

CHAIR & MEMBERS

VICTORIA REGIONAL TRANSIT COMMISSION

January 19, 2021

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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