

City of Mississauga

Corporate Report



<p>Date: February 2, 2021</p> <p>To: Chair and Members of General Committee</p> <p>From: Gary Kent, CPA, CGA, ICD.D, Commissioner of Corporate Services and Chief Financial Officer</p>	<p>Originator's files:</p> <hr/> <p>Meeting date: February 24, 2021</p>
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Subject

Provincial Gas Tax Report - City of Mississauga 2020-2021 Allocation

Recommendation

1. That the report of the Commissioner of Corporate Services and Chief Financial Officer dated February 2, 2021 entitled "Provincial Gas Tax Report - City of Mississauga 2020-2021 Allocation" be received for information.
2. That a by-law be enacted to authorize the Mayor and the Commissioner of Corporate Services and Chief Financial Officer to execute, on behalf of The Corporation of the City of Mississauga, the letter of agreement with Her Majesty the Queen in right of the Province of Ontario, represented by the Minister of Transportation for the Province of Ontario, under the Dedicated Gas Tax Funds for Public Transportation Program (2020/2021), which agreement is attached as Appendix 1 to the corporate report dated February 2, 2021 from the Commissioner of Corporate Services and Chief Financial Officer.

Background

On June 13, 2013, Provincial Gas Tax funding was made permanent when the Dedicated Funding for Public Transportation Act, 2013 received Royal Assent. Annually, the Minister of Transportation advises each municipality of the amount of gas tax funds it is eligible to receive.

Comments

Provincially, total available funding for the year is based on a sharing formula of \$0.02 per litre. The Ministry has agreed to provide funding to the City of Mississauga to a maximum amount up to \$18,957,329. This is \$640,543 more than identified in last year's agreement. The program allocation formula remains unchanged and is based on 70% ridership and 30% population. In any given year based on the mix of municipalities, a municipalities allocation could fluctuate up or down.

The 2020/2021 Provincial gas tax funding may only be used for operating and capital expenditures for transit services, unchanged from the previous year's program. The City of Mississauga's 2020/21 annual allocation of \$18.9 million will be deposited into a dedicated Provincial Gas Tax Reserve Fund account. MiWay's 2021 operating budget includes an allocation of approximately \$18.5 million from the Provincial Gas Tax Reserve Fund to cover the costs of service expansion and improvements. The additional funding received will remain in the Provincial Gas Tax Reserve Fund and be used to offset unforeseen pressures in the Transit Operating Budget at year end.

To secure the City's share of funding from this program, the Ministry of Transportation must receive a signed letter of agreement. The agreement must be accompanied by a municipal by-law permitting the municipality to enter into the letter of agreement. A copy of the agreement is attached as Appendix 1.

Financial Impact

Total provincial gas tax funding from the province for 2020/2021 is \$18,957,329. The Ministry of Transportation will process a payment for \$14,217,997 (75%) when they receive the authorizing municipal by-law and signed agreement. The remaining \$4,739,332 (25%) will be paid at a later date.

Conclusion

A municipal by-law permitting the municipality to enter into the letter of agreement needs to be completed and forwarded to the Ministry of Transportation. This will secure the City's share of provincial gas tax funding.

Attachments

Appendix 1: Letter of Agreement



Jeff Jackson, Director of Finance and Treasurer on behalf of
Gary Kent, CPA, CGA, ICD.D, Commissioner of Corporate Services and Chief Financial Officer

Prepared by: Carolyn Paton, Manager, Strategic Financial Initiatives