



**CITY OF HAMILTON**  
**CORPORATE SERVICES DEPARTMENT**  
**Financial Planning, Administration and Policy Division**

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	February 17, 2021
<b>SUBJECT/REPORT NO:</b>	City of Hamilton / Ministry of Transportation 2020-2021 Dedicated Gas Tax Funding Agreement (FCS21011) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Craig Webb, CPA, CMA, (905) 546-2424, Ext. 1870
<b>SUBMITTED BY:</b>	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
<b>SIGNATURE:</b>	

**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 FCS21011;
- (c) That the By-law attached as Appendix "C" to Report FCS21011 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 \$11,687,199 in provincial funding as part of the 2020-2021 Dedicated Gas Tax Funds for Public Transportation Program. This represents an increase of 2.26% over the previous 12-month total allocation of \$11,428,352.

The 2020 / 2021 Provincial Program year runs from April 1, 2020 to March 31, 2021. The new allocation of funding for the Program for 109 public transit systems providing service to 144 communities will amount to approximately \$378.63 M. Allocations are based on 2019 ridership and 2019 estimated population.

The By-law, accompanying Agreement, guidelines and requirements, attached to Report FCS21011, 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 “2020 / 2021 Guidelines and Requirements”, attached as Appendix “B” to Report FCS21011.

**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 \$11,687,199 in provincial funding relating to 2020-2021 as part of the 2020-2021 Dedicated Gas Tax Funding program. This represents an increase of 2.2% over the previous 12-month total allocation of \$11,428,352. The 2021 Provincial gas tax funding for eligible expenditures in the City’s operating budget is \$10,899,000 and in the capital budget is \$150,000.

**Staffing:** None.

**Legal:** The enacting of the supporting By-law per Appendix “C” to Report FCS21011 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.

Traditionally, the Province of Ontario under the above-noted program, has provided two cents of the existing provincial gas tax to municipalities to support public transportation. This year, due to the circumstances surrounding the COVID-19 emergency, no administrative changes were made from the 2019-20 program year. Further recognizing the impact that COVID-19 has had on municipal transit systems, there has not been an impact on allocations for the 2020-21 program year. In this, the seventeenth year of the program, \$378.63 M in funding to 109 public transit systems representing 144 communities has been made available.

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 \$11,687,199 to the City of Hamilton for 2020 / 21 as per the Letter of Agreement attached as Appendix “A” to Report FCS21011.

## **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 FCS21011 – Letter of Agreement between the City of Hamilton and the Province of Ontario

Appendix “B” to Report FCS21011 – 2020/21 Guidelines and Requirements

Appendix “C” to Report FCS21011 – 2020 City of Hamilton / Ministry of Transportation Gas Tax Funding Agreement By-law

CW/dt