Regional District of Central Kootenay
WEST TRANSIT SERVICES COMMITTEE
Open Meeting Agenda

Date:	Tuesday, April 15, 2025
Time:	9:00 am
Location:	Hybrid Model - In-person and Remote

Directors will have the opportunity to participate in the meeting electronically. Proceedings are open to the public.

Pages

1. ZOOM REMOTE MEETING INFO

To promote openness, transparency and provide accessibility to the public we provide the ability to attend all RDCK meetings in-person or remote (hybrid model).

Meeting Time:

9:00 a.m. PST

Join by Video:

https://rdck-bc-ca.zoom.us/j/96001000438?pwd=eKcw3CG9abIfpgvmvbhPRSLczHIjrc.1

Join by Phone:

833 958 1164 Canada Toll-free

*6 to unmute or mute
*9 to raise or lower your hand

Meeting ID: 960 0100 0438
Meeting Password: 417141

In-Person Location:

RDCK Board Room
202 Lakeside Drive
Nelson, BC

2. CALL TO ORDER & WELCOME

Chair McFaddin called the meeting to order at ________a.m.

2.1 TRADITIONAL LANDS ACKNOWLEDGEMENT STATEMENT

We acknowledge and respect the Indigenous peoples within whose traditional lands we are meeting today.

2.2 ADOPTION OF THE AGENDA

RECOMMENDATION:
The agenda for the April 15, 2025 West Transit Services Committee meeting be adopted as circulated.

2.3 RECEIPT OF MINUTES 4 - 10

The January 10, 2025 West Transit Services Committee minutes have been received.

3. WTSC ITEMS

3.1 TRANSIT VALUES AND COST APPORTIONMENT 11 - 22

The presentation from Tom Dool, Research Analyst, re: Transit Values and Cost Apportionment, has been received.

3.2 WEST KOOTENAY TRANSIT APPORTIONMENT PROPOSAL 23 - 80

The Committee Report from Tom Dool, Research Analyst, re: West Kootenay Transit Apportionment Proposal, has been received.

RECOMMENDATION:
That the Board direct staff to prepare an amendment bylaw for *Electoral Areas E & F and Slocan Valley Transit Local Service Area Establishment Bylaw 1415, 2000* to remove the Village of Slocan from the service; Update the method of apportionment to reflect the Hybrid Method; and limit the apportionment of costs to the land annexed by the City of Nelson and now referred to as Old E, Old F, and Old H.

RECOMMENDATION:
That the Board direct staff to prepare an amendment to bylaw *Kootenay Lake West Transit Service Establishment Bylaw No. 1783, 2005* to update the method of apportionment to reflect the Hybrid Method and to update apportionment percentages in the bylaw to reflect the Hybrid Methods apportionment of current transit costs.

4. PUBLIC TIME

The Chair will call for questions from the public and members of the media at _____ a.m./p.m.

5. ADJOURNMENT

RECOMMENDATION:
The West Transit Services Committee meeting adjourn at ______ a.m./p.m.

Regional District of Central Kootenay

WEST TRANSIT SERVICES COMMITTEE

Open Meeting Minutes

Friday, January 10, 2025
1:00 pm
Hybrid Model - In-person and Remote

COMMITTEE MEMBERS PRESENT	Director G. Jackman	Electoral Area A
	Director A. Watson	Electoral Area D
	Director T. Newell	Electoral Area F – In Person
	Director H. Cunningham	Electoral Area G – In Person
	Director W. Popoff	Electoral Area H – In Person
	Director H. Hanegraaf	Electoral Area J – In Person
	Director T. Weatherhead	Electoral Area K
	Chair M. McFaddin	City of Castlegar – In Person
	Director S. Hewat	Village of Kaslo – In Person
	Director A. McLaren-Caux	Village of Nakusp
	Director K. Page	City of Nelson
	Director D. Lockwood	Village of Salmo
	Director L. Main	Village of Silverton
	Director J. Lunn	Village of Slocan
COMMITTEE MEMBERS ABSENT	Director C. Graham	Electoral Area E
	Director A. Davidoff	Electoral Area I
	Director L. Casley	Village of New Denver
STAFF PRESENT	T. Dool	Research Analyst
	Y. Malloff	Chief Financial Officer
	M. Morrison	Corporate Officer
	C. Feeney	Meeting Coordinator

GUESTS PRESENT	Daynika White	BC Transit

1. ZOOM REMOTE MEETING INFO

To promote openness, transparency and provide accessibility to the public we provide the ability to attend all RDCK meetings in-person or remote (hybrid model).

Meeting Time:
1:00 p.m. PST

Join by Video:
https://rdck-bc-ca.zoom.us/j/93916492742?pwd=2V5ZIggbz4M3hcXjlPhBd4SGQHSCNN.1&from=addon

Join by Phone:
833 958 1164 Canada Toll-free

Meeting ID: 939 1649 2742
Meeting Password: 538033

In-Person Location: RDCK Board Room - 202 Lakeside Dr. Nelson, BC

2. CALL TO ORDER & WELCOME

Corporate Officer Morrison called the meeting to order at 1:00 p.m.

3. ELECTION OF WEST TRANSIT SERVICES COMMITTEE CHAIR

3.1 CALL FOR NOMINATIONS (3 TIMES)

Corporate Officer Morrison called for nominations the first time.

Director Hewat and McFaddin were nominated.

Corporate Officer Morrison called for nomination the second and third time.

No further nominations.

3.2 OPPORTUNITY FOR CANDITATES TO ADDRESS THE WEST TRANSIT SERVICES COMMITTEE

Director Hewat and McFaddin each gave a two-minute address.

3.3 VOTE BY SECRET BALLOT (WILL INCLUDE ELECTRONIC VOTING RDCK PROCEDURE BYLAW NO. 2898, 2024)

Corporate Officer Morrison distributed the ballots.

Directors online provided their votes to Research Analyst, Tom Dool and Meeting Coordinator, Carly Feeney.

After collecting the ballots, the Corporate Officer and Research Analyst exited the room and counted the ballots.

3.4 DECLARATION OF ELECTED CHAIR

McFaddin was declared Chair for the 2025 West Transit Services Committee.

3.5 DESTROY BALLOTS

Moved and seconded,
And resolved:

That the ballots used in the election of the West Transit Services Committee Chair be destroyed.

Carried

4. CHAIR'S ADDRESS

Chair McFaddin thanked the Committee for their support and looks forward to chairing the Committee.

5. COMMENCEMENT OF REGULAR WEST TRANSIT SERVICES COMMITTEE

The West Transit Services Committee Chair assumes the chair.

5.1 TRADITIONAL LANDS ACKNOWLEDGEMENT STATEMENT

We acknowledge and respect the Indigenous peoples within whose traditional lands we are meeting today.

5.2 ADOPTION OF THE AGENDA

Moved and seconded,
And resolved:

The agenda for the January 10, 2024 West Transit Services Committee meeting be adopted as circulated.

Carried

5.3 RECEIPT OF MINUTES

The June 18, 2024 West Transit Services Committee minutes, have been received.

6. WTSC ITEMS

6.1 WATT CONSULTING GROUP

The presentation from Andrew Martin, Senior Transportation Planner - Watt Consulting Group, re: RDCK Transit Governance Values & Cost Apportionment Methods has been received.

Andrew provided an update to the Committee on the RDCK Transit Values & Cost Apportionment Study. He highlighted key themes from interviews with Directors and outlined possible funding models. The Committee will discuss these further to explore ways to simplify transit funding and allocate costs.

Andrew answered the Committee's questions.

STAFF DIRECTION: That Staff provide a report of the results of the Transit Values & Cost Apportionment Study to the Committee.

6.2 WEST KOOTENAY TRANSIT 5 YEAR FINANCIAL PLAN

The report from Tom Dool, Research Analyst, re: West Kootenay Transit 5 Year Financial Plan, has been received.

Tom presented the West Kootenay Transit draft five (5) year financial plan to the Committee. He provided a brief background on the three (3) services that operate nineteen (19) transit routes. Tom explained that seven percent (7%) from reserves was used to prevent a tax increase in 2024, as directed by the Board. The resulting cost increases have been spread across the five (5) year plan.

Tom answered the Committee's questions.

STAFF DIRECTION: That Staff provide a report showing what the requisitions would have looked like if the Committee didn't take seven percent (7%) out of the reserves to reduce taxation.

Moved and seconded,
And resolved:

That staff investigate the implication associated with increasing transit fares to $3.00 in 2026 and report on the matter by August 2025 to the West Transit Services Committee.

Carried

Moved and seconded,
And resolved:

That staff report to the West Transit Services Committee regarding those performance metrics required for the optimization of transit services.

Carried

RECESS/ RECONVENE The meeting recessed at 2:54 p.m. for a break and reconvened at 3:00 p.m.

Moved and seconded,
And resolved:

That the West Transit Services Committee approve the draft 2025 Financial Plan for Castlegar & Area Transit Service S237.

Carried

Moved and seconded,
And resolved that it be recommended to the Board:

That the draft 2025 Financial Plan for Slocan Valley North Shore Transit Service S238 go to the February Special Budget Board Meeting.

Carried

Moved and seconded,
And resolved:

That the West Transit Services Committee approve the draft 2025 Financial Plan for Kootenay Lake West Transit Service S239.

Carried

DIRECTOR ABSENT: Director Hewat left the meeting at 3:38 p.m.

STAFF DIRECTION: That staff arrange to have a special meeting between now and June to discuss the transit values and apportionment from the Watt Consulting Study.

6.3 DISCUSSION ITEM - SERVICE HOURS BETWEEN NAKUSP AND NELSON
Director Main requested a discussion on additional service hours from Nakusp through the North Slocan Valley with a connection to the Slocan/Nelson bus.

Due to time constraints, Chair McFaddin indicated that Item 6.3 be moved to a future meeting to allow for a more wholesome discussion.

6.4 DISCUSSION ITEM - RURAL MOBILITY BYLAW
Item removed.

7. 2025 West Transit Service Committee Schedule

The proposed 2025 West Transit Services Committee schedule and topics are as follows:

January 10, 2025
- Budget
- Transit Values
- Transit Apportionment

June 10, 2025
- Transit Apportionment
- Annual Operating Agreement
- TIPS Round 1

September 10, 2025
- Annual Operating Agreement Sign Off
- Bylaw Amendments
- TIPS Final

December 16, 2025
- Preliminary Budgets
- 2026 Capital Planning

Moved and seconded,
And resolved:

That the 2025 West Transit Services Committee meeting dates are as follows:

January 10, 2025
June 10, 2025
September 10, 2025
December 16, 2025

Carried

8. PUBLIC TIME

The Chair called for questions from the public and members of the media at 4:03 p.m.

No Public were present.

9. ADJOURNMENT

Moved and seconded,
And resolved:

The West Transit Services Committee meeting adjourn at 4:03 p.m.

Carried

Digitally Approved By
____

Maria McFaddin, Chair

____

Carly Feeney, Meeting Coordinator

West Transit Service Committee

- *Themes/Values & Apportionment*
- *Themes/Values & Service Levels*

Presenter: Tom Dool, Research Analyst

Transit funding methods should be simplified and documented.

S237 requires no changes. It will continue to fund the KB 520 & 525 Operating Areas

S238 exists exclusively to requisition funds from Old E, Old F, and Old H base on the rate for transit services applied to Areas E, F, and Defined H. These amounts are then applied exclusively to the transit costs of Area Areas E, F, and Defined H.

S239 will fund all transit operations in Nel 555 and KWP 530 Operating Areas.

Preferred Method

Current transit costs for S238 and S239 will be reapportioned based on the Hybrid Model as recommended by Watt Consulting and those percentages will be included in the bylaw for Service S239. The hybrid method will be applied to the apportionment of any service level changes moving forward.

Alternative Method

Current transit costs for S238 and S239 will remain as they are and those percentages will be included in the bylaw for Service S239. The Hybrid method will be applied to the apportionment of any service level changes moving forward.

New funding models should explicitly state how cost allocation is arrived at.

The cost of the #99 Kootenay Connector will be distributed by population and will include 500 hours of Health Connections funding.

(Annual Service Hours) X (Percentage of Population) X (Avg Hourly Cost) = Cost To Participant

The cost of the Conventional Routes Including #10 North Shore, #14 Perrier, #15 Blewett, and #20 Slocan Valley will be distributed by Ridership, excluding the City of Nelson.

(Annual Service Hours) X (% of Participant Ridership) X (Avg Hourly Cost) = Cost To Participant

The cost of Para-Transit routes including the #51 Nakusp Hot Springs, #52 Nakusp-Playmor, #53 Nakusp Edgewood, #57 Kaslo Local, #58 Kaslo-Argenta will be distributed based on an equal distribution of operating hours.

(Annual Service Hours) / (Number of Service Participants) X (Avg Hourly Cost) = Cost To Service Participant

New funding models should explicitly state how cost allocation is arrived at.

The cost of HandiDart Service within the City of Nelson is attributed to the City of Nelson

The cost Health Connections including the #72 Salmo-Nelson, #74 Nakusp-Nelson, #76 Kaslo-Nelson is distributed based on an equal distribution of operating hours among service participants, excluding the City of Nelson, with Health Connections participating as a participant.

(Annual Service Hours) / (Number of Service Participants) X (Avg Hourly Cost) = Cost To Service Participant

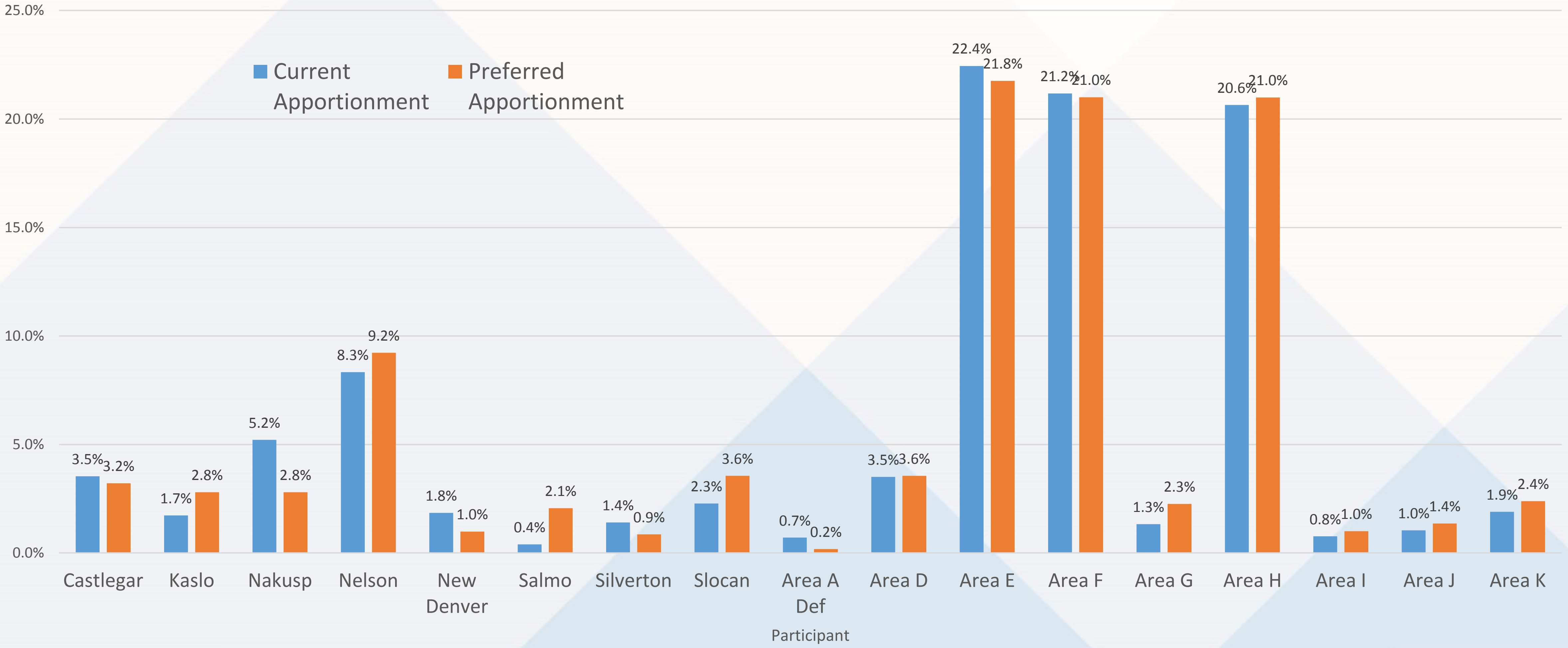
Multifactorial approach to the allocations of transit costs.

Of the five models tested by Watt Consulting two were suitable for a broader conversation about how West Kootenay Transit is funded.

Model 4 attempts to simplify the service by using Maximum Cost, Base fee, Mileage, & Ridership as criteria for the apportionment of public transit costs. However, it does not differentiate between the kinds of services (Conventional, Para, Custom, Health Connections, ect) currently offered. This lack of differentiation was well suited to homogenous service areas like Castlegar and Area or Creston Valley Transit but proved challenging to implement in more complex service environments.

Model 5 is a hybrid approach which uses service types to split costs between beneficiary communities in an equitable fashion and then aggregate those costs for a total amount for each participant. This method is best aligned with those transit themes and values identified by the Board.

Current and Proposed Apportionments



rdck.ca

Current and Proposed Apportionments

Participant	Current Apportionment	Proposed Apportionment
City of Castlegar	$45,810.58	$41,633.74
Village of Kaslo	$22,395.99	$36,329.30
Village of Nakusp	$67,510.48	$36,223.19
City of Nelson	$107,962.69	$119,497.50
Village of New Denver	$23,949.42	$12,817.43
Village of Salmo	$5,197.12	$26,688.08
Village of Silverton	$18,216.46	$11,129.71
Village of Slocan	$29,583.23	$46,045.14
Area A Def	$9,161.31	$2,371.79
Area D	$45,381.91	$46,032.29

Participant	Current Apportionment	Proposed Apportionment
Area E	$290,771.16	$278,244.29
Area E (Old)	$3,153.45	$3,556.88
Area F	$274,341.71	$257,997.12
Area F (Old)	$12,647.53	$14,084.04
Area G	$17,251.96	$29,234.64
Area H	$267,414.17	$264,560.99
Area H (Old)	$6,676.89	$7,384.51
Area I	$9,911.49	$13,017.41
Area J	$13,502.10	$17,561.27
Area K	$24,539.34	$30,969.67

Apportionment

Questions regarding the proposed apportionment method?

Questions regarding the implementation of the new apportionment method?

Question regarding alternatives?

Recommendations – Preferred Option

Preferred Option Recommendations:
That the Committee recommend staff prepare an amending bylaw for Electoral Areas E & F and Slocan Valley Transit Local Service Area Establishment Bylaw 1415, 2000 (Attachment A) to remove the Village of Slocan from the service; Update the method of apportionment to reflect the Proposed Method; and limit the apportionment of costs to the land and Improvements annexed by the City of Nelson and now referred to as Old E, Old F, and Old H.

That the Committee recommend staff prepare an amending bylaw for Kootenay Lake West Transit Service Establishment Bylaw No. 1783, 2005 (Attachment B) to change the method of apportionment to the Proposed Method and to update apportionment percentages in the bylaw to reflect the Proposed Method apportionment of current transit costs.

Alternative Option Recommendations:
That the Committee recommend staff prepare an amending bylaw for Electoral Areas E & F and Slocan Valley Transit Local Service Area Establishment Bylaw 1415, 2000 to remove the Village of Slocan from the service; Update the method of apportionment to reflect the Hybrid Method; and limit the apportionment of costs to the land annexed by the City of Nelson and now referred to as Old E, Old F, and Old H.

That the Committee recommend staff prepare an amending bylaw for Kootenay Lake West Transit Service Establishment Bylaw No. 1783, 2005 to update percentage apportionments to reflect the current costs associated with Service S238 & S239 and to include the Proposed Method of apportionment.

Service Levels

Consideration of service levels cannot occur without a mechanism for apportionment in place.

With direction from the Board staff can begin the process of making recommendations regarding service levels.

Service level changes should be aligned with identified transit themes or values including

- **Transit is a social service.** There is a consensus that in transit is a social service that connects people who are unable to drive to medical appointments, commercial, social, and educational services.

- **Transit should be frequent and reliable.** It is generally agreed among service participants that transit service levels require a degree of frequency to ensure access to medical, social, commercial, and educational services. Service levels should be adhered to reliably to ensure ridership is not stranded.

- **Those who benefit from transit should bear the cost of providing the service.** However, the service should remain affordable and accessible, in particular, to those who face the highest barriers to accessing the service.

Service Levels – Health Connections Funding

Health Connections contributes $196,000 annually to transit within the RDCK.

Health Connections funding has been frozen since 2021. Initially the funding gap was addressed by other grant funding from the Province. Those grant funds are no longer available. Health Connections funding remains frozen $196,000. Transit costs have increased by about 30% since 2021.

The funding gap is now being made up by local government transit partners.

Regional District staff are seeking a mandate, from the Board, for BC Transit and Regional District staff to negotiate the re-establishment of Health Connections Funding to Pre-Covid Levels.

Service Levels – Recommendations

That Regional District Staff and BC Transit negotiate the restoration of Health Connections Funding to those levels established prior to 2021.

West Transit Services Committee Report

April 15, 2025

Transit Cost Apportionment

Author:	Tom Dool, Research Analyst
File Reference:	15/8020
Electoral Area/Municipality:	Castlegar, Kaslo, Nakusp, New Denver, Salmo, Silverton, Slocan, Area A, Area D, Area E, Area F, Area G, Area H, Area I, and Area J
Services Impacted	S237 Castlegar & Area Transit, S238 North Shore – Slocan Valley Transit, S239 Kootenay Lake West Transit

1.0 STAFF RECOMMENDATION

That the Committee recommend staff prepare an amending bylaw for Electoral Areas E & F and Slocan Valley Transit Local Service Area Establishment Bylaw 1415, 2000 to

1. Remove the Village of Slocan from the service;
2. Replace the current method of apportionment with the proposed multi-factorial method described in Section 4.1 of the April 15, 2025 Transit Cost Apportionment Committee Report; and
3. Limit the apportionment of costs to the land and Improvements annexed by the City of Nelson and now referred to as Old E, Old F, and Old H.

That the Committee recommend staff prepare an amending bylaw for Kootenay Lake West Transit Service Establishment Bylaw No. 1783, 2005 to

1. Add the proposed multi-factorial apportionment method described in Section 4.1 of the April 15, 2025 Transit Cost Apportionment Committee Report;
2. Update the apportionment percentages within the bylaw to reflect the application of the proposed multi-factorial apportionment method described in Section 4.1 of the April 15, 2025 Transit Cost Apportionment Committee Report to current transit service levels.

2.0 BACKGROUND/HISTORY

In 2019 the Board directed staff to work with BC Transit to develop Transit Future Service Plans (TFSPs) for West Kootenay and Creston Valley Transit.

In 2020, to implementation some of the service level changes described in the TFSPs the Board directed staff to review the apportionment of transit costs for Creston Valley Transit and West Kootenay Transit. The consensus of the Board was that transit funding apportionment did not provide a clear link between services levels and requisition amounts leaving service participants unclear about what components of the overall service they were funding. This uncertainty resulted in reluctance to make further investment in public transit despite considerable public pressure to do so.

Staff developed a criteria-based apportionment method that used weighted quantitative criteria to apportion costs. Criteria considered in the method included

- **“Base Cost”** the equally distributed annual administrative cost of transit network membership.
- **“Transit Opportunity”** the population within 400m of a bus stop multiplied by the number of times a bus stops at that location on an annual basis.
- **“Annual Mileage”** the number of annual transit kilometers required to provide service.
- **“Actual Assessed Value”** the Actual Assessed Hospital Value as defined annually by BC Assessment

The Board agreed to the use of criteria based apportionment for Service S234 Creston Valley Transit, in 2020, and Service S237 Castlegar and Area Transit in 2021. It should be noted that there are substantial similarities between these services.

- a single municipality with two or three rural electoral areas immediately adjacent to it;
- most transit operations occur within, and are funded by, the municipality;
- rural transit operations bring people into the municipal area for services;
- use predominantly by residents who have no access to a personal vehicle; and
- transit includes both custom and conventional services.

Staff were unable to facilitate a process that resulted in criteria-based apportionment percentages for Service S238 North Shore – Slocan Valley Transit and S239 Kootenay Lake West. Service participants agreed with the process of reapportionment and the use of criteria. However, consensus on the weightings of criteria could not be reached due to

- lack of venue for fulsome discussion due to the General Board Meeting format;
- complex service establishment bylaws and existing apportionment;
- different public transit requirements of service participants; and
- economic disparity between service participants.

In 2023 the Board recognized the need for transit funding service governance, in part, to facilitate improvements in the apportionment of transit costs. The West Transit Services Committee was established to consider matters related to transit funding for services S237 Transit Castlegar and Area, S238 Transit Slocan Valley North Shore, and S239 Transit Kootenay Lake.

The Board then applied for and received funding from the Economic Trust of the Southern Interior to fund a study to establish the public transit values held by service transit funding service participants and to propose options for the apportionment of transit funding costs based on those values.

The contract for the study was awarded to Watt Consulting in January of 2024. Watt Consulting conducted a long form interview with 16 Board members to establish what values were consistent across interviewed Elected Officials and where there were incongruities regarding the value and purpose of public transit. The results of this study, The RDCK Transit Values and Cost Apportionment Study (See Attachment D), were presented at the January 10th West Transit Services Committee meeting.

3.0 PROBLEM OR OPPORTUNITY DESCRIPTION

The current method of apportioning the costs of public transit, for Service S238 North Shore Slocan Valley Transit and S239 Kootenay Lake West, is poorly supported by current data, difficult to understand and apply, and was established prior to current strategic planning documents and recent improvements to governance for transit funding services.

Attempts to implement criteria-based apportionment for Service S238 North Shore Slocan Valley Transit and S239 Kootenay Lake West have been unsuccessful. These services are more complex in terms of participation and service levels than S234 Creston Valley Transit and S237 Castlegar and Area Transit.

To address the complexity and resulting need for discussion the Board established the West Transit Services Committee as a forum for these matters. The West Transit Services Committee, to ensure productive discussion, commissioned a study for the establishment of transit-based themes or values that to apply as it considers service levels and the associated apportionment of costs moving forward.

Transit service values or themes identified by Watt Consulting through engagement with service participants include:

Transit is a social service. There is a consensus that in transit is a social service that connects people who are unable to drive to medical appointments, commercial, social, and educational services.

Transit should be frequent and reliable. It is generally agreed among service participants that transit service levels require a degree of frequency to ensure access to medical, social, commercial, and educational services. Service levels should be adhered to reliably to ensure ridership is not stranded.

Transit service levels should be evaluated in quantitative and qualitative terms. Ridership is the most important quantitative measure of success regarding service levels. Ridership outcomes are an important qualitative measure that helps service participants understand the value of transit services in the community.

The apportionment of transit service costs should be transparent, equitable, and assigned by an agreed to formula. The total cost of transit is important but so is the cost to each community.

Those who benefit from transit should bear the cost of providing the service. However, the service should remain affordable and accessible, in particular, to those who face the highest barriers to accessing the service.

To ensure the financial and social impacts of any proposed service level change are aligned with the intent of Committee, the Committee may recommend a values-based apportionment method that addresses changing service levels while assigning costs in a transparent and agreed to fashion. The Committee may consider the following recommendations made by Watt Consulting, in its consideration of apportionment methods.

Transit funding methods should be simplified and documented. The complexity and lack of documentation of the current funding model, for services S238 and S239, results in an inability to understand the fiscal impact of changing service levels. A consolidation of some or all operations into fewer transit funding services may improve transparency.

New funding models should explicitly state how cost allocation is arrived at. The new funding models developed for services S238 and S239 should explicitly state how costs will be allocated and result in method that enables staff to keep funding percentages up to date, participants to understand the link between service levels and costs, and ensure that the public at large understands the Regional District investment in public transit.

New funding models should adopt a multifactorial approach to the allocations of transit costs. There is no one factor that works as a proxy for the benefits realized by the public transit system. As well, the operations funded by S238 and S239 include long conventional routes, small community routes, custom transit, health connections, and paratransit services. Each of these operations needs to be evaluated using different values and factors.

3.1 Alignment to Board Strategic Plan

The Boards efforts to ensure an equitable distribution of transit costs demonstrates a commitment to the prudent management of public assets.

3.2 Legislative Considerations

None at this time.

3.3 What Are the Risks

Barrier to changing transit service levels. There is no documentation supporting the apportionment methods applied to Services S238 and S239. When a participant proposes a service level change staff do not have a model to determine how transit service costs will be affected, making service level changes very difficult to implement.

Service Level and Investment Inequities. There is no means to link investments made in transit services by service participants and the resulting transit service levels. A comparison of service levels and investment, by participants, suggests that achieving comparable service levels requires inconsistent amounts of investment.

Loss of confidence in public transit as a service. Recent substantial increases in the cost of public transit, the opacity of the current transit funding system, and inability to evaluate current transit services levels have resulted in service participants questioning the value of transit investments.

4.0 PROPOSED SOLUTION

The Hybrid Funding Model, as described by Watt Consulting maintains the criteria apportionment for Service S237 Castlegar and Area and applies a unified service area model to transit operations funded by S238 North Shore Slocan Valley Transit and S239 Kootenay Lake West. A unified service area model is one where all transit operations within the Kootenay West Para 530 and Nelson 555 Operating Areas are funded through one transit funding service.

Service S237 Castlegar and Area Transit, City of Castlegar and Portions of Electoral Areas I and J Transit Service Establishment Amendment Bylaw No. 2708, 2020, and the current apportionment of costs for this service would remain unchanged.

Electoral Areas E & F and Slocan Valley Transit Local Service Area Establishment Bylaw 1415, 2000 would be amended to

- remove the Village of Slocan as a participant;
- limit requisition to Old E, Old F, and Old H; and
- Update the apportionment to ensure Old E, Old F, and Old H are capturing correct funding amounts.

The Village of Slocan would continue to fund the same transit services, but those services would be funded as a participant in Service S239 Kootenay Lake West Transit.

Electoral Areas E, F, and H would remain participants in Service S238, to ensure the continued taxation of Old E, Old F, and Old H as per the arrangements made at the time of annexation by the City of Nelson, however requisitions would be zeroed. Areas E, F, and H would continue to fund the same transit services but fund them through S239 Kootenay Lake West Transit

Kootenay Lake West Transit Service Establishment Bylaw No. 1783, 2005 would be amended to

- Include the proposed method of apportionment;
- Assign apportionment percentages to service participants based on the application of the proposed apportionment method to current transit service levels.

The committee may choose to direct that staff include a phased approach from current apportionments to proposed apportionments over a specified period of time.

A complete description of the proposed means of apportionment has been included in Section 4.1 Financial Consideration.

With a method for the apportionment decided upon staff can review existing service levels and associated costs and make recommendations based on agreed to transit values/themes, quantitative measures including ridership, and Transit Future Service Plan and related strategic documents. Based on the proposed option for apportionment staff expect to have a set of recommendations ready for consideration by June 2025.

Agreed upon service level changes must be submitted to BC Transit for consideration by planning staff and operating partners. The transit system is a network. Changes to any part of the network may result in considerable operational impacts throughout. Insight into those impacts requires analysis by both operations service providers and BC Transit planners. The committee should be aware that proposed changes to service levels may require a multi-year approach.

Staff expect to have a finalized set of amendments prepared for Committee consideration by September of 2025. The amendments would include a table of phased apportionment percentages over a 5-year period taking into account

- the agreed to apportionment method;
- a phased approach from the old apportionment to the new one; and
- service level changes as planned over the 5-year period.

4.1 Financial Considerations of the Proposed Solution

The proposed apportionment method is based on the Hybrid Model as recommended by Watt Consulting. This model makes the following assumptions.

1. The Criteria Based Apportionment applied to S237 Castlegar and Area Transit is well suited to the task and delivers and equitable distribution of transit costs. All transit service hours and costs associated with Castlegar and Area Transit S237 by the operation of the KB520 and KB525 BC Transit operating areas are excluded from this analysis.
2. The City of Nelson funds and operates a municipal public transportation system. The City of Nelson's participation in Regional Transit is limited to funding #99 Regional Connector and HandiDart services within the City of Nelson.
3. The costs of operating the #99 Kootenay Connector is distributed among local government partners based on population with IHA Health Connections funding 500 hours of service.
4. The cost of operating conventional transit service routes including
    a. #10 North Shore
    b. #14 Blewett
    c. #15 Perrier
    d. #20 Slocan Valley

    is distributed by ridership allocation. Ridership is determined through boarding and alighting sample data at select locations by either electronic fare products or observations by the transit operator.
5. The cost of Paratransit Routes including
    a. #51 Nakusp Hot Springs
    b. #52 Nakusp to Playmor
    c. #53 Nakusp to Edgewood
    d. #57 Kaslo Local
    e. #58 Kaslo to Argenta
    f. Nelson handiDart Services

Is distributed evenly among route participants based on operating hours. For example, the #52 Nakusp To Edgewood requires 255 operating hours. With the Village of Nakusp paying half and Electoral Area K paying half.

6. The cost of Health Connections Routes including
    a. #72 Salmo to Nelson
    b. #74 Nakusp to Nelson
    c. #76 Nakusp to Nelson

    Is distributed evenly among route participants and IHA based on operating hours. For example, the #72 Salmo to Nelson Health Connection would be funded equally by Health Connections, The Village of Salmo, and Area G.

To translate distributions based on population, ridership, and operating hours into a percentage of the overall cost of transit the distributions of population and ridership were then used to split the operating hours needed to provide the service. Operating hours were then tallied for each service participant and used as a proxy for cost.

For example, the Kootenay Connector #99 requires 3160 operating hours annually. The City of Nelson has 23% of the Regional Population. After the 500 hours funded by IHA there are 2663 operating hours distributed to Local Government Partners. The City of Nelson funds 23% of those or 612 hours.

Figure 1 compares the current distribution of transit costs, at current service levels, based on the apportionments in Services S238 & S239 to the proposed apportionment.

Figure 1. Comparison of Transit Apportionment Costs

Participant	Current Apportionment S238 & S239	Proposed Apportionment
City of Castlegar	3.5%	3.2%
Village of Kaslo	1.7%	2.8%
Village of Nakusp	5.2%	2.8%
City of Nelson	8.3%	9.2%
Village of New Denver	1.8%	1.0%
Village of Salmo	0.4%	2.1%
Village of Silverton	1.4%	0.9%
Village of Slocan	2.3%	3.6%
Area A Def	0.7%	0.2%
Area D	3.5%	3.6%
Area E	22.4%	21.0%
Area E (Old)	0.2%	0.0%
Area F	21.2%	21.0%
Area F (Old)	1.0%	0.0%
Area G	1.3%	2.3%
Area H	20.6%	21.0%
Area H (Old)	0.5%	0.0%
Area I	0.8%	1.0%

Area J	1.0%	1.4%
Area K	1.9%	2.4%
Total	100.0%	100.0%

Because there is no documented logic for the existing apportionment method, there can be no analysis of why costs would change from the existing method to the proposed one. Should the committee choose to proceed with the proposed method it should be noted that a 4-year transition period from existing apportionment amounts to proposed amounts would be implemented to allow for changes to service levels and reduce the impact of taxation increases.

4.2 Risks with the Proposed Solution

The proposed solution requires active engagement on the part of the West Transit Service Committee to ensure alignment between transit funding levels and the Committee's transit values or themes. Failure to consider the values regularly will risk apportionments and funding levels that will not align with the Committee's goals.

The loss of service participants risks a redistribution of the costs associated with the #99. Because distribution is based on population potential percentage increases may affect some participants more than others.

Health Connections funding has been frozen since 2021. It is scheduled to increase by 5% a year starting in 2026. The proposed 5% will not keep up with increases in operating costs for public transit services. Local government will continue to fund a larger percentage of the cost of Health Connections routes on an annual basis. To ensure an equitable distribution of Health Connections funding the committee should committee to a schedule review of transit apportionment.

Substantial changes in ridership patterns could redistribute the costs associated with fixed routes. Staff should report regularly on these routes and ensure that the Committee is aware of how ridership may affect apportionment in the future.

4.3 Resource Allocation and Workplan Impact

The Board has assigned the Regional District Research Analyst to aid the Committee in their deliberations on the matter.

At the discretion of the Committee and the Board staff anticipate presenting a bylaw for consideration by the Board in October of 2025.

4.4 Public Benefit and Stakeholder Engagement of Proposed Solution

The Committee is authorized, by the Board, to examine apportionments and transit service levels. As a part of that examination the Committee may direct staff to engage the Rural Mobility Working Group and consult with community stakeholders through that group to assess the impact of service level changes on transit ridership and the community.

Should the Board choose to adopt the proposed method of apportionment it would be allowed to do so by consenting participant. An Alternative Approval Process or Assent Vote and the associated community engagement would not be needed.

4.5 Leveraging Technology

The proposed solution uses newly implemented passenger counter and electronic fare collection technology installed on West Kootenay Transit buses. This technology will enable a better understanding of ridership patterns and the impact of transit investments.

4.5 Measuring Success

Staff propose the following as milestones on a critical path to success.

April 2025

- West Transit Services Committee recommends a method of apportionment and proposed changes to service establishment bylaws for transit funding services S238 and S239.
- The Board directs staff to prepare the recommended bylaw amendments.

June, 2025

- West Transit Services Committee receives the proposed amendments that include the new apportionment method applied to current service levels.
- The Board directs staff to examine service levels and make recommendations.

Oct, 2025

- The West Transit Service Committee receives proposed amendments that include the new apportionment methods applied to year 1 service level changes.
- The gives 3 readings to proposed amendments. Amendments are sent to the Local Government Inspector.

Dec 2025

- That Board adopts proposed amendments.

The success of the proposed solution will be evaluated in the context of the transit values/themes identified by the Service Participants.

1. Do transit service participants understand the logic of the proposed solution as applied to the apportionment of transit service costs? There is no understanding of the logic behind the current apportionment of transit service costs for Service S238 and S239.

2. Do service participants consider the proposed solution an equitable means of apportioning the cost of transit services? Service participants currently do not feel that the current apportionment of transit costs is equitable.

3. Can service participants understand the financial and social implications of proposed service level changes? There is currently no method for apportioning the costs associated with service level changes for Service S239 and the current method for S238 is obscure.

4. Does the proposed solution reduce administrative overhead and simplify the budgetary process? The current method is overly complex and results in additional administrative burden.

5.0 ALTERNATIVE SOLUTION(S)

The alternative solution, while similar to the proposed solution, adopts the current distribution of transit costs as described in the 2025 Fiver Year Financial Plans for service S237 and S238 as a funding baseline and implements the previously described hybrid model for any changes to service levels moving forward. The current distribution of transit service costs is described in the first column of Table 1 in this report referred to as Current Apportionment S238 & S239.

There was a methodology developed for the current apportionment of costs for service S238 and S239. While that methodology is not understood it reflected the values and transit goals of the developers. There has been no substantive increase in operating hours since services were combined to create West Kootenay Transit, in 2013. The Committee may consider the current distribution of costs as an adequate starting point reflective of the values of the past and apply newly defined values, and a corresponding apportionment method, to service level changes moving forward.

The alternative method requires the same proposed amendments to the service establishment bylaws for S238 and S239 described in the proposed method approach. However, the distribution of costs in the proposed amendment, prior to approved service level changes, would be the current distribution described in the Current Apportionment S238 & S239 column of Table 1 as opposed to the Proposed Apportionment S238 column.

5.1 Financial Considerations of the Alternative Solution(s)

The alternative method does not address existing inequities in the current distribution of transit costs.

This method does not require a redistribution of existing costs, only those costs resulting from transit service level changes moving forward.

5.2 Risks with the Alternative Solution(s)

Underlying inequities will remain.

5.3 Resource Allocation and Workplan Impact

The alternative solution does not require the committee to consider the apportionment of current transit costs.

5.4 Public Benefit and Stakeholder Engagement of Proposed Solution

The same as the proposed solution.

5.5 Measuring Success

The same as the proposed solution.

6.0 OPTIONS CONSIDERED BUT NOT PRESENTED

In the Transit Values and Cost Apportionment Study Watt Consulting recommended the Committee consider either the Hybrid Model, which staff have identified as the proposed option, or a criteria-based model based on maximum cost, base fee, mileage, and ridership. The proposed criteria-based model resembles the criteria-based model the Board declined to implement in 2020. While this model has merit it, like the previously proposed criteria-based model, it does not adequately address the concerns of the Board raised in 2020. Staff do not recommend this alternative as a workable solution.

7.0 OPTIONS SUMMARY

Proposed Option Recommendations:

That the Committee recommend staff prepare an amending bylaw for Electoral Areas E & F and Slocan Valley Transit Local Service Area Establishment Bylaw 1415, 2000 to

1. Remove the Village of Slocan from the service;
2. Replace the current method of apportionment with the proposed multi-factorial method described in Section 4.1 of the April 15, 2025 Transit Cost Apportionment Committee Report; and
3. Limit the apportionment of costs to the land and Improvements annexed by the City of Nelson and now referred to as Old E, Old F, and Old H.

That the Committee recommend staff prepare an amending bylaw for Kootenay Lake West Transit Service Establishment Bylaw No. 1783, 2005 to

1. Add the proposed multi-factorial apportionment method described in Section 4.1 of the April 15, 2025 Transit Cost Apportionment Committee Report;
2. Update the apportionment percentages within the bylaw to reflect the application of the proposed multi-factorial apportionment method described in Section 4.1 of the April 15, 2025 Transit Cost Apportionment Committee Report to current transit service levels.

Alternative Option Recommendations:

That the Committee recommend staff prepare an amending bylaw for Electoral Areas E & F and Slocan Valley Transit Local Service Area Establishment Bylaw 1415, 2000 to

1. Remove the Village of Slocan from the service;
2. Replace the current method of apportionment with the proposed multi-factorial method described in Section 4.1 of the April 15, 2025 Transit Cost Apportionment Committee Report; and
3. Limit the apportionment of costs to the land and Improvements annexed by the City of Nelson and now referred to as Old E, Old F, and Old H.

That the Committee recommend staff prepare an amending bylaw for Kootenay Lake West Transit Service Establishment Bylaw No. 1783, 2005 to

1. Add the proposed multi-factorial apportionment method described in Section 4.1 of the April 15, 2025 Transit Cost Apportionment Committee Report;
2. Update the apportionment percentages within the bylaw to reflect the current distribution of transit costs within Service S238 & Service S239.

Respectfully submitted,
Tom Dool, Research Analyst

CONCURRENCE

Corporate Officer – Mike Morrison

ATTACHMENTS:

Attachment A – Electoral Areas E & F and Slocan Valley Transit Local Service Area Establishment Bylaw 1415, 2000
Attachment B – Kootenay Lake West Transit Service Establishment Bylaw No. 1783, 2005
Attachment C - City of Castlegar and Portions of Electoral Areas I and J Transit Service Establishment Amendment Bylaw No. 2708, 2021
Attachment D - The RDCK Transit Values and Cost Apportionment Study

REGIONAL DISTRICT OF CENTRAL KOOTENAY

BYLAW NO. 1415

A Bylaw to convert the Transit Service Area (Areas E & F) Transit Function to a local service within Electoral Area E, Electoral Area F and Portion of Electoral Area H.

WHEREAS under Section 798 of the Municipal Act, a regional district exercising a power to provide a service other than a general service, shall adopt a bylaw respecting that service which:

(a) meets the requirements of Section 806 for an establishing bylaw, and

(b) is adopted in accordance with the requirements of Section 813 as if it were a bylaw amending an establishing bylaw;

AND WHEREAS the Regional Board of the Regional District of Central Kootenay was granted, by way of supplementary Letters Patent dated June 30, 1982, the function of "Urban Transit" which included a service area for Electoral Areas E and F;

AND WHEREAS the Regional Board of the Regional District of Central Kootenay wishes to convert the aforesaid "Transit Service Area (Areas E & F) Transit Function" to a local service and, to add a portion of Area H;

NOW THEREFORE THE REGIONAL BOARD OF THE REGIONAL DISTRICT OF CENTRAL KOOTENAY IN OPEN MEETING ASSEMBLED, ENACTS AS FOLLOWS:

1. The "Transit Service Area (Areas E & F) Transit Function" as established by way of supplementary Letters Patent dated June 30, 1982 is hereby established as a local service with the Regional Board authorized to provide Urban Transit to Electoral Area E, Electoral Area F and Portion of Electoral Area H.

2. The boundaries of the local service area as established above shall include Electoral Area E, Electoral Area F and Portion of Electoral Area H as shown outlined on the plan attached as Schedule "A" to this Bylaw which shall be the participating areas for the local service and shall be known as the ***"Electoral Areas E & F and Slocan Valley Transit Local Service Area".***

3. The cost of providing the local service established under Section 1 shall be recovered by requisition of money to be collected by a property value tax on land and improvements.

4. The maximum amount to be requisitioned annually for the service shall be One Hundred and Sixty Thousand ($160,000.00) Dollars.

5. The cost of providing the service shall be apportioned among the participating areas as follows:

   (1) North Shore Transit

   The annual cost of providing the service shall be recovered by requisition of monies to be collected by a property value tax on the net taxable value of land and improvements taxable for Hospital purposes only for Electoral Areas E and F.

(2) Playmor Junction – Slocan Valley Transit

Portion of Electoral Area H – 50% of the cost of providing service, and the remaining 50% of the costs shall be recovered by requisition of monies to be collected by a property value tax on the net taxable value of land and improvements taxable for Hospital purposes only for Electoral Areas E and F.

6. This Bylaw may be cited as "***Electoral Areas E & F and Slocan Valley Transit Local Service Area Establishment Bylaw No. 1415, 2000***".

READ A FIRST TIME this	25th	day of	March	, 2000.
READ A SECOND TIME this	25th	day of	March	, 2000.
READ A THIRD TIME this	25th	day of	March	, 2000.
ADOPTED this 27th		day of	May,	, 2000.

Chair

Deputy Secretary

I hereby certify that this is a true and correct copy of "***Electoral Areas E & F and Slocan Valley Transit Local Service Area Establishment Bylaw No. 1415, 2000***" as read a THIRD time by the Board on the day of , 2000.

DATED this day of , 2000.

Secretary

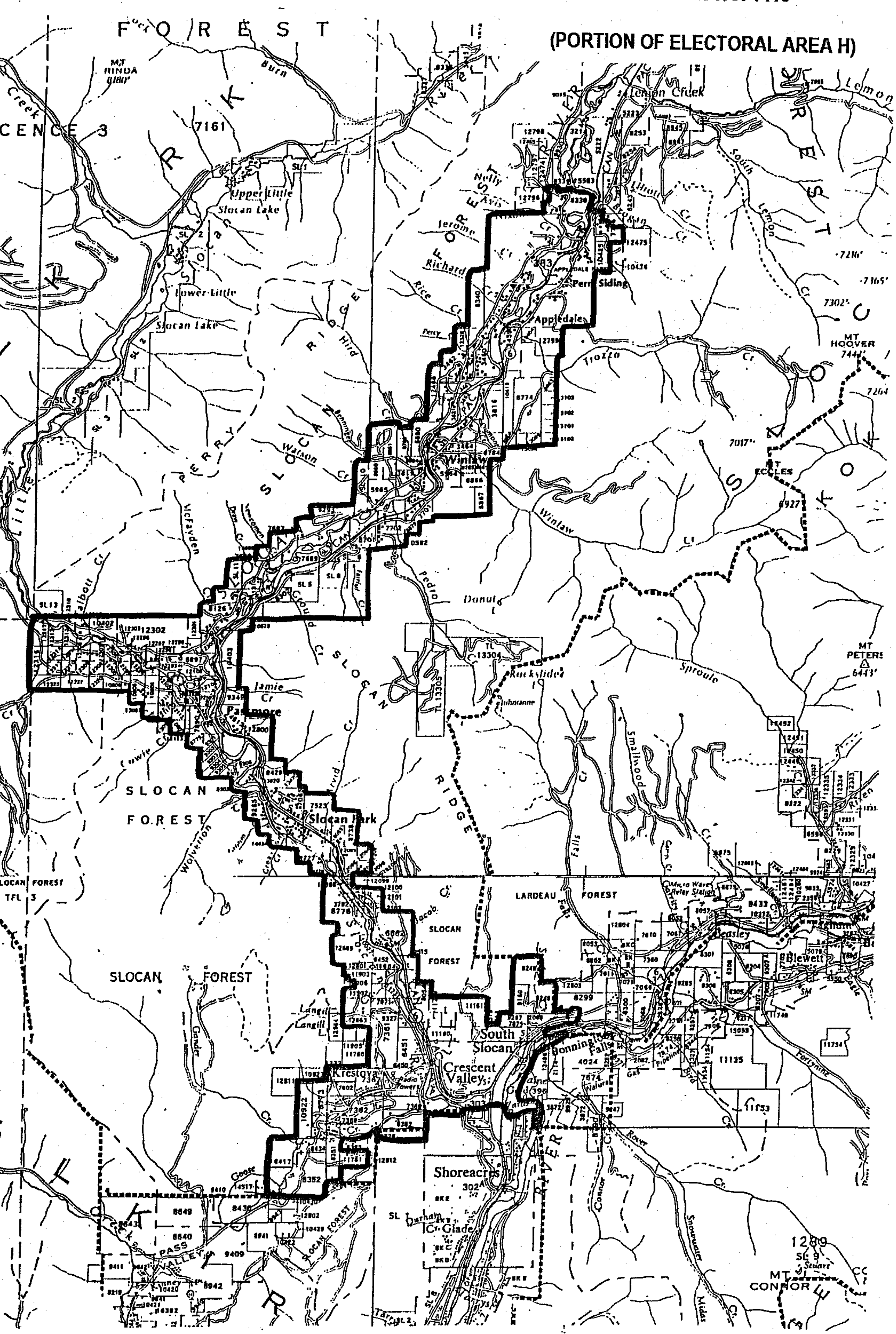
I hereby certify that this is a true and correct copy of "***Electoral Areas E & F and Slocan Valley Transit Local Service Area Establishment Bylaw No. 1415, 2000***".

DATED this day of , 2000.

Secretary

SCHEDULE "A"
TO BYLAW NO. 1415

(PORTION OF ELECTORAL AREA H)



REGIONAL DISTRICT OF CENTRAL KOOTENAY

BYLAW NO. 1443

A bylaw to amend Bylaw No. 1415, being the "Electoral Areas E & F and Slocan Valley Transit Local Service Area Establishment Bylaw No. 1415, 2000".

WHEREAS a service has been established by the Regional District of Central Kootenay by Bylaw No. 1415, being the "Electoral Areas E & F and Slocan Valley Transit Local Service Area Establishment Bylaw No. 1415, 2000";

AND WHEREAS the Board of the Regional District of Central Kootenay deems it expedient to extend the boundaries of the Electoral Areas E & F and Slocan Valley Transit Local Service Area to include the Village of Slocan and additional properties within Electoral Area H;

AND WHEREAS consent has been received from at least two-thirds of the participants in the service pursuant to section 802(1)(b) of the *Local Government Act*;

NOW THEREFORE the Board of the Regional District of Central Kootenay, in open meeting assembled, enacts as follows:

1. The "Electoral Areas E & F and Slocan Valley Transit Local Service Area" as established by the "Electoral Areas E & F and Slocan Valley Transit Local Service Area Establishment Bylaw No. 1415, 2000"; shall now be known as the "Electoral Areas E & F and Slocan Valley Transit Service Area".

2. The boundaries of the "Electoral Areas E & F and Slocan Valley Transit Service Area" are hereby amended to include the Village of Slocan in its entirety and additional properties within Electoral Area H as detailed in Schedule "A", attached hereto and forming part of this bylaw.

3. Schedule "A" of Bylaw No. 1415 is hereby deleted and Schedule "A" attached hereto is substituted therefore.

4. The participants in the service shall be Electoral Areas E and F, the Village of Slocan, and a portion of Electoral Area H.

5. Section 4 of Bylaw No. 1415 is hereby deleted and the following substituted therefor:

The amount of monies that can be requisitioned annually under Section 803(1)(a) of the Local Government Act shall not exceed the greater of $160,000 or an amount determined by applying a rate of $0.20 per $1000 to the net taxable value of land and improvements within the service area.

6. Section 5(2) of Bylaw No 1415 is hereby deleted and the following substituted therefor:

Playmor Junction – Slocan Valley Transit

Portion of Electoral Area H – 60% of the cost of providing the service; Village of Slocan – 7% of the cost of providing the service; and, the remaining 33% of the costs shall be recovered by requisition of monies to be collected by a property value tax on the net taxable value of land and improvements taxable for Hospital purposes only for Electoral Areas E and F.

7. This bylaw may be cited as the **"Electoral Areas E & F and Slocan Valley Transit Service Establishment Amendment Bylaw No. 1443, 2000".**

READ A FIRST TIME this	21st	day of	October	, 2000.
READ A SECOND TIME this	21st	day of	October	, 2000.
READ A THIRD TIME this	21st	day of	October	, 2000.

I hereby certify the foregoing to be a true and correct copy of Bylaw No. 1443 cited as the **"Electoral Areas E & F and Slocan Valley Transit Service Establishment Amendment Bylaw No. 1443, 2000"**, as read a third time by the Regional District of Central Kootenay Board on the 21 day of October, 2000.

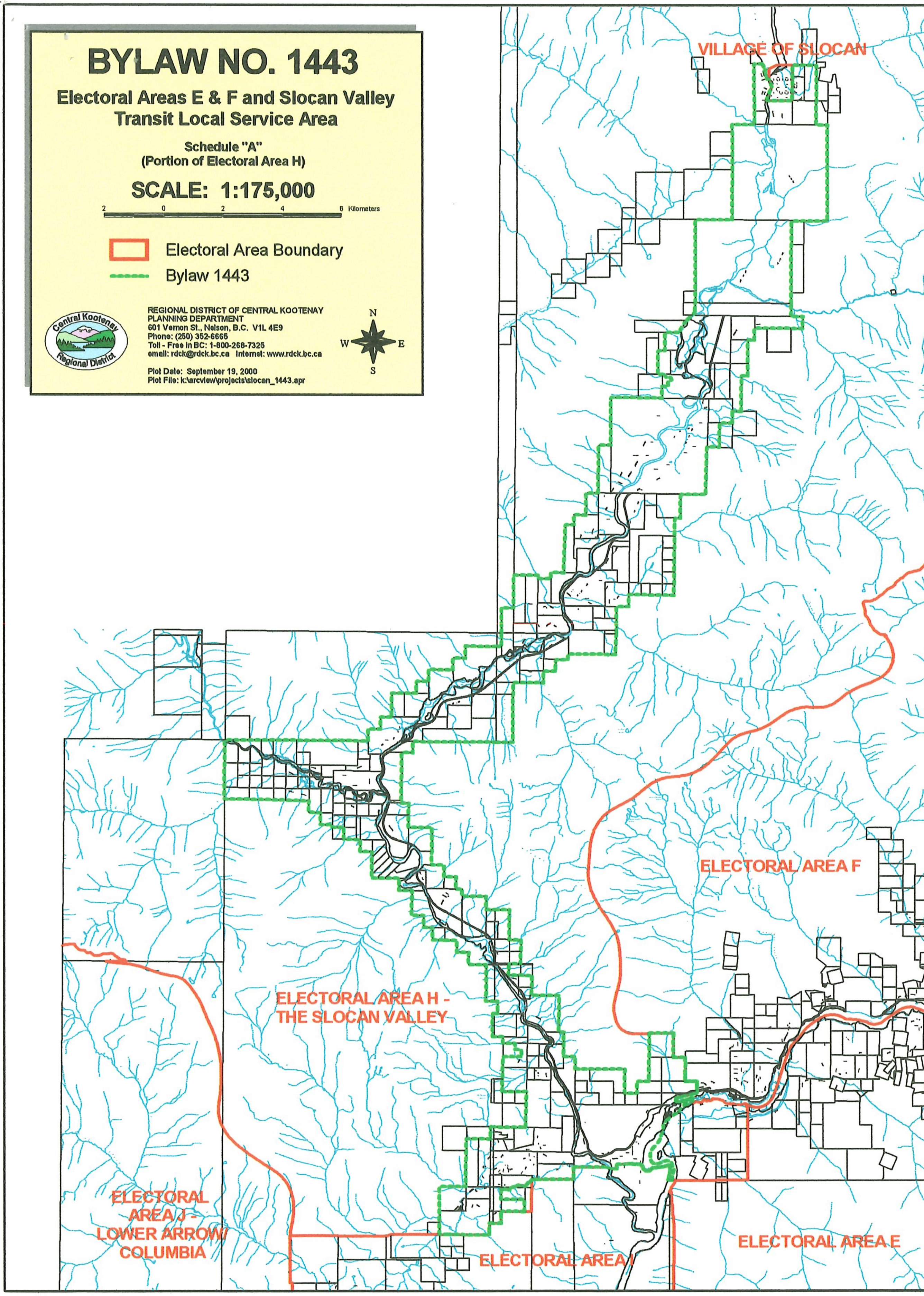
C.M. McEwan
Board Secretary

Approved by the Inspector of Municipalities this 8th day of December, 2000.

ADOPTED this 9th day of December , 2000.

CHAIR

C.M. McEwan
BOARD SECRETARY



BYLAW NO. 1443
Electoral Areas E & F and Slocan Valley Transit Local Service Area
Schedule "A"
(Portion of Electoral Area H)
SCALE: 1:175,000
2 0 2 4 6 Kilometers
Electoral Area Boundary
Bylaw 1443
Central Kootenay Regional District
REGIONAL DISTRICT OF CENTRAL KOOTENAY
PLANNING DEPARTMENT
601 Vernon St., Nelson, B.C. V1L 4E9
Phone: (250) 352-6665
Toll - Free in BC: 1-800-268-7325
email: rdck@rdck.bc.ca Internet: www.rdck.bc.ca
Plot Date: September 19, 2000
Plot File: k:\arcview\projects\slocan_1443.apr
N
W
E
S
VILLAGE OF SLOCAN
ELECTORAL AREA F
ELECTORAL AREA H - THE SLOCAN VALLEY
ELECTORAL AREA J - LOWER ARROW/ COLUMBIA
ELECTORAL AREA I
ELECTORAL AREA E

REGIONAL DISTRICT OF CENTRAL KOOTENAY

BYLAW NO. 1783

A bylaw to establish a transit service for all electoral areas and municipalities on the west side of Kootenay Lake

WHEREAS, a regional district may, by bylaw, establish and operate a service under the provisions of Part 24 of the *Local Government Act*;

AND WHEREAS the Board of the Regional District of Central Kootenay wishes to establish a service for the purpose of providing transit to a portion of the Regional District including all electoral areas and municipalities on the west side of Kootenay Lake, namely Electoral Areas D, E, F, G, H, I, J and K and the municipalities of Castlegar, Kaslo, Nakusp, Nelson, New Denver, Salmo, Silverton and Slocan;

AND WHEREAS pursuant to Section 801(2)(b) of the *Local Government Act,* the approval of the electors within the participating area has been obtained in accordance with Section 801.3;

NOW THEREFORE the Board of the Regional District of Central Kootenay, in open meeting assembled, enacts as follows:

1. The Regional District hereby establishes within a portion of District, a service for the purpose of providing transit within the boundaries of the service area shown outlined on the plan attached, as Schedule A, to this bylaw and known as the "Kootenay Lake West Transit Service Area".

2. The participating areas in the service established under Section 1 of this bylaw, include all electoral areas and municipalities on the west side of Kootenay Lake, namely Electoral Areas D, E, F, G, H, I, J and K and the municipalities of Castlegar, Kaslo, Nakusp, Nelson, New Denver, Salmo, Silverton and Slocan

3. The annual cost of providing this service shall be recovered by a property value tax to be imposed in the manner provided by Section 803 (1) (a) of the Local Government Act.

4. The maximum amount of money that may be requisitioned annually to be collected by means of a property value tax under Sections 805 and 806 shall not exceed the greater of $81,000 or $.024 per $1,000 of the net taxable value of land and improvements within the service area.

5. This bylaw may be cited as the "Kootenay Lake West Transit Service Establishment Bylaw No. 1783, 2005".

READ A FIRST TIME this	24th	day of	September	, 2005.
READ A SECOND TIME this	24th	day of	September	, 2005.
READ A THIRD TIME this	24th	day of	September	, 2005.

I hereby certify that this is a true and correct copy of the "Kootenay Lake West Transit Service Establishment Bylaw No. 1783, 2005" as read a third time by the Regional District of Central Kootenay Board on the 24th day of September, 2005.

SECRETARY

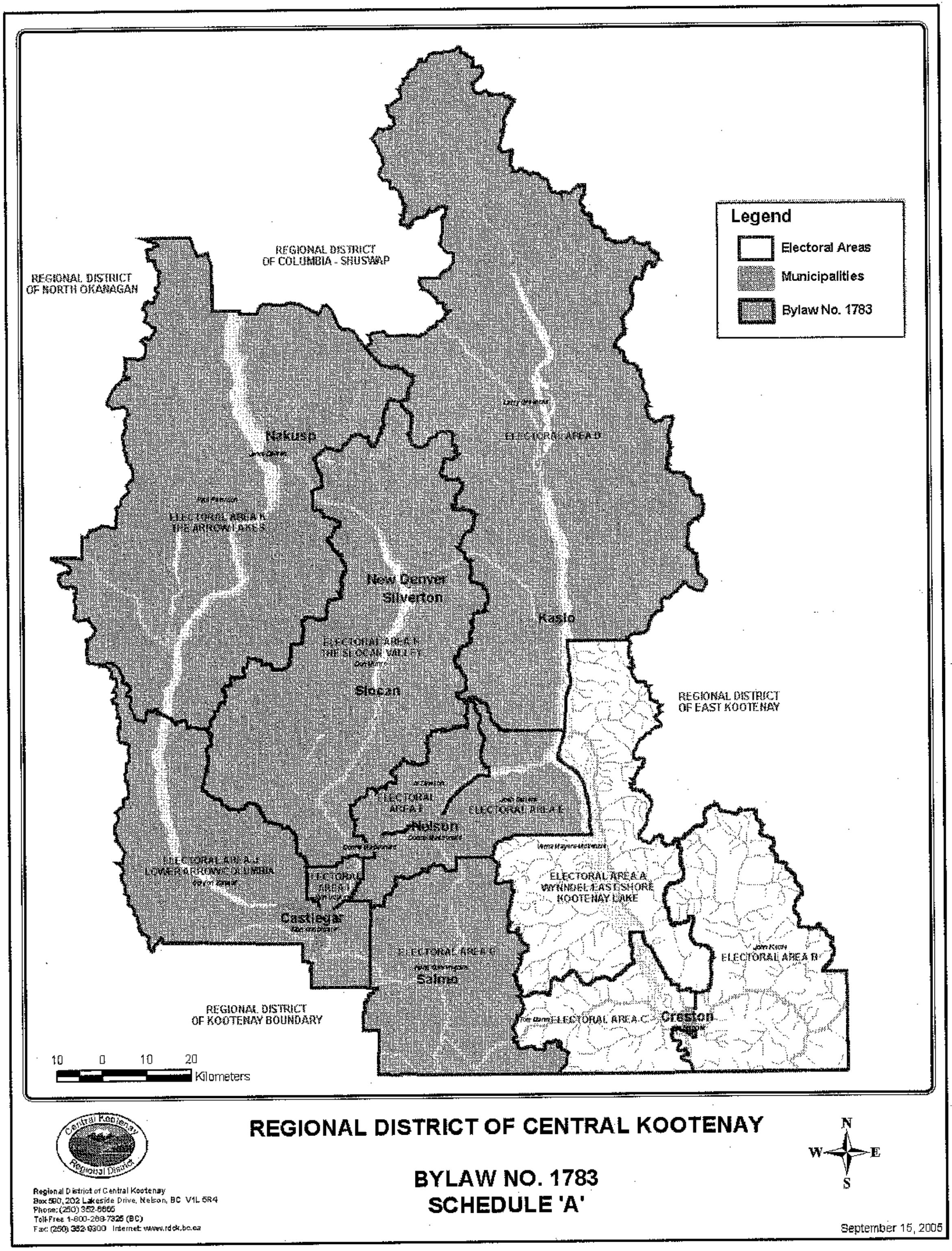
APPROVED by the Inspector of Municipalities the 13th day of October, 2005.

ELECTOR ASSENT obtained in those areas participating in the service pursuant to Section 801.3 of the *Local Government Act*.

ADOPTED this 10th day of December , 2005.

Chair

Secretary


Legend
Electoral Areas
Municipalities
Bylaw No. 1783
REGIONAL DISTRICT OF NORTH OKANAGAN
REGIONAL DISTRICT OF COLUMBIA - SHUSWAP
REGIONAL DISTRICT OF EAST KOOTENAY
REGIONAL DISTRICT OF KOOTENAY BOUNDARY
Nakusp
ELECTORAL AREA D
ELECTORAL AREA K THE ARROW LAKES
New Denver
Silverton
Kaslo
ELECTORAL AREA H THE SLOCAN VALLEY
Slocan
ELECTORAL AREA F
ELECTORAL AREA E
Nelson
ELECTORAL AREA J LOWER ARROW/COLUMBIA
ELECTORAL AREA I
Castlegar
ELECTORAL AREA G
Salmo
ELECTORAL AREA A WYNNDEL/EAST SHORE KOOTENAY LAKE
ELECTORAL AREA B
ELECTORAL AREA C
Creston
10 0 10 20
Kilometers
REGIONAL DISTRICT OF CENTRAL KOOTENAY
BYLAW NO. 1783
SCHEDULE 'A'
Regional District of Central Kootenay
Box 590, 202 Lakeside Drive, Nelson, BC V1L 5R4
Phone: (250) 352-6665
Toll-Free 1-800-268-7325 (BC)
Fax: (250) 352-9300 Internet: www.rdck.bc.ca
September 15, 2005

REGIONAL DISTRICT OF CENTRAL KOOTENAY

BYLAW NO. 2354

A Bylaw to amend Bylaw No. 1783, being the "Kootenay Lake West Transit Service Establishment Bylaw" to expand and integrate transit services provided by the service

WHEREAS a service has been established by the Regional District of Central Kootenay by Bylaw No. 1783, being the "Kootenay Lake West Transit Service Establishment Bylaw No. 1783, 2005", as amended;

AND WHEREAS the Board of the Regional District of Central Kootenay deems it expedient to further amend Bylaw No. 1783 to expand and integrate the transit services provided, by including the Nelson Paratransit, Nakusp Paratransit and the Kaslo Paratransit transit services;

AND WHEREAS, pursuant to the *Local Government Act*, consent has been received from at least two-thirds of the participants to amend Bylaw No. 1783.

NOW THEREFORE the Board of the Regional District of Central Kootenay in open meeting assembled enacts as follows:

1. Bylaw No. 1783, being the "Kootenay Lake West Transit Service Establishment Bylaw No. 1783, 2005", as amended, is hereby amended as follows:

   (1) Section 3 is hereby deleted in its entirety and replaced with the following:

   The annual cost of providing this service shall be recovered by one or more of the following:

   a) Property value taxes imposed in accordance with Division 4.3 of the *Local Government Act*
   b) Parcel taxes imposed in accordance with Division 4.3 of the *Local Government Act*
   c) Fees and charges imposed under Section 363 of the *Local Government Act*
   d) Revenues raised by other means authorized under this or another Act
   e) Revenues received by way of agreement, enterprise, gift, grant or otherwise

   (2) Section 4 is hereby deleted in its entirety and replaced with the following:

   The amount of monies that may be requisitioned annually in support of the service shall be the greater of $350,000 or an amount that equals the amount raised by applying property value tax of $0.048/$1,000 to the net taxable value of land and improvements in the service area.

The annual costs of providing the service shall be apportioned among the participating areas on the basis of:

City of Castlegar	8.55%
Village of Kaslo	4.18%
Village of Nakusp	12.60%
City of Nelson	20.15%
Village of New Denver	4.47%
Village of Salmo	0.97%
Village of Silverton	3.40%
Village of Slocan	0.44%
Electoral Area A (part)	1.71%
Electoral Area D	8.47%
Electoral Area E	7.86%
Electoral Area F	7.43%
Electoral Area G	3.22%
Electoral Area H	7.60%
Electoral Area I	1.85%
Electoral Area J	2.52%
Electoral Area K	4.58%

2. This Bylaw may be cited as the **"Kootenay Lake West Transit Service Amendment Bylaw No. 2354, 2013".**

READ A FIRST TIME this	12th	day of	December,	2013.
READ A SECOND TIME this	12th	day of	December,	2013.
READ A THIRD TIME this	12th	day of	December,	2013.

ELECTOR APPROVAL obtained in the participating area pursuant to Sections 801.4 and 801.5 of the *Local Government Act*.

APPROVED by the Inspector of Municipalities on the 2nd day of April, 2014.

ADOPTED this 17th day of April, 2014.

CHAIR

SECRETARY

REGIONAL DISTRICT OF CENTRAL KOOTENAY

Bylaw No. 2708

A Bylaw to amend Bylaw No. 1359, being the "The City of Castlegar and Portions of Electoral Areas I and J Transit Local Service Area Establishment Bylaw", by changing the methods of cost recovery and changing the method of apportioning the cost of the transit services.

WHEREAS the Board of the Regional District of Central Kootenay established a service for the purpose of providing public transit by adopting City of Castlegar and Portions of Electoral Areas I and J Transit Local Service Area Establishment Bylaw No. 1359, 1999, as amended;

AND WHEREAS the Board of the Regional District of Central Kootenay deems it expedient to further amend Bylaw No 1359 to specify additional means of cost recovery and change the method of the apportionment of the cost of the services;

AND WHEREAS pursuant to the Local Government Act, consent has been received on behalf of the electoral participating areas to amend Bylaw No. 1359.

NOW THEREFORE the Board of the Regional District of Central Kootenay, in open meeting assembled, HEREBY ENACTS as follows:

COST RECOVERY

1 Section 3 is deleted in its entirety and the following substituted therefore:

Pursuant of the Local Government Act, the annual cost of providing the service shall be recovered by one or more of the following:

(a) Property value taxes
(b) fees and charges;
(c) revenues raised by other means; or
(d) revenues received by way of the agreement, enterprise, gift, grant, or otherwise.

APPORTIONMENT

2 Section 5 is deleted in its entirety and the following substituted therefore:

The annual cost of providing the service shall be apportioned amoung the participating areas on the basis of Conventional Opportunity (42.5%), Conventional Mileage (42.5%), and Custom Population (15%).

DEFINITIONS

3 Section 6 is added and the following included therefore:

Conventional Transit means the portion of West Kootenay Transit System characterized by fixed route regularly scheduled service to the general public.

Conventional Opportunity means the population within 400m of a bus stop multiplied by the number of times a Conventional Transit bus stops at that location on an annual basis.

Conventional Mileage means the cumulative annual kilometers required to provide Conventional Transit service.

Custom Transit means the portion of the West Kootenay Transit system characterized by on-demand door-to-door services to registered users who require assistance with medically diagnosed barriers to mobility.

Custom Population means the population within the service participants Custom Transit service area as defined by the most recent census or, where a proxy is required, by multiplying the number of addresses within the service area by 2.1.

CITATION

4 This Bylaw may be cited as **"The City of Castlegar and Portions of Electoral Areas I and J Transit Service Amendment Bylaw No. 2708, 2020."**

READ A FIRST TIME this	20th	day of	February, 2020.
READ A SECOND TIME this	20th	day of	February, 2020.
READ A THIRD TIME this	20th	day of	February, 2020.
THIRD READING RESCINDED	23rd	day of	September, 2021.
REREAD A THIRD TIME this	23rd	day of	September, 2021.

I hereby certify that this is a true and correct copy of the **"The City of Castlegar and Portions of Electoral Areas I and J Transit Service Amendment Bylaw No. 2708, 2021."** as read a third time by the Regional District of Central Kootenay Board on the 23rd day of September, 2021.

Mike Morrison, Corporate Officer

APPROVED by the Inspector of Municipalities on the 9th day of November, 2021

ASSENT RECEIVED as per the *Local Government Act – Consent on behalf of electoral participating area.*

ADOPTED this 9th day of December, 2021.

Aimee Watson, Board Chair

Mike Morrison, Corporate Officer

RDCK Transit Values & Cost Apportionment Study

Prepared for:

Regional District Central Kootenay

Prepared by:

WATT Consulting Group

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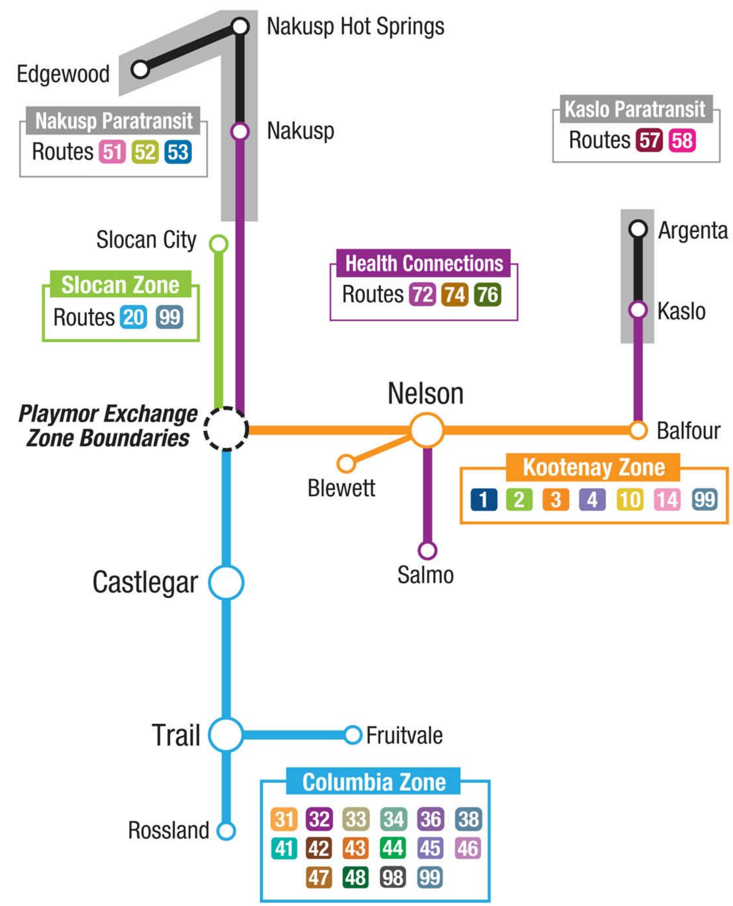


Executive Summary

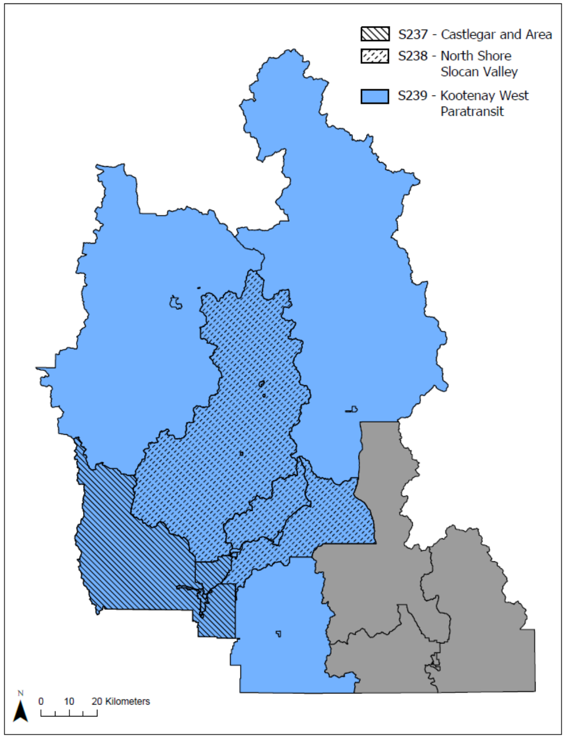
The Regional District of Central Kootenay (RDCK) partners with the City of Nelson, Regional District of Kootenay Boundary, Interior Health Authority, and BC Transit to fund the West Kootenay Transit System. Funding from RDCK provides conventional and custom services in Castlegar and surrounding areas, conventional service in the Slocan Valley, and paratransit routes throughout much of the Regional District.

Funding for these services comes from three overlapping Regional District service areas established through bylaws: S237 Castlegar and Area, S238 North Shore Slocan Valley, and S239 Kootenay West Paratransit. Each bylaw service area uses different apportionment formulas to generate funding for routes in the Regional District. The service areas do not neatly align with how services are provided or invoiced by BC Transit. These challenges result in a funding split that is difficult to administer and explain to the public. Further complicating matters, two of the bylaws do not have rationale for their formulas explained in the bylaw, meaning that changes to service would not result in changes to how services are paid for.

This report outlines considerations for how transit could be funded differently. In addition to best practices from other areas in British Columbia and Canada, the models presented in the report draw from interviews with RDCK Directors about how they view transit and what values they believe should be used in prioritizing and funding transit services.

Generally, Directors said:

- Transit is largely a social service but is essential for people who need it.
- Ridership is the best measure of success.
- Those who benefit from transit should pay for services. However, transit should be affordable and that the people least able to pay should still have access to services.



Executive Summary

The report presents various methods to apportion costs. Applied across all RDCK-funded services, each of these methods has limitations. A blended method using multiple factors is recommended to accurately capture the costs and benefits associated with providing transit services.

Of the five models tested, two stood out as potential starting places for a broader conversation about how transit is funded in RDCK:

- **Model 4** attempts to simplify the service areas by **using a single service area** for all RDCK funded services.
- **Model 5** maintains **two service areas and utilizes different tiers of service types** to split costs between beneficiary communities.

Both potential models provide an increase in simplicity of administration and improved transparency into how funding from each area is tied to services provided.

As a next step, the region would benefit by RDCK Directors having further conversations about transit funding, including which allocation factors are most appropriate for services, choosing multiple factors to accurately capture benefits in the community, and documentation of the rationale for use those factors.

Recommendations

1. RDCK Directors should initiate a conversation about how transit funding can be simplified.
2. New funding models should explicitly state how cost allocation is arrived at.
3. Any new funding models should use multiple factors to allocate costs.
4. Based on expressed values, explore Potential Models 4 and 5 in this report as starting places for conversations around funding transit.

1.0 Overview

The Regional District of Central Kootenay (RDCK) formed the West Transit Services Committee in 2023 to provide a new governance structure better able to oversee the multiple, diverse transit services that comprise the West Kootenay Transit system and the communities they serve (see next page for the study area). This study seeks to help the West Transit Services Committee to engage in **values-based discussions** about how to prioritize future service improvements and the cost allocation model that applies across the region to fund services.

The following section outlines the context and existing funding arrangements that allow RDCK to provide a diverse array of transit options. Interviews with RDCK Directors provided input on the values that underpin their decision-making with regards to transit services. Combining these streams of information, the final section provides examples of values-informed funding models that can help begin a conversation about transit is funded within the Regional District of Central Kootenay, as well as provide a potential framework for other regional and interregional transit partnerships in other areas of the province.

2.0 Context

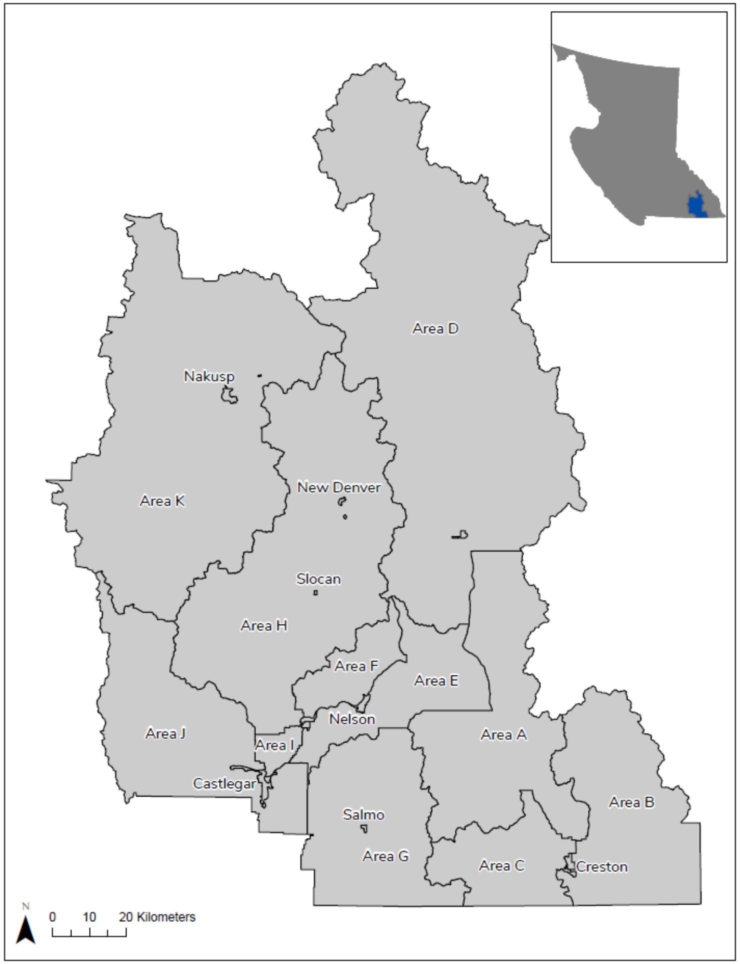
Study Area

Regional District of Central Kootenay is large and has diverse populations and needs. Within urbanized areas, transit serves college students and commuters. In rural areas, transit provides inter-city connections for people to access shopping, healthcare, and other necessities.

In addition to Electoral Areas A-K, municipalities located within the RDCK include:

- City of Castlegar
- Town of Creston
- Village of Kaslo
- Village of Nakusp
- City of Nelson
- Village of New Denver
- Village of Salmo
- Village of Silverton
- Village of Slocan

Regional medical facilities are concentrated in the City of Nelson and the City of Trail (which is located outside of the RDCK and within the Regional District of Kootenay-Boundary). Higher education campuses within the RDCK are located in Castlegar and Nelson. Though some retail stores can be found throughout the Regional District, many opportunities are only found in the larger urban centres. The dispersion of facilities and opportunities means that the need for inter-city travel is common and many people travel relatively long distances to access shopping, medical, and employment opportunities.



Areas and Selected Municipalities in Regional District of Central Kootenay

2.0 Context

Study Area

Municipalities and Areas throughout the RDCK vary in size and population density. Nelson and Castlegar are the largest municipalities, with many smaller villages and towns distributed throughout the District.

- District-wide, **youth** (ages 0-19) make up around 18% of the population, which is slightly below the provincial average.
- **Seniors** (ages 65+) comprise 26% of the population of the RDCK, compared to about 20% provincially. Seniors are spread throughout the community, though some municipalities, such as Silverton and some Areas have much higher proportions of seniors.
- The percentage of **people with low incomes** is lower than the provincial average at 3.4% of the RDCK population compared with 5.8% of the province.

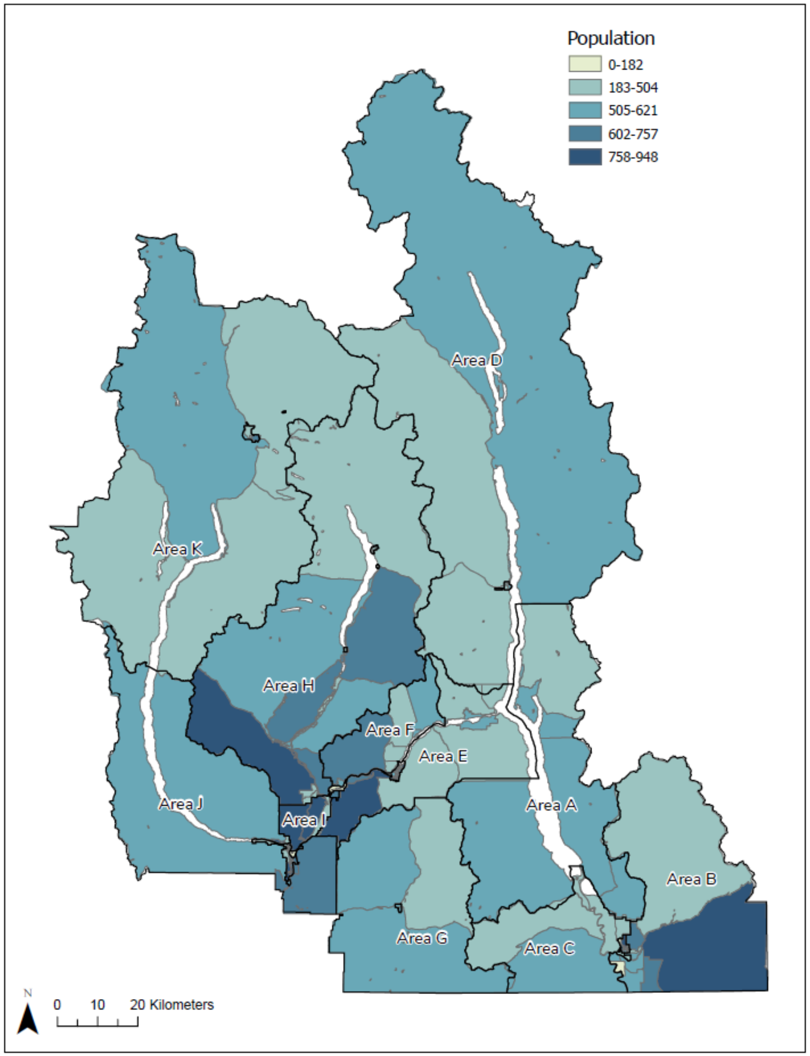
The distribution of population over a large area, particularly given the geographic constraints of the mountains and lakes can make transportation a challenge, particularly for those who are unable to drive themselves.

See also the maps on the following pages for the visualizations of density and key demographics.

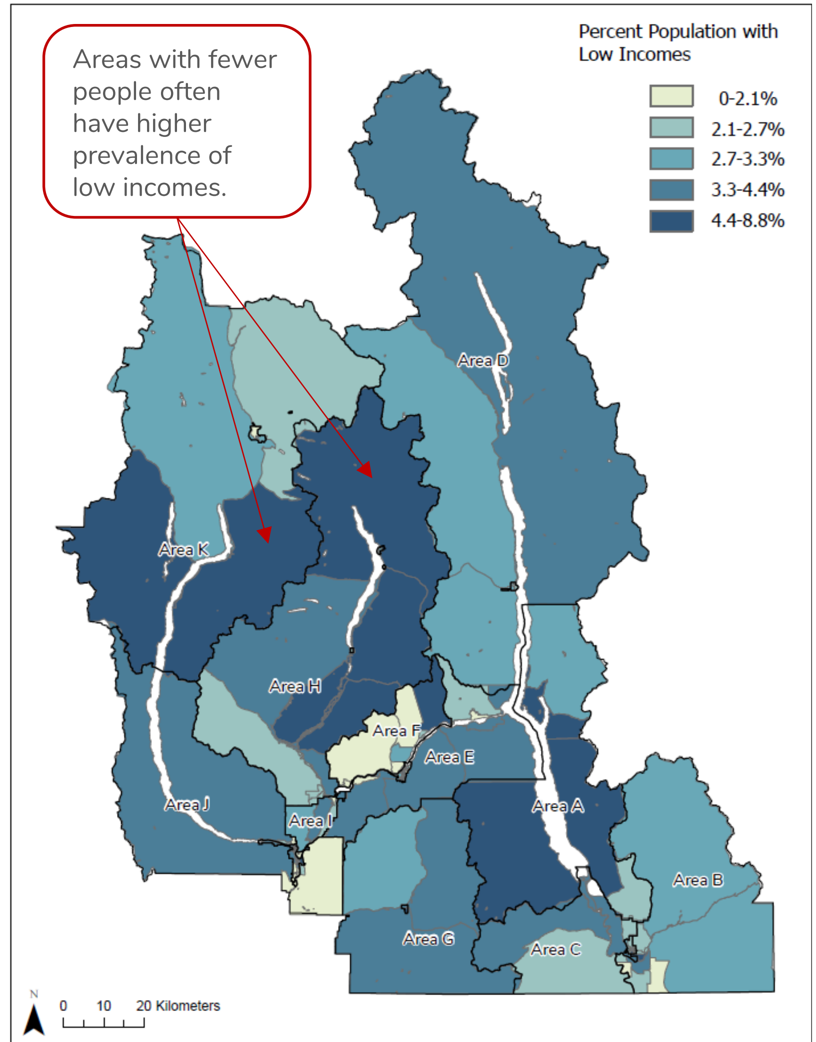
Region Name	Population	Percent Youth	Percent Seniors	Percent Low Income
Castlegar	8,338	20%	25%	3.4%
Creston	5,583	16%	39%	2.6%
Creston (Reserve)	93	27%	5%	-
Kaslo	1,049	15%	36%	3.0%
Nakusp	1,589	16%	32%	2.4%
Nelson	11,106	19%	21%	4.1%
New Denver	487	12%	46%	3.2%
Salmo	1,140	17%	28%	4.2%
Silverton	149	7%	44%	-
Slocan	379	20%	29%	2.8%
Area A	2,241	12%	36%	4.8%
Area B	4,802	21%	29%	3.1%
Area C	1,475	18%	33%	2.8%
Area D	1,462	14%	31%	3.3%
Area E	3,897	17%	27%	3.3%
Area F	4,116	20%	22%	2.6%
Area G	1,650	21%	18%	3.9%
Area H	5,045	19%	22%	4.2%
Area I	2,607	18%	21%	2.8%
Area J	3,517	20%	21%	2.1%
Area K	1,784	13%	36%	4.2%
Total	**62,509**	**18%**	**26%**	**3.4%**

Demographics in Regional District of Central Kootenay (Statistics Canada, 2021)

2.0 Context

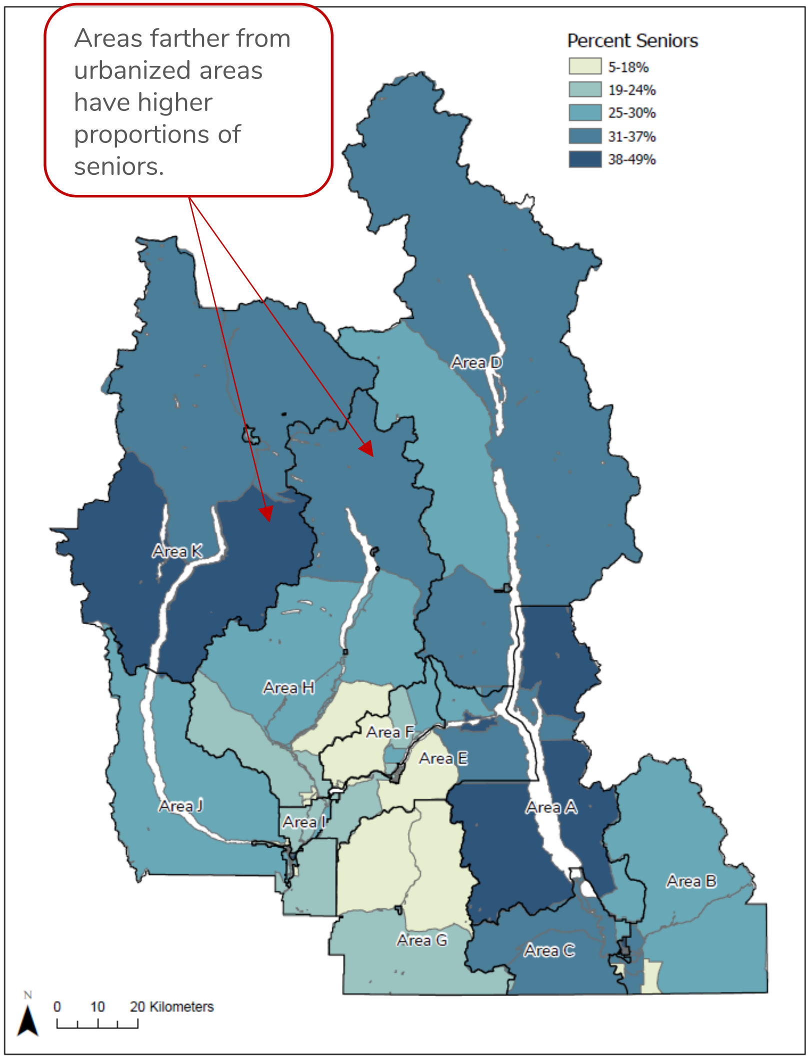


Population by municipality and Area

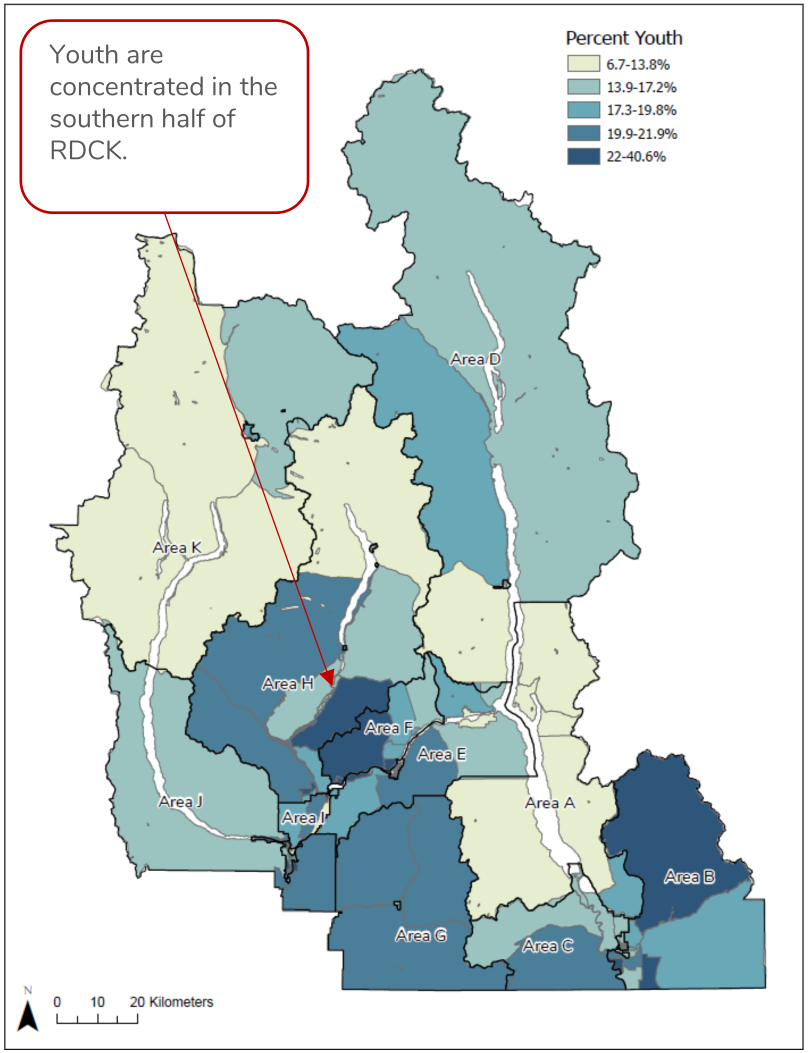


Percentage of people with low incomes by municipality and Area

2.0 Context



Percent of seniors by municipality and Area



Percent of youth by municipality and Area

2.0 Context

Transit Services

The West Kootenay Transit System is composed of four transit services operating regionally as a unified system. These services are Kootenay Boundary Conventional, Kootenay Boundary Custom, Nelson Conventional, and Kootenay Lake West Paratransit. Fares are unified across the system and information is provided in a unified way so that customers experience a singular system throughout the region.

Funding for the regional system is a complex split between BC Transit, City of Nelson, Regional District of Central Kootenay, and Regional District of Kootenay Boundary. The Interior Health Authority contributes additional funding for Health Connections trips, which provide additional connectivity for the general public, when possible.

The RDCK-funded portions of the West Kootenay transit system are funded through three service areas:

- S237 Castlegar and Area
- S238 North Shore Slocan Valley
- S239 Kootenay West Paratransit

More information about the service areas and funding follow on the next pages.

Route	Trips per Week	Average Daily Board-ings	Receives funding from: S237 Castle-gar & Area	S238 North Shore Slocan Valley	S239 Kootenay West Para-transit	Interior Health
10 North Shore	49	139.5		✓	✓	
14 Blewett	20	12.0		✓		
15 Perrier	15	0.7		✓		
20 Slocan Valley	39	46.1		✓		
31 North Castlegar	55	127.7	✓			
32 Columbia	48	42.9	✓			
33 Selkirk	67	95.1	✓			
34 Kinnaird	60	47.3	✓			
36 Ootischenia	15	5.8	✓			
38 Playmor	4	-*	✓			
51 Nakusp – Hot Springs	2	-*			✓	
52 Nakusp – Playmor via Silverton	2	0.0			✓	
53 Nakusp – Edgewood	2	0.0			✓	
57 Kaslo Local	2	0.4			✓	
58 Argenta – Kaslo	2	2.7			✓	
72 Salmo – Nelson via Ymir	9	6.9				✓
74 Nakusp – Nelson	2	0.0				✓
76 Kaslo – Nelson	3	9.5				✓
99 Castlegar/Nelson	38	236.3		✓	✓	

RDCK funded transit routes, including number of trips per week, average daily boardings, and which service areas provide funding for trips
*** Boardings data was unavailable for these routes**

3.0 Current Funding Model

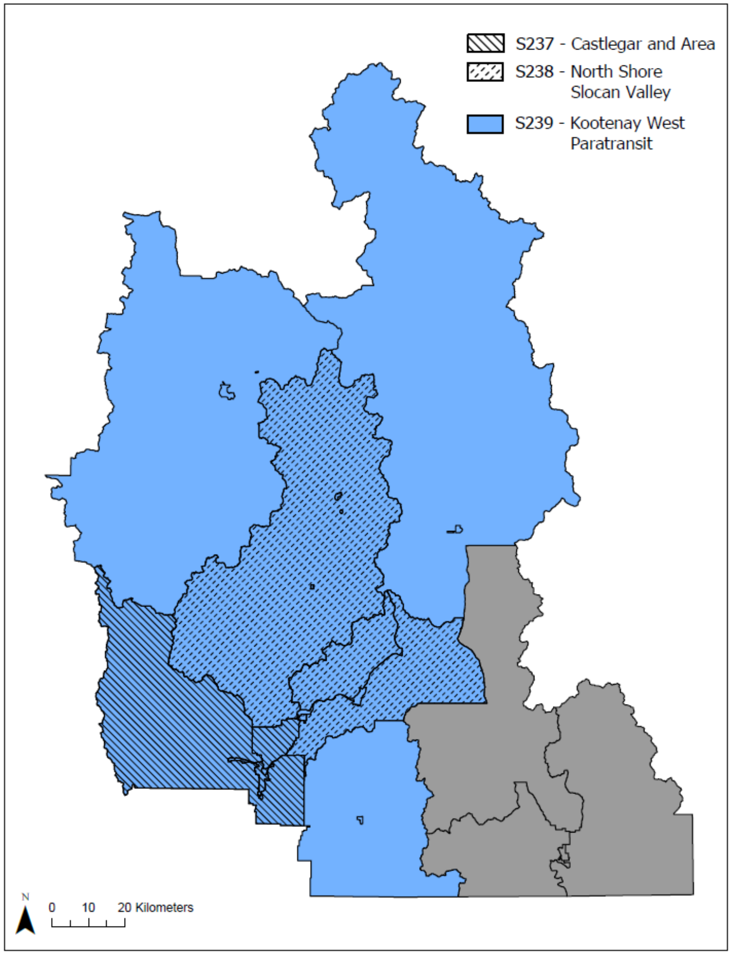
Overview

Funding for RDCK's portion of the West Kootenay Transit System comes from three separate, overlapping service levies. These levies were designed to fund different portions of the system, but the connection to services are opaque and boundaries do not match cleanly with BC Transit's invoicing. The result is an extraordinarily complicated split of revenues and costs.

Overlapping service boundaries can make it difficult to understand what is being paid for. For example, some residents of Areas E and F pay a portion of the S238 North Shore Slocan Valley Service through an assessment, a separate portion of S238 Service through a percentage of costs (shared between the two Areas through assessment), and a portion of the S239 Kootenay Lake West Service through a percentage of costs.

The separate service areas appear designed to ensure that transit costs are fairly spread. However, it appears that additional service and funding areas have been layered on as the system has evolved without recalibrating. In interviews, several Directors indicated it can be challenging to have conversations with constituents about what kind of value they receive from their contributions to the transit system because of difficulty in conveying how funding works.

Further complicating matters, cost apportionment in S238 and S239 are outlined in their respective bylaws, but the rationale for why those costs are apportioned in that manner are not described. Should changes to the system be made, apportionment of funding would not match changes in services without updates to the respective bylaws.



Map of S237, S238, and S239 Services. Note many areas are served by multiple overlapping services. Some service areas contain only parts of Electoral Areas shown.

3.0 Current Funding Model

S237 – Castlegar and Area

RDCK Service S237 serves Castlegar and portions of Electoral Areas I and J. Initially established by RDCK Bylaw 1359 and amended in Bylaw 2708, this service area provides funding for Routes 31, 32, 33, 34, 35, 36, and 38 plus custom transit services within the service area.

The service area is funded based on percentages that allocate costs to each area. These allocation factors include:

- Conventional opportunity (42.5%) – defined as the number of residents within 400 m of a conventional transit stop multiplied by the number of times a bus stops at that location annually.
- Conventional mileage (42.5%) – defined as the annual kilometers required to provide conventional service.
- Custom population (15%) – defined as the population within the custom transit service area.

Based on the current service and funding allocation in the bylaw, costs are allocated as follows:

Area	Percent of costs
Castlegar	83.7%
Area I	6.1%
Area J	10.2%

3.0 Current Funding Model

S238 – North Shore Slocan Valley

RDCK Service S238 serves the North Shore Slocan Valley area, including Areas E, F, H, and the Village of Slocan. Funding pays for Routes 14, 15, and 20, as well as about half of the cost of the Routes 10 North Shore and the 99 Kootenay Connector.

The Bylaw provides for two different funding streams, one from Areas E and F, the other covering Areas E, F, H (only a portion), and the Village of Slocan. Funding for the North Shore Transit services come exclusively from Areas E and F through a shared assessment on the cost of services.

Funding for transit in the Slocan Valley comes from Areas E, F, H, and Village of Slocan through allocation based on percentage of costs, though again Areas E and F are responsible for their share of costs through a shared assessment. The percentage-based split allocates costs as:

Area	Percent of costs
Area E	33% split by assessment
Area F	
Area H	60%
Village of Slocan	7%

Further complicating how funding is requisitioned, BC Transit has multiple invoicing streams for these services, which do not neatly match the service areas outline in the bylaw.

After adding up the overlapping requisitions, the 2024 budget allocated the total costs of the S238 Service as:

Area	Percent of costs
Area E	33%
Area F	33%
Area H	31%
Village of Slocan	4%

3.0 Current Funding Model

S239 – Kootenay Lake West Paratransit

The S239 Kootenay Lake West Paratransit Service is the largest service area funded by RDCK. The Bylaw covers Electoral Areas A (only a portion), D, E, F, G, H, I, J, K and municipalities of Castlegar, Kaslo, Nakusp, Nelson, New Denver, Salmo, Silverton, and Slocan. Funding supports many routes, including portions of Route 10 North Shore and Route 99 Kootenay Connector; Routes 51, 52, 53, 57, 58; and with funding from Interior Health Authority, Routes 72, 74, and 76. These routes represent a mixture of regional connectors, local and regional paratransit, and Health Connections trips.

Funding proportions are outlined in Bylaw 2354 and are shown at right. While the percentage-based allocation is straightforward to describe, the bylaw does not outline how percentages were arrived at and does not provide any method for the allocation to change with the service and the community over time.

The values that led to the allocation of costs in this way are not described, and consequently it is challenging to understand *why* each area pays this amount even if it is simpler to understand *what* each area is paying.

Area	Funding Split
City of Castlegar	8.55%
Village of Kaslo	4.18%
Village of Nakusp	12.60%
City of Nelson	20.15%
Village of New Denver	4.47%
Village of Salmo	0.97%
Village of Silverton	3.40%
Village of Slocan	0.44%
Area A Def	1.71%
Area D	8.47%
Area E	7.86%
Area F	7.43%
Area G	3.22%
Area H	7.60%
Area I	1.85%
Area J	2.52%
Area K	4.58%

4.0 Transit Values in RDCK – Engagement Overview

Engagement Process

In May and June 2024, WATT Consulting Group staff reached out to all 20 Directors on the Regional District of Central Kootenay Board of Directors. Staff were ultimately able to interview **16 Directors**. These interviews lasted approximately 30 minutes and allowed Directors to engage in **values-based discussions about transit** services that exist today, what a successful transit system could look like, and how transit might be funded.

Questions for Directors included themes such as:

- What community challenges does transit help solve?
- Who benefits from transit services?
- What does a successful transit system look like?
- How should improvements in transit be prioritized?
- How should costs be split?
- How much should riders pay for using the system?
- Should people's ability to pay be a factor in how much they are charged for transit services?

The following pages outline key themes heard from the Directors, with a summary at right.

Key Themes

- Transit is viewed largely as a social service but is important for those who need it.

- Transit services would be more useful if they were more frequent and reliable. Improved information about how the system works could also help people to understand options that are available to them.

- Ridership is viewed as the most important metric to measure whether the system is successful, though some directors indicated an interest in hearing about rider outcomes to help them to understand the value that transit is providing in the community.

- The total cost of transit is important, but also the cost to each community.

- Directors felt that those who benefit from transit should bear the cost of providing it. However, many also believe that transit should remain affordable and that those who are least able to pay should still have access to the service.

4.0 Transit Values in RDCK – Key Themes

Community Context

❖ **Universally, responses discussed the rural nature of the RDCK. However, Directors represent many different contexts.**

Directors described populations as generally getting older, though a few areas were described as more family oriented and getting younger.

- Most Directors represent rural areas with dispersed populations. Directors described varied types of rural areas: some described small communities clustered along highways, others described residents living farther from the main roads with difficulty accessing bus stops.
- Directors from more urbanized areas described a different context, but still referenced the rural nature of the community and the challenges that can entail.

Current Services

❖ **Transit's usefulness varies between communities and contexts**

Service levels vary across the region.

- In communities with more transit service, transit is viewed as serving a small, but critical, role in moving people in their communities.
- Transit was viewed as less important to communities with less service and farther from urban centres.

❖ **Directors view the primary users of transit as people who are unable to drive due to age, ability, or income.**

In rural areas, transit service is viewed as a social service that connects people unable to drive to shopping and medical appointments.

❖ **Transit serves students and commuters to a greater degree near the urban centres.**

- In Nelson and Castlegar, Directors also viewed transit as a way for students to connect to classes and after-school activities. This included students at Selkirk College and high school students.
- Though it was less common, Directors also noted that some people rely on transit to commute to jobs. Directors noted that transit service levels and reliability may be preventing people from using it more often for commutes.

4.0 Transit Values in RDCK – Key Themes

Transit's Value to the Community

❖ **Transit's primary role is as a social service connecting people to medical services, and to lesser extents shopping or school.**

Most Directors felt that transit is largely a service for people who are unable to drive due to age, disability, or income.

- Several commented that transit would never be an effective solution for most people because of the rural nature of the community.
- Many Directors viewed transit as important for those who need it, especially for getting to medical appointments.
- Transit is also viewed as important for students and others who may rely on transit because they do not drive.

Components of a Successful Transit System

❖ **High Ridership**

Directors indicated that a successful system should have high ridership.

❖ **High Reliability**

Several Directors discussed reliability and the impact it has on residents.

- In rural areas, where transit operates only certain days of the week or a small number of trips per day, the impact of cancelled or delayed trips is high.
- Directors felt that if people cannot trust the bus to arrive on schedule, they won't be able to use it to attend appointments or commute to work. Directors noted recent reliability issues and were optimistic about upcoming changes to the operating company for the Kootenay Lake West Paratransit services.

4.0 Transit Values in RDCK – Key Themes

Improvements That Should Be Prioritized

❖ More Frequency

- In urban areas, some Directors noted that more frequency was necessary to provide effective service and attract people to try transit for commutes.
- In more rural areas, Directors said that low service levels meant scheduling appointments for only certain days of the week or being forced to wait in town all day if only two trips per day are offered.

❖ Improved Information and Legibility

Service is viewed as difficult to navigate because of multiple zones and complex schedules. Several Directors felt that improved availability of information would boost ridership on the existing services.

❖ Intercity Connections

Many Directors talked about the need for intercity travel within the RDCK.

- People within the urban areas often need to travel between towns and cities to access services.
- Rural residents must get into nearby larger communities to access shopping. One Director noted that many of the communities are quite walkable, and the bigger challenge is moving between communities, not within them.

❖ Flexibility

- On-demand transit, flexible routing, ridesharing, taxis, and organized carpools were viewed as potential solutions to improve the transit experience. However, some Directors didn't feel these would work in their specific communities.
- Many Directors were unsure how alternatives to traditional buses could work but were generally open to experimenting with new service models.

4.0 Transit Values in RDCK – Key Themes

Measuring Success

❖ Ridership numbers are viewed as the most important metric.

Most Directors felt that ridership was the most important way to measure success.

- Ridership was said to help to understand the impact transit has in the community.
- Several Directors mentioned that ridership numbers help them to justify the cost to taxpayers.

❖ Directors were also interested in a fuller understanding of how transit was impacting their communities.

Directors were interested in hearing more than just ridership numbers.

- Several mentioned wanting to hear from riders how transit was impacting their lives.
- Qualitative metrics about transit’s impact and how well it serves people who rely on it were suggested to help understand the system’s success.
- Additional quantitative metrics mentioned include economic development impacts, number people going to medical appointments, or measures of the access transit provides to people.

❖ A better understanding of transit’s impact may help Directors justify the cost of transit services.

Several Directors mentioned they need to justify the cost of the transit services. Regular reporting and additional metrics may help Directors to convey the value of transit to their constituents.

4.0 Transit Values in RDCK – Key Themes

Fares

❖ **Fares should be proportionate to the cost of the ride.**

Most Directors felt that there should be a relationship between the cost of a trip and the fare paid.

- Many expressed that longer, intercity trips should cost more than shorter trips.
- Some mentioned that on-demand services are premium and should cost more.
- However, several Directors also mentioned that the fare structure should be simple and easy to understand.

❖ **Fares need to be reasonable and affordable.**

Directors generally felt that current fares were reasonable, though some suggested modest increases.

- Given the populations riding the bus, many Directors felt raising fares could be a burden on people with fixed or low incomes.
- Others felt that raising fares would discourage people from riding transit.

❖ **Some riders should receive discounts.**

- The Provincially sponsored Kids 12 and Under Ride Free program was universally praised.
- However, Directors were split on offering discounts for people aged 65 and up, with some Directors noting that not everyone over 65 needs a discount.
- Conversations centred around who needed a discount, with most Directors supporting discounts for people with low incomes.
- Other ideas for discounted fares included people over age 75, seniors during off-peak periods only, people with disabilities, and everyone under age 18.

Many Directors spoke positively about the recreation program's low-income subsidy.

4.0 Transit Values in RDCK – Key Themes

Cost Allocation

❖ Cost to taxpayers is important.

Most Directors mentioned that the cost of transit services was an area of importance to them.

- Many mentioned feeling the need to justify the cost to their constituents.
- Both **overall cost of service** and **cost to individual communities** was important.

❖ Beneficiaries should pay the cost of services.

In various ways Directors indicated that the cost of services should be borne by those receiving the benefits of that service.

- Cost allocation based on **ridership** and **service availability** was viewed as linking the benefits to the community with the amount people are charged.
- Several Directors said that people who don't have access to service should not pay into the system.

There was less consensus on population-based allocation factors.

- Some Directors noted that parts of RDCK may not have the ability to pay the full cost of their portion of the system. These Directors felt that there should be some consideration of an area's **ability to pay**.

❖ Multiple factors are key to spreading costs fairly.

Directors generally felt that a mixture of factors was essential to spreading costs in a fair way.

4.0 Transit Values in RDCK – Key Themes

Other Input

❖ **Directors mentioned a variety of other ideas on how to improve transit, including:**

- Improved passenger infrastructure (shelters, seating, bus stop amenities) needed generally and at specific locations;
- A feasibility study to understand where transit can succeed in the region;
- Intercity bus service to Kelowna to access medical services and other needs;
- Ways to support informal networks of ridesharing that already exist, including volunteer driver programs;
- A desire for better communications about existing services;
- Integration of private operators' data into data produced by BC Transit. Private shuttle operators exist in the region, but it can be challenging to discover these options. Including these options in BC Transit produced information and data feeds could help RDCK residents see how these options could serve them.

5.0 Transit Funding Options

Funding Models - Overview

Transit funding models tend to reflect local values around transit and also how communities view their interrelationships in a larger region. As such, communities use different models to allocate costs. However, several allocation methods are common in British Columbia and elsewhere.

Allocation methods tend to address one or both of two concerns:

- Costs can be allocated based on a community's **ability to pay** (more equity-focused)
- Based on the **benefits provided** to that part of the community (more benefits-focused).

Many transit systems rely on multiple factors due to the nature of the problems transit is asked to solve, which often address transportation for people with limited incomes, youth, seniors, and others who may be unable to drive themselves.

The following pages of this report contain example funding models based on engagement with RDCK Directors about who they view transit as serving, the benefits of service, and who should pay for that service.

Directors generally viewed transit as a social service that provided benefits to people who were unable to drive, people with low incomes, and in specific cases to students (primarily those attending Selkirk College). While there was much conversation that those who receive benefits should bear the costs of the service, Directors also acknowledged that people with limited incomes should receive discounts and that some areas of the RDCK may not be able to pay a proportionate share based on low population density and distances required.

The example models in the following section is intended to serve as a starting place for a conversation about allocating costs. It is clear that the current funding model is intended to isolate costs to the areas that services benefit. However, the current model is complex, resulting in challenges to communicating why residents pay a given amount, what services they're paying for, and the amount of benefit to the community of that service.

Furthermore, transit does not simply benefit those who live immediately around a stop. Businesses in Nelson benefit when residents of Nakusp can ride the bus into town for shopping. Everyone in the RDCK benefits from Selkirk College being a more attractive institution because students can study without the cost of a vehicle.

Four of the proposed models outlined in the following section are presented as a single service area. One as separate services. The costs are reflective of all services paid for by the RDCK in the West Kootenay Transit System, and does not include the services paid for by Regional District of Kootenay-Boundary, services wholly paid for and operating within the City of Nelson, or any services in the Creston Transit System.

Simplifying and clearly defining the basis of cost allocation across the Regional District would allow the RDCK to more clearly communicate with residents about how and why costs are assessed to them, the benefits that are associated with those costs, and provide greater transparency into how much each area is paying in total. Using multiple factors, costs can continue to be allocated in a way that is consistent with the values expressed by RDCK Directors and the constituents and communities they represent.

5.0 Transit Funding Options

Typical Cost Allocation Factors

Options are presented for allocation based on the following types, which may also be combined using weighting for several factors:

Allocation Factor	Description	Considerations
Base fee	Each community pays a fixed amount towards the cost of transit services. Communities can all pay the same amount, or different base costs can be assessed through negotiation.	• This factor recognizes the community-wide benefits transit provides and ensures that each community pays some minimum amount towards transit services. • Each community that receives some service pays a portion of transit costs, typically a relatively small amount in recognition of the benefits. • Because each community is charged a flat amount, smaller communities pay more per capita. • This is a blend of charging based on equity and benefits.
Population	Costs are apportioned between communities based on population size. Data typically comes from Statistics Canada and is updated based on new data.	• Population-based allocations reflect each jurisdiction's ability to contribute. • This is considered a more equity-focused measure because it does not consider how much service or benefit a community receives. • This can help to spread costs when some communities are not able to fully pay for the services they receive.
Ridership	Communities pay a portion of costs reflecting the proportion of ridership in their community. This is typically calculated using transit boarding data.	• This factor is tied directly to charging based on who is using the bus. • Because ridership in an area does not necessarily mean that people live there, residents of an area may pay higher rates due to other regional attractions (e.g. Area J has high ridership due to Selkirk College, though many students may live in other Areas/municipalities). • This factor does not take into account the cost of providing the service and will result in higher costs in areas with shorter, more frequent trips and/or places where transfers occur (such as Nelson or Castlegar).

5.0 Transit Funding Options

Typical Cost Allocation Factors

Options are presented for allocation based on, which may also be combined using weighting for several factors:

Allocation Factor	Description	Considerations
Transit Opportunity	Currently used in the S237 Castlegar & Area Service Area, this factor allocates costs based on the population within 400m of a stop multiplied by the number of trips to each stop.	• Opportunity-based factors are closely tied to the potential benefits for local residents. • More densely populated areas typically have more residents within 400m of a stop, leading to higher costs per trip. • This factor does not consider distance, service hours, or cost to provide a service. It may also not reflect coverage for on demand services such as handyDART and does not fully capture opportunity provided by paratransit services.
Mileage, Hours or Number of Trips	Communities are charged based on the distance or hours of service buses travel within their jurisdiction. For the models, weekly mileage was calculated based on the number of trips for each route.	• In some communities this factor can address the extra distance buses must drive in rural communities and the higher costs associated with rural routes. • In some cases, communities may have small portions of a route within their boundaries and costs are weighted towards the surrounding areas. For example, New Denver has very little distance within its boundaries and most costs associated with driving between New Denver and Nelson are attributed to Area H. • Similarly, hours are difficult to tie to a specific community if routes travel through several and number of trips does not necessarily equate to cost to provide a service. Therefore, these metrics should be assessed for how they apply to the specific services in a region.
Maximum Cost Assignment	This measure assigns a specific dollar contribution or percentage to a partner. This value can be applied to one or more partners with the remainder of the costs assigned by the other methods.	• Cost sharing and percentages can be negotiated between communities and partners. • This measure can help to reflect benefits in a community that may not neatly show up in other factors. •Could be used to recover costs from defined portion of an area (e.g. like Area A presently).

5.0 Transit Funding Options

For Reference – Existing Allocation Factors Composition by Community

For reference purposes, the table below lists relevant allocation factors and the proportion in each community of those factors.

	Population	Ridership	Opportunity	Mileage
Castlegar	17.3%	30.1%	43.0%	15.3%
Kaslo	1.2%	0.3%	0.0%	0.1%
Nakusp	3.3%	0.0%	0.0%	0.2%
Nelson	23.0%	36.6%	37.7%	5.5%
New Denver	1.0%	0.0%	0.0%	0.1%
Salmo	2.4%	0.2%	0.1%	0.0%
Silverton	0.3%	0.0%	0.0%	0.0%
Slocan	0.8%	0.4%	1.7%	0.6%
Area D	4.0%	0.4%	0.0%	1.5%
Area E	8.1%	3.5%	3.1%	15.8%
Area F	8.5%	2.4%	6.8%	22.1%
Area G	3.4%	0.1%	0.2%	1.8%
Area H	10.4%	4.1%	2.9%	23.4%
Area I	5.4%	1.0%	2.1%	7.5%
Area J	7.3%	20.9%	2.2%	4.8%
Area K	3.7%	0.0%	0.0%	1.3%

5.0 Transit Funding Options

Current Combined Funding Split

The total regional funding split, based on consolidating the existing service areas and allocations within each, is:

Area	Percentage of Total RDCK Transit Funding
Castlegar	21.0%
Kaslo	1.3%
Nakusp	4.0%
Nelson	6.4%
New Denver	1.4%
Salmo	0.3%
Silverton	1.1%
Slocan	1.9%
Area A Def	0.5%
Area D	2.7%
Area E	18.3%
Area F	18.2%
Area G	1.0%
Area H	17.2%
Area I	1.1%
Area J	2.1%
Area K	1.5%

A Note on Nelson and Castlegar

As noted previously, the percentages shown exclude those paid by the City of Nelson for the conventional transit services operating within its municipal boundary. This explains the difference between Castlegar and Nelson in the table at right, since Castlegar's proportion of costs for the RDCK includes all of its local conventional services.

5.0 Transit Funding Options

Potential Cost Sharing Model 1: Population, Ridership, and Opportunity

Hybrid Population, Ridership, Opportunity																	
	Castlegar	Kaslo	Nakusp	Nelson	New Denver	Salmo	Silverton	Slocan	Area D	Area E	Area F	Area G	Area H	Area I	Area J	Area K	Weight
Population	17.3%	1.2%	3.3%	23.0%	1.0%	2.4%	0.3%	0.8%	4.0%	8.1%	8.5%	3.4%	10.4%	5.4%	7.3%	3.7%	25.0%
Ridership	37.7%	0.4%	0.0%	20.6%	0.0%	0.2%	0.0%	0.5%	0.5%	4.4%	3.0%	0.1%	5.2%	1.3%	26.2%	0.0%	37.5%
Opportunity	43.0%	0.0%	0.0%	37.7%	0.0%	0.1%	0.0%	1.7%	0.0%	3.1%	6.8%	0.2%	2.9%	2.1%	2.2%	0.0%	37.5%
Total	**34.6%**	**0.5%**	**0.8%**	**27.6%**	**0.3%**	**0.7%**	**0.1%**	**1.0%**	**1.2%**	**4.8%**	**5.8%**	**1.0%**	**5.6%**	**2.6%**	**12.5%**	**0.9%**	
$100	**$34.57**	**$0.45**	**$0.84**	**$27.61**	**$0.25**	**$0.71**	**$0.08**	**$1.04**	**$1.17**	**$4.82**	**$5.82**	**$0.95**	**$5.64**	**$2.64**	**$12.46**	**$0.93**	

This model is more heavily weighted towards factors that apply costs to areas that have the direct benefit of transit near them (opportunity) and those that have higher ridership (ridership).

The model results in higher costs for more urbanized areas and lower costs for some rural areas, particularly in the Slocan Valley (Areas E, F, and H). Area J would see a large increase in costs due to the impacts of Selkirk College ridership. The impacts to Area J could be mitigated through use of an assigned percentage.

Costs are significantly reduced for Areas E and F because of the relatively lower ridership and population density associated with those areas compared to Nelson and Castlegar. Some smaller municipalities, such as New Denver, do not have fixed stops within their boundaries and are not given any score for opportunity.

This model demonstrates that the opportunity metric, as calculated currently by the RDCK does not accurately represent benefits of paratransit service. Several municipalities do not have fixed transit stops and therefore do not appear to have opportunity to access transit when in fact they have paratransit service.

5.0 Transit Funding Options

Potential Cost Sharing Model 2: Population, Opportunity, and Mileage

Population, Ridership, Opportunity																
	Castlegar	Kaslo	Nakusp	Nelson	New Denver	Salmo	Silverton	Slocan	Area D	Area E	Area F	Area G	Area H	Area I	Area J	Area K	Weight
Population	17.3%	1.2%	3.3%	23.0%	1.0%	2.4%	0.3%	0.8%	4.0%	8.1%	8.5%	3.4%	10.4%	5.4%	7.3%	3.7%	25.0%
Opportunity	43.0%	0.0%	0.0%	37.7%	0.0%	0.1%	0.0%	1.7%	0.0%	3.1%	6.8%	0.2%	2.9%	2.1%	2.2%	0.0%	37.5%
Mileage	15.3%	0.1%	0.2%	5.5%	0.1%	0.0%	0.0%	0.6%	1.5%	15.8%	22.1%	1.8%	23.4%	7.5%	4.8%	1.3%	37.5%
Total	**26.2%**	**0.4%**	**0.9%**	**22.0%**	**0.3%**	**0.6%**	**0.1%**	**1.1%**	**1.6%**	**9.1%**	**13.0%**	**1.6%**	**12.5%**	**5.0%**	**4.4%**	**1.4%**	
$100	**$26.17**	**$0.36**	**$0.90**	**$21.96**	**$0.27**	**$0.64**	**$0.09**	**$1.07**	**$1.57**	**$9.12**	**$12.97**	**$1.58**	**$12.47**	**$4.98**	**$4.42**	**$1.43**	

This model is also weighted towards areas with greater benefit using distance traveled within an area rather than ridership as a factor. This model aligns with the current allocation of costs in the S237 Castlegar and Area Service Area.

Similar to the previous model, costs in Nelson are drastically higher because of the impact of population density on the opportunity score. Cost for Nakusp, Areas E and F are considerably lower. In other Areas and smaller municipalities costs vary somewhat but not as much as in the previous model.

This model demonstrates how mileage does not accurately assign costs across municipalities that share a long route in RDCK. For instance, the majority of mileage for Route 74 occurs in Area H and does not allocate much cost at all to Nakusp, New Denver, and other municipalities served by the route.

Similar impacts would occur if a methodology using only hours or number of trips were to be developed.

5.0 Transit Funding Options

Potential Cost Sharing Model 3: Base Fee, Mileage, and Ridership

Base Fee, Mileage, Ridership																
	Castlegar	Kaslo	Nakusp	Nelson	New Denver	Salmo	Silverton	Slocan	Area D	Area E	Area F	Area G	Area H	Area I	Area J	Area K	Weight
Base Fee	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	20.0%
Mileage	15.3%	0.1%	0.2%	5.5%	0.1%	0.0%	0.0%	0.6%	1.5%	15.8%	22.1%	1.8%	23.4%	7.5%	4.8%	1.3%	40.0%
Ridership	37.7%	0.4%	0.0%	20.6%	0.0%	0.2%	0.0%	0.5%	0.5%	4.4%	3.0%	0.1%	5.2%	1.3%	26.2%	0.0%	40.0%
Total	**22.4%**	**1.4%**	**1.3%**	**11.7%**	**1.3%**	**1.4%**	**1.3%**	**1.7%**	**2.0%**	**9.3%**	**11.3%**	**2.0%**	**12.7%**	**4.8%**	**13.6%**	**1.8%**	
$100	**$22.42**	**$1.45**	**$1.31**	**$11.70**	**$1.27**	**$1.35**	**$1.26**	**$1.71**	**$2.04**	**$9.35**	**$11.28**	**$1.99**	**$12.66**	**$4.79**	**$13.63**	**$1.79**	

In contrast with other models, this includes a base fee for transit services for all partners, recognizing the share benefits of a regional transit system. Additional factors include mileage and ridership, which tend to impact different parts of the District in different ways.

These factors lead to a model that is closest to existing costs. Costs for Nelson increase, though not by as much as in other models. Costs in Area J increase significantly as well. Costs decrease modestly in Areas E and F. Other parts of the District tend to pay similar amounts to current values.

In previous models, population, ridership, and opportunity tend to increase together. This increase in all three factors means that urbanized areas, particularly Nelson, see larger increases in costs while rural areas see decreased costs. Mileage reflects the increased costs incurred by routes that drive long distances, particularly when there are relatively fewer people along the route. However, as noted in previous slides, the mileage statistic does not fully account for the benefits received by communities farther away in some cases.

5.0 Transit Funding Options

Potential Cost Sharing Model 4: Maximum Cost, Base fee, Mileage, & Ridership

Hybrid Population, Ridership, Opportunity																	
	Castlegar	Kaslo	Nakusp	Nelson	New Denver	Salmo	Silverton	Slocan	Area D	Area E	Area F	Area G	Area H	Area I	Area J	Area K	Weight
Base Fee	8.3%	8.3%	8.3%	-	8.3%	8.3%	8.3%	8.3%	8.3%	-	-	8.3%	8.3%	8.3%	-	8.3%	33.3%
Mileage	29.5%	0.2%	0.3%	-	0.1%	0.1%	0.1%	1.2%	2.9%	-	-	3.4%	45.1%	14.6%	-	2.6%	33.3%
Ridership	82.2%	0.8%	0.0%	-	0.0%	0.5%	0.0%	1.2%	1.0%	-	-	0.2%	11.3%	2.8%	-	0.0%	33.3%
Total	**22.0%**	**1.7%**	**1.6%**	**10.0%**	**1.5%**	**1.6%**	**1.5%**	**2.0%**	**2.2%**	**15.0%**	**15.0%**	**2.2%**	**11.9%**	**4.7%**	**5.0%**	**2.0%**	
$100	**$22.01**	**$1.72**	**$1.59**	**$10.00**	**$1.55**	**$1.63**	**$1.54**	**$1.96**	**$2.25**	**$15.00**	**$15.00**	**$2.18**	**$11.86**	**$4.72**	**$5.00**	**$2.00**	

This model is intended to more closely allocate costs to the existing model. The factors used in the previous models have bias towards assigning higher costs to Nelson because of its relatively higher population density, it's location as the hub where residents from outer areas travel to and potentially transfer in, and does not count the amount of money and service Nelson contributes through its own routes outside of the RDCK funded services. Similarly, the higher service levels in Areas E, F, and H are not well reflected in prior models.

This model attempts to impose some constraints on how much change in funding proportion each partner pays by assigning fixed percentages to Nelson and Areas E, F, and J. The remainder of costs are assigned to other municipalities using a base fee, population, and ridership.

This model provides the most similar cost allocation to the existing model, but still provides additional transparency into how costs are allocated. The fixed proportions for Nelson and Areas E, F, and J are illustrative and can be negotiated between partners.

Potential Cost Sharing Model 5: Hybrid Model

This model attempts to act as a hybrid between the current funding models and a unified service area model. By keeping multiple service areas, costs can be neatly contained and various factors can be used to best account for costs within those service areas.

This model would maintain the S237 Castlegar and Area Service as it is currently in effect. By combining the S238 North Shore Slocan Valley and S239 Kootenay West Paratransit Services the boundaries of the services operated by City of Nelson would more nearly align with the transit service area, allowing for a less complex funding split. This would work best by creating tiers of service and applying allocation factors within each tier. Proposed tiers and allocation methods are shown at right.

The paratransit allocation is suggested to be based on the proportion of hours each route contributes to the total cost. Each jurisdiction served by the route, other than City of Nelson, would equally split the cost of those routes. This method allocates costs to communities that receive service and accounts for the time required to operate the route and the number of trips provided.

As service levels increase at different rates between the service types the costs are clearly allocated to the areas receiving benefits. Should inter-regional service (e.g. to Kelowna) be added, there is a clear framework to layer on additional service types.

Service	Routes Included	Proposed Apportionment factors
Castlegar and Area	**Castlegar and area:** 31, 32, 33, 34, 35, 36, 38, Kootenay Boundary Custom	• 42.5% Conventional opportunity • 42.5% Conventional mileage • 15% Custom population
Kootenay West Fixed Route and Paratransit	**Regional connectors:** 99	• 100% Population-based allocation for current S239 KWP service area (including Nelson and Castlegar)
	Fixed routes: 10, 14, 15, 20	• 100% Ridership-based allocation
	Paratransit and Health Connections: 51, 52, 53, 57, 58, 72, 74, 76	• Hours-based split - each municipality/Area along a route equally splits the hours involved in providing the service (except City of Nelson). For example, BC Transit could provide all hours for paratransit services. If Route 58 Kaslo-Argenta represented 10% of all hours in this tier, Kaslo and Area D would equally split the 10% and each pay 5% of total costs (plus their share for other routes).

5.0 Transit Funding Options

Considerations

Based on developing these models the following considerations emerged when they were applied to the specifics of the Regional District of Central Kootenay:

- **Population** – This factor works well if considering the RDCK without the City of Nelson. Nelson contains 23% of the population of the RDCK. However, the City of Nelson's transit services are paid for through separate means and are not included in the RDCK's transit funding requirements. This factor can lead to Nelson paying a disproportionate share of costs compared to the costs to deliver transit throughout the RDCK when applied to all costs.
- **Ridership** – This factor weights costs heavily towards Nelson, Castlegar, and Area J. Services in these areas carry more riders, but are not necessarily responsible for the same share of costs that ridership allocation would suggest. With shorter routes, these services carry riders for much less cost than longer distance routes that carry fewer passengers.
- **Transit opportunity** – This metric does not capture the actual opportunity provided for paratransit services, custom services. In the S237 Castlegar and Area Service, this method works well, but at the regional scale the more urban areas receive nearly all of the costs based on the number of stops and population densities.
- **Mileage, Hours, of Number of Trips** – Each of these factors attempts to use distance, time, or frequency to approximate the cost of transit to an area. Each of them provides distinct drawbacks when applied to the diverse services in the RDCK. Mileage is shown in models because it is in use in S237 Castlegar and Area, however, it is not effective at spreading costs based on benefits on longer routes throughout the RDCK.
- **Maximum cost assignment** – This method tries to correct for areas that do not work well with certain allocation factors. In particular, Nelson and Areas E, F, and J could benefit from a negotiated percentage based if a District-wide service area were to be implemented.
- **Hybrid model** – The RDCK may wish to keep certain aspects of the current funding model while benefiting from changes. A hybrid model can offer some additional simplicity and transparency, while continuing to ensure costs for services are isolated to areas that receive benefits. This allows for different methods to be used to allocate costs where they make the most sense. Additionally, a workable cost allocation framework is in place if inter-regional (e.g. to Kelowna) services are developed.

6.0 Recommendations

Recommendations

1. **RDCK Directors should initiate a conversation about how transit funding can be simplified.** Consolidating some or all of the existing service areas will reduce complexity and improve understanding of how different areas of the District pay into transit services.

2. **New funding models should explicitly state how cost allocation is arrived at.** Funding bylaws that explicitly state how costs should be allocated will allow staff to keep funding percentages up to date as the system evolves. This also increases transparency for residents of the District and allows the community to better understand the benefits they are paying for.

3. **Any new funding models should use multiple factors to allocate costs.** The example models demonstrated the diverse service area characteristics (size of Areas and municipalities, variations in population density, type of service deployed) make it impossible to select a single funding factor that works as a proxy for the benefits received by transit.

4. **Based on expressed values, Potential Models 4 and 5 provide the greatest benefits.** Directors should discuss the trade-offs of implementing a single service area model or a hybrid model between the single service area and the existing model. Both models would provide a simpler link between transit costs and benefits received compared to the current model.