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Item No. Item 9.1.3
Grants Committee Meeting
June 18, 2025

TO: Chair and Members of Grants Committee

FROM: Brad Anguish, Commissioner of Operations

DATE: April 29, 2025

SUBJECT: 2025/26 Rural Transit Funding Program

ORIGIN

This is a staff-initiated recommendation report.

EXECUTIVE SUMMARY

This recommendation report proposes that the Grants Committee recommend that Halifax Regional Council approve grants totalling up to \$503,851 under Administrative Order 2014-012-ADM, *Respecting Grants for Rural Transit*.

On June 4, 2024, Regional Council adopted amendments to Administrative Order 2014-012-ADM, *Respecting Grants for Rural Transit*, to account for inflation by increasing funding annually based on the five-year average for inflation.

There were no new applicants to the program for 2025/26; however, four existing Rural Transit Funding Program participants are eligible to renew their funding partnership with the municipality in 2025/26.

Each of the four applicants are eligible to receive a one-time lump sum payment of \$13,230 in 2025/26. Additionally, each quarter, they would receive a flat rate payment of \$0.67 per kilometre for the kilometres travelled each quarter. Total disbursements to the four rural transit service providers for the 2025/26 fiscal year are estimated at \$503,851.

RECOMMENDATION

It is recommended that the Grants Committee recommend that Regional Council approve grants, pursuant to the Rural Transit Grants Administrative Order, for the 2025/26 fiscal year, to a maximum of \$503,851, 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.

In the 2024/25 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 2025/26.

The program is comprised of two funding sources, a lump sum payment and a per-vehicle kilometre flat rate. The amount of the annual lump sum payment is dependent on the level of service provided by the organization, which is outlined in section 6 of Administrative Order 2014-012-ADM, *Respecting Grants for Rural Transit*.

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 cents¹. 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 projected for 2025/26 is outlined below:

1. An annual lump sum payment of either \$6,620 or \$13,230 depending on the level of service provided; disbursed following the annual grant approval process; and
2. A flat rate of up to \$0.67 per kilometre travelled while providing transit service (subject to annual budget availability, as per AO 2014-012-ADM, section 14), disbursed quarterly.

DISCUSSION

2024/25 Grant Disbursements

In the 2024/25 fiscal year, \$452,696 was disbursed to the four rural transit service providers noted above. This represents a total of approximately 21,700 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 2024/25 fiscal year.

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

Table 1. 2024/25 Fiscal Year - Disbursements

Service Providers	Reported in-service kms	Annual Lump Sum Payment	Per km Flat Rate (at \$0.64 per km)	Total Grant Disbursement
Bay Rides	199,039	\$12,763	\$127,385	\$140,148
East Hants Community Rider	33,604	\$12,763	\$21,507	\$34,270
MusGo Rider Eastern Shore	275,530	\$12,763	\$176,339	\$189,102
MusGo Rider Valley-Sheet Harbour	119,396	\$12,763	\$76,413	\$89,176
Total	627,569	\$51,052	\$401,644	\$452,696

Projected 2025/26 Grant Disbursements

The lump sum payment amounts available to applicants in 2025/26 are \$6,620 or \$13,230, which is dependent on the level of service provided by the organization. All four of the service providers applying for funding provide service between 8.1 to 15.9 hours per day, 6 to 7 days per week, which meets the eligibility to receive the higher lump sum payment amount of \$13,230.

As described in Table 2 below, total disbursements to the four rural transit service providers for the 2025/26 fiscal year are estimated at \$503,851. This estimate is based on the new lump sum payments of \$13,230 available to each of the four rural transit service providers and the projected in-service kilometres reported by each of the service providers.

Table 2. Projected 2025/26 Grant Disbursements

Service Providers	Projected kms	Annual Lump Sum Payment	Per km Flat Rate (at \$0.67 per km)	Total Projected Grant Disbursement
Bay Rides	222,871	\$13,230	\$148,486	\$161,716
East Hants Community Rider	38,958	\$13,230	\$25,955	\$39,185
MusGo Rider Eastern Shore	300,000	\$13,230	\$199,872	\$213,102
MusGo Rider Valley-Sheet Harbour	115,000	\$13,230	\$76,618	\$89,848
Total	676,829	\$52,920	\$450,931	\$503,851

FINANCIAL IMPLICATIONS

As described in Table 2, the four rural transit operators are anticipating kilometer payments for the 2025/26 fiscal year for a total of 676,829 in-service kilometers or \$450,931. In addition, as noted in Table 2, each of the four organizations is also eligible for a \$13,230 lump sum payment, for a projected grant total of \$503,851.

Funding for this program is available within the approved 2025/26 Halifax Transit operating budget and has

been confirmed by Finance.

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 have 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

No community engagement was required.

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 2025/26 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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