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**Item No. 9.1.2**  
**Grants Committee Meeting**  
**July 10, 2023**

**TO:** Chair and Members of Grants Committee

**SUBMITTED BY:** Original Signed

Cathie O'Toole, Chief Administrative Officer

**DATE:** June 13, 2023

**SUBJECT:** **2023-24 Rural Transit Funding Program**

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**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 ON PAGE 2**

## **RECOMMENDATION**

It is recommended that the Grants Committee recommend that Regional Council approve grants, pursuant to the Rural Transit Grants Administrative Order, for the 2023-24 fiscal year, to a maximum of \$400,000, including the grants set forth in Table 2 of this report.

## **BACKGROUND**

The Rural Transit Funding Program provides grants to non-profit community organizations to operate community-based transit services in rural communities within the Municipality. These providers offer an efficient, cost-effective form of public transportation outside of Halifax Transit's service area.

In the 2022-23 fiscal year, Halifax Regional Council approved funding through the Rural Transit Funding Program to four organizations:

- BayRides
- East Hants Community Rider
- MusGo Musquodoboit
- MusGo Valley-Sheet Harbour

No other non-profit community organizations have applied for grant funding for 2023-24.

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:

1. An annual lump sum payment of either \$5,000 or \$10,000 depending on the level of service provided; and
2. 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**

### **2022-23 Rural Transit Funding Program - Overview**

During the 2022-23 fiscal year, \$339,342.50 was paid out to the four operators noted above. This represents approximately 18,160 passenger trips. The following table summarizes the grant amounts for Q1 through Q4 and the flat rate grants.

**Table 1. 2022-23 Fiscal Year - Disbursements**

<b>Service Providers</b>	<b>Reported in-service kms</b>	<b>Annual Lump Sum Payment</b>	<b>Per km Flat Rate (at \$0.50 per km)</b>	<b>Total Grant Disbursement</b>
<b>Bay Rides</b>	156,274	\$10,000	\$78,137	\$88,137
<b>East Hants Community Rider</b>	41,459	\$10,000	\$20,729.50	\$30,729.50
<b>MusGo Musquodoboit</b>	299,012	\$10,000	\$149,506	\$159,506
<b>MusGo Valley-Sheet Harbour</b>	101,940	\$10,000	\$50,970	\$60,970
<b>Total</b>	<b>598,685</b>	<b>\$40,000</b>	<b>\$299,342.50</b>	<b>\$339,342.50</b>

**Projected Grant Allocation**

Funding for this program is available in the Transit cost centre M701-8004 for disbursement through the 2023-24 Rural Transit Funding Program. Based on projections provided by the Rural Transit providers, the 2023-24 Rural Transit Funding Program budget does not anticipate a budget shortfall.

**FINANCIAL IMPLICATIONS**

As described in Table 2 below, the four rural transit operators are anticipating kilometer payments for 2023-24 fiscal year for a total of 687,780 in-service kilometers or \$343,890. In addition, as noted in Table 2, each of the four organizations are also eligible for \$10,000 in lump sum payment, for a projected grant total of \$383,890.

**Table 2. 2023-24 fiscal year - Projected Disbursement**

<b>Service Providers</b>	<b>Annual Lump Sum Payment</b>	<b>Projected kms</b>	<b>Total Projected Grant Disbursement</b>
<b>Bay Rides</b>	\$10,000	160,680	\$90,340
<b>East Hants Community Rider</b>	\$10,000	77,100	\$48,550
<b>MusGo Musquodoboit</b>	\$10,000	320,000	\$170,000
<b>MusGo Valley-Sheet Harbour</b>	\$10,000	130,000	\$75,000
<b>Total</b>	<b>\$40,000</b>	<b>687,780</b>	<b>\$383,890</b>

Funding for this program is available within the approved 2023/24 Transit Operating Budget.

**RISK CONSIDERATION**

There are no significant risks associated with the recommendations in this report. The risks considered rate 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. Furthermore, 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 is posted on the Halifax Transit website. 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 Grants Committee could choose to recommend that Regional Council decline the grants for the Rural Transit Funding Program for the 2023/24 fiscal year.

**ATTACHMENTS**

No attachments.

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A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

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