

Schedule:	RR2
Reserve Fund Category:	Infrastructure Sustainability/Repair and Replacement
Reserve Fund Name:	Gas Tax Revenue

Ontario municipalities are apportioned a share of Federal Gas Tax Revenues through a periodic agreement between the Association of Municipalities of Ontario (AMO), and the Federal Government of Canada (the "Agreement"), with the determination of the allocation amongst municipalities being the responsibility of AMO. Such funds are to be held in a separate account of the municipality until expended.

The Gas Tax Revenue Reserve Fund (the "Fund") is hereby established to receive and hold gas tax revenue sharing proceeds from the Agreement until spent on eligible projects and initiatives. Under the terms of the Agreement, the funding is to result in net incremental capital spending on Municipal Infrastructure as defined and set out in the Agreement.

Funding in the Fund shall be used by the Town primarily for the purposes of funding eligible road and related infrastructure repairs, refurbishments or replacements, and shall be considered an infrastructure sustainability funding source.

However, Council may direct that funding be directed towards other projects and initiatives which are eligible uses under the Agreement which include:

- (a) Public Transit: Active transportation infrastructure such as bike lanes;
- (b) Water, Wastewater and Stormwater systems infrastructure, including metering, treatment, and separation of systems projects;
- (c) Community energy systems involving heat and power combined supply, or heating and cooling combined supply;
- (d) Local roads, bridges, tunnels, active transportation infrastructure that enhance sustainability outcomes as defined in the Agreement.

Balances in the Fund will be planned for specific projects or issues to be recommended to or by Council during the annual capital budget process, or other times throughout the year.

The Fund is established by transfer of the current balance in the Town's Federal Gas Tax account, being \$1,138,602,98 on January 1, 2013.