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**TO:** GENERAL COMMITTEE

**SUBJECT:** 2019/2020 ONTARIO GAS TAX AGREEMENT

**WARD:** ALL

**PREPARED BY AND KEY CONTACT:** B. FORSYTH, DIRECTOR OF TRANSIT AND PARKING STRATEGY

**SUBMITTED BY:** B. FORSYTH, DIRECTOR OF TRANSIT AND PARKING STRATEGY

**GENERAL MANAGER APPROVAL:** R. JAMES-REID, EXECUTIVE DIRECTOR OF ACCESS BARRIE

**CHIEF ADMINISTRATIVE OFFICER APPROVAL:** M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

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#### **RECOMMENDED MOTION**

1. That the Mayor and Treasurer be authorized to execute a Letter of Agreement with the Province of Ontario as represented by the Ministry of Transportation related to the Dedicated Gas Tax Funds for Public Transportation Program to allow for the alignment of the program year with the Provincial fiscal year.
2. That the City of Barrie reconfirms its commitment to continue to act as the host for the provision of public transit service for the Township of Essa up until December 31, 2019.

#### **PURPOSE & BACKGROUND**

3. The purpose of this Report is to execute the Letter of Agreement for the 2019/20 Ontario Gas Tax program and provide additional context and information for members of Council.

#### **ANALYSIS**

4. Staff have recently received the Ontario Gas Tax agreement for 2019/20 and require a supporting by-law for the agreement to be executed.
5. The Provincial government has committed to supporting municipal transit by allocating annual funding to these municipalities for the sole purpose of improving transit through the Ontario Gas Tax Program.
6. The share that each municipality receives under the program is based on a formula of 70 percent ridership and 30 percent population and is eligible to fund both operating and capital expenditures related to transit services.
7. The funding received through the Ontario Gas Tax program allows the City of Barrie to provide an enhanced level of service through increased coverage, frequency and reliability. As the transit ridership continues to grow, this funding is much needed to help meet the demand.
8. The contribution that the City of Barrie will receive as part of the 2019/20 program has increased over the 2018/19 levels by \$85,911 (from \$2,284,068 to \$2,369,979).

9. The City has been receiving the Township of Essa's share of the Ontario Gas Tax program which is then redistributed back to the Township of Essa. For the 2019/20 program year the total funding would have accounted for 9 months of the full year as the City ceased providing transit service on behalf of the Township of Essa as of December 31, 2019 with this service being accommodated through the County of Simcoe.
10. It is important to note that funding through the Ontario Gas Tax program is not guaranteed and can fluctuate from year to year based on any of the following factors:
  - a) Municipalities percentage of total ridership within the province.
  - b) Municipalities percentage of total population within the province.
  - c) Fuel consumption – funding is currently accumulated based on two cents per litre of total fuel consumption within Ontario. Reduction in fuel consumption through decreased travel patterns will result in decreased total funding available.
  - d) Program changes from the province - For example, in the current year the baseline spending requirement has been removed allowing additional municipalities to qualify whereas they would be ineligible under the previous program. Alternatively, there were previous discussions from the province on increasing funding from two cents per litre to four cents per litre, however this has been retracted at this time.

#### **ENVIRONMENTAL AND CLIMATE CHANGE IMPACT MATTERS**

11. There are no environmental and/or climate change matters related to the recommendation.

#### **ALTERNATIVES**

12. There is an alternative available for consideration by General Committee:

**Alternative #1**                      General Committee could choose not to authorize the execution of the Letter of Agreement.

This alternative is not recommended given Barrie's objective of responsible spending and acquiring funding from various levels of government.

#### **FINANCIAL**

13. The majority of the annual Ontario Gas Tax funding received by the City of Barrie is allocated to the operating budget. In 2020, the draw on the Ontario Gas Tax Funding is \$2,150,000.
14. The estimated balance in the Provincial Gas Tax reserve as of December 31, 2020 is projected to be \$893,000.

#### **LINKAGE TO 2018-2022 STRATEGIC PLAN**

15. The recommendation(s) included in this Staff Report support the following goals identified in the 2018-2022 Strategic Plan:
  - ☒ Improving the Ability to Get Around Barrie