

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Finance Committee (Round 1 Budget) – November 25 and 26, 2024

AUTHOR: Ahmad Kidwai, Manager, Transit and Fleet

SUBJECT: 2025 ROUND 1 BUDGET PROPOSAL FOR PUBLIC TRANSIT [310]

RECOMMENDATION(S)

THAT the report titled 2025 Round 1 Budget Proposal for Public Transit [310] be received for information.

BACKGROUND

As part of the Budget Process staff report potential budget adjustments to the Board. Budget Proposals provide the details to support the potential adjustment and allow the Board to make informed decisions regarding funding projects or service enhancements, as well as ways to reduce the budget.

DISCUSSION

2025 R1 Budget Proposals

1	<i>Function Number – Project Title:</i>	Refer to Round 2 Budget Pending AOA - [310] – 2025/26 Annual Operating Agreement – base budget lift
	<i>Risk Factor:</i>	MEDIUM: Normal - Service Level Impact
	<i>Category:</i>	Business Continuity
	<i>Geographic Areas Affected:</i>	B, D, E, F, DoS, ToG, sNGD
	<i>2025 Funding Required:</i>	TBD
	<i>Funding Source(s):</i>	Taxation: TBD BC Transit Recovery / Fare Revenue:TBD
	<i>Rationale / Service Impacts:</i>	Each year BC Transit and the SCRCD enter into an Annual Operating Agreement (AOA) which governs transit service levels and associated costs. BC Transit provides the SCRCD with a draft 3 Year budget reflective of the anticipated costs to operate the transit service in the upcoming year (April 01, 2025 – March 31, 2026). The draft 3-Year budget for the AOA considers an increase in ridership (revenues retained by

		<p>SCRD to offset costs), as well as increased costs for various operational areas such as fuel, lease fees, maintenance, insurance, BC Transit administrative overhead, and fixed operational costs such as management and administrative salaries, cleaning, uniforms, training, and infrastructure costs.</p> <p>The 2025/26 proposed budget also includes additional handyDART hours over and above the approved 2024 service expansion. An additional 178 service hours were supported by BC Transit in order to align with the SCRDR Collective Agreement minimum shift length.</p> <p>Finally, the Battery Electric Buses are scheduled to be in service in early 2026 (Year 1 of the draft 3-Year budget), however, are anticipated to be a cost neutral impact on the budget.</p> <p>The overall increase to the 3-Year Budget/AOA is funded through a combination of taxation and BC transit recovery per the shared cost formula, as well as estimated increases in fare and advertising revenue.</p> <p>Staff continue to work with BC Transit to finalize the draft three-year AOA budget. Current efforts are focused on refining the AOA operator detail budget to include expansion-related increases and existing budgeted fixed costs which are not currently cost shared.</p> <p>Once these details have been finalized, staff will then be able to calculate the net increase to the SCRDR base budget and the respective BC Transit and SCRDR funding shares.</p>												
	<p><i>HR Implications</i></p>	<p><input type="checkbox"/> Additional FTE <input type="checkbox"/> Existing FTE <input checked="" type="checkbox"/> No Additional FTE or Resourcing <input type="checkbox"/> Term or Student (TIME)</p>												
	<p><i>Future Financial Implications and Life Cycle Cost Breakdown</i></p>	<table border="1"> <thead> <tr> <th></th> <th>2025</th> <th>2026</th> <th>2027</th> </tr> </thead> <tbody> <tr> <td>Base Budget</td> <td>\$TBD</td> <td>\$TBD</td> <td>\$TBD</td> </tr> <tr> <td>Increase</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <ul style="list-style-type: none"> Figures are estimates prior to BC Transit approving their budget. 		2025	2026	2027	Base Budget	\$TBD	\$TBD	\$TBD	Increase			
	2025	2026	2027											
Base Budget	\$TBD	\$TBD	\$TBD											
Increase														

		<ul style="list-style-type: none"> • Values are reflective of net operating base budget increase only; support services and wages are budgeted separately. • Funding breakdown for 2024 base budget increase is based on draft 3-Year budget and increases required over provisional budget values. <p>Funding future funding ratios are dependent on numerous factors, namely shareable cost ratios negotiated with BC Transit annually, fare revenue, and lease fees.</p>
	<i>Asset Management Implications:</i>	n/a
	<i>Climate Action Plan Goal and Impact (if applicable)</i>	Goal 12: Shift beyond the car – 30% of trips made by walking, biking, or transit by 2030 (BC’s Roadmap to 2030).

2	<i>Function Number – Project Title:</i>	[310] – Transit Training Base Budget Alignment
	<i>Risk Factor:</i>	LOW: Minimal / None
	<i>Category:</i>	Non-Mandatory Base Budget Increase Request
	<i>Geographic Areas Affected:</i>	B, D, E, F, DoS, ToG, sNGD
	<i>2025 Funding Required:</i>	N/A
	<i>Funding Source(s):</i>	Existing budget (\$15,850)
	<i>Rationale / Service Impacts:</i>	<p>The purpose of this item is to correct an administrative error and to align the budget with where the actual expenses are realized.</p> <p>The base operating budget was increased in 2022 for Driver Orientation and Training, however the budget was included in the Training and Development expense category and did not include the related FTE’s. The actual expense is realized within the Salaries and Wages expense category and has an associated FTE for the hours spent in driver orientation and training.</p> <p>The proposal is cost neutral and moves the budget to the correct general ledger account.</p>

	<i>HR Implications</i>	<input checked="" type="checkbox"/> Additional FTE <input type="checkbox"/> Existing FTE <input type="checkbox"/> No Additional FTE or Resourcing <input type="checkbox"/> Term or Student (TIME)
		Staffing (2025) Not pro-rated (12 months) FTE Count: 0.16 FTE Cost (2025): \$15,850 (from existing budget)
		Future Year FTE Request FTE Count: 0.16 FTE (ongoing) Cost:\$15,850 (From existing budget)
	<i>Future Financial Implications and Life Cycle Cost Breakdown</i>	Base Budget
	<i>Asset Management Implications:</i>	n/a
	<i>Climate Action Plan Goal and Impact (if applicable)</i>	n/a

3	<i>Function Number – Project Title:</i>	[310] – Transit Expansion Priorities 2025+ Extraordinary
	<i>Risk Factor:</i>	MEDIUM: Normal - Service Level Impact
	<i>Category:</i>	Non-Mandatory Board Directed or Business Continuity
	<i>Geographic Areas Affected:</i>	B, D, E, F, DoS, ToG, sNGD
	<i>2025 Funding Required:</i>	\$171,000
	<i>Funding Source(s):</i>	Revenue \$ 8,200 Taxation \$39,500 BC Transit Share \$123,300
	<i>Rationale / Service Impacts:</i>	On October 10, 2024, the Board adopted a resolution (285/24) to enter into a Memorandum of Understanding with BC Transit for 2025/26 service expansion priorities including increased weekday frequency of Route 90 and an increase to weekday and weekend handyDART service hours; and to bring forward a budget proposal for the 2025-2028 financial plan deliberations.

		<p>The addition of 800 hours to Route 90 to address critical ridership levels/passups on weekends is anticipated for May 2025 implementation, while the majority of Route 90 service hour expansion (2,700 hrs) as well as handyDART service hours (2,912 hrs) are anticipated for a January 2026 commencement (both services requiring additional fleet units).</p>
	<p><i>HR Implications</i></p>	<p><input checked="" type="checkbox"/> Additional FTE <input type="checkbox"/> Existing FTE <input type="checkbox"/> No Additional FTE or Resourcing <input type="checkbox"/> Term or Student (TIME)</p> <p>Staffing (2025) Proration (8 Months) FTE Count: 0.60 Cost (2025): \$51,870</p> <p>Additional Staffing Costs: \$362,820</p> <p>Future Year FTE Impact (2026) FTE Count: 3.85 Cost: \$372,798</p>
	<p><i>Future Financial Implications and Life Cycle Cost Breakdown</i></p>	<p>Total Funding Required in 2026: \$1,110,000</p> <p>Funding Sources:</p> <p>Fare Revenue \$57,000 Taxation \$520,000 BC Transit Share \$533,000</p>
	<p><i>Asset Management Implications:</i></p>	<p>Choose an item.</p> <p>N/A – Fleet is leased from BC Transit.</p>
	<p><i>Climate Action Plan Goal and Impact (if applicable)</i></p>	<p>Goal 12: Shift beyond the car – 30% of trips made by walking, biking, or transit by 2030 (BC’s Roadmap to 2030).</p>

Financial Implications

Five-Year Capital Reserve Plan (or longer, if applicable)					
(use table illustrating capital contributions and expenditures, if available)					
	2025	2026	2027	2028	2029
Item	Amount	Amount	Amount	Amount	Amount
Opening Balance in reserve	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225
Contributions Surplus	\$ -	\$ -	\$ -	\$ -	\$ -
Building	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance in Reserve	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225

Five-Year Operating Reserve Plan (or longer, if applicable)
 (use table illustrating capital contributions and expenditures, if available)

	2025	2026	2027	2028	2029
Item	Amount	Amount	Amount	Amount	Amount
Opening Balance in Reserve	\$ 515,849	\$ 742,286	\$ 742,286	\$ 742,286	\$ 742,286
2024 Operating Surplus	\$ 408,157	\$ -	\$ -	\$ -	\$ -
2025 Budget Proposals	-\$ 56,720	\$ -	\$ -	\$ -	\$ -
Contribution to Reserve	-\$ 125,000	\$ -	\$ -	\$ -	\$ -
Closing Balance in Reserve	\$ 742,286	\$ 742,286	\$ 742,286	\$ 742,286	\$ 742,286

Reviewed by:			
CAO		Legislative	
CFO		Manager	
GM	X – S. Gagnon	Other Staff	