

June 11, 2012



City Council Committee Report

To: Mayor Canfield & Members of Council

Fr: Heather Kasprick, Deputy Clerk

Re: Dedicated Gas Tax Funds for Public Transportation Program

Recommendation:

That Council of the City of Kenora give three readings to a by-law to authorize the execution of an agreement between the City of Kenora and the Ministry of Transportation with respect to the Dedicated Gas Tax Funds for Public Transportation Program for 2011-2012; and further

That the Mayor and Clerk be authorized to enter into the agreement.

Background:

As of October 2004, the Province provided 1 cent/litre of gas tax funds to Ontario municipalities, increasing as of October 2005 to 1.5 cents/litre, and since October 2006 has consistently provided 2 cents/litre annually. This year, the new allocation of funding for 95 public transit systems representing 126 municipalities will amount to \$321 million. The annual Program funding amount is subject to change based on actual gas tax revenues.

The purpose of the Program is to provide dedicated gas tax funds to municipalities 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. To be eligible to receive dedicated gas tax funds a municipality must contribute financially towards their public transportation services. A municipality receiving dedicated gas tax funds must ensure that all funds received are used exclusively towards the provision of public transportation services and, unless otherwise approved by the Ministry, disbursement of dedicated gas tax funds must be net of any rebate, credit or refund, for which it has received, will receive, or is eligible to receive.

The Ministry is requesting a signed letter of agreement along with a by-law with regard to this program.

Budget:

There is no expected budget impact as a result of this program. Gas tax revenues are intended to support increased municipal public transportation expenditures and not to reduce or replace current levels of municipal public transportation funding.

Communication Plan/Notice By-law Requirements:

The Ministry of Transportation requires two copies of the letter of agreement. Further communication to Operations and Kenora Handi Transit.