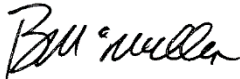




**CITY OF HAMILTON**  
**CORPORATE SERVICES**  
**Financial Planning, Administration and Policy**

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	March 22, 2023
<b>SUBJECT/REPORT NO:</b>	City of Hamilton / Ministry of Transportation 2022-23 Dedicated Gas Tax Funding Agreement (FCS23043) (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 FCS23043;
- (c) That the By-law attached as Appendix "C" to Report FCS23043 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 \$12,006,354 in provincial funding as part of the 2022-23 Dedicated Gas Tax Funds for Public Transportation Program. This represents an increase of \$307,366 (2.6%) over the previous 12-month total allocation of \$11,698,988.

COVID-19 continued to impact gasoline sales in 2021-22. As a result, the Province has committed an additional \$80 M in supplementary funding for the 2022-23 Gas Tax program. The additional funding maintains the funding envelope as the Province recognizes that transit systems are continuing to build back their ridership levels. The 2022-23 Provincial Program provided funding for the Program to 107 public transit systems responsible for service to 144 communities. The 2022-23 Provincial Program for the year running from April 1, 2022 to March 31, 2023 will maintain an allocation of funding for the Program amounting to approximately \$378.6 M.

The By-law, accompanying Agreement, guidelines and requirements, attached to Report FCS23043, 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 General Manager, Finance and Corporate Services, to sign the “Letter of Agreement between His Majesty the King 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 “2022-23 Guidelines and Requirements”, attached as Appendix “B” to Report FCS23043.

**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 \$12,006,354 in provincial funding relating to 2022-23 as part of the 2022-23 Dedicated Gas Tax Funding program. This represents an increase of \$307,366 over the previous 12-month total allocation of \$11,698,988.

**Staffing:** None.

Legal: The enacting of the supporting By-law per Appendix “C” to Report FCS23043 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. In 2021-22, COVID-19 continued to impact gasoline sales. As a result, the funding envelope for the 2022-23 Gas Tax program was provided with an additional \$80 M to maintain funding levels in line with previous years’ allocations. By maintaining funding for the Gas Tax program, the total available across the Province’s 107 agencies serving 144 communities is approximately \$378.6 M.

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 \$12,006,354 to the City of Hamilton for 2022-23 as per the Letter of Agreement attached as Appendix “A” to Report FCS23043.

## **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 with the requirement that funding received be deposited into a dedicated reserve. For the 2022-23 Gas Tax Program, MTO is using a five-year average of ridership from 2017 to 2021 and will be using the highest level of reported municipal spending from 2017 to 2021 when calculating municipal allocations.

The purpose of the Program is to provide dedicated gas tax funds to Ontario municipalities to support local public transportation services and to increase overall ridership through the expansion of public transportation capital infrastructure and 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 His Majesty the King 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 FCS23043 – Letter of Agreement between the City of Hamilton and the Province of Ontario

Appendix “B” to Report FCS23043 – 2022/23 Guidelines and Requirements

Appendix “C” to Report FCS23043 – 2023 City of Hamilton / Ministry of Transportation Gas Tax Funding Agreement By-law

CW/dt