



Committee of the Whole Report For the Meeting of July 16, 2020

To: Committee of the Whole **Date:** June 29, 2020
From: Susanne Thompson, Deputy City Manager and Chief Financial Officer
Subject: Youth Bus Passes – Proposed Funding September to December 2020

RECOMMENDATION

That Council:

1. Approve funding of up to \$200,000 from the 2020 contingency budget to fund fare free bus passes for youth 18 years and younger who live in the City of Victoria from September to December 2020
2. Direct staff to bring forward funding options for the continuation of this program or the establishment of a U-Pass program, depending on ridership levels, as part of the 2021 financial planning process

EXECUTIVE SUMMARY

In December 2019, the City launched a municipally funded BC Transit bus pass program that is free for youth 18 years and younger who live within the City of Victoria. To meet the desired timelines, the City utilized the existing monthly bus pass program rather than creating a City U-Pass, with the intent of doing so after the interim program expires in August 2020. The interim program offers the City a 75% fee discount, but requires payment for all eligible youth regardless of the number of passes issued. The monthly guaranteed payment is \$11.25 per pass for 7,200 passes for a total of \$81,000 per month. The number of passes for the guaranteed payment was an estimate of school aged children in Victoria. The total number of youth 18 years and younger in Victoria is estimated at approximately 11,500.

The City issued an average of 2,367 passes per month from December to March before the impacts of the COVID-19 pandemic. Overall BC Transit ridership has declined significantly since that time as outlined in the following table:

Transit System	Week 26 boardings change vs. 2019	Week 25 boardings change vs. 2019	Week 24 boardings change vs. 2019	Week 23 boardings change vs. 2019	Week 22 boardings change vs. 2019
Week of	June 22	June 15	June 8	June 1	May 25
All systems	-56%	-59%	-61%	-62%	-60%
Victoria	-62%	-63%	-66%	-68%	-66%

BC Transit offered free bus service for the latter half of March, April and May and re-instated fares as of June 1. BC Transit did not charge the City the fixed fee for the fare-free time period. For June, the City issued approximately 620 passes.

Council recently reconfirmed its commitment to a fare free bus pass program for youth. Subsequently, in a closed meeting in May, Council provided direction to staff to negotiate an agreement with BC Transit for this fall. Due to the current low ridership, the direction was to continue providing monthly passes to eligible youth 18 years and younger who request them, and pay BC Transit for each pass issued instead of a guaranteed payment for a fixed number of passes. Although the fee discount is lower (10% discount for a reduced price of \$40.50 per pass), the expected significantly lower number of passes issued would result in a much reduced monthly payment. This arrangement has now been put in place and will take effect for September 2020.

The interim program is funded by parking fees collected at on-street meters on Sundays, and a portion of the funding was carried forward from 2019. As previously reported, even under 'normal' circumstances, this revenue would be insufficient to cover the full year cost of the interim program, and as a result of the COVID-19 pandemic, much reduced revenue is currently generated on Sundays. Unless the economic recovery is speedy, these shortfalls are likely to continue into 2021. As such, the recommended funding source for the monthly bus pass program for September to December 2020 is the contingency budget. Given the current ridership, the funding need is approximately \$30,000 per month. As ridership may increase over time, staff recommend allocating up to \$200,000 for the remainder of 2020. The contingency budget has an unallocated balance of \$350,000.

Staff will report back as soon as ridership increases sufficiently to warrant the establishment of a U-Pass program.

Respectfully submitted,



Susanne Thompson
Deputy City Manager and Chief Financial Officer



Report accepted and recommended by the City Manager:

Date: July 6, 2020