

**REPORT TO SALT SPRING ISLAND LOCAL COMMUNITY COMMISSION
MEETING OF THURSDAY, JULY 17, 2025**

SUBJECT **Bylaw No. 4647 SSI Community Transit and Transportation Service Establishment Bylaw No. 1, 2007, Amendment Bylaw No. 4, 2025**

ISSUE SUMMARY

The need to increase the maximum allowable requisition for the Capital Regional District (CRD) Salt Spring Island (SSI) Community Transit and Transportation Service.

BACKGROUND

The SSI Community Transit and Transportation Service Establishment was adopted through Bylaw No. 3438 in 2007. The bylaw established two separate services on SSI:

- (1) Community Transit Service ("Transit") provides a public transit system on SSI delivered by BC Transit; and
- (2) Transportation Service ("Transportation") carries out transportation studies, provides for the construction, installation, maintenance and regulation of sidewalks and bicycle paths, parking facilities, pedestrian and safety and traffic calming facilities and implements transportation demand management programs.

In 2024 the SSI Local Community Commission (LCC) progressed discussions with BC Transit to evaluate options for expanding transit service. Several options were considered, and it was determined that efforts should be focused on increasing the frequency of service on Route 2 Fulford Ferry to Ganges to be implemented in 2026, and Route 7 Cusheon/Beddis to Ganges Route through to be implemented in 2027 through the Notice of Motion below.

At the June 27, 2024 meeting the SSI LCC directed staff to request that BC Transit provide a revised costing for expansion of the following priorities:

- 1. For implementation in January 2026, expansion of 1000 annual service hours on the Route 2 Fulford-Ganges, but not including the introduction of year-round service to Beaver Point/Ruckle Park.*
- 2. For implementation in January 2027, expansion on the Route 7 Cusheon Lake to be extended to Beddis Beach and request consideration to change the direction of the Route 7 to counter-clockwise, rather than clockwise*

At the September 12, 2024 meeting the SSI LCC made additional recommendations:

- 1. That the Salt Spring Island Local Community Commission support the Fulford Harbour Route expansion in 2026*
- 2. That the Salt Spring Island Local Community Commission directs staff to report back on the process of increasing the levy for the transit service.*

BC Transit was not able to support the expansion of service hours within the desired time frame and have responded with a 1 year postponement. The revised proposed will have the Route 2 Fulford Ganges proposal implemented in January 2027, and the Route 7 Cusheon Lake to Beddis Beach expansion implemented in June 2027.

The SSI Transit Service budget (1.238A Community Transit) is mainly funded through CRD tax requisition paid by SSI taxpayers and transit fees paid by service users. BC Transit has responded with cost estimates for each service expansion as incremental costs above the existing service level. In 2025, the budgeted requisition of \$454,571 for existing service level is 90% of the current maximum allowable requisition of \$506,538 based on 2025 assessment. Increases in the Community Transit service maximum levy is required to maintain the existing service level and accommodate the service expansions.

The proposed Bylaw No. 4647 amends Bylaw No. 3438 to increase the maximum allowable requisition for Transit Service while the Transportation Service remains unchanged. Pursuant to Section 349 of the *Local Government Act* (LGA), this bylaw amendment requires Inspector and SSI Electoral Area Director Approval.

ALTERNATIVES

Alternative 1

That the Salt Spring Island Local Community Commission recommends to the Capital Regional District Board

1. That Bylaw No. 4647, “SSI Community Transit and Transportation Service Establishment Bylaw No. 1, 2007, Amendment Bylaw No. 4, 2025”, be introduced and read a first, second, and third time;
2. That Bylaw No. 4647 be referred to the Inspector of Municipalities for approval;
3. That staff be directed to proceed with Salt Spring Island Electoral Area Director consent.

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 initiatives being explored require additional funding which exceeds

the current maximum requisition limit in the service establishment bylaw.

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 \$	\$245,000*	\$900,000	268%
(2a) Tax Rate	\$0.076 per \$1000 assess value	\$0.1350 per \$1000 assess value	78%
(2b) Tax Amount \$: 2025 Assessment x (2a) Tax Rate	\$506,538*	\$900,000**	78%

*\$245,000 is the Maximum Rate established in the 2013 Bylaw, however with the increase in house values the allowable Maximum Rate increases in a pro-rated manner to \$506,538 in 2025.

**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 \$0.1350 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.

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	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	Description	Extend Route 7 Cusheon Lake / Beddis to Ganges.			

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.
- 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 2025-2027 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 2027. The estimated annual net cost of **\$108,160** in 2027 budget represents an increase of 21% over the current maximum requisition of \$506,538. Future inflationary adjustments are also considered in the simulation.
- The service expansion on Route 7, Cusheon/Beddis to Ganges is scheduled for implementation in June 2027. The estimated seven months net cost of **\$18,850** in 2027 budget represents an increase of 4% over the current maximum requisition of \$506,538. Future inflationary adjustments and annualization are also considered in the simulation.

Inter-Governmental Implications

The approval of this increase can be made by the Electoral Area Director without the completion of an Alternative Approval Process, and subject to the approval of the Inspector of Municipalities. The advantage of the expedited approval by the Electoral Area Director will reduce the costs to the service of running an island-wide Alternative Approval Process or referendum. However, there is the potential that the Inspector will deny this amendment to the bylaw and request a more formal process be used for participant approval of this amendment.

CONCLUSION

The establishment bylaw has a maximum requisition limit that needs to be raised to implement the two transition service expansions approved by SSI LCC. Pursuant to Section 349 of the LGA., the bylaw amendment requires a review by the Inspector of Municipalities and SSI Electoral Area Director consent.

RECOMMENDATION

That the Salt Spring Island Local Community Commission recommend to the Capital Regional District Board:

1. That Bylaw No. 4647, “SSI Community Transit and Transportation Service Establishment Bylaw No. 1, 2007, Amendment Bylaw No. 4, 2025”, be introduced and read a first, second, and third time;
2. That Bylaw No. 4647 be referred to the Inspector of Municipalities for approval;
3. That staff be directed to proceed with Salt Spring Island Electoral Area Director consent.

Submitted by:	Dan Ovington, BBA Senior Manager, Salt Spring Island Administration
Concurrence	Stephen Henderson, MBA, BSc, General Manager Electoral Areas
Concurrence	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer, GM Finance and IT
Concurrence	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence	Ted Robbins, B.Sc. C.Tech., Chief Administrative Officer

ATTACHMENTS

Appendix A: SSI Transit Maximum Levy Simulation and Assumptions

Appendix B: Bylaw No. 4647, “SSI Community Transit and Transportation Service Establishment Bylaw No. 1, 2007, Amendment Bylaw No.4, 2025”

Appendix C: Bylaw No. 3438 (Unofficial Consolidation)