



2016

The Federal Gas Tax Fund

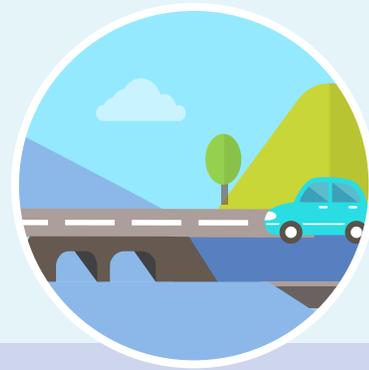
Annual Report – Part I

2016 Completed Project Results Include:



BUS INVESTMENT / TRANSIT:

20 new vehicles purchased and **166** vehicles rehabilitated or replaced, contributing to a **7.3% increase** in the size of the accessible fleet, **7.5% increase** in ridership, and **100,000** more hours of service.



LOCAL ROADS:

126 municipalities constructed, replaced or repaired **1,522** lane km of paved road servicing **1,506,687** residents.

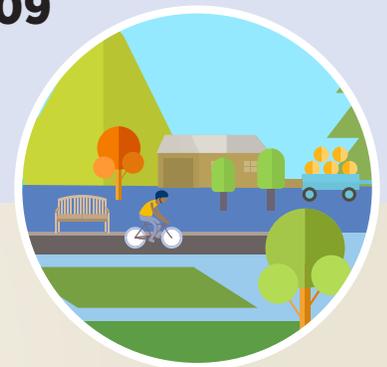


ENERGY EFFICIENCY:

Installation of **15,601** energy-efficient LED street lights along with energy retrofits in more than **20** municipal buildings, contributed to a reduction of **7.76 GWh** in annual energy consumption.

RECREATION:

12 municipalities invested in **17** community centres, parks, scenic areas, and other recreation facilities to help attract an estimated **72,100** more visitors to their communities and accommodate an additional **1,209** registered facility users.



WATERMAINS:

Repair or replacement of over **10 km** of watermains, bringing clean water to more than **2,000** residents.

Letter from AMO President

September 29, 2017



Local infrastructure is essential for economic prosperity and quality of life in all Ontario communities. People rely on it for their everyday needs, including getting to and from work, turning on the taps, taking a walk around the local park, and much, much more. As AMO continues to call for long-term, sustainable funding for this critical infrastructure, the federal Gas Tax Fund provides just that.

Between 2014 and 2018, the federal Gas Tax Fund will provide Ontario municipalities with \$3.8 billion for local infrastructure. This is a significant investment that is helping to close a province-wide infrastructure gap and improve quality of life in our communities. In 2016 alone, 443 Ontario municipalities invested \$647 million from the Fund into infrastructure projects across 16 different categories. For every dollar invested from the federal Gas Tax Fund since 2005, municipal governments invested additional revenue, helping to grow overall investment in Ontario's municipal infrastructure.

AMO administers the federal Gas Tax Fund to Ontario municipalities, except the City of Toronto, on a per capita basis. This model respects municipalities as mature, accountable governments that are best able to determine local priorities. It also removes the uncertainty of application-based funding. With the federal Gas Tax Fund, municipalities know how much funding they will receive ahead of time and they can plan accordingly.

In 2016, municipal governments were required to report outcomes achieved by investing federal Gas Tax funds. They were also required to demonstrate progress in the use of asset management plans to guide infrastructure planning and investment decisions. AMO facilitated this through several education initiatives. A report demonstrating how investing in local infrastructure is helping to achieve the national objectives of economic growth, a clean environment and strong cities and communities will be provided in 2018.

Sincerely,

A handwritten signature in black ink, appearing to read 'L. Dollin', written in a cursive style.

Lynn Dollin
AMO President

Table of Contents

PART I

Letter from AMO President	3
Introduction to Reports.....	5
About the Federal Gas Tax Fund.....	5
The Federal Gas Tax Fund Agreement in Ontario	6
2016 Oversight Committee.....	7
Compliance	7
2016 Investment.....	8
Project Outcomes.....	14
Audit Requirements.....	15
Asset Management.....	16
Communications	17
Sharing our Story.....	18
Gas Tax Awards	23
The Municipality of Kincardine’s Leachate Treatment Facility	24
The City of St. Thomas’ Community Recycling Centre.....	25
The City of Waterloo’s Asset Management System.....	26
Project Profiles.....	27
Appendix: Project Results Reported on in 2016.....	30
2016 Financial Statements	34

PART II

Available at www.amo.on.ca

Contains funding allocation information, project summaries, and detailed compliance and financial audit statements.

Introduction to Reports

This Annual Report constitutes part of AMO's required reporting commitment for 2016 under the Administrative Agreement on the federal Gas Tax Fund.¹ Part I of this report provides a snapshot of how the federal Gas Tax Fund is being spent and the ways in which it benefits Ontario's communities. It also includes information about AMO's success in administering the program. Part II provides detailed compliance and financial audit statements and a summary of every 2016 federal Gas Tax project.

AMO will print a limited number of copies of Part I. Given its size and the limited demand for distribution, Part II is not printed. Both are available electronically at www.amo.on.ca and www.gastaxatwork.ca.

About the Federal Gas Tax Fund

The federal Gas Tax Fund transfers \$2.1 billion per year in federal funding to Canadian municipalities. It is a permanent, predictable and stable source of funding for local infrastructure.

Funds can be invested into 16 project categories where economic, environmental or community benefits can be demonstrated:

- Local roads and bridges
- Public transit
- Water
- Wastewater
- Solid waste
- Community energy systems
- Broadband connectivity
- Sport
- Tourism
- Culture
- Recreation
- Brownfield redevelopment
- Regional and local airports
- Disaster mitigation
- Short-sea shipping
- Short-line rail

Gas Tax funds can also be invested into capacity building projects to support municipal asset management.

¹ Consistent with the terms of the Agreement, AMO does not provide comment on the compliance of the City of Toronto. The City of Toronto completes its own reporting requirements.

The Federal Gas Tax Fund Agreement in Ontario

The flexibility of the Gas Tax Fund allows each province and territory to have its own agreement with the federal government. Under the Ontario Agreement (the Agreement), the entire provincial allocation flows directly to municipalities on a per capita basis, without the need to fill out an application form. Allocations are distributed in two annual installments in July and November.

Predictable, up-front funding from the federal Gas Tax Fund allows local councils to identify and fund local priority projects, and plan for the long term. The Ontario model recognizes that municipalities are a duly elected, accountable and transparent order of government.

In total, Ontario's municipalities will receive \$3.8 billion from the Fund for 2014-18. AMO facilitates the distribution of approximately \$3.1 billion. AMO administered almost \$620 million from the Fund in 2016 alone. The annual allocation that each municipality receives is contained in Part II of this Report which is available at www.amo.on.ca.

Municipalities may use the funds:

- Towards the full cost of an eligible project;
- To support an eligible project that benefits from other funding sources;
- To save and/or invest for future eligible projects;
- To finance long-term debt for eligible projects;
- To accrue interest which can be applied towards eligible projects;
- To develop and implement asset management plans, and;
- To collaborate with other municipalities or non-municipal entities to fund an eligible project.



City of Brantford's Transit Fleet.



Town of Aylmer's Reconstruction of Caverly Road.

2016 Oversight Committee

Pat Vanini

Executive Director
Association of Municipalities of Ontario
(Co-chair)

Monika Turner

(January - June 2016)
Director of Policy
Association of Municipalities of Ontario

Chris VanDooren

(July - December 2016)
Program Manager
Association of Municipalities of Ontario

Kate Manson-Smith

Assistant Deputy Minister
Local Government and Planning Policy Division,
Ontario Ministry of Municipal Affairs & Housing

Diane McArthur-Rodgers

Director
Intergovernmental Relations and Partnerships,
Ontario Ministry of Municipal Affairs & Housing

Josie La Vita

Executive Director
Financial Planning,
City of Toronto

Peter Notaro

Executive Director
Strategic & Corporate Policy,
City of Toronto
(Co-chair)

Eric Landry

Director General
North/Atlantic/Ontario
Program Operations Branch,
Infrastructure Canada

Chad Westmacott

Director
Programs Operations Branch,
Infrastructure Canada
(Co-chair)

Compliance

A compliance audit for the year ending December 31, 2016, completed by Grant Thornton LLP, confirms that AMO has fulfilled the terms set out in the Administrative Agreement on the federal Gas Tax Fund.



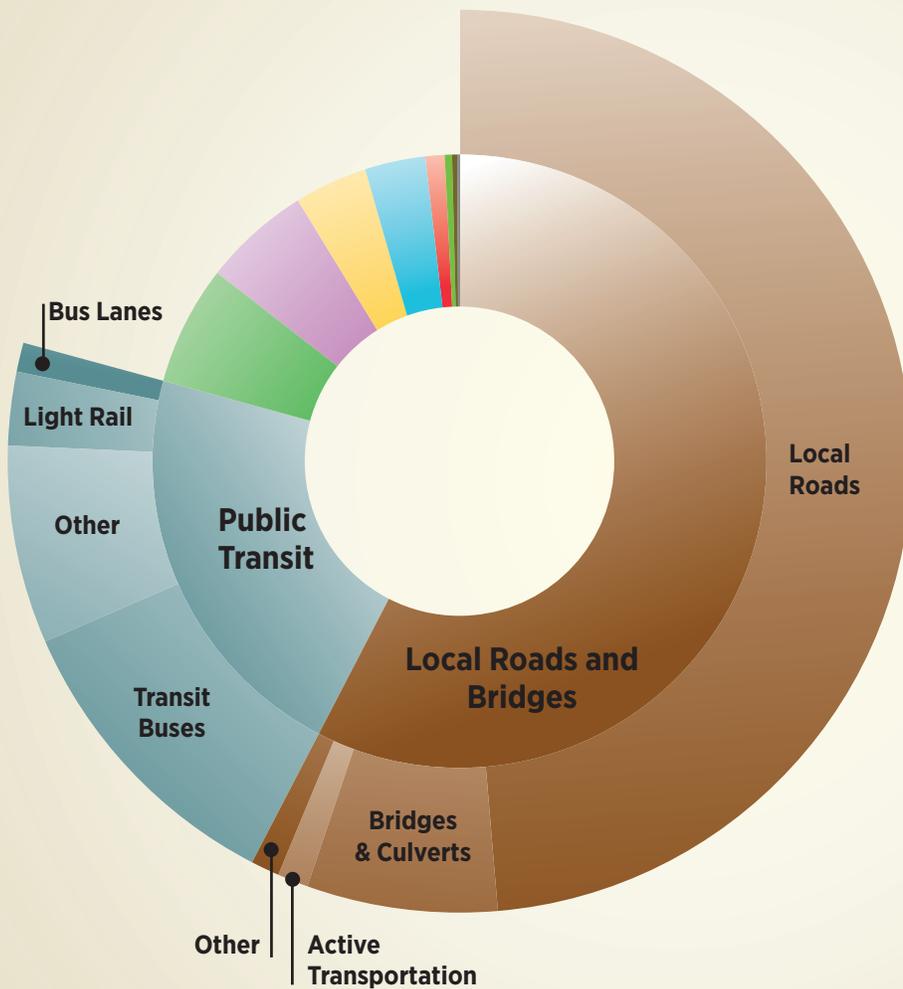
City of Mississauga's Cooksville Storm Trunk Sewer Replacement.



Township of Chapleau's Elm Street Reconstruction.

Investment in 2016

Since 2005, Ontario municipalities have invested \$4.9 billion into about 7,400 projects across 17 different types of infrastructure:



-  **Local Roads and Bridges**
57.5% - \$2,856.2 million
-  **Public Transit**
21.7% - \$1,079.2 million
-  **Solid Waste**
6.3% - \$311.5 million
-  **Wastewater**
5.6% - 278.5 million
-  **Community Energy Systems**
4.0% - 197.2 million
-  **Water**
3.4% - \$167.6 million
-  **Capacity Building**
0.9% - \$46.0 million
-  **Recreation**
0.3% - \$15.9 million
-  **Brownfield Redevelopment**
0.2% - 7.7 million
-  **Other**
0.1% - \$7.2 million

2016 Investment

Investing in Canada by Investing in Communities

For more than a decade, the federal Gas Tax Fund has helped Ontario municipalities build, repair and replace the local infrastructure that all Canadians rely on for their day-to-day needs. Roads and public transit systems connect communities and economies. Water systems ensure that drinking water is safe and clean, and community recreation centres help improve quality of life.

On the next few pages you will find details about how Ontario's municipal governments invested the federal Gas Tax Fund in 2016 and how this investment is helping to achieve the national objectives of economic growth, a clean environment and strong cities and communities.

A Greater Local Share for our Communities

Municipal governments own about two-thirds of all public infrastructure. Much of it was first built 60-70 years ago and is in need of modern upgrades or replacement. Some communities are struggling to maintain and rehabilitate existing infrastructure with a shrinking tax base to pay for it. Other communities are experiencing fast-paced growth and need to invest in new services, such as public transit, to meet growing demand. Other pressures such as the need to ensure that local infrastructure can withstand more extreme weather, and an aging population, are felt in all communities.

There is a gap between what municipalities need to spend on local infrastructure and how much revenue they are able to collect each year. To help close this gap, AMO has launched the Local Share Campaign with the goal of increasing the municipal share of tax dollars through a new 1% sales tax devoted to local infrastructure services. The Local Share is the result of two years of research, study and discussion. More information is available at [**www.thelocalshare.ca**](http://www.thelocalshare.ca).

Federal Funding is Meeting Local Priorities

In the midst of this pressure on local infrastructure and the need for more sources of revenue, the federal Gas Tax Fund provides permanent, stable funding on a per capita basis. In Ontario, municipal governments know how much Gas Tax funding they will receive ahead of time and do not have to rely on an application process to access it. Municipalities can use Gas Tax funding strategically by investing in priority projects that are identified in long-term asset management plans, which helps build sustainable communities.

Figure 1.1:
Federal Gas Tax Investment in Major Eligible Project Categories (Cumulative) 2005 - 2016

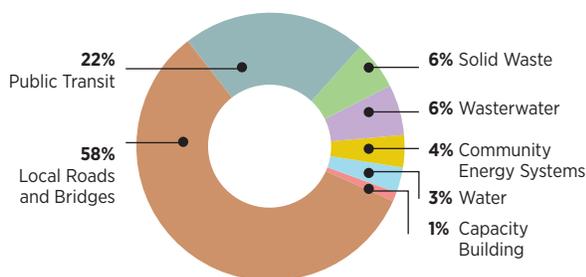
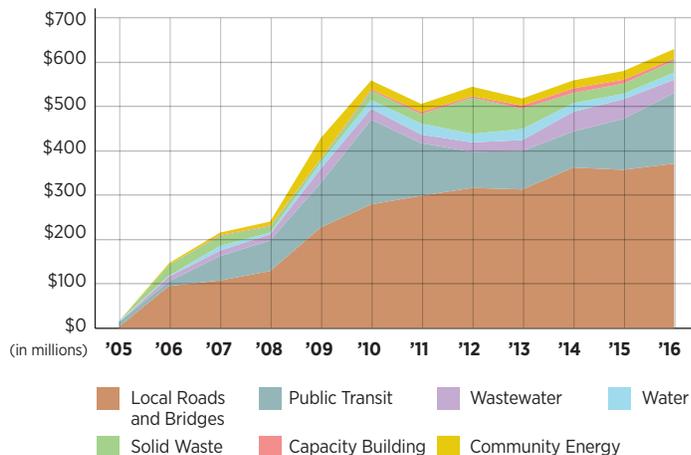


Figure 1.2:
Federal Gas Tax Investment in Major Eligible Project Categories 2005 - 2016



The Fund is also indexed so that it will grow over time and keep pace as construction and other costs increase year over year.

Since its launch in 2005, 443 Ontario municipal governments have invested \$4.9 billion from the federal Gas Tax Fund into 7,398 projects worth almost \$14 billion. Much of this investment was made in the major eligible project categories: local roads and bridges, public transit, solid waste, wastewater, community energy, drinking water, and capacity building. Figure 1 details this investment from 2005-2016. In 2014, 10 new eligible project categories were added to the Gas Tax Fund. Investment in these project categories is detailed in Figure 2.1.

Almost 60% of the total Gas Tax Fund investment since 2005 has been on local roads and bridges. For many municipalities, the local road network is the key means of transportation in the community. 22% (\$1.1 billion) of the total amount was invested in public transit. This is being driven by major investment by the City of Ottawa, the City of Mississauga and York Region (Figure 3).

Figure 2.1:
Federal Gas Tax Investment in New Eligible
Project Categories (Cumulative) 2014 - 2016

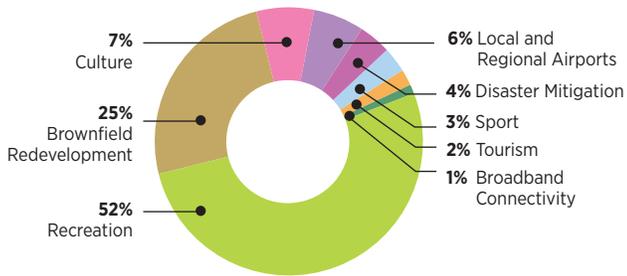


Figure 2.2:
Federal Gas Tax Investment in New Eligible
Project Categories 2014 - 2016

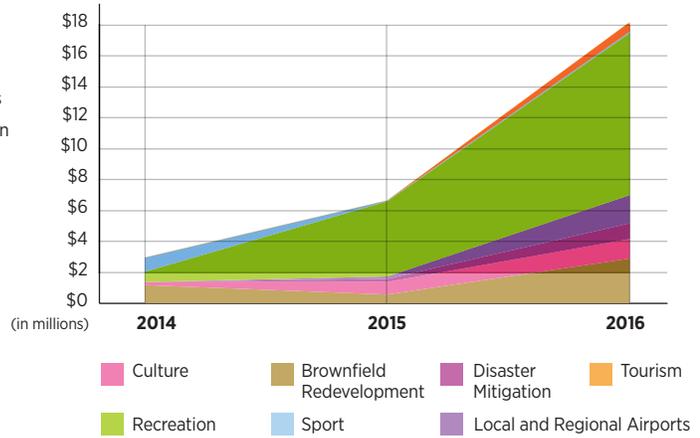
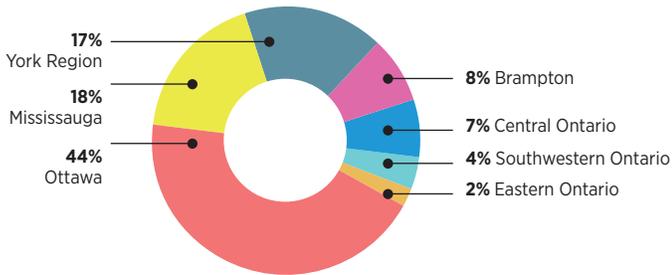


Figure 3:
Over \$1 Billion Invested in Public Transit Since 2005



Municipality of Centre Wellington's Colborne Street Reconstruction Project.

2016 Investment

In 2016, 443 municipalities invested \$647 million from the federal Gas Tax Fund into more than 1,200 infrastructure and capacity building projects worth almost \$4.75 billion. Detailed project information is available in Part II of this Report.

The flexible nature of the Fund means that it can meet the diverse needs of each community - creating or expanding capacity to accommodate growth and new demand for services, or renewing existing infrastructure to maintain a state of good repair. With an estimated 32% of roads and bridges in poor to very poor condition, it is unsurprising that 91% of investments in local roads and bridges in 2016 were used to resurface, repair or reconstruct existing infrastructure². In contrast, 91% of investments in public transit were used to expand transit fleets, construct transit corridors, and improve transit services (Figure 6). These investments in new and expanded public transit infrastructure were particularly common in larger municipalities experiencing regular population growth.

Figure 4:
2016 Gas Tax Investment in Major Eligible Project Categories

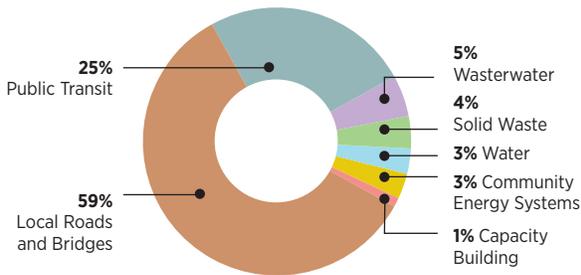


Figure 5:
2016 Gas Tax Investment in New Eligible Project Categories

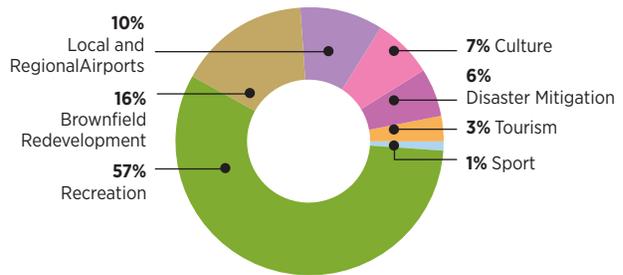
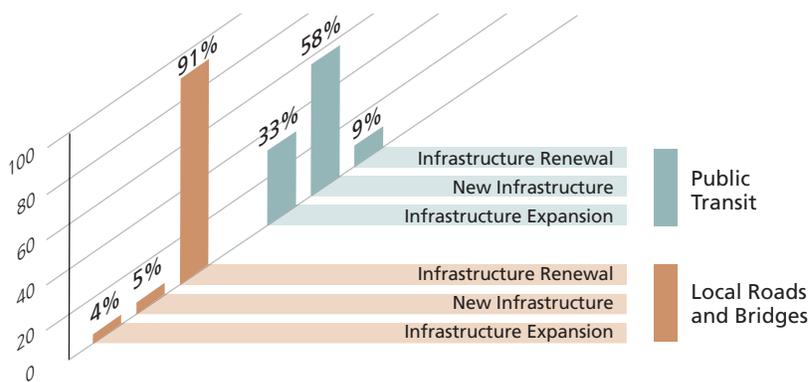


Figure 6:
Investment in Transportation: Expansion, Renewal and New Infrastructure



² The State of Ontario's Roads and Bridges, An Analysis of 93 Municipalities, 2015.

As part of the annual reporting process, municipalities provide the total cost of each Gas Tax funded project.

This information allows AMO to calculate the funding leveraged in each project category since the beginning of the program. For every \$100 of Gas Tax funds invested in the major eligible project categories since 2005, municipalities have invested, on average, an additional \$198 from other funding sources (Figure 7).

For every \$100 of Gas Tax funds invested in the new project categories since 2014, municipalities have invested, on average, an additional \$488 from other funding sources (Figure 8).

Figure 7:
Spending Leveraged for Every \$100 of Gas Tax Funds Invested in Major Categories Since 2005

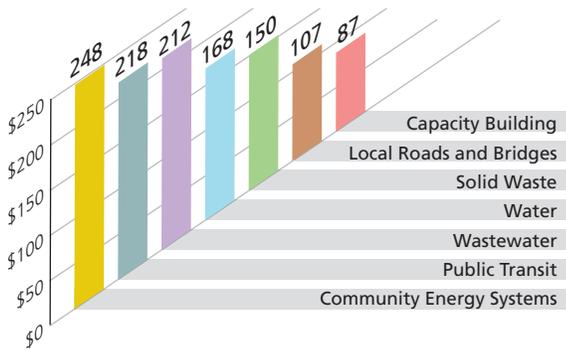
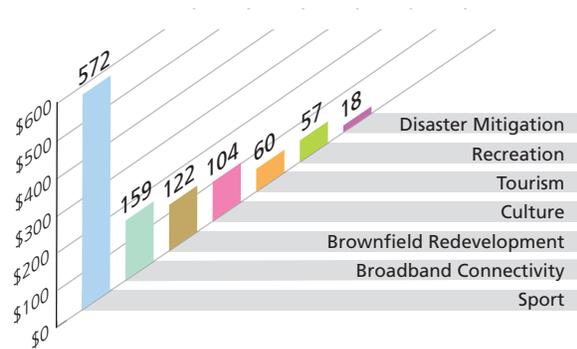


Figure 8:
Spending Leveraged for every \$100 of Gas Tax Funds Invested in New Categories Since 2014



The City of Guelph's Civic Museum Exterior Enhancement.



City of Brampton's Transit Fleet.

Project Outcomes

Outcomes reporting is a key part of AMO's Agreement with the Government of Canada.

Tracking project outcomes helps to measure our progress and demonstrate that local investments are achieving the national objectives of increased productivity and economic growth, cleaner environment, and stronger cities and communities.

Productivity and Economic Growth	Clean Environment	Strong Cities and Communities
Local Roads and Bridges	Community Energy Systems	Capacity Building
Public Transit	Drinking Water	Disaster Mitigation
Local and Regional Airports	Wastewater	Recreation
Broadband Connectivity	Solid Waste	Culture
Short-Sea Shipping	Brownfield Redevelopment	Tourism
Short-Line Rail		Sport

In 2017, municipalities were required to report on core outcome indicators for each eligible project that was completed with Gas Tax funding in 2014, 2015 and 2016. To facilitate this work and help ensure that reporting information is accurate and up-to-date, AMO made significant updates to its reporting module user guide and produced an on-demand webinar to guide municipal staff through the reporting process. AMO continues to work directly with municipal staff to share best practices and assist with outcomes reporting.

To highlight the significance of outcomes reporting data, AMO produced a video to profile measurable outcomes from Gas Tax projects in the City of Kitchener, the Township of North Frontenac and the City of Thunder Bay.



Audit Requirements

AMO's Risk Management Framework

AMO has established a risk management framework that recognizes municipalities as a mature and accountable order of government. The framework is specifically designed for administration of the federal Gas Tax Fund with a focus on AMO's ability to assure the federal government that municipalities are in compliance with the key objectives of the Agreement.

The fundamental piece of the framework is the federal Gas Tax risk management policy which outlines the goals of AMO in managing risk as well as the key objectives within the federal Gas Tax Agreement that are crucial to the success of the program. This, combined with AMO's existing financial policies, has created a robust financial management policy framework within which AMO staff operate in the day to day administration of the Agreement.

To manage the risks associated with municipal compliance, AMO's existing processes are augmented by plans and processes that will continue to evolve over time as the framework matures.

Risk Management Questionnaire

Municipalities are required to complete a risk management questionnaire. The questionnaire consists of 12 questions on financial policies and standard operating procedures. Responses are used to determine level of risk, develop capacity building programs and draft sample policies and operating procedures.

AMO's auditor, Grant Thornton LLP, attests to the accuracy of municipal responses as part of the Municipal Compliance Audit as outlined in Part II of this report.

AMO Compliance Audit

AMO's Compliance Audit reflects the Association's own compliance with the terms and conditions of the Agreement as of December 31, 2016. As per the terms of the Agreement, this is submitted to the Government of Canada in Part II of this report.

Municipal Compliance Audit

AMO directs, through its approved business plan, an annual sampling of municipalities sufficient for Grant Thornton LLP to attest to municipal compliance with the Agreement. Grant Thornton LLP randomly selects ten per cent of municipalities for inclusion in the sample each year in accordance with selection criteria established by AMO.

Selected municipalities are audited by Grant Thornton LLP. For the municipalities to which Grant Thornton LLP is the auditor, the Municipal Compliance Audit is performed by Collins Barrow LLP. The list of 44 selected municipalities as well as the summary report of the Municipal Compliance Audits is available in Part II of this report.

Asset Management

More than ever, municipalities must make informed infrastructure decisions based on sound asset management practices. The federal Gas Tax program in Ontario has been a driving force in advancing asset management practices.

Under the Gas Tax Agreement, Ontario municipalities must have an asset management plan in place that:

- Improves existing plans to include all tangible capital assets eligible for Gas Tax funding.
- Follows the guidelines set out in Ontario's Building Together: Guide for Asset Management Plans.
- Demonstrates that progress is being made by reporting annually on asset management outcome indicators.

Municipalities can use federal Gas Tax funds to finance expenditures related to the development and implementation of municipal asset management plans. Since the beginning of the program, municipalities have invested almost \$47 million from the federal Gas Tax Fund in capacity building projects.

Outcomes Reporting

Municipalities must demonstrate that asset management plans are being used to identify and fund priority projects. AMO has developed an Asset Management Outcomes Questionnaire to measure progress on municipal asset management. Through consultation with the municipal sector, AMO has been working on developing a revised asset management reporting framework that takes into consideration provincial consultations on a potential asset management regulation.

AMO will report on the municipal sector's progress in 2018.

Education

AMO is working on a 'multi-year roadmap that will help municipalities plan their training needs to better understand key elements of the asset management process. Courses will help municipalities develop internal resources to make asset management more meaningful.

In 2016, AMO released a video titled *Asset Management: A Roadmap for the Future of our Communities*, to highlight the important role that asset management plays in building safe, prosperous and thriving communities. The video has received almost 1,000 views on YouTube.

AMO has also been working with York Region to conduct research on how municipalities manage local infrastructure. A presentation was delivered at the 2016 AMO Conference titled *Safeguarding Your Municipality's Future: The Quest for Financial Stability*. The research will be explored in AMO's report on sector progress in asset management, to be released in 2018.

Communications

Throughout the year, AMO shares information about how the federal Gas Tax Fund is helping to repair, replace and build the local infrastructure that we all rely on.

In 2016, AMO's communications activity resulted in:

100 new Twitter followers,
a **13%** increase over 2015

17% more media coverage than in 2015

5,634 visits to www.gastaxatwork.ca,
a **63%** increase in traffic over 2015

10 media events, news releases
and/or social media posts celebrating
municipal investment

180+ attendees at AMO-led education events



Sharing our Story

Under the Gas Tax Agreement, communications is primarily a municipal responsibility. With millions of dollars from the Fund invested each year, it's up to individual municipal governments to share the details of local infrastructure projects with residents, local members of parliament, and the media. AMO works directly with municipal governments to facilitate this work and to ensure that Canadians have access to up-to-date information about federal Gas Tax Fund investment in their communities.

Municipal governments share information about Gas Tax investment in three ways: reporting to AMO on how every Gas Tax dollar is invested and the outcomes each Gas Tax project has achieved; installing project signage when appropriate, and; working directly with AMO and Infrastructure Canada to complete communications activities such as social media posts, news releases, media events and more.

Social Media

Social media is a simple, effective way to engage with people in real time. More and more, people are turning to Facebook, Twitter and other social media platforms for news and information. AMO uses a dedicated Gas Tax Fund Twitter account, @GasTaxinOntario, to share information about the Gas Tax Fund, including details about individual projects, broad program information, infographic content, project photos and videos.

AMO has been active on Twitter since 2010 and the account consistently achieves key performance outcomes with more than 900 followers.

In 2016, @GasTaxinOntario earned:

100 new followers | **202** re-tweets, likes and replies | **110** link clicks



TWEETS FOLLOWING FOLLOWERS

2,690

978

922

Gas Tax In Ontario

@GasTaxInOntario

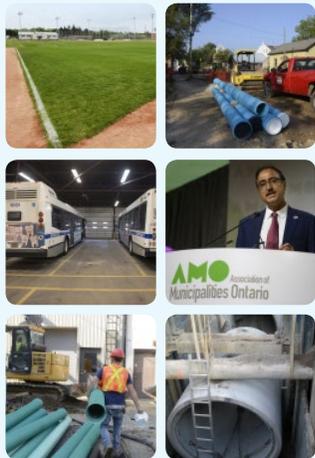
The federal Gas Tax Fund is at work in your community, investing \$3.8 billion in municipal infrastructure projects throughout Ontario from 2014 to 2018.

Ontario, Canada

gastaxatwork.ca

Joined October 2010

95 Photos and videos



Tweets from @GasTaxInOntario



@GasTaxInOntario: This will soon be a tennis court in St Thomas. As of 2014, #federalGTF can be invested into local recreation infrastructure.



@GasTaxInOntario: @CityBrampton invests #federalGTF in #publictransit, including new low floor buses. Brampton will receive \$15.9M from the Fund in '17!

@GasTaxInOntario: Warmer weather means the construction season is right around the corner! Use our map to find local Gas Tax funded projects: gastaxatwork.ca

@GasTaxInOntario: We're building our asset management knowledge at #16AMS today.

@GasTaxInOntario: New buses on the road in @CityPtbo! Thanks to @MaryamMonsef & @MayorBennett for celebrating local GTF investment <http://bit.ly/2x28bVh>

@GasTaxInOntario: RT: @AMOPolicy The #Budget2016 commitment to municipal infrastructure and related jobs includes plans to direct unspent funding to the Fed. Gas Tax Fund.

@GasTaxInOntario: Joint municipal & federal investment will help keep @myRichmondHill valleylands and streams healthy <http://bit.ly/216WqTe> #federalGTF

News Releases and Media Events

AMO relies on a mix of social, digital and traditional communications activities to share the benefits of the federal Gas Tax Fund with Canadians. While social and digital communications are at the forefront, issuing news releases and hosting media events to celebrate project milestones are still an important part of AMO's communications strategy. News releases and media events are effective ways of earning local media coverage that highlights federal investment in communities across Ontario.

In 2016, AMO worked with Infrastructure Canada and municipal staff to issue news releases or host media events in the City of Peterborough, Hastings County, the City of Vaughan, the United Counties of Leeds & Grenville, and the City of Niagara Falls. In addition, individual mayors worked directly with local members of parliament to make Gas Tax related announcements in several other municipalities.

Making Headlines



City of Peterborough celebrates six new accessible transit buses

– KawarthaNow | March 31, 2016



MP for PeterboroughKawartha Maryam Monsef at the celebratory announcement of the six new transit buses, half funded through the federal gas tax fund (photo: Maryam Monsef / Facebook) The City of Peterborough is celebrating the addition of six new accessible buses to the Peterborough Transit fleet, thanks in part to federal gas tax funding. Peterborough Mayor Daryl Bennett and the Honourable Maryam Monsef, Minister of Democratic Institutions and Member of Parliament for PeterboroughKawartha, made the announcement at a celebratory event earlier today.

Guelph to receive millions in gas tax funds

– CTV Kitchener | July 25, 2016

GUELPH — The City of Guelph is being given almost \$7.4 million in Gas Tax Funds from the federal government. The money is part of an allocation for municipal infrastructure. In total, communities around the province will be getting over \$779 million dollars to improve transit and water systems, as well as build roads and other local infrastructure projects. Guelph will be receiving \$340,000 more than in years past.

Millions in gas tax dollars heading to Niagara

– 610 CKTB News | August 16, 2016

Niagara is getting its financial share of federal gas tax dollars. Four municipalities in Niagara Centre will receive millions in Gas Tax funding. Port Colborne and Thorold will receive over 500 thousand dollars, Welland gets 1.5 million, and St. Catharines will receive close to 4 million dollar. The total for all of Niagara Region for 2016/17 is \$23 million. Municipalities use gas tax dollars to rebuild roads and bridges, support public transit systems, improve access to clean drinking water, and manage wastewater or solid waste.



Federal Gas Tax Fuels Local Road Improvements

– Sault Online | August 12, 2016

Perhaps in ten years when we're all driving electric cars the Federal government will have to revise their gas tax, but for now, it means over \$4.5 million to Sault Ste. Marie. That's what MP Terry Sheehan announced today at City Hall. The muchneeded money has pretty much been a guarantee to the City's bottom line over the years. The money today is earmarked for road repairs and construction.

Municipalities receive first payment of 2016 gas tax

– North Renfrew Times | August 3, 2016



Videos

AMO produces videos to demonstrate the real impact of the Gas Tax Fund on people and communities across Ontario.

In late 2015, AMO released *Connecting Kenora* to showcase Gas Tax investment in the City's Winnipeg River West Branch Bridge. Located on Lake of the Woods, the City maintains 17 vehicular bridges and several other pedestrian bridges with a population of only 15,000. The federal Gas Tax Fund plays an important role in the City's work to maintain and rehabilitate this essential infrastructure. The video captured beautiful scenery in Northwestern Ontario and was shared and promoted throughout 2016. The video has been viewed almost 500 times on YouTube.



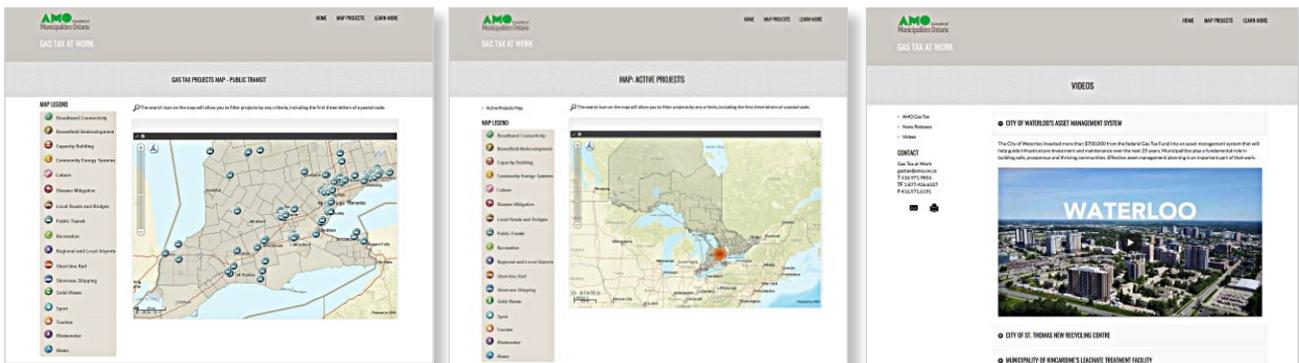
In 2016, AMO released its in-depth video related to asset management. AMO's video crew travelled across Ontario on the TransCanada Highway, all the way from Manitoba to Quebec. Municipal elected officials and staff explained different aspects of the municipal asset management process and stressed its importance for long-term sustainability. The video serves as an educational tool for municipal governments and has been very well received with almost 1,000 views on YouTube.



Gas Tax at Work

AMO operates www.gastaxatwork.ca to share information about the federal Gas Tax Fund in Ontario. The website includes general information about the Fund, links to videos, news releases and infographic content.

Gas Tax at Work has a unique mapping tool that allows people to search for Gas Tax funded projects across Ontario using any search criteria such as project category, municipality, postal code, etc. It makes it easy to find out exactly where the Fund is at work in communities across the province. Project information is based on information reported by municipalities to AMO.



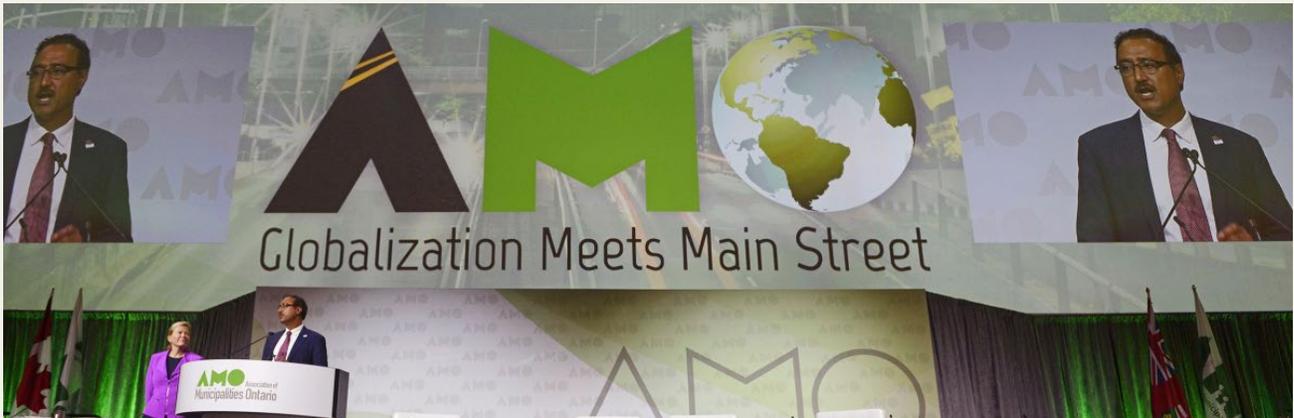
Municipal Education and Outreach

AMO shares program information with municipal governments directly through email, at municipal education forums, through the *WatchFile* (AMO's weekly e-newsletter), by producing informational videos and on-demand webinars, and through social media. Program information, such as asset management and annual reporting requirements, are available on www.amo.on.ca.

In 2016, staff from AMO and Infrastructure Canada delivered an education session to delegates at the AMO Conference in Windsor. AMO staff also delivered a presentation at the 2016 Municipal Finance Forum in Toronto hosted by the Association of Municipal Clerks and Treasurers of Ontario and the Municipal Finance Officers' Association of Ontario.

To prepare for new outcomes reporting requirements, AMO produced an on-demand webinar with a step-by-step tutorial of the online reporting module. The webinar was released in early 2017, in time to help municipalities meet the deadline for reporting on 2016 investment.

Gas Tax Awards



AMO's Annual Gas Tax Awards honour municipalities that have demonstrated excellence in the use of the federal Gas Tax Fund. The Awards showcase infrastructure projects that make a difference in our communities, while achieving the Fund's objectives.

Winners are selected by AMO's Awards Committee, based on these criteria:

- The project makes a positive contribution to the local community by helping to achieve the national program objectives of economic growth, a clean environment, and a stronger community.
- The Gas Tax Fund played a critical role in allowing the community to complete the project.
- The project exemplifies excellence in leveraging the Gas Tax Fund to achieve positive outcomes.

Three projects received an award in 2017 and three were recognized with an honourable mention. The awards were presented at the 2017 AMO Conference in Ottawa by the Honourable Amarjeet Sohi, Minister of Infrastructure and Communities. AMO issued separate news releases for each award winner and earned local media coverage. AMO also produced individual videos showcasing the three winning projects. The videos are available now on YouTube.

Winner:

- The Municipality of Kincardine's Leachate Treatment Facility
- The City of St. Thomas' Community Recycling Centre
- The City of Waterloo's Asset Management System

Honourable Mention:

- The Town of Perth's Legacy Dry Stone Bridge
- The City of Welland's Wright Street Watermain Replacement Project
- The City of Guelph's Lyon Park Redevelopment



The Town of Perth's Legacy Dry Stone Bridge.



The City of Guelph's Lyon Park Redevelopment Project.



The City of Welland's Wright Street Watermain Project.

The Municipality of Kincardine's Leachate Treatment Facility

Category: Population less than 15,000



The Municipality of Kincardine invested more than \$1.5 million from the federal Gas Tax Fund into its leachate treatment facility. Leachate can be harmful to the environment and must be disposed of properly. Before building the new facility, the Municipality was transporting leachate 750 km each week to an off-site location. Eliminating the need to transport leachate will save the community \$250,000 per year.



From left to right: The Honourable Amarjeet Sohi, Minister of Infrastructure and Communities, Anne Eadie, Mayor of the Municipality of Kincardine, and Lynn Dollin, AMO President.



@GasTaxinOntario: Congratulations to #Kincardine on your Gas Tax Award for your leachate treatment facility! #AMOConf17

“The federal Gas Tax Fund has enabled the Municipality of Kincardine to innovatively treat leachate in an environmentally responsible manner protecting our beautiful community.”

Anne Eadie, Mayor of the Municipality of Kincardine

Recognized for Leachate Plant

Blackburn News

The Municipality of Kincardine has been recognized at the Association of Municipalities Ontario for the leachate plant that was built. The \$1.7-million facility was opened in the fall of 2016 and draws leachate from the landfill site and converts contaminants into solids which are removed.



The City of St. Thomas' Community Recycling Centre

Category: Population 15,000 – 100,000



The City of St. Thomas received the Award for investing \$1,795,000 from the federal Gas Tax Fund into a new community recycling centre that gives residents a place to dispose of material that isn't accepted at curbside pick-up. The recycling centre has helped the City increase the amount of waste diverted from landfill with about 14,000 visits to the centre within the first 15 months of its opening.



From left to right: The Honourable Amarjeet Sohi, Minister of Infrastructure and Communities, Heather Jackson, Mayor of the City of St. Thomas, and Lynn Dollin, AMO President.



@GasTaxinOntario: Congratulations to @cityofstthomas on your Gas Tax award for your new community recycling centre! #AMOConf17

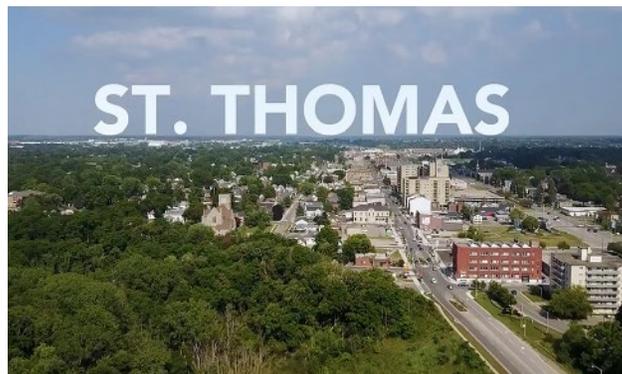
St. Thomas recipient of gas tax award for recycling facility

St. Thomas Times Journal

The City of St. Thomas has been recognized by the Association of Municipalities of Ontario for using its federal gas tax fund to help build the Community Recycling Centre. On Aug. 16 Mayor Heather Jackson accepted the award on behalf of the city from AMO president Lynn Dollin and Amarjeet Sohi, minister of infrastructure and communities.

*“Thanks to our new community recycling centre, St. Thomas is diverting more waste from landfill.”
“Predictable funding from the federal Gas Tax Fund helped us complete this project that will benefit St. Thomas and neighbouring communities for years to come.”*

*Heather Jackson,
Mayor of the City of St. Thomas*



The City of Waterloo's Asset Management System

Category: Population more than 100,000



The City of Waterloo invested more than \$700,000 from the federal Gas Tax Fund into an asset management system that will help guide infrastructure investment and maintenance over the next 25 years. Municipalities play a fundamental role in building safe, prosperous and thriving communities and effective asset management planning is an important part of that work.



From left to right: The Honourable Amarjeet Sohi, Minister of Infrastructure and Communities, Dave Jaworsky, Mayor of the City of Waterloo, Jeff Henry, Councillor for the City of Waterloo, and Lynn Dollin, AMO President.



@GasTaxinOntario: Congratulations @citywaterloo on your Gas Tax Award for your asset management system! #AMOConf17

Waterloo wins pair of 2017 Ontario municipalities awards

CBC News

The City of Waterloo won awards in both categories recognized at this year's Association of Municipalities of Ontario Conference in Ottawa, where the province's 444 municipalities gathered to tackle issues and celebrate achievements. "I really think this is what shows we have a lot of smart-city technology here in the Waterloo Region," Mayor Dave Jaworsky told CBC News.

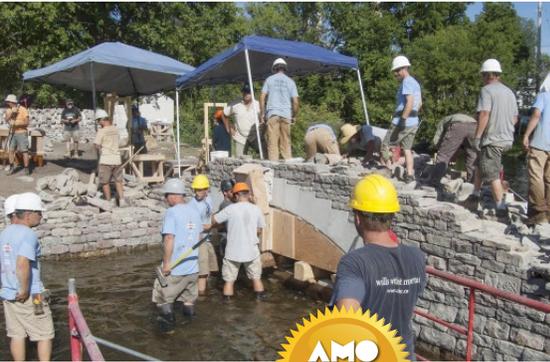
"The predictable annual flow of Gas Tax money allows municipalities to invest in the best opportunities. This new system will help us prioritize our limited dollars to renew our infrastructure in a way that meets the public's expectations, and will pay dividends for years to come. My congratulations to staff on their entrepreneurial smart-city spirit!"

Dave Jaworsky,
Mayor of the City of Waterloo



Project Profiles

The Town of Perth's Legacy Dry Stone Bridge



Category: Culture



National Objective: Strong Cities and Communities

Perth's Dry Stone Bridge is a legacy project built by renowned dry stone masons through Algonquin College's Masonry Program. It played a major part in the Town's 200th anniversary celebrations. The bridge provides pedestrian access to a new terraced area that is well suited for outdoor community events and has resulted in a 28 per cent increase in the number of cultural events held in the Town each year.

Building the bridge has strengthened the partnership between the Town, its citizens and Algonquin College. It has become a large draw to the community, attracting tourists to visit the Town and experience its heritage.

Federal Gas Tax funds invested: \$84,362

The City of Mississauga's Cooksville Storm Trunk Sewer Replacement



Category: Wastewater



National Objective: Clean Environment

The City identified major defects in the corrugated steel pipe (CSP) trunk sewer system, servicing the City Centre area of Mississauga. Inspection revealed that many sections of the sewer were in danger of immediate collapse. It was time to replace the sewer.

The project involved replacing the failing, CSP sewer with a concrete storm sewer system. The new system is stronger and with better capacity than the CSP sewer. It will be used for the next 70 to 100 years and reduce sewer maintenance labour costs associated with performing spot repairs and aging infrastructure.

Federal Gas Tax funds invested: \$11,398,639

The City of Cambridge's Sanitary Trunk Sewer Assessment



Category: Capacity Building



National Objective: Strong Cities and Communities

This project started as a specialized inspection of high-risk sewer infrastructure. During the inspection, the City realized that some sanitary siphons were blocked with sediment, debris and grease.

Cambridge then explored “ice pigging,” a new technology to clear the sanitary siphons. “Ice pigging” involves the use of ice to scrape away the material that is blocking the pipes. With ice, there is no equipment that can get stuck or break the pipe, which can be costly and pose an environmental risk. The ice simply melts.

This project benefits the entire community of Cambridge. Regular sewer inspection gives the City the information needed to effectively maintain key infrastructure. Cambridge was the first city to use this process in Canada and gained a lot of interest from municipalities with similar challenges.

Federal Gas Tax funds invested: \$231,683

The City of Guelph's Lyon Park Redevelopment Project



Category: Recreation



National Objective: Strong Cities and Communities

Federal Gas Tax funding helped the City of Guelph refurbish Lyon Park, improving some of its aging infrastructure and making it more accessible.

Improvements include two new junior softball fields, new accessible parking, trails and site furniture, a new water service and a fully redesigned electrical system that allows for softball field lighting, winter ice rink lighting and the activation of a solar program on the Park's memorial outdoor pool building.

131,794 Guelph residents will benefit from the redevelopment of Lyon Park.

Federal Gas Tax funds invested: \$2,210,927



The City of Welland's Replacement of Watermain and Service Connections on Wright Street



Category: Water



National Objective: Clean Environment

Wright Street is a busy north-south collector road and bus route in the southern part of Welland's urban area. Before the upgrades, the road and sidewalks were in very bad shape. Transit riders experienced discomfort and buses were damaged due to the poor pavement condition.

By reconstructing the road base and installing wider, accessible sidewalks, residents have better access to transit and a smoother ride.

In addition, a 70-year old watermain was replaced as part of the project. Before the replacement, the watermain would break about twice a year. The new watermain has given residents reliable access to safe, clean drinking water.

Federal Gas Tax funds invested: \$1,024,203

The Town of Petawawa's Civic Centre Road Reconstruction



Category: Local roads



National Objective: Productivity and Economic Growth

Civic Centre Road runs through a vital commercial sector and community hub in Petawawa. The project was classified as high priority in the Town's Infrastructure Study and Update and Asset Management Plan.

Predictable funding through the federal Gas Tax allowed the Town to complete the project in two phases, allowing for an extensive redesign of transportation management on the route. Work included asphalt paving and the installation of concrete curbs, sidewalks, storm sewers and an underground storm management facility. New raised intersections and dedicated active transportation lanes help ensure safe access and travel for more than 1,670 students attending local schools and for the general public.

Work on Civic Centre Road has provided 10,000 residents with access to new, repaired and rehabilitated roads.

Federal Gas Tax funds invested: \$949,025

Appendix: Project Results Reported on in 2016

BROADBAND CONNECTIVITY		2016	
Completed Projects		2	
Total Gas Tax Funds		\$25,864.10	
Total Project Costs		\$66,865.19	
Funding Leveraged (for each dollar in Gas Tax funds)		\$1.59	
Output and Outcome Indicators		Total	Projects
Number of businesses positively affected by investment in broadband infrastructure		6	2

BROWNFIELD REDEVELOPMENT		2016	
Completed Projects		1	
Total Gas Tax Funds		\$1,160,000.00	
Total Project Costs		\$2,577,972.00	
Funding Leveraged (for each dollar in Gas Tax funds)		\$1.22	
Output and Outcome Indicators		Total	Projects
Number of different types of contaminants removed or reduced to safe exposure levels		19	1
Total area of brownfield sites within municipal boundaries that were remediated, decontaminated or redeveloped (ha)		6	1

COMMUNITY ENERGY SYSTEMS		2016	
Completed Projects		85	
Total Gas Tax Funds		\$17,649,171.99	
Total Project Costs		\$56,231,182.84	
Funding Leveraged (for each dollar in Gas Tax funds)		\$2.19	
Output and Outcome Indicators		Total	Projects
Number of new LED street lights installed		16,488	35
Number of new or upgraded high-efficiency equipment in municipal buildings		679	34
Total area of existing municipal buildings with energy retrofits (sq m)		81,576	20
Decrease in annual energy consumption (GWh)		9	61
Average percentage decrease in annual greenhouse gas emissions (%)		43	6
Decrease in annual volume of fossil fuels consumed (ML)		45	6

CULTURE		2016	
Completed Projects		3	
Total Gas Tax Funds		\$390,878.01	
Total Project Costs		\$772,439.74	
Funding Leveraged (for each dollar in Gas Tax funds)		\$0.98	
Output and Outcome Indicators		Total	Projects
Number of new, renovated or upgraded museums, heritage sites or buildings		2	2
Increase in annual number of cultural events		3	2
Number of businesses positively affected by the investment		17	3

DISASTER MITIGATION		2016	
Completed Projects		2	
Total Gas Tax Funds		\$204,673.28	
Total Project Costs		\$241,027.78	
Funding Leveraged (for each dollar in Gas Tax funds)		\$0.18	
Output and Outcome Indicators		Total	Projects
Decrease in area of properties at risk of damage from natural catastrophes (ha)		14	2

LOCAL ROADS AND BRIDGES		2016	
Completed Projects		1,044	
Total Gas Tax Funds		\$413,036,601.21	
Total Project Costs		\$1,071,477,314.58	
Funding Leveraged (for each dollar in Gas Tax funds)		\$1.59	
Output and Outcome Indicators – Roads		Total	Projects
Length of new or replaced paved roads (lane km)		785	253
Length of new unpaved roads (lane km)		41	6
Length of repaired or rehabilitated paved roads (lane km)		3,866	541
Length of repaired or rehabilitated unpaved roads (lane km)		1,281	100
Increase in length of paved roads rated as good and above (lane km)		3,929	629
Increase in length of unpaved roads rated as good and above (lane km)		873	104
Average percent increase in average vehicle traffic speed during peak hours (%)		23	110
Number of residents with access to new, repaired, rehabilitated or replaced roads		1,619,485	325
Number of residents with improved access to highways or neighbouring municipalities		673,628	187
Output and Outcome Indicators – Active Transportation		Total	Projects
Length of new bike lanes or multi-use trails (m)		36,856	13
Length of new or replaced sidewalks (m)		22,168	34
Number of residents with access to new, repaired, rehabilitated or replaced bike lanes, sidewalks, hiking and walking trails, and/or pedestrian bridges		682,425	48
Output and Outcome Indicators – Bridges and Culverts		Total	Projects
Number of new or replaced bridges or culverts		92	64
Number of repaired or rehabilitated bridges or culverts		50	42
Surface area of new or replaced bridges or culverts (sq m)		9,669	64
Surface area of repaired or rehabilitated bridges or culverts (sq m)		6,712	43
Number of residents with access to new, repaired, rehabilitated or replaced bridges		245,723	50
Increase in the surface area of bridges or culverts where the condition of the primary component is rated as good and above (sq m)		11,337	102

PUBLIC TRANSIT		2016	
Completed Projects		17	
Total Gas Tax Funds		\$20,531,995.86	
Total Project Costs		\$41,954,888.94	
Funding Leveraged (for each dollar in Gas Tax funds)		\$1.04	
Output and Outcome Indicators		Total	Projects
Number of new or replaced transit vehicles		92	14
Number of rehabilitated or refurbished transit vehicles		94	2
Increase in regular service passenger trips (%)		10	6
Percent decrease in average age of fleet (%)		17	5
Increase in number of accessible transit vehicles		75	5
Number of transit vehicles with accessibility or service upgrades/enhancements		447	4

RECREATION		2016	
Completed Projects		34	
Total Gas Tax Funds		\$5,837,371.75	
Total Project Costs		\$9,238,766.94	
Funding Leveraged (for each dollar in Gas Tax funds)		\$0.58	
Output and Outcome Indicators		Total	Projects
Number of new, repaired, renovated, rehabilitated or upgraded arenas or community centres		15	11
Increase in annual number of visitors to the community		69,400	13
Number of businesses positively affected by the investment in recreational infrastructure		534	11
Increase in number of registered users in a year		1,359	7
Number of residents who will benefit from the investment in recreational infrastructure		324,333	23

SOLID WASTE		2016	
Completed Projects		10	
Total Gas Tax Funds		\$3,552,699.65	
Total Project Costs		\$8,234,160.92	
Funding Leveraged (for each dollar in Gas Tax funds)		\$1.32	
Output and Outcome Indicators		Total	Projects
Number of new blue or green bins		8,564	4
Number of rehabilitated or expanded landfill facilities		5	5
Increase in tonnage of solid waste collected (t)		2,667	6

SPORTS		2016	
Completed Projects		1	
Total Gas Tax Funds		\$931,592.90	
Total Project Costs		\$6,487,402.00	
Funding Leveraged (for each dollar in Gas Tax funds)		\$5.96	
Output and Outcome Indicators		Total	Projects
Increase in number of registered users in a year		2,706	1
Increase in sporting events held annually		3	1

TOURISM		2016	
Completed Projects		3	
Total Gas Tax Funds		\$23,948.81	
Total Project Costs		\$41,788.46	
Funding Leveraged (for each dollar in Gas Tax funds)		\$0.74	
Output and Outcome Indicators		Total	Projects
Increase in annual number of visitors to the community		4,000	2
Number of businesses positively affected by the investment		122	3

WASTEWATER		2016	
Completed Projects		33	
Total Gas Tax Funds		\$8,773,260.75	
Total Project Costs		\$29,500,240.13	
Funding Leveraged (for each dollar in Gas Tax funds)		\$2.36	
Output and Outcome Indicators		Total	Projects
Length of new or replaced sanitary or stormwater sewers (km)		11	23
Length of repaired or rehabilitated sanitary or stormwater sewers (km)		2	5
Reduction in annual number of sanitary sewer backups		53	14
Increase in total number of residents serviced by stormwater/sanitary infrastructure		88	6

WATER		2016	
Completed Projects		27	
Total Gas Tax Funds		\$7,403,921.75	
Total Project Costs		\$30,265,542.36	
Funding Leveraged (for each dollar in Gas Tax funds)		\$3.09	
Output and Outcome Indicators		Total	Projects
Length of new or replaced watermains (km)		12	14
Length of repaired or rehabilitated watermains (km)		3	1
Reduction in annual number of adverse water quality test results		4	3
Reduction in annual number of watermain breaks		21	10
Reduction in boil water advisories		4	1
Increase in number of residents with access to new, rehabilitated or replaced water distribution pipes		3,234	13
Volume of drinking water treated to a higher standard after the investment (ML)		2,503	4

2016 Financial Statements

Federal Gas Tax Fund

AMO Year End Balance

December 31, 2016

	2016	Cumulative³
Opening Balance	\$ 700,358	
Received from Canada	\$ 620,398,154	\$ 1,802,108,924
Transferred to Municipalities	\$ (617,296,163)	\$ (1,809,288,584)
Administration Costs	\$ (3,101,991)	\$ (9,010,545)
Interest Earned by AMO	\$ 188,654	\$ 889,012
Closing Balance	\$ 889,012	

³Cumulative amounts are since the current Agreement, signed April 1, 2014.

2016 Financial Statements

Federal Gas Tax Fund

Municipal Aggregate Annual Expenditure Report

December 31, 2016

	2016	Cumulative
Opening Balance	\$ 760,566,932	
Received from AMO (including payables)	\$ 617,296,163	\$ 1,808,790,422
Transferred to Eligible Recipient	\$ (38,221,005)	\$ (111,236,889)
Received from Eligible Recipient	\$ 38,221,005	\$ 111,236,889
Municipal Interest Earned	\$ 13,262,830	\$ 40,698,619
Municipal Asset Disposal	\$ 3,974	\$ 103,988
Expenditures on Eligible Projects		
Broadband Connectivity	-	\$ (25,864)
Brownfield Redevelopment	\$ (2,896,221)	\$ (4,631,790)
Capacity Building	\$ (5,707,425)	\$ (24,709,493)
Community Energy Systems	\$ (21,100,328)	\$ (58,382,161)
Culture	\$ (1,265,466)	\$ (2,259,309)
Disaster Mitigation	\$ (1,034,667)	\$ (1,239,340)
Local Roads and Bridges	\$ (370,691,055)	\$ (1,089,834,606)
Local and Regional Airports	\$ (1,802,477)	\$ (1,981,194)
Public Transit	\$ (158,795,082)	\$ (356,343,448)
Recreation	\$ (10,451,488)	\$ (15,949,792)
Short-line Rail	-	-
Short-sea Shipping	-	-
Solid Waste	\$ (25,211,066)	\$ (70,796,384)
Sport	\$ (121,441)	\$ (1,051,700)
Tourism	\$ (590,258)	\$ (600,437)
Wastewater	\$ (30,693,950)	\$ (116,907,957)
Water	\$ (16,722,991)	\$ (50,520,962)
Closing Balance	\$ 744,045,984	



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 Twitter: @GasTaxinOntario

Websites: www.amo.on.ca
www.GasTaxAtWork.ca
www.infrastructure.gc.ca



Compared with other industry products made with 100% virgin fiber, printing this annual report saved:



6 trees



23,112 L of water

66 days of water consumption



350 kg of waste

7 waste containers



910 kg CO₂

6,087 km driven



10 GJ

47,581 60W light bulbs for one hour



3 kg NO_x

emissions of one truck during 8 days

Photography: Thank you to all of the municipalities that contributed photos of their local infrastructure projects. Others taken by Rick Chard, www.rickchard.com