



Making a difference...together

SALT SPRING ISLAND TRANSPORTATION COMMISSION
Notice of Meeting on **Monday, June 25, 2018 at 4:10 PM**
SSI Public Library, 129 McPhillips Ave, Salt Spring Island, BC

Wayne McIntyre

Robin Williams

Dal Brickenden

Shellie Barrett

Rhonan Heitzmann (r)

(r) Regrets

AGENDA ADDENDUM

6. New Business

6.1 Salt Spring Island Three Year Transit Expansion Initiative (2019-2022)

Staff Report Attached – total of 4 pages

To ensure quorum, advise Tracey Shaver 250 537 4448 if you cannot attend.



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**REPORT TO THE SALT SPRING ISLAND TRANSPORTATION COMMISSION
MEETING OF JUNE 25, 2018**

SUBJECT SALT SPRING ISLAND THREE YEAR TRANSIT EXPANSION INITIATIVE

ISSUE

Consideration of the Salt Spring Island Transit three year expansion initiative (2019-2022) Memorandum of Understanding between the Capital Regional District (CRD) and BC Transit.

BACKGROUND

On March 26, 2018 the Transportation Commission reviewed BC Transit’s expansion initiatives proposed for the next three years (2019-2022). These have now been costed out to formalize the process of securing provincial funding and the local government net share. These initiatives are derived from recommendations outlined in 2015 SSI Transit Service Review

Table1 forecasts the longer term funding requirements for the local government share to implement the transit service expansions:

Table 1:

Year	Hours	Vehicle Requirements	Description	Net Local Government Share
2019/2020	130	0	Additional earlier Saturday service	\$1,415
2020/2021	1400	1	Separation of Walker’s Hook and Fernwood, Additional Peak Service on Route 3	\$24,766
2021/2022	600	0	Expanding service to Beddis and Cusheon Lake using the expansion bus from Walker’s Hook/Fernwood Restructure	\$60,955

BC Transit’s three year budget and the local government share projection for the next three years is outlined in the Table 2. It should be noted that the Transit requisition limit is based on a maximum levy formula of greater than \$245,000 or \$0.076 per \$1,000 of actual assessments. In 2018 assessments increased therefore the maximum requisition limit is currently at \$288,866.

Table 2:

Budget	Actual	Projected			
	2018	2019	2020	2021	2022
Operating Costs	\$420,351	\$457,680	\$508,180	\$596,384	587,700
Transfer to Capital Reserve	7,829	9,000	9,000	9,000	9,000
Total Costs	428,180	466,680	517,180	605,384	616,990
Revenue	(207,580)	(212,330)	(225,500)	(252,080)	(257,100)
Transfer from Operating Reserve	(15,220)	(37,280)	(63,760)	(113,690)	(49,360)
Requisition	(205,380)	(217,070)	(227,920)	(239,320)	(310,530)
Percentage Increase of prior year		5.7%	5.0%	5.0%	29.8%
Cost Average Per Household	\$30.71	\$32.46	\$34.08	\$35.79	\$46.44

The future expansion initiatives and ongoing operating costs exceed increased fee revenue and the tax requisition. It is also important to note that when the service was originally initiated monies

were set aside in an operating reserve to deal with variable costs associated with fuel, repairs and service. These funds can be used to offset some increased operating costs, including the service expansion; however, to sustain operations for an expanded and efficient service, it is important to consider the impact and increase to the requisition in the near future.

The three year expansion in years 2020-22 creates significant cost implications on the budget and challenges in meeting ongoing operating cost obligation without increasing the requisition; and significant operating reserve funds to offset the future operating years. In order to fund the expansion in years 2020-22 the Commission will need to determine if the ridership within the two expansion areas warrant the projected subsidy increases and depleting the operating reserve by year 2022 (see Table 3).

Table 3:

Operating Reserve	2018	2019	2020	2021	2022
Beginning Balance	279,312	264,092	226,812	163,052	49,362
Operating cost expenditure	(15,220)	(37,280)	(63,760)	(113,690)	(49,360)
Ending Balance	264,092	226,812	163,052	49,362	2

ALTERNATIVES

1. That the Salt Spring Island Transportation Commission recommends the Capital Regional District support an expansion in year 2019 for additional earlier Saturday service and execute a Memorandum of Understanding to commit to the expansion and budget.
2. That BC Transit's proposed three year Transit Improvement Program for 2019-2022 be referred back to staff for further review with BC Transit.

IMPLICATIONS

The cost to implement only the earlier Saturday service in June 2019 relies on the operating reserve to offset costs to limit the requisition increase to 5.7% (see Table 4). Without a transfer from the operating reserve the increase to the requisition rises to approximately \$267,860 (23.4%) in year 2020.

Table 4:

Projected	2019	Expansion	Total	2020	2021	2022
Operating Costs	\$464,320	2,360	\$466,680	482,250	485,460	494,970
Revenue to Offset Operating Costs						
- Transit Pass Revenue	(211,390)	(940)	(212,330)	(214,391)	(216,284)	(220,590)
- Transfer from Reserves	(37,280)		(37,280)			
- Requisition	(215,650)	(1,420)	(217,070)	(267,859)	(269,176)	(274,380)
Cost per average household			\$32.46	\$40.06	\$40.25	\$41.03

CONCLUSION

Based on budget estimates the 2019 service expansion may be funded within the allowable requisition limits. The total increase in the local government share of costs to operate the SSI community transit service is forecast to increase from \$217,070 in 2019 to approximately \$274,380 in 2022. Based on 2018 assessed values the incremental costs to the average SSI taxpayer is estimated to be \$32.46 in 2019 (5.4% increase over 2018) and \$41.03 in 2020 (25% over 2018).

RECOMMENDATION

That the Salt Spring Island Transportation Commission recommends the Capital Regional District support an expansion in year 2019 for additional earlier Saturday service and execute a Memorandum of Understanding to commit to the expansion and budget.

Submitted by:	Karla Campbell, Senior Manager, Salt Spring Island Electoral Area
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KC/kc

Attachments: Three Year (2019-2022) Expansion Memorandum of Understanding

Expansion Memorandum of Understanding

Date	May 28, 2018
Expiry	June 15, 2018
System	Salt Spring Island Paratransit

Expansion Initiatives Agreement

The following outlines expansion initiatives identified for your transit system along with a high level annual costing based on the hourly rates of your system. Please confirm these initiatives are aligned with the expectations of your local government. Upon confirmation of your local government's intent to commit to the expansion and budget, we will proceed with the request to secure funding from the Province on your behalf.

PROPOSED PARATRANSIT EXPANSION INITIATIVES						
	In Service Date	Annual Hours	Vehicle Requirements	Estimated Annual Revenue	Estimated Annual Total Costs	Estimated Annual Net Municipal Share
2019/20	Jun-19	130	0	\$1,888	\$9,973	\$2,830
		Description	Additional earlier Saturday Service			
2020/21	Jun-20	1,400	1	\$20,330	\$139,691	\$59,942
		Description	Separation of Walker's Hook and Fernwood, additional service on Route 3			
2021/22	Sep-21	600	0	\$8,713	\$50,747	\$15,296
		Description	Expanding service to Beddis and Cusheon Lake			