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REPORT TO SALT SPRING ISLAND LOCAL COMMUNITY COMMISSION MEETING OF THURSDAY, MARCH 19, 2026

SUBJECT **Requisition Increase to support SSI Transit Service Expansion and Long-Term Funding**

ISSUE SUMMARY

To consider options to obtain consent to increase the maximum allowable requisition for the Capital Regional District (CRD) Salt Spring Island (SSI) Community Transit and Transportation Service.

BACKGROUND

The Salt Spring Island (SSI) Community Transit and Transportation Service was established in 2007 through Bylaw No. 3438. The bylaw created two distinct services on SSI:

1. Community Transit Service (“Transit”) – Provides public transit on SSI, delivered by BC Transit.
2. Transportation Service (“Transportation”) – Supports transportation planning and the construction, installation, maintenance, and regulation of sidewalks, bicycle paths, parking facilities, pedestrian safety improvements, traffic-calming measures, and transportation demand management programs.

The SSI Transit Service budget (1.238A Community Transit) is primarily funded through the CRD tax requisition paid by SSI taxpayers, supplemented by transit user fees. BC Transit has provided cost estimates for each proposed service expansion as incremental costs above the existing service level.

In 2025, the budgeted requisition of \$454,571 for the existing service level represented 90% of the maximum allowable requisition of \$506,538, based on 2025 assessments. To maintain the existing service level, the maximum allowable requisition was increased by 25%, through Director consent, to \$633,172, based on 2025 assessments (under Bylaw 4647, adopted January 2026). An additional 41% increase to the requisition would be required to support the future service expansion proposal.

Under legislation, Director consent may be used to increase the maximum requisition by up to 25% every five years without referral to the Inspector of Municipalities. Director consent may also be used to approve increases above 25%; however, such increases require approval from the Inspector of Municipalities. The Inspector typically accepts the CRD’s choice of approval process, but it does retain the discretion to require a different form of elector approval. Alternate forms of elector approval may be obtained through a petition, an Alternative Approval Process (AAP), or assent voting (referendum):

- **Petition** – Requires signatures from owners representing at least 50% of parcels in the service area, collectively representing at least 50% of assessed land and improvements. This method is only used for small service areas and is not an option for island-wide services.

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- **Alternative Approval Process (AAP)** – Elector approval is achieved if fewer than 10% of eligible electors in the service area submit forms opposing the proposal.
- **Assent Voting (Referendum)** – Elector approval is achieved if more than 50% of votes cast are in favour of the proposal.

ALTERNATIVES

Alternative 1

That the Salt Spring Island Local Community Commission directs staff to report back with bylaw revisions to increase the maximum requisition of bylaw 4647 by 41% to \$900,000 and recommend to the Regional Board that elector approval proceed by way of assent vote (referendum).

Alternative 1

That the Salt Spring Island Local Community Commission directs staff to report back with bylaw revisions to increase the maximum requisition of bylaw 4647 by 41% to \$900,000 and that elector approval proceed by way of Director consent and approval of the Inspector of Municipalities.

Alternative 2

That the report be referred back to staff for additional information.

IMPLICATIONS

Service Delivery Implications

Transit service expansion investments are important components to sustaining and growing a successful community transit system. The current system experiences capacity issues and users are often passed by during peak times. Additional peak service routes and extending an existing route is expected to mitigate these capacity issues and improve ridership.

Financial Implications

The transit system expansion options under consideration would require additional funding beyond the current maximum requisition permitted under the service establishment bylaw. While BC Transit has provided preliminary budget estimates based on a 2027 implementation timeline, Transit has since confirmed that expansion cannot proceed in 2027. To secure SSI in the queue for a future expansion the maximum requisition would need to be increased prior to entering into an expansion agreement.

Table 1 below summarizes the current maximum limit and proposed new maximum limit.

Greater of (1) or (2a / 2b)	Current Maximum Limit	New Maximum Limit	Change %
(1) Tax Amount \$	\$633,172*	\$900,000	42%
(2a) Tax Rate	\$0.095 per \$1000 assess value	\$0.1335 per \$1000 assess value	41%
(2b) Tax Amount \$: 2026	\$640,551*	\$900,000**	41%

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Assessment x (2a) Tax Rate			
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**\$633,172 is the Maximum Rate established in the Bylaw 4647, however with the increase in house values the allowable Maximum Rate increased in a pro-rated manner to \$640,551 in 2026.*

***Future assessment will be applied to the tax rate to calculate the maximum limit annually.*

The proposed new requisition maximum limit of \$900,000 and \$0.1335 per \$1000 assessed value is mainly informed by the forecasted costs estimates provided by BC Transit. The new maximum limit is required to maintain existing service level, accommodate the new service expansions, mitigate the risk of fee revenue shortfalls and allow contingency for service growth and inflationary adjustments in the longer term.

Forecast costs of the increased Service level were provided by BC Transit in 2025 as follows. Since the actual start dates of the expansions are unknown, for simplicity and more feasible approach in costs estimation, it is assumed that both initiatives will commence in January 2028.

PROPOSED PARATRANSIT EXPANSION INITIATIVES – YEAR 1 (2026/27)						
AOA Period	Estimated In Service	Annual Hours	Vehicle Requirements	Estimated Annual Revenue	Estimated Annual Total Costs	Estimated Annual Net Municipal Share
		1,000	2	14,348	210,170	108,158
2026/27	January 2027 (New Time-line: January 2028)	Description	Additional peak service Route 2 Fulford Harbour.			

PROPOSED PARATRANSIT EXPANSION INITIATIVES – YEAR 1 (2027/28)						
AOA Period	Estimated In Service	Annual Hours	Vehicle Requirements	Estimated Annual Revenue	Estimated Annual Total Costs	Estimated Annual Net Municipal Share
		300	0	4304	77,413	32,320
2027/28	June 2027 (New Time-line: January 2028)	Description	Extend Route 7 Cusheon Lake / Beddis to Ganges.			

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Please refer to Appendix A for a detailed analysis and simulation of implications to the requisition and maximum levy for the expanded service level. This appendix also provides a summary of the forecasted costs, revenues and rationale for the proposed increase.

Key assumptions used in this simulation are outlined below:

- The estimated net costs for two service expansions were provided by BC Transit in 2025 and assumed an implementation year of 2027. This estimated costs in 2025 have been implemented into the simulation for one year deferral implementation of 2028 as no new estimated costs provided by BC Transit .
- BC Transit costs and fee revenue are forecasted to increase annually at 6% and 2% respectively for existing service level. This is based on the average increases from 2026-2028 draft budget provided by BC Transit.
- CRD’s other operating costs are forecasted to increase at an annual inflation rate of 2%.
- Reserve fund transfers are forecasted at a level required to maintain balances within CRD guidelines.
- The service expansion on Route 2, Fulford ferry to Ganges, is scheduled for implementation in January 2028. The estimated annual net cost of **\$108,160** in 2028 budget represents an increase of 17% over the current maximum requisition of \$640,551. Future inflationary adjustments are also considered in the simulation.
- The service expansion on Route 7, Cusheon/Beddis to Ganges is scheduled for implementation in January 2028. The estimated annual net cost of **\$32,320** in 2028 budget represents an increase of 5% over the current maximum requisition of \$640,551. Future inflationary adjustments and annualization are also considered in the simulation.

CONCLUSION

The SSI Community Transit Service is operating near its maximum allowable requisition and cannot accommodate the proposed service expansion without a significant increase to the requisition limit. While a 25% increase was approved through Director consent in 2025 to maintain existing service levels, the additional 41% increase required for expansion exceeds the threshold that can be authorized without Inspector of Municipalities approval. The Inspector retains the discretion to require an approval process other than Director consent, such as an AAP or referendum.

RECOMMENDATION

That the Salt Spring Island Local Community Commission directs staff to report back with bylaw revisions to increase the maximum requisition of bylaw 4647 by 41% to \$900,000 and recommend to the Regional Board that elector approval proceed by way of assent vote (referendum).

Submitted by:	Dan Ovington, BBA Senior Manager, Salt Spring Island Administration
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ATTACHMENTS

Appendix A: SSI Transit Maximum Levy Simulation and Assumptions