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**Item No. 9.1.1**  
**Grants Committee Meeting**  
**June 26, 2024**

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

**FROM:** -Original Signed-  
Cathie O'Toole, Chief Administrative Officer

**DATE:** March 27, 2024

**SUBJECT:** Rural Transit Funding Program 2024/25

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**ORIGIN**

This is a staff-initiated recommendation report.

**EXECUTIVE SUMMARY**

This recommendation report proposes that the Grants Committee recommend Halifax Regional Council approve grants totalling up to \$500,000 under the Rural Transit Grants Administrative Order. These funds will support non-profit rural transit service providers, extending essential transportation services beyond Halifax Transit's coverage area.

**RECOMMENDATION**

It is recommended that the Grants Committee recommend that Regional Council approve grants, pursuant to the Rural Transit Grants Administrative Order, for the 2024/25 fiscal year, to a maximum of \$500,000, including the grants set forth in Table 2 of this report.

**BACKGROUND**

The Rural Transit Funding Program is a grants program through which non-profit rural transit service providers can apply for grants to subsidize the cost of operating their service in rural communities within the municipality. These service providers offer an efficient, cost-effective form of public transportation in communities outside of Halifax Transit's service area.

In the 2023/24 fiscal year, Halifax Regional Council approved funding through the Rural Transit Funding Program to four organizations:

- BayRides
- East Hants Community Rider

- MusGo Rider Eastern Shore
- MusGo Rider Valley-Sheet Harbour

No other non-profit community organizations have applied for grant funding for 2024/25.

The program is comprised of two funding sources, a lump sum payment and a per-vehicle kilometre flat rate. On June 4, 2024, Regional Council adopted amendments to Administrative Order 2014-012-ADM, *Respecting Grants for Rural Transit*, to allow for a one-time increase in the 2024/25 fiscal year to the lump sum funding available to applicants from \$5,000 and \$10,000 to \$6,381 and \$12,763 respectively, and an increase to the per vehicle kilometre rate funding from 50 cents to 64 cents<sup>1</sup>. Additionally, amendments were adopted to Administrative Order 2014-012-ADM, to account for inflation by increasing funding annually based on the five-year average for inflation. The updated funding for 2024/25 is outlined below:

1. An annual lump sum payment of either \$6,381 or \$12,763 depending on the level of service provided; disbursed following the annual grant approval process; and
2. A flat rate of up to \$0.64 per kilometre travelled while providing transit service (subject to annual budget availability, as per AO 2014-012-ADM, section 14), disbursed quarterly.

## **DISCUSSION**

### **2023/24 Grant Disbursements**

In the previous 2023/24 fiscal year, \$334,713 was disbursed to the four rural transit service providers noted above. This represents a total of approximately 20,000 passenger trips provided by all four rural transit service providers. Table 1, below, outlines the lump sum and per vehicle kilometre flat rate grant disbursements for the 2023/24 fiscal year.

**Table 1. 2023/24 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>	190,721	\$10,000	\$95,361	\$105,361
<b>East Hants Community Rider</b>	31,135	\$10,000	\$15,568	\$25,568
<b>MusGo Rider Eastern Shore</b>	281,968	\$10,000	\$140,984	\$150,984
<b>MusGo Rider Valley-Sheet Harbour</b>	85,601	\$10,000	\$42,801	\$52,801
<b>Total</b>	<b>589,425</b>	<b>\$40,000</b>	<b>\$294,714</b>	<b>\$334,714</b>

### **Projected 2024/25 Grant Disbursements**

As described in Table 2 below, total disbursements to the four rural transit service providers for the 2024/25 fiscal year are estimated at \$474,107. This estimate is based on the new lump sum payments of \$12,763 available to each of the four rural transit service providers and the projected in-service kilometres reported.

**Table 2. Projected 2024/25 Grant Disbursements**

<sup>1</sup> See [Halifax Regional Council, June 4, 2024 – Item No. 15.1.5](#)

Service Providers	Projected kms	Annual Lump Sum Payment	Per km Flat Rate (at \$0.64 per km)	Total Projected Grant Disbursement
Bay Rides	186,423	\$12,763	\$119,311	\$132,074
East Hants Community Rider	39,600	\$12,763	\$25,344	\$38,107.00
MusGo Rider Eastern Shore	300,000	\$12,763	\$192,000	\$204,763.00
MusGo Rider Valley-Sheet Harbour	135,000	\$12,763	\$86,400	\$99,163.00
<b>Total</b>	<b>661,023</b>	<b>\$51,052</b>	<b>\$423,055</b>	<b>\$474,107</b>

### **FINANCIAL IMPLICATIONS**

As described in Table 2, the four rural transit operators are anticipating kilometer payments for the 2024/25 fiscal year for a total of 661,023 in-service kilometers or \$423,055. In addition, as noted in Table 2, each of the four organizations is also eligible for \$12,763 in lump sum payment, for a projected grant total of \$474,107.

Funding for this program is available within the approved 2024/25 Transit Operating Budget. Funding will be disbursed from cost centre M701-8004.

### **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 various sources including provincial funding, and in some cases fundraising and donations.

The program has a low cost relative to the benefit received, providing service to rural areas that otherwise would not have transit service, 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. Regional Council approved the Rural Transit Funding Program criteria and formal reports are posted on the Halifax website.

### **ENVIRONMENTAL IMPLICATIONS**

No environmental implications were identified.

### **ALTERNATIVES**

The Grants Committee could refuse to recommend that Regional Council approve the Rural Transit Funding Program grants for the 2024/25 fiscal year.

### **LEGISLATIVE AUTHORITY**

Halifax Regional Municipality Charter, SNS 2008, c 39:

- 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.
- 69 (1)** The Municipality may provide a public transportation service by
- (a) the purchase of vehicles or vessels and operation of the service;
  - (b) providing financial assistance to a person who will undertake to provide the service; or
  - (c) a combination of these methods.
- (2)** The *Public Utilities Act* does not apply to a public transportation service within the Municipality that provides the service.
- 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.

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

**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.

*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.

### **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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