

Staff Report

Report To: City Council
Report From: Kate Allan, Director of Corporate Services
Meeting Date: April 14, 2025
Report Code: CR-25-042
Subject: 2025 Provincial Gas Tax Letter of Agreement

Recommendations:

THAT in consideration of Staff Report CR-25-042 respecting 2025 Provincial Gas Tax Letter of Agreement, City Council directs staff to bring forward a by-law to authorize the Mayor and Clerk to execute a funding agreement with the Minister of Transportation.

Highlights:

- Gas tax funding plays a vital role in the financial sustainability of the City's public transit service.

Strategic Plan Alignment:

[Strategic Plan](#) Priority: A City that Moves.

Climate and Environmental Implications:

This supports the City's Climate Mitigation Plan objective to reduce community greenhouse gas emissions.

Previous Report/Authority:

N/A

Background:

Since 2004 the Province of Ontario has allocated a portion of gas tax funds collected on the sale of fuel to municipalities across the province. The Province collects 14.7 cents for every litre of gasoline sold in Ontario; of that amount 2.0 cents has been allocated to municipalities and has remained unchanged since 2006.

Analysis:

Since the program's inception in 2004, these funds have been used by the City of Owen Sound to offset the annual cost of providing public transit as well as fund improvements to the terminal and bus stops on the transit routes. Historically a portion of the annual funding was set aside for future capital expenses; however, currently 100 per cent of the annual funding is applied to the operating budget.

The allocation of gas tax funds is based on a formula applied to the Provincial participation and weighted 70 per cent ridership and 30 per cent population. For the 2024/25 funding year, the City of Owen Sound is eligible for \$245,919.

Financial Implications:

The current year allocation of Provincial Gas Tax is in line with budget.

Communication Strategy:

None.

Consultation:

None.

Attachments:

Letter of Agreement 2024-2025

Recommended by:

Kate Allan, Director of Corporate Services

Submission approved by:

Tim Simmonds, City Manager

For more information on this report, please contact Kate Allan, Director of Corporate Services at kallan@owensound.ca or 519-376-4440 ext. 1238.