



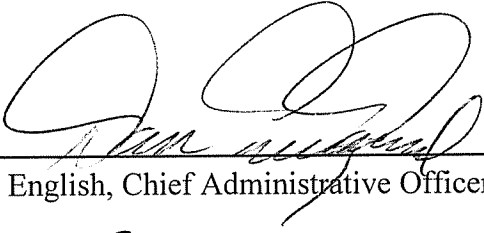
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Halifax Regional Council
May 15, 2007

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



Dan English, Chief Administrative Officer



Geri Kaiser, Deputy CAO - Corporate Services and Strategy

DATE: May 9, 2007

SUBJECT: Public Transit Funding: Update and Funding Allocation

ORIGIN

On February 1, 2007, the Transit Funding Agreement between Halifax Regional Municipality and the Province of Nova Scotia was signed, providing for the transfer of federal funding to the municipality. Under the terms of this agreement, HRM must submit a list of capital projects selected for funding under the program, along with a list of all capital projects eligible for funding. On March 6, 2007, Council approved the funding allocation for the 2006/07 fiscal year.

RECOMMENDATION

It is recommended that Regional Council:

- 1) approve the three year list of Transit Funding projects as per Attachment A; and
- 2) approve the reduction of the 2007-08 gross capital budget by \$2,977,000 and the corresponding realignment of projects as per Attachment B.

BACKGROUND

On November 24, 2006, the Province of Nova Scotia and the Government of Canada signed a bilateral agreement to transfer Public Transit Funding to municipalities within Nova Scotia. On February 1, 2007, HRM signed a municipal funding agreement with the Province. That agreement formalised the criteria and requirements, and details the responsibilities of the partners.

On March 6, 2007, Council approved a list of eligible projects for the 2006-07 fiscal year and selected projects for funding under the program (as shown in Attachment C). This list was submitted to the Infrastructure Secretariat, who administers the program, and HRM has received \$10,889,128 for the 2006-07 fiscal year. What is now required is: a list of capital projects put forward for funding in the fiscal years 2007-08, 2008-09 and 2009-10; and a list of all projects eligible under the Public Transit funding program.

Strategic Transit Agreement Highlights

The following is a brief summary of terms and conditions contained within the Transit Funding agreement.

Municipal Requirements:

- that funds result in net incremental capital spending on Public Transit Infrastructure in 2006/07 and do not clawback any current capital funding
- that annual capital spending on transit will not fall below \$6.9 million in 2006/07
- to provide access to records related to funded projects as requested
- to comply with the communications protocol outlined
- to retain title to the resulting infrastructure for at least 10 years
- to invest any funds received in advance of the Municipality incurring and paying Eligible Costs in accordance with Section 100 of the Municipal Government Act
- to provide a Transit Strategy document, as approved by Council, incorporating Transportation Demand Management measures

Reporting:

- HRM will provide a capital budget, including a list of proposed capital projects, with eligible projects identified prior to fund transfer
- an annual expenditure report will be provided each year by July 31, which must include a report on amounts held by the Municipality at year end to be spent on Eligible Projects.

Eligible Projects include:

- rapid transit infrastructure
- rolling stock

- intelligent transport systems
- related capital infrastructure
- accessible transit

Eligible Costs include:

- capital costs
- fees to professionals
- environmental assessments

DISCUSSION

HRM is expecting to receive approximately \$24 million over the next 3 years under the Public Transit Funding Agreement, with \$8.02 million anticipated in 2007/08, \$7.97 million in 2008/09, and \$7.92 million in 2009/10. Funding is conditional upon HRM's full compliance with all terms of the agreement.

BUDGET IMPLICATIONS

In the 2007/08 capital budget, funding under the Transit Funding program were estimated at \$11.0 million. Recent information indicates that the amount received in 2007/08 will be \$8.02 million.

Estimated Transit Agreement Funding

Estimate as per 2007-08 Capital Budget	\$ 11,000,000
Revised 2007-08 Actual (from Infrastructure Secretariat)	<u>8,023,000</u>
Variance - Reduced Funding	\$ (2,977,000)

To accommodate this change, staff is recommending that capital spending be reduced in 2007/08 to offset the reduced level of funding.

Metro Transit Capital Budget

as per 2007-08 Capital Budget	\$ 18,291,000
Revised Capital Budget - recommended	<u>15,314,000</u>
Variance - Reduced Spending	\$ (2,977,000)

HRM still expects to receive \$24 million over the next 3 years through the Public Transit Funding program. Reduced capital spending in 2007/08 will be offset by increased spending in future years and those projects that are scheduled for reduced funding in 2007/08 will receive additional funding in 2008/09 and 2009/10 (see Attachment D).

The recommended reduction will delay the replacement of six conventional transit buses. This delay will likely cause an increase in maintenance and operational costs as the service life of six buses due for replacement will need to be extended. The recommended reduction will not impact

the Conventional Transit Expansion program.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation. Approval of this report will result in a reduction in the Approved Capital Budget.

ALTERNATIVES

Council could select different projects from the eligible projects list (Attachment B) for inclusion under this program.

Council could also look for alternative sources of funding to make up for the shortfall from the Public Transit Funding program in 2007/08. Staff does not recommend this approach as the total Transit capital budget over the 3 year period is essentially unaffected. Using alternative funding sources could negatively impact other capital projects.

ATTACHMENTS

Attachment A: Recommended Capital Projects for Public Transit Funding

Attachment B: Revised Capital Budget and Capital Plan for Metro Transit

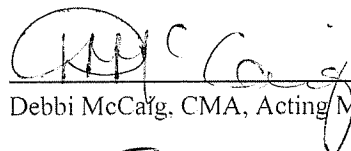
Attachment C: Capital Projects Funded in 2006/07

Attachment D: Capital Projects Eligible for Public Transit Funding

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

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Attachment A

Recommended Public Transit Funding Allocation

Project		2007-08	2008-09	2009-10
Number	Project Description	(000' \$)	(000' \$)	(000' \$)
CMU00973	Rural Express Transit	\$ 3,100	\$ 1,300	\$ -
CMU00974	Downtown Shuttle		3,400	
CMU00981	MetroLink		1,220	
CVD00429	Access-A-Bus Expansion	400		
CVD00430	Access-A-Bus Replacement	440	440	440
CVD00434	Conventional Transit Bus Expansion		1,610	
CVD00435	Conventional Transit Bus Replacement	4,083		7,479
	Total	<u>\$ 8,023</u>	<u>\$ 7,970</u>	<u>\$ 7,919</u>

Attachment B: Revised Capital Budget and Capital Plan for Metro Transit

Project Description	2007-08			2008-09			2009-10			3 yr Total		
	Capital Budget	Revised Budget	Variance	Capital Plan	Revised Plan	Variance	Capital Plan	Revised Plan	Variance	Capital Plan	Revised Plan	Variance
Coin Room	\$ 60	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60	\$ 60	\$ -
Bus Stop Accessibility	640	296	(344)	125	296	171	125	296	171	890	888	(2)
Bus Shelters-Replacement	60	60	-	75	75	-	75	75	-	210	210	-
200 Ilsley Upgrades	500	500	-	-	-	-	-	-	-	500	500	-
200 Ilsley Avenue - Safety Upgrades	320	320	-	320	320	-	330	330	-	970	970	-
Transit Facilities Upgrades (Bundle)	746	746	-	421	421	-	400	400	-	1,567	1,567	-
Ferry Terminal Pontoon Protection	50	50	-	350	350	-	350	350	-	750	750	-
Vehicle Tracking & Communication	300	300	-	-	-	-	-	-	-	300	300	-
Scheduling Software Upgrades	-	-	-	100	100	-	200	200	-	300	300	-
Rural Express Transit	3,100	3,100	-	1,300	1,300	-	-	-	-	4,400	4,400	-
Downtown Shuttle	-	-	-	3,400	3,400	-	-	-	-	3,400	3,400	-
Peninsula Transit Corridor	-	-	-	-	-	-	1,900	1,900	-	1,900	1,900	-
MetroLink	-	-	-	1,220	1,220	-	2,000	2,000	-	3,220	3,220	-
Transit Security	400	200	(200)	-	200	200	-	-	-	400	400	-
HarbourLink	-	-	-	20,000	20,000	-	-	-	-	20,000	20,000	-
Access-A-Bus Expansion	400	400	-	-	-	-	-	-	-	400	400	-
Access-A-Bus Replacement	440	440	-	440	440	-	440	440	-	1,320	1,320	-
Midlife Bus Rebuild	655	655	-	655	655	-	655	655	-	1,965	1,965	-
Service Vehicle Replacement	-	-	-	60	60	-	60	60	-	120	120	-
Conventional Transit Bus Expansion	3,100	3,100	-	3,200	3,200	-	4,000	4,000	-	10,300	10,300	-
Conventional Transit Bus Replacement	7,100	4,667	(2,433)	7,100	7,699	599	7,100	8,748	1,648	21,300	21,114	(186)
Bi-annual Ferry Refit	420	420	-	550	550	-	470	470	-	1,440	1,440	-
Total Metro Transit	\$18,291	\$15,314	\$(2,977)	\$39,316	\$40,286	\$970	\$18,105	\$19,924	\$1,819	\$75,712	\$75,524	\$(188)

Attachment C

Capital Projects Funded in 2006/07

Project		2006-07
Number	Project Description	(000' \$)
CHD00060	Farebox Replacement	\$ 2,000
CVD00429	Access-A-Bus Expansion	120
CVD00430	Access-A-Bus Replacement	440
CVD00434	Conventional Transit Bus Expansion	3,915
CVD00435	Conventional Transit Bus Replacement	4,414
Total Metro Transit		<u>\$ 10,889</u>

Attachment D

Eligible Public Transit Capital Projects

Project Number	Project Description	2007-08 (000' \$)	2008-09 (000' \$)	2009-10 (000' \$)
CDM00989	Coin Room	\$ 60	\$ -	\$ -
CBT00432	Bus Stop Accessibility	296	296	296
CBT00437	Bus Shelters-Replacement	60	75	75
CBU00876	200 Ilsley Upgrades	500	-	-
CBU00938	200 Ilsley Avenue - Safety Upgrades	320	320	330
CBU00951	Transit Facilities Upgrades (Bundle)	746	421	400
CBU00959	Ferry Terminal Pontoon Protection(Bundle)	50	350	350
CHA00160	Vehicle Tracking & Communication	300	-	-
CIU00875	Scheduling Software Upgrades	-	100	200
CMU00973	Rural Express Transit	3,100	1,300	-
CMU00974	Downtown Shuttle	-	3,400	-
CMU00975	Peninsula Transit Corridor	-	-	1,900
CMU00981	MetroLink	-	1,220	2,000
CMU00982	Transit Security	200	200	-
CV300751	HarbourLink	-	20,000	-
CVD00429	Access-A-Bus Expansion	400	-	-
CVD00430	Access-A-Bus Replacement	440	440	440
CVD00431	Midlife Bus Rebuild	655	655	655
CVD00433	Service Vehicle Replacement	-	60	60
CVD00434	Conventional Transit Bus Expansion	3,100	3,200	4,000
CVD00435	Conventional Transit Bus Replacement	4,667	7,699	8,748
CVD00436	Bi-annual Ferry Refit	420	550	470
Total Metro Transit		<u>\$ 15,314</u>	<u>\$ 40,286</u>	<u>\$ 19,924</u>