

Bill No. 30
2015

By-law No. A.-_____

A by-law to authorize the execution of a Letter of Agreement for the transfer of Provincial Gas Tax Revenues.

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 Mayor and Managing Director, Corporate Services and City Treasurer/Chief Financial Officer are hereby authorized to execute a Letter of Agreement for the transfer of Provincial Gas Tax Revenues under the Dedicated Gas Tax Funds for Public Transportation Program between the Province of Ontario and The Corporation of the City of London as outlined in Schedule "A" attached hereto. The Letter of Agreement shall form part of this by-law.
2. This by-law shall come into force and take effect on the day it is passed.

PASSED in Open Council on January 13, 2015.

Matt Brown
Mayor

Catharine Saunders
City Clerk

First Reading – January 13, 2015
Second Reading – January 13, 2015
Third Reading – January 13, 2015

Schedule "A"

Ministry of
Transportation

Ministère des
Transports

Office of the Minister

Bureau du ministre

Ferguson Block, 3rd Floor
77 Wellesley St. West
Toronto, Ontario
M7A 1Z8
(416) 327-9200
www.mto.gov.on.ca

Édifice Ferguson, 3^e étage
77, rue Wellesley ouest
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December 2, 2014

His Worship Matt Brown
Mayor
City of London
PO Box 5035, City Hall, 300 Dufferin Avenue
London, ON N6A 4L9

Dear Mayor Brown:

RE: Letter of Agreement between Her Majesty the Queen in right of the Province of Ontario, represented by the Minister of Transportation for the Province of Ontario (the "Ministry") and the City of London (the "Municipality") Related to Funding Provided by the Province of Ontario (the "Province") to the Municipality under the Dedicated Gas Tax Funds for Public Transportation Program (this "Letter of Agreement")

This Letter of Agreement sets out the terms and conditions for the use of dedicated gas tax funds by municipalities for public transportation.

As the Province desires to increase public transportation ridership to support the development of strong communities, the Ministry maintains a Dedicated Gas Tax Funds for Public Transportation Program (the "Program"), under which two cents of the existing provincial gas tax will be provided to municipalities for public transportation expenditures.

Following the passage of the *Dedicated Funding for Public Transportation Act, 2013* (the "DFPTA"), a portion of the tax that is paid to Ontario under the *Gasoline Tax Act* in each fiscal year is dedicated to the provision of grants, including those pursuant to the Program, to municipalities for public transportation. As a consequence, the Ministry has aligned the Program with the provincial fiscal year. For 2014/15, the Program will run from April 1, 2014 to March 31, 2015.

Any funding to the Municipality by the Ministry will be provided in accordance with the terms and conditions set out in this Letter of Agreement and the enclosed *Dedicated Gas Tax Funds for Public Transportation Program 2014/2015 Guidelines and Requirements* (the "guidelines and requirements").

In consideration of the mutual covenants and agreements contained in this Letter of Agreement and the guidelines and requirements, which have been reviewed and are understood by the Municipality and are hereby incorporated by reference, the Ministry and the Municipality covenant and agree as follows:

.../2

1. To support increased public transportation ridership in the Municipality, and in recognition of the Municipality's need for predictable and sustainable funding to support investments in the renewal and expansion of public transportation systems, the Ministry agrees to provide funding to the Municipality under the Program in an amount up to \$9,415,204 in accordance with, and subject to, the terms set out in this Letter of Agreement and the guidelines and requirements, with \$7,061,403 payable on receipt of this signed Letter of Agreement and related authorizing municipal by-law, and any remaining payment(s) payable thereafter.
2. Despite Section 1, the Municipality understands and agrees that any amount payable under this Letter of Agreement may be subject, at the Ministry's sole discretion, to adjustment to reflect final gas tax receipts and any other adjustments as set out in the guidelines and requirements.
3. If the Municipality receives dedicated gas tax funds on behalf of any other municipality, and the other municipality has agreed to the Municipality collecting the dedicated gas tax funds on its behalf, the Municipality shall provide, upon request and in compliance with the requirements set out in the guidelines and requirements, any applicable municipal by-law and legal agreement between the Municipality and the other municipality providing for such arrangement to the Ministry prior to the payment of any dedicated gas tax funds by the Ministry under this Letter of Agreement.
4. The Municipality shall deposit the funds received under this Letter of Agreement in a dedicated gas tax funds reserve account, and use such funds and any related interest only in accordance with the guidelines and requirements.
5. The Municipality shall adhere to the reporting and accountability measures set out in the guidelines and requirements, and shall provide all requested documents to the Ministry.
6. The Municipality understands and agrees that the funding provided under this Letter of Agreement represents the full extent of the Ministry's and Province's financial contribution under the Program, and that no additional funds will be provided by either the Ministry or the Province for such purposes to the Municipality for the 2014/2015 Program year.
7. The Ministry may terminate this Letter of Agreement at any time, without cause, upon giving at least sixty (60) days written notice to the Municipality. If the Ministry terminates this Letter of Agreement without cause, it may cancel all further dedicated gas tax funds payments. Where the Ministry has terminated this Letter of Agreement under this Section, the Ministry may, after determining the Municipality's reasonable costs to terminate any binding agreement for any eligible public transportation service acquired, or to be acquired, with dedicated gas tax funds provided under this Letter of Agreement, provide the Municipality with additional funding to offset, in whole or in part, such costs. The additional funding may be provided only if there is an appropriation for this purpose and in no event shall the additional funding result in the total funding under this Letter of Agreement exceeding the amount specified under Section 1.
8. Any provisions, including those in the guidelines and requirements, which by their nature are intended to survive the termination or expiration of this Letter of Agreement, shall survive its termination or expiration.

- 9. This Letter of Agreement may only be amended by a written agreement duly executed by the Ministry and the Municipality.
- 10. The Municipality agrees that it will not assign any of its rights or obligations under this Letter of Agreement.
- 11. The term of this Letter of Agreement will commence on the date of the last signature of this Letter of Agreement.
- 12. The Municipality hereby consents to the execution by the Ministry of this Letter of Agreement by means of an electronic signature.

If the Municipality is satisfied with and accepts the terms and conditions of this Letter of Agreement, please secure the required signatures for the four enclosed copies of this Letter of Agreement and return two fully signed copies to:

Ministry of Transportation
 Division Services and Program Management Office
 27th Floor, Suite #2702
 777 Bay Street,
 Toronto, Ontario
 M7A 2J8

Once the Ministry has received the signed copies of this Letter of Agreement and a copy of the authorizing municipal by-law, the Ministry will make arrangements for the payment of the dedicated gas tax funds to the Municipality.

Yours sincerely,



Steven Del Duca
 Minister of Transportation

I have read and understand the terms of this Letter of Agreement, as set out above, and, by signing below, I am signifying the Municipality's consent to be bound by these terms.

City of London

Per: _____
 Mayor

Date: _____

Per: _____
 Chief Financial Officer/Treasurer

Date: _____