

Victoria Regional Transit Commission

Chair and Members

February 22, 2022

#7

SUBJECT: 2021/22 ANNUAL SERVICE PLAN, BASE BUDGET AND TAX REGULATION

PURPOSE

The 2022/23 Annual Service Plan, Budget and Tax Regulation is submitted to the Victoria Regional Transit Commission (the “Commission”) for **APPROVAL**.

BACKGROUND

BC Transit develops an Annual Service Plan for the Victoria Regional Transit System every year to provide the Victoria Regional Transit Commission (VRTC) with a proposal for service improvements over the following Fiscal period.

Due to the impacts of COVID-19 and a variety of associated operational factors, the expansion planned for 2021/22 was deferred to the 2022/23 fiscal period. Consequently, this Annual Service Plan provides an update to expansion priorities initially developed and approved by the VRTC in last year’s (2021/22) Annual Service Plan. The modifications to last year’s Annual Service Plan primarily revolve around additional details confirmed through the West Shore Local Area Transit Plan process.

Annual Service Plan

Table 1 identifies the regular seasonal service changes and any associated cost-neutral service changes. Table 2 outlines the expansion plans associated with the 2021/22 deferred expansion resources.

Table 1: Seasonal and Cost Neutral Service Changes

Service Period	Seasonal Service Change
April 2022	<ul style="list-style-type: none">• Service level reductions on routes serving post-secondary institutions• Routing and service-level changes to Routes 3 and 10 to better align with demand
June 2022	<ul style="list-style-type: none">• Remove K-12 school overload and special trips.• Regular seasonal summer service increases to Butchart Gardens and BC Ferries• Extension of Routes 24/25 to Tillicum Mall and streamline of Route 11*
September 2022	<ul style="list-style-type: none">• Service level increases in alignment with the return of school-based demand
Winter Holiday 2022	<ul style="list-style-type: none">• Standard seasonal changes matching service with demand
January 2023	<ul style="list-style-type: none">• Service level increases in alignment with the return of school-based demand

*Dependent on successful acquisition of additional layover space at Tillicum Mall

Table 2: 2021/22 Deferred Expansion Plan Update

Fiscal	Service Period	Annual Hours	2022/23 Fiscal Hours	Peak Expansion Buses	Proposed Service Expansion
2022/23	September 2022	8,400	4,900	3	Implement the West Shore RapidBus Line, including associated service changes to Route 61 Sooke
		6,700	3,900	3	West Shore Network Restructure
2022/23	January 2023	2,500	625	0	Improvements to the Frequent Transit Network
		2,400	600	0	Service reliability improvements
Total		20,000	10,025	6[†]	

*The expansions identified for the 2022/23 Fiscal period are contingent on securing sufficient operator numbers.

Further to the 2021/22 deferred expansion outlined in this plan, in the August 10th 2022 Commission Meeting, the VRTC approved BC Transit to submit an expansion funding request to the Ministry of Transportation and Infrastructure for the 2022/23 Fiscal for 20,000 service hours. If the Provincial share of funding for this additional expansion is approved on budget day (February 22, 2022), a separate Victoria Regional Transit Commission meeting may be hosted in March 2022 to provide the Commission with details on this expansion for approval.

2022/23 BASE BUDGET

The 2022/23 Base Budget for the Victoria Regional Transit System includes the following assumptions:

Revenue

- Passenger and advertising revenues are budgeted at 77% of pre-pandemic levels.
- Fuel tax revenue is estimated at 95% of 2019/20 actuals.
- \$6.9M of Safe Restart Funding used to offset lower passenger revenue.
- \$975K annually for Free Transit 12 & Under revenues from the province.

Operating Expenses reflect:

- Additional operating expenses related to 2021/22 expansion and initiatives.
- Increased expenses related increased software and IT expenses.
- Increase in vehicle maintenance due to increasing costs of parts and materials and shipping.
- Increased fuel costs due to budgeted diesel fuel price of \$1.36 per litre, compared to \$1.03 per litre in 2021/22 offset by 36 CNG bus replacements.
- Implementation of the Electronic Fare Collection System.
- Operating expenses for the Rapid Transit Project and VRTS Facility Master Plan.

Lease fees

- Commission share of use of asset fees associated with planned replacement of vehicles and major capital repairs, planned facility maintenance/upgrades, and equipment.

The 2022/23 Base Budget is summarized below:

<i>(figures in thousands)</i>	Base Budget	Q3 Forecast	Base Budget
Revenues	2021/22	2021/22	2022/23
Passenger & Adv Revenue	\$25,866	\$30,036	\$33,598
Safe Restart Funding	21,323	21,323	6,883
Provincial Oper Contribution	45,202	45,707	48,794
Fuel Tax Revenue	18,360	18,360	18,360
Local Contribution	36,474	33,679	50,360
Total	\$147,224	\$149,105	\$157,995
Expenses			
Operations	83,651	83,831	89,884
Maintenance	30,552	31,354	32,657
Administration	16,562	17,356	18,779
Operating Costs	\$130,765	\$132,541	\$141,319
Lease Fees (local share)	\$16,459	\$16,564	\$16,676
Total	\$147,224	\$149,105	\$157,995
Service Hours	981	948	1,003
Passengers	14,601	16,938	19,758

Below are options for the average per household transit levy and associated use of the Transit Fund to fund the local Commission share of expenses for the 2022/23 Base Budget. Estimates for transit levies are calculated using the January 2022 valuations from BC Assessment.

**VICTORIA REGIONAL TRANSIT SYSTEM
TRANSIT FUND**

			Option 1	Option 2	Option 3
	2021/22	2021/22	2022/23	2022/23	2022/23
<i>(figures in thousands)</i>	Budget	Forecast	Base Budget	Base Budget	Base Budget
FUNDS GENERATED FROM PROPERTY TAXATION					
Estimated Transit Levy per Average Household	\$148.50	\$147.85	\$162.60	\$170.00	\$177.45
(% increase)			10.0%	15.0%	20.0%
Current funds generated from Transit Levy	\$33,354	\$34,313	\$36,424	\$38,026	\$39,604
Balance from/(to) Transit Fund	\$3,120	(\$634)	\$13,936	\$12,334	\$10,756
Total Local Contribution	\$36,474	\$33,679	\$50,360	\$50,360	\$50,360
TRANSIT FUND					
Opening Balance	\$50,140	\$50,140	\$29,755	\$29,755	\$29,755
Contribution to expenses	(3,120)	634	(13,936)	(12,334)	(10,756)
Cowichan Valley Commuter					
Contribution to expenses	(90)	(96)	(264)	(264)	(264)
Other					
Safe Restart Funding and Interest	(21,223)	(20,923)	(6,733)	(6,733)	(6,733)
Ending Balance	\$25,707	\$29,755	\$8,821	\$10,424	\$12,001
Restricted Balance (2.5% of Operating Costs)			\$3,533	\$3,533	\$3,533
Unrestricted Balance			\$5,288	\$6,891	\$8,468

RECOMMENDATION

It is recommended that the Commission:

- **APPROVE** the 2022/23 Base Budget
- **APPROVE** Option 2 or 3 for a tax regulation in order to maintain sufficient transit fund balance

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Attachment 1: Victoria Regional Transit System Routes

Attachment 2: 2022/23 Operating Budgets (Conventional and Custom)

Attachment 1 - Victoria Regional Transit System Routes

#	Route Name	Service Type	Area
1	South Oak Bay/Downtown	Local Transit - Coverage	Core
2	James Bay/South Oak Bay	Local Transit - High Demand	Core
3	James Bay/Royal Jubilee	Local Transit - High Demand	Core
4	UVic/Downtown	Frequent Transit	Core
5	James Bay/Willows	Local Transit - High Demand	Core
6	Royal Oak Exchange/Downtown	Frequent Transit	Core
7	UVic/Downtown	Local Transit - High Demand	Core
8	Interurban/Tillicum Centre/Oak Bay	Local Transit - High Demand	Core
9	Royal Oak/UVic	Local Transit - High Demand	Core
10	James Bay/Royal Jubilee	Local Transit - Coverage	Core
11	Tillicum Centre/UVic	Frequent Transit	Core
12	University Heights/UVic	Local Transit - Coverage	Core
13	Ten Mile Point/UVic	Local Transit - Coverage	Core
14	Vic General/UVic	Frequent Transit	Core
15	Esquimalt/UVic	Frequent Transit	Core
17	Cedar Hill	Targeted Routes	Core
21	Interurban/Downtown	Local Transit - High Demand	Core
22	Vic General/Hillside Centre	Local Transit - High Demand	Core
24	Cedar Hill/Admirals Walk	Local Transit - High Demand	Core
25	Maplewood/Admirals Walk	Local Transit - High Demand	Core
26	Dockyard/UVic	Frequent Transit	Core
27	Gordon Head/Downtown	Frequent Transit	Core
28	Majestic/Downtown	Frequent Transit	Core
30	Royal Oak Exchange/Downtown	Frequent Transit	Core
31	Royal Oak Exchange/Downtown	Frequent Transit	Core
32	Cordova Bay/Royal Oak Exch	Local Transit - Coverage	Core
35	Ridge	Local Transit - Coverage	Core
39	Westhills/Interurban/ Royal Oak/UVic	Local Transit - High Demand	Core
43	Royal Roads via Belmont Park	Local Transit - Coverage	Westshore
46	Dockyard/Westhills	Local Transit - Coverage	Westshore

#	Route Name	Service Type	Area
47	Goldstream Meadows/Downtown	Targeted Routes	Westshore
48	Happy Valley/Downtown	Targeted Routes	Westshore
50	Langford/Downtown	Frequent Transit	Westshore
51	Langford/UVic	Targeted Routes	Westshore
52	Colwood Exchange/Bear Mountain	Local Transit - Coverage	Westshore
53	Colwood Exchange/Langford Exchange	Local Transit - Coverage	Westshore
54	Metchosin	Local Transit - Coverage	Westshore
55	Happy Valley	Local Transit - Coverage	Westshore
56	Thetis Heights/Langford Exchange	Local Transit - Coverage	Westshore
57	Thetis Heights/Langford Exchange	Local Transit - Coverage	Westshore
58	Goldstream Meadows	Local Transit - Coverage	Westshore
59	Triangle Mountain	Local Transit - Coverage	Westshore
60	Wishart	Local Transit - Coverage	Westshore
61	Sooke/Langford/Downtown	Local Transit - High Demand	Westshore
63	Otter Point	Local Transit - Coverage	Westshore
64	Langford Exch / Sooke via E Sooke and Beecher Bay	Local Transit - Coverage	Westshore
65	Sooke/Downtown via Westhills	Targeted Routes	Westshore
70	Swartz Bay/Downtown	Local Transit - High Demand	Peninsula
71	Swartz Bay/Downtown	Targeted Routes	Peninsula
72	Swartz Bay/Downtown	Local Transit - High Demand	Peninsula
75	Saanichton/Royal Oak/Downtown	Local Transit - High Demand	Peninsula
81	Brentwood/Saanichton/Sidney/Swartz Bay	Local Transit - Coverage	Peninsula
82	Sidney/Saanichton via Stautw	Local Transit - Coverage	Peninsula
83	Sidney/Brentwood/Royal Oak	Local Transit - Coverage	Peninsula
85	North Saanich	Local Transit - Coverage	Peninsula
87	Saanichton/Sidney via Dean Park	Local Transit - Coverage	Peninsula
88	Airport/Sidney	Local Transit - Coverage	Peninsula

Attachment 2: 2022/23 Operating Budgets

VICTORIA CONVENTIONAL TRANSIT	2022/23 BUDGET
Operations	\$80,136,343
Maintenance	30,895,552
Administration	17,522,614
TOTAL OPERATING COSTS	\$128,554,509
Provincial Share (\$)	\$40,751,779
Provincial Share (%)	31.7%

VICTORIA CUSTOM TRANSIT	2022/23 BUDGET
Operations	\$9,747,315
Maintenance	1,761,453
Administration	1,256,087
TOTAL OPERATING COSTS	\$12,764,854
Provincial Share (\$)	\$8,041,858
Provincial Share (%)	63.0%