



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

Item No. 9.1.2
Grants Committee
July 8, 2019

TO: Chair and Members of the Grants Committee
Original Signed

SUBMITTED BY: _____
Dave Reage, MCIP, LPP, Director, Halifax Transit
Original Signed

Jacques Dubé, Chief Administrative Officer

DATE: April 11, 2019

SUBJECT: **Rural Transit Funding Program 2019/2020**

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.

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 2019/20 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
 - e. Chebucto Community Transportation Service - \$5,000

- 2) Flat Rate Grant of \$0.50 per in-service kilometer up to a program maximum of \$400,000 to:
 - a. MusGo Rider Cooperative (Musquodoboit)
 - b. MusGo Rider Cooperative (Valley-Sheet Harbour)
 - c. BayRides
 - d. East Hants Community Service
 - e. Chebucto Community Transportation Service

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 Urban Transit Service Boundary.

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).

In fiscal year 2018/19, applications for grants were received from BayRides, MusGo Rider Cooperative (Musquodoboit Harbour), MusGo Rider Cooperative (Valley-Sheet Harbour) and East Hants Community Rider.

In June 2018, Regional Council approved grants at the recommended pro-rated value of \$0.43 per in service kilometre through the Rural Transit Funding Program, to a program total of \$185,000.00, 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*.

Budget Increase

Grants for in-service kilometers were distributed to the four service providers in the amount of \$0.43/km, in addition to the approved flat rate grants for Q1 to Q3 inclusive. 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 grants at the approved rate.

As a result, in March 2019 Halifax Regional Council directed staff to increase program funding by \$40,000. This allowed staff to pay out the anticipated Q4 mileage at the \$0.43 per kilometer rate.¹

DISCUSSION

2018/19 Rural Transit Funding Program Overview

During the 2018/19 fiscal year, approximately \$257,850 was paid out to the four agencies noted above. This represents approximately 18,590 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 – 2018/19 Fiscal Year

	In-service kms reported to Halifax Transit	Flat Grant²	Per km Grant (at \$0.43 per km)	Total Grant Payout
BayRides	173,235	\$5,000	\$74,491	\$79,491
MusGo Rider (Musquodoboit Harbour)	191,708	\$10,000	\$82,434	\$92,434
MusGo Rider (Valley-Sheet Harbour)	59,073	\$10,000	\$25,401	\$35,401
East Hants Community Rider	94,241	\$10,000	\$40,524	\$50,524
Total				\$257,850

2019/2020 Program Grant Requests

Halifax Transit received five grant requests for the 2019/20 Rural Transit Funding Program – four from agencies previously funded through this program, and one new application from the Chebucto Community Transportation Service. The following describes the new grant request.

Chebucto Community Transportation Service

The Chebucto Community Transportation Service (CTS) initiative began in response to the loss of the public transit services to 13 communities located around the Chebucto loop. Once in operation, the Chebucto CTS will be owned and managed by the Spryfield Business Commission in partnership with a service provider.

The new Chebucto CTS service will be developed in two phases:

- a. Fixed route service (year 1)
- b. On demand service (year 2)

The Chebucto CTS service anticipates operating 85,800 kms in Halifax in the 2019/20 fiscal year, beginning service in September 2019. Based on anticipated service days/hours, CTS is also qualified for a \$5,000 flat rate grant as per, section 6(b) of the *Rural Transit Grants Administrative Order*³.

¹ Halifax Regional Council Action Summary, March 26, 2019

² Administered as per section 6, 2014-012-ADM.

³ As per their business plan, CTS will operate a total of six hours per day, three times a week for a total of 18 hours per week).

Halifax Transit staff have reviewed the Chebucto CTS Rural Transit Funding Program application and have found it to be compliant with the evaluation criteria established in Section 23 of the *Rural Transit Grants Administrative Order*. These criteria and a description of the Chebucto CTS application are summarized in Table 2 below.

Table 2: Chebucto CTS Application Evaluation

Evaluation Criteria	Chebucto CTS Application	Criteria met?
a) Completeness of application	Application was complete upon submission.	Yes
b) Appropriateness of Business and Governance Model	<p>Chebucto CTS is a fixed-route service which operates a total of six hours per day, three times a week (Monday, Wednesday and Friday) for a total of 18 hours per week.</p> <p>Chebucto CTS is governed by the Spryfield Business Commission in partnership with a service provider.</p>	Yes
c) Appropriateness of Market Assessment	<p>Chebucto CTS will provide fixed-route service to HRM residents, including seniors, persons with disabilities, those who are economically disadvantaged and those with limited access to transportation.</p> <p>Chebucto CTS will enable residents to travel to a variety of destinations including work, medical appointments, grocery store, social events, and to connect to Halifax Transit services.</p> <p>Chebucto CTS service area loops from Spryfield, Harrietsfield, Williamswood, Sambro, Ketch Harbour, to Herring Cove.</p> <p>The market assessment states that there are no competing services in the area.</p>	Yes
d) Appropriateness of Financial Assessment	Ridership projections and anticipated grant for future years appear reasonable.	Yes
e) Use of Community Resources	Chebucto CTS has a community partner/volunteer board that will oversee operations.	Yes
f) Any other matter staff considers relevant	<p>Since the proposed Chebucto CTS is a fixed-route service, they are not eligible for provincial CTAP funding⁴</p> <p>Chebucto CTS is governed by the Spryfield Business Commission and will be providing its transit service via a service provider (i.e. operation of the service will be undertaken by a contractor).</p>	No

⁴ <https://novascotia.ca/dma/funding/community/community-transportation-assistance-program.asp>

FINANCIAL IMPLICATIONS

Table 3 below summarizes the grant projections for 2019/20, based on anticipated kilometres reported to Halifax Transit by each of the service providers.

Table 3: Projected Grant Distribution for the 2019/20 fiscal year

	Projected Kms	Lump Sum Grant	Per km Grant (at \$0.50 per km)	Total Anticipated Grant Payout
BayRides	255,000	\$5,000	\$127,500	\$132,500
MusGo Rider Musquodoboit	200,000	\$10,000	\$100,000	\$110,000
MusGo Rider Valley-Sheet Harbour	98,000	\$10,000	\$49,000	\$59,000
East Hants Community Rider	138,077	\$10,000	\$69,038	\$79,038
Chebucto CTS	85,800	\$5,000	\$42,900	\$47,900
Total	776,877	\$40,000	\$388,438	\$428,438

As described in Table 3 above, the five rural transit operators are anticipating kilometer payments for 2019/20 fiscal year for a total of 776,877 kms or \$388,438 plus lump sum grants of \$40,000 for a projected grant total of \$428,438 for 2019/20. In 2020, Chebucto CTS plans to expand its service to include on-demand trips. Estimates of planned in-service kilometers for the 2020/21 Rural Transit Funding Program will be received from each of the service providers in 2020 and will be evaluated by staff and provided for Council's consideration, within the approved-in-principal 2020/21 program budget of \$520,000, at that time.

Projected Grant Allocation

A total of \$440,000 is available in cost centre R953-TDM Programs account 8004 (grants) for disbursal through the Rural Transit Funding Program. Based on projections provided by the Rural Transit providers, the 2019/20 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. 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 advise against funding the Rural Transit Funding Program for the 2019/20 fiscal year.

ATTACHMENT

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.

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