



Canada-Nova Scotia Agreement on the Transfer of Federal Public Transit Funds - Capital Trust

Nova Scotia Annual Expenditure Report (AER)
as of March 31, 2010

Canada-Nova Scotia Agreement on the Transfer of Federal Public Transit Funds/Capital Trust (PTF) Final Provincial Annual Expenditure Report (AER)

The Canada-Nova Scotia Infrastructure Secretariat (CNSIS) continues to administer and deliver Federal Public Transit Funds to Nova Scotia's eligible transit organizations.

The Province of Nova Scotia applied the same reporting process for both the Canada-Nova Scotia Agreement on the Transfer of Federal Public Transit Funds (2006-07) and the Federal Public Transit Capital Trust Fund (2008-10).

The Province of Nova Scotia jointly signed Transit Funding Agreements (TFAs) with each of the three Nova Scotia urban transit authorities – Halifax Regional Municipality (HRM), Cape Breton Regional Municipality (CBRM) and Kings Transit Authority (KTA)– as well as joint agreements with the thirteen community transit organizations. The Province ensured compliance with the terms and conditions of the TFAs during 2009/10.

Project Investments:

From the purchase of conventional and accessible transit buses to the enhancement of maintenance facilities, the Public Transit Funds (PTF) continues to invest in important public transit infrastructure projects throughout Nova Scotia.

This year, \$6,998,333.83 was distributed to eligible recipients for investment in public transit infrastructure in Nova Scotia. Twenty four eligible projects were approved and expensed \$29,279,644 in 2009-10. As of March 31, 2010, there was \$1,885,504 in reserve (accumulated from 2006) for future public transit infrastructure projects. CBRM and KTA will expense these funds in 2010-11.

The total project value of the 24 projects is \$68,248,830 (see Table 2). Other financing contributions include:

- \$9,914,741 from other federal sources (mostly PTF and Gas Tax Funds);
- \$28,781,438 from municipal sources;
- \$189,782 in provincial sources; and
- \$83,226 from other sources (donations, fundraising, etc.)

Nature of the Investment:

Federal Public Transit Funds allowed for investment in 24 new projects (see Table 2). Individual community project benefits are provided in the attached public transit Annual Expenditure Reports (AERs).

Project highlights for 2009-10:

- ▶ 24 approved projects -18 are completed and 6 remain in progress
- ▶ Total project cost is \$68.2 M, and of this, \$29.2 in PTF was spent by eligible recipients
- ▶ \$6.9 M was transferred to eligible recipients
- ▶ 13 community transit services received \$239,511 in PTF toward the purchase of accessible vehicles
- ▶ Between 2006-2010, PTF contributed to the acquisition of an additional 97 vehicles

Table 1: PTF Investments to Eligible Recipients for 2009-10

Eligible Recipients	PTF Allocation (2009-10)	Total Available to spend	PTF Expensed (2009-10)	Closing Reserve at Mar 31/10
HRM	6,107,978	27,520,531	27,619,000	0
CBRM	317,724	1,772,228	1,007,333	769,932
Kings Transit Authority	333,121	1,332,836	235,655	1,115,572
Central Highlands Association of the Disabled (CHAD)	0	41,554	41,554	0
M of Chester Trans. Society	18,000	63,000	63,000	0
Hants County CAN	0	12,782	12,782	0
Colchester Trans. Cooperative Ltd. (CTCL)	60,000	60,000	60,000	0
Strait Area Transit (SAT)	9,847	9,847	9,847	0
Le Transport De Clare	42,638	42,638	42,638	0
Trans County Trans. Society (TCTS)	32,990	32,990	32,990	0
East Hants Alternative Transportation Society (EHATS)	45,616	45,616	45,616	0
Handicapped Organization Promoting Equality (HOPE)	0	32,442	32,521	0
Kings Para Transit Society (KPTS)	30,420	76,708	76,708	0
Total (fiscal 2008-09)	6,998,334	31,043,172	29,279,644	1,885,504

* Closing Reserve includes interest accrued to March 31, 2010

Table 2: PPTF Spending by Eligible Recipient for 2009-10

Eligible Recipients	Projects (2009-10)	PTF Expensed (2009-10)	Total Project Cost
HRM	Conventional Transit Bus Replacement	2,308,272	27,297,365
HRM	Access-a-Bus Replacement	386,993	3,288,183
HRM	Rural Transit Express	1,868,273	3,122,000
HRM	Satellite Transit Garage Facility (Ragged Lake)	27,324,949	27,324,949
HRM	Access Road for new Transit Facility	903,861	2,715,000
HRM	Shelters Replacement Expansion	220,399	479,000
HRM	Bus Stop Accessibility	199,075	766,131
HRM	Scheduling Software Upgrades	420,680	1,341,050
CBRM	1997 New Flyer Transit Buses x8	890,969	890,969
CBRM	Model PK 30-4 28 HD Hoist	33,453	33,454
CBRM	2010 GMC G3500 Titan II Bus	69,992	69,992
CBRM	Transit Strategy Study	12,919	12,919
KTA	2009 Odyssey Feeder Bus x2	235,655	235,655
Community Transit	Accessible Vehicles x11	417,656	672,164
Total		29,279,644	68,248,830

Conventional Transit Investments

The Public Transit Fund invested in public transit in urban areas of Nova Scotia. This includes the purchase of conventional transit buses in HRM that provide daily service throughout the municipality. This transit service provides safe, affordable and accessible transportation, as well as helps reduce the ecological footprint and decrease congestion, and greenhouse gases.



Community Transit Investments

The Public Transit Fund invested in community transit organizations in rural Nova Scotia. This includes the purchase of an accessible mini-van in the Municipality of Clare. Community transit services provide pre-booked, door-to-door, accessible services to persons with disabilities, seniors and the transportation disadvantaged.



Incrementality of Gas Tax Funds:

Incremental spending of the Federal Transit Funds was measured, tested and reported in the audited Provincial Annual Expenditure Report for the year ending March 31, 2010. It will include the following:

- a. The base amount of \$7.3 million representing a three-year (2003/04, 2004/05, & 2005/06) average of funds spent on public transit infrastructure by public transit organizations in Nova Scotia. Over the period of April 1, 2006, to March 31, 2010, the Province of Nova Scotia monitored the average annual capital spending by transit authorities on public transit infrastructure to ensure that it is not less than the base amount. The table below shows the average net capital transit spending (\$17.8 million) between 2006-2010 exceeds the base amount of \$7.3 million.

Base Amount (2003-2006 Average)	Net Capital Transit Spending (2006-2010 Average)
\$7,300,000	\$17,839,870

- b. The Province of Nova Scotia ensured that the funding under the Agreement provides additional revenues for municipalities rather than displacing other provincial infrastructure funding. The table below shows that Nova Scotia has maintained its investment to municipalities for public transit purposes.

Total Provincial Investment in Public Transit in Nova Scotia

2006-07	2007-08	2008-09	2009-10
620,000	620,000	1,120,000	1,120,000

includes ATAP, CTAP and NS-TRIP (excludes EcoTrust Program)

Adoption of PSAB accounting Rules:

The Canadian Institute of Chartered Accountants (CICA), through the Public Sector Accounting Board (PSAB), requires municipalities to follow Public Sector Accounting Principles in preparing their annual financial statements.

In Nova Scotia, the Financial Reporting and Accounting Manual (FRAM) is a regulation under the Municipal Government Act (MGA) that requires municipalities to follow Public Sector Accounting Principles in accordance with CICA standards.

Staff from the Municipal Services Division of Service Nova Scotia and Municipal Relations collaborate with Nova Scotia's municipalities to review and improve the FRAM annually.

SNSMR works closely with the municipalities as they transition to meet new and emerging annual reporting requirements in accordance with PSAB standards. For example, the Department led a working group of municipal finance staff to implement Tangible Capital Asset (TCA) reporting requirements, which are effective in fiscal 2009-2010.

Leading Nova Scotia's municipalities through changes in municipal reporting requirements is an ongoing priority for SNSMR.

Communications Protocol:

The Canada-Nova Scotia Infrastructure Secretariat (CNSIS) continues to work With Infrastructure Canada on the communications plan for the Federal Public Transit Fund and the Federal Gas Tax Fund (GTF). The communications plan was submitted to Oversight Partnership Committee for approval.

During 2007-08, the CNSIS developed a new website - www.nsinfrastructure.ca. This website includes all federal-provincial infrastructure funding programs. From general information on programs to reporting requirements to how to plan your event, this website makes it easier for municipalities and public transit organizations to find and access information for all the infrastructure programs.

The website – www.nsinfrastructure.ca – provides communications tools to assist municipalities with PTF event planning and activities, including:

- ▶ Display unit
- ▶ Brochures
- ▶ On-line tool box
- ▶ Event planning (communicating your project, protocol, media relations, etc.)
- ▶ News releases
- ▶ Public Transit PAER narrative summary

The following PTF communications events were held in the past year in Nova Scotia:

- ▶ August 20, 2010 HRM - Ragged Lake Transit Facility official opening
- ▶ June 25, 2010 Kings Para Transit Society - funding announcement for two accessible vehicles
- ▶ April 7, 2010 Handicapped Organization Promoting Equality (HOPE) - funding announcement for accessible minivan in Yarmouth
- ▶ January 25, 2010 East Hants Alternative Transportation Society - funding announcement for two new accessible minivans
- ▶ March 22, 2010 M of Chester Transportation Society - launch of accessible vehicle
- ▶ August 31, 2009 HRM - launch of Metro X bus in Tantallon
- ▶ November 27, 2009 Colchester Transportation Cooperative - photo opportunity to celebrate new accessible bus
- ▶ November 27, 2009 Cumberland County Transportation Society - launch of accessible minivan in Amherst
- ▶ July 31, 2009 HRM - Ragged Lake Transit Maintenance Facility groundbreaking ceremony
- ▶ April 18, 2009 Le Transport de Clare - launch of accessible bus
- ▶ April 7, 2009 HOPE - funding announcement for an accessible minivan in Yarmouth

Transit Strategy:

The Province developed a Transit Strategy Guide to assist eligible recipients with transit studies. The Province also monitored the development of transit strategies.

At March 31, 2010, the Province of Nova Scotia has received all required transit strategies from Kings Transit Authority, CBRM and HRM. These strategies will contribute to the enhancement of long-term planning in transit operations and capital investments, which will lead to improvements in service efficiency and increased ridership.

Reporting under the Federal Public Transit Trust Program:

For 2009-10 the Province will provide an annual Provincial Annual Expenditure Report (PAER) to the federal government on expenditures through the Federal Public Transit Capital Trust Program, using the same process that was developed under the 2006/07 Canada-Nova Scotia Agreement on the Transfer of Federal Public Transit Funds.

An audited PAER will not be completed during 2010-11 as the program is scheduled for completion March 31, 2010. Audited AERs for 2010-11 will be collected for Kings Transit Authority and CBRM to account for the required expenditure of reserve funds by March 31, 2011.

Cumulative Summary:

- \$50,096,112 (97%) out of the total 4-year federal allocation of \$51,609,626 has been expensed to date.
- \$1,885,504 (4%) is currently being held in reserve account by Kings Transit and HRM as of March 31, 2010 (refer to Table 3).
- The Agreement on the Transfer of Public Transit Revenues (2005) comprised \$11.7M of Federal funds. This has now been fully expensed. CBRM and Kings Transit Authority were provided an extension to expense the remaining Capital Trust Funds by March 31, 2011.
- 11 communications events were conducted in the past year.
- The PTF contributed to a total of 97 vehicles between 2006 and 2010, excluding the planned 2010-11 PTF expenditures by CBRM and Kings Transit.
- The estimated total project cost of all PTF investments between 2006 and 2010 is \$140 million.

Other transit capital investments included:

- replacement of fareboxes;
- security cameras; and
- the contribution towards Kings Transit Authority and HRM's new transit maintenance facility.

Between 2006 and March 31, 2010, the majority of the PTF was used for the purchase of rolling stock (buses), including accessible transit, which included:

- ▶ Urban Transit - 70 vehicles
- ▶ Community Transit - 27 vehicles
- ▶ Total Vehicles - 97 vehicles

Table 3: PTF Financial Summary-Nova Scotia Eligible Recipients

	Total 2006-07	Total 2007-08	Total 2008-09	Total 2009-10	Cumulative
Opening Balance	-	3,443,741	4,872,218	24,044,838	-
Distribution to Eligible Recipients	11,732,152	8,667,952	24,211,188	6,998,333	51,609,626
Spent on Eligible Projects	(8,288,411)	(7,350,196)	(5,177,861)	(29,279,644)	(50,096,112)
Municipal Interest Earned	-	110,721	139,294	122,047	372,062
Closing Balance	3,443,741	4,872,218	24,044,838	1,885,504	1,885,504

Final Outcomes Report:

The Province participated in a national committee, chaired by Infrastructure Canada, to develop a performance measurement approach to identify appropriate outcomes to meet reporting requirements of the program.

A Nova Scotia Outcomes Report template and process was developed and approved. The final outcomes report is complete and was presented at the National Gas Tax Workshop in Ottawa in May 2010. This report can be downloaded at:

<http://www.nsinfrastructure.ca/pages/Public-Transit-Fund-Outcomes-Report.aspx>

The following are some key results of the outcomes report analysis:

- The Province developed tools and educational materials, and conducted workshops to assist transit service providers with meeting the reporting requirements.
- As of March 31, 2009, eligible recipients purchased 74 accessible vehicles using the PTF, including 6 minivans, 24 mini-buses and 44 buses (total seating capacity is 2,016).
- The total number of accessible vehicles is projected to increase for urban and rural transit services from 122 to 245 between 2005 and 2010.
- Total ridership for urban and rural transit services is projected to increase from 17.6 to 20.4 M between 2006 and 2010 (see Figure 1).
- Total passenger seating capacity for urban and rural transit services is projected to increase from 10,706 to 13,777 between 2005 and 2010 (see Figure 2).
- The average age of the fleet is projected to decrease between 2005 and 2010 (urban 9 to 7.3 years/rural 5.3 to 2.1 years).
- The average route length for vehicles is projected to increase from 92.4 Km in 2005 to 105.1 Km in 2010.

Figure 1: Total Transit Ridership in Nova Scotia (Urban/Rural) 2006-2010

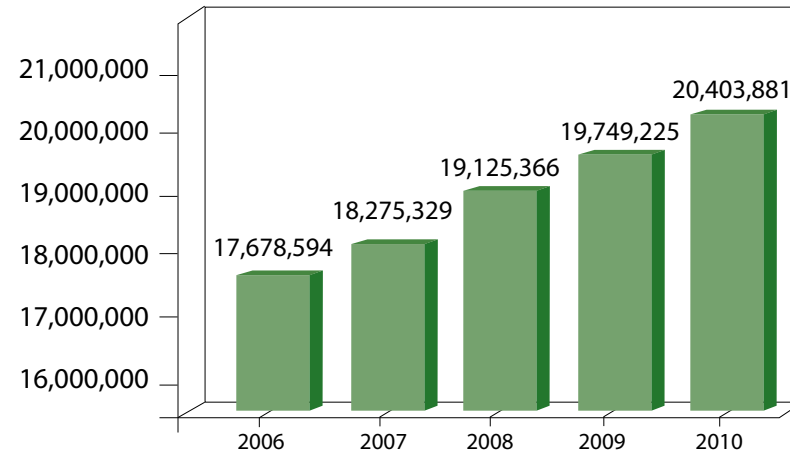
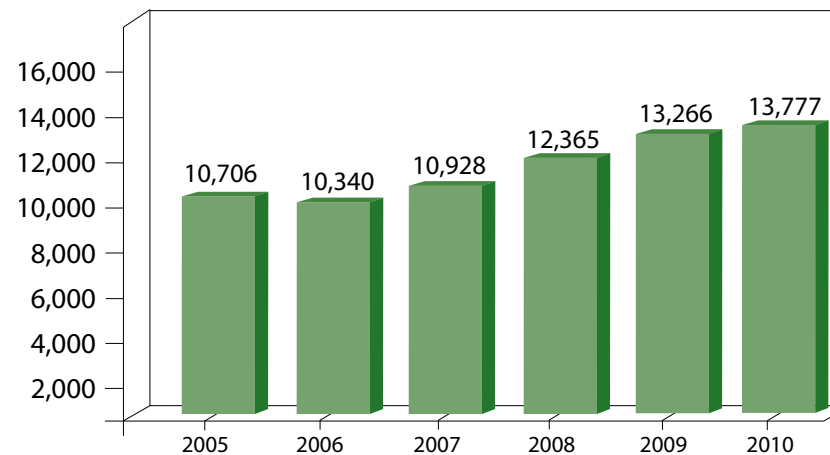


Figure 2: Total Passenger Seating Capacity-Rural and Urban (all vehicles 2005-2010)



Looking Ahead:

Nova Scotia will continue to invest the PTF toward public transit infrastructure projects to help make our communities safer, healthier and more economically and environmentally sustainable.

Based on the Transit Capital Budgets and Capital Investment Plans received to November, 2010, it is evident that the Nova Scotia Infrastructure deficit for public transit is very large. However, the PTF investments provided a significant level of support to address this deficit.

Nova Scotia plans to track the 2010-11 expenditures for CBRM and Kings Transit to ensure all PTF have been completely expensed by March 31, 2011.