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**REPORT TO THE ELECTORAL AREA SERVICES COMMITTEE
MEETING OF WEDNESDAY, MAY 15, 2013**

SUBJECT **BYLAW 3901 – AMENDMENT TO INCREASE THE SALT SPRING ISLAND
TRANSIT AND TRANSPORTATION SERVICE MAXIMUM REQUISITION**

ISSUE

Rising market demand for increased transit service and fleet replacement on Salt Spring Island will require an increase to the maximum requisition.

BACKGROUND

In May of 2007, the Capital Regional District (CRD) established the Salt Spring Island (SSI) Transit and Transportation Service (Bylaw 3438) to provide public transportation services on the island, and subsequently, the SSI Transportation Commission was established to advise on local transit service priorities and operating issues.

The transit service started with three buses; on a temporary basis to help launch the service, BC Transit provided two busses at no charge and the Province provided a credit to offset the lease cost for the third one.

Since the service's inception, the CRD has levied the maximum allowable requisition for operating the service. The service has been very successful with fare revenues far exceeding original expectations. The demand for the service continues to grow to the extent that passengers are frequently left behind at bus stops. The public are therefore now calling for increasing services. In 2012, a BC Transit service review concluded that market demand justifies adding 500 hours of service.

The SSI Transportation Commission adopted the following motion at its October 2, 2012 meeting:

That the SSI Transportation Commission recommend to the Electoral Area Services Committee that the preliminary 2013 CRD Budget be approved and that the 2013 – 2017 Financial and Capital Plan be approved as amended to include provision for expanded service of 500 hours.

The Commission fully supports expanding the service. Additionally per Commission's recommendations, costs of leasing four busses are included in the 2013-2017 CRD Financial Plan (approved by the CRD Board in March 2013). The Commission recognizes that leasing costs will be increasing due to addition of a new bus and the subsequent ending of Provincial credit (against CRDs share of leasing costs) on one of the existing busses. In total it is estimated that an additional \$35,000 per year will be required to fund an expanded service.

It is also important to note that when the service was originally initiated monies were set aside in a contingency to deal with variable costs associated with fuel, repairs and service. In order to sustain operations for an expanded and efficient service, it is important to increase the maximum allowable requisition.

ALTERNATIVES

1. That Bylaw No. 3901, “Salt Spring Island Community Transit and Transportation Service Establishment Bylaw No. 1, 2007, Amendment Bylaw No. 2, 2013” be read a first and second time, and read a third time;
2. That this bylaw be deferred pending additional information.

IMPLICATIONS

Beginning in 2013, bus leasing costs will increase by approximately \$35,000 per year. Furthermore, an annual Provincial credit of \$16,731 against the CRD’s share of leasing costs will end in March 2015. To accommodate the resulting increase in service delivery and fleet costs, the maximum allowable requisition for transit services must increase by \$120,000 from \$79,275 to \$200,000, as recommended by the Commission. Based on 2013 assessed values, the incremental cost to the average Salt Spring Island taxpayer is \$18.34 per year. Given that this increase is below the threshold of \$.50/\$1000 assessed value, elector assent through the alternative approval process is permitted under LGA Section 801.3.

CONCLUSION

In 2012, BC Transit conducted a service review, and the results prompted the SSI Transit and Transportation Committee to endorse expansion of the service to offer more bus routes. Through the motion adopted at the October 2, 2012 SSI Transportation Commission meeting, the Commission has communicated its support for securing resources to fund transit service expansion.

The proposed bylaw amendment is needed to secure resources for the expansion and it is subject to elector assent, under Section 802 of the *Local Government Act* (LGA), through the same process as was used for the parent Bylaw 3438 - alternative approval process.

RECOMMENDATION

That the Electoral Area Services Committee recommend to the Board:

That Bylaw No. 3901, “Salt Spring Island Community Transit and Transportation Service Establishment Bylaw No. 1, 2007, Amendment Bylaw No. 2, 2013 ” be introduced and read a first and second time, and read a third time.

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