

Item No.
HRM Grants Committee
March 4, 2013

TO: Chair and Members of HRM Grants Committee
Original Signed

SUBMITTED BY: _____
Mike Labrecque, Deputy Chief Administrative Officer
Original Signed

Eddie Robar, Director, Metro Transit

DATE: January 30, 2013

SUBJECT: HRM Community Based Transit Funding

ORIGIN

On September 27th 2012, Regional Council approved the following motion:

1. Grant a request for \$10,000 from MusGo Rider for the operation of a community-based rural public transit pilot service in the Musquodoboit Harbour area, subject to HRM staff review of the MusGo Rider business plan and financial statements and subject to Council-approved criteria for community-led rural transit initiatives, prior to the award of funding to MusGo Rider; and
2. That funding come from account CTR00908 – Transportation Demand Management Program.

LEGISLATIVE AUTHORITY

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

RECOMMENDATION

It is recommended that the HRM Grants Committee recommend that Regional Council approve the HRM Community Based Transit Funding Program developed by staff (Attachment 1).

BACKGROUND

On May 24th 2012, Lucie Quigley, General Manager with the MusGo Rider Cooperative Ltd., gave a presentation to the Transportation Standing Committee. Ms. Quigley concluded her presentation with the following requests:

1. For HRM to assist MusGo Rider with obtaining vehicle financing for the vehicle from the Credit Union, where they will utilize a Provincial program of small business loans for Social Enterprises;
2. For \$10,000.00 in financial support from HRM to offset MusGo Rider operation costs, possibly through Councillors' district capital funds; and
3. For support and commitment from HRM to prioritize rural transportation concerns.

In response, the Transportation Standing Committee requested a staff report regarding MusGo Rider's requests.

On September 27, 2012, the Transportation Standing Committee received a staff report dated August 29, 2012, which addressed the MusGo Rider funding request (Attachment 2). In this staff report, staff recommended that HRM not grant the \$10,000 to MusGo Rider.

The recommendations of this report were considered at the October 9, 2012 meeting of Regional Council. At this meeting Regional Council approved the following motion:

1. Grant a request for \$10,000 from MusGo Rider for the operation of a community-based rural public transit pilot service in the Musquodoboit Harbour area, subject to HRM staff review of the MusGo Rider business plan and financial statements and subject to Council-approved criteria for community-led rural transit initiatives, prior to the award of funding to MusGo Rider; and
2. That funding come from account CTR00908 – Transportation Demand Management Program.

In response to the motion, staff drafted an evaluation process for assessing proposals for community-led rural transit initiatives, such as the MusGo Rider proposal (Attachment 1).

DISCUSSION

The HRM Community Based Transit Funding Program was developed as an instrument for assessing a broad range of future transit service proposals. Should Council decide to approve the HRM Community Based Transit Funding Program included with this staff report, staff will then request an up-to-date business plan and financial information from MusGo Rider. This information will then be used to assess the MusGo Rider proposal, under the program developed

(with the exception of any application deadlines), to determine if funding is to be awarded.

Following the evaluation of the MusGo Rider Proposal, staff will investigate the potential for funding the HRM Community Based Transit Program on a permanent basis.

FINANCIAL IMPLICATIONS

Council has committed to funding MusGo Rider, provided that Council approved criteria are in place, and the MusGo Rider proposal meets the criteria.

The potential \$10,000 in funding for MusGo Rider will come from Project Account CTR00908 – Transportation Demand Management Program, and staff have confirmed sufficient funding is available.

A permanent funding source for continuing the HRM Community Based Transit Funding Program is being investigated by staff and will be identified as part of a separate initiative.

Budget availability has been confirmed by Finance.

Budget Summary: **Project Account No. CTR00908, Transportation Demand Mgmt**

Cumulative Unspent Budget	\$792,901.74
Less: MusGo Funding Commitment	<u>\$ 10,000.00</u>
Balance	\$782,901.74

COMMUNITY ENGAGEMENT

The MusGo Rider project arose from the Musquodoboit Harbour Community Vision and Action Plan, which culminated an intensive public consultation process with ongoing implementation led by the Musquodoboit Harbour Community Association (formerly the Musquodoboit Harbour and Area Ratepayers and Residents Association).

Due to the technical and administrative nature of the program, no community engagement took place specific to the development of the attached Community Based Transit Funding Program.

ENVIRONMENTAL IMPLICATIONS

The MusGo Rider project is expected to result in more environmentally sustainable community choices.

ALTERNATIVES

1. Council could choose not to approve the HRM Community Based Transit Funding Program, in which case there would be no mechanism to provide funding to MusGo Rider.
2. Council could choose to make modifications to the HRM Community Based Transit Funding Program. Depending on the extent of these modifications, further staff review may be recommended.
3. Council could choose to direct staff to evaluate only the MusGO Rider proposal based on the HRM Community Based Transit Funding Program, and not to proceed with any further implementation of the program.

ATTACHMENTS

Attachment 1 – HRM Community Based Transit Funding Program.

Attachment 2 – Staff report dated August 29th 2012 -MusGo Rider Rural Public Transit Pilot.

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: David Mitchell, MCIP, LPP, Coordinator of Project Planning, 490-5190
Original Signed

Report Approved by: _____
Dave Reage, MCIP, LPP, Manager, Planning & Schedules, 490-5138
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Financial Approval by: _____
Greg Keefe, Director of Finance & Information Technology/CFO, 490-6308
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Report Approved by: _____
Eddie Robar, Director, Metro Transit, 490-6720

HRM Community Based Transit Program

1. PROGRAM PURPOSE

The purpose of the HRM Community Based Transit Program is to assist communities in developing and operating their own transit service in rural HRM.

HRM operates public transit through Metro Transit and recovers the cost of operating that service through a residential transit tax, fares, commercial taxes and advertising. While urban transit service, such as that offered by Metro Transit, can be an important part of a sustainable regional transportation plan, it is not an efficient service model for lower density rural areas.

In rural areas of HRM, community based transit programs have the opportunity to be tailored to meet the specific needs of local communities and residents, and to be an efficient, cost-effective form of public transit.

2. APPLICATION PROCESS

A pre-application process is available to all prospective applicants. It is recommended that applicants submit their proposals for review by HRM staff prior to submitting their final submission. 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.

- The program will open in January with an application deadline of March 31st of each year;
- Applications will be sent to Metro Transit;
- Metro Transit with the assistance of HRM's Grants staff will review the applications against an evaluation form based on the criteria set out in this document;
- Selected proposals will then be sent to the HRM Grants Committee for final review before being presented to Regional Council for approval ; and
- All applicants of selected proposals will be notified as to the final outcome.

3. FUNDING

- Funding will be provided on an annual basis, and is subject to budget availability. Applicants must re-apply for funding annually;
- Any application recommended for funding must be approved by Regional Council before funding is awarded; and
- If duplication of service delivery occurs between two or more proposals, funding will go to the strongest of these proposals.

4. ELIGIBILITY

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

The Applicants 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 service has a different service model and would complement Metro Transit;
- A transit service located within HRM, or intended to serve the residents of HRM.

5. APPLICATIONS

Applications should include, and will be evaluated based on:

- Confirmation that the applicant has sought other funding sources that are applicable;
- A description of the applicant, including history of the service, role in the community, and key individuals involved in the proposed transit service;
- A description of the service area;
- A description of how the applicant proposes to deliver the service as efficiently as possible, making use of local community resources;
- A service operating plan including past and projected ridership numbers;
- A detailed budget outlining projected revenues, operating and capital costs;
- Detailed financial statements for the previous year or years of operation;
- Any other relevant information such as a feasibility assessment, user needs survey, additional funding sources, marketing opportunities, etc;
- A description of how the proposal would be compatible with the service offered by Metro Transit;
- Proof of liability insurance coverage for board of directors, employees and volunteers;
- Applicable vehicle insurance information;
- Proof that the applicant has been registered with the N.S. Registry of Joint Stocks; and
- A copy of the Utility and Review Board License, where applicable.

6. 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;
- The applicant is fully responsible for insurance and licensing, including licensing under the Motor Carrier Act, if required;
- A record must be kept of the number of daily passengers and the type of fare used (if multiple fare options are provided). All revenue outside of fare collection must also be documented;
- Financial statements are required upon the completion of the program, in order to ensure compliance with established criteria;
- HRM's contribution is contingent upon the applicant securing funding for the balance of the total project costs, as identified in the proposal;
- Any modification to a proposal or transit service that would impact eligibility must be reported promptly;
- 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*.

7. GROUNDINGS FOR HAVING FUNDING REVOKED

The following infractions will be considered a breach of contract and could render the applicant ineligible for future 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.
- If the applicant is operating without the appropriate insurance;
- If the applicant has their Utility and Review Board License revoked;
- If the conditions related to the eligibility of a proposal change, making the proposal no-longer eligible;
- If the applicant is involved in illegal or irregular conduct as defined by HRM's *Administration Order 40 – Halifax Regional Municipality Illegal and Irregular Conduct Policy*.

Evaluation Form

Name of the organization:	
Address of organization:	Date:

Level 1 – Basic Eligibility

The applicant must meet all of the following criteria to be considered eligible for funding:

- The applicant is 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.
- The transit service is located within the geographic boundary of HRM or is intended to serve the residents of HRM.
- The applicant has provided a description of the service area.
- The applicant has provided a description of how they propose to deliver the service as efficiently as possible, making use of local community resources.
- The applicant has provided a service operating plan including past and projected ridership numbers.
- The applicant has provided a detailed budget outlining projected revenues, operating and capital costs.
- The applicant has provided detailed financial statements for the previous year or years of operation.
- The application is for a rural transit service located in an area not serviced by Metro Transit, or it has been demonstrated that the service has a different service model that would complement Metro Transit.
- The applicant has provided proof of liability insurance coverage for board of directors, employees and volunteers.
- The applicant has applicable vehicle insurance.
- The applicant has obtained appropriate licenses from the Utility and Review Board (where applicable).
- There is no past record of the applicant:
 - Misrepresenting the relationship between Metro Transit and the transit service being offered by the applicant;
 - Providing false information to HRM regarding the transit service offered or failing to advise HRM of modifications to the service that may impact eligibility;
 - Being involved in illegal or irregular or conduct as defined by HRM’s *Administration Order 40 – Halifax Regional Municipality Illegal and Irregular Conduct Policy*.
- The applicant does not owe HRM outstanding debt.
- The application submitted was complete and included all required documents.

<input type="checkbox"/> Proceed to Section 2 of Review	<input type="checkbox"/> Ineligible
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Section 2 - Project Merit

Does the transit service address a need within the service area? / Does the applicant have a history of providing this transit service within the service area identified? (10pts)

Does the transit service have an appropriate service model for the proposed service area and population? / Is the service community based and does it take advantage of local resources including volunteer capacity where applicable? / Has the service been developed to be as efficient and cost effective as possible? (35pts)

Does ridership demonstrate service is warranted and/or valued in the community? / Does the service have an existing ridership base? / Are ridership projections reasonable? (15pts)

Project Merit Total Score ___/60

Provide details of reason for score:

Section 3 – Financial Stewardship	
Do existing/previous financial statements appear to be complete, and accurate; do they show revenues and expenses, assets and liabilities, cash savings and investments? Does the projected budget appear to be accurate and reasonable? Is it supported by financial reports, financial records, estimates, quotes etc? (20pts)	
Is the proposed budget developed to be efficient, without unnecessary costs or inappropriate sources of revenue? / Has the applicant sought other funding sources that may be applicable? (20pts)	
Financial Stewardship Total Score ___/40	
Provide details of reason for score:	

Section 4 – Scoring Summary	
Project Merit – Requires a minimum of 45 points	/60pts
Financial Stewardship – Requires a minimum of 30 points	/40pts
Total Score – Requires a minimum of 75 points	/100pts
Reviewer’s Name:	(902) 490 -



P.O. Box 1749
Halifax, Nova Scotia
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Attachment 2
Item 7.1.1

Transportation Standing Committee
September 27, 2012

TO: Chair and Members of Transportation Standing Committee
Original Signed

SUBMITTED BY: _____
Eddie Robar, Director, Metro Transit

DATE: August 29, 2012

SUBJECT: MusGo Rider Rural Public Transit Pilot

ORIGIN

Transportation Standing Committee request for a staff report at its meeting of May 24, 2012.

RECOMMENDATION

It is recommended that the Transportation Standing Committee recommend that Halifax Regional Council:

- (1) not grant a request for \$10,000 from MusGo Rider for the operation of a community-based rural public transit pilot service in the Musquodoboit Harbour area; and
- (2) express its support in principle for community-led rural transit initiatives and direct staff to develop a funding program for consideration in the 2013-14 budget.

BACKGROUND

At the May 24, 2012, meeting of the Transportation Standing Committee, a presentation was made by MusGo Rider describing the community-based rural transit service they are proposing to pilot in 2012 in the Musquodoboit Harbour area. The presentation included the following requests of HRM:

1. For HRM to assist MusGo Rider with obtaining vehicle financing for the bus from the Credit Union, where they will utilize a Provincial program of small business loans for Social Enterprises;
2. For \$10,000 in financial support from HRM to offset MusGo Rider operating costs, possibly through Councillors' district capital funds; and
3. For support and commitment from HRM to prioritize rural transportation concerns.

The Committee passed a motion that HRM staff prepare a report discussing these three requests. Additional questions were raised by the Committee regarding the applicability of other approved HRM programs to this funding request.

DISCUSSION

MusGo Rider completed a service feasibility study March 2011, with funding from the provincial NS-TRIP program. The following year, a business and pre-implementation plan was completed through the same funding program. Based on these planning studies, MusGo Rider is proposing to operate a transit service pilot for one year beginning in 2012. They project an operating deficit of \$60,000, most of which will be covered by a NS-TRIP service start-up grant.

The service proposed by MusGo Rider is a door-to-door on-demand service operated by a non-profit co-operative. A community co-operative such as this has the potential to be a very efficient form of transit for small communities by tailoring their service to meet local needs, leveraging support from local businesses, encouraging volunteer hours and reducing 'dead-heading' costs by basing and servicing their vehicle(s) within the community. A funding process to support community-led transit initiatives in rural areas can be drafted by staff and presented to Regional Council for its consideration during the 2013-14 budget approval. This funding process will have checks and balances to ensure money is being effectively spent and may be combined with the provincial NS-TRIP program.

Until such a process is developed and approved, it would be premature to grant funding to any applicant.

During discussion following the May 24, 2012, presentation, questions were raised by the Committee regarding the applicability of other approved HRM programs to this funding request. The conditions on applying Councillor's district capital funds preclude that as a source of

funding for costs associated with transit operation. This request would also not qualify as a grant, as managed through the HRM Grants and Contributions Program, as the funds requested are for operating costs.

BUDGET IMPLICATIONS

There are no budget implications at this time.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

COMMUNITY ENGAGEMENT

This project arose from the Musquodoboit Harbour Community Vision and Action Plan, which culminated an intensive public consultation process with ongoing implementation led by the Musquodoboit Harbour Community Association (formerly the Musquodoboit Harbour and Area Ratepayers and Residents Association). Community engagement on the issue of transit service in rural areas has been, and will continue to be, a part of the RP+5 process.

ENVIRONMENTAL IMPLICATIONS

The MusGo Rider project is expected to result in more environmentally sustainable commuting choices.

ALTERNATIVES

The Transportation Standing Committee may choose to forward a recommendation for immediate funding to Regional Council. This is not recommended as no mechanism currently exists at this time to manage and evaluate the project and HRM's contribution.

Should the Committee choose to forward a recommendation to Regional Council to fund the MusGo Rider project, it is recommended that:

- (1) Funding be recommended to come from CTR00908 - Transportation Demand Management Program; and
- (2) The MusGo proposal be subject to HRM staff review prior to award of funding.

ATTACHMENTS

There are no attachments.

A copy of this report can be obtained online at <http://www.halifax.ca/boardsom/SCtransp/index.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: David McCusker, P.Eng., Manager, Strategic Transportation Planning, 490-6696

Original Signed

Report Approved by:

Austin French, Manager, Planning, 490-6717