
CITY OF KELOWNA

MEMORANDUM

Date: June 19, 2002
File No.: 8500-01
To: City Manager
From: Councillor Hobson, Chair, Regional Transportation Committee
Subject: **BC Transit Discussion Paper – Funding & Service Strategy Review**

Recommendation

THAT the City of Kelowna Council objects to the Provincial downloading proposed in the Discussion Paper and Consultation Guide prepared by BC Transit on Funding and Service Strategy Review;

AND THAT the City of Kelowna Council request that no changes be made to the current transit funding formula(s) between the Provincial and local governments;

AND THAT transit expansion plans be put on hold pending a resolution to the Provincial funding commitment to municipal transit systems;

AND THAT cost increases for public transit be limited to the cost-of-living until the provincial funding situation is resolved;

AND FURTHER THAT BC Transit be asked how to achieve the budgetary limits through cost efficiencies or improved service delivery methods.

Background

BC Transit has circulated a discussion paper to local governments operating municipal transit systems throughout the province. In summary, the Provincial government has frozen their share of funding of municipal transit systems at \$44.6 million. This currently represents 46.7% of the conventional service and 66.7% of the custom (HandiDART) service. However, allowing for only general increases in wages, benefits, fuel, parts and insurance a 2.1% annual inflation is needed which will not be cost shared by the province. The options presented in the paper range from service reductions and transferring full cost of expansions to the local partner in the short-term, to exploring new funding sources in the longer-term.

In their discussion paper, BC Transit projects the service impact of limiting the funding of public transit at the current levels. They estimate that a 9% reduction in service hours will be required by 2006/07. They note that this service reduction scenario contrasts the expansion plans in several communities such as the Central Okanagan.

In the Central Okanagan long-range planning has been done for expansions to public transit to better service the existing land uses and expected growth. The area currently operates 36 buses in its conventional fleet and 15 buses in its custom fleet. The combined 2002/03 annual operating cost of this service is approximately \$9.7 million.

Public transit has been a partnership between the Province and local governments since the 1970s. Both levels of government have recognized the important role of public transit service. The province established BC Transit as an authority to plan, acquire, construct or cause to be constructed public passenger transportation systems and rail systems that support regional growth strategies, official community plans, and the economic development of transit service areas. Promotion and increased use of public transit also helps to reduce road congestion, delays expensive upgrades to highways and reduce air pollution.

If the province wishes to reduce its commitment to public transit it should not do so on the backs of local government funding. Public transit cannot exist as a viable alternative to the automobile without large public subsidies. There are many taxation or user pay recovery sources available to the province that are not available to local government. The Regional Transportation Committee has noted in the past that existing fuel taxes should be dedicated to transportation systems around the province. It has also stated that existing/new tolls should also be dedicated to transportation in support of public mobility and economic activity.

In the discussion paper, new sources of funding are suggested but they are not available for immediate consideration. If the province's direction is to reduce their commitment to public transportation, then it is considered vital that discussions and/or negotiations on both existing and new funding sources be made a high priority.

The expertise for planning, scheduling, operating and maintaining transit systems in BC is provided through one provincial authority. Most (if not all) local governments have limited ability or expertise to undertake the reviews necessary to find cost efficiencies, improved service delivery methods or reductions in service. We must therefore ask BC Transit for this advice or to provide this information.

In light of pending plans (i.e. Town Centre Express service) there is some merit in pursuing a broader planning review. Although there likely wouldn't be provincial funding assistance, BC Transit could assist with this review. The Regional Transportation Committee wishes to pursue this further with BC Transit.

Robert Hobson
Chair, Regional Transportation Committee

RWW/ms