

Office of the Secretary-Treasurer

Kim Morris - Secretary Treasurer

TO: Board of Education
FROM: Kim Morris, Secretary-Treasurer
RE: Report on Purchasing Zero Emissions Buses
DATE: June 21, 2021

Background

The Greater Victoria School District No. 61 has been relying on an outside contractor to supply regular program bus service to students that live within catchment and outside GVSD walk limits. While we strive to contract the safest and most cost effective provider, we find ourselves paying for a service that can be operated in-house more effectively and efficiently. For 2020-21, the District is under contract and supplies regular program bussing to approximately 120 students.

Initiative

In the 2021-22 Capital Plan, the District submitted a request to the Ministry of Education, and has been approved to purchase four school buses. The GVSD is moving forward to provide scheduled in-house school bussing using a fleet of new electric school buses. Targeted funding is provided by the Ministry of Education, the Ministry of Energy, Mines and Low Carbon Innovation, and Federal grants and loans specific to school bus electrification. The buses will be used to transport students daily living within catchment and outside the walk limits, as well as field trips which will lower costs to schools. The District plans to purchase electric buses that will assist with the Board's June 2019 commitment to the Climate Emergency and lower our greenhouse gas emissions.

Execution

In order to add four new electric buses to our current fleet of two gasoline buses, the Facilities Department has visited many school sites to determine the best location to accommodate the increased fleet.

Colquitz Middle School has been identified as the ideal location for reasons listed below:

- Many of the approved regular program bussing students attend Colquitz Middle School.
- Colquitz Middle School has the space to accommodate the buses with little to no disruption to the school.
- The infrastructure is located on Interurban Road for electric charging stations.

Currently, the Facilities Grounds Department has a lock up on the southwest side of Colquitz Middle School property. As seen on the attached drawings, Appendix 1, the following will occur to make this project viable for all parties:

The Greater Victoria School District wishes to recognize and acknowledge the Esquimalt and Songhees Nations, on whose traditional territories, we live, we learn, and we do our work.

- The current grounds compound will move 27-32 feet to the east.
- All the grounds items currently stored on the west side of the compound will move to the east side to ensure the buses can safely park within the compound.
- Instead of a fence between the compound and the pathway, an 8 foot wall will be made using QuikBlocks
- The walking pathway will move 27-32 feet to the east to ensure the safety of students.
- The electric charging stations will be installed at the far end of the compound on the south end.
- The buses will enter and leave the compound using the access off of Interurban Road.

The cost of the bus compound at Colquitz Middle School is estimated to be \$250,000 and is budgeted from Annual Facilities Grant.

Relative to Policy 7122 – Community Involvement in the Process of Building and Site Development, the Manager of Capital Planning and Implementation, Marni Vistisen-Harwood along with the Fleet and Transportation Manager, Eric Fischer have met with the Principal and Staff of Colquitz Middle School and the Principal distributed relative information to neighbours of the school. There were no objections.

Funding

Funding is available from various sources but not enough to cover the full cost of the electric buses as set out below:

	Bus 1	Bus 2	Bus 3	Bus 4	Total
Cost					
E-bus Cost	359,500	359,500	359,500	359,500	1,438,000
Taxes	28,760	28,760	28,760	28,760	115,040
Total Cost	388,260	388,260	388,260	388,260	1,553,040
Funding Sources					
CleanBC Funding (33% of total cost)	(118,635)	(118,635)	(118,635)	(118,635)	(474,540)
Capital Plan Funding from Ministry of Education	(178,448)	(178,448)	(178,448)	(178,448)	(713,792)
Additional funding specific to e-bus acquisitions from Ministry of Education	(30,000)	(30,000)	(30,000)	(30,000)	(120,000)
Core CNCP Funding (one time funding per school district) from Ministry of Education	(50,000)	0	0	0	(50,000)
Total Funding Available	(377,083)	(327,083)	(327,083)	(327,083)	(1,358,332)
Remainder to Fund (SD61 or Canada Infrastructure Bank Loan)	(11,177)	(61,177)	(61,177)	(61,177)	(194,708)

With a remainder to fund of \$194,708 for four buses, the Board may wish to cover the delta using one of the following methods or a combination of methods:

1. Self-finance with operating cost savings over 4.2 years;
2. Surplus appropriation in September 2021
3. Additional 2021-2022 regular or international enrolment increase revenue in September
4. Finance the amount over a period of time.

If considering Method 1, attached is an operating savings analysis over a five year period indicating that within 4.2 years, the Board could pay for the delta by dedicating annual savings to capital. The risks in Method 1 are:

1. operating savings would not contribute to additional or prioritized initiatives until year 5; and
2. the transaction would involve redirecting local capital already targeted for specific purposes.

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One *Learning* Community



If considering Method 2 and 3, there is risk relative to competing interests and priorities for one time initiatives, attending to items in the 2021-2022 budget that were not included, increased cost pressures on the District that accompany increased enrolment and potential changes to teacher average salary.

If considering Method 4, the Canadian Infrastructure Bank, in partnership with the Association of School Transportation Services of BC, has created a credit facility whereby financing is available at a rate of 1% over 10 years. This method would require an operating expense budget of \$20,500 per year offset by the \$44,000 to \$48,000 savings per year, thus netting the district \$23,500 to \$27,500 additional discretionary operating funds per year. Method 4 would require a capital bylaw for borrowing and permission from the Ministry, such permission provided in principle to the Secretary-Treasurer by the Ministry on June 15, 2021. Three other school districts in BC are currently pursuing this option.

RECOMMENDATION:

WHEREAS:

The Board is purchasing four electric buses;

The Board will reduce and/or eliminate the need for bussing contractors once the electric buses are in place;

The Board will recognize \$44,000 to \$48,000 operating savings per year by using electric buses and reducing/eliminating bussing contractors, once the buses are in place;

The funding to capital cost delta for the four buses is \$194,708,

BE IT RESOLVED

That the Board of Education of School District No. 61 (Greater Victoria) finance the 2021-2022 \$194,708 delta utilizing Method 4: Finance over a period of time with the Canadian Infrastructure Bank and Association of School Transportation Services of BC credit facility, as presented;

AND FURTHER

That the Secretary-Treasurer be directed to seek permission from the Minister of Education to borrow;

AND FURTHER

That the Secretary-Treasurer be directed to bring a capital bylaw for three readings relative to the borrowing, to a future Board meeting.

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Capital Costs				Year One
Vehicles	# of vehicles	Capital Cost		Total
Type C Electric - Incl Charging station	4	\$ 388,260.00	\$ 1,553,040.00	\$ 1,553,040.00
Total Accumulated Funding and Grants-See Information Page				\$ 1,358,332.00
Total Capital Requirement				\$ 194,708.00

Operating Costs	# of vehicles	Cost	Year One	Year Two	Year Three	Year Four	Year Five
Electricity - Estimate 50% of Fuel Costs	4	\$2,187.00	\$ 8,748.00	\$ 8,966.70	\$ 9,190.87	\$ 9,420.64	\$ 9,656.16
Maintenance - Estimate 25% of Conventional Costs	4	\$837.00	\$ 3,348.00	\$ 3,431.70	\$ 3,517.49	\$ 3,605.43	\$ 3,695.57
Insurance and Licensing	4	\$1,184.00	\$ 4,736.00	\$ 4,854.40	\$ 4,975.760	\$ 5,100.15	\$ 5,227.658
Staffing			\$ 155,102.98	\$ 158,205.04	\$ 162,160.16	\$ 166,214.17	\$ 170,369.520
Annual and Ongoing Training			\$ 20,000.00	\$ 20,500.00	\$ 21,012.50	\$ 21,537.81	\$ 22,076.26
Software - Traversa			\$ 10,000.00	\$ 10,250.00	\$ 10,506.25	\$ 10,768.91	\$ 11,038.13
Miscellaneous (GPS/2 Way Radios/Cellphones)			\$ 1,052.00	\$ 1,078.30	\$ 1,105.26	\$ 1,132.89	\$ 1,161.21
Total			\$ 202,986.98	\$ 207,286.14	\$ 212,468.29	\$ 217,780.00	\$ 223,224.50

Overall Annual Operating Cost							
	Year One	Year Two	Year Three	Year Four	Year Five	Five Year Total	
Projected Cost	\$ 202,986.98	\$ 207,286.14	\$ 212,468.29	\$ 217,780.00	\$ 223,224.50	\$ 1,063,745.89	
Current Contractor							
Cost	\$ 204,760.00	\$ 209,879.00	\$ 215,125.98	\$ 220,504.12	\$ 226,016.727	\$ 1,076,285.83	
Current Operational							
Costs	\$ 42,005.38	\$ 43,055.51	\$ 44,131.90	\$ 45,235.20	\$ 46,366.08	\$ 220,794.06	
Projected Savings	\$ 43,778.40	\$ 45,648.37	\$ 46,789.58	\$ 47,959.32	\$ 49,158.31	\$ 233,333.99	
Cumulative	\$ 43,778.40	\$ 89,426.77	\$ 136,216.36	\$ 184,175.68	\$ 233,333.99		

Assumptions

Cost of electric bus is current IC pricing including fees and taxes
Fuel costs calculated using SD63 information averaged over entire school bus fleet \$3888/bus/year
Maintenance rates based on 25% of conventional maintenance costs using SD63 information averaged over entire fleet \$5793/bus/year
Insurance is based on 2021 ICBC rates
Annual Inflation Rate of 2.5% assumed
Payroll benefits - 30.4%
Miscellaneous Costs - \$35/mth for GPS Monitoring, \$27/mth for 2 Way Radio costs
Driver's Salary based on CUPE 947 EA Salary Grde
Salaries based on Four hours driving time/day
Current operational costs include staff, insurance and software

Colquitz Middle School Proposed Changes

Appendix 1

