



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

Item No. 15.1.5
Halifax Regional Council
June 4, 2024

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

Cathie O'Toole, Chief Administrative Officer

DATE: May 7, 2024

SUBJECT: Rural Transit Funding Program - Amending AO1 2014-012-ADM

ORIGIN

February 6, 2024, Halifax Regional Council motion (Item No.15.1.4 Rural Transit Funding Program Update):

The following was before Regional Council:

- Staff report dated January 10, 2024
- Correspondence from Meghan Maher

MOVED by Councillor Hendsbee, seconded by Deputy Mayor Deagle Gammon

THAT Halifax Regional Council:

1. Suspend the rules of procedure under Schedule 2, the Audit and Finance Standing Committee Terms of Reference, and under Schedule 7, the Transportation Standing Committee Terms of Reference, of Administrative Order One, the Procedures of the Council Administrative Order;
2. Direct staff to amend Administrative Order 2014-012-ADM, the Rural Transit Grants Administrative Order, 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 (Option B) and an increase to per vehicle kilometre rate funding from 50 cents to 64 cents (Option 4).
3. Direct staff to amend Administrative Order 2014-012-ADM, to account for inflation by increasing funding annually based on the five-year average for inflation.

MOTION PUT AND PASSED UNANIMOUSLY

LEGISLATIVE AUTHORITY

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

RECOMMENDATIONS ON PAGE 2 & 3

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.

Administrative Order One, the Procedures of the Council Administrative Order:

4 (2) Notwithstanding subsection (1), any one or more of the rules of procedures contained herein except for sections 5 and 41 and subsections 12(5) and 59(3) may be suspended by Council, Committee of the Whole, Community Council or a Standing Committee by the affirmative vote of two-thirds 2/3^{ds} of the Members present and voting.

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.

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Adopt the 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, as set out in Attachment 2.

2. Adopt the amendments to Administrative Order 2014-012-ADM to account for inflation by increasing funding annually based on the five-year average for inflation, as set out in Attachment 2.

BACKGROUND

On February 6, 2024, Regional Council directed staff to amend 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 per vehicle kilometre rate funding from 50 cents to 64 cents. Additionally, staff were also directed to amend Administrative Order 2014-012-ADM, to account for inflation by increasing funding annually based on the five-year average for inflation.

DISCUSSION

On February 6, 2024, Regional Council was presented with several options to increase funding to the Rural Transit Funding Program, which are outlined in Attachment 3, the *Rural Transit Funding Program Update Recommendation Report*. Option B was approved for the lump sum payment increase and Option 4 was approved for the per-vehicle kilometre rate increase. Approved amendments to the funding formula are outlined below.

Increase to Lump Sum Payouts

Option B: If the annual adjustment for inflation was based on all years since 2014 when the program was implemented, the annual average inflation is 2.48% and the net impact to current operational budgets would be:

Current payout	Proposed payout (2.48% increase)	Difference
\$10,000	\$12,763	\$2,763
\$5,000	\$6,381	\$1,381

There are currently four rural transit service providers eligible for the \$10,000 lump sum payment, therefore in 2024/25, this would increase costs to the lump sum payment by \$11,052.

Increase to Vehicle per Kilometre Rate

Option 4: If the 2.48% yearly average inflation rate was used (based on the average inflation for when the program was implemented) but applied retroactively to be a catchup, the new rate would be \$0.64/vehicle kilometre and impact the operating budget as follows:

Projected KMs 2024/25	Current - \$0.50/KM	2024/25 - \$0.64/KM	Difference
661,023 KM	\$330,512	\$423,054	\$92,543

Administrative Order Amendments

Attachment 1 to this report outlines revisions to Administrative Order 2014-012-ADM, *Respecting Grants for Rural Transit* that would result in receiving Regional Council’s approval of the recommendation.

FINANCIAL IMPLICATIONS

The total estimated additional costs for the program for the 2024/25 fiscal year would be up to \$103,595,

based on the projected kilometres received from the service providers for 2024/25. There was an increase of \$30,000 requested by Halifax Transit as part of the approved 2024/25 operating budget process, so the net change would be a maximum increase of \$73,595 depending on the number of kilometres operated by the service providers. This can be accommodated in the approved Halifax Transit operating budget for 2024/25 Fiscal.

Any annual adjustments to future operational budgets would be accounted for during the annual budgeting process.

The first payments using the updated values for a lump sum and per vehicle kilometre rates would be paid out following receipt of the first quarter kilometre submissions by the rural transit agencies, which are due by June 15, 2024.

RISK CONSIDERATION

A risk assessment was completed. When evaluated, there were no risks identified to proceed with the recommendation to amend Administrative Order 2014-012 ADM to increase funding as described in this report.

COMMUNITY ENGAGEMENT

No community engagement was required.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

ALTERNATIVES

Regional Council could refuse to adopt the recommendation.

ATTACHMENTS

Attachment 1: Administrative Order 2014-012-ADM *Respecting Grants for Rural Transit*

Attachment 2: Amending AO 2014-012-ADM *Respecting Grants for Rural Transit*

Attachment 3: *Rural Transit Funding Program Update Recommendation Report*, presented to Regional Council, February 6, 2024.

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: Anthony Grace / Program Coordinator / Halifax Transit, 782.640.4676

ADMINISTRATIVE ORDER NUMBER 2014-012-ADM
RESPECTING GRANTS FOR RURAL TRANSIT

Grants Available

5. Commencing in fiscal year 2024-2025, Grants shall consist of the following:
- (a) an annual lump sum payment of between ~~\$5,000~~ \$6,381 and ~~\$10,000~~ \$12,736; and
 - (b) a flat rate payment of ~~\$0.50 (fifty cents)~~ \$0.64 (sixty-four cents) per vehicle kilometre logged while providing community-based transit service within the Municipality.
6. Commencing fiscal year 2024-2025, The amount of the annual lump sum payment under section 5 will be determined based on the level of service provided by the organization:
- (a) Where the organization provides service more than 16 hours per day, at least one day per week, the annual lump sum payment is ~~\$10,000~~ \$12,736;
 - (b) Where the organization provides service 8.1 to 15.9 hours per day, 6 to 7 days per week, the annual lump sum payment is ~~\$10,000~~ \$12,736;
 - (c) Where the organization provides service 8.1 to 15.9 hours per day, 1 to 5 days per week, the annual lump sum payment is ~~\$5,000~~ \$6,381; and
 - (d) Where the organization provides service 1.0 to 8.0 hours per day, at least one day per week, the annual lump sum payment is ~~\$5,000~~ \$6,381.

6A. (1) In this section,

(a) “Change in TCPI for year” means the total percentage change in the TCPI for the given calendar year, calculated by subtracting the TCPI reported on January 1 of the given calendar year from the TCPI reported on December 31 of that same year, and may be expressed as follows;

$(\text{December 31 TCPI for the given calendar year}) - (\text{January 1 TCPI for the given calendar year}) = \text{Change in TCPI for the given calendar year}$

(b) “five-year average change” means the average change in percentage of the TCPI over the five calendar years immediately prior to the given calendar year, calculated by:

i) adding together the changes in percentage of the TCPI for each of the five immediately prior calendar years, and

ii) dividing that sum by five;

Administrative Order Number 2014-012-ADM
Respecting Grants for Rural Transit

and may be expressed as follows, where “X” is equal to the current calendar year:

$$\frac{(\text{change in TCPI for year } (X - 5)) + (\text{change in TCPI for year } (X - 4)) + (\text{change in TCPI for year } (X - 3)) + (\text{change in TCPI for year } (X - 2)) + (\text{change in TCPI for year } (X - 1))}{5} = \text{Five Year Average Change}$$

(c) “Total Consumer Price Index” (“TCPI”) means the Total Consumer Price Index inflation percentage as reported by the Bank of Canada for a period of 12 months;

(2) Subject to subsections (3) and (4), beginning on April 1, 2025, and on each April 1 thereafter,

(a) the annual lump sum payment, and the flat rate payment under sections 5 and 6 shall be automatically increased by the five-year average change to the TCPI for the period of time from January 1st to December 31st of the preceding five calendar years, rounded up to the nearest \$10; and

(b) sections 5 and 6 listing the annual lump sum payment and the flat rate payment which have been increased under clause 6A(2)(a) shall be automatically amended to those increased payment amounts.

(3) If there is no increase in the five-year average change to the Total Consumer Price Index as reported by the Bank of Canada, there shall be no change in the annual lump sum payment or the flat rate payment under sections 5 and 6.

(4) If there is a decrease in the five-year average change to the Total Consumer Price Index as reported by the Bank of Canada, there shall be no change in the annual lump sum payment or the flat rate payment under sections 5 and 6.

(5) From time to time, the Chief Administrative Officer, or designate, shall post a revised version of this Administrative Order incorporating the annual lump sum payment and the flat rate payment that were increased under subsection 6A(1).

(6) In accordance with subsection 79C(1) of the *Halifax Regional Municipality Charter*, 2008, C. 39, as amended, the Municipality will disclose to the public the recipients of all grants, including the amount of a grant under this Administrative Order.

8. The annual lump sum payment shall be made following the annual grant approval process.

15. (1) Where the program budget is insufficient to provide both the lump sum amount payment and the per kilometre flat rate payment per vehicle kilometre, the lump sum payments shall be paid in full, and the per kilometre flat rate payment will be distributed as a pro-rated per cent for each organization.

HALIFAX REGIONAL MUNICIPALITY
AMENDMENTS TO ADMINISTRATIVE ORDER 2014-012-ADM
RESPECTING GRANTS FOR RURAL TRANSIT

BE IT RESOLVED as an Administrative Order by the Council of the Halifax Regional Municipality that Administrative Order 2014-012-ADM, the *Rural Transit Grants Administrative Order*, is amended, as follows:

1. Section 5 is amended by:

- (a) de-capitalizing the word “Grants” at the beginning of the section;
- (b) adding the word, numbers, and commas “Commencing in fiscal year 2024-2025,” at the beginning of the section;
- (c) striking out the dollar sign, comma, and numbers “\$5,000” after the word “between” and before the word “and” in clause (a);
- (d) adding the dollar sign and numbers “\$6,381” after the word “between” and before the word “and” in clause (a);
- (e) striking out the dollar sign, comma, and numbers “\$10,000” after the word “and” and before the semi-colon in clause (a);
- (f) adding the dollar sign and numbers “\$12,736” after the word “and” and before the semi-colon in clause (a);
- (g) adding the word “payment” after the word “rate” and before the word “of” in clause (b);
- (h) striking out the dollar sign, period, numbers, and words “\$0.50 (fifty cents)” after the word “of” and before the word “per” in clause (b); and
- (i) adding the dollar sign, comma, numbers, and words “\$0.64 (sixty-four cents)” after the word “of” and before the word “per” in clause (b).

2. Section 6 is amended by:

- (a) de-capitalizing the word “The” at the beginning of the section;
- (b) adding the word, numbers, and commas “Commencing fiscal year 2024-2025,” at the beginning of the section;
- (c) adding the word “annual” after the words “of the” and before the word “lump;” and
- (d) adding the words and number “under section 5” after the word “payment” and before the word “will”.

3. Clauses 6(a), 6(b), 6(c) and 6(d) are amended by:

(a) adding the word “annual” after the word “the” and before the word “lump” in all four clauses; and

(b) adding the word “payment” after the word “sum” and before the word “is” in all four clauses.

4. Clauses 6(a) and 6(b) are further amended by:

(a) striking out the dollar sign, comma, and numbers “\$10,000” after the word “is” and before the semi-colon in both clauses; and

(b) adding the dollar sign, numbers, and comma “\$12,736” after the word “is” and before the semi-colon in both clauses.

5. Clauses 6(c) and 6(d) are further amended by:

(a) striking out the dollar sign, comma, and numbers “\$5,000” after the word “is” and before the semi-colon in both clauses; and

(b) adding the dollar sign, comma, and numbers “\$6,381” after the word “is” and before the semi-colon in both clauses.

6. The following new section is added after section 6 and before section 7, as follows:

6A (1) In this section,

(a) “Change in TCPI for year” means the total percentage change in the TCPI for the given calendar year, calculated by subtracting the TCPI reported on January 1 of the given calendar year from the TCPI reported on December 31 of that same year, and may be expressed as follows;

$$(\text{December 31 TCPI for the given calendar year}) - (\text{January 1 TCPI for the given calendar year}) = \text{Change in TCPI for the given calendar year}$$

(b) “five-year average change” means the average change in percentage of the TCPI over the five calendar years immediately prior to the given calendar year, calculated by:

i) adding together the changes in percentage of the TCPI for each of the five immediately prior calendar years, and

ii) dividing that sum by five;

and may be expressed as follows, where “X” is equal to the current calendar year:

(c) “Total Consumer Price Index” (“TCPI”) means the Total Consumer Price Index inflation percentage as reported by the Bank of Canada for a period of 12 months;

(2) Subject to subsections (3) and (4), beginning on April 1, 2025, and on each April 1 thereafter,

(a) the annual lump sum payment, and the flat rate payment under sections 5 and 6 shall be automatically increased by the five-year average change to the TCPI for the period of time from January 1st to December 31st of the preceding five calendar years, rounded up to the nearest \$10; and

(b) sections 5 and 6 listing the annual lump sum payment and the flat rate payment which have been increased under clause 6A(2)(a) shall be automatically amended to those increased payment amounts.

(3) If there is no increase in the five-year average change to the Total Consumer Price Index as reported by the Bank of Canada, there shall be no change in the annual lump sum payment or the flat rate payment under sections 5 and 6.

(4) If there is a decrease in the five-year average change to the Total Consumer Price Index as reported by the Bank of Canada, there shall be no change in the annual lump sum payment or the flat rate payment under sections 5 and 6.

(5) From time to time, the Chief Administrative Officer, or designate, shall post a revised version of this Administrative Order incorporating the annual lump sum payment and the flat rate payment that were increased under subsection 6A(1).

(6) In accordance with subsection 79C(1) of the *Halifax Regional Municipality Charter*, 2008, C. 39, as amended, the Municipality will disclose to the public the recipients of all grants, including the amount of a grant under this Administrative Order.

7. Section 8 is amended by adding the word “annual” after the word “The” and before the word “lump”.

8. Subsection 15(1) is amended by:

(a) adding the word “payment” after the word “amount” and before the word “and”;

(b) striking out the word “amount” after the word “sum” and before the newly added word “payment”;

(c) striking out the words “per kilometre” after the words “and the” and before the words “flat rate” in both instances in the subsection;

(d) adding the words “payment per vehicle kilometre” after the word “rate” and before the comma and word “, the”; and

(e) adding the word “payment” after the word “rate” and before the word “will”.

Done and passed in Council this ____ day of _____, 202__.

MAYOR

MUNICIPAL CLERK



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

Item No. 15.1.4
Halifax Regional Council
February 6, 2024

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

Cathie O'Toole, Chief Administrative Officer

DATE: January 10, 2024

SUBJECT: Rural Transit Funding Program Update

ORIGIN

December 12, 2023 Regional Council motion (Item No 18.2):

MOVED by Councillor Cuttell, seconded by Councillor Lovelace

THAT Halifax Regional Council direct the Chief Administrative Officer to provide a staff report outlining options for consideration during the 2024-25 annual budget process regarding amending Administrative Order 2014-012 ADM, the Rural Transit Grants Administrative Order to increase the flat rate per vehicle kilometre and/or the annual lump sum available to grant recipients.

MOTION PUT AND PASSED

LEGISLATIVE AUTHORITY

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.

Administrative Order One, *the Procedures of the Council Administrative Order:*

4 (2) Notwithstanding subsection (1), any one or more of the rules of procedures contained herein except for sections 5 and 41 and subsections 12(5) and 59(3) may be suspended by Council, Committee of the

Recommendation on page 2

Whole, Community Council or a Standing Committee by the affirmative vote of two-thirds 2/3rds of the Members present and voting.

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.
- 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.

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Suspend the rules of procedure under Schedule 2, the Audit and Finance Standing Committee Terms of Reference, and under Schedule 7, the Transportation Standing Committee Terms of Reference, of Administrative Order One, the Procedures of the Council Administrative Order;
2. Direct staff to amend Administrative Order 2014-012-ADM, the Rural Transit Grants Administrative Order, 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 \$12,736 respectively (Option B) and an increase to per vehicle kilometre rate funding from 50 cents to 64 cents (Option 4).
3. Direct staff to amend Administrative Order 2014-012-ADM, to account for inflation by increasing funding annually based on the five-year average for inflation.

BACKGROUND

On August 5, 2014, Regional Council adopted the Rural Transit Funding Program, a grants program through which rural transit agencies operating as a non-profit society or cooperative can apply for funding to subsidize the cost of operating their service in Halifax Regional Municipality. The objective of the program is to provide an efficient, cost-effective form of transportation for residents living outside of Halifax Transit's service area.

Four agencies currently receive grants under the Rural Transit Funding Program:

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

Grants distributed through the Rural Transit Funding Program are dispersed in two ways:

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 kilometre travelled while providing transit service (subject to annual budget availability, as per AO 2014-012-ADM, section 14).

Lump sum payments are disbursed each year following the annual grant approval process, and flat rate per kilometre grant payments are made following the submission of quarterly reports by rural transit service providers. Grants are not automatically renewed each year; if an organization in the program intends to apply for a grant in the following fiscal year, projected ridership and in-service vehicle kilometres for the following fiscal year must be provided as part of its third quarter financial report submission.

When factoring current operational costs and inflation numbers, it is recommended that the funding calculations and methodology for the program be adjusted to reflect current and future operating costs for the program's service providers. This report outlines a recommended approach for increasing funding for the program and alternatives to consider to address increased operational costs for rural transit agencies.

DISCUSSION

Since the inception of the Rural Transit Funding Program in 2014, there have been no amendments to the lump sum payouts of \$5,000 and \$10,000, nor to the per vehicle kilometre rate. Fuel prices have fluctuated considerably since 2014 and the average fuel price in 2023 was \$1.62, 23% higher than the average cost in 2014 of \$1.31. Other notable cost increases include wages, vehicle purchases, repairs and maintenance.

To date, there have been no formal submissions from the program's rural transit agencies for increased funding; however, on November 23, 2023, BayRides, a rural transit agency operating in the St. Margaret's Bay area, attended the Transportation Standing Committee to share challenges their organization is experiencing. This presentation was informed through BayRides' engagement with the three other rural transit agencies and expresses a collective voice of concern with respect to the growing challenges of operating a rural transit service within the current funding model. Collectively, the request from the rural transit agencies was to increase the per vehicle kilometre rate from \$0.50/vehicle kilometre to \$0.62/vehicle kilometre, a 13% increase, and to increase to the lump sum payment from \$10,000 to \$25,000. BayRides indicated that at the end of the current year, they will be operating at a deficit.

Options explored for adjusting funding included adjusting annually by applying a five-year average for inflation, and adjusting based on all years since the program was implemented in 2014. The below includes details on estimated potential funding increases:

Increase to Lump Sum Payouts

Option A: Based on a five-year average of inflation percentages, the yearly average inflation percentage is 3.30%. If this rate was applied retroactively to the yearly amounts (back to 2014 with the inception of the program), the lump sum payouts would be approximately \$6,918 and \$13,836. The net impact to current operational budgets would be:

Current payout	Proposed payout (3.3% increase)	Difference
\$10,000	\$13,836	\$3,836
\$5,000	\$6,918	\$1,918

Based on current levels of service provided by rural transit agencies, this would present a yearly increase in operating costs of \$15,344 on the current program plus an increase of an annual adjustment for inflation using the five-year inflation average.

Option B: If the annual adjustment for inflation was based on all years since 2014, when the program was implemented, the annual average inflation is 2.48% and the net impact to current operational budgets would be:

Current payout	Proposed payout (2.48% increase)	Difference
\$10,000	\$12,763	\$2,763
\$5,000	\$6,381	\$1,240

This would increase costs over the current program by \$11,052.

Option C: If the \$10,000 lump sum payments were adjusted to \$25,000, in line with the request from BayRides, the annual impact based on the current program participants would be \$60,000. This option would significantly outpace inflationary pressures.

Current payout	Proposed payout	Difference
\$10,000	\$25,000	\$15,000
\$5,000	\$5,000	\$5,000

Increase to Vehicle per Kilometre Rate

The current rate paid out per kilometre reported by rural transit agencies is \$0.50/vehicle kilometre. As part of the evaluation process, all rural providers were asked to provide total fuel costs, total maintenance costs and total kilometres driven for the past five years. These costs were then applied over the kilometres driven to get the following averages:

	2018/19	2019/20	2020/21	2021/22	2022/23
Fuel Costs/KM	\$0.12	\$0.10	\$0.08	\$0.10	\$0.13
Maintenance costs/KM	\$0.07	\$0.06	\$0.09	\$0.08	\$0.06
Total Costs/KM	\$0.19	\$0.16	\$0.17	\$0.19	\$0.20

Although fuel and maintenance costs are one indication of the types of increases and fluctuations that have occurred; it is expected that wages and other operating costs have increased as well.

Option 1: Since 2018/19, total costs per kilometre have risen approximately 5%, with significant fluctuation over the past five years. With this option, the rate was to be adjusted annually by the five-year average for inflation but that this adjustment is not retroactive (first increase in Fiscal 2024/25). This would increase the proposed rate to \$0.517/vehicle kilometre. This would have the following effect on the current operating budget for the program:

Projected KMs 2023/24	Current - \$0.50/KM	Proposed \$0.517/KM (3.30% increase)	Difference
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687,780 KM	\$343,890	\$355,582	\$11,692
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This proposed adjustment would increase costs for this program by approximately \$11,692 per year with adjustments made annually by applying the five-year inflation rate.

Option 2: If a 2.48% yearly average inflation (based on the average inflation for when the program was implemented) is used instead (not retroactive), the new rate would be \$0.512/vehicle kilometre and impact the operating budget as follows:

Projected KMs 2023/24	Current - \$0.50/KM	Proposed \$0.512/KM (2.48% increase)	Difference
687,780 KM	\$343,890	\$352,143	\$8,253

Option 3: The BayRides proposal that was presented requested an increase to \$0.62/vehicle kilometre. The impact of this change to the operating budget would be an increase of \$82,534.

Projected KMs 2023/24	Current - \$0.50/KM	Proposed \$0.62/KM (BayRides Proposal)	Difference
687,780 KM	\$343,890	\$426,424	\$82,534

Option 4: If the 2.48% yearly average inflation rate was used (based on the average inflation for when the program was implemented) but applied retroactively to be a catchup, the new rate would be \$0.64/vehicle kilometre and impact the operating budget as follows:

Projected KMs 2023/24	Current - \$0.50/KM	Proposed \$0.638/KM (2.48% applied retro)	Difference
687,780 KM	\$343,890	\$438,897	\$95,007

FINANCIAL IMPLICATIONS

Based on the options provided, the total estimated additional costs for these preliminary changes to the program would range from \$19,305 to \$155,007 with annual increases to adjust for inflation. The recommended options of Option B (\$11,052) and Option 4 (\$95,007) would cost approximately \$106,059. This can be accommodated in the proposed Halifax Transit operating budget for 2024/25 Fiscal. Overall impact could slightly change based on the average kilometres forecasted by rural transit agencies.

Any annual adjustments to funding the operational budget would be accounted for during the annual budgeting process.

The first payments using the updated values for lump sum and per vehicle kilometre rates would be paid out in July or August 2024 (fiscal year 2024/25), following the first quarter kilometre submissions by the rural transit agencies.

RISK CONSIDERATION

A risk assessment was completed. When evaluated, there were no risks identified to proceed with the recommendation to amend Administrative Order 2014-012 ADM to increase funding as described in this report.

COMMUNITY ENGAGEMENT

Engagement with the four rural transit agencies was conducted to gain insight into the increase in operational costs. Findings from engagement suggest that the biggest cost increases for rural transit agencies were attributed to wages, fuel, insurance, and maintenance costs.

Rural transit agencies expressed that municipal and provincial funding have generally remained static over the years. Municipal funding has not increased since the Rural Transit Funding Program was approved in 2014 and provincial funding was last increased five years ago. In addition to municipal and provincial funding, rural transit agencies are also accessing limited funding from fundraising and donation campaigns. Many of these funding sources are for project-based initiatives and do not provide ongoing support for operational costs.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

ALTERNATIVES

Regional Council could choose to:

1. Direct staff to maintain the existing lump sum payment and/or the per vehicle kilometre rate, as currently outlined in Administrative Order 2014-012-ADM.
2. Direct staff to amend Administrative Order 2014-012-ADM to base the average inflation on all years since 2014, when the program was implemented.
3. Direct staff to amend Administrative Order 2014-012-ADM to include specific incremental increases to the lump sum payouts and/or per vehicle kilometre rate.

ATTACHMENTS

Attachment 1: Administrative Order 2014-012-ADM Respecting Grants for Rural Transit

Attachment 2: BayRides Presentation handout to Transportation Standing Committee Nov 23, 2023

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: Patricia Hughes, Director, Planning and Customer Engagement, Halifax Transit,
902.490.6287

**ADMINISTRATIVE ORDER NUMBER 2014-012-ADM
RESPECTING GRANTS FOR RURAL TRANSIT**

WHEREAS the Halifax Regional Municipality wishes to provide grants to community organizations that provide community-based transit services in rural communities within the Halifax Regional Municipality to subsidize the cost of regular operation and maintenance of vehicles;

BE IT RESOLVED AS AN ADMINISTRATIVE ORDER of the Council of the Halifax Regional Municipality under the authority of the *Halifax Regional Municipality Charter*, as follows:

Short Title

1. This Administrative Order may be known as the *Rural Transit Grants Administrative Order*.

Interpretation

2. In this Administrative Order,

(a) “applicant” means an organization applying for a rural transit grant in accordance with this Administrative Order;

(ab) “Committee” means the Grants Committee or such other committee designated by Council;

(b) “Council” means the Council of the Municipality;

(c) “Halifax Transit” means the municipal department that provides public transit services in the Municipality;

(d) “Municipality” means the Halifax Regional Municipality;

(da) “not-profit co-operative” includes a non-profit co-operative incorporated under the Nova Scotia Co-operative Associations Act;

(db) “non-profit society” includes a non-profit society incorporated under the Nova Scotia Societies Act;

(e) “organization” means a non-profit co-operative, non-profit society, or a registered Canadian charitable organization; and,

(f) “registered Canadian charitable organization” means a charitable organization registered pursuant to the Income Tax Act (Canada) and the regulations made pursuant to that Act.

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Purpose

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.

Grants Available

4. There is hereby established a grant program for community-based transit services in rural communities in the Municipality.

5. Grants shall consist of the following:

(a) an annual lump sum payment of between \$5,000 and \$10,000; and

(b) a flat rate of \$0.50 (fifty cents) per vehicle kilometre logged while providing community-based transit service within the Municipality.

6. The amount of the lump sum payment will be determined based on the level of service provided by the organization:

(a) Where the organization provides service more than 16 hours per day, at least one day per week, the lump sum is \$10,000;

(b) Where the organization provides service 8.1 to 15.9 hours per day, 6 to 7 days per week, the lump sum is \$10,000;

(c) Where the organization provides service 8.1 to 15.9 hours per day, 1 to 5 days per week, the lump sum is \$5,000; and

(d) Where the organization provides service 1.0 to 8.0 hours per day, at least one day per week, the lump sum is \$5,000.

7. The number of hours the service is provided is based on either the actual number of hours the service is provided, or the number of hours the service is potentially available if the service is demand responsive.

8. The lump sum payment shall be made following the annual grant approval process.

9. The total amount of the flat rate payment will be based on the number of in-service vehicle kilometres travelled in each quarter of the municipal fiscal year, as reported to the Municipality in accordance with the following deadlines:

(a) First quarter (April 1 to June 30) shall be reported by July 15;

(b) Second quarter (July 1 to September 30) shall be reported by October 15;

(c) Third quarter (October 1 to December 31) shall be reported by January 15; and

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- (d) Fourth quarter (January 1 to March 31) shall be reported by April 15.
10. Quarterly reports shall include a statement of operations and a statement of financial position.
11. The flat rate payments shall be made following the submission of each complete quarterly report.
12. At the end of each fiscal year, the organization shall provide the Municipality with a copy of the previous year's audited or reviewed financial statements, including a statement of operations, a statement of financial position, and a statement of cash flows.
13. If the organization receiving a grant intends to apply for a grant for the following fiscal year it shall include in its third quarter report projected ridership and projected in-service vehicle kilometres for the upcoming fiscal year.
14. All grants are subject to annual budget availability.
15. (1) Where the program budget is insufficient to provide both the lump sum amount and the per kilometre flat rate, the lump sum payments shall be paid in full, and the per kilometre flat rate will be distributed as a pro-rated per cent for each organization.
- (2) Where the program budget is insufficient to provide even the lump sum amount, the total amount of funding will be distributed as a pro-rated per cent to each organization.
16. (1) The Municipality shall not provide grants to more than one applicant operating in the same service area.
- (2) Notwithstanding subsection (1), the Municipality may provide grants to more than one applicant operating in the same service area where the services address the needs of different groups.

Eligible Organizations

17. To be eligible to receive a grant, organizations shall:
- (a) Offer a public transit service located within the Municipality or intended to serve the residents of the Municipality that is:
- (i) in an area of the Municipality not currently serviced by Halifax Transit; or
- (ii) in an area serviced by Halifax Transit where the organization can demonstrate that the rural transit service would complement existing Halifax Transit service and address an unmet need in the community; and,
- (b) Offer a public transit service that is available to any member of the public and does

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not require a membership to access.

(c) Repealed

17A. In addition to Section 17, non-profit societies and non-profit co-operatives must also be registered with the Nova Scotia Registry of Joint Stocks.

Application Requirements

18. There is one intake period per fiscal year. Applications shall be received in person or postmarked on or before January 15 for consideration for the following fiscal year.

19. Halifax Transit may review draft applications from first time applicants, received on or before November 1, and provide feedback prior to the submission of the applications.

20. All applications shall be received by mail or in person. E-mailed or faxed applications will not be accepted. Applications may be submitted:

(a) In person to:
Rural Transit Grants, Halifax Transit
200 Ilesley Avenue
Dartmouth, NS

(b) By mail to:
Rural Transit Grants, Halifax Transit
PO Box 1749,
Halifax, NS, B3J 3A5

21. First time applicants shall include the following information in their application on or before January 15:

- (a) proof of incorporation;
- (b) Repealed;
- (c) Repealed;
- (d) map of service area;
- (e) business description, including services offered and governance structure;
- (f) market assessment, including: a description of the market being served, the approximate population of the catchment area and its spatial distribution, a description of any competing services, and the integration/complementation of existing Halifax Transit Services;
- (g) financial assessment, including: three year projected revenues and expenditures;

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projected annual ridership and service kilometers; previous financial statements; and list of other funding sources;

(h) Repealed; and,

(i) a description of use of community resources and volunteers to ensure service is as efficient and cost effective as possible.

21A. In addition to Section 21, first time applicants shall also provide Halifax Transit with the following information on or before September 30 of the fiscal year for which the grant is applied:

(a) description of fleet and licenses;

(b) (i) proof of license under the Motor Carrier Act, with associated proof of insurance; or

(ii) confirmation of status from the Nova Scotia Utility and Review Board that the Motor Carrier Act does not apply, with proof of insurance commensurate with the operations being undertaken and vehicles being used, but being no less than a Nova Scotia Automobile Standard Policy Form (SPF) 1 with SEF 6A endorsement (permission to carry passengers for compensation) and a SEF 22 endorsement (damage to property of passengers), or equivalent;

(c) proof of driver's license for any driver; and,

(d) a written declaration by the applicant stating that:

(i) all drivers have submitted a criminal record check with vulnerable sector check; and,

(ii) the applicant is satisfied that their drivers do not pose a risk to any members of the public.

22. Subsequent applications shall be submitted to Halifax Transit on or before January 15 and shall include the following information:

(a) Annual audited or reviewed financial statements;

(b) Current proof of insurance and confirmation of status from the Nova Scotia Utility and Review Board; and

shall be in compliance with all reporting requirements from previous rural transit grant applications.

Application Evaluations

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23. The following criteria will be used to evaluate applications for Council's consideration:
- (a) completeness of application;
 - (b) appropriateness of business and governance model;
 - (c) appropriateness of market assessment;
 - (d) appropriateness of financial assessment;
 - (e) use of community resources; and
 - (f) any other matter staff considers relevant.

Application Review and Approval Process

24. All applications shall be screened by staff for basic eligibility as they are received. Applicants shall be notified promptly if their application is ineligible.
25. Applications that do not meet the requirements outlined in section 21 shall not be reviewed or considered.
26. Halifax Transit staff shall prepare a recommendation report of eligible applicants for consideration by the Committee.
27. The staff report shall be reviewed by the Committee for recommendation to Council.
28. Final approval of all applications for grants, and their amount, is a decision of Council in its sole discretion.
29. Notification of the decision of Council shall be mailed to applicants.
30. Approval of grants is conditional on Council's approval of the annual budget.
31. Not all eligible applications may receive a grant.
- 31A. Notwithstanding receipt of final approval for a grant, an applicant:
- (a) shall not receive any funds until the requirements outlined in section 21A are met; and,
 - (b) shall forfeit their right to receive the grant if the requirements outlined in section 21A are not met on or before September 30 of the fiscal year for which the grant was applied.
- 31B. If a deadline enumerated in this Administrative Order falls on a Saturday, Sunday, or Holiday, that deadline shall be extended until the next business day.

Conditions of Approval

32. Grant approval is subject to the following conditions:

- (a) transit service vehicles are for the transportation of passengers and are not for personal use;
- (b) the applicant shall maintain the necessary licenses in good standing under the *Motor Carrier Act* as applicable;
- (c) the applicant shall maintain the necessary insurance for their operation;
- (d) the applicant shall remain in good standing with the Registry of Joint Stock Companies;
- (e) the applicant shall maintain a log of the number of daily passengers, the purpose of the trip, and the fare revenue collected;
- (f) the applicant shall record all revenue received outside of fare collection and report annually to the Municipality;
- (g) any modification to a proposal or transit service shall be reported to the Municipality;
- (h) the applicant shall meet quarterly and annual financial reporting deadlines as outlined in this Administrative Order; and
- (i) the applicant shall not represent itself as having any relationship or affiliation with Halifax Transit or the Municipality beyond being the recipient of a grant;

Scope

33. Nothing in this Administrative Order shall be interpreted to limit or otherwise prescribe Council's general discretion to provide grants under the *Halifax Regional Municipality Charter* or otherwise.

Effective Date

34. This Administrative Order shall come into effect on the date it is adopted by Council. Notwithstanding section 18, for the fiscal year 2014-15, applications may be received until September 15, 2014 and notwithstanding section 9, for the fiscal year 2014-15, flat rate payments will commence with the third quarter reporting period but may include flat rate payments for the first, second, and third quarter with the requisite documentation.

34A. An application received on or before January 15, 2015 for the 2015-2016 fiscal year which was determined to be incomplete may be considered by Halifax Transit, provided that the application otherwise complies with this Administrative Order on the date this section comes into force.

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Repeal

35. The HRM Community Based Transit Funding Program adopted by Council on March 26, 2013 is hereby repealed.

Done and passed by Council this 5th day of August, 2014.

Mayor

Municipal Clerk

I, Cathy Mellett, Municipal Clerk of the Halifax Regional Municipality, hereby certify that the above noted Administrative Order was passed at a meeting of Halifax Regional Council held on August 5, 2014.

Cathy Mellett, Municipal Clerk

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Notice of Motion:

July 29, 2014

Approval:

August 5, 2014

Amendment # 1

Notice of Motion:

March 10, 2015

Approval:

March 24, 2015



BAYRIDES: SO MUCH MORE THAN A TRANSPORTATION SERVICE

Submitted by BayRides with support from MusgoRider (Eastern Shore and Valley Sheet Harbour) and East Hants Community Rider

"BayRides made my son feel like he was part of the community. For him, BayRides means inclusion."

"Without BayRides, I wouldn't be able to work. It's as simple as that."

BayRides serves 18,000 people in HRM around St Margaret's Bay. BayRides provides transportation to work, medical appointments, grocery stores, social activities, and supports the Food Bank and the Seniors Association.

BayRides is at risk.

We are squeezed between rising operating costs across the board, especially fuel, and static funding. We will face a deficit at the end of the fiscal year.

- 51% of our operating costs are directly related to having our vehicles on the road.
- Fuel accounts for 60% of our vehicle expenses
- Fares account for only 20% of revenue.
- Government-based funding accounts for 54% of our total revenue. We rely heavily on provincial and municipal funding programs such as the Community Transportation Assistance Program (CTAP) and Rural Transit Funding Program (RTFP).
- The remaining 26% of revenue comes from weekly fundraising and our donation drives.

The funding model that HRM uses to support HRM RTAs has not changed in many years. In that time inflation has increased 6% and our fuel costs have soared by 30%.

Why don't we increase our fares?

Many of the people we serve are working poor, seniors on fixed incomes, and those most vulnerable in our community. We are committed to providing transportation, regardless of means. Many more people are seeking support from our Fare Assistance Program than was the case three years ago. Demand for fare assistance consistently exceeds what we have available.

If we increase fares, we will further isolate people, making it difficult for them to get to essential medical appointments, to drug stores to get prescriptions filled, to get to work, to obtain food, or to attend social events that give them a sense of companionship, inclusion and worth.

"We are very aware of the huge need which BayRides fills in transporting seniors in St Margaret's Bay to and from medical and hospital appointments in central Halifax." - Pat Rodee, SMB Seniors Association.

BayRides is not just for seniors

The largest percentage of BayRides clients use the service to get to work, both within the community and by connecting with the Metro X. (Double the next highest service level).

Bay Rides provides free delivery for Food Bank orders, to clients who do not have reliable transportation.

"With the continued housing crisis, food crisis, low wages for workers, high inflation and new taxes hikes, there has been an extreme increase in demand for food support. Bay Rides helps relieve part of the burden that our local community members face every day." - Ruth Minnikin, Manager, St Margaret's Bay Food Bank.

Looking to the future.

The province wants to double our population to 2 million by 2060. An enormous part of that growth is going to be in HRM and areas like St Margaret's Bay, Eastern Shore, Valley Sheet Harbour, and East Hants. That increased population will need transportation. It is essential to secure the viability of BayRides, MusgoRider and the Community Rider not just for today, but for the long-term prosperity of our communities, the municipality, and the province.

What are we looking for from HRM?

We are asking for support for an increase in the existing funding model: an increase in the base funding, and an increase in the cents-per-km rate.

We seek your support to increase base funding from \$10,000 to \$25,000, and to increase the cents-per-km rate from \$0.50 to \$0.62.

This is about more than transportation.

- It's about safeguarding people's health - physical and mental.
- It's about giving people the dignity of getting to work, even when they struggle to pay the fare.
- It's about enabling people to age in place, to stay in the family home, surrounded by friends and relatives, even when mobility is compromised, and they hang up the car keys.
- It's about maintaining social cohesion, by getting people to libraries, and luncheon clubs, and generally maintaining the fabric of a vibrant, supportive, community.
- It's about making sure our neighbours don't go without, even when they are not able themselves to go grocery shopping or pick up their prescriptions.
- It's the community service that says - if you can't get to the Food Bank, we'll bring the Food Bank to you.

An increase in funding from this municipality would go a long way to ensuring the future of the service we provide to our community - the social service as well as the transportation service.

"BayRides has been a really great service for helping both the elderly and for people with physical and mental disabilities for transportation in the Bay Area. If it weren't for them, I don't know how I would be able to leave my home and go to places like the gym, go grocery shopping for myself, or even be able to go have a working job in the Bay area for employment. Please continue supporting Bay Rides so that people like me can have the ability to go anywhere in the Bay for the long foreseeable future." - [REDACTED].

Submitted by Meghan Maher - Chair, BayRides.

Email: [REDACTED]