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TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING MAY 27, 2014
FROM:	MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	MUNICIPAL FUNDING AGREEMENT RELATED TO THE TRANSFER OF FEDERAL GAS TAX FUNDS

RECOMMENDATION

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the attached proposed by-law (Appendix "A") **BE INTRODUCED** at the Municipal Council meeting to be held on June 10, 2014 to authorize the Mayor and the City Treasurer to execute a Municipal Funding Agreement between the Association of Municipalities of Ontario (AMO) and The Corporation of the City of London with respect to the transfer of Federal Gas Tax Funds.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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- Board of Control Report, March 24, 2010: Amended Municipal Funding Agreement related to the Transfer of Federal Gas Tax Revenues
- Board of Control Report, November 30, 2005: Federal Gas Tax Revenue Reserve Fund
- Board of Control Report, September 28, 2005: Federal Gas Tax

BACKGROUND

The Federal Gas Tax Fund is a permanent source of funding for municipal infrastructure. It is predictable, long-term and stable. In total, Ontario's municipalities will receive \$3.8 billion between 2014 and 2018, of which The Corporation of the City of London will receive \$110.3 million.

As of April 1, 2014, communities will be able to use the renewed Gas Tax Fund towards a wider range of projects (as outlined in the Municipal Funding Agreement attached) which means they will have even more flexibility in the types of projects they fund. The number of eligible categories has increased from 7 to 17. As announced in the Economic Action Plan 2013, the renewed Federal Gas Tax Fund is being indexed at two per cent per year, to be applied in \$100 million increments. AMO will also release new municipal per-capita allocations in the coming weeks.

For further reference the Guide to the Municipal Funding Agreement for the transfer of Federal Gas Tax Funds is attached (Appendix "B").

RECOMMENDED BY:
MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER

Attach.

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Appendix "A"

Bill No.
2014
By-law No.

A by-law to authorize and approve a Municipal Funding Agreement for the transfer of Federal Gas Tax Revenues and to authorize the Mayor and the City Treasurer to execute the Agreement.

WHEREAS section 5(3) of the *Municipal Act*, 2001, as amended, provides that a municipal power shall be exercised by by-law:

THEREFORE The Municipal Council of The Corporation of the City of London enacts as follows:

1. The Municipal Funding Agreement for the transfer of Federal Gas Tax Revenues between the Association of Municipalities of Ontario (AMO) and The Corporation of the City of London, attached as Schedule "A" to this by-law, is hereby authorized and approved.
2. The Mayor and the City Treasurer are hereby authorized to execute the Municipal Funding Agreement authorized and approved in Section 1, above.
3. This by-law shall come into force and take effect on the day it is passed.

PASSED in Open Council on June 10, 2014.

Joe Fontana
Mayor

Catharine Saunders
City Clerk

First Reading – June 10, 2014
Second Reading – June 10, 2014
Third Reading – June 10, 2014