

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Original signed
for: Councillor Reg Rankin, Chair, Transportation Standing Committee

DATE: October 1, 2012

SUBJECT: MusGo Rider Rural Public Transit Pilot

ORIGIN

September 27, 2012 meeting of the Transportation Standing Committee.

RECOMMENDATION

The Transportation Standing Committee recommends that Regional Council:

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 development of criteria to fund 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.

BACKGROUND

MusGo Rider made a presentation to the Transportation Standing Committee on May 24, 2012. The Committee approved a motion at that meeting requesting a staff report reviewing three requests made by MusGo in that presentation, as follows:

1. For HRM to assist MusGo with obtaining vehicle financing for the bus from the Credit Union;
2. For \$10,000 in financial support for operating costs;
3. For support and commitment from HRM to prioritize rural transportation concerns.

A further motion was approved at the July 5, 2012 Transportation Standing Committee meeting to request a staff report discussing the potential development of a program for providing operational funding support to community-led rural transit projects within HRM.

DISCUSSION

The Transportation Standing Committee, at the September 27, 2012 meeting, gave consideration to the August 29, 2012 staff report "MusGo Rider Rural Public Transit Pilot".

The Alternative recommendation was placed on the floor, as follows:

That the Transportation Standing Committee recommend that Regional Council:

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 prior to award of funding; and
2. That funding come from account CTR00908 – Transportation Demand Management Program.

Councillor Hendsbee suggested that MusGo Rider has provided sufficient information to staff, including their business plan and financial statements, and this program could be a pilot project for other community-led rural transit projects that may come forward for other areas of HRM.

Members of the Committee spoke in support of the MusGo program, and rural transit initiatives in general, but noted caution in approving operational funding to a community-led rural transit project without having a funding process in place to support such projects. Staff explained that there is currently no mechanism in place to distribute funding and evaluate these services, to ensure accountability and that funding is being used effectively. The Committee also expressed concern with the precedent it may set to approve this request for funding.

Staff further explained that "subject to HRM staff review" would be a financial and legal review, as well as a review with the grants program, and that staff would undertake industry research for the development of program criteria.

The motion on the floor was amended, as follows:

That the Transportation Standing Committee recommends that Regional Council:

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 *and development of criteria to fund 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.

The amended motion was approved.

Also refer to the attached August 29, 2012 staff report for discussion on the program.

BUDGET IMPLICATIONS

Metro Transit and Planning staff have identified funds available in account CTR00908 – Transportation Demand Management Program to grant the \$10,000 request for operational funding to MusGo Rider, and have confirmed that the criteria of this account fit with the program.

Should Regional Council approve the recommendation, a future staff report regarding the development of a program to fund community-led rural transit initiatives will outline funding and budget implications.

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

The Transportation Standing Committee is comprised of eight members of Regional Council who have been duly elected to represent their districts. Transportation Standing Committee meetings are held once a month and are open to the public, unless otherwise stated. Agendas, reports, and minutes from these meetings are posted online.

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ENVIRONMENTAL IMPLICATIONS

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

ALTERNATIVES

Regional Council may choose to not grant the request for \$10,000 from MusGo Rider for the operation of a community-based rural public transit pilot service; and 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.

ATTACHMENTS

Attachment A: Staff report dated August 29, 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: Jennifer Weagle, Legislative Assistant, 490-6517

Original Signed

Business Unit Review:

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



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Attachment A

**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