



# City of North Bay Report to Council

Report No: CORP 2021-11

Date: January 19, 2021

Originator: Sara Gage

Business Unit:  
Corporate Services

Department:  
Financial Services Department

Subject: 2020/2021 Dedicated Gas Tax Letter of Agreement

Closed Session: yes ☐ no ☒

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## Recommendation

1. That the Mayor and the Chief Financial Officer be authorized to sign the Letter of Agreement on behalf of the City of North Bay related to funding provided by the Province of Ontario to the City of North Bay under the Dedicated Gas Tax Funds for Public Transportation Program, and;
2. That the execution by-law be presented for three readings on February 9, 2021 permitting The Corporation of the City of North Bay to enter into a Letter of Agreement with the Province of Ontario related to funding under the Dedicated Gas Tax Funds for Public Transportation Program.

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## Background

In 2013 funding for the Gas Tax Program was made permanent by the Ontario Government with the passing of the Dedicated Funding for Public Transportation Act, 2013. The Ministry of Transportation is committed to provide a long-term, stable and predictable transit funding source for Ontario municipalities by continuing to provide two

cents per litre of provincial gas tax to improve and expand public transit during the 2020/21 program year which runs April to March.

The purpose of the program is to ensure that local public transportation services continue and expand by supporting increased public transportation ridership in the City of North Bay, and in recognition of the City's need for predictable and sustainable funding, to support investments in the renewal and expansion of public transportation systems.

The City of North Bay, like other similar sized municipalities and those in the North, do not have the same requirements to expand public transportation at rates consistent with those in larger metropolitan areas. Small and northern communities tend to rely on the gas tax to sustain existing public transportation programs with minimal growth.

As part of the 2019 Provincial Budget, the province committed to reviewing the current program, in consultation with municipalities, to identify opportunities for improvement. The review resulted in the removal of the baseline spending requirement for the 2019/20 program and beyond. This will allow municipalities with declining ridership, expenditures and fare revenues to use their Gas Tax funding.

The review of the Gas Tax program has been completed and no additional changes are being considered for the 2020/21 program.

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## **Financial/Legal Implications**

The Ministry has agreed to provide funding to the City of North Bay in the amount of \$912,567 for the Ministry's 2020/21 program year.

The Municipality shall use these funds as follows:

- Public transportation capital expenditures that promote increased transit ridership;
- Public transportation operating expenditures;
- Capital expenditures for the replacement of any public transportation vehicles;
- Capital expenditures that provide improvements to public transportation security and passenger safety; or
- Expenditures for major refurbishment on any fully accessible, or to be made fully accessible, public transportation vehicle, with the exception of specialized vehicles used for the transportation of persons with disabilities.

Funds will remain in the dedicated gas tax reserve until such time that eligible expenditures are incurred.

## Corporate Strategic Plan

- |   |   |
|---|---|
| <input type="checkbox"/> Natural North and Near                           | <input checked="" type="checkbox"/> Economic Prosperity |
| <input checked="" type="checkbox"/> Affordable Balanced Growth            | <input type="checkbox"/> Spirited Safe Community        |
| <input checked="" type="checkbox"/> Responsible and Responsive Government |   |

## Specific Objectives

- Consider all aspects of decisions to fund new infrastructure
  - Ensure the efficient and effective operations of the city, with particular consideration to the impact of decisions on the property tax rate
  - Maximize funding opportunities with other governments
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## Options Analysis

1. Do not authorize the preparation of the by-law and forfeit an allocation of \$912,567 for the 2020/21 program term. This option is not recommended. Gas tax funds are used to support transit operational expenditures and capital investments.
2. Authorize the signing of the Letter of Agreement and present the authorizing by-law for three readings on February 9, 2021. This would comply with the program requirements and result in the receipt of the full amount of \$912,567 for the 2020/21 program. This option is recommended.

## Recommended Option

1. That the Mayor and the Chief Financial Officer be authorized to sign the Letter of Agreement on behalf of the City of North Bay related to funding provided by the Province of Ontario to the City of North Bay under the Dedicated Gas Tax Funds for Public Transportation Program, and;
  2. That the execution by-law be presented for three readings on February 9, 2021 permitting The Corporation of the City of North Bay to enter into a Letter of Agreement with the Province of Ontario related to funding under the Dedicated Gas Tax Funds for Public Transportation Program.
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Respectfully submitted,

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Name: Sara Gage  
Title: Financial Reports Coordinator

We concur with this report and recommendation.

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Margaret Karpenko, CPA, CMA  
Chief Financial Officer/Treasurer

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John Severino, P.Eng., MBA  
City Engineer, Infrastructure and  
Operations

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David Euler, P.Eng., PMP  
Chief Administrative Officer

Personnel designated for continuance: Financial Reports Coordinator/Transit Manager