
To: Mayor and Council

From: Kelly McDonald, Director of Finance/Treasurer

Meeting Date: April 27, 2026

Subject: Report #FIN-004-2026 – Provincial Gas Tax Agreement

Recommendation

Be It Resolved that Council of the Township of Clearview hereby receive report # FIN-007-2026 (Provincial Gas Tax Agreements) dated April 27, 2026; and,

- 1) That Council authorizes the Mayor and Clerk to sign annually, the Letter of Agreement with the constitutional monarchy, as represented by the Minister of Transportation, to receive provincial gas tax funds.

Background

Clearview Council approved the application for Provincial Gas Tax funding for Clearview Transit at its June 26, 2017, meeting when it passed the following resolution:

Moved by Councillor Walker, Seconded by Councillor Leishman, Be it Resolved, that Council of the Township of Clearview hereby:

- 1) Receives the Clearview Public Transit Provincial Gas Tax report for information;
- 2) Supports the Clearview Public Transit System, and is committed to provide ongoing annual support to begin January 2017 in the amount of \$172,500;
- 3) The Township of Clearview agrees to receiving and being responsible for the Dedicated Gas Tax funds from the Province of Ontario for the Clearview Public Transit System. Motion Carried.

Clearview was approved for inclusion in the funding formula and received an agreement which was approved by Council at their meeting on January 15, 2018:

Moved by Councillor Bronee, Seconded by Councillor Walker, Be It Resolved, that By-law 18-06 being a by-law to enter into a Letter of Agreement related to funding by the Province of Ontario under the Dedicated Gas Tax Funds for Public Transportation Program, be presented and read a first, second and third time and finally passed this 15th day of January, 2018. Motion Carried.

Comments and Analysis

The Provincial Gas Tax funding is separate and distinct from the Federal Gas Tax funding. While the federal funding can be spent in a variety of different areas, the provincial gas tax is dedicated to transit.

Dedicated gas tax funds and any related interest must be spent on one or more of the following:

- 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.

In summary the funds help to expand and improve transit. As public transit is not able to be operated on a cost recovery basis tax increases are typically required with any transit expansion.

Financial Implications

The funding will be added to the Provincial Gas Tax Reserve for future use to assist with the purchase of additional vehicles or other eligible expenditures.

Clearview's Strategic Plan

The above initiative supports the following strategic pillars:

- Infrastructure

Report Appendices

Appendix A – Letter of Agreement

Approvals

Submitted by: Kelly McDonald, Director of Finance/Treasurer CPA CGA

Reviewed by: John Ferguson, CAO

**Financial Implications
Reviewed by:** Treasurer

Approved by: CAO