

3RD REPORT OF THE
ADVISORY COMMITTEE ON THE ENVIRONMENT

Meeting held on February 1, 2017, commencing at 12:15 PM, in Committee Room #4, Second Floor, London City Hall.

PRESENT: S. Ratz (Chair), K. Birchall, M. Bloxam, M. Hodge, J. Howell, L. Langdon, G. Sass, T. Stoiber, D. Szoller and A. Tipping and J. Bunn (Secretary).

ABSENT: S. Brooks, S. Hall, R. Harvey and N. St. Amour.

ALSO PRESENT: T. Arnos, A. Dunbar, L. Maitland, L. Palarchio, J. Senese and C. Warring.

I. CALL TO ORDER

1. Disclosures of Pecuniary Interest

That it BE NOTED that no pecuniary interests were disclosed.

II. SCHEDULED ITEMS

2. Gas Tax Funding

That the following actions be taken with respect to gas tax funding:

- a) the Civic Administration BE REQUESTED to provide copies of gas tax reports (provincial and federal) to the Advisory Committee on the Environment (ACE) on an ongoing basis; it being noted that the ACE mandate pertains to these capital budget allocations; and,
- b) the ACE BE ADVISED of the City of London budget consultation process and dates in a timely manner;

it being noted that the ACE received the attached presentation from A. Dunbar, Manager III, Financial Planning and Policy, related to this matter.

III. CONSENT ITEMS

3. 2nd Report of the Advisory Committee on the Environment

That it BE NOTED that the 2nd Report of the Advisory Committee on the Environment from its meeting held on January 11, 2017, was received.

4. 1st Report of the Trees and Forests Advisory Committee

That it BE NOTED that the 1st Report of the Trees and Forests Advisory Committee from its meeting held on January 4, 2017, was received.

IV. SUB-COMMITTEES & WORKING GROUPS

None.

V. ITEMS FOR DISCUSSION

5. Urban Agriculture Strategy

That it BE NOTED that the Advisory Committee on the Environment heard an update from L. Maitland, Planner I, with respect to the Urban Agriculture Strategy.

6. Urban Agriculture Event Wrap up

That it BE NOTED that the Advisory Committee on the Environment (ACE) held a general discussion and received a verbal update from G. Sass related to the Urban Agriculture Conference; it being noted that the final report on the Urban Agriculture Conference will be provided at the March meeting of the ACE.

7. Work Plan

That it BE NOTED that the Advisory Committee on the Environment held a general discussion related to the 2016 and 2017 Work Plans.

VI. DEFERRED MATTERS/ADDITIONAL BUSINESS

8. (ADDED) Municipal Council resolution from its session held on January 17, 2017 with respect to the 1st Report of the Advisory Committee on the Environment

That it BE NOTED that the Municipal Council resolution from its session held on January 17, 2017, with respect to the 1st Report of the Advisory Committee on the Environment, was received.

VII. ADJOURNMENT


The meeting adjourned at 2:25 PM.

NEXT MEETING DATE: March 1, 2017

Gas Tax Funding


Expenditures & Monitoring

*Advisory Committee on the Environment
February 1, 2017*



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Agenda



- ACE Resolution
- Provincial Gas Tax vs Federal Gas Tax
- Provincial Gas Tax
- Federal Gas Tax
 - Program Guidelines
 - Council Allocation
 - Monitoring
- Questions

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Resolution from Advisory Committee on the Environment



On October 25, 2016, Municipal Council resolved:

2. That the following actions be taken with respect to the 10th Report of the Advisory Committee on the Environment from its meeting on October 5, 2016:

a) the Civic Administration BE REQUESTED to provide the Advisory Committee on the Environment (ACE) with responses to the following, with respect to municipal sustainability plans:

- i) an outline on the expenditure of gas tax funding; and,
- ii) the monitoring that is being undertaken for the utilization of gas tax funding;

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Provincial Gas Tax vs Federal Gas Tax



➤ Provincial Gas Tax

- Dedicated Gas Tax Funds for Public Transportation Program
- Only used by London Transit for capital and operating funding
- Approx. \$9.5 million per year

➤ Federal Gas Tax

- Municipal Funding Agreement between Federal Government and municipalities
- Used by municipalities for capital funding
- Approx. \$22.3 million per year

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Provincial Gas Tax



- October 22, 2004 - the Province of Ontario announces Dedicated Gas Tax Funds for Public Transportation Program
- Dedicated gas tax funds are to be used for the following purposes, where expenditures are above a municipality's baseline spending:
 - **Public transportation capital** that promotes increased transit ridership
 - **Public transportation operating**
 - **Capital expenditures** for the **replacement** of any public transportation vehicles
 - **Capital expenditures** that provide **improvements** to public transportation security and passenger safety
 - **Major refurbishment** on any **fully accessible**, or to be made fully accessible, public transportation vehicle

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Provincial Gas Tax



Provincial Gas Tax City of London	2011 – 2012	2012 – 2013	2013 – 2014 **	2014 – 2015	2015 – 2016	2016 – 2017
\$ millions	\$9.4	\$9.5	\$4.8	\$9.4	\$9.7	\$9.4

** Represents 6 months only - Province re-aligned funding to match Provincial fiscal year

- Used annually for operating (approx. 60%) and capital (approx. 40%) expenditures within the guidelines and requirements of the program
 - Operating - to support a share of the annual operating costs, both conventional and specialized services
 - Capital – replacement buses, expansion buses, facility upgrades, IT projects
- Reported annually to the Ontario Ministry of Transportation through the form *“Dedicated Gas Tax Funds for Public Transportation 20xx Reporting Form”*

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Federal Gas Tax



- The transfer of Federal Gas Tax revenues for cities and communities was introduced in 2005.
- Federal Gas Tax is the only permanent, stable and predictable source of funding for the municipalities.
- As of April 1, 2014, Federal Gas Tax was extended to 2023.
- AMO (Association of Municipalities of Ontario) administers the Federal Gas Tax in Ontario on behalf of the Government of Canada.
- AMO collects annual reporting, outcomes reporting and ensures projects are prioritized based on an Asset Management framework
- Projects are chosen by local governments according to local priorities.

Federal Gas Tax City of London	2011	2012	2013	2014	2015	2016	2017	2018
\$ millions	\$21.6	\$21.6	\$21.6	\$21.8	\$21.2	\$22.3	\$22.3	\$23.3

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Federal Gas Tax – Particulars of Agreement



1. As of April 1, 2014, municipal infrastructure projects may fall within the following 17 categories:

Local roads and bridges (including active transportation)	Regional and local airports
Public transit	Broadband connectivity
Drinking water	Brownfield redevelopment
Wastewater	Sport
Solid waste	Recreation
Capacity building	Culture
Community energy systems	Tourism
Short-sea shipping	Disaster mitigation
Short-line rail	

2. Municipalities must clearly demonstrate that projects are prioritized based on an Asset Management framework.

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Allocation of Federal Gas Tax to City of London Capital Projects



- In 2009, Council approved a distribution of expenditure priorities for federal gas tax revenue for 2010 to 2014.
- This met the priorities at the time for both the City of London (infrastructure renewal and expansion, progressive transportation system, environmental leadership, community vitality, financial stability) and the Federal Government (reduce greenhouse gas, clean air, clean water)
- For the period 2015 to 2019, a more focused approach was adopted to take advantage of the greater range of investment opportunities in the new Municipal Funding Agreement:
 - 17 eligible categories for investment rather than just 7
 - focus of the outcomes has shifted to recognize community benefits rather than just environmental outputs

Allocation of Federal Gas Tax to City of London Capital Projects



- Federal Gas Tax is to be used, where possible, for more significant capital projects that meet the following criteria:
 - Provides recognizable community benefit
 - Identified as high priority in the City's Asset Management Plan
 - Larger, more visible and impactful
 - Reflect Council's Strategic Priorities (see below)
- The new agreement mandates that the City's Asset Management Plan be used to guide infrastructure planning and investment decisions for gas tax funds
- Federal Gas Tax is not allocated to Growth projects because of the impact on development charges funding

Council's Strategic Plan	
Strengthening our Community	Growing our Economy
Building a Sustainable City	Leading in Public Service

Allocation of Federal Gas Tax to City of London Capital Projects



FEDERAL GAS TAX ALLOCATION (\$000's) 2015 -2019

	2014 Approved Allocation	2015	2016	2017	2018	2019	Total Allocation 2015-2019
Waste Water Rehabilitation	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$27,500
Water	\$419	\$404	\$414	\$414	\$425	\$425	\$2,082
Road Rehabilitation	\$7,000	\$6,600	\$7,650	\$7,650	\$8,700	\$8,700	\$39,300
Bridge Rehabilitation	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$10,000
Bus Replacement	\$1,750	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$7,500
Solid Waste	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$17,500
Bicycle Lanes & Thames Valley Parkway	\$700	\$700	\$700	\$700	\$700	\$700	\$3,500
Energy Efficiencies	\$413	\$500	\$500	\$500	\$500	\$500	\$2,500
Hybrid Vehicles	\$150	\$150	\$150	\$150	\$150	\$150	\$750
Brownfield Incentives	\$350	\$350	\$350	\$350	\$350	\$350	\$1,750
	\$21,782	\$21,204	\$22,264	\$22,264	\$23,325	\$23,325	\$112,382

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Allocation of Federal Gas Tax to City of London Capital Projects



Sample Projects by Category

Wastewater	Sewer Replacement Program	Separation & Combined Sewer Overflow Program
Water	Main Rehabilitation	
Roads	Road Rehabilitation (Main, Local and Rural)	
Bridges	Bridges Major Upgrades	
Transit	Bus Purchase Replacement	
Solid Waste	W12A Projects	Landfill Gas Collection
	New & Emerging Solid Waste	Long Term Disposal Capacity
Bike Lanes/TVP	Maintain Thames Valley Parkway	Bike Lane Program
Energy Efficiencies	Facility Energy Management	

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How Federal Gas Tax is Addressing Climate Change at the City of London



- The following allocations of Federal Gas Tax contribute to a reduction in greenhouse gases:
 - Roads and bridges rehabilitation - improves traffic flow
 - Facility energy management – reduce energy usage
 - Bus replacements – better energy efficiency in new models
 - W12A projects – landfill gas collection and introduction of new technologies to reduce impact of solid waste
- The following allocations of Federal Gas Tax address local climate impacts:
 - Sewer replacements – assist with flooding issues
 - Separation & combined sewer overflow – reduces storm water in sewage treatment plants in times of flooding
 - Water rehabilitation – reduces lost water

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Federal Gas Tax - Monitoring



- Council approves the five year allocation of Federal Gas Tax
- Council approves the source of financing in the Capital Budget that includes the allocation of Federal Gas Tax
- Administration submits a “Municipal Annual Expenditure Report” to AMO annually which is used to update the following website:



Federal Gas Tax Fund

<http://www.amo.on.ca/AMO-Content/Gas-Tax/Canada-s-Gas-Tax-Fund>

- Administration also submits “Project Outcomes” to AMO annually which are reflected on the following website, including a map showing locations of gas tax projects



-- **Gas Tax at Work**

<http://www.gastaxatwork.ca/>

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Gas Tax - ACE



Questions ?

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