

Item No. 7.1

**HRM Grants Committee
April 14, 2014**

TO: Chair and Members of the Grants Committee

Original signed

SUBMITTED BY: _____
Eddie Robar, Director, Metro Transit

DATE: April 4, 2014

SUBJECT: HRM Rural Transit Funding Program

ORIGIN

At the March 26, 2013 meeting of Regional Council, the following motion was passed:

MOVED by Councillor Walker, seconded by Deputy Mayor Rankin, that Halifax Regional Council approve the HRM Community Based Transit Funding Program developed by staff (Attachment 1 of the January 30, 2013 staff report) and request staff to begin a public consultation process for the HRM Community Based Transit Funding program evaluation criteria, which will be reviewed by the Grants Committee prior to being brought to Council.

MOTION PUT AND PASSED UNANIMOUSLY.

LEGISLATIVE AUTHORITY

The Authority to expend money required by the Municipality for a grant or contribution to any charitable community organization is granted by section 79(1)(av) of the *HRM Charter*.

RECOMMENDATION

It is recommended that the Grants Committee recommend that Regional Council approve the HRM Rural Transit Funding Program (Attachment A) as described in this report, which will replace the HRM Community Based Transit Funding Program approved by Regional Council on March 26, 2013.

BACKGROUND

On September 27, 2012, the Transportation Standing Committee received a staff report (dated August 29, 2012) which addressed a funding request from MusGo Rider. In the staff report, it was recommended that HRM not grant the \$10,000 requested to MusGo Rider.

The recommendations of this report were considered at the October 9, 2012 meeting of Regional Council, where a \$10,000 grant was approved subject to staff review of the MusGo Rider Business plan and financial statements, and subject to Council-approved criteria for community-led rural transit initiatives.

In response to the motion, staff drafted an evaluation process for assessing proposals for community led rural transit initiatives, such as the one which was submitted by MusGo Rider. At the March 26, 2013 meeting of Regional Council, the HRM Community Based Transit Funding Program developed by staff was approved. Regional Council requested staff begin a public consultation process for the program's evaluation criteria, which were to be reviewed by the Grants Committee prior to being brought to Regional Council.

In response to the motion, staff led a stakeholder engagement process and prepared a revised Rural Transit Funding Program and application for consideration.

DISCUSSION

Stakeholder Consultation

In order to improve the proposed funding program and application process, Metro Transit solicited input from current rural transit operators, potential future operators, and Service Nova Scotia & Municipal Relations, who currently administers the Community Transportation Assistance Program (CTAP). Input was sought via email, over the phone, and through in person meetings.

After consulting with key stakeholders on the funding program, a number of recurring comments emerged on the application criteria. These are summarized as follows:

- 1) Consider asking applicants to apply once and continue to provide a consistent level of annual funding as long as they meet program criteria. This allows organizations to more effectively plan for the long term.
- 2) Reconcile financial information that is being requested as part of this application with what is being asked for as part of CTAP regular financial reporting. This will make the application less onerous for organizations that are largely volunteer-based to apply.
- 3) Clarify which organizations can qualify for funding and in what stage of development they can apply (i.e. is funding only available for organizations which are in service, or could it be used to fund a feasibility study or the development of a business plan?).
- 4) Clarify funding levels available to successful applicants and outline what are eligible or ineligible projects.

It was also determined through consultation that the greatest funding need is for day to day operational expenses.

Proposed Funding Methodology

A new funding application has been developed which represents a refinement of the previous approach. The new approach is intended to help support rural, community based transit by subsidizing the cost of the regular operation and maintenance of vehicles. This funding model was developed in order to provide funding which will correlate with the true cost of services rendered to the community.

This program will pay a flat rate \$0.50/km for every vehicle kilometer logged in-service within HRM, limited by budget availability from year to year. This program will also provide either \$5,000 or \$10,000 in additional support per year to an organization depending on the level of service they are providing to their service area. This additional sum will be paid at the beginning of each fiscal year prior to per km payments, subject to budget availability. For a more detailed description of disbursement and quarterly reporting requirements, please see Attachment A.

The program is not intended to pay the full operating costs of the service, but the \$0.50/km rate is intended to help supplement the cost of fuel and regular maintenance of fleet vehicles or the fuel and maintenance of personal vehicles being used by volunteer drivers.

In order to plan effectively for the future, an organization will not need to reapply for funding annually, and will only need to complete the application in its entirety once. Funding will be renewed annually, assuming HRM budget availability, and that the quarterly reporting criteria are fulfilled.

MusGo Rider Funding Request

MusGo Rider is a demand responsive transit service which provides door to door, accessible transportation to residents of Musquodoboit Harbour and the surrounding community. MusGo Rider has indicated that they require near immediate financial contributions from HRM in order to continue in operation in 2014/2015. The organization is currently projecting \$122,000 in operating expenses, and approximately \$68,000 in income, with a difference of approximately \$54,000.

Due to funding limitations in 2014/15, the budget for the program is capped at \$12,000. As such, MusGo Rider would be eligible to apply for a maximum funding amount of \$12,000 in operating expenses, which could be further limited if applications are received from other service providers.

Program Implementation

In future years, the program will require organizations seeking funding to submit applications by the January 10th. Applications will then be reviewed and approved by HRM staff. It is proposed that if approved by the Grants Committee and Regional Council, staff will administer the program and issue funding to applicants and return to Regional Council with an information report which describes disbursements each year.

FINANCIAL IMPLICATIONS

The rural transit funding program will be funded from revenue generated from a parking initiative (Residential Street Parking Permits) developed through the ecoMOBILITY program. The intent of ecoMOBILITY was to generate revenue from those who chose to commute by car and to reinvest those funds in projects that would create alternatives to commuting by car. Using the revenue to fund this program is suited to that objective. As this program is still in its initial stages of implementation, limited funding is available in 2014/2015 (up to \$12,000). This funding is available in account R953-6919.

COMMUNITY ENGAGEMENT

As part of this project several stakeholder engagement activities took place with agencies within HRM and across the province. These included meetings with current rural transit operator MusGo Rider and the BayRides organization which will be beginning a pilot service in the 2015/2016 fiscal year. Input on the funding application process was also solicited from other existing service providers outside the HRM through the Rural Transit Association and Community Transit-NS. Feedback was also received from Service Nova Scotia & Municipal Relations, who currently administers the bulk of rural transit funding in Nova Scotia.

ENVIRONMENTAL IMPLICATIONS

The intent of the Rural Transit Funding Program is to increase transit ridership, thereby reducing private vehicle usage and greenhouse gas emissions.

ALTERNATIVES

1. The Committee could recommend that funding require approval by Regional Council prior to being issued.
2. The Committee could choose not to approve the Rural Transit Funding Program.
3. The Committee could choose to make modifications to the Rural Transit Funding Program. Depending on the extent of these modifications, further staff review may be recommended.

ATTACHMENTS

Attachment A – Rural Transit Funding Program Application
Attachment B – Statement of Operations Template

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Erin Harrison, Coordinator, Project Planning, Planning & Scheduling, Metro Transit, 490-4942

Original signed

Report Approved by:

Dave Reage, MCIP, LPP, Manager, Planning & Scheduling, Metro Transit, 490-5138

Original signed

Report Approved by:

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Original signed

Financial Approval by:

Greg Keefe, Director of Finance & ICT/CFO, 490-6308

HRM Rural Transit Funding Program

1 Purpose & Description

Community based transit programs outside of urbanized areas have the opportunity to be tailored to meet the specific needs of rural communities and residents, and to be an efficient, cost-effective form of public transit.

The purpose of the HRM Rural Transit Funding Program is to assist organizations to operate their own community based transit services in rural communities in HRM.

2 Eligible Recipients

To be eligible for consideration, the transit service must meet the following criteria.

The transit service must be:

- Operated by a non- profit society incorporated under the Societies Act and registered with the N.S. Registry of Joint Stocks, or a non- profit co-operative incorporated under the Co-operative Associations Act and registered with the N.S. Registry of Joint Stocks;
- A rural transit service located in an area not serviced by Metro Transit, unless it can be demonstrated that the rural transit service would complement existing Metro Transit service and address an unmet need in the community; and
- A transit service located within HRM, or intended to serve the residents of HRM.

3 Application Review

Metro Transit will review the applications to determine if they are complete. Staff will prepare a report describing all applications submitted and advising whether each complies with the approved criteria outlined here. This report will be submitted to Regional Council as an information report. All applicants will be notified as to the final outcome.

A pre-application process is available to all prospective applicants. The pre-application process is designed to offer applicants an opportunity to refine their proposals and ensure compliance with the criteria laid out in this document, and will be completed by Metro Transit staff.

4 Funding Program

The Funding Program is intended to help support community based transit by providing funding to subsidize the regular operation and maintenance of an organization’s vehicles. This program will pay a flat rate \$0.50/km for every vehicle kilometer logged while providing service within HRM, dependent on budget availability. This program will also provide an additional lump sum of \$5,000 or \$10,000 of support per year to an organization depending on the level of service provided to the community.

It is intended that this program will help supplement the cost of fuel and regular maintenance of fleet vehicles, or the fuel and maintenance of personal vehicles being used by volunteer drivers. It is not intended to subsidize the full cost of providing the service.

Funding will be renewed annually, assuming that quarterly reporting criteria are fulfilled and subject to HRM budget availability.

5 Funding Disbursement

Funding is disbursed in two ways:

1. After completing the attached application, organizations awarded funding will be notified by phone or mail. At this time, either \$5,000 or \$10,000 will be disbursed to the organization, depending on the level of service being provided. For a detailed breakdown of the level of service and coordinating value of disbursement, see Table 1 below.

Table 1: Availability-Service Span and Annual Disbursement

		Days/Week	
		6-7	1 - 5
Hours/Day	16.0+	\$10,000	\$10,000
	8.1 – 15.9	\$10,000	\$5,000
	1.0 – 8.0	\$5,000	\$5,000

To use the above table, first determine how many days per week the service is operating, and then determine how many hours per day that service is provided or potentially available if service is demand responsive.

2. The organization will report to Metro Transit the number of in-service vehicle kilometers travelled in each quarter by the reporting deadline, and HRM will disburse funding accordingly at \$0.50 per kilometer. Reporting periods are summarized in Table 2 below.

Table 2: Financial Reporting Periods

Quarter	Quarterly Start / End Dates	Reporting Deadline for Previous Quarter
Q1	April 1 - June 30	July 15
Q2	July 1 – September 30	October 15
Q3	October 1 – December 31	January 15
Q4	January 1 – March 31	April 15

5.1 Quarterly Reporting Requirements

In order to receive funding for each quarter, organizations must provide quarterly updates to HRM on income and expenditures. In order to be considered complete, a quarterly report must include the following:

- A Statement of Operations¹; and
- A Statement of Financial Position.

In order to ensure appropriate funding allocation from year to year, the January 15 report must include projected ridership and projected in-service vehicle kilometers for the upcoming fiscal year, as well as proof of insurance.

At the end of each funding cycle, the previous years’ audited financial statements, which shall include at a minimum A Statement of Operations, A Statement of Financial Position and Statement of Cash Flows, must be forwarded to HRM for review prior to the release of any new funds.

6 Funding Availability

Funding is subject to annual budget availability. If a funding proposal is received for a service area which already has transit service provided by an organization receiving funding from the Rural Transit Funding Program, then the new service provider will not receive funding. An exception to this rule would be if the two services address the needs of two different groups (i.e. one focused on the needs of seniors, and one focused on providing transit service to youth).

Should two new proposals for funding a transit service in the same service area be received, the proposal with the most cost-efficient service model (as measured by average cost per ride) will receive funding.

Due to budget restrictions, it is possible that in any given year, HRM will not have enough funding available to provide \$5,000 or \$10,000 grants in addition to \$0.50/km to each organization who is part of the funding program.

¹ For a sample template for a Statement of Operations, please see the attached HRM Rural Transit Funding Program Background Information

If this is the case, then the upfront grant of \$5,000 or \$10,000 will be paid out in full to all organizations and the remaining per kilometer funding will be distributed as a prorated percent for each organization.

If funding is restricted to the point that there are not enough resources to pay out the \$5,000 or \$10,000 grants in their entirety, then all funding will be distributed as a prorated percent for each organization.

7 Application Submission

The completed application must be submitted to Metro Transit no later than January 10th in order to be guaranteed consideration for the funding program in the next fiscal year. It is highly encouraged that first time applicants submit a draft application on or before November 1st in order to allow Metro Transit to provide feedback prior to the formal application submission on January 10th. This process will allow applicants an opportunity to refine their proposals and ensure compliance with the criteria laid out in this document.

Any incomplete applications will not be considered for review.

7.1.1 Late Submissions

Applications for the Funding Program can be submitted beyond the January 10th deadline, and resources will be awarded subject to available funding on a first come, first served basis.

8 General Terms

Should funding be approved, HRM will enter into an agreement with the applicant based on the following terms:

- Should the service terminate with the applicant owning assets or reserve funds related to the service, HRM may claim a portion of those assets or funds not exceeding the total amount of HRM contributions;
- Transit service vehicles are intended for the transportation of passengers and are not for personal use;²
- The applicant is fully responsible for insurance and licensing, including licensing under the *Motor Carrier Act*, if required;
- Applicant is in good standing with the Registry of Joint Stocks;
- A record must be kept of the number of daily passengers and the purpose of the trip must be logged.
- All revenue outside of fare collection must also be documented;
- HRM's contribution is contingent upon the applicant securing funding³ for the balance of the total capital costs or operating expenses;

² Unless it is a volunteer's personal vehicle being used to complete trips on behalf of the service provider.

³ Funding includes revenues from fares.

- Any modification to a proposal or transit service that would impact eligibility must be reported promptly;
- A new funding agreement will be signed each year by HRM and the service provider;
- An understanding that HRM adheres to the *Canadian Charter of Rights and Freedoms*; and
- An understanding that any information submitted will potentially be shared with other levels of government, and subject to freedom of information requests as set out in part twenty of the *Municipal Government Act*.

9 Grounds for Having Funding Revoked

The following lists some examples of infractions which would be considered a breach of contract, and could render the applicant ineligible for funding:

- Misrepresenting the relationship between Metro Transit and the service being proposed by the applicant (specifically there will be no fare integration and off street transit facilities are for the use of Metro Transit buses only).
- If the applicant is not registered with the N.S. Registry of Joint Stocks as a non-profit society or a non-profit cooperative.
- Applicant is not in good standing with the Registry of Joint Stocks.
- If the applicant is operating without the appropriate insurance.
- If quarterly or annual financial reporting deadlines are not met.⁴
- If the applicant has their Utility and Review Board License revoked; and
- If the conditions related to the eligibility of a proposal change, making the proposal no-longer eligible.

⁴ If quarterly financial reporting deadlines are not met, then funding will not be provided for the quarter.

10 Application Evaluation

The remaining pages of this document summarize the submissions required by each organization applying to the Funding Program. The following pages include the following:

- **Organization Contact Information Sheet:** Please use this as the cover page for your submission.
- **Submission Requirements for Funding Program:** These pages summarize what needs to be submitted as part of the Funding Program Application. You do not need to submit these pages as part of your application. This is intended to guide the development of submissions.
- **Application Submission Checklist:** Use this checklist to ensure that your application is complete before submission. Once complete, have an authorized officer sign and date this page and include it as part of your submission.
- **Evaluation Form:** This is the evaluation sheet that will be used by HRM staff to evaluate each application for the Rural Transit Funding Program.
- **Quarterly Financial Reporting:** This spreadsheet may be used for the three year revenue and expenditures projections required for initial submission to the Funding Program (please complete one sheet per fiscal year). It can also be used to fulfil quarterly financial reporting requirements as outlined above.

Organization Contact Sheet: HRM Rural Transit Funding Program

Organization Contact Information

Organization Name	
Organization Mailing Address	
Name of Contact Person	
Job Title/Role	
Daytime Phone Number	
Email Address	
Registry of Joint Stocks Registration Number	

<p>On behalf of the organization identified above I hereby make application for funding assistance from Metro Transit and Halifax Regional Municipality as set out in this application. I certify that I am an authorized officer of the applicant and that the information provided in this application and its attachments is true and correct to the best of my knowledge and belief.</p>	
Authorized Officer Name	
Title	
Phone Number/Email Address	
Signature of Officer Named Above	
Date	
Signature of Second Officer	
Title	
Date	

Submission Requirements for Funding Program

Section		Include the Following
A	Business Description	<ul style="list-style-type: none"> • A description of the services being offered (i.e. fixed route, door-to-door, shared taxi). • A description of the service's business model (i.e. is it volunteer-driven, or are staff paid?). • Describe the management and governance structure in place to manage the organization.
B	Market Assessment	<ul style="list-style-type: none"> • A description of the market being served by the service (i.e. is there a focus on meeting the needs of a particular target group?). • A map of service area. • The approximate population of catchment area, and a description of its spatial distribution. • A description of competing services which operate within the catchment area, if applicable. • Describe how the existing/proposed operation integrates with or complements existing Metro Transit service, where applicable.
C	Financial Assessment	<ul style="list-style-type: none"> • Three years projected revenues and expenditures (monthly break down). • Annual Ridership projections and past years' ridership. • Annual service kilometers projection, and past years' service kilometers. • A list of any assumptions used to prepare projections. • Detailed financial statements for the previous years of operation, OR quarterly financial reports submitted to CTAP for the previous year or years. • A complete list of all funding sources sought from other levels of government, and community fundraising activities.

Submission Requirements for Funding Program (continued...)

D	Vehicle Licenses	<ul style="list-style-type: none"> List the vehicle licenses held and attach a copy of each license.
E	Vehicle Insurance	<ul style="list-style-type: none"> List all vehicle insurance policies and attach documented confirmation of coverage from insurance provider.
F	Liability Insurance	<ul style="list-style-type: none"> List the liability insurance coverage for the all employees, board of directors, volunteers, drivers, and attach confirmation of coverage from the insurance provider. A Vulnerable Sector Check and Child Abuse Registry Check for each driver (paid or volunteer).
G	Use of Community Resources	<ul style="list-style-type: none"> Describe how the organization will make use of community volunteers to ensure service is as efficient and cost effective as possible. Describe any other resources in the service area that will be used to ensure the success of the transit operation.
H	Description of Fleet	<ul style="list-style-type: none"> Describe each vehicle which is part of the fleet. Include in this description the make, model, year of each, as well as the number of passengers they can carry and whether or not they are accessible.

Application Submission Check List

<p>Please use the following checklist to ensure you have submitted all required application sections. The requirements for each section are outlined on the following page.</p> <p>Once the application is complete, please attach this page to submission and have an authorized officer sign and date the bottom.</p>	
Section	Submitted?
A. Business Description	
B. Market Assessment	
C. Financial Assessment	
D. Vehicle Licenses	
E. Vehicle Insurance	
F. Liability Insurance	
G. Use of Community Resources	
H. Description of fleet	

Signature of Authorized Officer _____ Date: _____

Evaluation Form

This form will be completed by HRM Staff upon receipt of applications. If criteria are not met, outline rationale will be provided in the comments section below.

Section	Criteria	Criteria met?
Business Description	<ul style="list-style-type: none"> • Services offered and business model meet community needs • Governance Structure is appropriate for the services offered 	
Market Assessment	<ul style="list-style-type: none"> • Market assessment is complete and thorough • Service is integrated with or complements Metro Transit Services 	
Financial Assessment	<ul style="list-style-type: none"> • Projected revenues and expenditures are complete and reasonable • Annual ridership and service kilometers projected and for past years are complete and reasonable • Financial statements/reports are complete and reasonable • Listed assumptions are reasonable • List of funding sources sought is complete and reasonable 	
Vehicle Licenses	<ul style="list-style-type: none"> • Licenses are complete 	
Vehicle Insurance	<ul style="list-style-type: none"> • Vehicle Insurance is complete 	
Liability Insurance	<ul style="list-style-type: none"> • Liability Insurance is complete • Vulnerable Sector Check and Child Abuse Registry Check for drivers return no results 	
Use of Community Resources	<ul style="list-style-type: none"> • Organization makes use of community volunteers and resources 	
Description of fleet	<ul style="list-style-type: none"> • Fleet description is complete 	

Recommend Funding Approval?

YES

NO

Comments:

Non Financial Information - April 1 - March 31

Operating Stats. Information	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Total Accessible Vehicles					N/A
Total Non-Accessible Vehicles					N/A
Total Volunteer Drivers					N/A
Total Vehicle Service Hours					-
Total One-way passengers					-
Total In Service Kms Driven					-
Total Drivers Employed					N/A

Breakdown of Ridership

	<i>April</i>	<i>May</i>	<i>June</i>	<i>July</i>	<i>Aug</i>	<i>Sept</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>	<i>Jan</i>	<i>Feb</i>	<i>Mar</i>	<i>Total</i>
Total One-way passengers													-
School Board													
DCS													
Contracts													
General													
Total Ridership not including charter	0	0	0	0	0	0	0	0	0	0	0	0	0
Charter													
Total Ridership including Charter	0	0	0	0	0	0	0	0	0	0	0	0	0
Wheelchairs													
Able Bodied													
Total	0	0	0	0	0	0	0	0	0	0	0	0	0 (should equal Total Ric
Seniors (65 and over)													
Youth (18 and under)													
General													
Total	0	0	0	0	0	0	0	0	0	0	0	0	0 (should equal Total Ric

Capital Cash Flow Statement- April 1 - March 31

	Vehicle 1	Vehicle 2	Other	Total
Capital Cost				-
Revenue:				
ATAP				-
Other Levels of Government				-
Own Funds				-
Loan				-
Other				-
	-	-	-	-
	-	-	-	-

Capital Reserve - April 1 - March 31

Balance **Balance**

	Beg. Of Year	End Of Year
Capital Reserve		

Long Term Debt - April 1 - March 31

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Long Term Debt Balance				

Membership not including charter)

Membership not including charter)