget funding related to levels of service.

Under the terms and conditions of the attached Agreement, a by-law is required to authorize the Mayor and City Treasurer to sign 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 and the City of Hamilton related to Funding Provided by the Province of Ontario to the Municipality under the Dedicated Gas Tax Funds for Public Transportation Program”.

ALTERNATIVES FOR CONSIDERATION

None.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Healthy and Safe Communities

Hamilton is a safe and supportive city where people are active, healthy, and have a high quality of life.

Clean and Green

Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.

Built Environment and Infrastructure

Hamilton is supported by state-of-the-art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS20037 – Letter of Agreement between the City of Hamilton and the Province of Ontario

Appendix “B” to Report FCS20037 – 2019/20 Guidelines and Requirements

Appendix “C” to Report FCS20037 – 2020 City of Hamilton / Ministry of Transportation Gas Tax Funding Agreement By-law

CW/dt