

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 
Jacques Dubé, Chief Administrative Officer

DATE: May 8, 2020

SUBJECT: Rural Transit Funding Program 2020/2021

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 Regional Council:

- (a) suspends the rules of procedure under the HRM Grants Committee Terms of Reference and, as applicable to the HRM Grants Committee, under Schedule 2, the Audit and Finance Committee Terms of Reference, of Administrative Order One, the Procedures of the Council Administrative Order; and
- (b) approve the following grants pursuant to the *Rural Transit Grants Administrative Order*, for the 2020/21 fiscal year:
 - 1) Lump Sum Grants
 - a. BayRides - \$10,000
 - b. Chebucto Community Transportation Service - \$5,000
 - c. East Hants Community Rider - \$10,000
 - d. MusGo Rider Cooperative (Musquodoboit Harbour) - \$10,000
 - e. MusGo Rider Cooperative (Valley-Sheet Harbour) - \$10,000
 - 2) Flat Rate Grant of \$0.50 per in-service kilometer up to a program maximum of \$425,000 to:
 - a. BayRides
 - b. Chebucto Community Transportation Service
 - c. East Hants Community Rider
 - d. MusGo Rider Cooperative (Musquodoboit Harbour)
 - e. MusGo Rider Cooperative (Valley-Sheet Harbour)

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 2019/2020 applications for grants were received from BayRides, Chebucto Community Transportation Service, East Hants Community Rider, MusGo Rider Cooperative (Musquodoboit Harbour), and MusGo Rider Cooperative (Valley-Sheet Harbour).

DISCUSSION

2019/20 Rural Transit Funding Program Overview

During the 2019/20 fiscal year, approximately \$324,500 of the original \$440,000 designated budget was paid out. This funding supported approximately 23,700 passenger trips to medical appointments, shopping, and recreation programs, among others. Chebucto Community Transportation Service (CTS) was originally scheduled to begin service in 2019/20 and were approved for funding but were not able to begin operations. The following table summarizes the grant expenditures for 2019/20.

Table 1: Rural Transit Funding Program Pay Outs – 2019/20 Fiscal Year

	In-service kms reported	Lump Sum Grant ¹	Flat Rate Grant (at \$0.50 per km)	Total Grant Payout
BayRides	204,113	\$5,000	\$102,057	\$107,057
Chebucto CTS	N/A	N/A	N/A	N/A
East Hants Community Rider	85,579	\$10,000	\$42,790	\$52,790
MusGo Rider (Musquodoboit Harbour)	228,336	\$10,000	\$114,168	\$124,168
MusGo Rider (Valley-Sheet Harbour)	60,975	\$10,000	\$30,488	\$40,488
			Total	\$324,503

2020/2021 Program Grant Requests

Halifax Transit received five grant requests for the 2020/21 Rural Transit Funding Program. Four of these agencies have previously received funding through this program.

Chebucto Community Transportation Service (CTS) is intending provide a fixed route service in 2020/21 and on-demand service in 2021/22. Chebucto CTS anticipates operating 89,000 kms in HRM in the 2020/21 fiscal year, beginning service in September 2020. Chebucto CTS is still eligible for a \$5,000 lump sum grant as per section 6(b) of the *Rural Transit Grants Administrative Order*, but will need to initiate service by October 1, 2020 to receive funding²

FINANCIAL IMPLICATIONS

Table 2 below summarizes the grant projections for 2020/21, based on anticipated kilometres reported to Halifax Transit by each of the service providers.

Table 2: Projected Grant Distribution for the 2020/21 fiscal year

	Projected Kms	Lump Sum Grant	Flat Rate Grant (at \$0.50 per km)	Total Anticipated Grant Payout
BayRides	270,000	\$10,000	\$135,000	\$145,000
Chebucto CTS	89,000	\$5,000	\$44,500	\$49,500

¹ Administered as per section 6, 2014-012-ADM

² 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).

East Hants Community Rider	77,350	\$10,000	\$38,675	\$48,675
MusGo Rider (Musquodoboit Harbour)	200,000	\$10,000	\$100,000	\$110,000
MusGo Rider (Valley-Sheet Harbour)	90,000	\$10,000	\$45,000	\$55,000
Total				\$408,175

As described in Table 2 above, the five rural transit operators are anticipating accumulating 726,350 kms or \$363,175 plus a lump sum grant of \$45,000 for a projected total of \$408,175 for 2020/2021.

Estimates of planned in-service kilometers for the 2020/21 Rural Transit Funding Program have been received from each of the service providers, evaluated by staff and provided for Council's consideration, within the approved-in-principal 2020/21 program budget of \$470,000.

Project Grant Allocation

A total of \$470,000 is available in cost centre M701-8004 for disbursement through the Rural Transit Funding Program. Based on projections provided by the Rural Transit providers, the 2020/21 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 kilometre payment would 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.

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 are associated with this report.

ALTERNATIVES

1. Council may recommend to direct staff to advise against funding the Rural Transit Funding Program for 2020/21 fiscal year.

ATTACHMENTS

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: Lissette Cormier, Program Coordinator, 902.490.4160
