

**October 27, 2009**

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**SUBJECT**

Late Night Service

**PURPOSE**

The purpose of this report is to provide the Victoria Regional Transit Commission (VRTC) with follow up information regarding late night pilot service implemented as part of the January service expansion for **APPROVAL**. All other components of the service expansion approved in September are underway for implementation January 4, 2010.

**BACKGROUND**

At the September meeting of the Commission, staff presented a proposal for a late night service pilot project. The late night service on three routes, two nights a week was approved in principle for the winter service period (January 4 to April 5)

The Commission requested two follow up items; consideration of an extra fee for the service and criteria for evaluating the success of the pilot. These issues are discussed below.

**Criteria for Assessment**

The Commission requested that the criteria for evaluating the success of the pilot be defined in advance of implementation. There are several criteria that will be assessed as the pilot continues. These include:

- Ridership
- Financial costs
- Safety & Vandalism
- Operational Sustainability

The analysis will consist of quantitative data and qualitative data. Factors to be considered include:

**Ridership** – (Total ridership and rides per hour) These two elements will be compared to similar statistics in the 10 PM to 12 AM period. The feasibility report presented to the Commission also established ridership targets of 530 passengers per Friday evening and 750 passengers per Saturday evening. Changes to ridership in the 10 PM to midnight period will also be assessed.

**Revenue** – Revenue and market will be assessed through farebox data to identify the ridership groups using the service

**Financial** - Labour & Service Costs, Cost per ride, Cost per service hour

**Safety & Vandalism** - Reported incidents, Reported vandalism (incidents and value)

**Operational Sustainability** - Cancelled Service, Ability to maintain required staff levels

**Public Response** – Opinions, concerns and other responses to the service will be collected by staff from the following groups: Victoria, Oak Bay, Saanich, Downtown Business groups, UVIC and Camosun administration, security and student associations, operations, maintenance and employee groups. Public comments will be collected through Customer Relations and other communications. Press coverage will also be monitored.

Following the conclusion of the pilot project in April, staff will prepare a report assessing the service for the Commission's consideration at its June meeting. Depending on Commission decisions with respect to funding and the relative priority of late night service, service could be re-started for the September 2010 service period.

### Service Costs and Fares

As reported to the Commission in September 2009, the cost of the late night service is expected to be \$121,000 for the 3 month trial period and approximately \$484,000 if the 3 route, 2 night service is implemented annually. These costs are summarized in Table 1 below. For comparison, the cost of extending all routes now operating until midnight to 2 AM 7 days a week is approximately \$1.4 Million:

*Table 1 - Friday & Saturday Late Night Service Costs*

Cost area	3 month	Annual
Maintenance	\$62,000	\$248,000
Transit Supervision	\$21,350	\$85,400
Operations Department	\$19,750	\$79,000
Service Operating Cost	\$18,000	\$72,000
<b>Total Costs</b>	<b>\$121,100</b>	<b>\$484,400</b>

Ridership is expected to range between 400 and 1100 persons per evening based on experience with trips operating in the period prior to midnight. If average loads experienced are maintained in the 12 AM to 2 AM period, 530 passengers will be carried on Friday nights and 750 passengers on Saturday nights. There are 13 weeks in the service period resulting in a target ridership for the late night service of 16,640 passengers during the trial.

It is expected that the majority of passengers using the late night service will be holders of U-Pass or other pre-paid passes and that additional revenue from the service will be negligible. The Commission requested information regarding the ability of fare surcharges to recoup the additional costs of the service. To achieve roughly 40% cost-recovery (the system's overall average) a \$3 per boarding surcharge would be required based on the target ridership. Table 2 shows various fare surcharge levels and resulting cost-recovery.

Table 2

<b>Boarding Fare Surcharge</b>	<b>Late Night Revenue</b>	<b>Trial Period Cost Recovery</b>
\$1.00	\$16,640	14%
\$2.00	\$33,280	28%
\$3.00	\$49,920	41%

An alternative method of recouping these costs would be through a U-Pass surcharge. Approximately 21,500 U-Passes are active at UVic and Camosun during this trial period. A U-Pass surcharge of \$2.32 per term would generate revenue equivalent to the \$3 boarding fare surcharge.

It is recommended that a boarding fare surcharge not be implemented for the pilot period as the boarding fare surcharge required is greater than regular adult cash fares.

Neither is a U-PASS amendment to fund the pilot recommended. The required referendum cannot be conducted in time for the trial and such a requirement would necessitate delay of the pilot until fall 2010 at the earliest. All increases in the rates charged to students above the approved rate (the equivalent of one monthly regional bus pass per term) must be revised through a student vote.

However, if the pilot is successful and students comprise the most significant ridership component, it is recommended that UPASS fees be increased to pay for the evening service. Several decisions would need to be made by the Commission including the appropriate percentage of costs to be raised by students and the level of service to be provided. At the upper end, a UPASS increase of approximately \$28 per term (\$7 per month for Camosun) is estimated to raise 100% of the costs of providing late night service on all routes to 2 AM 7 days per week. At the low end, a UPASS increase of approximately \$2.32 would raise 40% of the costs of the minimal service implemented in the pilot project (2 nights, 3 routes).

Implementation of this change will require amendment to the agreement between BC Transit and the students and institutions of Camosun and UVIC and will likely require a student referendum process.

## **RECOMMENDATION**

It is recommended that the Victoria Regional Transit Commission:

1. approve the criteria for assessment of the late night service pilot project, and
2. maintain the existing fare structure for the pilot project period.

Respectfully,



Manuel Achadinha  
President and Chief Executive Officer