

Ministry of  
Transportation

Office of the Minister

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416 327-9200  
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Ministère des  
Transports

Bureau du ministre

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M7A 1Z8  
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Ontario

April 3, 2009

Mr. Emil Kolb  
Chair  
The Regional Municipality of Peel  
10 Peel Centre Drive  
Brampton, Ontario  
L6T 4B9

Dear Chair Kolb:

**RE: Letter of Agreement between Her Majesty the Queen in right of the Province of Ontario, represented by the Minister of Transportation for the Province of Ontario (the "Ministry") and the Regional Municipality of Peel (the "Municipality") Related to Funding Provided by the Province of Ontario (the "Province") to the Municipality under the Dedicated Gas Tax Funds for Public Transportation Program (this "Letter of Agreement")**

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This Letter of Agreement sets out the terms and conditions for the use of dedicated gas tax funds by municipalities for public transportation.

As the Province desires to continue increasing public transportation ridership to support the development of strong communities, the Ministry is maintaining the Dedicated Gas Tax Funds for Public Transportation Program (the "program") under which two (2) cents of the existing provincial gas tax will be provided to municipalities for public transportation expenditures.

Any funding to the Municipality by the Ministry will be provided in accordance with the terms and conditions set out in this Letter of Agreement and the Dedicated Gas Tax Funds for Public Transportation Program – 2008/2009 Guidelines and Requirements (the "guidelines and requirements").

In consideration of the mutual covenants and agreements contained in this Letter of Agreement and the guidelines and requirements, which have been reviewed and are understood by the Municipality and are hereby incorporated by reference, the Ministry and the Municipality covenant and agree as follows:

1. To support increased public transportation ridership in the Municipality, and in recognition of the Municipality's need for predictable and sustainable funding to support investments in the renewal and expansion of public transportation systems, the Ministry agrees to provide funding to the Municipality under the program in an amount up to \$732,175 in accordance with and subject to the terms set out in this Letter of Agreement and the guidelines and requirements, with \$366,088 payable on receipt of this signed Letter of Agreement and related authorizing municipal by-law, and remaining quarterly payments thereafter beginning in January, 2009.

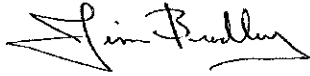
2. Despite Section 1, the Municipality understands and agrees that any amount payable under this Letter of Agreement may be subject, at the Ministry's discretion, to adjustment to reflect final gas tax receipts and any other adjustments as set out in the guidelines and requirements, including those related to annual appropriations of funds by the Legislative Assembly of Ontario.
3. If the Municipality receives dedicated gas tax funds on behalf of any other municipality, and the other municipality has agreed to the Municipality collecting the dedicated gas tax funds on its behalf, the Municipality shall provide, in compliance with the requirements set out in the guidelines and requirements, any applicable municipal by-law and legal agreement between the Municipality and the other municipality providing for such arrangement to the Ministry prior to the payment of any dedicated gas tax funds by the Ministry under this Letter of Agreement.
4. The Municipality shall deposit the funds received under this Letter of Agreement in a dedicated gas tax funds reserve account, and use such funds only in accordance with the guidelines and requirements.
5. The Municipality shall adhere to the reporting and accountability measures set out in the guidelines and requirements, and shall provide all requested documents to the Ministry.
6. The Municipality understands and agrees that the funding provided under this Letter of Agreement represents the full extent of the Ministry's and Province's financial contribution under the program and that no additional funds will be provided by either the Ministry or the Province for such purposes to the Municipality for the years 2008/2009.
7. The Ministry may terminate this Letter of Agreement at any time, without cause, upon giving at least sixty (60) days written notice to the Municipality. If the Ministry terminates this letter of agreement without cause, it may cancel all further dedicated gas tax funds payments. Where the Ministry has terminated this Letter of Agreement under this Section, the Ministry may, after determining the Municipality's reasonable costs to terminate any binding agreement for any eligible public transportation service acquired or to be acquired with dedicated gas tax funds provided under this Letter of Agreement, provide the Municipality with additional funding to offset, in whole or in part, such costs. The additional funding may be provided only if there is an appropriation for this purpose, and in no event shall the additional funding result in the total funding under this Agreement exceeding the amount specified under Section 1.
8. If the Legislature fails to appropriate sufficient funds for the program, the Ministry may terminate this Letter of Agreement immediately by giving notice to the Municipality. In such instance the Ministry may cancel all further dedicated gas tax fund payments.
9. Any provisions, including those in the guidelines and requirements, which by their nature are intended to survive the termination or expiration of this Letter of Agreement, shall survive its termination or expiration.
10. The Municipality hereby consents to the execution by the Ministry of this Letter of Agreement by means of an electronic signature.

If the Municipality is satisfied with and accepts the terms and conditions of this Letter of Agreement, please secure the required signatures for the four enclosed copies of this Letter of Agreement and return two fully signed copies to:

Ministry of Transportation  
Division Services and Program Management Office  
27<sup>th</sup> Floor, Suite # 2702  
777 Bay Street,  
Toronto, Ontario  
M7A 2J8

Once the Ministry has received the signed copies together with a copy of the authorizing municipal by-law, the Ministry will make arrangements for the payment of the dedicated provincial gas tax funds to the Municipality.

Yours sincerely,



Jim Bradley  
Minister of Transportation

I have read and understand the terms of this Letter of Agreement, as set out above, and by signing below I am signifying the Municipality's consent to be bound by these terms.

**The Corporation of the Regional Municipality of Peel**

Per \_\_\_\_\_ Date: \_\_\_\_\_  
Chair

Per: \_\_\_\_\_ Date: \_\_\_\_\_  
Chief Financial Officer/Treasurer