

REGIONAL DISTRICT OF NANAIMO
TRANSIT SELECT COMMITTEE
THURSDAY, MAY 25, 2017 AT 12:00 PM
IN THE RDN COMMITTEE ROOM
RDN meetings may be recorded

PAGES

CALL TO ORDER

MINUTES

2-4 Minutes of the regular Transit Select Committee meeting held March 16, 2017.

BUSINESS ARISING FROM THE MINUTES

COMMUNICATIONS/CORRESPONDENCE

DELEGATIONS

UNFINISHED BUSINESS

BC TRANSIT UPDATES

REPORTS

5-8 2017-2018 Conventional and Custom Transit Annual Operating Agreement.

9-13 Fare Review.

14-15 Transit Select to Duke Point.

ADDENDUM

BUSINESS ARISING FROM DELEGATIONS OR COMMUNICATIONS

NEW BUSINESS

ADJOURNMENT

Lunch will be provided at 11:30 am

Distribution: T. Westbrook; A. McPherson; M. Young; B. Rogers; J. Stanhope; B. Veenhof; B. McKay;
B. Bestwick; B. Yoachim; J. Hong; B. Colclough; M. Lefebvre; P. Carlyle; D. Trudeau;
D. Pearce; D. Marshall; E. Beauchamp; M. Moore; M. Lockley; G. Foy; N. Hewitt

For Information Only: T. Samra; R. Campbell; D. Comis; D. Sailland; J. Harrison; M. O'Halloran

REGIONAL DISTRICT OF NANAIMO

**MINUTES FROM THE TRANSIT SELECT COMMITTEE
HELD ON THURSDAY, MARCH 16, 2017 AT 12:00 PM
IN THE RDN BOARD CHAMBERS**

Present:

Director T. Westbroek	Chairperson
Director A. McPherson	Electoral Area 'A'
Director M. Young	Electoral Area 'C'
Director B. Rogers	Electoral Area 'E'
Director J. Stanhope	Electoral Area 'G'
Director B. Veenhof	Electoral Area 'H'
Director B. Colclough	District of Lantzville
Director M. Lefebvre	City of Parksville
Director B. McKay	City of Nanaimo
Director B. Bestwick	City of Nanaimo

Also in Attendance:

P. Carlyle	Chief Administrative Officer, RDN
D. Trudeau	General Manager, Transportation, Emergency Planning & Fire Services
D. Pearce	A/Director of Transportation & Emergency Planning Services
E. Beauchamp	Superintendent, Transportation Planning & Scheduling
M. Moore	Senior Regional Transit Manager, BC Transit
G. Hill	Supervisor, Revenue Development, BC Transit
N. Hewitt	Recording Secretary

Regrets:

Director B. Yoachim	City of Nanaimo
Director J. Hong	City of Nanaimo

CALL TO ORDER

The Chairperson called the meeting to order at 12:00 pm.

MINUTES

MOVED Director Veenhof, SECONDED Director Rogers, that the minutes of the regular Transit Select Committee meeting held December 13, 2016 be adopted.

CARRIED

COMMUNICATIONS/CORRESPONDENCE

Sheila Malcolmson, Member of Parliament, Nanaimo—Ladysmith re: Duke Point Transportation Service Request.

MOVED Director Veenhof, SECONDED Director Young, that the correspondence from Sheila Malcolmson, Member of Parliament, Nanaimo—Ladysmith re: Duke Point Transportation Service Request be received.

CARRIED

Doug Routley, MLA Nanaimo-North Cowichan, re: Duke Point Transportation Service Request.

MOVED Director Veenhof, SECONDED Director Young, that the correspondence from Doug Routley, MLA Nanaimo-North Cowichan, re: Duke Point Transportation Service Request be received.

CARRIED

Leonard Krog, MLA Nanaimo, re: Duke Point Transportation Service Request.

MOVED Director Veenhof, SECONDED Director Young, that the correspondence from Leonard Krog, MLA Nanaimo, re: Duke Point Transportation Service Request be received.

CARRIED

George Hanson, President, Vancouver Island Economic Alliance, re: Duke Point Transportation Service Request.

MOVED Director Veenhof, SECONDED Director Young, that the correspondence from George Hanson, President, Vancouver Island Economic Alliance, re: Duke Point Transportation Service Request be received.

CARRIED

LATE CORRESPONDENCE

Greater Nanaimo Chamber of Commerce, Kim Smythe, re: Duke Point Transportation Service Request

MOVED Director Veenhof, SECONDED Director Young, that the correspondence from Greater Nanaimo Chamber of Commerce, Kim Smythe, re: Duke Point Transportation Service Request be received.

CARRIED

DELEGATIONS

Philippe Lucas, Vice President, Tilray re: Duke Point Transportation Service Request.

Philippe Lucas, Vice President of Tilray spoke in support of Duke Point transportation service request.

BC TRANSIT UPDATES

Greg Hill, BC Transit re: RDN Fare Review.

Greg Hill, BC Transit provided a verbal and visual update regarding the RDN Fare Review.

REPORTS

Fare Review.

MOVED Director Roger, SECONDED Director Colclough, that the Board approve a Conventional and handyDART fare change as shown in Appendix 'A', including the removal of the paper transfer system, to be implemented on September 3, 2017

DEFEATED

MOVED Director Veenhof, SECONDED Director Bestwick, that the fare review report be referred back to staff to provide further information on the impact of the proposed fare options.

CARRIED

BC Transit Custom Registration Process.

M. Moore, Senior Regional Transit Manager, BC Transit provided a visual presentation regarding BC Transit Custom Registration Process. A number of questions were asked of the Committee. RDN staff are working with BC Transit to provide further information on answers that BC Transit provided and will be included in future correspondence if and when available.

MOVED Director Veenhof, SECONDED Director Stanhope, that the Board directs staff to work with BC Transit to implement the enhanced Custom Transit Registration Process for new handyDART applications.

CARRIED

Nanaimo 150 Celebration - Request for Extra Transit.

MOVED Director Stanhope, SECONDED Director Veenhof, that the Board approve the Nanaimo 150 Celebration's request for additional transit service for the Canada Day 150 Celebration event and directs staff to provide four (4) conventional buses from 9:00 am to 12:00 pm, for the event on July 1st, 2017.

CARRIED

BUSINESS ARISING FROM DELEGATIONS OR COMMUNICATIONS

Duke Point Transportation Service Request.

MOVED Director Veenhof, SECONDED Director Stanhope, that staff provide a report back to the Transit Select Committee on the request for transportation services to Duke Point.

CARRIED

ADJOURNMENT

MOVED Director Veenhof, SECONDED Director Stanhope, that this meeting be adjourned.

CARRIED

Time 2:20 pm

CHAIRPERSON



TO: Transit Select Committee **MEETING:** May 25, 2017

FROM: Erica Beauchamp **FILE:** 2240 20 TROA
Superintendent of Transit Planning & Scheduling

SUBJECT: 2017-2018 Conventional and Custom Transit Annual Operating Agreement

RECOMMENDATION

That the Board approve the 2017/18 Conventional and Custom Transit Annual Operating Agreements with BC Transit.

SUMMARY

The Regional District of Nanaimo (RDN) Transit renews an Annual Operating Agreement (AOA) every year with BC Transit, providing cost-sharing service arrangements for both the Conventional and Custom Transit services throughout the RDN and its partner municipalities.

BACKGROUND

The AOA (*Attachment 1*) between the Regional District of Nanaimo (RDN) and BC Transit is renewed on an annual basis, providing cost-sharing service arrangements for Conventional and Custom Transit services in Electoral Area’s A, C, E, G, and H, Town of Qualicum Beach, City of Nanaimo and City of Parksville for the period of April 1, 2017 to March 31, 2018.

The AOA is an agreement governing items such as service specifications, payment schedules, fares and days/hours of service that will be provided for cost-sharing purposes. As with previous AOAs, there are costs that fall outside the scope of the annual agreement. These items include RDN interdepartmental administration charges, fare product commissions paid to vendors, building rentals, maintenance of bus stops, training for existing staff members (serviceperson/drivers), advertising done outside the AOA marketing budget and janitorial services.

As previously communicated, the new funding model with the Province provides for base operating funding over the three-year period from 2015/16 to 2017/18. The 2017/18 budget represents year three of this funding agreement and BC Transit continues to work with the Province towards establishing the terms of the subsequent three-year period (2018/19 to 2020/21). Pending approval of the Provincial budget, the new three-year funding agreement will be established.

The 2017/18 AOA includes an overall decrease of 4.6% in Total Direct Operating Costs as a result of fuel costs shifting from Diesel to Compressed Natural Gas (CNG). With these total direct operating costs taken into account, there is an overall 3.1% decrease in Total Operating Costs.

An overall increase in revenue of 1.5% is attributed to the increase in farebox cash revenue, tickets and passes. Overall, Revenue from BC Bus Pass is expected to decline by 7%, as per the most up to date information provided by the Ministry of Social Development.

Scheduled revenue hours have decreased by 0.7% due to calendar year fluctuations. This translates to additional decreases in budgeted ridership and is also reflected in the amount of overall revenue the system will receive. There is a 1.8% increase for all fixed cost items, 1.6% increase for Driver’s Wages and 2.5% increase for Shop Mechanics rate. Fringe benefit total values also increased, at 0.9%. Additionally, fuel costs have decrease by 47.9% due to the conversion of the entire conventional fleet to Compressed Natural Gas (CNG).

Overall a net municipal share decrease of 3.7% has been applied to this budget year. Transportation Services staff and Financial Services staff have reviewed this AOA in conjunction with the approved RDN 2017 budget for transit services and do not have any concerns.

FINANCIAL ANALYSIS

Conventional Transit

The main changes in the AOA that should be noted include:

CONVENTIONAL	2016-2017 AOA	2017-2018 AOA	\$ CHANGE	% CHANGE
Fixed Costs (total cost, overhead, admin. wages)	\$967,588	\$985,004	\$17417	1.8%
Variable Hourly (total cost, drivers’ wages and benefits)	\$6,291,300	\$6,348,555	\$57,255	0.9%
Variable Fuel (total cost, fuel and tires)	\$1,494,965	\$778,325	(\$716,641)	-47.9%
Fleet Maintenance (total cost, running, major and accident repairs)	\$1,325,752	\$1,423,745	\$97,993	7.4%
Lease Fees (local share - 53.31%, mainly buses)	\$1,843,476	\$2,000,697	\$157,221	8.53%
BC Transit Management Fees (local share)	\$616,208	\$628,532	\$12,324	2%

The changes noted above are the line items that make up the majority of the overall costs outlined in the AOA. Conventional Transit costs are cost-shared with BC Transit at a current rate of 53.31% RDN and 46.69% BC Transit. The main changes to the Conventional system in the 2017/18 AOA are increases for wages and benefits. The budget also reflects fuel savings due to the transition of the conventional fleet from diesel to CNG.

Custom Transit

The main changes in the AOA that should be noted include:

CUSTOM	2016-2017 AOA	2017-2018 AOA	\$ CHANGE	% CHANGE
Fixed Costs (total cost, overhead, admin. wages)	\$215,320	\$219,196	\$3,876	1.8%

Variable Hourly (total cost, drivers' wages and benefits)	\$1,084,517	\$1,072,034	(\$12,482)	-1.1%
Variable Fuel (total cost)	\$165,901	\$161,410	(\$4,491)	-2.7%
Fleet Maintenance (total cost, running, major and accident repairs)	\$98,176	\$103,654	\$5,478	5.6%
Lease Fees (local share, mainly buses)	\$255,886	\$274,265	\$18,379	7%
BC Transit Management Fees (local share)	\$107,209	\$109,353	\$2,144	2%

The changes noted above are the line items that make up the majority of the overall costs outlined in the AOA. Custom Transit costs are cost-shared with BC Transit at a current rate of 33.31% RDN and 66.69% BC Transit.

The increase in the Custom transit system is due mainly to maintenance costs and lease fees. Reductions in fuel costs of 2.7% are due to calendar year fluctuations.

ALTERNATIVES

1. That the Board approve the 2017/18 Conventional and Custom Transit Annual Operating Agreements with BC Transit.
2. That the Board does not approve the Annual Operating Agreements, removing BC Transit's obligation to cost-share in the Regional District of Nanaimo Transit Service, and provides alternate direction to staff.

FINANCIAL IMPLICATIONS

The April 2017 to March 2018 Conventional Transit AOA, the total budget is \$13,183,630, which is further reduced by revenues (\$4,196,772), municipal administration (\$191,152), and the municipal flex funded amount (\$878,000) to achieve a net cost to the RDN of \$3,916,895. BC Transit's share of costs is \$4,753,010.

Under the April 2017 to March 2018 Custom Transit AOA, the total budget is \$2,097,410, which is further reduced by revenues (\$206,074), municipal administration (\$31,239), and the municipal flex funded amount (\$123,984) to achieve a net cost to the RDN of \$725,271. BC Transit's share of costs is \$1,129,857.

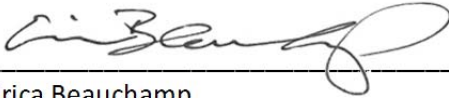
Transportation Services staff and Financial Services staff have reviewed these costs and they are in line with the approved RDN 2017 budget for transit services. It should be noted that this is based on BC Transit's April 2017 to March 2018 year vs: RDN which is calendar year. Also, as BC Transit is unable to confirm expansion for September until Province approves their budget, we have additional service in our budget that will require a revised AOA when BC Transit has final approval.

STRATEGIC PLAN IMPLICATIONS

The Transportation Services Department is working continuously on improving the viability and efficiency of public transit. The Annual Operating Agreement is a fundamental agreement that allows the Regional District of Nanaimo to enter into a cost-sharing arrangement with BC Transit. Residents

within the RDN rely on public transit, whether it is Conventional or Custom transit. The options provided by public transit enable residents to leave their cars at home while they take the bus to work, school, and medical appointments or for other equally important reasons.

This aligns with the RDN strategic plan priority to Focus on Service and Organization Excellence by investing in regional services, funding infrastructure recognizing that community mobility is a core service.



Erica Beauchamp
ebeauchamp@rdn.bc.ca

May 2, 2017

Reviewed by:

- D. Pearce, Manager of Transit Operations
- D. Trudeau, General Manager, Transportation and Emergency Planning Services
- P. Carlyle, Chief Administrative Officer

Attachments

1. 2017/18 Annual Operating Agreement

TO: Transit Select Committee Meeting **MEETING:** May 25, 2017
FROM: Daniel Pearce
 Manager of Transportation Operation **FILE:** 1810-20 – FR
SUBJECT: Transit Fare Update

RECOMMENDATION

That the Board approve a Conventional and handyDART fare change as shown in Appendix 'A' Option 1, including the expanded 'Kids Ride Free' program and removal of the paper transfer system to be implemented on September 3, 2017.

SUMMARY

The Regional District of Nanaimo (RDN) Transit system's last fare increase was in March 2012.

A Fare Review Report was presented to the Transit Select Committee on March 16, 2017. The Fair Review Report was referred back by the Board for staff to provide further information on the impact of the proposed fare options.

BC Transit and the RDN have completed a fare review which included public consultation from January 16, 2017 to February 24, 2017. The option that received the highest amount of public support is shown in Appendix 'A' Option 1.

Highlights of the proposed fare change broken down by age demographic are:

- Adults: There are no changes to the adult cash and ticket fares (\$2.50).
- Adult/Senior/Youth: Monthly passes will be reduced however a result of the elimination of discount fares, youths and seniors will see an increase of \$0.25 per ride when paying with cash and \$0.23 per ride when paying with tickets.
- Students: Semester pass is reduced by \$6.00, while the monthly pass price for university students increases.
- Children under 5 ride free.
- Expanded Kids Ride Free program, to extend to all operating hours.
- All: Sale of day passes on board (\$5.00), and the elimination of transfers.

Based upon Director comments received during the March 16, 2017, Transit Select Committee meeting, staff included an expanded Kids Ride Free program in Option 1. The RDN currently offers a Kids Ride Free Program, whereby an adult customer pays the daily fare, with a valid monthly pass or BC Bus Pass can bring up to two children (14 and younger) on board for free between 5:00 pm on Friday and end of

service on Sunday. Many BC Transit systems offer a similar program without restriction on the time of travel. Staff is proposing extending the program to cover all hours of service, as shown in Option 1.

BACKGROUND

The last fare increase was in March 2012, at which time the RDN implemented a \$0.25 fare increase to Conventional and handyDART cash fares and approximately 5% to all other fare products.

BC Transit and staff initiated a fare review through public consultation from January 16, 2017 to February 24, 2017. Through public consultation, three (3) fare options were presented. The option that received the greatest support is being proposed for the fare change as shown in Appendix 'A', Option 1.

The purpose of the fare review was to:

- Maximize fare revenue
- Promote ridership
- Improve transit operator security and
- Be cost-effective to administer

Highlights of the proposed Option1 fare change broken down by age demographic are:

- Adults: There are no changes to the adult cash and ticket fares (\$2.50).
- Adult/Senior/Youth: Monthly passes will be reduced however a result of the elimination of discount fares, youths and seniors will see an increase of \$0.25 per ride when paying with cash and \$0.23 per ride when paying with tickets.
- Students: Semester pass is reduced by \$6.00, while the monthly pass price for university students increases.
- Children under 5 ride free.
- Expanded Kids Ride Free program, to extend to all operating hours.
- All: Sale of day passes on board (\$5.00), and the elimination of transfers.

At the March 28, 2017, Board meeting the following motion was passed:

That the Fare Review report be referred back to staff to provide further information on the impact of the proposed fare options.

As per the Board direction two further fare structures were examined, as shown in Appendix 'A', Option 2 and 3.

Operator Conflict

As discussed in the March 16, 2017, report, it is recommended that the RDN remove paper transfers. One of the primary goals is to reduce the risk of operator conflict. In April 2016, the Victoria Regional Transit System eliminated paper transfers and has seen a reduction in the number of documented incidents by 15% year over year.

Within the RDN transit system, from January 2016 to May 2017, transit operators had 590 confrontations regarding fares. Four of these confirmations were assaults on operators. BC Transit believes removing paper transfers will increase operator safety. RDN staff agrees with this assessment.

handyDART

BC Transit recommends that handyDART fares align with conventional cash fares. RDN handyDART fares are currently \$1.00 or \$1.25 greater than an adult conventional ticket. BC Transit acknowledges that providing handyDART service is higher than conventional service however they recommend that fares should not be higher, so there is not discrimination against anyone who requires the service. Winnipeg and the City of Kelowna have experienced human rights complaints regarding handyDART fares.

Prior to the fare change implementation staff will be conducting a fare education campaign, including advertising and one on one communication with transit riders.

ALTERNATIVES

1. That the Board approve a Conventional and handyDART fare change as shown in Appendix 'A' Option 1, including the removal of the paper transfer system and expanded 'Kids Ride Free' program, to be implemented on September 3, 2017.
2. That the Board provide alternative direction.

FINANCIAL IMPLICATIONS

Appendix 'A', Option 1, provides the best balance between revenue and ridership, with an increase of \$278,338 in revenue and anticipated 0% decrease in ridership. It also provides a good platform for future fare collection technology due to not having to accommodate transfers

Under Appendix 'A', Option 2, all fares would be waived, making transit free. This would result in a loss of revenue of -\$3,345,739. This means that it would be entirely dependent on property taxes, advertising, BC Bus Pass and other miscellaneous revenue to cover the cost of providing transit within the region.

Under Appendix 'A', Option 3, it would be a \$2 fare per ride. This would increase revenue by approximately \$619,396. This option is the simplest however, not offering the ability to pre-pay for transit, regardless of whether a discount is offered, would punish riders who use the system the most. Further, it would not allow the RDN to easily adopt future fare collection technology. This option does not meet the Board's Transit Future Plan goals of increasing ridership and would likely increase vehicle dependency in the region.

The impacts of the three fare Options on fare revenue and ridership can be seen below:

Metric	Option 1	Option 2	Option 3
Projected annual revenue impact	+\$278,338 (+8%)	-\$3,345,739 (-100%)	+\$619,396 (+18%)
Projected ridership impact	-1,247 (-0%)	unknown	-384,295 (-17%)

STRATEGIC PLAN IMPLICATIONS

The Fare Review and proposed fare changes supports the Focus on Service and Organizational Excellence – *“The RDN will deliver efficient, effective and economically viable services that meet the needs of the Regional District of Nanaimo*



Daniel Pearce

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May 2, 2017

Reviewed by:

- D. Trudeau, General Manager, Transportation & Emergency Services
- P. Carlyle, Chief Administrative Officer

Attachments

1. Appendix 'A'

Appendix 'A'

Fare Product	Audience	Current Fare	Option 1	Option 2	Option 3
Cash	Adult / University Student	\$2.50	\$2.50	Free	\$2.00
	Senior / Youth	\$2.25			
Day Pass	Adult / University Student	\$6.25	\$5.00	Free	n/a
	Senior / Youth	\$5.50			
Tickets (10)	Adult / University Student	\$22.50	\$22.50	Free	n/a
	Senior / Youth	\$20.25			
Monthly Pass	Adult	\$67.50	\$65.00	Free	n/a
	University Student	\$55.00			
	Senior / Youth	\$41.00	\$40.00	Free	n/a
Semester Pass	University Student	\$176.00	\$170.00	Free	n/a
Pro Pass (monthly)*	Adult	\$57.94	\$55.79	Free	n/a
Paper Transfers	All Ages	One way, up to 75 mins	*Removal of paper transfer	n/a	n/a
Kids Ride Free	14 and younger	\$2.50/per adult	\$2.50/per adult	Free	\$2.00
handyDART	All	\$3.50	\$2.50	Free	\$2.00

ALTERNATIVES

1. That the Board direct staff to work with BC Transit to bring forward a detailed financial report regarding a 5,000 hour annual transit expansion for implementation in January 2018.
2. That the Board provide alternative direction to staff.

FINANCIAL IMPLICATIONS

The 5,000 hour annual expansion would be implemented in January 2018 would be included in the 2018 budget process. In the past (2015), an expansion of 5,000 annual hours in District 68 cost approximately \$700,000 before BC Transit grants, for a net cost of \$400,000. This cost would be split according to 2017 allocation agreements, resulting in an estimated allocation of 95.5% for Nanaimo, with the remainder paid by Electoral Area 'A'.

STRATEGIC PLAN IMPLICATIONS

Focus on Service and Organizational Excellence — The Board vision expresses a desire to build a future where the air is clean and safe to breathe. Expansion of transit service allows a greater number of residents as well as visitors to access the transit service, which translates into access to areas of the RDN.

Focus on Relationships — The RDN Transit service links communities within the RDN and also has the possibilities of linking communities outside the RDN, allowing RDN residents' greater access to surrounding areas and municipalities.

Focus on Economic Health — Expanded transit service throughout the region promotes economic viability and regional collaboration. Expansion of transit service allows a greater number of residents to access the transit service, in turn providing them with greater access to economic opportunities.

Focus on the Environment — Transit service throughout the RDN allows residents the option to leave their personal vehicles at home, helping to reduce emissions and particulate matter.


Erica Beauchamp
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May 3, 2017

Reviewed by:

- D. Pearce, Manager of Transit Operations
- D. Trudeau, General Manager, Transportation and Emergency Planning Services
- P. Carlyle, Chief Administrative Officer