

TO: Chair and Members of the Grants Committee

SUBMITTED BY:  Original Signed

Dave Reage, MCIP, LPP, Executive Director, Halifax Transit

 Original Signed

Jacques Dubé, Chief Administrative Officer

DATE: April 29, 2021

SUBJECT: **2021/22 Rural Transit Funding Program**

ORIGIN

This is a staff-initiated recommendation report.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, S.N.S. 2008, c.39

Section 79A (1)

Subject to subsections (2) to (4), the Municipality may only spend money for municipal purposes if

- a) the expenditure is included in the Municipality's operating budget or capital budget or is otherwise authorized by the Municipality;
- b) the expenditure is in respect of an emergency under the *Emergency Management Act*; or
- c) the expenditure is legally required to be paid.

Section 7A

The purposes of the Municipality are to

- (a) provide good government;
- (b) provide services, facilities and other things that, in the opinion of the Council, are necessary or desirable for all or part of the Municipality; and
- (c) develop and maintain safe and viable communities. 2019, c. 19

Administrative Order 2014-012-ADM, the *Rural Transit Grants Administrative Order*

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 HRM Grants Committee recommend to Regional Council that Regional Council approve grants pursuant to the Rural Transit Grants Administrative Order, for the 2021/22 fiscal year, to a maximum of \$470,000, as such grants are set forth in Table 2 of this report.

BACKGROUND

The Rural Transit Funding Program provides grants 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 service area.

In the 2020/21 fiscal year, Halifax Regional Council approved funding through the Rural Transit Funding Program to five organizations. They are:

- BayRides
- Chebucto Community Transportation Service
- MusGo Musquodoboit
- MusGo Valley-Sheet Harbour
- East Hants Community Rider

The Rural Transit Funding Program is a grants program through which non-profit rural transit operators can apply for grants 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).

DISCUSSION

2020/21 Rural Transit Funding Program Overview

During the 2020/21 fiscal year, approximately \$237,000 was paid out to four of the five agencies noted above.

This represents approximately 11,269 passenger trips. The following table summarizes the grant amounts for Q1 through Q4 and the flat rate grants.

Table 1. Rural Transit Funding Program Pay Outs – 2020/21 Fiscal Year

Organization	In-service kms reported to Halifax Transit	Flat Grant	Per km Grant (at \$0.50 per km)	Total Grant Payout
BayRides	115,798	\$10,000	\$57,899	\$67,899
Chebucto Community Transportation Service	0	\$0	\$0	\$0
East Hants Community Transit	15,211	\$10,000	\$7,606	\$17,606
MusGo Musquodoboit	149,460	\$10,000	\$74,730	\$84,730
MusGo Valley-Sheet Harbour	113,574	\$10,000	\$56,787	\$66,787
Total	394,043	\$40,000	\$197,022	\$237,022

As described in Table 1, the Chebucto Community Transportation Service did not receive any funding through the 2020/21 Rural Transit Funding Program, as the service did not start operations in the 2020/21 fiscal year, and therefore were not eligible for either the flat rate or per kilometer grant. A total sum of \$47,900 in funding was allocated to Chebucto Community Transportation Service, but this funding remained unspent. However, as per AO 2014-012-ADM, Chebucto Community Transportation Service do not need to reapply for funding and are approved for the 2021/22 fiscal year, providing they meet the eligibility requirements of the AO 2014-012-ADM.

The four existing rural transit providers who are applying for funding through the 2021/22 program offer an essential transportation option to many rural residents who require transit to medical appointments, shopping, and social and recreational activities. The program does not require a re-application or annual review process, and all four continue to be eligible and recommended for the program. Halifax Transit did not receive any new applications to the Rural Transit Funding Program for the 2021/2022 fiscal year.

FINANCIAL IMPLICATIONS

As described in Table 2 below, the four rural transit operators are anticipating kilometer payments for 2021/22 fiscal year for a total of 626,116 in-service kilometers or \$313,058. In addition to this, as noted in Table 2, each of the four organizations are also eligible for \$10,000 in lump sum grants and for a projected grant total of \$353,058 for 2021/22.

Table 2. Projected Grant Distribution for the 2021/22 fiscal year

	Organizations	Projected Kms	Lump Sum Grant	Per km Grant (at \$0.50 per km)	Total Anticipated Grant Payout
1	BayRides	193,000	\$10,000	\$96,500	\$106,500
2	Chebucto Community Transportation Service. See Note 1.	0	\$0	\$0	\$0
3	East Hants	58,116	\$10,000	\$29,058	\$39,058
4	MusGo Musquodoboit	260,000	\$10,000	\$130,000	\$140,000

5	MusGo Valley-Sheet Harbour	115,000	\$10,000	\$57,500	\$67,500
6	Totals	626,116	\$40,000	\$313,058	\$353,058
7	Remaining Funding Available in Account M701-8004. See Note 2.				\$116,942
8	Total Budgeted Funds				\$470,000

Note 1 - Chebucto Community Transportation Service has not indicated that they will be starting operations this fiscal year. However, should this provider meet the Rural Transit Funding Program requirements and commence operations in this fiscal year, funding to support this operation has been identified and included in the \$116,942 amount set forth in Table 2, Line 7.

Note 2 – The \$116,942 amount (set forth in Table 2, Line 7) would be distributed in accordance with the Rural Transit Grants Administrative Order to address the Chebucto Community Transportation Service, as set forth in Note 1 above, and/or to compensate providers for incurring a greater number of kilometers travelled than those which are currently estimated and set forth in Table 2.

Projected Grant Allocation

A total of \$470,000 is available in cost centre M701-8004 for disbursement through the Rural Transit Funding Program. Based on projections provided by the Rural Transit providers, the 2021/22 Rural Transit Funding Program budget does not anticipate a budget shortfall. If any of the transit service providers have underestimated their submitted projections, it is possible that some per kilometer payments would have to be prorated.

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.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

ALTERNATIVES

The Committee may recommend that Regional Council direct staff to advise against funding the Rural Transit Funding Program for the 2021/22 fiscal year.

ATTACHMENTS

None.

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.

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