



COUNTY *of* ANNAPOLIS
NATURALLY ROOTED

Municipality of the County of Annapolis

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To Residents of the County of Annapolis:

In December, Annapolis County Municipal Council made a decision to begin contract negotiations with Trans County Transportation Society (TCTS) to replace Kings Transit as the County's local transit service manager. The County issued a press release on this matter; however, it would appear that some facts have been misunderstood by residents which is resulting in confusion and concern. It is my hope to clarify these misunderstandings and explain the rationale for this strategic decision of Council.

I think it would be most helpful to start with some basic facts on our existing transit service that is presently being provided by Kings Transit. The service includes a route from Greenwood to Bridgetown (Annapolis East bus) and a route from Bridgetown to Cornwallis (Annapolis West bus). The County does, in fact, own the buses for both routes. We purchased the Annapolis East bus for \$302,132 in 2005 and the Annapolis West bus for \$288,535.67 in 2007. The County pays for ALL costs associated with the operation of both buses (ie: driver wages, workers compensation, bus maintenance, wiper blades, fuel, etc.) PLUS approximately \$60,000 per year to Kings Transit to manage the service for us.

The County pays approximately \$287,000 per year for the entire transit service. The taxpayers of Annapolis County subsidize the Annapolis East bus service by 48% (ridership fares are budgeted at \$120,310 and the municipal subsidy is budgeted at \$110,116) and subsidize the Annapolis West bus service by 73% (ridership fares are budgeted at \$65,700 and the municipal subsidy is budgeted at \$177,202). Municipal Council recognizes that a 73% subsidy is a concern and efficiencies must be identified to address this situation. With TCTS's help we will be looking for potential solutions.

In terms of governance, the County of Annapolis does not have a voting member on the board of Kings Transit. The board of Kings Transit is made up of three Councillors from King's County, one Councillor from the Town of Berwick, one Councillor from the Town of Wolfville and one Councillor from the Town of Kentville.

The County's contract with Kings Transit to manage our transit service expired in 2009 and we have been operating on a month-by-month basis since that time. Contract negotiations broke down over the issue of who would have authority to spend funds provided through government transit grants. This issue arose from a dispute with Kings Transit regarding the use of Public Transit Funds provided as a grant from the federal government. This grant was given to transit providers based on ridership numbers. The amount for Annapolis County was \$404,000. Since Annapolis County owns the buses, pays all of the costs associated with the service, and simply pays Kings Transit a management fee to manage our service, we expected to be able to direct the use of the \$404,000 to ensure it maximized its benefit to Annapolis County taxpayers who are subsidizing the service to such a high degree. Unfortunately, the board of Kings Transit refused to allow Annapolis County Municipal Council to have any say on how the \$404,000 was spent. The funds were issued in Kings Transit's name and were used for a garage facility in Kings County. Council repeatedly sent representatives to the Kings Transit Board meetings to protest

the planned use of Annapolis County's portion of these funds (\$404,000) and demand that Council be given an opportunity to direct the expenditure of the monies that our taxpayers' subsidization made possible. For example, in the upcoming 2012 Capital Budget, Annapolis County Municipal Council had planned an expenditure of \$400,000 for a new bus. Council may have wanted to use the grant funding for this expenditure in order to relieve their taxpayers of this upcoming cost. The response from Kings Transit was that they needed the funds for the garage facility, and refused the County's request. Kings Transit attempted to justify the garage expenditure to Council but at the end of the day would not allow Annapolis County Municipal Council to make the expenditure decision on behalf of our taxpayers. The County has taken this matter to court.

We are fortunate in Annapolis County to have TCTS providing excellent service to their riders, the local health Authority and the School Board. The board of TCTS is made up of Annapolis County residents and includes a member of the Annapolis County Municipal Council. Council believes TCTS can provide a flexible and responsive service, as well as provide market intelligence to enable good decision making regarding service provision. In addition, mechanic services and other business-related expenses will be obtained in Annapolis County in order to support local business and maximize the financial benefits to our taxpayers. We are looking forward to working with TCTS in 2012.

Now to address some fears regarding routes, fares, and transfers between the two transit systems. The current routes, fares, and times will not change when TCTS takes over management of the service. The Annapolis East bus will still run between Greenwood and Bridgetown at the same times and the Annapolis West bus will still run between Bridgetown and Cornwallis at the same times. TCTS met with Kings Transit to discuss transfers between systems and we expect that riders will be able to transfer at no cost between the two. The issue of the 73 % subsidy on the Annapolis West route may result in the need for the County to adjust the schedule in the future. TCTS will collect market intelligence and may recommend changes next year. This would be an issue regardless of who managed the service.

I hope this information is helpful to our residents. Please be assured that Municipal Council expects this step will result in an improved transit service for our taxpayers.

Sincerely,

A handwritten signature in blue ink that reads "Reg C. Ritchie". The signature is written in a cursive style.

Reg C. Ritchie, Warden
County of Annapolis