

# THE MUNICIPALITY OF LAMBTON SHORES

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**Report TR 11-2025      Council Meeting Date: March 6, 2025**

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**TO:** Mayor Cook and Members of Council  
**FROM:** Rebecca Clothier, Director of Financial Services  
**RE:** Huron Shores Area Transit Update March 6, 2025

**RECOMMENDATION:**

**THAT** Report TR 06-2025 regarding the Huron Shores Area Transit Update be received for information.

**THAT** annual funding in the amount of \$72,244 for the period April 1, 2025, through to March 31, 2030, be approved.

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**SUMMARY**

The Huron Shores Area Transit (HSAT) system has provided essential inter-community transit services since its launch in December 2020, connecting Lambton Shores and surrounding municipalities. HSAT has experienced steady growth, with over 25,000 trips recorded in 2025, demonstrating its value to residents who rely on accessible and affordable transportation.

With the Ontario Community Transit Grant Program funding set to expire on March 31, 2025, the sustainability of HSAT depends on securing alternative funding sources. Applications have been submitted to the Ontario Transit Investment Fund (OTIF) and Provincial Gas Tax program, but their approvals remain uncertain. Additionally, funding commitments from partner municipalities vary, with contributions confirmed from Bluewater but not from Lucan Biddulph or North Middlesex. Expansion opportunities are being explored with Plympton-Wyoming and Goderich, leveraging potential access to additional Gas Tax funding.

The future operation of HSAT is contingent on securing municipal contributions and provincial funding approvals. Given the outstanding funding uncertainties, there is a significant risk to the continuity of this critical transit service beyond March 2025.

**BACKGROUND**

Lambton Shores offers public transit services through the Huron Shores Area Transit (HSAT) system, which provides affordable and accessible transportation options within the region.

HSAT was launched in December 2020 as an inter-community public transit service connecting Lambton Shores, Kettle & Stony Point First Nation, South Huron, Bluewater, North Middlesex, and Lucan.

HSAT is funded by the Government of Ontario through the Ontario Community Transit Grant Program, with additional support from passenger fares and advertising revenue. This service aims to connect local towns, villages, and hamlets, facilitating access to essential services and neighboring urban centers.

HSAT has experienced steady ridership growth, with over 25,000 trips recorded in 2025. The transit service has provided essential mobility for workers, seniors, students, and residents who rely on affordable transportation.

The original funding through the Ontario Community Transit Grant Program is ending March 31, 2025. In an attempt to continue to offer the current transit service, two sources of government funding are available. As Council is aware, the Ontario Transit Investment Fund (OTIF) was announced last fall to fund gaps and new initiatives in transit across Ontario. An application has been made to this program; however, the results of this new funding application are not currently known. Provincial staff have asked for additional information, which includes Council resolutions from the participating municipalities. To date, we have received a resolution from the Municipality of Bluewater committing \$45,601 per year for the next five years. Funding commitments from current transit system members, Lucan Biddulph and North Middlesex are not anticipated at this time. Despite this system reduction, we believe that we can further expand the system by servicing Plympton-Wyoming with a funding contribution and access to their Gas Tax Grant. In addition, we are hopeful that we can secure a small amount of funding from Goderich, which can be serviced by simply moving an existing bus stop to the opposite side of the roadway, which would also allow us access to their Gas Tax Funding.

Based on funding commitments received and anticipated, the cost of operating the system would be as follows:

Lambton Shores	\$72,244
Bluewater	\$45,601
South Huron	\$63,334
Kettle & Stony Point First Nation	\$12,667

In addition to be dependent on these funding commitments from partner municipalities, the operation of the transit system is dependent on the approval of both the OTIF and Provincial Gas Tax funding programs from the Province of Ontario.

Because funding commitments from partner municipalities and the results of provincial funding applications have not been received to date, it adds to the uncertainty surrounding HSAT's future, the funding for which will end as of March 31, 2025.

## **ALTERNATIVES TO CONSIDER**

Lambton Shores Council could choose not to fund the HSAT system; however, the continued operation of the transit system would be dependent on the other funding partners making up Lambton Shores' portion of funding in addition to their funding listed above.

## **RECOMMENDED ACTIONS**

It is recommended that Council approve the resolution to commit to fund the Huron Shores Area Transit (HSAT) in the amount of \$72,244 annually over the period April 1, 2025 through to March 31, 2030.

## **FINANCIAL IMPACT**

The financial impact has been detailed throughout the report.

## **CONSULTATION**

Susan Mills, Transit Coordinator  
Steve McAuley, CAO