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**REPORT TO THE ELECTORAL AREA SERVICES COMMITTEE
MEETING OF WEDNESDAY, JUNE 19, 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

A report on Bylaw 3901 was presented at the May 15, 2013 meeting of the Electoral Area Services Committee (EASC). The report was tabled in order for it to go to the Salt Spring Island Transportation Commission (SSITC). The May staff report was considered by SSITC on May 21, 2013 where Commission members requested more information for their June meeting on the timing of the bylaw amendment and elector assent process, a communications plan, a review of the 2012 CRD presentation and implications to the 5-year financial plan. On June 18, 2013 CRD staff will bring this supplementary report to the SSITC and make the attached presentation to address the Commission's questions. The outcome of this meeting, including any resolution adopted by the Commission, will be reported verbally at the June 19, 2013 EASC meeting.

HISTORY

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, in the 5-year financial forecast period, the estimated costs to operate the Transit service will increase. The main cost drivers are the lease costs, tires and fuel and labour costs. Furthermore a Provincial credit of \$16,731 will expire at the end of 2014.

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. These funds will be used to offset increased operating costs, including the service expansion, in 2013 and 2014. In order to sustain operations for an expanded and efficient service, it is important to increase the maximum allowable requisition beginning in 2015.

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

The total increase in the municipal share of costs to operate the SSI Transit service is forecast to increase to approximately \$330,000 in 2017 from \$280,000 in 2013. To accommodate the increase in service delivery and fleet costs, as approved by the SSI Transportation Commission, the maximum allowable requisition for transit services must increase by \$120,000 from \$79,560 to \$200,000. 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 \$0.50/\$1000 assessed value, and given that the service was established by the alternative approval process, elector assent through the same process is permitted under LGA Sections 801.3 and 802. Attachment 1 sets out the planned communication schedule to support the alternative approval process. Although the increase in requisition is not required until 2015, seeking elector assent in 2013 rather than election year 2014 is advised.

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 801.3 as noted above and under Section 802 of the *Local Government Act* (LGA), through the same process as was used for the parent Bylaw 3438 - alternative approval process.

Further discussion on the proposed bylaw and alternative approval process will be undertaken with SSITC on June 18th. Staff will report the outcome of this meeting verbally at the EASC meeting.

RECOMMENDATION

That the Electoral Area Services Committee recommend to the Board:

1. 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.
2. That staff be directed to conduct an alternative approval process to amend "Salt Spring Island Community Transit and Transportation Service Establishment Bylaw No. 1, 2007" to increase the maximum allowable requisition to \$200,000 to accommodate an increase in service delivery and fleet costs.

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Attachments (2): Bylaw 3901, Presentation to SSITC