

Victoria Regional Transit Commission

BC Transit 520 Gorge Road East and WebEx
January 19, 2021 | 9:00 a.m. to 10:00 a.m.

DRAFT AGENDA

OPEN SESSION AND FIRST NATIONS ACKNOWLEDGEMENT		SPEAKER
1. Call to Order and Approval of the Agenda	APPROVAL	Susan Brice
2. Approval of Minutes from December 1, 2020	APPROVAL	Susan Brice
3. Chair's Remarks		Susan Brice
REPORTS		PRESENTER
4. Revised 2020/21 Annual Victoria Service Plan Budget	APPROVAL	Megan Hill
5. Q2 Financial Performance Report	INFORMATION	Megan Hill
6. 2021/22 Draft Budget	INFORMATION	Megan Hill
NEXT SCHEDULED MEETINGS		
<ul style="list-style-type: none">February 23, 2021 at 9:00 a.m.		

Victoria Regional Transit Commission

BC Transit CRD Boardroom 625 Fisgard St. and WebEx
December 1, 2020 | 9:45 a.m. to 12:00 p.m.

DRAFT MINUTES

The Victoria Regional Transit Commission conducts its business on the homelands of the Songhees and Esquimalt First Nations.

Present:

Councillor Susan Brice, Chair, Mayor Fred Haynes, Mayor Geoff Orr, Mayor Kevin Murdoch, Mayor Lisa Helps, Mayor Maja Tait, Mayor Rob Martin Councillor Sharmarke Dubow and Quinn Cunningham

BC Transit Staff:

Christy Ridout, *Vice President, Business Development*; Roland Gehrke, *Vice President Finance & CFO*; Kevin Schubert, *General Manager, Victoria Regional Transit*; Levi Timmermans, *Director, Infrastructure Management*; Lisa Trotter, *Senior Manager, Government Relations*; Megan Hill, *Director, Budgeting and Forecasting*; Ryan Dennis, *Manager, Sales and Revenue*; Levi Megenbir, *Senior Transit Planner*; Seth Wright, *Transit Planner*, and Tina Sulea, *Executive Assistant (Recorder)*

Regrets:

None

1. CALL TO ORDER AND APPROVAL OF AGENDA

Chair Susan Brice called the meeting to order at 9:45 a.m.

Addition of agenda item #17 Correspondence for information regarding Beecher Bay First Nations, Spirit Bay First Nations and UVic Student Society.

Motion MOVED by Mayor Helps and SECONDED by Councillor Dubow to approve the agenda as amended.

CARRIED

2. APPROVAL OF MINUTES FROM AUGUST 11, 2020

Motion MOVED by Mayor Orr and SECONDED by Councillor Dubow to approve the minutes as written.

CARRIED

3. CHAIR'S REMARKS

The Chair publicly thanked the CRD for allowing the VRTC to use their boardroom for those members who could attend in person.

It is exciting that this year marks the 20th anniversary of double decker buses in the Victoria Regional Transit System. I acknowledge the impact of these buses on the region, they have added capacity to the fleet, but also character to our community and the first 10 that entered service will retire this year. On August 1, 2000, those double deckers rolled into service and since then, have collectively logged more than 11 million kilometres. These were the first double decker transit buses in North America. While we relish the rich history of these initial buses, we will welcome 10 new double decker buses early in 2021.

I am also pleased to say BC Transit has released the Request for Proposals to support the first deployment of 10 electric buses. The RFP is an important step towards meeting our commitments in our Low Carbon Fleet Program and to have a fully zero-emission provincial

fleet by 2040. The 10 electric buses and charging infrastructure will be part of the Victoria Regional Transit System and we anticipate the buses will be in service during the summer of 2022.

Lastly, I would like to thank once again all of the BC Transit operators and staff on the front lines of customer service. It has been a challenging year full of change and I commend the brilliant work they do every day to get people where they need to go safely.

4. NOTICE OF MOTION FROM CITY OF VICTORIA – MAYOR HELPS

Re: Youth Transit in Victoria

Motion MOVED by Mayor Helps and SECONDED by Councillor Dubow to amend the motion to approve the recommendation for a Youth Bus Pass Program as indicated in agenda item #5 City of Victoria Youth Bus Pass Program Staff Report:

- 1. APPROVE the introduction of a youth bus pass program for residents of the City of Victoria at the rate of \$11.25 per eligible youth aged 11 to 18 per month to be paid for by the City of Victoria**
- 2. APPROVE the use of the \$40.50 bulk purchase discount rate per distributed pass per month for children aged 10 and under to be paid for by the City of Victoria**
- 3. APPROVE the use of a fee reduction clause within the agreement with the City of Victoria for the youth U-Pass program as outlined in the report.**

CARRIED

5. CITY OF VICTORIA YOUTH BUS PASS PROGRAM REPORT – RYAN DENNIS

The report provides considerations to the City of Victoria's request for a permanent youth bus pass program.

Discussion

- Mayor Murdoch raised a question with regard to how fee reductions are calculated.

BC Transit would suggest a two-tiered approach in which both of the following conditions would need to be met in order for the fee to be reduced:

- 1. A 50% drop in overall transit ridership in a given month when compared to the average transit ridership of the three months immediately prior as measured by Automated Passenger Counter boarding data.**
- 2. A 50% drop in program-specific transit ridership in a given month when compared to the average program-specific transit ridership of the three months immediately prior as measured by fare box pass swipe data.**

If both conditions are satisfied, a fee reduction clause would be triggered and would result in the fee assessed to the City of Victoria being reduced by 50% and in place until ridership returns to above the defined levels.

Motion MOVED by Mayor Helps and SECONDED by Councillor Dubow to receive the City of Victoria Youth Bus Pass Program report for information.

CARRIED

6. REFUGEE PROGRAM REPORT – RYAN DENNIS

The Refugee Pass Program supports new refugees in the Greater Victoria Area by providing a temporary free transit pass for a one year period. This program is administered by BC Transit and the Inter-Cultural Association of Greater Victoria.

Motion MOVED by Mayor Orr and SECONDED by Councillor Dubow to approve the Refugee Program for an additional year to December 31, 2021.

CARRIED

7. VRTS 10-YEAR VISION – LEVI MEGENBIR

The VRTS 10-Year Vision document was amended with edits recommended at the August 11, 2020 VRTC meeting. The document outlines the vision for the Victoria Regional Transit System over the next 10 years and summarizes all plans, projects and priorities seeking to move the transit system towards that vision. The document will be updated annually with an actionable and measureable strategy, providing both the Commission and the public a roadmap for transit development into the future.

Motion MOVED by Mayor Helps and SECONDED by Mayor Murdoch to approve the VRTS 10-Year Vision.

CARRIED

8. 3-YEAR SERVICE EXPANSION FUNDING – LISA TROTTER

To align with the level of growth identified in the Transit Future Plan and to support meeting the mode shift and ridership goals, a sustained expansion of 20,000 conventional service hours was proposed. This level of investment reflects a 2 to 3 per cent expansion. Although ridership has declined due to COVID-19, it is anticipated to increase and stabilize over time. BC Transit recommends continuing to pursue this deferred expansion to ensure potential for growth in ridership on frequent transit network corridors and to ensure a comfortable journey for passengers post COVID-19.

The previously planned expansion for September 2020 of 20,000 hours and eight double-decker buses was deferred due to COVID-19.

Discussion

- There was a question with regard to how the eight high-capacity buses would be allocated
 - Planning staff would do a review of pass-ups in the region with new COVID ridership levels to see where the high capacity buses are needed
 - A service plan will come to the February 2020 VRTC meeting for review and approval of the allocation the service expansion hours
 - Mayor Tait expressed her approval to continue to support transit expansion, especially in the Sooke local area

Motion MOVED by Mayor Tait and SECONDED by Mayor Orr to approve BC Transit to submit funding request to the Ministry of Transportation and Infrastructure for future service expansion.

CARRIED

9. RAPID BUS UPDATE – MATTHEW BOYD

The RapidBus Implementation Strategy was reviewed. The intention of this strategy is to create a unifying action plan to accelerate the implementation of RapidBus services throughout the Victoria region. The key components of the plan will include a summary of the role RapidBus services may take in supporting regional transportation challenges and contribute to COVID- 19 recovery, a description of what RapidBus is and critical features for implementation, the identification of primary corridors, infrastructure and service needs and a list of actions to launch this service in the region.

The first phase will see the implementation of the Westshore to Downtown Line. The final plan is expected to be shared with the VRTC at the February 23, 2021 meeting.

Discussion

- There was a question with regard to what infrastructure is included in a RapidBus system.
 - A RapidBus system does not have to have 100% bus lanes and transit signal priority to be deemed a RapidBus system
 - It can be rolled out in phases with the highest congestion areas being given priority
 - Quinn Cunningham expressed his support for a RapidBus system from a student's perspective
 - Mayor Helps would like details on the rational regarding sequencing after the Westshore is complete
 - City of Victoria staff are in support of RapidBus but city staff would like more information regarding budget and timelines
 - Mayor Tait commented that the que-jump lane at Jacklin Road has had an impact
- **Motion MOVED by Mayor Orr and SECONDED by Councillor Dubow to receive the Rapid Bus Update for information.**

CARRIED

10. ISLAND HIGHWAY TRANSIT PRIORITY – JAMES WADSWORTH

At the direction of the Commission, BC Transit, in partnership with municipal staff from View Royal and Colwood, advanced designs for transit priority along the Island Highway corridor between Goldstream Avenue and the Colwood Interchange to support the implementation of RapidBus between the Westshore and Downtown Victoria. These concepts combine sections of dedicated bus lanes, queue jump lanes and transit signal priority to provide an estimated 20% transit travel time savings.

The detailed tender-ready design is agreeable to all stakeholders and provides the basis for refined cost estimates for budget development. Engagement with parties impacted by the design and construction activities is complete. The construction cost estimates suggest a total estimated construction cost of \$3.6 million for the Colwood section and \$4.63 million for the View Royal section. Estimates include construction costs, transit signal priority equipment, traffic management, engineering, project management, public engagement and a contingency of 20%.

Discussion

- Mayor Orr had a question with regard to the 20% contingency and the estimated variation for construction costs
 - There has been engagement with engineering firms that do job costing at the provincial government level and what they are seeing for cost escalation factors are higher increases for years one and two and a leveling off in future years
- Mayor Martin commented that the City of Colwood construction costs plus borrowing costs are less expensive in the first year versus the escalation of costs in the future and therefore support moving forward as soon as possible
- Mayor Martin had a question with regard to if there is provincial funding to move forward?
 - The funding was submitted to the Province and we will have more information at the February 2021 VRTC meeting

Motion MOVED by Mayor Martin and SECONDED by Mayor Orr to approve staff to budget for the Island Highway Transit Priority project over the next two fiscal years and work with local governments to develop project agreements.

CARRIED

11. WESTSHORE TRANSIT PRIORITY PROJECT – JAMES WADSWORTH

A technical advisory committee comprised of City of Colwood, the City of Langford, the Capital Regional District and the Ministry of Transportation and Infrastructure provided guidance and expertise throughout the study process that recommended transit priority measures include sections of dedicated bus lanes, bus queue-jump lanes and transit signal priority. Based on the conditions at specific intersections, targeted combinations of the transit priority measures were identified to deliver travel time savings for transit service along the RapidBus corridor and along key corridors of the Westshore Frequent Transit Network.

For the RapidBus network, the recommended transit priority improvements are transit signal priority and a queue-jump lane at Goldstream Avenue and Veteran's Memorial Way. These improvements are estimated to generate travel time savings of up to 20% on Goldstream Avenue between the Langford Transit Exchange and Colwood Corners.

For the Frequent Transit Network, the recommended transit priority improvements are transit signal priority and a northbound shared bus/bike lane on Sooke Road between Aldeane Avenue/University Drive and Colwood Crescent (Jerome Road) that offers a 20% improvement in travel times for transit.

Motion MOVED by Mayor Martin and SECONDED by Councillor Dubow to approve the Westshore Transit Priority concepts in principle and allocate \$150,000 in funding as part of the 2021/22 and 2022/23 budget to further develop the project design and complete community engagement activities.

CARRIED

12. UVIC EXCHANGE – JAMES WADSWORTH

The refurbishment and enhancement to the original UVic Transit Exchange is estimated to cost \$3.6 million dollars. This project is eligible under the Investing in Canada Infrastructure Program (ICIP) funding as a refurbishment project. ICIP funding for refurbishments

contribute 50% of eligible costs and provincial funding contributes 40%. UVic has agreed to share the local government's contribution to the project. It is estimated that the Commission share of project costs is 7% of the total project costs, which is estimated to be \$230,000. BC Transit will apply to secure federal and provincial funding through ICIP once the project is approved by the Commission and the BC Transit Capital Program and Budget Committee (CPBC).

Discussion

- Mayor Haynes and Quinn Cunningham expressed their support for the UVic exchange improvements
- Chair Brice questioned if the UVic shelters would come out of the District of Saanich shelter program? The stops will be paid for out of the UVic Exchange Refurbishment capital project funding.

Motion MOVED by Mayor Helps and SECONDED by Councillor Dubow to approve the Commission's share \$230,000 of funding for the refurbishment of the UVic Transit Exchange to allow for future budget development.

CARRIED

13. CUSTOM TRANSIT REGISTRATION – DANIELLE HARRIOTT

The revised custom transit registration process for handyDART in Victoria was reviewed. Updates were required to the registration process to educate customers about accessibility improvements to the conventional fleet as the current paper-based self-assessment application form does not communicate these improvements. A more robust in-person assessment will be done as part of the updated registration process.

Discussion

- Mayor Orr asked if there is a sense of approval of the new process from local users of custom transit
 - Their feedback will be requested at next week's Accessible Transit Advisory Committee meeting

Motion MOVED by Mayor Orr and SECONDED by Councillor Dubow to RECEIVE the Revised Custom Transit (handyDART) Registration Process update for INFORMATION.

CARRIED

14. PLANNING UPDATE – LEVI MEGENBIR

Planning activities were reviewed. A COVID related service change effective November 2, 2020 adjusted runtimes due to reduced road congestion where select routes were running ahead of schedule. Winter 2021 service changes effective January 4, 2021 will see minor adjustments after significant analysis to minimized overcrowding and ensure reliability. Local area transit plans for Broadmead-Cordova Bay and Esquimalt –View Royal are complete and will go to the February 2021 Commission meeting for approval. The Peninsula local area transit plan will begin early 2021.

Municipal work and transit initiatives underway are: RapidBus Implementation Strategy, Legislature Exchange, Bus Stop Improvements and the Development Referral Process.

COVID ridership report was reviewed.

Motion MOVED by Councillor Dubow and SECONDED by Mayor Orr to receive the Planning Update for information.

CARRIED

15. INFRASTRUCTURE UPDATE – LEVI TIMMERMANS

Infrastructure projects reviewed: Bus Shelter Program, CNG Fueling infrastructure in Langford, handyDART Centre and Operations and Maintenance Facilities Master Plan.

Ministry of Transportation and Infrastructure Transit Related Projects and Planning Studies reviewed: McKenzie Interchange, Highway 14 Connie Rd to Glinz Lake Rd Realignment and Park & Ride, Uptown Mobility Hub Study, Highway 1 Bus Priority Planning and Highway 17 Transit Facilities.

Discussion

- Mayor Orr had two questions with regard to bus shelters:
 - Why are there no bus shelter requests for North Saanich?
 - North Saanich stops that required improvement have already been upgraded
 - Why has Sooke requested five shelters and installed zero?
 - Bus Shelter requests go through an approval process and are assessed based on various criteria such as: safety issues, ridership and site condition and access to road right-of-way
 - Sooke staff did not feel they had the resources to install shelters this fiscal year but they will be revisited next fiscal year
- It was requested for staff to provide direction for a shelter program for the VRTS and bring forward to the August 2021 strategy meeting

Motion MOVED by Mayor Orr and SECONDED by Councillor Dubow to receive the Infrastructure Update as information.

CARRIED

16. OPERATIONS UPDATE – KEVIN SCHUBERT

The percentage of scheduled service delivered since September 7, 2020 has averaged 99.85% versus 99.52% for the same period last year. In fact, for the last 25 weeks, this measure of service reliability has remained at 99.79% or better. Since the introduction of mandatory face coverings average compliance is 93%. Prior to making face coverings mandatory, the highest compliance was 56%. Capacity on buses remains the equivalent of a seated load to a maximum of 66% of normal capacity. Customer complaints saw a significant increase attributed to the 263 enquiries received related to COVID-19 in July and August. Such enquiries have significantly diminished going into September.

Discussion

- Mayor Orr expressed his thoughts regarding the good news stories regarding average service reliability and mask compliance and suggested communicating the positive information to operators and the public

Motion MOVED by Councillor Dubow and SECONDED by Mayor Orr to receive the Operations Update as information.

CARRIED

17. CORRESPONDENCE

Correspondence was received from: Beecher Bay and Spirit Bay First Nations.

Motion MOVED by Councillor Dubow and SECONDED by Mayor Orr to receive the correspondence from Beecher Bay and Spirit Bay First Nations as information.

CARRIED

Correspondence from UVic Student Society will be brought forward to the next Commission meeting in February 2021.

Motion MOVED by Mayor Helps and SECONDED by Councillor Dubow to receive the correspondence from UVic Student Society and add to the February 2021 agenda.

Motion MOVED by Mayor Helps and SECONDED by Mayor Tait to adjourn the meeting at 11:20 a.m.

ADJOURNED

NEXT SCHEDULED MEETING

Tuesday, February 23, 2021 at 9:00 a.m.

CHAIR & MEMBERS

VICTORIA REGIONAL TRANSIT COMMISSION

January 19, 2021

#4

SUBJECT: 2020/21 REVISED ANNUAL SERVICE PLAN (BUDGET)

PURPOSE

The 2020/21 Revised Annual Service Plan (Budget) is submitted to the Victoria Regional Transit Commission (the “Commission”) for **APPROVAL**.

BACKGROUND

The Province has initiated its ‘BC Restart Plan’, which lays out a series of steps intended to protect people and help ensure that British Columbia can recover from the effects of the COVID-19 pandemic. The Province, BC Transit and the Victoria Regional Transit Commission recognize that transit is an essential service, critical for providing public mobility during the acute phases of COVID-19 and for supporting the social and economic recovery of communities and the province as part of the BC Restart Plan.

Under the federal ‘Safe Restart’ program the federal and provincial governments have committed to provide joint contributions in support of transit services. BC Transit has entered into a Contribution Agreement to receive \$86 million to provide relief to Local Government Partners/Commission to help meet their share of costs to maintain affordable Essential Transit Service Levels during the COVID-19 pandemic recovery period.

The Safe Restart Contribution of \$86 million was based on forecasted fare revenue losses and COVID related expenses between April 1, 2020 and March 31, 2022. Local Government Partners/Commission have been allocated a share of the Safe Restart Contribution based on their share of total budgeted fare revenues (for fare losses) and share of operating expenses (for COVID-related expenses). Under this Contribution Agreement \$42,102,810 has been allocated to the Victoria Conventional transit system and \$543,439 allocated to the Victoria Custom transit system.

While service levels and fares are set by each Local Government Partner/Commission, the Contribution is intended to assist in maintaining targeted essential transit service levels for the Victoria Regional Transit System as follows:

	2020/21 Forecast Hours*	2021/22 Target Hours	2022/23 Target Hours	2023/24 Target Hours
Victoria Conventional	810,389	864,375	864,375	864,375
Victoria Custom	126,830	126,830	126,830	126,830

* 2020/21 Forecast hours reflect the reduction in service hours that may have been implemented due to COVID-19

Maintain affordability of transit services by limiting average annual public fare increases to 2.3% in each of BC Transit’s 2021/22 – 2023/24 fiscal years.

DISCUSSION

The 2020/21 Revised Annual Service Plan (Budget) for the Victoria Regional Transit System reflects the following changes:

Revenue

- Passenger revenues are reduced by \$19.9M which reflect 55% of the 2019/20 revenue levels due to reduced passengers and in line with the medium case of Restart Funding agreement.
- \$21.3M in Safe Restart Funding to be used in 2020/21 to offset reduced passenger revenue and increase costs due to Covid-19.
- Provincial operating contribution is reduced by \$0.3M due to deferral of 2020/21 service expansion.
- Fuel tax revenue is reduced by \$1.0M based on forecasts from Ministry of Finance due to reduced fuel sales in the Greater Victoria Region.

Operating Expenses

- Operating expenses are reduced by \$1.0M due to the deferral of 2020/21 service expansion.

Lease fees

- Commission share of use of asset fees are reduced by \$8.6M due to vehicle lease fee holiday implemented by BC Transit to assist local governments with impact of COVID-19 revenue loss and additional expenses.

The 2020/21 Revised Annual Service Plan (Budget) is summarized in the following table:

<i>(figures in thousands)</i>	Original Budget 2020/21	Revised Budget 2020/21
Revenues		
Passenger & Adv Revenue	\$44,647	\$24,738
Safe Restart Funding	0	21,323
Provincial Oper Contribution	43,495	43,164
Fuel Tax Revenue	19,360	18,360
Local Contribution	39,619	29,923
Total	\$147,121	\$137,508
Expenses		
Operating Costs	\$125,644	124,599
Lease Fees (local share)	21,477	12,909
Total	\$147,121	\$137,508
<i>Conv Hours</i>	<i>873</i>	<i>864</i>
<i>Custom Hours</i>	<i>127</i>	<i>127</i>
Service Hours	1,000	991
<i>Convent Rides</i>	<i>28,338</i>	<i>13,580</i>
<i>Custom Rides</i>	<i>383</i>	<i>149</i>
Passengers	28,721	13,729

RECOMMENDATION

It is recommended that the Victoria Regional Transit Commission receive the 2020/21 Revised Annual Service Plan (Budget) for **APPROVAL**.

Respectfully,

Megan Hill
Director Budgeting & Forecasting



Victoria Regional Transit Commission #5 – Q2 Financial and Performance Report

Period Ending September 30, 2020

Financial Presentation

This Financial Summary is presented on the following basis:

- Effective March 31, 2020, upon instruction from the Ministry, the operating reserve for the Victoria Regional Transit Commission is to be fully drawn down by March 31, 2020 and;
- Effective April 1, 2020 Provincial Operating Contributions are based on actual operating expenses at traditional cost sharing ratios for Conventional and Custom.
- September YTD budget reflects originally approved 2020/21 budget; Annual budget reflects Revised 2020/21 budget.

Financial Summary

(figures in thousands)	Sep 2020 Year to Date				Revised 2020/21			
	Original Budget	Actual	Variance		Revised Budget	Forecast	Variance	
Revenues			(Un) Favourable				(Un) Favourable	
Passenger & Advert. Revenue	\$22,089	\$9,975	(\$12,114)	(54.8%)	\$24,738	\$22,970	(\$1,768)	(7.1%)
Safe Restart Funding	-	-	-	0.0%	21,323	21,323	-	0.0%
Provincial Operating Contribution	21,307	19,294	(2,013)	(9.4%)	43,164	41,241	(1,923)	(4.5%)
Fuel Tax Revenue	9,179	9,025	(154)	(1.7%)	18,360	16,990	(1,370)	(7.5%)
Local Contribution	19,517	23,788	4,271	21.9%	29,923	29,703	(220)	(0.7%)
Total Revenue	\$72,092	\$62,082	(\$10,010)	(13.9%)	\$137,508	\$132,227	(\$5,281)	(3.8%)
Expenses								
Operations (excl. Fuel)	34,551	\$32,544	\$2,007	5.8%	\$69,794	\$68,189	\$1,605	2.3%
Fuel	5,131	\$3,116	\$2,015	39.3%	\$10,157	\$7,083	\$3,074	30.3%
Operations	\$39,682	\$35,660	\$4,022	10.1%	\$79,951	\$75,272	\$4,679	5.9%
Maintenance	14,816	13,898	918	6.2%	30,118	30,234	(116)	(0.4%)
Administration	6,986	6,734	252	3.6%	14,530	14,451	79	0.5%
Total Operating Expenses	61,484	56,292	5,192	8.4%	124,599	119,957	4,642	3.7%
Lease Fees	10,608	5,790	4,818	45.4%	12,909	12,270	639	5.0%
Total Expenses	\$72,092	\$62,082	\$10,010	13.9%	\$137,508	\$132,227	\$5,281	3.8%

Revenue and Passenger Trips

<i>(figures in thousands, except ratios)</i>						
	Sep 2020 Year to Date			Revised 2020/21		
	Budget	Actual	Variance (Un) Favourable	Budget	Forecast	Variance (Un) Favourable
Passenger	\$21,749	\$9,637	(\$12,112) (55.7%)	\$24,058	\$22,290	(\$1,768) (7.3%)
Advertising	340	338	(2) (0.6%)	680	680	- 0.0%
Total Passenger & Advertising	\$22,089	\$9,975	(\$12,114) (54.8%)	\$24,738	\$22,970	(\$1,768) (7.1%)
<i>Passenger Trips (Total)</i>	<i>14,047</i>	<i>5,199</i>	<i>(8,848) (63.0%)</i>	<i>13,729</i>	<i>11,474</i>	<i>(2,255) (16.4%)</i>
<i>Passenger Trips (excluding Taxi)</i>	<i>14,008</i>	<i>5,191</i>	<i>(8,817) (62.9%)</i>	<i>13,701</i>	<i>11,446</i>	<i>(2,255) (16.5%)</i>
<i>Average Fare</i>	<i>\$1.55</i>	<i>\$1.86</i>	<i>\$0.31 20.0%</i>	<i>\$1.76</i>	<i>\$1.95</i>	<i>\$0.19 10.8%</i>

Year to Date

- Passenger revenue is \$12.1M below budget due to lower ridership and no collection of fares in April and May.
- Passenger trips are 8.8M below budget or an average of 62% below prior year's YTD actuals.

Forecast

- Passenger revenue is forecast to be \$1.8M below the revised budget at year end due to lower ridership. All passenger fare types (cash, tickets, passes, UPASS) are impacted by lower ridership except for BC Bus Pass which is forecasted to be slightly above budget.
- Passenger trips are forecasted to be 0.2M below revised budget based on projected ridership levels for the remainder of the year at 50% of prior year actuals.

Provincial Operating Contribution, Fuel Tax and Local Contribution

<i>(figures in thousands, except ratios)</i>								
	Sep 2020 Year to Date				Revised 2020/21			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Safe Restart Funding	\$0	\$0	\$0	0.0%	\$21,323	\$21,323	\$0	0.0%
Provincial Operating Contribution	21,307	19,294	(2,013)	(9.4%)	43,164	41,241	(1,923)	(4.5%)
Fuel Tax Revenue	9,179	9,025	(154)	(1.7%)	18,360	16,990	(1,370)	(7.5%)
Local Contribution	19,517	23,788	4,271	21.9%	29,923	29,703	(220)	(0.7%)

Safe Restart Funding will be recognized beginning in November 2020 with half of the allocated \$42.6M forecast to be used by March 31.

Provincial Operating Contribution is \$2.0M below budget year to date and is forecast to be below budget by \$1.8M by year end due to lower operating costs. Effective April 1, 2020, Provincial operating contribution is based on actual operating expenditures.

Fuel Tax Revenue generated from a 5.5 cent per litre fuel tax is \$154,000 below budget year to date. The full year forecast reflects a projected 12% reduction in fuel sales compared to prior year in the Victoria Region due to COVID-19.

Local Contribution is \$4.3M over budget year to date due to significantly lower passenger revenues offset by lower operating expenses and lease fees. By year-end, local contribution will on budget due to lower operating costs and lease fees offset by lower passenger and fuel tax revenues.

Operations

<i>(figures in thousands, except ratios)</i>								
	Sep 2020 Year to Date				Revised 2020/21			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Operations (excl. Fuel)	\$34,551	\$32,544	\$2,007	5.8%	\$69,794	\$68,189	\$1,605	2.3%
Fuel	5,131	3,116	2,015	39.3%	10,157	7,083	3,074	30.3%
Total Operations	\$39,682	\$35,660	\$4,022	10.1%	\$79,951	\$75,272	\$4,679	5.9%
<i>Service Hours</i>	491	443	(48)	(9.8%)	991	927	(64)	(6.5%)
<i>Operations Cost/Service Hour</i>	\$80.82	\$80.50	\$0.32	0.4%	\$80.68	\$81.20	(\$0.52)	(0.6%)

Year to Date

- Operations expenses excluding fuel are \$2.0M below budget due to fewer service hours delivered, lower labour and taxi costs offset by higher insurance and unbudgeted Covid-19 related expenses.
- Fuel is \$2.0M below budget with the average year to date litre price of \$0.87 compared to a budget of \$1.18 and lower service hours.
- Service hours are 48,000 (42,000 Conventional and 6,000 Custom) or 10% below budget.

Forecast

- Operations expenses excluding fuel are forecasted to be \$1.6M below budget due to fewer service hours delivered, lower labour and taxi costs partially offset by unbudgeted Covid-19 related expenses.
- Fuel is forecasted to be \$3.1M below budget based on an average diesel price of \$1.00/litre for the remainder of the year, compared to a budget of \$1.18/litre.
- Service hours are forecast to be 64,000 hours below budget reduced service hours due to Covid-19 (54,000 Conventional and 10,000 Custom).

Maintenance

(figures in thousands, except ratios)		Sep 2020 Year to Date				Revised 2020/21			
	Budget	Actual	Variance (Un) Favourable			Budget	Forecast	Variance (Un) Favourable	
Fleet Maintenance	\$12,424	\$11,600	\$824	6.6%		\$24,924	\$24,975	(\$51)	(0.2%)
Facilities Maintenance	2,392	2,298	94	3.9%		5,194	5,259	(65)	(1.3%)
Total Maintenance	\$14,816	\$13,898	\$918	6.2%		\$30,118	\$30,234	(\$116)	(0.4%)
Service Hours	491	443	(48)	(9.8%)		991	927	(64)	(6.5%)
Fleet Maintenance Cost/Service Hour	\$25.30	\$26.19	(\$0.88)	(3.5%)		\$25.15	\$26.94	(\$1.79)	(7.1%)

Year to Date

- Fleet maintenance is \$0.8M under budget due to vacancies and lower labour costs offset by Covid-19 related costs.
- Facilities maintenance is \$0.1M below budget due to the capitalization of CNG fueling equipment.

Forecast

- Fleet maintenance is forecasted to be \$0.5M above budget due to an inventory write-off provision, lower warranty recoveries and increased Covid-19 costs partially offset by savings in labour.
- Facility maintenance is forecasted to be \$0.1M over budget due to higher consulting expenses for Victoria Facilities Master Plan and Covid-19 costs offset by savings by capitalization of the CNG equipment lease.

Administration

<i>(figures in thousands)</i>		Sep 2020 Year to Date			Revised 2020/21		
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable
Administration	\$6,986	\$6,734	\$252	3.6%	\$14,530	\$14,451	\$79 0.5%

Year to Date

- Administration expenses are below budget by \$0.3M due to lower marketing and information system expenditures.

Forecast

- Administration expenses are forecast to be below budget \$0.1M.

Lease Fees

<i>(figures in thousands)</i>		Sep 2020 Year to Date			Revised 2020/21		
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable
Lease Fees	\$10,608	\$5,790	\$4,818	45.4%	\$12,909	\$12,270	\$639 5.0%

Lease Fees are \$4.8M below budget year to date due primarily to the suspension of vehicle lease fee charges from July to September 2020.

The annual budget has been adjusted to reflect the six month suspension of lease fees for vehicles. The year-end debt service forecast is \$0.6M under the revised budget due to timing of facilities and equipment projects.

Transit Fund

VICTORIA REGIONAL TRANSIT COMMISSION <i>(figures in thousands)</i>	2020/21 Original Budget	2020/21 Revised Budget	2020/21 Forecast
LOCAL CONTRIBUTION			
Total Local Contribution Required	\$39,619	\$29,923	\$29,703
Funds generated from Transit Levy	\$34,528	\$34,528	\$34,528
Balance from / (to) Transit Fund	\$5,091	(\$4,605)	(\$4,825)
TRANSIT FUND			
Final Balance, March 31, 2020	\$17,051	\$17,080	\$17,080
Victoria Regional Transit System			
Budgeted Contribution	(5,091)	4,605	4,605
Lower lease fees			639
Lower operating costs (Commission share)			2,719
Lower fuel tax revenue			(1,370)
Lower passenger revenue			(1,768)
Cowichan Valley Commuter			
Budgeted Contribution	(96)	(62)	(62)
Other			
Safe Restart funding contribution		42,646	42,646
Safe Restart funding usage (2020/21)		(21,323)	(21,323)
Interest & Other	100	100	100
Balance, March 31, 2021	\$11,964	\$43,046	\$43,266

Victoria Regional Transit Commission

Performance and Benchmarking



Conventional Transit Performance

<i>(figures in thousands, except ratios)</i>								
	Sep 2020 Year to Date				Revised 2020/21			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Passenger Trips ('000)	13,856	5,145	(8,711)	(62.9%)	13,580	11,325	(2,255)	(16.6%)
Service Hours ('000)	428	386	(42)	(9.8%)	864	810	(54)	(6.3%)
Total Operating Cost ('000)	\$55,681	\$51,662	\$4,019	7.2%	\$112,884	\$109,687	\$3,197	2.8%
Passenger Trips per Service Hour	32.4	13.3	(19.0)	(58.8%)	15.7	14.0	(1.7)	(11.0%)
Operating Cost per Service Hour	\$130.10	\$133.84	(\$3.74)	(2.9%)	\$130.65	\$135.42	(\$4.77)	(3.7%)
Operating Cost per Passenger Trip	\$4.02	\$10.04	(\$6.02)	(149.8%)	\$8.31	\$9.69	(\$1.38)	(16.6%)
Operating Cost Recovery	39.5%	19.3%	(20.2%)	(51.1%)	21.9%	20.9%	(1.0%)	(4.5%)
Service Hours per Capita	n/a	n/a	n/a	n/a	2.5	2.4	(0.1)	(4.0%)
Passenger Trips per Capita	n/a	n/a	n/a	n/a	40.1	33.4	(6.7)	(16.7%)

Conventional Service Area Population of 339,026 used in per capita calculations

Custom Transit Performance

<i>(figures in thousands, except ratios)</i>								
	Sep 2020 Year to Date				Revised 2020/21			
	Budget	Actual	Variance (Un) Favourable		Budget	Forecast	Variance (Un) Favourable	
Passenger Trips ('000) (Total)	191	54	(137)	(71.7%)	149	149	-	0.0%
Passenger Trips ('000) (excluding Taxi)	152	46	(106)	(69.7%)	121	121	-	0.0%
Service Hours ('000)	63	57	(6)	(9.5%)	127	117	(10)	(7.9%)
Total Operating Cost ('000)	\$5,803	\$4,630	\$1,173	20.2%	\$11,715	\$10,270	\$1,445	12.3%
Passenger Trips per Service Hour (excl. Taxi)	2.4	0.8	(1.6)	(66.7%)	1.0	1.0	0.0	0.0%
Operating Cost per Service Hour (excl. Taxi)	\$85.54	\$82.49	\$3.05	3.6%	\$85.72	\$86.48	(\$0.76)	(0.9%)
Operating Cost per Passenger Trip	\$30.38	\$85.74	(\$55.36)	(182.2%)	\$78.62	\$68.93	\$9.69	12.3%
Operating Cost Recovery (excl. Taxi)	2.21%	0.34%	(1.87%)	(84.6%)	0.59%	0.63%	0.04%	7.6%
Service Hours per Capita	n/a	n/a	n/a	n/a	0.34	0.31	(0.0)	(8.8%)
Passenger Trips per Capita	n/a	n/a	n/a	n/a	0.4	0.4	0.0	0.0%

Custom Service Area Population of 379,088 used in per capita calculations

SUBJECT: 2021/22 DRAFT BUDGET

PURPOSE

The 2021/22 Draft Budget is submitted to the Victoria Regional Transit Commission (the "Commission") for **INFORMATION**.

BACKGROUND

BC Transit is required to submit operating and capital projections to the Province which form the basis for the provincial budget request and for the development of BC Transit's Service Plan. As part of this annual process, BC Transit works with all local government partners to provide preliminary annual costs and funding requirements and confirm service levels for the following year.

DISCUSSION

The 2021/22 Draft Budget for the Victoria Regional Transit System includes the following assumptions:

Revenue

- Passenger revenues reflect a medium scenario in line with the Safe Restart agreement where passenger trips and passenger revenues are 55% of the 2019/20 levels.
- Fuel tax revenue is estimated at 95% of the 2019/20 actuals.
- \$21.3M of Safe Restart Funding used to offset lower passenger revenue and increase costs due to Covid-19.

Operating Expenses

- Operations and maintenance costs reflects part-year implementation of 20,000 service hours for 2021/22 service expansion that was deferred from 2020/21.
- Labour and benefit increases for union and non-unionized staff in alignment with provincial mandate.
- Average fuel price of \$1.00 per litre.
- Lower operating costs (\$0.5M) associated with reduced travel, conferences, and training.
- Additional \$1.9M operating expenses for Covid-19 related costs.
- Additional \$5.0M operating expenses for the Rapid Transit Project (\$3.8M) and Island Highway Priority Study (\$1.2M).

Lease fees

- Commission share of use of asset fees associated with planned replacement of vehicles and major capital repairs.
- Ongoing facility maintenance.
- 8 additional high capacity vehicles to support 2021/22 service expansion.

The 2021/22 Draft Budget is summarized in the following table:

<i>(figures in thousands)</i>						
	Original Budget 2020/21	Revised Budget 2020/21	Q2 Forecast 2020/21	DRAFT Base Budget 2021/22	DRAFT Expansion Budget 2021/22	DRAFT Total Budget 2021/22
Revenues						
Passenger & Adv Revenue	\$44,647	\$24,738	\$22,970	\$26,620	\$328	\$26,948
Safe Restart Funding	0	21,323	21,323	21,323	0	21,323
Provincial Oper Contribution	43,495	43,164	41,241	46,429	465	46,894
Fuel Tax Revenue	19,360	18,360	16,990	18,360	0	18,360
Local Contribution	39,619	29,923	29,703	43,724	1,014	44,739
Total	\$147,121	\$137,508	\$132,227	\$156,456	\$1,808	\$158,264
Expenses						
Operating Costs	\$125,644	\$124,599	\$119,957	\$134,046	\$1,467	\$135,513
Lease Fees (local share)	21,477	12,909	12,270	22,411	341	22,751
Total	\$147,121	\$137,508	\$132,227	\$156,456	\$1,808	\$158,264
Conventional	873	864	810	864	13	877
Custom	127	127	117	127		127
Service Hours	1,000	991	927	991	13	1,004
Conventional	28,338	13,580	11,325	14,940	210	15,150
Custom	383	149	149	205		205
Passengers	28,721	13,729	11,474	15,145	210	15,355

The Commission's local contribution towards expenses for 2021/22 will be funded through the transit levy and/or a portion of the contributed surplus in the Transit Fund.

At the February 23, 2021 Commission meeting, the final 2021/22 Budget will be presented for approval.

RECOMMENDATION

It is recommended that the Victoria Regional Transit Commission receive the 2021/22 Draft Budget for **INFORMATION**.

Respectfully,

Megan Hill
Director, Budgeting & Forecasting