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Item No. 9.1.2
Grants Committee
June 13, 2022

TO: Chair and Members of Grants Committee

SUBMITTED BY:



Jacques Dubé, Chief Administrative Officer

DATE: April 20, 2022

SUBJECT: 2022/23 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

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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 grants pursuant to the Rural Transit Grants Administrative Order, for the 2022/23 fiscal year, to a maximum of \$470,000, including the grants 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 2021/22 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

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

2021/22 Rural Transit Funding Program Overview

During the 2021/22 fiscal year, \$273,888.50 was paid out to the four agencies noted above. Due to the pandemic health restrictions, ridership declined substantially in 2021/22, but the numbers are expected to partly rebound in 2022/23.

This represents approximately 14,000 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 – 2021/22 Fiscal Year

Organization	In-service kms reported to Halifax Transit	Flat Grant	Per km Grant (at \$0.50 per km)	Total Grant Payout
BayRides	110,682	\$10,000	\$55,341.00	\$65,341.00
East Hants Community Transit	33,375	\$10,000	\$16,687.50	\$26,687.50
MusGo Musquodoboit	231,044	\$10,000	\$115,522.00	\$125,522.00
MusGo Valley-Sheet Harbour	92,676	\$10,000	\$46,338.00	\$56,338.00
Total	467,777	\$40,000	\$233,888.50	\$273,888.50

Projected Grant Allocation

A total of \$470,000 is available in cost centre M701-8004 for disbursement through the 2022/23 Rural Transit Funding Program. Based on projections provided by the Rural Transit providers, the 2022/23 Rural Transit Funding Program budget does not anticipate a budget shortfall; in fact, a budget surplus of approximately \$116,942 is expected. This will allow for potential service expansion, including a planned fixed route line from MusGo Rider.

FINANCIAL IMPLICATIONS

As described in Table 2 below, the four rural transit operators are anticipating kilometer payments for 2022/23 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, for a projected grant total of \$353,058 for 2022/23.

Table 2. Projected Grant Distribution for the 2022/23 fiscal year

2022/23 Projections at \$0.50 per km			
	Lump Sum	Projected Kms	Total projected funding
BayRides	\$10,000.00	193,000	\$106,500.00
East Hants Community Rider	\$10,000.00	58,116	\$39,058.00
MusGo Musquodoboit	\$10,000.00	260,000	\$140,000.00
MusGo Valley-Sheet Harbour	\$10,000.00	115,000	\$67,500.00
Total Projected Funding	\$40,000.00	626,116	\$353,058.00

Budget Summary:	Cost Centre M701 – Fiscal Transit	
	GL 8004 – Grants, Available	\$470,000
	Less: RFTP Projected Grant Distribution	\$353,058
	Balance	\$116,942

Any funding surplus can potentially be used will be used to cover additional kms above the projections provided by the agencies.

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 Grants Committee could choose to recommend that Regional Council decline the grants for the Rural Transit Funding Program for the 2022/23 fiscal year

ATTACHMENTS

No attachments.

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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