



TO: GENERAL COMMITTEE

SUBJECT: 2021/2022 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

RECOMMENDED MOTION

1. That the Mayor and City 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.

PURPOSE & BACKGROUND

2. The purpose of this Staff Report is to execute the Letter of Agreement for the 2021/22 Ontario Gas Tax program and provide additional context and information for members of Council.

ANALYSIS

3. Staff have recently received the Ontario Gas Tax agreement for 2021/22 and require a supporting by-law for the agreement to be executed.
4. 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.
5. 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.
6. The Ministry has added conditions to the Gas Tax program guidelines that is intended to advance regional fare and service integration in and around the Greater Toronto and Hamilton Area. The new conditions to the program guidelines include a condition about participating in the engagement process with the Province, as well as information and data sharing to support analysis on regional fare and service integration.
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 ministry recognizes that COVID-19 impacted gasoline sales in 2020-21. As a result, the province has committed \$120M in one-time additional funding to address the impacts of COVID-19 on the 2021-22 Gas Tax program to maintain similar funding levels to municipalities as received in previous years.
9. The contribution that the City of Barrie will receive as part of the 2021/22 program has increased over the 2020/2021 levels by \$21,179 (from \$2,248,027 to \$2,269,206).
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 climate change impact matters related to the recommendations.

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 annual Ontario Gas Tax funding is primarily allocated to the operating budget to fund any shortfall and excess funding will be retained to provide service level continuity.
14. Staff are currently working on 2021 year-end adjustments, however at the time of writing this report the Ontario Gas Tax Reserve balance as of December 31, 2021 is approximately \$4.5M. As there is currently no commitment from upper levels of government to extend Safe Restart Funding beyond 2022, the funds within the Ontario Gas Tax Reserve will continue to financially assist in ridership recovery into 2023, if needed.

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