

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed by



SUBMITTED BY:

Jacques Dubé, Chief Administrative Officer

DATE: February 18, 2019

SUBJECT: Rural Transit Funding Program - Funding Deficit 2018-19

ORIGIN

At the February 12, 2019 meeting of Halifax Regional Council, the following motion was put and passed:

That Halifax Regional Council request a staff report to consider:

1. Increasing the 2018-19 Rural Transit Funding Program to pay out the approved \$0.43 per in-service kilometer for the remainder of the 2018-19 year;
2. Increase the 2018-19 Rural Transit Funding Program rate to \$0.50 per in-service kilometer effective April 1, 2018; and
3. Identify the cost and funding source for both options; and report back to Regional Council.
4. Waive Administrative Order 1, Schedule 2, Audit and Finance Standing Committee Terms of Reference, that the report return direct to Regional Council.

LEGISLATIVE AUTHORITY

Subsection 79(1) of the Halifax Regional Municipality Charter provides that "The Council may expend money required by the Municipality for.... (o) public transportation services (and) (av) a grant or contribution to: ... (v) any charitable, nursing, athletic, educational, environmental, cultural, community, fraternal, recreational, religious or social organization within the Province."

Administrative Order number 2014-012-ADM, the Rural Transit Grants Administrative Order, provides the authority to provide grants specifically to community organizations that provide community-based transit services in rural communities within the municipality.

Recommendation on next page

RECOMMENDATION

It is recommended that Halifax Regional Council to authorize the CAO to pay the balance of the funds remaining in the Rural Transit Grant Program for the 2018-2019 period to the service providers in accordance with the Rural Transit Grants Administrative Order (2014-012-ADM).

BACKGROUND

Program Origin and Overview

Recognizing that the Halifax Transit service model of fixed routes and fixed schedules is not the most effective service model in rural communities, in August 2014, Regional Council approved the establishment of the Rural Transit Grant Program. This program provides funding support to community organizations offering transit services to residents, while also alleviating pressure for Halifax Transit to extend service beyond the urban service area where conventional transit service is inefficient.

In the 2018-19 fiscal year, four rural transit service providers in Halifax received funding through this program. These transit service providers offer a cost-effective form of public transportation outside of the Halifax Transit service area, and help support resilient, rural communities by offering an affordable transportation option for residents who cannot or choose not to drive or operate vehicles.

While the cost of the program is relatively low, the impact of the transit service providers in our communities is substantial. In 2017/18, for example, over 6,700 passenger trips were accommodated through community based transit service providers in Halifax. These trips were typically to medical appointments, groceries, general errands, recreation services and community programs. Most notably, these are trips which could not have been made within the conventional Halifax Transit network. Without the rural transit service providers, it's possible these trips could not have been made at all.

Policy Background

As per Administrative Order 2014-012-ADM, the Municipality has provided funding to community organizations that provide community-based transit services in rural communities through the Rural Transit Grant Program. This program is supported by Policy T-10 of the Halifax Regional Municipal Planning Strategy, which states:

"HRM may consider programs to encourage and assist communities with developing their own community-based transit services in the areas outside the Urban Transit Service Boundary."

Further direction on the Rural Transit Grant Program is found in the recently approved Integrated Mobility Plan (2017) as follows:

"Action 103: Identify areas without the density or demand to justify full transit services and study alternative service and cost sharing models to support specialized trips or to enable service expansion. These options could include:

- *Shared taxis in areas not served by Halifax Transit.*
- *Subsidized taxis (including "taxibus" service).*
- *Ride-sharing, ride-hailing and car-sharing.*
- *Subsidies for pilot or start-up routes or trips.*
- *Expansion of the Rural Transit Funding Program."*

Program Description

The intent of the Rural Transit Grant Program is to support not-for-profit, community-based transit service outside of the Halifax Transit service area. The Rural Transit Grant Program has been designed to complement substantial provincial grants offered to these organizations by providing both a flat rate grant and a grant based on the amount of service offered to the community.

To these ends, the Rural Transit Grant Program is composed of two parts:

- An annual lump sum payment of either \$5,000 or \$10,000 depending on the level of service provided to the community; and
- A flat rate of up to \$0.50 per kilometre travelled while providing transit service (subject to annual budget availability).

While rural transit service providers are only required to complete a full application to the program once, as per the Administrative Order, they are required to report quarterly to Halifax Transit the mileage which qualifies for funding, as well as any anticipated changes to mileage projections. Mileage projections are used to inform annual budget requests for this program.

Although at this time demographic information on passengers of the rural transit service providers is not collected, anecdotally, service providers report that a large percentage of service users are seniors. It is anticipated that the uptake of the Rural Transit Grant Program will continue to grow due to an aging population in Nova Scotia and the desire to age in place and maintain independence and personal mobility later in life.

Approved Program for 2018-19

Based on projections received by all four, approved rural transit service providers in late 2017/18, at the June 19, 2018 meeting of Regional Council, a total of \$220,000 was approved for this program. Due to budgetary constraints, the 2018-19 Rural Transit Grant Program was intended to provide funding at the pro-rated value of \$0.43 per in-service kilometres to four approved community organizations.

At the June 19, 2018 meeting of Halifax Regional Council, the following motion was passed, describing how funding is to be paid out with a reduced funding envelope, as per Administrative Order number 2014-012-ADM, the Rural Transit Grants Administrative Order:

“That Halifax Regional Council approve the following grants under the Rural Transit Grants Administrative Order, for the 2018-19 fiscal year:

1. *Lump Sum Grants*

- a. MusGo Rider Cooperative (Musquodoboit Harbour) - \$10,000*
- b. MusGo Rider Cooperative (Valley-Sheet Harbour) - \$10,000*
- c. BayRides- \$5,000*
- d. East Hants Community Rider - \$10,000*

2. *Flat Rate Grant of \$0.43 per in-service kilometer up to a program maximum of \$185,000 to:*

- a. MusGo Rider Cooperative (Musquodoboit)*
- b. MusGo Rider Cooperative (Valley-Sheet Harbour)*
- c. BayRides*
- d. East Hants Community Rider*

with the rate increase up to \$0.50 per kilometer if at the end of fiscal 2018-19 residual funding remains in the account, with the supplementary funds be distributed pro-rata based on in-service kilometers to the approved applicants.”

More detail on the approved program for the 2018-19 fiscal year can be found in Attachment A to this report.

DISCUSSION

Upon receipt of the Q3 quarterly mileage report from the rural transit service providers, it has been noted that mileage projections made by service providers in late 2017/18 for the 2018-19 fiscal year are being significantly exceeded. While this means that to date, the budget allocation is tracking high, it is also important to note that this overage is due to the fact that increased usage is occurring and the program has exceeded expectations. The following table summarizes the change in anticipated mileage for the 2018-19 fiscal year.

Table 1: Revised Annual Mileage Projections - Rural Transit Grant Program 2018-19

2018/19 Mileage Projections	Projected Annual KM as reported by Rural Transit Service Providers (June 2018)	Revised Projected Annual KM as reported by Rural Transit Service Providers (January 2019)	Change in Projected KMs (from June 2018 to January 2019)
BayRides	90,000	169,713	79,713
MusGo_Musquodoboit	175,000	188,311	13,311
MusGo_Valley Sheet Harbour	70,000	62,635	- 7,365
East Hants Community Rider	89,500	95,586	6,086
Total Projected Funding Requirement	424,500	516,245	91,745

As described in Table 1 above, at time of writing this report, rural transit service providers anticipate operating a total of 516,245 in-service kilometers for the 2018-19 fiscal year, nearly 92,000 km higher than initially budgeted for, and therefore the approved program budget is insufficient to pay out grants at the per kilometer rate at the approved \$0.43/km.

As per section 15 (1) of Administrative Order 2014-012-ADM:

Where the approved program budget is insufficient to provide both the lump sum amount and the per kilometre flat rate, the lump sum payments shall be paid in full, and the per kilometre flat rate will be distributed as a pro-rated per cent for each organization.

To date, due to the increased mileage and the flat rate grants described above, this program has paid out a total of \$198,505¹ leaving approximately \$21,495 remaining to be paid out for the program year. The four rural transit service providers anticipate operating a total of 136,000 kilometers in Q4, and therefore, without exceeding the program budget, the anticipated pro-rated per kilometer rate would be approximately \$0.15/km.² The table below summarizes the annual grants anticipated assuming this reduced rate for Q4 2018-19.

¹ For Q1 to Q3 inclusive, in addition to lump sum grants

² This figure would vary depending on the actual in service kilometers reported to Halifax Transit upon the end of the reporting period.

Table 2: Anticipated Annual Grants Including Revised Q4 per KM Rate

2018/19 Anticipated Grants	Quarterly Grants (Q1 to Q3) at \$0.43/km			Revised Projections for Q4 payout at \$0.15/km	Flat Rate Grants (Paid out in Q1 2018/19)	2018/19 Grants Anticipated if Further Funding is Not Identified
	Q1 (April - Jun 2018)	Q2 (July - Sept, 2018)	Q3 (Oct - Dec, 2018)			
BayRides	\$ 15,931.93	\$ 16,579.94	\$ 18,964.72	\$ 7,500.00	\$ 5,000.00	\$ 63,976.59
MusGo_Musquodoboit	\$ 18,803.47	\$ 18,483.12	\$ 24,337.14	\$ 6,750.00	\$ 10,000.00	\$ 78,373.73
MusGo_Valley Sheet Harbour	\$ 5,399.08	\$ 7,289.79	\$ 7,364.18	\$ 2,400.00	\$ 10,000.00	\$ 32,453.05
East Hants Community Rider	\$ 11,541.20	\$ 9,480.21	\$ 9,330.57	\$ 3,750.00	\$ 10,000.00	\$ 44,101.98
Total Projected Funding Requirement	\$ 51,675.68	\$ 51,833.06	\$ 59,996.61	\$ 20,400.00	\$ 35,000.00	\$ 218,905.35

As per the requirements of Administrative Order 2014-012-ADM, service providers funded as part of this program are not for profit organizations, and it is possible that without additional funding, that they will not be able to offer their full complement of service to potential clients during Q4. Concerns have been raised in particular by MusGo Rider Cooperative, who have submitted a letter for consideration (see Attachment B to this report).

Additional Funding Required to Meet the Approved Rate \$0.43/km

Based on the revised projections provided by the rural transit service providers to staff in January 2019, if the program were to be funded to the approved, reduced rate of \$0.43/km, then the program budget would need to be increased by approximately \$38,000, from \$220,000 to \$258,000.

Table 3: Variation in Anticipated Program Grants (Planned vs. Funded to \$0.43/km)

2018/19 Anticipated Per KM Grants	2018/19 Grants Anticipated if Further Funding is Not Identified	Projected Annual Funding Grant as Anticipated at \$0.43/km and Flat Rate Grant (January 2019)	Difference in Anticipated Grants
BayRides	\$ 63,976.59	\$ 77,976.59	\$ 14,000.00
MusGo_Musquodoboit	\$ 78,373.73	\$ 90,973.73	\$ 12,600.00
MusGo_Valley Sheet Harbour	\$ 32,453.05	\$ 36,933.05	\$ 4,480.00
East Hants Community Rider	\$ 44,101.98	\$ 51,101.98	\$ 7,000.00
Total Projected Funding Requirement	\$ 218,905.35	\$ 256,985.35	\$ 38,080.00

In order to meet the \$38,000 minimum and provide adequate funding in the event that operators exceed current projections, the program budget would need to be increased by approximately \$40,000 to \$260,000 (\$35,000 for lump sum grants, \$225,000 in per kilometer grants at the rate of \$0.43/km).

Additional Funding Required to Meet the Program Maximum of \$0.50/km

Based on the revised projections provided by the rural transit service providers to staff in January 2019, if the program were to be funded to the program cap of \$0.50/km, then the program budget would need to be increased by approximately \$74,000, from \$220,000 to \$294,000.

Table 4: Variation in Anticipated Program Grants (Planned vs. Funded to \$0.50/km)

2018/19 Anticipated Program Grants	2018/19 Grants Anticipated if Further Funding is Not Identified	Projected Annual Funding Grant as Anticipated at \$0.50/km and Flat Rate Grant (January 2019)	Difference in Anticipated Grants
BayRides	\$ 63,976.59	\$ 89,856.50	\$ 25,879.91
MusGo_Musquodoboit	\$ 78,373.73	\$ 104,155.50	\$ 25,781.77
MusGo_Valley Sheet Harbour	\$ 32,453.05	\$ 41,317.50	\$ 8,864.45
East Hants Community Rider	\$ 44,101.98	\$ 57,793.00	\$ 13,691.02
Total Projected Funding Requirement	\$ 218,905.35	\$ 293,122.50	\$ 74,217.15

Staff do not recommend increasing the program envelope to \$294,000 (\$35,000 for lump sum grants, \$259,000 in per kilometer grants). The initial program approval reflected a per km rate of \$0.43/km, and this would increase the per kilometer rate to \$0.50/km. There is no indication that an increase in funding from \$0.43/km to \$0.50/km would increase rural transit service availability in 2018-19. As shown above, and in accordance with s. 15 of the Administrative Order, as there are insufficient funds in the program for the 2018-19 year to provide both the lump sum amount and the per kilometre flat rate, the lump sum payments are to be paid in full, and the per kilometre flat rate will be distributed as a pro-rated percent for each service provider.

Funding for the 2019/20 Program Year

At the February 28, 2019 meeting of Regional Council, the program budget for the Rural Transit Funding Program for the 2019/20 program year was increased by \$220,000 to a total of \$440,000. It is anticipated that this budget will be sufficient to fund the program for all anticipated service providers at the full amount.

FINANCIAL IMPLICATIONS

There are no financial implications associated with the Recommendation of this report. There are financial implications to the 2018/19 Operating budget if an alternative is approved.

Potential Funding to increase 2018-19 Program Grant

Planning and Development, where the program funding resides, is now forecasting a year end operating budget surplus of approximately \$560,000 for 2018-19. The additional costs associated with the Alternatives (described below) could be funded from Planning and Development's operating budget, reducing the business unit's and HRM's anticipated 2018-19 surplus. Rural Transit Grant Program costs are captured in cost centre R953 - TDM Programs.

RISK CONSIDERATION

Risks related to awarding these grants rate moderate. By adhering to the approved program limit as approved in June 2018, no additional financial risk will be incurred by HRM. However, by not providing additional funding, it is possible that some rural transit service providers will need to withdraw some service for at least some period of time. This would have a negative impact on Halifax residents who make use of these important services, and may have a negative reputational impact on HRM.

However, even if additional funding was made available through this program, it is possible that the rural transit service providers may be forced to reduce service. As not for profit organizations, they do not typically

carry reserve funding and so are susceptible to increased costs (i.e. fuel prices). It is possible that even if additional funding was awarded, there is a risk that some service would be removed, resulting in a negative impact to passengers.

It is important to note that although staff has reviewed documentation provided by prospective providers for standards of governance, transparency and financial sustainability, these organizations are not for profits, governed by, and in large part operated by, volunteers. Further, the operation of these service providers is contingent on sustained funding from a variety of sources including provincial funding, and in some cases donations.

COMMUNITY ENGAGEMENT

No community engagement was undertaken in the preparation of this report. Halifax Transit staff have worked with rural transit service providers to establish revised mileage projections described in this report.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified associated with this report.

ALTERNATIVES

1. Halifax Regional Council may approve increased funding of \$40,000 to the 2018-19 Rural Transit Grant Program, to pay out at the \$0.43 per kilometer rate.
2. Halifax Regional Council may approve increased funding of \$74,000 to the 2018-19 Rural Transit Grant Program, to pay out at the \$0.50 per kilometer rate.

ATTACHMENTS

Attachment A - Rural Transit Funding Program 2018-19 Staff Report 180619rc1442

Attachment B – Correspondence from MusGo Rider Cooperative Ltd

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Erin Blay, MCIP, LPP, Supervisor, Service Design & Projects, Halifax Transit 902.490.4942



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 14.4.2
Halifax Regional Council
June 19, 2018

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed

SUBMITTED BY: _____
Councillor Russell Walker, Chair, Grants Committee

DATE: June 12, 2018

SUBJECT: Rural Transit Funding Program 2018/2019

ORIGIN

June 11, 2018 meeting of the Grants Committee, Item No. 9.1.3

LEGISLATIVE AUTHORITY

Grants Committee Terms of Reference, section 4.1 which states: "The duties of the HRM Grants Committee are to advise Regional Council on all matters related to the allocation of grants, as defined by Regional Council".

RECOMMENDATION

The Grants Committee recommends that Regional Council approve the following grants under the Rural Transit Grants Administrative Order, for the 2018/19 fiscal year:

1. Lump Sum Grants

- a. MusGo Rider Cooperative (Musquodoboit Harbour) - \$10,000
- b. MusGo Rider Cooperative (Valley-Sheet Harbour) - \$10,000
- c. BayRides - \$5,000
- d. East Hants Community Rider - \$10,000

2. Flat Rate Grant of \$0.43 per in-service kilometer up to a program maximum of \$185,000 to:

- a. MusGo Rider Cooperative (Musquodoboit)
- b. MusGo Rider Cooperative (Valley-Sheet Harbour)
- c. BayRides
- d. East Hants Community Rider

with the rate increased up to \$0.50 per kilometer if at the end of fiscal 2018/19 residual funding remains in the account, with the supplementary funds being distributed pro-rata based on in-service kilometers to the approved applicants.

BACKGROUND

A staff report dated May 14, 2018 pertaining to the 2018/19 Rural Transit Funding Program was before the Grants Committee for consideration at its meeting held on June 11, 2018.

For further information, please refer to the attached staff report dated May 14, 2018.

DISCUSSION

The Grants Committee considered the May 14, 2018 staff report at its meeting held on June 11, 2018 and forwarded the recommendation to Regional Council as outlined in this report.

FINANCIAL IMPLICATIONS

As outlined in the attached staff report dated May 14, 2018.

RISK CONSIDERATION

As outlined in the attached staff report dated May 14, 2018.

COMMUNITY ENGAGEMENT

The Grants Committee meetings are open to public attendance. The Grants Committee is comprised of one elected member from each Community Council, a Chair appointed from the membership of the Audit and Finance Standing Committee and six (6) members of the public. The agenda, minutes, and reports for the Grants Committee are posted on the HRM website.

ENVIRONMENTAL IMPLICATIONS

None identified.

ALTERNATIVES

The Grants Committee did not discuss alternative recommendations.

ATTACHMENTS

1. Staff report dated May 14, 2018.

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Liam MacSween, Legislative Assistant, 902.490.6521



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Attachment 1
Grants Committee
June 11, 2018

TO: Chair and Members of the Grants Committee

SUBMITTED BY: Original Signed

Dave Reage, MCIP, LPP, Director, Halifax Transit

Original Signed

Jane Fraser, A/Chief Administrative Officer

DATE: May 14, 2018

SUBJECT: Rural Transit Funding Program 2018/2019

ORIGIN

This is a staff initiated recommendation report.

LEGISLATIVE AUTHORITY

Subsection 79(1) of the *Halifax Regional Municipality Charter* provides that “The Council may expend money required by the Municipality for.... (av) a grant or contribution to: ... (v) any charitable, nursing, athletic, educational, environmental, cultural, community, fraternal, recreational, religious or social organization within the Province.”

Administrative Order number 2014-012-ADM, the *Rural Transit Grants Administrative Order*, provides the authority to provide grants specifically to community organizations that provide community-based transit services in rural communities within the municipality.

From the HRM Grants Committee Terms of Reference: “The HRM Grants Committee shall review, evaluate and make recommendations to Regional Council regarding annual cash grants, rent subsidies, property tax exemptions, less than market value property sale and leases to registered non-profit organizations and charities managed by a duly appointed Grants Committee.”

Recommendation on page 2.

RECOMMENDATION

It is recommended that the Grants Committee recommend that Regional Council approve the following grants under the *Rural Transit Grants Administrative Order*, for the 2018/19 fiscal year:

- 1) Lump Sum Grants
 - a. MusGo Rider Cooperative (Musquodoboit Harbour) - \$10,000
 - b. MusGo Rider Cooperative (Valley-Sheet Harbour) - \$10,000
 - c. BayRides - \$5,000
 - d. East Hants Community Rider - \$10,000
- 2) Flat Rate Grant of \$0.43 per in-service kilometer up to a program maximum of \$185,000 to:
 - a. MusGo Rider Cooperative (Musquodoboit)
 - b. MusGo Rider Cooperative (Valley-Sheet Harbour)
 - c. BayRides
 - d. East Hants Community Rider

with the rate increased up to \$0.50 per kilometer if, at the end of fiscal 2018/19, residual funding remains in the account, with the supplementary funds be distributed pro-rata based on in-service kilometers to the approved applicants.

BACKGROUND

The Rural Transit Funding Program provides funding to not-for-profit community organizations to operate community-based transit services in rural communities within the Municipality. These transit service providers offer an efficient, cost-effective form of public transportation outside of Halifax Transit's Urban Transit Service Boundary.

The Rural Transit Funding Program is a grants program through which rural transit operators can apply for funding to subsidize the cost of operating their service. The program is comprised of two parts:

- An annual lump sum payment of either \$5,000 or \$10,000 depending on the level of service provided; and
- A flat rate of up to \$0.50 per kilometer travelled while providing transit service (subject to annual budget availability, as per AO 2014-012-ADM, section 14).

In fiscal year 2017/18, applications for funding were received from BayRides, MusGo Rider Cooperative (Musquodoboit Harbour) and MusGo Rider Cooperative (Valley-Sheet Harbour). Regional Council approved funding at the recommended pro-rated value of \$0.42 per in service kilometre through the Rural Transit Funding Program, to a program total of \$105,000.00, in addition to flat rate grants. The reduced per kilometer rate was recommended due to budget availability and in accordance with 2014-012-ADM, the *Rural Transit Grants Administrative Order*.

DISCUSSION

2017/18 Rural Transit Funding Program Overview

During the 2017/18 fiscal year, approximately \$130,000 was paid out to the three agencies noted above. This represents approximately 6700 passenger trips, which is a 50% increase from 2016/17. The following table summarizes the payouts for Q1 through Q3, Q4 and the flat rate grants.

Table 1: Rural Transit Funding Program Pay Outs – 2017/18 Fiscal Year

	2017/18 Q1 - Q3		2017/18 Q4		Flat Grant ¹	Total Funding Payout
	In-service km's reported to Halifax Transit (Q1-Q3)	Pay out for in-service km's (\$0.42 per km)	In-service km's reported to Halifax Transit (Q4)	Pro-rated pay out for in-service km's (\$0.203 per km)		
BayRides	60,980 kms	\$25,611.60	28,045 kms	\$5,693.14	\$5,000.00	\$36,304.74
MusGo Rider (Musquodobo it Harbour)	114,679 kms	\$48,165.18	41,484 kms	\$8,421.25	\$10,000.00	\$66,586.43
MusGo Rider (Valley-Sheet Harbour)	35,126 kms	\$14,752.92	11,366 kms	\$2,307.20	\$10,000.00	\$27,367.10
					Total \$129,951.29	

As per direction from Regional Council, in service kilometers for Q1 to Q3 was paid out to the three services in the amount of \$0.42/km, in addition to the approved flat rate grants. Due to higher than anticipated in-service mileage reported over the course of the year, there was inadequate funding available in Q4 to pay out the per kilometer funding at the approved rate. As a result, the per kilometer funding for all three agencies was reduced to \$0.203/km.

2018/19 Program Funding Requests

Halifax Transit received four funding requests for the 2018/19 Rural Transit Funding Program – three from agencies currently funded through this program, and one new application from the East Hants Community Rider. The following describes the new funding request.

¹ Administered as per section 6, 2014-012-ADM.

East Hants Community Rider Funding Request

East Hants Community Rider, established in 2006, is a demand responsive transit service which provides door to door, accessible transportation to residents of East Hants region. It also services Halifax residents in the communities of Fall River, Goffs, Carroll's Corner, Middle and Upper Musquodoboit, Elderbank, Grand Lake, Oakfield, Waverley, Lucasville, Oldham, and Enfield.

East Hants Community Rider anticipates operating 89,500 kms in Halifax in the 2018/19 fiscal year, qualifying it for per kilometre funding, and an additional \$10,000 flat rate grant as per AO 2014-012-ADM, section 6(b)².

Halifax Transit staff have reviewed the East Hants Community Rider Rural Transit Funding Program application and have found it to be compliant with the evaluation criteria established in Section 23 of Administrative Order Number 2014-012-ADM. These criteria and a description of the East Hants Community Rider application are summarized in Table 2 below.

Table 2: East Hants Community Rider Application Evaluation

Evaluation Criteria	East Hants Community Rider Application	Criteria met?
a) Completeness of application	Application was complete upon submission.	Yes
b) Appropriateness of Business and Governance Model	<p>East Hants Community Rider is a door to door service which operates five days per week, with weekends and evenings available upon request. The service operates a fleet of 4 vehicles, two that are wheelchair accessible.</p> <p>East Hants Community Rider is governed by a volunteer board of directors.</p>	Yes
c) Appropriateness of Market Assessment	<p>East Hants Community Rider provides affordable door to door service to residents, including persons with disabilities, seniors, those who are economically disadvantaged and those with limited access to transportation.</p> <p>Riders use East Hants Community Rider to travel to a variety of destinations including work, the airport, the grocery store, social events, medical appointments, and to connect to Halifax Transit services.</p> <p>East Hants Community Rider service area extends from Fall River, to Middle and Upper Musquodoboit to Grand Lake and Lucasville.</p> <p>The market assessment states that there are no competing services in the area which offer door to door accessible transportation.</p>	Yes
d) Appropriateness of Financial Assessment	Ridership projections and anticipated funding for future years appear reasonable.	Yes

² Where the organization provides service 8.1 to 15.9 hours per day, 6 to 7 days per week.

	East Hants Community Rider changed its membership policy and no longer requires a membership or charge membership fees to access its transit service. It was for this reason East Hants was denied funding in 2016/17, as per AO 2014-012-ADM, section 17(b).	
e) Use of Community Resources	<p>East Hants Community Rider has a volunteer board that oversees operations, volunteer operators, and free advertisements for the service are provided by a local publication.</p> <p>The service has two full-time office staff, three full-time drivers and one part-time driver. Community Rider compliments its paid staff with a group of 10 community volunteer drivers.</p>	Yes
f) Any other matter staff considers relevant	MusGo Rider would provide an alternative transportation solution for existing service by East Hants Community Rider when required.	Yes

Overlap of Service Areas

As evidenced by the service area map shown in Attachment A, it is evident that there is some overlap in-service area between two of the transit service providers seeking funding.

Section 16 (1) of 2014-012-ADM reads as follows:

16. (1) The Municipality shall not provide grants to more than one applicant operating in the same service area.
- (2) Notwithstanding subsection (1), the Municipality may provide grants to more than one applicant operating in the same service area where the services address the needs of different groups.

The intent of Section 16 is to ensure that the Rural Transit Funding Program does not fund transit services which are competing in the same service area. Based on discussions with both service providers, these agencies do not compete for riders, and work cooperatively to ensure quality service delivery to Halifax residents. Specifically, under their licensing framework, East Hants Community Rider is able to provide trips to HRM residents who are travelling between HRM and East Hants County, whereas MusGo Rider only provides trips within the municipal boundary.

FINANCIAL IMPLICATIONS

Table 3 below summarizes the funding projections for 2018/19, based on anticipated kilometres reported to Halifax Transit by each of the service providers.

Table 3: Projected Funding Dispersion for the 2018/19 fiscal year

	Community Transit Service Providers	Projected in-service kms in 2018/19	Projected funding for in-service kilometres (at \$0.50 per km) ³	Flat Grant ⁴	Total Funding Request

³ Funding is commensurate with actual in-service kilometers reported and pay outs may vary from what is projected.

⁴ Administered as per section 6, 2014-012-ADM.

2018/19 Continued Funding Request	BayRides	90,000 km	\$45,000.00	\$5,000.00	\$50,000.00
	MusGo Rider (Musquodoboit Harbour)	175,000 km	\$87,500.00	\$10,000.00	\$97,500.00
	MusGo Rider (Valley-Sheet Harbour)	70,000 km	\$35,000.00	\$10,000.00	\$45,000.00
2018/19 New Request	East Hants Community Rider	89,500 km	\$44,750.00	\$10,000.00	\$54,750.00
		424,500 km	\$212,250.00	\$35,000	\$247,250.00
				Total: \$247,250.00	

As described in Table 3 above, the four rural transit operators are anticipating kilometer payments for 2018/19 fiscal year for a total of 424,500 km or \$212,250, plus lump sum grants of \$35,000 for a projected funding total of \$247,250 for 2018/19.

Projected Funding Deficits

A total of \$220,000 is available in account R953 for disbursement through the Rural Transit Funding Program. Based on projections provided by the Rural Transit providers, the 2018/19 Rural Transit Funding Program budget anticipates a budget shortfall of \$27,250.

In a situation where funding is not available in the amount required to fully fund all projected in-service kilometer grants and flat rate grants, section 15 of 2014-012-ADM provides the following direction:

15. (1) Where the program budget is insufficient to provide both the lump sum amount and the per kilometre flat rate, the lump sum payments shall be paid in full, and the per kilometre flat rate will be distributed as a pro-rated per cent for each organization.
- (2) Where the program budget is insufficient to provide even the lump sum amount, the total amount of funding will be distributed as a pro-rated per cent to each organization.

As per Section 15 (1) of ADM-2014-12, staff recommend that the per kilometer payments be pro-rated.

Based on the projected kilometres and the balance of account R953 after paying out lump sum grants, it is recommended that in-service kilometers be paid at \$0.43/km for each service provider, as per Table 4 below.

Table 4: Funding projections summary prorated at \$0.43/km for the 2018/19 fiscal year

	Community Transit Service Provider	Projected in-service kms in 2018/19	Projected funding for in-service kilometres (at \$0.43 per km) ⁵	Flat Grant⁶	Total Projected Funding
Continued Funding	BayRides	90,000 km	\$38,700.00	\$5,000.00	\$43,700.00

⁵ Funding is commensurate with actual in-service kilometers reported and pay outs may vary from what is projected.

⁶ Administered as per section 6, 2014-012-ADM.

	MusGo Rider Musquodoboit Harbour	175,000 km	\$75,250.00	\$10,000.00	\$85,250.00
	MusGo Rider Valley-Sheet Harbour	70,000 km	\$30,100.00	\$10,000.00	\$40,100.00
2018/19 Application	East Hants Community Rider	89,500 km	\$38,485.00	\$10,000.00	\$48,485.00
		425,500 km	\$182,535.00	\$35,000.00	\$217,535.00
				Total: \$217,535.00	

Not including the lump sum grants, the pro-rated funding represents approximately 86% of what each agency would be funded at the full \$0.50/km. If, at the end of the fiscal year 2018/19, residual funding remains in the account, staff recommend that each agency is paid out up to a total of \$0.50/km

RISK CONSIDERATION

Risks related to awarding these grants are relatively low. However, it is important to note that although staff has reviewed documentation provided by prospective providers for standards of governance, transparency and financial sustainability, these organizations are not for profits, governed by, and in large part operated by, volunteers. Further, the operation of these service providers is contingent on sustained funding from a variety of sources including provincial funding, and in some cases donations.

The program has a low cost relative to the benefit received, providing service to areas that otherwise would not have transit service due to their rural nature, with only a modest level of funding.

COMMUNITY ENGAGEMENT

Information regarding program eligibility, application timelines, and applicant evaluation are posted on the Halifax Transit website. Legislation mandates that the public be informed of any grant or contribution through notice in a newspaper in circulation throughout the region. The Rural Transit Funding Program criteria were approved by Regional Council and formal reports are posted on the Halifax website. A notice publicizing awards is placed in the Municipal Notices section of the Chronicle Herald newspaper.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified associated with this report.

ALTERNATIVES

1. The Committee may recommend that Regional Council direct staff to identify an additional \$27,250 to fully fund the projected in-service kilometers at \$0.50/km. This would require approval from the Audit & Finance Committee.
2. The Committee may recommend that Regional Council direct staff to advise against funding the Rural Transit Funding Program for the 2018/19 fiscal year.

ATTACHMENT

Attachment A: Rural Transit Service Area

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

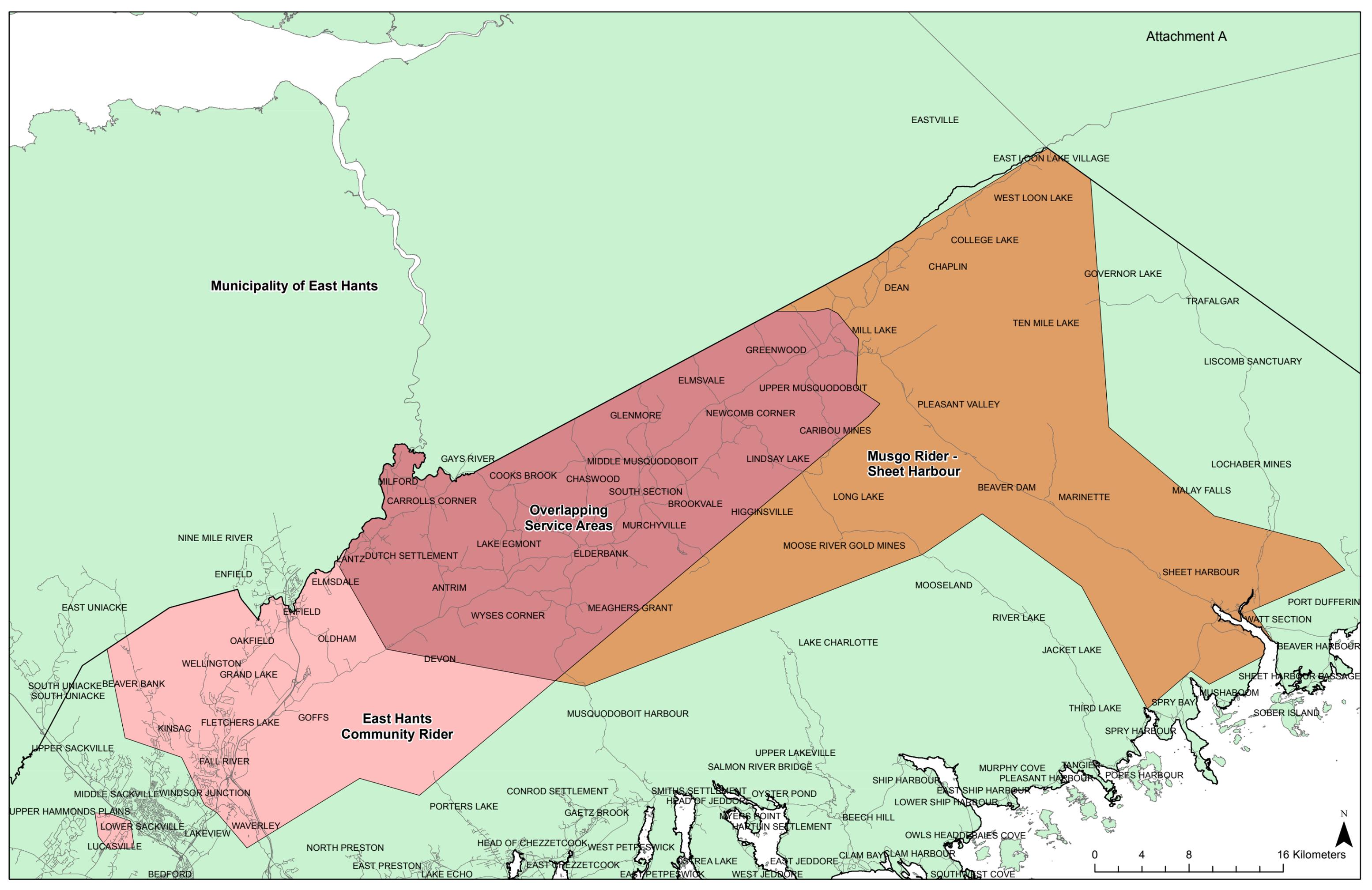
Report Prepared by: Erin Blay, Supervisor, Service Design & Projects, 902.490.4942

Municipality of East Hants

Musgo Rider - Sheet Harbour

Overlapping Service Areas

East Hants Community Rider



**ADMINISTRATIVE ORDER NUMBER 2014-012-ADM
RESPECTING GRANTS FOR RURAL TRANSIT**

WHEREAS the Halifax Regional Municipality wishes to provide grants to community organizations that provide community-based transit services in rural communities within the Halifax Regional Municipality to subsidize the cost of regular operation and maintenance of vehicles;

BE IT RESOLVED AS AN ADMINISTRATIVE ORDER of the Council of the Halifax Regional Municipality under the authority of the *Halifax Regional Municipality Charter*, as follows:

Short Title

1. This Administrative Order may be known as the *Rural Transit Grants Administrative Order*.

Interpretation

2. In this Administrative Order,

(a) “applicant” means an organization applying for a rural transit grant in accordance with this Administrative Order;

(ab) “Committee” means the Grants Committee or such other committee designated by Council;

(b) “Council” means the Council of the Municipality;

(c) “Halifax Transit” means the municipal department that provides public transit services in the Municipality;

(d) “Municipality” means the Halifax Regional Municipality;

(da) “not-profit co-operative” includes a non-profit co-operative incorporated under the Nova Scotia Co-operative Associations Act;

(db) “non-profit society” includes a non-profit society incorporated under the Nova Scotia Societies Act;

(e) “organization” means a non-profit co-operative, non-profit society, or a registered Canadian charitable organization; and,

(f) “registered Canadian charitable organization” means a charitable organization registered pursuant to the Income Tax Act (Canada) and the regulations made pursuant to that Act.

Administrative Order Number 2014-012-ADM
Respecting Grants for Rural Transit

Purpose

3. The purpose of this Administrative Order is to assist community organizations to operate community-based transit services in rural communities in the Municipality as an efficient, cost effective form of public transportation outside of urbanized areas.

Grants Available

4. There is hereby established a grant program for community-based transit services in rural communities in the Municipality.

5. Grants shall consist of the following:

(a) an annual lump sum payment of between \$5,000 and \$10,000; and

(b) a flat rate of \$0.50 (fifty cents) per vehicle kilometre logged while providing community-based transit service within the Municipality.

6. The amount of the lump sum payment will be determined based on the level of service provided by the organization:

(a) Where the organization provides service more than 16 hours per day, at least one day per week, the lump sum is \$10,000;

(b) Where the organization provides service 8.1 to 15.9 hours per day, 6 to 7 days per week, the lump sum is \$10,000;

(c) Where the organization provides service 8.1 to 15.9 hours per day, 1 to 5 days per week, the lump sum is \$5,000; and

(d) Where the organization provides service 1.0 to 8.0 hours per day, at least one day per week, the lump sum is \$5,000.

7. The number of hours the service is provided is based on either the actual number of hours the service is provided, or the number of hours the service is potentially available if the service is demand responsive.

8. The lump sum payment shall be made following the annual grant approval process.

9. The total amount of the flat rate payment will be based on the number of in-service vehicle kilometres travelled in each quarter of the municipal fiscal year, as reported to the Municipality in accordance with the following deadlines:

(a) First quarter (April 1 to June 30) shall be reported by July 15;

(b) Second quarter (July 1 to September 30) shall be reported by October 15;

(c) Third quarter (October 1 to December 31) shall be reported by January 15; and

Administrative Order Number 2014-012-ADM
Respecting Grants for Rural Transit

- (d) Fourth quarter (January 1 to March 31) shall be reported by April 15.
10. Quarterly reports shall include a statement of operations and a statement of financial position.
11. The flat rate payments shall be made following the submission of each complete quarterly report.
12. At the end of each fiscal year, the organization shall provide the Municipality with a copy of the previous year's audited or reviewed financial statements, including a statement of operations, a statement of financial position, and a statement of cash flows.
13. If the organization receiving a grant intends to apply for a grant for the following fiscal year it shall include in its third quarter report projected ridership and projected in-service vehicle kilometres for the upcoming fiscal year.
14. All grants are subject to annual budget availability.
15. (1) Where the program budget is insufficient to provide both the lump sum amount and the per kilometre flat rate, the lump sum payments shall be paid in full, and the per kilometre flat rate will be distributed as a pro-rated per cent for each organization.
- (2) Where the program budget is insufficient to provide even the lump sum amount, the total amount of funding will be distributed as a pro-rated per cent to each organization.
16. (1) The Municipality shall not provide grants to more than one applicant operating in the same service area.
- (2) Notwithstanding subsection (1), the Municipality may provide grants to more than one applicant operating in the same service area where the services address the needs of different groups.

Eligible Organizations

17. To be eligible to receive a grant, organizations shall:
- (a) Offer a public transit service located within the Municipality or intended to serve the residents of the Municipality that is:
- (i) in an area of the Municipality not currently serviced by Halifax Transit; or
- (ii) in an area serviced by Halifax Transit where the organization can demonstrate that the rural transit service would complement existing Halifax Transit service and address an unmet need in the community; and,
- (b) Offer a public transit service that is available to any member of the public and does

Administrative Order Number 2014-012-ADM
Respecting Grants for Rural Transit

not require a membership to access.

(c) Repealed

17A. In addition to Section 17, non-profit societies and non-profit co-operatives must also be registered with the Nova Scotia Registry of Joint Stocks.

Application Requirements

18. There is one intake period per fiscal year. Applications shall be received in person or postmarked on or before January 15 for consideration for the following fiscal year.

19. Halifax Transit may review draft applications from first time applicants, received on or before November 1, and provide feedback prior to the submission of the applications.

20. All applications shall be received by mail or in person. E-mailed or faxed applications will not be accepted. Applications may be submitted:

(a) In person to:
Rural Transit Grants, Halifax Transit
200 Ilesley Avenue
Dartmouth, NS

(b) By mail to:
Rural Transit Grants, Halifax Transit
PO Box 1749,
Halifax, NS, B3J 3A5

21. First time applicants shall include the following information in their application on or before January 15:

- (a) proof of incorporation;
- (b) Repealed;
- (c) Repealed;
- (d) map of service area;
- (e) business description, including services offered and governance structure;
- (f) market assessment, including: a description of the market being served, the approximate population of the catchment area and its spatial distribution, a description of any competing services, and the integration/complementation of existing Halifax Transit Services;
- (g) financial assessment, including: three year projected revenues and expenditures;

Administrative Order Number 2014-012-ADM
Respecting Grants for Rural Transit

projected annual ridership and service kilometers; previous financial statements; and list of other funding sources;

(h) Repealed; and,

(i) a description of use of community resources and volunteers to ensure service is as efficient and cost effective as possible.

21A. In addition to Section 21, first time applicants shall also provide Halifax Transit with the following information on or before September 30 of the fiscal year for which the grant is applied:

(a) description of fleet and licenses;

(b) (i) proof of license under the Motor Carrier Act, with associated proof of insurance; or

(ii) confirmation of status from the Nova Scotia Utility and Review Board that the Motor Carrier Act does not apply, with proof of insurance commensurate with the operations being undertaken and vehicles being used, but being no less than a Nova Scotia Automobile Standard Policy Form (SPF) 1 with SEF 6A endorsement (permission to carry passengers for compensation) and a SEF 22 endorsement (damage to property of passengers), or equivalent;

(c) proof of driver's license for any driver; and,

(d) a written declaration by the applicant stating that:

(i) all drivers have submitted a criminal record check with vulnerable sector check; and,

(ii) the applicant is satisfied that their drivers do not pose a risk to any members of the public.

22. Subsequent applications shall be submitted to Halifax Transit on or before January 15 and shall include the following information:

(a) Annual audited or reviewed financial statements;

(b) Current proof of insurance and confirmation of status from the Nova Scotia Utility and Review Board; and

shall be in compliance with all reporting requirements from previous rural transit grant applications.

Application Evaluations

Administrative Order Number 2014-012-ADM
Respecting Grants for Rural Transit

23. The following criteria will be used to evaluate applications for Council's consideration:
- (a) completeness of application;
 - (b) appropriateness of business and governance model;
 - (c) appropriateness of market assessment;
 - (d) appropriateness of financial assessment;
 - (e) use of community resources; and
 - (f) any other matter staff considers relevant.

Application Review and Approval Process

24. All applications shall be screened by staff for basic eligibility as they are received. Applicants shall be notified promptly if their application is ineligible.
25. Applications that do not meet the requirements outlined in section 21 shall not be reviewed or considered.
26. Halifax Transit staff shall prepare a recommendation report of eligible applicants for consideration by the Committee.
27. The staff report shall be reviewed by the Committee for recommendation to Council.
28. Final approval of all applications for grants, and their amount, is a decision of Council in its sole discretion.
29. Notification of the decision of Council shall be mailed to applicants.
30. Approval of grants is conditional on Council's approval of the annual budget.
31. Not all eligible applications may receive a grant.
- 31A. Notwithstanding receipt of final approval for a grant, an applicant:
- (a) shall not receive any funds until the requirements outlined in section 21A are met; and,
 - (b) shall forfeit their right to receive the grant if the requirements outlined in section 21A are not met on or before September 30 of the fiscal year for which the grant was applied.
- 31B. If a deadline enumerated in this Administrative Order falls on a Saturday, Sunday, or Holiday, that deadline shall be extended until the next business day.

Conditions of Approval

32. Grant approval is subject to the following conditions:

- (a) transit service vehicles are for the transportation of passengers and are not for personal use;
- (b) the applicant shall maintain the necessary licenses in good standing under the *Motor Carrier Act* as applicable;
- (c) the applicant shall maintain the necessary insurance for their operation;
- (d) the applicant shall remain in good standing with the Registry of Joint Stock Companies;
- (e) the applicant shall maintain a log of the number of daily passengers, the purpose of the trip, and the fare revenue collected;
- (f) the applicant shall record all revenue received outside of fare collection and report annually to the Municipality;
- (g) any modification to a proposal or transit service shall be reported to the Municipality;
- (h) the applicant shall meet quarterly and annual financial reporting deadlines as outlined in this Administrative Order; and
- (i) the applicant shall not represent itself as having any relationship or affiliation with Halifax Transit or the Municipality beyond being the recipient of a grant;

Scope

33. Nothing in this Administrative Order shall be interpreted to limit or otherwise prescribe Council's general discretion to provide grants under the *Halifax Regional Municipality Charter* or otherwise.

Effective Date

34. This Administrative Order shall come into effect on the date it is adopted by Council. Notwithstanding section 18, for the fiscal year 2014-15, applications may be received until September 15, 2014 and notwithstanding section 9, for the fiscal year 2014-15, flat rate payments will commence with the third quarter reporting period but may include flat rate payments for the first, second, and third quarter with the requisite documentation.

34A. An application received on or before January 15, 2015 for the 2015-2016 fiscal year which was determined to be incomplete may be considered by Halifax Transit, provided that the application otherwise complies with this Administrative Order on the date this section comes into force.

Administrative Order Number 2014-012-ADM
Respecting Grants for Rural Transit

Repeal

35. The HRM Community Based Transit Funding Program adopted by Council on March 26, 2013 is hereby repealed.

Done and passed by Council this 5th day of August, 2014.

Mayor

Municipal Clerk

I, Cathy Mellett, Municipal Clerk of the Halifax Regional Municipality, hereby certify that the above noted Administrative Order was passed at a meeting of Halifax Regional Council held on August 5, 2014.

Cathy Mellett, Municipal Clerk

Administrative Order Number 2014-012-ADM
Respecting Grants for Rural Transit

Notice of Motion:

July 29, 2014

Approval:

August 5, 2014

Amendment # 1

Notice of Motion:

March 10, 2015

Approval:

March 24, 2015



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 9.1.2
Grants Committee
June 12, 2017

TO: Chair and Members of the Grants Committee

Original signed

SUBMITTED BY:

Dave Reage, MCIP, LPP, Director, Halifax Transit

DATE: May 24, 2017

SUBJECT: Rural Transit Funding Program 2017-2018

ORIGIN

Halifax Transit received three renewal applications to the 2017-2018 Rural Transit Funding Program.

LEGISLATIVE AUTHORITY

Subsection 79(1) of the *Halifax Regional Municipality Charter* provides that “The Council may expend money required by the Municipality for.... (av) a grant or contribution to: ... (v) any charitable, nursing, athletic, educational, environmental, cultural, community, fraternal, recreational, religious or social organization within the Province.”

Administrative Order number 2014-012-ADM, the *Rural Transit Grants Administrative Order*, provides the authority to provide grants specifically to community organizations that provide community based transit services in rural communities within the municipality.

From the HRM Grants Committee Terms of Reference: “The HRM Grants Committee shall review, evaluate and make recommendations to Regional Council regarding annual cash grants, rent subsidies, property tax exemptions, less than market value property sale and leases to registered non-profit organizations and charities managed by a duly appointed Grants Committee.”

RECOMMENDATION

It is recommended that the Grants Committee recommend that Regional Council approve the following grants under the *Rural Transit Grants Administrative Order*, for the 2017-2018 fiscal year:

Recommendations continued on page 2

- 1) Lump Sum Grants
 - a. MusGo Rider Cooperative (Musquodoboit) - \$10,000
 - b. MusGo Rider Cooperative (Valley-Sheet Harbour) - \$10,000
 - c. BayRides - \$5,000
- 2) Flat Rate Grant of \$0.42 per in-service kilometer up to a program maximum of \$105,000
- 3) If, at the end of fiscal 2017-2018, residual funding remains in the account staff recommends the supplementary funds are distributed pro-rata based on in-service kilometers to the approved applicants up to a total of \$0.50 per kilometer.

BACKGROUND

The Rural Transit Funding Program is a grants program through which rural transit operators can apply for funding to subsidize the cost of operating their service. The program is comprised of two parts:

- An annual lump sum payment of either \$5,000 or \$10,000 depending on the level of service provided; and
- A flat rate of \$0.50 per kilometer travelled while providing transit service.

Applications were received from BayRides, MusGo Rider Cooperative (Musquodoboit) and MusGo Rider Cooperative (Valley - Sheet Harbour) for 2016-2017. All three rural transit service providers were approved and received funding through the Rural Transit Funding Program.

The three rural transit service providers which received funding during 2016-2017 have renewed their funding requests for the 2017-2018 fiscal year. Halifax Transit did not receive any new applications to the Rural Transit Funding Program for 2017-18.

DISCUSSION

In 2016-17, three agencies received funding through the Rural Transit Funding Program – BayRides, MusGo Rider Cooperative (Musquodoboit) and MusGo Rider Cooperative (Valley-Sheet Harbour); the three services were paid out \$29,244, \$72,574, and \$13,972 respectively.

Table 1 represents approximately 3,500 passenger trips which were accommodated through these community based transit service providers, typically trips to medical appointments, shopping and school.

Table 1: Rural Transit Funding Program Pay Outs – 2016/17

	In Service Kilometers Reported to Halifax Transit	Pay out for In-Service Kilometers (at \$0.50 per km)	Lump Sum Grant	Total Funding Payout
BayRides	48,488 kms	\$24,244.00	\$5,000.00	\$29,244.00
MusGo Rider (Musquodoboit)	125,148 kms	\$62,574.00	\$10,000.00	\$72,574.00
MusGo Rider (Valley-Sheet Harbour)	7,944 kms	\$3,972.00	\$10,000.00	\$13,972.00
			Total: \$115,790.00	

Table 2 below summarizes the funding projections for 2017/18, based on anticipated mileage reported to Halifax Transit by each agency.

Table 2: Projected Funding Dispersion 2017-2018

	Community Transit Service Providers	Anticipated In-Service Kilometers in 2017/2018	Projected Funding (at \$0.50 per km)	Lump Sum Grant ¹	Total Funding Request
Applications for Continued Funding	BayRides	66,000 km	\$33,000	\$5,000	\$38,000
	MusGo Rider (Musquodoboit)	145,000 km	\$72,500	\$10,000	\$82,500
	MusGo Rider (Valley-Sheet Harbour)	36,000 km	\$18,000	\$10,000	\$28,000
		247,000 km	\$123,500	\$25,000	\$148,500
				Total: \$148,500	

As described in Table 2 above, the three rural transit operators are anticipating kilometer payments for 2017-18 fiscal year for a total of 247,000 km or \$123,500 plus lump sum grants of \$25,000 for a projected funding total of \$148,500 for 2017-18.

¹ As per AO 201-012-ADM section 6: The lump sum payment is determined based on the level of service provided by the organization.

Actual Mileage vs. Mileage Projection

Staff have observed in past years that rural transit service providers submitting applications to the Rural Transit Funding Program have over-estimated the number of in-service kilometers that they would be operating over the upcoming year. As identified in table 3 on the following page, on average, agencies have only operated 71-90 per cent of the mileage they had projected in the application process. It is also possible that rural transit service providers have underestimated the in service kilometers to be operated in a particular fiscal year, although as of yet this has not been observed.

Table 3: Projected in-service Mileage Versus actual Mileage Reported (2015/16 - 2016/17)

	2015 / 2016 Fiscal Year	2016 / 2017 Fiscal Year
Projected In-Service Kilometers as reported to Halifax Transit in Application	155,000 km	200,684 km
Actual mileage reported to Halifax Transit and paid out through the Rural Transit Funding Program	110,719 km	181,580 km
Percent of Projected Funding actually Paid Out	71%	90%
Projected per kilometer pay out based on mileage reported to Halifax Transit	\$77,500.00	\$100,342.00
Actual per kilometer funding paid out	\$55,359.50	\$90,790.00
Variance in Projected vs Paid Funding	\$22,140.50	\$9,552.00

Prorating Per Kilometer Rate

As per section 15 of Administrative Order 2012-012 ADM, where there is insufficient program budget, the lump sum payments shall be paid in full and the per kilometer flat rate payments will be distributed as a pro-rated percent for each organization.

Funding of \$130,000 is available in operating account R953 - Transportation Demand Management Programs. After paying out the lump sum grants, there would be \$105,000 remaining for per kilometer payments, or approximately \$0.42 per projected in service kilometer. Table 4 on the following page compares projected payouts based on the fully funded scenario as compared to the prorated payouts.

Table 4: Fully Funded vs. Prorated Funding Payouts

4.A

Community Transit Service Providers	Anticipated In-Service Kilometers in 2017/2018	Full Funding		
		Projected funding (at \$0.50 per km)	Lump Sum	Total Funding based on \$0.50 per km
BayRides	66,000	\$33,000.00	\$5,000.00	\$38,000.00
MusGo Rider (Musquodoboit)	145,000	\$72,500.00	\$10,000.00	\$82,500.00
MusGo Rider (Valley-Sheet Harbour)	36,000	\$18,000.00	\$10,000.00	\$28,000.00
Total	247,000	\$123,500.00	\$25,000.00	\$148,500.00

4.B

Community Transit Service Providers	Anticipated In-Service Kilometers in 2017/2018	Prorated Funding		
		Projected funding (at \$0.42 per km)	Lump Sum	Total Funding based on Prorated per km
BayRides	66,000	\$28,056.68	\$5,000.00	\$33,056.68
MusGo Rider (Musquodoboit)	145,000	\$61,639.68	\$10,000.00	\$71,639.68
MusGo Rider (Valley-Sheet Harbour)	36,000	\$15,303.64	\$10,000.00	\$25,303.64
Total	247,000	\$105,000.00	\$25,000.00	\$130,000.00

Including the lump sum grant of either \$5,000 or \$10,000, the prorated funding represents between 87 and 90 per cent of what each agency would be funded at the full \$0.50/km.

FINANCIAL IMPLICATIONS

Funding of \$130,000 is available in operating account R953 - Transportation Demand Management Programs. This amount is deficient to cover the requests from these three providers as identified in Table 1 above (\$148,500). As per Section 15 (1) of ADM-2014-12, per kilometer payments are prorated. Based on the projected mileage and the balance of account R953 after paying out lump sum grants, it is recommended that in-service kilometers be paid at \$0.42/km for each service provider.

RISK CONSIDERATION

Risks related to awarding these grants are relatively low. However, it is important to note that although staff has reviewed documentation provided by prospective providers for standards of governance, transparency and financial sustainability, these organizations are not for profits, governed by, and in large part operated by, volunteers. Further, the operation of these service providers is contingent on sustained funding from a variety of sources including provincial funding, and in some cases donations.

The program has a low cost-benefit ratio, providing service to areas that otherwise would not have service due to their rural nature, at a modest level of funding.

COMMUNITY ENGAGEMENT

Information regarding program eligibility, application timelines, and applicant evaluation are posted on the Halifax Transit website. Legislation mandates that the public be informed of any grant or contribution through notice in a newspaper in circulation throughout the region. The Rural Transit Funding Program criteria were approved by Regional Council and formal reports are posted on the Halifax website. A notice publicizing awards is placed in the Municipal Notices section of the Chronicle Herald newspaper.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified associated with this report.

ALTERNATIVES

1. The Committee may recommend that Regional Council direct staff to identify an additional \$18,500 to fully fund the projected mileage at \$0.50/km. As projections are typically higher than actual kilometers reported, it is likely that not all the additional funding will be consumed by the program.
2. The Committee may recommend that Regional Council direct staff to advise against funding the Rural Transit Funding Program for the 2017/2018 fiscal year.

ATTACHMENT

Attachment 1: Administrative Order Number 2014-012-ADM

A copy of this report can be obtained online at halifax.ca/commcoun/index then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210 or fax 902.490.4208.

Report prepared by: Lisette Cormier, Program Coordinator, Halifax Transit, 902.490.4160

**ADMINISTRATIVE ORDER NUMBER 2014-012-ADM
RESPECTING GRANTS FOR RURAL TRANSIT**

WHEREAS the Halifax Regional Municipality wishes to provide grants to community organizations that provide community-based transit services in rural communities within the Halifax Regional Municipality to subsidize the cost of regular operation and maintenance of vehicles;

BE IT RESOLVED AS AN ADMINISTRATIVE ORDER of the Council of the Halifax Regional Municipality under the authority of the *Halifax Regional Municipality Charter*, as follows:

Short Title

1. This Administrative Order may be known as the *Rural Transit Grants Administrative Order*.

Interpretation

2. In this Administrative Order,

(a) “applicant” means an organization applying for a rural transit grant in accordance with this Administrative Order;

(ab) “Committee” means the Grants Committee or such other committee designated by Council;

(b) “Council” means the Council of the Municipality;

(c) “Halifax Transit” means the municipal department that provides public transit services in the Municipality;

(d) “Municipality” means the Halifax Regional Municipality;

(da) “not-profit co-operative” includes a non-profit co-operative incorporated under the Nova Scotia Co-operative Associations Act;

(db) “non-profit society” includes a non-profit society incorporated under the Nova Scotia Societies Act;

(e) “organization” means a non-profit co-operative, non-profit society, or a registered Canadian charitable organization; and,

(f) “registered Canadian charitable organization” means a charitable organization registered pursuant to the Income Tax Act (Canada) and the regulations made pursuant to that Act.

Administrative Order Number 2014-012-ADM
Respecting Grants for Rural Transit

Purpose

3. The purpose of this Administrative Order is to assist community organizations to operate community-based transit services in rural communities in the Municipality as an efficient, cost effective form of public transportation outside of urbanized areas.

Grants Available

4. There is hereby established a grant program for community-based transit services in rural communities in the Municipality.

5. Grants shall consist of the following:

(a) an annual lump sum payment of between \$5,000 and \$10,000; and

(b) a flat rate of \$0.50 (fifty cents) per vehicle kilometre logged while providing community-based transit service within the Municipality.

6. The amount of the lump sum payment will be determined based on the level of service provided by the organization:

(a) Where the organization provides service more than 16 hours per day, at least one day per week, the lump sum is \$10,000;

(b) Where the organization provides service 8.1 to 15.9 hours per day, 6 to 7 days per week, the lump sum is \$10,000;

(c) Where the organization provides service 8.1 to 15.9 hours per day, 1 to 5 days per week, the lump sum is \$5,000; and

(d) Where the organization provides service 1.0 to 8.0 hours per day, at least one day per week, the lump sum is \$5,000.

7. The number of hours the service is provided is based on either the actual number of hours the service is provided, or the number of hours the service is potentially available if the service is demand responsive.

8. The lump sum payment shall be made following the annual grant approval process.

9. The total amount of the flat rate payment will be based on the number of in-service vehicle kilometres travelled in each quarter of the municipal fiscal year, as reported to the Municipality in accordance with the following deadlines:

(a) First quarter (April 1 to June 30) shall be reported by July 15;

(b) Second quarter (July 1 to September 30) shall be reported by October 15;

(c) Third quarter (October 1 to December 31) shall be reported by January 15; and

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- (d) Fourth quarter (January 1 to March 31) shall be reported by April 15.
10. Quarterly reports shall include a statement of operations and a statement of financial position.
11. The flat rate payments shall be made following the submission of each complete quarterly report.
12. At the end of each fiscal year, the organization shall provide the Municipality with a copy of the previous year's audited or reviewed financial statements, including a statement of operations, a statement of financial position, and a statement of cash flows.
13. If the organization receiving a grant intends to apply for a grant for the following fiscal year it shall include in its third quarter report projected ridership and projected in-service vehicle kilometres for the upcoming fiscal year.
14. All grants are subject to annual budget availability.
15. (1) Where the program budget is insufficient to provide both the lump sum amount and the per kilometre flat rate, the lump sum payments shall be paid in full, and the per kilometre flat rate will be distributed as a pro-rated per cent for each organization.
- (2) Where the program budget is insufficient to provide even the lump sum amount, the total amount of funding will be distributed as a pro-rated per cent to each organization.
16. (1) The Municipality shall not provide grants to more than one applicant operating in the same service area.
- (2) Notwithstanding subsection (1), the Municipality may provide grants to more than one applicant operating in the same service area where the services address the needs of different groups.

Eligible Organizations

17. To be eligible to receive a grant, organizations shall:
- (a) Offer a public transit service located within the Municipality or intended to serve the residents of the Municipality that is:
- (i) in an area of the Municipality not currently serviced by Halifax Transit; or
- (ii) in an area serviced by Halifax Transit where the organization can demonstrate that the rural transit service would complement existing Halifax Transit service and address an unmet need in the community; and,
- (b) Offer a public transit service that is available to any member of the public and does

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not require a membership to access.

(c) Repealed

17A. In addition to Section 17, non-profit societies and non-profit co-operatives must also be registered with the Nova Scotia Registry of Joint Stocks.

Application Requirements

18. There is one intake period per fiscal year. Applications shall be received in person or postmarked on or before January 15 for consideration for the following fiscal year.

19. Halifax Transit may review draft applications from first time applicants, received on or before November 1, and provide feedback prior to the submission of the applications.

20. All applications shall be received by mail or in person. E-mailed or faxed applications will not be accepted. Applications may be submitted:

(a) In person to:
Rural Transit Grants, Halifax Transit
200 Ilesley Avenue
Dartmouth, NS

(b) By mail to:
Rural Transit Grants, Halifax Transit
PO Box 1749,
Halifax, NS, B3J 3A5

21. First time applicants shall include the following information in their application on or before January 15:

- (a) proof of incorporation;
- (b) Repealed;
- (c) Repealed;
- (d) map of service area;
- (e) business description, including services offered and governance structure;
- (f) market assessment, including: a description of the market being served, the approximate population of the catchment area and its spatial distribution, a description of any competing services, and the integration/complementation of existing Halifax Transit Services;
- (g) financial assessment, including: three year projected revenues and expenditures;

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projected annual ridership and service kilometers; previous financial statements; and list of other funding sources;

(h) Repealed; and,

(i) a description of use of community resources and volunteers to ensure service is as efficient and cost effective as possible.

21A. In addition to Section 21, first time applicants shall also provide Halifax Transit with the following information on or before September 30 of the fiscal year for which the grant is applied:

(a) description of fleet and licenses;

(b) (i) proof of license under the Motor Carrier Act, with associated proof of insurance; or

(ii) confirmation of status from the Nova Scotia Utility and Review Board that the Motor Carrier Act does not apply, with proof of insurance commensurate with the operations being undertaken and vehicles being used, but being no less than a Nova Scotia Automobile Standard Policy Form (SPF) 1 with SEF 6A endorsement (permission to carry passengers for compensation) and a SEF 22 endorsement (damage to property of passengers), or equivalent;

(c) proof of driver's license for any driver; and,

(d) a written declaration by the applicant stating that:

(i) all drivers have submitted a criminal record check with vulnerable sector check; and,

(ii) the applicant is satisfied that their drivers do not pose a risk to any members of the public.

22. Subsequent applications shall be submitted to Halifax Transit on or before January 15 and shall include the following information:

(a) Annual audited or reviewed financial statements;

(b) Current proof of insurance and confirmation of status from the Nova Scotia Utility and Review Board; and

shall be in compliance with all reporting requirements from previous rural transit grant applications.

Application Evaluations

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23. The following criteria will be used to evaluate applications for Council's consideration:
- (a) completeness of application;
 - (b) appropriateness of business and governance model;
 - (c) appropriateness of market assessment;
 - (d) appropriateness of financial assessment;
 - (e) use of community resources; and
 - (f) any other matter staff considers relevant.

Application Review and Approval Process

24. All applications shall be screened by staff for basic eligibility as they are received. Applicants shall be notified promptly if their application is ineligible.
25. Applications that do not meet the requirements outlined in section 21 shall not be reviewed or considered.
26. Halifax Transit staff shall prepare a recommendation report of eligible applicants for consideration by the Committee.
27. The staff report shall be reviewed by the Committee for recommendation to Council.
28. Final approval of all applications for grants, and their amount, is a decision of Council in its sole discretion.
29. Notification of the decision of Council shall be mailed to applicants.
30. Approval of grants is conditional on Council's approval of the annual budget.
31. Not all eligible applications may receive a grant.
- 31A. Notwithstanding receipt of final approval for a grant, an applicant:
- (a) shall not receive any funds until the requirements outlined in section 21A are met; and,
 - (b) shall forfeit their right to receive the grant if the requirements outlined in section 21A are not met on or before September 30 of the fiscal year for which the grant was applied.
- 31B. If a deadline enumerated in this Administrative Order falls on a Saturday, Sunday, or Holiday, that deadline shall be extended until the next business day.

Conditions of Approval

32. Grant approval is subject to the following conditions:

- (a) transit service vehicles are for the transportation of passengers and are not for personal use;
- (b) the applicant shall maintain the necessary licenses in good standing under the *Motor Carrier Act* as applicable;
- (c) the applicant shall maintain the necessary insurance for their operation;
- (d) the applicant shall remain in good standing with the Registry of Joint Stock Companies;
- (e) the applicant shall maintain a log of the number of daily passengers, the purpose of the trip, and the fare revenue collected;
- (f) the applicant shall record all revenue received outside of fare collection and report annually to the Municipality;
- (g) any modification to a proposal or transit service shall be reported to the Municipality;
- (h) the applicant shall meet quarterly and annual financial reporting deadlines as outlined in this Administrative Order; and
- (i) the applicant shall not represent itself as having any relationship or affiliation with Halifax Transit or the Municipality beyond being the recipient of a grant;

Scope

33. Nothing in this Administrative Order shall be interpreted to limit or otherwise prescribe Council's general discretion to provide grants under the *Halifax Regional Municipality Charter* or otherwise.

Effective Date

34. This Administrative Order shall come into effect on the date it is adopted by Council. Notwithstanding section 18, for the fiscal year 2014-15, applications may be received until September 15, 2014 and notwithstanding section 9, for the fiscal year 2014-15, flat rate payments will commence with the third quarter reporting period but may include flat rate payments for the first, second, and third quarter with the requisite documentation.

34A. An application received on or before January 15, 2015 for the 2015-2016 fiscal year which was determined to be incomplete may be considered by Halifax Transit, provided that the application otherwise complies with this Administrative Order on the date this section comes into force.

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Repeal

35. The HRM Community Based Transit Funding Program adopted by Council on March 26, 2013 is hereby repealed.

Done and passed by Council this 5th day of August, 2014.

Mayor

Municipal Clerk

I, Cathy Mellett, Municipal Clerk of the Halifax Regional Municipality, hereby certify that the above noted Administrative Order was passed at a meeting of Halifax Regional Council held on August 5, 2014.

Cathy Mellett, Municipal Clerk

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Notice of Motion:

July 29, 2014

Approval:

August 5, 2014

Amendment # 1

Notice of Motion:

March 10, 2015

Approval:

March 24, 2015



November 14, 2018

Councillor David Hendsbee
 District 2,
 Preston-Chezzetcook-Eastern Shore

Dear Councillor Hendsbee,

I am writing to you with an immense concern for continued growth and sustainability of Rural Transit on the Eastern Shore from East Preston/Lawrencetown to Ship Harbour. As you know this service is provided by MusGo Rider Cooperative Ltd., of whom receives funding through the Rural Transit Funding Program administrated by Halifax Transit. During a meeting with staff at Halifax Transit on September 19, 2018 MusGo Rider was informed that there would not be enough funding for the fourth quarter to meet the commitment of \$.43 per kilometer.

When this funding was started, the MusGo Rider Board was assured by Halifax Transit that the rate would never drop below the \$.50 per kilometer and that the fund would grow as needed with the rural transit services. The payout rate last year was \$.42 per kilometer and this year it is set at \$.43 with a maximum payout of \$220,000 for all organizations, this amount includes the annual fixed allocation. With the addition of the new service, East Hants Community Transit, this amount is simple not enough.

Item	2016/17	2017/18	2018/19
			Budgeted as Per Grants Committee Report
Kilometers	125,049	156,163	175,000
Passengers	3435	5341	7000
Funding budgeted	\$ 73,293.00	\$ 78,824.00	\$ 85,250.00
Fixed funding received/expected	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Variable Funding received/expected	\$ 62,592.00	\$ 65,588.00	\$ 75,250.00
Total funding received/expected	\$ 72,592.00	\$ 75,588.00	\$ 85,250.00
per kilometer	\$ 0.50	\$ 0.42	\$ 0.43

As you can see from the table the per kilometer rate has fluctuated considerably from the \$.50 per kilometer, which makes it hard to expand the service as required by the rural residents. MusGo Rider Cooperative Ltd. now has four vehicles, and these are being used to capacity daily. Due to the anticipated shortfall in funding for the fourth quarter I have had to request our dispatcher to book only three vehicles for the third quarter as MusGo can not incur the cost of a driver and fuel for the fourth vehicle without full reimbursement for kilometers. During the fourth quarter and first quarter of next



325 Porters Lake Station Road, Porters Lake, NS, B3E 1J9

902-483-RIDE (7433)

fiscal it is anticipated that MusGo will have to cut back to two vehicles. This means turning away clients that have medical appointments, need to go to the grocery store, etc.

I believe that it is time to expand the rural transit services not impede the expansion with limited funding. Halifax's Integrated Mobility Plan states "This plan directs staff to continue to expand the rural transit funding program for services operating in Halifax outside of the Urban Transit Service Boundary"¹. Since the Halifax Regional Council unanimously approved the plan it follows that they would unanimously approve additional funding to support these growing rural transit services.

In lieu of more funds being added to the Rural Funding Grant this fiscal year I trust staff would abide by the amounts allocated to each organization in the Grants Committee Report as this would be the amount expected and budgeted by each organization. As per the report approved by Halifax Council MusGo Rider Cooperative Ltd. is expecting payment of \$85,250.00 in total for this fiscal year if we provide service of 175,000 kilometers at \$.43 per kilometer which we are on target to meet providing we are not required to cut back to three vehicles and then two with no expected payment in the forth quarter as was discussed by Halifax Transit Staff.

Sincerely,

Jessie Greenough, CPA, CMA
Executive Director
MusGo Rider Cooperative Ltd.

¹ https://www.halifax.ca/sites/default/files/documents/about-the-city/regional-community-planning/IMP_report_171220-WEB.pdf