

FEDERAL GAS TAX REVENUE RESERVE

Recommendation

The Commissioner of Finance & Corporate Services and the Director of Reserves & Investments recommends:

- 1) That Council enact a Federal Gas Tax Revenue Reserve;
- 2) That the Federal Gas Tax Revenue Reserve be funded under the terms and conditions of the Municipal Funding Agreement for the transfer of Federal Gas Tax Revenue under the New Deal for Cities and Communities between the Association of Municipalities of Ontario (AMO) and the City of Vaughan;
- 3) That the Federal Gas Tax Revenue Reserve be drawn upon for eligible projects and costs as described in the Municipal Funding Agreement for the transfer of Federal Gas Tax Revenues under the New Deal for Cities and Communities between the Association of Municipalities of Ontario (AMO) and the City of Vaughan; and
- 4) That the Mayor and Clerk be authorized to execute the by-law.

Economic Impact

The City will receive \$14.7M in federal gas tax revenues over the next five (5) years. Of this amount \$1.7M was received in late 2005.

Purpose

To obtain Council approval on the specifics regarding the operation and the use of the Federal Gas Tax Revenue Reserve.

Background - Analysis and Options

Council at its meeting of June 27, 2005 adopted as follows:

“By approving that all funds received from the Gas Tax Rebate Program be placed into an interest bearing infrastructure reserve.”

The Federal Gas Tax Funding program announced in the 2005 Federal Budget will benefit the City of Vaughan in the amount of \$14.7M over the next five (5) years. Council at its meeting of November 28, 2005 approved the agreement with the Association of Municipalities of Ontario (AMO) in order to receive the funds.

The initial funding allocation in the amount of \$1.7M was received in 2005 with the remaining \$13.0M to be received over the next four (4) years. The reserve will be drawn upon for eligible projects and costs as described in the Municipal Funding Agreement for the transfer of Federal Gas Tax Revenues under the New Deal for Cities and Communities between the City of Vaughan and the Association of Municipalities of Ontario (AMO). The allocation to specific projects is part of the Capital Budget process.

Relationship to Vaughan Vision 2007

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

Conclusion

Council enact a Federal Gas Tax Revenue Reserve by-law based on the requirements set out in the recommendation.

Attachments

None

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Respectfully submitted,

Clayton D. Harris, CA
Commissioner of Finance & Corporate Services

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