

REGIONAL DISTRICT OF NANAIMO

SPECIAL BOARD MEETING

TUESDAY, MARCH 13, 2007

(immediately following the Committee of the Whole meeting)

(RDN Board Chambers)

A G E N D A

CALL TO ORDER

DEVELOPMENT SERVICES

BUILDING & BYLAW

2-5 Moved-on Buildings.

TRANSPORTATION SERVICES

6-14 Regional District of Nanaimo District 69 Community Bus Transit Service
Amendment Bylaw No. 897.05.

**SCHEDULED STANDING, ADVISORY STANDING AND SELECT
COMMITTEE REPORTS**

Selection Committee Appointments. (Verbal report)

ADDENDUM

NEW BUSINESS

ADJOURNMENT

IN CAMERA

*That pursuant to Section 90(1) (g) of the Community Charter the Board proceed
to an In Camera meeting to consider items relating to legal matters.*



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MAR - 7 2007	
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CHAIR	BOARD
<i>Special Board</i>	

MEMORANDUM

TO: Paul Thorkelsson
General Manager, Development Services

DATE: March 8, 2007

FROM: Herman Koolman
Manager, Building & Bylaw Services

SUBJECT: Proposed Changes to Building Bylaw 1250, Section 18 – Moved on Buildings

PURPOSE

To introduce an amendment Bylaw to “Regional District of Nanaimo Building Regulation and Fees Bylaw No. 1250, 2001,” regarding the regulation of “Moved on Buildings.”

BACKGROUND

The Board at its regular Board meeting on Tuesday, February 27, 2007, directed staff to review the Moved on Buildings guidelines contained in the Building Bylaw.

The review was requested based upon a recent application to relocate a house on a large rural lot. Under the current requirements of the bylaw, the calculated bonding amount was in excess of \$30,000 due to the significant value of the property on which the house is to be located.

A survey of adjoining jurisdictions to the Regional District of Nanaimo (RDN) indicated that the majority of these adjoining jurisdictions attempt to regulate the placement of moved-on buildings. City of Nanaimo’s guidelines require the dwelling to be assessed at 125 percent of the adjoining properties’ buildings (improvement) value with a \$2,000 bond. City of Parksville will only allow buildings built within the City of Parksville to be moved within Parksville, and the dwelling must appraise at 125 percent of the adjoining properties’ buildings with a \$1,000 bond. Buildings built in other jurisdictions are unable to be located to the City of Parksville. Comox-Strathcona Regional District only requires that the building be structurally sound, and the Cowichan Valley Regional District has no guidelines for moved-on buildings.

The current RDN Moved on Buildings guidelines restrict the reuse of existing housing stock and is an impediment to the reuse of good affordable housing. These guidelines are in effect in inspection areas only.

The proposed changes to the bylaw are the following:

1. Changes to how the bond is calculated based to the value of improvements only; for example, the bond for a Tiesu Road property using the existing method is \$34,000, with the proposed method it would be \$6500.
2. Remove minimum building size.
3. Remove landscaping requirement.

4. Set a maximum bond amount of \$10,000.
5. Have the entire bond amount be forfeited to the RDN if the project is not completed.
6. Have the rules apply to all zones with no change from rural to residential.

ALTERNATIVES

1. Adopt the proposed changes to Bylaw 1250.
2. Do not alter the existing bylaw.

FINANCIAL IMPLICATIONS


1. There are no financial implications to the proposed bylaw changes.

CONCLUSION

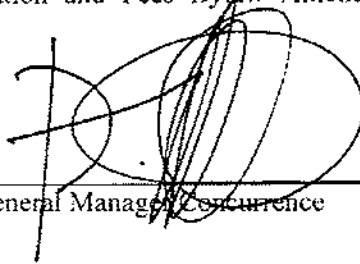
The current Moved on Buildings guidelines restrict the reuse of existing housing stock and places financial hardships on a form of affordable housing. The proposed changes will bring our guidelines in line with the RDN's neighboring jurisdictions and allow for the reuse of existing housing versus their destruction.

RECOMMENDATION


1. That "Regional District of Nanaimo Building Regulation and Fees Bylaw Amendment Bylaw No. 1250.03, 2007," be introduced and read three times.
2. That "Regional District of Nanaimo Building Regulation and Fees Bylaw Amendment Bylaw No. 1250.03, 2007," be adopted.



Report Writer



General Manager/Concurrence



CAO Concurrence

COMMENTS:

devsvs/reports/2007/mr Proposed Changes to Building Bylaw 1250.01 & 1250.02, Section 18 – Moved on Buildings Special Board Report

REGIONAL DISTRICT OF NANAIMO

BYLAW NO. 1250.03

A BYLAW TO AMEND REGIONAL DISTRICT OF NANAIMO BUILDING REGULATION AND FEES BYLAW NO. 1250, 2001

The Board of the Regional District of Nanaimo, in open meeting assembled, enacts as follows:

A. "Regional District of Nanaimo Building Regulation and Fees Bylaw No. 1250, 2001," Section 18, is hereby deleted and replaced, in its entirety, with the following:

- (1) No person shall move or cause to be moved any building into the Regional District or from one parcel to another in the Regional District without first obtaining a Building Permit to carry out such move and to site the building on the parcel to which it is to be moved.
- (2) The following information must be provided when applying for a Building Permit for a moved-on building:
 - (a) Certification from a Registered Professional that the structure is safe for its intended use;
 - (b) Detailed plans and specifications of the proposed relocation and rehabilitation of the building;
 - (c) Detailed plans and specifications of the building siting, parcel landscaping, paving, and other site improvements proposed on the parcel;
 - (d) A report from an accredited appraiser (A.A.C.I.) showing the appraised value of the moved-on building; and,
 - (e) The building must appraise (as determined by an accredited appraiser (A.A.C.I.) at a value equal to or greater than 100 percent of the average assessed value of the improvements (as determined by the BC Assessment Authority) of the neighbouring developed properties within 100 metres.
- (3) The security shall be drawn upon by the Regional District in the form of a standby irrevocable letter of credit without an expiry date or a certified cheque for the amount equal to five percent of the appraised value to a maximum of \$10,000 as identified in Section (2) (d).

If the building or part of it is not completed or an occupancy permit has not been issued within the specified time, the Building Official may send a written notice to the owner stating that the building does not comply with this bylaw or other enactment and direct the owner to remedy the non-compliance within thirty days from the date of service of the notice. If the non-compliance is not remedied within the thirty-day period, the certified cheque or other security shall be forfeited to the Regional District of Nanaimo.

These provisions do not apply to a certified factory built house that meets or exceeds the CAN/CSA Z240 MH Series and the CSA A-277- M1990.

- B. "Regional District of Nanaimo Building Regulation and Fees Bylaw Amendment Bylaw No. 1250.01, 2005," and "Regional District of Nanaimo Building Regulation and Fees Bylaw Amendment Bylaw No. 1250.02, 2007," are hereby repealed.
- C. This Bylaw may be cited as "Regional District of Nanaimo Building Regulation and Fees Bylaw Amendment Bylaw No. 1250.03, 2007."

Introduced and read three times this 13th day of March 2007.

Adopted this 13th day of March 2007.

Chairperson

Senior Manager, Corporate Administration



RON	
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MAR - 6 2007	
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CHAIR	BOARD
Special Board	

MEMORANDUM

TO: Carol Mason
Chief Administrative Officer

DATE: March 6, 2007

FROM: Dennis Trudeau
General Manager of Transportation Services

FILE: 8600-01

SUBJECT: District 69 Transit – Bylaw Amendment No. 897.05

PURPOSE

To bring forward a Bylaw to amend the apportionment formula for the District 69 community bus service.

BACKGROUND

Route changes implemented in District 69 in 2006 resulted in significant changes in costs to the participants. As a result staff was directed by the Board to develop a new formula that would reduce the shifts in costs resulting from changes in service in District 69. A new apportionment formula that recognizes the fixed cost of the service was developed and approved by the Transit Select Committee on January 25, 2007.

The changes in the cost apportionment formula require an amendment to the “Regional District of Nanaimo District 69 Conventional Transit Local Service Area Bylaw No. 897, 2004.” A bylaw to amend the apportionment formula for the District 69 community bus service – Bylaw No. 897.05 is attached for consideration (*Appendix 1*).

ALTERNATIVES

1. Introduce Bylaw No. 897.05 for the first three readings and forward it to the Inspector of Municipalities for approval.
2. Make no changes at this time.

FINANCIAL IMPLICATIONS

The amended bylaw allocates 40% of the requisition on a fixed basis; the balance of the requisition will continue to be based on the usage formula. Details of the cost apportionment by participant are outlined in the attached information report (*Appendix 2*) approved at the January 25, 2007 Transit Select Committee meeting.

SUMMARY

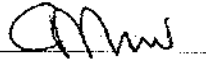
Changes to the District 69 cost apportionment formula were recommended by the Transit Select Committee and approved by the Board at its meeting held on February 27, 2007. The changes to the cost apportionment require an amendment to the “Regional District of Nanaimo District 69 Conventional Transit Local Service Area Bylaw No. 897” prior to incorporating them into the 2007 budget.

RECOMMENDATION

That “Regional District of Nanaimo District 69 Community Bus Transit Service Amendment Bylaw No. 897.05, 2007” be introduced for the first three readings and be forwarded to the Inspector of Municipalities for approval.



Report Writer



Chief Administrative Officer

COMMENTS:

REGIONAL DISTRICT OF NANAIMO

BYLAW NO. 897.05

**A BYLAW TO AMEND THE
APPORTIONMENT FORMULA FOR THE
DISTRICT 69 COMMUNITY BUS SERVICE**

WHEREAS the Board of the Regional District adopted “Regional District of Nanaimo District 69 Conventional Transit Local Service Area Establishment Bylaw No. 897, 1993”, which established a conventional transit service in District 69;

AND WHEREAS the Board of the Regional District adopted “Regional District of Nanaimo District 69 Community Bus Transit Service Amendment Bylaw No. 897.04, 2004”, which established a community bus service in District 69;

AND WHEREAS the participants wish to amend the apportionment formula;

AND WHEREAS the Board of the Regional District of Nanaimo has obtained the consent of at least 2/3 of the participants pursuant to Section 802(1)(b) of the *Local Government Act* for amending establishing bylaws;

NOW THEREFORE the Board of Directors of the Regional District of Nanaimo in open meeting assembled enacts as follows:

1. “Regional District of Nanaimo District 69 Conventional Transit Local Service Area Establishment Bylaw No. 897, 1993” is amended by:

Deleting Section 5 (Apportionment) and substituting the following:

5. Apportionment

- (1) In this section “Annual Operating Agreement” means an Operating Agreement as defined in the *British Columbia Transit Act* or a similar type of agreement under any successor enactment.
- (2) 40% of the annual requisition shall be apportioned on the basis of the proportion of population of a participant to the total population of all participants in the service, with population being established by the most recent official census.
- (3) 60% of the requisition shall be apportioned by calculating a percentage of service in the following manner:

For Conventional service

- (i) 77% x the percentage of revenue hours attributed to a participating area reported for the period January 1 to December 31 of the prior year

Plus

- (ii) 23% x the percentage of revenue kilometres attributed to a participating area reported for the period January 1 to December 31 of the prior year.

The total of (i) and (ii) shall be multiplied by the proportion that conventional transit revenue hours represent of the total revenue hours for both conventional and custom service as derived from the Annual Operating Agreement for the prior year.

Plus

For Custom service

The proportion of the number of rides reported for a participant to the total number of rides for all participants multiplied by the proportion that custom transit revenue hours represent of the total revenue hours for both conventional and custom service as derived from the Annual Operating Agreement for the prior year.

- (4) Notwithstanding (2) and (3) above, for the year 2007 the apportionment formula shall be phased in and the requisition shall be apportioned as follows:

City of Parksville	\$ 217,290
Town of Qualicum Beach	\$ 156,234
Electoral Area 'E'	\$ 60,385
Electoral Area 'G'	\$ <u>71,091</u>
Total	\$ <u>505,000</u>

2. This bylaw may be cited as "Regional District of Nanaimo District 69 Community Bus Transit Service Amendment Bylaw No. 897.05, 2007."

Introduced and read three times this 27th day of March, 2007.

Received the approval of the Inspector of Municipalities this _____ day of _____, 2007.

Adopted this _____ day of _____, 2007.

CHAIRPERSON

SR. MGR., CORPORATE ADMINISTRATION



MEMORANDUM

TO:	Carol Mason Chief Administrative Officer	DATE:	January 24, 2007
FROM:	Dennis Trudeau General Manager of Transportation Services	FILE:	8620-30
SUBJECT:	District 69 Transit Funding Formula		

PURPOSE

To present a proposal to amend the apportionment formula for allocating the annual requisition among the participants of the District 69 Transit service.

BACKGROUND

Route and schedule changes for District 69 were implemented in July 2006. The changes addressed concerns from the Town of Qualicum Beach that a number of routes in their jurisdiction were underutilized. The changes in routes removed some service from the Town of Qualicum Beach and Electoral Area 'G'. In addition to these changes handyDART service was introduced to replace the prior community bus service. From a cost-sharing perspective the total hours within District 69 remained relatively the same, however, the level of service changed among the participants, with the City of Parksville having a significant increase in the proportion of service and consequently a significant increase in its annual costs. The City of Parksville expressed concern that it did not request the additional service or the additional costs. Faced with the deadline for adopting the 2006 budget and concern over the results of the route changes among the participants for 2006, staff proposed that the 2006 requisition be allocated using the 2005 service levels.

The Transit Select Committee at its March 2, 2006 meeting considered a staff report regarding the District 69 transit service and passed the following resolutions:

That staff work with the participants to amend the cost sharing formula for 2007 and subsequent years to provide for more certainty of costs over a period of time, a mechanism to allow notice of change requests to be planned for in a more systematic way and an opportunity for a participant to accept or reject a change in their service levels and cost structure.

That any identifiable cost savings from the 2006 schedule changes be considered for retroactive adjustment to the participants in 2007 in recognition of no change in the cost apportionment formula for 2006.

The current cost-sharing formula is entirely driven by a combination of hours and distance on the routes in each jurisdiction. However transit operations have significant fixed costs that are difficult to reduce in proportion to route changes. Route changes do not necessarily result in a reduction in costs but they can result in an increase or decrease in costs to a jurisdiction simply by applying a 100% “usage” based formula. Further, as an integrated transit service between both District 68 and District 69, there are some constraints to making significant changes in service levels in only certain parts of the Regional District. For instance, staff worked within the existing service hours provided in District 69 while attempting to address the desire for changes in the way the service is provided.

A number of cost sharing alternatives have been examined which would address two major concerns:

- 1) planning certainty for setting routes and,
- 2) financial certainty for responding to the consequences of route changes.

Planning certainty – staff have found that responding to requests for changes while bearing in mind the cost-sharing formula is quite challenging. Simply put, staff needs more time to analyze, cost and recommend the timing for Transit route changes.

Financial certainty - This is important when staff calculate the cost impact to each jurisdiction for the next year’s annual budget and flows directly from the route analysis.

Other jurisdictions in BC use a number of strategies to apportion costs for transit systems that serve more than one community. They range from formulas based on population and assessment to those that use revenue hours and revenue kilometres. A more equitable system would be one that would allow for improvements to the system, without negatively impacting other participants with a large shift in tax burden, and still recognize a usage component that reflects the benefits received in a community.

It is staff opinion that the current formula does not sufficiently acknowledge the largely fixed cost nature of the transit service. An analysis has been performed by staff that indicates that approximately 40% of Transit costs would be considered fixed operating costs. The major components of those fixed costs are vehicle fleet lease costs and insurance, overall administration including administrative wages and benefits, building and office operations and maintenance, marketing, and other similar costs. In addition, for each reduction in wages and other eligible costs only 50% saving is actually realized as this funding is cost-shared with BC Transit at 47% therefore grant revenues would be reduced proportionately. With this in mind, staff explored alternatives which would place some emphasis on a fixed cost portion as well as a service level based component.

Based on the direction from the Board, staff has consulted with staff from the City of Nanaimo, the District of Lantzville, the City of Parksville and the Town of Qualicum Beach regarding the transit funding formula. All parties agree that a formula, which reduces the tax burden swing resulting from schedule changes, will assist in allowing route changes to take place without immediate concern over which participant will be affected. To allow for small changes to be made that improve the system without having to change apportionment amounts throughout the year, it is recommended that the formula should be based on the prior year’s service. The formula being proposed would be applied as follows:

- 1) 40% of the annual requisition will be allocated on the basis of population and,
- 2) the remainder of the requisition will be allocated on the basis of hours and distance (same as current method) based on the prior year’s actual service.

Three options for the different levels of fixed costs are shown in the Financial Implications Section. At higher levels of fixed costs there is a lower affect from schedule changes. Staff estimates that between

Qualicum Beach and the City of Parksville (the two major participants) at a 40% fixed cost portion, each 1% change in service would increase or decrease a participant by about \$3,000. At the 50% level, a 1% change in service would cost approximately \$2,500. The Schedule also shows a two year implementation for a revised formula. In recognition that the 2006 requisition allocations did not reflect the change in service in District 69, the Town of Qualicum Beach is owed a "credit" of approximately \$40,150. Staff is recommending that this amount be reimbursed to the Town over a two to three year period (to be confirmed once surplus amounts are calculated) as a cost to the annual budget. An adjustment of \$7,880 is due to Electoral Area 'G' - this is a smaller adjustment and must be done through a requisition adjustment. Staff recommends this as a one time adjustment in 2007. Changing the allocation formula will involve amending the establishing bylaw.

As noted earlier, staff from the RDN and the member municipalities has spent significant time resolving the cost implications of the 2006 District 69 service modifications. While minor schedule changes can continue to be acted upon fairly quickly, staff would like to recommend that significant route change requests by a jurisdiction be given with one year notice in order to allow staff adequate time to plan for the changes, consult and properly inform all the participants of the impacts of the change.

ALTERNATIVES

1. That staff be directed to amend the District 69 establishing bylaw to implement a formula which allocates net costs as follows:
 - a) 40% based on population;
 - b) the remainder allocated as 77% times the number of hours plus 23% times the number of kilometres; and,
 - c) that the cost apportionment formula be based upon the prior year's actual service received from January 1 to December 31 to be implemented in 2008.
2. Direct staff to amend the formula using an alternative fixed percentage.
3. Do not make any changes to the 2007 tax requisition and direct staff to review other options to apportion transit costs.

FINANCIAL IMPLICATIONS

If the 2007 requisition was based on the existing formula with the new routes the impact would be as follows:

	2006 Ratios	2007 Preliminary (using 2006 ratios)	2007 Revised using existing formula and new schedule	Final Revised Ratios
Parksville	37.0%	\$ 191,757	\$ 289,976	55.9%
Qualicum Beach	37.4%	\$ 193,983	\$ 103,229	19.9%
Electoral Area 'E'	10.4%	\$ 53,794	\$ 56,543	10.9%
Electoral Area 'G'	15.3%	\$ 79,207	\$ 68,993	13.0%
TOTAL	100%	\$ 518,741	\$ 518,741	100%

As discussed the changes are a significant swing in costs for the participants. Staff is proposing a new formula that allocates net costs by a percentage based on population with the remainder allocated as 77%

times the number of hours plus 23% times the number of kilometres based on the prior year's actual service from January 1 to December 31. The following tables shows the impacts of these proposals at

35%, 40% and 50% fixed costs. The formula is being phased in over two years and includes a requisition adjustment of \$7,880 is due to Electoral Area 'G'.

Option A – 35% Fixed Cost

	2007 Preliminary Before Service Adjustments	2007 Provisional Overall Requisition Change	2007 Revised (with reduced requisition and first year phase in)	2007 Revised Overall Requisition Change	2008 Projected Final (phase in complete)
Parksville	\$ 191,757	4.4%	\$ 219,871	5.0%	\$ 249,413
Qualicum Beach	\$ 193,983	4.3%	\$ 155,222	2.1%	\$ 116,946
Electoral Area 'E'	\$ 53,794	6.2%	\$ 59,671	6.7%	\$ 65,924
Electoral Area 'G'	\$ 79,207	6.0%	\$ 70,237	5.6%	\$ 80,292
TOTAL	\$ 518,741		\$ 505,000		\$ 512,575

Option B – 40% Fixed Cost

	2007 Preliminary Before Service Adjustments	2007 Provisional Overall Requisition Change	2007 Revised (with reduced requisition and first year phase in)	2007 Revised Overall Requisition Change	2008 Projected Final (phase in complete)
Parksville	\$ 191,757	4.4%	\$ 217,290	4.9%	\$ 244,213
Qualicum Beach	\$ 193,983	4.3%	\$ 156,234	2.1%	\$ 118,986
Electoral Area 'E'	\$ 53,794	6.2%	\$ 60,385	6.8%	\$ 67,363
Electoral Area 'G'	\$ 79,207	6.0%	\$ 71,091	5.6%	\$ 82,013
TOTAL	\$ 518,741		\$ 505,000		\$ 512,575

Option C – 50% Fixed Cost

	2007 Preliminary Before Service Adjustments	2007 Provisional Overall Requisition change	2007 Revised (with reduced requisition and first year phase in)	2007 Revised Overall Requisition Change	2008 Projected Final (phase in complete)
Parksville	\$ 191,757	4.4%	\$ 212,129	4.7%	\$ 233,813
Qualicum Beach	\$ 193,983	4.3%	\$ 158,259	2.2%	\$ 123,067
Electoral Area 'E'	\$ 53,794	6.2%	\$ 61,813	6.9%	\$ 70,241
Electoral Area 'G'	\$ 79,207	6.0%	\$ 72,799	5.7%	\$ 85,454
TOTAL	\$ 518,741		\$ 505,000		\$ 512,575

CONCLUSIONS

The 2006 route changes implemented in District 69 resulted in a significant increase in costs to the City of Parksville and a lesser impact to Electoral Area 'E'. Notwithstanding that service was improved somewhat in the City, the dollar value of the change highlighted the sensitivity of the current 100% usage

based formula to such changes. The weakness of a 100% usage formula is particularly evident in an area that has very little service where those fixed costs for wages vehicles and administration are borne by the largest participants. Following a staff report the Transit Select Committee directed staff to explore alternative formulas for cost sharing.

After considerable consultation with municipal staff, staff is recommending that a formula that allocates some portion of the requisition on a fixed basis will reduce the volatility of the existing formula and be more equitable. Three options have been illustrated in the Financial Implications Section with the fixed cost portion ranging from 35% to 50%. Staff recommends a fixed cost of 40% as providing the greatest level of certainty as well as still offering route flexibility. Staff believes that the proposed formula also provides equity in recognizing the benefits of sharing fixed costs as well as allocating cost on the basis of actual usage at 60%.

Additionally, two further adjustments need to be addressed. The first is a credit to Qualicum Beach for 2006 – this amounts to \$40,150 and staff recommends reimbursing Qualicum over a two to three year period (to be confirmed once surplus amounts are calculated) as part of the annual budget. A smaller credit is due to Electoral Area 'G' and staff recommends that the 2007 requisition be adjusted on a one time basis in 2007.

It is evident that large changes to the transit system can take significant resources to ensure all issues are dealt with properly. While minor schedule changes can continue to be acted upon fairly quickly, staff would recommend that significant route change requests by a jurisdiction be given one year notice in order that staff has adequate time to plan for the changes, consult and properly inform all the participants of the impacts of the change.

RECOMMENDATION

1. That staff be directed to amend the District 69 establishing bylaw to implement a formula which allocates net costs as follows:
 - a) 40% based on population;
 - b) the remainder allocated as 77% times the number of hours plus 23% times the number of kilometres; and,
 - c) that the cost apportionment formula be based upon the prior year's actual service received from January 1 to December 31 to be implemented in 2008.

Original signed by D. Trudeau

Report Writer

Original signed by C. Mason

CAO Concurrence

COMMENTS: