



Report

Subject: Provincial Transit Gas Tax Funding Agreement

Department: Corporate Services

Division: Finance

Report #: CPS-2024-025

Meeting Date: 2024-04-29

Recommendations

That report CPS-2024-025 dated April 29, 2024, Provincial Transit Gas Tax Funding Agreement, be received.

And that Council pass a by-law authorizing the Mayor and Clerk to sign a Letter of Agreement with the Ministry of Transportation for 2023/24 funding.

Background and Analysis

Under the Dedicated Gas Tax Funds for Public Transportation Program (Program), the Province of Ontario provides two cents out of the provincial gas tax to municipalities.

The purpose of the Program is to provide dedicated gas tax funds to Ontario municipalities to support local public transportation services, and to increase overall ridership through the expansion of public transportation capital infrastructure and levels of service.

The Town of Orangeville will be eligible to receive \$294,473 for the 2023-24 program.

Allocations of funding are based on a formula of 70% ridership and 30% population and that allocations cannot exceed 75% of a municipality's own expenditures (i.e. levy funded expenditures). For the 2023-24 program year, ridership and population numbers were obtained from 2022 reporting, which was prior to the fare-free transit program.

In order to receive funding, the Letter of Agreement must be signed and authorized by a Town by-law.

Strategic Alignment

Strategic Plan

Strategic Goal: Future-Readiness

Objective: DUE DILIGENCE – Confirm applicable governance and policy regimes

Sustainable Neighbourhood Action Plan

Theme: Corporate and Fiscal

Strategy: Encourage and support inter-departmental collaboration and communication to facilitate the adoption of sustainable practices in the municipality

Notice Provisions

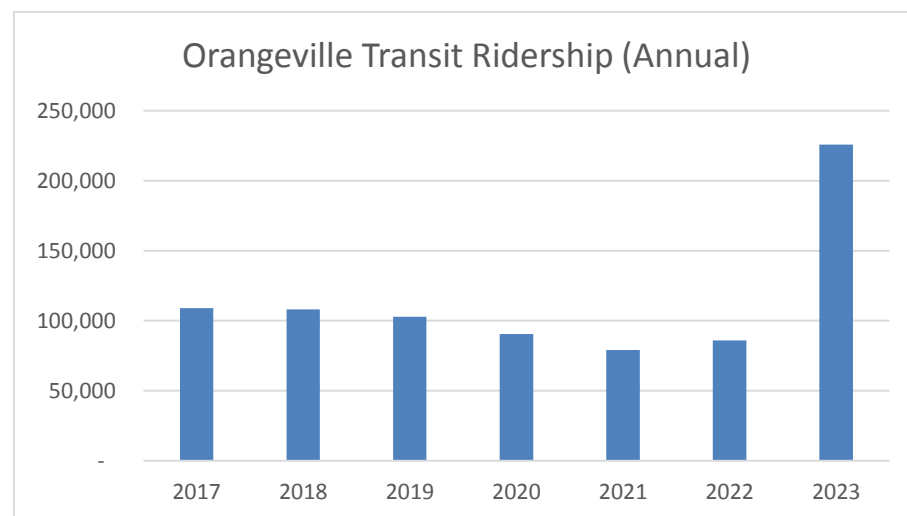
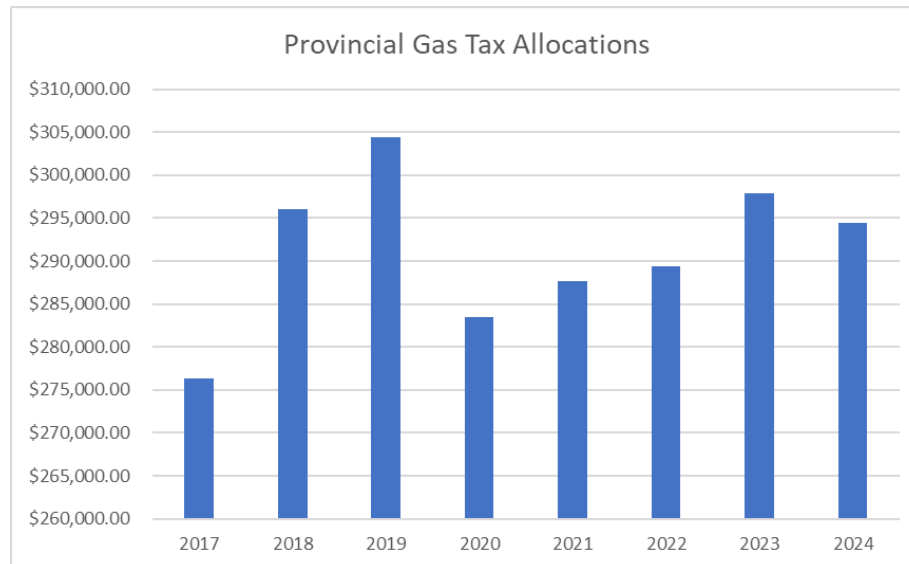
None

Financial Impact

As noted, the Town is eligible for funding of \$294,473 from the Provincial Gas Tax. The Council approved budget for 2024 anticipated \$305,276 in funding. The funding gap of \$10,803 will be covered by unspent funding from previous years, currently held in reserve funds.

The 2023-24 program allocation is based on 2022 ridership data and population numbers. Due to fare-free transit beginning in 2023, Orangeville Transit has witnessed a significant increase in ridership numbers, which would suggest we could see a significant increase in Provincial Gas Tax funding in 2025.

The graphs below summarize Provincial Gas Tax Funding and ridership statistics from the past few years.



Respectfully submitted

Patrick Kelly, CPA, CMA
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Attachment(s): 1. Letter of Agreement