

**Ministry of Transportation**

Office of  
Assistant  
Deputy Minister

Transit Division

777 Bay Street, 30th Floor  
Toronto, ON M5G 2E5

**Ministère des Transports**

Bureau du sous-ministre  
adjoint  
Division des transports en  
commun  
777, rue Bay, 30e étage  
Toronto, ON M5G 2E5



March 27, 2026

Mayor Andrea Horwath  
City of Hamilton  
City Hall, 71 Main Street West  
Hamilton ON L8P 4Y5

Dear Mayor Horwath:

**RE: Dedicated Gas Tax Funds for Public Transportation Program Letter of Agreement**

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This Letter of Agreement between the **City of Hamilton** (the "Municipality") and His Majesty the King in right of the Province of Ontario, as represented by the Minister of Transportation (the "Ministry"), sets out the terms and conditions for the provision and use of dedicated gas tax funds under the Dedicated Gas Tax Funds for Public Transportation Program (the "Program").

Under the Program, the Ministry provides two cents out of the revenue from each litre of gasoline sold in Ontario, in accordance with provincial gas tax statutory requirements, to municipalities to fund improvements to Ontario's transportation network and supporting economic development in communities for public transportation expenditures.

The Ministry intends to provide dedicated gas tax funds to the Municipality in accordance with the terms and conditions set out in this Letter of Agreement and the enclosed Dedicated Gas Tax Funds for Public Transportation Program 2025-26 Guidelines and Requirements (the "Guidelines and Requirements").

In consideration of the mutual covenants contained in this Letter of Agreement and the Guidelines and Requirements, which the Municipality has reviewed and understands and are hereby incorporated by reference, and other good and valuable consideration, the receipt and sufficiency of which are expressly acknowledged, the Ministry and the Municipality agree as follows:

1. To support local public transportation services in the Municipality, the Ministry agrees to provide funding to the Municipality under the Program to a maximum amount of up to **\$12,389,845** ("the "Maximum Funds") in accordance with, and subject to, the terms and conditions set out in this Letter of Agreement and the Guidelines and Requirements.

2. The Municipality,
  - a) shall provide to the Ministry a fully signed copy of this Letter of Agreement no later than **April 30, 2026**;
  - b) hereby represents and warrants that it has a municipal by-law(s), indicating that the Municipality shall provide ongoing Public Transportation Services. The Municipality agrees to provide to the Ministry a copy of the municipal by-law(s) upon request in the Ministry's sole discretion; and
  - c) hereby represents and warrants that it has the authorizing municipal by-law(s) and, if applicable, resolution(s) for the Municipality to enter into this Letter of Agreement. The Municipality agrees to provide to the Ministry a copy of the authorizing municipal by-law(s) and, if applicable, the resolution(s) for the Municipality to enter into this Letter of Agreement upon request in the Ministry's sole discretion.
3. Upon receipt of the documentation identified in Section 2 above, the Ministry will provide the Municipality with 75% of its Maximum Funds. Reporting forms are due for submission by **May 15, 2026**. Upon approval of the reporting forms, the Ministry will provide the Municipality with any remaining payment(s). Any outstanding reporting requirements from previous years of the Program will need to be submitted and approved prior to receiving 2025-26 Gas Tax funding.
4. The Municipality will adhere to all terms and conditions set out in the Guidelines and Requirements, including, but not limited to, the host and contributing municipality process for when a municipality authorizes another municipality to provide public transportation services on its behalf.
5. The Municipality agrees that any amount payable under this Letter of Agreement and the Program may be subject, at the Ministry's sole discretion, to any other adjustments as set out in the Guidelines and Requirements.
6. The Municipality will deposit the Maximum Funds received in accordance with the Program into a dedicated gas tax funds reserve bank account and use the Maximum Funds, and any related interest, only in accordance with the Guidelines and Requirements.
7. The Municipality will adhere to all requirements set out in the Guidelines and Requirements, including, but not limited to, reporting and accountability measures. The Municipality will also provide all requested documentation to the Ministry in accordance with the Guidelines and Requirements.
8. The Municipality agrees that the Maximum Funds represent the full extent of the financial contribution from the Ministry and the Province of Ontario under the Program for the 2025-26 Program year.
9. The Ministry may terminate this Letter of Agreement at any time, without liability, penalty or costs upon giving at least thirty (30) days written notice to the Municipality. If the Ministry terminates this Letter of Agreement, the Ministry may take one or more of the following actions: (a) cancel all further payments of dedicated gas tax funds; (b) demand the return of any dedicated gas tax funds remaining in the possession or under the control of the Municipality; and (c) determine the reasonable costs for the Municipality to terminate

any binding agreement(s) for the acquisition of eligible public transportation services acquired, or to be acquired, with dedicated gas tax funds provided under this Letter of Agreement, and do either or both of the following: (i) permit the Municipality to offset such costs against the amount the Municipality owes pursuant to Section 9(b) of this Letter of Agreement; and (ii) subject to Section 1, provide the Municipality with funding to cover, in whole or in part, such costs. The funding may be provided only if there is an appropriation for this purpose, and in no event will the funding result in the Maximum Funds exceeding the amount specified under Section 1.

10. Any provisions which by their nature are intended to survive the termination or expiration of this Letter of Agreement including, without limitation, those related to disposition, accountability, records, audit, inspection, reporting, communication, liability, indemnity, and rights and remedies, will survive its termination or expiration.
11. This Letter of Agreement may only be amended by a written agreement duly executed by the Ministry and the Municipality.
12. The Municipality agrees that it will not assign any of its rights or obligations, or both, under this Letter of Agreement.
13. The invalidity or unenforceability of any provision of this Letter of Agreement will not affect the validity or enforceability of any other provision of this Letter of Agreement. Any invalid or unenforceable provision will be deemed to be severed.
14. The term of this Letter of Agreement will commence on the date of the last signature of this Letter of Agreement and shall remain in force and effect until the completion of the 2025-26 Program in accordance with the Guidelines and Requirements.
15. The parties hereby consent to the execution of this Letter of Agreement by means of an electronic signature.

If the Municipality is satisfied with and accepts the terms and conditions of this Letter of Agreement, please sign and deliver a fully signed pdf copy to the Ministry. The Municipality may sign and deliver the Letter of Agreement to the Ministry electronically. In addition, all program reporting documents are also to be sent through Transfer Payment Ontario (TPON).

**HIS MAJESTY THE KING IN RIGHT OF THE PROVINCE OF ONTARIO,**  
as represented by the Minister of Transportation



March 27, 2026

Date

Name: James Pearce

Title: Assistant Deputy Minister, Transit Division

Pursuant to Delegated Authority.

I have read and understand the terms and conditions of this Letter of Agreement, as set out above, and, by signing below, I am signifying the Municipality's consent to be bound by these terms and conditions.

**Municipality**

\_\_\_\_\_

Date

\_\_\_\_\_

Name (print):  
Title (head of council or  
authorized delegate):

I have authority to bind the Municipality.

\_\_\_\_\_

Date:

\_\_\_\_\_

Name (print):  
Title (clerk or authorized delegate):

I have authority to bind the Municipality.