

Presented To:	City Council
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By-Law:	2015-12

## Request for Decision

### By-law to Authorize Dedicated Gas Tax Agreement

#### Recommendation

THAT the City of Greater Sudbury authorize the Mayor and the Chief Financial Officer/Treasurer to execute the letter of agreement for the transfer of dedicated Provincial Gas Tax funds between the Ministry of Transportation and the City of Greater Sudbury; and

THAT the necessary by-law be passed.

#### Finance Implications

The funding allocation is approximately \$2.51 million for the program year ending March 31, 2015. Also, the Transit Long Term Financial Plan will be updated during 2015.

## Background

### History of Provincial Gas Tax Funding

The purpose of providing dedicated gas tax funding to Ontario municipalities is 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. A municipality receiving provincial gas tax funds must ensure that all funds received and any related interest are used exclusively towards the provision of public transportation services.

When the program began, the Province dedicated 1 cent per litre of all gas tax funds, which increased to 1.5 cents in 2005 and 2 cents in 2006. Prior to 2013, these funds were not a permanent source of revenue for the City. In the 2013 budget, the Province made this allocation a permanent source of revenue for all municipalities. The allocation of the provincial gas tax to municipalities is based on a combination of transit ridership and population.

The new allocation of funding amounts to approximately \$322 million and will support 96 public transit systems representing 134 municipalities across Ontario. Since the program began in 2004, the Province has provided approximately \$3.1 billion in transit support across Ontario.

#### Signed By

##### **Report Prepared By**

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##### **Division Review**

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##### **Recommended by the Department**

Lorella Hayes  
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##### **Recommended by the C.A.O.**

Doug Nadorozny  
Chief Administrative Officer  
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Provincial Gas Tax funds are an integral source of revenue in Transit's long-term financial plan and have been historically used by the City for numerous items such as bus replacements, various ridership growth initiatives as well as the new Transit & Fleet Centre on Lorne Street. The chart below illustrates the annual funding the City has received from 2005 to 2014.

<b>Fiscal Period (Province)</b>	<b>CGS Budget Year</b>	<b>Amount (millions \$)</b>
2004-2005	2004	\$1.4
2005-2006	2005	\$1.5
2006-2007	2006	\$2.2
2007-2008	2007	\$2.1
2008-2009	2008	\$2.8
2009-2010	2009	\$2.8
2010-2011	2010	\$2.7
2011-2012	2011	\$2.7
2012-2013	2012	\$2.6
2013-2014	2013	\$2.6
2014-2015	2014	\$2.5

Greater Sudbury's funding has been relatively constant since 2008, receiving a range of approximately \$2.5 million (2014) to \$2.8 million (2009) over this time span.

### **Provincial Announcement**

As announced by the Province on November 13, 2014, in order to receive the 2014/2015 funding allocation of approximately \$2.51 million, the City must provide the Province a signed letter of agreement and the supporting by-law by January 30, 2015.

### **Summary**

The letter of agreement for the transfer of dedicated Provincial Gas Tax funds between the Ministry of Transportation and the City of Greater Sudbury for the provincial fiscal year ending March 31, 2015 is in the amount of \$2.51 million. The agreement requires that the necessary by-law be passed in order to execute the agreement between both parties.

In addition, staff will update the Transit Long Term Financial Plan and present it during 2015.

