

To: Mayor and Council
From: Paul Gipps, CAO

Meeting Date: June 17, 2025
Meeting Type: Regular Council Meeting

Prepared by: Matthew Salmon, Infrastructure & Development Engineering Director
Department: Infrastructure & Development Engineering

Title: 2025-2026 BC Transit Annual Operating Agreement
Description: To authorize execution of the Annual Operating Agreement for BC Transit service

RECOMMENDATION

THAT the 2025-2026 Annual Operating Agreement between the District of Lake Country and BC Transit, for transit service, for the period April 1, 2025 to March 31, 2026 be authorized.

EXECUTIVE SUMMARY

BC Transit has provided the Annual Operating Agreement (AOA), for the term of April 1, 2025 to March 31, 2026, to staff, in late May 2025. The District is required to execute and return the Agreement to BC Transit by June 30, 2025.

Provisions in the AOA establish the term, as well as costs, fares, and service levels of the BC Transit service within Lake Country, namely routes 23 and 32. The route 90 service between Vernon and UBCO, with stops in Lake Country, is operated through a separate agreement between BC Transit and the Regional District of North Okanagan. The HandyDART services, available to Lake Country customers, is operated through a separate agreement between BC Transit and the City of Kelowna.

The Annual Operating Agreement 2025-2026 outlines a net cost to the District of \$967,890 for the District's 5.22% share of regional costs for the Kelowna Conventional Transit Service – route 23. The net cost to the District for Community Transit Service – route 32, is \$154,549.

The total net cost of \$1,122,439 is within the approved budget and authorizing the 2025-2026 Annual Operating Agreement ensures continuity of the current transit services.

DISCUSSION/ANALYSIS

Terms in the 2025-2026 Annual Operating Agreement are materially consistent with the prior year operating agreement. Monitoring of the transit operations and the services provided through the AOA is managed within existing staff resources.

District Staff have requested cost estimates from BC Transit for the following service improvements to align with the [Integrated Transit Study - Implementation Plan](#) Council adopted on April 1st, 2025, these are summarized as follows:

1. Increase midday service to the route 32.
2. Extension of route 97 into Lake Country. Details are contained within the, [Integrated Transit Strategy - Phase 3 Final Report](#) and in the BC Transit [Local Area Transit Plan](#) for Lake Country. Implementation of this option requires shortening route 23 to operate as far south as Berry Transit Exchange to eliminate service duplication.

It is anticipated that the cost estimates for these proposed service improvements will be provided to Council late this year in time for consideration with the 2026 Annual Budget.

FINANCIAL IMPLICATIONS

☐ None ☐ Budget Previously Approved ☒ Other (see below)

The District's Transit Reserve, created in 2021, provides a mechanism to accommodate unexpected fluctuations in the costs for transit services. Stability of the services and costs, post-pandemic, have complemented the objective of the reserve, and costs for the 2025-2026 AOA are included in the 2025 Financial Plan.

COMMUNICATION

Communications regarding transit services are typically issued by BC Transit. Additionally, the District's communications team supports efforts to ensure transit users, and the travelling public, are aware of services available or any disruption to service.

ALTERNATE RECOMMENDATION(S)

1. THAT the 2024-2025 Annual Operating Agreement between the District of Lake Country and BC Transit, for transit service, for the period April 1, 2025 to March 31, 2026, not be authorized;
AND THAT Council provide specific direction to staff regarding desired amendments to the 2025-2026 Annual Operating Agreement.

Respectfully Submitted.

Matthew Salmon, Infrastructure & Development Engineering Director

Attachment 1 – FY2026 AOA Cover Letter – Lake Country

Attachment 2 – FY2026 AOA Lake Country

Report Approval Details

Document Title:	BC Transit Annual Operating Agreement.docx
Attachments:	- FY2026 AOA Cover Letter - Lake Country.pdf - FY2026 AOA Lake Country.pdf
Final Approval Date:	Jun 9, 2025

This report and all of its attachments were approved and signed as outlined below:

Trevor James, CFO, Director of Finance & Administration - Jun 5, 2025 - 3:41 PM

Reyna Seabrook, Director of Corporate Services - Jun 5, 2025 - 4:32 PM

Paul Gipps, Chief Administrative Officer - Jun 9, 2025 - 8:05 AM

Makayla Ablitt, Legislative & FOI Coordinator - Jun 9, 2025 - 10:49 AM