



#10 – 2025/26 Draft 3-Year Budget

November 26, 2024

Key Drivers/Influences



Service Levels

- Base service of 1.031M service hours (includes annualized 2024/25 expansion)
- Cost of annualized 2024/25 expansion = \$1.6M including lease fees
- 2025/26 service expansion reflects 9400 part-year service hours assuming implementation in January 2026 (\$1.7M)



Inflationary Pressures

- Materials inflation includes maintenance parts (8%), software (8%) and insurance (5%)
- Fuel (diesel) remains consistent with 24/25 budget at \$2.00 per litre. Impact of \$0.3M due to increased volume



Key Funding Items

- Budgeted passenger revenues for 2025/26 – 2027/28 reflect updated growth projections of 3%,3%, and 1% respectively for the 3 years mostly due to service expansion
- Fuel Tax Revenue is \$16.5M in all 3 years, down from \$17.9M in 2024/25
- All remaining Safe Restart funding was used in 2024/25, and therefore no Safe Restart funding is included for the 2025/26 – 2027/28 budgets



Labour

- General wage increases of 2.2% for 2025/26 in alignment with the Provincial Public Sector bargaining mandate
- Step increases for unionized staff as per collective agreements (Operators 4.3%, Maintenance 1.9%, MoveUP 2.4%)
- 13 additional operators, 6 maintenance staff to support annualization of 2024/25 expansion, and additional resources to support 2025/26 service expansion



Key Projects

- Operating costs and lease fees to support the opening of the new Victoria handyDART Facility
- Battery electric bus implementation (fleet and infrastructure)
- Saanich Transit Centre (STC) Phase 1, Island Highway Transit Priority and RapidBus projects.

3 Year Outlook – Base Budget Total Expenses

<i>(figures in thousands)</i> Expenses	Budget 2024/25	Q2 Forecast 2024/25	Draft Base Budget 2025/26	Draft Base Budget 2026/27	Draft Base Budget 2027/28
<i>Operations (excl fuel)</i>	95,350	93,898	105,261	112,886	117,601
<i>Fuel</i>	15,517	12,763	15,824	16,561	17,393
Operations	110,867	106,661	121,085	129,447	134,994
<i>Fleet Maintenance</i>	33,143	35,741	39,051	40,918	42,727
<i>Facilities Maintenance</i>	6,798	6,748	8,025	8,402	8,851
Maintenance	39,941	42,489	47,076	49,320	51,578
Administration	21,628	21,893	26,138	29,593	31,412
Total Operating Expenses	\$172,436	\$171,043	\$194,299	\$208,360	\$217,984
Lease Fees (local share)	17,912	17,380	22,383	27,579	31,480
Total Expenses	\$190,348	\$188,423	\$216,682	\$235,939	\$249,464
Base Service Hours	1,023	997	1,031	1,031	1,031
Operating Cost/Hour	\$ 168.56	\$ 171.56	\$ 188.48	\$ 202.12	\$ 211.46
YOY increase from Budget			12%	7%	5%
Passengers	26,986	26,372	27,004	27,365	27,734

3 Year Outlook – Revenue & Expenses

(3-Year base budget including 3-Year impact of 25/26 Expansion)

(figures in thousands)	Budget 2024/25	Q2 Forecast 2024/25	Draft Base Budget 2025/26	Draft Expansion Budget 2025/26	Total Draft Budget 2025/26	Total Draft Budget 2026/27	Total Draft Budget 2027/28
Revenues							
Passenger & Adv Revenue	\$43,271	\$42,677	43,515	221	43,736	44,997	45,615
Provincial Oper Contribution	\$59,401	\$58,769	66,886	539	67,425	74,520	77,878
Fuel Tax Revenue	\$17,850	17,140	16,500		16,500	16,500	16,500
Local Contribution	\$69,826	69,837	89,780	923	90,703	107,316	117,222
Local Contribution - Safe Restart/Addl Contr	5,431	5,431	0		0	0	0
Local Contribution - Transit Levy	62,334	62,455	86,096	923	87,019	107,737	117,662
Local Contribution - Transit Fund	2,061	1,950	3,684		3,684	(421)	(440)
Total	\$190,348	\$188,423	\$216,682	\$1,683	\$218,364	\$243,332	\$257,215
Expenses							
Total Operating Expenses	\$172,436	\$171,043	194,299	\$1,479	\$195,778	\$214,897	\$224,837
Lease Fees (local share)	17,912	17,380	22,383	204	22,587	28,435	32,379
Total	\$190,348	\$188,423	\$216,682	\$1,683	\$218,364	\$243,332	\$257,215
Total % Budget Increase			13.8%	0.9%	14.7%	11.4%	5.7%
Est. Ending Transit Fund Balance	\$8,578	\$8,976			\$5,129	\$5,372	\$5,621
Est. Average Transit Levy per Household	\$275.42	\$276.08	\$377.45	\$4.08	\$381.53	\$469.12	\$508.32
\$ Increase over prior year			\$101.38	\$4.08	\$105.46	\$87.59	\$39.20
% Increase over prior year			37%	1%	38%	23%	8%
Base Service Hours	1,023	997	1,031	9	1,040	1,068	1,068
Passengers	26,986	26,372	27,004	142	27,146	27,950	28,338
* Estimated Transit Fund Balance each year set to restricted fund balance (2.5% of operating expenses)							