

Type of Decision									
Meeting Date	Friday, September 18, 2009				Report Date	Monday, Sep. 14, 2009			
Decision Required	X	Yes		No	Priority	X	High		Low
Direction Only	X	Information Only			Type of Meeting	X	Open		Closed
REPORT TITLE									
Gas Tax Fund Report #18/09/09/205									

SUBJECT: A review of Gas Tax Fund and usage.

RECOMMENDATION: That Council pass the following resolution allowing the gas tax funds to be removed from reserves to be used towards the costs of the garage roof project.

“WHEREAS the Gas Tax funds are legislated to be used within three years of receipt or returned; **AND WHEREAS** nearly \$4,000 of Gas Tax funds needs to be used by the end of 2010 or returned; **AND WHEREAS** the costs for garage repairs will likely exceed our budgeted amounts due to higher than anticipated costs for the roof project and the requirement for 2/3 of the garage door replacement and heating system projects; **THEREFORE BE IT RESOLVED THAT** the Council of the United Townships of Head, Clara & Maria do hereby agree to remove up to 100% of the Gas Tax funds to use towards the allowable garage roof project which fulfills our obligations by contributing to increased energy efficiency.”

Background/Executive Summary: The final cost of the garage roof project was more than Jp2g's 2008 estimate (used at budget time) and came in at \$49,600 plus GST. \$52,000 was budgeted for **all** garage repairs including the roof, the new doors and heating system. Instead of facing a shortage or not completing one of the projects the Treasurer and I suggest removing the funds from the Gas Tax Reserves and allocating them to the roof project.

A condition of the Gas Tax is that the funds are to be used for specific purposes of which energy efficiency is one. In 2009 we had to utilize \$400 from the Gas Tax fund or lose it. In 2010 the amount that will reach the 3 year maturity deadline will be \$4,000. Because we receive such small amounts each year, it is difficult to allocate towards allowable projects. We suggest removing up to 100% of the funds currently in the Gas Tax Fund (\$10,913) plus an additional expected \$3,704 for 2009. Our Gas Tax obligations will be fulfilled and any surplus funds from the original \$52,000 can be returned to general revenues for 2010.

Financial Considerations/Budget Impact: No budget impact for this year – will assist in reducing shortages we might face as a result of costs being in excess of original budgeted estimates. Will ensure that the gas tax money is used for allowable purposes and will not need to be returned.

Policy Impact: None – we are following our policy and our Gas Tax Fund Agreement with this process.

Approved and Recommended by the Clerk

Melinda Reith,
Municipal Clerk

Melinda Reith