



P.O. Box 1749  
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**Item No. 9.1.3**  
**Grants Committee**  
**June 22, 2016**

**TO:** Chair and Members of the Grants Committee

Original Signed

**SUBMITTED BY:**

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Dave Reage, MCIP, LPP, Acting Director, Halifax Transit

**DATE:** May 23, 2016

**SUBJECT:** **Rural Transit Funding Program 2016/2017**

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#### **ORIGIN**

At the August 2, 2014 meeting of Regional Council, the following motion was passed:

MOVED by Councillor Dalrymple, seconded by Councillor Whitman that Halifax Regional Council:

1. Adopt Administrative Order Number 2014-012-ADM Respecting Grants for Rural Transit as outlined in Attachment 1 of the staff report dated June 23, 2014, and repeal the HRM Community Based Transit Funding Program approved by Regional Council on March 26, 2013.
2. Approve the amendments to Administrative Order Number 2014-012-ADM Respecting Grants for Rural Transit as outlined in Attachment 2 of the Audit and Finance Standing Committee report dated July 25, 2014.

#### **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*.

Administrative Order number 2014-012-ADM *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.

#### **RECOMMENDATION**

It is recommended that the Grants Committee recommend that Regional Council approve funding applications submitted by MusGo Rider Cooperative (Musquodoboit), BayRides, and East Hants Community Rider under Administrative Order Number 2014-012-ADM *Respecting Grants for Rural Transit* for the 2016/2017 fiscal year up to a maximum of \$140,000.

## **BACKGROUND**

The Rural Transit Funding Program, as approved by Regional Council on August 5, 2014, provides grants to approved community based transit agencies at a flat rate \$0.50/km for every vehicle kilometer logged in-service within the municipality, limited by budget availability from year to year. The program also provides either \$5,000 or \$10,000 in additional support per year to an organization depending on the level of service they are providing. In 2015/2016 fiscal year, two rural transit services providers received funding through the Rural Transit Funding Program – BayRides and MusGo Rider Cooperative. In the 2015/2016 fiscal year, the two services were paid out \$12,074.00 and \$63,285.50 respectively.

Both BayRides and MusGo Rider Cooperative have renewed their funding requests for the 2016/2017 fiscal year. An additional two agencies have also applied for funding: MusGo Rider Valley- Sheet Harbour and East Hants Community Rider.

## **DISCUSSION**

Halifax Transit has received funding requests from four transit agencies, two of which received funding for the 2015/2016 Fiscal Year (BayRides and MusGo Rider Cooperative) and two of which are applying for funding for the first time.

These funding requests are summarized below.

### **Renewed Funding Requests**

#### **1. BayRides**

BayRides is a pre-booked, demand responsive transportation service for residents of St. Margarets Bay. It has one fleet vehicle (an 8 seat vehicle which includes space for two wheelchairs) and also makes use of volunteer drivers and their personal vehicles. In the 2015/2016 fiscal year, BayRides provided 4,148 km of service and 108 rides to Halifax residents and was funded a total of \$12,074.00 through the Rural Transit Funding Program. This represents a subsidy of \$19.20 per ride.

For the 2016/2017 fiscal year, BayRides would qualify for a \$5,000 flat grant and \$15,592 in per km payments for an anticipated 31,184 km in service. This would be a projected funding request of \$20,592.

#### **2. MusGo Rider Cooperative (Eastern Shore)**

MusGo Rider is pre-booked, demand responsive transportation service for residents of Eastern Shore from East Preston, Lawrencetown, and Lake Echo in the west to Ship Harbour in the east. MusGo Rider has two fleet vehicles: a 2013 Dodge Caravan (which is wheelchair accessible) and a 2015 Toyota Corolla. In the 2015/2016 fiscal year, MusGo Rider provided 106,571 km of service and 2,650 trips to Halifax residents and was funded a total of \$63,285.50 through the Rural Transit Funding Program.<sup>1</sup> This represents a subsidy of \$20.11 per boarding.

For the 2016/2017 fiscal year, MusGo Rider would qualify for a \$10,000 flat grant and \$65,000 in per km payments for an anticipated 130,000 km in service. This would be a projected funding request of \$75,000.

## **New Funding Requests**

### **1. East Hants Community Rider Funding Request**

East Hants Community Rider, established in 2006, is a demand responsive transit service which provides door to door, accessible transportation to residents of East Hants region. It also services Halifax residents in the communities of Fall River, Goffs, Carrolls Corner, Middle and Upper Musquodoboit, Grand Lake, Lucasville, Oldham, and Enfield. In the 2015 calendar year, East Hants Community Rider carried between 182 – 296 Halifax residents per month, for a total of 2899 rides.

East Hants Community Rider anticipates operating approximately 52,250 km within the Halifax Regional Municipality in the 2016/2017 fiscal year, qualifying it for a projected \$26,129 in per km funding, and an additional \$10,000 flat rate grant.

Halifax Transit staff has reviewed the East Hants Community Rider Rural Transit Funding Program application and have found it to be compliant with the evaluation criteria established in Section 23 of Administrative Order Number 2014-012-ADM. These criteria and a description of the East Hants Community Rider application are summarized in the table below:

**Table 1: East Hants Community Rider Application Evaluation**

<b>Evaluation Criteria</b>	<b>East Hants Community Rider Application</b>	<b>Criteria met?</b>
a) Completeness of application	Application was complete upon submission.	Yes
b) Appropriateness of Business and Governance Model	East Hants Community Rider is a door to door service which operates five days per week, with weekends and evenings available upon request.  East Hants Community Rider is governed by a volunteer board of directors.	Yes
c) Appropriateness of Market Assessment	East Hants Community Rider would provide affordable door to door service to residents, including persons with disabilities, seniors, those who are economically disadvantaged and those with limited access to transportation.  Riders use East Hants Community Rider to travel to a variety of destinations including work, the airport, the grocery store, social events, medical appointments, and to connect to Halifax Transit services.  East Hants Community Rider service area extends from Fall River, to Middle and Upper Musquodoboit to Grand Lake and Lucasville.  The market assessment states that there are no competing services in the area which offer door to door accessible transportation.	Yes
d) Appropriateness of Financial Assessment	Ridership projections and anticipated funding for future years appear reasonable. Members pay \$20 per year (for an individual) or \$25 per year (for a family) and are then charged per trip.	Yes
e) Use of Community Resources	East Hants Community Rider has a volunteer board that oversees operations, volunteer operators, and free advertisements for the service are provided by a local publication.	Yes

	The service has two full-time office staff, three full-time drivers, three part-time drivers and 12 volunteer drivers. Community Rider compliments its paid staff with a group of 12 community volunteers with an estimated 5000 community hours of volunteer time.	
f) Any other matter staff considers relevant	<p>East Hants Community Rider has been in service since 2006, and in 2015, provided between 182 and 296 rides per month to Halifax residents.</p> <p>If approved for funding East Hants Community Rider would only qualify for per kilometer funding for vehicle kilometers logged in the Municipality as per section 5 (b) of Administrative Order 2014-012-ADM. It would be the responsibility of the service provider to report these accurately to Halifax Transit staff.</p> <p>In 2014/2015 East Hants Community Rider received \$12,500 in municipal funding from East Hants, and projects receiving \$15,000 in 2015/2016 and 2016/2017.</p>	Yes

Halifax Transit recommends the continued funding of BayRides and MusGo Rider Cooperative, as well as funding of East Hants Community Rider.

#### 1. MusGo Rider Valley-Sheet Harbour Funding Request

The new MusGo Rider Valley-Sheet Harbour is a branch of the existing MusGo Rider Cooperative in Musquodoboit Harbour. MusGo Rider Cooperative in Musquodoboit Harbour has received funding from the Rural Transit Funding program since its adoption in 2014, and also receives annual funding from the Province of Nova Scotia to subsidize its operations.

The proposed MusGo Rider Valley-Sheet Harbour demand responsive transit service will provide door to door, accessible transportation to residents of Musquodoboit Valley and Sheet Harbour. It is scheduled to begin operation on July 15, 2016 and anticipates operating 39,500 km in the 2016/2017 fiscal year, qualifying it for a projected \$19,750 in per km funding, and an additional \$10,000 flat rate grant.

Halifax Transit staff has reviewed the MusGo Rider Valley-Sheet Harbour Rural Transit Funding Program application and have found that it does not meet the evaluation criteria established in Section 23 of Administrative Order Number 2014-012-ADM.

These criteria and a description of the MusGo Rider Valley-Sheet Harbour application are summarized in the table below:

**Table 2: MusGo Rider Valley-Sheet Harbour Application Evaluation**

Evaluation Criteria	MusGo Rider Valley-Sheet Harbour Application	Criteria met?
a) Completeness of application	Application was complete upon submission.	Yes
b) Appropriateness of Business and Governance Model	MusGo Rider Valley-Sheet Harbour is a door to door service which operates six days per week. Specifically, three days in Sheet Harbour and three days in Musquodoboit Valley.	Yes

	MusGo Rider Valley-Sheet Harbour is a new branch of the existing MusGo Rider Cooperative in Musquodoboit Harbour. Governed by a volunteer board of directors, the structure is an appropriate business and governance model and governance the service.	
c) Appropriateness of Market Assessment	<p>MusGo Rider Valley-Sheet Harbour would provide affordable door to door service to residents, including persons with disabilities, seniors, those who are economically disadvantaged and those with limited access to transportation.</p> <p>Riders would use MusGo Rider to travel to a variety of destinations including work, shopping, social events, and medical appointments. MusGo Rider Valley-Sheet Harbour service area extends from Musquodoboit Valley to Sheet Harbour. Staff are concerned that this service area includes a significant proportion of the service area currently serviced by the East Hants Community Rider, a service which already serves a number of Halifax communities. See further discussion below under <b>Overlap of Service Area</b>.</p>	No
d) Appropriateness of Financial Assessment	<p>Ridership projections and anticipated funding for future years appear largely reasonable based on the business model proposed. However, if the service area was reconsidered in order to avoid overlapping the East Hants Community Rider's service area, it would substantially impact the population catchment area and reduce potential ridership and fare revenue. It may also impact the level of Provincial funding that the group is eligible for.</p> <p>Alternatively, should the service area remain the same, it is not clear what proportion of projected ridership is already receiving service from East Hants Community Rider and how that would impact projected fare revenue.</p> <p>As the submission did not include a description of the proposed fare structure, it was difficult to determine if projected revenue from fares were reasonable.</p>	N/A
e) Use of Community Resources	MusGo Rider Valley-Sheet Harbour has a volunteer board that oversees operations, volunteer drivers, and free advertisements for the service will be provided by a local publication. This group will also receive substantial efficiencies through making use of the dispatch services provided by MusGo Rider Cooperative.	Yes
f) Any other matter staff considers relevant	Scheduled start date is July 2016.	

### **Overlap of Service Areas**

As evidenced by the service area map shown in Attachment A, it is clear that there is some overlap in service area between two of the transit service providers seeking funding.

Section 16 (1) of 2014-012-ADM reads as follows:

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.

The intent of Section 16 is to ensure that the Rural Transit Funding Program does not fund transit services which are competing in the same service area in order to avoid jeopardizing the viability of both services. As shown in the attached map, the primary service areas of East Hants Community Rider and the proposed MusGo Rider Valley – Sheet Harbour Cooperative service overlap significantly, and in

areas where there is relative significant population density. It is conceivable that if the service areas overlap to this extent, these providers could be competing against one another in an area with low projected ridership.

East Hants Community Rider has been providing service to the community since its inception in 2006. While the MusGo proposal noted that East Hants Community Rider provides service in Elmsdale, it did not recognize that East Hants Community Rider currently provides service in a number of communities in which MusGo Rider Valley – Sheet Harbour proposes to operate as described by their proposal. Overlapping communities include Meaghers Grant, Carrolls Corner, and Middle Musquodoboit. This represents a substantial portion of the MusGo Rider Valley-Sheet Harbour’s proposed service area.

Ahead of the 2017/2018 intake period for the Rural Transit Funding Program, Halifax Transit staff will be available to provide feedback and suggestions to MusGo Rider Valley-Sheet Harbour on an amended proposal which would better meet the requirements of the funding program. Staff may review draft applications according to the stipulations of Section 19 of 2014-012-ADM, which reads:

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.

## **FINANCIAL IMPLICATIONS**

The table on the following page summarizes the funding requests from the two service providers currently funded under the Rural Transit Funding Program and two new service providers who have applied for funding for the first time in 2016/2017.

**Table 3: Summary of Funding Requests**

	Service Provider	Projected in service km in 2016/2017	Projected Funding (at \$0.50 per in service km) <sup>1</sup>	Flat Grant <sup>2</sup>	Total Projected Funding Request
Continued Funding	MusGo Rider Cooperative   Musquodoboit	130,000 km	\$65,000	\$10,000	\$75,000
	BayRides Tantalton	31,184 km	\$15,592	\$5,000	\$20,592
2016/17 Applications <sup>2</sup>	MusGo Rider Valley - Sheet Harbour	39,500 km	\$19,750	\$10,000	\$29,750
	East Hants Community Rider	52,250 km	\$26,125	\$10,000	\$36,125
			<b>\$126,467</b>	<b>\$35,000</b>	

<sup>1</sup> Funding is commensurate with actual in-service kilometers reported and pay outs may vary from what is projected.

<sup>2</sup> Administered as per section 6 of 2014-012-ADM.

			<b>Total:</b>	<b>\$161,467</b>
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The following table describes the requests for funding recommended by staff for approval for the 2016/2017 fiscal year.

**Table 4: Summary of Funding Requests Recommended for Approval**

	<b>Service Provider</b>	<b>Projected in service km in 2016/2017</b>	<b>Projected Funding (at \$0.50 per service km)<sup>3</sup></b>	<b>Flat Grant<sup>4</sup></b>	<b>Total Projected Funding Request</b>
Continued Funding	MusGo Rider Cooperative   Musquodoboit	130,000 km	\$65,000	\$10,000	\$75,000
	BayRides   Tantallon	31,184 km	\$15,592	\$5,000	\$20,592
2016/17 Applications <sup>2</sup>	East Hants Community Rider	52,250 km	\$26,125	\$10,000	\$36,125
			<b>\$106,717</b>	<b>\$25,000</b>	
			<b>Total:</b>	<b>\$131,717</b>	

As noted above, the numbers submitted to Halifax Transit by the agencies listed are projections. It is possible that in service kilometers will be lower or higher than anticipated, and therefore the per kilometer pay outs may vary as well. Funding is available in account R953 – Transportation Demand Management Programs in the amount of \$140,000. This amount provides sufficient budget to cover variances in costs from these three providers. The budget availability has been confirmed by Finance.

### **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-benefit ratio, providing service to areas that otherwise would not due to their rural nature, at a relatively 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 general public be informed of any grant or contribution through a 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 municipal website and a notice publicizing awards is placed in the Municipal Notices section of the daily *Chronicle-Herald*.

<sup>3</sup> Funding is commensurate with actual in-service kilometers reported and pay outs may vary from what is projected.

<sup>4</sup> Administered as per section 6, 2014-012-ADM.

## **ENVIRONMENTAL IMPLICATIONS**

No environmental implications were identified associated with this report.

## **ALTERNATIVES**

1. The Committee may recommend that Regional Council direct staff to reduce the overall program budget for the 2016/2017 fiscal year, and make per kilometer payments at a pro-rated rate, as per section 15 of 2014-012-ADM.
2. The Committee may recommend that Regional Council direct staff to fund all four transit service providers for the 2016/2017 fiscal year in full, or at a pro-rated per kilometer rate. This alternative would require an amendment to the Administrative Order to permit for overlap in service areas. Due to the reasons listed above, this alternative is not recommended.
3. The Committee could choose to not recommend funding requests for the Rural Transit Funding Program for the 2016/2017 fiscal year.

## **ATTACHMENTS**

Attachment A: Rural Transit Service Provider Service Area Map

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A copy of this report can be obtained online at [halifax.ca/commcoun/index](http://halifax.ca/commcoun/index) then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or fax 902.490.4208.

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